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**Cases in Marketing Management
Seventh Edition**

肯尼斯·L. 伯恩哈德特
托马斯·C. 肯尼尔

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出版者的话

但凡成事，均缘于势。得势则事成，失势则事不顺。顺势而行，如顺水行舟；借势而动，如假梯登高；造势而为，如太空揽月。治学、从政、经商、置业，均不可一日失势。势者，长处、趋势也。

今日中国，是开放的中国；当今世界，是开放的世界。改革开放，大势所趋，势不可挡。经济开放、文化开放、政治开放，世界需要一个开放的中国，中国更要融入开放的世界。借鉴国际惯例，学习他人之长，已经到了不可不为之时。

借鉴国际惯例，学习他人之长，已属老生常谈，但学什么、如何学、以何为蓝本为众多志士仁人所关注。可喜的是，由赤诚图文信息有限公司精心策划，ITP、McGraw-Hill 及 Simon & Schuster 等国际出版公司特别授权，东北财经大学出版社荣誉出版的“世界财经与管理教材大系”现已隆重面世！她以“紧扣三个面向，精选五大系列，奉献百部名著，造就亿万英才”的博大胸襟和恢弘气势，囊括经济学、管理学、财务与会计学、市场营销学、商务与法律等财经、管理类主干学科，并根据大学教育、研究生教育、工商管理硕士（MBA）和经理人员培训项目（ETP）等不同层次的需要，相应遴选了具有针对性的教材，可谓体系完整，蔚为大观。所选图书多为哈佛、斯坦福、麻省理工、伦敦商学院、埃维商学院等世界一流名校的顶尖教授、权威学者的经典之作，在西方发达国家备受推崇，被广为采用，经久不衰，大有“洛阳纸贵”之势。

借鉴国际惯例，毕竟只是因势而动；推出国粹精品，才是造势而为。在借鉴与学习的同时，更重要的是弘扬民族精神，创建民族文化。“民族的，才是国际的”。我们提倡学他人之长，但更希望立自己之势。

势缘何物，势乃人为。识人、用人、育人、成人，乃人本之真谛。育人才、成能人，则可造大势。育人、成人之根本在教育，教育之要件在教材，教材之基础在出版。换言之，人本之基础在书本。

凡事均需讲效益，所谓成事，亦即有效。高效可造宏基，无效难以为继，此乃事物发展之规律。基于此，我们崇尚出好书、出人才、出效益！

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To Kathy and Karen
To Connie, Maggie, and Jamie

Preface

With the publication of this, the seventh edition of *Cases in Marketing Management*, the world of marketing continues to change in new and exciting ways. Unfortunately, much of the excitement is hidden among the definitions and descriptions of concepts that are a necessary part of basic marketing textbooks. We believe that one way to make the study of marketing exciting and dynamic is to use cases. Cases allow the student to work on real marketing problems, to develop an appreciation for the types of problems that exist in the real world of marketing, and to develop the skills of analysis and decision making so necessary for success in marketing and other areas of business. Cases represent as close an approximation of the realities of actually working in marketing as is possible without taking a job in the field.

Your task as a user of this casebook is to work hard to develop well-reasoned solutions to the problems confronting the decision maker in each of the cases. A framework to assist you in developing solutions is presented in Part One of this book. Essentially, you will be using this, or some other framework suggested by your instructor, to analyze the cases in this book. By applying this framework to each case that you are assigned, you will develop your analytic skills. Like all skills, you will find this difficult at first. However, as you practice, you will get better, until it will become second nature to you. This is exactly the same way one develops athletic or musical skills.

The cases in this book represent a broad range of marketing problems. The book contains consumer and industrial cases, profit and nonprofit cases, social marketing cases, specific marketing area cases such as services marketing, and general cases, plus cases on marketing and public policy. Each case is designed to fit into a specific section of a course in marketing management. The cases are long and complex enough to require good analysis, but not so long and complex as to be overly burdensome. Within sections, cases vary in terms of difficulty and complexity.

Users of the first six editions will note that the fundamental thrust and positioning remains the same in this edition. However, we do note the following changes. First, 40% of the cases are new or updated to give students more timely case examples and

learning tools. Second, the authors have replaced some of the product cases with services cases. Third, we have added new cases in a number of key areas: technology, service, and global marketing to reflect the issues that are most prevalent in today's business world. Lastly, we have a new case in Part 6 that focuses on integrated marketing communications.

