

PRICING STRATEGY FOR AUNTY'S KITCHEN

MGMT 638 Pricing Strategy & Analysis

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AGENDA

Introduction

Homecooked Food Market

Client & Problem

Business Owner's Perspective

Recommended Pricing Framework

Existing Pricing Strategies

Current Pricing Strategies & Improvements

Survey Response Analysis

Survey Goals & Results

Conjoint Analysis

Recommendation & Impact

Business Insights & Way Forward

Introduction

CLIENT: AUNTY'S KITCHEN

Understanding Aunty's business



Client Aunty's Kitchen



Locations
West Lafayette, Indiana



Product

Indian homecooked meals



Serving delicious dishes
Since 2019



Modes of Service

WhatsApp/Call
Delivered to your doorstep



Target Audience

Purdue Students / Working Professionals

LET'S SEE WHAT WE OFFER!

An insight into the menu and subscription plans

Day	Lunch	Dinner	
Monday	Beetroot ki Roti - 3 Homemade Curd Zucchini ki Sabzi Salad	Besan Palak Cheela - 3 Bhuna Aloo Ketchup	
Tuesday	Multigrain Chapati - 3 Beetroot Raita Aloo Shimla Mirch ki Sabzi Salad	Masala Thepla - 3 Pickle Moong Chana Sprouts Chaat	
Wednesday	Palak ki Roti - 3 Homemade Curd Baingan ka Bharta Salad	Chilli Cheese Sandwiches Ketchup Cream Cheese Dip	
Thursday	High Protein Masala Dosa - 2 Tomato Chutney Sambhar	Sabudana Khichdi Mix Veg Raita	
Friday	Multigrain Chapati - 3 Homemade Curd Dal Palak Dry Sabzi Salad	Red Sauce Pasta Cheese Parantha - 2	
Saturday	Punjabi King Size Aloo de Paranthe - 2 Homemade Curd Coriander Chutney Aam ka Achaar	Indo Chinese Veg Chowmein Vegetable Stir Fry in Indo Chinese Sauce	

Options	Lunch	Dinner	Total Price
Option 1	✓	×	\$ 80 per week
Option 2	×	✓	\$ 80 per week
Option 3	✓	✓	\$ 150 per week
Option 4	One meal only	One meal only	\$ 15 per meal
Option 5	Sunday Brunch		\$ 20 per meal



Weekend Kitchen

Let's go Desi!

Khaman Dhokla with Mix Veg Pakoda

This Saturday is all about fluffy Khaman Dhokla and Crispy Mix Veg Pakodas.

Served with tangy coriander chutney and imli chutney, this makes a killer combo.

Order yours today!

Order by Friday Eve 10pm (Aug 4, 2023) Whatsapp/Call:

BUSINESS MODEL

Insights into Aunty's Pricing Strategy and Operating Model



Business Operations



Delivery service model



Added value items available



Primarily subscription based



Option for one time meal available



Different menu each week



Customer's buy their own tiffin's for packaging

Pricing Strategies



BUSINESS MODEL

Insights into Aunty's Pricing Strategy and Operating Model

Pricing Strategies

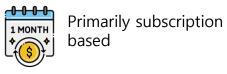


Business Operations



Delivery service model







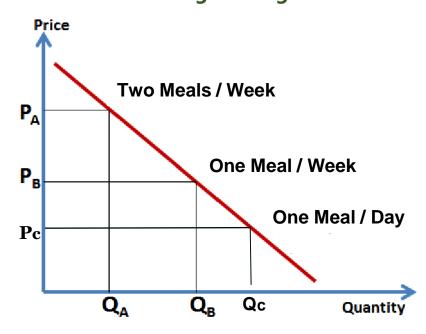
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Customer Loyalty



