Brand names, on their own, do not affect sales.

In Period 1, each team starts with 2 sonic brands.

- **Firm marketing the brand:** M, R, S, T, (L, N)
- **Each firm can compete in 2 product-markets.**

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  - **Products:**
    - **Battery Life:** 2 – 3
    - **Design:** 0 – 10
    - **Features:** 4 – 30
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### Objectives of Markstrat

First-hand experience in formulating marketing strategies.

- Practicing effective group decision making
- Using marketing research data for decision making
- Understanding the interactions between marketing and other departments
- Competitive environment
- Marketing as a profit center
- Long-term perspective
- Understanding customer needs
- Establishing effective market research

### The Market World

- Currency: Markstrat Dollar ($)  
  - Population: 80 million
  - Economy: 
    - A large territory with a highly developed
  - First-hand experience in formulating marketing

### Markstrat World

- Minimum $30
  - 5 – 100 Gigaflops (Gflops)
  - 2 – 10 bio computations/Wh
- Minimum $30
  - 4 – 10 hours (h)
  - 10 – 100 km
- Minimum $30
  - 5 – 20 kg
  - 20 – 100 km/minute

### Vodites

- Not complements
- Not substitutes
- Independent

### Sonites

- Each firm can compete in 2 product-markets.
You should leave your firm in a healthy state at the end of 7 years.

- Quality of R&D
- Net contribution
- Sales growth
- Market share

like:

Index (SPI), which depends on factors such as:

- Industry benchmarking
- R&D for NPD, existing products, and reducing the base cost
- Market Research Studies

You will have to maximize your Stock Price Index (SPI), which depends on factors like:

- Growth rates, perceptions, preferences, shopping habits, etc.
- Info about the macroeconomic environment (inflation rate, growth in GNP, etc.) can be found in your report

You will have to make sure that nothing that will make S and V obsolete in the near future.

This will be updated each period.

Objective of Your Firm:

- Commercial team (sales force)
- Competitive advertising
- Distribution panel
- Consumer panel
- Industry benchmarking

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You should leave your firm in a healthy state at the end of 7 “years.”
You will analyze the Period 0 reports and make your decisions for the next period (Period 1).

The Simulation

The simulation starts at the end of the initial period (Period 0). You will receive the Period 1 results (based on not just your decisions, but also those of your competitors) and the studies you ordered.

You will analyze the Period 1 reports and make the decisions for Period 2.

The main goal in Period 1 is for your team to get familiar with Markstrat.

Gather as much information as possible (e.g., MR); this is mainly a “warm-up” period.

Try not to make any major changes to your firm’s operation (e.g., be conservative). Period 1 should be seen as a continuation of Period 0 policies.

You cannot:
- introduce new brands;
- start R&D projects;
- modify or withdraw existing ones;
- give perceptual objectives for advertising.

Period 1 Decisions

Getting Started

1. Sign in at www.stratxsimulations.com as a participant using your Participant Activation Key (PAK)
2. Click on the Markstrat logo
3. Enter your team’s password

Go to www.stratxsimulations.com. Make sure your browser is set to allow pop-ups for this site.

The “Company” Menu

Click here
Click on each of these images to open the corresponding report
If you want to access past periods, click here

The “Analyze” Menu

Click on these images to access market and industry info
Click here

The Simulation

Brand Results
Monitoring your Team

Click here to monitor the activities of your team members.

Team Info

Information about team members’ activity and when to disconnect.

You can work on a decision on different computers:

Two people cannot make simultaneous changes:

The simulation locks a decision that’s already in use.

After you’ve made your changes, make sure you “Logout” of the interface (so other team members can view your changes).

If needed, take screenshots to capture the changes you made.

Espionage and other “funny” behavior will be heavily penalized.

Do not discuss your group’s strategy or performance with other groups.

This is a group assignment. Active and full contribution is required.

Honor Code

Deadlines will be enforced.

Grading

38% of the course grade:

Quiz to ensure familiarity with the material (8%)

Final report (15%) outlining your strategy

Details about this report will be provided as the due date nears (some info is in the syllabus).

Final performance (15%) based on your stock price

Details about this report will be provided as the due date nears (some info is in the syllabus).

Grading based on final SPI: 100% (#1), 92% (#2), 84% (#3), 76% (#4).

I might be a good idea to work together most of the time.

Handle things with care: 5-6 people will be sharing accounts (and working on the same decision).

Deadlines will be enforced.

Honor Code

Time.

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Your results before I roll back the clock.

After I upload the results, print or save a copy of the decision.

Send me an e-mail as soon as you finalize your decision.

Usually due at 1:00 a.m. the Thursday after class.

See the class schedule for dates (decisions are

Test run decisions over the next two weeks.

TWO TEST RUNS

8:00 - 8:10: one-on-one with Three-T
7:30 - 7:40: one-on-one with Three-S
7:00 - 7:10: break
6:30 - 6:40: one-on-one with Two-R
6:00 - 6:10: one-on-one with Two-M
5:30 - 5:40: one-on-one with One-T
5:00 - 5:10: one-on-one with One-R
4:30 - 4:40: one-on-one with One-S
4:00 - 4:10: one-on-one with One-M
3:30 - 3:40: one-on-one with Two-T
3:00 - 3:10: one-on-one with Two-S
2:30 - 2:40: one-on-one with Three-M
2:00 - 2:10: one-on-one with Three-S
1:30 - 1:40: one-on-one with Three-T
1:00 - 1:10: one-on-one with Three-R

Agendas for Decision 1 (09/20)

After Decision 3, there will be no formal one-on-one.

Decisions results and an into. If required, to the next periods (schedule):

6:00 - 6:10: Wrap-up of the previous periods
6:10 - 6:20: Hourly meeting (all groups)
6:20 - 6:30: E-mail to help.
6:30 - 8:20: one-on-one with Each.

To Do

Do not wait until the one-on-one.

For the one-on-one, I will be available in class and will send you an e-mail to help.

My focus will be to help you fill in the blank.

Come prepared to class for these one-on-one.

Deep into the issues before you make your decision.

I will ask you what to do. I will help you define the big issues.

Before you finalize your decisions, you can seek advice from me.

For the first three decisions, I will organize a one-on-one.

Getting Help

Markstrat your results before I roll back the clock.

After the first three, Markstrat at least one of the

20-minute-choice questions in 30 minutes.

Quiz (next class)

Pick up your team password sheets from me.