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EXECUTIVE REPORT

industrial manufacturers are losing margin in plain sight

where pricing control breaks down across
contracts, channels, and customers

introduction

Pricing is one of the most critical levers in industrial manufacturing.
It is also one of the least controlled.

Manufacturers are adjusting prices constantly in response to cost pressure, competitive dynamics, and policy shifts. Pricing is no longer periodic. It is continuous and embedded across the business, shaping every transaction, customer relationship, and financial outcome.

Yet increased activity has not led to better results. Margin pressure persists, customer relationships are becoming more sensitive, and the financial impact of pricing decisions remains difficult to predict.

The issue is not pricing strategy. Most organizations understand how they intend to respond to market conditions, but lack the ability to execute those decisions consistently across products, customers, and channels.

In industrial manufacturing, pricing must be applied across complex product portfolios, negotiated contracts, and multiple routes to market. Direct sales teams, distributors, and regional operations all influence execution, making consistent control difficult to maintain.

Pricing is happening everywhere. Control is not.

This report draws on a survey of 150 senior executives across manufacturing organizations, viewed through the lens of industrial manufacturing. It highlights a growing breakdown in pricing control and the impact that breakdown is having on margin, customer relationships, and performance.

150
senior executives
SURVEYED
CEOs • CFOs • CROs
across
manufacturing organizations

pricing decisions are increasing but control over outcomes is limited

Pricing decisions are being made more frequently and at greater scale than ever before. Manufacturers are adjusting prices repeatedly throughout the year in response to overlapping pressures, often making material changes across large portions of their portfolio.

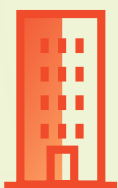
However, as the volume of decisions increases, the ability to track and understand their impact has not kept pace. Many organizations lack clear visibility into how pricing actions translate

into margin outcomes, particularly when those decisions are executed across multiple systems, teams, and channels.

This creates a disconnect between pricing decisions and their financial outcomes. Pricing may be actively managed, but without consistent visibility into outcomes, organizations are operating without a reliable feedback loop, increasing exposure to unintended margin impact.

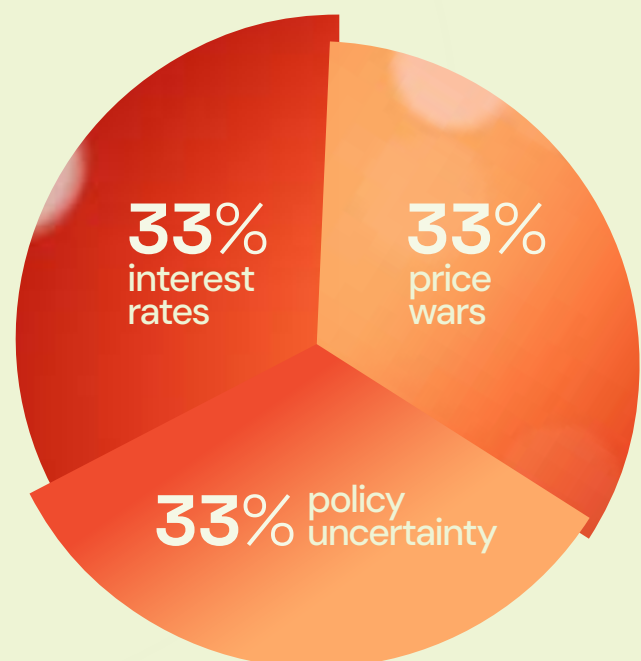


98% increased prices
with nearly all changes
between 6-20%



only 1 of 2 companies
are **very confident**
in their **margin visibility**

key pressures include



cost responses are diversifying but control is not centralized

Manufacturers are responding to cost pressure through a wide range of actions. Some are passing increases through to customers, while others are absorbing costs or adjusting product and supply strategies. These responses reflect necessary trade-offs in a volatile environment.

In industrial manufacturing, these decisions must align across direct sales teams, distributor networks, and contract-specific agreements. Each layer introduces variation in how pricing is applied, making coordination difficult without centralized control.

Without that control, execution diverges. What may be defined as a strategy at the executive level often becomes inconsistent in practice, introducing variability that compounds over time and directly affects margin performance.

