

Market simulation essay sample

[Business](#), [Marketing](#)



MM's Motors should try to increase the market share and their profit shares. What is Simulation it is a computer program for business to analyze a model to make decision on their product, pricing, customers, finance and more? If MM's Motor had this program in place it could help the company to make wise decision by using the simulation game to show the success or failure of their decision making for business. It's a good way for companies to handle challenges or risks to manage through this creation of a business model game. Also, it's a suitable technique to verify and control how successful this method can be for a business in the real world. In my opinion if simulation program could be an asset for businesses, I think many businesses should invest in this program to get great result for their business regardless of the size.

In order for me to decide on my first strategy I listened to the current customer's video of what they were asking. There were some who stated the company services as well as sales support that needed some improvement in order to establish a better relationship with the customers. It was pointed out the staff needs more training and knowledge about Minnesota Micromotor's product when assisting customers. There were also statements that tech support is never available to contribute support if they have a problem. However there were some very satisfied customers with their products quality and customers service. After listening and taking into consideration to what the customers were expressing I feel that the pricing needed a little adjustment. By making the price adjustment, perhaps this would make our current or existing customers feel a little special and also to

target potential or new customers on board for our product. Marketing Simulation3

Also by giving our customers a price break and setting the price to \$100 I feel this would be an important factor for sales and Customer satisfaction would also have the opportunity to be increased. . The second thing I changed was the distributor discounts to 10% and adjusted the large customer segment discounts a 12% & D 14%. After which I change the sales force emphasis allocation by segment percent values wishing it would be more profitable for the business. These are the percent values for the sales force emphasis allocation by segment that were adjusted a 19%, B 24%, C 35%; D 22% was part of my decision-making. These are the strategies I made for making my decision into the simulation game for Quarter #1.

Base on my decision making the result shows in the market share that the large customers segment has increase. As well as it also shows the small customers segment increase too. Large customers Segment A decrease 1.0%, B decrease 0.1%, C was = 0.1%, D increase 22.3% and for the small customers segment increase 12.1%. In the segment share shows that large customers made in the quarterly revenue are \$3,164,252 and the small customer made \$1,308,240. So that means the unit sales increase for both the large and small customers; the percent value for large customer 17% and the small customer 24%.

MM profit margin is -10 % and average prices for large \$124.96 and small customer \$90.00. As you can see the spending features stayed the same,

due to the fact I did not change anything in this area. After I took into consideration my result I Marketing Simulation4

Feel the business could be in jeopardy for failure due to the result in the segment share, MM profit margin and average price. I realize by me adjusting the price wasn't a good choice and maybe I should have focused more on the competition. Having a -10% in profit helped me realize that the business is not adding any extra revenues from the price change. There is a benefit for the large and small customers but it harms the net income and profit for the business. This shows the only success for the business is the large and small customers. The next quarters I will look at sales budget, marketing budget and development of product. There will still be changes made in the quarters but will choices that would be for the betterment of the Company.

Reference

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