Course Material Examples

1 Weekly Mini-Case Assignments, Individ	dually
Assigned and Graded	
- Digital Marketing; Facebook: Page, A	dvertising
& Brand Program Evaluation	Page 1-4
- Marketing Management; Pricing	
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- Marketing Management; Project	
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and Mini-case Assignments

MM 3300: Assignment #2: Pricing Concepts and Strategies Page 1 of 4
Breakeven, Incremental Revenue Contribution, Price Elasticity and Pricing Methodologies

** THROUGH OUT THIS ENTIRE ASSIGNMENT - PROVIDE SUPPORTING COMPUTATIONS **

I.. Breakeven Analysis, Incremental Revenue Contribution and Excel Graphing

St. Andrews Medical Center air ambulance program (AAP) operates out of the hospital's Emergency Room ("ER") department. The helicopter transports patients to St. Andrew's ER from the accident scenes. Upon arrival patients receive emergency treatment and most often they are admitted to hospital and can stay quite long depending on the situation. Even though hospital is a non-profit; to be financially successful [similar to any business (like a hotel)] it is important to generate patient occupancy to generate revenues. APP is staffed 24/7 by a nurse, a paramedic, and a pilot; and Monday → Friday a mechanic and office manager.

Annual personnel costs are \$410,000 regardless of how many flights are made. Fuel costs average \$4.50 per mile. Medical Supplies add an additional \$260 to each flight's cost. The remaining costs are included in the monthly lease on the helicopter of (i) \$35,000 base plus (ii) \$10/mile. The average AAP is 20 miles per trip. Currently the air ambulance flies about 600 trips a year. The average amount billed per flight is \$2,250 that is usually paid by patient's insurance company.

- 1. What is the total annual fixed cost of AAP subsidiary.
- 2. What is the (i) variable cost per trip and contribution per trip.
- At 600 trips per year, what is the total annual cost, revenue and profit (loss).
- 4. You as Marketing Director of Hospital realize the importance of the air AAP from a total marketing exposure standpoint. There are other tangible benefits of the program The program is one of only two AAPs in this large city with over 2 million people.
 - What marketing exposure (non-financial) and credibility could hospital benefit from. (Couple sentences)
 - ii. What are the other "hospital wide" FINANCIAL benefits from the AAP program.
 - What is the Break-even number of trips for the AAP subsidiary.
 - iv. A third hospital announces that it will start offering an airlift program and you now project your trips will be reduced by 25%.
 - a) What is the annual profit/loss now.
 - b) Considering both financial and non-financial issues; as CEO would you continue AAP.

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5. Professionally prepare a Break-even Graph on Excel/Spreadsheet program.

Use the computer to properly title and label the graph as follows:

- i. Upper left hand corner: St. Andrews Medical Center Break-Even Analysis
 Your Name: Run Date:
- Y-Axis: Annual Costs and Revenues (\$0 → \$1,600,000)
- iii. X-Axis: Number of Annual Trips
- iv. Three Lines: Total Revenue, Total Costs
- v. Two Differently Shaded Areas: Fixed Costs and Variable Costs
- 6. You look at the distribution of when service is demanded and see a window between 3 AM and 10AM in the morning where rarely are there any airlifts. Through research you find out that between airlifting organs [for transplants] and specialized zoo creatures (rate fish, birds, etc.) the potential for an additional 175 prescheduled trips exist annually. Since Medical Supplies aren't involved; Supply airlift costs are reduced from \$285 to \$75.

Trip Type	Annual Projected Trips	Average Mileage Per Trip	Lease Variable Cost Mileage/Trip	Variable Cost Per Trip Supplies Gas	Total Variable Costs/Trip	Projected Charge Per Trip	Incremental Contribution Per Trip	Total Incremental Contribution
Organ	125	50				\$1,400		Carrier was a survey and a
Zoo	50	80		Samuel Samuel		\$1,000		

- i. Complete the Table above. Use Insert Table in Word (landscape or portrait okay)
- ii. Which Trip Types would be beneficial for AAP to conduct and why (quantify)
- iii. How much incremental profit will result. What % increase is this over base 600 airlifts profit

MM 3300: Assignment #2: Pricing Concepts and Strategies Page 2 of 4
Breakeven, Incremental Revenue Contribution, Price Elasticity and Pricing Methodologies

II.. Price Elasticity and Price-Cross Elasticity

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Price Elasticity

- 1. Yesterday, the price of envelopes was \$3 a box, and Julie was willing to buy 10 boxes. Today, the price has gone up to \$3.75 a box, and Julie is now willing to buy 8 boxes. (i). What is the Price Elasticity for the envelopes. (ii) Is Julie's demand for envelopes elastic or inelastic (iii) Will Total Revenues 1 or 1; explain answer without needing computation.
- 2. If Neil's elasticity of demand for hot dogs is constantly 0.9, and he buys 4 hot dogs when the price is \$1.50 per hot dog, how many will he buy when the price is \$1.00 per hot dog. [Your at GT !!]
- 3. (i) Which of the following goods are likely to have "Elastic" demand, and which are likely to have "Inelastic" demand?
 - a) Home heating oil
- b) Coca-Cola
- c) Chocolate bars
- d) Heart medication
- (ii) Add two other of your own examples to each category (Elastic and Inelastic)

Cross - Price Elasticity

- B.B. Lean is a catalog retailer of a wide variety of sporting goods and recreational products. Although the market response to the company's spring catalog was generally good, sales of B.B. Lean's \$140 deluxe garment bag declined from 10,000 to 4,800 units. During this period, a competitor offered a whopping \$52 off their regular \$137 price on deluxe garment bags.
- 4. Calculate the Cross-Price Elasticity of demand for B.B. Lean's deluxe garment bag in conjunction with competitor's garment bag offering.
- 5. B.B. Lean's deluxe garment bag sales recovered from 4,800 units to 6,000 units following a price reduction to \$130 per unit. Calculate B.B. Lean's Price Elasticity of demand for this product.
- 6. Assuming the same Price Elasticity of demand calculated in #5 continues to apply for further price reductions. Determine the <u>both</u> the final price and further price reduction necessary for B.B. Lean to fully recover lost sales (i.e., regain a volume of 10,000 units from 6,000 units at \$130 in #5).
 [Your at GT !!]

III.. Strategic Pricing Methods (Information presented "reasonable" but not meant to be "factual")



During your senior year at Georgia Tech your brilliant freshman roommate, Jordan, who has majored in Mechanical Engineering, comes up with an incredible new method of refrigeration. You have accepted the position as Vice President off Marketing. Through brainstorming your executive committee arrives at the company name of Futuristic Cooling. You are in the process of obtaining patent protection and have obtained joint venture seed money for startup of \$2.8 Million. The first product market you decide to pursue is the Commercial, Side by Side Freezers in the 50 cubic feet size. This size is the most commonly purchased freezers for small and medium size restaurants, convenience stores, and bars. Production will begin shortly and units will be available for shipment within six months.

MM 3300: Assignment #2: Pricing Concepts and Strategies Page 3 of 4 Breakeven, Incremental Revenue Contribution, Price Elasticity and Pricing Methodologies

III.. Strategic Pricing Methods (CONTINUED) Include ALL COMPUTATIONAL WORK

Your new refrigeration process creates the following operating and financial advantages over your main competition primarily due to an amazing "secret" new process and using a different chemical other than traditional Freon passing through cooling coils.

- · Compressor and coils take up less space allowing for more freezer space with essentially the Same overall dimensions. Page 3 of 25
- Power consumption is less reducing annual electrical bills.
- Since process more efficient with smaller stress on both components and the main compressor you are able to offer a better warranty with purchase.

Below is information that you have gathered to assist in determining pricing and promotion.

