

PRICE EFFECTIVENESS TEST

No matter how effective your marketing or sales efforts are, without identifying and setting an optimal price-point you can not achieve the level of profitability that is your goal. If the price you set is too high, your sales will be restricted. If set too low, you will gain share of market, but fail to achieve the full earnings potential of your product or service. Unfortunately most research techniques in use today are inadequate and often produce misleading results.

The Baxter Strategies Price Effectiveness Test (PET) is a highly effective means for identifying customer demand for a product or service at any given price, allowing the identification of the “optimal” price point. The PET model will also permit the simultaneous determination of the relative contribution (utility) of each product quality to product market value, and can be used in the strategic and product development processes.

Baxter Strategies Price Effectiveness Test goes beyond the traditional price evaluation methods in many respects. It includes a series of highly effective procedures, models and techniques that can add both tactical and strategic value to your product/service marketing programs. Among these are:

A Complete Procedure

PET provides you with the ability to fully understand the elasticity of your product/service against your competition, control for possible competitive responses, and be ready with responses if competitors do make price adjustments.

Benefit Utility Measurement

When you need to understand the importance of each customer benefit to your products success, PET allows you to fully understand the utility of each attribute to purchase at each price point.

Customers a Shifting Group

While it is surprising to many marketers, as you change price points, you actually change the set of customers that will be buying your product or service. It is not enough to understand the number of customers at each price, but to understand any changes that might occur in heavy user interest, attribute utility, and customer loyalty.

Integration with Product/Marketing Data

By integrating the PET output with your company’s input regarding manufacturing cost, marketing expenditures, etc. you will be able to identify the best combination of product, marketing and pricing choices.

Continuous Measurement

PET identifies the number of customer that would be available to your brand at each and every possible price point.

Improve Your Company’s Performance

We welcome the opportunity to show you how, by using the Baxter Strategies Price Effectiveness Test, you will gain the ability to make more effective price decisions and improve your Company’s bottom line.