

# Software fits your Strategy!

How to boost your success with strategic and active price management using Simon-Kucher's software platform for retailers: SK Dynamica | Retail

**SIMON**   
**KUCHER**  
Unlocking better growth



## Adjust retail pricing to dynamic times!

### More success through strategic and active price management

A **dynamic market environment with constantly adapting customers** on the one hand, ever **larger** and **more detailed data sets** on the other – retailers have never had a bigger **need** but also a higher **potential** for **active price management** than today!

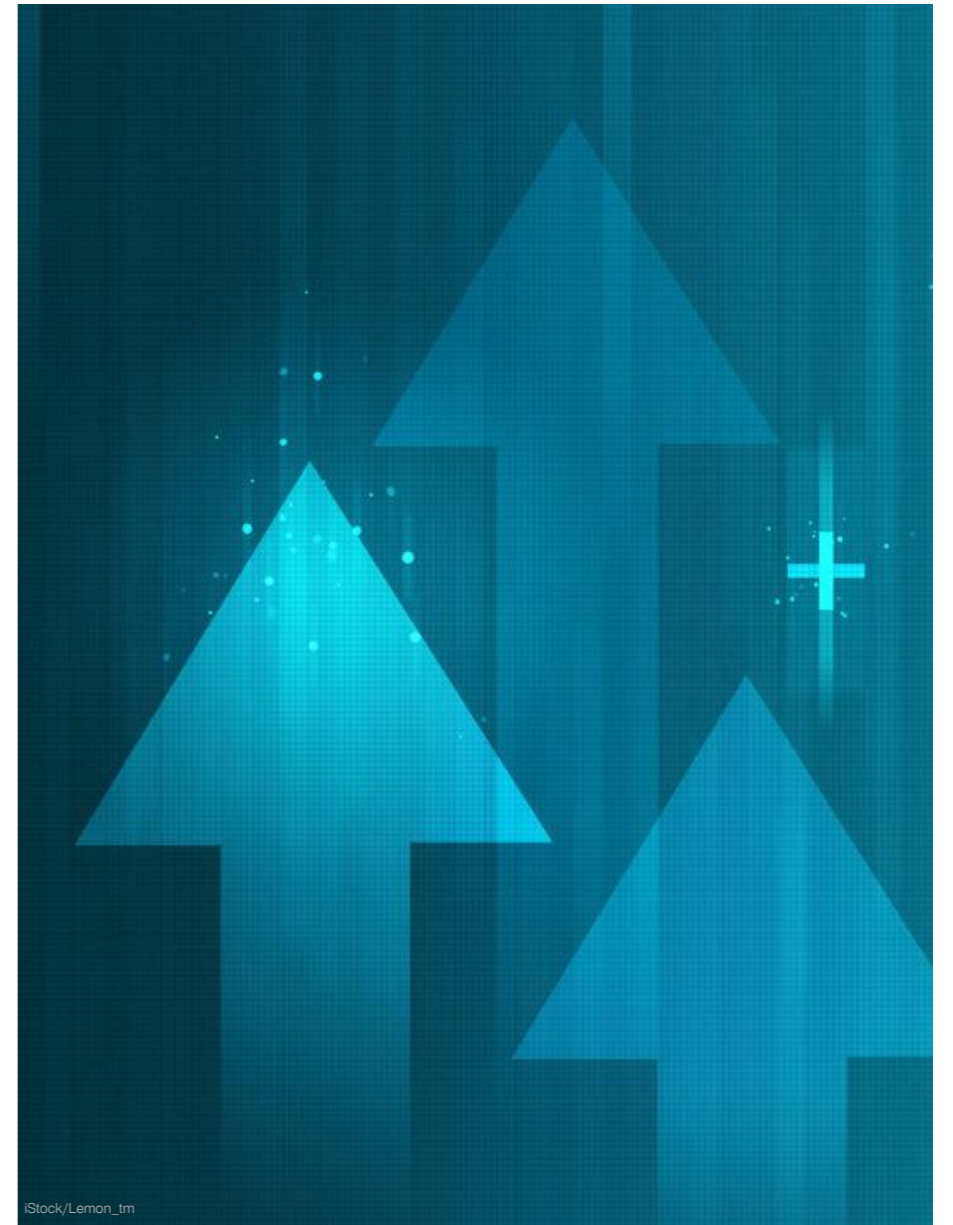
However, in our work with leading retailers, we repeatedly find that both the **strategic** and **systemic foundations are lacking to leverage the opportunities of active price management**.

