

Retail Pricing Package



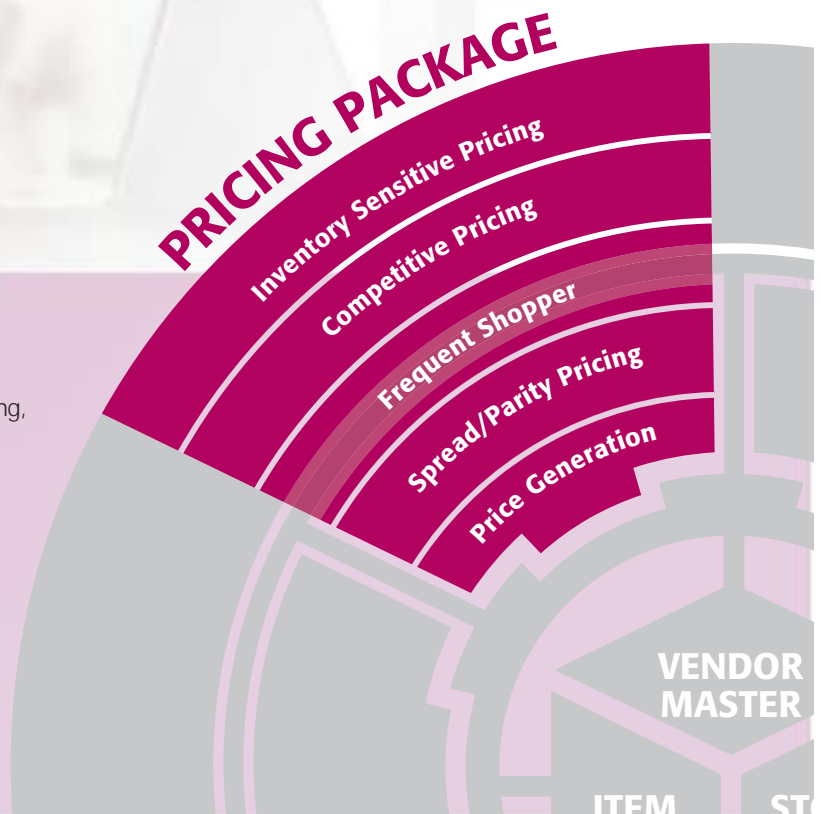
## Retalix Retail Pricing Package from StoreNext

The success of any strategy is measured by its execution. In grocery chains, the challenge is deploying strategic decisions consistently through highly complex, highly distributed and often non-integrated systems. The sheer breadth of technologies and applications available today creates unprecedented volumes of information residing in multiple point solutions that must all be managed individually. The risk of error in moving information between all of these systems is enormous. In the grocery business, the ability to act quickly and to control the accuracy of information in complex environments is a chain's competitive advantage. The Retalix Retail Pricing Package from StoreNext gives you that ability.

In fact, it's the only software of its kind designed specifically for grocery chain pricing, and it provides a complete solution for executing and managing pricing strategies throughout your chain, from the Point of Decision to the Point of Sale.<sup>SM</sup> As a rules-based solution, the Retail Pricing Package empowers you with the control, automation and integration you need to develop and execute mission-critical pricing decisions.

Built on the Retalix Retail Execution System,<sup>TM</sup> the Pricing Package delivers the depth and flexibility to help you manage the uniquely complex layers of rules that underpin any pricing strategy, and to turn those strategies into real financial results. Establish and maintain a consistent price image. Gain a competitive advantage. Reduce your overhead and costly errors. Improve your profit margins. Better serve your customers. Measure and manage the integrity of pricing strategy and execution. The Pricing Package helps you do it all.

The Retail Pricing Package consists of five modules: Price Generation, Spread/Parity Pricing, Frequent Shopper, Competitive Pricing and Inventory Sensitive Pricing. All modules can be implemented as a group, individually or in any combination. And, of course, all modules integrate directly into the Retalix Retail Execution System, allowing you to access one central data repository to make pricing changes easily.





## Price Generation Module

The Price Generation module has two primary capabilities. First, it lets your headquarters staff establish and manage pricing rules. Second, it helps you deploy those rules throughout your chain by transferring the approved pricing changes to your stores. This reduces labor by eliminating paperwork and manual processes, reduces data errors, improves profit margins and improves your employees' ability to focus on consumers. Price Generation helps you:

- Automate retail price generation, based on rules
- Apply costs, allowances, deals and promotions properly
- Round retail prices up or down using rules
- Manage and control minute cost changes until a retail price change is needed
- Institute pricing philosophies automatically
- Assemble pricing input from multiple sources (buyer, vendor, merchandiser, category manager, store manager, etc.)
- Maintain pricing accuracy throughout your enterprise
- Interface to virtually any type or number of in-store systems in use

## Inventory Sensitive Pricing Module

The Inventory Sensitive Pricing module lets you establish store-level item pricing strategies based on pre-defined inventory levels at each store. It also lets you automatically adjust item pricing, margins and promotional programs based on the inventory quantity on hand. These capabilities allow you to improve item-level profitability and inventory control.