This book contains 34 cases and 2 case-related exercises. Fifteen of the cases and both of the exercises were written by the authors of this book. In some instances we had a coauthor, and we have noted the names of the coauthors on the title pages of the cases concerned. We wish to thank these coauthors for their assistance and for allowing us to use the cases: Danny N. Bellenger, Craig F. Ehrnst, Tom Ingram, Constance Kinnear, Brian Murray, Joanne E. Novak, James Novo, James Scott, Jos Viehoff, and John S. Wright.

We would like to thank the executives of the organizations who allowed us to develop cases about their situations and who have released these cases for use in this book.

The remaining 21 cases were written by many distinguished marketing case writers. We appreciate their allowing us to reproduce their cases here. The names of each of these persons are noted on the title page of the cases concerned. They are: Eric Andrew, M. Edgar Barrett, Christopher D. Buehler, Elizabeth Carducci, William Carner, Eva Cid, Pantea Denoyelle, Mort Ettinger, Peter Faricy, Christopher Gale, Alfred H. Heineken, Akiko Horikawa, Tony Hughes, Shreekant G. Joag, Carla Johnson, Pranati Kapadia, Fred W. Kniffen, Aylin Kunt, Janet Lahey, Zarrel V. Lambert, Lawrence M. Lamont, Chris Lane, Jean-Claude Larreche, Daniel Lindley, Neil Miller, David B. Montgomery, Rowland T. Moriarty, Jr., James E. Nelson, Adrian Ryans, Martin Schreiber, Anne Senausky, Ronald Stiff, Elizabeth W. Storey, George Taucher, Mark Vendenbosch.

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*Kenneth L. Bernhardt
Thomas C. Kinnear*

Contents

PART 1

An Orientation to the Case Method

Chapter 1 Note to the Student on the Case Method 2

Chapter 2 Introduction to Marketing Decision Making 5

An Outline for Case Analysis. A Good Case Analysis.

Appendix: Outline for Case Analysis

Chapter 3 Financial Analysis for Marketing Decision Making 17

Contribution. Costs. Break Even. Profit Targets. Market Share.

Capital Expenditures. Relevant Costs. Margins. Multiple Margins.

Chapter 4 A Case with a Student Analysis 25

Case: Crow, Pope, and Land Enterprises. Example Situation Analysis of Crow, Pope, and Land Enterprises (CPL). Commentary on the Case Analysis.

PART 2

Introduction to Marketing Decision Making

Case 1: General Motors: Cadillac 46

Product: Luxury car

Issue: Situation analysis and whole strategy

Case 2: KitchenAid Small Appliances: Central Europe 72

Product: Small appliances

Issue: Central European marketing

Case 3: Compaq Computer Corporation 91

Product: Personal computers

Issue: Product mix

Case 4: Exercise on Financial Analysis for Marketing Decision Making 115

PART 3

Marketing Information and Forecasting

- Case 5: *The Atlanta Journal and Constitution* (A) 119
 Product: Newspaper—retailer advertising
 Issue: Media effectiveness measurement
- Case 6: Greenwood Federal Savings and Loan 134
 Product: Financial services
 Issue: Consumer information and segmentation
- Case 7: AGT, Inc. 165
 Product: Amusement park—Pakistan
 Issue: Information needs; data collection methods
- Case 8: Modern Plastics (A) 173
 Product: Plastic packaging
 Issue: Demand forecasting

PART 4

Product and Brand Management Decisions

- Case 9: Machine Vision International 184
 Product: Factory automation vision system
 Issue: Product-market choice
- Case 10: Voice Mail Around the World 203
 Product: Voice mail
 Issue: International marketing strategy
- Case 11: Schweppes Raspberry Ginger Ale 222
 Product: Soft drinks
 Issue: International new product introduction
- Case 12: Electrohome (A): Projection Systems Division 234
 Product: Electronic projection system
 Issue: Response to competitor's new product

PART 5

Distribution Decisions

- Case 13: Chaebol Electronics Company, U.S. 249
 Product: Videotape recorder
 Issue: Selection of a new channel
- Case 14: Ito-Yokado Company 261
 Product: Convenience store retailing; 7-Eleven
 Issue: Channel institution positioning; targeting; profitability dynamics

- Case 15: Levi Strauss Japan K.K. 288
Product: LEVI'S jeans
Issue: Expansion of retail outlets in Japan; pricing strategy
- Case 16: American Airlines: SABRE Reservation System in Europe 318
Product: Computer reservation system
Issue: Whole distribution strategy

