



Aplicaciones de la gestión de datos al Análisis de Mercados

Agenda

- Pricing Strategies
- Case Study 3: Analyzing Pricing strategy

Data & Analytics: application areas

CONSUMER INSIGHTS

- ❑ Social listening
- ❑ Trends
- ❑ Neuro-testing
- ❑ Segmentation
- ❑ Ethnography

CUSTOMER INSIGHTS

- ❑ Price elasticities, price pack curves
- ❑ TPM, TPO
- ❑ Assortment & Mix
- ❑ Shelf
- ❑ Point of sales data
- ❑ Shopper/loyalty card data statistical analysis
- ❑ Field insights
- ❑ Image recognition


INSIGHTS INTEGRATION

TOTAL BUSINESS MODELING

- ❑ Marketing Mix Modeling
- ❑ Market structure
- ❑ Omnichannel
- ❑ Scenario planning

APPLICATION: Pricing & Promotion





Disney
THE LION KING

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2
TUE

The Lion King

7:30 PM

>

<https://thelionking.co.uk/interstitial/>

★ Package

6
SAT

The Lion King

7:30 PM

>

£129.50

£112.50

£99.50

£69.50

£65.00

£59.50

£55.00

£49.50

£45.00

£39.50

STAGE

★ Package

6
SAT

The Lion King

7:30 PM

>

£212.50

£190.00

£190.00

£170.00

£155.00

£125.00

£119.50


£82.50

£72.50

£67.50

£39.50

STAGE

Friday Apr 26		Saturday Apr 27		Sunday Apr 28		Friday Sep 13		Saturday Sep 14	
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2019 Giants Dynamic Ticket Pricing

2019 Single Game Tickets On-Sale Now!

[View Seating Chart](#)

◀

March 26, 2019

▶

Opponent

▼

Day

▼

Section

▼

[Clear All](#)

All Times PT. Subject to Change.

 Promotions



ARCADE

Arcade

Coors Light

Monday Mar 25 6:45pm	 vs OAK	Tuesday Mar 26 6:45pm	 vs OAK	Friday Apr 5 1:35pm	 vs TB	Saturday Apr 6 1:05pm	 vs TB	Sunday Apr 7 1:05pm	 vs TB
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Buy
Now



Buy
Now



Buy
Now

\$134.00

\$198.00

\$125.00

\$30.00

\$89.00

\$165.00

\$249.00

\$179.00

\$59.00

\$109.00

IT DOESN'T
GET MORE



NEW



**Nike Air Vapormax Flyknit -
Hombre Zapatos**

€ 209,99

★★★★★ (234)

NEW



**Nike Air Max 95 - Hombre
Zapatos**

€ 179,99

★★★★★ (99)

NEW



**Nike Air Max 270 - Hombre
Zapatos**

€ 149,99

★★★★★ (239)



**Nike Zoom 2K - Hombre
Zapatos**

€ 89,99

★★★★★ (6)

NEW



Nike Air Max 95 - Hombre
Zapatos

€ 179,99

★★★★★ (99)

NEW



Nike Air Max 270 - Hombre
Zapatos

€ 149,99

★★★★★ (239)

ONLY
ONLINE



Nike Air Max 270 Futura -
Hombre Zapatos

SALE € 99,99 € 139,99 **

★★★★★ (2)



Nike Pocket Fly - Hombre
Zapatos

SALE € 39,99 € 109,99 **

★★★★★ (3)



