



# The Future of Retail Pricing

Finding Magic in Your Margins  
in a Disrupted World

In partnership with: **FORRESTER®**  **Microsoft**





# The Retail State of Play

Retail – it's dynamic, fast paced, and ever-evolving.

The last two years have shown us how important it is to react with agility. But just when we think we have established a *new normal*, we are quickly reminded that there is no such thing as *normal* in retail.

As the trading environment continues to evolve, as does consumer behavior. Throw that into the mix with the ongoing disruption to supply chains, and our new friend inflation, and one thing is very clear: the only constant for the foreseeable future is inconsistency.

Managing pricing in these conditions is challenging to say the least. **In fact, 80% of retailers believe that market conditions and uncertainty are having a critical impact on the effective management of pricing strategies.**

It goes without saying that pricing is integral to the retail sector. **But when 39% of business leaders in retail say they're unable to manage the scale of price changes in real-time across their product ranges, it's clear that the industry needs a solution – and now.**

Without the ability to accurately manage and adjust prices in line with business and market conditions, retailers can't be reactive. And that opens you up to risk.

But there's a solution to this chaos and uncertainty: **intelligent pricing.**

What is it? Why is it fundamental to business success in 2022 and beyond? How can it help retail organizations through tricky times, or help on your growth journey?

We've created this guide in partnership with **Microsoft**, featuring original research by **Forrester** to help you navigate your pricing strategy in the new retail landscape. Through our global survey of just under 1,000 business decision-makers, our findings showcase the latest in demand, opinion, and future planning.

It's time to take back control of your pricing strategy. Time to future-proof your business against whatever the world throws at it next.

Are you ready to take your pricing strategy to the next level?

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*“When it comes to understanding customers, there's no crystal ball we can use to predict their patterns and behaviors. We can, however, get the right technology in place to preemptively manage all manner of demand. Shifts and disruptions are all in a day's work with intelligent pricing.”*

Chris Dieringer,  
GM Retail & Consumer Goods Industry, Microsoft





# Pricing Painpoints

Key Takeaways From Our Findings

## The Retail ‘Pivot’

With every new challenge thrown at you, from inflation to supply chain issues, your business has pivoted to manage the outcomes. And whether it's been more localized issues like Brexit in the UK, or global challenges like Covid and inflation, retailers across the board are finding that agility is vital in order to adapt to market changes.

And this has taken many forms, from creating new and safe delivery methods, to reimagining supply chain processes to ensure no shelf (virtual or physical) is left empty.

**But all these changes come at a cost.**

When you are in the middle of the battle, you are in survival mode, focusing on the challenge at hand. But as you emerge from the fight and start to stabilize, it's a perfect opportunity to reflect and think ‘big picture’. It's a time to refocus on the fundamentals, to recoup from any losses, and to look to long-term business health. Everyday processes like pricing become vital areas to analyze.

And many retailers are doing just that. Following the pandemic, **62% of retailers decided to put an accelerated focus on digital products and services.** For many this has meant maximizing margins for every single SKU and implementing a pricing strategy that allows them to react quickly to changing, and ever-evolving market conditions.



# Sky-High Customer Expectations

The pandemic has created new expectations for customer service.

Today's consumer expects to interact with retailers through seamless multi-channel experiences. This may be in-store, on apps, through curb-side pickup or any other fulfilment and return methods. Checking prices across multiple stores, or online before purchasing has become habitual consumer behavior.

Crafting pricing strategies to tempt consumers is one thing. But being reactive to any number of outside forces, and updating prices across channels quickly and accurately is another.

Plus, consumers expect loyalty in the form of rewards, discounts, and rollbacks. And they expect to carry them across all buying channels.

Our Forrester research showed that **52% of retailers find it hard to execute different pricing for products across different channels**. And when it's done manually, with so many factors to consider, that's not surprising.

An automated process that allows for any number of complexities – as well as for differentiated pricing based on consumer and/or platform needs – is becoming a must in our omnichannel world.





# Promo Pay Back

**Promotions:** you can't live with them, and you can't live without them. Promotions can expand product reach, entice new customers, and help you win out over your competitors.

But with promotions, comes a lot of back-room management. Ensuring rebates are charged out and paid correctly is something the industry is continuing to grapple with.

**In fact, 59% of retailers say they continue to find it hard to manage complex promotional offers.**

But when it comes to areas like rebates, one slip in a spreadsheet is all it takes. Either you're damaging a business relationship by asking for money that's not owed, or your rebate is going unclaimed.

