

CASE STUDY

identifying opportunity through custom research

Pricing Research

The Issue:

A telecom company had just introduced a new high-speed Internet service and wished to evaluate its pricing structure -- both the installation fee and the monthly fee for the service.

The Solution:

MRSI designed a phone study that included a series of "buy-response" questions to measure price elasticity for both services and create demand curves. Consumers were asked how willing they would be to purchase the new service first at different fees for installation, then at different price levels for the monthly service fee.

Business Implications:

Results showed that consumers were extremely price sensitive. Purchase intent was high with no installation fee, but was cut in half when even a modest charge of \$50 was imposed. At the current installation fee of \$200, purchase intent was very low. Also, demand for the service greatly increased as the monthly fee was lowered from the current \$50 to \$20. Our client was able to use this market information to optimize its fee structure and launch a successful new service.

For more information, contact us at **513-579-1555** or visit www.mrsi.com today.