RESULTS REPORT

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Course: Strategic Marketing

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SIMULATION TITLE: The Marketing Environment

SIMULATION DESCRIPTION: Gerlach Publishing is a small publisher that exclusively publishes textbooks used in Colorado public schools. The Marketing Director at Gerlach is responsible for researching and monitoring the company’s macroenvironment and proposing necessary changes in marketing strategy in light of long-term changes. Changes in the demographic, political, economic, natural, cultural, and technological environments must be evaluated and the correct response to these changes chosen.

You earned 100 percent.

DECISION SUMMARY

You selected the natural environment.

You predicted that the suppliers would raise the cost of paper. This was a good choice based on your data.
You chose to position Gerlach as an environmentally-friendly company by emphasizing its electronic products. This was a good choice.

You selected the political environment. This was a good choice.

You predicted that Gerlach’s business would be hurt by the proposed measure. This was a good choice.

You chose to lobby against the "hands-on" proposal. This was a good choice.

DETAILED ASSESSMENT

Background

As Marketing Manager at Gerlach Publishing, which exclusively publishes textbooks for Colorado public schools, you are responsible for researching and monitoring the company’s macroenvironment and proposing necessary changes in marketing strategy. Key decisions you must make include: which changes in the macroenvironment are important to Gerlach’s marketing efforts, what are the likely effects of those changes, and how Gerlach should respond to these changes.

Background

Gerlach produces science, social studies, math, and language arts textbooks for first through twelfth grade. In the past, the macroenvironment for your company has been fairly stable. However, information you’ve received from your research team shows that this is starting to change. The first three reports deal with long-term changes in the macroenvironment. Review the reports before you decide which next steps to recommend to your supervisor, the Vice President of Marketing.
Background

Historically, the number of school-age children in Colorado has increased at a gradual rate each year. However, recent trends indicate that the population as a whole is aging, and the number of school-aged children has begun to decline. Trends suggest that it will continue to decline over the next decade. Additionally, the number of non-English-speaking students is expected to triple in the same time period, to around 13% of the total student population.

Demographic Report

Gerlach currently buys paper from a local supplier to print its textbooks. Deforestation has now resulted in a shortage of trees available for logging. Also, the remaining forests are coming under increasing protective legislation, which means even fewer trees can be logged. Additional legislation has recently been passed requiring that paper companies produce more recycled paper, which costs more to produce than traditional paper.

Cultural Report

The public school system is increasingly being seen as an outdated institution focused on standardized tests and behavior rather than true learning. As a result, parents are choosing other options. Homeschooling in particular is on the rise; a market that does not currently buy from Gerlach.

Evaluating the Macroenvironment—Long Term Changes

After reviewing the reports of long-term changes in the macroenvironment, you must pick one element that you think Gerlach should respond to first.

You chose
OPTION 2

Natural Environment

Natural Environment Changes

Now that you have selected the natural environment, you must predict what might be the effects of these changes on Gerlach's microenvironment. Choose the possibility you see as most likely.

You chose

OPTION 2

The suppliers might raise the costs of paper in the future.

Responding to Natural Environment Changes

You call a meeting with your marketing analysts to discuss the situation. You give them your prediction that paper costs will rise in the future, and ask for their recommendations as to how Gerlach should respond.

You chose

OPTION 1

Marketing Analyst One: We should position ourselves as an environmentally-friendly company by emphasizing our electronic products.

Natural Environment Changes: Results

You take your proposal to your supervisor. She is pleased.
VP of Marketing: "I predict that if we followed your plan, in the year 2020 Gerlach would be doing well. We would have successfully positioned ourselves as an environmentally-friendly choice and so would have been able to keep costs down by using less paper. Keep this experience in mind as you look at the short-term changes to Gerlach’s macroenvironment."

Additional Long-Term Changes

You chose to explore the natural environment’s changes on Gerlach’s business. But the demographic and cultural environments will have effects as well. From the choices above, choose the best responses to these changes.

Short-Term Changes: Introduction

VP of Marketing: "Now that you’ve tried analyzing the long-term marketing environment, let’s take a look at the short-term changes that will affect Gerlach.

Next month, the state of Colorado will be choosing science textbooks for grades 3 through 12. We’ve already printed these books, and need to make a return on our investment. I’ve sent three reports to you concerning changes in the macroenvironment for our science books. Look them over, and decide which will affect us the most."

Economic Report

A wealthy scientist has left a large grant to the Colorado public schools to be used only for science education. This grant will double the money available for the state to purchase science textbooks and materials.

Technology Report

A technology company has just come out with a laptop computer especially designed for students’ use in a classroom. Sturdy and cheap, it allows
students to access online editions of their textbooks, use tutorials and connect to their classroom’s smart boards, as well as other functionalities. It is being advertised as the “future of learning.”

Political Report

A new but strongly influential member of the school board (which chooses Colorado’s textbooks) is proposing a radical overhaul of the way science is taught in the state. She proposes science be taught not through books but only through a new, experimental “hands-on” style: experiments, field trips, etc. Her popularity and influence make it likely that this measure will pass next week, even though most science teachers oppose the plan.

Evaluating the Macroenvironment—Short Term Changes

After reviewing the reports of short-term changes in the macroenvironment, you must pick one element that will have the most profound effects on your company.

You chose

OPTION 3

Political Environment

Political Changes

Now that you have selected the political environment as the one most likely to affect your business in the short term, you must determine what might be the effects of these changes on Gerlach’s microenvironment. Choose the possibility you see as most likely.

You chose
OPTION 1

Gerlach’s business will be hurt by the proposed measure, as the school board will not buy textbooks.

Responding to Political Changes

You call a meeting with your marketing analysts to discuss the situation. You give them your prediction that the school board will not buy Gerlach’s textbooks, and ask for their recommendations as to how Gerlach should respond.

You chose

OPTION 1

Marketing Analyst One: We should lobby against the "hands-on" proposal.

Political Changes: Results

You take your proposal to the VP of Marketing. She agrees with your recommendation.

Gerlach joins with teachers’ groups to create a lobbying campaign warning against the too-soon adoption of any new educational theory. With the slogan "Remember new math? Hands-on science doesn’t add up," the campaign is successful. The public turns against the idea of "hands-on" science and the school board implements it only as a pilot project in a few schools. Gerlach makes a profit, and you are promoted.

Additional Short-Term Changes

You made an astute decision when you decided that political changes would have the strongest effect on Gerlach’s business. But the economic and technological environments will have effects as well. From the choices above, choose the best responses to these changes.
Feedback

You earned 100 percent.

If you would like to improve your skills while improving your score, read your textbook and review your course materials before attempting this simulation again.