



# Flipkart Pricing Engine





# Agenda

- **About Flipkart Commerce Cloud**
- **The Pricing Opportunity**
- **FCC Pricing Engine**
- **How we help you win**



# OUR VISION

Always helping partners  
re-imagine the future

To **transform** global commerce  
through **leading technology**  
and deep **partnerships.**

Always invested in the  
success of our partners

Always providing  
“best-in-class”  
solutions



# OUR MISSION IS TO...

Committed to  
service

**Help partners** grow their business by  
**empowering** them with market-leading  
**digital commerce** solutions

Solutions and  
knowledge in their  
hands

End-to-end  
solutions



# What make us different?

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## Leading Technology

End-to-end technology tested at scale.

Solutions trained and optimised on billions of data points.

25+ million engineering hours built into the solutions.

Real-life retail expertise.

Support across strategy, implementation, and optimisation.

World-class product, engineering, and data science team.

## Underpinned by Unparalleled Expertise



# FCC Suite of Products Empowers You to Succeed

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## Pricing Engine

**Competitor Intelligence**

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**Price Optimisation**

## Retail Media

**Multi Format Ads**

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**Closed Loop Reporting**

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**Self Serve Platform**

## Digital Commerce

**Customer Suite**

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**Commercial Suite**

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**Supply Chain Suite**



# FCC Suite of Products Empowers You to Succeed

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## Pricing Engine

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## Digital Commerce

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**Commercial Suite**

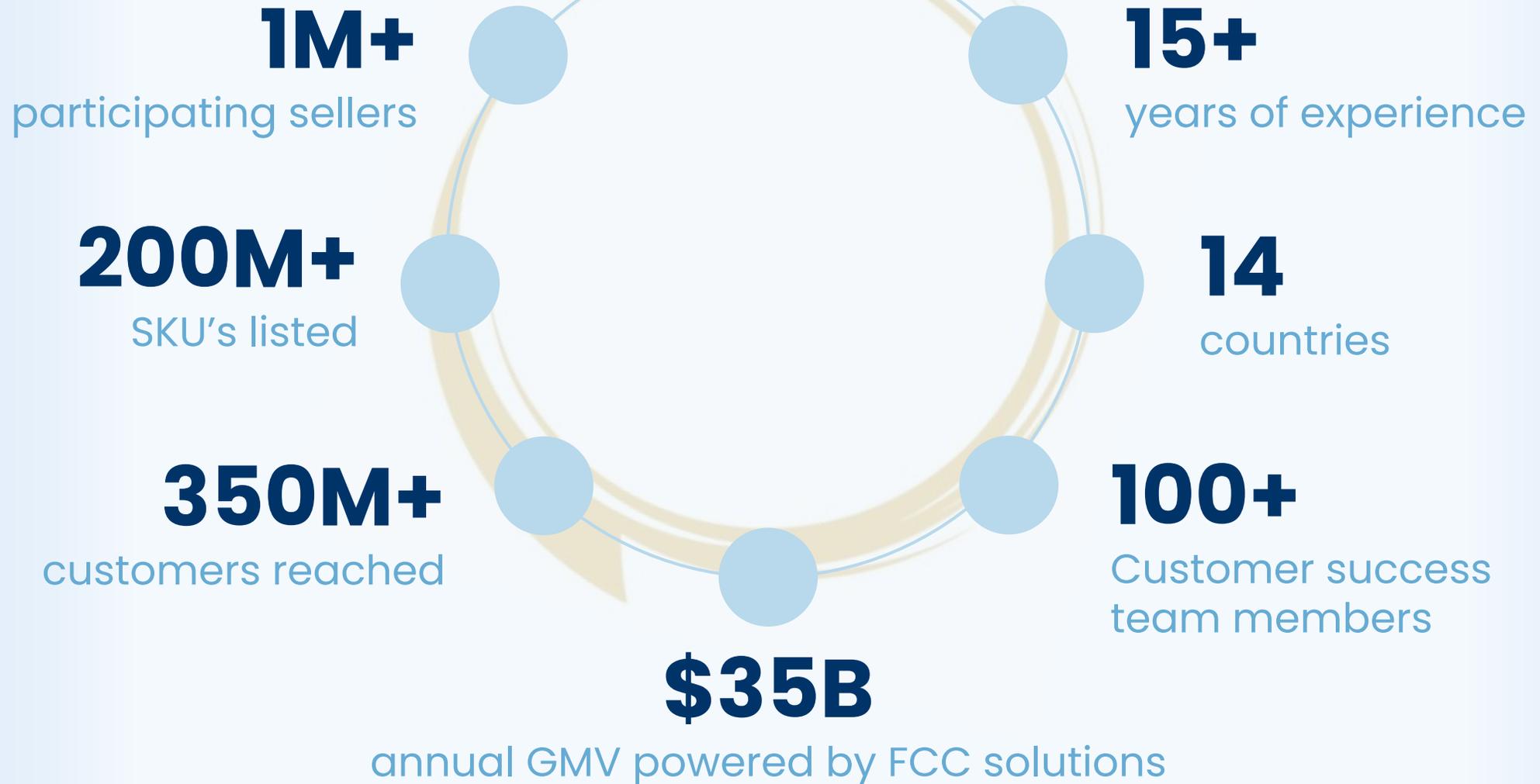
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**Supply Chain Suite**



