

Marketing simulation assignment critical thinking examples

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



ANALYSIS

Ali Mohammad Al (AMA) targets university students, and has spent more than three times in marketing costs, as compared to its competitors. Like the rest of the brands, the gross profit margin remained below 35%. The total unit price was a lot lower, as compared to many in the market. The unit production cost was also reasonably lower. During the first turn of production, AMA was seen to have a final balance of less than \$100, even after selling more than three times the units as compared to other brands who hold the same product.

The first turn showed that AMA had a low message score. During this time, AMA went through a lot of changes in terms of the message - the manufacturers believed that it would be better to remove certain words from the message in order to target their wanted market. Along with these changes, there were some physical changes seen in the product, such as a new water bottle and a laptop sleeve. AMA decides to add the word fashionable to its message, which was a big change as compared to a lot of the words removed from the previous messages.

Along with this change, they removed Fashion Magazines from the advertising platform, which was a strange move seeing as the word "fashionable" was added to the message. However, this followed by new types of media advertising, which included newspapers, social media, websites and blogs. This change added to an overall media spending of \$14,000 in the first turn, resulting in a -\$9,929.19 in the profit, giving AMA a final profit rank of 6 out of 6. This type of advertising was seen as a long-term investment because of the mobile revolution, considering the target

market for AMA backpacks.

AMA went through various changes from the first turn to the sixth, slowly climbing up to the number one profit rank, which was way ahead of its competitors. Although they decided to remove social media from the advertising platform during the second turn, this came back in the game and remained there, as it proves to be an effective way to market to university students (Consortum, 2007). The price of each unit was seen to drop to as low as \$52 per unit, which is favorable, given the target market for the AMA product. The distribution locations, being inside universities also played a role in the profitability of the products.

The use of social media to market products and events is not a new thing. Many people are getting into the hype of viral marketing in order to reach clients (Dwyer & Tanner, 2006). It is a fast and effective way to get a product out and reach buyers directly. Not only do these things allow marketers to connect with an audience, they are able to do so in a fast-paced, low-cost environment. Starting a Facebook, Twitter or Tumblr page for their products will not cost a lot, if page advertising is not included (eMarketer, 2008).

The constant changes in message and the new look for the AMA backpacks may have also played a role in the increase of sales. Customers who fall under this target market are always looking for something new. These consumers are looking for the new in-product, something which is seen as a pack-mentality. Therefore, closing a distributorship deal with the local university store was a great move (Campbell, 2008). Not only does it make the products more accessible, but it shows that there is a market in that area, and that other students should also take the opportunity to purchase

the products because their peers already have.

Social media marketing is a vast subject, in order to have this in the advertising platform or marketing strategy, there needs to be a concrete and well-thought out plan (Solis, 2008). Whether the marketing focused on certain social media platforms, or paid advertisements, the target market should be considered. Because of the mobile revolution, many people are getting their information online. This means that online marketing, SEO, SMM and other things make a good investment for a project like this (Solis, 2008). Having advertisements on gaming website and other blogs may have also increased sales. It was these decisions that ended up picking the profit margin up from turn one to turn six.

The first two turns showed instability in a marketing plan. However, once a solid marketing base – one with social media included – was established, it was a relatively smooth ride from there (Wilburn, 2008). The decrease in price also seemed to improve the sales, given the target market for the product. Although, the average appeal score for the product was seen to go down in the later stages of selling, which stayed at a score of 16 from turn 5 to turn 6. This started at a high above-average score during the first and second turn.

REFLECTION

During the first two turns were the hardest, since there was no real solid marketing strategy. Unlike the other brands, AMA, or my brand was still finding its footing. The target market for the brand was actually broad.

University students in general is not a specific market, which at first seemed

like a good idea, since then the backpack could be for everyone. However, not knowing a specific target market made it a bit more difficult to actually find an advertising platform that worked (Campbell, 2008). It was hard to reach out to the audience if you didn't really know who you were talking to. This was why there were advertising platforms that were so different from each other. We had one in a gossip blog, one on a fashion magazine and a gamer website (Juniper Research, 2007). This kind of shows that the target market we had chosen had no personality or a specific characteristic. No matter how great your products are, I found that not everyone will be interested in what you have to sell, even if you market the product as one that is for "everyone" (Dwyer & Tanner, 2006). Knowing this earlier on in the game might have helped reduce the marketing costs. This was one of the things that pulled us down from profit at the start.

Although marketing is good, and spending on it means that you are just investing in your product, I found that you need to know where your target market is looking. Since we were going for university students, putting in ads in newspapers wasn't such a good move (Consortum, 2007). It was really social media that helped us get the word out. Since we are living in an age where most people get their information from the internet, and they like connecting with their friends through websites like Facebook and Twitter, it only made sense to have a social media campaign (Chester, 2008; Solis, 2008).

Marketing and business has changed throughout the years, and companies are now able to reach their clients in a different way. This is seen in social media marketing and the use of online tools to reach the target market.

However, even if you do have this kind of reach, you still have to know who your customers are. By knowing who they are, you will know where they are looking. It is this kind of information that has helped me make the later decisions for AMA backpacks, which resulted in the number one profit rank for our products.

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