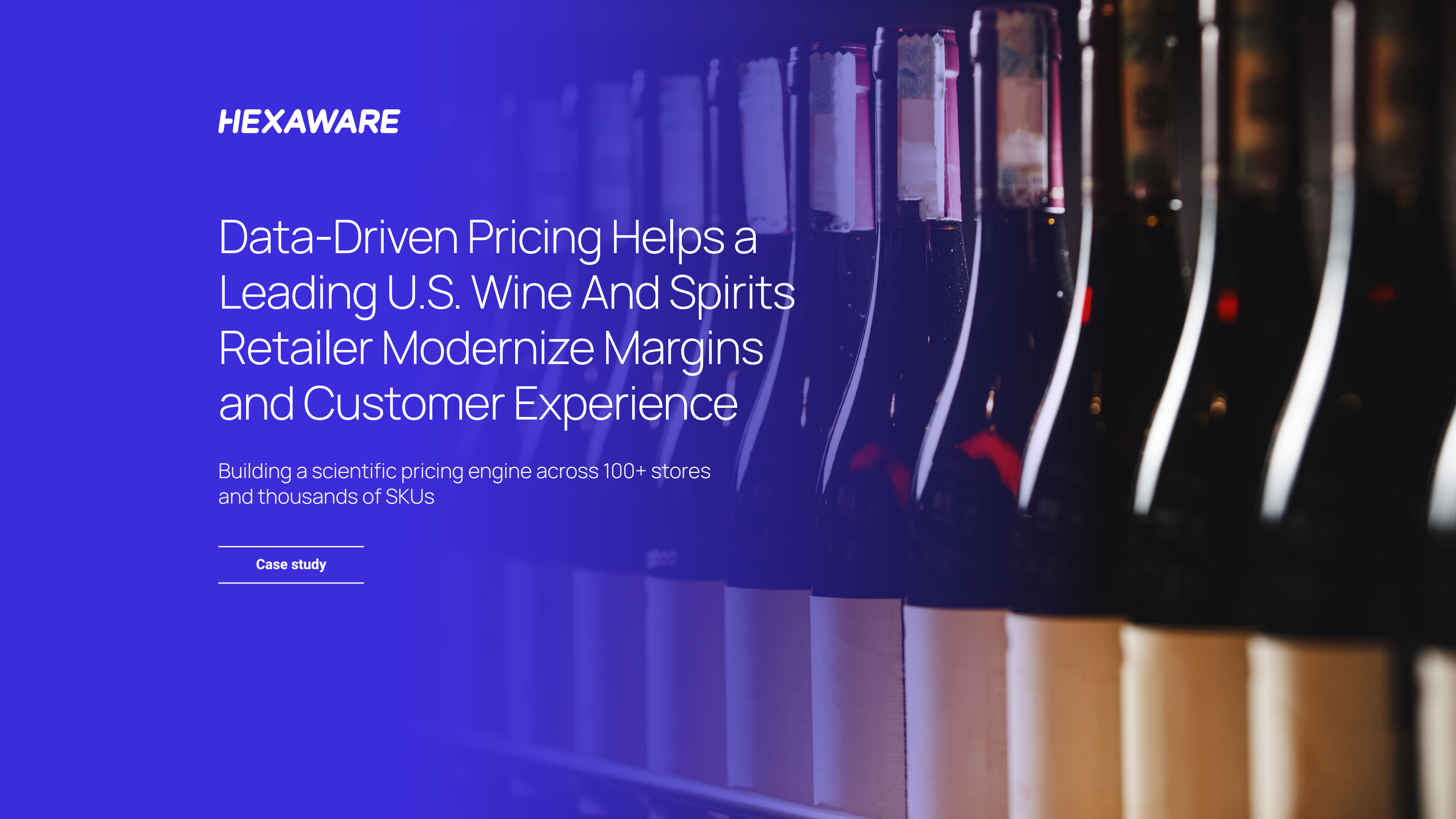




HEXAWARE

Data-Driven Pricing Helps a Leading U.S. Wine And Spirits Retailer Modernize Margins and Customer Experience

Building a scientific pricing engine across 100+ stores and thousands of SKUs

Case study

Client

| Client

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Summary

A Specialty Retailer with a Passion for Assortment—and a Need for Precision

One of the largest independent wine and spirits retailers in the United States wanted to bring more rigor and agility to its pricing.

Operating roughly 100 stores, the company serves a diverse customer base with an extensive assortment of wine, beer, and spirits.

The retailer already believed in data-driven pricing decision-making. What it needed next was a more scientific, scalable way to translate that data into pricing decisions that balanced:

- Profitability
- Customer experience
- Competitive positioning

To make that happen, the retailer launched a two-year pricing transformation in specialty retail initiative, powered by advanced analytics and close collaboration across its Analytics, Technology, and Consulting teams.



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An Outdated Pricing Approach in a Fast-moving, Highly Sensitive Market

Even with a strong market presence and a loyal customer base, the retailer's legacy pricing approach was struggling to keep up with shifting demand, competitive pressure, and seasonal spikes.

