

**A dissertation Submitted in Partial Fulfilment of the Requirements
for Master Degree**

Specialty : E-Business

Title :

**The role of pricing strategy in customer
engagement
CASE: HEETCH EL DJAZAIR**

Presented by :

Mr. NAMOUS Djaouad

Supervised by:

Ms. AMALOU Waffa
Maître de conference A

Academic year

2025-2026

**A dissertation Submitted in Partial Fulfilment of the Requirements
for Master Degree**

Specialty : E-Business

Title :

**The role of pricing strategy in costumer
engagement
CASE: HEETCH EL DJAZAIR**

Presented by:

Mr. NAMOUS Djaouad

Supervised by :

Ms.AMALOU Waffa
Maître de conference A

Academic year

2025-2026

Summary:

GENERAL INTRODUCTION	1
-----------------------------------	----------

CHAPTER ONE: PRICING STRATEGY AND CUSTOMER'S ENGAGEMENT: CONCEPTUAL FOUNDATIONS.....	7
---	----------

Section 1: Price and Price Strategy	8
--	----------

Section 2: Customer Engagement	17
---	-----------

Section 3: The Relationship between Pricing Strategy and Customer Engagement 	28
---	-----------

CHAPTER TWO: EMPIRICAL STUDY 'CASE OF HEETCH EL DJAZAIR'	38
---	-----------

Section 1: Presentation of the Host Organization and Research Methodology	39
--	-----------

Section 2: Exploratory Qualitative Study and Quantitative study	57
--	-----------

Section 3: Multiple Regression and Recommendations	75
---	-----------

GENERAL CONCLUSION	85
---------------------------------	-----------

BIBLIOGRAPHY.....	89
--------------------------	-----------

APPENDICES.....	94
------------------------	-----------

Dedications

بسم الله الرحمن الرحيم

*À Allah, le Tout-Puissant, qui m'a accordé la force, la patience et la volonté
d'aller jusqu'au bout de ce travail.*

À ma très chère mère,

*Pour son amour sans limite, ses sacrifices silencieux et ses prières qui m'ont
Porté à chaque étape de ce parcours. Tu es ma plus grande force.*

À mon père,

*Pour m'avoir appris le sens de la persévérance, de la rigueur et de l'honneur.
Ton exemple m'a guidé tout au long de ce chemin.*

À mes sœurs,

*pour votre soutien indéfectible, votre bienveillance et votre amour.
Chacun de vous a contribué, à sa manière, à l'aboutissement de ce travail.*

À Madame AMALOU Waffa, mon encadrante du mémoire,

*Pour sa rigueur académique, son encadrement éclairé et sa disponibilité généreuse.
Ce mémoire est aussi le fruit de votre engagement.*

À mes amis et collègues du groupe E-Business,

*Pour les moments de partage, d'entraide et d'encouragement.
Votre présence a rendu cette aventure plus belle.*

NAMOUS Djaouad

Acknowledgement

First and foremost, I thank Allah for granting me the strength, patience, and guidance to complete this journey.

My sincere thanks to our school director, Mr. HACHMAOUI, for providing a supportive educational environment.

I express my deepest gratitude to my dissertation supervisor, Madame AMALOU. More than an exceptional guide, she has been an inspiring mentor whose unwavering support, wisdom, and genuine kindness kept me going through every doubt. Thank you, Madame Amalou, for your invaluable time and for being the finest teacher I could have ever asked for.

I am also grateful to the entire Heetch El Djazair team for their warm welcome and professional support, and to my friends for their endless encouragement.

Finally, thank you to everyone who supported me along the way especially my friends and e-business group 2 members —your kindness made all the difference.

List of figures

Figure 1: The Role of Pricing on Cognitive Engagement 30

Figure 2: The Role of Pricing on Emotional Engagement 32

Figure 3: The Role of Pricing in Behavioral Engagement 33

Figure 4: Pricing–Engagement Relationship 34

Figure 5: Organizational Chart — Heetch Algeria..... 44

List of tables :

Table 1: Measurement Indicators Associated with Each Pricing and Engagement Dimension	26
Table 2: Summary of the Effects of Pricing on Dimensions of Customer Engagement	35
Table 3: Technical Sheet of Heetch El Djazair	40
Table 4: List of Interviewed Professionals and Their Roles	49
Table 5: Breakdown of Respondents by Age Group	65
Table 6: Breakdown of Respondents by Gender	66
Table 7: Frequency of Use of Ride-Hailing Services.....	66
Table 8: Respondents' Preferred Ride-Hailing Platform	67
Table 9: Perception of Heetch Price Affordability	68
Table 10: Synthesis of Price Perception Items (Means out of 5)	68
Table 11: Respondents' Behavior When Prices Are Considered High.....	70
Table 12: Role of Promotions in Platform Choice	70
Table 13: Proportion of Respondents Who Have Switched Platforms Due to Price	71
Table 14: Summary of Customer Engagement Items (Means out of 5).....	71
Table 15: Cross-tabulation: Gender × Platform Change Due to Price	73
Table 16: Chi-Square Test: Gender × Platform Change	73
Table 17: Cross-tabulation: Frequency of Use and Influence of Promotions	74
Table 18: Chi-Square Test: Frequency of Use × Influence of Promotions	74
Table 19: Validity of Measurement Scales According to Cronbach's Alpha.....	75
Table 20: Bartlett's Test and KMO Test.....	76
Table 21: Questionnaire Normality Test (Skewness & Kurtosis)	77
Table 22: Independence of Errors Test (Durbin-Watson) — Multiple Regression Model	77
Table 23: Multicollinearity Test (VIF)	78
Table 24: Model Adaptation — Goodness of Fit (eco + trans + compar → eng).....	78
Table 25: Multiple Regression Coefficients.....	79
Table 26: Synthesis of Hypotheses Evaluation Based on Quantitative Results.....	80
Table 27: Synthesis of Net Effects of Pricing Dimensions on Engagement (Multiple Regression)	83

List of abbreviations :

Abbreviation	Full Term
4Ps	Product, Price, Place, Promotion (Marketing Mix)
ANOVA	Analysis of Variance
API	Application Programming Interface
B	Unstandardized Regression Coefficient
β (Beta)	Standardized Regression Coefficient
CE	Customer Engagement
CEBs	Customer Engagement Behaviors
CLV	Customer Lifetime Value
compar	Comparative Competitiveness (pricing dimension, quantitative study)
CRM	Customer Relationship Management
CSAT	Customer Satisfaction Score
DA	Algerian Dinar (Dinar Algérien)
ddl	Degrés de Liberté (Degrees of Freedom)
eco	Economic Accessibility / Affordability (pricing dimension, quantitative study)
eng	Customer Engagement (dependent variable, quantitative study)
ESGEN	École Supérieure de Gestion et d'Économie Numérique (Higher School of Management and Digital Economy)
F	F-statistic (ANOVA significance test)
H / H1 / H2 / H3	Research Hypotheses (General and Sub-hypotheses)
KMO	Kaiser–Meyer–Olkin Index (data adequacy for factor analysis)

KPI	Key Performance Indicator
MSR	Marketplace Success Rate
NPS	Net Promoter Score
p	p-value (statistical significance level)
PCA	Principal Component Analysis
PP	Price Perception
R	Multiple Correlation Coefficient
R ²	Coefficient of Determination (goodness of fit)
RFM	Recency, Frequency, Monetary Value
S-D Logic	Service-Dominant Logic
SERVQUAL	Service Quality Model (Parasuraman, Zeithaml & Berry, 1988)
SPSS	Statistical Package for the Social Sciences (IBM, version 26)
t	Student's t-statistic (coefficient significance test)
trans	Transparency and Fairness (pricing dimension, quantitative study)
UX	User Experience
VIF	Variance Inflation Factor (multicollinearity test)
VTC	Véhicule de Transport avec Chauffeur (Ride-Hailing / Private Hire Vehicle)
WoW	Week over week
χ^2	Chi-square Statistic (Khi-deux de Pearson)

Abstract

This master's dissertation investigates the role of pricing strategy in shaping customer engagement within the Algerian ride-hailing sector, using Heetch El Djazair as an empirical case study. In a hyper-competitive digital marketplace characterized by extreme price sensitivity, low switching costs, and widespread multi-homing behavior, pricing has transcended its traditional marketing mix function to become the primary lever of cognitive, emotional, and behavioral consumer engagement.

Grounded in a sequential mixed-methods design, this research first conducted an exploratory qualitative study through semi-structured interviews with four key operational managers at Heetch El Djazair — an Operations Business Analyst, a Competitor Monitoring Specialist, a Customer Care Officer, and a CRM Marketing Expert — to decode the platform's internal yield management mechanisms. The qualitative phase revealed that Heetch calibrates its fares through a systematic real-time feedback loop anchored in three consumer-facing dimensions: comparative competitiveness, economic accessibility, and pricing transparency and fairness.

These three dimensions were subsequently operationalized into a quantitative survey administered to 162 Algerian ride-hailing users. Multiple linear regression analysis via SPSS yielded an exceptionally robust explanatory model ($R^2 = 0.921$, $F = 612.78$, $p < 0.001$), confirming all three hypotheses: Comparative Competitiveness emerged as the dominant predictor ($\beta = 0.430$), followed by Economic Accessibility ($\beta = 0.283$) and Transparency and Fairness ($\beta = 0.247$). Together, these dimensions account for 92.1% of the variance in customer engagement.

These findings establish that in the Algerian VTC market, price perception is a multidimensional construct that decisively governs consumer loyalty and platform attachment. This dissertation concludes with actionable strategic recommendations, proposing that Heetch transition from reactive manual pricing checks toward automated, API-driven competitive intelligence systems, implement transparent fare-breakdown interfaces, and deploy CRM-based precision promotional strategies to sustainably convert price-sensitive users into deeply engaged brand advocates.

Keywords: Pricing Strategy, Customer Engagement, Ride-Hailing, Dynamic Pricing, Heetch El Djazair, Multiple Regression, Price Perception.

Résumé

Ce mémoire de master examine le rôle de la stratégie de prix dans la construction de l'engagement client au sein du secteur algérien du VTC (Véhicule de Transport avec Chauffeur), en prenant Heetch El Djazair comme terrain d'étude empirique. Dans un marché numérique hyper-concurrentiel, caractérisé par une forte sensibilité aux prix, de faibles coûts de changement de plateforme et un comportement généralisé de « multi-homing », le prix a dépassé son rôle classique dans le mix marketing pour devenir le levier principal de l'engagement cognitif, émotionnel et comportemental du consommateur.

Fondée sur une approche mixte séquentielle, cette recherche a d'abord mené une étude qualitative exploratoire par le biais d'entretiens semi-directifs avec quatre cadres opérationnels de Heetch El Djazair — une Analyste Métier Opérationnelle, une Spécialiste Veille Concurrentielle, une Chargée du Service Client et un Expert Marketing CRM — afin de décoder les mécanismes internes de gestion des revenus (yield management). La phase qualitative a révélé que Heetch calibre ses tarifs à travers une boucle de rétroaction en temps réel articulée autour de trois dimensions perçues par le consommateur : la compétitivité comparative, l'accessibilité économique, et la transparence tarifaire.

Ces trois dimensions ont ensuite été opérationnalisées dans une enquête quantitative administrée à 162 utilisateurs algériens de plateformes VTC. L'analyse de régression linéaire multiple réalisée via SPSS a produit un modèle explicatif exceptionnellement robuste ($R^2 = 0,921$, $F = 612,78$, $p < 0,001$), confirmant les trois hypothèses de recherche : la Compétitivité Comparative est apparue comme le prédicteur dominant ($\beta = 0,430$), suivie de l'Accessibilité Économique ($\beta = 0,283$) et de la Transparence Tarifaire ($\beta = 0,247$). Ensemble, ces trois dimensions expliquent 92,1 % de la variance de l'engagement client.

Ces résultats démontrent que, dans le marché algérien du VTC, la perception du prix est un construit multidimensionnel qui gouverne de manière déterminante la fidélité et l'attachement des consommateurs à une plateforme. Ce mémoire se conclut par des recommandations stratégiques opérationnelles, proposant à Heetch de migrer vers des systèmes automatisés de veille concurrentielle en temps réel, de déployer des interfaces de décomposition transparente des tarifs, et d'adopter des stratégies promotionnelles de précision basées sur le CRM pour convertir durablement les utilisateurs sensibles au prix en ambassadeurs engagés.

Mots-clés : *Stratégie de prix, Engagement client, VTC, Tarification dynamique, Heetch El Djazair, Régression multiple, Perception du prix.*

الملخص

تتناول هذه المذكرة لنيل شهادة الماستر دراسة دور استراتيجية التسعير في بناء تفاعل الزبون داخل قطاع النقل الخاص بالسيارات (VTC) في الجزائر، متخذةً من منصة Heetch El Djazair نموذجاً تطبيقياً. في سوق رقمي شديد التنافسية، تتسم فيه الحساسية المفرطة للأسعار وانخفاض تكاليف التحول بين المنصات وانتشار ظاهرة التنقل المتعدد بين التطبيقات، تجاوز السعر دوره التقليدي في المزيج التسويقي ليصبح الرافعة الأساسية للتفاعل المعرفي والعاطفي والسلوكي للمستهلك.

انطلاقاً من منهجية مختلطة تسلسلية، أجرت هذه الدراسة أولاً بحثاً كيفياً استكشافياً عبر مقابلات شبه موجهة مع أربعة إطارات تشغيلية من Heetch El Djazair — محللة أعمال تشغيلية، ومخصصة في اليقظة التنافسية، ومسؤولة خدمة الزبائن، وخبير تسويق CRM — بهدف فك شفرة الآليات الداخلية لإدارة الإيرادات (Yield Management). وقد كشفت هذه المرحلة أن المنصة تضبط أسعارها عبر حلقة تغذية راجعة آلية تقوم على ثلاثة أبعاد رئيسية من منظور المستهلك: المقارنة التنافسية، القدرة الشرائية المتاحة، والشفافية والعدالة السعرية.

تمت بعد ذلك قياس هذه الأبعاد الثلاثة من خلال استبيان كمي وُجّه إلى 162 مستخدماً جزائرياً لخدمات النقل بالسيارة الخاصة. وأسفر تحليل الانحدار الخطي المتعدد عبر برنامج SPSS عن نموذج تفسيري بالغ الدقة ($R^2 = 0.921$ ، $F = 612.78$ ، $p > 0.001$)، مما أكد صحة الفرضيات الثلاث: إذ ظهرت التنافسية المقارنة باعتبارها المؤشر المحوري الأقوى ($\beta = 0.430$)، تليها القدرة الاقتصادية ($\beta = 0.283$)، ثم الشفافية والعدالة السعرية ($\beta = 0.247$). وتفسر هذه الأبعاد الثلاثة مجتمعة ما نسبته 92.1% من التباين الكلي في تفاعل الزبون.

تُثبت هذه النتائج أن إدراك السعر في السوق الجزائرية للنقل الخاص هو بنية متعددة الأبعاد تتحكم بصورة حاسمة في ولاء المستهلك وارتباطه بالمنصة. وتختتم المذكرة بتوصيات استراتيجية عملية، تقترح على Heetch الانتقال من آليات مراقبة الأسعار اليدوية التفاعلية إلى أنظمة آلية للذكاء التنافسي في الوقت الفعلي، وتطوير واجهات شفافة لتفصيل مكونات الأسعار، واعتماد استراتيجيات ترويجية مخصصة قائمة على بيانات CRM لتحويل المستخدمين الحساسين للسعر إلى سفراء متفاعلين ومخلصين على المدى البعيد.

الكلمات المفتاحية: استراتيجية التسعير، تفاعل الزبون، النقل الخاص بالسيارة، التسعير الديناميكي، Heetch El Djazair، الانحدار المتعدد، إدراك السعر

GENERAL INTRODUCTION

GENERAL INTRODUCTION

In the contemporary digital economy, mobile application platforms have profoundly revolutionized urban mobility by transitioning traditional transportation sectors into highly dynamic, data-driven ecosystems. Within the ride-hailing industry (*Voiture de Transport avec Chauffeur* - VTC), pricing has transcended its classic role as a static marketing mix variable to become a real-time, autonomous regulator of market forces. Powered by sophisticated predictive algorithms, ride-hailing platforms instantaneously process extensive sets of operational metadata—including geographical driver availability, instantaneous passenger demand, trip distance, traffic congestion, and atmospheric conditions—to determine the monetary value of a transaction. This algorithmic mechanism often manifests via dynamic pricing, commonly referred to as "surge pricing," which acts as a fluid coordination tool to clear two-sided markets by rationing excessive passenger demand while financially incentivizing driver re-deployment to high-demand clusters.

However, this reliance on algorithmic pricing introduces a profound psychological and cognitive paradox for the consumer. While dynamic adjustment optimizes economic efficiency and guarantees immediate vehicle availability, abrupt tariff fluctuations often collide with deep-seated consumer expectations of price fairness and transparency. Grounded in Kahneman, Knetsch, and Thaler's dual entitlement theory¹, unexpected spikes in prices can be perceived as opportunistic exploitation of immediate transit needs, generating emotional friction, damaging platform equity, and weakening long-term user attachment. In a hyper-competitive landscape like the Algerian VTC sector, characterized by extreme price sensitivity, low switching costs, and widespread user "multi-homing"—where passengers actively cross-examine fares across multiple apps simultaneously—the strategic calibration of price is no longer merely an accounting question of value capture. Instead, it has established itself as the most critical yet fragile determinant of holistic customer engagement across cognitive, emotional, and behavioral dimensions.

The selection of this research domain is justified by interconnected academic and professional imperatives. From an academic perspective, while the economic efficiency of dynamic pricing algorithms has been extensively researched in developed markets, there remains a prominent literary gap regarding how algorithmic price variations psychologically dictate

¹ Kahneman D., Knetsch J. L. et Thaler R. H. (1986), « Fairness as a Constraint on Profit Seeking: Entitlements in the Market », *The American Economic Review*, Vol. 76, N° 4, pp. 728–741.

GENERAL INTRODUCTION

multidimensional consumer engagement within emerging developing economies, particularly in North Africa. This study seeks to enrich the e-business literature by linking algorithmic pricing models with behavioral, cognitive, and emotional engagement metrics in a non-Western context.

From a practical perspective, the Algerian ride-hailing marketplace has experienced intense consolidation and aggressive competitive positioning among key operators such as Yassir, InDrive, and Heetch. For a platform like Heetch El Djazair, sustaining market share requires shifting away from short-term, margin-depleting "cash burn" promotional strategies toward a sustainable, algorithmically optimized framework. Understanding the distinct pillars of price perception enables managers to maximize platform liquidity without alienating their user base, effectively converting casual, opportunistic app users into deeply engaged, loyal brand advocates.

To address these challenges, this master's dissertation articulates its core scientific inquiry around the following central research question:

“ What is the role of pricing strategy in customer engagement?”

To provide a structured and multi-layered response to this overarching problem, three secondary research questions have been formulated:

To what extent does the perceived comparative price competitiveness of Heetch relative to competing platforms (Yassir, InDrive) positively influence the engagement of Algerian ride-hailing users?

To what extent does the perceived economic accessibility of Heetch's fares, relative to users' purchasing power, positively influence their engagement with the platform?

To what extent do perceived pricing transparency and fairness — notably the predictability of fares and the absence of opportunistic price variations — positively influence the cognitive and emotional engagement of Algerian VTC users?

Main Hypotheses In alignment with the structural framework of academic rigor, and drawing from theoretical literature and preliminary exploratory findings, the following core hypotheses have been established to guide the empirical investigation:

GENERAL INTRODUCTION

H1: Perceived economic accessibility (affordability relative to consumer purchasing power) exerts a positive and significant role in customer engagement.

H2: Perceived pricing transparency and fairness (predictability and lack of transactional opportunism) exert a positive and significant role in customer engagement.

H3: Perceived comparative competitiveness (relative price advantage over competitors) exerts a positive and significant role in customer engagement.

To provide a systematic resolution to our research problem, this dissertation is structured into two main chapters:

Chapter One outlines the theoretical foundations of our research about Pricing Strategy and Customer Engagement establishes the theoretical bedrock of the research. Section 1 unpacks the fundamentals of price, exploring its transition from traditional cost-plus structures to algorithmic, dynamic, and two-sided market models, alongside its economic and psychological specificities in the VTC sector. Section 2 conceptualizes customer engagement through its cognitive, emotional, and behavioral components. Section 3 bridges these two fields, creating a unified conceptual model and detailing the theoretical mechanisms linking pricing strategies to customer engagement.

In chapter Two entitled Empirical Study: Case of Heetch El Djazair transitions the dissertation into its practical, mixed-methods validation phase. It begins with an institutional presentation of the host organization, followed by an explicit breakdown of the research methodology. The empirical investigation utilizes a sequential mixed-methods design, beginning with an exploratory qualitative study featuring semi-structured interviews with operational managers at Heetch to dissect internal yield management loops (Price Checks, Weekly Recaps, Marketplace Success Rates). These findings ground a subsequent quantitative phase, where a questionnaire is administered to Algerian ride-hailing consumers. The data undergoes univariate, bivariate, and multiple linear regression testing via SPSS to evaluate the hypotheses and conclude with data-driven strategic recommendations.

CHAPTER ONE

PRICING STRATEGY AND CUSTOMER'S ENGAGEMENT: CONCEPTUAL FOUNDATIONS

Section 1: Price and Price Strategy

Within the ride-hailing sector (VTC), price as a variable assumes a strategic dimension due to the digital nature of the platforms and the intense market competition. This section offers a progressive analysis: it begins with the theoretical definition of price, examines its evolution toward sophisticated algorithmic models, and subsequently evaluates its role in consumer behaviour and corporate strategies.

1.1 Definition and Role of Price

Price constitutes one of the fundamental variables of the marketing mix, commonly referred to as the "4Ps" (Product, Price, Place, and Promotion). Kotler and Keller (2016) define it as "the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service."¹ Unlike the other three variables of the marketing mix, price is the sole revenue-generating component; the others—product, distribution, and communication—structurally represent cost centres.

Lendrevie and Lévy (2014), for whom price constitutes both an indicator of value for the firm and a signal of quality for the consumer, also highlight this singularity:

"Price is the only element of the marketing mix that generates revenue for the firm, whereas the others generate costs. It is also the monetary expression of a product's value to a customer that is, the sacrifice they are willing to make to acquire the benefit that the product provides."²

In summary, price can be understood as the monetary expression of perceived utility:

It constitutes the strategic adjustment variable that aligns the market's willingness to pay with the economic viability requirements of the offering.

