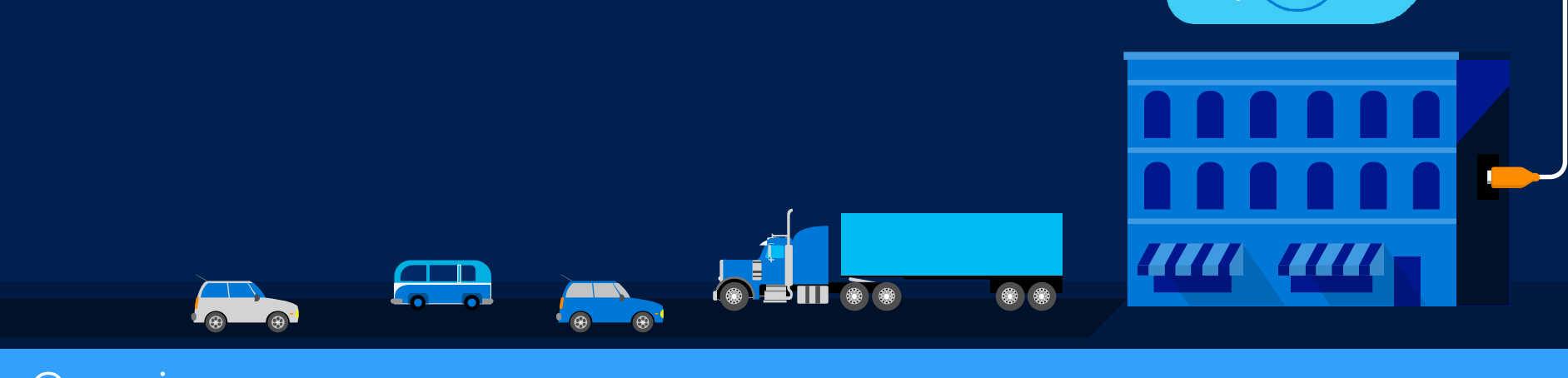


DEMAND FORECASTING & PRICE OPTIMIZATION

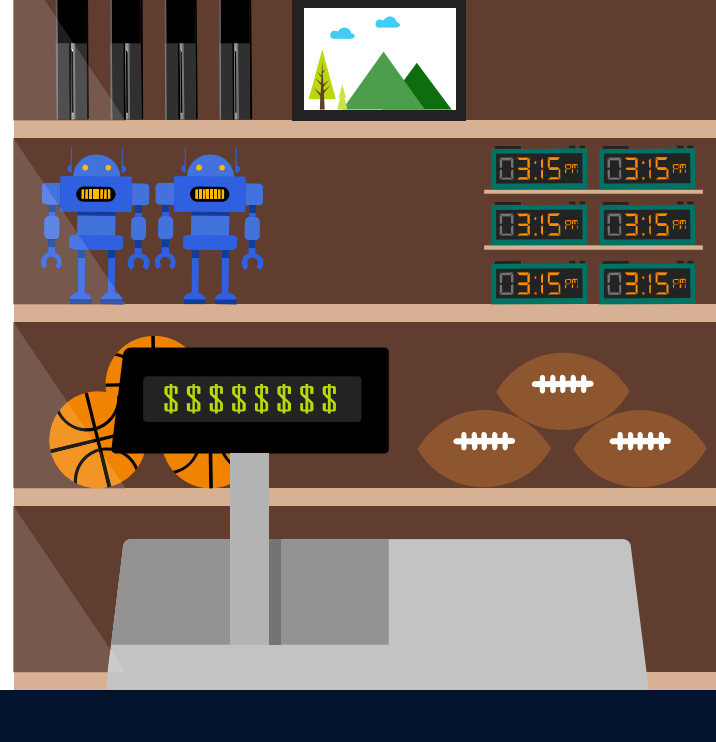
Cortana Intelligence Solution



Overview

Pricing is key to success in retail. Knowing the demand for products helps to set the right price to move stock and avoid missed sales opportunities and maximize profit.

Demand Forecasting and Price Optimization for Retail uses existing and available historical transaction data to empower retailers with actionable insight into their business. Equipped with predicted price elasticity, demand, price anchoring and optimal pricing, retailers can improve profit margins and reduce time and effort allocated to managing pricing.



