Case study
Pricing & Promotion

orsay

Orsay's ROI is always in style

10%

improvement on ORSAY stock per discount percentage

Productivity improvement

"Today, we no longer need to rely on manual analysis or guesswork. Blue Yonder Pricing & Promotion is automating our most critical pricing decisions. The software makes a recommendation, and we simply apply it."
– Head of Innovation, Orsay

Challenges

- As a vertically organized fast-fashion retailer, ORSAY manages the complete supply chain, from design to production and selling. The company offers an up-to-date product range — a large selection of trendy styles and classical looks that customers are looking for right now.

- Because fashion trends are always changing, ORSAY is challenged to manage the pricing of its products across their life cycle — maximizing profits, but also ensuring that clothing will sell before it becomes outdated.

- ORSAY's goals were to increase revenues and margins via fewer markdowns, reduce inventory costs by clearing stock more efficiently, improve staff productivity, and enhance shoppers' satisfaction by meeting their merchandise and pricing expectations.

Achieving a fast ROI

"In just the first year of using Blue Yonder Pricing & Promotion, our discounts were less deep. The stock per discount percentage improved to 30 to 40% — from a starting range of 40 to 50%. This results in a lower discount rate that maximizes our profit margins."

Increasing retail complexity

"The omni-channel world and the need for sustainability have led to a level of supply chain complexity that we as humans are not able to handle anymore. We realized that we needed support from machine learning to achieve a new level of business management for our website and our 700-plus stores in 34 countries."

Minimization of markdowns

"The aging of our stock is better and healthier. We are able to sell our products when there is a demand for them. We apply less frequent discounts. In the past, we might have applied three or four markdowns per item. Obviously, each of these markdowns eroded our profit margins. Today we apply only two or three markdowns per item."

Solution benefits

- Backed by artificial intelligence (AI) and machine learning (ML), Blue Yonder Pricing & Promotion enables ORSAY to maximize profits, reduce waste and achieve data-driven, continuously optimized pricing at every stage of the product life cycle.

- By considering current and historical data, Blue Yonder Pricing & Promotion is able to determine the right level of price elasticity for each of ORSAY's apparel items.

- The solution also accounts for such complex factors as competitive prices, substitution and cannibalization effects as it automatically makes the most profitable pricing decisions for ORSAY.

Blue Yonder's expertise

"We chose to partner with Blue Yonder for two main reasons. Technology-wise, they offer state-of-the-art software capabilities, and they have enormous experience in the domain of data science. Business-wise, they were able to perfectly understand our business needs and translate them into a data-driven model for recommending pricing changes."

⤴ Luminate Commerce

BlueYonder