Synopsis
Cummins Crosspoint Kinetics, a division of Cummins Crosspoint, the Cummins Engine distributor in Indianapolis, Indiana faced a thorny problem. The company had developed the CK3000 hybrid engine which could be installed on either new or existing shuttle and/or transit buses. However, there had been a number of product failures and company bankruptcies of similar products, so Crosspoint Kinetics had to overcome those negative perceptions. In addition, while the product had been affordable on new buses due to government subsidies, there were no subsidies for retrofits, making the product almost cost prohibitive in those cases. Cummins Crosspoint was faced with the task of STP – segmentation, targeting, and positioning for this product. To accomplish this task Cummins Crosspoint had to account for four major factors: establish the proper balance between the hybrid technology and the ‘green’ value, implement a driver education system and provide feedback to the driver, combine natural gas engines with hybrid technology, and improve the perceptions of the engine in the marketplace.

Learning Outcomes
The outcomes of this case are:
1. To expose the students to the key considerations in the segmentation, targeting, and positioning of a product for which (a) there is little overt demand; (b) has a negative reputation in the marketplace; and (c) at first glance does not appear to be financially viable for private fleets and vehicle retrofits.
2. To understand the challenges a firm has in bringing a ‘green’ product into the marketplace.
3. To understand the factors that need to be considered when a product has a relatively high price point and a relatively low economic viability.
4. To explore the necessary points of consideration in introducing such a product into the marketplace.
5. To give the students an opportunity to explore various additional marketing activities a company might undertake to enhance this type of product’s chances for success.

Application
This is a decision case that is ideally suited for MBA courses in marketing management (covering the business-to-business marketing topic), MBA courses in industrial marketing or new product development, and capstone undergraduate marketing classes. In addition, the case had also been used successfully in an Executive MBA program.

Key Words
New product introduction, segmentation, targeting, positioning

Contact
Daniel H. McQuiston, College of Business, Butler University, 4600 Sunset Avenue, Indianapolis, IN 46208, phone 317-940-9474, email: dmcquist@butler.edu