

Predictive Price Management and Bulk Pricing

Operating 5 different regions and 3 different customer segments with one pricing management tool

About Metro

- **Country:** Slovakia
- **Industry:** Omnichannel food retail and wholesale
- **Sales channels:** 6 stores, e-shop
- **Pricing zones:** 5
- **Active SKUs:** 21.000
- **Yieldigo modules in use:** Everyday price management, Bulk pricing

Risks of the Current Status Quo



1

OVERLOADED CATEGORY MANAGERS

With an increasing amount of SKUs in the mode of multi-tier pricing, running bulk prices in Excel has become operationally super time-demanding.



2

LOSING PRICE CONSISTENCY

With 3 types of customers (HoReCa, traders, end-customers), selling both offline and online, and moving more items into the multi-tier pricing, consistency across individual SKUs has become hard to keep.



3

POOR COORDINATION

Under enormous operational complexity accompanied by sales strategy enhancements, lack of one single source of pricing truth has resulted in poor coordination between key people and pressured P&L.

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The solution

- **Addressed risks:** overloaded category managers, losing price consistency, poor pricing coordination.
- Risk of **manual errors** solved by increased automation of the pricing process. Metro SK leaders can **automate up to 90%** with these modules: rules and strategies settings, what-if, families, reports, exports, machine-learning price optimization, bulk pricing.
- Users are now enabled to run **what-if simulations** of different price strategies across regions so they can always apply the right one. This machine-learning capability automatically analyzes historical sales data to evaluate possible **impacts** on future revenues, margins, volumes, and price indexes.
- **Bulk pricing module** permits pricing managers and category managers to adjust prices of bulks according to the demand and previous purchasing behavior, as well as react to the supplier pricing and competitors prices. Automatic synchronization of the data allows for easier handling of bulk prices.
- **Families module** to handle SKUs families with less effort equipped with automatic suggestions, on several levels of product combinations to receive better bulk prices.
- Everyday prices management for **360° omnichannel pricing**, managing brick-and-mortar stores and Food Service Delivery with different pricing strategies.



Category managers got their pricing-overload under control

- Pricing process streamlined and automated, while equipped with data insights enabling for making **informed decisions about prices**.
- The user can flexibly manage the level of **pricing automation** across the calendar year with a few clicks. Users are enabled to combine user-based pricing rules with machine-learning price optimization to secure target margins at a specific operational (regions) level.
- **Reactions in less than 24 hours** to the supply chain market and competitors enabled.
- Higher competitiveness on KVIs achieved by the **ability to price different items baskets differently**. Competition price indexes are checked weekly and used to adjust prices - separately for core, long tail, near basket.
- Informed daily and **board-level pricing decisions** thanks to what-if simulation of impacts on revenues, margins, volumes, and price indexes, detailed visibility into optimal prices for each customer typology.
- Prices with manual errors displayed to the customers **cut by 95%**.
- **Understanding** of financial impacts of new pricing strategies and tactics before those are applied.
- **The buy-more-pay-less approach** has proven to be margin accretive and well-established with shoppers. Selling more in bulks was unthinkable to achieve in scale with the previous workflows managed in spreadsheets. Enormous workload was the limiting factor. Now **cut by 55%**.

99

The COVID pandemic meant that we needed to redefine our pricing strategy very quickly. With the Yieldigo price management tool having been used for years in our company, we were able to react promptly. With the support of Yieldigo, we were also able to implement a new approach to bulk pricing. In 2020, we recorded the same sales as in 2019, despite the loss of the HoReCa market.



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