

Keremi

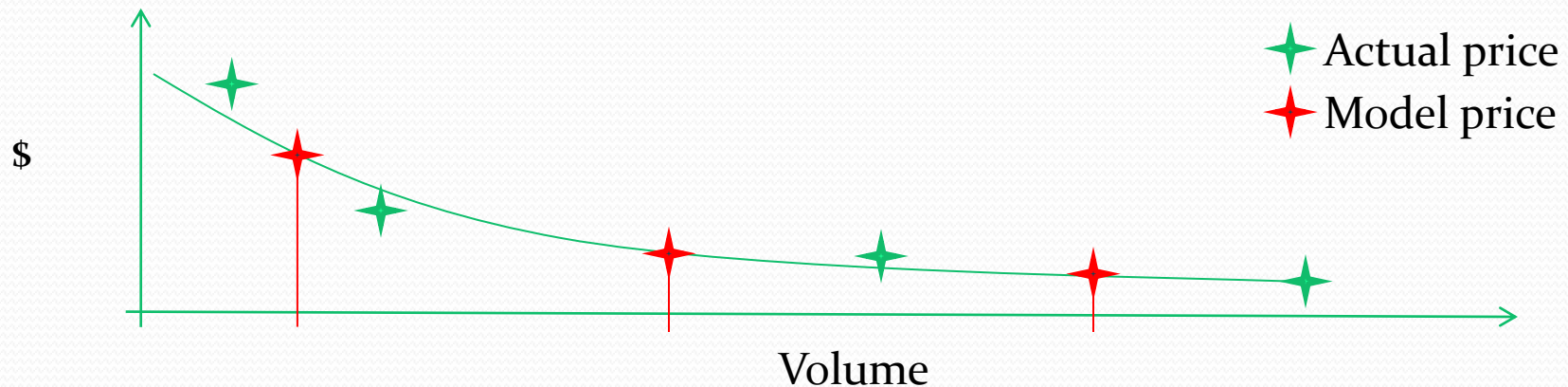
Pricing Engine details

2012

Definitions

- Actual price
 - Price taken from the source
 - Competitor web site
 - Distribution web site
 - Various volume breaks
- Pricing model
 - Volume to relative price curve
 - Defined in the settings tab of the dashboard
 - Up to 8 volume breaks
 - Specified relatively: e.g. 1.00=100%, 1.32=132%
- Model price
 - Result of applying the pricing model to the actual price
 - Always have the same volume breaks as the pricing model
- Mix price
 - Same as model price except where the actual price and the model price have the same volume breaks
 - In that case the price is the actual price
- Normalized price
 - Price at 1k and 10k units
 - Combination of all sources

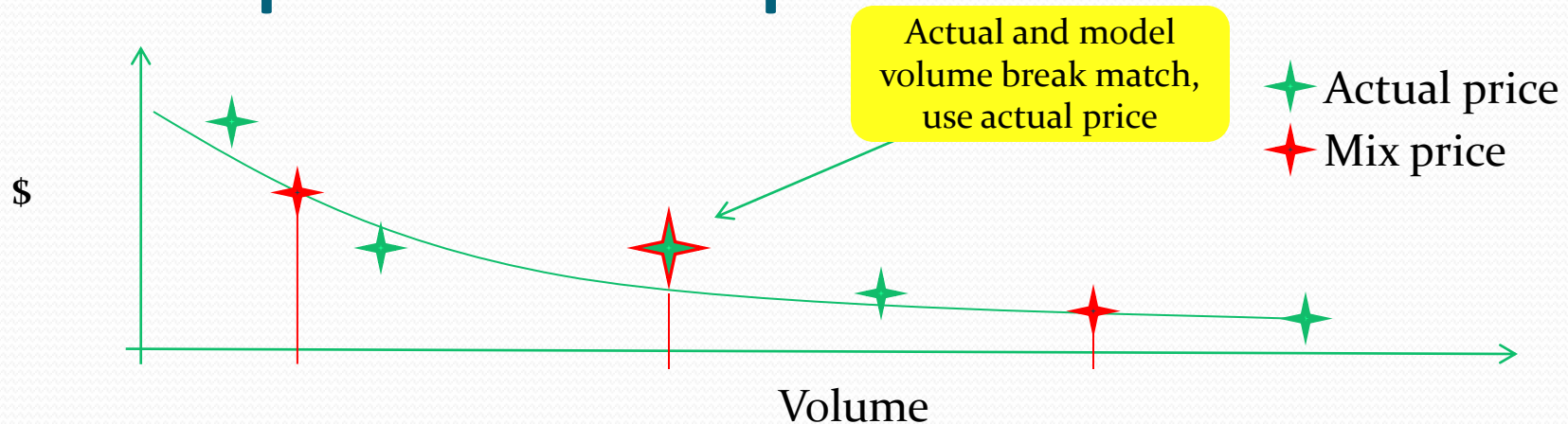
Model price computation



The pricing model (relative) is applied to the actual price (absolute) by aligning the curve to the highest volume break

The model price volume breaks may or may NOT be equal to the actual volume breaks

Mix price computation



The pricing model (relative) is applied to the actual price (absolute) by aligning the curve to the highest volume break.

Whenever the actual price volume match the model volume, use the actual price instead of the model price

The model price volume breaks may or may NOT be equal to the actual volume breaks

Normalized price (1)

- For each competitor
 - For each product
 - If the product has a web price and at least a disty price
 - $AV = \text{average of disty mix price @ 1ku}$
 - $\text{Ratio}[\text{Company}][\text{Product}] = AV/\text{WebPrice}$
- For each company
 - Take the median ratio $\text{Ratio}(i)$ over $N(i)$ products
- Compute the generic ratio for companies that do not have product with both web and disty price
 - $\text{GenRatio} = \text{sum}(N(i) \times \text{Ratio}(i))$

Normalized price (2)

- For each product
 - If the product has a web price, take the web price
 - Else average the disty mix prices @1ku and @10ku
 - If the company has a ratio, use the company ratio
 - Else use the generic ratio
 - Divide the average disty price by the ratio to get
 - Norm 1ku price
 - Norm 10ky price