

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	PANG Steven Andrew	Student ID number:	
Programme:	MBA		
Module:	Managerial Economics		
Module code:	SBMA7133	Contribution to Overall Module Assessment (%):	100%
Lecturer:	Dr.Che Cheong Poon	Internal Verifier:	Joe Leung
Assignment Title:	Assignment 1	Word count (or equivalent):	5,000 words
Submission deadline:	4 March 2019	Return date of provisional marks & written feedback:	Within 20 days after submission
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

Module Learning Outcomes (from module syllabus)

Upon the successful completion of this module, the student should be able to demonstrate the ability to:

1. Analyse micro-economic/market structures and relationships to modern business decision-making.
2. Critically evaluate economic data as a guide to policy making.

TASK DESCRIPTION

Assessment Component 1 – 100% Course work – 5000 words integrative case study

An Integrative Case Study (ICS) of about 5000 words and a Student Self-Evaluation Form are required to be completed. The CIS is in a report format, students will be required to manage a focused discussion on the economic contribution to strategy in the chosen industry/company. This will be followed by a demand to apply discrete economic concepts to the industry, evaluating the relative validity of competing concepts.

Tasks

Few business decisions are as important and challenging as a firm's choice of how to price its goods and services. Aside from the obvious need to cover costs and provide for an acceptable profit, a firm must take care not to alienate its customers through pricing practices that create the perception of unfairness or inequity. Price discrimination—charging different prices to different consumers for the same good or service—is one such practice. Students are required to submit an ICS report with the title “Price Discrimination Strategy by(a company in Hong Kong selected by the student): An integrative case study”. Issues to address include, but are not limited to:

1. Critically evaluate the company's product/service portfolio. This should include insights into the company's history with the product or service.
2. Systematically analysis the market for this product or service?
3. Identify and critically discuss the price discrimination technique used by the company. Include an evaluation of successfulness from both a company and consumer perspective.
4. What recommendations would you make to the company to improve its price discrimination strategy implementation?

Project Length Required

5,000 words +/- 10%. Any deviation from this will be penalised.

Formatting and Layout

The following is a suggested guideline for preparing your case study reports:

- Use Harvard formatting throughout your paper. For details, see
<https://www.wales.ac.uk/en/OnlineLibrary/StudySkills/ReferenceStyles.aspx>
<https://libweb.anglia.ac.uk/referencing/harvard.htm>
https://libweb.anglia.ac.uk/referencing/files/Harvard_referencing_201718.pdf
- The report should be typed on A4 size sheet of paper using Microsoft Word in 12-point type Times New Roman font with at least 2 centimetre space at each edge, and pages numbered.

- Except using single line spacing for graphs, tables, footnotes, and the reference list, please use 1.5-line spacing for all material in the manuscript.
- Please ensure the figures and the tables are placed above or below the relevant text in the manuscript, and the corresponding caption should be placed directly above the figure or table.
- Section headings should be numbered in Arabic numerals (1, 2, 3, etc.) while sub-section headings should follow the double numeration system (1.1, 1.2, etc.). All headings are to be left-aligned and in bold and should appear on their own separate line.
- Abbreviations should be fully spelled out in parentheses the first time that they are used in the text.
- Please try to use your own words and ideas based on research rather than copy and paste other's words from the internet.

The assignment submission should include:

Cover Page

- Include programme name, Module name, Case Study Title, Student Names and ID number, Date of Submission

Case Synopsis

- It contains a brief highlight of the key issues or problems that will be described in the case study.
- It should convince readers why this case study is worth reading.

Introduction

- Provide a current situation analysis and pertinent background of the case study.

Case study design and planning

- The plan for the case study is expected to contain objective (what to achieve?), the case (what is studied), the Theory (frame of reference), research questions (what to know?), methods (how to collect data? where to seek data? How to analyze the data collected?)

Analysis and discussion

- Provide argumentation to support your opinion.
- Apply the knowledge and analytical skills learnt in the course to justify your arguments.
- You should design the sub-section headings under this section.

Conclusion and recommendations

- Synthesize the research findings in order to arrive at a concise and meaningful conclusion,
- Make recommendations relating to the problems that you have investigated.

References

- Source business journals, periodicals, and textual references as well as any online research.
- Make sure you support your ideas with facts and figures.
- All references mentioned in the Reference List are cited in the text, and vice versa
- An alphabetical CITATION LIST using Harvard referencing style.

Appendices (If any)

- All charts, financials, visuals, and other related items can be placed here and referenced in the report.
- If there is more than one appendix, they should be identified as A, B, etc.

GUIDANCE FOR STUDENTS IN THE COMPLETION OF TASKS

NOTE: The guidance offered below is linked to the five generic assessment criteria overleaf.

1. Engagement with Literature Skills

Your work must be informed and supported by scholarly material that is *relevant* to and *focused* on the task(s) set; you should make use of scholarly reviews and primary sources, as appropriate (for example, refereed research articles and/or original materials appropriate to the discipline). You should provide evidence that you have accessed a wide *range* of sources, which may be academic, governmental and industrial; these sources may include academic journal articles, textbooks, current news articles, organisational documents, and websites. You should consider the *credibility* of your sources; academic journals are normally highly credible sources while websites require careful consideration/selection and should be used sparingly. Any sources you use should be current and up-to-date, mostly published within

the last five years or so, though seminal/important works in the field may be older. You must provide *evidence* of your research/own reading throughout your work, using correctly a suitable referencing system, including in-text citations in the main body of your work and a reference list at the end of your work.

Guidance specific to this assessment:

The company's annual reports should be included in the reference list.

2. Knowledge and Understanding Skills

At level 7, you should be able to demonstrate a systematic understanding of knowledge, and a critical awareness of current problems and/or new insights, much of which is at, or informed by, the forefront of your academic discipline, field of study or area of professional practice, with a comprehensive understanding of techniques applicable to your own research or advanced scholarship. Your work must demonstrate your growing mastery of these concepts, principles, current challenges, innovation and insights associated with the subject area. *Knowledge* relates to the facts, information and skills you have acquired through your learning. You demonstrate your *understanding* by interpreting the meaning of the facts and information (knowledge). This means that you need to select and include in your work the contemporary concepts, techniques, models, theories, etc. appropriate to the task(s) set. You should be able to explain the theories, concepts, etc. meaningfully to show your understanding. Your mark/grade will also depend upon the *extent* to which you demonstrate your knowledge and understanding; ideally each should be complete and detailed, with comprehensive coverage.

