

Case Study

**Luxury cruise ship company
increases daily profit per passenger
by 34% with Competera**

* This case study is strictly confidential, so please ask permission from the Competera team to share it.

Challenge

A renowned luxury cruise ship company known for its exceptional onboard duty-free shopping experience faced a significant challenge: **passengers increasingly opted to shop onshore**. This was primarily due to the company's outdated pricing strategies that didn't align with passenger expectations.

Solution

To address this issue, the company partnered with Competera, a leading provider of pricing optimization solutions. Competera's advanced analytics and AI-powered pricing platform offered a solution tailored to the unique needs of the duty-free retailer.



Key Objectives

- **Optimize Competitive Analytics**

Gain real-time insights into 30 competitors across every port of each cruise, including their pricing strategies, product offerings, and promotions to ensure customer-oriented onboard prices.

- **Streamline Pricing Adjustments**

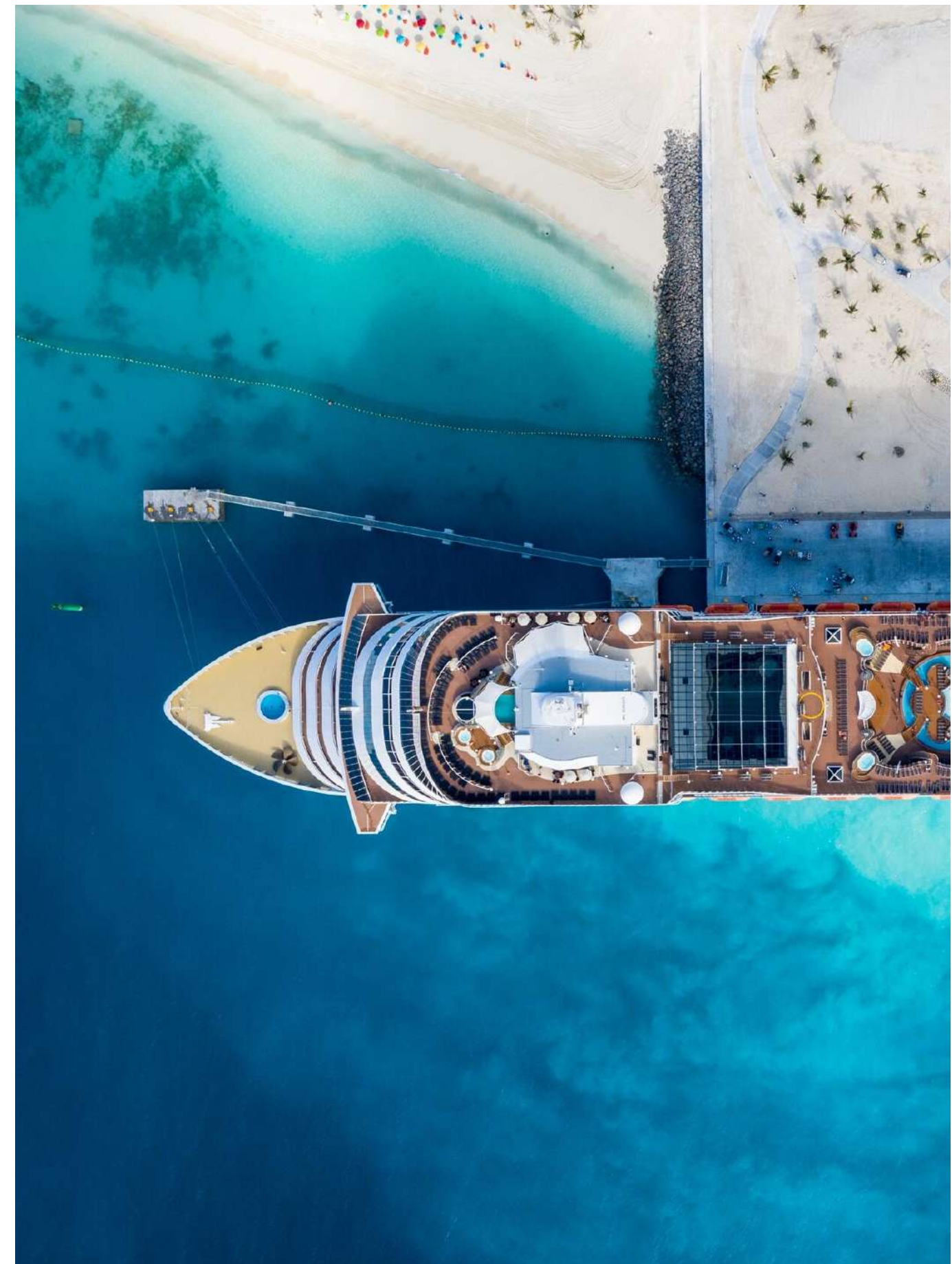
Simplify pricing operations with a one-button repricing system, reducing operational costs and increasing the average gross margin per passenger.

