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Case study Part I Question Type of competitive environment and rationale Electronic faces a stalemate type of competitive environment and correspondence between definition of the type of competitive environment and the company’s market condition justifies this. Bowie and Buttle describes a “ stalemate competitive environment” with a high level of maturity in which product differentiation is hard or impossible to achieve, low competitive advantage opportunities, and a few large scale players control the market (n. p.). Such is ElectronicCity’s competitive environment as it is identified as chain enterprise among a few national chains that operate under stiff competition.
Question 2: Comments on the management style, its suitability, and rationale
The vice president’s management style is autocratic, a management approach in which the manager makes decisions without involving the subjects and convey the decision for implementation. The case identifies this management approach as the vice president made a decision based on the market environment and did not consider other parties’ opinions into the decision (PM4DEV 107).
Question 3: Definition of perceived ethical issue in the scenario
Integrity is the perceived ethical issue in the case. It defines breach of ethics and Fr. George identifies this. Phil understands that purchase for the extended warranty is not justified but he dishonestly convinces customers to buy it, action that contravenes integrity ethics (Boone and Kurtz 40).
Question 4: Phil’s confidence of interval for predicting buyers and impacts on his incentive sales
Phil should be more adept in predicting customers’ probability of purchasing the extended warranty because this will help in focusing on potential buyers and therefore increase his time efficiency and sales volume.
Question 5: Effects of the people’s reactions on Phil’s perception of his job
Maria
Maria’s positive comments did not have significant influence of Phil’s perception of his job because Phil only beamed at the comment.
Dr. Smith
Comments by Dr. Smith do not change Phil’s thinking about his job because they reflect reality of the job with which Phil is familiar. Phil has been able to identify the type of customers who do not purchase the extended warranty and could easily determine Smith’s position without the doctor’s disclosure.
Fr. George
Fr. George’s comments changes Phil’s thinking of his job and Phil identifies compromised ethics and gets uncomfortable.
Question 6: Phil’s likely actions when he resumes work next week
Phil is likely to be more honest to consumers when selling the warranties because his ethical conscience has been aroused.
Part II
Question 1: Dollar amount of warranty that Phil sold in January 2007
Earning for sale = 10 % and using proportions concept,
Warranty sales = (100%\*earnings)/10%
= 100\*360. 4/10
=$3604
Question 2: Dollar amount of HDTV sales that Phil generated in the same month
Given that, Phil’s sale of warranty extension is 55% of all eligible sales, then his total HDTV sale is derived as follows.
Sales= 100%\*3604/55%
= 100\*3604/55
=$6552. 70
Question 3: Expected profit per store for ElectronicCity in 2007
Expected sales per store in 2007= 104%\*(2006 sales)/(100%\*160)
= 1. 04\*710. 7/160 million
=$4. 61999 million
Profit per warranty= 90% of warranty price= 7. 2% of sales with warranty sales
Assuming an average successful warranty sale of 60 percent of HDTV sales, based on Phil’s success and possible improvements, profit per store on warranty sale is obtained as follows.
Profit on warranty sale= 7. 2%\*60%\*4. 61999 million
=$199583. 56
Works cited
Boone, Louse, and Kurtz, David. Contemporary business 2010 update. Hoboken, NJ: John Wiley & Sons, 2009. Print.
Bowie, David, and Buttle, Francis. Hospitality marketing. Burlington, MA: CRC Press, 2013. Print.
PM4DEV. Fundamentals of project management. New York, NY: Lulu. com, 2008. Print.