

**THE EFFECT OF PERCEIVED PRICE FAIRNESS ON CUSTOMER
SATISFACTION: THE CASE OF ADAMA STEEL AND NAIL FACTORY,
EAST SHOA OF OROMIA REGION, ETHIOPIA**

MBA THESIS

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The Effect of Perceived Price Fairness on Customer Satisfaction
The case of Adama Steel and Nail Factory, Adama, Ethiopia

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I hereby certify that I have read and evaluated this thesis entitled Effect of perceived price fairness on customer satisfaction and Loyalty in the Case of Adama Steel and nail factory, East Shoa, Adama, Ethiopia prepared under our guidance by Mohammed Seid ID. No: Sgs0952/11. We recommend that it can be submitted for defense as fulfilling the theses requirement.

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DEDICATION

I would like to dedicate this thesis to my lovely Mother Binti Dube Jilo (rest in jennatulfirdous), My Father Seid Utale Tuke for his unconditional love and support me to meet my dream, and for Jal Bilu Bas Chalanko (Kedir Kurkura), Jal Dine Dida (Mohammed Sura), Jal Abdo Roba Guracha and for Hachalu Hundessa I dedicate it.

STATEMENT OF THE AUTHOR

By my signature below, I declare and confirm that this Thesis is my work. I have followed all ethical and technical principles of scholarship in the preparation, data collection, data analysis, and compilation of this Thesis. Any scholarly matter that is included in the Thesis has been given recognition through citation.

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ACRONOMYS AND ABBRIVATIONS

ASNf	Adama Steel and Nail Factory
CP	Customer perception
CS	Customer Satisfaction
CSA	Center of Statistical Agency
ESHZ	East Shoa Zone
FW	Fentale Woreda
ONRS	Oromia National Regional State
PF	Price fairness
PPF	Perceived price fairness
PS	Pricing strategy
PWYW	Pay What You Want
UAAI	Upper Awash Agro-Industry

BIOGRAPHICAL SKETCH

My full name is Mohammed Seid Utale Tuke. I was born in 1992 to my father Seid Utale Tuke and my mother Binti Dube Jilo Dadu in Hujufe, Dira Saden Kebale Pastoralist Society of Fentale Woreda, East Shoa, Oromia, Ethiopia. I attended formal education at Abadir Elementary School (1-8), Abadir from 1999 up to 2007. While I was in Elementary School I contributed my knowledge to my society by teaching youth, children, and women as a volunteer at Goal, Ethiopia. I learned Dandi Gudina General High School (9-10), Metahara in 2008-2009, Hawas Preparatory School (11-12), Adama in 2011-2012 and I joined Rift Valley University Adama Main campus, Adama in 2014-2016 and I hold BA in Accounting. After graduation, I am employed as an instructor of Accounting and Business Management at Rift Valley University Kality Campus, Finfine, and now I am an employee of Metahara trade office, Metahara, as commercial registration and licensing. For the sake of Allah (SW) and the National Oromian Youth Movement, I contributed a chance to Education from BA up to Ph.D. for the Youth of Fentale Pastoralist Society by cooperating with Upper Awash Agro-Industry Enterprise the organization around our areas. Now I am an MBA candidate at Haramaya University.

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My heartfelt appreciation goes to National Oromian Youth Movement and my sister's teacher Halo Seido Utale, especially I want to say thank you to all my relatives and my friend Amarech Balcha Oba who have helped me while I was writing this thesis with the support of a computer gift. Last, but not least, I was to thank those who helped me by providing data used in my study.

TABLE OF CONTENTS

CONTENTS	PAGES
DEDICATION	iv
STATEMENT OF THE AUTHOR	v
ACRONOMYS AND ABBRIVATIONS	vi
BIOGRAPHICAL SKETCH	vii
ACKNOWLEDGEMENTS	viii
TABLE OF CONTENTS	ix
LIST OF TABLES	xii
LIST OF FIGURES	xiii
<i>ABSTRACT</i>	xiv
1. INTRODUCTION	1
1. 1 Background of the study	1
1.2. Statement of the Problem	3
1.3., Basic Research Questions	4
1.4., Objective of the Study	4
1.4.1., General Objective of the Study	4
1.4.2., Specific Objectives of the Study	5
1.5., Scope of the Study	5
1.6., Significance of the Study	5
1.7., Operational Definitions	6

Continued...

2. REVIEW OF RELATED LITERATURE	7
2.1. Theoretical Literature	7
2.1.1. Over View and Price Concept	7
2.2. Pricing Strategy	7
2.3. Customer Perception	8
2.4. Perceived Price Fairness	8
2.5. Customer Satisfaction	10
2.6. Perceived Service Quality	10
2.7. Product Quality	11
2.8. Empirical Literature Review	11
2.9. Conceptual Frame Work (Model of the study)	13
3. METHODOLOGY OF THE STUDY	14
3.1. Description of the Study Area	14
3.2. Validity and Reliability of the Instrument	16
3.3. Definition of Variables	16
3.4. Research Design	17
3.5.1. Sample Size	17
3.5.2. Sampling Techniques	18
3.6., Types of data and data collection methods (procedures)	18
3.7., Methods of data analysis	19
3.8., Ethical consideration	19

Continued...

4. RESULTS AND DISCUSSION	21
4.1. Demographic Profile of Respondents	22
4.2 Validity and Reliability	24
4.3 Correlation Analysis	25
4.4 Regression Analysis	26
5. CONCLUSIONS AND RECOMMENDATIONS	31
5.1 Introduction	31
5.2 Summary of Major Findings	31
5.3 Recommendations	32
5.4 Limitation and Direction for Research	33

Continued...

LIST OF TABLES

Table 4.1 Demographic profile of respondents	23
Table 4. 2 Reliability Statistics	24
Table 4. 3 Correlation Analysis	25
Table 4.4 Customer satisfaction at perceived price fairness Model Summary	26
Table 4. 5 Customer satisfaction at perceived price fairness ANOVA ^a	27
Table 4. 6 Customer satisfaction at perceived price fairness Coefficients ^a	27
Table 4. 7 Customer satisfaction at perceived price fairness, product quality and service quality model summary	28
Table 4.8 Customer satisfaction at perceived price fairness, product quality and service quality ANOVA ^a	29
Table 4. 9 Customer satisfaction at perceived price fairness, product quality and service quality Coefficients ^a	29

LIST OF FIGURES

Figure 2. 1 The model of the study was developed by the researcher in 2022	13
Figure 3.1 Map of the study area	16

The Effect of Perceived Price Fairness on Customer Satisfaction: The Case of Adama Steel and Nail Factory, East Shoa Zone of Oromia Region, Ethiopia

ABSTRACT

The purpose of the study is to examine the effect of perceived price fairness on customer satisfaction in the case of Adama Steel and Nail Factory. Data for the current study were collected from 400 customers; the unit of analysis of the current study was customers of the case company in Adama City. Descriptive statistics, correlation, and multiple linear regressions were used to analyze data. The study showed that there is a significant Pearson correlation between the variables included in the study. Furthermore, the multiple linear regression results revealed that perceived price fairness, product quality, and service quality significantly affect customer satisfaction at a 5% level of significance. Based on these findings the company should have to increase perceived price fairness to increase customer satisfaction.

Keywords: *Perceived price fairness, Customer satisfaction, product quality, and quality of service delivered by the company.*

1. INTRODUCTION

1. 1 Background of the study

Price was the simplest element in the marketing mix to adjust; other elements (product, distribution channels, and promotional efforts) are time-consuming (Reda and Marwa, 2019; Kotler, 2013). Price was an important determinant of consumer choice (Marwa, 2019). Chang *et al.* (2017) state that price is one of the most flexible marketing mix elements that can be quickly changed, after changing specific product and service characteristics. Kadir *et al.* (2016) product and service creation, sale, and promotion are the successful beginning of the business, and optimal price determination assures income.