- Switching cost
- Subscription



Less WTP Customers Captured

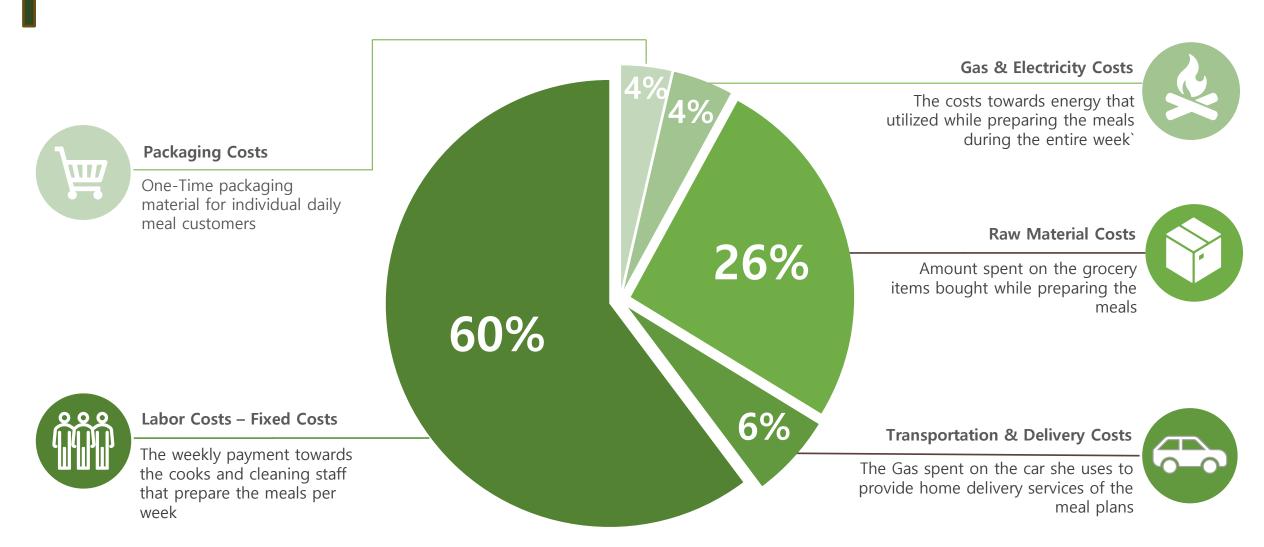


Second degree price discrimination

COST ANALYSIS

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On average, Aunty's Tiffin Services incurs the following operating costs:



REVENUE ANALYSIS - WEEKLY

\$8000

Aunty's Tiffin Service experiences an average revenue fluctuation of $\pm 20\%$, directly correlated with the volume of orders received. Additionally, the service's profit margins are influenced by the variable costs of grocery items.



Weekly Revenue

The tiffin service produces an average weekly revenue from both regular orders and spot orders of around \$8000



Average Profit Margin

Deducting the fixed and the variable costs, the weekly average profit generated during non peak times is about 30% to 60% of gross revenue



COMPETITOR ANALYSIS

COMPETITOR'S ANALYSIS

In the West Lafayette and Lafayette areas, a dedicated market for home-cooked Indian vegetarian meals has not yet been established. However, several Indian restaurants do exist which provide offerings comparable to those of Aunty's Tiffin Service. Below are the prices for an average full-sized meal comparable to Aunty's Tiffin.













Authentic Indian Cuisine



Aunty's Tiffin

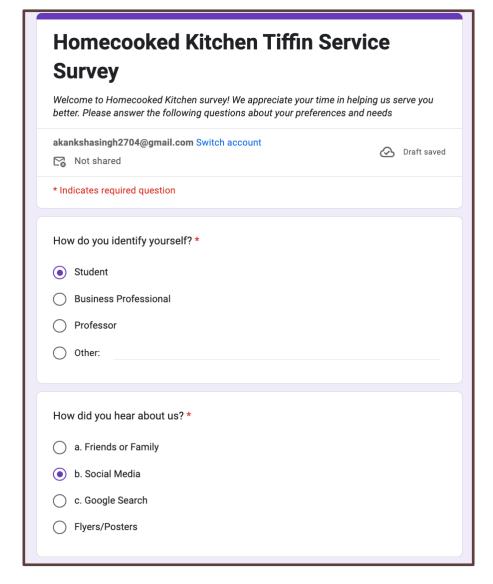
Offers A-la-Carte Menu to mix 'n match options and a full meal options known as 'Thalis' Taste of India offers more North Indian choices with a comparable price range as Dakshin

