



C A S E S T U D Y : M A X I M I Z I N G R E V E N U E T H R O U G H M A R K E T - B A S E D P R I C I N G

“Thank you Steve – as usual, you and the LoSG team did a great job for us – we really do appreciate your attentiveness to our information needs... I realize that this is challenging work – but you have spoiled us – we have the utmost confidence in you and your team...”

**VP, Product Management
Financial Services**

Situation:

A \$300 million national provider of financial services and products sells to small businesses through a strong distributor network. Price positioning is extremely important. Each year, product managers need to set prices within a reasonable range of the ‘market’ price or risk losing customers or leaving money on the table. This is called the ‘target range.’ The product managers need to stay abreast of the market prices each year so that they can position effectively.

Solution:

Line of Sight Group (LoSG) created a distributor panel that has access to pricing details and conducts a mystery shopping exercise based on a ‘market basket’ methodology each year. After the panel collects the data, LoSG conducts comparative and longitudinal analysis to make conclusions on pricing changes and patterns. As part of the process, the customer experience (CX) is analyzed for strengths/weaknesses and changes in the market.

Benefit:

The market pricing and customer experience analysis feeds directly into the client’s strategic planning process where the product management team sets pricing strategy for the coming year. The CX information is also used by the sales and marketing teams to adjust their own strategies based on a deep understanding of cross-selling tactics and loyalty initiatives. The client estimates that the information provided by the pricing research improves the probability of correctly setting prices within the target range by approximately 30%. This results in annual revenue savings estimated at \$5.2



million and a profit-based ROI between 15 and 20 to 1 (i.e., every \$1 invested in research returns between \$15 and \$20). Improvements made to the sales and customer experience provide additional benefits and return.

