

MER

The Journal for
the Scholarship of
Teaching in
Marketing Education

Marketing Education Review

Summer 2012, Vol. 22, No. 2

Asynchronous Assessment in a Large Lecture Marketing Course

W. Scott Downey and Stacey Schetzle

Applications of Balance Theory to Faculty Effectiveness: An Assessment

Robin T. Peterson, Yam B. Limbu, Bing Xu, and Sarah Fischbach

Every Brick Tells a Story: Study Abroad as an Extraordinary Experience

Newell D. Wright and Val Larsen

An Exploratory Study of the Drivers of Student Satisfaction and Learning Experience in Hybrid-Online and Purely Online Marketing Courses

Hooman Estelami

Using LinkedIn in the Marketing Classroom: Exploratory Insights and Recommendations for Teaching Social Media/Networking

Denny E. McCorkle and Yuhua Li McCorkle

The Association Between Learning and Learning Style in Instructional Marketing Games

Lawrence L. Garber Jr., Eva M. Hyatt, Ünal Ö. Boya, and Babs Ausherman

CASE STUDY

Sweet Conclusion

Britt M. Shirley, Barbara Ross Wooldridge, and Kerri M. Camp



Society for Marketing Advances

CASE STUDY

SWEET CONCLUSION

Britt M. Shirley, Barbara Ross Wooldridge, and Kerri M. Camp

Jen Harrington is the owner and pastry chef of Sweet Conclusion, a bakery in Tampa, Florida. Most of Harrington's business comes from baking wedding cakes, but she has been attempting to attract customers to her retail bakery, where she sells cupcakes, pies, ice cream, and coffee. Nearly four years she opened Sweet Conclusion, the retail part of her business has not been as successful as she had hoped. Harrington wonders how she can make the other parts of her business more successful. Readers have the opportunity to develop and evaluate strategies for attracting more customers to Harrington's retail bakery.

Jen Harrington placed the final sugar butterfly on the cake and paused to admire it. It was beautiful, and she knew that the couple who would be cutting it at their wedding reception later that afternoon would agree. She remembered the first time they came into her shop with their ideas for a wedding cake. They were amazed that Harrington was able to sketch a cake that incorporated all their ideas into it, even the ones they did not think they could express.

The finished product was even better than the initial sketch. Not only was it fun and colorful, but it was also larger than the couple had contracted for her to bake. They had paid for 120 slices, but they were going to get 140 at the contracted price. After Harrington started putting the cake together, she realized that a slightly larger bottom layer would improve the symmetry of the cake. The couple might not even notice the difference, but she did, and she wanted the perfect cake to be part of their perfect day.

Harrington heard the front door open and looked up. It was a customer. She wiped her hands, walked into the shop area, and said hello while the lady admired the cupcakes, pies, and cookies in the case. They chatted about the beautiful weather as Harrington boxed some cupcakes. After the

transaction was completed, the shop was empty again. It was beautiful afternoons like this that she expected to bring more customers, and she wondered where the customers were. Harrington was especially puzzled about why her satisfied wedding cake customers rarely seemed to return for a piece of pie or a cupcake. The wedding cake part of her business was profitable, but Harrington wondered what—if anything—she could do to get more customers to drop in for cupcakes, ice cream, or coffee.

THE CHEF AND OWNER

Harrington started her professional work with cakes and pastries in the late 1980s while she was still in high school. As a student at the University of South Florida, she studied fine arts while working as a pastry chef for a highly regarded upscale restaurant in Tampa. The desserts were such an attraction that some diners would go there just to have dessert.

To further hone her skills, Harrington traveled to France to work with pastry chefs in Paris and study chocolate in the Rhône Valley. After she left the restaurant in 2002, Harrington opened a bakery where she not only sold desserts but also baked wedding cakes. Her talent for designing and baking wedding cakes gained a following through open houses, word of mouth, and wedding Web sites such as The Knot (www.theknot.com).

In October 2005, Harrington closed the bakery and moved her business into a location that had previously been occupied by another bakery. She named her new shop "Sweet Conclusion." Harrington thought that the new location near the intersection of South MacDill Avenue and

Britt M. Shirley (Ph.D., University of Alabama), Professor of Information and Technology Management, John H. Sykes College of Business, University of Tampa, Tampa, FL, bshirley@ut.edu.

Barbara Ross Wooldridge (Ph.D., Louisiana State University), Associate Professor of Marketing, University of Texas at Tyler, Tyler, TX, barbara_wooldridge@uttyler.edu.

Kerri M. Camp (Ph.D., Texas Tech University), Assistant Professor of Marketing, University of Texas at Tyler, Tyler, TX, kcamp@uttyler.edu.

Table 1
Demographic Data for Zip Codes and Tampa Bay Metropolitan Area (2008)

	33611 Zip Code (Former Location)	33629 Zip Code (Sweet Conclusion Location)	Tampa–St. Petersburg– Clearwater Metropolitan Area
Population	32,110	23,152	2,697,731
Population Density	4,877.7	4,885.4	1,053.7
Percent Male/Female	49.2/50.8	48.3/51.8	48.0/52.0
Median Age	40.4	41.4	40.3
People per Household	2.0	2.1	2.3
Median Household Income	\$46,219	\$71,830	\$44,627
Average Income per Capita	\$33,629	\$49,604	\$25,427
College Degree–Four Year	18.7%	34.0%	14.7%
Graduate Degree	10.2%	21.7%	7.5%

Sources: www.bestplaces.net/zip-code/florida/tampa/33611/, www.bestplaces.net/zip-code/florida/tampa/33629/, and www.bestplaces.net/metro/florida/tampa-st.-petersburg-clearwater/.

