EXACT Pricing: Proposal

Presentation to the Data Advisory Group – June 17th 2019

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Feedback from clients on EXACT pricing

Current pricing solution is opaque, unnecessarily complicated, impossible to predict and a barrier to good customer service and therefore needs to be changed.

The fundamental principles of the change are to provide:
- Transparency
- Simplicity, so anyone can cost up requirements
- Price neutrality from the existing algorithm

Note, that we will continue to offer a subscription service and will be introducing a set 'ticket to ride' price.

Proposal

- The proposal is that the price is calculated using a combination of:
  - "price per item" which reflects the **resolution** of each variable
  - The number of statistics
  - The number of variables overall
  - A multiplier that reflects the number of cycles that the data is requested for – this would only reduce the price for older data

As a reminder, we provide statistics and also variables through EXACT:
- Statistics – these are the things we count (like applications)
- Variables – these are the things we filter by (like provider)

But, be aware that any proposed change was bound to create winners and losers; we need feedback on your appetite for this.

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Proposal

Item	Price per item
Number Variables overall	1, 2 or 3 = £20, 4 = £100, 5 = £400, 6 = £1600 *
Number Statistics	£20
High resolution variables	£100
Total	**£A**

Item	Value
Current Cycle	1
Most Recent Closed Cycle	1
Older Cycles	0.5
Total	**B**

Proposed EXACT price is calculated as £A x B

50% HEP discount and £200 minimum fee still apply

* NB the price is higher for 6 variables as we provide all combinations in the data

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Classifying the variables

- The proposed solution introduces the concept of "high resolution variables"

- These are variables that incur an additional charge based on the amount of information that they reveal. This is measured by the number of different values that they can take

- 35% of EXACT variables are high resolution variables, examples are below

Low resolution variables	High resolution variables
Sex POLAR3 Ethnicity Provider Region A Level Points score by subject	Provider name Parliamentary Constituency Apply Centre A Level Grade Profile Subject

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Real Example 1 (similar)

- Applications, Decisions, Replies, Acceptances
- For 18yos in England, Wales, NI
- By institution and POLAR3
- For the last cycle and 4 previous cycles

Before: **£667.49**
(+50% discount for HEP = £333.75)

Proposal

Item	Number	Cost
Number Variables overall	2	£20
Number Statistics	4	£80
High resolution variables	1 (Inst.)	£100
Total		**£200**

Item	Number	Cost
Current Cycle or Most Recent	1	1
Older Cycles	4	2
Total		**3**

£200 x 3 =
£600

(+50% discount for HEP =) £300

Real Example 2 (winner)

- Applications and unique applicants
- Disability code, detailed age, live at home
- For the last cycle and 8 previous cycles

Before: **£1,222.50**

(+50% discount for HEP = £611.25)

Proposal

Item	Number	Cost
Number Variables overall	3	£20
Number Statistics	2	£40
High resolution variables	1 (Dtl Age)	£100
Total		**£160**

Item	Number	Cost
Current Cycle or Most Recent	1	1
Older Cycles	8	4
Total		**5**

£160 x 5 = **£800**

(+50% discount for HEP =) £400

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Real Example 3 (loser)

- Applicants
- School, A levels, SQAs, BTECs and IBs
- For the last cycle and 4 previous cycles

Before: **£1,069.69**

(+50% discount for HEP = £534.85)

Proposal

Item	Number	Cost
Number Variables overall	5	£400
Number Statistics	1	£20
High resolution variables	1 (School)	£100
Total		**£520**

Item	Number	Cost
Current Cycle or Most Recent	1	1
Older Cycles	4	2
Total		**3**

£520 x 3 =
£1,560
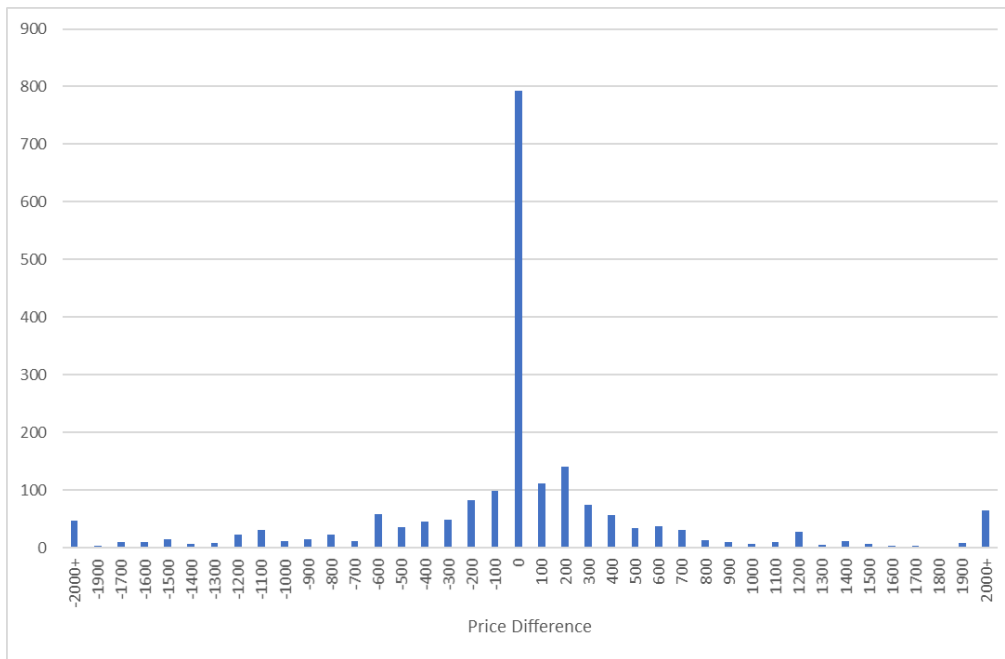
(+50% discount for HEP =) £780

