

## EXCHANGE VALUE MODEL PRICING

An Exchange Value Model quantifies the customer's willingness to pay as the price of the nearest competing alternative is adjusted for the offer's differential value proposition.

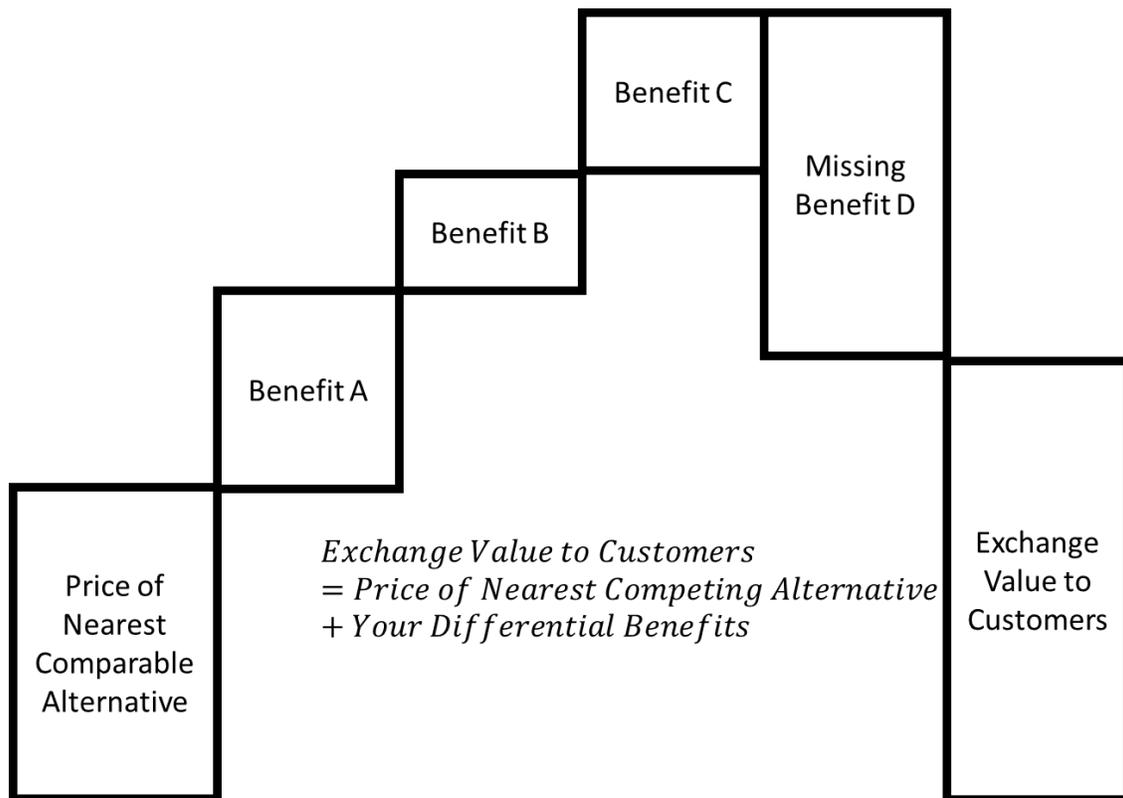
They are used for estimating market prices and identifying overall price structures which aligns the target market's willingness to pay with the offer on the table.

To construct an exchange value model, an understanding of the offering's benefits and their impact on customer decision making is converted into quantitative statements of value. Key to the approach is a solid understanding of the offering's benefits—that is, its value proposition.

Wiglaf Pricing has been constructing Exchange Value Models for over a decade. Through Delphi Pricing and the VOC Pricing, we offer template engagements including Delphi Pricing starting at \$24,400, Targeted VOC Pricing at \$109,400 and Extensive VOC Pricing at \$449,400.

Each can be customized to meet your scope, timeline, and budgets.

### Exchange Value Model



## DELPHI PRICING APPROACH

Are you in the early stages of product innovation and need to clarify the value of the product concept for making a business case to move on to full development?

OR

Have you been working on a product or service offering and need to get pricing on it before market launch but have some strong timing and budget constraints?

Then use our **Delphi Pricing**. Our pricing experts will help create a value-based pricing decision that (1) aligns the concerns of sales, marketing, and finance, (2) clarifies economic tradeoffs, and (3) parallels the value proposition by leveraging your team's current understanding of the value proposition.

