

# SESSION 10

## BAGEEZ CASE STUDY

### Marketing Mix | Price

#### 1. COST PER UNIT (**Expenses** ÷ **Quantity**):

To make a profit, you need to **set your price higher** than your **Cost per Unit**.  
Calculate your Cost per Unit here:

$$\text{Total Expenses} \downarrow \div \text{Quantity} \downarrow = \text{Cost per Unit}$$

$$\underline{\text{£20}} \div \underline{50} = \underline{\text{£0.40}}$$

(copy from Session 9 Worksheet) (copy from Session 9 Worksheet)

#### 2. COMPETITORS:

Competitors are businesses that sell the same or a similar product to you.  
Find 2 competitors, describe their product and write down the price that they charge.

Name of Competitor	Description of Competitor's product	Price the competitor is charging
Buddy Keychains	Paracord Keychain	£1.69
Bag Buddies	Star Wars Characters	£5.69

#### 3. CUSTOMERS:

Find out what your customers are willing to pay using **market research**.

- Describe your product to potential buyers: tell them the benefits, why they should want to buy it and why it stands out from any similar products.  
**Only ask people that you have permission to contact from your parent / guardian.**
- Ask them what they would pay for your product and write their answers in the table.  
**Don't tell them what YOU think your price should be.**
- Work out the average.

Potential Customer	Price
Potential Customer 1	£5.00
Potential Customer 2	£2.00
Potential Customer 3	£5.00
Potential Customer 4	£2.00
Potential Customer 5	£1.50
<b>Total</b>	<b>£15.50</b>
<b>Average Price</b> (Total / number of responses)	<b>£3.10</b>

Based on the above, I think the Price of my Product should be:

**£3.00**



Too high and you won't sell your product.  
Too low and you won't make a profit!