



The Management Of Price Image: Improving Margins, Staying Competitive?

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Price image more important than ever !



\$13 B



\$1 B



ActiveViam



- Software vendor
- Pioneered the **high-performance in-memory analytics** in 2005
- Used by leaders of the technology industry **HP, Atos Bull, Oracle** to test their hardware and their language on huge volumes of data



- **Leader in real-time risk control and analytics** in the financial industry
- **Present world-wide** to support our global customers



- **Bringing this technology to retail industry for more than 5 years** now with 2 main topics Supply Chain and Pricing
- Strong positioning with **Expertise, Flexibility and Performance**





François Krotoff

- More than 25 years of experience in Pricing, Buying, Private Brands and Marketing positions at top European retailers (Carrefour, Kingfisher, Brico-Depot) and Retail Services (Publicis, Partner at Dia-Mart)
- Specialist in Brand Image, Price Image Management, Geomarketing and Store Commerciality
- Researcher and former member of the scientific committee of IREP (Publicity and Communication Research Institute)
- Retail Marketing lecturer at CELSA

- Introduction
- Who we are
- Price image stakes
- Implementing your price image strategies

Pricing is a customer-centric approach



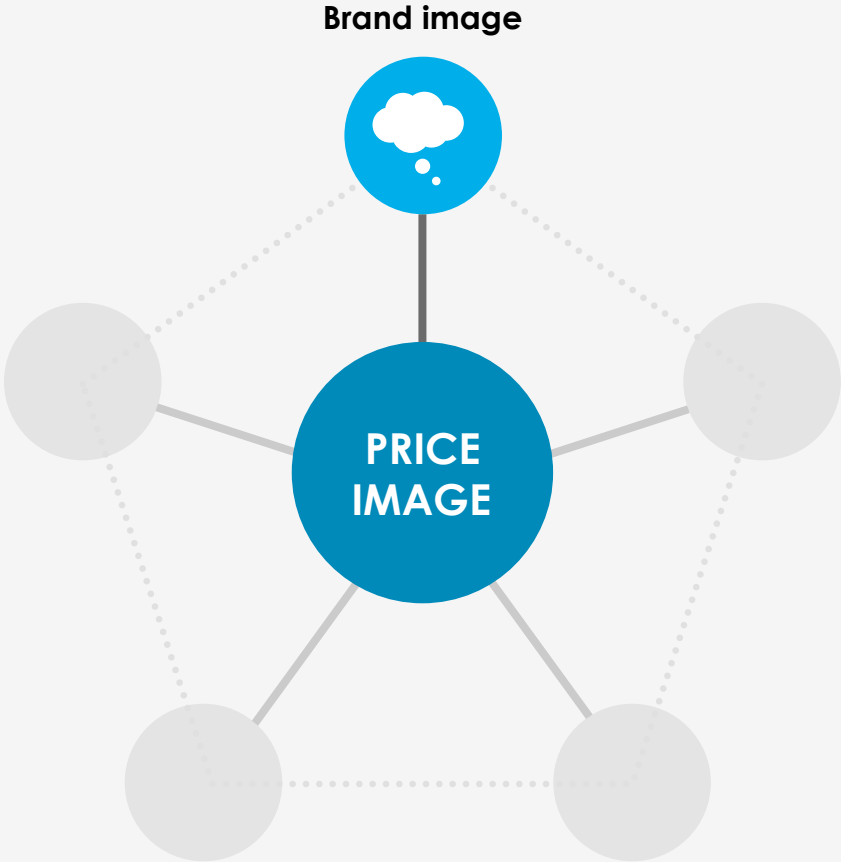
... When customers don't know prices !

The many factors that impact price image

- How to impact consumer perception in order to change/preserve your brand image?
- Main factors that impact price image in retail // value for money in industry

