

13	Introduction into Markstrat	<h1 style="text-align: center;">Markstrat</h1> <h2 style="text-align: center;">Introductory Session 3</h2> <div style="text-align: center;">  <p>ITF INSTITUT FÜR TOURISMUS UND FREIZEITWIRTSCHAFT</p> <p>WIRTSCHAFTSUNIVERSITÄT WIEN</p> <p>Institute for Tourism and Leisure Studies</p> </div>
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Session		<p>Vgl. http://www.markstrat.com und Larréché/Gatignon: Markstrat 3, 1997</p>

13	Introduction into Markstrat		<h3>MARKET RESEARCH STUDIES</h3>		
12			<h4>INDUSTRY PRACTICE - FIRM E</h4>		
11			<h4>PERIOD 7</h4>		
10			<p><i>Professor XYZ Strategic Marketing Course From 03/01/98 to 03/31/98 Green Forest University Fontainebleau - France</i></p>		
9					
8			<p>The Key to Strategic Excellence</p>		
7			<p>BOSTON - LONDON - PARIS</p>		
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5					
4					
3					
2					
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Session			<p>Vgl. http://www.markstrat.com 1/17</p>		

ITF **CONSUMER PANEL - SONITE MARKET**

CONSUMER PANEL - MARKET SHARES BASED ON UNIT SALES

Firm	Brand	Bufs	Singles	Pros	HiEarnings	Others	Total
A	SACK	0.5%	1.6%	0.6%	0.2%	46.7%	4.6%
	SAND	2.3%	4.4%	6.8%	24.4%	2.1%	13.1%
	SAPR	2.1%	0.4%	1.2%	1.0%	0.2%	0.9%
	SASI	0.5%	16.5%	3.4%	0.4%	0.8%	5.2%
E	SEAL	6.2%	8.1%	15.2%	22.6%	1.9%	14.0%
	SEXY	10.9%	1.2%	1.0%	0.5%	0.4%	2.2%
	SEFA	1.0%	1.8%	11.0%	17.6%	0.8%	9.0%
I	SIGN	1.7%	18.2%	6.2%	2.5%	7.4%	7.5%
	SILK	9.4%	11.5%	38.7%	10.9%	2.8%	10.8%
O	SOAP	9.5%	4.2%	7.1%	8.3%	1.1%	6.7%
	SONG	23.6%	3.9%	2.7%	2.3%	0.9%	5.7%
	SOLO	1.2%	0.7%	1.6%	5.6%	0.3%	3.0%
U	SUCH	4.3%	25.7%	3.4%	3.2%	4.4%	10.0%
	SUMO	0.5%	1.2%	0.6%	0.1%	29.9%	3.0%
	SUBU	26.4%	0.6%	0.6%	0.3%	0.4%	4.2%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total sales (U)		232,426	466,612	36,449	731,390	137,515	1,604,392
Total sales (% Total)		14.5%	29.1%	2.3%	45.6%	8.6%	100.0%

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4/17

ITF **DISTRIBUTION PANEL - SONITE MARKET**

DISTRIBUTION PANEL - MARKET SHARES BASED ON UNIT SALES

Firm	Brand	Specialty stores	Depart. stores	Mass Merchandis.	Total
A	SACK	0.7%	2.3%	15.6%	4.6%
	SAND	14.2%	17.7%	2.8%	13.1%
	SAPR	1.2%	1.0%	0.4%	0.9%
	SASI	3.7%	3.8%	10.1%	5.2%
E	SEAL	13.0%	17.6%	9.4%	14.0%
	SEXY	3.1%	1.1%	2.6%	2.2%
	SEFA	7.8%	12.3%	5.1%	9.0%
I	SIGN	4.7%	6.8%	13.3%	7.5%
	SILK	12.1%	9.7%	10.6%	10.8%
O	SOAP	9.1%	6.1%	3.5%	6.7%
	SONG	8.8%	3.6%	4.4%	5.7%
	SOLO	3.7%	3.5%	0.8%	3.0%
U	SUCH	11.6%	11.7%	4.3%	10.0%
	SUMO	0.1%	0.4%	12.9%	3.0%
	SUBU	6.2%	2.3%	4.2%	4.2%
Total		100.0%	100.0%	100.0%	100.0%
Total sales (U)		608,924	640,815	354,653	1,604,392
Total sales (% Total)		38.0%	39.9%	22.1%	100.0%

