MKT 6321 Simulation Comments- A. Edsel

The class, with the exception of two groups, performed in line with students from previous semesters and overall did well. One challenging issue with the simulation (and real-world campaigns) is that there is no one correct answer (unlike accounting or math). You can arrive at a very good score (or business outcome) by optimizing your segments, timing, media types, and regions in slightly different ways-there are an exponential number of combinations that are possible. See this excerpt at the bottom of this page, which I wrote about a few years ago on this challenging issue many are not fully aware about.*

However, as in business, there are definitely some less than optimal choices, such as allocating budgets evenly by month for tourism when some months (e.g., June/July – a hint was provided of a tennis tournament) are better than other months (e.g., Sept/Oct when younger people are back in school). The media types (e.g., billboard vs. digital) should also vary by generational cohort and region.

Below you will see some charts and tables with a summary of the 5th-round OPI results. The class grade average was 85. The average satisfaction with the simulation was 7.9/10 which is a good score, very few assignments get that consensus. The individual number of hours estimate was broken down as follows.

Hours	# of students who responded to survey
Less than 5 hours	4
5 to 8 hours	14
9 to 11 hours	12
More than 12 hours	8

Some observations from the survey comments, peer evals, and the charts below

Comments from survey:

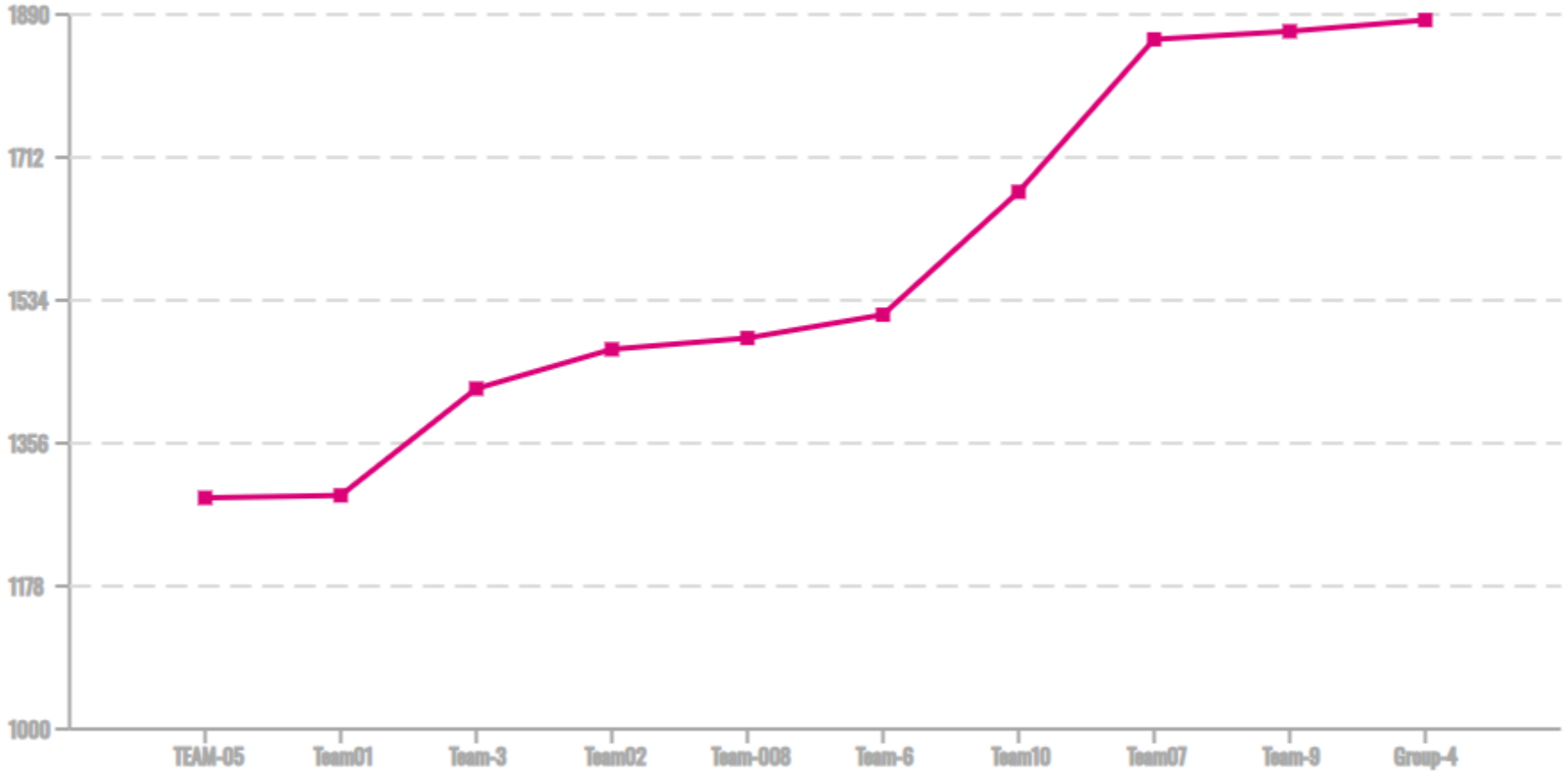
Many enjoyed the real-world element of uncertainty-(I believe this is the main takeaway of the simulation-that is how it will be)
Others wanted more guidance/answers so they could improve in the next few rounds (however the objective of the simulation is to replicate the real world where you won't get that unless you alone can diagnose what you are doing incorrectly or well-which is not easy)- see comments below regarding purchase funnel-especially groups bottom tier
Some wanted more test runs but unfortunately, the simulation does not allow trial runs, that is why only the 5th run counts for the grade

