

## MBA 603

### CASE STUDY

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**Note: Students may discuss this case with other students in this class but each student must write his or her own answers to the case questions. If two case studies have even a single paragraph that is identical this is strong evidence of cheating.**

Suppose you are considering entering the retail bar (or coffee shop) industry in Greensboro.

- (a) How would you characterize this industry in terms of number of firms, barriers to entry, product differentiation, and other important characteristics? Is the bar (coffee shop) industry in Greensboro best classified as perfect competition, monopolistic competition, oligopoly or monopoly? Explain.
- (b) How might you evaluate whether or not Greensboro could support another bar or coffee shop?
- (c) Use Michael Porter's five forces model to help you decide whether or not this is an attractive industry to enter.
- (d) Discuss the merits and drawbacks of entering the bar or coffee shop industry by buying a franchise such as Starbucks or entering as an independent store.

- (e) Briefly discuss how you would decide on the location of your establishment.
  
- (f) What other goods might you consider selling in your store in addition to alcohol (coffee)? In this context discuss the possible economies of scope or synergies from offering other goods.