

# Case Studies for Strategic Management

Oct. 2004 – June 2005

Dr David Ward

## **Scope of these case studies:**

- To replace or 'Europeanise' the case studies illustrated by Saloner et al., White, Kotler etc.
- To broaden your perspective of marketing (and more..)
- To tackle the difficult task of bridging R&D with Marketing : From technology-push to market-pull and back!
- To illustrate how the theory links with the practical
- To provide international and everyday examples
- To capture your imagination and hopefully spur you to investigate further.
- To provide possible essay and/or report ideas

## Upcoming Case Studies

- Mass Communication
- Marketing the Japanese way
- ECOSMARTSHOP
- BIC
- Non-stick glue
- Marketing Mathematics
- Virtual Reality applied to Marketing
- Strategos tools
- Shackletonian Leadership.....

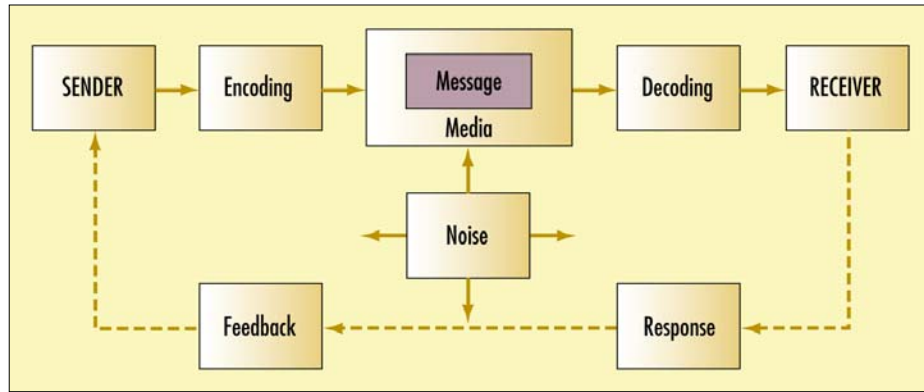
Interested in working with me on these case studies please say so!!!!

## Mass Communications

Rather than speak about a specific case of Mass communication the following slides will provide miniature cases that illustrate the communication process, including:

- Battle in Seattle, Rise of the No Globals, C.M.
- The Pentagon Attack: Where did the Plane go?
- The Renault Community
- Ambush Marketing

## The Process



Q: Just how much depends on the receiver?

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5

## Fiske and Hartley have outlined factors that influence communication:

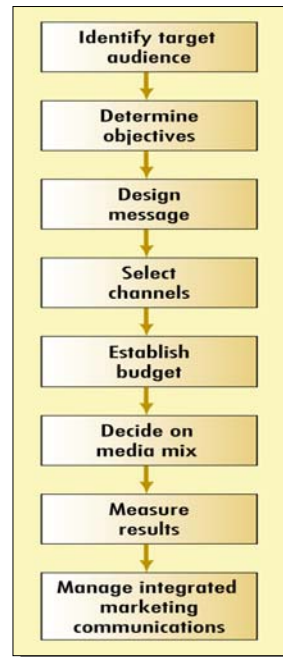
- The greater the influence of the communication source, the greater the effect on the recipient.
- Communication effects are greatest when they are in line with existing opinions, beliefs, and dispositions
- Communication can produce the most effective shifts on unfamiliar, lightly felt, peripheral issues that do not lie at the core of the recipient's value system
- Communication is more likely to be effective if the source is believed to have expertise, high status, objectivity, or likeability, but particularly if the source has power and can be identified with
- The social context-group, will mediate the communication and influence whether or not the communication is accepted

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6

## Steps in Developing Effective Communication



Thierry Meyssan

**L'incredibile menzogna**

NESSUN AEREO È CADUTO SUL PENTAGONO

traduzione di Manuella Maddalena e Agnès Nebecourt prefazione di Sandra Veronesi

[http://www.geocities.com/s911surprise3b/american\\_airlines\\_flight\\_77/](http://www.geocities.com/s911surprise3b/american_airlines_flight_77/)

## Immediately after the attack



NB: No signs of plane sliding or crashing into the building, no engine, wing or fuselage debris. And where are the dead and ambulances?

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9



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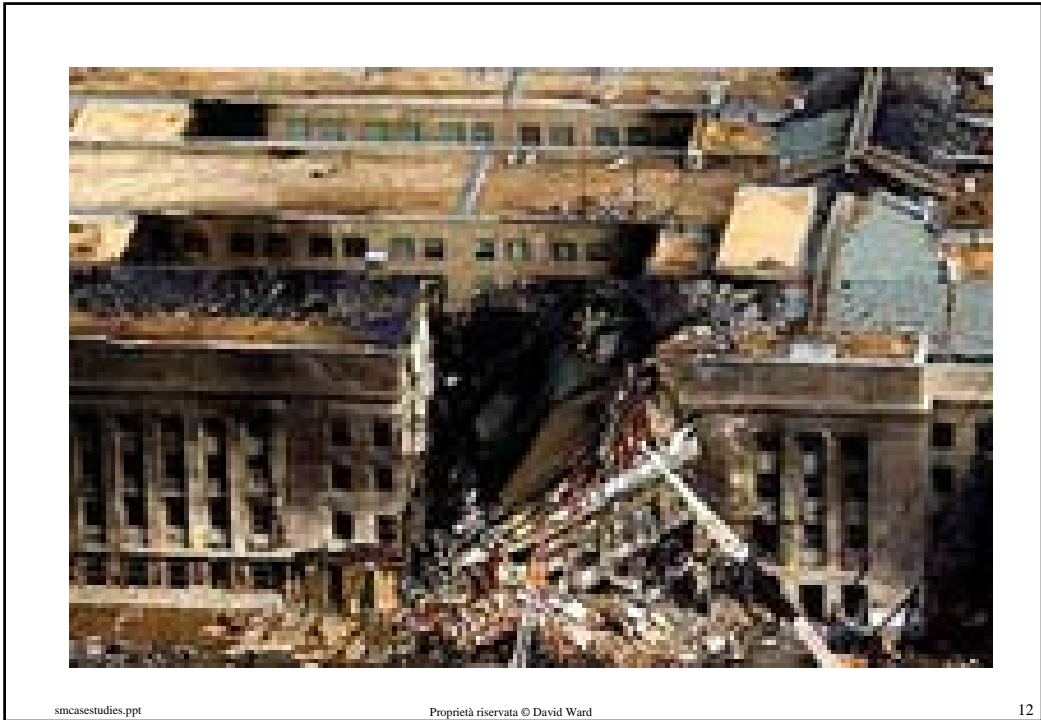
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11



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12



## Open-ended Questions

- Q1. Is this a publicity campaign to attack the White House and therefore fruit of clever marketing?
- Q2. How can the White House defend itself from this form of counter communication/information?
- Q3. How do you justify your information sources?
- Q4. What are the comm. lessons for Marketing ?
- Q5. Who really benefits from 9/11?
- Q6. Should the book(s) be censored or stopped?
- Q7. What role did the mass media and receiver play?
- Q8. What language/style did the White House/ T. Meysson use?

