

Pricing And Revenue Optimization

In a world of changing lifestyles brought about by new services, technology and e-commerce, this book enters the arena of contemporary research with particular topicality. Integrating both theory and real world practices, Ng advances the latest concepts in pricing and revenue management for services in a language that is useful, prescriptive and ye This book describes the emerging field of revenue management and its applications across a broad spectrum of business activity. It recounts the history and development of revenue management and addresses the analytical tools needed to integrate revenue management into management generally and financial and accounting practice in particular. Revenue Management discusses and assesses various pricing practices and other revenue management techniques. It gives particular attention to the role of capacity analysis and the connection of revenue management to the theory of constraints. While revenue management originated in the service industries, it is now practiced across a broad spectrum of business and not-for-profit organizations. This book will be a useful guide to managers at all levels who wish to give greater consideration to the importance of revenue management in their organizations. The second edition reorganizes the presentation of the subject, adds many new examples, and concludes with a chapter on emerging issues.

Pricing analytics uses historical sales data with mathematical optimization to set and update prices offered through various channels in order to maximize profit. A familiar example is the passenger airline industry, where a carrier may sell seats on the same flight at many different prices. Pricing analytics practices have transformed the transportation and hospitality industries, and are increasingly important in industries as diverse as retail, telecommunications, banking, health care and manufacturing. The aim of this book is to guide students and professionals on how to identify and exploit pricing opportunities in different business contexts.

This is the first comprehensive introduction to the concepts, theories, and applications of pricing and revenue optimization. From the initial success of "yield management" in the commercial airline industry down to more recent successes of markdown management and dynamic pricing, the application of mathematical analysis to optimize pricing has become increasingly important across many different industries. But, since pricing and revenue optimization has involved the use of sophisticated mathematical techniques, the topic has remained largely inaccessible to students and the typical manager. With methods proven in the MBA courses taught by the author at Columbia and Stanford Business Schools, this book presents the basic concepts of pricing and revenue optimization in a form accessible to MBA students, MS students, and advanced undergraduates. In addition, managers will find the practical approach to the issue of pricing and revenue optimization invaluable. Solutions to the end-of-chapter exercises are available to instructors who are using this book in their courses. For access to the solutions manual, please contact marketing@www.sup.org.

Product proliferation has become a common phenomenon. Most companies now offer hundreds, if not thousands, of stock keeping units (SKUs) in order to compete in the market place. Companies with expanding product and service varieties face with problems of obtaining accurate demand forecasts, controlling production and inventory costs, and providing high quality and good delivery performance for the customers. Marketing managers often advocate widening product lines for increasing revenue and market share. However, the breadth of product line can also decrease the efficiency of manufacturing processes and distribution systems. Thus firms must weigh the benefits of product variety against its cost in order to determine the optimal level of product variety to offer to their customers. Academics and practitioners are interested in several fundamental questions about product variety. For instance, why do companies extend their product lines? Do consumers care about product variety? Will a brand with more variety enjoy higher market share? How should product variety be measured? How can a company exploit its product and process design to deliver a higher level of product variety quickly and cheaply? What should the level of product variety be and what should the price of each of the product variants be? What kind of 'challenges would a company face in offering a high level of product variety and how can these obstacles be overcome? The solutions to these questions span multiple functions and disciplines.

The Oxford Handbook of Pricing Management is a comprehensive guide to the theory and practice of pricing across industries, environments, and methodologies. The Handbook illustrates the wide variety of pricing approaches that are used in different industries. It also covers the diverse range of methodologies that are needed to support pricing decisions across these different industries. It includes more than 30 chapters written by pricing leaders from industry, consulting, and academia. It explains how pricing is actually performed in a range of industries, from airlines and internet advertising to electric power and health care. The volume covers the fundamental principles of pricing, such as price theory in economics, models of consumer demand, game theory, and behavioural issues in pricing, as well as specific pricing tactics such as customized pricing, nonlinear pricing, dynamic pricing, sales promotions, markdown management, revenue management, and auction pricing. In addition, there are articles on the key issues involved in structuring and managing a pricing organization, setting a global pricing strategy, and pricing in business-to-business settings.

