

Case Studies in Channels of Distribution

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Abstract

Case studies were employed as research tools, for undergraduate and MBA students for 25+ years. The International Management course was taught in two classes at an undergraduate Business program. Channel of Distribution course was given at a MBA program. Real-world examples were utilized and applied in class whenever applicable. Students did final projects individually or in a team, by employing case studies via library and internet search. Class evaluations indicated that the case studies enhanced significantly their overall learning experience. Students rated the courses good to excellent. This paper gave the summary.

Keyword: Case Studies, In-Class Team Assignment, Final Projects, International Management and Channels of Distribution

Harvard University, Cranfield University (UK) and many other research institutions published case studies for 25 years. International Management and Channels Distribution were taught in an undergraduate business program and a MBA program respectively. Job market is very good. A quick search on Indeed (2011) yielded 5,850 jobs for international manager and 1,160 jobs for channels distribution. This search was done for Manhattan zip code 10001, and within a twenty-mile radius.

In the down economy, managers and distributors are still in great demand, CNBC (2011). Every business needs to generate revenue. Companies need to find channels to distribute/sell existing product/services. Since 1996, internet e-commerce quickly became the new paradigm for doing business. The savvy managers take advantage of employing new channels of distribution: internet, Amazon, Ebay, FaceBook, Twitter, in addition to billboard, TV, newspaper, and radio, to reach the 6.3 billion international consumers.

(A) Dominican College***

Dominican College is located 15 miles northwest of New York City. Division of Business Administration offers Bachelor of Science programs in Accounting, Computer Information Systems (CIS), Economics, and five concentrations of management: Financial Management, Human Resource Management, Information Systems Management (MIS), International Management, and Marketing Management. As of the Spring Semester of 2011, the College enrolled 2100+.

Hsu taught all courses in CIS/MIS, Hsu (2007), served as the Director of Business Administration Division, from 1990 to 1996. Starting in 1992, Hsu also taught courses in International Management curriculum: International Business, International Finance, International Management and Global E-

Commerce. For marketing courses, Hsu taught Basic Marketing, Global Marketing, and Marketing Management, Hsu (2006) and Hsu (2010).

MG 355 International Management course

This course aims to investigate specific issues in the governance of multinational enterprises. Topics include: foundations for international management, managing across cultures, strategic planning, managing political risks, organizing operations, decision making and controlling, personnel selection and repatriation, training and organization development, labor relations, communications, motivating human resources, and ethical social responsibility.

Objectives: 1. analyze the worldwide management environment
2. manage social responsibilities and ethics
3. understand and communicate the role of culture
4. negotiate and make decision across cultures
5. formulate, align and implement the strategy
6. establish organization structure and controls
7. select staff and training issues
8. develop a global management cadre
9. motivate and lead organizations
10. use CD-ROM software, cases, team work, video tapes and Internet to learn real-world global management issues

To meet the accreditation requirement of International Assembly Collegiate Business Education (IACBE) and the Common Professional Component Compliance (45 total hours), each subject is covered in hours as follows:

Accounting (1), Marketing (2), Finance (1), Management (2), Economics (2), Business (1), International (24), Management Principles (6), Organizational Behavior (1), Human Resource (1), Operation Management (1), Legal (1), Business Ethics (1), and Information System (1).

Luthans and Doh (2009) provided the textbook. Two sessions were offered in Spring Semester 2011. Seventeen students enrolled in the day and eight in Accel evening session. Day class met twice a week for one hour and fifteen minutes each, and there were fifteen weeks. Accel class ran eight Thursday evenings, from 5:45 to 9:50 pm. There were two Blackboard online classes. Therefore, only six classes were taught, face-to-face in the classroom for Accel.

During a typical class, chapters were covered with PowerPoint presentations, and question/answer followed. Real-life examples were given whenever applicable. For the Blackboard session, exercises were given. Students would submit online within the given deadline. Table 1 lists the Blackboard exercises.

Five in-class exercises were given as team assignments. These exercises comprised of reading, analyzing and writing a short paragraph on articles from Business Week, Economist, Financial Times, Forbes, and Fortune magazine. The day class was divided into five groups, of three or four people each. A project lead was chosen. It was a good way to develop communications, interpersonal, team-building and leadership skills. For the Accel class, in-class exercises were done with two groups of four people each. Each one of these exercises took one class time during the day class, and one hour in the Accel class.

The most important deliverable is the Final Exam. Students work individually or in a group to do research on global billionaires. They are the international managers and exceptionally successful by managing the global businesses.