DISTRIBUTION PANEL - DISTRIBUTION COVERAGE BY CHANNEL

Firm	Brand	Specialty stores	Depart. stores	Mass Merchandis.
A	SACK	4.9%	7.5%	15.2%
	SAND	49.5%	54.8%	11.2%
	SAPR	17.3%	19.0%	5.0%
	SASI	13.1%	15.2%	14.7%
E	SEAL	30.6%	41.1%	30.3%
	SEXY	15.4%	10.8%	10.8%
	SEFA	21.9%	32.7%	29.9%
I	SIGN	22.8%	35.2%	32.3%
	SILK	52.7%	43.1%	37.2%
O	SOAP	48.7%	33.1%	17.4%
	SONG	46.6%	30.9%	17.1%
	SOLO	49.4%	42.8%	15.8%
U	SUCH	55.7%	59.1%	1.6%
	SUMO	0.3%	0.6%	39.3%
	SUBU	56.1%	48.9%	34.3%
Total number of outlets		11,091	4,033	11,379

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5/17

extend to which each brand is carried by the channels

ITF **SEMANTIC SCALES - SONITE MARKET**

SEMANTIC SCALES - IDEAL VALUES (1 TO 7)

Segment	Weight	Design	Volume	Max Freq	Power	Price
Buffs	2.37	4.24	1.85	6.23	6.48	3.86
Singles	5.65	4.63	6.01	4.99	4.85	4.47
Pros	4.57	5.00	5.09	4.80	2.26	4.35
HiEarnings	5.27	4.24	5.15	5.26	2.80	5.90
Others	6.37	1.95	6.18	2.21	5.67	5.90

Importance of characteristic (1) 4 2 4 10 4

(1) On a scale from 1 to 10 - 1 = Not important - 10 = Very important

SEMANTIC SCALES - BRAND PERCEPTIONS (1 TO 7)

Firm	Brand	Weight	Design	Volume	Max Freq	Power	Price
A	SACK	5.89	2.34	4.80	2.42	1.50	1.73
	SAND	4.00	1.63	1.97	3.09	2.41	6.22
	SAPR	4.00	4.23	2.04	6.29	4.95	5.25
	SASI	4.00	1.63	1.93	3.19	3.49	3.53
E	SEAL	3.62	2.46	3.71	5.40	3.73	5.26
	SEXY	4.00	3.01	2.43	6.02	6.13	4.30
	SEFA	4.43	4.37	4.72	5.07	3.08	6.06
I	SIGN	6.45	5.66	3.85	3.21	3.52	4.38
	SILK	3.28	4.77	3.30	4.63	5.32	5.66
O	SOAP	3.99	4.77	2.66	5.59	6.25	6.15
	SONG	3.89	2.74	4.12	6.50	6.33	4.90
	SOLO	4.71	1.50	2.97	6.22	1.50	5.62
U	SUCH	5.63	1.62	2.85	3.94	3.30	2.58
	SUMO	5.07	3.76	4.82	1.73	1.50	1.50
	SUBU	2.81	4.71	4.25	6.50	6.26	2.30

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Importance ratings attributed to each characteristic by consumers participating in the study. Numbers are averaged across all segments.

ITF **MULTIDIMENSIONAL SCALING - SONITE MARKET**

MULTIDIMENSIONAL SCALING - IDEAL VALUES (-20 TO +20)

Segment	Economy	Performance	Convenience
Buffs	5.6	14.7	8.1
Singles	-0.5	1.6	-6.4
Pros	-5.1	2.2	-0.6
HiEarnings	-11.3	4.4	-5.5
Others	5.5	-12.6	-15.2

MULTIDIMENSIONAL SCALING - BRAND PERCEPTIONS (-20 TO +20)

