CASES

# Uses of Cases

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| # | Title  *Chapter* | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 1 | Tractor Supply Company Targets the Part-Time Rancher | P | P |  |  | P |  | S |  |  |  |  |  |  |  |  |  |  | S |
| 2 | Build-A-Bear Workshop--Where Best Friends are Made | P | P |  |  | S |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3 | Walmart's Sustainability 360 | P |  |  |  |  |  |  |  | S |  |  |  | S |  |  |  |  |  |
| 4 | Netflix Personalizes the Customer's Experience |  |  | P |  |  |  |  |  |  |  |  |  |  |  |  |  |  | S |
| 5 | The Decision Making Process for Buying a Bicycle |  |  |  | P |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 6 | Retailing in India -- The Impact of Hypermarkets | P | S |  | S | P |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 7 | Diamonds from Mine to Market |  |  |  | S | P |  |  |  |  | P |  |  | P |  |  |  |  |  |
| 8 | Save-A-Lot -- An Extreme Value Retailer |  | P |  |  | P | S |  |  |  |  |  |  |  |  |  |  | S |  |
| 9 | Royal Ahold: The Biggest Supermarket Retailer You Have Never Heard Of |  |  |  |  | P |  |  |  | S |  |  |  |  |  |  |  |  |  |
| 10 | Abercrombie & Fitch and American Eagle Compete for 18-22 Year Olds | S | S |  |  | P |  |  |  |  |  |  |  |  |  | P |  |  |  |
| 11 | Merchandise Strategy: Process for Success |  |  |  |  | P |  |  |  |  |  |  | P | S |  |  |  |  |  |
| 12 | Tiffany's and Blue Nile - Comparing Financial Performance |  |  |  |  | S | P |  |  |  |  |  |  |  |  |  |  |  |  |
| 13 | Choosing a Store Location for a Boutique |  |  |  |  |  |  | P |  |  |  |  |  |  |  |  |  |  |  |
| 14 | Hutch: Locating a New Store |  |  |  |  |  |  |  | P |  |  |  |  |  |  |  |  |  |  |
| 15 | Avon Embraces Diversity |  |  | S |  | S |  |  |  | P |  |  |  |  |  |  |  |  |  |
| 16 | Attracting Generation Y to a Retail Career |  |  |  |  |  |  |  |  | P |  |  |  |  |  |  | S |  |  |
| 17 | Nordstrom Rewards its Customers |  |  |  |  |  |  |  |  |  |  | P |  |  |  |  |  |  | S |
| 18 | Active Endeavors Analyzes its Customer Database |  |  |  |  |  |  |  |  |  |  | P |  |  |  |  |  |  |  |
| 19 | Developing an Assortment Plan for Hughes |  |  |  |  |  |  |  |  |  |  |  | P |  |  |  |  |  |  |
| 20 | Preparing a Merchandise Budget Plan |  |  |  |  |  |  |  |  |  |  |  | P |  |  |  |  |  |  |
| 21 | PenAgain Sells to Walmart |  |  |  |  |  |  |  |  |  |  |  |  | P |  |  |  |  |  |
| 22 | American Furniture Warehouse Sources Globally |  |  |  |  |  |  |  |  |  |  |  |  | P |  |  |  |  |  |
| 23 | Merchandise Exclusively for JCPenney |  |  |  |  |  |  |  |  |  |  |  |  | P |  |  |  |  |  |
| 24 | How Much for a Good Smell? |  |  |  |  |  |  |  |  |  |  |  |  |  | P |  |  |  |  |
| 25 | Promoting a Sale |  |  |  |  |  |  |  |  |  |  |  |  |  | S | P |  |  |  |
| 26 | Target Marketing with Google Adwords |  |  | S |  |  |  |  |  |  |  |  |  |  |  | P |  |  |  |
| 27 | Enterprise Rent-A-Car Focuses on its People |  |  |  |  | S |  |  |  |  |  |  |  |  |  |  | P |  | S |
| 28 | Diamond in the Rough |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | P |  |  |
| 29 | "Touch and Feel at Sephora" |  |  | S |  | S |  |  |  |  |  |  |  |  |  |  |  | P | S |
| 30 | A Stockout at Discmart |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | S |  | P |
| 31 | Relationship Management at Nordstrom |  |  |  |  |  | S |  |  | S |  |  |  |  |  |  |  |  | P |
| 32 | Building the Apple Store |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | P | S |
| 33 | Generating Advertising Revenue from a Digital Screen Network at Harrods of London |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | S | P |  |
| 34 | Starbucks' Retail Strategy |  |  |  |  | P |  |  |  |  |  |  |  |  |  | S | S |  |  |
| 35 | Yankee Candle: New Product Innovation |  |  |  |  |  |  |  |  |  |  |  |  | S |  |  |  |  |  |
| 36 | Petsmart: Where Pets Are Family |  |  |  |  | S |  |  |  | S |  |  |  |  |  |  |  |  | S |
| 37 | Lindy's Bridal Shop |  |  |  |  |  | S | S |  |  |  |  | S |  |  |  | S |  |  |
| 38 | Interviewing for a Management Trainee Position | P |  |  |  |  |  |  |  | S |  |  |  |  |  |  | S |  |  |

