


# State of Pricing 2025

Unlocking insights from  
our Global Pricing Study





Geopolitical and economic uncertainty defined 2024, leaving businesses to navigate rising costs and fluctuating demand

### **But did price increases sustain profitability?**

According to Simon-Kucher's latest Global Pricing Study, **only 68% of companies worldwide**, spanning various industries, truly **possess pricing power**.

We define 'pricing power' as the ability to raise prices beyond the rate of cost increases; otherwise, it's simply considered 'throughput power.'

Despite supply chain adjustments and cost-cutting, key performance indicators, like price realization rates, remain as weak as in previous years, signaling challenging times ahead.

**With economic volatility continuing into 2025, will businesses be able to defend margins – or will pricing power erode further?**

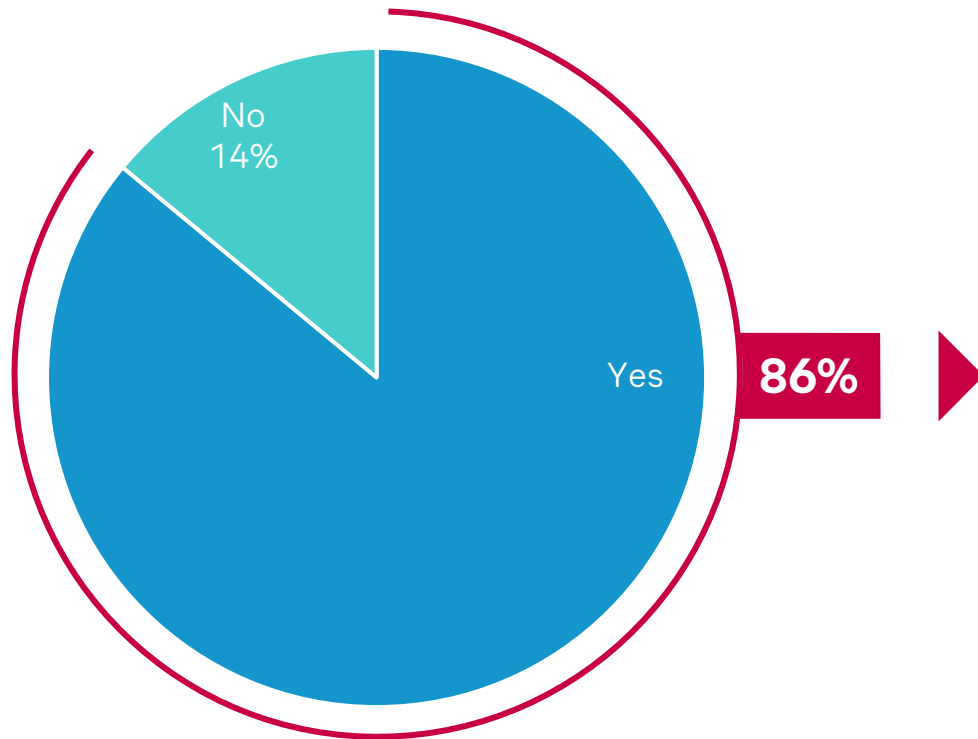
To learn more and get a comprehensive presentation of results specific to your industry, please contact us.

**“In the midst of chaos, there is also opportunity”**

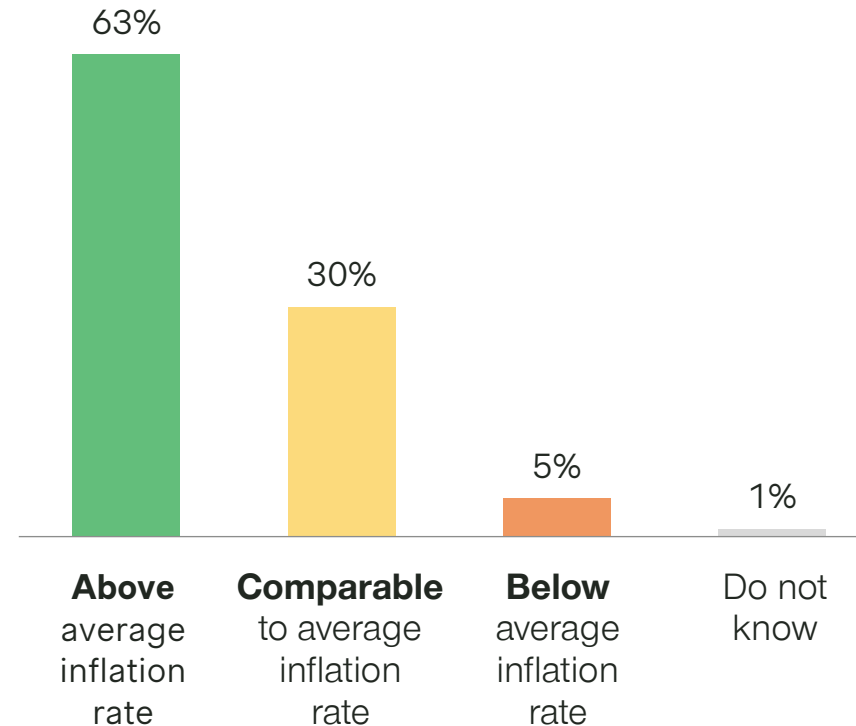
Sun Tzu

## From 2,250 companies surveyed, over 86% increased their revenues last year

Overall, did your company improve its revenues last year?



