



DELHAIZE AMERICA GAINS INVALUABLE PARTNER FOR PRICE OPTIMIZATION JOURNEY

Leading grocery retailer improves pricing efficiencies and expands business objectives using Revionics

With around 1200 supermarkets stretching from Maine to Georgia, Delhaize America holds a prominent presence in the East Coast grocery market. As a subsidiary of Delhaize Group, Delhaize America exemplifies a commitment to locally differentiated shopping experiences, superior value and high corporate responsibility standards. While an initial foray into a pricing solution was not successful for the company, they knew that to continue moving the business forward and offering the best customer experience, price optimization would have to be the next step.



CUSTOMER PROFILE

Delhaize America and its supermarkets employ more than 98,000 associates and operate more than 1,200 stores across the Food Lion and Hannaford brands.

INDUSTRY

Grocery

HQ

Massachusetts, North Carolina

PRODUCTS

Pricing, Markdown

Outgrowing old processes

Delhaize America encompasses all of Delhaize Group's U.S. supermarket companies, including Food Lion and Hannaford. Delhaize America has a passion for delivering great food, value and innovation across all of its brands, which has led to steady growth over the years for the distinguished grocery retailer.

As operations at Delhaize America expanded, some processes could not keep up. Pricing analysts were still managing prices with complex and unwieldy spreadsheets, which was a time-consuming manual procedure and lacked scalability. Pricing processes and data collection were also not standardized, causing issues with data quality. All of this together made it extremely difficult to ensure pricing strategies were followed enterprise-wide.

Approaching price optimization

The pricing team realized it was passed time to implement a full-featured price optimization solution. However, this was not the grocery retailer's first attempt. A software they purchased a few years earlier never gained full traction due to its black box price recommendations, challenging interface and lack of ability to enable a key pricing strategy.

In order to avoid these roadblocks and get full leadership buy-in this time around, the team at Delhaize America wanted a solution that delivered not only transparent, day-to-day pricing recommendations across its diverse retail locations, but could also align with their goal of a strategic shift toward more consumer-focused pricing. What came next was a rigorous assessment of possible vendors to find a modern, user-friendly, and ever-improving price optimization solution.

From the beginning, Revionics stood out for being highly engaged throughout the evaluation and proposal process, earning the grocery retailer's confidence and ultimately winning the business.

"Revionics consistently embodied a true partnering mentality,"

- **Tim Concannon**, Director of Pricing Services, Delhaize America

said Delhaize America Director of Pricing Services Tim Concannon. "In contrast, the other vendors failed to target our needs with the data we'd provided – it felt like a generic effort. Even in our use case scenarios, Revionics challenged us to think differently."

Quick returns in efficiency and ROI

Thus, implementation began for all price zones and stores. Almost immediately, the retailer began to price more strategically based on consumer needs, leveraging scenario planning to analyze costs and choose the best pricing actions for both the company and their customers. "We're implementing more shopper-centric pricing along with enforcing our rules and allowing our pricing strategies to come fully alive at the shelf," said Concannon.

"We are able to make decisions quicker than before and consistently across all teams with a much higher degree of confidence in the output than we had in the past."

- **Tim Concannon**, Director of Pricing Services, Delhaize America



Challenges

Modernize outdated processes and enable more strategic approach to reaching pricing goals



Approach

Apply a data-driven price optimization solution to speed up operations and fuel customer-centric pricing

The Delhaize America team also appreciated that Revionics had the usability and convenience they were looking for. Achieving organization-wide adoption was much easier than before due to the price recommendation transparency and effective change management practices. “The excitement of the pricing analysts using Revionics is outstanding,” Concannon said. “They are more efficient and productive.”

While Revionics checked all the boxes for Delhaize America, it also provided another benefit the retailer perhaps did not anticipate. With broad knowledge and experience across retail pricing, the Revionics team also revealed the expanded possibilities of using the pricing tool and encouraged the retailer to rethink pricing goals.

“Our initial focus was on implementing business rules,” said Concannon. “But Revionics challenged us to embrace a more strategic way of thinking about our pricing capabilities, which led us to continuously evolve and improve our price optimization strategies right from the start.”

Since initial rollout, the grocery retailer has also begun implementing the Revionics markdown solution. While at first the need did not seem imperative, it soon became an obvious quick win as Delhaize America continued to see results from price optimization. With the markdowns tool, the company is

empowered to make fact-based markdown and clearance decisions – including markdown cadence and depth – that align with local shopper demand and store-level inventories to maximize margins and sell-through.

An expanding partnership

Today, Delhaize America continues to leverage Revionics to make faster and more effective pricing decisions, keeping their system data updated and taking price changes weekly. The retailer is excited about the improvement Revionics has made so far on their processes, customer perception and bottom line, and continues to explore new opportunities for further partnership.

“We truly have embarked on a lifecycle price optimization journey, and we’ve made phenomenal progress,”

- **Tim Concannon**, Director of Pricing Services, Delhaize America

Concannon says. “At the same time, we know there is a lot more we can accomplish. This has been an incredibly rewarding project, both for the benefits Revionics brings to Delhaize America and for me professionally. Revionics has proven to be an outstanding partner every step of the way.”



Results

- Increased pricing analyst efficiency and productivity
- Improved markdowns planning and margins
- Expanded lifecycle pricing optimization goals