



INDUSTRY

Automotive Aftermarket

DIVISION

AI-Futtaim

HEADQUARTERS

Dubai, United Arab Emirates

CHALLENGES

- Historical pricing strategy resulting in discounting structures
- Pricing strategy not aligned to market
- Difficult to react quickly to fluctuating market trends

SOLUTION

Synchron Price™

RESULTS

- Pricing strategy is aligned to customer expectations
- Over 80% of sales do not require discount negotiations
- Sped up processes for field sales staff
- Improved customer service and Net Promoter Scores
- Overachieved goals by 26% in year one of using Synchron Price

AI-Futtaim Exceeds Annual Targets with Parts Pricing Strategy Supported by Synchron Solutions

Automotive and auto parts leader accelerates customer experience and profits through integration of Synchron Inventory and Price solutions.

THE CHALLENGE

With an end-to-end portfolio spanning sales to servicing, AI-Futtaim Automotive is one of the foremost automotive solutions providers in the Middle East. Amidst a growing regional automotive market, AI-Futtaim's B2B and B2C aftermarket auto parts business continues to expand—creating opportunities to extend the brand's relationships with core customers and partners, and across its direct-to-consumer platforms.

But this cross-channel growth also generates increasing complexity and a growing need for agile insights that can help the company deliver on customer expectations while making its operations more seamless.

Part of a dynamic digital transformation engineered around customer experience, AI-Futtaim turned to Synchron to help it innovate its aftermarket operations and improve pricing and inventory management performance—helping reduce costs, increase conversion rates, and improve the overall customer experience.



THE OPPORTUNITY

The aftermarket auto parts sector in the UAE is expected to nearly double to \$634.4 million by 2025 according to Research and Markets' Industry Analysis and Growth Forecast. For a fully integrated transportation solutions provider like Al-Futtaim, already an aftermarket category leader, aftermarket service is not only a key growth segment but also a driver of customer satisfaction and retention.

"Al-Futtaim is a market leader in UAE, with multiple brands and a reputation for quality and taking care of the customers first," said Al-Futtaim Automotive Director Jawahar Ganesh, who oversees aftermarket sales for the company.

"Aftersales is a key component to maintain customer retention, keep customer services at the right price, and deliver products at the right location at the right level of quality."

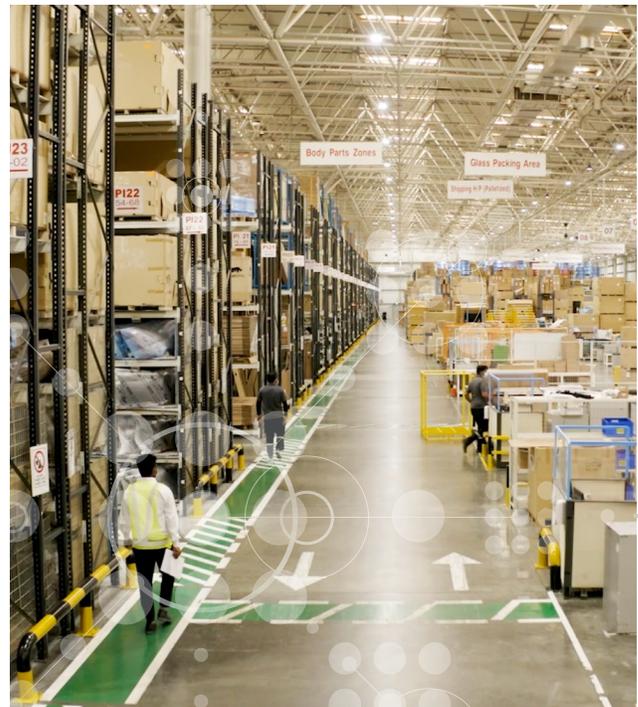
**JAWAHAR GANESH, AUTOMOTIVE DIRECTOR,
AL-FUTTAIM**

To support its diverse network of B2B and B2C sales channels—ranging from large and small service providers, including Al-Futtaim's own network of service providers, as well as the increasing scale of the e-commerce auto parts marketplace, Al-Futtaim Automotive manages a dynamic, constantly evolving auto parts inventory comprising millions of SKUs. Providing the right solution and the right part at the right price is critical to success.

According to Ganesh, all this creates complexity. "In the parts business, on every vehicle, there are around 5,000 part numbers, at least. And if you look at our range, we will go up to close to a million SKUs."

That complexity is only expected to increase. According to Automotive Aftermarket Suppliers Association (AASA), nearly 40 percent of the expected growth of new product volume in the aftermarket sector will be from auto parts that aren't on vehicles today. These dual trends—a growing e-commerce marketplace and continued category innovation—will require a more robust and responsive inventory solution that not only ensures products are available when they are needed but also that pricing mirrors expectations to sustain customer trust.

To maintain its promise to customers and category leadership, Al-Futtaim turned to Synchron for a solution that could help optimize its operations and make them more seamless, intelligent and immediately responsive to market demand.



SYNCRON INTELLIGENT SOLUTION

Bridging its disparate inventory management, purchasing and sales channels, Al-Futtaim implemented Synchron Price and Inventory solutions across its multiple brands and geographic locations. Leveraging artificial intelligence and machine learning, Synchron Price identifies otherwise unseen pricing opportunities to ensure pricing aligns to market demand. This ensures that Al-Futtaim's products are consistently and competitively positioned with the market—so its customers know they are getting the best possible price when they need to make a purchase.

“Most sales are distressed purchases, which means that pricing solutions have to be aligned to these,” said James Henderson, Al-Futtaim Head of Pricing, Global Aftersales. “The Synchron solution is very focused on finding solutions aligned to what we want to do as a business.”

Al-Futtaim also deployed Synchron Inventory, automating its inventory replenishment system while also helping the company continuously and agilely manage its SKUs across all platforms. This allows Al-Futtaim to quickly respond to market demand while also minimizing excess aged inventory across its entire inventory system. Additionally, with the autonomous logic built into Synchron's solutions, Al-Futtaim is able to optimally price new products while also ensuring that the company can act immediately to optimally price any excess aged inventory.





THE AL-FUTTAIM AND SYNCRON IMPACT

The real-time interaction between Synchron's intelligent market pricing and inventory solutions has allowed AI-Futtaim to create cost efficiencies while delivering a superior experience so customers can get the product they need at the price they expect.

On the cost side, this has meant more connected and agile operations that ensure AI-Futtaim's inventories are responsive to market demand. "We have managed to dramatically decrease the amount of aged stock that we hold within our system. In addition, whenever we implement a pricing strategy, the price solution automatically updates our inventory system and creates blocks as non-repeatable demand, so that we don't end up with situations, which we've had in the past, where we liquidate our stock below cost and our inventory system reorders it. Now, all of this is fully integrated, which means any actions done by the pricing team automatically get shared with the inventory team."

Together, this combination of pricing efficacy and real-time performance management has driven strong business impact. "Within the first year, we hit

our target for the year by October, and in that first year, we overachieved in total by about 26%," said Henderson. "In the second year, we focused on implementing a group-wide pricing strategy across our different sales channels. Through that, we are already overachieving this year's target, which is significantly higher than last year's."

Most importantly, the market has taken notice. "The dynamic between us and our dealers in the market has become much, much closer," according to Keith Fisher, AI-Futtaim head of Strategy and Transformation. "It has actually generated a new relationship, which is one of trust."

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