Table 2 lists the topics for the final projects in the day class. Table 3 lists those for Accel. Students submitted ten-page paper with 10+ PowerPoint slides. The paper grade was the same for the group, but

PowerPoint grade was different for the individual in the same group. Students presented their final projects with question/answer followed. They raved about the learning experience.

(B) Keller Graduate School of Management*

Keller is part of the DeVry University (DV) system. DV is a for-profit firm that has significant impact to the University Education community. DV has 93 locations offering online or onsite courses, throughout the United States. It trades in the stock market under the stock symbol DV. Its stock price was \$52.46 as of 5/17/2011. DV has 80,000+ students in 26 states and Canada. DV also offered thousands of courses online. The total population is estimated 130,000 students, if online students are included.

The Oracle based DV eLearning platform (eDV), is a powerful learning tool for both the instructor and the students. DV eDV helpdesk is available 24/7 and 365 days, with toll free telephone and online support. Registered MBA students signed in with the D numbers and passwords. They were able to preview course syllabus, chapters, assignments and references. Instructor's screen contained the same materials, but instructor could modify assignments, created the grade book, and received assignments online. Short quizzes using multiple choices and true/false questions were graded by eDV. This feature saved much time for the instructor. Discussion questions were posted on eDV. Students posted the threaded discussion a minimum of five times per week for each graded question. Midterm exam or final exam could be done online if needed. Course Project requirement was posted on eDV. The important thing is to cover the terminal course objectives (TCO). eDV made an elaborate effort in continuously updating its TCO for each course.

MM 574 Channels of Distribution

A Keller MBA student may earn a concentration in marketing by successfully completing four courses from among the following electives, (after passing the MM 522 Marketing Management course):

- MM 570 Marketing Research
- MM 572 New Product Development
- MM 574 Channels of Distribution
- MM 575 Advertising Management
- MM 577 Sales Management
- MM 578 Consumer Behavior
- EC 541 E-Commerce Marketing Management

Marketing is not a big major at Keller, but slowly increasing in the past two years. Hsu taught MM 522, MM 570, MM 577, MM 578, Hsu (2010)

“Channels of Distribution” course teaches students how to make decisions regarding selling channels and the physical distribution of products to businesses and consumers. The course addresses channel structures including retailing, wholesaling, and other agency relationships. Emphasis is placed on understanding how to design, implement, manage, and evaluate a channel strategy. Prerequisite: MM522 Marketing Management

The terminal course objectives are:

1. Given information about a company's market strategy, industry, products, and customers, design a channel strategy to distribute these products consistent with the firm's overall market position.
2. Given information about a company's channel strategy, design a channel structure to support that strategy
3. Given a company's channel strategy, design a plan to find, select and secure channel members.
4. Given a company's channel strategy, develop a plan to motivate the channel members to act in the firm's best interest

5. Given a company's channel strategy, develop recommendations for managing the channels with regard to product, pricing, and promotion issues
6. Given a company's channel strategy, develop a system for monitoring and evaluating the performance of each channel member
7. Given today's global business environment, understand the critical differences between North American and international channels of distribution
8. Given channel decisions such as those outlined in the objectives above, understand how various choices will affect customers, employees, competitors, shareholders, and the community. Assess the ethical implications of these marketing decisions
9. Given channel decisions such as those outlined in the objectives above, understand the implications to electronic channel management in the marketing decisions

Textbook was written by Pelton et al (2004). You can purchase this book or you can download the book as e-book. Keller Graduate School Management has an agreement with the publisher that students can do the free download, by using the MyScribe Reader. They can make notes and save them. MyScribe allows students to download e-book up to five computers. Therefore, students can read this book at many different locations. It is extremely convenient.

The course was taught on Sunday 9:00 am to 12:30 pm, for eight weeks. Twelve chapters were covered: Marketing Channels: Information-Driven, Customer-Steered, Channels Roles in a Virtual Marketplace, Attaining Competitive Advantage through Channel Design, Marketing Mix and Relationship Marketing, Managing Uncertainty in the Channel Environment, Channel Relationships in the Global Village, Legal and Ethical Imperatives in Channel Relationships, Conflict Resolution Strategies, Information Systems and Relational Logistics, Developing Positive Channel Relationships, and Franchising in the Global Economy.

