

Cortana Intelligence Solution



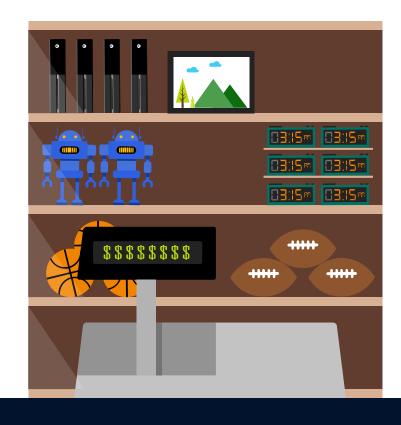


Microsoft

## Overview

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



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"

"For all the moments that matter in



# **IDENTIFY**

Benefits

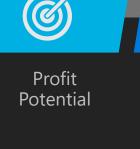
**Deloitte** 

**MAXIMIZE** 

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**SIMPLIFY** 

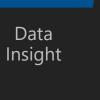
**RECOGNIZE** 

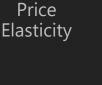


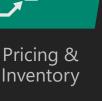
**Profit** 

Margins

Up to 30% of the

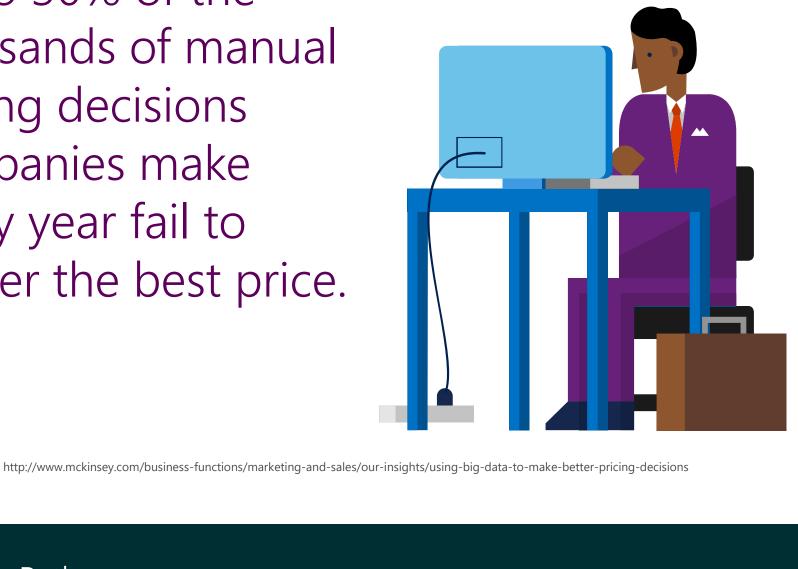








thousands of manual pricing decisions companies make every year fail to deliver the best price.



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.

recommendations.

Train the Model

**Input Transactional Data** Quantity and quality affect the success of forecasts and



# Identify patterns in transactional data with predictive power.

Forecast Product Demand

Anticipate sales count at candidate price points.

### Adjust orders according to demand forecasts and employ recommendations within the business to realize success.

**Deploy Strategies** 

Optimize Pricing

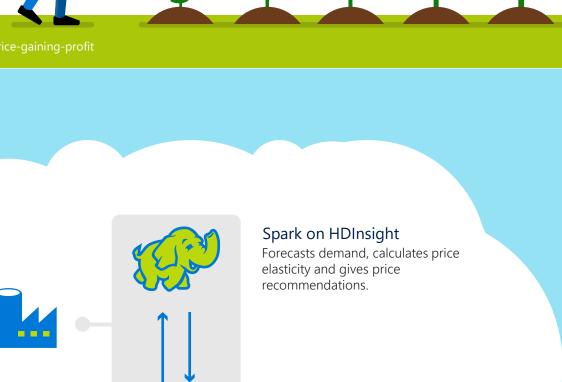
overall profit.

Choose price combinations that include price anchoring to maximize





Azure Data Factory Coordinates data transfer between HDInsight and Azure Data Lake Store.



Azure Data Lake Store

Creates reports and visualizations using transactional data, forecasts, price elasticity

and price recommendations

