

A Case Study

Retail Pricing Initiative

Client

A specialty apparel brand subsidiary of a \$47B department store with a catalog heritage now operating direct, retail, wholesale, and international businesses.

Challenge

This historically basics-driven retailer was looking to introduce more fashion into its assortment and increase its promotional activities, but it was hindered by,

- Antiquated systems that did not support multiple price types
- Manual and cumbersome effort required to execute price changes
- Disjointed processes across its various business units
- Limited checks and balances to ensure pricing accuracy
- Minimal visibility to margin impact of various price change scenarios

The Parker Avery Group

The Parker Avery Group is a boutique strategy and management consulting firm. We are a leading provider of strategy and business consulting services to retail and consumer goods companies. We work with our clients to help them research and develop strategies, design improved processes and execute change. We specialize in integrating customer insights and multi-channel business models.

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The Parker Avery Solution

The Parker Avery Group assisted the retailer in benchmarking industry processes, defining future pricing capabilities, and evaluating technology alternatives. The solution considered the simultaneous implementation of markdown optimization software and the unique needs of the separate businesses. Parker Avery key activities included,

- Introduction of industry leading practices
- Identification of pricing opportunities for improvement
- Definition of future pricing processes for each business unit
- Outline of roles and responsibilities for key pricing activities
- Development of functional requirements
- Review of pricing technology landscape
- Evaluation and selection of the pricing software provider



Results

As a result of the project, the client expects to achieve the following benefits,

- Improved margins - up to 600 basis points
- Enhanced localized pricing capabilities
- Increased accuracy of prices
- Improved customer service
- Reduced cost, effort and time to execute price changes