
Editorial: Convergence of technology and pricing for competitive advantage

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Increasing globalisation and competitiveness in the retail environment is thrusting retail firms to reach high levels of consistent experimentation of new technology in store management, product information and customer services. Technology management is converged with retail applications to test new ideas and implement the most successful ones. However, human behaviour is particularly important in the retail setting, where projects are generally focused on testing new concepts, increasing collaboration and implementing new technologies (Thomas et al., 2008). Global marketplace is being continuously explored by the firms to gain competitive advantage. Increasing role of technology in improving the business growth of firms and delivering customer value has been evidenced in the globalisation spree. Manufacturing has been designed to economies of scale by most firms, which not only reduced the cost of technology but also benefited the end-users of products and services with low prices and higher value for money. The web-based technologies have created opportunities for enhanced pricing strategies and the consequences of these pricing strategies have laid important implications on business growth and consumer behaviour (Dixit et al., 2005). Internet is continuously lowering online prices, decreasing price dispersion and increasing online customer price sensitivity. Firms could avoid the 'commodity trap' and take advantage of the 'other side' of information transparency by developing online pricing policies. It has been observed that firms are increasingly relying on finer segmentation of their customers through dynamic and smart pricing, building product, price and value convergence, and price-bundling strategies (Ancarani, 2002).

Some studies indicate that retailers engage in reacting fiercely to competitive price changes or ignore them altogether and thrust on non-price factors like quality and services. However, firms make a concerted effort to determine and quantify competitive effects. Some of the areas that show high competitive dynamics in the online setting include fashion goods, innovative products and premium brands with respect to pricing. Other opportunities include understanding the pricing and competitive effects in the perishable goods category sold in specialty, discount and convenience stores (Kopalle et al., 2009). Another study reveals that Small and Medium Enterprises (SMEs) claiming to pursue product innovation have shown better performance in terms of business growth and sales. SMEs with higher levels of product innovation rated the expansion of research and development efforts, incremental innovation, new product development and cost-based pricing as important factors for their business growth with competitive advantage (Bagchi-Sen, 2001).

This issue of the journal presents six papers, two each on the theme of technology, pricing and competitive advantage for business growth in firms. In the first paper, Latusi and Raimondi argue that differential pricing strategy within brands across competing stores influence the consumer perceptions on price. This study also deliberates on the temporal issues of information dissemination on pricing towards determining the attributes of consumers' behaviour. The market competition also stimulates firms in developing the differential pricing strategy for gaining short-term competitive advantage. Differential quality of products and services will also force differential pricing (e.g., Fishburn and Odlyzko, 2000). In the following paper, Luceri builds the study around hypothesis that consumers generally do not know product prices. The author argues that pricing policy may be considered effective only when targeted at selected items and supplemented with appropriate communication. Certainly, this study steers issues on what consumers know about the relative price levels, which is an important research area, and demand future investigation towards the determinants of price knowledge (Magi and Julander, 2005).

After the success of globalisation effect in developing countries, actions to incorporate Information and Communication Technology (ICT) into economic policies and development agendas have been continuously observed. Many countries are preparing and implementing national e-strategies that emphasise the ubiquity of connectivity as well as new applications in areas like e-business. ICT has become the key driver for socio-economic development in recent years (Kuppusamy and Santhapparaj, 2005). Ibarra-Yunez, Castaño and Perez-Monjarás investigate how consumers decide to adopt and buy packaged mobile data services as the technology spreads out in middle-income emerging economies, such as Mexico. Their study contributes to understand direct and indirect variables that influence consumer adoption of various data services from the consumer non-work perspectives in reference to entertainment, information, communications and commercial transactions. Further on the related issue, Rajagopal and Rajagopal draw conceptual discussion on banking services based on self-service technologies. The authors analyse the main criteria for successful internet-banking strategy and bring out benefits of e-banking from the point of view of banks. The technology, customer values and increasing returns to scale in the banking services have been discussed in their study in reference to enhancing customer value for competitive advantage.

The next two papers in this issue of the journal highlight the discussion on competitive advantage. Ortiz, Castillo, Alfaro, Tapia and Rajagopal discuss how China's admission into the World Trade Organization (WTO) has affected the Mexican Textile Industry. The authors present various arguments about foreign direct investment, tariffs and business environment for the foreign companies in Mexico. In the final paper of this issue, Ahmad, Abdul Rani and Mohd Kassim argue that SMEs play a particularly significant role in both the developed and the developing economies, because of their number and the large share of the workforce involvement. The authors investigate the key business challenges, developing operational strategies in SMEs and reasons for their failure.

The purpose of this issue is to present contemporary thinking on business growth and competition in reference to the factors that affect firms in the marketing realm. The papers included in this issue are of conceptual and empirical in nature that not only provide managerial implications but also motivate future research. We hope that the collection of these papers would contribute to the existing literature and the papers published in this issue demonstrate that the research in business growth and competition has diversified scholarship on the subject. We invite the whole academic community to work on relevant research problems pertaining to business growth and market competition. Working together on relevant issues and making a difference in the managerial practice would be the next course of action for us.

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