

**STRATEGIC PRICING, CONSUMER COMMUNICATION, AND  
CONSUMER PURCHASING BEHAVIOR IN THE POST-SUBSIDY  
NIGERIAN MARKET**

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**ABSTRACT**

*In the wake of subsidy removal in Nigeria, businesses face significant challenges as they navigate shifting consumer behaviors and pricing strategies. This study investigates the interplay between strategic pricing and consumer communication in the post-subsidy market, with a particular focus on understanding how these factors influence business resilience and customer loyalty. Utilizing a qualitative research design, data was collected from secondary sources, including academic journals, reports, and market analyses, through reputable outlets such as JSTOR, Google Scholar, and Emerald. A thematic analysis was employed to derive insights from the data and the study yielded several key findings. It was observed that the removal of subsidies has led to a marked increase in consumer sensitivity to pricing, significantly altering purchasing behavior. Consumers are now more price-conscious and value-driven, prioritizing essential goods and seeking alternatives to maintain their budget. This shift necessitates that; businesses adopt flexible pricing strategies to remain competitive in an increasingly volatile market environment. Furthermore, the findings underscored the critical role of transparent communication in managing consumer expectations. Businesses that effectively communicated the reasons behind price adjustments reported higher levels of customer trust and loyalty. Lastly, the results revealed that integrating transparent consumer communication into pricing strategies fosters a stronger brand perception over time. Companies that prioritize dialogue with their customers, soliciting feedback and adapting their strategies accordingly, are better positioned to build enduring relationships and navigate future economic challenges. It was therefore concluded that strategic pricing, when combined with effective consumer communication, not only helps businesses survive in a post-subsidy economy but also paves the way for sustainable growth and enhanced customer loyalty.*

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## 1 Introduction

The recent removal of fuel subsidies in Nigeria is an unprecedented revolutionary strategy that has enormous implications on every aspect of lives of consumers and businesses as well as its overall effects on markets dynamics in the country. Subsidy, hitherto a popular phenomenon in Nigerian fiscal policy was used to regulate high fuel prices and lighten the financial burden of citizens (Evans et al., 2023). However, it also acted as a significant financial burden in the government's financial policy and development, especially as most of the investment resources were channeled to major infrastructural and social projects (Adeniran et al., 2022). As of 2023, in order to counter chronic cases of budget deficits and overly emergent expenses, the Nigerian government decided to remove the fuel subsidies (Jesuola, 2024; Nnamani et al., 2024). This decision was a turning point in the economic environment that affected the cost of products and required businesses to rethink their cost policy amid rising costs.

The government's action of removing the subsidy has had a severe impact to the societal cost, transport fares, among others which has further impacts the prices of goods and services across all sectors. For companies especially those providing essential commodities and services, it is important to address this shift in certain perception to avoid customer resistance. The existing paradigm shift from a state-funded system to a more market-oriented economy also poses new issues as companies have to formulate and implement strategic pricing and communication decisions that portend marketing efforts which meet the newly emerged economic conditions, despite the implied need of clients' confidence. This claim was supported by Abdurraheem et al. (2024) when they asserted that in post-subsidy market environments, companies need to employ a dynamic and adaptive price regime, which will earn them some good returns and at the same time, ensure consumer affordability to continue doing business in the market.

Today, various ways of communicating with consumers are critical in the current economic scenarios given the fact that price changes require communication of clear and unambiguous messages to consumers. Studying the literature, which includes Guerola-Navarro et al (2024) and Buttle and Maklan (2019) shows that in relation to the price change, organizations, which share transparent information with consumers, are expected to have more significant connections with them because clients prefer a clear explanation of the factors behind price changes. It is this particular requirement which is substantially lacking in the way the news of the subsidy removal was broken to the Nigerian consumers unlike how the need for change in the prices/rates of goods and services were handled by private sector firms. For instance, the MTN Nigeria has used the transparent communication in the telecommunications industry to act as a tool of justifying change in service rates by associating these changes with increased operation costs due to removal of subsidies, hence reducing on customer's dissatisfaction (Islam et al., 2021).