**On average, \$3.07m is lost in unclaimed rebates every year.**

Money is falling between the cracks every month from unclaimed, inaccurate, forgotten rebates, claims and promotional roll backs. Quite simply this is money no business can afford to lose.





# Staying Profitable Across The Calendar

Festive calendar hooks such as Christmas, the January sales, Black Friday, and public holidays come with expectations from retailers: good deals.

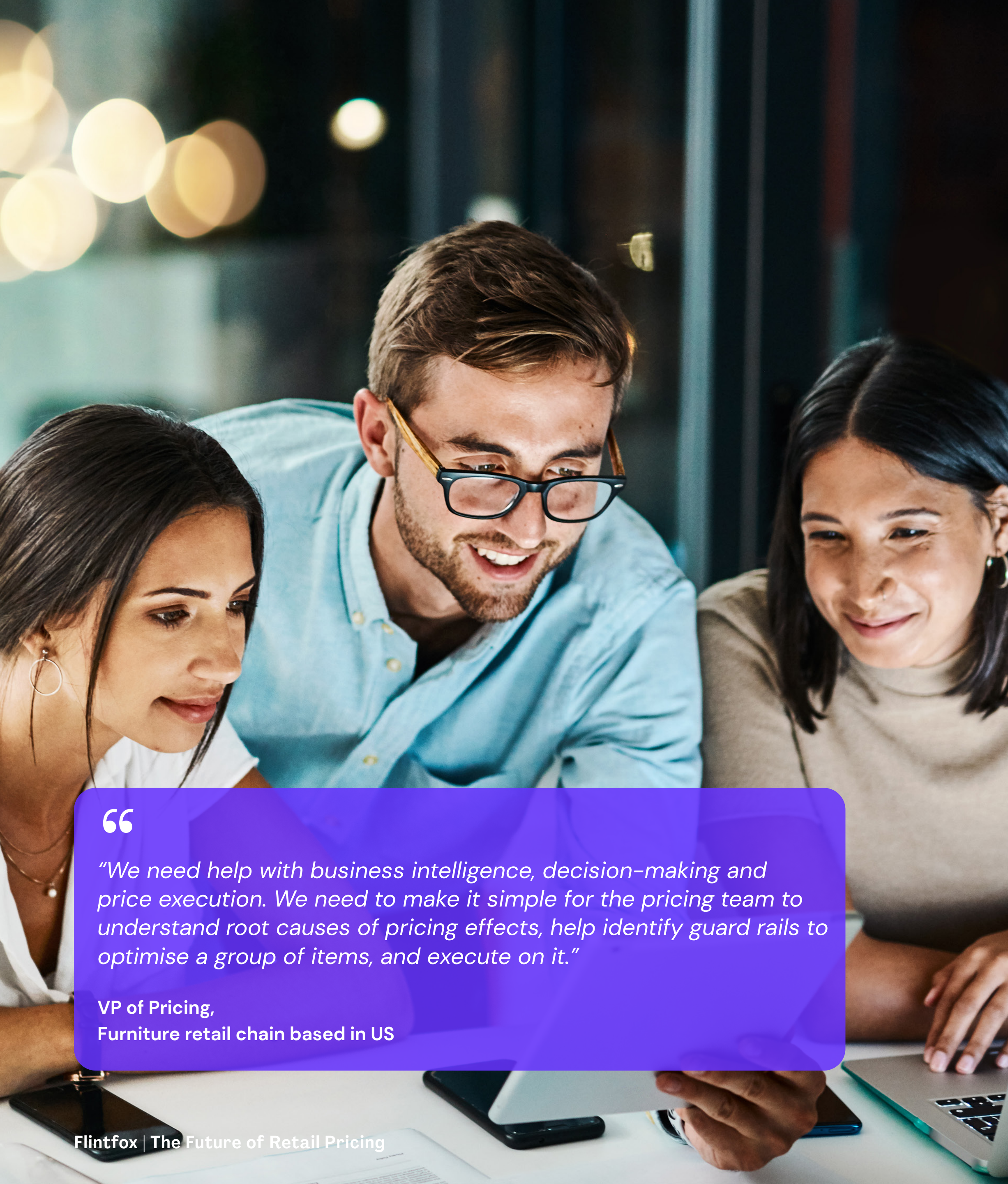
Staying competitive is difficult, but striking the balance between being competitive and profitable during these key buying periods is even harder.

