

Governmental Policy Effects On Production And Employment

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Plan For Pricing Strategies

On the thought of rising costs, it is important that managers frame a compelling arrangement, to remain focused on the market will likewise not affect the brand's quality or view of buyers. Inelastic markets normally do not see respond vacillations in deals with the costs of merchandise increment or lessening (Inelastic, n.d.). Inside this condition, it is basic to have a separate item, keeping in mind the end goal to build up a brand inside the market. Because of a move popular by customers, it is perfect to use new ingredients and fresh food in the items to engage more youngsters (Willems, 2015). This item differentiation may bring about slightly higher than normal item costs; in any case, building up the organization as low calorie, frozen food items will speak to a substantial offer to the market and pull in consumers. Consumers normally see somewhat higher costs about the nature of the item they are obtaining. This is known as premium pricing (Pettinger, 2013). Because of the market inelasticity, gently higher costs would not influence the general buying of merchandise; be that as it may, this will bring about a major contribution to regular ingredients. Differentiation as an all-regular contrasting option for the low-calorie frozen food enables the organization to limit replacement products, thus, more decrease in the market elasticity. Building up the organization's brand(s) and partner fitting costs and dispersion channels are vital to the reduction of price elasticity and targeting the customers.

Pricing products are critical to reaching out to current and potential customers. Pricing decisions can have important consequences for an organization. It is the decisions that are going to determine a successful organization. As the industry of microwavable low-calorie food is an elastic one, there is a competition in the market to keep products' prices comparable. While setting the price of a product, the company needs to do some research, analysis, and evaluation to avoid loss of revenue. Very low prices of the products might reduce the additional profits for the company. Conversely, a high price of the product may prevent customers from buying the product if its price is increased. Customers may feel as if the company is trying to take advantage of its customers. So, high prices may prevent interested customers from purchasing the product.

Advertising and promotion are keys with any product and its consumers. Regarding microwavable low-calorie frozen food, it is essential to advertise the product in a manner that will promote varieties, calories, and quality in taste. By appealing to consumer's emotions and general sensibilities, it will entice consumers into purchasing low-calorie frozen microwavable foods. Targeting the desirability and the product benefits will help distinguish it from its competition. For example, currently, on the

Healthy Choices website, they promote a webpage on a balanced culinary inspiration of meals. Additionally, they go on to state that, “Healthy Choice chefs have carefully crafted each new recipe, perfectly pairing the right ingredients to create a healthy and delicious meal” (Healthy Choice). This form of advertising makes Healthy Choice appear as if they are the only company that offers culinary inspiration and the chefs creating their meals with specific ingredients. Competing companies may have the same ingredients, but this form of advertisement attracts a specific type of consumer.

Predatory pricing is when a company sets prices low to eliminate the competition. This type of strategy drives out competitors and may bring dominance for the company among its competitors and the prices may later get back to the market level once the competitors are inferior. Finally, penetration pricing is when a company introduces a product to the consumer at a price in hopes of “gaining attention, loyalty, and market share of the customer base” (Grimsley). It is a promotional effort to increase the price of any product once it is into the business by customers.

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In the food industry, there are a few governmental associations engaged in the distribution, promoting, and production of products and enterprises. One of the biggest arrangement holders concerning this market is the Food and Drug Administration (FDA). A portion of the FDA that is accountable to guarantee honest label, wholesomeness, sanitary, and safety of the food is the Center for Food Safety and Applied Nutrition (CFSAN) (FDA, n.d.). Changes in regulations in regards to ingredients or labeling could greatly affect a company within the food industry. Sanitation is also a key point of the CFSAN and the FDA overall.

Foods that result in the illness or even death of a consumer are often traced back to the manufacturer. If the products are found to be contaminated with any items such as bacteria, then the company also is at risk for large profits, losses, and legal proceedings because of the contaminated inventory. Take, for example, Blue Bell Ice Cream in 2015. After several individuals had contracted *Listeria monocytogenes* after eating Blue Bell products, the FDA discovered a link to contaminated products within manufacturing centers (FDA, 2015). After the discovery of such contaminated products, multiple manufacturing facilities voluntarily closed; the company has since entered into an agreement that includes rigorous sanitation of facilities, revised production protocols, and great employee training (FDA, 2015). It is still unknown when the affected production facilities can reopen or the overall cost and effects that Blue Bell will face due to this problem. If the FDA or other governmental agencies choose to pass new regulations or guidelines for food production and distribution, then the company may see increased costs of production. Regulations of imports and exports of goods could also affect the production and cost of the overall product.

