

Multi-site leisure facilities

Optimising pitch pricing using regression analysis

Situation

- The client is a UK wide company that rents 5 aside football pitches
- Their prices had largely been set by local managers with no central control or alignment, this inconsistency was confusing to customers and money was being left on the table
- Objective: Find pricing improvement by aligning prices based on local competition levels and willingness to pay differences

Approach

- The project started with a customer research phase to understand the decision making process and customer's feelings towards various pricing structures and offers.
- The core project was to analyse transactional data from current sales. We used regression analysis to look at many fields in the data to see if they were accurate predictors of the previously achieved prices
- As part of the project we then facilitated the

facility managers in collecting competitor pricing and facility quality information, which was key to consider as part of the pricing analysis

- The regression analysis then used all 3 of these information pieces together to establish the pricing potential of each facility and hence and hence evaluate the current list prices of the centres. We found a number of facilities which were significantly under-priced vs. facilities of similar pricing score

Results



Based on our analysis the client was able to strategically identify facilities which could take a more aggressive price increase



The prices at these facilities are now on a multi-year plan to bring their pricing levels in line with the rest of the company

"We are very happy with the work conducted, their expertise in pricing was incredibly valuable as we formed our strategies for migrating customers during this complex product restructuring. We are now more able to mitigate our revenue risks and capture our opportunities for price increase"

