

# Module 6 Assignment: Pricing Strategy Pitch

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**Course:** Principles of Marketing **Total Points:** 50 points

**Submission:** Upload TWO items to Portal

## Assignment Purpose

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In Module 6, you learned that **price is never just a number**. Price signals quality, shapes expectations, and influences whether customers believe something is "worth it."

In this assignment, you will:

- Research comparable prices in your market
- Analyze what your target customer values
- Recommend a pricing strategy that matches your product's positioning

## What You'll Submit (2 Items)

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Submit **BOTH** items in Portal:

1. **PowerPoint Presentation** (5–8 slides)
2. **Research Notes** (1 page, bullets only)

## Choose ONE Business Option

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Pick **ONE** fictional campus-based business option:

### 1. Late-Night Study Snack Cart

Rolling cart selling coffee, energy drinks, snacks, and quick bites to students studying late in the library or dorms

### 2. Dorm Laundry "Text Alert" Service

App/service that monitors laundry machines and texts you when your load is done (no more trips to check or stolen clothes)

### 3. Campus Shuttle Tracker App

Real-time GPS tracking app showing exactly where campus shuttles are and estimated arrival times

### 4. Peer Note Exchange + Study Pack Marketplace

Platform where students can buy/sell/trade class notes, study guides, and exam prep materials

### 5. Microwave Meal Prep Pickup




Weekly subscription service delivering pre-portioned, microwave-ready meals to your dorm for students without meal plans

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## Research Requirements (Minimum)

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Use **at least 3 sources**, including:

-  **Comparable pricing evidence:** Similar products/services and their prices (screenshots or notes from websites/apps/menus are fine)
-  **Customer voice:** Reviews/comments OR a mini-survey of 3+ classmates about what they value and what concerns they have
-  **Competitor/substitute:** At least one direct competitor OR "what students do instead" (alternative solutions)

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## Part 1: Research Notes (1 page, bullets)

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Create a **1-page document** with bullet points that includes:

### What to Include:

- **Your 3+ sources** (links or citations are okay)
- **6–10 bullets summarizing:**
  - Competitor prices (specific numbers)
  - What customers value most
  - Common complaints/friction points
  - Any fairness concerns (price too high? predatory? sketchy?)

### Format:

- Bullet points only (not paragraphs)
  - Can be Word doc, Google Doc, or PDF
  - Maximum 1 page
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## Part 2: PowerPoint Presentation (5–8 slides)

Create a **professional slide presentation**.

 **Keep slides clean and include detailed content.**

### Slide 1 — Title + Business + Target Customer

- Business option selected
- Your specific target segment (not "everyone")
- One sentence: what problem you solve

#### *Example:*

**Business:** *Late-Night Study Snack Cart*

**Target:** *Undergraduate students (ages 18-22) pulling all-nighters in the library during midterms/finals*

**Problem:** *"We eliminate the 15-minute walk to the vending machine or convenience store when you're exhausted and just need caffeine and quick energy to keep studying."*

### Slide 2 — "Worth It" Breakdown (Perceived Value)

- **Top 3 benefits** your target cares about
- **Top 3 costs** (include at least 2 non-money costs like time, effort, risk, uncertainty)

#### **Example Non-Money Costs:**

- Time: "Walking to 7-Eleven takes 30 minutes round-trip"
- Effort: "Having to leave your study spot and lose focus"
- Risk: "Will the food be good? Will I get sick before my exam?"

### Slide 3 — Price = Signal (Positioning Choice)

Answer these questions:

- Are you pricing as **budget / value / premium**?
- What do you want your price to communicate? (quality, convenience, fairness, status, reduced risk)

*"We are pricing as **premium convenience** — our prices are 20% higher than the vending machine, but you save 30 minutes of walking and stay in your focused study*

zone. We're *NOT* competing on being the cheapest snack; we're competing on saving time and effort during crunch time."

## Slide 4 — Competitor/Alternative Benchmarks (Your Evidence)

- Show **2–3 competitor/substitute prices** (or ranges)
  - One sentence: what those prices suggest about the market
- Campus vending machine: \$1.50 chips, \$2.00 energy drink
  - 7-Eleven (15-min walk): \$1.25 chips, \$2.50 energy drink
  - DoorDash late-night delivery: \$8-12 (with fees)

*Market insight: "Students will pay \$0-50 more for convenience, but DoorDash's \$8-12 fees feel too expensive for a single snack."*

## Slide 5 — Three Pricing Approaches (Show Your Work)

Include a **price estimate for EACH approach:**

### 1. Cost-Based Pricing

- Your estimated costs + markup
- Example: "Chips cost me \$0.75, cart rental \$5/night, my time \$10/hr = \$1.25 per item. Add 40% markup = **\$1.75 per item**"

### 2. Competition-Based Pricing

- Where you land vs. competitors
- Example: "Vending machine is \$1.50, 7-Eleven is \$1.25, so I'll price at **\$1.75** (slightly above vending for convenience premium)"

### 3. Value-Based Pricing

- What your target would pay based on benefits/costs
- Example: "Students save 30 minutes (\$7.50 at \$15/hr student wage) + stay focused. Worth **\$2.00** to avoid the walk"

## Slide 6 — Your Final Pricing Recommendation

- **Your final price** (or pricing menu if you have tiers)
- **2–3 reasons** it fits your target and positioning
- **One sentence:** What you are NOT trying to be

**Final Price:** \$2.00 per item (snacks/drinks)

**3 Reasons:**

1. Covers costs + 60% margin for sustainability
2. Only \$0.50 more than vending — feels fair for the convenience
3. Students save 30 minutes, which is worth \$7.50 of study time

**What we're NOT:** "We are NOT the cheapest snack option — our advantage is speed and convenience when every minute of studying counts."

