

Developments in Business Simulation and Experiential Learning, Volume 26, 1999

THE MARKETING GAME: A MARKETING PRINCIPLES SIMULATION

Robert W. Schaffer, California State Polytechnic University, Pomona

ABSTRACT

The Marketing Game learning environment is based on the Digital Camera industry. Although the facts of the case as presented in the student manual are hypothetical, the underlying computer model fairly accurately reflects the introduction of a new technology into a market. The game rewards market segmentation and targeting skills within a framework of an evolving product life cycle. Both industry background and game variable information is covered in detail in the student manual and therefore is not duplicated in these notes.

This computer simulation is intended for use as a supplement in a Principles of Marketing course at either the undergraduate or graduate level. It has neither the richness nor complexity of simulations designed for advanced marketing strategy courses.

The purpose of the simulation is to introduce students to the basic marketing decision variables and help students understand the relationships between these variables and the marketing environment. In particular, the game has a very strong market segmentation and targeting aspect which should tie in nicely with most lecture topics.

Almost all students will make a profit during the course of the game. Also, the game is played in solitaire mode against computer generated competitors rather than competitively against other students. This solitaire mode will help students focus on understanding marketing rather than on "winning" the game.

The game environment changes constantly over time as the product moves through the Product Life Cycle. There is ample marketing research available that will allow students to track these changes and eventually predict them. There are hints about each of the following trends in the

student manual to guide players but the relationships are not described as explicitly as below. Students are expected to discover these slowly as the game proceeds.

Demand will increase rapidly at first, then the rate of increase will slow as Maturity approaches, finally, demand will increase only at the rate of population growth during Maturity.

Students will begin the game facing only a few computer generated competitive brands, then as Growth proceeds, more and more competitors will enter. A shakeout will occur near the end of the Growth stage, and in Maturity, the student will once again be facing only a few competitors.

Market share will become increasingly important throughout the game. As maturity approaches, stores will only want to stock the few brands with the highest share. Also, brands with low market shares will be the ones forced to leave the market during the shakeout; except the student's brand(s) should they have low market shares.

Geographical demand will shift over time from initially being slightly centered on the West Coast to mirroring the general population distribution.

Sales through mass merchandisers will gradually become more important as the product enters Maturity.

The simulation has a strong emphasis on market segmentation and targeting. Having an "average" product aimed at the market "average" will prove to be an increasingly poor strategy over time as consumers become more knowledgeable about both the product class and their own needs.

The Marketing Game simulation package is intended for the Principles of Marketing course and will be published by Harcourt-Brace (Dryden) in early 1999 for use with the Boone and Kurtz marketing principles textbook.