

Apparel Retailer Expects Robust Results from Pricing and Promotions Roadmap

Client Challenge

This client is a \$1B+ multi-channel, multi-banner specialty retailer offering women's and men's fashion and home furnishings. While undergoing a strategic evolution from a catalog to an ecommerce business model, the retailer was also facing increased business risk and heightened competition. To combat these forces, company leadership recognized the need to standardize and update their overall pricing strategy, while defining the processes and policies related to setting regular, clearance, and promotional prices across multiple banners.

Parker Avery Solution

Parker Avery's objective was to help the company drive increased revenue, improved margins, and greater operational efficiency by defining future-state pricing and promotional capabilities. Parker Avery developed a detailed capabilities roadmap to prioritize and sequence the specific identified initiatives.

Parker Avery performed an in-depth current-state analysis to understand existing pricing and promotion capabilities across people, processes, and technology, as well as fully comprehend the company's operating model. The team benchmarked the client's pricing capabilities against leading practices, which served as input to prioritizing the opportunities, which included:

- Define consistent pricing terms across banners
- Incorporate pricing into strategic planning and standard meeting structures

- Clarify/define regular pricing, promotional, and markdown processes, policies, roles, and responsibilities
- Define the strategic promotions process and refine the promotion calendar
- Improve and standardize promotional analysis
- Refine brand positioning
- Perform a regular price elasticity study
- Select and implement price, markdown, and promotional optimization tools
- Develop event forecasting capability

Parker Avery presented recommendations with a three-year horizon, including short-term quick wins, medium-term objectives, and long-term visions, as well as a high-level assessment of implementation impacts and business benefits.

RESULTS



FUTURE-STATE
DESIGNED



CAPABILITIES
ROADMAP DEFINED



ANNUAL IMPACTS
OUTLINED

After completing the roadmap's initiatives, the client expects to achieve an ROI of up to \$68M annually with notable improvements in sales, margin, turn, and inventory performance. Parker Avery was engaged by the client to support the roadmap implementation.