Guidance specific to this assessment:

Upon completing this case study assignment, students should be able to:

- (1) Critically evaluate pricing strategies;
- (2) Recognize the conditions for successful price discrimination and other non-trivial pricing strategies; and
- (3) Apply theoretical foundations to forecast the expected outcomes of various pricing strategies.

3. Cognitive and Intellectual Skills

You should be able to: evaluate critically current research and advanced scholarship in the discipline; evaluate methodologies and develop critiques of them and, where appropriate, to propose new hypotheses; deal with complex issues both systematically and creatively to make sound judgements in the absence of complete data. Your work must contain evidence of logical, analytical thinking, evaluation and synthesis. For example, to examine and break information down into parts, make inferences, compile, compare and contrast information. This means not just describing what! But also justifying: Why? How? When? Who? Where? At what cost? At all times, you must provide justification for your arguments and judgements. Evidence that you have reflected upon the ideas of experts within the subject area is crucial to you providing a reasoned and informed debate within your work. Your choice of methodologies to gather data and information must be rigorously defended. Furthermore, you should provide evidence that you are able to make sound judgements and convincing arguments using data and concepts. Sound, valid, persuasive conclusions are necessary and must be derived from the content of your work. Where relevant, alternative solutions and recommendations may be proposed.

Guidance specific to this assessment:

Upon completing this case study assignment, students should be able to apply the knowledge and analytical skills learnt in the course to justify your arguments

4. Practical Skills

At level 7, you should be able to demonstrate originality in the application of knowledge, together with a practical understanding of how established techniques of research and enquiry are used to create and interpret knowledge in the discipline. This includes acting autonomously in planning and implementing tasks at a professional or equivalent level, originality in tackling and solving problems, and decision-making in complex and unpredictable contexts or situations.

You should be able to demonstrate mastery of the leading edge subject-related concepts and ideas as they relate to real world situations and/or particular contexts. How do they work in practice? You will deploy models, methods, techniques, and/or theories, in those contexts or circumstances, to assess current situations, perhaps to formulate plans or plausible, justifiable recommendations to solve problems, or to

propose new models, or to create artefacts, which may be innovative and creative, thereby demonstrating your understanding of how the boundaries of knowledge are advanced through research and/or application. This is likely to involve, for instance, the use of real world artefacts, examples and cases, the application of a model within an organisation and/or benchmarking one theory or organisation against others.

Guidance specific to this assessment:

Upon completing this case study assignment, the students should be able to apply economic theory along with critical thinking to develop their conclusions.

5. Transferable Skills for Life and Professional Practice

Your work must provide evidence of the qualities and transferable skills necessary for postgraduate-level employment in circumstances requiring sound judgement, personal responsibility and initiative in complex and unpredictable professional environments. This includes demonstrating: the independent learning ability for continuing professional development to advance existing skills and acquire new competences of a professional nature that will enable you to assume significant responsibility within organisations; that you can initiate and complete tasks, projects and procedures, whether individually and/or collaboratively, to a professional level; that you can use appropriate media to effectively communicate information, arguments and analysis in a variety of forms for a variety of audiences; fluency of expression; clarity and effectiveness in presentation and organisation. Work should be coherent and well-structured in presentation and organisation.

Guidance specific to this assessment:

Upon completing this case study assignment, students should be able to demonstrate mastery of different types of generic skills including study, communication, collaboration, self-management, problem-solving, presentation, Library and internet search skills, numeracy, and critical thinking skills.

STUDENT FEEDBACK FORM

This section details the *extent* to which the assessment criteria are demonstrated by you, which in turn determines your mark. The marks available for each category of skill are shown. Lecturers will use the space provided to comment on the achievement of the task(s), including those areas in which you have performed well and areas that would benefit from development/improvement.

Generic Assessment Criteria	Marks available	Marks awarded
1. Engagement with Literature Skills	10	
- Conduct relevant literature and research review of the research focus areas. - Discuss the recent/relevant case studies available in academic journals. - Refer to text books, current news items and benchmark your chosen company. - Consistency of sources cited in the text and reference list.	3 3 2 2	
2. Knowledge and Understanding Skills	40	
- A brief overview of different types of price discrimination - Use the four conditions for a successful implementation of price discrimination to support argumentation. - Application of economic concepts including market structure, market power, marginal cost, marginal revenue, price elasticity, and pricing theory to facilitate analysis.	10 15 15	
3. Cognitive and Intellectual Skills	15	
- Critical evaluation related current research and methodologies. - A critical discussion of the reliability and validity of information collected. - Creative synthesis of complex issues and ability to investigate contradictory or incomplete information and make persuasive arguments.	5 5 5	
4. Practical Application Skills	20	
- Have a good grasp of using the Harvard referencing system in writing the case study report. - Well versed in Microsoft Word - Ability to produce tables and graphs from computer softwares - Familiar with Google's Scholar search	5 5 5 5	
5. Transferable Skills for Life and Professional Practice	15	
- Library and internet search skills - Writing and graphic presentation skills. - Computation skills	5 5 5	

Assessment Mark (Assessment marks are subject to ratification at the Exam Board. These comments and marks are to give feedback on module work and are for guidance only until they are confirmed.)	Late Submission Penalties (tick if appropriate)		%
	Up to 1 week late (40% Max)		
	Over 1 week late (0%)		

GENERIC ASSESSMENT CRITERIA

Level 7

In accordance with the Framework for Higher Education Qualifications, at the end of Level 7 students should be able to demonstrate: a systematic understanding of knowledge, and a critical awareness of current problems and/or new insights, much of which is at, or informed by, the forefront of their academic discipline or area of professional practice; a comprehensive understanding of techniques applicable to their own research or advanced scholarship; originality in the application of knowledge, together with a practical understanding of how established techniques of research and enquiry are used to create and interpret knowledge in the discipline; conceptual understanding that enables the student to evaluate critically current research and advanced scholarship in the discipline to evaluate methodologies and develop critiques of them and, where appropriate, to propose new hypotheses. They will be able to deal with complex issues both systematically and creatively, make sound judgements in the absence of complete data, and communicate their conclusions clearly to specialist and non-specialist audiences. They will demonstrate self-direction and originality in tackling and solving problems, and act autonomously in planning and implementing tasks at a professional or equivalent level to continue to advance their knowledge and understanding, and to develop new skills to a high level. They the qualities and transferable skills necessary for employment requiring the exercise of initiative and personal responsibility; decision-making in complex and unpredictable situations/professional environments; and the independent learning ability required for continuing professional development.

