TABLE A1
Variance Decomposition of Prices: Category Detail

| | Category-Level | | | UPC-Level | | |
|---|---|---|---|---|---|---|
| | All Stores | Chain | Indiv.. | All Stores | Chain | Indiv. |
| Beer | 5.5 | 4.7 | 0.3 | 24.1 | 50.8 | 14.6 |
| Bread | 6.5 | 2.3 | 2.3 | 12.8 | 70.8 | 5.3 |
| Cereal | 3.6 | 12.1 | 1.1 | 7.5 | 64.8 | 11.0 |
| Cheddar cheese | 4.1 | 1.8 | 0.6 | 15.9 | 66.7 | 10.8 |
| Crackers | 15.2 | 2.2 | 0.8 | 11.5 | 58.4 | 11.9 |
| Cream cheese | 38.1 | 38.5 | 7.7 | 0.5 | 9.1 | 6.1 |
| Canned soup | 13.1 | 10.8 | 1.7 | 8.4 | 55.1 | 10.9 |
| Coffee | 1.8 | 5.7 | 0.7 | 9.4 | 59.4 | 23.0 |
| Flour | 32.7 | 19.2 | 0.9 | 6.5 | 34.2 | 6.5 |
| Frankfurters | 1.3 | 2.3 | 1.3 | 7.5 | 64.2 | 23.4 |
| Ice cream | 0.7 | 8.6 | 6.5 | 6.0 | 56.3 | 21.8 |
| Apple juice | 0.1 | 0.0 | 2.2 | 11.4 | 73.7 | 12.7 |
| Margarine | 1.6 | 8.4 | 1.2 | 12.5 | 66.7 | 9.6 |
| Marinara | 3.2 | 0.8 | 0.3 | 10.8 | 72.6 | 12.2 |
| Oil | 3.4 | 3.8 | 0.8 | 8.4 | 66.1 | 17.4 |
| Peanut butter | 2.3 | 1.1 | 0.9 | 8.9 | 70.1 | 16.7 |
| Ravioli | 18.8 | 68.6 | 6.3 | 0.1 | 0.7 | 5.5 |
| Soft drinks  lime diet | 1.3 | 3.3 | 1.3 | 8.2 | 50.7 | 35.2 |
| Soft drinks cola | 3.3 | 0.8 | 1.3 | 8.1 | 54.2 | 32.3 |
| Soft drinks cola diet | 3.4 | 3.3 | 1.6 | 10.4 | 52.6 | 28.8 |
| Soft drinks lime | 1.6 | 3.2 | 0.9 | 7.6 | 58.2 | 28.5 |
| Soft drinks other | 5.8 | 20.3 | 5.6 | 5.0 | 41.2 | 22.1 |
| Soft drinks other diet | 5.4 | 12.2 | 5.8 | 3.5 | 39.8 | 33.4 |
| Spaghetti | 4.7 | 11.2 | 0.6 | 3.3 | 66.8 | 13.3 |
| Sugar | 5.1 | 8.7 | 2.1 | 28.2 | 47.3 | 8.7 |
| Tuna | 1.1 | 1.8 | 0.4 | 7.3 | 79.0 | 10.4 |
| Weighted Mean | 7.1 | 9.8 | 2.1 | 9.4 | 55.0 | 16.6 |

The variance decomposition is estimated using monthly average prices including sales. For each store and UPC, the raw weekly prices (including sales) are averaged within months, then logged and demeaned at the store-UPC level. The variance decomposition is carried out using this monthly demeaned series. The statistics above are means across stores for individual categories. The last row is a mean across product categories. The variance decomposition is based on 279,718 observations.