



Company:  
Leroy Merlin

Revionics Solution Used:  
Base Price Optimization

Country Software is Live In:  
Brazil

Revionics Customer Since:  
2018

# Revionics Customer Spotlight: Leroy Merlin Brazil

## About Leroy Merlin Brazil

Leroy Merlin is a major player in the global DIY market.

The company helps people around the world with all their home improvement projects, from renovations and extensions to decoration and repairs. Leroy Merlin offers a wide range of DIY solutions that cover plumbing, lighting, heating, electricity, sanitation, security, cooking, gardening and much more.

Leroy Merlin arrived in Brazil in 1998 and since then has been innovating the world of construction and home improvement materials. Fast-forward to today, and Leroy Merlin is the largest home improvement retailer in Brazil, with approximately 50 locations throughout the country and a vibrant e-commerce presence.

Leroy Merlin is a subsidiary of French retail group ADEO. With over 1,000 stores on three continents (Europe, Asia, Africa), ADEO is one of the world's largest operators of DIY and home improvement stores.

## Background on Leroy Merlin Brazil's pricing journey

In late 2018, Leroy Merlin Brazil selected Revionics' Base Price Optimization solution to craft more localized, customer-centric pricing and increase business agility.

Having achieved those objectives and with the desire for continuous pricing innovation, in 2023 the Leroy Merlin Brazil and Revionics teams embarked on the next phase of its pricing journey focused on refreshing its pricing processes in three main ways:

- Unified omnichannel pricing
- More sophisticated competitive pricing
- Sustained organizational adoption

## Unified prices across channels

Selling to both individuals and businesses, Leroy Merlin Brazil wants to always offer the most attractive price to customers, regardless of the buying channel used. For that reason, in late 2023 and with the help of Revionics, Leroy Merlin Brazil shifted to a unified omnichannel pricing strategy, ensuring its prices were the same whether a shopper was transacting in-store or online.

"Unified pricing is very important to our overall omnichannel strategy," said Bruno Roberto Gonçalves, price specialist for Leroy Merlin Brazil. "In addition to being well-received by customers, the unification of prices has also streamlined internal pricing activities, mitigating the risk of price inaccuracies across channels and promoting increased trust in the regular price being offered."

## A more sophisticated approach to competitive pricing

With the goal of achieving a more assertive competitive price image, Leroy Merlin Brazil took several steps to increase the sophistication of how it was monitoring and responding to competitors' pricing.

The first step was to reassess its priority competitors – an extremely complex process given that Leroy Merlin Brazil's competitors can vary based on states and product categories.

As competitors were identified and competitive data processes and flows were updated, the Leroy Merlin Brazil team then defined how they wanted to outprice competitors with tactics such as minimum prices, weighted prices and others.

"From a competitiveness point of view, Revionics serves us very well on a regionalized basis," said Gonçalves.

**"The blend of science engines and business rules are set up in a way that aligns directly with our business needs and strategy. Achieving positive price perception while respecting profitability requires advanced science. Revionics provides that science through a tool that is very easy to use."**

## Sustained adoption of price optimization

Price optimization software is only successful if retailers are accepting the pricing recommendations being made; and that is why the Revionics and Leroy Merlin Brazil teams continue to place a lot of emphasis on solution trust and adoption for ongoing success.

"When it comes to pricing software, it's not enough to just demonstrate the advanced functionality of the tool," said Gonçalves. "Trust in any solution must be achieved with results and with numbers. Even though we've leveraged Revionics software for many years

with proven ROI, periodically we will do specific pilots to demonstrate to new and existing colleagues just how powerful the software is."

Gonçalves added, "For example, we recently did pilots in a specific state, Bahia, where first we targeted pricing decisions aimed at growing market penetration, and then we shifted to a pilot that focused on margin gain. The first pilot, which was market penetration, was a success, and now we have the task of increasing margins and we're starting to see the positive results of that pilot too.

**"Ultimately, we have been able to prove with evidence and recurrence the reliability of Revionics' solution, and that it supports all the pricing needs of our business,"** Gonçalves said. "So instead of just asking the 40+ merchants and e-commerce team at Leroy Merlin Brazil to trust in AI-optimized pricing and Revionics, we help them better understand the optimization process and its benefits, which keeps us aligned and drives the business forward."

## Looking ahead

In terms of what's next for the Leroy Merlin Brazil and Revionics partnership, Gonçalves cites a focus on additional automation, optimization, and "what if" scenarios related to price families and product relationships. And another longer-term initiative could involve dynamic pricing.

"In the next few years, it is likely that our company will invest in electronic shelf labeling, which could facilitate the processes and speed needed for

dynamic pricing," Gonçalves said, noting that Revionics is already working with other clients to enable dynamic pricing.

As the retail market is constantly shifting, Gonçalves notes that the Revionics relationship has been instrumental in the sharing of ideas, strategies and best practices.

"With Revionics and Leroy Merlin being market leaders in their respective domains, we have the opportunity to

share valuable information with each other – Revionics can share best practices in terms of pricing strategies witnessed at other retailers around the world, and Leroy Merlin can share the complexities of our business, which likely has some overlap to what other Revionics customers are experiencing," Gonçalves said. **"In addition to the trust we place in the software, exchange of insights is very important and fundamental to our long-term partnership."**