

AUTOMOTIVE AFTERMARKET E-COMMERCE

Revving Up Revenue: Strategic Pricing Boosts Classic Mustang Parts Retailer by 2.5%



+2.5%(\$)

Computed SKU-level price elasticities and identified immediate pricing opportunities. Achieved a 2.5% revenue increase in the first year, crucial for offsetting rising costs



Introduced a data-driven shipping threshold, product recommendation engine, and promotional strategies for key events like Black Friday/Cyber Monday.



Conducted a successful market test with recommended price increases, resulting in significant revenue growth and minimal volume loss in the first eight weeks.



The client signed a multi-year agreement for ongoing solution optimization and is transitioning to a dynamic pricing model that incorporates competitor stock levels and pricing data.

Challenge

A \$120M+ revenue US-based specialty parts retailer focused on Classic Mustangs, offering over 50,000 OEM, NOS, and aftermarket parts, sought to enhance profitability.

Project Goals and Our Approach

- Identify low-price sensitivity parts for price increases with minimal traffic impact.
- Develop a pricing tool for product cross-sell/upsell to increase basket size.
- Evaluate promotions/discounts for driving traffic and frequency.
- Gather competitive pricing intelligence from core competitors.