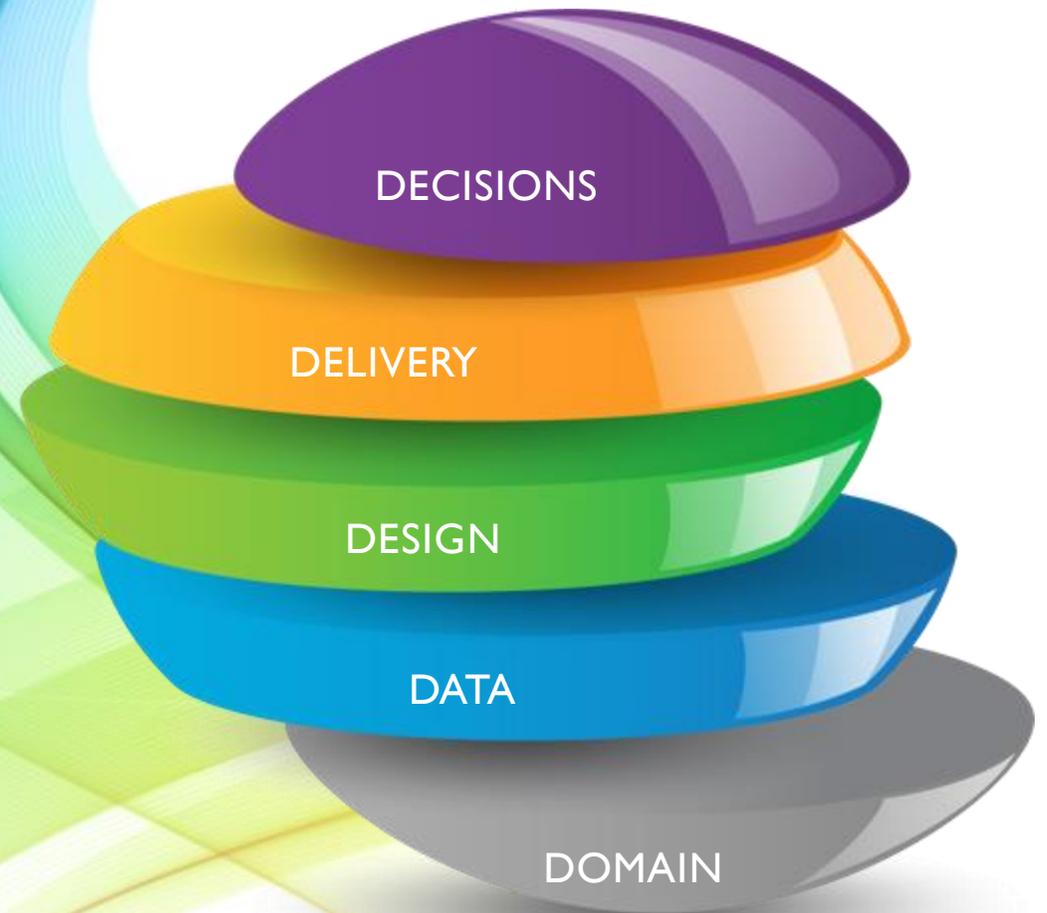


Maximizing utilization of competitive intelligence and pricing actions as part of response strategy for the new normal

PRESENTED BY:

eClerxDigital & **SIG**



SPEAKERS

SAURABH SHARMA: Global Product Lead – Competitive Intelligence & Pricing Analytics at ECLERX



eClerx Digital is the trusted partner of choice to the world's largest global brands for creative production, eCommerce / web operations, and analytics & insights services. Saurabh has over 15 years of experience in leading operations delivery, product strategy and practice delivery to Fortune 500 organizations across Retail, Consumer Brands, Travel, Technology, Manufacturing, Distribution companies. He has designed and managed execution of solutions ranging from price position analysis, product assortment optimization, channel visibility monitoring, defining/implementing pricing strategies, price/ discount optimization, promotion effectiveness and forecasting.