West Bay to Bay Boulevard would allow her to continue to focus on the wedding cake business while attracting more customers who would purchase non-wedding treats. Harrington enjoyed creating new desserts and new twists on traditional favorites, and she thought the new location would make it easier to reach customers who wanted (and could afford) upscale baked goods that were priced at a premium. The new store offered a variety of cupcakes, pies, cookies, petit fours, and other freshly baked goods every day. When Harrington opened Sweet Conclusion, she had planned for the shop to open early in the morning and attract customers who wanted coffee and breakfast pastries. However, in the four years since Sweet Conclusion first opened, she had abandoned that idea.

Harrington strived to provide her customers with the best baked goods she possibly could. She stated that she was committed to creating unique, high-quality items for her customers and that she would rather close than compromise the quality of her products.

THE LOCATION

The new location on South MacDill Avenue offered some advantages that her previous location on Henderson Boulevard did not. According to vehicular traffic data gathered by the city of Tampa, the daily traffic “counts” for the stretch of Henderson Boulevard where Harrington’s previous bakery was located and the stretch of South MacDill Avenue where Sweet Conclusion opened were virtually the same: 18,332 for the former location and 18,615 for the current one.¹ However, the daily capacity for traffic at the

new location was much greater—31,540 versus 17,891—suggesting less chance of congestion, which could discourage potential customers. In addition, as shown in Table 1, Sweet Conclusion’s location placed it in an area (Tampa’s 33629 zip code) with median household and per capita incomes about 50 percent higher than those in her previous location (Tampa’s 33611 zip code) and much higher than those in the Tampa Bay area (the Tampa–St. Petersburg–Clearwater metropolitan area) as a whole.

The parking at Sweet Conclusion’s location presented a challenge for Harrington. The street parking directly in front of the shop was very limited (three spaces) and was shared with other businesses in the area. Sweet Conclusion’s customers also had access to a parking lot behind the store shared with neighboring businesses on the block. However, the lack of a customer entrance in the rear of the store meant that customers using the lot had to walk halfway around the block to get to Sweet Conclusion. Harrington had briefly considered the idea of a rear entry, but there was no way to provide one without taking customers directly through the pastry preparation and baking areas.

Harrington chose this location for its visibility. Anyone driving south on MacDill Avenue would be able to see her storefront, and she equated the storefront with the wedding cakes in the window to a giant billboard. She figured that even if people passing the storefront were not about to get married, their memories of the cakes they had seen would prompt them to consider Sweet Conclusion when they did need wedding cakes or even recommend it to others.

Customers walking into Sweet Conclusion were greeted by these wedding cake displays in the window. A sofa cre-

Table 2
Selected Competing Wedding Cake Vendors in the Tampa Bay Metropolitan Area

Vendor	Address	City	Distance from Sweet Conclusion
A Better Cheesecake	2519 North McMullen Booth Road	Clearwater	19.5 miles
A Piece of Cake	5915 Memorial Highway	Tampa	8.3 miles
A Special Touch—Cakes by Carolynn	3153 5th Avenue North	St. Petersburg	22.5 miles
Alessi Bakery	2909 West Cypress Street	Tampa	3.9 miles
Cakes By Nomeda	Not available	Palm Harbor	21.8 miles
Cakes on the Dot	2245 Nursery Road	Clearwater	19.5 miles
Cakes Plus	1732 South Dale Mabry Highway	Tampa	1.3 miles
Chantilly Cakes	13533 65th Street	Largo	18.1 miles
Di's Delights	8668 Park Boulevard	Seminole	22.3 miles
It's Icing on the Cake	2429 Central Avenue	St. Petersburg	22.4 miles
Publix Supermarket	1313 South Dale Mabry Highway	Tampa	1.5 miles
Sweet Memories	969 Virginia Avenue	Palm Harbor	22.3 miles

Sources: www.mywedding.com, www.theknot.com, www.weddingchannel.com, and <http://maps.google.com>.

in seeing a customer's face brighten as she showed a sketch of what the customer had just described to her. Second, she did not cut corners or use low-cost ingredients. For example, wedding cakes are often covered in fondant, a type of icing that gives a cake a smoother, more elegant surface than buttercream icing. Fondant can also be crafted into special shapes such as flowers or animals, like the two cuddling elephants that one couple wanted on their cake. Some who bake wedding cakes use commercial fondant that does not have an appealing flavor or consistency. Some others use buttercream frosting, which does not provide the same versatility as fondant. Harrington made her own fondant and took pride in its flavor and mouthfeel, because she did not want any part of her customers' cakes to be less than perfect. Harrington realized that her commitment to quality and the highly skilled staff required to prepare wedding cakes probably made her cost per slice higher than that of many other vendors, but she was not sure what the exact cost per slice was. Finally, Harrington offered a full range of creative flavors of cakes in different themes such as Tampa, New Orleans, Maui, and Savannah. For example, the "Tampa" line included flavors such as The Key Lime Strawberry, The Lemon Raspberry, and The Big Guava, the unofficial nickname many Tampa residents used for their city.

