

Optimising visitor attraction entrance prices to fit customer psychological thresholds

With admissions totaling more than 460 million guests across 300+ theme and amusement parks, pricing represents a significant opportunity in the European attractions industry. However for this Pricing Solutions client, admission charges were simply a legacy of previous prices with annual increases resulting in what they charged the customer of today.

In recent years this award-winning UK family visitor attraction – providing a range of different offerings all under one entrance fee – had faced the issue of declining visitor volumes. The management team felt that their current pricing was creating a barrier for many potential customers and stopping them from visiting the attraction. Upon partnering with the client, Pricing Solutions UK used customer research to help the tourist attraction optimise revenue with a segmented pricing strategy.

The Challenge

The client wanted an understanding of customers' pricing perceptions, how these might be impacting visitor volumes, and to be provided with evidence-based recommendations to direct their pricing decisions.

The management team were also aware of the concept of value-based pricing, but were unsure of how to apply it to their own situation. While some were convinced that certain visitors would be willing to pay more, others felt lower prices would drive increased volumes and better revenues.

Building a Solution That Fits

Pricing Solutions conducted pricing research to investigate the willingness to pay of over 1,000 respondents. By combining face-to-face and online survey techniques we reached a representative sample of target customers: a mix of those who knew the attraction and those who had not visited before.

Pricing Solutions then provided in-depth insights into how customers perceived the client's offering, identifying their key value drivers and decision criteria compared with competitor attractions.

Pricing Solutions UK also explored the key phases of the buying process, including how customers researched prices, and when they decided to buy.

An important focus of the research was to use three different techniques to evaluate customer response. By using these numerous methods it was possible to validate an individual's response, eliminating inconsistent answers and ensuring a significantly higher quality and accuracy of data.

“ Pricing Solutions conducted a robust research project that gave us the confidence to change our pricing approach. We are already seeing the revenue benefits this is having on our business. ”

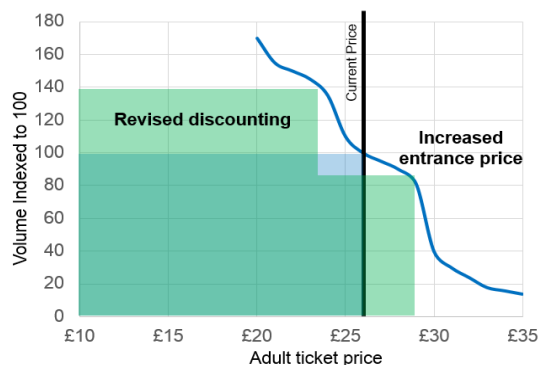
- Marketing Director



HOSPITALITY and TOURISM

The Result?

As a result of the project, Pricing Solutions was able to design a pricing structure that enabled the client to offer differential pricing based on customer segments rather than a single price point.



We also confirmed a common B2C trend that visitors were highly sensitive to pricing around major psychological thresholds, such as £20, £25 and £30.

The client's management team saw the benefits of this approach and quickly adopted the recommendations.

Four months down the line, the attraction is hitting its volume targets whilst raising average price. As a result they are delighted to be performing significantly above revenue forecasts.

Pricing Solutions is continuing to work with the client to refine the implementation and monitor performance of the pricing changes.

What's the Pricing Solutions Difference?

After an initial investigation of consulting firms the client selected Pricing Solutions, based on our knowledge and experience of pricing research techniques – superior to many of the general marketing research agencies claiming to offer pricing research.

In addition, Pricing Solutions has a proven track record of delivering clear and actionable pricing recommendations to improve revenues and profitability, rather than simply providing customers answers.

Our Firm

Our mission is to dramatically improve clients' profitability and market share through improved pricing. Pricing Solutions' four core services include Pricing Strategy & Management, Pricing Research & Analytics, Pricing Training and Pricing Tools & Systems. Known for our World Class Pricing™ methodology, we have grown to become one of the world's leading pricing consultancies with offices in North America, Europe, Asia Pacific and Latin America. Our global team of researchers, consultants and partners are recognized thought-leaders.

We deliver customized cross-functional solutions, helping our clients achieve a typical payback of 10:1 on their investment.

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