



# TNNE MARKSTAT STRATEGY PRESENTATION

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# Agenda

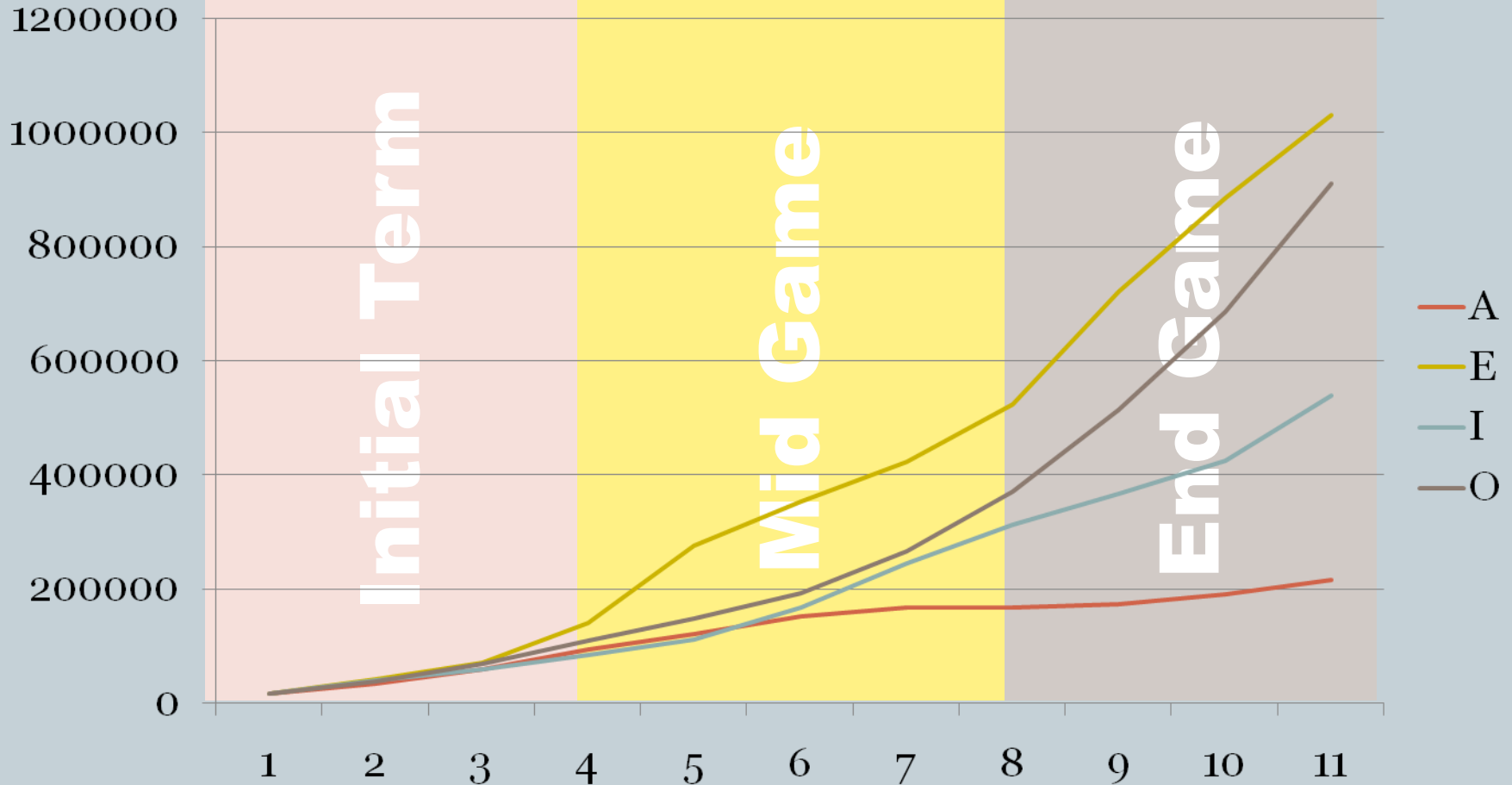


- Performance
- Short vs Long Term Assessment
- Human Capital Optimization
- Strategies
- Lessons Learned
- Applied Marketing Concepts & Assessment
- If we played the game again, what would we have done differently?

