|  |  |
| --- | --- |
| YUMMY, YUMMY POPCORN  **The 4Ps of Marketing**  Product Specialist  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Place Specialist  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Promotion Specialist  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Price Specialist  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | **Price**  **PRICE DEVELOPMENT**  Everything costs money. If you decide to add extra salt to your popcorn, you have to add money to the cost of the product. If you decide to include a prize in the box you have to add extra money to the cost of the product. If you decide to have an athlete or celebrity’s picture on the front of the package, you have to pay the athlete or celebrity.  In this assignment, you will calculate the costs of product development (product), transportation to the store (place), advertising the product (promotion) and determine the manufacturer’s price for each package of popcorn. |
| **PRICE OBJECTIVES**  Understand the 4Ps of marketing: Product, Place, Promotion, and Price | You and your team have created a new flavor of popcorn. Now it is time to find out the costs of all your work. Below is a list of prices. |

**PRICE ASSIGNMENT**

If you decide to use a quantity of 1, then the Cost of Raw Goods is there for you. If you decide to use more of something, then you have to show the quantity (QTY) you are using and multiply to get the Cost in Product. For example: If you are using 2 QTY of Chocolate, then the Cost in Product would be .08.

If you are using OTHER FOOD INGREDIENTS you will need to add the Cost of Raw Goods for EACH item added.

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Costs of Raw Goods in dollars ($) | QTY in Product | Cost in Product in dollars ($) |
| PRODUCT | | | |
| Raw, dried corn ½ cup of kernels | .02 |  |  |
| Nuts, ¼ cup | .01 |  |  |
| Butter, 2 TBS | .01 |  |  |
| Salt, 1 tsp | .01 |  |  |
| Market research – paying the taste testers | .03 |  |  |
| Other | .04 |  |  |
| PLACE | | | |
| Contact stores | .01 |  |  |
| Delivery to stores | .03 |  |  |
| Setup in stores | .01 |  |  |
| Money paid to store for best shelf space | .02 |  |  |
| Other |  |  |  |
| PROMOTION | | | |
| Package Material | .01 |  |  |
| Package Shape other than a rectangle | .01 |  |  |
| Brand creation, license, and copyright | .03 |  |  |
| Logo creation | .01 |  |  |
| Graphic design on front of package | .02 |  |  |
| Graphic design on remaining sides of package | .02 |  |  |
| More than 4 colors | .01 |  |  |
| Nutrition panel design | .01 |  |  |
| Electronic Advertising | .03 |  |  |
| Print Advertising | .01 |  |  |
| Money paid to store for End Cap space | .04 |  |  |
| Slogan creation | .01 |  |  |
| Jingle creation | .01 |  |  |
| Other |  |  |  |
| **TOTAL** | | |  |

You may write in the table below. The completed table is worth 25 points!

So what does the Price Specialist do? It is your job to keep costs down. Through every step of creating this new product, your job is to question why something is needed.

1. Product: The base ingredients are Corn, Butter, and Salt. What other ingredients will be used? List them here:
2. Product: Why does your team want those ingredients? **Explain.**
3. Product: What market research was/will be done? **Explain.**
4. Place: Where will this product be placed in the store? What aisle? What shelf? **Explain.**
5. Place: How will this product be transported to the store? **Explain.**
6. Place: Are people needed to setup in the store? **Explain.**
7. Promotion: Can the shape of the package be changed to cut costs? **Explain.**
8. Promotion: Can fewer colors be used on the package design to cut costs? **Explain.**
9. Promotion: Will you be using electronic advertising? Will you be using print advertising? **Explain.**
10. Promotion: Will you need to an End Cap? **Explain.**
11. Promotion: Do you need a slogan or a jingle? **Explain.**
12. Finally, what is the final cost of your product?