

1.1 INTRODUCTION AND BACKGROUND ABOUT THE STUDY

Pricing strategy plays an important role in determining the success of any business. It refers to the method an organisation uses to fix the price of its products in a way that attracts customers and also ensures profit for the company. A proper pricing strategy helps the organisation stay competitive in the market and allows customers to feel that the product is worth the amount they pay. When pricing is done correctly, it supports both customer satisfaction and business growth.

In today's market, customers have many choices, and even a small difference in price can influence their buying decisions. If prices are too high, customers may shift to other brands, and if prices are too low, the organisation may not earn enough profit. Therefore, finding the right balance is very important. Factors like production cost, competition, customer demand, and market conditions all affect how an organisation decides its prices. A well-planned pricing strategy helps the organisation manage these factors effectively.

Pricing also has a direct impact on sales volume and customer behaviour. When customers feel that the price is fair and reasonable, they are more likely to purchase the product and continue buying it in the future. On the other hand, unclear or unsuitable pricing can create confusion, reduce sales, and affect the reputation of the business. That is why many organisations regularly review and adjust their pricing strategies to match changing market needs and customer expectations.

Understanding pricing strategy also helps organisations improve their decision-making and financial performance. By studying how customers respond to different prices, businesses can identify which pricing method works best for them. This knowledge helps them develop better plans, manage costs, and increase overall efficiency. It also supports long-term stability and strengthens the organisation's position in the market.

The present study aims to examine the effectiveness of the pricing strategy followed at Pinarayi Industrial Co-operative Society. The study focuses on understanding how prices are set, how customers feel about the pricing, and whether the strategy used by the organisation is helping to achieve its business goals. The findings of the study will help identify areas where improvements can be made to create a more suitable and competitive pricing approach.

OBJECTIVES OF THE STUDY

- To study the pricing strategy followed by Pinarayi Industrial Co-operative Society.
- To understand customer opinions and satisfaction regarding the prices charged by the organisation.
- To examine how the pricing strategy influences customer purchasing decisions.
- To identify the factors considered by the organisation while fixing the price of its products.
- To suggest improvements to make the pricing strategy more effective and customer-friendly.

LIMITATIONS OF THE STUDY

- The study is limited to Pinarayi Industrial Co-operative Society, so the findings may not apply to other organisations.
- The opinions shared by customers may vary and may not fully represent the views of all buyers.
- The sample size is limited, which may affect the accuracy of the overall conclusions.
- The study had to be completed within a short period, reducing the chance to collect more detailed information.
- Some respondents were unable to give enough time for the survey, which may affect the depth of the data collected.

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