Indian Restaurant in Lafayette offering orderin services via DoorDash Aunty's tiffin has 3 options per meal cost ranging from \$12.5 to \$15 depending on the meal plan chosen

CUSTOMER SURVEY

SURVEY INTRODUCTION

We conducted a survey to discern consumer interest in various facets of home-cooked Indian meals and used that to perform conjoint analysis





Objective: The primary goal of conducting this survey was to gain a deeper understanding of Purdue students' dining preferences, price sensitivity, and key factors influencing their meal choices.

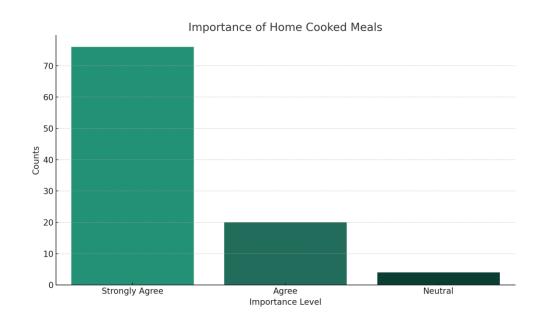


Topics: The survey covered a range of topics including preferences for meal quality, willingness to pay, premiums for extra services, frequency of meal services, maximum budget allocations for various subscription models, and interest in customizable menus and breakfast options.

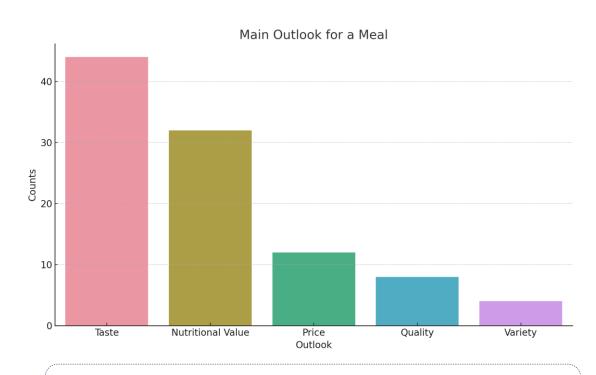


Target Audience: By focusing on **100** Purdue students, the survey aims to capture information on dietary habits, cultural nuances, and financial limitations of students for crafting a service that appeals to their taste buds and fits comfortably within their budgets.

Our survey findings highlight a strong affinity for home-cooked meals, with consumers placing importance on factors such as taste, nutrition, price, and quality

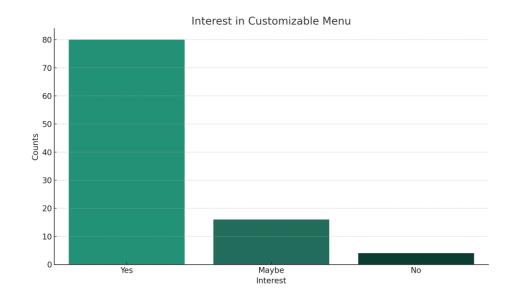


A large majority of respondents strongly agree on the importance of home cooked meals, with a smaller number agreeing, and very few being neutral

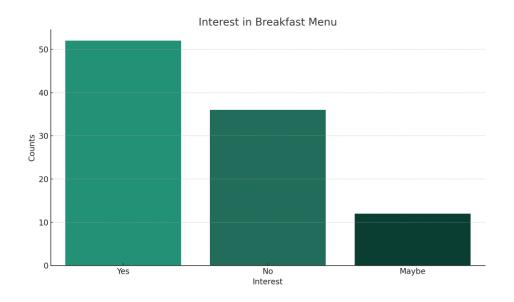


Taste is the most valued aspect of a meal (over 40), followed by nutritional value, with quality, price, and variety being less prioritized, in that order

