

## SMARTER DISCOUNTS, STRONGER PROFITS:

A PLAYBOOK FOR  
OUTLET SUCCESS  
THAT LED TO 8.6%  
SELL THROUGH  
MARGIN  
IMPROVEMENT

### ABOUT INCREFF

Increff is a retail SaaS company solving complex inventory management and supply chain challenges. Over **700+** global retail brands believe in our end-to-end merchandising and omnichannel inventory management solutions. We empower retailers to enable automated decision-making, bring accuracy to processes, drive sustainable retailing, and achieve incredible efficiency.

### MERCHANDISING SOFTWARE MODULES



Merchandise Financial Planning



Planning and Buying



Allocation and Replenishment



Regional Utilization



Markdown Optimization



Co-Pilot



## OVERVIEW

A leading global sportswear brand in India partnered with Increff to revolutionize pricing through the Dynamic Markdown module for their Factory Outlet stores.

Picture a best-selling sneaker that costs more at a flagship store in Mumbai than it does at an outlet in Delhi. The price online is lower than that of a competitor's flash sale. The brand's challenge was a mix of manual and spreadsheet-based discounting decisions that made it harder to respond to market changes quickly.

## WHY INCREFF

The brand sought more than a tool—they wanted a partner. They chose Increff for its proven expertise in retail-tech optimization, its ability to translate granular data (style performance, inventory depth, sell-through rates) into actionable pricing recommendations, and its track record of delivering measurable retail impact.

## IMPACTS DELIVERED

Parameters	Pre Increff / Actual	Post Increff / Plan	Impacts
Markdown depth (TY vs LY)	52%	45%	<b>7 pp reduction in markdowns vs LY</b> → ~€259K saved at current volumes and mix.
Markdown vs Plan (RFC'02)	45.3%	48.9%	<b>3.6 pp better than brand plan</b> in markdown efficiency, freeing budget
Sell-through (ST) margin	46.1%	54.7%	<b>+8.6% uplift in ST margin</b> through controlled discount depth and elasticity-aware pricing.
Decision cadence	Manual, periodic	Automated, regular	<b>2-3× faster decision frequency</b> enabling rapid pivots during traffic swings.
Performance Swing	—	25% traffic ↓, 1% NS ↑	<b>26% P-swing resilience:</b> maintained net sales growth despite traffic decline via targeted, guard-railed markdowns.

Pre Increff period: Feb 2024 / Post Increff period: Feb 2025



## CHALLENGES FACED

- **Product Pricing Strategy:** To establish a unified pricing framework to ensure a consistent value proposition and seamless inventory flow across all retail channels, moving beyond manual, format-specific pricing.
- **Discount Application:** To coordinate promotional campaigns and discounts systematically across product categories and store clusters for a more cohesive and impactful approach to discounting.
- **Responsiveness to Market Changes:** Automate decision-making processes and remove monotonous manual work to react to dynamic market needs.
- **Balancing Profitability and Velocity:** Strike an optimal balance between driving sales velocity and maximizing profit margins throughout the entire product lifecycle.





## THE SOLUTION: DYNAMIC MARKDOWN INTELLIGENCE

### • Increff's Dynamic Markdown Solution

- Recommends strategic markdowns to clear slow-moving inventory and boost sales without hurting margins or budgets.
- Analyzes sales velocity, inventory, and seasonality at style/SKU level to determine the optimal timing and discount.

### • VALUE PROPOSITION

#### - Elasticity-Based Pricing

- Limits discount depth using price elasticity to prevent wasted markdowns.
- Critical for margin protection; without it, profitable items get over-discounted.

#### - Adaptive Discount Control

- Targets, caps, and increments that adjust with live performance, with rapid rollback.
- Critical for agility; without it, teams stay locked into calendar plans despite results.

#### - Guardrails and Automated Triggers

- ROS cutoffs and sell-through benchmarks auto-trigger changes within safe bounds.
- Critical for control; without it, execution varies by operator and channel.

#### - Channel-Specific Markdown

- Different cadences and depths for e-com vs. stores, including marketplaces.
- Critical for context; without it, channel economics and shopper behavior are ignored.

#### - Business Overrides

- Style-level manual control when needed, within global guardrails.
- Critical for exceptions; without it, special cases break the system.

*“Before Increff, discounting was a constant balancing act using spreadsheets and intuition. With Dynamic Markdown, we shifted from reaction to prediction. Automating style-level pricing not only saved us 7 pp in markdowns but transformed our profitability strategy.”*





## REAL SOLUTION, PROVEN RESULTS

The brand's transition from manual, reactive discounting to Increff's Markdown Optimization established a scalable, data-driven pricing discipline. By aligning discount actions with style performance, inventory positions, and channel nuances, the team materially reduced markdowns while lifting sell-through margin and increasing decision cadence. The net impact is clear: fewer unnecessary discounts, healthier profits, and faster responsiveness to market shifts.

- Markdown efficiency improved meaningfully year-on-year and versus plan, protecting price integrity while sustaining sales velocity.
- Sell-through margin rose by 8.6 percentage points, demonstrating better balance between liquidation needs and profitability.
- Automated, regular decision-making replaced periodic, manual cycles, enabling quicker pivots during traffic swings and promotional windows.

This engagement showcases how smart discounting strategies can transform traditional retail pricing approaches while maintaining brand positioning and profitability goals.

### Other Solutions



Warehouse Management System **(WMS)**



Order Management System **(OMS)**



Store Management System



Label Softwear

### Our Clientele

Increff's solutions are trusted by some of the world's leading brands. Our ability to handle large-scale implementations and complex retail environments makes us a preferred partner for global retail giants.



**BIRKENSTOCK**



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