



BREWERY

BEVERAGE

PRICING

# Spectra Case Study

TEAM: KONFIDENTIAL

# Approach Towards Problem

## SKU Filling Technique

GLBT L 001  
Bottle Large Brand



## Data Preprocessing - I

Conversion of Pack Size to numerical descriptor, filling missing data of SKU according to Brand and Pack.

## Data Exploration

Investigation of Revenue, Volume Sales concerning SKU's, Brand, Company and Pack

## Data Driven Insights

Drawing insights from the data and identifying trends that are explained in further slides.

## Data Preprocessing - II

Addition of Revenue column, splitting data in Company & Competitor respectively.

## Data Visualization

Delineation of data and forming Volume Sales & Revenue graphs in contrast to SKU's, Brand,

## Conclusion of Price

Based on the data visualisations and insights, we planned strategies so as to get the optimal outcome.

ASSUMPTION : PER CARTON  $\rightarrow x$  UNITS  
(HERE  $x=1$  ASSUMED)

$REVENUE = VOLUME\_SALES * 1000 /$   
 $PACKSIZE * PRICE \text{ PER CARTON}$

Data plotted with  $x = 1$  (for other  $x$ , plots will be proportional)



PLOTTING OF REVENUE AGAINST PRICES OVER TIME TO GET THE OPTIMAL PRICE POINT.

BRAND WISE ANALYSIS AND IMPACT OF PRICES OF IT ON MARKET SHARE

SEGMENT WISE ANALYSIS OF THE DATA

INDIVIDUAL ANALYSIS OF SKUs UNDER COMPANY AND COMPETITOR

GENERALLY, PRICE IS RISING LINEARLY WITH TIME

# SWOT ANALYSIS OF SKUs FOR COMPANY

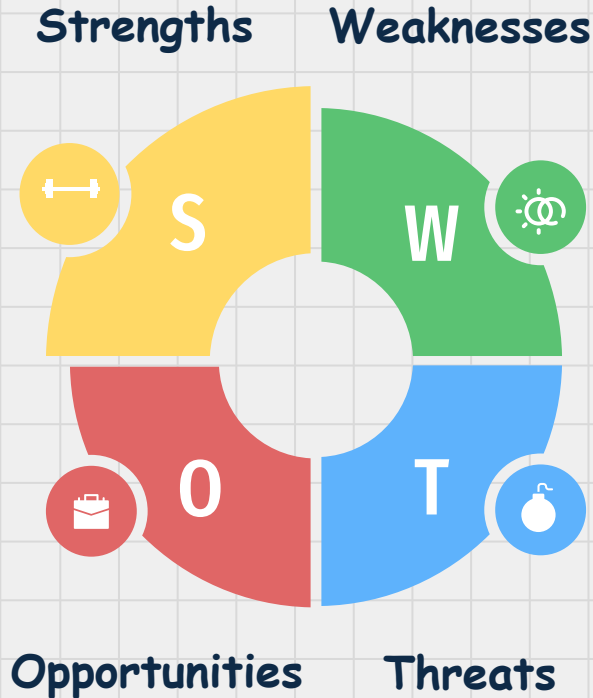
-> GLBTL007 is the highest revenue generating SKU and company has 98% share of its revenue.

-> GLBTL003 , GLBTL009 and CANL007 are the major revenue generating SKUs. The company command a near monopoly in these SKUs in both volume sales and revenue.

-> GLBTL006 and CANL006 are one of the major revenue generating SKUs in market.

-> But company has no presence in them.

-> It can introduce these SKUs with optimal pricing in the market



-> CANS007: Despite being a U mainstream product, it is not able to generate revenue.

-> CANS001: A cash cow for the company. Its revenue could be channelized for investing in opportunities

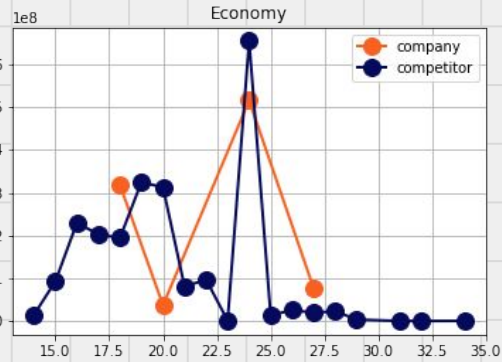
-> Company has monopoly in CANS005, GLBTS001 SKUs but still is not able to generate much revenue. It has supply chain advantage in these SKUs and can exploit to push up prices to gain more revenue

-> Competitor commands a larger portion of market in SKUs : GLBTL002 , GLBTL008 and GLBTL001 .