Level 7	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY (Pass)	GOOD to VERY GOOD (Merit)	EXCELLENT (Distinction)	EXCEPTIONAL (Distinction)
Category	0-29%	30-44%	45-49%	50-59%	60-69%	70-84%	85-100%
Engagement with literature (including current research, referencing, academic conventions and academic honesty)	Little or no evidence of reading and/or reliance on inappropriate sources. Views and findings mostly unsupported and non-authoritative. Referencing conventions used incoherently or largely absent.	Poor engagement with essential reading. No evidence of wider reading. Reliance on inappropriate sources, and/or indiscriminate use of sources. Heavily reliant on information gained through class contact. Inconsistent and weak use of referencing.	Engagement with a very limited range of relevant and credible sources. Some omissions and minor errors. Referencing conventions evident though not always applied accurately or consistently.	Engagement with an appropriate range of research-informed literature, including sources retrieved independently. Some over-reliance on texts. Referencing may show minor inaccuracies or inconsistencies.	Engagement with a wide range of research-informed literature, including sources retrieved independently. Selection of relevant and credible sources. Very good use of referencing, with no/very few inaccuracies or inconsistencies.	Engagement with an extensive range of relevant and credible literature, informed by the latest research. Consistently accurate application of referencing.	Exceptional engagement with an extensive range of relevant and credible literature, informed by the latest research. High-level referencing skills consistently and professionally applied.
Knowledge and	Major gaps in knowledge and	Gaps in knowledge, with	Limited knowledge and	Knowledge is accurate and	Knowledge has a well-defined	Excellent mastery of a	Exceptional mastery of a

Level 7	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY (Pass)	GOOD to VERY GOOD (Merit)	EXCELLENT (Distinction)	EXCEPTIONAL (Distinction)
Category	0-29%	30-44%	45-49%	50-59%	60-69%	70-84%	85-100%
understanding (A systematic, conceptual understanding of knowledge, and a critical awareness of current problems and/or new insights, much of which is at, or informed by, the forefront of the discipline; a comprehensive understanding of techniques applicable to their own research)	understanding of the subject matter is not systematic. Substantial inaccuracies. No awareness of current problems, insights or the latest research and/or advanced scholarship within the discipline.	only superficial systematic understanding. Some significant inaccuracies and/or irrelevant material. No critical awareness of current problems, insights, or latest research within the discipline.	systematic understanding of the concepts and principles within the subject area, which to some marginal extent, is informed by current research and scholarship. Some critical awareness of current problems and/or new insights, but often under-developed.	reasonably detailed. A systematic understanding of the field of study informed by, to some extent, current research and scholarship. A critical awareness of current problems and/or new insights though this may be under-developed occasionally.	focus, which is reasonably extensive, coherent and detailed, with a critical awareness of current problems and/or new insights. Exhibits good understanding of the breadth and depth of contemporary and established views, and the work is, at least in part, well-informed by current research and scholarship.	complex and specialised area of knowledge. A systematic, excellent understanding of the concepts of the subject informed by current research and scholarship. Highly critical awareness of current problems and/or new insights. A critical, awareness of how the boundaries of knowledge are advanced through research.	complex and specialised area of knowledge. An exceptionally critical awareness of current problems and/or new insights. An outstanding understanding of the concepts of the subject, well-informed by current research and scholarship. A critical, sophisticated and nuanced awareness of how the boundaries of knowledge are advanced through research.
Cognitive and intellectual skills (Critical evaluation of current research and methodologies and develop critiques of them and, where appropriate, to propose new hypotheses; make sound judgements in the	Wholly or almost wholly descriptive work. Little or no evaluation or critique or attempt at a systematic approach. Failure to develop arguments, leading to illogical or	Largely descriptive work, with superficial use of critical evaluation of research and methodologies. Absent or weak development of hypotheses and judgements. Information accepted uncritically, uses	Limited attempt at critical evaluation/ critique of current research and methodologies, tending towards description. Limited attempt to propose new hypotheses. Can deal with complex issues	Some critical evaluation/ critique of current research and methodologies, though slightly underdeveloped in places. Proposes adequate but limited new hypotheses, where relevant.	Sound critical evaluation/ critique of current research and methodologies. Proposes new hypotheses, where appropriate. Can deal with complex issues systematically and with some	Excellent critical evaluation/ critique of current research and methodologies. Proposes innovative hypotheses, where appropriate. Can synthesise complex issues systematically	Exceptional critical evaluation/ critique of current research and methodologies. Proposes innovative hypotheses, where appropriate. Exemplary systematic and

Level 7	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY (Pass)	GOOD to VERY GOOD (Merit)	EXCELLENT (Distinction)	EXCEPTIONAL (Distinction)
Category	0-29%	30-44%	45-49%	50-59%	60-69%	70-84%	85-100%
absence of complete data.)	invalid judgements. Unsubstantiated generalisations, made without use of credible evidence.	generalised statements made with scant evidence and unsubstantiated opinions. Ideas sometimes illogical and contradictory.	but not systematically or creatively. Some evidence to support emerging judgements but these may be underdeveloped or with a little inconsistency / mis-interpretation. May assert rather than argue a case.	Can deal with complex issues but not fully systematically or creatively. Ability to make judgements based on data (that may be incomplete) but with some tendency to assert/state opinion rather than argue on the basis of reason and evidence.	creativity. Ability to make sound judgements based on data (that may be incomplete)	and creatively. Ability to investigate contradictory or incomplete information and make strong, persuasive, arguments and sophisticated judgements.	creative synthesis of complex issues. Ability to investigate contradictory or incomplete information and make strong, persuasive, arguments and sophisticated, nuanced, judgements. Potential for journal publication or doctoral research.
Practical skills (Originality / creativity in the application of knowledge, tools and techniques and in tackling and solving problems in complex and unpredictable professional situations; practical use of established techniques of research and enquiry to create and interpret knowledge in the discipline.)	Limited or no use of methods, materials, tools and/or techniques. Little or no appreciation of the context of the application. Limited understanding of the application of theory to practice or making appropriate links between the two. Very weak problem-solving skills in complex and	Rudimentary application of methods, materials, tools and/or techniques but without consideration and competence. Flawed appreciation of the context of the application. Weak understanding of the application of theory to practice, with only occasional evidence of	An awareness and mostly appropriate application of well-established methods, materials, tools and/or techniques, with occasional errors. Basic appreciation of the context of the application. Theoretical knowledge and understanding applied in practice, but not always making	An appropriate application of standard methods, materials, tools and/or techniques. Clear appreciation of the context of the application. Mainly consistent, accurate and logical application of theory to practice, making appropriate links between the two. Can identify	A very good application of a range of methods, materials, tools and/or techniques. Very good consideration of the context of the application, with perceptive insights. Can identify problems and propose appropriate solutions in complex and unpredictable contexts. Evidence of	An advanced application of knowledge, methods, materials, tools and/or techniques. The context of the application is well considered, and insightful. Can identify complex problems and propose excellent solutions. An excellent grasp of techniques applicable to own research or	Exceptional application skills in complex, unpredictable, contexts, drawing skilfully on the latest research within the discipline. Can identify complex problems and propose sophisticated, original solutions. An outstanding application of techniques applicable to

