Acustrategy: Unlock your pricing power

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Our experts

Mohammed Zakir, pricing & analytics expert, has over 25 years of experience in pricing strategy and value creation. Before founding Acustrategy in 2008, Mohammed was at Simon Kucher. He has a BA from Middlebury and an MBA from MIT Sloan.

Britt Nichols, pricing & commercial expert, specializes in go to market strategy, product growth, and performance improvement. Britt also has deep operational expertise having been CEO, CRO, and CCO at multiple firms. He has a BA from Carnegie Mellon.

Steve Doherty is a McKinsey alum with operational pricing experience at McDonald's and CVS Health. Steve has a BS from Trinity College, an MS from Boston University, and an MBA from Chicago Booth.

Brock Hansen is a former CEO,COO, and Operations professional specializes in process and technology optimization and execution. He is certified in Lean and Six Sigma methods and has a BA from Rockford University.

Talha Gilani uses his data expertise to help clients drive strategic and day-to-day pricing decisions in both B2B and B2C settings. He has a BA from McMaster and an MSc from Western University.

Yu-Im Loh is a BCG and Google alum and has 20+ years' expertise in sales strategy, growth strategy, and business transformation. She holds engineering degrees from UC Berkeley and MIT, and an MBA from MIT Sloan.

Marzia Khambaty uses her analytics, marketing, and product management expertise to drive performance for our clients. She holds degrees in Economics from LUMS and Business Analytics from University of Toronto.

Source: Acustrategy.

From pricing chaos to discipline: 8.1% margin uplift in 12 Months

Case study: Rigging hardware distribution business

Situation & goals

Our client, a hardware distribution company, faced inconsistent pricing practices across 110K+ SKUs, 40+ locations, and 100+ salespeople. Our goals:

- Standardize and implement selling prices with price floors for consistency and simplified sales processes
- Create pricing governance, monitor performance, and align sales incentives with pricing goals

Approach

- Current pricing review, internal stakeholder views on pricing, pricing governance, and sales incentives
- Detailed analysis of sales data to identify quick wins and understand any existing pricing trends (e.g., prices tailored by product category, region, customer size and loyalty, etc.)
- Customer research to understand client's value prop, switching barriers, willingness to pay to develop customer segments

Key insights

- Value perception: Customers prioritize price quote response time, availability, and support, often accepting higher prices for turnaround time and superior service
- Customer segments: Price elasticity varies by customer size and willingness to pay is driven by perceived service excellence
- Competitive insights: Client's five-star service often justifies higher prices compared to competitors by leveraging value-adds as a differentiator in a competitive market

Pricing optimization & execution

- Standardized pricing: Branch-level price waterfalls with discounts based on product role, customer segments and willingness to pay, and supplier MSRPs
- Pricing roadmap: Streamlined SKU & pricing management workflows, RACI-based roles, KPI dashboards to monitor and optimize pricing performance, re-calibrated sales incentives based on revenue, margin, and new logos to support pricing goals
- Pricing execution tools: Price calculators, automated reading of supplier catalogs (for product info, MSRP, and costs), and web scraping for competitor price intel

Year 1 impact

- Gross margin uplift = 8.1%
- Pricing compliance rate (% of transactions adhering to approved pricing) increase from less than 40% to 77%

Source: Acustrategy

Building consistency, transparency, and loyalty through pricing transformation

Case study 1: Residential outdoor pest control services

Situation & goals

Our client, a regional outdoor pest control company serving thousands of households, faced pricing inconsistencies, technician-driven discounting, and very few return customers. They wanted to:

- Standardize pricing across regions and techs to reduce leakage
- Create tiered subscription packages aligned with customer needs (preventive vs. reactive)
- Improve margins while focusing on retention and upsell

Key insights

- Price leakage was significant: field reps often discounted 15 – 25% without oversight
- Customers placed high value on trust, safety, and convenience, often willing to pay premiums for guaranteed service windows and warranties
- Preventive subscription customers had 2 – 3x longer retention than one-off treatment customers
- Bundled mosquito + termites + pests plans had untapped demand but poor positioning in the legacy menu

Approach

- Analyzed customer invoices and technician-level discounting to uncover margin variability
- Conducted homeowner research to understand willingness to pay, perceived value of reliability, and price sensitivity
- Benchmarked competitor pest control offerings, including monthly plans and bundled home services
- Segmented households by property size, service frequency, and customer motivation (peace of mind vs. low-cost fixes)

Results

- Introduced *3-tiered subscription plans* (Basic: seasonal pests, Plus: pests + mosquito, Premium: pests + mosquito + termite + warranty) with add-ons
- Standardized discount guardrails and centralized pricing approval, cutting average leakage by 70%
- Bundled plans drive a 28% increase in subscription adoption and raised average household revenue by 18% while improving customer stickiness
- Retention improved significantly; churn for subscription customers dropped from 32% to 19% within 12 months

Source: Acustrategy

Creating a consumer-friendly pricing model and strengthening value communication

Case study 2: Wellness services provider

Situation & goals

Our client, a fast-growing IV therapy clinic chain expanding into new metro areas, faced inconsistent pricing across locations, poor transparency in service bundles, and customer confusion about perceived value. They wanted to :

- Build a simplified and consistent price structure across locations while allowing local flexibility
- Improve value communication to reduce price sensitivity and discounting pressure
- Increase per-visit revenue without dampening repeat usage

