



MKT300: Marketing Simulation
Summer I Semester, 2016

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MKT300: Marketing Simulation Summer I Semester, 2016

Course Introduction

Course Title	Marketing Simulation
Course Code	MKT
Credit Hours	3
Semester & Year	Summer I 2016
Pre-requisites	MKT 200
Co-requisites	None
Department	Solbridge International School of Business
Course Coordinator	Dr. Mahmood A. Awan

Class Type	Days	Time	Room
Lecture & Discussions	Monday-Friday	9:00 – 12:00	TBA

Instructor

Instructor	Dr. Mahmood A. Awan
Room	1112
Consultation Hours	1. Thursdays (12:00 – 13:00) 2. Other times: By appointment or Open Door <ul style="list-style-type: none"> • Can Send Email for appointment • Open Door: If Instructor Free, Welcome
Email	mawan@solbridge.ac.kr
Telephone	630 - 8528
Instructor Webpage	TBA

Mission Map

Mission Based Goals	Approximate % of Course Content	Approximate % of Assessment
Global Perspective	None	None
Asian Expertise	None	None
Creative Management Mind	60%	60%
Cross Cultural Communications	20%	20%
Social Responsibility	20%	20%
Total	100%	100%

Course Objectives

An effective way to help students learn about marketing management is to experience the challenges of managing a business or a brand in a simulated environment. Reading textbooks teaches the foundations of business theory, and real-world experience often demonstrates the challenges of putting those theories into practice. The lessons of experience usually have the greatest impact because people tend to learn best by doing, not solely by reading or hearing about other people's experiences. This simulation is designed to accomplish such a task.

This Strategic Marketing Simulation course is designed for students who have completed the introductory marketing course ("Principles of Marketing"). That first course focused on concepts, vocabulary, and tools such as those associated with consumer analysis, market segmentation variables, and the various elements of the marketing mix (the "P's" – product, positioning, pricing, distribution/place, and people/service). Those concepts are a necessary foundation on which the strategic marketing course is built. It is also useful to explicate the *differences* in the perspectives of the courses. In general, this Strategic Marketing course adopts a *much broader* and *more integrative* perspective along a number of dimensions.

Upon completion this course should be able to:

1. Enhance the student's skills in analyzing market threats and opportunities, assessing competitive advantage, forecasting patterns of market evolution, and developing market strategies that are consistent with those assessments.
2. Give students a working understanding of the methods and concepts of strategic analysis and its application in practical situations.
3. Familiarize students with the problems of planning and decision-making in multi-product, multi-market business situations.
4. Expose students to similarities and differences in strategic marketing and managerial thinking across national markets (including consideration of the cultural, economic, political/regulatory, and technological environments across markets).
5. Give students experience working with up-to-date communication and collaboration technologies.

Teaching Methodology

StratSimMarketing®: StratSimMarketing® is a simulation of the automobile/truck industry. The simulation is designed to apply and test strategic marketing concepts in a dynamic, competitive environment. **You will work in teams** and simulate the operation of a firm for which you will make one or two decisions per session once the simulation has started. The process of arriving at the decisions will give you experience in integrating functional activities, a better understanding of strategic marketing, and provide an opportunity to work with others in adapting to the strategies of the competition. The student manual, which explains the game and describes its rules and 'technical' interactions with the software, is available online – ordering instructions will be provided in the first class.

Course Materials and Readings

The simulation project is designed to put you and your group in the role of a decision-maker for an automobile firm. You and your group will make six decisions that correspond to ten time periods. The first three decisions are practice decisions and the subsequent six decisions will determine your firm's performance in the automotive marketplace. The strategy simulation book *StratSim: The Business Strategy Simulation* will be available for download. Please ignore the section on your Firm's automobiles as we are playing an even-start scenario and all of the firms will have the same automobiles and capabilities.

Your group needs to understand the market, tools and processes. Practice sessions are available so that your group can get used to the simulation and aids that are available. The more work that you do in the practice session, the easier will it be when you start running the actual simulations. Please test out the market research and other tools in the practice sessions so that you understand the data that is available to you. Please remember that the practice sessions are for practice and the game will be reset after the practice sessions.