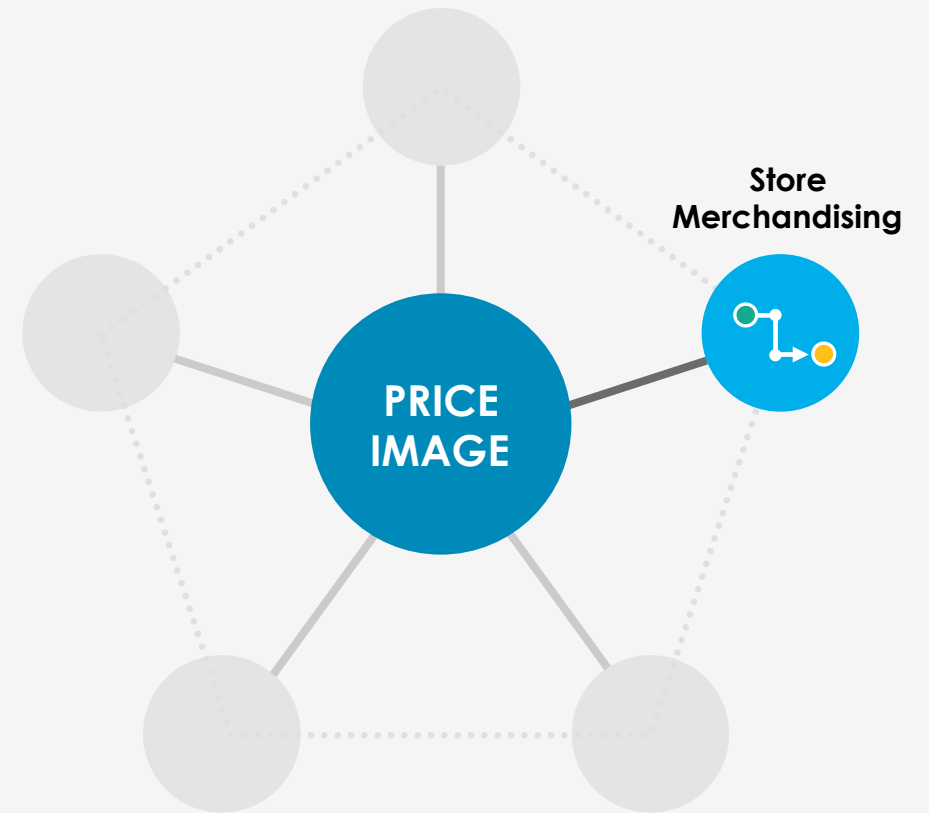
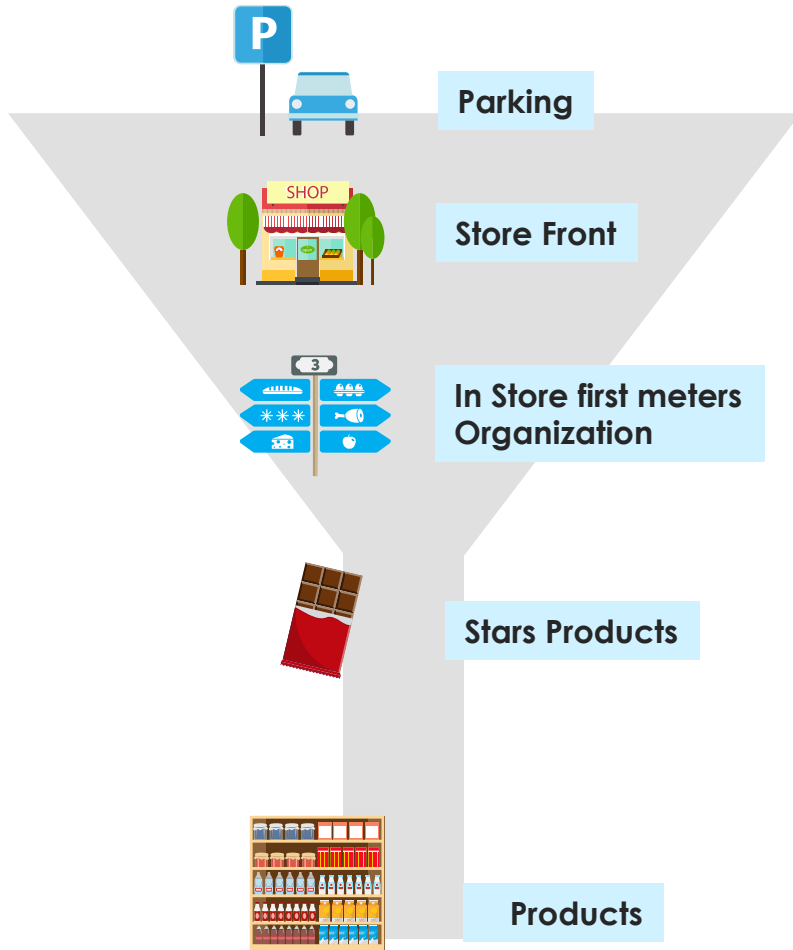


Brand image // history

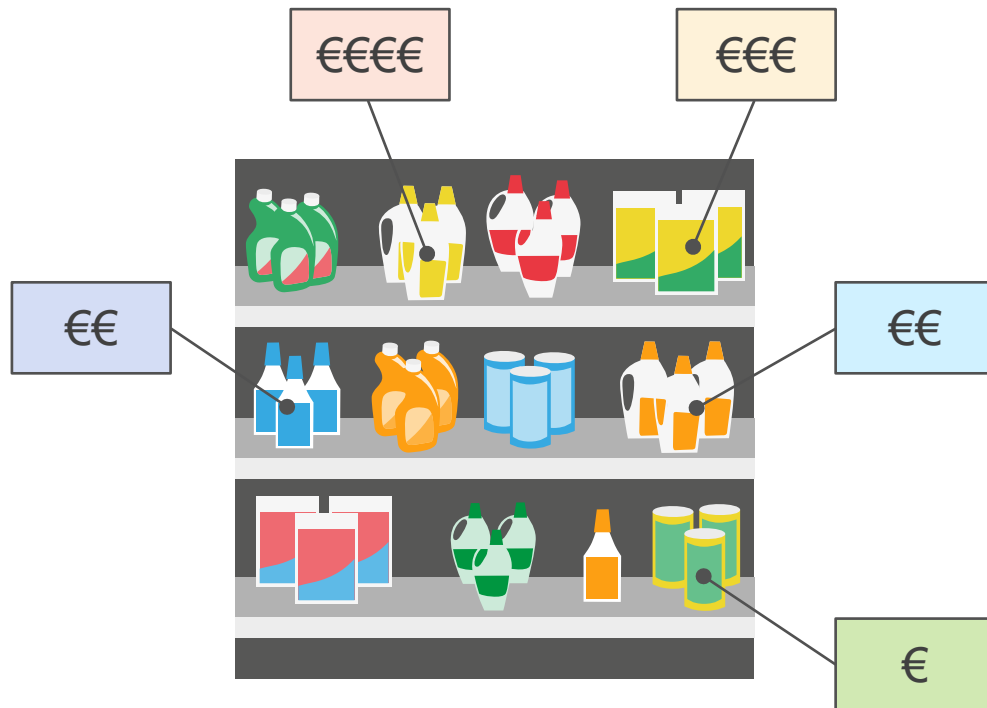


The many factors that impact price image


Store Merchandising from the parking lot



Assortment and cascading



Price level (and standard deviation!)



Nutella - Pâte à tartiner
Le pot de 1 Kg

Enseigne	Prix Mini	Prix Moyen	Prix Maxi	
Auchan Drive	4.60 €	4.97 €	5.99 €	Relevé dans 41 magasins
Carrefour drive	4.75 €	4.84 €	4.99 €	Relevé dans 336 magasins
Casino drive	3.69 €	3.97 €	5.50 €	Relevé dans 126 magasins
chronodrive	3.74 €	3.76 €	3.89 €	Relevé dans 45 magasins
coradrive.fr	4.81 €	5.05 €	5.99 €	Relevé dans 56 magasins
COURSES U.com	4.43 €	4.87 €	5.90 €	Relevé dans 308 magasins
E.Leclerc DRIVE	4.46 €	4.73 €	5.50 €	Relevé dans 129 magasins
LEADER DRIVE	4.95 €	4.95 €	4.95 €	Relevé dans 121 magasins
MONOPRIX	5.25 €	5.28 €	5.31 €	Relevé dans 44 magasins
SIMPLYDRIVE.fr	4.99 €	4.99 €	4.99 €	Relevé dans 4 magasins

Prix relevés sur les sites drives des enseignes entre le 20/01 et le 27/01/2015. Pour chaque enseigne, le relevé tient compte indifféremment des formats hypermarché, supermarché et drive solo.

