A person wearing a blue uniform and white gloves is holding a tray of fresh fruit. The tray contains several red and yellow apples, a pear, and a bunch of dark cherries. The background is slightly blurred, showing more fruit on shelves.

# **Pilot Results: How the Supermarket Chain Increased Profits by 7%**

\* This case study is strictly confidential, so please ask permission from the Competera team to share it.



## Intro

Our client, one of the largest retailers in Eastern Europe with 200 stores, faced financial losses in specific product categories. The challenge arose from **unaccounted cross elasticities and the absence of a universal pricing approach**. To transform its pricing strategy, the client organized a tender for the best pricing solution provider, which Competera won. This case study chronicles the transformative journey that ensued.





# AI Pricing Transformation Journey. Summary

The client aimed to determine if Competera's pricing solution could **boost store profitability while maintaining turnover**, focusing on advanced pricing tools and various product categories. **Test stores implemented 98% of Competera's price recommendations**, and control stores were operating as usual.

Competera's Pricing Architects conducted in-depth research, introducing the ML-based Pricing Platform that optimizes prices based on demand elasticity, non-linear dependencies, and other factors. **Praised as the most successful integration in the past 5 years**, Deputy Commercial Officer of our client emphasized our integration speed, organizational management, and tech capacities.

The successful collaborative pilot project saw test stores **achieving a 7% profit increase** compared to control stores and **a 1.25% turnover growth**. These results paved the way for an ambitious rollout plan involving two-thirds of their assortment across 200 stores. Now, the client continues leveraging innovative pricing strategies and data-driven decision-making in partnership with Competera.



**1.25%  
turnover  
growth**



**7% profit  
increase**

”

**It was crucial for us to make sure that our pricing vendor clearly understands the retail industry, level of competition, and key metrics and has vast knowledge of category management as well as tech excellence. And Competera checked all the boxes.**

**Deputy Commercial Officer of our client**

# Navigating Challenges for Greater Pricing Efficiency



Since working with previous providers was no longer satisfactory regarding the speed and complexity of data, the challenge was to **make the repricing process faster and more efficient.**



**Finding pricing approaches for different price lists for multiple stores was one of the client's primary challenges.** Working with the margin and considering the competition was a tough nut to crack because margin management cannot address financial losses in specific product categories.



**The client struggled to establish a universal pricing approach for all types of tasks.** Before Competera, the client spent much time and effort creating mathematical pricing models internally. The client's team did this in spreadsheets, so uniting various parameters with different assignments was impossible.

# Proof of Concept Launch

To mitigate risks, evaluate performance, and gain the confidence of Competera as a solution provider, the client decided to run PoC with the following goals:



Test the effectiveness of the approach across various store formats within the network.

