The Power of Data

Using Competitive Intelligence to Enhance Pricing

Pricing Analytics – Case Study

IRIS Pricing Solutions

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Millions of pieces of data scraped, cleaned, organized & analyzed

Using Competitive Intelligence to Enhance Pricing

Background
The client is a global online **B2B** retailer that **supports its global** pharmaceutical, **bio-pharma and food industry clients** with its thousands of quality products.

The Challenge
With thousands of different substances per industry **being sold in 15 countries**, the client had no way to track what products their competitor was selling, or what price they were selling these products at. Operating in an industry in which **the purchase decision** often comes down to choosing the lowest priced product, the client realized they needed to improve their competitive intelligence capabilities to better support their pricing strategy and ensure their own pricing is competitive and agile. With a lack of competitive intelligence, the client came to Iris Pricing Solutions with a **key set of questions** – how do their prices and product offerings compare to the competition?

The Answer
Data scraping is a sound method of collecting the competitive intelligence the client needed. But within this specific industry, understanding, comparing, and cleaning data about the millions of products on the market was an overwhelming challenge. Data scrapes could take weeks because there was such a **large** amount of data to gather and process.

Organizing that competitive data was particularly challenging as well because each piece of information was complex and unique. The products were chemical formulas which included molecular information, and advanced chemical knowledge was required to make sense of the data and map the chemical formula and molecules in one brand's product to another. Only once it was determined which of the client's products and chemical make ups matched the competitive information gathered, could the data be useful. These matches needed to be made and the data converted to the same format before it could be used to forecast pricing and product development.
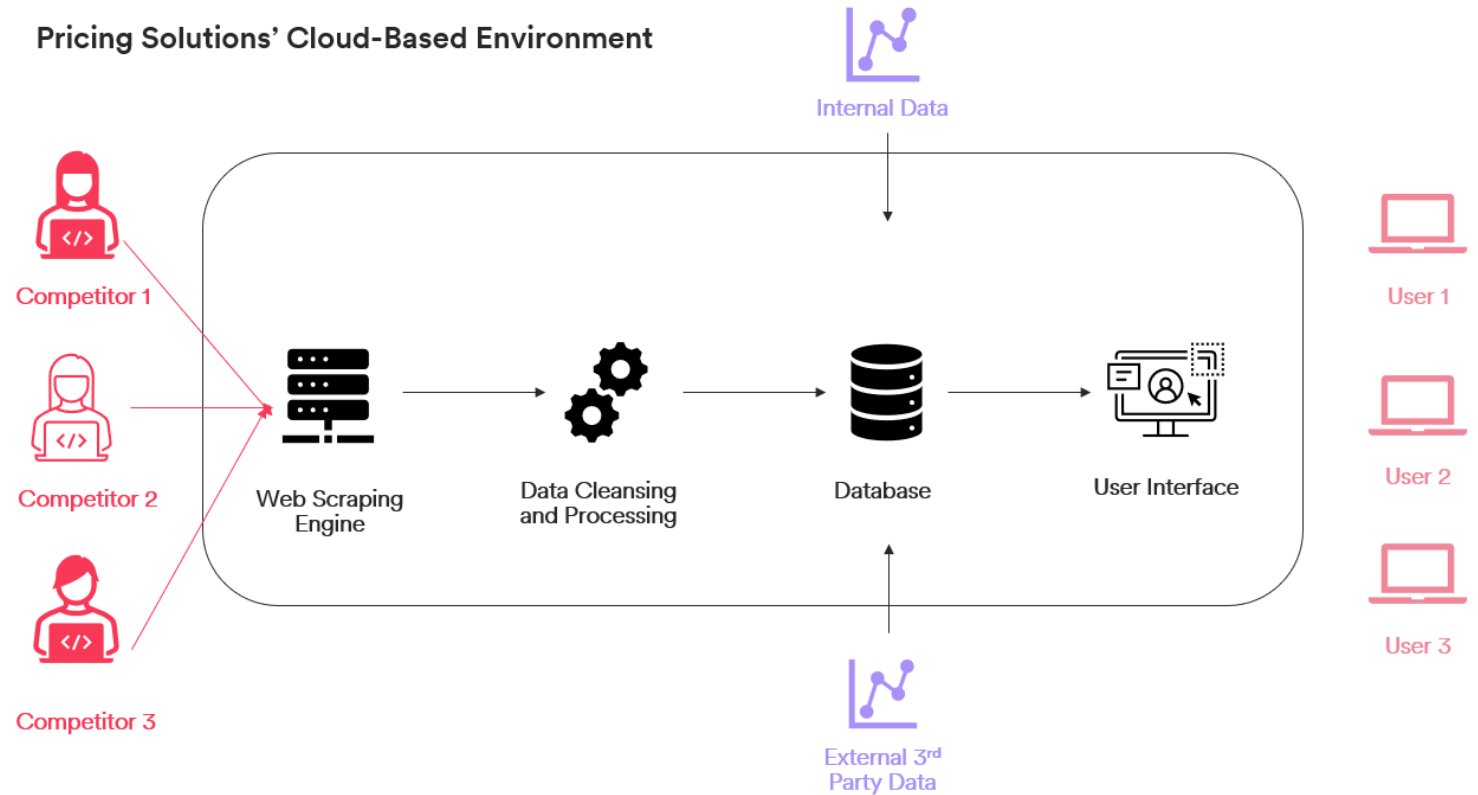
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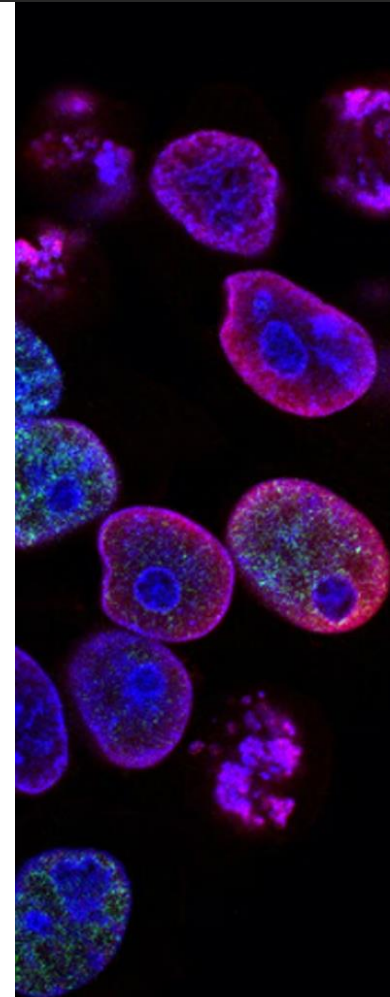
Building a Solution That Fits

