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PRICING TACTICS AND CONSUMER BEHAVIOUR: EVALUATING THE PSYCHOLOGICAL EFFECTS OF CHARM PRICING IN RETAIL STORES

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ABSTRACT **DOI No: 10.36713/epra21087** **Article DOI: https://doi.org/10.36713/epra21087**

This research explores the impact of charm pricing strategies such as prices ending in .99 or .95, and bundled product offers on consumer perception and spending behavior in retail environments. By examining psychological cues and behavioral responses associated with these pricing patterns, the study aims to uncover the subconscious factors influencing purchase decisions. A mixed-methods approach, incorporating survey data and in-store observations from retail outlets in Mumbai, reveals a consistent link between charm pricing and increased consumer willingness to buy. The findings contribute to retail marketing strategies by highlighting how minor pricing nuances can significantly shape consumer psychology.

KEYWORDS: ***Charm pricing, psychological pricing, consumer behavior, bundle pricing, retail marketing, Mumbai, price perception***

1. INTRODUCTION

In today's highly competitive and consumer-driven retail environment, pricing has evolved beyond mere cost-plus strategies. Retailers are not only competing on product quality and service but also on how prices are perceived by the customer. Among various pricing strategies, charm pricing has emerged as one of the most widely used and psychologically effective methods to influence consumer behavior. Charm pricing refers to the practice of setting prices just below a round number typically ending in .99, .95, or other odd-numbered figures (e.g., ₹99, ₹999, ₹4999). While the monetary difference between ₹99 and ₹100 may be negligible, the psychological impact on the consumer is significant.

This pricing tactic plays on a cognitive bias known as the left-digit effect, where consumers disproportionately focus on the left-most digit of a price when making purchase decisions. As a result, a price tag of ₹99 is often interpreted as being significantly cheaper than ₹100, even though the difference is just ₹1. This subtle manipulation of perception has been proven in several psychological and marketing studies to increase the likelihood of purchase, particularly in fast-moving consumer goods (FMCG), apparel, electronics, and lifestyle segments.

In urban retail settings like Mumbai, where shopping malls and high-street outlets compete for footfall and customer loyalty, pricing strategy becomes a critical component of the overall marketing mix. Mumbai, being one of India's most diverse and economically vibrant cities, offers a rich environment to study how different pricing cues affect consumer behavior across various demographics. The sheer variety of retail formats—ranging from premium shopping malls and branded outlets to budget departmental stores—creates an ideal setting to examine how charm pricing and bundle offers influence spending patterns.

Moreover, with rising consumer awareness, digital access to price comparisons, and frequent exposure to promotions, shoppers today are more value-conscious than ever. However, despite this awareness, charm pricing continues to successfully nudge consumers toward purchases that may not have been planned. This paradox between rational decision-making and emotional buying highlights the need to understand the underlying psychological mechanisms that charm pricing taps into.

This research paper seeks to explore and evaluate the impact of charm pricing tactics—particularly prices ending in .99 and .95, as well as bundle pricing offers—on consumer behavior in retail settings in Mumbai. The study aims to determine how such pricing strategies influence the perceived value of products, buying intentions, and overall spending behavior. It will also explore the extent to which demographic variables such as age, income level, and education affect responsiveness to charm pricing. By investigating both the psychological and behavioral aspects of charm pricing, the study intends to provide meaningful insights for retailers, marketers, and academic researchers interested in consumer psychology and retail marketing strategies.

2. LITERATURE REVIEW

The concept of charm pricing typically involving price points that end in .99 or .95—has long fascinated researchers in the fields of behavioral economics, marketing psychology, and consumer behavior. These seemingly minor changes in price structure often have disproportionate effects on consumer decision-making. This review examines the theoretical underpinnings and empirical research on charm pricing and related pricing psychology phenomena.

2.1 Charm Pricing Theory

Charm pricing operates on the principle that consumers perceive prices ending in odd numbers (particularly .99 or .95) as being significantly lower than the next round number, even when the actual difference is negligible. Schindler and Kibarian (1996) conducted one of the most cited studies in this field, demonstrating that 99-ending prices led to significantly higher sales than round-number pricing. The theory posits that consumers process numbers from left to right and anchor their perception based on the left-most digit—a cognitive bias known as the left-digit effect. As a result, ₹99 is perceived closer to ₹90 than to ₹100.