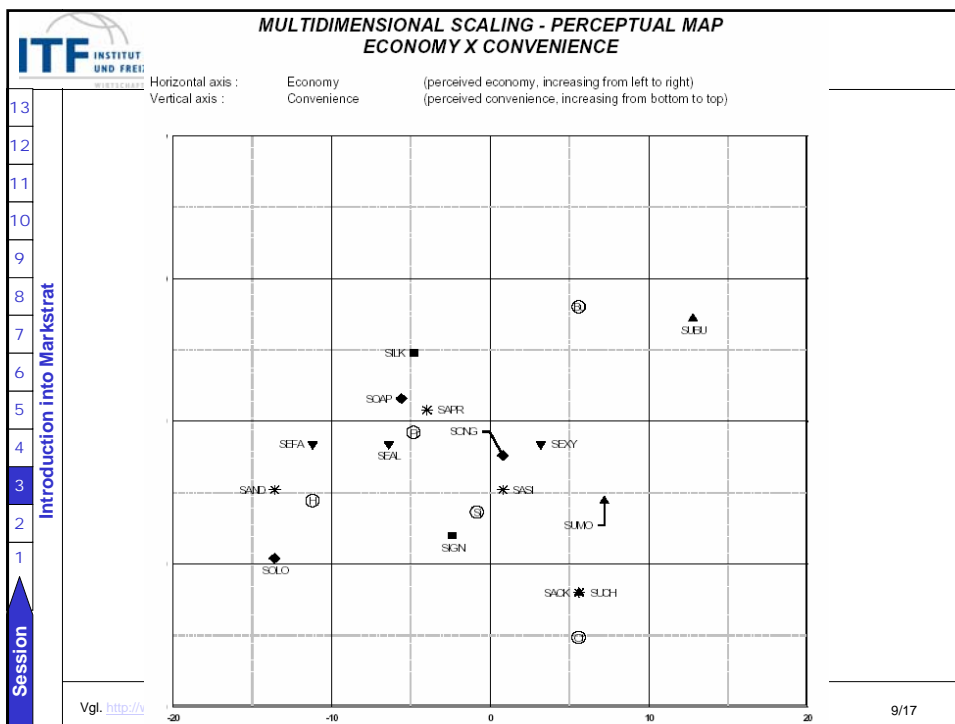
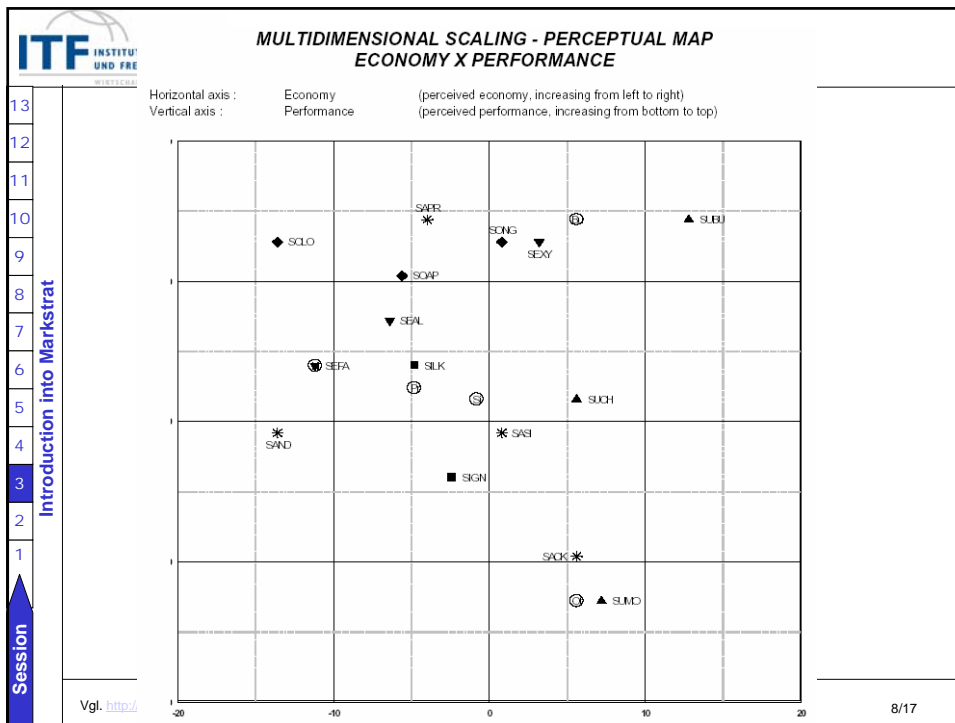
Firm	Brand	Economy	Performance	Convenience
A	SACK	5.3	-9.2	-12.2
	SAND	-13.5	-1.1	-4.7
	SAPR	-3.9	14.7	0.5
	SASI	1.2	-0.6	-4.7
E	SEAL	-6.4	7.5	-1.3
	SEXY	2.9	12.7	-2.0
	SEFA	-11.4	4.2	-1.3
I	SIGN	-2.8	-3.7	-8.1
	SILK	-5.1	4.3	4.9
O	SOAP	-5.5	10.2	1.6
	SONG	0.5	13.0	-2.0
	SOLO	-13.3	12.8	-9.3
U	SUCH	5.2	1.6	-12.4
	SUMO	6.9	-12.7	6.4
	SUBU	12.5	14.6	6.4