This document shows you how to **adapt** your **retail pricing to dynamic times in 4 steps** and outlines how your company can **integrate it systemically** with our **software platform for retailers: SK Dynamica | Retail**.

**Let's talk about your specific situation and how we can help you to price your assortment strategically at any time and forecast effects at the push of a button!**

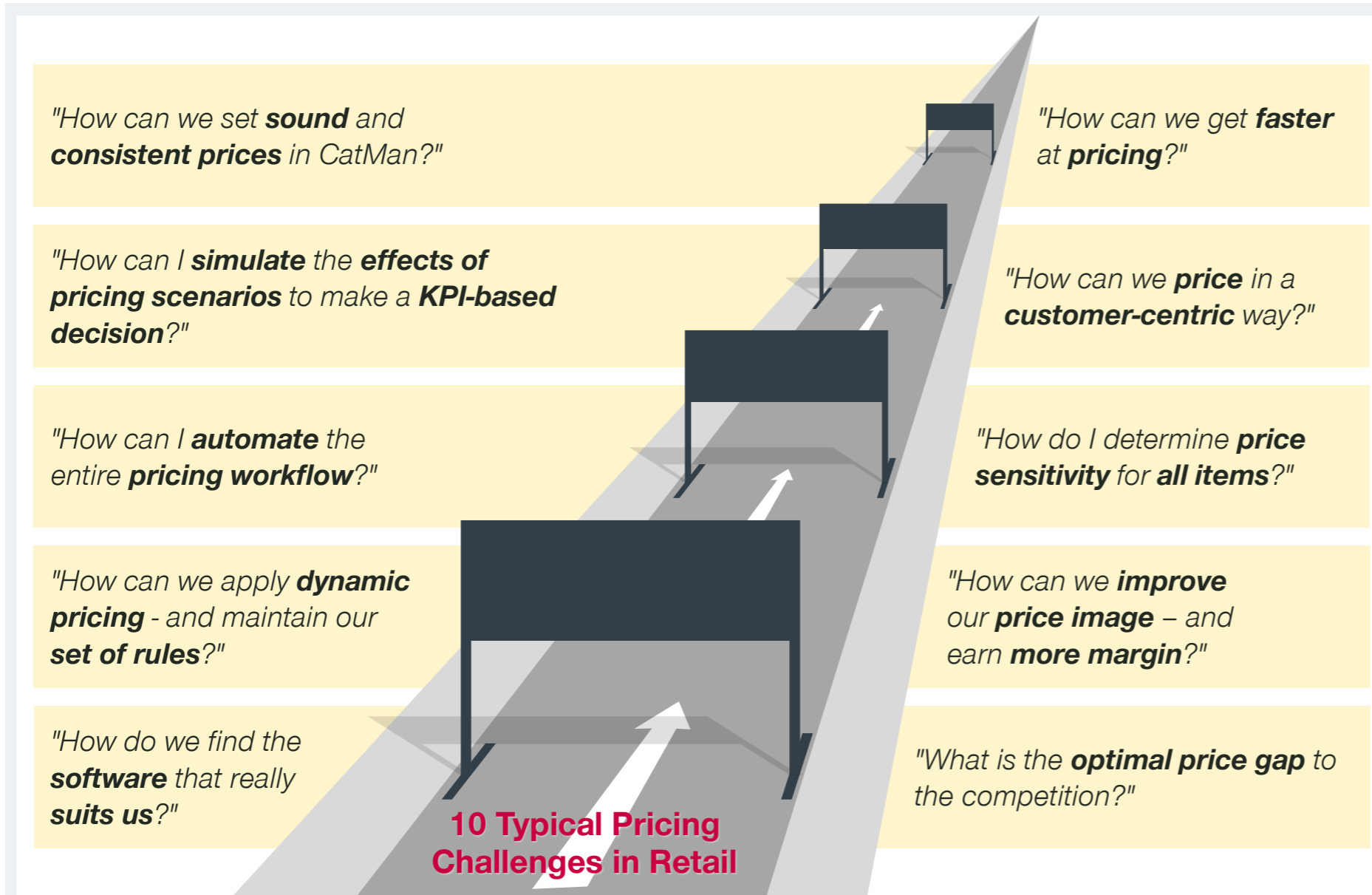
Don't hesitate to contact us! We look forward to get in touch with you!

