THE WEE GAME: A PRE-GAME

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DESCRIPTION: Because this is a very simplified model for empirically exploring demand relationships, the retail establishments in this game sell only one unnamed product with an identifiable fixed unit cost and a fixed allocated overhead. All sales are assumed to be cash and there is no seasonality or other perfunctory variables affect demand. Price and advertising expenses are the only variables causing demand to vary. The stages of this game are as follows:

Monopolies: Scored on the nearness to the actual maximum profit point

- **Stage 1: The price-quantity relationship** with advertising expenditures fixed
- **Stage 2: The promotion-quantity relations** with unit price fixed
- **Stage 3: The price-promotion-quantity relationship** with synergistic inputs

Oligopolies: Scored on the highest profit among the four companies

- **Stage 4: The price-quantity relationship** with advertising expenditures fixed
- **Stage 5: The promotion-quantity relations** with unit price fixed
- **Stage 6: The price-promotion-quantity relationship** with synergistic inputs

Forecasting: Scored on the most accurate demand forecast among the four companies

- **Stage 7: The price-quantity relationship** with advertising expenditures fixed
- **Stage 8: The promotion-quantity relations** with unit price fixed
- **Stage 9: The price-promotion-quantity relationship** with synergistic inputs

In the later rounds (4 through 9) when the marketplace becomes competitive, the participant plays against three computer-run companies who use very simplistic strategies:

- Alpha Corporation uses only simple market research information by averaging the input variable values used by the four companies in the previous round.
- Beta Corporation looks at the profit performance of all four companies in the previous round and changes its input values to those used by the company that attained the maximum profit.
- Gamma Corporation relies only on its internal data by adjusting its inputs based on its own profit performance in the previous two rounds.

KEY LEARNING:

- Empirical evidence of demand response curves and the interactions between price and promotional expenditures on these curves.
- Simplified competitive behavior and responses to decisions in an oligopolistic market place.
- Forecasting experience concerning the expected demand outcomes of the participant's price and marketing budget decisions in a competitive environment.
- GOAL: Improvement of the decision making processes used by participants in large-scale functional or total enterprise business simulations.

DURATION: For this two- hour ABSEL session, participants will be allowed to choose the stages they wish to try. It is recommended that participants follow an increasing sequence of stages as this will allow participants to experience the game in a fashion similar to their students.

TARGET AUDIENCE: The WEE GAME is meant for students who are about to play a larger-scale business game. Even though many of these students have had a course in microeconomics, they often have only had a theoretic explanation of marginal analysis and do not clearly see the connection between their classroom knowledge and the real world that complex business simulations are attempting to model. This pre-game hopes to bridge that gap.

NUMBER OF PARTICIPANTS: This game may be played by a single-player or by a team acting as a single-player by coming to concordance before entering any decisions. A computer with Excel (at least 97, preferably 2007) is required for each player or team for the stand-alone version of this game.