For the online discussion (210 points), students were asked to post at least five times on each graded question for seven weeks. Online quiz (170 points) was given every week. Each of them took one hour to complete. Students did the quiz online and eDV system graded and posted the results immediately after the students completed them. Three assignments (60 points) were collected on Week One, Two and Six.

Case Study (110 points) was due on Week Four, and the requirement was:

Read Case Study 1.3 "Eggsercizer: The World's Smallest Exercise Machine", in Cases - Part I (page 139 - 148), available in Doc Sharing. Write a Case Study report to answer the following questions. Your report should be at least 1,000 words of double-spaced text.

1. Should Davis enter the mass market with the Eggsercizer? Why or why not?
2. Does Davis need to change his organization? Should he replace the Marketing Manager with another marketing manager, or should he handle the marketing himself?
3. Should Eggstra Enterprises issue stock or use debt financing? Explain your rationale.
4. Under what circumstances and at what time should Davis consider selling the company?
5. Had you been Davis, what would you have done differently? Why? How would you implement your ideas?

Final Course Project involves the following:

1. Choose ONE of the following six (6) topics:
 - Changes in Channel Structure in a Specific Industry or Particular Firm
 - Direct Marketing OR Direct Selling as an Alternative Channel
 - How the management of the Marketing Mix is critical to successful marketing channel relationships

- The Effects of the Internet on Channel Strategy
 - The Impact of RFID on Distribution Channels
 - Using Logistics to Gain Strategic Advantages
2. Write a Channels of Distribution Analysis Report for your chosen topic. Your report should be at least 2,500 words (8 to 10 pages of double-spaced text, plus the title page and reference page), and include the following content:

- I. Introduction – Explain the significance of the issue
- II. Background Information – Help the reader understand the history and context of the issue
- III. Marketing Channel Characteristics – Describe the relevance to your topic using specific examples of organizations using these channels
- IV. Core Principles – Integrate how your topic applies core principles from our coursework
- V. Visual Aids – Provide channel flowcharts, relationship maps, graphs, charts spreadsheets or other visual aids deemed necessary to explain and clarify your topic
- VI. Conclusion – Offer recommendations that describe improvement to channel efficiency
- VII. Reference Page – Complete an Appendix, citing all references in proper APA format

Final Course Project Grading (200 points)

The table below shows the breakout of the 200 points for the course project. The course schedule lists the due dates for each of the sections of the Internet marketing plan.

Section	Points
Week 3 - Outline on your chosen topic	10
Week 5 - Rough Draft, including items from I-III listed above	20
Week 7 - Final Report	170
Total:	200

Final Project (170 points) will be graded on the following criteria:

1. How well you addressed the required content items for your topic
2. The completeness of your research and supporting materials
3. Your understanding and application of channel distribution concepts from this course relevant to your chosen topic
4. Writing quality, sentence structure, clarity, and grammar consistent with graduate-level work
5. Accurate citation of references

Each stage of the Course Project will be evaluated as follows:

Category	%	Description
Documentation & Formatting	15%	A quality paper will include a title page, an abstract, proper citations, and a bibliography.

Organization & Cohesiveness	20%	A quality paper will include an introduction based upon a <u>well formed thesis statement</u> . The logical order of the content will be derived from the thesis statement. The content will be properly subdivided into sections derived from the outline. In a quality paper, the conclusion will summarize the previously presented content, and will complement the thesis statement from the introduction.
Editing	15%	A quality paper will be free of any spelling, punctuation, or grammatical errors. Sentences and paragraphs will be clear, concise, and factually correct.
Content	50%	A quality paper will have significant scope and depth of research to support any statements. Relevant illustration or examples are encouraged. A quality paper will employ sound use of reasoning and logic to reinforce conclusions.
Total	100%	A quality paper will meet or exceed all of the above requirements.

Final exam (250 points) was a written exam, in the closed-book and closed-notes format. It was given on Week Eight. No PC, eBook, cell phone or any other electronic equipment was allowed. The total points were 1000. To get the A grade, student needs to score 930 or higher points.

Nine people enrolled. Every class started with PowerPoint presentation, with questions answers followed. Real-world sales examples in automobiles, construction, financial service, human resource, international business, insurance, real estates and retail stores, were given wherever applicable.

For the final project, Harvard, Cranfield, Thunderbird cases were used. Students wrote a paper (10 pages) and prepared 12+ PowerPoint slides. Nine final projects were completed and students did good jobs, see Table 4.