Pricing and Revenue Optimization Second Edition Stanford Business Books

The practical guide to using pricing and profitability management to build a better business A comprehensive reference for any business professional looking to understand the capabilities and competencies required for effectively managing pricing and profitability, Pricing and Profitability Management explains how to determine the right approach, tools, and techniques for each of six key categories (pricing strategy, price execution, advanced analytics and optimization, organizational alignment and governance, pricing technology and data management, and tax and regulatory effectiveness). Exploring each category in detail, the book addresses how an integrated approach to pricing improvement can give a sustainable, competitive advantage to any organization. The ultimate "how to" manual for any executive or manager interested in price management, the book presents a holistic, comprehensive framework that shows how integrating these pricing categories into a cohesive program leads to impressive gains that cannot be achieved through a single-pronged approach. Presents a comprehensive framework for more effectively managing pricing and profitability Identifies the six key categories of pricing and profitability management Shows you how to gain a competitive edge by managing pricing and profitability Taking a comprehensive view of pricing, companies can position themselves to tap a vast source of shareholder value—the ability to set and enforce profitable prices, not just once,

but again and again in response to marketplace changes and evolving business needs—and this book will show you how.

WORLD CLASS PRICING is the indispensable roadmap to take your pricing organization from its' current class to World Class. It is built upon the 5 Levels of World Class Pricing – what has become the industry standard for tackling pricing improvement amongst pricing professionals. The approach to pricing improvement shared in this book has been successfully applied by many of the worlds' leading companies including Exxon Mobil, GE, Michelin and J&J, among a host of others. It provides a positive vision of each step that needs to be taken on the journey to pricing improvement. Whether stuck firefighting at Level 1, cost-based pricing at Level 2, utilizing value-based pricing at Level 3, applying optimization at Level 4, or on the brink of achieving World Class at Level 5, this book has something for you.

A REVOLUTIONARY NEW PERSPECTIVE ON HOW PRICING REALLY WORKS “Contextual Pricing delivers a knock-out punch to complacent and low-return pricing approaches. . . . This book is full of intriguing, fresh insights which will expand your perspective on what is possible in maximizing revenue from your company’s products and services.” —Mark Greatrex, Chief Marketing Officer, Cox Communications, and former SVP, Global Still Beverages, The Coca Cola Company “To effectively price, managers must understand market context—the frame of reference for buyers. Context is far more important than the usual measures of price variation. I strongly recommend this readable and useful book to any business leader who suspects his or her company is falling short of achievable revenues.” —Dave Calhoun, Chairman and CEO, Nielsen Company, and former Vice Chairman, General Electric Company About the Book: A few leading companies have jettisoned ideas about pricing that other companies believe are indispensable. The result has been superior performance against competitors who persist in a simplistic 1990s belief in “value.” Contextual Pricing describes how buyers are influenced by comparison points and contextual messages more than by actual price levels. Identical products can sell at radically different prices to the same target customer—if context is strategically managed. This fact is how Procter & Gamble, GE, Coca-Cola Company, Amazon, Google, Microsoft, and others make sure they get the best possible price. The use of context is changing the way companies price and sell in the new global economy. This readable and market-tested book describes the contextual pricing perspective, how it is being used in B2B and B2C markets, and how you can make the shift to contextual pricing in your own business. Whether you’re a CEO, P&L manager marketing director, sales manager, or entrepreneur, Contextual Pricing shows you how to: Understand how your customer will make buying decisions and the role of pricing in those decisions Establish better, more intuitive prices using context Develop contextual pricing strategies that defeat competitor pricing—how contextual pricing can be the antidote to destructive price wars Harmonize your pricing with branding, product development and channel strategies Increase your profits with proven pricing tools, such as scientific bundling, tiering, branding, upsell “hooks” and more Through its illuminating case-by-case studies, Contextual Pricing delivers a wide range of pricing techniques and customer insights that you won’t find anywhere else. You’ll learn how to avoid common pitfalls when raising or lowering prices and discover how you can compete in traditional or emerging digital marketplaces—and beat the competition through superior tactics, not through lower margins. When you know the secrets of Contextual Pricing, you can name your price, drive your sales, increase your profits, and own your success.

