



Impacts of Competitive Price Reduction Policy on Consumers' Trust in the Supermarket Industry

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Abstract

Purpose- The leading purpose of this study is to examine in what way competitive price reduction policy influences purchasers' trust in the supermarket industry of Bangladesh. Discounts, price cuts, and the promotional wars among retail supermarkets especially in Bangladesh are very competitive and these supermarkets maintain low product prices in order to get maximum market share. The low-priced product makes customers confused about their desired product qualities.

Methodology- Descriptive research design has been used to conduct the study. The target population is shoppers aged 18 years old and over including both males and females. The sample size for the study was 200 shoppers selected through a non-probability sampling technique based on convenience sampling. A self-completed questionnaire has been used and a necessary pilot study has been done. Shop at supermarkets for a variety of reasons, including price, quality, availability, and location. Cross tabulation, frequency distribution, and the Chi-square test for hypothesis testing have all been used in the statistical study.

Results- The degrees of freedom (df) are 2, the probability value (P) is 0.000, and the Chi-square value is 66.064. The alternative hypothesis, that price cuts have an adverse impact on product quality and consumer trust, is supported by the test of hypothesis. The result of the study showed that price reductions have an impact on product quality, which in turn affects consumer trust. The literature review also validated the trust factors in supermarkets concerning relationship marketing.

Originality/Value- The study will be valuable for retail marketers, particularly for supermarket owners, managers, executives, salespeople, and customers, in developing their pricing strategies. As a result, the problem definition and research goals can be supported in that the price reductions have an impact on Bangladeshi consumers' trust in supermarkets, which is a key element in developing a lasting relationship with customers.

Key Words: Consumer trust, Pricing Strategies, Relationship Marketing, Supermarket.

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1. INTRODUCTION

1.1 Background of the Study: In order to become a market leader or compete with rival supermarkets, or maintain consumer satisfaction, supermarkets employ a variety of marketing strategies (Khan et al., 2022). Utility leads to consumer satisfaction. Customers anticipate quality, such as durability or other attributes, from a product for which they are willing to pay a price. When prices exceed their expectations, customers won't be satisfied with the product since the greater price relative to the product's quality lowers the value of the client (Arif et al., 2020; Khan & Sharma, 2020). (Arif et al., 2020; Khan & Sharma, 2020). Alternatively stated, Quality-Higher Prices = Negative Value for the Customer. The greatest positive value is likely to be accepted by customers. Therefore, if companies raise quality while lowering prices, they will create positive value because Higher quality-Price that buyers are ready to pay = positive value). Companies can raise product quality or lower product pricing to produce this surplus for customers (Khan, 2020). In recent years, companies have opted to decrease prices rather than raise product quality in order to maximize customer value. Here, 'pricing' is one of the important marketing mix components, and 'trust' is a significant relationship marketing component (Arif et al., 2020; Arif, 2017; Arif, 2016). Both are connected to one another. When prices are decreased concurrently with diminished customer trust, both are damaged.

1.2 Problem Definition: Price is a component of marketing efforts that has both a significant and weak impact on consumers' purchasing decisions (Roy et al., 2016). When a product is unique, consumers are less-price sensitive, less aware that alternatives exist, or they find it difficult to compare the quality of alternatives, However, there are many substitutes available in Bangladeshi supermarkets, and shoppers can compare the quality of the substitutes. According to Arif (2016), the super shops charge various pricing for their products. Furthermore, they do not mention that on their websites. As a result, the price lists of products cannot take place. However, they set their prices using a variety of strategies at different times for their varied products, such as, i) cost-plus pricing- including a standard markup to the product cost, ii) break-even pricing (target profit pricing)- setting price in order to be equal on the costs of making and marketing a product; or setting the price in consideration of create the desired profit, iii) value-based pricing- determining price based on consumers' perceptions of value alternatively on the sellers' cost, iv) value pricing- offering just the right blend of feature, quality and good service at a plausible price, and v) competition-based pricing- fixing prices established the competitors' accused prices for similar goods.

The retail model makes it easier to make decisions, whereas the wholesale model relies on open communication. According to Rashid & Barnes (2018), decisions in wholesale marketing must be made with open communication in order to determine whether or not they are appropriate for the company. Distributors and retailers buy in bulk from wholesalers, who get their goods from the companies in bulk. The dealer endure guarantee that the channel and marketing area are favorable in consideration of guarantee a bargain through marketing procedure (Li, 2018). According to Lim (2020), the channels of marketing concede possibility not pay attention the conclusive consumer cause they target distributors and retailers. Some of these approaches involve imposing upon discounts on size purchases. The supply chain guarantees customer

dependability and repeats purchase because wholesaler models are territorial. According to Quix & Van der (2019), tailoring marketing approaches guarantee that retailers achieve highest in rank from the supply chain, even though they may not have any influence over the entire supply chain.

Therefore, buyers are extra anxious about price and their utility. Cutting prices helps to get highest surplus (Khan et al., 2015). Supermarkets follow various types of exercises to influence the customer to create a purchased product from those particular supermarkets. Examples of these exercises from supermarkets are-

<ul style="list-style-type: none">▪ BOGOF- buy one or two gets one free;▪ Bonus/Free product- 35% extra;▪ Eid, Puja, savings card;▪ Different Gift cards;▪ Loyalty points of Agora, and Shawpno;▪ Allowance cards; /Discount cards;▪ Concession/Discount prices- 10 Tk. off or 15% off;▪ Link saves/Tie saves- buy shampoo get one pack of conditioner or one soap-free	<ul style="list-style-type: none">▪ Pairing/Coupling- money off next purchase coupon pack;▪ Cross-union/Cross-coupling- money or cash off subsequent purchase coupon/ voucher on the pack for different products;▪ Cash off/Money off coupon/card as prior to purchase delivered to door-to-door, newspapers, loyalty mailing;▪ Offers- Dhamaka offer, big offer
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These types of assertive offers generate turmoil in customers' minds. Individual could urge- Are the supermarkets lowering the price or reducing a portion of products features by means of this price-cutting? Or, are the supermarkets genuinely reasoning about consumers' value or their rivals? Do the supermarkets certainly be going to maintain their consumers satisfied or be going to be a retail leader or uphold their competitive position? This somewhat topic bears existed examined currently as. Datta (2018) found a positive relationship between service quality, trust, commitment, and customer loyalty retention. According to Chowdhury et al. (2014), anticipated service condition; trust, perceived price, and perceived products variety have a positive relationship with customers' satisfaction in super shops in Bangladesh. Price is the main factor influencing clients' experience in general stores followed by responsiveness and item quality (Rana et al., 2014, Bhakat & Arif, 2021). The estimation of happiness in stores in Bangladesh relies upon the various segments like age, sexual orientation, schooling level, pay and use, month-to-month visit recurrence to the grocery store, item combination, cost of the items, quality, comfort, cleanliness, and climate (Azad et al., 2011). Another investigation found that the variables incorporate accessibility, quality, comfort, cost, area, and air of the grocery store outlets (Hossain et al., 2009). Manez (2006) examined the belongings of a low-price guarantee (price-beat guarantee) on the way of pricing of three supermarkets utilizing micro-level price data and resolved the capability of reduced-price guarantees to experience anti-competing prices. As a result, this appears expected puzzling to consumers about pricing actions that have a definite connection accompanying consumer satisfaction, and loyalty in retail. Thus the problem description concerning this study is defined as the price battle/pricing strategy or price-cutting

contest among supermarkets in Bangladesh to generate value for customers, but this causes more confusion for the customers.