**Jos Eeland**, *Partner Retail*



## Challenge

Retail pricing is often ad hoc, too slow, inconsistent and mostly manual



*How can you  
**improve** your  
retail pricing?*



## Solution

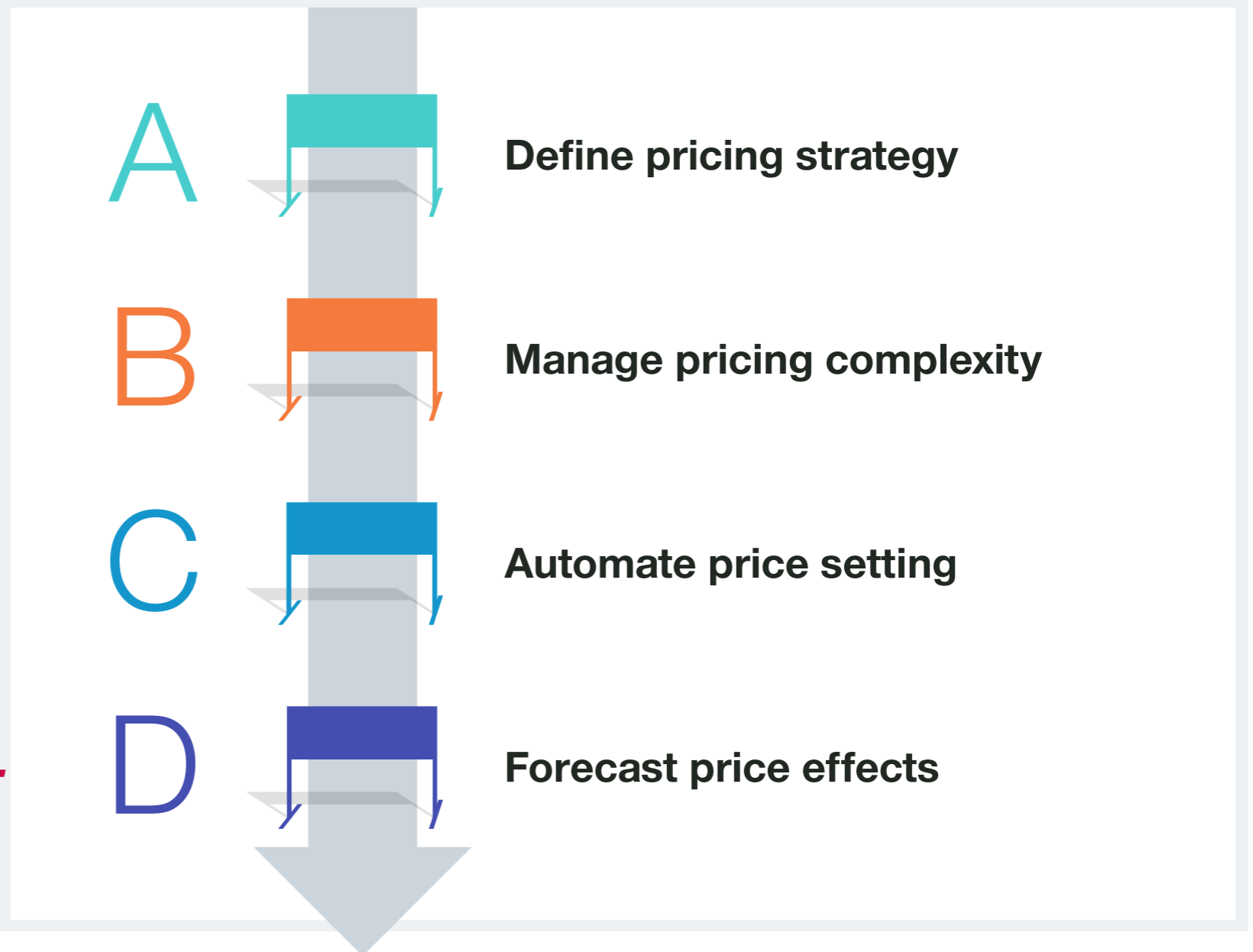
Software follows Strategy - Strategic and active price management with Simon-Kucher's software "Dynamica Retail"

