



Music2Go Marketing Player's Manual

(2024 Rev A)



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CHAPTER 1

Overview

What is Music2Go?

Music2Go is an Online Marketing Simulation that gives you the opportunity to manage the Marketing Campaign for your own Headphone Manufacturing Company.

You are initially tasked with implementing an improved marketing strategy for your company's Music Headphones. You will make Pricing, Advertising and Distribution decisions, as well as conducting a Sales Forecast. As you progress through the simulation you will be given access to Sales Promotion, Product Development, and the opportunity to launch New Products into New Markets.

Your success is measured by your **Total Marketing Contribution (TMC)** by the end of the simulation.

Learning Outcomes

At the conclusion of the simulation you will:

- Understand core marketing terms and concepts.
- Be able to review market research and reports to formulate strategy.
- Learn how to implement strategy within a fixed annual marketing budget.
- Gain experience in pricing and promoting a product, conducting a sales forecast and setting distribution strategy.
- Develop an understanding of customers' media viewing habits, shopping behaviors and how to effectively reach their target audience.
- Experience taking a new product to market.
- Know how to continue to adapt strategy as you experience competition and market changes.
- Develop the skills necessary to work effectively in a team environment.

Single-Player & Multi-Player

Music2Go features two versions; the Single-Player and the Multi-Player.

The **Single-Player** features at the start of the course and allows you to practice against a single computer-controlled competitor. In the Single-Player you move forward (rollover) through years (decision periods) at your own pace and in your own time. This enables you to become familiar with your company, the market and test out different decisions. Your primary goal is to maintain a higher Total Market Contribution (TMC) than your competitor.

In the **Multi-Player** you will be competing against multiple competitors to achieve the highest TMC. Depending on your course settings, you may be competing against student-run companies from within your course, or against computer-controlled competitors. The Multi-Player simulation progresses according to a preset rollover (decision deadline) schedule. Before each rollover you must have your decisions entered into each of the decision screens within the simulation.

Rollovers

A rollover is the term used to describe moving from one year (decision period) to the next. A rollover processes the currently entered decisions and then displays your results.

SINGLE-PLAYER

Rollovers in the Single-Player are controlled by you through the Rollovers menu:



In the Single-Player you are also able to Rollback (move back one year) or Restore (reset the simulation back to the start).

MULTI-PLAYER

Rollovers in the Multi-Player occur automatically on pre-set dates determined by your course instructor.

Once your course's rollovers are scheduled you will see the next scheduled event on your company's Home page:

NEXT EVENT
[Rollover: 9 hours, 36 mins >](#)

Click on the event to see all upcoming rollovers, as well as those already processed.

There is no final submit process. Simply enter your decision changes into each decision screen and then click *Save*. A save notification will appear and the change will be shown on-screen. The change is now saved on our simulation server ready to be processed at the upcoming rollover.

If you are playing the Multi-Player in teams, only one team member needs to enter your final decisions.

You can check all your saved decisions using the *Currently Saved Decisions* report.

Decision Schedule

You start the simulation responsible for your company's Music Headphones product line. Each new year you will be given access to at least one new decision area to manage.

The table below outlines the decisions which you will be managing in Year 1, and then the additional new decisions released in each year subsequent.

Decision Period (Year Ahead)	New Decisions
Decision Period 1 (2024)	<ul style="list-style-type: none"> Name your Company Name your Product Retail Price Retail Margin Sales Forecast Advertising Budget/Mix
Decision Period 2 (2025)	<ul style="list-style-type: none"> Sales Promotion Budget/Mix
Decision Period 3 (2026)	<ul style="list-style-type: none"> Product Development Add 2nd Product
Decision Period 4 (2027)	<ul style="list-style-type: none"> Option to Add 3rd Product
Decision Period 5 (2028)	<ul style="list-style-type: none"> Option to Add 4th Product

Total Marketing Contribution

Total Marketing Contribution (TMC) is the key performance indicator in the Music2Go Marketing Simulation.

Marketing contribution is an annual measure of how profitable your company was as a result of your marketing strategy for the previous year.

Marketing Contribution = Wholesale Sales Revenue – (Cost of Goods Sold + Marketing Expenses)

Your **Total Marketing Contribution (TMC)** is then just the sum of your annual marketing contribution figures over the length of the simulation. Your goal in Music2Go is to achieve a higher TMC than your competitors by the end of the simulation.

For more see the Support Center Article: [How Do I Increase Marketing Contribution?](#)

Tracking Total Marketing Contribution

Your company's Marketing Contribution and Total Marketing Contribution (TMC) will be displayed via the pop-up notifications on log in, and on your company's Home page.

You can compare these key figures with your competitors in the industry through the *Industry Benchmark* report. You can also see your TMC rank across the course through the Course Scoreboard on the Home page (if this has been enabled by your course instructor).

Annual Marketing Budget

Each year you have a fixed marketing budget to spend.

Your annual marketing budget increases each year of the simulation to facilitate the additional decision areas as they become available:

Year 1: \$20m

Year 2: \$25m

Year 3: \$35m

Year 4: \$40m

Year 5: \$45m

Year 6 and Beyond: \$50m

Your annual budget is displayed when you first log in and on your company's Home page. Additionally, the *Live Forecast* and the *Forecast Results Summary* report also shows budget remaining after the cost of your current decisions has been deducted.

