

Case study

Lifecycle Pricing



MIG

MIG Fashions Higher Profits with Blue Yonder's Pricing Solution

- Increased revenues and margins
- Reduced markdowns
- Improved staff productivity

An international, automated pricing approach, driven by AI:

“MIG was challenged by the complexity of optimally pricing thousands of items, with different characteristics and demand levels, across multiple countries, currencies and channels. Supported by artificial intelligence, Blue Yonder's lifecycle pricing solution simplifies that complexity. Today MIG is maximizing margins, minimizing excess inventory and reducing markdowns across our global business.” – **Chief Operating Officer**

Challenges:

- Based in Poland, Marketing Investment Group (MIG) has been a leading retailer of footwear and clothing in Central and Eastern Europe for 30 years. It operates more than 400 stores and over 20 ecommerce platforms.
- MIG's complex sales model includes multiple retail brands, including regular-price stores and outlets, in 11 countries. The company struggled to optimize pricing across all its channels, regions, products and brands using manual methods and consumer-grade tools.
- To automate the pricing process, drive sales and optimize margins, MIG partnered with Blue Yonder to implement its lifecycle pricing solution, enabled by artificial intelligence (AI).

Replacing error-prone manual pricing with speed and automation:

“We were managing separate pricing policies for every country, every currency and every channel via manual processes. Sometimes we had 20 prices for a single product. Sometimes we had one price, regardless of variations in local demand, local stock levels and local competitors. The process was so complex and tedious that we could only change prices a few times per season. There were a lot of errors and a lot of markdowns.”





Shaping demand and driving revenues via optimized pricing:

“Our Blue Yonder solution ingests diverse data like sales history, past and future promotions, local demand and current stock levels, then defines optimal pricing proposals. We can look at those proposals and see, in advance, how they will impact consumer buying behaviors, sales and margins. In just a single, one-hour meeting, we can review Blue Yonder’s pricing recommendations and implement them.”

Freeing merchandising staff for more strategic tasks:

“MIG’s merchandising staff was spending many hours defining pricing policies, using manual processes and Excel spreadsheets. Today our Blue Yonder solution automates that process, which means our team can spend more time on product selection, assortment management and other strategic activities. It’s completely changed the roles and responsibilities of our merchandising team.”

Solution benefits:

- Blue Yonder’s lifecycle pricing leverages AI to support a faster, more granular decision-making process than humans are capable of. It effortlessly translates data into profitable pricing plans, with the goal of maximizing revenues and margins while minimizing excess inventory.

- From everyday pricing to markdown, Blue Yonder’s lifecycle pricing solution considers consumer buying behavior, internal sales data and external data feeds such as weather when making its calculations.
- Using powerful algorithms, Blue Yonder’s pricing engine evaluates all price points for a product and market/channel combination to determine the resulting change in demand. MIG can optimize hundreds of prices every day, considering the effects of each change based on real-time data.

Blue Yonder’s expertise:

“Pricing for retailers is really in the center of the sales process; it’s the heart of retail. Delegating such a core competency to any technology system may sound ridiculous at first glance. But Blue Yonder truly understands our business. They’ve created a solution that analyzes huge volumes of product, market, competitor and third-party data to achieve one goal: maximizing margins across all our products, all our markets and the entire product lifecycle.” – **Chief Operating Officer**

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