2. LITERATURE REVIEW

Retailers have been struggling to retain their existing customers in the face of severe competition in their business operations (Hossain & Khan, 2016; Bhakat & Arif, 2021). By expanding the service quality (Arif, 2015c), retailers will be able to stand out among the other businesses and create the opportunity to strengthen customer loyalty, particularly among the younger generation (Alam, 2018). In order to keep a long-term relationship with buyers, the largeness of the supermarkets in Dhaka undertake the consecutive green logistics practices: submissiveness to environmental a rule that applies to a place or group, proof of certificates concerning preservation of natural resources arrangement, awareness of material a rule that applies to a place or group concerning supply and depository of merchandise, composition of conference and studio to create the suppliers informed about latest trends greening, systematizing seedling plantation actions in addition to a normal conference of the staff members approaching the conservative of the surroundings (Salim et al., 2019). At the same time, pricing strategies in supermarkets, which play a very important and sophisticated part in relationship marketing, This is cause marketing strategies are devised to regulate the marketing mix over period to systematically create and build well relationships accompanying customers. Its intention search out develop the interrelationships between product features or qualities and consumer necessities so that attain better customer satisfaction (Dorward, 1987).

Therefore, the objectives of this study are to understand the relationship between marketing and its attractive components and the relationship between consumer and marketer, especially lower price setting by the marketers that influence consumers' trust in the supermarkets industry.

2.1 Relationship Marketing

There has been much debate on the relationship between consumer marketing campaigns and consumer culture. While some theories contend that marketing activities significantly influence cultural norms and values, others contend that marketing activities simply reflect prevailing cultural norms and values. For instance, it can have argued that the tendency toward extravagant spending in our species is the outcome of the domination of marketing activities in society, inasmuch as the excessive consumption of goods and services in our species is the effect of marketing activities (Graham, 2003). To reassure their customers, marketers use a variety of exchange-method policies. Concerns about the positioning of their products are shared by marketers. Various tactics have been proposed for placing goods or services, claim Aaker & Shansby (1982). For positioning goods or services, a number of approaches have been put forth, including placement by attitude or benefit, quality/price, usage or application, and use/user. Additionally, the quality/price strategy can be viewed as a continuum ranging from high fashion/quality and high price to good value (as opposed to low quality) at a low price. For instance, 'Agora' in Bangladesh was able to increase its price premium by making its items more appealing over time. Customers paid more for its food items because they thought they were more exciting, fresher, and of greater quality. Additionally, relationship marketing promotes customers' trust. Building trust is the cornerstone of every transaction every customer enters into.

Without trust, a buyer will not purchase a thing. Customers should be confident that a company will offer and deliver the best products conveniently at a fair price, and treat them humanely (McKean, 2003).

Retail service quality is obviously a great factor for relationship marketing but there are other several factors like trust, and commitment in major factors through pricing policy, and promotional activities implied by supermarkets that affect customer loyalty.

2.1.1 Relationship Marketing and the Eight Pillars of the Marketing Mix

The eight Ps—product, pricing, place, promotion, people, positioning, process, and performance—play significant roles in the interactive process between the buyer and seller. Together, these 8Ps supported the exchange process. Product, price, promotion, place, and other Ps will always be important and have their role in relationship marketing, but their role changes (Gummesson, 2011). These Ps symbols represent actions that are managed and persuaded to purchase by the supplier. Marketing will always require some amount of persuasion and influence. But rather than taking the lead, the Ps should play a supporting role. Palto et al. (2018) developed a conceptual model by incorporating seven constructs, such as service quality, bonds, customer satisfaction, trust, commitment, loyalty, and customer retention in order to understand relationship marketing and its relationships with customer retention.

2.1.2 Relationship Marketing Relies Heavily on Trust and Commitment

Trust and commitment are undoubtedly two of the most important qualities in any successful marketing partnership. In relationship marketing, some other authors have emphasized the importance of commitment and trust. When commitment and trust are present, they also lead to outcomes that improve viability, competence, and efficiency.

2.1.3 The Significance of Relationship Marketing

The key to effective loyalty programs is maintaining pleased customers. Relationship marketing aids in a company's comprehension of its customers. The development of successful relationship marketing depends on both commitment and trust. Morgan & Hunt (1994) have claimed that the effectiveness of relationship marketing is supported by the empirical data that demonstrates the importance of commitment and trust. First, they clarified that acquiescence and an inclination to leave stem directly from commitment in a partnership. Second, trust is a direct cause of functional conflict and ambiguity. Finally, trust and relational commitment both directly contribute to cooperation.

2.1.4 Pricing Relationships

One of the most significant factors in the dialogue between the buyer and the seller is money or price. Additionally, it is one of the key 'Ps' in the marketing mix. It is typically very noticeable and used as a benchmark in more competitive marketplaces. It may serve as a potent indicator of the worth or quality of a thing. Therefore, it significantly influences image, acceptance, or trustworthiness. It can be characterized as middle-ground transactions when the vendor can turn a profit and the customer is prepared to pay for goods or services. In this method, both parties will benefit from price setting or a 'stay in middle' position between the vendor and the buyer. But it is quite challenging for both parties if the price is not at a balance position. The customer

cannot or will not pay more for the same goods. Additionally, if the price is cheaper, people are willing to pay that amount even when it leaves them in the dark about the features and product quality.

2.1.5 Price Positioning

The product's quality and price are related. Products with superior quality cost more. In a same vein, cheaper goods have lower prices. Other impacting factors include things like product or brand perceptions (Hossain et al., 2020), brand or market circumstances like highly competitive environments or the company's internal objective, etc. Collier (1995) asserts that when it comes to market positioning, businesses can adopt various positioning that are related to the general view of price/value or price/quality

2.2 Price as One of the Components of the Retail Marketing Mix

Price is one of the components of the retail marketing mix. Retail marketing mix includes location, merchandise assortment, advertising and promotion, shop design and visual merchandising, retail selling, and customer service (Levy & Weitz, 1996). The retail market is influenced by a combination of pricing and other factors. The main issue, however, now is pricing in the retail industry, particularly in supermarkets. Customers are confused about supermarket pricing, product quality, and promotional activities due to the price war between supermarkets. There will undoubtedly be a consequence for all of these customer trust violations in the near future.

