



## Grow Category & Brand Sales: *Optimize package size and price to maximize margin*



*“DI is the type of vendor that I value most — outside-the-box thinkers that know how to get things done.”*

*Head of Consumer  
& Customer Insights*

**Optimizing package size in conjunction with price variations allows you to stay relevant with consumers while better addressing both profitability AND sales.**

**Challenge:** There is a continuous need to stay relevant in today's competitive marketplace. Changing consumer needs — such as the decreasing size of the average household or tightened family budgets — create new demands. All of these changes create shifts in brand loyalty and can potentially result in share losses for brands who don't adapt.

Simply using price as a lever to increase margins (with a price *increase*) or boost penetration (with a price *decrease*) often accomplishes one goal at the expense of the other. In other words, margins improve, but sales decline given a higher price point. Or, sales improve, but not enough to cover the reduced margins driven by a price decrease.

No amount of new innovation can substitute the gains realized by optimizing your current portfolio. Ensuring you are offering the right product, to the right consumer/shopper, at the right price is critical.

**So, how do you identify the package size/price combination that will optimize sales and profitability?**

**Solution:** Decision Insight successfully accomplishes this using ShopperIQ®, our virtual shopping platform. With this environment, alternative package size/price configurations can be tested in the context of an actual shopping occasion. Variations are embedded in shelf sets, and we simply observe shopping behavior.

Even complex discrete choice models can be incorporated into a virtual shopping platform. The key is that choices are made against a representative competitive set in the context of a specific retail environment. This allows you to understand actual behavior, not just stated measures of intent or appeal. You have the ability to anticipate and test potential changes you and/or your competitors could make in the future. This “what if” scenario testing puts you in the driver's seat of understanding implications to the business — and even the category.

Whether it is ounce-size of an individual package, or the count of a multi-pack, a wide range of options are testable.



**Results:** We identify optimal package size/price configurations by understanding the impact of variations on:

- Penetration (% of shoppers purchasing)
- Unit Volume / Ounce Volume / Dollar Volume
- Profitability
- Value perceptions

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*Let us put ShopperIQ to work for you!*



**ShopperIQ®**

Measure the impact of shopper decisions where they happen



**Shopper Centric. Retailer Approved. We test and measure the impact of shopper decisions where they happen.**