

***Enabling Incremental Gains through  
Customized Price Optimization***

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## Abstract

*Price Optimization solutions presented in this paper provides an analytic approach that helps businesses to improve margins and increase volumes. The paper proposes a comprehensive pricing framework which not only maximizes short term gains but also addresses critical value enhancing CRM issues, such as cross-sell, up-sell and better lifecycle management through retention. Furthermore, the paper explicitly analyzes the price-response elasticities and adverse selection elasticities that are crucial features of the proposed optimal pricing framework. Finally, based on the insights from this analysis, a dynamic optimization tool ORION® is developed to effectively improve the risk-adjusted profit for the business.*

**Keywords:** price optimization tool, price response elasticities, risk adjusted profits, CRM analytics.

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