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EDITORIAL – EPP PULSE, 8TH EDITION, 2026

Diana Coelho
Co-Chair of EPP

Pricing has no shortage of tools.

What's harder to find is consistent usage of pricing tools that impacts decisions and results.
This contrast sits underneath this entire edition of EPP Pulse. The articles come from different angles (technology, consumer insight, competition, careers), but they all circle back to the same issue: how Pricing and RGM actually work in practice, not just on paper.

With this EPP Pulse issue, and as I proudly take on the role of Co-Chair at EPP, we start something new, an Editorial. In every edition, this will be a short note from me to the community: not to summarize the articles, but to step back and reflect on what they tell us all together.
This edition shows a profession that is growing up.

Several authors describe why manual pricing and fragmented processes are no longer enough. Automation, analytics, and AI are becoming necessary simply to keep up with complexity. But just as clearly, they show why many initiatives stall: tools are introduced before processes, roles, and ways of working are properly thought through. When that happens, very little actually changes.

There is also a strong thread around control. Competitive pressure is real, but reacting and cutting prices because others do, quickly damages value. Whether through consumer willingness to pay, clearer competitive logic, or better decision support, the message is consistent: pricing works best when it is deliberate and proactive, not reflexive.

What I appreciate most is how the technical and the human sides come together in this issue. One article focuses on mindset and adoption. Another looks at careers and influence, and why pricing professionals so often remain "the numbers person". Read together, they make a simple point: better systems only work when people are willing, and able, to use them to shape decisions.

Taken as a whole, this issue describes a shift:

- from doing pricing work to building pricing processes that scale,
- from buying tools to changing behaviors,
- from reacting to prices to defending value,
- and from technical expertise to real leadership.

These are exactly the kind of discussions EPP exists to support.
I hope this edition helps you question a few habits, sharpen a few choices, and apply something concrete to your own context next Monday morning. And I hope this editorial becomes a small pause in your reading – a moment to connect the dots before diving into the articles themselves.

Enjoy the reading!

Diana Coelho

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ACCENTURE

EMBARKING ON BIG PRICING TRANSFORMATION – GETTING STARTED: FROM AMBITION TO IMPACT

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EMBARKING ON BIG PRICING TRANSFORMATION – GETTING STARTED: FROM AMBITION TO IMPACT

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Ineke Wessendorf is a Principal Director in Accenture's European Pricing Strategy team with over 12 years of consulting experience. She advises clients across B2B industries on strategic pricing and sales excellence, combining deep pricing expertise with a strong execution mindset. Ineke is recognized for leading complex pricing transformations and technology enabled capability building initiatives, helping organizations define strategic pricing agendas, strengthen commercial capabilities, and lay the foundation for scalable, end to end technology transformations that deliver lasting business impact.

ABSTRACT

Introducing a pricing tool is often a catalyst for broader pricing transformation - but many initiatives fail by treating tool selection as a purely technical exercise. Successful organizations embed tool decisions within a clear pricing ambition, governance model, and target operating model from the outset. This paper outlines how to approach pricing tool selection and rollout as an integral part of an endtoend pricing transformation, ensuring the tool enables better decisions, consistent execution, and sustainable adoption. When aligned with strategy, processes, and people, pricing tools become a powerful accelerator of value realization rather than a standalone IT solution.

EMBARKING ON BIG PRICING TRANSFORMATION – GETTING STARTED: FROM AMBITION TO IMPACT

Pricing leaders across industries know that modernizing pricing capabilities has become a strategic necessity. Markets move faster, customer expectations evolve, and commercial models become more complex. In this environment, organizations often look to technology as the answer. And indeed, tools are essential. But too many transformations stall because they begin with a request for vendor proposal instead of an ambition.

A pricing tool is not a piece of IT infrastructure, it is the backbone of how a company defines, governs, and executes its pricing decisions. Treating tool selection as a technical procurement misses its potential to fundamentally improve pricing. That is why Accenture's 360° Pricing Software Blueprint takes a different starting point: Purpose before selection, outcomes before features, and crossfunctional alignment before investment.

Figure 1: Focus areas along Accenture's pricing software Bluebring (Source: Accenture)

DEFINING PRICING AMBITION: WHAT THE TOOL MUST ENABLE

Organizations often know they need a pricing tool but struggle to articulate precisely what it should do. The risk is a vague or overly broad scope that leaves internal stakeholders misaligned and vendors unclear regarding expectations. The 360° Pricing Software Blueprint begins by creating a shared understanding of the outcomes the organization wants to achieve.

This starts by clarifying the specific areas in which the organization seeks to enhance its pricing capabilities: Either by accelerating price updates across markets, improving transparency across the gross-to-net pricing waterfall, achieving more consistent and strategic discounting, reinforcing approval discipline, or expanding the use of advanced pricing methods at scale. For many organizations, this ambition also extends to CPQ: enabling smarter selling, embedding price guidance and guardrails directly into the quoting process, and ensuring that product, price, and discount logic flow seamlessly from configuration through deal approval and sales orders. With a clear view on these ambitions, the conversation naturally centers on the pricing levers that will create the most impact. The goal is not to produce a functional checklist but to establish a direct link between pricing ambition and technological enablement. That clarity becomes the anchor for all subsequent decisions.

QUANTIFYING PRICING VALUE: TRANSLATING AMBITION INTO A BUSINESS CASE

Leadership teams need certainty about value, especially when technology investments span multiple functions and require sustained change. The 360° Pricing Software Blueprint therefore builds a financial model that quantifies where and how the pricing tool will create measurable improvement.

While each organization's strategy differs, three categories of impact consistently emerge:

- **Margin improvement**, through better price realization, guardrails, leakage reduction, and improved governance
- **Revenue uplift**, driven by faster decisions, higher win rates, optimized promotions, or improved price/pack architecture
- **Efficiency gains**, from automation, streamlined workflows, and more reliable data flows

Beyond sizing the opportunity, the 360° Pricing Software Blueprint addresses the question every CFO and CEO asks early in such programs: When will we see ROI? Linking value realization to a practical rollout plan ensures the business case is both compelling and investment-worthy.

DESIGNING THE TRANSFORMATION ROADMAP: FROM INTENT TO EXECUTION

Even well-defined pricing strategies can lose momentum when they shift from planning into implementation. That is why the 360° Pricing Software Blueprint places strong emphasis on designing a roadmap that is transparent, pragmatic, and aligned with the organization's pricing maturity level.

The roadmap outlines how the organization progresses from clarifying its scope to shortlisting vendors, then demonstrating proof of value, and finally launching pilots. It highlights dependencies, from data readiness to integration complexity, and surfaces decisions that need early resolution, such as how approval flows should operate or how pricing roles will evolve.

Importantly, the roadmap balances pace with pragmatism. Organizations are often tempted to aim for full transformation in one step, but lasting impact emerges through iterative scaling. An initial pilot creates early wins; subsequent waves build capability depth and organizational confidence. By establishing this rhythm early, the roadmap becomes a tool for risk reduction, momentum, expectation, and stakeholder management.

ENABLING CROSSFUNCTIONAL ALIGNMENT: THE ADOPTION MULTIPLIER

Pricing touches nearly every stakeholder: Product and Marketing define the offer, Pricing sets pricing logics, Finance safeguards profitability, Sales negotiates with customers, Operations executes, and IT ensures system stability. Without alignment across these groups, even well-designed solutions struggle to gain adoption.

The 360° Pricing Software Blueprint accelerates alignment through a focused two-day workshop that brings key stakeholders together. Guided by commercial experts, participants surface constraints, resolve trade-offs, and document decisions in real time.

The benefit is twofold: First, the resulting recommendations reflect the realities of each function, making them more practical and durable. Second, the process generates shared ownership, a prerequisite for meaningful adoption later.

THE ROLE OF TECHNOLOGY: HIGH IMPACT & ENABLER, WHEN BUILT ON THE RIGHT FOUNDATIONS

Once ambition, value, roadmap, and alignment are in place, selecting the right pricing tool becomes far more targeted. Instead of comparing abstract features, the process centers on clearly defined functional, technical, and commercial requirements, based on company-specific use cases that vendors must demonstrate. This shifts the conversation from generic feature checklists to practical questions: Can the software support the decisions that matter? Will it scale and integrate smoothly with CRM, ERP, and CPQ? And will users trust and adopt the guidance it provides?

