



Visualizing success: Integrating technology to elevate pricing strategy

July 23, 2025

GLG



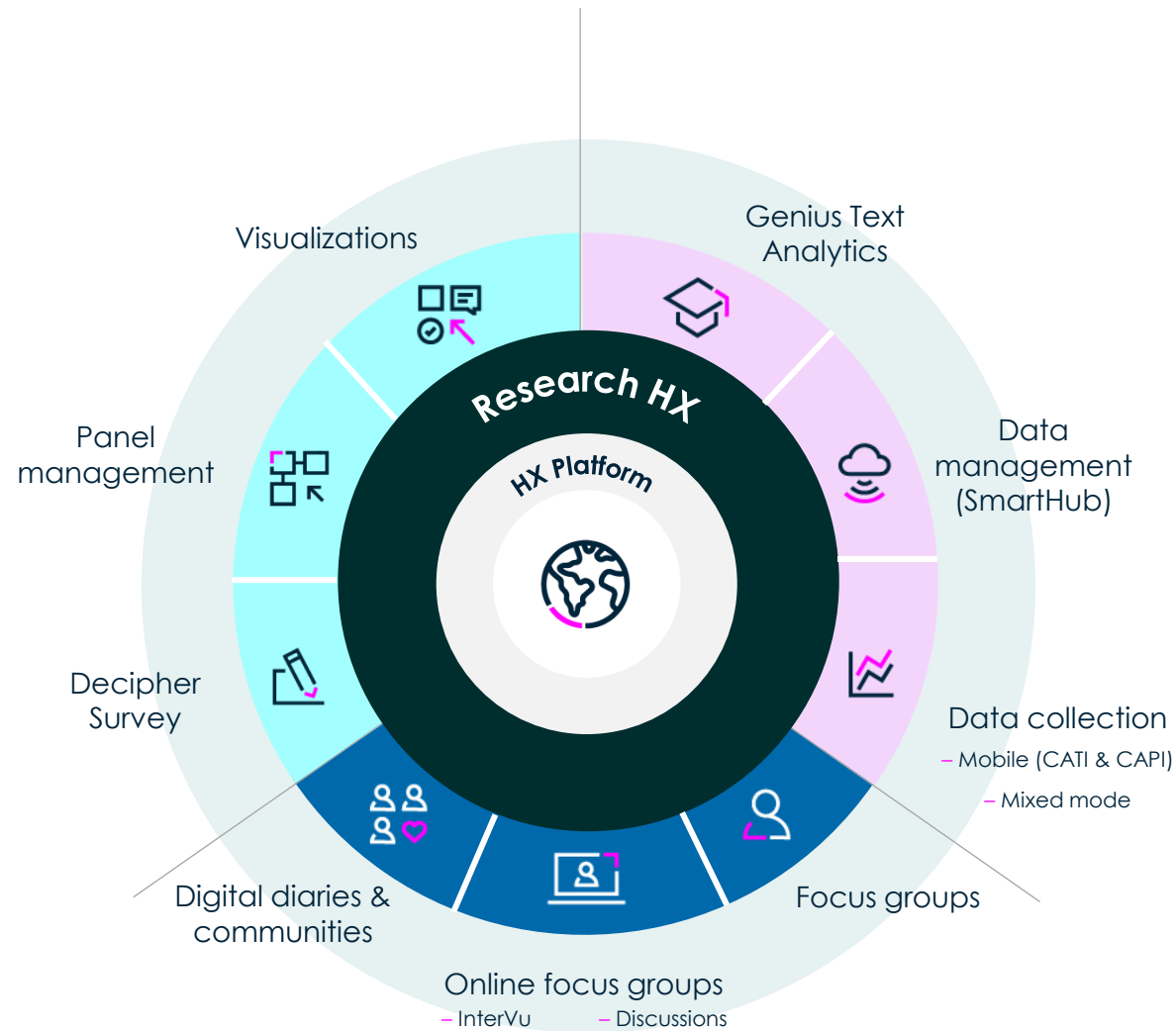
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VP, Research Insights

Forsta



Joe Lamson
VP, Account Management

 **Pro Suite**



 **Plus Suite**

 **Qual Suite**

GLG

**THE
WORLD'S
INSIGHT
NETWORK**

Oh, deer ...

