

How Pricing is evolving for Brands selling D2C in 2025

—

Customer expectations and reseller behaviour as factors for your strategy

20th February

omniaretail

MSRP D2C pricing is dead*

Let's back this up with some data and trends

*Aside from new product introductions

Resellers are changing prices more frequently across the board. 2024 saw an increase of 12.8% compared to 2023 in price change frequency.

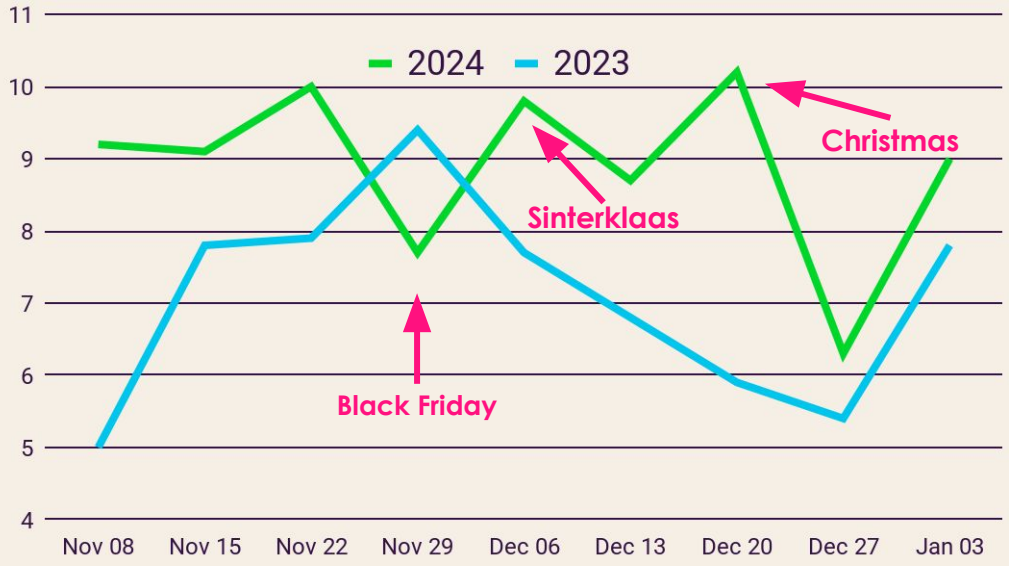
- **Increased Competition**: More sellers entering the market heightens pricing pressure, especially without a selective distribution network.
- **Increased competitiveness**: More sellers are changing price more frequently leading to a lower average price
- **Expanded Channels**: Growth of marketplaces over individual sellers broadens the channels available for customers.



Comparison of number of price changes per retailer 2023/24 vs 2024/25

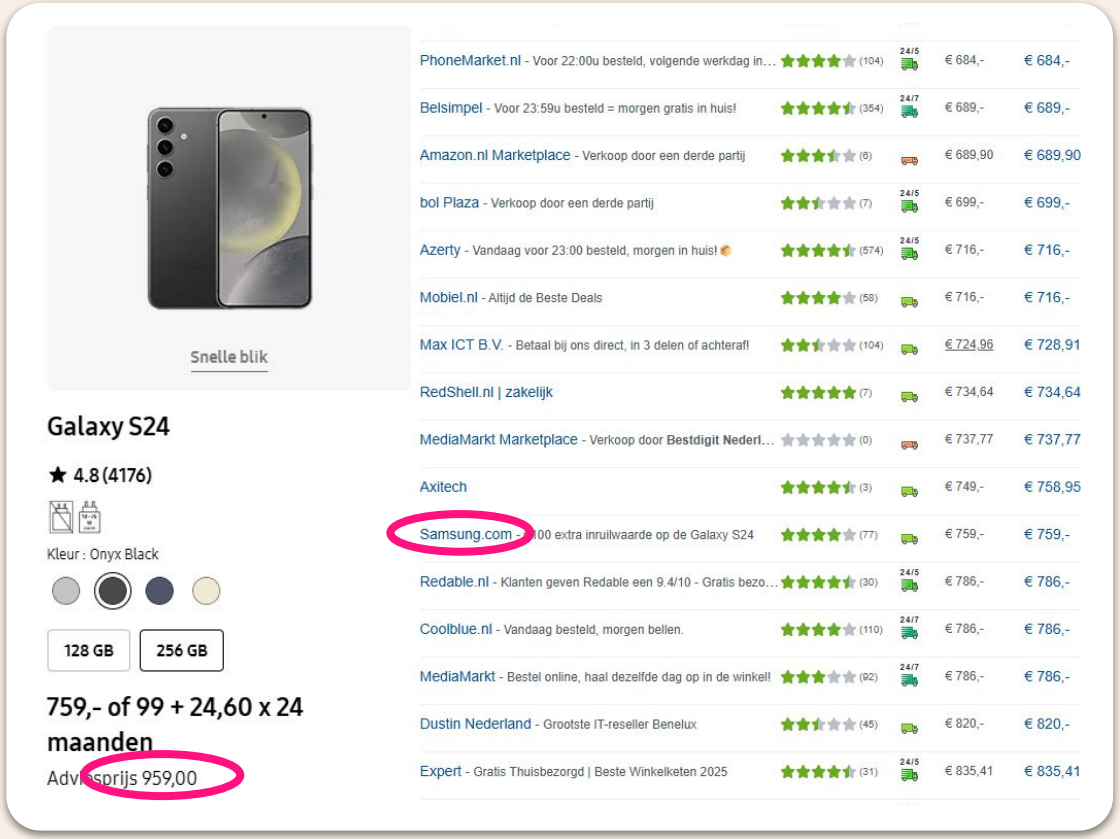
Resellers are becoming more volatile, size of the price changes (up and down combined) increased by 21% in 2024 vs 2023