45% pass costs to customers

43% absorb them



47% adjust product or supply strategy

43% reduce costs

no dominant response pattern

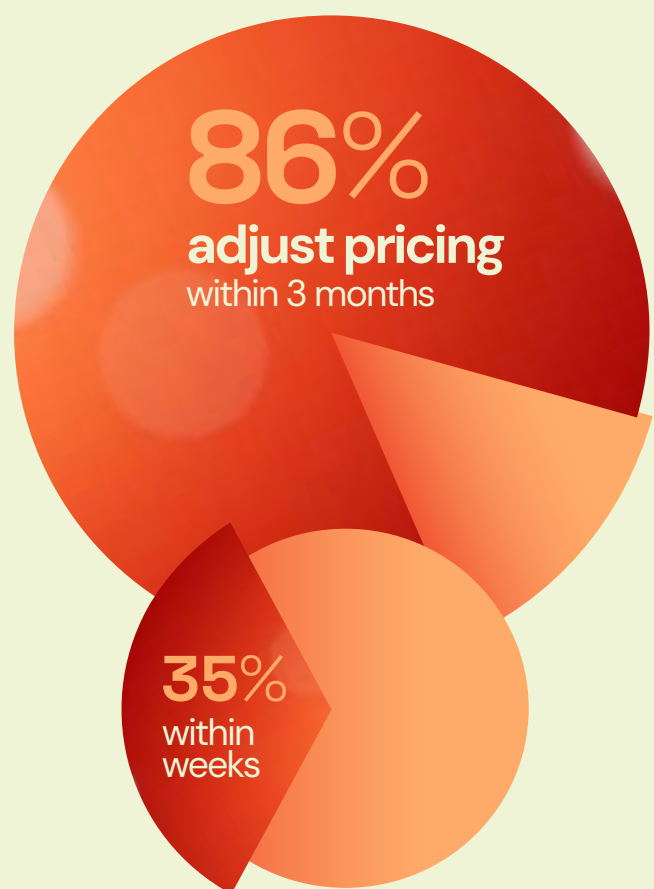
price changes are increasing rapidly, but execution is breaking down

The pace of pricing has increased significantly as manufacturers attempt to keep up with changing conditions. Adjustments are now happening within weeks or months rather than on a fixed cadence, reflecting the urgency of the environment.

However, this acceleration has exposed a gap in execution. Pricing changes are not being applied consistently across customers, contracts, and channels, particularly where pricing must align with negotiated agreements and long-standing customer relationships.

Customer loss is already widespread. Pricing decisions are directly driving it.

Customer response reflects this breakdown. Negative reactions and measurable customer loss indicate that pricing execution is not aligned with expectations. Without consistent control, faster pricing amplifies disruption rather than improving responsiveness.



57%
report
negative
customer
reactions



94%
report
customer
loss tied
to pricing

margin pressure is mounting, but control is limited

Margin pressure continues to intensify, driven by both external forces and internal execution challenges. Organizations can identify the sources of margin erosion, including pricing wars, discounting inconsistencies, and governance gaps.

In industrial environments, these issues often emerge within contract pricing, customer-specific discounts, and exception

handling. Because decisions are distributed across teams and systems, they are difficult to track and enforce.

Over time, these patterns accumulate. Margin leakage becomes embedded in day-to-day operations, and without mechanisms to enforce control, organizations struggle to contain or reverse the impact.

**Margin loss is not sudden.
It accumulates through
uncontrolled decisions.**

leading drivers

40% pricing wars

35% discounting inconsistencies

governance gaps

31% inconsistent governance

29% siloed decisions



73% adopting AI

27% only report clear results

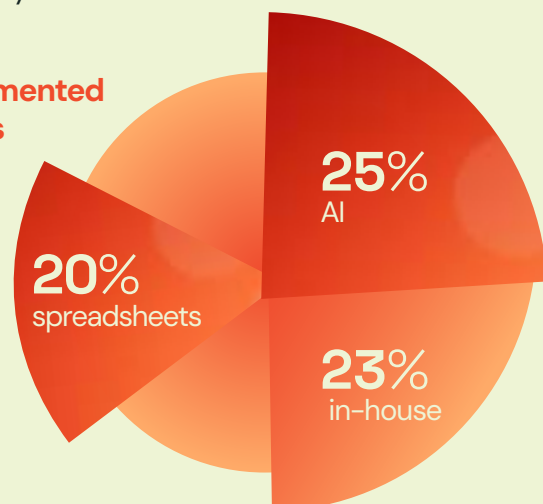
pricing environments are fragmented, but control is not unified

Pricing is executed across a fragmented set of systems, tools, and processes. ERP platforms, spreadsheets, in-house solutions, and third-party technologies all play a role, but they do not operate within a unified framework.

