

CHANNELADVISOR PERFORMANCE-BASED PRICING

Keep Product Prices Dynamic According to Sales Performance Across Multiple Marketplaces and Webstores

If you were to ask even the most experienced online sellers to name the biggest daily challenges they face, one is likely to top every list: pricing.

It's an issue that persists for many a manufacturing brand and reseller, and it's easy to understand why.

When it comes to pricing products, there's no such thing as a simple calculation. Virtually every listing involves a complex equation with numerous variables, including how much stock you have, the prices your competitors are using and, perhaps most importantly, where current demand stands. And while much has been automated in the world of e-commerce, this is one area that often requires a surprising amount of manual work. Anyone who's had to research sales velocity and manually change the price of a product knows how time-consuming and error-prone this process can be. Why bother with a flexible pricing strategy if it costs you valuable time that could be spent growing the business elsewhere?

If this sounds familiar, it's time to discover automated performance-based pricing.

THE POWER OF A FLEXIBLE PRICING STRATEGY

Imagine for a moment that you've just made a bold prediction: *We will sell at least x units per SKU within the next month.* You're not just stating a goal, but making real plans for stocking and storage. You can move forward with confidence because you know that, at any given moment, your products will be set at just the right price to meet current consumer demands.

Best of all, you don't have to lift a finger to do it.

This is precisely what performance-based pricing is for. Once you've set your marketplace and webstore listings to be automatically adjusted according to current sales performance, you'll have the assurance that your flexible prices will nearly always be right. It means spending less on storage fees for underperforming products and gaining more for each top-performing SKU.

INTRODUCING CHANNELADVISOR PERFORMANCE-BASED PRICING

With ChannelAdvisor's Performance-Based Pricing, you can use business rules to transform static product pricing into dynamic pricing that's automatically adjusted based on sales performance. Once set up, these rules will automate the process of monitoring real-time inventory and performance metrics, and adjust product pricing accordingly.

There's no need to manually check on inventory levels or study sales conditions. With the right business rules in place, all of the work is done for you — and not just on one channel, but across numerous marketplaces and webstores. For example, you could set rules to ensure that any time sales are down, the price will be lowered just enough to give the product a renewed competitive edge. And when the number of units sold goes back up, so can the price.

HOW IT WORKS

For example, let's say you'd like to drop the price of a product any time the number of units sold over seven days drops below five. Within the ChannelAdvisor platform, you might build a business rule based on sales velocity data and then schedule an Automated Task to automatically lower the product price by 10% when less than five units sell in seven days, or to feed this information into your algorithmic repricers to make adjustments accordingly. Conversely, your business rules can also add 10% to the price once the quantity sold is exceeding five in seven days.

You can use performance-based pricing to automate pricing changes across multiple currencies, schedule promotional sales and much more.

In summary: ChannelAdvisor opens the door to flexible pricing strategies, enabling sellers to have product prices automatically adjusted based on demand across marketplaces and webstores. By setting business rules to shift prices according to sales velocity, you can save time, optimize prices and minimize storage fees.