DEVELOPING
SOUTHERN ALBERTA
CASE STUDIES
FOR
MARKETING

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B. Ed., University of Lethbridge, 1988

A One Credit Project / Creative Work
Submitted to the Faculty of Education
of the University of Lethbridge
in Partial Fulfillment of the
Requirements for the Degree

MASTER OF EDUCATION

LETHBRIDGE, ALBERTA

August, 1993

ABSTRACT

This project is a journal of the processes involved in the development of case studies for marketing courses. It discusses the benefits of using the case study method to develop numerous student skills. The case method is also presented as a motivational and interactive learning technique which benefits both students and instructors. Next, the process of writing cases is examined. This is followed by some ideas and examples of how to use them in the classroom. Finally, it presents a number of different cases developed from businesses in Southern Alberta.

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DEVELOPING SOUTHERN ALBERTA CASE STUDIES FOR MARKETING

A major part of many business courses is the use of case studies involving actual businesses. Case studies allow students to gain an understanding of the problems and practices in use by a variety of companies. It is a chance for students to address the issues they will have to face when they secure employment. One of the first major universities to use the case method for the study of business operations was Harvard. In 1940, Charles I. Cragg gave the following definition:

> A case typically is a record of a business issue which actually has been faced by business executives, together with surrounding facts, opinions, and prejudices upon which executives decisions had to depend. These real and particularized cases are presented to students for considered analysis, open discussion, and final decision as to the type of action which should be taken (Cragg, 1954, p. 6).

This paper describes the processes involved in developing case studies for college marketing courses. The processes described may be compared to the growth of a tree. The roots of this paper begin by questioning the need for a certain type of curriculum, the case study. The roots probed into many diverse areas to answer this question. The trunk of this project is formed by the more linear process of developing cases. Next, this paper branches into the many ways of using case studies in a classroom. Finally, this paper bears fruit in the examples of actual cases developed from businesses located in Southern Alberta.

Why Use Case Studies?

How effective are cases as a learning method? Unfortunately, there has been very little direct research conducted on the effectiveness of the case study method. Gamson states,

> . . . more research is needed on examples of active learning such as the case method . . . research indicates that teaching methods that encourage student activity and involvement, especially student-to-student interaction, are likely to be superior to more passive methods when higher-level cognitive or affective learning is the goal. (Chickering and Gamson, 1991, p. 18)

However, case studies have been used for decades by the legal and medical schools and have gained widespread usage by many of the business schools. Institutions like Harvard and Western Ontario have been leaders in the development and use of business cases. Thus, the following educators have discussed the benefits they believe case studies offer as a learning method.

Lewison and Hawes (1989), authors of <u>Cases in Retail Management</u>, list the following purposes or benefits for using the case study method:

1. Learn how to put textbook knowledge into practice.
2. Stop simply receiving facts, concepts, and techniques and begin diagnosing problems, analyzing alternative solutions, and developing implementation plans.
3. Solve problems on your own (or in a group), as opposed to relying on a professor or a textbook for "the right" answer.
4. Learn about a wide range of firms and problems or opportunities, establishing a basis for comparison that might take a lifetime of personal experience to develop.
5. Develop the ability to identify and comprehend the main and subordinate ideas in written material.

6. Develop the ability to separate your personal opinions and assumptions from those in the case and to distinguish between fact and opinion in the case itself.
7. Develop the ability to organize, select, and relate ideas and develop them into a coherent and effective written or oral presentation.
8. Develop skill in exchanging critical and constructive ideas, especially during class discussions.
9. Develop reasoning and logic skills.
10. Deal with constructive criticism and learn from it. (p. 3)

Using these points as a basis, further expansion of the usefulness of the case study method is warranted.

Point one states that cases help students to put theory into practice. This is further enforced by Still and Harris (1972) when they state that the case study method "provides a highly appropriate way to tie theory to practice, forcing the student to apply what he has learned..."(p. xi).

The importance of the case method is also emphasized if one believes in the contingency view of management thinking. Daft and Fitzgerald (1992) state that classical management theorists believed that there were universal principles which could be applied to any organization, and more contemporary thought has been that every business is unique and one learns through experience. Thus, the contingency view integrates the two views and supports the belief that although each business situation is different similar solutions can be found when the key factors have been determined. This approach to problem solving necessitates the study of many cases in order to learn to apply the universal principles.

Lewison and Hawes' second benefit can be restated to say that students need to move from lower-level to higher-level thinking skills. This proposition has been repeated over and over by numerous educators. It was clearly indicated by one of the earliest pioneers of the business case method, Dewing, when he wrote, "the power of thinking not the acquisition of facts is the ultimate of our educational ideals (Dewing, 1954, p. 3)."

One method of classifying thinking skills is Bloom's taxonomy. Bloom (1956) divided the cognitive domain into six levels:

1. Knowledge
2. Comprehension
3. Application
4. Analysis
5. Synthesis
6. Evaluation

(p. 18)

As listed by Lewison and Hawes in their second point, diagnosing problems and analyzing alternatives would both fall into the fourth level of Bloom's taxonomy, and developing implementation plans would be in the fifth level named synthesis. Hence, using Bloom's taxonomy, these are all higher-level thinking skills that are attributed to the use of the case study method.

The third benefit of using a case study approach is one of great importance. Business students must learn that they have the ability to solve their own problems and that there is not just one correct solution. Case studies are in many ways like a simulation. As a flight simulator allows pilots to practice maneuvers without risking their lives or destroying millions of dollars of equipment, case studies allow future and present businesspersons to address the challenges of making managerial decisions in a safe environment without jeopardizing the assets of a business. Unfortunately, unlike a flight simulation, case studies cannot mathematically predict the course of a student's actions. Thus, it is impossible to have one correct answer which solves the problems of a business. One aspect of the business world is to predict the actions of people, whether they are customers, employees, shareholders, lawyers, or executives.

> Business is not, at least not yet, an exact science. There is no single, demonstrably right answer to a business problem.- For the student or businessman it cannot be a matter of peeking in the back of a book to see if he has arrived at the right solution. In every business situation, there is always a reasonable possibility that the best answer has not yet been found--even by teachers. (Cragg, 1954, p. 11)

Lewison & Hawes' fourth benefit calculates that the case method gives students broad business knowledge that would take years and years of experience to gain. Students can gain insight that they may then apply in their workplace by learning from others' successes and failures.

