

# Dynamic pricing in clothing retail: Lived experiences from Barangay New Pandan, Panabo City retailers for business education

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## Abstract

The purpose of this study is to investigate the lived experiences of clothing retailers in Barangay New Pandan, Panabo City, who have implemented dynamic pricing, with an emphasis on the educational insights and practical knowledge gained from their experiences. Using a qualitative research design, nine retailers were interviewed in depth to collect comprehensive data, which was then thematically analyzed. The findings reveal several critical insights relevant to business education, including strategies for facilitating sales growth, pricing management during high-demand scenarios, and understanding seasonal demand trends. The study also identifies challenges that retailers face, such as pricing based on demand trends, mismatches between supply and market demand, and the risk of getting into a price war. The study focuses on retailers' coping strategies, such as building bridges (positive supplier relationships), demand projection on dynamic pricing, and seizing opportunities (capitalizing on peak demand). These insights help to connect theory and practice by guiding educational programs that prepare future retailers for dynamic pricing challenges.

**Keywords:** dynamic pricing, clothing retail, lived experiences, business education

## **Dynamic pricing in clothing retail: Lived experiences from Barangay New Pandan, Panabo City retailers for business education**

### **1. Introduction**

The textile and apparel industry, having possibly been one of the first industries to be completely globalized, faces increasing challenges in terms of sustaining its preeminent role in the world's economy. The new intensified competition and shifting market dynamics have disrupted the old pricing arrangements and created a lot of uncertainty as to how businesses should operate under the new normal. Slow demand growth in the wealthiest countries, on the other hand, is crammed with rising incomes and wages in developing regions, making the world landscape very complicated and dynamic for it. Dynamic pricing could be a potential answer to such a challenge for companies to adapt to demand changes and stay competitive in a fast-evolving market (Gonda et al., 2020). In addition, clothes and fashion accessories are like perishable goods; their value depreciates with time. However, this makes optimizing pricing mechanisms for such products difficult. Their speedy depreciation and perishability necessitate that the firms make more precise pricing decisions. Studies related to perishable inventory management and dynamic pricing can aid in addressing and solving related problems and improve pricing strategies to counteract market requirements (Lu & Yan, 2024).

The clothing industry is fiercely competitive, engaging in price wars and increasingly stamped with new low-cost retailers. These conflicting phenomena highlight the necessity of understanding how traditional clothing stores adapt and remain relevant. This research considers the potential of dynamic pricing—changing prices according to various factors, such as seasonality, competitor pricing, and the demand generated by customers—as one of the survival strategies. It will attempt to demonstrate the effectiveness of this dynamic pricing strategy concerning a particular competitive landscape. In this way, it intends to offer useful insight and contribute to developing strategies that, finally, will be worth the investment for a clothing retailer's survival and success in an increasingly contested marketplace.

In connection, both national and international literature have investigated how fashion and apparel retailers devise pricing strategies. There are few qualitative studies in the Philippines that look at how local clothing retailers use dynamic pricing in competitive environments, particularly in smaller cities and barangays. The study by Sahay (2020) uses a random probability model to help fashion retailers improve their pricing and production strategies when facing unpredictable demand and quick drops in product value. Furthermore, works by Lu and Yan (2024) focus on improving inventory management and profitability in the fashion industry to navigate uncertainties and optimize their operations through dynamic pricing and inventory management strategies. The existing literature discusses how clothing business owners can optimize pricing and production strategies to maximize profits amidst uncertain demand and rapid product devaluation, particularly in the fashion industry.

However, a significant gap remains in understanding the actual pricing behavior and decision-making of small clothing retailers in local communities. This study seeks to address this gap by exploring the lived experiences of clothing retailers in Barangay New Pandan, Panabo City, who engage in dynamic pricing. It explores the practical realities that retailers face and how they implement pricing changes based on customer behavior, seasonality, and market trends. Despite the presence of many retailers in the area, research on the practical applications and effects of dynamic pricing remains limited. What is new with this study is its focus on the local and experiential level—an area underexplored in the Philippine context. Given the increasing competition and the necessity for adaptive pricing strategies, this study is time-sensitive and relevant in providing empirical insights that can help retailers enhance their competitiveness and sustainability in a rapidly changing market environment. Moreover, the lessons drawn from the experiences of these retailers aim to inform and enrich business education, particularly in entrepreneurship and retail strategy courses, by providing

real-world examples that are locally grounded and relevant to students. Prior to conducting the interviews, informed consent was obtained from all participants to ensure ethical standards were upheld throughout the research process.