2.2 Prospect Theory

Developed by Kahneman and Tversky (1979), Prospect Theory provides a foundational framework for understanding consumer choices under conditions of uncertainty and psychological framing. The theory suggests that individuals evaluate gains and losses relative to a reference point, rather than in absolute terms. In the context of pricing, charm prices are often framed to appear as a small "gain" or "discount" relative to a rounded price, which can psychologically trigger a positive emotional response. The appeal of paying ₹999 instead of ₹1000 can thus be traced to the consumer's tendency to overvalue the perceived savings.

2.3 Price-Perceived Quality Hypothesis

This hypothesis suggests that price is often used by consumers as a proxy for product quality, especially in the absence of other information (Lichtenstein et al., 1993). Interestingly, while charm pricing is typically associated with affordability, it may sometimes conflict with the perceived quality of premium products. Wadhwa and Zhang (2015) found that round-number pricing (e.g., ₹1000) can convey higher quality than prices ending in .99, especially in high-involvement product categories like electronics or luxury goods. This highlights that charm pricing is most effective in mid- and low-involvement purchases.

2.4 Cultural Implications in Pricing

Price perception is also shaped by cultural context. Indian consumers, particularly in urban markets like Mumbai, are known for their value-consciousness and responsiveness to perceived bargains. A study by Vohra and Kaur (2012) explored how Indian shoppers react to psychological pricing tactics and found that odd pricing created a sense of urgency and value-for-money perception, especially during sales and festive periods. Cultural habits such as bargaining and festival shopping create an environment where charm pricing thrives as a subtle yet powerful influence on buyer behavior.

The literature collectively demonstrates that charm pricing is a well-researched and empirically validated strategy for influencing consumer behavior. While the left-digit effect and Prospect Theory provide psychological explanations for its effectiveness, cultural factors and product context also determine its success. This study seeks to build upon existing literature by applying these theories to real-life consumer behavior observed in retail malls in Mumbai, a city with a diverse consumer base and dynamic retail ecosystem.

3. RESEARCH METHODOLOGY

This section outlines the systematic approach used in the collection, analysis, and interpretation of data to examine the psychological effects of charm pricing on consumer behavior in retail settings across Mumbai. The methodology integrates both qualitative observations and quantitative data to provide a well-rounded understanding of the topic.

3.1. Objectives of the Study

1. To analyze the impact of charm pricing (e.g., ₹99, ₹199) on perceived value.
2. To assess consumer behavior towards bundle offers (e.g., buy 1 get 1, combo deals).
3. To evaluate demographic differences in pricing sensitivity.

3.2 Research Design

The study adopts a descriptive and exploratory research design.

- The descriptive aspect focuses on detailing the existing consumer responses to pricing strategies

such as .99 or .95 pricing and bundle offers in a structured manner.

- The exploratory component aims to uncover new insights into consumer psychological reactions, motivations behind purchasing behavior, and variations based on demographics.

This dual approach helps in identifying not only the "what" but also the "why" and "how" behind charm pricing effectiveness in the urban retail context.

3.3 Sample Size and Sampling Method

The research was conducted among 100 respondents selected from shopping malls and retail outlets spread across key commercial areas in Mumbai, including but not limited to Bandra, Andheri, Ghatkopar, Dadar, and Colaba.

- The sampling method used is stratified random sampling. This ensures representation across different age groups, income levels, genders, and shopping habits.
- The population was divided into strata based on demographic factors such as age (e.g., 18–25, 26–40, 41–60, 60+), and within each stratum, respondents were randomly selected.

This method was chosen to reduce sampling bias and ensure generalizability of results to Mumbai's diverse consumer population.

3.4 Data Collection Tools

To gather data, a combination of primary research tools was employed:

1. Structured Questionnaire
    1. A pre-tested and standardized questionnaire was distributed among the selected participants.
    2. It included closed-ended questions, multiple-choice items, and rating scales aimed at capturing perceptions of price value, purchasing behavior, and brand preference.
2. Likert Scale
    1. A 5-point Likert scale was used to measure the degree of agreement or disagreement on statements related to charm pricing (e.g., "I am more likely to buy a product priced at ₹99 than ₹100.").
    2. This helped quantify attitudes and perceptions for easier statistical interpretation.
3. In-store Observation
    1. Direct observation in retail settings was used to record non-verbal cues, impulse buying behaviors, and responses to price tags.
    2. The observer noted customer reactions to differently priced products and monitored movement within the store layout.

