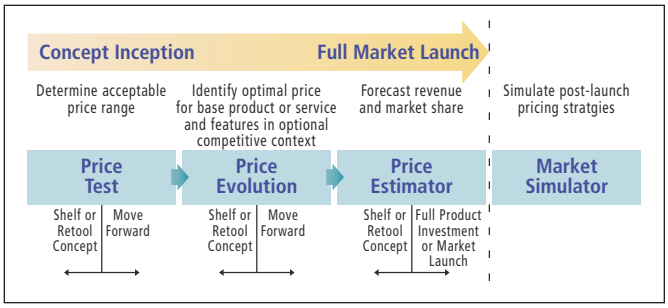
Ipsos MediaCT
The Media, Content and Technology Research Specialists

Price Evolution™

Manage pricing strategy throughout the life cycle of your product or service with Price Evolution

With today's business focus on ROI, you need to ensure that your products and services will command prices that are in line with business objectives. Throughout the life cycle – from concept inception through market launch – you need to gauge the market's value perceptions of the product or service to ensure it will earn the revenue or market share set forth in the business plan.

The *Price Evolution Suite* is designed to answer the specific pricing questions that arise at common evaluation points throughout the product life cycle.



How it Works

Price Test

Early in the development process, a *Price Test* will determine whether a concept will command a price high enough to consider moving forward with development. This technique efficiently determines the target market's acceptable range of prices – a key factor in determining whether the concept is ready to justify capital investment in R&D and production.

A *Price Test* will answer these marketing questions:

- What range of prices is acceptable in the marketplace for this product or service?
- What price will maximize revenue?
- What price will maximize trial?
- What is the price elasticity of the new product or service?

Price Evolution™

Price Evolution assesses the value of product or service features and provides information that allows you to command the highest price in a competitive environment. *Price Evolution* is typically employed after a product or service has passed through the initial concept testing stage and is strong enough to compete with similar products or services already on the market.

Price Evolution will answer these marketing questions:

- What is the share of preference, or price elasticity, at each price point?
- How much will the customer pay for each additional feature?
- What is the optimum price for the new product or service?

Price Estimator

Price Estimator solidifies the pre-launch pricing groundwork by providing you with market share and revenue forecasts that are realistic and actionable. While many pricing techniques overstate price elasticity, the combination of discrete choice and Ipsos Novaction & Vantis' proven forecasting model will accurately estimate the impact of various pricing strategies on market share and revenue.

Price Estimator's reliability is based on a decade's worth of forecasting products and services, as well as an extensive normative database.

Price Estimator answers the following marketing questions:

- What pricing strategy will achieve revenue and profitability targets?
- What price will maximize sales and revenue?
- Which combinations of features and price will be most profitable?
- What is the best marketing mix to achieve maximum revenue and market share?

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Market Simulator

When a product or service is mature, a *Market Simulator* will provide the guidance you need to stay competitive. Often used throughout the product development cycle, a *Market Simulator* replicates current and future market scenarios, reveals needs for brand engineering, and provides insight into the impact of new pricing strategies. A *Market Simulator* also measures the impact of competitive launches on your franchise. More important, it permits simulation of alternative counter actions you might take and their ROI implications: price decrease, increased marketing spend, new formulation, etc.

A *Market Simulator* used after a product launch will answer these marketing questions:

- What will be the effect on sales if you raise or lower the price?
- If you change the price, which competitors will gain or lose market share?
- What should be the price of each line in the product or service range?
- Will you cannibalize other products if you change the prices of certain lines?
- What will be the effect on sales if you add or remove certain features?
- How will sales be affected if competitors reduce their prices?
- How price sensitive are consumers in this market? Is the brand more sensitive than other brands?
- What will happen to the brand and the market as competition increases?

About Ipsos MediaCT

Ipsos MediaCT is the global leader in research-based solutions that connect media, content and technology.

As people view, listen to, read, search for, share and create content across a growing range of traditional media and newer digital platforms, companies need to understand consumer usage and behavior, the value of brands across different platforms and how they can minimize risk in bringing new products and services to market.

We bring expertise in a wide range of research techniques to companies in the media, entertainment, video games, on-line services, telecoms and technology industries.

For more information about Ipsos MediaCT, please connect with us at:
www.ipsosmediact.com