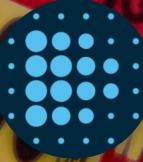


Dissonance in MRPs for same products across online retailers

13th Dec, 2016



BY DATAWEAVE

We all know, online shopping offers a lot of benefits to shoppers. Apart from the convenience it offers access to a wide-assortment base and, of course, discounts are an added benefit. Often we see, retailers claiming large discounts on products.

Many-a-times, the percentage discount that is mentioned drives price perception. Customers when comparing prices across stores view larger percentage discounts as a better deal. However, this is not necessarily the case. To present this case, let us look into how discounts are calculated:

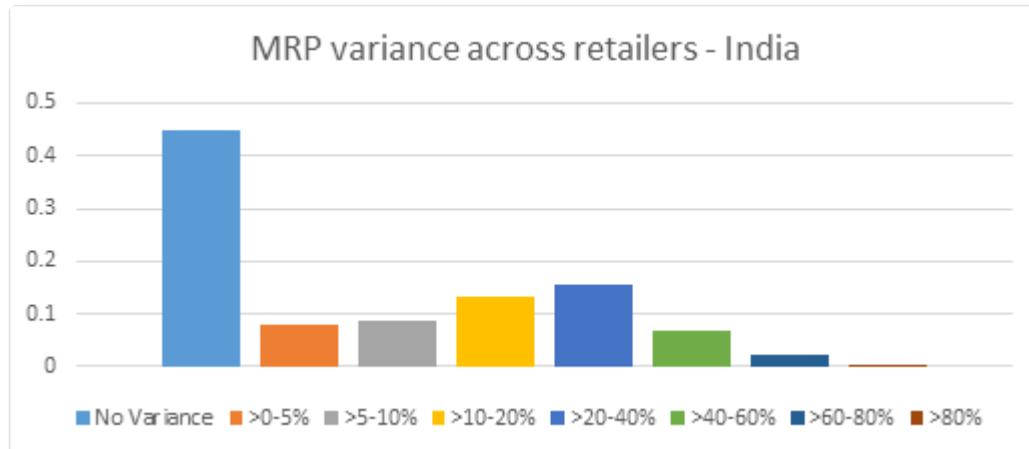
Percentage discounts are a function of the MRP / MSRP and the Selling Price. The MRP / MSRP is set by the manufacturer and the selling price is more often than not determined by the retailer.

Selling price of products being different across retailers is a well-known fact. When the MRP of the same products tend to vary across retailers, it gets confusing for a customer, which in turn leads to a brand equity dilution of the brand or manufacturer.

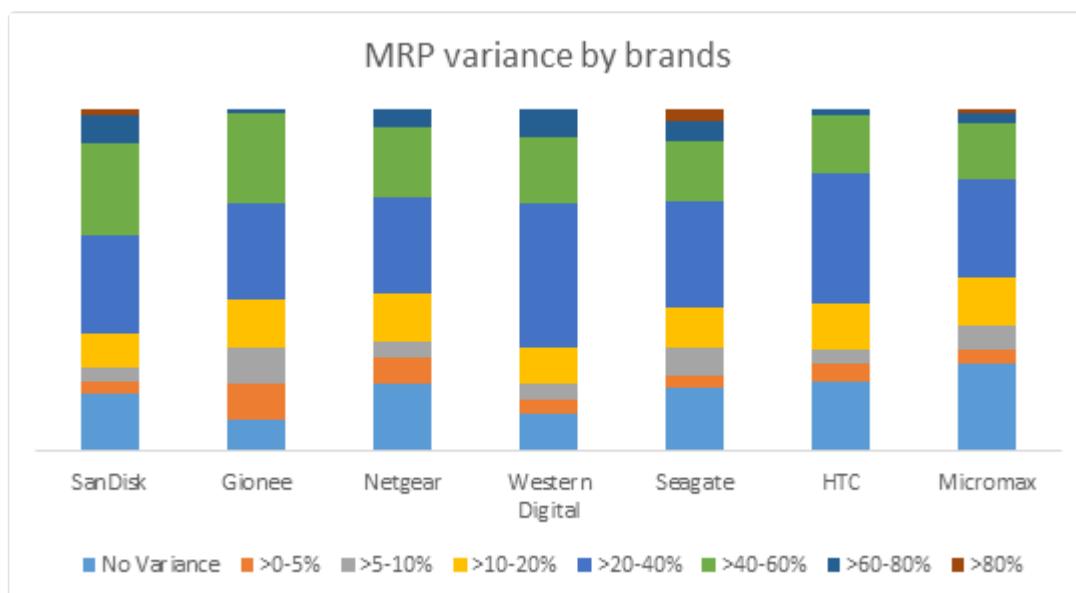
To analyse how deep this discord is, we decided to dive deeper into its working dynamics. Amongst all the data that we aggregate at DataWeave, analysing discounts of the same product across retailers gives us the ability to discern pricing strategies of retailers. We used this dataset to monitor and analyse MRPs.

