

Lifecycle Pricing



Accelerate your ROI with lifecycle pricing

In the competitive retail market, bargain-conscious shoppers seek the best possible prices and have many channels to consider. But no matter which channels you sell through, the older statistical models, outdated science-based capabilities or “gut feeling” knowledge you found useful in the past won’t ensure your success today.

To stay competitive, maximize profits and avoid waste, you need powerful, market-driven pricing capabilities that go beyond rule-based pricing and deliver analytical, data-driven, continuously optimized prices at the finest levels of granularity: store, product, color and size. While there are other science-based pricing capabilities in the market, only Blue Yonder’s lifecycle pricing capabilities use artificial intelligence (AI) and machine learning (ML), significantly outperforming all others that use non-linear regression models.

Why go it alone? Rely on Blue Yonder, the industry leader

Blue Yonder is consistently leading the pack in innovations and always designing for the end-user experience in mind. Our effective and progressive pricing capabilities help achieve your business goals by delivering dynamic, data-based pricing that reflects real customer demand across all channels.

Blue Yonder’s lifecycle pricing uses artificial intelligence (AI) to test, measure and learn the interactions between price and demand changes. From everyday pricing to markdown, our lifecycle pricing capabilities consider the costs and impacts of price changes, along with consumer buying behavior, internal sales data and

Real results

Companies that rely on Blue Yonder’s lifecycle pricing capabilities can reap significant benefits, including:

Decreased markdown spending by

12%

Improve revenue by

15%

Stock per discount reduction by

10%

external data feeds such as weather when making its calculations. It's the perfect approach for progressive enterprises looking to grow revenue, increase profits and simultaneously decrease time consuming repricing events.

Our lifecycle pricing capabilities are part of the next-generation Blue Yonder Luminate Retail family, which extends and enhances our product portfolio and is built on a cognitive, real-time, connected platform that embraces leading-edge technologies such as SaaS, IoT, AI, advanced analytics and cross-platform integration.

Lifecycle pricing capabilities within easy reach

On average, a 1 percent change in price leads to a 10 percent change in profitability, and the smaller a company's margins, the more pronounced the effect. But many companies still lack strategic and sophisticated capabilities for pricing. Toss the static and dated models for a more leading-edge approach. Able to support a variety of scenarios, including: revenue maximization, profit maximization or stock-based pricing, lifecycle pricing is the answer for the modern enterprise. Plus, you can also choose a mixed strategy that strikes a balance between revenue and profit optimization, so that your pricing best reflects your company's overall business objectives.

Blue Yonder's pricing capabilities are designed around the fact that markets and consumer behaviors change daily. Using powerful algorithms, it continuously and systematically evaluates all price points for a product and store combination to determine the resulting change in demand. By analyzing current and historical sales data and product master data, you'll have the ability to optimize hundreds of prices every day and consider the effects of each change based on real data across individual locations.

While price elasticity capabilities are found in competing offers in the market, they simply cannot account for short-term market dynamics. Our SaaS-based set of capabilities take into account that price elasticities differ from product to product, and from store to store, as does the optimal price point. Its continuous machine-learning capabilities, combined with retailer set parameters, recommends the most valuable price changes for any given day, store and item so you can automatically set revenue and profit-maximizing prices for every stage in the product's lifecycle.

It then calculates the price elasticity of demand for each product based on various price and quantity pairs. Even for slow-selling goods, price elasticity can be determined using cluster and aggregation algorithms. Backed by data, after a short learning period, it sets optimal prices for products in each location, ensuring that price recommendations match your business goals.

With a data-driven markdown pricing strategy, you not only account for localized changes in demand, you also maximize either the overall revenue or the overall profit margin for a product. Our set of capabilities automatically detect the point where the effects of decreasing price offset the impact of growing sales, yielding increased revenue and margins through strategic pricing and planning.



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