Generally, pricing can be defined as the way that the firm adopts to set the price of a product (Reda, 2019). Professional pricing is extremely close up to the highest that buyers are ready to pay, that is, a pricing that would not only maximize profit returns, but it would also retain the loyalty of customers to that product. Hence, this calls for experimental research to understand the relationship between price satisfaction and loyalty (Kotler and Armstrong, 2013).

Setting prices and building up a predictable technique is substantially more entangled for a retailer than for a producer due to the immense number of stock-keeping units included. Tang *et al.* (2019), and Bir (2016) express that price is a standout amongst the most adaptable promoting blend components that can be immediately changed, in the wake of changing particular item and administration qualities.

Price Setting (PS) is the most vital variable related to the required industry consequence in a competitive business environment. It is the most fundamental factor that is required to item maintainability in a focused commercial center (Schrift *et al.*, 2018).

Price fairness (PF) is consumers' judgments and emotions about whether the discrepancy between a seller's price and comparative others' is fair, acceptable, or justifiable (Setiawan *et al.*, 2020, Cox *et al.*, 2004). Martin-Ruiz and Rondan-Cataluna (2008) argued that there are three basic references of prices for consumers in assessing price fairness. These are; 1) the price in the past, 2) the price applied to competitors, and 3) the price charged by the company.

Perceive price fairness (PPF) can be defined as consumers' assessment of whether a seller's price can reasonably be justified (Githiri, 2018). PPF is considered an important factor for CS and revisit intention (Sumaedi *et al.*, 2011) because customers evaluate the value of service based on the price they pay.

Satisfaction is a result of the perception of the customer about the value received (Ashraf and Niazi, 2018). CS can be defined as a customer's perception of the performance of a product or service, about his or her expectations (Githiri, M. 2018).

Customer satisfaction (CS) is an emotional response. If the delivered services meet or exceed the expectations of the customer, it would lead to customer satisfaction. On the other hand, if the expectations are higher than the perceived services, the customer is likely to be dissatisfied (Akhtar *et al.*, 2020, Li *et al.*, 2013). CS has been defined as a cognitive or affective reaction arising as a response to a set of singular, prolonged service meetings (Ikhsan *et al.*, 2020).

The purpose of this study was to investigate the effect of perceived price fairness on customer satisfaction in the case of Adama Steel and Nail Factory by looking the effect of perceived price fairness on customer satisfaction, the effect of product quality on customer satisfaction and the effect of service quality on customer satisfaction by using simple and multiple linear regression models.

1.2. Statement of the Problem

A firm or business entity should improve price charging to satisfy the targeted customers to have them as repeat customers. Sulong *et al.* (2019) state that price is the indirect bearing factor toward satisfaction level and loyalty. Hsu and Pham (2015) argue that price is the dominant attribute. This suggestion is supported by Al-Salamin and Al-Hassan (2016) that price is the main factor to makes money and nominating the success and failure of the product or services. For a customer, there were expected price matters, as customers develop a sense of the products' worth against the expected price and make perceptions about the procedural and the overall price fairness of the product/service (Malik *et al.*, 2020). A product's price higher than the customer's expectations lead to negative feelings about the product Bei and Chiao (2006) and consequently a decision to not buy the product. Study shows that customers judge the way the products' prices was set (Garbarino and Maxwell, 2010, Heyman and Mellers, 2008). Businesses, which provide a higher level of services relative to their competitors, get highly satisfied as well as loyal customers (Akhtar *et al.* 2020, Shafiq *et al.*, 2013). In a competitive industry, maintaining customers' repeat purchase intention is an important factor for customers to succeed.

Previous marketing studies focused on customer satisfaction factors (Hasan *et al.*, 2019). Few studies tested the effect of perceived price fairness as a single variable on a customer's behavioral outcome. Therefore, there should be comprehensive research on the impact of perceived price fairness as a single construct on customer satisfaction and loyalty (Abdel-Aleem, 2017).

Perceived price fairness (PPF) had great importance because it influences CS and long-term profitability (Reda and Marwa, 2019). Perceived price fairness (PPF) has a positive influence on the customer's intent to purchase (Daskalopoulou, 2008) a positive influence on CS, and a positive influence on the buyer's attitude towards the seller (Maxwell, 2002).

Marwa and Reda (2019) assured that unfair price perception influences CS and intention to repurchase. If a customer perceives that the price is reasonable, he/she was a repurchase. And vice versa, not minding if he/she was satisfied with the product or service (Bei and Chiao, 2001). Support came from Githiri (2018) who asserted that perception of price unfairness lead to dissatisfaction and that purchase intention is influenced by satisfaction. However, a price would be counted as unfair if it fails to meet the public's expectations. Customers would expect the

price offered to meet social norms, equality, and needs. Moreover, the study of Ashraf and Niazi (2018) found that there is a positive influence of perceived value on satisfaction. Rapid technological improvements and study competition are forcing the firms to camber their thoughts towards increased market share, for which, customer satisfaction is recognized as a central concept (Hanaysha, 2016). Customer level of satisfaction regarding products and services is influenced by their perceptions of fairness of the product price. Research shows that PF positively influences the satisfaction level of customers (Aksel *et al.*, 2013). A customer's level of satisfaction is reflected in their comparison of the product's perceived performance and expectations. A high satisfaction level came with the pleasure the product brings in-dissatisfaction would come from disappointment in the product (Akhtar *et al.*, 2020).

To satisfy the customers of Adama Steel and Nail Factory increase perceived price fairness, product quality and service quality was possessed as a researchable agenda. This study aimed to address or to increase perceived price fairness, product quality and service quality to satisfy the customers of the case company.

1.3., Basic Research Questions

Addresses at least the following points:-

- i) What was the relationship between perceived price fairness with customer satisfaction?
- iii) Does quality of products would affect customer satisfaction?
- iii) How much service quality has an impact on customer satisfaction?

1.4., Objective of the Study

The objective of study contains general objectives and specific objectives.

1.4.1., General Objective of the Study

The overall objective of this study was to examine the effect of perceived price fairness on customer satisfaction at Adama Steel and Nail Factory in Adama, Oromia, Ethiopia.

1.4.2., Specific Objectives of the Study

The specific objectives of the studies are:

1. To understand the relationship between perceived price fairness with customer satisfaction of industry in the study area.
2. To examine the effect of products quality on customer satisfaction.
3. To examine the impact of service quality on customer satisfaction.

1.5., Scope of the Study

This study is undertaken in Oromia National Regional State Adama City Administration on Adama Steel and Nail Factory production provision and customer satisfaction. Besides, the scope of the study, the study was limited to selected Adama Steel and Nail product provision and distribution lines in Adama City Administration, East Shoa Zone.

1.6., Significance of the Study

Any kind of study would have something to add value to the accumulated body of knowledge of mankind but it was used to solve a particular problem at hand that needs a solution. The study finding would have important implications for the management of market-focused manufacturing organizations. First, they suggest that, in addition to understanding the external market, production managers must develop a better understanding of the wants and needs of customers. The result of the study was answered all research questions based on the objective of the study mentioned in the study and would have contributed to the company that the study was focused on and the benefit of this study was theoretically expected to be used as reference material for those who wanted to research the effect of perceived price fairness on customer satisfaction.

1.7., Operational Definitions

Price- the sum of all the values that a customer gives up to gain the benefits of using a product.

Pricing-the act (process) of establishing a value for a product.

Price fairness- is consumers' judgments and emotions about whether the discrepancy between a seller's price and comparative others' is fair, acceptable, or justifiable.

Perception- is how a person views, understands and interprets something based on experience and opinion.

Customer perception- beliefs, customs, norms, and value judgments that influence customer buying patterns.

Perceived price fairness- was based on the value customers get from the product.

Customer satisfaction- is an emotional response.