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	unpredictable contexts.	making appropriate links between the two. Weak problem-solving skills in complex and unpredictable contexts.	logical links between the two. Can identify problems and propose basic solutions without fully appreciating the complexity of unpredictable contexts.	problems and propose mostly appropriate solutions in complex and unpredictable contexts, with elements of originality.	originality and creativity.	advanced scholarship. Shows originality in application of knowledge and techniques, and of how established techniques of enquiry create and interpret knowledge in the discipline.	own research or advanced scholarship. Shows originality in application of knowledge and techniques, and of how established techniques of enquiry create and interpret knowledge in the discipline with assimilation and development of cutting edge processes and techniques.
Transferable skills for life and professional practice (Exercise of self-direction, autonomy and personal responsibility; plan and implement tasks at a professional level; independent learning; use appropriate media to communicate effectively and professionally to a variety of audiences; fluency of expression;	Communication medium is inappropriate or misapplied. Work is poorly structured, disorganised and/or confusingly expressed. Very weak use of language and/or very inappropriate style. Little or no evidence of autonomy (or collaboration, where relevant) in the completion	Communication medium is poorly designed and/or not suitable for the audience. Work is poorly presented in a disjointed manner. It is loosely, and at times incoherently, structured, with information and ideas often poorly expressed. Weak use of language and/or inappropriate	Can communicate in a suitable medium but with some room for improvement. Mostly ordered presentation and structure in which relevant ideas / concepts are reasonably expressed. Work may lack coherence in places. Can work as part of a team, but with limited involvement in	Can communicate effectively in a suitable format, but may have minor errors. Mostly coherent, organised work, in a suitable structure and is for the most part clearly expressed. Can work effectively independently and/or as part of a team, with clear contribution to	Can communicate well, confidently and consistently in a suitable format. Work is coherent, fluent, well-structured and organised. Can work very well autonomously and/or as part of a team, with a good contribution to group activities. Demonstrates comprehensive	Can communicate professionally confidently and consistently in a suitable format. Work is coherent, very fluent and is presented professionally. Can work autonomously with initiative. Where relevant can work professionally within a team, showing	Can communicate with an exceptionally high level of professionalism. Work is remarkably coherent, very fluent and is presented professionally. Can work outstandingly well and professionally within a team, showing advanced leadership

Level 7	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY (Pass)	GOOD to VERY GOOD (Merit)	EXCELLENT (Distinction)	EXCEPTIONAL (Distinction)
Category	0-29%	30-44%	45-49%	50-59%	60-69%	70-84%	85-100%
systematic approach; clarity and effectiveness in presentation and organisation.)	of tasks. Little or no evidence of the skills required in professional, postgraduate employment.	style. Weak independent initiative (or collaboration, if relevant). Limited evidence of the skills required in professional, postgraduate employment.	group activities. Demonstrates some but not all of the basic skills required in professional, postgraduate employment, with some areas of minor weakness.	group activities. Demonstrates the skills required in professional, postgraduate employment, with some areas of strength and some of minor weakness.	professional, postgraduate employment skills.	leadership skills as appropriate, managing conflict and meeting obligations. Demonstrates excellent professional, postgraduate employment skills and a strong appetite for further development.	skills. Demonstrates exemplary professional, postgraduate employment skills and a strong appetite for further development.

Student Self Evaluation Form			
Student name:	PANG Steven Andrew	Student number:	
Programme:	MBA	Year of programme	2018-2019
Assignment Title:	Managerial Economics Price Discrimination Strategy by Hung Fook Tong: An Integrative Case Study		

This section repeats in brief the common assessment criteria detailed on previous pages. The *extent* to which these are demonstrated by you determines your mark. Using these criteria, tick the box that best indicates the level of achievement you feel you have achieved with regard to each of them.

Common Assessment Criteria Applied	Level of Achievement						
	REFER			PASS		DISTINCTION	
	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY	GOOD to VERY GOOD	EXCELLENT	EXCEPTIONAL
1. Engagement with literature	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
2. Knowledge and Understanding	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	☒	☐
3. Cognitive and intellectual skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	☒	☐
4. Practical Skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
5. Transferable Skills for Life and Professional Practice	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐

PLEASE COMMENT ON AREAS IN WHICH YOU FEEL THAT YOU HAVE PERFORMED WELL		PLEASE COMMENT ON AREAS YOU FEEL THAT YOU NEED TO DEVELOP	
1. engagement with a wide variety of literature 2. original and innovative 3. critical evaluation and methodology		1. develop more professional writing style 2. develop more advance application of knowledge and data	
Student's Name	PANG Steven Andrew	Date	04-03-2019
Student's Signature	SAP		

Price Discrimination Strategy



by

An Integrative Study

Student: STEVEN ANDREW PANG

Module: SBMA7133 Managerial Economics

Assignment Title: Assignment 1

Lecturer: Dr. Che Cheong Poon

Submission Deadline: 4th March 2019

SYNOPSIS

HFT (Hung Fook Tong 鴻福堂) is an inspiring and motivational story in Hong Kong; she is established in 1986 from a traditional Chinese herbal tea store around the street corner in Kwan Chung to being listed on the Main Board of The Stock Exchange of Hong Kong Limited on 4 July 2014 as a modern holistic wellness concept food and beverage group which operates in the levels of plantation, production, wholesale and retail offering a wide range of additive free healthy food and beverage products. HFT maintains the Number One position in the Wellness Drink Category in Hong Kong for 15 consecutive years from 2002-2017.

