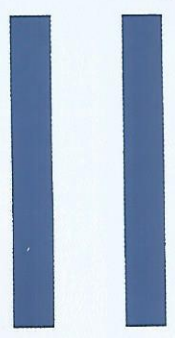


Section



Analyzing Marketing Problems and Cases

Case studies are designed to help bridge the gap between classroom learning and the practice of marketing management. They are designed to accomplish five things:

1. Increase your understanding of what managers should and should not do in guiding a business to success.
2. Build your skills in sizing up company resource strengths and weaknesses and in conducting strategic analysis in a variety of industries and competitive situations.
3. Get valuable practice in identifying strategic issues that need to be addressed, evaluating strategic alternatives, and formulating workable plans of action.
4. Enhance your sense of business judgment.
5. In-depth exposure to different industries and companies, thereby acquiring something close to actual business experience.

Source: Arthur A. Thompson, Margaret A. Peteraf, John E. Gamble, and A. J. Strickland III, *Crafting and Executing Strategy*, 19th ed. (Burr Ridge, IL: McGraw-Hill, 2014), p. CA2.

The use of business cases was developed by faculty members of the Harvard Graduate School of Business Administration in the 1920s. Case studies have been widely accepted as one effective way of exposing students to strategic marketing processes.

Basically, cases represent detailed descriptions or reports of business situations. They are often written by a trained observer who was actually involved in the firm or organization and had some dealings with the problems under consideration. Cases generally entail both qualitative and quantitative data that the student must analyze to determine appropriate alternatives and solutions.

The primary purpose of the case method is to introduce a measure of realism into marketing management education. Rather than emphasizing the teaching of concepts, the case method focuses on application of concepts and sound logic to real-world business problems. In this way, students learn to bridge the gap between abstraction and application and to appreciate the value of both.

The primary purpose of this section is to offer a logical format for the analysis of case problems. Although there is no one format that can be successfully applied to all cases, the following framework is intended to be a logical sequence from which to develop sound analyses. This framework is presented for analysis of comprehensive marketing cases; however, the process should also be useful for shorter marketing cases, incidents, and problems.

A CASE ANALYSIS FRAMEWORK

A basic approach to case analysis involves a four-step process. First, the problem is defined. Second, alternative courses of action are formulated to solve the problem. Third, the alternatives are analyzed in terms of their strengths and weaknesses. And fourth, an alternative is accepted and a course of action is recommended. This basic approach is quite useful for students well versed in case analysis, particularly for shorter cases or incidents. However, for the newcomer, this framework may be oversimplified. Thus, the following expanded framework and checklists are intended to aid students in becoming proficient in case and problem analysis.

1. Analyze and Record the Current Situation

Whether the analysis of a firm's problems is done by a manager, student, or paid business consultant, the first step is to analyze the current situation. This does not mean writing up a history of the firm but entails the type of analysis described in the following sections. This approach is useful not only for getting a better grip on the situation but also for discovering both real and potential problems—central concerns of any case analysis.

Phase 1: The Environment

The first phase in analyzing a marketing problem or case is to consider the environment in which the firm is operating. The environment can be broken down into a number of different components such as the economic, social, political, and legal areas. Any of these may contain threats to a firm's success or opportunities for improving a firm's situation.

