

# AdSim

AN ADVERTISING SIMULATION



## AdSim Quickstart Guide



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**AdSim** is a Principles of Advertising simulation where you will plan and implement an Advertising and Promotion campaign for the Digital Camera division of a large Consumer Electronics Corporation.

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## Getting Started

- 1 Read this Quickstart Guide in full. It contains hints and tips to get you started.
- 2 Go to [www.smartsims.com](http://www.smartsims.com) and log in using the login and password provided by your Instructor
- 3 Watch the Screenshot Demonstration of AdSim (4 mins)
- 4 Download and read the Players Manual. This contains a lot of demographic and Media reach information that you are going to need.
- 5 Windows Users should download and install the AdSim software (if available) from the AdSim menu. This will install both the Single-Player and Multi-Player on your PC. Mac Users should use the Online version of Single-Player and Multi-Player. (See the Windows vs Mac section below).
- 6 Open your Single-Player and start practicing. This will allow you to get used to the simulation before your Multi-Player competition begins.

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## Single-Player vs Multi-Player

The AdSim Single-Player allows you to practice against a single computer controlled competitor, Duncan Inc. You are able to roll forward into the next decision period / year, or roll back as you wish in order to test and change your decisions. Your primary goal will be to hit annual sales targets set by your board of directors.

In the Multi-Player you will compete against other student teams in your class to create the highest Net Marketing Contribution (see 'goals' section below). Moving from one year (decision period) to the next is done by automatic rollover on preset dates. Before each of these scheduled times your team needs to have all decisions for the upcoming year entered into the Multi-Player version.

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## Windows vs Mac Users

Windows PC users can download and install the software version of the AdSim Single-Player and Multi-Player. This software will not run on a Mac.

For Mac and Linux users we have an Online version which runs inside your web browser. All you have to do is to log into our website, go to the AdSim menu, and click the blue Launch button to open your firm. Note – we may have to create this for you, so just let us know if you are a Mac user and can't find your Online Single-Player.

The software and the online version have the same functionality, but we recommend that Windows users use the software version if possible.

Note: Some courses will be set up so that all students use the Online version. If this is the case then the software download link will not appear on your webpage and Windows users should use the Online version instead.

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## **Your Goals – Sales Targets and Net Marketing Contribution**

You are the Advertising and Sales Promotion Manager for the Digital Camera division of a Consumer Electronics Corporation. You will be competing against either a single computer controlled competitor (Single-Player), or your classmates (Multi-Player) who are marketing similar Digital Cameras. Your challenge is to build your company to the dominant player in the Digital Camera market, while exceeding your Sales Targets and maximizing Net Marketing Contribution.

You can find your annual Sales Targets in the Marketing Plan Overview report under the Marketing Plan menu. Check the Current Results Overview Report after each rollover to see if you achieved your targets. (Single-Player only).

Net Marketing Contribution is a measure of how profitable a firm is as a result of its strategic marketing plan. It is the amount of profit remaining after manufacturing (cost of goods sold) and marketing expenditures have been deducted. The only costs still to be deducted are other functional overhead costs for the firm, e.g. finance, administration etc. Positive Net Marketing Contribution occurs when Sales Revenue is greater than Marketing Expenditure.

The Industry Benchmark Report under Industry Reports shows how you are performing relative to your competitor(s).

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## **Summary of the AdSim Scenario**

You assume the role of the Advertising and Sales Promotion Manager for the Digital Camera division of a Consumer Electronics Corporation

After every rollover the Year Ahead report outlines new developments in the scenario and gives general hints and tips for the coming year. We strongly recommend you read the Year Ahead report after each rollover so you are aware of new developments in the Scenario.

You are given a fixed budget every year with which to plan and implement your IMC campaign (Integrated Marketing Communications). This will be increased as new decisions become available as the simulation progresses. The Year Ahead report will tell you whenever this happens.

Both you and your competitor(s) have a single Digital Camera product. You can purchase market research that will tell you how your camera compares to your competitors' products in terms of specifications and price.

You do not have direct control over price or product development. But as the scenario progresses your Product Development team may release an improved version of your camera, and your superiors may adjust your retail price from time to time. The Year Ahead report will tell you when this happens.

