

# **Marketing Case Tutor Online**

**Volume 1**

**Dr. Thomas Richard Whiteley**  
B.Comm., Dipl. in Retailing, M.B.A., Ph.D.

**Calabash Educational Software**

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## **Calabash Educational Software**

**Calabash Educational Software  
RPO Box 43221 - Sheppard Centre  
Toronto, Ontario, M2N 6N1  
Canada**

**Website:           <http://calabash.ca>  
Email Contact:    [admin@calabash.ca](mailto:admin@calabash.ca)**

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## **About Marketing Case Tutor Online**

The cases in Marketing Case Tutor Online (MCTo) are written to help the marketing student to apply the theories and concepts learned in marketing courses and to become better at the process of critical thinking. Volume 1 contains 16 cases. These cases are relative short, but they provide the opportunity for the preparation of in-depth written reports and extensive in-class discussion. You will find that some of the cases will become very controversial during in-class discussions (e.g., N.I.M.B.Y. - Not In My Backyard and A Helping Hand!). The key to the analysis approach to any of the cases is to fully understand the relevance of the marketing theories and concepts that apply. Use this theoretical and conceptional foundation to support your analysis and decisions.

At the end of each of these cases are questions that can serve as the focus of discussion and for the purpose of report preparation. Some of the cases identify the key marketing theories and concepts on which you need to focus; for the other cases, you are on your own. Some of the cases can also be used for the preparation of case reports based on the full-case-analysis approach (e.g., The Midnight Motel and The TTC Bus Bay Situation). Some of the cases require library research (e.g., Barney's Goes Bermuda).

The MCTo website includes one approach to the full-case-analysis approach. This approach can be used as a general guide in your analysis of any case. The MCTo website also includes a detailed conceptual and theoretical analysis of The Midnight Motel case. This two-page case requires consideration of almost 30 concepts. You will also find that this case appears to be simple to solve, however, in reality, it is very difficult to solve, unless one bit of critical insight clicks in! You can take the almost impossible and complex route in solving the case or you can follow the very simple route - you decide. Remember, parsimony is always nicer!

The cases in Volume 1 of MCTo can be used in a variety of marketing courses, depending on the course. The cases are primarily written for use in a Principles of Marketing course, however, selected cases can be used in Retailing, Consumer Behaviour, Advertising, Product Management, and Marketing Strategy courses. The cases can be used at the undergraduate and graduate levels and for management training.

Even though the cases are based on Canadian and U.S. situations, they are just as applicable to any local market. The cases can also be studied from an International perspective. Marketing students from around the world can benefit by analyzing the cases in MCTo, no matter where they live. The important concern is learning how to analyze cases effectively, regardless of the content.

Once you have mastered the analysis of relatively short cases, you will be ready for take on longer and more complex case analysis situations, including real-life projects.

Enjoy your pedagogical journey through the ever-changing world of marketing!

## **The Midnight Motel**

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The Midnight Motel is a single-storey, independent 60 room motel located 20 miles from a major, family resort area. The motel offers clean, basic accommodation for the traveler, including colour, cable television and in-room, direct-dial telephones. Local calls are free. The motel is located at the exit of a major highway. In fact, the motel is visible from the highway. For a fee of \$75 a month in each case, the motel has arranged to have billboards placed on farm land along the highway about one mile from the exit in both directions. The bright yellow (background) and black (text) signs identify the name of the motel, its location at the next exit, and the price for a single room per night. All of the information is clearly visible to the cars passing the locations, even at night, since the billboards are illuminated from above. The motel does not advertise and it does not maintain a website.

Nightly room rates are \$49.95 for a single, \$54.95 for a double, and \$3.00 more for each additional person. Children under 12 stay free. There is a weekly rate which is set at the equivalent of 7 nights for the price of 6. A monthly (30-day) rate is available for the regular rate for 21 single-night stays. A corporate discount of 10% is also available for each of the rates. Payment can be made by means of cash or any major credit card (e.g., Visa, MasterCard, American Express, Diners Club, Discover). Cheques (checks) of any type are not accepted for payment.

While much of the business is walk-in in nature (i.e., no advance booking), many of the regular clientele make future reservations before checking out during a previous stay. Telephone reservations are also accepted, if guaranteed by a major credit card. Cancellations up to 6:00 p.m. of the scheduled day of arrival are allowed without penalty. The one-night single rate is charged for non-arrivals under the guaranteed option. The motel does not belong to any corporate franchise reservation system, and it does not pay travel agent commissions for bookings through such a channel.

Although checkout time is 11:00 a.m., the motel is almost empty by 8:30 a.m. during the week. Most customers check out between 9:00 a.m. and 11:00 a.m. on the weekends. Most customers check in after 7:00 p.m. on any day. The motel offers a complimentary continental breakfast of donuts, muffins, coffee, tea, and orange juice from 6:00 a.m. until 11:00 a.m. each day of the week.

The motel is three years old. Since opening, the occupancy rate has steadily increased to and stabilized at 65%. Ninety-three percent of the customers stay only one night at a time; four percent stay for two to six nights at a time; two percent stay for a week at a time; and one percent stay for more than a week to a month at a time. No one has stayed for more than a month at a time.

The motel has many regular customers. The majority of the customers are sales representatives who either service the resort area or are just passing through the area. Approximately 75% of the clientele for the motel are traveling on business.

The closest stores, gas stations, and restaurants are at least 5 miles from the motel. Occasionally, but very rarely, the motel owner or his staff will notice a pizza delivery or similar vehicle making a delivery to one of the rooms. The motel has no laundry or dry cleaning services available to the customers. There are no other motels or hotels within 10 miles of the motel in any direction.

An interesting, yet annoying, event which happens throughout the day, evening, and late at night is the flow of traffic into the parking lot of the motel. The traffic enters the parking lot, pauses for a few seconds, and then leaves. Most often, there are parents and young children in the cars. The highway exit at which the motel is located is the main route to the resort area.

The motel generally enjoys a stable occupancy level throughout the year and weekdays. Business drops quite a bit on the weekends and there is a bit of a slowdown during the winter months. Business during the winter months has been helped by the Festival of Lights event held in the resort area and by the opening of a new Casino, making it worthwhile for many of the businesses in the area to stay open during this time. The new Casino draws up to 20,000 visitors per day. In the past, many of the motels in the area closed during the winter months because of the lack of business. Christmas and New Year's Eve are the most serious down periods for the Midnight Motel.

The owner of the motel runs the operation with his wife, two part-time workers who take turns on the 5:00 p.m. to midnight and midnight to 7:00 a.m. shifts, one maid who works Monday to Friday on a full-time basis, and one part-time maid who works Saturdays and Sundays.

Financially, the motel is earning a very small profit. The owner, however, would like to improve the profit performance of the motel, but without jeopardizing the simplicity of the operation. He is quite concerned that a significant number of rooms remain empty night-after-night. He has surveyed the typical motel/hotel operations in the region and has determined that his room rates are quite a bit lower than those of the other establishments. The closest daily competitive rate for a single is \$70. However, he also realizes that these establishments are located closer to the resort and business areas and other retail establishments, such as restaurants and convenience stores.