3.5 Data Analysis Techniques

All collected data were coded and analyzed using SPSS (Statistical Package for the Social Sciences), a robust statistical software tool used for quantitative analysis.

The following statistical techniques were applied:

1. Descriptive Statistics: To summarize demographic profiles and overall trends in consumer behavior.
2. Cross-Tabulation: To identify relationships between demographic variables (like age, gender, and income) and consumer responses to charm pricing.
3. Chi-Square Test: To test the independence and association between categorical variables, e.g., price endings and likelihood of purchase.
4. Correlation Analysis: To measure the strength of association between variables such as perception of value and frequency of purchase.

These methods allowed the researcher to assess patterns and correlations within the data and draw conclusions with statistical backing.

3.6 Ethical Considerations

Participants were informed about the purpose of the study, and consent was obtained before data collection. Anonymity and confidentiality of responses were assured. The study adhered to ethical standards in academic research.

3.7 Scope and Limitations

The study is geographically limited to retail consumers in Mumbai city, and the sample size of 100 may not fully represent the broader Indian retail consumer base. However, the findings are relevant for understanding pricing psychology in urban metropolitan contexts.

4. DATA ANALYSIS AND INTERPRETATION

4.1 Demographic Profile of Respondents

Age Group	Number of Respondents	Percentage
18–25	30	30%
26–40	40	40%
41–60	20	20%
60 above	10	10%
Total	**100**	**100%**

(Source: primary data)

The table provides a demographic breakdown of the respondents based on age groups, revealing the composition of the 100 participants surveyed in the study. The largest segment of respondents falls within the 26–40 age group, accounting for 40% of the total sample. This indicates that middle-aged consumers typically working professionals or young families—are the most represented demographic and possibly the most active retail consumers in urban Mumbai. The 18–25 age group comprises 30% of respondents, reflecting the influence of younger, tech-savvy and trend-conscious consumers who are often more responsive to psychological pricing tactics like charm pricing and bundle offers. The 41–60 age group makes up 20%, suggesting a moderately active consumer group that may be more value-driven and experienced in purchase decisions. Finally, the 60 and above group represents only 10% of the sample, indicating relatively lower participation from senior citizens in mall-based shopping activities. This distribution ensures that the analysis captures a wide range of age-related perceptions and buying behaviors, which is critical in evaluating pricing tactics across demographic strata.

Demographic Profile of Respondents income wise

Monthly Income (₹)	Number of Respondents	Percentage
Below ₹20,000	15	15%
₹20,001–₹40,000	35	35%
₹40,001–₹60,000	30	30%
Above ₹60,000	20	20%
Total	**100**	**100%**

(Source: primary data)

The table presents the income-wise demographic profile of the 100 respondents surveyed for the study on charm pricing and consumer behavior in Mumbai. The highest proportion of respondents 35% falls within the ₹20,001–₹40,000 monthly income bracket, indicating a significant representation from the lower-middle to middle-income segment, which is typically more price-conscious and responsive to perceived value in pricing. Close behind, 30% of the respondents earn ₹40,001–₹60,000 per month, representing the mid-income consumer group that often balances quality with affordability and is likely to engage in frequent, thoughtful purchasing decisions. 20% of participants earn above ₹60,000 per month, suggesting an upper-middle-income group that may be less sensitive to minor price differences but still appreciates smart pricing tactics such as bundle offers or value deals. The remaining 15% belong to the below ₹20,000 income group, highlighting the presence of budget-conscious consumers who may prioritize cost over brand or convenience. This income-wise stratification helps ensure a well-rounded understanding of how different economic segments respond to psychological pricing strategies in the retail environment.

4.2 Preference Between ₹99 vs. ₹100 Pricing (Charm Pricing Impact)

Statement: "I am more likely to buy a product priced at ₹99 than ₹100."	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Number of Respondents	30	40	15	10	5
Percentage	30%	40%	15%	10%	5%

(Source: primary data)

The table illustrates the consumer preference regarding charm pricing through the statement: "I am more likely to buy a product priced at ₹99 than ₹100." The data reveals that a significant majority of respondents (70%) either *strongly agree (30%)* or *agree (40%)* with the statement, clearly indicating that charm pricing has a strong psychological impact on consumer buying decisions. These respondents perceive ₹99 as meaningfully cheaper than ₹100, despite the minimal actual price difference, a classic example of the left-digit effect in action. Meanwhile, 15% of the participants remain *neutral*, suggesting some level of indifference or lack of awareness about such pricing strategies. Only a small minority, 10% *disagree* and *5% strongly disagree*, indicating that for a very limited portion of the sample, charm pricing does not significantly influence purchase decisions. Overall, the results strongly support the hypothesis that charm pricing effectively enhances perceived value and increases the likelihood of purchase among Mumbai's retail consumers.