The best solutions usually stand out through intuitive decision support, configurable workflows, seamless integration, and user experiences built for real commercial situations. Yet even the strongest platform only creates impact when it is embedded within the right governance, training, and continuousimprovement structure. Technology accelerates pricing excellence, but it cannot deliver it. That is why the 360° Pricing Software Blueprint treats the tool not as the destination, but as a catalyst within a broader pricing landscape.

THE IMPORTANCE OF STAKEHOLDER COMMITMENT

While ambition, value, and alignment set direction, sustained stakeholder commitment determines whether a pricing transformation delivers lasting impact. Pricing transformation cuts across strategy, systems, and day-to-day execution, requiring engagement well beyond design and go-live.

Business leaders anchor the change by reinforcing priorities and mobilizing resources. Product owners ensure pricing logic reflects market realities and customer insights. IT enables scale through reliable data, integration, and transparency across the pricing ecosystem.

What differentiates successful programs is not one-time alignment but continued joint ownership. When commitment weakens during execution, value erodes quickly. Accenture research shows that organizations can lose on average 42% of potential benefits when execution discipline and stakeholder engagement erode over time. Conversely, when business, product, and IT leaders remain jointly accountable, pricing becomes embedded in the operating model rather than treated as a finite project.

TURNING PRICING TECHNOLOGY INTO A LASTING CAPABILITY

Organizations that succeed in pricing transformation share one defining trait: Clarity sustained through execution. They know where value lies, how their teams must work, and how technology should enable, rather than dictate, their pricing strategy.

Accenture's 360° Pricing Software Blueprint provides the framework to create this clarity and convert it into action. By linking ambition, quantified value, a pragmatic roadmap, cross-functional alignment, and sustained commitment, it helps organizations transform pricing technology into a durable capability.

For pricing leaders exploring pricing software, the 360° Pricing Software Blueprint offers a pragmatic starting point. It accelerates the journey from "we need to modernize" to "we know how to unlock value," ensuring technology becomes a strategic enabler of profitable growth rather than a standalone IT project.

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ASPER.AI

MINDSET VS. TOOLSET: THE HUMAN OS FOR SUSTAINED IMPACT

MINDSET VS. TOOLSET: GETTING THE MULTIPLIER RIGHT

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ABSTRACT

When organizations invest in building advanced data and analytics capabilities — whether it's revenue growth management, pricing optimization, or advanced forecasting — the conversation often gravitates towards selecting tools and training users.

Mindset is not a soft lever or a support stream — it's the belief system, behavioral posture, and human design lens that unlocks impact, drives adoption and nurtures sustenance.

This article argues that the difference between capability efforts that stall and those that scale lies in whether organizations treat mindset as the foundation, not the afterthought. By exploring how organizations must shift from linear implementation to impact-driven thinking, from analytics creation to insight consumption, and from siloed tooling to integrated operating rhythms, we redefine what real adoption takes — and why it always starts in the mind – especially in disciplines like Revenue Growth Management (RGM), where adoption gaps are common.

In RGM, this shows up in whether advanced pricing or promo models actually land in JBP, whether account teams use outputs with confidence in retailer negotiations, and whether leadership tracks impact on NSV and margin. This should not be limited to only dashboard tracking activity.

MINDSET VS. TOOLSET: THE HUMAN OS FOR SUSTAINED IMPACT
MINDSET VS. TOOLSET: GETTING THE MULTIPLIER RIGHT

INTRODUCTION

In an age where digital transformation is everywhere, companies are rightly focused on building new commercial capabilities. They implement AI-powered engines, stand up pricing and promo tools, and invest in data harmonization.

But still — many efforts struggle to scale or stick.

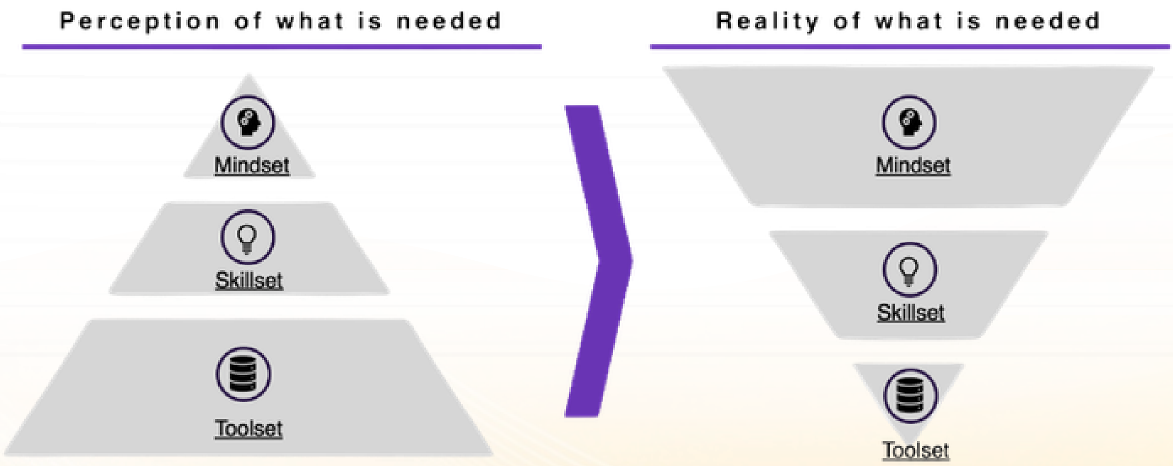
That's because what's often missing isn't a system or a skill. It's a **mindset.**
Not mindset in the abstract, but mindset as a **design posture, a user-centered orientation, shaping how enterprise value is created, and how decisions are made.**

Mindset determines whether users are empowered or overwhelmed. Whether change is embraced or resented. And whether capabilities lead to business impact — or just burnt calories. Organizations are always balancing between speed to value, standardization and scale. Too often, change management is treated as a side stream — something that happens after rollout. That's precisely why it fails.

CHANGE DOESN'T HAPPEN AFTER IMPLEMENTATION — IT STARTS BEFORE DESIGN.
MINDSET *IS* CHANGE MANAGEMENT.

In practice, this means building around commercial decision points viz. price increases, pack resizing, promo calendars. If the design does not embed into these workflows, RGM tools get treated as parallel reporting layers instead of the way business is run.

FLIP THE FUNNEL: MINDSET COMES FIRST



Most organizations build capability in this order:

TOOLSET → SKILLSET → MINDSET

But in reality, **mindset must come first.**
It sets the intent, defines the approach, and determines the value frame.
Here's how it should look:

MINDSET → SKILLSET → TOOLSET

Think about the iPhone. Its success wasn't about the user manual (skillset) or the hardware (toolset). It was about a **reimagined user experience** — a mindset shift around how people could live their digital lives that brings communication, internet, games, productivity through a single device.

The same principle applies to enterprise capability. Adoption isn't about tech enablement. It's about how we *think, prioritize, and design for human engagement in daily commercial routines.*

That's why mindset isn't just a layer. It's the **operating system.**

Too many RGM deployments begin with a dashboard drop, hoping users will adapt. The successful ones reverse it – they start from how account managers prepare for a retailer meeting, how finance approves promo spend, how RGM managers or Finance Controllers defend corridors. That day-to-day cadence becomes the design anchor.

MINDSET PRINCIPLE #1: **BE GREEDY ABOUT CONSUMPTION, NOT JUST CREATION**

Organizations often pride themselves on building analytics, modeling pipelines, and visualization tools — all focused-on insight **creation.**

But insights alone don't create value. Decisions do.

Creation is necessary.
Consumption is where value happens.

A capability that doesn't drive action is just noise or, at best, an interesting artifact.
And users won't act unless what they see is **accessible, interpretable, and relevant to their world.**

That's why a **human-centered mindset** is so essential. It forces us to ask:

- Who is this insight for?
- What decision are they trying to make?
- How can we reduce friction in their workflow?

For instance, elasticity models across ~20 categories x retailer combinations do not matter unless that translates into a ~3 pricing scenarios a GM can act on. Consumption mindset means outputs must be packaged as retailer-ready sell-in stories or simple guardrails for promo depth; a key point to note is that it should not only be about correct model coefficients.

When mindset shifts toward **consumption greed**, adoption follows — not through mandates, but through pull.

MINDSET PRINCIPLE #2: **RGM IS AN INTEGRATED ENTERPRISE CAPABILITY, NOT A SET OF SILOS**

Another mindset trap is treating capability as disconnected pillars:

- Pricing has one tool.
- Promotions live elsewhere.
- Pack and mix? Separate conversations.