## Questions

1. Conceptually describe the nature of the target market attracted to this motel.
2. Describe the nature of each of the components of the market mix for this motel.
3. What are the business goals of the owner of the motel?
4. Conceptually, describe the profit situation of the motel.
5. What demand state does the motel face on a yearly basis? [i.e., no demand, negative demand, latent demand, full demand, overfull demand, faltering demand, irregular demand, unwholesome demand]

6. What pricing concepts are relevant to the case? Illustrate.
7. Using the consumer goods classification, describe the consumer market attracted to the motel.
8. Using the industrial market buying process, describe the purchase behavior with respect to motel selection of the sales representatives who stay at the motel.
9. What is the attitude of the patrons of the motel? What are their beliefs and what motel attributes are important to them? What motel attributes are not or are less important to them?
10. What are the three problems in the case? One of the problems is very minor; the other two problems are major problems. One of the latter problems is relatively easy to solve. If this problem could not be solved appropriately, then consideration of the other major problem would be necessary in order to address the concerns in the case. This latter situation, however, would be very complex.]
11. What are the symptoms to each of the problems? Explain how the symptoms relate to each of the problems?
12. Identify the alternative solutions for each problem. [Maintaining the current situation is always one of the alternative solutions.]
13. For each alternative solution, what are the advantages, disadvantages, and implications if the alternative is implemented? What is the decision with respect to each alternative [i.e., accept, reject, or hold (i.e., unable to make final decision due to lack of information or other reason)]? Suggesting that more information is required is usually not a sound alternative; all it means is that you are delaying making a final decision.
14. Identify the recommended solution for each problem.
15. Develop the plan of action for implementing the recommended solution for each problem.

Note: This case is a good case to apply the full case-analysis approach.

## **N.I.M.B.Y. - Not In My BackYard**

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The FunTime Bar & Grill operated for many years as a neighbourhood bar, catering to those who wanted to socialize, to watch sports events on large television sets, and/or to play video games. The bar was one of a number of businesses operating in a small neighbourhood shopping plaza. One day, a fire devastated the business. More than a year past before the business was refurbished and ready to re-open.

The owner of FunTime decided to open for business even though a new liquor licence had yet to be acquired, but the application had been initiated. Upon its opening, business was slow; the owner was finding it difficult to attract its former clientele. The inability to sell liquor was clearly a reason for this state of affairs. Another reason for the lack of business was the fact that two national franchise restaurants had opened within a few blocks of FunTime during the period of refurbishment. Both of these outlets sold liquor, attracted a social crowd, and offered a wider choice of food. Neither place, however, allowed for the viewing of sports events.

In order to generate revenue, the owner invited the students from a local Junior High School to use the video games on the premises. These students patronized a number of the businesses in the plaza on a regular basis, as did their parents. Since no liquor was being sold at the bar, there was no age restriction with respect to who could patronize the business. However, upon hearing what was taking place, the principal at the local school took exception to such activity. He and the vice-principal visited the establishment to voice their concerns. A heated argument ensued. Following this meeting, the school principal issued a letter to his students outlining his concerns. The letter was to be delivered to the parents. In the letter, the principal advised the parents not to allow their children to patronize the bar.

The owner became aware of the letters through visits by parents, some who supported the principal's position, and some who supported the owner's position. Upon learning of this letter, the bar owner posted notices all around the outside of his business stating his position and adamantly opposing the principal's position. The signs also included claims about racial and ethnic discrimination by the administration at the school.

At this point, the owner and his wife decided to visit the school to voice their concerns about the actions of the principal. During this visit, another heated argument ensued. This time, however, the owner and his wife made physical threats to the principal. Other office staff members were present during this encounter. The principal called the police and had charges laid against the bar owner.

Because of the charges against the owner, the owner's liquor licence application was suspended. The bar shut down a short while later, since hardly anyone was patronizing the bar. The business was put up for sale.



A potential, new owner wanted to turn the bar into a Scottish Fish & Chips neighbourhood pub. In order to gain support of the local community, he posted signs all around the outside of the business inviting the local residents to discuss his proposed business. The meeting was held one evening at a local restaurant.

The new owner would only agree to buy the business if he could acquire the previous owner's liquor licence for the premises. In order to have any chance of acquiring the licence, the new owner needed the support of the local residents. To accomplish this task, he asked the local residents at the above meeting to sign a petition offering their support. Since he did not get the minimum required 400 signatures at the meeting, he held an "open house" at the pub, inviting the local residents to come and talk to him about the proposed business. Signs were posted all around the outside of the pub requesting the support of the local residents. Copies of signed petitions were also posted. Tables were set up outside of the pub where the residents could sign the petition. Four days before the petition deadline, the owner was 136 signatures short.

**Focus:** Target market, Social Marketing, External Environment.

### Questions

1. Define the initial target market for FunTime Bar & Grill.
2. Upon re-opening, but before the acquisition of the liquor licence, describe the target market for FunTime.
3. How does the situation described in Question 2 relate to the Ansoff's Product-Market Strategy approach (a.k.a. Marketing Opportunities Matrix, Strategic Opportunities Matrix) - i.e., market penetration, product development, market development, diversification?
4. In what way does this case deal with Social Marketing?
5. Evaluate the actions of the owner. Was his marketing planning appropriate or inappropriate? Was his behaviour appropriate or inappropriate? In each case, explain your answer.
6. Explain the actions of the school administration. Were the actions appropriate or inappropriate? Explain. Does a school principal have the authority and/or responsibility to get involved with a community issue of this nature?
7. Why should marketers be aware of the response of those who are not within the target market of the proposed market offering?

8. Conceptually analyze the new competition faced by FunTime, upon its attempted re-opening.
9. Relate the situation described in the case to an analysis of the external environment [i.e., CERTS: Competition, Economic, Regulatory, Technological, Social (culture, political, etc.)].

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.

## **Where Have All the Tourists Gone? - The Case of SARS**

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In the Spring of 2003, the Toronto, Ontario, area was hit with SARS (Severe Acute Respiratory Syndrome), a newly diagnosed illness. It was believed the disease originated in Asia. Those inflicted or suspected of being inflicted with the disease were quarantined. More than 35 of these individuals died of the illness. The World Health Organization (W.H.O.) continually monitored the situation, having to issue a travel advisory at one point.

The tourism industry in the Toronto area was particularly hard hit. Foreign tourists, particularly those from the U.S. stayed away. Businesses in the tourist-related industry faced many cancellations and a serious lack of business (e.g., hotels, restaurants, airlines, theatres). The 9/11 catastrophe, the war in Iraq, and the state of the U.S. economy also did not help the situation.