	True Manufacturing	Artic Air	Futuristic Cooling
Internet/Commercial Price	\$3,200	\$3,300	????
2. Freezer Space	50 Cubic Feet	51 Cubic Feet	55 Cubic Feet
3. Dimensions:	L:54" D: 29" H: 78	L:54" D: 29" H: 78	L:54" D: 29" H: 78
Estimated Monthly Electrical Consumption	\$75	\$80	\$60
Warranty With Purchase Entire Unit Compressor Only	1 Year Parts/Labor 3 Year Parts/Labor	1 Year Parts/Labor 3 Year Parts/Labor	2 Year Parts/Labor 5 Year Parts/Labor
Extended Warranty cost upon Purchase from industry firms: Entire Unit (1 st five years) Compressor Only (1 st five yrs)	\$200/Yr \$75/Yr	\$200/Yr \$75/Yr	\$200/Yr N/A covered for 5 Yrs.

The True Manufacturing and Artic Air are the main competitive units in the marketplace. Based on an effective product launch a terrific Internet Site SEO/SEM, and creative viral marketing programs (both you learned in your Marketing courses you project sales during the first four years as: YR1: 1,500 Units YR2: 2,500 Units YR3: 4,000 Units YR4: 6,000

- 1.. Apply Cost Based pricing. You have decided that you want a 28% margin. The total costs should include spreading start-up costs of \$2.8 Million over the first four years of units sold. Your accounting counterpart provides you an average cost of production of \$2,100 (all fixed and variable costs) to be used over this four year period. What should unit be priced under this method.
- 2.. Assuming your Pricing Strategy is solely based on Competitor Based pricing and your Marketing efforts are solely based on your attention-getting Internet site and viral marketing directing people to the site. You realize it will be difficult to communicate the financial and operating advantages you're your competitors as most Internet purchasing tends to be primarily price based. What pricing do you recommend and why under this Competitor based pricing method.
- 3.. Assuming that the freezers are sold where you can adequately communicate the financial benefits/value to buyers. This approach may result in a different Promotion Strategy to sell units at higher price than competition yet be successful. Under this Value Based pricing you are able to communicate long-term financial advantages through either direct sales or educating and providing incentives to wholesalers.
 - Calculate the total financial value/benefit of the Futuristic Cooling Freezer with time period being the first five years.
 - ii. Compute a Value Based Unit Price assuming that you take the Competitor's Price and add on 35% of total savings during the first five years.
 - You conduct some Market Research that costs \$100,000 to determine whether you can iii. Successfully achieve this higher pricing and impact on quantities and higher promotional costs. The study projects that over the four years projected sales will increase 12% but Promotional Budget will be \$1 Million first two years, and \$.5 Million last two years. What is the additional Profits will Futuristic Cooling experience over the four year period.

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IV.. So Now You Are A Restaurant "Pricing"/"Target Marketing" Consultant (True Situation)

Diane and Paul go out with friends for dinner at Brio Tuscan Grille (Perimeter) recently on a Thursday evening. Though Paul despises expensive, non-value type restaurants, Brio is one of the few more upscale restaurants he enjoys, even though it is more pricey (vs Outback, etc.). The portions are large, quality of food is excellent, great bread/lavash basket comes with the meal, and the ambiance is nice..

Brio is a typical upscale restaurant with an "al a carte" menu. Diane and Paul almost always order:

- Two main entrees, split, [always Pork Chops (\$19.50) and maybe something like Shrimp & Scallop Scampi (\$18.50)
- A Lobster Bisque for Paul at \$5.95
- " A Salad for Diane at \$5.95
- And, despite their waist lines, a dessert each at approximately \$7.95

As Diane and Paul enter the restaurant, they are pleasantly surprised with the following Three Course Dinner Special advertised prominently at the reception counter. For \$16.95 it offers:

- (i..) Choice of Soup or Salad
- ii..) Entrée Choice: Grilled Chicken Fettuccine Alla Vodka, Citrus Chicken, Beef Marsala Medallions
- (iii..) Dessert (smaller portioned): Tiramisu, Crème Brule, Cheesecake, Chocolate Carmel Cake

Wow! What a meal. The Beef Marsala was incredible and all the portions were as large as normal except the dessert which they preferred over the normal ration..

Answer The Following

- 1.. How much were Diane and Paul planning on spending before they were encouraged by advertising promotion to consider the special (before beverage, taxes and tip):
- Because they both selected the Three Course Dinner Special they ended up spending what amount and what was the lost revenue percentage.
- Now think about <u>strategic marketing and pricing analysis</u>. You are hired by Buckhead Restaurant Life Group to review their marketing programs and come across this one at Brio's.
 - A... What are the Pros and Cons of offering this Three Course Dinner Special which is done Sunday – Thursday currently. [Simple bullets point answer formal suggested]
 - B... We talked about important pricing concepts including "Cannibalization" and "Incremental Revenue Contribution" for targeted "incremental" markets. Discuss the applicability of these related concepts and whether or not Brio is achieving "incremental business". Monday through Thursday evenings are a lot of business customers; how price sensitive are they and are they actively looking for a "deal".
 - C... How could they achieve incremental business through effective sales promotion Ideas to isolate this lower profit margin business? Get "creative" in your promotional Ideas.

Page 1 of 4 - DUE: Frid: 6/10

Scan/Email or Fax: 413-460-5551

Assignment 4: Facebook: Page, Advertising and Brand Program Evaluation

I.. Develop a Facebook Page to Promote Yourself as Thought Leader on Your Blog Topic A.. Follow directions below and as needed you can also reference "The Facebook Era", Pages 222-227.

Designing Your Page: www.facebook.com/pages/create.php

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- Official Page/Right side: Page name, Brand/"Professional Service" .. Create Page
- Image: Use professional photo of yourself unless an alternate creative image is appropriate
- • Invite your friends: Send to several fellow students in our class.
- Tell your fans: Use email addresses to fellow students in our class and Paul Heller.
- Info Tab and complete profile: Basic, Detailed (include website link), Contact Info
- Click on "+" Tab and add "Notes". This creates an open text area. Write 200+ words about your objectives (steal/lift from your website).
- Start a two Discussions using the this tab:
 - o General query to readership to communicate/dialogue about relevant topic
 - Encouraging them to read your most recent post using HTML for proper linking of article:
 *a>"http://website.com">title<a/>a/>
- Go to Edit on left side of Wall Page,
 - "Manage Permissions" ... update the following and save.
 - o Page Visibility Check box "Only admins" while developing page (save embarrassment)
 - o Age Restrictions: 19+
 - Default Landing Tab: Very important in commercial applications .. Choose "Notes"
 - "Manage Admins": simply add Professor Heller with email address: profheller@gmail.com (notice how Facebook locates profile picture without you having to insert)
 - Go back to Manage Admins and make public (optional) by un-clicking box for Page Visbility.

There is nothing to turn in as you have given me administrative access to view your complete Page.

II.. Develop a Facebook Ad to Promote Target Audience to Join Your Facebook Page

A... Reference as needed "The Facebook Era"/Clara 258-265. To establish a Facebook Ad that promotes your Target Audience to take an action .. joining your new Facebook Page.

1. Creating and Designing Ad: www.facebook.com/ads, "Create an Ad"

Note: These ads are very limited in sophistication, length, graphics, images, etc

- Use Facebook Destination URL of your Facebook Page if you decide to make in public or your Blog Website; whichever you choose. Needs to take you someplace legitimate on the Internet.
- Strategically maximize use of the character limitations for <u>Title</u> and Body Text. <u>On assignment</u> write- up provide the <u>Title</u> (25 max) and <u>Body Text</u> (135 max) with the words and actual Word Count.
- Image: Use professional photo of yourself unless an alternate creative image is appropriate.
- 2.. Targeting/Understanding Available Audience Size to send Facebook Ad to: Think through the geographic-demographic-personas of your Target Audience and complete the following table. The last row should be your target audience and bolded. Note you may have combined audience situations that both decrease and increase reach by including multiple "Likes & Interests" [see sample]

Oglethorpe SMSEM Spring II Page 2 of 4 Assignment 4: Facebook: Page, Advertising and Brand Program Evaluation

Turn in the following Table.

