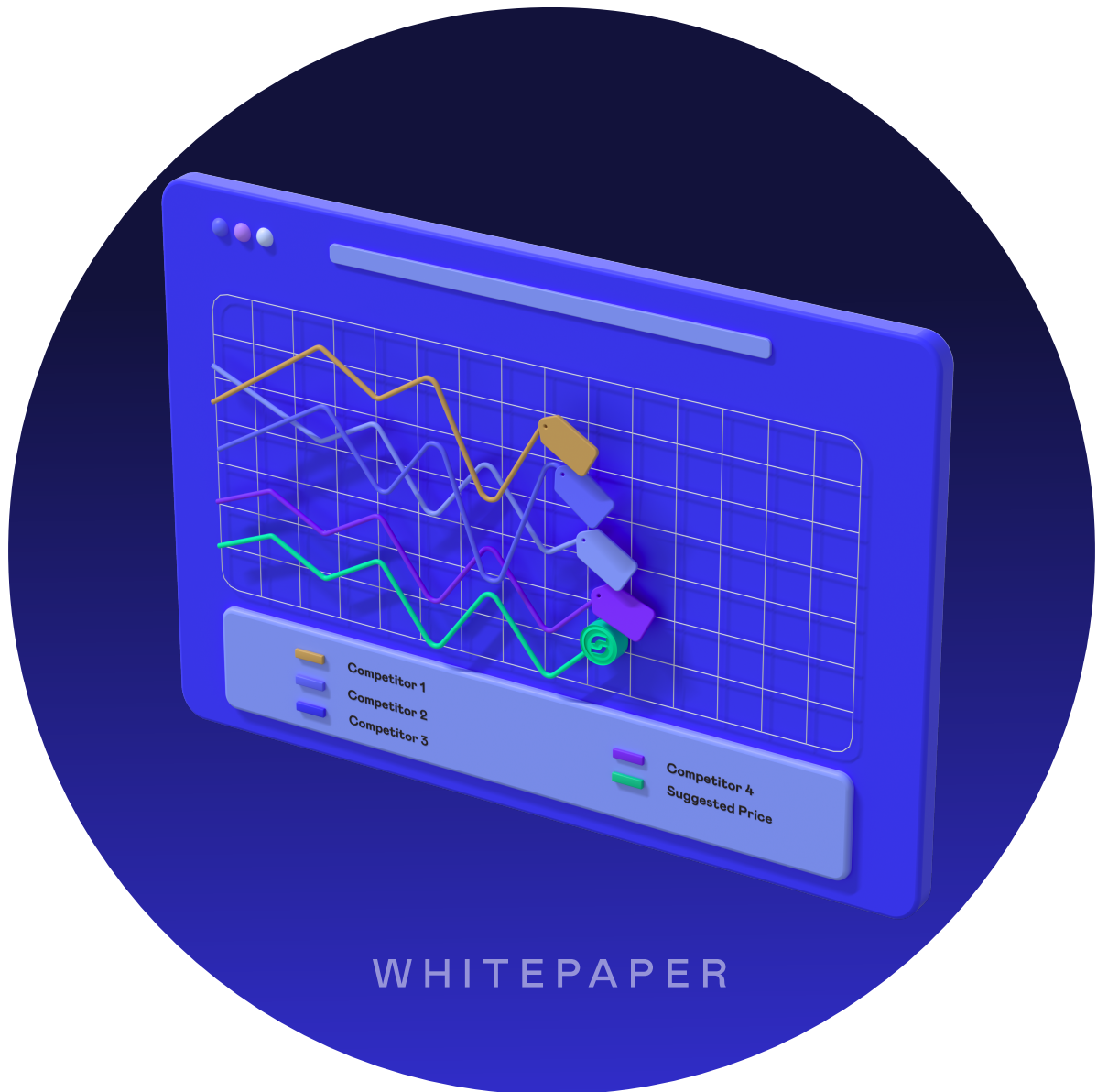




Competitive Pricing

8 Essential Techniques for Successful Competitive Pricing



WHITEPAPER



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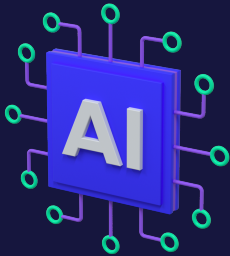
Introduction

In a competitive market, pricing strategy can make or break a business. It's important to find the right balance between being competitive and maintaining profitability. In this whitepaper, we'll explore eight essential techniques for successful competitive pricing that can help businesses avoid a race to the bottom.





