Zebra
Workcloud
Pricing & Allocation

Lifecycle Pricing

Executing Optimal In-Season Pricing to Maximize Profit

If the last few business cycles have taught us anything, it has been the importance of proactively managing inventory levels against the impact of business cycle swings and shifts in consumer demand. Retailers take great care in planning the right products in the right quantities. But once products are on the shelves and selling starts, imbalances can appear. Inventory builds up where it's not wanted and runs out where there is higher demand.

That's when pricing goes to work. It's the key lever for recalibrating inventory to demand, especially toward product end-of-life. Too often, pricing decisions have been ill-informed by historical data and/or simplistic rules-based practices. Until now.

Workcloud Lifecycle Pricing is Zebra's proactive, AI-driven solution that integrates advanced analytics to offer superior insights and decision-making capabilities. It bridges art and science—allowing you to maintain creative control while leveraging data-driven insights with analytical precision.

Strategically Balance Sell-Through and Margins

Zebra's Lifecycle Pricing is a real-time, end-to-end price strategy and management tool powered by advanced machine learning. It understands the interplay of demand and pricing at a granular level so you can easily run comprehensive demand forecasts, model promotional scenarios, and analyze pricing strategies.

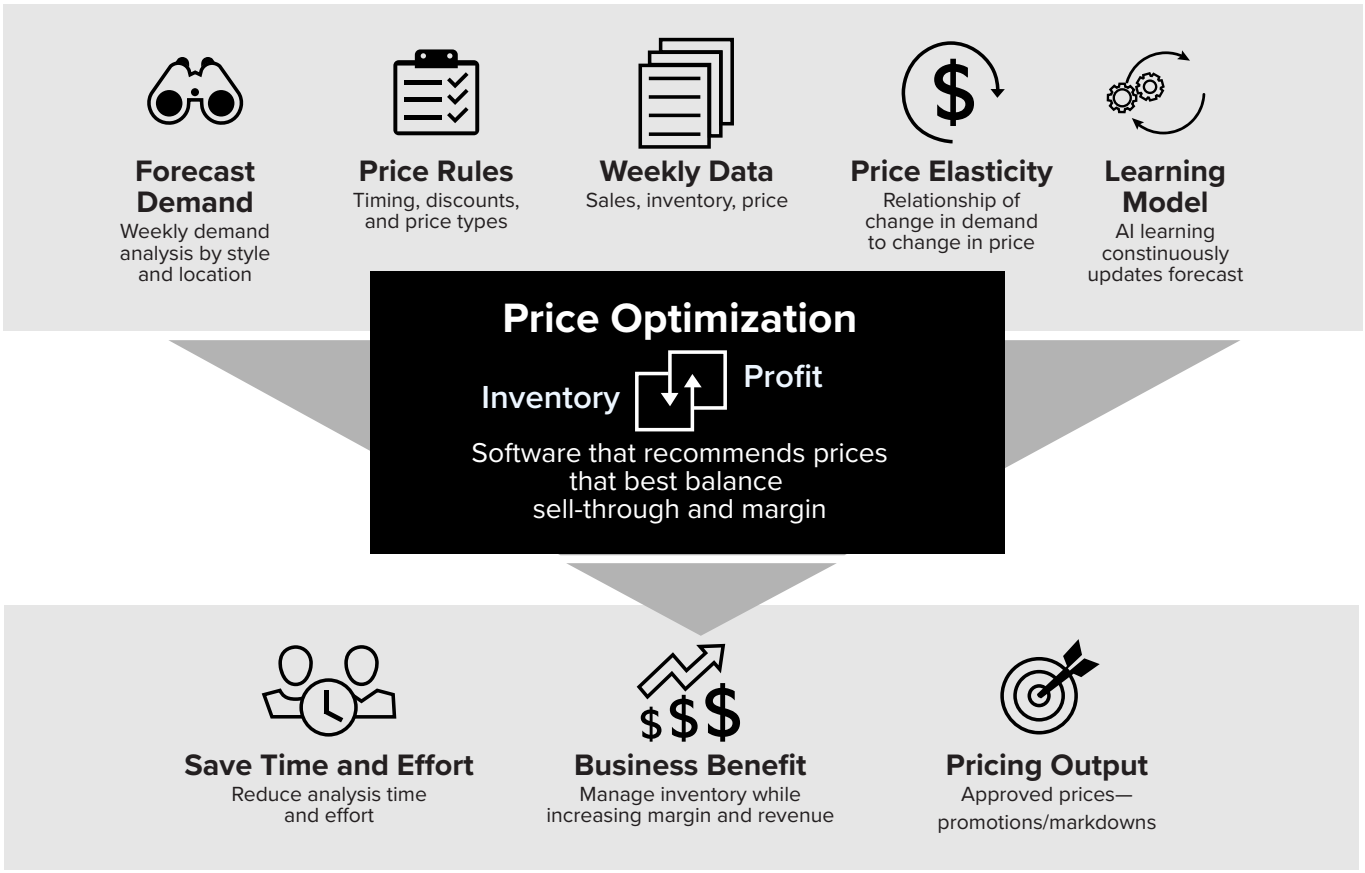
"We struggle with decisions about changing price—if we lower prices, will we simply decrease our margins or actually improve our sell-through? We break our own price policies all the time, and it's taking way too much time to figure out."