2.2.1 Elements that Affect how Retail Prices are Set

Price is a further element in the rapid expansion of supermarkets (Arif, 2013). Due to supermarkets' fixed price policies, there is no opportunity for haggling or negotiating the price of the product. Supermarket marketers can provide goods at lower costs since they make large purchases. However, they occasionally provide their consumers with special offers and discounts throughout certain seasons. Improvements in food freshness and quality are also crucial elements. By adopting quality controls, improved hygiene, and appropriate storage conditions like cooling and refrigerating, supermarkets are attempting to achieve these. All of these expenses are connected to a supermarket's ability to provide the quality that customers want at a cheaper cost. Bulk purchases give supermarkets a competitive advantage over conventional local retail stores, but it becomes challenging when competition develops across supermarkets.

Cram (1994) identified three stages in the pricing determining process. Costs incurred by the business are the first, competition comparisons are the second, and consumer capacity to pay is the third. Price determination is also influenced by the company's profit margin, the attributes of the product, and promotional efforts to outperform rivals, such as 'beating price' selling. A corporation can minimize its expenses by using better technology or global sourcing (finding cheaper labor, raw materials, and other relevant costs). This enables the company to establish a lower price (Rahaman & Arif, 2018). It is also possible for rival businesses to set their prices similarly. As a result, supermarkets or businesses compete to lower their prices. The product's price consequently decreases from one level to another. The consumer has more than enough money to buy these things in this situation, but do they live up to the customer's expectations (in

terms of desired characteristics and other features)? Or are these products causing the buyer any confusion?

It is impossible for a company to provide a high-quality product at a low price because a manufacturer of superior quality items would not have the incentive to maintain that quality unless the transaction price exceeded his extra expenditures. According to Klein and Leffler (1981), if the price were only high enough to cover the additional expenses, he would be motivated to deceive and degrade quality in order to increase profits up until buyers had enough experiential information to learn the truth.

2.3 Competition as a Price-Setting Factor

Another important element for pricing is the expansion of businesses and increased rivalry among supermarkets. The battle for a dominant or market-leading position as well as profit maximization affects pricing practices of supermarkets.

2.3.1 Competition for the Position of Market or Cost Leader

The major supermarkets are lowering their pricing or offering inexpensive products due to competition, whether or not customers want it. Porter's generic business strategy of cost leadership is comparable to Bangladesh's price-cutting or reduction strategy. Porter (1990) created a framework of so-called generic company strategies based on low cost and differentiation as two sources of competitive advantage. Four generic strategies are produced by combining two sources that fall into the categories of cost leadership, product differentiation, focused differentiation, and cost focus. These sources can be either narrow or wide depending on the target market served or the product mix width.

The firm must make decisions in order to implement generic strategies that aim to achieve competitive advantage. The options relate to the market size or product mix range within which competitive advantage will be gained, as well as the position it intends to achieve from which to offer distinctive value (based on cost or differentiation). In order to be able to set its price lower than its rivals, the company focuses on having the lowest possible cost of manufacturing and distribution. But consumer happiness is what ultimately drives the company's mission (Arif, 2015b). This fulfillment results from the demands and desires of the clients. These businesses outperform their rivals who can offer their clients in accordance with their needs and wants in terms of success in accomplishing their objective.

A 'market leader' business outperforms other businesses in terms of pricing adjustments, new product launches, distribution reach, and promotional fervor. It is difficult to maintain dominance unless a corporation has a legal monopoly. Recently, pricing has been the key factor in competition. The other businesses change their prices after the market leader (Shwapno) does. Shwapno, Daily Shopping, Meena Bazar, and Agora are well-known supermarket brand names in Bangladesh, and they all compete with one another mostly on pricing. By using revenue from its more lucrative products to subsidize lower pricing for some products, the market leader company (Shwapno) is attempting to annihilate rivals. As a result, these stores' product pricing are competitive. They are lowering their pricing every day to compete. This price-cutting strategy has an impact on consumer values, which are the differences between all the advantages a client receives from a complete product and all the prices associated with these advantages.

2.4 A Few Consequences of Price Reductions

There are many negative repercussions of this price-cutting tactic, but this study is primarily concerned with 'promotions', 'supermarket pricing approaches', and 'quality items', all of which directly affect consumer trust.

2.4.1 Uncertainty Regarding Supermarket Promotions

No potential cause of materialism has drawn as much attention or as much criticism as advertising, and Graham (2003) claims that even in the lack of any evidence to the contrary, the majority of researchers and observers concur that advertising contributes to a rise in materialism. Consumers believe that advertising promotes materialism, according to Graham's (2003) investigation into consumer perceptions of the relationship between advertising and its effects. Consumers who agreed with these perceptions highlight the importance of advertising as a social phenomenon because of its capacity to model particular values, such as materialism.

To lower costs and promote multi-use, which is a component of advertising, the majority of supermarkets use various promotional formats or different combinations of them. Other activities, such as link savers and bonus loyalty cards, vary nationally rather than locally or between individual stores. In addition to advertising and product sample, supermarkets also use point-of-sale impact, direct mail, new packaging, new recipes, and product testing (for example, for various types of cosmetics). Some concerns, such as loyalty cards, may make it more difficult for customers to switch providers, may result in unnecessary costs that may be covered by increased grocery prices, or may prevent price transparency. However, other promotions are viewed as a desirable competitive strategy because it is extremely challenging and thus unusual for competitors to respond to promotions, especially temporary ones. A promotion typically entails a significant boost in sales that is very challenging for other supermarkets to counter and is typically prepared several months in advance in collaboration with suppliers. A major sale of an item at a very low price or selections of products that have possibly been in the store for a while are occasionally promoted by supermarkets. If they offer 20% off during in-store deals, it usually applies to a limited number of items rather than all of them.

For a few product categories, Kumar & Leone (1988) and Walters (1991) demonstrated considerable cross-store impacts at the brand level. Logistics planning is encouraged by wholesale and retail promotion methods. Promotional tactics assist a business in converting excellent leads into customers and keeping its current customers (Chen et al., 2018). Marketing determines and communicates down the supply chain the constantly shifting consumer expectations, which are transmitted through promotion. The business model's use of promotion tactics has an impact on branding as well. To meet important supply chain requirements, the wholesale and retail business model must adopt an all-encompassing strategy. A crucial component of the marketing strategy is distribution (SUH, 2021).

Cram (1994) claims that consumers consistently regard price promotions, such as price reduction, discount, or added value, as the most alluring. Although they draw in new customers, these deals do not foster loyalty. Moreover, according to Cram (1994), a price promotion approach has four risks including the fact that- i) it attracts more defectors than loyal customers, ii) price promotions

instruct consumers to base purchases on price, iii) price reductions frequently skew the relationship between volume and time, and iv) price reductions may irritate current customers.

2.4.2 The Supermarkets' Ambiguous Pricing

Do they have a price strategy in place? Choudhary et al. (2005) have conducted analytical research on a firm's pricing, quality differentiation, and consumer welfare for personalized pricing. The pricing strategies for two companies with asymmetric costs and varying market strength were examined (i.e. big-box retailer versus smaller local merchant) by Anderson et al. (2005). Price impacts may be asymmetric, meaning that consumers may react differently depending on whether they believe a good is overpriced or underpriced. They arrive at analytical conclusions about the best prices and demonstrate through a number of numerical examples the conditions under which businesses pick various pricing methods. They also discuss the profit implications for businesses with varied expenses.

