

THE COMPUTERIZED CASE STUDY: AN APPLICATION OF NEEDED PEDAGOGY FOR MARKETING

Brenda Moscové, Robert Fletcher, and Dennis Guseman
School of Business and Public Administration, California State College, Bakersfield

ABSTRACT

The utilization of computers in the business world as part of the decision-making process necessitates the integration of computer applications with the case method in order to provide a realistic learning experience for marketing students. Moreover, students must progress from the technical proficiency of data entry to data interpretation and problem solving in order to be effective decision makers. This paper presents a specially designed case, based upon an actual business experience, that can be utilized for classroom discussion to provide a learning tool for integrating marketing theory and computer techniques with effective decision making and implementation.

INTRODUCTION

The role of the case method in teaching marketing decision-making skills through experience in relating marketing theory to actual business practice has been extensively discussed and widely accepted (Corey 1981; Cravens 1983; Dalrymple 1983; Star 1977; Kotler 1984; Lamb 1985; Wrenn 1984; McCarthy 1984; Hinkle 1984). In 1983, the Harvard Business School Case Services provided four different directories of cases for use in marketing instruction (Wrenn 1984). The pedagogy involves theoretical, technical, and analytical inputs, as well as conceptual, attitudinal, and interpersonal ones. The tasks involved are: problem/opportunity identification, data gathering and interpretation, strategy formulation, decision making, and implementation. The overall outcome desired is competent decision making.

However, to make the case method a valuable experience for students to develop decision-making skills, it is necessary that the cases be realistic. The utilization of computers in the business world as part of the decision process necessitates the integration of computer applications with the case method. Getting students over the psychological block of using the computer (Fuhrer 1980) and carrying them from the technical aspects of data entry into data interpretation and problem solving are logical extensions of the case approach. However, the problem of obtaining such cases is similar to the problem facing Harvard Business School in the 1920s (Corey 1981) when materials had to be developed by faculty members in cooperation with marketing managers to approximate the kinds of problems encountered in real-life situations.

To address the problem of the shortage of cases bridging the gap between marketing theory and computer techniques to produce the desired

outcomes, this paper presents a specially designed case that can be easily utilized for classroom instruction.

THE BLAST COLA CASE

The Blast Cola Case presents a problem-solving situation designed to meet the current needs of marketing instructors, particularly for the graduate marketing management and policy courses, by combining the case method with computer applications. The case is designed to motivate students through the utilization of actual data derived from a real-life marketing research study. Teaching objectives are to provide interaction with a computer terminal, to enhance analytical and interpretive skills, to foster communication skills through written and oral reports of the findings, and to sharpen interpersonal management abilities through a consulting team approach.

Students will utilize SPSS to analyze the data. Four SPSS crosstab programs are provided to analyze the data. Depending upon the computer capabilities of the case user, students may be able to type in desired crosstab relations without altering the programs. Four data files are also included with the case. Each of these files follows standard SPSS format specifications and is related to one of the crosstab programs. For those institutions subscribing to BITNET, these programs and data files can be transmitted via this system. In other instances, computer tapes or PC diskettes are means of transmitting the information to case users.

Copies of the case, TV story board, computer data, teaching note, and instructions for implementing the case assignment may be obtained from the authors. A condensed version of the case and selected exhibits follow accompanied by highlights of the authors' experiences in using the case in the classroom.

BLAST COLA: A MARKETING AND POLICY CASE STUDY

The Company and Environment

Although the case is adapted from an actual business problem, the names of the individuals, companies, cities, industry and products are fictitious or have been changed. Industry information has been adjusted to fit the context of the case. Therefore, the information presented does not represent the characteristics of the soft drink industry but is supplied merely to establish parameters for the case.

The R & F Food and Beverage Company, a subsidiary of a large publicly held corporation, marketed Blast Cola, a carbonated nondiet soft drink for

more than twenty years. Blast Cola is the second best-selling brand in the nondiet cola market which is dominated by Bright Cola with a 55 percent market share. Blast Cola has an 8 percent share and the rest of the market is split primarily among 8 competitors with individual market shares of less than 5 percent. Overall, colas account for more than 63 percent of the U.S. soft drink market.

Blast Cola has not aggressively been marketed because R & F Food and Beverage Company traditionally concentrated on its food products as a primary revenue source. However, overall profits have steadily declined, and the stockholders are demanding an increase in earnings per share. The company still enjoys a favorable financial position, however.

