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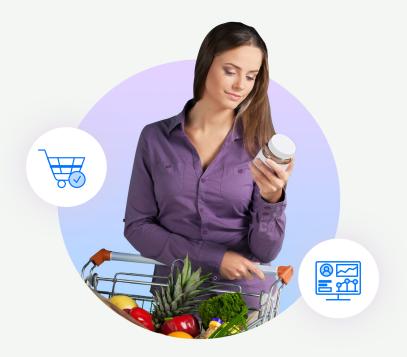
# DRIVE PROFITABLE Competitive Growth with Strategic Pricing





We live in a dynamic world where businesses must handle disruptive changes that surface one after the other. Today, the added pressure of inflation is raising input costs and squeezing margins. As a result, CPG players will now be compelled to increase prices while providing reasonable options for the consumer. So what can be done to navigate this challenging period? For that, the spotlight must shift to revenue growth management strategy and, by extension, its five pillars - brand portfolio pricing, price pack architecture, mix management, promotion management and trade term management. Companies are targeting strategic pricing, and with a disciplined approach, this pillar can generate the most impact.

#### INTRODUCING INFOSYS EQUINOX STRATEGIC PRICING Powered by consumer surplus factor



Is my brand's competitive advantage and equity <u>à à</u> leveraged in its price? Will an increase in price impact my brand's 1\$Ì market share? Should I lead the price increase or follow the ٦ competition? How do I insulate my business against inflation pressures without compromising brand equity? How do I determine the pricing for each channel? If my firm leads a price increase in the market, is my brand strength adequate to protect and even raise market share?

Do these questions feature regularly in your planning sessions? Infosys can help you find the right answers to these questions. Because we understand what CPG firms need today to transform sales processes and establish a competitive advantage. Our suite of offerings exploits the power of data to integrate all areas of revenue growth management while keeping profitability planning at a granular level to deliver the results your firm seeks.

Infosys Equinox Strategic Pricing powered by Consumer Surplus Factor takes the guesswork out of pricing decisions for CPG revenue managers without disregarding the impact on the market share. Organizations no longer need to settle for less by using traditional price elasticity models that are unequipped to wade through the complexities of today. Backed by a highly sophisticated model, the solution's market share prediction has an accuracy of over 90%.

## HOW THE SOLUTION CAN GUIDE YOU

- Measure customers' willingness to pay for your brand as well as your competition's.
- Predict market share based on the pricing decision made for your brand and competition.
- Optimize different objectives such as maximizing profit subject to protecting market share or maximizing market share subject to minimum profit expectation.

#### **BEHIND THE SCENES**

The strategic pricing solution harvests data from diverse sources, including simple sales data from syndicated sources. In addition, it can be easily enhanced with more data sets available from other sources, such as brand equity surveys and social media data. It applies an econometric and AI model to accurately predict customers' willingness to pay and their stickiness. This approach enables it to make pricing recommendations at the brand pack and channel level for competitive yet sustainable growth of market share and profitability.





## **SUCCESS STORIES**

- One of the brands from a Global CPG company had a high Consumer Surplus Factor. Our solution suggested an 8% price increase and predicted a 4% increase in market share. Within six months, the company was able to realize an incremental gross profit while increasing its market share by 4%.
- For another brand from the same global CPG company, the CSF study indicated that the brand had over-indexed its price relative to its equity and recommended a holdback on a price increase. As a result, the company invested in building the brand equity to counter the overindexing challenge before increasing the price.

# While the solution's market share predictions occur over a year, early wins are visible from the first three months.

## **Get in Touch**

Write to us at contactus@infosysequinox.com to discuss how you can navigate price change.





For more information contact askus@infosys.com

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