Stage one of this four-month project focused on creating a competitive intelligence solution that included gathering competitive prices for a dozen of the client's competitors across all business lines in the United States. Due to the project's success in the U.S., the **solution was rolled out globally to cover Asia, Europe and South America.** This expansion provided the client with the complete global competitive intelligence they needed.

Pricing Solutions' **Pricing Analytics** team created an automated price gathering process using a web scraping engine that collected prices and other required data from competitor websites to assist in monitoring price moves.

The solution incorporated **packaging and pricing** data from dozens of competitors, along with client sales and forecasting data. Together the solution highlights where the client is pricing themselves out of the market and where there is a sizable gap potentially leaving money on the table.

Pricing Solutions' Cloud-Based Environment

Internal Data

Competitor 1
Competitor 2
Competitor 3

Web Scraping Engine → Data Cleansing and Processing → Database → User Interface

External 3rd Party Data

User 1
User 2
User 3

Combining this data into a user-friendly tool, the client can very easily understand where in their portfolio they may be at risk of pricing themselves out of the market, and where there is still opportunity to grow healthy margins. This **tool provided unparalleled insight** into the price moves of competitors, new product packages, package sizing, and entire new product lines. It has become a core piece of the client's business strategy.

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Dashboard Example

A unique database of competitive data, internal data (including the client's product catalog and price list), and third-party forecasted market demand data was created.

A user interface in **Tableau** was also designed which was made accessible to the client's team online via web browser.