How was revenue growth related to the average inflation rate in your market?



86% of companies increased their revenues during the last year.

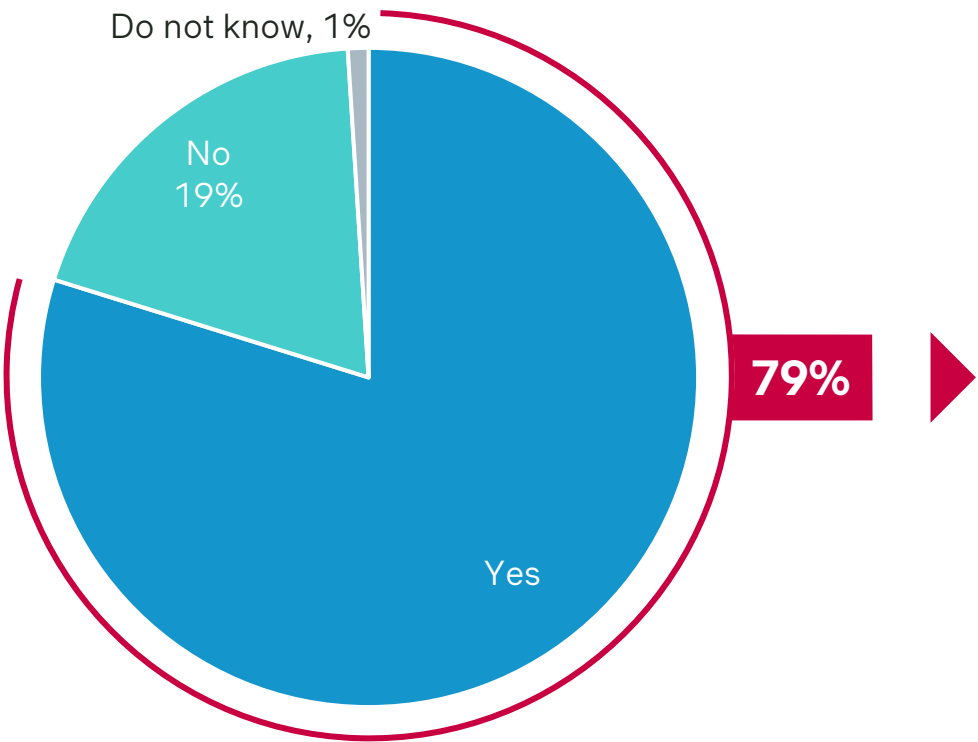
The majority of these companies grew above the average inflation rate.