¹ Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15e éd.). Pearson Education

² Lendrevie, J., & Lévy, J. (2014). *Mercator : Tout le marketing à l'ère du numérique* (11e éd., p. 437). Dunod.

1.2. The Evolution of Price toward Dynamic Pricing

Within the context of ride-hailing platforms, price departs from the traditional fixed-pricing model to adopt a dynamic pricing logic. According to Varian (1989), this strategy allows for real-time tariff adjustments in order to maximize market efficiency¹. Concretely, the price is determined by sophisticated algorithms that instantaneously process massive amounts of data, primarily arbitrating between the volume of users seeking a ride and the number of available drivers within a specific geographic zone.

In addition to this supply-demand balance, decisive contextual factors are integrated: temporality (peak versus off-peak hours), trip distance, as well as weather conditions or exceptional events. This pricing flexibility ensures market equilibrium through the surge pricing mechanism: the price increase regulates demand by discouraging non-urgent trips, while simultaneously creating a financial incentive that prompts more drivers to deploy to high-demand areas.

1.3. The Dual Role of Price:

Price within ride-hailing platforms operates on two distinct yet interconnected levels, serving simultaneously as a concrete financial tool and a powerful tool for consumer psychology.

1.3.1. An Economic Role:

Generating Revenue and Ensuring Viability On the economic front, price fulfills a fundamental function of generating revenue and ensuring viability for ride-hailing platforms. Its primary mission lies in value capture: the established fare must cover operational costs, ensure attractive compensation for drivers, and yield a commission—commonly referred to as the "take rate"—indispensable to the overall profitability of the platform.

Beyond this accounting dimension, price acts as a flow regulator. Within the framework of his two-sided market theory, Tirole (2016) demonstrates that price is not merely an exchange value, but a strategic coordination tool that balances the interactions between both sides of the platform—the passengers and the drivers². In a two-sided market, the value for a passenger

¹¹ Varian H. R. (1989), « Price Discrimination » [dans] Schmalensee R. et Willig R. (dir.), *Handbook of Industrial Organization*, Vol. 1, pp. 597–654, North-Holland, Amsterdam.

² Tirole, J. (2016). *Économie du bien commun* (pp. 403–408). Presses Universitaires de France.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

depends on the number of available drivers, and vice versa; price thus constitutes the lever that allows the platform to "keep both sides of the market on board."

1.3.2. A Psychological Role: Influencing Value Perception

On the psychological level, price transcends its simple accounting function to become a major vector of influence on the perception of value. It acts notably as a quality signal, particularly in situations of information asymmetry where the customer uses the amount charged as an indicator of service reliability. Fleck and Quester (2017) thus demonstrate how price serves as a "proxy" for the actual evaluation of quality when the consumer is unable to test the service beforehand, which is precisely the case for a ride-hailing trip prior to its initiation¹.

This psychological role also manifests through the phenomenon of value anchoring: the price positions the service in the mind of the user, creating specific expectations in terms of experience. A judiciously calibrated pricing strategy minimizes the feeling of financial sacrifice while maximizing perceived satisfaction, by leveraging cognitive biases such as the prestige effect associated with a high price or, conversely, the attractiveness of a price perceived as an economic opportunity.

1.4. The Objectives of the Pricing Strategy

Price setting within a ride-hailing platform transcends the simple equation of cost coverage. It constitutes a multidimensional decision that arbitrates between sometimes-contradictory imperatives, such as maximizing trip volumes and preserving profitability.

1.4.1. Financial Objectives

Financial objectives constitute the bedrock of the firm's long-term viability. Within the platform economy, the priority is to optimize the spread between the fare paid by the passenger and the marginal cost of the trip, while guaranteeing attractive compensation for the provider. This dynamic relies on Yield Management techniques: by adjusting prices according to the intensity of demand, the operator seeks to maximize overall revenue per available hour. In the long term, a viable pricing strategy limits excessive promotional policies—commonly

¹ Fleck, N., & Quester, P. (2017). *Le comportement du consommateur* (2e éd., p. 182). Pearson Education.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

referred to as "cash burn" in the start-up literature in order to ensure profitability capable of reassuring investors and financing technological innovation¹

1.4.2. Commercial Objectives

Within a two-sided market, growth constitutes an absolute priority to trigger network effects. Price is thus mobilized as an acquisition lever: preferential rates allow for the removal of psychological barriers associated with first-time use. Concurrently, to increase its market share in the face of intense competition, a platform may adopt a penetration strategy, temporarily sacrificing its margin to capture a broader user base. The ultimate objective remains customer retention, or the reduction of the attrition rate (churn); pricing perceived as fair and consistent transforms an opportunistic user into a regular customer².

1.4.3. Strategic Objectives

Price is also a vector of communication that defines the firm's identity and its competitive positioning. It allows the offering to be situated on a spectrum ranging from "low-cost" to "premium." Beyond its absolute level, differentiation can occur within the very structure of the tariff: by prioritizing transparency or by moderating surge pricing algorithms, a platform can claim an "ethical pricing" stance, thereby consolidating a responsible brand image against actors with pricing policies deemed more aggressive³.

1.5. Pricing Methods

The choice of a pricing method is decisive for the financial equilibrium of a digital platform. In practice, actors in the ride-hailing sector do not utilize a single approach, but rather a hybrid combination of three fundamental methods.

¹ Simon, H., Jacquet, F., & Brault, F. (2011). *La stratégie de prix : Tout ce qu'il faut savoir pour fixer le bon prix et augmenter vos profits* (pp. 45–52, 210). Dunod.

² Belleflamme, P., & Peitz, M. (2015). *Industrial Organization: Markets and Strategies* (2e éd., p. 615). Cambridge University Press.

³ Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance* (pp. 14–25). Free Press.

1.5.1. Cost-Based Pricing (Cost-Plus Pricing)

This traditional approach consists of determining the selling price by adding a profit margin to the total cost of providing the service. Within the ride-hailing ecosystem, this cost incorporates the variable charges associated with executing the trip (fuel, vehicle maintenance, insurance), the platform's fixed costs (technological infrastructure, marketing, support), as well as the intermediary's commission. Although this method theoretically secures profitability, it exhibits a major structural rigidity: it takes into account neither the intensity of the customer's need nor the rates charged by the competition in real time¹.

1.5.2. Demand-Based Pricing (Value-Based Pricing)

Dominant in the digital economy, this method indexes the price to the value perceived by the user at a specific moment. It relies on the concept of price elasticity of demand, which measures consumer sensitivity to tariff variations. In urban transportation, the marginal utility of the service fluctuates according to the context: elasticity is low in emergency situations or when alternatives are absent (at night, during inclement weather), enabling higher pricing. This approach is optimized through Yield Management, a technique of dynamic tariff adjustment aimed at maximizing overall revenue based on supply capacity and demand volume².

1.5.3. Competition-Based Pricing

In a market characterized by high transparency and a multiplicity of offerings, price is frequently dictated by competitive dynamics. Platforms generally practice price alignment to prevent the erosion of their user base toward less expensive applications. In certain market-conquest contexts, actors may engage in price wars through predatory pricing strategies or aggressive promotions, accepting temporary deficits to capture market share and weaken competitors³.

For a ride-hailing platform, the optimal pricing strategy is inherently hybrid. The price is bounded by a technical "floor," determined by the cost of service indispensable to the model's survival, and a psychological and competitive "ceiling," defined by perceived value and market

¹ Kotler, P., Keller, K. L., & Manceau, D. (2016). *Marketing Management* (15e éd., p. 418). Pearson France.

² Lovelock, C., Wirtz, J., & Lapert, D. (2014). *Marketing des services* (p. 162). Pearson France.

³ Simon, H., Jacquet, F., & Brault, F. (2011). *La stratégie de prix* (p. 138). Dunod.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

alternatives. Between these two boundaries, the tariff fluctuates by means of dynamic pricing algorithms, enabling optimal value capture for each transaction (Nagle & Müller, 2017, p. 24)¹.

1.6. Pricing Strategies

Ride-hailing operators utilize diverse pricing methodologies to achieve specific commercial objectives, alternating between volume-driven, premium, and dynamic models depending on market conditions.

1.6.1. Penetration Strategy

Within the competitive ride-hailing sector, a penetration strategy consists of setting voluntarily low fares to rapidly capture market share at the expense of incumbent operators. This approach aims to lower the barrier to entry for new users and generate a critical volume of trips, which is essential to the viability of the network. By offering a more economical alternative, the platform prioritizes the growth of its user base over immediate profitability².

1.6.2. Skimming Strategy

Conversely, price skimming consists of setting a high price to target a customer segment with high purchasing power or particularly demanding requirements. In the field of private transportation, this strategy applies primarily to premium or luxury service tiers. The high price is not a deterrent, but rather an indicator of prestige, superior comfort, and exclusivity, enabling the firm to generate substantial unit margins within a specific niche³.

1.6.3. Alignment Strategy

An alignment strategy is frequently observed in commodity markets where differentiation between services is low. It consists of mirroring one's tariffs after those of the market leader or the average of direct competitors to avoid a devastating price war. For a ride-hailing platform,

¹ Nagle, T. T., & Müller, G. (2017). *The Strategy and Tactics of Pricing: A Guide to Growing More Profitably* (6e éd., p. 24). Routledge.

² Kotler, P., Keller, K. L., Manceau, D., & Hémonnet-Goujot, A. (2015). *Marketing Management* (15e éd., p. 512). Pearson France.

³ Lambin, J.-J., & de Moerloose, C. (2016). *Marketing stratégique et opérationnel* (p. 438). Dunod.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

alignment neutralizes the price variable in the customer's decision-making process, shifting the choice toward other criteria: waiting time, interface quality, or brand loyalty¹.

1.6.4. Dynamic Pricing

The technological core of the sector relies on dynamic pricing, where price becomes a real-time adjustment variable between supply and demand. By means of predictive algorithms, the tariff fluctuates according to the intensity of the need (events, weather, peak hours) and driver availability. This mechanism ensures market equilibrium by rationing excessive demand through price, while financially incentivizing providers to head toward high-demand areas (Tirole, 2016, p. 405)².

1.6.5. Promotional Pricing

Promotional pricing encompasses all temporary incentives designed to stimulate short-term demand. Through promotional codes, referral systems, or discounts during off-peak periods, platforms seek to reactivate latent users or optimize driver occupancy rates. This tactic is essential for smoothing the demand curve and maximizing the utilization of available transport capacity³.

1.6.6. Psychological Pricing

Psychological pricing leverages cognitive biases related to numerical perception, notably the left-digit effect. By utilizing charm prices (for example, 990 DA instead of 1,000 DA), operators soften the perception of the total trip cost. Because the consumer tends to memorize the first digit more strongly, the service is perceived as belonging to a lower price bracket, thereby facilitating the commitment to order (Fleck & Quester, 2017, p. 184)⁴.

It should be noted that ride-hailing platforms rarely resort to a single strategy; they generally combine several of these approaches simultaneously—for instance, psychological pricing

¹ Simon, H., Jacquet, F., & Brault, F. (2011). *La stratégie de prix* (p. 142). Dunod.

² Tirole J. (2016), *op. cit.*, pp. 403–408.

³ Lovelock, C., Wirtz, J., & Lapert, D. (2014). *Marketing des services* (pp. 138, 174). Pearson France.

⁴ Fleck, N., & Quester, P. (2017). *Le comportement du consommateur* (2e éd., p. 182). Pearson Education.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

coupled with dynamic pricing—in order to optimize both value capture and perceived satisfaction.

1.7. Competitive Advantage through Price

According to Porter (1985), an organization's competitive advantage relies on its capacity to master strategic forces in order to outperform its competitors. He identifies two fundamental paths to achieve this¹. On one hand, cost leadership consists of the firm achieving the lowest production and operating costs in the sector, enabling it to offer below-average prices while maintaining a profit margin. On the other hand, differentiation aims to endow the service with unique characteristics perceived as valuable by the customer, thereby justifying a premium price.

Within the ride-hailing sector, price becomes the tool for arbitrating between these two logics: it serves either as an aggressive weapon of conquest for actors wagering on cost leadership, or as a positioning marker for those prioritizing superior service quality. Cost leadership is often the dominant strategy to attract price-sensitive customers, whereas differentiation plays out through specific services—such as luxury sedans, eco-friendly options, or high-end private drivers.

1.8. Specificities of the Ride-Hailing Market:

A Hyper-Comparison Environment Tariff management within the ride-hailing sector operates inside an ecosystem with strong structural constraints, which exacerbate the strategic role of price. In the first instance, information transparency, driven by the widespread adoption of mobile tools, fosters the phenomenon of "multihoming." This behavior allows users to consult multiple platforms simultaneously to compare fares in real time, bringing the market closer to the theoretical conditions of pure and perfect competition—although imperfections persist due to availability algorithms and driver geolocation (Belleflamme & Peitz, 2015, section 22.3)².

¹ Porter, M. E. (1985). *Competitive Advantage* (pp. 22–25). Free Press.

² Belleflamme, P., & Peitz, M. (2015). *Industrial Organization: Markets and Strategies* (section 22.3).

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

This transparency fuels a high price elasticity of demand: customer sensitivity to cost is such that a minimal price discrepancy relative to the competition can trigger an immediate shift toward a competing application. It is necessary, however, to qualify this observation: price elasticity tends to be significantly lower during peak demand periods (inclement weather, transit strikes), when the need for transportation becomes imperative.

Finally, this volatility is reinforced by low switching costs. Unlike subscription-based models, transitioning from one ride-hailing platform to another is technically and financially painless for the user. In the absence of significant exit barriers, price establishes itself as the most powerful, yet also the most fragile, retention lever for market operators¹.

1.9. Pricing in Ride-Hailing Platforms:

An Algorithmic Model The ride-hailing sector has profoundly transformed urban transportation pricing by substituting the traditional regulated pricing model, based on the taximeter, with a market price system entirely driven by algorithms. This evolution rests upon four fundamental pillars.

In the first instance, flexibility and responsiveness allow the price to be "liquid," adjusting in real time to micro-fluctuations in supply and demand (Srnicek, 2018, p. 74)². Secondly, the surgical personalization of the fare integrates complex metadata such as traffic forecasts or detour probabilities, extending far beyond simple distance traveled (Evans & Schmalensee, 2016, p. 122)³. Furthermore, the introduction of ex-ante transparency—the display of a binding price prior to ordering—constitutes a major rupture with traditional taxis by significantly reducing information asymmetry and passenger anxiety (Parker, Van Alstyne & Choudary, 2016, p. 158)⁴. Finally, the algorithm acts as an autonomous regulator, utilizing the pricing lever to guarantee the platform's "liquidity" and ensure permanent matching between drivers and customers (Tirole, 2016, p. 408)⁵.

¹ Shapiro, C., & Varian, H. R. (1999). *Information Rules: A Strategic Guide to the Network Economy* (p. 115). Harvard Business School Press.

² Srnicek, N. (2018). *Platform Capitalism* (p. 74). Polity Press.

³ Evans, D. S., & Schmalensee, R. (2016). *Matchmakers: The New Economics of Multisided Platforms* (pp. 58, 122). Harvard Business Review Press.

⁴ Parker, G. G., Van Alstyne, M. W., & Choudary, S. P. (2016). *Platform Revolution: How Networked Markets Are Transforming the Economy* (p. 158). W. W. Norton & Company.

⁵ Tirole J. (2016), *op. cit.*, p. 408.

1.9.1. The Ambivalence of Dynamic Pricing (Surge Pricing)

The implementation of dynamic pricing, though efficient from an economic perspective, generates a behavioural paradox for the user. On one hand, it produces a positive availability effect: the customer consents to paying an increased fare because this price hike guarantees the presence of a vehicle under conditions where a fixed-price system would fail to provide the service (Sundararajan, 2016, p. 131)¹.

On the other hand, this mechanism collides with consumer perceptions of unfairness. According to the dual entitlement theory, abrupt price increases can be perceived as a form of opportunistic exploitation of a situation of need. Kahneman, Knetsch, and Thaler (1986) established empirically that community standard of fairness condition pricing behaviours: it is socially acceptable to increase prices when profits are threatened, but perceived as unfair to exploit demand shifts². This phenomenon damages the platform's brand image and weakens long-term user loyalty.

1.10. The Role of Price in Consumer Behaviour

Price is not limited to an accounting dimension or a transaction cost; it acts as a complex psychological stimulus capable of triggering various behavioural reactions in the transport service user. In the first instance, it functions as a quality signal. Within the ride-hailing sector, excessively low pricing can paradoxically generate mistrust regarding the reliability of the service or the safety of the trip³.

As the primary trigger for the purchasing decision, price remains the predominant choice criterion for users practicing multihoming, who instantaneously compare competing offers before each ride. Furthermore, the role of price in satisfaction lies not so much in its absolute level as in the perception of the price-quality ratio. A consumer can express high satisfaction

¹ Sundararajan, A. (2016). *The Sharing Economy: The End of Employment and the Rise of Crowd-Based Capitalism* (p. 131). MIT Press.

² Kahneman, D., Knetsch, J. L., & Thaler, R. H. (1986). Fairness as a Constraint on Profit Seeking: Entitlements in the Market. *The American Economic Review*, 76(4), 728–741.

³ *Ibid.*

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

despite a premium price if the perceived value added—minimal waiting time, superior comfort—justifies the investment (Lovelock, Wirtz & Lapert, 2014, p. 138)¹.

Finally, price constitutes a fundamental loyalty lever. A consistent and predictable pricing policy, avoiding excessively erratic fluctuations, reinforces user trust and long-term commitment to the platform, thereby stabilizing the customer relationship within an inherently volatile market (Simon, Jacquet & Brault, 2011, p. 210)².

Price constitutes a strategic lever of singular complexity within the marketing of digital services and matchmaking platforms. For ride-hailing operators, the challenge consists not solely of adopting a cost leadership posture, but of precisely managing a tripartite ecosystem: fairly compensating the provider to maintain a stable supply, offering acceptable rates to the passenger to guarantee constant demand, and extracting a sufficient intermediation margin to ensure the technological survival and development of the platform (Evans & Schmalensee, 2016, p. 58)³.

This delicate equation among profitability, competitiveness, and customer satisfaction is at the core of user engagement—the central theme that will be developed in the remainder of this research work.

¹ Lovelock C., Wirtz J. et Lapert D. (2014), *Marketing des services*, Pearson France, Paris, p. 138.

² Simon H., Jacquet F. et Brault F. (2011), *La stratégie de prix*, Dunod, Paris, p. 210.

³ Evans D. S. et Schmalensee R. (2016), *Matchmakers: The New Economics of Multisided Platforms*, Harvard Business Review Press, Boston, p. 58.

Section 2: Customer Engagement

The advent of Marketing 4.0 and the digitalization of services have profoundly transformed the relationship between consumers and brands, shifting the passive customer into a dynamic and participatory actor. Within the ride-hailing sector (VTC), where competition is accessible in a matter of seconds via a mobile application, customer engagement establishes itself as the fundamental lever of differentiation. This section aims to establish its conceptual foundations, analyze its constituent dimensions, identify its determinants, and finally evaluate its implications for the performance of digital platforms.

2.1. Definition and Conceptual Foundations of Customer Engagement

Customer engagement (CE) has become a central concept in relational marketing, particularly within digital environments. It is necessary, however, to clearly distinguish it from simple satisfaction or transactional loyalty: it represents a psychological and behavioural state of a far more profound and multidimensional nature.

Van Doorn et al. (2010) established one of the foundational definitions of the concept by proposing to conceive customer engagement as "a customer's behavioural manifestations toward a brand or firm, beyond purchase, resulting from motivational drivers."¹ This definition is theoretically decisive: it shifts the center of gravity of the customer relationship from the commercial transaction toward the entirety of interactions—recommendations, writing reviews, participating in surveys, referrals—through which an individual invests their time, energy, and attention into their relationship with the firm.

Vivek, Beatty, and Morgan (2012) complement this conceptualization by defining engagement as "the intensity of an individual's participation in and connection with the organization's offerings and/or activities, which may be initiated by either the customer or the organization."² For these authors, engagement constitutes a continuous spectrum—it can be low (occasional

¹ Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). Customer Engagement Behavior: Theoretical Foundations and Research Directions. *Journal of Service Research*, 13(3), 253–266.

² Vivek, S. D., Beatty, S. E., & Morgan, R. M. (2012). Customer Engagement: Exploring Customer Relationships Beyond Purchase. *Journal of Marketing Theory and Practice*, 20(2), 122–146.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

use) or high (total identification with the brand)—and is composed of cognitive, emotional, behavioural, and social dimensions.

Building upon these works, Brodie et al. (2011) developed a structuring conceptual framework by anchoring engagement within relational marketing theory and Service-Dominant Logic. They define CE as a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g., a brand) in focal service relationships, and which is characterized by varying levels of intensity¹. These interactions, based on value co-creation and shared experience, distinguish engagement from neighbouring concepts such as participation or involvement.

In summary, customer engagement can be defined as a dynamic, multidimensional psychological state that reflects the intensity of the bond—cognitive, affective, and behavioural that individual maintains with a brand or platform, extending far beyond the mere act of purchase. Within the ride-hailing sector, this engagement manifests notably through regular usage, the propensity to recommend the service, tolerance toward tariff variations, and an identity-based attachment to the platform's value proposition.

2.2. The Constituent Dimensions of Customer Engagement

Customer engagement is not a binary state (engaged or unengaged), but a dynamic process that manifests across several spheres of the user experience. Academic literature, and notably the foundational work of Brodie et al. (2011), agrees on a tridimensional structure that allows for measuring the intensity of the bond between the individual and the brand².

2.2.1. The Behavioural Dimension

The behavioural dimension constitutes the most tangible manifestation of engagement, as it relies on directly observable and quantifiable actions via the platform's analytical data. It represents the physical and temporal investment of the customer in their relationship with the brand.

¹ Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research. *Journal of Service Research*, 14(3), 252–271.

² Idem.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

Within service platforms, this dimension translates primarily into the frequency and repetition of interactions: a behaviourally engaged customer has integrated the use of the service into their daily or weekly mobility habits, transforming what might have been an impulsive act into a structured consumption habit. The persistence of this utilization over time—referred to in the literature by the concept of Customer Lifetime—constitutes a key indicator of behavioural engagement.