Businesses are constantly facing new challenges caused by political, economic and technological changes. Cases are one method that allow a person to study and react to these changes. It would be unwise to learn by trial and error when it is possible to benefit from a business that has already faced a new problem. Free trade agreements, increases in environmental protection legislation, improvements in computerized technology, and the changes involved in the Goods and Services Tax are a few of the recent events that have affected businesses in Southern Alberta. Only recent case studies which involve these changes can properly prepare today's student for tomorrow's company.

Points 5, 6 and 7 could be grouped together as they are all objectives in many language arts courses. Developing the ability to identify, comprehend, separate, and distinguish would satisfy many of the lower-level cognitive domain objectives, and organize, select, relate and develop would move up into the upper levels of the cognitive domain. Whether or not these skills are learned will depend very much on the wording of the problems and questions provided with each case.

For example, the following questions appear after a pricing strategy case in Cases in Canadian Marketing by Papadopoulos:

> 1. Assess the price strategies and tactics described above. What are their strengths and weaknesses?
> 2. Discuss how pricing relates to other elements of the marketing mix, based on this case and on your general knowledge of marketing and the market.
> 3. What should A & P do to remain competitive and grow in the fast-changing, highly competitive food retailing industry? (Papadopoulos, 1988, p. 104)

Question one has the student assess the main ideas from the case which is a fourth-level cognitive task according to Bloom's taxonomy. Question two has the student organize, select and relate knowledge from this case and any other sources the student can muster. This would require reaching the third and fourth levels of the cognitive domain. Question three forces a student to select, consider alternatives and formulate a plan based on his/her ability to comprehend the many factors learned from this case and any other sources. This would involve level four and five, analysis and synthesis. Thus, this one case study provides a student with the opportunity to use three of the thinking skill levels.

Especially important is the ability of the student to display these higher-level skills in the development of effective written and oral presentations. Marketing and business students are the managers of the future. Although society has undergone enormous changes in communication technology, the majority of a manager's time is spent communicating either orally or through some form of written communication whether by mail, fax or modem.

Lewison and Hawes' last three points can also be grouped together because they are concerned with discussion and argument in a group setting. Students learn the need for logic and reason when they discuss their solutions with the other members of their class. Plus they must learn to profit from both positive and negative remarks made about their presentations. Students need to be able to learn from their mistakes and, therefore, prevent repeating them. The ability to discuss and debate will be very valuable tools for students when they become members of the business community.

Most of the objectives listed by Lewison and Hawes are concerned with the cognitive or intellectual skills of students. However, there are three generally recognized domains: cognitive, affective and psychomotor. The cognitive domain deals with the intellectual aspects which could be represented by the head. The affective domain involves a person's emotions and attitudes which could be represented by the heart. The psychomotor domain includes all the physical skills a person has learned and can be represented by the hand.

Although case studies may not require students to physically act out roles, they do allow students to play the role of a businessperson mentally. Through this role-playing aspect of case studies, it is possible that the student may improve his/her ability to act like a businessperson. Using group work in a class setting may help produce a positive team attitude that will carry over into the business world. This would be an affective outcome. Oral presentations may be basically a cognitive activity; however, the physical, or psychomotor, aspects of speaking, and using body language can be improved through role-play practice in a classroom. Therefore, by having students work on cases in teams, discuss the issues, and present their solutions, affective and psychomotor skills are also learned.

Case studies have been shown to assist students to develop the ability to put theory into practice and to develop self-reliance in formulating solutions. Cases allow students to obtain a broader base of knowledge, and they promote higher-level thinking skills, writing skills, and discussion skills. In addition, case studies also have many advantages from the teacher's point of view. The following sections discuss the benefits of using cases as a motivational technique and as an interactive learning technique, and the last section relates how cases may provide direct benefits to instructors and businesses.

The case study as a motivational technique

The case study method can be a very motivational learning method since it deals with actual problems. Students are anxious to know about real problems not just textbook theory. They enjoy reading and learning the facts of actual businesses. Talarzyk (1974) says that every instructor has his/her own reasons for using cases. He states, "In almost all instances, however, an underlying reason is one of bringing additional realism into a course"(p. 1).

Cases come from existing businesses that could be future employers or competitors. This basis in reality is a pleasant change from many theoretical courses which deal in the abstract. Often the student will have some prior knowledge of a company in a case and this further motivates them to actively participate in learning through the case method.

Students are likely to be motivated by the case method because it provides variety from their regular routine. Case studies get away from the traditional format of most courses. Whether they are used to supplement traditional teaching methods or are used as the only method for a complete course, they offer a challenging contrast to regular 'lecture' classes.

Furthermore, students that enjoy a creative challenge may also be motivated by case studies. Marketing cases can stimulate students to develop fresh, original solutions or to develop detailed promotional campaigns with appealing advertisements.

The case study as an interactive learning technique

The case study method allows instructors to employ 'good' teaching practices as outlined by Chickering and Gamson. Through the study of research on teaching and learning, Chickering and Gamson have deduced the following 'seven principles for good practice in undergraduate education.'

Good Practice in undergraduate education:

1. Encourages student-faculty contact.
2. Encourages cooperation among students.
3. Encourages active learning.
4. Gives prompt feedback.
5. Emphasizes time on task.
6. Communicates high expectations.
7. Respects diverse talents and ways of learning.

(Chickering and Gamson, 1991, p. 63)

The case study method is strongly connected to these first three principles. Student-faculty contact is assured by the use of discussion in class. Short cases can be used to stimulate discussions on general topics (Murray, Preshing, Yaworsky, 1973). Students' solutions to longer cases can provide a great source of discussion between students and instructors in or out of class.

When students work on cases in groups of two or more, they learn to cooperate with each other. This cooperation helps to prepare them for future employment. More and more companies appear to be adopting a team approach as an integral part of their corporate strategy. Compaq, one of the largest computer companies, uses a team management system which "requires inputs from across the company. Unless all players agree, a decision is no go" (Daft & Fitzgerald, 1992, p. 47). The consensual decision making approach has been attributed to the Japanese management style. Many North American companies are starting to experiment with a theory Z management style which integrates Japanese components like consensual decision making with North American management characteristics (Daft & Fitzgerald, 1992, p.

