

## The Form of the Case

### Scooter (revised version)

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| 2. The Scenario   |                                |
| <p>The climate is changing. The average temperature rises. Until recently, in some northern European countries, sunny weather with high temperatures occurred only for several weeks a year. Nowadays warmer months are April, May, June, July, August and September. The current situation has created new conditions for producers and sellers of scooters, which until now were popular mainly in southern Europe. Scooters make much less hassle with parking compared to cars and let you steer clear of traffic jams. In the cities, especially large, the problem of insufficient parking space in the centers is growing for a long time. Expensive parking fees and a long search of free places are the bane of many people who work in the center of the metropolis. Small vehicles, which can be used to reach from the house to the job and make it easy to park for a small fee, could conquer new markets and become a source of considerable revenue for companies - manufacturers and retailers.</p> <p>Germany, Poland and the Czech Republic, are absorbent markets in which a limited number of players could achieve financial success. That's why there are eager ones to start production there and provide appropriately designed vehicles for different consumer segments. Countries differ in terms of production costs, population and its purchasing power. Therefore, the market entry strategy should be considered carefully. Marketing research shows that in each market there are at least three segments of consumers. These groups differ in preferences, lifestyle, purchasing power and size. To be successful one need to design and deliver a product that will meet the defined expectations of usability and price.</p> <p>Due to the fact that everyday movement by a single-track vehicle is new for the vast majority of the population of these countries, one need to design marketing efforts accordingly. One of the tasks of advertising messages is to draw attention to the benefits of having a scooter and make a belief that the device is very useful in the new climate conditions. Participants will make various decisions necessary in the daily operation of the company, they will also formulate long-term strategies.</p> <p>Participants of the game can grow their business in one of the three European countries or in all markets simultaneously. The aim is to gain advantage based on the market share, maximizing profit.</p> |                                |
| 3. The Company  |                                |
| <p>Enterprises on this market arise from start-ups. They will gradually get to know the automotive industry and the realities, in which they have to act. Initially, the basic technologies and solutions, will be progressively improved in order to gain competitive advantage.</p> <p>The Company shall consist of the chief executive officer and 2 to 4 other managers, as well as the appropriate number of virtual employees in the sales network. The first decisions to be taken are to name a company and assign areas of responsibility to team members (production, development, sales and human resources). Board of managers must choose a target market, and identify its</p>  |                                |

mission and strategic direction. It should be clearly set out what are the most important objectives of the company - whether it is a company's profitability measured by retained profits, the efficiency of the investment of the capital, or for example the volume of sales or market share. Company's HQ is located in Czech Republic, but scooters can be sold also in Poland and in Germany. With the development of the company and acquisition of new customers, the factory will be developed.

In the initial stage of development the company should focus on one or two target markets, eventually enriching its offer and carrying out expansion later on. Board of managers of the company should determine in which direction they are heading. What are their long-term targets for geographic expansion, competitive strategy and a competitive advantage.

Besides its manufacturing processes an important part of activity will be building a distribution network in the form of showrooms. They can be opened in major cities of three European countries. An important element of the business activity will be management of the sales offices. It will involve sufficient number of sellers recruitment, setting selling prices, and also setting sales plans and priorities.

The initial assets of the company comes from the managers and in successive stages there is a need for external funds, obtained for example from financial institutions. At the beginning the managers can invest PLN 1 million. In 4th month of business activity, business team can prepare a business plan and have a chance to get another million from venture investors.

#### 4. The Product

Scooters are lightweight single track vehicles that provide the possibility of easy and convenient movement over short distances. Their advantage over cars in urban areas is relatively small size, and thus easy to find a space to park. In addition, the low fuel consumption make it relatively cheap in everyday operation. And last but not least is the possibility to avoid a traffic jams caused by cars.

