

Project Spotlight: Pricing Strategy

Background

Timeline: Four months

Products: Learning resources

Publisher: American Psychiatric Publishing, Inc. (APP)

Subject: Medical

Prior to the Spring 2013 publication of the **Diagnostic and Statistical Manual of Mental Disorders (DSM-5)**, PCG began a strategy consultation with American Psychiatric Publishing, Inc. (APP). The launch of the new edition of the DSM was a significant event for APP, due in part to the multitude of changes in the publishing industry since the previous edition in 1994.

Overview

The release of the online version of the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) through APP's web-based portal, PsychiatryOnline, provided an opportunity to explore product bundling options and pricing strategies that had not previously been possible. PCG conducted an intensive study of APP's existing customers and the marketplace to identify optimal pricing and product delineation to maximize sales of all online content to a diverse market.

Research Components

Creating user profiles

We conducted an evaluation based on APP's existing DSM subscriber base, usage data for the DSM-IV-TR, and user data from over 2,000 institutional customers from PsychiatryOnline. This information allowed us to realign APP's tier definitions and recommend pricing by customer segment to optimize revenue.

Identifying customer preferences

We gathered feedback from libraries around the world and members of APP through an extensive online survey and 50 in-depth interviews with end-users. PCG used the anecdotal evidence to realign APP's tier definitions to accommodate a broader audience.

Evaluating competitor strategies

PCG explored competitor pricing and bundling strategies such as new subscription discounts and print and online packages. This ensured that the options recommended to APP would be competitive in the marketplace and accepted by institutional and individual customers.

“PCG offered valuable insight into how we could position DSM-5 to ensure we were meeting the needs of a wide, diverse market in the context of customer profiles and usage, pricing, and product alignment with our journals and books.

Rebecca Rinehart,
Publisher at APP

Results

These research efforts allowed for practical recommendations for the introduction of the DSM-5 online product to the market. Pricing tiers were redefined to reflect institutional customer profiles consistent with the broad range of the DSM-5 audience. Competitively priced product bundling options were created to meet library needs while maximizing revenue for APP. In addition to ongoing consultation with our team, APP received a detailed report of PCG’s findings to support the successful launch of the DSM-5 in 2013.

About APP

American Psychiatric Publishing (APP) is the world’s premier publisher of books, journals, and multimedia on psychiatry, mental health and behavioral science. APP offers authoritative, up-to-date and affordable information geared toward psychiatrists, other mental health professionals, psychiatric residents, medical students and the general public.

DSM-5 is the product of over 10 years of effort by hundreds of international experts in all aspects of mental health. This authoritative volume defines and classifies mental disorders in order to improve diagnoses, treatment, and research.

About PCG

Established in 1990, PCG (Publishers Communication Group) is an internationally recognized sales and marketing consulting firm providing a range of services designed to support and drive your sales strategy. With local staff in the US and Europe, as well as in growth markets such as India, China and Latin America, PCG combines a breadth of over 20 years of sales, marketing and research experience with a depth of knowledge in scholarly publishing and the global library community. PCG is a division of Publishing Technology plc.

Contact Us

If Publishers Communication Group can be of service to you, please do not hesitate to contact us. All inquiries can also be emailed to inquire@pcgplus.com.