You should ensure that you spend all your annual budget each year. If you overspend, the simulation will automatically reduce your Advertising and Sales Promotions budgets to bring you back under budget.

The Simulation Interface

Top-Menu Navigation

The Music2Go interface utilizes top-of-screen navigation with the following main menu items:

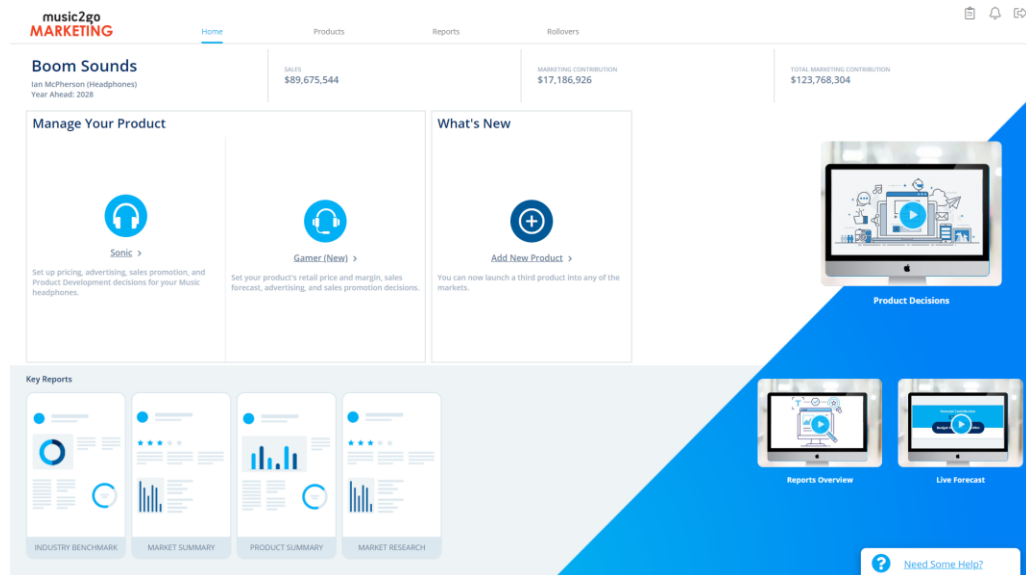
- **Home:** This first screen serves as your company dashboard.
- **Products:** Access all of your products and make decisions for each; Retail Price, Retail Margin, Sales Forecast, Advertising, Sales Promotion and Development.
- **Reports:** To access all your company's reports.
- **Rollovers:** Process a rollover, rollback or restore (Single-Player only).

Press CTRL + M to return to the Top Menu from anywhere else in the application.

Company Home Screen

Your company's Home screen displays:

- Your company's name.
- The Year Ahead (the year you are making decisions for).
- Key results from last year, including a link to the Course Scoreboard.
- Shortcuts to your product decisions and new decisions available this year.
- Key reports.
- Year-relevant help videos.



The Help Widget

A *Need Some Help?* tab features at the bottom right of all screens. Clicking on the tab opens the popup Help widget. You have the option to *Search* help articles, click on a screen-relevant *Frequently Asked Question*, view a screen-relevant *Suggested Video*, or *Contact Us* to send a message to the Smartsims Support Team.

You can also open the popup Help on each screen with the F1 key.

Top-Right Icons

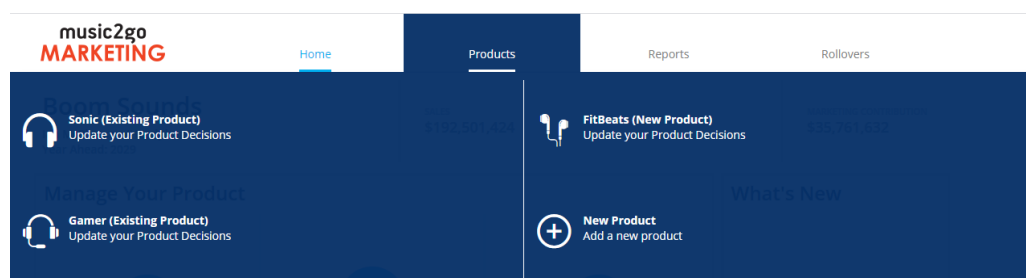
At the top-right of the simulation interface there are three icons:



- 1. Saved Decisions:** Opens the *Currently Saved Decisions* report so you can check all currently saved decisions. These are the decisions which will be processed at rollover.
- 2. Alerts & Notifications:** Brings back the initial on-login notifications which provides key results and information for making decisions for the year ahead.
- 3. Exit Simulation:** Exits the simulation interface and takes you back to the course page.

Decision Screens

Clicking Products at the top of screen displays your company's products as a drop-down menu:



Select a product to be taken to the decision screens:

The screenshot shows the music2go MARKETING interface. The left-hand menu is blue and contains the following items: Sonic (Existing Product), Pricing & Margin (selected), Sales Forecast, Advertising, Sales Promotion, and Development. The main content area is titled 'Pricing & Margin' and includes a sub-header 'Set your product's retail price and retail margin'. It features a table comparing 'Current Decision' and 'Last Year' data.

	Current Decision	Last Year
Retail Price (\$)	98	98
Retail Margin (%)	30	30
Wholesale Price (\$)	68.60	68.60
Unit Cost (\$)	40.00	40.00
Unit Margin (\$)	28.60	28.60

Below the table are two buttons: 'Undo Changes' and 'Save'.

