

Harvard Cases for BBUS 521

1. **Southwest Airlines (A)**, Reprint # 9-575-060
2. **Cumberland Metal Reprint** # 9-580-104
3. **Optical Distortion Reprint** # 9-575-072
4. **Biopure Corp.** # 598-150
5. **Nestle Refrigerated Foods**, # 9-595-035
6. **Aqualisa Quartz: Simply a Better Shower:** 9-502-030
7. **Fashion Channel: Market Segmentation, # 2075**

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?

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?

Assumption/Clarification for Cumberland:

Page 8 par. 3: The first set of existing equipment needs the \$50000 tooling to reduce the labor costs. To produce additional pads (every 250x12= 3000 pads/year) needs additional equipment+ tooling which costs \$75,000.

CASES For PRESENTATION:

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 NOTE: 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 exactly ONE.
2. A conservative estimate of the reduction in feed trough depth when birds are not debeaked is 3/8".

Biopure Corp. # 598-150

1. How do you assess Biopure's potential in the Human market?
2. How is this potential different from the Animal market?
3. What are our SWOT to success in these two markets?
4. What is the relationship between Oxyglobin and Hemopure? How does Oxyglobin impact Hemopure?
5. What should we do with Oxyglobin?
6. 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?

Nestle Refrigerated Foods

1. Using the BASES model described in Exhibit 9, please forecast the estimated demand (trial & repeat) for the 2 pizza options under consideration by your firm: Pizza & Topping and Pizza Only.
2. Most of the data needed for the forecasting exercise is available on pages 14 and 15 and on page 34 (Exhibit 21).

Hints: In exhibit 21, there is a big difference between Contadina users and non-users on the “top 2 box” scores. This will obviously affect the forecast depending on what proportions are used for Contadina users versus non-users in the population.

On page 14, Nestle’s marketing research department cautions us that parent brand usage could vary from 5% to 25%. It would be worthwhile to judge the sensitivity of the forecast under 5%, 15% and 25% parent brand penetration scenarios.

3. In general, how would you compare the pizza opportunity to the pasta opportunity? What are the similarities? Differences? Why was the pasta product so successful?
4. Would you launch the pizza? Why?

Aqualisa Quartz: Simply a Better Shower:

1. What is the value proposition of Quartz to the two groups: plumbers and consumers?
2. Why is the Quartz shower not selling?
3. Aqualisa has spent a lot of money developing this new product. Is this worth our investment?
4. Aqualisa currently has three brands: Aqualisa, Gainsborough, and ShowerMax. What’s the rationale behind this multiple brand strategy?
5. What should we (Rawlinson) do to generate sales momentum for Quartz product? For instance, should we change the marketing strategy to target consumers directly, target the DIY market, or target developers?
6. What should be our strategic vision?