To drive this decision, we will develop an Exchange Value Model to identify prices and the overall price structure that aligns with your target market's willingness to pay, using information gathered from your team.

The typical Delphi Pricing engagement is a four-day intensive exercise with two Wiglaf Pricing experts and is priced at \$24,400. Shorter efforts are accommodated through workshops and training sessions. Longer engagements may be required if the value proposition, competition, and target market warrants further clarification, or if the complexity of the offering warrants the creation of multiple models, and is priced at \$109,400.

## DELPHI PRICING PROCESS

Action Step	Purpose
<b>Preparation</b>	To ensure that we understand the product or service and its <b>value proposition</b> , and arrive for the meeting ready to engage your challenges.
<b>Situation Analysis</b>	To clarify from the client's executives the understanding of the <b>features</b> , their <b>benefits</b> , and their intended <b>target market</b> and market segments, and the suspected <b>competitors</b> or alternative approaches to reaching the same customer end-goal.
<b>Exchange Value Model Initiation</b>	To <b>draft a model</b> of the exchange value of your product or service from the <b>customer's perspective</b> as the price of the nearest competing alternative is adjusted for the differential benefits you deliver.
<b>Iteratively Improvement</b>	To improve the exchange value model by checking assumptions and estimating unknowns against the organization's knowledge to create a <b>cohesive understanding</b> of the value you deliver.
<b>Recommendations</b>	To recommend the pricing and price structure for <b>pricing decision making</b> .

## VOC PRICING APPROACH

Are you in the product innovation cycle and need to pinpoint the value of the product concept before launch but find the decision makers in your market difficult to survey but want to define pricing from the market’s perspective?

OR

Have you been selling a product line but need to define a formal price structure and its price points from the market’s perspective?

Then use our **VOC Pricing**. Our pricing and market research experts will help create a research-vetted, value-based pricing decision that (1) aligns the concerns of sales, marketing, and finance, (2) clarifies economic tradeoffs, and (3) parallels the value proposition by directly engaging your customers through voice-of-customer interviews.

To drive this decision, we will develop Exchange Value Models to identify prices and the overall price structures which align with your target market’s willingness to pay. We will use information gathered through interviewing customers regarding their choices, concerns, and tradeoffs to both validate managerial assumptions and clarify market unknowns.

A targeted and accelerated VOC Pricing engagement is a six-week intensive exercise with two Wiglaf Pricing experts priced at \$109,400. 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 need to clarify the value proposition, competition, target market and market segments, complexity of the offering, and number of offerings to be included.

## VOC PRICING PROCESS

Action Step	Purpose
<b>Preparation</b>	To ensure that we understand the product or service and its <b>value proposition</b> , and arrive for the meeting ready to engage your challenges.
<b>Situation Analysis</b>	To clarify from the client’s executives the understanding of the <b>features</b> , their <b>benefits</b> , their intended <b>target market</b> and market segments, and the suspected <b>competitors</b> or alternative approaches to reaching the same customer end-goal.
<b>Exchange Value Model Development</b>	To <b>draft a model</b> of the exchange value of your product or service from the <b>customer’s perspective</b> with respect to the price of the nearest competing alternative adjusted for the differential benefits you deliver.  To <b>identify the uncertainties</b> in assumptions and unknowns to be clarified in the VOC research for quantifying the value of the offering from the customer’s perspective.
<b>Voice of Customer Guide and Informant Development</b>	To identify the <b>sampling process</b> for Voice-of-Customer (VOC) research.  To <b>identify the uncertainties</b> in assumptions and unknowns to be clarified in the VOC research for quantifying the value of the offering from the customer’s perspective.  To prepare an <b>inquiry-driven conversation guide</b> .
<b>Voice of Customer Interviews</b>	To <b>capture the voice of the customer</b> as it relates to the value proposition, their perception of choice and value, and their willingness to pay.  To <b>validate the assumptions</b> and <b>clarify the unknowns</b> in pricing the offering.
<b>Exchange Value to Model Clarification</b>	To review and incorporate the findings from the VOC research into the exchange value model.
<b>Price Structure Development</b>	To convert the Exchange Value Models into implementable prices and price structures.
<b>Recommendations</b>	To recommend the pricing and price structure for <b>pricing decision making</b> .

## 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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