8 Essential Competitive Pricing Techniques



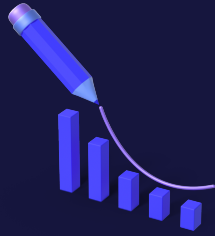
1. Let AI help predict your optimal price strategy:

In today's world, businesses need to use technology to their advantage. Using an AI-based pricing platform such as SYMSON can help predict the optimal pricing strategy. It's not always about being the cheapest. Combining different pricing strategies such as cost-based markup strategy, competitor pricing, key value items, and price sensitivity can create a winning pricing strategy. AI can help identify these different pricing strategies and suggest the best course of action. By using a combination of pricing strategies, SYMSON's algorithm takes into account multiple factors such as cost-based markup, competitor pricing, price sensitivity, and key value items. According to a report by Deloitte, companies that use AI-based pricing strategies experience a 2-7% increase in sales margins compared to companies that rely on traditional pricing strategies. This is due to the fact that AI-based pricing takes into account a broader range of variables, resulting in more accurate predictions.



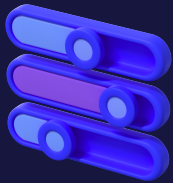
2. Define different prices for each pricing channel:

Different pricing channels require different pricing strategies. Amazon, Google Shopping, review websites, and other platforms all have their own unique winning logic. It's important to define different prices for each channel to optimize sales on each platform. According to a study by Price Intelligently, companies that offer unique pricing strategies for different pricing channels experience a 30% increase in revenue compared to companies that use a one-size-fits-all approach. This is because unique pricing strategies can cater to the specific needs and preferences of each pricing channel's customer base.



3. Limit lowering your prices to only price-sensitive products:

Lowering prices across the board can lead to a race to the bottom. Instead, focus on identifying price-sensitive products and adjusting prices for those products. SYMSON's algorithm can help identify price-sensitive products and suggest optimal pricing strategies for them. According to a report by McKinsey & Company, companies that use targeted pricing strategies for their price-sensitive products experience a 1-3% increase in profitability. This is due to the fact that price-sensitive customers are more likely to be swayed by lower prices, and therefore, targeted pricing can lead to increased sales.



4. Use low inventory levels of competitors to get ahead:

Identify when competitors have low inventory levels and use that to your advantage. This is a great way to differentiate yourself from the competition and increase profits. When a competitor has low inventory levels, companies can raise their prices to take advantage of the situation. According to a study by Wiser Solutions, companies that track their competitor's inventory levels and adjust their pricing strategy accordingly experience a 5-10% increase in sales. This is due to the fact that customers may be willing to pay higher prices for a product if it is not available elsewhere.



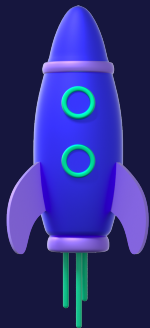
5. Differentiate price for timeslots and regions:

Different regions and timeslots require different pricing strategies. It's important to create a unique winning logic for each region and timeslot. This can be done using data and insights from SYMSON's AI-based platform. According to a report by Harvard Business Review, companies that use dynamic pricing strategies based on timeslots and regions experience a 10-20% increase in revenue compared to companies that use a static pricing strategy. This is because dynamic pricing takes into account real-time market conditions, resulting in more accurate pricing predictions.



6. Increase prices on related (in-elastic) products:

Identify related products that are in-elastic, meaning the demand for these products doesn't change much with price changes. Increasing prices on these products can help increase profitability without losing customers. SYMSON's algorithm can help identify the optimal price for these products. By increasing the price of related in-elastic products, companies can increase their profitability. According to a study by Pricing Solutions, companies that use this pricing strategy experience a 2-5% increase in revenue. This is because customers are willing to pay more for related products that they view as being of high value.



7. Prevent negative margins by adding smart rules:

Identify when competitors have low inventory levels and use that to your advantage. This is a great way to differentiate yourself from the competition and increase profits. When a competitor has low inventory levels, companies can raise their prices to take advantage of the situation. According to a study by Wiser Solutions, companies that track their competitor's inventory levels and adjust their pricing strategy accordingly experience a 5-10% increase in sales. This is due to the fact that customers may be willing to pay higher prices for a product if it is not available elsewhere.



8. Find your competitive sweet spot via pricing tools:

Finally, it's important to find the competitive sweet spot for your products. This can be done using sales data and AI. SYMSON's platform can help reposition your products' prices using sales data and AI to find the competitive sweet spot and avoid a race to the bottom.