Challenges Facing Demand Forecasting and Price Optimization



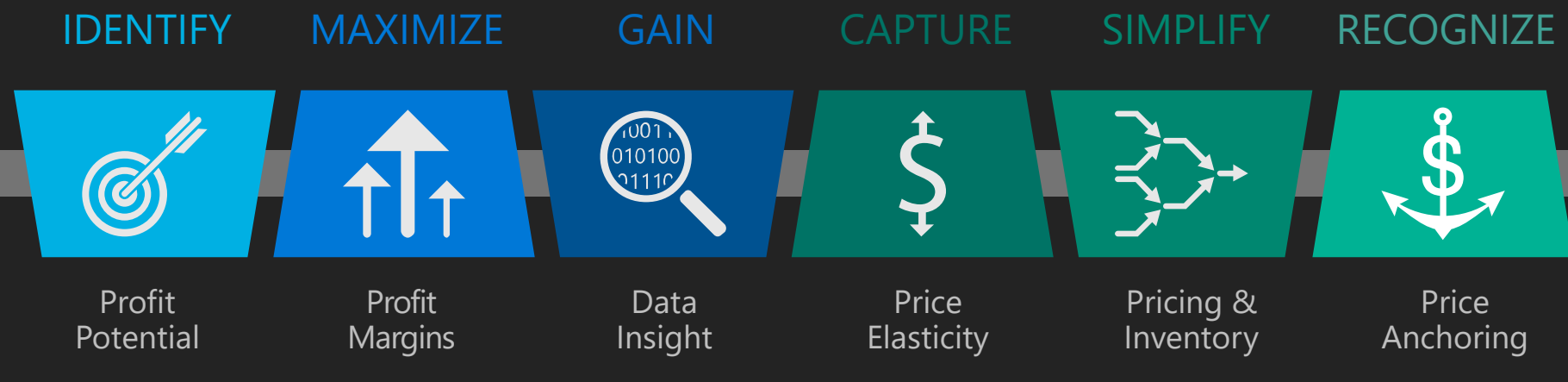
"For all the moments that matter in business, there is only one point when money changes hands—the point of negotiation and purchase. That's when the price you charge captures or fails to capture the profit you are in business to generate."

"The Problem with Pricing"

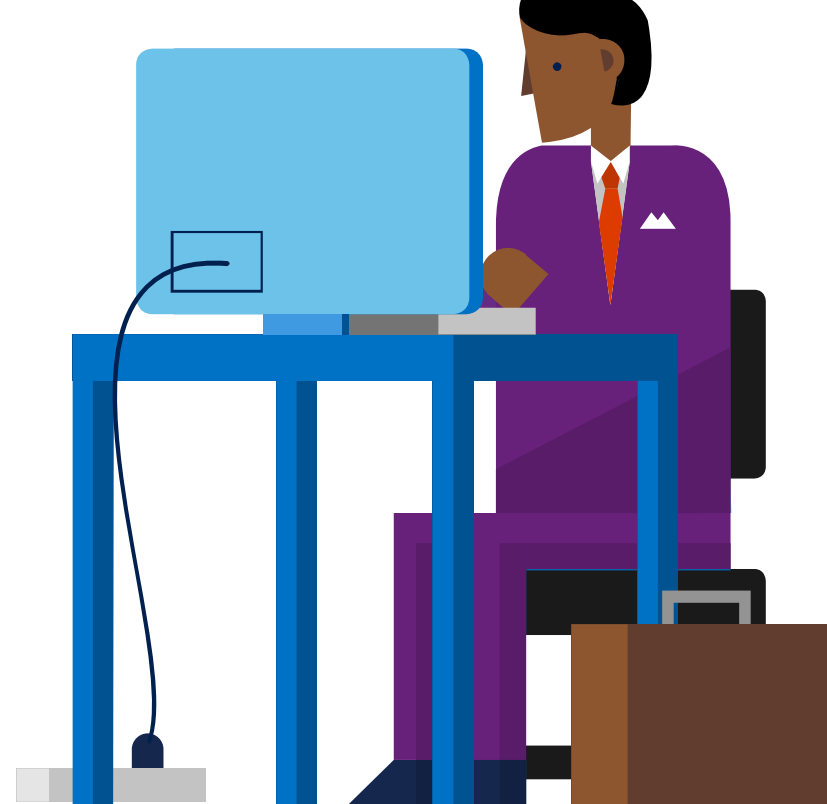
Deloitte



Benefits



Up to 30% of the thousands of manual pricing decisions companies make every year fail to deliver the best price.



<http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/using-big-data-to-make-better-pricing-decisions>

Solution Path

Demand Forecasting and Price Optimization are ongoing processes. Predictions are improved and more accurate over time as more data are added to the model.



A 1% improvement in price can increase profit by 11%



Harvard Business Review - <https://hbr.org/1992/09/managing-price-gaining-profit>

Architecture

