

2019

Group Assignment

Total Marks: 100

The module does not have a traditional group assignment because it is a non-exam module. However, the group assignment mark consists of four separate group activities in the form of case studies. These case studies must be handed in for grading (4 X 25 marks = 100 marks) as indicated in the work programme.

Potchefstroom and Vanderbijlpark students: The four case studies are scheduled during class sessions for discussion and submission. *(Failure to submit as per schedule will lead to a zero mark for the case study. Do not be late!)*

Mafikeng students: E-mail your case studies to the lecturer Christo.bisschoff@nwu.ac.za on or before the dates specified on the work programme. *(Failure to submit as per schedule will lead to a zero mark for the case study. Do not be late!)*

Submission dates

Case study	Potchefstroom	Vanderbijlpark	Mafikeng
1. Mercedes pick-up	17 Aug	19 Aug	19 Aug
2. Boeing 747-8	7 Sep	9 Sep	9 Sep
3. MacDonald's	21 Sep	23 Sep	23 Sep
4. Chicken Chikka	5 Oct	7 Oct	7 Oct

- **Potchefstroom and Vanderbijlpark groups submit during class sessions.**
- **Mafikeng students e-mail assignments to Christo.bisschoff@nwu.ac.za.**

Note that you are required to do proper research on the Internet and elsewhere and then answer the questions about each case study. Each case study should consist of a proper introduction to the company, the answers to the questions and a conclusion. You are welcome to make use of graphs, pictures and other material to better state your case.

The details of the case studies can be found on the module's eFundi site – see the “Case studies” heading.

MBA CASE STUDIES 2019

Note: see efundi for relevant websites and additional material

Case 1: The Mercedes Pick-up

The case study of the Mercedes Pick-up (bakkie) refers. Analyse the case study by perusing the supplied background information and the collect detailed information on the case study from the Internet, YouTube, and other sources. A proper solution to a case should range between 15-20 typed pages (pictures excluded).

Answer the following questions and submit your case study in hard copy in class (Mafikeng students - email to me before or on the required submission date).

1. Analyse the South African pick-up (bakkie) market. Show how big this market is (units sold) and then also show the key roleplayers in the market. Also, indicate the market share the major players in the market have.
2. Identify the different market segments for pick-ups (bakkies) in the South African market. Describe each of these segments shortly and also indicate the key competitors in each market.
3. Analyse the Mercedes Pick-up select a market segment in which you think it will do well. Motivate why you chose this market segment for the bakkie, (Also consider the possibility that the Mercedes could fit into more than one segment in your selection and motivation.)
4. New luxury bakkie entrants just entered the market. Consider if the BMW Pick-up truck is a worthy competitor for the Mercedes? What about the VW Tarok that was introduced at the Sao Paulo, Brazil motor show in January 2019? Are these worthy competitors and if so, why? If not, why not?
5. Advise Mercedes on a Unique Selling Proposition for their bakkie in the South African market.

Case 2: McDonalds – still going strong!

The hamburger giant McDonalds has been a household name in the fast-food industry almost since its inception. The road to success was, however, not without pitfalls and problems. Peruse the material (and also many more information on the Internet) and answer the following questions about the company.

1. Compile a historical timeline indicating the successes and failures (or problems) of McDonald's from its inception until 2019.
2. Identify the key success factors of McDonald's in the current fast-food market
3. During the past decade, McDonald's faced severe lash backs from the public, especially regarding their “unhealthy foods” and “upsizing” of meals. Discuss shortly how these consumer activists attacked McDonald's. Then evaluate McDonald's retaliation and render a verdict if this was a good countermeasure or not. Then discuss what your advice to McDonald's would have been to handle the situation.
4. Evaluate the segmentation and targeting strategy of McDonald's. Obviously, there are more ways to segment the market than the current way McDonald's are using. Evaluate both segmentation possibilities (i.e. segment by **product**, thus burgers, salads, etc. **OR** segment by **customers**, i.e. mothers, children, etc.). Discuss the advantages and disadvantages of both ways to segment the market and advise McDonald's if they should stick to their guns or change their segmentation strategy. (*Hint: A well-designed table might be an ideal way to make this comparison*).
5. Determine what the buying power of the currency ZAR is against the US\$ using the so-called *McDonald's Index*.