Nuevo Kindle



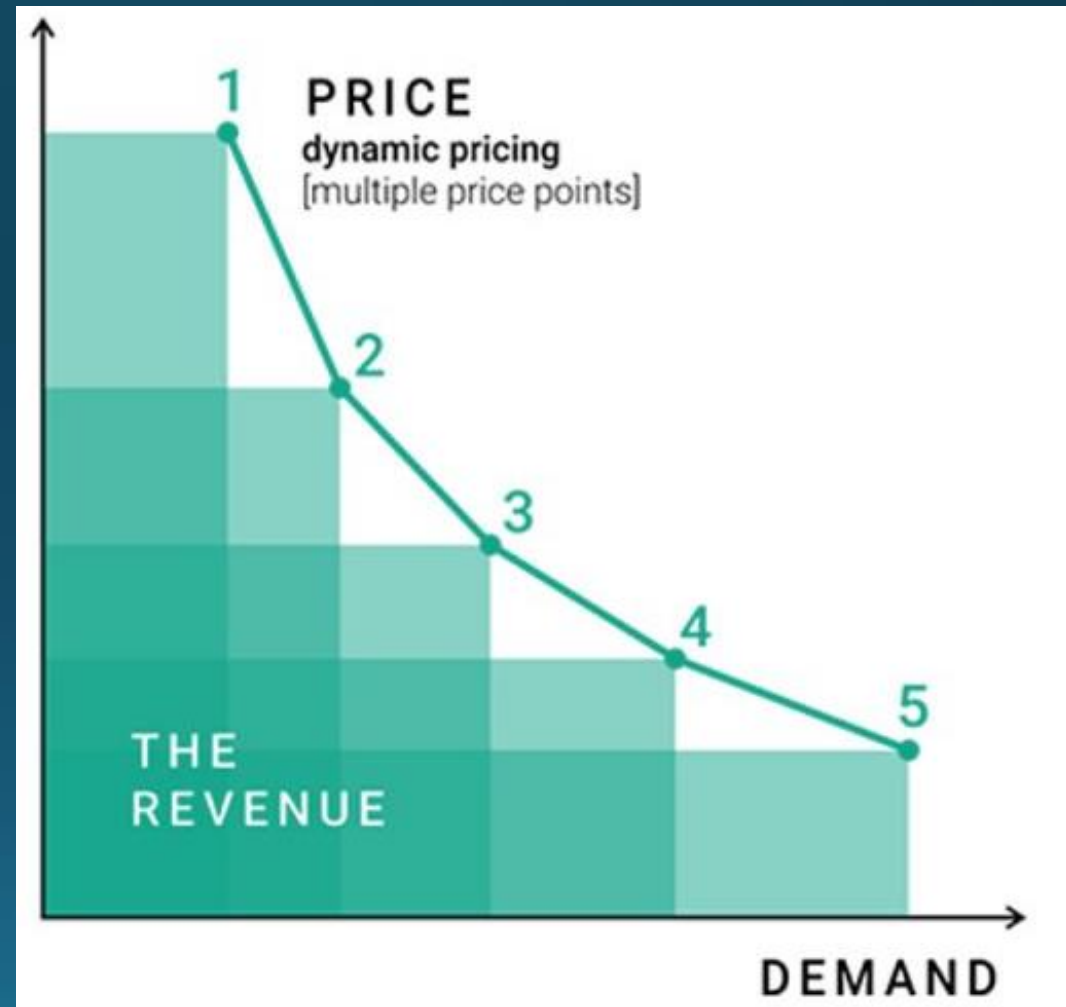
Kindle Paperwhite



Kindle Oasis

Precio	Desde EUR 89,99	Desde EUR 129,99	Desde EUR 249,99
Tamaño de la pantalla	6" sin reflejos	6" sin reflejos	7" sin reflejos
Capacidad	4 GB	8 o 32 GB	8 o 32 GB
Resolución	167 ppp	300 ppp	300 ppp
Luz frontal	4 LED	5 LED	12 LED
Semanas de autonomía	✓	✓	✓
Diseño frontal sin bordes		✓	✓
Resistencia al agua IPX8		✓	✓
Sensores para el ajuste automático de la luz			✓
Botones de paso de página			✓
Conectividad wifi	Wifi	Wifi o wifi + conectividad móvil gratis	Wifi o wifi + conectividad móvil gratis
Peso	174 gramos	Wifi: 182 gramos; wifi + 4G LTE: 191 gramos	Wifi: 194 gramos; wifi + 3G: 194 gramos