Major conferences planned for Toronto were cancelled or had much lower attendance than originally expected. One major medical conference was cancelled. While the conveners of the American Library Association (ALA) and Canadian Library Association (CLA) Conference decided to hold the conference as planned, the ALA web site continually posted health advisories about the situation in Toronto. The annual conference had expected 22,000 registrants, but within a week of the conference, only 9,000 registrants remained on the list. It was expected that this number would climb to around 14,000, once the conference started and all participants, including exhibitors, were included. A planned trip by school children from the Buffalo, New York, area to see *The Lion King* was also cancelled.

One company that was hard hit from this health concern was Cullingford Coaches. This family-owned charter bus firm had to idle many of its 17 buses due to a lack of business. While many in the tourism industry had expected business to pick up after the initial round of concern subsided, subsequent outbreaks of the disease continued to scare the tourists away. For Cullingford, the lack of business meant that the company was unable to pay its creditors and, as a result, faced the possibility of having six of its buses repossessed by one of its creditors. The company attempted to work things out with the creditor and to arrange for alternative financing.

The 10-year-old firm catered to tourists, casino patrons, and student sports teams within the Ontario, Michigan, and New York markets. Patron concerns over SARS resulted in a drastic decline in demand from these target markets.

Even though the Toronto area was the only area in Canada that had to deal with SARS cases, tourism in the rest of the country also suffered. Many tourists didn't distinguish between Toronto, specifically, and Canada, in general, when it came to this medical issue. Demand for the bus tour business declined by at least 25% across the country. A Norwegian cruise ship company docking in Halifax, Nova Scotia, only required seven of the 12 reserved buses for a tour of Peggy's Cove.

The Ontario Government planned to spend money on promoting (i.e., advertising) Toronto and the province to tourists and conference planners. However, the belief of many was that such an effort would not get people to come to Toronto or to the province if they don't want to come.

**Focus:** Target market, consumer perceptions, consumer attitudes, attitude change, channel relationships, external environment (CERTS), demand state.

### Questions

1. Describe the target markets for Cullingford Coaches.
2. Why were tourists afraid to visit Toronto?
3. Describe the relevance of the external environment in this situation [i.e., CERTS - competition, economic, regulatory, technological, social (culture, political, etc.)].
4. What demand state were Cullingford Coaches and the other tourist-related businesses facing at this time?
5. Describe the nature of the channel relationship between Cullingford and its creditors.
6. What could Cullingford Coaches have done to improve demand, given the situation? [Relate your discussion to each of the components of a marketing strategy.]
7. What attitude model do you think tourists used if they decided to come to Toronto, despite the medical concern? if they decided not to come to Toronto? Explain.
8. Why do you think that the advertising effort by the Provincial Government was prone to fail? Explain in the context of the Attitude-to-Behaviour Model and attitude change.
9. Identify the marketing problem faced by Cullingford Coaches.
10. What are the symptoms to this problem?
11. What is your recommendation to Cullingford Coaches in order to solve the identified marketing problem? Why?

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.

Source: A number of the facts presented in this case were drawn from McNish, Jacquie (June 11, 2003). Skittish travellers shifting bus tour firm into reverse. *The Globe & Mail*, pp. B1, B4.

## The Illegal Burger

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The Burger Barn, a national fast food restaurant franchise recently opened an outlet in Smallville, Ontario. The new outlet has a very attractive decor, featuring cushioned booths, pictures and various wall ornaments, smoking and no smoking sections, and a variety of plants.

The restaurant also has an "open" beverage counter. When customers purchase beverages, they are given beverage containers which they fill themselves. A variety of soft drinks and coffee are available. Only one size of coffee container is utilized. Two sizes of soft drink containers are used (regular and large). Ice machines and napkin and straw dispensers are positioned beside the beverage dispensers. The "open" beverage counter allows customers to obtain free refills. There is no sign anywhere in the restaurant describing the "open" beverage counter policy.

Another feature of the restaurant is the "open" salad bar. Customers purchasing a salad are given a plate to fill, and refill, to a limit of three visits to the salad bar. There is a small sign on each side of the salad bar stating that there is a three-serving limit.

On this one particular day, a severely intoxicated male patron entered the restaurant and purchased a large burger (The Barn Buster!). Upon picking up his meal, he headed for the salad bar and proceeded to garnish his Barn Buster with various salad items.

An assistant manager (a young female) spotted this criminal event taking place and confronted the guilty party, who, by the way, because of his condition, wasn't even sure which planet he was on. The assistant manager seized the "illegal" burger and disposed of it in a garbage container behind the cashiers. She informed the customer that he was not allowed to garnish his burger with items from the salad bar. The assistant manager proceeded to give the customer a new Barn Buster. At this time, the customer purchased some fries.

The above confrontation took place at a time when a number of other customers were in the restaurant. Some of them were fully aware of the entire episode. No one, however, interfered with what had transpired.

After receiving his meal, the intoxicated customer sat at a table beside the front window and quietly ate his food, enjoying the outdoor scenery and the passing traffic. Soon afterwards, he left, disturbing no one. A few minutes later, two police officers arrived at the restaurant, even though the police station was only one block away. The police officers talked to the assistant manager and then left. Obviously, the assistant manager had called the police about the customer in question.

**Focus:** Marketing strategy, customer perceptions, management perceptions, customer relations.

## Questions

1. Using the appropriate theories and concepts, describe the nature of the marketing strategy implemented by The Burger Barn.
2. Evaluate the actions of the assistant manager. Did she act appropriately? Explain.
3. How do you think the assistant manager would have acted had the customer not been intoxicated?
4. How do you think the assistant manager would have acted had the customer been an intoxicated female?
5. How do you think the assistant manager would have acted had the customer been a non-intoxicated female?
6. If you were the assistant manager, how would you have handled this situation?
7. Is the design of the restaurant and/or the policies of the operation (i.e., “open” beverage counter policy and 3-serving option for the salad bar) somehow contributing factors to the problem situation in the case. Explain. If the design and/or the policies were contributing factors, what recommendations would you make?

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.

## **The 2-For-1 Broccoli Promotion**

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Braemore Supermarkets was having a "Buy One Get One Free" sales promotion. The weekly store flyer indicated that this special applied to boneless pork loin roast or chops, tangerine juice, cinnamon crunch sticks, boneless salmon fillets, broccoli, potted mini roses, and a number of other products. The free item had to be of equal or lesser value than the item purchased. The pork and broccoli specials were given dominant focus in the flyer. These two ads were of equal size and were the largest ads on the front page of the flyer, being three times larger than the other four ads on this page. Combined, the two ads took up more than half of the front page.

Ralph Baker, a regular Braemore shopper, who usually spends around \$80 a week in the store, saw the promotion and decided to purchase broccoli. When Ralph arrived at the produce department, he noticed a sign over the broccoli that stated: 2/\$1.99. The font (type size) used for this information was larger than that used for any of the other information on the sign. In smaller font, the sign stated: "Multiples of 2." The broccoli was packaged as a unit of two stalks, with each unit being bound by an elastic. There was nothing about "free" at the display area or on the sign. Based on the sign and the ad in the flyer, Ralph picked up four of the bound units, intending to pay \$1.99 for two of the two units, based on the sign (i.e., multiples of 2) and getting the other two units free, based on the ad in the flyer.