## Battle in Seattle and the Rise of the No Globals



**SOCIETAL MARKETING**  
and Listening to the  
Consumer!

The battle in Seattle was the perfect example of how apparently unlinked consumers with no single and common ideological thought came together to voice their opinion on how the world should be managed and the way companies should behave.

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15

## Critical Mass Movement

**THE CAR IS DEAD.**  
CHANGE YOUR LIFE . . . CHANGE THE WORLD

The critical mass movement was founded in 1992 in the US and is a movement of bicycles in the streets. Critical Mass is not an organization, it's an unorganized coincidence. The intent is to force local governments and administrations to consider cyclists as traffic, an alternative form of public transport and above all, people.

The movement organises itself through a bunch of unofficial web pages, mobile phones, word-of-mouth, by fax, email etc. and simply getting together in the streets.

They communicate by aggregation and presence.

<http://www.critical-mass.org/>

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16

**PROPERGANDA** ←

VIVA LA VELOCITY!

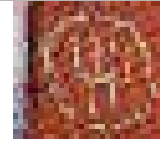
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**What are the implications for Marketing?**

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## The Renault Community



- The recent advertising campaign by Renault was aimed at the so called Renault Community i.e. the Renault enthusiasts especially R4 and older Renault car owners
- It is an example of creating or building on an existing consumer movement.
- The campaign has so far failed, inspite of Renault insisting on the repeating the same campaign and using the gearstick graphic in all of its adverts. What are the lessons?



The scope was to build on their veteran consumer base and spread the word to a much wider and possibly more youthful consumer.

In essence they were trying to build/create a Renault 'tribe' like Guzzi, Harley, Mini, 2CV movements-enthusiasts.

To do this they decided to create a new symbol: The gearstick graphic was declared the tool to bring together the Renault veterans and enthusiasts and drag-in and create new consumers.

So far this policy has failed. Why?

Is there a mis-match between Product and Marketing Strategies?

## Advertising news

### **Renault Megane case study**

Issued by: Red Cherry Television

*Renault recently launched their brand new Megane into the South African market. After using Red Cherry Television's ADS UP, 3000 calls were generated from 11 spots and Renault sold over 300 cars directly from consumers coming in to test drive.*

Renault have been very successful is innovating its products, not just in terms of design and styling but also in terms of position. It is now challenging firms such as Volvo and VW both in terms of safety (NCAP certification) and product design.

## Ambush Marketing

**Definition: Ambush (or Guerilla) Marketing is marketing without paying i.e. piggy-backing events such as football finals, music concerts, Olympics etc for free!!!!**

The roots of Ambush Marketing can be found in several phenomena typical of modern sponsorships:

- Escalating costs (the Olympics cost >100MUS\$ for companies like Coca Cola).
- Category-exclusive sponsorships.
- Routinely poor packaged and flawed presentation to potential sponsors.
- Increasing level of marketing competition in major categories of consumer products and services.

## Examples

It is not just major events, even cricket has been hit!

**ICC confirms ambush marketing protection stance**  
**ICC Media Release - 12 August 2002**

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The International Cricket Council has advised all Boards that it would not change the ambush marketing protection given to the ICC's commercial sponsors, it was confirmed today.

So far event organisers have devised two techniques for combating ambush marketing:

1. Taking offenders to court and therefore taking legal action. The idea is discourage through bad publicity and imposing very heavy fines (more than what it would have cost to sponsor the event)
2. Providing full-cover contracts and all-round sponsorship.

## Marketing the Japanese way

- History and Culture
- Customer Service
- Incrementalism
- Marketing mix
- Market research
- International Marketing strategy
- The Japanese vs. Americans

## History and Culture

- Historically Japan has always been more isolated with respect to other parts of the world. Consequently until the 2<sup>nd</sup> world war Japan was more or less ignored and isolated as a country. Only after it became clear that it was fast becoming an economic super power did the world really start looking at Japan and intensify the necessary commercial routes..
- Since Japan has essentially been free from external intervention e.g. their have been more internal feuds than wars or invasions from the outside, Japanese society has grown into a sophisticated and unique culture. For this reason academics often speak of Japanese uniqueness.

## History and Culture

- Consequently it has developed much more independently than other countries although, geographically speaking, its culture has been strongly conditioned by the Chinese/oriental culture e.g. just like Northern Europe was influenced by the Romans. The fact that they did not have much consideration from the outside brought about strong nationalism, frustration towards foreign countries/policy and Japanese imperialism.

## Consequences and Facts

- Japan is a collectivist society and many underlying cultural concepts stem from their Buddhist philosophy.
- Japan is smaller than France but has ½ the population of the US.

## Consequences and Facts

- The Japanese have a long-term perspective of life and work.
- It is a mountainous country and only about 1/5 of its land is cultivable.
- It has virtually no mineral reserves, 90% of oil needs come from the outside and it is heavily dependent also for foodstuffs.
- Japan has therefore been pushed towards intensive farming and developed a very strong sense of community.
- Corporate goals are achieved through group work and not individuals.
- Consensus is therefore vital and responsibility respected.
- Ringi : group-oriented consensus process for decision taking
- The Japanese economy has been in recession for > 10 years!!!

## Japanese Sociocultural Roots

### Harmonism

Stresses importance of maintaining harmony while acknowledging an underlying current of discordance.