Over the past four decades, business and academic economists, operations researchers, marketing scientists, and consulting firms have increased their interest and research on pricing and revenue management. This book introduces the reader to a wide variety of research results on pricing techniques in a unified, systematic way and at varying levels of difficulty. The book contains a large number of exercises and solutions and therefore can serve as a main or supplementary course textbook, as well as a reference guidebook for pricing consultants, managers, industrial engineers, and writers of pricing software applications. Despite a moderate technical orientation, the book is accessible to readers with a limited knowledge in these fields as well as to readers who have had more training in economics.

The Price Advantage by three preeminent experts at McKinsey & Company is the most pragmatic and insightful book on pricing available. Based on in-depth, first-hand experience with hundreds of companies, this book is designed to provide managers with comprehensive guidance through the maze of pricing issues. The authors demonstrate why pricing excellence is critical to corporate success and profitability, then explain state-of-the-art approaches to analyzing and improving your own pricing strategy for any product or service. Their advice is critical for readers who need to develop pricing strategies that work in both good economic times and bad.

The world’s foremost expert on pricing strategy shows how this mysterious process works and how to maximize value through pricing to company and customer. In all walks of life, we constantly make decisions about whether something is worth our money or our time, or try to convince others to part with their money or their time. Price is the place where value and money meet. From the global release of the latest electronic gadget to the bewildering gyrations of oil futures to markdowns at the bargain store, price is the most powerful and pervasive economic force in our day-to-day lives and one of the least understood. The recipe for successful pricing often sounds like an exotic cocktail, with equal parts psychology, economics, strategy, tools and incentives stirred up together, usually with just enough math to sour the taste. That leads managers to water down the drink with hunches and rules of thumb, or leave out the parts with which they don’t feel comfortable. While this makes for a sweeter drink, it often lacks the punch to have an impact on the customer or on the business. It doesn’t have to be that way, though, as Hermann Simon illustrates through dozens of stories collected over four decades in the trenches and behind the scenes. A world-renowned speaker on pricing and a trusted advisor to Fortune 500 executives, Simon’s lifelong journey has taken him from rural farmers’ markets, to a distinguished academic career, to a long second career as a n entrepreneur and management consultant to companies large and small throughout the world. Along the way, he has learned from Nobel Prize winners and leading management gurus, and helped countless managers and executives use pricing as a way to create

new markets, grow their businesses and gain a sustained competitive advantage. He also learned some tough personal lessons about value, how people perceive it, and how people profit from it. In this engaging and practical narrative, Simon leaves nothing out of the pricing cocktail, but still makes it go down smoothly and leaves you wanting to learn more and do more—as a consumer or as a business person. You will never look at pricing the same way again.

From the man the Wall Street Journal hailed as "the guru of Revenue Management" comes revolutionary ways to recover from the after effects of downsizing and refocus your business on growth. Whatever happened to growth? In Revenue Management, Robert G. Cross answers this question with his ground-breaking approach to revitalizing businesses: focusing on the revenue side of the ledger instead of the cost side. The antithesis of slash-and-burn methods that left companies with empty profits and dissatisfied stockholders, Revenue Management overturns conventional thinking on marketing strategies and offers the key to initiating and sustaining growth. Using case studies from a variety of industries, small businesses, and nonprofit organizations, Cross describes no-tech, low-tech, and high-tech methods that managers can use to increase revenue without increasing products or promotions; predict consumer behavior; tap into new markets; and deliver products and services to customers effectively and efficiently. His proven tactics will help any business dramatically improve its bottom line by meeting the challenge of matching supply with demand.