Success here boils down to lightning-fast and smart decision making for pricing. This generally means automation. And even while **42% of firms have a data-driven approach to pricing decisions, this data is still manually inputted from disparate data sources, meaning a lot of potential agility is lost.**

By implementing a pricing engine, you can get instant and accurate pricing calculations across all channels from one centralized platform. Through this, you gain a better understanding of how to improve margins, find hidden growth opportunities and can act fast to seal the deal.







# The Data Explosion

Data is the oxygen of retail. But very few retailers are equipped to manage and use this data explosion to its full potential.

In an ideal world, this data is the basis for solid pricing strategies – a way to see consumer behavior trends, and the effectiveness of products, placements and promos. But in reality, retailers are struggling to get the most from their data.

**From our research 60% of retailers say that poor quality of data collection is a fundamental limitation in the effectiveness of their pricing.**

And for many retail organizations, this is a manual task. Manual data entry comes with its risks – especially when it comes to human error. But, more importantly, it wastes a lot of time – impacting retailers' bottom line.

The average retail organization spends 71 hours per day processing manual data. And, of course, time is money. This equates to millions of dollars lost every year through manual inefficiencies alone.

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*“We need help with business intelligence, decision-making and price execution. We need to make it simple for the pricing team to understand root causes of pricing effects, help identify guard rails to optimise a group of items, and execute on it.”*

VP of Pricing,  
Furniture retail chain based in US



# Goodbye Spreadsheets, Hello Intelligent Pricing

There is a solution to these challenges:  
Flintfox's Intelligent Pricing Platform.

Intelligent pricing is built so retailers can pivot at speed. Built for omnichannel. Built for rebates. Built for high-volume pricing and handling vast quantities of data. It offers retailers the ability to take their pricing strategy to the next level with precision, accuracy, visibility, and speed.

The result? Increased business profitability  
and margin growth.

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*With Flintfox's ability to handle thousands of trade agreements, the productivity and efficiency gains have been massive.”*

Phil Corner,  
Pricing Manager, The Very Group





# Here and Now

But don't just take our word for it. Businesses that have integrated intelligent pricing into the heart of their strategy, are seeing a wealth of benefits.

How do effective pricing strategies impact retail businesses?

Of decision-makers surveyed in the retail sector:

**44%** recognize that they accelerate sales volumes and growth

**43%** say they create a clear indicator of customer demand

**41%** say they measure and keep control of margins effectively





# In The Future

77%

of those in charge of pricing intend to adopt technology for better decision-making