P = Primary Use; S = Secondary Use; C = Comprehensive

# Introduction to Case Analysis

## Case Analysis and Presentation Suggestions

1. Case situations can be one of the most effective instructional methods for enhancing student involvement and stimulating understanding of retailing management concepts.
2. When evaluating cases, students should address the following areas:
3. background of the situation, including organizational factors and the external environment,
4. the various concerns, issues, and problems evident in the situation,
5. the main area of concern (main problem),
6. alternative courses of action,
7. evaluation of alternatives based upon the criteria selected for this purpose,
8. selection of a course of action,
9. plans for implementing the course of action, and
10. identification of possible follow-up problems.
11. As students prepare cases for class discussion and for written assignments, they should consider the following:
12. carefully evaluate all information presented in the case,
13. list all possible problems and concerns, being sure to look at causes of the problem area, not symptoms,
14. use textbook material, current articles, and other resources (library materials, interviews, field observations) to research the situation, problem, and alternatives,
15. be creative in developing alternative courses of action,
16. assess each alternative based on the information in the case and the criteria established, and
17. be ready to defend the selected course of action.
18. For students to fully benefit from a case analysis assignment, they must PREPARE and PARTICIPATE in the discussion.

## Case Method Teaching Resources

1. The following instructional reference materials regarding the case method are available from Harvard Business School, Publishing Division, Operations Department, Boston, MA 02163-1098; write for details regarding cost and availability:
2. Hints for Case Teaching (copy available upon request),
3. Teaching and the case method (Christensen & Hansen),
4. Instructors Guide to Teaching and the Case Method (Christensen, Hansen & Moore), and
5. Note to Beginning Case Method Teachers (Christensen).
6. A video, “Teaching by the Case Method” is available from the American Marketing Association, Video Cassette Offer, 250 South Wacker Drive, Chicago, IL 60606; contact AMA for details. The presentation addresses 1) how to conduct a case discussion, 2) evaluation of case participants, 3) constructing a case course, and, 4) implementing and evaluating a case course.
7. Dozens of excellent websites dedicated to teaching with the Case Method may be found by typing “Case Method Teaching” or “Case Analysis” into your favorite Internet search engine.

CASE 1 – Tractor Supply Company

Synopsis: Tractor Supply Company (TSC) is a relative large, but unknown retailer that targets people seeking a rural lifestyle that operate farms or ranches as hobby.

Use:

Chapter 1 Illustration of a retailer with a unique target market

Chapter 2 Example of a specialty store retailer

Chapter 5 Retailer with a well-defined strategy

Chapter 18 Importance of service to retailer’s target market

## Discussion Questions

1. What is Tractor Supply Company’s growth strategy? What retail mix does TSC provide?

TSC targets the hobby farmer/rancher, who are fully employed in jobs but want to enjoy a rural lifestyle and operate a farm or ranch in exurbs of a city. The retail mix of TSC is:

* Location – stores are in stand-alone location in commercial corridors in the exurbs
* Merchandise assortment – stock a wide variety of merchandise that provides everything the hobby farmer/ranchers needs. Probably shallow assortment
* Pricing – since competition is limited, TSC has flexibility in pricing – offer good, better, best price/quality tiers. EDLP
* Communication mix – emphasis on personal selling
* Store design and layout – spacious layout, informative signage
* Customer service – highly trained sales associates

1. How has TSC’s target customers changed over time? Why?

Originally targeted full-time farmers but as the farming industry consolidated, the large farms bought directly from supplier bypassing retailers like TSC

1. How vulnerable is TSC to competition? What companies represent its primary competitors?

Not very vulnerable because the target segment is not price sensitive or very knowledge about the products it needs. Thus the target market is unlikely to be attracted to a low cost, low service retailer like Walmart. In addition, each rural area is relatively small and thus there is probably not enough business for multiple retailers targeting the small market with the same offering. Thus, after TSC enters a market, there would not be enough business in the market to entice a competitor to enter.