MULTIDIMENSIONAL SCALING INFLUENCE OF PRODUCT CHARACTERISTICS ON MDS DIMENSIONS

	Weight (Kg)	Design (Index)	Volume (Dm3)	Max Freq (KHz)	Power (W)	Price (\$)
Economy	Slight	Slight	Slight	Slight	Moderate	Moderate
Performance	Slight	Slight	Moderate	Strong	Slight	Slight
Convenience	Moderate	Moderate	Slight	Slight	Slight	Slight


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helps to interpret the perceptual dimensions derived from the study



 MARKET FORECAST - SONITE MARKET						
MARKET FORECAST - SEGMENT SIZES AND GROWTH RATES						
Segment	Bufs	Singles	Pros	HiEarners	Others	Total
Segment sizes in KU						
Actual size this period	232	467	36	731	138	1,604
Forecasted size next period	215	505	34	829	135	1,717
Forecasted size in five periods	159	690	25	1,366	123	2,363
Relative segment sizes in %						
Actual size this period	14.5%	29.1%	2.3%	45.6%	8.6%	100.0%
Forecasted size next period	12.5%	29.4%	2.0%	48.3%	7.8%	100.0%
Forecasted size in five periods	6.7%	29.2%	1.1%	57.8%	5.2%	100.0%
Forecasted growth rates in %						
Next period	-7.3%	8.2%	-7.3%	13.3%	-2.2%	7.0%
Total over next five periods	-31.5%	48.0%	-31.5%	86.7%	-10.3%	47.3%
Average over next five periods	-7.3%	8.2%	-7.3%	13.3%	-2.1%	8.1%

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 COMPETITIVE ADVERTISING - SONITE MARKET							
COMPETITIVE ADVERTISING - ESTIMATED TOTAL EXPENDITURES							
<i>(all numbers in K\$)</i>							
Firm	Brand	Bufs	Singles	Pros	HiEarners	Others	Total
A	SACK	150	350	150	150	850	1,650
	SAND	450	450	450	2,000	450	3,800
	SAPR	200	200	800	800	200	2,200
	SASI	200	1,300	200	200	200	2,100
	TOTAL	1,000	2,300	1,600	3,150	1,700	9,750
E	SEAL	50	50	300	50	50	500
	SEXY	1,450	200	200	200	200	2,250
	SEFA	250	250	300	1,700	250	2,750
	TOTAL	1,750	500	800	1,950	500	5,500
I	SIGN	800	2,600	500	500	1,100	5,500
	SILK	700	400	2,250	950	400	4,700
	TOTAL	1,500	3,000	2,750	1,450	1,500	10,200
O	SOAP	250	250	1,000	1,000	250	2,750
	SONG	650	250	100	100	100	1,200
	SCLO	400	400	400	2,950	400	4,550
	TOTAL	1,300	900	1,500	4,050	750	8,500
U	SUCH	150	1,000	150	150	150	1,600
	SUMO	150	150	150	150	1,000	1,600
	SUBU	1,700	250	250	250	250	2,700
	TOTAL	2,000	1,400	550	550	1,400	5,900
	TOTAL	7,550	8,100	7,200	11,150	5,850	39,850
AVERAGE BY BRAND		503	540	480	743	390	2,657
AVERAGE BY FIRM		1,510	1,620	1,440	2,230	1,170	7,970

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COMPETITIVE SALES FORCE - SONITE MARKET

COMPETITIVE SALES FORCES - ESTIMATED SIZES
(in number of sales people)

Firm	Brand	Specialty stores	Depart. stores	Mass Merchandis.	Total
A	SACK	1	1	3	5
	SAND	14	19	2	35
	SAPR	2	3	1	6
	SASI	2	2	4	8
	TOTAL	19	25	10	54
E	SEAL	7	11	14	32
	SEXY	3	2	3	8
	SEFA	4	7	13	23
	TOTAL	13	20	30	63
T	SIGN	4	8	12	25
	SILK	17	11	20	48
	TOTAL	21	19	33	72
O	SOAP	15	8	5	28
	SONG	15	8	5	28
	SOLO	13	10	5	27
	TOTAL	43	25	15	83
U	SUCH	30	45	0	75
	SUMO	0	0	45	45
	SUBU	30	18	18	66
	TOTAL	59	63	63	185
TOTAL		156	152	150	458
AVERAGE BY BRAND		10	10	10	31
AVERAGE BY FIRM		31	30	30	92

