Marketing Simulation as Rehearsal for Real World Employability

Fiona Syson, John Mercer
Edge Hill University
“We reiterate that developing employability skills for graduates is an issue for the higher education sector, not only in relation to the first job students may gain after their studies, but also important for graduate prospects at future points of career development or change”

Pegg et al., Pedagogy for employability HEA, 2012:7
Employability Agenda

• Employability is of paramount importance for:
  – Graduating students
    • Expectations & demands: Value for money
    • Career readiness
    • Graduate labour market increasingly competitive: Differentiation
    • Value added attributes
  – UK economy
    • High tuition fees
    • Low economic growth
  – Employers
  – University imperative
    • Government policy
    • League table positioning
    • University recruitment
    • Fee paying student demands

• “The development of graduates with relevant skills and knowledge – the employable graduate as “Future Fit” (CBI/UUK 2009) – has placed graduate employability at the centre of the HE agenda”
  
Pegg et al., HEA, 2012:6
Strategy

• Embed employability within curriculum
• Employability underpins EHU Business School pedagogy
• Design assessment process to ensure students appreciate links between studies: employability
• Build a narrative and expectation to
  – Drive students to engage with employability
  – Feel confident about their future options
Strategic Gap Analysis

• Early Career Graduates Not Afforded Opportunities for Strategic Decision Making

• Students Need to Develop Key Strategic Business Skills:
  – Business Analysis
  – Market Analysis and Changes in Market Dynamics
  – Interpretation of Market Intelligence
  – Opportunity to Make Strategic Decisions
  – Appreciate Consequences of Own Business Decisions
  – Strategic Reflection on the Ongoing Interaction – Symbiotic Relationships
Multi-disciplinary theoretical review
Team Selection & Introduction
Practice Rounds & Familiarisation
Strategy & Objective Setting
Decision Making 6 Iterations
Review Outcomes
Reflection on Simulation
Conclusion & Analysis

Business Learning and Theoretical Consolidation (6 Iterations)

Business Testing and Critical Evaluation (6 Iterations)

SIMULATION
Introduction to simulation package
Simulation Attributes

• CESIM involved students working in teams to create and market an FMCG
  – Soft Drinks Market
  – Mobile phone market

• Students required to:
  – Work in teams to make decisions re: marketing operations with Financial metrics
  – Create products, prices, marketing communications, channels to compete in the market to achieve sales / profits / company value
  – Requiring students to make weekly decisions based on the current performance of the product in the market
  – Students analyse data - make individual decisions
  – Discuss as a team to come to a final decision on overall strategy & operations
  – Market intelligence data available online
  – Cesim tutorials available online throughout the module
Mode of Implementation

Pre-simulation group formation
• Leadership pitches
• Team member applications
• Leaders undertake R&S including interview, offer team membership
• Groups formed
  – Team competition
  – All seminar work now undertaken in these groups

Integration of theory and practice
• Assimilation of marketing operations and theory studied to date
• Delivery of theory on marketing strategy
• Trial rounds of simulation x 3
• Live rounds of simulation x 6
Market Outlook

Markets in Europe still shrink slightly, but the greatest fallbacks are clearly behind as the smaller and most ineffective market players have dropped out of the business. Now in turn Asia suffers because high interest rates have motivated consumers to save most of their income.

Now the Asian consumers are more price-sensitive than ever mostly because the supply of second hand products has increased dramatically. The trend seems to be that most of Asian sales happen in department stores whereas European consumers favour appliance and specialized stores.

Some economists have predicted positive growth figures for the following years, providing that the developed markets gain pace and pull Asia with them.
Information about other teams' products

<table>
<thead>
<tr>
<th>Product name</th>
<th>Team Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Green</td>
</tr>
</tbody>
</table>

| Price, €   | 340.0     |
| Unit Cost, €| 112.1     |
| Sales Last Round (k units) |
| Households | 94.2       |
| High-End Households | 23.3     |
| Companies  | 30.0       |
| High-End Companies | 7.4      |
| Advertising, k € | 0        |
| Channel Investments, k € | 0        |