This interface included **20 customized, user-friendly dashboards** designed to allow multiple stakeholders within the organization access to role-specific data, data which provided valuable pricing and product insights. The dashboard and the data are updated every six months (repeating the data scrape and cleaning processes described above) so that the client is always working with reliable information.

Dashboard Sample:
Corporate level overview with the ability to drill down and make tactical pricing decisions. Optionally, embed third party data to enhance analytic capabilities by incorporating, brand's sales data, consumer/market trend data, customer segmentation, forecasting and/or others.
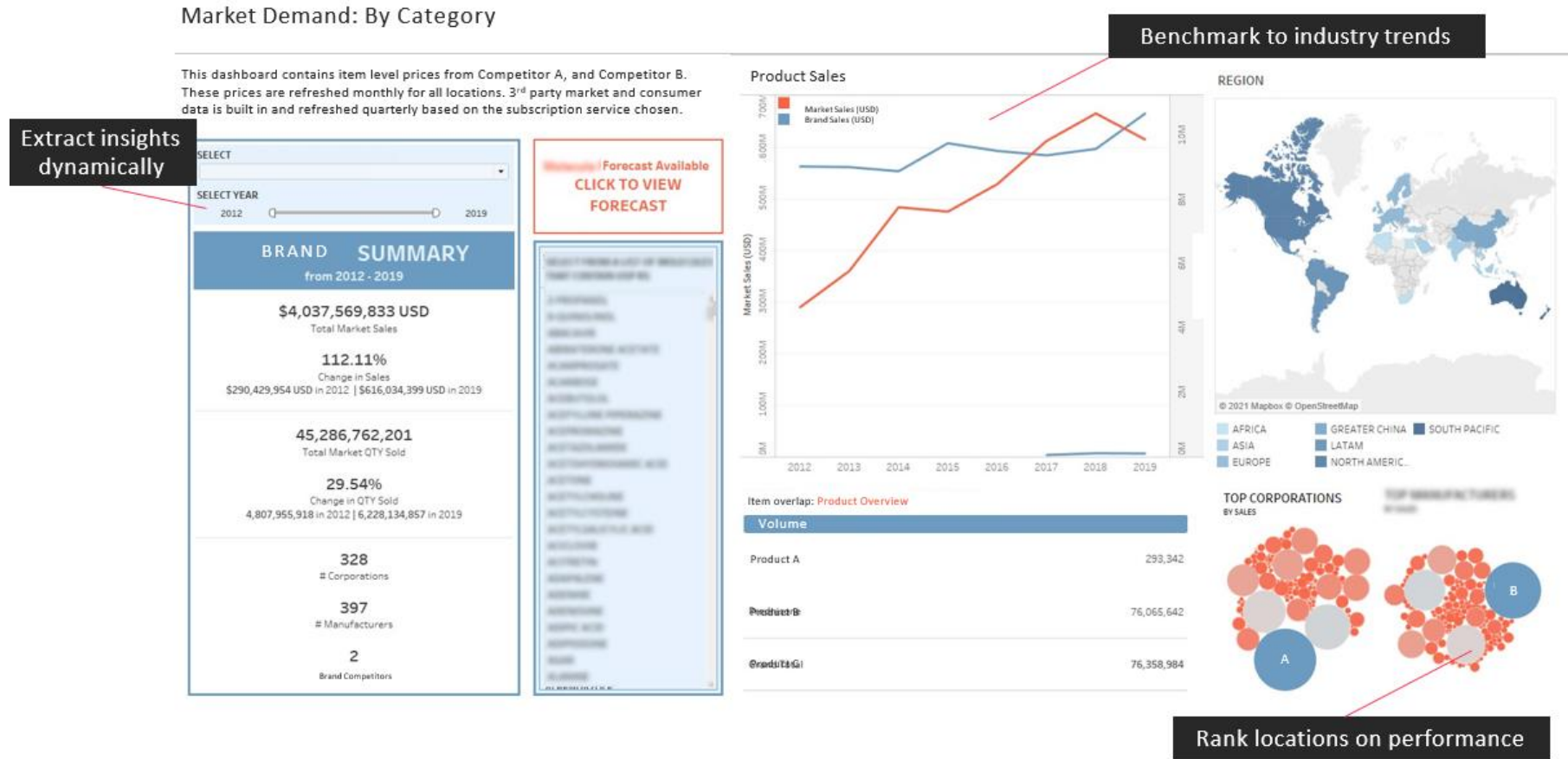
Dashboard Example

These dashboards give the client access to **valuable information** gained from competitive data, pinpointing how the client's products compare to their competitors. The insights gained support the implementation of the client's overall pricing strategy and future product development.