Worldwide tariffs and
trade wars are looming

All eyes are on prices

They should be on value
and price



The Value Map

The Value Map visualizes the trade-offs customers make in a market

They compare the benefits (or value) they gain from a product and the cost (or price)

Customers perceive products located on or close to the diagonal line as delivering “good value for money”



Off-Line Territory

Off-line positioning errors can be costly:
These locations are unsustainable

Overpriced products will fail to meet topline targets

Underpriced products will not yield sustainable profits



Gravitational Forces

In a fairly transparent market, products sooner or later gravitate toward the diagonal



Getting On-line

In a fairly transparent market, products sooner or later gravitate toward the diagonal

They either adjust their pricing



Getting On-Line

In a fairly transparent market, products sooner or later gravitate toward the diagonal

They either adjust their pricing

Or they fix their value proposition, or both



The Significance of Customer Heterogeneity

Going on-line will not prevent a manufacturer from making positioning errors

It is important to understand how customers are distributed along the line – and how segments shift over time

Premium buyers may become more price-sensitive, the mid-market segment can grow or shrink



Hello! Tariffs

Tariffs impact product costs

Products are often affected to various degrees, depending on where they are produced

Manufacturers must decide whether to pass the tariff on to customers



Tariff-Induced Price Increases Push Products Off-Line

Price increases will push products off-line

—
Their competitiveness will be at risk versus products not (or less) affected by tariffs



The Value Line May or May Not Shift

Price increases will push products off-line

Their competitiveness will be at risk versus products not (or less) affected by tariffs

