



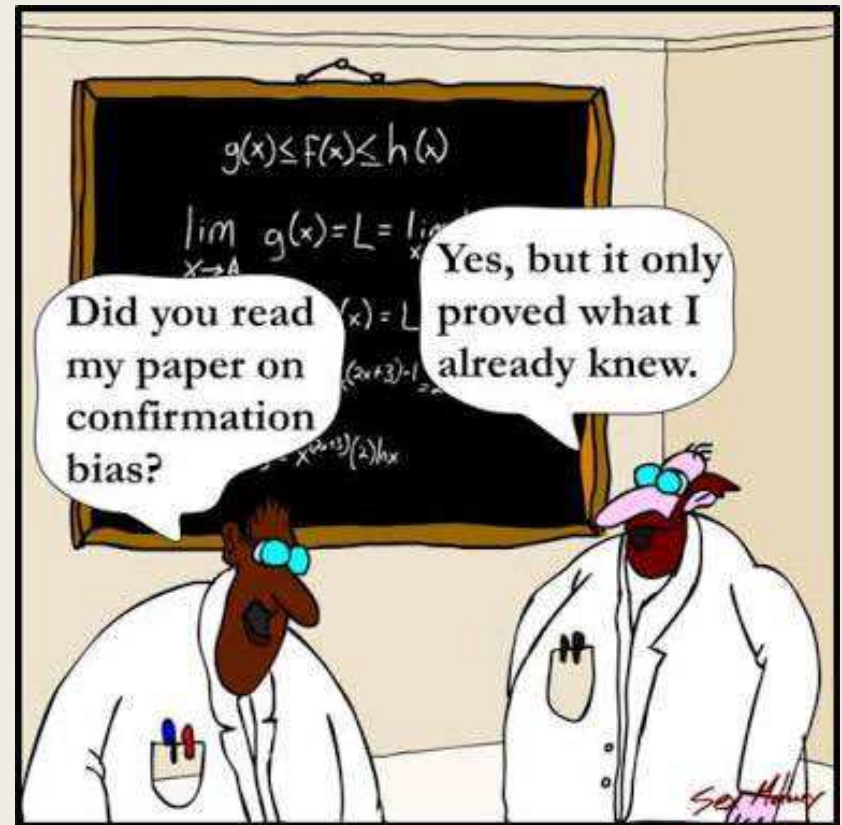
The image features a light beige background with a white border. Two thick black L-shaped corner brackets are positioned on the left and right sides, framing the central text. The text is centered and reads "NEW PRODUCTS FOR LION'S DEN" in a bold, black, sans-serif font, arranged in two lines.

NEW PRODUCTS FOR
LION'S DEN

Part A – Market Research




What do Magee students need/want?

- Create a survey 
 - *Electronic or paper*
 - *Provide details of how respondents obtained and why*
- Summarize data in table and chart/graph format 



Part B – New Product Selection

What you think will fulfill their needs/wants

- Demonstrate healthy guidelines are met 
- Provide information about sources for the product, format of sales (ex. 9 units per package), costs, taxes, delivery etc. 
- Conduct a focus group with Marketing class to taste test or review product. Prepare questions to ask.
 - *Provide results of focus group* 

Part C – SWOT Analysis

What might affect success of product launch?

- Internal

- *STRENGTHS*
- *WEAKNESS*

- External

- *OPPORTUNITIES*
- *THREATS*



Strengths

Weaknesses

Opportunities

Threats

Part D – Determine a Supplier

Where will you get your product?

Current suppliers include:

- Costco (p/u)
- Superstore (p/u)
- Walmart (deliver with approx. 1.5 weeks lead time)
- Safeway (p/u)
- Transcold Distribution (deliver every Weds; min. purchase required)
- Amazon (sometimes next day delivery with Amazon Prime)

Part D – Determine a Supplier

Where will you get your product?

- description of process for finding chosen supplier
- name of company
- short description of company
- address, contact information, website
- contact person (if needed)
- do they deliver? Pre-order for pickup? Additional fees or other constraints (delivery charge, minimum purchase required, etc.)?