Overall, marketing policy is set at the national headquarters for R & F Food and Beverage Company located in San Francisco. Mr. Jones, the Vice President of Marketing, joined the company three years ago. Mr. Jones has established a career record of success in marketing food and other consumer products for large companies. The advertising, sales, promotion, distribution and other marketing policies and strategies are established within the headquarters. Mr. Jones is primarily responsible for these strategic decisions and for results achieved.

A regional Marketing Manager is charged with implementing those policies and is accountable for the outcome in his/her geographic area. The company has developed a distribution system that places Blast Cola in most outlets where the main competitor, Bright Cola, is sold.

Creative Advertising Agency, located in Los Angeles, has handled the advertising account for Blast Cola and several food products marketed by R & F Food and Beverage Company for seven years. The advertising agency is recognized for its expertise in consumer products marketing. Mr. Sala is the account executive. He maintains an excellent rapport with his clients. However, Creative Advertising Agency was recently purchased by one of the leading international advertising agencies, and Mr. Sala finds that he has a difficult time balancing his time between serving his clients and learning (and speculating) about new company policy.

The Advertising Campaign

Creative Advertising Agency designed a new advertising campaign for Blast, primarily relying on TV commercials with print advertising co-op support at the retail level. Point-of-Purchase and other promotional materials and channel incentives were also integrated into the overall campaign.

The TV commercial (story board provided in instructional packet) is typical of the campaign theme "BLAST-OFF WITH BLAST." The animated clown played a key role in moderately successful Blast commercials five years ago and has appeared in other Blast ads on a sporadic basis. The Blast can has been redesigned. Its color is

silver to avoid confusion with Bright Cola's red can.

Creative Advertising Agency has relied heavily on "forced exposure" to pre-test television commercials for the past decade. In "forced exposure" tests, a consumer sample is assembled in a theater to view new TV commercials in the context of a television program. The viewers are asked to indicate their brand preferences in certain product categories before and after the showing. Their opinions are measured against a standard and the ad being tested is assigned a rating to indicate whether or not it will be effective. The viewers are offered an incentive for their participation.

The "forced exposure" ratings for the new Blast TV commercial were exceptionally high. The agency, particularly Mr. Sala, wants to proceed with the campaign on a nationwide basis. Intensive TV advertising in major metropolitan areas supported by other activities should dramatically boost Blast's market share. The target date for launching the campaign is September.

The Pretest and the Posttest

As a final precaution before authorizing the national campaign, Mr. Jones decided to test the campaign further. He wanted results within a two-month period at minimal costs. Therefore, he selected Bakersfield, California, as the city in which to test the campaign. The city has served as a test market for a growing number of consumer products primarily because of its geographic location and demographic characteristics. Furthermore, distribution can be closely monitored and media costs are lower compared to major metropolitan areas.

Mr. Jones placed the Regional Sales Manager for Blast Cola, Mr. Sandoval, in charge of seeing that the product was readily available in Bakersfield retail outlets and that sales support activities were properly executed. Mr. Jones also reviewed sales figures for Blast and Bright Cola in the Bakersfield area for the past year. Mr. Sandoval purchased prime-time, day-time, and early fringe-time commercial time on the three TV channels in the Designated Market Area. The TV media buys exceeded the gross-rating point standards for intensive saturation during the six-week flight. Local newspaper space was also purchased.

Mr. Jones hired professional consultants from Market Profiles International to design and implement a pretest and posttest survey. The major objectives of the survey were to measure advertising awareness and recall levels for Blast Cola in the Bakersfield area before and after the wave of Blast Cola advertising. Mr. Jones and the consultants agreed that advertising effectiveness could be determined by comparing changes in advertising and brand awareness and recall levels of household food shoppers purchasing cola soft drinks in the posttest to results of the pretest. Additional objectives were to measure household purchasing patterns for cola soft drinks compared to selected beverages, to obtain

attribute ratings for the two leading cola brands, and to gather other generic or competitive information for Blast, Bright, and other colas.

The questionnaire and research methodology were developed by the consultants with participation and approval from Mr. Jones. Mr. Jones was really only interested in comparing Blast Cola to Bright Cola because of the market dominance of Bright.