There are two market segments in AdSim – New and Existing Customers. These segments have different preferences, demographics and sizes. The Players Manual contains information on advertising reach and demographics. Within those segments you can also choose to target your branding message towards the Professional, Amateur, Recreational, or Family groups.

There are a variety of Market Research reports available for purchase every year, and effective use of Market Research is critical to succeeding in AdSim. Market Research must be purchased one year ahead of time. So if you decide to purchase a report now, then it will not be available until after the next rollover.

We **strongly** recommend you buy The Market Survey of Customer Needs report early on in the simulation. This details what Message Strategy, Customer Relationship Management Strategy, and Marketing Communications Strategy will appeal the best to which segment.

The most successful students will be those who can combine research from multiple sources to create an effective marketing campaign, and who continually review in order to refine their campaign.

You have three distribution channels – Consumer Electronics, Department Stores, and Discount Stores. You can find out more information about these in the Distribution Channel Overview report under the Market Research menu.

Note – the above summary refers mostly to the Single-Player. The Multi-Player environment is similar, but you will have more competitors and a bigger market.

Chapter 1 of the Player's Manual gives a quick background on the AdSim company structure, and the Year Ahead reports in the AdSim simulation fill in the rest of the back-story as the simulation progresses.

Chapter 2 of the Player's Manual explains the market segments (New and Existing Customers), and the available Advertising Media types and Customer Demographics.

Chapter 3 of the Player's Manual runs through the six types of decisions you can make in AdSim:

1. **Message Strategy / Brand Positioning Statements.** Choose the branding message that you think will have the greatest resonance with your target market. Consider whether the messages chosen are consistent with each other.
2. **Agency Selection.** You can select an advertising agency with expertise in either TV, Radio, or Print to assist with media planning, or trust your own media selection ability. Each Agency type has a different area of expertise and will choose a different promotional mix. But you may be able to do better yourself through careful research and planning.
3. **Media Planning.** Allocate your promotion budget to various media types and sub-categories. E.g. how much money do you want to spend on Network TV advertising during primetime shows?
4. **Customer Relationships (available after 2<sup>nd</sup> rollover).** Decide what type of CRM, Warranty, Support, and Loyalty systems to fund.

5. **Marketing Communications (available after 4<sup>th</sup> rollover).** Choose from various types of Sales Promotions, Trade Promotions, Sponsorships, and Public Relations initiatives.
6. **Market Research.** Purchase research every year to help plan and evaluate the effectiveness of your campaign. Figuring out which research is relevant and continually monitoring and improving your campaign is critical to succeeding in AdSim.

Chapter 4 of the Players Manual reviews some of the standard reports that are available

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## FAQs

*Help! My Decisions aren't being saved!*

- Make sure you always click the Apply button after changing a decision
- If you change your Advertising Agency then all your Media Planning Decisions will be replaced by the default decisions made by your new Advertising Agency. So you should always review the Media Planning Decisions after changing agencies.
- Always check the Current Decisions report under Forecast Results after entering your decisions to make sure you haven't missed anything.
- Always check the Forecast Budget Expenditure report under Forecast Results to make sure you are within budget.

*I tried to buy some Market Research, but I can't see it. Where is it?*

Remember that Market Research takes one year to commission. So if you buy it now, then you won't get it until after the next rollover. You will then find it underneath the Market Research Menu. Eg. If you bought research in 2010, then you will find that research under Market Research -> 2010 **after** the simulation has rolled over into 2011.

*I checked my decisions last period and I tried to spend \$Xm on Media Advertising, but after the rollover it appears I actually spent less than that. What happened?*

Remember that you have a fixed budget each year. If you exceed that budget, then your Media Advertising spend will be reduced. Always check the Forecast Budget Expenditure report under Forecast Results to make sure you are within budget before each rollover.

*Someone keeps changing my decisions! (Multi-Player)*

Remember that you probably have 2-5 people assigned to your Multi-Player firm, and any one of them can log in and update the decisions. You should discuss with your team members who is responsible for actually updating your team's decisions to avoid confusion.

If you experience any other difficulties, feel free to contact the Smartsims Support Team:

Email: [help@smartsims.com](mailto:help@smartsims.com)

Website: [www.smartsims.com](http://www.smartsims.com)