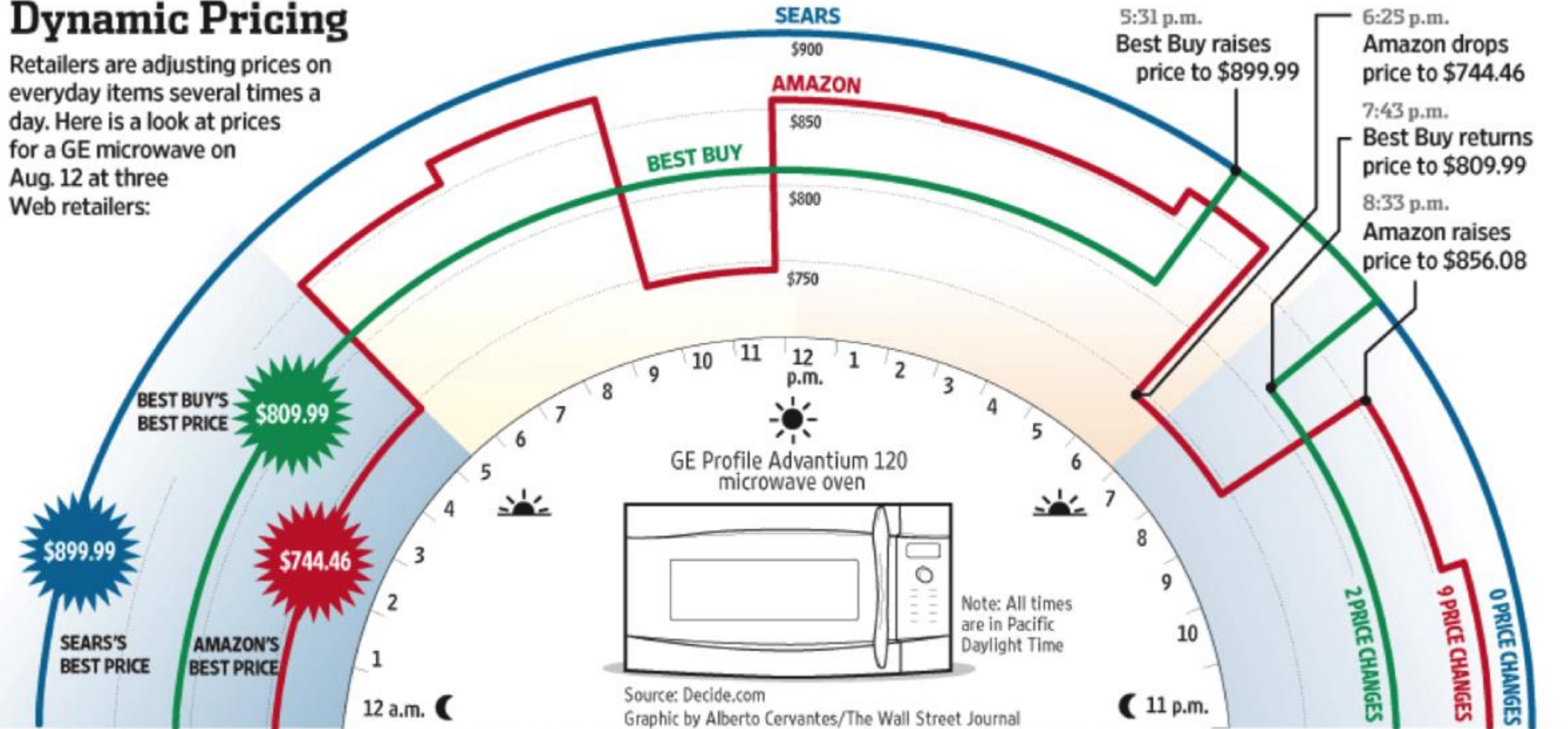
Dynamic Pricing



Dynamic Pricing

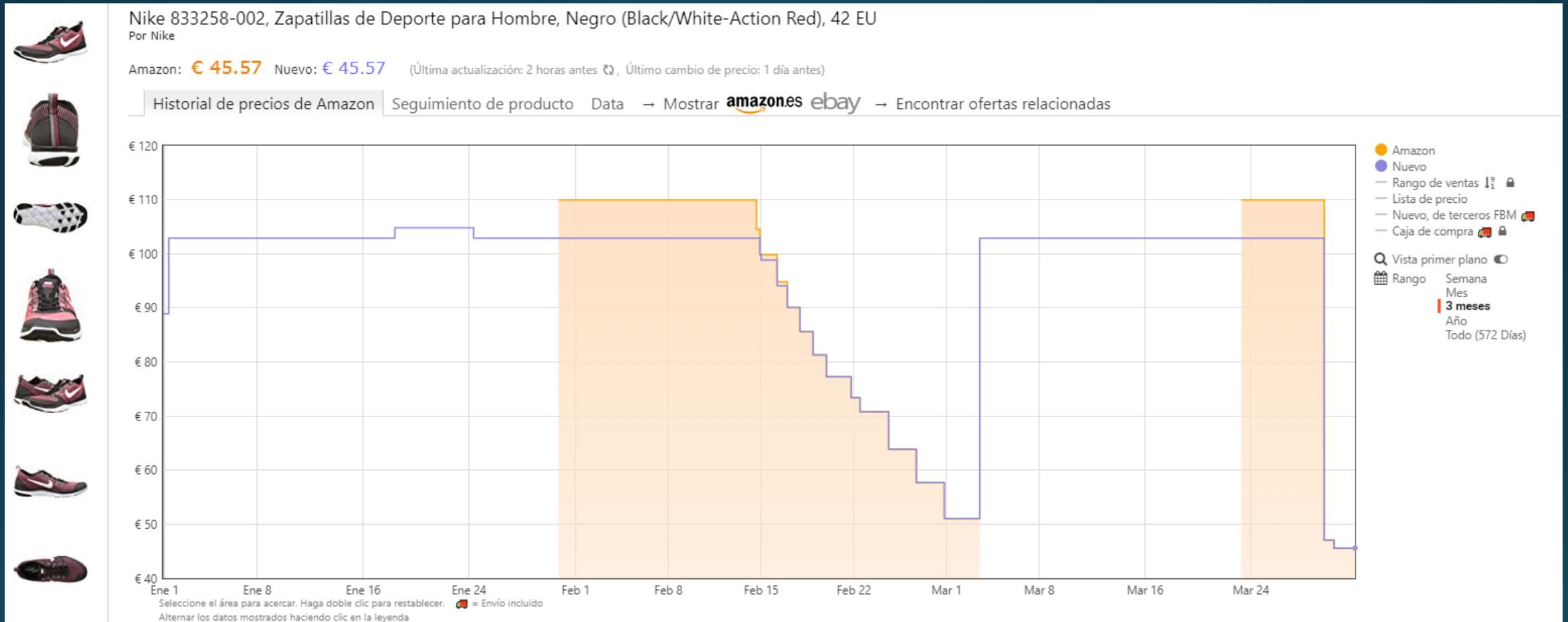
Dynamic Pricing

Retailers are adjusting prices on everyday items several times a day. Here is a look at prices for a GE microwave on Aug. 12 at three Web retailers:



Dynamic Pricing

<https://keepa.com/#!addon>



<https://keepa.com/#!product/g-Bo1DLCBCUK>

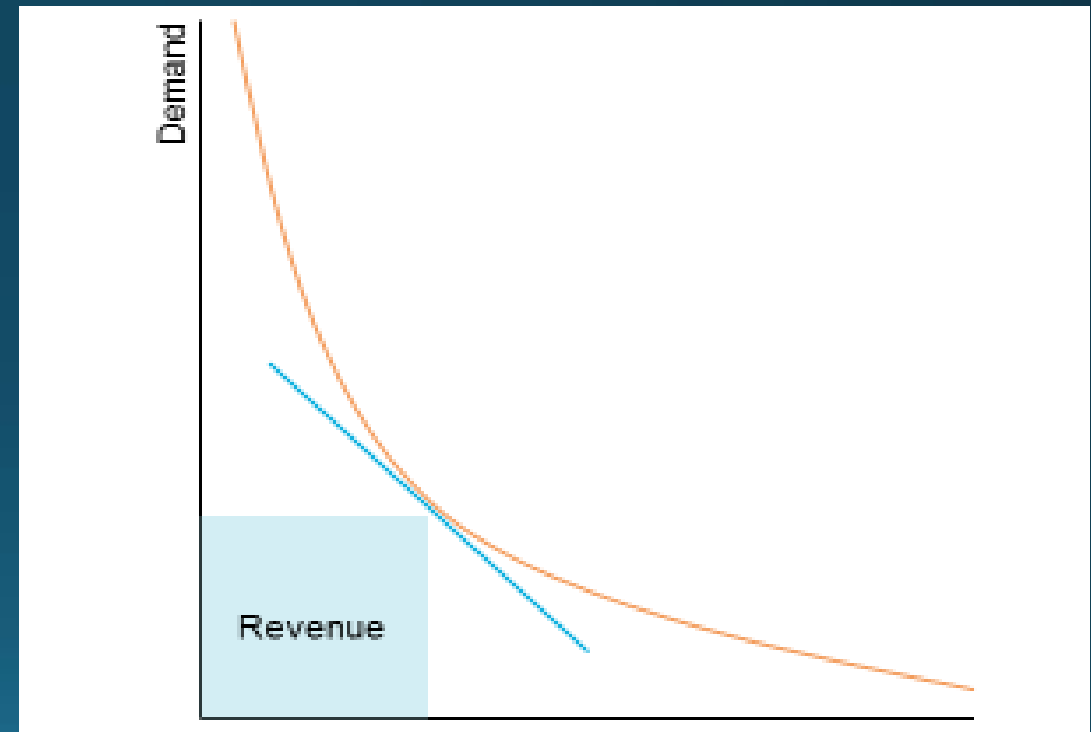
Price : is the quantity of payment given by consumers to customer in return for goods or services

What is price sensitivity?