Impact

We analysed c. 2,000 EXACT requests to compare old and new prices

At a macro level this is price neutral

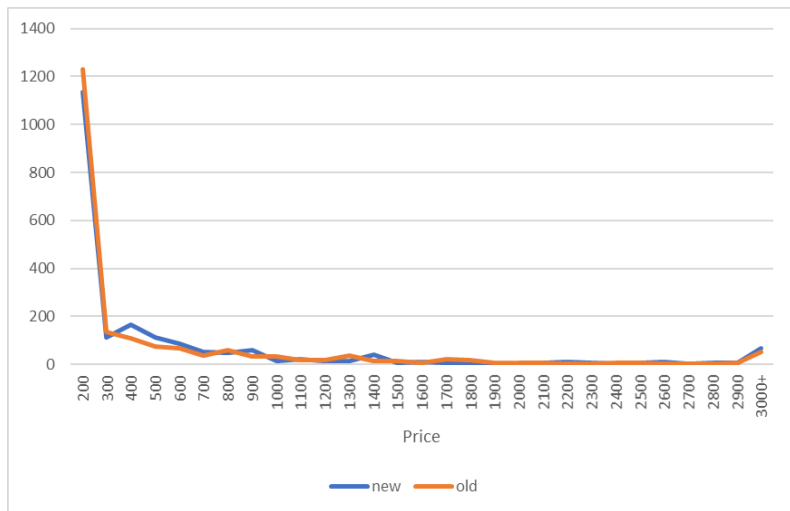| Before	After
£1,180,631	£1,224,050

All prices on this page include HEP discount and minimum fee

There are winners and losers, but most prices are similar
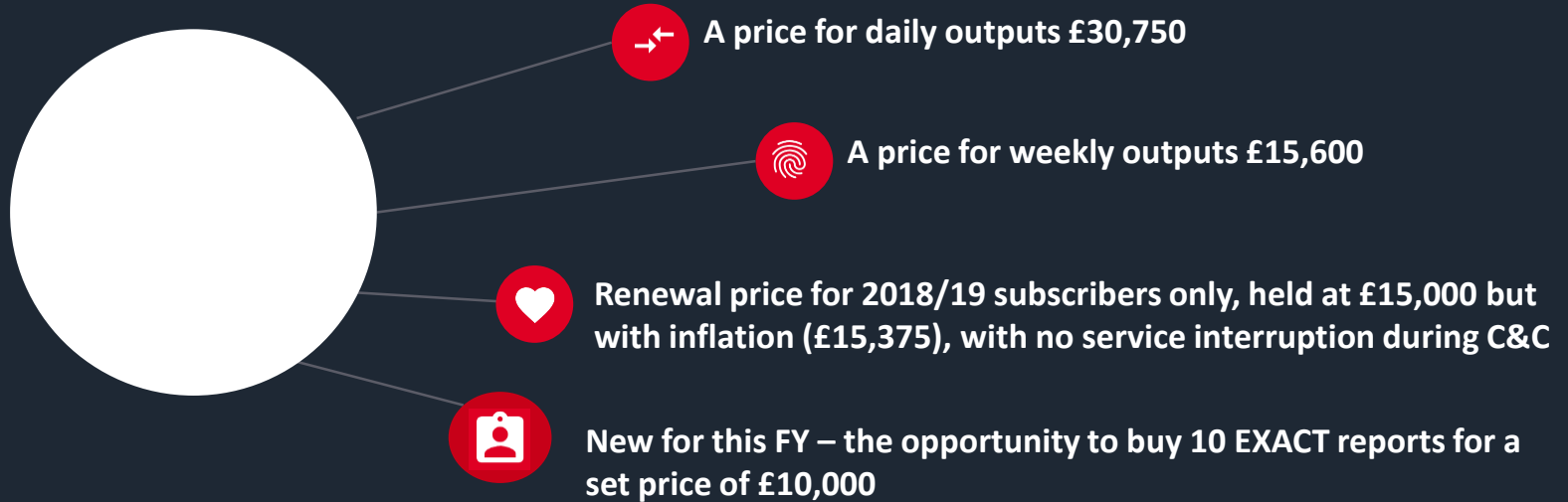
Impact

The distribution of prices is similar

Repeat requests are winners, but only make up 3% of the dataset

Repeat	Count	Income Before	Income After
Y	67 £ 78,046.71		£ 65,330.00

All prices on this page include HEP discount and minimum fee of £200

Subscription proposal for FY19/20

A price for daily outputs £30,750

A price for weekly outputs £15,600

Renewal price for 2018/19 subscribers only, held at £15,000 but with inflation (£15,375), with no service interruption during C&C

New for this FY – the opportunity to buy 10 EXACT reports for a set price of £10,000

Price does not include VAT

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New opportunity to buy bundles of EXACT

- Allow tickets to be used at any time during the 12 month subscription period
- Use as many at a time as they require, including all at once. This means all can be used on new cycle info if needed (outputs will only be released at the rate of one per day due to load on server)
- Clients can buy more than one bundle if they wish but cannot pay 'top up' fee to switch to daily / weekly subscription level.
- No limit on number of years per report
- Limit the number of variables (in line with subscription)
- Service subject to the same SLA as the normal subscription service.
- We plan to trial for this year and access feedback and revenue

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Thoughts or questions?

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