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CMU FooDe PRICING PLAN

Service - Delivery Service:

Target Market: Central Mindanao University Community

Competitors: Establishments that provide delivery services

Pricing Strategies:

1. Penetration Pricing

- We will start at a low price to attract customers at startup to prove the value of the service. The reason why we chose this strategy is to gain an advantage over the competitors when entering the market. This strategy however will not be profitable in the long run.

2. Economy Pricing

- Once we get a decent customer base, we will switch our strategy to the economy pricing strategy. This strategy offers low-price services while retaining quality. The price will be a little higher than the penetration pricing as we don't need to prove the quality but will still maintain that it is affordable to the customers.

Potential challenges:

Lower Profit Margins from Economy Pricing: Although economy pricing may result in lower profit margins, it will still be profitable after we attract customers with affordable prices. This will result in more orders and deliveries per day, which will be the main way for CMU FooDe to increase profits while keeping affordable prices.