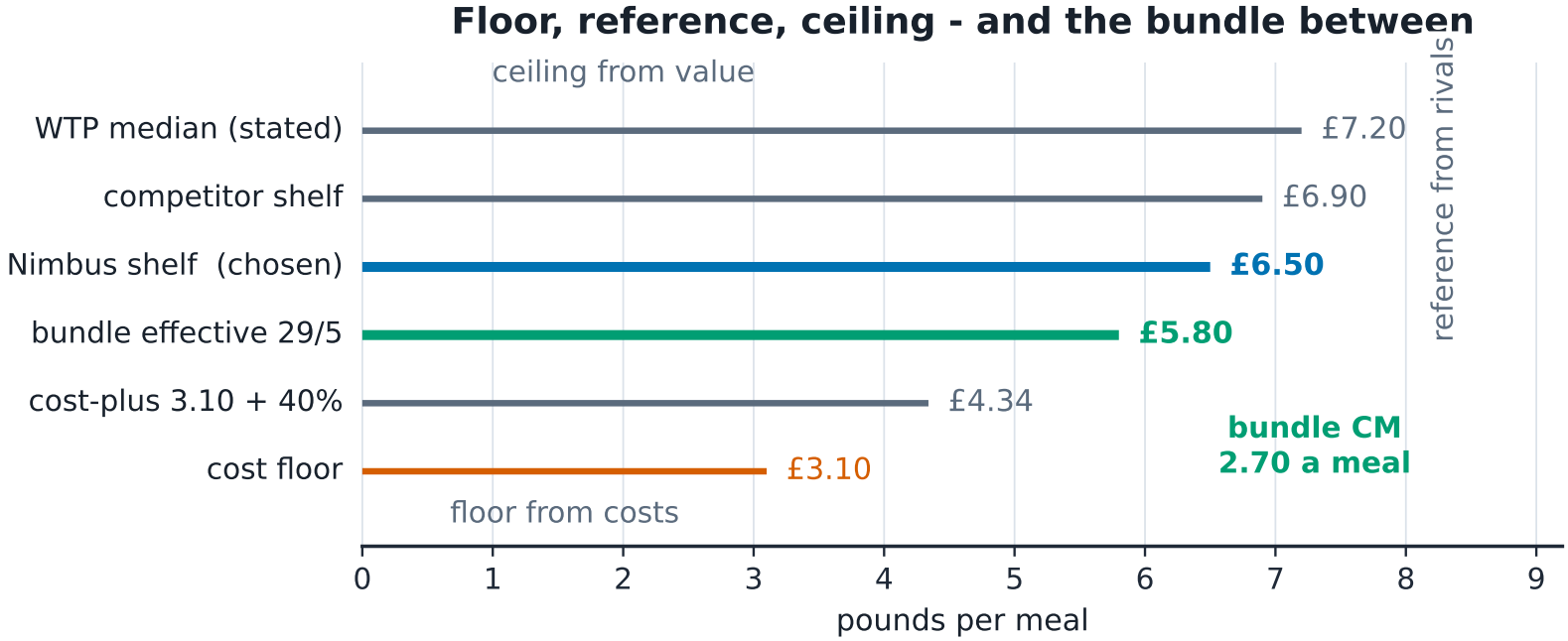
Exercise walk-through

7.3
Product and value

University Business

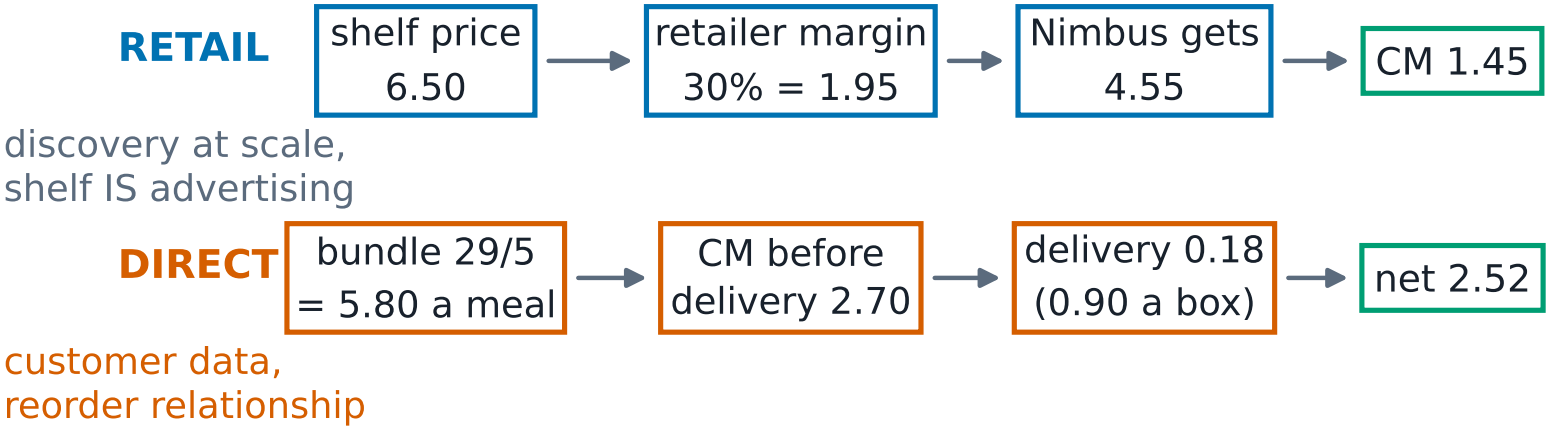
Pricing: floor, reference, ceiling



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

Channels: two taxes, one map

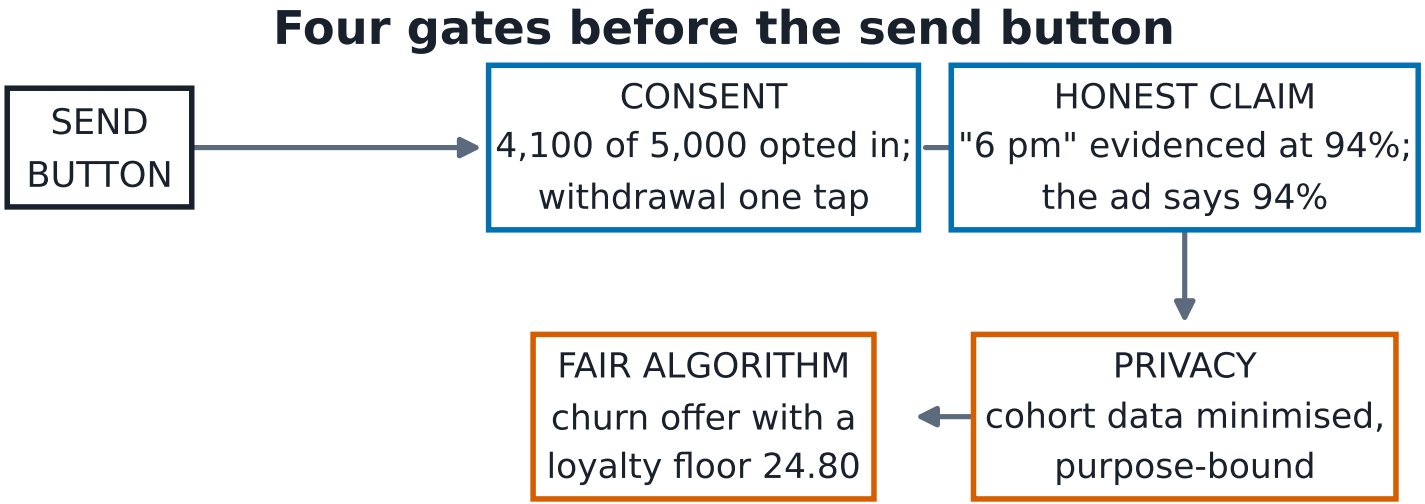
Same meal, two taxes



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 Place each element at its level: the clean clothes; the two-bag plan; next-day pickup; the pause-anytime promise. [4]

2.2 Build the customer's monthly ledger: benefits (laundry shop £34 avoided, Sunday afternoon back) against costs (£18, remembering the doorstep bag). What is the visible surplus? [3]

Exercises 2.1·2.2

2.1 Place each element at its level: the clean clothes; the two-bag plan; next-day pickup; the pause-anytime promise. [4]

2.1

- Clean clothes: core.
- Two-bag plan: actual.
- Next-day pickup: augmented.
- Pause-anytime: augmented (the trust promise).

2.2 Build the customer's monthly ledger: benefits (laundry shop £34 avoided, Sunday afternoon back) against costs (£18, remembering the doorstep bag). What is the visible surplus? [3]

2.2

- Benefits: £34 + the afternoon (unpriced but real).
- Costs: £18 + remembering the bag.
- Visible surplus: £34 − £18 = £16 a month.

Exercises 2.3·2.4

2.3 The rival can copy the bag in a month and the price in a day. Which level does the startup defend, and how? [2]

2.4 A pickup-failure issue costs 4 retention points. Compute the monthly contribution at stake (800 subscribers, CM £12). [3]

Exercises 2.3·2.4

2.3 The rival can copy the bag in a month and the price in a day. Which level does the startup defend, and how? [2]

2.3

- The augmented level: pickup logistics and the pause promise are systems, not stickers.
- Defend with reliability data and the service record – the moat the price cut cannot touch.

2.4 A pickup-failure issue costs 4 retention points. Compute the monthly contribution at stake (800 subscribers, CM £12). [3]

2.4

- $800 \times 0.04 = 32$ lost subscribers a month.
- $32 \times £12 = £384$ of monthly contribution.