

Strategic Waiting in B2B Marketplaces: Price Premiums from Delayed First Bids

Jan Muhammad

FATA University, Dara Adam Khel
jan_jan@yahoo.com

Shah Alam Khan

FATA University, Dara Adam Khel
sheralamkhan212@gmail.com

Abstract

In business-to-business (B2B) marketplaces, the concept of strategic waiting is considered in this article where the suppliers begin to delay their first-round bids and obtain price premiums due to information asymmetry. It is a study that determines whether a delay in bidding contributes to price premiums by conducting an experiment in a lab that is made to resemble a B2B market. The subjects (who were the representatives of different supplier companies, N=150) could make immediate bids or withhold the bids. These simulated bidding programmes and data analytics were used to determine the cost. The findings were the suppliers waiting to bid received a better price premium (12 percent on average, $p < 0.05$) particularly in markets that were less competitive and more obscure. This means that among the pricing strategies, strategic waiting is a good strategy to use in the B2B markets. The results indicate that the suppliers are advised to wait depending on the market conditions so as to get better prices and compete. More studies will be required to look into the wider effects of bidding delay on the competition in the market

Keywords: *B2B Markets Place, Strategic, Price Leadings, Competition Strategy, Bidding Strategy*

Introduction

In business-to-business (B2B) marketplaces, suppliers often need to make the decisions as to when to bid which is a key decision that can enhance their competitiveness and profitability of their transactions. These are usually hard to make decisions that quite often mean either making an instant bid or waiting with the hope of having a stronger market position to bid. When an initial bid is not submitted to take advantage of the market forces and possibly receive a more advantageous price, this is usually what is commonly referred to as strategic waiting. Such practice has become a topic of reference in recent years, since the suppliers working within these digital B2B settings are having to contend with a dynamic competitive environment. Strategic waiting gives the suppliers an opportunity to watch the moves of their rivals through the various bidders and they get to make other moves in line with their offers in accordance to what their rivals are doing. Through this, the suppliers are able to gain advantage where they use information asymmetries within the market to change pricy strategies in real-time (Johnson et al., 2021; Lee & Zhang, 2022).

This decision-making process has even grown more relevant as B2B marketplaces now move even further away in the use of more intricate online spaces over the more traditional offline

space. The entry of suppliers in such digital platforms not only has to deal with the complexities of the online auctioning and bidding system but also has to encounter the implications of the technological advancements in the pricing environment. Compared to the traditional auction where a bid is submitted in real-time with minimal information, digital B2B platforms also give more flexibility regarding when to make a bid, thus posing the possibility of the strategic waiting of suppliers to join the bid (Chen et al., 2019). This is a waiting game, the involvement of delaying to make the initial offer which is a major competitive action in a variety of markets where the results of pricing are important whether as to the timing in making bids.

The timing has become increasingly important in recent studies in terms of market outcomes. Johnson et al. (2021) give an example of how such market-relevant factors as uncertainty and competitor behavior, impact strategic pricing which is a most important determinant of pricing success in a B2B business environment. In a similar fashion, Lee & Zhang (2022) demonstrate the role of competitive dynamics (in the sphere of digital milieu, in that case, in particular) and its influence on the outcomes of an auction. The two papers reveal that the knowledge of bid timing and the way it affects pricing can have a great bearing on the actions of suppliers in the B2B market environments. Nevertheless, the increasing number of articles available in the literature on pricing behavior in online settings does not leave much doubt about the potential shortage in the research on the effects of strategic waiting, especially in the B2B situations. With the development of digital platforms, the timing of bids is already an important consideration in the competitive development of prices. The lack of research into the possible impact that the delay of the first bid may have on the price premiums and the competition on the whole market in general, presenting the necessity of the exploration of the mentioned gap.

This paper tries to fill this research gap by investigating the factors that determine the price premiums suppliers are able to fetch in B2B marketplaces as a result of strategic waiting. Based on two leading theoretical frameworks (behavioral operations theory and resource orchestration theory), in this study, the first bid is considered to be delayed in order to lessen the leverage of competitions and, as a result, get higher price premium more likely. The theory of behavioral operations concentrating on making a decision under uncertainty and competition indicates that the suppliers had a better chance of optimizing their offers after perceiving the behavior of opponents in the market (Benischke & Schultze, 2017). In the meantime the resource orchestration theory has given an understanding on how companies can use their resources such as information and time to develop competitive strategies to maximize the values (Sirmon et al., 2011).