The strategy game is based on your learning during the BBA program and is well within your group's capability. Please do not ask for my help with the strategy as I will not be able to help you with strategy. The purpose of the simulation is for the groups to develop and implement strategy.

The software availability and data input of the simulation will be through the Internet. The access names and password will be sent to you before class starts. In case of problems, please contact StratSim at support@interpretive.com. Please read the book and understand the simulation and the industry before the first day of class. Each group should also download and print the data required for making decisions.

StratSimMarketing addresses the following issues:

1. Learning what it means to have a market-oriented perspective
2. Developing and implementing a profitable long-term marketing strategy
3. Identifying customer needs and creating products to satisfy them
4. Analyzing competitors and understanding their strategic intent
5. Using marketing research tools and techniques as a source of competitive advantage
6. Allocating scarce resources among products, functions, and other investment alternatives

Assessment Method

Since the primary objective of this course is to develop your marketing decision-making skills, much of your grade in the course will be based on the *quality* and *completeness* of your recommendations and the analyses that support them. Given that the quality of the classroom experience is heavily dependent on thorough preparation and high-quality participation, a significant proportion of your grade will be based on the quality of your daily class participation. At the conclusion of each class, I record a participation mark for that class session. These marks will form the basis for my evaluation of your class participation.

The STRATSIMMARKETING® simulation will be evaluated on the basis of the overall team performance and individual contribution to team activities. With the decisions for round 6 (currently scheduled to be due on July 5th) each individual will also turn in an assessment of his or her teammates' contributions over the course of the entire simulation as well as an assessment of their own contributions (see Appendix I to this syllabus). Thus, the final grade will be determined as follows:

Quizzes (2 at 10% each)	20%
StratSimMarketing® (including performance, assignments, presentations, and peer evaluations)	40%
Assignments (4 at 10% each)	40%
Total	100%

Team Formation Much of the work in this class is done in groups. Each team of 3 members will be randomly allocated to groups by the instructor. The following is the tentative simulation schedule:

Dated	Simulation Activities
15-Jun	Group formation for StratSim. StratSim Case Preparation and Review and Introduction to StratSim. Case Reading
16-Jun	Discussion about Case Reading.
17-Jun	Class Discussion/ Consultation. Practice Rounds (with emphasis on understanding the environment and competition). Strategic Plan Assignment #1 Out. StratSim Quiz 1.
20-Jun	Class Discussion/ Consultation. Practice Rounds (with emphasis on market research and tools)
21-Jun	Class Discussion/Consultation. Strategic Plan Assignment #1 Due.
22-Jun	Actual Simulation Restart. SWOT Assignment #2 Out.
23-Jun	StratSim Decision 1 due, Management Audit Assignment #3 Out
24-Jun	StratSim Decision 2 due. Vehicle Advertising Assignment #4 Out
27-Jun	StratSim Decision 3 due. SWOT Assignment #2 Due.
28-Jun	StratSim Decision 4 decisions due
29-Jun	Management Audit Assignment #3 Due (Set appointment for group consultations)
30-Jun	StratSim Decision 5 due
1-Jul	StratSim Decision 6 due. Vehicle Advertising Assignment #4 Due.
4-Jul	StratSim Decisions with Incidents due. Peer Evaluation Assignment due. Quiz 2 (Concept Quiz)
5-Jul	StratSim Final Presentations and Debrief. Written report due.

<u>Assessment Schedule</u>		
Activity	Indiv./Group	Due Date
Quiz-1	Indiv.	Jun 17th
Quiz-2	Indiv.	Jul 4th
Assi #1 (Str. Plan)	Group	Jun 21st
Assi #2 (SWOT)	Group	Jun 27th
Assi #3 (Mgt Audit)	Group	Jun 29th
Assi #4 (Vehicle Adv.)	Indiv.	Jul 1st
Peer Evaluation	Indiv.	Jul 4th
Final Presentation	Group	Jul 5th

MARKETING SIMULATION INTRODUCTION: In the first class we will discuss the nature of the marketing simulation and the team assignment. Read the following for the first class. As you read these sections consider the following two questions: 1) What are the drivers of market share? 2) What long-term investment decisions will be essential for your strategy?

