

# Case Study

## Pricing Intelligence

*"The results from incorporating the insights from Flipkart Commerce Cloud into our day-to-day pricing operations has showed us what is truly possible when you have complete visibility into our competitors' prices. For Staples, using Upstream Commerce has definitely paid off"*

Ranco Kraaijenbrink,  
**Pricing Manager, Staples**

### **Staples**

Industry  
**Office Supplies**

Employees  
**~70,000**

Annual Revenues  
**Over \$25B**

## THE RETAILER

---

Staples is the world's largest office products company providing products, services and expertise in office supplies, copy & print, technology, facilities and break rooms, and furniture. Staples invented the office superstore concept in 1986 and has consistently grown since then to reach annual sales of \$25 billion and to rank second in the world in eCommerce sales.

Staples has a presence in more than 26 countries throughout North and South America, Europe, Asia and Australia and prides itself on offering innovative products, quality services and business solutions, plus fast, friendly delivery.

## THE CHALLENGE

---

Staples wanted to improve its price-position in the extremely dynamic and highly-competitive office supplies market, by tracking thousands of products with over 150 different brands, and in dozens of product categories which are very diverse (such as ink, staples, office furniture, electronics and paper). Furthermore, the list of products to track was to be changed on monthly basis.

Operating in a very dynamic market, Staples wanted to receive email notifications regularly alerting them of prices changed at competitor Web sites.

# THE SOLUTION

---

## Meaningful product grouping for actionable insights

To begin with, products listed by Staples were matched to competitors' products. Each product category had its own specific characteristics which were taken into account.

In addition to brands and categories already on the Web site, Staples chose to create new product groups using Upstream Commerce's advanced labeling capabilities. These groups were either a refinement of existing categories (e.g., the category "Ink and Toner" was broken into the groups "Ink" and "Toner"), or completely new categories, such as Key Value Ink.

Staples chose to measure, align and continuously monitor prices on a group level. All graphs, tabular reports and email alerts were designated to be generated for these groups henceforth, to ensure that price changes always take into account the big picture and avoid eroding margins by reacting to dramatic changes in individual product prices.

## Powerful top down analysis to focus price tuning

Using Flipkart Commerce Cloud's Competitive Landscape Reports, Staples gained a high-level view of prices relative to their competition, for each product group. Each group was statistically compared to the relevant products at competitors. A single number: Price vs. Competitor - allowed Staples to inspect the pricing position at a glance. See the following screenshot:

## IMPACT

*Allowed Staples to keep up its promise to consumers of offering competitive prices at all times*

*Helped Staples manage prices on brand and category level*

*Helps Staples view the bigger picture when reacting to individual price changes, thus maintaining margins with a broader view of competitive position*

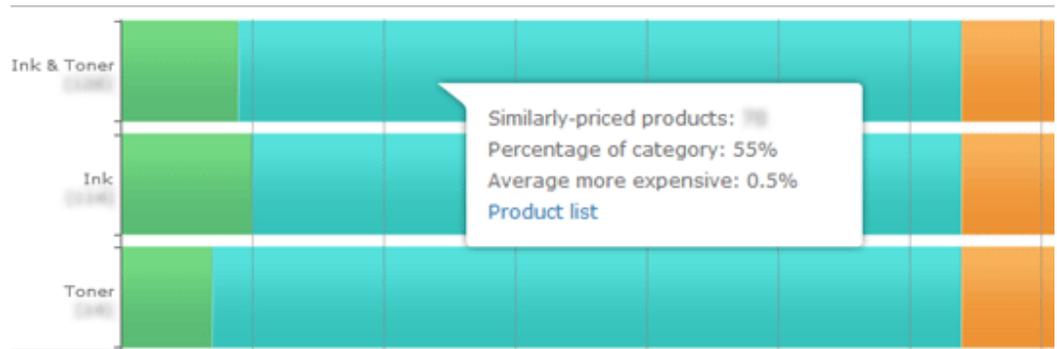
*Enabled Staples to dramatically shorten response times to competitive price changes, helping to maintain margins and sales targets in a highly dynamic market*

*"Upstream Commerce's solution has helped us quickly identify which products were underpriced and which products were overpriced. It has provided us with a lot of great pricing insight."*

Ranco Kraaijenbrink,  
**Pricing Manager,**  
**Staples**

Staples chose to focus on those groups where prices are significantly different than competition. These were immediately apparent in the Competitive Landscape Reports.

Next, for each group and competitor selected, a Price Distribution Chart was created, further detailing the number of products which are cheaper, similar in price, or more expensive than competition. See the following screenshot:



These reports allowed Staples to further focus on areas where price changes were necessary. The actual products to be updated were just one click away from these charts.

## Adjusting prices to achieve targets

Staples defined a band where its prices should reside relative to competition. In each product group, prices were changed to achieve a specific percentage of products which are cheaper than competitor, similar in price, and more expensive. The targets were defined for each competitor separately, based on its market positioning.

Over a period of a few months, prices were adjusted systematically to achieve the required pricing position in each product group, and with each competitor.

Up-to-date price distribution reports were used to monitor progress and direct the next pulse of changes.

At the end of the process, Staples achieved the desired price position for its most significant product groups.

## Maintaining price position

Using Flipkart Commerce Cloud's "price refresh" and email alerts on price changes at competitors, Staples is able to keep pricing relative to competitors within the defined boundaries, ensuring that it remains competitive while reducing response times to competitor price changes.

# About Flipkart Commerce Cloud

---

Flipkart Commerce Cloud is a global enterprise intelligence solution provider for retailers and e-commerce businesses. Our solutions are built with Flipkart's extensive knowledge of the e-commerce market, voluminous data from e-commerce events, and scale tested on billions of transactions. Our sophisticated AI/ML models deliver the best-in-class customer experience & business impact. Our comprehensive solutions are beyond the basic building blocks for online commerce and solve for more complex retail needs such as Pricing optimisation, Ads management, Fraud detection and many more critical streams in the growth journey of an e-commerce platform. AI-powered business intelligence is essential for success online, and FCC can bootstrap this journey for you - Quickly.

FCC is headquartered in India and deploys solutions across the world. Our team collaborates with our customers to create a sustainable impact for their businesses, the industry, and the people we serve. To learn more about Flipkart Commerce Cloud, visit [cloud.flipkart.com](https://cloud.flipkart.com)