

# Penetration Pricing Strategy and Customer Retention – An Analysis

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## Abstract

Price plays a significant role in operating the market economies through the linking of services and/or products. Several pricing strategies have been applied and each pricing strategy is according to a distinct set of situations and standards. The study aims to measure the relationship between pricing strategies (penetration pricing) and customer retention in international hotels in Kurdistan. In the current research, the researcher applied a quantitative approach. The researcher distributed the questionnaire to seven international hotels located in Erbil City, Duhok City, and Sulaymaniyah City. The method used in the current study was a random sampling method to make sure that each customer will have a chance to contribute to the study. First, the researcher applied reliability analyses to measure the reliability for the independent variable and dependent variable, then used relationship method to obtain the measure of the association between the independent variable and dependent variable and finally multiple regression analysis to test the developed research hypotheses. Though, based on the findings, the current research confirmed that pricing strategies (penetration pricing) had positively associated with customer retention.

**Keywords**— Pricing Strategy, Penetration Pricing, Customer Retention, Packaging, International Hotels in Kurdistan Region.

## INTRODUCTION

In today's competitive business environment, pricing strategies have an essential role in gaining competitive advantage. Price plays a significant role in operating the market economies through linking the supply and demand of services and/or products. Continuously several aspects affect building relations between customers and the hotel industry. Hotel industries are focusing on the positive exchange relations and recognizing of relations value of a customer as there is an outline which suggests that interrelationship between the aspects of pricing strategies and International hotel services and quality. Every pricing strategy has a different role in binding the customer to the industry. Throughout the last decade, international hotels have developed significantly, raising the bar for international

hotels attempting to gain a competitive advantage in the competitive market environment. The highly competitive business environments have forced international hotels to seek strategies to enhance their long-term goals. One of the key affected changes has happened in the international hotel pricing, with the execution of new and different pricing strategies to adjust services and product prices. One of the keys to success in international hotels is the pricing strategy. The price must be competitive, accurate and consistent (Zu & Chen, 2017).

Price is the value characteristic in payment when purchasing products and services (Achroll & Kotler, 2014). However, the research attempts to investigate pricing strategies (penetration pricing) and its relationship with customer retention.

The price packaging of at least two items which are not indivisible from the purchasers' viewpoint likewise requires reducing (Subrahmanyam & Azad, 2022). In any case, this kind of marking down is not in the struggle with esteem estimating as such, as there is no extra benefit by the customer which would request a premium (Fasakin, et al., 2018). As per Payne, et al., (2018), is a methodology used by firms to pull in buyers to another item or administration. Entrance estimating includes introducing a low cost for another item or administration during its underlying contribution. Mental valuing depends on the hypothesis that a cost has a mental impact. As per Payne, et al. (2018), Penetration Pricing is a strategy utilized by firms to attract purchasers to a new product or services. Penetration pricing comprises offering a low price for a new product or services during its initial offering.

### **Research Problem**

There are numerous studies regarding to the pricing and retention; several academics concentrated on the perception of marketing and retaining, though, nearly none of the academics concentrated on pricing strategies for instance; penetration pricing on customer retention, furthermore, nearly none of the academics focused on the impact of this pricing strategies on customer retention at international hotels. therefore, this research attempted to examine the influence of pricing strategies on customer retention at selected international hotels in Kurdistan Region. Moreover, for the above-mentioned statement, the researcher set below research question:

**Research Question-1-:** Is there any relation between pricing strategies and customer retention in International Hotels in Kurdistan Region?

**Research Question-2-:** Which pricing strategy (Penetration) positively influence customer retention more than others at selected international hotels in Kurdistan Region?

### **The Aim of The Research**

The main of this research is to investigate the relationship between pricing strategies (penetration pricing) with customer retention at selected international hotels in Kurdistan

region. For this purpose, the research set the following research objectives:

**RO1:** To examine the relationship between penetration pricing strategy and customer retention at international hotels located in the Kurdistan region of Iraq.

**RO2:** To determine the effective pricing strategy to enable and increase customer retention at international hotels located in the Kurdistan region of Iraq.

### **Significance of The Research**

This research is significant to the researchers and academicians in that it will add more information and knowledge in assessing the degree to which pricing strategy will be able to create customers' loyalty which results in customers' retention. The findings of this research provide secondary data to individuals interested to chase research in a similar domain. The research will be significant to international hotels as they continue indulging in price wars with competitors in the competitive market environment. Business managers in Kurdistan region shall obtain further knowledge concerning (CRM), relationship marketing and price perceived tactics as retention strategies practiced in Kurdistan to retain customers.

The study will provide information on what pricing strategies similar businesses can adopt to achieve customer retention. This will enable them to review pricing strategies currently being used, continue, and adapt to new potential retention strategies. As for the business's management, it will guide how well the businesses are utilizing the pricing strategy as a retention strategy, identify any gaps that may prevent retention and work towards improving customer retention. Business managers will also obtain extra knowledge on which retention strategy is well utilized and the one that is less utilized. The results of this research shall help business managers instill the right measures towards the retention of their market share intending to improve on performance. Managers of other businesses shall also benefit from the findings in that the findings shall help them in reviewing policies governing the retention of customers.