## 2. Method

**Study Participants** - Research participants, also called a human subject or an experiment, are trial study participants in human subject research by being the target of investigation by researchers. Respondents are individuals who have accepted an invitation to participate in a specific study and play a crucial role in it. Our topic is concerned with clothing retailers who have lived experiences with dynamic pricing strategy in Barangay New Pandan, Panabo City. We have nine (9) participants for the in-depth interview (IDI).

**Sampling Technique** - Participants were selected using a total enumeration sampling method. Total enumeration sampling means that every single person in the group being studied is included in the sample, which ensures that the research results are completely accurate and reliable. Additionally, it involves selecting every member of the population for the sample, which enables researchers to generalize findings to the entire population with absolute confidence, eliminating sampling error and bias, and providing a complete understanding of the phenomenon under investigation (Kothari 2019).

**Inclusion, Exclusion and Withdrawal Criteria** - The inclusion criteria include (1) participants are sellers operating in the locality of Barangay New Pandan, Panabo City; (2) participants must be willing and able to complete the survey and provide informed consent to participate in the study; and (3) participants must represent businesses or establishments that have been in continuous operation for at least one year within Barangay New Pandan, Panabo City. For the exclusion criteria, these include (1) clothing retailers who do not have businesses located within Barangay New Pandan, Panabo City, are excluded, as the study focuses specifically on this area; (2) participants below the age of 18 are excluded to ensure that participants are legal adults capable of making independent purchasing decisions. Before participating, individuals were provided with an informed consent form detailing the purpose of the study. This form outlined their rights, including the ability to decline or withdraw from the study at any time without facing negative consequences. The inclusion of this information ensured that participants fully understood their role in the study and reinforced that their participation was entirely voluntary, thereby fostering an ethical and respectful research environment.

**Study Locale** - The qualitative phenomenological study was conducted in Barangay New Pandan, Panabo City, Davao del Norte, with a total of nine (9) participants engaged in clothing businesses. The researchers chose this research locale due to its ideal location for conducting the study.

**Materials and Instruments** - This research utilized qualitative instruments to gather in-depth insight into the experiences of clothing retailers regarding dynamic pricing strategy. The primary instrument was an interview guide, which contained open-ended questions designed to facilitate detailed discussions. This guide included sections focused on their lived experiences, specific challenges they encountered, their coping mechanisms to address these challenges, and the lessons they gained throughout their entrepreneurial journey.

The materials used included audio recordings, which were utilized to transcribe interviews, providing a rich and detailed record of participants' experiences. Field notes were also taken during interviews to capture contextual observations that enhanced the qualitative data. Furthermore, the development of the interview guide followed a systematic process. Initially, a thorough review of relevant literature on dynamic pricing and clothing retailers' experiences informed the crafting of the questions. Feedback was gathered from expert validators and commentators, including faculty members and professionals from the Bachelor of Science in Entrepreneurship program at Davao del Norte State College, to ensure the relevance and clarity of the guide. The average validation rating from these validators and experts was approximately 85%, emphasizing strong agreement on the appropriateness of the instrument for the objectives of the study. This thorough development process ensured that the tools effectively captured the diverse entrepreneurial journeys of the clothing retailers while adhering to

ethical standards.

**Research Design** - This research was guided by phenomenological research. The method of inquiry concentrated on the real-life experiences of clothing retailers implementing dynamic pricing strategies in Barangay New Pandan, Panabo City. Phenomenology was developed by a philosopher, Edmund Husserl, who believed that research should discover the nature of the meaning of things as they appear instead of explaining a phenomenon based on the interpretation of the research on how it should essentially depend on researchers remaining important by their personal insights and experience with the phenomenon in question through the process termed epoch and bracketing (Creswell, 2017).

**Role of the Researchers** - The role of the researchers was to consider the four (4) main objectives in collecting data, which were (a) analyzing and collecting data, (b) reporting findings, (c) maintaining the confidentiality of participants, and (d) conducting the research ethically. The researchers were responsible for preparing this qualitative study. The research was conducted through an in-depth process of data collection. This process enhanced the knowledge and understanding of the current situation regarding the lived experiences of clothing retailers with dynamic pricing in Barangay New Pandan, Panabo City.

