

PROTECTING PRICE PREMIUMS IN THE RETAIL OF THE FUTURE



Price matching vs. price premiums

James Llewellyn, UK Head of Shopper at GfK, says:

"We can look to the recent past as an era when Connected Consumers learnt to compare prices and to be savvy. In the future, pricing policy has to be transparent, and price matching will be the norm. Creating the best retail environments with the best service will no longer be justification for charging more for the same item. Retailers that want to charge a price premium will need to offer unique product ranges and additional paid for services."

- In the future the market will set prices for brands, and retailers will match this benchmark. Charging more for the same item won't work as there will be many ultra-convenient routes to buying that same product elsewhere.
- This means that charging less will no longer be viable. Everyone will automatically match the low price, bringing down margins.
- To differentiate retailers will become creators of products and services. The defining line between retailers and manufacturers will start to erode as manufacturers explore new and direct routes to shoppers.

