CASE 2.2 BASKIN-ROBBINS

Can It Bask in the Good 'Ole Days?

It was early December and Baskin-Robbins Brand Officer Ken Kimmel had just returned from lunch. To his surprise, his walk from the parking lot to the Randolph, Massachusetts, headquarters building had quickly turned into a sprint. Kimmel was trying to avoid the chilly effects of a Nor'easter that was whipping most of New England with arctic winds.

Like the nasty weather Kimmel just escaped, the frozen-food retailing industry had become more hostile to Baskin-Robbins (www.baskinrobbins.com) in recent years. New entrants, such as Cold Stone Creamery founded in 1988, had popularized the in-store experience with customers watching their ice cream creations being made before their eyes on cold stone slabs. For years, Baskin-Robbins had turned their back to Cold Stone Creamery's gains, in a similar way the Baskin-Robbins counter staff turned their back on customers to make a banana split. Cold Stone Creamery's sales were now almost 75 percent of Baskin-Robbins' sales.

In response, the Baskin-Robbins executive group along with Kimmel had recently moved to redesign stores, but it was not easy convincing the thousands of franchisees who ran the Baskin-Robbins stores to change. A store redesign could run up to $50,000 and was funded mostly by the franchisees. One aspect of the redesign resulted in lowering the ice cream cases to make it easier for children to look down into the ice cream bins.

Another change being considered was changing the Baskin-Robbins logo to coincide with the redesign of store interiors. The logo appears on napkins, cone wrappers, spoons, cups, uniforms, and signs at all Baskin-Robbins stores. The estimated cost for making such a change was $5 million for Baskin-Robbins headquarters. Individual franchisees would have to invest about $10,000 for the logo change to be made inside the stores.

Later that afternoon, Kimmel's brand group was deep in discussion about whether to change the brand symbol of Baskin-Robbins at the same time the store redesign would be signed.

"The context has changed since the mid-1980s," visiting retail consultant Zack Wheatley said. "Customers are more demanding about the hospitality experience. They earn more money and they can buy comparable ice creams to Baskin-Robbins in grocery stores now."

Kimmel sensed it was time to mention recent strategy decisions by the Baskin-Robbins executive group.

"While our competitors are pushing this mix-in experience—a higher-priced theater experience—Baskin-Robbins has decided to focus on delivering a great value for our consumers in an accessible kind of environment," Kimmel responded. "The executive group has decided that we are going to focus on our new products as opposed to the theater of the business. As part of this new emphasis, we have recently begun highlighting innovations such as our own frozen coffee beverage—the Cappuccino Blast—and a fruit-based beverage—Bold Breezes. Carrying frozen custard is also on the horizon."

Marsha Davis, Kimmel's research director, took her turn in the conversation. "Is Baskin-Robbins such an established brand that the logo for Baskin-Robbins should not be overhauled?" Davis asked.

"I know what you are suggesting," Wheatley replied. "Conventional wisdom in this industry would say that one shouldn't tinker with an established brand."

"We have discussed this among ourselves here at headquarters with the CEO and other senior executives, and we have also invested in hearing from consultants in retailing communications," Kimmel said. "They think the decision to change the logo should be taken only after extensive deliberation and direct research with customers."

"Right," Wheatley said. "Analysts in the quick-service restaurant industry have reported in the trade journals that the new entrants have continued to grow faster than Baskin-Robbins—especially in the key metric of same-store sales compared the previous year. What did the qualitative research say about the proposed new logos?"

Davis paused, dug in her briefcase, and removed the glossy printed versions of the old logo and the leading candidate among the proposed new logos. She put them both on the table facing the others.

"We talked with four focus groups in Chicago, LA, and New York and they agreed that the Baskin-Robbins brand represented irresistible treats, smiles, and fun," Davis said. "They also liked this proposed logo that the senior executive group liked."

"So where do we go from here?" Kimmel asked.

"Because your management wants to make a change to the logo only if it is necessary, you should study your customers' attitude toward the new logo, so that you can explain whether a logo change is warranted," Wheatley said.

Everyone stopped talking to reflect on what was just said. After about 10 seconds, Kimmel raised an open hand to the group.

"Wait. This is beginning to remind me of the new Coke introduction," Kimmel said after some reflection. "Customers' subjective attachment to the old Coke was ignored, then. We need to ask about the old logo, too. Also, I know the senior executives want a clear margin of preference for the new logo. If the new logo is not preferred 2:1 in a head-to-head competition with the old one, we need to drop it."

Wheatley picked up the line of thought.

"Okay, and now that you mention it, we also need to present the drawings of the new redesigned stores and have the customers respond to the old and new logos after understanding what our new stores will be like," Wheatley said.

