**eTales FAQ**

1. **In General Reports, Performance Highlights – Brand Perspective, what does B&M Sales represent?**

General Reports, Performance Highlights – Brand Perspective shows the sales of the brands produced by both Suppliers and Retailers (Private Labels). The Supplier sales constitute sales to Brick & Mortar Retailers (B&M including Retailer 1, Retailer 2 and Traditional Stores) and sales through online channel to the end customers.

1. **In General Reports, Performance Highlights – Brand Perspective, even though my Sales volume is high, Consumer Market Shares are quite low. Why?**

In this report, for Suppliers, Sales volume is the volume sold by the Supplier to both B&M and through online channel. On the other hand, Consumer market share represents the share of volume sold to the end consumers. Hence, if you are a supplier, and if the retailers are not selling your goods aggressively, your consumer market shares going to be low, irrespective of how high volumes you are selling to the retailers.

1. **In Confidential reports for Retailers, what constitutes the General expenses?**

General Expenses in retailer confidential reports represent a sizeable quantity. It constitutes the expenses incurred to operate your stores. If you offer better quality in-store services (can be decided in the retailer decisions) the store of running the store goes high and vice versa. However, there is a minimum running cost of store operation irrespective of level of service. In addition the cost of purchasing the market research reports also falls under the General Expenses.

1. **What exactly does General Reports🡪 Performance Highlights – Channel perspective show?**

This report shows the consumer market sales through the B&M stores and online channel. It is different from Brand Perspective in that, Brand perspective shows how much volume of each brand is sold (both to B&M and Online) whereas Channel Perspective shows how much volume is sold through each channel.

1. **Where can I find all the price information?**
2. B&M List Prices for all the SKU’s in current period can be found in the negotiation screen (point the mouse over each SKU)
3. B&M List Prices for all the SKU’s in previous period can be found in the General Reports 🡪 Product Portfolio
4. B&M Retail Price can be found in Market Research Reports 🡪 B&M Retail Price
5. Net Online Retail Price can be found in General Reports 🡪 eMall Prices & Promotion Intensity
6. **When I compare my product composition with my competitors’ (using the General Reports 🡪 Product Portfolio report, I see that my product has better composition than others. Then, why is my product selling as much as the other products?**

Product composition is only one of the criteria for a product to sell well in the market. You need to

1. Check your product’s price compared to your competitors in B&M and Online channels.
2. If you still discover that you are product has better composition and is better priced than your competitors, check the Awareness of your product (Market Research Report🡪 Awareness) and the Brand Perception (Market Research Reports 🡪 Brand Perception). It is influenced by the marketing budget you spend on these products.
3. Given that the traditional channel is a big player in the beginning of the game, make sure you allocate enough spending on the traditional trade support.
4. Last but not least item to check is if your Retailer allocated your product enough shelf-space (Market Research Report 🡪 Retailer Intelligence) and that Retailers’ perception (Market Research Report 🡪 Retailer Percpetion).
5. **Where can I find how much budget my competitors spent on marketing and trade support activities?**

If you are a Supplier, you can find this information in Market Research Reports 🡪 Supplier Intelligence

If you are a Retailer, you can find this information in Market Research Reports 🡪 Retailer Intelligence

1. **If I’m a Retailer, where do I find how much shelf-space my Retailer competitor is allocating for the SKU’s?**

Market Research Reports 🡪Retailer Intelligence

1. **I am a Supplier and I planned a certain units of production volume when I was making the production volume decision. However, when I check Confidential Reports 🡪 Situation Report 🡪 Volume, I find that the volume I planned to produce is not the same as the volume that is actually produced. Why?**

If you have invested in flexibility, your volume production will be adjusted based on the demand, within the limits of your flexibility. For example, if you planned for a production volume of 100 and the demand is for 110, and if you have a flexibility of 20%, the production volume is adjusted to 110. However, if the demand is 130, the production volume can only be stretched to 120. The same is applicable to decrease in demand as well.