Read: *StratSim: Marketing Strategy Simulation*

- Introduction: pp. 1-3. (read carefully)
- The StratSim case introduction: pp. 5-14. (read carefully)
- StratSim Operations Guide: pp. 15-44 (understand nature of reports available)
- StratSim Operations Guide: Decisions: pp. 45-65 (carefully read to understand the decisions you will make)

Decision 1: *StratSim* teams to make **DECISION 1** for the simulation. Things to consider during decision #1 are as follows:

- Understand the current environment and the positioning of your company.
- Organize your group for analysis and decision making.
- Adjust marketing mix variables for your current products.
- Initiate R&D projects for new segments and classes if desired.
- Consider long term investments such in distribution, capacity, and technology.
- Ask questions on any logistics

Decision 2: *StratSim* teams to make **DECISION 2** for the simulation. Things to consider during decision #2 are as follows:

- Finalize Strategy Definition.
- Initiate any R&D Projects for New Vehicle Classes.
- Start to Understand Sources of Competitive Advantage in the StratSim Environment.
- Consider best uses of Limited Investment \$\$\$.

Decision 3: *StratSim* teams to make **DECISION 3** for the simulation. Things to consider during decision #3 are as follows:

- Take note of how the macro environment affects demand.
- Begin to Recognize Competitive Intent by tracking upgrades, changes in ad\$, pricing, distribution.
- Initiate R&D projects for same class, different consumer, evaluate developing consumer segments.
- Leverage sources of competitive advantage.
- Consider best use of investment \$\$ in limited time frame.
- Logistics: Must explicitly launch completed R&D projects / upgrades

Decision 4: *StratSim* teams to make **DECISION 4** for the simulation. Things to consider during decision #4 are as follows:

- Recognize competitive intent and changing dynamics - how can you defend?
- Upgrades only for R&D, refocus on marketing mix decisions.
- Plan product launches - learn from results: Build awareness, forecasting, retooling/capacity.
- Careful investments given time frame remaining.
- Watch for eroding product margins - price for value created.

Decision 5 & 6: *StratSim* teams to make **DECISION 5 & 6** for the simulation. Things to consider during decision #5 & 6 are as follows:

- To be discussed in the class.

Final Presentation

- *StratSim*: Wrap up discussion (in classroom)
- Team Presentations: What was your initial strategy and rationale? Was it successful? Why or why not? (5-10 min)
- Discussion of *StratSim* marketing decisions and outcomes, and general lessons to marketing strategy and implementation.

Your presentation should include the following:

- 1) The starting point of your firm in terms of market segments served, product descriptions and capabilities, and competition.
- 2) Evolution of market segments served, product descriptions and capabilities, and competition.
- 3) The end point of the game in terms of your market segments served, product descriptions and capabilities, and competition.
- 4) How did you change your strategy to meet consumer preferences?
- 5) How did you respond to competitive pressures?
- 6) Show how some specific strategic choices e.g. introduction of new products, attacking specific segments affected your results?
- 7) The key learning points of the simulation.

Please organize the presentation so that all this can be covered in 10-15 minutes. Groups with presentations that last more than 15 minutes will be penalized.

A List of Miscellaneous Things to Consider When Working on StratSim

1. You will need to be online when you use the software.
2. Remember that each period is an entire year. Thus, many things can and will happen during that year (e.g., inflation, consumer attitudes, changes in competitors' actions and success, distribution results).
3. Be sure to print out the Reports after each period's decisions have been made and before you advance the next period. This will help you to reconstruct what you did (if need to re-enter your decisions for a few initial periods, you can re-construct what you did by looking at these Reports).
4. This simulation is not meant to be an exercise in which the group try different strategies and finally optimize in a final period. Groups should plan their strategy and tactics ahead of time, learn from the results and react to them in the next period.
5. I recommend that you do buy a lot of research information, during the practice period. Assess each report for how helpful it is (or could be), how to use this information, and how often you should buy the information. My recommendation is to err on buying too much too often. Although purchasing the reports is a budget expense, making decisions without information can be far more costly in the long run.
6. Make a plan about what information to use and how to make various decisions. These theories, hypotheses, and rules of thumb can help you to structure a very complex task.
7. For each period, keep track of not only what you did but also your rationale and what you concluded from the results. Perhaps one member of the group should be responsible for this. Adopt specific goals and monitor them to construct and flesh out a theory of what works and why. This will help you when you finish and have to re-construct your decision for the final presentation.
8. It is easy to generate a lot of paper with this exercise. Be prepared if you are working at home on your own computer and printer.