The right-hand sidebar contains several sections: 'Forecast Contribution' (\$45.9m) with a 'Budget Remaining: \$14m' indicator; 'Market Average Price' (\$99) and 'Market Average Margin' (32%); 'Price Sensitivity Analysis' with a 'Buy Report - \$250,000' button; 'Retail Margin Analysis' with a 'Buy Report - \$250,000' button; 'Sales Information (Music Segment)'; and 'Product Summary'. At the bottom of the sidebar is a 'Need Some Help?' button.

LEFT-HAND MENU

Decision screens features a left-hand menu displaying the separate decisions available under each main menu.

This image shows a close-up of the left-hand menu. It is a blue vertical bar with the following items: Sonic (Existing Product), Pricing & Margin (selected, with a right-pointing chevron), Sales Forecast, Advertising, Sales Promotion, and Development.

CENTER DECISION COLUMN

The center column is where your decisions are located; a decision field with the currently entered decision and last year's decision.

Pricing & Margin

Set your product's retail price and retail margin

	Current Decision	Last Year
Retail Price (\$)	<input type="text" value="100"/>	100
Retail Margin (%)	<input type="text" value="35"/>	35
Wholesale Price (\$)	65.00	65.00
Unit Cost (\$)	40.00	40.00
Unit Margin (\$)	25.00	25.00

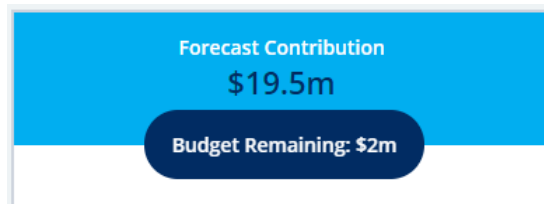
Most screens provide additional information below the decision field offering live feedback on the potential consequence of your decision.

RIGHT-HAND COLUMN

The right-hand column is designed to help you make well-informed decisions. It features:

1. The Live Forecast

The Live Forecast widget is located at the top-right of all decision screens:



The Forecast Contribution and Budget Remaining figures are based on your currently entered decisions and update in real-time as you save decision changes on any screen. This enables you to see the impact of individual decisions on overall performance.

You should check the *Budget Remaining* figure as you make decisions so you do not spend more than you have available, but also ensuring you have spent all of your budget.





2. Screen-Relevant Results

Relevant key results from last year are displayed:



3. Screen-Relevant Reports

Relevant reports are listed, as well as extra reports which can be purchased to provide additional information to help you make effective decisions:

 Price Sensitivity Analysis
Buy Report - \$250,000
 Retail Margin Analysis
Buy Report - \$250,000
 Sales Information (Music Segment)
 Product Summary

Student Support

DIRECT EMAIL

The Smartsims Support Team is available to answer any questions you have by emailing: help@smartsims.com

CONTACT FORM

Submit a [Contact Us](#) form through the Smartsims website.

INTEGRATED HELP

All Smartsims Simulations feature popup help within the application. Simply click on the *Need Some Help?* tab on any screen to open the Help Widget, or press the F1 key.

SMARTSIMS SUPPORT CENTER

The [Smartsims Support Center](#) is our simulation knowledgebase. This enables you to receive an instant answer to your question by simply typing your question into the search field. Alternatively, you can also [Browse All Music2Go Support Articles](#).

CHAPTER 2

Market Analysis

Your Competitors

In the Single-Player version you compete against a single computer-controlled opponent. You both start with one product with identical results.

The Multi-Player version features between four and ten companies in your industry. These may be student-run or computer-controlled depending on your instructor's preference. All companies start with one product with identical results.

You can track your competitors using the key industry-level reports below:

- **Industry Benchmark Report:** Compare key financial metrics across all companies in your industry.
- **Market Summary:** Compare all products in the industry based on key market metrics.

The Market Segments

This headphones industry is categorized into three market segments; Music Headphones, Gaming Headphones and Fitness Headphones.

Music Headphones

Music Headphones are the most common consumer headphones on the market. This style of headphones tends to be larger in size, sit on/over the ears, and can be wired or wireless.

The recommended price range for Music Headphones is \$85 to \$105. Customers tend to look for a product with reasonable specifications, with a well-known brand and is readily available from stores. However, customers are not tied to a particular brand. They are willing to purchase the cheapest product that meets their needs.

Gaming Headphones

Gaming Headphones are a specialist product for amateur and professional gamers with an integrated microphone. Customers in this market are looking for a feature packed product, which is comfortable for hours of use and has virtual surround sound and long battery-life for that marathon gaming session.

The recommended price range for this market is to pay between \$115 to \$140, with most happy at the higher end of this range for a product which gives them an edge.

Fitness Headphones

Customers in this segment need a pair of headphones to support their active lifestyle. Be it motivational music to push them further at the gym or on a run, or simply listen to their favorite podcast on that long walk. Fitness Headphones need to be water resistant, shockproof and lightweight.

This is potentially a large market but with a smaller price range; \$50 to \$65.

Your Customers

Customers weigh up several factors before making their purchase. Market research of this industry indicates there are five drivers of demand; Retail Price, Advertising, Sales Promotion, Distribution and Product Specifications.

The customer preference table below, taken from the *Market Research* report, indicates customer preferences / sensitivities for each market segment:

Segment	Price	Advertising	Sales Promotion	Distribution	Product Specs
Music	High	Med	Med	High	Med
Gaming	Low	Low	High	Med	High
Fitness	Med	High	Low	Med	Low

Retail Price

Price sensitivity refers to how Retail Price, relative to other products in the market, impacts consumer demand.