Part E – Financials

Markup

- shows how much more your selling price is than the amount the item costs you.
- Calculating markup - terms
 - $Revenue = Price\ per\ Unit * \#\ of\ Units\ Sold$
 - $Cost\ of\ Goods\ Sold\ (COGS) = Cost\ per\ Unit * \#\ of\ Units\ Sold (+\ variable\ expenses)$
 - $Gross\ Profit = Revenue - COGS$
 - $Markup = Gross\ Profit / COGS$
 - $Markup\ percentage = (Gross\ Profit / COGS) * 100$
- To determine price of a product based on a minimum markup percentage
 - *just replace the numbers that you know and calculate*

Part E - Financials

Example for Determining Price Given Target Markup

$Revenue = Price\ per\ Unit * \#\ of\ Units\ Sold$	
$Cost\ of\ Goods\ Sold\ (COGS) = Cost\ per\ Unit * \#\ of\ Units\ Sold\ (+\ variable\ expenses)$	
$Gross\ Profit = Revenue - COGS$	
$Markup = Gross\ Profit / COGS$	
$Markup\ percentage = (Gross\ Profit / COGS) * 100$	

- Target markup – Minimum 75%
- $Markup = (Revenue - COGS) / COGS$
- Known:
 - $Cost\ per\ unit = \$11.39 / 9 = \1.26
 - $Target\ markup = 75\% = 0.75$
- Replace the variables you know
- $0.75 = gross\ profit / \$1.26 = 0.75 = (Price\ per\ Unit - \$1.26) / \$1.26$
- $0.75 * 1.26 = gross\ profit = 0.75 * \$1.26 = Price\ per\ Unit - \1.26
- $0.95 = gross\ profit = 0.95 = Price\ per\ Unit - \1.26
- $0.95 + 1.26 = 2.21 = Minimum\ Price\ per\ Unit\ to\ achieve\ a\ 75\%\ markup$
- The markup is 75%. That means you will sell the ice cream bar for 75% more than the amount you paid for it.



Part E - Financials

Example for Determining Price Given Target Markup

- $0.95 + 1.26 = 2.21$ = Minimum Price per Unit to achieve a 75% markup
- Sell for at least \$2.25 each bar
- Review survey data to determine price sensitivity etc
- Use all information available to determine selling price for product

Part E – Financials

Calculating Breakeven Point in Units

- Must buy inventory first and then sell
- Want to find out how many you need to sell in order to get back the money that you paid for the inventory
- Used to determine viability of a product and sales goals
- Breakeven point = number of units you need to sell in order to “breakeven” (not lose any money)
- Breakeven in Units = $\text{Fixed Costs} / \text{Sales Price per Unit} - \text{Variable Cost per Unit}$

Part E – Financials

Example for Calculating B/E Point in Units

- Breakeven in Units = Fixed Costs / Sales Price per Unit
– Variable Cost per Unit
- Breakeven in Units = $\$11.39 / \$2.25 = 5.06$
- Need to sell 6 ice cream bars to break even (recover initial purchase cost)
- Why not round down – b/e point = 5 bars?
- Can't sell 0.06 of a bar...



Promotional Plan

- Goals:

- *Create awareness*
- *Stimulate demand*

- Include:

- *Description of target market*
- *Media used to reach target market*
- *Description of approach to promotion and advertising*
- *Timeline*

Preparing for Product Launch

For example...

- Prepare posters and post in strategic locations
- Write PA announcements
- Work with Mrs. James on advance purchase – amount and supplier
- Prepare instructions for employees including pictures (if applicable)
- Whatever needs to be done to ensure a smooth launch on first day

Reflection and Self-Assessment (after Product Launch)

- Opportunity to think critically about execution of product launch
- Assess self/group on all aspects of Product Launch
 - *Choice of product*
 - *Survey questions and use of survey results*
 - *SWOT analysis*
 - *Sales forecast and actual*
 - *Promotional plan*
 - *Launch prep*