



CUSTOMER STORY

# Decathlon

How Decathlon increased yearly margin by €107 million by partnering with Evo to create the Juste Prix responsive pricing program

## Industry

- Retail - Sporting Goods

## Solution

- PriceAI

## Project Results

Reduced pricing complexity and increased margin without sacrificing low-price promise

- +62bps margin % target
- +€160 million immediate revenue opportunity

## About Decathlon

Decathlon is the largest sporting goods retailer in the world, with 2,080 stores in 56 countries. The French multinational manages the research, design, production, logistics and distribution of its products in-house under more than 20 brands. In addition to selling its own goods, Decathlon carries many popular third-party products.

Decathlon is best known for its relatively inexpensive yet quality products, competing as an Every Day Low Price (EDLP) brand. As promotions and sales have less impact on sales, this historically made pricing strategy relatively simple.

Pricing strategy became more complex, however, as Decathlon entered more markets where low prices were defined drastically differently. This reality and changes in the relationship with third-party brands required a review of pricing capability.

## Unpredictable Customer Response to Variable Pricings

Jean-Marc Lemiere, CFO of Decathlon, needed to reduce pricing complexity systemwide and find an approach that would maximize margin while still delivering on Decathlon's low-price guarantee.

"We believe that everyone should have access to the best quality products to stay active at the lowest possible prices. That is true no matter where our stores are located and why our customers remain loyal to our brand. But consistently delivering on that promise can be challenging as we operate across our many regions and stores. I needed an innovative pricing strategy that would integrate pricing decisions across brands and regions without compromising our brand," said Lemiere.



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- Jean-Marc Lemiere, CFO of Decathlon

Additional, critical problems stood in his way:

- 1. Strict brand guidelines for pricing:** Decathlon competes on price, so they have precise rules for pricing and markdowns. This limits the opportunities for efficiency gains, making it unclear whether an integrated solution would even be possible.
- 2. Implementation costs:** Overhauling the entire system would require a high investment vis-à-vis financial costs and complexity of implementation. Lemiere was not convinced the overall opportunity would deliver sufficient ROI to justify changes.
- 3. Sensitive data:** To get significant gains, Decathlon would have to give any potential partner full access to their sensitive internal data. Lemiere needed a company he could trust to respect confidentiality and work with the in-house team as partners.

## Responsive Pricing, Differentiating by Product Over Time

Decathlon partnered with Evo, a ToolsGroup company, to launch the Juste Prix programme, a company-wide initiative to integrate pricing decisions and price more efficiently. A major part of this strategy was implementing the Evo PriceAI tool as a value-based responsive pricing solution.

"Evo links research to pragmatic results, which is why we ultimately decided to work with them. We were impressed by both their academic publications on the subject, as well as the practical cases demonstrating impact," said Lemiere.



Evo implemented a responsive pricing strategy: rules-based, per-product pricing adjustments throughout the seasonal product cycle.

This approach relied on:

**1. Tracking historical sales and market data**

Evo PriceAI analyzes internal sales data alongside competitor data. The system optimizes the impact by monitoring extensive external data, including over one million market prices, 10 competitors, and the consumer behavior of 16% of the global population.

**2. Validating resilience and effectiveness systematically**

Evo PriceAI rigorously assesses each new pricing opportunity to ensure it achieves maximum impact at each step. Through an iterative test-and-learn process, the algorithm can pragmatically customize prices to local realities while following a globally integrated strategy.

**3. Adjusting prices at critical seasonal junctures**

Pricing rules govern the timing of price changes throughout the season, with no adjustments allowed during peak sales periods. Prices are optimized to increase margin while constrained by everyday low-price brand guidelines.

Evo designed a pilot program of iterative A/B pricing tests within stores across France to accurately measure and maximize impact.

“We wanted to see how the pricing changes would affect not just our team logistically, but all stakeholders, including customers. We had to ensure that any pricing changes would not affect our credibility as a low-cost leader in sports products,” said Lemiere.



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## Initial Impact: +€107 Million Yearly Margin in 24 Months

The pilots within France created +27.3% margin and +3.2% revenue. The Juste Prix program was projected to achieve +€107 million extra yearly margin from better prices and markdowns within 24 months when launched globally.

“Evo PriceAI made Juste Prix a clear success. Despite the constraints we placed on prices and markdowns, the responsive algorithm found plenty of opportunities for gains,” said Lemiere.

The Evo system embedded new pricing capabilities throughout the global network of Decathlon brands and stores, paving the way for new pricing organization.

This new structure created better pricing coordination without forcing standardization.

Furthermore, Evo data scientists held interactive training and planning sessions alongside Decathlon’s in-house data science talent, empowering their growth and ensuring they can develop tools in tandem in the future.

“Evo was willing to work alongside our internal data scientists as collaborative partners. They shared their algorithm and full methodology, and we made them the first external partner that had direct unmetered access to our full data lake,” said Lemiere.

## Expanding Results: Systemwide Decision Integration

After Evo technology helped launch a successful pricing program, Lemiere decided to expand data-driven decision-support technology across other functions. Evo’s tools would support decision integration across replenishment, product assortment, planning and logistics, in addition to pricing and markdowns.

During the transition, the Evo team worked directly with Decathlon managers to assist global rollout and organizational changes. Lemiere knew that these changes would inherently change the nature of some key staff members’ jobs, and he wanted to mitigate any potential adverse outcomes. The Evo team was able to work with Decathlon to ensure positive impact and internal buy-in.



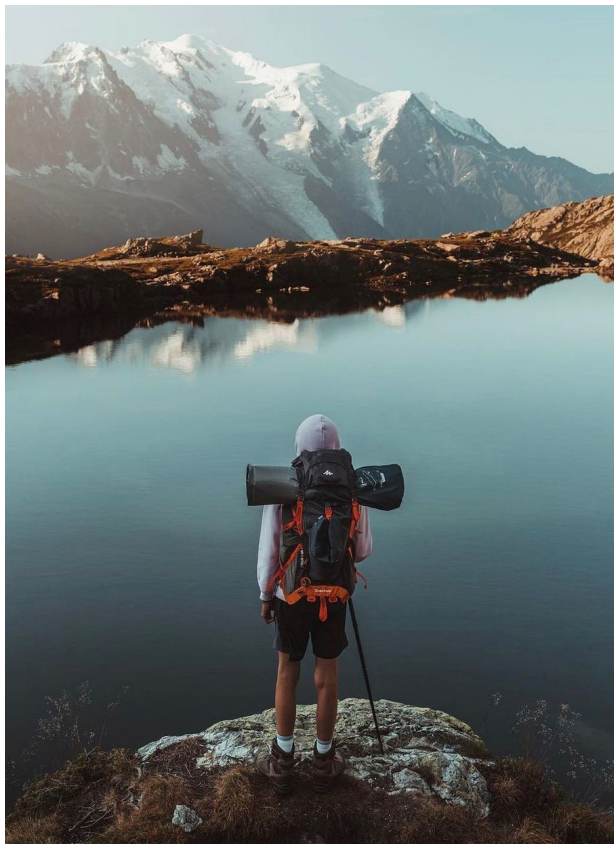


"I am optimistic about the potential of systemwide decision integration. Evo showed us that the biggest pricing gains came from more direct integration of data into decision-making, and this expansion will scale those results," said Lemiere.

As Decathlon's partnership with Evo has grown, so has margin: an estimated +€160 million in additional margin from the first supply chain implementations. As the system learns and integrates further into operations, the impact will continue to grow.

According to Lemiere, "Together we have been navigating an exciting journey."

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