

We can do that.



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Data Management: Competitive Pricing Analytics Project

Our top 15 grocery retail client was losing consumer **loyalty** to competitive pricing. They needed a partner to **help** them **win** their customers back, and leverage historical, operational, and competitive pricing data to help redefine pricing models and **proactively** adjust to changes. | **Problem solved.**

One of the nation's largest grocery retail corporations, our client generates annual sales of over \$82.2 billion and employs more than 338,000 associates in supermarkets, multi-department stores, convenience stores, jewelry stores, processing plants, and fuel centers in 31 states.

PROBLEM

The client was facing multiple challenges:

- **No centralized view of cost information.** Information such as vendor contracts and shipping costs were not available in existing data repositories.
- **Competitive pricing.** Competitor's ability to undercut pricing on key products greatly impacted the industry and the client, drawing away previously loyal customers.
- **Reactionary, regional pricing.** Price changes were constantly occurring well after a leading indicator was identified within a particular market, with no recognition of trends outside of that market.
- **No ability to predict impact of price changes.** Pricing analysts made decisions driven

SOLUTION

consilium1 resources delivered a customized analytics solution:

- **Centralized pricing within a single system.** Disparate data was consolidated to allow for centralized pricing decisions.
- **Consolidated view of product cost.** Product costs were consolidated and presented nightly to allow for a clear view of product margin and cost changes.
- **Integration of competitor pricing information within the decision process.** Competitor prices were compared against the existing store prices within the market to provide a clear picture for how the competition compared, product by product.
- **Rules based, suggested retail pricing.** Suggested retail prices were calculated and presented to the pricing analysts each morning based on user controlled rules with focused consideration of all major influences on sales and margin, including the competitor price and cost changes. Users were granted the ability to accept, reject or override the suggested prices.
- **Predictive analysis of pricing impacts.** Historical sales information from the Enterprise Data Warehouse was utilized to provide predictive impacts of retail pricing changes.

RESULTS

This solution delivered for the client:

- **Centralized, consistent pricing for markets across the company.** The business utilized a centralized pricing model, generating millions of dollars in cost savings due to a better use of resources and a more consistent approach to pricing.
- **Established pricing rules for top competitors to regain and retain loyal consumers.**
- **Ability to view cost changes in advance of impacts.** Client was able to proactively modify prices up to 35 days in advance of cost changes, allowing the company to retain millions of dollars in previously lost margin due to cost increases.
- **Predictive view of price change impacts.** For the first time, business was able to see a projected view of sales and track their pricing programs against projections.

PARTNERS

For more information about c1, visit consilium1.com, call us 1-866-631-5494, or contact us at sales@consilium1.com.