**SIMON** ♦  
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*You need your own rule-based **pricing strategy** – and a **software** for the **one-to-one implementation!***







## How good is your pricing strategy?

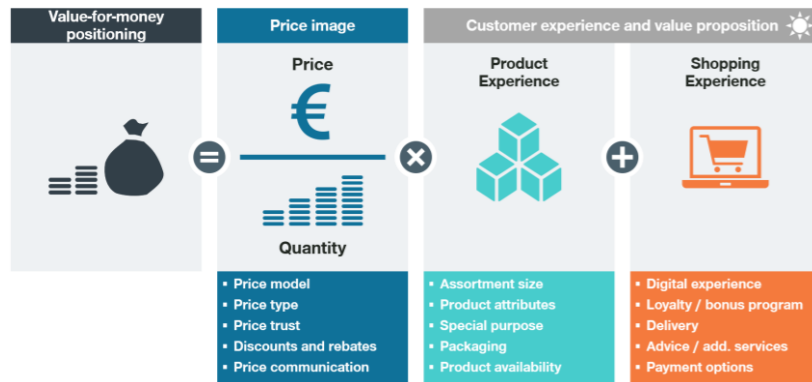
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- **Why** should **customers** buy from you rather than the **competition**?
- **What** is your **value for money positioning**? What is the **price image**?
- **How** should you **position** yourself **relative to** the **competition**? What is the **optimal price gap** between **brand** and **private label**? Between **regular** and **promotional prices**? Between **channels** or **stores**?

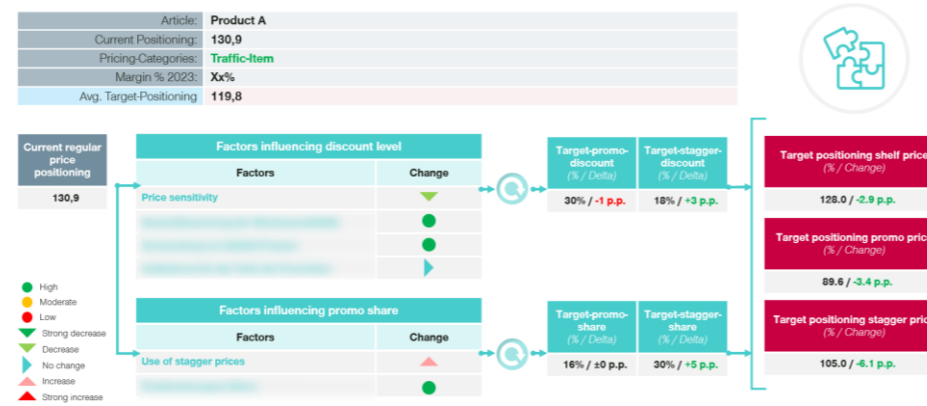
# Define the right pricing strategy to monetize your corporate strategy!



## Value-for-money is multi-dimensional



## Price positioning - more than just an index



## Our approach

- ✓ **Determine your current value for money positioning** from the customer's point of view and identify deficits and define the target positioning
- ✓ **Identify and define pricing guidelines** (e.g., price gap to competition, brand vs. private label, positioning of different price types like regular, promo, app, markdown price, etc.).
- ✓ **Make price positioning** measurable for daily pricing and translate for pricing drill down



