

Setting the optimal price for home security services

Business objective

Pricing

Sector

Home Security

Context & objectives

Our **home security client** was considering adjusting its prices based on the actual value delivered to its customers and the competition benchmark. They turned to Agilytic to assess their customers' price sensitivity and optimize price increase to avoid churn.

Approach

We worked alongside the in-house Business Intelligence team to build up price sensitivity models. We combined historical data from various systems, including:

- Customer usage
- Customer account details
- Previous price increases

We applied predictive modelling techniques to better understand users' reactions to the price increase, identify key factors of price sensitivity, and cluster users into sensitivity segments.

Results

We used our model to develop a simulation tool used by internal teams. The tool was able to predict customers' reactions to the price increase given their price sensitivity. Doing so, we allowed optimizing price increase at the customer level while maximizing loyalty.

Ultimately, our tool helped **increase our client's monthly revenue by 4%**.

About Agilytic

Since 2015, Agilytic helps innovative leaders solve their biggest challenges through the smarter use of data. With over 150 successful projects to date, we have perfected a pragmatic approach to putting data at the service of business goals, be they commercial, operational, financial, or human. Reach out today for a quick introduction, we'd love to hear from you.