74%

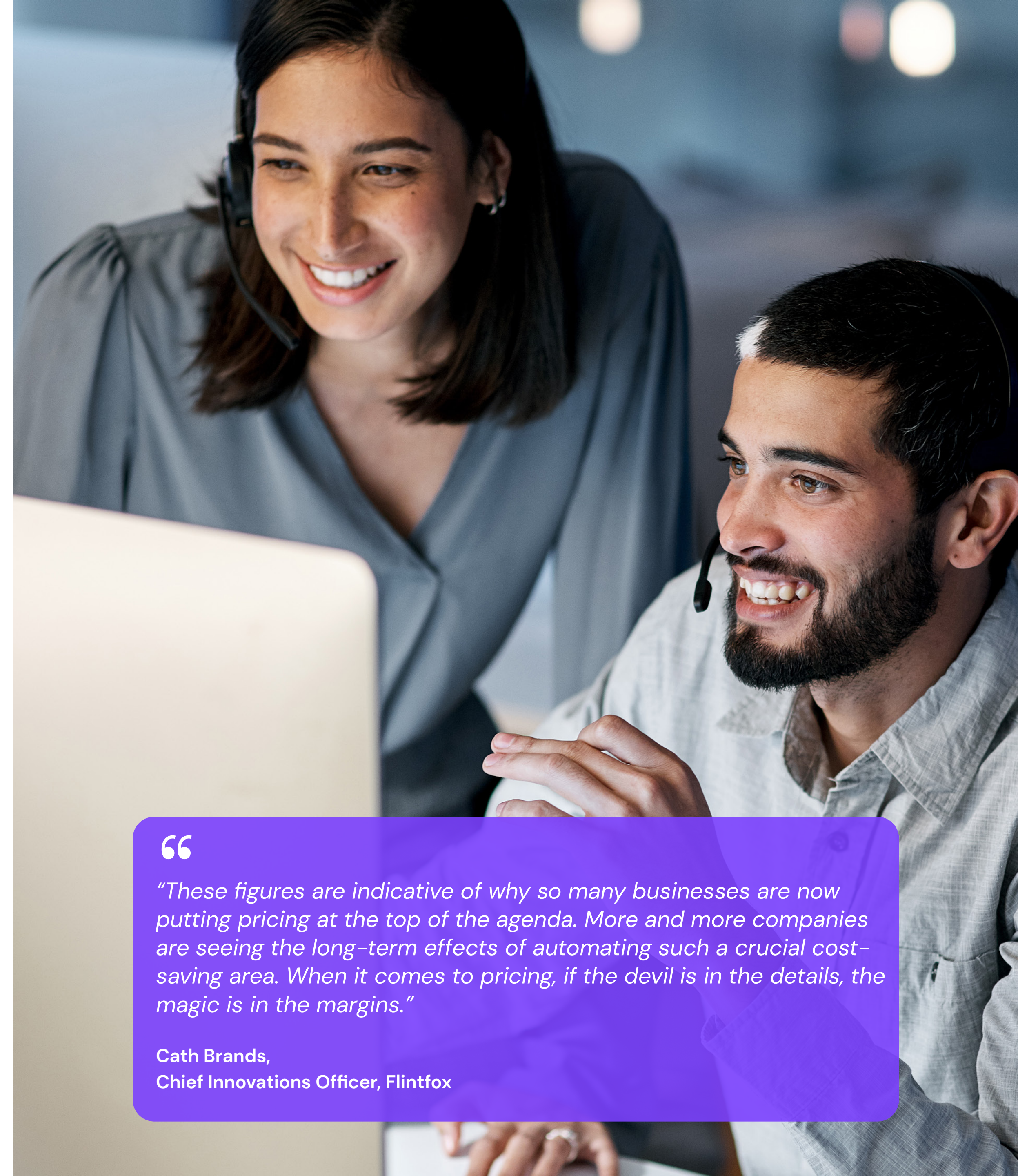
are actively considering improving profitability and margins a key business priority over the next 12 months

72%

intend to build a culture of data and intelligence in their decision-making

61%

want to monitor margins in real-time, with better margin forecasting capabilities



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*“These figures are indicative of why so many businesses are now putting pricing at the top of the agenda. More and more companies are seeing the long-term effects of automating such a crucial cost-saving area. When it comes to pricing, if the devil is in the details, the magic is in the margins.”*

Cath Brands,  
Chief Innovations Officer, Flintfox



# Ways To Find Magic In Your Margins With Flintfox

## Intelligent pricing engine

### Managed pricing, all in one place

Real-time pricing calculations in an instant. No pricing structure too complex, our Pricing Engine brings your data together in one platform. Plus, it integrates with your existing POS system.

## Rebate management

### Get total rebate visibility

Create, execute, and automate your rebate programs. The benefit? Improved profit margins. Intelligent Margin Reporting shows you exactly what you're owed to ensure money isn't left on the table.

## Omnichannel pricing

### Nail your channel strategy

Deliver highly targeted pricing strategies and update your pricing at the click of a button. Managing multiple channels has never been this easy.

## Margin reporting

### Generate better margins on every product

Line by line reporting to give you total margin visibility in as much detail as you need. Plus, this integrates with your existing cloud stack, making setup a breeze.





# A View From John Moss, Flintfox CEO



"As the retail landscape becomes increasingly unpredictable as we look towards 2022 and beyond, now is the time to return to the roots and foundations of our pricing practices and strategy. We need to limit unnecessary costs wherever we can. We need to ensure the basics are covered, and we maximize every inch of margin from every SKU.

Over the next twelve months, our research has found that **74% of retailers surveyed are keen to make improved profitability and margins a key business priority.** And they're right to do so.

Uncertainty does not negate preparedness. In fact, retailers are now being presented with a simple way to navigate the constant pivoting we are forced to do. Intelligent pricing affords us the agility and flexibility to weather these kinds of storms.

In short, the world is complicated enough without adding pricing into the mix. Get smart with intelligent pricing."





Unlock the benefits of transforming your pricing platform with a super-charged pricing engine, automated rebate management, omnichannel pricing capabilities, and precision margin reporting.

[Request a demo](#)