But RGM doesn't work in isolation. The best companies treat it as an **integrated capability** — where:

- **Price and promo** are two sides of the same coin
- **Pack and mix** inform trade-offs
- All four levers are activated in rhythm with the commercial calendar

Top-quartile organizations don't deploy capability in pieces.
They drive **orchestration**, not fragmentation.

We have seen the cost of fragmentation viz. trade marketing runs promo without pack mix economics, finance approves pricing without promo ROI visibility. The real shift comes when there is one cadence – promo approvals that reference mix margins and pricing guardrails in the same forum.

This is a **mindset shift from tooling to an enterprise operating model** — and it defines whether RGM becomes a scalable advantage or a disconnected initiative competing for airtime.

MINDSET PRINCIPLE #3: **YOU DON'T NEED TO GET THE DATA RIGHT. YOU NEED THE RIGHT DATA**

Many organizations chase "data readiness" as a prerequisite for action — spending years harmonizing, cleaning, and centralizing data before a single commercial decision is made. The assumption is: *only once the data is right can we create value.*

But the truth is: **there is no perfect data. And waiting for it only delays impact.**

Instead of asking *"Is the data ready?"* we should be asking:
"What decision are we trying to enable — and what's the minimum data we need to get started?"

This mindset flips the logic. Start with a **high-value decision use case**, then **hydrate your data lake iteratively** around that. As usage increases, so does the data quality — not because of cleansing alone, but because **decisions are pulling the need for better data.**

Big-bang data strategies often result in massive warehouses, low engagement, and limited tie to commercial decisions. Iterative, decision-led approaches, on the other hand, drive **compounding value** — each cycle of use sharpens the system and reinforces behavior.

Take promo ROI: you rarely start with perfect lift data. But running even a handful of evaluations on shipment + POS + promo data creates pull. Suddenly, sales and finance want cleaner causal data because they have seen the value in action. Adoption pulls data quality forward – not the other way around.

Mindset shift: Don't wait to fix your data. Use your decisions to fix your data — and your organization.

CONCLUSION

Skillset matters. Toolset matters.
But **mindset multiplies both — or renders them meaningless.**

Without mindset:

- Skills become mechanics.
- Tools gather dust.
- Change burns calories but doesn't create value.

With the right mindset:

- Adoption becomes culture.
- Analytics become decisions.
- Capabilities become part of the business rhythm.

Most importantly, we stop designing for tools…
…and start designing for **humans, for outcomes, and for impact. Mindset is not the soft stuff. It's the hard edge of adoption. In RGM especially, it defines whether capability translates into commercial impact. And it's time we treated it that way.**

In RGM, the line between adoption theatre and business impact is simple: does the capability change how we set prices, run promos, and shape portfolio mix? When it does, mindset is not just philosophy – it compounds into sustained commercial advantage.

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CLAIRE WANG

WHAT GOT YOU HERE WON'T GET YOU THERE — ESPECIALLY IN YOUR PRICING CAREER

8TH EDITION - 2026

EPP

EPP Pulse
JOURNAL OF PRICING & RGM

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ABSTRACT

Many pricing professionals feel stuck. Despite years of experience and technical mastery, they're not getting the recognition, influence, or career growth they expected. They work harder, take on more projects, even upskill on AI or analytics - yet progress stalls.

The problem isn't competence. It's perception. Too often, brilliant pricing experts are still seen as "the numbers person" rather than a trusted leader. And upgrading communication skills alone isn't the full answer.

So what is? This article explores the overlooked shift that turns expertise into influence - and why it might be the key to your next career breakthrough.

WHAT GOT YOU HERE WON'T GET YOU THERE — ESPECIALLY IN YOUR PRICING CAREER

AND IT'S MORE THAN JUST UPGRADING YOUR COMMUNICATION SKILLS

"Claire, if you want a promotion, you need to be more like George."

My boss looked at me as if he had just revealed the biggest career secret.

It was 2013. I'd been a senior pricing analyst for more than two years and felt ready to move up. When a manager role opened, I nominated myself. I knew the business inside out. I had a reputation for being helpful. I thought I had a real shot.

It turns out I didn't. The role went to George. He had only joined from a competitor a few months earlier. He didn't know the business as deeply as I did. He didn't even have the same technical grounding. And yet, he got the job.

That feedback — "be more like George" — stayed with me. I didn't know what it meant. So I watched him closely.

George was likeable. People enjoyed talking to him; I would even have coffee with him a few times a month just to chat. He could joke with anyone, including senior leaders. He never tried to impress with technical jargon. Instead, he often focused more on explaining the why behind the pricing models.

But what stood out the most for me was this: he didn't always say yes. When a stakeholder asked for a report — say, average revenue per user over time — he didn't immediately deliver. Instead, he'd call them up and ask good questions, like: "What's behind this request? How are you planning to use it?"

In contrast, I didn't know it was possible to ask these questions. I kept doing what I thought was right: saying yes, working late, delivering exactly what was asked. I prided myself on being the person who never let anyone down. Reliable. Helpful. Always available.

And that's exactly how people saw me. Reliable. Helpful. Available. But not a leader.

HAVE YOU LIVED A VERSION OF THIS?

Far too many talented pricing people get tripped up by this same trap. They tried to get up by working harder, delivering faster, and mastering new tools. But all the effort only pigeon-holed them into service, not leadership. "Perhaps I need an MBA?" some think. But let's pause it for a moment and see if this is truly a solution.

When you look up, do all the senior executives have an MBA? Do they all possess deep technical expertise and are familiar with the latest AI tools? I bet the answer is no. Now, when you look around, among your pricing peers, how many have an MBA or a higher degree? The answer is probably many. Yet just like you, their career also doesn't move. They remain the "numbers person." The go-to for last-minute requests. The one who can be relied on, but not the one shaping the conversation.

The irony is that despite their ability, intelligence, and qualifications, pricing people remain stuck. And when you look closer — especially through the lens of communication — you see this isn't about office politics. It's about perception.

When colleagues only experience you as the person who says yes, who always delivers what's asked, they don't see you as someone who leads. And until that perception changes, no amount of competence will break the ceiling.

HOW CAN WE CHANGE THE PERCEPTION?

Escaping the limitations of the "numbers person" label isn't about working harder or learning the latest tool: it is about learning to be a clear communicator who solves the right problems.

That journey begins with how you see yourself: you must view yourself as a leader before anyone gives you the title. It continues with challenging requests to uncover the real problem, instead of simply reacting to what stakeholders ask for. And finally, your recommendation comes to life when you present it in a way that drives real change.

SEE YOURSELF AS A LEADER BEFORE THE TITLE ARRIVES

Think about actors at an audition. They don't say, "I'll act like the character once I get the role." Instead, they had to play the part before anyone gave them the title. Now, you might say, "Well, that's just the nature of acting."

True. But isn't the corporate world the same? Promotions rarely go to those who feel 100% ready. They go to those already showing up as if they are. Now, you might worry: If I start acting like a leader, will it look like overstepping? In practice, thoughtful initiative is rarely read as arrogance or overstepping; instead, leaders welcome that, and see it as a sign of maturity — provided it raises the quality of decisions. Offering context, proposing options, and inviting challenges shows that you are stepping up, not stepping on toes.

So, how do you practice this every day so that it becomes a habit, not just a corporate slogan? You have to think like a leader before you are one. So, how can we actually do that — ideally, on a daily basis, because this is not just a mindset shift, but a habit formation? **Here are three daily habits you can start trying:**

1. Speak the outcome, not the analysis.
The purpose of any analysis is to drive an outcome, and the ability to deliver an outcome is what sets you apart from other people. Hence, when delivering, focus more on the action your work will deliver, not the work itself.

2. Say no with a purpose.
Don't default to a yes. Carefully assess all the requests that land on your lap, and question the reason behind them. Act on the ones that make sense, and provide alternatives to those that don't. A purposeful no not only protects your time, but signals judgment.

3. Focus on the action.
Too many meetings end with "good discussion." But real leaders create momentum. If the meeting host didn't do their job, be bold and take the lead by closing with a crisp recap and an ask: "So what's the next step?"

These small habits train you to show up not just as the person who runs the numbers, but as someone who shapes outcomes and drives momentum. And it helps you to act like a leader before the title arrives.

