

TRAINING

# Pricing in the Face of Intensive Competition

Date: November 30<sup>th</sup> and December 1<sup>st</sup>, 2010

Location: TBD, Netherlands

European's leading platform for pricing decision makers sharing intelligence and best practices, through a variety of interactive workshops, events and media

## OVERVIEW

### PRICING IN THE FACE OF INTENSIVE COMPETITION

Executives may desire to achieve higher prices, but they are also well aware that their pricing latitude is constrained by competition. In *Managing Prices in the Face of Competition*, we will examine academically researched and industry best practices for managing prices in highly competitive markets. This course applies concepts from the fields of economics, consumer behavior, neuroeconomics, negotiations, and competitive dynamics in order to provide executives with a well rounded view of pricing in the face of competition. Executives attending this course will be able to identify routes to improve their pricing practices and avoid traps leading to pricing disasters.

To further knowledge transfer, this interactive course will involve two competitive exercises and two case study discussions from both consumer and industrial markets.

### KEY BENEFITS

1. How simple Exchange Value Models can define the properties of a "Good Price" and prevent Bad Pricing
  - Comparable Alternative Prices
  - Differential Value
  - Exchange Value
2. Defining Volume Hurdles for your Next Discounting Challenge
  - Price Sensitivity Analysis
  - Volume Hurdles to Achieve in a Price Cuts
  - Volume Loss Allowable in a Price Hike
3. How elasticity of demand can inform your price discounting practices and yet be insufficient for defining pricing policy.
  - Relationship of market elasticity to volume hurdles
  - Inelastic markets and price changes
  - Elastic markets and price changes
  - Sample elasticities at the category and brand level
4. How understanding value from the customer's perspective informs pricing decisions, even in competitive situations
  - Impact of customer perspective on exchange values and price sensitivity
  - Means to influence price sensitivity

5. How to identify opportunities from a Price to Value map, and avoid competitive strategy pitfalls.
  - Defining a price to value map
  - Examining price to value using the Delphi approach
  - Examining the current price to value using customer perception research
  - Examining the future price to value using expert opinion research
6. Understand 16 methods a firm or individual executives can use to influence prices higher and still capture customers
  - Psychological and behavioral methods for influencing price
  - Prospect theory and its application to price management
7. Why discounting can improve profitability through price segmentation
  - Relationship of discount structures and price segmentation policy
  - Profit impact of price segmentation
  - Challenge of price segmenting through discounting
8. Understand how decision making biases influence price capture
  - Examining of the Nash equilibrium in competitive situations
  - Challenges to achieving the optimal outcome
9. Understand the strategic importance of price management in highly competitive markets
  - Structural factors that drive heated price competition
  - Methods of anticipating competitor's reactions to price changes
10. Identify means to strategically manage prices to a higher point in highly competitive markets
  - Means of lowering price as the point of competition
  - Means of influencing prices at the industry level.
11. Identify means to tactically manage prices to a higher point in competitive bidding situations
  - Insights from negotiation research for managing prices higher
  - Insights from negotiation research for driving customer tradeoffs towards mutual wins

## FOR WHOM ?

### Everybody involved in pricing decisions:

- Sales managers
- Account managers
- Product managers
- Brand managers
- Financial managers
- Project managers
- Business unit managers
- General Managers

## YOUR TRAINER



Tim Smith, PhD is an adjunct Professor of Marketing at DePaul University researching pricing, and the Managing Principal of Wiglaf Pricing. Dr. Smith researches, instructs, and consultants in pricing strategy and tactics. He is a regular presenter at the Professional Pricing Society conferences, both in the US and in Europe. Dr. Smith is known within the pricing industry as a thought leader. He regularly motivates actions that lead to results. At Wiglaf Pricing, Dr. Smith provides strategic pricing support for globally leading firms such as Symantec as well as a host of entrepreneurial firms and portfolio companies of private capital.

His past roles include Chief Marketing Officer of ISB Development, a software subsidiary of Nonolet in Novosibirsk, Russia, and Business Development Manager of SPL WorldGroup, a software product and consulting firm. While he began his career as a scientific researcher studying quantum mechanics, he extended his focus from science to pricing driven by an interest to enable firms to profit from advances, and grounded in his love of math.

Dr. Smith holds a MBA with High Honors in Strategy and Marketing from the University of Chicago GSB, a Ph.D. in Physical Chemistry from the University of Chicago, a BS in Chemistry and Physics and BA in Mathematics from Southern Methodist University. He authored *Hawks, Seagulls, and Mice, Paradigms for Systematically Growing Revenue in Business Markets* as well as *Pricing Strategy: Setting Price Levels, Managing Price Discounts, & Establishing Price Structures to Win the Market*

# PROGRAM

## OVERVIEW

### DAY 1

1. HOT ROLLED STEEL NEGOTIATION EXERCISE
2. IDENTIFYING A GOOD PRICE
3. PROFIT'S SENSITIVITY TO PRICE
4. CASE STUDY: CONSUMER MARKET, CHICKEN PRICING
5. PRICE TO VALUE
6. CASE STUDY: DEMAND DRIVERS & OPPORTUNITY IDENTIFICATION IN THE AUTO INDUSTRY
7. CASE STUDY: GM SUMMER DISCOUNTING
8. PSYCHOLOGICAL INFLUENCES TO VALUE PERCEPTIONS

### DAY 2

1. ORANGE EXERCISE
2. NEUROECONOMICS AND PRICE COMPETITION
3. PRICE SEGMENTATION
4. CASE STUDY: STARBUCKS SHIFTS THE VALUE TRADEOFFS
5. CASE STUDY: SILICON PRICE CHIP MANAGEMENT
6. COMPETITION & PRICING: INTRO AND THE CAUSE OF PRICE WARS
7. COMPETITION & PRICING: REACTING TO PRICE WARS
8. COMPETITION & PRICING: MANAGING PRICE ACTIONS

## TESTIMONIALS

- "Your presentations cover relevant and practical topics, with practical illustrations to bring your messages to life in an entertaining and engaging way."

