



METRO

"Prices with manual errors displayed to our customers were cut by 95%."

METRO now operates 5 regions and 3 different customer segments with one price management software.

About METRO

- **Country:** Slovakia
- **Industry:** Omnichannel Food Retail and Wholesale
- **Sales Channels:** 6 stores and an e-shop
- **Pricing Zones:** 5
- **Active SKUs:** 21,000
- **Yieldigo Modules in Use:** Everyday price management and Multibuy

Risks and Challenges



No Price Consistency

With 3 types of customers (HoReCa, traders, end-customers) selling both offline and online, while adding items to multi-tier pricing, consistency across individual SKUs has become hard to maintain.



CatMan Overloaded

With an increasing number of SKUs in stock in the mode of multi-tier pricing, running bulk prices in Excel has become extraordinarily time-demanding at the operational level. Human error becomes imminent.



Poor Coordination

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



Implementation & Onboarding

- With the help of Yieldigo, the implementation of all modules including Multibuy took only 14 weeks to achieve despite the size of the project and all the features and applications involved.
- The implementation required complex logic in competitor price aggregation and export processes, several data interfaces (i.e. SFTP, Keboola, and others), as well as advanced data quality checks in the integration pipeline



Solution

- Using Yieldigo's effective price management software, METRO sought to reduce category managers pricing overload, ameliorate price consistency, and remedy the status quo of poor pricing coordination.
- The risk of **manual errors was solved by increased automation of the pricing process**. Metro SK leaders can **automate up to 90%** of the processes with the following modules: Rules and Strategies Setting, What-If Simulations, Product Families, Reports, Exports, Machine-Learning Price Optimization, and Multibuy.
- 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.
- **The Multibuy module permits pricing managers and category managers to adjust prices of bulk items according to the demand and previous purchasing behavior**, as well as react to the supplier pricing and competitor prices. The automatic synchronization of the data allows for easier handling of bulk prices.
- **The Families module was implemented to handle SKUs families with less effort** and to equip their team with automatic suggestions for several levels of product combinations, resulting in better and more accurate bulk prices.
- Everyday prices management for **360° omnichannel pricing**, managing brick-and-mortar stores and Food Service Delivery with different pricing strategies.



Results

- After implementation and usage of their Yieldigo software, METRO's pricing process became streamlined and automated, while also equipping their team with data insights, **empowering them to make informed decisions about prices**.

- Their pricing professionals **can now flexibly manage the level of pricing automation** across the calendar year in just a few clicks. Users are enabled to combine user-based pricing rules with machine-learning price optimization to secure target margins at the specific operational level they establish (in this case, regional).
- **They can now react in less than 24 hours to the supply chain market and their competitors**, thereby proactively keeping themselves in control of their local market pricing.
- **Higher competitiveness on KVIs was achieved** by enabling the METRO team to price different item baskets differently. Competition price indexes are now checked weekly and used to adjust prices separately for core, long tail, and near basket.
- **Leadership is Informed daily on price management considerations to help them better execute board-level pricing decisions** thanks to the usage of what-if simulation impacts on revenue, margins, volumes, and price indexes. They also gained detailed visibility into optimal prices for each customer typology.
- **Prices with manual errors displayed to the customers have been cut by 95%.**
- **Understanding the full scope of financial impact** when applying new pricing strategies and tactics before they are executed has been a game-changer for their team and overall results.
- The enormous workload they previously had due to manual spreadsheet logging and work was one of the most limiting factors – **this has now been cut by 55%.**



Conclusion

METRO's buy-more-pay-less approach with Yieldigo has proven to be margin-accretive and well-accepted by their shoppers. In the past, selling more products in bulk was unfathomable since the previous workflows were managed in spreadsheets. With Yieldigo software, the manual workload was cut by 55%, **allowing their pricing teams to focus on tasks that generate tangible business results.** With their workload on manual tasks significantly reduced, improved price consistency achieved, and unified pricing coordination across teams becoming the new norm, **METRO has readily achieved full control over their retail prices**, even more so than they had in the past.



“Prices with manual errors displayed to our customers were cut by 95% thanks to Yieldigo.”



Xavier Gardies

Chief Commercial Officer,
METRO

METRO