### Eclecticism

Takes into account the need for harmony (wa) when taking decisions, without ignoring the implied economic trade-trade-offs

### Exceptionism

Allows flexibility and tendency to change so as to deviate from procedures in the event of market challenges.

### Non-functionality

Recognises the significance of human factors beyond efficiency and profits and takes into account economic factors in the long-term.

*Nothing is permanent and life is ever-changing*

## Comparisons

### JAPAN

### USA

- Hero
- Attitude
- Emphasis
- Style
- Cultural attitude
  
- Trust in
- Key values and goals

- Group
- Self-denial
- Cooperation
- Obligations
- We are unique
  
- Feeling
- Perfection, harmony and consensus

- Individual
- Self-expression
- Rights
- Competition
- Everyone is just like us
- Thinking
- Freedom, Success and winning

## Comparisons

### Japanese

### Westerners

- Employee attitude
- Risk/Award
- Innovation
- Manufacturing
- Product objective
- Product
- Business focus

- Team
- Learn from
- Incrementalism
- Process
- Quality, utility
  
- Sustain market
- Share, customer

- Individual
- Punish failures
- Breakthroughs
- Product
- Novelty
  
- First to market
- Profit

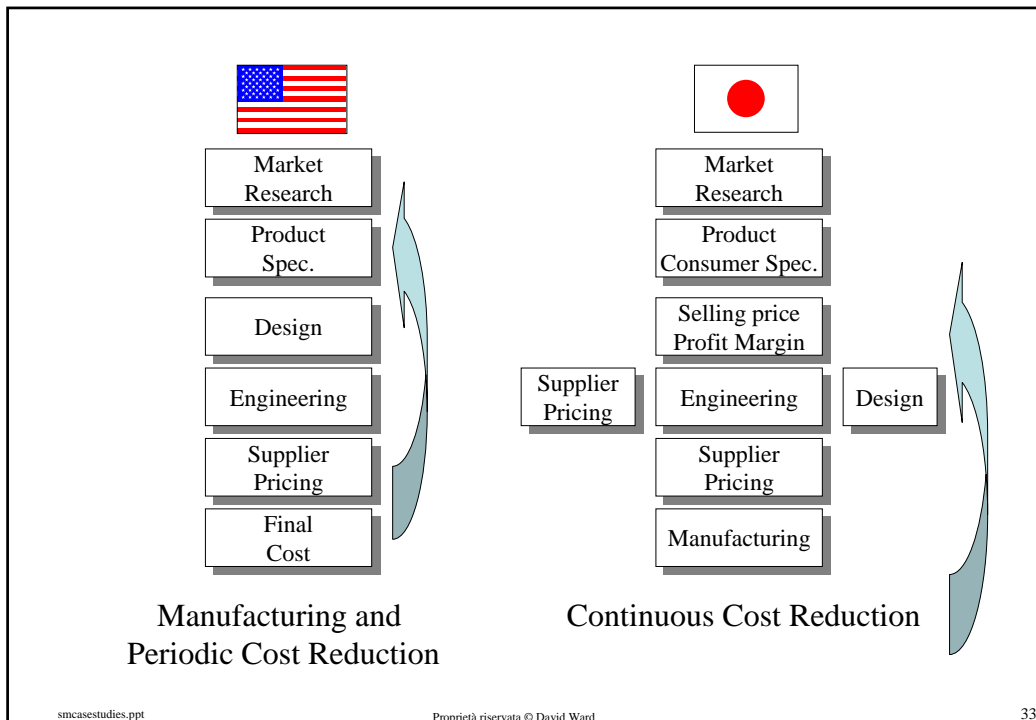
## The Marketing Mix

### Product

- Japanese have a holistic view of the product and the product is seen as a combination of tangible and intangible parts.
- They also see the product and user as being ONE and therefore emphasise making the consumer confident and at ease with the product in the home or environment where it is used. This *Oneness* concept is called *KANSEI*.
- Until fairly recently it was thought by Westerners that it was impossible to have a "cheap" quality product. The Japanese company's aim is to supply the customer with products that offer maximum value both in terms of cost and quality. This thought is not held just in management circles but it is in the whole of Japanese society.
- Interestingly but perhaps not surprisingly, most of Japan's R & D budget is in product development.

### Price

- Japanese don't compete on price they compete on value. This apparently tiny detail is at the heart of their commercial success.
- The Japanese take a long-term view of profits and profitability. This translates into attacking the market not by first-to-market but getting a foothold and gradually increasing market share, reducing cost and beating the competition.
- The same can be said of their labour costs meaning that the long-term perspective allows them to maintain or reduce costs. Hence Japan has *fixed* labour costs (look at Japan's inflation rate for the last 10 years) while in the West labour costs are variable.
- The price is also established before product development starts, hence all the product development process is conditioned incl. procurement, design, engineering, manufacturing, marketing etc.



## Promotion

### Sales Promotion

- Sales promotion is more a differentiation tool rather than a special offer approach.
- Price discounts are seen as a permanent price reduction hence price juggling is frowned upon.
- Price-reduction is a long, not short, term strategy
- The dumping strategy they have is a Japanese replication of our pricing policy!
- Copying is about continuous improvement.

### Advertising

- More about the emotions, moods and consumer feelings.
- Technical characteristics are seen as rough and of bad taste.
- Comparative advertising is disliked as it upsets the confucian view of harmony.
- Quality and functionality are taken for granted and rarely appeal to the consumer.
- Advertising is therefore about informing and letting people try new products.
- More emphasis on corporate identity rather than brand

## Place

The context of place is very different for the Japanese.

Although the Japanese are sceptical about quantitative data this does not mean they are poorly informed or inaccurate. They rely much more on personal networks, understanding and above all, listening the customer. This approach is used to understand where a product should be placed.

Managers and staff in general are responsabilised to understand the local market and customer directly.