Price sensitivity expresses how sensitive consumers are to price changes, and how much they switch as a result of a price change

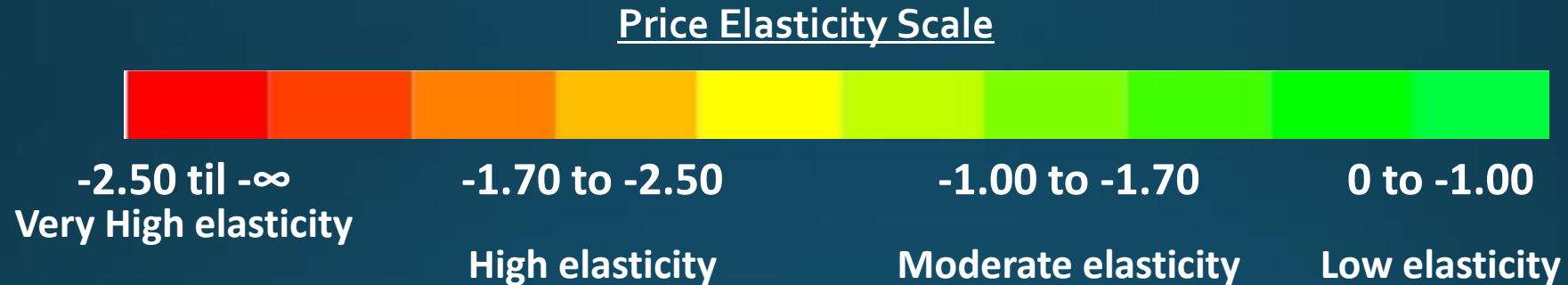
What is price elasticity?

Price elasticity is the measure of price sensitivity. It is measured as “% change in volume for a 1% change in price”



Price elasticity is always negative*

Brands however differ in the level of elasticity



← The higher the elasticity, the higher the volume losses when price -up

$$\epsilon = \frac{\% \text{ of change in volume}}{\% \text{ of change in price}}$$

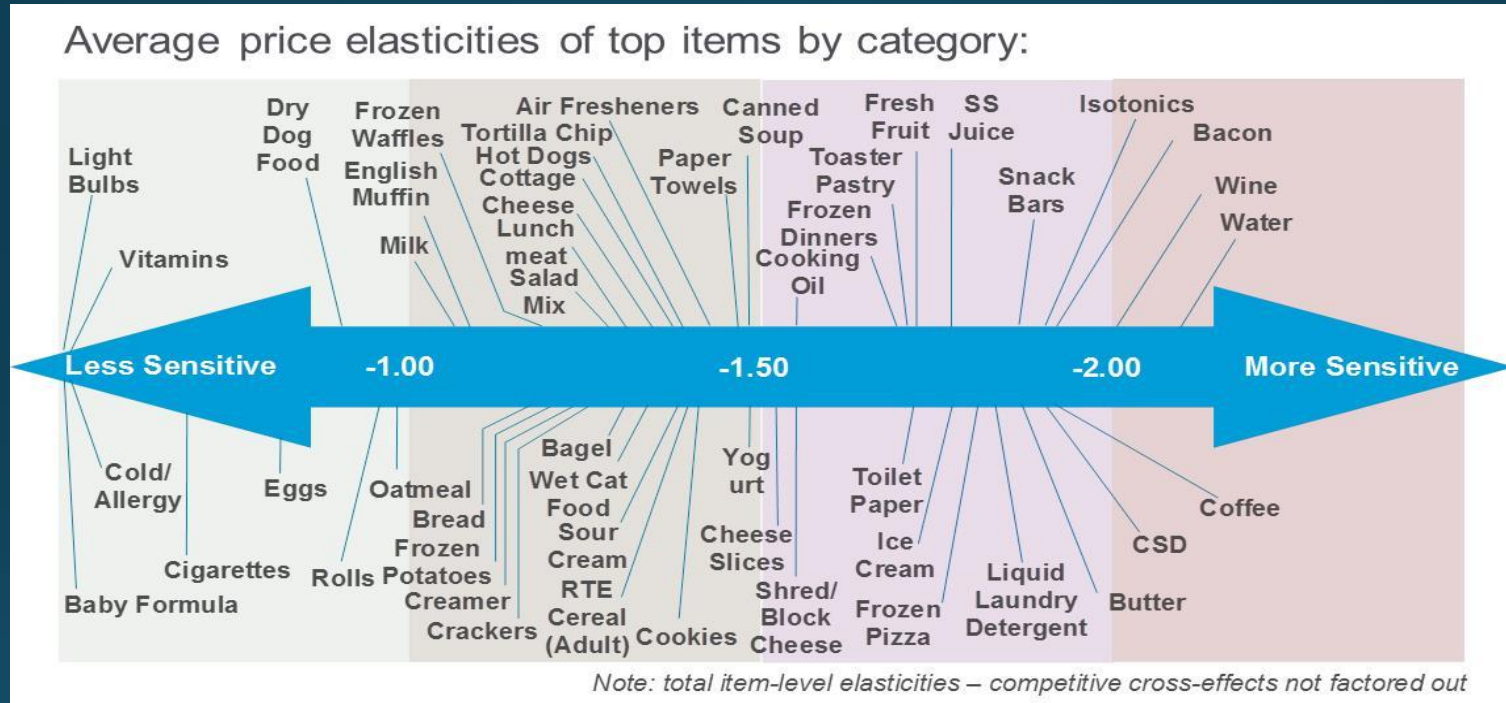
$$\epsilon = \frac{+13\% \text{ change in volume}}{-10\% \text{ change in price}} = -1.3$$

Price elasticity is always negative*

Brands however differ in the level of elasticity

Typical Category Profile

- Few Brands to choose from
- Higher Brand Loyalty
- Products differentiated
- Low Purchase Frequency
- Usually Niche



Typical Category Profile

- Many Brands to choose from
- Brands are interchangeable
- Products less differentiated
- High Purchase Frequency
- Usually Mainstream

INELASTIC

ELASTIC

HIGHLY ELASTIC

If Base Price Elasticity is -1.5,
raising price 10% would result in 13% volume loss.



% Volume Rate Change Formula:
(New Price / Old Price)^(Price Elasticity) -1



$$= (2.23 / 2.03)^{-1.5} - 1 = -0.13$$

What is Pricing Strategy?

