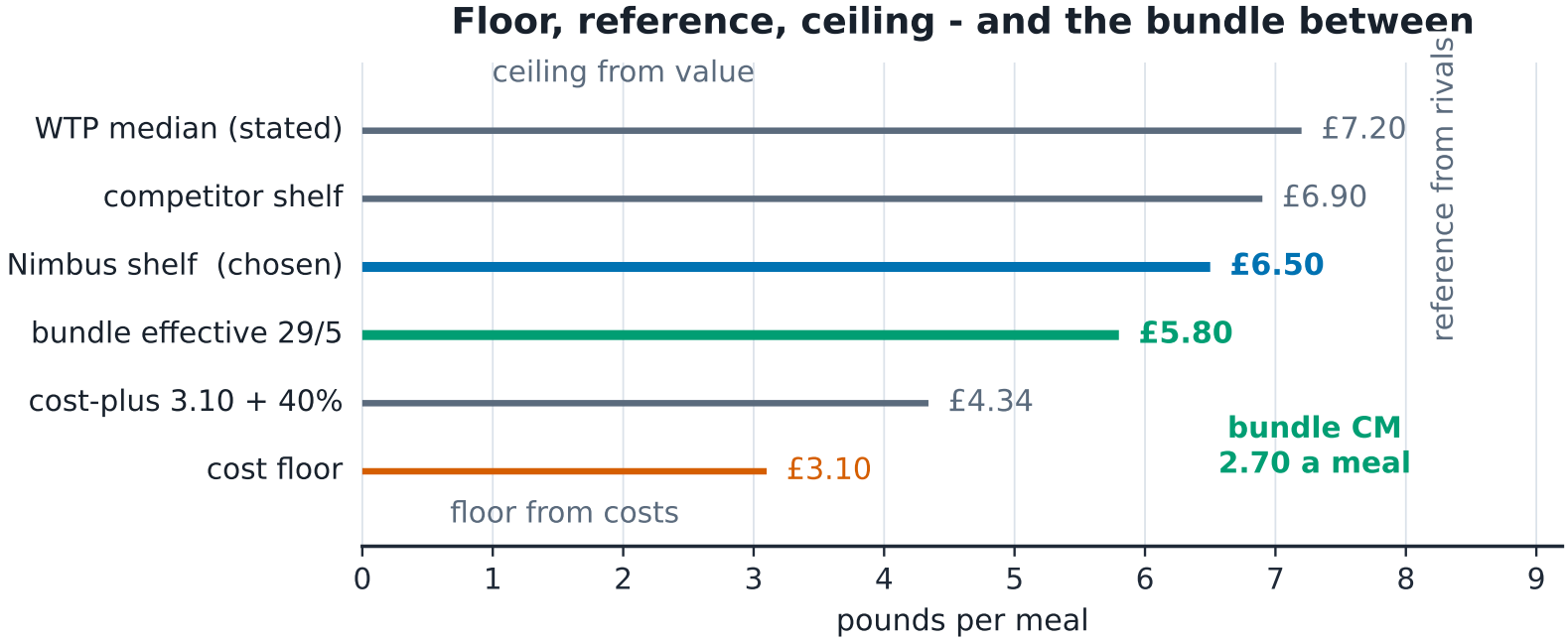
Exercise walk-through

7.2
Segmentation and positioning

University Business

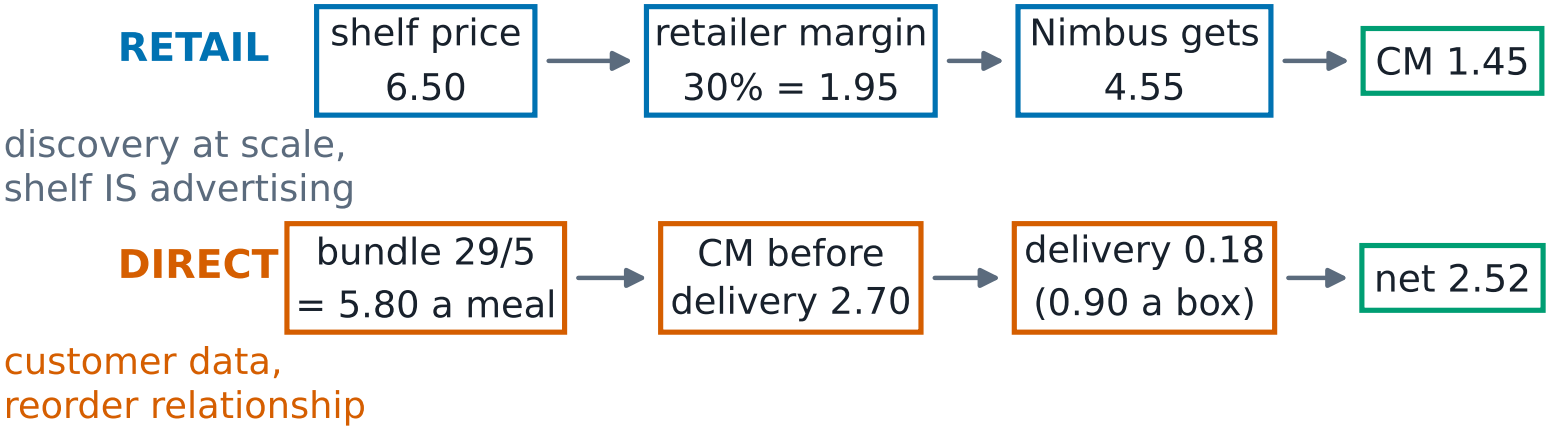
Pricing: floor, reference, ceiling



Floor from cost 3.10, reference from rivals 6.90, ceiling from **value** 7.20.

