

Client Challenge

The client is a \$6+ billion specialty omnichannel retailer of pet products and services and the leading online provider of pet supplies and pet care information. They did not have a clearly defined pricing strategy and faced challenges related to outdated pricing tools, human input errors, and high levels of manual workload.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 the store operations team's capacity to execute. 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 client also wanted to investigate differential pricing to address margin and competitive pressures.

Parker Avery Solution

To help the client achieve more strategic and efficient pricing capabilities, Parker Avery partnered closely with key stakeholders in the following activities:

- Through a series of stakeholder interviews and document reviews, analyzed pricing policies, reviewed the functionality of current price optimization solutions, and evaluated competitive price positioning.
- Identified challenges with the current pricing management organization, tools, and practices.
- Benchmarked current pricing capabilities against leading and emerging price differentiation and omnichannel pricing practices.
- Defined future pricing capabilities and synthesized them into cohesive initiatives.
- Developed estimates for the financial benefit of each initiative.
- Prioritized and sequenced initiatives into a roadmap that would deliver future capabilities.

RESULTS



PRICING STRATEGY
DEFINED



CAPABILITIES
ROADMAP PLANNED



\$177M ANNUAL
IMPACT EXPECTED

Parker Avery's recommendations and pricing strategy roadmap will allow the client to capture improved margins from targeted pricing while accommodating the price transparency needs 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 more than \$177 million.