1.8., Organization of the Paper

The research contains five chapters. The first chapter is the introductory part which contains the background of the study, statement of the problem, objectives of the study, scope of the study, the significance of the study, operational definitions and organization of the paper. The second chapter reviews some literature on relationship marketing and its underpinnings and customer satisfaction. The third chapter is dealing with the methodology of the study, including a description of the study area, validity, and reliability of the instrument, definition of variables, research design, description of population and sampling methods, sampling techniques, types of data, and data collection methods (procedures), method of data analysis, ethical considerations of the study. The fourth chapter deals with result and discussion and the last chapter includes a pertinent summary of major findings, recommendations, and suggested direction for future research.

2. REVIEW OF RELATED LITERATURE

2.1. Theoretical Literature

2.1.1. Over View and Price Concept

Price is the simplest element in the marketing mix to adjust; other elements (product, distribution channels, and promotional efforts) are time-consuming (Kotler, 2013). Price was an important determinant of consumer choice (Reda and Marwa, 2019). Price is a definitive installment in the switch of an offered decent or benefit. This was clarified at the end of the day as the value or significance related to a decent or administration and hence we can state estimating methodologies is where diverse organizations set up prices for the administrations and items that they give while entering the market and when effectively infiltrating in one (Azad and Shankar Singh, 2019, Chen *et al.*, 2017). A firm or business entity should improve price charging to satisfy the targeted customers to have them as repeat customers (Shariff *et al.*, 2019). Sulong *et al.*, 2019), and Omar *et al.* (2019) state that price is the indirect bearing factor towards satisfaction level and loyalty. Hsu and Pham (2015) argue that price is the dominant attribute. This suggestion is supported by Al-Salamin and Al-Hassan (2016) price is the main factor to make money and is nominated for the success and failure of the product or services.

2.2. Pricing Strategy

Pricing is a very vital method in accounting as it had a great impact on the profitability and survival of the firm. Generally, pricing can be defined as the way that the firm adopts to set the price of a product (Marwa and Reda, 2019). Professional pricing is extremely close up to the highest that buyers are ready to pay, that is, pricing that would not only maximize profit returns but also retain the loyalty of customers to that product. Hence, this calls for experimental research to understand the relationship between price satisfaction and loyalty (Kotler, 2013).

Setting prices and building up a predictable technique is substantially more entangled for a retailer than for a producer due to the immense number of stock-keeping units including. Azad *et al.* (2019), and Bir (2016) express that price is a standout amongst the most adaptable promoting blend components that can be immediately changed, in the wake of changing particular items and administration qualities. In addition, choices for price are best when blended with other

advertising blend components-item or administration, place, and advancement. As indicated by, item and administration creation, its deal and advancement are the effective starts of business, and ideal value assurance guarantees salary (Vogel and Paul, 2015). Setting prices and developing a consistent strategy is much more complicated for a retailer than for a manufacturer because of the vast number of stock-keeping units involved (Koay and Ong, 2016). Chang *et al.* (2017) state that price is one of the most flexible marketing mix elements that can be quickly changed, after changing specific product and service characteristics. Besides, decisions for price are most effective when harmonized with other marketing mix elements-product or service, place, and promotion. Kadir *et al.* (2016) product and service creation, sale, and promotion are the successful beginning of a business, and optimal price determination assures income.

Price Setting (PS) is the most vital variable related to the required industry consequence in a competitive business environment. It is the most fundamental factor that is required to item maintainability in a focused commercial center (Schrift *et al.*, 2018).

2.3. Customer Perception

For a customer, there were expected price matters, as customers develop a sense of the products' worth against the expected price and make perceptions about the procedural and the overall price fairness(PF) of the product/service (Ahmad *et al.*, 2020). A product's price is higher than the customer's expectations lead to negative feelings about the product Bei and Chiao (2006), and consequently, a decision not to buy the product. Consequently, the decision of buying or not buying a product or service was expected to be rather quick. Study shows that customers judge the way the products' prices was set (Garbarino and Maxwell (2010), Heyman and Mellers, 2008).

2.4. Perceived Price Fairness

Few studies tested the effect of perceived price fairness as a single variable on a customer's behavioral outcome. Therefore, there should be comprehensive research on the impact of perceived price fairness as a single construct on customer satisfaction (Abdel-Aleem, 2017).

Perceived price fairness had great importance because it influences customer satisfaction (Cox *et al.*, 2004).

Price fairness (PF) is consumers' judgments and emotions about whether the discrepancy between a seller's price and comparative others' is fair, acceptable, or justifiable (Setiawan *et al.*, 2020). The wide variety of prices offered by airlines may give rise to unfairness, where the customers would take a fair price as another way to refer to a low price (Darke and Dahl, 2003). Such a condition is preferred by the customers as it meets their expectations. It is considered fair and just on a personal basis (Wati *et al.*, 2020, Maxwell *et al.*, 2009).

Perceived price fairness (PPF) would be defined as consumers' assessment of whether a seller's price can reasonably be justified (Githiri, 2018, Monroe *et al.*, 2004). Martín-Ruiz and Rondán-Cataluña (2008) argued that there are three basic references of prices for consumers in assessing price fairness.

These are;

- 1) The price in the past,
- 2) The price applied to competitors and
- 3) The price charged by the company

Perceived price fairness (PPF) was considered an important factor for customer satisfaction (Bakti *et al.* 2011) because customers evaluate the value of service based on the price they pay. PPF has a positive influence on customer satisfaction (Maxwell, S. 2002). The measurement of price fairness (PF) in this research was modified by Sumirah *et al.* (2021), using two dimensions: comparable options and consumer knowledge. Marwa and Reda (2019) and Xia *et al.* (2004) assured that unfair price perception influences CS. If a customer perceives that the price is reasonable, he/she was a repurchase. And vice versa, not minding if he/she was satisfied with the product or service (Bei and Chiao, 2001). Support came from Githiri (2018) who asserted that perception of price unfairness leads to dissatisfaction and that purchase intention is influenced by satisfaction. However, a price would be counted as unfair if it fails to meet the public's expectations. Customers would expect the price offered to meet social norms, equality, and needs.

2.5. Customer Satisfaction

Satisfaction is a result of the perception of the customer about the value received Niazi *et al.* (2018). Moreover, the study by Ashraf *et al.* (2018) found that there is a positive influence of perceived value on satisfaction. Rapid technological improvements and sturdy competition are forcing the firms to camber their thoughts toward increased market share, for which, customer satisfaction is recognized as a central concept (Van de Donk *et al.*, 2016). Customer level of satisfaction regarding products and services is influenced by their perceptions of fairness of the product price. Research shows that price fairness (PF) positively influences the satisfaction level of customers (Hassan *et al.*, 2013). A customer's level of satisfaction is reflected in their comparison of the product's perceived performance and expectations. A high satisfaction level will come with the pleasure the product brings in – dissatisfaction will come from disappointment in the product (Malik *et al.* 2020, Kumar *et al.*, 2000). Customer satisfaction (CS) is an emotional response. If the delivered services meet or exceed the expectations of the customer, it would lead to CS. On the other hand, if the expectations are higher than the perceived services, the customer is likely to be dissatisfied (Raziq *et al.* 2020). Businesses, which provide a higher level of services relative to their competitors, get highly satisfied (Akhtar *et al.*, 2020, Cheema *et al.*, 2013). CS has been defined as a cognitive or affective reaction arising as a response to a set of singular, prolonged service meetings (Wardana *et al.*, 2020, Juwaheer *et al.* 2009). In a competitive industry, maintaining customers' repeat purchase intention is an important factor for caterers to succeed. Previous marketing studies focused on customer satisfaction factors (Omar *et al.*, 2019). CS can be defined as a customer's perception of the performance of a product or service, about his or her expectations (Githiri, 2018).