Take control of revenue management in the new hotel economy Hotel Pricing in a Social World: How to Drive Value in the New Hotel Economy is an insightful resource that provides guidance on improving organizational decision making to keep your hotel relevant, from a pricing standpoint, in the often chaotic hotel landscape. This groundbreaking book clearly showcases the current environment of the hotel industry, and describes new and emerging trends that can impact your revenue management tactics. This essential text prepares you to survive and thrive in today's highly competitive market, and outlines the best approach to building profitable pricing strategies that follow both tactical and strategic best practices. Revenue management has become a key activity in the highly social environment of today's hotel industry, thanks to mobile technology and social media. Though relatively new, revenue management is a quickly-evolving discipline that requires precision if you want to maintain your hotel's relevance in the market. Leverage original research, case studies, and industry examples to understand the practical application of key concepts Explore current market conditions that have an impact on revenue management Consider how advances in data management, analytics, and data visualization can impact revenue management practices Identify how revenue management can help you take advantage of market opportunities and overcome challenges Hotel Pricing in a Social World: How to Drive Value in the New Hotel Economy is an essential text for hotel CFOs, CMOs, revenue managers, and operations managers who want to leverage revenue management techniques to keep their hotel competitive.

How to Use Price to Increase Demand, Profit and Customer Satisfaction HOW SMART IS YOUR PRICING? For any business, deciding how much to charge for a product or service is crucial. By gaining an insight into the way consumers think and purchase, you can generate more demand, more customer value – and more profit. MAXIMIZE REVENUE • How do unwanted products Influence what customers expect to pay? • How does offering extras for free dramatically increases Perceived Value? • Why does changing the timing of a payment make people pay 50% More? TRIED AND TESTED TECHNIQUES Written by the founder of Inon, a leading pricing consultancy, whose clients range from the BBC and Grant's Whisky to Alzheimer's Disease International and HM Treasury, The Psychology of Price provides an insight into the strategies used by multinational corporations. Leigh Caldwell is a pricing expert and leading researcher in behavioural economics, writing the UK's most popular behavioural blog (www.knowingandmaking.com) and appearing as a frequent guest on BBC News. By background a mathematician and economist, he is the founder and chief executive of Inon, the UK's leading pricing consultancy.

This book offers the first introduction to the concepts, theories, and applications of pricing and revenue optimization. From the initial success of "yield management" in the commercial airline industry down to more recent successes of markdown management and dynamic pricing, the application of mathematical analysis to optimize pricing has become increasingly important across many different industries. But, since pricing and revenue optimization has involved the use of sophisticated mathematical techniques, the topic has remained largely inaccessible to students and the typical manager. With methods proven in the MBA courses taught by the author at Columbia and Stanford Business Schools, this book presents the basic concepts of pricing and revenue optimization in a form accessible to MBA students, MS students, and advanced undergraduates. In addition, managers will find the practical approach to the issue of pricing and revenue optimization invaluable. With updates to every chapter, this second edition covers topics such as estimation of price-response functions and machine-learning-based price optimization. New discussions of applications of dynamic pricing and revenue management by companies such as Amazon, Uber, and Disney, and in industries such as sports, theater, and electric power, are also included. In addition, the book provides current coverage of important applications such as revenue management, markdown management, customized pricing, and the behavioral economics of pricing.

The theme of this book is simple. The price – the number someone puts on a product to help consumers decide to buy that product – comes from data. Specifically, it comes from statistically modeling the data. This book gives the reader the statistical modeling tools needed to get the number to put on a product. But statistical modeling is not done in a vacuum. Economic and statistical principles and theory conjointly provide the background and framework for the models. Therefore, this book emphasizes two interlocking components of modeling: economic theory and statistical principles. The economic theory component is sufficient to provide understanding of the basic principles for pricing, especially about elasticities, which measure the effects of pricing on key business metrics. Elasticity estimation is the goal of statistical modeling, so attention is paid to the concept and implications of elasticities. The statistical modeling component is advanced and detailed covering choice (conjoint, discrete choice, MaxDiff) and sales data modeling. Experimental design principles, model estimation approaches, and analysis methods are discussed and developed for choice models. Regression fundamentals have been developed for sales model specification and estimation and expanded for latent class analysis.

