Subject: Submission titled “AMERICAN TEXTBOOKS: BUYING STRATEGIES AND INNOVATIVE BUSINESS MODELS” to Journal of Critical Incidents (JCI)

Dear Editor:

We are submitting above titled manuscript (Critical Incident and Teaching Notes) for potential publication in the Journal of Critical Incidents. A draft was originally submitted to the 35th Annual Summer Case Writers Workshop in 2013 under title “Contemporary Price Comparison Using ANOVA”. Upon their recommendation, we split the case into two critical incidents and resubmitted them to MBAA International 2014 Conference. Following are the comments received from the scribe and our responses to their comments.

Comments on Critical Incident:

1. *Follow SCR format—past tense.*

Done.

1. *No hook—adds one.*

We have modified Introduction and Challenge sections to add a hook in the story. Changes will make the goal of the critical incident clear as addressed in following comment no. 3.

1. *No clear point. What do you want students to do? What’s your goal of CI*

We would like to see students develop an innovative business idea for buying textbooks. Student loans are significantly rising, and an increasing amount of money is spent education. We want the students to think out of the box, and find cost effective and convenient business models for buying textbooks.

Any new business idea requires understanding and analyzing the market and then making sure the proposed idea involves an effective competitive strategy to stay in business. We are guiding the students in this path through the character of Lucy in this critical incident. Data analysis and description of intangible benefits of various stores provides an opportunity for students to consider and include viable competitive strategies to implement their business idea.

1. *End of P. 2: last paragraph is confusing—make them personal.*

We have modified Challenge section (last two paragraphs) as advised.

1. *Add subject area for textbook to table —more engaging.*

Textbook subject areas are included in the data table.

1. *Statistics- only focus on buying or give all options as renting.*

Critical incident is focused only on buying textbook.

1. *Hook- make hook more intense*

Done. Refer to question 2.

Comments on Teaching Notes:

1. *International business should be added as a course (and business entrepreneurship)*

Done.

1. *Questions are ok- answers are not thought out. Answer #3 think about all options involved. Answer #4 co-op are already existed.*

I appreciate your comments. We tried our best to revise answers and include all the comments provided on the teaching note. I agree with your comment that co-op idea already exists. However, it is not very common and many students, from our experience, are not aware of this business model. The idea here is to expand their thinking horizon by guiding them to think in this direction. Students can come up with different business models which will be interesting for instructors to share with the class.

1. *Tax implication for non-profit business- who would handle it (faculty would be one option)*

We have included that business faculties with the expertise in Taxation could help this group with Tax returns in the answer to question number 4.

1. *Some universities have a sale link ( students sell books)*

Some universities do but in this incident no such option was available for Lucy. In the answer to question 4 we have mentioned that sellers could list textbook on co-op bookstore webpage. The co-op as a part of a university student organization would be on the university webpage.

1. *Add orientation for freshman students to know what options are available to buy books (Author’s choice)*

In the answer to question number 4, we have included that Lucy can advertise the group during orientation of freshman students.

1. *Competition for lower prices- develop it or take it out (focus on international or marketing/pricing structure) (Author’s choice) Suggestion- do international side; eliminate free markets should have lower price but they are not.*

We have eliminated word ‘free market’ from critical incident. However, we believe it will be interesting to keep information about differences between the American and Chinese textbook markets. This adds global perspective to the incident making it suitable for International Business courses as well. At the same time, we decided not to develop it further because the main goal of this incident is to propose a new business idea. We believe this is more critical for students given that educational expenses and student loans are continuously increasing.

1. *It is an analysis case or decision case?*

The SCR accepts decision cases and descriptive cases. Decision cases as defined on SCR website as follows:

*“Decision cases require analysis leading to action recommendations to resolve a crisis and/or long-term problem depicted in the case.”*

Our critical incident fits definition of decision case.

1. *Be aware of using Bloom's taxonomy.*

We believe our critical incident fits six sequential steps in Bloom’s taxonomy. In the first learning objective, students are learning about various business models. In the second objective, students apply various tools to analyze the data provided. Finally, they are making quantitative and qualitative decisions about where Lucy should shop this semester, and eventually providing a long term solution by developing a new business idea.

