



Decrypting The Secrets of Business Triumph

Business practitioners study them, students debate them and companies examine them. The most-popular case studies of the last 40 years show some timeless business challenges and how to overcome them.

As in novels and thrillers, so in case studies – each have their best-sellers. In the past 40 years, six of the top ten most-read cases were written by INSEAD professors, according to **The Case Centre**. The examples of the business dilemmas within transcend the tests of time. In February, INSEAD assembled a panel of the authors of four of these most-read cases, to discuss what makes a great case that is still relevant and important in the early 21st century:

How did **Swatch** turn around the declining Swiss watch industry, face up to the Asian giants, and invent a whole new category, the watch as fashion accessory?

How did a novice in the mature airline industry, **Virgin Atlantic**, build a transatlantic carrier from scratch, and inject excitement back into flying?

How did **Zantac**, with slight competitive advantages, unseat the number one best-selling anti-ulcer drug in an entrenched market?

How did a multinational, **Unilever** “unlearn” its worldwide detergent marketing strategy to serve the low-income residents of the northeast of Brazil?

The answers to such questions are at the heart of four of the most-read case studies.

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Timeless lessons:

The **Swatch case study** embodies a few business concepts that are still relevant today, said the author, **Christian Pinson**, INSEAD Emeritus Professor of Marketing, notably the importance of having a breakthrough strategy. Rather than taking on the Asian titans on cost, Swatch’s manufacturing CEO, Ernst Thomke, dared to go in another direction against the advice of his own marketing department: to manufacture a watch that costs little, but is seen as high quality, as well as patenting a method to produce the first plastic-encased watch, breathing new life into Swiss watch manufacturing.

For **Virgin Atlantic Airways**, two time-honoured lessons emerged in the case: the importance of making mistakes and learning from them, as well as how to create a bottom-up culture of innovation. “What makes Virgin special and its success eternal is that this is a culture of value creation, where everyone can participate and create innovations for the good of the customer and the good of the firm,” said the author of the case study, **Jean-Claude Larréché**, INSEAD Alfred Heineken Chaired Professor of Marketing.

The classic example of Virgin’s culture of innovation explained in the case study was a tailoring service

onboard the London to Hong Kong flight. A flight attendant suggested the idea. As for making mistakes, Sir Richard Branson bought a license for a London to New York flight between two unpopular airports, but eventually, through a series of mishaps, succeeded in taking on incumbent British Airways on its turf at Heathrow and in the courts.

There are three key lessons to be learned in how **Zantac** overtook the number one anti-ulcer drug that are still important today, said author **Reinhard Angelmar**, INSEAD Emeritus Professor of Marketing, even more so for a smaller company taking on an industry giant: a minor product advantage can become a major source of competitive advantage; move quickly, because many advantages are fleeting; and to achieve scale, partner up.

In taking on the challenging issue of marketing profitable products to the poor in emerging countries, which the **Unilever in Brazil case** addresses, author **Pierre Chandon**, now the L'Oréal Chaired Professor of Marketing, Innovation and Creativity said embedded in this story is a time-tested lesson: "Just like with these three other best-selling cases, the Unilever case shows how marketing can create value."

But to harness that value means doing your homework, Chandon added: "The value of the case is that it puts people in a situation where they know nothing and must fall back on the basic principles of marketing, which is find out what people want... get out of the office... live for weeks amidst rural poverty, and get those customer insights from which everything else grows."

At the same time, the case is still fresh because the challenges of marketing products to the poor remain daunting. "It's still an important issue and one we have not yet figured out," Chandon said. "Companies are going to emerging markets because there are masses of poor consumers, and they don't know how to sell to them," he added.

Still relevant

When Virgin got its start, social media hadn't been invented, but the lessons apply equally to firms looking to deepen and widen engagement, whether through Twitter, Facebook or other means. "It's the kind of things that many industries are trying to do today, which is how do you engage customers, how do you create not only customers that buy your products, but make them work for you?" Larréché said.

"The ability to engage customers on one side, and the ability to engage employees on the other side - it's really what every company wants to do today,"

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he went on to say.

When Zantac launched, it was unheard of that a pharmaceutical company would invest as heavily in marketing as it would in R&D, which offers lessons to the technology firms of today.

"Even in high tech, small meaningful advantages can lead to success," Angelmar said. "Apple, Google, Facebook, these extremely successful companies are moving on the shoulders of their predecessors, making small improvements that are meaningful to customers," he added.

Deconstructing the case

The panelists agreed that all great cases share certain common characteristics: telling the truth about what happened and why, comprehensiveness, often an analysis of a well-known product with poor prospects of success, and unexpected twists on the path to success.

Unlike the business press, which has a tendency to deify CEOs and place successful companies on a pedestal if not the front cover, a good case probes deeper and examines the dead ends and the bad decisions, the panelists said.

"We try to look at the real story, with all the mistakes made along the way," Larréché said. "When you show that even people like Richard Branson, or Steve Jobs, have made a lot of mistakes, then the students can learn a lot from that."

"All these cases tell the true story, not just of what happened but why it happened and what might have happened," Chandon added. "Only because we spend a lot of time with companies are we able to talk about if they hadn't done this, what else did they have in mind... and go beyond what happened."

Pinson said, regarding Swatch: "It covers not only the strategic picture, it describes the evolution of the industry, it goes into the details of certain leaders and the marketing mix."

Slingshot wins

There is a David-versus-Goliath theme that runs through all four best-selling cases.

"What's coming through in all these cases is the element of surprise," Angelmar said. "In each of these cases, it seemed unlikely that the product would succeed" he said - a watch industry on the brink of collapse; a drug upstart against a Nobel-prize winning leader."

Larréché added, "In each instance, it seemed very unlikely that the company would triumph. Even

people within Virgin Atlantic did not believe they could succeed.”

Why cases count

Over time, the case study has become increasingly a primary tool for business learning – not just inside the MBA classroom, and but in the business world at large. In whichever setting, Chandon says the secret to a good case is unearthing “an important business truth, like culture, like innovation, that will be relevant no matter when you look at it.”

He cites the **recent case he wrote about L’Oréal in China** as an example of the need to examine a timeless issue: “In the case of L’Oréal in China, should you position the brand on functional benefits, or lifestyle? That’s an issue that will be discussed again in 20 years.”

Companies also come to INSEAD where their executives can discuss a case in a confidential setting, laying out the failures and going into the issues in depth.

Today, cases at INSEAD are not only read, digested and discussed; they are live on the Internet.

But the value of cases remains the same. “The reason cases are so successful is that it is learning by doing,” Chandon said. “Sometimes marketing concepts, business concepts can seem easy. So play the role of the person, and you see how hard it is making a decision, then coming into the classroom to see your classmates arriving with a different answer.”

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