MKTG

CASE ASSIGNMENT: GIRL SCOUT COOKIES

What’s Your Favourite Cookie?

Almost since the foundation of the Girl Scouts of the United States of America in 1912, cookie sales have played a major role in supporting the Girl Scouts organization at the council and troop levels around the world. By now, cookie sales have grown into a major moneymaking operation, bringing in over $714 million per year. In recent years, however, cookie sales have been lagging, with nearly six years of declines of about 1 percent each, until the trend reversed last year. The recent economic downturn hasn’t helped matters either. After a restructuring of its operations in 2004, the Girl Scouts have made several changes to the program that they hope will help spark sales and create cost-saving opportunities.

This year, Girl Scout troops will be selling cookie boxes at $4 even, up from $3.50 mandated in 2006. Before that, local councils were allowed to set their own prices, resulting in price wars as some troops attempted to undercut each other to increase sales. Portions on some cookie varieties have been reduced by one ounce per box, and other cookie varieties will use plastic packaging instead of more expensive cardboard.

The Girl Scouts will also be asking certain troops to reduce their cookie lineups to just six varieties. The six top-selling cookies—Thin Mints, Do-si-dos, Trefoils, Samoas, Lemon Chalet Cremes, and Tagalongs—account for about 77 percent of cookie sales, and many attempts to create cookies geared toward specific markets have not fared well. The Dulce de Leche cookies, based on classic Latin American treats, were designed to appeal to Hispanic markets as part of the Girl Scouts’ broader diversity initiatives. However, sales figures did not seem to indicate any particular market preference for that variety. A “diabetic-friendly” sugar-free chocolate-chip variety also failed to generate a significant sales boost.

While funds from cookie sales can cover as much as two-thirds of local Girl Scout councils’ annual budgets, the Girl Scout cookie program is not just about trying to maximize profits. All cookie income is distributed at a local level, by individual councils, to help fund field trips and camp fees and provide financial aid, so while each Girl Scout does not keep the income from her sales, troop members see the direct benefits of their efforts.

These kinds of strategies help reinforce the broader purposes of the cookie program: teaching girls valuable lessons in marketing and career training. The Girl Scouts specify five essential life skills that the cookie program focuses on developing—goal setting, decision making, money management, people skills, and business ethics—and many of the initiatives recently taken to improve cookie sales are taking these purposes into account. As councils are shifting their focuses onto better business approaches and skill development, many are hosting sales training seminars. The council of Nassau County, New York, brought in professional sales trainer Jeff Goldberg, who teaches the Scouts the same techniques as he would use for any other business.

Says Goldberg, “Goal setting, which was the first thing we covered, is the first thing I cover with any group of sales people. If you don’t have a goal, how are you going to get there?” The Nassau County council is encouraging all girls to try to sell 100 boxes each. In these seminars, Goldberg also covers other important sales strategies, such as brain-storming methods, places for selling, and self-presentation cues like smiling, being polite, thanking customers (even if they don’t buy anything), and turning around reluctant buyers with questions (for example, “What’s your favourite cookie?” and “Can I get you to buy just one box?”). The Girl Scouts also emphasize the importance that girls personally do the selling; while parents must accompany Scouts during sales initiatives and can assist in other ways, the Scout must close the sale herself. The program encourages Girl Scouts to get creative in their sales tactics, like two Florida girls in Grade 8 who converted their mother’s SUV into a mobile sales booth with signs and decorations and dressed up in Thin Mint and Samoa costumes while selling in front of local supermarkets. The top seller in the metro-Atlanta region does demographic research to identify the residential areas most likely to have discretionary income for cookie purchasing.

The Girl Scout cookie program underscores many of the different aspects of marketing and the value of gaining experience in marketing activities. Barbara Krumsiek, chair and CEO of the investment firm Calvert Group, puts it best though, crediting her Girl Scout experience as a major contributor to her success. Says Krumsiek, “[Girl Scouts] was a huge part of my life growing up in Queens. It was an opportunity to learn selling through Girl Scout cookies. I always vied for the top selling awards.” So whether you’re selling cookies or managing $14 billion in financial assets, a study of marketing offers obvious benefits. And chances are that the lessons learned will last a lot longer than that box of Thin Mints on your counter.

**Sources:** Christina Tsuei, “Would You Buy Cookies from This Girl Scout?” *Wall Street Journal*, January 26, 2011, http://online.wsj.com/video/would-you-buy-cookies-from-this-girl-scout/D0F651c7-542B-4AD5 -B4F0-5D96c6415160.html (Accessed November 8, 2012); Aaron Rutkoff, “Long Island Girl Scouts Learn the Hard Sell,” *Wall Street Journal*, January 27, 2011, http://blogs.wsj.com/metropolis/2011/01/27/long-island-girl-scouts-learn-the-hard-sell (Accessed November 8, 2012); Shelly Banjo, “Cookie Cutters: Girl Scouts Trim Their Lineup for Lean Times,” *Wall Street Journal*, January 27, 2011, http://online .wsj.com/article/SB10001424052748704881304576093691253234896.html (Accessed November 8, 2012); Sarah Crump, “Some Girl Scout Cookies Change Their Names, But the Flavor’s the Same,” *Cleveland Plain Dealer*, January 3,2008, http://blog.cleveland.com/lifestyles/2008/01/some\_girl\_scout\_cookies\_change.html (Accessed November 8, 2012); Sue Shellenbarger, “The Latest Career Training Tools: Thin Mints, Samoas, Tagalongs,” *Wall Street Journal*, June 1, 2010, http://blogs.wsj.com/juggle/2010/06/01/the-latest-career-training-tools-thin-mints-samoas-tagalongs/ (Accessed November 8, 2012); Girls Scouts of the United States of America Web site, “Girl Scouts Cookie Program,” www.girlscouts.org /program/gs\_cookies (Accessed February 1, 2011); and Helena Oliviero, “Peachtree City Girl Scout a Top Cookie Seller,” *Atlanta Journal Constitution*, January 17, 2011, www.ajc.com/business/peachtree-city-girl-scout-805059.html (Accessed November 8, 2012).

Questions

1. In this chapter, you are briefly introduced to the marketing mix and the four Ps—product, place, promotion, and pricing. Can you identify examples of decisions about each part of the mix that are being made in the cookie program?

Place—sales locations might include door to door, tables outside supermarkets, and in the case of the Florida girls, out the back of an SUV. The Atlanta-area girl’s demographic research would also contribute to determining sales locations.

Promotion—personal selling would be the primary method. Whether going door-to-door or sitting at a booth, most girls will close cookie sales directly.

Price—the switch from allowing councils to set their own prices per box to having a uniform price per box throughout the organization, raising the price from $3.50 to $4.00, etc.

2. How well do you think the Girl Scouts succeed in relationship marketing? Examine the different factors on which relationship marketing depends.

Answers and examples may vary. The Girl Scouts emphasize the importance of self-presentation during sales—smiling, being polite, and thanking customers—which contributes to a customer-oriented perspective. Many councils are also implementing training programs and seminars to better equip scouts for selling. Teamwork is also stressed as selling initiatives are often linked to common goals, such as troop-wide camping trips or other activities, and in cases like that of the Florida girls in Grade 8, scouts experience the benefits of working together on particular sales activities.

3. Although some people, such as Ms. Krumsiek, are able to name clear benefits from their experiences selling Girl Scout cookies, not every Girl Scout is going to go into a marketing career, and many might find the job of cookie selling particularly difficult. Do you think the experience of cookie selling, and more generally the lessons you might learn from this course about marketing and sales, can still be beneficial, especially to someone who might find the activities hard?

Students’ answers will vary.