

Analyzing Marketing Cases

What is a case?

A case is a verbal snapshot of the whole or some part of an organization. The cases are all based upon problems and events that actually took place, although in some instances they are disguised as to names of people, companies, and geographic locations. The picture is focused on a set of circumstances which requires the executives of the organization to take action. In this course, the cases will typically place you in an organization that must decide whether to conduct market research, what kind of research to conduct and how to interpret its results. The case provides the student with the opportunity to act in the role of the executive (or, sometimes, a consultant), to make the necessary decisions, and to support his/her recommendations.

In the classroom, cases serve at least four functions. It is important to understand these in order to assess their value to you. Cases:

- build familiarity with marketing institutions and management problems.
- develop confidence in your ability to think like a manager.
- develop a growing understanding of the relationships between management problems and marketing research
- build additional skill in oral and written communication.

As a teaching device, the case can only be successful to the extent that the student accepts this role and commits his/her self to a detailed line of action developed from a careful and critical evaluation of the data included in the case. The student benefits in two ways. (1) He/she gains insights into the complex set of relationships that govern organizations. (2) He/she learns from fellow students as they attack his/her position in class discussion. Since there is rarely unanimity in class discussions, students learn by having their understanding of the circumstances and their powers of reasoning tested. Failure to pass such tests is of little significance relative to the learning experience of the test.

The case method does not present the student with a body of tried and true knowledge about how to market goods or services successfully. It only provides him/her with the opportunity to learn by vicarious “doing.” However, the student who makes a vigorous effort to “do” will not necessarily find the way easy and straightforward. A case simulates the uncertainty of the real world. The alternatives are many, and a number of solutions may exist which satisfy the situation. The case method provides the student with the opportunity to test the soundness of his/her reasoning against those alternatives which it is humanly (or economically) possible to devise. The real goal of the case method is not to develop a correct set of facts. It is to learn to reason well with all of the available facts.

Approaching a Case

Below are a few general comments pertinent to the analysis of cases:

- You are encouraged to discuss each case or exercise in small groups. Use this means of getting feedback about your ideas and examining the ideas of others. This is a quick, low

cost way of improving the quality of your own analysis. (However, once you sit down to complete an *Individual Deliverable* for a grade, what you write should be in your own wording, your own emphasis, even if all of the ideas did not originate with you.)

- Do not disagree with facts, but do “read between the lines” and question the judgments and opinions of people portrayed or quoted in the case. Sometimes what is stated as fact is really an opinion.
- Wherever possible apply the concepts discussed in class to the case. Try to “read between the lines” of the data to better understand the situation. For instance, if data from a consumer survey is given, apply the concepts from consumer behavior and survey design to obtain a better understanding of the data.
- Do not be afraid to make some reasonable assumptions if specific data is not available. If you need to know the salary of salesmen (or a telephone interviewer) for a given firm to analyze a case and this data is not available, assume a salary that seems reasonable. You will often find that the particular decision is not all that sensitive to your assumption.
- Your objective is to learn by exploration, discussion, and argument (in a logical a framework as possible). There are no clear-cut solutions, no black-and-white answers. The actions of managers described in the cases may or may not illustrate good handling or marketing problems or assignments, good analysis of relevant data, etc. You must decide between good and bad.
- Often you will want further information and data in attacking a case. Managers themselves, however, often do not have such information and one of the things a marketer must learn is how to operate as effectively as possible with imperfect information. Then, too, even when more material would be available subsequently, as a result of research of other sources, there are countless times when a manager must analyze a situation and try, in effect, to arrive at a tentative decision just to find out if it is worthwhile or desirable to go ahead to the point of doing further searching. This is not to say that a recommendation of further information-gathering is never acceptable; this, however, should not be used as an excuse for not grappling with the problem or completely analyzing the data you have. If you ever do recommend further research, make sure you specify what information you desire, how it can be obtained, and how its availability will improve your decision-making.
- Often in the case situation you have a role to play, (i.e., you are asked to take the viewpoint of some person inside or outside the case situation). To play this role you must super-impose on the information given in the case the real-life constraints you imagine the individual you are portraying would be under. You must not ever use the word “case” in your report. You must concern yourself not only with what you say but how you say it. You must advise the reader of the report of information that you know, but that he may not be aware of. Alternatively, you need not state information (such as history of the company) of which he is aware. One related point, if the case takes place in a particular

time period (e.g., 1980) you cannot bring into discussion knowledge of future events, like the impact of Internet in 2000. As part of this role-playing, you bring to bear the knowledge and expertise that a manager in the related real life situation could be expected to possess.