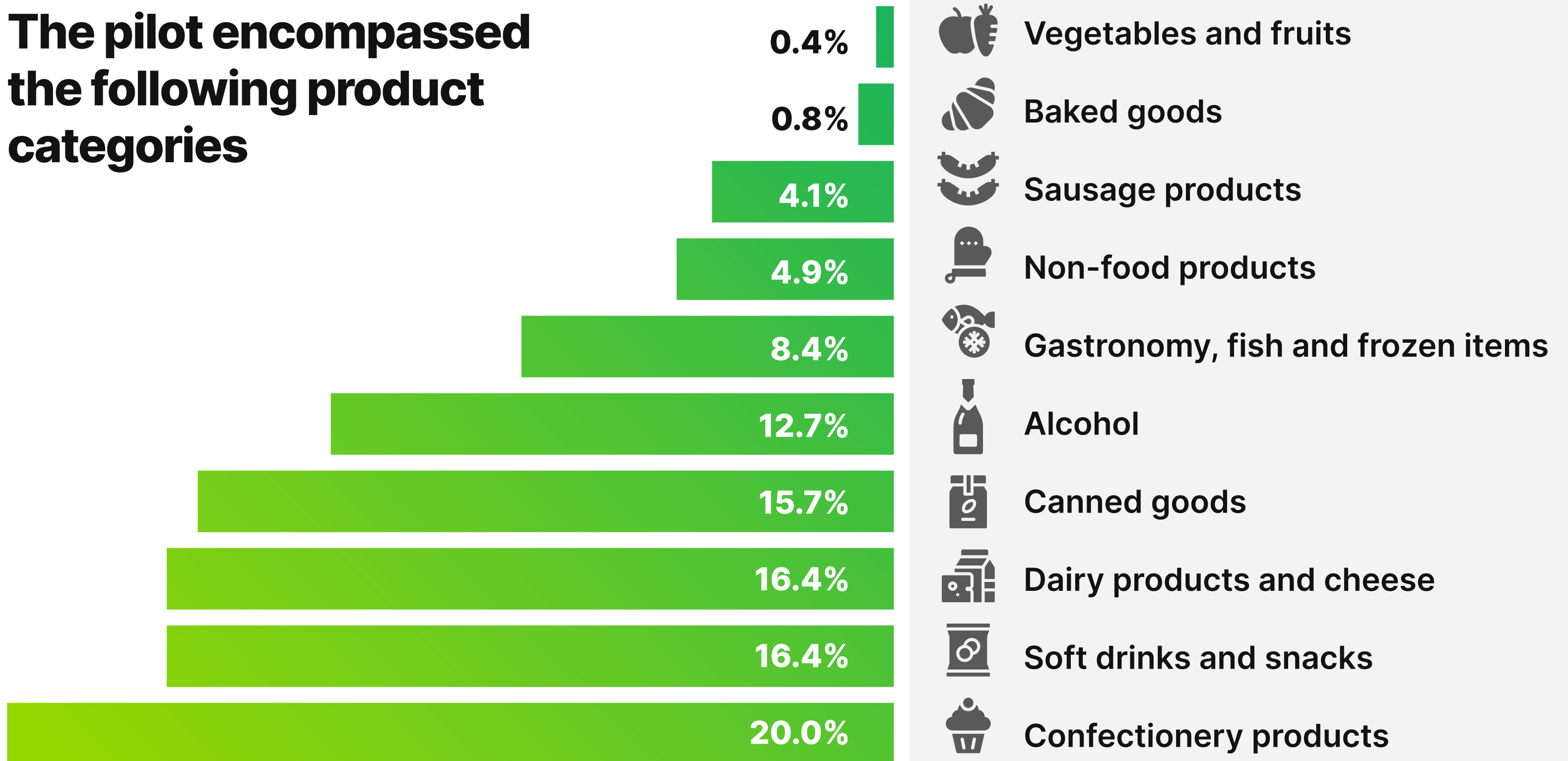


Assess whether Competera's pricing solution could elevate store profitability without sacrificing turnover.



Increase profit by implementing an advanced pricing tool that factored in demand elasticity and other consumer-influencing variables.

# The pilot encompassed the following product categories





Weighted goods, tobacco, commodities, fresh products, and regulated goods were excluded from the pilot. In the beginning, top-250 goods and state-regulated products had been excluded from the test, but after the reassessment, we decided to include them.

For this pivotal pilot, a subset of client's stores were selected as test subjects. During the test period, these stores would replace their regular pricing with Competera's recommended retail prices. **The pilot's success would be determined by comparing the profit in the test stores with the control ones.**





# Competera's Pricing Solution in Progress

Based on the research conducted by our Pricing Architects, we introduced to the client **the Pricing Platform that helps set and maintain optimal prices in real-time**. Since the conventional pricing approaches don't deliver upon expectations and lead to profit loss, the Pricing Platform was the ultimate solution that:



Optimizes prices and creates recommendations based on demand elasticity, non-linear dependencies, and product cross-impact, calculating 20+ internal and external factors, which guarantee profit growth.



Allows the client to use personalized analytical reports and user-friendly dashboards and scale the solution to unlimited products and categories.



The pilot consisted of seven repricing cycles, each recommending 350-900 price adjustments. Approximately 50% of the client's merchandise was included in the pilot, covering various product groups.

**The client's team accepted 98% of our platform's price recommendations.**

### Test Group



Stores where Competera's recommended prices were in effect.

### Control Group



Stores retaining the client's usual prices.