CHRIS POPLER: Pricing Director at SIG PLC



SIG PLC is the UK's largest construction materials distributor. We are a FTSE 250 member with turnover of £800m with over 200 branches across the country. Chris have been in Pricing since 2010 with career starting as a Senior Pricing Analyst at RS Components, a global distributor of electronics, where he spent 6 years as the business transitioned from a catalogue distributor of product to one where 70% of sales are online. He followed this up working at Cromwell Tools as Head of Pricing, taking them on the pricing journey of a multi-channel distributor. He has been at SIG since Sep 2019. He lives in Kibworth, south Leicestershire and has a passion for sport – he is a road cyclist, season-ticket holder at Leicester City and also plays cricket!

RESPONSE STRATEGIES FOR THE NEW NORMAL



1

RE-ESTABLISH A
NEW BASELINE



2

KNOW YOUR
NEW CUSTOMER



3

RIGHT
PRICING



4

CREATIVE PACKAGES
& PROMOTIONS



5

EXPLORE STRATEGIC
PARTNERSHIPS



6

RETHINK MARKETING
CHANNEL STRATEGY



7

REVISIT TECHNOLOGY
STACK

I. RE-ESTABLISHING A NEW BASELINE

COVID IMPACT:

- Furloughs and other staff/cost reduction left 'competition monitoring' at a bare minimum
- Limited actions since there was no clear view of demand, inventory (dependency on suppliers), etc.

EXAMPLES OF COMPETITION MONITORING:



Cadence is different across industries

- Travel (daily)
- Retail (daily KVI/GMV, weekly)
- MRO/B2B (weekly basket, Monthly)



STRATEGIES:

- Range selection and data driven management
- Brand mix (private, challenger, premium)
- Positioning & placements influencing customer journey
- Demand indicators - popularity of products, own demand traffic keywords and external search data (SEMrush, Google traffic)
- Competitors and products to focus on for benchmarking and identifying opportunities

SIG PLC – “WHAT HAVE WE BEEN DOING DURING THE COVID CRISIS?”

- Re-cut our transactional data for quantity price guidance
- Re-engaged Sales to understand the competitive marketplace – jointly signed-off price guidance



2. KNOW YOUR NEW CUSTOMER

COVID IMPACT:

- As the pandemic progresses globally, consumer behaviour shifted dramatically
- **Top 8 changes** in consumer behaviour



1
Less people
in the market



2
Not the time for
big purchases



3
Shift to 'Essential'
and 'Entertainment'



4
Shift to 'Online'



5
Support
Channel



6
Regional Targeting



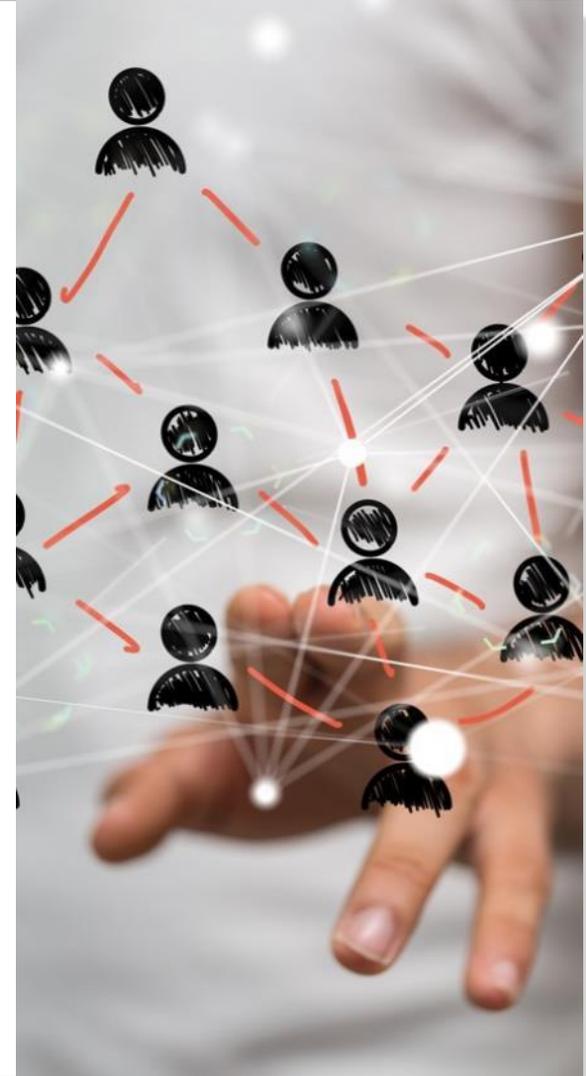
7
Social Media



8
Focus on
Online Security

SIG PLC – “WHAT HAVE WE BEEN DOING DURING THE COVID CRISIS?”