(Hung Fook Tong Group Holdings Limited, 2018)

This Integrative Case Study aims to critically evaluate the price discrimination strategy of HFT using in her direct business arena – 115 chained retail shops self operated in Hong Kong which is followed by a demand to apply discrete economic concepts to the industry also evaluating the relative validity of competing concepts HFT using; furnishes a recommendation to enhance her business milieu.

In the first chapter, Introduction, evaluated the product portfolio of HFT including insights of her development milestones. She has more than 135 chained shops primarily in Hong Kong and also in Mainland China. In Hong Kong, HFT continues with her chained shop network expansion to sustain growth momentum.

In the second chapter, Case Study Design and Planning, states the aims and objectives of the case study, also the methodology and time schedule used.

In the third chapter, Analysis and Discussion, analyzes the market for HFT's holistic wellness concept chained shops, examines HFT's aggressive price discrimination strategy plus multi-

product strategy to reach perfection, identifies and discusses the price discrimination techniques comprising inaugural discounts, concessions on volume and special schemes used by HFT through using a number of scenarios to further explore.

In the fourth chapter, Conclusion and Recommendation, includes an evaluation of successfulness from both company and customer perspectives, and wraps up by a recommendation to improve her price discrimination strategy implementation to enhance her market power.

Price Discrimination Strategy by Hung Fook Tong 鴻福堂 : an Integrative Study

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1) INTRODUCTION

HFT (Hung Fook Tong 鴻福堂) is a reputable and award-winning brand of Chinese herbal products based in Hong Kong, founded in 1986 by Mr. Tse Po Tat, Mr. Kwan Wang Yung and Ms. Wong Pui Chu.

It is only a facet of HFT!

HFT is an inspiring and motivational story in Hong Kong!

The time is right, geographical and social conditions are favourable: after 2002 SARS incidents, the herbal tea industry is making a strong comeback, fuelled by a growing consumer consciousness of wellness foods and beverages. HFT has really broken a new ground by her time-honoured Chinese traditional herbal tea plus Western marketing strategies.

Now HFT operates in plantation, production, wholesale and retail of the food and beverage industry. She is wholly owned by Hung Fook Tong Group Holdings Limited, and which has been publicly traded in stock code: 1446 on the Main Board of The Stock Exchange of Hong Kong Limited since the mid of 2014, and geared up for a HK\$500-million as her IPO launch. (Luo, 2014)

Her roots date back to the first simple traditional herbal tea store launched in Kwan Chung in 1986 carrying a very limited product range. Two years later in 1988-89, the first centralized production factory in the industry, making the initial step towards revolutionizing the traditional herbal tea business; further improved the efficiency of mass production in 1994 by introducing the first automated production line. To cope with the increase of demand, in 1997, HFT had a breakthrough - selling herbal tea not in those bronze urns at those corner stores but repackaged in glass bottles to appeal to a young customer market. She further introduced

plastic bottled drinks in the millennium. HFT enjoys the economies of scale, at present these bottled wellness drinks can be found at any supermarkets or convenient stores, moreover over a hundred of well-known business partners for selling or promoting her food or beverage vouchers, for example, Baby Kingdom, Priceless.com, HKTV Mall, Fubon Bank, BOC Credit Cards and MTR. (Hktvmall.com, 2019)

In 2002, HFT took a bold move, further expanded her business inside the MTR (Hong Kong Mass Transit Railway) stations despite the distressed business environment at that time SARS, the gambit pays off, now her chain has reached over 115 chained shops (they are called HFT Herbal Teahouses, HFT Health Express, HFT Herbal Tea & Soup Square, or HFT Express) in Hong Kong, all are at premium locations, besides inside MTR stations, also hospitals, schools and shopping malls (Hungfooktong.com, 2019); all shops are self-operated not franchising out like McDonald's; HFT appears on solid ground in her operations.

HFT continued to progressively extend her bottled drinks to overseas through distributors in 2003 and currently selling in Macau, the United States, Canada, Malaysia, Australia, Singapore, Taiwan, the Philippines, New Zealand, Britain, Netherlands, and Spain. Her product portfolio expanded to more non-herbal products, launched her "Home-made" Series comprising soups, snacks and desserts in 2006. Her chain extended outside Hong Kong and the first shop established in Guangzhou in 2007 and currently having over 20 outside Hong Kong, which are mainly in the Guangdong province. Her ultimate aim is to lift her retail network worldwide. (Hungfooktongholdings.com, 2019)

In 2008, HFT commenced her membership system in Hong Kong, later known as JIKA (自家) Club, to increase customer loyalty, after a decade development, the latest figure shows over 730,000 members, devised one in ten of the population in Hong Kong is a JIKA member. (Hungfooktongholdings.com, 2018)

HFT never stops her product development; she launched tortoise jelly in portable squeezing packaging in 2010 and won a new customer segment - students.

HFT keeps perfecting herself; in the mid-2014, she became the first herbal tea enterprise that listed in Hong Kong; in 2015, she had a market share of 37.5% in Hong Kong's wellness drink market; in 2016, she commenced purchasing online and get free delivery; in the February of 2017, she introduced a moveable shop, known as HFT Food Truck; she launched HFT App linking with vouchers and payment in last May, and she brought in 14 AI-enabled kiosks to sell tailor-made herbal teas to customers in last September. (Hungfooktongholdings.com, 2018) (Bushell-Embling, 2018)

HFT has successfully transformed herself from an age-old herbal tea store in a receded industry to a modern holistic wellness concept food and beverage enterprise. Since the industry is a monopolistic competition in addition to the market leader status of HFT, stiff competition is unavoidable, one of her rivals, HealthWorks, follows her footprints in the market, it is not difficult to find both shops are just located opposite to each other in some MTR stations; HFT still be considered more appeal to consumers.