-> Company has to adjust its pricing points and revise its marketing strategies so as to make a significant impact in this SKUs.

# IMPACT OF PRICING ON MARKET SHARE

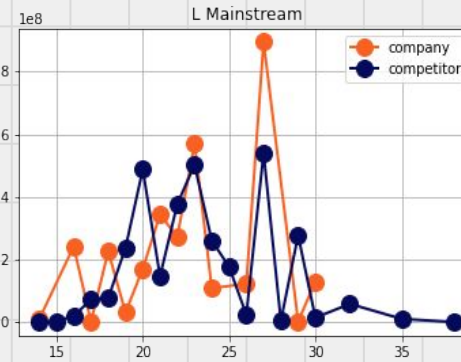
Y-AXIS = REVENUE  
X-AXIS = PRICING ( $10^2$ )



-> IN THE ECONOMY SEGMENT, THE COMPANY ONLY HAS 29.32% MARKET SHARE.

-> COMPANY NEEDS TO USE AGGRESSIVE MARKETING STRATEGIES AND REVISE ITS PRICING STRATEGY IN THE SEGMENT. THE COMPANY CAN LOWER ITS PRICE TO MAKE ITS PRODUCT MORE ATTRACTIVE

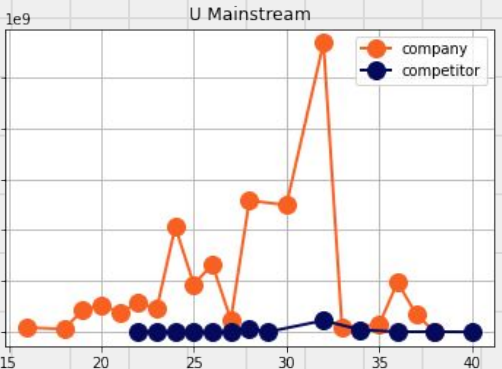
-> THE OPTIMAL PRICE POINT FOR THIS SEGMENT SHOULD BE AROUND Rs 2400.



-> IN L MAINSTREAM, THE COMPANY COMMANDS A 48% MARKET SHARE.

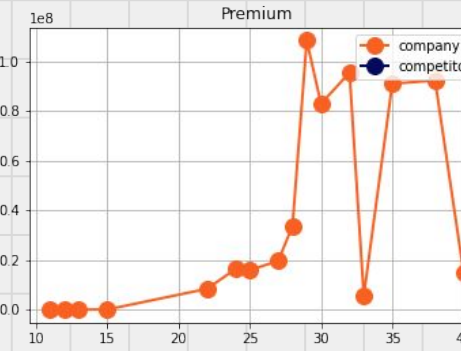
-> HERE, THE COMPANY NEEDS TO IMPROVE ITS MARKETING STRATEGIES, BRAND RECOGNITION AND RUN OUT EXPERIMENTS TO BETTER ITS REVENUE. THE COMPANY CAN LOWER ITS PRICE TO MAKE IT MORE ATTRACTIVE.

-> THE OPTIMAL PRICE FOR THIS IS AROUND 2700



-> IN THE U MAINSTREAM, THE COMPANY COMMANDS A 98% MARKET SHARE. THE COMPANY HERE HAS SUPPLY CHAIN ADVANTAGE AND CAN TRY TO EXPLOIT THAT BY PUSHING IT TO GAIN MORE REVENUE

-> THE COMPANY HERE HAS A COMPLETE MONOPOLY AND SHOULD TRY TO HOVER AROUND THE OPTIMAL PRICE POINT.



-> IN PREMIUM, THE COMPANY COMMANDS A 100% MARKET SHARE. THE COMPANY HERE HAS SUPPLY CHAIN ADVANTAGE AND CAN TRY TO EXPLOIT THAT BY PUSHING UP THE PRICE TO GAIN MORE REVENUE

-> THE COMPANY HERE HAS A COMPLETE MONOPOLY AND SHOULD TRY TO MAINTAIN THAT BY MAINTAINING THE OPTIMAL PRICE POINT.

