


# REPRICING STRATEGIES

*Nine distinct use cases*

# Table of contents



Foreword

USE CASE 1



Stay cheaper than competitors

USE CASE 2



Strategy A for FMCG, strategy B for electronics

USE CASE 3



Automated price changes 8 times per day

USE CASE 4



Want to be 2nd cheapest?

USE CASE 5




Profitability margin varies per category

USE CASE 6




Keep it simple: Clever Drop + Clever Raise

USE CASE 7



Different competitors, different importance

USE CASE 8



Always match competitor's prices

USE CASE 9



Changing delivery time (not the price)



Conclusion



# Foreword

Before we get to the repricing strategies themselves, we'd like to explain why we've decided to publish this eBook and write about repricing strategies.

One of our goals as a company is to provide the best possible price monitoring, repricing, and analytic eCommerce services possible. However, working on Price2Spy as a tool itself is only a part of this puzzle.

We also want to educate our current & future clients, so that they may get as much out of Price2Spy as possible and to better understand the world of eCommerce as a whole.

Our educational efforts are manifested through eBooks (such as this one), infographics, our blog, seminars & presentations, posts on social media channels, and much more.

To us, there's no better feeling than seeing our clients accelerate their business growth once they start using Price2Spy. Hopefully, this eBook will inspire you to do just that.

## USE CASE 1

# Stay cheaper than competitors

## *Learn how UK nationwide tools retailer makes sure its price is the best on the market*

If you're mass-selling anything, the best prices will usually mean the lowest prices. This is because competition is more challenging than ever, and consumers do

their research. If they can find a better deal for the same item they'll flock over to your cheapest competitor, have no doubt about it. It only makes sense, after all.

## *Guaranteed lowest prices with Price2Spy*

The case study that we're going to go over is that of a UK nationwide retailer of tools and construction equipment. They're currently employing over 500 full-time employees and have 6 category managers.

They're selling around 5000 different products, but aren't tracking competitors' prices for each of them. What they've done instead is that they've identified around 3500 most important products and matched them to those of their competitors.

This means that when it came to the total number of different websites Price2Spy had

to monitor, the number grew to around 40. Not every competitor website had every product out of those 3500 being monitored. However, the average amount of websites that one product could be found on was around 10.

*When it came to the total number of different websites Price2Spy had to monitor, the number grew to around 40.*

## Price2Spy solution

So, what did the UK retailer do in order to remain the cheapest on the market? They've used Price2Spy's two well-known repricing rules:

- ▶ **CLEVER DROP** – *our client wants to be 1% cheaper than the next cheapest competitor that has the product in stock (and yes, Price2Spy can also monitor stock availability). As this race to the bottom can't go on forever, an additional rule was set in place. Namely, the price drops could occur only if the new price was still within the desired profit margin.*
- ▶ **CLEVER RAISE** – *there are a couple of specific cases where our client wants to be 1% cheaper compared to the second cheapest competitor, who has the product in stock, and that's where Clever Raise comes in.*

How does all of this look from our client's perspective?

Every day, they log into their Price2Spy account and check the repricing suggestions offered by Price2Spy. Depending on what you want to accomplish – more speed or more control – the repricing process can be either manual or automated.

Our client chose the manual option and they directly oversee and approve or disapprove every single price change.

When it comes to Price2Spy's repricing suggestions, they approve over 90% of them each day, and this means every day there are

- ▶ *From 50 to 100 products whose price is being dropped*
- ▶ *From 30 to 60 products whose price is being raised*

Our client uses the Magento store and it's linked to their Price2Spy account. This means that even though they approve every price change manually in the Price2Spy interface, the changes, once approved, are performed automatically on their Magento store. This means they don't have to spend time in two interfaces (Price2Spy and Magento), doing essentially the same thing.