Pricing--The New CEO Imperative, the 11th volume by Stephan M. Liozu on the topic of pricing and customer value management, is a message from the pricing profession to the C-suite. It aims to promote pricing and encourage CEOs and C-suite executives to pay greater attention to pricing and to increase their investments in their pricing initiatives. In the context of digital transformations and a post-COVID-19 new normal, pricing is a strategic capability that no CEO should ignore-and a driver of competitive advantage and a strong profit lever. Pricing has 21 chapters organized in five sections: Pricing Lessons and Myths, Pricing Impact and Pricing Power, Pricing Testimonials, Pricing Maturity and Capabilities, and Pricing as a Force of Transformation. This book was made possible through the financial contribution of ten companies: Boston Consulting Group Deloitte Consulting LLP INSIGHT2PROFIT Manchon & Company Miller Advisors Pricefx Pros Holdings Simon Kucher & Partners Vendavo Zilliant This collection is also endorsed by the Professional Pricing Society (PPS) and the Coalition for the Advancement of Pricing (CAP). Be bold: join the pricing revolution!

This is the first text that has been developed specifically to examine what revenue managers in the hospitality industry must know and do to be successful. Numerous cases and practical examples are used to illustrate revenue management concepts. Chapter ending questions and problems help them perform the calculations and practice the decision-making skills that are used in the field. RM in Action shows how the revenue management principles can be clearly illustrated using real-world examples reported in various news outlets. RM on the Web offers sites listed on the Internet to provide supplemental information about a topic or issue. Revenue managers will then gain hands-on skills to effectively manage their inventories and prices.

Revenue Management: Advanced Strategies and Tools to Enhance Firm Profitability provides an overview of revenue management (RM) and discusses approaches that firms can use to more profitably manage and define the ways in which they sell their capacity.

A new approach to dynamic allocation and pricing that blends dynamic paradigms from the operations research and management science literature with classical mechanism design methods. Dynamic allocation and pricing problems occur in numerous frameworks, including the pricing of seasonal goods in retail, the allocation of a fixed inventory in a given period of time, and the assignment of personnel to incoming tasks. Although most of these problems deal with issues treated in the mechanism design literature, the modern revenue management (RM) literature focuses instead on analyzing properties of restricted classes of allocation and pricing schemes. In this book, Alex Gershkov and Benny Moldovanu propose an approach to optimal allocations and prices based on the theory of mechanism design, adapted to dynamic settings. Drawing on their own recent work on the topic, the authors describe a modern theory of RM that blends the elegant dynamic models from the operations research (OR), management science, and computer science literatures with techniques from the classical mechanism design literature. Illustrating this blending of approaches, they start with well-known complete information, nonstrategic dynamic models that yield elegant explicit solutions. They then add strategic agents that are privately informed and then examine the consequences of these changes on the optimization problem of the designer. Their sequential modeling of both nonstrategic and strategic logic allows a clear picture of the delicate interplay between dynamic trade-offs and strategic incentives. Topics include the sequential assignment of heterogeneous objects, dynamic revenue optimization with heterogeneous objects, revenue maximization in the stochastic and dynamic knapsack model, the interaction between learning about demand and dynamic efficiency, and dynamic models with long-lived, strategic agents.

The practices of revenue management and pricing analytics have transformed the transportation and hospitality industries, and are increasingly important in industries as diverse as retail, telecommunications, banking, health care and manufacturing. Segmentation, Revenue Management and Pricing Analytics guides students and professionals on how to identify and exploit revenue management and pricing opportunities in different business contexts. Bodea and Ferguson introduce concepts and quantitative methods for improving profit through capacity allocation and pricing. Whereas most marketing textbooks cover more traditional, qualitative methods for determining customer segments and prices, this book uses historical sales data with mathematical optimization to make those decisions. With hands-on practice and a fundamental understanding of some of the most common analytical models, readers will be able to make smarter business decisions and higher profits. This book will be a useful and enlightening read for MBA students in pricing and revenue management, marketing, and service operations.