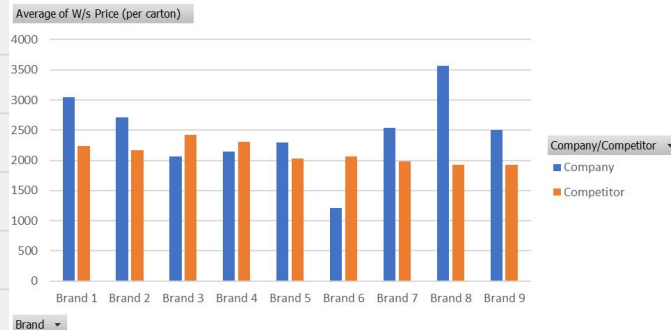
# IMPACT OF COMPETITOR'S PRICE ON CUSTOMER'S BRAND

- BRAND 2 PERFORMS BETTER UNDER COMPETITOR.IT HAS A LARGER MARKET SHARE WITH LOWER PRICE. THE COMPANY NEEDS TO ADJUST PRICING TO MATCH THE COMPETITOR'S PRICE TO REMAIN COMPETITIVE.
- BRAND 8 APPARENTLY IS THE COSTLIEST BRAND FOR THE COMPANY. BUT COMPETITOR IS ABLE TO GENERATE LARGER VOLUME SALES AT A LOWER AVERAGE PRICE. COMPANY NEEDS TO REVAMP ITS PRICING AND ENTER THE MARKET WITH FULL FORCE
- UNDER BRAND 6, COMPETITOR IS ABLE TO GENERATE MORE VOLUME SALES AT A HIGHER PRICE. SO, THE COMPANY NEEDS TO ADJUST ITS TARGET MARKET AND PRICING IN THIS CASE TO BE ABLE TO ACHIEVE MORE VOLUME SALES.

ASSUMPTION : CUSTOMER'S BRAND IS PERCEIVED BY VOLUME SALES. MORE THE VOLUME SALES, MORE IS THE BRAND POPULARITY

Row Labels	Company		Competitor	
	Average of W/s Price (per carton)	Sum of Volume Sales	Average of W/s Price (per carton)	Sum of Volume Sales
Brand 1	3046.92498	114956.68	2232.118631	138613.3
Brand 2	2710.794118	171013.59	2167.232133	640198.31
Brand 3	2062.649341	686659.13	2423.481237	50062.22
Brand 4	2140.133333	281852.75	2305.890183	51953.68
Brand 5	2298.5	192653.38	2026.024	48390.37
Brand 6	1207.932308	0	2060.7112	413176.83
Brand 7	2533.440147	1528534.3	1984.316765	4141.79
Brand 8	3560.615385	10064.66	1930.671111	349231.14
Brand 9	2505.834778	506777.37	1930.6825	7485.25
Grand Total	2545.310836	3492511.86	2179.030154	1703252.89

BRAND 7 IS THE STRONGHOLD FOR THE COMPANY. COMPANY SHOULD TRY TO MAINTAIN THAT STRONGHOLD.



THIS IS THE AVERAGE PRICE OF THE PRODUCTS UNDER A PARTICULAR BRAND UNDER COMPANY AND COMPETITOR PROFILE.

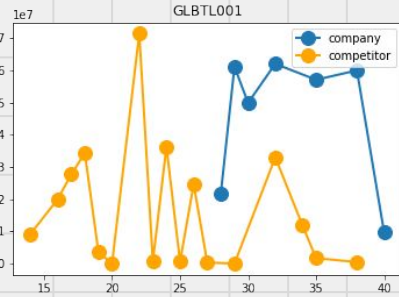
# OPTIMAL PRICING FOR SKU OF BOTTLES

Y-AXIS

REVENUE

X-AXIS

PRICING ( $10^2$ )

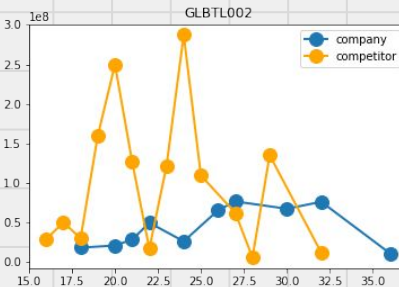


**BELONGS TO**  
Economic  
L Mainstream  
M Mainstream  
Premium

**PERFORMANCE**  
Company is better

**PEAK PRICE**  
Rs 2200

THE MAXIMUM REVENUE FOR THIS SKU IS AROUND THE PRICE POINT Rs 2200. THE COMPANY SHOULD OPTIMIZE THEIR PRICE POINT TO THE PEAK PRICE TO DRIVE UP SALES