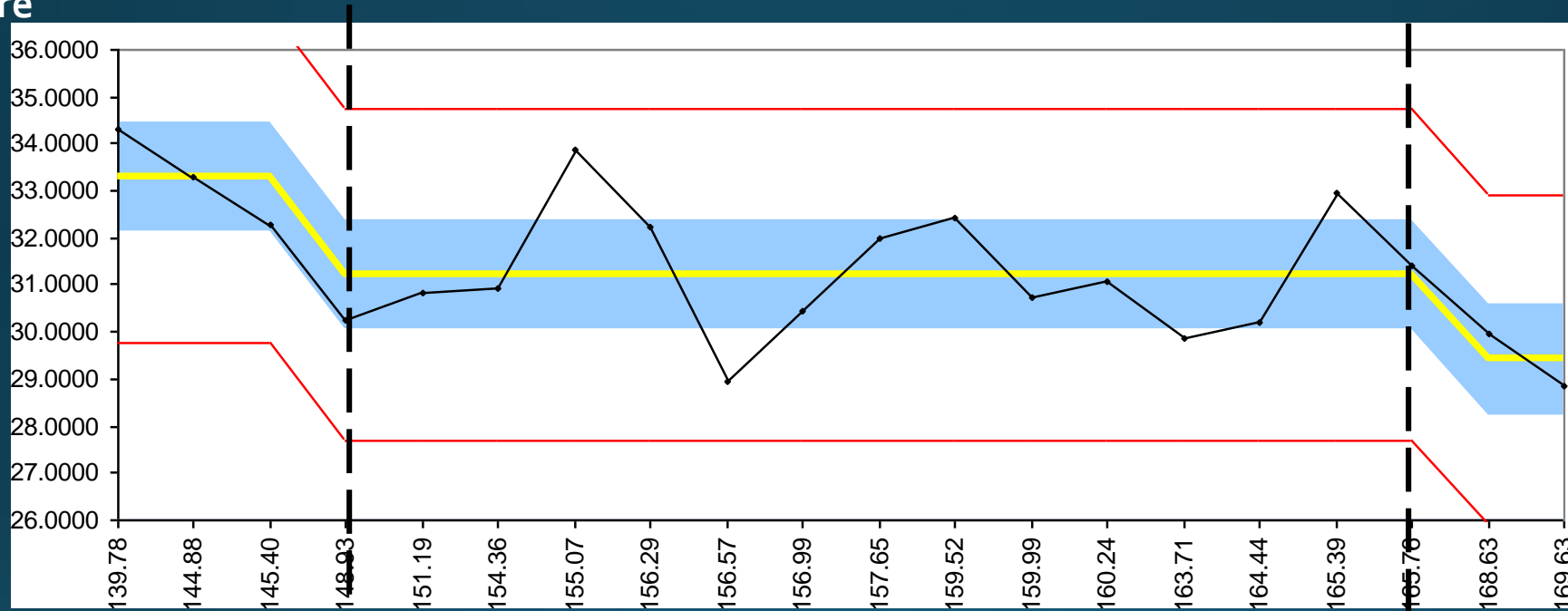
- An integrated set of choices
- Builds a competitive advantage
- That cannot be easily matched
- Is sustainable
- Is granular



All pricing, ranging and merchandising decisions are at the sole discretion of the retailer or distributor.

Price Corridors and Price Elasticity

Volume Share



Price index Product A vs Product B

Price Elasticity

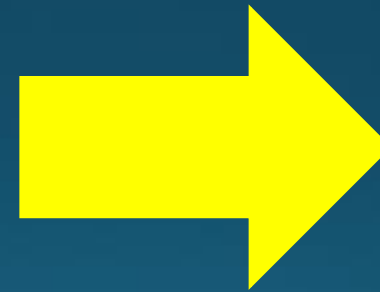
Price Corridor from 148-165 index

Higher PE

Lower but existing PE

Higher PE

Price Points and Psychological Threshold do matter. Elasticity increase when crossing them





Levels to understand price sensitivity drivers

- 1 Overall Dynamics
- 2 Brand Equity/ Distinctiveness
- 3 Brand Specifics
- 4 Type of Change

