Solutions

2.1

- Hold dominates Follow: against Specialty $12 > 8$; against Everyday $10 > 6$.

2.2

- Specialty is NOT dominant: $18 > 13$ against Hold, but $9 < 11$ against Follow.
- Rival holds (dominant); against Hold, Specialty $18 > 13$: equilibrium (Specialty, Hold), 18 / 12.

2.3

- $2.20 - 2.35 = -0.15$ a pack.
- Unprofitable, and it spends the brand's scarcity attacking a cost curve the roaster cannot beat - stuck in the middle.

2.4

- Copying the beans buys the cost without the willingness to pay: the roaster's system (origin visits, in-store grinding, the subscription) is what Follow cannot carry - which is why Follow pays the rival 8 against Hold's 12.

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