

Assignment week 4

Business



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PAGE> Assignment 4 Discussion Topic A-

The Parking lot should be divided into two categories with appropriate parking slots for students:

The question here is of maximizing revenue out of parking tariff and also ensuring that students get parking spots during peak hours. The benefit for the school/university will be extra revenue generated from selling parking passes and on the other hand the students will be provided with parking services by the school/university.

Peak Time Parking Zone:

A separate area in the parking lot should be meant exclusively for peak-time parking. Here students can park their vehicle against their parking pass at the designated slot. The passes will be priced at a higher rate compared to ordinary parking zone where students can drive in and out at any time of the day.

Ordinary Parking Zone:

The ordinary parking zone can be occupied by students who have opted for ordinary parking passes. A parking spot in this zone is not guaranteed but is rather filled up on a first-come first-served basis.

Parking Rules:

The restriction imposed on ordinary parking zone would be that no special pass holder will be allowed to park their vehicles here. On the other hand if the peak hour parking slot is unoccupied after the designated time, it can be occupied by the ordinary pass holder if all ordinary parking zone is full to capacity.

e. g.: If the peak hours are between 10: 00 am - 12: 00 noon and all parking spots are full except for a few peak hour parking spot, the same can be

occupied by an ordinary pass holder after 1 hour from the end of peak time (i. e., 1: 00 pm or later). In effect peak hour parking zone transforms into ordinary parking zone if spots are empty after end of peak hours to accommodate more vehicles.

Peak time parking zone will be meant for students who have opted for special parking passes.

In this way students who regularly use the parking facility can be given a peak-time parking spot at higher rates to ensure maximum revenue, and additional revenue generated from ordinary parking zone where parking depends on first-come first-served.

Parking slots for students, who require parking spots during peak hours, should be assigned only in the special parking zone. The ordinary parking zone can have students driving in and out of the parking lot and spots will not be reserved, thus ensuring that parking spots are not wasted.

The share of parking spots to be earmarked for peak time parking will depend on the average number of peak time motorists that require a parking spot for the peak hours.

Pros and Cons:

University:

The benefit for the university in such a case would be extra revenue in terms of peak hour passes and ordinary passes.

The only disadvantage in this case would be some parking spots might go unused during the day if peak hour passes are not used.

Student:

For the student the advantage would be a guaranteed parking spot for a peak hour pass (priced higher than the ordinary passes).

The disadvantage of such an approach would be for ordinary parking pass holder, who would not get a guaranteed parking spot during peak hours.

Class discussion 1:

Topic B-

The most influential factors determining the choice of a pricing strategy for an employee are:

1. The industry of which the employee is a part of/ target market
2. How well the industry is doing at present
3. The condition of the global market / the larger chain of consumers, clients, partners, competitors i. e. the linked organisations and entities that form the channel for revenue flow in and out of the industry and within the industry.

Once these factors are fixed, we can take into consideration other finer factors.

Skimming:

If the target market is performing well and there is surplus demand than availability of resources then the pricing strategy should be adopted accordingly. Secondary factors that play a deciding role in the choice of a pricing strategy are: competitiveness, experience, relevance of expertise with the industry and expertise in additional skills and possession of added qualities.

e. g.: Let's consider a scenario where the industry is currently witnessing a huge demand for Site-Engineers in the field of civil construction with a degree in civil engineering and a minimum experience of 2 years. If a job applicant meets the pre-requisites and has expertise in real estate law/ project management then he is better positioned to demand a higher price compared to industry standards.

In the above scenario the target market is the civil construction industry. The choice of pricing strategy: Skimming was governed by the industry performing well, the recruiters hunting for Site-Engineers and a demand-supply gap in resource availability.

The pricing strategy is also dependent on the organisation one is aiming to be a part of. If it is a global organisation, with rapid growth, high revenues and a capacity to offer attractive packages then one can demand more. If one is of good repute and has had many accolades and achievements from different employers and within the industry in general, then adopting a Skimming strategy would be wise.

Penetration:

Quite often we come across situations where an industry is not doing quite well or recovering from a recent crisis. This has a direct impact on the job market and recruitment patterns of the industry. In such cases adopting a well thought and calculative pricing strategy can stand to benefit the employee in securing a job with an employer of choice. Here, the most suitable strategy would be Penetration.

Let's take the example of an employee in the IT industry trying to secure a job during the global financial crisis. In this situation all factors in favour of the employee would take a back seat compared to the crisis through which the global industry is going. Adopting an over-ambitious pricing strategy could be ineffective. In such a case one must opt for Penetration pricing strategy. A low-key package will not only work to the advantage of the employee but will also make it easier for the employing organisation to absorb the resource.

Competitive:

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Today's market is that of competition and alternatives in terms of brands, products and services. A consumer, a recruiter, an employee, a freelancer has multiple options to choose from that best fits their needs and bringing attractive returns.

As an employee who is out to market himself to the industry, a competitive pricing strategy is suited when there is neither a job crisis nor an unusual demand for resources.

Perhaps the toughest of all in terms of deciding a suitable price is the 'Competitive' pricing strategy.

This pricing strategy is applicable when the situation is such that:

1. There is surplus availability of resource to meet the demand in the industry
2. Industry is doing well and recruiting firms have the financial capability of hiring experienced and specialised resources.

Class Discussion 2:

Topic A

Dear Customer,

Warm greetings from Wal-Mart!

We are privileged to have your honest and direct opinion on our services through our latest Christmas wish list website. Being an essential part of our business your feedback is indispensable to ensure we live up to our tradition and reputation of giving our customers the best choices and at competitive prices.

We understand there was a great anticipation associated with the launch of our Christmas wish list website and there were areas where we could have done better. We are thankful to you for your suggestions and feedback. Your

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inputs will be put across with the concerned team and every effort will be made to reflect them in terms of better offers, alternatives and prices.

Wal-Mart has had the undisputed opinion of giving its consumers the best deals since decades. Being a global consumer-centric organisation it will make every effort to continue its tradition of bringing consumer satisfaction and delight. We look forward to continuing our relationship in the future and envision making it more fruitful for you.

Assuring you the best of services in the future.

For consumer queries and complaints you can also call our toll free number or post your comment in our online customer care cell website.

Regards,

Walmart

Marketing Director,

Bentonville, Arkansas

United States

Walmart

Save money. Live better.

E-mail communication targeted to kids who have loved the new Christmas wish list website.

Dear Customer,

Thank you for choosing Walmart as the preferred solution for your shopping needs. We are delighted to hear that you have found our new Christmas wish list website useful.

Over the years our objective has been to bring you the best deals, provide superior quality products and services at unbeatable prices. We have tried our best to ensure this while launching our new web site and hope to

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continue.

We wish to include more features, products and services in our new website, and look forward to receiving your suggestions on the same. Our new website had been designed keeping your Christmas wishes in mind and we wish to include many more features based on your feedback.

Regards,

Walmart

Marketing Director,

Bentonville, Arkansas

United States

Walmart

Save money. Live better.

References:

1. Ken Evoy (4th May, 2011). Small-Business-Accounting-Guide. Retrieved from [http://www. small-business-accounting-guide. com/pricing-strategy. html](http://www.small-business-accounting-guide.com/pricing-strategy.html)
2. Walmart Website (4th May, 2011). Walmart. Retrieved from [http://www. walmart. com/index. gsp](http://www.walmart.com/index.gsp)