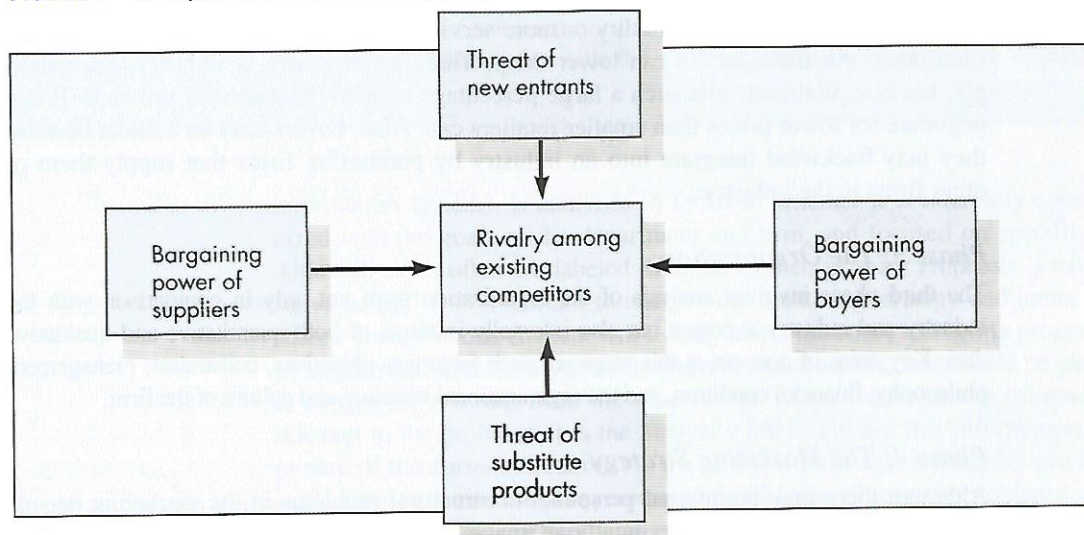
Phase 2: The Industry

The second phase involves analyzing the industry in which the firm operates. A framework provided by Michael Porter includes five competitive forces that need to be considered to do a complete industry analysis.¹ The framework is shown in Figure 1 and includes rivalry among existing competitors, threat of new entrants, and threat of substitute products. In addition, in this framework, buyers and suppliers are included as competitors because they can threaten the profitability of an industry or firm.

While rivalry among existing competitors is an issue in most cases, analysis and strategies for dealing with the other forces can also be critical. This is particularly so when a firm is considering entering a new industry and wants to forecast its potential success. Each of the five competitive forces is discussed next.

Rivalry among Existing Competitors In most cases and business situations a firm needs to consider the current competitors in its industry in order to develop successful strategies. Strategies such as price competition, advertising battles, sales promotion offers, new product

FIGURE 1 Competitive Forces in an Industry



Source: Adapted from Michael E. Porter, "Industry Structure and Competitive Strategy: Keys to Profitability," *Financial Analysts Journal*, July–August 1980, p. 33.

introductions, and increased customer service are commonly used to attract customers from competitors.

To fully analyze existing rivalry, it is important to determine which firms are the major competitors and what are their annual sales, market share, growth profile, and strengths and weaknesses. Also, it is useful to analyze their current and past marketing strategies to try to forecast their likely reactions to a change in a competitive firm's strategy. Finally, it is important to consider any trends or changes in government regulation of an industry or changes in technology that could affect the success of a firm's strategy.

Threat of New Entrants It is always possible for firms in other industries to try to compete in a new industry. New entrants are more likely in industries that have low entry barriers. *Entry barriers* include such things as a need for large financial resources, high brand equity for existing brands in an industry, or economies of scale obtained by existing firms in an industry. Also, existing firms in an industry may benefit from experience curves; that is, their cumulative experience in producing and marketing a product may reduce their per-unit costs below those of inexperienced firms. In general, the higher the entry barriers, the less likely outside firms are to enter an industry. For example, the entry barriers for starting up a new car company are much higher than for starting up an online software company.

Threat of Substitute Products In a broad sense, all firms in an industry compete with industries producing substitute products. For example, in cultures where bicycles are the major means of transportation, bicycle manufacturers compete with substitute products such as motor scooters and automobiles. Substitutes limit the potential return in an industry by placing a ceiling on the prices a firm in the industry can profitably charge. The more attractive the price–performance alternative offered by substitutes, the tighter the lid on industry profits. For example, the price of candy, such as Raisinets chocolate-covered raisins, may limit the price that can be charged for granola bars.

Bargaining Power of Suppliers Suppliers can be a competitive threat in an industry because they can raise the price of raw materials or reduce their quality. Powerful suppliers can reduce the profitability of an industry or firm if companies cannot raise their prices to cover price increases by suppliers. Also, suppliers may be a threat because they may forward integrate into an industry by purchasing a firm that they supply or other firms in the industry.