Pricing should balance your Brand Proposition

PRODUCT &
PERCEIVED EQUITY



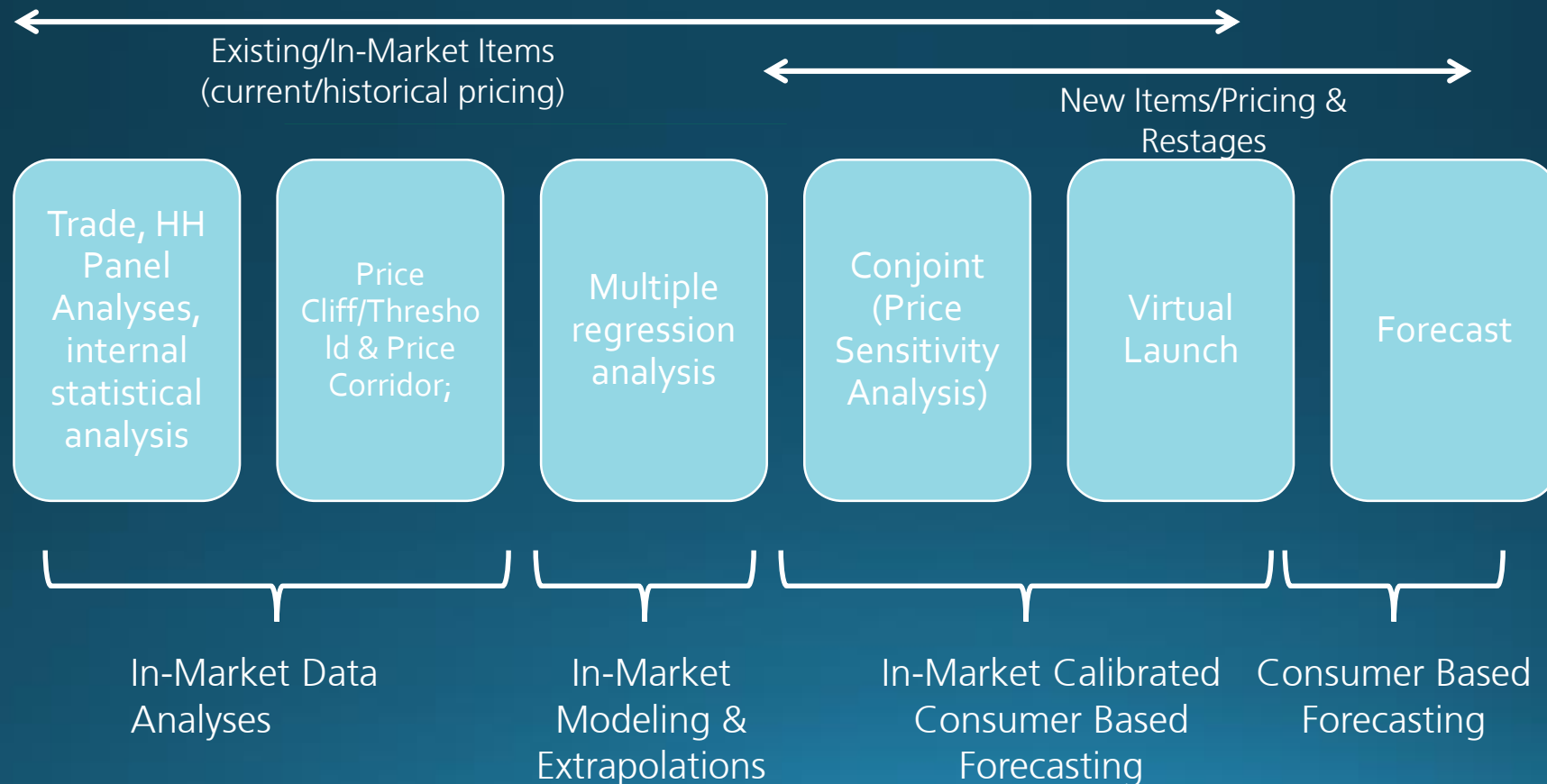
PRICE STRATEGY
& PROMOTION

PRICING = BALANCE OF THE BRAND PROPOSITION.

- If the balance is not right...you will **not grow**
- Strong proposition (Product + Equity)...consumers **accept a higher price**

Pricing Tools & Methodologies Overview

- Different Pricing methodologies depending on type of Business Question and Risk

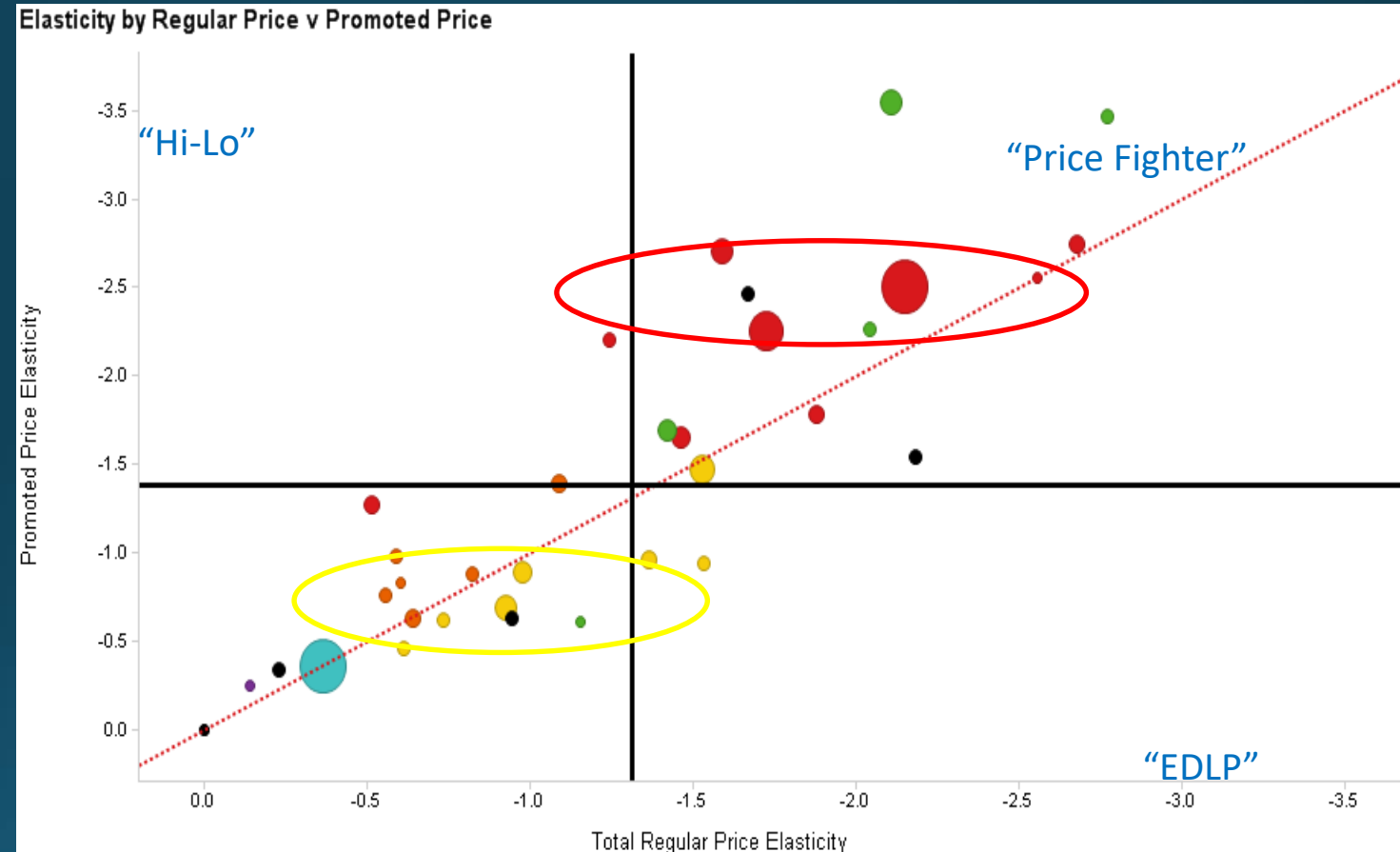


Designing Price & Promo Strategy

What happens
when the brand
promotes?

