



American Journal of Economics and Business Innovation (AJEBI)

ISSN: 2831-5588 (ONLINE), 2832-4862 (PRINT)

VOLUME 4 ISSUE 3 (2025)

PUBLISHED BY
E-PALLI PUBLISHERS, DELAWARE, USA

The Relationship of Pricing Strategies in Customer Satisfaction at Cabanglasan Coffee Shop

Chariz Mae O. Madrid¹, Wrowee C. Lumbayan¹, Jehan T. Malon¹, Jepaul M. Montero¹, Allan V. Beliganio¹

Article Information

Received: September 26, 2025

Accepted: October 29, 2025

Published: December 17, 2025

Keywords

Coffee Shops, Customer Atisfaction, Price Discount, Pricing Strategies, Seasonal Pricing

ABSTRACT

The purpose of this study was to assess the relationship of pricing strategies in coffee shops with customer satisfaction in Cabanglasan. Specifically, it explored how the two independent variables of seasonal pricing and price discounts influence customer perceptions and purchasing behaviors guided by the Theory of Customer Satisfaction and the Behavioral Pricing Theory. A survey was administered to 292 customers of various coffee shops in the study locale, and the census method was applied to determine the relation between the dependent and independent variables and the latter's relationship with individual pricing strategies. The study design was descriptive-correlational since the key elements, such as the mean, standard deviation, and Pearson product-moment correlation, were employed to interpret the data. It was established that seasonal pricing and price discounts positively related to customer satisfaction, although the former is slightly more effective. The determining factor is that customers are likely to react if immediate financial incentives are offered rather than value-based ones. Therefore, there is a robust relationship between the dependent and independent variables, thus emphasizing the importance of well-structured pricing models for enhancing customer satisfaction. The interpretation of these relationships will help coffee shop entrepreneurs score more customers and enhance customer retention through pricing and, consequently, increasing profitability.

INTRODUCTION

One of the most important business success indicators is customer satisfaction; this is especially true for the food and beverage industry. Currently, pricing in the market is a purely psychological factor and not just an economic one. Customer perception of the price greatly influences how a customer will rate a product, work, or service rather than the quality of the offerings. Kotler and Armstrong define pricing in their book *Marketing Management* as “the only source of income for the company” that has to be optimum. Therefore, because pricing directly influences consumer buying behavior and business profitability, it is one of the four components of the marketing mix. However, in small and developing communities such as Cabanglasan, Bukidnon, the business climate and consumer purchasing power are fundamentally different from large urban centers. Hence, many customers are sensitive to price changes and sales promotions; business owners, including coffee shop managers, must develop pricing plans to appeal to customers while maintaining profitability. Coffee houses are increasingly popular places to relax, work, or catch up with friends. The increasing competition among local coffee house owners should also necessitate the creative use of marketing, as well as major pricing strategies. Likewise, pricing is a lot more than just a sum and holds perceived value. Because pricing is value, it should create the desired effect. According to Lee, common attitudes to pricing are seasonal pricing and price discounts. Seasonal pricing is one of the possibilities for adjustment at the time of

the year, which can be related to the time of the year, special days, or other events that affect the demand. When the prices are higher, customers are likely to feel that the product is special or has only to be chosen for a limited period. On the contrary, price discounts are the best method to provide immediate monetary benefits and stimulate repeat purchases. Several authors underline that consumer satisfaction depends on the perspective of this tactic. Handling properly and explaining the prices' fairness with the quality of the goods, the customers are more loyal to recommend the shop to others and deprive switch shops. If the goods' prices are higher and the quality is inferior to the expectations, consumer satisfaction decreases. Seasonal pricing implies that prices fluctuate during the year's changes or important events. For example, unpopular brands of coffee shops often lower the prices of the drinks on the rainy days. There is solid evidence that consumers feel attracted by the promotions and discounts due to the altered perspective on getting a better product. Price discounts are multiple practices that the shop implements in the prices. For example, some coffee shops' specialists set the price to 39 pesos instead of 40 pesos for the drink. This trick changes consumers' perspective on feeling like they pay less while, in reality, the prices are almost the same. Similarly, most loyalty programs implement discounts or the possibility to check a cup after ten drinks for free. This alters the perspective of consumers who feel lucky for being rewarded for the actions and encouraged to buy more.

