



Luminate Market Pricing

Automate Strategic Hardlines Pricing with Intelligence and Precision

Business context

It's not an easy time to be a hardlines retailer. Steadily increasing competition, the explosion of e-commerce and the growing demands of consumers are forcing hardlines retailers to drive sales via aggressive pricing and promotions. But what's the right price that will shape demand and encourage consumer purchases, while still protecting profit margins that are already stretched thin?

This is a challenge retailers struggle with every day, across every channel and every store. They have large volumes of data available, but often lack the right technology solutions, workflows and human resources to gather and analyze that data. They can't consider complex issues such as localization, cannibalization, and the effects of weather and other factors on shopper behaviors.

Making the wrong pricing decisions can erode margins. But sub-optimal pricing can also make slow-moving products even slower, waste precious space on the floor and in the warehouse, damage shopper loyalty and brand image, and send consumers to other retailers. The implications are far-reaching and long-lasting.

In contrast, the right pricing can maximize margins, delight shoppers, increase inventory turns, free up floor space and improve revenue per square foot. By optimizing pricing, hardlines retailers can make their stores a destination for the newest, most in-demand products, offered at a price that will attract consumers.

Key features

- **Strategic Optimization:**
Retailers set strategic pricing goals and the AI-enabled engine executes against these, providing high levels of automation and agility.
- **Prediction of Price Elasticities:**
Luminate Market Pricing leverages advanced ML to analyze the complexities of price tolerance at the local level.
- **Accurate Demand Forecasting:**
Retailers can consider a host of factors that impact shopper behavior and understand the true correlation between price and other influences.
- **Decision Optimization:**
The solution optimizes pricing decisions over the life of each product to maximize competitiveness, revenues, profits and inventory turns.
- **Process Automation:**
By automating the pricing process, hardlines retailers can increase their pricing cadence to a daily occurrence, while freeing up scarce labor resources.

Luminate Market Pricing

Offered by retail leader Blue Yonder, Luminate Market Pricing is driven by proprietary, state-of-the-art artificial intelligence (AI) that far exceeds human capabilities for analysis. This powerful solution monitors and ingests large volumes of real-time data on customer demand, shopper behaviors and price tolerance then automatically produces dynamic pricing policies that shape demand, move products and maximize profits.

Luminate Market Pricing helps optimize everyday pricing for every store and every SKU, based on the industry's most accurate forecasting engine and sophisticated price elasticity analytics that consider consumer demand, brand loyalty and local conditions. This powerful solution leverages machine learning (ML) to understand the relationship between price changes and demand, while also considering top-level strategic and financial goals.

Luminate Market Pricing considers long-term demand influences such as weather patterns and planned promotions, but also senses vital real-time demand signals as conditions inevitably change. The result? A fluid, flexible solution that autonomously recommends intelligent pricing changes, with little to no human intervention positioning retailers to make the most of their scarce labor resources.

Luminate Market Pricing is the retail industry's leading solution for dynamic pricing in both online and brick-and-mortar stores, leveraging advanced AI/ML and proprietary algorithms. Built for the future of pricing, it strategically and continuously balances business and financial goals with practical constraints and trends at the local level.

Capability Offerings

Intelligence

Uses proprietary ML to isolate the price-demand relationship from other influencing factors, at the most granular level, alongside Blue Yonder's AI demand forecasting engine to better understand how customers are likely to behave in relation to price changes.

Automation

Luminate Market Price recommends intelligent prices based on learnings from current and historical data to reflect the business goals of the organization, leading to dynamic pricing strategies that optimize for revenue, margin or a mix of approaches. Powerful algorithms scientifically determine the price elasticity of demand via ML algorithms that understand customer behavior.

Agile Deployment

Blue Yonder's proven cloud delivery model spans 15+ years and over 600 customers. A cloud-based deployment leads to fast value realization and increases retailers' ability to adapt quickly to change. Microsoft® Azure's robust security measures, combined with the Luminate Platform integration approach, ensure critical data is reliably delivered to every system on-demand.

Intuitive User Experience

Blue Yonder's Glassbox user interface (UI) exposes the thinking behind the AI, leading to meaningful human-machine interaction. Users set pricing strategies to balance goals such as revenue and margin optimization, and are directed to exceptions via targeted alerts. Pricing approval is managed via intuitive workflow with a focus on toward KPI improvement, while intelligent competitive analysis avoids a race to the bottom.

Key benefits

Precise: Improve agility with objective data measurements, derived at the most granular level.

Intelligent: Create accurate demand forecasts and continually update price elasticity measurements, for smart pricing.

Automated: Rapidly and cost-effectively deliver specific, market-aware prices in highly competitive channels and locations.

Digital transformation is at your fingertips

To learn more, visit blueyonder.com/solutions/pricing

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