*Depending on what you want to accomplish – **more speed** or **more control** – the repricing process can be either automated or manual.*

### CLIENT DETAILS

Country	The United Kingdom
Client size	Basic
Category managers	2

Industry	Tools
Platform	Magento 1
Number of products	3500

## USE CASE 2

# Strategy A for FMCG, strategy B for Electronics

## *Price2Spy's client - an international retail chain from the United Arab Emirates - uses different strategies for different product categories*

Whether you're a small-scale business or a mass retailer, if you're selling products in different categories, you'll notice their pricing logic follows different rules. However, the

larger you are, the more difficult it is to keep track of all competitors' price changes and decide how to proceed with your own prices.

## *Price2Spy customizability at work*

The client we're talking about is an international retail chain, with over 2000 employees in the UAE and 20 category managers. The two main categories they're present in are fast-moving consumer goods (FMCG) and Electronics.

The client has its own proprietary eCommerce solution, which is connected to Price2Spy via product feed. They are monitoring prices for around 20000 products, which change weekly. There are 8 competitors' websites that are being monitored, together with marketplaces, and classic retail solutions.

This client has its own custom repricing strategy with numerous components, of which the most important are:

- ▶ *Client's purchase price (imported via product feed),*
- ▶ *Product promotion status,*
- ▶ *Price history of key competitors, and*
- ▶ *Desired category profitability*



## Price2Spy solution

There are two groups of products – one group where the repricing changes are performed automatically, and the other where the changes are manually reviewed.

Let's dive into a bit more detail.

The automated repricing is performed for “non-key products” and it's executed twice per day. Automated repricing means that the client doesn't need to review the price changes. Instead, the prices are changed by Price2Spy itself. On average, in a single day, Price2Spy automatically reprices between 400 and 600 products for this client. This number alone is enough to get a feeling of how much time & resources are saved by automating this process.

However, there are certain products that this client considers very important or “key products”. In these cases, more control is needed and this is why the process looks somewhat different.

For the “key products,” Price2Spy performs calculations for the ideal price change (based on set parameters) and then only suggests the change. This suggestion is then reviewed by a team of 20 category managers and is either approved or disapproved.

For this client, Price2Spy performed these calculations twice a day – early AM and early

PM. In a single day, Price2Spy would calculate price changes & create suggestions for between 200 and 300 products. On average, around 150 of those suggestions were approved and implemented. This was done via Direct Repricing via a Webhook on the client's store.

*There are **two groups of products** – one group where the repricing changes are performed **automatically**, and the other where the changes are **manually reviewed**.*

### CLIENT DETAILS

Country	The United Arab Emirates
Client size	Premium
Category managers	20

Industry	Multiple (FMCG, Electronics)
Platform	Client's custom proprietary solution
Number of products	20000

## USE CASE 3

# Automated price changes 8 times per day

## *Audio/Video retail company from Australia operates in a very dynamic market*

There are regular markets, there are dynamic markets, there are extremely dynamic markets, and then there's the audio & video equipment market. Numerous price changes

in a single day across various product categories are the name of the game in this case. Let's see how Price2Spy makes life easier for our clients in this industry.

## *Frequent repricing made easy with Price2Spy*

Our Australian client is a retailer of music and audio & video equipment with 25 full-time employees. Their Price2Spy account has 5 category managers. In relation to the total number of their employees, this is a high number, and it signifies that they're placing an extremely high importance on their pricing strategy.

In total, they have 1800 products on their WooCommerce store, out of which 800 are being monitored by Price2Spy. To be more precise, Price2Spy is monitoring the prices of those same products on their competitors' websites. In our Australian client's case, there are 45 competitors' websites. On average, each

product out of those 800 being monitored, can be found on 5 different competitor websites. This means that not every competitor has in stock every product from our client's assortment.

What's special in this case is that this client uses different criteria & pricing rules for different product categories. For example, in one category our client wants to always be 1% cheaper than competitors, and in another category, they want to be 5% cheaper. In this case, one of the deciding factors when setting up these rules was what the competition was doing.







