



# Case Study

Delhaize America Charts Path to  
Shopper-Centric Pricing with Revionics  
Life Cycle Price Optimization

REVISIONICS®

# Delhaize America

## Delhaize America Charts Path to Shopper-Centric Pricing with Revionics Life Cycle Price Optimization

### Company Snapshot

Brands Include



3400 stores  
in 7 countries



€21.4  
billion revenue

### About Delhaize Group

Delhaize Group, parent company of Delhaize America, is a Belgian international food retailer with leading positions in key markets. Their operating companies have acquired these positions through distinct go-to-market strategies. The Group is committed to offer its customers a locally differentiated shopping experience, to deliver superior value and to maintain high social, environmental and ethical standards. The Group's strength is supported by the close cooperation of its operating companies at both the regional and global levels. Delhaize Group's stock is listed on NYSE Euronext Brussels (DELB) and the New York Stock Exchange (DEG).

### Overview

Belgian food retailer Delhaize "Le Lion" has one big cub -- Delhaize America.



With approximately 1,300 supermarkets in 15 states from Maine to Georgia, Delhaize America is one of the largest supermarket operators on the East Coast.



## **Delhaize America sees life cycle price optimization as an ongoing journey, one on which it continues to progress.**

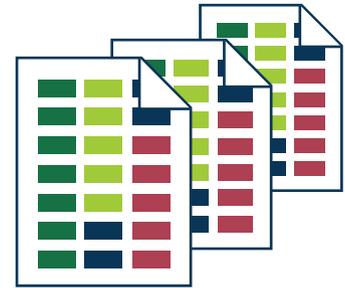
At first the organization had a rules-centric mindset. “Our initial focus was on implementing business rules, but Revionics challenged us to embrace a more strategic way of thinking about our pricing capabilities, which led us to continuously evolve and improve our price optimization strategies right from the start,” says Tim Concannon, Director of Pricing Services. “And Revionics continues to introduce new functionality that we’re excited about – if they commit to something on the roadmap, we know that Revionics will deliver.”



## CHALLENGE

Retailer Delhaize America wanted to implement a full-featured price optimization solution – one that delivered not only day-to-day optimized pricing across its diverse retail locations, but also one that could align with its goal of a strategic shift toward more consumer-focused pricing. A price optimization solution they had purchased a few years earlier never gained traction: the tool offered up “black box” price recommendations that failed to give insights into the why behind the recommendations, its challenging user interface caused frustration and leadership was not fully supportive of the need for a price optimization solution. It also did not have functionality to enable a key pricing strategy, limiting its usefulness for Delhaize America’s business model, and eventually the tool became shelfware.

Delhaize America set out to evaluate and select a modern, usable, transparent and ever-improving price optimization solution, this time with executive sponsorship and committed resources from IT, change management, business process engineering and other areas of the business for a high-impact selection and implementation process. With clearly defined user scenarios and a detailed RFP, Director of Pricing Services, Tim Concannon, led the Delhaize America team through a rigorous evaluation of their three short-listed vendors.



Without automated price optimization, analysts juggled complex spreadsheets with as many as 300 columns and 6,000 rows making it difficult to ensure pricing strategies were followed. Business processes and data were not standardized and data quality was a challenge.

### Additional Challenges:



Time consuming and manual processes



Unwieldy spreadsheets without scalability



Lack of standardized data and processes



Poor data quality



## RESULTS

“The excitement of the pricing analysts using Revionics is outstanding,” Concannon notes. “They like the transparency, the usability and the effective change management. The analysts are more efficient and productive.”

“We’re now implementing more shopper-centric pricing along with enforcing our rules and allowing our pricing strategies to come fully alive at the shelf.”

Delhaize America has begun implementing Revionics® Markdown Optimization. Concannon observes, “Not everyone was convinced that we needed Markdown Optimization capabilities but the more we learned, the more people began to see it as a quick win.” Revionics Markdown Optimization enables retailers to make fact-based markdown and clearance decisions – including markdown cadence and depth - that align with local shopper demand and store-level inventories to maximize margins and sell-through.



Almost immediately, Delhaize America began to act more strategically across its portfolio by market and category based on shopper customer needs.



Delhaize America also plans to start a discovery process with Revionics® Promotion Optimization to assess how it can further impact Delhaize’s evolution of using price optimization across their full product life cycles. Revionics Promotion Optimization enables retailers to identify the best items and most effective and profitable offers by execution vehicle, channel and shopper segment.



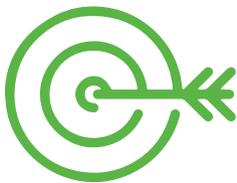
**“We truly have embarked on a life cycle Price Optimization journey, and we’ve made phenomenal progress,”** Concannon says.

“At the same time, we know there is a lot more we can accomplish. This has been an incredibly rewarding project, both for the benefits Revionics brings to Delhaize America and for me professionally. Revionics has proven to be an outstanding partner every step of the way.”





Delhaize America updates data in Revionics Price Optimization weekly as well as takes prices weekly.



From the beginning, Revionics stood out for its highly engaged approach, earning Delhaize America's confidence and ultimately winning the business. "Revionics consistently embodied solid selling and a true partnering mentality," says Concannon. "They stayed deeply engaged throughout the evaluation process and did a lot of analysis using our historical data. When it came time to deliver the demo Revionics just nailed it on our use cases. In contrast, the other two vendors essentially disregarded our use case scenarios and failed to target our needs with the data we'd provided – it felt like a generic effort. Even in the use case scenarios, Revionics challenged us to think differently."

## SOLUTION

Once Revionics® Price Optimization was selected, the hard work began. "To get the best value from the Revionics solution, we needed it to integrate effectively utilizing two years of our historical data," Concannon notes. "We jointly tackled the data remediation, cleanup and integration challenge, which was frankly a tougher job than we'd anticipated. But the benefits are significant: not only do we now get optimized recommendations and what-if scenario results from Revionics, but we also have a great rolling 104-week set of accurate, clean historical data that is valuable to other parts of the business."

Concannon notes, "We are implementing each category across in all price zones and in all stores. While we are still not at full maturity, we have been able to leverage scenario planning when vendors come to us with incremental funds. We are able to analyze the new costs and retails that are proposed and make the right decision for our customers and our bottom line. We are able to do that quicker than before and consistently across all teams and with a much higher degree of confidence in the output than we had in the past."



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