4.3 Response to Bundle Pricing Offers

Statement: "I am likely to buy more when offered bundle deals (e.g., Buy 2 Get 1 Free)."	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Number of Respondents	35	40	15	5	5
Percentage	35%	40%	15%	5%	5%

(Source: primary data)

The data in this table highlights consumer attitudes toward bundle pricing offers**,** such as "Buy 2 Get 1 Free." A substantial 75% of respondents either *strongly agree (35%)* or *agree (40%)* that such deals encourage them to buy more, confirming the strong appeal of bundled discounts in retail environments. These results reflect the psychological influence of perceived value and savings, which often trigger a sense of urgency or *FOMO* (Fear of Missing Out), leading to increased and sometimes impulsive purchases. **15%** of participants responded *neutral*, possibly indicating that while they notice bundle deals, their buying decision may also depend on factors such as product relevance or personal need. Only 10% of respondents (*5% disagree* and *5% strongly disagree*) do not feel influenced by bundle pricing, suggesting a small segment that is either value-resistant or more deliberate in their shopping behavior. Overall, the data underscores that bundle pricing is a highly effective tactic for boosting sales volumes, especially in high-traffic retail settings like malls in Mumbai.

4.4 Cross-Tabulation: Age-wise Sensitivity to ₹99 Pricing

Age Group	% Agreeing to Prefer ₹99 Pricing
18–25	85%
26–40	75%
41–60	55%
60 Above	40%

(Source: primary data)

The cross-tabulated data reveals clear age-wise variation in sensitivity to ₹99 charm pricing. The youngest age group (18–25 years) shows the highest responsiveness, with 85% agreeing that they are more likely to purchase products priced at ₹99 than ₹100. This may be attributed to their limited disposable income, high exposure to digital marketing, and greater price sensitivity. The 26–40 age group also demonstrates significant sensitivity at 75%, reflecting a mix of budget consciousness and value-seeking behavior, especially among young professionals and families. In contrast, the 41–60 age group shows moderate responsiveness at 55%, indicating a more practical and possibly experience-driven purchasing style. The above 60 age group has the lowest agreement at 40%, suggesting that older consumers may be less influenced by psychological pricing cues and more guided by product quality, necessity, or fixed purchasing patterns. Overall, the data confirms that charm pricing is most effective among younger consumers, reinforcing the need for age-targeted pricing strategies in retail marketing.

4.5 Cross-Tabulation: Income-wise Preference for Bundle Offers

Income Group	% Favoring Bundle Offers
Below ₹20,000	90%
₹20,001–₹40,000	80%
₹40,001–₹60,000	65%
Above ₹60,000	50%

(Source: primary data)

The cross-tabulated data on income-wise preference for bundle offers illustrates a clear inverse relationship between income level and preference for bundled deals. Respondents in the lowest income group (Below ₹20,000) exhibit the strongest inclination, with 90% favoring bundle offers. This suggests that consumers in this segment are highly value-conscious and motivated by perceived savings, making bundle pricing an effective tactic for retailers targeting budget-sensitive customers.

The ₹20,001–₹40,000 group also shows a strong preference at 80%, indicating that mid-lower-income consumers similarly prioritize getting more value per purchase. In the ₹40,001–₹60,000 income range, the preference declines to 65%, reflecting a balanced view between value and quality or brand preference. Interestingly, only 50% of respondents earning above ₹60,000 favored bundle offers, possibly due to less price sensitivity and a greater focus on premium products, brand loyalty, or minimalism in consumption.

These findings highlight that bundle pricing is most effective for low to middle-income groups, and retailers can optimize sales by tailoring such promotions to income segments that are more likely to respond positively to value-based deals.

4.6 Chi-Square Test Result Summary

Hypothesis Tested

H_0: There is no association between age and preference for charm pricing.

H_1: There is a significant association between age and preference for charm pricing.

Test Statistic	Value
Chi-square	12.56
df	3
p-value	0.005

(Source: primary data)

Since the p-value (0.005) is less than the standard significance level of 0.05, we reject the null hypothesis (H_0). This indicates that there is a statistically

significant association between a consumer's age group and their preference for charm pricing.

