

Multiple price Point Issue for the Same Style-Size Combination Solved

For One of the fastest-growing Retail Value Chains, with Increff Buying & Planning

One of the fastest-growing Indian value retail chains was experiencing difficulty in accessing what styles to keep, and at what price points. Faced with multiple price points for the same style-size combination, decision-making was highly complex and challenging. Increff Merchandising Solution helped in consolidating multiple price points based on revenue contributions at the value chain level. It optimized the brand's vendor base and helped in providing a clear price value proposition to their end customers.

Problem Statement

Over the years, the retail value chain sourced products from different vendors, leading to multiple price points for each style-size product, leading to multiple MRP points for the end customer. The business was badly affected, as there was no clear direction when it came to planning the assortment price offering to the end customer. In addition, vendor management and accessing vendor performance became challenging.

The price points had to be reduced because:



Having multiple price points increased the number of analysis groups that could be used to analyze what style size to buy for the upcoming season



Grouping the price points in large buckets (at Intervals of 300-500) was not good for business as the customer base is very price sensitive



Solution



Increff Merchandising Solution analyzed daily sales and grouped them into store/ category/ subcategory combinations



At the company level, MRP buckets were made consolidating all the price points to the nearest 10



Revenue mixes for all points were analyzed and bottom performers were removed and predictions were done only for the qualified price-points



Reduced a multi-day job to manually check over 20L rows across 250 categories to less than a single day task

Value Add



Rationally bucketing the price points reduced their number from practically 100s per category - subcategory to 4 or a maximum of 5



It gave brand merchandisers, and planners, a clear direction on what price points to negotiate/ discuss with vendors



Lowering the number of price points reduced the number of attribute groups, thus improving the overall performance at the company level, with faster analysis and decision-making.