2.4.3 Customers are more confused about Product Qualities in Supermarkets

Customers are more concerned about the quality of products, not only organic food but also other items when they buy from supermarkets. Consumer behavior is entangled with health-related issues and lifestyle, environmental benefits, perceived price, trust, perceived quality, and marketing strategy (Chowdhury et al., 2021, Arif, 2015a). Better quality needs a higher price. It does not mean that other supermarkets like Shwapno, Meena Bazar, and Daily Shopping are selling only low-quality products in order to keep the price low. According to Manez (2006), more than 95% of the permanent unbeatable are poor-quality store brands. However, in a few instances, where Shwapno does not carry a poor-quality store brand for a certain item category, it uses the good store-brand product as a permanent unbeatable. The distinction between temporary and permanent unbeatable was fairly clear in the supermarket- only the temporary unbeatable had end-of-aisle displays, and their price labels merely indicated when the sale would stop. On the other hand, the original placement of permanent unbeatable remained unchanged. Shwapno employs the low price guarantee as an advertising tool to communicate cheap pricing intended to entice customers into the store because it is aware of its price advantage for a certain group of products. Due to price-cutting competition, Daily Shopping and Meena Bazar responded by lowering their pricing, which led to lower prices for consumers overall. As a result, buyers are purchasing these low-quality products at these low prices.

2.5 Developing Hypothesis

The literature analysis suggests that customers are perplexed by price reductions when they purchase at supermarkets in Bangladesh's retail market. Numerous researches support the idea that price-cutting directly affects the quality of products or competitive marketing attitudes, which in turn affects consumer trust. Nevertheless, the level of investment capital and retailer competitiveness determines whether price reducing is appropriate for one retailer and inappropriate for another. Therefore, this study can be presented in the following null and alternative hypotheses to evaluate the effect of price reducing on consumer trust in retail supermarket industry of Bangladesh:

Hypotheses (1)

Null hypothesis- H_0 : Price reductions have an impact on product quality, but they have no impact on consumer trust.

Alternative hypothesis- H_a : Price cuts have an impact on product quality, which in turn affects consumer trust.

2.6 Research Gap

In a competitive market, retailers are employing pricing techniques like price reduction, which may retain customers with them in the short term. However, merchants must forge solid relationships with customers over the long term in order to compete with others. Retailers can add value for their customers in a variety of ways, including "production efficiencies, resource use, economies of scale, value engineering, and constant attention to driving down costs will enable suppliers to lead market pricing and, if necessary, beat those who erode the key customer base by price-cutting without necessarily selling cheap goods or forgoing their own added-values." The objective is to supply goods and services of acceptable quality at the lowest delivered cost possible while using cost effectiveness to discourage competitors from using price-cutting penetration techniques (Burnett, 2001). Additionally, he made several recommendations for developing a value-driven strategy, in which value superiority is attained through providing superior customer service to rivals. Customer perceived value in this case refers to advantages that increase gross profits by a) enhancing performance, b) boosting sales, c) reducing costs, d) reducing working capital requirements, and e) reducing risk; or, lowering the investment cost of product over its lifetime by a) lowering purchasing prices, b) lowering purchase prices, c) lowering maintenance costs, d) lowering financing costs, and e) lowering disposal costs. Companies will easily accomplish their objectives if they are able to manufacture goods of a reasonable quality at a reasonable cost that satisfy customers.

Price reduction may produce a good profit for a brief period of time. However, businesses must establish a long-lasting bond of trust with their customers. Retailers won't be able to compete with others in the future if this doesn't change. If a current market leader is unable to forge a solid bond with their customers, it may happen to them. Thus, it is crucial to comprehend the insight consequences and various strategies in order to use the price reduction in certain retail enterprises. Price reductions directly affect the product (quality), price (personalized pricing), promotion (pricing promotion), and place components of the marketing mix. Before choosing a pricing strategy, it is necessary to evaluate each of these factors separately. The retail market sector is influenced by pricing as well as other components of the retail marketing mix. However, this research will only be concerned with pricing strategies, particularly price-cutting strategies, and how they affect consumers' trust in the supermarket industry. As a result, this literature review aims to comprehend the price-cutting approach and investigate the crucial factors that influence a customer's decision to stick with a specific retailer.

3. RESEARCH METHODOLOGIES

3.1 Purpose of the Research

One of Bangladesh's largest retail segments and a significant contributor to the country's economy is the supermarket industry. However, all big supermarkets are engaged in price war,

which is another way of saying that they have a price-cutting program, as a result of competition in this competitive market. The competition is causing some issues for the customers. Therefore, the purpose of this investigation is to find out how consumers' trust in Bangladesh's supermarket industry is affected by a policy of competitive price cuts.

3.2 Development of Hypothesis

The objective of the research and the literature review, which concentrate on the key issue of how a competitive price reduction policy affects consumer trust in the supermarket industry of Bangladesh, serve as the foundation for the research hypothesis. Therefore, claim (1) reads as follows: Price reduction has an impact on product quality but has no bearing on consumer trust, according to hypothesis (1), the null hypothesis. The alternative hypothesis is that product quality is impacted by price reductions, which affects consumer trust.

3.3 Research Design

While both descriptive and diagnostic research are thought to be viable ways to address this issue, descriptive research design has been primarily employed in this study to do so (Al Ahad & Khan, 2020; Al Ahad et al., 2020).

3.4 Sampling Design

The sampling design process consists of the following stages:

3.4.1 Target population

The majority of people in Bangladesh under the age of 18 years old do not like to go shopping for large or regular family necessities. Therefore, participants in this study must be over 18 years old and be able to purchase for anything at a supermarket. As a result, the target population is the customers who are at least 18 years old and reside in Dhaka city of Bangladesh in the year of 2022.

3.4.2 Sampling Frame

Dhaka, the capital of Bangladesh, is a developing city in South Asia (Ahmed et al., 2015; Khan et al., 2018; Hossain et al., 2018). Compared to all other business sectors, the retail industry is the most dominant. The market is fiercely competitive, and this city is home to a diverse population. Patriotism won't have an impact on this study. Additionally, there are many grocery stores nearby. Dhaka thus appears to be the sampling frame that best matches the target demographic defined in this research challenge. There are four major supermarkets that were used to gather data for this study. These supermarkets are Agora, Meena Bazar, Shwapno, and Daily Shopping. These supermarkets' locations are all within 2-4 miles of one another. The facilities at each of these branches are essentially the similar.

3.4.3 Sampling Technique

In this study, convenience sampling technique has been used as a non-probability sampling strategy (Rahman & Arif, 2021; Rahman & Arif, 2020).