For those wanting to dig down more, see the charts below-compare yourself to the top performing groups--you can do some additional digging into your results. Identify one or two benchmark teams, e.g., Team 4. Then, using the table, compare your team vs the benchmark team—use the color ranges appropriately since colors are relative- see what the benchmark did, if they are in green and your team in light green to deep red -these are areas for improvement. Sometimes as I show below, the reverse is true with color codes. Most teams did well with their funnel objectives, but the media budget allocations were an area of improvement for all teams

How to Improve your Analysis Skills—Head First Data Analysis is an excellent book that is an easy and (almost) fun read

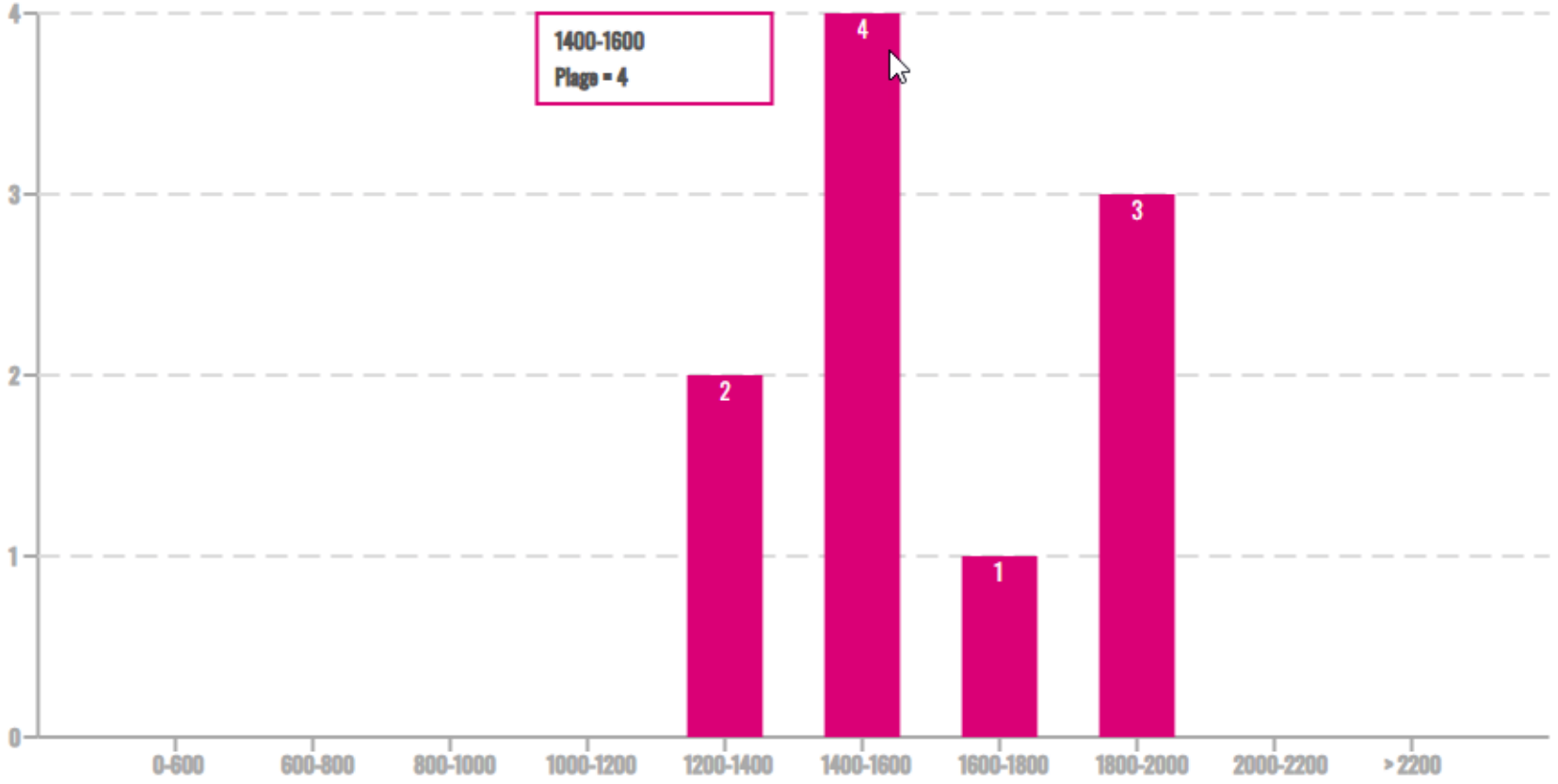
OVERALL PERFORMANCE INDEX - DISTRIBUTION