Channels: two taxes, one map

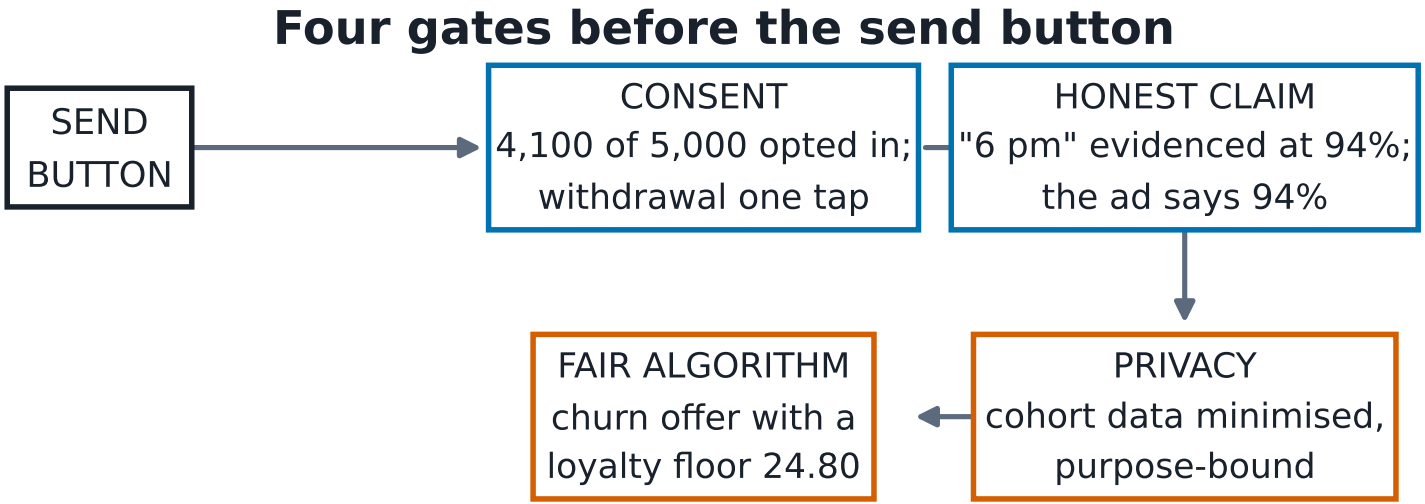
Same meal, two taxes



retail earns discovery at 1.45; direct earns 2.52 AND the data - price each job

Retail earns CM 1.45 and discovery; direct earns 2.52 and the data.

Ethics: the gate before the send button



emailing all 5,000 buys ~59 paid trials and costs the licence to operate

> Consent, honest claims, a fair algorithm and privacy before sending.

Exercises 2.1·2.2

2.1 Which segments pass the three criteria, and which is the better target despite being smaller? Show the working. [4]

2.2 Compute the annual contribution ceiling for 300 reachable shift workers at their conversion and retention (first year, monthly retention applied as an average of 5.4 active months). [3]

Exercises 2.1·2.2

2.1 Which segments pass the three criteria, and which is the better target despite being smaller? Show the working. [4]

2.1

- Students: substantial (41%) but fails actionable (no payment channel, churn 60%).
- Shift workers: measurable (countable via employers/unions), substantial (31%), actionable (workplace drops).
- Smaller but converts 15% vs 9% and retains 62% vs 40%.
- Value comparison: shift workers win on conversion × retention by 2.6×.

2.2 Compute the annual contribution ceiling for 300 reachable shift workers at their conversion and retention (first year, monthly retention applied as an average of 5.4 active months). [3]

2.2

- Active subscribers = $300 \times 0.15 = 45$.
- Months per retained subscriber ≈ 5.4 (the given average).
- Ceiling = $45 \times 5.4 \times 12 \times 12$ months-adjusted = $45 \times 5.4 \times 12 =$ £2,916.

exercises.lol exercises.com.cn

Exercises 2.3·2.4

2.3 The rival brand owns “cheap”. In two lines: what position does the data support for the challenger, and why is it defensible? [3]

2.4 True or false with one line each: (a) a segment must be demographic to be measurable; (b) “quality” is a strong position; (c) retention belongs in segment value as much as size. [3]

Exercises 2.3·2.4

2.3 The rival brand owns “cheap”. In two lines: what position does the data support for the challenger, and why is it defensible? [3]

2.3

- Data supports “always warm at shift change” – convenience at the workplace, priced for it.
- Defensible: the rival’s cheap position is built on shelf economics; workplace delivery needs systems, not just price.
- A specific moment beats a generic claim.

2.4 True or false with one line each: (a) a segment must be demographic to be measurable; (b) “quality” is a strong position; (c) retention belongs in segment value as much as size. [3]

2.4

- (a) False – behavioural or geographic counts are measurable.
- (b) False – everyone claims quality; undifferentiated.
- (c) True – retention multiplies just like size.