**Has your business's growth matched this global trend?**

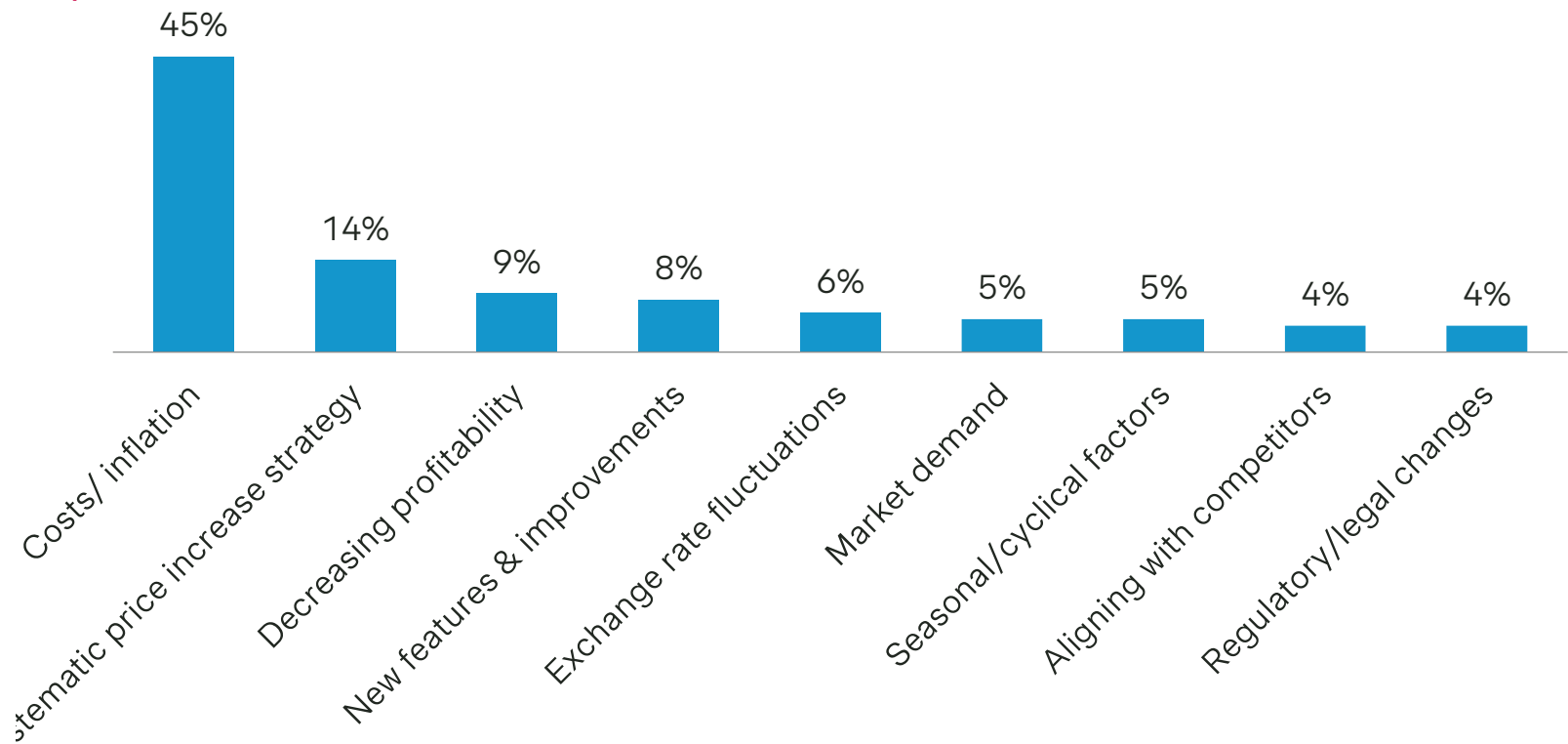


# Nearly 80% of companies used price increases to cope with rising costs and preserve profit margins last year...

Did you implement price increase(s) last year?

