THRESHOLD MARKETER
A FAMILY OF MARKETING SIMULATIONS
Basic Marketer and *Advanced Marketer*
Team Mode and Solo Mode

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ABSTRACT

Threshold Marketer is a set of marketing simulations based on a common model that provides instructors the flexibility to have students compete against other student-managed companies or against computer-managed companies. Instructors can adjust the level of complexity of the simulation so that it is simple enough for an undergraduate introductory marketing course, or challenging enough for an undergraduate marketing management course or a graduate level marketing course.

INTRODUCTION

Threshold Marketer is a family of PC Windows-based marketing simulation exercises. *Threshold Marketer* simulates the workings of a business that markets two products in three sales territories. Each decision period represents 3 months (i.e., one quarter) of the company's operations. For each decision period, participants make decisions regarding pricing, product quality and feature development, spending levels and media for promotion, and the purchase of marketing research information.

Participants operate as senior managers in charge of a marketing-driven company. Prior to submitting their decisions for a period, participants can review previous quarters' decisions and results either on the monitor or on printouts as they work. They also can input "what if?" decisions and see in real time the results they would realize if their forecasts are correct. When participants are satisfied with their decisions for a quarter, their decisions are processed. The *Threshold Marketer* program determines the number of units each company sells and also produces a series of operations, marketing, and financial reports for each company. The program also rates the performance of the companies and ranks them according to criteria determined by the instructor.

THE *THRESHOLD MARKETER* FAMILY

The *Threshold Marketer* family of marketing simulations is designed for use in undergraduate Introductory Marketing or Marketing Management courses. They also can be used in graduate-level courses or in corporate training programs. Materials include installation software, participant's manual, and an administrator's manual.

Advanced Marketer. *Threshold Advanced Marketer* involves participants in the marketing of two products. One product is a high-volume, price-sensitive product with little reward for differentiation. The second is a low-volume, high-margin product where sales are influenced by elements such as features and quality. Each product is sold in three geographical sales territories. Two of the territories represent approximately 80% of total demand for each product. For each decision period, participants make marketing decisions involving price, quality, different forms of advertising, advertising message, feature development, sales support and service through sales representatives, commissions paid to the sales reps, and the purchase of

marketing research information. Participants also make decisions involving investment in process improvements (to reduce costs), ordering inventory and financing the marketing program.

Basic Marketer. *Threshold Basic Marketer* presents participants with the same decisions as those in Advanced Marketer. The difference is that the simulation begins with the two products marketed in a single sales territory (versus three territories). Limiting competition to a single territory dramatically reduces the complexity of the simulation, facilitating play by marketing neophytes. The instructor has discretion over if and when the other two territories open for competition. When the instructor believes the participants are familiar with the simulation and ready for an increased challenge, he/she can choose to open the other territories.

Team Mode. Both *Advanced Marketer* and *Basic Marketer* are offered in the Team mode. The Team mode allows an instructor to set up a competitive environment for 2 to 12 companies. The instructor can arrange for the companies to be managed by a single individual or by a team of participants. Each participant-managed company in the simulation competes directly against other participant-managed companies. All companies in the game submit their decisions to the game administrator (via disk or network) for processing. The instructor then processes the decisions, using the Threshold Marketer Administrator program and provides feedback to the participants in the form of financial statements and operations reports.

Solo Mode. The Solo mode of *Threshold Marketer* is a version of *Threshold Advanced Marketer* where participants compete against 11 computer-managed companies. Whereas the Team mode of *Threshold Marketer* places participants in competition with other participant-run companies, the Solo mode uses "expert logic" to create a competitive environment that places participants in competition with "semi-intelligent" companies managed by the computer. While the competitors will act rationally, they are not all-knowing "perfect competitors". As with *Team Marketer*, the instructor may choose to have the participant company run by a single person or by a team.

Threshold Solo Marketer is available only for *Advanced Marketer*, not *Basic Marketer*. When the manager(s) of the participant company has finalized their decisions, they simply instruct the *Threshold* program to process the decisions. Since their computerized rivals are always ready, there is no need to submit decisions to a game administrator for processing. The Solo mode of *Threshold Marketer* allows participants to play at their own pace. Participants can restart *Threshold Solo Marketer* as often as they like. Restarting erases all the companies' previous performance records, if any, and allows the participant to replay *Threshold Solo Marketer* from the beginning of operations in Quarter 1. Each time participants restart the game, the computer will automatically set up a new competitive environment. The computer determines the level of demand for the products, the importance of the marketing variables (e.g., price, promotion, service) for determining the sales

level of each of the companies, and the costs of operating in the industry (e.g., advertising and product costs, etc.).

Threshold Solo Marketer can generate hundreds of different competitive environments. Using *Threshold Solo Marketer* and *Threshold Team Marketer* in combination enables students to have an introductory trial and practice period (with *Solo*) before beginning play in the *Team* mode. Alternatively, an instructor can set up a competitive environment of his/her choosing and allow no restarts. This allows an instructor to use *Threshold Solo Marketer* as an assessment tool to measure a student's learning without any team effect by having individually managed companies competing against the set of computerized rivals in a standard environment. Thus, instructors can use *Threshold Solo Marketer* in a variety of ways: as practice preceding the start of *Team Marketer*, for exams after completing their use of *Threshold Marketer*, or as a stand-alone pedagogical tool.

Threshold Solo Marketer offers many advantages. The participants can run the simulation at their convenience, not tied to anyone else's schedule. If participants perform poorly against the computer competitors, they can stop playing the current setup and start a new competition quickly and easily. Given enough time, every participant can eventually achieve "success" in the exercise.

The *Team* and *Solo* modes of *Threshold Advanced Marketer* provide somewhat different learning experiences. While the *Threshold Marketer Solo* mode provides a self-paced experience that pits participants against the authors' logic, the *Team* mode provides the fun and challenge of vying with friends. Both versions of the game provide a stimulating environment to practice and to learn marketing management skills.

Threshold Marketer is very user friendly for both the administrator and the participants. The software runs in a Windows 95, 98, ME, NT, or 2000 environment. It can operate using floppy disks or in a network environment. A web version is under development. The software is up-to date, fast, and fun.

AVAILABILITY

Threshold Marketer's authors are currently negotiating the publication of this set of products with three publishers. A contract will be completed by 1 January 2002 so that the simulations will be available for Fall 2002 adoptions. *Threshold Marketer* has been class tested for over a year and has received universal acclaim from students for both its educational value and its user-friendliness.