

syntphony

NTT DATA

Innovative solution to optimize Carrefour pricing strategy

Carrefour | Italy

Carrefour

Client profile

Carrefour Italia operates in the retail sector with a network of more than 1,450 stores across 18 regions of the country, complemented by online shopping services and a continuously evolving omnichannel approach. The multinational company is also a leading franchise operator in Italian large-scale retail, with more than 1,000 franchised stores. With a clear customer focus and a strong commitment to innovation, Carrefour Italia employs more than 14,000 people and was recognized as a Top Employer for the fifth consecutive year in 2022.

Why Syntphony?

NTT DATA, part of the NTT Group, is an innovative global IT and services company headquartered in Tokyo. The company supports its clients in their transformation journey through consulting, industry-specific solutions, business process services, digital and IT modernization, and management services. NTT DATA enables its clients and society to move toward the digital future with confidence. The company demonstrates its commitment to the long-term success of its clients by combining global reach with a local approach to work with them in more than 50 countries around the world.

> “We are very pleased with our partnership with NTT DATA and the implementation of Pricing Management*. Thanks to this solution, we have optimized our pricing strategies, improved our efficiency, and maintained our margins and competitiveness in line with our business objectives, offering our customers competitive and consistent prices across all channels.”

Ettore Rivolta, Head of Pricing, Carrefour Italia

The challenge

- Carrefour needed to make its pricing management process effective and transparent while ensuring consistent pricing across all sales channels.

The solution

- Carrefour chose NTT DATA’s Pricing Management solution to optimize its pricing strategy.
- Pricing Management is based on an advanced rules engine and optimization algorithms that ensure the determination of the best price for each store and product based on format, geographic location, or sales channel.

The results

- Carrefour transformed its pricing approach by implementing Pricing Management to support approximately 1,300 stores, 180 pricing managers and category buyers, and 380,000 items.

Optimizing pricing policies

Over the past two years, inflation has put significant pressure on food and grocery retail chains to maintain margins and sales volumes.

In addition, consumer habits have changed profoundly in the wake of COVID-19. Declining customer loyalty, the resurgence of the multichannel strategy, sustainability, and the growth trajectory of neighborhood and small-format stores are just a few of the most notable trends.

In this scenario, pricing is a very sensitive issue, because it is a crucial point of contact between customers and retailers. Carrefour needed its price management process to be effective and transparent.

The ultimate Pricing Management solution

Carrefour chose NTT DATA's Pricing Management solution to optimize its pricing strategy. The platform is based on an advanced rules engine and optimization algorithms that ensure the determination of the best price for each store and product based on format, geographic location, or sales channel. This solution enhances traceability and transparency, enabling Carrefour's pricing managers and category buyers to track the process of setting each price at any time before approving its communication to individual stores.

In addition, it leverages margin targets, competitive positioning indices, and psychological pricing to drive decision-making at the item, attribute, and category levels, ensuring consistency across formats and channels.

Pricing Management's success factors are flexibility, rapid adoption, and integration within the retail ecosystem. The product can be customized to meet specific needs and also incorporates the latest regulatory updates. For example, it complies with the European Union's Omnibus Regulation, which requires clearly displaying the previous price charged by the seller — that is, the lowest price in effect during the 30 days prior to the price reduction — during promotional campaigns.

Achieving the right price

Following the implementation of NTT DATA's Pricing Management solution, the following benefits have been achieved:

Optimization. It enables the management of pricing policies across 1,300 stores and 380,000 SKUs at Carrefour Italia.

Improved competitiveness. It boosts competitiveness by optimizing time-consuming processes, continuously monitoring prices, and ensuring consistency on store shelves across different store formats (Hypermarket, Market, Express), which allows users to achieve margin and competitiveness goals independently.

Regulatory compliance. Implementation of a process to set prices for obsolete products based on the length of time the product has been on the shelf, with the goal of optimally clearing out inventory of such items. This ensures compliance with the European Union's Omnibus Law, which took effect in Italy on July 1 and requires clearly displaying the previous price charged by the seller — that is, the lowest price in effect during the 30 days prior to the price reduction — during promotional campaigns.

> "We are proud to have partnered with Carrefour, one of the leading players in the retail sector, to implement Pricing Management to optimize pricing strategies, with the goal of improving operational efficiency and ensuring consistent pricing across all channels. The trust and professionalism fostered during this collaboration have been fundamental to the success of the project. We thank Carrefour for giving us the opportunity to be part of this transformation to better meet the needs of a highly competitive market such as food retail."

Gloria Garattini, Product Manager for 4Price, NTT DATAs