Table 1: Sampling Plan

		Supermarkets								Totals
		Shwapno (25%)		Meena Bazar (25%)		Daily Shopping (25%)		Agora (25%)		
Age	%	Male	Female	Male	Female	Male	Female	Male	Female	
18-25	3%	4	1	0	0	1	0	0	0	6
26-30	48.5%	6	9	12	15	8	16	14	17	97
31-35	46.5%	14	15	12	9	16	9	10	8	93
36-40 over	2%	1	0	1	1	0	0	1	0	4
Totals	100%	25	25	25	25	25	25	25	25	200
Totals		50		50		50		50		200

Source: Adopted from Malhotra & Birks (2003), *Marketing Research: An Applied Approach*, p. 365

3.4.4 Sample Size

According to Bangladesh Supermarkets Owners' Association (BSOA), there are 30 companies with over 160 outlets currently operating in Bangladesh.

Figure 1: Number of Top Brand Retail Stores in Bangladesh



Source: Light Castle Partners Primary Research (2019)

The average number of outlets for 4 companies (Shawpno, Agora, Meena Bazar, Daily Shopping) is $(160/30) \times 4 = 21$ Outlets. Market leader Shawpno operates 60 outlets and serves 35000 customers. Average serves $(35000/60) = 583$ customers.

According to Yamane (1967), the suggested formula for sample size is

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

Here, N is the population's size, n is the sample size, and e is the degree of precision. The population size in this study is $(21 \times 583) = 12,243$, and the level of precision is assumed to be 0.07. These values are entered into the equation above, and the result shows that 200 sample sizes are needed. Ullah et al. (2022) investigated the element that influences the brand image of supermarkets in Bangladesh using a non-probability convenient sampling method and a sample size of 120. In another study, 200 customers who usually shop in Bangladeshi supermarkets were questioned. The sampling units were chosen using a convenience sampling technique, which took into account the customers' accessibility and willingness to participate in the survey (Malhotra, 2007; Pervin & Khan, 2022; Rahman & Arif, 2021; Rahman & Arif, 2020). The sample size for this study is divided into 50 equal subgroups. Similar to this, Palto (2018) conducted a study of 202 grocery food retail customers who were chosen at random from a sample of four supermarkets. The outcomes validate the model-based linkages that have been hypothesized. The results show that good customer loyalty, which leads to customer retention, depends on service quality, trust, bonding, and customer happiness.

3.5 Survey Instrument

To collect data on the concerns, this research used a survey technique based on structured questionnaires (Hossain et al., 2020) and face-to-face interviews (Malhotra, 2019) with supermarket patrons (Khan et al., 2019; Khan & Roy, 2022). When compared to alternative methods like mailing, calling, or using the Internet, face-to-face interviews need less time to complete questionnaires. In order to get a better response, we can either explain the questions to the customers for their comprehension or ask related questions as needed.

3.5.1 Questionnaire Design

For this study, a questionnaire with fifteen questions was broken up into three pieces. In the first segment, respondents' personal data, including name, gender, age, as well as some details on their grocery store spending, were collected. These questions' responses aid in identifying the respondents' traits (Khan & Rammal, 2022). A literature review forms the foundation of the second segment. It contains elements like pricing, how it affects a customer's decision to buy at a supermarket, the supermarkets' perspective on a price-cutting strategy, which aspect of price and goods has the highest priority with customers, and the degree to which customers are satisfied with the supermarkets. The final portion deals with customers' perceptions of the price reduction program going forward, their trust in the items, and any product return experiences. The final query solicits ideas or alternative practices that supermarkets might implement in place of price reduction. This is an open-ended inquiry to learn more about consumer preferences.

3.6 Pilot Study

A thorough pretest is required for a survey to be successful (Rahman & Arif, 2021). In order to

pre-test this questionnaire, it was given to 15 participants in this study. It is evident from their responses that the questionnaire is appropriate, simple to grasp, and unambiguous. In case it wasn't clear to the responders, it has been explained to some customers whose primary language is not English.

3.7 Generalizability, Validity, and Reliability

As a result, it's crucial to confirm that each scale is accurate with a specific sample. The Cronbach's alpha coefficient, which is the most crucial number in terms of reliability, should be above 0.7 in order to be regarded as reliable with a sample (Pallant, 2020; Khan et al., 2018).

Table 2: Reliability by using SPSS

***** Method 1 (space saver) will be used for this analysis *****				
RELIABILITY ANALYSIS- SCALE (ALPHA)				
		Mean	Std. Dev	Cases
1.	AFFECTION	1.0750	.2641	200.0
2.	SATISFAC	2.7650	.6178	200.0
3.	TRUST	1.6150	.5988	200.0
4.	REFUND	1.0900	.2869	200.0
5.	AGREE	1.0450	.2078	200.0
Statistics for SCALE	Mean	Variance	Std. Dev	N of Variables
	7.5900	2.2130	1.4876	5
Item-total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
AFFECTION	6.5150	1.7586	.5493	.6769
SATISFAC	4.8250	1.0898	.5748	.6558
TRUST	5.9750	1.1300	.5690	.6526
REFUND	6.5000	1.7186	.5478	.6714
AGREE	6.5450	1.8774	.5134	.6996
Reliability Coefficient				
N of Cases =	200.0	N of Items =	5	Alpha = .7216

Source: Field Study

Implementing this concept to this research gives an Alpha value is 0.7216, that is above 0.7. In light of the sample, Cronbach's alpha coefficient of this research tool is regarded as credible.



3.8 Data Collection and Analysis Methods

In this study, data are gathered by questionnaire surveys, and data are analyzed using statistical techniques such the mean, cross-tabulation, frequency distribution, and chi-square test. For statistical calculation and measurement, utilize the SPSS application (Hossain et al., 2020). Also mentioned is the fact that this research was carried out with a 95% degree of confidence. With an alpha of 0.05, there is a 5% chance of Type I error (alpha error). Therefore, this level of confidence serves as the foundation for all statistical measurements.

4. DATA ANALYSIS AND FINDINGS

In this article, the survey data are presented along with explanations of how they were interpreted, along with any significant correlations and patterns that were discovered using various statistical and mathematical methods. Three sections containing the data have been given. The features of this sample are examined first, after which the dimensions of several variables that are affected by price-cutting are examined, and effects on trust are hypothesized.

4.1 Sample Characteristics

The sample in this study includes individuals from four different stores – Meena Bazar, Shwapno, Daily Shopping, and Agora – as well as a range of ages and genders.

Table 3: Frequencies of Various Supermarkets

Supermarkets	Frequency	Percent	Valid Percent	Cumulative percent
Shawpno	50	25.0	25.0	0
Meena Bazar	50	25.0	25.0	25.0
Daily Shopping	50	25.0	25.0	50.0
Agora	50	25.0	25.0	75.0
Total	200	100.0	100.0	100.0

Source: Field Study

Table 4: Frequencies of Age

Age Range	Frequency	Percent	Valid Percent	Cumulative percent
18-25 yrs	6	3.0	3.0	3.0
26-30 yrs	97	48.5	48.5	51.5
31-35 yrs	93	46.5	46.5	98.0
36-40 yrs	4	2.0	2.0	100.0
Total	200	100.0	100.0	

Source: Field Study

Table 5: Frequencies of Sex (Gender)

	Frequency	Percent	Valid Percent	Cumulative percent
Male	100	50.0	50.0	50.0
Female	100	50.0	50.0	100.0
Total	200	100.0	100.0	

Source: Field Study

Each supermarket accounts for 50% and 25% of the total. Table 4's breakdown by age indicates that consumers between the ages of 18 and 26 make up 3, 48.5, 46.5, and 2% of the total, while Table 5's breakdown by sex (gender) reveals that both men and women make up 50% of the total respondents. There are a total of 200 respondents in this sample.