YOU DECIDE THE REAL PROBLEM TO SOLVE

Here's the reality: stakeholders often don't know what the real problem is. Worse, they think they do. This becomes a problem for pricing professionals because most of them are great problem-solvers. Give them a clearly defined issue, and they'll generate a solution. That's rarely the challenge.

The real trap is solving the wrong problem. If we simply follow stakeholder instructions — *"Run a simulation on the revenue impact if we drop 20 basis points" or "Bundle product A and B and give me some pricing options"* — we risk going down the wrong track.

Two outcomes usually follow:

1. The stakeholder implements our advice, but the results disappoint because the underlying issue wasn't addressed.

2. Stakeholders eventually realise they were chasing the wrong problem, which means our carefully crafted solution, no matter how good, was wasted effort.

The way out is simple in principle, harder in practice: resist the urge to jump into solution mode.

Instead, pause. Ask questions. Probe for what sits behind the request. *What decision are you trying to make? What outcome are you worried about?*

We must learn that often, the surface request (a report, a simulation, a discount model) is just a symptom of a larger business problem.

The real issue might be margin leakage from sales behaviour, portfolio cannibalisation, or misaligned incentives. Ask questions to find out what the real issue is.

By spending time identifying the *right* problem, you ensure your solution has impact — and you stop being seen as a task-taker, and start being valued as a decision partner.

COMMUNICATE SO DECISIONS ACTUALLY MOVE FORWARD

Now that we've cleared the first two hurdles — seeing yourself as a leader and identifying the right problem — we still have one last mile to go: presenting the recommendation in a way that leads to action.

To achieve this, we must first capture the attention of our stakeholders. Think about how you scroll through LinkedIn. Do you read every post in your feed? My guess is not. You skim, and only stop to read more when the first two lines of a post grab you. Stakeholders are no different. They're busy, distracted, and often impatient. If you don't capture attention quickly, your message disappears into the noise.

This is why many pricing presentations fail. Analysts build up to the "big reveal," saving their recommendation for the end. By then, leaders have checked out. The solution is simple: reverse the order:

1. **Start with your recommendation.** Put the conclusion upfront.

2. **Support with insights.** Share only the evidence that makes the case, not every calculation.

3. **Close with a call to action.** Never assume the next step is obvious. Spell it out.

A clear recommendation is what drives action. But clarity isn't about dumbing things down. It's about cutting through the noise so the real issue comes to the surface. As Blaise Pascal once wrote: *"I would have written a shorter letter, but I did not have the time."*

THE JOURNEY CONTINUES

You might wonder what happened after that missed promotion. I never did become a pricing manager that year. Instead, I was sent overseas to work on a new telco partnership in the Philippines. I was the most junior person at the table, surrounded by leaders with far bigger titles. But I was the only one carrying the pricing flag — and I knew I had to step up.

A few weeks in, the GM of Mergers and Acquisitions pulled me aside. "Claire, for months, I couldn't get anyone to tell me what the pricing would be or what the impact was. Since you joined, the problem has been solved."

That's when I realised something important: leadership isn't about having the title. It's about the impact you create. And once I saw myself that way, everything else started to shift.

No matter where you sit in the corporate hierarchy, the lesson is the same. If you want to step up, start by thinking like you're already there. That mindset shift changes everything. It helps you spot opportunities you might otherwise miss and put forward recommendations you might have once held back.

What got you here won't get you there. It's not about more technical mastery, and it's not about office politics. It's about stepping into the identity of a trusted leader: thinking at the level above your title, tackling the problems that really matter, and communicating so your message drives action.

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QUICKLIZARD

HOW TO AVOID A RACE TO THE BOTTOM IN COMPETITIVE PRICING: FOUR GAME-CHANGING MOVES

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HOW TO AVOID A RACE TO THE BOTTOM IN COMPETITIVE PRICING: FOUR GAME-CHANGING MOVES

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ABSTRACT

In highly competitive markets, price wars can erode margins, damage brand equity, and slow innovation. This article introduces a four-move framework rooted in game theory and informed by real market outcomes to help pricing leaders outsmart competitors without defaulting to discounts. Real-world results back this approach, including Sephora UK's 25% profit growth after applying competitive sensitivity. At its core, the framework shows how to identify the competitors that truly matter, focus effort where it pays off, anticipate market scenarios, and stop vicious pricing cycles early. Together, these moves form a practical playbook that equips executives with clear tools, sharper strategic perspective, and the confidence to win without sacrificing long-term value.

HOW TO AVOID A RACE TO THE BOTTOM IN COMPETITIVE PRICING: FOUR GAME-CHANGING MOVES

THE PRICE WAR TRAP

When discussing competitive pricing, many executives immediately picture a destructive race to the bottom, a vicious cycle of mutual undercutting that erodes margins and dilutes brand equity. Bain & Company research suggests that excessive reliance on discounting can shrink industry profitability by up to 20% over a three-year period. In such a scenario, no one truly wins. Customers may enjoy short-term deals, but the long-term consequences are familiar: reduced service quality, lower investment in innovation, and weakened brand positioning.

This destructive loop often emerges when pricing decisions are reactive rather than strategic. Without a clear framework to assess competitor relevance, market dynamics, and long-term impact, well-intentioned moves can unintentionally trigger retaliation and escalation across the market.

Avoiding a race to the bottom is not about ignoring competitors. It is about responding with discipline, focusing on the competitors and price moves that actually influence customer decisions, and resisting reactions that create lasting margin damage.

GAME THEORY IN ACTION

Game theory provides a useful lens for understanding and avoiding destructive pricing battles. In the classic Prisoner's Dilemma, two rational players acting in their own self-interest can end up worse off than if they had cooperated. The same dynamic plays out in pricing when discounting becomes the default response, and repeated rounds of mutual cuts lead to margin erosion for all.

The Nash Equilibrium tells us that once both players commit to a strategy, any unilateral change will leave them worse off. In practical terms, when both companies keep lowering prices, neither builds a sustainable advantage. The winning approach lies in shifting the game by changing the rules of competition, introducing differentiation, and focusing on strategic, value-based pricing.

Imagine a chessboard where every pricing decision is a move. Some are proactive, shaping the market in your favor. Others are reactive, leaving you on the defensive. Winning requires anticipating the competition's moves, forecasting market reactions, and making calculated plays that build durable long-term advantage.

FOUR MOVES TO AVOID THE RACE TO THE BOTTOM

TOGETHER, THESE MOVES TRANSLATE GAME THEORY INTO PRACTICAL PRICING EXECUTION.

1. COMPETITOR SCORECARD

A Competitor Scorecard ranks competitors based on objectively measurable market relevance, category overlap, and strategic threat at the category level. Since not every competitor is in the customer consideration set, a neutral scorecard reduces internal subjectivity and replaces anecdotal competitor selection with a consistent governance model for competitive monitoring. It concentrates focus on the players that materially influence your price image and market position, and it lowers the cost of competitive price intelligence by crawling only that prioritized subset. For example, a regional niche retailer operating in a different price tier may have limited impact on your core demand.

	SCORCARD DIMENSIONS	CLIENT	COMPETITOR A	COMPETITOR B
QUALITATIVE ASSESSMENT	**Website "look & feel"** Rate perceived website "Look & Feel" from 1 to 10			
	Delivery speed How many days of delivery in avg?			
	Free shipping threshold What is min. order quantity for free shipping?			
	Payment options What are available payment options?			
	Customer service What is perceived level of customer service?			
QUANTATIVE ASSESSMENT	**Customer ranking** What are reviews by customers on e.g., Toppreise?			
	Price position (rank and index) What is the avg. price rank and index in the category?			
	Price update frequency What is the avg. number of price changes per SKU?			
	Assortment size and overlap What is the assortment size and overlap?			
	Competitor's prices impacting our volume What's competitor's price change impacting our volume?			
COMPETITOR ASSESSMENT	**Overall ranking** What is the overall importance ranking?			