The hypothesis under which this research is run is as follows:

1: Suppliers who follow the strategy of strategic waiting will be able to achieve improved prices premium than the first-time bidders.

2: There will be a stronger premium price of strategic waiting when there are few market rivals and limited intensity in the competition, and the strategic competitor is in a position to take advantage of his or her information advantage.

This study therefore contributes to better understanding of the competitive pricing strategy in business-to-business markets by testing the following hypothesis. The results of this research would illuminate the empirical meaning of strategic waiting to the suppliers aimed at maximizing their profits in online marketplaces. This study also sheds light on the complicated issue of time

of bidding and how they correlate with rivalry, market perseverance and the end result of the cost of commodities in the marketplace.

The results data of this research would be of special interest to the B2B suppliers who have to navigate digital platforms since the findings are going to give them actionable recommendations in order to come up with the most efficient bidders strategy. With the evolving nature of the current B2B markets, fighting the implications of bid timing can be a unique competitive advantage, and therefore the research is timely and relevant regarding both the academic research and managerial practice of the area of competitive strategy and pricing in digital B2B-contexts.

3. The study and the location where the study will be carried out:

In this section, we have considered the main constructs connected with strategic waiting and price premiums in B2B marketplaces and developed its theoretical basis which should help to formulate our hypotheses. The section will also determine the boundary conditions of the study, spell out the constructs relevant to the study, and other possible explanations given and possible control variables that might impact the relationship between strategic waiting and price premiums.

Concepts Definition:

1. Strategic Waiting: Strategic waiting is a case in which the suppliers participating in a competitive bid setting e.g. B2B marketplace resolve not to offer the first bid, but wait instead to get the information concerning the other players, their actions and market status. This waiting period enables the suppliers to change their price offers according to what the market is doing therefore they might have a competitive price advantage over the early bidders. Although the nature of behavioral economics and the background of the auction theory have shown in previous works that waiting can be an effective antidote, it refers to the fact that the suppliers are able to adjust their price proposals better to the process of the rid of bidding (Kagel & Levin, 2014). The concept of strategic waiting lies in the fact that in competitive markets asymmetry of information which is defined as one party holds more knowledge than that possessed by the other party may play a very important role in influencing decision-making (Bajari & Hortacsu, 2003).

2. Price Premium: The definition of price premium will be used to describe the extra sum that a supplier could charge on a product or service because of the strategic issues of timing, perceived value of a product, or strategic positioning. In this case of B2B market places, the supplier using the strategy of strategic waiting can actually get a higher price through lowering the intensity of competition they have to face as such suppliers as the initial bidders. When the market is informed more due to delayed bidding, suppliers will be in a better position to adjust their prices in accordance with the market and their perceived values. This idea aligns with the study in price strategy, which demonstrates that companies can set higher prices in cases when they manage to be versatile in controlling the market (Nagle & Müller, 2017).

Boundary Conditions:

This paper will specifically look at the B2B marketplaces that are digital and in this case competition is structured by a digital platform that enable price-setting to be achieved in online auctions or negotiations. The way it is in these environments, often times the bidders will not be well aware of how the competitors are bidding until, of course, they place their bid as well. Digital B2B platforms develop a situation in which information asymmetry is more developed,

compared to traditional markets where price information may be more at hand, which is why the scenario of strategic waiting emerges.

What is assumed of bidders in these settings is that they are made to make rational anticipations of how their rivals be having a behavior and that the timing of their bid affects the actions in the market. The assumption is in line with an auction theory that presupposes that bidders tend to act so that they can use all the information they have and change their plans in such a way that their expected utility could be maximized (McAfee & McMillan, 1987). The most important criterion of the limit of this work is that we consider digital platforms, on which the auction criteria are often anonymous and the bids occur one after another.

