

Sports Apparel Company Gets Pricing Right with Centric Market Intelligence

“Within each brand, there are people looking after different product areas—someone looking after swimwear, somebody else looking after ski, somebody else looking after footwear—each of those people would go and do their own research. And a lot of times, it’s hiring interns that would just sit there and look up competitor websites and collect, copy and paste data images into a spreadsheet, and then try and build up a picture. But it wouldn’t be a complete picture, it would be a sample set from a brand.”

“WE WERE IN A MEETING
A COUPLE OF WEEKS AGO, AND
WONDERED, WHAT IS COMPETITOR
X DOING? AND WITHIN SECONDS, WE
HAD A QUICK GAUGE OF
WHAT THEY DO.”

— Director of Data Insights at
a Sports Apparel Company

The Head of Pricing at a sports apparel company describes how they would do competitive pricing research and intel gathering prior to Centric Market Intelligence. He explains how across the brands, there are about 50 different people all doing their own data gathering. “It isn’t then pulled into one common resource; it’s spread across the business in different spreadsheets. So you don’t have that ability to do any central or quantitative analysis on it. It’s not really shareable.” Today, with Centric Market Intelligence in place, these functions have been automated. Read on for the details of how this essential AI-driven competitive assortment benchmarking and market-trend insights platform is delivering information in real-time to aid in accurate decision-making.

THE COMPANY

A leading action sports and lifestyle company that designs, produces and distributes branded apparel, footwear and accessories for sports enthusiasts around the world. The company owns several sports apparel brands.

A FOCUS ON PRICING STRATEGY

The company recognized the importance of pricing strategy by creating a position to focus specifically on this area. Says the Head of Pricing, “I work with the merchandisers across all the brand teams in each of the three core regions and currencies. We really look at our pricing relative to our competitors. We benchmark our key products and make sure that they’re competitive, essentially.”

ASSORTMENT MATTERS TOO

He explains how the company tries to get the assortment right at the beginning of each planning phase, focusing on the right areas and the right weighting of products. To do this manually takes much time/person-hours and isn’t as accurate as it could be. The company knew they needed a solution to make the work easier. Previously, they tried a scraping tool put together by a consulting firm to collect data but it was fairly rudimentary. However, it did give the company a sense of the opportunity to be gained by shifting among price points.

THE RIGHT TECH SOLUTION

Once the strategy was established, the Head of Pricing says, “It became a case of trying to get some competitive pricing software in.” The company looked at a few different platforms but ultimately selected Centric Market Intelligence, an AI-powered retail analytics solution that leverages image recognition and keyword matching to enable brands to increase speed to market, with real-time insights across 4 key business areas: pricing, assortment, promotions and trends. Product-matching capabilities match exact products, even without a UPC, so that retailers can optimize their pricing for same products sold on competitors’ sites.

DATA INSIGHTS

The Director of Data Insights says, “We really focus on current performance, what’s happening on site for competitors, what’s online, what pricing changes there are.” The director of data insights role acts as a bridge between e-comm and the business requirements. “We look at Google search trends, as well as email—what is being called out? What discounts are applied? What does the site look like? Especially around certain trade periods like Black Friday—how do we trade, how are our competitors trading? We can see what they’re doing from an average discount percentage perspective. What are they doing when it comes to reducing an assortment? It’s a good gauge for us to see what’s happening with our competitors.”



REPORTS PAVE THE WAY

The Head of Pricing took the initiative to make the platform even more user-friendly by creating reports. He says, “Focusing on the respective brands and showing how they can drill down into products using the key words, I think is one of the most useful things. You can really get specific. For example, if you do, say, ‘crew-neck fleece tops’—you can filter it to make sure you haven’t got any hoods, anything with zips, you haven’t got a sweater or a sweatshirt, nor any different age ranges slipped in that you don’t want.” Being able to use the reports he created, facilitates the tool for users and makes the reporting dead-on for the brands.

EARLY WINS AND CONFIDENT DECISION-MAKING

The company is already seeing ROI in both time saved immediately, and in margins as assortments and price adjustments are rolled out. Notes the Head of Pricing, “We’re able to look at the assortment overall: the structure of pricing, the weighting, how many products we have at each price point and how that compares to the architecture of our competitors, how many options in total over the category. It’s all about making sure that when we’re briefing an assortment at the beginning of each planning phase, that we’re focused in the right areas, the right weighting of products.”

The Head of Pricing compares what was done prior to having the platform, to today. “Doing the research manually took so much time and an army of interns with less complete results. And because the information wasn’t centralized, you lose the ability to do quantitative analysis on it,” he says. “With Centric Market Intelligence, having the information at your fingertips ensures that nothing is missed. It gives a view of the opportunities when they’re there. I’ve felt we’ve got the value—especially over the last six months—in some of the decisions on price changes that have been so critical. This tool has definitely helped us make those decisions.” Because the Centric Market Intelligence analytics platform is built on machine learning technology and image recognition, it is able to provide both real-time and historic e-commerce data on retailers’ pricing, discounting and assortment strategies.

The Head Pricing says, “Seeing that another brand has just actioned some price changes, suddenly gives you confidence—it’s not just us thinking of doing this, other brands are doing it too, and here’s the evidence! So yeah, let’s push ahead and do our price changes. And those can be worth an awful lot to a business; if we’re talking about two billion turnover, it’s millions and millions of dollars in extra revenue. Having the confidence to make those decisions is really where you get the value.”



THE CENTRIC MARKET INTELLIGENCE DIFFERENCE

The Director of Data Insights gives his take on the platform. “What Centric Market Intelligence has been for us is a visual guide to what other retailers are doing. That’s been very helpful, because a lot of my world used to be Excel-based. The [Centric Market Intelligence] dashboards take everything super visual. We were in a meeting a couple of weeks ago, and wondered, what is Competitor X doing? And within seconds, we had a quick gauge of what they do, versus like the Head of Pricing said, having to get interns to sit there for days, extracting only 10% of what you truly need.”

The Head of Pricing sums up, “I always think of Centric Market Intelligence as a competitive pricing tool, but it’s more than just that because you’ve got all the assortment and promotional side of it. So it’s a competitive intelligence visualization tool. For me, one of the best things about it—I always say this when I do internal training sessions—is the fact that you have the ability to put everything into one common product hierarchy.”

He continues, “The fact that Centric Market Intelligence does reporting very well is one of its key advantages. You can so quickly do analysis across brands, on particular categories, with filters applied. You really get the benefit of being able to look at something very quickly.” And regarding making tweaks to the assortment, the Head of Pricing notes, “When you add it all up, it’s quite a chunk of money.”



BUSINESS CASE HIGHLIGHTS

CUSTOMER: ACTION SPORTS AND LIFESTYLE COMPANY DESIGNS, PRODUCES AND DISTRIBUTES BRANDED APPAREL, FOOTWEAR AND ACCESSORIES.



PROJECT

Read how a Sports Apparel Company uses Centric Market Intelligence, an AI-driven analytics and product matching solution, to make informed pricing decisions.



CHALLENGES

- Multiple brands
- Difficult to get real-time competitive information
- Performing pricing and assortment competitive intelligence manually
- Decision making on pricing needed to be faster



BENEFITS REALIZED

- Quicker, and more confident decision-making
- Able to get a complete picture of the competitive landscape
- Relevant competitive information is readily available to all Company brands in real-time

 CentricSoftware®



© 2024 Centric Software, Inc. – Confidential and Proprietary.

