

Price and Customer Dynamics

Setting the 'right' price in order to maximise revenues and profitability...

Problem

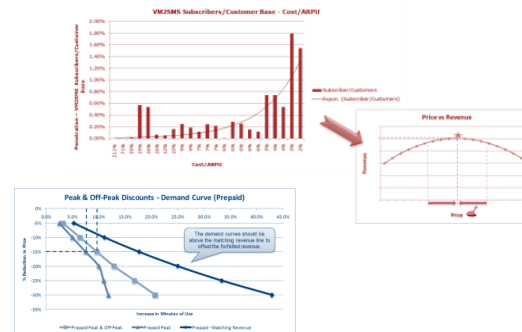
- How do products or services price changes impact my revenue and customer base?

Industry experience

- Media & Entertainment
- Mobile

Solution

- Developed a price elasticity trial framework.
- Assessed which customers should be targeted to derive the best insights and understating of dynamics.
- Determined both price elasticity and arc-elasticity.
- Built a predictive model to assess the confidence levels based on sample sizes and determined the financial impact of trial on base



Value

- Model allowed for a clear distinction to be made on what the likely impact would be of various price changes.
- Customers could be ring-fenced to drive volume growth on sensitive customers and retain value on non-sensitive ones.
- Models emphasised the price points that were most optimal.
- We were able to leverage customer price behaviour on one product to drive sales on others (or at times detract from it).