Product Matching: A Watershed Moment for Channel & Pricing Strategies

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"It is a truth universally acknowledged, that a sales team in possession of a good strategy, must be in want of a competitive pricing tool."

Sound familiar? Yes. But where is the tool? And why isn't it available to you?

To understand why competitive pricing data has become such a problem, it would be wise to explain how pricing data is collected, a task at one time in the near past solved for through deep industry knowledge and manually undertaken, now all but lost in real terms due to product diversification and proliferation.

Cross-competitor product matching, or "peer matching" is the correct pairing of one manufacturer's product (see: SKU, or Stock Keeping Unit) with their competitor's like-for-like product. It is deemed a competitive activity by virtue of the fact that only exact or high-confidence matches are by nature the same or extremely similar product, and therefore compete with each other on the market.

Product matching facilitates a whole host of other business activities that directly influence company strategies. Channel diversification, marketing, value-added selling, service models, and, most importantly, pricing.

Pricing and protecting product's sell-through value, forms the single most important set of strategic decisions at any stage of a company's maturity.

Ultimately, the highest profits are delivered through the combination of a decent margin and high-volume turnover.

Once the decision to operate a channel, utilize distribution partners, widen the breadth of potential customers and deliver a multi-tiered model that taps into the strong value proposition to use online retailers (see: DMRs, Direct Marketing Resellers), a business arrives at the

conclusion that being competitive and staying competitive throughout this model needs certain expertize.............and clever data.

As markets have diversified so have the product offerings.

Nowadays, a customer can be sold something that meets his exact needs whether it be simple attributes of size, weight and color, down to the nitty-gritty specifications relevant to his or her niche interest, say the type of cabling product information of utmost significance to electricians kitting out commercial offices. Categorization will then include durability, material type, cable speed, ISO certifications, shield protection, twists, covering and style. This is, of course, on top of the simple attributes previously mentioned.

It means the # of SKUs has exponentially increased with model diversification.

Up until now however, there has been no product that performs this type of matching, not in fact because it is too difficult, but because as a standalone tool it struggles to be monetized.

Would it be a sales tool? There's no pricing or partner data attached. Is it an Operations tool? Well, there's no context within this type of matching

to make it worth the purchase. Nice maybe to spy on the product specs of the competition. But the secret sauce here is the introduction of pricing data.

We now enter the world of **PriceMark.**

PriceMark combines pricing data **WITH** product matching.

This is a huge shift in the price monitoring field.

Before now, a vendor would have to provide the competitor SKUs for tracking and matching with their own – the most troublesome task and near-impossible to create and maintain at scale. **It required a huge team of marketers, or automation, with no technology existing.**

Now life has changed.

The value of PriceMark is in solving multiple solutions in one package.

For example, once products are matched across your competitive landscape, how will you go about sourcing the price points? Even if you know the websites you want to monitor, again, **scale is the issue that rises to the surface.**

A calculation is needed here using a set # of SKUs, # of competitors and # of websites (bearing in mind, websites are usually country-specific, we will use a standard count of 4 online retailers in each country):

SKUs: 150

Competitors: 6

Countries: 12

Websites: 48 (12 countries/4 websites per country)

So, the number of price points will be:

150 SKUs x 6 countries x 48 websites

Maximum Total Price Points = 43,200

Even accounting for a direct match on 50% of products, assumption would be:

Minimum Total Price Points = 21,600

Locating 20,000 price points manually is not tangible and requires a second automated approach.

Then **storing +20,000 records each day requires an existing IT infrastructure**.

6 months of data will create a database of nearly 4 million records.

So now imagine a tool where you don't need to invest resource into areas of product knowledge that may even be lacking, where that resource would be large and expensive and not scalable.

A tool where this product matching is existent and foundational and combined with pricing data for those self-same SKUs.

For any vendor, any competitor, and country, and price-displaying website, every day.

You can just concentrate on selling, partnerships and marketing.

Leave everything else to us.

If sales leadership, channel management or pricing covers your direct responsibilities, it is imperative that you test PriceMark.

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