Honda's SANGEN approach, known as the 3 actualities policy:

- Actual product
- Actual person
- Actual situation

## Customer Service

### Westerners

- Products and Service
- Service productivity is high (it is business! – short-term attitude).
- Feedback is data
- Commercial relationships are symmetrical (in Japan it is hierarchical)
- Shop assistants say it is a customer problem (the Japanese say that this is their problem)

### Japanese

- Product/Service are expected
- Personal and Practical services
- Personal service implies active listening, endless patience and prompt response
- Service productivity is low (long-term attitude)
- Complaints: Concentrating on avoiding blame and judgement: understanding the problem.
- The customer has a semi-divine standing

## Customer Service

### Westerners

- Asking
- Expressing doubts
- Explaining what cannot be done
- Defending corporate/company policy
- Laying the blame on the customer
- We will (attempt) to rectify the problem

### Japanese

- Listening
- Expressing understanding
- Explaining what can be done (and will be done)
- Apologising for corporate/company policy
- Laying the blame on the seller or company
- ...I'm so sorry

Word-of-mouth is very strong in Japan, customer dissatisfaction can therefore be very expensive.

## Incrementalism

- Westerners are more sequential and oppose incrementalism with rationality (PLAN, DO, CHECK). Westerners will cycle over and over again the same schematic.
- Japanese incrementalism is about discussing problems, selecting and implementing solutions, **continuously**. It is not a cycle it is about continuous small but finite improvement, always.

## International Marketing strategy



First conquer the home market, get economies of scale, gain market-customer experience/knowledge.

Next, enter advanced countries and exploit ignored market segments. Gain market-customer experience/knowledge

Then use locally produced products to get local market share. Gain market-customer experience/knowledge

**Become Global step-by-step**

## ECOSMARTSHOP: Part 1

*“Have a Nice Inner Flight”*

*As the saying goes don't drink and drive, smoke weed and fly.*

## Why Study ECOSMARTSHOP?

- What are the lessons for the marketing mix (4P and 6Ps)?
- How does Internet play a role in the development of the company and impact its Marketing strategy?
- Is this a potentially new global trend, megatrend or discontinuity?
- Is it ethically right?
- What are the threats e.g. legislation, lobbies?
- What does the customer think?

## Is this a Thesis Topic?

In my opinion, yes!!....and has all the ingredients to be a very good thesis. It is also .....

- A very good opportunity to analyse a business based on facts rather than feelings.
- A very attractive yet controversial topic.
- Multi-subject, as it covers everything from communications to strategy.
- The customer is at the centre of the business.
- It touches many areas that interest marketing, from legislation to cultures and probably requires the development and use of new analytical tools.

## Linking this Case to Int. Marketing

- Adapting marketing to the new economy (ch.2)
- Building Customer Satisfaction, Value and Retention (Ch.3)
- Gathering Information and measuring market demand (Ch.5)
- Analysing buyer behaviour (Ch.7)
- Selecting Target markets (Ch.10)
- Positioning, Differentiating, Developing new market and global offerings (Ch.11-13)
- Product and Branding strategy (Ch.14)
- Retailing, Wholesaling, Logistics Ch.18)

## A List of Burning Questions

- Is the ECOMSARTSHOP ethically correct-right?
- What are the long-term implications for society and this business?
- What are the implications-learnings for companies and especially marketing?
- How does Globalisation connect with ECOMSARTSHOP?
- What are the pitfalls and dangers for this business?
- What could be the next step in the roll-out of the business?
- Are there any more interesting opportunities tied to this business? and should I invest in this company?

## What is ECOSMARTSHOP

- It is a franchise that specialises in the sale of legal natural herbal remedies – smart drugs



- It has based its strategy on selling cheap and legal alternatives to tobacco and other ‘get happy’ remedies.
- It sells products that have been used for centuries in certain cultures that consider them as remedies or herbs.
- Founded in 2000, Franchising as from 2002

## What is ECOSMARTSHOP

- No of shops: 21 (growing fast to 90/100 shops before end of 2003)
- Average shop floor size 40/50 sq. meters
- Outlets in Ibiza, London
- Ideal customer base: 20000 inhabitants
- 2 day training course provided plus on-the-job training
- Big cities e.g. Rome, Milan etc. tackled first and dissemination now in smaller towns
- Franchise contract duration: 6 years

## The Vision and Mission



The screenshot shows the website for ecosmarishop. At the top left is the logo 'ecosmarishop'. The main header area has a pink and purple abstract pattern and the text 'SITO IN COSTRUZIONE'. Below this is a navigation menu with the following items: DREAMSLAB, ECOFRANCHISING, NEGOZI, PRODOTTI, and CONTATTI. At the bottom left is the Dreamslab logo, which consists of four stylized eyes in a square. To the right of the logo is the text 'iamslab'. Further right, under the heading 'Mission', is the text: 'Distribuire in Italia i prodotti smart drugs con cui sostituire in modo naturale le sostanze stupefacenti illegali'. Under the heading 'Vision', is the text: 'L'azienda di riferimento per lo sviluppo della prima catena smart shop italiana'.

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47

## Smart Drugs

SMART: Fasionable, astute, shrewd, neat

DRUG: Any substance used in the treatment, prevention or diagnosis of disease; a chemical substance; a narcotic taken for the effects it produces

*Customer insight on Cannabis:*

*“I strongly believe in people doing exactly what the want when they want as long as it doesn't involve any pain being inflicted on any other human being and I think alot of other people agree with me. Smoking weed doesn't harm anyone else so why can't we do it without the fear of cops coming round the corner at any second and taking it off us”*

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48

## Cannabis

- 100s of thousands people die a year because of tabacco. About 40,000 people die from drinking but only 10,000 form all the illegal drugs put together.
- Cannabis is NOT addictive whereas tabacco is.
- Cannabis is also generally less harmful than tabacco and yet more pleasurable.
- Cannabis has been used for centuries and so far governments have been fighting a loosing battle trying to stop it.
- It has been suggested that legalizing would make the world a happier and a more friendly place to live.

## Weed, Hash and Cannabis



Hash and weed come from a plant that is called in latin *Cannabis Sativa*, or simply *Cannabis*. In Holland it is called *hennep*. If you dry the female tops you get marijuana. Marijuana has a green-brown colour and is mostly called weed. If you push the resin into cubes or slices you get hash. The colour differs from light-brown to black. If specially treated a concentrated substance can be created, this is called hash-oil. Weed, hash and hash-oil spread a very characteristic smell. If you smelled it once, you will recognize it immediately again.