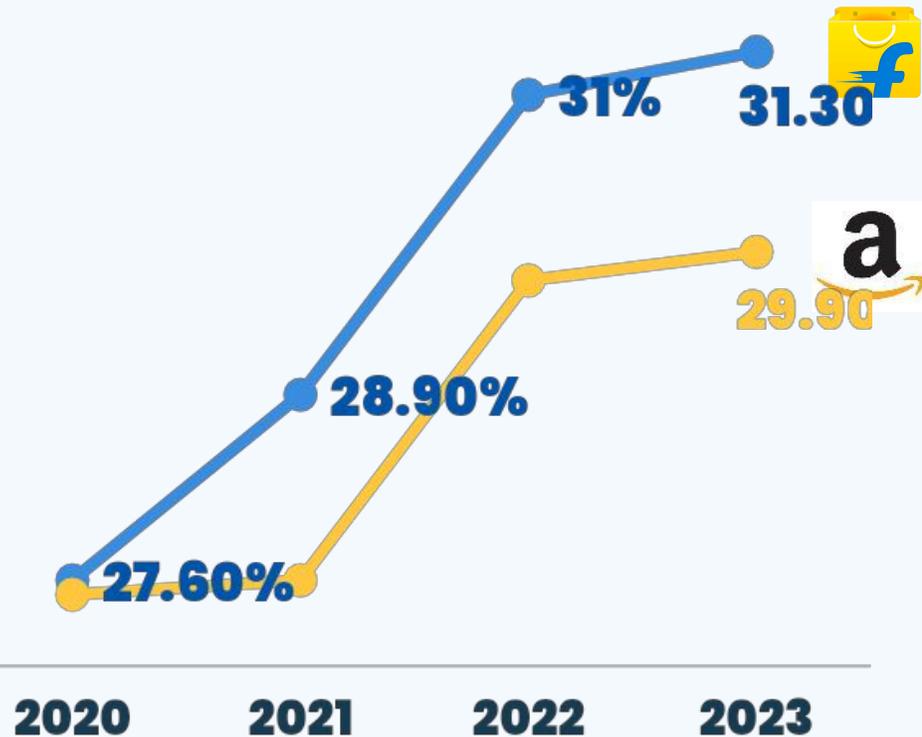
# Our solutions are **built for scale and performance.**

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Access the technology **powering one of the world's largest** eCommerce players.

eCommerce Market Share in India



**Flipkart** is the **No. 1** eCommerce Player in India

**200M+**  
products

**\$32B+**  
GMV, in USD

Powered by Flipkart Commerce Cloud





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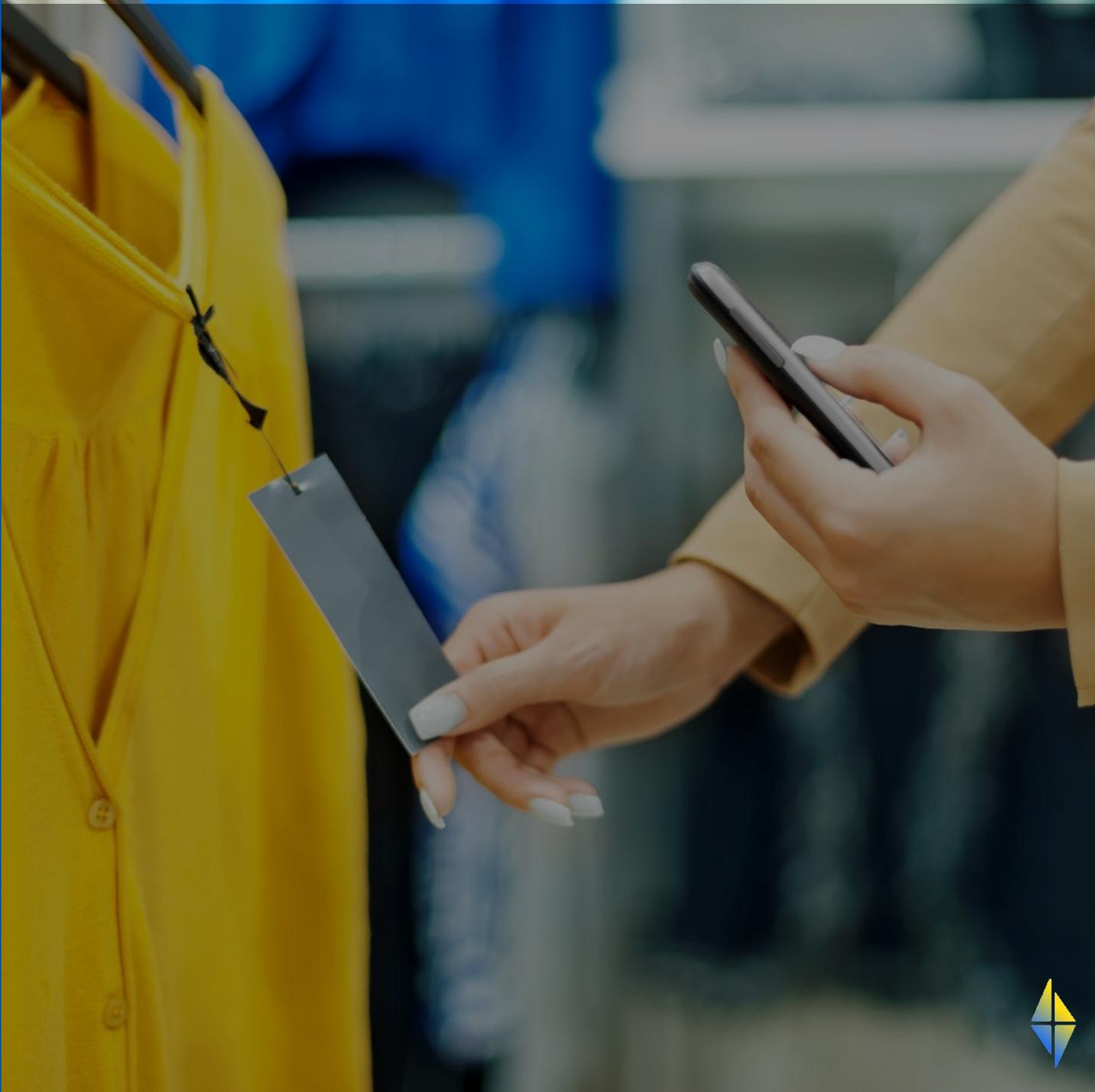
- **About Flipkart Commerce Cloud**
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**Price** continues to be the **main customer driver of choice**