2.6. Perceived Service Quality

Defining and measuring quality of service is a notion of competitive spirit that has generated a great deal of interest in academicians and practitioners. Service quality has yet to be defined in a precise manner (Kumar, 2017). The service quality variable was selected based on (Kumar, 2017) and (Tanisah & Maftukhah 2015) research. Customer satisfaction is not affected by all service quality dimensions. For customer satisfaction, only empathy and reliability matter. Service quality builds credibility for the business in the eyes of the customers. It is a critical

factor that helps a business grab new opportunities from the environment it operates in (Fileiri *et al.*, 2015). The survival of any business is related to the quality of services it provides to its customers (Gorondutse & Hilman, 2014). It is clearly evident that most of the research in terms of perceived service quality and customer satisfaction has been done in the developed countries which show that higher service quality makes customers more satisfied (Naeem, *et al.*, 2011). Previous research shows that service quality contributed to customer satisfaction (Hu *et al.*, 2009). If the service is received in a poor quality, the consumer would be dissatisfied, and if the quality of the service received is good, the consumer would gain satisfaction (Tam, 2004). This finding supports the conclusion of Chang *et al.* (2009) that service quality had a positive effect on satisfaction. Based on the previous findings, a positive relation, in this research, was expected to be present between service quality and customer satisfaction (Ahmad *et al.*, 2020). Thus, the following hypothesis is proposed: H3: Service quality has a positive effect on customer satisfaction.

2.7. Product Quality

Product quality refers to a product or service's ability to meet or exceed customer expectations in terms of features and properties (Kotler & Armstrong, 2016). The product quality variable was selected based on the research of (Cater & Cater, 2009) and (Hoe & Mansori, 2018). Research by Cater and Cater (2009) found that price has a negative effect on satisfaction, while delivery performance, supplier understanding, and personal contact have a positive effect. While research by Hoe and Mansori (2018) showed that the product quality dimensions, to a certain extent, performance, functionality, and dependability have an impact on customer satisfaction, but the link is weak.

2.8. Empirical Literature Review

Global Studies on the Effect of perceived price fairness on customer satisfaction and Loyalty Qamar and Awan (2018) surveyed "empirical analysis on the impact of the perceived product price, quality and services on customer satisfaction and loyalty", the results of the study can construct the idea that customers are important in every sort of business. You can never ignore their importance for any reason. A manager should also have slight negotiation on the prices it

would let the customer not change his buying place as he/she would be more convenient with your prices meeting their expectations. Such performances by the managers can sort the number of major problems related to their profit-returning assets.

Konuk (2018), surveyed “Price fairness, satisfaction, and trust as antecedents of purchase intentions towards organic food”, the results of this study provide some managerial implications. Homburg *et al.* (2005) found that Price increases should be justifiable as consumers perceive this increase as fair when the price increase is due to increasing costs than profits.

Betray *et al.* (2017), conducted the study “Perceived price fairness in pay-what-you-want: A multi-country study”, In conclusion, results show that the influence of the degree of social interaction on the buyer’s PPF is stable across countries with Western culture.

Studies on the effect of perceived price fairness on customer satisfaction and loyalty in Africa and their results. Githiri (2018) “An examination of the relationship between perceived price fairness on customer satisfaction and loyalty”, the study suggests that restaurant managers should improve and maintain both perceived value and perceived price. They should analyze how customers form their price perception. The managers must know the internal reference price of their customers, which can be measured through the mean price that the customers expect to pay for the service offered by their restaurants. If these prices correspond to the sale price, this objective is perceived correctly. The customers then perceived that the prices are fair. The study also suggests that managers should ensure Investment in waiters' training on customer handling would also be important.

Studies on the effect of perceived price fairness on customer satisfaction and loyalty in Ethiopia and their finding. MichaelNegash (2017), conducted a study on “The impact of perceived price fairness on customer satisfaction and loyalty”, the study result states that PF is positively associated with CS. It means that PF is one of the building blocks of the Cs. The impact of PPF is key to CS.

2.9. Conceptual Frame Work (Model of the study)

The model of the study proposed that PPF positively influences CS. As illustrated in the figure below, the conceptual model was developed to test three sets of hypotheses. H1: To examine the effect of PPF on CS, H2: To examine the effect of product quality on CS, H3: To determine the impact of service quality of products on CS.

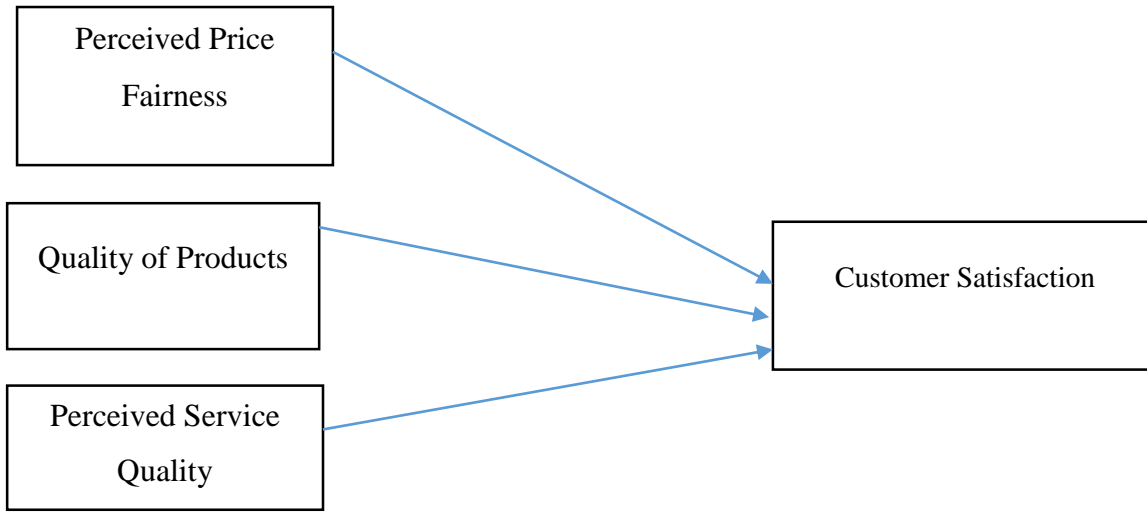


Figure 2. 1 The model of the study was developed by the researcher in 2022

3. METHODOLOGY OF THE STUDY

A cross-sectional survey, a multiple-regression, and a quantitative study were employed to answer all research questions based on the objective of the study. This type of study was preferred as it gathers a large scale of data at one point in time and explains phenomena representing wide populations then simply reports what was found in a variety of ways (Robinson *et al.*, 2011). The study was conducted on Adama Steel and Nail Factory in Adama City Administration the Capital City of East Shoa Zone.

3.1. Description of the Study Area

Dream big taking our company further!

Progress for me has never been a dream. It has always been a distant reality and once one milestone is achieved, there is always another one waiting to be crossed. It is with this belief that I started Adama Steel Factory in 2010 GC, a company that was in the business of Roofing Sheets and Nail products. Almost instantly, Adama Steel Factory become a prominent name in its business segment, but as every entrepreneur sticks to their dream, I always wanted to push my company to more prosperous milestones. More than being a local company player in Ethiopia, I always perceived my company as a unit that could make a difference with its quality and competitively priced products. Taking a path less traveled, I expanded the Adama Steel Factory into Rebar and Wire Rod and other Construction Steel Production, a highly profound business that requires a high amount of technical know-how, expertise, and specialized knowledge (KeyoMohammed, 2022).

Overcoming challenge after challenge with the support of my wonderful team, I have been successful in bringing Adama Steel Factory to a new milestone of National Recognition. The journey of Adama Steel Factory is never-ending. But with the support of my team and clients, I am confident that the company will continue to large scale milestones of excellence for years to come (AbdulhakimMohammed, 2022).

Adama Steel Factory is a name you can trust! We are well known and recognized in the construction industry for our Quality Roofing products for more than a decade. We are committed to customer satisfaction. Our support team provides consistency at the service level while enabling team members to play to their strengths.

Quality is our identification we will be the leading provider of quality and innovative building solutions for the Ethiopian Market while ensuring corporate integrity, employee safety, and customer satisfaction.

