



Product price benchmarking

American coffee chain

Benchmarked prices with various competitor locations, close to restaurant locations, to identify opportunities for increasing revenue through pricing actions

American coffee chain needs Product price benchmarking

Picture this...

You're looking to benchmark the current product prices with similar products offered by six major direct competitors to identify pricing opportunities while staying competitive. Currently, you are looking to revise the product pricing in the stores but are concerned with the possible impact of price changes.

You turn to Accordion.

We partner with your team to **benchmark prices** with various competitor locations, close to restaurant locations, **to identify opportunities for increasing revenue through pricing actions, including:**

- 1) Consolidating the prices of all products offered by competitors using various menu aggregator websites and map them to similar products offered
- 2) Standardizing competitor product prices to match the company's products, based on key differences in serving size
- 3) Benchmarking product pricing at the category level against each competitor based on standardized product prices and quantifying the potential for increasing menu prices within these segments
- 4) Threat from each competitor is being rated by evaluating proximity of competitor stores to each of the stores using Google maps API

Your value is enhanced.

You have analyses that helped to increase revenues by revising the menu prices of four under-priced product categories. You have identified key product groups, with strong sales performance, despite being at a premium pricing to key competitors, driven by specific flavors/variants offered enabling to better understand the value of differentiation.

PRODUCT PRICE BENCHMARKING

KEY RESULT

- Impact 1...
- Impact 2...

VALUE LEVERS PULLED

- Competitor product mapping
- Category price benchmarking

Product price benchmarking for a large coffee chain

Situation

- Client was looking to revise the product pricing in their California stores, but were concerned with the possible impact of price changes
- Partnered with the client to benchmark the current product prices with similar products offered by six major direct competitors operating in California to identify pricing opportunities while staying competitive

Accordion Value Add

- Consolidated the prices of all products offered by competitors using various menu aggregator websites and mapped them to similar products offered by the client
- Standardized competitor product prices to match client's products, based on key differences in serving size.
- Benchmarked client's product pricing at category levels with each of the competitors based on the standardized product prices and quantified the extent to which the menu prices for these segments could be increased
- Threat from each competitor was rated by evaluating proximity of competitor stores to each of the client's stores using Google maps API

Impact

- The analyses helped the client increase revenues by revising the menu prices of four under-priced product categories
- Client was able to identify key product groups, with strong sales performance, despite being at a premium pricing to key competitors, driven by specific flavors/variants offered by the client enabling the client to better understand the value of differentiation

Approach & Methodology

1	Web Mining	Competitor product pricing mined from menu aggregator websites	Product descriptions and serving sizes aggregated from competitor's websites	Locations of competitor stores identified from Maps data	
2	Synthesis	Competitor products mapped to similar client products based on product description	Competitor product prices normalized to match client's serving size	Weights assigned to client's products based on revenues generated	Straight line distance of each store to nearest competitor stores estimated
3	Output	Weighted average price of client's products compared with key competitor's prices at category levels		Threat to each client's store from competitors rated	

