

**CASE STUDY**

# Pricing Analytics Unearthed New Opportunities to Capture Unrealized Profits for an Automotive Company



The client is an automotive manufacturer with business units spread across North America. They were looking at developing a data-driven pricing strategy to identify new **pricing opportunities** to drive growth. This success story highlights how the implementation of a data-driven, competitive pricing strategy helped an automotive company to outperform its peers.

## The Business Challenge

There is no denying the fact that the future of the **automotive industry** is currently at crossroads. In a rapidly growing automotive landscape, the lack of the right tools and expertise in setting the right price may bring in new challenges for players. It's also crucial to note that businesses must have strong analytics capabilities to develop meaningful insights from their datasets and set the right price for their offerings. Our portfolio of pricing analytics solutions is backed by best-in-class pricing analytics models that aim to address the specific needs of businesses to drive bottom-line results.

Since automotive companies face strong competition from international players it's crucial for them to express the value of their offerings by setting the right price. The client, in this study primarily sold products through distributors and faced several challenges related to pricing, execution, and monitoring. A thorough analysis helped reveal that the client's challenges were deeply rooted in their pricing strategy and poorly documented processes.

The lack of basic knowledge and pricing analytics expertise proved to be costly and the client soon realized the impact it would have on their organizational performance. Moreover, the growing competitive pressure from low-cost competitors, new entrants, and product commoditization along with the risk of falling into costly ad-hoc pricing habits prompted the client to develop a competitive pricing strategy.

## The Solution Offered and Value Delivered

To help the client identify the optimal price for their products we focused on developing a competitive pricing strategy that aimed to differentiate the client's offerings. Our experts also conducted a detailed competitor pricing analysis to identify and analyze the patterns in pricing strategies adopted by their competitors. This helped the automotive client to identify over \$2M in new pricing opportunities. The competitive pricing strategy also helped them analyze how price fluctuations impacted the overall profitability of the organization.

Quantzig's pricing analytics solutions also empowered the client to:

- Improve the efficiency and consistency of their pricing policies
- Automate pricing dataflow and develop KPI dashboards using advanced pricing analytics
- Quantify product demand based on pricing

## What is Pricing Analytics?

Pricing analytics is a systematic, data-driven approach that empowers companies to drive profitability and market share by developing an optimal pricing strategy. Advanced pricing analytic solutions aim to develop robust pricing strategies by leveraging data to better understand the buying patterns of its global customer base.