Simon-Kucher
engine

Case Study

Enabling dynamic price setting

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Enabling dynamic price setting

Context

Client: Large Canadian National Bank

Challenges:

- **Client facing intense competition** from other national competitors as well as aggressive digital banks
- **Price wars** triggered by 1-2 trouble makers in the market
- **High complexity** with over 5000 internal and external product interactions needing to be captured and analyzed
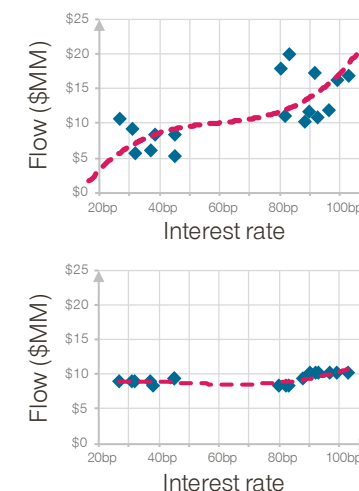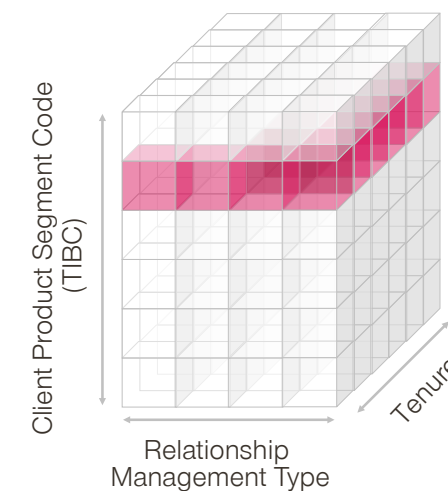
Objectives:

- Develop a high frequency flow of funds model with rapid reporting capabilities for a 360° view of the movements in the deposit portfolio
- Develop analytical models as well as a front-end software solution to support ongoing portfolio, pricing and promotion management
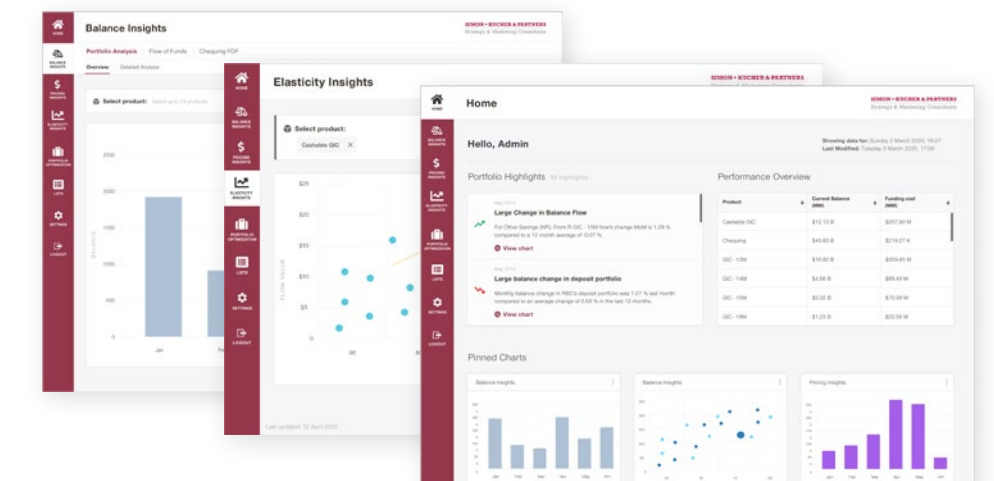
Approach

- Developed flow of funds model using account level balance snapshots at a weekly frequency
- Created a sensitive based segmentation by measuring client's acquisition and attrition propensity during campaigns
- Designed elasticity models to determine correlation of fund movement with price and non-price factors
- Developed a forecasting and optimization engine to recommend deposit rates for efficient book management
- Designed and developed a front-end user interface to bring all model outputs at fingertips

Deliverables

Analytical models and price optimization engine

Central Price Management Tool

Achieved >10 bps in volume neutral margin increase through differentiated pricing

Simon-Kucher Engine combines over thirty-five years of unique monetization expertise with proven digital solutions that fit to you.

What we do

It's simple. We power businesses' growth. Through our digital technology and business-oriented thinking, delivered as a service. Straightforward and built to achieve the results you need – quickly and reliably.

What we deliver

Easy to use products: Cloud-based software as a service products, easy to use and implement.

Tailored solutions: Designed to help our clients grow and adapt to the ever-changing digital landscape, achieving the results they need.

If you want to use digital products to accelerate your company's power, find out what our solutions can do for you. We support your business with intelligent engines, smart toolkits, and intuitive platforms – all quickly and reliably delivered by our team of product managers, developers, and engineers.

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