### **Conceptual Framework**

The conceptual framework illustrates the research outline which includes an independent variable, penetration pricing on the other hand dependent variable which is customer retention. As shown below, the relationship between the



### Research Hypothesis

**Ha:** There is a significant and positive relationship between penetration pricing and customer retention.

## LITERATURE REVIEW

### Price Concept

Usually, pricing includes taking into consideration overhead costs, workers and physical costs. Nonetheless defining the price for services is much more complex than that of products. Furthermore, services marketing is influenced more by non-financial costs, for instance, convenience costs, search cost, and time cost (Bohli, et al., 2009).

Price is one of the primal components of the advertising blend. It is esteem that had been put for an item. Fundamentally, price is an amount of cash expressed in money customer trade for flexibility for utilization of the item. Pricing is vital since it depends on the positioning of the product or services. Additionally, the price effect on the advertising blend components, for example, advancement, item, favorable circumstances, etc. (Soler & Gemar, 2017).

### Role of Pricing in Marketing

Pricing strategy has a significant role in marketing since it influences both income and purchasing decisions. The entire pricing condition is accordingly viewed as, first from the perspective of the business and its systems and after that from the part of the purchasers. In any case, it must not be overlooked that there are other, external impacts on pricing - from business competitors as well as from government (Chen, et al., 2015). A purchaser can either be a definitive purchaser of the completed item or a business that buys segments of the completed item. The customer tries to fulfill a need or set of requirements through the buy of a specific item or set of

independent variable and dependent variable accordingly, the researcher developed a research hypothesis to be measured during this research.

items. Thusly, the customers utilize a few criteria to decide the amount they will use, or the price they will pay, with a specific end goal to fulfill these requirements. Once these variables have been considered, different pricing systems are surveyed, and some consideration is given to how best to actualize those strategies; how estimating levels can be balanced and how such strategies do influence purchasers (Geng, et al., 2018). Financial aspects have attempted to comprehend pricing and estimating techniques, while dependable models for pricing stay smooth as indicated by (Chen, et al., 2016).

### Pricing Strategy

Price strategies are routinely utilized as the item goes through its life cycles and often happen when a business delivers another item to the market; they think about the customers' enthusiasm for the item, or the adjustments in the circumstance before making the price procedure. A business can utilize an assortment of pricing techniques when offering an item. The price can be set to increase productivity for every unit sold or from the market generally. It can be utilized to confirm a current market from new competitors, to expand the piece of the overall industry inside a market or to enter another market. They consider which of the price systems can be relevant to their item strategies like market-skimming and market entrance estimating. Market skimming is placing a significant expense on another thing remembering the ultimate objective to make the most extraordinary advantage on each level by level of the demography of everyone that will pay the significant expense set on a thing. This makes the in to convey a little proportion of the thing and make a gigantic advantage on the arrangements. Market entrance evaluating is putting a minimal effort on another thing to procure ground and pull in people's keenness

concerning to buying a thing. The market entrance makes a considerable market for a thing; it uses lodgings with a particular ultimate objective to enter a national market to get endless clients to purchase their thing in a remote circumstance (Lusch & Vargo, 2014).

### **Penetration Pricing**

As (Payne, et al., 2018), is a strategy utilized by firms to attract purchasers to a new product or service. Penetration pricing comprises presenting a low price for a new product or service during its initial offering. Moreover, penetration pricing is the point at which the business chooses to set the cost underneath the product incentive to the purchasers, along these lines guaranteeing a bigger customer base. This happens when a business exchange off higher income against higher edges to offer more volumes (Reen, et al., 2017). Penetration pricing is a pricing technique where the cost of an item is at first set low to quickly achieve a wide part of the market and start informally. The procedure takes a shot at the desire that customers will change to the new brand in light of the lower cost (Repetti, et al., 2015).

### **Customer Retention**

Client care maintenance is a famous promoting procedure as it includes concentrating on meeting or surpassing customers' desires to keep up their dependability. At the point when individuals feel faithful to a specific brand or business, they are more averse to be convinced by a contender's adverts and offers. The present organizations are confronting their hardest serious ever. Organizations are presently moving from items and deals reasoning to an advertising theory. Pennington, (2016), stated that "make a client the focal point of the way of life of the organization" that organizations need to quickly move into the new economy and utilize web, remote and different advancements to accomplish an upper hand which means organizations must be consider creating what the clients anticipate from them.

