



## Key Value Item Analysis

Scientifically identify the items that drive consumer price perception.

### Gain Consumer Insight with Revionics® Analytic Services

For retailers, a small subset of items has a disproportionate impact on consumer price perception. These sensitive items are known as Key Value Items, or KVIs. If a retailer can scientifically identify those items and their relative price sensitivity, it can have significant control over their perceived price image. Unfortunately, many retailers don't have the tools and are left with gut feel, missing opportunities to optimally price the right items. Revionics brings advanced science to supplement a retailer's intuition for improved performance and price perception.

Key Value Item Analysis and identification empowers retailers to create focused pricing strategies for groups of items that are the most price-sensitive to consumers. Retailers can efficiently focus their competitive pricing efforts with the greatest leverage against the competition. By aggressively pricing true KVI s, retailers are able to:

- Influence consumer price perception
- Drive store traffic
- Compare competitive prices more strategically
- Gain market share against their competitors
- Maintain profitability on less price-sensitive items in their stores.

Revionics' Key Value Item Analysis methodology leverages demand models to identify KVIs based on price sensitivity, sales volume, and the role and prevalence of the item in the market basket (when coupled with Market Basket Analysis).

Revionics®  
Analytic Services:

#### Key Value Item Analysis

Store Cluster Analysis

Market Basket Analysis

UIC	Price	Cost	Description	Name
01121301104	3.29	2.42	GENERIC REALITY BUTTER CREAMY	
01121303988	1.99	1.08	GENERIC APPLAUSE CROWN	
01121303712	2.19	1.48	GENERIC APPLAUSE	
01121303720	2.19	1.48	GENERIC APPLAUSE NATURAL	
01121303748	1.49	1.12	GENERIC ULTRA PASTEUR HALF&HALF	
01121304232	2.50	1.64	GENERIC BRIDGEMOODLE BANANAS COOKIES	
01121304466	2.49	1.75	GENERIC JUICE POUCH FRUIT PUNCH 6.75Z	
01121304524	2.59	1.96	GENERIC CREAM STRAWBERRY OREO	
01121306019	1.99	1.06	GENERIC CORNED BEEF HASH	
01121306863	2.99	1.61	GENERIC CHEW ON! BAK LP SHOCKS	
01121310231	1.29	0.99	GENERIC TOMATO FAMILY SIZE	
01121318242	1.29	0.87	GENERIC PREMIUM FACIAL TISSUE	
01121314125	1.49	1.06	GENERIC PLASTIC WRAP	
01121314162	3.29	2.32	GENERIC TRASH BAGS QUICK DRAW 30 GALLON	
01121317768	1.39	0.89	GENERIC DRINK CRACKER PIE CRUST	
01121312819	3.19	2.28	GENERIC COOKING OIL RAISIN	

Search Zone: [KVI group] Scenarios: [Base - Default Scenario] Go

KVI Group Name	Zone Name	Optimized	Delete
KVI group	North	<input checked="" type="checkbox"/>	[X]
KVI group	South	<input checked="" type="checkbox"/>	[X]

Selected Item: 01121303698  
 KVI Group Name: [WIC]  
 Select KVI zones to which the selected item should be added:  
 Zones: [North]    
 Include All Price Family Items  
 [OK] [Cancel]

For retailers who subscribe to the Revionics' Price Optimization solutions, robust Key Value Item functionality exists to provide deeper granularity in designing KVI-specific price strategies, as well as maintaining KVI item grouping. For defined KVI groups, Revionics automatically aligns the appropriate price strategy, analytics, price recommendation, and reporting by KVI Group.

Schedule a consultation today.

#### More Information

Phone: 866-580-7277 x1

info@revionics.com

Join industry leading retailers representing over 20,000 retail locations who trust Revionics to optimize their over \$50 billion in annual sales revenue.



## Key Value Item Analysis

Visit our website to attend a webinar, download white papers or case studies, and view customer testimonials today! [www.revionics.com](http://www.revionics.com)

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## Science-based Analysis

Analytic Services from Revionics blend our retail domain expertise with scientific analysis of retailer data and 3rd party data. The Key Value Item Analysis service includes the following:

### Scientific product segmentation:

Identifies and segments items that reflect or display:

- High sensitivity, or demand response, to price changes
- High sales volume
- Ability to drive store traffic
- “Anchoring” position in market baskets
- High scores on price awareness surveys
- Sensitivity to local competitive influence

**Design KVI Groups by need:** The analysis can be performed at the chain level, by region, by pricing zone, or by category.

**Validate and compare:** Our recommendations can be used as a stand-alone item group or to augment and validate a retailer’s own KVI item list

**Coverage analysis:** Evaluate the fraction of items, by count and by revenue, that are included in KVI lists for optimal coverage scenarios.

Retailers in **Grocery, Convenience, Specialty, General Merchandise, Health and Beauty, Deep Discount, Home and Garden, Building Supplies** and **Grocery Wholesale** rely on Revionics!

Revionics delivers innovative Life Cycle Price Optimization solutions to retailers, including base, promotion, and markdown pricing. The Revionics technology leverages an integrated forecast, enabling a coherent view of customer demand across all decision areas.

[www.revionics.com](http://www.revionics.com) Key Value Item Analysis

## Service Deliverables

Key Value Item Analysis provides retailers product and consumer shopping insight. The service deliverables include:

- Evaluation of item elasticity
- Rankings and recommendations of the top items individually or by price family
- Lists and rankings by pricing zone, and by category or department
- Analysis overview document including:
  - Product count by department
  - Sales metrics by department
  - Top 500 breakdown by category
  - Top 15 items by revenue change
  - Top 15 items by quantity change
  - Top item grouping metric comparison
  - Breakdown of the top 100, 250, 500 items and groups
- Coverage analysis to determine percent of business included on KVI lists

**Time to Value:** KVI analysis can take as little as 4-6 weeks and the value is felt long-term, as optimally priced products are more competitive and will enhance price image within your customer base!