We were supplying Ega Sheets, Tiles Profiles, and Corrugated Sheets for the government, a private company, individual house builders, and wholesale traders through the importation of galvanized and pre-painted Iron Sheets on the Coil. Later on, by considering its complementariness of Nails for the Construction Industry, the Factory expands to produce normal Nails, so today Adama Steel and Nail Factory has expanded by the inclusion of a Higher Capacity Galvanization Industry established with a capacity of birr 570 million, has been producing different types of Steel Sheet products, various diameter Wire, different size Nail, and twisted Nail. The Continuous Galvanization Line with a capacity of 40,000 tons is under operation and sales and is producing the under-listed products. The Color Coating Line with a capacity of 60,000 TPA will be used to produce pre-painted Sheet rolls on pre-galvanized Sheets of different color RAL numbers and patterns as per customer demand in Coil form. Galvanized Corrugated Sheets workshop to manufacture standard Corrugated Sheets in different sizes as per market needs. Trapezoidal Profiles Roofing Sheets facilities in most modern high-speed automatic machines with various designs, forms, and colors (KeyoMohammed, 2022)

Adama is located in the Rift Valley, on flat land with mountains and ridged topography surrounding it. The city's most recent approved land-use plan was completed in 2004. This plan's Administrative boundary is chosen to limit the scope of the spatial analysis. The city is divided into two main watersheds: Awash and Mermersa, each covering 7, 329.7 ha and 6, 036.8 ha, respectively. Adama City is located 100 km southeast of Addis Ababa, about 8025'00" and 8036'00" North Latitude and 39011' 57" to 39021'15" East Longitude at an average altitude of 1620m above the mean sea level. Adama is situated in the Eastern Shewa region, part of the central plateau (Jagadeeswara *et al.*, 2021).

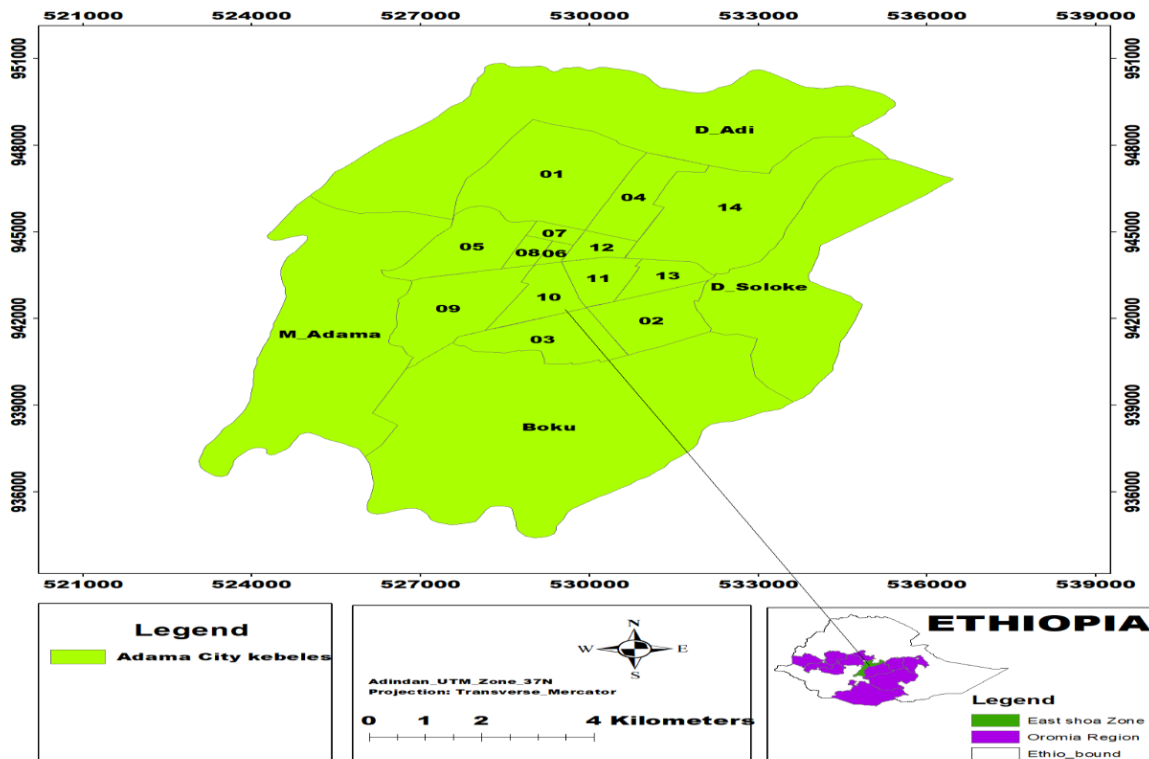


Figure 3.1 Map of the study area

3.2. Validity and Reliability of the Instrument

The researcher adopted validity and reliability tests as measurement instruments from past studies. All variables in the questionnaire were measured with a 5-point Likert-type scale ranging from strongly disagrees to strongly agree. Scale items were adapted from (Marwa and Reda, 2019). The reliability of the data was analyzed through reliability statistics under SPSS (Statistical Package for the Social Sciences) (Qamar and Awan, 2018). There are several ways to calculate indices of internal consistency, including split-half reliability and Cranach's α pronounced as alpha (Ascarza *et al.*, 2018).

3.3. Definition of Variables

Dependent variables represent the outcome that market researchers study, while independent variables were used to explain the dependent variables (Ascarza *et al.*, 2018). The variables for the effect of perceived price fairness on customer satisfaction in the case of Adama Steel and

Nail Factory are perceived price fairness, customer satisfaction, product quality and service quality rendered by the company. Perceived price fairness, product quality and service quality that rendered by the company to their customers are independent variables and customer satisfaction is dependent variables.

3.4. Research Design

The current study adopted a quantitative study approach and the survey method. Mbango (2019) the researchers employed a cross-sectional survey, a multiple-regression, and a quantitative study by distributing questionnaires in Adama City to find out the effect of perceived price fairness on customer satisfaction in chosen businesses in Adama, Oromia, Ethiopia. The quantitative method is defined as a wide tool that was implemented in a variety of study methods (Azad and Shankar Singh, 2019).

3.5. Description of Population and Sampling Methods

Years of Purchase	Customers of Adama main sales
Year 2020	182 (due to Covid-19)
Year 2021	402
Year 2022	418
Total	1,002

Source: (Adama Steel Factory, 2022)

The target population of the study was 1,002 customers. Among the targeted population of the study 400 sample size that is selected randomly from customers present while data collectors distribute questionnaires to the Adama Steel and Nail product sales branch of Adama in the Factory that are frequent purchasers and causal purchasers specifically purchase from Adama Steel and Nail Factory in the year of 2020, 2021, 2022 G.C.

3.5.1. Sample Size

The sample size of the customers was calculated according to TarroYamane (1968). The formula was used in social sciences studies in determining the sample size.

$$n = \frac{N}{1 + N * (e)^2}$$

Where: n = Sample size.

N = Target population.

e = Level of precision sampling error (0.05).

$$n = \frac{1,002}{1 + 1,002(0.05)^2}$$

$$n = 400$$

3.5.2. Sampling Techniques

Random sampling was used to answer research questions when the researcher used multiple regression analysis, when using this survey one criterion that needs to be met in defining the qualified respondents is the customers of the Factory (Reda and Marwa, 2019).

3.6., Types of data and data collection methods (procedures)

Depending on the objectives and research questions of the study primary source of data was used. Primary data was collected from customers through a structured questionnaire, with a five-point Likert-type scale. Respondents were provided with self-administered questionnaires to complete and were used to collect the primary data. i.e. perceived price fairness, product quality and service quality rendered by the company to their customers are independent variables and a dependent variable is customer satisfaction. Initial contact with respondents was through face-to-face interviews to introduce the study and the nature of the study. During this interview, the respondents were asked to fill in the questionnaires and the researcher picked them after a few minutes. Each questionnaire was numbered. These numbers were used to represent the names of

the respondents. This is particularly important to instill confidence in the respondents as their identity remained undisclosed (Own Survey, 2022).