2. COMPETITOR SENSITIVITY

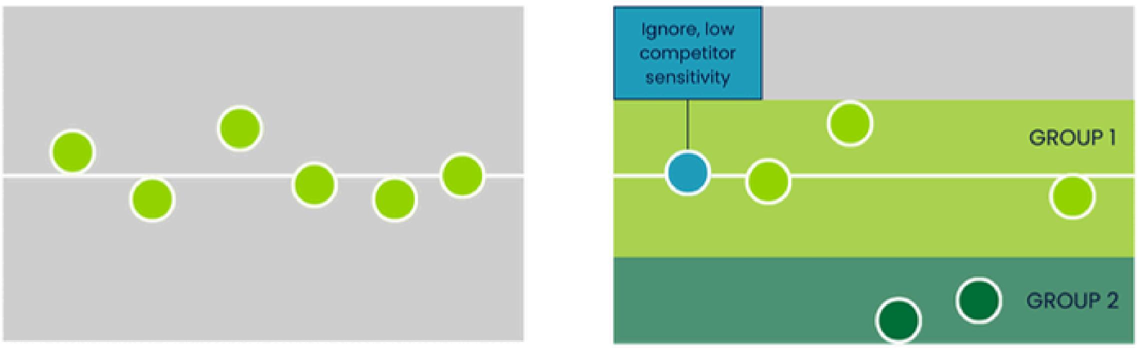
Once the scorecard defines the competitive set at the category level, Competitor Sensitivity takes the analysis down to SKU level. By measuring the demand response to historical competitor price moves, you can separate price moves that are elasticity-relevant from background noise. This highlights which competitor SKU prices should be actioned and which can be ignored because they do not shift conversion or share within the customer's consideration set. Drivers can include positioning and quality perception mismatches, weak digital shelf execution, or assortment non-comparability. This approach helped Sephora UK avoid unnecessary price matching and protect margin

3. COMPETITIVE SCENARIOS

The scorecard and sensitivity determine which competitor prices matter at SKU level. Competitive Scenarios then guide the response by interpreting the price distribution and identifying the prevailing market reference point. When the market clusters around a single price band, the decision is straightforward. When price variability is high, you need to separate true market signals from outliers. Outliers often reflect clearance activity, aged inventory, grey imports, or one-off tactical moves rather than a sustainable price reset. In these cases, align to the dominant price band and ignore the outlier.

SCENARIO 1:
All competitors competing
(e.g., all competitors within 5% of average price)

SCENARIO 2:
Prices of competitors varying
(e.g., 2 price groups, 1 price leader "outlier")



To beat on price, would need to beat whole group

Need to make decision: Is my competitive price setting group 1 or 2? Who do I want/need to beat?

4. VICIOUS PRICING CYCLE DETECTION

Even with the right competitive set and the right scenario read, execution requires continuous monitoring. Early detection of mutual undercutting is critical. Implement automated alerts for patterns that indicate a developing spiral, such as repeated back and forth reductions between you and a key competitor, shortening intervals between price changes, or escalating depth of cuts. Intervening early stops reactive price matching from becoming a sustained operating pattern and can prevent a damaging cycle from compressing margin.

CASE IN POINT: SEPHORA UK

Before implementing Quicklizard, Sephora UK (formerly FeelUnique) relied on manual pricing across 8,000 SKUs. This approach was resource intensive and prone to execution risk, and it limited the team's ability to reprice at speed. When repricing is slow and manual, teams are more likely to respond tactically to competitor moves, which increases the likelihood of margin dilution and price war dynamics.

By adopting Quicklizard's dynamic pricing platform, Sephora embedded Competitor Sensitivity into execution and monitored only the competitors and SKU level price signals that mattered. Within 12 weeks, pricing was fully automated, operational efficiency improved, and profit grew by 25%. The result was stronger price perception and sustained category competitiveness without defaulting to destructive discounting.

THE BIGGER PICTURE – BEYOND PRICE

Avoiding a race to the bottom is not just about holding prices steady. It is about strengthening perceived value. Brand perception, customer experience, and credible differentiation all shape what customers are willing to pay while reducing direct price comparability. McKinsey research shows that companies with strong value perception can maintain a price premium of up to 14% over competitors.

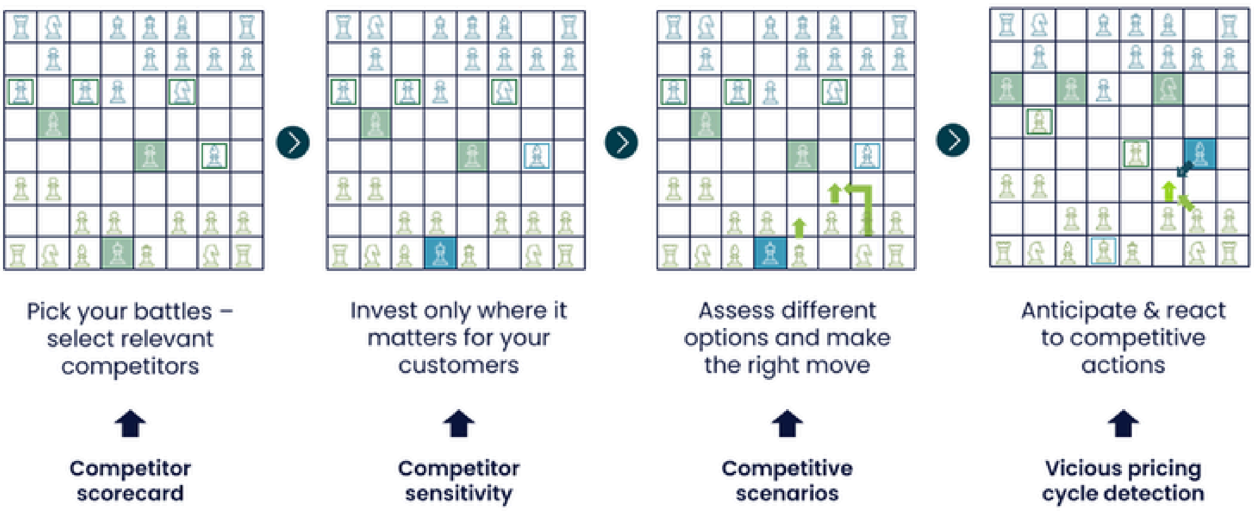
For market leaders, this means pricing cannot sit in a silo. Pricing strategy must be aligned with marketing, product development, and customer engagement so the value story is consistent from positioning and messaging through to the end customer experience. When that alignment holds, customers see more than a number on a price tag.

ACTION PLAN FOR PRICING LEADERS

- Develop and maintain a Competitor Scorecard, updated quarterly at the core category level.
- Leverage Competitor Sensitivity to focus on relevant market players at SKU level.
- Apply Competitive Scenarios to interpret market context and make pricing decisions without being pulled by outliers.
- Set automated alerts for signs of pricing spirals.
- Pressure test your price position. Are you leading the market or following it? Align strategy and messaging accordingly.
- Track KPIs that reflect profitable performance, including margin health, competitor reaction time, and share of profitable sales.

CONCLUSION

Competitive pricing is not a race to the lowest number. It is a strategic discipline built on positioning, anticipation, and value creation. By adopting a game theory mindset and applying the four strategic moves outlined here, pricing leaders can move beyond reactive discounting to more deliberate, market shaping decisions. The result is stronger margin protection, a more resilient price perception, and a path to sustainable growth driven by strategy rather than constant price concessions.



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INFOSYS

UNDERSTANDING CONSUMERS' WILLINGNESS TO PAY FOR DRIVING SMARTER RGM DECISIONS

8TH EDITION - 2026

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UNDERSTANDING CONSUMERS' WILLINGNESS TO PAY FOR DRIVING SMARTER RGM DECISIONS

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Rahul leverages 30+ years of FMCG and Retail industry expertise to drive Revenue Growth Management initiatives and digital transformation for clients as a trusted advisor. Specializing in pricing, assortment, route to market, strategies, and advanced analytics, he partners with FMCG companies to deliver growth, cost savings and enhanced operational agility through cutting edge digital solutions.

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UNDERSTANDING CONSUMERS' WILLINGNESS TO PAY FOR DRIVING SMARTER RGM DECISIONS

ABSTRACT

In today's fast-evolving CPG landscape, pricing is a key lever in Revenue Growth Management (RGM). With inflation, competition, and shifting consumer behavior, understanding what consumers are willing to pay (WTP) is essential to protect margins and stay relevant.

Infosys Equinox enables smarter pricing through advanced analytics and the Consumer Surplus Factor (CSF), measuring the gap between WTP and price. This helps identify pricing headroom, optimize portfolios, and respond to market shifts.