**Data Collection** - The initial data collection stage was initiated with a letter addressed to the Institute of Leadership, Entrepreneurship, and Effective Governance at Davao del Norte State College in Panabo City. Once the requests were approved, the researchers formally conducted the study while adhering to explicitly acknowledged and accepted ethical standards. Since this study dealt with the experiences of clothing retailers regarding dynamic pricing, the collection of data was initiated through in-depth interviews (IDIs) to obtain detailed results from the participants' responses.

An in-depth interview was a qualitative research technique employing an open-ended approach. It was used to acquire detailed information about a particular topic derived from individuals' experiences, feelings, and perspectives. This technique was typically applied to a small number of participants and conducted in a conversational format, often requiring a significant amount of time (Rutledge & Hogg, 2020). It proved useful in the research as it aligned with the aim of collecting data on the lived experiences, coping mechanisms, and valuable insights of clothing retailers in Barangay New Pandan, Panabo City. The interviews were conducted in person.

To ensure privacy and confidentiality, all interviews were held in a safe and secure setting. The research team ensured that any collected data was stored securely, with access limited to authorized members of the team. Participants' identities were kept confidential, with each participant assigned a unique code instead of their name, ensuring that individual responses could not be traced back to them. This approach promoted an environment where participants felt comfortable sharing their honest experiences.

**Data Analysis** - The researchers analyzed the data using thematic analysis, which involved the examination of interview transcripts—sets of text designed to uncover shared and common meanings. Thematic analysis is an effective technique for drawing meaningful insights from a collection of experiences, thoughts, or behaviors across a data set. The data analysis process followed three stages: data reduction, data display, and drawing conclusions with verification. These stages were aimed at identifying the core themes relevant to the phenomenon under investigation.

The analysis process began with the careful interpretation of information from audio recordings, including the translation of vernacular responses into English. The researchers first listened attentively to the recordings and transcribed the content. To eliminate unnecessary information from the transcription, data reduction was employed to transform the data into a more concise and coherent form that could be understood. Despite the large volume of qualitative data collected, data reduction helped streamline and clarify the information, making it more manageable and comprehensible. The next step was data display, which was done using a graphic organizer, such as a table, to facilitate interpretation and decision-making. These themes were refined and limited

to a few key topics.

Finally, drawing conclusions and verifying them enhanced the subjective analysis of the data. This step involved revisiting the data several times to ensure the validity of the conclusions. The data was analyzed through the development of theoretical categories and descriptive themes, which were interconnected and formed coherent interpretations. The findings were then analyzed in relation to the existing literature on the phenomenon under investigation with the aim of explaining the topic within a theoretical framework.

***Ethical Considerations*** - Qualitative research also has different criteria for its evaluation (Lincoln, 1995). The researchers considered the trustworthiness criteria as suggested by Guba and Lincoln (1995), such as credibility, confirmability, dependability, and transferability of the fittingness of the study (Cutcliffe & McKenna, 1998; Lincoln & Guba, 1995; Sandelowski, 1986; Streubert-Speziale, 2007). Trustworthiness is the true value of the findings of the study and the accuracy of the data collected from the participant's experiences (Lincoln & Guba, 1995).

To establish the credibility of this study, rigorous measures were taken during data collection, ensuring that the interviews were directly obtained from participants rather than being fabricated. Only relevant data was included, while irrelevant information was excluded. During the interview process, support was sought from co-researchers, particularly for notetaking and recording, which enhanced the reliability of the findings. In addressing confirmability or suitability, the audiotaped interviews, diaries, transcripts, and notes were preserved, and personal viewpoints, hypotheses, and conclusions were intentionally omitted to avoid any misrepresentation of the data. To mitigate biases, the methodology of bracketing was utilized to ensure that the study's findings were free from bias and chauvinism. To ensure the dependability of the study, consistency in data collection and analysis was maintained through a coding-recording system. During data reduction, only pertinent information was included. Regarding transferability, a comprehensive description of the research context and underlying assumptions was provided, ensuring that the data were sufficiently rich and detailed, thus allowing for the potential application of the findings to different contexts.

### **3. Results and Discussion**

#### ***Insights on Clothing Retailers on Increase Revenue and Profitability in Utilizing Dynamic Pricing***

##### **Theme 1: Sales Growth Through Dynamic Pricing**

Most participants expressed that utilizing dynamic pricing in their firm increases sales and agreed that it has the potential to significantly boost sales growth. Developing a dynamic pricing strategy requires a thorough understanding of industry demands and the flexibility to adapt to them. Additionally, this theme emphasizes the importance of setting clear goals to drive the company's sales growth.