PART 6

Promotion Decisions

- Case 17: South-West Pharmaceutical Company 349
Product: Skin cream
Issue: Push-pull promotion budget allocation
- Case 18: Suburban CableVision 359
Product: Cable television service
Issue: Recruiting subscribers
- Case 19: Rich's Department Store 370
Product: Retailing
Issue: Media effectiveness
- Case 20: Exercise in Print Advertising Assessment 394
- Case 21: The Customer-Focus Challenges of Integrated Marketing Communications at CCH 395
Product: Law, accounting, and other reference materials
Issue: Modernization of products and marketing
- Case 22: Allied Food Distributors 412
Product: Food wholesaler
Issue: Salesperson selection
- Case 23: Outdoor Sporting Products, Inc. 417
Product: Sporting goods
Issue: Motivation, compensation

PART 7

Pricing Decisions

- Case 24: Royale Suites 428
Product: All-suites hotel
Issue: Pricing for maximum occupancy and profit
- Case 25: Techtronics Limited 438
Product: High-definition television (HDTV)
Issue: New product pricing
- Case 26: Big Sky of Montana, Inc. 442
Product: Ski facilities
Issue: Whole pricing strategy

- Case 27: Procter & Gamble Inc.: Downy Enviro-Pak 453
Product: Consumer package goods; fabric softener
Issue: Pricing; promotion; “green marketing”

PART 8

Public Policy and Ethical Aspects of Marketing

- Case 28: Nestlé and the Infant Food Controversy (A) 463
Product: Infant formula
Issue: Social responsibility and response to public pressure
- Case 29: InterMark: Designing UNICEF's Oral Rehydration Program in Zambia 490
Product: Oral rehydration salts for treatment of dehydration
Issue: Supply, distribution, package size, and education
- Case 30: Country Lass Fashions 509
Product: Women's fashions
Issue: Advertising strategy—ethics

PART 9

Marketing Programs and Strategy

- Case 31: Virgin Atlantic Airways 514
Product: International, privately held airline
Issue: All aspects of future growth
- Case 32: Dutch Food Industries Company 543
Product: Salad dressing
Issue: New product introduction strategy
- Case 33: Quaker State 556
Product: Motor oil
Issue: Whole strategy
- Case 34: L.A. Gear 587
Product: Footwear
Issue: Whole strategy
- Case 35: Longevity Healthcare Systems, Inc. 629
Product: Nursing homes and related services
Issue: Expansion and marketing strategies
- Case 36: Cima Mountaineering, Inc. 646
Product: Hiking boots
Issue: Target market strategy for expansion

Part 1

An Orientation to the Case Method

Chapter 1

Note to the Student on the Case Method

The case method is different from other methods of teaching, and it requires that students take an active role rather than a passive one. The case method places the student in a simulated business environment and substitutes the student in the place of the business manager as the person required to make a set of decisions. To define it, a case is:

typically a record of a business issue which actually has been faced by business executives, together with surrounding facts, opinions, and prejudices upon which the executives 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.¹

With the case method, the process of arriving at an answer is what is important. The instructor's expectation is that the student will develop an ability to make decisions, to support those decisions with appropriate analysis, and to learn to communicate ideas both orally and in writing. The student is required to determine the problem as well as the solution. This method of teaching thus shifts much of the responsibility to the student, and a great deal of time is required on the part of the student.

The case method often causes a great deal of insecurity on the part of students who are required to make decisions, often with very little information and limited time. There is no single right answer to any of the cases in this book, an additional source of insecurity. The goal is not to develop a set of right answers, but to learn to reason well with the data available. This process is truly learning by doing.

Studying under the case method will result in the development of skills in critical thinking. The student will learn how to effectively reason when dealing with specific problems. The development of communication skills is

¹Charles I. Gragg, "Because Wisdom Can't Be Told," *Harvard Alumni Bulletin*, October 19, 1940.

also important, and students will learn to present their analysis in a cogent and convincing manner. They must defend their analysis and plan of action against the criticism of others in the class. In the class discussion, individual students may find that the opinions of other members of the class differ from their own. In some cases this will be because the individual has overlooked certain important points or that some factors have been weighted more heavily compared to the weighting used by other students. The process of presenting and defending conflicting points of view causes individual members of the class to reconsider the views they had of the case before the discussion began. This leads to a clearer perception of problems, a recognition of the many and often conflicting interpretations of the facts and events in the case, and a greater awareness of the complexities with which management decisions are reached.

In preparing for class using the case method, the student should first read the case quickly. The goal is to gain a feel for the type of problem presented in the case, the type of organization involved, and so on. Next, the student should read the case thoroughly to learn all the key facts in the case. The student should not blindly accept all the data presented, as not all information is equally reliable or relevant. As part of the process of mastering the facts, it frequently will be desirable to utilize the numerical data presented in the case to make any possible calculations and comparisons that will help analyze the problems involved in the case. The case will have to be read a number of times before the analysis is completed.

