



SPARKBOX

DATA-DRIVEN PRICING & MERCHANDISING

introduction to our solutions
& case study

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the problem

Most retail pricing decisions are driven by intuition rather than data.

With sub-optimal pricing, retailers fail to reach desired stock positions & leave margin on the table.

“ The secret to increasing profit margins is to harness big data to find the best price... but it's too expensive and time-consuming to analyse thousands of products manually. ”

“Using big data to make better pricing decisions”
McKinsey & Company

how can sparkbox help?

Sparkbox helps retailers sell more inventory, more profitably. With our solutions, merchandising teams can make data-driven decisions quickly and confidently, at scale.

Sparkbox consistently delivers sales and profit improvements for major retailers:

+20%

cash profit
improvement
(& maintain volume)

+42%

volume sales
improvement
(& maintain spend)

what is sparkbox?

Sparkbox is a price planning & optimisation platform.

Sparkbox organises pricing events, tracks business goals, and constantly learns about how customers respond to changes in price. We use machine learning to forecast and recommend optimal prices in season and during markdown/ promotion events.

- ✓ not just another dashboard – provides specific, line level recommendations
- ✓ includes scenario planning – model different options easily
- ✓ cloud based app – no IT integration required
- ✓ proactively identifies inventory risks & opportunities early in season
- ✓ optimises prices across multiple regions and/or channels
- ✓ includes planning tools & automated reporting

The screenshot displays the Sparkbox interface for a user named Lindsay. The main heading is 'Welcome, Lindsay!' followed by the category 'LADIES TOPS'. Key performance indicators are shown: 'SELECTED VARIANT Up to 50%', 'LINES TAKEN 77' (with 'PRICE OVERRIDES 1%' below it), 'AVERAGE NEW DEPTH 35%' (with 'AVERAGE PREVIOUS DEPTH 0%' below it), and 'EST. SPEND £399.7k'. Below these are filters for 'Show Quick Selection', 'Hide Filters', and search fields for 'Sell Through', 'Spend', and 'Cover'. A 'Category' dropdown is set to 'Ladies Tops' and 'Season' is set to 'AW17'. A table titled 'PRODUCT DETAILS' lists various items with columns for SKU ID, SKU DESCRIPTION, TAKEN, SEASON, CURRENT PRICE, OPT. PRICE, and OVR. PRICE. The first row is highlighted in blue.

SKU ID ↑	SKU DESCRIPTION	TAKEN	SEASON	CURRENT PRICE	OPT. PRICE	OVR. PRICE
2311560	SPARK RUCH YEL	✓	AW17	£18.00	£14.00	
2311562	SOFT MARL PURP	✓	AW17	£16.00	£8.00	
2311565	SPARK TWST	✓	AW17	£20.00	£16.00	
2311590	TWIST FRONT NVY	✓	AW17	£18.00	£14.00	
2311591	SOFT MARL NVY	✓	AW17	£16.00	£10.00	
2311597	TWIST FRONT BLK	✓	AW17	£18.00	£9.00	
2312500	CUT RUFFLE GRY	✓	AW17	£18.00	£10.00	
2313151	PUFF SLEVE BLU	✓	AW17	£18.00	£9.00	
2313153	PUFF SLEVE GRY	✓	AW17	£18.00	£14.00	£10.00
2313155	FRILL SWEAT NVY	✓	AW17	£20.00	£12.00	
2313157	FRILL FRONT NUDE	☐	AW17	£12.00	£10.00	
2313894	TIE SLV GRY	☐	AW17	£18.00	£14.00	
2331842	LACE TEE GRN	✓	AW17	£20.00	£10.00	
2331848	LACE INSERT BLU	✓	AW17	£12.00	£7.00	
2331880	MESH SLV TOP	✓	AW17	£14.00	£9.00	
2314770	RUCHED SLV NVY	✓	AW17	£20.00	£16.00	

our solutions



selling fast!

