

CASES IN

ADVERTISING MANAGEMENT

Terence Nevett

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P R E F A C E

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Terence Nevett

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Why Study Cases?

The cases collected together in this book are all about managing some aspect of advertising. They involve the kinds of decisions that have to be made by people working in the advertising business—that is to say, decisions that arise during the planning and implementation of advertising campaigns. In some cases these are the kind of decisions you would probably expect to be making, such as defining target audiences, making creative and media choices, and so on. In business, however, and particularly in advertising, things rarely go according to plan, and the manager therefore has to make decisions in possibly unfavorable circumstances about problems that probably could not have been foreseen. No book could hope to include cases covering all the types of problems you might ever encounter, but those collected here offer you a wide selection. If you can cope with them successfully, you will certainly have demonstrated your potential as a manager.

As well as acquainting you with the kinds of problems that occur, these cases also give you an idea of the range of settings in which they may be found. They mainly concern people working and making decisions on the client side of the business. You will have to make the kinds of choices that confront people responsible for advertising in a variety of organizations ranging in size from the multinational corporation to the flower shop. You will make decisions about advertising for products sold through retail outlets and by direct response; for

the manufacturing industry, the service sector, and the professions; and for profit and not-for-profit organizations. You will also find that several cases concern advertising in overseas markets, while another deals with a foreign product that is to be promoted in the United States. These are included in the book because the advertising business is becoming increasingly international. At one end of the scale are global products supported by global advertising campaigns. At the other are medium- and smaller-sized companies who are likely to come under increasing pressure to sell their products and services overseas as the U.S. balance of payments deficit grows larger. Don't be worried by the fact that a case is set in India or Australia. Although the context in which advertising appears will obviously differ from one country to another, the fundamental principles of good advertising remain the same. In other words, providing you allow for differences in market conditions with respect to factors such as culture, there is no reason why the principles you have learned in earlier classes should not be applied here.

In some cases invented names are used rather than the actual names of the organizations. These are designated by an asterisk (*). There are several reasons why the actual name of an organization may not have been included. The author may have been asked to make the change, and perhaps to alter some other details, so as not to reveal facts that might be helpful to a competitor. On the other hand, the author may have made that decision so as to be able to portray people and events with greater accuracy and candor than would be possible if their identities were known. Some cases, too, concern situations that are recurrent in the advertising business, and so do not need to be linked to an actual company. In no sense is a case with an asterisk less realistic than one without. All the cases in the book are written to be as realistic as possible, and you will be faced with the same problems and work with the same data as actual managers.

Although this book is about advertising management, there are considerable differences between organizations in terms of the title, rank, and status of the people making advertising decisions. To some extent this is a reflection of the importance of advertising to a particular organization. It will receive a much higher priority, for example, in the case of a supermarket product competing in a highly competitive market, than in that of a specialized chemical product sold in bulk to a handful of industrial users. On the other hand, the person responsible for advertising in a large organization will have to seek higher approval for many decisions, whereas the owner of a small business will make them personally. This is a fact of life that you should remember when reading these cases. Bear in mind, too, that while large companies can think in terms such as market testing and the use of network television, the smaller advertiser usually has to make compromises, deploying often inadequate resources in the most effective manner possible.

Success as a manager depends on the successful exercise of judgment. This involves more than the correct interpretation of data. It means deciding what course of action should be taken in a particular situation, the full details of which probably will not be known to you, and carrying it through to implementation. Judgment is particularly important when dealing with the kind of problem that cannot be quantified and where there may be little to guide you except a "feel" for the circumstances that surround it. No wonder, then, that judgment has been described as the quality that separates high fliers from routine managers.¹ Judgmental skills cannot be acquired by just learning facts. They can be developed, however, by making judgments yourself in the kinds of situations actually faced by managers.

The successful exercise of judgment needs a certain degree of experience to guide it. This book tries to provide you with vicarious experience that will be helpful

1. Harper, Stephen C. (1988), "Intuition: What Separates Executives from Managers," *Business Horizons* (September-October), 13-19.

to you in the early stages of your career. Obviously a book can never be a complete substitute for the real thing, but confronting the kinds of problems that managers have to handle and having to work within the same kinds of constraints that they do can give you the flavor of life in the manager's office. To this extent, cases offer you a shortcut in your career development.

Whatever format your instructor chooses for your case class, you will find yourself exchanging ideas and points of view with other students, either when preparing cases in advance or when discussing them in the classroom. This is an essential feature of learning by the case study method, and it is particularly valuable in helping you prepare for the business world. Unless you are at the very top of an organization, there are likely to be few important decisions you are able to make without the agreement of others. As was mentioned earlier, this is true of many of the decisions made by an advertising manager. In order to operate successfully, the manager has to establish a consensus among colleagues who may represent a wide variety of interests within the organization. This means being able to sell one's ideas successfully in meetings. The manager must be able to convince colleagues that his or her proposed course of action is the best choice among a range of available options, none of which may be obviously "right" or "wrong."

The importance of such skills cannot be overemphasized. In business it is not enough to be right—you have to be able to convince other people that you are right. This pinpoints a major difference between the classroom and the conference room. Let us suppose that as a manager you are put in a position where you have to implement a committee's decision, and that you are a member of that committee. The decision turns out to be wrong and to have serious consequences. You disagreed with it at the time, but were unable to make other members see things your way. There is little to be gained by tell-

**An Approach
to Case
Analysis**

ing them later that you were right after all—this merely draws attention to your own deficiencies as a communicator.

