**Eddie Jou, Competitive Strategy Case Write-Up**

**Required short-case: “Wal-Mart Meat Dept. Closures”**

1. Wal-Mart wanted to send a signal to all other workers at Wal-Mart that they are not going to put up with attempts to unionize. It prevents other workers from attempting to do the same thing.
2. I would not personally have ordered the firing of these employees. I would feel too bad about who I was as a person to do so. Additionally, the blowback from firing those who try to unionize would be worse than if they allowed workers to stay, so long as they simply did not unionize. There was little work left for meat butchers to do anyway, so let the workers leave themselves and Wal-Mart does not look like as much of a “bad guy.”

**Required case: Intel and allegations of anticompetitive actions (4 newspaper articles)**

1. There was a quid pro quo between the two companies where Intel paid Dell money and Dell exclusively used Intel chips in their computers. Intel described the money payments as discounts to selling their chips to Dell.
2. As Intel loses its industry lead and the benefits of switching to AMD become higher, then Intel must pay Dell more. The higher payments must reflect the fact that AMD is catching Intel.
3. They are different because Dell has to actually buy products from Intel to receive lower prices. If Intel simply pays Dell it is additional cash flow which would differ from Dell needing to buy products in order to receive discounts. Also, there is a max limit to discounts, not to payments.
4. To create market power by preventing AMD from entering into relationships with computer companies such as Dell, IBM, and HP.
5. Intel knew that the amount they would have to pay to settle with AMD was less than the amount they stood to gain from preventing AMD from getting business with companies like Dell. Hence the “practical settlement” phrase from the CEO of Intel.

**Required case: Ryanair (A)**

1. Ryanair wanted to run 4 roundtrips per day, with a 44 seat plane, at 98 pounds per ticket, then Ryanair stands to gain 6.3 million pounds per year of revenue if they run full flights year round. If they were only 65% full, they stand to gain 4 million pounds per year. Their costs for staff are likely much lower than for BA but otherwise their costs would look similar and the profit per passenger would be very low, if even existent.
2. If Ryanair were able to carry all passengers, and have completely full flights, then it would be able to take about 12.8% of the ½ million people market. BA is currently making about 166.5 pounds per passenger and they carry about 18.4 million passengers per year. Losing 12.8% of the 18.4 million passengers means that BA stands to lose 392 million pounds per year. It would cost even more if BA were to reduce prices because then average price would be lower than average cost per customer and BA would be unprofitable.
   1. I would have assumed that BA would do everything to stop Ryanair from entering but based on my previous answer, it seems that BA will lose some money if Ryanair enters but not as much as if it were to reduce prices. BA should compete on better quality rather than lowering prices.
   2. I would expect Air Lingus to react the same because they are similar to British Airways.
3. Strong. They compete in a profitable market where Ryanair can shave off profits from others and compete on a different level from BA and Air Lingus.