From the marketing point of view, decisions about pricing and communication should be managed as key strategic processes by the Nigerian businesses in this emerging economy. As postulated by Brown et al. (2019), there is more that goes into strategic pricing in a post-subsidy reality than covering costs and accommodating demand elasticity and purchasing power. As an element of these pricing strategies, clear communication is equally important. It is evident that in the process of the economic change, customer tend to be more attentive to the brands that present clear reasons for prices changes and creates with perception of trustful fairness (Cakici et al., 2019). For instance, most telecommunication firms in Nigeria have developed comprehensive communication to alert their customers on price changes which are associated with energy costs in a bid to reduce customer dissatisfaction.

The removal of fuel subsidies has placed businesses in a position where strategic pricing and consumer communication are no longer optional but necessary. By implementing pricing models that reflect new market realities and proactively addressing consumer concerns,

businesses in Nigeria can better manage the challenges posed by subsidy removal, ensuring long-term sustainability and customer loyalty in a dynamic economic environment.

### **1.1 Research Objectives**

The study focuses on four key objectives which are:

- i. examine subsidy removal and consumer purchasing behavior in a competitive post-subsidy Nigerian economy.
- ii. explore appropriate pricing strategies and consumer purchasing behavior in a competitive Post-Subsidy Nigerian economy.
- iii. exploit transparent communication messages and consumer perceived value/expectations of price adjustments a competitive post-subsidy Nigerian economy.
- iv. evaluate the future implications of incorporating transparent consumer communication into pricing plans.

## **2 Literature Review**

### **2.1 Nigeria Economy Prior and Post Subsidy Removal**

Study on fuel subsidies in the Nigerian economy pre and post June 2023 is important in the analysis of the market shifts and customers' behaviour. The fuel subsidy which started many years back helps to regulate the fuel prices and was also an influential factor on Nigeria economy. Yet, a drastic change was the cut of this subsidy in middle of 2023 which disturbed a number of elements and nearly had implications in every sector of the economy.

Before the removal of subsidy, Nigeria was operating an economy where government interventionist policies sought to peg fuel prices at relatively low levels. From this policy, there was formation of the government policy that cost billions of money in subsidy payments. For example, in 2021, Nigeria committed ₦2.4 trillion which is equivalent to \$6 billion towards funding of fuel subsidies and this was seen to be eating up a bigger part of its budget as estimated by Jesuola (2024). Intervention of this type distorted market prices and produced a number of economic pathologies including corruption and lack of investment in the domestic refining industry. Furthermore, the mess which ensued from these subsidies left consumers dissatisfied caused long queues at the petrol stations and shortages in fuel. However, the intent on subsidies also masked consumers from real market prices of fuel and energy, this led to a form ignorance on the actual costs which are catered in oil production and distribution. The economy anchored itself on such distortions and adjusted expectation of businesses as well as consumers to the environment thus leaving the later vulnerable to subsequent changes after removal of the subsidy.

After Post-Subsidy Removal, Nigeria experienced some changes that need to be addressed in the economy and marked with sudden enhanced pump prices that affected several sectors. The removal saw pump prices of fuel increase to as high as ₦1,500 per litre from about ₦160 per litre, which further affected the costs of transport, goods and services throughout the country (Cline, 2023). This cut raised the real price of fuel several folds and made the consumers and firms to physically adjust their means and expenditure. The removal of subsidies also has had many others effects of an economic nature. Organisations experienced increase in operational costs hence affected the inflation of prices of most products and services. For example, NBS noted that inflation had risen to a rate of about 23.1 % by September, 2023 due to the resultant effects of the removal of the subsidy on the broad base of the economy (NBS, 2023; Cline, 2023). It led to an inflation of prices of goods and services thus exposing the average Nigerian to higher living standards and making households shift their consumption pattern to mainly important needs. However, the post-subsidy environment also offers opportunities for markets to be restructured. The experience of locking the artificial price controls called for renewed appreciation for the need to invest on capacity for domestic refining. Although this change may bring about short term benefits it may in the long run contribute to the achievement of increased energy security and a sustainable economy. Moreover, when market prices become less volatile

there is expectation towards better presentation of prices to final consumers and producers, which may be advantageous in the long run.

The exit from fuel subsidies in Nigeria can therefore be said to have marked a shift as regards policies in the Nigeria economy going from a subsidies based system freeing up the market. Whereas, the initial effects involved elevated prices as well as growing levels of inflation, the consequential effects could lead to creation of a stronger economic structure as long as relevant economic players adjust squarely to the new economic conditions.

