

Case study example

[Business](#), [Marketing](#)



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 = $(100\% \times \text{earnings}) / 10\%$

= $100 \times 360.4 / 10$

= \$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.

$$\begin{aligned}\text{Sales} &= 100\% * 3604 / 55\% \\ &= 100 * 3604 / 55 \\ &= \$6552.70\end{aligned}$$

Question 3: Expected profit per store for ElectronicCity in 2007

$$\begin{aligned}\text{Expected sales per store in 2007} &= 104\% * (2006 \text{ sales}) / (100\% * 160) \\ &= 1.04 * 710.7 / 160 \text{ million} \\ &= \$4.61999 \text{ million}\end{aligned}$$

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.

$$\begin{aligned}\text{Profit on warranty sale} &= 7.2\% * 60\% * 4.61999 \text{ million} \\ &= \$199583.56\end{aligned}$$

Works cited

Boone, Louse, and Kurtz, David. Contemporary business 2010 update.

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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.