3.7., Methods of data analysis

The three main sub-sections were discussed in the procedures of data analyses. The first section begins by describing the respondents' profiles. The effect of perceived price fairness in the Adama Steel and Nail Factory was described in the second section. The customer's satisfaction level and customer's loyalty to the perceived price were discussed in the third section (Ideris *et al.*, 2019). The study analysis was carried out by descriptive analysis. (Ashraf and Niazi, 2018) Descriptive analysis was used to analyze (the gender, age, income, marital status, etc. of the respondents). Prior to the structural model analysis, the threat of collinearity was examined to ascertain its potential to bias the regression results. The assessment of collinearity was carried out using the variance inflation factor (VIF). According to Mbango, P. *et al.* (2019) VIF values that are lower than 3 are indicative of the absence of collinearity at critical levels. ANOVA test analysis (Githiri, 2018). A 5-Likert scale was used for the measurement of the study variables and the most commonly used scaling method (Marwa and Reda, 2019). The questionnaires which were completed successfully were analyzed by SPSS version 20 (Ahmad *et al.*, 2020).

3.8., Ethical consideration

Ethical issues would be considered during the investigation was being made. Participants are aware of the purpose of the study and if there are any potential adverse impacts of their participation and also would have access to findings. The study process is not in any way harm participants. The researcher assessed only the components that are relevant to the study that was going to be conducted (GizateGijaOmo, 2017). The study work from its start to its completion, engages a crowd of stakeholders, particularly study participants. Therefore, respecting and treating participants are ethical, and by which researchers need to be tolerated them. The researcher, under this, took steps to make sure that no respondents who are participate in this study worked. Their names are not be mentioned in a way and were made sure that acquiescence

was given and the aims and objectives of the study. Who conducted the study and for what purpose was disclosed for the respondents on the questionnaire? Moreover, the voluntary participation of respondents was done, and to follow the confidentiality ethics of the study, all references were published documents rightly acknowledged avoiding any breach of intellectual property rights (MichaelNegash, 2017).

4. RESULTS AND DISCUSSION

The Finding of the current study was presented as the following:

The descriptive analysis described the demographic profile of respondents, and the summary of responses in each item on the effect of perceived price fairness on customer satisfaction and loyalty in the Adama Steel and Nail Factory has existed. Four hundred (400) questionnaires were distributed to the target inter-population Out of 400 questionnaires distributed to the respondents 400 completed responses were returned. Thus, all completed and returned responses were employed in the analysis, which represents a 100% response rate ($400/400 = 1$). Accordingly, data were collected from 400 questionnaires returned from the targeted population of the study. Cranach's Alpha is the coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees (MichaelNegash, 2017).

Global Studies on the Effect of perceived price fairness on customer satisfaction and Loyalty Qamar A. & Awan A. G. (2018) surveyed "empirical analysis on the impact of the perceived product price, quality and services on customer satisfaction and loyalty", the results of the study can construct the idea that customers are important in every sort of business. You can never ignore their importance for any reason. The manager should also have slight negotiation on the prices it would let the customer not change his buying place as he/she would be more convenient with your prices meeting their expectations. Such performances by the managers can sort the number of major problems related to their profit-returning assets.

In yet another study, Ashraf M. A. & Niazi A. *et al.* (2018) conducted a study on the "impact of brand image, service quality and trust on customer loyalty, moderating effect of perceived price fairness and the mediating effect of customer satisfaction", From this study, it is revealed that the correlation between CL and three independent factors that are quality service, brand image, and trust is very strong and mediator customer satisfaction in this relationship had an effect on CL. Konuk F. A. (2018), surveyed "Price fairness, satisfaction, and trust as antecedents of purchase intentions towards organic food", the results of this study provide some managerial implications. Homburg C. *et al.* (2005) found that the perceived motive for a price increase is positively related to repurchase intentions; therefore, price increases should also be acceptable and fair and these increases should be proportional to rival producers' price levels. Price increases should be

justifiable as consumers perceive this increase as fair when the price increase is due to increasing costs than profits.

Bettray J. *et al.* (2017), conducted the study “Perceived price fairness in pay-what-you-want: A multi-country study”, In conclusion, results show that the influence of the degree of social interaction on the buyer’s PPF is stable across countries with Western culture.

Studies on the effect of perceived price fairness on customer satisfaction and loyalty in Africa and their results. Githiri M. (2018) “An examination of the relationship between perceived price fairness on customer satisfaction and loyalty”, the study suggests that restaurant managers should improve and maintain both perceived value and perceived price. They should analyze how customers form their price perception. The managers must know the internal reference price of their customers, which can be measured through the mean price that the customers expect to pay for the service offered by their restaurants. If these prices correspond to the sale price, this objective is perceived correctly. The customers then perceived that the prices are fair. The study also suggests that managers should ensure Investment in waiters' training on customer handling would also be important.

Studies on the effect of perceived price fairness on customer satisfaction and loyalty in Ethiopia and their finding. MichaelNegash (2017), conducted a study on “The impact of perceived price fairness on customer satisfaction and loyalty”, the study result states that PF is positively associated with CS. PPF is positively associated with CS. It means that PF is one of the building blocks of the Cs. The impact of PPF is key to CS. To facilitate ease in conducting the empirical analysis, the results of the descriptive analysis were presented first, followed by the inferential analysis. The inferential analysis was attempted to present the correlation outputs, the simple and multiple linear regression outputs, and the ANOVA test outputs.

4.1. Demographic Profile of Respondents

In this section, the demographic profile of respondents of this research and their responses on the effect of perceived price fairness on customer satisfaction at Adama Steel and Nail Factory was summarized and presented. The summarized responses of these respondents were also described with the basic research questions and the objective of the research. Accordingly, the following variables about the respondents were summarized and described in the subsequent table. These

variables include, gender, age, educational qualification, income level, and marital status of the customers or respondents of Adama Steel and Nail Factory were explored.

Table 4.1 Demographic profile of respondents

Demographic Variables		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	289	72.0	72.0	72.0
	Female	111	28.0	28.0	100.0
	Total	400	100.0	100.00	
Age	Below 30	112	28.0	28.0	28.0
	31-40	192	48.0	48.0	76.0
	41-50	80	20.0	20.0	96.0
	Above 51	16	4.0	4.0	100.0
	Total	400	100.0	100.0	
Income Level per year	Below 100,000 ETB	36	9.0	9.0	9.0
	100,001-300,000 ETB	116	29.0	29.0	38.0
	300,001-500,000 ETB	160	40.0	40.0	78.0
	Above 500,000 ETB	88	22.0	22.0	100.0
	Total	400	100.0	100.0	
Marital Status	Unmarried	136	34.0	34.0	34.0
	Married	264	66.0	66.0	100.0
	Total	400	100.0	100.0	
Educational Level	Primary	56	14.0	14.0	14.0
	Secondary	112	28.0	28.0	42.0
	Dip/TVET	116	29.0	29.0	71.0
	BA/BSc	88	22.0	22.0	93.0
	MA/MSc & above	28	7.0	7.0	100.0
	Total	400	100.0	100.0	

Source: Own Survey, 2022/23

Discussions on demographic profiles of respondents or customers in table 4.1 are shows that male respondents are mostly participated in generating their ideas on the questionnaires distributed to them, mostly participants of customers belonging to 31-40 age groups, most of the respondent's income level was categorized between 300,001-500,000 ETB per year, 66% of respondents are married and most of the respondents or customers of Adama Steel and Nail Factory Adama production and sales branches educational qualification's shows that Diploma or TVET holders.

4.2 Validity and Reliability

Table 4. 2 Reliability Statistics

Cronbach's Alpha	N of Items
.732	4

Validity: To ensure the quality of the research design content and construct validity of the study were checked. This study checks the validity of the questionnaire by taking 10% of its total sample size. The questionnaires were also exposed to professional price strategy in Adama Steel and Nail Factory and academicians' construct.

