Building a Data and Analytics Driven Pricing Strategy

Creating Customized Tools To Create Ongoing Insights for Your Strategy

Situation

- Our client was a billion-dollar US Restaurant Chain.
- Traditionally they had **managed their pricing in silos,** leading to a fragmented pricing strategy.
- Our client also had a vast amount of customer information but were unsure of how to extract insights or create lasting tools.
- Needed a solution that **leveraged the customer and POS data** they had collected and created alignment in pricing decisions.

Approach

Iris Pricing Solutions created a 5-step process in order to help this client achieve its pricing objectives.

Step 1: Identifying Critical Pricing Process

- The team began by conducting internal interviews to benchmark the organization's pricing capabilities against pricing best practices.

Step 2: Deep Analytics Dive

- Data mining, competitive data, and desk research were used to:

- Quantify Store Elasticity
- Quantify Product Demand and Purchase Behaviors
- Understand Market Basket Purchase Behaviors

Step 3: Enhance the Pricing Strategy Process & Develop Pricing Improvement Roadmap

- The team then combined the insights from the previous stages to build a list of prioritized recommendations and added them to the pricing roadmap.

Step 4: Implementation & Support Option

Results

Quick-Win opportunities identified through managing price points and creating new deal and ticket thresholds.

$3M

Store Tiering Tool identified **$3MM** in opportunities.

Price Simulator Tool provided the ability to **set future prices** with confidence through visibility of the effects of pricing decisions.

PRICING SOLUTIONS