Key insights

- Significant variation in willingness-to-pay: wellness-focused customers paid premiums for holistic experience and would frequently come back, while convenience-seekers were more price-sensitive and transactional
- Promotions (e.g., first-time discounts) drove trial but often eroded loyalty if not coupled with a value story
- Consumers confused by long à la carte menu of services; bundling would simplify decision-making and raise average ticket size
- Subscription/membership models underutilized, despite high appeal to repeat users

Approach

- Conducted competitive pricing scan of direct and substitute services (spas, urgent care, wellness clinics)
- Analyzed transaction-level data to identify most popular services, add-on attachment rates, and churn risks
- Tested willingness-to-pay to segment customers by value drivers (wellness/preventive, convenience, medical-grade assurance)
- Created bundled offers to simplify consumer choice and encourage upselling

Results

- Introduced *3-tiered membership bundles* (Basic, Plus, Premium) with clear benefits along with right-priced a-la-carte menu, boosting attachment rates by 20%
- Standardized service menu and reduced low-value discounts, improving average revenue per visit by 15%
- Equipped front-line staff with value-communication scripts, increasing customer retention and reducing churn from 28% to 18%

Source: Acustrategy

Creating a clear and consistent pricing model and establishing effective pricing governance

Case study: Global, premium industrial chemicals & equipment manufacturer

Situation & goals

Our client faced inconsistent pricing across distributors, limited visibility into end-customer pricing, and weak governance. They wanted to:

- Build a value-based pricing model by product and segment
- Improve pricing coordination across finance, sales, marketing
- Improve margins while minimizing churn

Key insights

- Customers in US and Europe not price sensitive; high price sensitivity in Asia-Pacific
- Distributors adjusted pricing independently, eroding margin consistency
- Internal teams lacked centralized pricing ownership and tools
- Prior price hikes triggered volume losses in high-churn, price-sensitive segments

Approach

- Analyzed transaction-level data to identify margin leakage across regions and channels
- Conducted customer research to understand perceived value and pricing expectations
- Segmented customers by industry, region, and spend to guide list price and discount structure

Results

- Implemented value-based pricing by region and customer segment to improve price realization by 8%
- Aligned distributor pricing and incentives to reinforce transparency and profitability
- Established pricing governance and escalation rules across teams and channels
- Equipped sales teams to communicate value and defend premium positioning

Source: Acustrategy

Creating a clear and consistent pricing model and establishing effective pricing governance

Case study: Global, premium industrial cleaning products and machines manufacturer

Situation & goals

Our client faced inconsistent pricing structures, limited visibility into end-customer pricing (especially through distributors), and low cross-functional pricing coordination. They wanted to

- Build a value-based, regional pricing model tailored to product and customer segment
- Improve pricing governance across finance, sales, marketing
- Increase margins while minimizing customer churn

Key insights

- High price sensitivity in Asia-Pacific; lower in North America and parts of Europe
- End-customers place premium on operational reliability, cleanroom standards, and environmental sustainability
- Distributors often adjust pricing independently, eroding margin consistency in direct-to-customer channel because of comparison shopping among customers
- Internal teams lack centralized pricing ownership or tools
- Price increases in prior years correlated with, and in fact caused, large volume drops in specific high-churn, more commodity products

Approach

- Analyzed historical pricing, product sales, and margin data to uncover price leakage across regions and channels
- Conducted in-depth pricing and customer research to assess perceived value, pricing expectations, and key purchase drivers.
- Segmented customers by product type, transaction volume, region, industry, to tailor pricing strategy & discounting guidelines

Results

- Delivered differentiated pricing models by product, industry, and region, tailored to customer value perception and local market dynamics
- Established formal pricing policies and escalation guidelines, enabling consistent decision-making and enforcing compliance across regional and distributor teams
- Aligned distributor pricing structures and incentive frameworks to support transparent execution and reinforce strategic pricing objectives globally
- Trained sales teams on value communication and equipped them with tools to support total value delivered (TVD)-based pricing and defend premium positioning

Source: Acustrategy

Maximizing margin and value: Strategic shift to value-based pricing

Case study: Business & financial services & solutions provider

Situation & goals

Our client, with 18K customers across the US, and a subscription pricing model sought to optimize its pricing with the following goals:

- Increase margins by at least 5% (from 48% to 53% or higher)
- Maximize value extraction through pricing
- Implement customer-segmented and customer-specific pricing based on perceived value and willingness to pay

Approach

- Data analysis on existing customer pricing relative to revenue and services usage and identification price level disparities
- Deep dive into customer perceptions of client’s value proposition and develop understanding of customer price sensitivity and unmet needs
- Segmentation of customers based on service type, customer industry, customer needs, and transaction volume

Key insights

- Significant price dispersion: Similar customers pay drastically different prices. For example, two media clients in Los Angeles with comparable transaction volumes and revenue levels paid $7.7K and $3.7K in annual subscription amounts, respectively
- Value blind spots: Many customers are unaware of the full range of services offered by our client, limiting perceived value
- High value on convenience: Customers highly value client’s low-hassle, one-stop-shop experience, and are willing to pay more for faster response times & deliverables
- Demand for analytics: While few customers currently utilize advanced analytics, many expressed interest in purchasing these services if educated properly

Results and recommendations

- Introduce value-based pricing: Adjust pricing tiers to reflect utility, perceived value, and willingness to pay
- Customer-based adjustments: Use recent pricing histories and stickiness indicators to target specific customers for price increases between 11% and 25%
- Minimize pricing gaps: Ensure customers with similar profiles are charged similarly, reducing the pricing dispersion
- Service highlighting: Improve sales and marketing communication around available services and clearly articulate value prop to boost perceived value and justify pricing

Source: Acustrategy

Thank you!