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# About Sciatric

Sciatric - We Price Right, is an unconventional startup that utilizes state-of-the-art technology to revolutionize the intricate landscape of pricing optimization. As India's pioneering AI-powered dynamic pricing firm, our goal is to establish ourselves as a global leader in pricing intelligence, all the while providing scientific, simplified, scalable, and successful pricing solutions.

Our unparalleled expertise in Artificial Intelligence, Big Data, Automation, and Pricing Domain is what sets us apart. We have designed two cutting-edge products, BRIO and VIAJE.AI, specifically tailored for the Retail and Travel industries. These dynamic pricing SaaS products are currently deployed by several top-tier brands and businesses across the globe, processing an astounding 5 billion price optimizations on a daily basis.

Our mission is to empower businesses to make informed pricing decisions for every product, every market, and every customer. With our innovative solutions, companies can overcome the complexity of pricing optimization and achieve their desired outcomes with ease. Sciatric is a funded startup with a clear vision of achieving International Leadership in the price optimization arena by leveraging the power of next-gen technologies and automation.

## What is Price Optimization?

When it comes to setting prices, there's often a lot of uncertainty and guesswork involved. Businesses may base their pricing decisions on factors like production costs, competitor prices, and market demand, but these factors can be hard to predict and can change rapidly over time.

To address these challenges, many businesses are turning to price optimization techniques that use data analysis and machine learning algorithms to identify the optimal price point for their products or services.

By analysing data on customer behaviour, market trends, and other relevant factors, these algorithms can generate pricing recommendations that are more accurate and dynamic than traditional rule-based approaches.

At the same time, it's important to recognize that there are limitations to these techniques. For example, they may not always account for factors like brand reputation, customer loyalty, or ethical considerations, which can influence how customers perceive a product or service and how willing they are to pay for it.

Ultimately, the key to successful price optimization is to strike a balance between data-driven analysis and human judgment. By combining the insights generated by these algorithms with the experience and expertise of human decision-makers, businesses can make more informed pricing decisions that maximize profitability and enhance customer satisfaction.





# Parameters for Price Optimization

Price optimization aims to find the right balance between pricing and profitability to achieve long-term success in the market. When it comes to price optimization, there are several key parameters that need to be considered.

- Demand is one of the most important factors to analyze. Businesses need to understand how much customers are willing to pay for a particular product in order to find the optimal price point.
- Competition is another important consideration. Businesses should be aware of the prices being offered by their competitors and adjust their pricing strategy accordingly.
- The cost of goods sold (COGS) is also a critical factor in determining the optimal price point.
- Margins should be set by the businesses keeping in mind a profitable game. Accordingly, the pricing analysts should determine the optimal price point that will achieve that margin while still remaining competitive.
- Seasonality is also an essential factor to consider. Pricing Analysts need to be aware of seasonal demand and adjust their pricing strategy accordingly.
- Price elasticity is a measure of how sensitive customers are to price changes. Pricing Analysts in businesses need to analyse this factor in order to find the optimal price point that maximizes profits while still keeping customers satisfied.
- Inventory levels are also critical, Pricing teams must be vigilant about their inventory levels and adjust pricing strategy when they have excess or low inventory levels.
- Promotions and discounts attract customers. Pricing teams in businesses should be able to analyse the effectiveness of these promotions and determine the optimal price point that maximizes profits while still attracting customers.

# AI-powered price optimization

v/s

# Rule-based price optimization?

AI-powered price optimization and rule-based price optimization are two different approaches to determining the optimal price for a product or service.

Rule-based price optimization involves using predefined rules to set prices based on various factors such as production costs, profit margins, competitor prices, and market demand. This approach relies on human expertise and intuition to create pricing rules, which can be inflexible and limited in their ability to adapt to changing market conditions.

AI-powered price optimization, on the other hand, uses advanced algorithms and machine learning techniques to analyse large amounts of data and automatically adjust prices in real-time based on changing market conditions, customer behaviour, and other factors. This approach can identify patterns and insights that are not immediately apparent to human analysts and can adapt to changes in the market much faster than rule-based systems.

Overall, AI-powered price optimization is more sophisticated and dynamic than rule-based price optimization, and it has the potential to generate more accurate pricing recommendations that can improve profitability and drive business growth. However, it also requires more sophisticated technology and data analysis capabilities, which may be challenging for some businesses to implement.