55). Thus, learning how to effectively cooperate in solving case problems should help to prepare tomorrow's team players.

The third principle is to encourage active learning. Chickering and Gamson (1991) list structured exercises, challenging discussions, team projects, and peer critiques as examples of active learning. All of these practices can be incorporated into the case method. Cases with questions are structured exercises. Instructors should promote discussion and the use of teams to work out the solution to cases. Peer critiques would be accomplished through the analysis of individual or team solutions by the other class members.

Similarly, Nicastro (1991) proposes that business schools adopt interactive learning techniques. Nicastro's definition comes very close to summarizing the first three principles of good practice outlined by Chickering and Gamson. Her definition of interactive learning techniques states:

> Interactive learning techniques are teaching methods that are used in the classroom in order to stimulate student-instructor and student-student interaction. Interactive learning techniques include role-playing, simulation, learning pairs, group exercises, brainstorming sessions, and *case study discussions* [italics added]. (p. 345)

Nicastro includes case study as an interactive learning technique, but it is also apparent that the case study method can employ all the other interactive techniques listed in her definition as well. Marketing case studies require the student to 'play' the 'role' of managers. The cases attempt to simulate conditions in the actual business world. Students can work on cases in pairs and groups while brainstorming for ideas can be used with the whole class or smaller class groups.

The case study as a benefit to instructors and businesses

The use of case studies is a very important learning opportunity for instructors. Cragg discusses a few reasons why case studies benefit the instructor.

> As for the teacher, the case method of instruction provides him richly with the basic means of research. Not only does the existence of a stream of recorded business experiences enable him to keep in touch with business life and to make continuous necessary modifications in his inductions and general conclusions. In addition, the relations which the case system sets up between himself and his students give the teacher the continual benefit of fresh, imaginative points of view which always hold the possibility of true advance. (Cragg, 1954, p. 14)

Case studies should also benefit business and industry by providing a pool of highly-knowledgeable, potential employees as well as provide useful feedback for businesses. If managers are given an opportunity to play a role in the case method, or even simply view the students' solutions, they may discover new ways to improve their own skills to benefit their organizations.

Preparing Case Studies

The process involved in developing case studies varies from author to author. However, Leenders and Erskine list the following steps which may be employed by a casewriter.

1. The origin of the case: the process that leads to the decision: "I need a case."
2. Leads: the search for a specific idea and organization that might supply data required.
3. Initial company contact: the attempt to find out whether the lead exists and whether the organization is willing to supply data.
4. Data collection: the process of gathering the relevant information for the case.
5. The writing process: the organization and presentation of the data so that others may understand what the organizational situation was really like.
6. The release: the obtaining of permission from executives in the organization to use the case for educational purposes (Leenders & Erskine, 1978, pp. 7-8).

Some professors teach courses entirely through cases, and others have complex systems in place for continually developing new cases. The origin of the case or the reason why one would want to write a case study varies. Some instructors feel it is a necessary form of research in order to maintain relevance. Others are looking for specific cases to fill in certain holes in their curriculum (Leenders & Erskine, 1978).

In terms of this project there were three objectives that led to the decision to write case studies: 1) the need to acquire more business background, 2) the need to develop supplementary materials for business administration courses, and 3) a desire to make contacts with local businesspeople to use as community resources.

Leads have been gained through friends, acquaintances and through 'cold calls.' Data was collected through personal interviews and supplemented with other publications such as census data, except "The Warehouse Club" which was written from personal knowledge.

The cases were then written from the interview notes. Each one was written with a certain focus in mind. Most cases begin with a historical perspective and move towards the present problem.

One problem encountered during the writing process was the question of detail. Will the case studies contain enough information to allow the student to gain a feel for the business involved? Is there enough information to allow the student to make well-formulated decisions? However, managers seldom have all the information they desire because of time and cost restraints. Thus, students will also need to become used to making decisions based on limited data.

Once the cases were written, copies were delivered to the source organizations to allow them to make any changes they deemed necessary. A written release to use the case for educational purposes was then obtained from each organization.

How to Use Case Studies

Many of the ways to use cases have been discussed previously in order to determine why they are beneficial. Nevertheless, it may be useful to discuss the advantages of two major concepts that appear to be the basis for the large number of cases used by business instructors: higher-level cognitive learner outcomes and interaction techniques. A few examples will be used to demonstrate how to include these components.

Scenario One:

The case study is handed out to the students at the end of class. The instructor asks that the students fully answer the questions at the end of the case and hand in their solutions the next day.

If the case is related to the material being covered in class at the time, it provides a good opportunity for applying (cognitive level three) theory to an actual business situation. The case should allow the student to assume the role of a business decision-maker to a certain extent. Depending on the questions, the student may have to work through a range of cognitive levels. Quick and detailed feedback from the instructor in oral or written format will result in student-instructor interaction. For the instructor, this scenario takes the least amount of class time and allows for a fairly high degree of individual student evaluation.

Scenario two:

Students are given the case study to read in class. The instructor may add some of his/her insights into the case. The class is then asked to brainstorm one issue in the case. The brainstorming ideas become the focus for a class discussion on the advantages and disadvantages of each idea.

According, to Henak (1984) brainstorming produces only lower level cognitive and affective outcomes. However, it does provide an attitude that everybody's suggestion is valid because all suggestions should be recorded without criticism. It also stimulates discussion which can produce thinking at all the cognitive levels. The discussions may result in student-student interaction as well as student-teacher interaction. This scenario would take up some class time and would, depending on the objectives, probably pose a more difficult situation for individual evaluation.

Scenario three:

Students are given the case to read in advance. Then they are assigned partners or groups and if appropriate to the case they may assume specialized roles. They are given some class time to work on the case and their presentation. Finally, they present their solutions to the class and instructor.

This last scenario would take the most class time, but should result in the highest levels of cognitive outcomes and the most intensive student-student interactions. Assigning specialized roles, such as advertising manager and sales manager, should help to reinforce the role-playing and simulation aspects of the case method. Group projects reduce the number of items to evaluate, but they do not always result in accurate grades due to variances in effort by individuals in the group.

These three scenarios are just a few of many combinations that can be employed using the case method. The instructor will need to vary the method according to the need for evaluation, time, and learning outcomes. For example, a pricing case may better be handled individually to determine if all students can do the appropriate calculations, while on the other hand a case study about a promotional campaign may require a team with specialized roles.