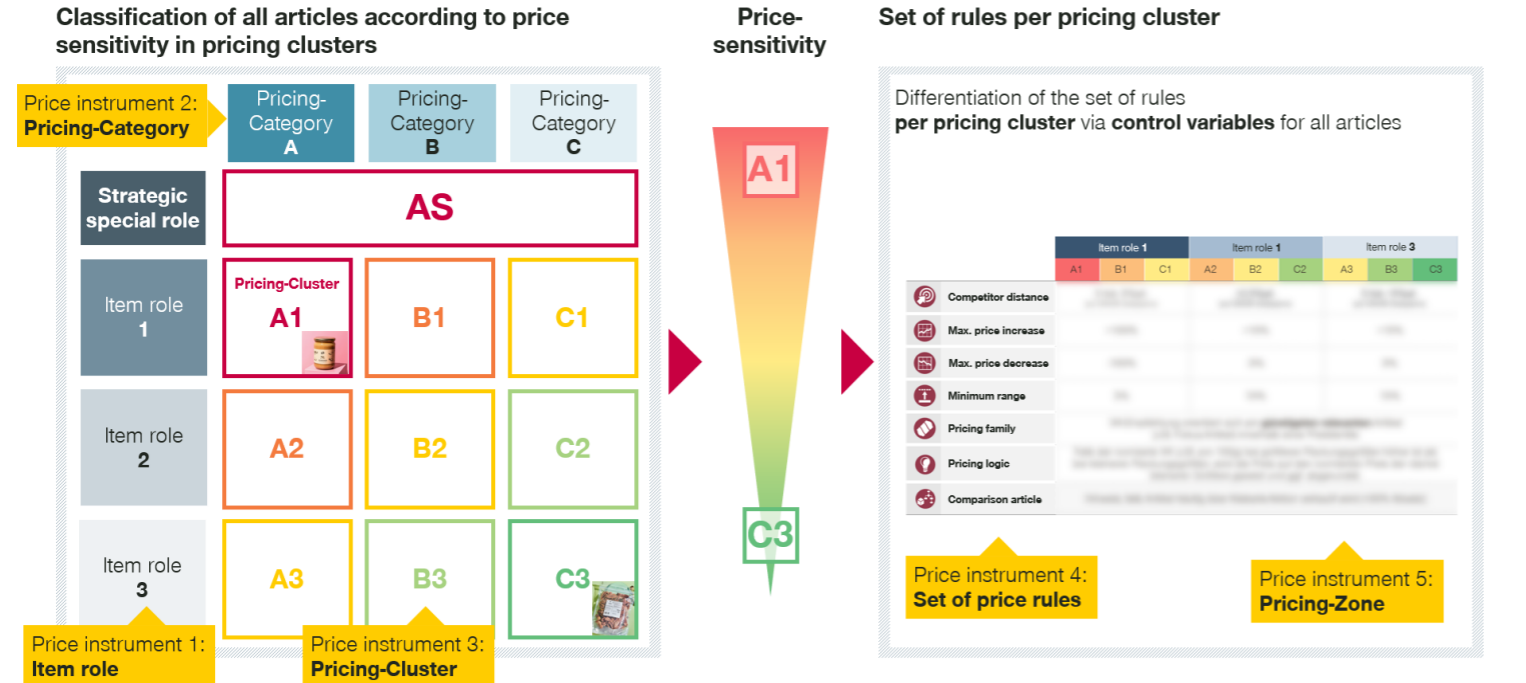
# How do you deal with complexity in pricing?

- 
- **How** do you set **prices at item level** while considering **customers, costs,** and **competition** at the same time?
  - **Which** role does **customer price sensitivity** play for you?
  - **How** do you synchronize **stores, webshop, marketplaces, app & co.?**

# Master your pricing complexity with expertise and algorithms!



## Pricing instruments for automation and dynamization



## Our approach

- ✓ **Design pricing instruments** for smart price differentiation (e.g., item role, product category, occasion, customer type, channel, seasonality, etc.)
- ✓ **Calculate the price sensitivity** for every item and each product category using intelligible algorithms
- ✓ **Develop a pricing matrix** and a clear-cut pricing rulebook for each cluster of the matrix containing business rules and guidelines for automated pricing





