

Robin's Risky Re-Do: A Services Marketing Challenge

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Abstract

Robin Beemer, the owner-operator of a small beauty salon in the small town of Ewart, Michigan, frequently agonizes over how to improve the profitability of her salon. The city of Ewart lost a major employer the previous year and still struggles. Even under these conditions, Robin needs to earn more money and she is considering either raising prices, cutting costs, or bringing in new business. However, she fears alienating clients by raising prices and does not wish to lower the quality of her services by using cheaper supplies or rushing through client procedures. She is not sure what new services to offer. In addition, Robin has to balance the demands of her customers with the demands of a service-based business and her family, while considering multiple alternatives to grow the business and increase profits. The problems she is facing are very similar to what many small businesses face every day.

Learning Outcomes

In completing this assignment, students should be able to:

1. Assess the key issues confronting a business owner when faced with challenging economic circumstances.
2. Explain how the unique characteristics of services have made operating a services business more difficult.
3. Propose a services marketing plan that could lead to success for a small business.

Application

This case would be suitable for discussion in any Small Business Management, Marketing Strategy, or a Services Marketing class.

Key Words

Services Marketing, Small Business Management, Beauty Salon Management, 7 P's of Marketing, Decision-Making Challenges

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