		Estimated Fac	cebook Reach
Facebook Sub-Categories Name	Specific Parameters Chosen for Each Categories	Individual Audience	Combined Audience
		Pa	ge 6 of 2

SAMPLE.....

		Estimated Facebook Reach			
Facebook Sub-Categories Name	Specific Parameters Chosen for Each Categories	Individual Audience	Combined Audience		
Country	United States	148,216,200	N/A		
By State	Georgia		4,792,700		
Age	18 & Older	134,052,820	3,918,980		
Likes & Interests	Dietitian / 18 & Older		14,400		
Likes & Interests	[Dietitian + Dietician]/ 18 & Older	360	14,720		
Likes & Interests	[Dietician + Dietician +Rd]/ 18 & Older	3,420	18,040		
Likes & Interests	[Dietician + Dietician + Rd + Rds]/ 18 & Older	1,380	19,440		

- 3.. Campaign, Pricing and Scheduling: Put in the Name, Budget Amount [\$10/day], Schedule: Today forward.
- 4.. Payment: You will need to provide a credit car and spend \$10. *Deactivate after the 1st day*
- 5.. Your next assignment will involve reviewing actual reports generated by Facebook.

III. Evaluating Major Corporate/Brand Facebook Pages

You will assess two Facebook Pages. I would like to facilitate sending those analyses I deem "quality" to the companies directly; I think you will be surprised at how much they will appreciate the feedback! Their potential responses back will be interesting to share and very rewarding!

First: I am assigning the following sites individually based on Atlanta based companies:

Debra: Coca-Cola

Leia: UPS

Ashley: Moe's Southwestern Grill Crystal: Home Depot

Second: Pick any major corporate/non-profit Facebook Page that you are interested in, However you need to TEXT me with the one you choose tentatively as I do not want class overlap. First come, first serve. It must also have some complexity/involvement to it. If you choose too simple of site it may not result in full credit.

Attached is a Sample with McDonalds. Use this identical format to analyze your two. I will email you this Word Table to save you setup time.

^{**} The only other handed in materials for this assignment, besides the Evaluation Summary Table, is a screen print of at least the latest two pages of Wall comments so I can see what your analysis was based on. All the other elements of your Fan Page are "static" (don't change) and I can view as needed on the Internet. **

Facebook Page Location or Area	Structural Description, E	Donalds Page 1 of 2 valuation and Recommendations
I. BASIC STASTICS AND STRUCTURE A. Current Members/locations B. Upper Left-hand Branding Message C. Middle Left-hand Column Branding Messag	7,733,000 / 14,000 locations in US Effective logo and burger pictures Charitable campaign with "Ronald creating positive image, corporate" Recommendations: "About" section	Page 7 of 25 (makes me hungry) McDonald House Charities" effective in
II. CONTENT SUMMARY	conversion derivities desired like	games, ede, eneck Local promotions.
A. Overall Assessment Ranking 1 → 10 (Best)	Content Best Practices Criteria	Grading 0 → 10 (Best)
	Be helpful	2; Too much content all about company
	Be funny and entertaining	3; Very "dull", often repetitive images Games fun, graphics and some video good.
	Recognize your fans	0; No UGC, no personalization
	4. Invite to events	3; Limited with McDonald's All- American Basketball, Localization?
	Announce new products/location	8: What Page is primarily about
	Provide special offers	0; None. Maybe Local Tab to address?
	7. Engage w/surveys, polls for users to feel valued	0; None
	8. Get personal	0; No personal touch, little connection
	Wall content about product does not exceed 20%	0; 100% of content all about MCDs and not even tangential content.
	10. Posting frequency 1→5/day	4; Usually daily but lots of gaps
B. Tab: Wall	Posting Frequency: Once per day no vacation?). Can address gaps, if good Composition: Original/Compelling Content: Specific Promotional Discounts General Product Promotion: Careers/Employment Promotion: Event Sponsorship: Games	0% 0% You may determine additiona 50% categories; these are
	to not fill up wall with hundreds of the games. Recommendations: Inadequate freq entries very repetitive, McCafe Sha 20% maximum guideline in conten	to allow user to pull down comments so as comments unless user interested. I liked quency, no original-compelling content, tkes link goes nowhere. Grossly exceeds t about YOUR product. I would get very and ignore unless localization portion "something" compelling/original.

Facebook	Page Evaluation - McDonalds Page 2 of 2
C. Tab: Info	Incorporates Mission statement which I like, but otherwise boring like most other "Info" pages. Effective liability waiver statements for Facebook Page. Recommendations: Why not expand Community Service programs and
	messages? Page 8 of 25
D. Tab: Local	Great idea but module under development? enter zip code and local promotions and announcements I presume? Recommendations: Embarrassing, shouldn't have module "live" until it works and all zip codes have quality content or a message comes up that addresses no content in a funny-redirect way.
E. <u>Tab: Latest -</u> <u>DEFAULT</u>	Effective in: 1. Promoting new product (Fruit & Maple Oatmeal) with dynamic photo-video with catchy music. 2. Redirecting to fun Games Recommendation: Need "Overall Conversion Strategy" communicated on
F Others	first page to visitor. No direction to Page.
After All Tabs	
Default Tab/Effectiveness:	Identify which tab is the "default" tab and how effective is this? Is this the most important tab to initially take the visitor to?
III. NEWEST TRENDS	
A <u>SPECTRUM</u> of Transactional Social Shopping Capabilities on Facebook or Redirect to Company Website	Covered in class/lecture slides relating to strategy taken to keep user on Facebook Page versus redirection to website related to Product Information and Transaction itself. Note: For McDonalds there are no transactions so section does not apply.
B Charitable Giving: Social Awareness, Sponsoring Community Service Programs	Describe if Fan Page incorporates this area which can create and build loyalty while supporting important community to national programs
C Localization/Geographical	Ability to identify store locations and redirect to those specific location/region Fan Pages
D Open Graph Segmentation	Visit company's actual website (.com) and see if there is a FB Like button that indicates "Open Graph" has been used.
E Effective UGC Campaigns (User Generated Content)	UGC campaigns are very effective in creating loyalty and engagement. Document and critique campaigns: video, photos, text/stories, others
IV PRIORITIZED CONVERSION GOALS	List and explain as appropriate what you believe are the top three to five conversion goals of Fan Page. What is company trying to achieve with user visiting Fan Page? Note: my recommendations on McDonald's site would be that there is little direction or guidance in creating conversion; "hodge podge" of activities and content.
V OTHER COMMENTS and RECOMMENDATIONS	Recommendations: 1 "Free Wifi" not promoted except for imbedded inside Info page. As a BIG Wifi user I think this could attract more traffic into stores. I think of dropping by to a Starbucks vs McDonalds. High drink margins benefit of droppins?
	2 Integrate creative User Generated Content campaigns.