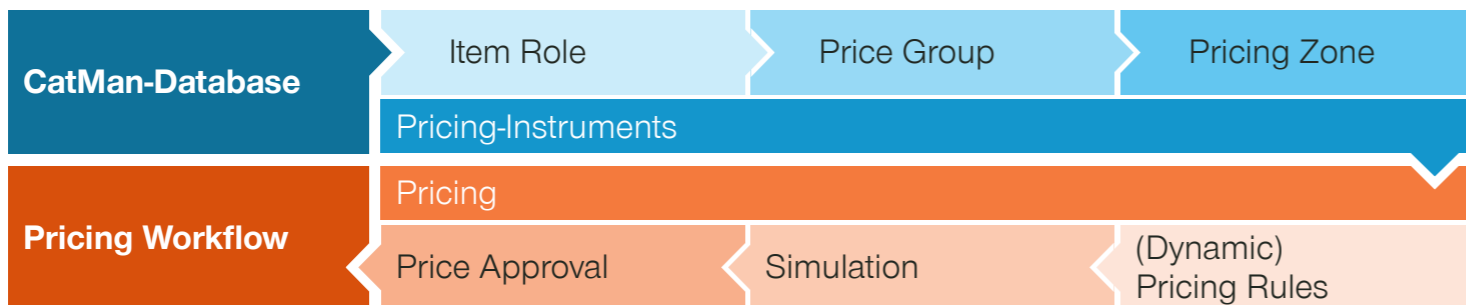
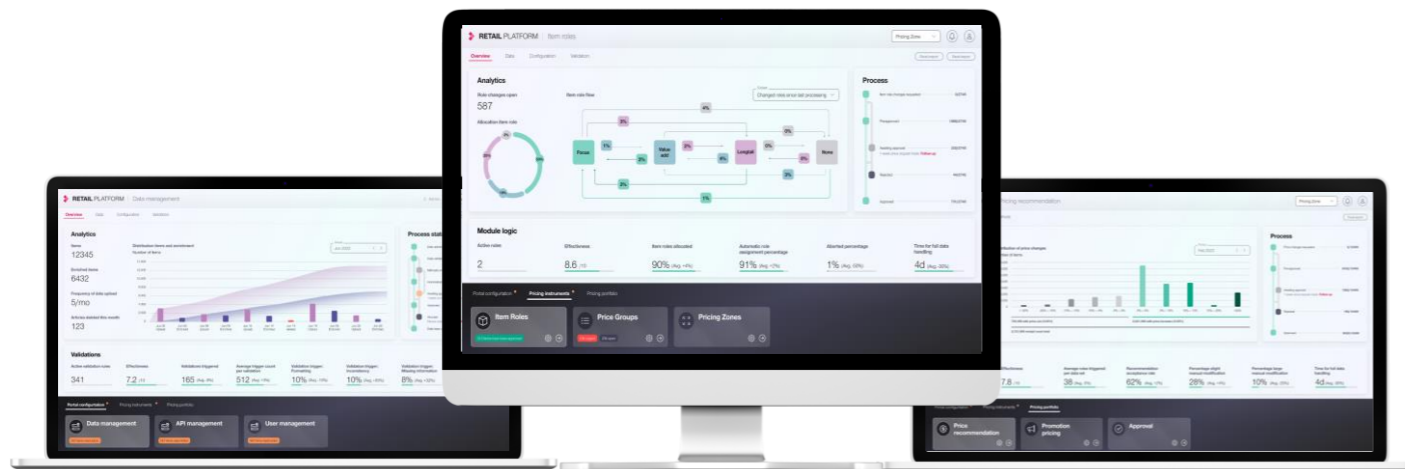
## How efficient are you at pricing?

- 
- **How quickly** can you **determine** new **prices** for the **entire assortment**?
  - How **reliably** can you link **master, transaction, competition, POS** and **CRM data** for direct access?
  - **How quickly** can you **determine** and **adjust prices** in a **differentiated** manner?

Focus on your core tasks by automating the tedious ones with the right software!



**SK Dynamica Retail - Automated and Dynamic Pricing**



**Our approach**

- ✓ **We set up the CatMan database** to harness the full potential of your data at the push of a button
- ✓ **We configure our SK Dynamica | Retail** software as a SaaS solution for you in the shortest possible time, integrate it into your systems so you can use it for day-to-day pricing
- ✓ **We automate the pricing workflow** with predictive pricing/AI, price sensitivities, price rules, cross effects, and dynamics including simulation and price approval – your team can focus on actual decision making



## Do you know the effects new prices will trigger tomorrow?

- 
- What are **financial implications** when you **change your prices**?
  - How do **cross effects** and **price elasticities** affect your business?
  - What is the **best price adjustment** to your **current situation**?