**66%**

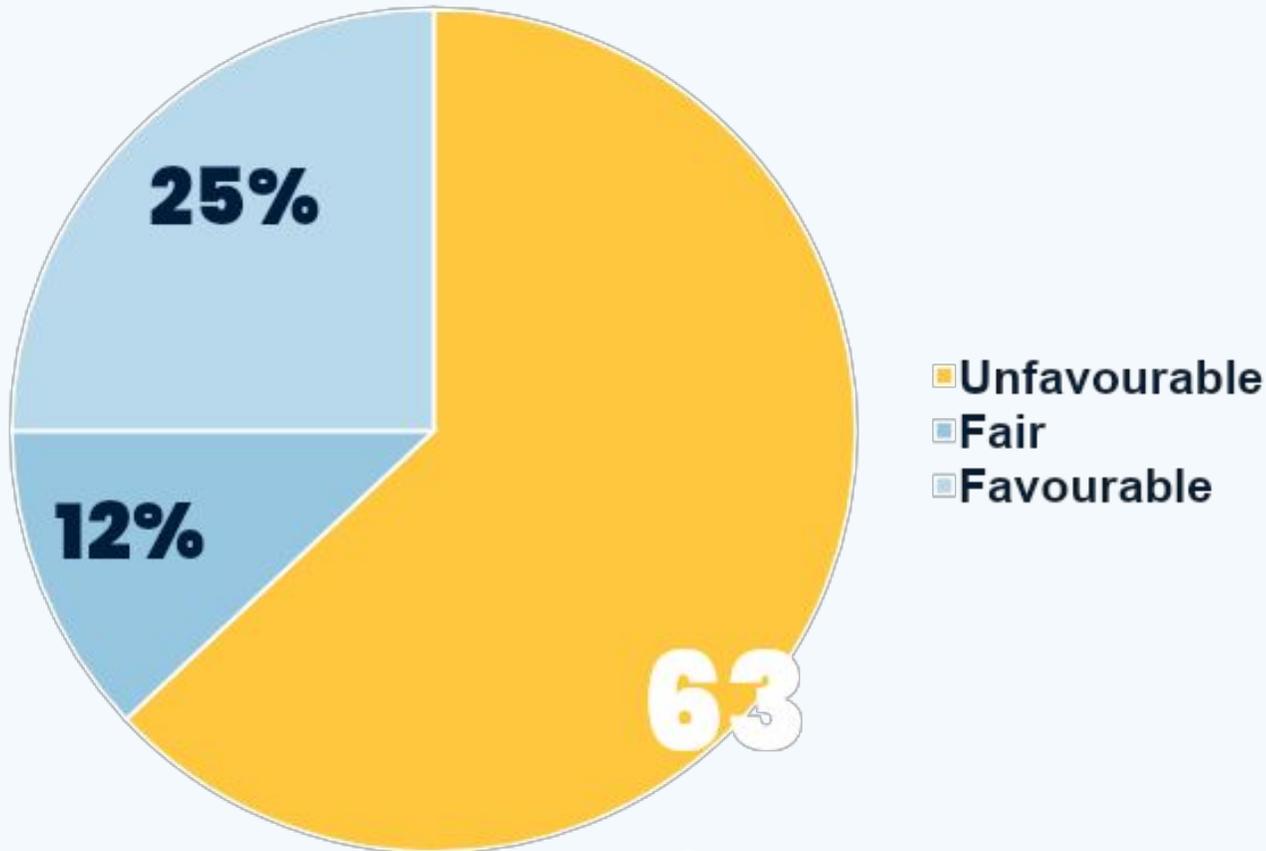
of consumers find price to be the primary factor when deciding on a purchase



# 78%

of **companies**  
**acknowledge** being  
unsuccessful on pricing

... and **customers do not**  
**perceive** retailers are  
delivering **great value**



Consumers perceive  
**majority** (63%) of  
retailers **have**  
**higher prices** than  
**actual prices**



# Retailers encounter challenges in **managing their pricing strategy**

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## ROOT CAUSE

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**Lack of reliable data sources**

**91%**

lack the data to deliver sophisticated strategies

**Rigid & ineffective pricing rules**

**86%**

don't know how to apply deep insights into pricing strategy

**Inability to drive both profit & price perception**

**83%**

don't make decisions consistent with price positioning



# Retailers encounter challenges in **managing their pricing strategy**

**91%** lack the data to deliver sophisticated strategies

Root cause

Lack of reliable data sources



Rely on inaccurate, incomplete, or outdated data

**86%** don't know how to apply deep insights into pricing strategy

Root cause

Rigid and ineffective pricing rules



Continuous equilibrium of prices among rivals

**83%** don't make decisions consistent with price positioning

Root cause

Inability to drive both profit and price perception

Balance between...



Margin protection



Price perception



An effective price management deployment effortlessly delivers on **three critical elements**



**Revenue  
Optimisation**

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**Profit  
Maximisation**

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**Price  
Perception**

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**Strategic pricing strategies** tailored to market dynamics drive **profitable and sustainable growth** for the business





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A photograph of two women in a clothing store. One woman is sitting at a desk with a laptop, typing. The other woman is standing next to her, looking at the laptop screen. In the background, there is a clothing rack with various items hanging on it. The scene is dimly lit, with a warm, yellowish glow. A semi-transparent dark overlay is present on the left side of the image, where the text is located.