Table 6: Case Processing Summary

	Cases					
	Valid		Missing		N	Percent
	N	Percent	N	Percent		
Sex*Age	200	100.0%	0	0%	200	100.0%

Source: Field Study

Table 7: AGE * SEX Cross Tabulation

Count	Age				Total
	18-25 Years	26-30 Years	31-35 Years	36-40 Years	
Sex					
Male	5	40	52	3	100
Female	1	57	41	1	100
Total	6	97	93	4	200

Source: Field Study

Assessing Normality

Table 8: Tests of Normality

		Kolmogorov-Smirnov1		
Sex		Statistic	df	Sig.
Stores	Male	.172	100	.000
	Female	.172	100	.000

Source: Field Study

The significant value .000 for each group is shown in table 8. Despite being below the non-significant value (significant value over .05), it suggests that the assumption of normality has been violated (Pallant, 2020).

The Measure of Statistical Significance

Table 9: Statistical Significance Descriptive Statistics

	N	Mini mum	Maxi mum	Mean	Std.	Skewness		Kurtosis	
	Statis tic	Statist ic	Statist ic	Statist ic	Statist ic	Statist ic	Std Error	Statist ic	Std Error
Sex	200	1	2	1.5	.59	.000	.172	-2.020	.342
Age	200	1	4	2.48	.59	-.049	.172	-.440	.342



Valid N (List wise)	200								
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Source: Field Study

In table 9, negative skewness values show a concentration of high-scoring scores, whereas kurtosis values below zero indicate a categorization that is, in other words, relatively flat (Pallant, 2020).

Table 10: CHOICE * TRUST Cross tabulation

			TRUST			Total
			Less Trust	Confused	Trust	
Choice	Price	Count	3	12	8	23
		Expected Count	10.2	11.4	1.4	23.0
	Quatily	Count	86	87	4	177
		Expected Count	78.8	87.6	10.6	177.0
Total		Count	89	99	12	200
		Expected Count	89.0	99.0	12.0	200.0

Source: Field Study

In this table 10, consumers who make a status-based purchase are less likely to trust supermarkets (86 actual compared to 78.8 predicted if there were no connections), are more likely to be perplexed (87 physical compared to 87.6 a few differences), and place more value on character (4 actual, 10.6 anticipated). There is undoubtedly a big difference.

4.1.1 Chi-Square Tests

In this analysis, a Chi-square test is used to assess the mathematical significance of the intersection of two independent variables – consumer trust ratings and price and quality.

Table 11: Chi-Square Tests

	Value	df	Asymp.sig (2-sided)
Pearson Chi-Square	66.064a	2	.000
Likelihood Ratio	35.042	2	.000
Linear-by-Linear Association	32.803	1	.000
N of Valid Cases	200		
a. 1 cell (16.7%) has expected count less than 5. The minimum expected count is .90.			

Source: Field Study

According to this chi-square test, there is a substantial difference between the respondents' choices and their level of trust in supermarkets as places to shop (chi-square = 66.064, df = 2, P= 0.000).

4.1.2 The measure of effect size- Phi

However, because the strength of the link, effect, or differences is largely dependent on the sample size, the significance level or lower P-value does not accurately reflect their strength. The



effect size mentioned above resolves this issue. By taking the square root of the computed value of the chi-square and dividing it by the total sample size, the effect size for the chi-square test, also known as Phi, is determined. Effect size is quantified between 0 and 1, with 0 denoting no relationship and 1 denoting an ideal positive relationship. Therefore, the closer to '1' the link is, the stronger it is. Sometimes, the cut-off values of <0.1 Weak, <0.3 Modest, < 0.5 Moderate, < 0.8 Strong >0.8 very strong (Muijs, 2004).

Tests between Subjects Effects

Table 12: Dependent Variables Affect on Quality

Source	Type III Sum of Square	df	Mean Square	F	Sig	Partial Eta Square
Corrected Model	4.583a	2	2.292	48.585	.000	.330
Intercept	133.528	1	133.528	2831.001	.000	.935
TRUST	4.583	2	2.292	48.585	.000	.330
Error	9.9292	197	4.717E-02			
Total	245.000	200				
Corrected Total	13.875	199				

a. R Squared = .330 (Adjusted R Squared = .324)

Source: Field Study

According to table 12, the following is the effect size: The sample size excluding all the missing values is 200, and the Pearson Chi-square is 41.700. The Chi-square value is divided by the sample size, which is 66.064/200, yielding a result of 0.2085 and a square root of 0.33032. Therefore, the research's association is 0.5, which is moderate (close to 'Modest').

Table 13: Dependent Variable REFUND

Source	Type III Sum of Square	df	Mean Square	F	Sig	Partial Eta Square
Corrected Model	5.788a	2	2.894	53.821	.000	.353
Intercept	141.027	1	141.027	2622.873	.000	.930
TRUST	5.788	2	2.894	53.821	.000	.353
Error	10.592	197	5.377e-02			
Total	254.000	200				
Corrected Total	16.380	199				

a. R Squared = .353 (Adjusted R Squared = .347)

Source: Field Study

According to Muijs (2004, p-195), an effect is small if Eta Squared is 0-0.1, modest if it is 0.1-.03, moderate if it is 0.3-0.5, and large if it is >0.5. As a result, the Partial Eta Squared for the two tests is .33 and .35, respectively, which is a moderate effect. Over the course of these experiments, the



refund variable had a greater impact than the individual's perception of price reducing and its impact on product quality.

4.2 Trust-Related Factors

In this section, I've looked into all the survey data as well as the various elements that can either directly or indirectly affect a customer's level of trust. Specifically, question 13 assesses how much customers trust supermarkets. Then, question 9 asks about an individual's opinion on price competition and product quality, and question 13 (which is a subset of the main question) deals with customers' experiences receiving refunds within a month. The answers to a few additional questions are relevant to the primary one. Finally, verses 14 and 15 deal with preference and belief.

Table 14: Trust Related Factors

TRUST

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less Trust	89	44.5	44.5	44.5
Confused	99	49.5	49.5	94.0
Trust	12	6.0	6.0	100.0
Total	200	100.0	100.0	

Source: Field Study

Table 14, It demonstrates that only 6% of customers have confidence in their supermarkets, while 49.5% are unsure or have no other options, such as a store's proximity to a residence or a convenient location. And 44.5% of consumers have no faith in supermarkets. The price-cutting approach has an impact on 47% of customers, who primarily shop at supermarkets for the low costs. The availability of goods, such as a larger selection of products and 40.5% longer operation duration, is another important factor. And only 3% of shoppers who shop at supermarkets believe the goods there are of higher quality. The customer's perception of the price-cutting policy is the only additional significant variable. According to 92.5% of consumers, price competition undoubtedly affects product quality. Only 7.5% of consumers believe it has no impact on the product's quality. There is a big disparity in their perspectives on this.

