

Intelligent Pricing Case Study



Candor. Insight. Results.

Organization: A leading provider of credit scores

Focus: Pricing

Business Challenge: Each year the organization applied a single percentage price increase to all customers across all products. This approach resulted in many customer's defecting to their competitor or a decrease in overall volume. The organization engaged Baker Tilly to help them define a new pricing strategy that would reduce defections and increase revenue and profitability.

How Baker Tilly helped: Baker Tilly performed detailed 3 year analysis on price increases by customer. Once the analysis was complete the Baker Tilly team could identify the combinations of customer segments, and products against their price sensitivity. This created a new pricing model which allowed the organization to selectively raise prices while significantly reducing the risk of defection. In addition to the analysis and pricing model, Baker Tilly introduced the data aggregation process and corresponding analysis to the client so they could execute the analysis as a normal annual operating procedure to optimize their pricing decisions. Specifically Baker Tilly:

- > Analyzed three years of pricing and volume data across all of the customer based, (well over 10 million rows of data)
- > Determined price sensitivity correlations in the data
- > Determine pricing model that would increase revenue and profitability and reduce defections
- > Built an ongoing pricing process and standard operating procedures to allow the customer to integrate this into their annual pricing models

Results: The customer experienced revenue growth due to the pricing model changes and at the same time reduced annual pricing defections. In addition, the organization had adopted a pricing model that had clear definitions.

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