FCC Pricing Engine allows **partners** to **win on price** and **drive profits** through **automated, intelligent pricing**



Transition **from tactical pricing** models...

...**to AI-driven** strategic pricing that finds the optimal pricing position

Customer Value (Price Ceiling)

Competitor Price

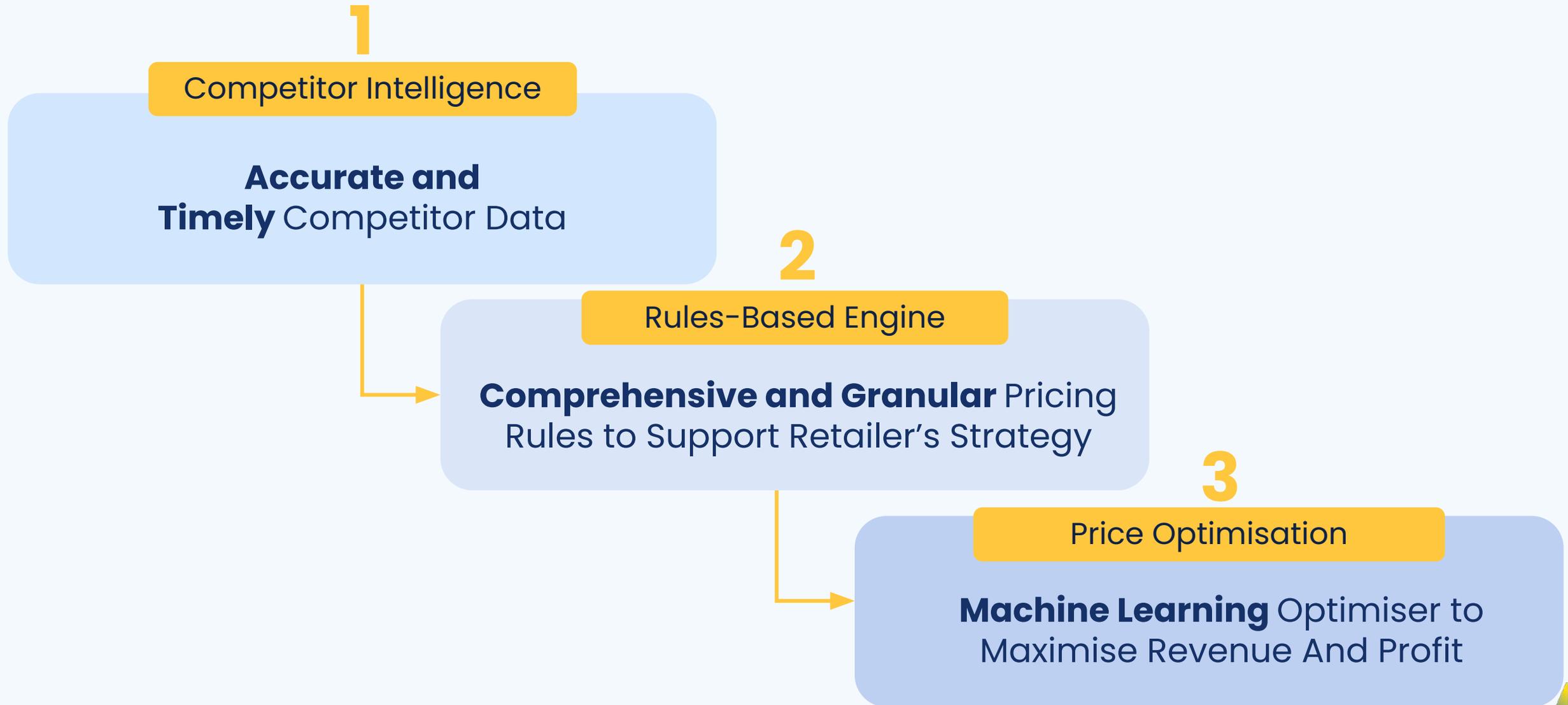
Retailer Price

Cost (Price Floor)



# FCC dynamic pricing engine is **built on three principles**

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# Accurate competitor data is **foundational for a robust pricing strategy**

## Competitor Intelligence Delivers

### Price

- **Track** prices at **predefined frequencies**
- **Compare** prices across **multiple** key **vendors**
- **Bypass blockers** on key competitors such as Amazon

### Promotions

- Track **promotions** and promotional **cycles**
- Track at **SKU level**
- Track impact of **offline** promotions using **dynamic labels**