A primarily closed-ended questionnaire (See Figure 1) was developed to accomplish the project objectives. Two demographic characteristics, sex and length of residence were included. Length of residence was used in the posttest to ensure that the respondent had lived in Bakersfield during the months the campaign was tested. Age was added by the consultants to the posttest survey although Mr. Jones really did not care about additional demographic information. He wanted to keep the survey "short and simple." The survey form screened respondents into two groups, cola soft drink purchasers and nonpurchasers. Only purchasers of cola soft drinks were asked to respond to the entire set of questions.

The sample was limited to pretest and posttest telephone surveys of the Bakersfield market. The local telephone book was used for random selection of listed telephone numbers. The target number was set at 200 completed interviews from cola soft drink purchasers for each test - the pretest and the posttest.

Experienced telephone interviewers administered the questionnaires and recorded the results. Calls were made from 10 a.m. to 8 p.m. on the assigned days for the pretest (the two weekdays in May directly prior to the campaign) and posttest (the two weekdays in June) directly following the end of the wave). Once the households were contacted, respondents were screened for the household food shopper. The interviewing and recording processes were closely monitored by the consultants.

The data can be obtained from the computer using the SPSS Package. Variable lists, names of programs, and matching data files are provided for the user.

Assignment

As the consulting group assigned to the project by Market Profiles International, prepare a written report of the findings to submit to Mr. Jones. Also, be prepared for an oral presentation of your findings and recommendations at a meeting to be attended by Mr. Jones, Mr. Sala, and Mr. Sandoval.

CLASSROOM EXPERIENCES USING THE BLAST COLA CASE

The case was assigned to five groups of MBA candidates taking the CSB graduate course, Seminar in Marketing Management, during Fall Quarter, 1985. Because of the advanced course level, the

authors purposely omitted a detailed listing of questions at the end of the case. However, for use in undergraduate marketing courses, instructors may wish to define the procedures and problems in more detail.

The overall problem for the students is to determine whether the results from the pretest and posttest awareness and recall surveys justify extending the campaign to a national level. The data from the two surveys showed minimal change at best. The students had a difficult time accepting these flat results. When first manipulating the data, some were convinced the data were wrong--there should be positive results. Others meticulously examined each figure and ran meaningless cross-tab comparisons trying to discern some favorable results in the data. After working with the data over a three-week period and asking questions about their output, they began to understand how to compare and interpret the information. However, two groups displayed a tendency to go beyond the scope of the problem. The final analyses produced the correct overall interpretation of the results. While many of the students were disappointed to find no significant change in awareness and recall levels, they learned to correctly interpret data and present findings through their oral and written presentations. The informal, round-table discussion led to several vigorous debates about the merits of various interpretations and presentation styles. The instructor was able to identify leaders, followers, and interpersonal strengths and problems. Subsequent class periods were spent discussing how to more effectively present ideas and how to effectively manage work teams which are both important factors for managers.

Two of the written reports attained professional quality. Two reports were poorly organized and suffered from lack of clarity even though the conclusions were basically correct. One paper lacked sufficient documentation to make the resulting recommendation credible. The positive and negative factors of the written papers were highlighted by the instructor and discussed with the students. After the oral and written presentations and critique sessions, the students seemed to understand the differences between the good and average work.

During the entire process the students questioned the various research techniques used and the advisability of carrying out the project within the parameters set by Mr. Jones. The case seemed to stimulate participation, enthusiasm, and controversy. It proved to be a useful learning device to expand the analytical and interpretive skills of the students beyond the technical aspects of data gathering and input.

Figure 1

Soft Drink Awareness Questionnaire

Screen to make certain you are talking to household food purchaser.

WRITE IN

A. How long have you lived in Bakersfield?
 _____ Years _____ Months

B. DO NOT ASK RESPONDENT BUT PLEASE INDICATE THE RESPONDENT'S SEX.
 MALE _____ FEMALE _____

1. Which of the following products have you purchased in the last month or so?
 READ TO EACH RESPONDENT

X AS NEEDED FOR EACH PRODUCT

Lemonade _____	Prune Juice _____
Orange Juice _____	Tomato Juice _____
Milk _____	Cola Soft Drinks _____

IF THE RESPONDENT HAS NOT PURCHASED COLA SOFT DRINKS, TERMINATE THE INTERVIEW.

