



How Jeffers Pet increased performance using generative pricing through Spresso's Price Optimization solution.

June 2023

About Jeffers Pet

Jeffers Pet was founded in 1975 in Dothan, Alabama as a local catalog of animal care supplies delivered door-to-door by the Jeffers family.

By 1999, they expanded into ecommerce and remain one of the largest, privately held animal supplies companies. Today Jeffers Pet has \$50M in annual revenue and are ranked #10 in Newsweek's 2023 Best Online Shops list in the pet supply category.



Jeffers Pet scaling their business meant larger revenue goals, and the Jeffers team looked at all facets of their business to achieve those targets.

Because they carry a wide-range of animal care assortment, from feeding and grooming supplies to seasonal vaccinations and deworming schedules, pricing was at the top of their list.

About Spresso and Price Optimization



Spresso started in NYC by a team of technology and data operators with a passion for retail. They understood that pricing products with varying business strategies can be difficult and time-consuming.

Using machine learning, AI, and advanced analytics, they created their generative pricing solution, **Price Optimization**, to address this challenge.

Price Optimization maximizes conversion, profit, or a range in between by generating prices and their traffic allocation for multiple, simultaneous experiments.

It determines which price best achieves the business goal, and allocates traffic to the top performing price. It leverages first-party data, and does not scrape prices from competitor sites.





Flexible Solution for All Strategies

Price Optimization allows each campaign and each SKU to have its own business strategy and target goals. Given the expansive Jeffers Pet assortment, the Jeffers team ran multiple, simultaneous campaigns with various strategies.

They covered the range between profit optimization to move end-of-season products, to growing velocity and expansion of new SKUs.

Examples of two strategies with different goals follow.

Grow Velocity Strategy

A selection of SKUs with the goal of accelerating sell-through while maintaining profit targets*

SKUs in this campaign performed within profit targets while achieving the following sizable sales growth