On his way to the checkout, Ralph passed one of the cashiers and asked, "If a customer buys two of the bound units of broccoli for \$1.99, does the customer get two bound units for free, based on the "Buy One Get One Free" promotion?" The cashier, who didn't work in the produce department, said he did not think that was the case, but he would ask the manager on duty to check into the matter.

The manager on duty was the grocery manager. When the grocery manager came over to the customer, the customer once again explained the situation, as well as indicating that broccoli is often sold by the stalk. The grocery manager said he wasn't sure what to do. He then walked over to the produce department, trying to find the broccoli. Once he found the broccoli (which took a while), he read the sign above the product. The grocery manager's interpretation of the sign was that the "multiples of 2" meant that one stalk had to be paid for and the other stalk in the "multiple of 2" would be the free one. He further explained that the "multiples of 2" did not mean "two bundles," but, rather, referred to "2 stalks for \$1.99." Furthermore, as far as he was concerned, the "multiples of 2" referred to the "Buy One Get One Free" promotion, and nothing else.

The customer then made reference to a Coca Cola sign in the store. The sign indicated a price of 3/\$11.00. In this case, the sign referred to three cases of the product (i.e., three units). From the customer's perspective, this was the same as the 2/\$1.99 sign for the broccoli, where the "unit" of sale was not a stalk, but, rather, a bound bundle (i.e., like a "case" of Coke -- a "bound bundle").

Despite the efforts of the customer, the grocery manager refused to agree to the customer's interpretation of the sign. The grocery manager's additional response was that "He doesn't Care!" and he told the customer to take the matter up with "Management" (i.e., Head Office). As far as he was concerned, if a customer buys one stalk, the customer pays \$1.99. The second stalk is free.

After paying for his groceries, Ralph went home and sent an e-mail to the store's Head Office, explaining the entire situation. A few days later, Ralph received an e-mail response from Head Office, indicating that the matter would be investigated. A few days after that, Ralph received an e-mail response from the assistant manager of the store in which the confrontation took place. The assistant manager apologized for the "misunderstanding." He then invited Ralph to contact him to discuss the matter further, if he so wished, and asked Ralph to suggest what it would take to get him to come back to the store as a customer. Ralph never responded and he never returned to the store.

**Focus:** Customer relations, life-time value, sales promotion, communication (i.e., signage and flyer), repeat sales, transaction orientation.

### Questions

1. Explain how the "Buy One Get One Free" promotion is an example of sales promotion.
2. If you were Ralph in this case, how would you have interpreted the sales promotion and the signage? Explain.
3. Do you agree or disagree with the grocery manager's interpretation and decision in this matter? Explain.
4. If you were the grocery manager, how would you have dealt with the customer?
5. Evaluate the response provided by the assistant manager of the store?
6. If you were the assistant manager, how would you have dealt with the situation? How would you have encouraged the customer to return to the store as a regular shopper?
7. Do you think there was something about the sign over the broccoli which contributed to the problem of interpretation? Explain.
8. Explain how the concept of "life-time value" is relevant to this case?
9. Assume the store takes an average mark-up of 20%; what is the cost to the store for a period of one year if Ralph did not shop at the store? What would the cost and benefit be to the store for this same period of time if the grocery manager gave Ralph the extra bundle of broccoli for free?



10. Research shows that dissatisfied customers usually do not complain to store management; rather, they just discontinue patronizing the particular store. Should the fact that Ralph took the time to inform Head Office of his concerns have influenced how Head Office dealt with this situation? Explain.
11. Research also shows that dissatisfied customers tend to tell many other individuals about their unsatisfactory experiences at a store. Knowing this, did the store deal with the situation appropriately? Explain.
12. Research also shows that it costs about five times more to encourage dissatisfied customers to return to the store/company than to encourage an initial visit/purchase. Knowing this, did the store deal with the situation appropriately? Explain.
13. Do you like broccoli? Evaluate this state of affairs using the appropriate marketing theories and concepts.

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.

## **A Helping Hand!**

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During the March 1996 spring break, Mark Fyke, an 18-year-old high school student at Nicholson Catholic College in Belleville, Ontario, Canada, was vacationing with friends in Daytona Beach, Florida, U.S.A. Approximately forty individuals, 16 of them students at Nicholson, chartered a bus for a week of fun in Daytona Beach.

On Friday evening, at approximately 11:45 p.m. on March 15, 1996, Mark phoned his mother from a pay phone outside the Thunderbird Motel at which the group was staying. Mark used this phone in order to avoid paying telephone surcharges levied by the motel. During the conversation, Mark told his mother that the Belleville group would be heading home in a few hours.

Just after talking on the phone, Mark was confronted by a gang of youths who demanded money. When Mark refused to turn over any money, he was fatally shot in the back of the head by one of the youths. On the morning of Saturday, March 16, the distraught group of students and friends boarded their bus for a day-and-a-half journey back to Belleville.

**Focus:** Corporate social responsibility, crisis management.

### **Questions**

Imagine that you are the Director of Marketing for Canadian Airlines International or Air Canada, two of the many airlines which serviced the Daytona/Orlando area at the time.

1. Is there anything that your company could have done to help this group?
2. What would you have done? Why would you have done this?
3. Are there any reasons why you would not want your company to get involved in this situation?
4. If you did get involved in this situation, how would you respond to critics who might argue that your action was nothing more than a marketing ploy?
5. If you did get involved in this situation, what type of press release would you have developed, if any?

For all questions, use the appropriate theories and concepts, when necessary. Do not just report case facts.

[The facts described in this case are, unfortunately, true.]

## The Little Engine That Couldn't And Wouldn't

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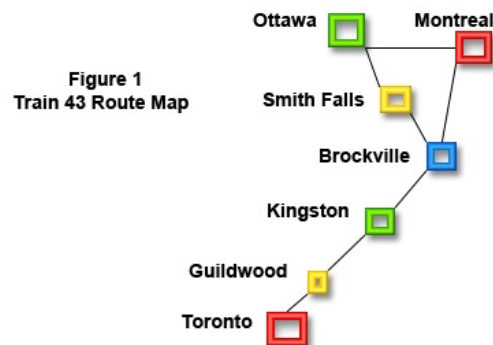
**Headline:** IT WAS A LOT LIKE THE TITANIC  
**Subhead line:** Passengers trapped on 18-hour train journey organize medical care, beg food from crew.

1 It was 9:40 a.m., Thursday, January 8, 1998. Via Rail Train 43 left Ottawa, Ontario, the Nation's  
 2 Capital, on schedule. Destination: Toronto, Ontario, the Provincial Capital. The scheduled arrival  
 3 time for the 446 km trip (about 280 miles) was 1:40 p.m. - an expected journey of 4 hours. The  
 4 route and schedule for Train 43 are presented in Table 1. Figure 1 shows the route map.