- **Establish a Single Data Source of Truth**

Create a centralized, reliable source of information for pricing professionals, merchants, and executives.

- **Maximize Operational Efficiency**

Enable the client to manage a large fleet by a single individual and eliminate the need for team expansion.



Challenges

Insufficient Data

We initially faced a lack of historical pricing data.

Sales Fluctuations

Traditional A/B testing proved ineffective due to excessive sales volatility within the cruise industry.

Unclear Metrics

The client lacked clear metrics for product categorization.

Solutions

To address this, we implemented a system of pricing rules to track and analyze price changes, gathering the necessary information for effective repricing.

We overcame this by using backtesting to predict pricing impact, focusing on long-term revenue growth, and automating repricing for ship migration.

We introduced specific metrics to segment products based on sales performance. Analyzing the ratio indexes between the sell-through rate for individual SKUs and overall category performance improved decision-making for assortment segmentation.

Competera's impact

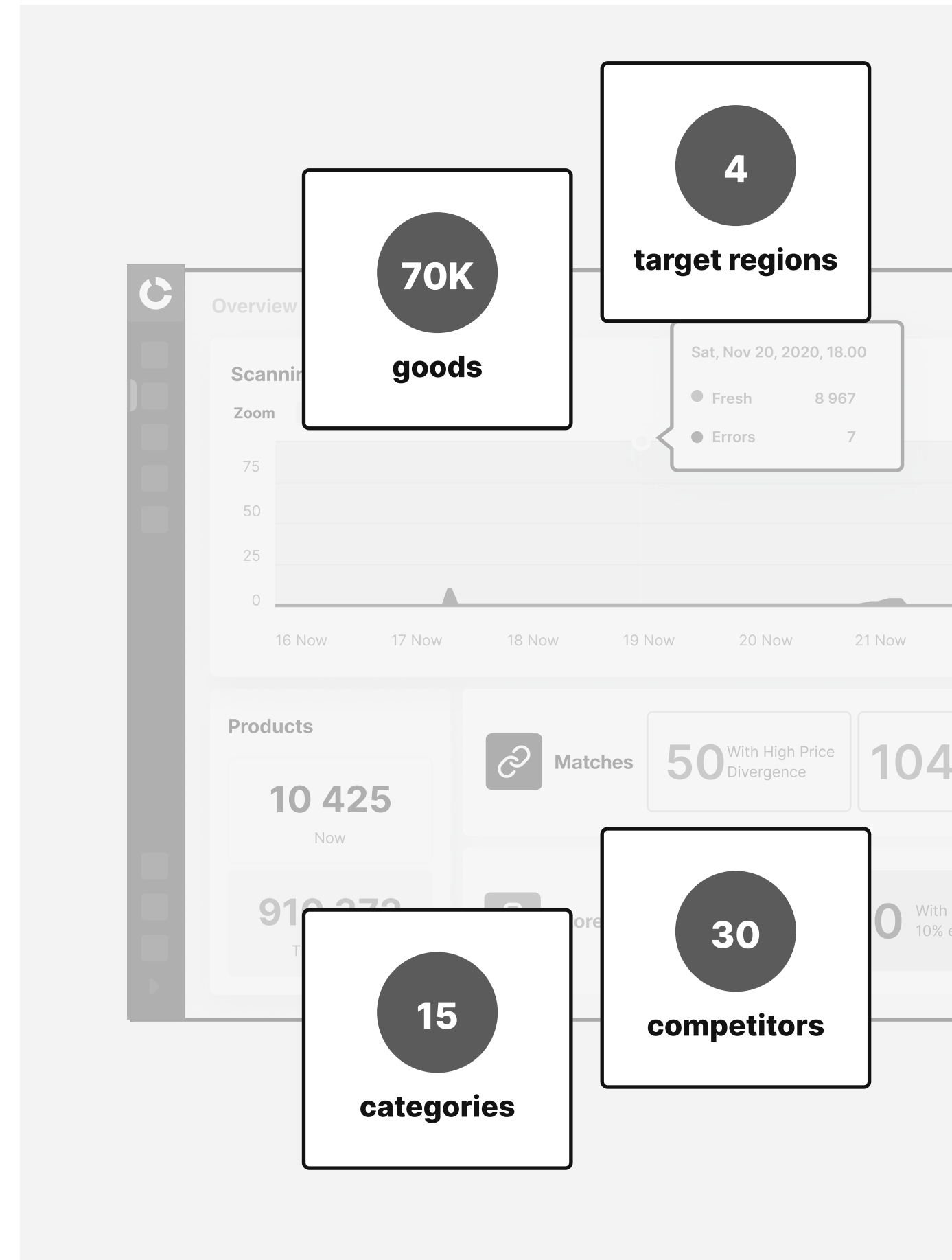
Control of the competitive environment



Our client received up-to-date comprehensive competitor data online with unified measurement units and currencies.



So, the client's team was enabled with data on 70K goods of 15 categories and 30 competitors in 4 target regions, all in one place.