## Dutch Market-Consumer Insight

The price varies from 5 to 15 guilders per gram. People use it to feel relaxed, or to escape from reality. The most interested age group is pre-teens and teens where about 14% has tried hash or weed. 18yr olds and older: 47% of the boys and 22% of the girls has tried hash once. In the age of 12 to 18 years 9% of the boys and 4% of the girls have used it recently. Most of the time it is a question of experimentation and curiosity. However, hash and weed are used by all age groups, ranks and classes. There are about 600.000 users in Holland.

## Brands

- ECOSMARTSHOP
- ECOSMARTBAR
- ECOCORNER
- Dreams Lab srl

### Discussion question

- What are the essential characteristics of the brand, such as colours, graphics, names, words, feelings, shop furniture etc.?
- What is the brand trying to sell/tell you?
- Is the offering a lifestyle of a mindstyle?

## Market Approach

Strategically located  
Franchised shops

Internet  
Direct Sales and  
Direct Marketing

- Targeted customers
- Cheap (alternative) 'new' products
- Word-of-mouth communication
- Direct marketing and constant face-to-face consumer contact

## Marketing Initiatives

The screenshot shows the website **milano.2night.it**. The navigation bar includes links for 2NIGHT.IT, MILANO, COMMUNITY, RADIO, MOBILE, and TOUR, along with a location selector set to 'altre città' and a 'cambia...' dropdown. The main content area features a 'NEWS' section with a breadcrumb trail: 'home > milano > arts > news'. A search bar is present on the left with fields for 'nome:', 'tipo:' (set to 'tipologia...'), and 'serata:' (set to 'scegli la serata'). Below the search bar is a 'best of' list including DISCOTECHE, PUB, PIZZERIE, TEATRI, RISTORANTI, BAR, and CLUB. The main article is titled 'MILANO ROLL CONTEST ALL'ECOSMARTSHOP' and is dated 'Tutto il mese di giugno dal lunedì al sabato'. It includes a 'FULL STORY' link and a duration of '[ 01:06 ]'. The article text begins: 'ECOSMARTSHOP ed OCB sono lieti di presentare la prima gara di rollaggio. Questo evento darà la possibilità, a chiunque voglia parteciparvi, di dare sfogo alla propria fantasia ed alle proprie capacità in quanto vi saranno varie prove di abilità. Grazie joint'. An image shows hands rolling a cigarette.

## Internet Data (Consumer Feedback?)

SEI NUOVO? | ISCRIVITI | LOGIN | AIUTO

**ciao!**.com LIBRI AUTO FOTOCAMERE COMPUTER ELETTRONICA VIDEOGAME CELLULARI CINEMA COMMUNITY GUADAGNARE

CERCA  IN Internet

**Ecosmartshop.it** : Leggi le Opinioni e compara i prezzi

[Informatica Dell: shopping online](#) Grande scelta di PC a prezzi ridotti. Alta tecnologia e qualità Dell!  
[www.dell.it](http://www.dell.it)


Home » [Internet](#) » [Shopping Online](#) » [eCommerce](#) » [Sport & Tempo Libero](#) » [» Guadagna con i CiaoSondaggi](#)

**Canapa e Joints? Nel negozio sotto casa.**


Un'Opinione di [vivia70](#) su [Ecosmartshop.it](#)  
(05.10.2003)

La Valutazione di [vivia70](#) su [Ecosmartshop.it](#)

★ ★ ★ ★ ★



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## Ecosmartshop.it

★ ★ ★ ★ ★ 3,00/5,00

(Consigliato dal 60% dei nostri autori)

Velocità - tempi di caricamento		4,0
Aggiornamento del sito		2,5
Convenienza		5,0
Scelta dei prodotti		3,5
Shopping cart - carrello della spesa		2,0

## Index Page – First hand shake



Ecosmartshop

### Termini legali

Entrando in Ecosmartshop.it accetti ciò che segue:

1. Questo sito contiene materiale destinato ai soli maggiorenni.
2. E' legale visionare, acquistare e ricevere i prodotti distribuiti all'interno del sito.
3. Non si effettuano spedizioni all'estero.
4. La società Dreams Lab srl non è responsabile per le azioni compiute dai visitatori/acquirenti.
5. La società Dreams Lab srl non può essere considerata responsabile di un improprio od illegale utilizzo dei prodotti da essa distribuiti.

Have a nice inner flight.

## Expansion Strategy



Negozi

- Milano** via Torricelli 3, 20136 Milano (MI) - 02 36554256
- Torino** via Ozanam 10, 10123 Torino (TO) - 011 5691264
- Genova** via Ravecca 55R, 16122 Genova (GE) - 010 2462961
- Firenze** via Borgo S. Frediano 49R, 50124 Firenze (FI) - 055 2670578
- Roma** via Vascellari 35, 00153 Roma (RM) - 06 97843482
- Agrigento** via Largo Nazareno 65, 92020 S. Giovanni Gemini (AG) - 0922 900435
- Varese** p.za Marsala 8, 21100 Varese (VA) - 0332 232039
- Bologna** via San Carlo 12, 40100 Bologna (BO) - 051 2961278
- Verona** via Del Perlar 66 [ZAI], 37135 Verona - 045 8250215 (opening)
- Bergamo** coming soon
- Latina** coming soon
- Palermo** coming soon
- Riccione** coming soon
- Brescia** coming soon

# Pressure Groups



**The Legalise Cannabis Alliance** *(Cyfathrach Cyfreithloni Cannabis)*  
A registered UK Political party.

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6:16 pm, Tuesday 18 Nov, 2003

The Legalise Cannabis Alliance (LCA), PO Box 198, Norwich, NR3 3WB.  
<http://www.lea-uk.org>

This page is for what you have to say

[Prev] Name	Date	[Next] Comment
mark	Thu 13 Nov 2003	--- weed should be legal its only like drinking but better.so many people smoke it now,only the bad drugs could be alegal like class a drugs
Sheep	Thu 13 Nov 2003	--- There is a massive protest coming off in Miami, starting monday 18th of this month. (google search miami/protest/ftaa, or visit www.infoshop.news)  They are protesting against the strong-arm right wing tactics of the american government.

