



Pricing Software Case Study

Dynamic pricing for a more strategic future

BCC is one of The Netherlands' largest electronics retailers with a vision to become a one-stop-shop for any and all home electronics solutions.



The Client

BCC is one of The Netherlands' largest electronics retailers with over 20,000 products, a webshop, 61 physical stores, and 1,300 employees. Their slogan is "Always a solution in-home", showing their vision to become a one-stop-shop for any and all home electronics solutions.

"Thanks to Omnia, we greatly improved our margin in 2020. With the presence of high quality market data and pricing automation, we could easily move along with price changes in the market. Whilst taking price elasticity and stock level into consideration, during the covid related e-commerce surge."

- **Juliën Bakker**
Category manager BCC



What was the Challenge?

Coming into 2020, BCC wanted to focus on finding solutions for three main challenges in regards to pricing:

.01

Decrease dependency on manual changes

Before the implementation of Dynamic Pricing, BCC employees had to approve and implement pricing changes manually. Because of this, time management and efficiency were not being prioritised. Taking time away from high-level tasks and decisions that needed to be made.

.02

Increase price change frequency

Data analyses facilitated by Omnia in 2019 showed that BCC was considerably behind their electronics competitors in terms of price change frequency. BCC realised that Dynamic Pricing could bring the value and solution they needed in order to keep up with the speed of price changes.

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Escaping the race to the bottom

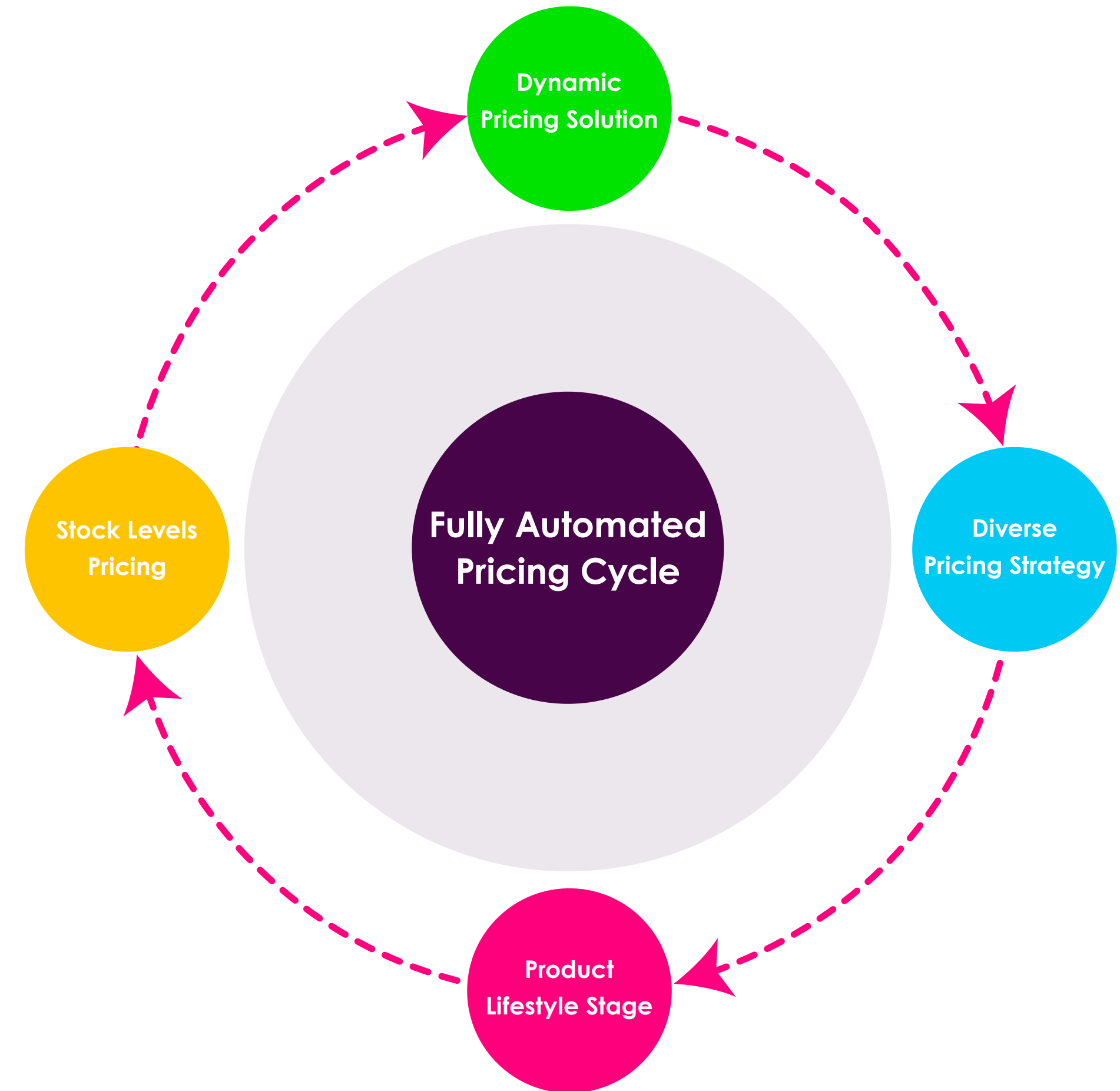
For the business to start thriving, BCC needed to break with its linear strategy of simply following the lowest price in the market. They already prepared the public by changing their slogan from “Lowest price guarantee” to “Always the best price”. Now, they needed a systematic approach to build a healthier margin on products while still remaining competitive.