It will likely be necessary to provide students with some guidelines for working with the case study methods. Raymond (1964) outlines one method of analysis:

1. Clearly define the central problem or problems in the case.

2. Divide the central problem into its significant aspects.

3. Analyze these aspects or factors through the creation of a logical series of questions, marshaling the evidence in the case and weighting the areas to arrive at answers to these questions.

4. Investigate other possibilities.

5. Use your decisions on the factors in the case to arrive at a solution to the central problem. (p. 5)

This type of procedure could be simplified and refined if your students are having difficulty completing cases. The instructor may need to model the processes necessary to arriving at a solution. Listing the advantages and disadvantages of different factors is one method that can be used to help decide on a solution. Evaluating the past, present and future trends may also help to formulate an answer.

The cases contained in section two of this project are examples that can be used in many different marketing or business classes. They focus on four marketing areas: marketing strategy, location research, target marketing and advertising effectiveness. They were developed for first year college students; however, by making some modifications to the questions in terms of difficulty, most could be revised for high school use. All the cases need to be field tested in a classroom to ensure that enough information is given and that the questions are appropriate.

The teaching notes placed after each case discuss where the cases should be used in a marketing course. They are specifically integrated with the text Foundations of Marketing by Beckman, Kurtz and Boone which is used by both the Lethbridge Community College and the University of Lethbridge.

Leenders and Erskine (1978) have presented a method for determining the difficulty level of cases. The case difficulty cube employs three dimensions to help to calculate how difficult a case study is for the students. The case is separated into analytical, conceptual and presentation dimensions. Each dimension is divided into three ranges. The analytical dimension is divided as follows:

> Range One: (Easiest) This is what the company did. What do you think of it?
>
> Range Two: This is the decision facing the company. What should they do?

> Range Three: (Most difficult) Here is some information about a company. Do you think they have problems and if [sic] they need to make some decisions or set some policies? If so, which and why and how and when? (Leenders & Erskine, 1978, ex. 13-6)

The conceptual dimension is also given a rating from one to three depending on whether the concepts are simple or difficult. Simple concepts receive a one, difficult, complex concepts a three and anything in between a two. The presentation of the case material is also given a rating from one to three which is determined by clarity and length. For example, short, clearly presented material would receive a rating of one. Therefore, a case given a rating of 1, 1, 1 would be the easiest type of case possible. Analytically, it would present a problem and a solution; Conceptually, it would deal with a simple concept; presentation wise, the case is clear and short. A rating of 3, 3, 3 would be the most difficult type of case.

The cases in section two have been rated as follows:

Location Research: The Warehouse Club	2, 2, 1
Target Marketing: The Duke of Wellington Pub and Eatery	2, 2, 2
Advertising Effectiveness: Whoop-Up Days	2, 3, 2
Marketing Strategy: The Prairie Plastic Company	3, 3, 2

Thus, "The Warehouse Club" has been designed to be the easiest for students to analyze and, relatively speaking, "The Prairie Plastic Company" is the most difficult due to its high analytical rating.

"The Warehouse Club" is a generic case because it is not based on a particular company, but only a retailing trend. Another case is a disguised case in which the true identity of the company has not been used, although it is based on an actual company.

Conclusion

The case study method offers a multitude of possible benefits for students enrolled in marketing classes. Cases can help to increase higher-level cognitive learning. They are an exciting way for students to learn because they add reality to theoretical, text-based courses. A sense of self-reliance may be gained because cases do not have a single, correct answer. Students can absorb a wide range of business knowledge and background through the study of cases. Case studies can provide a good medium to allow students to practice their writing and presentation skills. Plus, they can provide motivation for students, and help to stimulate interaction between all the class members.

For the instructor, they form the base for a wide range of proven teacher/learning techniques that can be combined in numerous arrangements. Developing cases also forms a challenging and stimulating method of research for business instructors at all levels.

Business and industry will also benefit by hiring students who have a broader background and better team skills. In addition, the feedback from the cases may lead to new solutions that may be beneficial to the company studied.

Although further research should be undertaken to prove the direct value of the case study method as a valid learning technique, it appears that there are plenty of faithful instructors and educational theorists that will vouch for the effectiveness of case studies.

SECTION TWO- Case Studies

Target marketing:

The Duke of Wellington Pub and Eatery

The Duke is a bar and restaurant with a strong English pub theme. On any given day, you can find university students, professors, dart players, video gamblers and construction workers enjoying a drink in the friendly surroundings of this neighbourhood pub. It began in 1985 as a small pub with only a few tables and has grown into a medium-sized establishment with a capacity of 204. It is located on the west side of the city of Lethbridge. The west side makes up almost a quarter of the city's population with around 15,000 inhabitants. The Duke is situated in the heart of the west side in a good location with a high traffic flow. It is in the middle of a strip mall with good visibility, and plenty of parking at night. The pub contains two dart boards, a big screen T.V., and seven new video lottery terminals.

The atmosphere of the Duke could be compared to the television situation comedy 'Cheers.' The Duke has a number of regular customers who patronize the premises and some show up almost everyday. Regulars like 'Killer', 'Framer', and 'Roy' have developed a strong relationship with the bar and the staff. Many of these regulars are older working males who come in for a beer after work. Most of the regulars are west side residents.

As well as alcoholic beverages, the Duke offers a varied menu from appetizers to full dinners. The quality of the food is very good and the management tries to maintain consistency in its food offerings. The restaurant increases the costs of running the Duke and is not a large profit earner, but it is an added service to the patrons. The Duke does maintain a reasonable lunch crowd.

The Duke's peak months are September to May which are the months in which the majority of students are taking university classses. During this period, the Pub has 22-25 employees with approximately 10 full-time and the rest part-time workers. In the summer, the employees are reduced to 6 full-time and 6 part-time. The employees are supervised by three managers and a head cook. The peak hours of operation are 9:00 p.m. to midnight.

