

teaching note

Teaching Objectives

This case study involves multi-disciplinary subject matter and so the teaching objectives will be based on the subject or course for which it is used. Emphasis can be placed based on the topic(s) under discussion. The objectives based on the contents that can be further explored or discussed are listed below:

Legal aspects:

- Points to consider in protecting brand image and brand equity.
- Show how legal proceedings take place
- The language used in legal documents
- How and when to respond to any lawsuit
- Documents that are relevant and useful for business protection
- Menu and ingredient labeling:
- Points to consider in menu labeling
- Legal requirements for ingredient labeling
- Documents to review for understanding labeling laws
- Importance of “truth” in labeling
- Consequences of improper disclosures

Crisis Management:

- Awareness and preparedness for crisis situation
- Preventive measures
- Handling crisis situations
- Response to crises
- Benefitting from crisis situations

Franchising:

- Impact of crisis on a franchise system
- Franchisor’ role in crisis situations
- Franchisee reaction and handling of crisis
- Legal aspects as pertains to franchising
- Franchisee/franchisor/customer relationship

Marketing Strategy:

- Developing sound marketing strategy during unusual times
- Use of seven P’s of marketing in defending brand image
- Using the right media at the right time
- Utilizing “state-of-the art” tools for advertisement and promotion
- Building consumer confidence through marketing

Consumer relations:

- Maintaining customer loyalty and brand image
- Communication with consumers
- Using direct channels of communication
- Building consumer confidence
- Consumers as agents of support

Information technology:

- Social media and its impact on communication effectiveness
- Effective and timely use of information technology
- Pre-emptive defense using technological means
- Confidence building by using social media
- Gaining competitive edge by using technology

Teaching Approach and Strategy

It is recommended that more than one of the areas, if not all, should be considered in the use of this case study. It is based on a current situation and should be effective in starting an active discussion and learning experience. It can be used both for undergraduate and postgraduate studies. The level of involvement and discussion will be based on the type of audience. Some points for discussion and connection to the theories are listed below as examples.

Legal aspects:

Discuss the legal issues considering the regulations as set by USDA and how can they be used in this situation. What are the pitfalls and loopholes in regulations which can be used in lawsuit? Review the document used in the case and highlight the important points made by plaintiff as well as defendants. Highlight the importance of legal consequences. Was Taco Bell prepared for such crises situations? What is the traditional way of handling the lawsuit compared to what was done by Taco Bell?

Menu and ingredient labeling:

Review USDA regulations for labeling different menu items. How does the ingredient labeling differ from menu labeling? How do the consumers understand the labeling laws? Explain the legal definitions of selected food products. Explain the differences between “extenders,” “fillers,” and “food additives.” It might be a good opportunity to discuss the role of ingredients in food processing. A very lively discussion can be initiated by talking about “secret” formulae by giving Taco Bell’s example as well as Coke and Pepsi. A slant can also be giving related to copyright rules and violations.

Crisis Management:

This case study can be a classic example of a crisis situation and how it can be handled. All theories and principles of crisis handling are evident from the example of Taco Bell. A discussion on the differences between crises and problems can be initiated. Different types of crises can be described and the consequences of crises can be highlighted. Of particular interest would be to show how benefits can be derived from crisis situations.

Franchising:

Since the case study deals with a well-known franchise, the ba-

sis of franchising can be discussed showing how one incidence can practically ruin the entire system. The role of franchising in expansion and how one crisis affects the system can be shown. Also the role of franchisors in handling national crises can be discussed. The role of franchisees in preserving brand image can also be a very good learning topic. Franchisor-franchisee relationship can also be shown since Taco Bell was using employee in their defense of lawsuit.

Marketing Strategy:

This case study can also be used for highlighting the importance of having a sound marketing strategy. Reacting to any crisis situation by using marketing techniques can be shown. The effective use of marketing and advertising mix can be demonstrated. The uses of media, promotional methods, videos, etc. by Taco Bell are all good examples of a sound marketing strategy. Seven P's of product and services can be described and how some of them were used in this case can be a valuable learning tool. Almost all P's were used in this case study.

Consumer relations:

Consumers were used in this case study by Taco Bell in support of this legal case. In fact, Taco Bell took the case directly to the people while successfully defending the case. The impact of this situation on the consumer confidence can be a good debating issue. The positive and negative reactions and their impact during the crisis period can be discussed. The importance of consumer relations during this sort of situation can be described.

Information technology:

This topic would be of interest to all students. The role of social media in handling crises situations by corporations can be a good topic of discussion. The future role of social media in marketing and management strategy can be highlighted. Effective and timely use of information technology with examples of what Taco Bell did can be a good starting point for discussion. The pros and cons of using social media can be debated. There are several other topics that can be added using examples of different available social media.

Teaching Approaches

This case study can be used in different ways depending on the audience. Some of the ways in which it can be used are listed below with the intent of giving some ideas for further expansion:

1. It can be used as a supplementary class teaching tool or can be given as an examination question for response.
2. If used as class teaching tool it can be used for (a) group discussion by assigning it to a group of students who will present it to initiate class discussion; and (b) highlighting all events in the case starting from January 19th and going to April 19th, 2011.
3. It can also be used as a role playing or simulation exercise. This can be done by dividing the audience into two groups. One group representing Taco Bell Corporation and other group act-

ing as plaintiff. Both groups can come prepared with further analyses and research. Each group should be asked to defend their position giving all reasons behind their arguments.

4. It can be used as a research assignment for students to further explore the impact of the lawsuit beyond the April 19, 2011 date of withdrawal of this case. What other tools or social media can be used to defend if this sort of legal case arises later on.
5. It can be given as a class assignment to explore the positive and negative impact of this lawsuit by assessing the response received by various social media networks.

Discussion Questions

1. Consider yourself to be a plaintiff in this lawsuit. Do you think seasoned beef used by Taco Bell follows the USDA guidelines?
2. Do you consider the action taken by Taco Bell to be (a) harsh, (b) appropriate, (c) inappropriate, or (d) mild? Give reasons for your justification.
3. Discuss the role of social media in the outcome of this case. How does it differ from the traditional approach?
4. Critically evaluate the marketing strategy used by Taco Bell. What marketing mix where used in the campaigns selected by Taco Bell.
5. If you were the executive chief operating officer how would you have handled this situation differently?
6. What would be your reaction if you were the consumer after reviewing all the details presented by both parties?