*Sales change
significantly*

*Sales hardly
change*



Sales hardly change

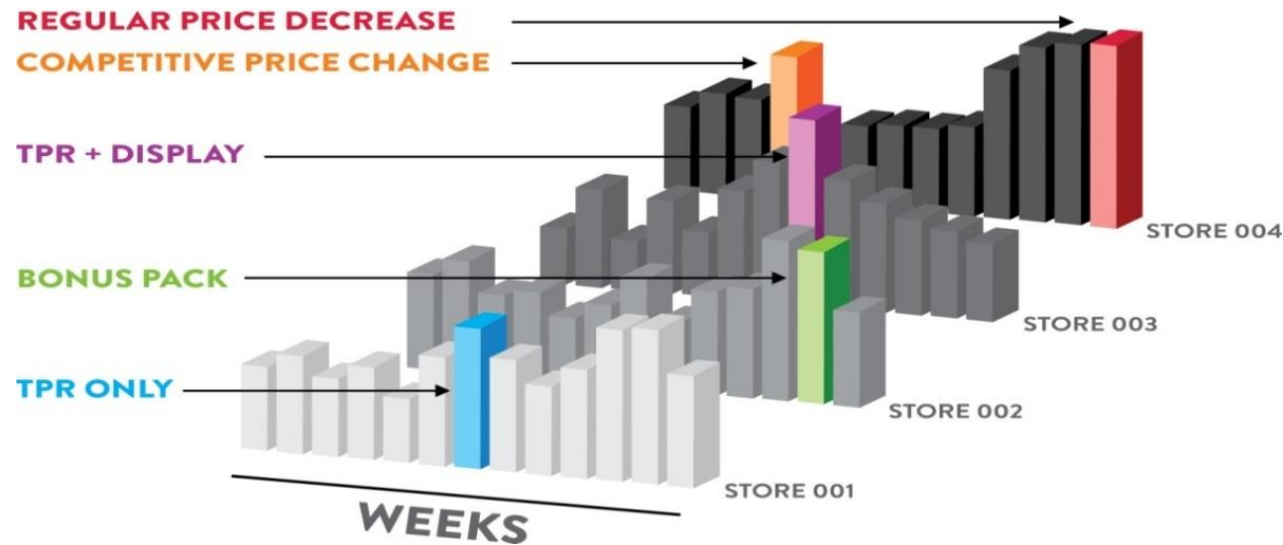
Sales change significantly

What happens when the brand changes price?

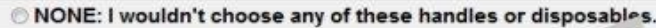
What is Price & Promotion (PnP)?

- Regression model
- Built off store-level data (300,000+ observations!)
- Helps answer a wide range of pricing and promotion questions

Total Units = Base Units + Promo Units



- Choice Based Conjoint analysis
- Consumers go through multiple shopping tasks
- Only show a part of all possible scenarios to each respondent



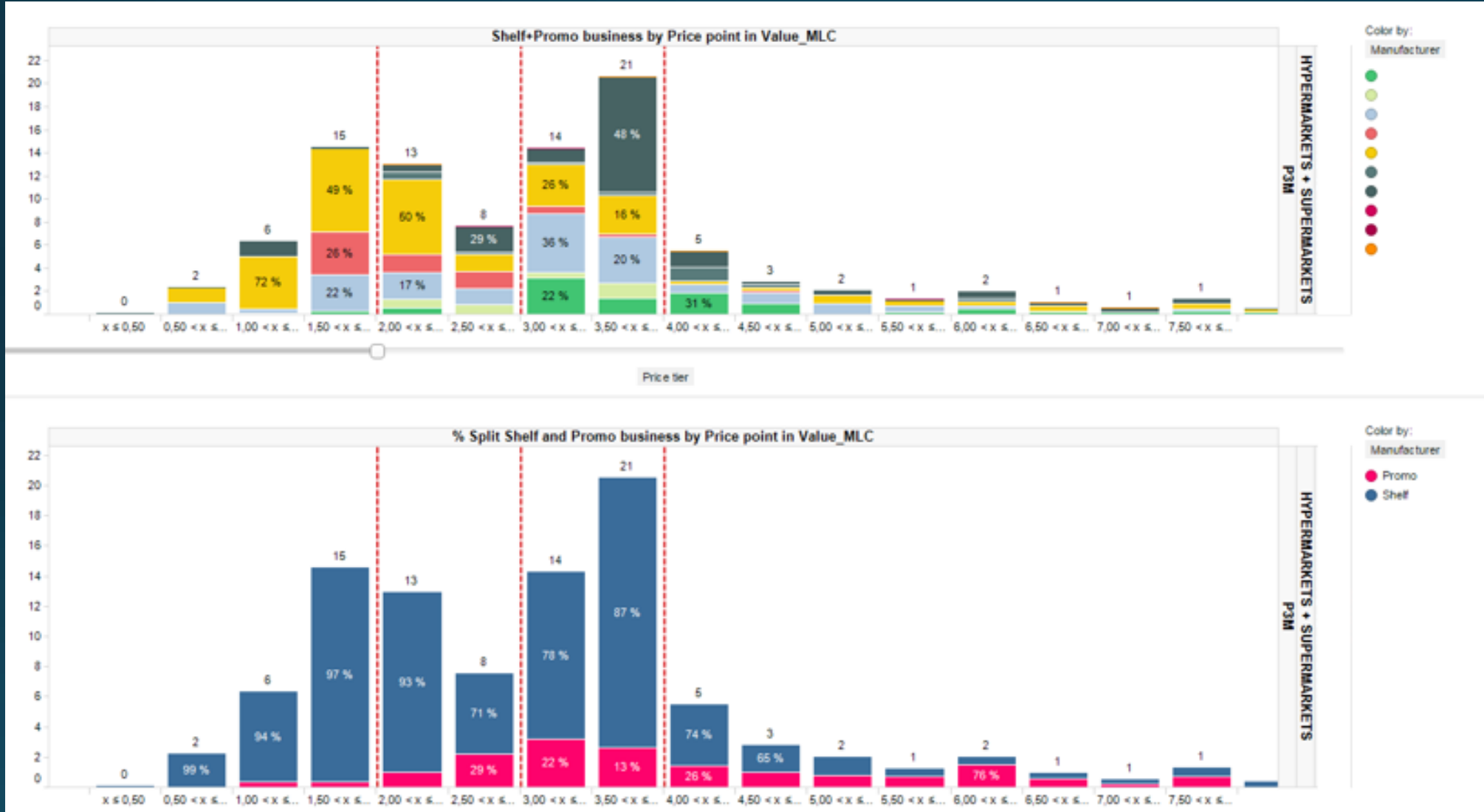
☐ **NONE:** I wouldn't choose any of these blades.