*"Gagamit pud ko ug dynamic pricing para mahalin ang mga sanina nga dili kaayo mabaligya ug aron makaganansya og daghan sa mga busy nga panahon. Importante nga mag-flexible, pero kinahanglan usab nga maayo ang hitsura sa akong tinda"* -P4

*(I also utilize dynamic pricing as a strategy to sell clothes which are unsellable, while also maximizing revenue during peak periods. Although flexibility is important, maintaining an appealing presentation of my products is equally essential.)*

*"Tungod sa dynamic pricing mas nidako ako sales kay maka adjust kog price base sa demand"* – P6

*(My sales have increased because of dynamic pricing. I can adjust my prices based on demand.)*

*"Naka tabang siya sa akua kay naka discover ko ug mga technique para mas mukosog pa ako income"* – P9

*(It helped me discover techniques to boost my income even more.)*

Based on participants' responses, clothing retailers are increasingly adopting dynamic pricing strategies to drive sales growth. One participant noted that during busy days, they effectively used dynamic pricing, which not only increased sales but also helped them discover techniques and strategies to maximize revenue while maintaining product quality to ensure saleability. Retailers increasingly use dynamic pricing to remain competitive. A study by Zhang & Wang (2023) reveals that dynamic pricing reduces excess inventory and increases profitability for fast-moving fashion products, particularly by focusing on seasonality and trend decay, and cites practices used by Zara, Uniqlo, and GAP. Based on the study of Safonov (2024), adaptive pricing models improve revenue results by precisely simulating price-demand relationships, as demonstrated using neural-net-based demand estimates.

**Theme 2: Dynamic Pricing is Most Effective during Holidays and Special Events**

Many of the retailers asserted that their sales depend on the demand of customers at the events. This strategy allowed them to react quickly and change their product prices quickly based on the demand of the event. For them, this is the only strategy that helps them improve their business revenues. Demand-based pricing empowers retailers to optimize their pricing strategies by aligning prices with fluctuating consumer demand. By closely monitoring events and customer behavior, retailers can dynamically adjust prices to maximize revenue and profitability. This aligns with the findings of Chen et al. (2021), who emphasized that dynamic pricing models in energy retailing combine demand response measures (e.g., day-ahead market signals) to adjust prices in real time in response to changing demand. These models emphasize quick price adaptation, profit maximization, and event-driven demand changes. Similarly, Ma et al. (2024) mentioned that dynamic pricing systems can be built using competitive analytics, machine learning, time series, and regression. These systems are specifically designed to respond to demand spikes—i.e., during events—allowing stores to match pricing with real-time consumer behavior and maximize profits.

*“Mag base ko sa demand sa mga tao labi nag mga event, dira especially pag kanang araw sa panabo or mga pageant sa school or sa mga event sa barangay.” -P2*

*(I based my pricing on customer demand, especially during events like Panabo day, school pageants, or barangay events)*

*“Maka adjust ko sa presyo base kung unsa ka uso ang gina baligya, pareho sa pagtaas ug presyo sa mga swimwear labi na kung summer o kaya pag offer og discounts sa mga slower selling items. – P7*

*(I can adjust the price based on the trend of what is being sold, such as an increase in the price of swimwear especially in summer or when offering discounts on slower-selling items.)*

*“Gina adjust lang nako presyo base kung unsa ka uso ang mga baligya ug unsa nga season- P8*

*(I adjust prices based on how popular items are and what season it is.)*

Based on the respondents' statements, retailers strive to balance maximizing revenue during events. A study by Abolghasemi et al. (2019) highlights the critical role of demand forecasting during promotional events, emphasizing that retailers' sales are significantly influenced by customer demand during such periods of events. By implementing personalized pricing and timely event-based promotions, they create a more engaging and tailored shopping experience for their customers. As the retail industry grows increasingly competitive, even demand-based pricing has emerged as a powerful strategy for driving sales, increasing market share, and achieving success.

### ***Challenges Faced by our Clothing Retailers in Utilizing Dynamic Pricing***

This core title aims to explore the difficulties experienced by clothing retailers in implementing dynamic pricing strategies. It focuses on issues such as setting appropriate prices, responding to supply mismatch and the risk of price war. The research seeks to understand how these challenges impact profitability, customer satisfaction, and operational efficiency in the retail sector.