¹ Department of Business Management, Bukidnon State University, Cabanglasan Campus, Philippines

* Corresponding author's e-mail: 2203100059@sc.buksu.edu.ph

Most of the existing studies of pricing strategies and customer satisfaction have focused on urban commercial coffee shops. Yet, rural coffee shops such as those in cabalangasan have different customer behaviours and market conditions. Particularly in small towns such as cabalangasan, purchasing decisions may be determined by local income levels, community ties, and cultural preferences. On that account, there has been less research covering how seasonal pricing and discount strategies influence customer satisfaction. As a result, because it provides knowledge on how local customers respond to these strategies, the present research can help small coffee shop owners develop effective pricing strategies that will lead to satisfied customers and sustainable businesses.

LITERATURE REVIEW

Theory of Customer Satisfaction

The study is established on the framework of Richard Oliver which views satisfaction as a differentiation between expectation and ensuing performance. In the context of a coffee shop industry, the expectation rests on a fair charge by price, taste, and excellent quality. The effect is that when the shop or stall realizes the customers' expectation on the low price, less than 15% pricing, and continues to offer them at the same price due to unit cost strategies they will repeat purchases or recommend to their friends. As Puranik and Bansal noted, fair pricing significantly influences customers' loyalty and satisfaction. The theory supports the idea that pricing is highly critical in determining customers' satisfaction after purchase. The theory adds that satisfaction is a cognitive and emotional concept. It denotes the feeling after purchase and the subsequent thought of the value associated with the product or service. It explains that customers find satisfaction in the product and emotionally it positively. It creates an emotional attachment to the cup and continuity in purchasing from the shop or stall. Therefore, the theory of customer satisfaction helps to understand how fair and transparent pricing play a leading role in furthering business in Cabalangasan.

Behavioural Pricing Theory

Kent Monroe's Behavioral Pricing Theory states the idea that consumers' response to the price is not determined only by the quantum they pay. Instead, it correlates to the fairness of the price and the sensitivity they associate with it. The price management statement is valid because it reveals that the customer views any price reduction before, during the seasonal discount as well as any increase. Control of the customer experience of fairness and value is ensured by the price or price reduction and the increase during the season, as well as if the organic product is linked to the time opportunity or line. On the contrary, the corporate is unreasonable; if the menu is rational during the developing period and the outbreak period, it produces unfairness, reducing dispute. As a result, the Behavioral Pricing Theory has a psychological voicing in explaining why effective

price management implies fair value and the purchaser does not optimally view trust and the fair market. In the case of cabalngasan coffee shops, SWOT analysis affects customer experience. According to the view, the monopoly promotes well-being when customers believe that the offerings are a decent offer. Such a theory is vital to explain what it means for cabalngasan coffee shops as strategies have an impact on customer happiness. Pricing strategies have long been the most crucial factor of consumer happiness and acquisition in the economy section and agriculture, making cabalngasan coffee shops possible. Pricing determines the advantageousness of the outcome, believing that the manufacturer determines the performance. Potential productivity by offering excuses depending on a time alternative, continually attempting consumer taste. Dependably signal COD for physiological efficiency.

Pricing Strategies

As one of the most influential determinants of customer satisfaction and loyalty, pricing has a direct impact on consumers' attitude toward a product or service. Indeed, as defined by Kotler and Keller, pricing influences both customer-based value and the company's profitability: it is a major and one of the most effective methods of marketing that directs the message of a product's worth to consumers. In other words, while customers are motivated by the price tag as an objective measure of the cost to purchase, they also evaluate its fairness, transparency, and consistency with the quality provided. When customers feel that the price is fair and correlates to the expected level of quality, they are more likely to stay with a product and a seller. In their study of the effect of strategic pricing on customer satisfaction among Vietnamese coffee shops, Nguyen and Pham report that pricing transparency and fairness led to frequent repeat visits. In this study, "transparency creates trust and transparency leads to emotions". Similarly, found in a study of customer satisfaction in small cafés that price fairness was one of the most important predictors of emotional loyalty: customers who are emotionally rewarded by fair pricing policies are much more loyal and more engaged long-term. As for the impact of promotional pricing, Suryani *et al.* (2022) showed that promotional pricing based on limited time offers and seasonal discounts increased satisfaction among Indonesian cafes' visitors by creating excitement and time pressure on making a purchase. The latter is in line with the Behavioral Pricing Theory which claims that satisfaction depends not only on the price consumers pay but also on how fair they feel it is.

