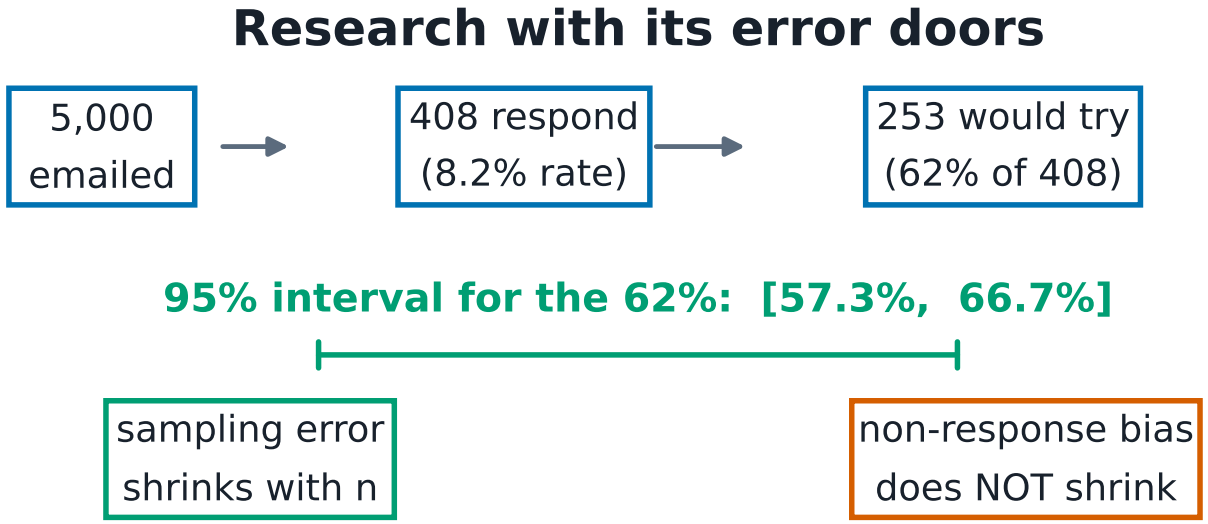
Exercise walk-through

7.4 Pricing

University Business

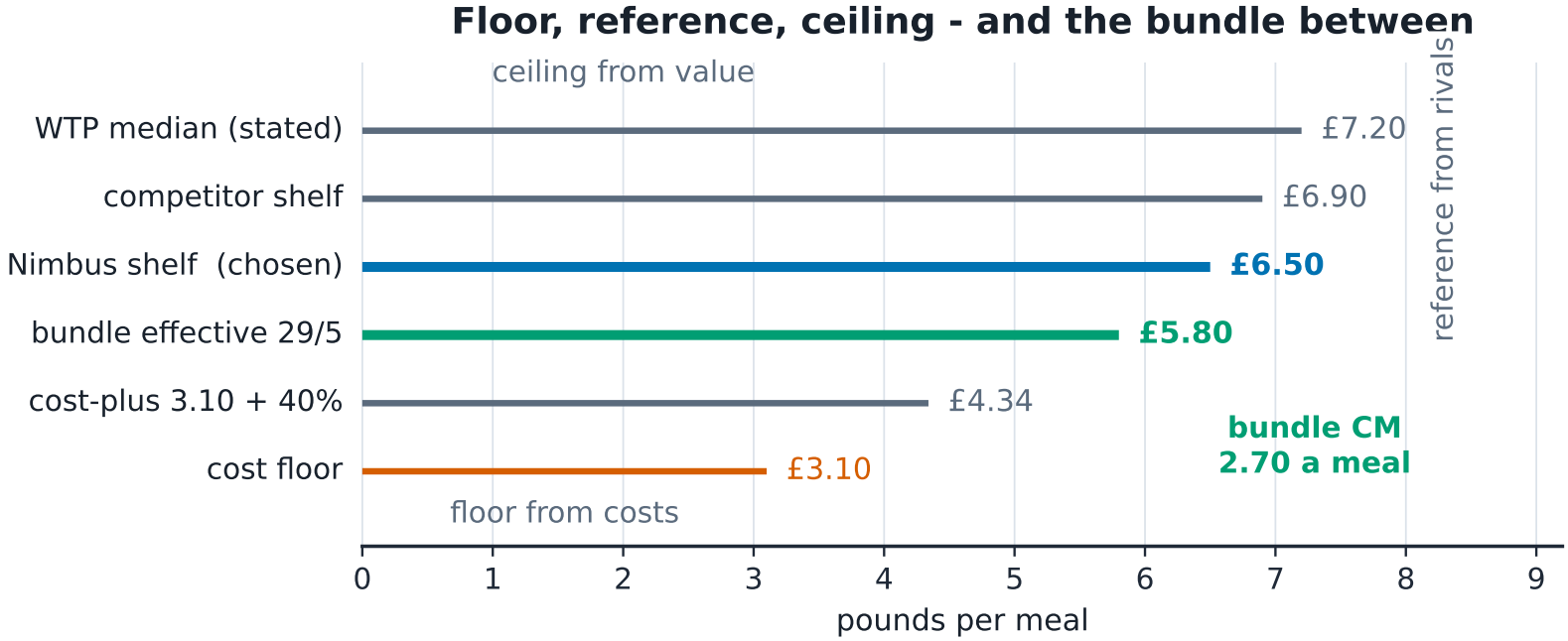
Research: make the belief killable



the survey aims; the A/B offer to 200 (27 accept, 13.5%) decides

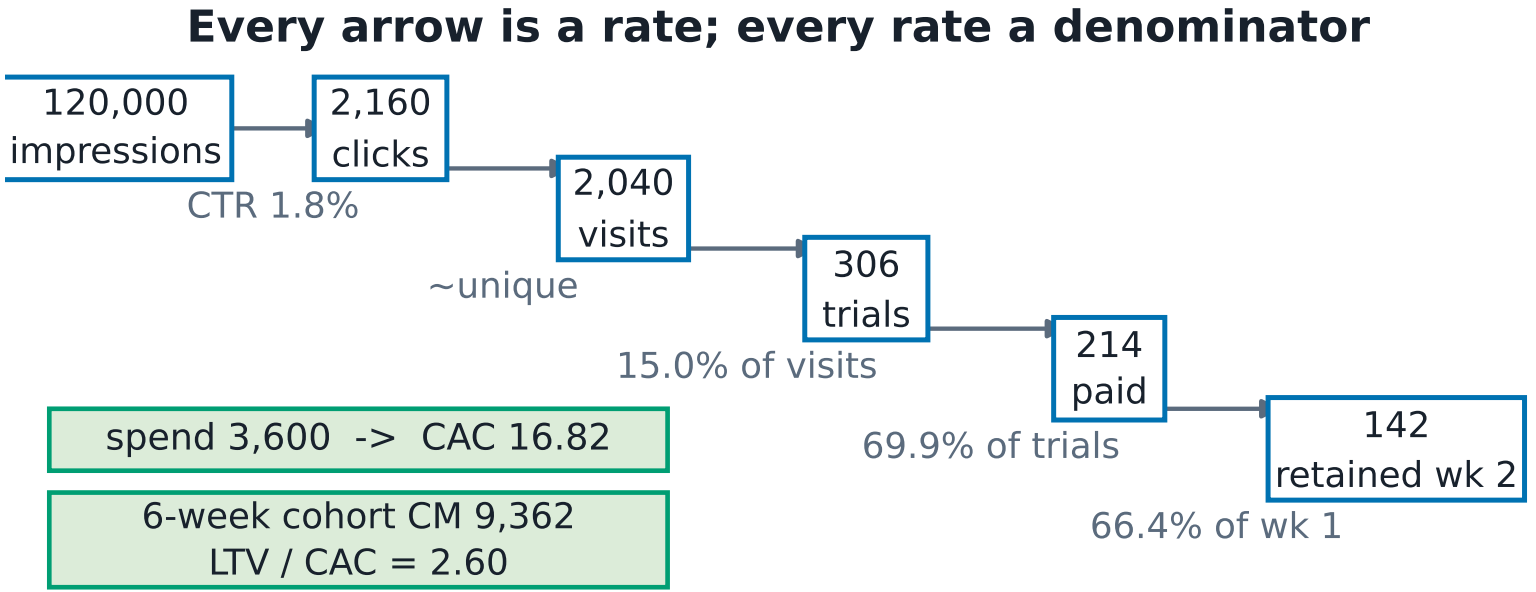
5,000 emailed, 408 replied: 62% intent, interval [57.3, 66.7].

Pricing: floor, reference, ceiling



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

Promotion: honest denominators



120,000 impressions become 142 retained: CAC 16.82, LTV/CAC 2.60.

Exercises 2.1·2.2

2.1 Compute the box's effective price per cup and its CM. Compare with the shelf economics (rival pays 60% of £3.40). [4]

2.2 Cost-plus at 40% suggests what cup price? In two lines, why is it wrong here? [3]

Exercises 2.1·2.2

2.1 Compute the box's effective price per cup and its CM. Compare with the shelf economics (rival pays 60% of £3.40). [4]

2.1

- Effective price = 52/20 = £2.60 a cup.
- CM = 2.60 − 0.90 = £1.70.
- Shelf: rival pays 3.40 × 0.6 = £2.04, CM = £1.14.
- The subscription is richer per cup AND owns the data.

2.2 Cost-plus at 40% suggests what cup price? In two lines, why is it wrong here? [3]

2.2

- Cost-plus: 0.90 × 1.4 = £1.26.
- Leaves most of the value uncaptured and prices a premium offer as a commodity.
- The floor is the starting point, not the answer.

Exercises 2.3·2.4

2.3 The first 200 subscribers get the box at £44. Compute the contribution deliberately spent, and state the reversion rule that makes it penetration rather than a price cut. [3]

2.4 A “3 cups for the price of 2” voucher circulates. In two lines: what protects the subscription from cherry-picking, and what happens if it is missing? [2]

Exercises 2.3·2.4

2.3 The first 200 subscribers get the box at £44. Compute the contribution deliberately spent, and state the reversion rule that makes it penetration rather than a price cut. [3]

2.3

- Spent: $200 \times 20 \times (1.70 - 1.30) = £1{,}600$ (launch CM £1.30 = 2.20 − 0.90).
- Rule: "reverts to £52 in month 2" – dated, published, and the churn at reversion is measured.

2.4 A "3 cups for the price of 2" voucher circulates. In two lines: what protects the subscription from cherry-picking, and what happens if it is missing? [2]

2.4

- The minimum-order and the box structure: vouchers apply to boxes, not loose cups.
- Missing them, customers assemble 2+1 deals and the box CM unravels – the Nimbus two-meal minimum principle.