

Model your prices to predict specific volume, margin, and profit goals.

What if you lowered your price a penny? Focused on volumes for the day—not margins? Can you instantly model how that price change impacts volumes, margins, and profitability? What if you raised it two cents?



The PriceAdvantage Economic Modeling component provides forecast modeling that presents a recommended retail price calculated from the most relevant data points using best-in-class analytics. In addition, the tool allows you to create “what if” scenarios simply by adjusting the price by +/- \$.01 increments. It also provides you with a comprehensive pricing view that includes your current price alongside the suggested economic model, strategy, and competitor prices.

The model presents a range of prices in +/- \$.01 increments. Bar charts plot the predicted volumes while a traversing line shows the predicted profit on each point on the curve.

The model demonstrates how adjusting your price directly impacts both volume and profit. It also

suggests profit maximization.

“We found that the economic modeling component helped us optimize a number of stores to maximize gross profit dollars.”

Tony Castro

MANAGER OF FUELS PRICING
CST BRANDS



**WITH
PRICEADVANTAGE
ECONOMIC MODELING
YOU CAN:**

- › Model the price elasticity by store, commodity, day of week, and desired target volume, margin, and profit goals.
- › Input variable data to address seasonality considerations and market disruptions.
- › Optimize the balance of volume and/or margin based on statistically relevant elasticity and pre-defined constraints.