What was the Solution?

Having already experienced the value of pricing insights delivered by Omnia's Pricewatch module for some time now, choosing the Dynamic Pricing solution from Omnia was a natural progression.

BCC realised that they needed a diverse pricing strategy to stay competitive in pricing (based on price elasticity). At the same time, they wanted to play into an assortment of factors, such as product lifecycle stage and stock levels pricing, especially during the Covid-19 and the e-commerce demand surge. Due to Omnia's flexibility and customizability, they could implement all of the rules and intricacies they envisioned.

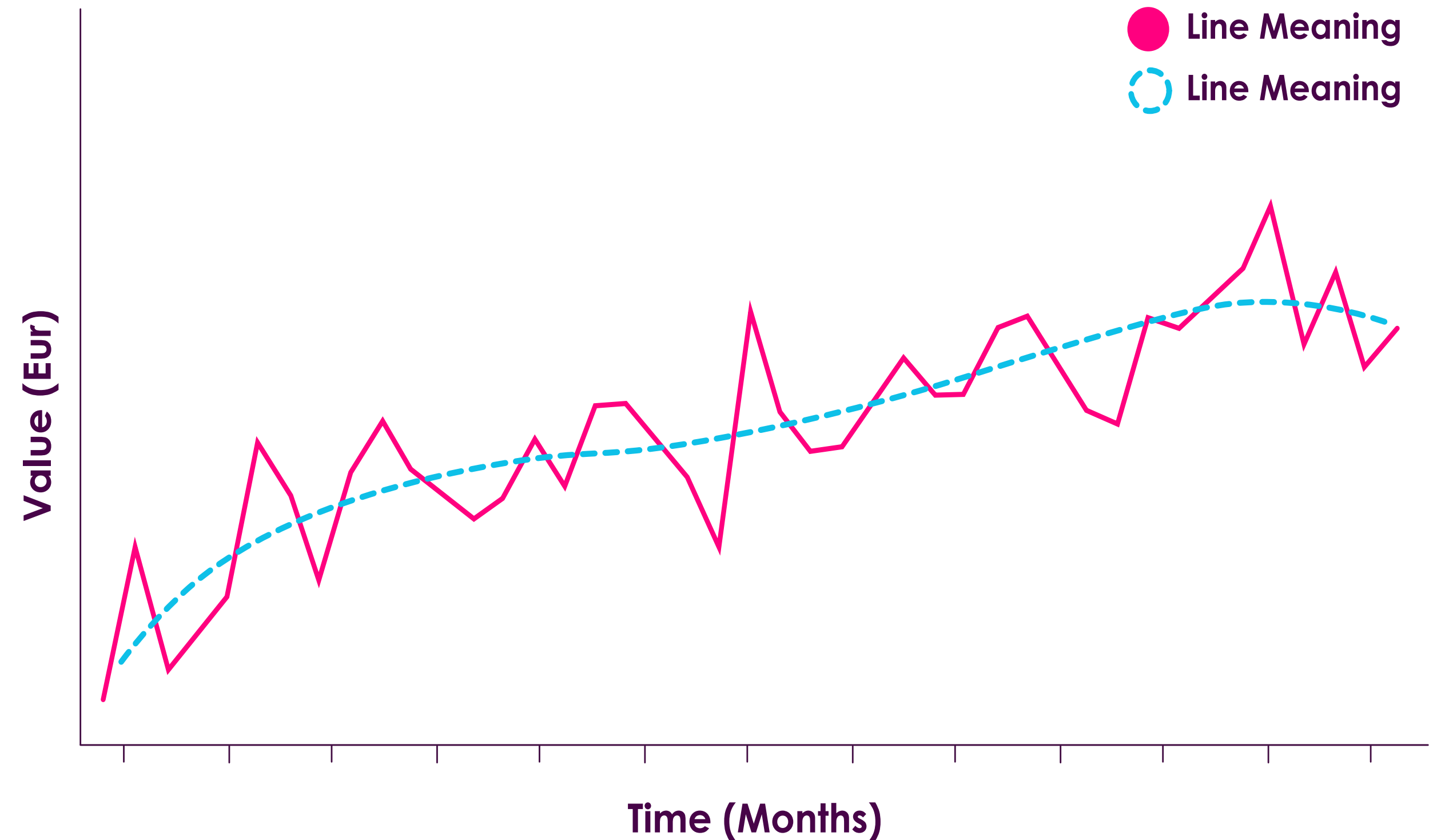
The full implementation of an end-to-end automation solution was done per category, with the first products going live in April 2020, and the remaining few in the months following.



The Results Part I

BCC was able to automate re-pricing across all of its categories, efficiently and by July 2020, all categories had an end-to-end automation strategy successfully implemented. **Double-digits hours** were saved **across 11 category managers**, freeing up valuable time to invest in strategic insights and other operational efficiency instead.

