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# *Rosetta stone: Pricing the 2009 IPO*





# Introduction

Specifically, the key issues that Rosetta Stone, a producer of language learning software, inconsistencies encountered as to the best ways to attract investors without compromising on the future years' growth of the brand.





# *Market positioning*

**Market positioning and Business model of the firm At times of IPO, Rosetta Stone had provided language learning solutions that placed it competitively in front of all rivals and conventional education or language providers.**

**Basically, the company had a high gross margin form of operation mainly because of its software and brand establishment.**





# *Risk-free*

**The above points make the process of valuation and pricing an issue since setting the risk-free rate and growth rate was a challenge since the company has its IPO in the year 2009 when the market was highly volatile due to the financial crisis.**





# Conclusion

**Conclusion** The case of Rosetta Stone saves the IPO pricing challenges present in a fluctuating economy. Overall managing the appetites of the investors, competition in the market, and the brand value of the company called for profound business acumen and measurement. The choice of IPO pricing affected Rosetta Stone's growth and market confidence and was therefore informative for companies in the niche market.





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