2. When you think of cola soft drinks, what brand comes to mind?
 DO NOT READ TO RESPONDENT

X ONE ONLY

Blast Cola _____
Bright Cola _____
Other (Specify) _____
No Answer _____

IF #2 WAS "NO ANSWER," GO TO QUESTION 4.

3. Can you name any other brands of cola soft drinks?
 DO NOT READ TO RESPONDENT

X ONE ONLY

Blast Cola _____
Bright Cola _____
Other (Specify) _____
No Answer _____

4. The last time you purchased cola soft drinks, what brand did you buy?
 DO NOT READ TO RESPONDENT

X ONE ONLY

Blast Cola _____
Bright Cola _____
Other (Specify) _____
No Answer _____

5. Have you seen or heard advertising for any brands of cola soft drinks during the last few weeks?

X ONE ONLY
 Yes _____
 No _____

ASK #6 AND #7 ONLY IF #5 WAS "YES".

6. Which cola brands were advertised?
 DO NOT READ TO RESPONDENT

X AS NEEDED

Blast Cola _____
Bright Cola _____
Other (Specify) _____
No Answer _____

7. What did the advertising say or show for each cola brand you mentioned?

X EACH COLUMN AS NEEDED FOR THE BRANDS MENTIONED IN #6

	<u>Blast</u>	<u>Bright</u>	<u>Other</u>
--	--------------	---------------	--------------

I don't know, can't remember _____	_____	_____	_____
Taste, Flavor _____	_____	_____	_____
New Can _____	_____	_____	_____

Red Can _____	_____	_____
Two cans (comparison) _____	_____	_____
Nationwide test; preferred _____	_____	_____
Something new _____	_____	_____
Animated clown _____	_____	_____
Other (WRITE IN) _____	_____	_____

8. On a scale of 1-10, with 10 being the "very best," how would you rate the following brands with regard to

READ WORDS IN LEFT COLUMN FOR EACH BRAND.
 WRITE IN NUMBER GIVEN FOR EACH BLANK OR N.A.
 (NO ANSWER)

	<u>Blast Cola</u>	<u>Bright Cola</u>
Taste, Flavor _____	_____	_____
Carbonation Level _____	_____	_____
Good Value for Price _____	_____	_____

ASK #9 ONLY IF THE RESPONDENT DID NOT MENTION "BLAST COLA" IN #2 - 7.

9. Had you ever heard of Blast Cola before I just mentioned the brand?

X ONE ONLY
 Yes _____ No _____

10. As our last question, would you tell me your age? (This question only asked on second survey)

WRITE IN AGE _____ years

REFERENCES

Corey, E. Raymond; Christopher Lovelock; and L. Scott Ward (1981), Manual, Problems in Marketing, New York: McGraw-Hill Book Company, 1-18.

Cravens, David W. and Charles W. Lamb, Jr. (1983), Strategic Marketing Cases and Applications, Homewood: Richard D. Irwin, Inc., ix-44.

Dalrymple, Douglas J. and Leonard J. Parsons (1983), Marketing Management Strategy and Cases, New York: John Wiley & Sons, vi-vii.

Fuhrer, David and Philip Schary (1980), "Markmix: A Tool for Teaching Market Response," Journal of Marketing Education, San Jose: Stephen H. Achtenhagen, No. 4 (Fall), 94.

Hinkle, Charles L. and Esther F. Stineman (1984), Cases in Marketing Management, Englewood Cliffs: Prentice-Hall, Inc., ix-xv.

Kotler, Philip (1984), Marketing Essentials, Englewood Cliffs: Prentice-Hall, Inc. xv-xix.

Lamb, Charles W., O.C. Terrell, and William M. Pride (1983), Marketing Cases, Boston: Houghton Mifflin Company, vii-viii.

McCarthy, E. Jerome, John F. Grashof, and Andrew A. Brogowicz (1984), Readings and Cases in Basic Marketing, Homewood: Richard D. Irwin, Inc., vii-ix.

Star, Steven H., Nancy J. Davis, Christopher W. Lovelock, and Benson P. Shapiro (1977), Problems in Marketing, New York: McGraw-Hill Book Company, vii-5.

Wrenn, Bruce (1984), Manual, Marketing, Management, Englewood Cliffs: Prentice-Hall, Inc., vii-viii.