

Innovative Teaching Pedagogy-SAR

Simulation Game-Shanti Sagar Meal Pricing

Faculty Name: Dr. Krishna B Koppa

Course Title: Marketing Management

Year and Semester: 2020-22 Batch Semester 1

Title: Experiential Activities

Objective:

- To make students learn experientially through application of concepts on real world scenarios

Overview: This is a game where in you find yourself in cut-throat competition in Quick Service Restaurant business of Bengaluru. You are a proud owner of 'Shanti Sagar', one of many such QSRs in Majestic area of Bengaluru where in tourists and native workers throng the restaurants for meeting their need for quick meals. More than 10 restaurants in the vicinity operate offering similar menu as what you offer in 'Shanti Sagar'. Though your restaurant offers superiority in terms of quality and service, customers tend to ignore such differentiation.

For many months, you have been offering a meal at Rs 10. Your variable cost per meal is Rs 3 and you have fixed cost of Rs 500 per week. Your competitors too have similar cost structures. You have been doing well by selling around 300 meals per week. You believe your meal is of relatively better quality than that of the competitors. Your staff is courteous and serve customers relatively better. The price you fix for the meal remains same for a week. Your sales are not only impacted by your price but by the prices of the competitors as well. The sales also depend on marketing activities done by restaurants to attract customers. However, there is a link between the sales of periods.

Game: Sales and profits are influenced by your pricing decision you make for consecutive 8-10 weeks. Once a price is set it is fixed for the entire week. You may influence your sales through a marketing budget of Rs 600 per week. You may use this budget to take care of marketing expenditure budget. This budget cannot be carried forward to next week. You are needed to spend at least Rs 50 a week against marketing expenditure. You cannot have zero marketing spend. At the end of every week, you will be informed of your and your competitors' prices, marketing expenditures, sales and profits. You have to make decision between getting a large customer pool with lower margins and small number of higher paying customers.

The winner of the game is the restaurant who has accumulated higher sales and profits.

(4 minutes are given for each restaurant to submit their weekly price and marketing spend)