According to Subrahmanyam and Azad (2022), depicted client standard for dependability as "the level of clients toward the start of the year that despite everything stays toward the year's end." Keeping up the current client base by

building up great relations with all who purchase the organization's item. For the motivations behind this investigation, the scientist characterizes retaining hotel guests in the accompanying manner: "all showcasing plans and activities that try to hold both existing and new clients by building up, keeping up, and expanding common long-haul benefits that fortify and broaden the joint connection between two gatherings." This definition concurs with the principle stream of researchers "interests that clarifies client retention related ideas, for example, relationship quality, which depends on dragging out common" (Subrahmanyam & Frawq, 2019). Fundamentally, retaining hotel guests suggests a drawn-out relationship however it has numerous ideas which may exist between the lines. A few specialists, for example, (Subrahmanyam & Azad 2022), utilized the expression "future conduct expectation" to portray "retaining hotel guests." This is in accordance with Cronin et al. (2000) who utilized "retaining hotel guests" and "conduct goal" as interchangeable ideas. Additionally, retaining hotel guests has a solid connection with reliability which bolsters holding clients who show both a serious extent of attitudinal and social dedication (Subrahmanyam & Azad, 2020).

Retaining hotel guests has become the primary plan for the organizations who accentuate on keeping up a profitable relationship with clients, other than working as a key instrument to produce monetary profits (Subrahmanyam & Azad, 2022). Past writings demonstrate that client's value lack of care is the key improvement for fulfilling company's clients. The held client wouldn't fret addressing somewhat greater expenses and search forward for limits when contrasted with the new clients (Chen, 2016). This is on the grounds that held clients accept that marginally more significant expenses demonstrate more excellent other than showing company's better than expected client support (Silvestri, et al., 2020). These clients ordinarily shop lasting through the year much after rebate periods at their favored shops and think that its beneficial to do as such because of

the incentive for cash part (Saifi, 2019). Along these lines, clients who remain with a firm for a more drawn out residency are considered as held clients (Subrahmanyam & Azad, 2020).

## **METHODOLOGY**

### **Research Design**

The design of the research is an essential approach that directs and supports gathering data and research analysis stage. Research design offers the outline that requires the kind and sort of knowledge to be gathered, its foundations and gathering technique. Furthermore, it clarifies and specifies the type of data to be used in analyzing research, also the type of research methods that the researcher is going to applied to examine the relationship or influence of variables. Moreover, it is stated that this approach aims to present and illustrate the consequence and research outcome that are refereed to be reliable. Furthermore, it is a planned outline for achievement that aids as a connection between research questions and the implementation. Research design reviews the measures for leading research, compromising the time of data collection and the way that data will be gathered. It is to clarify and examine a strategy for creating empirical evidence that will be applied to support research hypotheses developed by the researcher and find the correct answer for the questions developed by the researcher.

There are types of research methods, that researchers are going to apply to analyze their studies, one of the main research methods is the descriptive research method. In this research, the researcher applied quantitative research method as a part of the descriptive research method. Quantitative method compromises determining a phenomenon in numerous results, while qualitative study regularly needs Boolean analysis. The correctness of an explanation could be applied qualitatively, nevertheless, the contrast between applicant answers needs quantitative approach.

In this research, the reasons that the researcher applied quantitative approach are; it is utilizing statistical information as an instrument for time-saving also less effort and resources. Moreover,

another reason that the researcher applied this method is quantitative method is the best approach to measure and examine between variables, in the current study, the researcher attempted to measure penetration pricing strategy as independent variables to find the relationship with customer retention at selected international hotels in Kurdistan region of Iraq.

### **Sample Size and Sampling Method**

The researcher distributed the questionnaire to seven international hotels located in Erbil, Duhok, and Sulaymaniyah. The researcher calculated the sample size based on the number of rooms for each hotel. The method used in the current study was a random sampling method to make sure that each customer will have a chance to contribute to the study. As we know the sample size is a small portion of the entire population that represents the whole population, this will save the researcher's time efforts and sources as shown in table (1) and figure (1). The calculation for sample size, the researcher distributed questionnaire in Erbil to Rotan hotel, Dedeman hotel, and Divan hotel; it was found that Rotana has 201 rooms, for this reason, the researcher distributed questionnaire along with the help of managers at the hotel 78 questionnaires, however only 74 questionnaires were able to be gathered and analyzed for the current study, As for Dedeman has 151 rooms for this reason the researcher distributed 56 questionnaires, however only 50 questionnaires were able to be gathered and analyzed for the current study, As for Divan has 227 rooms for this reason the researcher distributed 89 questionnaires, however, only 78 questionnaires were able to be gathered and analyze for the current study. As for Sulaymaniyah city, the researcher distributed questionnaires in Grand Millennium hotel, HighCrest hotel, and Titanic hotel; it was found that Grand Millennium has 253 rooms, for this reason the researcher distributed questionnaire along with the help of managers at the hotel 97 questionnaires, however only 86 questionnaires were able to be gathered and analyzed for the current study, As for HighCrest has 95 rooms for this reason the researcher distributed 36 questionnaires, however only 34 questionnaires were able to be

gathered and analyze for the current study, As for Titanic has 84 rooms for this reason the researcher distributed 33 questionnaires, however, only 31 questionnaires were able to be gathered and analyze for the current study. As for Duhok city, the researcher distributed questionnaires at Rixos hotel, it was found that

Rixos has 189 rooms, for this reason, the researcher distributed questionnaire along with the help of managers at the hotel 70 questionnaires, however, only 64 questionnaires were able to be gathered and analyze for the current study.