MM 3300: Assignment 3A: Pricing Approaches Continued

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Typed and briefly, from one word → three sentences [except where noted], respond to the following situations:

- 1.. Paul Heller tends to be an "impulsive" shopper (except for high price items); valuing his time and not spending a lot of time comparative shopping; whereas his wife Diane is the opposite, always comparatively shopping at stores and clipping coupons.
- (i) If you are a clothing retailer, which pricing approach best effectively attract and maximize profits for Paul? For Diane?
- (ii) Besides those mentioned in class and within this assignment, give examples of retailers that apply these two basic approaches.
- 2.. Frequency and routine of shopping leads retailers to adopt different pricing approaches. Best Buy uses a High-Low strategy versus Walmart uses an EDLP strategy. Why do these two retail giants select these approaches relative to both frequency and nature of shopping purpose?
- 3.. Suppose the presidents of all the ACC colleges got together for lunch and they discussed what each university was going to charge for tuition in the upcoming year.
 - (i) Are they in violation of federal laws?
 - (ii) If so, what type of pricing is this referred to?
 - (iii) Given that many of the colleges are non-profit organizations, does this make a difference?
 - (iv) Explain the difference between vertical and horizontal price fixing.
- 4.. You are opening up a new upscale restaurant in Buckhead. You have managed to get terrific preopening publicity from AJC, Atlanta Business Chronicle and a gourmet food magazine. All three publications run very prominent articles about your new head chef, calling her one of the best young chefs in the country.
- (i) Is initial demand for new restaurants usually slow and gradually build-up; or does the new restaurant in town "popularity" usually create instant demand? (ask a restaurant guru if needed).
- (ii) Based on the publicity and response what type of pricing strategy would be best to open restaurant up with?
- (iii) If demand softens over time and your reputation as this elite restaurant evaporates (chef wasn't all she was "cooked up" to be), what pricing modifications might be appropriate to lift sales?
- 5.. Suppose that you are a marketing manager for Pantene Shampoo and Conditioner, two of Proctor & Gamble's star products. Several competitors, A and B, have recently begun to cut prices to retailers and also to offer more aggressive channel allowances in order to boost sales and market share. (Marshall & Johnston/2010)
- (i) What options do you have as a response to the competitive price declines? (4+ → sentences) Note: Consider pricing and promotion. When discussing pricing, discuss issues including assessment of brand loyalty and the relative cost structure advantage or similarity to competitors A and B
- (ii) What are the risks associated with each of the options?
- (iii) If Pantene is the market leader in its category with a strong historic brand loyalty, what response to the price cuts do you recommend? Assume that Proctor & Gamble does not have a cost structure advantage over its two major competitors.

Page 2 of 5 Request For Proposal - Specific Items: Classroom Furniture, Projection and Computer Equipment MM 3300: Assignment 3B - B2B Marketing - Project Management/RFPs

I would like the counts and descriptions to be relatively accurate provided that manufacturer's name and model number It is your responsibility to develop an RFP to fully furnish all the items necessary our Management Building classroom are easily seen. But if it is not readily available you can make up the Manufacturer, Model #, etc.

1. RFP Schedule Attachment A: Use Format shown below with landscape WORD or EXCEL. The last seven columns (where shaded) are blank for bidder to complete.

uan- Manufactur Fity	Quan- Manufacturer Specification: Model #, Tity Description	Unit	Unit Extended Cost Cost	Shipping & Tot Delivery Co	Total Cost	Avail- ability	Total Avail- Warranty Cost ability Parts-Yrs	Warr. Labor-Yrs

A. Furniture Listing: Detailed list of all the furniture: desks, tables, chairs, bulletin board, and instructor furniture.

B.. Computer and Projection Equipment: Detailed list of the computer and projection equipment: student computer work stations, document camera, projection equipment, teacher computer, audio, etc. 2. Develop Cover Letter To Potential Bidders: Compose a Cover Letter as if you are the Director of Purchasing at GT. You will reference the above Attachment A. Your cover letter should contain/address the following:

- reduce project cost. They should bid on the specific item that you have identified; but you encourage them to (Quite often in an RFP you) allow bidders to recommend alternatives that are comparable in quality that might identify alternatives accordingly with footnoting.
- You will be sending out to various bidders and they may not be able to provide everything. For example a computer you don't expect bidders to necessarily bid on ALL items. Your purchase may easily involve more than one vendor. store may be very competitive for Computer and Projection Equipment, but doesn't carry furniture. Explain that
 - GT is tax exempt. Ask them to identify what documentation they may need from you.
- Specify time table (due date, award date) and where bid sheets and any other materials submitted are due to: Yourself, Director Of Purchasing, GT, 800 W. Peachtree Street, Suite 325, Atlanta, GA 30303
 - Make sure you thank them for their efforts in submitting a bid (I greatly appreciate the time).

ordered through ABC Company. You want to bid this out to at least three other companies. How can you identify some Let's say you recently became Director of Purchasing at GT and you see that most all purchases of this sort have been 3. Identifying What Possible Computer and/or Supply Stores Might Be Best To Contact ? (Thinking "Out Of The Box") potential bidders that you think might possibly be more cost effective ... make sure you consider logical networking (be specific) as part of your answer. The Internet is NOT to answer.

MM 3300: Assignment 3C: B2B Marketing An Effective RFP For Professional Services

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You are responsible for your firm located in Charlotte, NC to send out an RFP to develop a comprehensive Marketing Plan for a new product you are bringing to the market place. You will fabricate what this product is along with additional background.

PART I - Identifying Potential Bidders

Identical to Assignment #1; use Reference USA database to develop a list of Potential Bidders that you will call and potentially send them the RFP to respond to.

(i..) Develop a list of <u>POTENTIAL</u> Marketing Consulting Services [use NAICS codes: 54161301, 54161302 and 546161303], for metro area of Charlotte, NC with employers over 20+. Print these companies (should not be more than 50; if so you've done something wrong) out on ONE, landscape page, with the following headings included. Note that some of these are way over on the Detailed Excel spreadsheet that Reference USA will generate:

1. Company Name

2. & 3. Executive Last and First Name 4. Executive Title

5. Address

6.City

7. Location Zip Code

8. Location Range of Employees

9. Primary SIC Code Description

10. Primary NAICS Description

(ii..) You will notice that many of the companies on this list wouldn't seem appropriate in contacting as they don't appear as Marketing Consulting Companies. We will discuss why in class. This is a good lesson in your data is only as good as you "clean it up". Use the company name and the last two fields (Primary SIC Code Description and Primary NAICS Description) to screen down to logical list of companies to actually contact. Simply identify in Part (i) schedule those few firms that make sense contacting .. I only got three possibilities.

PART II - Developing an RFP

A Request for Proposal ("RFP") is a document that bidders complete in a competitive format that result in <u>YOU</u>, the <u>client</u> getting the best possible, locked in pricing with a professional services company that can evidence their experience to complete the project effectively. To accomplish this, an RFP has the following "typical" document sections:

I. PROVIDED BACKGROUND

A. Your Company Background and Situation

You are giving the potential bidders background on the project. Relevant background includes key contact/steering committee members, historical background of company, type of business (if not evident), figures to provide size (number and locations of office(s), employees, sales, etc.

** Actual Assignment: Be creative and come up with a couple paragraphs.

B. Project Scope

You are giving them instructions on the SCOPE of the project that they are to perform for YOUR company. YOU are defining the work that will be completed for the project that they will submit fees for. You will give them the chance to modify the Project Scope but the more you have identified the better you can compare the competitive RFPs submitted. You may actually have a consulting company that will not be a bidder assist you in developing the project scope.

Page 12 of 25

I. PROVIDED BACKGROUND

B. Project Scope (Continued)

** Actual Assignment: Simply copy the exact wording for this section from what is given below.

Note that in a real situation you would provide another level of detail including specific outputs from respective Phases.

Consulting page 39 in textbook the basic five steps of Marketing Plan (plus Startup) are as follows:

Phase I: Startup

Phase II: Business Mission and Objectives

Phase III: Situational Analysis/SWOT

Phase IV: Identify Opportunities

A. Segmentation

B. Targeting

C. Positioning

Phase V: Implement Marketing Mix

A. Product

B. Price

C. Distribution

D. Promotion

Phase VI: Evaluate Performance Using Marketing Metrics

C. Scope Confirmation and Charge Exclusions Issue Statements.

You want to make sure the company you choose to perform the work doesn't "nickle/dime" you on charges that they were not upfront about. You also want bidder(s) to confirm or modify Project Scope accordingly upfront. You don't want them providing a price, and then once engaged, explaining that Project Scope is not adequate enough and more fees will be involved (now Time and Materials). The following wording (appropriately applied/modified) can effectively accomplish these two issues:

Potential Project Scope Omissions and Associated Fees

"We have taken significant time to identify the appropriate Scope involved to complete this project. However based on your experiences you may recommend modifications to the Scope. Be very specific to identify any Scope modifications. Add these Scope steps to II. Requested Information From Bidder - Project Fees with separate line items and providing cost detail consistent with schedule."

