

Price optimization

Case study: Maximizing product revenue



Project Background

Our client, a global top 5 player in infectious diseases, intended to set an optimal price for his top performing antifungal product in an EU market



Objectives

- Determine the optimum price for client's antifungal product in a leading EU market, in light of recent price reductions of competitors
- Develop a price optimization model to determine new price scenarios based on future changes in competitor prices



Approach

- Established price-volume relationships for the product and its key competitors
- Elucidated the relationship between product and competitor prices by regression analysis and developed product sales equation
- Estimated the volume, revenue, and profit for the product at various price points
- Developed an MS Excel-based model to determine the best price for client's product based on future prices of key competitors



About Us

phamax is an independent healthcare research and consulting firm specialized in commercial and scientific market access solutions. Our services empower pharmaceutical companies to introduce or commercialize their novel technologies into clinical practice. We are headquartered in Switzerland.



Client Benefits

- Determine product's optimal price based on competitor price changes, by business need: maximization of product volume, revenue, or profit
- Clarity on the need for price change - when and by how much
- Ability to assess and prepare for different future price scenarios