

PRICING STRATEGY & OPTIMIZATION REPORT

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1. Executive Summary

Following a substantial price increase in the previous fiscal year, a conservative pricing strategy is recommended for the upcoming cycle. The primary objective is to optimize yield without breaching a price ceiling that could trigger adverse demand elasticity. A proposed increase in the range of **10% to 15%** serves as an optimal threshold to test market response while mitigating the risk of structural customer churn.

2. Scenario Modeling & Price Setting

Utilizing the base price, the following modeled adjustments reflect the recommended parameters:

Baseline Anchor: If the base price was £4.99, a 10% increase sets the new price at approximately **£5.49**, whereas a 15% increase sets it at **£5.74**.

SCENARIO	DELTA (%)	MODELED PRICE (£)	RISK PROFILE & EXPECTED IMPACT
Baseline	0.0%	£4.99	Status Quo / Baseline Control
Conservative Model A	+10.0%	£5.49	Low churn probability; steady revenue stabilization.
Conservative Model B	+15.0%	£5.74	Moderate churn probability; maximized short-term yield.

3. Recommended Execution Framework

3.1. Advanced Market Analysis

Prior to finalizing the exact tier, comprehensive market research is required. Key indicators to evaluate include Customer Satisfaction (CSAT) indices, competitive landscape shifts, and the broader macroeconomic environment. This empirical data will dictate the optimal positioning within the 10-15% recommended range.

3.2. Segmented Pricing Architecture

We advise implementing differentiated pricing tiers based on user engagement profiles. Establishing distinct pricing matrices for **casual versus registered users** allows the business to capture maximum surplus while addressing varying price sensitivities across cohorts.

3.3. Continuous Monitoring & Agile Adjustment

Adopt an agile deployment methodology. Implement the revised pricing structure but maintain operational agility to pivot based on immediate customer feedback and real-time telemetry. Close monitoring ensures the pricing strategy can be fine-tuned without committing rigidly to a sub-optimal price point.

Power BI Dashboard Implementation Specification

To ensure robust governance and tracking of this rollout, a dedicated Power BI dashboard must be provisioned. Recommended visual configurations include:

- **Price Elasticity Scatter Plot:** Mapping daily transaction volume against active price points (£5.49 vs £5.74) for dynamic A/B multivariate testing.
- **Cohort Churn Matrix:** Time-series line charts tracking day-over-day customer attrition immediately post-deployment, explicitly segmented by user classification (Casual vs. Registered).
- **Revenue Delta KPIs:** Card and gauge visuals displaying the real-time net revenue impact (ARR/MRR variance) of the increase compared to a trailing 30-day baseline.
- **Sentiment Correlation Overlay:** Integration of NLP sentiment analysis visuals (if feedback data pipelines are active) to correlate qualitative feedback spikes with quantitative sales variations.