What we found

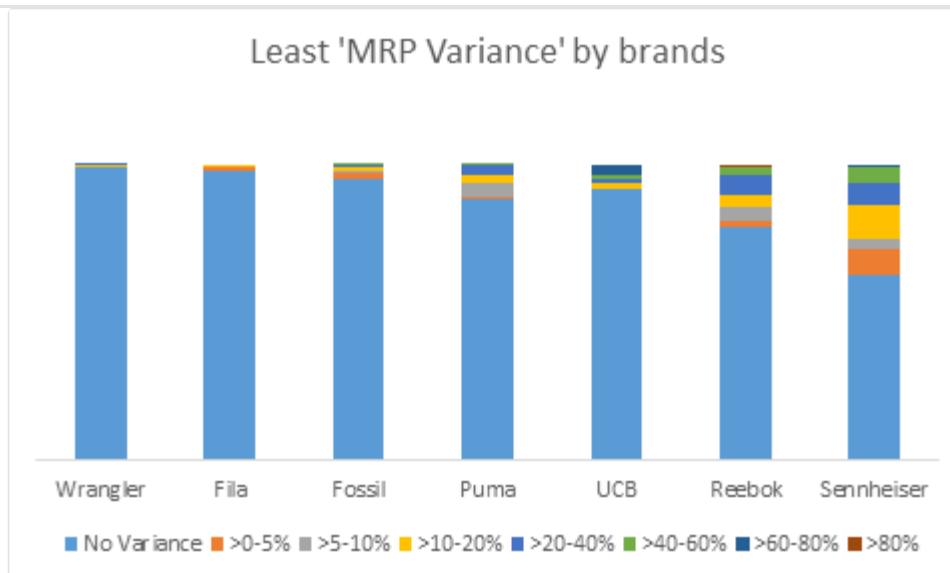
1. We analysed MRPs of around 400 brands across 10 categories. Around 44% of products in these brands have no variance in MRPs across retailers
2. This also means there is a variance in 56% of products



3. Products in the 'Mobile Phones and Tablets' category have the most price variance; 65% of the products have price variance
4. Fashion and Fashion accessories have the least price variance; around 20%
5. Brands having the most variance:



6. Brands having the least variance:



What are the implications of the above insights?

- Brands & manufacturers need to be aware of how their brand products are being represented and sold online
- Consumers shopping online need to look at end prices, and not focus on the discount percentage, before making a purchase-decision on a particular store

This article was previously published on yourstory

DataWeave provides a product that helps consumer brands track their products in a comprehensive manner. **DataWeaves Brand**

Intelligence provides consumer brands with the ability to track their products, pricing, discoverability vis-a-vis their competitors across e-commerce platforms.

- **DataWeave Marketing**

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BRAND PERCEPTION

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