Table 1 Train 43 Route and Schedule			
City	Distance (1 km $\approx$ 0.62 miles)		Time
	km	Miles	
Ottawa	0	0	9:40 a.m.
Smith Falls	66	41	10:23 a.m.
Brockville	111	69	10:52 a.m.
Kingston	191	118	11:31 a.m. (Arrival) 11:34 a.m. (Departure)
Guildwood	425	264	1:25 p.m.
Toronto	446	277	1:40 p.m.

5 **Reality:** The trip actually took 18 hours to  
 6 complete! The train arrived in  
 7 Toronto at 3:30 a.m. on Friday,  
 8 January 9. Clearly, it was not a  
 9 Gilligan's Island 3-hour tour! - Or  
 10 was it? So, what happened?

11 Prior to departure, Via Rail was aware of the  
 12 poor winter weather conditions in the area. The  
 13 route followed by the train was in the path of a  
 14 severe winter storm. Prior to departure,



15 however, the crew ensured one passenger that, despite the severe winter ice storm in the area, a  
16 storm that had shut down entire towns in Eastern Ontario, there would be no delays.

17 It was only 40 minutes into the journey when things started to turn for the worse: The train had to  
18 stop because a tree had fallen onto the track. The train had to wait until an emergency crew arrived

19 to remove the tree. This incident occurred repeatedly during the trip. In one case, a farmer with a  
20 chainsaw was able to remove the tree before the emergency crew arrived. En route, the train also  
21 ran into a fallen tree and had to deal with a power line that had fallen upon it. There was growing  
22 concern among the passengers that it would take a long time for help to arrive if the train derailed.

23 I guess the Canadian temperament kept the passengers calm for the first few hours, even if they did  
24 become somewhat fatalistic. However, by 4:00 p.m., the train still had not reached Brockville, a 111  
25 km journey that should only have taken one hour and 12 minutes. But then the train started going  
26 in reverse. Passengers were starting to get mad, which led them to question the manner in which  
27 the crew was handling the situation. The same direction of movement continued for 30 minutes, and  
28 then for another 30 minutes. In four hours, the train traveled backwards for a distance of 50 km (30  
29 miles), often stopping to remove trees that had fallen onto the tracks.

30 During the trip angry passengers started to move into the aisles demanding explanations of what was  
31 going on and wondering if they would ever arrive in Toronto. One passenger became a spokesman  
32 for the other passengers, copying down questions to be asked of the conductor. When questioned  
33 about the status of the situation, neither the conductor nor the crew provided answers: The crew  
34 knew nothing. The crew also showed no desire in determining whether any of the roughly 100  
35 passengers had any medical problems. It appeared that the crew was afraid of causing a panic.

36 Given the response, or non-response, of the crew, and the fact that the food supply had run out at  
37 around 11:00 a.m., the passengers decided to organize themselves and rebel. One of the main  
38 reasons for the lack of food was the failure of Via Rail to restock the pantry before the train left  
39 Ottawa. In defense of Via Rail, one reason for this could have been the fact that there were only  
40 about 100 passengers on the train, indicating that the train was running well below capacity. A four-  
41 car train set, with an engine, a local car, a Toronto car, and a First Class car would be able to carry  
42 over 200 passengers.

43 As the passengers went through the train asking about health problems, they discovered that two  
44 passengers were diabetics, that one male passenger recently had a stroke, and that one woman was  
45 8-and-a-half months pregnant. It was also discovered that there was a medical doctor on the train,  
46 who's assistance was required when a female passenger fainted. The passengers also wanted to  
47 make sure that at least babies, children, and diabetics had food.

48 While the lack of food was a major concern in coach, it was not as bad in First Class (called Via 1  
49 service). It was discovered that these passengers were served chocolates to help stave off hunger  
50 during the trip. This was not the case for those in coach. The food cart from the First Class section

51 also stayed in First Class – the contents of the cart were not offered to the rest of the hungry  
52 passengers on board the train. The supply of hot beverages, such as coffee and tea, also did not last  
53 for long. However, it was discovered that an elderly woman passenger had a clear plastic bag full  
54 of Earl Grey tea bags, but she refused to share.

55 The reason for the reverse movement of the train was eventually discovered. It was learned that two  
56 Canadian National (CN) freight trains, on the way to Montreal from Toronto, were stuck outside  
57 (east of) Brockville (about 2 hours out of Montreal) and that the 7:00 a.m. Via Rail passenger train  
58 out of Toronto was stuck behind the freight trains. The engineer of Train 43 had been told to back  
59 up to pick up the eastbound train, which had been stuck since the early morning. However, the crew  
60 of that Via Rail train had reached their legal work limit of 16 hours. Since the crew on the current  
61 Train 43 had already come from Montreal to Ottawa, they too would soon reach their legal work  
62 limit of 16 hours. The passengers were getting very concerned.

63 After the Montreal-bound train was attached to Train 43, the passenger spokesperson on the  
64 Toronto-bound train went through the Montreal bound train and came upon a Via customer-relations  
65 manager on board. The two parties engaged in a vigorous argument, at the end of which, the  
66 passenger informed the manager that he would be pursuing the matter when he arrived in Toronto.

67 The customer-relations manager eventually got a Via Rail senior manager to allow the train crew  
68 on Train 43 to work beyond the 16-hour limit. The conductor of the train had not been able to  
69 accomplish this task.

70 The train crews of the two freight trains boarded Train 43. These railway employees had brought  
71 along their lunches. They were strongly encouraged to share their food, which included two  
72 tangerines, four pieces of pizza bread, a six-pack of popcorn, and a carton of milk. These items were  
73 given to the children and diabetics on board.

74 Most passengers went hungry until midnight. At this time, the train finally arrived in Kingston, a  
75 destination 191 km out of Ottawa that would normally take 1 hour and 51 minutes to reach. The  
76 passengers were provided with complimentary sandwiches on board. Paramedics also checked the  
77 health of the passengers.

78 When the train finally arrived in Toronto at 3:30 a.m. the next morning (i.e., Friday), Via Rail had  
79 arranged for the passengers to stay at the Royal York Hotel, across from the train station (i.e., Union  
80 Station). The Royal York hotel is a well-known, luxury hotel.

81 Upon their arrival in Toronto, the passengers were amazed that the trip had not ended in disaster.  
82 The crew informed the passengers that there was no procedural manual or plan of organization for  
83 what took place during this trip.

84 One passenger reflected on the nightmare that the passengers of Train 43 faced by indicating that  
85 he was glad it happened in Canada and not in the U.S., since Canadians tend to be somewhat less

86 confrontational. It was also evident that the nature of the situation drew strangers closer together;  
87 there was a feeling among the passengers that they had to help one another.

88 It was also noted that the train was carrying some eminent people: a Federal Senator and a  
89 parliamentary secretary. Were they in First Class or coach?