*Sony Ericsson*

- "Thorough and thought-provoking ... almost an academic review of the latest findings in the pricing science; [yet] still they remain highly actionable and very relevant for the business life."

*Carrier HVAC*

- "Not only do you learn to fish, you learn to price the fish for the maximum profit."

*Crown Bolt, LLC*

# PRACTICAL

## WHERE AND WHEN ?

Date: 30<sup>th</sup> of November & 1<sup>st</sup> of December, 2010  
Address: TBD, Netherlands

## DURATION

Two days, from 9 AM until 17.30 PM

## PRIJS

Non-participants:

€ 1285,00 , excl. 21% VAT (VAT only applicable for Belgian companies)

ePP-Participants:

€ 1160,00 , excl. 21% VAT (VAT only applicable for Belgian companies)

Catering and documentation are inclusive. Diner and accommodation are exclusive.

## REGISTER

Click on following link:

<http://www.pricingplatform.eu/site/public/trainings.asp>

Or E-mail: [justine.van.acker@pricingplatform.eu](mailto:justine.van.acker@pricingplatform.eu)

After finishing your registration, you will receive a confirmation e-mail. The invoice will be send to you by registered mailing. One week before the training you will receive a route description.

## ANNULATION/REPLACEMENT

In case of absence, a replacement can be arranged free of charge if done 14 days before the date of the event.

Replacements between 14 days before and the date of the event can also be provided if an administrative charge of € 25,00 is paid. (See Terms and Conditions)

## LANGUAGE

English

## QUESTIONS ?



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## ABOUT THE ePP

**The European Pricing Platform (ePP) is the first, independent, European platform and network focused to support pricing decision makers in a wide variety of industries and sectors.**

### **The ePP brings the best of pricing in Europe !**

On the ePP you can find and share pricing knowledge, best practices and tools, extend your network of pricing professionals, build and update relations, and search and post pricing jobs.

The ePP offers a platform and network for everyone involved in pricing decision making: general managers, marketing, sales, operations, and financial management. Professors and lecturers at European universities working on pricing research and projects link academic knowledge to managerially relevant pricing knowledge and solutions.

## BENEFITS OF JOINING THE ePP

- ✓ **A focused network of pricing decision makers**
- ✓ **Sharing on- and offline connections**
  - Be found & search engine: by name, company or keywords
  - Keep track of your network
  - Automatic update of your network
- ✓ **Sharing pricing knowledge and best practices**
  - Interactive workshops
  - Seminars and round table discussions
  - Newsletter
- ✓ **Free download of ePP presentations (pdf)**
- ✓ **Extensive dbase of need to read articles and books**
- ✓ **Certified Pricing Training Programs**
  - 10% discount on all ePP certified pricing training programs
- ✓ **Secure data protection**
  - No advertising, no direct sales, no spam

# TERMS AND CONDITIONS

Fees are inclusive of program materials and refreshments, unless otherwise stated in the program details.

## PAYMENT TERMS

Payment terms following the online training program registration an invoice will be sent. Full payment is required within 14 days after invoice date. All invoices unless otherwise stated carry a 5% late payment surcharge. Payment must be received prior to the training date. The ePP reserves the right to refuse admission if payment is not received on time.

## SUBSTITUTION

Substitution provided the total training program fee has been paid, substitutions at no extra charge up to 14 days before the event are allowed. Substitutions between 14 days and the date of the event will be allowed subject to an administration fee of € 25.00

## CANCELLATION

All registrations carry a 50% cancellation liability immediately after the online registration form is completed. The cancellations must be received in writing 14 days before the course is held in order to obtain full credit for any future ePP program. Thereafter, the full training fee is payable and is non refundable. Non-payment or non-attendance does not constitute cancellation. By registration to an ePP training program the attendee agrees that in case of dispute or cancellation of the agreement the ePP will not be able to mitigate its losses for any less than 50% of the total training program fee. If, for any reason, the ePP decides to cancel or postpone the course, the ePP is not responsible for covering airfare, hotel, or other travel costs incurred by attendees.

## PRIVACY STATEMENT

From Participants, Non-Participants (workshop en/or training attendees), providers of job vacancies, and subscribers to round table sessions, the ePP will collect you only those data that are necessary for the administration of the event or subscription. Participants may submit, at their own option, further information in their personal profile.

Contacts of the ePP may from time to time receive information about ePP initiatives. The ePP collects and stores potential subscriber/customer names and contact information. Also, the ePP collects personal data about the people who write articles and pricing news for ePP, or participate in the workshops or training programs.

The ePP will not, without prior approval, supply names and addresses to any third party except when (1) the participant / attendee subscribes to a journal of one of the ePP partners and such transfer is necessary to ensure continued receipt of the journal(s), or (2) the ePP is required to do so by law.