Baked Goods and Desserts

Many consumers in the United States might say that their shopping and dining habits have become healthier over the years, and data gathered by the Nielsen Company between 2005 and 2009 support this notion (Pirovano 2010). Therefore, cupcakes, pies, and cookies from a bakery might not

be part of what they consider their everyday diet as much as decadent treats.

There are no reliable statistics for the consumption of cupcakes in the United States, but it appears that their popularity has increased in recent years. The spread of cupcake shops in medium-size and large cities is evidence of this increased popularity. It is possible that one of the reasons for this popularity was the show *Sex and the City*, which aired on Home Box Office between 1998 and 2004. Reruns of the show still run in syndication, and it has spawned two movies. The show occasionally featured its characters enjoying cupcakes from Magnolia Bakery in New York City's West Village. In addition, shops like Georgetown Cupcake in Washington, DC, and Los Angeles-based Sprinkles Cupcakes have been frequently featured in print and broadcast media. Sprinkles has many celebrity fans, including Oprah Winfrey, and its founder, Candace Nelson, is a judge on the Food Network show *Cupcake Wars* (www.foodnetwork.com/candace-nelson/bio/index.html).

Sweet Conclusion typically offered five or six types of cupcakes each day, ranging from the basic yellow or chocolate cake with vanilla or chocolate icing to more elaborate, less traditional varieties. These included cupcakes that were based on cake flavors or had additional toppings for seasonal events or holidays. Sweet Conclusion charged \$2 for most of its cupcakes, but specialty cupcakes sold for \$4 or more. Sweet Conclusion's cupcakes were prepared by the same staff who prepared the wedding cakes. Harrington stated that baking cupcakes did not require the same level of skill that preparing wedding cakes did, but it did not make sense to have two groups of employees for the different baking jobs. Even though Harrington believed that her cost of in-

Table 3
Bakeries Located Within 2 Miles of Sweet Conclusion

Bakery	Address	Products	Distance from Sweet Conclusion
Datz Foodie's Market and Loft Bar	2616 South MacDill Avenue	Cakes, Deli Foods, and Sandwiches	0.2 miles
Kalupa's Bakery	2602 South MacDill Avenue	Pastries, Cookies, and Sandwiches	0.2 miles
Pané Rustica Bakery and Cafe	3225 South MacDill Avenue	Bread and Pastries	0.2 miles
The Cupcake Spot	3225 South MacDill Avenue	Cupcakes	0.3 miles
Cakes Plus	1728 South Dale Mabry Highway	Cakes	0.9 miles
Sweet Bread Co. Bakery Cafe	1540 South Dale Mabry Highway	Pastries and Sandwiches	0.9 miles
Delizie Italian Bakery	4205 South MacDill Avenue	Bread, Cookies, and Sandwiches	1.1 miles
Wright's Gourmet House	1200 South Dale Mabry Highway	Cakes, Cupcakes, Pies, and Sandwiches	1.1 miles
Publix Supermarket	1313 South Dale Mabry Highway	All Baked Goods and Deli Sandwiches	1.1 miles
Fresh Market (Supermarket)	3722 Henderson Boulevard	All Baked Goods and Deli Sandwiches	1.2 miles
Frostings Etc.	500 South Howard Avenue	Cupcakes	1.5 miles

Source: <http://maps.google.com>.

redients was similar to that incurred by her competition, the use of more highly skilled bakers probably made her labor costs higher.

Sweet Conclusion also sold freshly baked cakes and pies for \$3.14 (the approximate value of pi) per slice, as well as cookies, mini-cakes, and petit fours. Many of the bakeries within a two-mile radius of the shop sold similar varieties of items. Some, like Pané Rustica, also baked bread and breakfast pastries. Others, such as Kalupa's Bakery and Wright's Gourmet House, gained followings in South Tampa over the past two decades and sold sandwiches as well. Table 3 summarizes the bakeries within a 2-mile radius of Sweet Conclusion.

Coffee

Starbucks Coffee shops had invaded Tampa, like many other cities in the United States, during the past decade. According to the Starbucks Web site (www.starbucks.com), there were nine Starbucks stores, not including kiosks, within a 5-mile drive of Sweet Conclusion's location. The closest one, at 3400 West Bay to Bay Boulevard, was about 0.4 miles to the west (a little more than three blocks away). Sweet Conclusion sold coffee by the cup as well as espresso drinks. However, making espresso required a barista, and the espresso machine occasionally malfunctioned and required repairs. Pané Rustica and Kalupa's Bakery sold coffee but not espresso drinks. Besides Starbucks, the closest coffee shop that sold espresso drinks was Ashley Espresso at 3201 South Dale Mabry Highway, about a mile to the

west. Harrington considered the ability to offer espresso drinks a distinctive feature, but she was concerned about the costs of maintaining and repairing the machine as well as the need for someone to make drinks to meet customers' specific desires.

CONCLUSION

As Harrington returned to the wedding cake, she realized how lucky she was to earn a living doing what she enjoyed and something that helped create lifelong memories for her customers. The wedding cakes accounted for the majority of her sales, but she had always dreamed about having a specialty bakery where people could relax with friends and enjoy a cup of coffee and a treat. She had hoped that creating lifelong memories for customers would create a group of lifelong customers, but that had not happened. Harrington acknowledged a few times in talking to customers that she was a pastry chef, not a businessperson. Perhaps if she were a businessperson, she would be able to figure out how to make the other part of her business more successful, or maybe she would recognize that it was just a dream.