Key challenges included:

- **Static, non-scientific pricing**

The existing strategy lacked an analytical backbone. It wasn't designed to respond quickly to shifts in demand, competitor moves, seasonality, or geographic trends.

- **No clear product roles**

The retailer needed to distinguish between:

- » Profit drivers
- » Highly competitive items
- » Substitutes
- » Assortment fillers
- » Without that clarity, pricing moves risked diluting margin or confusing price perception.

- **Limited visibility into behavior and outcomes**

Tracking how customers responded to price changes—and how those changes impacted sales, margin, and inventory—was difficult.

These gaps had a direct impact on the business:

- » Missed margin opportunities and weaker competitive positioning in key categories
- » Suboptimal promotions and inefficient inventory turnover
- » Pricing decisions that were harder to scale and harder to explain

The retailer set clear expectations for change: implement a retail pricing strategy that could dynamically adjust prices based on demand, seasonality, competitive activity, and geography, while improving accuracy and consistency across the assortment.



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Dynamic Pricing Powered by Rapid Pricer: A Scientific, Scenario-driven Pricing Model

To address these challenges, the retailer deployed Dynamic Pricing powered by Rapid Pricer, with a focus on building a robust analytical foundation and practical pricing playbooks for the business.

1. Analytics-led category and item strategy

- Advanced analytics to define category roles and item strategies, including:
 - » Profit-driving items
 - » Key competitive SKUs
 - » Substitutes and fillers
- Clear role definitions that aligned pricing behavior with business priorities, such as margin, traffic, or basket building

2. Rich pricing models that reflect real-world dynamics

- Incorporation of:
 - » Seasonal patterns (e.g., holidays, events, regional festivities)
 - » Promotional variables and expected lifts
 - » Holiday effects and peak-demand periods

- Models tuned to understand how price changes would impact volume, margin, and price perception across different product classes

3. Scenario-based simulations to guide decisions

- “What-if” scenario modeling to test multiple pricing and promotion strategies before implementation
- Forecasting tools to compare outcomes and select the most effective path forward
- Ability to balance profitability, competitiveness, and customer expectations with greater confidence

4. Tailored to assortment depth and geographic diversity

- Pricing models adapted to the retailer’s:
 - » Broad, complex assortment across wine, beer, and spirits
 - » Geographic diversity and varied customer preferences
- Competitive positioning strategies aligned with regional dynamics and local market realities

5. Cross-functional collaboration to ensure adoption

- **Analytics team:** led modeling, insight generation, and elasticity analysis
- **Technology team:** ensured integration, performance, and scalability
- **Consulting team:** supported implementation, change management, and alignment with business strategy

Together, they moved from a legacy pricing approach to a scientific, analytics-powered model that could evolve with the business, driving effective retail price optimization.

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From Guesswork to a Scientific Pricing Engine That Keeps Learning

The retailer quickly gained value from the new framework, even as the full transformation unfolded over the two-year timeline.

Immediate benefits

- **Improved profitability**
More intelligent, targeted pricing strategies grounded in item roles and elasticity rather than broad, one-size-fits-all moves.
- **A scientific pricing framework**
Clear definitions of category and item roles made pricing behavior more transparent, explainable, and actionable for teams.
- **Stronger competitive positioning**
With better item classification and more accurate pricing logic, the retailer could respond to market conditions with precision and confidence.

Long-term business impact

- **Ongoing optimization with analytics at the core**
Pricing decisions are now supported by real-time, analytics-driven insights rather than historical practices alone.

- **Greater agility in the face of market shifts**
The retailer is better equipped to adjust to demand changes, competitive moves, and seasonal trends, improving both customer satisfaction and business performance.
- **Stronger strategic alignment**
Pricing is more consistent and precise across categories and regions, making it easier to support broader commercial and financial goals.

Proof of value from leadership

“Having such a diverse assortment and customer base, we required a solution with precise accuracy in building price elasticity models. RapidPricer was the clear choice in providing the right solution for us.”

— SVP, leading U.S. wine and spirits retailer

Beyond the financial gains, the project helped shift pricing from an operational task into a strategic capability.



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Elevating Pricing from a Legacy Function to a Strategic Advantage

This engagement shows how a specialty retailer with a large, complex assortment can use data and analytics to reshape its wine and spirit pricing strategy.

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

- Established a scientific, role-based framework for pricing decisions
- Embedded seasonal, promotional, and holiday effects directly into price modeling
- Improved profitability while protecting price perception and customer satisfaction
- Built a foundation for:
 - » Expanding the pricing solution to additional categories, markets, and channels
 - » Extending optimization into promotions and integrated commercial planning
 - » Continuing to refine models as customer behavior and market dynamics evolve

For retailers navigating competitive pressure, fluctuating demand, and complex assortments, this journey highlights what's possible when advanced analytics, technology, and consulting come together around a shared retail pricing strategy vision.



Want to bring more science and agility into your pricing?

Reach out to our team to discuss your goals or schedule a tailored demo of Dynamic Pricing powered by Rapid Pricer for your categories and markets.

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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