



COMMERCIAL
EXCELLENCE

Commercial Excellence Winner 2017

Pearson ham with welcome break

Welcome Break approached Pearson Ham for advice because they were faced with delivering dual objectives: increasing the value offered to customers without damaging business targets. They were concerned that price changes might damage customer perceptions and weaken their competitive edge, and therefore they recognised the need to bring in external advice. Pearson Ham was selected for its experience in producing inventive pricing solutions and its analytical expertise.

Pearson Ham's project played a critical role in Welcome Break successfully improving customer price perception, bringing about key price adjustments that meant customers were being offered a more competitive and compelling offer. Ensuring the customer was getting good value meant better commercial outcomes; the price changes contributed a £2m increase to Welcome Break's profit margin over two years, in addition to increases from price changes that had already been planned. This figure was delivered in line with the estimation generated from their optimisation model before price changes were implemented. Pearson Ham was able to achieve this through deepening understanding of the competitive position, and through matching customer price expectations and perceptions, as determined by extensive market research.

Pearson Ham also designed a new and better-structured price hierarchy for Welcome Break's products by outlet. This not only helped to build a more accurate model of customer behaviour and preferences, but gave Welcome Break a far clearer understanding of pricing strategy and internal operational economics, enabling them to make better informed decisions on future price moves. The quality of Pearson Ham's insights into customer perceptions also enabled Welcome Break to provide clear rationales for price changes with franchisors, giving them more flexibility on future price changes.

Pearson Ham's innovative approach to pricing has resulted in a radical change to Welcome Break's pricing strategy and structure; Welcome Break has now adopted a more granular, cutting-edge and customer-centric approach to price change, which is far more effective at delivering its competing objectives. With Pearson Ham's help and guidance, Welcome Break has successfully made the transition from price changes driven by budgetary requirements to those optimising opportunities, as informed by a clear understanding of strategy, the customer, and competitors.