

[Pricing Study]

PRICING SOFTWARE 2025



[Study Results, 01/2025]

Study Results

EbelHofer Consultants asked 120 companies from different industries in end of 2024 about their usage of pricing software. With this survey, we want to shed light on companies' expectations regarding pricing software features, their importance and to what extent companies are satisfied with their current solutions. We identified eight key insights which are extensively discussed in the following.

» More than 40% of companies already use a pricing software; further 29% plan the adoption within the next two years

Overall, 94% of companies use a tool for their price management, although there are great differences in the types of tools used. While more than 40% of surveyed companies make use of a pricing software, 30% of companies still make use of Excel or Access (Figure 1). Only 22% of companies utilize an ERP System (e.g. SAP) as a solution for their price management. In comparison to our study results from 2023, the adoption of a pricing software has increased significantly by 15%-points, although the use of an ERP system is not the favourite choice anymore (30% in 2023). The use of Excel or Access has remained almost stable in the YOY comparison. Furthermore, from the companies that currently do not use a pricing software, at least 29% plan an adoption within the next 2 years.

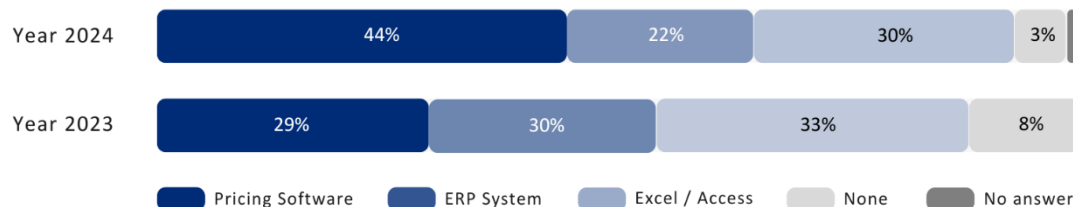


Figure 1: YOY comparison (2023 and 2024) of price management software used

» The scope of functions and interfaces to the own system landscape are most decisive in the selection of a pricing software provider

Interestingly, the most decisive criteria for the selection of a software provider are related to the functions and possible interfaces. Furthermore, customization effort, total cost of ownership and technical support are very relevant (Figure 2).



Figure 2: Decisive criteria for selection of a pricing software provider

» The most important requirements for a pricing software include pricing algorithms with internal data, price monitoring and scenario analysis

The top requirements for a pricing software are specifically related to pricing algorithms to analyze internal data, price monitoring and scenario analysis to support pricing decisions. An overview of the most frequently mentioned features by our surveyed companies can be found in Figure 3.



Figure 3: Required features for a pricing software

» Pricing departments and the sales field force use the pricing software most frequently

Additionally, we were interested in understanding which departments utilize the pricing software most frequently. While the software is mostly used in pricing departments, other departments are also of relevance: sales field force, product / category management, sales controlling and internal sales (Figure 4). Within tele sales and purchasing departments, the utilization of pricing software is very low (between 2.9 and 3.4%).

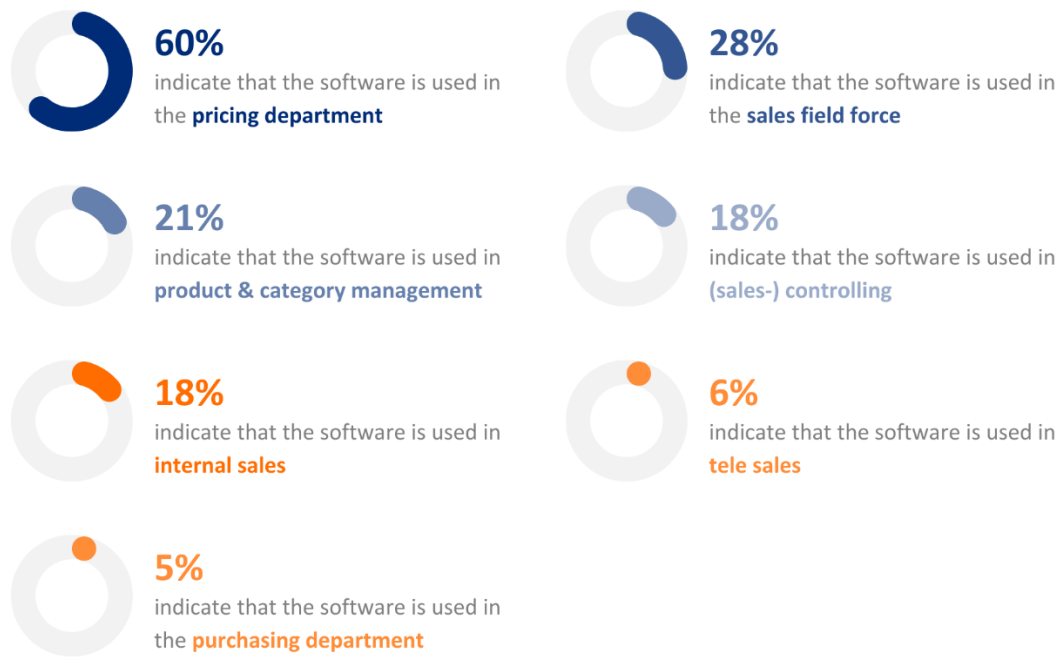


Figure 4: Overview of departments using pricing software

» Companies expect to benefit especially from an increased contribution margin, differentiated prices and complexity reduction in pricing