Reliability: With an acceptance decision rule of 0.70 or above, this study tested the validity of the instruments (Pallant, 2005). As shown in Table 4.2, SPSS can also be used to determine Cronbach's Alpha, which we did for this study. Lombard (2010) states that coefficient alpha values of 0.90 or higher are almost always acceptable, 0.80 or higher is often acceptable, and 0.70 may be acceptable in some exploratory research for particular indices. As shown in Table 4.2, the reliability of all items in the study was estimated coefficient Alpha was determined to be 0.732. According to Lombard, a coefficient alpha of 0.7 or higher is sufficient, which is the minimum needed. Consequently, the reliability test's outcome showed that the whole items were reliable and acceptable.

4.3 Correlation Analysis

Table 4. 3 Correlation Analysis

		Customer Satisfaction	Perceived price fairness	Product quality	Service quality
Customer Satisfaction	Pearson Correlation	1	.678**	.612**	.309**
	Sig. (2-tailed)		.000	.000	.000
	N	400	400	400	400
Perceived price fairness	Pearson Correlation	.678**	1	.383**	.192**
	Sig. (2-tailed)	.000		.000	.000
	N	400	400	400	400
Product quality	Pearson Correlation	.612**	.383**	1	.238**
	Sig. (2-tailed)	.000	.000		.000
	N	400	400	400	400
Service quality	Pearson Correlation	.309**	.192**	.238**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	400	400	400	400

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation analysis deal with relationships among variables and helps to gain insight into the direction and strength of the relation between the variables. The range of correlation coefficients, from negatively correlated (-1) to uncorrelated (0) to positively correlated (+1), is from -1 to 1. The direction of the link is determined by the sign of the correlation coefficient. The correlation's strength is shown by the absolute value. According to Dancey and Reidy (2004), a correlation result of zero denotes no correlation, a result of 0.1 to 0.3 denotes a weak correlation among variables, a result of 0.4 to 0.6 denotes a moderate correlation, a result of 0.7 to 0.9 denotes a strong correlation among variables, and a result of 1 denotes perfect correlation among variables.

The study also sought to find out if there existed any Pearson Correlations between variables of the study. Based on Table 4.3, it is clear that there is a significant Pearson correlation among

variables. Customer satisfaction and perceived price fairness have correlations (0.678**) at the 0.01 level of significance, as well as customer satisfaction and product quality (0.612**). Additionally, there is a significant Pearson correlation (0.309**) between customer satisfaction and service quality provided by Adama Steel and Nail Factory.

4.4 Regression Analysis

Simple and multiple linear regression models were used to evaluate the relationship between customer satisfaction, perceived price fairness, product quality, and service quality. According to the SPSS package, linear regression is used to model the value of a dependent scale variable based on its linear relationship to one or more predictors.

Table 4.4 Customer satisfaction at perceived price fairness Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.678 ^a	.459	.458	1.014

a. Predictors: (Constant), Perceived price fairness

Linear regressions model – customer satisfaction at perceived price fairness. According to Table 4.4, the R-value of 0.678 which describe the criteria for the correlation between independent variables (perceived price fairness) and dependent variable (customer satisfaction), it can be interpreted that independent variables have a correlation with decision for 67.8% and the R Square value indicates that 0.459 or 45.9% of the variance in customer satisfaction can be predicted from the variable perceived price fairness.

The adjusted R-square attempts to yield a more honest value to estimate the R-squared for the population. The value of the R-square was 0.459, while the value of the Adjusted R-square was 0.458. There isn't much difference because we are dealing with only one variable.

The coefficient of determination which is the R Square of the correlation coefficient in Table 4.3 is equal to 0.459 showed 45.9% of the variation that occurs in customer satisfaction described by the independent variables, perceived price fairness while the remaining 100% - 45.9% = 54.1% are explained by other variables which are not described in this research.

Table 4. 5 Customer satisfaction at perceived price fairness ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	347.026	1	347.026	337.732	.000 ^b
	Residual	408.952	398	1.028		
	Total	755.977	399			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Percieved price fairness

Table 4.5, ANOVA analysis shows that there is a significant main effect of perceived price fairness on customers satisfaction $F(1,398) = 337.732$, statistically significantly less than 0.01 at the 0.05 alpha level. The mean square, which indicates the amount of variance (sums of) divided by the degrees of freedom, equals 347.026. Then H1 in this research is accepted and the regression model can be used to predict the customer's satisfaction (dependent variable) or in other words, the independent variables, have a significant effect on the dependent variable, the customer's willingness to pay the perceived price.

Table 4. 6 Customer satisfaction at perceived price fairness Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.951	.116		8.198	.000
	Percieved price fairness	.676	.037	.678	18.377	.000

a. Dependent Variable: Customer Satisfaction

According to Table 4.6, standardized Coefficients indicate the effect of change in the independent variables on dependent variables, i.e. 100% change in perceived price fairness causes a 67.8% change in customer satisfaction which may increase or decrease, keeping other factors constant. Therefore, there is a significant effect of the perceived price fairness positively associated with customer satisfaction.

Customer satisfaction is perceived price fairness, product quality, and service quality. Regression was asymmetrical relationships among variables which were cause and effect relationships. In this section, the multiple linear regression model in the table below, the correlation coefficient (R), the squared value of R, the adjusted R Square, and the standard error were presented. The analysis was done through the use of the SPSS 20.0 statistical package.

Table 4. 7 Customer satisfaction at perceived price fairness, product quality and service quality model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786 ^a	.618	.615	.854

a. Predictors: (Constant), Service quality, Perceived price fairness, Product quality

In this multiple linear regression analysis, the predictors' variables or the independent variables were perceived price fairness, product quality, and service quality, and the dependent variable was customer satisfaction. The outputs of the multiple linear regression analysis given in the table above indicated some facts about independent variables and one dependent variable as well as their relationships. The multiple correlation coefficients ($R = 0.786a$) in the table above indicated the highest strength of the association of customer satisfaction or dependent variable with both of the variables in pair and it also indicated the highest strength of the association in perceived price fairness, product quality, and service quality or predictor variables themselves in Adama Steel and Nail Factory customer satisfaction.

The squared value of R or the coefficients of multiple determinations ($R^2 = 0.618$) as an output of the multiple regression analysis indicated that the extent of variability on customer satisfaction from Adama Steel and Nail Factory received by customers that were created jointly by the perceived price fairness, product quality and service quality.

The value of R Square (0.618) described the goodness of fit of the information which was used in the sample regression line to the population regression line. The value of R Square (0.618) explained the amount of customer satisfaction jointly explained by the set of predictor or independent variables in Adama Steel and Nail Factory. As indicated in the above table the independent variables were explained jointly in Ethiopian Airlines the dependent variable with R

square =61.8% with adjusted R Square 61.5 % the remaining 38.2% are other extraneous variables that can affect customer satisfaction.

Table 4.8 Customer satisfaction at perceived price fairness, product quality and service quality ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	467.161	3	155.720	213.510	.000 ^b
	Residual	288.816	396	.729		
	Total	755.977	399			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Service quality, Percieved price fairness, Product quality

According to table 4.8, the ANOVAa test, it is noticed that there is a significant main effect of customer's satisfaction on customer's satisfaction F value of (3,396) =213.51 is significant at 0.000b level, statistically significantly less than 0.01 at the 0.05 alpha level. Therefore, from the result, it can be concluded that with of the variance (R Square) in customer satisfaction is significant and the model appropriately measures the construct of customer satisfaction. The mean square, which indicates the amount of variance (sums of) divided by the degrees of freedom, equals 155.72.

Table 4. 9 Customer satisfaction at perceived price fairness, product quality and service quality Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-.049	.131		-.376	.707
	Perceived price fairness	.504	.034	.505	14.931	.000
	Product quality	.395	.035	.390	11.419	.000
	Service quality	.125	.034	.119	3.688	.000

a. Dependent Variable: Customer Satisfaction

Mathematical Equation

$$CS = -0.049 + 0.505PP + 0.39PQ + 0.119SQ$$

Where CS=Customer satisfaction

PP= Perceived price fairness

PQ= Product Quality

SQ=Service quality

According to Table 4.9, the regression standardized coefficients for the independent variables, i.e. perceived price fairness is 0.504 and the significance levels are 0.000. The relationship between perceived price fairness and customer satisfaction was significant. Also product quality and service quality significantly affect customer satisfaction at a 5% level of significance.