### Test Period



8 weeks with Competera's pricing recommendations.

### Control Period



The 8 weeks preceding the pilot to assess the client's current situation.



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Such a rapid integration – this was something that impressed me, said their Deputy Commercial Officer.

The client's Deputy Commercial Officer has shared with us that **Competera was their most successful project in terms of integration in the last 5 years.**

# Measuring The Impact

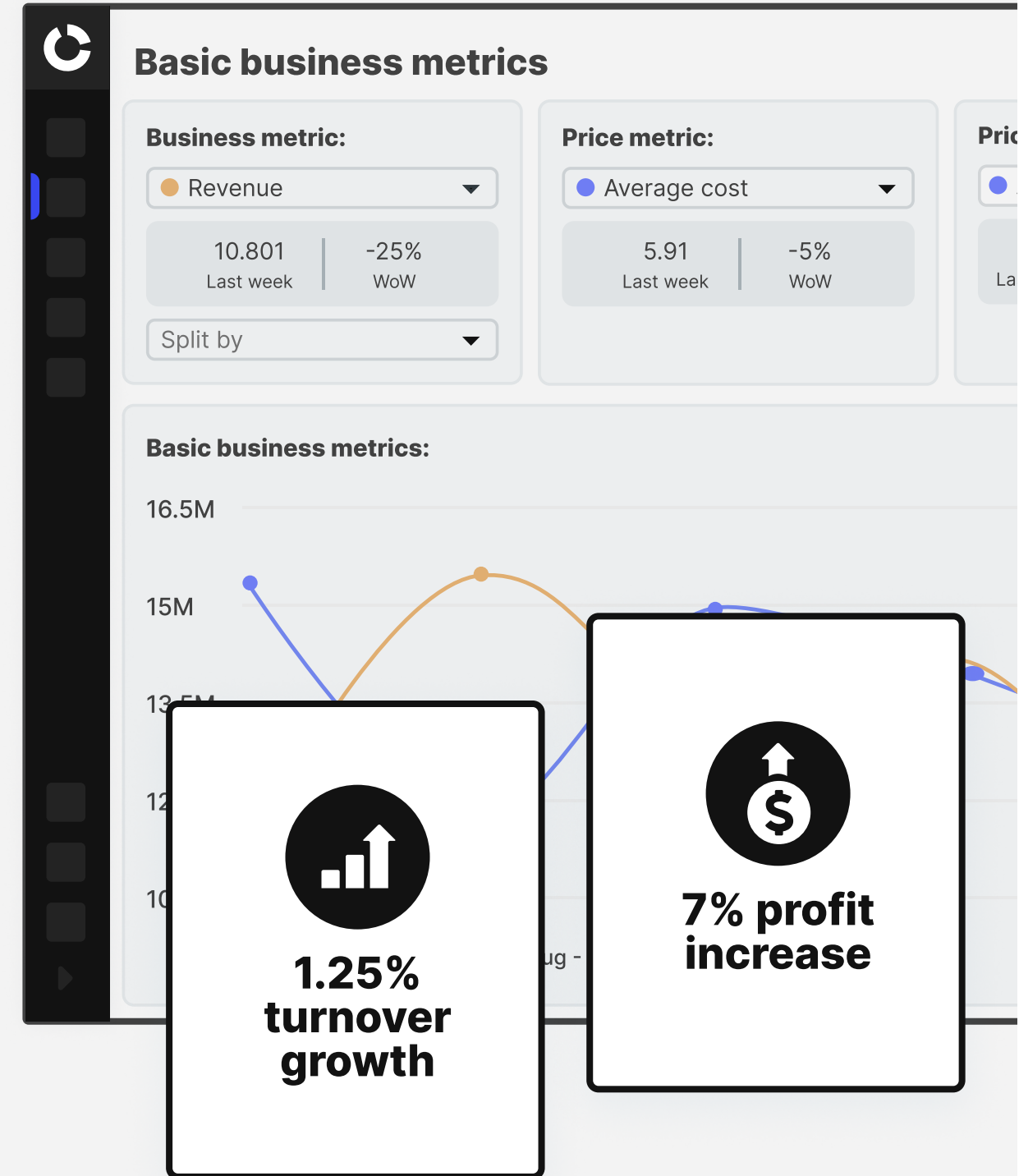
**The outcomes of this collaborative pilot were nothing short of incredible:**