CASE QUESTIONS

1. Given the information presented in the case, evaluate Sweet Conclusion's current marketing mix (product, price, place, and promotion).
2. What is the target market for Sweet Conclusion's wedding cakes? What is the target market for Sweet

Conclusion's bakery items? What promotional activities could Harrington utilize to effectively market to these consumers?

3. Discuss the issues that affect the profitability of the wedding cake part of Sweet Conclusion's business. Discuss the issues that affect the retail bakery part of the business.
4. List the different product positioning options that are available to Harrington. Given the information provided in the case, perform a SWOT (strengths, weaknesses, opportunities, and threats) analysis for Sweet Conclusion, and use it to decide which positioning option is most appropriate for Sweet Conclusion. Explain your answer.
5. What are Harrington's options with respect to the direction that she can go with her bakery business? List and

discuss the advantages and disadvantages of each. Based on the information presented in the case, which of these options should Harrington choose?

NOTE

1. See the traffic counts available at www.tampagov.net/dept_transportation/programs_and_services/Traffic_counts.asp.

REFERENCE

- Pirovano, Tom (2010), "U.S. Healthy Eating Trends Part 5: Nielsen Healthy Eating Index Debuts," *NielsenWire*, February 2 (available at <http://blog.nielsen.com/nielsenwire/consumer/u-s-healthy-eating-trends-part-v-nielsen-healthy-eating-index-debuts/>).

Sweet Conclusion—Teaching Note

Case Overview

Jen Harrington is the owner and pastry chef of Sweet Conclusion, a bakery in Tampa, Florida. While most of Jen's business comes from baking wedding cakes, she has been attempting to attract customers to her shop for non-wedding treats such as cupcakes, pies, and ice cream, as well as coffee. More than four years after opening Sweet Conclusion, the retail bakery part of her business has not been as successful as she had hoped. Jen wonders what she can do to make the retail bakery part of her business more successful, or if she should just concentrate on the wedding cake part of it.

The company in this case and its owner are facing the same issues that many companies and their owners have to deal with in a competitive retail environment, such as product mix, pricing, promotion, and location (place). As the case indicates, the wedding cake part of Sweet Conclusion is doing quite well. Therefore, Jen either needs to attract more customers for other baked products, ice cream, and coffee, or she needs to abandon that part of her business completely.

This decision case requires the reader to consider the issues facing Sweet Conclusion, identify the alternative courses of action, and decide which would be most appropriate for Jen under the circumstances.

Applications

This case is intended for undergraduate classes in principles of marketing during the latter part of the course. Classroom discussions should be focused on what the different components of Sweet Conclusion's business are, who the target customers of each component are, and what Sweet Conclusion should do to attract those customers. Instructors should wait until after the four Ps have been covered in class to ensure that they can meet the first learning objective for the case.

Learning Objectives for the Case

After reading and studying this case, students should be able to:

1. Evaluate the marketing mix elements.
2. Identify target markets based on demographic information.
3. Identify factors that affect the profitability of a small business.
4. Identify appropriate product positioning strategies.
5. Evaluate the options available to this small businessperson and the advantages and disadvantages of each.

Instructors who share with students the information provided in the epilogue can require them to accomplish an additional objective:

6. Identify the factors that lead to the failure of a small business.

Research Methods

The material for this case is derived from personal discussions with the owner of the company.

The owner's name and the name of the company have been changed to protect her privacy.

Secondary resources were used for information about the location, the area, the competition, and the consumers.

Questions

1. Given the information presented in the case, evaluate Sweet Conclusion's current marketing mix (product, price, place, and promotion).
2. What is the target market for Sweet Conclusion's wedding cakes? What is the target market for Sweet Conclusion's bakery items? What promotional activities could Jen utilize to effectively market to these consumers?
3. Discuss the issues that affect the profitability of the wedding cake part of Sweet Conclusion's business. Discuss the issues that affect the retail bakery part of the business.
4. List the different product positioning options that are available to Jen. Given the information provided in the case, perform a SWOT analysis for Sweet Conclusion, and use it to decide which positioning option is most appropriate for Sweet Conclusion. Explain your answer.
5. What are Jen's options with respect to the direction that she can go with her bakery business? List and discuss the advantages and disadvantages of each. Based on the information presented in the case, which of these options should Jen choose?

Answers

1. Given the information presented in the case, evaluate Sweet Conclusion's current marketing mix (product, price, place, and promotion).

The marketing mix refers to the product, price, place (or distribution), and promotion strategies that are uniquely designed for a specific target market (Lamb, McDaniel, and Hair 2012). The strategies that should be addressed by Sweet Conclusion's management are as follows:

Product: Sweet Conclusion has three different product types. The first type is wedding cakes that are designed to meet the specific needs of customers. The case explains that Sweet Conclusion's cakes are a premium product that are custom designed for customers and prepared using high quality ingredients. The second product line is the retail bakery items such as cupcakes, pies, cookies, mini-cakes, petit fours and other freshly baked goods that are offered. These products are not baked for specific customers, but they are also considered premium products. The third product line is coffee and espresso drinks (when the espresso machine works). No other products or beverages are discussed in the case.

