



Software Review
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Using the Web Marketplace Simulation in an Undergraduate Capstone Marketing Management Course

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Foreword

Throughout my career, I've combined practice and teaching. As such, I've been using business simulations since the late 1970's. I began using the Marketplace business simulation in the Winter 2000 semester and have coached seven (7) classes since then.

My teaching approach to Marketplace is inspired by my experience as a Manager more than my theoretical knowledge of Business and Marketing, acquired through a PhD, an MBA and a B.Comm. I strongly believe that this approach was an important element behind the excellent results obtained by my students in the Marketing Strategy Global Marketplace Competition, held in Fall 2001. At the time, I was teaching at HEC Montreal (Business School affiliated to University of Montreal).

The teams represented in this competition were from Florida Atlantic University-USA, Malaspina University College-Canada, Sam Houston State University-USA, St. Andrews University-USA, University of Houston-Clear Lake-USA, The University of Wisconsin-Madison-USA, and HEC Montreal. My students were competing in six of the seven industries involved in the competition. Their performance was outstanding:

- Overall first place for the seven industries,
- First place in three industries,
- Second place in two industries,
- Most Competitive Team award.

Introduction

The purpose of this paper is to share my learning strategy and methods in the hope that it may help Instructors make a more efficient use of the Marketplace Business simulation. I will NOT get involved with technical details: my friend and colleague Dr Cadotte is far more qualified than I to explain to you the intricacies of Marketplace.

My method is simple and well known in successful businesses: strong leadership using a coaching approach. I'll explain coaching further in the next section of this paper.

At HEC Montreal, Marketplace is used in an undergraduate Marketing Management capstone course. The first thing I do when I begin a new class is to set students in a particular mindset: I tell them that they are not starting a new course but taking on a new job. I make it clear to them that for the duration of the semester I will be their Manager rather than their Instructor. I further tell them that they will have to get very involved in the simulation, show dedication to their company and display professionalism in their behavior at all times, particularly regarding sharing the workload, availability for team meetings and promptness to respond to messages.

In turn, I set the example and make myself very available: email is the preferred method of communication outside coaching and classroom sessions and I make it a point to respond to my

messages within one to three hours, even on weekends. I also display a high level of energy and provide strong leadership to each team, as would a senior executive with the managers of a subsidiary.

The overall objective of the course is to integrate and apply the various concepts learned throughout the Bachelor of Administration curriculum; students are warned at the onset that the strict memorization of concepts will not help them at all in the simulation.

No new Marketing Management material is covered in class and no revision is made of concepts previously learned. Students are instructed to refer to the material used in other courses to review concepts that they may have forgotten; the Instructor is available as a final resource if all else failed. In fact, meetings in class are kept to a minimum: the preferred learning method is coaching sessions on a team basis.

From the very first class on, I emphasize the following key elements:

- Critical importance of the bottom line,
- Necessity of teamwork,
- Need for strong leadership within each team,
- Adaptation of decisions to context,
- No such thing as an ideal decision,
- Importance of risk related issues: assessment, tolerance and taking,
- Need for long term perspective.

Coaching

As mentioned, my success using Marketplace involves strong leadership and coaching: this in turn increases student motivation and allows them to unleash their creativity.

Weekly coaching sessions serve to verify whether past problems have been solved and to uncover new difficulties, if any. Sometimes, teams have very little to report but contact with their Manager is nonetheless important, if only to verbalize satisfaction and pride with their results.

Email serves as an emergency means of communication. In many cases it fulfills a purely symbolic function: it's reassuring for students to know that they may reach someone in case of trouble and that they will obtain a response very quickly. In other cases, it may help in solving minor technical issues very quickly, when students have failed to get the proper answer themselves from the Marketplace Web site; this type of intervention gets scarcer as the simulation progresses. In a minority of cases, some students may lack the self-confidence to function efficiently: swift intervention from the Instructor usually gets those students to gradually develop assurance.

No direct answer need be given to students: the objective is to make them think and use their creativity to solve problems. It's usually sufficient to ask questions that will lead students to think about alternatives: they find the answers by themselves. Students are very creative: this creativity need only be stimulated by

positive reinforcement.

It's important to keep the students result- rather than task-oriented, the latter being more frequent in a learning environment. Most students get very involved in Marketplace, as if the results they've obtained are tangible rather than virtual. They can get very competitive.

