Day-of-the-week price skimming: the case of small business

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Abstract
The aim of this study was to analyze how changes in pricing policies can improve sales of a small business. The results demonstrate how new pricing policies increased sales day-of-the-week of lower sales, as well as increasing sales of the complementary products.

Keywords: Revenue Management, Pricing, Increase Sales, Prices Technology

INTRODUCTION

This research deals with strategies (through the troubleshooting method) can be used to increase sales of a pizzeria on the billing break without compromising business profitability. From the point of view of the company's stakeholders, was approached some cases because:
• Shareholders: wished to increase profit
• Employees: improve working conditions;
• Customers: quality service;
• Suppliers: the company grew to purchase more.

METHOD

This research was chosen action research where the researcher raises the initial data, interfere with reality and then evaluates the results (Yin 2015).

In Brazil, the micro and small business represents over 27% of GDP - Brazilian GDP seconds SEBRAE ("Micro and small companies generate 27% of Brazil's GDP | Sebrae," n. d.). This research becomes relevant to work in a small Brazilian company.
Study shows that segment's growth potential in Brazil is still great. Challenge is to reduce prices and expand its presence to attract more consumers in classes C, D and E is what tells the story in ("fast-food chains will win $ 75 billion in 2018 - Bittencourt Consulting," n. d.) the quest to achieve new social classes to attract new customers to the pizzeria.

KNOWING THE COMPANY

In the mid-80s, more precisely on March 15, 1986 on a plot of about 13 by 20 Modern Bakery was founded in the town of Coelho Neto in Maranhão state which is 365 km from the capital of Maranhão. Initiative of two brothers who join forces to create the bakery.
Currently has 35 employees, a machine to manufacture salted capacity of 2000 units per hour, a ballroom for 200 people, a cold chamber for cooling and freezing with 20 square meters, an MIS- Management Information System that tracks sales , purchasing, accounts payable, accounts receivable and inventory.

IDENTIFYING THE PROBLEM

Faced with the economic and financial crisis experienced by Brazil, even though the food industry one of the most resistant to economic crises, it was necessary to analyze the whole situation of the company for prior identification problem.
Has identified a major problem and unfolds this particular problem into smaller problems and then find out root causes and only then block these causes (Campos 2013).
Focusing on pizza niche stood up the database with the sales of a quarter evaluating revenue per day, as shown in figure 1.
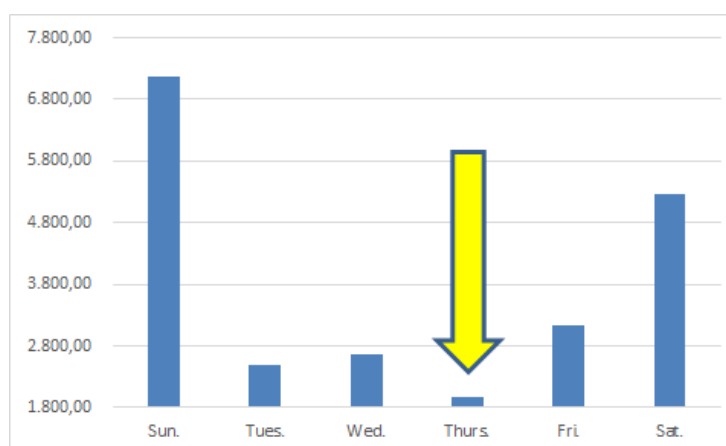

Figure 1 - Sale of the 1st quarter in Reais (data provided by the company)

Given these data one can see that on Thursday is the day-peak sales. This lower sales on Thursday idleness causes the pizzaiolo, the sales area is with empty tables causing idleness

also to the waiters. Whereas on Monday there selling pizzas due to socio-cultural characteristics in which is given off from pizzaiolo that day, it is noteworthy that the city has another pizzeria which opens on Monday.

SORTING THE MENU

One of the most used methods of product classification is the ABC curve, based on Theorem Vilfredo Pareto (Moura 2004).
Pareto was a sociologist in the nineteenth century, when analyzing the Italian economy noted that 80% of the population was concentrated in 20% of the Italian territory; as well as 80% of the income was concentrated in 20% of the population of Italy. Thus creating a rule that became popularly known as the 80-20 rule, where 80% of the funds were generally concentrated in 20% of sources.
The ABC curve is a method in which it sorts the items into three categories: A, B and C. This requires making a list of items, then put them in descending order by their billing, and classifies them according to the percentage representing the company.
It was raised all existing pizzas on the menu, so as to classify them in the ABC curve as shown in Figure 2.

Sequence	Product Code	Sold amount	Amount	%	% Accumulated	ABC Classification
1	15	102	2.742,75	11,90%	11,90%	A
2	27	85	2.287,37	9,92%	21,82%	A
3	51	63	1.681,80	7,30%	29,12%	A
4	12	54	1.597,00	6,93%	36,04%	A
5	33	55	1.430,87	6,21%	42,25%	A
6	14	58	1.270,25	5,51%	47,76%	A
7	24	42	1.195,25	5,18%	52,94%	A
8	11	43	1.022,85	4,44%	57,38%	A
9	26	42	911,80	3,96%	61,34%	A
10	50	38	821,25	3,56%	64,90%	A
11	13	42	746,85	3,24%	68,14%	A
12	32	34	744,95	3,23%	71,37%	A

Figure 2 ABC curve by referring Products 1st Quarter

A MENU OF ENGINEERING

It is noticed that it was necessary to create an intervention strategy that could improve billing Thursday. It is quite common for pizzerias do promotions on specific days, but not intentava in doing anything empirical or merely intuitive. It was necessary the detailed study of the costs to assist in decision making. Not part of this research the subjective aspects that are also relevant in decision making such as customer satisfaction or process optimization, as they are outside the subject of delimitation.

Once you have 59 types of pizza classified in the ABC curve, focused on items classified as A. In which were raised all costs from the sheet, with the formation of price and analyzing each contribution margin, to finally decide as would be the special offer. A composition of costs by the contribution margin analyzing the cost-volume-profit was made (Sanvicente 1987).

Made up simulations of the items which have higher contribution margin that would allow a discount without compromising the viability of the business. To thereafter be prepared a menu with offers of 50% for the day Thursday. The benchmark is a research process that can be internal or external second (Araujo 2010) in the case studied was the dominoes of Teresina - PI a multinational franchise that makes promotion with pizza doubled every request vc receives double. Before you simply copy the strategy had to be careful to simulate the financial results, it was realized that would not be the same strategy. Prices technology is to form a sales price that is fair, attractive, consumer-market without compromising profitability. In this case we identified some more profitable products and made up the promotion on a special menu for the Thursday keeping other products with the usual list prices.

RESULTS AND DISCUSSIONS

After the promotional offer applied there was an increase in sales of the reporting day, surprising expectations; because the increase was observed in the overall turnover, not just the desired days.

The strategy was as follows: First a survey was conducted of data in GIS - Management Information System; second was chosen the day lower sales of the product in question - the pizzas in the case was the Thursday; third was identified products "A" ABC classification; fourth step was to choose the product with the highest contribution margin to identify the promotional discount size without compromising profitability; fifth step was to create a special menu with promotion; sixth step work disclosure in social media and other media available to communicate to customers of novelty; seventh step was the measurement of results, measuring results to ensure the efficiency and efficacy of the promotional campaign. All these steps were worked out on the basis of Q Story, troubleshooting method outlined in the book Vicente Falconi (Campos 2004).
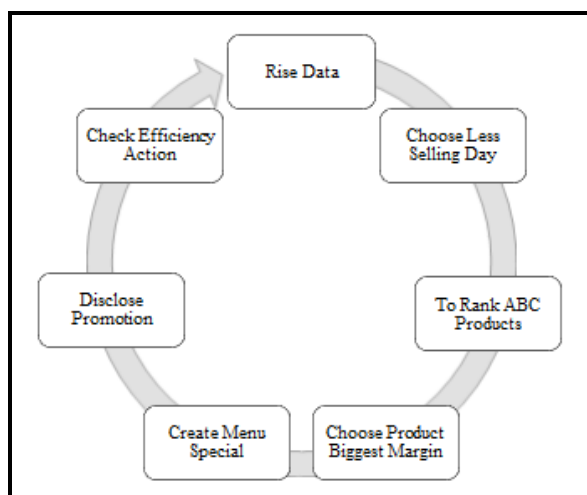

Figure 3 Framework Strategy - the author

The results are interpreting it we can see a proof of various theoretical lines that are management's branches, which are based on non analyze the business only on financial indicators but taking into account indicators such as quality, customer satisfaction, and internal processes, etc.