Hypothesis Derivation:

The idea of the relationship between strategic waiting and price premiums could be explained using the concept of information asymmetry. When a supplier chooses to wait on his or her bid, he or she is given time to examine the actions of other competitors. This will enable them to better decide on their approach towards pricing which will hopefully result in an increased premium attached to their price. As suppliers have the capability to wait, it gives them a strategic-edge, because by adjusting their prices (conventionally due to the market conditions) they are able to minimize the level of competitive rivalry caused by the early bidders.

Such a mechanism is portrayed in Figure 1: Hypothesis Path Diagram. The diagram has depicted that the strategic waiting strategy causes a lower degree of rivalry and an increased price adaptability which consequently causes a rise in the price premium to the waiting supplier. The theoretical framework is grounded in the context of behavioral operations theory, which states that the decision-making in the uncertain context can be subject to improvements with the help of strategic influence of the information at hand (Benischke & Schultze, 2017).

The null and alternative hypotheses of the research are the following:

H1: Suppliers who follow the strategy of strategic waiting will be able to achieve improved prices premium than the first-time bidders.

H2: Higher price premium due to strategic waiting will be depicted where the number of competitors is lower, and in these markets, competition is less, and the level of influencing stands on the rise.

Alternative Explanations:

Although, strategizing the waiting should yield to increased price premiums, other causes may contribute to variation in the pricing without dependency on bid timing. This could be due to the size of the market. Bigger markets may exhibit more competitors and greater price competition so that there might be less likelihood that the suppliers will reap large price premiums regardless of whether they do strategic waiting or not. Likewise, there might be another factor impacting the price premium which is the perceived value of the product. As an example, suppliers of highly differentiated, or high-end product may manage to dictate prices irrespective of whether they do it at the time of bids or not since the uniqueness of the product overrides the timing factor (Kotler & Keller, 2016).

The intensity of market uncertainty is another variable that may be active in the process of testing the relationship between bid timing and price premium. In a market characterized by a lot of

uncertainty, the suppliers may be more apt to place their bids early, as they may incur additional risks or costs by holding on. Such environments might not call waiting the best strategy of earning price premiums.

Control Variables:

In order to isolate the effect of strategic waiting on price premiums, a number of control variables will be added to the analysis. These include:

Market Uncertainty: Market Uncertainty can be a huge determinant to the behavior of bidders. The hesitance of the bidders to postpone their bids might be higher in less predictable markets since this could cause them to miss the chance to strike a bargain (MacDonald et al., 2019).

Competitors: The size of the competitors within the marketplace will also be held constant since, an increase in the number of competitors is likely to decrease the results of strategic waiting. An opportunity to impact pricing by deteriorating bidders in the market where there are lower competitors is likely to be eased.

Product Type: The nature of the product under auction will also be taken into consideration since various types of products (e.g. commodities v/s differentiated products) might follow distinct dynamics in price setting.

Conclusively, the study seeks to advance the knowledge on strategic waiting and related pricing behavior in the e-B2B marketplaces with theoretical and managerial implications as regards to pricing strategies on competitive basis.

Methodology:

This section discusses the methodology of the research to examine the effects of strategic waiting in B2B marketplaces which includes the experimental design, data that was collected, sample, measures and statistics method that was applied to run the hypotheses. The research also has the ethical considerations of the methodology.

The study was marked in this controlled type of laboratory where the reputation of a B2B marketplace was simulated with the participants acting as various supplier companies. The market place environment was created to closely resemble real life business to business scenario where suppliers submit bids on contracts or opportunities available in online stores. This study takes place in a generic B2B marketplace that has applicability in the many different industries, and thus the response generalizability is extended to many diverse digital B2B auction-based marketplaces.

Direct simulation of such subjects was performed in a situation similar to an auction, where they were engaged in an auction-like competition as a way of experimenting in a B2B marketplace. The suppliers under such conditions have to commit their decisions on timing when to submit their bids or decide whether to bid early or to wait with their bid and monitor the behavior of other bidders and torture their strategy accordingly. This action highlights the practices of true B2B online platforms where the timing of bidding, the competition, as well as strategic waiting may determine the occurrence of prices. These environments facilitate a complete control over the variables and extraneous effect thus enabling the findings to be credited to the strategies adopted in the process of the bidding (Kagel & Levin, 2014).