The consumer credit market -- Credit risk -- Incremental loan profitability -- The fundamentals of price response -- Estimating price response -- Pricing segmentation -- Optimizing prices -- Behavioral economics and credit pricing

The Theory and Practice of Revenue Management is a book that comprehensively covers theory and practice of the entire field, including both quantity and price-based RM, as well as significant coverage of supporting topics such as forecasting and economics. The authors believe such a comprehensive approach is necessary to fully understand the subject. A central objective of the book is to unify the various forms of RM and to link them closely to each other and to the supporting fields of statistics and economics. Nevertheless, the topics and coverage do reflect choices about what is important to understand RM. Hence, the book's purpose is to provide a comprehensive, accessible synthesis of the state of the art in Revenue Management.

A story about science, technology, and people, The Future of Pricing provides an inside look at how airlines price tickets and how practices developed in the airline industry are now revolutionizing the world of pricing. This book is written for business professionals and students wanting to better understand the rapid growth of scientific pricing.

The revolutionary guide that challenged businesses around the world to stop selling to their buyers and start answering their questions to get results; revised and updated to address new technology, trends, the continuous evolution of the digital consumer, and much more In today's digital age, the traditional sales funnel—marketing at the top, sales in the middle, customer service at the bottom—is no longer effective. To be successful, businesses must obsess over the questions, concerns, and problems their buyers have, and address them as honestly and as thoroughly as possible. Every day, buyers turn to search engines to ask billions of questions. Having the answers they need can attract thousands of potential buyers to your company—but only if your content strategy puts your answers at the top of those search results. It's a simple and powerful equation that produces growth and success: They Ask, You Answer. Using these principles, author Marcus Sheridan led his struggling pool company from the bleak depths of the housing crash of 2008 to become one of the largest pool installers in the United States. Discover how his proven strategy can work for your business and master the principles of inbound and content marketing that have empowered thousands of companies to achieve exceptional growth. They Ask, You Answer is a straightforward guide filled with practical tactics and insights for transforming your marketing strategy. This new edition has been fully revised and updated to reflect the evolution of content marketing and the increasing demands of today's internet-savvy buyers. New chapters explore the impact of technology, conversational marketing, the essential elements every business website should possess, the rise of video, and new stories from companies that have achieved remarkable results with

They Ask, You Answer. Upon reading this book, you will know: How to build trust with buyers through content and video. How to turn your web presence into a magnet for qualified buyers. What works and what doesn't through new case studies, featuring real-world results from companies that have embraced these principles. Why you need to think of your business as a media company, instead of relying on more traditional (and ineffective) ways of advertising and marketing. How to achieve buy-in at your company and truly embrace a culture of content and video. How to transform your current customer base into loyal brand advocates for your company. They Ask, You Answer is a must-have resource for companies that want a fresh approach to marketing and sales that is proven to generate more traffic, leads, and sales.

"Employing analytical techniques derived from management science, and the author's extensive corporate experience, this is the definitive resource for what has emerged as critical and rapidly changing field in business strategy. MBA and executive courses will be drawn to the updates throughout the book, focusing on AI impact on revenue management, as well as compelling new cases on e-marketplace pricing at Amazon, Uber, and other leading companies"--

Pricing is about deciding your market position whereas revenue management is the strategic and tactical decisions firms take in order to optimize revenues and profits. This book offers insights into research, theories, applications and innovations and how to make these work in different industries.

"Many businesses focus on driving volume or reducing costs rather than increasing price under the mistaken belief they have greater control over volume and costs than price. Yet, a 1% increase in price (holding volume fixed) has a greater impact on operating profit than a 1% increase in volume or a 1% decrease in cost. By not seizing the initiative on price, businesses abrogate decisions about price to competitors, customers, and the channel. A careful analysis and understanding of those same actors could help them price in a more profitable manner. Hence, this book, which is designed to communicate the fundamental principles of pricing. In marked contrast to other books on pricing, this one is based on economic theory. This is not to deny the value to be had from looking at pricing through other lenses. It is simply that these other lenses do not yet provide a systematic and organized way to think about pricing. Economic theory does. Its power is not in the provision of to-do lists or the Gradgrind-like accumulation of facts.⁸ Rather, it is in generating the right questions to be asked. Both our own experiences and that related to us by our students who have taken our classes has confirmed us in this view. A second point of contrast with other treatments of pricing is that we convey principles through stylized examples rather than anecdotes"--Provided by publisher.