To understand the magnitude of these results is necessary to look at the fundamentals of marketing of the compound founded by Druker (Drucker 2012) initially composed of 4P: Price, Place, Product and Promotion (Kotler and Armstrong, 2012). Like everything around us is constantly changing; the context of increasing demand from the third sector, there was the need to include more 3Ps. So whenever it comes to the provision of services, the 4Ps are no longer enough, and now requires the emphasis on Physical Evidence (Physical Evidence), People (people), Process (processes).

In action research conducted can identify these mercadológicos 3Ps as follows:

• Physical Evidence: The Menu offers, becomes a tangible form of this service, allowing the customer to notice the most obvious way, otherwise the advertisements, billboards, posters in social media and car audio.

• People: The attendance in the days of supply continued with the same level of quality despite the subjective nature inherent in this item, for each person meets one way, and the customer can realize heterogeneous mode, if did not prejudice this item, instead, the service continued with a significant level;

• Process: The process of making the pizza has not changed in days of supply, pleasing the palate of the customer.

Is proven in front of the analyzed this action not only reflected in the billing Thursday as expected, it was attracting customers at low price; but it went beyond, to get in touch with all the marketing mix, and attracted fidelizou. Because there was an increase in global revenues.

Sales increased not only on Thursdays and in all the days showed an increase in sales (Figure 2). Not to the same extent, of course, but it is noticeable that the action reflected in increased Market share of the company as a whole, to show to a wider audience their services, also had its aggregated loyalty.

Depending on thursday demand was stimulated aso customers the sales mode or Delivery To Go until then had not been implemented claiming to socio cultural issues where

> *"[...] The interior of the people do not have this custom, she prefers to leave home [...]" Owner of the establishment.*

In speaking of the owner of the establishment, important to note that prior to promotion was made a promotion to sell the delivery unsuccessful, then the implanted promotion happened naturally because the service space was small for the number of customers on Thursday and was past as an alternative to the client or Delivery to Go thus changing the culture of the city with respect to this habit of consumption.

Important evaluation of this promotion was to maintain the sale of the remaining days of the week, as evidenced in Figure 2 the sale was practically the same everyday, overall had an increase of 31% in total sales of pizzas and on Thursday the increase was 5 times the turnover corresponds to 400% increase from one quarter to another. It is noteworthy that the other company worker threads were reduced or small increases however not as significant as the pizzeria.
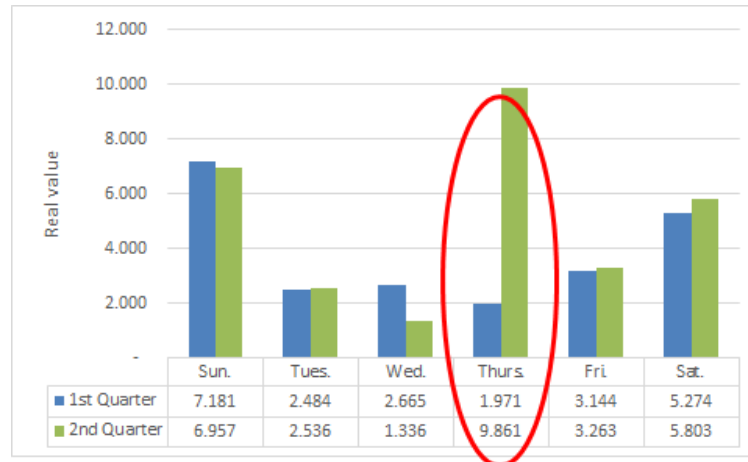
	Sun.	Tues.	Wed.	Thurs.	Fri.	Sat.
1st Quarter	7.181	2.484	2.665	1.971	3.144	5.274
2nd Quarter	6.957	2.536	1.336	9.861	3.263	5.803

Figure 5 - the 1st quarter sale of Comparative with the 2nd quarter (corporate data)

CONCLUSION

Despite the subjective nature of business management, one must always measure everything we do so that there is an interference steadily, generating continuous improvement. Well-planned and well-calculated actions can positively affect the company as a whole.

The results of this research are highlighted in the various reports, however it is noteworthy that there is no guarantee that the same method performed in another location or other establishments will have the same results. It is important tip the issue of continuous improvement where every action can be seen the results and create new alternatives.

It is evident that the Thursday sales growth with the promotion and maintenance of billing on the other days of the week comes evidence that could reach new consumers who were attracted by the promotion.

This research leads the researcher to new studies to prove the effectiveness of the model, the challenge would be to implant the same method on Wednesday of the same company, a second challenge would be to use the method to other pizzerias in other cities, a third challenge would be to use the method in different segments such as magazine or in department stores.

Acknowledgments

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