### Availability

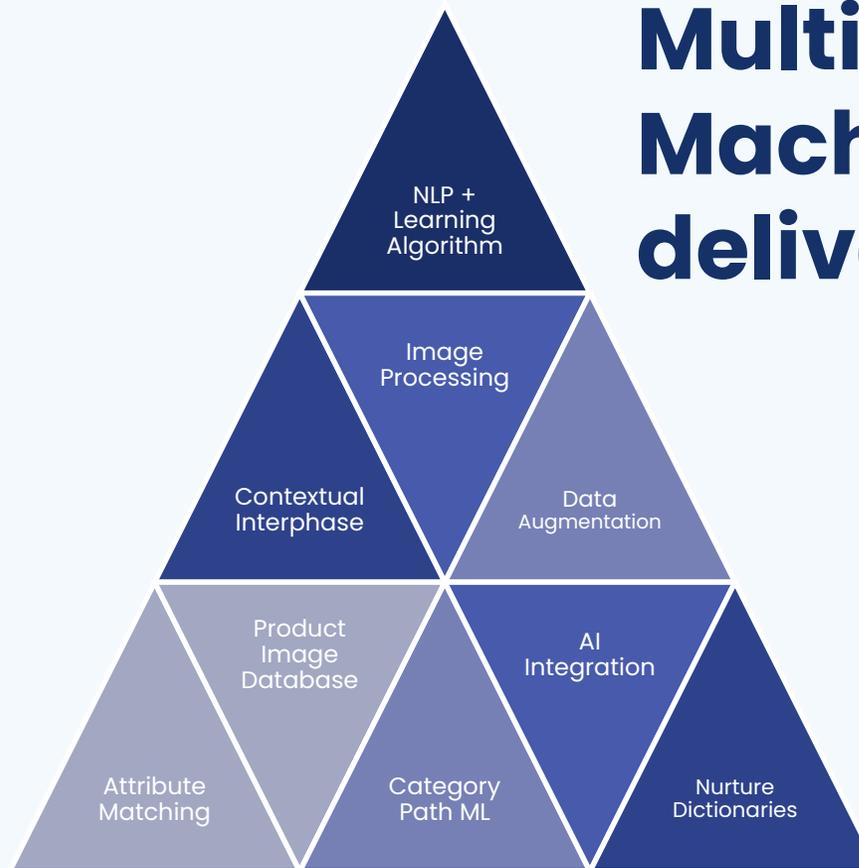
- Monitor overall product **availability**
- Track **geographically** specific availability

### Reviews

- Customer **sentiment**
- Overall **rating** of products at **SKU level**



**Machine Learning powered competitive intelligence accurately matches competitors' products**



**Multi-layered Machine Learning delivers...**

**+95%**

**product matches, on average**



## Product Journey Match Example

Text Outline

**Product Name:** Adidas NRGY  
**Product Description:** Running Shoes For Men

Universal Identifiers

**UPC:** 1334890  
**SKU:** 778907  
**Model #:** NRGY

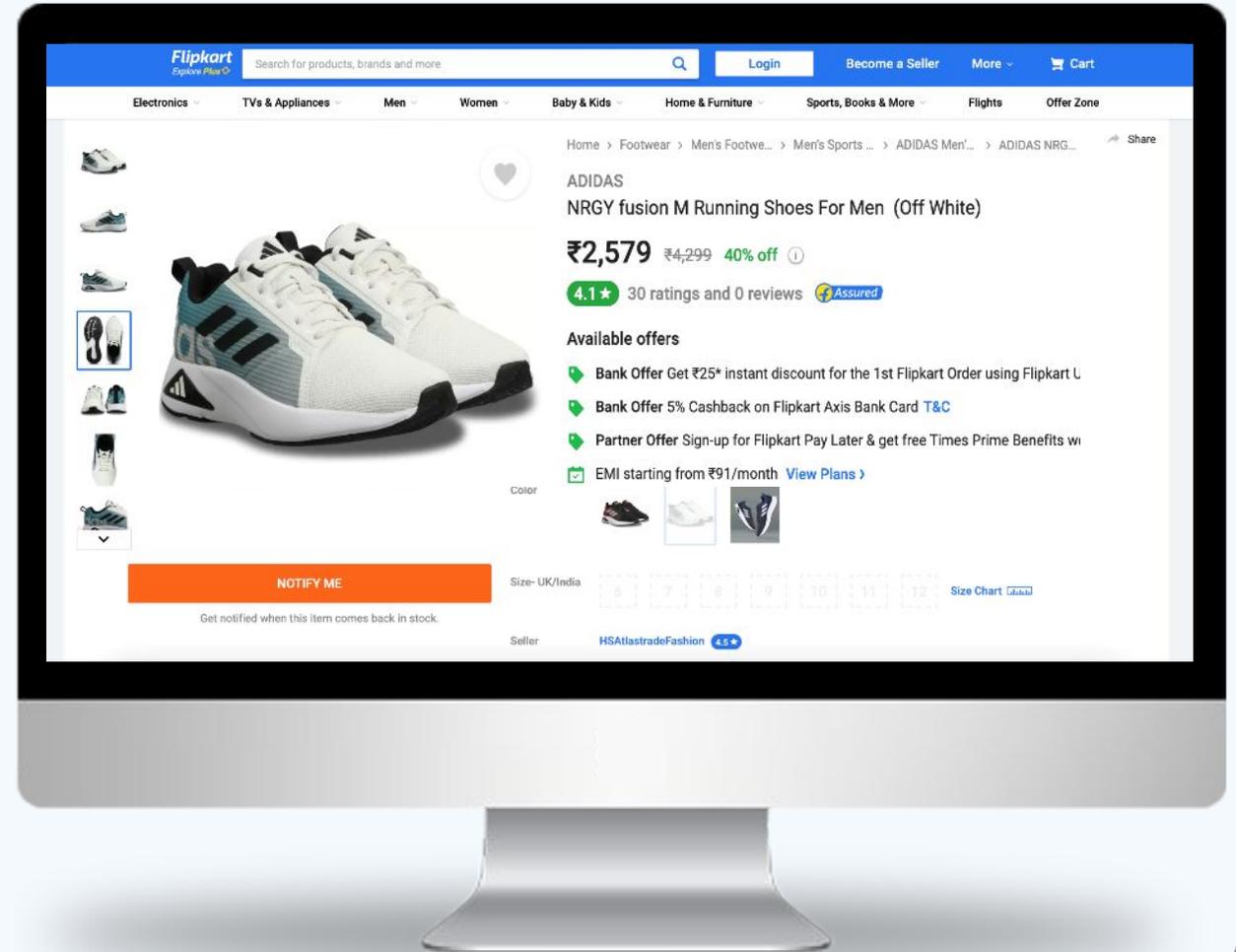
Context

**Category:** Footwear  
**Subcategory:** Men's Footwear  
**Sub-subcategory:** Men's Sports Footwear

Other Information

**Image**  
**MSRP**

Match Metrics Bucket



# How FCC Pricing Engine Works

## Rules-based Engine

### 1 Determine pricing rules based on your pricing strategy

Example:

- Sales price > cost price
- Sales price at least 5% below competitors A, B, and C
- If age > 6 months
  - Optimise price

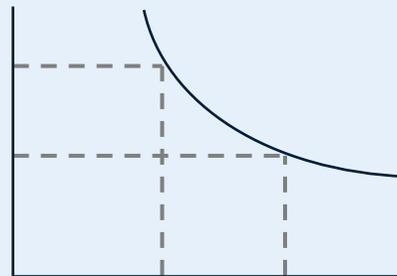


## Price Optimisation

### 2 Run elasticity model to find price that drive highest conversion

**Elasticity Module** trained on retailer's data:

Offer data  
Inventory  
Past Sales  
Product Quality  
Cannibalisation



### 3 Use game theory to model all possible results of price changes

**Game Theory Module** finds the optimal price that maximises revenue and minimises risk



## Rules-Based Engine

Rules-based dynamic pricing enables **sophisticated** pricing strategies

Rules Supported Include



# Price Elasticity Module uses retailer's data to find the best price to drive sales

By combining competitor data with price elasticity and game theory, FCC balances **Risk (GMV)** and **Reward (Profit)**



**Module can run with three months of retailer and competitor data and considers several inputs**

Past Sales Data

Offer/Promotions Data

Inventory

Display Data

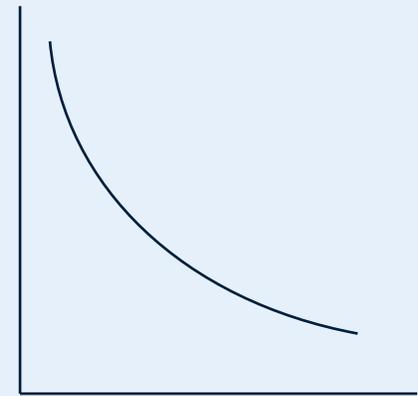
Product Quality

Cannibalisation



**Forecasts GMV at every price point and finds the best price within the pricing rules**

Price



GMV



# Game Theory Model simulates all possible outcomes for each price

By combining price elasticity with game theory, FCC balances **Risk (GMV)** and **Reward (Profit)**



...and selects the price that

Is Likely to Generate **High Profit**

**Minimises Risk** of Lost Sales/Profit



# Why FCC Pricing Engine?

## Scalable Operations

Proven to provide price optimisation for millions of SKUs

## Real Retail Data

AI trained with real-world retail data comprising millions of data points

## Continuous Improvement

Ongoing learning and optimisation from partner customer data

## Great User Experience and Pricing Management Flexibility

- Automated or Manual price change approval
- Production and simulation modes
- Full integration with FCC's BI portal
- Flexible rule application cadence
- Full accountability and control



# Flipkart

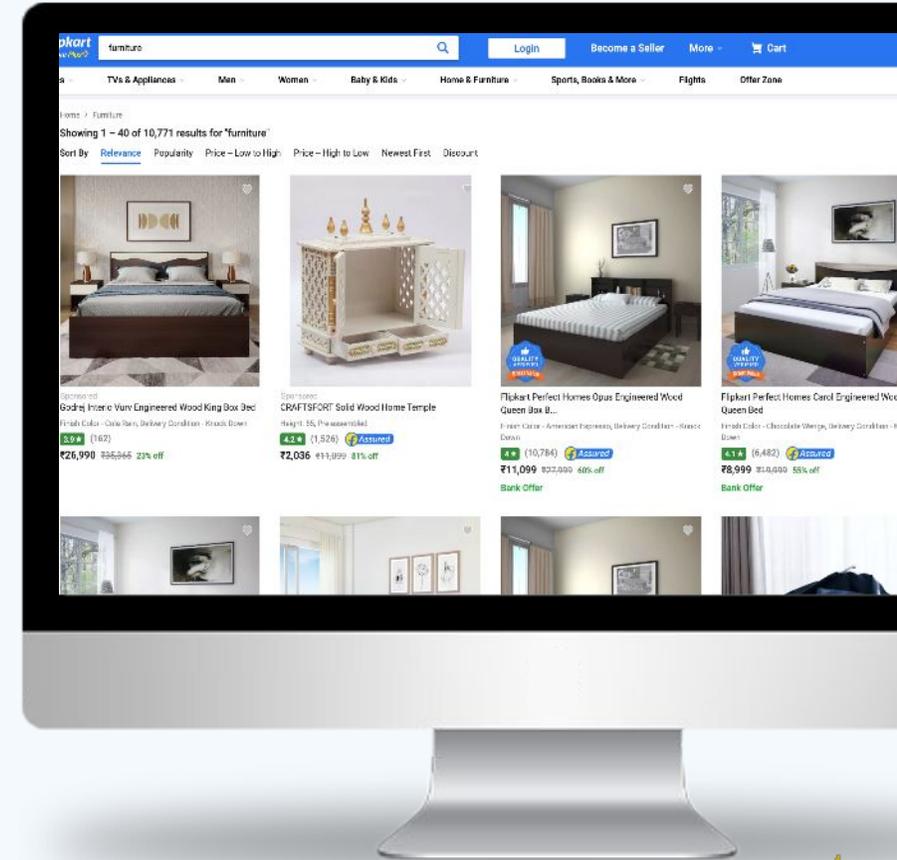


## Pricing Manager



*The Pricing & Optimisation Engine has delivered improvements across the categories as well as an improved price perception for top SKUs by regularly tracking competitor prices*