## Price2Spy solution

The most important indicator of both how dynamic this industry is and how adaptable Price2Spy is the frequency of price changes on a daily basis. This client performs 8 price changes a day! And they're all automated. Automation means that Price2Spy performs repricing directly and without our client needing to spend time reviewing and approving or disapproving these changes. In such a large and dynamic market, this means saving significant time & other resources.

In this specific case, this means that (on average) every 3 hours 3 to 5 products are eligible for Clever Drop and 1 or 2 products are eligible for Clever Raise. What our client does is that they occasionally log in to their Price2Spy account to check the Price Matrix report and verify that their competitors' pricing strategy has changed.

### CLIENT DETAILS

Country	Australia	Industry	Music
Client size	Basic	Platform	WooCommerce
Category managers	5	Number of products	800

## USE CASE 4

# Want to be 2nd cheapest?

## *The online store from the US, selling collectible cards does not want to be the cheapest*

It might seem strange at the first glance, but not everyone is aiming to be the cheapest option on the market. A good example is one of our clients – an online store from the US

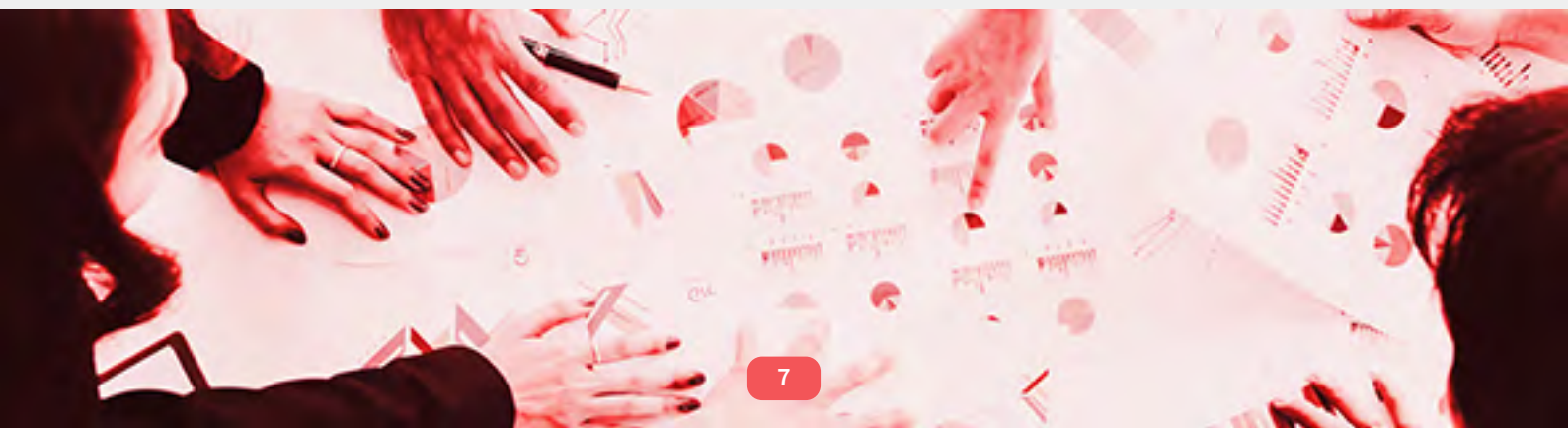
selling collectible cards.

## *Being the 2nd cheapest seller on the market*

This client has a BigCommerce store with 1400 products from which the most important ones are being monitored by Price2Spy. Our client is very aware of its competition, so they were able to point out the 7 most important competitors, and select 2 that have been identified as Big Dealers.

This time, the client has expressed the need to be the second cheapest competitor on the market. To be more precise, their strategy is to keep their price 0.5% higher than BigDealers. What is also important to note is the fact that the client wanted to apply the same pricing rule to all its brands/categories.

*...the client has expressed the need to be the **second cheapest competitor** on the market.*





## Price2Spy solution

The most important indicator of both how dynamic this industry is and how adaptable Price2Spy is the frequency of price changes on a daily basis. This client performs 8 price changes a day! And they're all automated. Automation means that Price2Spy performs repricing directly and without our client needing to spend time reviewing and approving or disapproving these changes. In such a large and dynamic market, this means saving significant time & other resources.