Table 1 Sample Size

	Hotel	Number of rooms	Distributed Sample size	Respond sample
1	Rotana	201	78	74
2	Grand Millennium	253	97	86
3	Dedeman	151	56	50
4	Divan	227	89	78
5	HighCrest	95	36	34
6	Titanic	84	33	31
7	Rixos	189	70	64
	Total	1200	459	417

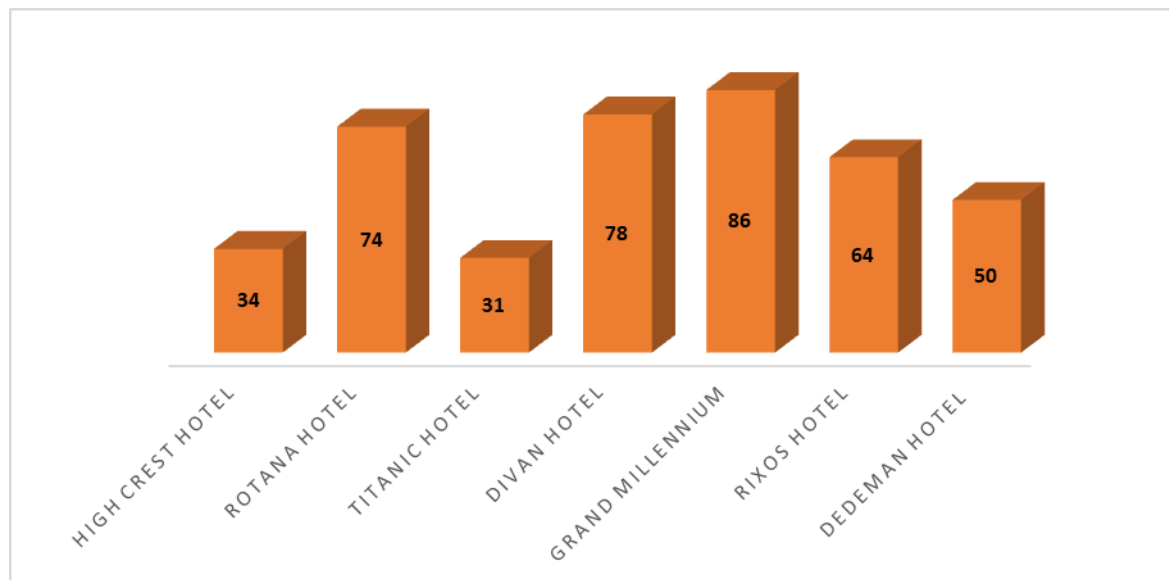


Figure 1 Sample Size

## RESULTS AND DISCUSSION

This chapter consists of two main sections; the first section includes background information for respondents participated in this research, the researcher attempted to find out respondent's gender, age, education, and marital status. Concerning second section; it includes analyzing data gathered by the researcher to examine the relationship between penetration pricing strategy and customer retention at international hotels located in the Kurdistan region of Iraq.

### Demographic Analysis

This section includes the results of background information for respondents who participated in this research such as gender, age, education, and marital status.

#### Customers' Gender

The researcher found customers' gender participated in this thesis, as it is shown in table (2) and figure (2) that 320 male customers from seven international hotels located in Kurdistan region of Iraq participated in the current research and 97 female customers from seven international hotels located in Kurdistan region of Iraq participated in the current research. It

can be concluded that most customers who participated in the current thesis were from the male gender.

