

PRODUCT PRICE INDEX

What's The Beverage News Product Price Index?

We looked at a list of products (below) stocked in most stores and tracked their prices at the close of each calendar year from 1995 to 2003. We calculated the average cost for the product list each year, and compared those yearly averages back to 1995. The 2003 index of \$1.12 means \$1 of product list value in 1995 is now worth \$1.12.

Why Does It Matter?

Most retailers price their goods based on a percentage markup on the wholesale price. So when the wholesale price goes up, if sales volume stays the same, you make more money.

Products In The Product Price Index

Jim Beam 4-Year
 Ancient Age
 Wild Turkey 80
 Jack Daniels Black
 Seagrams 7
 Kessler
 Chivas Regal
 Johnnie Walker Black
 Canadian Mist
 Canadian Club
 Crown Royal
 Absolut
 Stolichnaya 80
 Bombay
 Beefeaters
 Jose Cuervo Gold
 Sauza Gold
 Bacardi Rum
 Baileys
 Kahlua
 Sutter Home White Zinfandel
 Beringer White Zin
 Cook's
 Andre
 M&R Asti
 Korbel Brut
 Seagrams Coolers
 Bartles & Jaymes
 Corona
 Beck's
 Rolling Rock
 New Belgium
 Paul Masson Generic 3.0 L
 Almaden Chablis/Burgundy 3.0 L
 Kendall Jackson Chardonnay
 Turning Leaf Chardonnay

Beverage News Product Price Index

1995	\$1.00	
1996	\$1.05	+\$0.05
1997	\$1.02	-\$0.03
1998	\$1.04	+\$0.02
2001	\$1.08	+\$0.04
2002	\$1.09	+\$0.01
2003	\$1.12	+\$0.03

Example

1995	Your cost = \$100	Your Markup = 20%
	Retail Price = \$120	Your Gross Profit = \$20
2003	Your cost = \$112	Your Markup = 20%
	Retail Price = \$134	Your Gross Profit = \$22
	Gross Profit Increased 10%	