**Slides 7–8 (Optional, only if needed)**

Use these slides **ONLY** if relevant to your business:

- **Slide 7 — Simple 2–3 Tier Menu (Good/Better/Best):** Example: "Basic Snack \$2 / Energy Pack \$5 / All-Nighter Bundle \$10"
- **Slide 8 — Bundle or Anchoring Comparison:** Example: "Buy 5 snacks, get 1 free" or "Compare \$2 snack vs. \$12 DoorDash delivery"
- **Slide 8 — Fairness Policy:** Refund/discount/trial if relevant. Example: "If your snack is stale or wrong, free replacement + \$2 credit"

 **Submission Instructions (Portal)**

Upload **TWO** files:

1. **PowerPoint file** (preferred format: .pptx)
2. **Research Notes** (PDF or Word document, 1 page max)

 **Grading Rubric (50 points total)**

Criteria	Points	What We're Looking For
A) Research Quality	10 pts	3+ sources; includes competitor/substitute and customer voice; evidence is specific (not vague)
B) Perceived Value Analysis	10 pts	Benefits and costs are realistic; includes non-money costs (time/effort/risk); clearly tied to target customer
C) Pricing Approaches + Benchmarks	15 pts	Includes competitor benchmarks and cost/competition/value-based reasoning with reasonable estimates

Criteria	Points	What We're Looking For
D) Final Recommendation Quality	10 pts	Price matches positioning; reasoning is persuasive and consistent with evidence
E) Presentation Requirements + Professionalism	5 pts	5–8 slides, clear content, readable slides, minimal errors
TOTAL	50 pts	

## Checklist Before You Submit

Use this checklist to make sure you've completed everything:

### Research Notes:





- Listed 3+ sources (with links or citations)
- Included competitor pricing (specific numbers, not ranges like "\$10-50")
- Summarized what customers value (from reviews or mini-survey)
- Noted common complaints or fairness concerns
- Kept it to 1 page, bullets only

### PowerPoint Presentation:





- Slide 1: Business, target customer, problem solved
- Slide 2: Top 3 benefits + Top 3 costs (2+ non-money costs)
- Slide 3: Positioning choice (budget/value/premium) + what price signals
- Slide 4: Competitor/substitute prices (2-3 examples)
- Slide 5: Cost-based, competition-based, value-based pricing (all 3!)
- Slide 6: Final price recommendation + 2-3 reasons + "what we're NOT"
- Optional Slides 7-8: Tiering/bundles/fairness (if relevant)
- Slides are clean, readable, professional (not cluttered)

## Tips for Success





## Research Tips:

-  **Be specific:** "Starbucks charges \$4.50 for a latte" (not "coffee is \$3-6")
-  **Survey classmates:** Ask 3+ friends "How much would you pay for X?" and "What do you value most?"
-  **Check real competitors:** Look at actual menus, apps, websites for pricing
-  **Don't make up data:** Use real prices, real reviews, real alternatives

## Pricing Tips:

-  **Show your work:** Explain HOW you arrived at your price (not just the number)
-  **All three approaches:** Cost, competition, AND value-based (not just one)
-  **Positioning clarity:** Are you budget (cheapest), value (good deal), or premium (best quality)?
-  **Don't just pick a random number:** Connect your price to evidence

## Presentation Tips:

-  **Clean slides:** Headlines, key points, visuals — NOT paragraphs of text
-  **Include details:** Slides should explain the "why" behind your decisions
-  **Professional design:** Use consistent formatting, fonts, and colors
-  **Don't clutter:** Balance text with white space and visuals

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## ? Frequently Asked Questions

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### Q: Can I choose a business NOT on the list?

A: No, please choose one of the 5 campus-based options provided. This ensures comparability and fairness in grading.

### Q: What if I can't find 3 sources?

A: Get creative! Sources can include:

- Competitor websites (Uber Eats, DoorDash, campus dining menus)
- Customer reviews (Yelp, Google, Reddit)
- Mini-survey of 3+ classmates
- Industry articles (e.g., "average food delivery markup")

### Q: How detailed should my slides be?

A: Include enough detail to clearly communicate your analysis and recommendations. Use bullet points, examples, and visuals. Each slide should stand on its own without requiring additional explanation.

**Q: What if my cost/competition/value prices don't match?**

A: That's normal! Explain the tension: "Cost-based suggests \$5, competition suggests \$3, value-based suggests \$7. I recommend \$4 because it balances profitability with competitive positioning."

**Q: Can I use a tiered pricing menu (good/better/best)?**

A: Yes! If it fits your business (e.g., "Basic Snack \$2 / Energy Pack \$5 / All-Nighter Bundle \$10"), include it on optional Slide 7.

**Q: What's a "non-money cost"?**

A: Costs beyond the price tag:

- **Time:** "30-minute walk to store"
- **Effort:** "Scheduling a ride, finding parking"
- **Risk:** "Will the product work? Will I waste my money?"
- **Uncertainty:** "Is this seller trustworthy?"

**Q: How specific should my target customer be?**

A: Very specific!

- ❌ "College students" (too broad)
- ✅ "Freshman and sophomore students (ages 18-20) living in dorms without cars who study late at night during midterms/finals"

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 **Learning Objectives**

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By completing this assignment, you will:

- ✅ Understand how perceived value (benefits minus costs) shapes pricing decisions
- ✅ Apply three pricing approaches: cost-based, competition-based, and value-based
- ✅ Analyze how price signals positioning (budget vs. premium)
- ✅ Research real market data to support strategic recommendations
- ✅ Present pricing strategy recommendations clearly and persuasively

*Good luck! Show us your pricing strategy skills!* 💰 📊