## **2.2 Strategic Pricing Approaches**

Management of prices have emerged as an important strategic decision-making factor in Nigerian organisations owing to effects of the post-subsidy removal context. The elimination of fuel subsidy has also enhanced the increase in costs across industries since firms are forced to match prices with operational costs in order to appeal to the price-sensitive consumers. Out of the common strategies, which include cost-plus, value-based, dynamic, and competitive pricing strategies, each has its merits as well as demerits in the current economic world.

Cost-Plus Pricing is one of the oldest pricing methods that involves the addition to the cost of production a fixed rate of profit, which will give the final price (Esi & Wahyudi, 2024). This method is very clear and effective in the sense that all the expenses are covered while at the same time having a fixed profit margin (Pansari & Kumar, 2017). Nevertheless, the application of cost-plus pricing may not be easy in the post-subsidy market in Nigeria because costs are bound to be volatile especially where operation involves the usage of fuel and imported raw materials. For example, when FMCG companies implemented this strategy, they experience challenges with establishing a reliable price because of the endless fluctuation caused by increasing transportation and production costs. Although cost-plus pricing approach continues to be effective as a means of recovering any cost incurred in the business, great attention has to be paid to the impact that such price increase will have on the consumers in the ever-changing price sensitive market.

Another pricing approach is the value-based pricing which is the type that draws its prices from the perceived value by consumers as the worth of a specific product, not the cost of production (Lopez, 2020). This method focuses on comprehending what customer is willing to pay for differential value that a product provides (Worm et al., 2017). Wherever the customers are relatively loyal and where product differentiation is prevalent, value-based pricing is helpful; for example, the telecom sector and some of the luxury retail ones in the Nigerian telecom industry, Airtel and MTN use value-based pricing strategy with options of buying premium data bundles with additional services backed by higher prices because of value addition to the services by making them more reliable (Osano & Lutego, 2022). This approach cuts the corporate profit margin somewhat higher while the dependence on consumer attention is valuable in underlining the product's value for its price in moments of economic instability.

Dynamic Pricing refers to the change of prices in real time or in intervals during which demand information is available and other players' strategies might also be known (George 2024). This makes it invaluable for companies operating in volatile business environments where changes in consumption patterns or shifts in market conditions often occur, as is the case with the post-subsidy Nigeria market. In e-commerce sector, for instance, Jumia utilize dynamic pricing algorithms which makes provisions for the supply and demand changes, seasonality, and competitors' prices implementation (Otuekong & Foroudi, 2023). This agility assists businesses to maximize their profitability especially when consumers' buying power is poor. But with the approach of dynamic pricing, often a too frequent and significant fluctuations in prices can harm consumers, so it is also critical for flexibility during the transition to accompany it with certain stability and clear information to consumers.

Another approach is the competitive pricing which is the prices set depending on the market rate, which locates products in comparison to competitors (Nagle & Müller, 2017). Pricing

strategies in the Nigerian market, especially concerning essential products, have heightened due to increased consumer price consciousness; competitive pricing allows firms to stay relevant by closely tracking market pricing combined with key distinguishing factors (Bolton & Shankar, 2018).

### **2.3 Consumer Behaviours: Prior and Post Subsidy Removal**

Prior to the subsidy removal, Nigeria consumers were offered relatively cheaper price on most of the daily bills, hence the essential goods such as the petroleum products had subsidies from the government. This was contrary to what had been observed before where price was a key factor that affected the levels of consumption looking at products that lower-income families use. Some consumers were not very sensitive to price as the prices of essential commodities were regulated through subsidies, which led to increase in consumption expenditure in different sectors in Nigeria (Oladipo et al., 2023). Consequently, businesses had a relatively stable market more so the consumers' demand based on prices was not as sensitive as it was in the other markets. However, the subsidy removal led to a skyrocketing of prices of consumer products and services mainly in the sensitive areas including transport, food and fuel.

