

Name:

Date:

Class:

Lesson 8.2

Practice Your Understanding

1. You have decided to start your frozen yogurt business by first reviewing the list of competitors. Determine whether the listed factors are nonprice competition, price competition, direct competition, or indirect competition. (8.2-1)

- a. A restaurant within two miles of your business has frozen smoothies on their menu.

Answer:

- b. A similar yogurt business sells yogurt and other frozen items.

Answer:

- c. A frozen yogurt shop offers 100 different flavors from which to choose.

Answer:

- d. A grocery store has frozen yogurt in their freezer section priced 50 percent lower than you can sell your yogurt for and stay in business.

Answer:

2. Analyze the products and services offered by the Walt Disney Company theme parks as well as their target market and direct competitors. Construct a one-sentence statement to describe their unique selling proposition. (8.2-2)

Answer:

3. Assume the total global sales, or market size, for sparkling water for the year is approximately \$30 billion. Calculate the Crystal Fizz company's market share percentage, assuming it has annual sales of \$5 billion. (8.2-3)

Answer: