

HEXAWARE

AI-Driven Dynamic Pricing Boosts Profit for a Leading Mexican Pharmacy Chain

Smarter pricing across 1,400+ stores and 70,000+ SKUs

Case study



Client

| Client

Challenge

Solution

Benefits

Summary

Modernizing Pricing for a Nationwide Pharmacy Leader

A leading pharmacy chain in Mexico wanted to modernize how it priced more than 70,000 SKUs across nearly 1,500 stores.

The business is known for:

- A broad portfolio spanning baby care, personal hygiene, OTC, snacks, beverages, and prescription (Rx) medicines
- A reputation for competitive pricing and strong customer service
- Cross-functional involvement in pricing from Analytics, Technology, Consulting, and Category teams

From 2022 onward, the retailer embarked on a multi-year pricing transformation, partnering on an AI-driven dynamic pricing approach that could scale across regions, categories, and formats.



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Balancing Margin, Revenue, and Market Share in Very Different Local Markets

Despite its strong market position, the retailer’s legacy pricing model was holding it back.

The company faced a classic tension: in some regions, it needed to defend or grow market share; in others, it needed to protect and expand margins. Yet its pricing playbook was largely uniform and reactive.

Key challenges included:

- **One-size-fits-all pricing:** Heavy reliance on competitor matching, with limited room to reflect local demand patterns or customer willingness to pay.
- **Rule-based decisions and silos:** Multiple departments influenced pricing with rule-based approaches that didn’t always align, creating inconsistencies and internal friction.
- **Intuition-led practices:** Pricing was driven by experience and habit rather than real-time, data-driven insights.
- **Limited governance:** The absence of centralized pricing governance made it harder to enforce strategy, resolve conflicts, or steer toward clear corporate goals.

The impact was tangible:

- Margin erosion in high-potential markets that could have supported more strategic retail pricing strategies
- Missed growth opportunities in emerging regions where sharper pricing could have accelerated market-share gains
- Slower response to competitive and market shifts, with decisions often lagging behind real-world dynamics

The retailer wanted to replace intuition with analytics, localize strategies by region and category, and do it all within a framework that respected approvals from its parent organization.



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Dynamic Pricing Powered by Rapid Pricer: AI at the Heart of Pricing Decisions

To address these challenges, the retailer deployed Dynamic Pricing powered by Rapid Pricer—an AI-driven dynamic pricing solution that uses real-time pricing, demand analysis, and continuous learning.

The solution brought together advanced analytics, automation, and governance to build a sustainable pricing framework:

Data-driven, automated pricing engine with integrated retail analytics

- Automated collection and analysis of internal pricing, sales, and margin data
- Integration of competitive pricing data to understand relative positioning
- AI-based demand models that factored in seasonality, promotions, holidays, and longer-term trends

AI-powered pricing algorithms and continuous optimization

- Algorithms designed to balance margin, revenue, and market share objectives

- Continuous monitoring of performance, with dynamic price recommendations and scenario simulations
- Real-time updates that allowed the retailer to respond quickly to market moves and competitor actions

Tailored retail pricing strategies by region, store cluster, and category

- Custom pricing strategies for each store cluster, aligned to local consumer behavior and competitive intensity
- Clear category roles (traffic drivers, margin builders, strategic differentiators) to guide pricing moves
- Differentiated positioning for key product types, including high-volume and private-label SKUs

Close collaboration across teams

- The retailer's Pricing, Technology, and Category teams worked in tandem with Rapid Pricer's solution architects and data scientists

- Joint effort to integrate AI models into existing systems and workflows, ensuring adoption and usability
- SaaS-based deployment to support scalability, regional customization, and future expansion into new categories

The result wasn't a one-time pricing "fix" but a multi-year transformation program that evolved from margin optimization to a more integrated strategy balancing revenue, profit, and market share.

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From Intuition to Impact: Measurable Value, Year After Year

The shift from intuition-led to AI-driven dynamic pricing delivered immediate and sustained benefits.

Operational and strategic benefits

- **Consistent, aligned pricing across regions supported by pricing algorithms**
 - » Reduced internal conflicts and clearer decision rights
 - » Stronger governance, with a transparent, rules-backed pricing framework
- **Faster, better decisions**
 - » Real-time dashboards and simulation tools to test “what-if” scenarios
 - » Quicker response to competitor moves and market changes
- **Stronger category management**
 - » Greater visibility into category-level performance and competitive dynamics
 - » Ability to position categories differently based on role and contribution

Financial impact (USD)

- **2022 – Margin Optimization Phase**
 - » **Margin:** +\$28M (+6.2%)
 - » **Revenue:** +\$22M (+1.4%)
 - » **Units sold:** +505K (+3.6%)
- **2023 – Margin-Focused Strategy (Wave 1 & 2)**
 - » **Margin:** +\$4.2M (+6.7%)
 - » **Revenue:** –\$1.81M (–1.0%), an intentional trade-off to prioritize profit
 - » **Units sold:** +217K (+1.0%)
- **2024 – Integrated Strategy (Revenue + Margin + Market Share)**
 - » **Margin:** +\$433K (+3.2%)
 - » **Revenue:** +\$982K (+1.5%)
 - » **Units sold:** +338K (+2.7%)

Over three years, the retailer built a sustainable pricing engine that consistently delivered value while adapting to shifting business priorities.

Stronger partnership, stronger confidence

“Our experience working with RapidPricer was an excellent experience given that they delivered what they promised; they helped us improve our pricing strategies with the tools and process that they offered us.”

– Commercial & Business Strategy Leader, Mexican pharmacy chain

Behind the numbers, there’s also a cultural shift: pricing conversations are now anchored in data, simulations, and shared goals instead of gut feel and internal negotiation.

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A Multi-year Pricing Transformation That Keeps Paying Off

This multi-year journey shows what’s possible when a retailer commits to AI-driven dynamic pricing as a strategic capability, not just a tactical tool.

With Dynamic Pricing powered by Rapid Pricer, the retailer has:

- Replaced fragmented, intuition-led pricing with a unified, data-driven framework
- Aligned margin, revenue, and market share goals across regions and categories
- Built a scalable SaaS-based foundation that supports:
 - » Expansion into seasonal and high-volume categories
 - » Deeper integration with promotions and inventory optimization
 - » Predictive analytics to anticipate competitor moves and market shifts

The result is a more agile, resilient pricing organization—one that can adapt to changing conditions while staying true to long-term growth and profitability goals.



Want to see how Hexaware's Dynamic Pricing Solution powered by Rapid Pricer could work for your categories and markets?

Get in touch with our team to schedule a conversation or a tailored demo.

Email: marketing@hexaware.com

About Hexaware

Hexaware is a global technology and business process services company. Every day, Hexawarians wake up with a singular purpose: to create smiles through great people and technology. With this purpose gaining momentum, we are well on our way to realizing our vision of being the most loved digital transformation partner in the world. We also seek to protect the planet and build a better tomorrow for our customers, employees, partners, investors, and the communities in which we operate.

With offices across the world, we empower enterprises to realize digital transformation at scale and speed by partnering with them to build, transform, run, and optimize their technology and business processes.

Learn more about Hexaware at <https://www.hexaware.com>.

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