



PRICING PACT

YOUR PRICING PARTNER

How to adopt a value-based E-commerce pricing strategy

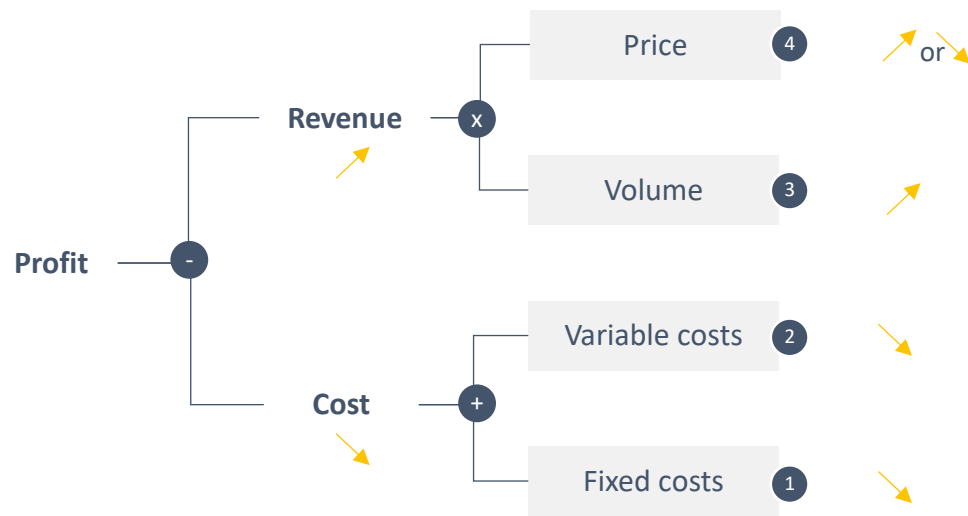
03-10-2019

Gent

Price is the most impactful profit driver.



Only 4 levers to increase the profit



Price is the most impactful profit driver

For a 1% improvement

Profit improvement

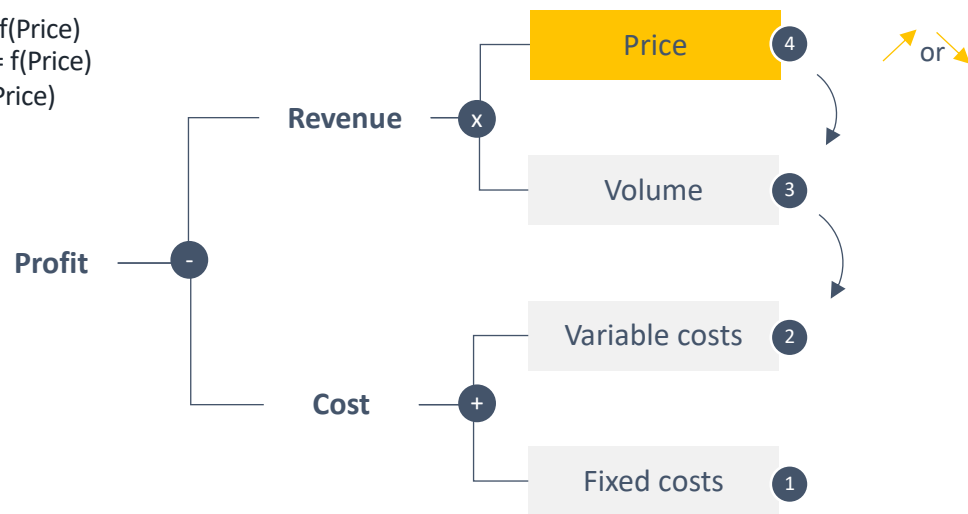


The pricing chain reaction.



The Pricing Chain Reaction

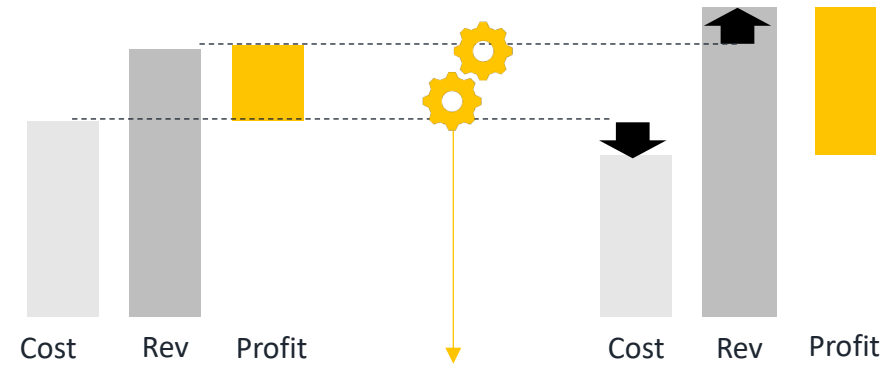
Volume = f(Price)
Revenue = f(Price)
Profit = f(Price)