Price is always relevant, but it is less important in some markets than others. Those purchasing Music Headphones prioritize price higher than most others. Therefore, a change in price can have a large impact on sales. Whereas customers in the Gaming market less influenced by price in comparison to other factors.

Purchase the *Price Sensitivity Analysis* to see how effective your price was last year, and what impact changes to price would have had on demand and market share.

Advertising

Each market segment responds differently to advertising expenditure. Customers in the Music and Fitness markets are sensitive to advertising, meaning investing in an effective campaign should result in increased demand.

To get the most out of your advertising budget you will need to know the media viewing habits for each market (being how much do customers watch/use the different media channels). Then, combine this with Advertising Reach (what percentage can be reach for a given spend). This enables you to determine an optimal advertising mix across the channels, as well as how much to spend on each channel.

MEDIA VIEWING HABITS

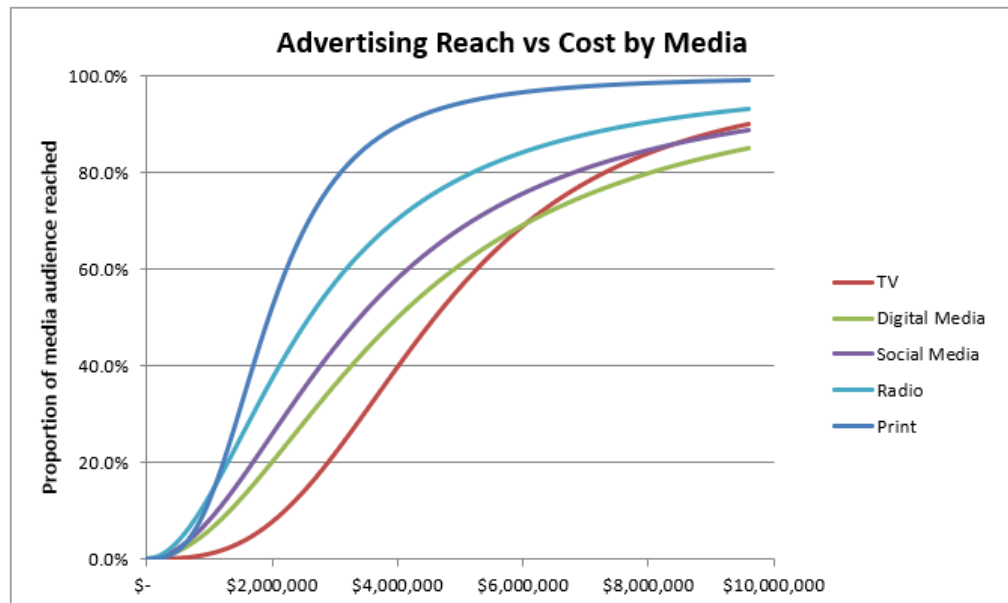
The table below provides the proportion of each market that can be reached using the different media channels:

Segment	Social Media	Digital Media	TV	Print	Radio
Music	67%	85%	91%	42%	58%
Gaming	52%	74%	85%	51%	45%
Fitness	33%	99%	97%	33%	15%

Note: Each row will add to more than 100% as people watch multiple media channels.

ADVERTISING REACH

The Advertising Reach chart shows the proportion of the viewing audience that can be reached in each media channel at different levels of expenditure.



For example, an advertising investment of \$4m in TV will reach approximately 40% of the audience. Then by looking at the Media Viewing Habits table above, we can see that this would then reach $40\% \times 97\% = 38.8\%$ of the Fitness market, and $40\% \times 85\% = 34\%$ of the Gaming market.

You will note that each media channel has a different shaped curve. Some are steep initially and then flatten out, such as Print. This indicates a high audience reach on small investments, but as you spend more the increase in reach decreases significantly. Alternatively, others feature a flatter curve, such as Digital Media. This means more investment is required to reach your audience, but the level of reach is relatively constant regardless of total spend.

Purchase the *Audience Coverage* and the *Competitor Media Expenditure* reports each year to assess how effective your advertising budget and mix were last year.

Sales Promotion

Sales Promotional activities increase support for your distributors, improve customer satisfaction, and heighten brand awareness. Each market responds differently to Sales Promotion expenditure.

Sales Promotion decisions are available from Year 2.

Read the *Sales Promotion* section under *Year 2 Decisions* (see Chapter 3) for more on making your Sales Promotion decisions.

Distribution

Consumers in each market segment have a different sensitivity to distribution coverage (the number of Retail Stores stocking your products). Retail Stores determine which products to distribute based on their financial return. This is made up of Retail Price, Retail Margin and Sales Volume.