Leading brands across categories have leveraged predictive simulations to:

- **Validate pricing power** to uncover equity gaps and avoid margin erosion caused by misaligned consumer value perceptions.
- **Optimize the pricing ladder** to align price points with perceived value, prevent cannibalization, and clarify the role of each product variant.
- **Respond to evolving consumer preferences** by adjusting pricing strategies across channels or categories—sustaining demand and protecting market share.

While pricing is complex, a consumer-led approach shows when pricing drives growth - and when other levers work better.

Download our e-book to learn how to navigate complexity, protect market share, and unlock long-term value.

DOWNLOAD E-BOOK

UNDERSTANDING CONSUMERS' WILLINGNESS TO PAY FOR DRIVING SMARTER RGM DECISIONS

With rising inflation, supply chain uncertainty and economic pressures squeezing household budgets, the ability to strategically manage pricing is more critical than ever for brands operating in FMCG industries.

Within the broad discipline of Revenue Growth Management (RGM) lies the foundation for strategic pricing – the consumer's Willingness to Pay (WTP) for a brand's products against the competition. Understanding WTP enables brands to set optimal price points, optimize and rationalize brand portfolios, create more effective price ladders, identify unmet consumer needs and proactively address opportunities and threats in the marketplace.

In this article, we explore how a unique methodology using predictive analytics answers key questions around pricing across a broad range of FMCG brands. Advanced simulations can be used to anticipate trade-offs between volume, market share, top-line revenue and bottom-line profitability across a range of potential price adjustments to build consensus in pricing strategy.

BEHIND THE METHODOLOGY: THE CONSUMER SURPLUS FACTOR

Among the five pillars of Revenue Growth Management (pricing, promotions, trade terms, assortment mix and price-pack architecture), pricing is the foundational lever from which a brand makes margins, and the one that matters most for the shopper/consumer.

So it's key that strategic pricing be consumer-centric and consumer-informed. This starts with an understanding of consumers' Willingness to Pay (WTP) for a brand and its competition. WTP serves as a proxy of brand value and the pricing strength you have in any given category, market or channel.

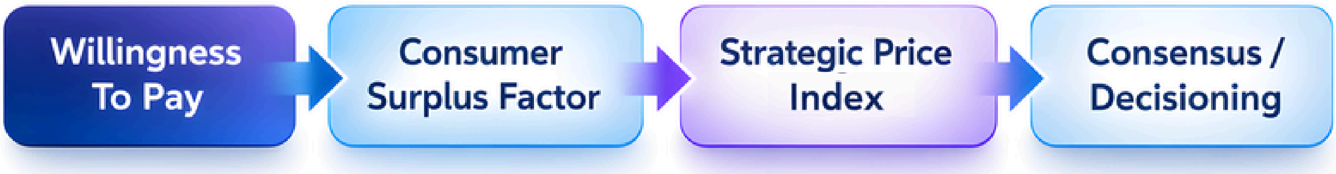
But most organizations lack the capability to calculate WTP and to extrapolate how it impacts market share, sales volume and profit with internal data. To close this gap, at Infosys Equinox, we have used a unique methodology for strategic pricing that is powered by Consumer Surplus Factor (CSF) enabling brands to measure WTP. CSF applies an econometric and AI model to syndicated data harvested primarily from point of sales sources. This data can also be enhanced with brand equity surveys, focus group studies and social media data.

HOW CONSUMER SURPLUS FACTOR WORKS

Maximum Consumer Value (MCV) represents consumers' highest willingness to pay. When price is subtracted from MCV, the resulting gap reflects consumer surplus—the additional value consumers receive beyond what they pay for a product. This represents the head-room available to make price adjustments.

It's important to simulate the impact of various price increases on volume, market share and top/bottom-line revenue for both the product and the portfolio to ensure decisions align with business objectives.

Predictive modeling helps us determine the Strategic Price Index (SPI) that represents the optimal price ratio against owned and competing products that strikes the right trade off balance based on strategic goals, such as increasing margin or protecting market share.



Key elements to measure to make Informed Pricing decisions

- Performance of your owned brand within its category
- Interaction between owned brands and the competition
- Interaction with other categories (i.e. substitutes)
- Levers beyond pricing (e.g. price pack architecture, trade promotions, brand building, new product development and demand enhancing attributes)

USING CSF TO ANSWER KEY QUESTIONS AROUND PRICING

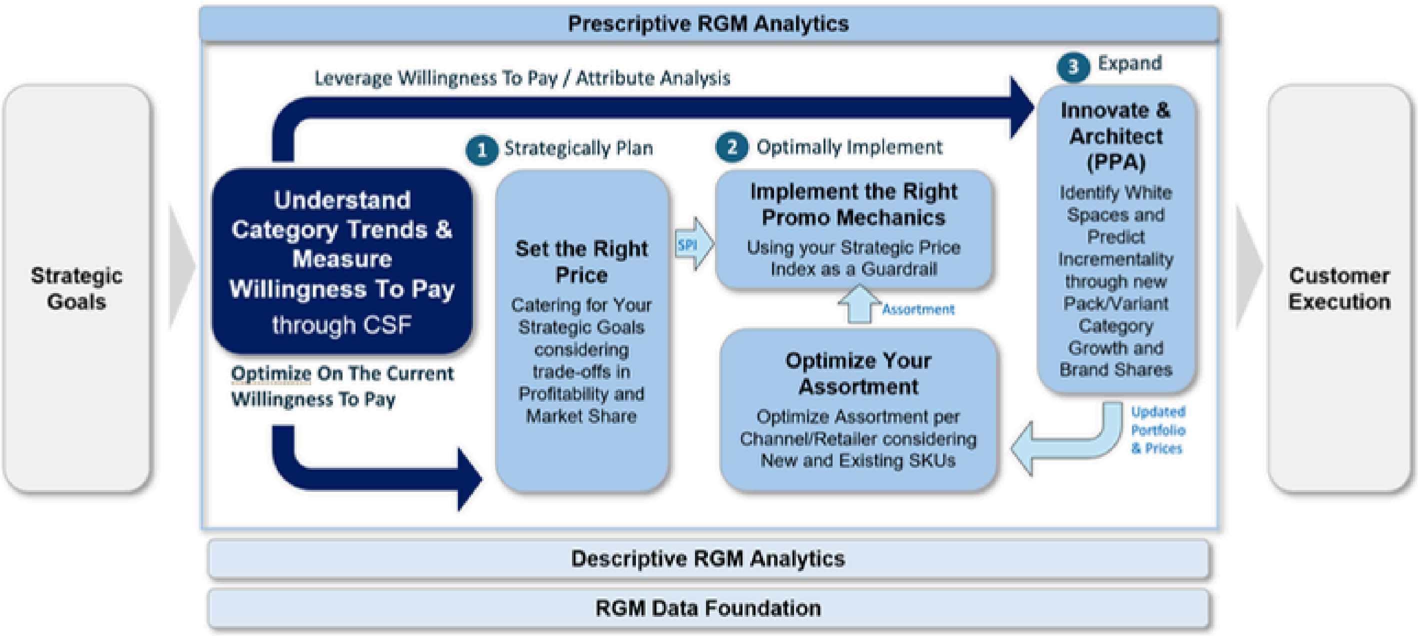
By quantifying key metrics around Consumer Surplus Factor, running predictive simulations, and identifying the optimal strategic price index, brands can answer key business questions around pricing and enable themselves to:

- Gain a clearer picture of brand equity and relative pricing power against key competitors across markets, categories and channels
- Identify where and how the brand's products and variants may be underperforming
- Calculate headroom for price increases and tailor such increases within specific markets and channels
- Address private label threats in price-sensitive categories
- Predict trade-offs between pricing changes with respect to volume, revenue and market share
- Rationalize the brand portfolio and price ladder based on consumer perceptions of value
- Identify white space opportunities for new product development, premiumization and price-pack architecture (and launch at the right price)
- Optimize promotions and media investments to maximize ROI
- Understand the limitations of pricing growth as a lever versus investment in brand equity
- Protect market share against their own and competitor pricing moves

APPLYING CSF INSIGHTS TO RGM PROCESS ARCHITECTURE

In addition to strategic pricing decisions, CSF can be applied to other critical activities within the Revenue Growth Management process, including:

- Optimizing promotions through promo calendars and promo mechanics, keeping the Strategic Price Index as a guardrail
- Optimizing assortments at the market, channel and retailer levels, considering new and existing SKUs
- Performing attribute analysis to enhance positioning and improve consumer perceptions of the brand to lift Willingness To Pay
- Identifying white space and innovation opportunities within the brand portfolio, channel mix and price pack architecture



Let's explore how CSF analysis works in practice.