1. **I am a Supplier and I planned a volume for the online sales. However, the Confidential Reports 🡪 Situation Report 🡪 Volume shows online inventory is not stocked with as much as I planned. Why?**

The production for online depends on the Channel Preference you have input in the Production Volume Decision. If you input 0, all the production volume will be first given priority for offline and the remaining for offline. If you input 100, all the production volume will be first given priority for online and the remaining for the offline.

1. **What are the guidelines for inventory management and demand forecast?**

If you are a Supplier, first check the Confidential Reports 🡪 Situation Reports🡪 Volume for both the product categories. You can check how much inventories you have (for both offline and online), how much was sold, how much was discontinued and how much inventory is remaining. You can take this as a starting point to calculate the estimated demand. However, be aware that it depends a lot on the negotiations you do with the Retailers and also the past deliveries made to the Traditional Stores.

If you are a Retailer, first check the Confidential Reports 🡪 Situation Reports for both the markets. . You can check how much inventories you have, how much was sold, how much was discontinued and how much inventory is remaining. You can take this as a starting point to calculate the estimated demand. However, be aware of the increase/decrease in the consumer segment size, shopper segment size (which you can check from Market Research Reports 🡪 Forecasts) along with the liking of a particular SKU by the market.

1. **How does the Traditional Store work? OR How do I estimate orders for the Traditional Store as a Supplier?**

Traditional Store is very special, in that, it carries only top 5 SKUs in each consumer segment. Given that it is the single biggest retailer at the beginning of the game, it is important to pay attention to the order deliveries for the traditional store. The shelf-space allocation for each of those 5 products depends on the budget you spend for the traditional stores. If your SKU falls from the top 5 SKUs list, your orders from the traditional stores will practically drop to zero.

1. **I am a Supplier, what constitutes my General Expenses element in the Confidential Reports 🡪 Profit & Loss Statements?**

As a Supplier, your general expenses include the following items:

1. Market Research Cost
2. General Overhead – the cost is fixed in real terms, it follows inflation in nominal terms
3. Sales force – evolves with production volume and available production capacity but not in a proportional way.
4. **What does ordered volume and delivered volume for Online means in Supplier Confidential Reports 🡪 Situation Report 🡪 Volume?**

**OR**

**Why is my online sales in Supplier Confidential Reports 🡪 Situation Report 🡪 Volume not same as the Sales by Channel?**

Ordered volume is the planned online volume (decided by the Supplier in online store management decision). Delivered volume is the volume delivered to the Warehouse. However, please be aware that delivered volume is not same as the Sales by Channel, because Sales by Channel represent the consumer sales (i.e., the volume that the customers bought online).

1. **I am a Retailer, where can I find the SKU information of the product portfolio just confirmed by the Suppliers for this period?**

You can hover the mouse over the SKU name in the Negotiation Screen and an information window pops up with the SKU composition and the List Price.

1. **For Suppliers, why is the unit cost in the Product Portfolio Management Decision Screen different from the Unit Production Cost in the Confidential Reports 🡪 Situation Reports 🡪 Volume?**

The unit cost in the Product Portfolio Management is only an estimate of how much it would cost to produce an SKU with that product composition for a volume of 10 million units. If you produce less than that, the unit cost would be more and vice-versa. In addition, the unit cost in the product portfolio management screen is for the current period (including inflation and rise of prices) and hence little more expensive than that of the previous periods.

On the other hand, Unit Production cost in the Situation Reports🡪 Volume shows the actual unit production cost for that period.

1. **What is the difference between Gross Profit, Operating Profit and Net Profit for a supplier?**

Gross Profit is the part of the revenue from sales you are left with after deducting the cost of goods sold (majorly production cost), cost of discontinued goods, cost for holding inventory, eMall commission cost and shipping cost.

Operating Profit is the part of the Gross Profit you are left with after the operating expenses which include trade and marketing expenses, general expenses and amortization (the investments you spent on assets to increase technology and capabilities spread over 12 years).