Mapping similar products

Client product mapping			Competitor 1		Competitor 2		Competitor 3		Competitor 4		Competitor 5		Competitor 6	
Client's Product	Category	Price	Equivalent products	Price	Equivalent products	Price	Equivalent products	Price	Equivalent products	Price	Equivalent products	Price	Equivalent products	Price
Banana Nut Muffin	Muffins & Scones	\$2.60	Banana Blueberry Muffin	\$2.60			Banana Nut Bread	\$2.95	Muffins	\$3.00			Banana Bread Muffin	\$3.50
Blueberry Muffin	Muffins & Scones	\$2.60	Blueberry Muffin	\$2.60			Blueberry Muffin	\$2.65	Muffins	\$3.00			Lemon Blueberry GF Muffin	\$4.00
Blueberry Scone	Muffins & Scones	\$2.40	Blackberry Raspberry Scone	\$2.60			Blueberry Scone	\$2.75	Scones	\$3.50				
Blueberry Streusel Muffin	Muffins & Scones	\$2.30	Blueberry Muffin	\$2.60			Blueberry Muffin	\$2.65	Muffins	\$3.00			Lemon Blueberry GF Muffin	\$4.00
Double Chocolate Muffin	Muffins & Scones	\$2.30	Blueberry Muffin	\$2.60					Muffins	\$3.00				
Honey Raisin Bran Muffin	Muffins & Scones	\$2.50	Whole Wheat Honey Bran Muffin	\$2.60					Muffins	\$3.00				
Mini Chocolate Chip Scone	Muffins & Scones	\$1.40	Petite Chocolate Scone	\$2.60					Scones	\$3.50				
Raisin Bran Muffin	Muffins & Scones	\$2.60	Whole Wheat Honey Bran Muffin	\$2.60					Muffins	\$3.00				
Scone Blueberry	Muffins & Scones	\$2.40	Blackberry Raspberry Scone	\$2.60			Blueberry Scone	\$2.75	Scones	\$3.50				
Whole Grain Blueberry Muffin	Muffins & Scones	\$2.50	Banana Blueberry Muffin	\$2.60			Blueberry Muffin	\$2.65	Muffins	\$3.00				
Butter Croissant	Pastries, Croissants, & Pies	\$2.40	Butter Croissant	\$2.60					Croissants	\$3.50			Butter Croissants	\$4.00
Buttermilk Bar	Pastries, Croissants, & Pies	\$1.80												
Cheese Danish	Pastries, Croissants, & Pies	\$1.60					Cheese Danish	\$2.95						
Chocolate Croissant	Pastries, Croissants, & Pies	\$2.60	Chocolate Croissant	\$3.35			Chocolate Croissant	\$2.95	Croissants	\$3.50			Chocolate Croissants	\$5.00
Chocolate Twist	Pastries, Croissants, & Pies	\$2.60	Cinnamon Twist	\$3.35										
Cinnamon Roll	Pastries, Croissants, & Pies	\$2.50												
Classic Cheese Danish	Pastries, Croissants, & Pies	\$2.60												
Croissant Almond	Pastries, Croissants, & Pies	\$2.80	Almond Croissant	\$3.35					Croissants	\$3.50				
Croissant Butter	Pastries, Croissants, & Pies	\$2.50	Butter Croissant	\$2.60					Croissants	\$3.50			Butter Croissants	\$4.00
Croissant Chocolate	Pastries, Croissants, & Pies	\$2.70	Chocolate Croissant	\$3.35			Chocolate Croissant	\$2.95	Croissants	\$3.50			Chocolate Croissants	\$5.00
Croissant Jalapeno Cheddar	Pastries, Croissants, & Pies	\$3.30							Croissants	\$3.50				

Client's products mapped to equivalent competitor products

Competitor product prices were compared after adjusting for serving size

Client's Product			Competitor 1		Competitor 2		Competitor 3		Competitor 4		Competitor 5		Competitor 6	
Client's Product	Category	Price	Equivalent products	Price	Equivalent products	Price	Equivalent products	Price	Equivalent products	Price	Equivalent products	Price	Equivalent products	Price
Banana Nut Muffin	Muffins & Scones	\$2.60	Banana Blueberry Muffin	0.00%			Banana Nut Bread	-13.46%	Muffins	-15.38%			Banana Bread Muffin	-20.80%
Blueberry Muffin	Muffins & Scones	\$2.60	Blueberry Muffin	0.00%			Blueberry Muffin	-1.92%	Muffins	-15.38%			Lemon Blueberry GF Muffin	-19.93%
Blueberry Scone	Muffins & Scones	\$2.40	Blackberry Raspberry Scone	-8.33%			Blueberry Scone	-14.58%	Scones	-45.83%				
Blueberry Streusel Muffin	Muffins & Scones	\$2.30	Blueberry Muffin	-13.04%			Blueberry Muffin	-15.22%	Muffins	-30.43%			Lemon Blueberry GF Muffin	11.02%
Double Chocolate Muffin	Muffins & Scones	\$2.30	Blueberry Muffin	-13.04%					Muffins	-30.43%				
Honey Raisin Bran Muffin	Muffins & Scones	\$2.50	Whole Wheat Honey Bran Muffin	-4.00%					Muffins	-20.00%				
Mini Chocolate Chip Scone	Muffins & Scones	\$1.40	Petite Chocolate Scone	-85.71%					Scones	-150.00%				
Raisin Bran Muffin	Muffins & Scones	\$2.60	Whole Wheat Honey Bran Muffin	0.00%					Muffins	-15.38%				
Scone Blueberry	Muffins & Scones	\$2.40	Blackberry Raspberry Scone	-8.33%			Blueberry Scone	-14.58%	Scones	-45.83%				
Whole Grain Blueberry Muffin	Muffins & Scones	\$2.50	Banana Blueberry Muffin	-4.00%			Blueberry Muffin	-6.00%	Muffins	-20.00%				
Butter Croissant	Pastries, Croissants, & Pies	\$2.40	Butter Croissant	-8.33%					Croissants	-45.83%			Butter Croissants	-33.10%
Buttermilk Bar	Pastries, Croissants, & Pies	\$1.80												
Cheese Danish	Pastries, Croissants, & Pies	\$1.60					Cheese Danish	-84.38%						
Chocolate Croissant	Pastries, Croissants, & Pies	\$2.60	Chocolate Croissant	-28.85%			Chocolate Croissant	-13.46%	Croissants	-34.62%			Chocolate Croissants	-33.10%
Chocolate Twist	Pastries, Croissants, & Pies	\$2.60	Cinnamon Twist	-28.85%										
Cinnamon Roll	Pastries, Croissants, & Pies	\$2.50												
Classic Cheese Danish	Pastries, Croissants, & Pies	\$2.60												
Croissant Almond	Pastries, Croissants, & Pies	\$2.80	Almond Croissant	-19.64%					Croissants	-25.00%				
Croissant Butter	Pastries, Croissants, & Pies	\$2.50	Butter Croissant	-4.00%					Croissants	-40.00%			Butter Croissants	-12.63%
Croissant Chocolate	Pastries, Croissants, & Pies	\$2.70	Chocolate Croissant	-24.07%			Chocolate Croissant	-9.26%	Croissants	-29.63%			Chocolate Croissants	-18.38%
Croissant Jalapeno Cheddar	Pastries, Croissants, & Pies	\$3.30							Croissants	-6.06%				