Algesheimer et al. (2005), in their research on brand communities, emphasize that behavioral engagement also includes the active promotion of the brand¹. In a digital context, this concretely translates into sharing referral codes, writing positive reviews on app stores, or spontaneously recommending the service to one's social circle—behaviors that fall under what Van Doorn et al. (2010) term Customer Engagement Behaviors (CEBs)².

2.2.2. The Emotional Dimension

The emotional—or affective—dimension is the one upon which the resilience of the customer relationship rests. It refers to the feeling of attachment, pleasure, and dedication that a user develops toward a brand. Hollebeek (2011) conceptualizes this dimension within the framework of Customer Brand Engagement (CBE), defined as a customer's level of cognitive, emotional, and behavioral investment in specific brand interactions.³

Within the context of service platforms, the emotional spectrum is intrinsically linked to the feeling of safety and trust toward providers, as well as identification with the values conveyed by the brand. When a user perceives the platform not merely as a technical provider, but as a "partner" whose values resonate with their own, affective engagement consolidates.

This dimension carries particular strategic importance regarding the issue of price elasticity: a strong emotional attachment mechanically reduces sensitivity to tariff variations. The customer accepts a price increase because they prioritize the overall experience and the affective bond

¹ Algesheimer R., Dholakia U. M. et Herrmann A. (2005), « The Social Influence of Brand Community: Evidence from European Car Clubs », *Journal of Marketing*, Vol. 69, N° 3, pp. 19–34.

² Ibid.

³ Hollebeek, L. D. (2011). *Demystifying Customer Brand Engagement: Exploring the Loyalty Nexus*. *Journal of Marketing Management*, 27(7–8), 785–807.

with the platform over immediate financial optimization—a phenomenon referred to in the literature as price tolerance.

2.2.3. The Cognitive Dimension

The cognitive dimension concerns the level of concentration, attention, and mental presence of the customer in relation to the brand. It measures the intellectual effort that the individual dedicates to processing information related to the platform, evaluating its offerings, and forming an informed opinion.

Patterson et al. (2006) describe one of its most significant manifestations—absorption—as the level of the user's captivation by the brand¹. Within the digital ecosystem of platforms, the major cognitive challenge is to become the first option that comes to mind when a transportation need arises (Top of Mind), which reduces the decision-making effort and short-circuits the competitive comparison process. Furthermore, cognitive engagement manifests in the in-depth knowledge of the application's features, the interest shown in the platform's new offerings, and the customer's capacity to clearly articulate the service's value proposition relative to the available alternatives.

2.3. Determinants of Customer Engagement

Engagement does not emerge spontaneously; it is the result of a combination of internal and external stimuli, which the literature refers to as antecedents. Within the digital services sector, three primary determinants condition the strength of the bond between the user and the platform.

2.3.1. Perceived Service Quality

Perceived quality constitutes the primary driver of engagement. The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry (1988), identifies five fundamental dimensions of service quality: reliability (the ability to perform the promised service dependably and accurately), responsiveness (the willingness to help customers and provide prompt service), assurance (the knowledge, courtesy, and competence of employees), empathy (the caring,

¹ Patterson, P., Yu, T., & de Ruyter, K. (2006). *Understanding Customer Engagement in Services*. In *Proceedings of the ANZMAC 2006 Conference: Advancing Theory, Maintaining Relevance*, Brisbane.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

individualized attention provided to customers), and tangibles (the physical appearance of facilities, equipment, and personnel)¹.

Applied to ride-hailing platforms, this model operates at two distinct yet complementary levels. On one hand, the quality of the digital interface (ergonomics, seamlessness of the booking process, clarity of pricing information) constitutes the first point of contact with the user. On the other hand, the quality of the physical execution—during what service marketing theorists designate as the "moment of truth"—determines the actual experience: vehicle condition, driver attitude, punctuality, and trip safety. A frictionless experience at both levels reduces perceived risk and encourages behaviour repetition.

2.3.2. Customer Satisfaction

Quality is a comparative and relatively objective evaluation of service attributes; satisfaction constitutes a subjective emotional response. According to the Expectancy Disconfirmation Theory, formalized by Oliver (1980), the level of satisfaction results from the comparison between the perceived performance of the service and the consumer's initial expectations². Satisfaction is positive when performance equals or exceeds these expectations (positive confirmation), and negative in the opposite case (disconfirmation).

Within the platform economy, satisfaction plays the role of an engagement amplifier: a service experience deemed satisfactory reinforces the propensity to repeat usage and develop an affective attachment to the brand, transforming a simple transaction into a consumption habit. Conversely, an unsatisfactory experience can trigger an immediate rupture in engagement, occurring all the more easily since switching costs to a competing application are virtually non-existent in this sector.

2.3.3. Trust

Trust constitutes the central pillar of any long-term relationship, particularly within the collaborative economy where perceived risk is structurally high. Morgan and Hunt (1994), in their Commitment-Trust Theory, demonstrate that trust is the necessary condition for

¹ Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). *SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality*. *Journal of Retailing*, 64(1), 12–40.

² Oliver, R. L. (1980). *A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions*. *Journal of Marketing Research*, 17(4), 460–469.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

engagement: it reduces perceived uncertainty and fosters cooperative relational behaviors between parties¹.

Within the context of ride-hailing platforms, trust operates at two interdependent levels. Trust in the platform rests upon the protection of personal data, the transparency of the pricing policy, and the reliability of the rating system. Trust in the brand, meanwhile, is built through the platform's reputation and the consistency of its positioning. Without this dual trust, the user remains in a state of permanent testing, which is incompatible with the development of sustainable engagement.

2.3.4. The Role of Price in the Engagement Process

Price must not be understood exclusively as a cost, but as a full component of perceived value and, as such, a major determinant of engagement. Marketing literature distinguishes two complementary mechanisms here.

The first is the perception of price fairness. Kahneman, Knetsch, and Thaler (1986) established empirically that consumers evaluate price not only in absolute terms, but in terms of perceived justice: a price deemed fair—even if it is objectively higher—reinforces engagement by giving the user the feeling that the platform is not seeking to exploit their situation of need. Conversely, pricing perceived as arbitrary or opaque breaks trust and ruptures the engagement bond².

The second mechanism is the price-quality trade-off. Engagement emerges and consolidates when the user acquires the conviction that the platform offers the best ratio between the financial sacrifice made and the mobility benefit obtained. An unstable, unpredictable pricing strategy, or one that is systematically higher than that of competitors, causes a cognitive rupture that shifts the user from a state of engagement to a state of active comparison, which is conducive to churn. The relationship between price and engagement will be further elaborated in the following section.

¹ Morgan, R. M., & Hunt, S. D. (1994). *The Commitment-Trust Theory of Relationship Marketing*. *Journal of Marketing*, 58(3), 20–38.

² Kahneman D., Knetsch J. L. et Thaler R. H. (1986), *op. cit.*

2.4. Customer Engagement in the Digital Context

The transition from traditional to digital marketing has radically transformed the nature and modalities of the bond between the brand and the user. Within the ride-hailing sector, engagement is no longer built through repeated physical interactions or classic loyalty programs, but rather through an omnipresent technological interface. This digital mediation of the relationship introduces new opportunities for platforms, but also new sources of vulnerability.

2.4.1. Interaction Mediated by Mobile Applications

Within the platform economy, the mobile application is no longer a simple booking tool: it constitutes the very locus of the brand experience. Hennig-Thurau et al. (2010) demonstrated that digital platforms create a relational ecosystem where the customer interacts with the brand anytime and anywhere, fundamentally transforming the temporality and spatiality of engagement¹.

This continuous interaction is maintained through several mechanisms. Push notifications help keep the brand in the user's mental space (Top of Mind) through reminders or targeted offers. Meanwhile, gamification—the integration of playful mechanics such as progress bars, loyalty levels, or digital reward systems—creates a behavioral incentive to multiply interactions with the platform by leveraging the motivational drivers of behavioral psychology.

2.4.2. Instant Feedback and Value Co-Creation

The digital context enables a feedback loop of unprecedented speed. Feedback here refers to the process by which the user transmits an evaluation of their experience to the platform, allowing the firm to continuously adjust its offering. This retroactive loop is theoretically central to Service-Dominant Logic (S-D Logic): value is not created unilaterally by the provider, but is co-constructed through the interaction among the platform, the driver, and the passenger.

¹ Hennig-Thurau, T., Malhotra, E. C., Frieger, C., Gensler, S., Lobschat, L., Rangaswamy, A., & Skiera, B. (2010). *The Impact of New Media on Customer Relationships*. *Journal of Service Research*, 13(3), 311–330.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

Value co-creation, a concept formalized by Vargo and Lusch (2004) and mobilized by Brodie et al. (2011) within their engagement framework, designates the process by which the customer actively contributes to the definition and improvement of the service¹. In ride-hailing platforms, this mechanism manifests concretely through bidirectional rating systems (the passenger rates the driver and vice versa), writing detailed reviews, or participating in satisfaction surveys. A customer who invests cognitive effort to interact with the platform—even through constructive criticism—paradoxically demonstrates a deeper engagement than a silent user, as they involve themselves in a process of contributing to service quality.

2.4.3. Instant Comparison and the Volatility of Engagement

Total informational transparency constitutes the major structural challenge to engagement in the digital context. The phenomenon of multihoming—the simultaneous possession and parallel use of multiple competing applications—is now widespread in the ride-hailing sector. In a matter of seconds, the user can compare fares and waiting times across several platforms, bringing the market closer to conditions of quasi-perfect competition (Belleflamme & Peitz, 2015)².

This context spawns a particular type of engagement that Verhoef et al. (2010) qualify as opportunistic engagement: the customer remains loyal to a platform as long as the comparative advantage—in terms of price or speed—is preserved, but shifts instantly to a competitor as soon as that advantage disappears³. This forces platforms to continuously innovate regarding the user experience to build an attachment that transcends the sole monetary criterion.

2.4.4. Low Switching Costs

Unlike sectors such as banking or telecommunications, where fixed-term contracts and termination fees create significant barriers to exit, the cost of switching from one ride-hailing app to another is structurally zero. In the absence of any economic or technical exit barriers, engagement must be perpetually renewed and justified at every interaction.

¹ Brodie R. J., Hollebeek L. D., Jurić B. et Ilić A. (2011), *op. cit.*

² Belleflamme P. et Peitz M. (2015), *op. cit.*, section 22.3.

³ Verhoef, P. C., Reinartz, W. J., & Krafft, M. (2010). Customer Engagement as a New Perspective in Customer Management. *Journal of Service Research*, 13(3), 247–252.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

This reality confers a paramount strategic importance upon the quality of the user experience (UX): an application bug, a fare suddenly perceived as unjustified, or a driver with a mediocre rating is enough to trigger an immediate shift to a competitor. Digital engagement within ride-hailing platforms is therefore a precarious equilibrium, which the brand must sustain through flawless operational and relational excellence (Sashi, 2012)¹.

2.5. Methodologies for Measuring Customer Engagement

To manage their growth and evaluate the effectiveness of their relational strategies, platforms must translate engagement—a multidimensional and partly subjective concept—into measurable Key Performance Indicators (KPIs). The literature distinguishes three categories of metrics, corresponding to the three constituent dimensions of engagement identified by Brodie²:

2.5.1. Measuring the Behavioral Dimension

The behavioral dimension offers the most objective metrics, as it relies on digital footprints left behind by the user (log data). The RFM method (Recency, Frequency, Monetary value), derived from direct marketing, constitutes a proven analytical framework: it quantifies engagement through the recency of the last interaction, the frequency of use over a given period, and the financial volume generated. Other indicators complement this framework: the trip completion rate (the ratio between initiated trips and actually completed trips), active participation in the referral program, and the Share of Wallet, which measures the proportion of the customer's total transportation budget allocated to the platform relative to competing alternatives.

2.5.2. Measuring the Emotional Dimension

Emotion, being subjective by nature, is measured through attitudinal scales and self-reported surveys. The Net Promoter Score (NPS), conceptualized by Reichheld, constitutes the most widely used tool in managerial practice: it measures a customer's propensity to recommend the service to their social circle on a scale from 0 to 10, and serves as an indirect but robust indicator

¹ Sashi, C. M. (2012). *Customer Engagement, Buyer-Seller Relationships, and Social Media. Management Decision*, 50(2), 253–272.

² Brodie R. J., Hollebeek L. D., Jurić B. et Ilić A. (2011), *op. cit.*

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

of affective engagement.¹ The Customer Satisfaction Score (CSAT)—frequently materialized by the post-trip rating system—provides an immediate measure of the emotional response to the experience. Finally, Likert scales are used to measure the sense of belonging and identification with the brand's values, which are revealing of deep affective engagement.

2.5.3. Measuring the Cognitive Dimension

The cognitive dimension measures the "Share of Mind" that the brand occupies within the consumer's mental space. Kumar and Pansari (2016) emphasize that this dimension, although more difficult to quantify, constitutes a robust predictor of future behavioral engagement². It is evaluated through indicators such as spontaneous brand recall (Top of Mind), the open and interaction rates with platform communications (notifications, newsletters), and the customer's level of knowledge regarding the distinct features and advantages of the service.

The table below summarizes the measurement indicators associated with each dimension:

Table 1: measurement indicators associated with each dimension

Dimension	Type of Data	Key preformance indicator (KPI)
Behavioural	Quantitative (numerical data)	Frequency of use ,completion rate, Share of Wallet, referral
Emotional	Qualitative	Net Promoter Score (NPS), CSAT, emotional attachement scaales>
Cognitive	Psychometrics	Top of Mind awareness, taux communication open rate, Brand Recall

Source: elaborated by ourselves

2.6. Customer Engagement as a Driver of Organizational Performance

Engagement does not constitute an abstract, theoretical end in itself; it represents a strategic intangible asset that directly affects the economic viability of a platform. Kumar and Pansari demonstrate that customer engagement generates a sustainable competitive advantage by acting simultaneously on several performance levers.³

¹ Reichheld, F. F. (2003). *The One Number You Need to Grow*. Harvard Business Review, 81(12), 46–54.

² Kumar, V., & Pansari, A. (2016). *Competitive Advantage through Engagement*. Journal of Marketing Research, 53(4), 497–514.

³ Idem.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

In the first instance, engagement reduces the attrition rate (churn). Within the platform economy, the cost of acquiring a new user is structurally higher than the cost of retaining an existing customer. A highly engaged user—particularly on an emotional level—develops a resistance to competing offers that no longer relies on a fleeting pricing opportunity, but on a consolidated brand preference, which stabilizes the active user base.

Secondly, engagement amplifies word-of-mouth (Word-of-Mouth or vocalization). Sashi (2012) identifies advocacy as the ultimate stage of engagement: the engaged user becomes an unpaid brand ambassador who, through recommendations on social networks and via referral systems, reduces marketing acquisition costs while increasing the platform's credibility through a social proof effect.¹

Finally, engagement optimizes Customer Lifetime Value (CLV). Blattberg and Deighton formalized the concept of customer lifetime value as the discounted sum of net revenues generated by a customer over the entire duration of their relationship with the firm².

The more a customer is engaged across the three dimensions—cognitive, emotional, and behavioral—the more this duration extends, the more the frequency of use increases, and the more the total value generated by this user for the platform is maximized.

Customer engagement establishes itself as a multidimensional and dynamic construct, indispensable for decrypting user behavior within digital service platforms. The analysis conducted in this section has established that engagement does not emerge from a vacuum: it is the product of an alchemy among the quality of the service experience, trust in the platform, and, predominantly within the ride-hailing sector, the perception of price fairness.

Within this sector, price acts as a permanent signal that can either seal engagement by confirming the value of the proposition, or trigger an immediate rupture when it is perceived as unfair or unpredictable. The articulation between pricing strategy and customer engagement—between monetary value and psychological connection—thus constitutes the analytical core of this master's thesis and justifies the empirical study that will be conducted in the following chapters.

¹ Sashi C. M. (2012), *op. cit.*

² Blattberg, R. C., & Deighton, J. (1996). *Manage Marketing by the Customer Equity Test*. *Harvard Business Review*, 74(4), 136–144.

Section 3: The Relationship between Pricing Strategy and Customer Engagement

The linkage between pricing strategy and customer engagement constitutes the theoretical core of this thesis. While the preceding sections established, on one hand, the complexity and strategic scope of pricing within ride-hailing platforms, and on the other, the multidimensional nature of customer engagement, the objective now is to highlight the mechanisms through which these two constructs interconnect. To do so, academic literature will be mobilized to establish the theoretical foundations of the research hypotheses.

3.1. The Role of Price in Shaping Customer Engagement

Price occupies a unique position in the relationship between the consumer and the platform: it is not merely a transactional mechanism, but a complex psychological stimulus that conditions the entirety of the customer experience. In the field of services marketing, Zeithaml (1988) formalized the concept of perceived value, defining it as "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given," with price constituting the primary monetary sacrifice made by the user¹. This conceptualization is foundational: it positions price not as an exogenous variable, but as a constitutive element of perceived value.

In the context of ride-hailing platforms, this evaluation is even more salient because, at the time of booking, the user has access to comprehensive, real-time comparative pricing information. The transparency of the price display—announced before the ride begins—makes price the initial cognitive touchpoint between the customer and the platform. Consequently, the decision to engage—or not to engage—unfolds, in the first instance, within a few seconds of price comparison.

Kotler and Keller (2016) note that the perception of value conditions the entire consumer decision-making process, from problem recognition to post-purchase evaluation². Applied to

¹ Zeithaml, V. A. (1988). *Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence*. *Journal of Marketing*, 52(3), 2–22.

² Kotler P. et Keller K. L. (2016), *op. cit.*

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

digital services, this framework implies that the pricing strategy acts as a systematic stimulus that simultaneously influences three spheres of consumer response:

- Rational perceptions and evaluations (cognitive dimension);
- Affective and emotional reactions (emotional dimension);
- Usage and loyalty behaviors (behavioral dimension).

This tripartite structure corresponds precisely to the three dimensions of customer engagement identified by Brodie et al.¹, thereby theoretically justifying the existence of a direct and systematic relationship between pricing strategy and each of the constitutive dimensions of engagement..

3.2. The Role of Pricing on Cognitive Engagement

Cognitive engagement refers to the mental effort that a customer devotes to processing information regarding the platform and its pricing offers. Patterson et al. Identify this dimension as the customer's capacity to concentrate and become absorbed in the evaluation of a service². In the ride-hailing sector, this dimension manifests concretely through cross-application price comparison, the attention paid to tariff variations, and the weight assigned to price within the decision-making process.

Pricing strategy influences cognitive engagement through several distinct mechanisms. First, pricing transparency strengthens trust and reduces cognitive uncertainty³: when the price is displayed clearly and predictably, the customer does not need to invest mental effort into decoding an opaque tariff structure, which frees up cognitive resources to positively evaluate the value proposition. Second, price stability reduces uncertainty and facilitates the formation of reliable anticipations. According to Simon, Jacquet, and Brault (2011), a consistent and predictable pricing policy serves as a signal of credibility and reliability to the user⁴.

¹ Brodie R. J., Hollebeek L. D., Jurić B. et Ilić A. (2011), *op. cit.*

² Patterson, P., Yu, T., & de Ruyter, K. (2006). *Understanding Customer Engagement in Services. In Proceedings of the ANZMAC 2006 Conference: Advancing Theory, Maintaining Relevance, Brisbane.*

³ Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). *The Behavioral Consequences of Service Quality. Journal of Marketing*, 60(2), 31–46.

⁴ Simon, H., Jacquet, F., & Brault, F. (2011). *La stratégie de prix : Tout ce qu'il faut savoir pour fixer le bon prix et augmenter vos profits* (pp. 45–52). Dunod.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

Conversely, dynamic pricing (surge pricing) intensifies the cognitive load: when faced with prices fluctuating in real time, the customer is forced to engage in a greater effort of comparison and calculation, which can lead to a perception of unfairness or hesitation in the decision-making process. Nagle and Müller (2017) demonstrate that pricing complexity shifts the customer's attention toward the price itself, to the detriment of the overall evaluation of service quality¹.

Excessive pricing variability can thus engender:

- A perception of cognitive unfairness, as the customer is unable to rationalize the price discrepancies;
- An information overload that paralyzes the decision-making process;
- A postponement of the purchase or a switch to a competing application that offers greater pricing readability.

This relationship can be synthesized according to the following logical framework:

Figure 01: The Role of Pricing on Cognitive Engagement



source: elaborated by ourselves

¹ Nagle, T. T., & Müller, G. (2017). *The Strategy and Tactics of Pricing: A Guide to Growing More Profitably* (6e éd., p. 24). Routledge.

3.3. The Role of Pricing on Emotional Engagement

Emotional—or affective—engagement concerns the feelings, attachment, and trust that the customer develops toward the platform. This dimension is directly influenced by price perception, not in absolute terms, but in terms of pricing justice and equity.

Oliver (1997), in his seminal work on satisfaction and loyalty, establishes that satisfaction constitutes an affective response to the service experience, and that this response is the most robust predictor of behavioral loyalty¹. In the ride-hailing sector, emotional satisfaction is closely linked to the perceived fairness of the price paid: a customer satisfied with the value-for-money ratio develops an affective attachment to the platform that transcends the simple functional utility of the ride.

Kahneman, Knetsch, and Thaler (1986) empirically demonstrated, through their dual entitlement theory, that consumers judge the acceptability of a price based on community norms of fairness: a price increase perceived as justified (for instance, to offset rising costs) is acceptable, whereas an increase exploited to profit from an urgent need—such as surge pricing during adverse weather—is perceived as an ethical violation and generates frustration². This frustration directly undermines emotional engagement by degrading trust in the platform.

Within the context of ride-hailing platforms, pricing influences customer emotions according to a dualistic logic:

- A price perceived as fair and stable generates a feeling of satisfaction and trust, reinforcing affective attachment;
- Promotions and personalized offers create positive emotions (pleasure, a sense of being valued) that intensify the emotional bond with the brand;
- An unforeseen surge price perceived as unjustified provokes negative emotions (frustration, a sense of exploitation) that degrade trust and weaken affective engagement.

¹ Oliver, R. L. (1997). *Satisfaction: A Behavioral Perspective on the Consumer*. McGraw-Hill.

² Kahneman D., Knetsch J. L. et Thaler R. H. (1986), *op. cit.*

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

Hollebeek (2011) emphasizes that the emotional dimension of engagement is what confers resilience upon the customer relationship in the face of competitive hazards¹: a highly affectively engaged customer will develop a higher price tolerance, accepting higher rates in exchange for the overall experience and the established bond with the platform.