Higher prices across the board can shift the value-price line upwards



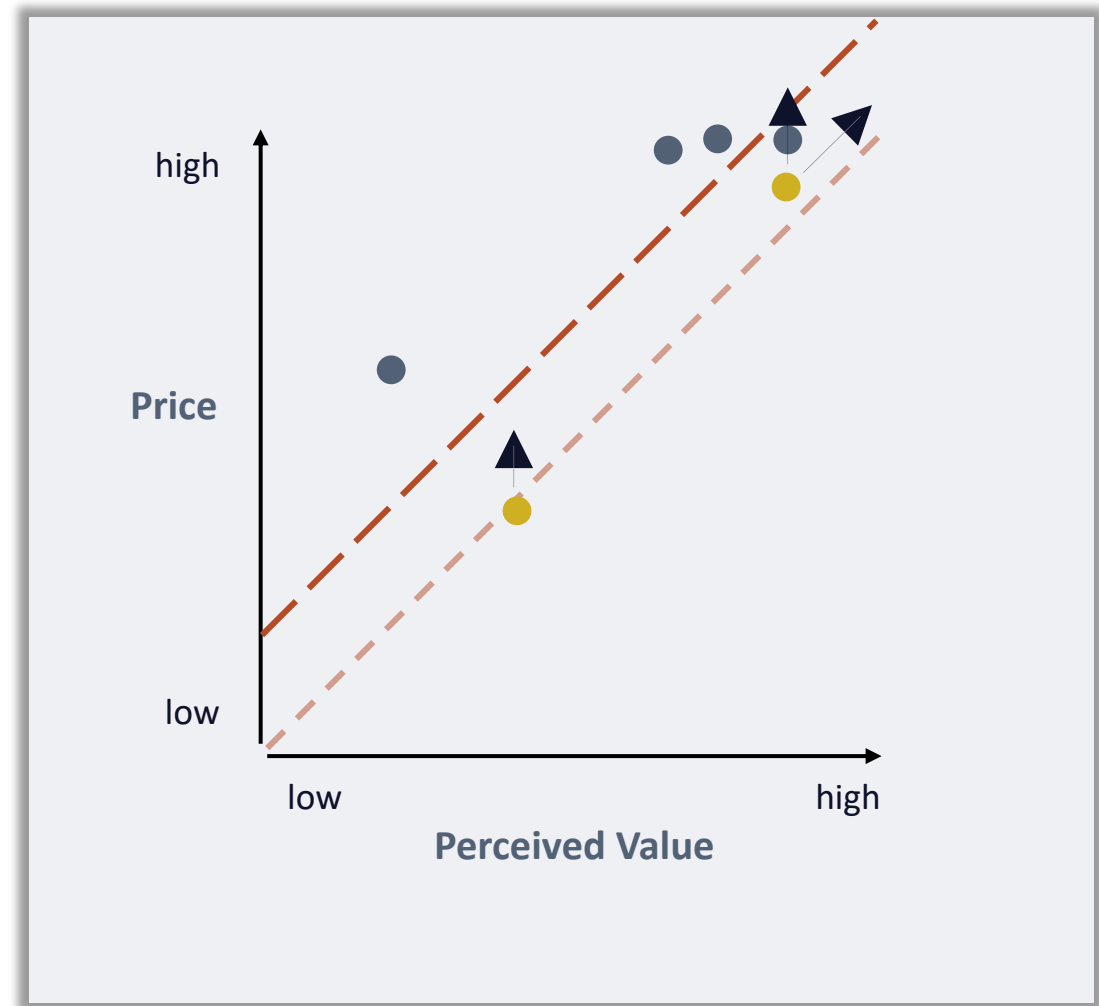
Reviewing the Price and Value Strategy

Price increases will push products off-line

Their competitiveness will be at risk versus products not (or less) affected by tariffs

Higher prices across the board can shift the value-price line upwards

Companies not or less affected by tariffs must also reconsider their price and value strategy



Reviewing the Price and Value Strategy

Price increases may not be the only possible response to tariffs

A company could cut costs - and value – to keep prices fairly constant



Still Bewildered?

All this mapping of products is pointless unless you know ...