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59



## BIC

BIC is well-known for its Biro's, Gas Lighters, Razors but what about its Perfume. In this lesson we look at this company and try to understand what makes it tick and be so successful in the very high volume consumer market.

We will especially focus on understanding what are the lessons and learnings for marketing, how do we apply the 4P/6P laws, How do we apply the 4Cs law?

## Question Time

- What does BIC market?
- How many products do they sell everyday?
- What are the strengths-weaknesses of BIC?
- Who-what are the threats for BIC?
- What are the opportunities for BIC?
- What philosophy do they have and what should it be? – what is their vision and strategy?

## More on the BIC pen

- The ball-point pen was invented by Laszlo Biro in 1938
- The first 'Biro' went on sale in the UK in 1946 cost shillings (2.75GB£) – more than half the average weekly wage at the time.
- Its first application was by the RAF navigators during the 2<sup>nd</sup> world war – it allowed them to write at altitude!
- It initially required refills and 'service' to be carried out by the retailer!
- In 1953 Marcel Bich, developed a process for the manufacture and assembly of the pens that dramatically increased the volume of production and reduced the cost of the pen.
- More than 5 Billion BIC pens were sold in 1996!

### Five alternative philosophies

- Production Concept
- Product concept
- Selling Concept
- Marketing Concept
- Societal marketing concept

### 4-6P Laws

- Product
- Place
- Price
- Promotion
- Position
- Personal relationships

**Care:** It has replaced service in importance. Marketers must really care about the way they treat customers, meaning that customers are really everything.

**Choice:** Marketers need to reassess the diversity and breadth of their offerings into a manageable good-better-best selection.

**Community:** Even national marketers must be affiliated, attached to neighbourhoods wherever they operate stores.

**Challenge:** That is the task of dealing with the ongoing reality of demographic change.

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63

### 1965

BIC enters the Japanese market.

### 1972

BIC becomes a publicly traded company on the Paris Stock Exchange on November 15th.

### 1973

BIC diversifies its activities by launching the BIC® Lighter with adjustable flame. With its quality and reliability, it becomes a major success.

### 1975

BIC also launches a one-piece shaver that offers a quality shave at a fraction of the price of more traditional systems. BIC® Shavers now have a leading market share among one-piece shavers.

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### **1981**

Recognizing the growth in the leisure industry, BIC begins a subsidiary called BIC Sport, which markets sailboards. Today BIC Sailboards are the number one selling sailboard in the world.

### **1985**

BIC launches its BIC® Mini lighter. Ad specialty business opens in the US.

### **1992**

BIC acquires Wite-Out® Products, Inc. and prepares to launch a complete line under the Wite-Out® Brand. BIC launches the Softfeel® Ball Pen.

### **1997**

BIC acquires Tipp-Ex®, Europe's leading brand of correction products, and Sheaffer, a worldwide brand of premium writing instruments.

### **1998**

BIC introduces more than 10 stationery products including the M.V.P Erasable™ ball pens, Softsider™ pencils, Softfeel Bold™ permanent marker, and Wite-Out® brand correction tape. BIC also launches the BIC® Spicy Mini electronic lighter with striking colors, the SureStart® child-resistant utility lighter, and BIC® Plus™ shavers. From 1998 until 2003, CITROEN, launched in partnership with BIC, a limited edition of the SAXO model: the Saxo BIC.

### **1999**

BIC launches more new stationery products including BIC® Cristal Grip™, Round Stic Grip™, Atlantis™, and Softfeel® Jumbo ballpens, Softfeel® Rollers, Softfeel® Finestyle, as well as the Tipp-Ex® Mini Pocket Mouse™.

The twin blade shaver BIC® Softwin™, launches in Greece and Italy, featuring a unique pivoting head, two lubricating strips and a rubberized handle.

## **2000**

The Marne-La-Vallée (France) state of the art writing instruments factory opens. BIC launches a wide variety of new products: ball pens with added features such as BIC® Cristal™ Colors, Sensi® Grip, Intensity™ gel ink roller, Technolight™ free ink pocket highlighter, a new foam applicator for correction fluid, and Tipp-Ex® Shake'n Squeeze correction pen. The BIC® Softwin™ shaver is introduced in new countries including the US and France.

## **2001**

BIC continues to launch new products in the stationery business, the BIC® Megalighter and the BIC® COMFORT TWIN one-piece shaver. BIC increases its presence in Eastern Europe, Middle East, Africa and Asia.

BIC divests the GUY LAROCHE fashion business, and continues streamlining of stationery business.

## **2002**

BIC continues to build on the strength of its classic products, bringing them to new markets and launch new value added products such as BIC® CRISTAL® GRIP and VELOCITY® ballpoint pens, BIC® Z4™, GRIP ROLLER, INTENSITY™ PASTEL, INTENSITY™ METALLIC, INTENSITY™ FLUO and INTENSITY™ CLIC rollers; CONTE EVOLUTION® TRIANGLE colour pencil; TIPP-EX®/BIC® WITE-OUT® EXACT LINER™ correction tape; BIC® Styl'it lighter case; BIC® SPORT kayak.

## **2003**

Look on their website.....they sell 22Million products per day!

*CRM - Customer Relationship Management*  
*(Marketing 1 to 1 – Marketing di relazione)*

See separate presentation on CRM

## Non-stick Glue

Perhaps one of the most incredible inventions came from non-stick glue – a story of how invention can fire, back-fire, re-fire and then be an enormous success – thanks also to a marketer. The story of a non-stick glue that made it thanks to pure luck, coincidence, product champions, company policy on innovation and clumsy yet brilliant marketing.

**3M**



The story of the Post-it is an incredible story of failure turned into success by the unique combination of engineering, perseverance, marketing, customer insight, problem solving and luck!

In this case study we focus on marketing and customer insight.

- How big is 3M's catalogue?
- What products do they make?
- What is 3M famous for?

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71

**3M**

## The Case study of 3M

- Why study 3M?
- History and Background of 3M.
- What 3M does and could do?
- Seeding innovation and Diversification.
- The case of Post-its and listening to the customer.