# Performance



# Total Net Marketing Contribution



# Assessment



# Initial term Assessment 1-4



## Achievements:

- Formulated a strategy
- Gauged our human capital
- Learned Markstrat's interface
- Exact production estimates
- Managed Sonites in a non-differentiated market using ROS strategy
- First mover into the Vodite market in round 3
  - Made enough money to research and launch
  - Vodite NMC \$37mil in round 3, 52% of our total NMC

# Mid Game Assessment 5-7



## Achievements

- Launched products for targeted segments in round 5
  - 2 Sonites and 2 Vodites
- Learned to be more time efficient
- Learned to manage budgets based on each segment's profitability
- Re-focused on the Sonite market while competitors were busy with Vodites

## Failures

- Overreacted to the Vodite competition
- Unintentional lack of producing Vesh

# End Game Assessment 8-10



## Achievements:

- Maintained our lead by being the first team to target Followers
- Consistently raised our budget
- Milked the product that targeted the Innovators segment

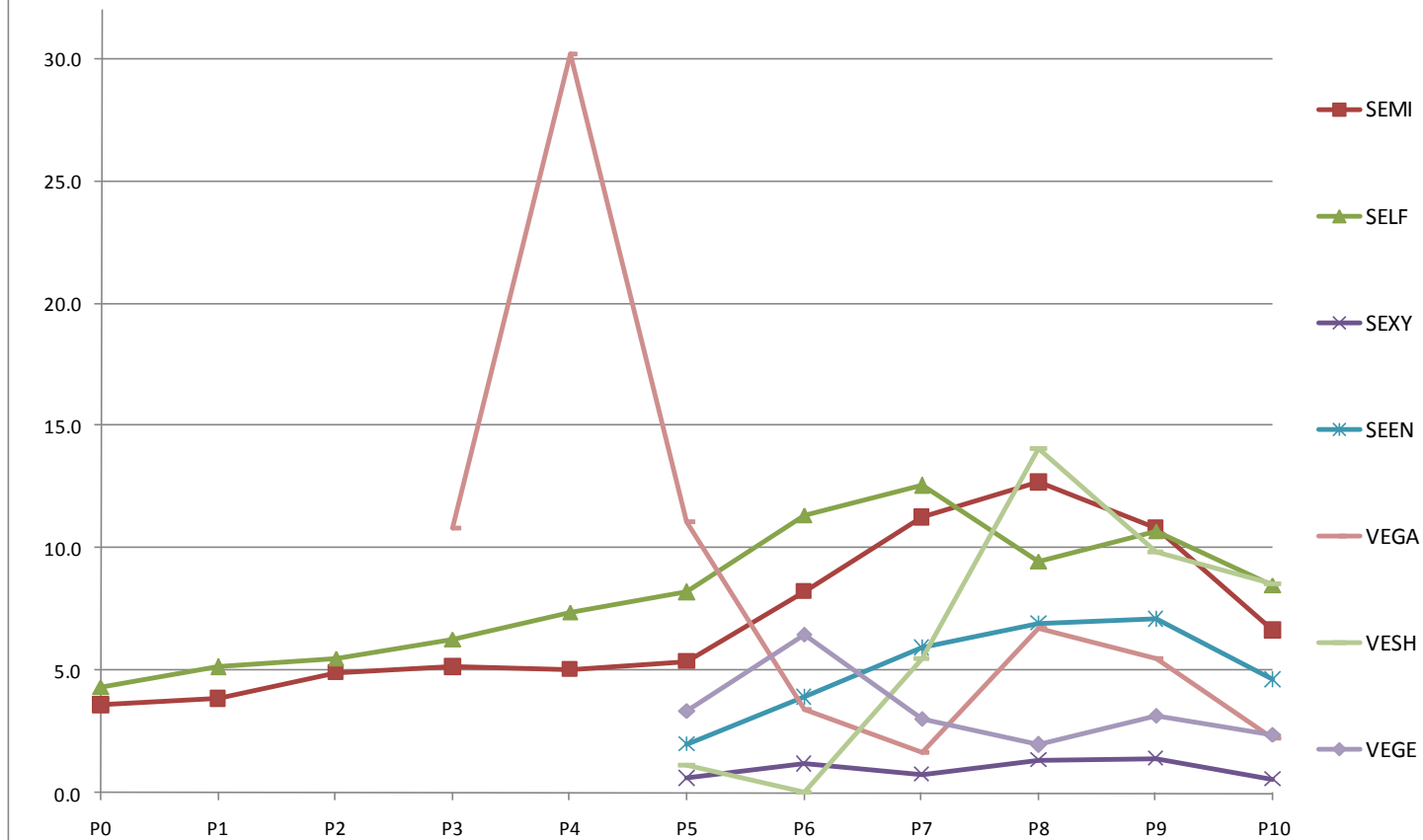
## Failures:

- More interested in lowering our base cost in the Vodite market rather than investing in improving the product
- Over-allocated budgets for the products that targeted the Followers and Singles targets

# Return on Investment by Brand

## Return on Marketing Investment

Shows the amount of dollars returned as Contribution Before Marketing on each dollar spent on a specific brand (includes only Marketing Communication Budget and Salespeople Operating Cost )



# Human Capital Optimization



# Human Capital Optimization



- **Evolving Internal Strategy**
  - Beginning -> Everyone was involved in all decisions
    - ✦ 2.5 hour meetings/round
  - Later -> Split members to evaluate & be responsible for different aspects
    - ✦ Product managers
    - ✦ Sale & Channel manager
    - ✦ 0.5 hour meetings/round
- **Balance between risk takers and risk averse members**

# Human Capital Breakdown



# Strategies



# Strategies

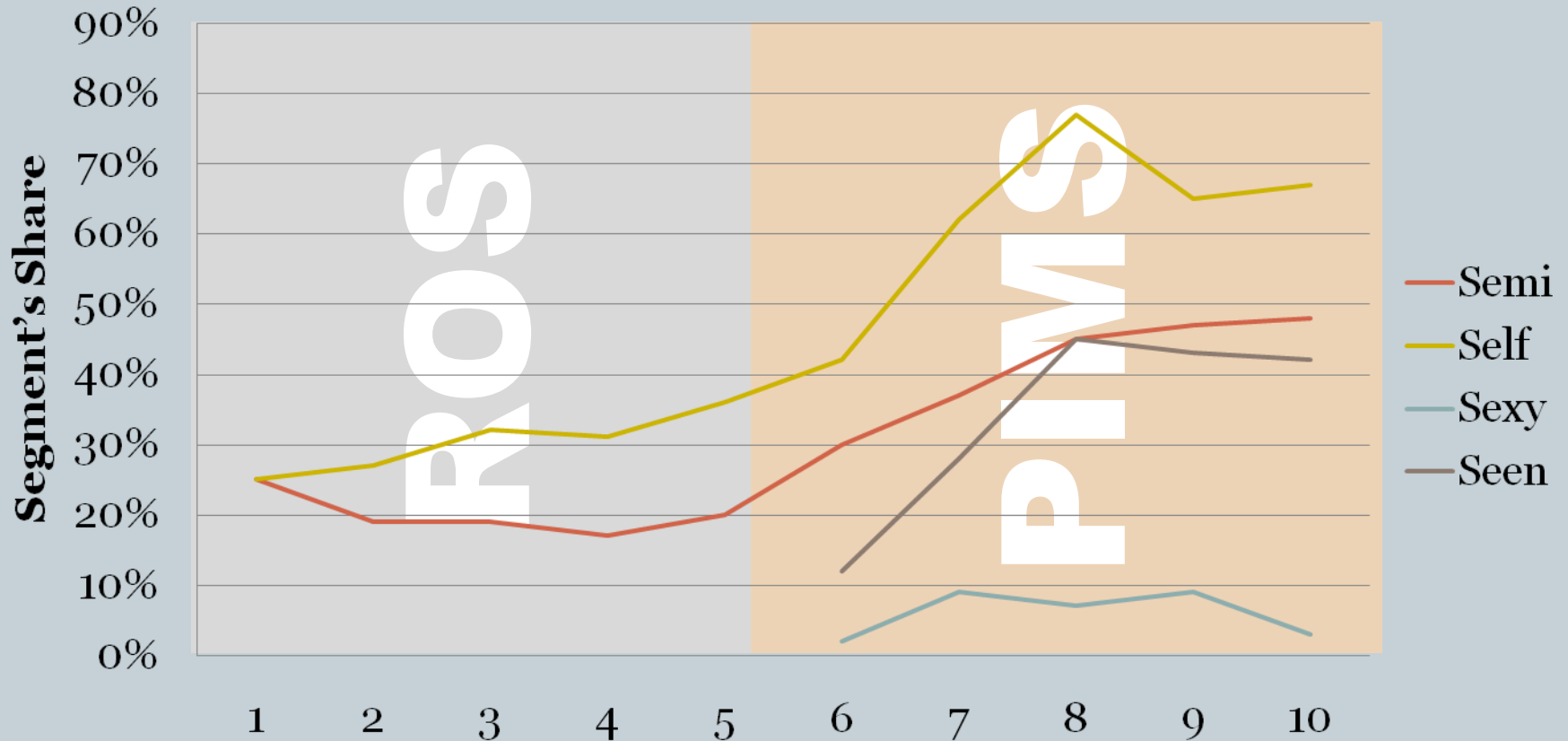


- Sonites started with ROS ended with PIMS
- Vodites consistently used ROS
- Target one product per segment
- Production forecast
  - Based on purchasing intentions & size of targeted segments
  - Units in inventory
- Advertising
  - Budget allocation based on segment's profitability and size
  - Maintain share of voice
  - Positioning (MDS or Semantics)

# Sonite Market Strategy



## Sonites Targeted Segment Market Share



# Strategies



- **Balancing R&D between Vodite and Sonite**
  - Innovated the Sonites more than the Vodites
