



# Intelligent Pricing Maturity Model

In today's dynamic business landscape, organizations are continuously seeking innovative strategies to drive profitable growth, enhance margins and increase revenues. This document introduces a transformative approach to pricing and promotions, underpinned by advanced technologies such as analytics and AI. We will delve into the complexities of this approach with the support of the Intelligent Pricing Maturity Model and explore how it can unlock a realm of possibilities for businesses.

## The Intelligent Pricing Maturity Model: Your path to pricing and promotion excellence

Cognizant's comprehensive Intelligent Pricing Maturity Model offers a strategic framework engineered to navigate the intricacies of intelligent pricing and promotions. We recognize the challenges encountered by businesses and the evolving market dynamics. Here's why our model is the ideal choice.

- **Data-driven excellence:** Our model is rooted in data-driven insights, harnessing the potential of advanced analytics and AI to ensure precision in decision-making
- **Sustainable growth:** We prioritize profitable growth while emphasizing transparent and ethical pricing practices
- **Collaboration:** Fostering collaborative relationships between manufacturers and retailers, ensuring a win-win scenario for all stakeholders
- **Customer-centric approach:** Placing customer satisfaction and loyalty at the forefront, offering a competitive edge in the market

## Navigating pitfalls and challenges: An essential awareness for success

In the pursuit of intelligent pricing and promotions, organizations must remain vigilant against common pitfalls and potential challenges. It is essential to be aware of these risks and have mitigation strategies in place. Following are some of the common corporate pitfalls:

- **Outdated approaches:** Falling into the trap of relying on traditional pricing and promotional strategies that have become obsolete in the modern market
- **Lack of data insights:** Neglecting the goldmine of data-driven decision-making, leaving companies in the dark
- **Isolated strategies:** Implementing promotions without considering their alignment with the broader pricing strategy, leading to inefficiencies
- **Missed collaboration:** Failing to establish collaborative relationships between manufacturers and retailers, resulting in lost opportunities

## Mitigation strategies

To overcome these pitfalls and mitigate potential challenges, organizations should:

- **Embed continuous learning:** Stay updated with the latest industry trends and emerging technologies to ensure that the strategies remain relevant
- **Foster data utilization:** Invest in systems that harness data for meaningful insights, providing the foundation for informed decisions
- **Employ integrated approaches:** Develop strategies that bridge the gap between pricing and promotions, facilitating a holistic approach
- **Stimulate partnership enhancement:** Foster meaningful collaborations with manufacturers and retailers, nurturing relationships that benefit both parties



## Pillars of the maturity assessment

Our maturity model is an insightful guide to crafting an intelligent pricing and promotion strategy. Key components of this model include:

### **Advanced pricing with AI and analytics:**

Harness the power of real-time AI and analytics to create pricing strategies that are not only optimal but also tailored to individual customers, delivering highly personalized promotions.

### **Everyday price optimization:**

Ensure your pricing foundation is solid by establishing the right everyday prices. This optimization process is rooted in data-informed insights that allow price elasticity, enabling you to make better pricing decisions.

### **Smaller discounts and strategic promotions:**

Move away from generic discounts. Instead, employ modest discounts strategically. Reserve deep discounts for feature or display promotions, enhancing the efficiency of your promotional events.

### **Duration, timing and shopper marketing optimization:**

Fine-tune your promotional strategies by carefully considering the duration and timing of your promotions. Reevaluate your shopper marketing techniques to maximize their effectiveness.

### **Single-product promotions vs. co-promotions:**

Distinguish between single-product promotions and co-promotions to understand which tactic will yield the most favourable results. This insight will help you make informed decisions on your promotional activities.

### **Retailer and manufacturer collaboration:**

Customize your promotion tactics for different retailers, recognizing that not all retailers in each channel are identical. Tailoring your approach ensures a more efficient and mutually beneficial relationship.

### **Win-win collaborative relationships:**

Focus on crafting promotions that benefit both manufacturers and retailers. Our model emphasizes identifying opportunities that lead to incremental profits for all stakeholders, reducing the zero-sum game mentality.

### **Data-driven decision-making:**

Leverage data analytics to create strategies that are driven by insights. Equip your organization with the capability to make informed decisions based on data analysis, enhancing your pricing and promotion strategies.

### **Holistic price sensitivity and KPI analysis:**

Strike a balance between volume and profit by accurately assessing price sensitivity and cumulative key performance indicators (KPIs). This comprehensive analysis ensures that your strategies are finely tuned for success.

### **Enhancing customer satisfaction and loyalty:**

Foster customer satisfaction and loyalty by adopting efficient pricing and promotion approaches that resonate with your target audience, resulting in long-lasting and loyal customer relationships.

## Benefits of this model

Adopting the Cognizant maturity model for intelligent pricing and promotion strategies promises a spectrum of benefits that include:



### Increased profitable growth:

Drive sustainable revenue growth and improved margins

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### Precision and accuracy:

Ensure precise pricing and data-informed decision-making

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### Customer satisfaction:

Enhance customer satisfaction and loyalty through tailored pricing and promotions

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### Ethical and transparent practices:

Build trust with customers through ethical pricing and promotions

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### Collaborative success:

Establish win-win collaborations between manufacturers and retailers

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### Effective use of technology:

Leverage cutting-edge technologies to remain competitive

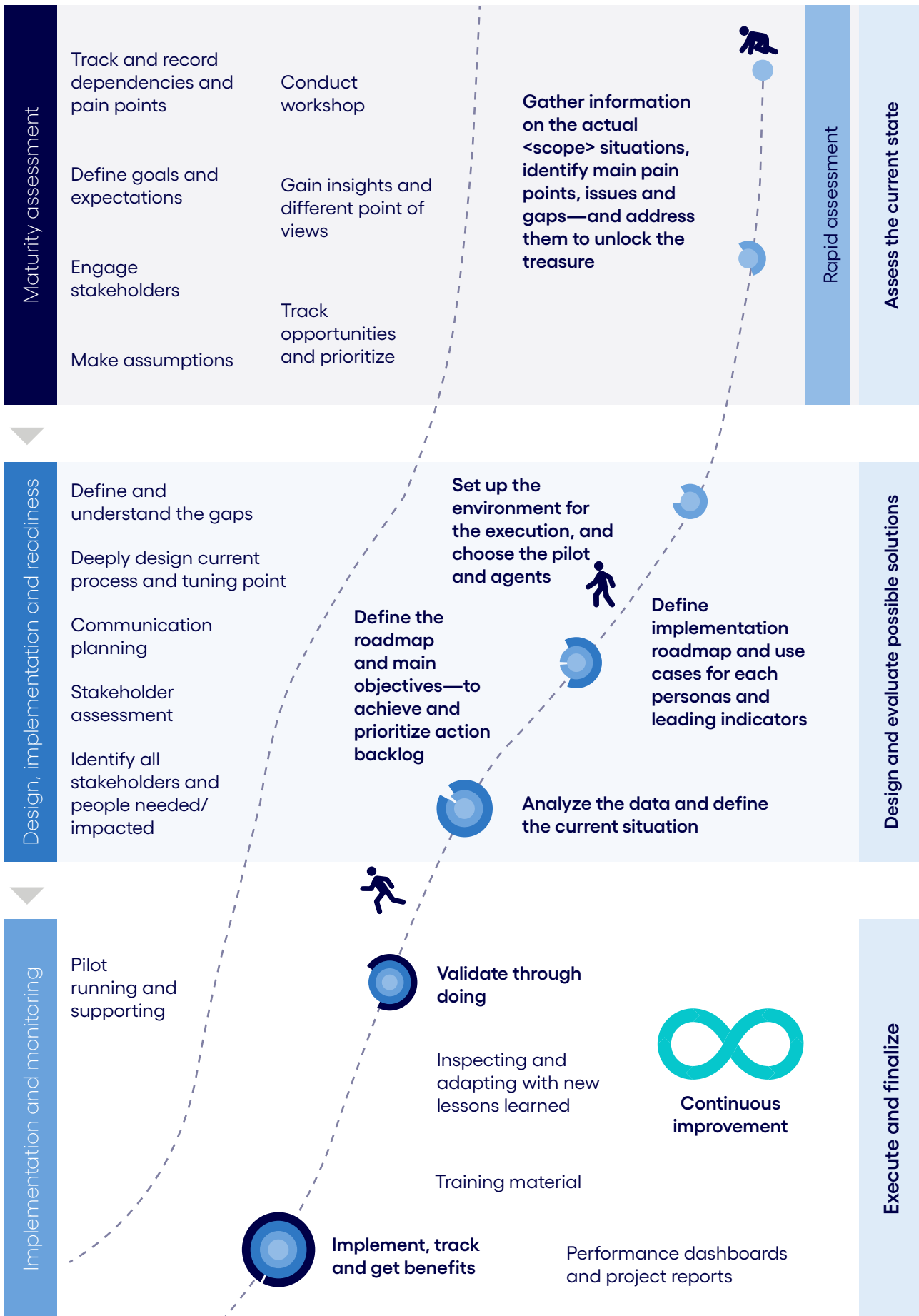
## Our approach to unlock clients' potential

We help clients unlock value within their business processes by harnessing the power of data to discover insights that will guide their transformation journey. In that sense, the maturity assessment is the first step, gathering the building blocks that indicate the current state of their processes. At the same time, we gain insights about their goals and expectations. Using this information, we provide an agile, data-driven and high-level diagnostic approach—to identify the challenges and dependencies that can impact the actions required to bridge the gap between their current situation and their desired outcomes. This is the blueprint that guides the design of the transformation roadmap.

The second stage involves detailed design for enhanced results. This includes prioritizing initiatives and establishing measurable KPIs that define the expected improvements for each project. The roadmap also requires the identification of significant milestones to track progress and the impact of the prescribed measures.

The final step is the implementation of the transformation plan while closely monitoring the deployment of each project—tracking challenges, gains and lessons learned to facilitate agility and foster a culture of continuous improvement.

The image below represents our standard approach to consulting/implementation engagement.



Our approach to unlock all the potential value

## Roadmap

The roadmap provides a guide to explore further opportunities in our consulting methodology. The maturity model is only the first step of an iterative and collaborative process in which our clients can decide the level of support needed to achieve their business objectives. From gathering requirements to documenting expectations and prioritizing objectives, we leverage data to design tailored solutions that accelerate their transformation journey. To ensure their success, we support the implementation stage, using agile methodologies to evaluate the impact and value of individual projects, making adjustments to the roadmap when needed for enhanced impact.



## Embrace intelligent pricing and transform your success

Intelligent pricing and promotion strategies, supported by the Cognizant maturity model, present a promising path to sustainable growth and profitability. By embracing advanced analytics, real-time insights and a customer-centric approach, businesses can unlock a new realm of possibilities within an ever-evolving market landscape. We encourage organizations to not only recognize the potential benefits but also navigate common pitfalls and remain prepared for potential challenges. Choose the Intelligent Pricing Maturity Model to transform your pricing and promotion strategies, and embark on a journey toward sustainable and profitable growth. Unlock your potential today.

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