Table 2 Customers' Gender

**Gender**

Items	Frequency	Percent
Male	320	76.7
Female	97	23.3
Total	417	100.0

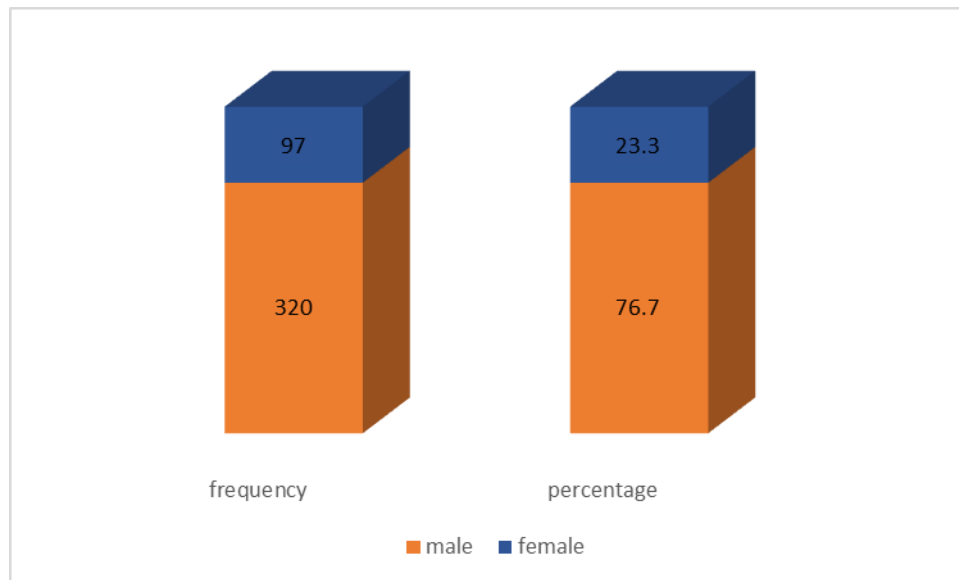


Figure 2 Customers' Gender

**Customers' Age**

The researcher found customers' age participated in this thesis, as it is shown in table (3) and figure (3) that 26 customers from seven international hotels located in Kurdistan region of Iraq participated in the current research were age ranged from 18 years old to 23 years old, 57 customers from seven international hotels located in Kurdistan region of Iraq participated in the current research were age ranged from 24 years old to 28 years old, 57 customers from seven international hotels located in Kurdistan region of Iraq participated in the current research were age ranged from 29 years old to 34 years old, 72 customers from seven international hotels located in Kurdistan region

of Iraq participated in the current research were age ranged from 35 years old to 40 years old, 77 customers from seven international hotels located in Kurdistan region of Iraq participated in the current research were age ranged from 41 years old to 45 years old, 88 customers from seven international hotels located in Kurdistan region of Iraq participated in the current research were age ranged from 46 years old to 50 years old, and 40 customers from seven international hotels located in Kurdistan region of Iraq participated in the current research were age ranged from 50 years old and older. It can be concluded that most of the customers who participated in the current research were age range from 46 years old to 50 years old.

