**ECONOMICS FROM A BUSINESS PERSPECTIVE**

# PATH 2: Analyse an Academic Article

# Chosen academic article- Price convergence in the UK supermarket chains

## Summary for “Price convergence in the UK supermarket chains”

Firm behaviours are developed and changed according to the competition and practices that are faced by them in the industrial market. The business decisions may change along with the development and implication of policies with the more decisions that are faced by the business companies. An academic article has been chosen for summarizing and analyzing the concept of firm behaviours developed by real-life applications of the different business strategies for grabbing opportunities of gaining competitive advantage. The total policies, strategies, pricing as well as other decisions in business companies are helped by business economics. All these are analysed for fundamental business decisions. The academic article observed that the UK grocery stores and supermarket chains are focusing on public concerns along with factors that can impact customer expectations as well as the satisfaction level of customers.

The retail supermarket chains, as well as the food supermarket chains in the UK, have implicated business economics and market research for analysis of the customer expectations, development of the strategies and improving business decisions (Woo, 2018). The price convergence in the UK retail and supermarket chains have been analyzed in this academic article for understanding the competitive and pricing policies that are applied by supermarket chains. It has been analyzed that competition policies are applied with strategies based on competitive and potential entrants in the industry. Retail companies like Sainsbury's and Farmfoods are evolving their strategies and adapting to the market competition with strategies and tactics of marketing. The pricing strategies of UK supermarket chains like ASDA, Morrisons as well as other companies have been analyzed in this article through rank tests for analysis. It has been explored by the researcher that the price convergence in the UK supermarket has been done after analyzing the market tactics and customer expectations (Woo, 2018).

The article emphasised the fact that business economics such as a policy of lowering the price rates are effective in benefits in the long-term gains. The significance of pricing strategies is focussed on the long-term gains of the UK grocery stores and supermarket chains in the maintenance of their customer base with improved customer expectations and satisfaction. The lives and the livelihoods of individuals of all income groups are impacted by the pricing strategies of the UK grocery and food supermarket chains. The exercising of market power in the UK supermarket chains have been exhibited along with strategies related to supply chain management with policies related to competition and supply chain. The supermarket price convergence has been found out in this article through the use of non-linear cointegration analysis for detecting whether pricing strategies and competitions between the supermarket chains are evident in the UK retail industry (Woo, 2018). The supermarket chains that have been analyzed that the retailer prices are characterized through price reaction functions.

## Own knowledge about “How firm behaviour is informed by economic principles and public policy in real-life applications”

The business decisions and strategies in the business model are developed on the basis of the competition that has been faced by them in the industrial market. Major applications of the business economy have been done in the case of strategy development and decisions in Farmfoods. It has been analysed through the annual reports of the food supermarket chain that the application of business economics have affected their decision making princess that developed their chances of grabbing opportunities (Valaskova, Kliestikova & Krizanova, 2018). The total budget and financial management in the company are maintained through fundamental decisions related to sustainability in the supply chain and in the pricing systems as well. The principles of economics are applied by the UK supermarket chains like Farmfoods and Sainsbury's that improved the livelihood of the customers. The market factors and principles of economics are considered for the development of strategies that can address the issues of the customers and the important stakeholders.

The pricing strategies, supply chain management as well as price convergence are the major factors that are considered for developing firm behaviours. The firm behaviour of price convergence and strategies of pricing in Farmfoods are based on thinking marginal changes and responding to incentives. The firm's behaviour responds well to the economic principles and policies through stages based on supply chain management techniques, cost management and piercing stories of the companies. It has been explored that Farmfoods in the UK enjoys strong growth in the economic downturn of the UK by frozen food retailers (Hamilton, Liaukonyte & Richards, 2020). The cost of frozen food is low due to the cheaper transport and low maintenance costs. The storing capabilities of the frozen food in Farmfoods are fresh and the company keeps their prices low.

The firm behaviour of Farmfood has responded to the economic principles and policies with strategies and tactics that are effective for gaining the company positive brand image and competitive advantage. The majority of companies are trying to set their ranges with improved product lines and prices that can satisfy the customer expectations with the best solutions to the challenges and issues that are faced by them in the consumer market. The business companies including small and big business groups are focused on the fact that maintenance of the supply chain along with pricing strategies are required to be sustained as part of firm behaviour for the appropriate response to the economic principles and public policies (Jullien & Sand-Zantman, 2021). The delivery and other business operations of Farmfoods, as well as other business companies in the supermarket chain, are to be of great value, stakeholder friendly and simple with improved focus on supply and demand equilibrium, elasticity, best responses, rational decision making, market dynamics, pricing strategies, externalities, market dynamics and competition law and more. The best strategies and techniques are applied for the sustainability in supply chain and pricing with the application of customer service policies and competition policies in the company actions and practices. The best values are delivered to the customers through proper response to the economic principles & policies by the organizations.

# References

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