A leading kids apparel retailer improves efficiency in pricing and promotions planning by 50% with PriceSmart

OPPORTUNITY

The client is a leading provider of apparel and related products exclusively for babies and children, and owns some of the most renowned brands in the marketplace. These brands are sold in leading department stores, national chains, specialty retailers domestically and internationally, directly through over 700 company-operated stores, as well as their online channel.

Given the scale and complexity of the client's business, which includes 4 different brands having 30K unique products selling across multiple channels at any point in time, their pricing team was struggling due to lack of a standardized process and reliance on unscientific and sub-optimal pricing & promo decisions. This gave rise to the need for a centralized pricing optimization system - a solution which is intelligent (AI/ML driven) and can streamline multiple pricing levers, i.e., price recommendations, price setting, and price execution capabilities, for all their retail products.

> " **PriceSmart's ability to provide granular pricing recommendations has helped our team make smart data-driven pricing decisions in no time. We were able to save a lot of time that was earlier spent on manual tasks and have added millions to our bottom line with PriceSmart.**
>
> *- SVP of Pricing at a leading kids apparel retailer*
> "

ACTION

The client partnered with Impact Analytics and adopted PriceSmart, an AI enabled end-to-end lifecycle pricing and promotion management solution. PriceSmart is Impact Analytics' revolutionary pricing solution which helps make intelligent pricing decisions across the lifecycle of a product.

Initial adoption of PriceSmart has brought in significant improvements to the client's pricing ecosystem. It has helped buyers and planners streamline their existing processes and take optimized pricing decisions. Planners now spend ~4 hrs/week on planning (vs. >10 hours/week previously), thereby having extra time to focus on key areas such as marketing and site merchandising guidance. Markdown planning reports generated from PriceSmart helped the retailer communicate signage/blueprint changes to the stores thereby helping them with store labor planning as they forecast their weekly labor hours. With PriceSmart's algorithmic intervention, the client could set the optimal kill price for each product nearing the end of its lifecycle. This has led to significant improvements in margin. With the implementation of PriceSmart, the client has also been able to support dynamic financial roll-ups and other reporting needs of their different stakeholders like buyers, planners, VPs and CXOs.

OUTCOME

PriceSmart has brought significant improvement in margin and a huge time saving for planners as they don't have to do any manual math anymore. The implementation of PriceSmart has enabled the client to maximize pricing optimization linked bottom line benefits.

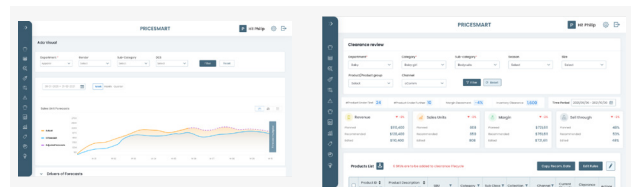| 5-7%	>60%	100%
Increase in EBITDA	Reduction in planning time	Adherence to pricing compliance policies

WHAT'S NEXT

PriceSmart will facilitate preseason promo planning and support the integration with assortment planning systems. PriceSmart will also be configured to include a built-in Marketing calendar module to design Promotion/Marketing calendar as per business needs, product and store-tiering module.