In addition to these responses, I am also attaching comments from the scribe received at the workshop and our responses submitted for the conference below. Thank you for your time and the opportunity to submit this Critical Incident for consideration in your journal.

With warm regards,

Authors

Dear Conference Editor:

We have submitted case titled “CONTEMPORARY PRICE COMPARISONS USING ANOVA” to *SCR 2013 Summer Case Writer’s Workshop*. One of my co-author attended the workshop. During workshop it was suggested that case should be split into two critical incidences and submit it to Chicago Annual Meeting (March 2014) and based on conference feedback we should submit it to *Journal of Critical Incidences*. Following their recommendation I am submitting the second critical incident titled “AMERICAN TEXTBOOKS: BUYING STRATEGIES AND NEW BUSINESS MODELS” for upcoming *March 2014 Annual Meeting in Chicago*. You will find 5 files – cover letter, critical incident, teaching notes, this memorandum letter and scribe’s notes — attached with this submission.

In this letter below I have included the *comments we received from workshop (scribe’s notes) in italics* and my responses to those comments. We have tried our best to accommodate all received comments and will appreciate any further opportunity after this conference to revise and submit it to journal.

Comments on Case

1. *Did not know about the Anova technique before read the case, do students have sufficient background in order to utilize the technique? Maybe too narrow, broaden scope so not limited Anova. Put anova as an option for analysis in the teaching note.*

We modified the scope of this case. This critical incident introduced now is a true story about Lucy, an international student from China who was frustrated with culturally different, very expensive academic environment in the United States. Lucy had not previously shopped for college textbooks and always received textbook directly from university. Lucy was experiencing different business model, free market, in US than previously experienced monopoly market in her home country China. She also noted competitive differences amongst booksellers in terms of process, convenience, return policies, option of online shopping, customer service, reliability and cost saving opportunities through auctions. Starting with her quest to reduce costs that did not resulted in a clear solution, Lucy ended up searching for an alternative business model that would not only provide a lower cost solution for students, but also other intangible benefits.

Objectives are modified to align with broaden scope of case. This incident is suitable to introduce in strategic management, marketing, new business ventures/entrepreneurship, and cross-cultural management classes.

ANOVA which was primary focus of data analysis technique before is now one of method to answer question. In the teaching notes we have suggested multiple data analysis techniques to answer question and instructors are encouraged to ask students to come up with their own numerical analysis. Thus we have provided flexibility to instructors to introduce this case with or without prior knowledge of ANOVA. There is only one question asked where knowledge of ANOVA or alternate method is required. For alternate methods students should basic knowledge of statistics such as calculating mean and differences.

1. *\*Take anova out of title and critical incident.*

Done. Critical incident is titled “AMERICAN TEXTBOOKS: BUYING STRATEGIES AND NEW BUSINESS MODELS”

1. *\*Written as story problems and not as critical incident. Need to build in the story and the hook. Consider the story being a student or professor who on a budget and wants to figure out where to shop.*

Done. We have introduced a new character Lucy, an international student from China, who is frustrated with culturally different, very expensive academic environment in the United States. Starting with her quest to reduce costs that did not resulted in a clear solution, she ended up searching for an alternative business model that would not only provide a lower cost solution for students, but also other intangible benefits.

1. *\*I thought the grocery store example was more robust than the textbook example. It presented more variance in the food prices to not give away the answer. There are actually two stories here that should be separated into two critical incidents.*

Done. Originally submitted case is spitted into two critical incidences.

1. *Also use the real store names, as the data is publicly available. Consider adding the year the data was collected.*

We have added names of real bookstores (University bookstore, Barnes and Noble, Amazon and eBay). This has made critical incident interesting as students can bring their experiences while analyzing case. Instructors should encourage students to visit websites if they have not shopped in above stores before.

Data was collected in 2012. As incident is based on story of a real student (name changed in case) year is not included to preserve anonymity. However if the editor insists, we can add the year.

