

DATA MINING PRICING WITH WIGLAF

Research shows that the average firm can improve its profits by roughly 12% by simply improving pricing by 1%. Want to find that 1%? Call in Wiglaf Pricing, where we are Helping Executives Manage Price Better™.

Price optimization isn't a single equation or technique, it's an approach to continual improvement. With historical transaction data, one approach toward price optimization relies on data mining.

In a pricing-focused data mining effort, historical transaction data is statistically analyzed to identify potential areas for price improvement. These improvements may take the form of better discounting management, targeted price changes, or cross-product price coordination.

Wiglaf Pricing engages data mining in a multi-phase process. The first phase, Price Optimization Triage, is relatively standard and identifies the potential for using data mining to optimize prices and improve discounting policy and decisions. Future data mining phases are dependent on the richness of the data available, as determined in the Price Optimization Triage.

A Price Data Mining Triage engagement is a two-week intensive exercise with two Wiglaf Pricing experts, priced at \$41,400. More extensive engagements can span 13 weeks, engage three to four resources, and reach a price of \$449,400. The scope is determined by the data richness provided and the number of decisions to be informed.

TEMPLATE OF DATA MINING PRICING PROCESS

Action Step	Purpose
Data Collection	To extract historical transaction data for data mining.
Data Triage	To load the data on our analysis platform, prepare and cleanse the data for analysis, and identify the specific approach to analyzing the data.
Initial Data Analysis	To determine the quality and quantity of information that can be gleaned from a full data-mining effort.
Data Analysis	To conduct statistical and graphical analysis , including potential histograms, box & whisker plots, scatter diagrams, frequency analysis, T-tests, F-tests, Chi-Squared tests, multivariate regression analysis, time-series analysis, and other econometric analysis to convert raw-data into useful information for decision-making.
Information Clarification	To estimate elasticity and cross-product elasticity for price optimization. To identify areas for decision-making improvements as they relate to discounts and price promotions . To identify suspected offers where price changes would improve overall profitability. To identify market segments and customers by profitability to improve value alignment. To identify potential loyalty program designs to increase sell-through and profitability.
Recommendations	To recommend pricing changes and decision-making changes .

WIGLAF PRICING

HELPING EXECUTIVES MANAGE PRICE BETTER™



Executives choose Wiglaf Pricing to identify launch prices for new products and services, define price structures to profitably segment markets, conduct deep-dive pricing analytics, improve price variance management, and develop organizational capabilities through people, process, and tools.

We deliver help through consulting and training. Check out our template offerings:

- Strategic Pricing Organizational Design with the Wiglaf Pricing Framework
- Exchange Value Model Pricing
- Conjoint Pricing
- Data Mining Pricing
- DIY Advisory Service via Wiglaf on Tap
- DIY with Wiglaf Price Training

ABOUT WIGLAF PRICING

Wiglaf Pricing is a dynamic and growing advisory firm. We are a team of experts focused on helping firms achieve improved pricing. We apply the latest research in pricing to the client's situation in order to deliver results that matter.

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