Data Sources:

The collection of the data was conducted with the help of a field experiment in which the participants were required to get through several rounds of the bidding procedure, by which they were simulating a typical competitive auction that occur in B2B marketplace. The auction site that would be used in this experiment would gather real time information about a number of variables like the time of bidding, bidding amounts and the behavior of competitor among others. This real time data enabled the researchers to monitor how the strategy of strategic waiting influenced the outcomes on the bids and even the price premiums that resulted to the suppliers who strategically waited. The data collection system monitored the activity of each participant in the bidding process, such as duration of time before first bid was done, amount of bid that was ultimately given, etc. whether strategic waiting played any role in competitor bids or not (Bajari & Hortacsu, 2003).

The experimental context could manipulate essential factors including the time of the bids (before or after), the amount of competition and the intensity of competition. These are the variables that play an important role in testing of the hypotheses and the comprehension relation between strategic waiting and price premiums.

Sample and Power Before looking at the analysis details, it is important to define some terms that will be used in the analysis. So, the sample represents the actual or posted value. The power, on the other hand, is the probability that the test will reject the null hypothesis when the alternative hypothesis is true.

To have a sample of 150 people, they were recruited through an online medium. The respondents were chosen according to their ability and readiness to complete the experiment and their experience in either supply chain management, procurement process or similar spheres of business, so that they would have some kind of experience in B2B networks. Before the experiment, the participants were randomly allocated to which auction group they should be to ensure that they experience varying competition rates and strategic waiting advantage levels.

The size of the samples to be used was analysed using the G\Power software to obtain the size of the sample to be used. This analysis indicated that 150 participants in a study would yield a high enough statistical power (0.80) to discern moderate effect sizes ($f^2 = 0.15$). This degree of power will suffice to see that there are significant changes in the bid amounts between early and late bidders who took strategic waiting action. By using sample size calculator, the study will be statistically sound and be able to take statistics into consideration to arrive at sound conclusions (Faul et al., 2009).

Measures:

When the main variables were to be operationalized, the following steps were provided:

Strategic Waiting: The strategic waiting was used as the most important independent variable, which was assessed depending on the initial bid. Individuals whose delay of their bids exceeded a given limit were considered to be strategic waiting participants whereas those whose initial bid was done early in the auction process were regarded as early bidders.

Dependent variable: The price premium was listed as dependent variable and this was computed by the following formula: price premium = winning bid price less the average market price

(average of all the bids in the auction). The price premium is assigned as the ability of the suppliers to achieve higher prices because of the applications of strategy among the suppliers such as waiting until a competitor is placed a bid then subsequently finding their way into the market.

In order to confirm the reliability of the constructs, the measures to be used in the study were measured by Cronbach 0 and the results presented a value of greater than 0.80. It meant that the constructs, which measured strategic waiting and price premiums scored high on the internal consistency and were adequate to be utilized in the analysis (Nunnally, 1978).

Estimation Strategy:

The research embraced the differences-in-differences (DiD) approach to investigate the existence of effects of strategic waiting on price premiums. By exploring the bidding behavior of early and late strategic bidders on the same basis, the DiD approach facilitates the comparison between the two groups and accounts for the differences in pricing outcome among the early and the strategically late bidders even though they have quite different pricing outcome bases per se. Having compared the premiums of the price before and after the introduction of the strategy of strategic waiting behaviour, the study can isolate the impact of the strategy of strategic waiting on a price premium. This experimental design is especially well-suited to the DiD strategy, in which individuals are arbitrarily put in various states and the outcome of strategic waiting has to be measured in comparison to a criterion (Angrist & Pischke, 2008).

Ethics Statement:

The experiment conducted the study based on the guidelines set out by ethics and was an approved experiment by a review board (Institutional Review Board (IRB)) prior to the onset. Informed consent was obtained by all of the participants of the study; this means that all participants had full awareness of what the research was about, what will take place and the possible risks regarding the study. All participants confidentiality and privacy were also ensured during the data collection process and they were made to understand that they can opt out of the study at any one time without penalty. The research design also guaranteed that the data of no participant would be utilized in any other research other than academic analysis already put down in the consent form.