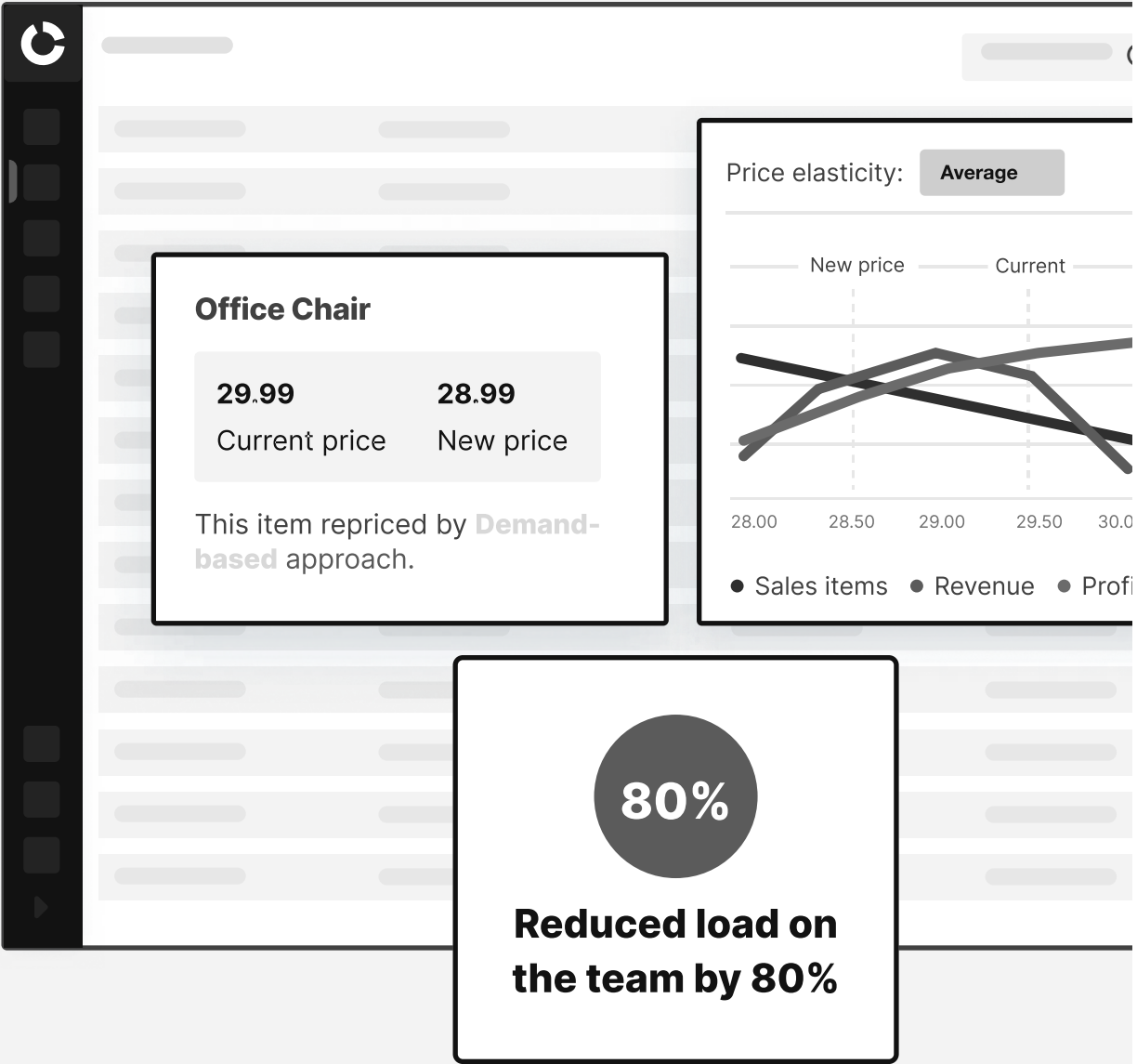
Repricing automation



We defined the logic behind Key Value Items (KVIs) and introduced pricing rules that considered category role and cruise type, among other things.



The one-button repricing system streamlined operations and reduced the pricing team's workload by 80%, allowing them to focus on more strategic tasks.



