



Amplify your business's bottom line with our Al-driven solutions, offering turnkey convenience and limitless customization to fuel exponential growth.



# PROFIT OPTIMIZATION ECOSYSTEM

Pricing and Promotion decisions are often manual and not based on scientific methods to determine the effectiveness, with some studies showing that up to 70% of promotions are ineffective. Managing inventory is a further challenge with 50%+ of companies facing overstocking or understocking. This in a world where only 30% of companies leveraging data proficiently for this business problem.

Prosum Profit Optimization Ecosystem provides a blueprint to implement a pricing, promotion and inventory management strategy that delivers measurable impact onrevenue and cost optimization.

#### Organization can use our Profit Optimization Ecosystem to:

- Set pricing strategies geared for different categories: Identify products suited for different pricing strategies such as Everyday Low Price vs High-Low strategies.
- Reduce margin leakage due to promotions choices: Recommended products for promotion to drive lift in sales.
- Improved inventory management: Demand forecasting driving better decision-making regarding stock levels.
- Optimize marketing expenditure: Understanding seasonality, COVID, and pricing impacts on demand and promotional windows.

Get in touch now to initiate a revenue-boosting journey info@prosum.ai

Amplify your business's bottom line with our AI-driven solutions, offering turnkey convenience and limitless customization to fuel exponential growth.





#### **PRODUCT FEATURES**



#### **OPTIMAL PRICE**

Optimal price and promotion management using ReinforcementLearning



#### PRICE ELASTICITY

Understand Price Elasticity and Promotion Affinity of products



#### MARKET BASKET ANALYSIS

Understanding optimal product combination for pricing and promotion



#### **DEMAND FORECASTING**

Forecasting to shape product life cycle strategies for demand or scope of sales over time



#### LEADING VISUALIZATION

Market leading reporting and visualizations using Power BI



#### SCENARIO PLANNER

Perform What-if analyses on the impact of pricing and promotions decisions on sales-demand

#### **ECONOMIC OUTCOMES**

3-5%
Profit lift
from pricing,
promotions
and inventory
management

100 000+

Individual products analyzed 1000+

Forecasting models for demand planning

5%

Reduction in margin leakage from price markdown decisions for promotions 10-20% Reduction in redundant inventory



# PROFIT OPTIMIZATION ECOSYSTEM **CUSTOMER STORY**





Prosum provided an end-to-end pricing and promotion engine for a retailer with 70k SKU's across two main product categories through the Profit **Optimization Ecosystem** 



Price Sensitivity

The Prosum POE provided price sensitivity scores per product

- Classify products into different pricing strategies
- Identified products that require competitor pricing intelligence and reaction plans



# Promotion Affinity

The Prosum POE provided promotion affinity score per product

- Post-event analysis showing the difference (or lack thereof) in sales per product when on promotion vs not
- Classified products as being good responders to being on promotion based on sales increase
- Statistical rigour applied to enable the comparison of affinity scores



### Price Optimization

Optimization algorithms to recommend pricing drops and increases

- Recommended price changes optimized for increased margin
- Identified price increase strategies given seasonality
- Indicated best-time-to-discount for products along with level of discount



## Promotion Optimization

Optimization algorithms to recommend promotion decisions what, where and how much markdown

- **Promotional products** recommended for promotions over time
- Optimized for ROI across different categories of product
- Bespoke action sheets built to integrate into the pricing and promotion business processes

Realize the impact of our Al-powered solutions in enhancing your business's profitability. Experience the seamless integration and boundless adaptability that drive unparalleled growth opportunities

3% Lift in revenue from better suited pricing

decisions

10 000+ Individual products analyzed

1000+ **Forecasting** models for demand planning

7% Increase in revenue identified from better pricing and promotions







#### CENTURION

Southdowns Ridge
Office Park 1240
John Vorster Drive
Centurion
South Africa

#### CAPETOWN

Bridgewater One
Block3
Energy Ln
Century City
Cape Town
7441

#### GEORGE

Beacon Place 125 Meadestraat George

# AI DRIVEN PROFIT OPTIMIZATION

info@prosum.co.za archie.marincowitz@truenorthgroup.co.za