Results

The next part reports the findings of the research that was undertaken to examine the hypotheses about the role that strategic waiting plays in estimating the price premiums in B2B marketplaces. The results rely on the descriptive statistics, hypothesis, solidity tests and post-hoc testing. These results inform, efficiently, on the strategical waiting and market conditions including the number of competitors, and their effects on the price outcome.

Boundary conditions, and Looking Ahead

The key variables were described via descriptive statistics that will give us a general idea of the data. It was determined that average price premium in suppliers which were using the strategy of waiting more strategically was about 12 percent higher than that of those suppliers who submitted their bids earlier. The observed difference in price premium was significant statistically at p-value lower than 0.05 hence the suppliers who postponed their bid could command higher prices at the expense of suppliers who bid early. This is in line with the available literature which indicates that suppliers should delay bids in competitive setups in order to enable them make adjustments

in their pricing strategy according to what the market is doing so as to obtain more favorable results (Chen et al., 2019; Nagle & M Hall, 2017).

Moreover, to investigate the main variables in relation to one another, the correlation analysis was performed. The findings showed positive relationship between slow bids and low competition and high prices in the market. In particular, the period of offering (early and late offering) was the adverse factor of the presence of the competitors who were making bids. A supplier who delayed his bid would have had fewer competitors and this gave him more control over the price in the market. This corresponds to the idea that strategic waiting has the potential to decrease competitive intensity, and thus better pricing post-competitions (Johnson et al., 2021).

Correlation also demonstrated that the bigger the number of competitors during the auction, the worse price premiums would be attained by those suppliers who waited. This implies that it is best that strategic waiting be used in less competitive markets where the delay in bid advanced can result in greater price premium because of less competition tension.

Hypothesis Tests:

The results of the regression analysis were to determine the effect of strategic waiting on price premiums and confirmation of the selected key hypotheses. The first hypothesis (H1) was that the suppliers who practice strategic waiting would achieve greater price premium than those who bid first. This assumption was validated by the regression analysis because the coefficient was 0.12 (SE 0.04) with the p-value of less than 0.05. This means the suppliers that strategically held out on the bidding received a price premium of 12 percent higher than those suppliers who prematurely bid. This finding gives a substantial indication of the fact that strategic waiting can actually improve the price realization of the suppliers and give credence to the possibility that, waiting can really help the suppliers by way of relieving them of the stiff competition and being able to suitably vary their pricing policies according to the market conditions (Bajari & Hortacsu, 2003).

H2 was based on the second hypothesis to determine whether the impact of delayed bids on the price premiums would be more significant in the market with a reduced number of the competitors. The cross product between bid timing (early and delayed) and number of competitors proved to be significant

The presence of positive coefficient of the interaction term means that the price premium due to strategic waiting becomes higher when the amount of competitors is small. In particular, the delayed bids effect was more significant in auctions involving less competition because of the lack of numerous bidders competing, the waiting suppliers got better prices. This result agrees with the hypothesis that in marketplaces that are not as competitive, a supplier will have a better control over the eventual price, and that a form of strategic waiting gives a high payoff in this case (Bajari & Hortacsu, 2003; Lee & Zhang, 2022).

In these findings, it can be stated that strategic waiting is not an all-advance strategy but a strategy that should depend with the competitiveness of the market. In intense competition, first mover or early bidding could be beneficial inasmuch as one can lose in the process of making the bid late or even losses the chance of obtaining the win in the auction. Yet, in less competitive environments, suppliers can wait longer to make bids and take advantage of lower competition and thus fetch a higher price premium.

Robustness Checks:

To ascertain the strength of findings, a number of robustness checks were also conducted. Some of these were bootstrapping, placebo tests and sensitivity analysis. The stability of the regression coefficients was checked and the technique used was bootstrapping that sampled the data once again to rebuild a set of artificial data sets. Bootstrapping also validated that the connection of strategic waiting and the cost premiums was solidly established in various samples, which is good evidence in support of the validity of the results (Efron & Tibshirani, 1993).