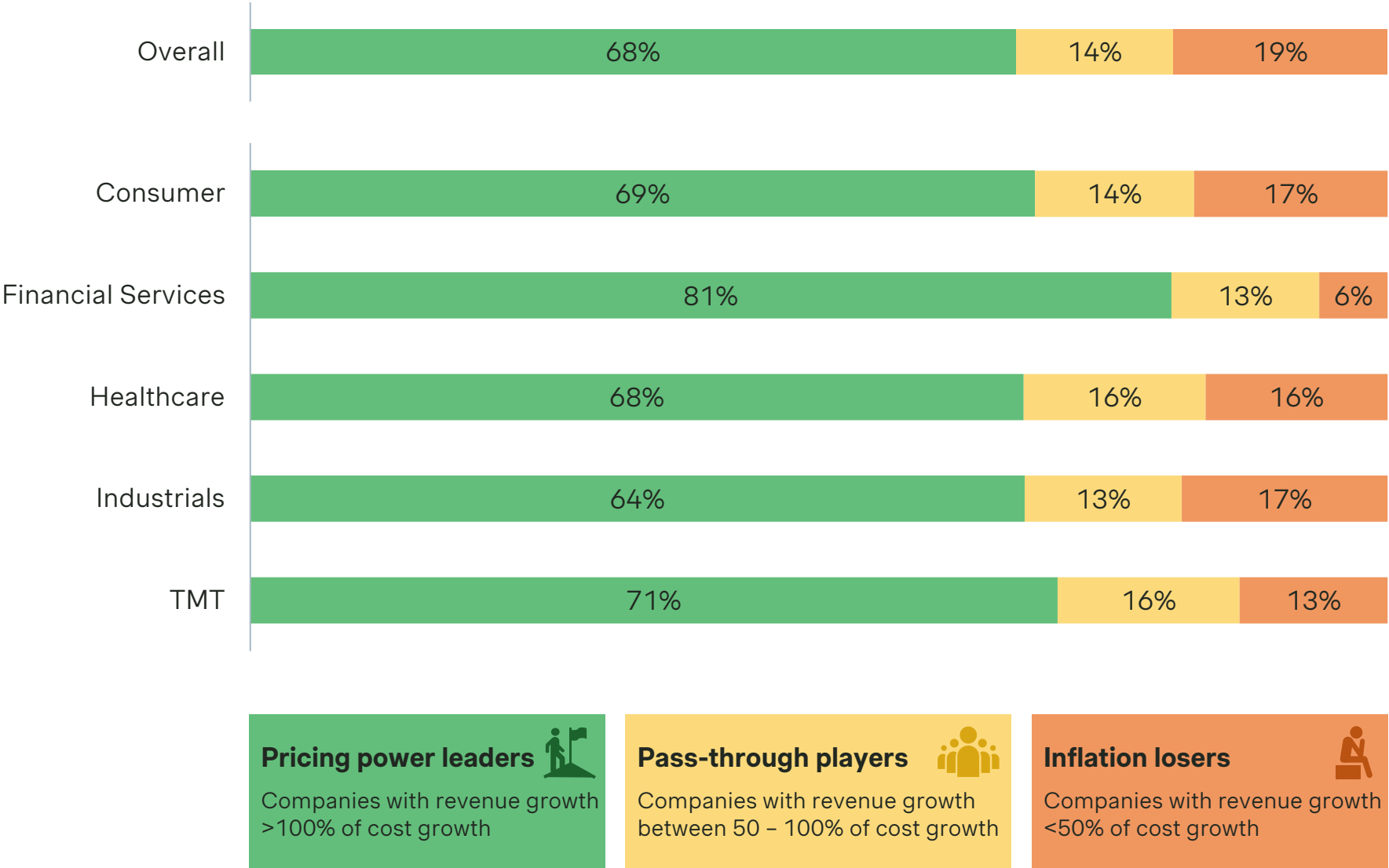


What was the primary reason(s) for the price increase(s) you implemented?



High inflation and rising costs provided a readily accepted rationale for many companies to raise prices in 2024 and 2025. However, relying on such transitory effects leaves companies exposed to market conditions. A sustainable, long-term pricing strategy will insulate against such volatility, allowing companies to adapt to changing economic environments.

... yet only 68% of companies\* had genuine pricing power last year, with significant variation between sectors