We also asked companies about their expected benefits from a pricing software and to what extent these benefits are important. From the results we conclude that especially an increased contribution margin, differentiated prices and the complexity reduction in pricing are the most important benefits. In contrast, we identified that more frequent price adjustments and the automation of pricing are valued to a lesser extent (Figure 5).

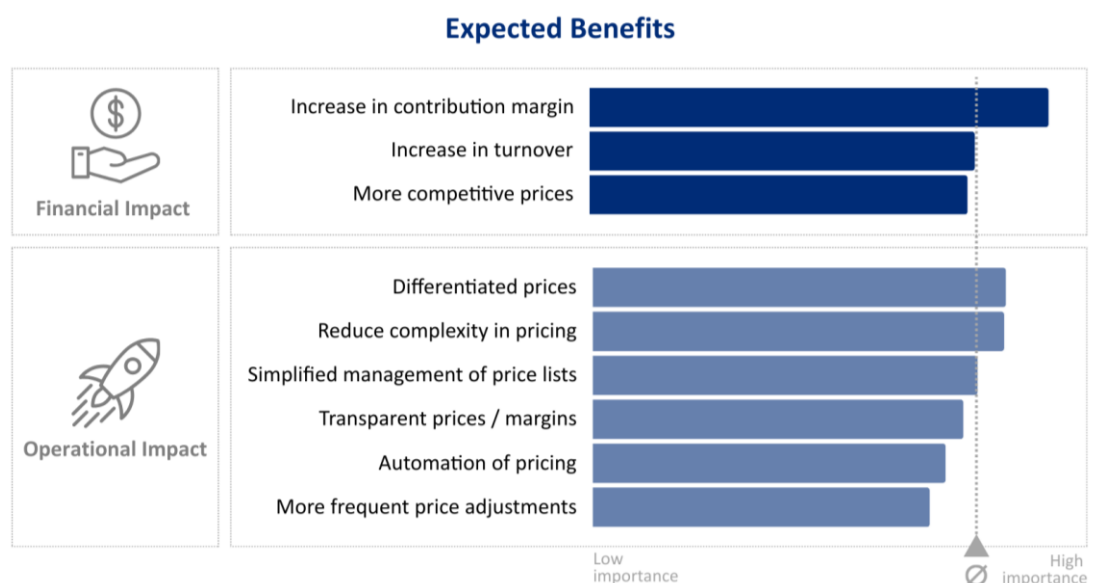


Figure 5: Expected benefits for pricing software

» Four players dominate the market

The distribution of the most used or considered pricing software providers are shown in Figure 6. The four dominant players in the market are PROS, Pricefx, Zilliant and Vendavo.

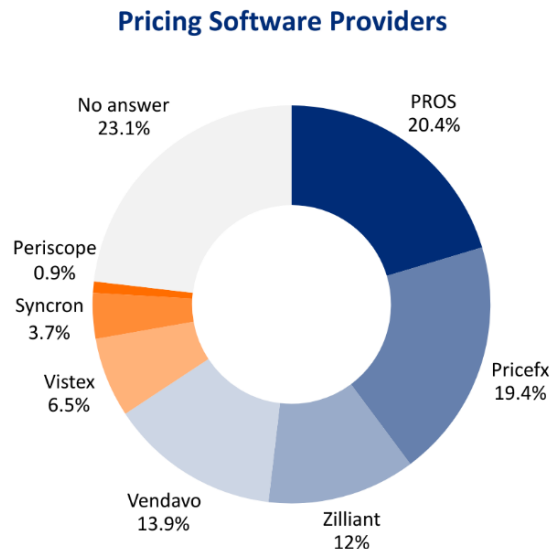


Figure 6: Distribution of utilized / considered software providers

» Companies still require support to ensure implementation success

The successful launch of a pricing software requires companies to invest time and resources before, during and after the technical implementation – specifically regarding the revision of their price management, data management and systematic change management. Our survey shows that 87% of companies first revise their price management and then start with the implementation of the pricing software, up from 75% in 2023. Additionally, 71% of companies have implemented a systematic change management (Figure 7).