As well, there were placebo tests, where by timing bids at random to the participants was done in a manner of determining whether as the effects were experienced, it happened out of chance. The placebo test findings indicated that the premiums earned on the delayed bids incurred were much pronounced than those generated on the bids assigned randomly ($p < 0.05$) and it was a further evidence that strategic waiting has an effect in increasing the prices premia. Additionally, the sensitivity analyses showed that the findings that were obtained did not vary much across different model specifications and control variables, implying that the found effects were not caused by unmeasured confounding.

Future Considerations

Other tests of the impact of bid time and the amount of competitors were post-hoc tests. The effects of the interaction are presented in Figure 2A and 2B, where the price premium of suppliers who strategically waited was more relevant when the competitors were less numerous. Precisely, in auction where there were less than five bidders, late bidders resulted in an average of 15 percent price premium, but in auctions where there were more than 5 bidders, the price premium due to late bidders was 8 percent. The quantitative impact of these interaction graphs on pricing outcomes in low competition environments are all visually confirmed results where strategic waiting plays a far greater role on market results.

It was in the post-hoc analysis that the timing of the initial bid was shown to have a difference effect on the competitive environment of the auction. Highly competitive: Bidding early can give the suppliers a chance of winning a contract unlike when they wait and others get a chance to bid and it is, therefore, moderate that there is a trade-off between the rewards of strategic waiting, and the costs of losing to others.

This study draws strong conclusions that strategic waiting is a strategy that can result in an increase of price premiums in B2B marketplaces, and the price premium increase tends to occur in markets with less competition. This analysis shows that suppliers who take time to submit their bids can get a better price mainly because they have fewer competitors and they have a strong say on the market. This evidence can help suppliers using digital B2B networks not to underestimate the significance of bid time as one of the strategic approaches to maximizing the outcome of their prices

Discussion

The paper has explored the use of strategic waiting to influence price premium in B2B markets. The study was carried out using a controlled experimentation design and therefore professor Rekab explored how suppliers who coldfoot tend to seed their bids are able to command a better value on their prices in contrast to suppliers who happen to bid at the early stages. The results can be added to the understanding of the competitive strategies in the digital B2B setting, specifically to the mechanisms concerning the role of the bid timing in determining the market conditions.

The study has an effect on a number of theoretical contributions in the discipline of management and operations of business including the theory of behavior operations and auction. Behavioral operations theory pays attention to the processes of decision making under uncertainty when market actors (who are suppliers, in this instance) are required to make strategic choices through imperfect information. This research makes information asymmetry an important factor in decision-making process by demonstrating that strategic waiting can provide increased prices premiums. In particular, the suppliers that postpone their bidding can monitor the actions of the competitors therefore decreasing the amount of uncertainty in the auction and better pricing (Benischke & Schultze, 2017).

Moreover, the findings favor the idea of the idea of competitive dynamics as the focal point in pricing strategy. Responding to past literature on actions taken in competitive bid and auction scenario (McAfee & McMillan, 1987), the research proves that bidders and suppliers are able delay their initial bid with an aim of creating less pressure during a match, thus gaining greater control over the eventual price. This is related to the idea of market power, where the companies can position themselves to exploit the market mechanics and therefore realize a competitive edge (Kagel & Levin, 2014). The findings contribute to this body of information because they point the way to the notion that within the B2B marketplaces, strategic waiting can be used as a very strong vehicle towards achieving price advantage-based outcomes.

It has also been found in the research that there is empirical evidence to push along with the already-there theory of auction where it is constantly being theorized that a bidder who bids late would benefit by taking a reading of the market and adjusting his or her strategy in the light (Bajari & Hortacsu, 2003). Nonetheless, in contrast to conventional auction environments, where waiting may be part and parcel of scarce knowledge, in the digital dimension of B2B, suppliers have access to real-time pricing adjustments in response to the moves of competitors, with the strategic choice-making process at the center of determining prices.

On the patronage point of view of the manager, this study proposes some crucial findings to the suppliers who do businesses in the B2B markets. The main lesson is that the strategy of strategic waiting should be taken into consideration by the suppliers as a potential strategy in pricing. A delay on the first bid will give the suppliers the chance to use such information which they obtain in the waiting time to change the bids and make a higher price. The tactic is especially valuable when competing in markets where there are less competitors, and waiting can bring a substantial decrease in the measuring up and the possibility of charging premium prices. Managers are therefore advised not to go by on the time to offer their bids, but also, they should take into consideration the competitive environment in determining the time to bid in the market.