The Duke is situated within walking distance of a University with approx. 4000 full-time students and 500 part-time students during the fall and spring semesters. (Around 1000 during the summer sessions from May through August). The average age of the student body is about 23 years old. The student body is fairly evenly split between females and males and only about 17 percent are married.[1] The University has limited housing on campus, but a large number of apartments and condominiums surround the strip mall in which the Duke is located. The 1991 Canadian census showed that in a two square kilometer area around the Duke there were 1,445 dwellings in the following categories:

655	single-detached houses
135	semi-detached houses
265	row houses

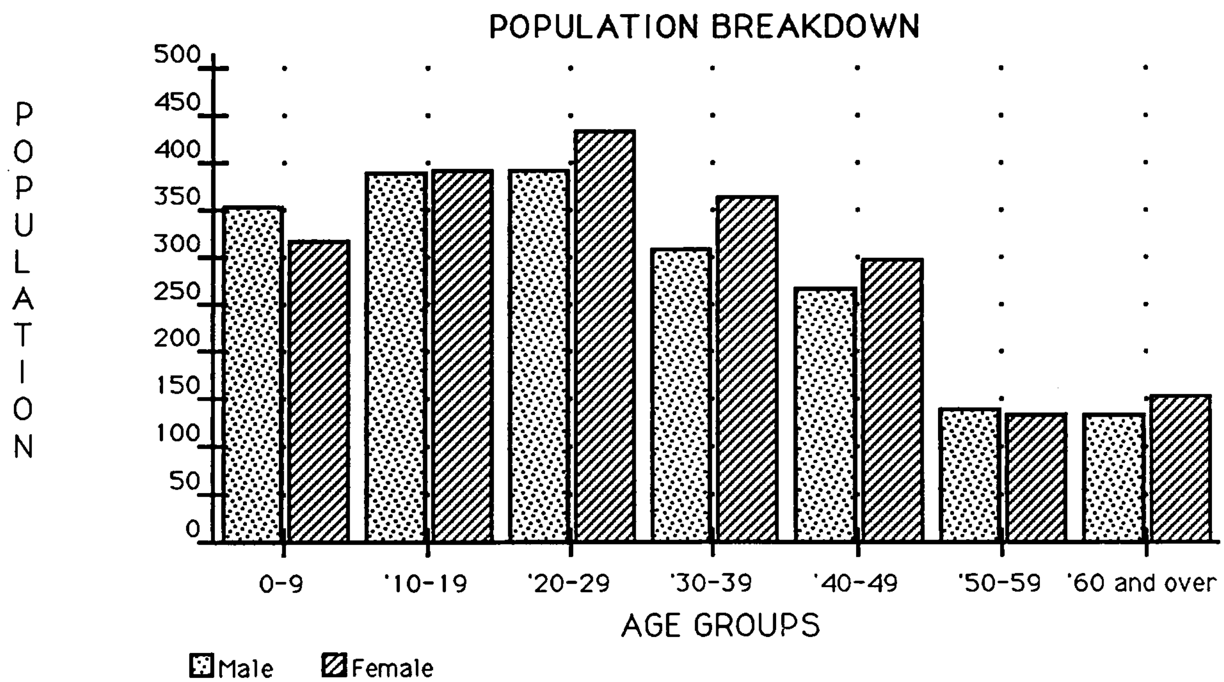
160 apartments in buildings of five or more storeys

205 apartments in buildings of less than five storeys

25 movable dwellings

*Approximately 47% of the dwellings were rented.

The population of the census tract in the approximately two square km tract around the Duke shows that there are around 4,035 people living in this area, 1960 males and 2075 females. The population breakdown by age groups is as follows:[2]



The management of the Duke of Wellington Pub and Eatery feels that its main competition comes from the University's Students' Union Bar. Besides the University they do not feel they compete for the same market segments as other bars. The Duke is not a dance bar so it does not directly compete with some of the bigger rock and country bars in downtown Lethbridge.

In the past the Duke has tried many varied types of promotions. They regularly advertise in publications that are circulated around the west side. Thus, they often put an advertisement in the West Side Story which is a pamphlet distributed monthly by the Nicholas Sheran Community School. They also put ads in the University handbooks, student directories, sports programs and occasionally the University newspaper. They also do develop their own pamphlets and directly deliver them all over the west side.

The Duke of Wellington has put on numerous promotions. They have an annual golf tournament for their regular customers. They stay open and organize parties for Grey Cup and Super Bowl Sundays. Promotions during the hockey playoffs are put on if a local team like the Flames are involved. They have had a "Christmas in July" party in which they decorate the pub and have a Santa give out presents.

At the University the pub has run promotions at the basketball games in which spectators have attempted to shoot baskets for cash. They have also had a shooting competition during the University hockey games where fans attempt to shoot the puck into a small hole to win up to $10,000.

During the last year the Duke has used theme nights as a promotional method. Each night of the week has a specific theme or special price promotion. The following is an example of the types of themes the Duke has used in the past.

MONDAY -- Wing Night - all wings 25 cents each

TUESDAY -- Tequila Tuesday

WEDNESDAY -- Free nachos with the purchase of a jug of beer

THURSDAY -- Ladies Night

FRIDAY -- Prime Rib Dinner Special

SATURDAY -- 2 for 1 Specials

They have avoided advertising in many Lethbridge circulations because they feel their main market is on the west side and, thus, it is ineffective to advertise on the north and south sides of the city.

Questions:

1) How should the Duke work to promote itself to increase its business?

2) What markets should they attempt to obtain?

3) What types of advertising media will be most efficient for a Pub and Eatery?

4) Choose a target market and design a promotion for the Duke of Wellington Pub and Eatery.

e.g. university summer students

management students

single west side residents

1. Statistics Canada. (1992). Profile of census tracts in Lethbridge and Red Deer, part A. Ottawa: Industry, Science and Technology Canada, 1991 Census of Canada.

2. The University of Lethbridge facts book. (1992). Lethbridge, Alberta: University of Lethbridge.

Teaching Notes:

This case is fairly straightforward. It combines two major areas: the selection of target markets and promotional advertising. This case should be employed after covering the following areas:

1) choosing a target market or market segmentation
2) consumer behaviour, demographics and psychographics
3) the advantages and disadvantages of different advertising media
4) sales promotion methods

If an instructor is using Foundations of Marketing by Beckman, Kurtz and Boone (1992), this case should probably be used after covering Chapter 18 taking for granted that the chapters have been covered in numerical order. "Applying Marketing Communications," Chapter 18 discusses both advertisng and sales promotion.

