In consumer-facing companies worldwide, managers responsible for product pricing and revenue management must obtain a firm grasp of marketplace dynamics to maintain a competitive edge. They need to continually monitor the market, identify opportunities quickly, and make informed pricing decisions based on accurate data.
Major International Hotel/Motel Chain

The Problem

A popular lodging company, with several thousand locations around the world, needed to improve the conversion rate for booking rooms on its own Web site vs. on online travel agency sites. Web-savvy customers, searching for the best deals, were finding and booking lower rates on the online travel agency sites. That resulted in the lodging company needing to pay substantial fees to those sites. Over time, customers became educated to book on the third-party intermediary sites, not on the company’s site.

This situation also created negative movement with the company’s Internet-wide billboard effect. The less often guests booked through the property’s own website, the greater the chain’s drop in search ratings.

While the lodging company did employ an electronic price gathering system, it could only monitor the information visible through the global distribution systems travel agents use. That system did not provide visibility into the highly dynamic, consumer-facing prices and products that global online platforms offer. In fact, managers at the company needed to consistently monitor pricing and rate changes manually throughout the Internet to stay up to date and ensure they had the same visibility into rates consumers had. This ability to “see what the consumer sees” would allow corporate revenue managers to better manage their pricing strategies, ultimately leading to improved revenue and a stronger brand presence.

The Lixto Solution

Using the SaaS-based Lixto Price Intelligence Suite, the lodging company obtained the tools needed to engage in sophisticated price and margin management by collecting and monitoring data on products, features and prices on any website. With access to information on thousands of hotel, motel and resort price points across multiple sites, managers could make smart, fast pricing decisions.

Users at the company gained the ability to review extracted data results in easy-to-read dashboard reports, with pricing data in local currencies. For a company operating in multiple countries on several continents, local currency comparisons were critical to making the right decisions.

The Customer’s Results

Now, managers can clearly highlight possible threats and opportunities, and definitively impact volume, margins and the bottom line. With the ability to monitor qualitative data, including customer reviews and rankings, the chain can get a truly comprehensive picture of the competitive landscape for the first time.

The projected first-year bottom line benefits from Lixto’s Price Intelligence Suite include a 10-15 percent increase in revenue generated from the company’s own website. Added to that are the substantial time savings provided by Lixto’s automatic e-mail message generation for rate parity violations, and the gains in staff productivity from up-to-date, accurate analysis of the exact data they need.

Traditional manual research methods, on which many companies rely, simply cannot deliver the speed and data coverage necessary to respond quickly to changes in competitor offerings. The amount of information to be searched across a myriad of channels outpaces the ability of manual processes.
Leading European Maker of Computer and Electronics Accessories

The Problem

A respected European photo and accessories merchandiser had concerns about other companies undercutting prices for its products online. To preserve and enhance its brand, management needed to obtain an accurate view of the competitive landscape and understand any violations in pricing policies. Additionally, the company needed to learn of any sellers marketing gray-market imitations of its products.

The Lixto Solution

Using the SaaS-based Lixto Price Intelligence Suite, the company is able to track virtually every product it sells on any website it selects. Using the suite to track products by manufacturing part numbers, the company can identify sellers marketing old products as new ones.

The Customer’s Results

Today, the company employs full online monitoring for advanced price intelligence. This ability enables protection of pricing and margins. Just as important, the company has been able to track down and eliminate cases of online gray-market practices. In one example, an online merchant was selling product falsely labeled with the company’s brand, using a bogus manufacturer’s part number. By monitoring for this data, the merchandiser resolved the situation, while protecting customers from fraudulent products and protecting its brand’s reputation all at the same time.

With market intelligence provided by the Lixto solution, this company is able to make clear decisions in choosing with whom it works and educate sellers who violate pricing policies. The end result is improved working relationships or an accurate decision to sever relationships.

Multi-National Manufacturer of Electronics and Consumer Products

The Problem

This Asia-based provider of computing and communications products and advanced microelectronics sells through distributors. As such, the company needed advanced price intelligence to monitor how its competitors handle pricing to distributors.

The Lixto Solution

With Lixto’s Web extraction and analysis solution, the company accesses and monitors information on thousands of products and price points online—quickly, accurately and reliably. This data provides the company with the in-depth market knowledge to make the informed, fast pricing decisions it needs to make.

The company relies on Lixto’s Price Intelligence Suite features, including individual sorting and filtering, for available product criteria, exception reports, drill-down functionality, configurable alert notifications, time series analysis, meet/beat ratios and scatter graphs to track discount campaigns, new products and sell-offs.

The Customer’s Results

Unlike other Lixto customers that monitor business-to-consumer Web sites, this company—selling exclusively through a network of distribution partners—now maintains a comprehensive understanding of its competitive space. With the ability to monitor competitive pricing tactics over time, the company has developed a keen understanding of competitors’ strategies, and has adapted its own strategies to be more effective in the marketplace. As a result, the company has optimized its pricing policies, which have strengthened its negotiating position and enhanced its brand’s professional image.
Online Seller of Computer and Peripherals Hardware, Software and Services

The Problem

This North American company is an online merchandiser of brand-name information technology hardware, software and services to large enterprises, small to medium-sized businesses and public-sector institutions in North America, Europe, the Middle East, Africa and Asia-Pacific. In its competitive environment, the company needed to evaluate how its competitors marketed and sold similar, or the same, products.

The company also needed to understand—for each of its products—the price changes that occur each day, week and month in order to gain an understanding of the impact of those price changes on both the customer and the competition.

The Lixto Solution

Lixto’s Price Intelligence Suite allows the company to quickly and easily access and monitor information on thousands of products and price points across myriad competitor websites. The company also can see and evaluate overall product assortments that it and its competition offer. Lixto price operations, analytics and strategy modules, combined with easy-to-use reporting, provide the tools this company needs to make business-critical competitive pricing decisions.

The Customer’s Results

With Lixto Price Intelligence, this company can stay fully on top of its competitive market. By analyzing trends in its reactions to market price changes—and by analyzing the same trends demonstrated by its competitors—the company developed and adheres to pricing strategies that make sense for the bottom line.

Online Travel Agency (OTA)

The Problem

Key factors in determining an online travel agency’s competitiveness are the abilities to negotiate best rates with providers, and the ability to ensure “best price” guarantees across the Web. For one worldwide hotel reservation service, that meant a growing gap, as the company lacked the means to accurately and reliably compare its own rates to those offered on competing sites. Since OTAs are dependent on their providers for the most competitive wholesale prices, thereby becoming the trusted source to consumers, this lack of solid information acted as a real threat to the OTA’s long-term business.

The Lixto Solution

This OTA replaced its software system with Lixto’s Price Intelligence Suite to assure flexibility, automation and accuracy in competitive analysis. Today, the OTA uses the suite for 17,000 hotels more than 20 competitor sites, and plans to add more hotels and competitor sites—across a wider geographic area—in the future. With the fully automated process, the OTA now is confident of accurate, reliable information on competitor pricing.

The Customer’s Results

The company now receives alerts for all product offers that are sold cheaper on competitive websites, systematically catching each rate parity violation. The OTA is able to help its hotel room (inventory) suppliers manage their rates more conscientiously, and to ensure their Best Price Policy, thus reducing or even eliminating the risk of losing preferred status, which could cost up to 25 percent of booking revenue on the OTA’s website. In addition the OTA is realizing significant time savings and productivity gains throughout its employee base, improved revenues and, increased booking volume.

Driving operational performance with competitive price visibility.

To learn more about the Lixto Price Intelligence Suite, contact us today.

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