CURVE SHOWING THE OVERALL PERFORMANCE INDICES OF ALL TEAMS

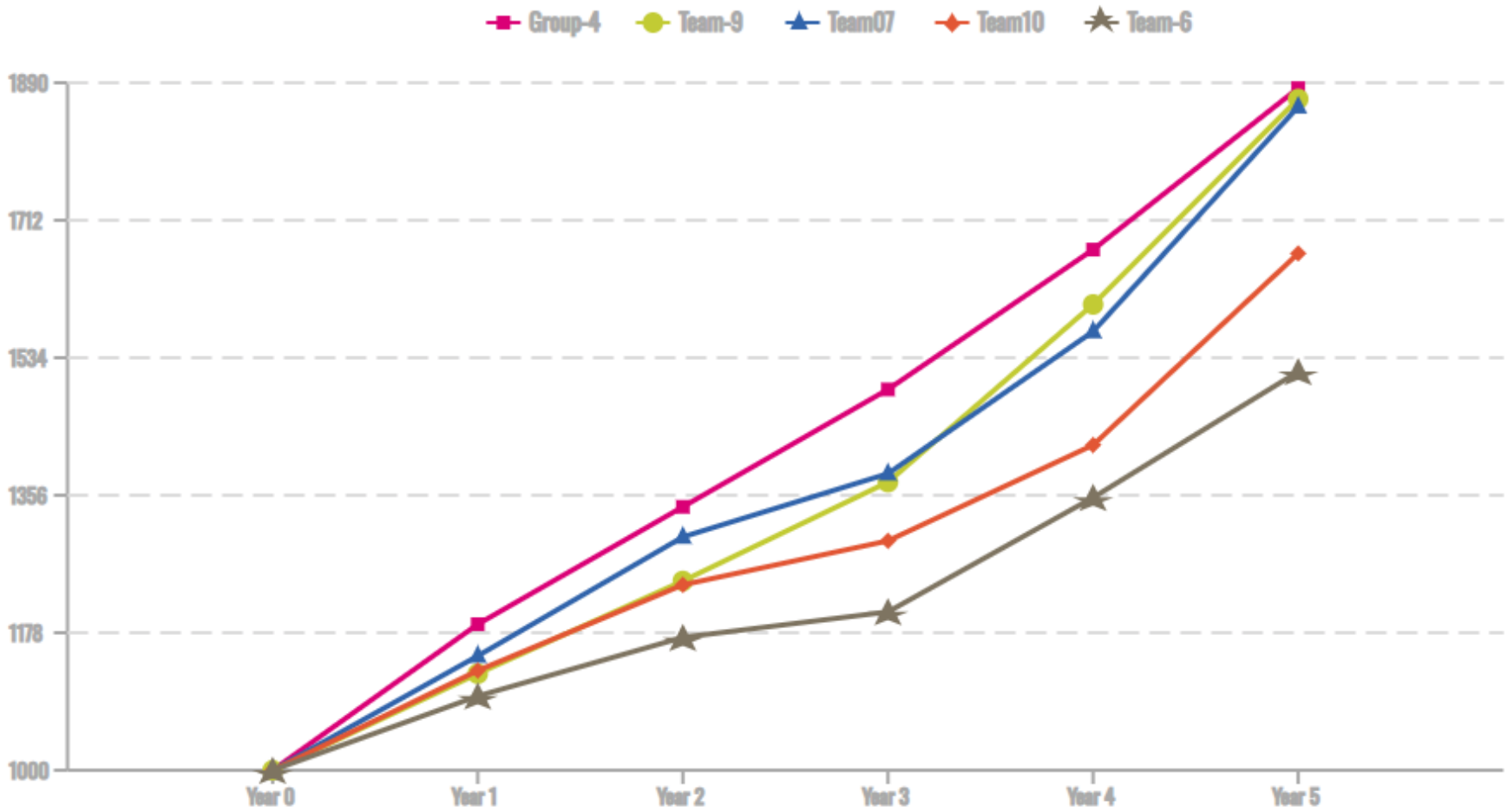


OVERALL PERFORMANCE INDEX - DISTRIBUTION

NUMBER OF TEAMS HAVING A OPI COMPRISED IN SELECTED RANGES



OVERALL PERFORMANCE INDEX - TOP OF 5 TEAMS



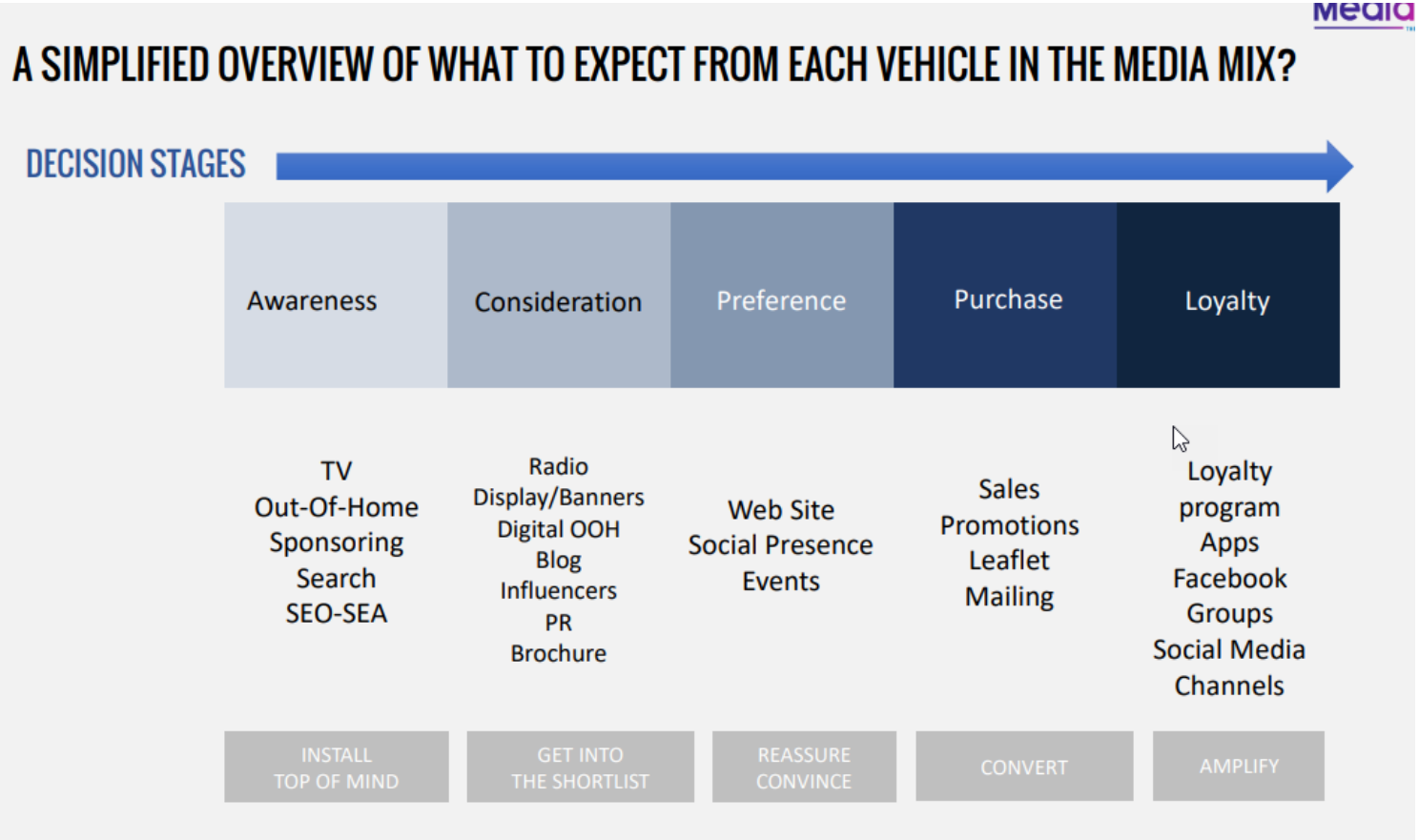
Purchase intent an area for improvement for many groups, in areas like loyalty/advocate teams within the average-big differentiator was getting top of funnel areas like awareness, consideration, and preference up-as discussed in the webinar, some media vehicles are better at that and media types vary by segment/region and funnel stage.