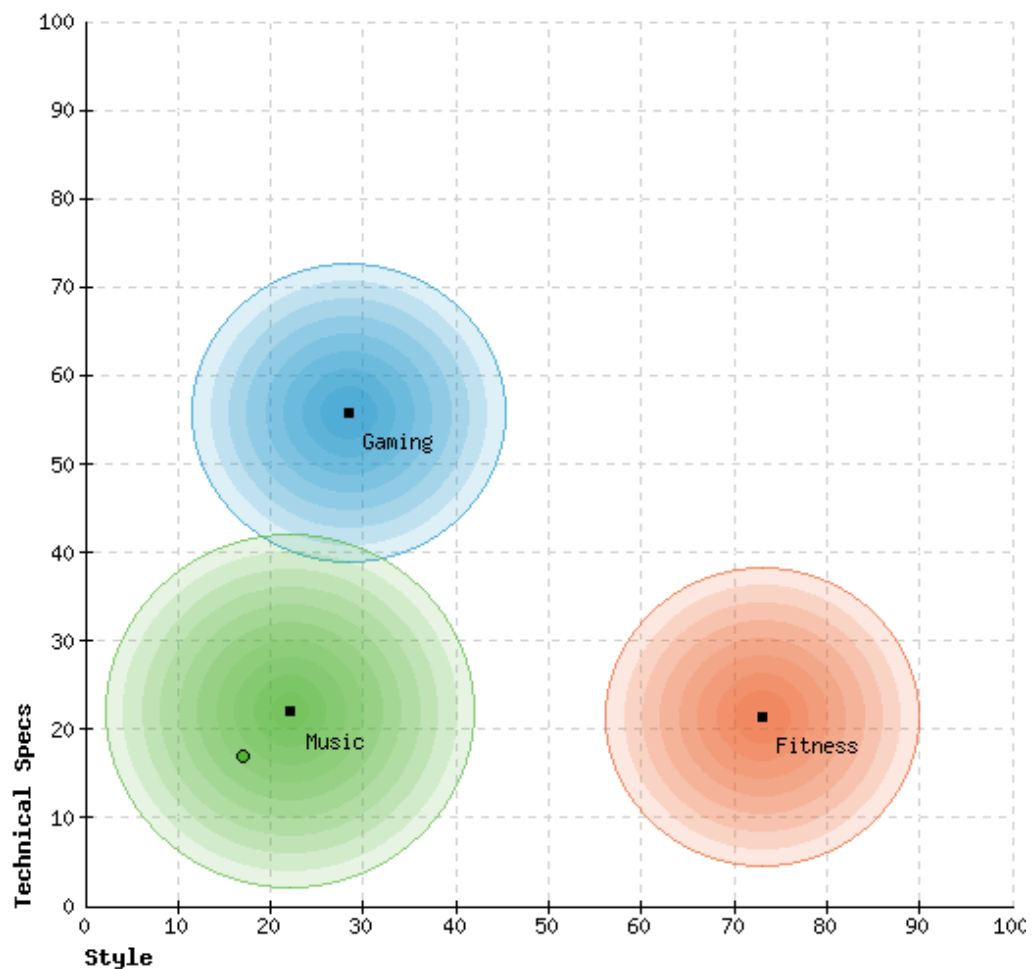
It may be beneficial to keep retail margins slightly higher whilst building initial market share for new products. While it may be possible to gradually reduce margins for established products with high sales volumes without adversely affecting their Distribution Index.

Purchase the *Retail Performance Analysis* to track distribution performance of your products and compare with your competitors.

Product Specification Preferences

Product specifications in the headphones industry are determined by a headphone's Style and Technical features. For each market customers have an ideal combination in mind of Style and Technical specifications.

The color circles on the Perceptual Map below represent the range of Style and Technical specs for each market. The center of each circle represents the ideal specifications based on customer preferences.



From Year 3 you will be able to improve your product's specs through Product Development. You will also be able to add a new Gaming or Fitness product.

CHAPTER 3

Making Decisions

Your Company & Product Name

When you first open the simulation interface you are given the option to give your company a new name:



Your Company.

Name your Company:

(You can edit your company's name at any time prior to the first rollover through the Home screen.)

As well as give your product a new name:



Your Headphones.

Name your product:

(you can edit your product's name any time prior to the first rollover through the Product screen.)

Watch the following video to get started.

Both can be edited at any time in Year 1 through the Home and Product pages.

Year 1 Decisions

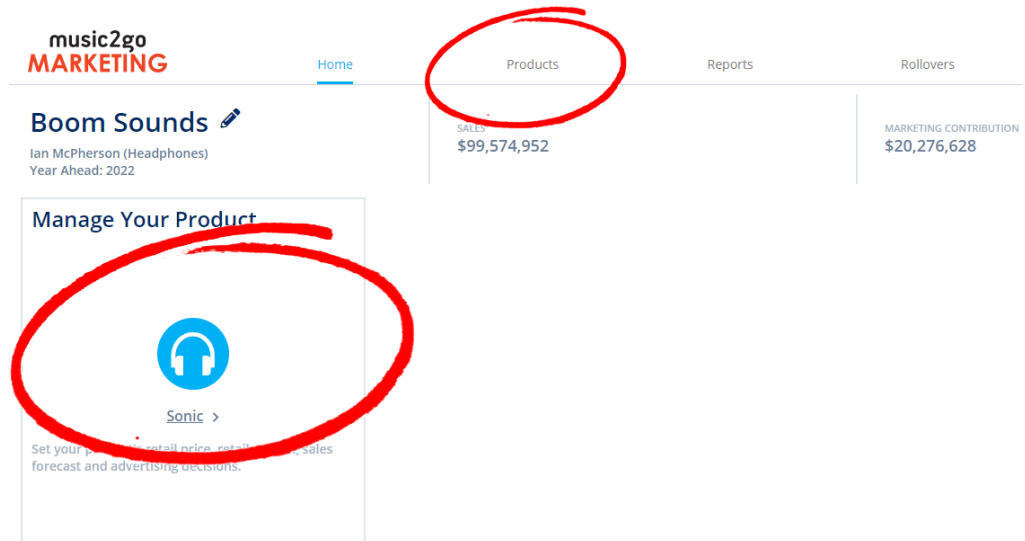
Get started by getting to know your company and the market using the Key Reports located on your company's Home page.