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*This client performs **8 price changes a day!** And they're all **automated.***

### CLIENT DETAILS

Country	The United States	Industry	Books & Media
Client size	Premium	Platform	BigCommerce
Category managers	4	Number of products	1400

## USE CASE 5

# Profitability margin varies per category

## *German lighting retail chain treats certain product categories in a very different way*

Depending on which industry they belong to, clients may have different requirements. If they offer several product categories, they often treat them differently. That's the case

with our client, a retail lighting chain from Germany.

### *Different profit margins*

This client has a WooCommerce store, with over 26 000 products, and 5 000 key products are monitored via Price2Spy. It's important to note that this is a very competitive industry, therefore, our client has expressed the need to monitor both marketplaces and classic retail websites.

Speaking in numbers, Price2Spy is monitoring 130 competitors in total – 10 competitors are identified as key, while others are monitored just for individual categories.

For certain competitors in certain product categories, our client requires a different profit margin ratio.

This required a complex setup that included, among other things, the possibility to perform certain price changes automatically and leave some for the client's manual approval, depending on the category.

Let's see how we translated our client's requests into a concrete repricing strategy.



## Price2Spy solution

Price2Spy's Repricing module allows clients to define pricing strategies according to their needs. This time, the client has decided to proceed with the main strategy of keeping the price at the same level as the cheapest competitor – for both Clever Drop and Clever Raise.

Additionally, key categories have been configured as non-automated, meaning that the client needs to verify price changes before they take place. When it comes to other categories, repricing has been fully automated.

Let's take 2 competitors as an example:

- ▶ **Competitor #1** - profitability margin 40%, manual repricing
- ▶ **Competitor #2** - profitability margin 55%, automated repricing

Repricing was performed via Direct Repricing to the clients' WooCommerce store.

What does all this mean exactly?

- ▶ *Repricing suggestions calculated 4 times per day;*
- ▶ *Key categories are repriced by 4 Category Managers who log in and inspect pricing suggestions daily;*
- ▶ *Other categories are repriced fully automatically;*

### CLIENT DETAILS

Country	Germany
Client size	Basic XL
Category managers	4

Industry	Lighting
Platform	WooCommerce
Number of products	5000

## USE CASE 6

# Keep it simple: Clever Drop + Clever Raise

## *Tools retail company from The Netherlands keeps their repricing rules very simple*

It's a common misconception that Repricing (especially if automated) has to be a complicated process. Our Dutch client, a tool retail company, shows that sometimes the

less is more. They decided to keep things simple, but nonetheless, their pricing strategy has improved significantly.

## *Sometimes, the simplest solution works best*

The client has a Shopify store, with 25K products – 1500 most important ones' prices monitored by Price2Spy.