APPENDIX I: PEER EVALUATION FORM FOR STRATSIMMARKETING® SIMULATION

Your Name: _____
Your Group: _____

**StratSimMarketing® Group
Peer Evaluations**

These ratings will be an important factor in grades (but they are not grades themselves – Professor Awan assigns the grades); *please give this task careful thought*. Your evaluations are *confidential* and your evaluations will not be discussed with your teammates. If you have additional comments, or would like to clarify your ratings, please use the back of this form. When you have completed this form, return it directly to Professor Awan via his E-mail mawan@solbridge.ac.kr

The final due date for the return of this form is July 4th, 2016!

Part 1. Evaluate the total contributions of the OTHER MEMBERS OF YOUR TEAM – *do not evaluate yourself!* In evaluating team members, the total number of points to be allocated is equal to the number of other team members x 100 points each, other than you. Thus, if the team size is five (including you), there are 400 points (4 other team members x 100) to be allocated. Allocate these points in a manner that reflects each person’s relative contribution to the totality of the StratSimMarketing® experience (decisions, analyses, assignments, and the final presentation). If you judge each member to have made an equal contribution, then each would receive 100 points. If you judge them to have made contributions that differed in quality and/or quantity, then some members will be over 100 and others will be under 100. Regardless of how you rate them, the total points should be equal to 100 x the number of teammates you have.

<u>Team Members (first and last name)</u>	<u>Points</u>
_____	_____
_____	_____
_____	_____
_____	_____

Part 2. Now, taking into account the amount of work that YOU did on this project compared to the rest of the members of your team, estimate the total number of points you will receive from your team. Your total number of points should equal 100 x the number of teammates you have. So, if there are a total of five members on your team, the most points you can receive would be 400 points (4 other team members x 100 points each).

Part 3: Supporting comments. If you want to tell us why you allocated points the way you did, here is a space to do that.

APPENDIX II: INSTRUCTIONS FOR FINAL STRATSIMMARKETING® PRESENTATIONS

This final deliverable in StratSimMarketing® is your management team's presentation the final round (scheduled for July 5th). This is a mock presentation to a Board of Directors – you should treat it as if the professor and your classmates are your Board and you are explaining what you, the firm's senior management team, have been doing, how that's worked out, what you're planning for the next few years, and what you've learned over the past ten years. Thus, you should explain: What you were trying to do (which was documented in your "Strategy Statement" due on July 5th);

How your strategy worked out and especially why things worked out for your firm the way they did – that is, this is the "what happened to our best laid plans and why" part of your presentation – include and justify your "adjustments" (when "stuff happens" the firm adjusts and tries to deal with that evolving reality – you need to connect your initial strategy, above, to the events and actions that shaped the market, and then explain how you tried to adjust to those events);

The lessons you learned from the StratSimMarketing simulation.

Some of the things that may be interesting to think about and perhaps mention in the presentations could be (please don't think that you have mention more than a couple of these or similar things – you should focus on the ideas that are relevant to your firm's strategies and outcomes):

- *Importance of first-mover advantage;*
- *Possibility of later entry into segments/markets;*
- *Things to remember when dealing with R&D;*
- *The importance of "focus" on key elements of success;*
- *How to deal with competition;*
- *Is advertising or is sales force the key to StratSimMarketing success?*
- *Are some segment combinations more synergistic than others?*
- *What is the primary determinant of attractiveness when selecting a target market?*
- *Do the advertising and sales force experiments tell you anything valuable?*
- *How does the product life cycle operate in StratSimMarketing?*
- *How does price elasticity apply to StratSimMarketing?*