Being the biggest retailer of Chinese herbal products in Hong Kong, HFT currently offers a wide array of herbal and non-herbal products currently over a hundred. There are 6 secret formulas are her invention listed on the List of National Intangible Cultural Heritages by the PRC State Council, which can be found on HFT's Spring promotion brochure. These treasures are: Formula #143 "Bitter Herbs Tea for Clearing Heat (廿四味)" the unit price is HK\$23; Formula #144 "Qi Shi Tea for Clearing Heat & Removing Dampness (祛濕茶)" is HK\$23; Formula #147 "Spica Prunellae Drink for Clearing Liver (夏枯草)" is HK\$23; Formula #148 "Canton Abrus Herb Drink for Smoothing Liver (雞骨草)" is HK\$23; Formula #149 "Herbal Tortoise Plastron Jelly for Removing Toxicity (藥製龜苓膏)" is HK\$55; and

Formula #150 “Lucid Ganoderma Tortoise Plastron Jelly for Clearing Heat (靈芝龜苓膏)”, is HK\$65. They are economical and affordable, very popular in the market.

(Hungfooktong.com, 2019)

HFT emphasizes her products are healthy no additives, symbolizes holistic wellness and wisdom taken from nature. She uses multi-products strategy that all products are made under a single brand, HFT; on her official website these products are divided in to two main categories, namely Long Shelf Life Drinks, and Fresh Products.

HFT uses an effective two-channel sales model; she sells Long Shelf Life Drinks primarily to third parties, such as supermarkets, convenient stores or online stores on wholesale level; sells principally Fresh Products or vouchers to consumers directly at her chain shops and kiosks, and sells vouchers indirectly through her business partners on retail level.

Found on her official website, there are 32 products in 8 series of Long Shelf Life Drinks; they are Fresh Fit Series, Summer-heat Clearing Series, Digestion-aiding Series, Nourishing Series, Thirst-quenching Series, Refreshing Series, Soya Milk Series and the newly launched Hong Kong Café Series. (Hungfooktong.com, 2019)

There are 119 products in 10 series of Fresh Products; they are Chinese-style Soups (Nourishing), Chinese-style Soups (Energy-boosting), Chinese-style Soups (Healthy Seasonal), Guilinggao (Tortoise Herbal Jelly) and Herbal Jelly, Fresh Drink Products, Homemade Dessert, Nourishing Deluxe, Homemade Congee.Rice.Noodles, Joyous & Festive Series, and Soybean Milk Series. (Hungfooktong.com, 2019)

Although HFT is bold innovative in her product developments, her signature products remain relatively unchanged, and they are herbal tea, guilinggao and Chinese-style soups.

2) CASE STUDY DESIGN & PLANNING

2.1) Aim

The case study aims to critically evaluate the price discrimination strategy of Hung Fook Tong, which is followed by a demand to apply discrete economic concepts to the industry also evaluating the relative validity of competing concepts; furnishes a recommendation to HFT to enhance her business milieu.

2.2) Objectives

2.21) Evaluate the product portfolio of HFT including insights into the development milestones of HFT with her products.

2.22) Analysis the market for HFT's holistic wellness concept self-operated chained-shops.

2.23) Identify and discuss the price discrimination techniques used by HFT, and include an evaluation of successfulness from both a company and consumer perspective.

2.24) Provide a recommendation to HFT to improve her price discrimination strategy implementation then to enhance her market power.

2.3) Risks associated and ways to overcome

2.31) Risk of time constraints: the case study encounters a relatively tight schedule because of the Chinese New Year with many celebration events. A good time

management schedule and self commitment to devote holiday time are essential to be able to meet the deadline.

2.32) Risk of data constraints: although HFT is a listed company most data can be found on the internet, some data may not be up-to-date due to the financial year end of HFT is 31/12/2018 so not yet published while conducting the case study; some figures are from her 2017 Annual Report or else some other earlier sources on internet. Some data are not public information, good assumptions, observations, and personal experiences needed to be used.

2.33) Risk of human resources: having classmates in a Whatsapp-group, can ask questions as needed; also my family members are fans of HFT since 2007 so they can provide many personal experiences and information of HFT's products and services. The frontline staff members of HFT are very helpful when doing field research in her wellness shop at Tai Po MTR Station.

2.4) Information and resources needed to make the case study a success

2.41) Time resources: the project required sizeable amount of time to complete, time management is essential for the case study to be a success.

2.42) Data resource: no case study can be completed without data; sufficient data is a must in order to complete the case study.

2.5) Data collection and challenges anticipated

Most data are collected on the internet; some are my observation and personal experience while visiting HFT chained-shops, some are my family members' experiences. Generally, no real challenges anticipated.

2.6) Design a time plan for the lifetime of the Case Study.

Tasks	Date to be completed
1) Initial search for an organization to be studied on price discrimination strategy	27/01/2019
2) Confirm the integrative case study	10/02/2019
3) Literature review	16/02/2019
4) Discuss with tutor	17/02/2019
5) Collect data and information	17/02/2019
6) Field visit – 2 wellness shops	17/02/2019
7) In-depth analysis and identify problems	18/02/2019
8) Develop solutions and recommendations	18/02/2019
9) Write the 1 st draft	20/02/2019

10) Produce the final work, pass the turn-it-in & submit it	4/03/2019
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3) ANALYSIS & DISCUSSION

The word, discrimination, always associates with unfair treatment and conjures a negative image, but price discrimination is good for companies, good for consumers, as long as it is not based on ethnicity, religion or other personal characteristics.

The practice provides benefits for both parties.

Good for companies: from an economic standpoint, price discrimination increases profits because it aims to charge one based on an approximation of one's willingness to pay – capturing the consumer surplus.

Good for consumers: for price discrimination the sellers give incentives to groups of consumers who are sensitive to prices (elastic demand), so consumers enjoy discounted price or extra benefits. Besides, it can increase access to goods and services for all consumers, for example universities and colleges that charge affluent families full tuition but provide financial aids to less affluent families whom would not otherwise be able to afford the cost of tuition. Furthermore, price discrimination is somehow a way to manage demand to prevent overcrowded, hotel occupancy would definitely a classical example.