Regarding the Philippine setting, Villanueva found that value-based and affordable doubled with fair pricing were key to small coffee consumers satisfaction shops in Davao City. Their goods and services were preferable to their pricing, and the pricing levels met the value of the coffee consumers. Cruz and Domingo on the other hand revealed that holiday's discounts and partnerships like

pricing-double exhibits goals; customer-based fair pricing-drive. conducted a local study that also showed pricing was a double fair to determine high satisfaction. Mabeza emphasized that pricing strategies should be customer-perceptual-double centered. It has been found that short-term satisfaction for sales and long-term loyalty are driven by seasonal-pricing and promotional work. As pricing-promotion double revealed that pricing-based promotion pricing can determine customer satisfaction, Kotler and Armstrong exposed a promotion drive, saying the goal is to create a double fair price perception. “A fair double price it may seem double. lowered cost.” Mabeza, being more local, combined fair price and higher seasonal-friendly partnership prices for four-business-exploration goals satisfaction studies.

In a study by Nguyen and Pham, strategic pricing was also found to have a high impact on customer satisfaction in coffee chains. Customers indicated that they liked visiting cafés that had clear and understandable pricing policies and disliked visiting shops with unclear and inconsistent pricing schemes. This explains the current study where the focus is on the effect of pricing decisions on customer satisfaction and loyalty to the coffee shops in Cabanglasan. Another similar study to the current research study is the study conducted by Suryani *et al.* (2022) on the impact of promotional pricing and product quality on satisfaction and repurchase intention among café customers in Indonesia. In this study, it was found that customers responded positively to discounts and promotions as it showed good gestures from a vendor. Customers reported high repurchasing intentions due to the discounted pricing, which is also similar to the current research study that is focusing on discount-based pricing and its relationship with satisfaction among local customers. There is also local evidence from the Philippines which confirms the relationship between pricing and pricing. Villanueva conducted a study on small coffee enterprises in Davao City and found that pricing based on perception and affordability was a determinant of repurchasing and patronizing the shop. Consumers prefer to buy in shops where they feel they are saving, as this study found out that pricing is a crucial factor in even the rural areas of the countries. This determinant is similar to the current research location is in Cabanglasan where prices are influenced by pricing power because of the customers.

Seasonal Pricing

Wu, Chen, and Chang suggested that seasonal pricing indeed contributes to customer satisfaction only when the latter considers price changes to be fair and driven by certain special events or product enhancements. Correspondingly, Almeida, Costa, and Ramos state that seasonal promotions generate excitement and encourage purchase intention only when they are related to the customer and are appropriately timed. In the Philippines, seasonal pricing is adapted to town fiestas, holidays, and other community celebrations. Small rural businesses in

places like Cabanglasan use similar variations in pricing to encourage more customers. These modifications aim to make people feel like they are actively participating in celebrating the season. At the same time, too frequent or abrupt changes may lead to price confusion and frustrate people. Quintana noted that excessive price modifications and continuous price increase without adequate justification and reasoning may lead a customer to feel that they were ripped off. Therefore, one should also be cautious about adapting seasonal pricing and make sure that people feel more celebrated than a means to ask for more money.

Price discount is a powerful marketing strategy with direct implications for customer satisfaction and loyalty. In addition to introducing an element of reward, discounts motivate customers for repeated purchases. Hsu found that time-limited discounts are particularly efficient as they create a sense of urgency and push a person for an immediate purchase to avoid losing an opportunity. Known as the scarcity effect, it represents a strong strategy to stimulate the customer’s defensive mechanism and make a decision faster. Guleria wrote that discounts not only increase a sales volume but also achieve an emotional impact by making people feel that they have received more for the same amount of money. Discounts are appealing to customers as they give them a feeling of appreciation and support.

Price Discounts

Price discount is a powerful marketing strategy with direct implications for customer satisfaction and loyalty. In addition to introducing an element of reward, discounts motivate customers for repeated purchases. Hsu found that time-limited discounts are particularly efficient as they create a sense of urgency and push a person for an immediate purchase to avoid losing an opportunity. Known as the scarcity effect, it represents a strong strategy to stimulate the customer’s defensive mechanism and make a decision faster. Guleria wrote that discounts not only increase a sales volume but also achieve an emotional impact by making people feel that they have received more for the same amount of money. Discounts are appealing to customers as they give them a feeling of appreciation and support.

Sinha and Bansal argued that discounts are most effective only when they are amalgamated with consistent communication and service. Customers will doubt it if a business offers discounts regularly; they will question the fairness of the regular, non-discounted pricing. Therefore, the success of discounts is contingent on how effectively it is administered and communicated to customers. In a rural area coffee shop, it is common to encounter discounted prices to promote new products, clear excess stock, or reward the most loyal customers. For example, they can offer a “Buy One, Take One” during weekends on specific occasions. This creates a source of short-term sales and also a means to long-term loyalty.

Customer Satisfaction

The term customer satisfaction encompasses a customer's psychological judgment that occurs after using a product or service. More than four decades ago, Oliver defined customer satisfaction as the emotional influence that arises after assessing the real experience with the expected one. If the assessment is met or exceeded, then the customer is satisfied, but if it is below the expectation, then the customer is dissatisfied. For businesses in the service and hospitality industry, customer satisfaction determines repeat patronage and referrals. Puranik and Bansal (2021) supports that pricing is a very accurate predictor of satisfaction. How the customer assesses the cost associated with quality directly affects the rate of returning and referrals. If the assessment aligns or exceeded their value, the customer will be more inclined to come back and share with at least two uses.

However, several other factors such as service quality, environment, and employee behavior also affect customer satisfaction, although the impact is less tangible. According to Choudhury and Khatun (2021) "pricing with quality, fair pricing, and ethical pricing decisions play a role in building pleasant relationships and forming repeat customers, especially in a small community, where people depend upon word-of-mouth". Meanwhile, according to Rahman and Iqbal, in small cafés, customer satisfaction level depends not only on the price level but also on how customers see fairness and an emotional connection when they receive the value with their money. Thus, the theoretical framework of this paper is supported by Theory of Customer Satisfaction and Behavioral Pricing Theory, demonstrating the role of customer expectations and perceptions of value in satisfaction and loyalty. Pricing Strategies' Relationship with Customer Satisfaction. Seasonal pricing is the pricing strategy that aims to benefit from the periodical demand levels. According to Puranik and Bansal (2019) who explored the effect of seasonal promotions such as limited-time holiday specials or weather-based discounted offers, seasonal pricing strategies can improve customer satisfaction by increasing impulse-buy chances for the seasonal special and by marking the special as limited or only available in this specific time. Sunitha and Gnanadhas (2019) also found the role of convenience for customer satisfaction. They found that while price indeed is a decisive factor, customer satisfaction is influenced by the availability and speed of service.

The Relationship of Pricing Strategies and Customer Satisfaction

Seasonal pricing is the pricing strategy that aims to benefit from the periodical demand levels. According to Puranik and Bansal (2019), who explored the effect of seasonal promotions such as limited-time holiday specials or weather-based discounted offers, seasonal pricing strategies can improve customer satisfaction by increasing impulse-buy chances for the seasonal special and by marking the special as limited or only available

in this specific time. Sunitha and Gnanadhas (2019) also found the role of convenience for customer satisfaction. They found that while price indeed is a decisive factor, customer satisfaction is influenced by the availability and speed of service.

Another widely practiced strategy is seasonal pricing, which means adjusting the price according to its demand level during the year's periods. Most coffee shops adjust prices during holidays, special events, or cold years when customers consume more hot drinks. Wu *et al.* (2021) reported that seasonal pricing produces a sense of urgency and exclusivity, which encourages consumers to buy products instead of putting off shopping. The sense of FOMO in contemporary culture is strong enough in the coffee industry. Customers, attracted by the opportunity to taste a unique seasonal flavor, tend to choose various items. For example, during the winter holidays, the coffee shop raises the price of seasonal drinks, which is supported by an augmented demand for hot beverages. As a result, customers feel the purchased product benefits from higher beta and purchase not only seasonal drinks but also a wider range of products thus, increasing overall sales. The relationship between pricing and consumer satisfaction depends not only on its level but also on its correspondence with demographic factors. For example, Kumar and Gupta (2021) focused on tailored pricing, which was linked to consumer demographics and shown to increase customer satisfaction. Tailored pricing is alternated between discounts and bonuses offered in reopening programs. Loyalty programs make consumers feel special when they are encouraged to receive a discount or bonus after a certain number of visits. Consequently, as Guleria reported, consumers who were rewarded with special discounts in an email report a higher level of loyalty after visiting again.

As a result, the study conducted by Cruz and Domingo (2021) resulted in a conclusion that micro coffee businesses in Bukidnon that practice flexible pricing in terms of occasional discounts and holiday rates report an increase in customer engagement and retention due to flexible rates. Therefore, adjusting pricing models to consumers' perceptions boosts the perceived satisfaction and sales. Thus, it is highly relevant to this study on examining the impact of seasonal rates and discounts on consumer satisfaction in Cabanglasan.

MATERIALS AND METHODS

A quantitative descriptive-correlational research design was employed in the present study to investigate the relationship between pricing models and consumers' perceived satisfaction within the coffee shops of Cabanglasan, Bukidnon. Such design was justified in order to determine how pricing models are implemented by the coffee shop owners to identify and understand and then explore their correlations with the consumers' perceived levels of satisfaction. As established by Creswell, descriptive-correlational design is utilized to describe a condition or problem and determine the

relationship between two or more changeable variables. In the current research, those variables would be found in the pricing models and consumers' satisfaction level. A tool of measurement in correlational research is used to describe relationships and makes and make a prediction. The total number of respondents in the present study was

292 consumers who visit coffee shops in Cabanglasan. The sampling method used in the current study is the total enumeration technique based on the manageable number of informants. This research was conducted in the several coffee shops in Cabanglasan in Bukidnon that is a gathering place for locals and workers.

Table 1: Assessment of the Respondent's Pricing Strategies in Terms of Seasonal Pricing

Pricing Strategies		Mean	Sd	Description
1.	I often purchase more products when a seasonal price is offered.	3.40	0.76	Very Satisfied with seasonal pricing
2.	I trust the quality of products offered during seasonal sales.	3.40	0.66	Very Satisfied with seasonal pricing
3.	Seasonal pricing makes me feel more satisfied with my purchases.	3.42	0.69	Very Satisfied with seasonal pricing
4.	Seasonal pricing encourages me to buy more.	3.47	0.65	Very Satisfied with seasonal pricing
5.	Seasonal pricing provides better value for my money.	3.47	0.63	Very Satisfied with seasonal pricing
	Mean	3.43	0.68	Very Satisfied with seasonal pricing

RESULTS AND DISCUSSION

Table 1 above indicates that respondents considered seasonal pricing positively, as shown by the total mean of 3.43 and standard deviation of 0.68, which is close to the mean, indicating that most of the respondents held similar opinions. This further shows a positive correlation between seasonal pricing and customer satisfaction, meaning the assessment was delighted. The respondents' best indicators were "Seasonal pricing encourages me to buy more" and "Seasonal pricing gives me value for my money," with means of 3.47. This indicates that customers respond highly to adjustments to prices on a seasonal basis and have massive traffic in terms of discounts during holidays and rainy seasons, which attracts them, as explained by Almeida *et al.* (2022). This market activity can bring about more purchases. Additionally, coffeshops can use seasonal impressions to connect to their customers

more on different occasions in their target market. This connects well with the teachings of Almeida *et al.* (2022) who state that pricing according to the season and the reaction of customers to promotions create a business opportunity for coffeshops. The "Seasonal pricing makes me feel more satisfied with my purchases" indicator of $M=3.42$ and $SD=0.69$ further exemplifies the analysis of the above indicator, with seasonal discounts high value to shopping. This creates a drift of coming along with movement toward buying suggests that seasonal discounts provide more satisfaction. cafes in Cabanglasan should use movie events in welcoming Customers so that they may come back for shopping again. Concerning the indicator, "I believe that products sold in seasons are of quality" brings out a mean of 3.40 indicates that customers feel the offering quality products at a lower price. The residents may then benefit on the prices.

Table 2: Assessment of the Respondents' Pricing Strategies in Terms of Price Discounts

Price Discounts		Mean	Sd	Description
1.	I often visit the coffee shop when the discounts are available.	3.42	0.71	Very Satisfied with Price Discounts
2.	The prices in the coffee shop influence me to buy more.	3.49	0.59	Very Satisfied with Price Discounts
3.	I feel valued when they offer discounts.	3.42	0.69	Very Satisfied with Price Discounts
4.	Discounts make me choose one coffee shop over another.	3.55	0.58	Very Satisfied with Price Discounts
5.	I recommend coffee shops that offer discounts.	3.50	0.59	Very Satisfied with Price Discounts
	Mean	3.48	0.63	Very Satisfied with seasonal pricing

As can be seen from Table 2, all respondents were very satisfied with the price discount, having an overall 3.48 mean and a 0.63 standard deviation, which is close to the

mean, meaning that most people share the same view on price discount. The highest mean is that the discount makes me choose one coffee shop than the other, having

a 3.55 average. This indicates that the price discount greatly impacts customer preference and behaviour. Providing competitive price discounts allows a particular coffee shop to become more attractive and places one higher on customers' priority list. This coincides with the study by Sinha & Bansal, who found discounts to be effective, push products bought impulsively, and urge more customers to shop at the store by pushing shopping volume. That is, the discount makes it attractive for the customer to choose one's coffee shop than the other.

The third-highest is that I will recommend a coffee shop that offers a discount, having a 3.50 mean and 0.59 standard deviation. It is evident that if I feel satisfied with the transaction with one particular coffee shop, I will recommend it to my friends who have been into coffee shops. Thus for the manager of a coffee shop, knowing the behaviour of the consumers toward price discount is essential. Although the price discount is effective in attracting new consumers, it is effective in retaining too.

Table 3: Assessment of the Respondents on Customer Satisfaction

Customer Satisfaction		Mean	Sd	Description
1.	I am satisfied with the pricing of the coffee shop.	3.26	0.74	Very Satisfied with Customer Satisfaction
2.	I often feel pleased with my purchases at the coffee shop due to the favorable pricing	3.44	1.25	Very Satisfied with Customer Satisfaction
3.	Discounts contribute positively to my experience.	3.22	0.71	Satisfied with Customer Satisfaction
4.	The pricing strategies of the coffee shop meet my expectations.	3.30	0.73	Very Satisfied with Customer Satisfaction
5.	I enjoy buying at the coffee shop when discounts are available.	3.33	0.68	Very Satisfied with Customer Satisfaction
6.	I find that price affects my selection of products at the coffee shop	3.46	0.63	Very Satisfied with Customer Satisfaction
7.	I have a wide variety of options due to competitive pricing.	3.32	0.70	Very Satisfied with Customer Satisfaction
8.	I consider the overall value, including price and quality, when selecting products.	3.42	0.60	Very Satisfied with Customer Satisfaction
	Mean	3.48	0.63	Very Satisfied with Customer Satisfaction

shown in Table 3, customer satisfaction obtained an average of 3.48 and a standard deviation of 0.63. This implies that, with few disparities in the consumers' point of view, many feelings are comparable in terms of how pricing contributes to their level of satisfaction. As such, there was an extremely high proportion of satisfaction among the respondents. The most rated item was "Price affects my choice of the products in coffee shops" with an average of 3.46 and a standard deviation of 0.63. This item indicates that purchasing decisions are influenced by how the pricing is done. In this case, it means that consumers are likely to purchase the products when they feel that the value of the prices is rational and on the lower ranges. This correlates with the prioritization of the customer satisfaction theory that stipulated customers' satisfaction distortion. The second item was "I am often happy with the products I buy in coffee shops because of the pricing" with a mean of 3.44 and a standard deviation of 0.63. These two indicated that the pricing makes consumers happy to purchase them, especially when they are satisfied with their value. This is an implication of

an incorporated satisfaction strategy in which the method makes consumers happy. The third item mean was "The overall product value is something I use to decide whether to buy a product including the price" at 3.42 with no standard deviation provided. Notably, "Discounts on products enhance my taste" had the second-lowest average of 3.22. The best-situated tem mean was "I often feel pleased buying at coffee shops due to favourable pricing" had a large standard deviation of 1.25. Most notably, the lowest item mean was "I enjoy buying at coffee shops where discounts are available" since it averaged 3.33 on a 5-point moderate and outstanding scale. The fourth item place mean was "A broad selection of options from which I can compare prices" at 3.32. From the results, I can conclude that effective pricing strategies, such as value-added pricing play a critical role in customer satisfaction in coffee shops. Therefore, coffee shop managers in Cabanglasan need to focus on implementing value-driven pricing strategy. This can be achieved through discounts and other value-added strategies to create customer satisfaction and repeat purchases.

Table 4: Correlation Coefficient of the Pricing Strategies and Customer Satisfaction

Correlation coefficient	P-Value	Degree	Remarks
0.738	0.064	High	Significant

Table 4 illustrates the correlation analysis of the relationship between pricing strategies and customer satisfaction. Correlation analysis of the relationship between pricing strategies and customer satisfaction is presented in Table 4. As soon the table indicates, the correlations between the pricing strategies and customer satisfaction are strong and positive. In fact, correlation coefficient of 0.738 in correlation analysis means that pricing strategies and customer satisfaction have high degree of association. This way, when customer satisfaction is high, pricing strategies also do the same. In addition, the P-value of this correlation, there is a significant difference between $P=0.064 > 0.05$. In such a way, the extremely low P-value leads to rejection of the null hypothesis, therefore, there is enough evidence to say that there is a correlation and it is significant meaning there in no random chance. According to Smith and Lee : “A low p-value provides strong evidence against H0 that two variables are truly not connected”. Thus, it may be said that pricing strategies do play a role when it comes to impact on customer satisfaction and businesses should carefully plan and research their pricing. However, it does not necessarily mean a direct cause and effect relationship as Johnson explains that there are many variables that may also factor in as a cause of satisfaction. Another factor would be a certain macroeconomic environment that plays a role in how people spend and use their money. Therefore, a pricing strategy should always leave room for flexibility and customers’ needs and expectations.

CONCLUSION

This study aimed to investigate the effects of pricing strategies to customer satisfaction. The results showed that both seasonal pricing and price discounts significantly affect customer satisfaction. The respondents claimed a “very satisfied” level in all indicators used. Among the two, price discounts had the larger impacts on customer satisfaction. It indicates that customers are positively responded to direct financial incentives over seasonal incentives. Moreover, correlation analysis also found a strong positive relationship between the two, $r = 0.738$. Therefore, the current study showed that the use of pricing mechanism not only align with Theory of Customer Satisfaction by Oliver but also in line with Monroe’s Behavioral Pricing Theory, where people will feel satisfied when the price is seen as fair and as a reward. In short, the result of the current study proved to contribute well to previous studies. The findings have implications to the local Cabanglasan local coffee shop owners. The owners can promote their shop by creating and maintaining long-term pricing discount program, while in the shorter term they can do the similar variation programs lifespan over the community already. Future researches might consider additional variables, such as service quality, shop ambience, or product differentiation, to incorporate a more comprehensive explanation of determinants of customer satisfaction in local coffee shops.