Net Profit is the part of the Operating Profits you are left with after deducting the interests, taxes and exceptional costs/profits.

1. **For Retailers, what is the cost of goods sold in the financial statements?**

For Retailers, cost of goods sold represents the money you spent on buying the goods from suppliers at the specified list price.

1. **Where can I see the results for the Negotiations of last period?**

You can find it under Confidential Reports 🡪 Financial Results 🡪 Last Period Negotiations.

1. **In the Overview reports, the sales volume, value and the shares represent the sales of brands or sales through channel?**

They represent sales of brands. Hence, you can see that the sales volume of retailers is low in the beginning owing to the smaller sales of the private labels.

1. **How long will my inventory last?**

For Suppliers, a goods produced does not expire.

For Retailers, you should allocate shelf-space for existing inventory. Else it will be discontinued in the next period. For example, you have a stock of 10 million units of ELAND1\_A and you were able to sell 6 million units, the remaining 4 million units will be stored in inventory. If you fail to sell them in next period, they will be discontinued. The inventory will be sold at 60% of the acquisition cost.

Please be noted that the inventory management follows FIFO (First in first out)

1. **Is my budget fixed?**

Yes, the budget allocated at the beginning of the game is fixed. Please note that the budget is for the entire game and will be deducted each period based on your spending.

1. **Will the net profit I earn in each round be added to my budget?**

No.

1. **As a Supplier, how much do I need to invest in increasing the technology, design level and production flexibility?**

The information is available in the “Asset Investments” Decision page. Below are the details for reference:

|  |  |  |
| --- | --- | --- |
|  | Elecssories | HealthBeauties |
| Increase in Technology by 1 level | $ 140 mln | $ 250 mln |
| Increase in Production Flexibility by 1% | $ 3 mln | $ 5 mln |
| Increase in Design by 1 level | $ 140 mln | / |

Please be noted that the number you input for capacity is the ***Increase in capacity***. For example, if your existing Elecssories capacity is 360 and you input 20, the capacity will increase to 380 in the ***next period***.

For investments in Technology, Production Flexibility and Design Level, the numbers you input are in million dollars.

1. **As a Supplier, is my production capacity applicable for a single period or entire game?**

The production capacity (for both Elecssories and Healthbeauties) that you see on the right side of decision screen is for a single period. Imagine this as your factory capacity. It is applicable to each period. That is why it is put under the “current” items.

1. **In the negotiation screen, I am not able to modify the record, why?**

The process of the negotiation screen is as follows:

1. One party (Supplier or Retailer) inputs the items and clicks agree.
2. If the Supplier clicked agree, Retailer cannot modify the terms. He has to ask the Supplier to change the status to disagree. Then the record will be available for modification. Same holds true vice versa if Retailer clicks agree first.
3. When both Supplier and Retailer clicks agree, the record is frozen and cannot be modified.
4. **What is Frequency and what is depth?**

Frequency refers to the numbers of weeks out of 26 weeks that you want to do a price promotion. For example, if you input frequency as 2, out of 26 weeks (which is 6 months – the length of the period), you chose to do the price promotion for 2 weeks in that period. The sequence of these two weeks is immaterial.

Depth is the price cut you are offering. If the price is $ 10 and the depth is 5% and the frequency is 2, it means you are offering this product for $9.5 for 2 weeks.

1. **Can I name my new brand/product using Chinese Characters?**

No.

1. **As a retailer, when I make decisions for the Store Management, I only see a few SKUs by default on the screen and I have to manually add the orders. Why doesn’t it show all the SKUs that I previously allocated shelf-space for?**

The system only shows the SKUs that you have an existing inventory of.

1. **When I am entering the terms in the negotiation screen, it gives me an error that the range is limited. What’s wrong?**

This will happen if you do not have enough budget. When you are entering the numbers, the system automatically checks for available budget and will only allow you to input if your budget allows.