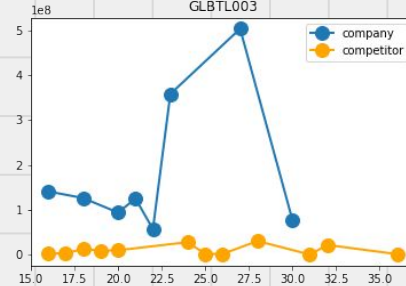


**BELONGS TO**  
Economic  
L Mainstream  
M Mainstream  
Premium

**PERFORMANCE**  
Competitor is better

**PEAK PRICE**  
2300

THOUGH HAVING THE SAME PRICE RANGE, COMPANY IS STRUGGLING TO GAIN REVENUE. THE COMPANY SHOULD TRY TO IMPROVE THEIR BRAND RECOGNITION AND TRY OTHER MARKETING STRATEGIES

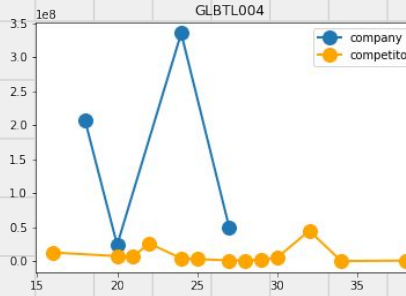


**BELONGS TO**  
Economic  
L Mainstream  
M Mainstream

**PERFORMANCE**  
Company is better

**PEAK PRICE**  
Rs 2750

CLEARLY, AROUND THE PRICE POINT Rs 2750, THE COMPANY REVENUE IS AT PEAK. THE COMPANY SHOULD MAINTAIN ITS PRICE AROUND THAT POINT TO DRIVE UP SALES

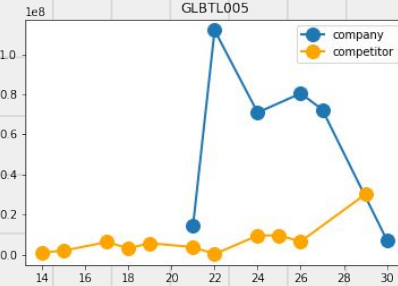


**BELONGS TO**  
Economic  
L Mainstream  
M Mainstream  
Premium

**PERFORMANCE**  
Company is better

**PEAK PRICE**  
2400

CLEARLY, AROUND THE PRICE POINT Rs 2400, THE COMPANY REVENUE IS AT PEAK. THE COMPANY SHOULD MAINTAIN ITS PRICE AROUND THAT POINT TO DRIVE UP SALES

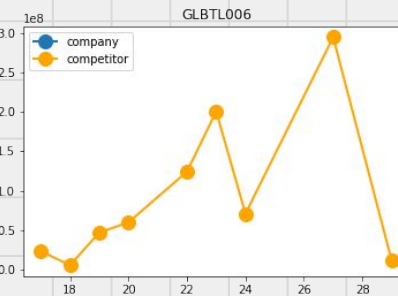


**BELONGS TO**  
Economic  
L Mainstream

**PERFORMANCE**  
Company is better

**PEAK PRICE**  
Rs 2200

CLEARLY, AROUND THE PRICE POINT Rs 2200, THE COMPANY REVENUE IS AT PEAK. THE COMPANY SHOULD MAINTAIN ITS PRICE AROUND THAT POINT TO DRIVE UP SALES



**BELONGS TO**  
Economic  
L Mainstream  
M Mainstream  
Premium

**PERFORMANCE**  
Opportunity possible

**PEAK PRICE**  
2700

IN THIS SKU, THE COMPANY HAS NO OFFERING OF ITS BUT IT HAS A HUGE MARKET. THE COMPANY CAN INTRODUCE THEIR SKU AT THE OPTIMAL PRICE POINT OF Rs 2700

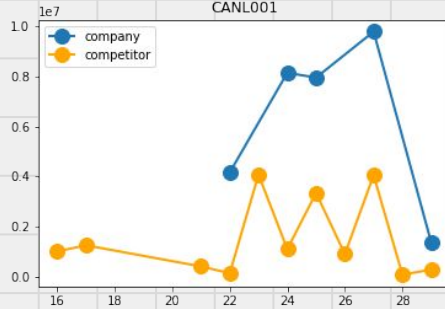
# OPTIMAL PRICING FOR SKU OF CANS

Y-AXIS

REVENUE

X-AXIS

PRICING ( $10^2$ )