In practical terms, this suggests that age plays a meaningful role in how consumers perceive and respond to charm pricing tactics. Younger respondents (particularly those in the 18–25 and 26–40 age brackets) were more likely to view ₹99 as a better deal compared to ₹100, reflecting a stronger psychological response to charm pricing. In contrast, older consumers demonstrated relatively lower sensitivity, possibly due to different shopping experiences, cognitive processing patterns, or brand and quality priorities.

These findings reinforce the need for age-targeted pricing strategies in retail environments to effectively influence purchasing decisions

4.7 Correlation Analysis

Variables	Pearson Correlation (r)	Interpretation
Charm Pricing & Frequency of Purchase	+0.62	Moderate positive correlation
Income Level & Sensitivity to Pricing	-0.45	Negative correlation (higher income, less sensitive)

(Source: primary data)

1. **Charm Pricing & Frequency of Purchase (+0.62):** The positive correlation indicates a moderate relationship between consumers' attraction to charm pricing (e.g., ₹99 instead of ₹100) and how frequently they make purchases. In simpler terms, as consumers show a greater preference for charm pricing, they also tend to shop more frequently**,** possibly driven by the psychological satisfaction of perceived savings. This finding underscores the effectiveness of charm pricing in encouraging repeated consumer purchases**.**
2. **Income Level & Sensitivity to Pricing (–0.45):** This moderate negative correlation suggests that as income levels increase, price sensitivity decreases. Higher-income respondents are less likely to be influenced by small price differences or pricing tricks like ₹99 endings. Conversely, those in lower or middle-income brackets are more reactive to minor pricing changes and bundling tactics**,** which they perceive as greater value for money.

These correlations validate the behavioral influence of charm pricing on consumer habits, especially among more price-conscious and lower-to-middle income groups. Retailers targeting frequent or budget-conscious buyers should actively utilize charm pricing and promotional bundles to maximize consumer engagement and sales.

5. MAJOR FINDINGS

Based on the data collected from 100 respondents across various retail zones in Mumbai and analyzed using SPSS, the following key findings have emerged:

- **Charm Pricing Perception:** A significant portion (70%) of respondents agreed that prices ending in ₹99 appear more attractive than round figures like ₹100. This confirms the presence of the *left-digit effect*, wherein consumers psychologically perceive ₹99 as substantially cheaper, despite the negligible monetary difference.
- **Age Sensitivity to Charm Pricing:** Younger consumers (particularly those aged 18–25) showed the highest sensitivity to charm pricing, with 85% expressing a preference for ₹99 pricing. The preference declined with age, suggesting that psychological pricing tactics are more effective among younger demographics.
- **Bundle Pricing Effectiveness:** Approximately 75% of respondents showed a positive response toward bundle offers (e.g., "Buy 2 Get 1 Free"), with younger respondents (18–35 age group) perceiving greater value and savings in bundled deals. This indicates that bundle pricing is a highly persuasive tactic for encouraging larger-volume purchases among youth.
- **Income-Wise Responsiveness:** Respondents in the middle-income bracket (₹30,000–₹60,000/month) exhibited the highest responsiveness to both charm and bundle pricing. They perceived these strategies as opportunities for value maximization. On the other hand, high-income consumers (above ₹60,000) were relatively indifferent to small pricing differences.
- **In-store Behavior Observations:** Observations indicated that products priced at ₹99 attracted more foot traffic and product handling compared to those priced at ₹100. Shoppers paused longer, compared prices more attentively, and were more likely to add charm-priced products to their carts impulsively.
- **Statistical Association:** The Chi-square test revealed a significant association between age and preference for charm pricing ($p < 0.05$), establishing age as a variable that influences price sensitivity.
- **Correlational Insights:** There was a moderate positive correlation (+0.62) between charm pricing and frequency of purchase, suggesting that charm pricing contributes to increased consumer buying frequency. A negative correlation (-0.45) was observed between

income level and pricing sensitivity, indicating that price-consciousness tends to decline with increasing income.

6. DISCUSSION

The findings of this study align closely with established theories in behavioral economics and consumer psychology. Charm pricing, particularly prices ending in .99, continues to prove effective due to its ability to exploit a well-documented cognitive bias known as the left-digit effect. This effect leads consumers to perceive ₹99 as substantially cheaper than ₹100, even though the difference is merely ₹1. The psychological anchor formed by the first digit (in this case, "9" vs. "1") shapes the perceived value of the product and drives decision-making at a subconscious level.