Bargaining Power of Buyers Buyers can compete with an industry by forcing prices down, bargaining for higher quality or more services, and playing competitors off against each other. All these tactics can lower the profitability of a firm or industry. For example, because Walmart sells such a large percentage of many companies' products, it can negotiate for lower prices than smaller retailers can. Also, buyers may be a threat because they may backward integrate into an industry by purchasing firms that supply them or other firms in the industry.

Phase 3: The Organization

The third phase involves analysis of the organization itself not only in comparison with the industry and industry averages but also internally in terms of both quantitative and qualitative data. Key areas of concern at this stage are such factors as objectives, constraints, management philosophy, financial condition, and the organizational structure and culture of the firm.

Phase 4: The Marketing Strategy

Although there may be internal personnel or structural problems in the marketing department that need examination, typically an analysis of the current marketing strategy is the next phase. In this phase, the objectives of the marketing department are analyzed in comparison with those of the firm in terms of agreement, soundness, and attainability. Each element of the marketing mix as well as other areas, such as marketing research and

A common criticism of prepared cases goes something like this: "You repeated an awful lot of case material, but you really didn't analyze the case." Yet, at the same time, it is difficult to verbalize exactly what *analysis* means—that is, "I can't explain exactly what it is, but I know it when I see it!"

This is a common problem since the term *analysis* has many definitions and means different things in different contexts. In terms of case analysis, one thing that is clear is that analysis means going beyond simply describing the case information. It includes determining the implications of the case information for developing strategy. This determination may involve careful financial analysis of sales and profit data or thoughtful interpretation of the text of the case.

One way of thinking about analysis involves a series of three steps: synthesis, generalizations, and implications. A brief example of this process follows.

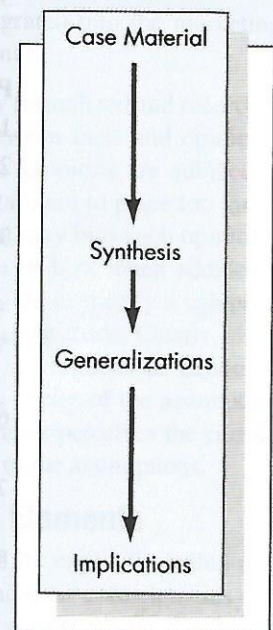
The high growth rate of frozen pizza sales has attracted a number of large food processors, including Pillsbury (Totino's), Quaker Oats (Celeste), American Home Products (Chef Boy-ar-dee), Nestlé (Stouffer's), General Mills (Saluto), and H. J. Heinz (La Pizzeria). The major independents are Jeno's, Tony's, and John's. Jeno's and Totino's are the market leaders, with market shares of about 19 percent each. Celeste and Tony's have about 8 to 9 percent each, and the others have about 5 percent or less.

The frozen pizza market is a highly competitive and highly fragmented market.

In markets such as this, attempts to gain market share through lower consumer prices or heavy advertising are likely to be quickly copied by competitors and thus tend not to be very effective.

Lowering consumer prices and spending more on advertising are likely to be poor strategies. Perhaps increasing freezer space in retail outlets could be effective (this might be obtained through trade discounts). A superior product, for example, better-tasting pizza, microwave pizza, or increasing geographic coverage of the market, may be better strategies for obtaining market share.

Note that none of the three analysis steps includes any repetition of the case material. Rather, they all involve abstracting a meaning of the information and, by pairing it with marketing principles, coming up with the strategic implications of the information.



information systems, is analyzed in terms of whether it is internally consistent, synchronized with the goals of the department and firm, and focused on specific target markets. Although cases often are labeled in terms of their primary emphasis, such as "pricing" or "advertising," it is important to analyze the marketing strategy and entire marketing mix, since a change in one element will usually affect the entire marketing program.

In performing the analysis of the current situation, the data should be analyzed carefully to extract the relevant from the superfluous. Many cases contain information that is not relevant to the problem; it is the analyst's job to discard this information to get a clearer picture of the current situation. As the analysis proceeds, a watchful eye must be kept on each phase to determine (1) symptoms of problems, (2) current problems, and (3) potential problems. Symptoms of problems are indicators of a problem but are not problems in and of themselves. For example, a symptom of a problem may be a decline in sales in a particular sales territory. However, the problem is the root cause of the decline in sales—perhaps the field representative quit making sales calls and is relying on phone orders only.