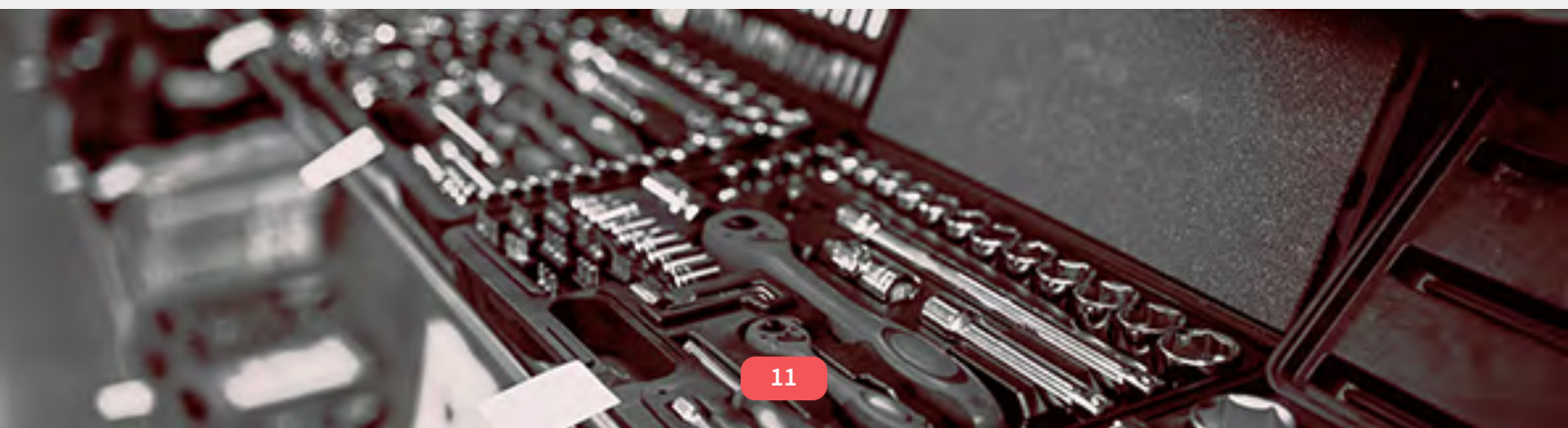
- ▶ **Clever Raise** – *the client wants to be 1% cheaper than 2nd cheapest competitor.*

Even though this industry can be very competitive, our client has decided to focus on 4-8 competitors per product. Also, they made the decision that all Brands/Categories should follow the same repricing rules:

- ▶ **Clever Drop** – *the client wants to be 1% cheaper than the cheapest competitor while keeping at least a 15% profitability margin;*

*Even though this industry can be very competitive, our client has decided to focus on 4-8 competitors per product.*

Let's see how Price2Spy helped this client.





## Price2Spy solution

Price2Spy's Repricing module allows clients to define pricing strategies according to their needs. Our client decided to go for a non-automated repricing solution, however, it's worth mentioning that each of our repricing suggestions was approved by the client.

The Repricing module has been configured in the following way:

- ▶ *Repricing is done daily at 8 AM, and the client's Category Managers log in to Price2Spy around 9 or 10 AM and check repricing opportunities.*

Last, but not the least, it's important to point out that on average, Price2Spy calculates:

- ▶ **20 products for Clever Drop** – client usually approves 12-15 of these;
- ▶ **10 products for Clever Raise** – client usually approves 5-8 of these.

Price2Spy's **Repricing module** allows clients to define pricing strategies according to **their needs**.

### CLIENT DETAILS

Country	The Netherlands	Industry	Tools
Client size	Basic	Platform	Shopify
Category managers	3	Number of products	1500

## USE CASE 7

# Different competitors, different importance

## *Learn the logic of custom repricing rules implemented by this Swiss client*

One of our clients from Switzerland is a retail company that sells over 7 500 different e-cigarette products. The ability to customize services is one of the benefits that sets

Price2Spy apart from its competitors. Let's see how our customizability was put to work in this client's case.

## *Strategy based on competitors' importance*

We have clients coming from many different industries, therefore based on the industry conditions, their business plan, and pricing strategy, they make specific requests to the Price2Spy team.

