

## Pricing Capabilities Assessment and Roadmap Development

*In-depth evaluation of current pricing practices and systems and definition of future capabilities, including prioritization and planning of strategic, price management-focused initiatives.*



### The Client

A \$6+ billion specialty multi-channel retailer of services and products for the needs of pets and the leading online provider of pet supplies and pet care information.

### The Challenge

The client did not have a clearly defined pricing strategy and faced challenges related to outdated pricing tools, human input errors, and high levels of manual workload. Pricing activity, especially related to promotions, was increasing beyond store operations' capacity to execute. The client also wanted to investigate differential pricing to address margin and competitive pressures. At the same time, the client's omnichannel business was growing, creating additional complexities in targeting individualized customer pricing messages.

Client leadership recognized the need to excel in the core areas related to pricing to take their business to the next level.

### The Parker Avery Solution

The Parker Avery Group undertook the following activities:

- Reviewed and identified challenges with the current pricing management organization, tools, and practices; this included analyzing pricing policies, reviewing the functionality of current price optimization solutions, and evaluating competitive price positioning
- Defined future pricing capabilities and synthesized them into cohesive initiatives
- Benchmarked current pricing capabilities against leading and emergent industry practices related to price differentiation and omnichannel pricing practices
- Developed an estimate of the financial benefit of each initiative
- Prioritized and sequenced initiatives into a roadmap that would deliver the future capabilities

### The Result

Parker Avery's recommendations will allow the client to capture increased margins from targeted pricing, while accommodating the increasing price transparency of today's retail environment.

Based on these recommendations, the client decided to pursue a complex omnichannel differential pricing strategy, based on pricing zones. After full implementation of the recommended roadmap, the expected annual EBITDA improvement is in excess of \$177 million.