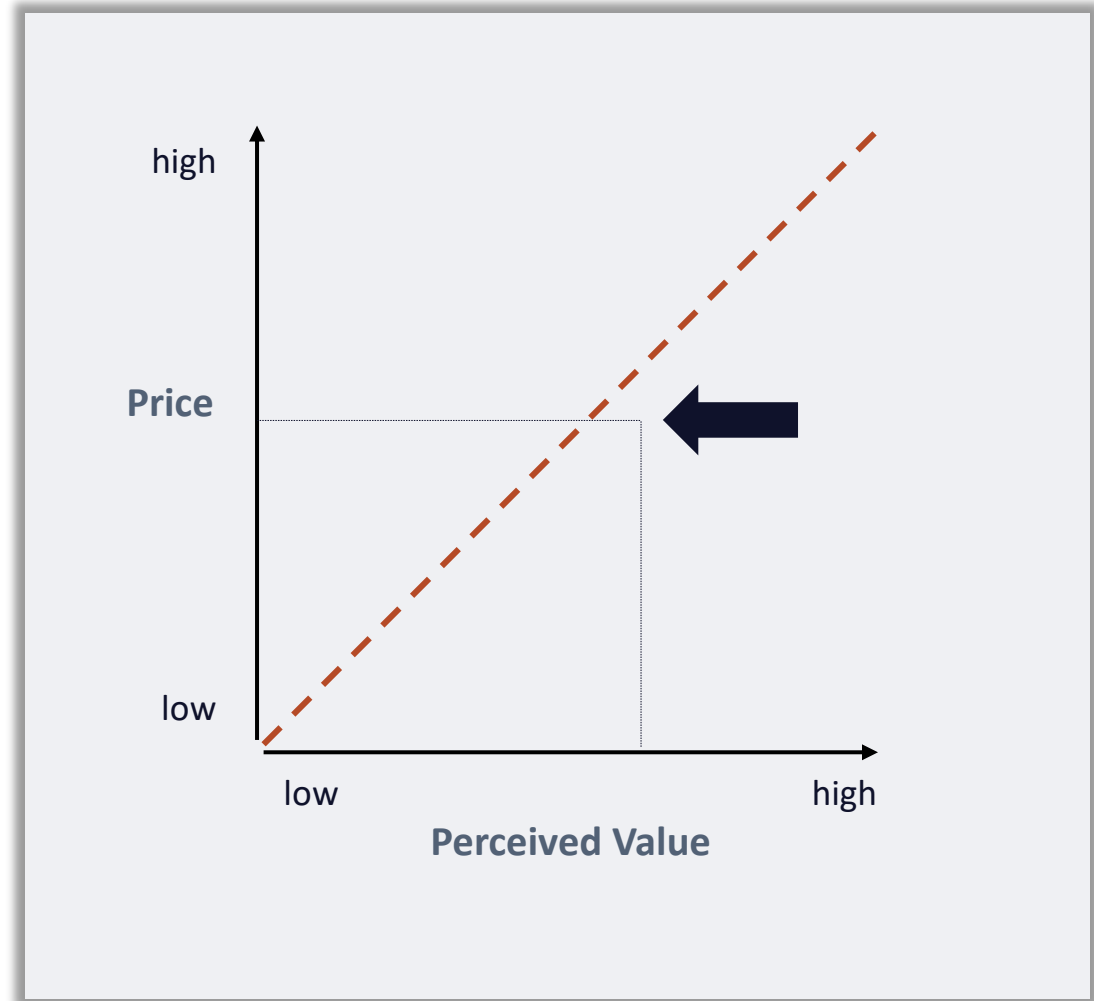
- Where you are on the map today
- How your position translates into market shares
- How customers will react to new pricing scenarios
- How much pricing power you have relative to competitors



Simulation of Hypothetical Pricing Scenarios

The data-based simulation of pricing scenarios will enable us to...

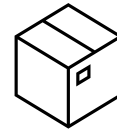
- Locate a product's value and price position relative to competitors
- Predict the impacts of price changes on customers' product choices



How We Measure Your Product's Customer-Perceived Value Position With Price CheX

- Survey respondents see a set of priced products and choose the option they are most likely to buy

"Which of these products would you buy?"



\$900



\$770



\$1,200

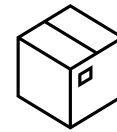


\$800

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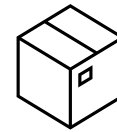


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- The self-balancing choice experiment involves 8-12 tasks

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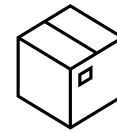


\$880

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- Survey respondents see a set of priced products and choose the option they are most likely to buy
- The survey algorithm will adjust prices in the next choice task: The selected product gets more expensive, or other products get cheaper
- The self-balancing choice experiment involves 8-12 tasks
- Based on the choices made we calculate each respondent's maximum willingness to pay for a product relative to competitors

"Which of these products would you buy?"