PRICING STUDY INSIGHTS FROM FMCG INDUSTRY

The following cases represent analysis and simulations from real brands across a broad range of business cases and strategic pricing questions. They highlight that consumer preferences are dynamic, and price positioning is nuanced. Analysis often uncovers "unknowns" that inform more precision decisions that don't always rely on price adjustments alone.

VALIDATING GROWTH STRATEGIES

Sustainable growth is the cornerstone of every business, and no brand wants to miss opportunities to increase margins. Of course, when CSF analysis confirms that pricing power is strong and the Consumer Surplus Factor large, there's ample headroom to safely raise prices to boost profits without any harm to market leadership.

But that's not always the case. We've worked with many brands where analysis exposes weaknesses in brand equity.

WHEN CONSUMERS DON'T PERCEIVE VARIANTS AS PREMIUM PRODUCTS

A global food major sought to determine whether its flavored baked goods variant was perceived as premium enough to justify a higher price compared to its core variant in the UK market. The answer was no. Analysis revealed consumers' willingness to pay was in fact slightly lower than the core, with simulations showing raising price would be an unprofitable mistake.

WHEN THE CAUSE OF MARKET SHARE LOSS IS DECLINING BRAND EQUITY, NOT PRICE

Concerned over gradual EU market share loss within the price-sensitive foods / refreshment category an FMCG needed to reassess its pricing. Analysis showed declining CSF across its own brands year-over-year while competitors and private labels were all increasing. Consumers were switching because they perceived other brands offered better products at the same price.

In this case, price reductions would not correct the course. When facing competitors with stronger brand value, the best lever is to invest in brand building to regain consumer mindshare. It's not the quickest path to recovery, but one that ultimately protects long-term profits and avoids the category-wide race-to-the-bottom that often results from a myopic focus on price.

OPTIMIZING THE PRICE LADDER

Organizations typically lack the right data to rationalize a brand portfolio and price ladder from a consumer lens perspective, and brands are often challenged to gain consensus on decisions when situations are complex.

Capturing willingness to pay, calculating consumer surplus and simulating price index adjustments across the price ladder pinpoints where hidden threats and opportunities lie within markets, channels and categories – some of which are truly surprising to brands.

WHEN REPRICING ONE VARIANT CANNIBALIZES SHARE OF ANOTHER

With increased competition from private labels threatening market share, a globally recognized condiments brand needed to identify the right price index to strengthen the position of its standard variant. Analysis uncovered that maintaining its current price index to Private Label 1 would result in lost market share, and reducing price to a ratio of MCVs across brands would help neutralize this threat.

However, the brand also needed to determine the optimal price index for its own premium variant. The data suggested an index of 130 to its standard. Any lower and the premium variant would cannibalize the standard variant’s share.

WHEN A COMPLEX PRODUCT OFFERING CONFUSES CONSUMERS

Facing market share decline within the EU, an FMCG major needed to calculate WTP on a per-product basis across a wide set of variants and packaging options within the foods/refreshment category. Our data showed varying levels of WTP that were not reflected in the current price ladder – products with low perceived value were priced higher than those with high perceived value and vice versa.

Analysis enabled the brand to identify where pricing adjustments could balance value proposition with price within the portfolio to rationalize the price ladder, where loose ends could be cut, and which products could profitably enter new markets.

RESPONDING TO CHANGING CONSUMER PREFERENCES

Consumer preferences drive demand, and when they shift some categories decline while other categories grow. The key is to spot trends early, follow the consumer and understand the interaction between categories to pinpoint where strategic decisions can be made.

WHEN CONSUMERS ARE WILLING TO PAY MORE FOR CONVENIENCE

A global food major wanted to understand the pricing power delta between supermarket and convenience channels for its “on the go” variant. Analysis revealed there was sufficient headroom to raise convenience pricing based on consumers’ higher willingness to pay, but only in convenience channel. For the same variant in super-market however the willingness to pay was much lower.

WHEN CONSUMERS LOSE INTEREST IN A CATEGORY

For a leading CPG within the specialty frozen foods category, a decline in consumer perception of the category over time was responsible for slumping sales, not pricing or brand issues. The insight that the overall category required a price reduction to match demand enabled the brand to move first with price adjustment to protect share.

EARNING YOUR RIGHT TO PRICE, LONG TERM

As these cases demonstrate, uncovering consumer insights helps you course-correct before risks become realities and identify where your brand equity falls short relative to the competition.

Across over 70 brand analyses, we've continued to track the impact of strategic pricing on business outcomes in the marketplace beyond the point of decision (two to three purchase cycles) to validate that predictive models don't just reflect economic theory but how consumers actually make buying decisions in the real world.

We've learned that by focusing both on price and perception levers, brands not only mitigate threats and capture opportunities in the near term but also earn the "right to price" in the long term.

Rahul quote :
Consumer Surplus Factor methodology brings objectivity to brand equity. It grounds pricing in how consumers actually behave, and how much they are willing to pay for a product. That clarity is invaluable—especially when market conditions are volatile and consumer preferences are continuously evolving.

-Rahul Ubgade, VP - Consumer, Retail and Logistics, Infosys

CONCLUSION

Pricing questions rarely have simple answers. Willingness To Pay and Consumer Surplus Factor models allow brand teams to explore complex pricing dynamics more systematically and to simulate different scenarios before making significant changes.

While it's ultimately up to the brand to decide how price best aligns with strategic objectives, the methodology is a powerful tool to predict market share and P&L impact across price points. Even in cases where pricing actions are limited due to margin or cost constraints, WTP analysis can clarify where other levers - such as brand investment or pack architecture - may offer more effective paths forward.

Strategic pricing analysis as a foundational exercise also unlocks greater capabilities to enhance the rest of the key pillars within RGM process architecture, including promotion management, trade spend, commercial planning and assortment optimization. With consumer insights at the core of strategy, brands can mitigate near-term risks and maximize long-term business performance.

Struggling to measure your consumers' willingness to pay? Learn about the Infosys Equinox's Integrated RGM Suite and drive improved portfolio performance in 8 weeks.

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7LEARNINGS

THE END OF MANUAL PRICING: HOW DECISION AUTOMATION INCREASES PROFITABILITY IN RETAIL

8TH EDITION - 2026

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THE AUTHOR

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Co-founder and CEO
7LEARNINGS

Felix Hoffmann,is the co-founder and CEO of 7Learnings, where he focuses on helping brands and retailers improve profitability through AI-driven decision intelligence. His company developed a predictive pricing solution that goes beyond traditional rule-based "if-then" models by analyzing internal data—such as product details, price history, costs, marketing, and inventory—alongside external factors like weather, seasonality, and competitor pricing to determine optimal price scenarios, often increasing customers' sales by around 10%. With more than 15 years of experience in pricing and marketing optimization, Hoffmann previously led the global price optimization algorithm as product owner at Zalando and worked for six years as a pricing consultant at A.T. Kearney. Originally from East Germany and raised in Brandenburg an der Havel, he studied internationally—including time at University of California, Santa Barbara and a double degree from ESCP Business School—and now lives in Berlin with his family, where he enjoys playing beach volleyball at Beachmitte.

ABOUT 7LEARNINGS

7Learnings offers an AI-powered pricing platform for retailers and brands and is pioneering the comprehensive optimization of pricing and performance marketing. With 7Learnings' machine learning algorithm, retailers and brands can predict the impact of pricing decisions, determine the optimal price for all products, and reduce manual work by up to 80 percent. The solution has been rigorously tested in numerous A/B experiments and consistently delivers measurable performance improvements and profit increases of more than ten percent.

7Learnings was founded in Berlin in 2019 by Felix Hoffmann, Eiko van Hettinga, and Martin Nowak. Its customers include international companies such as Westwing, Bonprix, Tom Tailor, Tamaris, and DK Company.