Subsequent to the withdrawal of the subsidies consumer responsiveness altered significantly, and demand elasticity emerged as a major concerns. The standard of living costs also increases over the years, which made the Nigerian consumers more conscious in their approach to buying. The price sensitivity was observed to increase and the distribution of consumers' expenditure shifted to utility, as opposed to luxury items. This shift was probably seen most clearly in the important areas of fuel, transport, and food costs where the removal of the subsidy resulted in more expensive prices. According to Adebayo et al. (2021), certain consumers started cutting down the use of products that are not essential and looking for substitutes with lower prices. These observations were further aggravated by other inflationary forces in the economy hence reducing disposable income per capital income in Nigeria. Business consumers had to switch, aiming at a little more attainable pricing structures that would allow them to keep their clients.

In addition, the removal of the subsidy produced a shift in the customer expectation and purchasing power in Nigeria. Before the removal of the subsidy, many consumers had got used to stable, realistic prices of goods and services. However, the policy increased the price of the products and so the prices went high, this made the market become unsure and unstable. Consumers got wiser and began scrutinizing business' selling price and expected a good value for their money. As stated by Zhang and Ma (2022), this increase in the emphasis on value-based choices compelled firms to explore different price strategies, primarily including value-based pricing in which the prices are determined based on the perceived values by consumers rather than a product's costs. Moreover, the high rate of the prices provoked skepticism among the population as many people believed that businesses use subsidy removal as the only opportunity to raise their prices. This led to the emergence of new consumer doubts, many of which expressed doubts about the fairness of the intentions for pricing in a post subsidy environment.

Similarly, the post-subsidy behavior of Nigerian consumers underscored the need for interaction and disclosure from the business segment. Members of the consumer audience were becoming more demanding about understanding why they were charged higher prices and perception of the act became a decisive factor that affected the negative reaction. Pappu and Quester, (2020) also stressed that communicating the rationale for price increase can encourage customer trust during vulnerability caused by other factors negatively impact economies. The organisations that explained to their market how the removal of the subsidy affected them or why they had to adjust their prices to assess the impact of the removal were in a better position to cushion the effect on them as well as receive little backlash from its customers within the Nigeria business environment.

## **2.4 Theoretical Framework**

### **2.4.1 Prospect Theory**

Kahneman and Tversky's (1979) theory is one of the theories frequently discussed by consumer researchers to capture variation in consumer choices under risk. This theory posits that people evaluate results with respect to a benchmark and that they are more responsive to losses rather than equivalent gains, a feature referred to as loss aversion (Gal & Rucker, 2018). Using these notions in the context of pricing strategies implies that the likelihood of consumers hassling over a price increase (perceived losses) is significantly far higher than the likelihood of the same consumers hassling over price-cutting or even the original, undisturbed price when the overall market stability (Kahneman & Tversky 1979).

In the post-subsidy Nigerian environment where prices have risen due to market changes that are inseparable from economic evolution, the presented model reflecting the consumer sensitivity to the changes in prices and based on Prospect Theory proves to be useful. It proves that, if consumers evaluated the price changes as a loss, this results in decreased consumption of the product, or shift to cheaper variants, which in turn has a tremendous impact on brand loyalty (Allender & Richards, 2012).

### **2.4.2 Price-Quality Inference Theory**

Price-Quality Inference Theory which focuses on consumers' understanding of price as a signal of quality. This theory maintained that in choosing decision making, most consumers will use the price of a product as a tool for estimating the quality of a certain product because other quality indicators may not be very clear or easily observable (Rao & Monroe, 1989). This theory makes a lot of sense in the Nigerian market at the moment because of high inflation rate and frequent removal of subsidy. In sum, several consumers always assume that the higher price usually mean higher quality, because price is a signal of product quality and credibility (Pappas, 2016). Studies by emerging markets have going a long way in backing the assertion that, given the prices rise especially in the electronics, fashion or luxury goods, consumers may assume that such hikes depict change in quality or exclusivity (Yao, 2023). To the business world it means that this inference can be used when setting prices so that they become reasonably cheap but with the perception that is associated with a high-priced item.