The student must add to the facts by making reasonable assumptions regarding many aspects of the situation. Business decision making is rarely based on perfect information. All of the cases in this book are actual business cases, and the student is provided with all the information that the executives involved had at their disposal. Often students cannot believe the low level of information available for decision making, but this is often the case. What is required in those situations is the making of reasonable assumptions and learning to make decisions under uncertainty. There is often a strong reluctance on the part of the student to do this, but the ability to make decisions based on well-reasoned assumptions is a skill that must be developed for a manager to be truly effective.

Once the student has mastered the facts in the case, the next step is to identify and specify the issues and problems toward which the executive involved should be directing his or her attention. The issues may be very obscure. Learning to separate problems from symptoms is an important skill to learn. Often there will be a number of subissues involved, and it will be necessary to break the problem down into component parts.

The next step in the student's case preparation is to identify alternative courses of action. Usually there are a number of possible solutions to the problems in the case, and the student should be careful not to lock in on only one alternative before several possible alternatives have been thoroughly evaluated.

The next step is to evaluate each of the alternative plans of action. It is at this stage of the analysis that the student is required to marshal and analyze all the facts for each alternative program. The assumptions the student is required to make are very important here, and the student must apply all the analytical skills possible, including both qualitative and quantitative.

After all the alternatives have been thoroughly analyzed, the student must make a decision concerning the specific course of action to take. It should be recognized that several of the alternatives may "work," and that there are a number of different ways of resolving the issues in the case. The important consideration is that the plan of action actually decided upon has been thoroughly analyzed from all angles, is internally consistent, and has a high probability of meeting the manager's objectives.

Once an overall strategy has been determined, it is important that consideration be given to the implementation of that strategy. At this stage, the student must determine who is to do what, when, and how. A professor may start out a class by asking the question, "What should Mr. Jones do tomorrow?" Unless the students have given some thought to the implementation of the strategy decided upon, they will be unprepared for such a question. Improper implementation of an excellent strategy may doom it to failure, so it is important to follow through with appropriate analysis at this stage.

During the class discussion, the instructor will act more as a moderator than a lecturer, guiding the discussion and calling on students for their opinions. A significant amount of learning will take place by participating in the discussion. The goal is for the students to integrate all their ideas, relating them to the goals of the company, the strengths and weaknesses of the company and its competition, the way consumers buy, and the resources available. A suggested framework for the integration of these ideas is presented in the next chapter of this book, in the appendix titled "Outline for Case Analysis."

The student's classroom discussion should avoid the rehashing, without analysis, of case facts. Students should recognize that the professor and all the other students in the class have thoroughly read the case and are familiar with the facts. The objective, therefore, is to interpret the facts and use them to support the proposed plan of action. The case method obviously requires a great deal of preparation time by the student. The payoff is that, after spending this time adequately preparing each of the steps described, the student will have developed the ability to make sound marketing management decisions.

Chapter 2

Introduction to Marketing Decision Making

In Chapter 1, you were introduced to your role in the execution of an effective case course in marketing. In summary, the primary task is to complete a competent analysis of the cases assigned to you. If you have never undertaken the analysis of a marketing case before, you are probably wondering just how you should go about doing this. Is there some framework that is appropriate for this task? Indeed, there are a number of such frameworks. The purpose of this chapter is to present one such framework to you. We think you will find it useful in analyzing the cases in this book.

An Outline for Case Analysis

The appendix to this chapter is the summary document for the approach we believe that you should use for case analysis. We suggest that you apply the types of questions listed there in your analysis. Figure 2-1 provides an overview of this outline. Basically, we are suggesting that you begin by doing a complete analysis of the *situation* facing the organization in the case. This *situation analysis* includes an assessment of (1) the nature of demand for the product, (2) the extent of demand, (3) the nature of competition, (4) the environmental climate, (5) the stage of the life cycle for the product, (6) the skills of the firm, (7) the financial resources of the firm, and (8) the distribution structure. In some cases, legal aspects may also form part of a good situation analysis. The premise here is that one cannot begin to make decisions until a thorough understanding of the situation at hand is obtained.

Once a detailed situation analysis is prepared, one is in a position to summarize the *problems* and *opportunities* that arise out of the situation analysis. These problems and opportunities provide an organized summary of the situation analysis. This in turn should lead to the generation of a set of *alternatives* that are worthy of being considered as solutions to the problems and actualizers of the opportunities.

These alternatives are then *evaluated* using arguments generated from (1) the detailed situation analysis, (2) the summary statement of problems and