

Role-Play Exercise: Turbo Bull Energy Drink

Directions for Instructor

1. Print copies of the role-play exercise pages (one copy of "Background" for each student in the class; one set of the roles for every five students in the class).
2. Develop teams of five students (there are five unique roles in Turbo Bull).
3. Have each student read the "Background" as an introduction to the exercise.
4. Assign each student a role to play and provide the specific role description.
5. Indicate the desired outcome of the process (e.g., press conference, written and/or oral presentation, short-term plan, long-term plan, employee meeting, etc.) and create feedback mechanisms appropriate for the desired outcome.
6. Teams will need at least forty-five minutes to review, discuss, and prepare.
7. Link the key issues to course training and learning objectives.

Key Issues

Bribery | Conflict of Interest | Employee relationships | Sexual harassment

Background

Turbo Bull is a popular energy drink that contains caffeine, taurine (an acid that naturally occurs in animals), glucose, sucrose, and herbal extracts. People who drink Turbo Bull report feeling more energized and alert, less sleepy during the day, and more productive. Turbo Bull was one of the first movers into the highly competitive energy drink market and was able to gain a 40 percent market share in just 10 years, thanks to its strategic sponsorship of college sports and flashy promotional campaigns.

Like many energy drink companies, Turbo Bull targets 18-24-year-old men. Turbo Bull focuses their promotions on college campuses. The company sponsors nearly every major college football and basketball team in the United States, buying advertising space on billboards, banners, t-shirts, programs, and media coverage of the games. In some stadiums, the company sells Turbo Bull mixed drinks or specials when purchased with a beer. In addition, the Turbo Bull Crew, a team of attractive young individuals who attend tailgating events and visit bars near campuses, hand out merchandise and free samples of Turbo Bull, which are often mixed with shots of alcohol. The company also runs aggressive national advertising campaigns suggesting that drinking Turbo Bull can help consumers “get more” from life, including better athletic performance and improved social life thanks to increased energy.

Inspired by Turbo Bull’s success, many new companies have entered the energy drink market. Because there are over 1,000 energy drinks, promotions are becoming more and more extreme as competitors try to “one-up” each other. Turbo Bull’s competitors have sponsored extreme sports, monster truck rallies, rocket launches, skydiving events, NASCAR racing, and spring break parties, and some even started their own record labels. Because of its position as the market leader, Turbo Bull is starting to appear corporate and not as edgy as its competitors.

Turbo Bull has developed an integrated marketing communication program to maximize informational and persuasive impact on distributors, retailers, and consumers. While events, social media, and advertising are important for consumers, the sales force is equally necessary. The Turbo Bull sales force is trained to develop personal, technical, and strategic skills. Sales analytics is used to track and control sales strategies. Team selling is used to take full advantage of each member’s unique skills. A combination compensation plan based on salary plus commission motivates the sales team. Sales managers focus on performance and empower salespeople to be creative and get results.

Although these issues are associated with all energy drinks, Turbo Bull faces additional challenges because of the company’s support of college athletics. There have been investigations into some sales personnel that have been involved in entertaining players and assistant coaches. There have been reports of heavy drinking and other critics are concerned about the aggressive presence of Turbo Bull not only at college campuses and sporting events but at bars and larger party venues, saying that they are encouraging young people to use Turbo Bull and alcohol together.

There is also evidence of behaviors at the retail level that have raised concerns. For instance, friendships with some store and restaurant managers have led to salespeople giving multiple free samples and then accepting free products from the managers, such as food, beer, and other goods. Some describe this as a quid-pro-quo meant to maintain relationships, while others describe them as conflicts of interest or even bribes. The sales staff calls it relationship building.

In addition to concerns from outside Turbo Bull, there are also some possible points of friction internally. Turbo Bull's sales teams typically consist of individuals in their 20s. A number of team members have reported that they feel uncomfortable during and after sales calls due to unwanted advances from both coworkers and potential clients. On the flip side, there have also been a number of reports from team members that feel they are disadvantaged by other coworkers who are flirtatious or overly familiar with clients. In addition, as is often the case in sales teams, there is the added concern of consensual relationships between coworkers. When traveling and spending extended periods with each other, team members may at times engage in ill-advised romances that, when they end, create a hostile and dysfunctional work environment for themselves and others. Even in instances when relationships are serious, disclosed, and appropriate, other team members have described a detriment to their work environment as a result. While all of these issues are—on the whole—relatively uncommon, they are a concern to management.

It is important for sales representatives to develop good relationships with store managers. This can help in getting shelf space, in-store promotions, and store signage. There are many competing products and in order to get the store manager's commitment salespeople are engaging in creative attempts to make the managers their friends. The sales representative (Taylor) that has the Alabama territory has been allowing store managers to use his parent's condo at Gulf Shores when it is available. He often joins them, bringing some of the products and often inviting some of the Turbo Bull Crew. In addition, sometimes store managers are given tickets to athletic events and excess promotional materials (e.g., products, coozies, etc).