Benefits of AI-based pricing in competitive markets using SYMSON

Using AI-based pricing in competitive markets can help businesses stay ahead of the competition. SYMSON's platform can help predict the optimal pricing strategy, identify price-sensitive products, and suggest optimal pricing strategies. It can also help identify related in-elastic products, prevent negative margins, and find the competitive sweet spot. Overall, using AI-based pricing can help businesses optimize pricing strategies and increase profitability in competitive markets.

- **More accurate price positioning**

SYMSON automatically tracks the prices of your competitors, giving you a better overview of your price position in the market and how it relates to your expected growth.

- **Increase revenue**

A competitive pricing model allows your business to stay in control of your position relative to the competition, preventing the loss of potential revenue.

- **Extensive market research**

Carry out market research on products you want to add to your inventory and check the saturation of the market with ease.

- **Easy implementation**

When done right, a competitive pricing model is, in comparison to other pricing models, easy to calculate and implement.

- **Automate your process**

Automatically respond to price changes based on your current strategy and apply your own business rules.

- **Avoid manual errors**

By setting the parameters you will always act within boundaries, thus avoiding mistakes during manual input



How Competitive Pricing works in SYMSON

Pricing based on intuition and manual Excel sheets represents an outdated yet widely adopted operation. Get rid of error-prone spreadsheet operations and let SYMSON mitigate input mistakes and costs of manual work. Get ahead of the competition by automating and optimizing your pricing process. With increased transparency comes an abundance of data. Manually tracking changes in the current market situation becomes almost impossible. **SYMSON's Competitor Pricing** automates this process and ensures you are up to date with the latest changes.

Act dynamically on price changes

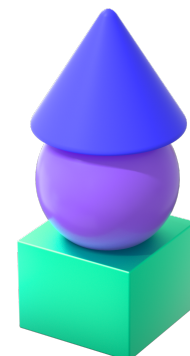
SYMSON offers the opportunity to collect daily market prices from all vendors in the market. Thanks to our partnership with Google, we are always aware of key competitors adjusting their prices or new competitors entering the market. As such, Price Leadership enables you to position yourself when it comes to pricing your most competitive products. You will be able to:



- Build a pricing strategy that reflects your business
- Decide your price
- positioning
- Act dynamically on price changes
- Benchmark against prices of competitors

Combine Strategies

Before deciding on the optimal pricing strategy, price-determining factors need to be evaluated. Is cost a primary decision-making factor? Opt for a cost-based strategy. Should competition also be taken into account? Gain insight into your most important pricing parameters and combine different strategies with SYMSON's Pricing Strategy Builder.

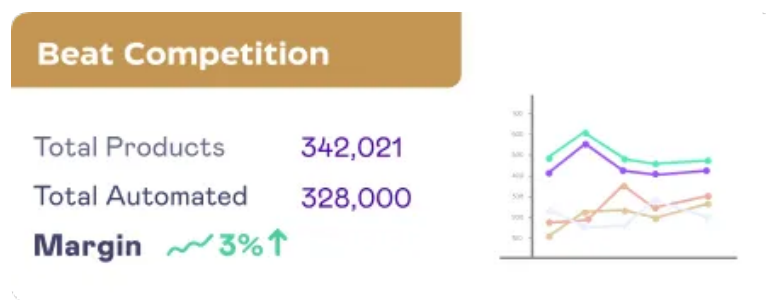




Features of Competitive Pricing in SYMSON

Here are some out of the box tools delivered by our pricing engine.

- Get AI driven price recommendations on competitive prices
- Automatically benchmark your prices against relevant competitors in real time
- Select a position in the market and maintain it
- Apply business rules as guardrails against sudden large price changes and margin loss
- Get notified for new entrants in the market
- Native integrations with Google
- Eliminate irrelevant competitors
- Import and export prices to .csv or API



Conclusion:

Tracking competitor data is essential to staying competitive in B2B markets. By using the methods outlined in this whitepaper, you can gain a better understanding of the market and adjust your pricing, product offering, and marketing approach accordingly. Additionally, by using AI-based pricing software, you can automate the process and gain a competitive edge.

Start Your Pricing Journey!

Choosing the **right pricing solution for your business** is a serious endeavour, and most often the decision is not made in one day. There are plenty of aspects to consider, yet we hope this white paper helped you get started with this process in the most informed manner. Whether you have questions about Pricing Software, or you are interested in optimising your pricing with our Intelligent Pricing & Forecasting Platform, we are always keen to connect and help out! [Schedule a call](#) and discuss the possibilities of unlocking your **fullest pricing potential!**



Contact Us

 085 - 06 03 934

 consult@symson.com