Price: Wedding cakes are priced per slice with Sweet Conclusion's standard price of \$6 per slice being at the higher end of the price range of \$3 to \$7 charged by local competition. Sweet Conclusion's per slice price increases further if any unique or special features such as shapes, adornments, or ingredients are selected. This pricing strategy is consistent with Jen's contention that the wedding cakes are premium products. The case provides pricing information for two of

the items sold in the retail bakery. Cupcakes range in price from \$2.00 to \$4.00, depending upon the type of cupcake. Individual pie slices are sold in the bakery for \$3.14 per slice, which is the approximate mathematical value of π . The case does not provide any information about prices charged by competitors for these products, nor does it provide information about what Sweet Conclusion charges for coffee or espresso drinks.

Place: Sweet Conclusion is a retail store located near the intersection of South MacDill Avenue and West Bay to Bay Boulevard in Tampa, Florida's 33629 zip code. The retail store is located at the intersection of MacDill Avenue and West Bay to Bay Boulevard. The daily traffic "count" is 18,615 but the daily capacity for traffic is 34,200. There is street parking directly in front of the shop, but the space is limited (only three spaces) and is shared with other businesses in the area. A parking lot is available that is shared with neighboring businesses, however customers must walk around one of the neighboring businesses to access Sweet Conclusion. Businesses on the same block as Sweet Conclusion include a sports bar/family restaurant, two interior design shops, and an oriental rug gallery. Across the street businesses include a tennis racket shop, lawn furniture shop, and a Lebanese restaurant.

Promotion: Few promotional activities are discussed in the case. Sweet Conclusion does offer a website, however how that website is utilized for promotional activities is unclear. Sweet Conclusion does advertise on three websites—www.theknot.com, www.weddingchannel.com, and www.mywedding.com—which all promote the wedding cake side of the business. The other means of attracting new customers is by the usage of window displays in the storefront.

2. What is the target market for Sweet Conclusion's wedding cakes? What is the target market for Sweet Conclusion's bakery items? What promotional activities could Jen utilize to effectively market to these consumers?

The process of dividing consumers into groups with similar characteristics is called market segmentation. Developing a differential marketing or target marketing strategy means to design a unique marketing message to a specific market segment (Tanner 2010, p. 87). Instructors may suggest that, when deciding what the target markets are, students consider which of the four primary segmentation variables—demographic, psychographic, geographic, and behavior (usage rate, and benefit sought)—are appropriate. Companies like Sweet Conclusion must determine which segmentation variables are most appropriate to use.

The target market for Sweet Conclusion's wedding cakes is engaged couples planning a wedding in the Tampa, Florida area. Since most wedding cake decisions are probably made by brides, or brides and their mothers, emphasis should be placed on targeting the female consumer between the ages 20 and 40. Since the per slice price of wedding cakes is \$6 as compared to competitors' prices of \$3 to \$7, Jen should target consumers with a higher than average income. Emphasis should be placed on individuals with a 33629 zip code, because the data in Table 1 of the case suggests that residents of this area have higher per capita incomes and more education than those in the greater Tampa Bay area. In addition, Jen should consider identifying other neighborhoods and areas of Tampa that have higher per capita incomes as places to target potential customers. This is demographic segmentation.

Psychographic factors are also important for the wedding cake part of Jen's business. While some couples might be happy with a basic wedding cake, Sweet Conclusion appears to focus on those customers who have a need for a unique and personal cake. The unique flavors that Sweet Conclusion offers and Jen's ability to translate couples' ideas into designs appeal to a particular segment of customers.

The target market for Sweet Conclusion's bakery items is broader than for its wedding cakes. There are several businesses adjacent to and near Sweet Conclusion, so consumers who work and/or shop in the area are target consumers for bakery items. Consumers living in the vicinity of the nearby Palma Ceia Country Club would be appropriate target consumers. According to Table 1, the annual per capita income of \$49,604 is nearly twice that of the greater Tampa Bay area, and these higher income individuals should be targeted for upscale bakery items such as specialty cupcakes that sell for \$4 or more. Jen needs to consider whether or not she has distinguished the cupcake product enough to justify the higher price, and she should also determine if the market she is targeting looks at cupcakes as a commodity or a treat.

Psychographic/lifestyle segmentation variables would be appropriate if Jen determines that cupcake customers want to emulate the hip young (or younger-acting) women that they see on "Sex and the City."

The promotion mix consists of advertising, promotion, public relations, and personal selling. The role of promotional mix is to inform, persuade, or remind consumers of the benefits of the company or product.

Promotional mix activities that Jen could utilize to effectively market to these consumers include participation in local bridal fairs/exhibits (for the wedding cake part of her business), telephone directory advertising, and newspaper advertising. Emphasis should be on direct marketing activities that can be targeted to specific individuals. Sweet Conclusion should develop a database of existing customers so that direct marketing activities can be utilized with those customers. The website should be utilized to offer incentives for consumers to visit the website frequently including weekly or monthly specials and coupon offers. A customer loyalty program for the retail store could also be developed to encourage repeat business and develop new patterns of consumption for bakery items. Finally, Jen should take advantage of the front window that she compares to a billboard. The window provides an opportunity for her to promote the freshly baked items to passing customers. If space permits, she could provide displays of freshly baked cookies and cupcakes visible to passersby along with the wedding cakes. Alternatively, she could develop signage that more clearly establishes to passing customers that the shop offers more than just wedding cakes.