**Profits increased by almost 7%** in the test stores compared to the control stores.



The client's goal was to keep turnover at the same level. During the pilot, **the turnover increased by 1.25% in the test stores.**



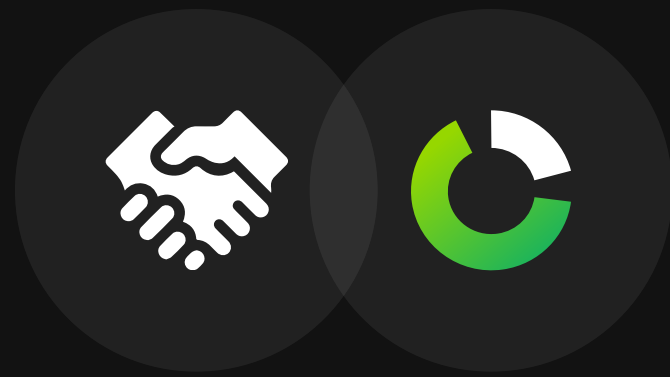


This pilot project would not have been so successful without the high operational capacity of the client's team and the trustworthy collaboration between Competera's Pricing Architects and the client's pricing department.

The scope of the roll-out plan will include two-thirds of the client's **assortment across 200 stores**. The plan will incorporate rule-based and demand-based pricing strategies, leveraging predefined pricing rules, customer behavior insights, and market trends.

This pilot project also highlighted that a Category Manager is someone other than a person who can manage differential pricing. The Competera Pricing Academy has started contributing to Ruckavychka's team with professional development solutions on pricing domains.





To sum up, this case study proves that **innovative pricing strategies can breathe new life into a well-established retail giant**, elevating profits while maintaining the integrity of margins.



# Materials You May Find Helpful

## Pricing Solutions

[Pricing Platform](#)

[Pricing Automation](#)

[Price Optimization](#)

[Competitive Data](#)

## Educational Solutions by Competera Academy

[Introduction to Pricing Methodology](#)

[Pricing in Retail: A Wild Card of Marketing](#)

[Analysis and Commercial Strategy](#)

## Podcasts & Articles

[#Pricing\\_Heroes: Change Management and Pricing Tactics with Stephan M. Liozu](#)

[#Pricing\\_Heroes: Wise promo management during inflation, explained by Dr. Yola Engler](#)

## White Papers & Books

[Get Ready for the Future Of Pricing with our A-Z Guide](#)

[Embracing price elasticity: Manager's Guide to demand-based price optimization](#)

[Competera Selected as Pricing Solution Provider by Starboard Cruise Services, an LVMH Company](#)

[Avoiding Common Pitfalls: Retailers' Pricing Solution Implementation Mistakes](#)

[How do the pitfalls retailers face at the counter while implementing pricing](#)

[Economy Pricing: Your Key to Competitive Pricing Strategy](#)

[What is economy pricing? How can an economic pricing strategy attract cost-conscious consumers and secure a competitive edge? Discover what it is, how it](#)

[The Guide to Psychological Pricing in Retail](#)

ARTICLE

[Competera Recognized as a Leading Pricing and Revenue Optimization Provider in Coresight Research's Latest Retail-Tech Landscape Report](#)

USE CASE

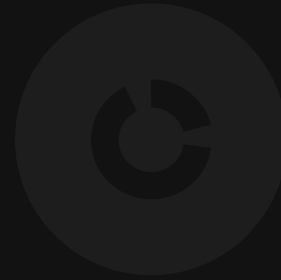
[How to Properly Position Prices for Private Label](#)

PRICING GUIDES

[Smart KVI Pricing: A Game-changer in Retail Portfolio Management](#)

[The Future of Pricing: A Guide to the Next 10 Years of AI Pricing](#)

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**Do you struggle with the same  
challenges as our client?**

**Learn how we can  
help you by [this link](#)**