

# Strategic Pricing 2017

May 29–31, 2017

Aalto University Executive Education Ltd  
Training facilities at Runeberginkatu 14-16, Helsinki



## Program Overview

Pricing is an area of business that seasoned executives and other professionals seldom talk about with enthusiasm. In fact, although most businesspeople understand that pricing decisions can truly make or break a company's bottom line, they tend to tackle today's demanding markets without the aid of a carefully crafted strategy. Rather, you witness collections of tactics held together by questionable assumptions and crude heuristics that, by shunning customers and obsessing over just about everything else, put financial and brand health in jeopardy.

Strategic Pricing focuses on the "back end" of customer centricity. That is, the program explains how a business should organize to generate revenue from its efforts to gain competitive advantage. The program is less about the mechanics of setting a price than it is about understanding the processes, guidelines and frameworks that, taken together, promote sound decision-making. We draw lessons from disciplines including economics, psychology and sociology, and consider

the perspective of functions such as marketing, finance, accounting and sales, to equip the audience with the necessary confidence to devise a proper revenue strategy.

While the emphasis of Strategic Pricing is obviously on one element of the marketing mix, it is important to keep in mind that pricing decisions are never independent of product, communications and distribution decisions. A key challenge, therefore, is to embed pricing questions in the context of a company's overall market strategy and evaluate its effectiveness in achieving broader managerial goals.

## Program Objectives

The objective of the program is to equip you with the necessary confidence and skills to design and execute a superior pricing strategy, irrespective of job description or professional orientation. We will introduce new approaches and useful frameworks for solving the most pressing contemporary pricing problems.

By the end of the program, you have learnt how to:

- Recognise the different roles that price can play in a competitive market
- Address the constraints that shape a comprehensive pricing strategy
- Design a revenue model that complements the broader strategic objectives of the organisation
- Determine the proper role of costs, competitors and customers in setting that elusive "right" price
- Understand the impact that psychological and sociological factors can have on demand
- Estimate and act on willingness-to-pay information
- Calculate and sell the unique value of a product or service with confidence
- Respond intelligently to price competition and the forces of commoditization
- Identify opportunities for price customisation that are palatable to customers
- Use price as a language to build customer engagement and commitment

## Class Dates

Weekday	Date	Time
Monday	May 29, 2017	09:00 – 17:00
Tuesday	May 30, 2017	09:00 – 17:00
Wednesday	May 31, 2017	09:00 – 17:00

## Program Schedule

### **Monday May 29, 2017, 09:00 – 17:00**

#### **Setting Competitive and Profitable Prices**

- 08:30-09:00 Morning coffee
- 09:00-09:15 Opening
- 09:15-10:30 What is a revenue strategy?
- 10:30-10:45 Morning break
- 10:45-12:30 What is a revenue strategy? (cont.)
- 12:30-13:30 Lunch
- 13:30-15:00 Competing on outcomes
- 15:00-15:15 Afternoon break
- 15:15-17:00 Competing on outcomes (cont.)

### **Tuesday May 30, 2017, 09:00 – 17:00**

#### **Guidelines for a Superior Pricing Strategy**

- 08:30-09:00 Morning coffee
- 09:00-11:00 Bullseye! How to find the “perfect” price
- 11:00-11:15 Morning break
- 11:15-12:30 One customer, one price
- 12:30-13:30 Lunch
- 13:30-17:00 Workshop I: Tackling pricing challenges

### **Wednesday May 31, 2017, 09:00 – 17:00**

#### **A Roadmap for Superior Value Extraction**

- 08:30-09:00 Morning coffee
- 09:00-10:30 Pricing and value-based marketing and selling
- 10:30-10:45 Morning break
- 10:45-12:30 Pricing and value-based marketing and selling (cont.)
- 12:30-13:30 Lunch
- 13:30-15:00 Workshop II: Tackling pricing challenges
- 15:00-15:15 Afternoon break
- 15:15-16:40 Upgrading pricing capability and making change happen
- 16:40-17:00 Closing

## Teaching Materials, Pre-readings

All required readings can be found from Aalto EE's e-learning platform called Avenue. Please find the instructors to log into Avenue from next page.

### Required Readings

#### Day 1: Setting Competitive and Profitable prices

*The London 2012 Olympic Games (Gourville, J. T., & Bertini, M.)*

*Can one business unit have two revenue models? (Bertini, M., & Tavassoli, N. T.)*

#### Day 2: Guidelines for a Superior Pricing Strategy

*Financial analysis for profit-driven pricing. (Smith, G. E., & Nagle, T. T.)*

*When customers help set prices (Bertini, M., & Koenigsberg, O.)*

*Creating customer value (Gupta, S.)*

*Customer profitability and lifetime value (Ofek, E.)*

#### Day 3: A Roadmap for Superior Value Extraction

*Use big data to create value for customers, not just target them (Dawar, N.)*

*Accelerate! (Kotter, J.)*

### Additional, Recommended Readings (not provided by Aalto EE)

#### Day 1: Setting Competitive and Profitable prices

*Companies and the customers who hate them (McGovern, G., & Moon, Y.)*

*How to stop customers from fixating on price. (Bertini, M., & Wathieu, L.)*

*Capture more value (Michel, S.)*

*Strategies for two-sided markets (Eisenmann, T., Parker, G., & Van Alstyne, M. W.)*

#### Day 2: Guidelines for a Superior Pricing Strategy

*Pricing to create shared value (Bertini, M., & Gourville, J. T.)*

*Don't let big data bury your brand (Horst, P., & Duboff, R.)*

*Should you punish or reward current customers? (Shin, J., & Sudhir, K.)*

#### Day 3: A Roadmap for Superior Value Extraction

*Planned opportunism (Govindarajan, V.)*

## Avenue – Virtual e-learning platform

All materials and other information regarding the program can be found from Aalto EE's virtual e-learning platform called Avenue.