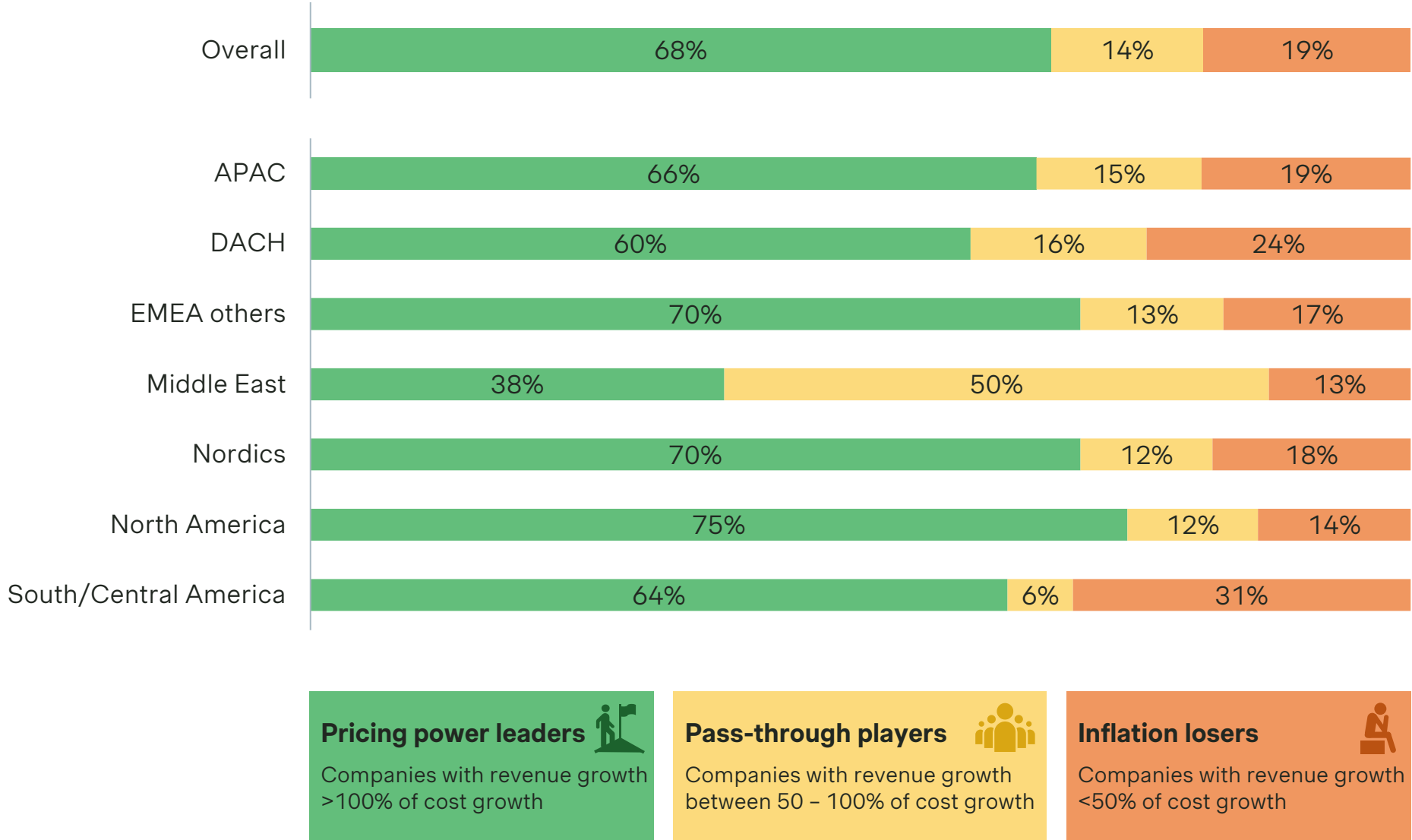


82% of companies were able to pass-through cost increases last year, but only 68% demonstrated sustainable pricing power.

TMT and Financial Services companies fared best as pricing power leaders, with Industrials, Consumer and Healthcare companies further down the rankings.

*\* Please note that some industries face price caps through regulations, e.g. Healthcare*

# Regionally, North American companies stood out as pricing power leaders with DACH and Middle Eastern markets lagging behind



**Pricing power leaders** command premium prices for their products or services. They understand the value they provide and price accordingly. They have successfully differentiated themselves in the market, fostering customer loyalty and insulating themselves from pricing pressure.

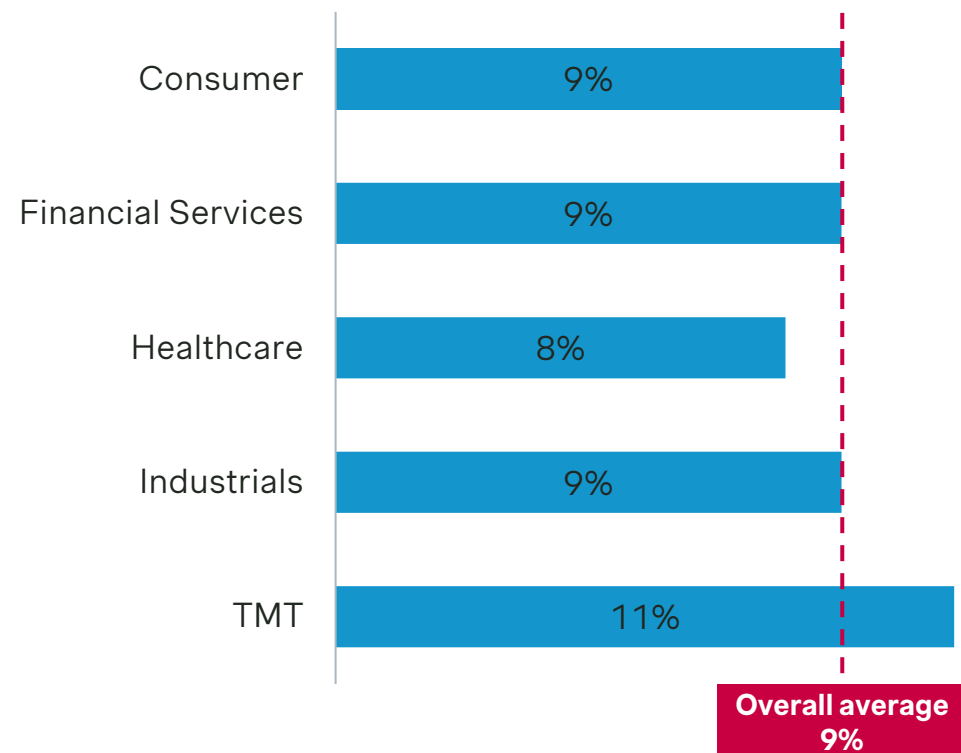
**Pass-through players** exhibit a degree of pass-through power, allowing them to adjust prices to manage costs. While not dominating in pricing power, they demonstrate adaptability and resilience in navigating market challenges.

**Inflation losers** face challenges in maintaining strong pricing power or efficient pass-through of costs. They may be grappling with market dynamics, increased competition, or other factors that impact their ability to sustain healthy profit margins.

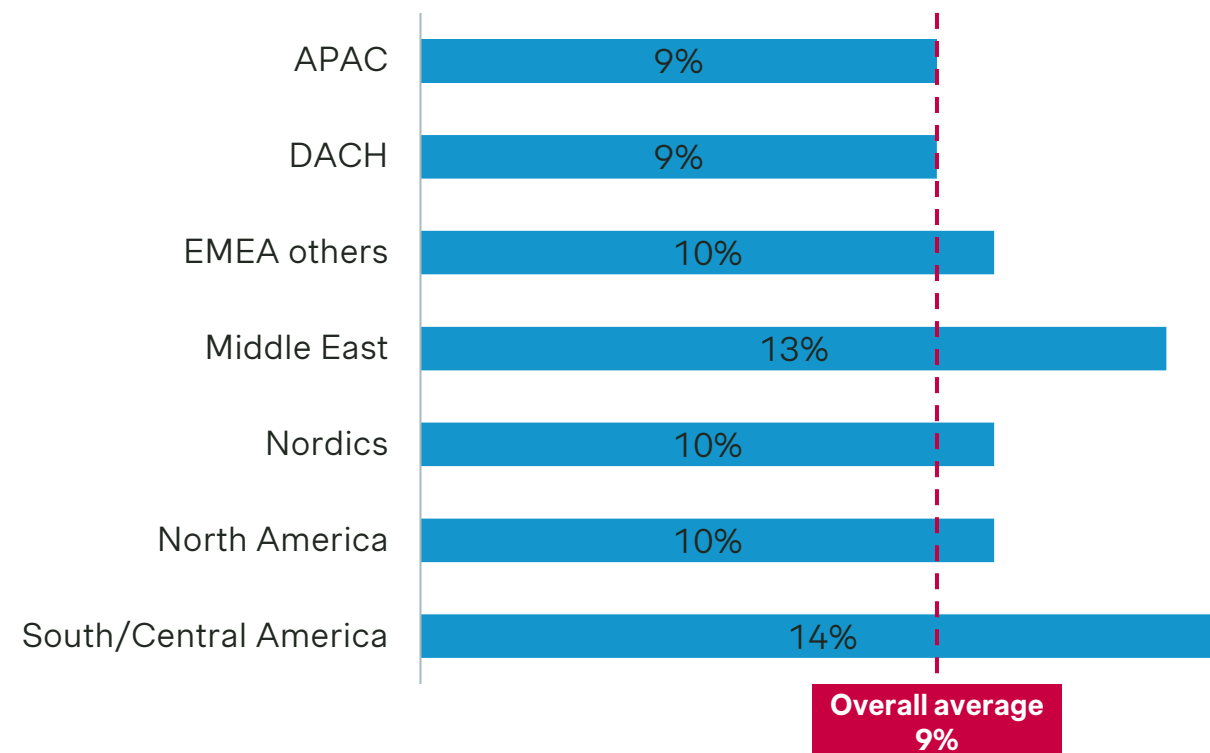
# On average companies raised prices by 9%, but the picture varied by sector and region

On average, by how much did you increase prices during the last year?

