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 KVIs, 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).

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

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.

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!