£29.99 (margin 71%)
Current cover = 2.7 weeks
Est. stockout date 10 June

+ £ increase price



markdown risk

£59.99 (margin 72%)
Est. Stock at MD = 1500+ units
Est. Cover at MD = 30+ weeks

- £ reduce price



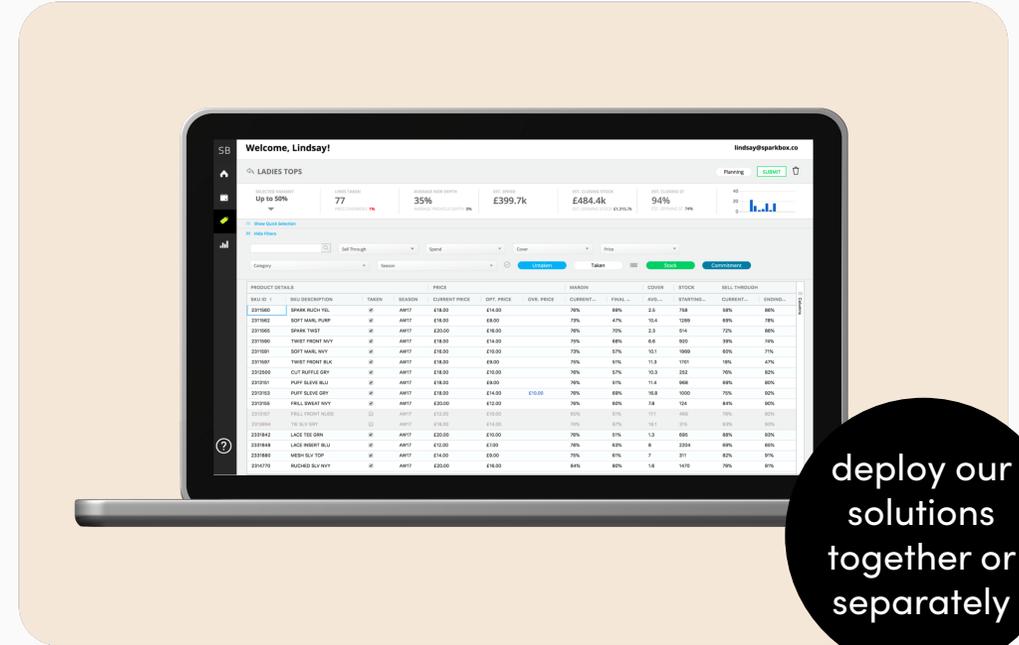
SPARKBOX INSIGHTS

A trading assistant that makes good merchandisers great.

- Highlights inventory risks & opportunities early in season
- Recommends specific actions to maximise lifetime margin
- Provides context so teams can take action quickly

Includes insights about:

- Pricing & promotions
- Buying & allocations
- Competitor activity
- + more!



deploy our solutions together or separately

SPARKBOX MARKDOWNS & PROMOTIONS

A planning application that optimises prices to help merchandising teams maximise the value of their inventory.

- Optimise prices in all regions & channels, at the product level
- Merchandisers review & approve recommendations in a simple cloud application
- No IT integration - we use a simple data feed
- Export prices for execution
- Optimise by line, or across a group of lines
- Recommends product inclusions/ exclusions
- Set flexible goals:**
 - Maximise margin
 - Maximise revenue
 - Reach inventory target

about us



Our founding team has more than 50 years of global retail experience. We're experts in merchandising, pricing, and retail analytics.

we've previously worked with:



BURBERRY
LONDON ENGLAND



Arcadia

**N BROWN
GROUP PLC**

TARGET



THE
VERY
GROUP

TESCO

*Saks
Fifth
Avenue*

ESPRIT

M&S

JOHN LEWIS
& PARTNERS

EST. 1884

our track record



Sparkbox named top 50 global retail tech startup (2020)



Sparkbox wins Retail Futures Innovation Challenge (2019)

Retail Systems
awards **2020**
SHORTLISTED

Sparkbox shortlisted for 5 Retail Systems Awards (2020)

Google
for
Startups

Sparkbox joins Google's UK Immersion accelerator (2020)

Forbes

Sparkbox founders named Forbes 30 Under 30 (2020)



Sparkbox named a top 10 early-stage startup in the UK

case study

markdown price
optimisation with
an omnichannel
fast fashion retailer



our client

A European fast fashion retailer that sells women's clothing, shoes, and accessories online and in stores across 9 countries.

turnover
€550m

400+
stores

20k+
SKUS

9
regions

WHY THEY ENGAGED SPARKBOX:

Leadership and merchandising teams sensed their pricing strategy was leaving margin on the table in some cases, and failing to address stock challenges in others.