#### **Theme 1: Demand Instability and Trend Shift**

This reliance on demand-based pricing highlights its limitations, as it does not always optimize pricing strategies, particularly when trends shift or demand drops. Retailers also acknowledged the weakness of absorption pricing, which fails to consider competitive market pressures or customer demand. This aligns with the study of Ashworth et al. (2020), who emphasized that consumers perceive dynamic pricing as unfair in other industries, even though they accept higher prices during peak times in businesses such as hotels and airlines. According to the study, providing open justifications for price changes may improve consumer acceptance and reduce negative attitudes. Similarly, Omarli (2023) investigated the pricing of airline tickets among 387 students. The results indicated that dynamic pricing had a significant impact on perceived fairness, which in turn affected willingness to buy, especially in the case of relatively high market prices.

*"Sa pag set ug price, kay sa dynamic pricing man gud mag agad mi sa demand kung dili siya demand mag lisod mi ug set ug price." –P2*

*(As we determine pricing, we consider the fluctuating demand through dynamic pricing. If there is low demand, it becomes challenging for us to establish a price.)*

*"Usahay sa pag set jud ug presyo jud kay naga agad man gud mi sa uso gud so dili mi ka buot dili ka pataas sa presyo kay hinay man ang baligya or kaya dili uso." – P7*

*(Sometimes when setting prices, we must consider what is on trend. If something is not popular or out of fashion, we can't raise the price because it would not sell well.)*

*"Dili mi maka sabay sa demand kay naa man gud usahay ang amuang ma kompra is dili diay siya demand sa market so maglisod mi ug sabay sa amoang ka kompetensya, labi na sa amuang pag presyo sa amuang mga sanina"-P3*

*(We could not keep up with the demand because there are times when we have already bought our products and yet it is not in demand on the market, so it will be difficult for us to keep up with our competitors, especially when we set the prices of our clothes.)*

Participants expressed that they face significant challenges when demand is low. Many emphasized that setting prices heavily depends on market demand, particularly when products are not trendy or in demand. They noted that making on-the-spot price adjustments can be difficult due to their reliance on market demand conditions. These challenges align with the findings of Larson's (2019) study, which points out the importance of market demand and trends in shaping effective pricing approaches. The rapid pace of fashion is a major obstacle for clothing retailers. As consumer preferences evolve quickly, retailers often observe themselves unable to keep up with the demand for trendy items. By the time the clothing arrives, it may no longer align with the current fashion trends, leaving retailers with outdated inventory that fails to attract customers. Furthermore, Singh et al. (2019) study reveals that traditional forecasting fails to predict demand for new, trend-driven items. They propose ML models based on item attributes to predict demand and minimize losses from outdated stock.

#### **Theme 2: Risk of Price War**

Dynamic pricing can trigger price wars, particularly in highly competitive industries. Competitors notice a business employing dynamic pricing to reduce prices. This can lead to a "race to the bottom," where businesses

continuously undercut each other, ultimately driving down profitability. This aligns with Liu and Sustik (2021), who described this phenomenon as a form of commercial competition, particularly among e-commerce firms, where product prices are reduced to suppress competitors and capture a larger market share.

*“Sukad naga gamit mig dynamic pricing nag karoon jud dri ug price war kay musunod man silas amoa presyo . “– P6*

*(Since we started using dynamic pricing, there has been a price war because they follow our prices)*

*“Challenges jud namo sa pag gamit ug dynamic pricing is kanang murag nay competition sa price ba na mahitabo.” -P1*

*(The challenges of using dynamic pricing were the competition surrounding current prices)*

Based on the participants' responses, they face the risk of a price war when one retailer begins using dynamic pricing. A price war may result as other retailers follow suit to remain competitive in the market. Retailers may feel pressured to match each other's pricing moves. According to the participants, this is one of the challenges of using dynamic pricing, which also highlights the potential for price wars in competitive markets when dynamic pricing is employed. This aligns with the findings of Nagle et al. (2023), who noted that dynamic pricing in competitive markets can trigger price wars, as businesses attempt to undercut each other, ultimately eroding profit margins. Similarly, the study emphasized that while "no response" may be optimal, most people follow competitors, resulting in a dynamic price war (Fisher et al., 2016).

