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Luxury Beauty Retailer Transforms Its Multi-Regional Pricing Strategy with Contextual AI

This case study examines how Flaconi, a leading German-based online beauty retailer, transformed its pricing capabilities across multiple European regions using Competera's AI-powered pricing platform. Operating in an aggressive beauty market where deep discounting is common, Flaconi needed a strategic approach to maintain competitiveness while ensuring sustainable profitability. By implementing a data-driven pricing optimization strategy, Flaconi established more efficient operations, reduced manual processes by 50%, and enhanced margin growth across its 40,000+ product portfolio.

🎯 Executive Summary

Flaconi, one of Europe's premier online beauty retailers, operates across multiple regions, managing a vast assortment of over 40,000 luxury beauty products. Competing in an aggressive beauty market, Flaconi faced growing pressure from competitors engaging in high-discounting strategies. The company needed a pricing transformation that would enable smarter, more sustainable pricing decisions without sacrificing efficiency.

In 2022, Flaconi partnered with Competera to introduce AI-driven price optimization, aiming to reduce manual effort, increase pricing flexibility, and create a more structured, strategic approach to price-setting. The initial rollout in 2024 focused on four core markets—Germany, France, Austria, and Poland—before rapidly expanding to Belgium, the Netherlands, and Switzerland. Competera's platform provided Flaconi with the ability to optimize prices daily, reducing the time needed for pricing processes by 50% while enhancing overall decision-making speed and accuracy.

⊗ Challenges

Before implementing Competera's AI-powered pricing solution, Flaconi faced several key challenges:

Intense Market Competition

Operating in a highly competitive beauty sector where deep discounts were the norm, Flaconi needed to establish a pricing strategy that balanced competitiveness with long-term profitability.

Limited Pricing Intelligence

The existing pricing approach lacked advanced analytics, making it difficult to identify margin-growth opportunities across the assortment.

Manual Markdown Optimization & Promo Pressure

Heavy reliance on manual markdowns created inefficiencies, adding pressure on promotions and making it difficult to execute optimal pricing adjustments.

Lack of an Integrated Pricing System

There was no unified platform to manage automated price adjustments, demand-based optimization, and competitive monitoring, making it difficult to adapt to market dynamics efficiently.

✓ Goals

Effective scalable price optimization, unified with forecasting and context-based elasticity-driven actions, graph-based dependencies

Long-tail detection to drive margin without revenue loss

Markdown optimization enhanced with Promo elasticity models and Stock Manager

Combined pricing approaches on rules, competitors impact and demand base - all in one system

⊗ Solution

To address these challenges, Competera implemented its Pricing Platform and Competitive Data solutions across Flaconi's multi-regional operations. The implementation focuses on rules-based pricing during the initial phase, to be followed later by demand-based capabilities.
Implementation Parameters:

Deployment:
7 regions (DE, FR, AT, PL, BE, NL, CH)

Active SKUs managed:
183,000

Competitive monitoring:
235,000 SKUs

**Data processing:
9 million price
points monthly**

**Competitor
coverage:
32 retailers**

**Repricing
frequency: Daily
automated updates**

Competitive
Data Analytics

The solution delivers comprehensive real-time market data analysis across all regions, powered by advanced product matching capabilities. This system enables continuous monitoring of competitor activities, providing Flaconi with immediate visibility into market dynamics and pricing trends across their entire competitive landscape.

Portfolio-Level Price
Optimization

Through sophisticated AI algorithms, the platform identifies key value items and establishes transparent pricing frameworks. This enables context-based, elasticity-driven actions across the entire product portfolio, ensuring pricing decisions align with both market conditions and business objectives.

Advanced Scenario Planning

The platform combines rules-based and competitor-impact approaches to create a robust scenario planning capability. Enhanced with promotional elasticity models and graph-based dependency analysis, this component enables Flaconi to optimize markdowns while maintaining a holistic view of pricing impacts across their product ecosystem.

> We chose Competera for the functionality of the platform, having a wide variety of features and offering a solution to simplify our complex pricing process. We managed to decrease the time needed for the pricing process by half and switched to daily pricing rounds — definitely simplifying our pricing operations.

Corina Manea,
VP Commercial, Flaconi

🎯 Key Results

50% reduction
in time spent on pricing processes

Continued Partnership

Building on the **successful implementation across seven regions,** Flaconi is expanding the partnership with Competera to include five additional countries in the Nordic region and Czech Republic, scheduled for the following year. The next phase of this partnership will see the rollout of the new demand-based pricing model, **representing a significant advancement in Flaconi's pricing capabilities within the dynamic ecommerce landscape.**

This ongoing **collaboration between Flaconi and Competera demonstrates how AI-driven pricing solutions can effectively transform multi-regional retail operations,** enabling data-driven decisions that balance profitability with competitive positioning across diverse markets. The partnership continues to grow as Flaconi advances its pricing optimization capabilities across European markets.