In addition to deciding on new company and product names, you will need to make the following decisions for your company's Music Headphones product:

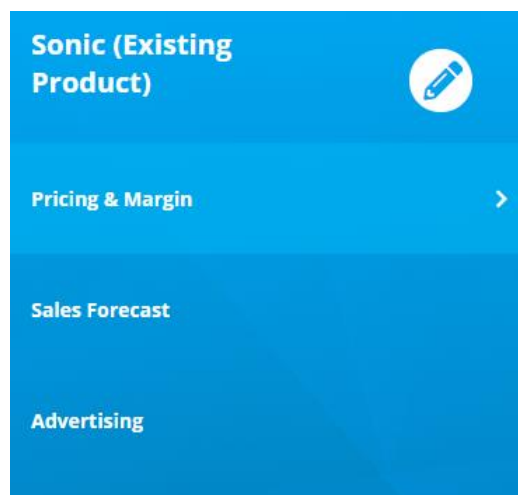
- A suitable **Retail Price & Retail Margin**.
- A realistic **Sales Forecast**.

- Setting an **Advertising** budget and then allocating this across the five media channels.

Your product's decision screens are available through either the top navigation main menu or through your company's Home page:



In your first year of management, you will be responsible for the marketing decisions for your company's only headphones product in the Music market segment:



Pricing & Margin Screen

The Pricing & Production screen is where you manage your product's Retail Price and Retail Margin for the year ahead:

Pricing & Margin

Set your product's retail price and retail margin

	Current Decision
Retail Price (\$)	<input type="text" value="100"/>
Retail Margin (%)	<input type="text" value="35"/>
Wholesale Price (\$)	65.00
Unit Cost (\$)	40.00
Unit Margin (\$)	25.00

RETAIL PRICE

Retail Price is the price that you instruct your retailers to sell your product for.

Your pricing changes should be aligned to your current strategy and coordinated with other decision areas. For example, a decrease in price will usually impact forecast unit sales. Pricing is one of the more influential decisions on sales and profit, so changes should be well thought through.

Learn more about [Pricing Strategy in Music2Go](#).

RETAIL MARGIN

A Retail Margin is the percentage of a product's retail price which is retained by the distributor for selling a product.

Increasing your retail margins encourages distributors to sell your products but results in you earning less on each sale. Decreasing your retail margins increases your company's profits, but too low and shops will stock your competitor's products over yours.

Sales Forecast Screen

This screen enables you to manage your product's Sales Forecast for the year ahead:

Sales Forecast

Enter your sales forecast for the year ahead to determine required inventory

	Current Decision
Sales Forecast (Units)	<input type="text" value="1,500,000"/>
Opening Inventory	30,638
Required Production	1,500,000
Total Inventory	1,530,638

A Sales Forecast is an estimate on how many units (headphones) you think you will sell for this given product over the coming year. Your sales forecast should be made based on previous year's demand, plus any changes based on the estimated impact of your current decisions.

Learn more about [How to Forecast Sales in Music2Go](#).

Once your sales forecast is entered the required Total Inventory will be automatically calculated. Required inventory will increase or decrease by up to 20% to meet actual demand for your product (this happens automatically during rollover).

Advertising Screen

The Advertising screen enables you to:

1. Set an Advertising budget for your product; and
2. Allocate this budget across five possible media channels.

Advertising

Set your product's advertising budget and then allocate it across the available media channels

Budget (\$)	<input type="text" value="4,000,000"/>
Last Period (\$)	4,000,000

Name	%	\$
<u>Social Media</u>	<input type="text" value="20"/>	800,000
<u>Digital Media</u>	<input type="text" value="20"/>	800,000
<u>TV</u>	<input type="text" value="20"/>	800,000
<u>Print</u>	<input type="text" value="20"/>	800,000
<u>Radio</u>	<input type="text" value="20"/>	800,000
Total	100	4,000,000

See *Media Viewing Habits* and *Advertising Reach* under Chapter 2 to learn how to determine an optimal advertising mix and how much to spend on each channel.

SOCIAL MEDIA

Social media platforms enable users to connect and share their stories with others.

These platforms provide companies with the ability to integrate paid advertisements within the user's news feed. Specific audience targeting can be achieved through user interests.

Examples: Facebook, Instagram, Twitter.

DIGITAL MEDIA

Advertising through Digital Media allows you to engage and reach potential customers through their devices. Methods such as paid advertising on search platforms, digital video and music streaming services.

Examples: Google Ads, Youtube, Spotify.

TELEVISION

Television (TV) advertising on cable and free-to-air broadcasts is still one of the most effective methods of reaching a large audience.

Live viewers do not have the ability to skip advertisements, so your promotional content is seen by the majority of the viewing audience.

PRINT

Print advertising covers promotional content featured in magazines, newspapers, direct mail and out of home advertising.

Print media covers a wide range of audiences including specialist technology and audio magazines.

RADIO

Radio is a traditional media channel which broadcasts content and advertisements over AM and FM radio frequencies, as well as live streaming and podcasts.