- **Bigger Price Gaps**: Increased volatility results in larger price jumps and greater deviations from MSRP, even if only temporarily.
- **Wider Discount Window**: Black Friday discounting now spans a broader time period. Resulting in a longer comparison of a lower price to your MSRP.



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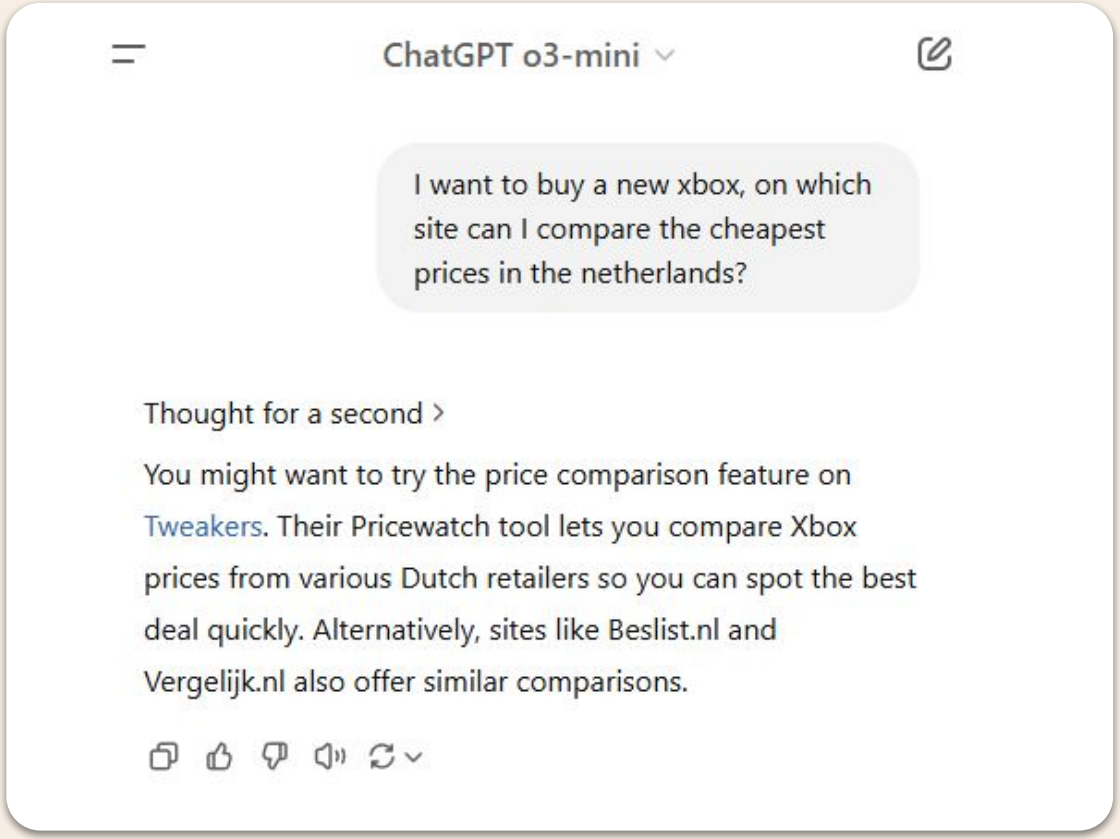
MSRP pricing is ineffective because of 6 core reasons:
1 | Consumer Price Transparency leads to insult pricing