"So restating our problem, I guess it sounds this way," Davis said.

"Because management wants to make a change to the logo only if it is absolutely necessary, we should study our customers' attitudes toward the old logo and toward the new logo after showing them the drawings of the redesigned stores. Only then can we explain whether customers prefer the new logo 2:1 over the old logo."

The words seem to hang in the air in the conference room at Baskin-Robbins headquarters. The statement of the marketing research problem was sounding much improved to Kimmel. But he also had the following thoughts: (1) Given that Baskin-Robbins had moved to redesign store interiors, should the brand logo be changed to signal something new is happening at Baskin-Robbins? (2) If the logo is changed, would there be synergy between the logo change and the redesigned interiors? Synergistic results could be dramatic. A new look, a new menu, and a new strategy focused on delivering "irresistible treats, smiles, and fun" in an accessible way and at a reasonable price could check the momentum rival brands have developed by focusing on a high-end, in-store experience. Considering these elements, the strategic importance of the Baskin-Robbins' research project became more clear in Kimmel's mind.

But had they missed anything in their process of developing the statement of the research problem? Did they focus upon the right issue now? Should they continue to consider other logos for such a
study? Should they just go ahead with the new logo because focus

group participants had liked the new logo and the senior executives
had, as well? What should they do? Why?

Critical Thinking Questions

1. Baskin-Robbins Brand Officer Ken Kimmel felt it was important
to conduct this study because ________.
(State the relevant background information for justification.)

2. The main purpose of the Baskin-Robbins study was ________.
(State as accurately as possible their reason for doing the study.)

3. The key questions the Baskin-Robbins brand team is addressing are ________.
(Identify the key questions in the minds of the case protagonists.)

4. The methods used by Kimmel and his team to identify the
marketing research problem were ________.
(Describe the general approach used and include details that
assist in evaluating the quality of the results.)

5. The most important understanding about Baskin-Robbins as an
organization that led the firm to consider a new logo as part of
problem definition was ________.
(Identify the facts, observations, and/or data Kimmel and his
team are using to support their conclusions. Be quantitative.)

6. The series of marketing research problem statements can be put
into context by comparing each to ________.
(Place the marketing research problem statements into other
readily understood contexts.)

7. The main inferences/conclusions in this case pertaining to
problem definition are ________.
(Identify the key conclusions implied by the case.)

8. If we take this line of reasoning seriously, the implications for
many other firms seeking to define the marketing research
problem related to rebranding are ________.
(What consequences are likely to follow if people take the brand
team's reasoning seriously and apply them to other firms?)

Technical Questions

Chapter 1

9. What is the role of marketing research in deciding whether to
change the logo in this case?

Chapter 2

10. Define the management-decision problem confronting the
Baskin-Robbins executive group, along with Kimmel, and a
corresponding marketing research problem and show the
linkages between the two.

11. What specific research question and hypothesis are suggested in
this case?

Chapter 3

12. If Kimmel decides to conduct a study to address the marketing
research problem, what research design should be adopted?
Relate the different phases of the research design to specific
aspects of the marketing research problem.

References

2. Sherri Daye Scott, “Remaining Relevant,” QSR (February

Note: The contribution of Professor Mark Peterson in developing this case is gratefully acknowledged.

Chapters 4 and 5

13. What kind of secondary and syndicated data would be helpful in
addressing the issue of changing the brand logo? What is the
role played by such data?

Chapter 6

14. Discuss the role of qualitative research in gaining a better
understanding of the influence of the brand image on consumer
selection of an ice cream brand.

Chapter 7

15. Do you think that Kimmel should commission a survey in this case?
If yes, which survey method would you recommend and why?

Chapter 8

16. Can an experiment be conducted to address the issue of
changing the brand logo? If yes, what experimental design
would you recommend and why?

Chapters 9 and 10

17. Discuss the role of measurement and scaling in assessing the
consumer response to the old and new logos. Which scaling
technique(s) would you recommend and why?

Chapter 11

18. After showing the respondent the old and the new logos, the
following question is asked: “Do you like the new logo better
than the old logo?” Critically evaluate the wording of this
question.

Chapter 12

19. If mall-intercept interviews are to be conducted to determine
consumers’ preferences for ice cream brands, design a suitable
sampling process.

Chapter 13

20. What should be the sample size and how it should be
determined?

Chapter 14

21. If you were the supervisor in charge of mall-intercept
interviewing, what challenges would you face in training the
interviewers?

Chapter 19

22. How should the executive group, along with Kimmel, evaluate
the marketing research report? How will the findings of
marketing research help them make decisions about changing
the brand logo?