Table 3 Customers' Age

**Age**

Items	Frequency	Percent
18-23	26	6.2
24-28	57	13.7
29-34	57	13.7

35-40	72	17.3
41-45	77	18.5
46-50	88	21.1
50+	40	9.6
Total	417	100.0

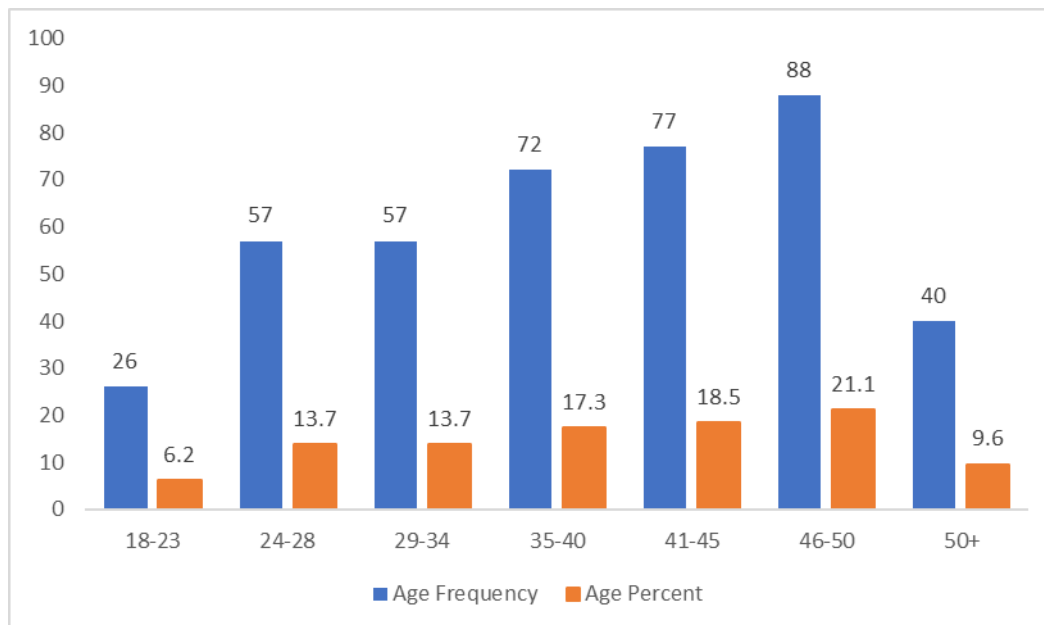


Figure 3 Customers' Age

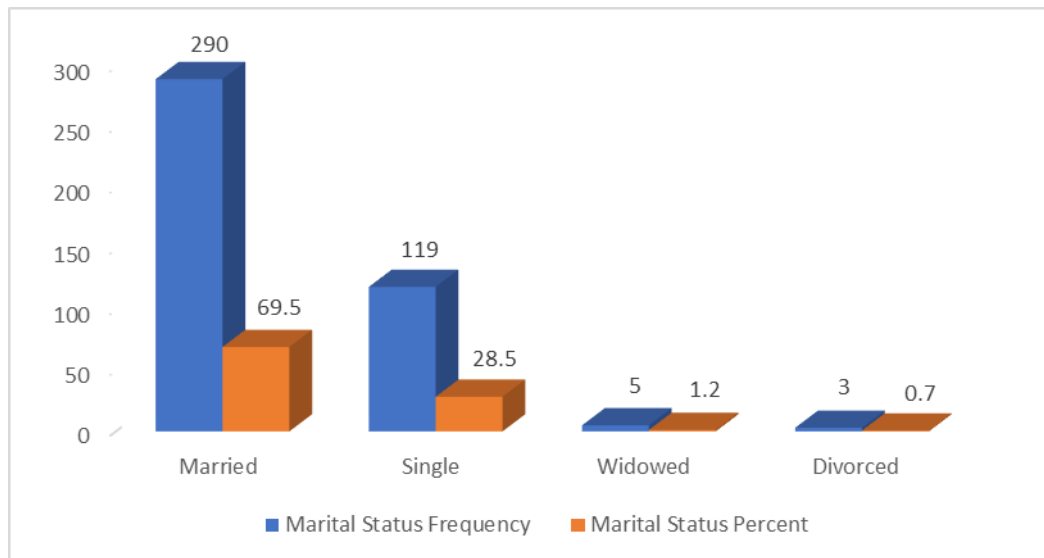
### Customers' Marital Status

The researcher found customers' marital status participated in this thesis, as it is shown in table (4) and figure (4) that 290 married customers participated from seven international hotels located in Kurdistan region of Iraq participated in the current research, 119 Single customers participated from seven international hotels located in Kurdistan region of Iraq participated

in the current research, 5 widowed customers participated from seven international hotels located in Kurdistan region of Iraq participated in the current research, and only 3 divorced customers participated from seven international hotels located in Kurdistan region of Iraq participated in the current research. It can be concluded that most of the married customers participated in the current study.

Table 4 Customers' Marital Status		
Items	Frequency	Percent
Married	290	69.5
Single	119	28.5
Widowed	5	1.2
Divorced	3	.7
Total	417	100.0





**Figure 4** Customers' Marital Status

### Customers' Education

The researcher found customers' education participated in this thesis, as it is shown in table (5) and figure (5) that 8 customers with high school certificate participated from seven international hotels located in Kurdistan region of Iraq participated in the current research, 26 customers with institute certificate participated from seven international hotels located in Kurdistan region of Iraq participated in the current research, 265 customers with university certificate participated from seven international

hotels located in Kurdistan region of Iraq participated in the current research, 90 customers with graduate school certificate participated from seven international hotels located in Kurdistan region of Iraq participated in the current research, and 28 customers with other than mentioned certificate participated from seven international hotels located in Kurdistan region of Iraq participated in the current research. It can be concluded that most of the customers with university degrees participated in the current study.

Table 5 Education

Education		
Items	Frequency	Per cent
High School	8	1.9
Institute	26	6.2
University	265	63.5
Graduate School	90	21.6
Other	28	6.7
Total	417	100.0

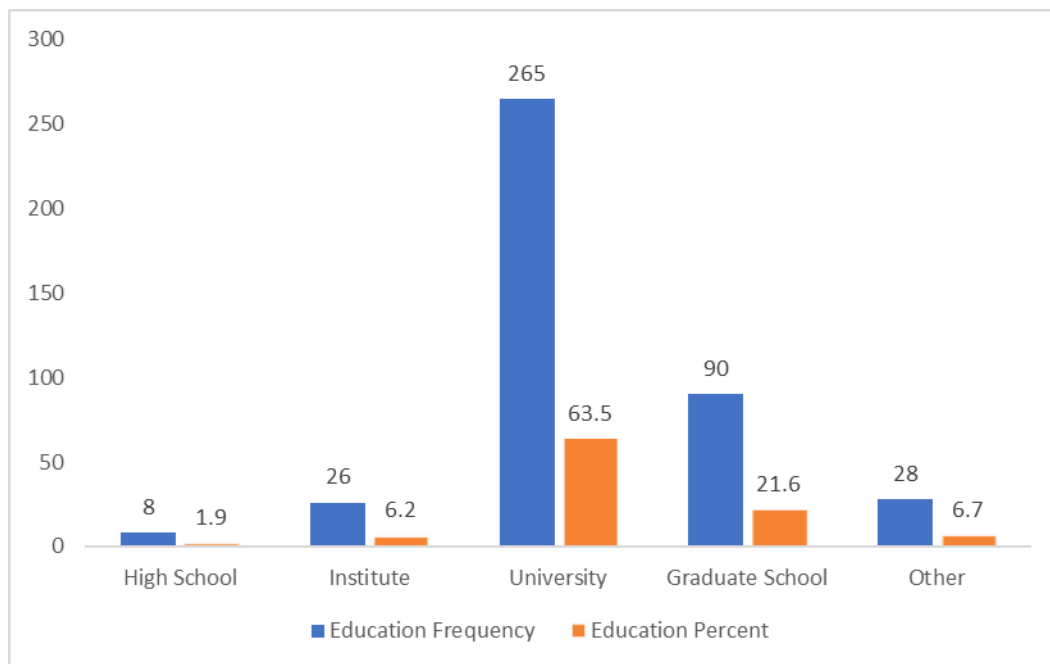


Figure 5 Customers' Education

### Testing Research Hypotheses

This section analyzes the gathered data by using a questionnaire from seven different international hotels located in Kurdistan region of Iraq. The researcher attempted to measure and examine developed research hypotheses as it can be seen earlier in a conceptual framework. As for each research hypothesis; the researcher applied reliability analysis to measure the reliability for independent variable and dependent variable, the relationship method to measure the relationship between an independent variable and dependent variable and finally multiple regression analysis to test the developed research hypothesis.

