

## CASE STUDY

# Leading Supermarket Transforms Pricing Strategy with AI-Powered Automation

This case study examines how NOVUS, a major Ukrainian supermarket chain, partnered with Competera to implement an advanced pricing automation solution. Through the integration of AI-driven pricing optimization, competitive intelligence and workflow automation, NOVUS achieved a 6.7% increase in profits and 0.3% increase in sales while eliminating manual pricing errors.

## Executive Summary

NOVUS, a subsidiary of Lithuanian Consul Trade House UAB and a dynamic leader in Ukraine's grocery sector, recognized the need to modernize its pricing operations to support ambitious growth plans. Operating across three core business areas – stores, distribution, and import – NOVUS sought a specialized pricing solution to overcome manual inefficiencies and optimize pricing decisions. The company partnered with Competera to implement a comprehensive pricing automation platform, which seamlessly integrated with NOVUS's existing SAP ecosystem. As an SAP solution partner, Competera collaborated with Consulting for Retail (C4R) for change management and implementation, ensuring efficient data exchange and system compatibility.

\* This case study is strictly confidential, so please ask permission from the Competera team to share it.

## Challenges

Before enhancing their pricing capabilities with Competera, NOVUS faced several significant challenges in their pricing strategy. While NOVUS benefited from SAP's robust infrastructure for data management and business operations, they sought to enhance their pricing capabilities with AI-driven optimization. This would allow them to move beyond traditional pricing approaches and embrace more dynamic, data-driven strategies.



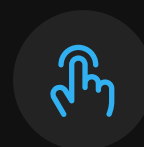
### Market Competitiveness

- Difficulty balancing profitability with competitive positioning
- Limited ability to improve margins using existing tools
- Complex market dynamics requiring rapid price adjustments



### Operational Inefficiencies

- Manual pricing processes prone to frequent errors
- Time-intensive repricing procedures
- Heavy reliance on IT department for tactical adjustments



### Strategic Limitations

- Need for AI-driven optimization beyond SAP's rule-based pricing framework
- Challenges in leveraging existing SAP data for advanced price optimization
- Insufficient consideration of cross-product dependencies
- Lack of demand elasticity insights in pricing decisions
- Limited capability to predict pricing impact

## ✓ Goals



Effective scalable price optimization, unified with forecasting and context-based elasticity-driven actions, graph-based dependencies



Long-tail detection to drive margin without revenue loss



Markdown optimization enhanced with Promo elasticity models and Stock Manager



Combined pricing approaches on rules, competitors impact and demand base - all in one system

## ⊗ Solution

Using Competera's contextual AI-pricing solution, which seamlessly integrates with SAP's powerful data ecosystem, NOVUS transformed its pricing processes by implementing intelligent, automated price recommendations. Its algorithm processes multiple factors including price elasticity, market dynamics, and cross-product relationships, enabling NOVUS to optimize pricing while maintaining margins. The platform achieves this through several key components:



Integration of two years of historical sales and inventory data through SAP



Advanced ML/AI algorithms for price optimization



Automated rule-based and event-driven repricing system





Comprehensive competitive intelligence data collection



'What-if' simulation capabilities for scenario planning

### Implementation Methodology



Custom pricing guardrails development



Product segmentation and competitive index creation



Super-user training program for knowledge transfer

Data validation and transformation processes

Integration with existing systems

## Key Results

Following a 6-week pilot, the test group which set prices using Competera's algorithms outperformed the control group, delivering the following results

**6.7%**

increase in profits

**0.3%**

increase in sales



We chose Competera because their advanced AI pricing system considers critical factors beyond elasticity like product cannibalization, their proven success in the Ukrainian market, and their willingness to offer pre-piloting, demonstrating their expertise and commitment to delivering results.



**Dmytro Moskvichov,**  
Director of Sales Promotion Department at NOVUS

## Continued Partnership

NOVUS continues to work closely with Competera to expand the solution's capabilities and optimize its pricing strategies, leveraging the seamless SAP integration. The partnership focuses on leveraging advanced analytics and machine learning to further enhance pricing decisions and maintain NOVUS's competitive edge in the Ukrainian retail market. Future plans include expanding the platform's capabilities to support additional business areas and enhance predictive analytics capabilities.