Any and All Other Potential Fees and Charges

"It is vital for bidder to disclose any other potential fees and charges that could arise associated with performing this project. Client will not consider paying any fee charges unless adequately identified in your RFP response."

** Actual Assignment: Simply take the two paragraphs provided and modify slightly for the proper context.

D. Submission Timetable:

** Actual Assignment: Simply tell them who, where, when, and # of copies (hard, pdf file, etc.) to send completed proposals.

Page 13 of 25

II. REQUESTED INFORMATION FROM BIDDER

A. Firm Background

In addition to competitive cost, you want as experienced a professional services company as experienced as possible to perform the work. The only way to assess this is to ask for their experiences in "functional" service(s) requested (Marketing Plan Development, Feasibility Studies) and also request experience within the similar size applications preferably in the same industry of yours. It is VITAL to make sure that the project and personnel backgrounds contained in the RFP are with the SAME people who will be working the project. Too often professional firms win projects based on the experience set of people in their firm (often in different cities) and ultimately those with experience don't end up as the people actually performing the work. Don't allow "Bait" and "Switch" tactics.

- > Firm Experience Overview: Years in existence, professional staff, major projects, clients.
- Relevant Experience to Project. Best if projects have combination of the following
 - Similar or Identical Functional Application
 - Similar size companies and within same industry
- Relevant References for above situations
- Prospective Project Team Members: Partner and Day-to-Day Supervisor. Relevant Resumes and Specific Projects.

** Actual Assignment Take the above guidelines and modify slightly for (i) Functional Application: Marketing Plan, (ii) Industry: your application from I.A, (iii) and Size based on I.A also.

B. Project Resources, Fees & Target Completion: LANDSCAPE!

You need to furnish the bidders a standard chart to submit BID PRICE so you can compare the various proposals you receive easily. The breakdown of "levels" of resources (Partner, Manager, Senior, Associate, etc.) and additional fees (Travel, etc.) are important to analyze as well as their Target

(Expand this column) Activity		Person Days	Total	Additional	Total Fees	Target
	Partner/ Mnager		 Profess. Fees	Fees (Travel, Etc)		Start/End Date
I. Startup		Access to the second of the se		America de la compansión de la compansió	1	
11				COVIDADA DE CARRADOS		
III					Maria Maria Maria	
IV				5.00	Certain Victoria	
V						
VI	<u> </u>		V.			
Total						
e foreste en		4900 2 10 to - 5 V. V. 1000				

^{**} Actual Assignment: Provide this exact table and use Phases from I.B as above with Project Startup. Its pretty much generating this Table as shown except inserting appropriate Phases in shaded area

C..Professional Ending

^{**} Actual Assignment: Finally a professional acknowledgement that you are impressed with their background, appreciate the time spent in preparing RFP, and hope that their submission will have the relevant experience and cost effectiveness to become the selected company.

Oglethorpe SMSEM: Midterm (100 Pts + 5 Pts Extra Credit) Name: Page 14 of 25 Page 1 of 9: 21 Pts June 6, 2011 **** Staple Crib Sheet to Test *****

<u>I</u> (3 Pts) You posted three your unique ideas, analysis Site Ranking:	types of blog content; one was referencing another person's article and then providing and expansion. Compared to totally original content, how can this content help your:
Ability to Post Frequently:	A THE POLICY CONTROL OF THE PROPERTY OF THE PR
Networking/Consulting:	
II (3 Pts) Explain the difference (B) usiness and (C)	erence between Web 1.0 and Web 2.0 addressing push/pull, forms of communication onsumers and long vs short-term.
III (5 Pts)	
Promotional Mix	Identify (concisely) how Social Media has Changed the Bs and Cs Paradigm:
Controlling the Message	Identify (concisely) now Social Media has Changed the Bs and Cs Paradigm:
Frequency/Timing of Message	
Message Reach	
Platform Access	
Customer Feedback	
IV (6 Pts) For Display Ac Where is it found & give ex	
Explain how payment work	
How has Facebook changed	things:
	exposure; if you don't control what's written, and it can involve large outlays to firms to facilitate, what is the unique benefit that can make it so worthwhile:
Why might a posting on Hu	bmission Site like HubPages.com bpages.com have a much better chance in receiving a better SERP than if posted on a o use the appropriate key SEO terminology:
	n high on Google, what two things might you do on a monthly basis:
2	
	t decide to use PRLog.org and Hubpages.com for additional Search Engine exposure. your text content in promoting your website and how do you accomplish this?

Oglethorpe SMSEM: Midterm 6/06/2011 Page 2 of 9: 20 Pts

VI (3 Pts) We talked about three areas of "On Page" SEO fa	ctors. We also briefly discussed "ghosting" whereby
you sneakily place words in parts of your post or page that are	en't visible to internet readers (like white letters on
white background). Explain in detail why "ghosting" is done i	
the three areas of "On Page" SEO factors.	Page 15 of 25
	rage 15 of 75

<u>VII..</u> (6 Pts) See Attachment A- Page 7, a WordPress screen print of the posting edit mode along with the Genesis SEO Options and Settings. WordPress is terrific in allowing you to effectively SEO through tagging alignment of your priority keyword phrase. Complete the following table. I have provided you with an example for the URL.

			[Initial] Organic SE Results Listing			
Attachment Letter Reference	Tag Type/ Name	In Viewing This Tag In HTML View Page, What Does It Start With In <	Does It Appear (Yes/No)	Explain where this information appears	Explain how many words or characters usually appear	
A	URL	<meta property="og:url</td"/> <td>Yes</td> <td>Fourth line:</td> <td>First 65 characters</td>	Yes	Fourth line:	First 65 characters	
la de		1133	NO	N/A	N/A	
<u></u>			Yes	5		
		Special Little Const. School Branches (19, 1997)	Yes			
			£			

<u>VIII.</u> Use the current Google/Complex Cost Model to (i..) (5 Pts) complete the following chart. The 5th rank position you will not be able to determine the Actual \$ CPC – Just Put "Not Enough Information"

Bidder Max \$ CPC	Quality Score	Ad Rank Score	Ad Rank Position	Actual CPC Computations (?/?)	Actual \$ CPC
\$ 5.40	5				
\$ 4.75	7				y Id
\$ 4.50	8	CAST TATE OF SHIP STATE OF			NAME OF THE CONTROL O
\$ 3.00	5	Samanna - European - European			
\$ 2.90	8			himory-decorpoint	

) (2 Pts) In your opinion who has the best "Value" CPC Campaign, explain and contrast	
	1.51.60

2.. (2 Pts) What would the new Actual \$ CPC be (show all computations)?

<u>iii...</u>) Bidder with Max CPC= \$5.40 and initial Quality Score=5 improves the content and keyword alignment resulting in a higher Quality Score of 6.5. To get to the 1st position,

^{1.. (2} Pts) What new Max CPC bid would be required [use 0.5 above top Ad Rank Score currently]?

