

# DEVELOPING A DATA-DRIVEN PRICING ANALYTICS STRATEGY

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*A five-minute guide from  
Quantzig*



# INTRODUCTION

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In the product positioning and branding wheel, pricing is an important cog. Smart pricing strategies can catapult brands and retailers to quick success. This is one of the primary reasons why companies are becoming inclined towards deploying a robust pricing strategy that can act as a catalyst for managing profitability and ensuring that the brand's price image reverberates throughout all the promotional and marketing communications. New sources of data and insights can be uncovered through advanced analytics solutions. This can be especially useful for players in the CPG & retail industry to assist them in establishing the best retail price. Analytics solutions can help handle massive data sets and analyze unstructured data including emails, text, images, audio, and video files. Moreover, they also have the capabilities that are necessary to perform an exploratory analysis to find relevant trends, patterns, and anomalies in data sets.

To derive optimum benefits from pricing analytics, it is vital for companies to partner with specialized providers. The analytics team at Quantzig has deep industry knowledge and sound analytical expertise that translates into quick and accurate results.

*Connect with our analysts to know more.*

*Pricing plays a vital role in establishing the brand image and promoting what the company stands for.*

**CONTACT US**



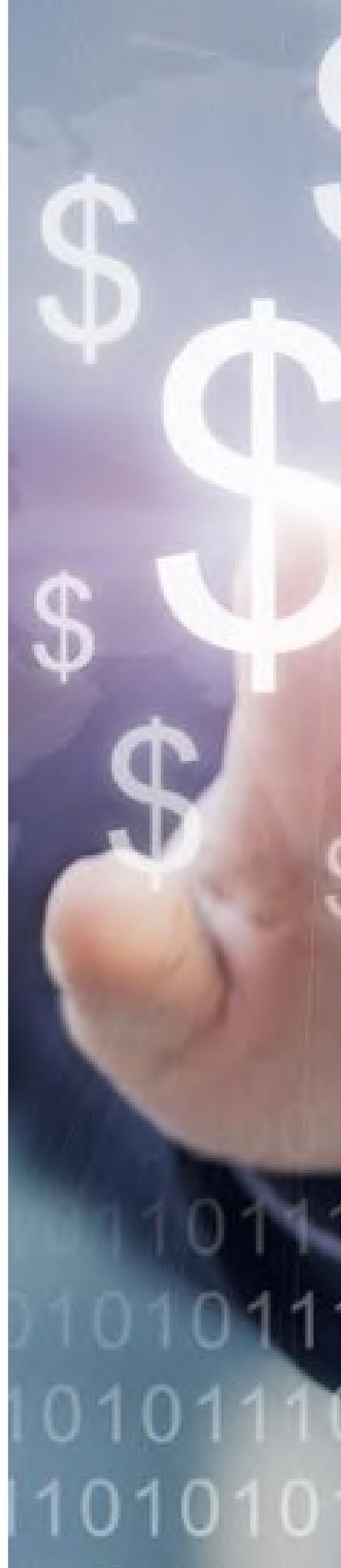
# WHY IS PRICING ANALYTICS IMPORTANT?

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Pricing analytics may seem to be a complex approach. However, it is imperative for marketers to be fully involved in establishing a meaningful pricing strategy. Furthermore, pricing is fundamental to the health of the company's relationship with its retail accounts. A smart pricing strategy also ensures healthy margins. Pricing analytics is putting marketers in the driving seat by helping them make discreet judgments on the margins to be reserved on particular products in relation to the competition. Recent studies show that the right pricing strategies and price management initiatives can increase the margins considerably in a span of 12 months. Consequently, this will cause the ROI to skyrocket. Combining pricing with analytics helps create a mechanism that acts as both a catalyst and a metrics engine for managing profitability.

## Some of the key benefits of pricing analytics include:

- *Effective business decisions based on tightly defined issues including the customers who need to be focused on and the products to rationalize. These decisions are based purely on clear-cut data rather than intuition*
- *Automation tools are used in pricing tools. These tools enable informed decision-making. For instance, sales team dashboards depict the impact of discounts on deal profitability*
- *Improved agility in responding to changing market conditions or shifting competitive environment*
- *Provides clear feedback loops so that pricing teams can assess the effectiveness and adjust as needed*
- *Pricing analytics provides the ability to avoid costly mistakes or missed opportunities by running advanced scenario modeling—for instance, it helps identify the potential impact of a pricing change on the overall demand and profitability.*





# WHAT DO PRICING ANALYTICS TOOLS DO?

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Ideally, pricing analytics programs are run with a suite of software tools and services that are designed to provide insights and guidance to the company. **Best-in-class pricing analytics solutions help:**

## Identify lucrative opportunities

Pricing analytics can help marketers spot underperforming segments that are leaking revenues and target them separately. Such insights can be used to fine-tune channel-specific approaches and figure out how to price the products with surgical precision.

## Boost profitability

Pricing analytics applications provide data-based insights into product demand, customer price sensitivity, and pricing effectiveness. Managers can analyze and visualize key data on product velocity, the impact of mark-downs on margins, the effectiveness of promotions, and the profitability of products across channels.

## Monitor progress and refine plans

Once new pricing initiatives are underway, the effectiveness of both individual price profiles and overall price segments can be measured. Companies can also use such tools to monitor customer compliance, which is an essential part of assuring program success.

**Know more about Quantzig's pricing analytics solutions!**

**GET MORE INFO**

## QUANTZIG'S LATEST SUCCESS STORY:

### The client

A well-reputed player in the frozen food market with a revenue of over USD 1 billion in the frozen food market.

### Business challenge

The client lacked a functional perspective of the diverse frozen food market. As a result, they were unable to plan an optimized price strategy for their products. They were facing critical challenges in beating their competitor's product prices.

### Solution offered

The study conducted by the experts at Quantzig revealed pricing misalignments, which helped the client to readjust their pricing models. Apart from augmenting the client's profit margins, the new strategy also predicted the immediate effect of any price change or promotional advertisements.

#### Benefits of Quantzig's pricing analytics solution

- *Real-time updates on the product demand and purchase behavior of the customers*
- *Elastic pricing strategy which can be adjusted according to product performance against price*
- *Structured approach to brand campaigning which can facilitate significant cost-savings*



## About Quantzig

For more than 15 years, we have assisted our clients across the globe with end-to-end data management and analytics services to leverage their data for prudent decision making. Our firm has worked with 120+ clients, including 55+ Fortune 500 companies.

At Quantzig, we firmly believe that the capabilities to harness maximum insights from the influx of continuous information around us is what will drive any organization's competitive readiness and success. Our objective is to bring together the best combination of analysts and consultants to complement our clients with a shared need to discover and build those capabilities and drive continuous business excellence.

Your data assets are growing, but your inability to keep up with the need for critical answers and faster insights can cost you millions. Is your technology holding you back? Learn what you can do to extract more value from your data. Request a solution demo!

**REQUEST A DEMO**