## By sector



## By region

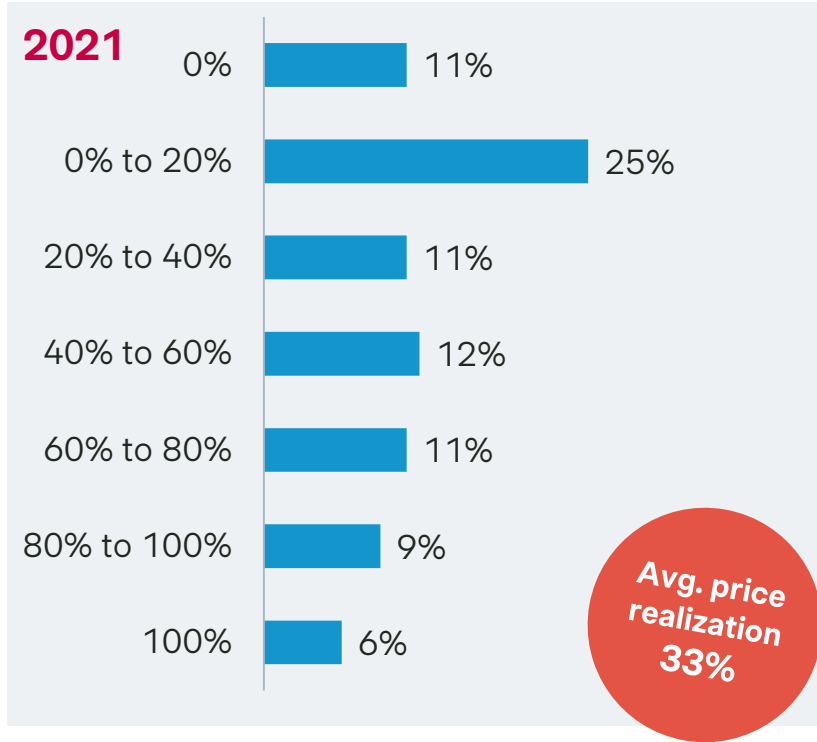
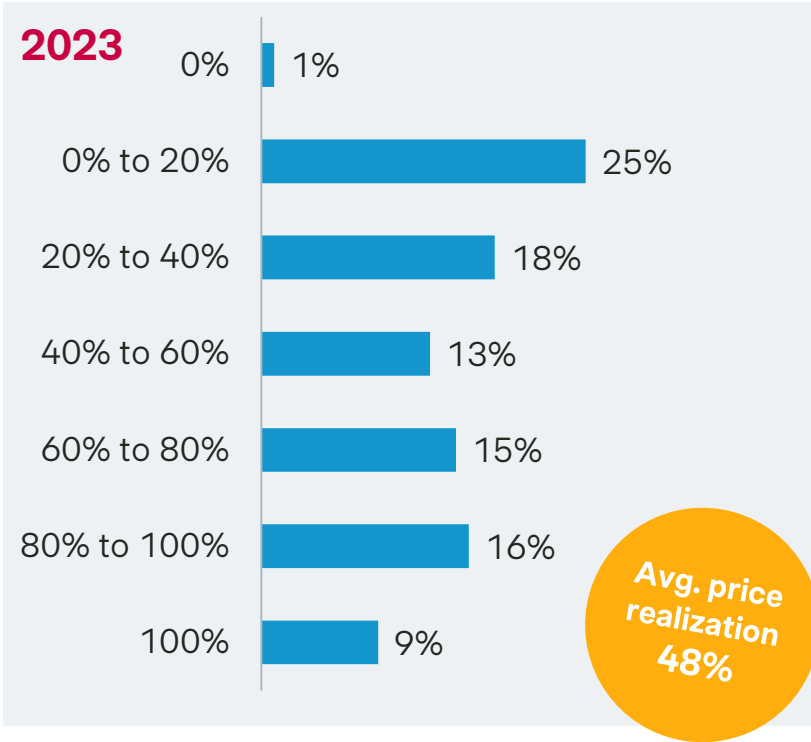
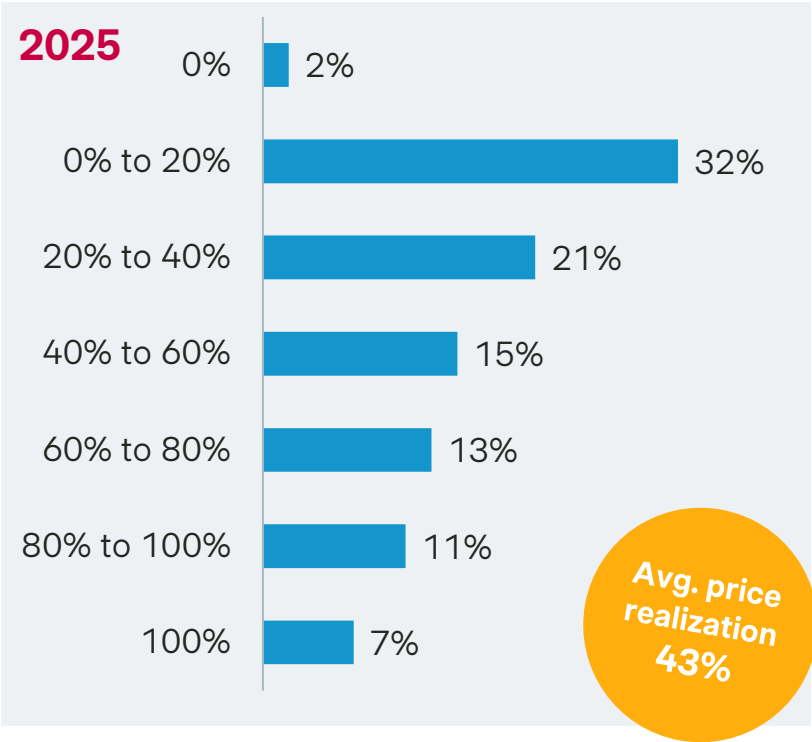


The TMT sector proved most effective in implementing price increases, reporting strong average price increases with low customer churn. At a regional level, the South/Central America stood out, whilst DACH and APAC lagged behind. However, no matter the sector or region, companies need a clear pricing plan for 2025/2026 linked to their broader growth strategy.

# Price realization rates have declined since 2023, despite the absence of inflationary tailwinds



How much of your initially planned price increase(s) did you achieve after deducting discounts, rebates, promotional offers?