Leading Through  
*Innovation*

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**3M**

## Why Study 3M?

- Because they have succeeded in exploiting failure. Also they do it systematically so much so that it has become corporate culture.
- They have a unique set of values connected to innovation.
- Although an American company they have a very strong sense of respect for local culture.
- They are Global yet Local.

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**3M**

## Why Study 3M?

- They practise Mass Marketing and 1to1 Marketing, often both at the same time.
- They know their customer.
- Are diversified (and continue to do so) and respond quickly to customer needs through problem solving.
- They diversify because of invention and innovation (not just by alliances).
- They practise what they preach (Vision and Mission are aligned with what they do).

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3M stands for:  
Minnesota  
Mining &  
Manufacturing Co.

3M is one of the world's best innovative and diversified companies - a Fortune 500 company with operations in more than 60 countries.....

The Evolution of the Brand



## From Failure to Fame

3M was founded in the US in 1902 when five businessmen formed the Minnesota Mining and Manufacturing Company. They originally intended to mine a mineral deposit - which turned out to be useless for their purposes and were forced to use the mineral to manufacture sandpaper instead in the early 20s.

This was their first Failure.

More important, re-thinking the company was essential to survive and thrive.



## Sandpaper and Tape

The waterproof sandpaper was developed for the emerging car industry. Another major milestone occurred in 1925 when Richard Drew, a young lab assistant invented masking tape, to help car manufacturers produce the two-tone paint jobs popular at the time. This was the company's first step towards diversification and the first of the family of Scotch brand pressure sensitive tapes which today numbers over 900! 3M invented the famous transparent tape in 1930 (>70 yrs ago!). A denominator in all 3M products is that their innovations are based on customer insight.



## Every Decade they create a

### 1947 Megatrend

3M steps into the audio age with Scotch Magnetic Audio Tape - the first commercially acceptable magnetic sound recording tape.

### 1960

In the health care field, 3M introduces Steri-Strip™ Wound Closures - the first medical closure tape.

### 1970

3M Data Cartridge technology revolutionises computer data storage.



## **3M** Every Decade they create a Megatrend

1980

Post-it® Notes hit the market - yellow sticky notes revolutionise message and note taking.

1983

As the CD age gathers pace, 3M introduces the world's first successful optical recording disks for information storage.

1992

3M Privacy Plus™ Filter is the first computer screen accessory to combine privacy, glare reduction and radiation protection.

Can you think of 3M innovations launched over the last 5 yrs?

## 3M today

**3M** United Kingdom

Contact Us About 3M Search 3M 3M World

Select a location > English

3M Worldwide

Standard tool bar

Global yet  
local

Access directly to each  
location website and in  
different languages.

Today 3M is worldwide company that is reflected in many ways e.g. the way they present themselves on the net.

## 3M България

3M по света

За контакт   За 3M   Търсене в 3M   3M по свет

Select a location > Bulgarian

## 3M Suomi

3M maailmalla

Yhteydenotto   3M yrityksenä   Haku 3M:stä   3M maailmalla

Select a location > Suomi


### В България ...

3M отваря представителен офис през 1992 в София за да изгражда и поддържа стабилни отношения с клиентите си и потребителите.

[За нас](#) [Последни финансови резултати.](#) [Връзки с инвеститорит](#)

### RATKAISUJA ...

- Kiinteistöhoito ja rakentaminen*
- Auto*
- Mainonta ja merkintä*
- Terveystenhoito*
- Koti ja kunnostus*
- Teollisuus*
- Toimisto*



## 3M Italia

3M Nel Mondo

Contattaci   Gruppo 3M   Cerca   3M Nel Mondo

Seleziona una nazione > Italiano

SOLUZIONI PER...

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## Company Facts and Figures

- Worldwide sales: \$16.332 billion
- International sales: \$8.906 billion (55% of total)
- 33000 employees outside the US alone.
- 3M employs mostly local nationals. Fewer than 300 employees worldwide are Foreign Service Employees.
- 3M products are sold in 200 countries everyday
- 32 3M international companies have laboratories and facilities to suport new and current business opportunities.

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82

**3M**  
Innovation  
*engineered to  
perfection*



Revolutionise your meetings with  
the 3M™ Digital WallDisplay

**Solutions for...**

- Architecture & Construction
- Automotive, Marine & Aerospace
- Creative Communications
- Education
- Electronics Manufacturing
- Health Care
- Home & Leisure
- Manufacturing & Industrial
- Office
- Safety
- Utilities & Telecommunications

3Ms catalogue has over 60000 products, in 11 product categories, 40 different business units...and the list is still growing!

**3M** United Kingdom

Contact Us About 3M Search 3M 3M World

Select a location > English

3M Worldwide

**In the United Kingdom**



BT chooses Post-it® Notes to ensure Britain takes note.

[More](#)



Read our latest Corporate Social Responsibility Report.

[More](#)



3M Helps Schools to Take Care of Children's Eyesight and raise money for charity.

[More](#)



## Listening and Knowing the Customer

### 3M™ Renaissance™ Mouse



Spending long hours at the computer? If the answer is yes, you may have also suffered from muscle and tendon problems in the forearm, hand or shoulder associated with mousing and PC use.

Next time, try our new 3M™ Renaissance™ Mouse and feel the difference. In trials\*, the ergonomic design of the mouse helped to reduce the muscle strain and discomfort associated with carpal tunnel syndrome and repetitive strain injury.

## Not just Post-its!!!!!!

#### UK User Result

Stuart Johnson, a mechanical design engineer with Druck Ltd, suffers from Carpal Tunnel Syndrome, enduring constant pins and needles using a track-ball mouse.

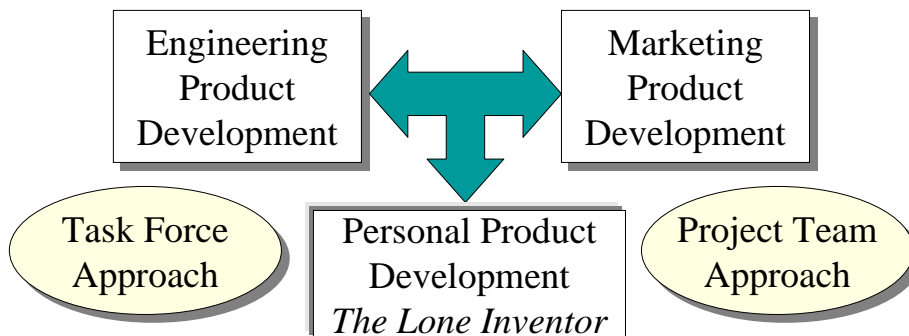
After using a 3M™ Renaissance™ Mouse for just one week, he confirmed that it was very easy to use and that it was helping to reduce the effects of Carpal Tunnel Syndrome.



