

CASE STUDY

SMARTER PRICING, STRONGER OUTCOMES

How Northeast Grocery Inc. (NGI) Is Benefiting Shoppers and Business Alike

How this retailer is elevating their merchandising and pricing strategy to maximize customer satisfaction



For retailers today, price optimization is an immediate challenge. Companies are struggling to maintain customer satisfaction without sacrificing margins. In parallel, they must overcome challenges posed by supply chain challenges and disruptions in a dynamic landscape.

Retailers must find ways to operate more effectively to remain competitive while maintaining strong customer price perception. That leads them to leverage technologies to optimize operations by leveraging data science along with a more modernized and agile workforce.

In partnership with DemandTec, Northeast Grocery Inc, implemented a lifecycle pricing solution to deliver customer-centric pricing and foster profitable growth across their markets.

Increasing Customer Value at Pace and Scale

To elevate their pricing strategy and improve customer value after a merger between Tops Markets and Price Chopper/Market 32, NGI was looking for an automated, data-driven, solution to replace processes that relied on manual efforts, including the selection of promotions, estimates of promotion performance and relying on historical data or input from vendors.

Furthermore, NGI identified recurring issues such as inefficiently planned promotions, vendor ownership errors, missing items on deals, and in some cases, incorrect vendor billings. As a result, a dedicated initiative was established to address and enhance accuracy in deals, billing, and promotions in line with price and promotion optimization efforts. However, despite these improvements, some Trade Fund activities were managed manually or through separate systems, indicating a need for further automation and optimization while collaborating with suppliers.

Smarter Pricing with AI-Powered Solutions

Pricing and Promotion Optimization:

DemandTec partnered with NGI to implement a robust price and promotion optimization solution to facilitate informed decisions aligned with objectives. The solution enabled NGI to better evaluate vendors against promotions on demand, facilitate informed decisions aligned with objectives, and maximize return on investment. Additionally, the solution offers promotional performance forecasts, allowing NGI to anticipate the impact on sales, market share, and profitability, leading to timely and effective strategy adjustments. The ability to create alternative promotions equipped NGI to tailor strategies to specific segments, regions, or product categories, driving higher customer engagement and sales. Furthermore, the solution's capability to provide predictable promotion quantities by location optimizes inventory allocation, minimizing out-of-stocks, and maximizing sales potential.

Supplier Collaboration:

To support seamless collaboration with suppliers, NGI deployed DemandTec Collaboration, as a part of the holistic Total Lifecycle Pricing solution.

The platform helped NGI strengthen retailer-vendor collaboration by improving pricing and promotion strategies. With clear vendor-item links, the promotion negotiation process became easier, faster, and more accurate—reducing errors and saving time. Retailers and vendors gained better visibility into promotional terms, ensuring seamless execution and alignment. By streamlining negotiations and enabling data-driven decision-making, NGI improved collaboration, optimized promotions, and drove better business outcomes.

Overall, adopting a comprehensive lifecycle pricing solution enabled:

- Customer-Centric Pricing
- Streamlined Vendor Collaboration
- Growth & Profitability

Bridge the Gap Between Customer Value and Margins

By implementing DemandTec Collaboration for NGI, the ability to work with Trade Partners collaboratively has led to numerous successes. Coupled with price and promotion optimization through DemandTec, NGI has translated this success into sales and unit growth. Key performance metrics and market share also continue to see sustained, positive increases.



>250K (or 200 categories)
items (or categories) per week
monitored for pricing actions



>9K
promotions optimized on a
weekly basis



2.5 %
average growth in sales,
units and margin dollars



+30 bp (basis point)
improvement in margin rate

demandtec
pricing

demandtec
promotions

demandtec
collaboration

Conclusion:

While the path to profitability may look different for each location, it's imperative that stakeholders are aligned with local, site-level operations.

Together, DemandTec and NGI are demonstrating the effectiveness of crafting a tailored pricing strategy driven by data science to navigate the pressures in a dynamic retail landscape.



“We saw an opportunity to fine-tune our regular everyday pricing along with TPR’s and promotions to better our performance, and further drive sustainable trade negotiations. With DemandTec we’ve been able to build an ongoing robust process for pricing and promotion optimization. We’re constantly feeding the most accurate, timely information, competitive data, location and product attributes, and customer behavior analytics into the system, allowing us to be much more granular with our strategies”

Richard Mendolera
Director of Business Analytics and Pricing, NGI

About Northeast Grocery, Inc.

Headquartered in Schenectady, NY, Northeast Grocery, Inc. (NGI) is the parent company of Price Chopper/Market 32 and Tops Friendly Markets, which collectively operate nearly 300 supermarkets across New York, Massachusetts, Vermont, Connecticut, Pennsylvania, and New Hampshire and employ more than 30,000 associates/teammates.

Founded by New York families, Tops and Price Chopper/Market 32 have more than 150 years of industry leadership combined. Both companies share longstanding traditions of innovative food merchandising and exceptional customer service and are driven to provide sustainably sourced, high-quality products to nourish the communities in which they operate while reducing environmental waste and energy consumption. For additional information, please visit www.pricechopper.com and www.topsmarkets.com.

Ready to transform your pricing strategy?

Get in touch

demandtec

A pioneering leader for decades, DemandTec continues to usher in the new era of retail pricing technology. With its AI-powered pricing, promotions, markdowns, and collaboration solutions, CPG and retail partners can balance real-time shopper demand with business objectives to drive sustainable, profitable revenue growth.

To learn more, visit www.demandtec.com.

© 2025 Acoustic, L.P. All rights reserved. 