

¹ Colour 1a – Teaching Note

Conor Vibert developed this teaching note to guide the use of the multimedia case entitled Colour 1a for instructional purposes. It is not the purpose of this material to serve as an illustration of how to effectively or ineffectively address a managerial situation.

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SUMMARY

- Chris Keevil CEO of Colour had successfully grown a regional advertising company but that growth had stalled. He and his colleagues needed to come up with a strategy on how to kick growth back into gear. Advice is being sought as to how to proceed in resolving this real life issue. Students are offered access to a set of transcribed video clips that outline the issue and its cause along with providing context for the issue. In order to arrive at alternative solutions and justify their choice of a solution, students are expected to use sources of information not found in the case.

KEYWORDS

- Growth Strategy
- Acquisition Motivation
- Digital Media

CASENET VIDEOS

Each video in this multimedia case features a segment of an interview with one of the organization's key decision makers. The videos describe:

1. the *Issue* facing the individual or organization
2. the *Cause* of the issue
3. *Background* information for the individual, organization and industry
4. *Alternatives* for addressing the issue
5. A suggested *Solution* and justification

Transcriptions for each video are also available. Students may not access the *Alternatives* and *Solution* videos or transcripts.

OBJECTIVES FOR TEACHING

There are a number of instructional objectives for this case.

- To enhance the decision making skills of students by having them address a real life issue faced by managers of Canadian or international companies.
- To provide students with a brief introduction to the advertising industry.

¹ The Author wishes to thank Chris Keevil for his support of this project. At Acadia University, thanks are in order for Dave Sheehan.

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- To offer students an opportunity to analyze a situation using concepts that illustrate a growth strategy.

POSSIBLE TEACHING STRATEGY

This case is ideal for in-class case analysis or as an assignment. Assuming an 80 minute class, here is an approximate class schedule:

Time (minutes)	Task
5	Introduce case and divide students into groups.
15	Students view <i>Background</i> case videos and make notes.
5	Instructor plays the <i>Issue</i> and <i>Cause</i> clip(s).
25	Students identify alternatives, a solution and rationale.
20	Instructor guides a discussion around alternatives, solution and rationale.
10	Instructor plays the <i>Alternatives</i> and <i>Solution</i> clips.

If the case is used as an assignment, the instructor may want to focus assessment on:

- 1) **Decision-making process.** The instructor would evaluate writing style, appropriateness of information sources, alternatives, solution and rationale. This approach recognizes that the alternatives and solutions offered in the case are not necessarily optimal, and other choices may be equally effective. Students can be rewarded for their selection of decision making approaches, analytical frameworks and cited reference material.
- 2) **Outcomes.** The instructor would evaluate how closely student responses match those offered in the *Alternatives* and *Solution* video clips. Or, the instructor could use the insight of an existing research paper or analytical framework as the basis for judging outcomes.
- 3) **A combination of process and outcome.** The instructor may apportion the grade between process and outcomes.

POSSIBLE QUESTIONS FOR ASSIGNMENTS

Students can be asked to identify a set of alternatives to address the issue outlined in the case, a solution and rationale. Other questions that will help students prepare for their case analysis include:

- What are some opportunities facing Colour?
- What are some strengths of Colour?
- What are some weaknesses of Colour?

CASE ANALYSIS

Issue: The *Issue* and *Cause* video clips outline the problem or challenge of the case.

- Chris Keevil. I am the CEO of Colour. We are an advertising PR and digital firm based in Nova Scotia with an office in Toronto. In 2009 we were faced with a decision. We had a number of successful years. We were a 27 year old company at the time. We had grown successfully but that growth had stalled. We needed to come up with a strategy on how to

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kick growth back into gear. My belief is that growth is important in a business because the alternative is more risky than any other direction you can take. Standing still, generally in my experience, has led to decline in a business. As if a business were an organism. People in a business need to feel that the trajectory is up. Even if that trajectory is modestly increasing year over year, the folks in a business, the people who are committed to finding success there need to see that it is going forward and that potential and opportunity is going to increase for them. If that opportunity is not there and if the decline is even slight, after a period of time people have a hard time committing. So for that reason alone, growth in an organization is critical.

Analysis:

To start their analysis of the case, students should view the *Background* video clips. These clips should help students grasp the following points or case facts.

- Clients choose agencies based on their philosophical approach and methodology to deliver results for the clients and whether there is a fit between the people.
- Colour is full service agency based in Halifax with offices in St. John, New Brunswick, Moncton, New Brunswick, St. John's, Newfoundland and in Ottawa.
- Colour describes itself as being in the business of creative persuasion which reflects the change in the consumer marketplace and how they consume media with the fragmentation of media and the onset of numerous online marketing channels
- Colour employs sixty people
- Colour is involved marketing communications, public affairs, advertising, market research, promotions, and translations.