The following is a checklist of the types of questions that should be asked when performing the analysis of the current situation.

Checklist for Analyzing the Current Situation

Phase 1: The Environment

1. What is the state of the economy and are there any trends that could affect the industry, firm, or marketing strategy?
2. What are current trends in cultural and social values and how do these affect the industry, firm, or marketing strategy?
3. What are current political values and trends and how do they affect the industry, firm, or marketing strategy?
4. Is there any current or pending federal, state, or local legislation that could change the industry, firm, or marketing strategy?
5. Overall, are there any threats or opportunities in the environment that could influence the industry, firm, or marketing strategy?

Phase 2: The Industry

1. What industry is the firm in?
2. Which firms are the major competitors in the industry and what are their annual sales, market share, and growth profile?
3. What strategies have competitors in the industry been using and what has been their success with them?
4. What are the relative strengths and weaknesses of competitors in the industry?
5. Is there a threat of new competitors coming into the industry and what are the major entry barriers?
6. Are there any substitute products for the industry and what are their advantages and disadvantages compared to this industry's products?
7. How much bargaining power do suppliers have in this industry and what is its impact on the firm and industry profits?
8. How much bargaining power do buyers have in this industry and what is its impact on the firm and industry profits?

Phase 3: The Organization

1. What are the objectives of the organization? Are they clearly stated? Attainable?
2. What are the strengths of the organization? Managerial expertise? Financial? Copyrights or patents?
3. What are the constraints and weaknesses of the organization?
4. Are there any real or potential sources of dysfunctional conflict in the structure of the organization?
5. How is the marketing department structured in the organization?

Phase 4: The Marketing Strategy

1. What are the objectives of the marketing strategy? Are they clearly stated? Are they consistent with the objectives of the firm? Is the entire marketing mix structured to meet these objectives?
2. What marketing concepts are at issue in the current strategy? Is the marketing strategy well planned and laid out? Is the strategy consistent with sound marketing principles? If the strategy takes exception to marketing principles, is there a good reason for it?

3. To what target market is the strategy directed? Is it well defined? Is the market large enough to be profitably served? Does the market have long-run potential?
4. What competitive advantage does the marketing strategy offer? If none, what can be done to gain a competitive advantage in the marketplace?
5. What products are being sold? What are the width, depth, and consistency of the firm's product lines? Does the firm need new products to fill out its product line? Should any product be deleted? What is the profitability of the various products?
6. What promotion mix is being used? Is promotion consistent with the products and product images? What could be done to improve the promotion mix?
7. What channels of distribution are being used? Do they deliver the product at the right time and right place to meet customer needs? Are the channels typical of those used in the industry? Could channels be made more efficient?
8. What pricing strategies are being used? How do prices compare with similar products of other firms? How are prices determined?
9. Are marketing research and information systematically integrated into the marketing strategy? Is the overall marketing strategy internally consistent?

The relevant information from this preliminary analysis is now formalized and recorded. At this point the analyst must be mindful of the difference between facts and opinions. Facts are objective statements, such as financial data, whereas opinions are subjective interpretations of facts or situations. The analyst must make certain not to place too much emphasis on opinions and to carefully consider any variables that may bias such opinions.

Regardless of how much information is contained in the case or how much additional information is collected, the analyst usually finds that it is impossible to specify a complete framework for the current situation. At this point, assumptions must be made. Clearly, since each analyst may make different assumptions, it is critical that assumptions be explicitly stated. When presenting a case, the analyst may wish to distribute copies of the assumption list to all class members. This avoids confusion about how the analyst perceives the current situation, and others can evaluate the reasonableness and necessity of the assumptions.

2. Analyze and Record Problems and Their Core Elements

After careful analysis, problems and their core elements should be explicitly stated and listed in order of importance. Finding and recording problems and their core elements can be difficult. It is not uncommon when reading a case for the first time for the student to view the case as a description of a situation in which there are no problems. However, careful analysis should reveal symptoms, which lead to problem recognition.