Evaluations from the nine students: 5 exceed expectation, and 4 meet expectation. The mean is 3.56, and the NPS score is 88.89. Comments were:

- I liked this course very much.
- Professor Hsu is a competent and passionate instructor.
- I feel that I have learned a lot about the subject that I have not known much before.
- I feel lucky that I took this informative course.
- I like the way the professor taught us.
- The course is highly satisfactory overall.
- To offer it every other session.

Conclusion

With the down economy, many students were interested in learning real-life international management and channel distribution practices. These courses were taught at two firms to 34 people. Reading the PowerPoint slides with real-world examples made the lecture interesting. Hands-on approach, in-class team exercises, homework assignments, role play, Harvard case studies, online Blackboard discussion, internet search, final oral presentation, gave the best chance of success. Student assessments were good to excellent.

*** Full-time position

* Part-time consultant

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Table 1. Blackboard Exercises

BB #1:

1. For European Union, name the 27 countries, capitals, GDP, major imports/exports, population, and one or more company names in each country.
2. Central Eastern European countries, name the 22 countries, GDP per capita, major imports/exports, population, and one or more company names in each country.
3. Three global E-commerce websites, outside of USA. Explain their features, main businesses, countries or cities where they originated, and why they are successful.
4. Do research on the oil business. Besides ExxonMobil, BP, Shell, there are oil firms

that are owned by their government. Name the top 10 government owned oil companies in the world, their names, countries, and annual revenues. Explain why they are very successful, even though many of us never heard of these companies.

5. Do research on the global retailers. Name the top five global retailers, their countries, annual revenues and explain why they are successful.

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BB #2:

1. Name the 22 countries called Arab League, capitals, GDP, major imports/exports, population, and one or more company names in each country.

2. Name the 4 Nordic countries, capitals, GDP per capita, major imports/exports, population, and one or more company names in each country.

3. Three global banking websites, outside of USA. Explain their features, main businesses, countries or cities where they originated, and why they are successful.

4. Do research on Russian billionaires. Provide their names, company names, core business, their personal wealth, and explain why they are successful.

5. Do research on the global steel industry. Name the top five global steel manufacturers, their countries, annual revenues and explain why they are successful.

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You can post your answers here or email directly to: don.hsu@dc.edu

Due midnight, Thursday February 17, 2011.

Table 2	MG 355 International Management	4/17/2011	
	Final Group chart		
<u>Group A</u>	<u>Topic</u>	<u>Group B</u>	<u>Topic</u>
Giuliano	Lakshmi Mittal	Holland	Anne Lauvergeon
Forsberg	Mittal Steel, Luxembourg	Thomas	Areva, France
<u>Group C</u>	<u>Topic</u>	<u>Group D</u>	<u>Topic</u>
Belizaire	Eike Batistia	Marinez	Indra Nooyi

Miller	EBX Group, Brazil	Nazario	Pepsi, USA
<u>Group E</u>	<u>Topic</u>	<u>Group F</u>	<u>Topic</u>
Jones	Amancio Ortega	Ciabattari	Prince Alwaleed Kingdom, Saudi Arabia
Mouton	Zara, Spain	O'Connell	
<u>Group G</u>	<u>Topic</u>	<u>Group H</u>	<u>Topic</u>
Patino	Li Ka-Shing	Joyce	Carlos Slim Helu
Muise	Chueng Kong Holding, HK		Telmex, Mexico
<u>Group I</u>	<u>Topic</u>		
Balkaran	Stefan Persson		
Moghab	H & M, Sweden		

Table 3	MG 355-L	International Management	
	Final Project chart	1/21/2011	
<u>Name</u>	<u>Topic</u>	<u>Name</u>	<u>Topic</u>
Myers	Eike Batista EBX, Brazil	Poccia	Michele Ferrero Ferrero, Italy
Emmanuel	Amancio Ortega Zara, Spain	Grupp	Li Ka Shing Cheung K, Hong Kong
Boodoosingh	Lakshmi Mittal Mittal Steel, Luxembourg	Droguett	Carlos Slim Helu Telmex, Mexico

Spring	Stefan Persson	Loughlin	Prince Alwaleed
	H & M, Sweden		Kingdom, Saudi Arabia

Table 4	MM 574 Final Projects	
	<u>Names</u>	<u>Project</u>
1	Ayasrah	FreshDirect
2	Garcia	Groupon
3	Issarapongse	Expedia
4	Kawarazaki	Netflix
5	Mehta	Salesforce
6	Myers	Zappos
7	Savice	Priceline
8	Thiparat	Ticketmaster
9	Ucar	Amazon