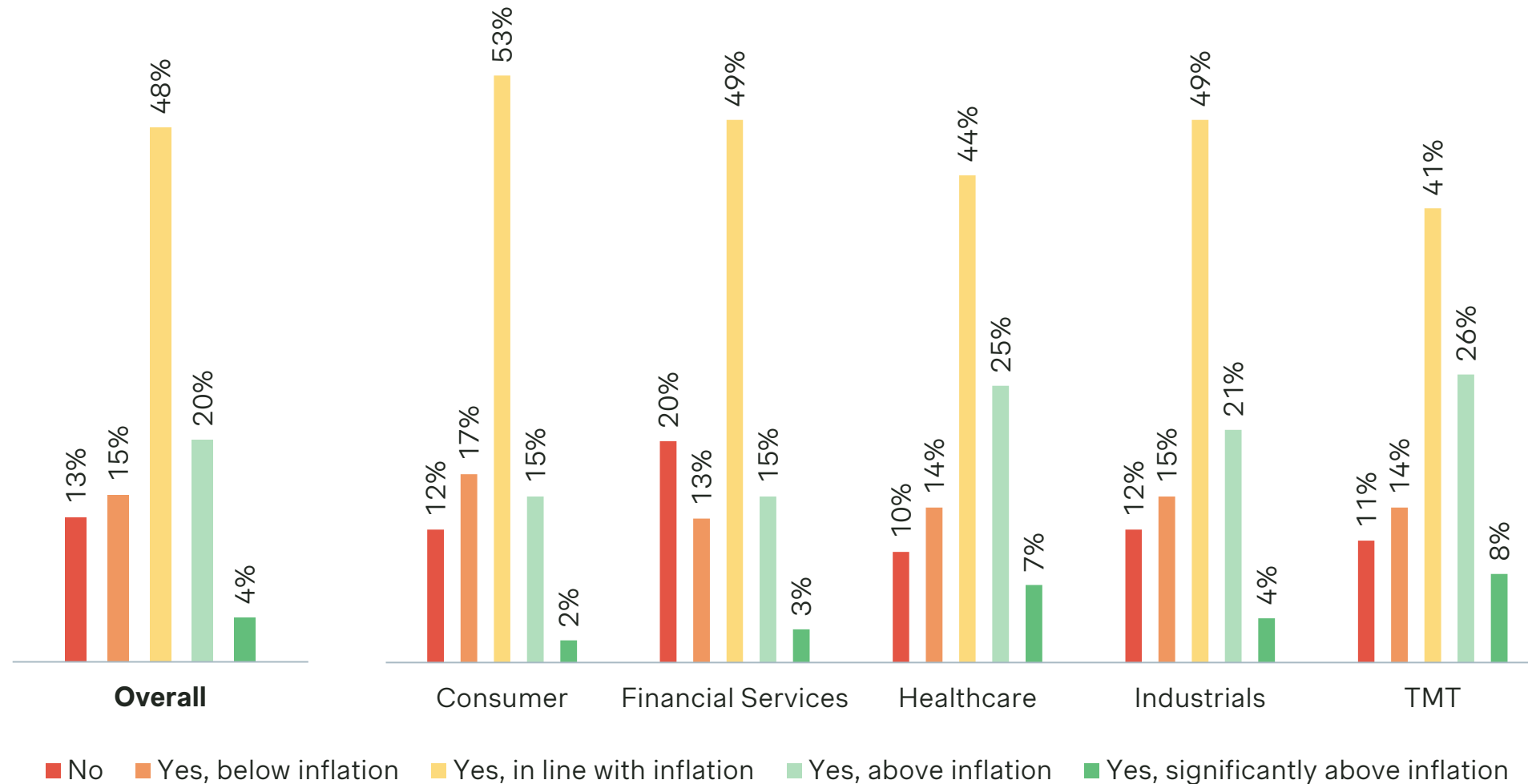


Companies are only realizing half of their planned increases in this more accepting market; this poses a challenge in a less inflationary market. Customer resistance and competitive pressure are the main barriers to realizing price increases.



## Looking forward, companies are wary of the likely economic situation in 2026. But this hasn't translated through to their pricing planning

Have you or do you plan to implement price increase(s) (in the next year)?



Overall, only 24% of companies currently plan to implement a price increase above inflation in 2025-2026.

- While the majority plan price increases, almost half are planned in line with inflation.
- Presuming price realization rates in line with 2025 figures (~ 45%), this would leave companies facing significant margin pressures.

**Are you prepared for 2026?**  
**What are the priorities on your pricing agenda?**



Over the past 13 years we've studied ~21,000 companies, and created an unrivaled database of pricing trends and profit outlooks

Gain exclusive insights from our **State of Pricing 2025:**

- **Topline sentiment** on the **economic climate** for **2025/2026** in your industry
- **Positioning** of your company **against key industry benchmarks**
- **Crucial changes in pricing** that players **in your industry** want to explore
- **Key commercial priorities** to maximize revenue growth opportunities **in 2026**
- **Best approaches** to **defeat price pressure**

**Let us help you find your path to profitable growth.  
Talk to us today.**

## Contact our experts

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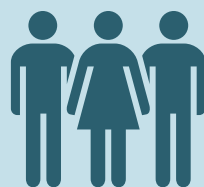
## About the survey

We surveyed more than 2,250 respondents worldwide on their companies' positioning and strategies on:  
Business context and economic outlook | Pricing | Implications for management



Online survey

February – March 2025



2,253

respondents



29+

countries



39+

industries

### Other sample information

- 52% Top-Management
- Mix of B2B (45%) vs. B2C / B2B2C (54%)
- Balanced mix of production (58%) vs. services (42%)
- 46% pricing, sales, marketing focused