Oglethorpe SMSEM: Midterm 6/06/2011 IX See Attachment B. (Page 8) for the Google search for "Legal Software". questions be CONCISE and make sure to use key SEO/M terminology used in	
A. (2 Pt) On the left-hand side there are categories: "Images, Videos, News, Sterminology have we discussed that refers to this type of search:	Shopping, Places, More", what
B. (4 Pts) Considering both effective exposure and minimizing direct costs to companies are maximizing the situation best? Identify the two best in priority of	o a Google Adwords, which order and backup with specifics:
1 st Best:	— Page 16 of 25
2 nd Best:	
C (4 Pts) You have taken over as the Marketing Director for Best Legal Software.com. Your website doesn't appear until the fourth page and inquiries as a result of the internet. i) What the most guaranteed and immediate way to give yourself presence on compared to other options.	d you get essentially no marketing
ii) Assuming that Best Legal Software isn't willing to spend direct SE dollars, to the Organic entries on the first page; what approach could still get them on the compared to other options?:	
D (3 Pts) You find out from various reliable sources that bill4time.com has an Abacuslaw.com has an Actual \$ CPC of \$3.20. How can Abaculuslaw.com has	
E (6 Pts) Focus on Easy Soft USA Software company with website: www.eas i) What organic position do they appear on the first page:	
 ii) Based on this position, and considering those people who are looking at Or percentage of the people will click through their site: iii) The company does not want to do any PPC advertising; what types of thing investigate doing to their website to improve its SERP positioning over a period 1	gs could you suggest and
2 <u>.</u> 3	
F (3 Pts) You are brought on to consult Gocilio. In their PPC Google Adwords they are doing a lot of "Broad Match" including the word "Legal Software". The do not result in conversion [completing a form that results in a sales person combours]. You notice some of these inefficient search inquiries include: SAAS Legal Software and Custom Legal Software. Explain what can be done to avoid these	hey are getting a lot of clicks that tacting internet visitor within 24 gal Software, Off-site Legal

Oglethorpe SMSEM: Midterm 6/6/2011

Possible Priority Keyword

X.. See Attachment C. (Page 9) which contain two Market Samurai Reports related to deciding on priority keyword phrase(s). When answering the following questions be CONCISE and make sure to use key SEO/M terminology used in class. You will need to bounce around a little between these two tables to answer the questions below; however, within each question the information is from one or the other schedule, not combined.

Page 4 of 9: 19 Pts

Evaluation Relative To The Three Choices

A.. (3 Pts) One of Market Samurai's criteria is choosing an effective Organic priority keyword phrase to have your website focus content and alignment to is having a reasonable Amount of Competition. Based on this criteria, complete the following table including the two lines under "Appropriate Statistic"

Page 17 of 25

SEO Competition

Indexed Pages

I OSSIDIC I HOTTLY IXCYWOLU	Indexed 1 ages	Evaluation Relative 10 The Three Choices
Law Firm Software		
Law Office Software		
Law Practice Software		
		a software", "law office software" and "law practice significantly superior and why:
	y to incorporate the actual	urai schedule for "law firm software" answer the column heading criteria language but also which about to start a new website.
되고 집에 시간하면 2018년 1일 시간에 그 경기가 있었다면서 얼마를 가입하면 생긴하면 없었다면 되었다.	(2) (2) (1) [1] [1] [1] [2] (1] [2] (1] (2] (2] (2] (2] (2] (2] (2] (2] (2] (2	ea(s) would you be extremely encouraged that you might
be able to get a high SERP on th	is priority keyword, and e	xplain why?
D. (4 Pts) In looking at the poss i) What is the Red Flag:	ibility of "legal software s	ea(s) would you be concerned about that it might be cially in the short-term, and explain why? colutions" being a priority keyword there is a "Red Flag" ralian tutorial spokesperson would be concerned about,
XI (3 Pts) When Google, Bing, these as:	etc. go out and index web	opages, what two words do people commonly refer to
This information determines SEF	P, what is the proprietary	, complicated evaluation schemes called?

Oglethorpe SMSEM: Midterm 6/6/2011

Page 5 of 9: 18 Pts

XII.. You plan on selling a package of beginning Yoga Training Tapes along with a Custom Logo Cushion for \$69 on-line. You do some research on typical Actual \$CPC on various search terms that you would pay for on Google Adwords and get an average of CPC of \$.55. The total average cost of training tapes and custom cushion is \$15.

A.. (2 Pts) What would be your breakeven conversion rate (show your work):

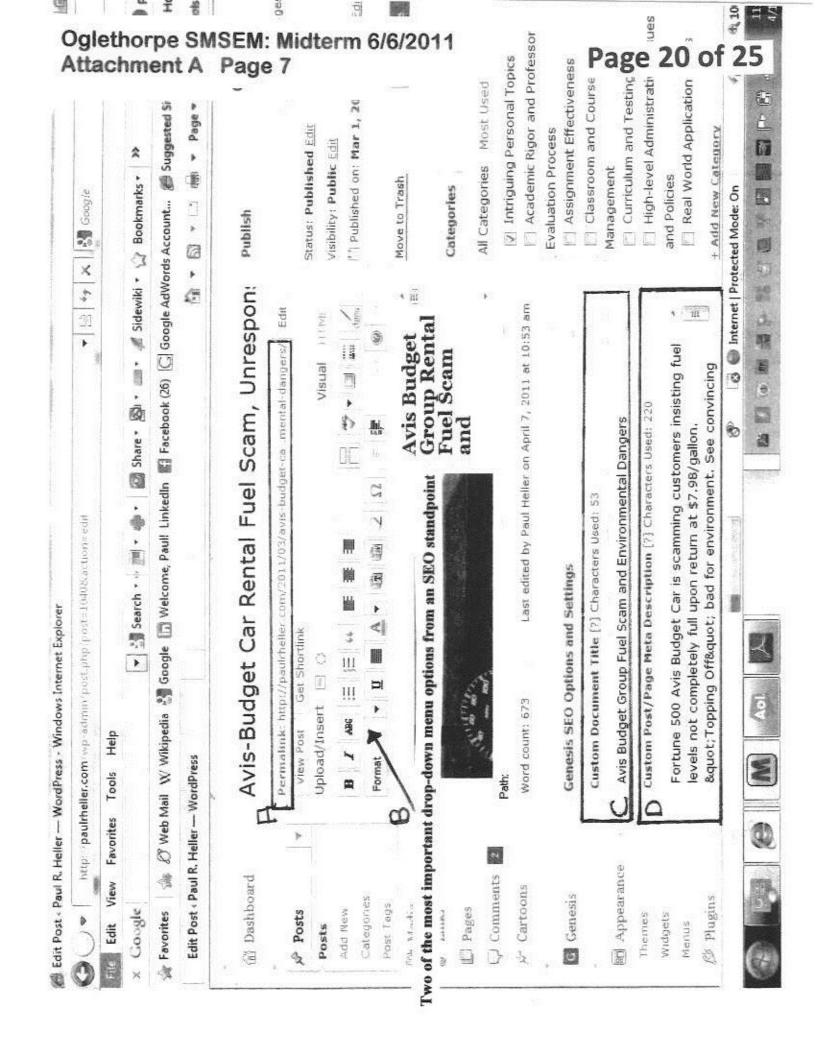
Page 18 of 25

B. (1 Pt) Explain what the "conversion rate" objective is in the context of this online business: C... (7 Pts) You go ahead with project and end up selling 500 in the first six months with actual CPC of \$.48 and have a conversion rate of 3.7%. You still sell the package for \$69 and your total costs are \$15. Since you know PPC and WordPress the only consulting costs you have is \$2,000 for the transactional part. i..) What are the total clicks you paid for? ii..) What are the total PPC costs including consulting? iii..) What is the Adjusted Gross Profit for the 500 orders ? iv..) What is your ROI in a %? It is to your advantage to clearly show your work as if I can see your process I do give partial credit. XIII.. (8 Pts) We discussed Short and Long-tail Keyword [Phrase] Daily Visits % of Total Cost Keywords in class in conjunction with the following naruto wallpaper 483 45% \$.36 example in conjunction with three different issues: naruto wallpapers 217 20% \$.24 (i) popularity, (ii) \$CPC and (iii) conversion rate. naruto shippuuden wallpaper 25 2.3% \$.10 For each discus BOTH how this issue a) usually www.naruto-wallpaper.net 14 1.3% \$.05 changes in conjunction with Short-tail vs Long-tail naruto-wallpaper 12 1.1% \$.05 Keywords; and (b) whether or not the data supports gaara wallpaper 10 .93% \$.05 this conclusion or not for i and ii. sasuke wallpaper 9 .84% \$.28 i..) Popularity: akatsuki wallpaper .84% \$.05 ii..) \$CPC: iii..) Conversion Rate:

Oglethorpe SMSEM: Midterm 6/6/2011

Page 6 of 9 10 Pts Extra Credit

XV. Extra Credit: You are only applying Organic strategy to your Search Er conducting any paid, PPC advertising. You have designed the website to focus keywords/phrases. For each of these highly aligned keyword phrases you have	on five different priority e separate landing pages on your
website where users end-up when they click through the Organic search result.	Page 19 of 25
A (3 Pts) Even though you are not paying for this Organic exposure how can	you equate a value to it?
Marie 1922 - 1922 - 1923 - 1924 - 192	
B. (3 Pts) What is the advantage of setting up five separate landing pages?	
XV (4 Pts) You are brought on as a consultant to assist Goclio.com. Their less \$50,000.	gal software runs about \$35 -
i) Their Actual \$ CPC for phrase match for "Legal Software" is \$5.65. The ulpurchase of their legal software is a combination that 3% of the people that clic be contacted by a sales representative and 10% of those called order their legal each order on average cost in PPC advertising. Show all years.	k through the complete a survey to software package. How much does



Web Images Videos Maps News Shopping Gmail more



Oglethorpe SMSEM: Midterm 6/6/2011 Attachment B Page 8 Page 21 of 25

About 402,000,000 results (0.11 seconds)

Advanced Section

Note: These are Organic Search results, Not PPC

Everything

Images

Videos

News

Shopping

Places

More

Scottsdale, AZ

Change location

Any time

Latest

Past 24 hours

Past week

Past month

Past year

Custom range...

All results

Wonder wheel

More search tools

N

e

W

S

Law Billing Software: PCLaw Billing & Accounting Software | LexisNexis

Legal Billing Software. Powerful, Flexible and. Easy-to-Use with a 30-Day Money-Back Guarantee. Track time and expenses; Manage cases; Expedite billing ... www.lexisnexis.com/law-firms/practice...law/pclaw.aspx - Cached - Similar

Legal Software Systems, Inc.

Integrated financial management, case management, and document management software for law firms.

www.legalsoftwaresystems.com/ - Cached - Similar

Legal Document Software, FTC Compliance Software

Legal Document Software - Create Privacy Pages, Terms of Use, Agreements, License Agreements and more in minutes and within the comfort of your own home... legaldocumentsoftware.net/ - Cached

News for legal software



Google's \$700 million ITA buy cleared with conditions

4 hours ago

The proposed legal settlement, which will need the approval of a US District Court, requires Google to notably develop and license ITA's travel software to ...

AFP - 994 related atticles

Custom Software Says Holistic Approach Busts Information Glut

Custom Software (blog) - Doug Henschen - 10 hours ago. But is HP's approach too dependent on partner software? ... The HP services team is providing "transformation workshops" that bring together legal, IT www.customsoftware.com/CustomSoftware Says/

LexisNexis Introduces Mobile Matter Management Offerings for Law Firms

4 hours ago
 It is a secure
 SaaS (News - Alert) (Software as a Service)
 application that ... and managing director of Legal
 Business Software Solutions for LexisNexis. ...

 www.lexisnexis.com/Introduces Mobile/

Software Reviews - Alpha Legal Directory Below is a catalogue of legal software. We also will provide reviews of software that may be used in law offices. The software will be tested in actual law ...

Show map of 631 Jefferson Blvd, Warwick, Rt 02886 www.alphalegal.com/softrev.htm - Cached - Similar

Law practice management software - AbacusLaw

With our fully integrated practice management software, you will be able to work more efficiently, lower risk and improve client service. Our legal software ... www.abacuslaw.com/ - Cached - Similar

Legal Software, Free Law Office Software, Law Practice Management ...

Best Legal Software, Law Practice Management Software for Family Law, Legal Billing, Trust Accounting, Real Estate Closing, Download Now!

www.easysoft-usa.com/ - Cached - Similar

Ads

Law Office Software

Complete time, billing, accounting, and case management. Free Demo. www.abacuslaw.com

Time & Billing Software

Easy & Powerful, Time Billing ment Simple, Secure, Mobile - Free Trial www.bill4time.com

Legal Practice Management

"Hard to resist giving Clio a test drive." says Law.com, Learn more! www.goclio.com

Legal Practice Management

Case mgmt, scheduler, doc assembly, billing/accounting. Enter data once perfectpractice.com

Law Firm Software

Winner-Prestigious Awards. Your firm should find out why! www.practicemaster.com

Law Office Software

Read case study on Google solutions for law firms - Free online demo. www.google.com/mini

Legal Software Solutions

Automated Legal Software Services for Lawyers, Attorneys & Law Firms! www.mitratech.com

Amicus Attorney on Sale

Guaranteed Lowest Prices! On Sale Amicus Attorney 2010 www.legalsoftwarestore.com

Law Practice Software

Easy-to-use, affordable law practice management software www.esilaw.com

Case Management Software

Best Case Management for 20+ Years Schedule your software demo today! www.softwareunlimitedcorp.com

Oglethorpe SMSEM: Midterm 6/6/2011 Attachment C Page 9

	Searches	SEO Traffic	Phrase-to-Broad	SEO (SEO Comp	Adwor	Adwords CPC	SE	SEO Value
Keyword	(Broad)	(Broad)	(Percentage: %)	Indexed Pages	I Pages	(Br	(Broad)		(Broad)
software	2,732,055	1,147,463	100	233	2,680,000,000	\$	2.13	\$	2,444,096
law offices	8,088	3,397	100		12,400,000	s	2.29	ş	7,779
law practice	3,616	1,519	30		9,490,000	s	1.97	s	2,992
legal software	1,627	684	75		718,000	s	3.69	ş	2,522
law firm software	118	20	89		23,800	·S-	5.63	s	280
law office software	95	40	34		24,700	\$	5.22	s	209
legal document software	53	22	30		18,800	\$	6:39	s	141
law practice software	53	22	20		11,600	₹	0.29	s	128
legal software solutions	16	7	23		1,080,000	\$	0.15	s	1
legal financial software	1		28		000'29	\$	6.44	s	3
small law office software	6	4	9		12,100	45	0.05	S	0
legal document recovery software				1,	1,360,000	\$	0.05	÷A.	É
SEO Competition	DA: Do	Domain Name							
বি	BLP:	Google Index Count: I Back Links to Page Back Links to Domain	Google Index Count: Indexed Pages Back Links to Page Back Links to Domain	1 1 1 1 1 1	Google Cache Age (CA)	9			
Google Index Count (IC)		BLEG:Back Links .edu and .gov Title: Keyword Alignment	nd .gov	1	Keyword: Law firm software	Law	firm sc	Offwe	I.e
Backlink Source: Majestic SEO \$ Max	Desc:	Keyword Alignment Keyword Alignment (H1 & H2)	ent ent (H1 & H2)		Generat	Generate Results		le Colt	Hide Column Fitters
# URL	1999	0	DA PR IC	BLP	BLD	BLEG	Title	URL	Desc He
1 http://www.abacuslaw.com/			5 845	8.845	343,339	19.	z	z	Z
2 http://www.lawfirmsoftware.com/			11 5 435 %	15,782	46,404	36.4	z	*	N Y
3 http://www.amicusattornev.com/			12 5 1,440	7,903	12,871	22.	z	Z	> 2
4 http://marketcenter.findlaw.com/software.html	ᄪ		, 10 6 355,000	1,215	387,326	4 /4	λ	z	Z
5 http://www.law-soft.com/		li li	. 3 162.8	24,687	24,717	1	γ	2	Z
6 http://www.eitte.com/			, 12 5 597	15,221	33,517	16.7	>	z	Z
7 http://www.caselode.com/			3 32.8	4,533	4,782	**0	>	z	Z
8 http://www.needles.com/			, 13 5 252	1,855	2,266	4 4	z	z	N
9 http://awofficesoftware.org/			. 0 166.º	864	1,624	2.4	z	N	A 7
10 http://www.taskmanagementsoff.com/solutions/lega		-agency/chopsing-legal-c	3 8,170	85.71	321.488	0	N		19 19

MGT 3300 In-class Exercises: Pricing/Chapter 13

Page 1 of 2

I.. Basic Breakeven

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Zinc Energy Resources Co., a new division of a major battery manufacturing company, recently patented a new battery that uses zinc-air technology. The unit costs for the zinc-air battery are: The battery housing is \$8, materials are \$6, and direct labor is \$6 per unit. Retooling the existing factory facilities to manufacture the zinc-air batteries amounts to an additional \$1 million in equipment costs. Management decides it want to recover the initial retooling over a four year period from a pricing standpoint. The projected first two year's of annual fixed costs include sales, marketing, and advertising expenses of \$1 million; general and administrative expenses of \$1 million; and other fixed costs totaling \$0.5 million. Answer the following questions.

