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**IQRA National University**  
**Department of Business Administration**

PAPAER: Marketing Research

Time Allowed: 9-03:00 PM

**Instructions:** Please read the following Marketing Research case and attempt the all questions given in the end.

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## Baskin-Robbins: Can It Bask in the Good 'Ole Days?

It was early December 2008, 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 that Kimmel had just escaped, the frozen-food retailing industry had become more hostile to Baskin-Robbins ([www.baskinrobbins.com](http://www.baskinrobbins.com)) in recent years. New entrants, such as Cold Stone Creamery founded in 1988, and others 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 each Baskin-Robbins store. 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 stores would be redesigned.

"The context has changed since the mid-1980s," visiting retailing consultant Zack Wheatly 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," Wheatly 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," Wheatly 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 to 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 logo. 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,” Wheatly 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.”

Wheatly picked up the line of thought.

“OK, 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,” Wheatly 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? Were they focused 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 used to justify their work.)
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.)

## Technical Questions

1. What is the role of marketing research in deciding whether to change the logo in this case?
2. What specific research question and hypothesis are suggested in this case?
3. 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.
4. 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.
5. Do you think that Kimmel should commission a survey in this case? If yes, which survey method would you recommend and why?