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A Proposal to Explore Pricing Behaviour in Canola Seed Industry

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Canola seed industry in Canada consists of oligopoly seed producers. Economic theory suggests firms would lower the price of varieties as they become less competitive over Time. However, this is not consistent with what we observe in the Canola seed industry in Canada. In this industry, prices generally do fall after introduction of new products. Price competition is rarely seen in the industry. This poster provides several possible explanations for this phenomenon. Product differentiation effect, lack of competition, role of marketing managers, and commitment to future prices strategy are of the hypotheses developed to explain the seed producer's pricing behaviour.

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