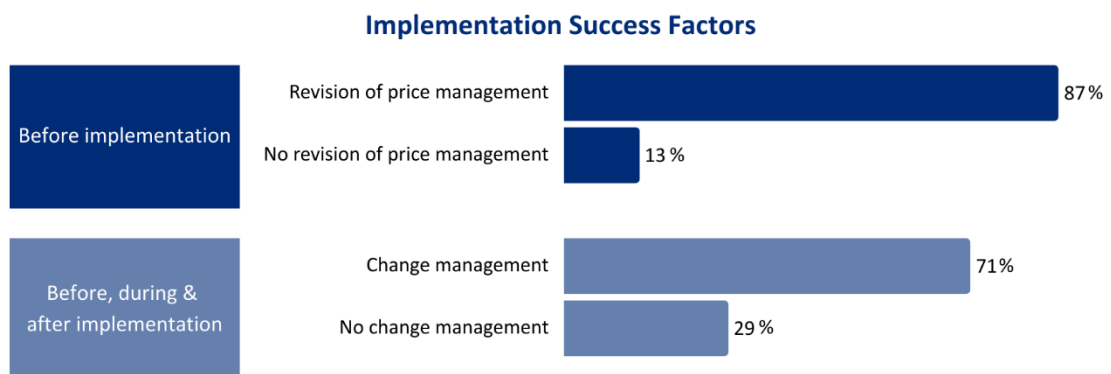


Figure 7: Adoption of implementation success factors

Most importantly, companies should be aware that the implementation success can be significantly hindered if the price management is not revised and by disregarding the implementation of a systematic change management. Therefore, we strongly recommend the following steps in Figure 8 to ensure a successful pricing software launch.

Steps for a successful pricing software launch

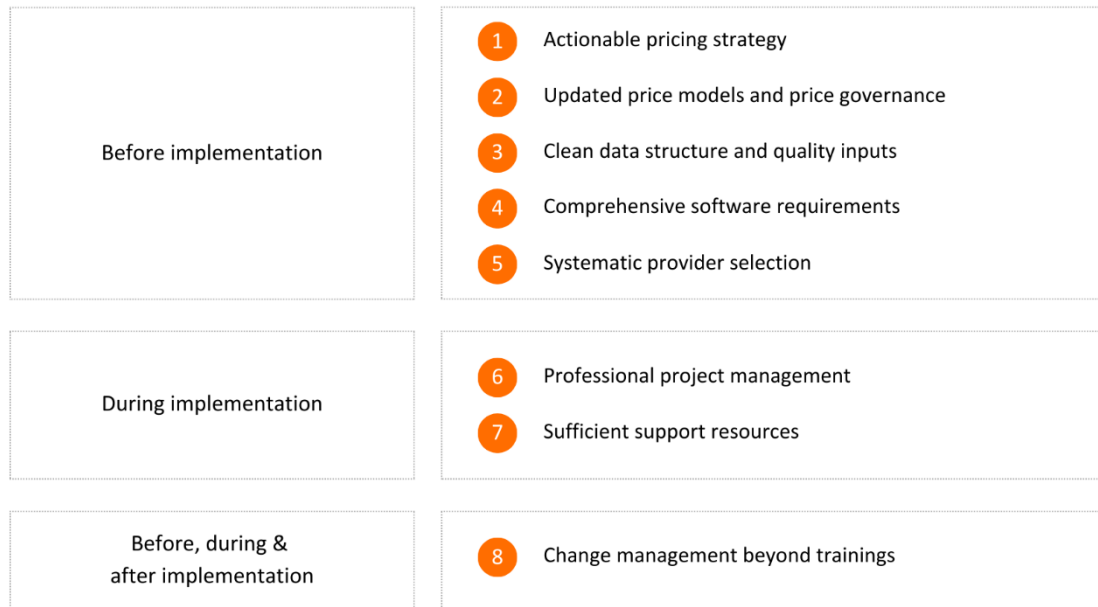


Figure 8: The 8 steps for a successful pricing software launch

» Challenges remain the duration of implementation, user acceptance and customization

Similarly to last year, our surveyed companies reported that the greatest implementation challenges of a pricing software are related to the duration of the implementation and the customization of the software (Figure 9). These can be proactively addressed by professionalizing the internal project management, by clarifying the price model und functions that the software should implement and by ensuring sufficient data quality and availability up front.