### Testing Hypothesis Two: Reliability Analysis of Penetration Pricing Strategy

As it was found based on the reliability test which used to examine four questions related to penetration pricing, as it can be seen in the table (6) for first question which stated that whether specific international hotel is setting prices low to attract more customers to stay at their hotels, the Alpha value was .843 which is considered reliable to be measure as an item of penetration pricing to examine the relationship with customer retention at international hotels in Kurdistan. As for second question related to

penetration pricing which stated that whether specific international hotel sets low price to

make customers believe that the hotel has a good quality of services, the Alpha value was .847 which is considered reliable to be measure as an item of penetration pricing to examine the relationship with customer retention at international hotels in Kurdistan. As for third question related to penetration pricing which stated that whether specific international hotel apply certain penetration pricing strategy to enable itself to compete with other international hotels to attract more customers, the Alpha value was .847 which is considered reliable to be measure as an item of penetration pricing to examine the relationship with customer retention at international hotels in Kurdistan. As for fourth question related to penetration pricing which stated that whether specific international hotel use pricing strategy as a method to avoid other new hotels to come into the market, the Alpha value was .843 which is considered reliable to be measure as an item of penetration pricing to examine the relationship with customer retention at international hotels in Kurdistan.

Table 6 Reliability Analysis of Penetration Pricing Strategy

Questions	Cronbach's Alpha
Q1 This hotel sets the initial price low to accelerate services adoption.	.843
Q2 This hotel sets price artificially low to encourage favorable perceptions among buyers, based solely on the price.	.847
Q3 This hotel uses a penetration pricing strategy to undercut competitor pricing.	.847
Q4 This hotel uses a pricing strategy to maintain barriers to entry of new hotels.	.843

### Reliability Analysis of Customer Retention

From table (7) it was found based on the reliability test which used to examine three questions related to customer retention as dependent variable, as for first question which stated that whether customers are thinking to shift my loyalty with this hotel within the next six months, the Alpha value was .852. As for second question which stated that whether

customers are thinking to shift my loyalty with this hotel within the next two years, the Alpha value was .846 which is considered reliable. As for third question related to customer retention which stated that whether customers are thinking to shift my loyalty with this hotel within the next one year, the Alpha value was .819 which is considered reliable to be measure as an item of customer retention.

**Table 7** Reliability Analysis of Customer Retention

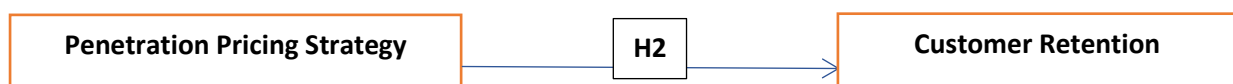
Questions	Cronbach's Alpha
Q1 I am thinking to shift my loyalty with this hotel within the next six months.	.852
Q2 I am thinking to shift my loyalty with this hotel within the next two years.	.846
Q3 I am thinking to shift my loyalty with this hotel within the next one year.	.819

### The Relations Between Independent Variables and Dependent Variable

This section consists of results of the relationship analysis between independent

variables pricing strategies (Penetration pricing) and dependent variable (customer retention).

### The Relationship Between Penetration Pricing Strategy and Customer Retention.



**H1:** There is a significant and positive relationship between Penetration pricing strategy and customer retention.

As we can see in table (8), we used Crosstab to find the relations between variables, the result revealed that 57 customers out of 417 customers rated as low concerning the relation

between penetration pricing strategy and customer retention at selected international hotels in Kurdistan, 236 customers out of 417 customers rated as fair concerning the relation between penetration pricing strategy and customer retention at selected international hotels in Kurdistan, 124 customers out of 417 customers rated as high concerning the relation

between penetration pricing strategy and customer retention at selected international hotels in Kurdistan. Based on the above results, we can conclude that the majority of customers rated as fair (medium) concerning between penetration pricing strategy and customer retention at selected international hotels in Kurdistan.

Table 8 Relationship Between Penetration Pricing Strategy and Customer Retention

**Crosstab**

Count		Custom Retention Classes			Total
		Low	Fair	High	
Penetration Classes	Low	4	42	11	57
	Fair	11	89	136	236
	High	1	34	89	124
	Total	16	165	236	417

As it can be seen in the table (9), the chi-square statistic seems in the Value column of the Chi-Square Tests table directly to the right of "Pearson Chi-Square". The results showed that the value of the chi-square statistic is 45.589. The P-value found in the same row in the

"Asymptotic Significance (2-sided)" column (.000). The finding is a highly significant because the P-value is less than .001. This proved that there is a highly significant relationship between penetration pricing strategy and customer retention at selected international hotels in Kurdistan.