Administration

European Market: 14950 k €
Asian Market: 4600 k €

Products

<table>
<thead>
<tr>
<th>Product name</th>
<th>New Wave</th>
<th>Cool Phone</th>
<th>ESG</th>
<th>EM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Click to Select Markets</td>
<td>Europe</td>
<td>Asia</td>
<td>Europe</td>
<td>Asia</td>
</tr>
<tr>
<td>Click to Activate Upgrade</td>
<td>NEW</td>
<td>NEW</td>
<td>NEW</td>
<td>NEW</td>
</tr>
<tr>
<td>Click to Choose Design</td>
<td>?</td>
<td>Cool</td>
<td>Cool</td>
<td>Cool</td>
</tr>
</tbody>
</table>

[Graphs showing European and Asian markets with product comparisons]
R & D

<table>
<thead>
<tr>
<th>Own Investment</th>
<th>This Round</th>
<th>Last Round</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compactness</td>
<td>3500 k€</td>
<td>3500 k€</td>
</tr>
<tr>
<td>Battery life</td>
<td>4000 k€</td>
<td></td>
</tr>
</tbody>
</table>

R&D Investment (k €)

Change in Maximum Battery life/Compactness

Time remaining: 12 days
### Income Statement, Total k €

<table>
<thead>
<tr>
<th></th>
<th>Green</th>
<th>Rouge</th>
<th>Blue</th>
<th>Orange</th>
<th>Grey</th>
<th>Ochre</th>
<th>Pink</th>
<th>Navy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products sales</td>
<td>608 071</td>
<td>4 594 193</td>
<td>171 544</td>
<td>1 219 049</td>
<td>0</td>
<td>491 951</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Repairs sales</td>
<td>55 311</td>
<td>224 676</td>
<td>34 852</td>
<td>50 267</td>
<td>0</td>
<td>20 320</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Variable costs (Products)</td>
<td>253 232</td>
<td>1 991 478</td>
<td>72 815</td>
<td>376 728</td>
<td>0</td>
<td>139 554</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Variable costs (Repairs)</td>
<td>42 547</td>
<td>172 828</td>
<td>26 809</td>
<td>38 667</td>
<td>0</td>
<td>15 631</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Assessment

Formative: continual through simulation

Summative: Working in teams, you will use a business simulation tool to experience the strategic marketing planning process.

1. Essay
2. Blog posts

Essay to ensure thorough grounding in theory. Learning Outcomes tested:

– Take a critical, perspective driven view of marketing management

– Critically analyse and evaluate a range of strategic theories, models, frameworks and concepts
“Employability is not just about getting a job. Conversely, just because a student is on a vocational course does not mean that somehow employability is automatic. Employability is more than about developing attributes, techniques or experience just to enable a student to get a job, or to progress within a current career. It is about learning and the emphasis is less on ‘employ’ and more on ‘ability’. In essence, the emphasis is on developing critical, reflective abilities, with a view to empowering and enhancing the learner”

(Harvey 2003)
Reflective Blog Posts

• Working in teams, you will use a business simulation tool to experience the strategic marketing planning process.

• You will be assessed on your reflections on the process throughout the simulation via individually written blog posts each reflecting on your individual learning from the marketing simulation.

• Tests learning outcomes:
  – Critically evaluate the competitive landscape and formulate marketing decisions in response to the dynamism of the market environment.
  – Critically reflect on a range of marketing decisions applied and evaluated through the marketing simulation process.
  – Work effectively as a team member and reflect on own performance and contribution.
**SIMULATION**

**Multi-disciplinary theoretical review**

**Team Selection & Introduction**

**Practice Rounds & Familiarisation**

**Strategy & Objective Setting**

**Decision Making (6 Iterations)**

**Review Outcomes**

**Reflection on Simulation**

**Conclusion & Analysis**

**Business Learning and Theoretical Consolidation (6 Iterations)**

**Business Testing and Critical Evaluation (6 Iterations)**
Simulations and Employability

“Constructivist (i.e. active or experiential) approaches to learning and teaching are well aligned with this process and develop employability because they encourage exploration, provide feedback and develop reflection, motivation and engagement. Examples include experiments, field trips/observations, games, model-building, role plays, simulations and surveys. Their benefits have been well documented”

UK Commission for Employment and Skills (UKCES) 2008; Birmingham City University 2010
Benefits & Challenges

- Weekly structure
- Resource requirements
- Momentum
- Student feedback

Any Questions?