Mathematics and trial rate

Science, Mathematics

1)Using the forecast model for pasta shown in Exhibit 5, what is your forecast of the demand for pizza? In Annex I, we see that the forecasted demand for pizza is 1. 6MM, which is represented by the Trial Households. We calculated this by using the calculation in pasta that BASES used for pasta case. We found that the trial rate for " actual definitely would buy" for pizza will be 80% of the definitely would buy rate of the BASEL research. The actual probably would by is taken as 30% of the research's probably would buy rate.

After calculating the actual rates, we summed " definitely would buy" and " probably would buy" in order to calculate the trial rate, which is 27%. Before estimating the demand, we should calculate " marketing adjusted trial rate". In order to calculate that rate, we took the average of the three different awareness ratios. Therefore, according to our analysis, the awareness ratio is 24%. The marketing adjusted trial rate is 2. 7%. The demand for the pizza is the multiplication of marketing adjusted trial rate and the target households, which is 1. MM, in our analysis. 2)How do the pizza concept test results (Exhibits 7 and 8) compare with the findings for pasta (Exhibits 3 and 4)? In the table below shows that the pasta " definitely would buy" ratio and " probably would buy" ratio are greater than that of pizza case. The table below, which represents the research on likes and dislikes for the pasta and pizza products, shows that the like ratios for pasta are greater than that of pizza. Therefore, we can say that people looks more favorable to fresh pasta concept rather that fresh pizza concept.

Moreover, the people also rated the pizza dislikes more that pasta case. For example, the people finds the price too expensive is 27% in total, whereas,

that ratio for pasta is only 8%. Therefore, there are definite signs that show people do not like the fresh pizza case but they like fresh pasta case. 3)How do you interpret the findings in Exhibit 9 and 10 to evaluate interest in pizza? 4)Would you launch the pizza? The pizza should be lunched because the overall demand and the expected revenue for the different cases are sustainable for the company.

In Annex I, we see that the wholesale revenue is $17MM even if the pizza will be seen as mediocre product. Since the company expects $12MM at least, the revenues from pizza will make the company profitable. However, before launching the product, the company should make some changes as the people in the surveys show that the price is too expensive. Therefore, there is a high risk that the demand might not be satisfied for the product. After considering the shortages in the surveys and changing the prices and other key factors, the company should produce pizza to stay competitive in the market.