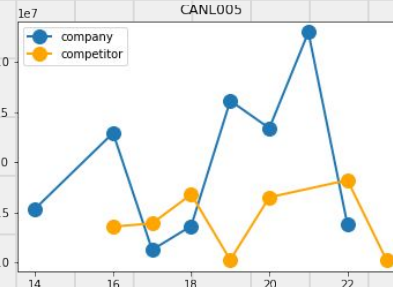


**BELONGS TO**  
Economic  
U Mainstream  
Premium

**PERFORMANCE**  
Company is better

**PEAK PRICE**  
Rs 2700

CLEARLY, AROUND THE PRICE POINT Rs 2700, THE COMPANY REVENUE IS AT PEAK. THE COMPANY SHOULD MAINTAIN ITS PRICE AROUND THAT POINT TO DRIVE UP SALES

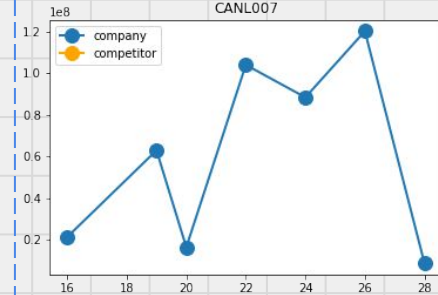


**BELONGS TO**  
L Mainstream

**PERFORMANCE**  
Improvement  
required in some  
price segments

**PEAK PRICE**  
Rs 2150

CLEARLY, AROUND THE PRICE POINT Rs 2150, THE COMPANY REVENUE IS AT PEAK. THE COMPANY SHOULD MAINTAIN ITS PRICE AROUND THAT POINT TO DRIVE UP SALES

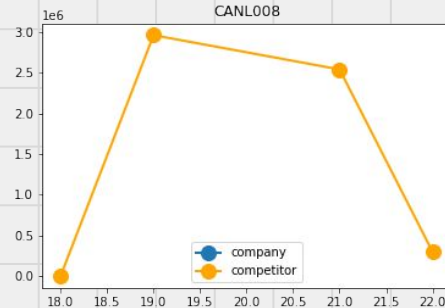


**BELONGS TO**  
U Mainstream

**PERFORMANCE**  
Company is better

**PEAK PRICE**  
Rs 2550

THE COMPETITOR HAS NO PRESENCE IN THIS SEGMENT. BY OPTIMISING THE PRICE AROUND THE PEAK PRICE, THE COMPANY CAN CREATE A STRONG ENTRY BARRIER

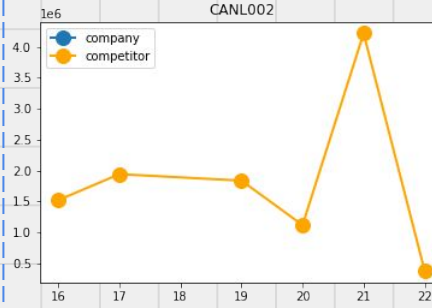


**BELONGS TO**  
Economic

**PERFORMANCE**  
Opportunity for  
company

**PEAK PRICE**  
Rs 1900

IN THIS SKU, THE COMPANY HAS NO OFFERING OF ITS. THE COMPANY CAN INTRODUCE THEIR SKU AT THE OPTIMAL PRICE POINT OF Rs 1900

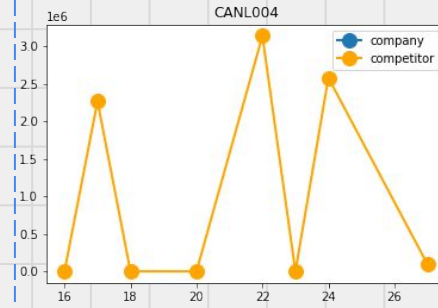


**BELONGS TO**  
Economic  
L Mainstream

**PERFORMANCE**  
Opportunity for  
company

**PEAK PRICE**  
Rs 2100

IN THIS SKU, THE COMPANY HAS NO OFFERING OF ITS. THE COMPANY CAN INTRODUCE THEIR SKU AT THE OPTIMAL PRICE POINT OF Rs 2100