Benchmarking product category prices

CategoryLv1DescCategoryLv2Desc		All Items				Competitors's Common Items					
		Client's weighted average price - All items				Clients weighted average prices for competitor1's common items			Clients prices vs. Competitors's prices		
		32Oz	LG	R	S	LG	R	S	LG	R	S
Level 1											
Beverage		\$4.30	\$4.30	\$3.67	\$3.05	\$3.99	\$3.46	\$2.65	-6.7%	-6.8%	-10.0%
Level 2											
Beverage	Ice Blended	\$6.56	\$5.27	\$4.69	\$4.19	\$5.18	\$4.66	\$4.14	1.6%	1.2%	0.9%
Beverage	Modifiers			\$1.00			\$1.00			25.0%	
Beverage	Hot		\$4.06	\$3.42	\$2.84	\$3.54	\$3.12	\$2.49	-5.1%	-7.6%	-10.3%
Beverage	Cold	\$3.95	\$4.16	\$3.88	\$3.23	\$4.04	\$3.75	\$3.14	-15.0%	-13.0%	-13.8%
Beverage	Catering			\$17.95			\$17.95			-22.6%	

		All items	Competitor1's Common Items	
			Client's weighted average prices for Competitors's common items	Clients prices vs. Competitors's prices
CategoryLv1Desc	CategoryLv2Desc	Client's Price		
Level 1				
Food		\$2.64	\$2.58	-7.9%
Level 2				
Food	Bake Case	\$2.16	\$2.45	-12.9%
Food	Catering	\$26.85		
Food	Cold Case	\$4.90	\$4.94	37.3%
Food	Fruit	\$0.95		
Food	Impulse Items	\$2.53		
Food	Other Food			
Food	Stir	\$2.22	\$4.50	-10.0%

Product category prices were benchmarked with competitors based on the difference in weighted average price of common products

Store specific competitor threat

Dynamic input to enter the distance for threat evaluation

Number of competitor stores within input radius

Select Radius (in miles):	5					
Number of competitor stores within a radius of 5 miles from each Client's store						
Clients store location	Competitor 1	Competitor 2	Competitor 3	Competitor 4	Competitor 5	Competitor 6
101, address 1, Address 2 CA	1	0	2	0	0	0
102, address 1, Address 2 CA	5	1	118	1	0	0
103, address 1, Address 2 CA	5	1	119	1	0	0
104, address 1, Address 2 CA	2	0	26	0	0	0
105, address 1, Address 2 CA	6	1	133	1	1	1
106, address 1, Address 2 CA	5	1	127	1	1	1
107, address 1, Address 2 CA	0	0	42	0	0	0
108, address 1, Address 2 CA	3	0	66	0	0	0
109, address 1, Address 2 CA	3	0	60	0	0	0
110, address 1, Address 2 CA	5	1	102	0	1	1
111, address 1, Address 2 CA	4	1	93	0	1	1
112, address 1, Address 2 CA	0	0	33	0	0	0
113, address 1, Address 2 CA	5	1	102	0	1	1
114, address 1, Address 2 CA	1	0	82	1	0	0
115, address 1, Address 2 CA	2	0	30	0	0	0