Recognizing and recording problems and their core elements is most critical for a meaningful case analysis. Obviously, if the root problems are not explicitly stated and understood, the remainder of the case analysis has little merit because the true issues are not being dealt with. The following checklist of questions is designed to assist in performing this step of the analysis.

Checklist for Analyzing Problems and Their Core Elements

1. What is the primary problem in the case? What are the secondary problems?
2. What proof exists that these are the central issues? How much of this proof is based on facts? On opinions? On assumptions?
3. What symptoms are there that suggest these are the real problems in the case?
4. How are the problems, as defined, related? Are they independent or are they the result of a deeper problem?
5. What are the ramifications of these problems in the short run? In the long run?

It is possible that a case could describe a company that is doing everything right and there are no serious problems in it. However, most of the time, analysis of a case will reveal one or more important shortcomings in the organization's marketing strategy. Here is a sample list of mistakes that marketers make that could be in a case.

1. The organization failed to offer products that customers want either because it did no research, did poor research, failed to interpret the research appropriately, or failed to react to it appropriately.
2. The organization underestimated the ability of competitors to gain market share and failed to react appropriately to successful competitive strategies.
3. The organization failed to react appropriately to changes in other aspects of the environment such as social, political, or legal changes.
4. The organization failed to keep up with or underestimated the impact of competitors' innovations in production and product development.
5. The organization did not position its products on dimensions that customers care about.
6. The organization overestimated the likely success of new products because of faulty sales forecasts or wishful thinking.
7. The organization expanded too rapidly into new markets or offered its products in too many outlets in existing markets.
8. The organization failed to raise prices when warranted or raised prices too much or too frequently.
9. The organization offered an inconsistent marketing mix that failed to provide a clear image of the product in the minds of customers.
10. The organization relied on promotion to sell an inferior product.
11. *The organization failed to use the best channels to reach customers.*
12. The organization underestimated the cost of competing effectively in an industry.

3. Formulate, Evaluate, and Record Alternative Courses of Action

This step is concerned with the question of what can be done to resolve the problem defined in the previous step. Generally, a number of alternative courses of action are available that could potentially help alleviate the problem condition. Three to seven are usually a reasonable number of alternatives to work with. Another approach is to brainstorm as many alternatives as possible initially and then reduce the list to a workable number.

Sound logic and reasoning are very important in this step. It is critical to avoid alternatives that could potentially alleviate the problem, but would create a greater new problem or require greater resources than the firm has at its disposal.

After serious analysis and listing of a number of alternatives, the next task is to evaluate them in terms of their costs and benefits. Costs are any output or effort the firm must exert to implement the alternative. Benefits are any input or value received by the firm. Costs to be considered are time, money, other resources, and opportunity costs; benefits are such things as sales, profits, brand equity, and customer satisfaction. The following checklist provides a guideline of questions to be used when performing this phase of the analysis.

Checklist for Formulating and Evaluating Alternative Courses of Action

1. What possible alternatives exist for solving the firm's problems?
2. What limits are there on the possible alternatives? Competence? Resources? Management preference? Ethical responsibility? Legal restrictions?

3. What major alternatives are now available to the firm? What marketing concepts are involved that affect these alternatives?
4. Are the listed alternatives reasonable, given the firm's situation? Are they logical? Are the alternatives consistent with the goals of the marketing program? Are they consistent with the firm's objectives?
5. What are the financial and other costs of each alternative? What are the benefits? What are the advantages and disadvantages of each alternative?
6. Which alternative best solves the problem and minimizes the creation of new problems, given the preceding constraints?

4. Select and Record the Chosen Alternative and Implementation Details

In light of the previous analysis, the alternative is now selected that best solves the problem with a minimum creation of new problems. It is important to record the logic and reasoning that precipitated the selection of a particular alternative. This includes articulating not only why the alternative was selected but also why the other alternatives were not selected.

No analysis is complete without an action-oriented decision and plan for implementing the decision. The accompanying checklist indicates the type of questions that should be answered in this stage of analysis.