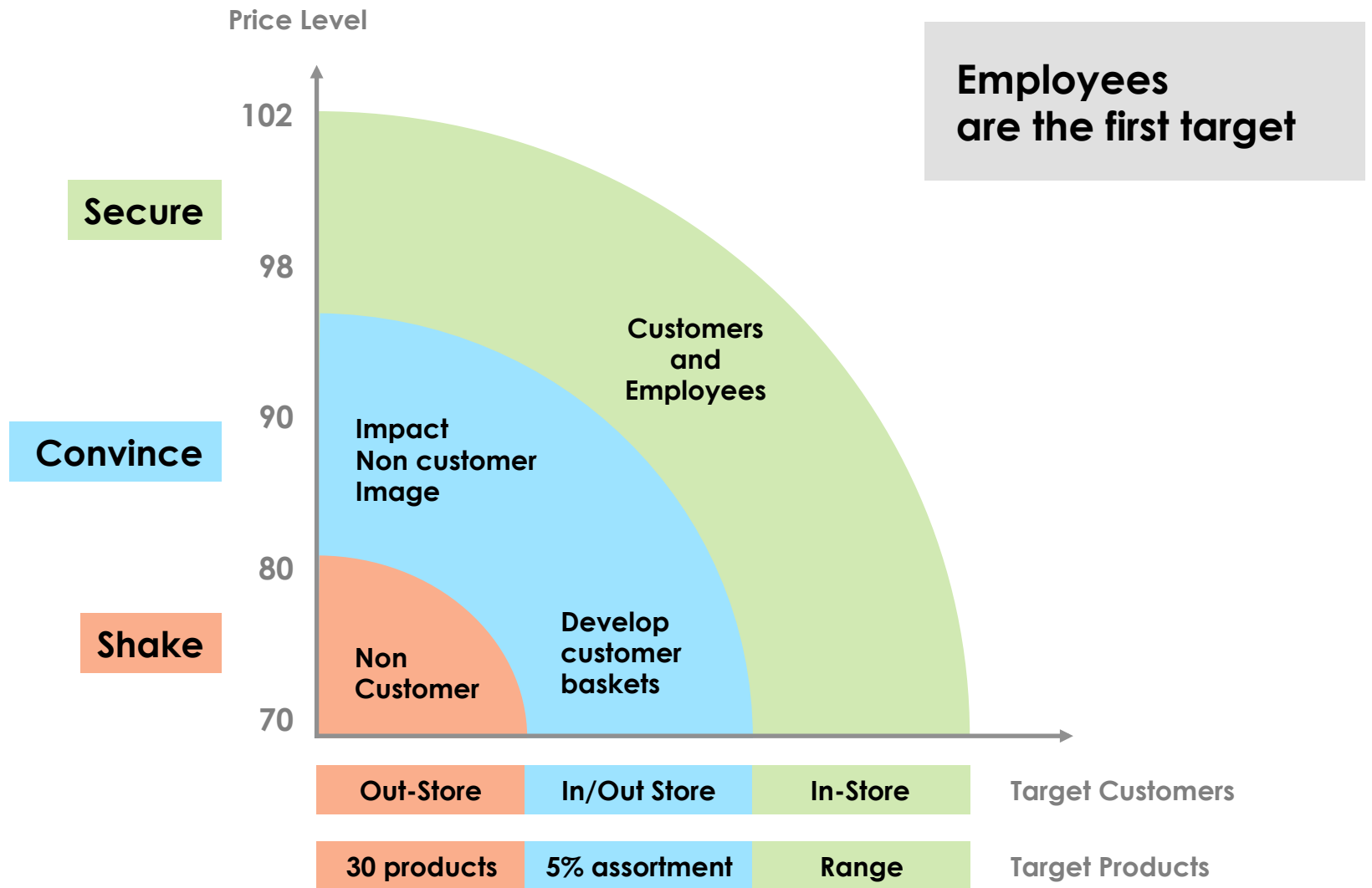


ENSEIGNE	PRIX MOYEN	PRIX MINI	PRIX MAXI	VARIANCE	RELEVÉS LE 17/03/2014
Auchan Drive	1,46 €	1,29 €	1,63 €	0,35%	Relevés dans 93 magasins
Carrefour drive	1,55 €	1,25 €	1,74 €	0,53%	Relevés dans 354 magasins
Casino drive	1,46 €	1,41 €	1,74 €	0,16%	Relevés dans 124 magasins
Casino EXPRESS.FR	1,41 €	1,41 €	1,41 €	0,00%	Relevés dans 6 magasins
chronodrive.com	1,56 €	1,45 €	1,62 €	0,27%	Relevés dans 68 magasins
coradrive.fr	1,59 €	1,55 €	1,85 €	0,42%	Relevés dans 56 magasins
E.Leclerc DRIVE	1,44 €	1,26 €	1,56 €	0,15%	Relevés dans 446 magasins
MacDouglas Casino	1,52 €	1,45 €	1,60 €	0,33%	Relevés dans 43 magasins
SIMPLYDRIVE.fr	1,57 €	1,50 €	1,61 €	0,18%	Relevés dans 4 magasins