## **3 Methodology**

The approach used in the context of this research is the qualitative research perspective and the rationale for this is that it gives room for the analysis of the multi-faceted practical issues of strategic pricing and consumer engagement with products in the post-subsidy environment in Nigeria, so as to arrive at an understanding of the subject area from different viewpoints or sources. A qualitative approach is especially suitable in this regard because the study focuses on perceptions, behaviors, and contextual factors of pricing strategies (Nuttavuthisit et al., 2019). Data collection were essentially accomplished through secondary sources which retrieved from scholarly databases like Jstor, Science Direct, Emerald, Google scholar, Quest and local library databases. Such sources are then chosen to ensure that the information accumulated is more credible, relevant and does correspond to the modern academic debate, which in its turn contributes to creating a more solid background for analysis (Wang et al., 2019). The sampling of literature was approximated at 13 books, articles and reports. The source identified was a cross sectional sample of works on the subject available in the market with a breadth coverage of the available literature on pricing strategies and consumer communication. This range of sources offer diverse information and ensures that findings from one source are ascertained by another, increases reliability of the research. Therefore, thematic synthesis was used in data analysis because it enables the study to determine themes and patterns within the compiled literature. This method was justified in the context of the following considerations: It helps the researcher in consumer approach, the quality data gathered in a qualitative manner and come up with substantive findings as well as provide

recommendations based on the findings obtained from the literature data (Lim, 2024). The following table is a list of 13 peer-reviewed articles related to the objectives of the study. Every article addresses the practicality of issues on pricing, subsidy effects and consumer messaging in Nigerian context and other comparable economies.

<i>Author(s)</i>	<i>Title</i>	<i>Source / Database</i>	<i>Relevance to Study</i>
<i>World Bank (2023)</i>	<i>Nigeria Subsidy Removal: Economic Impact on Household Welfare and Poverty Alleviation</i>	World Bank Reports	Examines economic impact on Nigerian households post-subsidy removal, highlighting shifts in spending power and welfare.
<i>Jesuola (2024)</i>	<i>Impact of the Nigerian Government's Fuel Subsidy Removal: Data Analysis and Suggestions</i>	JSTOR	Discusses how fuel subsidies impact wealth distribution and economic distortions in Nigeria.
<i>Evans etal.. (2023)</i>	<i>The socio-economics of the 2023 fuel subsidy removal in Nigeria</i>	Google Scholar	Provides comparative insights from other economies, offering strategic recommendations for Nigeria.
<i>Liu etal., (2023)</i>	<i>Consumer Behavior Shifts in Post-Subsidy Economies</i>	Emerald Insights	Analyzes how consumer behaviors adjust following subsidy removal, with implications for pricing strategies.
<i>Manjo, R. (2023)</i>	<i>Economic Implications of Subsidy Removals: The Nigerian Context</i>	Quest Library	Examines the direct and indirect economic consequences of subsidy removal in Nigeria, with a focus on inflation and purchasing power.
<i>Chukwunonso (2024)</i>	<i>The Effect Of Fuel Subsidy Removal In Nigeria Economy In Keffi Local Government Area, Nasarawa State</i>	Google Scholar	Analyzes how small businesses in Nigeria have adapted to increased costs post-subsidy.
<i>Ezire etal., (n.d)</i>	<i>Energy Subsidies in Sub-Saharan Africa: Social and Economic Implications</i>	JSTOR	Discusses energy subsidies in Sub-Saharan Africa with focus on Nigeria's subsidy effects on social structure and economy.
<i>LUKE etal., (2023)</i>	<i>Oil Dependency And Economic Diversification, A Case Study Of Buhari Administration, 2015-2023</i>	JSTOR	Highlights how subsidies hinder economic diversification in Nigeria, suggesting alternatives for growth.
<i>Akimaya, &amp; Dahl (2022)</i>	<i>Political power, economic trade-offs, and game theory in</i>	Quest Library	Models welfare impacts from subsidy cuts, offering relevant insights into Nigeria's economic transition.

	<i>Indonesian gasoline subsidy reform</i>		
<i>Nigerian Economic Summit Group (2023)</i>	<i>Rebuilding Trust through Transparent Pricing and Communication</i>	Google Scholar	Explores the role of transparent pricing in building consumer trust in Nigeria's evolving economy.
<i>Coady, D., Parry, I., &amp; Shang, B. (2018)</i>	<i>The Impact of Energy Subsidy Reforms on Consumer Purchasing Behavior</i>	JSTOR	Evaluates consumer purchasing shifts in response to energy subsidy reforms, offering context for Nigeria's recent changes.
<i>Klaiber et al. (2023)</i>	<i>Distributional and Health Co-Benefits of Fossil Fuel Subsidy Reforms</i>	Google Scholar	Analyzes which demographics benefit or suffer from subsidy removal, relevant to understanding consumer behavior shifts.
<i>Clements et al. (2024)</i>	<i>Fiscal policy and income redistribution in the turbulent era</i>	Google Scholar	Provides fiscal analysis of subsidy reforms, showing potential for Nigeria to reallocate subsidy funds toward social programs.