Consumers can easily identify if a brand's MSRP is inflated or irrelevant using

- **Price comparison tools** (Google shopping, Idealo, Tweakers, Klarna, etc)
- **Marketplaces** (Bol, Amazon)
- Online **reviews**

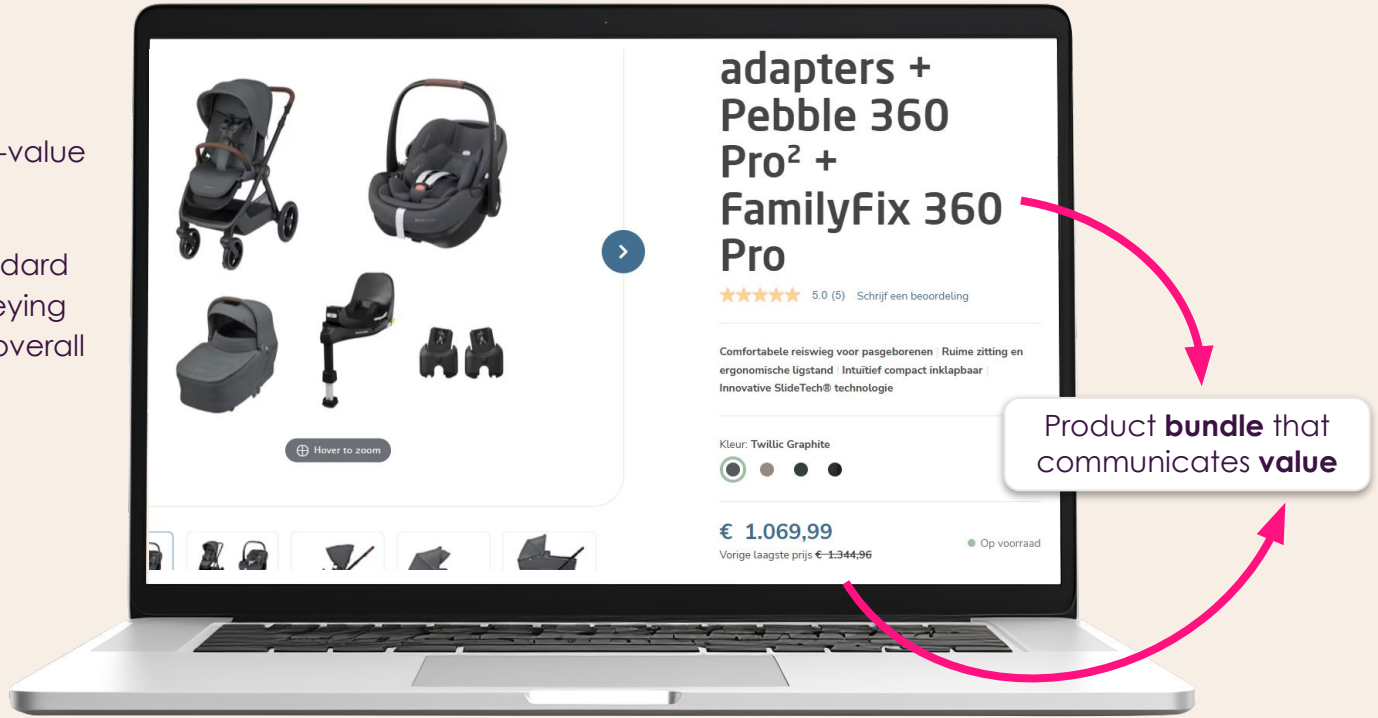
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- **AI** is making it even easier for consumers to find the best deal.

