



# Ms. Anderson and her company

By Anastasia Shi

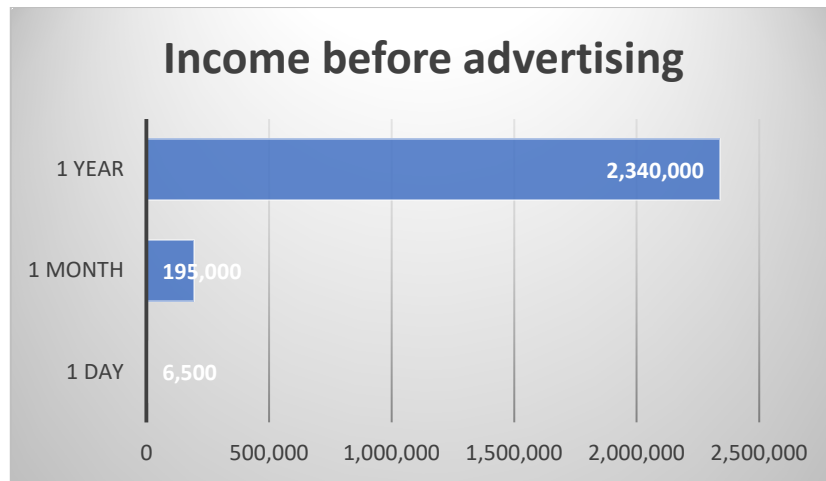
Ms. Anderson woke up with a great feeling of excitement. It was officially the first day of summer and it would be the busiest days of the year at the amusement park where she was the manager.



She got dressed nicely and got to work very early that day, Ms. Anderson was very nervous but at the same time very excited. She sat in her office and watched the crowd push inside of the park.



On average, 650 people came in each day, and the general admission price per ticket is \$10. In total, the park makes about 6,500 dollars each day. That would be \$195,000 each month and \$2,340,000 each year. If we subtract the monthly payments for the workers and the equipment, which is \$70,000 per year, the net income each year is \$2,270,000.

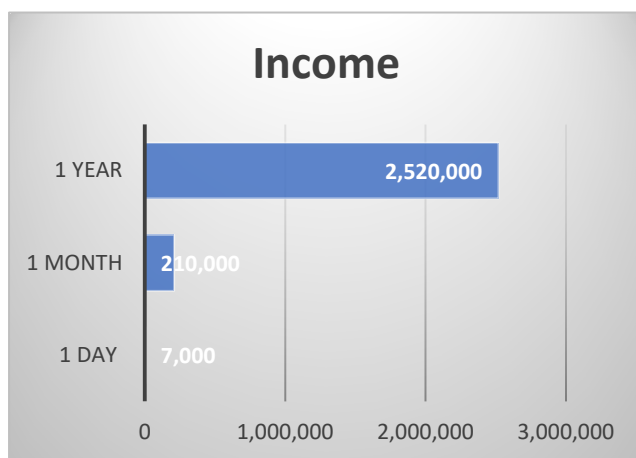


This summer, Ms. Anderson has a goal of having 700 people coming in in one day. To meet this goal, Ms. Anderson has to advertise the park which takes quite a lot of money.

$$\begin{array}{c} \text{Stick Figure} \times 650 \\ \downarrow \\ \text{Stick Figure} \times 700 \end{array}$$

So, Ms. Anderson started searching for an advertising company that is suitable for her goal.

The first company she found was a very famous one and has a lot of successful cases. To advertise, it takes \$400,000 for a 15 second for an ad on YouTube for a year which is quite expensive. It doesn't worth doing this because we only need 700 hundred people each day and that a 15 sec ad would probably take us up to 1,000 people each day. Also, 2,520,000(the net income for 700 people each day) minus \$40,000 is \$2,120,000 is unworthy.



$$2,520,000 - 40,000 = 2,120,000$$

$$2,120,000 - 2,340,000 = -220,000$$

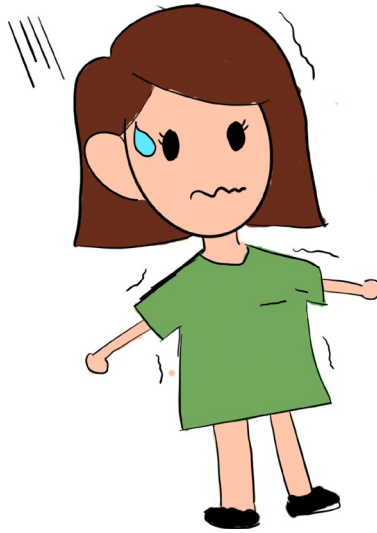
Ms. Anderson will loose \$220,000 if she bought this.

Ms. Anderson was very frustrated, then she saw a small advertise shop just on the side of the road. She walked in and asked for the price, it is very cheap. However, there are not any successful case here.



Ms. Anderson thinks that she could have a try here and see how it would be.

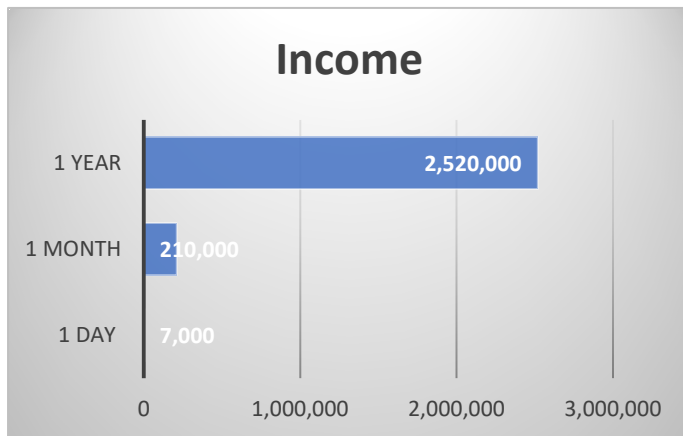
This shop only cost \$1,000 each month on YouTube. However, the ad has only about 5 second which was not useful at all. This shop would only bring Ms. Anderson 30 more people which in total is 680 people each day, but she wants up to 700.



Ms. Anderson was just about to give up reaching this goal, then her friends came and encouraged her to keep on going and they will help her find the best company for her.



Finally, after asking all the people she knew and sending flyers everywhere, she found a company that is barely known by anyone. However, this company has a lot of successful cases and the boss is nice too. Ms. Anderson talked to the boss and set a price of \$50,000 for a 10 second ad on YouTube for a year. 2,520,000(the net income for 700 people each day) minus \$50,000 is \$2,470,000 and that is \$200,000 more each year.



$$2,520,000 - 50,000 = 2,470,000$$

$$2,470,000 - 2,340,000 = 130,000$$

Ms. Anderson will earn \$130,000 more if she bought this.

Ms. Anderson was very excited and payed the money immediately. She knew that she will be getting rich soon.



Ms. Anderson is a successful businesswoman, but she has big ambitions. She wants the Passenger flow of her amusement park up to 700 people each day. There are lots of advertising company, but which one would suit her needs the best?  
What are the challenges that she would face?