Each dashboard was **custom-built** for the roles of the end user and outfitted with their own business objectives and insights. These dashboards provide the flexibility necessary to browse the trends of five million products and can also filter down to the key five that need management's attention.

At the core of its design, **this tool provides automatic pricing insights** for the areas of the product portfolio that require attention. With industry leading best practices, it enables the user to see through the complexities of data and distill actionable insight.

Track market trends all in one tool if 3rd party data provided

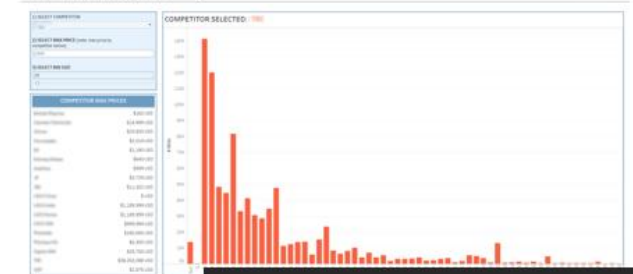Forecast product demand by market, pricing region, or globally

Compare portfolio overlap with competition

Compare portfolio prices by item, by market

Insights where over/under indexing item prices

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Education

The client was involved throughout the entire development process. Following an agile approach, the client first received core functionality and critical components in a prioritized phased release. Having the client involved throughout the development not only helped shape an incredibly useful tool, but also transferred knowledge and industry expertise among teams. Upon final release, the client was able to speak knowledgably about the inner workings of the tool to both executives and technical end-users.

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Results

Ultimately, the Iris Pricing Solutions team **created a competitive intelligence tool** that provided unparalleled insight into the pricing practices of the competitive landscape. Market trends, new product releases, and price actions were all captured, summarized, and highlighted for key stakeholders.

With different use cases, different needs within the organization were satisfied by the data at hand.

"Imagine having a window into not only how the market prices are changing, but your direct competitor, releasing 50 new pack sizes across major markets that are going to undercut your best-selling products. It's a game changer, and allows businesses to react within days," explains Benjamin Garden, Director of Pricing Analytics, Iris Pricing Solutions.

The **dashboard is now used daily** by members of the organization who have a visualization matrix of reference standards, categories of focus, international data, and much more. This data leads to an understanding around the difference between their own prices and products and their competitor's.

The organization now uses this data regularly for forecasting purposes. Forecasting allows the client to identify:

- Where they should focus sales efforts
- The types of new products they should develop
- How and when to change price
- Whether a product needed to be revised
- How marketed chemicals and reference standards would perform

Benjamin Garden, *Director of Pricing Analytics, Iris Pricing Solutions.*

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What's the Pricing Solutions Difference?

Iris Pricing Solutions is experienced in understanding the unique challenges associated with data scraping, cleaning and analysis. Our team uses focused, customized research methods to develop strategies that leverage data to achieve pricing goals. We use research and data-driven strategies to help organizations optimize pricing and remain globally competitive.
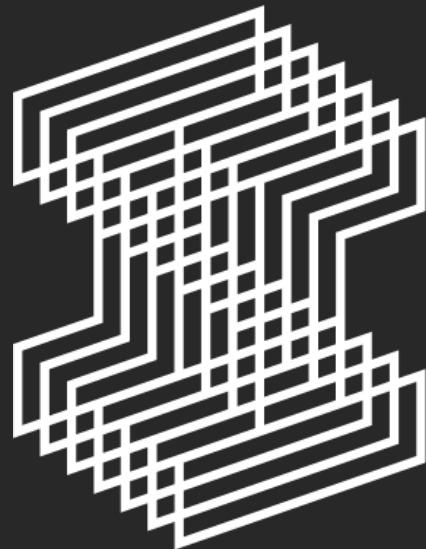
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