

## Improving the Marketing Mix

In this exercise, you are required to review the top-level financials of a small chain of hamburger stores and suggest improvements to their marketing mix. This activity should provide an introduction of how modifications to a firm's marketing mix can impact business performance.

So, let's help Fat Frank's Burgers make more money!!!

### About Fat Franks

Frank owns three hamburger shops (Fat Frank's Burgers); his weekly sales, and profit and loss is shown in the table. Although he is making a pre-tax profit of \$1,500 per week, he still believes that there is room for profit improvement. He has approached you to give him some advice on how to improve his marketing in order to improve his profits.

Weekly Figures	SHOP 1	SHOP 2	SHOP 3	TOTAL
Sales of Burgers @ \$2 each	\$4,000	\$2,000	\$6,000	\$12,000
Cost of Burgers @ \$1 each	\$2,000	\$1,000	\$3,000	\$6,000
<b>Burger Profit</b>	<b>\$2,000</b>	<b>\$1,000</b>	<b>\$3,000</b>	<b>\$6,000</b>
Sales of Drinks @ \$1 each	\$2,000	\$1,000	\$3,000	\$6,000
Cost of Drinks @ 50c each	\$1,000	\$500	\$1,500	\$3,000
<b>Drink Profit</b>	<b>\$1,000</b>	<b>\$500</b>	<b>\$1,500</b>	<b>\$3,000</b>
<b>GROSS PROFIT</b>	<b>\$3,000</b>	<b>\$1,500</b>	<b>\$4,500</b>	<b>\$9,000</b>
Rent	\$500	\$500	\$1,000	\$2,000
Advertising	\$500	\$1,000	\$0	\$1,500
Staff	\$1,000	\$1,000	\$2,000	\$4,000
<b>PRE-TAX PROFIT</b>	<b>\$1,000</b>	<b>Loss (\$1,000)</b>	<b>\$1,500</b>	<b>\$1,500</b>

### Student Discussion Questions

1. What changes would you make to Frank's operations in order to improve profitability of the chain?
2. Which of the 4Ps (or 7Ps) did you consider in question 1? Which aspects of the marketing mix do you think would have the most significant impact on profitability?
3. Do other students (or groups) in the class have similar or different ideas for Frank? Could different approaches work, or is there one best solution?