Please find below the instructions how to take Avenue into use and log in.

### Instructions

To gain your access to the Avenue Virtual E-Learning platform, you must set up your account by defining your personal Avenue password. Start at:

[www.aaltoee.com/avenue/set-password](http://www.aaltoee.com/avenue/set-password)

#### Email Address

You will need to use the particular *Email Address* which you provided Aalto EE with while enrolling to the program. (You can try any, but only this email address works. For your security, we don't show whether the email address which you enter in this form exists in our system or not.)

#### Text Verification

Type the four-digit number shown in the graphics to the *Text Verification* field

#### Send New Password

After completing this form, you will receive further instructions at your email. The instructions will include a personal link, which takes you to a page where you can set your Avenue password.

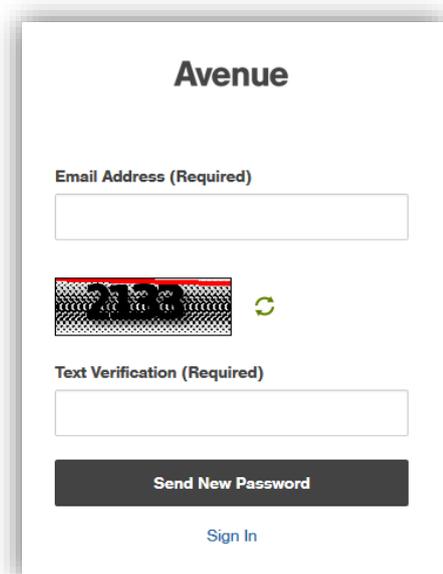
If you don't receive these instructions in a few minutes, check your spam folders. Please do not hesitate to contact our Avenue Helpdesk if in trouble.

#### Avenue Home Page and Login

[avenue.aaltoee.com](http://avenue.aaltoee.com)

In future logins, use your email address and your Avenue password. There is a Forgot Password link at your disposal on the Avenue login page as well.

Avenue Helpdesk  
[avenue@aaltoee.fi](mailto:avenue@aaltoee.fi)



## Instructors

### Marco Bertini

**Associate Professor of Marketing Management  
Department of Marketing Management, ESADE**

Marco Bertini is Associate Professor and Department Head of the marketing subject area at ESADE. He completed his doctoral studies at Harvard Business School, and was previously on the faculty at the London Business School.

Marco's research, which for the most part lies at the interface of the economics and psychology of pricing decisions, appears in the leading journals for marketing science (such as the Journal of Consumer Research, the Journal of Marketing, the Journal of Marketing Research and Marketing Science) and practice (such as the Harvard Business Review and the MIT Sloan Management Review). His teaching, speaking engagements and advisory work similarly focus on the challenge of designing and implementing a proper strategy for monetization.



Recently, Marco was named to the Thinkers50 Radar, a shortlist of the scholars "most likely to shape the future of how organisations are managed and led." Prior to this, he was nominated for the Business Professor of the Year Award, a global competition of the Economist Intelligence Unit, and recognised by the Marketing Science Institute as one of the most promising researchers in the field as part of its biennial Young Scholars programme.

A native of Italy, Marco also lived in Australia, the United States, the United Kingdom and now Spain (again). For more information, please visit [www.marcobertini.com](http://www.marcobertini.com).

### Pekka Mattila

**Professor of Practice**

**Aalto University School of Business**



**Dr. Pekka Mattila** is a specialist in strategic management and agility, strategy co-creation, business model innovation, executive leadership, top team dynamics, change management, organizational culture and strategic marketing. He works frequently with both European and Asian executive audiences, and is a much-requested speaker at corporate and other events around the world. Over the years, he has frequently visited a number of prestigious European and Asian universities teaching management, organizational behaviour, marketing and sociology.

In addition to his academic activities Dr. Mattila has conducted an active business career. Currently he serves as the Chairman of the Board or as a Member of the Board at a number of innovative companies, for example A-lehdet Oy, Aro Systems Oy and Verso Food Oy. Previously he served in executive, management and senior staff positions in the Nordic financial services industry. From 2012 till 2014 he served as a board member at

a leading Finnish bank. Dr. Mattila is also active in public positions of trust serving as the Chairman of the Board for the foundation operating the renowned Helsinki Festival and as a Member of the Board at the Finnish Society of Crafts and Design (Design Forum Finland).

Dr. Pekka Mattila is the Group Managing Director and Associate Dean of Aalto EE, and serves as a Professor of Practice at the Aalto University School of Business. He holds a D.Sc. in sociology from the University of Helsinki and an Executive MBA at London Business School.

## Contact Information

### Program Director

Jaakko Kotila

[jaakko.kotila@aaltoee.fi](mailto:jaakko.kotila@aaltoee.fi)

+358 50 327 6194

### Coordinator

Suvi Leinonen

[suvi.leinonen@aaltoee.fi](mailto:suvi.leinonen@aaltoee.fi)

+358 10 837 3783

## Program Director Corner

### Jaakko Kotila

Welcome to the Strategic Pricing program at Aalto EE!

We will start on May 29 with a short introduction of the program and we will also get to know with each other. Please prepare to introduce yourself to others in the class.

I'm looking forward to meeting you all. Please let us know if you have any questions!

