

# Revionics Markdown Optimization

● **Markdown strategy, planning, execution, and analytics**

## Retail Performance Transformation with Life Cycle Pricing

Increase sell-through and maximize the value of your inventory with Revionics.

For leading retailers, Markdown Optimization is a great opportunity to maximize margin and inventory value while improving freshness and velocity of product assortment. Not just for seasonal or discontinued items anymore, opportunities abound for retailers to leverage the solution for category resets, overstock reductions, aged packaging, and date-coded product. Revionics Markdown Optimization empowers retailers to clear inventory in a way that aligns with their business objectives. Distinct advantages include:

- **Localize markdown** events with store-level demand and inventory insight
- **Dynamic store cluster** recommendations to group stores by markdown event
- **Adaptive remodeling** to take into account daily inventory and sales data
- **On-demand “what if”** simulation to adjust markdown events and determine impact
- **Customize markdown results** with ability to tune profit versus inventory goals
- **Transparency** into the “why” behind the recommended markdown steps and timing
- **Forecast accuracy** provides budgeting insight with in-progress updates

Predicting customer behavior, empowering retailers to achieve their financial objectives, improving customer loyalty, and making better, fact-based decisions

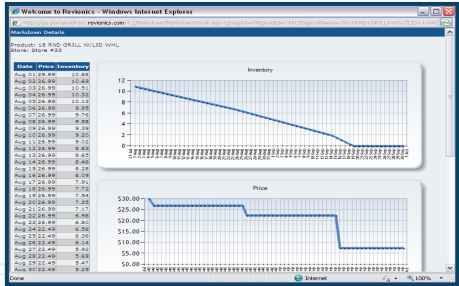
Revionics retailers see:

Sales increases  
**11-20%**

Gross Margin Gains  
**5%**

Increase in Capture Rate  
**4.5-12%**

Forecast Accuracy  
**91-94%**



Markdown Plan and Tracking - Spring Clearance A

Week	Forecast Sales Qty	Forecast Sales Revenue	Forecast Sales Profit	Forecast Salvage Qty	Forecast Salvage Revenue	Forecast Salvage Profit	Forecast Sales Markdown Loss	Forecast Salvage Markdown Loss	Total
3/21/2011	36.47	\$133.00	\$12.15	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3/27/2011	65.48	\$242.23	\$14.42	0.00	\$0.00	\$0.00	(\$48.22)	\$0.00	\$0.00
3/24/2011	110.48	\$403.27	\$16.85	0.00	\$0.00	\$0.00	(\$120.12)	\$0.00	\$0.00
3/31/2011	110.25	\$142.27	(\$75.20)	0.00	\$0.00	\$0.00	(\$125.18)	\$0.00	\$0.00
4/7/2011	123.38	\$120.23	(\$126.22)	128.82	\$81.81	(\$83.27)	(\$142.05)	(\$142.05)	(\$718.18)

**Strategic Markdown Insight for Executives** - Revionics provides access to critical performance forecasts for markdown and clearance inventory. Executives have accurate forecasting to determine impact to budget, including expected markdown loss, forecast sell-through percents, and margin and revenue capture rates expected. On-demand reports provide real-time detail on forecast to actual inventory positions, units, profit, and margin performance.

**Markdown Planning** - Introduce science into the planning process and gain insight. Clearly understand how to maximize sell-through, gain profit dollars, or achieve any number of hybrid strategies. Customizable rule-sets for events create a sand-box for modeling markdown behavior of effected stores, products, and in-store displays. Compare markdown event versions, re-optimize as events progress, and budget more effectively.

**Markdown Execution** - A markdown event should be dynamic, allowing retailers to course correct to optimally capture consumer demand. Revionics monitors performance real-time, adjusting recommended markdown steps and dates as consumers respond. Retailers can leverage distribution center allocation suggestions to optimally liquidate inventory to the best store locations for each event.

Schedule a consultation today.

**More Information**

Phone: 866-580-7277 x1

info@revionics.com

Join industry leading retailers representing over 20,000 retail locations who trust Revionics to optimize their over \$50 billion in annual sales revenue.

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## Markdown Optimization

Visit our website to attend a webinar, download white papers or case studies, and view customer testimonials today! [www.revionics.com](http://www.revionics.com)

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### More Information

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## Science-based Markdowns

Revionics Markdown Optimization has best-in-class science meeting thoughtful, innovative design. Revionics has found new ways to maximize your inventory potential.

**Dynamic Store Clustering:** Stores are clustered by event to reflect store-based inventory, item elasticity, and consumer demand.

**Seasonality and Holidays:** Markdown forecasts and recommendations leverage seasonal trends, and dynamic holidays and events. De-weatherize seasonality with the ability to integrate weather data.

**Group Items or Optimize Uniquely:** Set individual item and stores to optimize at their own rate, or group products, stores, price families, and items merchandised together for common timing and/or depth.

**Strategy, Rules, and Operations:** Within the bounds of business rules and operational considerations, find the best scenario that maximizes progress towards your financial goals (inventory sell-through, markdown loss, and revenue capture).

### Discount Retailer reduces markdown loss by 8-10%

*“Previously, our inventory markdowns were chain-wide, and were not reflective of local inventory or differences in consumer demand. Revionics now recommends which stores to group for each markdown event, enabling us to optimally clear product with a localized, consumer-centric approach. This process of dynamic store clustering has enabled us to improve sell-through performance and reduce markdown spend by 8-10% while maintaining operational efficiency.”*

**Senior Director of Pricing**  
**Discount retailer**

## Key Solution Features

Plan, budget, execute, and analyze markdowns more effectively with Revionics Markdown Optimization. Key features include:

- Strategy planning
- Store-level optimization
- Recommended store clusters
- On-demand modeling with data from daily or weekly inventory and sales
- Event comparison and modeling
- Approval and event status visibility
- Portal-based entry, data integration, or copy paste to create event groups
- Flexible rule-sets to define coherence, ending numbers, preferred steps, lead-times, maximum markdowns, etc.
- Forecast views roll up by product, store, or coherence groupings
- DC Inventory allocation recommendations
- Forecast-to-actual reporting
- Support for Softlines, including style, size, color, and in-store display

Retailers in **Grocery, Convenience, Specialty, General Merchandise, Health and Beauty, Deep Discount, Home and Garden, Building Supplies** and **Grocery Wholesale** rely on Revionics!