Checklist for Selecting and Implementing the Chosen Alternative

1. What must be done to implement the alternative?
2. What personnel will be involved? What are the responsibilities of each?
3. When and where will the alternative be implemented?
4. What will be the probable outcome?
5. How will the success or failure of the alternative be measured?

PITFALLS TO AVOID IN CASE ANALYSIS

Following is a summary of some of the most common errors analysts make when analyzing cases. When evaluating your analysis or those of others, this list provides a useful guide for spotting potential shortcomings.

1. *Inadequate definition of the problem.* By far the most common error made in case analysis is attempting to recommend courses of action without first adequately defining or understanding the core problems. Whether presented orally or in a written report, a case analysis must begin with a focus on the central issues and problems represented in the case situation. Closely related is the error of analyzing symptoms without determining the root problem.

2. *The search for "the answer."* In case analysis, there are usually no clear-cut solutions. Keep in mind that the objective of case studies is learning through discussion and exploration. There is usually no one "official" or "correct" answer to a case. Rather, there are usually several reasonable alternative solutions.

3. *Not enough information.* Analysts often complain there is not enough information in some cases to make a good decision. However, there is justification for not presenting all of the information in a case. As in real life, a marketing manager or consultant seldom has all the information necessary to make an optimal decision. Thus, reasonable assumptions have to be made, and the challenge is to find intelligent solutions in spite of the limited information.

A useful approach to gaining an understanding of the situation an organization is facing at a particular time is called *SWOT analysis*. SWOT stands for the organization's *strengths* and *weaknesses* and the *opportunities* and *threats* it faces in the environment. Here are some issues an analyst should address in performing a SWOT analysis.

POTENTIAL STRENGTHS AND COMPETITIVE ASSETS

- Competencies that are well matched to industry key success factors.
- Ample financial resources to grow the business.
- Strong brand-name image/company reputation.
- Economies of scale and/or learning and experience curve advantages over rivals.
- Other cost advantages over rivals.
- Attractive customer base.
- Proprietary technology/superior technological skills/important patents.
- Strong bargaining power over suppliers or buyers.
- Resources and capabilities that are valuable and rare.
- Resources that are hard to copy and for which there are no good substitutes.
- Superior product quality.
- Wide geographic coverage and/or strong global distribution capability.
- Alliances/joint ventures that provide access to valuable technology, competencies, and/or attractive geographic markets.

POTENTIAL WEAKNESSES AND COMPETITIVE DEFICIENCIES

- No clear strategic vision.
- No well-developed or proven core competencies.
- No distinctive competencies or competitively superior resources.
- Lack of attention to customer needs.
- A product/service with features and attributes that are inferior to those of rivals.
- Weak balance sheet, short on financial resources to grow the firm, too much debt.
- Higher overall unit costs relative to those of key competitors.
- Too narrow a product line relative to rivals.
- Weak brand image or reputation.
- Weaker dealer network than key rivals and/or lack of adequate global distribution capability.
- Lack of management depth.
- Plagued with internal operating problems or obsolete facilities.
- Too much underutilized plant capacity.
- Resources that are readily copied or for which there are good substitutes.

POTENTIAL MARKET OPPORTUNITIES

- Sharply rising buyer demand for the industry's product.
- Serving additional customer groups or market segments.
- Expanding into new geographic markets.
- Expanding the company's product line to meet a broader range of customer needs.
- Utilizing existing company skills or technological know-how to enter new product lines or new businesses.

MARKETING INSIGHT Understanding the Current Situation through SWOT Analysis (continued)

4

- Falling trade barriers in attractive foreign markets.
- Acquiring rival firms or companies with attractive technological expertise or capabilities.
- Entering into alliances or joint ventures to expand the firm's market coverage or boost its competitive capability.