In industrial manufacturing, this is often compounded by regional processes and channel-specific workflows. Each layer introduces variation in how pricing rules are interpreted and applied.

Without a unified structure, control cannot be enforced consistently across the business. Organizations may define pricing direction, but fragmentation limits their ability to execute it reliably at scale.

fragmented tools



pricing complexity is escalating, but control has not kept pace

Pricing complexity in industrial manufacturing continues to increase. High SKU counts, configurable products, global operations, and multiple routes to market all contribute to a growing volume of pricing decisions.

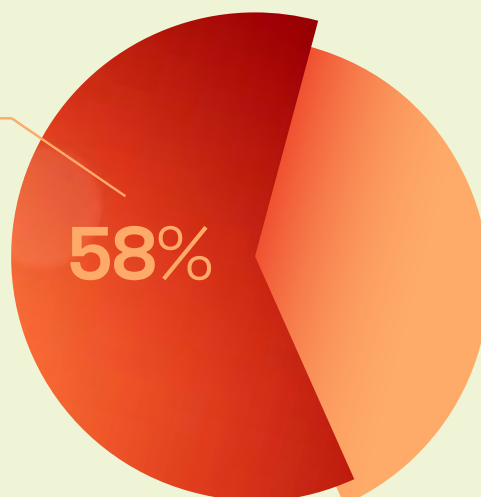
At the same time, organizations are being asked to respond more quickly and with fewer resources. This increases the frequency of pricing changes without increasing control.

Pricing volatility is not just external. It is being created internally.

As complexity grows, execution becomes more difficult to manage. Accountability has shifted to the C-suite, but the ability to enforce control has not scaled, creating a structural gap between responsibility and execution.

face pricing disruption

3-4 x per year



84%

say pricing is
owned by
the C-suite

31%

report
exhaustion

what this means for industrial manufacturers

Pricing in industrial manufacturing has become more active and more complex. Organizations are responding to external pressures with increasing speed, adjusting pricing to protect margin and remain competitive.

However, these actions are not taking place within a controlled system. Execution varies across teams, systems, channels, and contract structures, creating inconsistency in how pricing decisions are applied.

Over time, this inconsistency compounds. External volatility introduces pressure, but internal execution determines how that pressure is absorbed or amplified. When pricing is not controlled, variability in execution translates directly into variability in financial outcomes.

The gap between pricing decisions and pricing control is no longer theoretical. It is operational, measurable, and increasingly consequential for industrial manufacturers.



conclusion

Industrial manufacturers are not struggling to define pricing direction. They are struggling to apply it with consistency and control. That gap is where margin is lost, customer relationships begin to erode, and financial performance becomes less predictable.

As pricing becomes more central to performance, the ability to execute it consistently becomes a requirement. Organizations that continue to operate without control will not simply experience volatility. They will reinforce it through their own pricing actions across contracts, channels, and customer relationships.

Pricing control is no longer an operational improvement. It is a financial imperative.

The difference between leading and lagging performance will not be how often pricing changes. It will be how reliably those changes are executed across the business.

In this environment, pricing control is no longer an operational improvement. It is a financial imperative. For industrial manufacturers that fail to establish it, the impact will not be gradual. It will be embedded in every transaction, reflected in every customer interaction, and compounded across financial performance.

Over time, the absence of control does not create isolated issues. It reshapes performance, often invisibly, and ultimately impacts the bottom line.





about zilliant

Zilliant helps B2B companies move from reactive pricing to controlled pricing execution. Pricing decisions are happening across the business every day, but without control they create hidden risk and margin leakage. Zilliant embeds AI-driven intelligence into governed workflows, enabling consistent execution, clear visibility, and faster response to change. The result is stronger margin protection and greater control over pricing performance. Learn more at zilliant.com.