"There is no strategic investment that has a higher return than investing in good pricing, and the text by Gallego and Topaloglu provides the best technical treatment of pricing strategy and tactics available." Preston McAfee, the J. Stanley Johnson Professor, California Institute of Technology and Chief Economist and Corp VP, Microsoft. "The book by Gallego and Topaloglu provides a fresh, up-to-date and in depth treatment of revenue management and pricing. It fills an important gap as it covers not only traditional revenue management topics also new and important topics such as revenue management under customer choice as well as pricing under competition and online learning. The book can be used for different audiences that range from advanced undergraduate students to masters and PhD students. It provides an in-depth treatment covering recent state of the art topics in an interesting and innovative way. I highly recommend it." Professor Georgia Perakis, the William F. Pounds Professor of Operations Research and Operations Management at the Sloan School of Management, Massachusetts Institute of Technology, Cambridge, Massachusetts. "This book is an important and timely addition to the pricing analytics literature by two authors who have made major contributions to the field. It covers traditional revenue management as well as assortment optimization and dynamic pricing. The comprehensive treatment of choice models in each application is particularly welcome. It is mathematically rigorous but accessible to students at the advanced undergraduate or graduate levels with a rich set of exercises at the end of each chapter. This book is highly recommended for Masters or PhD level courses on the topic and is a necessity for researchers with an interest in the field." Robert L. Phillips, Director of Pricing Research at Amazon "At last, a serious and comprehensive treatment of modern revenue management and assortment optimization integrated with choice modeling. In this book, Gallego and Topaloglu provide the underlying model derivations together with a wide range of applications and examples; all of these facets will better equip students for handling real-world problems. For mathematically inclined researchers and practitioners, it will doubtless prove to be thought-provoking and an invaluable reference." Richard Ratliff, Research Scientist at Sabre "This book, written by two of the leading researchers in the area, brings together in one place most of the recent research on revenue management and pricing analytics. New industries (ride sharing, cloud computing, restaurants) and new developments in the airline and hotel industries make this book very timely and relevant, and will serve as a critical reference for researchers." Professor Kalyan Talluri, the Munjal Chair in Global Business and Operations, Imperial College, London, UK.

In the wake of the 2008 financial crisis, it became apparent that pricing loans in a way that is profitable for lenders and sensitive to risk is anything but simple. Increasingly, lenders are following the lead of other retailers by segmenting their market and more precisely targeting customers. To do this successfully, lenders must engage analytic approaches, such as machine learning and optimization, in setting prices for each segment. Robert L. Phillips worked with major banks and financial services companies for more than a decade to help them improve their pricing capabilities. This book draws on his experience, as well as the latest academic research, to demonstrate how lenders can apply the proven techniques of price optimization to responsibly improve the profitability of their loans. It is a go-to resource for academics and professionals alike, particularly lenders who are looking for ways to do better business in an increasingly competitive (and regulated) market.

This book provides a broad introduction to the field of pricing as a tactical function in the daily operations of the firm and a toolbox for implementing and solving a wide range of pricing problems. Beyond the theoretical perspectives offered by most textbooks in the field, Essentials of Pricing Analytics supplements the concepts and models covered by demonstrating practical implementations using the highly accessible Excel software, analytical tools, real-life examples and global case studies. The book covers topics on fundamental pricing theory, break-even analysis, price sensitivity, empirical estimations of price-response functions, price optimisation, markdown optimisation, hedonic pricing, revenue management, the use of big data, simulation, and conjoint analysis in pricing decisions, and ethical and legal considerations. This is a uniquely accessible and practical text for advanced undergraduate, MBA and postgraduate students of pricing strategy, entrepreneurship and small business management, marketing strategy, sales and operations. It is also important reading for practitioners looking for accessible methods to implement pricing strategy and maximise profits. Online resources include Excel templates and PowerPoint slides for each chapter.