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\$1,200

\$1,080



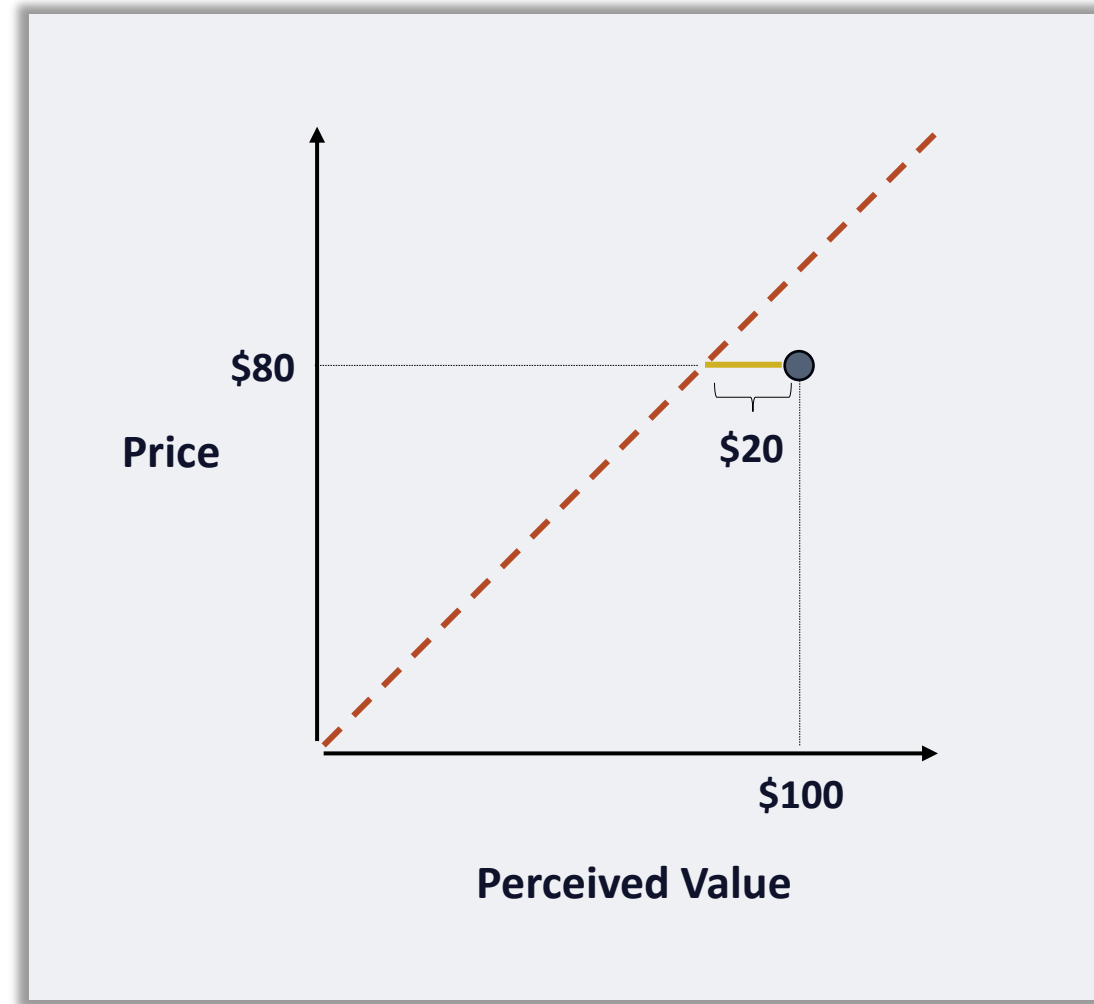
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How We Locate Your Product on the Value Map



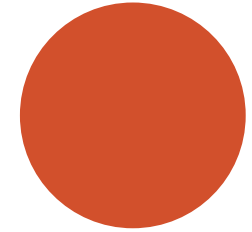
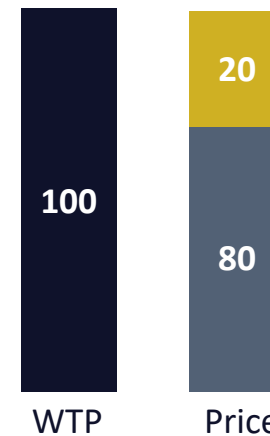
How We Simulate Customers' Product Choices

- In a given market scenario, customers will choose your product if they perceive a greater surplus value
- The customer-perceived surplus equals the difference between the product's price and the customer's willingness to pay



