

### **CASE LIST for BBUS 438**

- 1. Southwest Airlines (A),** Reprint # 9-575-060
- 2. Cumberland Metal** Reprint # 9-580-104
- 3. Optical Distortion** Reprint # 9-575-072
- 4. Starbucks-Customer Satisfaction, #504-016**
- 5. Biopure Corp. # 598-150**
- 6. Atlantic Computer: A Bundle of Pricing Options # 2078**
- 7. Ford Motor Company: The Warranty Program # 9-589-001**

#### **Case Preparation Questions:**

The list provided below for each case are Preparation Questions. They are not meant to be comprehensive nor are they to be answered in sequence. They are provided to help guide your thinking and to ensure that you have not left out critical issues in your analysis.

#### **INDIVIDUAL CASE: Discussion Analysis:**

##### **Southwest Airlines (A),**

##### **PREPARE for Discussion Only::**

- Why did Muse and King start an Airline?
- Would you have entered the market in the same situation? How big is the market?
- As of February 1973, what is the situation? What is Braniff's *intent*?
- What is the break even load for SWA at the various prices? Please calculate this ahead of time.
- What is the "Moral of the Story" for you?

#### **CASES For PRESENTATION:**

##### **CUMBERLAND METAL INDUSTRIES**

1. How much do you think one of these pads is worth to a customer? Do the test data tell you anything about that?
2. How big is this market? What kind of opportunity is this?
3. Who has to say "yes" before you can sell a CMI pad? Would any of these parties like to see curled metal pads fail?
4. How are you going to market these pads? Describe the channel members, influencers, and others.
5. What are you going to say to the Colerick Foundation?
6. If the risks in a marketing plan can be described by technological uncertainty and market uncertainty, or knowing whether your product works and knowing what the customer needs, how does the CMI pad stack up on these dimensions?
7. What's your price for the curled metal pads?

### **Optical Distortion (A)**

1. What are the characteristics of this product that are likely to make it appealing to potential adopters? What characteristics of this product are likely to detract from its appeal?
2. How should ODI segment its market? what market segments should ODI target? In which market segments should ODI concentrate its efforts?
3. What pricing strategy should ODI adopt? What are the pros and cons of alternate pricing policies? Determine the price that they should initially set (and also recommend a dynamic pricing policy).
4. What is a realistic goal for ODI by 1978?

#### Important: Common ASSUMPTIONS FOR THE ODI CASE:

1. The number of eggs lost due to trauma over the laying life of a bird (one year) is ONE.
2. A conservative estimate of the reduction in feed trough depth when birds are not debeaked is 3/8".

### ***Starbucks-Customer Satisfaction, #504-016***

1. What accounts for Starbucks's great success? What is the Value Proposition/Brand Image during this time period?
2. Why have our customer satisfaction scores declined? Has the service truly declined or is the measurement wrong?
3. How does the company differ from the 1992 company?
4. What is the value of a highly satisfied customer to Starbucks? What does it take to make the customer highly satisfied?
5. Should Starbucks make the \$40M investment in labor in the stores? What is the goal of this investment? Can it be possible to be large firm and still provide customer intimacy?

### ***Biopure Corp. # 598-150***

1. How do you assess Biopure's potential in the Human market? How is this different from the Animal market?
2. What are our SWOT to success in these two markets?
3. What is the relationship between Oxyglobin and Hemopure? How does Oxyglobin impact Hemopure?
4. What should we do with Oxyglobin?
5. What is the best way to release this if we go ahead? I.e., what price should we charge; and how do we distribute this?

**FINAL CASE ANALYSIS:**

**Ford Motor Company: The Warranty Program**

- (1) What are the implications of GM's move for FORD?
- (2) How do consumers buy cars? Why do they buy warranty?
- (3) What is the difference between service contracts and warranties? From the Dealers' perspective? From the Consumers' perspective?
- (4) Is this a good idea? Who else could do this?
- (5) How should we (Ford) respond to GM's move?
- (6) What would the implications of the proposed move be on the various actors?

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