CHAPTER FIVE

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the conclusions derived from the major findings of the study and recommendations of the study along with the limitations of the study in detail.

5.2 Summary of Major Findings

The purpose of the study was to test the relationship between perceived price fairness and customer satisfaction. Data for the study was gathered from customers of Adama Steel and Nail Factory in Ethiopia, Adama Steel and Nail products distribution branch office. The study used a Random sampling method. For data analysis, 400 questionnaires were done. The study developed 3 hypotheses (H1, H2, and H3) and all hypotheses were supported.

The results of the study state that price fairness is positively associated with customer satisfaction. The results lend support to the claim that perceived fairness of a given price was linked to customer satisfaction because the estimated parameters between both constructs are both positive and significant. Thus, the result supports the acceptance of H1 and it's consistent with previous studies (MichaelNegash, 2017).

Thus, the following hypothesis is proposed: H2 product quality has a positive effect on customer satisfaction. Thus, the result supports the acceptance of H2 and it's consistent with previous studies (e.g. Hoe and Mansori (2018)).

Thus, the following hypothesis is proposed: H3: Service quality has a positive effect on customer satisfaction. Based on the previous findings, a positive relation, in this research, was expected to be present between service quality and customer satisfaction (Ahmad *et al.*, 2020).

The results show that all of the hypotheses are strongly supported. It means that price fairness is one of the building blocks of customer satisfaction. The impact of perceived price fairness is key to customer satisfaction. Perceived price fairness and customer satisfaction were examined in the Adama Steel and Nail Factory pricing context.

The results of this study suggest that perceived price fairness is positively related to customer satisfaction directly. Overall our results contribute to the hospitality accounting, management, and marketing literature by investigating the relationships between perceived price fairness and customer satisfaction.

This study contributes to filling the gap in the marketing literature on satisfaction and perceived value by including the role of perceived price fairness. Price is an important element for consumers when purchasing; it, therefore, has a large influence on customer satisfaction judgments. The results indicate that customer satisfaction is directly influenced by the components of fairness perceptions and satisfaction judgments depend on the sequence of interactions within the purchase process and the order in that customers receive relevant information. Hence, another area where additional research is needed is when consumers first receive information about the price as well as the price offer itself.

5.3 Recommendations

Basing on the findings of this study, to improve price fairness on customer satisfaction. The following recommendation has been forwarded to Adama Steel and Nail Factory may be considered.

Based on these findings the company should have to increase perceived price fairness, quality of products, and service quality to increase customer satisfaction.

The researcher suggests that by making customers feel satisfied, by establishing a good relationship with customers through efficient and simple price fairness of products compatible Adama Steel and Nail Factory can establish long-term profitable relationships with customers. The researcher recommended that to provide continuous assessment and revising price policies to compute with other Steel and Nail factories.

The researcher suggests to Adama Steel and Nail Factory give much attention to the promotional package price and online price and gives much attention to changes of price frequently.

It is recommended to assess the customer's perception of price fairness.

5.4 Limitation and Direction for Research

This study limits itself to customer satisfaction of Adama Steel and Nail Factory Adama branch Steel and Nail products distribution and sales office. The study would have a reasonable conclusion for their feedback on perceived price fairness on customer satisfaction in Adama Steel and Nail Factory. The study targets only the customers of Adama Steel and Nail Factory Adama branch production and distribution of the products to their customers.

Another limitation of this study is a resource. The resource has a major role in narrowing the scope of the research. The absence of related literature regarding perceived price fairness in the Adama Steel and Nail Factory context particularly in the Steel and Nail Industry has significantly enforced this study to build up on the concepts of our country's context. This research is about the relationship between perceived price fairness and customer satisfaction was examined in Adama Steel and Nail production and a distribution branch office. However, whether and how the relationship between perceived price fairness on customer satisfaction extends to the rest of Adama Steel and Nail products distribution areas on customer satisfaction contexts needs to be examined. Further, the researcher suggested, the direction of influence among the components of fairness perception on satisfaction judgments depends on the sequence of interactions within the pricing purchase process and the order in which consumers receive relevant information. Hence, another area that needs additional research is when consumers first receive information about the price as well as the price offer itself.

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APPENDIX (CES)

QUESTIONNAIRES RELATED TO THE EFFECT OF PERCEIVED PRICE FAIRNESS ON CUSTOMER SATISFACTION (IN CASE OF ADAMA STEEL AND NAIL FACTORY) PLC. (Own Survey, 2022).

Dear Respondent,

I am a postgraduate student at Haramaya University, College of Business and Economics, pursuing partial fulfillment of a Master's Degree in Management to fulfill the degree requirement.

I am conducting a study on “**The effect of perceived price fairness on customer satisfaction in case of Adama Steel and Nail Factory**”. As a frequent customer of Adama Steel and the nail factory, you have been selected to form part of this study. This is to kindly request you to be taken a few minutes of your time to conduct the questionnaire. I established a connection with your assistant to slot me at a time convenient to you. The information was obtained and used exclusively for academic purposes and the findings of the study are upon your request made available to you. All information collected during this study was kept confidential. In the case of any further questions about the research, please do not hesitate to contact through this **Phone no: +251938107019 and Email: robatuke2019@gmail.com**

Thank you in advance for your valued contribution to my academic pursuit.

Best Regards,

Mohammed Seid Utale

Management Student

PART 1:- DEMOGRAPHIC CHARACTERISTICS OF SAMPLE RESPONDENTS

1) Gender

- 1) Male 2) Female

2) Age

- 1) Below 30 years 3) 41-50 years
- 2) 30-40 years 4) Above 50 years

3) Income level

- 1) Below 100,000 *ETB* per year 3) 300,000-500,000 *ETB* per year
- 2) 100,001-300,000 *ETB* per year 4) Above 500,000 *ETB* per year

4) Marital status

- 1) Unmarried 2) Married

5) Educational levels

- 1) Primary school 4) BA/BSc
- 2) Secondary school 5) MA/MSc and Above
- 3) Diploma/Level

QUESTIONNAIRES.

PLEASE READ EACH QUESTION CAREFULLY AND INDICATE YOUR AGREEMENT/DISAGREEMENT BY MARKING THE APPROPRIATE RESPONSE.

1= Strongly Agree (SA) 2= Agree (A), 3= Dis-agree (D), 4= Strongly Dis-agree (SD), 5= Undedicated (U).

1. Adama Steel and Nail Factory offers the best possible price of the products (Steel and Nail) that meets customer's budget. (The case company offers best price that meets customer's budget).

- | | |
|-------------------|----------------------|
| 1. Strongly agree | 4. Strongly disagree |
| 2. Agree | 5. Undedicated |
| 3. Dis-agree | |

2. Perceived price fairness have a positive relationship with customer satisfaction. (PPF have positively related with CS).

- | | |
|-------------------|----------------------|
| 1. Strongly agree | 4. Strongly disagree |
| 2. Agree | 5. Undedicated |
| 3. Dis-agree | |

3. The products quality of the case company are negatively affect customer satisfaction. (In the case company quality of products are negatively affect CS).

- | | |
|-------------------|----------------------|
| 1. Strongly agree | 4. Strongly disagree |
| 2. Agree | 5. Undedicated |
| 3. Dis-agree | |

4. In a context of our country the price charged by this company is reasonable.

- | | |
|-------------------|----------------------|
| 1. Strongly agree | 4. Strongly disagree |
| 2. Agree | 5. Undedicated |
| 3. Dis-agree | |

5. In a context of our country at present the concept of fair price is difficult to measure it. (In context of our country the concept of fair price is difficult to measure it).

- | | |
|-------------------|----------------------|
| 1. Strongly agree | 4. Strongly disagree |
|-------------------|----------------------|