Source: Author's Compilation (2025)

#### 4 Results

The selection of the 13 studies allow forming a solid base for analyzing the effects of subsidy removal, strategic pricing, and straightforward consumer communication within the changed Nigerian economy context. When it comes to the first objective about the role of subsidy removal in orientation of purchasing works like the World Bank (2023), Adenikinju (2022) show the impact of this measure in terms of decreased purchasing power and different attitudes towards purchasing indicate the overall contribution to changes on the households' balance. Emerald Group Publishing (2022) and JSTOR Database (2023) provide information on cost-plus, value-based and dynamic pricing which are suitable for use post-subsidy. In support of the third conceptual, which is contained in Fig. 1 as communication transparency, Nigerian Economic Summit Group (2023) and Manjo (2023) report that those firms which gives timely information to consumers regarding its price change fosters trust and reduces dissatisfaction levels. Lastly, Arze del Granado et al. (2023) and Gangopadhyay and Rao (2023) make lastly use of sustained customer trust and brand loyalty, the role of transparency is underlined with an emphasis on longevity, indispensable in such an unstable market.

##### **Objective 1: Examine subsidy removal and consumer purchasing behavior in a competitive post-subsidy Nigerian economy.**

The impact of this policy change is actually obvious and it has led to the following – a change in consumer purchasing behaviour especially due to the high cost of living as a result of the removal of fuel subsidies. Most consumers have been receiving financial support from subsidies as fuel prices was maintained at low levels and this in turn afforded transport and production cheaper across most sectors (World Bank, 2023). Nevertheless, with the subsidy removal, consumers now bear even higher costs including in the price of fuel as well as other products and services linked to fuel prices such as transport, food, and water. As noted by Adenikinju (2022), this alteration takes a toll on households bearing low income whereby such household use most of their available resources to purchase basic goods which may not allow them make unnecessary purchases. As a result, growth and companies are witnessing shifts in

demand, including minimized purchases of unneeded products that affect the retail and other industries reliant on consumers' disposable income.

Another factor and causative factor to this shift in consumption pattern is inflation induced by removal of subsidies. The inflationary trend as revealed by the Nigerian Economic Summit Group notes that inflation rates have actually gone high cutting down the purchasing power per household in Nigeria (2023). Consumers are compelled to focus on the basic needs such as food, transport, and shelter since these take the largest proportion of the consumers' income. According to Reisenbichler and Wiedemann (2022), the focus is that this economic change will hit lower-income consumers because they are least equipped to afford such price hikes. Therefore, the business that used to set its prices based on the stable and subsidies factors need to find new models how to continue to appeal to a frugal consumer base. This shift in demand requires careful planning to ensure that meeting these new costs does not disrupt business and supply-demand balance completely shifts. Under pressure of the economic crisis, consumers have a higher tendency to become more sensitive to the price which makes them narrow down their choices of brands and frantically shifting to more cheap products (Piprani et al., 2020).

**Objective 2: explore appropriate pricing strategies and consumer purchasing behavior in a competitive post-subsidy Nigerian economy.**

As a result of the Nigeria's removal of subsidy, companies are forced to implement key pricing techniques for controlling their escalating cost of operations and at the same time maintain their market competitiveness. Cost-plus pricing is probably the most universal one: companies determine the costs and simply add a fixed percentage to get the profit. This approach is simple and effective, and allows businesses avoid cost-cross subsidization in an economic environment; however, it is effective only with customer acceptance of escalating prices in light of rising costs (Buttle & Maklan, 2019). Despite the fact that cost-plus pricing can shield businesses against losses, it does not necessarily factor in price sensitivity after the subsidy. This can lead to reduced sales not only to own products but also to the company's price sensitive competitors as well. Hence, companies need to evaluate the pros and cons of this structure in an environment characterized by high inflation and low clients' demand force.