MSRP pricing is ineffective because of 6 core reasons:
2 | Other brands are pricing the value, not the product

- **Consumer Expectations**: Shoppers seek clear price-value alignment.
- **Flat MSRP Limitations**: Standard pricing often misses conveying exclusivity, urgency, and overall value.

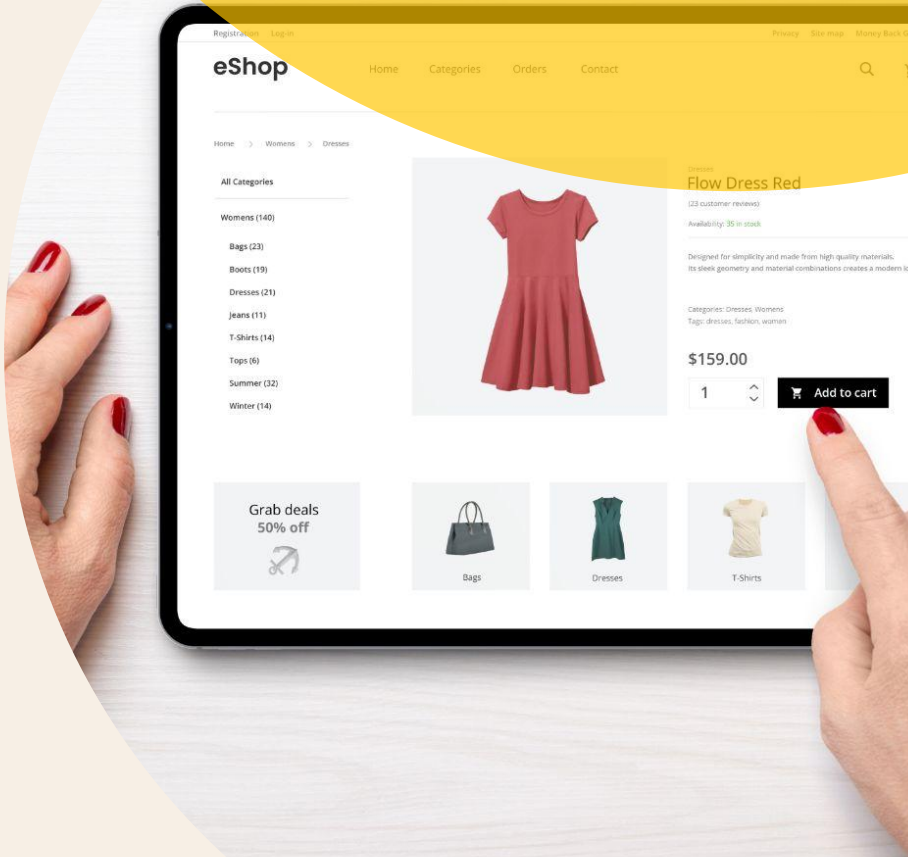


MSRP pricing is ineffective because of 6 core reasons: 3 | Price Wars and Margin Erosion

Ongoing Price Erosion: In competitive categories, price wars between retailers and marketplaces drive constant price erosion, particularly as product life cycles mature.

MSRP Limitations: Relying solely on MSRP turns your D2C channel into a beautiful showroom that attracts interest but fails to convert.

Competitive Alignment: To avoid being merely an info site, your D2C pricing must stay close to market levels during price wars.



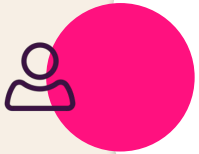
MSRP pricing is ineffective because of 6 core reasons:
4 | Data-Driven Personalization

One flat price for all your products **misses the opportunity** that data driven personalisation brings.

MSRP ignores this **personalization trend**.

Think about **loyalty programs, member discounts,** etc. These price variations **create additional value** allowing you to capture a larger part of the market **without price erosion**.

MSRP pricing is ineffective because of 6 core reasons:
5 | Shift Toward Subscription Models



D2C brands increasingly focus **on long-term customer retention** (e.g. subscription models) rather than single-purchase MSRP adherence. Klarna has shown how valuable splitting payments can be for the end user.



Subscription models often **bypass MSRP entirely with subscriptions** covering new product introductions and offering other benefits consumers can not find anywhere else.

MSRP pricing is ineffective because of 6 core reasons: 6 | Dynamic Pricing Expectations

Consumer Conditioning: Platforms like Amazon have set expectations for discounts, deals, and real-time price fluctuations.