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12/17

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ADVERTISING EXPERIMENT - SONITE MARKET

EXPECTED RESULTS WITH INCREASED ADVERTISING BUDGET

	SEAL	SEXY	SEFA
Change in awareness (%)			
Buffs	0.1%	1.6%	0.4%
Singles	0.0%	0.2%	0.2%
Professionals	1.0%	1.2%	1.0%
High earners	0.1%	0.1%	1.3%
Others	0.0%	0.3%	0.5%
Change in market share (%)			
Buffs	0.0%	1.6%	0.0%
Singles	0.1%	0.0%	0.1%
Professionals	0.4%	0.0%	0.3%
High earners	0.8%	0.0%	2.0%
Others	0.0%	0.1%	0.0%
Change in contribution after marketing (K\$)	922	-202	2,261

estimated net change in contribution after marketing due to the increase in advertising expenditures

Notes: These results would have been achieved by a given brand if its advertising budget had been increased by 20% and if competitive actions had remained unchanged.

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13/17

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13
12
11
10
9
8
7
6
5
4
3
2
1

Introduction into Markstrat

Session

SALES FORCE EXPERIMENT - SONITE MARKET EXPECTED RESULTS WITH INCREASED SALES FORCE

	SEAL	SEXY	SEFA
Change in number of distributors (U)			
Specialty stores	668	464	604
Depart. stores	191	97	214
Mass Merchandis.	248	192	275
Change in market share (%)			
Specialty stores	1.0%	0.6%	1.5%
Depart. stores	0.6%	0.2%	1.7%
Mass Merchandis.	0.3%	0.4%	0.6%
Change in contribution after marketing (K\$)			
	1,857	352	4,195

Notes: These results would have been achieved if the number of sales people had been increased by 10 in each channel and if competitive actions had remained unchanged.

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14/17

ITF Markstrat - Decision Form

For preparing your input you may print the Markstrat Decision Form and/or the Markstrat Budget Form!

Course: LV 2268 Firm: A Password: Period: 1

Product Management

#	Brand names	Name of R&D Project (if modification or introduction)	Production Planning (thousand units)	Recommended Retail Price (\$)	Perceptual Objectives				
					Scale	Axis 1*	Objective 1	Axis 2*	Objective 2
1					No objectives				
2					No objectives				
3					No objectives				
4					No objectives				
5					No objectives				
6					No objectives				

* Note: MDS dimensions: Sonite: 1=Efficiency, 2=Flexibility, 3=Economy. Semantic scales: Sonite: 1=Weight, 2=De 3=Volume, 4=Max Freq, 5=Power, 6=Price. Vodite: 1=Autonomy, 2=Max Freq, 3=Diameter, 4=Design, 5=Weight, 6=Price.

Product Management

#	Advertising Budget (thousands \$)	Advertising Research (\$)	Targeted Segments (%)						Sales Force Effort (%)		
			Buffs Innovs	Singles Adopter	Pros Follow	Hi Earn	Others	Total	Special. Stores	Depart. Stores	Mass Merch.
1								100%			
2								100%			
3								100%			
4								100%			
5								100%			
6								100%			
								100%	100%	100%	

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Introduction into Markstrat

Session

IT Sales Force and Distribution

	Speciality Stores	Department Stores	Mass Merchandisers
Number of Salespeople	<input type="text"/>	<input type="text"/>	<input type="text"/>

Research and Development

Project Name	Expenditures (thousands \$)	Physical Characteristics					
		1 Weight (Autonomy)	2 Design (Max Freq)	3 Volume (Diameter)	4 Max Freq (Design)	5 Power (Weight)	6 Requested Base cost (\$)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Market Research Studies

Study Titles	Order	Study Titles	Order
Industry benchmarking	<input type="checkbox"/> All markets	Market forecast	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite
Consumer survey	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite	Competitive advertising	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite
Consumer panel	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite	Competitive sales force	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite
Distribution panel	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite	Advertising experiment	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite
Semantic scales	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite	Sales force experiment	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite
Multidimensional Scaling	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite	Conjoint analysis	<input type="checkbox"/> Sorite <input type="checkbox"/> Vodite

16/17

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Recommendations for the first period

- ➔ Gather information
- ➔ Do not make any major changes in your firm's operation
- ➔ Do not withdraw existing brands
- ➔ Use R&D extensively

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17/17