

# Pricing Tune Up

Three Step Guide to adjusting your pricing strategy post COVID

Retailers go through three phases when adapting to disruption: React, Respond and Reimagine. This guide is designed to help you evaluate where you are today and provide key questions to answer as you tune your pricing strategy.

## Phase 1: React

Start by understanding how changing customer behaviors and expectations impact your revenue and margins

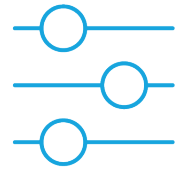
- Consider how your fundamentals have changed and how that may impact your pricing strategy:
  - KVIs:** Redefine your KVIs and run a fresh competitor price comparison
  - Channel Strategy:** Analyze your sales by channel to see what has shifted, including online shopping and what types of items are selling where
  - Competitors:** Identify any changes in your competitive landscape, including new competitors and competitor pricing strategies
  - New Customers:** Assess any new customers: Who they are, why they came, and how they are different from your traditional customers
  - Consumption Patterns:** Compare pre- and post-COVID consumption patterns to identify new trends, including pack sizes and types of items
  - Promotions:** Determine whether your promotions are still effective
- Determine how to communicate value to consumers in an evolving market



## Phase 2: Respond

**Next, focus on aligning your strategies with changed consumer preferences and look for ways to deliver innovative promotions**

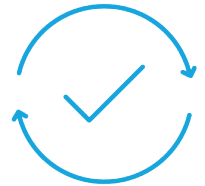
- Create plans to maximize promotional performance, including:
  - Innovative ways to recover from tightening vendor funds
  - Items that resonate with new consumer demand
  - Assessing effectiveness of current vehicle reach
- Reevaluate your offering assortments against recent customer preferences
- Adjust pricing for competitive changes
- Engage your new customers and their preferences
- Assess your pricing strategy and how well it aligns with customer consumption shifts



## Phase 3: Reimagine

**Now, use those data insights and assessments to rethink your pricing strategy and goals for success in a new market environment**

- Tune your overall pricing strategy at the brand, category and KVI level
- Tune your competitive pricing strategy at the brand, category and KVI level
- Tune your pricing strategy to account for shifts in channel behavior
- Redefine your zones to reflect both economic and consumer shifts
- Ensure your KVIs are well understood and aligned to consumer behavior, price perceptions and new market realities
- Align your promotional calendar and strategies with new shopper behavior
- Improve the experience for new customer types
- Redesign your assortment strategy and category pricing roles to reflect changes in the marketplace
- Redefine your channel strategy to align with changed consumer omnichannel expectations



### About Revionics

Revionics guides retailers on the lifecycle pricing journey with leading AI solutions for pricing, promotions, markdowns and competitive insights. As a trusted partner, we provide our customers with clarity and confidence to make optimal pricing decisions for powerful results.

Revionics is an Aptos company and plays a key role in their suite of unified retail solutions.