89.5% of consumers believe the price is too high for the projected product quality, while 88.5% of customers are interested in product quality rather than product price. Their anticipated product quality needs to be a little better than the going rate for the goods. Another important consideration for the customer is the refund experience. Trust in supermarkets is eroded by refund experiences. The majority of customers (91%) have had negative refund experiences, particularly when it comes to product qualities like 'damaged', 'not durable products', 'cannot use', 'out of date products', etc. Because of this, 84.5% of consumers think they will not gain from future price-cutting efforts. 95.5% of customers concur that supermarkets should maintain their prices while raising the standard of their goods.

Table 15: Factors Influencing Consumers' Trust

		Trust			Total	Total
		Less trust	Confused	Trust		
Q 7 Main reasons	Price	18.0%	25.0%	4.0%	47.0%	100%
	Quality	1.5%	1.5%	0%	3.0%	
	Available	19.0%	19.5%	2.0%	40.5%	
	Location	6.0%	3.5%	0%	9.5%	
Q 9 Affect on quality	Yes	44.0%	46.5%	2.0%	92.5%	100%
	No	0.5%	3.0%	4.0%	7.5%	
Q 11 Choice	Price	1.5%	6.0%	4.0%	11.5%	100%
	Quality	43.0%	43.5%	2.0%	88.5%	
Q 11 Right price	Yes	0.5%	5.0%	5.0%	10.5%	100%
	No	44.0%	44.5%	1.0%	89.5%	
Q 12 Satisfaction	Average not satisfied	23.0%	10.5%	0%	33.5%	100%
	Satisfied	21.0%	34.0%	1.5%	56.5%	
	Average satisfied	.5%	5.0%	4.5%	10.5%	
Q 13 Refund	Yes	44.0%	45.5%	1.5%	91.0%	100%
	No	0.5%	4.0%	4.5%	9.0%	
Q 14 Future	Yes	2.0%	8.0%	5.5%	15.5%	100%
	No	42.5%	41.5%	.5%	84.5%	
Q 15 Agree	Yes	44.5%	47.5%	3.5%	95.5%	100%
	No	0%	2%	2.5%	4.5%	

Source: Field Study

4.3 Testing hypotheses

The following is the hypothesis of the study:

H₁: Price reductions have an impact on consumers' trust in traditional supermarkets.

Null Hypothesis- H₀: Price reductions have an impact on product quality, but they have no impact on consumer trust.

Alternative Hypothesis- H_a: Price cuts have an impact on product quality, which in turn affects consumer trust.

Table 16: Testing Null Hypotheses (Chi-Square Test)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	66.064 a	2	.000
Likelihood Ratio	35.042	2	.000
Linear-by-Linear Association	32.803	1	.000
N of Valid Cases	200		

a. 1 cell (16.7%) has expected count less than 5. The minimum expected count is .90.

Source: Field Study



Table 17: Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Affect on Quality* TRUST	200	100.0%	0	0%	200	100.0%

Source: Field Study

4.3.1 Statistical Independent

By determining how likely it is that the sample's level of statistical independence is not merely the result of chance. The null hypothesis is thus disproved. Since there are less than 5 chances in 10,000 that the correlation will occur, the likelihood ratio of .000 does not accurately depict the relationship between the effect on quality and trust. The null hypothesis can therefore be rejected.

4.3.2 Chi-square test

The value of the chi-square test is influenced by the degree to which two variables are reliant on one another, even though it is not a measure of connection. The Chi-square value in this study's SPSS Table-4.9 (B) is 66.064, the degrees of freedom are 2 and the probability value is 0.000. P-value for this study is .000. Where P.0005 because SPSS rounds up to the nearest thousand if the fourth digit of the P value is five or greater (P = .001). There are 5 chances in 1000 that the outcome is the result of chance, which is the critical chi-square value of 10.597. The chi-square values in this study, however, are substantially higher than the critical value.

Table 18: Critical Value of Chi-Square

Degree of freedom	The Chi-square distribution			
	(Alpha α)			
	0.90	0.10	0.05	0.005
1	0.016	2.706	3.841	7.879
2	0.211	4.605	5.991	10.597
3	0.584	6.251	7.815	12.838

Source: Adopted from Bluman, A. G., 1992, p. 542, table G, (Cited from Donald B. Owen, Handbook of Statistics Tables, 1962, Addison-Wesley Publishing Co., Reading, Massachusetts)

The critical value of Chi-square is connected to a 0.05 alpha level, where 5 chances in 100 that the statistical dependencies in the sample are accidental are required to reject the null hypothesis. Therefore, the crucial Chi-square value at .05 is 5.991 (Bluman, 1992). The outcome of this study goes much beyond a value of 5.991. Therefore, there is sufficient data to rule out the null hypothesis.

The alternative hypothesis is accepted and the null hypothesis is rejected in the case of the relationship between the effect on product quality and consumer trust in retail supermarkets. The correlation between the influence on product quality and consumer trust in the sample is extremely likely to reflect a connection between these variables in the consumers of the supermarkets since there is enough evidence to rule out the assumption that the association observed in samples is the result of chance.

4.4 Findings Synopsis

The features of the sample in this study are indicative of the populations, distributed as consumers and stores, according to all data gathering and survey results. However, because older age groups have greater shopping experience at supermarkets, their levels of trust vary. Those over 30 years old have significantly more experience than those under 30 years old. Additionally, according to the survey, the majority of customers are unclear about the pricing policies of supermarkets as well as other internal elements that should be considered.

Shopping at supermarkets is occurred for a variety of reasons, including cost, value, accessibility, and location. Only 47% of people purchase at supermarkets for the cheaper prices, yet 25% of those 47% are unsure what lower prices mean. 92% of respondents to this study's key attribute, effect on quality, said they believed price reductions would have an impact on product quality. A little less than half of the 92% of customers are perplexed. This figure is in the middle, where it can shift to a more or less trusted position depending on how they feel about the caliber of their goods or services.

88.5% of customers want high-quality products. It indicates that consumers demand goods of a respectable quality. The majority of clients lack trust or are perplexed among those seeking quality. Therefore, supermarkets have failed to provide their clients with products of a satisfactory quality. The poor refund experience, which is also a fact to the trust, is another important reason. Most of them have had horrible luck with refunds due to poor product quality. 91% of customers have had this experience, which will undoubtedly have an impact on their future grocery store purchases.

Some customers argued that price reductions lead to more waste. One may be required by customers, but the other won't be needed for a while (Buy one and get another one at a lower price.). They become irresponsible toward both buyers and sellers as a result. The majority of customers (about 84.5%) think that price reductions will not help them in the long run. And 95.5% of customers concur with my ideas regarding a different approach that supermarkets may use to maintain prices while enhancing quality.