The mistake I saw with the bottom-performing groups is that they pivoted away from awareness by year 2 despite not getting awareness up; go back and see your expenditures/allocations by target market, region and media vehicle were not achieving that.

PURCHASE FUNNEL BRAND MOJO

Team	Awa.	Consider	Preference	PI	MSH %U	Loyalty	Advocate
Group-4	84%	79%	75%	38%	42%	31%	28%
Team-9	81%	77%	74%	38%	42%	34%	32%
Team07	81%	78%	76%	38%	42%	35%	33%
Team10	79%	75%	72%	36%	37%	31%	28%
Team-6	80%	73%	68%	33%	33%	25%	21%
Team02	77%	71%	67%	32%	33%	26%	22%
Team-008	75%	72%	69%	33%	32%	30%	29%
Team-3	76%	71%	67%	32%	31%	25%	21%
TEAM-05	75%	70%	66%	31%	28%	24%	21%
Team01	71%	68%	65%	30%	27%	26%	24%

This form handouts shows media that could help in that area-however also have to make sure your target audience/region aligns with those media, for example if TV low viewership in your target market/area TV wouldn't help much but maybe search etc would



*Campaign failure and underperformance is actually the norm. A study by Copernicus Marketing (a subsidiary of the billion-dollar agency Aegis Dentsu) of more than 500 marketing programs revealed that 84 percent of those programs fail to have a positive return. Nielsen suggested, in a recent report, a failure and underperformance rate for new products approaching 85 percent. The underlying reason failure is so prevalent is because launching, marketing, and selling a product or service is extremely complex and the marketplace increasingly competitive. There are potentially thousands of options from which to choose in a business, marketing, or sales plan, so finding the optimal combination is extremely difficult. Many think this is an exaggeration, but that is symptomatic of how unaccustomed managers are to evaluating more than two or three options, the following example illustrates this challenge:

Example of Possible Media Mix Options

Marketing Variable	**Number of Options**
1. Target market (e.g., seniors, females 21[nd]25 with incomes over $30K)	3
2. Positioning	3
3. Advertising execution	3
4. Product packaging	3
5. Pricing	3
6. Distribution	3
7. Media mix	3
8. Promotion mix	3
Total number of possible combinations	Is it 24? (8 x 3)

The formula to find the total number of possible combinations is not 3 x 8 (or 24) different marketing mix combinations, but rather 3 to the 8th power, resulting in 6,561 possible combinations. This example uses a bare minimum of variables and options. If one considered additional variables, the number of combinations would increase exponentially into the millions and billions! One can this appreciate how very difficult it is for a company to pick the optimal combination.