Jen also needs to consider offering a loyalty program for the retail store dessert shopper. She could start a “cupcake club” that would give customers a free cupcake after the purchase of twelve cupcakes. She could also offer promotions that tie the wedding cake part of her business to the retail bakery. For example, a couple who purchases a wedding cake will get two free cupcakes a month after the wedding. The first promotion encourages repeat business of the same product, while the second motivates customers from one part of her business to try another part.

Yet another potential target market for bakery items that Jen might explore would be local companies and businesses that provide gifts or premiums for their customers. For example, realtors who have recently sold a house often give clients gifts after closing (Hwang 2007). Having realtors give new homeowners cupcakes from Sweet Conclusion as gifts would not only benefit Jen by giving her another group of customers, but also by introducing new residents in the area to Sweet Conclusion and its products. Jen could identify realtors and companies in the area that might provide gifts to their customers. She could then promote the idea of cupcakes as gifts by delivering boxes of cupcakes as gifts to offices, along with brochures that explain the types of baked goods Sweet Conclusion offers and why a box of basket of cupcakes would make an excellent gift for a client.

3. Discuss the issues that affect the profitability of the wedding cake part Sweet Conclusion's business. Discuss the issues that affect the retail bakery part of the business.

The case does not provide financial information other than what Jen charges for wedding cake per slice, cupcakes, and slices of cake and pie. Therefore, it is not possible to compare the relative profitability of wedding cakes vs. the retail bakery. However, there are issues discussed in the case that affect the profitability of each part of her business.

With respect to wedding cakes, the introduction of the case mentions that Jen baked a cake with 140 slices, even though the couple who ordered it only paid for 120. This is an example of Jen's artistic approach to what she does. The case does not indicate whether this is standard operating procedure for Jen, but doing it does affect the profitability of the wedding cake business

negatively. In addition, Jen uses the best quality ingredients to bake and prepare her wedding cakes, including making her own fondant. The case does not mention whether using commercial fondant would offer a cost advantage, but making her own fondant requires additional labor. Given that Jen and all of her staff are highly skilled, there is certainly some cost associated with using labor to produce the fondant when pre-produced fondant is available. However, the use of these superior ingredients is probably a reason why she is able to charge a premium price for her cakes. Finally, the case suggests that baking wedding cakes does not require a storefront and could be done out of an institutional kitchen or even the home. Having a retail bakery, especially one in a prime location like Sweet Conclusion's, makes the cost of doing business higher than it needs to be unless the retail bakery does a high enough volume of business to be self-supporting. Based on the information provided in the case, that does not appear to be the situation here.

There are three major factors that affect the other parts of Sweet Conclusion's business as well. Sweet Conclusion uses the same labor force to prepare the other baked goods as it does the wedding cakes. While this means that Sweet Conclusion does not need to hire a separate labor force to prepare the different baked goods, it also means that a more highly skilled labor force is preparing these other items. As a result, the labor cost of cupcakes and other baked items is higher than it needs to be. Some students might conclude that baking wedding cakes and baking other items that a retail bakery sells are not compatible processes. The location is another issue. Sweet Conclusion is located in a part of Tampa that is highly educated with a per capita income much higher than the rest of the Tampa Bay area. However, the location's parking makes it inconvenient. If customers cannot find a place to park, or they perceive that the parking situation is poor, they will not be able to buy cupcakes or the other items that Sweet Conclusion sells.

Finally, unlike the wedding cakes that are made to order, the other items are made in anticipation of customer demand. Whenever too many of these items are prepared for a day, the excess either is sold the next day at a deep discount or disposed of. Either way, profits are reduced. If not enough of these items are prepared for a day, customers might be dissatisfied that the items they wanted were not available and not visit the bakery again in the future, potentially resulting in decreased sales.

4. List the different product positioning options that are available to Jen. Given the information provided in the case, perform a SWOT analysis for Sweet Conclusion, and use it to decide which positioning option is most appropriate for Sweet Conclusion. Explain your answer.

Students may suggest many different product positioning options. One theoretical framework that identifies many different product positioning options that are available to Jen is Porter's Generic Strategy framework, which provides three possible options: cost leadership, differentiation, and market segmentation (or focus) (Grant 2010, p. 223).

A SWOT analysis (Tanner 2010, p. 26) could be used to identify issues relating to the wedding cake part of Jen's business, as well as retail bakery issues. Students might develop the following lists of strengths, weaknesses, opportunities, and threats from the information provided in the case.

Strengths (for the weddings cakes, the retail store, or both the retail store and the wedding cakes)

Jen's reputation: She has past experience as a pastry chef at a highly regarded upscale restaurant in Tampa and she has received training in France. (This is a strength for both parts of her business.)