Delayed Purchases: Consumers delay purchase behaviour if prices are static, expecting discounts.

Increased conversion: Conversion significantly increases if prices are within the accepted range, even if they are higher than reseller prices



How can value better be communicated?

Brands can communicate value to customers by using Tiered and bundle pricing. Different bundles are used for different business goals.

Bundle Type	Definition	Pricing Impact	Business Impact	Marketing Impact	Operational Impact
Pure Bundling	Products are **exclusively sold as a package**, not individually.	Priced lower than the total of individual items, emphasizing value.	Helps clear out less popular products and **reduces excess inventory**.	Simplifies decision-making for customers by reducing choice overload.	Streamlines inventory management by moving multiple products together.
Mixed Bundling	Products are available both **individually** and as part of a **bundle**.	Provides a discount while maintaining individual pricing, offering flexibility.	**Increases average order value** and caters to different customers.	Attracts price-sensitive customers seeking deals and enhances perceived value.	Requires careful inventory tracking to manage both individual and bundled items.
Leader Bundling	A popular **(leader) product is paired** with a less popular one.	Sets an attractive price point to encourage purchase of the entire bundle.	**Boosts sales of less popular items** by using popularity of the leader product.	Introduces new or underperforming products to a broader audience.	Balances stock levels by coupling high-demand and low-demand items.
Mixed-Leader Bundling	Combines **complementary products**, offering them as a bundle or individually.	Strategic pricing to highlight savings when products are bought together.	Maximizes cross-selling opportunities and **enhances perceived value.**	Strengthens brand image by showcasing a cohesive product ecosystem.	Optimizes packaging and distribution processes for bundled products.



Brands can communicate value to customers better through their own D2C channels if they use loyalty and incentive programs

Engaging repeat customers with

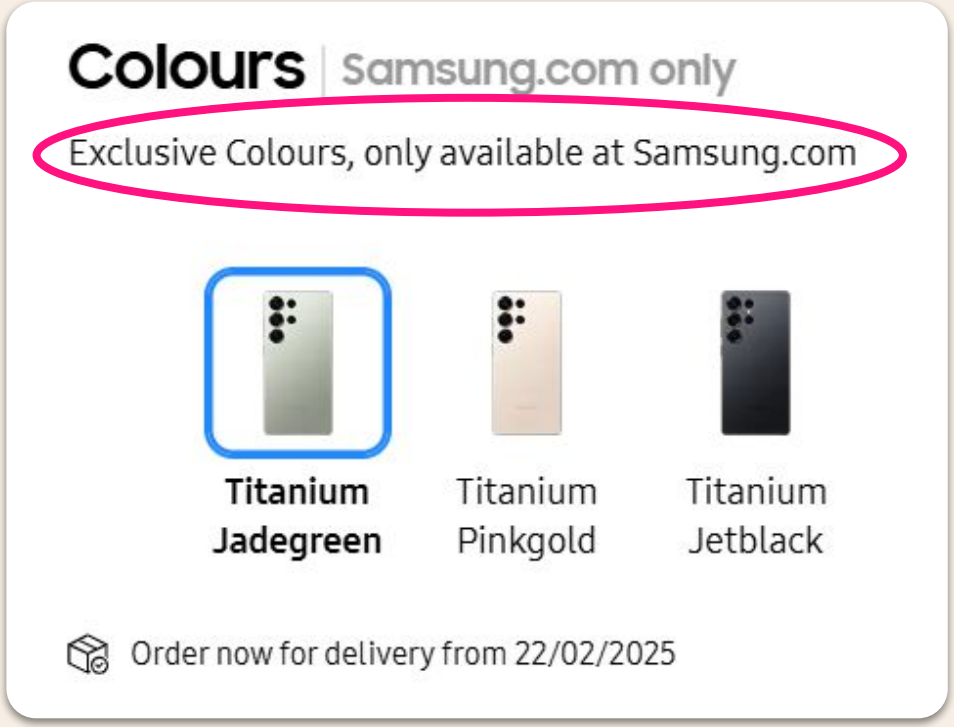
- Exclusive pricing
- Discounts tied to programs
- Other perks tied to loyalty programs

If login is required to see discount, we legally can't scrape it

Omnia Retail

D2C brands can stop competing with resellers by creating exclusive product versions, this fosters:

- D2C growth and customer relationships
- Higher margins
- Premium positioning
- Reduced reseller conflicts
- Better inventory and demand management
- Testing of new colours



Brands can communicate value to customers better through their own D2C channels if they leverage green incentives

Pricing now mirrors more than just product cost

It includes customer service, eco-friendly packaging, and CO2 neutral shipping.