# What is SaaS in the context of Price Optimization?

SaaS stands for "Software as a Service." In the context of price optimization, a SaaS solution refers to pricing software that is hosted on the cloud and delivered over the internet to businesses as a service.

With SaaS solutions for price optimization, businesses can leverage the expertise of pricing professionals and advanced technologies without having to invest in expensive infrastructure, hardware, or software licenses. These solutions typically have a subscription-based pricing model, which allows businesses to pay only for the services they use and avoid upfront costs.



## Some research-based facts on pricing

Here are some research-based facts about price optimization gathered from multiple sources to help gauge the importance of Right Pricing:

- A study by McKinsey & Company found that a 1% price increase can lead to an 8.7% increase in profits for an average company.
- According to a survey by Accenture, 73% of customers are willing to pay more for a product if it offers greater personalization.
- Dynamic pricing can increase profits by up to 10%, according to a study by the University of Texas at Austin.
- A study by the University of Chicago found that a small price increase can lead to an increase in perceived quality, which can in turn lead to higher sales.
- A survey by PwC found that 72% of retailers plan to invest in price optimization technology in the next three years.
- According to a study by Nielsen, 56% of customers are willing to switch brands if they can save money on a product.
- Research by IBM shows that dynamic pricing can lead to a 20% increase in revenue and a 2-5% increase in profit margins.
- A study by Retail Systems Research found that companies that use price optimization software achieve a 1-3% increase in gross margins.
- According to a survey by Deloitte, 68% of retailers plan to use artificial intelligence to optimize prices in the next three years.
- Research by the University of Pennsylvania found that a 1% price increase can lead to a 12.5% increase in profits for high-end luxury goods.

# Case Study: Let's understand execution of Price Optimization as SaaS product scenario



\*Client name changed for data privacy purposes

## The Problem

ReckonLife, a retail brand specializing in personal healthcare products, was struggling to optimize its pricing strategies across its multiple sales channels. The company sold its products through various channels, including brick-and-mortar stores, online marketplaces, and its own e-commerce website. Each channel had its own pricing and discounting strategies, which made it challenging to maintain consistency in pricing and profitability. Additionally, ReckonLife lacked insights into its competitors' pricing strategies, making it difficult to compete effectively in the market.

## The Solution

To address these challenges, ReckonLife adopted BRIO - a SaaS-based price optimization automation solution. BRIO, powered with AI-powered and equipped with competition and market intelligence capabilities, helped the brand to analyse customer behaviour, competitor prices, and demand patterns and recommend the right prices for each product in each channel.



A close-up photograph of a person's hands interacting with a tablet screen. The tablet displays a mobile application interface for a shopping or e-commerce platform. The screen shows various product categories like 'Popular', 'CRAFTS: THE WINTER LIST', and 'CUSTOM BUILT'. A hand is visible swiping through the content on the screen. To the left of the tablet, there is a graphic overlay consisting of a purple rounded rectangle with a yellow border. Inside the rectangle, the words 'case study' are written in large, white, bold, sans-serif font. There are four small red star-like sparkles positioned around the corners of the purple box.

## The Implementation

The implementation process began with integrating the software solution with ReckonLife's sales channels, including its brick-and-mortar stores, online marketplaces, and e-commerce website. The software solution then began analysing the data from each channel, including customer behaviour, competitor prices, and demand patterns, to recommend optimal prices for each product in each channel.

The software's competition and market intelligence capabilities enabled ReckonLife to analyse its competitors' pricing strategies and adjust its own pricing strategy in real-time to stay competitive in the market. The software also took into account ReckonLife's cost structures and revenue goals to ensure that the pricing strategy was aligned with the company's overall business objectives.



## The Result

By leveraging BRIO with competition and market intelligence capabilities, ReckonLife saw a 34% increase in its product sales on its own website.

The software helped to optimize prices across all channels, resulting in increased sales volume and higher margins; thus, reducing their human efforts in price calculations at channel level.

The decision making became faster and more accurate. ReckonLife was also able to maintain consistent pricing across all channels, which helped to build brand trust and loyalty.

Furthermore, the software allowed ReckonLife to analyse its competitors' pricing strategies and adjust its own pricing strategy in real-time based on changing market conditions, customer behaviour, and competitor pricing. This helped ReckonLife to stay competitive and adapt to changing market conditions quickly.

