

Pricing Model Optimization for eGovernment Service Provider

Business Challenge

An eGovernment service provider was facing controversial feedback from its customers, which had raised some concerns about the fairness of the price for the provided services. Due to the unique monopolistic position, the customers were unable to check the “fair” market price through standard tenders, and, therefore had challenged the current pricing approach.

In order to address the above issues, and keeping in mind its social obligations with a view to improving services, the provider approached IDC with a request to conduct a price study that will help it to better understand the problem and optimize its pricing schemes.

The Solution

IDC interviewed a sample of former, existing, and potential customers in order to obtain insights into the current challenge. Based on the information obtained from the customers, analysis of pricing models of similar services provided abroad, and analysis of internal financial KPIs, IDC formulated a set of recommendations addressing the following pricing aspects: Transparency, Value, and Fairness.

IDC recommended changes into the current pricing models to make sure the provider follows a transparent and fair pricing approach. IDC also undertook sensitivity analysis in order to model the impact of the new pricing models on the provider’s revenues.