Surprising rules for successful monetization Innovation is the most important driver of growth. Today, more than ever, companies need to innovate to survive. But successful innovation—measured in dollars and cents—is a very hard target to hit. Companies obsess over being creative and innovative and spend significant time and expense in designing and building products, yet struggle to monetize them: 72% of innovations fail to meet their financial targets—or fail entirely. Many companies have come to accept that a high

failure rate, and the billions of dollars lost annually, is just the cost of doing business. Monetizing Innovations argues that this is tragic, wasteful, and wrong. Radically improving the odds that your innovation will succeed is just a matter of removing the guesswork. That happens when you put customer demand and willingness to pay in the driver seat—when you design the product around the price. It's a new paradigm, and that opens the door to true game change: You can stop hoping to monetize, and start knowing that you will. The authors at Simon Kucher know what they're talking about. As the world's premier pricing and monetization consulting services company, with 800 professionals in 30 cities around the globe, they have helped clients ranging from massive pharmaceuticals to fast-growing startups find success. In Monetizing Innovation, they distil the lessons of thirty years and over 10,000 projects into a practical, nine-step approach. Whether you are a CEO, executive leadership, or part of the team responsible for innovation and new product development, this book is for you, with special sections and checklist-driven summaries to make monetizing innovation part of your company's DNA. Illustrative case studies show how some of the world's best innovative companies like LinkedIn, Uber, Porsche, Optimizely, Draeger, Swarovski and big pharmaceutical companies have used principles outlined in this book. A direct challenge to the status quo "spray and pray" style of innovation, Monetizing Innovation presents a practical approach that can be adopted by any organization, in any industry. Most monetizing innovation failure point home. Now more than ever, companies must rethink the practices that have lost countless billions of dollars. Monetizing Innovation presents a new way forward, and a clear promise: Go from hope to certainty.

Written for MBA students and practitioners, this book is a comprehensive introduction to the theory and application of pricing and revenue optimization.

Apply Six Sigma to Your #1 Business Challenge: Pricing "Six Sigma is well known for having helped companies save billions of dollars. This book is the first to show us how to use it on the revenue side of the equation to generate profitable growth. This step-by-step guide will be an instant classic—a seminal book on a topic critical to profitability." —Robert Cross, Chairman and CEO, Revenue Analytics Inc. and author of Revenue Management "Six Sigma Pricing provides companies with a practical toolkit to improve their price management. The authors show executives how to use Six Sigma tools in their pricing processes and instantly improve profits and their bottom-line. This is a truly 'must-have' resource for managers everywhere." —Eric Mitchell, President, Professional Pricing Society Many companies have developed solid sales strategies— but without equally good pricing operations, those strategies alone will not add a dime to the bottom line. The goal of pricing operations is to consistently control price deviations in transactions and contracts over time and across customer segments. This goal of ensuring the prices are not too low or too high in different transactions relative to guidelines lends itself perfectly to Six Sigma. Using the authors' breakthrough Six Sigma-based approach, you can systematically eliminate pricing-related revenue leaks, driving higher profits without alienating customers. You'll learn how to define pricing "defects," gather and analyze relevant pricing data, review pricing-agreement processes, identify and control failures, implement improvements, and then ensure continuous, ongoing improvement in price, profits and customer satisfaction. The book reflects the authors' pioneering experience implementing Six Sigma pricing. Whether you're a business leader, strategist, manager, consultant, or Six Sigma specialist, it will help you or your client recover profits that have been slipping through the cracks in pricing operations. • Learn why Six Sigma Pricing makes sense Why you should target pricing operations, and how to do it • Identify profit leaks from inefficient pricing operations Why "sloppy pricing" occurs, how to find it, and how to root it out • Illuminate your current pricing processes, so you can improve them Understand your market-facing and internally focused pricing processes pertaining to product launch and lifecycle price management, price increases due to escalation in costs of raw materials, promotions, and discounting • Set up your pricing operations for continuous improvement in line with your pricing and sales strategy Use Six Sigma to improve and control processes, ensuring alignment with agreed-upon strategy for pricing and sales • Create an organization that is successful at pricing Align different functions and levels of the company to achieve targeted profits

Revenue management is the process of allocating the right inventory to the right kind of customer at the right price to maximise revenue. It applies particularly to the service sector. Covering numerous industries, these case studies demonstrate a variety of scenarios, problems and solutions.

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