Case Analysis Steps

There is no single best method for analyzing a case. However, the following steps are suggested.

Look for the Problem(s). After thoroughly acquainting yourself with the data provided in the case, identify the problem facing the organization. A problem may be defined as a condition in which certain goals or objectives are either not likely to be met or have not been met. Identifying the problem may not be a simple task because the objectives may be spelt out imperfectly or there may be conflicting goal statements.

Ascertain Alternatives. After identifying the problem, spend some time thinking about the various alternatives (short and long run) available to the organization. Note that it is frequently easy, and incorrect, to define the problem as a choice between two alternatives (e.g., should the firm advertise or hire more salespeople?) There are typically more than two alternatives -- don't restrict the set of opportunities at an early stage. Once alternatives are defined, no matter how imprecisely, you can list the pro's and con's of each alternative. This may help you revise the alternatives.

Define the Crucial Issues. The crucial issues are those conditions which affect the feasibility of the various alternatives. They serve as organizing points around which facts can be grouped, and deductions drawn. They become the bases by which the suitability of various alternatives can be addressed. The number of specific issues will vary from case to case, and can be grouped or subdivided according to your judgment. Generally, the issues will involve market research principles and how they relate to the managerial problem (i.e., how they relate to revenues, costs, profits, the motivation and behavior of buyers, channel behavior, competitive reaction, the state of the economy and the industry and the resources available to the organization).

It is insufficient to simply state crucial issues and facts related to these issues. The analysis really consists of the deductions and inferences drawn from these facts as they relate to the issues and to the alternatives. This is the core of the task, and the student must develop a sound and logical set of arguments.

Recommendations. The recommendations may be regarded as consisting of two parts. The first is a conclusion indicating which of the alternative paths of action the organization should follow. In general, this will involve a weighting of the decisions drawn from the analysis of crucial issues. Note that the analysis will seldom indicate that every crucial issue points to the same alternative as being "best." The evidence will typically be contradictory. For example, profits may be higher, but also risk. The conclusions must weight the importance of these elements with respect to the alternatives and the organizations objectives.

The second part of the recommendations consists of a plan to implement the selected alternative.

Here, details regarding how the strategy is to be followed should be developed. Care should be given to note the importance of each recommendation and its timing with in the implementation stage. Make sure the recommendations flow from the analysis, and that the rationale can be supported from the data in the case.

Developing Generalizations. While the major purpose of the case system is to develop the students analytical abilities, it also creates a vicarious experience with the real world. To capitalize upon this experience, the student should seek to develop generalizations from cases concerning the opportunities of organizations to follow specific strategies in certain situations. Be alert to testing them in new situations and to determine the range of circumstances in which they may be valid.

Tips.

1. Do not restate facts from the case. You can assume the reader is familiar with the case material. For example, a question asking you to assess the market conditions should not be answered by the statement: “Demand is growing at 25% a year.”
2. Instead, discuss how the information in the case relates to the decision-making situation. For example, “Demand is growing at 25% per year which suggests that aggressive pricing may not be necessary.”
3. Discuss the information critically. Read between the lines. For example, should you believe rumors about the low price bid by competitors?
4. State any assumptions.
5. If you must make an assumption, ask yourself how that assumption affects the outcome of the analysis. If the assumption is critical to your analysis, you should justify it and discuss how your analysis changes if the assumption is violated. For example, if you assume that the firm will not have other opportunities to bid on contracts, then utilization of plant capacity (and attendant fixed costs) becomes an issue. Explain and justify the assumption about other potential bids.
6. Your case analysis will lead to a recommendation. The recommendation is usually in the form of an “executive summary” that outlines and synthesizes the key points of the case.
7. The recommendation should clearly address the managerial decision problem. For example, if management faces a pricing problem, state a specific price plus any other short and long run recommendations (e.g., extending the product line).
8. Present the pro’s and con’s of your recommendation clearly and concisely. It shouldn’t be necessary to amplify on these a great deal in the recommendations because the reader can refer to the main body of your analysis for details.
9. In your recommendation, it will be necessary to explain why some factors were more

important than others in leading to your recommendation.