Better profit control

Pricing not optimized

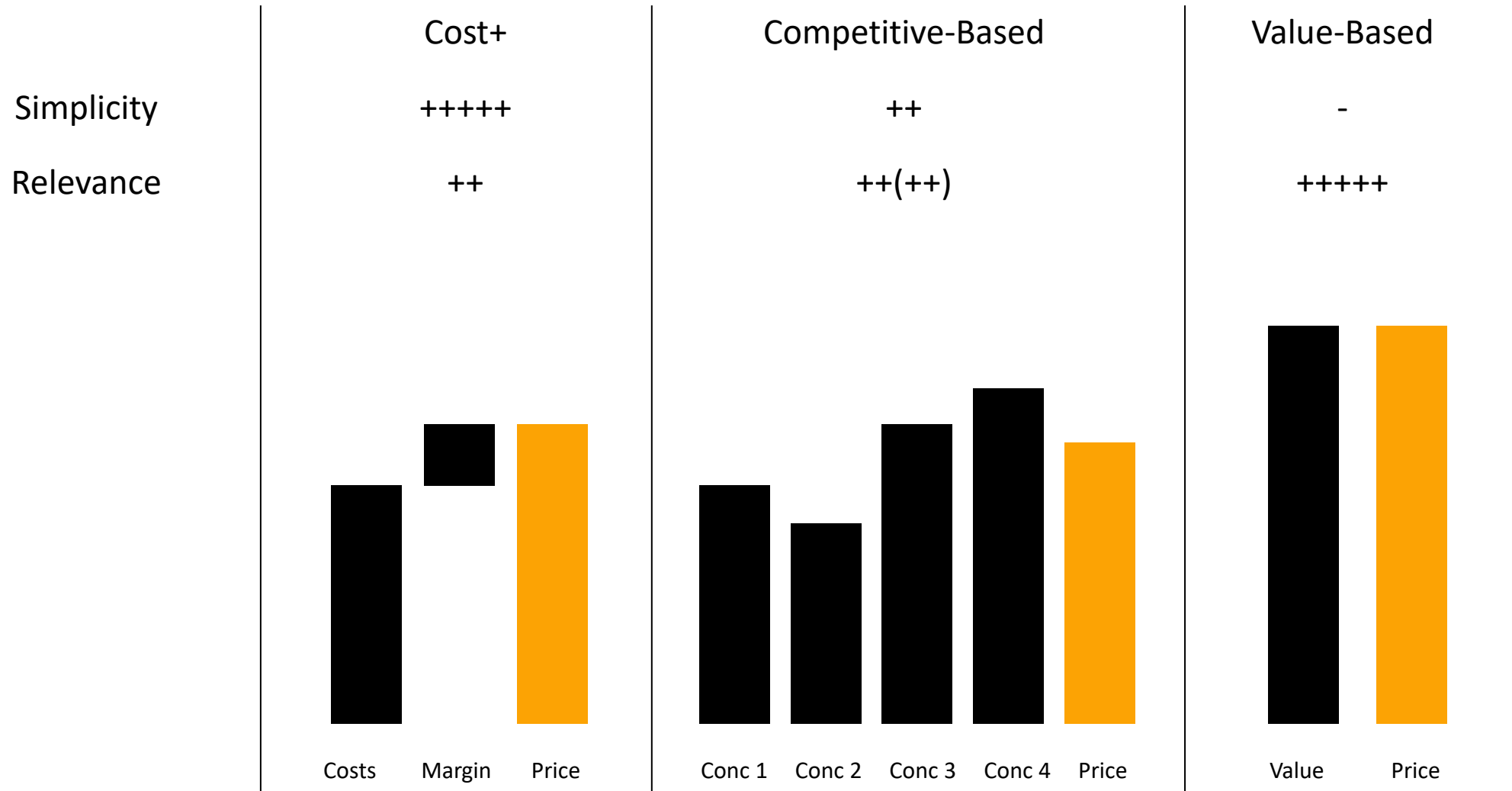
Pricing optimized



- Price model
- Price metric
- Reference prices
- Price differentiation

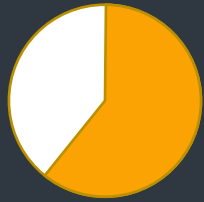
Value-Based Pricing?

The 3 main pricing approaches



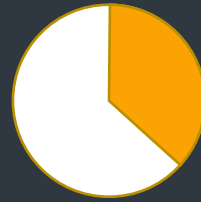
Quantify the comparison habits.

