

Pricing Strategy

Steep Brew has chosen to work with a lower-cost supplier (CafTrac Coffee, Inc.), a company that has been in the coffee business for 27 years. Its costs are comparable to those paid by fast-food chains and convenience stores to their suppliers. Steep Brew is basing its prices on the cost of goods purchased from CafTrac.

Competitive Pricing Structure

Price is a significant motivator for Steep Brew's Frugal Customer. The table below illustrates our competitive pricing structure in comparison with our on-campus competitors.

	Regular Coffee, Cost per Cup		
Retailer	8 oz.	12 oz.	16 oz.
Steep Brew	\$1.29	\$1.39	\$1.49
Gillian's	\$1.89	\$2.09	\$2.49
Caliente	\$1.29	\$1.49	\$1.69
Always Up	\$1.99	\$2.39	\$2.59