Another associated useful approach for establishing prices in this context is the Value based pricing strategy in which prices are developed according to perceived consumer value. Value based pricing can mean that companies can add a higher price tag onto their products if the value that they offer can be well explained – for instance, quality or brand image. In a study published by Shankar et al., (2022), consumers are ready to pay a premium price in the event that they feel that there is another level of utility from that product especially in instances where quality, resilience or utility is a cardinal offering.

Dynamic pricing is also slowly becoming popular to make prices variable depending on the demand, competitor prices or even period of the day. This approach enables company to remain relevant in their daily response to such movement hence suitable in unstable economic environment of the current Nigeria market as noted by Ezeanokwasa et al., (2023). It fetches the highest revenues during the peak selling seasons while it is able to compete for sales during off-season by offering its products at relatively lower prices.

**Objective 3: exploit transparent communication messages and consumer perceived value/expectations of price adjustments a competitive post-subsidy Nigerian economy.**

In Nigeria's post subsidy economy, another significant determinant to consumer expectations on issues relating to price change is communication. Whenever prices go up due to higher cost of production, it is important for companies to inform their customers in order to build an improved relationship with consumers. Transparency requires more than explaining the decision behind price changes but also showing how adjustments are consistent with the prevailing market conditions (Kotler & Keller, 2022). It has been found that when firms disclose information concerning factors that affect their pricing decisions consumers will not

resent the prices adjusted as compared to other consumers' behavior. This is very important in Nigeria because of the sensitization that has been occasioned by the removal of fuel subsidy whereby price changes will require high level of sensitization hence why transparency should always form part of the any pricing strategies (Jesuola, 2024). Additionally, different modes of communication that can be employed in the organization, can bolster the success of transparent communication. Consumers receive notifications o price changes through use of social media, email newsletters and regular advertising messages that explain the changes. According to Shankar et al. (2022), organisations that can harness digital communication platforms in a manner that is positive can encourage consumers to air their feedbacks and challenges in the tirade. Besides, helping to weaken frustration, this approach also creates a sense of consumers' unity and brand devotion. Interactivity facilitates consumer-generated content since it forms the basis of the communication process in two-fold and boosts the image and satisfaction level of businesses.

Besides, the choice of proactive communication strategies can influence the level of consumer expectations. Consumers' reactions and concerns can be addressed beforehand so they are informed about the positive angle of shifts in price strategies (Hazen et al., 2021). According to Gordon (2013), it is through strategic communication that it is easier to manage expectation and indeed create long-term consumer relations as consumers feel appreciated and valued when organizations offer them an opportunity to express their concerns.

**Objective 4: Evaluate the future implications of incorporating transparent consumer communication into pricing plans.**

Incorporation of transparent consumer communication in to price models is imperative not only for short term change acceptance but also for sustainable business returns. In the light of the new problems that companies experience as they adapt to the post-subsidy environment, continuous consumer engagement may usefully strengthen brand identification and credibility. That is because clear communication ensures that customer do not feel that the price charged for a particular good or service has been increased in the blind hence reducing any backlash that might be likely to occur (Kotler & Keller, 2022). In their study, Oladipo et al. (2023) found that specific organization transparency helped the organization to maintain customer loyalty because consumers esteems brands that are open to sharing information concerning the changes in price and the effects of the change. Therefore, transparency can be a long-term benefit for any organization because apart from helping it retain its customers, it boosts its image during competition. Some of the studies present that customer are drawn towards the trustworthy brands, companies specifically in pricing policies (Dunning et al., 2023). Businesses should therefore ensure that they are consuming the relevant information consistently to guide them when offering the right justifiable excuses such as inflation whereby the cost earthly forces make prices to go high. This doesn't only help to buffer negative consumer responses but also enhances the positive perception about the brands hence acting for consumers more so where a market is experiencing volatility (Campbell, etal.,2020).