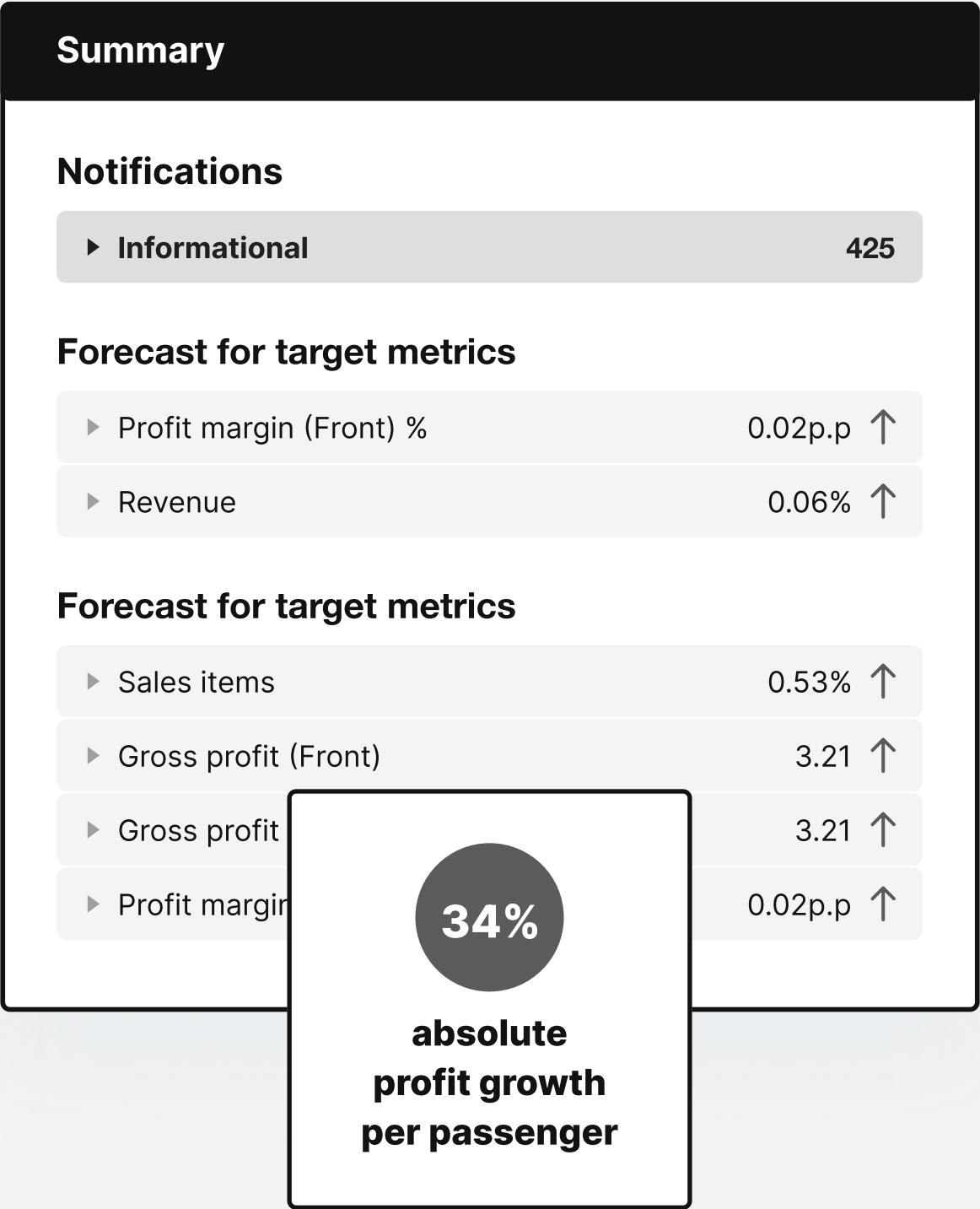
Repricing optimization



By analyzing market trends and customer behavior, Competera helped the company develop pricing strategies that resonated with passengers, such as offering exclusive deals and limited-time promotions.



As a result, the client witnessed a daily 34% absolute profit growth per passenger.



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With a highly complex global operation structure, we needed a pricing solution suite that allowed us to set and maintain prices. Competera's suite is a game-changer that optimizes pricing across the product's lifecycle, incorporating multidimensional analytics and AI solutions to support decision-making.”

Senior Director, Luxury Cruise Ship Company

Key Results

34%

Increase in daily profit per passenger.

80%

Reduction in pricing team workload.



Enhanced Customer Satisfaction and Price Perception through more competitive pricing.



Improved Price Accuracy with backtesting that helped forecast sales impact and ensure accurate repricing.



Conclusion

By partnering with Competera, the luxury cruise ship company was able to overcome its pricing challenges and deliver a more profitable and satisfying onboard shopping experience for its passengers. Competera's advanced analytics and AI-powered platform proved to be a game-changer for the company, enabling them to stay ahead of the competition and drive growth.

Materials You May Find Helpful



Pricing Solutions

[Pricing Platform](#)

[Competitive Data](#)



Educational Solutions by Competera Academy

[Introduction to Pricing Methodology](#)

[Pricing in Retail: A Wild Card of Marketing](#)

[Analysis and Commercial Strategy](#)



Podcasts & Articles

- [#Pricing_Heroes: Unlocking Pricing Power through Value-Based Strategies with Ayon Bhattacharyya](#)
- [#Pricing_Heroes: Discover Your Perfect Pricing Model with Danilo Zatta, Global Pricing Leader and Best Selling Author](#)
- [Webinar “The Art of Pricing: Winning Customer Loyalty”](#)
- [Webinar “Why the Future of Pricing is Customer-Centric?”](#)
- [Webinar “Demystifying AI Pricing in Retail”](#)



White Papers & Books

[Get Ready for the Future Of Pricing with our A-Z Guide](#)

[Embracing price elasticity: Manager's Guide to demand-based price optimization](#)

ARTICLE

Competera Recognized as a Leading Pricing and Revenue Optimization Provider in Coresight Research's Latest Retail-Tech Landscape Report

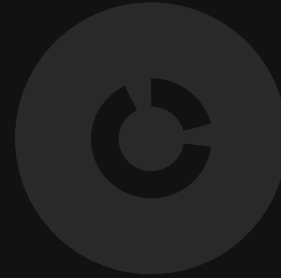
USE CASE

How to Properly Position Prices for Private Label

PRICING GUIDES

Smart KVI Pricing: A Game-changer in Retail Portfolio Management

The Future of Pricing
A Guide to the Next 10 Years of AI Pricing



**Do you struggle with the same
challenges as our client?**

Let's talk