1. Why does TSC place so much emphasis on training employees?

Customer service is critical because the customers in the target market are not very knowledgeable about the tasks to be performed and the equipment needed to performance those tasks.

CASE 2 – Providing a Retail Experience: Build-A-Bear Workshop

Synopsis: Build-A-Bear Workshop is a unique chain of over a 100 stores where customers can build their own teddy bears and, in general, obtain a novel and fun experience. The case highlights the strategy and operations of a typical store and types of experiences enjoyed by customers.

Use:

Chapter 1 Provides a general overview of a unique retail concept.

Chapter 2 Illustrates the retail strategy and operations of an innovative specialty retailer.

## Discussion Questions

1. Is the Build-A-Bear concept a fad, or does it have staying power?

Children's fascination with huggable, stuffed animals, especially Teddy Bears, has only grown the last several decades. Build-A-Bear's core emphasis is on the giving children an environment of fun and play, while enabling them to create their own stuffed animal. Given that children may be less vocal in expressing the exact specification of a toy they want, the process of enabling them to build their own Teddy Bear gives them something that they would cherish and enjoy for a longer time as compared to a simple store bought stuffed animal. Moreover, Build-A-Bear ensures that its employees are very well trained and committed to service such that every experience for every child may be quite memorable. As long as the commitment and service continues and new ideas and innovations are brought into the store in terms of the weekly additions to bear styles, the concept does have some staying power.

1. What can Build-A-Bear do to generate repeat visits to the store?

For repeat visits, consumers (in this case, children) must be exposed to something novel and interesting during each visit. In Build-A-Bear's case, this is already happening with frequent changes to inventory and different bear styles arriving each week. Moreover, new and limited-edition animals are introduced frequently and regularly. Also, clothes and accessories are updated to reflect current trends. There are also different occasions or reasons to visit, such as holding or attending an in-store birthday party. The constantly changing styles, materials, inventory as well as different purposes for visiting the store would have the effect of generating repeat visits to the store.

Build-A-Bear could also offer more types of experience options, so that children have different new experiences during each visit.

CASE 3 – Walmart’s Sustainability 360

Synopsis: This case describes the evolution of Walmart and the way it really believes and acts on its slogan, “Save Money, Live Better,” in all respects of the business.

Use :

Chapter 1 Covers an overview of a very important part of Walmart’s marketing strategy.

Chapter 9 Walmart’s human resource management helps Walmart to motivate and take care of its employees.

## Discussion Questions:

1. Is Walmart good for society? Would society be better off with or without Walmart?

Walmart formerly was not perceived as being good for society because its tremendous buying power allowed it squeeze profits from its suppliers and underpay its employees so that it could offer the lowest prices to its customers. It has also been accused of helping to put smaller retailers out of business through predatory pricing tactics.

Walmart appears to have changed, at least on some dimensions, and its public persona has improved as a result. It is now more concerned with the livelihood of its employees, its suppliers and its customers. It continues to improve its Sustainability 360 program, helping employees own lives, encouraging volunteering as well as lowering the its carbon footprint. Walmart is perceived by some to be good for society because it offers its customer the products they want for low prices. The pressure to drive down prices from Walmart challenges other competing retailers to also drive down their costs and offer a good value.

1. Walmart says that it creates new markets for small- and medium-sized businesses and that it supports growth and innovation for these businesses. For some of these suppliers, Walmart is their primary customer, which means the business owners have little choice about adopting Walmart’s standards. Do you think this is fair? Do you think Walmart’s powerful position helps these business owners or hinders them?

Walmart’s standards are beneficial to everyone if they include reducing the amount of waste, or improving a product to make it more environmentally friendly. Walmart’s input drives down costs for everyone. If Walmart develops a business and encourages them to increase their capacity to suit the retailer and then Walmart decides that it no longer wants to do business with them, then this would not be fair.