OUR OBJECTIVES:

1. increase margin on discounted sales
2. maintain overall volume, improve sales on slow movers
3. address markdown risks earlier in season

results

Our client used Sparkbox to price all of their products during their Winter clearance sale in January 2020. We compared results over 6 weeks with the same sale period in 2019.

Year on year (YOY), our client sold a similar amount of inventory (sell through -1%) much more profitably (margin +5%).

PROFIT PER UNIT SOLD

improved average selling price & profit per unit by +20% (stock profile was similar YOY)

€2.90

2019



€3.49

2020

MARGIN RATE

+5%

increased margin rate from 32% to 37% YOY

TOTAL CASH MARGIN

+€1.3m

improved net profit by €1.3m (more than 5x return on annual investment)

SELL THROUGH

-1%

similar to last year – maintained overall sales volume

additional benefits

In addition to the €1.3m profit benefit Sparkbox delivered, we also provided recommendations that reduced stock and improved margin before, during, and after the sale period.

1

Sparkbox recommended an outerwear promotion that:

- reduced outerwear markdown stock by 60%
- improved total seasonal margin on category by €500k

2

Sparkbox recommended changes to price architecture that:

- reduced markdown spend by at least €165k without impacting volume

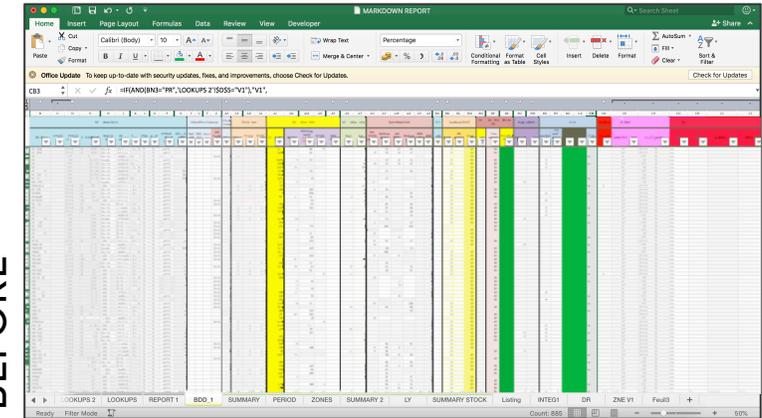
3

Sparkbox cleared sale inventory earlier in the sale period, which shifted purchases to full price merchandise:

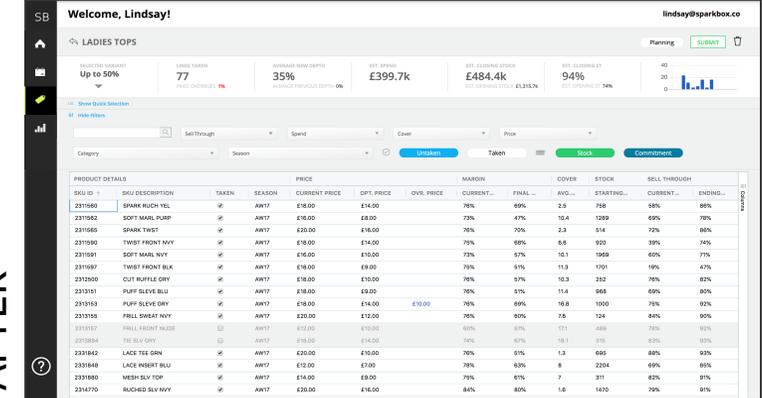
- full price baskets up 35% YOY by 3rd week of sale

IMPROVED PROCESS

BEFORE



AFTER



Merchandising team previously relied on an Excel to execute their markdown planning. The process was time consuming and error prone.

Sparkbox centralises their data in a simple application that includes automated reporting and helps them work consistently across teams.



get in touch

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