Price discrimination is a microeconomic pricing strategy that companies take advantage of different elasticities of demand for identical goods or services by charging different prices relative to the marginal cost, extracting maximum surplus from the customers. This is almost a standard practice in all industries, from large to small companies. Buying a large quantity of goods or services, such as Tempo toilet paper in packages of 10 rolls; paying in advance,

such like buying off-plan real estate properties; buying at a particular time, such like purchasing supermarket items in weekends get 5% discounts; consuming at a particular time, such like airlines in low seasons; purchasing with cash, such like cash discount 8% for those pay by cash; loyalty programs such like the membership price in HFT, and so forth are neither illegal nor are perceived as unfair, conversely, they are intuitive for and appreciated by everyday consumers.

HFT is a Hong Kong based and listed group in foods and drinks industry, particularly well-known for her traditional Chinese herbal products. This study mainly focuses on her price discrimination strategy of direct business at the retail level in Hong Kong – 115 HFT chained self-operated wellness shops (they carried the titles of HFT Herbal Teahouses, HFT Health Express, HFT Herbal Tea & Soup Square, and HFT Express).

Since HFT is a listed company, collecting her information is rather easy to surf on her website and some other means on internet; also the case study converges on retailing in her chain stores, observations would be carried out straightforwardly.

HFT aims to use aggressive price discrimination strategy to boost her total output, total revenue as well as profits resulting from selling extra units at a lower price to exploit economies of scale thereby reducing long run average costs. She has the conditions to use it as her microeconomic pricing strategy, because she is a mass producer so can well manage the supply as well as the costs; also she is the market leader in this monopolistic competition and enjoys a reputation in product (differentiations and quality) development, these make her has a power to be a price maker and to offer inaugural discounts, concessions on volume and special schemes.

Let' delve deeper into the different types with elaborate examples and the economic terms attributed to HFT.

HFT charges different prices depending on different factors, namely:

3.1) Time of Purchase

HFT offers daily discounted price combos like breakfast, lunch and afternoon-tea to consumers; pre-festival (discounted) price for festival products such like Chinese New Year cakes (年糕), Dragon Boat Festival Chinese Tamale/sticky rice dumplings (糰子), Mid-Autumn Festival cakes (月餅); and seasonal (discounted) price for seasonal products such like her Chinese-style Soups in summer or winter to nourishing harsh body conditions. (Aeon.com.hk, 2019) These are 3rd-degree price discrimination by segmenting the market on time of purchase.

3.2) Quantity of Purchase

Consumers are charged differently depending on the quantity they purchased at once. Purchase a larger quantity each unit price will be lower than the regular priced. For example, now (1st to 10th March, 2019) she is offering a 30% discount on her Organic Chicken Essence (滴雞精) when any purchasing of 5 boxes or more at once. This is the most common type of 2nd-degree price discrimination focuses on discounts based on established terms.

3.3) Time Span of Consumption

To charge different prices depending on the time span of consumption, like 1-year or 6-month validity of her vouchers for Chinese-Style Soups, standard price for a set of 10 soups vouchers with 1-year validity is HK\$448, the unit price of each soup voucher is HK\$44.80; for those with 6-month validity, now selling the same price as the 1-year's but buying a set of 10 get 11 vouchers, the unit price of each soup voucher

is HK\$40.73; a saving of 9.09%. A shorter time span to consume but an identical product; a slightly different of the product terms, hence this is not strictly price discrimination but the nature is theoretical close to the 3rd-degree price discrimination. Such kind of special offers are very common in HFT. Her other signature product, Squeezing Tortoise Plastron Jelly, now is also under special offer similar to the Chinese-Style Soups', standard price for a set of 10 Jelly vouchers with 1-year validity is HK\$228, the unit price of each is HK\$22.80; for those with 6-month validity, now selling the same price as the 1-year's but buying a set of 10 get 12 vouchers, the unit price of each voucher drops to HK\$19; a saving of 16.67%.

3.4) Gift Certificates

Gift Certificates (禮券) from her business partners, currently in the market, the cheapest certificate on offer is purchasing a set of ten at HK\$350 gets eleven certificates of each at a par value of HK\$50. That devised HK\$350 equals to the value of HK\$550 certificates; it is a huge discount of 36.36%!

3.5) Cash Discounts

HFT also periodically offers cash discounts to encourage paying by cash for some products, like the promotion in last summer, the Mango Deluxe (楊枝甘露) the regular price is HK\$26 and if paying by cash, consumers could get HK\$30 for two; a very huge discount of 42.31%! Normally, only 1 to 2 chosen product(s) for such discount come about once a year.

3.6) Block Pricing

Most products have their related vouchers can be bought in her shops or through her business partners, so paying at once or in advance a set of 10 vouchers or else amount of vouchers in a lower price than acquiring an item directly in-shop at its regular price. HFT offers block pricing of Home-made Stewed Pork Trotter and Ginger Sweet Vinegar (豬腳薑) at 15% discount for purchasing 10-29 vouchers, 18% discount for purchasing 30-59 vouchers, and 24% discount for purchasing 60 or more vouchers; for consumers acquire only a packet which costs HK\$65; it is a typical block pricing example and a 2nd degree price discrimination technique. Another product in the same Series, Marriage Gift Vouchers; for those with par value of HK\$20, 7% discount for purchasing 30-74 vouchers, 15% discount for purchasing 75 or more vouchers; for those with par value of HK\$50, 20% discount for purchasing 10-39 vouchers, 24% discount for purchasing 40-599 vouchers, 30% discount for purchasing 600 or more vouchers. And for whom purchase more than 30 vouchers of that par value of HK\$50, free personal service of printing colour photo and messages on both sides of the vouchers.

3.7) Commodity Bundling Pricing

HFT offers commodity bundling for breakfast time, choosing any one type of snacks plus a fresh drink will be HK\$25. If buy separately, the two items totally cost HK\$30; savings 16.67%. Also offering lunch and dinner at commodity bundling, a choice of bowl of rice with meat and vegetables, a bowl of congee with meat or a bowl of noodles with meat and vegetables plus a Chinese-style Soup only costs HK\$58. If charge full price of the items, which cost HK\$81; savings 28.40%! It then makes HFT more competitive as comparing with the price of fast food shops.

3.8) Membership Card Loyalty Program – JIKA Club

HFT has established her loyalty program, JIKA Club, over 10 years, now having over 730,000 members, which mean there is a JIKA Club member every 10 of the population.