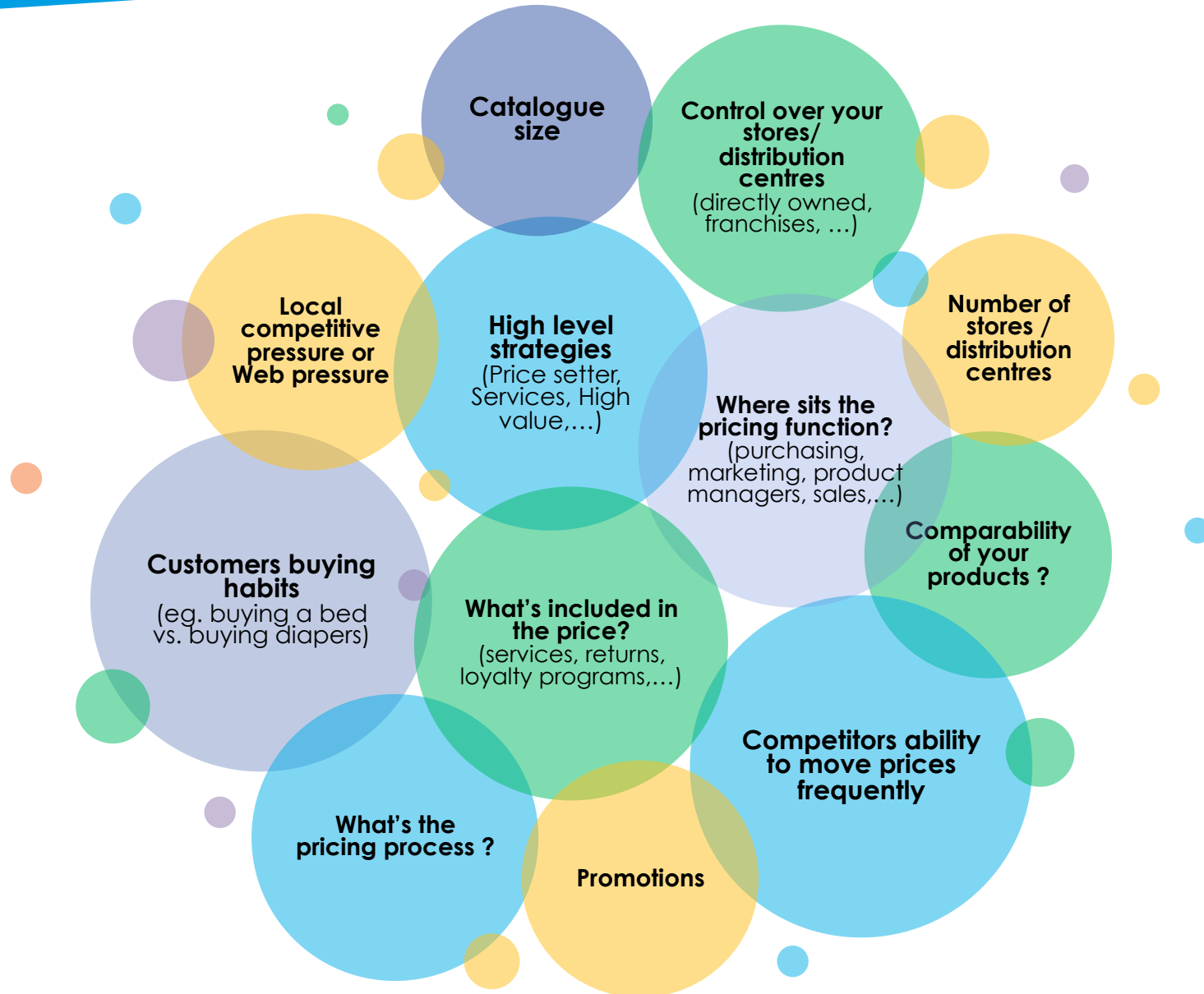
Promotion



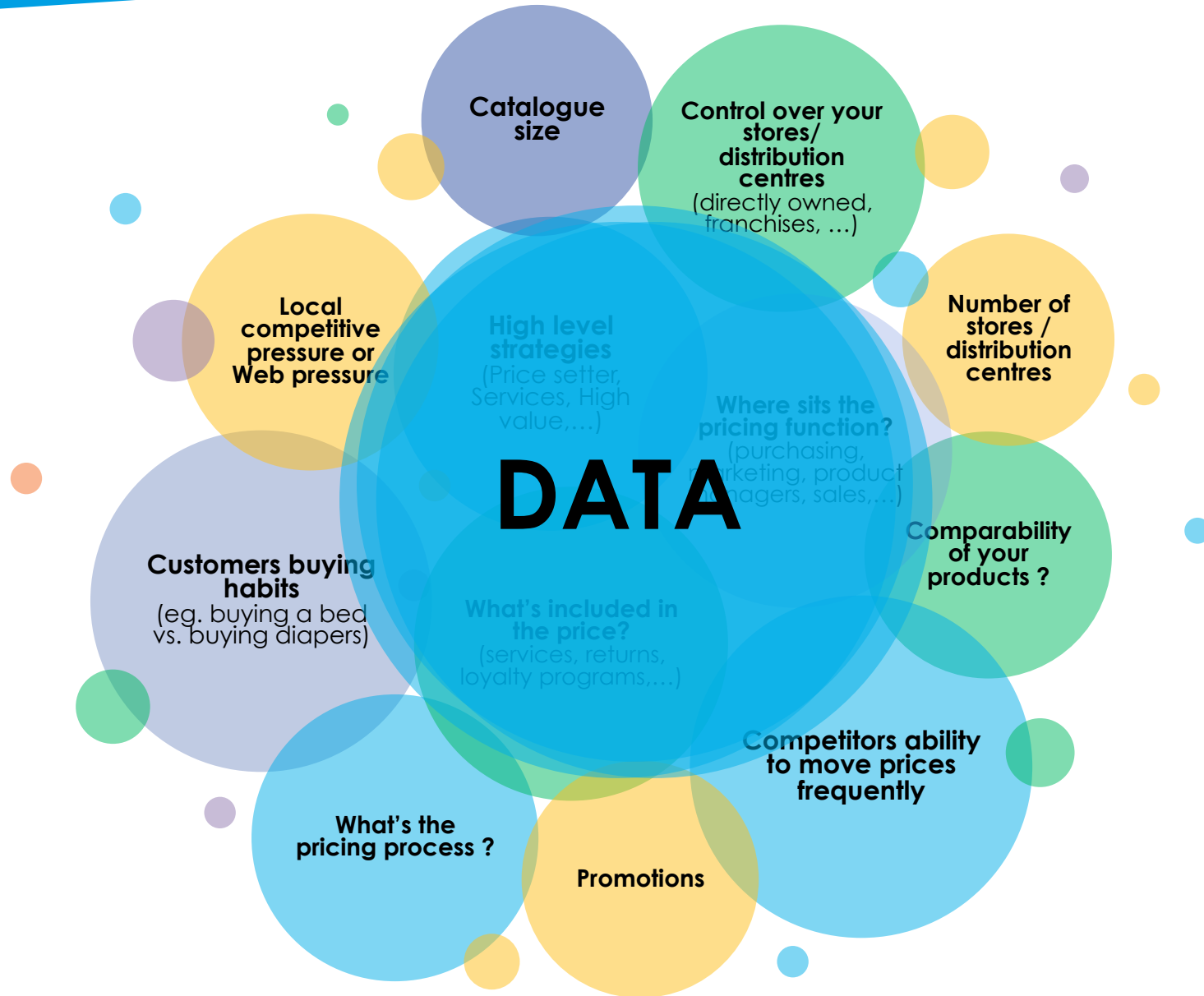


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You are all different...



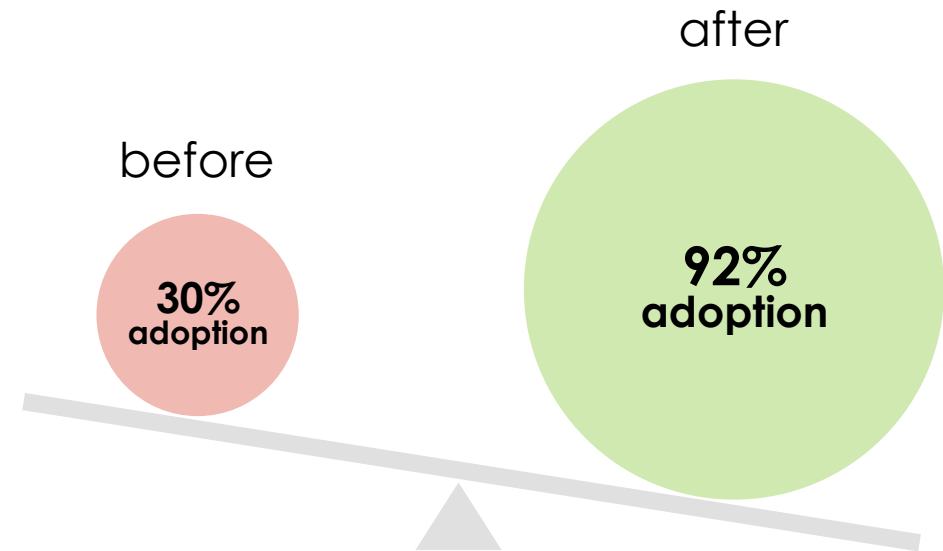
...But you have one thing in common



➤ **“Traditional” data for pricing is already growing fast :**

- Competition,
- Benchmark,
- Product specifications,
- Sales,
- Promotions,
- Stores referential,
- Purchasing, ...