Trailblazers

Patagonia and Cotopaxi have set the standard.

Emerging green marketplaces

Such as ProductPine, are reshaping consumer expectations.

All products around your free shipping cut-off deserve their own pricing strategy

Price change

Before Dynamic Pricing

Brand



Product X $40

Free shipping at $50.

Shipping costs: $3.99

Total cost **$43.99**

Reseller



Product X $37

Free shipping at $35

Shipping costs $5.99

Total cost **$37**

After Dynamic Pricing

Brand starts price matches reseller



Product X from $40 to $37

Free shipping at $40.

Shipping costs: $3.99

Total cost **$40.99**

- Price sensitive customers will still buy from Reseller
- Sales volume will not change significantly.
- You as a brand just lost 3 euros margin per product sold to loyal customers.

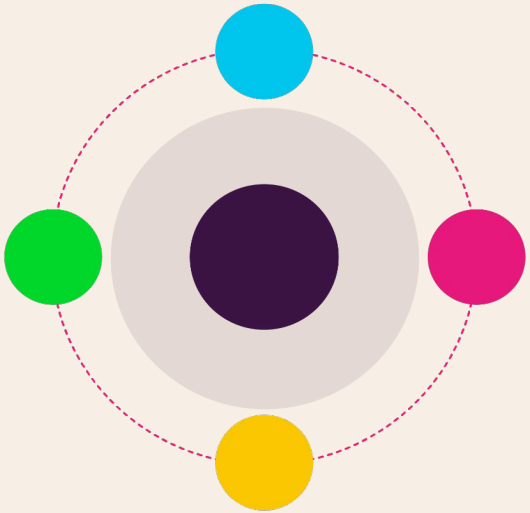
Revenue and profit are great metrics to track. But do not forget everything else affected by pricing. Start small, measure big.

Customer Value:

- **CLTV** – Long-term customer value
- **AOV** – Average spend per order

Advertising & Acquisition:

- **ROAS** – Ad campaign efficiency
- **Google Ads CAC** – Acquisition cost



Customer Behavior:

- **Retention Rate** – Repeat purchase frequency
- **Cart Abandonment** – Friction in the purchase process
- **Website Engagement** – Traffic, bounce rate, session duration

Brand Perception:

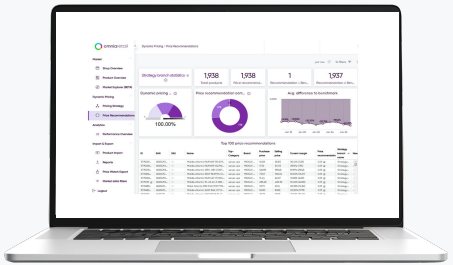
- **NPS** – Customer loyalty
- **Price Perception & Complaints** – Impact of pricing on brand image

How Omnia supports Brands

Omnia's Pricing Platform drives profitable growth for Brands

The Omnia pricing platform collects reseller prices, provides reports, insights, and alerts. It can export raw data for your finance/RGM team and provides your D2C channel with updated prices at any desired frequency.

Omnia Software



Raw Data Export



D2C Marketplace Team

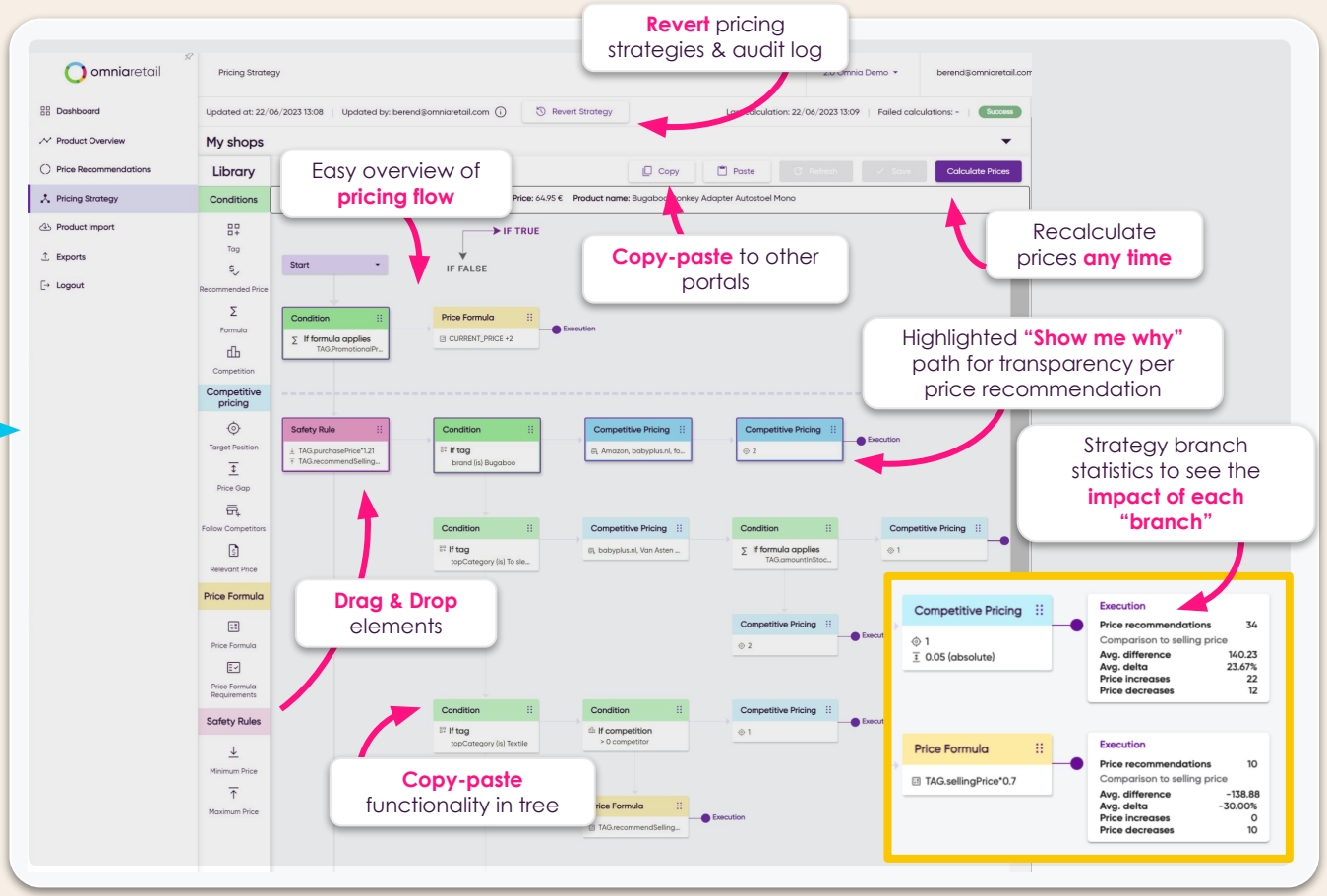
Finance Team RGM Processes

Omnia Data Layer

- Fully Flexible & Schedulable data collection
- Platform data & Direct Scraping
- Your assortment and Key products competing brands
- Promo / non-promo flagging

Build a fully automated commercial strategy using our visual drag and drop strategy builder

Full transparency. You are in control.



Philips Case Study

The roadmap to Omnia's success with Philips



INITIAL LAUNCH
Successful pilot in the UK led to full rollout to **20 countries and 3 continents**.

APPROACH OUTLINE
Agile approach employed together with a strong, **customer success driven partnership**
Quickly started with simple price strategies and continuously optimized.

PARTNERSHIPS BUILT
Strong partnership as a trusted advisor - via **individual account approach and team-to-team consultancy**.

ON-GOING SUCCESS
Minimised time spent on manual work **D2C channel sales grew double digit percentages** after implementation, while also growing (absolute) margin.

ON-GOING GROWTH
Price related complains reduced by 75%.
Software standardization facilitates knowledge transfer.

ON-GOING CONSISTENCY
Improved pricing consistency lead to **clear story to trade partners**.

Thank you for your participation –

Let’s keep in touch.

See what Omnia can do for you.

Get in touch

Or book a meeting directly with **Martijn Crooijmans** here.

www.omniaretail.com