

The Marketing Game!

First Assignment

Marketing Simulation

Prof. P.V. (Sundar) Balakrishnan

sundar@u.washington.edu

Course Web Site: <http://faculty.washington.edu/~sundar/MMLAB-BBUS438/>

TMG! First Day Assignment

Prof. P.V. (Sundar) Balakrishnan
sundar@u.washington.edu

ROLES: You will play the role of the Chief Marketing Officer/Vice-President, Marketing/Brand Manager for the firm.

You (along with members of your group) will be responsible for all aspects of the firm's strategy as well as its implementation through the choice of appropriate marketing tactics.

Note: My role will be merely that of the President of the firm (who has technical skills in product development). In my role, I have no understanding of business in general and marketing in particular. The President looks forward to your hiring to help make increased profits for his currently viable firm through appropriate decisions.

Welcome aboard!

Preparation:

Prior to coming to the first session, your President expects you to understand the current situation with your firm. To this end, you are expected to master the *company manual* (i.e., the TMG! Book) that has been prepared specially for you.

The greater your understanding of your firm's current situation, the more likely it is that you will be able to hit the ground running.

READ: The Marketing Game! Chapters 1, 2, 3, 5 (not 4) and Appendix A
Read: Chapter 7 (as soon as possible)

To PREPARE to play The Marketing Game!:

- Read manual (TMG! Book) at least a couple of times *before the first session*. You should know the facts of this market place like the back of your hand.
- At the least, you should know the material facts critical to making the first round decisions, such as:
 - *What is our budget for the First Decision Period?*
 - *How many salespeople are currently employed by our firm?*
 - *How has the product performed before we took over (in Period-0)?*
- We will go over some of these issues in class and try and relate it to the larger issue of strategy and tactics. The first session devoted to the TMG! will be of greater value if you are adequately prepared. It will also be the only time that I will be able to entertain some of your questions.
- Load software and try to become familiar on how to enter decisions. (We will go over this to some extent).

ASSIGNMENTS

1. We will go over the procedures for forming groups in class.
 - a. The Instructor will assign your group to a specific Industry and Firm# (eg., B2). You will be in charge of all aspects of this firm.
2. Send me an **email** by the end of the second class session (or as soon as groups are confirmed by the President: sundar@u.washington.edu.) Submit a hardcopy of this to me.
 - a. The subject should indicate the *TMG group; the Section*; the mail should be copied (**CC'd**) to all members of the group.
 - b. Please test that you have sent me a working email address for all members.
 - c. The body of the email should include a brief bio sketch of each member of the firm.
3. Develop a **Mission/Vision** (be brief) statement for your firm; a **company name** and the **brand name** for your first product.
 - a. You need to bring one signed original for me and **12 additional copies** of this for other groups on the day announced for this by me in the syllabus.
 - b. Be sure to indicate the group and names of the individuals submitting this.
4. Please provide me a draft of your confidential summary of your strategy on (Date: TBA). You are welcome to and will most likely need to modify this as you go along. A more detailed plan and analyses can be submitted later.
5. Develop a Spreadsheet to help you make better decisions. You will submit this electronically on the day of the last session.
6. There will be a major individual Quiz on various aspects of the Simulation. This should help minimize "freeloading".

Marketing Game Simulation:

Managerial cases (such as the Harvard cases) give you a snapshot of a business at one point in time. Although the problems are challenging and consideration of possible solutions requires an integrative understanding of marketing concepts, they do not require engaging in the *dynamics* inherent in business decision-making.

The marketing simulation we will use in this class allows you to take the role of manager of a firm over a number of time periods. You will be better able to understand how later decisions are affected by early decisions and how the competitors' reactions to your strategy affect your outcomes. You will start to see how marketing decisions succeed or fail in relation to the actions of the competition. You will better understand the differences between short term tactical decisions and longer term strategies.

Caveat: This simulation, though sufficiently realistic, is an *abstraction* of the real world. Be careful not to enter it with too many *preconceived assumptions* based on your past experiences in specific industries. The underlying model creates a level playing field for all of you with differing backgrounds as it represents a composite of many different industries. Consequently, tying it back to a specific industry model is doomed to failure. The trick here is to try and understand the specifics of this particular world and its consumers a little bit better and swifter than the competing firms.

Firms (each of your teams is a firm) compete in a four firm industry by developing and marketing multiple products. They can choose to focus on target markets selected from among a variety of market segments - and reach their targets with different channels. Promotions must consider middlemen and final customers. Prices must be set to offer customers the value they seek and yield profits for the firm. The simulation starts in the growth stage of the product life cycle, and continues into early market maturity. Your product can be modified over time to better meet customer needs and market challenges.

The computer software allows your decisions to be evaluated quickly and with complete objectivity. In the "real world" your businesses do not make a profit simply by working hard. Hard work has to be accompanied by favorable market conditions and an astute pro-activity besides reaction to the competition. The marketing simulation evaluates your strategies based on those factors, and not on luck, effort or the use of a nice presentation (i.e., cheap talk)!

Additionally, the use of computer technology in business decision-making is common in many industries. This exercise will give you some idea of the role computers can play in marketing planning and control, even at this simplified and simulated level. To this end, you are encouraged to develop smart spread sheet models to represent and organize the information that you are dealing with.

The game should be *challenging* and *fun*. If you are serious in your intent, much of what you learned in previous classes will "come alive" as you see the results of your decisions.