

CASE STUDY

Fashion Retailer INTERSPORT Krumholz: +118% profit

Fashion retailer InterSport Krumholz achieves a clear and significant boost to profits and revenues by leveraging predictive pricing

Discover how 7Learnings was able to dramatically boost profit margins for InterSport Krumholz whilst maintaining sales

Company Overview

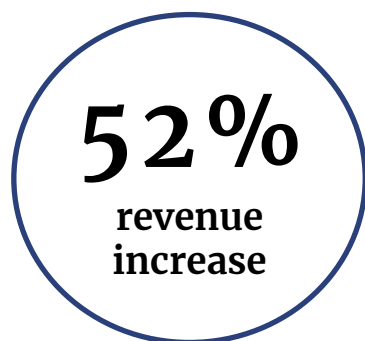
Founded in 1949, INTERSPORT Krumholz has been at the forefront of the German sports fashion industry for over 70 years. The company sells both online and offline, with an extensive e-commerce store as well as 5 physical outlets: Mayen, 2x in Mülheim-Kärlich, Bad Neuenahr-Ahrweiler, and Bad Homburg.

The company has a highly seasonal product line and boasts an extensive offering, from running and outdoor activities to team sports and more. The seasonal nature means that products are updated frequently, and prices must be adjusted accordingly using the most relevant data.

Challenges

- 1 INTERSPORT Krumholz has a large assortment of goods which makes price setting more difficult. Data sources for these products must first be aligned between the subsidiary and the parent company.
- 2 The company had to align multiple data sources, which meant a lot of manual work and some of the available data was not being fully utilised. This can lead to sub-optimal prices and a lack of consistency. Manual price setting also causes a loss in productivity.
- 3 To make use of all available data and maximize profits on their extensive product portfolio, INTERSPORT Krumholz required a predictive pricing solution that could not only aggregate their various data sources, but also automate their pricing decisions.

Results



Solution

- The results in this case were clear and significant. During A/B testing, profit and revenue started to increase significantly for the test group right after the first price upload.
- By the end of the A/B test, the test group had a 52% revenue and 118% profit advantage compared to the control groups.
- The 7Learnings predictive pricing solution was able to achieve significant margin increases without causing any loss of sales.
- Manual pricing work decreased significantly, as the 7Learnings solution enabled INTERSPORT Krumholz to optimize prices easily with just a few clicks.



Conclusion

The collaboration between INTERSPORT Krumholz and 7Learnings is a remarkable example of how predictive pricing can yield substantial benefits for retailers. The outcome shows how INTERSPORT Krumholz easily navigated the challenges posed by its vast product assortment and seasonal dynamics to achieve exceptional results.

The challenges of aligning data sources between subsidiaries and the parent company, coupled with suboptimal manual pricing and a lack of data utilization, demanded a transformative solution. The 7Learnings solution enabled INTERSPORT Krumholz to not only aggregate diverse data sources, but also automate pricing decisions.

The impact became immediately apparent during A/B testing. The test group, benefiting from the predictive pricing model, experienced a staggering 52% increase in revenue and an impressive 118% surge in profits compared to the control groups. Notably, these gains were achieved without sacrificing sales.

The INTERSPORT Krumholz and 7Learnings partnership showcases the tangible rewards of leveraging cutting-edge technology in the retail landscape. With remarkable profit and revenue increases, as well as operational enhancements, this collaboration serves as an inspiring case study for retailers worldwide seeking to thrive in the ever-evolving marketplace.



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