

MKT 623 – Strategic Marketing Management Simulation

Fall Term 2017

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Course Description

Computer-based simulations are an invaluable tool for learning and applying business concepts. For students, simulations offer the opportunity to experience much of the realism of making business decisions in the classroom. They can sharpen their strategy formulation skills or learn about market dynamics. In this course students will be able to apply their theoretical and conceptual knowledge of strategic marketing management in a hands-on application exercise. The course focuses on the computer simulation PharmaSim — a computer-assisted simulation pertaining to the development, evaluation, and implementation of marketing management elements in a strategic setting. The course is designed to allow students to experience the challenges of strategic marketing management by playing the role of a brand manager for a major over-the-counter cold medicine consumer products company. The simulation covers market segmentation, consumer behavior, and marketing mix, with an emphasis on channel and brand management. Students learn how to motivate customers and channel partners, measuring their progress through marketing research.

This course is taught as a 1-day seminar on October 19, 2017, from 9 am to approx. 5 pm in the WI-Pool, L7, 3-5, Room 3.58. There will be a kick-off meeting held on October 5, 2017, from 10:15 am to 11:45 am (B2) in O 048. Attendance at the kick-off session and the simulation session is mandatory. For the PharmaSim simulation, students will work in small groups.

Please note that this is a graduate level marketing course. This course is not appropriate for students without prior exposure to marketing. It is recommended that participants have completed at least one course in strategic marketing, marketing management or brand management.

Course Registration & Organization

Please note that we have a capacity of 30 students for this course due to restricted space availability in the PC pool. Students will be assigned to a simulation team. Therefore, it is mandatory that you apply for this course via the student portal. Please note that you also have to register for the examination of the course via the student portal during the exam registration period! (This is only a formal requirement so that the registrar has a record of your enrollment. There is, however, no exam for this course.)

The team allocation will be communicated during the kick-off session. For organizational reasons, switching teams is not possible.

PharmaSim Simulation

Played from the perspective of a major over-the-counter cold medicine company, PharmaSim encompasses various dimensions of strategic marketing management. At the start of the simulation, students take over the management of Allround, an over-the-counter cold medicine in the OCM Group of Allstar Brands. The product has been an industry leader, but is facing increased competition from new product introductions and higher spending by competitors. The marketing team must maintain market share and profitability for Allround, while introducing a line extension and a new brand over the next simulated years. To succeed in their task, students must analyze their situation by looking for threats and opportunities, develop a strategic plan, and decide on the best marketing mix to implement the plan. Students have to take strategic decisions concerning offered products (and product formulations), pricing, sales channels and sales forces, advertising, promotion and other special issues. A variety of marketing research reports are available to support for decision making.

The PharmaSim simulation will allow students to explore the following topics in an interactive and engaging environment:

- Situation Analysis: Who are the customers? What do they value? Who are the competitors? What are their strategies? Hence, what should be the appropriate strategy for Allround?
- Marketing Strategy: Segmentation, targeting, and positioning: Which segments to target? How to position brands for the chosen segments? How to create value for the customers?
- Marketing Mix: Products, price, sales force, sales channels, promotion, and advertising budget/message
- Integrated marketing decision-making and analysis

Decisions span multiple periods (simulated years), allowing to observe both short-term and long-term effects of the decisions implemented.

It is mandatory that students prepare for the simulation by reading the provided simulation manual. Well prepared students benefit the most from their simulation experience and good grades correlate with good preparation.

Performance Assessment

The course has the following grading components:

| | |
|---------------------------|------|
| 1. Simulation Performance | 50%* |
| 2. Strategy Outline | 25%* |
| 3. Final Report | 25%* |

* We will conduct a peer rating to minimize team free-riding. For this peer rating, each team member will evaluate the performance of all other team members. Team members with consistently higher/lower group evaluation will receive a higher/lower grade than the rest of the team.

1. Simulation Performance

Taking into account various performance parameters, teams will be graded on their performance in the simulation (net income and stock price). We will also look at the overall situation and competitiveness of the company at the end of the simulation and gauge its future prosperity (i.e., maximizing revenues by reducing your company's assets in the last period will hurt your grade).

2. Written Assignment: Strategy Outline

Each group must submit a strategy outline before the simulation takes place. Students are obliged to outline the strategy they wish to pursue during the simulation. This outline must not exceed **1 page** of text. You may add as many exhibits as you like. All exhibits, however, must be referred to in your text.

3. Written Assignment: Final Report

Each group has to submit a final report that describes the team's performance and the team's learning during the simulation. The report must not exceed **2 pages** of text. You may add as many exhibits as you like. All exhibits, however, must be referred to in your text.

Organize your final report as follows:

1. Cover Sheet with team number, members' names, date and course name.
2. Description of your team's success in implementing your original strategy.
3. Revisions that you made to your plan, why you made them, and the effects on your team's success.
4. What you learned about being a brand manager for an over-the-counter cold medicine consumer products company.
5. Your appendix should also include the following company performance information (last period only):
 - a. Net income,
 - b. product contributions (for each product),
 - c. brand awareness (for each product),
 - d. market share (manufacturer sales),
 - e. customer satisfaction,
 - f. marketing efficiency index, and
 - g. stock price.

Please submit this final report on November 2, 2017, 12:00 (noon) at the latest via email to Oliver Borchers (borchers@bwl.uni-mannheim.de).

Course Material

For this course, you will need to purchase a reader which contains the simulation manual. Readers will be available at the kick off session. The cost for the reader will be 12 Euros which partly subsidizes the license fees for the PharmaSim simulation.

Course Outline

| <i>Date</i> | <i>Topic</i> | <i>Assignments</i> |
|--|--|---|
| Deadline for registering at the student portal (tbd) | Application Deadline | Apply by registering for “exam” of this course in the student portal |
| October 5, 2017, 10:15 am – 11:45 am (O 048) | Kick-Off Session Sale of PharmaSim manual | |
| October 18, 2017 | Strategy Outline | Submit <ul style="list-style-type: none"> • Strategy outline |
| October 19, 2017, 9 am – approx. 5 pm (WI-Pool, L7, 3-5, Room 3.58) | Simulation Day | Come prepared by reading the PharmaSim manual |
| November 2, 2017, 12 noon | | Submit <ul style="list-style-type: none"> • Final report • Peer evaluations |