



TheCaseSolutions.com

Number 1 in case studies solutions

ROSETTA STONE: PRICING THE 2009 IPO

INTRODUCTION

The Rosetta Stone 2009 IPO case looks at strategic issues relating to the pricing of Rosetta Stone IPO. This presentation gives the details about the IPO valuation model which considers the market fundamentals that drive the pricing of IPO and the total IPO valuation cost Rosetta Stone management took into account besides giving the implications of each of the pricing strategies for the future success of the firm.

EXPLAINING ROSETTA

Rosetta Stone, the language learning software's company had created a strong brand image by 2009. The idea of the company was that is offered language learning in an entertaining manner due to the usage of proprietary system and was effective for both average consumers and educational establishments.

IPO PRICING

Several key strategies that were used called for in IPO pricing. Management and underwriters looked at similar firms, likely investors' emotions, and, fundamental business prospects. To mitigate this risk, Rosetta Stone assessed different pricing strategies, how lower price would affect the capital being raised for the company and the more the price being set as a sign of high confidence would be risky if the market reaction was poor.

CONCLUSION

The Rosetta Stone IPO is quite useful in understanding the issues that need to be understood with regard to the process of IPO pricing. Thus, having realized the market environment, the company fundamentals and the strategic pricing factors in prospect, Rosetta Stone wanted to achieve the goal of the optimum shareholders wealth and long-run growth.

RECOMMENDATION

This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.

Resource: visit thecasesolution.com for detailed analysis and more case studies.