However, if an instructor wanted to focus only on market segmentation, he/she could omit the third and fourth questions and the case could be used as early as chapter four, "The Market Segmentation Process."

Question four is the most complex. The instructor will need to give more instructions to the students on what the expectations will be for this question.

Location Research:

The Warehouse Club

Warehouse clubs are one of the fastest growing enterprises in North America including Alberta. They look like a wholesaling operation, yet a large proportion of their business is with the consuming public. Pintel and Diamond describe warehouse clubs as follows,

> Like closeout stores and one-price stores, warehouse club stores are a form of retailing undergoing rapid growth based upon low prices and low overhead. The typical warehouse club operates out of a large (100,000 square foot) store. Clubs do not offer credit, delivery, promotion, or designer labels or brands. The goods are presented on cement floors or simple pipe racks. What they do is offer low prices to two kinds of customers, small retailers and consumers (Pintel & Diamond, 1991, p. 91).

Large stores with low prices. Pintel and Diamond list 7.5 to 11 percent as the markup on warehouse club's goods. This is much less than regular retailers offer. The other appeal of warehouse clubs seems to be the fact that it is possible to purchase everything from groceries to computers.

There is nothing fancy about their outlets. They are huge structures packed to the rafters. There are no fancy displays and very few employees who must work on the bare, concrete floors. They do employ a number of unique security checks. You must go through a security check when entering as well as when leaving. In fact you may get double-checked on your way out.

Almost anyone can become a member for a small yearly fee. If you belong to any club, union or professional organization you are eligible;

and, of course, if you run your own business you can easily get a membership.

Warehouse clubs already have outlets in Calgary, Edmonton, and Vancouver. A warehouse club is now considering moving into the Lethbridge market with a population of 65,000. A large site has been selected.

Questions:

1) What will be required to make a warehouse club successful in a city the size of Lethbridge?

2) What research would be necessary before a club would consider moving into a city like Lethbridge?

3) Describe all the essential information you would need to have before you would build a store of over 100,000 square feet.

Teaching Notes:

This is the shortest case, but posssibly the most versatile. An instructor may want to use this case simply as a discussion starter on one of the following topics:

1) What are warehouse clubs?
2) The importance of location for retailers and wholesalers.
3) The need for market research.
4) and possibly, the Wheel-of-Retailing Hypothesis.

The students will need to have covered market segmentation and have some knowledge of marketing research. In terms of Beckman, Kurtz and Boone (1992), the most appropriate placement of this case may be after chapter 16, "Retailing." This chapter discusses most of the types of retailing, but it does not mention the new trend towards warehouse clubs. Technically, warehouse clubs may still be considered wholesalers. However, more and more of their prime customers are everyday consumers and not other retail businesses.

Warehouse clubs are an excellent example of a new business entering the wheel of retailing with low prices and few services. The wheel-of-retailing hypothesis is discussed in chapter 16. Location theories such as the law of retail gravitation and probability contours are also discussed in chapter 16.

Advertising Effectiveness:

Whoop-Up Days

The smells of the rodeo and cotton candy, the noise of the midway, and the excitement of the casino all combine with the many visual attractions to create Lethbridge's annual summer fair, Whoop-Up Days. Country music, chuckwagons and cabarets are also big attractions at the Exhibition Grounds during the first week of August. Organizing and advertising this week of events is the responsibility of the Lethbridge and District Exhibition Association.

The festival is named after the whiskey trading post, Fort Whoop-Up which was the first white settlement in the Lethbridge area. The post was constructed in 1869 by two American whiskey traders, John J. Healy and Alfred B. Hamilton. Thus, the festival has a western heritage theme. Jeans and cowboy hats are the proper dress for the week.

The week of events at the exhibition grounds includes a wide diversity of entertainment. The rodeo and chuckwagon races run four evenings at the grandstand. The pavilion houses the commercial exhibitors and seniors' area. Other buildings host the casino, beer gardens, and hobby and craft displays. The main grounds contain the Thomas Carnival which includes approximately thirty rides, a variety of game booths, and numerous food outlets. The petting zoo and Indian village are also located just south of the midway.

The Exhibition uses all three of the main advertising media: print, radio and television. For the last festival, approximately 50% of the

Whoop-Up Days advertising budget was spent on print advertisements, 35% on radio, and 15% on television. Most of the advertising was focused towards adults in the 25 to 49 age group who have families. The majority of the advertising was centered on Lethbridge. However, some advertising was done as far north as Brooks, east to Medicine Hat, south to Shelby, Montana and west to the British Columbia Kootenays.

Half of the advertising budget was spent on print media forms. This includes newspaper, magazine, posters and tent cards. The majority of this allocation went towards newspaper advertising. Many advertisements were placed in the Lethbridge Herald in the weeks before, during, and after Whoop-Up Days. The Lethbridge Herald is the largest newspaper in Southern Alberta with a circulation of approximately 18,500 in the city zone (Lethbridge, Coaldale and Coalhurst) and 9,500 in the outlying areas (north to Vulcan, east to Bow Island, south to Coutts, and west to Fernie). Advertisements were also placed in other Lethbridge publications such as the Advisor, the Shopper, and the Buy 'N Sell (All three are weekly papers consisting mostly of classified advertisements). A number of the weekly rural newspapers, such as the Taber Times, Raymond Review and the Waterton/Glacier News, were also included in the advertising mix. These papers were felt to be an excellent method of attracting people from the rural community. The local papers due to their weekly nature tend to have a longer life than daily papers.

The basic advertisement used in the Lethbridge Herald and other newspapers had the following layout. The top header was the Lethbridge Whoop-Up Days insignia followed by 'SUMMER FAIR' in bold capitals. Below the titles five major events were listed in large fonts: the parade, performer Michelle Wright, the Nitty Gritty Dirt Band, Chuckwagons and the Silver Bullet Saloon. The following 15 events were then listed in smaller font down the left side of the ad:

Wickheim Timber Show
Jerry Edle - Chainsaw Artist
Spruce Meadow Prairie Dogs
Senior Vaudeville Show
Petting Zoo/Wagon Rides
Indian Village
Whoop-Up Casino
UFA Heavy Horse Hitch
Whoop-Up Shaker Cabaret
Pig and Duck Races
Art Show and Auction
Sumo Wrestling
Hobby World
Thomas Midways
Ronald McDonald Ecology Show

The right side of the advertisement listed five corporate sponsors and the bottom of the ad displayed a picture of a midway and the date of the fair in large font.