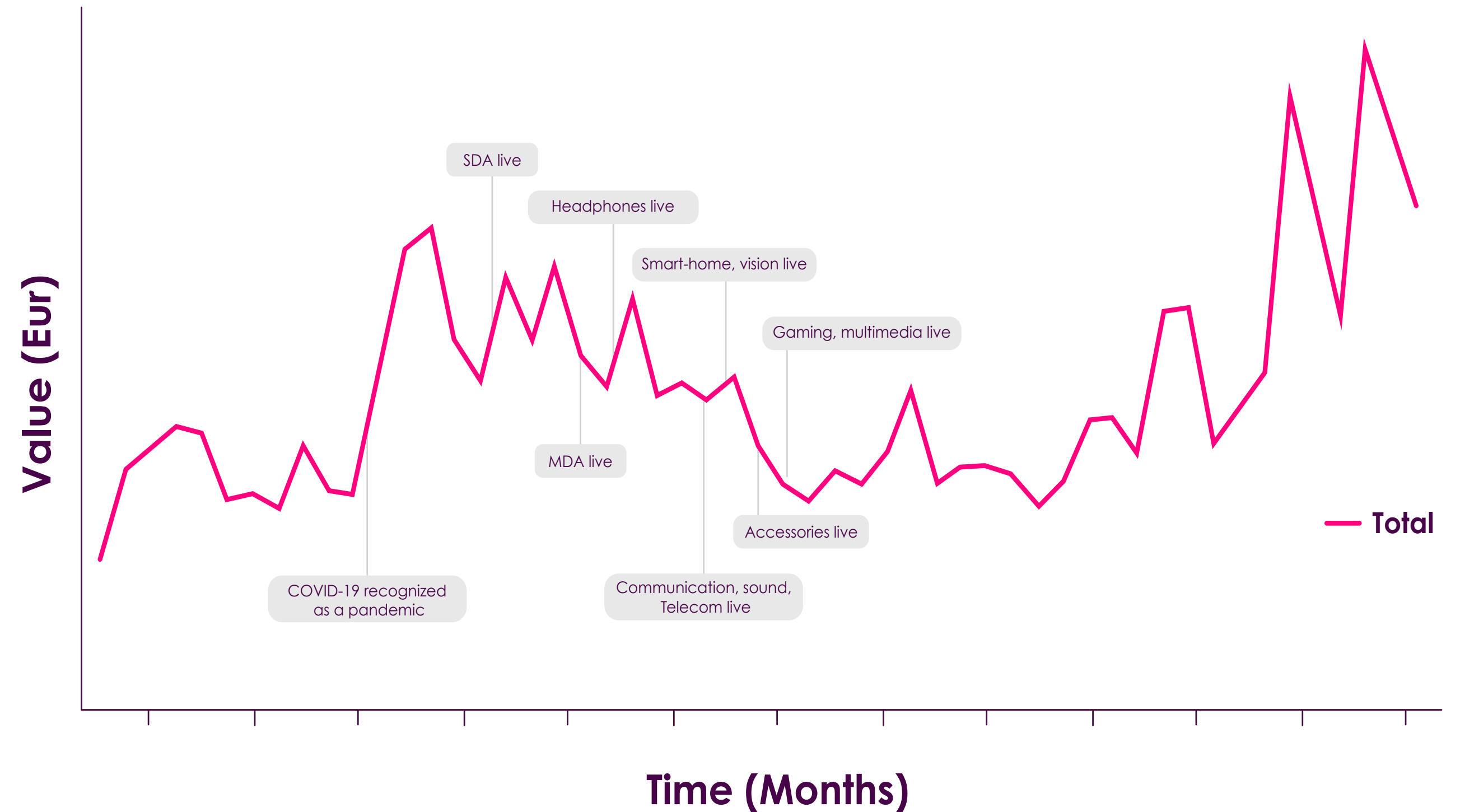
By using Dynamic Pricing, BCC increased their average **daily price mutations sixfold**. Since the re-pricing factors were mostly market-related, it shows that they were much better at keeping abreast with their competitors.



The Results Part II

BCC was able to increase prices that increased profits. This was achieved through competitor information and general market trends collected through Omnia Retail's unique product data mining capabilities.

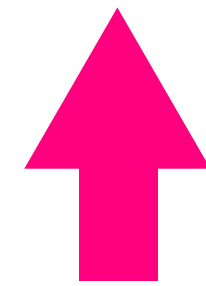
Where competitors ran out of stock due to Covid-19, BCC could automatically adjust their own prices accordingly. While the exact effect on revenue and margin is hard to conclude due to the massive impact of Covid-19, it is clear that it resulted in an overall healthier price ratio (BCC's price compared to market average), and a significantly higher Euro margin per product sold.



The Results Part III

6X

Sixfold increase in daily price changes



2X

Double digits on hours saved per month in manual labour

Conclusion

The recent pandemic and the ensuing worldwide surge in e-commerce demand took everybody by surprise. **The rapidly changing conditions in the market showed how important automated decision-making** is in today's world and has provided a glimpse into the future.

By timeously switching to Dynamic Pricing, BCC was able to not only deal with the chaos, but able to **capitalise on opportunities that presented themselves, rather than succumbing to them.**



Henk van Hattem
Director Category Management
& Supply chain

“By having a dynamic pricing solution like Omnia’s, pricing becomes significantly more efficient. Time spent on actual repricing was saved overall across teams, which enabled my team to develop more intricate pricing strategies. But above all to gain control over pricing in a highly competitive market is just great!”