1. % comparing with the competition



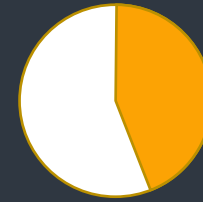
60%

2. % of competitors



30%

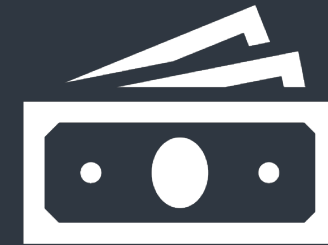
3. % for which price is the n° driver



40%

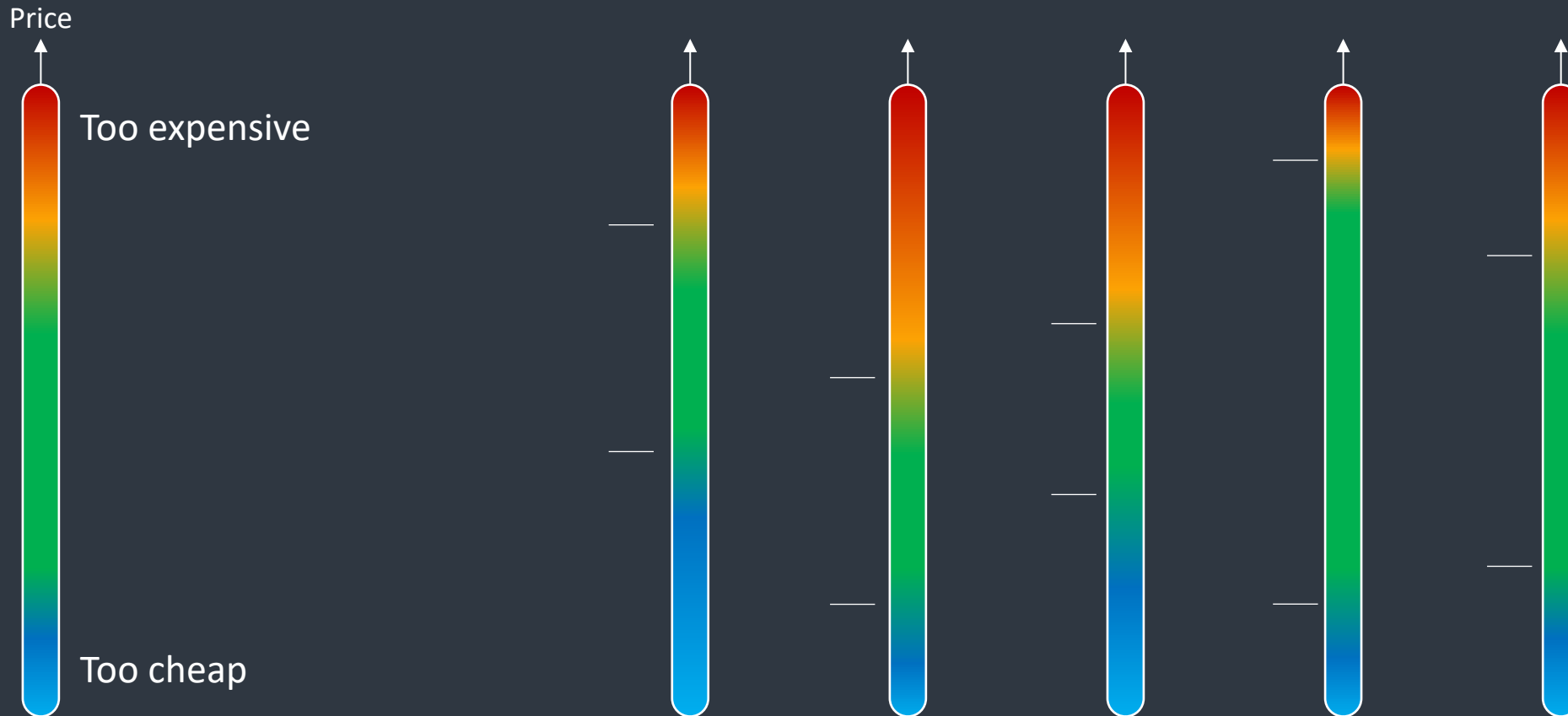
Relevant for 7% of clients

Understand customers' perceived value and price sensitivity.



Measure the price sensitivity.

We all have different price sensitivity



The problem of filters in e-commerce websites

Neuf Occasion

Marque Modèle

1ère immatriculation Prix jusque (€)

Belgique Ville/CP Rayon

International

Affiner la recherche 120 559 résultats

Neuf Occasion

BMW Modèle

2012 30.000 €

Belgique Ville/CP Rayon

International

Affiner la recherche 5 819 résultats

Neuf Occasion

BMW X1

2012 30.000 €

Belgique Ville/CP Rayon

International

Affiner la recherche 349 résultats

Recherche détaillée

Spécifications & localisation

Marque Modèle Rayon

Type de châssis 1ère immatriculation Prix

Estimation de prix Autostar 24 De quels agès??

