

PRICING RESEARCH@LINK

The workout for your pricing strategy

Price governs your product's success. Our pricing research optimises your pricing strategy.



The right pricing strategy is imperative for the success of your product or service. Anyone who makes his product too expensive, loses market share and revenue – and anyone who positions it in the market too cheaply not only loses out on potential profit but even at worst damages the brand image.

Pricing research has many facets

Some of the key questions that pricing research investigates are:

- What is the strategically right price for a product – and where are the price thresholds?
- How must my product be designed to sell at a certain price?
- Are price increases accepted and, if not, to whom are existing customers migrating?
- How many new customers would I get by dropping the price?
- Are there customer groups with differing needs and differing price sensitivity?
- How high is the added value of individual product features?



Customers behave illogically – but in a predictable way

There are many criteria that play a role when deciding to buy a product – and they are not always rational. Many purchasing decisions are made intuitively. In such cases pricing psychology exerts a huge influence. In-depth knowledge of such aspects as anchor points, loss aversion, framing and attraction effects or strategic response behaviour ensures pricing research that gives you greater surety you are making the right decision.

Implicit procedures deliver market-based results

Discrete choice models (conjoint analyses) mirror the customer's actual decision-making behaviour when buying a product or service. The survey situation is real and therefore meaningful. Coupled with additional information such as price awareness, budget limitations or resistance to change, this method ensures the buying decision prediction is valid. Price elasticity can be determined exactly and the price for a product can be optimised when it comes to market share, revenue or profit. In addition, conjoint results act as a basis for a needs segmentation and deliver detailed information on which of your (potential) customers are price-sensitive and which not.

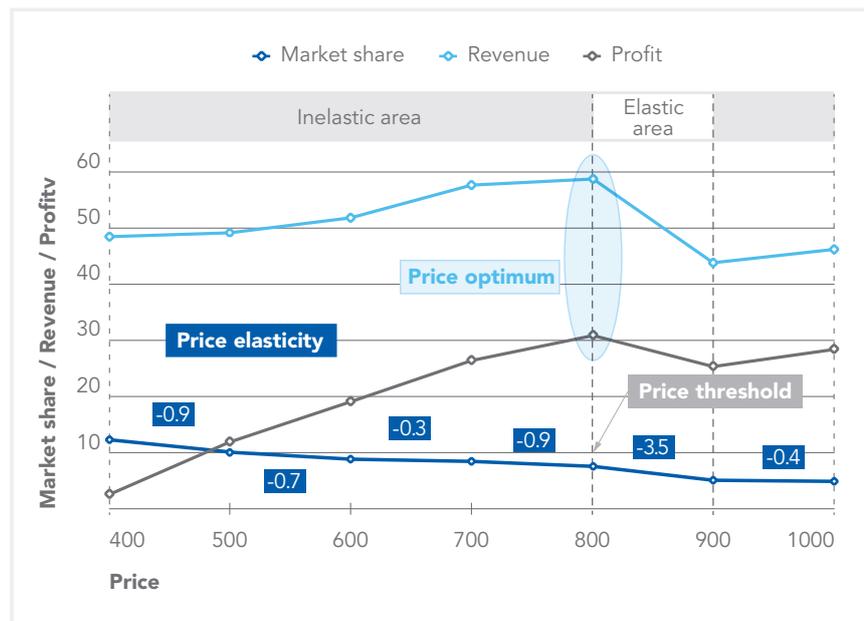
Using a user-friendly simulation tool, you can conduct market simulations on your own so you can optimise your products or forecast the impact of changes in the market at any time and anywhere.

Simple methods – fast answers

Sometimes it is enough to get a fast appraisal of how much customers are prepared to pay or an idea of what price the market considers to be fair for a product. The so-called Gabor-Granger method or the price sensitivity meter (PSM; van Westendorp) are procedures that reliably pinpoint the direction your pricing policy needs to take.

Many questions – many solutions

As diverse as your questions on price are, just as diverse are the solutions that market research can offer you. With LINK you can be sure you have an experienced and reliable partner who uses the method that will answer your pricing research questions best.



Price elasticity / sensitivity

LINK Institute – your partner for decision-making fundamentals you can rely on.

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