➤ **The hidden treasures of the sales receipt**

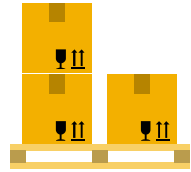


Richer insight and margin opportunities by combining more data:



Real-time website visits / traffic / competitors inventory

→ Why people see the product page and leave ? Can be the price...

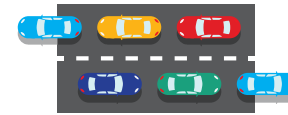


Real-time inventory



Weather forecast

→ Car Parts ! DIY retail pricing



Road traffic

→ Gas station pricing



Even TV programs schedules !!!

➤ Gain productivity, speed and reactivity

	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Sun.
Price change capabilities for retailer A	⊘	↻	⊘	⊘	↻	⊘	⊘	⊘	↻	⊘	⊘	↻	⊘	⊘
New prices of retailer A		16			16				12			11		
Price change capabilities for retailer B	↻	↻	↻	↻	↻	↻	↻	↻	↻	↻	↻	↻	↻	↻
New prices of retailer B	15	15	12	15	14	9	9	9	9	10	12	11	10	10

- **Gain local advantage and niche margins while consistent with global strategy**



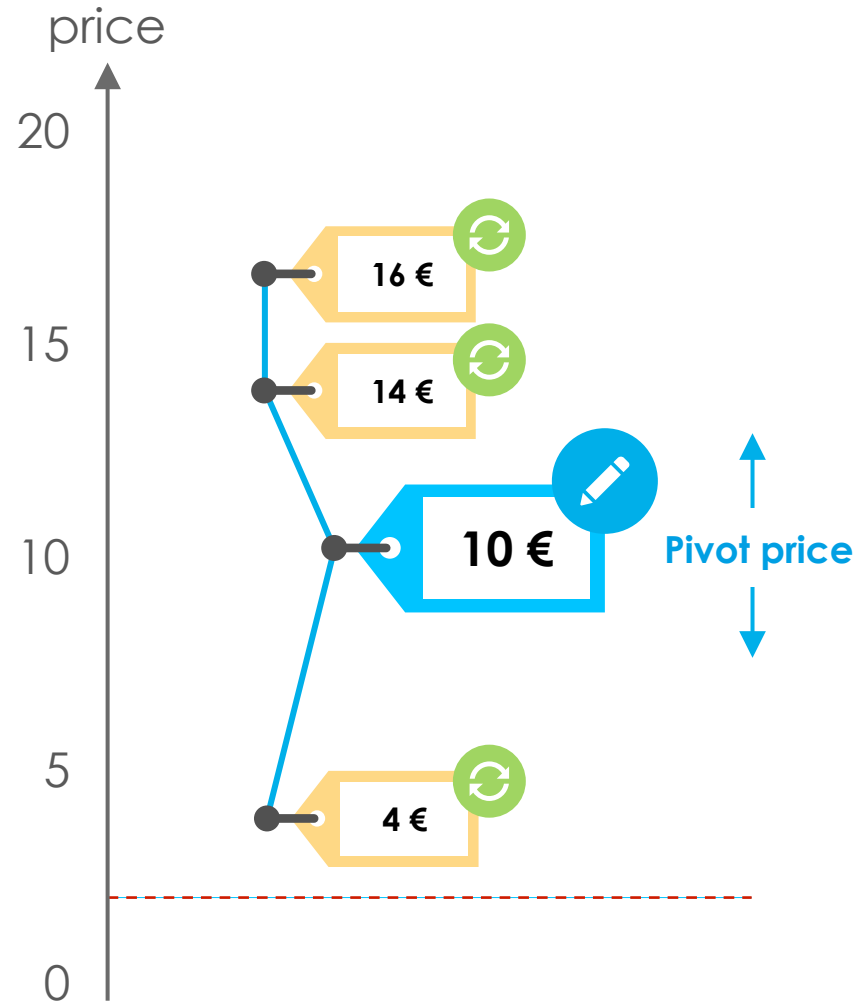
Competitor X - 4,7 km

SKU	Price
A	12
B	19
C	x

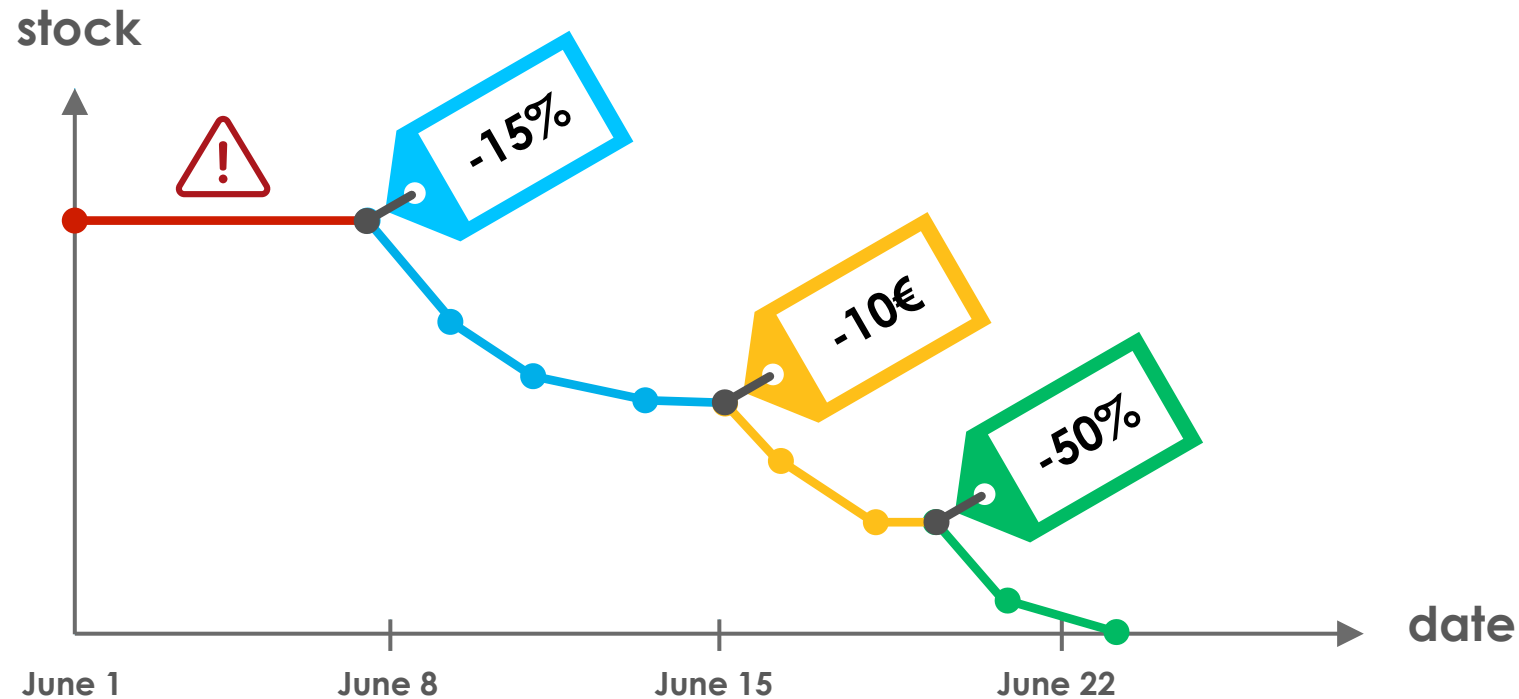
Competitor Y - 8,4 km

SKU	Price