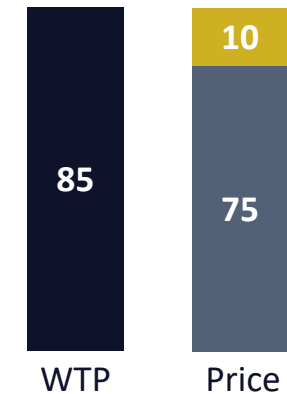
Your Product

\$80



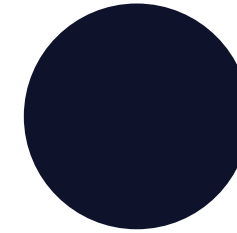
Competitor Product

\$75



How We Simulate The Impact of Your Price Changes

- In a given market scenario, customers will choose your product if they perceive a greater surplus value
- The customer-perceived surplus equals the difference between the product's price and the customer's willingness to pay
- A price increase will impact reduce the customer-perceived surplus relative to competitors
- The product will lose market shares



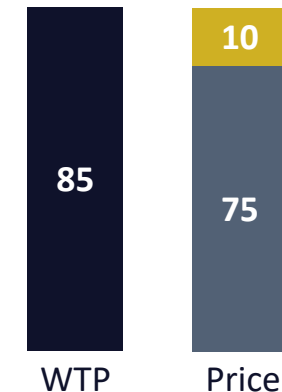
Your Product

\$95



Competitor Product

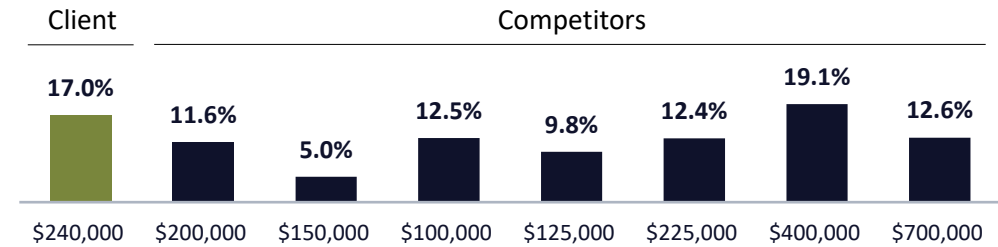
\$75



Example Simulation Results

Market Share Simulation

The GLG simulator enables users to generate hundreds of potential future pricing scenarios and simulate what customers would choose.



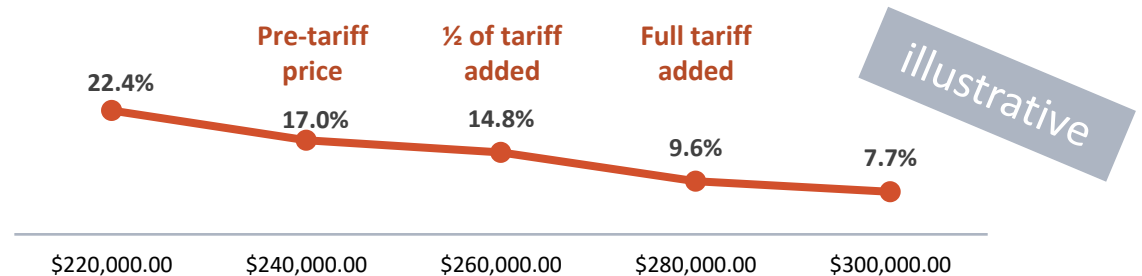
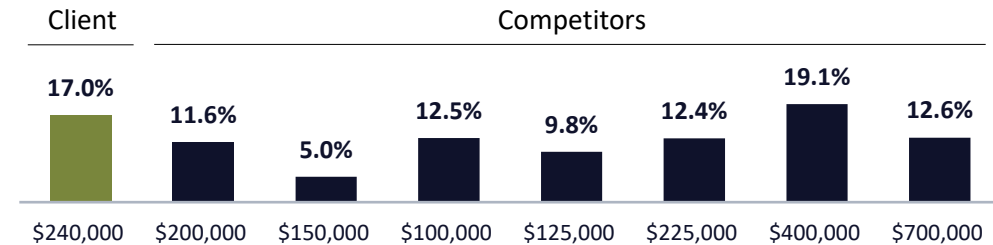
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Price Sensitivity

