

Leveraging Technological Solutions to drive pricing strategy

CLIENT OVERVIEW

The client is a Leading Global Marketplace based in Germany. Their mission is to be the world's favorite destination for discovering great value and unique selection.



BUSINESS NEED

In a competitive marketplace, retailers have to stay ahead of the competition. One of the key components is pricing strategies. Moreover, due to several players in the market, competitors are shifting the price base for various products, and gain more traction. Retailers will then have to stay connected with customers, product, assortment, sales, marketing, social media and retail distribution channels.



CHALLENGE

The client was unable to benchmark top selling product across the EU market due to the sheer scale of the available assortment, ever-changing complexity and number of competitors. At the same time, they wanted to partner with their Top Sellers to be price competitive and increase the volume of orders on top selling products. To achieve this, they needed daily, up-to-date prices across several products, categories and competitors, as well as the ability to identify/benchmark (and subsequently source) top selling assortment on category specific "reference" websites.

The client also had a few large, focus categories which were struggling in the EU region with respect to both price and assortment. They wanted to analyze these categories to achieve actionable insights that they could provide to their product sourcing and marketing teams. The sheer scale of assortment and the unstructured format of available data were the major limiting factors in their current benchmarking attempts.

SOLUTION

Lumina Datamatics possessed the right mix of technological capabilities as well as the ability to provide rapid scalability with a combination of its in-house Marketwatch Interface for Pricing Intelligence, as well as its Analytical Offerings that could robustly handle the complexity and volume of unstructured data that would need to be analyzed.

This year, in a short span of 4 months, Lumina has been able to scale up 5X to more than 500 categories with 80000 products monitored across 75 unique competitors spread across the EU region. The solution deals with products in the German language, but can seamlessly provide multilingual support in 5 major EU languages, with more being developed. Half of all live products are maintained every month to ensure that URLs are still live and valid and that the matched product is always the cheapest product listing available on the competitor (for market places).

On the Deep Dive Assortment Gap Analysis front, Lumina provided Pricing & Assortment Analytics, along with actionable insights for the Business & Industrial products category in the EU region. A total of more than 6 Million products across 10 German competitors were mined for relevant data, matched and analyzed in a span of just 4 weeks.

BENEFITS

- Reduction in Assortment Gap for Top Selling competitor products from an average of 49% to just 12% currently
- Pricing Competitiveness on top selling products has increased from 24% at start of project to 78% currently and is continuing to increase
- In the B&I category, Lumina identified 100,000 products (along with brand and seller information), classified as Critical Assortment Gaps that the client will source. Another 250,000 products identified as 2nd priority Assortment Gaps
- The success of the solution has compelled the clients Global entities (Australia, UK, US, etc) to implement the solution

Lumina Datamatics Facts