90 Calls to Via Rail by the Globe and Mail newspaper the day after the trip were not returned: They  
91 probably had other concerns on their minds.

92 So, just like the 3-hour tour on Gilligan's Island, the 4-hour scheduled journey of Train 43 turned  
93 into an extended journey, even without the Skipper!

### Questions

1. Identify all of the major marketing theories and concepts illustrated in this case.
2. Explain the behaviour of the crew and other representatives of Via Rail from the point of view of customer relationship management.
3. Explain the behaviour of the passengers. Did they behave appropriately in their role as consumers?
4. Assume you were the crew and the management of Via Rail. How would you have handled the situation?
5. From an attitude model perspective, how would you ensure customer retention with respect to the passengers who were aboard Train 43 during this infamous trip?
6. How does the concept of crisis management apply to this case?

**Source:** The majority of the facts in this case, excluding the table, the questions, the map, and the additional commentary, are drawn from the following article: Gadd, J. (1998, January 10). The great ice storm: 'It was almost like the Titanic' - Passengers trapped on 18-hour train journey organize own medical care, beg for food from crew. *The Globe and Mail*, p. A1.

## No Frills But a Lot of Chills!

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It was a cold, snowy day of winter. Charlie and Helen Brady, the parents a 13-year-old boy and a 15-year-old girl and a 5-year-old girl, and the owners of two cats, Sparkles and Slim, and one dog, Cookie, decided to go grocery shopping. They had a choice between two discount grocery stores, which were directly across the road from each other. They chose the one that was on the right hand side of the road in the direction they were driving, even though the external appearance of the store was not as nice as that of the other store. They had shopped at both stores before.

After they entered the store, they began the task of shopping. Soon they realized that it was very cold in the store; there was no heat. They learned from the store personnel that the heating system had been out for a few days. Since the Brady's were well into acquiring the items they wanted, they decided to stay in the store and finish their shopping.

When they arrived at the checkout counter, they suggested to the cashier that the store should offer customers a hot drink while they were shopping. In fact, Charlie suggested that they offer the store brand of hot chocolate – a comfort food. Not only would this warm up the customers and reduce the likelihood that they would cut their shopping journey short, it would also promote the store brand of the product, increasing the likelihood of impulse buying, or at least leading to possible future purchases. After the Brady's left the store, they saw a “lack of heat” notice on the door. Had they seen the sign before entering the store, they might have decided to patronize the local competitor.

**Focus:** Family life-cycle, store choice decision, store atmosphere, attribute importance, beliefs, attitude and attitude change, comfort food, impulse shopping, evoked set, adoption process, evoked set, horizontal (intra-type) competition, management decision making, customer relations, dealer brand.

### Questions

1. Discuss each of the concepts listed in the Focus section above in terms of its relevance to this case.
2. What other products can you think of that are often considered comfort food? What is meant by a comfort food?
3. Is store atmosphere, a component of the retailing mix, an important choice attribute used by consumers when selecting a store? Explain.

4. Should the management of this store do something to make the atmosphere of the store more pleasant for the customers, given the circumstances? Explain.
5. What is the difference between a dealer brand and a manufacturer's brand? If consumers normally do not include a particular dealer brand within the evoked set, how can a marketer get it placed there? How is the adoption process relevant in such a situation?

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.



## A Matter of Two Cents

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It had to happen sometime. At the checkout stand of one of the stores of a discount food franchise operation of a major supermarket chain, a case of 12 tins of Diet Coca Cola was scanned at the price



of \$3.99. The cashier was oblivious to what was scanned. The customer advised the cashier that the price of the item was \$3.97. There was no price label on the item itself. The customer then informed the cashier that under the store's agreement with the Retail Council of Canada, if the price of an item scans incorrectly, an item that is valued at \$10.00 or less is to be given to the customer free of charge and for an item that is valued at more than \$10.00, the customer is to be given a discount of \$10.00. The customer

went back to the shelf location to verify the price. The cashier called for a stock clerk to verify the price. The label on the shelf indicated that the lower price of \$3.97 was the correct price. The cashier wasn't sure about the store's policy, so she asked another cashier, who informed the first cashier that the customer was correct about getting the item free. The first cashier then called for the manager on duty, who happened to be one of the store's assistant managers. The situation was explained to the assistant manager. The assistant manager refused to give the item to the customer free of charge for an error of 2 cents. The customer was charged \$3.97 for the case of Coke. While this interaction was taking place, which took quite a while, other customers were kept waiting.

The following week, the same customer was shopping in a Canadian Tire store in another city and decided to purchase a medium-duty extension cord. The sign at the end aisle display for this item indicated a price of \$8.99. There was no price label on the item itself. At the checkout stand, the item scanned at \$11.99. The customer informed the cashier of the error. The cashier immediately called for a stock clerk to verify the lower price. The stock clerk returned confirming the lower price. The cashier was asked if the company had signed on to the scanning policy of the Retail Council of Canada. The cashier wasn't sure, but immediately sent the customer over to the customer service counter, without ringing up the item. The clerk at the customer service counter was informed of the situation, which was also confirmed by the cashier, who was near by. The customer service clerk contacted someone by phone, explaining the situation. The person contacted immediately came over to the customer service counter, completed some paperwork pertaining to the matter and informed the clerk to ring up a \$0.00 sale. The customer was given the extension cord free of charge, as well as the receipt for the same amount.

### Questions

1. Go to the Retail Council of Canada website [<http://www.retailcouncil.org>]. Enter the site. Click on Government Relations. Click on Codes and Best Practices. Click on Scanner Accuracy. Review the Code of Practice - Scanner Price Accuracy Voluntary Code 2002.

2. Which group of retailers helped set up this Code? Why was this code set up?
3. Which retailers have signed on to the Code?
4. Based on the Code, explain what the Assistant Manager in the food store should have done?
5. Based on customer relations management, regardless of the code, what should the Assistant Manager have done?
6. What are the negative aspects in terms of customer relations and store efficiency about the entire transaction that took place at the food store?
7. Evaluate the nature of the transaction that took place at the Canadian Tire store.
8. Look up the Federal Competition Act and determine whether the issue of double ticketing is applicable here. What are the responsibilities of a store in the event that a double ticketing situation arises?
9. Under which situation is a retailer better off: abiding by the price scanning Code or facing charges under a violation of the Competition Act?

*\*Diet Coca Cola, Coke, and Canadian Tire are the register trademarks of the respective firms.*

## The Missed Flight to See Mickey!

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There I was, waiting for my flight from Providence, Rhode Island, to Minneapolis, Minnesota. I wouldn't be waiting if I hadn't been late getting to the airport and missed my flight. I almost made it to the gate before the flight departed, but the doors of the aircraft had been shut and the plane was ready to leave when I finally arrived. I would have made it had I not gone to the wrong gate; the gate I had flown out of many times before on UsAir. So, I had to wait for the next flight, with a connection through Pittsburgh.

