

SUPPLEMENTAL CASE TEACHING NOTES: INTEGRATING SPREADSHEET TOOLS FOR STRATEGIC MARKETING ANALYSIS

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ABSTRACT

Supplemental teaching notes for marketing management case studies are presented. The teaching note supplements are in the form of spreadsheets that enable instructors and students to apply the strategic marketing analysis tools of market attractiveness assessment, customer profiling, competitor strength assessment, brand positioning, business opportunity portfolio classification and financial modeling.

INTRODUCTION

The purpose of the paper is to share supplemental teaching notes for three marketing management cases based on a spreadsheet-based analysis tool pack that can be used for other cases or projects. The supplements provide useful resources for integrating several strategic marketing analysis tools into the case instruction. The spreadsheets also enable investigation of the effects of marketing decisions.

BACKGROUND

Communication skill, appearance, work experience, goals, co-curricular activities, company/industry knowledge, recommendations, scholastic record, practical managerial skills, application, computer competency, initiative, risk-taking, customer orientation, interpersonal and leadership skills are factors influencing hiring decisions. Comprehension of marketing principles, ability to analyze buyers, ability to conduct and use marketing research, and ability to develop, implement and evaluate marketing campaigns/strategies were identified as specifically desired marketing student outcomes. Critical thinking skill is an overarching learning outcome expected of business graduates.

Case-based instruction has been widely used in business education for decades to help achieve these outcomes. Case studies provide students the opportunity to put themselves in the shoes of a decision maker and gain familiarity and confidence in applying their knowledge. Cases add realism and active learning to the classroom. However, cases do not adequately reflect the real dynamics of live, in-the-moment decision making. They may present a situation as though it were neatly packaged when it is definitely not.

Strategic Marketing Analysis Tools

A number of tools are useful in aiding strategic marketing decisions. Assessing market attractiveness can be facilitated through market segmentation, customer profiling, business environment scenario construction and market attractiveness rating schemes. Brand positioning maps and competitor strength rating schemes are useful for assessing competitive strength. The Market Attractiveness - Business Strength Portfolio Grid is useful in the context of comparing multiple opportunities. Pro forma financial modeling is also an important tool.

THE TEACHING NOTE SUPPLEMENTS

The teaching note supplements have been successfully used in an advanced marketing class in a part-time MBA program at an AACSB accredited business school in the Northwest. The class provides experience in strategic marketing decision-making. The course uses case studies and a live-case field project as learning activities.

Analysis Tool Pack

A series of worksheets provide the strategic analysis tools which can be applied by students and instructors to cases, projects, or other business decision-making situations. Two versions of a schema for assessing market attractiveness are provided. The first provides the opportunity to select from a comprehensive array of attractiveness factors. In this approach, students would decide which factors are relevant to the analysis, apply factor importance weights and then provide attractiveness ratings for the range of business opportunities on those factors. The second is a simplified version of that scheme.

The second worksheet enables students to develop a product-market grid of market segments. Students can then develop a customer profile for a selected target market according to a series of prompts about the who, what, when, where and why of purchasing.

The third worksheet provides a competitive strength assessment framework. Students can select from a comprehensive list of possible competitive strength factors, supply importance weights and competitor ratings. Alternatively, a Critical Success Factors Grid approach may be developed.

The development of brand positioning maps is performed using the next worksheet in the file. Both a value map and an attribute based positioning map are available.

The next worksheet provides students a Directional Policy Matrix on which business opportunities may be compared.

The final worksheet provides a pro forma income statement using a net marketing contribution approach. Revenues are driven by market size and share estimates. Gross profits are calculated which is then reduced by marketing expenses to find the net contribution from marketing.

Frigidaire

This case centers on the development and national launch of a new front-loading washing machine. The customer profile worksheet gives students the opportunity to estimate purchase criteria priorities of the segments in the case. Students can then sort or construct pivot tables to aid in selecting markets. Brand positioning diagrams are generated from the students' input. Students are asked to input estimates of the markets' ideal points as well as estimated brand perceptions for many product attributes. The net marketing contribution worksheet explicitly draws attention to the factors that contribute to determining their estimated input values.

West Point Market

An upscale, specialty grocery store in the Akron Ohio marketplace is the focus of this case. The management team is working with the owner/entrepreneur to decide whether to expand the store's line

of “signature products” to include in-store baked artisan breads or to establish a separate franchise baking venture that would be a wholesale supplier to local restaurants and institutions. The supplemental case note spreadsheets provide the capabilities mentioned above as they apply to this case. The competitor assessment spreadsheet includes both the retail and the wholesale sectors. The pro forma spreadsheet provides for side-by-side comparison of the three decision options (including the “status quo”). It includes internal and external benchmarking data from the store, the industry and the region. This pro forma presents a more nuanced model of market size that is driven by market and demand characteristics. A five-year pro forma income statement extension is also available.

Electrohome

This case centers on a series of decisions made by a supplier of video projection devices and its competitors, revealing a pattern of competitive behavior and response. The spreadsheets for this case start with an opportunity to project the direction the markets are headed and to project the actions of the major competitors. A special feature of the net marketing contribution analysis spreadsheet is the incorporation of a decision payoff tree approach. The net marketing contribution of the focal company is modeled as dependent on the competitive response of the other firms.

CONCLUSION

Most advanced marketing management courses emphasize strategic marketing decision making and utilize cases as a major pedagogical element. Providing an easy to use spreadsheet-based set of analytical tool frameworks is a means of fostering the habit among students of applying the various tools of strategic marketing analysis. The spreadsheets described in this paper are offered as a set of supplemental teaching notes that instructors can use for these three cases and, more broadly, for other cases or live-case projects with only a modest amount of adaptation.

Over the time that the author has employed these tools one important insight students have obtained is that these frameworks are useful for structuring management’s thinking. They learn that the frameworks cause management to wrestle with underlying presumptions about business situations. These presumptions are forced onto the discussion table which can help managers make better decisions and communicate more effectively with each other. The students’ tendency to be dismissive of rating systems as too artificial and their tendency to look past important underlying factors is also reduced.

The question of requiring students to develop these frameworks on their own merits some consideration. The author’s experience with part-time MBA students suggests strongly that the advantage of providing these tools to them is that they are much more willing to actually give the tools a try than if they had to take the time to develop them on their own. This seems to far outweigh the drawback of not building modeling skills. Of course, if developing modeling skills is an important learning outcome for a program, instructors might want to only show these tools or use them for their own preparation for case discussions, expecting students to follow their lead and develop the frameworks on their own.

REFERENCES

Available upon request