SDS1414 Student Feedback from the 1st class session with the model

1. I learned that VenSim is a very useful tool for marketing.
2. I learned how sensitive each target market of advertising is to the given budget.
3. I also found it interesting that there is a strategic calculation behind advertising, which is a huge part of a company’s success.
4. I don’t think that the map is very useful because there is too much going on and is hard to follow.
5. I learned that advertising for awareness is best in the beginning of the products life, then focusing on education/promotion for the rest of the products life is most useful.
* Heavy awareness spending in the beginning is very important to gain aware customers. After we have most of the customers aware, we are able to stop spending on awareness after the first year.
* Education was not very important overall, because of how powerful word of mouth is.
* By focusing on promotion, people were able to educate each other so we didn’t have to spend as much on education.
* Heavy promotional spending for an entire year was the best way to capitalize on all of the educated and self-educated customers.
* By manipulating the spending in very small increments, we were able to walk the numbers up increasingly to a high of 102 million customers.
* Using simulations are a very powerful tool to be able to map spending across the pipelines of customers.
1. This simulation gave me an insight on how the budgeting process works while converting target customers to loyal customers. It was very helpful in showing the different stages of the pipeline and how insignificant resource allocations can make significant changes in the quantity and speed of customer acquisition/conversion. Overall, I was very surprised by what compromised the most successful outcome.
2. I was able to see how bottlenecks affected the overall success in achieving a higher number of loyal customers. This solidified that the chain is only as strong as its weakest link in business operations.
3. It was interesting to experiment between the activities. While playing with the resource distributions, I experienced both diminishing returns and underinvesting. It was very challenging to optimize resource allocation.
4. It solidified the idea of keeping long-term success in mind because the end goal was to maximize the amount of loyal customers.
5. I believe it was beneficial because we were able to use a program used in practice and apply theoretical values to determine the predicted number of loyal customers. It gave me a realistic insight on how budgeting and marketing processes are actually conducted in the real word.
* I learned how the pipeline works between each stage of the consumer awareness process and the basics of what each stage means to a consumer. Next time I would like to spend a little more time creating the actual diagram factors that make up the module.
* Also, the concept of customers carrying over from each stage and moving them along the line to reach being a loyal customer. Treating each stage as a bathtub that fills with consumers that you cause to move along each stage.
* Adjusting all the different output in the purchasing, awareness, and educating advertising to cause the loyal customer graph to fluctuate.
* The understanding that word of mouth can be the most powerful tool in this process. That is because it is free advertising for the product or company.
* The purpose of the module was to maximize loyal customers in the end. Every percent I changed I was thinking how that change would affect the next step in the process and the amount of loyal customers. This goes along with pipeline and bathtub analogy and trying to predict and manipulate when and how many customers fill up each time.
1. Throughout this Vensim class work I was able to thoroughly understand how the pipeline works and how allocating money in different areas has a direct affect on your business.
2. The matriculation also showed me how Ad spending if you fluctuate it can significantly change business model.
3. Although this is a good thing to practice business, I don’t believe it works thorough enough to determine if the financial allocation is sufficient.
4. Keeping a loyal customer base is an extremely important aspect and the pipeline shows how accurate numbers can affect it.
5. Overall, this simulation gave me a useful simulation of how the budgeting process works for larger corporations and I see myself furthering my education in the future by using a model like that.
* I learned to attract potential customers you need to stimulate word of mouth and advertising.
* I learned the point of this module was to maximize customers which will intern maximize profits.
* Through this simulation I learned to use most of your expenditures in the first year to stimulate word of mouth and advertising.
1. It is most important to push awareness. I’ve concluded this after running several models.
2. After running several models I’ve concluded education is the least important in terms of spending needed.
3. Spending is seasonal don’t continuously spend the same amount through the weeks.
4. Promotions are very important to keeping loyal customers.
5. There must be consistent strategy and spending across awareness, education and promotions.
* It was interesting to see how much the promotions affected the loyalty of customers as compared to educating and awareness.
* Having initial aggressive awareness factors coupled with education that eventually both taper off and give way to more spending on promotions.
* I found the simulation to be a bit confusing and it took me a while to understand how the different inputs would affect the outcome other than the amount of loyal customers. I would like to spend more time getting to know the program.
* Keeping higher spending on promotions from week 26 on resulted in higher customer loyalty. Whether or not that was false loyalty based solely on promotions by the company would be an interesting factor.
* Starting with larger numbers at week zero in education didn’t make a significant change on the data.

