# CANNIBALIZATION

## DESCRIPTION:

What happens when a company launches a new product that also competes with one of their current products?  How can we estimate the overall impact of this launch on sales and profitability? This module addresses these questions by introducing the concepts of cannibalization and fair share draw.

**Tutorial:** 10 slides
**Problem Sets:** 4 problem sets; 27 questions
**Average Time:** 128 minutes

## Sample question from problem set:

**Course:** Faculty Access (All Modules in Alphabetical Order)
**Module:** Cannibalization / Problem Set ID: 1069

Problem Sets 0 — 4    Total Questions 0 — 27

EasyFind, Inc. sells StraightShot golf balls for **$22** per dozen, with a variable manufacturing cost of **$14** per dozen. EasyFind is planning to introduce a lower priced ball, Duffer's Delite, that will sell for **$14** per dozen with a variable manufacturing cost of **$5** per dozen. The firm currently sells **50,900** StraightShot units per year and expects to sell **20,700** units of the new Duffer's Delight golf ball if it is introduced (1 unit = 12 golf balls packaged together). Management projects the fixed costs for launching Duffer's Delight golf balls to be **$7,870**.


**What is the unit contribution ($) per one dozen StraightShot golf balls?**

TUTORIAL   0.00 dollars

PS1 | 1 | 2 | 3 | 4 | 5

SUBMIT ANSWER   EXIT