Between the refund experience and personal view of price cutting effect on product quality effect by the effect size (Eta Squared) both have a moderate effect on trust. Finally, it can be concluded that their personal view of a product's quality (affected by price cutting) is one of the main factors in the consumers' trust. In light of this analysis, the test of hypothesis reveals that the alternative hypothesis, according to which the influence of price cuts on product quality and on consumer trust, is accepted.

5. MANAGERIAL IMPLICATIONS

This study informs marketers by illuminating the connection between competitive price-cutting tactics and consumer trust. The findings of this study will aid marketers in setting prices in the Bangladeshi retail industry. Retail supermarkets should benefit from this research's recommendations for better pricing strategies.

This study will assist the marketer in deciding on the price of their product due to the recent growth in supermarket branch locations and increased supermarket competition. The development of product features requires further research, which is expensive and requires

additional money. Therefore, marketers must carefully balance the value provided to customers with profit or return on investment.

6. CONCLUSION

Particularly in Bangladesh, retailers (supermarkets) have significantly boosted the nation's economy. In this industry, employees and store expansion are both rising. The cultures and relationships between merchants and customers are impacted by their competitive marketing and expansion initiatives. Competition is another reality. There is continual competition among the supermarkets to seek cost leadership by reducing product prices. And the level of competitiveness is rising daily. To keep the customers, many marketing methods are used. By lowering prices, retailers are adding value for customers.

The current top priority for supermarkets is price reduction rather than product attributes. The majority of them market branded and items with diverse labels. However, their own label products, where there may potentially be a quality variation, have prices that are nearly identical across supermarkets for branded goods. In addition to price and product quality, the 'offer' also includes a variety of advertising tactics, service, and availability. Together, they give the customer more value. Therefore, all different kinds of prices, including supplier costs, distribution costs, seasonal availability, sales rates, and own retailing costs, have an impact on pricing. The pricing strategy also heavily depends on promotional activities. The majority of supermarkets offer the products in a variety of methods, including full allowance for all promotions, partial allowance that directly results in lower prices, and no allowance at all for promotions.

This price cut degrades the quality of the product. The majority of clients have had negative return experiences, which shows that they are dissatisfied with the caliber of the goods. Bad incidents of this nature are becoming more prevalent every day. Thus, based on the quality of the goods, trust is also diminished.

According to the assessment of the literature, relationship marketing for merchants requires a high level of trust. The necessity to establish a long-term relationship between customers and supermarkets is supported by a variety of theories and factors connected to relationship marketing. Although other elements also affect the supermarket's capacity to keep customers and keep them satisfied, trust is not the sole factor in retaining customers for a long time. In order to operate the business and maintain their place in the market, supermarkets must turn a profit. However, as customers are a company's greatest asset, it is crucial that they comprehend their wants and properly incorporate them into the supermarket brand.

It is abundantly obvious from this study that price competition has an impact on product quality. Customers desire fair prices and products of acceptable quality, but they don't believe they are getting those products. Therefore, their trust is impacted by this. To accomplish the goals of this project, the research method began with a survey of 200 Bangladeshi retail customers. The questionnaire is created using the literature study and the data analysis techniques' estimate of .7216 for the reliability of the research questions. The following findings were obtained from the collected data using frequencies, cross tabulation, a measure of effect, and a chi-square test to test the validity of the hypothesis:

Null Hypothesis- H_0 : Price reductions have an impact on product quality, but they have no

impact on consumer trust. And, Alternative Hypothesis- H_a : Price cuts have an impact on product quality, which in turn affects consumer trust.

The null hypothesis was disproved in this case. Most respondents to customer surveys concurred that lowering prices has an impact on product quality or other aspects. Customers believe that price reductions should damage the quality and, as a result, have less faith in supermarkets. The effect on quality is a rather high 92.5%, accounting for 44% of this high score. It would follow that price reductions play a significant role in influencing customer trust. As a result of increased price reducing tactics brought on by supermarket competition, this supports the idea that daily price cuts undermine consumer trust.

By lowering product prices, competition amongst supermarkets, particularly in Bangladesh, adds value for the consumer. However, their rivals, such as other companies like branded apparel stores or tiny neighborhood retail stores, are also having difficulties. These supermarkets may provide employment prospects through business expansion, but other local retailers and their staff are losing jobs as a result of their strong rivalry. As a result, while rivalry among these supermarkets in Bangladesh will benefit them financially, it won't benefit customers, which will have an impact on the entire economy.

Finally, the examination of the data showed that price reductions have an impact on product quality, which in turn affects consumer trust. The literature review also validated the relationship marketing trust aspects in supermarkets. Because trust in Bangladeshi supermarkets is a key component in developing a long-term relationship with the client, the problem definition and study objectives can be supported.

7. LIMITATIONS OF THE RESEARCH

Despite all of the efforts made in this study, some of its drawbacks are as follows:

Location- The research was carried out in the heart of Dhaka city. Supermarkets had all of their locations, including ones outside of the capital. Although shopping is a universal activity, the traits, actions, and perspectives of samples from Dhaka city may differ from that elsewhere.

Customers' purchasing power- To shop, one needs to have the means to do so. However, it is not stated in this study because most buyers can afford the lower product pricing. Typically, it relies on the kinds of goods people intend to purchase. Nowadays, the majority of supermarkets carry devices that may be expensive but are not as expensive as brand stores.

Dedication and others - It has been stated that commitment and trust are key elements of relationship marketing. The scope of this study could be limited by additional marketing cues like the place factor. However, this study did not compare with other marketing stimuli because of the word count restriction. *Younger customers*—It should be noted that the sample characteristics are from consumers above the age of 18, but those under the age of 18 also buy at supermarkets, with the majority of them being more focused on cheaper prices than on product quality.

*SPSS-*The chi-square test and a lower P-value do not suggest a strong link, hence metrics of the relationship's strength may not be included in SPSS.

Chi-square - When using contingency tables, Chi-square should not be utilized if the frequency for one or more cells is less than 5.

Trust facts- Less trust, bewilderment, and trust in supermarkets are used to explain the trust component in this study. According to the survey, this grade is between '1' and '3', but not higher. Because it's the bare minimal level of trust, customers purchase at supermarkets, 'less trust' is utilized here instead of 'no trust'. Confusion can also be attributed to 'no choice', as these customers only purchase from stores that are close to their homes and have the things they need (available products on a shelf), or other factors.

8. FURTHER RESEARCH OPPORTUNITIES

It is advised to include the following additional criteria in order to have a clearer image and better understanding of consumer trust in relation to Bangladeshi retail supermarkets:

In Bangladesh, the retail supermarket industry is larger than other industries. Therefore, a larger sample size would provide a clearer picture of the association between price competition and customer confidence.

Every element of the marketing mix has an impact on consumer behavior or trust (Arif, 2017). Another crucial marketing mix that needs to be considered in additional research is the location. This will enable marketers to compare and choose between increasing branch locations and setting prices based on long-term customer relationships.

Relationship marketing components trust and commitment, which were discussed in the research review, are also crucial. Therefore, it should be taken into account in further study to better comprehend the effect of price lowering in order to acquire a clear sense of the effect of price cutting.

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