  - Time-to-market was important (online query vs feasibility studies)
- **Initiate R&D with the 2 most important characteristics for a product**
  - Then use platforms to tweak towards other characteristics
- **First to launch Vodite (3rd round)**
  - Provided enough resources (\$) to be able to focus on the Sonites market

# Lessons Learned



# Lessons from the game



- Practical example of putting theory to work
  - How marketing decisions are inter-related
- The importance of purchasing intentions in forecasting sales
- The importance of product perception
  - Using the advertising perceptions to affect sales
  - You do not need a perfect product, but it helps

# Lessons from the game



- Balance between R&D to reduce price and innovation
- How ROS and PIMS can be used
  - Don't need to play a price war
- Uncertainties in forecasts
  - Market forecast were often completely wrong
- Slightly over producing is advantageous

# Key Concepts Applied



# Key marketing concepts applied



- Product platform
- Marketing mix
- Segmentation and product positioning
  - Addressing customers' needs
- Maximization of NMC
- Improving ROI by cutting costs
- Using perception in marketing communication
- ROS vs PIMS
- Product Management
- Product life cycle

Next Time we Play Markstrat?



# Next Time we Will



- Focus on R&D to improve Vodite products rather than cut base cost
- Increase our production levels to prevent loss of sale
- Manage the introduction of new brands more efficiently
- Invest our money more efficiently