A	14
B	19
C	24

- **Gain control of your price image while protecting margins**



- **Better anticipate and set promotions to clear stocks at best margin**

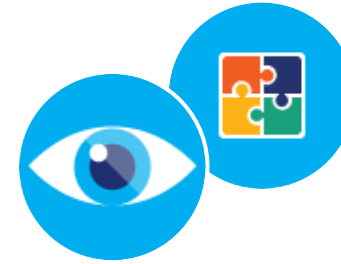


The right tool to answer to these challenges and follow your maturity



Performance & Scalability

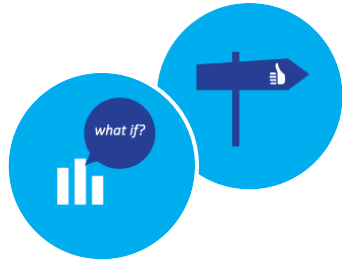
- **Keep the richness of information**
- **No limitation in data volumes**
- **Instant response to any analytics and simulation**
- **Continuously update data in and out the platform**



Transparency and adaptability

- **Not an algorithmic Black-box**
- **Not adapting your organisation to the tool**
- **Not limited** to what the tool provides **in terms of type of data, dashboards, rules and their combinations**

The right tool to answer to these challenges and follow your maturity



Decision support capabilities

- **Smart Alerting capabilities**
- **AND smart recommendations**



Ergonomics

- **Not again another Excel tool**
- **One for all / One for each.**



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