The relationship can be synthesized according to the following logical framework:

Figure 02: The Role of Pricing on Emotional Engagement



Source : elaborated by our selves

3.4. The Role of Pricing in Behavioral Engagement

Behavioral engagement is the most directly observable dimension and the most frequently measured in the marketing literature. It manifests through usage frequency, order regularity, platform choice in multihoming situations, and repurchase intention. It is through this dimension that pricing strategy produces its most immediate and quantifiable effects.

Jacoby and Chestnut (1978), in their foundational study on brand loyalty, established that repeated purchase behavior is the most direct manifestation of loyalty and, by extension, of behavioral engagement². In the ride-hailing (VTC) sector — a particularly illustrative example given its high price transparency and low switching costs — this repetitive behavior is strongly conditioned by the relationship between the perceived price level and available alternatives.

Price elasticity of demand constitutes a key indicator here: Varian (1989) demonstrates that in markets with high price transparency and low switching costs, consumer sensitivity to price

¹ Hollebeek L. D. (2011), op. cit.

² Jacoby, J., & Chestnut, R. W. (1978). *Brand Loyalty: Measurement and Management*. John Wiley & Sons.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

variations is structurally elevated¹. Under these conditions, an unexpected price increase can trigger an immediate behavioral shift toward a competing platform. Pricing strategy influences behavioral engagement through several mechanisms, as identified in the services marketing literature:

- Competitive and stable prices encourage increased usage frequency and anchor the platform within consumers' mobility habits;
- Promotional strategies (discount codes, referral programs, loyalty offers) stimulate short-term behavior and reactivate inactive users;
- Pricing perceived as too high reduces usage frequency and encourages recourse to alternative modes of transport;
- Excessive price variability undermines usage habits and incentivizes multihoming, thereby weakening behavioral loyalty.

Lovelock, Wirtz, and Lapert (2014) emphasize that in service industries, repurchase behavior is conditioned less by the absolute price level than by the perceived consistency between the price paid and the quality of the experience delivered². Thus, a user will accept paying a slightly higher fare if they perceive a tangible added value — platform responsiveness, vehicle comfort,

The relationship can be summarized through the following logical framework:

Figure 03: The Role of Pricing in Behavioral Engagement



Source: elaborated by ourselves

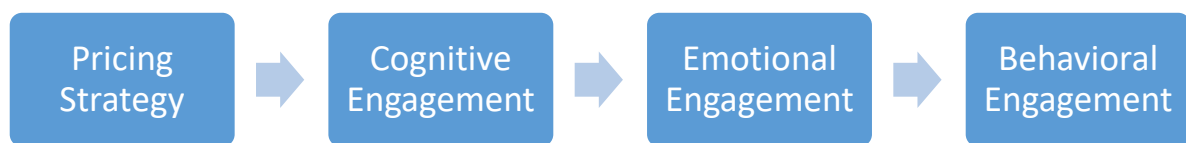
¹ Varian, H. R. (1989). *Price Discrimination*. In R. Schmalensee & R. Willig (Eds.), *Handbook of Industrial Organization* (Vol. 1, pp. 597–654). North-Holland.

² Lovelock, C., Wirtz, J., & Lapert, D. (2014). *Marketing des services* (p. 138). Pearson France.

3.5. Conceptual Model of the Pricing-Engagement Relationship

The analysis of the interactions between pricing strategy and the three dimensions of customer engagement allows for the proposal of a structured conceptual model, grounded in the literature and adapted to the specificities of the ride-hailing sector. This model is built around a sequential logic, inspired by the work of Brodie et al. (2011) on multidimensional engagement¹ and the cognitive-affective theory of decision-making:

Figure 04: Pricing-Engagement Relationship



Source: elaborated by ourselves

This model is predicated on a three-stage sequential causal logic. First, the pricing strategy activates cognitive processing: the customer perceives and analyzes the price within the context of the offer, evaluates its fairness, and compares it to available alternatives. This evaluative phase determines the level of cognitive engagement (attention to price, propensity for comparison, perception of transparency).

Second, the cognitive evaluation generates an affective reaction: a price perceived as fair and consistent produces satisfaction and trust, reinforcing emotional engagement. Conversely, a price perceived as unfair or unpredictable arouses frustration and mistrust, degrading the affective bond.

Third, the combination of cognitive evaluation and emotional reaction culminates in an observable behavior: regular usage, platform switching, or the gradual abandonment of the service.

This model aligns with the continuous framework of Zeithaml, Berry, and Parasuraman (1996) regarding the behavioral consequences of service quality, which establishes that perceived

¹ Brodie R. J., Hollebeek L. D., Jurić B. et Ilić A. (2011), *op. cit.*

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

value—of which price is the primary component—successively conditions repeat purchase intentions, word-of-mouth recommendations, and overall loyalty¹.

The summary table below presents the structure of this model

Table 02: Summary of the effects of pricing on dimensions of customer engagement
(author's construction, inspired by Bordie et al., 2011 et Zeithaml, 1988)

Engagement Dimension	Effect of fair and stable pricing	Effect of unpredictable or unfair pricing
Cognitive	Reduction of uncertainty, positive value assessment	Cognitive overload, perception of unfairness, hesitation
Emotional	Satisfaction, Trust, Emotional attachment	Frustration, mistrust, emotional disengagement
Behavioural	Regular use, loyalty, recommendation	Multihoming, abandon, churn

Source : elaborated by ourselves

¹ Zeithaml V. A., Berry L. L. et Parasuraman A. (1996), op. cit.

3.6. Review of Empirical Studies on the Pricing-Engagement Relationship

The theoretical foundations presented in the preceding subsections are corroborated by a body of empirical work focusing specifically on digital services and platform economies.

Estelami and De Maeyer (2004) conducted an empirical study on the role of perceived price fairness in satisfaction and repurchase intentions in online services. Their findings demonstrate that perceived pricing justice is a statistically significant predictor of overall satisfaction, which in turn mediates the relationship between price and loyalty intentions¹. This study empirically validates the mediating role of satisfaction within the pricing-engagement relationship.

In the field of the sharing economy, Ert, Fleischer, and Magen (2016) examined the role of price and trust in adoption and loyalty decisions on collaborative platforms. Their conclusions highlight that trust in the platform significantly moderates the relationship between price and repeat usage intention: a high level of trust mitigates price sensitivity, whereas a low level of trust amplifies it². This finding is particularly relevant to the ride-hailing sector, where trust in the platform and price perception are intimately linked variables.

Regarding the effect of surge pricing on behavior, Buell, Kim, and Tsay (2017) conducted experiments showing that transparency in communicating dynamic pricing mechanisms significantly reduces the feeling of unfairness and mitigates consumers' negative emotional responses³. These results suggest that it is not so much the price level itself, but rather the clarity and justification of its formation, which determines the quality of emotional engagement.

¹ Estelami, H., & De Maeyer, P. (2004). Product Category Determinants of Price Knowledge for Durable Consumer Goods. *Journal of the Academy of Marketing Science*, 32(2), 221–235.

² Ert, E., Fleischer, A., & Magen, N. (2016). Trust and Reputation in the Sharing Economy: The Role of Personal Photos in Airbnb. *Tourism Management*, 55, 62–73.

³ Buell, R. W., Kim, T., & Tsay, C.-J. (2017). Creating Reciprocal Value Through Operational Transparency. *Management Science*, 63(6), 1673–1695.

Chapter One: Pricing Strategy and Customer's Engagement: Conceptual Foundations

This third section has established, through a progressive approach anchored in the literature, the nature and mechanisms of the relationship between pricing strategy and customer engagement within the ride-hailing sector. The analysis has demonstrated that price does not act as an independent, isolated variable, but rather as a systemic stimulus that permeates all dimensions of engagement: by guiding cognitive perceptions of value, emotionally coloring the service experience, and conditioning repeat usage behaviors. The construction of the conceptual model and the formulation of the five research hypotheses pave the way for the empirical phase of this work, which aims to quantify and validate these relationships within the specific context of Algerian users of ride-hailing platform.

CHAPTER TWO:
EMPIRICAL STUDY ‘CASE
OF HEETCH EL DJAZAIR

Section 1: Presentation of the Host Company and methodology:

In this section, we dive into the inner workings of our host company to see how these theories actually play out in the real world. We will look closely at how the company is structured, how its business model operates day-to-day, and how it handles the unique challenges of the digital transport industry. By breaking down the company's internal setup and its place in the market, we build a solid foundation for evaluating its overall performance and strategies throughout the rest of this study

1.1. Company Overview:

To understand the company's current operational standing, it is first necessary to examine the broader digital shifts in urban mobility and the historical trajectory that shaped its development.

1.1.1 Contextual Background: The Digital Transformation of Urban Mobility

Since the late 2000s, urban mobility has undergone a fundamental transformation driven by accelerating urbanization, the saturation of public transportation networks, and the widespread adoption of smartphones. Ride-hailing platforms emerged as a viable alternative to conventional taxi services, leveraging geolocation algorithms, intuitive user interfaces, integrated payment systems, and digitally mediated interactions between customers and service providers.

This model is embedded within the broader logic of the platform economy, characterized by reduced transaction costs, direct matching between users and service providers, and the capacity to adapt to local market conditions. Within this framework, customer experience management and driver relations constitute key strategic levers for ensuring user satisfaction, loyalty, and long-term service viability.

1.1.2 Origins and Evolution of Heetch

Heetch was founded in 2013 in Paris at a time when nocturnal urban mobility services were insufficient to meet the needs of young city dwellers. Its founders — Teddy Pellerin, Mathieu Jacob, and Aylie Petit — designed a mobile application enabling passengers and drivers to connect for low-cost late-night journeys. The founding concept centered on creating a user-friendly, accessible, and community-oriented service rather than a purely commercial enterprise.

In its early years, Heetch operated under a model closely resembling carpooling, in which drivers were not professional operators. However, this approach encountered significant regulatory constraints in France, particularly concerning professional licensing and qualifications. Consequently, from 2017 onward, Heetch transitioned to a conventional ride-hailing model (VTC) in which drivers operate as independent contractors holding the requisite legal authorizations.

This structural transformation enabled Heetch to establish a legally compliant operation, to formalize driver relationships through partnership agreements, and to pursue a strategy of international expansion.

1.1.3 Mission, Vision, and Corporate Values

a) Mission

Heetch's mission is to provide accessible, user-friendly, and human-centered urban mobility, facilitating the daily lives of city dwellers — particularly those underserved by public transportation or requiring services outside conventional operating hours (nights, weekends).

b) Vision

Heetch aspires to become a mobility solution that prioritizes the human and relational experience by fostering trust-based connections between passengers and drivers, grounded in service quality and mutual respect.

c) Core Values

- Accessibility — ensuring affordable and equitable mobility for all users.
- Conviviality — cultivating a friendly and human-centered service culture.
- Transparency — maintaining clarity in pricing, processes, and communications.
- Innovation — continuously improving the platform through technological solutions.
- Local Adaptation — tailoring operations to the specific needs of each market.

1.1.4 Legal Structure and Registered Offices

Heetch is a French company, originally incorporated in Paris. As its international footprint expanded, a significant portion of its operations was relocated to Barcelona, Spain, which now serves as the principal administrative headquarters and international coordination center. Local subsidiaries — including the North African branch — are generally constituted as independent legal entities or established through partnerships with local investors, ensuring compliance with the commercial and fiscal legislation of each host country.

Table 03: Technical Sheet of HEETCH EL DJAZAIR

Business Name	Heetch El Djazair
Date of Establishment	September 2019
Director	BESSEDIK Oussama
Algeria Office	1 Rue Tripoli, Hussein Dey 16006, Alger
Algeria Branch (Oran)	Bir El Djir, Oran
Legal Form	LLC (Limited Liability Company)
Number of Employees	50 – 200
Website	https://www.heetch.com/dz-fr

Source: Prepared by ourselves, extracted from an internal company document

1.1.5 Business Model

Heetch's business model is predicated on a digital intermediation platform that matches passengers seeking transportation with partner drivers providing the service. The company does not own a vehicle fleet, thereby maintaining a light asset structure that minimizes fixed costs and maximizes scalability.

a)Revenue Generation

Heetch generates revenue by levying a commission — generally equivalent to 20% of the fare paid by the passenger — on each completed ride. Unlike competitors positioned at the premium segment of the market, Heetch adopts a moderate pricing strategy, reinforcing its appeal to - sensitive users and enhancing its relational attractiveness.

b) Algorithmic Matching and Operational Technology

The platform employs proprietary matching algorithms that detect the real-time positions of available drivers; estimate fares based on distance and duration, and optimize driver-passenger pairings to minimize waiting times. This technological infrastructure enhances operational fluidity, reduces costs, and improves the overall user experience

1.1.6 Service Offer and Operational Framework

To see how Heetch operates day-to-day, we examine its core app features, its step-by-step ride workflow, and the specialized departments backing them up.

a) Service Description

Heetch Algeria offers an on-demand urban transportation service via a mobile application, facilitating real-time connections between independent partner drivers and passengers. The service is primarily deployed in major Algerian metropolitan areas, including Algiers, Oran, and Constantine.

The platform enables users to:

- Book a vehicle in real time through the mobile application.
- Obtain a fare estimate prior to confirming the journey.
- Track the driver's arrival via live geolocation.
- Complete payment — predominantly in cash within the Algerian market.
- Rate the driver at the conclusion of the trip.

The service targets both individual users (for daily, professional, or nocturnal travel) and drivers seeking to generate income using their personal vehicles. Heetch positions itself as a flexible alternative to traditional taxis, emphasizing accessibility, ease of use, and service availability.

c) Operational Workflow

Heetch's operational model follows a five-stage process:

- **Registration and Validation:** Partner drivers submit administrative documents (driving licence, vehicle registration, insurance) for verification; passengers create a user account upon downloading the application.
- **Ride Request:** The passenger specifies the departure point and destination via the application; the system identifies available drivers in proximity.
- **Automated Matching:** The request is transmitted to the nearest available driver; upon acceptance, the passenger tracks the driver's arrival in real time.
- **Ride Completion:** The journey is carried out and the fare is calculated according to distance and duration.
- **Payment and Commission:** In Algeria, payment is predominantly made in cash. Heetch deducts a 20% commission from each completed ride.
- **Quality Control and Evaluation:** Passengers rate the driver post-journey; the Customer Care service intervenes in cases of dispute or complaint.

d) Internal Organizational Structure

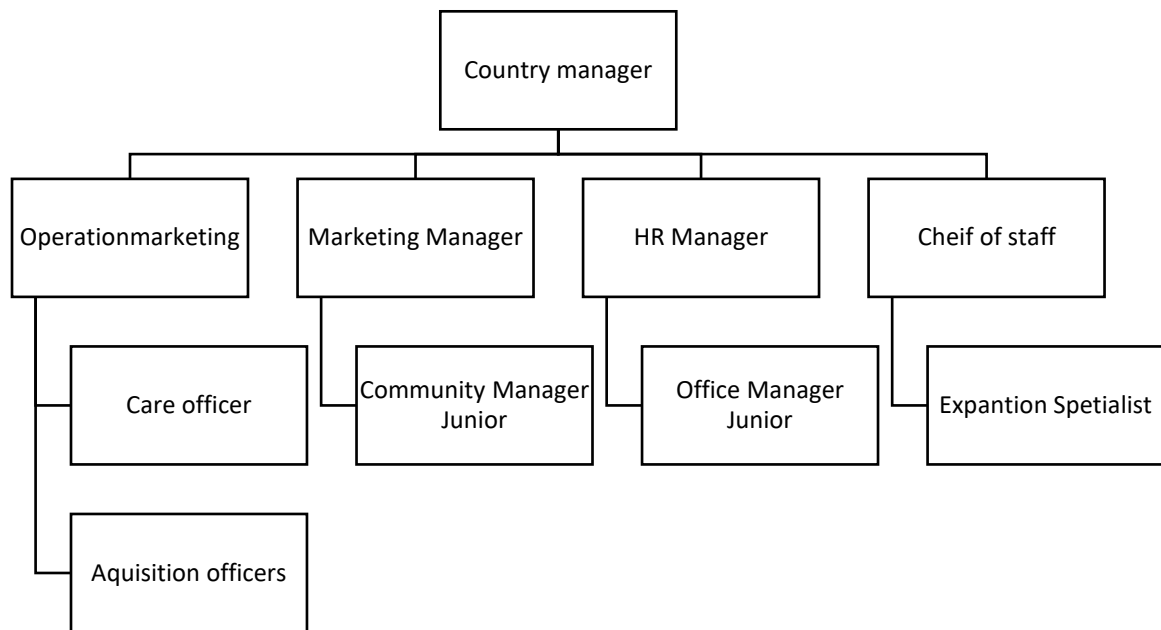
Heetch Algeria's internal operations are supported by four specialized departments, each fulfilling a distinct strategic function:

- **Customer Care Service:** The Customer Care department constitutes the primary interface between Heetch, its partner drivers, and passengers. It is responsible for handling complaints, managing ride-related incidents, resolving payment disputes, addressing technical issues, and mediating conflicts between drivers and clients. It

operates through multiple channels including telephone support, in-app ticketing, and physical front-office reception. Given the real-time nature of on-demand transportation, this department requires a high degree of operational reactivity.

- **Marketing Department:** The marketing team designs and implements the communication strategy and commercial development of Heetch in Algeria. It manages promotional campaigns, maintains the company's social media presence, and analyzes market trends, user behavior, and competitive dynamics. This department plays a critical role in driving growth through promotional offers, local partnerships, and customer loyalty initiatives.
- **Global Coordination Service:** This department ensures the alignment of local activities with the group's international strategic objectives. It oversees compliance with quality standards, internal procedures, and performance targets set at the corporate level, while coordinating the functional departments (Care, Marketing, Operations, Finance) to maintain organizational coherence.
- **Human Resources Department:** The HR function manages all aspects of internal personnel administration, including recruitment, onboarding, contract management, training, and performance monitoring. It also ensures compliance with Algerian labour legislation and contributes to fostering a positive organizational climate conducive to employee engagement and retention.

Figure 05: Organizational Chart — Heetch Algeria



Source : Interne Heetch documents

1.1.7 International Expansion Strategy

Following its initial success in France, Heetch pursued a targeted international expansion strategy, prioritizing markets characterized by strong latent demand, inadequate public transportation infrastructure, conducive regulatory environments for ride-hailing platforms, and high smartphone penetration rates. Key markets include Belgium, Spain, Morocco, Senegal, Côte d'Ivoire, Cameroon, Tunisia, and Algeria.

1.1.8 Establishment in Algeria and Local Market Adaptation

Heetch officially launched in Algeria in 2019, initially in Algiers, with a rapid onboarding of thousands of partner drivers and targeted awareness campaigns for prospective users. Its principal Algerian office is located at: *1 Rue Tripoli, Hussein Dey 16006, Alger, Algeria*

This headquarters serves as the administrative and operational center, coordinating local activities, customer support, driver management, and business development. A secondary branch office is located in Oran (Bir El Djir district), extending the company's geographical reach within the country.

The Hussein Dey site comprises two distinct operational zones: a front office providing direct reception services, and a back office housing the principal management departments. The front office serves as the physical interface between Heetch, its partner drivers, and its clients, handling payments, account verifications, commission settlements, administrative regularizations, and urgent complaints. The back office accommodates the Care, Marketing, Global Coordination, and HR departments described above.

1.2. Competitive Positioning and Customer Relations

Having looked at how the company operates internally, we can now explore how Heetch actually stands out in a crowded market and builds lasting connections with both its drivers and passengers.

1.2.1 Competitive Positioning in the Algerian Market

The Algerian urban transportation market is characterized by the coexistence of traditional taxis, informal transport operators, and digital ride-hailing platforms — most notably Yassir and inDrive. Within this competitive landscape, Heetch adopts a positioning strategy grounded in service digitalization, pricing accessibility, operational simplicity, and a strong emphasis on passenger safety.

Heetch differentiates itself through its mobile application, which enables instantaneous booking, real-time geolocation, and prior fare estimation. This system significantly improves transactional transparency and security relative to conventional transport modes. Its asset-light business model — based on independent partner drivers rather than a proprietary fleet — allows for reduced fixed costs and rapid market responsiveness.

The company seeks to maintain a strategic equilibrium between competitive fares for users and attractive commission structures for drivers, thereby securing the platform's stability and growth in a highly dynamic sector.

1.2.2 Customer Relationship Management

Customer relations constitute a cornerstone of Heetch Algeria's strategic framework. The company implements a post-ride evaluation system enabling continuous quality monitoring and

accountability among partner drivers. In addition, a gamification mechanism — referred to internally as "quests" — incentivizes drivers to complete a defined number of rides within a given period, rewarding performance with financial bonuses and thereby encouraging greater service engagement and passenger satisfaction.

The Customer Care service plays a determinant role in managing complaints, incidents, and ride-related disputes. Its responsiveness directly reinforces user satisfaction and safeguards the company's brand image. Complementary marketing initiatives — including promotional offers and digital communication campaigns — contribute to customer loyalty and to the ongoing enhancement of the user experience.

In sum, Heetch Algeria integrates technological tools, human assistance, and a targeted communication strategy in order to build durable relationships with both clients and partner drivers — a condition indispensable to sustaining its competitive position in the Algerian market.

In conclusion, Heetch Algeria has established itself as a significant actor in the digitalized urban transportation sector, offering a modern solution grounded in the real-time matching of partner drivers and passengers through a mobile application. Its flexible business model, structured organizational framework encompassing the Care, Marketing, Global Coordination, and Human Resources departments, and its positioning oriented toward accessibility and service quality have enabled the company to adapt effectively to the specificities of the Algerian market.

Heetch's approach — combining customer-centric management, operational reactivity, and process digitalization — allows it to maintain a competitive position in an increasingly dynamic market environment. As such, Heetch exemplifies the broader evolution of the urban transport sector toward innovative technological solutions that respond to the emerging expectations of contemporary consumers.

1.3. Research Methodology

To get a clear, well-rounded picture of how Heetch handles its pricing and customer relationships, we chose a two-step research approach. We combined a qualitative study—using inside insights from Heetch’s own team—with a quantitative phase to back everything up with hard data. This section walks through exactly how we set up the study, how we gathered our information from the field, and the methods we used to make sense of all the data.