Table 9 Chi-Square Tests Relationship Between Penetration Pricing Strategy and Customer Retention

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	45.589 <sup>a</sup>	4	0.000
Likelihood Ratio	48.265	4	0.000
Linear-by-Linear Association	37.467	1	0.000
N of Valid Cases	417		

**Model Summary**

Based on the model summary as it can be seen in the table (10) that the value of Adjusted R Square is .690 this means that 70% of variables were explained.

**Multiple Regression Analysis**

This section presents the results of multiple regression analysis to measure each research hypothesis developed according to the research model.

Table 10 Model Summary

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833 <sup>a</sup>	0.695	0.690	2.515

a. Predictors: Penetration Pricing Strategy

### ANOVA

As shown in table (11), ANOVA analysis, it was found that the value of F was 155.481, and the significant level was equal to .000. The

finding is a highly significant because the P-value is less than .001, this indicated that there is a positive association among each pricing with customer retention at chosen international hotels in Kurdistan.

Table 11 ANOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5901.626	6	983.604	155.481	.000 <sup>b</sup>
	Residual	2593.741	410	6.326		
	Total	8495.367	416			

a. Dependent Variable: Customer Retention

### Coefficients

The researcher applied multiple regression tests between six pricing strategies as independent variables and customers' retention as a dependent variable to measure the six research hypotheses which were developed earlier. As shown in table (12), multiple regression analysis applied to measure the relationship between (economy, skimming, penetration, bundle, premium, and psychology) pricing strategies and customer retention at the selected international hotels in Kurdistan. As for second

research hypothesis which stated that there is a positive and significant relationship between Penetration pricing strategy and customer retention, it was found that the value of B was .637 and the value of Beta was .232 with a significant level of .000 this means that the finding is a highly significant because the P-value is less than .001. The results indicated that the second research hypothesis was supported which stated that there is a positive relationship between Penetration pricing strategy and customer retention.

Table 12 Coefficients

Coefficients					
Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
1	Penetration	0.637	0.083	0.232	7.651
					0.000

a. Dependent Variable: Customer Retention

### Discussion

Numerous external effects influence customer retention in the hotel industry. Pricing significantly is a vital phase to retain hotels' customers and to confirm customer's loyalty.

Several pricing strategies have been applied and each pricing strategy is according to a distinct set of situations and standards. Successful pricing strategies had been developed to enhance the development of international hotel services in the competitive environment; consequently, this research investigated the existing pricing strategies to determine their level of usage and their impact on customer retention in the international hotel sector in Kurdistan. The results of the current research provided primary data to scholars and researchers interested to chase research in a similar domain. Research findings were significant to the international hotels as they continue indulging in price wars with competitors in the competitive market environment. As for the hotel management, the results guided how well the hotels are utilizing the pricing strategy as a retention strategy, identify any gaps that may prevent retention and work towards improving customer retention. The hotel managers additionally obtained extra knowledge on which retention strategy is well utilized and the one that is less utilized. The findings of current research assisted hotel managers to instill the right measures towards the retention of their market share intending to improve on performance. In this research, the researcher used independent variable (penetration pricing) on the other hand dependent variable which is customer retention. Accordingly, research hypothesis was developed.

According to the research hypothesis which stated that there is a positive and significant relationship between penetration pricing strategy and customer retention. To measure the relationship between penetration pricing and customer retention at international hotels in Kurdistan, the researcher used Crosstab, the result revealed that 57 customers rated as low concerning the relation between penetration pricing strategy and customer retention at selected international hotels in Kurdistan, 236 customers out of 417 customers rated as fair concerning the relation between penetration pricing strategy and customer retention at selected international hotels in Kurdistan, 124

customers out of 417 customers rated as high concerning the relation between penetration pricing strategy and customer retention at selected international hotels in Kurdistan. Based on the above results, we can conclude that the majority of customers rated as fair (medium) concerning penetration pricing strategy and customer retention at selected international hotels in Kurdistan. Moreover, the chi-square statistic seems in the Value column of the Chi-Square Tests table directly to the right of "Pearson Chi-Square". The results showed that the value of the chi-square statistic is 45.589. The P-value found in the same row in the "Asymptotic Significance (2-sided)" column (.000). The finding is significant because the P-value is less than .001. This proved that there is a highly significant relationship between penetration pricing strategy and customer retention at selected international hotels in Kurdistan. As for second research hypothesis which stated that there is a positive and significant relationship between Penetration pricing strategy and customer retention, it was found that the value of B was .637 and the value of Beta was .232 with a significant level of .000 this means that the finding is a highly significant because the P-value is less than .001. From the results indicated that second research hypothesis was supported which stated that there is a positive relationship between Penetration pricing strategy and customer retention.

Similar finding was found by Subrahmanyam and Azad (2022), measuring the influence of penetration pricing strategy on hotel's aim in retaining and attracting customers. The researchers measured the study by using Airbnb's application in order to measure customer retention at international hotels. Furthermore, the findings revealed that there is a positive and significant influence of penetration pricing strategy which is listed at Airbnb's application to retain and attract more customers to international hotels.

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