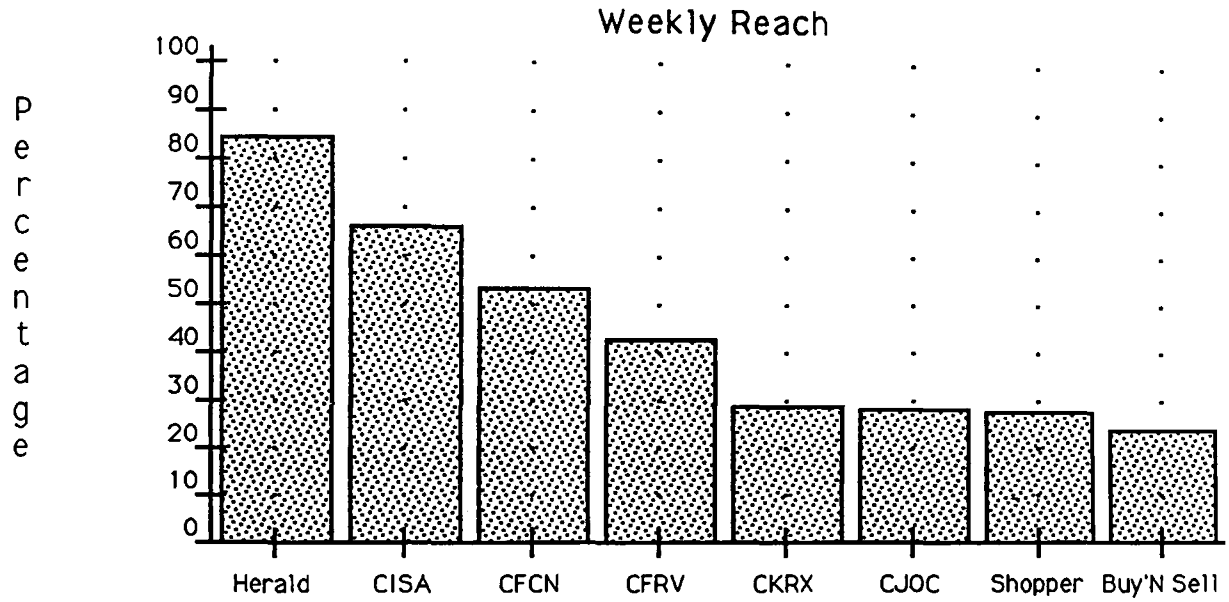
Just prior to Whoop-Up Days and during the week, smaller one column ads with the heading "Your Ticket to Fun" listed more specific details on individual events happening during the summer fair.

In terms of Magazine advertising, ads were placed in the Lethbridge Magazine and the Kootenay Guide. The Lethbridge Magazine is a glossy, seasonal magazine published four times yearly and distributed free throughout the Lethbridge area. It would have the longest life span of any of the advertising media forms used for Whoop-Up Days. A tear-out events calendar was featured in the Lethbridge Magazine. It listed all the summer fair activities being held on and off the exhibition grounds. It also displayed a diagram of the parade route. The Exhibition placed an ad directly above the parade route which contained the "Be Seen in Jeans" theme-line.

Other print forms which were employed included posters and tent cards. Large color posters featured the rodeo and the midway. These were distributed to businesses all over Lethbridge. As well, tent cards (stiff cardboard folded in half to stand upright) which listed the dates and events taking place were delivered to hotels, motels and restaurants throughout Lethbridge.

Radio and television advertising combined to make up the other half of the Whoop-Up Days budget. Radio advertising was focused on the three major Lethbridge stations CJOC 1220 A.M., CFRV 107 F.M., and CKRX 1090 A.M. (formerly CHEC). CFEZ 1570 A.M. from Taber was also used. Limited advertising was also broadcast from country stations located in Brooks, Medicine Hat, and Shelby, Montana. The latter stations advertisements focused on the rodeo events during Whoop-Up Days. Television ads were broadcast on three Lethbridge stations, CISA (Ch. 2&7), CFCN (Ch. 5), and The Ad Network (Ch. 35).

A random telephone survey of 216 adults undertaken for the Lethbridge Herald asked respondents which newspapers, radio stations, or T.V. stations they had watched in the last week. The following table shows the top eight responses:



Note that all eight of these media were used in the Whoop-Up Days advertising mix.

The final result of the Lethbridge and District Exhibition's advertising was an increase in attendance to 55, 894 from 46,452 the previous year. However, this was still less than the 1989 attendance of 60,000.

Questions:

1) How could you determine the effectiveness of the advertising ratio?

2) What research would you undertake to determine whether the advertising was effective? e.g. What types of pretest and posttest evaluations could you use?

3) What unique problems are involved when advertising for an event like Whoop-Up Days as compared to advertising for a consumer product?

4) Create an outline for an advertisement for Whoop-Up Days using the media you think could be most effective. Include your reasons for selecting your media choice, and explain why your ad would be effective.

Teaching Notes:

This is a more difficult case which would require substantial knowledge about advertising and research methods. As well, it is important to understand that Whoop-Up Days is a multi-faceted entertainment package, a service, and not a single, tangible product. Beckman, Kurtz and Boone (1992) discuss advertising effectiveness in chapter 18, "Applying Marketing Communications," and research techniques in chapter 5, "Obtaining Data for Marketing Decisions." However, the students may need supplementary information to handle this case. Kleppner's Advertising Procedure by Russell and Lane (1993) discusses in more detail some of the following concepts:

1) media strategy
2) reach, frequency, and continuity
3) pre- and post-testing research
4) television and radio rating systems

Knowledge of these areas should help students to prepare better solutions for questions one and two. Questions three and four are probably much easier for introductory marketing students.

Marketing Strategy:

The Prairie Plastic Company

The Prairie Plastic Company began operations in 1967. It began by manufacturing small, molded containers for agricultural purposes. It was a one-man operation that leased a 5000 square-foot warehouse. The first year's sales were under $50,000.

The company has undergone outstanding growth over the last 26 years. The PPC has moved into their own modern plant with a railway siding in a prime industrial location. The new plant at 20,000 square feet is four times as large as the original leased area, and it is equipped with the latest in plastic-manufacturing equipment. PPC now has 34 full-time employees. Gross sales have increased about 100 times since the first year of operation.