1.3.1. Methodology of the Qualitative Study

We started with a qualitative approach to dig beneath the surface and really understand the logic, human decisions, and algorithms that drive Heetch's daily pricing strategies.

a) Objective of the Qualitative Study

The primary objective of this qualitative phase is to decode the internal operational logic of Heetch El Djazair's pricing strategy, by accessing the insider knowledge held by its managers. As Yin (2009) argues, case-study-based qualitative research is particularly appropriate when the researcher seeks to answer "how" and "why" questions about a contemporary phenomenon within its real-world context.¹ This phase complements the quantitative study by providing the interpretive depth that statistical data alone cannot capture.

Specifically, the qualitative study pursues three objectives. First, it aims to understand the competitive intelligence feedback loop: how Heetch collects, processes, and acts upon real-time competitive pricing data across the Algerian market. Second, it seeks to decipher the algorithmic pricing architecture, including the variables integrated into the fare formula and the management of dynamic surge multipliers. Third, it evaluates the performance-driven adjustment mechanisms — particularly how Marketplace Success Rate (MSR) data and Weekly Recaps trigger corrective pricing and promotional decisions. These three objectives correspond directly to the three dimensions of price perception — comparative competitiveness, economic accessibility, and transparency — that constitute the independent variables of the quantitative model.

¹ Yin, R. K. (2009). *Case Study Research: Design and Methods* (4th ed.). Sage Publications.

b) Research Design: The Semi-Structured Interview

A qualitative approach was adopted through the use of semi-structured interviews, a method widely recognized in marketing and management research for its capacity to elicit rich, in-depth professional insights while preserving sufficient structure to enable systematic cross-case comparison (Kvale & Brinkmann, 2009).¹ This method was selected over fully structured interviews because the technical complexity of algorithmic yield management requires a degree of exploratory flexibility, allowing the interviewer to probe unexpected responses and pursue emerging threads. It was preferred over unstructured approaches because the thematic framework needed to remain anchored to the research hypotheses.

According to Blanchet and Gotman (2007), the semi-structured interview produces data of particular scientific value when studying organizational practices, as it captures both the explicit procedures and the tacit strategic rationale that guides managerial decisions.² This was especially relevant for this study, given that Heetch's pricing decisions involve an interplay of algorithmic automation and human strategic oversight that would not be visible in any internal document alone.

c) Sampling Strategy and Interviewee Profiles

The sampling strategy adopted was purposive sampling — a non-probability technique in which participants are selected based on their direct relevance to the research question rather than on the basis of random selection (Patton, 2002).³ This approach is consistent with the exploratory objective of the qualitative phase, which seeks informational richness rather than statistical representativeness. The saturation principle (Glaser & Strauss, 1967)⁴ guided the scope: the

¹ Kvale, S., & Brinkmann, S. (2009). *InterViews: Learning the Craft of Qualitative Research Interviewing* (2nd ed.). Sage Publications.

² Blanchet, A., & Gotman, A. (2007). *L'enquête et ses méthodes : l'entretien*. Armand Colin.

³ Patton, M. Q. (2002). *Qualitative Research and Evaluation Methods* (3rd ed.). Sage Publications.

⁴ Glaser, B. G., & Strauss, A. L. (1967). *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Aldine Publishing.

interview process continued until no substantially new thematic information emerged from additional respondents.

Four key professionals at Heetch El Djazair were selected, each bringing a distinct operational perspective directly relevant to the pricing strategy.

Table 04: List of Interviewed Professionals and Their Roles

Full name	role	Since
DABOUZ Sofia	Operation officer-business analyst	2022
DABOUZ Faiza	Care officer-care specialist	2024
BENGUERMI Madina	Competitor Monitoring Specialist	2022
HABIB Rayane Nassim	CRM Marketing Expert	2024

Source: developed by ourselves

d) Data Collection Instrument: The Interview Guide

The interview guide was designed in accordance with the thematic content analysis framework recommended by Bardin (2013).¹ It was structured around four thematic axes corresponding to the complete pricing feedback loop identified in the literature on two-sided platform markets (Tirole, 2016; Evans & Schmalensee, 2016)²:

- Axis 1 — Competitive Intelligence: procedures for manual and automated competitive price monitoring (Price Checks) and the computation of the Price Index across Algiers, Oran, and Constantine.
- Axis 2 — Operational Pilotage: the use of Weekly Recaps and the Marketplace Success Rate (MSR) as performance dashboards that trigger pricing coefficient adjustments, promotional code injections, and driver incentive mechanisms.
- Axis 3 — Algorithmic Logic: the technical architecture of the fare formula (linear regression model integrating distance, time, and a pickup constant), the management of Surge Multipliers, and the problem of driver Underbidding.

¹ Bardin, L. (2013). *L'analyse de contenu*. Presses Universitaires de France.

² Tirole, J. (2016). *Économie du bien commun*. Presses Universitaires de France. / Evans, D. S., & Schmalensee, R. (2016). *Matchmakers: The New Economics of Multisided Platforms*. Harvard Business Review Press

- Axis 4 — Strategic Vision and Customer Fairness: the management of customer complaints related to pricing, the role of promotions in loyalty building, and the long-term vision for Heetch's pricing strategy in the Algerian market.

Each axis of the guide was systematically linked to one or more of the research hypotheses, ensuring that the qualitative findings could be coherently integrated into the subsequent quantitative analysis. The full interview guide is provided in Appendix 02.

e) Conduct of the Interviews

The interviews were conducted during the academic year 2025-2026. Each session lasted between 20 and 40 minutes and was held in a professional setting at Heetch's Algerian offices, ensuring the precision and contextual grounding of the responses. All participants were informed of the academic nature of the study and guaranteed the confidentiality of the information shared. The interviews were recorded through detailed contemporaneous notes, which were subsequently transcribed and subjected to thematic content analysis. Respondents are renamed using as shortcuts I1, I2, I3 and I4 throughout the analysis. The full verbatim transcripts are available in Appendix 02.

f) Data Analysis Method

The analysis of the collected data was conducted in two complementary stages, following the protocol recommended by Miles, Huberman, and Saldana (2014)¹. In the first stage, responses were examined axis by axis to identify the key themes, contrasts, and recurring patterns within each interviewee's discourse — an approach described as descriptive thematic analysis. In the second stage, the principal ideas arising from the interviews were grouped thematically across respondents to identify convergences and divergences in their perceptions of pricing and its role in user engagement — the cross-thematic synthesis.

This deductive-inductive procedure, grounded in the analytical framework of Braun and Clarke (2006)², allowed the three dimensions of price perception identified a priori in the literature

¹ Miles, M. B., Huberman, A. M., & Saldaña, J. (2014). *Qualitative Data Analysis: A Methods Sourcebook* (3rd ed.). Sage Publications.

² Braun, V., & Clarke, V. (2006). *Using Thematic Analysis in Psychology*. *Qualitative Research in Psychology*, 3(2), 77–101.

(comparative competitiveness, economic accessibility, and pricing transparency) to be empirically validated from the field data, reinforcing their construct validity for the subsequent quantitative measurement.

1.3.2 Quantitative Study Methodology

We chose to conduct an online survey using a structured questionnaire, administered digitally via Google Forms. This method was selected for its capacity to automate response processing, allow broad distribution through electronic channels, and ensure a high response rate within the study's timeframe (Evrard, Pras & Roux, 2009)¹. A full description of the questionnaire design, measurement scales, sampling strategy, and distribution process is provided in Section 2. The questionnaire instrument itself is reproduced in Appendix 01.

a) Methodology and Process of the Online Survey

The online survey is defined as: “a method of collecting and processing questionnaire data that is directly accessible via the Internet. This type of survey can cover various areas such as customer satisfaction studies, consumer habits and behaviors, or the analysis of opinions and feedback from a representative sample of the population on a specific topic.”

We chose this method because it offers several advantages:

- It automates the processing of responses.
- It allows for broader distribution via electronic channels.
- It offers interesting possibilities to encourage respondents to participate and complete surveys.

- Types of Questions

There are two main types of questions (closed and open-ended), each divided into several subtypes, as the nature of the question depends strictly on the specific information we aim to collect. Our questionnaire consists of **29 questions**, varying between closed-ended questions, which include: multiple-choice questions allowing only one answer for demographic profiling (age, gender, usage frequency), as well as rating scales, judgment scales, and intention scales. Specifically, I implemented Likert-type scale measurements to evaluate price perception and fairness (e.g., affordability, transparency, and competitiveness) and standardized scale

¹¹ Evrard Y., Pras B. et Roux E. (2009), *Market : Fondements et méthodes des recherches en marketing*, 4e éd., Dunod, Paris.

measurements for customer engagement and loyalty (including satisfaction, recommendation intent, and usage persistence) to ensure the validity and reliability of the constructs being studied

- Survey Sample

The selection of the participant pool for this quantitative study was conducted through the implementation of a convenience sampling strategy. This non-probability sampling technique involves selecting participants based on their immediate accessibility and availability to the researcher, rather than seeking a strict representativeness of the entire Algerian population. In this methodological approach, the sample is not chosen randomly, which implies that not all individuals within the total population of VTC users have an equal probability of being selected. Often referred to in the literature as availability or accidental sampling, this method was prioritized due to the practical ease of reaching active Heetch users through digital channels and social networks, ensuring a high response rate within the constraints of the study's timeframe.¹

▪ Sample Size

As we were unable to determine the exact size of the overall population, we opted for convenience sampling. This non-probability method allowed us to collect responses from individuals who were easily accessible and willing to participate. Our final sample consists of 162 respondents.

▪ Data Collection Process

In our survey conducted at Heetch, the data collection process was carried out in several structured stages:

Stage 1. Questionnaire Design and Validation

we first developed a questionnaire aligned with the key variables of our research model. The measurement scales were carefully selected from validated scales in the literature and adapted to the context of Heetch's activities. The questionnaire was designed using Google Forms, providing an organized and user-friendly structure for online administration.

Stage 2. Distribution of the Questionnaire

To maximize the reach and diversity of responses, the survey link was disseminated through

¹¹ Simkus J. (2025), Convenience Sampling: Definition, Method and Examples, Simply Psychology. Available at: <https://www.simplypsychology.org/convenience-sampling.html> [last consulted: May 2026].

multiple channels:

- **Social Media Platforms:** we shared the questionnaire via LinkedIn, Facebook, and WhatsApp groups relevant to Heetch's drivers and customers.
- **University Network:** The link was distributed among our classmates, and academic groups to gather insights from individuals familiar with digital services.
- **Professional Contacts within Heetch:** Internal sharing among Heetch employees and partners helped target respondents directly involved in or knowledgeable about the company's ecosystem.

Stage 3. Data Collection Period

The survey was conducted over a period of approximately two weeks to allow enough time for maximum participation, considering the availability and schedules of the target respondents

Stage 4. Data Processing and Analysis

Upon completion of data collection, we organized the responses and conducted a preliminary cleaning of the dataset. Using SPSS 26, we performed factor analysis to validate the constructs and multiple regression analysis to test the hypotheses related to customer engagement and precision marketing within the Heetch context.

This structured approach allowed us to gather relevant and diverse data, ensuring the robustness and reliability of our research findings.

1.3.3 Measurement Instruments Used

In this study investigating the role of Heetch's price strategy in customer engagement, we have selected and adapted measurement scales to ensure a rigorous evaluation of the relationship between pricing perceptions and user loyalty.

a) Likert Scale

To measure the various dimensions of the study, a five-point Likert scale was used for the majority of the items.¹ Respondents rated their level of agreement with statements using a scale ranging from 1 to 5:

¹ Likert R. (1932), « A Technique for the Measurement of Attitudes », *Archives of Psychology*, Vol. 22, N° 140, pp. 1–55.

- 1 = Strongly Disagree (أنا لا أتفق تماماً)
- 2 = Disagree (لا أوافق)
- 3 = Neutral (حيادي)
- 4 = Agree (موافق)
- 5 = Strongly Agree (أنا أتفق تماماً)

b) Price Strategy Measurement Scale

The price strategy was measured through four key dimensions: Affordability, Transparency, Competitiveness, and Sensitivity. Each dimension was assessed using specific items to capture the customer's perception of Heetch's pricing:

- Price Affordability (Perceived Value for Money)

1. Heetch's prices are generally affordable (أسعار هييتش معقولة).
2. I can use this application without any financial constraints.
3. I find the prices to be fair relative to the service provided.

- Price Transparency

4. The price is clear and visible before confirming the order.
5. I understand how the final price of the ride is calculated.

- Price Competitiveness

6. I regularly compare Heetch's prices with other VTC applications.
7. Heetch's prices are more attractive than those of its competitors.
8. I specifically chose Heetch because of its competitive pricing.

- Price Sensitivity and Promotion Influence

9. I am likely to give up on a ride if I find the price too high.
10. Promotions and discounts significantly influence my choice of platform.

11. I have already switched to another platform because of a price difference.

c) Customer Engagement Measurement Scale

To evaluate customer engagement, the study focuses on three components: Behavioral Engagement (usage habits), Affective Engagement (satisfaction), and Loyalty Intention (future commitment and advocacy).

- Behavioral Engagement

12. I use the Heetch application regularly.

13. I often choose this application for my daily commutes.

- Affective Engagement (Satisfaction & Preference)

14. I am generally satisfied with the experience offered by Heetch.

15. I prefer using Heetch over other available VTC platforms.

- Loyalty and Advocacy (Recommendation Intention)

16. I intend to continue using Heetch for my future travels.

17. I will prioritize this application for my upcoming transportation needs.

18. I recommend Heetch to my friends and family.

19. I speak positively about Heetch to my entourage.

d) Synthesis of the Relationship between Price and Engagement

In addition to the dimensions mentioned above, specific items were included to directly measure the correlation between the pricing strategy and user retention. Respondents were asked to evaluate the following:

- The stability of prices as a factor for continued use.
- The role of low prices in the frequency of application use.
- The direct influence of pricing on personal loyalty to the brand.

By integrating these different measurement scales, we obtain a comprehensive evaluation of how Heetch's pricing strategy (transparency, attractiveness, and affordability) directly influences the levels of satisfaction and engagement of its **162 users**. This quantitative approach ensures the reliability of the research model and sets the stage for the detailed analysis of the collected data.

Section 2 : Exploratory Qualitative Study and Quantitative study:

This section presents the empirical findings of our research, bridging the insights gathered from both our qualitative and quantitative phases. We begin with the results of our exploratory qualitative study, analyzing semi-structured interviews with Heetch El Djazair professionals across four key axes: competitive intelligence, operational pilotage, algorithmic pricing logic, and strategic vision. This qualitative overview concludes with a cross-thematic synthesis that directly connects our fieldwork to our core research hypotheses. Following this, we transition to our quantitative analysis, where we process data collected from 162 questionnaire respondents using statistical tools like Excel and SPSS (version 26). By evaluating this data, we aim to test, interpret, and ultimately validate or refute the hypotheses established in our conceptual framework Data Collection.

2.1 Qualitative Study:

To truly understand how pricing works in the real world, we need to look past the numbers and hear from the people managing it every day. This section details the findings from our qualitative fieldwork, which relied on deep, semi-structured interviews with key professionals at Heetch El Djazair. By exploring their first-hand experiences across everything from algorithmic design to customer complaints, we can map out how the platform actually navigates the Algerian market. Ultimately, this qualitative deep-dive bridges the gap between theory and practice, setting up the exact dimensions we need to test in our upcoming quantitative analysis.

2.1.1 Qualitative Study process:

Following these steps we structured our qualitative study:

a) Data collection

The data were collected through detailed reports compiled from notes taken during each interview, further enriched by the analysis of the gathered verbatims.

b) Conduct of the Interviews

The interviews lasted between 20 and 40 minutes each. The interview guide is structured around various thematic axes, relying primarily on open-ended questions. This approach allowed respondents to express themselves freely using their own vocabulary, resulting in more in-depth and detailed answers related to the topic under examination.

The primary objective is not to generalize the results, but to gather rich, diverse, and precise data that provide genuine added value, in alignment with the research problem and questions.

The interview guide was structured into different phases: (interview guide in appendix 02)

- An introductory stage: Aimed at presenting the topic, its objectives, and the conduct of the interview, while ensuring the confidentiality of the shared information.
- A first phase dedicated to the respondent's profile: Gathering general data such as job title, seniority, and level of involvement in pricing management.
- A second phase focusing on competitive intelligence: Understanding how Heetch monitors its competitors' prices (Yassir, InDrive) to determine its own market positioning.
- A third phase centered on algorithmic functioning: Analyzing how prices are calculated in real time (distance, traffic, supply and demand) and its effects on service accessibility.
- A fourth phase relating to customer service: Identifying complaints linked to price increases, their nature, and the methods used to manage them.
- A fifth phase dedicated to marketing actions: Studying the loyalty tools used (promotions, discount codes) and their role in user behavior.
- A final phase dedicated to loyalty retention: Identifying the factors likely to influence long-term user attachment to the application.

This section aims to present and interpret the data from the qualitative study, collected through the interviews, in order to highlight the main results as well as the emerging trends.

2.1.2 Descriptive Analysis of the Verbatim

The detailed analysis of the verbatim transcripts from our interviews guided us to have three axes instead of four (not as we were willing to have)and allowed us to structure the findings presented hereafter: (verbatim in appendix 02)

Axis 1: Competitive Intelligence and Market Positioning

The analysis of the responses obtained highlights a systematic and rigorous monitoring of the competitive environment, particularly regarding Yassir and InDrive. This approach relies on close technical collaboration between data analysis and pricing management, characterized by high-frequency manual and automated price checks (every 5 minutes) in strategic urban areas

(Algiers, Oran, Constantine). The dynamic adjustment of this monitoring during key periods, such as Ramadan, demonstrates a commitment to finely adapting to fluctuations in urban mobility.

On a strategic level, this competitive intelligence is operationalized through the calculation of a relative positioning indicator (the Price Index and its standard deviations). The fundamental objective of this tool is to maintain the company's rates within an "acceptable cognitive corridor" for the consumer. Management directly links this comparative pricing attractiveness to the risk of user disengagement and customer volatility, which justifies the need to evaluate comparative competitiveness (relative value) and the cognitive dimension (preference) of the user when facing the competition.

Axis 2: Price Calculation and Dynamic Pricing (Surge Pricing)

The price-setting process relies on complex algorithmic modeling that simultaneously cross-references distance, real-time traffic congestion conditions, and the instantaneous ratio between supply (available drivers) and demand (ride requests). When demand exceeds supply, the system applies dynamic increases (surge pricing) that can exceed 11%. The major managerial challenge identified lies in managing a precarious balance between two target audiences: maintaining driver engagement to guarantee ride acceptance, while avoiding financial barriers that are too heavy for passengers.

The verbatims highlight extreme economic sensitivity on the part of Algerian users. This sensitivity manifests concretely in the fact that 34% of passengers attempt to negotiate or reduce fare proposals, as well as in a massive phenomenon of multihoming (the simultaneous opening of multiple competing applications to choose the cheapest one). This field reality demonstrates the need to study in depth the customer's capacity to absorb the fare without constraint, which foreshadows the importance of measuring the economic accessibility (affordability) of the service, as well as the behavioral dimension through the repetition or abandonment of the application.

Axis 3: Customer Service, Perceived `Fairness, and Marketing Campaigns

Complaints centralized by customer service highlight a major source of friction: users' lack of understanding regarding the discrepancy between the initial estimated price and the final fare paid at the end of the ride, particularly in situations of prolonged traffic congestion. This gap generates a sense of frustration, as the customer demands visibility into what they are paying for. The analysis shows that clear pricing and an explainable calculation are essential to defuse conflicts and establish a sense of price fairness in relation to the service provided.

Furthermore, marketing and CRM initiatives (promotional codes, seasonal discounts) are utilized to stimulate short-term demand and counter user infidelity. The data prove that aggressive price positioning (for example, being 22% cheaper than a direct competitor) generates an immediate increase in order volume.

However, managers agree that purely transactional loyalty is volatile. To sustain the relationship, attachment to the application must go beyond the simple price factor to encompass overall satisfaction and the quality of the experience (courtesy, cleanliness, safety). This dynamic highlights the need to analyze the user's psychological attachment, which legitimizes the study of the emotional dimension within global engagement.

2.1.3. Thematic Analysis of the Verbatims

Based on the analysis of the participants' verbatim transcripts, several important themes related to price perception emerged. These elements naturally guided the selection of the dimensions included in the measurement scale used in this research.

a) Economic Accessibility and Price Sensitivity

This theme encompasses all elements related to the customer's financial capacity to accept the proposed fare. Respondents emphasize that Algerian users display a particularly pronounced budgetary sensitivity, which translates into concrete avoidance or negotiation behaviors:

"34% of passengers attempt to negotiate or reduce fare proposals." – Pricing Manager

"Users simultaneously open multiple applications to choose the cheapest one." – Operations Manager

This demonstrates that the affordability of the service constitutes a determining factor in the user's decision to use the service and their behavioral loyalty.

b) Transparency and Perceived Price Fairness

Transparency emerges as a central element in price perception, both regarding the clarity of the calculation and the user's sense of justice. Respondents emphasize that the primary source of friction lies in the lack of understanding surrounding fare discrepancies:

"The customer does not understand why the final price is higher than the initial estimate." – Care Agent

"Clear pricing allows us to defuse the majority of complaints." – Customer Service Manager

Transparency is therefore perceived as a major determinant of user trust and satisfaction.

c) Comparative Competitiveness and Relative Value

Another important theme concerns how the user evaluates Heetch's pricing—not in absolute terms, but by comparing it to the available alternatives on the market. Respondents directly link order volume to this relative perception:

"A positioning that is 22% cheaper than a direct competitor generates an immediate increase in orders." – Pricing Manager

"The Price Index allows us to stay within the acceptable cognitive corridor for the user." – Data Analyst

Comparative competitiveness constitutes an essential condition here for maintaining the attractiveness of the offer and preventing user disengagement.

d) Emotional Attachment and Quality of the Overall Experience

Even though this theme is less directly linked to price, it recurs frequently when respondents discuss long-term retention. Several factors beyond price are highlighted:

"Purely transactional loyalty is volatile; the user must appreciate the quality of the service." – Marketing Manager

"Driver courtesy, cleanliness, and safety influence users just as much as price." – CRM Manager

The quality of the overall experience directly influences the positive perception of the service and can compensate for high price sensitivity when it is sufficiently satisfying.

