

Leading Retailers Are Doubling Down on Their Success with

DYNAMIC PRICING



Prescriptive analytics and data-aware culture enable retail pricing flexibility

Retailers are already meeting today's challenges with strong dynamic pricing capabilities



87%

of retailers compete against Amazon's dynamic pricing. 68% confront dynamic pricing by Amazon AND key competitors

47%

of consumers' mobile and online price comparisons drive competition or fundamentally change the market



ABOUT TWO-THIRDS HAVE SOME STRONG DYNAMIC PRICING BUSINESS FUNCTIONALITY

70% to 80% of retailers say dynamic pricing improves five key business outcomes

Retailers see superior results in customer loyalty, shopping behaviors, revenue and margin, price image, and market share



60%

primarily use dynamic pricing offensively to seize opportunities...

32% MORE WANT OFFENSIVE CAPABILITIES

Retailers with superior dynamic pricing capabilities are more confident of their future success

Leading retailers are better at moving between regular and promotional prices, then markdown prices, in response to market prices and conditions

Leading retailers are ahead with superior dynamic pricing capabilities

Impact of dynamic pricing—superior business outcomes and more confidence in future success



Journey towards tomorrow's capabilities

Leading retailers' most pronounced advantage is based in prescriptive analytics and data-driven cultures.

25%

of leading retailers compared to 5% of lagging retailers

will significantly increase the investment of dynamic pricing over other merchandising and commerce technology by the end of 2018.



Already holding an advantage, **leading retailers** are **more willing to invest in dynamic pricing than laggards.**



Leading retailers place more importance on predictive and prescriptive analytics and market data while lagging retailers place importance on enterprise data, workflows, and culture.



Leading retailers are more likely to have **mastered omni-channel coordination**, access to good 3rd party applications and services, requiring internal talent.



Keep on keeping on if you're ahead, and put the pedal to the metal if you're not

Leading retailers look confidently to future growth and have strong dynamic pricing capabilities.



Key steps for laggards—these steps are working for leaders:

- Create a data-aware culture and infuse analytical skills in all roles
- Leverage third-party dynamic pricing applications and service providers
- Elevate dynamic pricing's priority
- Balance pace of merchandising and commerce initiatives
- Master omni-channel coordination

Lagging retailers should take strategic action on dynamic pricing now to improve their business outlook.