Usually, loyalty cards are the sellers given to the regular customers for free one to those customers for every 5 or ten visits/sales, to encourage repeat customers and not involving money added to the loyalty cards. But HFT integrated loyalty card with value added card (similar to Octopus Card) together to form her JIKA Membership Card Loyalty Program.

There are many privileges to attract customers to become her members, such as: the birthday gift this year is one-time special offer for the birthday month; 2 Members' Thankful Days every month, the first and third Monday, so this month they are today and the 18th of March, normally 5% off for specified items; exclusive discounts on selected products; 5% to 12% immediate JIKA Dollar rebate every time value added to the membership account; one bonus point rewarded for every dollar spending, and which can be used to exchange for products in-store.

A free trial in regular product size when launching new products, for example this March every gold or platinum member has a free trial of a bottled drink of "Whit Peony Tea with White Peach for Nourishing Lung (白桃白牡丹茶)" worth HK\$26.

For being her highest rank (platinum) members, they entitled a free product in every calendar month picked by HFT.

This is common in price discrimination; HFT simply offers different discounts to different tier of members.

To become a member by opening a membership account with money added, more money added to the account and spent, then promote to a higher rank. There are 3 tiers, ordinary member, gold member and platinum member. To maintain such tier of the membership, members must spend money to certain level within a year. Now for platinum member is HK\$6,000 annually. It is a clever marketing technique to get members to often shop visit.

To further elaborate the price discrimination for a platinum member with an example: for a packet of Chinese-Style Soup, the regular unit price is HK\$53; if a JIKA platinum member using one's e-voucher in one's membership account to pay for the Soup, the price may be dropped as low as HK\$38. When the platinum member adds HK\$1,000 (can use credit cards to add value to the JIKA account to earn the credit card benefits, too; but not calculating here as it is unrelated to the HFT price discrimination strategy) to his or her account, there is an extra 12% rebate so making 1,120 JIKA dollars. Next, using the JIKA dollars to purchase the e-vouchers in a block price at HK\$868 for a set of 20 e-vouchers at a special offer period so get an extra 2 more that means HK\$868 for 22 e-vouchers, and pick the Members' Thankful Day to buy then get an extra 5% and if that is in the birthday month then an extra 10% off = $HK\$868 \times (1 - 5\% - 10\%) = HK\$737.80$ for 22 e-vouchers, but don't forget the 737.80 is not Hong Kong dollars, which is the JIKA dollars, so devised that $737.80 / 1,120 \times 1,000 = HK\$658.75$, and divided by 22; ultimately, a packet of the Chinese-Style Soup cost HK\$29.94 (this has not included the 737 reward points received for acquiring the 22 e-vouchers can be used to exchange for another product around HK\$30). Comparing this price with someone just walking into the wellness shop at the regular price, how much is the discount? Woo! It is a 43.51% discount!

Obviously, it is a kind of reward to regular consumers, this considers as a way of segmenting the market by high quantity and loyalty to HFT so being members. It is a type of 3rd-degree price discrimination.

For one-off visitors, people are likely to be less price sensitive. HFT offers rewards to regular consumers in various ways. For consumers with no membership can also benefit from the bundling pricing of a combo of \$58 which has a packet of soup plus a bowl of rice or noodles, the bowl of rice or noodles is \$25 each if bought individually. Besides, block pricing and cash discounts are also applied to non-members. Buying gift certificates to exchange for products at regular price, can also benefit a discount of 36.36%, which is also a good way to benefit from HFT's strategy. (Theclub.com.hk, 2019)

It would always be benefit to use some time to do some "research" with her frontline staff before jumping to payment.

4) CONCLUSION & RECOMMENDATIONS

4.1) Conclusion

Wellness food and drink market in Hong Kong is a relatively free entry and exit, and having many buyers and sellers. HFT's development progress and economies of scales break through all traditional herbal products. She has market power because of her leadership status in a monopolistic competition, her presence in the operation chain of plantation, production, wholesale and retail, innovation concepts of product differentiation, multi-products strategy, multi-channel distribution networks plus the adoption of price discrimination strategy; HFT enjoys a slight profit above the normal profit, according to her annual report 2017, net profit margin is 1.2%, gross margin is 59.51%, operating margin is 1.22%, return on assets is 1.03% and return of equity is 2.96%. These make HFT a great target to analyze.

HFT operates in production, wholesale and retail, featuring a wide range of price discrimination strategy. This case study focuses on the retailing in HFT's chain of 115 wellness shops in Hong Kong and aims to provide recommendations to enhance the implementation of her existing price discrimination strategy.

4.2) Recommendations

While having a wide range of products are great for a business to attract different customers, however, the over expansion and complicated classification make it difficult for consumers to locate or recognized the core products of HFT, which can lead to difficulty for brand spreading.

From a customer perspective, HFT uses very aggressive price discrimination strategy and creates much confusion at cash registers and often lead to a long queue, which lead to customer dissatisfactions and generate a negative impression on her incentive system – very intricate, not user friendly.

From a company perspective, a sophisticated price discrimination strategy can increase her total output that means higher total revenue and profits resulting from selling more to benefit a larger economies of scale to reduce the marginal cost as well as the long run average cost. Also it is to consolidate her position as the Hong Kong market leader and fasten or increase market share and to drive out new market entrants. Because of many promotional items and events plus membership benefits and incentives, she keeps conducting many briefings to her shop managers on these issues, and the managers need to brief their frontline subordinates but her staff members still find these issues very knotty, not every member able to tell customers about her entire strategy clearly.

Hereto recommend HFT to limit the number of discount that may be applied at once. Instead of allowing the different discounts being apply at an item, only allow one being in force; which means if using cash discounts, other incentives would be automatically forfeited. To compensate the change by increasing the amount of each kind of incentives, bringing the final amount the same as previous, only streamlining the process to make her price discrimination more effortlessly to be comprehended by her staff and customers.

According to observations in HFT bricks-and-mortar retail shops, the decision makers are often female, especially housewives with kids or their family members; usually they are the ones have time to listen to the details of her entire incentive system;

hence, strongly recommend HFT to focus more on female and youth perspectives. Moreover, HFT may have to re-evaluate the costs of maintaining her unique shop front operations model because it is very asset-intensive.

Today the mobile app world is growing by leaps and bounds, HFT has also launching hers since last May, with the use of software tool available and HFT is painless and more accurate to analyze her members and definitely elevates her strategy to a superior level.

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