Conversion

+64%

More at optimized prices than its default prices

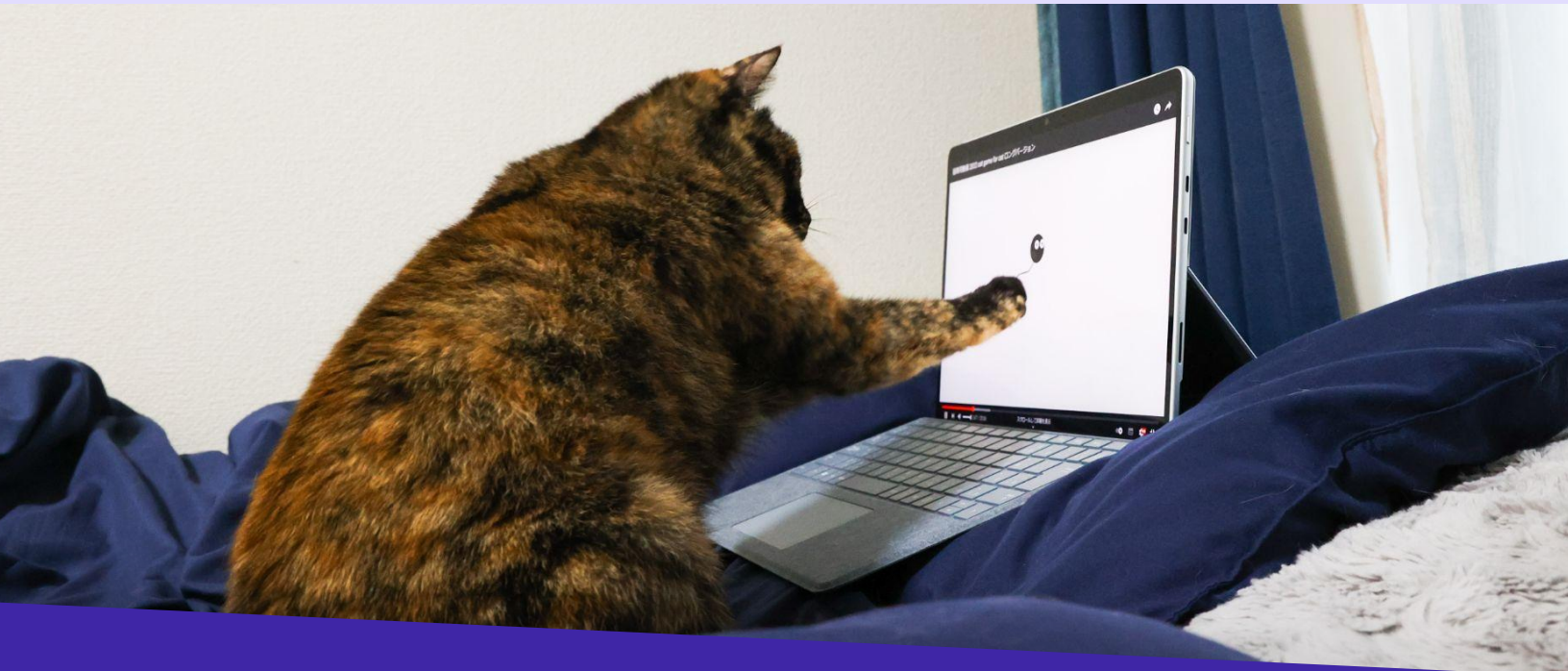
Sales Per Unique Impression**

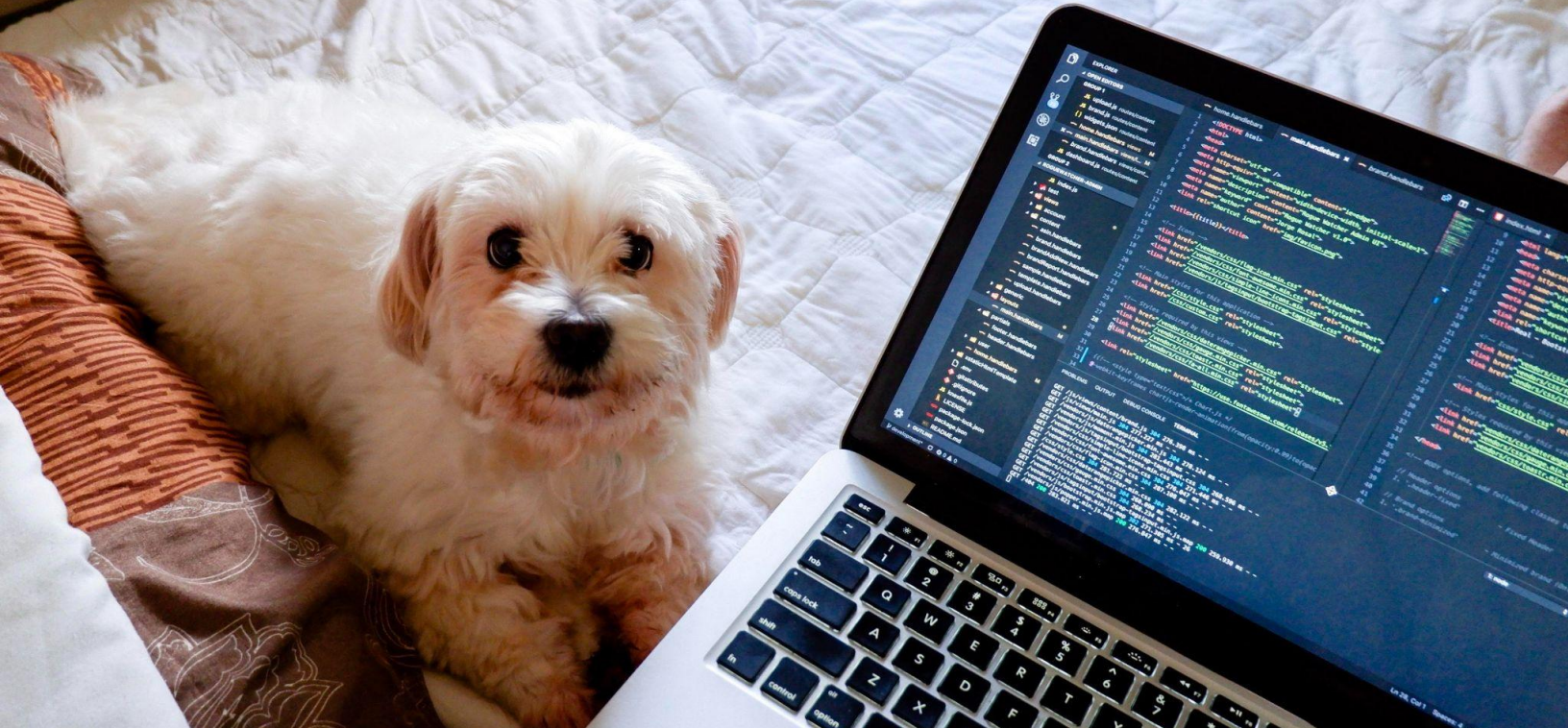
+44%

More sales per unique viewing of the product at optimized prices than its default prices

* Results are based on 5/9 - 5/30 data

** Impression refers to a unique viewing of the product anywhere on the client site or app, such as product list pages, product detail pages, homepage carousels, etc.





Exploratory Strategy

A selection of SKUs with the goal of Spresso-automated exploratory optimization to generate a balanced lift in both revenue and profit*

Conversion

+14%

More at optimized prices than its default prices

Sales Per Unique Impression*

+36%

More sales per unique viewing of the product at optimized prices than its default prices

Profit Per Unique Impression**

+44%

More profit per unique viewing of the product at optimized prices than its default prices

* Results are based on 4/25 - 5/30 data

** Impression refers to a unique viewing of the product anywhere on the client site or app, such as product list pages, product detail pages, homepage carousels, etc.

Better than an A/B Test

One of Jeffers Pet's earlier concerns was the amount of effort and time it would take to run campaigns. Price optimization allayed those worries.

It always functions better than an A/B test, minimizing regret in real-time by testing multiple price points and automatically shifting traffic to the highest performing price as the experiment gathers data.

It takes cost into account for the profit-leaning strategies, while respecting retailer pricing rules such as MSRP (manufacturer's suggested retail price) and MAP (minimum advertised price).





“We're excited to join Spresso as a lighthouse partner adopting their machine learning products and improving overall user-experience for Jeffers customers.”

- Ruth Jeffers, Co-CEO

“Spresso offers an easy to use tool to test how different pricing strategies will impact our customers' willingness to purchase, giving us a data-backed solution to offer optimal pricing to our customers.”

- Cody Stapleton, Co-CEO

Summary

The Jeffers Pet case study illustrates the power of Price Optimization to provide significant sales and conversion lifts without compromising on profit.

With generative pricing, Jeffers Pet was able to achieve its goal of adoption of a pricing strategy optimized specifically for the Jeffers Pet customer, thus freeing the business from reliance on competitive price scraping.

The implementation of Price Optimization proved to be indispensable for revenue growth and sustained triumph in the animal supply industry.



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