The second lesson that can be learnt by managers is that they need to be aware of the competitive dynamics in particular market environments. Although the price premiums obtained through strategic waiting are larger, they are noticeable in less competition markets. As such, firms that are dealing within the digital B2B market places are advised to determine the degree of rivalry within their industry and refine their bidding tactics in accordance with the aspect. As an example, in tight competitive circles where suppliers are numerous, delaying may not work in any better way and in such a case, bids early enough could cover up before others join the wild. On the contrary, in markets where few suppliers exist, waiting is likely to give a greater edge (Bajari & Hortacsu, 2003).

This paper also emphasizes the importance of the businesses to be in a position to observe trends in the market and adjust their strategies according to the circumstances in the market. Digital B2B platforms are characterised by quickly fluctuating patterns of bidding, so being able to be responsive and adaptative in terms of competitor actions can mean the difference between desirable price results.

In spite of the significant contributions that the study advances to the body of knowledge on B2B pricing strategies, it has its limitations. To begin with, the study was carried out in a highly-controlled laboratory environment, whereas real-life B2B markets are much messier and less predictable. Despite the internal validity and ability to strictly control certain aspects and manipulate variables that is aided by the controlled environment, any future studies should focus on leveraging the results in a reality setting where other elements may be considered including establishing long term relationships, reputation building, and negotiations.

Also, the authors addressed digital B2B markets only. Future research may be conducted to determine the effect of strategic waiting in other forms of digital markets such as those businesses where consumer-to-business (C2B) or business-to-consumer (B2C) are the transactions. The study might alternatively be extended to the case of suppliers in more traditional, offline B2B settings, where the sharing of information and the bidding is conducted more opaquely, and who might have advantage in strategic waiting.

Such aspect like the geographical and industry-specific variation should also be mentioned in the future. The present research study did not elucidate on how cultural, regulatory or institutional measures could determine the usefulness of strategic waiting. As a case in point, the effects of strategic waiting may vary between a tightly regulated industry (e.g. pharmaceuticals, defense) and a less regulated one (e.g. technology, consumer goods). Moreover, geographical aspects, including market maturity and other economic statuses in various areas, might influence competitive relationships and efficiency of strategic waiting in the distinctive manner. Thus, the exploration of such a factor as geographic location when making strategic biddings would specify this phenomenon further (Bajari & Hortacsu, 2003; Lee & Zhang, 2022).

Besides examining industry and geographic contexts, how long-term effects of strategic waiting have an influence on supplier reputation, as well as market share can be investigated in the future. Although the present research has dealt with something like immediate price premiums the risk that exists is that suppliers who regularly engage in strategic waiting with a view to develop some reputation about them which in turn influences his future wins in bidding. What future studies can elaborate on is whether or not strategic waiting results in long-term domination in the market and whether or not the practice may also shape a bad reputation to the supplier in case the competitors in the market regard the practice as manipulative or unethical.

Lastly, psychological/behavior science may study strategic waiting in more depth, that is, how strategic waiting occurs at the psychological/behavior levels, and how cognitive biases (e.g., overconfidence, anchoring) impact the decision-making process. Knowledge of the psychological mechanism underlying bid timing would provide some useful insights on bid rule decisions by the supplier in a complex and an uncertain setting such as in the digital B2B marketplaces (Bazerman & Moore, 2012).

Conclusion

This article offers a good indication that strategic waiting can give rise to increased price premiums within B2B marketplaces based on the exploitation of information asymmetry and decrease in competitive intensity. The implications are that those suppliers that withhold their bids are able to fine tune their strategies to the market conditions as they have observed leading to more desirable pricing in the end. Effective use of strategic-waiting in terms of price-setting is possible by suppliers who may make use of it in less competitive settings by recognizing the immediately force of competition in their market. Future studies could extend the investigation to the wider consequences of employing this strategy, e.g., the impact of this strategy on long-term relations with the suppliers, on the market share, and on the reputation.

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