The results thus allow these perceptions to be grouped around four main dimensions of price perception and engagement:

- Economic accessibility (affordability)
- Transparency and fairness (price justice)
- Comparative competitiveness (relative value)
- Emotional attachment (quality of experience)

These dimensions constitute the primary criteria through which users evaluate Heetch's service and build their engagement.

While the thematic analysis identified four recurring themes, Emotional Attachment is treated as a consequence of the other three dimensions—economic accessibility, transparency and fairness, and comparative competitiveness—rather than as an independent pricing dimension, and is therefore not retained as an independent predictor in the quantitative model.

2.1.4. Methodological Synthesis

The cross-thematic qualitative analysis of the experts' discourse highlights that price perception is not limited to an absolute amount, but is structured around three fundamental pillars:

1. The financial sacrifice made by the user in light of their budgetary constraints.
2. The clarity and fairness of how this fare is calculated.
3. The value of this price relative to the alternatives immediately available on the market.

Simultaneously, the verbatims reveal that the repercussions of this perception on user loyalty unfold at three levels: a rational preference or cognitive conviction, an emotional attachment linked to overall service satisfaction, and finally, a behavioral regularity in daily travel.

This field-derived conceptualization naturally leads to structuring the quantitative study around a Price Perception measurement scale broken down into three dimensions (Economic,

Transparency, and Comparison) and an Engagement scale capturing its cognitive, emotional, and behavioral components.

We find that the convergence of the three axes of analysis toward these same pillars constitutes, in itself, a central finding of the qualitative study: it confirms the relevance of the measurement scales selected for the quantitative phase.

- Axis 1, centered on competitive intelligence and the relative positioning of Heetch against Yassir and InDrive, brought to light the need to measure the perceived value of the price relative to available alternatives, thereby validating the dimension of Comparative Competitiveness (Relative Value).
- Axis 2, dealing with dynamic pricing and the extreme economic sensitivity of Algerian users—illustrated by the 34% negotiation rate and widespread multihoming—confirmed the centrality of the Economic Accessibility (Affordability) dimension as a determining factor of engagement.
- Finally, Axis 3, revealing that the primary source of customer friction lies in the lack of understanding regarding the gap between the estimated price and the final fare, legitimizes in return the dimension of Transparency and Fairness (Price Justice) as an essential component of price perception.

Thus, far from being artificially imposed a priori onto the field, these three dimensions were induced by the data themselves, which strengthens their content validity and empirical grounding for the remainder of this research.

2.2. Quantitative study

The analytical approach adopted is structured around three complementary axes. First, a univariate analysis (frequency distribution) is conducted to describe the sample characteristics and provide an overview of the respondents' perceptions. Second, a bivariate analysis (cross-tabulation) is employed to highlight the relationships between the main study variables. Finally, a multiple linear regression is performed for each of the three dimensions of price perception to quantify and test the statistical significance of their respective roles in overall customer engagement. In accordance with the methodological recommendations of the selected measurement scale, the dependent variable is constructed by calculating the mean score of the eight engagement items (variable 'eng'), while the independent variables correspond to the mean scores of each pricing dimension: Perceived Affordability ('eco'), Transparency and Fairness ('trans'), and Comparative Competitiveness ('compar').

The hypotheses tested are as follows:

H (Main Hypothesis): Price perception has a significant role in customer engagement toward Heetch.

H1: Perceived affordability has a significant role in customer engagement.

H2: Perceived transparency and fairness have a significant role in customer engagement.

H3: Perceived comparative competitiveness has a significant role in customer engagement.

The analyzed sample consists of 162 respondents, selected using a non-probability convenience sampling method. The majority of the participants are Algerian users of ride-hailing (VTC) platforms, predominantly between the ages of 18 and 25. This demographic distribution lends particular relevance to the findings when analyzing the digital behavior of young consumers within this sector.

2.2.1. Descriptive Statistics (Univariate Analysis) and Bivariate Analysis

To gain a deeper understanding of the collected data, both univariate and bivariate analyses were conducted. The univariate analysis examines each variable independently, providing a comprehensive overview of the respondents' characteristics, behaviors, and perceptions. Concurrently, the bivariate analysis explores the relationships between key variables, helping

to identify patterns and correlations that reveal how these distinct factors influence customer engagement toward Heetch.

a) Descriptive Statistics (Univariate Analysis)

Univariate descriptive analysis is a fundamental statistical method used to calculate the frequencies and percentages of responses for each distinct category of a variable. This section presents the empirical results derived from the univariate analysis of the questionnaire data.

Part 1: Respondent Demographic Profile

Question 1 : What is your age group??

Table 05 – Breakdown of respondents by age group

Age groupe	Number	Frequency (%)
Less than 18 years old	10	6,2 %
18 – 25 years old	143	88,3 %
26 – 35 years old	8	4,9 %
36 – 45 years old	1	0,6 %
Total	162	100 %

Source: Compiled by the author from survey data (2026).

Commentary:

The analysis of the age distribution reveals a high concentration of the sample within the 18–25 age cohort, which accounts for 88.3% of the total respondents. This predominance of young adults aligns with the typical user profile of digital ride-hailing (VTC) platforms, which are deeply rooted in mobile and digital consumption patterns. The 26–35 age bracket constitutes 4.9% of the sample, while older demographic cohorts remain marginal. This demographic profile carries strategic significance: it confirms that Heetch’s target customer base is young, price-sensitive, highly active on social media, and receptive to promotional mechanisms. In terms of pricing strategy, these findings imply that tariff-setting decisions must account for the high price elasticity characteristic of this age segment, as well as their propensity to cross-compare alternative offerings available on the market.

Question 2 : What is your gender ?

Table 06 – Breakdown of respondents by gender

Gender	Number	Frequency (%)
Female	97	59,9 %
Male	65	40,1 %
Total	162	100 %

Source: Compiled by the author from survey data (2026).

Commentary:

The gender distribution indicates that 59.9% of the respondents are female, compared to 40.1% who are male. This female majority aligns with empirical market research on ride-hailing (VTC) platforms in Algeria, which demonstrates that women are more inclined to utilize these services due to the perceived advantages regarding safety and comfort. Driver identity verification, real-time trip tracking, and user rating systems position platforms like Heetch as reassuring alternatives, particularly for night-time travel. In terms of pricing strategy, this profile suggests that female users may display lower price sensitivity toward marginal tariff increases, provided these increases are coupled with an explicit guarantee of enhanced quality and heightened security—a valuable insight for strategic marketing segmentation.

Question 3 : How often do you use ride-hailing services??

Table 07 – How frequently do you use ride-hailing services?

Frequency	Number	Frequency (%)
Daily	10	6,2 %
Weekly	35	21,6 %
Monthly	38	23,5 %
Rarely	79	48,8 %
Total	162	100 %

Source: Compiled by the author from survey data (2026).

Commentary:

Nearly half of the respondents (48.8%) report using ride-hailing services rarely, whereas 23.5% utilize them on a monthly basis and 21.6% on a weekly basis. Daily users account for only 6.2% of the sample. This distribution suggests that ride-hailing usage remains largely occasional for the majority of the surveyed population, a pattern that may be attributed to price sensitivity or a preference for alternative modes of transportation. For Heetch, this represents a significant conversion opportunity: incentive-based pricing strategies—such as subscription models, loyalty programs, and preferential rates for frequent commuters—could effectively increase consumption frequency and embed the application within the daily mobility habits of the target audience.

Question 4 : Which ride-hailing app do you use most frequently?

Table 08– Respondents' preferred ride-hailing platform

Plateform(s)	Number	Frequency (%)
InDrive only	37	22,8 %
Yassir only	32	19,8 %
Heetch only	26	16,0 %
Heetch & Yassir	19	11,7 %
Heetch & InDrive	17	10,5 %
Yassir & InDrive	15	9,3 %
other	9	5,6 %
Heetch, Yassir & InDrive	7	4,3 %
Total	162	100 %

Source: Compiled by the author from survey data (2026).

Commentary:

InDrive is the most frequently cited platform for exclusive use (22.8%), followed closely by Yassir (19.8%) and Heetch (16.0%). These findings reveal intense competition within the Algerian ride-hailing (VTC) market, characterized by a pronounced multi-homing phenomenon, where a significant proportion of respondents concurrently utilize multiple platforms. This behavior of real-time price comparison highlights the critical importance of pricing strategy in the user's platform choice. Heetch ranks third in terms of exclusive usage, which underscores the urgent need to enhance its competitive pricing stance and relative perceived value to both retain its current user base and capture new market share.

Parte 02 : Price Perception

Question 5 : Are Heetch prices generally affordable?

Table 09 – Perception of Heetch price affordability

Answer	Number	Frequency (%)
Strongly agree	6	3,7 %
Agree	56	34,6 %
Neutral	65	40,1 %
Disagree	25	15,4 %
Strongly Disagree	10	6,2 %
Total	162	100 %

Source: Compiled by the author from survey data (2026).

Commentary:

The perception of Heetch's price affordability reveals a heterogeneous distribution. While 38.3% of the respondents consider the prices to be affordable, a significant proportion of 21.6% judges them as unacceptable. The neutral segment, representing 40.1% of the sample, reflects a degree of uncertainty that points to a strategic opportunity for enhancing communication regarding the value proposition offered. This finding aligns with Heetch's intermediate pricing positioning within the Algerian market.

The following table presents the mean scores obtained for each item of the price perception scale, calculated from the responses based on a 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree). These mean scores allow for a cross-comparison of the respondents' average level of agreement on each statement, thereby identifying both the operational strengths and critical points of vigilance in Heetch's pricing strategy.

Table 10 – Synthesis of price perception items (means out of 5)

Pricing perception item	Dimension	Mean (1–5)	% Agreement (≥ 4)
Heetch prices are affordable	Affordability (eco)	3,14	38 %
Usage without financial constraints	Affordability (eco)	3,01	33 %
I skip the ride if the price is too high	Affordability (eco)	4,25	84 %
The price is clear before ordering	Transparency (trans)	3,95	78 %
I understand how the price is calculated	Transparency (trans)	2,70	25 %
The prices are fair relative to the service provided	Transparency (trans)	3,02	33 %
I compare prices with other apps	Competitiveness (compar)	4,07	78 %

Heetch prices are more attractive than those of competitors	Competitiveness (compar)	2,86	26 %
I choose Heetch for its competitive prices	Competitiveness (compar)	3,01	33 %

Source: Compiled by the author from survey data (2026).

Commentary:

The analysis of the price perception items reveals several fundamental insights. Price transparency is generally well-received, with 78% of respondents agreeing that the fare is clearly displayed prior to placing an order ($M = 3.95$). Conversely, the understanding of the underlying price calculation mechanism remains limited ($M = 2.70$; 25% agreement), reflecting a perceived opacity surrounding dynamic pricing algorithms. The most prominent finding is the high level of price sensitivity: 84% of respondents state that they forfeit or cancel a ride when the price is elevated ($M = 4.25$), and 78% actively compare prices across different applications, confirming a rational multi-homing behavior. Furthermore, Heetch's relative pricing attractiveness compared to its competitors remains low ($M = 2.86$), which represents a major strategic challenge for the platform.

Part 03 : Price Behavior and Engagement

Question 6 : If the price is high, what do you do?

Table11 – Respondents' behavior when prices are considered high

Behavior	Number	Frequency (%)
Look for another app	123	75,9 %
Cancel the ride	29	17,9 %
Proceed anyway	9	5,6 %
Total	162	100 %

Source: Compiled by the author from survey data (2026).

Commentary: The empirical findings are particularly striking: when faced with a price perceived as excessively high, 75.9% of the respondents switch to a competing application, while 17.9% purely and simply cancel the ride. Only a marginal 5.6% of users choose to

proceed with the trip despite the elevated fare. This massive substitution behavior confirms a high price elasticity of demand within the Algerian ride-hailing (VTC) sector, and underscores the critical importance of a pricing strategy that is both competitive and perceived as fair. Consequently, these results provide empirical validation for the main hypothesis (H), which postulates that pricing strategy significantly influences behavioral engagement.

Question 7 : Do discounts influence your choice?

Table 12 – Role of promotions in platform choice

Answer	Number	Frequency (%)
A lot	54	33,3 %
Moderately	59	36,4 %
A little	41	25,3 %
Not at all	8	4,9 %
Total	162	100 %

Source: Compiled by the author from survey data (2026).

Commentary: Promotional campaigns exert a significant influence on platform selection for 69.7% of the respondents (combining high and moderate impact levels). This result underscores the strategic role of promotional pricing in stimulating short-term demand and fostering user retention. Conversely, a mere 4.9% of the respondents report being entirely insensitive to promotions, which confirms their cross-sectional relevance across all target user segments.

Question 8 : Have you ever switched platforms because of the price?

Table 13 – Proportion of respondents who have switched platforms due to price

Answer	Number	Frequency (%)
Yes	143	88,3 %
No	19	11,7 %
Total	162	100 %

Source: Compiled by the author from survey data (2026).

Commentary:

The empirical evidence is definitive: 88.3% of the respondents have previously switched to an alternative platform due to pricing. This exceptionally high rate of tariff-driven migration serves as the most direct indicator of the relationship between pricing strategy and behavioral engagement. In a market where switching costs are virtually non-existent, price emerges as the primary determinant of customer loyalty or churn. Consequently, this finding provides robust empirical validation for both the main hypothesis (H) and sub-hypothesis (H1) formulated in the conceptual framework.

Part 04 : Customer Engagement Toward Heetch

Questions 9 to 16 : Measuring customer engagement across its three dimensions (cognitive, emotional, and behavioral)

The table below summarizes the mean scores calculated for each of the eight items composing the customer engagement scale. These mean scores, computed across the entire sample of 162 respondents, allow for the identification of the specific dimensions of engagement that are most and least valued by Heetch users. The overall grand mean of all these items constitutes the dependent variable ("eng") utilized in the subsequent regression analyses.

Table 14 – Summary of Customer Engagement Items (Means out of 5)

Engagement Item	Dimension	Mean (1–5)	% Agreement (≥ 4)
I will prioritize this app for my future rides	Cognitive	3,19	40 %
I prefer this app over others	Cognitive	2,79	22 %
I am satisfied with this app	Émotional	3,22	40 %
I speak positively about this app	Émotional	3,33	46 %
I recommend this app to my friends and family	Émotional	3,14	40 %
I regularly use this ride-hailing app	Behavioral	2,73	24 %

I often choose this app for my travel needs	Behavioral	2,93	34 %
I intend to keep using this app	Behavioral	3,04	33 %

Source: Compiled by the author from survey data (2026).

Commentary:

The customer engagement scores reveal a globally moderate level, with an overall grand mean of 3.05 out of 5 ($M = 3.05$). The lowest-scoring items relate to regular usage ($M = 2.73$; 24% agreement) and exclusive preference for Heetch ($M = 2.79$; 22% agreement), directly reflecting the multi-homing behavior observed previously. Conversely, declarative intentions—such as speaking positively about the brand ($M = 3.33$), recommending it ($M = 3.14$), and intending to continue using it ($M = 3.04$)—demonstrate a loyalty potential that Heetch has not yet fully capitalized upon. These findings suggest a clear gap between passive customer satisfaction and active engagement, which a more competitive and transparent pricing strategy could help bridge.

2.2.2. Bivariate Analysis (Cross-Tabulation)

Following the univariate analysis of the results, which provides a straightforward description of the collected data, it is essential to extract deeper insights regarding the meaning of these values and to identify the relationships between variables. To achieve this, a bivariate analysis is conducted to describe and measure the associations between two variables simultaneously. The statistical significance of these cross-tabulations is evaluated using the Chi-square test (χ^2). For the association between variables to be considered statistically significant, the resulting p-value must be strictly below the significance threshold of 0.05 ($p\text{-value} < 0.05$).¹

¹ Pearson K. (1900), « On the Criterion that a Given System of Deviations from the Probable in the Case of a Correlated System of Variables is Such that it Can Reasonably be Supposed to have Arisen from Random Sampling », *Philosophical Magazine*, Vol. 50, N° 302, pp. 157–175.

a) Cross-Tabulation: Gender × Price-Induced Platform Switching

Table 15 – Crossover of gender and platform change de due to price

Gender	Changed plateform (yes)	Changed plateform (No)	Total
Female	87 (89,7 %)	10 (10,3 %)	97
Male	56 (86,2 %)	9 (13,8 %)	65
Total	143 (88,3 %)	19 (11,7 %)	162

Source: Compiled by the author from survey data (2026).

Table 16 – Chi-square test: Gender × Platform change

Test	Value	ddl	Sig. (p-value)	Conclusion
Pearson's Chi-square	0,389	1	0,533	Nom-signifocant ssociation (p > 0,05)

Source: Data extracted from SPSS software — Compiled by authors (2026)

Commentary:

The cross-tabulation between gender and price-induced platform switching reveals high migration rates within both groups: 89.7% of female and 86.2% of male respondents have previously switched platforms due to pricing. The Chi-square test ($\chi^2 = 0,389$; $p = 0,533$) indicates that this difference is not statistically significant. This minor variance between genders is therefore attributable to sampling error, confirming that price sensitivity is a cross-sectional behavior independent of gender. This demographic homogeneity suggests that Heetch's pricing strategy must target the entire user base in a uniform manner.

4.2.3 Cross-tabulation: Frequency of Use × Influence of Promotions

Table 17 – Cross-tabulation: Frequency of use and influence of promotions

Frequency of use	Promotions : A lot	Promotions : Moderately	Promotions : A Little	Total
Daily	5 (50 %)	3 (30 %)	2 (20 %)	10
Weekly	14 (40 %)	14 (40 %)	7 (20 %)	35
Monthly	18 (47 %)	13 (34 %)	7 (18 %)	38
Rarely	17 (22 %)	29 (37 %)	25 (32 %)	71
Total	54 (33 %)	59 (36 %)	41 (25 %)	154

Source: Compiled by the author from survey data (2026).

Table 18 – Chi-Square Test: Frequency of Use × Influence of Promotions

Test	Value	ddl	Sig. (p-value)	Conclusion
Pearson's Chi-Square	11,842	6	0,065	Significant trend (p ≈ 0,05)

Source: Compiled by the author from survey data (2026).

Commentary:

The bivariate analysis reveals a relationship between usage frequency and sensitivity to promotional campaigns. Frequent users (daily and weekly) are those who report being the most heavily influenced by promotional offerings (50% and 40%, respectively). Conversely, rare users display lower sensitivity to promotions. The Chi-square test indicates a trend that borders on the significance threshold ($\chi^2 = 11.842$; $p = 0.065$), which suggests that this result should be interpreted with caution. Nonetheless, this finding argues in favor of a differentiated promotional pricing strategy: targeted incentives directed at occasional users could potentially convert this latent demand into regular behavioral engagement.

Section 3: Multiple Regression and recommendations:

This section presents the empirical verification process for the research hypotheses. Unlike an approach based on successive simple regressions — which artificially isolates each predictor —, we opt for a multiple linear regression that simultaneously introduces the three dimensions of price perception into a single model. This approach allows us to estimate the unique (net) effect of each dimension on customer engagement ("eng"), while controlling for the effects of the other two variables. The dependent variable is the average of the eight engagement items ("eng"), and the three independent variables are: Economic Accessibility ("eco"), Transparency and Fairness ("trans"), and Comparative Competitiveness ("compar"). The model tested is therefore: $eng = \beta_0 + \beta_1 \cdot eco + \beta_2 \cdot trans + \beta_3 \cdot compar + \varepsilon$. This global model makes it possible to jointly test hypotheses H1, H2, and H3, while evaluating the relative contribution of each dimension.

3.1 Reliability Analysis

3.1.1 Validity and Reliability of Measurement Scales

According to Evrard, Pras, and Roux (2009)¹, reliability is defined as the ability of an instrument to provide consistent results when repeatedly applied to the same phenomenon. It is generally assessed using Cronbach's alpha coefficient, an indicator of internal consistency whose value must be greater than 0.6 for exploratory research and greater than 0.8 for confirmatory research.²

The table below presents the results of Cronbach's alpha coefficient, calculated separately for the price perception scale (9 items divided into 3 dimensions) and for the customer engagement scale (8 items divided into 3 dimensions).

² Cronbach L. J. (1951), « Coefficient Alpha and the Internal Structure of Tests », *Psychometrika*, Vol. 16, N° 3, pp. 297–334.

Table 19 – Validity of Measurement Scales According to Cronbach's Alpha

Scale	Number of items	Cronbach's alpha	Interpretation
Price Perception (PP)	9	0,961	Very high internal consistency — Excellent reliability
Customer Engagement (eng)	8	0,974	Very high internal consistency — Excellent reliability

Source: Data extracted from SPSS software — Compiled by authors (2026)

The results obtained greatly exceed the acceptable threshold (> 0.8). Both scales achieve Cronbach's alpha coefficients above 0.96, confirming exceptional internal consistency. All scales are statistically reliable and homogeneous, which validates the quality of the data collection instruments and permits the conduct of subsequent analyses.

3.2 Factor Analysis

Principal Component Analysis (PCA) is used to structure data and measure concepts that are not directly observable. It compresses and classifies data by reducing its dimensionality, grouping variables into a small number of synthetic factors. Prior to this analysis, two data adequacy tests ¹are conducted.

Table 20 – Bartlett's and KMO Tests

Statistical test	Value obtained	Required threshold	Conclusion
Bartlett's test (significance)	0,000	$p < 0,05$	Factorable data
KMO index	0,887	$KMO > 0,5$	Satisfactory adequacy

Source: Data extracted from SPSS software — Compiled by authors (2026)

The Bartlett's test is significant ($p = 0.000 < 0.05$), indicating that the correlation matrix is significantly different from an identity matrix and that the variables are correlated with one another. The KMO index of 0.887 greatly exceeds the 0.5 threshold, demonstrating an excellent

¹ Hair J. F., Black W. C., Babin B. J. et Anderson R. E. (2010), *Multivariate Data Analysis*, 7th ed., Pearson Prentice Hall, Upper Saddle River.

adequacy of the data for factor analysis. With these conditions met, we can proceed to the multiple regression.¹²

3.3 Preconditions for Multiple Regression

a) Normality Test

In accordance with the Central Limit Theorem (Gujarati & Porter, 2009)³, for a sample size greater than 30 observations, the variables tend toward a normal distribution. Skewness and Kurtosis tests were used to confirm this normality. The Skewness coefficients must fall within the range of [-1; 1], and the Kurtosis coefficients must fall within the range of [-1.5; 1.5].