Simplified example of a model simulation

STEP 1: Base Case		STEP 2: New scenario, Fusion Manual razor decreases price by 10%		
	<u>Volume share</u>	<u>New Volume share</u>	<u>Volume share</u> <u>index</u>	<u>Value share</u> <u>index</u>
Fusion manual	5%	6%	120	115
Mach3 manual	2%	1,0%	50	46
Fusion 4-pack blades	24%	29%	121	121
Mach3 4-pack blades	20%	17%	85	85
Others	49%	47%	96	96
Total Gillette	51%	53%	104	102

DATA not real

In Market Data Pricing Analysis



Agenda

- Pricing Strategies
- Case Study 3: Analyzing Pricing strategy

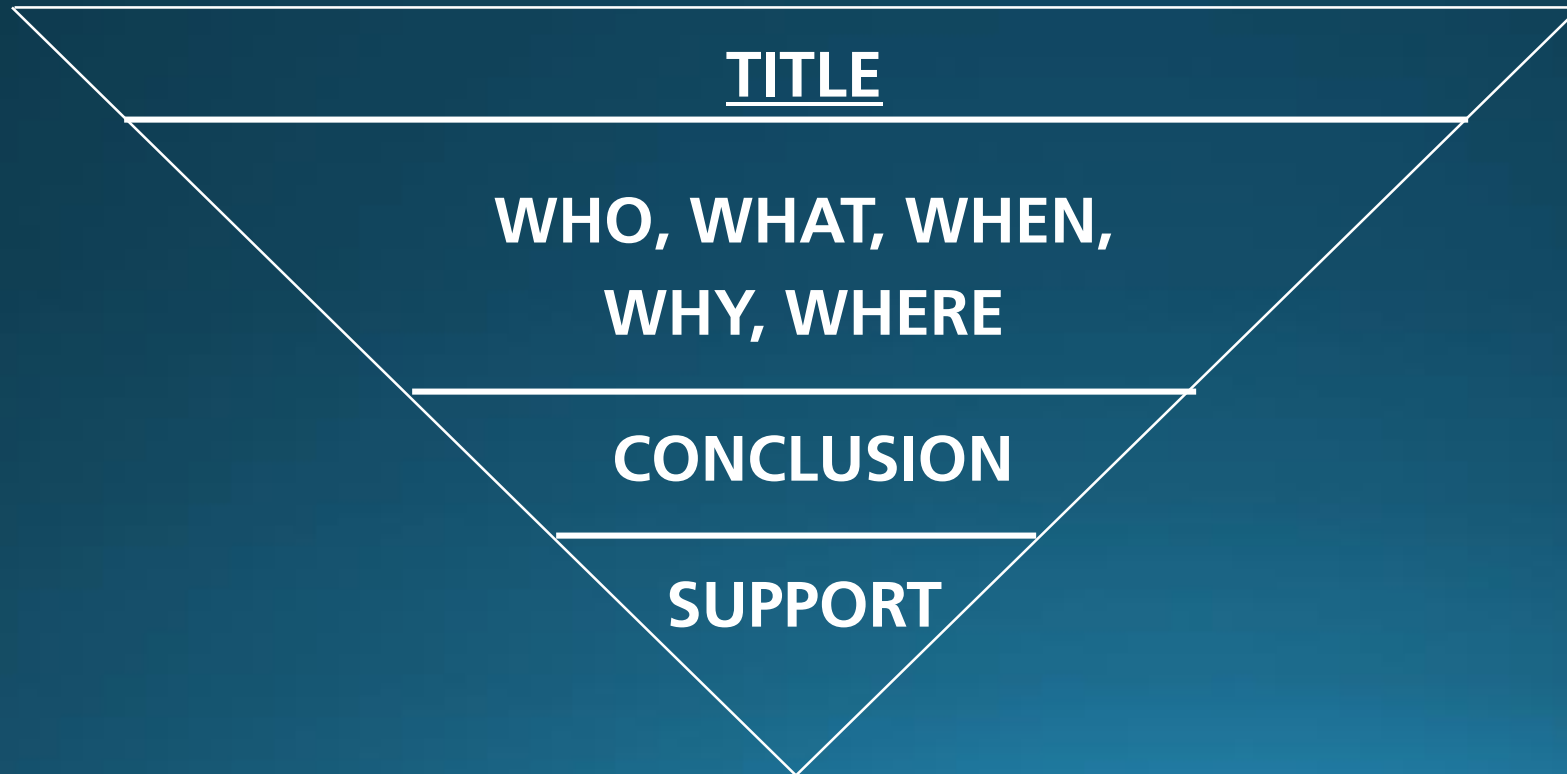
Trabajo individual

- Selecciona un product o grupo de productos sobre los que haya información online:
 - Samsung vs Apple, Televisión a la carta, Productos bancarios (Cuenta Nómina ING, ...), cruceros, ...
- Analiza los elementos clave de su estrategia de precios:
 - Comparación con competencia
 - Comparación entre diferentes modelos de la misma marca
 - Cambios de precios en el tiempo?
- Presentación de resultados: Max 1 página

Memo Writing

The Inverted Pyramid Principle

Key is to put the most important things first



P&G's *ONE-PAGE MEMO*

IDEA SUMMARY

What are you proposing? One sentence

PERSPECTIVE

A situation summary that presents facts, trends, issues

HOW IT WORKS

Explain the details of your proposal. How, What, Who, When, Where

KEY BENEFITS

Why? Three benefits – strategic, proven, profitable

NEXT STEPS

What should be done and who does it when

NEXT STEPS

What should be done and who does it when

Análisis DAFO (SWOT)



<http://www.marketingjournal.org/what-marketers-can-learn-from-pgs-one-page-memo-madison-bloom/>

https://extremepresentation.typepad.com/blog/2006/09/the_pg_1page_me.html

<https://pressbooks.bccampus.ca/technicalwriting/chapter/1-routine-correspondence/>

<https://www.swotanalysis.com/blog/one-page-memo>

OFFICE MEMORANDUM

To: All Employees

From: Greatest Boss Ever

Date: March 12, 2012

Subject: NCAA Tournament week

Even though it is the opening week of the NCAA Tournament – with all of the games and office pool excitement that comes with it – we all must **remember that our No. 1 job remains serving our customers and clients!**

We must also not try to fool ourselves and pretend that we will be able to give our customers and clients our full attention in this most awesome of weeks. To do so would be unfair to them.

So, until next week when we can sincerely pay attention to our customers and clients again, I want you to **AVOID ALL WORK AND FOCUS ON YOUR BRACKET!**