Case 3: Boeing 747-800 - The fight for the skies

For many years the long-haul flights were dominated by the well-known knuckle-head shaped Boeing 747. However, as years progressed, the "Queen of the skies" became more and more under pressure from competitors not only from competing company Airbus but also from newer Boeing aeroplanes competing for a market share in both the passenger and cargo markets. Primarily, the old-dated engine designs just became less economical than most of the competitors, hence fuel costs made the 747 uncompetitive. However, the 747 still has much to offer as a tried and tested carrier of people and cargo. Its excellent endurance and structural properties could not be discarded that easily to pave the way for competing aeroplanes to take over its market share. Boeing went to work to modernise their 747, and subsequently relaunched the revamped and upgraded 747-8 into the market.

Questions

1. Analyse the long-haul air transport market, showing the different market segments and its size. Also indicate which market segments you regard as more lucrative to penetrate and state why you say so.
2. Identify five main competitors to the 747-8 in the long-haul market (note that similar to Castle that is competing with Black Label in the beer market, Boeing also has internal competitors to their 747 in the market)
3. Properly analyse and then identify the unique selling points (USP's) that the 747-8 brings to the market
4. Draw up a comparative competitive grid to illustrate how the 747-8 competes with the five competitors you identified in question 1
5. If you were to advise an airline aiming to purchase new long-haul aeroplanes, what would your advice be based on the analysis of your competitive grid? Motivate your answer.
6. Do you think the trouble Boeing had with their 787 Dreamliners (with the problem of the entertainment centre's batteries that caught fire some time ago)

and their software issues with the 737-800 recently, would negatively affect sales of the 747-8, or not? Motivate why you take this viewpoint.

Case 4: SPAR's branded Chikka Chicken

Chicken (specifically cooked chicken in this case study) has always been a South African favourite take-away food. The market is dominated by KFC, while Nando's also has a strong market presence (focussing on their product differentiation on the "flame-grilled" chicken). Other franchises are also competing strongly in the market, albeit they all have smaller market shares based on either geographic location or some specific market angle. Recently the convenience store SPAR entered the market of take-away chicken by branding their chicken pieces as "Chikka Chicken" and advertising it as such on radio and television.

It is noteworthy that SPAR has (although not in all their stores) entered the take-away foods market a few years ago. They have a variety of freshly cooked meals ready to purchase for shoppers to select from. This market has grown from convenient meals for shoppers, to a fully cooked meal provider where typical market segments such as the retired market, close by employees popping in to buy lunch, and also working people buying meals after work to take home for the evening's family meal. Here SPAR spotted an opportunity to expand their chicken sales, either in meals or as separate chicken pieces. They then branded their Chikka Chicken to increase their market share.

You are required to analyse the SPAR Chikka Chicken branding exercise by:

1) Analyse the product quality of SPAR Chikka Chicken against the two main competitors in the specific area you select. Do so by drawing up a competitive grid with at least four product quality criteria and two competitors. Clearly show the weighting you place on each one of the criteria. *Now, go and buy at least one piece of chicken from each of the competitors and also from SPAR* (feel free to buy more - after all you should evaluate both the white meat and other chicken pieces, and as this is your last case study, a feast may be in order!) to help you in your evaluation of Chikka Chicken and its competitors. Pay close attention to how the chicken and other

meal choices are displayed. Start thinking how they could improve on in-store sales during your visit to the SPAR - you will need this info to help you to answer question 3.

2) From your chicken-feast research, describe the competitive edge each of the competitors has and indicate how Chikka Chicken should compete against these market share leaders. (That is if they can). If they cannot compete in this market, clearly state why you think so based on your research.

3) SPAR's manager contacts your group and request help. Their branding exercise did not do as well as they thought in the market. However, providing crumbed chicken to the market is still a key product in their lunch-time and evening meals market, and they would like to grow that market further. Advise your local SPAR how they could improve their chicken's sales in their area. Consider specifically issues like in-store displays, the presentation and layout of the chicken (and other meals), advertising and also possible way to get potential customers to come and buy their chicken. If you have product quality advice based on your analysis, add this here as well.

4) After reading your report, the manager of SPAR has one last question. He would like to know what would be the best way forward. a) To continue pushing the chicken-line to increase sales of chicken pieces, or b) to rather focus his energy to expand the market share of freshly cooked meals? Motivate your advice to him shortly.

5) Do you regard the plant-based chicken offered by KFC a threat to SPAR chicken? Motivate your answer.

Note: Collect the information acquired by a practical observation visit to a SPAR serving meals, and use the Internet, YouTube and other readily available sources to assist you in answering the case study. You would need real chicken for the case study, so make sure to get some chicken take-aways for your group meeting. Enjoy!