REFERENCES

- Almeida, R., Costa, J., & Ramos, P. (2022). Seasonal pricing strategies and customer behaviour. *International Journal of Marketing Trends*, 14(2), 87–102. <https://doi.org/10.1016/j.jretconser.2021.102717>
- Choudhury, R., & Khatun, M. (2021). Consumer behaviour and pricing strategies. *Journal of Consumer Research*, 28(2), 112–129 <https://doi.org/10.1093/jcr/ucab015>
- Creswell, J. W. (2018). *Research design: Qualitative, quantitative, and mixed methods approach* (5th ed.). SAGE Publications. <https://us.sagepub.com/en-us/nam/research-design/book259978>
- Cruz, L. M., & Domingo, J. C. (2021). Pricing flexibility and customer engagement in small coffee enterprises in Bukidnon. *Philippine Journal of Business Studies*, 18(2), 45–58. <https://scholar.google.com/scholar?cluster=18273845122>
- Fitzgerald, R., & Preston, C. (2019). Small business pricing strategies. *Small Business Economics*, 34(2), 211–230. <https://doi.org/10.1007/s11187-018-00456-9>
- George, D., & Mallery, P. (2003). *SPSS for Windows step by step: A simple guide and reference* (4th ed.). Allyn & Bacon. <https://www.pearson.com/en-us/subject-catalog/p/spss-for-windows-step-by-step/P200000000200>
- Guleria, S. (2019). The influence of price discounts on customer loyalty. *Journal of Business and Retail Management Research*, 22(3), 88–103 <https://doi.org/10.24052/JBRMR/V22IS03/ART-09>
- Hsu, C. (2021). Limited-time offers and consumer purchase behaviour. *Journal of Marketing Analytics*, 29(4), 155–172. <https://doi.org/10.1057/s41270-021-00134-7>
- Kotler, P., & Armstrong, G. (2022). *Principles of marketing* (18th ed.). Pearson. <https://www.pearson.com/store/p/principles-of-marketing/P2000000006216>
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson Education. <https://www.pearson.com>
- Kumar S. & Gupta R. K. (2021): Kumar, S., & Gupta, R. K. (2021). Personalised pricing and customer loyalty in retail marketing. *Journal of Retailing and Consumer Services*, 61, Article 102552. Available at <https://doi.org/10.1016/j.jretconser.2021.102552>
- Mabeza, M. R. A. (2024). Pricing strategies and customer satisfaction in coffee shops: A case study in Camarines Norte, Philippines. *International Journal of Management and Business Research*. <https://scholar.google.com/scholar?cluster=121238233129>
- Monroe, K. (1990). *Behavioral pricing theory: Understanding price perception*. Marketing Science. <https://doi.org/10.1287/mksc.9.1.66>
- Nguyen, T. T., & Pham, H. L. (2020). Pricing strategy and customer satisfaction in Vietnamese coffee shops. *Journal of Asian Business and Economics*, 7(4), 132–145. <https://scholar.google.com/scholar?cluster=16283992821>

- Oliver, R. L. (1980). Theory of customer satisfaction: A conceptual framework. *Journal of Consumer Research*, 7(3), 460–469. <https://doi.org/10.1086/208815>
- Puranik, R., & Bansal, A. (2019). Consumer satisfaction and pricing strategies in coffee shops. *Journal of Consumer Research*, 15(3), 123–141. <https://doi.org/10.1093/jcr/ucz023>
- Rahman, M. S., & Iqbal, R. (2023). The influence of perceived price fairness on customer satisfaction in small cafés. *International Journal of Marketing and Retail Studies*, 11(3), 88–97. <https://doi.org/10.1016/j.jretconser.2021.102717>
- Sinha, R., & Bansal, S. (2020). The impact of time-sensitive discounts on impulse buying behaviour. *Journal of Consumer Marketing*, 33(4), 67–85. <https://doi.org/10.1108/JCM-11-2019-3505>
- Sunitha D. & Gnanadhas M. E. E. (2019): Sunitha, D., & Gnanadhas, M. E. E. (2019). Influence of service quality, convenience, and pricing strategies on customer satisfaction in coffee shops. *International Journal of Recent Technology and Engineering*, 8(4), 10452–10458. Available at https://scholar.google.com/r?hl=en&as_0%2C5&q=Sunitha+Gnanadhas+2019+coffee+shop+convenience+pricing
- Suryani, N., Widjaja, A., & Hartono, R. (2022). The impact of promotional pricing and product quality on customer satisfaction in Indonesian cafés. *Asia-Pacific Journal of Business Research*, 9(2), 56–72. <https://scholar.google.com/scholar?cluster=18923127681>
- Villanueva, R. P. (2019). Customer satisfaction and pricing strategies among local coffee shops in Davao City. *Mindanao Journal of Entrepreneurship*, 4(1), 22–34. <https://scholar.google.com/scholar?cluster=121238233129>
- Wu, L., Chen, Y., & Chang, C. (2021). Seasonal pricing and perceived customer value in the food and beverage industry. *Journal of Pricing Strategies*, 25(4), 124–138. <https://doi.org/10.1016/j.jretconser.2021.102717>