

## PriceStrat®

*The art and science of optimized pricing and promotion that meet the real-time demands of merchants—any time.*

### Overview

Effective pricing delivers more to your bottom line and—at the same time—enhances your price image. Your challenge is to manage thousands of items, numerous price zones and ad groups, vendor cost changes, competitive pressure, and an ever-changing promotional environment. What's more, you must juggle this complexity under enormous time constraints. This is what we call *merchant time*. Combined, these factors often impede effective implementation of your pricing strategies, resulting in reactionary, tactical price changes without full knowledge of their overall business impact.

Price optimization from KSS Retail brings much-needed insight to the mission-critical decisions that merchants like you face daily. In a user-friendly, affordable tool, the KSS Retail solution leverages our industry-leading, predictive, scientific algorithms to enable you to:

- Price optimally to achieve sales and profit objectives
- Model and optimize regular and promotional pricing and understand their impact on one another
- Understand and implement competitive price strategies that improve your price image—without sacrificing margins
- Understand the impact of cannibalization and category cross-effects

But, to fully leverage this technology you must integrate the science of optimization with the insight, expertise and experience of your merchandising and leadership team.

### PriceStrat

Today, the optimal solution is PriceStrat from KSS Retail—a powerful tool that fuses the art of merchandising with the science of optimization technology.

PriceStrat provides *what-if* insight into merchandising scenarios and automates the grind of data collection and analysis so that you can make smarter pricing and promotional decisions faster. And it accomplishes this anytime—in merchant time.

With PriceStrat, you can better understand, predict, affect and measure consumer behavior so that you, in fact, develop more insightful strategic plans to achieve optimal profit potential.

### Capabilities and Benefits

PriceStrat offers a complete, feature-rich solution that enables you to optimize pricing and promotions.

Developed by merchandising professionals for merchandising professionals, PriceStrat solves the challenges of and brings discipline to everyday and promotional pricing by:

- Increasing profitability by optimizing pricing to meet performance targets across all stores
- Maximizing the impact of promotions by providing insight into SKU-level customer demand and price dynamics within and across other categories
- Sharpening pricing tactics through modeling the potential impacts of competitive behavior
- Enhancing strategic and tactical planning by providing predictive insight into pricing and promotion activities



- Producing up-to-the-minute, in-depth reports that measure and evaluate implemented decisions
- Improving productivity by reducing the time it takes to turn discussion points into effective decisions—and data into actionable information

## ABOUT KSS RETAIL

KSS Retail, a dunhumby company, is a leading provider of price optimization and customer insight solutions for the grocery, convenience, chain drug, general and on-line retail industries. Retailers use KSS Retail software and solutions to better understand their customer's needs to improve store selling conditions and to deliver more effective pricing, promotions and merchandising decisions. KSS Retail clients consistently achieve improved market share, sales and profit growth, and enhanced competitive positioning. Current customers include Kroger, 7-Eleven, O'Reilly Auto Parts, Fred's, Brookshire Brothers, McKesson, Sonae, Raley's, United Supermarkets, Continente, dabs.com, ABC Fine Wine and Spirits, and many others. For more information, visit [www.KSSRetail.com](http://www.KSSRetail.com) or email [info@KSSRetail.com](mailto:info@KSSRetail.com).

- Putting superior science, analytics and mathematical capabilities in the hands of day-to-day decision makers
- Providing a unified, calendar-based forecast inclusive of everyday and promotional pricing activities

## PriceStrat Features EVERDAY PRICING

- Optimizes prices to drive key category objectives
  - Units, revenue, profit, gross margin, competitive index
- Allows you to focus on the impact of decisions before they are implemented by generating *what-if* scenarios
- Generates prices while maintaining Rules-Based Pricing compliance
  - Competitive Index differentials
  - Own-product differential rules (carton to pack, private label to national brand, etc.)
  - Minimum gross margins
  - Rounding rules (price points)
  - Category-specific rules (such as cigarette buy-down adjustments)
- Uses weekly data input to *learn* from historical pricing and automatically updates demand calculations and forecasts
- Quantifies the effects of pricing and promotional activities on all items through automated cross-effect determination and calculation

## PROMOTIONAL PRICING AND PLANNING

- Calculates the effects of various types of promotions, such as temporary price reductions (TPRs), buy-one-get-one-free and multi-buys
- Quantifies the effects of various ad vehicles and display types tracked by retailer, such as front-page ads, in-aisle promotions and end-cap displays
- Optimizes promotions to meet margin targets and sales objectives

KSS Retail software is built on scientific components developed to solve the challenges of retailers. It is available as an onsite fully-integrated system, with integration and configuration performed by professionals with years of merchant specific retail experience.

[www.KSSRetail.com](http://www.KSSRetail.com)

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