1. Walmart’s sustainability program addresses each of the criticisms leveled against it. If a company is forced to launch an initiative to prevent falling sales or public relations problems, do you think the company is fully committed to those efforts? How could you tell if the company was making progress toward its stated goal?

Walmart did respond to the criticism against it that it consistently was unfair to its employees and suppliers. Walmart has shown that it is fully committed to its Sustainability 360 program and continues to build on and succeed at its core values. By reviewing the company’s

Sustainability report, one can see the progress that they have made since it started the program as well as its future goals.

1. Walmart’s Sustainability Index is intended to provide a consumer-facing ranking of a product’s sustainability across its life cycle. Would this ranking influence your buying decisions? Why or why not?

Yes, it would influence my buying decisions. I would not go out of my way to pay a lot more for a product that had a higher sustainability index, but it is an important factor to consider. If the products are similar in their benefits and price and have different sustainability indices, then I am likely to purchase the product with the higher index.

CASE 4 – Netflix Personalizes the Customer’s Experience

Synopsis: This case describes the movie rental competitive environment and how Netflix has developed a niche in the market. The future holds many obstacles including changes in technology and consumer preferences.

Use:

Chapter 3 Illustrates the multiple distribution channels Netflix has created for movie delivery to customers.

Chapter 18 Netflix provides even better customer service than its competitors despite not having a physical store presence.

## Discussion Questions:

1. In exchange for greater amounts of streaming content, Netflix has begun making deals with major movie studios that delay the release of DVDs and blu-rays by 28 days. This gives brick-and-mortar stores, e-commerce sites and cable and satellite companies a window of time where they carry movies that Netflix cannot. Are these types of deals beneficial to Netflix? Why or why not?

Netflix’s customers enjoy a wide range of movies, not just new releases. Their customers value the array of title options as well as the access to downloadable streaming content. It is beneficial to Netflix to focus on a different core competency than the other video rental retailers, which mainly rent new releases. The titles that Netflix customers choose also improve its recommendation system; whereas Blockbuster customers may choose a movie just because it just came out rather than whether the content of the movie is good or bad.

1. Should Netflix charge for streaming content or continue to provide it without limit as part of its physical media offerings? Why or why not?

Sooner or later the other movie rental companies will also offer streaming content downloadable to a computer. At this point, Netflix could charge for it because customers value the offering. Right now, Netflix is gaining customers by allowing them to have access to the streaming content.

1. What are some of the potential problems Netflix will face in the near future as the company continues its reliance on DVD and blu-ray offerings by mail?

In the future, customers may only use streaming movie content instead of waiting a day to receive it by mail. Netflix is heavily invested in distribution centers to facilitate mail order deliveries. Netflix has already began partnering with set top box and cable companies to deliver the streaming content to the customer’s TV seamlessly.

CASE 5 – The Sanchez Family Buys Bicycles

Synopsis: The Sanchez family buys three bicycles--one for their daughter, one for their son, and one for the father. This case illustrates the steps customers go through buying a bicycle for their children and themselves. Can be used to discuss the stages in the buying process, the factors affecting the purchase decision, and how the purchase decision differs depending on the buyer's knowledge and needs.

Use:

Chapter 4Discuss stages in buying process and factors affecting purchase decision. Illustrates what stages consumers go through and what information they consider when selecting a retailer and purchasing merchandise

## Discussion Questions

1. Outline the decision-making process for each of the Sanchez' bicycle purchases.

The stages in the decision process shown in Exhibit 4-2 are listed down the left‑hand column below. Then the event associated with each of the three bicycle purchases is associated with each of the stages. As indicated in the text, not every purchase decision goes through all of the steps. Also the students should recognize that more time might be taken at specific stages than others.