In the last year, Turbo Bull's market share dropped 7 percent, and executive leadership believes that the company's marketing strategies are no longer successful. Some employees believe that the marketing communications are no longer integrated, so Turbo Bull is not retaining current customers, leading to a drop in sales. However, others believe that the company is not attracting new customers as it struggles to differentiate itself from its competitors. Your sales team has been selected by the CEO to seek recommendations for dealing with the current issues. All levels of the sales organization are represented on the team. The CEO wants a report from your team later this afternoon. He specifically asked you to address what to do immediately (short term) what to do in the intermediate-term (next 6 months) and what to do in the long term. Make sure to discuss how your role (Sales Representative, Account Sales Manager, District Sales Manager, General Sales Manager/VP of Marketing, or General Counsel and Ethics Officer) contributes to each of the outlined issues.

Taylor, Sales Representative

You joined Turbo Bull as a Sales Representative after graduating last year from the University of South Alabama. You have just taken a one-year lease out on a condo at Orange Beach. In addition, you are excited about Turbo Bull providing you with a Dodge Charger that has a Turbo Bull wrap on it. You would like to expand Turbo Bull's sales in the stores in your territory of Baldwin County, Alabama. The goal is to develop deep relationships with store managers and engage in edgy sale promotional activities with the college market to drive sales in your stores. To increase customer loyalty, you would like to encourage people to share pictures of themselves having fun with Turbo Bull. The company could use social media to remind customers to drink Turbo Bull responsibly and prove the company is concerned about consumers but you know that drinking and party activities will increase product sales.

You've developed a bit of a name for yourself on campus as "the Turbo Bull guy", and an owner of a campus gas station recognized you, and thanked you for getting the frat kids to buy their Turbo Bull at his store. You remembered that this particular store was a little lax on carding, and would let the kids usually get what they wanted as long as they had the cash. You hadn't told any of the kids specifically to buy Turbo Bull there, but you decided to take credit for it. The manager told you that as long as you keep bringing kids to his place to buy Turbo Bull, you get gas free. You couldn't believe your luck. You didn't even have to do anything, but now, you make an effort to market Turbo Bull at parties closer to that gas station. You don't tell your district sales manager about it, because why should he know? It doesn't involve him, and he's making money, you're making money, the gas station is making money, and the kids get to have fun. It's a win/win/win/win.

Your account sales manager creates the Turbo Bull Spring Break Campaign that will be held in Gulf Shores, AL; Fort Myers, Destin, and Pensacola, FL. Attendees will receive Turbo Bull promotional items including a commemorative T-shirt. During the events, the local sales reps distribute Turbo Bull coupons along with recipe cards for making select cocktail drinks. During the beach presentations, the Sales Reps will promote that Turbo Bull makes a great energy drink that makes a tasty punch and you add the rest. Attendees' IDs will not be checked. Sales Reps will promote Turbo Bull as a healthy drink and will recommend it for those late-night study sessions during exam week.

Your parents have a condo at Gulf Shores on the beach. They travel a great deal and you have found that offering the condo to store managers helps build commitment and loyalty to you as a sales representative. You have made many friends in the store managers and have occasionally provided tickets to concerts and various athletic events. In addition, sometimes you provide extra samples of Turbo Bull and other promotional materials to store managers as they request.

Demarco, Account Sales Manager

You have been with Turbo Bull for three years now and started as a Sales Representative. You excel at developing relationships with store managers and encourage your Sales Representatives to do the same. You usually focus on the company's primary stakeholders, especially customers and shareholders, and you have ignored complaints from consumer organizations about the health risks associated with Turbo Bull. However, you are starting to realize that assessing public opinion is just as important as the direct promotion of Turbo Bull. Your job is to maintain sales growth and you know that no one is going to be at high risk when using the product responsibly.

Now that you are a Sales Manager, you recognize that your job depends on managing the risk associated with the edgy Turbo Bull sales team along with the performance of your Sales Representatives. When you cannot meet your quota, you sometimes ask Taylor to become creative and push extra inventory into stores. You recognize that to get the product pushed into the store, sometimes you have to incentivize the store managers. You are also aware that some members of the sales team have noted feeling uncomfortable with happenings at parties that are designed to promote the product. However, this is a way in which the competitors are also promoting their products.

You believe that Turbo Bull needs to rebuild trust in its brand name. In addition to health risks, you are also wary of the threat that misuse of Turbo Bull on social media (being excessively mixed with alcohol or having a large presence at underage or inappropriate parties) will have on the company image.

