

3 Trends to Watch for in 2024

by: Mike Slavin

The new year is here, and pricing analysts are hard at work predicting which trends will have the largest impact on pricing in multiple industries in 2024. In this blog post, Mike Slavin, Business Consultant at [Vendavo](#), shares his thoughts on the economic, inflation and interest rate, and artificial intelligence shifts pricing professionals can look forward to in the coming year. Mike Slavin is a results-driven consultant with more than 15 years of management experience with distribution and discrete manufacturing companies in product management, customer service, pricing, and supply chain roles. He can be reached at msslavin@vendavo.com.



As we step into 2024, the business world is buzzing with both challenges and opportunities. I'm using my 35 years in pricing for manufacturing and distribution to make a few predictions about what will shape our industry in the next 12 months – particularly in the realms of the economy, inflation and interest rates, and how new trends will shake up pricing and supply chains.

And let's not forget about artificial intelligence (AI), which is absolutely changing the game. From smarter pricing to slicker supply chains, AI has got a lot to offer.

Let's discover how we can make the most of 2024 and what to watch out for in the coming year.

Trend #1: The Macro Economy in the U.S.

Last January, as part of their quarterly Economic Forecasting Survey, *The Wall Street Journal* asked a panel of 70 economists to

rate the chances of a recession in 2023. The average answer was 63%.

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Speaking of interesting statistics, DataUSA, a website managed by global consulting firm Deloitte, reports that there were 31,573 economists in the U.S. workforce in 2021. 31,573 economists!? About the only thing they all would agree on is that the U.S. didn't experience a recession in 2023. But what about 2024? What do the experts think now?

The National Association for Business Economists surveyed their panel of experts in December 2023 and found that “three out of four panelists put recession risk at 50% or less in the next 12 months.”

Just like in the beginning of 2023 there are, to put it mildly, some conflicting opinions on whether we're going to have a recession. Although I've been trying to ignore it, there's an election coming up in November 2024. A quick search reveals many sources agreeing that in the postwar period (after World War II) incumbent presidents have run for reelection 10 times, winning seven and losing three. The winners all had low unemployment and strong economies going for them and the losers were all faced with some sort of economic problems.

Will the economy have an impact on the election? Or will the election have an impact on the economy? Recession or no recession? Time will tell.

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To say that we're going to continue to operate under a

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cloud of economic uncertainty through 2024 would be a bit of an understatement. Put me down for “no recession,” but I’m very confident the overall feeling of uncertainty will continue. So, what should a pricing professional do? I’ll quote myself from an earlier article:

“The best thing businesses and pricing professionals can do with a recession looming on the horizon is to ramp up analytic processes and prepare to recognize and react. We all know that pricing can be one of the most effective levers to pull when help is needed to maintain or increase margins and revenues.”

This will still apply in 2024. And did I mention I posted that in July of 2022?

Trend #2: Inflation and Interest Rates

In their forecast released in mid-December, the Congressional Budget Office projected the U.S. inflation rate will near the Federal Reserve’s 2% goal in 2024. In theory, this means that we should expect the Fed to gradually start lowering the Fed Funds Rate, which will lead to a reduction in interest rates for all borrowers – including the government, banks, businesses, and consumers.

This should lead to an increase in consumer confidence, then an increase in consumer spending, followed by an increase in overall

business activity. The rising tide lifts all boats!

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How much inflation and interest rate changes will impact you and your business depends on your perspective. I think 2024 is going to be a mixed bag. As we saw in 2023, some industries will experience major impacts and some won’t.

For pricing professionals, the most important thing is to be prepared to act. Something unanticipated is going to come up that will require you to make a quick course correction in pricing policy, strategy, and/or tactics.

Agility will continue to be a key to economic survival. Will your current price management systems be able to support the next wild economic roller coaster ride?

Trend #3: Artificial Intelligence

AI concepts have been kicking around since the 1980s, but recent advances in computer technology and the launch of ChatGPT in late 2022 made it an increasingly hot topic in 2023 and beyond.

Will whole white-collar professions such as tech experts, media, teachers, and analysts be rendered obsolete? Marketing departments around the world quickly came to the realization in 2023 that AI sells, even if most people don’t really know what it is.

Those of us in the software space enthusiastically hopped on the bandwagon, with the best providers carefully integrating AI within our solutions to make them more impactful. Think about it: What enterprise software solution isn’t powered by AI?

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How’s this for a prediction: Artificial Intelligence will be the most abused (and feared) term in 2024. Everything is going to be driven by AI. An AI-powered toaster? It’s already here.

Beyond the hype, pricing professionals should be able to garner some benefits from AI. There are some time-tested solutions out there that leverage AI to find otherwise hidden patterns in data that can help with price setting and optimization leading to improvements in revenue and margin. The key is to find solutions that use AI to benefit customers, not just to be able to say they use AI.

It’s Time to Prepare

Without a doubt, 2024 is going to be another interesting and challenging year. The seat belt light is on and the flight attendants have taken their jump seats. Successful pricing professionals will need to be able to quickly assess what’s going on in their businesses and be prepared to take quick action.