

Campus food

Business



Provide Interactive menus to college students, using the power of the Internet to replace and/or facilitate the traditional telephone ordering of meals. Launched at the university of Pennsylvania (Penn), the company takes thousands of orders each month for local restaurants, bringing pizzas, hoagies, and wings to the Penn community and to dozens of other universities.

Founder Michael Saunders began developing the site (compassion. Com) in 1997 while he was a junior at Penn.

With the help of some classmates, Saunders launched the site in 1998. After graduation, he began building the company's customer base. This involved expanding to other universities, attracting students, and generating a list of restaurants from which students could order food for delivery. Currently, some of these activities are outsourced to a marketing firm, enabling the addition of dozens of schools nationwide.

In 2004, the company served 200 schools linked to over 1,000 restaurants.

Financed through private investors, friends, and family members, the site was built on an investment of less than \$1 million. (For comparison, another company with services also reaching the college-student market invested \$100 million.) Compassion. Com's revenue is generated through transaction fees? the site takes a 5-percent commission on each order from the sellers (the restaurants). When you visit Compassion.

Com, you can: D Browse an Interactive menu.

The company takes a quadrant's standard print menu and converts it to an electronic menu that lists every topping, every special, and every drink offered, along with the latest prices. D Bypass " busy' telephone signals to place an order online, and in so doing, avoid miscommunication. D Get access to special foods, promotions, and restaurant giveaways. The company is working to set up meal deals that are available online exclusively for Compassion.

Com 0 Arrange for electronic payment of an order. Navigate through a list of local restaurants, their hours of operation, addresses, phone numbers, and other information. 4. How does the outsourcing of the marketing activities contribute to the business? University students who signed up at Titan Poker with a special bonus code provided by Compassion. Com were eligible to play in a series of exclusive online free-roll poker tournaments (in April 2006).

Winners received special Compassion Cash coupons valued at \$20, 000, redeemable for food orders at participating restaurants. Questions 1 .

Classify this application by SEC transaction type. 2. Explain the benefits of Compassion. Com for its student customers and for the restaurants it represents.

3. Trace the flow of digitized information in this venture. 5. What is the benefit of Titan Poker to the company?