The Prairie Plastic Company now manufactures a wide variety of products. They produce numerous types and sizes of storage tanks for agricultural and industrial uses. The tanks range in size from 3 to 6,000 imperial gallons which is the largest capacity plastic tank constructed in Canada. The company also produces a number of agricultural products from down spouts to livestock troughs. PPC manufactures a number of food processing accessories including holding containers and insulated fish totes. They also produce components for the aerospace industry and domestic refuse containers.

Over 90 percent of the products are produced through a blow-molding process. The other 10 percent is made from acrylic in a vacuum-forming technique. The major product lines are the storage tanks and the traditional line of agricultural products.

Almost all production is done to order. Very little inventory on any of the products is maintained. Enough raw materials are kept on hand to meet most order runs. Some items are simply components of a larger product that are sold to other manufacturers, but most products are finished goods that go through distributors to the final user. The company does some custom work and utilizes Computer Assisted Drafting to design products.

The Prairie Plastic Company deals mostly with distributors and marketing wholesalers to sell their products. However, the company has been very successful in gaining markets throughout the world. Besides the prairie provinces, British Columbia, the United States, and Australia have been large markets. PPC does not have a distribution system of its own. Almost all of the products are transported by external trucking firms.

PPC has maintained a concentration on manufacturing over the years. They have kept a very flat organization with only 3 people in management positions, 4 in supervisory roles and 27 labourers.

The company's growth has been a natural progression. They wanted to be less dependent on their traditional markets and improve their efficiency. PPC's sales have been steadily increasing, but so have their costs. The fixed costs have increased, but are reduced on a per unit basis due to the higher volumes that PPC now produces.

The plant has been running 24 hours a day for over seven years. With the help of an external manufacturing assessment service the company has been working towards creating the most efficient methods possible. To increase production PPC has computerized and automated some tasks. They also have daily staff meetings to set production goals, plan improvements, and eliminate problems. Each morning the key employees gather to make and keep abreast of production plans. PPC has a very strong employee base which helps to keep production and quality high. The horizontal nature of the company hierarchy allows for a close relationship between management and employees. Plus the small size of the management team permits quick reactions to any problems that arise.

The company competes with seven other plastic manufacturers in Alberta all of `who are smaller than PPC. It also faces competition from some very large Eastern Canadian and United States firms. The Prairie Plastic Company has patents for some of its products.

The new Canada/United States free trade deal actually caused some of PPC's products to be classified as dutiable. However, through lobbying the tariffs were eventually removed.

The Goods and Services Tax caused very little problems for PPC, in fact it may have simplified the process from its predecessor the Federal Sales Tax. Everyone is now charged GST and the company does not have to worry about whether a buyer is exempt or not.

The Prairie Plastic Company has been running very near capacity for the last number of years. It has been able to concentrate on production due to a strong demand for plastic products. For example, an aggressive British Columbian distribution company approached PPC about producing a container for them. This distributor now handles all the sales and distribution of that product as part of a large line of food processing merchandise that they sell. PPC's ability to manufacture a quality product within a certain timeline allows them to keep a strong presence in a competitive market.

The Prairie Plastic Company has not had to put much effort into developing new markets or advertising its products. The upper management has been handling all the marketing and promotion. Most of the promotional efforts have been directed at trade shows. The company attends major trade shows in Western Canada and the United States. The trade shows allows management to meet their customers and get feedback on their products.

For 26 years the Prairie Plastic Company has been concentrating on manufacturing. Management have always been concerned with meeting their customers' needs and creating products to meet those needs. However, they have always relied on their distributors and agents to develop sales. Management are now considering taking a more offensive, proactive approach towards marketing their products. The management is looking at playing a larger marketing role rather than just manufacturing. Profit margins on their goods average around 15 percent, but the management feels that if they marketed the product directly to the final consumer they could achieve much higher profit margins. PPC has built a strong manufacturing base and now management is looking towards expanding in a vertical manner. Thus, they would need to venture into new areas like consumer packaging, distribution, sales, advertising and customer service.

Questions:

1) What are the strengths of the Prairie Plastic Company?

2) What forms of research would you advise PPC to undertake?

3) What strategies would you suggest for PPC?

4) From a marketing standpoint, what weaknesses do you see in the company?

5) PPC is experimenting with designing plastic cabinet/cupboards. The cupboards would come in various sizes and colors and could be used in kitchens, laundry rooms and garages. The cupboards are bright, strong, easy to clean and fairly cheap to manufacture. What research would you undertake to determine the feasibility of developing and marketing such a product all the way to the final consumer?
What steps would you take as a manager of PPC if you wanted to start selling finished products directly to customers?

Teaching Notes:

This is probably the most complicated of the four cases. It is difficult because it does not focus on a particular problem. The case merely describes the conditions of a certain business. It requires the student to determine what or where the problems are. However, this case study is concerned more with marketing strategy than anything else.

Beckman, Kurtz and Boone (1992) discusss the concepts of "Marketing Strategy and the Marketing Plan" in chapter 6. They discusss the concept of developing a corporate strategy, a marketing strategy, and finally, a marketing plan. Some of the questions they ask as part of their marketing-mix plan are listed below:

A. Product decisions
 What products should we offer to meet consumers' needs?
 What is the exact nature of these products?
B. Pricing Decisions
 What level of prices should be used?
 What specific prices and price concessions are appropriate?
C. Distribution Decisions
 What channel(s) will be used in distributing our product offerings?
 Where should they be located?
 What should be their major characteristics?
D. Communication Decisions
 What mix of personal selling, advertising, and sales promotional activities is needed?
 How much should be spent using what themes and what media?
E. Financial Considerations
 What will be the financial imapct of this plan on a one-year pro-forma (projected) income statement?
 How does this income statement compare with our objectives?
F. Control Aspects (p. 160)

The Prairie Plastic Company is simply an efficient manufacturer, and it has very little experience in areas like distribution and sales/advertising. Therefore, management is going to need to answer many of the above questions if they intend to not only be a manufacturer; but an integrated company which markets to the final consumer as is suggested in question five.

This case should probably be implemented near the end of the course because it is concerned with almost all aspects of marketing.

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