The Vensim simulation at first seemed somewhat daunting. However, after James went through the process step by step I was able to understand it fairly quickly. Increasing promotion seemed to increase the customer base greatly so I depended heavily on promotion for most of the graphs. I figured out quickly that using such models can easily benefit a business if analyzed correctly. While it may be an easy way to analyze the business it becomes a tedious task that can take hours to find a plan you want to put into place. I personally do not want to be required to use this type of simulation in my jobs after college but understand that it may be useful information and am glad that I was introduced to the system before I graduated.

1. Being able to recognize where existing customers were in regards to loyalty helped our group isolate the areas we should focus on and fund the most.
2. We saw that when dealing with a large company like Apple there is not as big of an importance to spend money on awareness and more important to focus on education and promoting.
3. The most important areas to focus on for Apple was promotion, education, and then awareness.
4. There are multiple ways to reach a specific amount of people but by concentrating on certain areas and points in a year that target can be reached sooner.
5. It is important to develop a strategy. Once a particular set of numbers work, follow that trend and try to improve on the success that was already identified.
* One of things I learned was that the slope is very similar for the trials we ran. In the begging of the two years and the end, the slopes are almost identical. The beginning of this time is when the slopes vary most.
* One of our theories at the beginning of the simulation was that awareness would not be of large importance for Apple. This theory proved to be correct through the trials that were ran.
* Another thing we learned was that putting money into education proved to be more valuable than we originally imaged. We assumed most know about Apple products, however, there are always new customers who can become loyal customers with effective education.
* Another thing that was learned through this process was that putting large money into promotion provided the highest results. This demonstrates the importance of this aspect over others.
* The final thing I learned was that this simulation can provide great insight, however, it is a program that requires more knowledge and understanding to fully utilize the program.
* Today in class I learned some very essential tools to help me in my business management career in the path of strategy. VenSIM was a very useful program to help strategies what steps a company can take to get more loyal customers. The key for apple for our group was to front load the Education and Promotion spending in the beginning of each fiscal year to obtain the fastest and highest rate of loyal customers. This only worked because apple was such a well-known company there was little need for awareness.
* Diminishing return is essential to modern business. Every dollar is going to reach less people and have less value. The example used in class was Nike, Promotion of the brand is pretty much useless because everyone already knows the company. To increase customer loyalty, it makes sense to invest in education and promotion rather than awareness.
* Importance of distinguishing brand name and logo recognition and how this increases product value and helps drive purchases, through awareness, education, and promotion. I also learned that overspending can be a killer and can lead to people being fired. It is key to drive sales by manipulating the faucets of the awareness, education, and promotion baths. Targeting the right consumer is equally essential for getting returns that are favorable. This was a key concept that will make or break a firm.
* Something else I learned in class today was that ERP is useful in the marketplace. It is an essential tool that is worth learning. Although a lot of companies use SAP, it is essential to use ERP when someone wants to look into the data to find an answer or solution. 66% of companies who switched to ERP failed, it’s not easy to integrate.
* I learned the close relationship between each sector of a business and how tweaking one and affecting another has great influence on the market’s reaction.
* The understanding that word of mouth is the most powerful tool in this process because it creates the strongest loyalty because the market creates it.
* The concept of time is the most important factor in determining the success and longevity of a marketing strategy.
* The vensim model produces a comprehensive version of a lot of seemingly disconnected data. I learned the model has very real world applications and is used many large companies.
* Consumer awareness is the key of the three outputs analyzed the other two rely completely on awareness with awareness being the hardest of the three to achieve initially.
* Heavy spending in awareness in the early stages is key to loyal customer generation in the long run. It seemed that heavy awareness spending in later stages produced diminishing returns in this simulation.
* Education seemed to be more effective in the middle stages (weeks 26-52 and weeks 52-78) to transition customers from aware through educated and eventually to first-time buyers.
* Increasing promotional spending significantly in later periods seemed to be the most effective strategy in transitioning first-time buyers to loyal customers and to maintain customers who are already loyal.
* This simulation showed me the importance of timing when taking any business action. For example, concentrating all of our spending for weeks 52-78 and 78-104 in Promotion generated our highest customer loyalty number.
* The degree of fluctuation in the number of loyal customers for our various budget distributions emphasized the importance and value of using analytic programs in the business world.