Give your teams the dynamic decision support tool they need. Lifecycle Pricing combines multiple-life-phase **Price Optimization, AI-Driven Forecasting** and **Elasticity Modeling** to inform pricing, proactively manage inventory, and maximize ROI.

Simulate and Compare Pricing Outcomes

Zebra's next-gen Lifecycle Pricing tool empowers planners to test multiple pricing strategies side-by-side so they can quickly visualize trade-offs and make data-backed decisions. It also allows planners to manage exceptions with Price Rules Management executed via a comprehensive rules workbench, enabling synergies between optimization and organizational pricing strategies.

Retailers can enhance margins and sell-through using **Markdown Optimization**, an integral component of the Lifecycle Pricing tool. It allows for cleaner seasonal transitions, avoids the impact of fringe sizes, and handles new items. Dynamic forecasting incorporates all demand drivers—across stores, online fulfillment, and returns—with a workflow that enables planners to focus on SKUs by location where demand is predicted to be most variable.

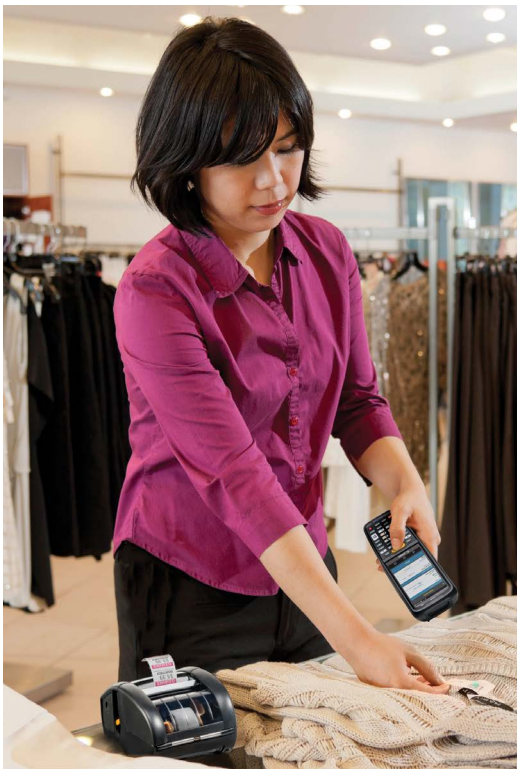


A More Accurate View of Demand at the Store Level Delivers Better Financial Results

For a $4B omni-channel retailer looking to coordinate in-season pricing with end-of-season liquidation, the goal was to minimize over- and understocks caused in part by unsynchronized pricing across channels.

