Scenario: The survey results indicate that the price of coffee at Starbucks is much higher than that at Starbucks. Subsequently, the customers turn towards Tim Hortons to have their daily cup of coffee. The price of a medium coffee at Tim Hortons is just $1.79 while that at Starbucks is $3.65. Assuming the quantity and quality of both have very little difference, the proposal would be as follows (The number of customers is hypothetical):

**Proposal:**

As indicated by the analysis of the administrative data, the prices of similar drinks at Tim Hortons are quite less as compared to that at Starbucks. For example, the price of a medium coffee is just $1.79 at Tim Hortons. The price of Café Latte, which is a similar drink, is $3.65. This drives a lot of customers away even if our product at Starbucks is better than that at Tim Hortons.

The price disparity is huge which is why the sales is low as compared to that at Tim Hortons. In order to change this scenario, we need to decrease this disparity in such a way that the quality is not compromised. If more customers buy our product, then the gap in profit can be mitigated by increase in the number of sales.

This strategy can be tested at a few stores first and the results can be analyzed. If the results are favorable, then the prices for other flavors can be decided in such a way that the decrease in profit can be mitigated by the increase in the number of sales due to low prices, without compromising on the quality of the product.