USE CASE

Using Location-Specific Competitiveness and Dynamic Pricing

For Churn Prevention and Customer Acquisition in the Connectivity Sector

In the realm of churn prevention and new customer acquisition within the connectivity industry, the significance of location-specific competitiveness and dynamic pricing cannot be overstated.

A prime example underscores the transformative impact of these strategies on revenue optimization. This case study revolves around a Tier 1 service provider deeply intrigued by the Connectbase Seller Cloud's potential to harness location-specific competitive intelligence data, resulting in an enhanced pricing model. The service provider had been adhering to a uniform pricing approach, which they suspected was constraining their revenue potential. The pivotal question emerged:

Could the competitive intelligence data from The Connected World platform empower them to make informed decisions and capture untapped revenue streams?

The Connectbase Solution

Data-Driven Insights for Strategic Transformation

The Connectbase team undertook an in-depth ROI analysis, leveraging several critical inputs from the client:

- Average circuit price
- Current discount rate
- Total number of locations
- Number of buildings eligible for discounts

The Connectbase team then seamlessly integrated this data with the competitive intensity analysis gleaned from The Connected World Platform. This analysis meticulously evaluated the competitive landscape for each location within the provider's serviceable footprint. Through this evaluation, each location was assigned a competitive rating of "Green," "Yellow," or "Red."

"GREEN" BUILDINGS
having just the incumbent provider, presented an ideal opportunity for the provider to command full pricing or in some cases increased pricing.

"YELLOW" BUILDINGS
indicated limited competition, with an additional competitor in play. A modest discount could be the decisive factor in clinching the deal.

"RED" BUILDINGS
characterized by fierce competitiveness, warranted the application of the full discount to remain competitive.

Connectbase

Quantifiable Results

The outcomes of this strategic realignment were compelling:

12% MARGIN

A remarkable **12% margin increase** in the least competitive buildings, as compared to historical discounting practices.

7% WIN RATE

A notable **7% enhancement in win rates** within the most competitive buildings. By deftly adjusting pricing to match these intense competitive scenarios, the provider managed to secure more deals.

11% NET REVENUE

A substantial **11% cumulative net revenue impact**, a holistic indicator of the efficacy of the transformed approach.

A Glimpse into Dynamic Pricing

Dynamic pricing emerged as the lynchpin of this transformation, encompassing the ability to tailor prices based on multifaceted deal-specific conditions.

These conditions encompassed the interplay of factors such as underlying data, account dynamics, competitiveness, estimated telecom spending, and overall market opportunities. This dynamic pricing approach empowered the provider to flexibly adjust prices, including margins, upwards or downwards, fostering business growth and customer retention.

Conclusion

In this era of dynamic and fiercely competitive connectivity markets, the case at hand underscores the importance of integrating location-specific competitive intelligence and dynamic pricing into business strategies.

The Connectbase team's adept use of data-driven insights and precise categorization allowed the provider to not only prevent churn but also acutely enhance their customer acquisition efforts. As connectivity companies navigate the complex landscape, this case exemplifies the transformative potential of aligning pricing strategies with market realities.

Contact your Connectbase representative today to learn more about building a dynamic pricing strategy.
Or call 1+ 617.817.8275.

Connectbase

134 Flanders Road, Westborough, Massachusetts 01581 | (617) 817-8275 | sales@connectbase.com