Use of high quality ingredients: (Both)

Makes own fondant: (Wedding cake)

High skilled staff: (Wedding cake)

Artistic, creative baker: (Both)

Weaknesses

Jen bakes cakes with more slices than she charges for: (Wedding cake)

Use of highly skilled expensive labor for tasks that do not require it: (Retail)

Cost of location: (Both)

Lack of parking/inconvenient parking arrangement: (Retail)

Storefront visibility: The storefront could be a strength, but Jen does not take full advantage of it. (Retail)

High-end pricing for wedding cakes and desserts: Her prices are relatively high compared to some competitors in the Tampa Bay area. (Both)

Difficulties with espresso machine: (Retail)

Opportunities

Cupcakes appear to be growing in popularity: (Retail)

"Sex and the City": The movies and the series (which is still seen in reruns) feature cupcakes as a hip, cool, self-indulgent treat. (Retail)

Popularity of espresso drinks: (Retail)

Threats

Reliance on online wedding websites: The online sites could make it difficult for Sweet

Conclusion to differentiate sufficiently its cakes from competitors' cakes. (Wedding cake)

Venues for weddings and receptions: Some venues control the catering and do not allow outside vendors. (Wedding cake)

Changing health habits: Lower carbohydrate, lower fat diets exclude baked goods. (Retail more than wedding cakes, because wedding cake is not eaten on a frequent basis.)

New competition: The growing popularity of cupcakes will likely motivate more competitors from new and existing bakers. (Retail)

The analysis suggests that the strengths are, for the most part, the results of Jen's skills and expertise. Therefore, any positioning strategy Jen chooses should take advantage of her strengths. The weaknesses are primarily related to the retail bakery part of her business and result from the location and the attempt to complement the wedding cake business with the retail bakery. These weaknesses, especially the high end pricing, suggest that a cost leadership strategy is infeasible. In addition, the cost of her current location and the limited potential for selling high volumes of baked goods (due to the parking situation) make this strategy unattractive. The opportunities are all in the retail bakery side of the business, but none of them suggest that there is a tremendous opportunity for growth there. Finally, the threats suggest that Jen remain aware of potential changes in the nature of demand for her products, especially the wedding cakes.

Based on Sweet Conclusion's product offerings and the information presented about the eleven nearby competitors in Table 3 of the case, the positioning and value proposition that is best suited for the target market is a market segmentation focus. The advantage of a market segmentation strategy is that it allows Sweet Conclusion to concentrate on a narrow market segment and maintain its higher pricing strategy. Businesses that are successful with this strategy know who their consumers are and accurately identify what their specific wants and needs are and focus on those product offerings and service requirements. While the case does not provide specifics about the baked products offered by the nearby bakeries, it does indicate that each one of them offers at least one baked good that Sweet Conclusion also offers. If Jen effectively positions Sweet Conclusion with a market segmentation focus strategy, she can differentiate her products enough to make it less likely that customers will view the products offered by competitors as suitable substitutes. Effective product positioning will require Jen to understand more fully her customers' needs and which competitors, if any, do a better job of satisfying those needs. She could then decide how she can better meet those needs, or if any segments of the market should be abandoned so that she can devote more time and research to the segments where she has a competitive advantage or the opportunity to develop one.

Analyzing these alternative strategies could prove valuable to Jen. As someone who has admitted "that she was a pastry chef, not a businessperson," Jen might recognize that doing what is required to follow a market segmentation focus strategy is beyond the scope of what she is capable of doing.

5. What are Jen's strategic options with respect to the direction that she can go with her bakery business? List and discuss the advantages and disadvantages of each. Based on the information presented in the case, which of these options should Jen choose?

The first option available to Jen is that she can continue to operate Sweet Conclusion in the current location. The advantages of the current location include its high traffic volume and proximity to customers with higher than average per capita and household incomes. However, the mere presence of these customers in the area is not translating into the volume of customers that Jen had expected. This suggests that Sweet Conclusion will need to advertise more effectively and/or offer more promotions to attract the customers it wants. The disadvantages of the current location include its rent as well as the lack of parking. In addition, the traffic volume could be considered a disadvantage if it discourages customers from visiting during high-traffic periods. As the case mentioned, Jen's rent at the current location is 50% higher than what it was for her previous shop. If she were experiencing increased sales in the current location, the higher rent expense might be justified. Apparently, that is not the case. Parking is also a problem, because of the limited number of spaces on MacDill Avenue in front of the shop and the inconvenience associated with parking behind the shop.

A second option is to move from the current location to a less expensive location while continuing to operate as a retail bakery and wedding cake shop. The advantage of this option is that rent would be lower and the business would not be as dependent upon a large customer volume for the retail bakery. The disadvantages would include moving from a location that is familiar to its current customers, finding a suitable location, and disrupting business operations

during the move (and the associated loss in revenue). A change of location might make it difficult for Sweet Conclusion's current customers to remain customers after relocation. In addition, Jen would have to consider what alternative locations are available, whether they offer the baking facilities and customer areas she needs, how accessible they are, and what types of customers each would be able to attract. She would also need to consider that, unless Sweet Conclusion remains open while she opens a new facility—an unlikely scenario for a sole proprietor—she will not be able to operate her business during the transition. This would result in a loss in revenue during that period.

Jen's third option is to abandon the retail bakery aspect of her business and concentrate on the most successful part of it: wedding cakes. The primary advantage of this option is that she can bake wedding cakes in any location with sufficient baking and preparation facilities. She could potentially do this without having a storefront, meaning that she could choose a location that minimizes her operating costs. The primary disadvantage of this option is that it requires Jen to acknowledge that the retail bakery part of her business is not viable, at least not at this time.