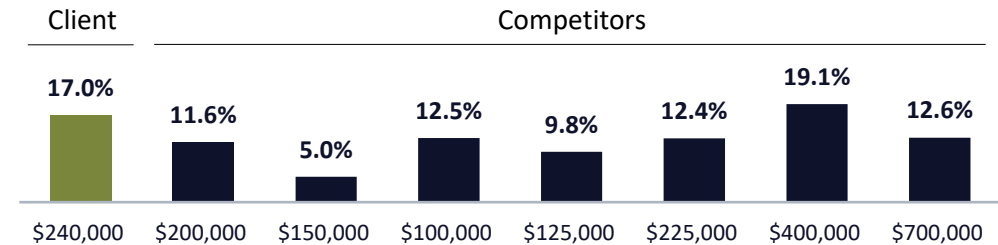
A sensitivity analysis holds competitor prices constant and simulates customer preference at varying price points for your product.



Example Simulation Results

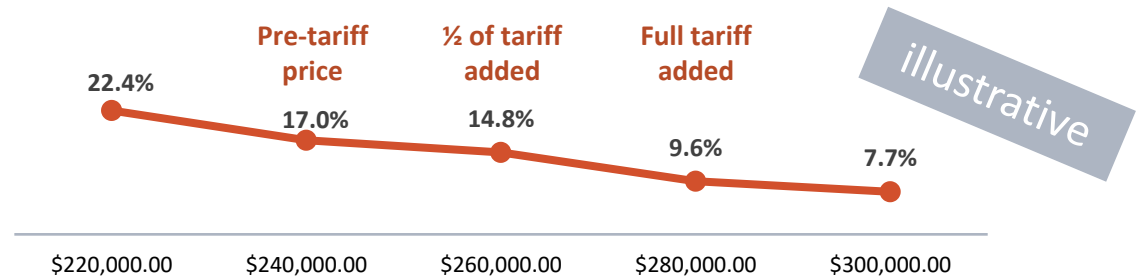
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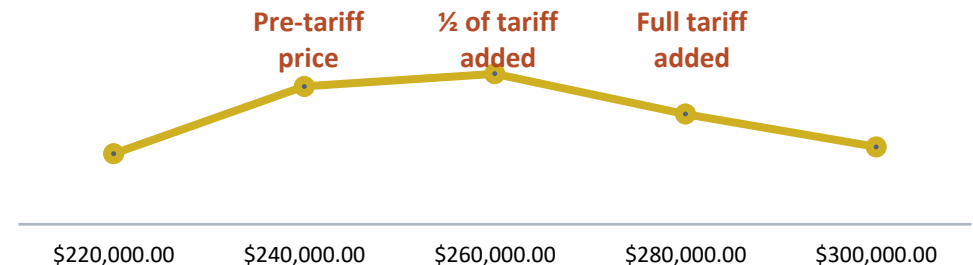
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Margin Simulation

Simulator users can analyze a product's revenue and gross margin. In the example, the margin is optimized at \$240,000 and slightly lower at \$280,000



Pricing Power

Market Share Simulation



Price Sensitivity



Margin Simulation

The ability to raise prices and maintain margins when facing increasing costs or competition

When Tariffs Hit, Know Your Pricing Power

- Tariffs will disrupt markets, increase competition, and erode margins
- Margins are better protected if a product's **value position** and **pricing power** are known
- Pricing simulations can help you **predict customer reactions** to various tactical moves





THANK YOU.

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