Carburant Mécanisme Puissance

Boîte Nombre de portes Nombre de sièges

Rechercheur Particulier

Etat du véhicule

Équipement

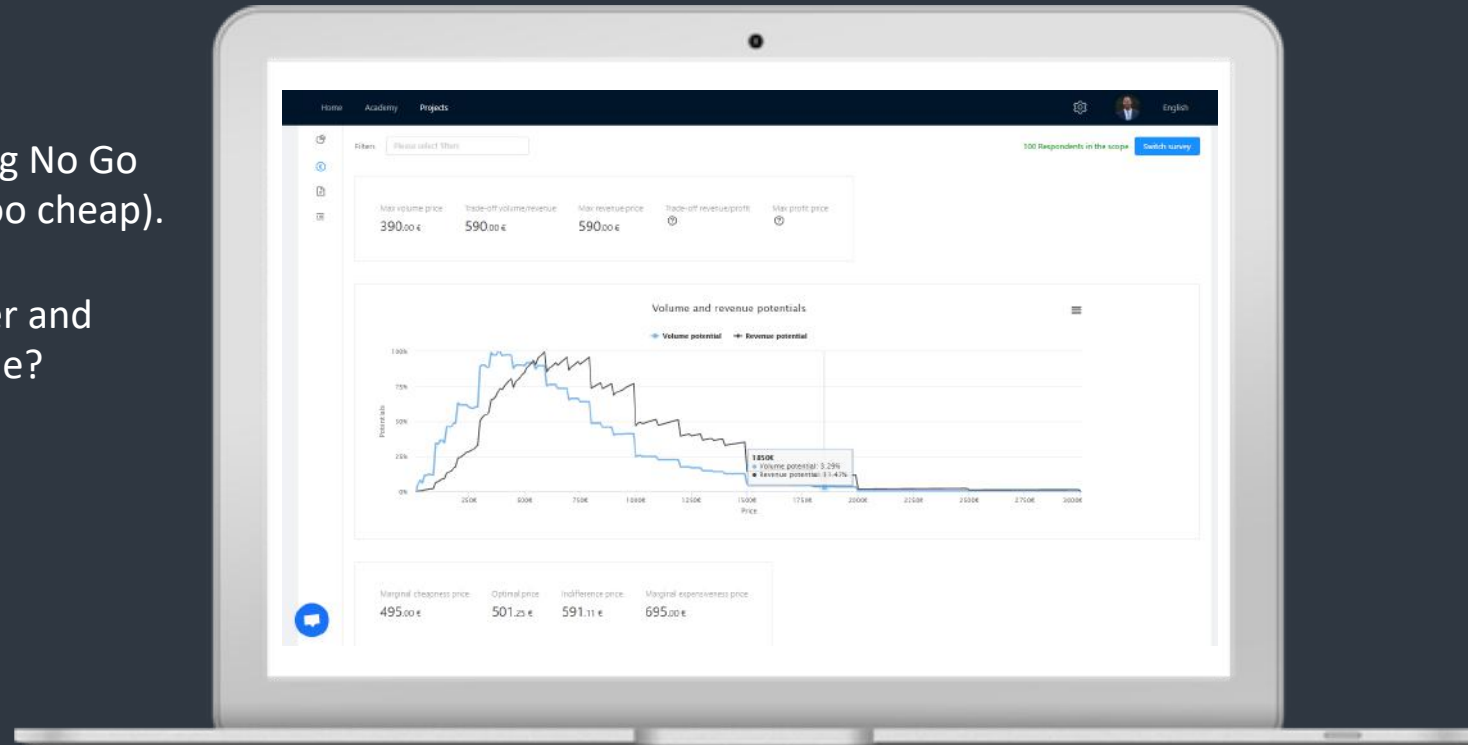


Too cheap = bad quality perception



Maximizing revenue, volume or profit?

- Don't be in the Pricing No Go Zone (perceived as too cheap).
- Can you charge higher and have the same volume?



Pricing Pact



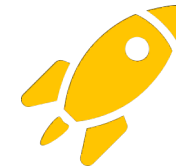
Our strengths

- +8 years of pricing experience
- Collaborations with incubators and accelerators
- Combination of lean and impactful approaches
- Fact based



HOW

With our services and our online pricing toolbox



OUR MISSION

Help companies of any size and any business type to capture their full revenue or profit potential with a better pricing.



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