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 92 percent.

DECISION SUMMARY

You selected the demographic environment.

You predicted that the demographic changes would result in fewer sales of traditional products, but would open opportunities for new markets. This was a good choice.

You chose to market towards the English language learner market. This was a good choice.

You chose to use less paper by positioning Gerlach as the environmentally-friendly choice and emphasizing its electronic products. This was a good choice. You chose to create and market homeschooling programs. This was a good choice.

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

You predicted that Gerlach would be able to modify its science program to meet the new regulations. This was a poor choice, as it was overly-optimistic.

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

You chose to try to convince the school board to spend its extra money on Gerlach\'s science program. You also chose to emphasize Gerlach\'s educational technology in presentations to the school board. 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 1

Demographic Environment

Demographic Changes

Now that you have selected the demographic 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

These changes might reduce sales of current products, but could create new markets in products for English language learners.

Responding to Demographic Changes

You call a meeting with your marketing analysts to discuss the situation. You give them your prediction that there will be a reduced student population in the future, but new marketing opportunities, and ask for their recommendations as to how Gerlach should respond. Which recommendation will you follow?

You chose

OPTION 1

Marketing Analyst One: We should make and aggressively market products for the English language learner market.

Demographic Changes: Results

You take your proposal to your supervisor. She is pleased.

VP of Marketing: \"I think that if we followed your plan, in the year 2020 Gerlach would be doing well. We would have successfully created products for the English language learner market and so would have made a profit despite the reduced number of students overall. 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 demographic changes on Gerlach\'s business. But the natural 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

Poltical 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 2

Gerlach will be able to modify its science program to meet the new regulations.

Responding to Political Changes

You call a meeting with your marketing analysts to discuss the situation. You give them your prediction that Gerlach should be able to modify its program to fit the new regulations, and ask for their recommendations as to how Gerlach should respond.

You chose

OPTION 2

Marketing Analyst Two: We should not change our program—there\'s no time. Instead, let\'s lobby against the hands-on plan.

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 92 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.

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