By evolving a two-phase pricing process into a single process with phased pricing goals, pricing conflicts over the product lifecycle were reduced and greater efficiency around inventory management was achieved. In addition, backed by demand forecasts that take into account the different demand and inventory conditions at the location level modeled by channel, the right reactions for each channel, and overall, were taken. As a whole, strategic control of pricing was restored, enabling cleaner inventories, better value messaging to customers, and better financial results.

For another $3B fashion department store retailer with nearly 30% of sales from clearance, changes in customer demand cycles along with a less-than-responsive supply chain left too much inventory in some places and too little in others. Across-the-board price cuts helped drive down total inventory levels but did nothing to address out-of-kilter assortments so that, in addition to the margin hit from ill-timed discounts, sales also dropped as customers were unable to find the items they wanted.



By implementing a forecast-advised markdown cadence that employed the latest AI factoring and machine learning, markdown recommendations were able to reflect true demand for seasonal items, by product and by location. In six months, margins increased 4 points and sell-throughs increased over 10 points.

5%
increase in regular-priced sales

10
point increase in sell-through

4%
increase in margin

50%
reduction in merchant time spent determining markdowns

Zebra's Feature-Rich Workcloud Lifecycle Pricing Module

Designed for planners, pricing analysts, merchants and/or their executive leadership, Zebra's AI-powered Workcloud Lifecycle Pricing modules focus on delivering strategic margin benefits:

Profit-Driven Execution—Execute the season profitably with better pricing decisions and a solution that tracks financial performance and estimates the financial impact of pricing.

User-Designed Workflow—Gain visibility and strategic control for improved productivity and adoption, with a simple workflow design that guides planners to the choice level that deserves their attention and saves their time by identifying the ones that don't.

Inventory Fluidity—Understand store demand, online fulfillment demand, and returns for every style/SKU/location in order to capitalize on the ability to meet demand with available inventory from all channels.

SKU/Location Risk Assessment—Prioritize inventory pricing not only on current levels of demand and inventory on hand, but also on the forecasted variability in demand at a product/location level—where taking pricing action could mitigate the risk of holding too much.

Macroeconomic Forecast Sensitivity—Anticipate major changes in consumer price-to-value preferences that are the result of macroeconomic conditions like inflation—where product mix and price elasticity can vary based on changes in consumer willingness-to-pay.

Lifecycle Pricing Continuity—Connect in-season and markdown/clearance pricing decisions to maximize inventory, margins and sell-through throughout the product's lifecycle.

Cloud Native—Benefit from a distributed processing platform in the cloud for scalability and responsiveness.

Seamless Integration—Get pricing and forecasting results delivered through API integration with Zebra's application suite or existing ERP solutions.

Support and Training—Tap into 24/7 support from a team with years of combined retail and AI expertise, along with 40 hours of onboarding training.

Our Solutions are Built Upon Zebra Workcloud's World-Class AI Demand Forecasting

Unified Demand Signal

Adjust for the differences between regions, stores, online, and even the fulfillment type, and serve as the connective tissue across financial, assortment, allocation, size, and pricing decisions.

Dynamic Forecasting Libraries

An analytic methodology to address data sparsity, avoid the impact of fringe sizes, handle new items, and protect unit minimums.

Omnichannel Profiling

Delivering demand profiles that consider store and online sales, predicting down to SKU and location.

Seamless Integration

Delivers pricing and forecasting results through simplified solution integration, feeding either Zebra Workcloud Inventory Optimization Suite or existing ERP solutions.

Scalable Data

AI models capable of digesting data that accounts for every demand driver—including seasonality, price, product lifecycle, trends, and local events.

Cloud Native

Built natively in the cloud with scalable distributed processing.

"Zebra Workcloud delivered the solution in under two months with high-quality development. The transition was seamless to our business operations and we are very happy with the recommendations we are seeing out of the system."

Julie Rankin, VP Enterprise Applications, Neiman Marcus Group

Contact your Zebra Partner or visit **zebra.com/contact** to request a meeting with our sales team to learn more about Workcloud Lifecycle Pricing.

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