Year 2 New Decisions

In addition to last year's decisions, **Sales Promotion** decisions are available from Year 2.

Sales Promotion

These are promotional activities designed to boost sales. The six promotional activities available are designed to increase support for your distributors, improve customer satisfaction, and heighten brand awareness.

The Sales Promotion screen enables you to:

1. Set a Sales Promotion budget; and
2. Allocate this budget across up to six promotional activities.

Remember that the Music, Gaming, and Fitness segments all have different sensitivities to Sales Promotion so you will want to consider that when deciding how much to spend on Sales Promotion for each product.

Sales Promotion

Set your product's sales promotion budget and then allocate it across the available options

Budget (\$)	<input type="text" value="4,000,000"/>	
Name	%	\$
Trade Shows	<input type="text" value="17"/>	680,000
Salesforce Training	<input type="text" value="17"/>	680,000
Premiums (Gifts)	<input type="text" value="17"/>	680,000
Website / Social Media	<input type="text" value="17"/>	680,000
Pt-of-Purchase Displays	<input type="text" value="17"/>	680,000
Rebates	<input type="text" value="15"/>	600,000
Total	100	4,000,000

TRADE SHOWS

Trade Shows are industry-specific exhibitions which attract manufacturers, distributors, retailers, and any other interested stakeholders. For your company it enables you to target and interact with large numbers of retailers to help you promote and distribute your products.

SALES FORCE TRAINING

Sales force training invests in your company's sales staff to improve their ability to promote your products to retailers. This option is particularly useful when releasing new products to market.

PREMIUMS (GIFTS)

Premiums are complementary accessories which are bundled with your headphones to make your product more appealing to customers at the time of sale. Examples are a hard travel case, a headphones stand or a subscription to a streaming service.

WEBSITE / SOCIAL MEDIA

A company website and social media presence provides an opportunity to showcase your products and their features to potential customers. This also allows you to build your brand and influence market perception of your products. Note: No sales are made through these digital channels, with all sales being through physical retail stores.

POINT-OF-PURCHASE DISPLAYS

Investing in point-of-purchase displays ensures a product stand features in retail stores close to the register. This gives your products prominence at the point-of-sale attracting impulse purchases.

REBATES

A rebate is a guarantee from the manufacturer to provide a fixed amount as a cash-back after the final sale. This provides the customer with a discount but in exchange the manufacturer can develop a relationship with the end-user via ongoing marketing communications.

Sales Promotion & The Product Life Cycle

The Product Life Cycle is a marketing strategy tool which maps the lifetime of a product into stages.

Product Life-Cycle Stage	Age
Growth	New Product
Growth – Starting to Mature	1 Year Old
Mostly Mature	2 Years Old
Mature	3 Years Old
Mature – Starting to Decline	4 Years Old
Mostly Decline	5 Years Old
Decline	6+ Years Old

The allocation of your Sales Promotion budget should be determined by the product life cycle stage of your product.

Purchasing the *Sales Promotion Analysis* will allow you to see the age and life cycle stage for your products as well as your competitor's.

ALLOCATING YOUR SALES PROMOTION BUDGET

The *Market Research* and *Sales Promotion Information* reports inform us of the following optimal allocations for your Sales Promotion budget depending on your product's stage in the Product Life Cycle.

Trade Show Allocation Recommendations

Segment	Growth	Mature	Decline
Music	20%	5%	10%
Gaming	20%	5%	10%
Fitness	15%	5%	5%

Sales Force Training Allocation Recommendations

Segment	Growth	Mature	Decline
Music	20%	5%	5%
Gaming	30%	20%	20%
Fitness	25%	10%	5%

Premiums (Gifts) Allocation Recommendations

Segment	Growth	Mature	Decline
Music	25%	40%	25%
Gaming	20%	40%	25%
Fitness	5%	25%	20%

Website / Social Media Allocation Recommendations

Segment	Growth	Mature	Decline
Music	10%	10%	10%
Gaming	15%	10%	10%
Fitness	25%	20%	15%

Point-of-Purchase Display Allocation Recommendations

Segment	Growth	Mature	Decline
Music	15%	20%	20%
Gaming	15%	20%	20%
Fitness	25%	25%	25%

Rebates Allocation Recommendations

Segment	Growth	Mature	Decline
Music	10%	20%	30%
Gaming	0%	5%	15%
Fitness	5%	15%	30%

Purchasing the *Sales Promotion Analysis* displays your product's Promotion Mix Effectiveness and Sales Promotion Rating, as well as a comparison with your competitor's products.

EXAMPLE SALES PROMOTION MIX

Your new Gaming Headphones is at the "Growth" stage of the Product Life Cycle. Looking at the tables above you can see that the ideal Sales Promotion Mix is:

Trade Shows: 20%

Sales Force Training: 30%

Premiums (Gifts): 20%

Website / Social Media: 15%

Point-of-Purchase Displays: 15%

Rebates: 0%

However, by its second year your Gaming product has moved to the "Growth – Starting to Mature" stage. As such, you will need to adjust your Sales Promotion mix to be 1/3 of the way between the ideal Growth and Mature figures in the tables above.