Moreover, the study found that younger consumers (18–35 years) are especially susceptible to charm pricing and bundle offers. This could be attributed to their higher exposure to aggressive advertising, a more impulsive shopping style, and a greater reliance on perceived value over actual utility. The data further supports the idea that bundle pricing is an equally influential tactic, leveraging the perception of savings and Fear of Missing Out (FOMO) to encourage larger and sometimes unplanned purchases. When offered a combo deal or "Buy 1 Get 1" promotion, consumers are more likely to feel they are receiving added value, which prompts them to act quickly and often irrationally.

The research also revealed that middle-income consumers (₹30,000–₹60,000/month) are particularly responsive to such tactics. This group is price-conscious but also values quality and brand reputation. Charm and bundle pricing appeal to their desire for economic efficiency without compromising perceived quality. In contrast, higher-income consumers displayed relatively lower sensitivity to charm pricing, suggesting that for premium buyers, price aesthetics matter less than product features, exclusivity, or brand legacy.

These findings highlight the strategic importance of psychological pricing for retailers, especially in highly competitive and price-sensitive markets like Mumbai. Retailers utilize these tactics not just to lower perceived prices but also to guide consumer behavior in-store, stimulate impulse buying, and improve inventory turnover. Observations confirmed that charm-priced products attracted more attention and increased dwell time, reinforcing the emotional and behavioral impact of minor price variations.

In conclusion, charm and bundle pricing are not just numerical tricks, but deeply rooted psychological tools that influence consumer perceptions and behaviors. The effectiveness of these tactics depends on demographic characteristics such as age and income, making it essential for marketers to customize their strategies accordingly.

7. CONCLUSION AND RECOMMENDATIONS

Conclusion

This research paper has explored the psychological impact of charm pricing and bundle strategies on consumer purchasing behavior in Mumbai's retail sector. The findings confirm that charm pricing (e.g., ₹99 instead of ₹100) is a powerful psychological tool that influences consumer perceptions of affordability, even when the actual price difference is negligible. This effect is rooted in behavioral economics, particularly the left-digit bias, which leads consumers to evaluate prices based on the first digit rather than the total numerical value.

The study also highlighted that bundle pricing (e.g., combo offers, Buy 1 Get 1 deals) significantly affects purchasing behavior, particularly among younger and middle-income consumers. These pricing strategies create a perceived sense of savings and urgency, often leading to increased impulse buying and higher overall expenditure.

Data analysis showed that age and income levels play a key role in pricing sensitivity. Consumers aged 18–35 and those with monthly incomes between ₹30,000–₹60,000 responded most positively to charm and bundle pricing. This suggests that psychological pricing is particularly effective for the price-conscious yet aspirational segment of the market.

In summary, the research validates the effectiveness of psychological pricing tactics in driving consumer behavior and increasing retail revenue. Mumbai's diverse and dynamic retail environment offers ample opportunities for retailers to leverage these insights to craft better pricing strategies.

Recommendations

Based on the study's findings, the following actionable recommendations are proposed:

1. **Implement Charm Pricing across Key Product Lines,** Retailers should adopt charm pricing (e.g., ₹49, ₹199, ₹999) for frequently purchased items, especially in fast-moving consumer goods (FMCG), apparel, and lifestyle categories, to enhance perceived affordability and increase conversions.
2. **Use Bundle Deals Strategically during High-Traffic Periods** Festival seasons, weekends, and public holiday's present prime opportunities to implement bundle pricing strategies. Retailers can offer combo deals or limited-time offers to tap into festive spending behavior and capitalize on FOMO (Fear of Missing Out).

3. **Segment Pricing Strategies Based on Demographics** Retailers should design pricing campaigns tailored to specific demographics, particularly targeting younger shoppers and middle-income groups who demonstrate higher sensitivity to psychological pricing cues.
4. **Incorporate Digital Pricing in Omni-Channel Strategy.** As consumers increasingly shift to online shopping, further research and strategic focus should be directed toward the use of psychological pricing in e-commerce platforms and mobile retail apps. Personalization, digital coupons, and flash sales could enhance the effectiveness of charm pricing in digital spaces.
5. **Train Retail Staff on Price Communication.** In-store staff should be educated about the psychological pricing techniques so they can communicate perceived value effectively and subtly reinforce pricing benefits to indecisive customers.

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