**VP Furniture Category, Flipkart**



**40%** Increase In Revenue

**9%** Profit Margin Improvement



# Pricing transformation

# hepsiburada

33%

Increase In  
Volume Of  
Competitive  
Products

4%

Increase In  
Margin

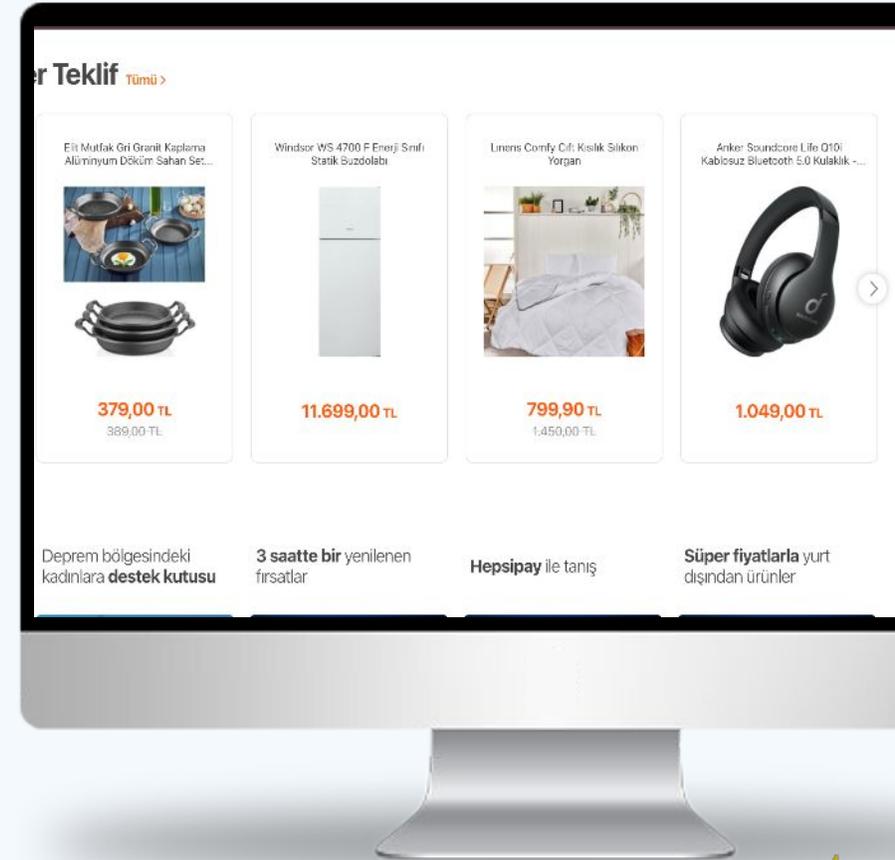
7%

Increase In  
Revenue Growth



*We unlocked strategic insights into the assortment gaps relative to top competitors' bestsellers, focusing our efforts on the critical 25% that holds the greatest potential for incremental revenue growth for the client*

**Pricing Practice Head, FCC**





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# We are obsessed with **partners' success**

## FCC Support At Every Phase Of Your Journey

### Strategy

- Guided discovery and workshops
- Expert guidance and recommendations
- Dedicated client strategy support team
- Problem statement alignment

### Discovery

- Comprehensive capabilities mapping
- Strategic tech roadmap planning
- Operational process design & roadmap planning
- Thorough product documentation
- Execution planning

### Implementation

- Comprehensive product management
- Robust engineering support
- Creative UX design and front-end development
- Engineering team collaboration

### Launch

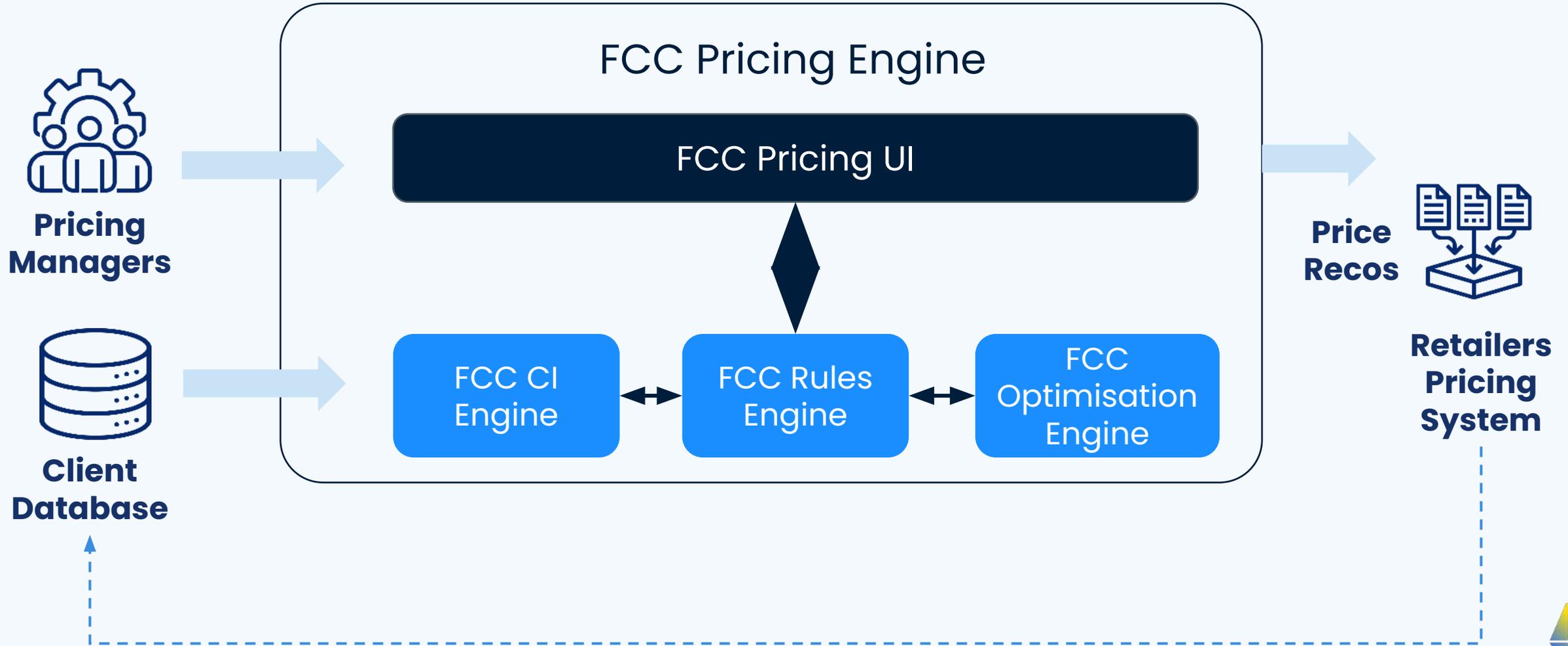
- Squad coordination and alignment
- Technical support and troubleshooting
- UAT and integration testing
- Post-launch support and care

