**Margin Improvement through Customized Pricing**

* ZZ is an auto-parts retailer which sells a range of car parts and truck & trailer parts. Their customers could be individual garage owners with a single shop, or a larger chain of automobile workshops / in-house maintenance teams of fleet companies.
* ZZ has 350 locations across 40+ states of US, and have more than 100,000 parts that they sell in different categories (Transmission System, Engine Accessories, Cooling System, Lubes, HVAC systems, Tyres, Electricals, and Consumables).
* Sales happen inside the store (no online), through customer – store associate interactions. Some sales also happen via delivery of products to customer locations. In both cases, ZZ’s associates could be interacting directly with the customer, or customer’s sales/procurement person.
* As you can see, the business model is similar to classic retailing, but with some key differences: transactions are price negotiated between the customer & the store associate. Therefore, selling price vs base / recommended price being different.
* While negotiated sales is a key feature of their business model, unscrupulous discounting could have a serious impact on the margins.
* ZZ likes to design a analytics driven discounting strategy, to provide a set of guidelines to the store associates on how to do smart pricing that results in a win-win for both the customers & ZZ.

Attached is a sample data for one product category (Clutches).

Please outline your thoughts to help ZZ arrive at this strategy, backing up your recommendations with relevant analyses of the data provided.

Depth of analyses, actionable insights, and how they could help address key business objectives + outcomes are all in focus for the audience.