- Strong demand in the market as construction remained open during both lockdowns
- Focused on increasing stock levels pre-lockdown on KVI categories
- Encouraged Sales into cross-sell and up-sell – data-driven exercises
- Designed marketing promotions to support expanded product selections



3. RIGHT PRICING

COVID IMPACT:

- Across industries, we noticed a steep decline in **Average Order Values**
- Should companies position competitively priced products by category, or should they provide deeper discounts on key products?



STRATEGIES:



Discounts on “driver” products instead of ‘complementary’ or ‘independent’ products



Evaluate implications of deep discounts both in the short and long terms



In addition to pricing strategies, test & learn using product bundling, cross-sell and up-sell



Pair these strategies with a rebound strategy and align them with overall company goals

SIG PLC – “WHAT HAVE BEEN DOING DURING THE COVID CRISIS?”

- Focused on competitive pricing on KVI categories – investing margins gained in ‘Also Buy’ categories
- Modified discount framework to support – reduced recommended discounts in ‘Also Buy’ categories
- Re-invigorated Sales teams to reduce discounts overall – based on competitor closures, stock shortages and supply chain issues



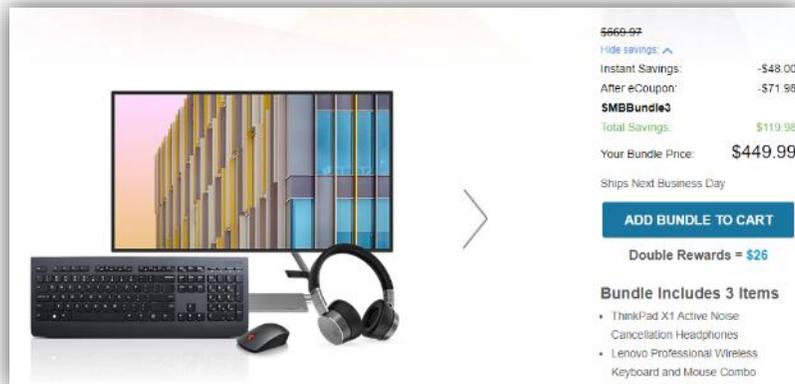
4. BE CREATIVE WITH PACKAGES & PROMOTIONS

IS THIS THE TIME FOR EXPERIMENTATION?

- Explore creative product bundles and clear promotions (eg: option for flat shipping rates to reduce overall cost and increase order value)

EXAMPLES OF STRATEGIES:

Lenovo's WFH bundle



Adidas – Ready for Sport Campaign



SIG PLC – “WHAT HAVE WE BEEN DOING DURING THE COVID CRISIS?”

- Less focus on Price & deals – more on time-saving and bundling
- Removed carriage charges on many deliveries



5. EXPLORE STRATEGIC PARTNERSHIPS

OPPORTUNITIES:

- Covid has opened up interesting partnerships built off the strengths of each party
- Companies should revisit standard operating policies for key customer segments or strategic accounts leading to a change in business models (eg: XaaS – subscription, consumption or output-based)

EXAMPLES OF STRATEGIES:

Ultra-fast, same day home delivery service



M&S Food - home delivery in 30 minutes



SIG PLC – “WHAT HAVE WE BEEN DOING DURING THE COVID CRISIS?”

- Greater utilisation of competitor data – partnered with eClerx Digital
- Investigation ‘Configure, Price, Quote’ tools to speed up customer quotes process



6. RETHINK MARKETING CHANNEL STRATEGY

TIME FOR A RETHOUGHT?