### ***Clothing Retailers' Coping Strategies to Address the Difficulties in using Dynamic Pricing***

This core title focuses on how businesses can optimize demand management by fostering strong relationships with suppliers, anticipating consumer needs through effective demand projection, and seizing opportunities by capitalizing on peak demands. These elements, when strategically integrated, work together to enhance supply chain efficiency, meet customer demand, and ultimately maximize profitability. Together, these factors create a more agile, responsive business model that enables sustainable growth and long-term success in the marketplace.

#### **Theme 1: Building Bridges: Good Supplier Relationship**

This theme demonstrates how well clothing retailers can work with their suppliers to preserve inventory and add more supplies right away during busy times of the day or season. This study discusses the effect of a supply chain partner's relationship approach to practices on a firm's sustainability performance.

*“Nag build gyud ko ug maayo na relasyon sa akong supplier ug paningkamot nga makuha ang mga sanina ug mas paspas, aron makabaligya dayon ko sa mga patok sa market karon.” – P9*

*(I am building a good relationship with my supplier and trying to get the clothes faster so that I can sell them quickly in the current trendy market.)*

*“Ang pag communicate sad namo sa amuang supplier para sa mga mo sunod pa na mga trend sa market” – P4*

*(Our communications as well with our supplier for the next trends in the market.)*

*“Gi siguro nako nga kinahanglan kong makigsulti sa mga supplier bahin sa mga uso sa bag-ong sinina.” -P5*

*(I make sure I communicate with suppliers about the trends of new clothes.)*



Participants express their feelings about having a positive relationship with their suppliers. Most of the participants secure the production of their product by having successful connections and partnerships with their suppliers. This aligns with the findings of Carmeli et al. (2021) that when buyers and suppliers develop a commitment to work relationships, they invite each other into their space, seek ways to nurture the relationships and each other's capacities, and make efforts to allow each party in the relationship to grow. That relationship with the supplier is critical because of the necessity to adapt its supply system to the characteristics of its micro-suppliers, which are key trade partners of the firm. Therefore, retailers having a good relationship with suppliers increases the chances that they can keep up with the market demand. This is in line with the findings of Fernie (2023) that strong and mutually beneficial relationships between retailers and suppliers are crucial for fostering a better partnership and increasing sales revenue.

### **Theme 2: Seizing Opportunities: Capitalizing Peak Demands**

Most of the participants utilize the use of dynamic pricing on peak demands. This theme shows their strategy by using dynamic effectively to set or adjust the price of their product based on the demand.

*"Gamiton nako jud ang dynamic pricing kanang during peak demand, ako jud na gina pa taas, ako price para makabawi sad ko maskin nawala-an kog customers." – P5*

*(I will use the dynamic pricing during peak demand, I set my price high so that I can make up for my lost customers)*

*"Gina utilizes lang nakog tarong ang dynamic pricing para makasabay gihapon ko sa mga demand sa market. Pina-agi ana, makabawi-bawi ko sa akong mga customer na nawala." – P3*

*(I just use the dynamic pricing correctly so that I can keep up with the demands of the market. Through that, I can make up for my lost customers)*

*"Mamawi pina-agi sa pag bawi during anang demand na adlaw gani, kay mao manang gamit sa dynamic pricing mag based sa demand para maka set ta ug price." -P4*

*(Will recover by withdrawing during that demand day, because that is the use of dynamic pricing based on demand so that we can set a price.)*

By implementing dynamic pricing in peak demand markets, clothing retailers successfully recovered their initial investment and established a more profitable pricing model. This study aligns with Ulmer (2020), who stated that dynamic pricing during peak seasons or high-demand periods can substantially increase both revenue and customer numbers. By seizing opportunities related to market trends, demand fluctuations, and customer behavior, clothing retailers were able to adjust their prices in real time. This agile approach enabled them to capitalize on peak demand periods, maximize revenue, and offer competitive pricing to attract customers. Similarly, Chen et al. (2021) emphasized that dynamic pricing strategies help businesses optimize profitability by responding effectively to consumer demand patterns, ensuring better inventory turnover, and maintaining a competitive edge in volatile markets.

### **Theme 3: Demand Projection to lead The Price War**

This theme showed techniques on how participants estimated the upcoming demand based on historical data of their sales and market trends in the market. This is in line with the study that some forecasting models outperform others in predicting medical product e-commerce sales during price wars. Models with dynamic pricing and market competition demonstrated greater accuracy (Hsieh, 2019).