Scooters will differ according to the kind of engine and other components including quality of workmanship. The basic parameters of differentiation are the maximum speed, maximum distance range, combustion engine power. In addition, the vehicles will vary regarding to appearance and usable features. The basic features of scooters are:

- Technology
- Ecology
- Quality

#### 5. Customers

Group name

Green

Description

These are consumers who pay attention to choose solutions that not so much harm the environment. These are aware consumers who pay particular attention to what kind of devices they use. They understand that by buying the right products, they promote the development of technology less harmful to the environment. For the products with required features they are willing to pay a higher price. At the same time they are able to accept the negative sides of some solutions. For example, that their scooters will have a worse performance concerning the maximum distance reached or the maximum

|             |   |          |     |        |      |           |
|-------------|---|----------|-----|--------|------|-----------|
|             | speed.  |          |     |        |      |           |
| Preferences |   | Very low | Low | Medium | High | Very high |
|             | Eco   |          |     |        | x    |           |
|             | Tech  |          |     | x      |      |           |
|             | Quality   |          |     | x      |      |           |
|             | Price   |          | x   |        |      |           |
| Group name  | Economic  |          |     |        |      |           |
| Description | <p>Group of consumers who pay the most attention to the everyday operation costs of the vehicle. Also the price of purchase is significant for them. They are not interested in special appearance, nor above-average technical performance. Economic do not pay too much attention to environmental protection.</p> <p>In their opinion the scooters should be made so as to ensure their fail-safe operation. They do not accept frequent problems, repairs, expensive spare parts.</p>   |          |     |        |      |           |
| Preferences |   | Very low | Low | Medium | High | Very high |
|             | Eco   |          | x   |        |      |           |
|             | Tech  | x        |     |        |      |           |
|             | Quality   |          | x   |        |      |           |
|             | Price   |          |     |        |      | x         |
| Group name  | Stylish   |          |     |        |      |           |
| Description | <p>Consumers in this group especially appreciate the appearance and quality of scooters. For the price of less convenience (eg no extra container for luggage) they prefer to drive vehicles of appropriate shape, quality paint, made with more expensive materials (such as leather seat upholstery). The design is a very important element in their case. Aware that higher-quality material is more expensive, they are ready to accept the relatively high price of the product. Stylish also appreciate the high technical possibilities of vehicles that they are driving (ie maximum speed).</p> |          |     |        |      |           |
| Preferences |   | Very     | Low | Medium | High | Very      |

|                                  |                |            |                  |  |   |   |      |
|----------------------------------|----------------|------------|------------------|--|---|---|------|
|                                  |                |            | low              |  |   |   | high |
|                                  | Eco            |            |                  |  | x |   |      |
|                                  | Tech           |            |                  |  |   | x |      |
|                                  | Quality        |            |                  |  |   |   | x    |
|                                  | Price          | x          |                  |  |   |   |      |
| <b>6. Markets</b>                |                |            |                  |  |   |   |      |
| Market name                      | Poland         |            |                  |  |   |   |      |
| Localization                     | Poland         |            |                  |  |   |   |      |
| Market shares                    |                | Group name | Market share (%) |  |   |   |      |
|                                  |                | Green      | 16               |  |   |   |      |
|                                  |                | Economic   | 67               |  |   |   |      |
|                                  |                | Stylish    | 17               |  |   |   |      |
| Market name                      | Czech Republic |            |                  |  |   |   |      |
| Localization                     | Czech Republic |            |                  |  |   |   |      |
| Market shares                    |                | Group name | Market share (%) |  |   |   |      |
|                                  |                | Green      | 18               |  |   |   |      |
|                                  |                | Economic   | 63               |  |   |   |      |
|                                  |                | Stylish    | 19               |  |   |   |      |
| Market name                      | Germany        |            |                  |  |   |   |      |
| Localization                     | Germany        |            |                  |  |   |   |      |
| Market shares                    |                | Group name | Market share (%) |  |   |   |      |
|                                  |                | Green      | 28               |  |   |   |      |
|                                  |                | Economic   | 50               |  |   |   |      |
|                                  |                | Stylish    | 22               |  |   |   |      |
| <b>7. The Game</b>               |                |            |                  |  |   |   |      |
| Suggested duration<br>(in round) | 10             |            |                  |  |   |   |      |
| Suggested number of teams        | 3-6            |            |                  |  |   |   |      |