**BELONGS TO**  
Economic  
L Mainstream

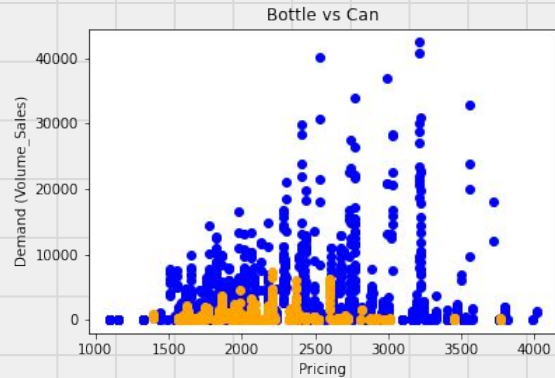
**PERFORMANCE**  
Opportunity for  
company

**PEAK PRICE**  
Rs 2200

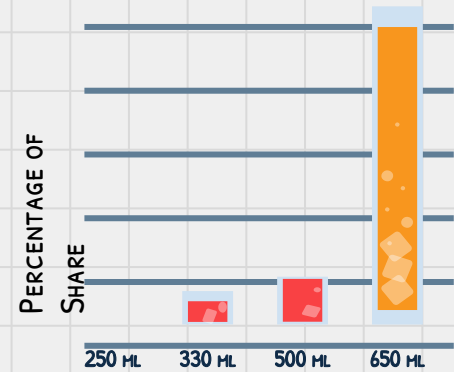
IN THIS SKU, THE COMPANY HAS NO OFFERING OF ITS. THE COMPANY CAN INTRODUCE THEIR SKU AT THE OPTIMAL PRICE POINT OF Rs 2200



# IMPACT OF PRICE LEVER ON DEMAND

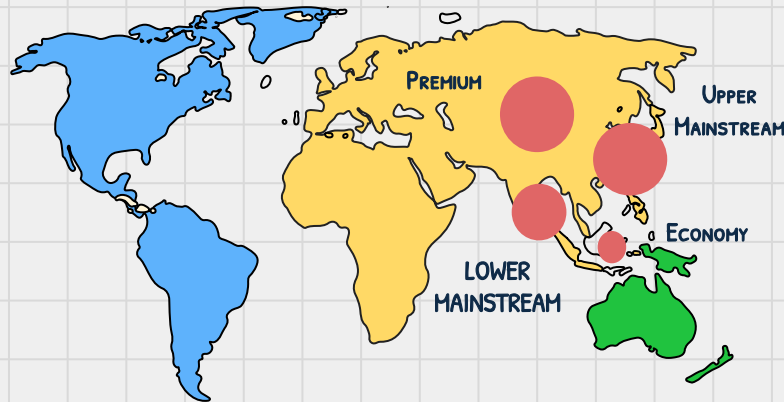


□ THERE ARE 4 TYPES OF PACK TYPES AVAILABLE: 250 ML, 330 ML, 500 ML, 650 ML. 650 ML PACK TYPE DRIVES THE MOST VOLUME SALES AND THE COMPANY SHOULD FOCUS MORE ON THIS PRODUCT OFFERING



□ BOTTLES GENERATES MORE REVENUE THAN CANS. SO IT IS IMPORTANT TO FOCUS ON THAT TO GAIN AN EDGE OVER THE COMPETITION IN THIS PRODUCT OFFERING AND DIFFERENT EXPERIMENTS CAN BE TRIED OUT TO GAIN AN EVEN MORE LARGER MARKET SHARE

□ MOREOVER, BOTTLE REVENUE PEAKS OVER 2 TO 3 POINTS. SO IT IS DESIRABLE TO KEEP DIFFERENT SKUs AROUND THESE POINTS.



VOLUME OF DRINKS

□ IN PREMIUM, COMPANY CAN EXPLOITS ITS MONOPOLY TO PUSH UP PRICE TO BETTER ITS REVENUE. IN ECONOMY, COMPANY SHOULD USE AGGRESSIVE MARKETING STRATEGY AND OPTIMISE ITS PRICING

□ COMPANY DOMINATES IN PREMIUM AND UPPER MAINSTREAM SEGMENT WHEREAS IT LAGS BEHIND IN THE LOWER MAINSTREAM AND ECONOMY. BY OPTIMIZING PRICING, IT CAN TRY TO DOMINATE THAT MARKET TOO.



TEAM: KONFIDENTIAL



PARTH JAIN  
SUBHAM SUBHASIS SAHOO  
TUSHAR SHARMA