POTENTIAL EXTERNAL THREATS TO A COMPANY'S FUTURE PROFITABILITY

- Increasing intensity of competition among industry rivals—may squeeze profit margins.
- Slowdowns in market growth.
- Likely entry of potent new competitors.
- Growing bargaining power of customers or suppliers.
- A shift in buyer needs and tastes away from the industry's product.
- Adverse demographic changes that threaten to curtail demand for the industry's product.
- Adverse economic conditions that threaten critical suppliers or distributors.
- Changes in technology—particularly disruptive technology that can undermine the company's distinctive competencies.
- Restrictive foreign trade policies.
- Costly new regulatory requirements.
- Tight credit conditions.
- Rising prices on energy or other key inputs.

Source: Arthur A. Thompson, Margaret A. Peteraf, John E. Gamble, and A. J. Strickland III, *Crafting and Executing Strategy*, 19th ed. (Burr Ridge, IL: McGraw-Hill, 2014), p. 95.

4. *Use of generalities.* In analyzing cases, specific recommendations are necessarily not generalities. For example, a suggestion to increase the price is a generality; a suggestion to increase the price by \$1.07 is a specific.

5. *A different situation.* Analysts sometimes exert considerable time and effort contending that "If the situation were different, I'd know what course of action to take" or "If the marketing manager hadn't already fouled things up so badly, the firm wouldn't have a problem." Such reasoning ignores the fact that the events in the case have already happened and cannot be changed. Even though analysis or criticism of past events is necessary in diagnosing the problem, in the end, the present situation must be addressed and decisions must be made based on the given situations.

6. *Narrow vision analysis.* Although cases are often labeled as a specific type of case, such as "pricing," "product," and so forth, this does not mean that other marketing variables should be ignored. Too often analysts ignore the effects that a change in one marketing element will have on the others.

7. *Realism.* Too often analysts become so focused on solving a particular problem that their solutions become totally unrealistic. For instance, suggesting a \$1 million advertising program for a firm with a capital structure of \$50,000 is an unrealistic solution.

8. *The marketing research solution.* A quite common but unsatisfactory solution to case problems is marketing research; for example, "The firm should do this or that type of marketing research to find a solution to its problem." Although marketing research may be helpful as an intermediary step in some cases, marketing research does not solve problems or make decisions. In cases where marketing research is recommended, the cost and potential benefits should be fully specified in the case analysis.

9. *Rehashing the case material.* Analysts sometimes spend considerable effort rewriting a two- or three-page history of the firm as presented in the case. This is unnecessary since the instructor and other analysts are already familiar with this information.

10. *Premature conclusions.* Analysts sometimes jump to premature conclusions instead of waiting until their analysis is completed. Too many analysts jump to conclusions upon first reading the case and then proceed to interpret everything in the case as justifying their conclusions, even factors logically against it.

COMMUNICATING CASE ANALYSES

The final concern in case analysis deals with communicating the results of the analysis. The most comprehensive analysis has little value if it is not communicated effectively. Case analyses are communicated through two primary media—the written report and the oral presentation.

The Written Report

Since the structure of the written report will vary by the type of case analyzed, the purpose of this section is not to present a “one and only” way of writing up a case; it is to present some useful generalizations to aid analysts in case write-ups.

A good written report starts with an outline that organizes the structure of the analysis in a logical manner. The following is a general outline for a marketing case report.

I. Title Page

II. Table of Contents

III. Executive Summary (one- to two-page summary of the analysis and recommendations)

IV. Situation Analysis

A. Environment

1. Economic conditions and trends
2. Cultural and social values and trends
3. Political and legal issues
4. Summary of environmental opportunities and threats
5. Implications for strategy development

B. Industry

1. Classification and definition of industry
2. Analysis of existing competitors
3. Analysis of potential new entrants
4. Analysis of substitute products
5. Analysis of suppliers
6. Analysis of buyers
7. Summary of industry opportunities and threats
8. Implications for strategy development

C. Organization

1. Objectives and constraints
2. Financial condition
3. Management philosophy
4. Organizational structure
5. Organizational culture
6. Summary of the firm’s strengths and weaknesses
7. Implications for strategy development