|  |  |  |  |
| --- | --- | --- | --- |
| **Step in Buying Process** | **Daughter** | **Son** | **Father** |
| **Store Choice** | | | |
| ***Need***  ***Recognition*** | (4) locate store selling bicycles |  | (6) goes in convenient bicycle shop |
| ***Information Search*** | (5) call store | (4) saw Montgomery Ward ad | (5) can't locate brand |
| ***Evaluation***  ***And Choice*** | (6) select dept. store for low prices |  |  |
| ***Postpurchase***  ***Evaluation*** |  |  |  |
| **Merchandise**  **Choice** | | | |
| ***Need***  ***Recognition*** | (1) $100 from grandparents for bicycle | (1) $200 from grandparents for  bicycle | (1) buying bike for Mark |
| ***Information Search*** | 2) look in Penny's' catalog | (2) internal search through memory for information on last purchase  (5) looked at  bicycles on display | (2) external search, libraries, magazines |
| ***Evaluation and Choice*** | (3) high weight on blue color (Judy) and low cost (mother)  (7) select bike satisfying criteria | (3) high weight on durability, 10-speed, red, light weight, accessories  (6) selected bike satisfying criteria except accessories | (3) high weight on light weight, durability. Flexible set up  (4) select Serrsto  (7) test ride  (8) buys bike |
| ***Post Purchase Evaluation*** | (8) dissatisfaction with choice; chrome rusted, poor tires |  |  |

1. Compare the different purchase processes for the three bikes. What stimulated each of them? What factors were considered in making the store choice decisions and purchase decisions?

The process for both son and daughter were stimulated by the $50 gift from their grandparents. Buying a bike for the son and remembering his pleasant experiences riding a bike stimulated father’s purchase decision process.

For the daughter, calling stores selling bikes and locating the store with the lowest prices made the store decision. Note that they first called Toys 'R' Us because of its low price reputation, but then found that due to a sale the department store had lower prices. Price and a blue color were the principal considerations in selecting a bike.

For the son, the store choice was based on seeing an ad. Durability and style of bike were the principal criteria. Accessories were very important before seeing the bikes, but the importance diminished when the actual choice was made.

For father the choice was based on finding a store that stocked the brand of bike he wanted. When he could not find the brand, he stopped his decision‑making process. However, the process started up again when he went into a shop that was convenient to where he worked. Durability and flexible set up were the most important characteristics.

Note that the least time was spent selecting the daughter's bike and the most spent on father's bike. The daughter's bike was more extensive solving then Mark's bike, but less than the father's.

1. Go to the student side of the Online Learning Center (OLC) and click on multiattribute model. Construct a multiattribute model for each purchase decision. How do the attributes considered and importance weights vary for each decision?

|  |  |  |  |
| --- | --- | --- | --- |
| *Attribute* | *Importance Weights* | | |
|  | daughter | son | father |
| Price | 10 | 6 | 7 |
| Color | 10 | 10 | 1 |
| Flexible setup | - | - | 9 |
| Weight | 4 | 7 | 9 |
| Durability | 3 | 10 | 9 |
| Brand name | - | - | 6 |

CASE 6 – Retailing in India

Use:

Chapter 1 Example of the retail industry evolving globally

Chapter 2 Differences in retail formats in India and the U.S.

Chapter 4 Illustrates differences in shopping behavior across the globe

Chapter 5 Example of international retailing and entering a foreign market

## Discussion Questions

1. How can a hypermarket located in India reach out to more experienced consumers and orient them to shopping in their stores?
   * It will be hard initially for a large retailer to initially attract consumers who have shopped in mom and pop stores their entire lives in India due to traditions of not living beyond their means.
   * The layouts of the stores are direct contradictions to the local vendor older generations of Indians have purchased their goods from.
   * It will be important for any potential retailer in India to teach these consumers how shopping in their stores will make their lives more efficient.
   * Instead of shopping at multiple local shops to get all that is needed, all goods can be purchased in one place for affordable prices.
   * It is worth targeting these consumers because they still represent a large portion of Indian consumers.
   * Even though younger adults represent the majority of the population, targeting older consumers and recognizing their importance speaks to the hypermarket’s willingness to meet all Indian’s consumer needs.
2. What does it say about the Indian Government concerning the fact that they are willing to spend $150 billion (U.S.) to improve the nation’s infrastructure? Is this good news for international retailers?

* If the Indian Government is willing to spend so much money to improve the capabilities of the country, they are expressing their commitment to hypermarkets and organized retailing in general.
* The government is also recognizing the problems within the country. However it is interesting that these strides were not taken to improve the conditions local vendors worked under.
* Since a majority of consumers shopped for their produce on a daily basis, the improved conditions will help reduce waste and increase the supply to meet the large demand.
* This is good news for international retailers because it is showing them that the government is for improving the economy through growth in the retail sector.
* It is important to realize that the commitment from the government is only the first step. Massive changes to a nation’s infrastructure will take years to accomplish. International retailers have to be willing to deal with much inefficiency at first in order to be successful.