Pricing Strategy and Revenue Management: Willingness to Pay, Discounts and Capacity

30 August – 3 September 2027
London - Central London four-star

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Introduction:

Pricing strategy and revenue management decide how much of the value a business creates it actually keeps, yet many organisations set list prices by habit, let discounts drift through unchecked approvals and sell perishable capacity on a first-come basis. This Core Concept course gives practitioners the methods to set prices from customer value and elasticity, trace margin leakage down the price waterfall and allocate limited capacity against forecast demand. Participants build working models on multi-sector case data and leave with a Pricing and Revenue Playbook for their own products or services.

Course Objectives:

- Select pricing objectives and a pricing strategy that fit the product, the competitive position and the cost floor
- Estimate customer willingness to pay and price elasticity from survey, transaction and test data
- Map the price waterfall from list to pocket price and set discount rules that stop margin leakage
- Apply revenue management controls such as booking limits, fare fences and overbooking to perishable capacity
- Evaluate promotions and price changes with baseline, incremental volume and post-event profit analysis
- Produce a Pricing and Revenue Playbook with a price and capacity model and a governance procedure for approvals

Target Audience:

- Pricing and revenue managers responsible for list prices, rate plans and price changes
- Commercial and product managers accountable for margin on a product line or service portfolio
- Sales managers who approve customer discounts, rebates and special deal terms
- Revenue and yield managers in hospitality, aviation, transport, events and other capacity-based services
- Commercial finance managers who analyse price realisation, promotion returns and margin variance

Course Outline:

Day 1: Pricing Objectives, Price Levers and Current Price Performance

- Pricing Objectives Matrix: Volume, Share, Margin and Market Entry
- Profit Sensitivity Table: Effect of a One Percent Price Change Versus Volume and Cost
- Cost-Plus, Competitive and Value-Based Strategy Comparison Grid
- Skimming, Penetration and Good-Better-Best Tiering Decisions
- Price Realisation Health Check of Current List and Invoice Prices

Day 2: Customer Value, Willingness to Pay and Price Segmentation

- Economic Value Estimation: Reference Value and Differentiation Value
- Willingness to Pay Research: Gabor-Granger and Conjoint Trade-Off Methods
- Own-Price Elasticity and Cross-Price Elasticity Calculation from Sales History
- Price Segmentation Fences: Buyer Attributes, Purchase Timing and Volume
- Price Waterfall Build: List Price, Invoice Price and Pocket Price

Day 3: Revenue Management for Perishable Capacity

- Revenue Management Preconditions: Fixed Capacity, Perishability and Segmentable Demand
- Booking Curve and Pick-Up Demand Forecasting Model
- Booking Limits, Protection Levels and Littlewood Two-Class Rule
- Overbooking Level Calculation from No-Show and Denied-Service Costs
- Dynamic Pricing Rules for Hotel Rooms, Airline Seats and Service Slots

Day 4: Discount Governance, Promotions and Pricing Risk

- Pocket Price Band Analysis and Margin Leakage Root Causes
- Discount Authority Matrix and Deal Desk Approval Workflow
- Promotion Post-Event Analysis: Baseline, Lift, Cannibalisation and Forward Buying
- Price Change Implementation: Communication Plan, Timing and Sales Enablement
- Pricing Governance Charter: Decision Rights, KPIs and Price Council Cadence

Day 5: Pricing and Revenue Model Build and the Playbook

- B2B Manufacturing Case: Price Waterfall Repair and Discount Policy Redesign
- Hotel and Airline Case: Capacity Allocation and Overbooking Model Under Demand Shocks
- Retail Services Case: Promotion Calendar Return Model
- Pricing and Revenue Model Build for an Own Product or Service
- Pricing and Revenue Playbook Presentation and Peer Challenge

Skills You Will Gain:

- Value-Based Price Setting
- Willingness to Pay Research
- Price Elasticity Analysis
- Price Waterfall Analysis
- Capacity Allocation
- Demand Forecasting for Bookings
- Promotion Return Measurement
- Pricing Governance Design

Why Attend This Course:

- Return with a Pricing and Revenue Playbook and a working model built on your own price, discount or booking data
- Find where invoice discounts, rebates and payment terms erode pocket margin, and close the gaps with clear approval rules
- Decide how much capacity to protect for late, higher-paying demand and how far to overbook without harming service
- Test pricing decisions against peers from manufacturing, hospitality, aviation and services on realistic cases

Conclusion:

Price is the lever with the largest effect on profit, and it works only when strategy, analysis and approval discipline point the same way. This course moves from pricing objectives and strategy choice, through customer value, willingness to pay and elasticity, to revenue management controls for perishable capacity, then to discount governance, promotion analysis and price change implementation. The final day applies these methods to multi-sector cases and produces a Pricing and Revenue Playbook that participants use for their next price decision.