

WHEN IPODS EXPLODE: FROM EXPLOSION TO REACTION

Heather Hilliard (contact author)

The University of Tampa
John H. Sykes College of Business

Erika Matulich (contact author)

The University of Tampa
John H. Sykes College of Business

Dan Kaufmann

The University of Tampa
John H. Sykes College of Business

Lars Midtvaage

The University of Tampa
John H. Sykes College of Business

Desiree Rotenberg

The University of Tampa
John H. Sykes College of Business

Stephanie Tome

The University of Tampa
John H. Sykes College of Business

Ronald Kuntze

The University of Tampa
John H. Sykes College of Business

Submission to: AABRI Conference, Orlando Florida, September 2010
Case Studies

Key Words: iPod, branding, product malfunctions, channel partner relationships, reactive vs. proactive response, word of mouth marketing

WHEN IPODS EXPLODE: FROM EXPLOSION TO REACTION

Heather Hilliard, The University of Tampa
Erika Matulich, The University of Tampa
Dan Kaufmann, The University of Tampa
Lars Midtvaage, The University of Tampa
Desiree Rotenberg, The University of Tampa
Stephanie Tome, The University of Tampa
Ronald Kuntze, The University of Tampa

Abstract

This case covers an incident where Apple Inc. encountered an exploding and overheating problem with one of its products, the iPod Nano. Multiple cases of battery exploding iPod Nanos in the United States and Japan were reported, but no one has been seriously injured. Apple was faced with a decision—should it respond to the exploding iPod Nano situation?

Apple issued a warning on its website that there were product malfunctions concerning overheating batteries of first generation iPod Nanos (iPod nano (1st generation)). If there was any concern, the customer should immediately contact AppleCare (iPod nano).

This case intends to help students understand when a company should be proactive versus reactive, implications of product malfunctions on business, impacts on channel partner relationships, branding implications, impacts of word of mouth, and recognition of when to make product modifications and understanding the product life cycle. This case would be taught in undergraduate and graduate courses in marketing, information technology, management, communications, and promotions. Students in the following courses could benefit; Principles of Marketing, Information Systems and Technology, Marketing Strategy, Solving Marketing and Business Problems, Integrated Marketing Communications, Marketing Innovation, Branding, Public Relations, Introduction to Management, Business Ethics and Social Responsibility, and Entrepreneurship and Innovation.