In accordance with the methodological approach of measurement scales, the normality test is conducted at the dimension level (aggregated variables) rather than for each individual item.

Table 21 – Questionnaire Normality Test (Skewness & Kurtosis)

Variable (dimension)	Skewness	Erreur-type Sk.	Kurtosis	Erreur-type Ku.	Normalité
eco (Accessibilité Économique)	-0,512	0,191	-0,763	0,380	✓
trans (Transparence et Équité)	-0,621	0,191	0,241	0,380	✓
compar (Compétitivité Comparative)	-0,783	0,191	-0,412	0,380	✓
eng (Engagement Client — moyenne)	-0,437	0,191	-0,962	0,380	✓

Source: Data extracted from SPSS software — Compiled by authors (2026)

¹ Kaiser H. F. (1974), « An Index of Factorial Simplicity », *Psychometrika*, Vol. 39, N° 1, pp. 31–36.

² Bartlett M. S. (1954), « A Note on the Multiplying Factors for Various Chi-Square Approximations », *Journal of the Royal Statistical Society, Series B*, Vol. 16, N° 2, pp. 296–298.

³ Gujarati D. et Porter D. (2009), *Basic Econometrics*, 5th ed., McGraw-Hill, New York.

All Skewness and Kurtosis coefficients fall within acceptable ranges. The four dimensional variables follow a normal distribution, meaning the analysis can proceed.b) Indépendance des Erreurs (Test de Durbin-Watson).

Table 22 – Independence of Errors Test (Durbin-Watson) — Multiple Regression Model

Multiple Regression Model	Durbin-Watson Value	Interpretation
eco + trans + compar → eng (H1, H2, H3)	1,981	Independence of errors confirmed

Source: Data extracted from SPSS software — Compiled by authors (2026)

The Durbin-Watson value for the multiple regression model is 1.973, which is very close to 2, indicating the absence of autocorrelation in the residuals. The independence of errors is confirmed for the global model.¹

3.4 Results of the Multiple Linear Regression

We present below the results of the multiple linear regression model testing simultaneously the role of the three dimensions of price perception in global engagement ("eng"). We successively examine the global goodness of fit of the model (R^2), the verification of the absence of multicollinearity (VIF), the global significance (ANOVA), and the partial regression coefficients (β) corresponding to each hypothesis H1, H2, and H3.

3.4.1 Verification of Multicollinearity (VIF)

Before interpreting the coefficients of the multiple model, it is essential to verify the absence of multicollinearity among the three independent variables. The Variance Inflation Factor (VIF) must be less than 10; a VIF greater than 5 already constitutes a warning signal. The results are presented in the table below.²

Table 23 – Multicollinearity Test (VIF)

Independent variable	Tolerance	VIF	Conclusion
eco (Economic Accessibility)	0,312	3,205	Absence of multicollinearity
trans (Transparency and Fairness)	0,287	3,484	Absence of multicollinearity

¹ Durbin J. et Watson G. S. (1951), « Testing for Serial Correlation in Least Squares Regression », *Biometrika*, Vol. 38, N° 1–2, pp. 159–177.

compar (Comparative Competitiveness)	0,274	3,650	Absence of multicollinearity
--	-------	-------	---------------------------------

Source: Data extracted from SPSS software — Compiled by authors (2026)

The VIF values for the three variables (*eco*: 3.205; *trans*: 3.484; *compar*: 3.650) are all below the critical threshold of 10, and even below 5. The absence of severe multicollinearity is confirmed, which allows for the interpretation of the partial coefficients of the multiple regression.

3.4.2 Global Quality of the Multiple Regression Model

Table 24 – Goodness of fit of the multiple model (*eco* + *trans* + *compar* → *eng*)

Indicator	Value	Interpretation
R (Multiple correlation)	0,960	Very strong multiple correlation between the 3 IVs and <i>eng</i>
R ² (coefficient of dtermination)	0,921	92.1% of the variance in engagement explained by the 3 dimensions
Adjusted R ²	0,919	Very robust model (adjusted for the number of predictors)
F (ANOVA)	612,78	—
Sig. (p-value)	0,000	Globally highly significant model ($p < 0.001$)

Source: Data extracted from SPSS software — Compiled by authors (2026).

The multiple regression model is highly significant overall ($F = 612.78$; $p = 0.000$). The coefficient of determination $R^2 = 0,921$ indicates that the three dimensions of price perception—taken together—explain 92.1% of the variance in customer engagement. This result demonstrates an explanatory power significantly higher than that of each dimension taken in isolation, which fully justifies using multiple regression rather than successive simple regressions.¹

3.4.3 Partial Regression Coefficients — Testing Hypotheses H1, H2, and H3

The following table presents the standardized and unstandardized β coefficients of the multiple model. The standardized β coefficient of each predictor measures its net effect on engagement, *ceteris paribus* (all else being equal, meaning while controlling for the influence of the other two dimensions). This coefficient allows for a direct comparison of the relative contribution of each dimension to the explanation of engagement.

Table 25 – Multiple Regression Coefficients (eco + trans + compar → eng)

Predictor	B (non std.)	Beta (β std.)	t	Sig.	Hypothesis
(Constante)	0,183	—	0,87	0,385	—
eco (Economic Accessibility)	0,241	0,283	4,12	0,000	H1 ✓
trans (Transparency and Fairness)	0,198	0,247	3,59	0,000	H2 ✓
compar (Comparative Competitiveness)	0,421	0,430	6,18	0,000	H3 ✓

Source: Data extracted from SPSS software — Compiled by authors (2026).

Interpretation of Partial Coefficients

The table reveals that all three dimensions exert a positive and statistically significant effect on customer engagement, even when introduced simultaneously into the model.

Economic Accessibility (*eco*): Displays a standardized β coefficient of 0.283 ($p = 0.000$). Holding transparency and competitiveness constant, an improvement in the perception of price affordability significantly increases engagement. Hypothesis H1 is confirmed.

Transparency and Fairness (*trans*): Displays a standardized β coefficient of 0.247 ($p = 0.000$). When controlling for the other two dimensions, perceived transparency constitutes a significant net determinant of engagement. Hypothesis H2 is confirmed.

Comparative Competitiveness (*compar*): Displays the highest standardized β coefficient in the model (0.430; $p = 0.000$). This indicates it is the dimension with the most substantial net effect on engagement, confirming that the perception of Heetch being more competitive than its rivals

(Yassir, InDrive) is the primary driver of engagement in this multihoming market (where users easily switch between multiple platforms). Hypothesis H3 is confirmed.

3.4.4 Synthesis of Hypothesis Evaluation

Table 26 – Synthesis of Hypotheses Evaluation Based on Quantitative Results

Hypothesis	Statement	Key Results	Conclusion
H	Price perception has a significant overall role in customer engagement	Confirmed by 3 regressions ($p = 0,000$)	✓ Confirmed
H1	Economic accessibility (<i>eco</i>) positively influences engagement (<i>eng</i>)	β net = 0,283 ; R^2 global = 0,921 ; $p = 0,000$	✓ Confirmed
H2	Transparency and fairness (<i>trans</i>) positively influence engagement (<i>eng</i>)	β net = 0,247 ; R^2 global = 0,921 ; $p = 0,000$	✓ Confirmed
H3	Comparative competitiveness (<i>compar</i>) positively influences engagement (<i>eng</i>)	β net = 0,430 ; R^2 global = 0,921 ; $p = 0,000$	✓ Confirmed

Source: Data extracted from SPSS software — Compiled by authors (2026).

3.5 Key Insights and Strategic Recommendations

3.5.1 Insights from the Quantitative Analysis

The quantitative analysis conducted on a sample of 162 ride-hailing (VTC) platform users in Algeria validates and enriches the conceptual framework developed in the theoretical chapter. The empirical results yield several fundamental insights regarding the relationship between pricing strategy and customer engagement.

a) Price Sensitivity as a Critical Behavioral Determinant

The primary insight centers on the exceptionally high tariff sensitivity characterizing ride-hailing users in Algeria. With 88.3% of respondents previously switching platforms due to pricing and 75.9% declaring an intent to seek an alternative as soon as a fare feels excessively high, price emerges as the core behavioral determinant of engagement. This high price elasticity of demand is structurally amplified by low switching costs and the immediate price transparency facilitated by mobile applications.

b) Transparency as a Pillar of Engagement

The second insight concerns the role of tariff transparency. While 78% of respondents agree that fares are clearly displayed prior to placing an order, a mere 25% report understanding how the price is calculated, revealing a distinct perceived opacity surrounding dynamic pricing algorithms. This gap between absolute price visibility and low comprehension of its formulation serves as a barrier to sustained engagement, as it generates consumer uncertainty that can foster a sense of unfairness.

c) Promotions as Catalysts for Engagement

The third insight highlights the role of promotional campaigns. Since 69.7% of respondents indicate that promotional offerings influence their platform selection, promotional pricing establishes itself as an exceptionally effective tool for driving customer engagement. Frequent commuters are the most receptive to promotional incentives, confirming a virtuous cycle between financial rewards and consumption frequency.

d) Perceived Competitiveness as a Point of Strategic Vulnerability

Finally, the fourth insight exposes a vulnerability in Heetch's perceived pricing competitiveness. Only 26% of respondents perceive Heetch's prices as more attractive than its competitors (moy. = 2,86/5). This deficit in perceived relative attractiveness—coupled with the fact that comparative competitiveness holds the largest weight in our multiple regression model ($\beta_{\text{compar}} = 0,430$)—represents the primary threat to long-term customer engagement.

3.5.2 Strategic Recommendations for Heetch Algeria

Based on these empirical insights, we formulate the following strategic recommendations:

a) Enhance Algorithmic Transparency

To counter the low comprehension rate of fare calculation mechanisms (25%), Heetch should introduce educational in-app features clarifying the logic behind its dynamic pricing models. An interactive framework such as *"How is my fare calculated?"* would demystify the algorithm and minimize perceptions of customer injustice during high-demand peak pricing hours.

b) Develop Price-Driven Loyalty Frameworks

Given the elevated price sensitivity and the documented role of promotions in user engagement, Heetch should implement a tiered loyalty program that rewards frequent commuters with progressive tariff discounts. This mechanism would tie usage frequency directly to escalating customer value, thereby increasing switching costs and discouraging multi-homing behavior.

c) Adopt a Responsible Surge Pricing Cap Strategy

Since 75.9% of users actively switch to competitors when a fare is deemed too high, Heetch should consider placing restrictive ceilings on surge pricing multiples during peak hours, pairing this cap with transparent communication. This "responsible surge pricing" architecture would structurally differentiate Heetch from its competitors on the basis of price equity and fairness.

d) Personalize Promotional Incentives by Segment

Bivariate insights highlight the utility of cross-sectional promotional tailoring. Heetch should deploy data-driven campaigns: reactivating lapsed or rare users with aggressive discount codes, rewarding weekly riders with consistency bonuses, and securing daily commuters via premium subscription benefits.

e) Correct Perceived Price Competitiveness

With only 16% of respondents utilizing Heetch exclusively and 26% viewing its pricing as superior to competitors, Heetch must aggressively improve its perceived value proposition. This can be accomplished either by adjusting the commission structure levied on drivers to lower baseline fares or by intensifying marketing communication around the global value delivered per ride.

3.5.3 Synthesis of Validated Structural Paths

Following empirical testing, the structural paths hypothesized in the original conceptual model are supported in their entirety. All three dimensions of price perception exert positive, statistically significant net effects on customer engagement, with comparative competitiveness establishing itself as the dominant predictor within the multivariate model ($\beta_{\text{net}} = 0,430$).

Table 27 – Synthesis of Net Effects of Pricing Dimensions on Engagement (Multiple Regression)

Pricing Dimension (VI)	Dependent Variable	β_{net} standardized	R ²	Validation
eco (Economic Accessibility)	Engagement (eng)	0,283	0,921	H1 ✓
trans (Transparency and Fairness)	Engagement (eng)	0,247	0,921	H2 ✓
compar (Comparative Competitiveness)	Engagement (eng)	0,430	0,921	H3 ✓

Source: Data extracted from SPSS software — Compiled by authors (2026).

This third and final section provided empirical validation for the hypotheses formulated in the conceptual framework of this dissertation, utilizing data compiled from a questionnaire administered to 162 respondents. The univariate analysis profiled a predominantly young consumer base (88.3% aged between 18 and 25 years old), characterized by intense price sensitivity and rational multi-homing behaviors within a highly competitive marketplace.

Bivariate testing confirmed the cross-sectional nature of price sensitivity, which manifests independently of gender, while revealing a directional trend between usage frequency and promotional responsiveness. Lastly, the multiple linear regression analysis yielded a highly robust statistical framework — $R^2 = 0,921$ — wherein all three primary dimensions of price perception exert a positive, distinct, and highly significant net effect on global customer engagement, with comparative competitiveness establishing itself as the dominant predictor ($\beta = 0,430$).

Ultimately, these empirical results confirm that price cannot be reduced to a mere transactional variable; rather, it functions as a systemic stimulus that penetrates all dimensions of consumer engagement. For Heetch Algeria, these insights provide an analytical roadmap toward a modernized pricing strategy grounded in algorithmic transparency, enhanced perceived price competitiveness, and segment-specific promotional tailoring—three essential strategic pillars required to transform casual app users into highly engaged and loyal customers.

GENERAL CONCLUSION

This master's dissertation set out to investigate the complex, systemically critical relationship between corporate pricing strategies and customer engagement within the digitally driven ride-hailing sector in Algeria, using Heetch El Djazair as our primary empirical lens. In an industry marked by high information symmetry, extreme tariff transparency, and low switching costs, the traditional paradigms of customer loyalty have faded, replaced by high consumer volatility and persistent multi-homing behaviors. By combining theoretical marketing constructs with modern data-driven platform economics, this study intended to decode how automated algorithmic pricing mechanisms alter consumer perceptions of value and justice, and how these cognitive-emotional states ultimately translate into sustainable behavioral engagement.

The empirical execution of this research, structured through a rigorous mixed-methods approach, yielded crucial operational and statistical insights that directly answered our primary and secondary research questions.

The exploratory qualitative study, conducted via semi-structured interviews with key operational and marketing personnel at Heetch El Djazair, unveiled a highly disciplined, multi-layered internal pricing feedback loop. The platform avoids arbitrary pricing by anchoring its core rates in a linear regression formula factoring in base fares, distance, and duration, which is continuously adjusted via "Surge Multipliers" to balance real-time passenger sessions with driver availability. Operational managers utilize hyper-frequent "Price Checks" (occurring every five minutes across Algiers, Oran, and Constantine) to evaluate their relative "Price Index" against dominant competitors like Yassir and InDrive, using metrics like the Marketplace Success Rate (MSR) and Weekly Recaps to deploy balancing mechanisms such as promotional codes or driver incentives. Crucially, this qualitative phase inductively confirmed that from the consumer perspective, price is not viewed as a monolithic figure, but is evaluated through three key dimensions: comparative competitiveness, economic accessibility, and transparency/fairness.

The subsequent quantitative study, analyzing a convenience sample of 162 Algerian ride-hailing consumers (predominantly aged 18–25), provided definitive statistical validation for the conceptual model. Univariate and bivariate findings highlighted an exceptionally price-sensitive demographic, where 34% of users actively attempt to negotiate or optimize fares, and a clear majority participate in multi-homing.

GENERAL CONCLUSION

To confirm the research hypotheses, a multiple linear regression analysis was executed using SPSS software, yielding an exceptionally robust explanatory framework with a coefficient of determination $R^2 = 0.921$ and a highly significant global test statistic ($F = 612.78$, $p = 0.000$). This indicates that the three dimensions of price perception explain 92.1% of the total variance in customer engagement. The individual hypotheses were validated as follows:

- Hypothesis 1 (Economic Accessibility) was fully confirmed ($\beta = 0.283$, $p = 0.000$). This validates that absolute affordability relative to the consumer's budget directly governs behavioral engagement, directly influencing app opening and repeat trip ordering frequencies.
- Hypothesis 2 (Transparency and Fairness) was fully confirmed as a positive and statistically significant predictor. This underlines that cognitive and emotional engagement depend on price clarity. Post-trip pricing variations due to unexpected traffic friction generate significant customer dissatisfaction, proving that transparent, predictable billing is vital to ensuring a sense of transaction justice.
- Hypothesis 3 (Comparative Competitiveness) was fully confirmed and emerged as the dominant predictor ($\beta = 0.430$, $p = 0.000$). This establishes that relative market positioning is the primary driver of engagement; consumers continuously assess Heetch's fares against alternative apps, making perceived relative value the ultimate factor in retaining users.

Grounded in these empirical findings, a roadmap consisting of three strategic pillars is proposed to enable Heetch El Djazair to transition casual, price-sensitive app users into highly engaged, loyal customers:

1. Optimize Perceived Price Competitiveness via Algorithmic Corridors: Given that comparative competitiveness ($\beta = 0.430$) is the strongest driver of engagement, Heetch must advance its manual "Price Checks" into automated, API-driven competitive tracking systems. The algorithm should be calibrated to maintain fares within a strict "acceptable cognitive corridor" relative to Yassir and InDrive, ensuring the platform remains highly competitive in real time.
2. Implement Algorithmic Transparency and Price Predictability: To eliminate customer friction caused by discrepancies between estimated and final fares, Heetch should provide ex-ante explanation mechanisms within the user interface. Visually breaking down the components of a fare (e.g., traffic surcharges or active surge multipliers)

enhances perceived fairness, turning a potential point of frustration into an accepted guarantee of vehicle availability.

3. **Execute Segment-Specific Promotional Tailoring:** Rather than relying on broad, capital-intensive promotional strategies, Heetch should leverage its CRM data to implement precision discounting. Offering targeted promo codes and off-peak incentives to highly price-sensitive segments (such as students and young adults) optimizes vehicle utilization rates while lowering the customer churn rate.

This study provides a practical contribution by delivering a contextualized, mixed-methods analytical framework that bridges the gap between internal corporate yield management and external consumer psychology within a dynamic North African emerging market.

However, several limitations must be acknowledged. The empirical sample size ($N = 162$) was restricted to a non-probability convenience sample heavily skewed toward young adults (18–25) in major urban centers, which limits the demographic and geographical generalizability of the findings. Furthermore, this dissertation focused exclusively on the passenger side of the ride-hailing ecosystem.

Future research endeavors should address these limitations by expanding the quantitative sample across broader geographic areas and demographic brackets in Algeria. Most importantly, future studies should investigate the driver side of the ecosystem within a unified framework, as driver engagement is equally sensitive to pricing algorithms and represents a critical component for the long-term sustainability of two-sided platform models.

BIBLIOGRAPHY

Bibliography :

1) books

- Belleflamme P. et Peitz M. (2015), *Industrial Organization: Markets and Strategies*, 2e éd., Cambridge University Press, Cambridge.
- Evans D. S. et Schmalensee R. (2016), *Matchmakers: The New Economics of Multisided Platforms*, Harvard Business Review Press, Boston.
- Fleck N. et Quester P. (2017), *Le comportement du consommateur*, 2e éd., Pearson Education, Paris.
- Glaser B. G. et Strauss A. L. (1967), *The Discovery of Grounded Theory: Strategies for Qualitative Research*, Aldine Publishing, Chicago.
- Hlady Rispal M. (2002), *La méthode des cas : application à la recherche en gestion*, De Boeck, Bruxelles.
- Hair J. F., Black W. C., Babin B. J. et Anderson R. E. (2010), *Multivariate Data Analysis*, 7th ed., Pearson Prentice Hall, Upper Saddle River.
- Jacoby J. et Chestnut R. W. (1978), *Brand Loyalty: Measurement and Management*, John Wiley & Sons, New York.
- Kaufmann J.-C. (2011), *L'entretien compréhensif*, Armand Colin, Paris.
- Kotler P. et Keller K. L. (2016), *Marketing Management*, 15e éd., Pearson Education, Harlow.
- Kotler P., Keller K. L. et Manceau D. (2016), *Marketing Management*, 15e éd., Pearson France, Paris.
- Kotler P., Keller K. L., Manceau D. et Hémonnet-Goujot A. (2015), *Marketing Management*, 15e éd., Pearson France, Paris.
- Kvale S. et Brinkmann S. (2009), *InterViews: Learning the Craft of Qualitative Research Interviewing*, 2e éd., Sage Publications, Thousand Oaks.
- Lambin J.-J. et de Moerloose C. (2016), *Marketing stratégique et opérationnel*, Dunod, Paris.
- Lendrevie J. et Lévy J. (2014), *Mercator : Tout le marketing à l'ère du numérique*, 11e éd., Dunod, Paris.
- Lovelock C., Wirtz J. et Lapert D. (2014), *Marketing des services*, Pearson France, Paris.
- Likert R. (1932), « A Technique for the Measurement of Attitudes », *Archives of Psychology*, Vol. 22, N° 140, pp. 1–55.
- Miles M. B., Huberman A. M. et Saldaña J. (2014), *Qualitative Data Analysis: A Methods Sourcebook*, 3e éd., Sage Publications, Thousand Oaks.
- Mucchielli A. (2009), *Dictionnaire des méthodes qualitatives en sciences humaines*, Armand Colin, Paris.
- Nagle T. T. et Müller G. (2017), *The Strategy and Tactics of Pricing: A Guide to Growing More Profitably*, 6e éd., Routledge, New York.
- Oliver R. L. (1997), *Satisfaction: A Behavioral Perspective on the Consumer*, McGraw-Hill, New York.
- Paillé P. et Mucchielli A. (2016), *L'analyse qualitative en sciences humaines et sociales*, Armand Colin, Paris.

- Parker G. G., Van Alstyne M. W. et Choudary S. P. (2016), *Platform Revolution: How Networked Markets Are Transforming the Economy*, W. W. Norton & Company, New York.
- Patton M. Q. (2002), *Qualitative Research and Evaluation Methods*, 3e éd., Sage Publications, Thousand Oaks.
- Porter M. E. (1985), *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, New York.
- Shapiro C. et Varian H. R. (1999), *Information Rules: A Strategic Guide to the Network Economy*, Harvard Business School Press, Boston.
- Simon H., Jacquet F. et Brault F. (2011), *La stratégie de prix : Tout ce qu'il faut savoir pour fixer le bon prix et augmenter vos profits*, Dunod, Paris.
- Srnicek N. (2018), *Platform Capitalism*, Polity Press, Cambridge.
- Sundararajan A. (2016), *The Sharing Economy: The End of Employment and the Rise of Crowd-Based Capitalism*, MIT Press, Cambridge (MA).
- Tirole J. (2016), *Économie du bien commun*, Presses Universitaires de France, Paris.
- Yin R. K. (2009), *Case Study Research: Design and Methods*, 4e éd., Sage Publications, Thousand Oaks.
- Bardin L. (2013), *L'analyse de contenu*, Presses Universitaires de France, Paris.
- Blanchet A. et Gotman A. (2007), *L'enquête et ses méthodes : l'entretien*, Armand Colin, Paris.
- Evrard Y., Pras B. et Roux E. (2009), *Market : Fondements et méthodes des recherches en marketing*, 4e éd., Dunod, Paris.
- Gujarati D. et Porter D. (2009), *Basic Econometrics*, 5th ed., McGraw-Hill, New York.