Governmental Regulation Within Industry

In any market economy, the government has a significant role in providing quasi-public and public goods, stability and growth promotion, income redistribution, support, competition maintenance, and guaranteeing legal structures (Aly, 2008). To ensure the application of proper procedures and policies by all the market-related companies, the government related to any market economy has to maintain its role. There was a collapse of many financial systems during 2007-2009 that brought to light various regulations and policies that were not being implemented or maintained by the government within the market. To prevent the market structure from falling, the government must involve various agencies to ensure the strength and structure of the market (Aly, 2008).

Within a market, certain governmental authorities meet the provision of legal structures. To promote fair competition and prevent monopolistic practices, U.S. antitrust law includes the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914, which strengthened the earlier law by addressing additional anticompetitive practices. Programs such as Welfare and Medicaid are in place to redistribute income to citizens who fall below the poverty level or meet certain criteria to receive governmental assistance. Educational and Judicial systems are public and quasi-public goods that are provided by governmental agencies to ensure the well-being of the overall public. Fiscal policies are implemented by the Federal Reserve to promote growth and stability within the market (Aly, 2008). If one segment of the government fails in such market structure, then several others will also be affected.

Capital Projects Expansion

A capital project is, “a long-term investment made to build upon, add or improve on a capital-intensive project. A capital project is any undertaking which requires the use of notable amounts of capital, both financial and labor, to undertake and complete. Capital projects are often defined by their large scale and large cost relative to other investments requiring less planning and resources” (Capital Project, n.d.). Expansion through capital projects greatly reduces a company’s profit and is also likely to increase the company’s debt levels. This can result in losses of profits or bankruptcy if the expansion does not produce as expected. The company must also be able to provide the required inputs for the specific outputs of expansion.

There are genuine complexities that arise in any development through capital endeavors. In light of the recovering economy obtaining stores for a feature, augmentation may be excessive. The financing costs are still really high in light of the upgrading money-related status of the U.S. Therefore, higher advance charges make the company seem more costly. The organization ought to have an option getting the source to put into the market arranged in the event of some unforeseen issue. The company investigating and performing research on charge discounts and cost credits may be in an alternative idea as well.

These sorts of helpers finished under specific conditions may diminish a bit of the gaining weight of the company. Exactly when an organization develops, it needs to worry over enrolling new work compel to meet the solicitations of the new era, promoting, cash related record-keeping, definitive prerequisites and significantly more. The hiring process for any company can be extraneous, but more so for a company going through an expansion.

The company needs to get and use the staff anticipated that would propel a positive picture and vision and take after the mission of the company. The capital endeavors must mirror the destiny of the company. The sorts of things the company hopes to offer to its present and future customers. A specific picture and vision ought to be recalled when placing assets into capital endeavors. The zone and size of another focal station building must address the past, present and inevitable destiny of the company. The photo the company grandstands to its customers can impose all likelihood reflection upon the purchase of its things. It is imperative that an expanding organization expeditiously plan capital endeavors and potential issues that can happen in the midst of its period of improvement.

Convergence Between Stockholder And Manager Interests

Stockholders are accomplices of an open organization. Stockholders “can benefit if the organization does well;” this additionally implies if the organization does not benefit then the investor will assume a budgetary misfortune too (Shareholder, n.d.). A supervisor is characterized as a person who “has control or bearing of a foundation, business, and so on., or a piece of division, or period of it” (Manager, n.d.). Administrators are used inside a business to look after quality, prepare representatives, oversee budgetary information, and different parts of an organization. The principle objective of a chief is to protect the benefits of an organization with a specific end goal to restore the ventures of investors. Through association advancement, the necessities of the two will be refined. The cut down forceful rates will provoke the construction of additional business openings. The ventures might relate feasibly with various relationships over the traverse of mergers and advancements outlines. With this, the net income of the association will increase, raising financial specialist regard (Yang, 2013).

Offering stock to managers to make them stockholders makes them eager for the achievement of the association. Managers can set certain targets and offer prizes to their bosses for meeting targets. A union among executives and speculators ensures an increase in the company’s wage. Given extended pay is an extension in the estimation of the association. The more a company is regarded, the financial specialists get more commercial and advanced. Charming the supervisors to develop wages and setting destinations to meet guides the entire methodology.

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