luminate™MarketPrice

Optimize Retail Prices with the Power of Artificial Intelligence

Your shoppers expect fair prices for the products they buy – but a "fair price" means different things to different customers. And with so many sales channels in today's market, retailers can't survive without an optimized, all-channel pricing strategy. But traditional pricing approaches are limited: Straight rules-based pricing doesn't consider price elasticity and consumer demand, while competitive price-matching destroys profits and sparks a race to the bottom.

To stay competitive and gain an agility advantage over your competition, you need dynamic, market-driven pricing. Artificial intelligence (AI) technology unlocks insights hidden in your data, reducing uncertainty and delivering pricing strategies that reflect actual demand and real-time competitive positions.
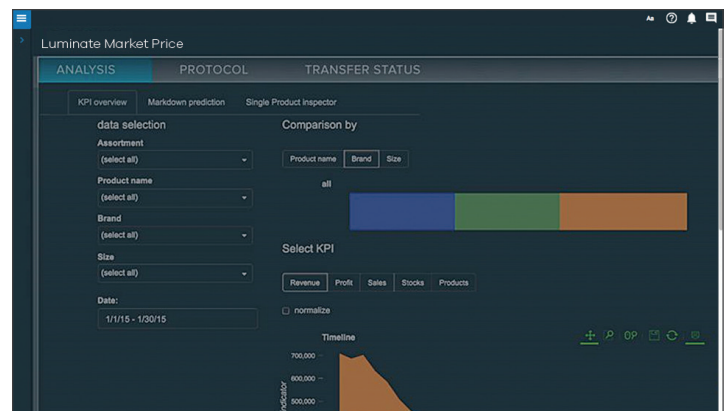
Luminate Market Price – part of the JDA Luminate™ family – offers the perfect approach for growing revenue and increasing profits with AI and machine learning from Blue Yonder. This powerful software as-a-service (SaaS) application tests and measures interactions between price and demand changes. Luminate Market Price automatically sets revenue- and profit-maximizing prices using current and historical sales data and product master data. With continuous optimization to align with all-channel pricing, Luminate Market Price allows you to optimize hundreds of prices every day while considering the cost and effects of each change.

Dynamic Pricing. Illuminated.

Retailers know that pricing is the core strategic component affecting profitability, with a 1 percent change in price leading, on average, to a 10 percent change in profitability – and the smaller your margins, the more pronounced the effect.

◆ Key Benefits:

- Increased revenue and margins through better pricing and fewer repricing events
- Low maintenance after initial setup – considerably reducing time spent on price management
- More competitive pricing leads to lower return rates

Customer-centric retailers also know that shoppers' willingness to pay is key, impacted by product name, brand, related products in the same channel and other factors. Store location, product presentation, time of day and day of the week also impact sales. An ideal pricing strategy considers all of these factors, and is based on scientifically-validated hypotheses.

Luminate Market Price's AI from Blue Yonder learns price points for given product and store combinations, then determines the resulting changes in demand. Next, it calculates the price elasticity of demand for the product based on over 200 influencing factors. Even for slow-selling goods, price elasticity can be determined using cluster and aggregation algorithms to evaluate their describing features. With this information, all-channel prices for products can be optimized according to the customer's desired pricing strategy. After a short learning period, Luminate Market Price sets the optimal price for each product in each location, ensuring that your price implementation matches your overall strategy.

Leverage Data to Determine the Ideal Pricing Strategy

Your business objectives lead to the best pricing approach for the customers you serve. Luminate Market Price supports a variety of scenarios, including revenue maximization, profit maximization or stock-based pricing. You can also choose a mixed strategy that strikes a balance between revenue and profit optimization, so that your pricing best reflects your company's strategic goals.

Luminate Market Price allows you to create pricing rule sets optimized according to specific constraints on an individual product, between products, or across entire product groups. These rules also allow for price conformity across store locations.

Pricing with Your Marketplace In Mind

To remain competitive, a pricing strategy must also consider the marketplace in which your stores operate. Luminate Market Price takes external factors into account, including competitive prices and location-specific weather, as well as substitution and cannibalization effects between products.

With this 360-degree view of the market ecosystem, you automatically get a price strategy that is competitive and aligned with customer expectations — avoiding the price wars and races to the bottom often caused by repricing tools.

◆ Key Capabilities:

- Powerful algorithms scientifically determine price elasticity of demand with continuous learning

- Considers store-level and product data alongside time, date and season, as well as other external factors, to understand impact of these factors on sales

- Supports a variety of pricing strategies, including revenue maximization or profit maximization, pricing rules or a mix of strategies

Enable More Efficient Repricing

Since most brick-and-mortar price changes incur costs in terms of printing labels and price tags, plus the time and labor needed to apply them, Luminate Market Price can pool price changes so that only profitable changes are applied. Now, you can easily analyze variations between product categories and stores, and between electronic shelf labels vs. paper shelf labels and individual price tags, so that you make fewer costly price changes.

Leverage the Power of AI

Luminate Market Price is built on JDA's artificial cognitive platform, with APIs that allow delivery of master data and sales data via a simple and secure combination of XML and built-in HTTPS encryption. Data can be delivered from any ERP or POS system, database or technology platform — even homegrown solutions.

Part of the next-generation JDA® Luminate™ family, extending and enhancing JDA's product portfolio, Luminate Market Price is built on a cognitive, real-time, connected platform. It embraces digital-edge technologies such as SaaS, IoT, AI, advanced analytics and cross-platform integration so you can gain a competitive advantage in a fast-evolving retail marketplace.

Running JDA Luminate, you can plan to deliver.
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