Epilogue

In early 2010, Jen decided to focus her energy on the wedding cake part of her business. The cost of operating the facility on South MacDill Avenue made it difficult to justify maintaining it, so she did not renew her lease. Although Jen enjoyed the interaction with customers who stopped into the shop for a cupcake or dish of ice cream, it often proved to be an interruption that she could not afford when she was facing multiple deadlines for wedding cakes.

Jen continues to bake wedding cakes, using the facilities at the upscale restaurant where she used to serve as pastry chef. Sweet Conclusion's website is still active and allows prospective customers to browse the different types of cakes that are available and contact Jen with requests for appointments. Even without the storefront, Jen's cakes remain popular because many people involved in weddings locally (such as wedding planners and photographers) are familiar with the quality of her work.

After sharing this information with students, an instructor might decide to give students an additional question, presented below along with its answer:

6. Based on the information provided in the case, what factors contributed to Jen's decision to close the retail bakery and concentrate entirely on wedding cakes?

Even though Jen decided not to renew the lease on the location of the retail bakery, this could be considered a business failure. Running the retail bakery took a great deal of time that she thought would be better spent concentrating on the wedding cake part of her business.

The website for the U.S. Small Business Administration (SBA) lists ten reasons why small businesses fail ("Get ready" n.d.). These reasons are analyzed to answer this question. An instructor might direct students to use these reasons to frame their answers or a different list that could be provided in a textbook.

Lack of experience: Jen herself admitted that she was a pastry chef, not a businessperson. Her training and attention to detail also suggested that she was an artist as well. The case provides evidence that she had experience in interpreting her customers' ideas into wedding cakes that they liked and that she had years of experience as a baker/pastry chef. However, she did not appear to have the experience that would have been helpful in translating her idea for a retail bakery into a successful operation. Lack of experience did appear to be a factor.

Insufficient capital (money): The last sentence of "The Chef and Owner" section of the case states that Sweet Conclusion had been open for four years, and there was no indication that Jen did not have the capital to operate the shop the way that she wanted. Insufficient capital did not appear to be a factor.

Poor location: While Sweet Conclusion's location at South MacDill Avenue and West Bay to Bay Avenue placed the shop in a location close to customers with higher than average income levels, its lack of parking was a major weakness. With only three parking spaces in front of the shop, all shared with nearby businesses, it was probably difficult for customers to park in front of the store. The only other parking mentioned in the case was in the back of the store. The case does not mention if there were enough spaces to accommodate customers for Sweet Conclusion and its neighbors. However, it does suggest that these spaces in the back of the store were inconvenient for customers because of the lack of an entry to the shop from the parking lot. Primarily because of the parking situation, the location did appear to be a factor.

Poor inventory management: The case does not explicitly mention any inventory management issues faced by Sweet Conclusion. However, operating a retail bakery presents inventory management issues that baking wedding cakes does not. Wedding cakes are made to order, so there is not a question of how many to make. Conversely, cupcakes and the other baked goods that a retail bakery sells are made to stock. From one day to the next, a bakery like Sweet Conclusion cannot reliably estimate the demand for each of its products unless they are pre-ordered. Each day, the demand for some items will exceed its availability, resulting in disappointed customers who did not get what they wanted. Yet, for other items, availability will exceed demand, resulting in waste from excess amounts of perishable items. Like other retail bakeries, Sweet Conclusion had to deal with the inability to match supply and demand for these items on a consistent basis. Therefore, poor inventory management was almost certainly a factor.

Over-investment in fixed assets: The only fixed assets mentioned explicitly in the case were the furnishings and display cases. There was also a baking and preparation area, but the case does not mention whether the ovens and other equipment in the shop were purchased by Sweet Conclusion or if they came with the facility. While the over-investment in fixed-assets might not have been a factor that led to closing the retail bakery, it seems clear that over-investment in the facility's rent was.

Poor credit arrangements: This did not appear to be a factor.

Personal Use of Business Funds: This did not appear to be a factor.

Unexpected Growth: This did not appear to be a factor.

Competition: The case lists competitors for each segment of Sweet Conclusion's business, but competition did not appear to be a major factor in the decision to close the retail bakery.

Low Sales: As the case mentioned, Jen wondered how she could attract more customers to the retail bakery. Therefore, the lack of customers was a problem. However, the low sales appeared to be a symptom of Jen's lack of business experience and the location. For example, Jen wondered why customers who had been satisfied with the wedding cakes she had prepared did not become customers of the retail bakery. Had she possessed a greater background in retailing, she would have understood some of the differences between the two markets. A customer might be willing to drive five miles or more to discuss wedding cake designs but that same customer could be reluctant to drive the same distance for a cupcake.

References

Get Ready (n.d.), Retrieved from http://www.sba.gov/smallbusinessplanner/plan/getready/SERV_SBPLANNER_ISENTFORU.html.

Grant, Robert M. (2010), *Contemporary Strategy Analysis*, 7th ed., West Sussex, UK: John Wiley and Sons.

Hwang, Haley M. (2007, March). "6 Clever Closing Gifts," *Realtor Magazine*. Retrieved from <http://realtormag.realtor.org/sales-and-marketing/feature/article/2007/03/6-clever-closing-gifts>.

Lamb, Charles W., Carl McDaniel, and Joseph F. Hair (2012), *MKTG5*, 5th ed., Mason, OH: South-Western.

Tanner, Jeff and Mary Anne Raymond (2010). *Principles of Marketing*, 1st ed., Nyack, NY: Flat World Knowledge, Inc.