*"Mag depende ka sa demand sa market kay para maka adjust ka, kung pananaw nako kung nikusog akong branded na sinina, sa sunod mag palit nakog daghan para kung ma demand man, andam nako ug maka adjust dayon kos ako presyo na ako gusto." – P7*

*(You will rely on market demand to adjust. If I notice an increase in demand for my branded clothing, I will purchase more next time to ensure that I am prepared to adjust my prices promptly.)*

*“Naga tan aw jud kos socmed kung unsa ang mga trend kay para mas maka pangandam ko ba sa posible na pwede na ma uso “- P2*

*(I monitor social media to identify emerging trends, allowing me to better prepare for the possibility of these trends becoming popular.)*

*“Naga huna-huna kog mga posible na mga demand sa market kay para kung ma demand jud maka react dayon ko so maka adjust dayon kos price” – P5*

*(I anticipate potential market demands so that, if demand arises, I can react promptly and adjust the prices accordingly)*

The participants' responses highlight a strong reliance on demand projection within the clothing retail industry. By closely monitoring market trends, especially through social media, retailers can anticipate consumer preferences and adjust their inventory and pricing strategies accordingly. This proactive approach demonstrates an understanding of the dynamic nature of the fashion market and the importance of adaptability. According to the study of Bohairy (2024), social media plays a significant role in influencing consumer preferences and shaping demand in the fashion industry, making it a critical tool for retailers in demand forecasting. Demand projection emphasizes data-driven decision-making and agility in response to changing consumer behaviors, as shown by the participants' focus on identifying market demands and adapting their offerings. Fu and Fisher (2023) noted that retailers who use this data can better predict consumer preferences months in advance, guiding sales and inventory control.

#### **4. Conclusion**

This research suggests that clothing retailers in Barangay New Pandan, Panabo City, can benefit from using dynamic pricing, but they need to be aware of its challenges and how to overcome them. Retailers need to be mindful of customer price sensitivity and adjust their pricing accordingly, especially during busy seasons or when offering discounts. Offering affordable options is important to attract customers, especially in a competitive market. Retailers should consider the importance of capital recovery when implementing dynamic pricing to ensure business sustainability. Providing excellent customer service is important for building loyalty and repeat business. Retailers should use a variety of sales promotions, such as discounts and buy-one-get-one-free offers, and they should adjust prices based on the product's value and market demand. This research emphasizes the importance of retailers being aware of dynamic pricing and how to apply it properly. Additionally, retailers should evaluate market indicators, inventory quantities, and sales statistics to dynamically adjust prices in response to fluctuations in stock availability and demand.

The study's practical implications suggest that, in a highly competitive environment, retail business owners, particularly in smaller local communities, can use dynamic pricing techniques to survive. Using these realizations, practitioners can determine when and how to change pricing, maximizing their income potential while maintaining customer confidence.

Additionally, the results of this study have identified several factors that influence the experiences of retailers with dynamic pricing, particularly regarding their insights, challenges, and coping strategies for implementing dynamic pricing in their businesses. These findings can serve as a guide for other small-scale or startup entrepreneurs seeking to adapt pricing flexibly in response to market conditions. Future researchers who are interested in continuing this study may add issues and gaps to help it achieve its purpose. Thus, there is no known previous research in this specific locality exploring the practical application of dynamic pricing among

clothing retailers, making this study a timely contribution. Although these results provide valuable insights, several areas need further exploration. Future research could evaluate the long-term effects of dynamic pricing on business sustainability, retailer profitability, and customer satisfaction in Barangay New Pandan, Panabo City.

Also, a dynamic pricing strategy helped clothing retailers to scale up their businesses, especially in the intense market competition to drive sales growth, maximize revenue, and increase sales ability. Pricing strategy is the key to growing a clothing business while building trust with customers and suppliers. However, clothing retailers experienced a complex and challenging process while utilizing dynamic pricing. It requires careful planning, monitoring, and adaptation. But when done right, it can be a powerful tool for maximizing profits and staying competitive in a fast-paced industry. Dynamic pricing for clothing retailers is a real balancing act. It's not just about setting prices based on demand but also about understanding the nuances of fashion trends and positioning themselves for long-term success.

Finally, this study provides significant insights into business education. Students can gain insights into practical business decision-making by studying how small retailers implement dynamic pricing strategies, thereby expanding their knowledge of entrepreneurship, retail operations, and marketing. Educators can incorporate these findings into case studies, simulations, and entrepreneurial training activities to promote locally rooted and experiential learning.

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