



Highlights

- Leverage industry-leading science and analytics to set the right prices, for the right products, at the right time in the right channel
 - Recommend pricing policy by product by channel — where to price higher, lower, or match the competition
 - Determine prices using scenario-based “what-if” analysis and prescriptive recommendations
 - Dynamically manage pricing across physical and digital channels with a single system
 - Automatically react and adjust prices to market fluctuations such as competitive or cost changes
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IBM Price Optimization

Help retailers optimize prices across channels to achieve sales, volume, profit and price image goals

Many leading retailers depend on IBM® Price Optimization to help them answer key pricing strategy questions such as:

- How can we improve our price image while maintaining our current level of profitability?
- How can we respond to rapidly increasing costs without passing them directly to our shoppers?
- How can we price our private label items to maintain category performance as customers seek lower total baskets?

IBM Price Optimization, part of IBM's cloud-based suite of Omni-Channel Pricing solutions, enables retailers to deliver optimized base or everyday prices across store and online channels to achieve their sales, volume, profit and price image objectives for regular, everyday items. This IBM digital commerce merchandising solution enables retailers to quickly move insights to actions to results by delivering the right price at the right time and place to customers.

Leverage omni-channel science to dynamically set prices for the right products at the right time

IBM Price Optimization leverages omni-channel consumer demand science, using SKU-level modeling and optimization to capture the elasticity of each item in each channel, in addition to cannibalization, halo effects, cross-category pull through effects, trends, seasonality and a host of other causals to deliver an industry-leading level of accuracy. The science behind the solution enables retailers to develop competitive, omni-channel pricing that conforms to their pricing rules while helping to maximize their primary and secondary goals, such as driving higher sales, increasing volume and improving profitability.



Comply with product and channel pricing policies using rules

Using IBM Price Optimization, retailers can define and enforce their pricing policies by creating pricing scenarios with pricing rules selected from a comprehensive library. Rules in this library, such as last digit rules, competitive price index rules, cross zone and omni-channel rules can be configured by the merchant using natural language editing. Retailers can then prioritize these rules in their pricing scenarios in order of importance. In the event that conflicting rules make it impossible to calculate an optimized price scenario that adheres to each of the rules a retailer defines, IBM proprietary rules relaxation algorithm gives retailers the option to review optimized price scenarios that conform to a retailer's rules and goals.

Dynamically manage pricing across brick and mortar and digital channels with a single system

With IBM Price Optimization, part of the IBM Omni-Channel Pricing solution suite, retailers can dynamically manage and optimize prices across channels. Using one system to support store and online pricing enables retailers to predict how prices in one channel may cannibalize sales in another channel. Additionally, through integration with real-time price intelligence systems retailers can factor competitor price changes into their decision making.

Determine prices with scenario-based analysis and prescriptive recommendations

With IBM Price Optimization, retailers can quickly create and evaluate multiple pricing scenarios to fine tune their pricing strategy and adjust prices across both store and online channels. Retailers can create new "what-if" scenarios in order to change their goals (maximize profit, sales or unit volume) or add, remove, modify or reprioritize their pricing rules. In addition, the system's unique, prescriptive capabilities can recommend which competitor price changes, in which categories and in which channels retailers should react to and which they should ignore.

Why IBM?

In summary, in the new era of retailing, the changing market dynamics of retail pricing are very complex. It requires actionable insights, analytics, cross-organizational collaboration and price transparency at every stage of the pricing process to deliver seamless, personalized shopper experiences across all channels. You need a solution that is based on your defined pricing objectives and can develop pricing strategies that will enable you to achieve your business objectives and meet evolving customer expectations for your digital commerce activities. With IBM Price Optimization, you can price effectively, remain competitive, and achieve significant financial and productivity improvements.

For more than a decade, IBM solutions have helped retail organizations develop and continuously enhance their capabilities. IBM's many years of deep retail pricing experience, combined with leading optimization science and research resources, delivers true omni-channel pricing capabilities that allow our retail clients to set, manage and execute optimal and coordinated Intelligent Pricing across their brick and mortar and digital channels.

For more information

To learn more about IBM Price Optimization, please contact your IBM representative or IBM Business Partner, or visit the following website:

ibm.com/software/products/no/ibmprice-optimization.



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