As I waited near the gate for the next flight, so as not to miss this flight, I noticed a mother and father and their two little girls over at the pay phone. The mother seemed a little upset about something, as were the little girls. I learned that the family also had missed their flight, but they were on their way to Disney World down in Orlando, Florida – they were on their way to see Mickey!

After awhile, word came that we were about to board the flight. The regularly scheduled passengers were allowed to board first. Then, the UsAir staff called to the mother of the two little girls, who was still on the phone, to get on board – they were going to get to see Mickey! The mother quickly hung up the phone, got the attention of her husband and the little girls, and moved toward the gate, as I was still waiting to be called, if at all.

The mother passed me on her way to board the plane; then one little girl passed me, heading in the same direction; then the other, younger little girl passed me. When the latter little girl got to the point where the UsAir staff was waiting, she turned in their direction and said, **Thank You!** Then the father passed me. I was still waiting to be called! They were going to see Mickey!

Finally, I, another standby passenger, was called to board the plane – I was finally on my way to Minneapolis! As I boarded the plane, I walked through the First Class section. There they were – the family on the way to see Mickey! The UsAir staff found four seats for them in First Class. Now that's class! I continued to walk through the plane to find my seat. Oh, there it is – at the back of the plane. I wasn't going to see Mickey!

All I could think of while on route to my destination, via Pittsburgh, a great little town, was that I could only imagine the look on the family members' faces when they realized that they had been upgraded to First Class, at least to Pittsburgh. Before boarding the plane, they were very stressed because of the nature of the situation. Now, they are sitting comfortably on board the UsAir flight. The stress had to be gone; after all, they were on their way to see Mickey!

**Focus:** Customer service, customer relations management, service versus product offering, perishability, attitude, emotional state, word of mouth communication, transactional versus lifetime value analysis (LTV), tangible versus intangible service characteristics.

### Questions

1. Discuss how each of the concepts listed in the Focus section above apply to the case.
2. From a cost perspective, evaluate the decision made by the UsAir staff with respect to the family.
3. From a marketing and customer relations perspective, evaluate the decision made by the UsAir staff with respect to the family.
4. With respect to each component of a marketing strategy, discuss how airlines compete with one another? How do they differentiate one airline from another?
5. In general, how can a service operation differentiate itself from its competition? With respect to the family situation in the case, how did the UsAir staff attempt to differentiate itself from the competition?
6. Would it be possible for UsAir to design an effective television commercial based on this event? Explain. What marketing mix attributes would be the focus of such an ad? How would UsAir attempt to differentiate itself from the competition?

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.

## The Cuban Pajamas

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You are the manager of a U.S. retailer operating in Canada. One of the U.S. visitors to your store notices that you are selling pajamas made in Cuba. The visitor was also amazed that your store was selling Cuban cigars. The visitor sent an e-mail to the Head Office of the U.S. retailer to complain.

Because of the actions of Fidel Castro, in October, 1960, the U.S. Government placed an economic embargo on Cuba, which banned all U.S. exports to the country, except for medicines and some food items. Diplomatic relations between the U.S. and Cuba ended in January, 1961.

You receive a letter from Head Office that informs you to withdraw the merchandise in question from stock. Your assistant manager, however, informs you that a Canadian Federal law prevents you from abiding by this directive. Now you're in a Catch 22! What do you do?

You learn that the appropriate U.S. legislation is the Helms-Burton Act (1996), part of which was repealed in 2000. You also learn that the appropriate Canadian Federal law is the Canadian Extraterritorial Act. You decide to investigate these laws to help you determine what to do.

**Focus:** International and local laws and jurisdiction, external environment analysis [CERTS - competition, economic, regulatory, technological, social (culture, political, etc.)], merchandise sourcing, multi-national firms, product-market strategy framework (i.e., market penetration, market development, product development, diversification).

### Questions

1. What do the U.S. and Canadian laws state with respect to the matter under investigation?
2. With respect to each law, what are the penalties for violating the law?
3. After your investigation, what is your decision? What action do you decide to take? Why?

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.

## **The Misdirected Bus Passenger**

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Carlos Rodriguez was on his way from Wayburn to Creighton to visit friends. Because of limited financial resources, Carlos decided to go by bus. Because of his Hispanic accent, when he asked for a ticket to his destination, Creighton, the ticket agent thought Carlos said Brighton, which was one of the destinations also served by the bus company. The ticket issued to Carlos identified Wayburn as the point of origin and Brighton as the destination. The bus that Carlos was told to take originated in Wayburn and completed its journey in Talbot, a 10-hour overnight trip. The Brighton stop was 30 minutes before the Talbot stop.

Since Carlos was not a regular traveler, he did not examine his ticket that closely; besides, he had never made this trip before. When the bus arrived in Brighton, a very small town, Carlos knew something was wrong, since he knew that Creighton was a very large metropolitan area. The fact that his friends were not at the bus station to greet him also raised concern.

Carlos asked another passenger if this was the Creighton stop. Carlos was informed that it was not. The bus driver told Carlos that it was probably best that he continue on to Talbot, where there would be a station agent on duty to provide assistance; no one was on duty at Brighton at this time.

When Carlos arrived at the Talbot station, he learned that a connecting bus was departing in 30 minutes to Creighton. This trip would take 6 hours to complete. With the assistance of the other passenger Carlos met on the bus, Carlos and the other passenger explained the situation to the ticket agent. The other passenger asked the ticket agent what the ticket price would have been had Carlos received a ticket to his correct destination via a direct route. The ticket agent said it would have cost \$20 more. Carlos did not have that much money on him, or did he have any credit cards. The other passenger offered to pay the \$20 for Carlos.

When this offer was made to the ticket agent, she said that would not be possible. The ticket agent told Carlos that he would have to pay the full \$60 fare from Talbot to Creighton. Carlos had already spent almost that much for his original ticket. Since the connecting bus was about to leave, the other passenger asked the ticket agent to ask the station manager whether the additional \$20 would be accepted, since Carlos had been misdirected. The station manager was not available, but after some insistence from Carlos and the other passenger, the ticket agent decided to call another ticket agent at home. The other ticket agent indicated that the full fare of \$60 had to be paid and that Carlos could take up the matter with the station manager at Wayburn, when he returned home.

The end result of this situation was that the connecting bus left without Carlos. The next bus to Creighton out of Talbot was not until around midnight, eighteen hours later than the bus that had just left. Carlos spent the day trying to connect with his friends in Creighton for them to arrange a

prepaid ticket from Talbot to Creighton for him. At least he was successful at this task and arrived in Creighton the next morning.

Because of the nature of the event involving Carlos, the other passenger filed a letter of complaint with the Head Office of the bus company. In the response letter, Head Office apologized for what happened and asked if the passenger had a contact address for Carlos, so that they could apologize to him directly, as well as make amends. The other passenger informed Head Office that no such information was available. The other passenger eventually learned that the ticket agent contacted at home was terminated by the bus company because of this incident.

**Focus:** Customer service; perishability of a service; fixed cost, variable cost, versus total cost; life-time value; customer relations management.

