



Pricing to Drive and Reward Loyalty

Loyalty is as low as it ever has been. Faced with more options and less financial flexibility, consumers are flocking to the retailers who can offer the most value.

According to a recent study by PWC, 96% of consumers are looking to save money in the short term. But providing value is about more than having the lowest prices. And different consumers define value in different ways.

To drive value, win market share and reward loyalty, you need to offer the right prices on the right products, to the right customers, at the right time. But a one-size-fits-all approach to pricing won't achieve that. Meeting your customers' needs requires targeted pricing

and promotions based on their shopping behaviors, purchase history and perception of value.

In the past, targeted loyalty-based pricing has been difficult to achieve. Traditional approaches to segmentation, like demographics, aren't very indicative of consumer demand. Not to mention, personalized pricing adds complexity to pricing processes and forecasting.

But now, new AI techniques and advancements in data science enable retailers to tailor pricing to different consumer and loyalty segments across all of your stores with accuracy and ease.

Here are some ways you can increase loyalty in specific customer segments with targeted pricing and promotions:

Low or declining loyalty

Dustin used to shop at your convenience stores often, reliably spending around \$15 on each of his daily visits. But lately, he's been shopping with you less and less. Today he spends only about \$9 each time he shops with you, which has declined to once every week.

Wallet-friendly pricing and promotions can win customers like Dustin back:

- ▶ Lowering pricing on key value items (KVIs) improves price perception, increasing the odds he shops with you again.
- ▶ Bundle promotions can help him save money and increase chances he becomes more of a regular, like a deal on a lunch and breakfast bundle.
- ▶ Offer volume or quantity discounts. This gives him more value for his dollar. And more value leads to more loyalty.

High loyalty

Hannah does all her grocery shopping at your store, spending at least \$60 on each of her twice weekly visits. She typically purchases a mix of premium and EDLP items on each trip. Hannah has also demonstrated a willingness to buy different brands and often tries out new products.

Here's how you retain highly loyal, less-elastic shoppers like Hannah:

- ▶ High-loyalty shoppers find value in quality and variety. Introducing her to new products helps you increase basket size while adding value.
- ▶ Run promotions on high affinity premium items. Encourage her to try new products that bring in a little more margin for you.
- ▶ Offer private label products of comparable quality. This helps her save money up front and gives her more flexibility to spend on premium items.



Contractors and B2B shoppers

Carla owns a local salon. Once a month, she spends at least \$300 on supplies for her business. This amounts to several dozen gallons of shampoo, disinfectant and more every year. Buying quality products while saving her business as much money as possible is her number one priority.

Specialty contractor pricing drives value for customers like Carla:

- ▶ Extending exclusive professional pricing to your high-volume B2B customers makes them feel catered to. And it helps her business become more profitable.
- ▶ Offering quantity and volume discounts can help her save money and you build basket size.
- ▶ Help her discover new quality products with cross-category promotions. If she already purchases color-treated conditioner, promote hair dye.



Revionics makes targeted pricing simple

Simply knowing what pricing and promotions to offer is only half the battle. To truly drive loyalty through pricing, you must understand what your customer segments are, their behaviors and needs, and which prices and promotions will deliver them the most value.

Enter Revionics. For more than 20 years, our industry-leading analytics and AI has helped retailers make high-impact pricing and promotional decisions. And with recent enhancements to our data science, retailers can better delight customer segments with targeted pricing to consistently improve loyalty despite the industry's challenging and changing conditions. Here's how:

- ▶ Make pricing decisions that drive value and loyalty with advanced analytics and AI
- ▶ Understand your customers' buying behaviors and how they'll react to every price change with accurate predictive demand modeling and forecasting
- ▶ Craft personalized, profitable promotions with a solution built for the increasing complexity of omnichannel promotions today
- ▶ Forecast and measure true impact with science that accounts for affinity (halo) and cannibalization

And more.

Download *Pricing the Unpriceable | The new science of retail* to learn more about how Revionics' superior science helps retailers achieve their loyalty pricing goals.

[Download the guide](#)

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About Revionics

Revionics guides retailers on the lifecycle pricing journey with leading AI solutions for pricing, promotions, and markdowns. Backed by 20 years of experience gained from working with top retailers across a variety of industries and markets, we serve as trusted partners alongside our customers, equipping them with the clarity and confidence to make optimal pricing decisions for powerful results.

Learn more at revionics.com

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