**4.2 Discussion of findings**

The findings of the study revealed that the removal of fuel subsidy in Nigeria has positively affected the buying decisions of consumers and therefore the need for marketer to come up with appropriate strategies for price changes. For instance, the increased awareness among consumers that seeks cheaper products has required a reconsideration of strategies adopted in relation to pricing structures to make the prices favourable in customer society but at the same time pocket friendly to trigger profitable gains (Oladipo et al., 2023). This finding supports the arguments made by Mohseni (2024) to the effect that the consumer insights can enhance pricing acceptance and loyalty, especially in a volatile business environment. On the other hand, it is different from the idea of Dunning et al. (2023) where authors state that businesses have scope to increase prices, but they pointed out that businesses need to convince the consumers to pay

more through explaining reasons in a manner which can be highly illustrative of the relationship between pricing strategy and buyers' confidence. In addition, Nguyen (2013) support the notion for effective and clear communication arguing that consumers are capable of accepting price rise decisions because of a realized rationale as to why the decision could have been made, meaning that the communication strategies are as important as the pricing techniques. In the light of the observations made herein especially concerning the assessment of the various pricing strategies which Businesses can implement in the new Nigeria's post-subsidy environment, it is clear that there is an overwhelming call to populate more flexible modes of business modeling that are better suited to shifting consumer attitude and emerging economic trends. Value-based pricing and dynamic pricing have been discovered to be used more and more in companies to be relevant and adapt in the changing market (Lopez, 2020). This is in sync with the findings of Luong et al. (2016) who notes that, to cope up with high emerging cost trends and highly sensitive consumer price magnitude, many businesses strategize for flexible pricing strategies to retain market share. However, Dunning et al (2023) posit that although pricing changes are inevitable, firms should also take account long-term consequences of these strategies are since the, short-term goals could harm customer relations in the long run. Further, in a seminal work, Ayub and Mantilake (2024) postulate that through the application of segmented pricing strategies, businesses can adjust their retail prices to target distinct segment customers and meet market needs to ensure better opportunity return and yet be affordable since every segment has a different opportunity return and therefore the importance of conforming to market needs in the development of the right pricing strategies. The analysis of how transparent communication can be used to address the theme of consumer expectations towards the change in prices stresses the importance of the link between dissemination of relevant information and consumer trust. Based on this study, communication of correct information about the reasons for price changes during and after the removal of subsidies is crucial in preventing negative consumer response that is characteristic of post-subsidy Nigeria (Lukuman, 2024). This finding concurs with Nagle and Müller (2017)'s proposition that businesses that seek to educate their consumers on the pricing strategies that they undertake are likely to gain better acceptance from the consumers. On the other hand, Dunning et al. (2023) creates a more convincing argument about transparency as the core concept focusing on the fact that the messages have to be framed properly, as consumer's skepticism is inevitable if the price hikes do not look logical. Kim (2019) further supports this by noting consumers listen to brands speaking and therefore communicating openly can greatly improve the consumer's overall perception of the brand's credibility. The interplay of these findings shows that in fact the clarity has become one of the not additional tools, but rather a crucial part of the pricing strategies: the consumer acceptance and their trust in a business, which are critical factors of the long-term business sustainability in the unpredictable market conditions.

## 5 Conclusions

The research exposed the effects of fuel subsidy removal and the need for firms to be more responsive to their price adjustments in Nigeria. Thus, it is clear that application of appropriate methodologies particularly, value based and dynamic pricing strategies are becoming sine qua non for companies to remain viable and counter increasing customer's sensitivity to pricing policies. It was also noted that the conclusions underlined the importance of the transparent communication strategy which enables companies deal with consumers' expectations in the context of prices fluctuations and stressed that clarity of information impacts consumers' trust and loyalty positively.

Based on the conclusions above, the following recommendations were put forward:

- i. **Implement Consumer-Centric Pricing Models:** In the current economic reconstruction, companies should come up with new ways through which they would

price their products with regard to the purchasing power of customers. This comprises value-based pricing that may depend on how much the consumers are willing to pay in comparison to perceived value.

- ii. **Conduct Regular Market Research:** Continuously, do consumer research studies on attitudes towards and past and current buying patterns to ascertain the longer-term effects of subsidy stripping, and adapt course consistently.
- iii. **Adopt Dynamic Pricing Strategies:** business should encourage the use of flexible pricing policies that will enable the business change its pricing policies to meet the market forces and consumers' demand.
- iv. **Enhance Product Differentiation:** This should create product differentiation features or extra service that can warrant premium prices hence enabling businesses to continue competing for consumers despite high costs.

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