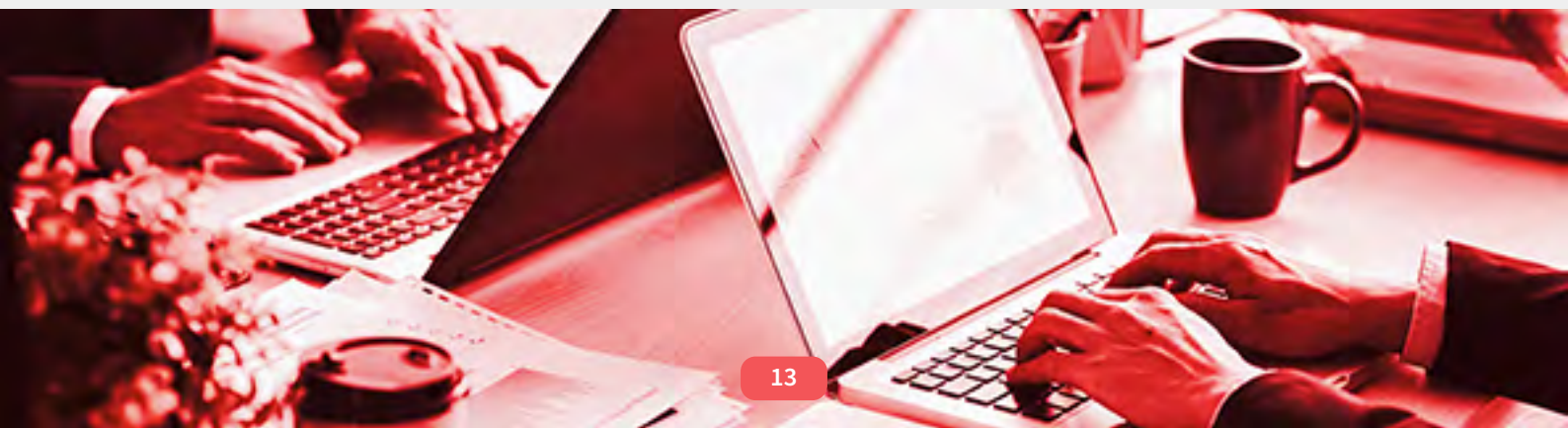
to split them into two groups and create separate pricing strategies for each group.

Let's see how we implemented this pricing strategy in practice.

In the case of our e-cigarette retailer client, we have agreed to divide its competitors into two groups and start from there.

The criteria for splitting the competitors into two groups was their importance.

By listing which competitors they consider more important than others, we were able





## Price2Spy solution

As we agreed, we divided the client's competitors into two groups: high importance and low importance. The client's store offers over 7,500 products, while Price2Spy monitored key 3,000 products across 20 competitor websites once per week. An average product is monitored on up to 4 competitor websites.

### Competitor Groups:

- ▶ **High importance** – price is suggested based on the competitor with the highest price, that has a product in stock – 0.5% lower. If no Important Competitor has this product in stock, we keep the client's price equal to the Minimal Advertised Price (as advised by the product manufacturer).
- ▶ **Low importance** – price is suggested based on the competitor with the highest price, that has product in stock – 0.5% lower, but with a 45% profit margin. For price differences larger than 5%, we offer the same price as the competitor.

In this case, we perform non-automated repricing since the client did not configure the Repricing calculator to run automatically.

Instead, the category manager logs into the Price2Spy App weekly and initiates the Repricing calculation. The manager manually

selects which repricing suggestions to approve from an average of 25 that Price2Spy suggests per week. Repricing performed via Indirect Repricing requires a CSV file to be sent to the client, where the client's category manager picks it up and performs the price change.

*The manager manually selects which repricing suggestions to approve from an average of 25 that Price2Spy suggests per week.*

