

# Situation 1

Business



Business Situation Analysis s Question Lugar's startup idea is a type C idea because it presents a new and improved way of performing an old function in this case garage sale. The Improvement Lugar introduces with his idea is to make use of advertisement and efficient sale setup to ensure customers sell garage items. People in the area were conducting garage sales but were experiencing problems. Lugar's idea is a benefits idea that might be helpful for such people and to Lugar because he can get money for college.

#### Question 2

The source of Lugar's business idea was both his personal experience and prior work experience with garage sales. Lugar was inspired by the personal experience he got when helping out his mom with her garage sale. Prior work experience might also contribute in Lugar's idea. Through his experience with other garage sales in the area, Lugar believed that he had the capability to offer new services to people regarding garage sales.

#### Question 3

Lugar's start up idea is worth trying. The fact that Lugar has good pricing insights and is ready to use advertising to make his business feasible and successful gives him an upper hand in the area. Using pricing strategies for the garage sales idea is an important service differentiation method that can offer superior performance and thus, competitive advantage in the market. Wise pricing will help customers happy because they will maximize their profits and risk of not selling the garage items. Lugar's pricing strategy might help ensure customer loyalty thus make the concept successful. However, before developing the concept into a business plan Lugar needs to conduct a feasibility analysis to assess the probability of the business becoming successful (Longenecker, Petty, Hoy, & Palich, 2011).

## References

Longenecker, J., Petty, J., Hoy, F., & Palich, L. (2011). *Small Business Management: Launching and Growing Entrepreneurial Ventures*. Edition 16. Cengage Learning.