# Know the consequences to make the right decisions!

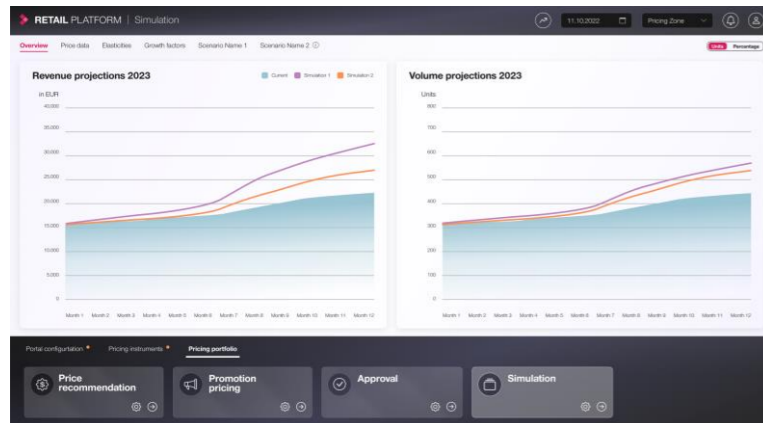
Define pricing strategy

Manage pricing complexity

Automate pricing

Forecast price effects

## Impact simulation with dynamic effects



## Scenarios for decision-making

	% of net sales	Price ( $\Delta\%$ )	# Price increases	# Price decreases	Orders ( $\Delta\%$ )	Net Sales ( $\Delta\%$ )	CM2 ( $\Delta$ m€)
A1	11%	-0.4%	17	43	0.6%	0.33%	0.0
A2	14%	0.7%	374	48	-0.1%	0.35%	0.5
A3	7%	2.1%	409	3	-0.9%	0.87%	1.4
B1	10%	0.6%	25	12	-0.1%	0.15%	0.4

## Our approach

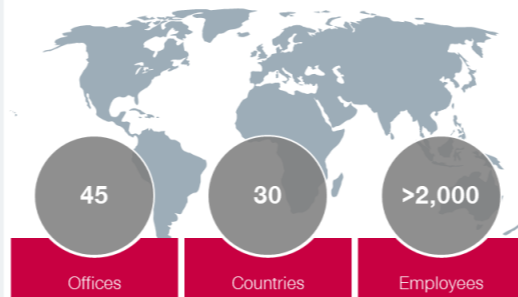
- ✔ **Identify pricing scenarios**  
 and account for possible variants (e.g., changes to competitor and purchase prices, cannibalization, listing/delisting, etc.).
- ✔ **Make forecasts**  
 holistically using various hero KPIs to analyze the different clusters in a differentiated manner
- ✔ **Make transparent decisions**  
 based on the forecasted effects on the relevant KPIs



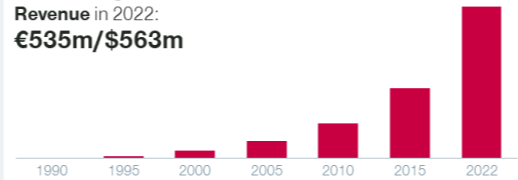
Unlocking  
**Better**  
 Growth

**FACTS AND FIGURES**

Global presence:



Avg. annual growth: **+17%**  
 Revenue in 2022:  
**€535m/\$563m**



**BEST CONSULTANCY FOR  
 COMMERCIAL EXCELLENCE TOPICS**

Financial Times

Marketing,  
 Brand, Pricing

1

2023

Capital

Marketing,  
 Sales, Pricing

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MT Magazine

Strategy  
 Consulting

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2022

brand eins/Statista

Marketing,  
 Sales, Pricing  
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 Consumer Goods &  
 Retail

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2023

Bilanz

Marketing,  
 Sales

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2022

Forbes

Marketing, Brand,  
 Pricing, Sales

★★★★

2023

**OUR SECTOR EXPERTISE**



Consumer



Financial Services



Healthcare & Life Sciences



Industrials

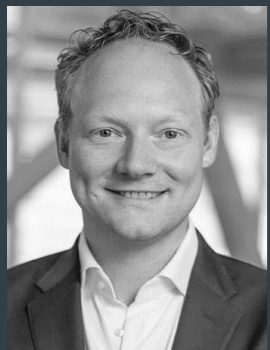


Technology, Media and Telecoms

# How strategic and automated is your price management?

- ❓ Have you defined a **value for money positioning target** from the customer's point of view?
- ❓ Do your **pricing principles** account for the customers' price sensitivities?
- ❓ Do you **differentiate prices** per article, product category, channel, and occasion?
- ❓ Is your **master, transaction, competitor, POS** and **CRM data** linked in one **database** and ready-to-use?
- ❓ Can you determine **new prices based on up-to-the-minute information** for the entire portfolio at the push of a button at any time?
- ❓ Do you know the **effects new prices** will **trigger** tomorrow?

Have you **answered at least one question** with "**No**"? Contact us - **we will be happy to help you further!**



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