

# Little caesar's case study

Business



**ASSIGN  
BUSTER**

Caesar Submitted by: Submitted to: Christine Borrower Bee, MBA In Partial Fulfillment in the Requirements in: Principles of Marketing on: September 3, 2013 I. Time Context - 1992 II.

Viewpoint - Pricing Manager III. Statement of the Problem - What effective pricing strategy will Little Career's do in order to increase their sales, market share and profits? ' V. Objectives - To increase their sales - To provide higher market share - To gain more profit

V. Areas of Consideration Micro Environment Strengths - It provides larger quantities of pizza at lower price - It has well located convenient pick-up counters Weaknesses - It do not offers sit-down dining - It is not a restaurant, a place to eat and chat. Opportunity - More people like hot pizzas than frozen pizzas Threats - Other competitors offer pizza at lower price as well - They also offer menu varieties and free delivery VI.

Alternative Courses of Action a. Competition Based Strategy - Beat the biggest competitor through pricing alone.

It said to be the low price leader strategy, selling the product at the lowest price among other competitors. Advantage 1. It will avoid price competition. 2.

It avoids damaged to the company. Disadvantages 1. It covers-all the production cost. 2. Needing of other tactics to engage to customers.

B. Penetration Strategy - It is a loyalty building tool in the relationship of customers and producers. Advantages 1 . It could be a barrier for those competitors with same strategy. 2. The sales volume could become higher.

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It could be difficult to increase the price. 2. It is likely a result in retaliation to other competitors. C. High End Pricing Strategy – It is for businesses who use the premium pricing instead of lower price.

1. It will help the company to increase market share. 2. It will definitely give high profit margin for each sale. 1. It will decrease sales due to high price.

2. It will limit other customers from buying the product. VI'. Recommendation – I will recommend Letter B which is the Penetration Strategy. VIII.

Conclusion or Action Plan

Since Little Career's already provide products with lower price, they will just continue it as a response in following the Penetration Pricing Strategy.

They are targeting to attract the customers through their lower price and eventually build a good relationship with them. With consistency and perseverance this will be a cause of lifetime value of customers, who will assume that the other products are at higher quality as well with the unexpected price. And because of this, Little Career's will able to increase their sales, market share and also the profits.