

# [Example of business plan on online simulation budget and marketing strategy](https://assignbuster.com/example-of-business-plan-on-online-simulation-budget-and-marketing-strategy/)

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## Brand design decisions

Macro Computers targeted three primary segments comprising of Workhorse, Mercedes, and Traveler. As such, we carried out detailed market research purposed at highlighting on the location where the largest user segments were situated. Consequently, sales offices were established in major cities including New York, Tokyo, and Paris. Brand design decisions did not take place in isolation because the presence of our competitors was worth noting. Some competing firms represented the major cities connoted herein; hence, our establishment in all these cities gave us an upper hand over our competitors. Overall brand design decisions were arrived at based on detailed market research aimed at determining the emerging trends in the market (Mozota, 2003). This would in turn enable Micro Computer to merge such emerging trends in the production of personal computers; hence eliciting increase customer loyalty. In addition, determination of brand design decisions was further based on the current personal computer brands in the market.

Micro Computers carried out market research in order to establish preferred brands of personal computers, which enable us to gain an insight on customer preferences. Due to varying preferences, we developed different personal computer brands. In the first quarter, the brands were placed on the market in order to test consumer preferences on each brand. The brands did not perform quite as per our expectations. Nevertheless, we did not change the brands in the second quarter, but the brands were improved through incorporation of different consumer needs and changes noted in the names of emerging brands. By the close of the second quarter, we managed to improve our market share. We made some changes at the beginning of the third quarter and this offered substantive improvement of our market share by the end of the quarter, as we moved up one in our primary segment. In conclusion, brand design decisions were arrived at based on the characteristics of different personal computer segments.

## Decisions about changing the selected markets

As I reflect back on my simulation results, concrete decisions concerning the selected markets were arrived at during the first quarter. This was mainly because making decisions during the subsequent quarters about the selected market would be complex interfere with the development of the strategic plan, which was set in the first quarter. Nonetheless, decisions on whether to change the selected markets surfaced in the second quarter, since it was essential to select major markets in order to attain a higher market representation than other competing computer firms (Wierenga, 2008). Notably, decisions to change selected markets were dependent on the success of the strategies employed in the preceding quarters.

Specifically, during the third quarter we wanted to expand and change into the fourth and fifth markets, which were Sao Paulo and Paris respectively. However, in order to finalize this decision we had to wait for the third market computer- Traveler to prove its success in its approach. Arguably, changing the selected market would be a positive decision, as it would guarantee a bigger market representation.

## Change of selected office locations

Upon attainment of the overall market share, leader change of office locations in other areas would be recommendable. As such, we would shift our offices to another location such as Tokyo in order to compete for a global market share with competing firms who have already situated their offices in the mentioned locations. As an example, it would be essential to shift our offices to Tokyo so that we can market our brands in competition with Powerhouse Technologies, Olympus Computers, and Creative Computers, Inc. who have established themselves in the mentioned locations.

Decisions on the need to change office locations will be arrived at based on a series of steps aligned with the need for a clear purpose that is to provide a viable platform for expansion into wider global markets (Wierenga, 2008). As such, relocation of the offices will call for the development of the operational requirements in the new location. Overall, relocation decisions will be based on a clear and realistic budget developed in consultations with the right professionals. In addition, change of office locations will be communicated internally to the Macro Computer personnel in order to facilitate adoption to such change.

Overall, change of office locations will be focused on relocating to geographic user segments in the middle and cost size continuum. In fact, if Macro Computers could extend the simulation close to the ninth quarter, it would be more critical to modify different aspects including the target market, geographic location with regard to offices, as well as other management decisions. However, modification of other aspects such as product brands and price would not be recommendable, as it would reduce our capabilities, which are crucial in expanding into other markets that are yet to be covered. For this purpose, the need to change office location would have increased if the simulation were continued. This is because with continued simulation, more focus is laid on other key markets not covered in the initial quarters; hence need to change offices to these key markets.

A number of factors were considered before establishing a presence in the international market. These factors included but were not limited to gaining access to customers within our target segment, which are in the middle of the cost/size continuum, capitalizing on the company’s core competencies in the production of computer products, the desire to spread operating risks on a wider business environment, and helping the company to realize reduced operating costs (Thompson, Strickland, and Gamble, 2010, Chapter 7). Other factors that played a fundamental role in defining the market share included the customer needs and demands in geographic markets, and the nature of the competitive market.

Speaking of consumer needs and demands, our company analyzed the 12-month potential demand in Paris, New York, Sao Paulo, and Tokyo to examine the possible amount of units that could be demanded within the next 12-months. This analysis assisted in providing the criteria for estimating the market potential for each market segment. There is no doubt that consumer buying habits, competitive pressures, and the growth and potential size of a market does differ depending on the geographical market. Altering the production of our computers was aimed at fulfilling the tastes and preferences of the selected market.

The idea of attaining reduced operating costs had largely to do with the varying costs of operations in different market segments. For instance, options regarding the choice of the geographic market included placing focus on smaller but less costly markets, large and expensive markets, average geographic markets in times of size/cost or geographic markets that minimize on the concept of cost distribution. As a result, our company decided to focus on geographic markets found on the middle of the cost/size continuum. The aspect of capitalizing on the international competitive environment involved analyzing the competitive forces and industry conditions regarding the production and distribution of computers. Customers in different regions base their demands and preferences on different product attributes and this could be evidenced from the differences in demand projects in Paris, New York, Sao Paulo, and Tokyo.

Finally yet important, the analysis of our company’s core competencies played a key role in influencing international expansion decisions. A company deploys its core competencies and capabilities to boost its competitive position in the international market (Hill, 2009). Our company aimed at delivering the most reliable, fast, and functional microcomputer in the market and aimed at focusing in the geographic market found in the middle of the cost/size continuum. For this reason, the decision regarding entry into the international market involved analyzing our resource strengths, capabilities, and competencies that would act as assets in our international expansion activities.

Heavy investment in international market operations would call for the identification of the major investments of the investment activity. Possible reactions to this analysis might include making decisions to concentrate such investment in few regions or stop the investment opportunity. Before making such decisions, it is important to evaluate the company’s overall cost position with respect to its investment activities (Thompson, Strickland, and Gamble, 2010, Chapter 4). From this evaluation, it is possible to evaluate whether the company would be in a favorable or unfavorable position if it invests in the business opportunity. The factors analyzed in the supply chain includes the costs of supply chain management, the cost of operational activities, distribution costs, sales and marketing, and costs of servicing. Other factors include market research costs in terms of research and development, and human resource development.

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