D. Marketing strategy

1. Objectives and constraints
2. Analysis of sales, profits, and market share

1. Read the case quickly to get an overview of the situation.
2. Read the case again thoroughly. Underline relevant information and take notes on potential areas of concern.
3. Review outside sources of information on the environment and the industry. Record relevant information and the source of this information.
4. Perform comparative analysis of the firm with the industry and industry averages.
5. Analyze the firm.
6. Analyze the marketing program.
7. Record the current situation in terms of relevant environmental, industry, firm, and marketing strategy parameters.
8. Make and record necessary assumptions to complete the situational framework.
9. Determine and record the major issues, problems, and their core elements.
10. Record proof that these are the major issues.
11. Record potential courses of action.
12. Evaluate each initially to determine constraints that preclude acceptability.
13. Evaluate remaining alternatives in terms of costs and benefits.
14. Record analysis of alternatives.
15. Select an alternative.
16. Record alternative and defense of its selection.
17. Record the who, what, when, where, how, and why of the alternative and its implementation.

3. Analysis of target market(s)
4. Analysis of marketing mix variables
5. Summary of marketing strategy's strengths and weaknesses
6. Implications for strategy development

V. Problems Found in Situation Analysis

- A. *Statement of primary problem(s)*
 1. Evidence of problem(s)
 2. Effects of problem(s)
- B. *Statement of secondary problem(s)*
 1. Evidence of problem(s)
 2. Effects of problem(s)

VI. Strategic Alternatives for Solving Problems

- A. *Description of strategic alternative 1*
 1. Benefits of alternative 1
 2. Costs of alternative 1
- B. *Description of strategic alternative 2*
 1. Benefits of alternative 2
 2. Costs of alternative 2
- C. *Description of strategic alternative 3*
 1. Benefits of alternative 3
 2. Costs of alternative 3

VII. Selection of Strategic Alternative and Implementation

- A. *Statement of selected strategy*
- B. *Justification for selection of strategy*
- C. *Description of implementation of strategy*

VIII. Summary**IX. Appendices**A. *Financial analysis*B. *Technical analysis*

Writing the case report entails filling out the details of the outline in prose form. Of course, not every case report requires all the headings just listed and different headings may be required for some cases. Like any other skill, it takes practice to determine the appropriate headings and approach for writing particular cases. However, good case reports flow logically from topic to topic, are clearly written, are based on solid situation analysis, and demonstrate sound strategic thinking.

The Oral Presentation

Case analyses are often presented by an individual or team. As with the written report, a good outline is critical, and it is often useful to hand out the outline to each class member. Although there is no best way to present a case or to divide responsibility between team members, simply reading the written report is unacceptable because it encourages boredom and interferes with all-important class discussion.

The use of visual aids can be quite helpful in presenting class analyses. However, simply presenting financial statements contained in the case is a poor use of visual media. On the other hand, graphs of sales and profit curves can be more easily interpreted and can be quite useful for making specific points.

Oral presentation of cases is particularly helpful to analysts for learning the skill of speaking to a group. In particular, the ability to handle objections and disagreements without antagonizing others is a skill worth developing.

SUMMARY

From the discussion it should be obvious that good case analyses require a major commitment of time and effort. Individuals must be highly motivated and willing to get involved in the analysis and discussion if they expect to learn and succeed in a course where cases are used. Persons with only passive interest who perform “night before” analyses cheat themselves out of valuable learning experiences that can aid them in their careers.

Additional Resources

- Aaker, David A. *Strategic Market Management*. 9th ed. Hoboken, NJ: Wiley, 2009.
- Ellet, William. *The Case Study Handbook*. Boston: Harvard Business School Press, 2007.
- Kerin, Roger A., and Robert A. Peterson. *Strategic Marketing Problems*. 12th ed. Upper Saddle River, NJ: Prentice Hall, 2010.
- Marshall, Greg W., and Mark W. Johnston. *Marketing Management*. Burr Ridge, IL: McGraw-Hill/Irwin, 2010.
- Frank T. Rothaermel. *Strategic Management*. Burr Ridge, IL: McGraw-Hill/Irwin, 2013, pp. 390–400.
- Thompson, Arthur A., Margaret A. Peteraf, John E. Gamble, and A. J. Strickland III. *Crafting and Executing Strategy*. 19th ed. Burr Ridge, IL: McGraw-Hill, 2014, pp. CA1–12.