Respondents are inclined to creating a customizable menu

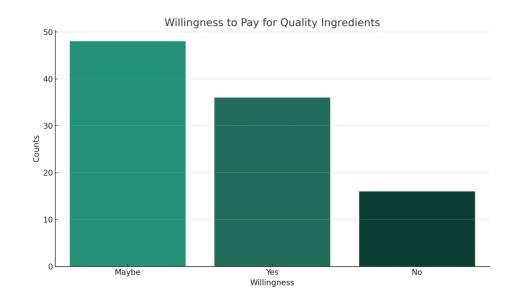


Most respondents (over 70) are interested in a customizable menu, a moderate number are maybe interested, and very few respondents are not interested

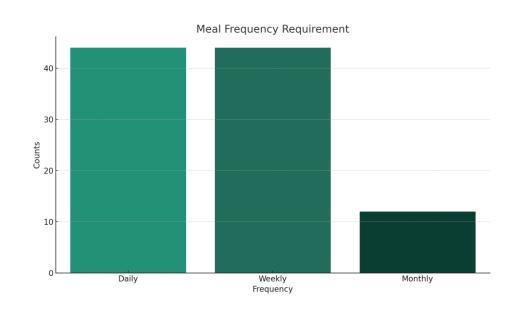


There is a high interest in a breakfast menu (over 50), while fewer respondents are not interested, and a moderate number are maybe interested

Higher share of respondents are willing to pay for better quality ingredients



Majority of respondents are maybe willing to pay for quality ingredients, with a significant number willing, and the smallest group not willing

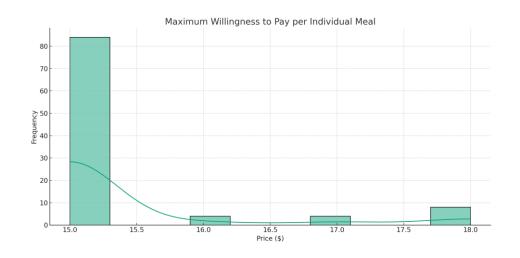


Most respondents require meals on a weekly basis, followed closely by those needing daily meals, and a smaller number on a monthly basis

Respondents are willing to pay approximately \$400 for their monthly subscription



Most respondents (over 70 frequency) are willing to pay around \$400, with very few willing to pay more as the price approaches \$500.

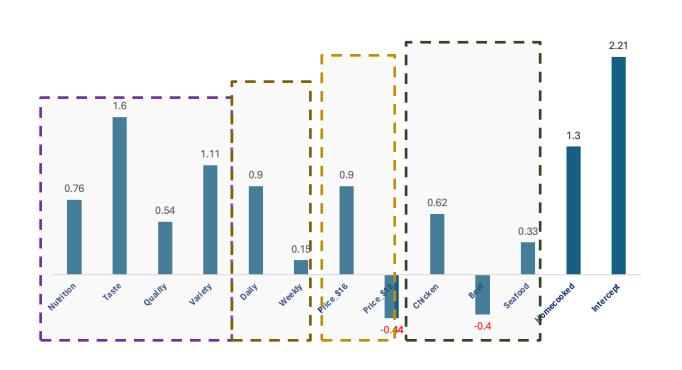


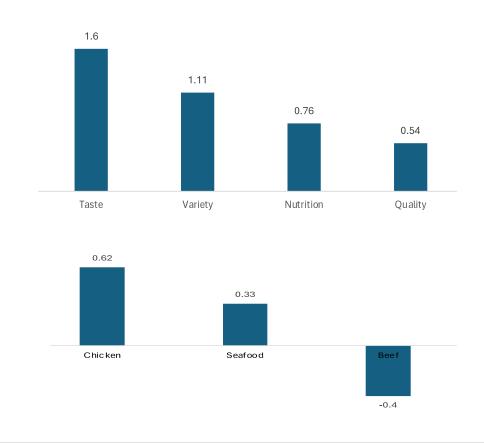
Highest frequency (over 70) of respondents are willing to pay around \$15.0 for an individual meal, with willingness significantly decreasing as the price increases beyond this point.