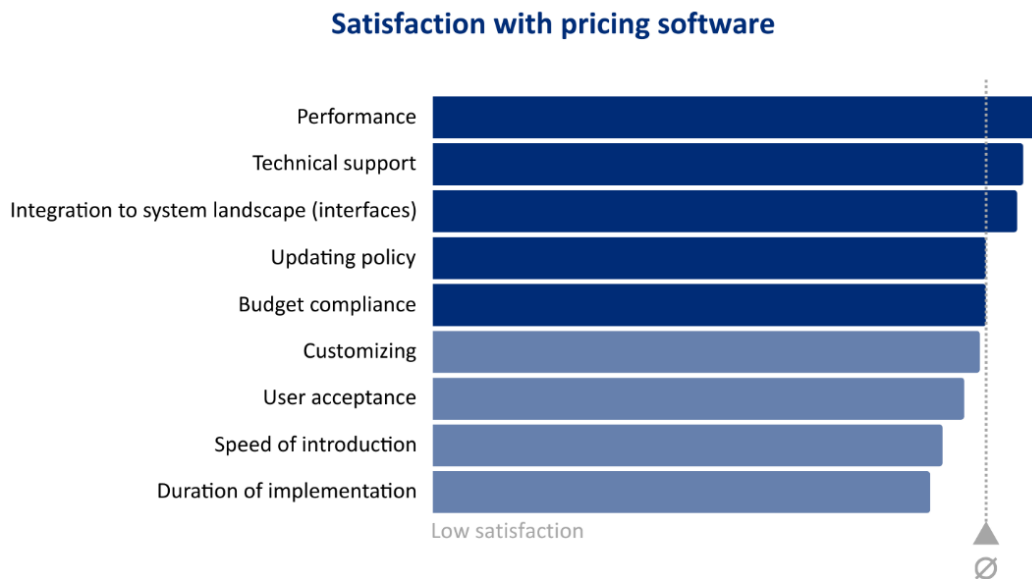
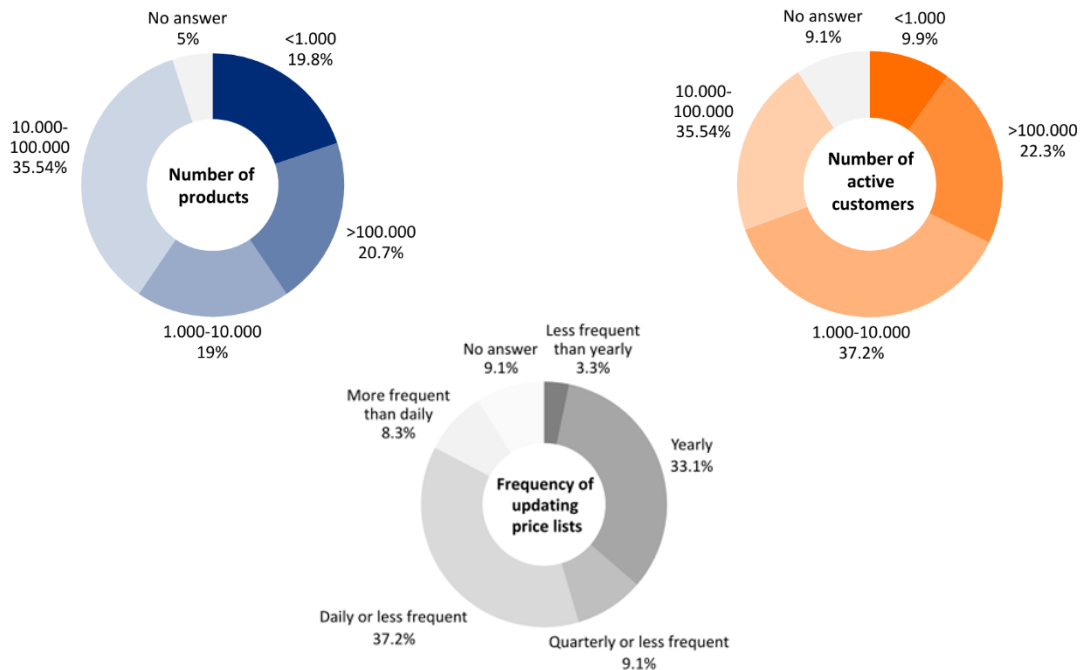


Figure 9: Satisfaction among companies with their current pricing software

Conclusion

Overall, the adoption of pricing software for price management is increasing (+11% YOY change), with the top four providers (PROS, Pricefx, Zilliant, Vendavo) being the most used and considered pricing software providers in 2024. When choosing a pricing software provider, the scope of functions and interfaces to the own system landscape are most decisive in the selection. Most important functional requirements are pricing algorithms with internal data, price monitoring and scenario analysis. The resulting benefits that companies expect specifically relate to an increased contribution margin, differentiated prices and complexity reduction in pricing. The biggest challenges remain to be customization, user acceptance, and the duration of implementation. Therefore, companies evaluating a pricing software adoption are well-advised to consider revising their price management, data management, and to plan for extensive change management.

Profile of surveyed companies



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