**ZEBRA** | **antuit.ai**

# Markdown Optimization

## for Retailers

## Omnichannel Aware Markdowns

When online sales skyrocketed from 20% to 40-60% of revenue, most pricing strategies fell apart. As the primary method for moving merchandise throughout the season, markdowns must maximize the inventory's value and ensure a smooth inventory transition from one season to the next. Yet, these decisions have only become more complex due to omnichannel shopping. When a single price change can significantly impact the result, how do you ensure you make the right ones?

To make optimal markdown decisions, retailers need a forecast that understands all demand drivers, including store demand, online fulfillment demand, and returns, coupled with an actionable workflow.

## Case Study - $2.5B fashion retailer with 40% of revenue from online

**The Problem** - Spreadsheets restricted this retailer with chain-based pricing, manual data entry, and cumbersome evaluation resulting in margin erosion from sub-optimal clearances. Also, fulfillment decisions were based only on shipping distance. That caused understocking in high demand areas. These processes adversely impacted stores' P&L, generating unpredicted stockouts and higher labor costs to fulfill customer orders.

**The Solution** - The retailer engaged antuit.ai to replace their Excel-based tool with a solution that would go beyond the siloed view of markdowns and advise all aspects of clearance, including fulfillment. In 4 months, they gained capabilities such as store-level and online pricing that drove 95% sell-through and expedited order fulfillment from slow turning stores.

## Results

**95%** Sell Through Achieved

**250%** Increase in Inventory Turns

**80%** Increase in week-to-week sales

## Features

- ➤ **Markdown Optimization** — Increase margins and sell-through with cleaner seasonal transitions

- ➤ **Omnichannel Aware** — Understand store demand, online fulfillment demand, and returns for every Style/SKU/location

- ➤ **Unified Demand Signal** — Connect merchandising and supply chain decisions by understanding the effect of every demand driver including seasonality, price, product lifecycle, trends, and local events

- ➤ **Lifecycle Pricing** — Connect in-season and liquidation pricing decisions to maximize inventory margins and sell-through through the product's lifecycle

- ➤ **User-Designed Workflow** — Gain visibility and strategic control for improved productivity and adoption

> " Antuit.ai delivered the solution in under 2 months with high quality development. The transition was seamless to our business operations and we're very happy with the recommendations we are seeing out of the system. Antuit.ai has been a great partner to work with bringing strong resources to the project who demonstrated innovation and agility. "

**Julie Rankin**
VP Enterprise Applications,
Neiman Marcus Group

## Why antuit.ai

We operate with one goal –

Deliver measurable business & financial improvements by enriching decisions and workflows at scale.

That commitment makes antuit.ai different by design.

Our approach amplifies your strategy with SaaS solutions that enable fluid processes, leverage AI, incorporate rapid API's, and support user adoption.

We strive to bring you significant value in a very short period that escalates over time.

To learn more, please contact us at **info@antuit.ai**

## Retail Solutions from antuit.ai

- ➤ Forecasting, Allocation & Replenishment
- ➤ Lifecycle Pricing
- ➤ AI Demand Modeling Studio
- ➤ Assortment & Size Optimization

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