Because the cases in this book are based on actual advertising problems, they too will often present you with several possible courses of action. The practice you will gain in advocating and defending your particular choice will be of considerable value to you in your business career.

.....

Even if you have worked on cases before, two points need to be made at the outset because they affect the value of case study as a learning experience. First, case study is essentially *participative*. In order to benefit from it you have to be involved. This means preparing for your classes, whether or not you are scheduled to make a presentation. Remember that managers have to make judgments on other people's ideas and recommendations as well as formulating their own, and they cannot do this without a knowledge of the relevant facts. You will not be able to comment intelligently on other students' proposals if you have not read and thought about the case in advance.

Second, case study is *integrative*. It calls on you to combine knowledge gained in previous classes with your own personal experiences and apply them to the resolution of a problem. Instead of recalling items of knowledge from a particular class in order to pass an examination, you have to demonstrate that you are able to integrate it with knowledge from other sources, and that you understand it well enough to apply it in a practical setting. Case study does not provide you with information that has to be committed to memory. Instead, it teaches you to use what you already know in order to solve problems. This may sound somewhat nebulous, but be assured that this is one of the most important abilities that you can take with you into the business world.

This section offers a framework to guide you when analyzing cases. Please note that it is not intended to be *the only* way to approach them. You may have been taught different methods in other classes, or your instructor may have a particular approach that he or she wants you to follow. It is often possible to reach a destination by several different routes.

Whatever the method you are using, you should be careful not to let it totally dominate your thinking. This means that when you first approach the case, do so with an open mind. Identify the problem and decide what course of action would be appropriate given the facts available to you. Your analytical framework provides you with a means of grouping and evaluating those facts. However, they should always be your starting point and they should be evaluated in terms of their relationship to the problem and to each other, not their relationship to a series of preset headings. In other words, avoid going to a case (or a real life problem) with a set of headings and looking for items of information to put under each one. This may seem like a shortcut when preparing for class, but it can land you in trouble. By concentrating on format rather than content, you may well overlook some key item of information that does not fit neatly under one of your headings, or misinterpret the relevance of some fact because it has to be squeezed into an inappropriate place.

As far as the framework suggested here is concerned, it is not intended to be adhered to rigidly. Not every case in the book, or every problem that occurs in the advertising business, can be approached in the same way. Problems come in a wide range of shapes, sizes, and varieties. Some of those in this book offer you nothing to include under some of the framework headings. Others contain important facts that do not fit neatly into any of the categories, and so need a separate heading of their own. What matters is that you identify what is important and understand its significance. In other

words, let the content of the case dictate the form of your presentation, not the other way around.

Having made these points, the suggested framework comprises the following headings:

*Background or
Overview*

.....
This should present the main features of the context in which a decision or recommendation has to be made. It is sometimes helpful to think of this section in terms of a process of focusing down, beginning with the environment in which the organization operates, then closing down to the industry or field of activity, then to the organization itself, then its marketing, and then the role of advertising in the marketing effort. This section of the framework in particular will vary greatly between cases according to the amount of information given, and so will have to be adapted as appropriate.

*Problem
Statement*

.....
Sometimes this will be obvious from the case. (For example, what recommendation should Smith make to the president of his company?) However, you may still need to think carefully about the nature of a problem. Is the problem actually what people in the case think it is? And if there seems to be more than one problem, are they in some way linked—for example, in a main and subsidiary relationship? In some of the cases, the problem may not be apparent, so that you will have to dig for it.

Defining the problem is the most important part of case analysis. There may well be more than one way of doing so, but remember that if you are off target here, the remainder of your analysis will be aimed in the wrong direction, and you will be putting the wrong interpretation on facts in the case.

Constraints

.....
Managers do not have a totally free hand in solving problems. They have to work under constraints of time, resources, competitive pressures, and so on. Given how you have defined the problem, what constraints given

in the case are relevant, and are there any others that common sense suggests ought to be considered?

*Decision
Options*

.....
What are the alternative courses of action the decision-maker could consider, and what are the advantages and disadvantages of each? Be sure to think through fully the implications of each, and to be creative in your thinking, so that you are not limited to obvious courses of action that could easily be foreseen by competitors.

*Preferred
Option*

.....
What is the most feasible course of action and why? Generally there will not be "right" and "wrong" answers, though in some of the cases there are directions you could go that would lead you into trouble! Remember, too, that in some instances none of your options will seem to have advantages, so you will be choosing the least unpleasant alternative.

Be sure to give a detailed rationale for your choice. Your instructor, just like the advertising manager's superiors, will want to examine the thinking behind your decision. A recommendation for heavy television advertising, for example, is not likely to be accepted without some strong supporting arguments.

*Further
Implications*

.....
This is where you include any miscellaneous comments that might relate, for example, to advertising trends in the longer term, the impact of the nation's economy, or ideas for changes in product styling. This is, in other words, a convenient place to include points that have arisen during the course of your analysis, and which do not seem to fit in anywhere else.

Cases offer a stimulating way of preparing yourself to work in the advertising business. The many contributors to this book hope that you enjoy reading them.

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