You remember when you started with Turbo Bull. Your account manager told you that the main purpose was to show the kids how much fun they can have with Turbo Bull and then use that to increase the sales of Turbo Bull in the area. You didn't quite understand at first, but he told it to you like this: If you bring 50 free cans to a party, get the kids to realize they like having fun with Turbo Bull, and next week they go out and buy 100 cans of Turbo Bull, then you've just sold 50 cans of Turbo Bull in your area. It did not make sense at the time, but in time, you would see how the business worked. Nobody had told you about doing things like this in the briefing, you had when you took the job, but he made it seem so casual. When you were in college, many of the kids avoided mixing energy drinks with alcohol, because it can be bad for you, but the kids you marketed to at the parties seemed like they were having fun. Most of them are probably underage, but you were underage once too, and it's not like you are going to stop these kids from having fun in college.

Alex, District Sales Manager

You are the District Sales Manager for Turbo Bull and oversee sales in southern Alabama and the panhandle. You have been with Turbo Bull for five years, working your way up from Sales rep all the way to District Manager. Prior to joining Turbo Bull, you were a Sales Representative for Red Bull for 1 year. In fact, you dropped out of school to work for Red Bull, and since joining Turbo Bull, you have completed your degree from the University of Phoenix. You've been successful and are now making \$130,000 a year as long as you maintain sales growth. You have a Turbo Bull company car and just bought a new Audi.

Growth has slowed this year, and you are tired of seeing Turbo Bull—the first and best product in the industry—lag behind competitors. In your opinion, the problem with Turbo Bull's marketing strategy is that they are not being aggressive enough in order to attract new customers. You want to use advertising and other promotional techniques to create more of a pull policy to stimulate strong consumer demand for Turbo Bull. You feel limited by Turbo Bull's current advertising platform, or the company's basic selling points based on the issues that are important to customers. Turbo Bull's advertising platform has always been focused on athletic performance and college sports, with commercials, billboards, and print ads that suggest that drinking Turbo Bull can help consumers "get more" athletic performance.

You have heard some complaints regarding inappropriate relations between sales representatives but you find that these teams sell more product. You have a hands-off approach with your managers as long as they produce. You understand that your customers are young and want to have fun. When high school was over, your father wanted you to follow in his footsteps and go to law school at the University of Alabama. You did enroll at the University of Alabama but only attended for one semester. Your father was displeased, but he didn't kick you to the curb.

Jim, Vice President of Marketing/General Sales Manager

You have been with Turbo Bull in various capacities since the product was launched in 2008. You have managed to become VP of Marketing based on hard work and the ability to provide leadership. Red Bull recently made you an offer to be their Senior Vice President of Operations. You recently went through a divorce and feel financially strained. It is important to you, personally, to maintain strong performance because your bonus is tied to sales.

Declining sales are not the only slump in your life, as you have gotten behind on child support payments and your ex-wife is threatening to go to court if payments are not brought up-to-date. You are also receiving notices that your BMW car payments are delinquent. The financial pressure is starting to take a toll on you. If you can present some solid proof of progress at the shareholders' meeting, you can look forward to a salary increase or at least a bonus. That will go a long way in solving your personal problems.

While the advertising is important, you believe an aggressive sales effort would help promote Turbo Bull because the company could use its size to its advantage and build strong relationships with retailers. You would also like to increase sales promotions (like free samples) to encourage trials and repurchase. Smaller companies have to fight for limited shelf space, which makes it hard for them to reach customers, no matter how much they promote their products. You would like to hire more trade salespeople who will help promote the product, restock shelves, obtain more shelf space, set up special displays, and distribute samples. You also think that offering more sales promotions to customers would encourage retailers to keep more shelf space for Turbo Bull. This strategy would hinder competitors and enhance the effect of other sales promotions. As someone who spent their successful career in sales, you contend that Turbo Bull has spent plenty of time and resources training your sales teams, and if they can't sell, they should find another job. You are a bottom-line person and want to empower the sales team to get the job done.

Cho, General Counsel and Ethics Officer

As a lawyer looking out for the best interests of Turbo Bull, you are concerned about the legal and regulatory implications of some of the company's current and potential marketing campaigns.

You believe that the company should tone down its messages about using Turbo Bull to increase athletic performance. You don't want to give the FDA another reason to investigate whether or not Turbo Bull is making unsubstantiated health claims. Furthermore, because of the increased use of Turbo Bull in binge drinking, you worry that the company could be sued if they continue to encourage young people to take risks. For these reasons, you do not recommend the use of "get more" in advertising campaigns.

Furthermore, you are concerned with some of the techniques employed by the sales teams in order to foster relationships with retailers. The more you hear about their tactics, the more words like "bribery" and "conflict of interest" come to mind. You are afraid that if Turbo Bull does not address these things internally and soon, they will be addressed externally and forcefully.

Finally, you have just been made aware of a sexual harassment allegation from a salesperson. The allegation is an internal issue right now, but that could change at any moment and become a much larger problem.