

HOW VITAFY USES PRICE OPTIMIZATION AND DEMAND FORECASTING TO BOOST THEIR PROFIT AND SALES



COMPANY OVERVIEW

The Munich-based online retailer Vitafy specializes in fitness, health and nutrition products, offering a vast amount of different brands including three private labels (Bodylab, GymQueen, Vitafy).

Founded in 2013, Vitafy today runs seven online stores while also positioning some of its private labels in stationary retail. However, the majority of sales are generated through its own online platforms.

“As an online retailer, it is very important to get your pricing right. 7Learnings did a great job in automating our pricing process while increasing profitability and sales significantly.”



Oliver Roskopf,
Chief Marketing
Officer @ Vitafy

CHALLENGES

- With an increasing number of SKU's and rapid growing sales, Vitafy was looking for a solution that could deal with the increasing complexity while automating the pricing process
- For the existing private labels, a pricing strategy based on repricing or price matching is not possible, therefore an appropriate solution had to be found
- Vitafy was looking for an easy and transparent way to translate its company's goals into an operational pricing strategy



RESULTS



>10%

uplift in profit



>12%

uplift in revenue



>18%

Increase in sales

SOLUTION BENEFITS

- Increased revenue, profit and sales, while reducing price management efforts by automating the pricing process
- Delivered measurable results with significant business impact within weeks not months
- Improvement in demand forecast accuracy and transparency to stay agile in a highly volatile market environment
- Optimized pricing of private labels and exclusive brands based on price elasticity calculations
- Maximized Vitafy's ability to stay adaptable and strengthened its pioneer position by enabling its pricing managers to compare different pricing scenario in advance

CONCLUSION

The 7Learnings pricing solution enables Vitafy to tap the full potential of its data without having to invest in technology development or a costly data science team. Within weeks the pricing solution delivered measurable results. Vitafy can now, within minutes, simulate various price scenarios for individual categories, forecasting revenue, sales and profit outcomes for its respective targets. The highly automated pricing process frees up time for more strategic tasks.

The 7Learnings pricing algorithm offers a holistic optimization that takes all relevant influencing parameters such as inventory, seasonality, competition into account. Its goal-driven approach makes price steering radically easy.