Even when decisions have not produced outstanding results, there are always positive elements that can be found to encourage students. From the Instructor's standpoint, this is similar to the situation of a Sales Manager faced with a salesman going through a difficult period: in both cases, the person must be kept motivated until better results are achieved.

On the other hand, the Instructor must also keep reminding the teams that are doing very well that they must constantly maintain their vigilance. More than once, I've seen teams obtain great results in Q3 to Q5 and to go downhill from there, because they had taken unnecessary risks or underestimated their competitors' ability to catch up.

Last, but certainly not least, enforcement of discipline: it has to begin in the very first class. As I said earlier, the students are told from the start that they are not beginning a new course but taking on a new job. As such, they are expected to conduct themselves in a professional manner: punctuality in class and meetings, promptness in taking and responding to phone and email messages, attendance to all class and team activities, and responsible attitude towards team with regards to work assignments. Individual grade is linked to this issue of professionalism by means of an evaluation performed by other team members (see evaluation section and annexed form).

Evaluation

Despite the fact that Marketplace is a team effort, students are graded on an individual basis through two individual and four collective, but individually weighted, evaluations (see annexed course outline). Weighting of collective grades is performed by the means of a form (also annexed); each member of the team submits this form for each of the four collective elements of the evaluation.

An **individual Quiz** is designed to make sure that all students familiarize themselves with Marketplace; it is composed of multiple choice questions taken from the ones supplied with the course material and translated in French. The test covers the Introduction and Quarters 1 through 3 of Dr Cadotte's Power Point presentation of Marketplace, also included in the course material.

Oral presentation of an initial Marketing plan aims at giving each team a focus and objectives to meet after completing the test market (Q3). I find it useful to have students prepare a skeleton Marketing plan in the early stages of the simulation to avoid them being strictly opportunistic. This is a real danger, especially if students have already used a more simple Business simulation which allowed them to obtain good results by simply pumping money in advertising. This Marketing plan may be used to allocate investment funds, between 2 and 5 millions, to each team at Q5, depending on several elements: realistic

sales and market share objectives, sound strategies and tactics, high profitability and cautious cash management.

The initial Marketing plan is further developed into a **formal Marketing plan**, taking into account Q4 results, in preparation for the final year (Q5 through Q8). This plan is submitted in writing and may serve as an evaluation tool at Q8 to complement Marketplace's Balanced Scoreboard. It also serves as a road map for students: it helps keeping them focused on the long term. It's a valuable tool for the Instructor to evaluate several abilities:

- Proficiency to implement the plan,
- Ability to modify the plan to reflect changing market conditions,
- Good indication about reason for success: chance or planned.

Company performance is easy to evaluate using Marketplace's Balanced Scoreboard. I use the cumulative results at Q8 rather than the results for Q8: I think it better reflects the overall effort in the long run. As mentioned above, review of the Marketing plan may be used as a tool to refine the evaluation. I've never witnessed students succeeding by chance in Marketplace; I therefore use the Marketing plan mostly to verify why a company may have obtained disappointing results. Sometimes, it allows me to raise their grade a little if, despite sound planning, the team's performance is weak because of one gross mistake in the early stages of the simulation.

In the last class, teams are asked to make a **presentation of their company's performance**. I make it a point to have the companies with lower performance present first to save them the embarrassment of having to present after a «Star». This activity allows me to illustrate several things:

- That all teams have made good and bad decisions,
- The long term effect of decisions,
- The key elements which allowed the winners to succeed,
- The fact that smaller companies may succeed in specialized markets,
- The advantages of calculated risk taking,
- The critical importance of the bottom line,
- The necessity of sound cash management.

Finally, each student submits a **critical evaluation of the simulation**. Most often, this element of the evaluation allows me to discriminate between students for grading purposes. It also helps me refine my learning strategy and methods from year to year.

Conclusion

This paper did not intend to provide technical insight about Marketplace: I've learned through my experience in using Marketplace that such is not the critical element of a successful learning experience for students. Marketplace is so well documented on the Web site and in supporting material (documents and presentations), that students, and new Instructors for that matter, can easily resolve any technical issue. The Marketplace technical support team is also very responsive and efficient. Instructors who feel

less comfortable with technology can even hire a course assistant to take care of the technical issues.

The true role of the Instructor is to create a realistic business context in which students will be able to apply concepts learned in other courses. In fact, I like using Marketplace in a capstone course because it allows me to achieve what any Business School Instructor should want: to prepare students to take on responsibilities in Business.