Trade Shows: 15% (*Ideal Growth = 20%, Ideal Mature = 5%*)

Sales Force Training: 27% (*Ideal Growth = 30%, Ideal Mature = 20%*)

Premiums (Gifts): 26% (*Ideal Growth = 20%, Ideal Mature = 40%*)

Website / Social Media: 13% (*Ideal Growth = 15%, Ideal Mature = 10%*)

Point of Purchase Displays: 17% (*Ideal Growth = 15%, Ideal Mature = 20%*)

Rebates: 2% (*Ideal Growth = 0%, Ideal Mature = 5%*)

Year 3 New Decisions

The new decisions available this year are:




- **Product Development**
- **Add New Product**

Development Screen

You can now choose to update your existing product through a *Spec Improvement*, a *Cost Reduction*, or *Both*.

Development

Select a button below to update your product; improving product specifications, decreasing production cost or both

 <p>SPEC IMPROVEMENT</p> <p>\$1M Cost</p> <p>Improve your product's specs. Remember that some markets are very sensitive to product specifications, and some are not. Also compare your current spec index to your competitors.</p> <p><i>Product Spec Index Increases from 0.65 to 0.78.</i></p>	 <p>COST REDUCTION</p> <p>\$1M Cost</p> <p>Reduce the unit cost of each of your products. Based on last year's sales volume the estimated annual savings is \$4.07m</p> <p><i>Prime Cost lowers from \$40.00 to \$36.95 per unit.</i></p>	 <p>COST REDUCTION & SPEC IMPROVEMENT</p> <p>\$2M Cost</p> <p>Improve your product's specs and reduce the unit cost of each of your products based on last year's sales volume the estimated annual savings is \$4.07m.</p> <p><i>Prime Cost lowers from \$40.00 to \$36.95 per unit.</i></p> <p><i>Product Spec Index Increases from 0.65 to 0.78.</i></p>
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Each option has an associated cost and benefit. You should review the information provided within each box before you make your decision.

Note that if you choose to update your product, then any finished goods that you have in stock will immediately be dumped by selling them cheaply to an overseas market as your customers will want to buy your improved product instead.

Note: If you modify this product then your existing stock of finished goods will immediately be dumped by selling it cheaply to an overseas market.

Units to Dump: 134,827
Dump Cost: \$350,550

Ok


Add New Product Screen

This year you can *Add a New Product* into either the new Gaming or Fitness market.

New Product


Select a button below to add a new product into one of the available markets

Product Name
max 25 chars



Development Cost: \$1M
Estimated Market Size: 2,000,000 units
Recommended Retail Price: \$130

There are currently no products being sold in the Gaming segment.



Development Cost: \$1M
Estimated Market Size: 4,000,000 units
Recommended Retail Price: \$60

There are currently no products being sold in the Fitness segment.

A new product will cost \$1m to develop. However, taking advantage of these new markets is key to future success.

Once your decision has been saved, your new product will be available under the Products menu and on your company's Home page. You will then be able to make the necessary product-level decisions.

Year 4 & Beyond

From Year 4 you will continue to be able to Develop and improve all existing products and Add New Products up to a maximum of four products.

CHAPTER 4

Reporting

Report Shortcuts

Company Home Page

Your company's Home page features shortcuts to four key reports:



Industry Benchmark: Compare key financial metrics against other companies in your industry.

Market Summary: Summary of the performance of all your products in comparison to your competitors.

Product Summary: Sales, costs and marketing contribution for each of your products.

Market Research: Key market research information covering market segments, your customers, advertising and sales promotion preferences. The information on this report is essential for making effective and competitive decisions.

Top-Right Icons

At the top-right of the simulation interface there are two icons:



1. **Saved Decisions:** Opens the *Current Saved Decisions* report so you can check all currently saved decisions. These are the decisions which will be processed at rollover.
2. **Alerts & Notifications:** Brings back the initial login pop-up notifications which provides key results and information on making decisions for the year ahead.

Live Forecast

Click on the Live Forecast widget at any time to view your *Forecast Results Summary*. This displays marketing budget and marketing contribution forecasts for the coming year, as well as a comparison with actual results from last year.

Reports Menu

The Reports menu provides you with access to all of your company's reports. Once selected, the left-menu categorizes reports according to the headings below.

Key Reports

Industry Benchmark: Compare key financial metrics against other companies in your industry. For more see: [How to read the Industry Benchmark Report](#).

Market Summary: Summary of the performance of all your products in comparison to your competitors. For more see: [How to read the Market Summary Report](#).

Product Summary: Sales, costs and marketing contribution for each of your products. For more see: [How to read the Product Summary Report](#).

Market Research: Key market research information covering market segments, customers, advertising and sales promotion preferences.

Forecast Results Summary: View forecast sales revenue, gross margin and income for the year ahead; including a comparison with actual results from last year. For more see: [How to read the Forecast Results Summary](#).

Marketing Budget: Shows how you spent your marketing budget last year with a comparison between Budgeted and Actual Results (if you tried to spend more than your budget limit, then your Advertising and Sales Promotion decisions will have been reduced during the rollover).

Perceptual Map: Charts the markets as segmented by style and technical specifications. The center of each circle represents customer's ideal specifications.

Multifirm Marketing Contribution: A line chart showing marketing contribution for all companies in your industry over time.

Multifirm Total Marketing Contribution: A line chart showing the total marketing contribution for all companies in your industry over time.

Current Saved Decisions: All of your currently saved decisions for the year ahead.

Course Scoreboard: See how your company ranks across your entire course (if enabled by your instructor).

Purchased Reports

All reports which your company has purchased are listed here, sorted by year.

Search

The search feature enables you to conduct a keyword search across all reports.