### Support & Ongoing Development

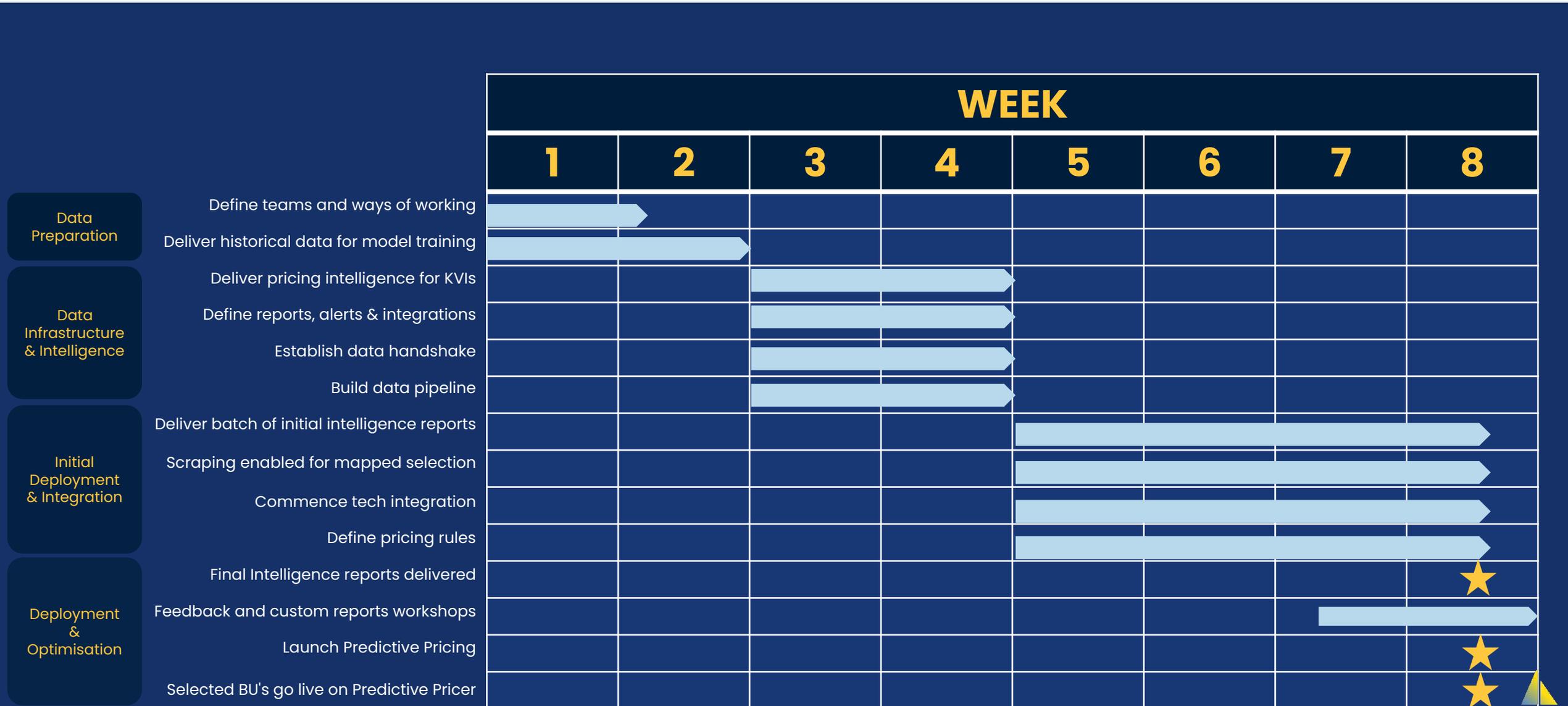
- Technical support and problem solving
- Regular communication to address customisation needs



# Platform Integration



# Integration Timelines



\*Please note: Timeline is circumstantial to each client





# Next Steps

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Discovery Call\*

Workshop to understand your business needs and priorities and how FCC can help you achieve them

Capabilities  
Walkthrough & Demo

FCC team to walk you through the solutions' capabilities and live demo

Tech Review

Overview of technical elements of our and integration timelines

Proposal

Review of FCC proposal covering services offered and commercials

Stakeholder  
Engagement

FCC to meet with stakeholders as required

\* NDAs signed if required



Flipkart  
**Commerce  
Cloud**

# Thank You

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