CONJOINT ANALYSIS

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To understand feature importance for the customers and how combinations of these features affect consumer choices. Attribute selection, Attribute Levels, Profile Generation, Survey and Data Analysis

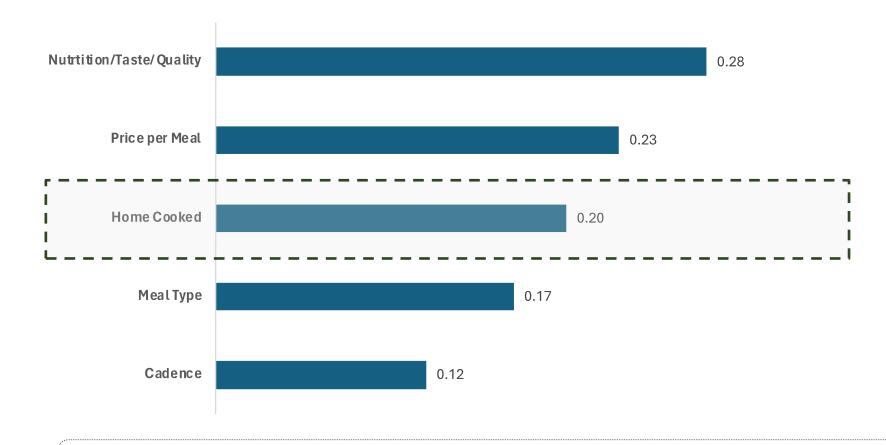




The graph indicates the average utility values of each of the levels of the attributes. We see taste has the highest utility followed by variety Nutrition & Quality compared to price of the meal. Price \$16 was preferred over \$17 and \$18

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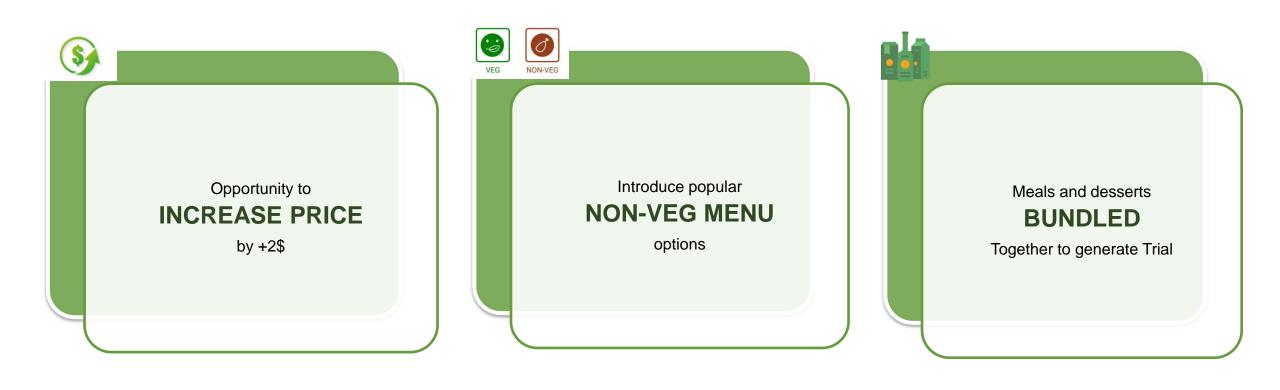


This graph indicates the relative importance of the 5 primary attributes we have selected as the influencing factors

BUSINESS INSIGHTS & RECOMMENDATIONS

BUSINESS INSIGHTS & RECOMMENDATIONS

Recommendations provided to Aunty for revamping her current pricing strategy and introducing new products as per our Analysis



FUTURE SCOPE

DYNAMIC PRICING APP

Implement a tailored notification system to guide Aunty with actionable insights & personalized advice, enhancing her journey



Benefits to Aunty

- Enhanced Listing Quality
- Higher Retention Rates
- Positive Public Relations
- Brand Quality Commitment





Benefits to Customers

- Dynamic Price Change
- Personalized Discounts/Offers
- Increased Booking Potential
- Real-Time Feedback
- Enhanced User Experience

THANK YOU!