



The Profit is in the Price Optimization: Dynamic Pricing with Blue Yonder

With **price optimization**, you can increase your gross earnings by two to five percent. But with dynamic pricing you do not just maximize your profit: Good – but not the lowest! – prices also reinforce your **image**. In **bricks and mortar retail**, the **variety of goods** can be optimized by customer request: Products that the intended customer group does not want are removed; other products are added. In **online retail**, where it is always possible for the customer to compare prices, an adjustment takes effect in real time. The situation is similar for **insurance companies and music portals**. Blue Yonder offers you powerful software so that you can **dynamically optimize prices automatically at any time**.

DYNAMIC PRICING: ACTING INSTEAD OF REACTING

With dynamic pricing based on NeuroBayes, you can adjust your prices optimally at any time – even in real time – to suit current market and competitive situations as well as availability and delivery conditions. In the fashion industry, you can use the right prices to clear the decks promptly at the end of the season. The software considers as many factors as you want in the dynamic pricing and reacts to changing basic conditions.

Here, you specify the goals: Do you want to achieve maximum sales with a particular item or are you striving to increase your market share as a provider of this item? Whether it's "sell at any price" or maximum profit: With dynamic pricing, you have a highly-effective tool for achieving your company's goals.

blue yonder

Forward looking. Forward thinking.

Price optimization: There's always a good reason behind it

- ▶ Price optimization of individual products or entire product groups (e.g. in bricks and mortar retail: optimal price for the house brand or optimization of all prices within an item group)
- ▶ Great competitive pressure due to price adjustment in real time in online retail
- ▶ Customized adjustments (e.g. couponing or individual price discounts)
- ▶ Take-home effect at the point of sale in retail, but also in recreational facilities (e.g. candy, fashion accessories)
- ▶ Varying entry prices according to demand (e.g. carnival rides at amusement parks)



Use consolidated information to find the perfect price

Our software uses a wide variety of information to determine the best price for a particular item at time x, e.g. in **bricks and mortar retail**:

- ▶ Individual cost structure, e.g. storage and transport costs, personnel costs, purchase prices...
- ▶ Strategic corporate orientation and market positioning
- ▶ Target specifications, e.g. minimum/maximum price limit, stock, threshold prices – but also dynamic goals such as sales. With Blue Yonder dynamic pricing, you can determine quantitatively which costs affect your company's individual target specifications and price rules. Thus, there are specifications such as "price may only end in 5 or 9" or "product x must be cheaper than product y."
- ▶ Measurement and integration of price elasticity, e.g. through evaluation of historic prices and special sales.

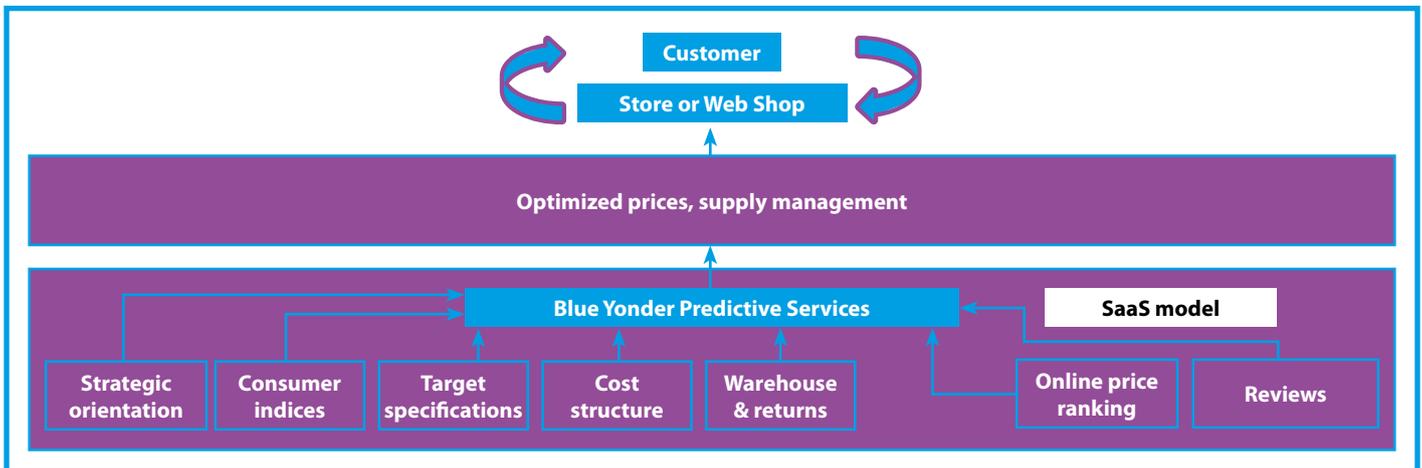
- ▶ Positioning of the goods (e.g. optimization of category management)
- ▶ Comparison prices in online price portals and (if available) from competitors
- ▶ Consumption indicators and market research figures
- ▶ Substitution and cannibalization effects, e.g. ideal price reduction if the house brand is sold out or overall optimization of item groups
- ▶ Automated merchandise planning and goods procurement
- ▶ Reduction of stocks at the end of the season or when a successor product is announced

Additional benefits for online retail

- ▶ Search engines constantly examine defined shops and price comparison engines to determine the current market price and availability.
- ▶ Assessment of customers
- ▶ Reviews from test portals and social media
- ▶ Additional target specifications such as price ranking on online price portals or range of the online shop

Perfect prices in real time, even in the flexible reference model – software as a service

With our Predictive Analytics software, you adjust your prices according to dynamic market events in real time. You can implement dynamic pricing very easily as software as a service! We provide you with the results here; you do not have to invest in hardware or spend time on complicated implementations. The data from your operative systems form the basis for optimal price suggestions. As many factors as desired from external sources can be evaluated and are thus available completely automatically in the form of a dynamically-adjusted price.



Software for data analysis and accurate forecasting

About Blue Yonder

Blue Yonder is a leading provider in the fields of forecasting and data pattern recognition or "predictive analytics" for short. Thus, valuable insights for company control can be gained from Big Data. Precise trends and developments can be predicted in real time using cloud-based technology. Companies use Blue Yonder solutions to great effect for purchasing, marketing, material planning, sales, and production control.

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