### CLIENT DETAILS

Country	Switzerland
Client size	Basic
Category managers	1

Industry	Consumer Electronics
Platform	/
Number of products	7500

USE CASE 8

# Always match competitor's prices

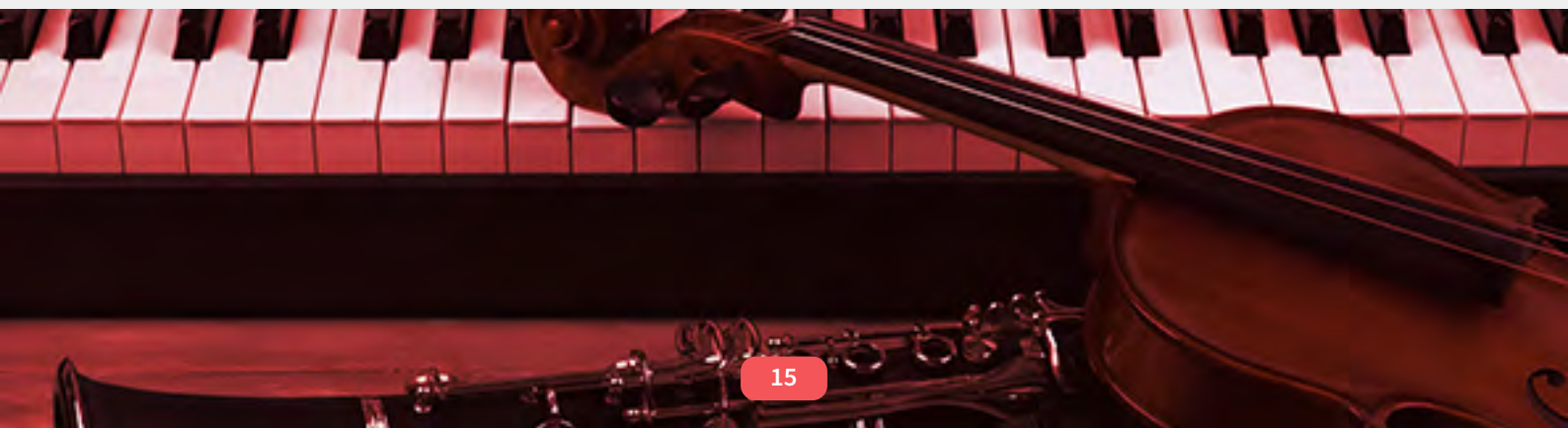
## *Dutch music company wants to match competitor prices at all times*

For some e-commerce professionals, the imperative is to always match competitors' prices. Matching competitors' prices is the ultimate goal of our Dutch long-term client.

This client is coming from the music industry and is loyal to Price2Spy since 2016.

## *Matching competitor's prices*

The client has a Shopify store with over 3000 products, while key 500 products are monitored via Price2Spy. Our tool monitors the product prices of 12 main competitors in the Netherlands and Belgium chosen by the client.





## Price2Spy solution

Considering our client's desires and the business goal, we suggested an ideal pricing strategy following the market condition and offered the Repricing module.

On average, Price2Spy suggests 20 to 25 price changes daily. In the case of this client, the Repricing rules are split per product category.

Most of the categories aim to match and maintain the prices of the cheapest competitor. In this case, the Repricing rule is fully automated and performed via a Link My Store to the client's Shopify store. Direct Repricing is applicable once the client's store is integrated with their Price2Spy account.

A separate approach has been implemented for products monitored on a popular Dutch marketplace. Regarding that marketplace, the client requires a non-automated repricing rule.

Here is how non-automated repricing works – Price2Spy calculates and suggests ideal adjustments twice a day. Suggestions concerning the aforementioned marketplace are checked manually, once per day, before the final repricing is done.

### CLIENT DETAILS

Country	The Netherlands	Industry	Music
Client size	Basic	Platform	Shopify
Category managers	1	Number of products	3000

USE CASE 9

# Changing delivery time (not the price)

*This German client did something extraordinary – basing his delivery time on delivery times of his competitors.*

Price2Spy offers a variety of possibilities to its clients and allows them to suggest and request solutions for their needs. Customizability is one of the reasons why

Price2Spy is so popular worldwide and often chosen over its competitors.

## *Changing delivery times*

Having in mind Price2Spy's flexibility, companies are reaching out with various requests.