The elements mentioned in this paper are very simple and common sense: I've learned in business that success is usually tied to the simplest things. And, that the simplest things are often those we forget about.

I sincerely hope that the few elements mentioned will provide useful insight to other Marketplace Instructors. Perhaps this paper will also get other instructors to adopt Marketplace as a teaching tool: it's as close one get to the reality of business without actually being in business.

ANNEX 1 – COURSE OUTLINE AND EVALUATION**COURSE OUTLINE**

Class	Content
1	Introduction and review of course outline Marketplace Power Point presentation: Introduction Formation of teams
2	Marketplace Power Point presentation: Q1, Q2, Q3 Finalization of teams Registration of teams in games Preparation of teams for Q1
3	Quiz Marketplace Power Point presentation: Q4, Q5 Q1 decision
4	Team coaching Q2 decision Preparation of initial Marketing plan
5	Team coaching Q3 decision Preparation of initial Marketing plan
6	Presentation of initial Marketing plan by all teams
7	Team coaching Q4 decision Preparation of formal Marketing plan Term recess
8	Return of formal Marketing plans by instructor Marketplace Power Point presentation: Q6, Q7, Q8

	Q5 decision
9	Team coaching Q6 decision
10	Team coaching Q7 decision
11	Team coaching Q8 decision
12	Analysis of results by all teams Preparation of presentation by all teams
13	Presentation of company performance by all teams Submission of individual critiques of Marketplace

COURSE EVALUATION

Individual Quiz	10%
Presentation of initial Marketing plan ¹	10%
Formal Marketing plan ¹	25%
Company performance ¹	25%
Presentation of company results ¹	10%
Critical evaluation of simulation	20%

¹ These results are individually weighted for each team member by means of a team evaluation form.

ANNEX 2 – TEAM EVALUATION FORM

Element of evaluation : _____ Team : _____

TEAM MEMBER NAMES (in printed letters and alphabetical order, INCLUDING the person performing the valuation)

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

NAME OF PERSON PERFORMING EVALUATION :

SIGNATURE OF PERSON PERFORMING EVALUATION :

_____ (mandatory)

Date : _____ (mandatory)

This INDIVIDUAL evaluation will remain CONFIDENTIAL. Each student must submit this form in a sealed envelope to the Team Leader for each of the following evaluations : 1. Presentation of Marketing plan, 2. Formal Marketing plan, 3. Company performance, 4. Presentation of company performance.

EVALUATION SCALE

- 100% Excellent participation to ALL aspects of teamwork : attends all meetings, punctuality at meetings, performs all assignments, respects deadlines, promptly responds to phone and email messages, exercises strong leadership in the case of Team Leaders.
- 95% Good participation to MOST aspects of teamwork but weakness in ONE of the following elements : attends all meetings, punctuality at meetings, performs all assignments, respects deadlines, promptly responds to phone and email messages, exercises strong leadership in the case of Team Leaders.
- 90% Acceptable participation to MOST aspects of teamwork but weakness in SEVERAL of the following elements : attends all meetings, punctuality at meetings, performs all assignments, respects deadlines, promptly responds to phone and email messages, exercises strong leadership in the case of Team Leaders.
- 60% Unacceptable participation to teamwork, specifically constant unwillingness to respect the following elements : attends all meetings, punctuality at meetings, performs all assignments, respects deadlines, promptly responds to phone and email messages, exercises strong leadership in the case of Team Leaders.
- 0% Very little or no participation to teamwork.

ANNEX 3 – CRITICAL EVALUATION OF THE SIMULATION

Each student must submit a critical evaluation of the simulation in the last class (date). This evaluation covers four (4) subjects:

1. **Learning:** how useful was the simulation in integrating concepts learned throughout your undergraduate degree? What did you like most? What did you like least?
2. **Ease of use:** is the use of the simulation simple? Is available information sufficient (Power Point presentation, on-line help)?
3. **Difficulties encountered:** what are the main difficulties you have encountered in applying Business principles to the simulation?
4. **Technical problems encountered:** what are the main technical problems you have encountered with the operation of the simulation?

Your paper must be presented as follows:

- Cover page,
- NO table of content ,
- Text structured in four subjects
- Text length: MINIMUM of 4 pages, MAXIMUM of 5 pages
- Margins: upper and left 4cm, lower and right 3 cm
- Size 12 Arial font type
- Line spacing: 1.5
- Page numbering in upper right corner (except cover page)
- Staple your paper in the upper left corner (DO NOT use a plastic cover)