### Questions

1. Explain the relevance to the case of each of the concepts identified in the Focus section above.
2. Who was to blame for Carlos being misdirected? Explain.
3. What was the cost to the bus company by allowing Carlos to board the connecting bus after paying the additional \$20? Explain.
4. Did the ticket agents at Talbot deal with the situation correctly? Explain.
5. How should the ticket agents at Talbot handled the situation? Explain.
6. How would you have handled the situation? Explain.
7. Did head office deal with the ticket agent who was terminated correctly? Do all ticket agents for the bus company (and station managers) need training in how to deal with situations like this? Explain.

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.

## You Think You Can!

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While on vacation in Prince Edward Island, Canada, you noticed that there were no beer cans or soft drink cans littering the streets. While shopping in the local convenience stores, you noticed that there were no soft drinks available in cans. You found the same thing for beer at the local beer store. Since you own a company in Ontario that produces cans for the soft drink and beer industries, you thought there was a potential gold mine here.

When you got home, you decided to develop a marketing plan to tap into this unfilled market. You had to determine what local companies could use your product, and you had to determine if some of the products were being produced out-of-province and being shipped in. Of course, you would have to do a complete corporate resource and environmental analysis before developing your strategy.

**Focus:** Corporate resource analysis, environmental analysis [CERTS - competition, economic, regulatory, technological, social (culture, political, etc.)], product packaging (second generation), social marketing, target marketing, business-to-business marketing, secondary versus primary research, marketing planning.

### Questions

1. After carrying out appropriate secondary research (library, Internet, etc.), describe the nature of your marketing plan to tap into this Business-to-Business (B2B) market.
2. What is your decision with respect to this market? Why?



## Barney's Goes Bermuda

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While on vacation in Bermuda, you dined in many of the local eateries, sampling the local cuisine. On your flight home, you realized that you didn't visit any of your traditional fast food outlets, such as McDonald's, Burger King, and Wendy's. In fact, you don't even remember seeing any of these outlets! Since you are the marketing manager for Barney's Burger Barn back home, you decided that this was a wonderful opportunity for your company to investigate. Just think about all of the tourists from home who would welcome a taste of home while on vacation.

When you got home, you decided to develop a marketing plan to tap into this unfilled market. Of course you would have to determine the size and nature of the potential target market, and you had to determine whether or not a modified menu would be more appropriate than the menu traditionally offered by your company, so that you could attract many of the locals, as well. And, of course, you would have to do a complete corporate resource and environmental analysis before developing your strategy.

**Focus:** External environment analysis [CERTS - competition, economic, regulatory, technological, social (culture, political, etc.)], corporate resource analysis, target market, marketing planning.

### Questions

1. After carrying out appropriate research (library, Internet, etc.), describe the nature of your marketing plan to tap into this unfilled market.
2. What is your decision with respect to this market? Why?

## The TTC Bus Bay Situation

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In July, 2001, traffic gridlock was (and still is) a major problem in Toronto, Ontario. The TTC (Toronto Transit Commission), which operates the public city transit system, using buses, streetcars, and subway trains, wants to increase the efficiency of its bus system by removing many of the bus bays. Bus bays, located primarily in the suburbs because of the wider roads, allow buses to move out of the major traffic flow (to the right) to board and disembark passengers. This approach allows other traffic to continue. The issue, however, is that the buses have a difficult time re-entering the main traffic flow because of congestion and drivers who do not yield the right-of-way to the buses, especially during rush hour. The battle over who is the "king of the road," buses or cars, is the main issue of concern. When car and truck drivers do let the buses back into the main thoroughfare, TTC drivers often stick their left hand out the bus driver's window, acknowledging the action with a wave, or at least give an extra flash of the turn signal.

There are 1,802 of bus bays in the city. Of this number, 1,243 are on the near side of the intersections (i.e., before the intersection), 444 are past the intersection, and 115 are mid-block.

According to the TTC, by ending its use of the bus bays located before the intersections, other vehicles could use the bays for right turns, thereby speeding up traffic. The TTC also believes that some of these bays could also be moved to the far side of the intersection, if warranted. Twenty-one of the bus bays are considered too narrow for the buses and should be removed or improved immediately, according to the TTC.

The increase in automobile traffic over the past five years has meant that the TTC has lost space on the roads. Getting rid of the bus bays is one of the ways of trying to improve the flow of public traffic. Other approaches considered are setting up more lanes for just bus traffic and better enforcement of parking on major streets. Traffic bylaw enforcement on the use of the current bus lanes could also be considered (bus lanes are not to be used by cars with less than three passengers - taxis, other buses, and bicycles can also use these lanes during rush hour). The lanes can be used by any vehicle during off-peak times. Peak times are 7 a.m. - 10:00 a.m. and 3 p.m. - 7:00 p.m. from Monday to Friday.

Removing the bus bays is expected to irritate motorists more since they would not know when a particular bus is going to stop, thereby delaying the traffic behind the bus, while it boards and disembarks passengers.

**Note:** In 2004, the Provincial Government passed a law requiring drivers to yield the right-of-way to buses leaving bus bays or attempting to change lanes. Fines are imposed for failing to abide by the law. Do not consider the fact that a law *now exists* in your analysis of the case. The legal perspective, can, however, be considered in your analysis.

## Questions

1. Identify the relevant marketing concepts and theories in this case.
2. What is the major marketing problem in the case?
3. What are the symptoms of this problem?
4. What are the possible alternative solutions which could resolve the problem?
5. What are the advantages, disadvantages, and implications of implementing each alternative?
6. What is your recommended solution to the problem? Why?

**Note:** This is a good case to apply the full-case report approach.

## Product Tampering and Packaging

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You were shopping one day and noticed that a lot of products have an excessive amount of packaging, making it difficult to open the product. This was found to be the case particularly for over-the-counter (OTC) medications. The package of headache medication that you purchased had a plastic seal on the box, which had to be broken to open the box; a strip of plastic encircling the cap of the enclosed bottle, that had to be removed; and a child-proof cap that required a significant amount of downward pressure in order to remove the cap by turning. You considered that all of this packaging was provided to make the product tamper proof. But why would companies go to all this bother?

**Focus:** Secondary research, first generation packaging (i.e., for protection of product) versus second generation packaging (for communication of information, image, etc.).

### Questions

1. What event in the past led to the provision of tamper-proof packaging?
2. When and where did the first recorded event occur?
3. What happened during this first recorded event?
4. Specifically, how did companies respond to this event in terms of product and package design? Provide specific examples.

When you carry out your secondary research to find the answers to these questions, use only published research sources, such as newspapers, magazines, and journals: Do not use general Internet sources (e.g., someone's personal website). The Internet can be used to find authorized sources, but it may be best to start with library databases. You must provide full documentation for your sources [i.e., source of article (e.g., name of newspaper), title of article, author, date of publication, page reference].

For all questions, use the appropriate theories and concepts, when necessary. Do not just present case facts.