Researching information sources other than the content of the cases should enable students to garner the following insights:

- For advertising and marketing firms in Canada, salaries, wages, and benefits are the largest expense factor as of 2012 (Stats Canada).
- A 2012 survey shows that 82.5 % of advertising and related services were profitable (Industry Canada).
- Canadians 18+ spend at least 7 hours a day with media; 47% watching video, 20% browsing the internet (Canadian Marketing Organization).
- App usage represents roughly 80% of time used on mobile devices (Michael Oliveira)

With this information in hand students can be challenged to identify an analytic framework that will help them organize their thoughts.

- This presents an excellent opportunity for instructors to guide students through an analysis of the situation using Ansoff's product/market matrix. Students can be asked to think of four possible growth strategies for this company with each being defined in terms of existing and new products and markets. Thus, options would include market penetration, diversification, market development and product development.

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Effort focused on research coupled with analysis should enable students to present a series of options. These can be compared to the options offered by the interviewee which are also summarized below and found in the Alternatives video clip.

- I am Chris Keevil, I am the CEO of Colour. In 2008 and 2009 we were faced with the decision of how to grow our business. There were three options that we considered. One was to buy a firm in our business in Atlantic Canada. Two was to grow organically by acquiring new customers and build our customer base in Atlantic Canada. The third option was to find new business opportunities outside of Atlantic Canada where we could grow more quickly.

The *Solutions* video clip offers the interviewees' solution to the issue along with a rationale. Highlighted below, this can be compared to the student response and explanation.

- So in 2010 we decided to buy a firm in Toronto that was focused on digital marketing. There were three main reasons why we chose that option. One we wanted a foothold in a new geographic market where we could build relationships with clients. Two, we wanted to add expertise in our base of business even in Atlantic Canada that we could draw from in the Toronto market. Three, we wanted to expand our digital capabilities in all markets so we could more firmly establish ourselves as a fully integrated new agency with deep digital capabilities. We decided against the other two options for a few reasons. One, we did not think those other options would be quick enough to give us the velocity and growth that we needed because the Atlantic Canadian market itself was not growing fast enough. For us to be successful in acquiring new customers in Atlantic Canada or through the acquisition of another firm in Atlantic Canada we were still going to be highly dependent on the slow growth in Atlantic Canada. We wanted to avoid that slow growth and look to a bigger market, even if we were a smaller fish in a bigger pond, we thought we could generate a lot more velocity in our growth by exiting Atlantic Canada for our growth strategy.

SUGGESTED COURSES

We suggest that this case would be suitable for a number of courses. These courses include:

- Marketing
- Organization Theory
- Management

ADDITIONAL RESEARCH

The case offers students opportunities to undertake interesting additional research.

Students may want to delve deeper into how managers make decisions. Classic approaches to decision making include works by Cyert and March (1963) and Tversky and Kahnemann (1974).

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Students interested in learning more about the industry in general might make use of numerous online information sources some of which are noted below.

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- Advertising Standards Canada <http://www.adstandards.com/en/Standards/theCode.aspx>. Host code of standards for acceptable advertising in Canada.
- Canadian Marketing Association, <http://www.the-cma.org/about/blog>, Ongoing dialogue about trends and hot topics in online marketing
- Canadians Media Directors <http://cmdc.ca/resources/useful-links/> Links to the CMDC Media Digest and other important Canadian industry associations
- Direct Marketing Association <http://www.directmac.org/> U.S. Industry Association for Direct Marketers
- Direct Marketing Association of Canada <http://www.directmac.org/> Canadian Industry Association for Direct Marketers
- Interactive Advertising Bureau of Canada <http://iabcanada.com/research/> Host research reports on online advertising and internet usage in Canada
- Pew Research Centre <http://www.pewinternet.org/> Statistics on how Americans use the internet
- Plunkett Research, <http://www.plunkettresearch.com/industries/advertising-branding-industry-market-research/>. Industry overview of the Advertising, Branding and Market Research industries
- Smart Insights. <http://www.smartinsights.com/marketplace-analysis/customer-analysis/digital-marketing-statistics-sources/> Sources for digital marketing statistics
- Social Media Examiner.com
<http://www.socialmediaexaminer.com/SocialMediaMarketingIndustryReport2014.pdf> 2014 Industry Report for Social Media Marketing
- Statistics Canada: <http://www.statcan.gc.ca/pub/63-257-x/2014001/part-partie1-eng.htm>. Information on Advertising and Related Services
- Statista: The Statistics <http://www.statista.com/markets/417/topic/479/advertising-marketing/> Statistics on all categories of marketing and advertising in the U.S. and around the world

REFERENCES

A number of articles, referenced below, offer insight that might help instructors effectively explore this case with students.

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