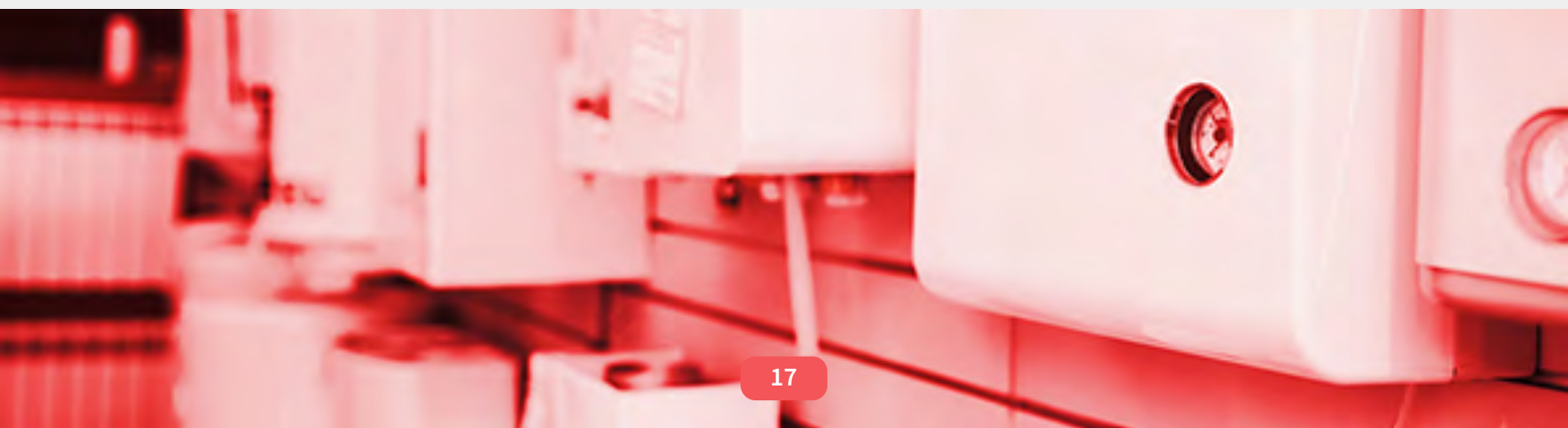
Back in 2019, a client from Germany contacted us with an extraordinary request to base its delivery time on the delivery times of its competitors.

This client belongs to the household and furniture industry, sells heating equipment, and has 25,000 products on their Shopware online store.

However, what makes this client's case unusual is not in what industry they're doing business in, nor how many clients they have.

Instead, what makes this case distinct is the client's request for Price2Spy to take over adjustments of their delivery times, instead of prices. This is the first time we've had a request of this kind.

Let's see how we created a custom solution for our client.





## Price2Spy solution

Price2Spy adjusted its Repricing Module to come up with a solution per the client's request. Therefore, we modified the Repricing module to be used for delivery time instead of pricing. In this case, the Custom Repricing Rule is applied. If a competitor's delivery time is shorter than the client's, Price2Spy automatically adjusts the client's delivery time to match the delivery time of that competitor.

Out of 25,000 products available, Price2Spy monitors a delivery time of 10,000 products on 180 competitor websites in Germany. Once the shorter delivery time is detected, Price2Spy applies a fully automated delivery time adjustment. On average, Price2Spy suggests 60 to 80 delivery time changes daily.

The client's Shopify store is linked via the Link My Store feature to its Price2Spy account via Webhook. The company's category managers log in to the Price2Spy account daily to monitor pricing analytics but do not interfere with custom repricing as it is done fully automatically.

### CLIENT DETAILS

Country	Germany	Industry	Household & Furniture
Client size	Premium	Platform	Shopware
Category managers	3	Number of products	25000

# Conclusion

We've come to an end of our collection of case-studies on how our clients have successfully implemented various repricing strategies by using Price2Spy.

We hope that, by reading this, you've learned something new, and became inspired to come up with a pricing strategy of your own.

While it is true that industries themselves show certain patterns when it comes to strategies of brands that do business within them, it is also true that every brand has its own story.

This also means that every brand should have a distinct pricing strategy, that is a part of its wider & more comprehensive strategy.

This is also why Price2Spy is a great tool for every eCommerce brand - adaptability and customizability are our characteristics from day one.



# Now that you've read all the use cases, do you have any questions?

*Contact us via details provided below! We love talking business and eCommerce, and would love to have a chat with you!*



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