

Dynamic Pricing – KPI Document

1. Revenue Lift

Revenue Lift measures the increase in total revenue after implementing the dynamic pricing model compared to the old pricing method.

Expected Target: 8–12% revenue increase.

2. Profit Margin Improvement

This KPI checks how profit margins change after dynamic pricing. It evaluates profit per product and overall margin.

Expected Target: 3–5% improvement in margins.

3. Conversion Rate

Measures the percentage of customers who purchase the product after seeing the dynamically adjusted price.

Expected Target: 2–5% improvement in conversion rate.

4. Inventory Turnover

Measures how fast inventory is sold after applying dynamic pricing.

Expected Target: 10–15% improvement in turnover speed.

Summary

These KPIs help evaluate revenue growth, profitability, customer behavior, and inventory efficiency for the dynamic pricing system.