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THE END OF MANUAL PRICING: HOW DECISION AUTOMATION INCREASES PROFITABILITY IN RETAIL

ABSTRACT

Retail pricing has become so complex that manual methods and rigid rule-based systems can no longer manage effectively. With thousands of SKUs, multiple sales channels, and fast-changing market dynamics, even the best pricing teams face limits that result in slow reactions, inconsistent decisions, and lost profitability. This article argues that the solution lies in decision automation powered by artificial intelligence. Predictive pricing solutions transform millions of data points into proactive, outcome-driven actions that align with strategic business goals such as profit growth, revenue maximization, or inventory efficiency. A case study with fashion brand Tom Tailor illustrates how AI-driven pricing automation can boost revenue (+6.7%), improve sell-through, and reduce manual workload. Far from eliminating human control, decision automation empowers teams by combining transparency, override options, and goal-setting capabilities. Retailers that embrace pricing AI shift from static, rule-based processes to dynamic, scalable, and strategic levers of growth, which is particularly important when facing fast-moving competitors like Temu and Shein.

THE END OF MANUAL PRICING: HOW DECISION AUTOMATION INCREASES PROFITABILITY IN RETAIL

PRICING COMPLEXITY CONTINUES TO INCREASE

At a time when the number of data points required to make informed pricing decisions is constantly increasing, many organizations still rely on manual pricing processes and rigid rules that haven't evolved in decades. This is no longer sustainable, and the solution lies in decision automation.

The difficulty of change combined with the complexity of pricing across channels, regions, SKUs, and promotional strategies can be overwhelming, and is a key reason why many retailers have not yet made the switch. Even the most talented pricing teams face cognitive limits. This results in slow reaction times, misaligned incentives, and inconsistent pricing decisions that erode profits.

Traditional pricing strategies aren't designed for today's pace of business. What is now required are pricing strategies informed by AI that can quickly turn millions of data points into informed action.

FROM REACTIVE TO PROACTIVE PRICING

At its core, decision automation means using intelligent systems to make high-quality decisions consistently without manual intervention. According to Gartner's use-case prism for generative AI in retail, pricing is the area where the highest impact can be seen.

Instead of endless debates over Excel sheets and dashboards, decision automation gives pricing teams the ability to define strategic goals, like maximizing revenue or boosting sell-through, lets AI optimize decisions accordingly.

In simple terms, you can think of it like Google Maps; you set the target location, and the software reveals the most efficient way to get there.

This also flips the traditional pricing process on its head, as retailers can now see the impact of pricing decisions before they are even made and thus move to a proactive approach.

THE DEATH OF THE STATIC PRICING MODEL

Rule-based pricing systems were built for a time gone by. They offer basic structure, for example, "If product is overstocked, apply 20% discount." However, they lack nuance and scalability. What happens when demand shifts? When competitors launch promotions? When customer elasticity varies by channel?

In contrast, AI-driven pricing tools evaluate thousands of variables simultaneously. They predict customer response, simulate future scenarios, and adjust pricing dynamically to meet business goals.

Here's what that looks like:

FEATURE	RULE-BASED PRICING	PREDICTIVE PRICING
Sets prices based on a predefined set of rules	✓	✓
Utilization of competitor prices	✓	✓
Learns automatically from past price changes		✓
Algorithm considers all relevant data features (e.g. transactions, weather, seasonality)		✓
Utilizes price elasticity		✓
Predicts price change impact on KPIs		✓
Optimal prices for private label products & bundles		✓
Channel-specific pricing (e.g. country)		✓
Long-tail pricing & initial pricing		✓
Goal-driven steering across the assortment		✓
Considers and cross-optimizes marketing decisions (e.g. coupons, promotions, performance marketing)		✓

CASE STUDY: LEADING FASHION BRAND TOM TAILOR INCREASES REVENUE BY 6.7% WITH PREDICTIVE PRICING

Tom Tailor, a leading European fashion brand with over 13,000 points of sale, faced challenges managing seasonal pricing across multiple channels. Manual processes using Excel led to inconsistent pricing, slow reaction times, and high overstocks.

By implementing 7Learnings' AI-powered predictive pricing solution, Tom Tailor was able to:

- Automate and centralize pricing decisions
- Align prices across its online store and marketplaces like Zalando
- Set dynamic, goal-driven pricing strategies to optimize sell-through

As a result, the company achieved:

- +10.7% increase in online sales section revenue
- +6.7% increase in total revenue
- Reduced manual workload and improved inventory efficiency

This is a clear example of the benefits of an advanced pricing strategy supported by predictive analytics.

AUTOMATION DOESN'T MEAN LOSING CONTROL

There's a persistent myth: automating pricing means surrendering control. In fact, it is more accurate to think of the AI as a co-pilot.

Quality pricing automation tools should not be black boxes. They operate within clearly defined strategic constraints set by the pricing team. **Business users can:**

- Set profit or revenue targets
- Define min/max prices and margin thresholds
- Apply channel or market-specific rules
- Review and override recommendations

In order to ensure a sufficient level of trust in decision automation, three key areas must be addressed:

Strategic alignment
Pricing goals are clearly defined and embedded in the model.

Model transparency
Every recommendation is traceable to a rationale (e.g., inventory pressure, demand elasticity).

Operational control
Teams retain override capabilities and receive continuous feedback.

MANUAL PRICING CAN'T COMPETE

Manually calculating optimal discounts for 20,000 SKUs across 10 channels, 12 regions, and 6 competitor profiles is simply not feasible. The math is incredibly complex.

Manual pricing is:

- Slow: lagging behind market signals
- Biased: driven by gut feeling or past experience
- Inconsistent: decisions vary across teams and regions

Automated pricing is:

- Rapid: updates as signals change
- Objective: driven by models trained on historical data
- Scalable: consistent strategy execution across the org

IMPLEMENTATION TIPS

Adopting decision automation is as much about change management as it is about technology.

Here's what successful organizations have in common:

1. **They start with clear goals.**

Whether increasing profit or reducing overstock, they define KPIs up front.

2. **They choose pricing-specific AI, not general ML platforms.**

Purpose-built models understand price elasticity, product lifecycle, and category dynamics.

3. **They roll out in phases.**

Start with recommendations, then expand to full automation for trusted segments.

4. **They invest in enablement.**

Pricing teams are trained to interpret, challenge, and improve the system.

5. **They align cross-functionally.**

Sales, finance, and marketing are involved early to build trust and accountability.

For further reading, I recommend viewing the 30-step process for selecting AI-based pricing tools developed by pricing expert Dr. Markus Husemann-Kopetzky.

PRICING AI AS A STRATEGIC CORE

Pricing automation is developing beyond simply a tool into a strategic lever companies can use to boost their bottom line. Most retailers start with AI chatbots, but the real value is in pricing and marketing. That's where AI can make or break your margin.

The capabilities this unlocks are numerous, as retailers begin:

- Steering prices dynamically based on explicit business goals like sell-through, profit, or revenue growth.
- Optimizing promotions and marketing spend together, not in silos.
- Using machine learning models trained on real business data: inventory levels, return rates, customer behavior, not just external benchmarks.
- Ensuring consistency and fairness by using deterministic models (unlike LLMs), where the same input always yields the same result.

This is a necessary response to an increasingly tough market where platforms like Temu and Shein can dictate price expectations, and customer acquisition is becoming harder, especially for premium brands.

Pricing must become a core lever of strategic control, not a reactive function at the end of a long decision-making chain.

AI REINTRODUCES SIMPLICITY TO PRICING

By shifting the focus from managing rules to achieving outcomes, AI takes the complexity out of making pricing decisions. Retailers that embrace predictive, outcome-driven pricing shift pricing from a web of rules into a direct lever for business growth. Clean, centralized data + consistent optimization = fewer manual errors and more strategic agility.

Retailers who continue managing pricing through rules are already outmatched. The winners of tomorrow won't be those with, for example, the biggest discounts; they'll be those who know precisely when and how to discount.

ABOUT EPP

"EPP is dedicated to providing professional guidance, adding value, and co-creating impactful learning journeys, events, and content to improve top-line revenues and profitability. Our new quarterly publication, EPP Pulse, is designed to further this mission by gathering actionable insights, monitoring the market, and collecting success stories and relevant case studies for the benefit of the pricing and RGM community.

EPP Pulse offers another valuable platform for the Pricing and RGM community by bringing to light successful practices and strategies, enabling expertise exchange, fostering connections among pricing professionals, and engaging the community in dialogue and content sharing. Furthermore, EPP Pulse serves as a tool to identify market needs and interests for topics that could be developed in future EPP forums and events."

More on www.pricingplatform.com

TRAININGS	CERTIFICATION	EVENTS
BODY OF KNOWLEDGE	RESOURCES	COMMUNITY

Everyone wants inspiration. Call us, we help.

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