

RETAIL EXPERIENCE

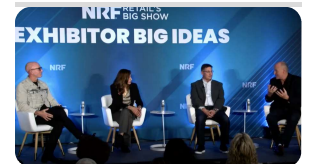
# To Keep Up in Today's Market, Retailers Must Be More than Competitive—They Must Be Dynamic

May 23, 2022



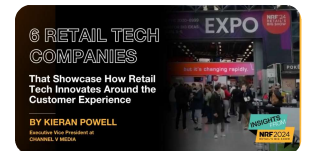
Retail is getting more competitive by the day. And while the retail landscape has become increasingly saturated over the last few decades, the 2020 e-commerce boom brought more options to the digital market than ever before. As a result, retailers and brands must strategize new ways to save time, boost profits, and grow—all while meeting consumer demands.

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Solutions to these challenges are increasingly available, but as e-commerce assortments widen and pricing becomes more dynamic, retailers will lose money if their practices are slow and inconsistent.

Until the last decade or so, dynamic pricing models were only relevant for mature retail segments like consumer electronics. But as the beauty, apparel, fashion, and other industries grew both online and offline, companies that relied on outdated pricing systems sought changes that introduced automated pricing software and data.

Furthermore, today's brands are going direct-to-consumer and retailers are creating private labels—steps taken that have blurred the lines between very different companies.

“Brands are starting to have the same pricing needs and pricing automation needs that we noticed retailers needed 10 years ago,” said Sander Roose, founder and CEO of **Omnia Retail**, Europe's first dynamic pricing software company.

Roose told RETHINK Retail that to vie in today's competitive environment, brands need greater visibility into what their competitors are selling, where they're selling it and how much they are selling it for, and then interpolate that information into pricing benchmarks.

To accomplish this, companies will need data—and a lot of it. Brands should be consistently collecting information on their competitors' prices, stock levels and profits, as well as market trends and fluctuations.

## **Dynamic pricing: a win-win**

For many companies, acquiring internal and external data is just the first step toward getting ahead of the competition.

“Typically, companies get the urgency to take the next steps because they see that a lot of competitors are undercutting them or chasing their prices more frequently,” Roose said. “Then they see a need for automation.”

Automated pricing models, or dynamic pricing, have been around since the 1980s. Airlines, hotels, and car rental companies saw the need to keep their prices up-to-date on an hourly, or even minute-by-minute basis, which allowed these respective industries to maximize profits.

Since then, dynamic pricing models have expanded significantly and giants like Amazon are leading the way for retailers and brands who want to offer their customers the best prices possible.

Pricing technology has also surged in both convenience and autonomy. According to Roose, customers’ businesses and their customers deserve “more advanced algorithms that ultimately improve results.”

Furthermore, pricing models need to be extremely precise in the midst of the digital transformation. Customers today are ready and willing to research prices online and switch to a competitor if they find a more suitable price point.

In fact, 61% of retailers cite customer retention as their biggest challenge and it’s hard to imagine that percentage dropping when more e-commerce stores open every day.

Thankfully, there are solutions available for companies who want to increase customer retention using an automated, precise pricing system. For Roose, being able to automate any of his customer's pricing strategies while supplying all of the relevant competitor pricing data is key —and something vendors typically don't offer.

For years, retailers have attempted to take these steps on their own and failed.

## **Perfect solution providers are few-and-far-between**

“We founded Omnia because we saw that retailers were really struggling,” Roose said. “[We’re] focused on talking to retailers, [learning] their pricing strategies, and inspiring them with potential options.”

Putting consumers first isn't a given, and one-way pricing solutions providers can stand out. Retailers and brands also need to trust the data they're given and understand when and how to use dynamic pricing options at their convenience.

And although solution providers have been around since the 80s, vendors that dedicate customer success managers to their clients while offering friendly pricing software are almost unheard of.

Crucially, Omnia developed a customer-centric strategy that works for *all* retailers and brands.

“It's really important that Omnia's not a black box and that you only understand [one dimensionally],” Roose said. “Rather, you're able to explain it internally and in

conversations with brands [that want to know] why you’ve chosen certain prices.”

Roose also believes brands and retailers should be able to interact with their entire product assortment every day, or if needed, multiple times a day. When businesses aren’t equipped with dynamic pricing solutions, it’s easy to disregard the products that aren’t top-sellers and forget that they, too, are on the shelf to maximize profits.

Coupled with time-saving benefits, regained control over pricing, and profitable growth, it’s hard to imagine why any brand or retailer should disregard dynamic pricing.

For years, Omnia has led the European market to provide the most comprehensive all-in-one dynamic pricing enterprise offering for brands and retailers. To learn more about what Omnia can do for your business, visit their site and request a meeting or find them in the exhibition hall at [Shoptalk Europe](#), held June 6-8, 2022 in London.

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