Inventory Sensitive Pricing lets you:

- Reduce inventory costs
- Increase movement of product
- Manage revenue by product price point
- Manage markdowns
- Clear overstocks
- Normalize inventory levels (attaining standard quantity on hand)

The Inventory Sensitive Pricing module removes the barriers to getting timely information and reports so that you can quickly evaluate and update new programs. It can reside at your headquarters and/or stores and works in conjunction with any Retailix/TCI modules installed at your stores.

## Competitive Pricing Module

To implement a competitive pricing program that increases your profits and market share, you must be able to monitor your competitors and competitive products. You must also be able to develop internal pricing objectives by store, region, zone and market. The Competitive Pricing module allows you to do just that. It allows your headquarters and individual stores to automate and institutionalize competitive pricing philosophies. By defining, customizing and implementing your

pricing stance against competitors (at the store, group, department, category, and even item levels) you'll achieve profitability, operational and competitive objectives. The Competitive Pricing module enables you to:

- Monitor and record competitive price checks efficiently
- Check comparable item(s) pricing accurately
- Preserve margins while remaining competitive
- Assert competitive pressure on rivals using precise knowledge of their programs
- Analyze competitors' reactions to price changes
- Scrutinize competitors' merchandising tactics

### **Frequent Shopper Module**

Many grocery chains have implemented frequent shopper programs to attract loyal, high-profit customers and/or to reward those customers through merchandise and pricing incentives. The Frequent Shopper module helps your headquarters staff support such customer loyalty programs through a wide variety of consumer offers. It also helps you implement a consistent price image across your chain and increase customer confidence in your promotional programs. The Frequent Shopper module lets you:

- Ensure promotional integrity across all POS systems
- Set promotion start and end dates
- Target consumers with promotions by unlimited criteria (department percentages, prices, etc.)
- Generate electronic coupons dynamically

### **Spread/Parity Pricing Module**

The Spread/Parity Pricing module lets your headquarters staff create business objective-based rules for aligning the retail prices of like items, including generic (store) brands, national brands, competitive brands and items available in various units of measure. This maximizes margins while presenting a perception of value to consumers based on unit size. The Spread/Parity module helps you implement enterprise-wide pricing programs that contribute to profitability objectives. It allows you to:

- Maintain pricing spread between products automatically
- Present value on like products of varying sizes
- Improve margins, particularly on generic (store) brands
- Merchandise store brands successfully against national brands



# The Retail Execution System™ – the technology behind it all

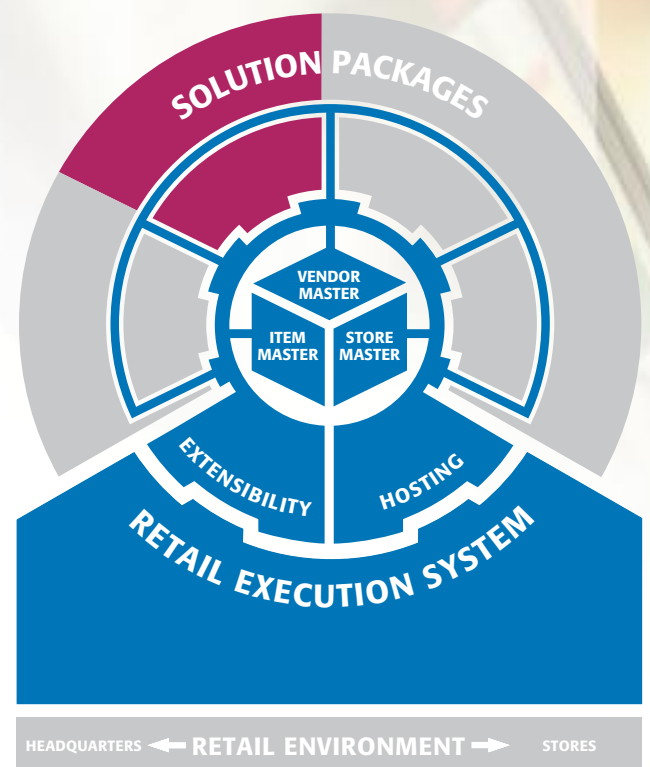
Retalix Retail is built on an enterprise platform called the Retail Execution System. The Retail Execution System is the central technology that lets you develop, personalize and manage software solutions to perfectly serve your chain's core business functions.

Its innovative personalization and integration features give you centralized control over your software's foundation. With the Retail Execution System as the core, you can easily manage changes in a single place using intuitive tools, thereby giving you the flexibility to adapt to market changes and competitive pressures quickly. Because you can centrally manage changes to the complex layers of rules that underpin any pricing strategy, your in-house personnel can respond without relying on outside contractors. Plus, you can make changes at a fraction of the cost of adding other packaged applications or developing a complex solution in-house.

It's this flexibility to adapt and execute quickly that will give you a competitive edge. And it's what makes the Retalix Retail Pricing Package the ideal solution.

## Enterprise-wide solutions enabled by the Retail Execution System

The Retail Execution System serves as the core that enables all of our inventory, pricing, promotions and store operations support solution packages. All the packages are integrated with the core and with each other, making the entire system highly flexible and scalable. Since all the solution packages are centered on the Retail Execution System, any changes you make to the data inside the core are automatically disseminated throughout your entire system, ensuring accuracy and eliminating costly mistakes.





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