

Case Study

How a Skin Care Company Identified a 15% Potential Profit Uplift by Optimizing Their Prices



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About Buynomics

“

We want to make sure that when we talk about pricing, everyone understands that we have to go into the Buynomics tool to **not make** decisions based on gut feeling.”

— RGM MANAGER

01. Background

The client, a skincare product manufacturer, distributes their products through both online and offline pharmacies and retailers. They sought to shift towards a more data-driven approach for pricing strategy.

The objective was to utilize data to better understand price elasticities and the effects of pricing decisions on their own and their competitors' product portfolios.

To achieve this, the client partnered with Buynomics to estimate and validate the impact of price increases on sales volumes.



02.Challenges

Lack of Holistic Approach

The absence of a holistic approach hindered their ability to streamline and accelerate data-driven pricing analyses.

1

Margin Pressure

The manufacturer's cost base increased because of rising raw material prices. This surge in material costs has put additional pressure on their overall production expenses.

2

The manufacturer choose to implement Buynomics' software due to its holistic approach and Virtual Shopper AI technology, which simulates thousands of scenarios to predict how the shopper will behave in front of the supermarket shelf.

03.Solution

By partnering with Buynomics, the team successfully modeled price and availability changes. The insights from Buynomics' software, which highlighted the impact of price changes on the category and the market, were crucial for the manufacturer during negotiations with retailers and pharmacies.

Main Strategies Tested:

- Price changes for own and competitor products.
- Availability changes.



Results

Optimal Scenario

The optimal price increase scenario identified a potential 15% revenue uplift.

04.Impact

+15%

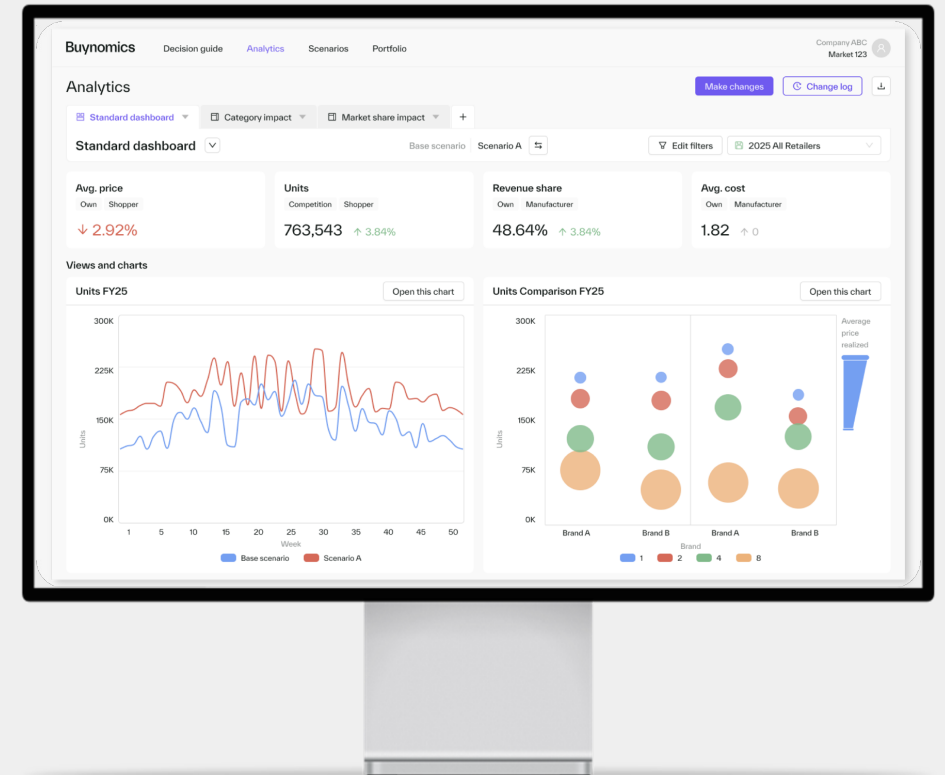
Potential profit uplift
in offline sales channels.

>85%

Accuracy predicting sales impact
allowed the manufacturer to
minimize the risk of negative
effects on sales volumes.

Understanding a Price Elasticities Range

Buynomics identified product price
elasticities, mainly ranging between
-1.3 to -0.1 at offline channels and -3 to
-0.5 at online channels.



05.About Buynomics

Buynomics is the leading Revenue Growth Management (RGM) platform for holistic optimization across all revenue levers.

By integrating multiple data sources with cutting-edge AI, it empowers RGM teams in enterprise organizations to make faster, more profitable, data-driven, and customer-focused decisions.

[Learn More](#)

Holistic approach



Portfolio optimization considering the effects of all product portfolio changes.



Speed to insight

Large number of scenarios simulated and compared in minutes, reducing the time spent on forecasting by 70-90%.

Predictive accuracy



Best in class predictive accuracy of up to 95%¹ of expected market behavior.

1: Depending on data quality and completeness



Profitability

Up to 2-4% higher gross profits through a better offering.

