

Market pricing case study

Business



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BUSTER**

What markets do you think the “ hot and spicy truffles” Is competing In? the hot and spicy food market, the chocolate candy market, the gift niche market, or other? Discuss (5 points) 2. Using the cost and financial information provided in Exhibits 2, 4, and 5 in the case, compute Cowgirl’s the breakable sales revenue. Make reasonable assumptions and show your calculations in order to get credit. (Thinking question???) 10 points 1 .

Based on the information given by the case I think that the “ hot and spicy truffles” are omitting in the hot and spicy food market, the chocolate candy market, and the gift niche market.

Marilyn was trying to push her product in all markets and is shown in the following information provided by the case. Marilyn had placed her product in several specialty food stores that focused on hot and spicy foods. With these stores focusing on hot and spicy foods, Marlin’s chocolates were up against other spicy foods/candles. The case also goes into detail on the numerous trade shows that Marilyn attended, which was catered to hot and spicy food lovers.

This was where he had won several awards on her chocolates.

The chocolates were also sold at organic stores, upscale retailers, and museum gift shops. These places have other brands of chocolates available to customers, making them a competitor to Marlin’s chocolate. The case even goes into detail on how Marilyn was comparing her price of chocolate bars at \$2. 99 to other competitors bars that were priced at \$1.

99. However, I also think because the chocolates were being sold at gift shops and upscale retailers this also places the chocolates in the gift niche market.

Expensive, high laity chocolates/goods are typically associated as a specialty or as a gift. If I were Marilyn I would focus on the gift niche market. She has won awards for her chocolates and the packaging they come in. The market for hot and spicy food lovers is only 15%, according to the case.

This is a really small percent of consumers, which is why I would not focus my marketing on this group solely. I would focus this product as a gift niche because many people love chocolate but are not always willing to buy themselves nice chocolates.

This would be a great gift and allow people the opportunity to experience what Cow Girl Chocolates has to offer. The case states that some people really like the chocolates and some people think they are too hot. To me, this product is more about the unique experience it gives their consumers, no matter if they end up liking the product or not.

For this reason, this is why I think it should be marketed as a gift. 2.

Breakable (sales in cost / (1 - (variable cost / selling price))) In order to calculate the breakable in sales you have to make sure you account for all AT ten sales Trot can product Tanat is available.

Can product Tanat is producer accounts for a different percent of the total revenues required to breakable. I calculated the breakable in sales by

totaling up all of the selling prices for each product as well as the variable expenses. I then applied the breakable equation found above.

I was able to check my answer by calculating the units required for breakable. I then used the marketing mix to calculated the number of units required for each product to breakable and multiplied this value by the selling price to find the revenues required for each product in order to breakable.