



Commercial Excellence

Pearson Ham Consulting with Welcome Break Group Ltd

Welcome Break approached Pearson Ham for advice because they were faced with delivering dual objectives: meeting business targets and promoting value for customers. They were concerned that price changes would weaken their competitive edge and customer perception and recognised the need for external advice to continue meeting targets whilst delivering customer value. They selected Pearson Ham for its experience in producing inventive pricing solutions and its analytical expertise.

Pearson Ham's project played a critical role in Welcome Break successfully meeting its targets; they contributed a £2m increase to Welcome Break's profit margin over two years, in addition to the increases from price changes they had already planned. This figure was delivered in line with the estimation generated from their optimisation model before price changes were implemented. Having carried out extensive market research, Pearson Ham were able to achieve this through matching customer price expectations and perceptions, thus marrying Welcome Break's dual objectives. The first set of price changes had such an impact that Welcome Break's initial concerns around price changes had dissipated, by the time Pearson Ham were due to recommend their second set of price moves six months later.

Pearson Ham also designed a new and better structured price hierarchy for Welcome Break's products by outlet. This not only helped to build a more accurate model, but gave Welcome Break a far clearer understanding of pricing strategy and internal operational economics, enabling them to make better informed decisions on future price moves. The quality of Pearson Ham's insights into customer perceptions also enabled Welcome Break to provide clear rationales for price changes with franchisors, giving them more flexibility on future price changes.

Pearson Ham's innovative approach to pricing has resulted in a radical change to Welcome Break's pricing strategy and structure; Welcome Break has now adopted a more granular and cutting edge approach to price change, which is far more effective at delivering its competing objectives. With Pearson Ham's help and guidance, Welcome Break has successfully made the transition from price changes driven by budgetary requirements to ones optimising opportunities, informed by a clear understanding of strategy, customers, and competitors.