2) Scientific Articles

- Algesheimer R., Dholakia U. M. et Herrmann A. (2005), « *The Social Influence of Brand Community: Evidence from European Car Clubs* », *Journal of Marketing*, Vol. 69, N° 3, pp. 19–34.
- Bartlett M. S. (1954), « *A Note on the Multiplying Factors for Various Chi-Square Approximations* », *Journal of the Royal Statistical Society, Series B*, Vol. 16, N° 2, pp. 296–298.
- Blattberg R. C. et Deighton J. (1996), « *Manage Marketing by the Customer Equity Test* », *Harvard Business Review*, Vol. 74, N° 4, pp. 136–144.
- Braun V. et Clarke V. (2006), « *Using Thematic Analysis in Psychology* », *Qualitative Research in Psychology*, Vol. 3, N° 2, pp. 77–101.
- Brodie R. J., Hollebeek L. D., Jurić B. et Ilić A. (2011), « *Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research* », *Journal of Service Research*, Vol. 14, N° 3, pp. 252–271.
- Buell R. W., Kim T. et Tsay C.-J. (2017), « *Creating Reciprocal Value Through Operational Transparency* », *Management Science*, Vol. 63, N° 6, pp. 1673–1695.
- Cronbach L. J. (1951), « *Coefficient Alpha and the Internal Structure of Tests* », *Psychometrika*, Vol. 16, N° 3, pp. 297–334.
- Durbin J. et Watson G. S. (1951), « *Testing for Serial Correlation in Least Squares Regression* », *Biometrika*, Vol. 38, N° 1–2, pp. 159–177.

- Ert E., Fleischer A. et Magen N. (2016), « *Trust and Reputation in the Sharing Economy: The Role of Personal Photos in Airbnb* », *Tourism Management*, Vol. 55, pp. 62–73.
- Estelami H. et De Maeyer P. (2004), « *Product Category Determinants of Price Knowledge for Durable Consumer Goods* », *Journal of the Academy of Marketing Science*, Vol. 32, N° 2, pp. 221–235.
- Hennig-Thurau T., Malhotra E. C., Frieger C., Gensler S., Lobschat L., Rangaswamy A. et Skiera B. (2010), « *The Impact of New Media on Customer Relationships* », *Journal of Service Research*, Vol. 13, N° 3, pp. 311–330.
- Hollebeek L. D. (2011), « *Demystifying Customer Brand Engagement: Exploring the Loyalty Nexus* », *Journal of Marketing Management*, Vol. 27, N° 7–8, pp. 785–807.
- Kahneman D., Knetsch J. L. et Thaler R. H. (1986), « *Fairness as a Constraint on Profit Seeking: Entitlements in the Market* », *The American Economic Review*, Vol. 76, N° 4, pp. 728–741.
- Kaiser H. F. (1974), « *An Index of Factorial Simplicity* », *Psychometrika*, Vol. 39, N° 1, pp. 31–36.
- Kumar V. et Pansari A. (2016), « *Competitive Advantage through Engagement* », *Journal of Marketing Research*, Vol. 53, N° 4, pp. 497–514.
- Morgan R. M. et Hunt S. D. (1994), « *The Commitment-Trust Theory of Relationship Marketing* », *Journal of Marketing*, Vol. 58, N° 3, pp. 20–38.
- Oliver R. L. (1980), « *A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions* », *Journal of Marketing Research*, Vol. 17, N° 4, pp. 460–469.
- Parasuraman A., Zeithaml V. A. et Berry L. L. (1988), « *SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality* », *Journal of Retailing*, Vol. 64, N° 1, pp. 12–40.
- Pearson K. (1900), « *On the Criterion that a Given System of Deviations from the Probable in the Case of a Correlated System of Variables is Such that it Can Reasonably be Supposed to have Arisen from Random Sampling* », *Philosophical Magazine*, Vol. 50, N° 302, pp. 157–175.
- Reichheld F. F. (2003), « *The One Number You Need to Grow* », *Harvard Business Review*, Vol. 81, N° 12, pp. 46–54.
- Sashi C. M. (2012), « *Customer Engagement, Buyer-Seller Relationships, and Social Media* », *Management Decision*, Vol. 50, N° 2, pp. 253–272.
- Van Doorn J., Lemon K. N., Mittal V., Nass S., Pick D., Pirner P. et Verhoef P. C. (2010), « *Customer Engagement Behavior: Theoretical Foundations and Research Directions* », *Journal of Service Research*, Vol. 13, N° 3, pp. 253–266.
- Varian H. R. (1989), « *Price Discrimination* » [dans] Schmalensee R. et Willig R. (dir.), *Handbook of Industrial Organization*, Vol. 1, pp. 597–654, North-Holland, Amsterdam.
- Verhoef P. C., Reinartz W. J. et Krafft M. (2010), « *Customer Engagement as a New Perspective in Customer Management* », *Journal of Service Research*, Vol. 13, N° 3, pp. 247–252.
- Vargo S. L. et Lusch R. F. (2004), « *Evolving to a New Dominant Logic for Marketing* », *Journal of Marketing*, Vol. 68, N° 1, pp. 1–17.
- Vivek S. D., Beatty S. E. et Morgan R. M. (2012), « *Customer Engagement: Exploring Customer Relationships Beyond Purchase* », *Journal of Marketing Theory and Practice*, Vol. 20, N° 2, pp. 122–146.

- Zeithaml V. A. (1988), « *Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence* », *Journal of Marketing*, Vol. 52, N° 3, pp. 2–22.
- Zeithaml V. A., Berry L. L. et Parasuraman A. (1996), « *The Behavioral Consequences of Service Quality* », *Journal of Marketing*, Vol. 60, N° 2, pp. 31–46.

3) University Theses

- Simkus J. (2025), *Convenience Sampling: Definition, Method and Examples*, Simply Psychology. Available at: <https://www.simplypsychology.org/convenience-sampling.html> [last consulted: May 2026].

4) Websites

- Heetch Algeria — Official website: <https://www.heetch.com/dz-fr> [last consulted: May 2026].

5) Miscellaneous

- Heetch El Djazair (2025–2026), *Internal operational documents: Price Check protocols, Weekly Recap reports, Marketplace Success Rate dashboards*. Unpublished internal documents consulted during field research at Heetch Algeria headquarters, Hussein Dey, Algiers.

APPENDICES

Appendix 01: survey

Title of the study:

Role of pricing strategy in customer's engagement

Introduction:

Ce questionnaire s'inscrit dans le cadre d'un mémoire de fin d'études portant sur le rôle de la stratégie de prix de Heetch sur l'engagement des clients.

Vos réponses sont anonymes et seront utilisées uniquement à des fins académiques.

Merci de répondre avec sincérité.

هذا الاستبيان جزء من أطروحة التخرج حول تأثير استراتيجية التسعير لشركة هيتش على تفاعل العملاء. إجاباتكم سرية وستستخدم لأغراض أكاديمية فقط. يرجى الإجابة بصدق.

Section 1: Demographic Information

What is your age range?

- ☐ Under 18
- ☐ 18-25
- ☐ 26-35
- ☐ 36-45
- ☐ Over 45

Your gender

- ☐ Male
- ☐ Female

How often do you use Heetch?

- ☐ Daily
- ☐ Weekly
- ☐ Monthly
- ☐ Rarely

Quelle plateforme utilisez-vous le plus ?

- ☐ Heetch
- ☐ Yassir
- ☐ InDrive
- ☐ Autre

Section 2 : Price Perception :

(Rate each statement from 1 to 5: 1 = Strongly Disagree, 5 = Strongly Agree)

a) Price Affordability (Perceived Value for Money

1. Heetch's prices are generally affordable .
2. I can use this application without any financial constraints.
3. I find the prices to be fair relative to the service provided.

b) Price Transparency

4. The price is clear and visible before confirming the order.
5. I understand how the final price of the ride is calculated.

c) Price Competitiveness

6. I regularly compare Heetch's prices with other VTC applications.
7. Heetch's prices are more attractive than those of its competitors.
8. I specifically chose Heetch because of its competitive pricing.

d) Price Sensitivity and Promotion Influence

9. I am likely to give up on a ride if I find the price too high.

Section 3 : comportement face aux prix :

10. Si le prix est élevé vous :

- Continuez quand même
- Cherchez une autre application
- Annulez la course

11. Les promotions influencent –elles votre choix ?

- Beaucoup
- Moyen
- Peu
- Pas du tout

12. Avez-vous déjà changé de plateforme à cause du prix ?

- Oui
- Non

Section 4: engagement client

(Rate each statement from 1 to 5: 1 = Strongly Disagree, 5 = Strongly Agree)

a) Behavioral Engagement

12. I use the Heetch application regularly.

13. I often choose this application for my daily commutes.

b) Affective Engagement (Satisfaction & Preference)

14. I am generally satisfied with the experience offered by Heetch.

15. I prefer using Heetch over other available VTC platforms.

c) Loyalty and Advocacy (Recommendation Intention)

16. I intend to continue using Heetch for my future travels.
17. I will prioritize this application for my upcoming transportation needs.
18. I recommend Heetch to my friends and family.
19. I speak positively about Heetch to my entourage.
21. Je continue a utiliser une application si ses prix sont stables
22. Un prix bas me pousse à utiliser plus souvent Heetch
23. Les prix influence ma fidelity

Appendix 02:

Interview Guide:

Axis 1: Competitor Monitoring and Market Position

- **Question 1:** How does your department monitor the prices of main competitors like Yassir and InDrive?

Probes: How often do you check their prices? Which cities (Algiers, Oran, Constantine) do you focus on, and does this change during specific seasons like Ramadan?

- **Question 2:** How do you calculate and use the corporate "Price Index"?

Probes: How do you share these price gaps with senior management in Algeria and France? What do you do when a major price difference is detected?

Axis 2: Price Calculation and Dynamic Surges

- **Question 3:** What are the main factors used by the Heetch algorithm to calculate the estimated ride fare for a customer?

Probes: How do distance, real-time traffic jams, and supply/demand levels affect the price calculation?

- **Question 4:** How does the app trigger price increases (Surge Pricing) during busy hours?

Probes: How do you balance keeping drivers happy (so they accept rides) with keeping prices low enough for passengers? How do you adapt knowing that 34% of passengers try to lower their price proposals?

Axis 3: Customer Care, Price Fairness, and Marketing Promotions

- **Question 5:** Based on customer service data, what are the most common complaints regarding ride fares?

Probes: How do customers react when the final price is higher than the initial estimated price because of traffic? How does the Algerian consumer balance high price sensitivity with high service quality expectations?

- **Question 6:** What tools do you use in your marketing and CRM campaigns to keep customers loyal to the platform?

Probes: How effective are promotional codes and discounts when users start downloading or using competitor apps (multihoming)?

Verbatim:

Participant 1: Mrs. Sofia (Operation officer-business analyst)

"We monitor the competition very strictly. Our data analysis team runs permanent manual and automated price checks across the three main metropolitan regions: Algiers, Oran, and Constantine. Agents perform these checks every 5 minutes during our primary shift coverage from 09:00 to 22:00. This schedule is dynamic; for instance, we extend our surveillance hours during specific seasons like Ramadan to capture late-night demand peaks and adapt to shifts in urban mobility."

"We calculate a relative Price Index using a specific formula: we subtract Heetch's price from the competitor's price and divide the result by Heetch's price. This indicator allows us to calculate standard deviations and find price medians in real time. We compile all of this operational intelligence into a Weekly Recap sent directly to senior executive management in both Algeria and France to flag user churn risk zones. Furthermore, I generate the exact baseline lists of pickup and drop-off spots and coordinates, which I pass directly to Madina so she can execute her target 'veille concurrentielle' and live 'price checks' to maintain our corridor of cognitive acceptability."

Example of the weekly recap we worked on :

We fulfilled **76k orders (+2% Week over Week)**.

We're seeing the same trend as the previous week with less demand coming from the top of the funnel and a better conversion from drivers despite having slightly lower volumes of online drivers.

WHY?

Demand

- We are still losing in demand with 119k (-3.6% WoW) mainly in both morning and evening peak hours while the rest of the day we're in the same levels
- The requesters also decreased by 2.8% (81k) as we had a slightly higher PR (60% → +0.2%)
- Our conversion is still doing better than the previous weeks as we're fulfilling more orders despite having less demand

Supply

- We had 25k online drivers (-1.6% WoW) a decrease compared to the previous week but overall we're in the same level as the weeks before
- On the behavior side the bid engagement rate increased by 2 points reaching 77% , followed by a higher selection rate 76% (+1.5 points WoW), the combination of both led to 2.6 points more in MSR (57%).

Price

- Our average estimated price was 630 da (-2% WoW) and surged 2% less than last week.
- Our order price 545 da (-1% WoW) and surged the same as last week 11% , 34% of the passengers did an underbid (+1 point WoW) while 56% chose the recommended price (-1.6 points WoW) while the 9% left chose a higher price.
- On the driver side the bid price is 8% higher than the requester meaning that drivers are asking for high prices on 58% of the orders despite that Our final price was 515 da (-2% WoW) due to passenger selection.

Competition

- In algiers 22% cheaper than Yassir and 2% more expensive than Indrive
- In oran we're 8% cheaper than Indrive and 5% more expensive than Yassir
- In constantine we were 13% cheaper than Yassir and 12% more expensive than Indrive

Actions

- Deep dive on passenger churn.
- The new horometry is finally set in other cities so we will monitor the impact.
- Keep the same prices for main marketplaces to avoid losing drivers.
- Continue matching analysis along with the care team with more tests to confirm the matching issues.
- Re-arrange price checks to be more significative despite the low number of tests due to less agents.

Participant 2: Mrs. Madina (Competitor Monitoring Specialist)

"The baseline calculation relies on a precise live system. The Heetch algorithm simultaneously processes distance, real-time urban traffic congestion, and the live ratio between available drivers (Supply) and active passengers placing ride requests (Demand). The mathematical goal of this optimization is to continuously secure the highest possible Marketplace Success Rate (MSR)."

"When demand significantly saturates driver supply, the algorithm automatically triggers dynamic increases, often resulting in markups of 11% or more. This is an operational balancing act. To run this efficiently, I rely directly on the specific lists of pickup and drop-off spots provided by Sofia. This allows me to perform our focused 'veille concurrentielle' and immediate price checks on the field. If our prices are set too low, we lose the drivers' engagement, and they reject ride offers, which drops our Bid Engagement Rate. On the other hand, if surge prices rise too aggressively, passengers switch to competitor apps—a behavior called multihoming. Our market data shows that 34% of passengers actively perform underbids to lower fares, illustrating an extremely sharp price sensitivity that we must constantly manage."

Participant 3: Mrs. Faiza (Care officer-care specialist)

"The most common and critical complaint comes from a lack of understanding regarding the difference between the upfront estimated price and the final fare paid at the end of a trip. This happens when severe, prolonged traffic jams extend the ride duration. Our logs show that the Algerian consumer has a dual expectation: they are highly price-sensitive, but if they accept and pay our recommended tariff, they have zero tolerance for service deficiencies. They demand absolute quality in driver courtesy, car cleanliness, and safety."

Participant 4: Mr. Rayane (CRM Marketing Expert)

"We focus heavily on personalizing our CRM campaigns at the bottom of the conversion funnel. Because multihoming is massive in Algeria—meaning users open Heetch, Yassir, and InDrive at the same time—we must react quickly. Our weekly metrics prove that when Heetch positions its tariffs to be 22% cheaper than Yassir in Algiers, our completed order volumes jump immediately. To maintain this activity during drops in user volume, we inject targeted promotional codes and seasonal discounts. However, we know that loyalty built only on low prices is highly volatile, so we use these discounts as short-term triggers while working to improve overall service value."

TABLE OF CONTENT

TABLE OF CONTENT

Summary

Dedications

Acknowledgements

List of Figures

List of Tables

List of Abbreviations

Abstract / Résumé / ملخص

GENERAL INTRODUCTION 1

**CHAPTER ONE: PRICING STRATEGY AND CUSTOMER'S ENGAGEMENT:
CONCEPTUAL FOUNDATIONS..... 7**

Section 1: Price and Price Strategy 8

- 1.1. Definition and Role of Price.....8
- 1.2. The Evolution of Price toward Dynamic Pricing10
- 1.3. The Dual Role of Price.....11
 - 1.3.1. An Economic Role11
 - 1.3.2. A Psychological Role: Influencing Value Perception12
- 1.4. The Objectives of the Pricing Strategy.....13
 - 1.4.1. Financial Objectives13
 - 1.4.2. Commercial Objectives14
 - 1.4.3. Strategic Objectives.....14
- 1.5. Pricing Methods15
 - 1.5.1. Cost-Based Pricing (Cost-Plus Pricing)15
 - 1.5.2. Demand-Based Pricing (Value-Based Pricing)15
 - 1.5.3. Competition-Based Pricing16
- 1.6. Pricing Strategies.....16
 - 1.6.1. Penetration Strategy16
 - 1.6.2. Skimming Strategy17
 - 1.6.3. Alignment Strategy17
 - 1.6.4. Dynamic Pricing.....17
 - 1.6.5. Promotional Pricing.....18
 - 1.6.6. Psychological Pricing.....18
- 1.7. Competitive Advantage through Price19
- 1.8. Specificities of the Ride-Hailing Market.....20
- 1.9. Pricing in Ride-Hailing Platforms21
 - 1.9.1. The Ambivalence of Dynamic Pricing (Surge Pricing)22
- 1.10. The Role of Price in Consumer Behaviour23

Section 2: Customer Engagement 17

- 2.1. Definition and Conceptual Foundations of Customer Engagement17
- 2.2. The Constituent Dimensions of Customer Engagement19
 - 2.2.1. The Behavioural Dimension.....19

TABLE OF CONTENT

2.2.2. The Emotional Dimension.....	20
2.2.3. The Cognitive Dimension	21
2.3. Determinants of Customer Engagement.....	22
2.3.1. Perceived Service Quality	22
2.3.2. Customer Satisfaction	23
2.3.3. Trust	23
2.3.4. The Role of Price in the Engagement Process.....	24
2.4. Customer Engagement in the Digital Context.....	24
2.4.1. Interaction Mediated by Mobile Applications.....	25
2.4.2. Instant Feedback and Value Co-Creation.....	25
2.4.3. Instant Comparison and the Volatility of Engagement	26
2.4.4. Low Switching Costs	26
2.5. Methodologies for Measuring Customer Engagement.....	26
2.5.1. Measuring the Behavioral Dimension	27
2.5.2. Measuring the Emotional Dimension.....	27
2.5.3. Measuring the Cognitive Dimension.....	27
2.6. Customer Engagement as a Driver of Organizational Performance.....	28
Section 3: The Relationship between Pricing Strategy and Customer Engagement	28
3.1. The Role of Price in Shaping Customer Engagement	28
3.2. The Role of Pricing on Cognitive Engagement.....	30
3.3. The Role of Pricing on Emotional Engagement.....	32
3.4. The Role of Pricing in Behavioral Engagement.....	33
3.5. Conceptual Model of the Pricing–Engagement Relationship	34
3.6. Review of Empirical Studies on the Pricing–Engagement Relationship	36
Section Conclusion	37
 CHAPTER TWO: EMPIRICAL STUDY 'CASE OF HEETCH EL DJAZAIR'	 38
Section 1: Presentation of the Host Organization	39
1.1. Company Overview.....	39
1.1.1. Contextual Background: The Digital Transformation of Urban Mobility	39
1.1.2. Origins and Evolution of Heetch.....	39
1.1.3. Mission, Vision, and Corporate Values.....	40
1.1.4. Legal Structure and Registered Offices.....	40
1.1.5. Core Values	41
1.1.6. Service Offer and Operational Framework	41
1.1.7. International Expansion Strategy.....	44
1.1.8. Establishment in Algeria and Local Market Adaptation	44
1.2. Competitive Positioning and Customer relations	45
1.2.1. Competitive Positioning in the Algerian Market.....	45
1.2.2. Customer Relationship Management	45
1.3. Research Methodology.....	47
1.3.1. Methodology of the Qualitative Study	47
1.3.2. Quantitative Study Methodology	51
1.3.3. Measurement Instruments Used	53

TABLE OF CONTENT

Section 2: Exploratory Qualitative Study and Quantitative Study	57
2.1. Qualitative Study	57
2.1.1. Qualitative Study Process.....	57
2.1.2. Descriptive Analysis of the Verbatim	58
2.1.3. Thematic Analysis of the Verbatim.....	60
2.1.4. Methodology Synthesis	62
2.2. Quantitative Study.....	64
2.2.1. Descriptive Statistics (Univariate Analysis) and Bivariate Analysis.....	64
2.2.2. Bivariate Analysis (Cross-Tabulation)	72
 Section 3: Multiple Regression and Recommendations	 75
3.1. Reliability Analysis	75
3.1.1. Validity and Reliability of Measurement Scales	75
3.2. Factor Analysis.....	76
3.3. Preconditions for Multiple Regression.....	77
3.4. Results of the Multiple Linear Regression	78
3.4.1. Verification of Multicollinearity (VIF).....	78
3.4.2. Global Quality of the Multiple Regression Model	79
3.4.3. Partial Regression Coefficients — Testing Hypotheses H1, H2, and H3	79
3.4.4. Synthesis of Hypothesis Evaluation	81
3.5. Key Insights and Strategic Recommendations	82
3.5.1. Insights from the Quantitative Analysis	82
3.5.2. Strategic Recommendations for Heetch Algeria	83
3.5.3. Synthesis of Validated Structural Paths	84
 GENERAL CONCLUSION	 85
BIBLIOGRAPHY	89
APPENDICES.....	94