

Potentials and Influencing Factors of Dynamic Pricing in Business: Empirical Insights of European Experts

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Abstract : With a continuously increasing speed of information exchange on the World Wide Web, retailers in the E-Commerce sector are faced with immense possibilities regarding different online purchase processes like dynamic price settings. By use of Dynamic Pricing, retailers are able to set short time price changes in order to optimize producer surplus. The empirical research illustrates the basics of Dynamic Pricing and identifies six influencing factors of Dynamic Pricing. The results of a structural equation modeling approach show five main drivers increasing the potential of dynamic price settings in the E-Commerce. Influencing factors are the knowledge of customers' individual willingness to pay, rising sales, the possibility of customization, the data volume and the information about competitors' pricing strategy.

Keywords : e-commerce, empirical research, experts, dynamic pricing (DP), influencing factors, potentials

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