- From a marketing and sales perspective, perform a detailed analysis of your acquisition channels
- What are the current changes in demand and conversion rates across channels?
(eg: divert PPC spend)



STRATEGIES:



Evaluate your Google ad rankings and see how you stack up to the competition



Calculate proportion of sales by owner site vs platform



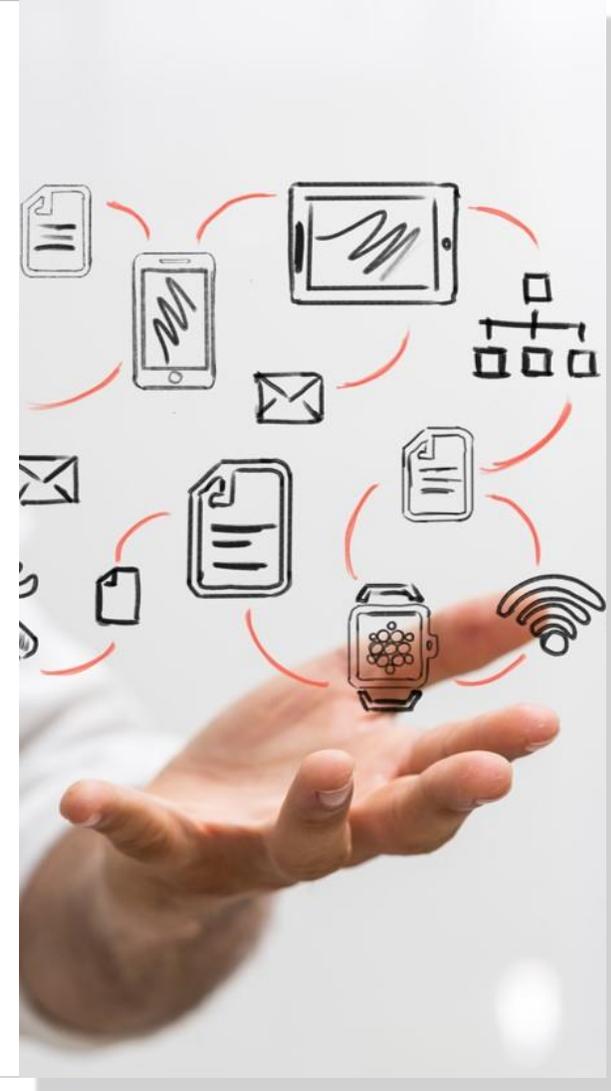
Evaluate Share of Voice, Reviews and Customer Feedback for strategy building (short and long terms)



Customer Behaviour: Identify how we are responding differently to customer needs across channels?

SIG PLC – “WHAT HAVE WE BEEN DOING DURING THE COVID CRISIS?”

- More online focus – investments in Google Ads for Roofstores
- Aligned Insulation Express and Power Tools 2U to the overall ecommerce strategy
- Scaled back offline marketing – customer footfall too unreliable as delivery % has increased



7. REVISIT TECHNOLOGY STACK

OPPORTUNITIES:

- Good time to review your technology stack and understand the gaps
- What are the capabilities that need to be in place for the long-term?



STRATEGIES:



Recalibrating systems and eliminating the majority of manual processes through Intelligent Process Automation (RPA + AI/ML) will provide a huge leap forward



Moving away from excel files and deploying an end-to-end price management system with consumption & processing of real-time internal/market data



To ease implementation, rather than make big upfront investments, some capabilities operate as a plug and play to align with your existing technology stack.

SIG PLC – “WHAT HAVE WE BEEN DOING DURING THE COVID CRISIS?”

- Enabled Roofstores credit facility : developed new functionality for online-only customers and integration with our ERP system



WAY FORWARD



Continue to see rise in 'homebody' goods



Digital shopping habits forged by consumers during the lockdowns to continue



Spend on high visit-high rev, low visit-high rev portfolio



Capitalize on the changing user behavior through personalized messaging



Early adoption of new tech or software

SIG PLC – “WHAT WE ARE PLANNING FOR THE NEXT 3-6 MONTHS?”

- Implementing revised price guidance following a competitive market update in January – as market is moving upwards
- New discount terms framework – to regain lost business
- New price guidance in our Traded (“Specials”) category – this challenge team to gain improved margins

THANK YOU

Saurabh.Sharma@eClerx.com
ChrisPople@sigplc.com

eClerxDigital & 