## Innovation and Development

All employees are allowed up to 15% of their time to develop any idea they want. They can obtain seed funding and no one is criticised for failure.

In other words they promote the *lone inventor approach*



## **3M** Lone Inventor Approach

This provides:

- Personal development.
- Breeds and develops entrepreneurship and relative mindset.
- Increases likelihood of creating a megatrend or discontinuity.
- Ensures that the customer is always part of the development process, especially at the start and end of the development.
- They tackle customer issues by combining problem solving and caring.
- They back ideas and people irrespective of background, skills and above all, they do not punish failure.

Failure is Success turned inside out

## **3M** Vision and Values of 3M

### **Vision**

To be the most innovative enterprise and the preferred supplier.

### **Values**

- Satisfy customers with superior quality, value and service.
- Provide investors an attractive return through sustained, quality growth.
- Respect our social and physical environment.
- Be a company employees are proud to be part of.

## 3M

### The story of Post-its

The post-it is a case of innovation by chance and coincidence. During the early 1970s Dr Silver, a chemist in the 3M Company's Central Research Department, was trying to develop a new, stronger adhesive for tape, but instead managed to create a weak one. So weak it couldn't stick to almost anything except paper. In other words his experiment failed.

Not knowing what to do with a glue that couldn't stick he decided to investigate further but it took 15 years to get to the market!

## 3M

- WHY? For many reasons but the prime reason was that the product was wrong. Nearly 15 years later (an incredible amount of time) it ended up as being the first self-attaching, removable bookmark (that eventually evolved into the Post-it Note).

- After the failed experiment Dr Silver mentioned his result to other 3M researchers, including Arthur Frye. He is often quoted as telling the same story in almost all his major meetings, especially those involving marketing

- How do you think they got the invention to the marketplace?

## 3M

The Eureka moment came when Frye (a churchgoer and organist) remembered the weak adhesive during a church service, since he didn't have a solution for keeping his hymn book references as he was playing.

“During the same service and a dull sermon my mind was wandering back to the music problem when I had one of those 'flashes of insight.' Eureka! I think I could make a bookmark, using Dr. Silver's adhesive, that would stick and remove without damaging the book”.

Frye was both the customer and the problem solver... .

## 3M

Frye helped develop the prototype, preliminary manufacturing equipment (in his garage) and when the new bookmarks were ready, he attached one to a research report, then wrote a note on the blank bookmark.

His manager (from marketing) later wrote his answer on the bottom of the bookmark and attached it to an item he was returning to Frye.

"It was during a coffee break that afternoon when we both realized that what we had was not just a bookmark, but a new way to communicate or organize information."

## 3M

However it wasn't always an easy:

- The first market launch in the USA backfired the customer didn't like the idea. They listened to the customer and understood the problem and quickly changed the concept.
- The marketers realised that it wasn't a board with glue that was needed but small pieces of paper with a thin, narrow, band of non-stick glue!!

•The next important factor was how do you produce Post-its?!? All of this experimentation was done in conjunction with engineering and process experts – without these people the Post-it would have died.

•Post-its needed to be developed to suit market needs, not just in terms of size but also colour, quantity, personalisation.

•The glue wasn't patented because this would have shown the competition how to make the glue, hence they concentrated on patenting the manufacturing process and machines.



Innovation



Now you can stick your notes practically anywhere

### New Post-it® Super Sticky Notes.

We have introduced a new Post-it® Note, designed to make your life even easier:

- Post-it® Notes stick practically anywhere
- Enhanced adhesive, which holds stronger and longer
- Sticks to vertical and difficult surfaces

## Now the Electronic version of Post-its

3M Customer Centers | United States

Office

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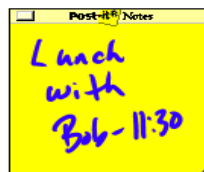
### Software Notes

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What happens when you cross a Post-it® Note with a computer? Post-it® Software Notes - the classic yellow note designed for your PC!


You can use this digital version of the famous canary yellow® note to remind you to do something, to capture an idea or to organize all those important phone numbers -- all from your computer desktop. You can also subscribe to receive relevant information delivered directly to your computer on Post-it® Software Notes from websites that provide this service.



**Go Mobile:** Free yourself from your keyboard with Post-it® Software Notes - Professional and a Tablet PC. The pen input on the Tablet PC lets you take notes in your own handwriting wherever you are. Perfect for recording action items at meetings, taking notes on the go or just personalizing your messages.

## Other Incredible and Not so obvious Inventions



Chase away mosquitos that may carry West Nile Virus and ticks that may carry Lyme Disease. 



Welcome to  
3M Touch Systems

Formerly 3M Business and MicroTouch Systems

Scientific  
Anglers™

Mastering the sport  
with science

In the history of every industry, one name usually stands out as the driving force behind its very existence. In fly-fishing, that name is Scientific Anglers™.



3M ESPE, a division of  
3M Health Care Markets, manufactures  
and markets more than 2,000  
products and services designed to  
help dental professionals worldwide.

Select a region from the left to learn  
more about 3M ESPE Dental Products  
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97

## Marketing Mathematics

Mathematics is the most practical of all scientific subjects yet it has the worst reputation, abismal academic attraction records and is the worst you can get in terms of public communication.

The question is: Can this situation be changed, moreover overturned, with help from marketing?  
If so, how?

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98

## Virtual Reality applied to Marketing

It is not just about wearing goggles and having cybersex, it is about using technology to experiment the real world but using virtual tools. How does V.R. relate to marketing and the consumer.

Why could or should it become a standard marketing tool.

## Strategos tools

Everyone is speaking about innovation but are we actually doing anything about it?

Do we need a new set of tools and mindset? And if so, which ones?

In this case study we look especially at the innovation tools ideated by Strategos.