- a. What is the total per-unit variable cost associated with the new battery?
- b. If the price for a new battery is \$35; what is the Contribution Per Unit?
- c. What are the total fixed costs for i) Year 1 ii) Year 1
- d. What is the Breakeven point the first three years based on the following profit targets:

Year 1 = "Breakeven" with \$0 profitability Year 2 = \$350,000 Year 3 = \$650,000

II.. Price Elasticity: Relationship Between APrice and AQuantity Within SAME Product Conceptually Helpful but limited application due for

ARTHUR DE		A STATE OF THE STA	
Met carressiven by		- Lindhama-Chaonaide ann an 1962 an 1962 ann an	The state of the s

Price Elasticity = (% \triangle Quantity Demanded) / (% \triangle Price)

△ Price	△Units	Total Rev. ↓ or ↑	Price Elasticity Computation	"Elastic" or "Inelastic" (< -1 >?)
+ 2%	-6%	With the second control of the second contro		
+ 2%	-1 %		CAMBO - CHILDRENG ASSET CONTINUE	
+2 %	-2%			
-4%	7%	i i i i i i i i i i i i i i i i i i i		
-4 %	3%			
-10%	0%	to the state of th		
+10%	+5 %			A PRODUCTION OF THE PERSON AND THE STATE OF THE PERSON AND THE PER
- 10%	- 5%	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		

If Price reduced, what type of Elasticity are you hoping for so Total Rev. ↑:	
If Price increased, what type of Elasticity are you hoping for so Total Rev ↑:	

<u>Computations:</u> Price Elasticity = (% \triangle Quantity Demanded) / (% \triangle Price) \triangle = ((Ending – Beginning)/ Beginning)

Computations Exercise: Diet Pepsi lowers the price on its 2 Liter bottles from \$1.29 to \$1.19 for a special promotion. The Atlanta volume increases from 2.0 to 2.4 Million cases per month during this promotional period. (i) What is Price Elasticity, and (ii) determine if Elastic or Inelastic? (iii) Will Total Revenues go up or down and what is your basis from the relationships identified above.

II.. Cross - Price Elasticity: Relationship Between △Price and △Quantity of DIFFERENT PRODUCTS Page 24 of 25

CPE answers the important question "whether two different products are ?":

- <> CPE < 0, then Complementary / Promotes additional sales quantity of second product
- <> CPE > 0, then Substitutes/ Competes and takes away sales quantity of second product
- <> CPE = 0, then Independent/ No relationship between sales quantity of second product.

Computations: Cross Price Elasticity = (% △ Quantity Demanded) / (% △ Price)

Prod B Prod A

 \triangle = ((Ending – Beginning)/ Beginning)

Computations Exercise:

- 1.. Diet Pepsi lowers the price on its 2 Liter bottles from \$1.29 to \$1.19 for a special promotion, and the volume of Atlanta Diet Pepsi increases from 1.5 to 1.65 Million cases during the same special promotional period. The Atlanta volume of Coke Zero declines 8% in Million of cases during this same promotional period.
 - a.. What is (i) Price Elasticity of Diet Pepsi ? and (ii) what type of Elasticity ? (iii) Will Total Revenues go up or down and what is the basis for your determination ?
 - b.. What is the Cross Price Elasticity between Diet Pepsi and Coke Zero ? Are the products substitutes or complements ?
- Apple Computer lowers its price on the Ipod by 10% and this creates an increase in sales quantity of 15%. At the same time the price reduction is offered, the quantity of Nike Running Headphones sold in the Apple Stores increases by from 100,000 to 110,000 units.
 - a.. What is (i) Price Elasticity of the Ipod ? and (ii) what type of Elasticity ? (iii) Will Total Revenues go up or down and what is the basis for your determination ?
 - b.. What is the Cross Price Elasticity between the Ipod and the Nike Running Headphones ? Are the products substitutes or complements ?

-	c
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- 6	13
- 34	=
- 33	=
-0	6
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Week I - Iues, Aug 18	Introduction/Secondary Research		Assian #1. Due 8/25
- I hur, Aug 20	Marketing Process/SWOT	Chapter 2: 38b → 42m, 52→59	070
Week 2 - Tues, Aug 25	Pricing	Chanter 13: Fintine 307 → 410	
- Thur, Aug 27	Pricing		Assign #2: Due 9/1
Week 3 - Tues, Sept. 1	Business-Business / RFPs	Chapter 6: 101 \$100	
- Thur, Sept 3	Business-Business / RFPs	Cuapter 0, 101 7150,	Assign #3: Due 9/8
Week 4 - Tues, Sept 8	Marketing Env/Segment./Targeting	Chanter 4: 113 → 128/Green	
- Thur, Sept 10	Marketing Env/Segment./Targeting		Assign #4: Due 9/15
Week 5- Tues, Sept 15	Marketing Ethics	Chanter 3: 85 → 96m	A section 415 A . D Otto Co.
- Thur, Sept 17	Gantt Charts & Test I Review	Handouts or T2 Posted	Assign #5D. Due 9/1/ (Study,NET)
Week 6- Tues, Sept 22	TEST 1	70001	Assign #3D: Due 9/29
-Thur, Sept 24	Guest Lecture: Social Media	Handouts or T2 Posted	Assign #64. Due 10/2
Week 7- Tues, Sept 29	Search Engine Optimiz/Marketing	Handouts or T2 Posted	Assign #6R: Due 10/6
- Thur, Oct 1	Search Engine Optimiz/Marketing		resign non. Due 10/0
Week 8 - Tues, Oct 6	Market Research & Consumer Beh.	Chapter 9: Entire 275 →297	
- Thur, Oct 8	Market Research & Consumer Beh		Assign #7. Due 10/13
Week 9 - Tues, Oct 13	Service Expectations & Recovery	Study.NET	
- Thur, Oct 15	Service Expectations & Recovery		Assign #0: Due 10/20
Week 10-Tues, Oct 20	Supply Chain Management	Chapter 15: 455 → 475	A coins #0. D.: 10/22
- Thur, Oct 22	Supply Chain Management		(10) Due 10/2/
Week 11 -Tues, Oct 27	Personal Selling & Sales Mnampt	Chanter 10: 585 > 604	
- Thur, Oct 29	Personal Selling & Sales Mnamnt	Constant 17: 200 / 004	Assign #10: Due 11/3
Week 12 - Tues, Nov 3	IMC/Advertising/Public Relations	Chamter 17: 523 > 5214: 520	
- Thur, Nov 5	IMC/Advertising/Public Relations	Chapter 19: 551 2570	244 Assign 11: Due 11/5
Week 13 - Tues, Nov 10	Test 2		
- Thur, Nov 12	Product, Branding & Packaging	Chapter 10: 309 → 331	0771
Week 14 -Tues, Nov 17	Product, Branding & Packaging	Company 101 00 101	Assign #12: Due 11/19
- Thurs, Nov 19	New Product Develop/Mrktng Plan	Chanter 11: 339 → 363	A sesion #13. Due 12/1
Week 15 - Tues, Nov 24	New Product Develop/Mrktng Plan		
- Thur, Nov 26	VACATION		2
Week 16 - Tues, Dec. 1	New Product Develop/Mrktng Plan		5
- Thur, Dec 3	CRMs	Handouts or T2 Posted	0
Final Exam: 7→ 11			f