EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání

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1. ROUND 1

The Marketing Simulation Game that you are going to play imitates the real-life decision-making process within a company and the company's communications and negotiations with its retailers.

The class will be divided to six teams:

1. Company A Sales Department (Super Chips **SCS**)	3. Company B Sales Department (Cool Potato **CPS**)
2. Company A Marketing Department (Super Chips **SCM**)	4. Company B Marketing Department (Cool Potato **CPM**)
5. Retailer A (Mega Market Retailing co. **MMR**)	6. Retailer B (Popular Market Retailing co. **PMR**)

The teams must be consisted of at least 3 members each. Therefore, the Game can be played in classes that have a minimum of 18 students.

The Game will have 3 rounds corresponding to 3 different seasons, Winter, Spring and Summer.

- The Game will have two winners: one manufacturer (including both the company's marketing and sales teams) and one retailer. That is, Company A competes against Company B and Retailer A competes against Retailer B.
- The Sales and the Marketing teams should cooperate to reach decisions after discussion.
- To avoid the "cartel case" the two retailers are not allowed to communicate. They are rivals and any form of cooperation is not acceptable.
- The overall market demand is different for every season, this number will be included to all team's round description.
- Each company sells two brands, Premium and Normal.
- In the potato chips market, there are 30% quality seekers buying the premium potato chips and 70% normal consumers that buy the normal brand.
- Quality Seekers are focus on the quality and for them a relatively high price is not relevant. Some of the quality seekers are loyal to a brand while some of them are brand switchers.
- Investments in promotion cause brand switching and it is the way to increase company's market share.
- Normal consumers are price sensitive and promotion to attract them is not so effective.
- If a manufacturer (Company A or Company B) produces more units than it can sell, the profit margins are diminished.
- Sales Department executives that manage to sell more product units will receive a higher bonus.
- Sales Department Negotiates with both the retailers and thus decides about the final price and quantities sold to Retailer A and Retailer B.

- Marketing department executives that manage to achieve higher profit margins will receive a higher bonus.
- Marketing department decides about quantities of Normal/Premium products produced and recommends price to sales. Moreover, it decides the promotion investments.
- Retailer’s profit is calculated as follows: Negotiated price* Negotiated Amount of each of the four potato chips brands* 0.1 (0.1 is the profit margin of both retailers for all markets).

Watch 3 videos – marketing manager, sales manager, retailer

- **How I perceive the reality and the „players“:** What marketing want and do, what sales want and do, what retailers want and do, what consumers want and do – presenting the „marketing“, „sales“ and „retailer“ mentality (1 min)
- **How I perceive the conflicts:** What are the typical conflicts and why they happen (1 min)
- **What is my recipe to win:** How to overcome the conflicts and win the „game“, my recommendations for the „players“ (1 min)