BlueYonder

Pricing for Hardlines Retail

Luminate Experience
Retail
Luminate Platform
Logistics
Planning

Accelerate your ROI with pricing and promotion

To remain viable, today's retailers must embrace a new way of doing business. With your profit and revenue goals on the line, now is the time to gain a competitive advantage with next-generation solutions. Capabilities that optimize and synchronize processes, incorporate advanced forecasting and pricing techniques, embed actionable intelligence and align inventory levels with consumer demand. Blue Yonder's hardlines pricing and promotions capabilities empower retailers to make data-driven decisions, leading to greater consistency and bottom-line results.

Balancing customer demand with the availability of products is a constant challenge in apparel retail. Even with best efforts, not every product meets customers' expectations and simply won't sell. In-season merchandise management is therefore all about matching promotional activities and markdown budgets with the customer perception of your products. It's a delicate balancing act of being able to clear inventory quickly, whilst aiming to achieve the highest possible margin, with the highest possible price your customer is willing to pay.

Traditional price optimization solutions have had a hard time with this task. The lack of like-items, short product lifecycles and minimal competitive data, leave many challenges. But the rise of machine learning puts an end to this struggle. Based on precise demand forecasts and predicted price elasticity derived from a multitude of attributes, Blue Yonder has created a native SaaS-based solution that integrates seamlessly with your existing processes.

Real results

Improved forecast accuracy up to

30%

Decreased markdown spending up to

12%

Improved revenue up to

15%

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

Many pricing teams and analysts rely on spreadsheets to sift through large data sets and identify pricing opportunities. However, today, it is impossible for human beings to match the sophistication of Blue Yonder's machine learning-based solutions. Able to review billions of data points every day to find correlations between demand and hundreds of other factors, is something that users cannot accomplish on their own.

At the center of pricing science, forecasting is used to model price elasticity. Blue Yonder's next generation solution has shown improvements in forecast accuracy of up to 30% or more, which has a profound effect on pricing. The improvements in forecasting create superior price and elasticity modeling. By combining science with retail expertise, Blue Yonder's highly scalable and reliable solution can generate a fast ROI.

Moreover, our expert data scientists work to streamline the implementation process and guarantee quick deployment. Our team dive into your business, offering clear analytics, guidance and insights to ensure you fully benefit from the flexible, robust and entirely automated capabilities.

Hardlines pricing within easy reach

Blue Yonder's leading-edge pricing and promotions capabilities use artificial intelligence (AI) to test, measure and learn the interactions between price and demand changes. From everyday pricing, to promotion, to markdown, our capabilities consider the costs and impacts of price changes, along with consumer buying behavior, internal sales data and external data feeds such as weather, when making its calculations. It's the optimum approach for progressive retailers looking to grow revenue, increase profits and simultaneously decrease time consuming repricing events.

Whether your team leverages Excel or another first generation, manual process as a price optimization solution, addressing pricing by type, i.e. one solution for regular price, one for promotions and an additional one for markdowns, will consistently cause you to fall short of goals as these systems are still often deployed in silos. This method creates a lack of connections to other business processes such as marketing, assortment planning, space planning, supply chain execution and print execution. This siloed approach also makes it impossible for retailers to understand which promotions were more successful and profitable than others and why. Without a systematic approach, new challenges arise, and you run the risk of introducing errors into your pricing and promotions.

While it may seem simple to just lower prices to increase demand and raise prices to reduce demand, there are far too many other factors to consider such as competitor pricing, day of the week, etc. Blue Yonder's pricing capabilities are designed around the fact that markets and consumer behaviors change frequently. Using powerful algorithms, our pricing and promotions capabilities continuously and systematically simulate and evaluate all price points for each SKU and store combination to determine the resulting change in demand and how KPIs will be impacted. 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.

Furthermore, based on these simulations, the solution can recommend whether a small, temporary promotion on a subclass will be more beneficial than a hard markdown in two months or vice versa. Additionally, the capabilities automatically filter out the products that need to be re-priced so price analysts have more time for strategic tasks. This flexibility delivers a truly holistic view of the product lifecycle, allowing retailers to more easily align financial metrics with objective-driven pricing.

These sophisticated capabilities allow teams to normalize sales, create constrained sales forecasts, predict the climate for upcoming months and lead the decision-making process with Blue Yonder's actionable intelligence.

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