1. *For the one critical incident, present raw data and then the case should be which book store should they buy their books from? Teaching questions could then utilize SPSS/Anova.*

Done. Raw data is provided in the incident. We have asked following question.

“Based on the data provided, how would you compare the pricing of textbooks by the four different booksellers discussed in case?”

1. *\*May also want to include explanation in teaching note on the different statistical methods and different options for how to solve the issue/problem. Add introduction to anova into the teaching note.*

Done. Please refer to third paragraph of *Question1* answer in this letter. Also in the answer to question written in teaching notes I have explained what is purpose of ANOVA and where this techniques is useful. I have also added couple of statistics books for reference to ANOVA technique.

1. *\*Consider adding marketing research, management information systems to the list of courses.*

This comment was made (in my opinion) with regards to first critical incident. Nevertheless after broadening the score, we have added more courses. This incident is suitable to introduce in strategic management, marketing, new business ventures/entrepreneurship, and cross-cultural management classes.

1. *\*Need to format case and teaching note according to guidelines and example from pre-conference workshop.*

Done. Let us know if any other changes that need to be done.

1. *\*Need past tense throughout the incident.*

Done wherever it is appropriate.

1. *Need conclusion (ending hook) that reflects the new hook (i.e., story)*

We have added interesting conclusion to incident. We introduce character of Lucy who is recently arrived international student to US. Starting with her quest to reduce costs in textbook shopping that did not resulted in a clear solution, she ended up searching for an alternative business model that would not only provide a lower cost solution for students, but also other intangible benefits. With the provided data we are asking students (incident readers) to come up with feasible alternate business model.

Comments on teaching notes

1. *Add question—which technique to use and why? What are the options for analysis and which one is best to use? Then go into Anova as particular analysis. Could build up from simple statistical analysis to the complex.*

We have suggested multiple data analysis techniques to answer question asked in the incident. Techniques range from simple requiring basic knowledge of ranking, differences and means to more complex involving ANOVA. We are asking instructors to encourage students to come up with their own numerical analysis. As recommended, we have provided flexibility to instructors to introduce this case with or without prior knowledge of ANOVA. .

1. *How could you analyze or compare prices? How price elastic are you? Questions on price versus convenience? What decision criteria could someone use to decide on a grocery story? Add more than just skill based questions. Some of these should be in additional issues, not necessarily in the teaching note objectives/questions. For example, put information on distance to the stores in additional issues and state that is something else that an instructor could do for the analysis. Hours of operation would also be treated this way.*

Last part of above comment refers to first critical incident. Nevertheless we modified the scope of this case. Character of Lucy, recently arrived international student, who is frustrated with high textbook costs, is introduced. In the prior version of case students were asked to perform data analysis based on price to find which book seller has lower cost. Now we have added many different variables such as convenience, return policies, reliability and customer service reputation, option to purchase online and/or through auctions, shipping cost and time to this problem. Students now have to think from many dimensions before making decision. Not only that they have to come up with alternate business model incorporating lower cost and other intangible benefits.

1. *Can make questions about the rankings and have them do the ranking analysis.*

Done. Here, we are suggesting instructors to ask students to find best textbook shopping options based on price data. If this case is introduced in courses without prior knowledge of statistics, students can perform ranking analysis and provide their recommendation. In courses where students had prior knowledge of statistic they can perform ANOVA. Both these approaches and solution is provided in teaching notes.

1. *In teaching note, you asked about the difference between branded and loose items? Illustrates how students can do two way Anova. Use the word “bulk” instead of “loose items.” May need to define what bulk means.*

This comment referred to first critical incident.

1. *Paragraph description and citation for where to find more information on the technique of Anova.*

While writing answers to question in teaching notes I have provided information about purpose and usefulness of ANOVA technique. At the end of teaching notes additional references to learn more about ANOVA are provided.

We have tried our best to answer all comments received during workshop. We truly appreciate feedback received which has made this incident more interesting and adaptable to many different courses. We are looking forward for any further feedback during or after conference to submit it for potential journal publication.

Thank you.

Author