

Coursework Header Sheet

110703-12



Course MARK1040: Process Centred Management
Coursework Promotion Portfolio
Tutor Y Xie

Course School/Level BU/UG
Assessment Weight 40.00%
Submission Deadline 06/02/2006

Describe the practical application of the interaction and integration of marketing and operations activities stemming from a current real-life promotion chosen by the student, including the undertaking of market research of real customers.

Coursework is receipted on the understanding that it is the student's own work and that it has not, in whole or part, been presented elsewhere for assessment. Where material has been used from other sources it has been properly acknowledged in accordance with the University's Regulations regarding Cheating and Plagiarism.

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Tsung-Han Chou

Tutor's comments

Grade
Awarded _____

Late Submission penalty _____

Final
Grade _____

Moderation required:


Tutor _____


Date



yes/no

Pro-forma A
Purpose of Promotional Activity

Name of Company	Microsoft
Name/ description of promoted Product/ Service	XBOX 360 - it is a new entertainment system with features such as video gaming, wireless controller and DVD movie play back, digital music, photo etc.
Is this a new or existing product/ service?	This is a newest version of old XBOX and there are many other similar products within the market such as the Nintendo Gamecube and Playstation.
What are the key products and or service attributes?	<ul style="list-style-type: none">• Xbox 360 console• 20GB detachable hard drive• High-definition AV cables• Ethernet cable• Xbox 360 Media Remote Control (limited time)• Detachable faceplate• Wireless controller• Wireless Xbox Live headset• Xbox Live Silver membership <p>(www.xbox.co.uk)</p> <p>Xbox Live is the most innovative feature of Xbox. A built-in Ethernet port allows users to connect their system to a broadband connection for access to the new Xbox Live Silver. New features such as live one-on-one voice/video chat, messaging and downloading etc making an entertainment experience closer to that of television or cinema. This allows more approachability for the Xbox and also creates a huge draw to more casual gamers, forming a wider audience.</p>
Type of Marketing communications tool used (may be more than one)	<ul style="list-style-type: none">• Advertising• Viral Marketing campaign as seen on http://www.ourcolony.net• Sales promotion took place in UK's leading gaming, music and electrical retailers such as Game Shop, HMV, Virgin Megastore, Dixons, Comet and Currys etc. Promotions are not just stores. Xbox has teamed up with various game websites allowing online sales.• Public relation announcement through their official websites such as on

	www.xbox.co.uk
<p>Key message of promotion</p> <p></p>	<p>The promotion comes with a tagline – Jump in.</p> <p>From what I derive from the promotion is that unlike the others in the market, Xbox 360 is not just about video gaming. With the aid of high-resolution digital graphics and leading software technology, Xbox is a digital experience so real that you feel as if you are a part of it. It is all about “jumping into” a digital lifestyle, making it a part of your own – a sense of individuality, and also bringing everyone closer no matter what age, gender, ethnic origin and location. The more people joining in the more fun.</p> <ul style="list-style-type: none"> • In one of the TV adverts, you can see starting off with just a few kids engaging in a water balloon fight, gradually more people joined in, in the end everyone in the streets got involved and it seems like good fun. This emphasis on Xbox as a “group activity” is furthered in another ad where a large number of people gathered on a playground and all took part in rope skipping, but skipping with different styles. To me this signifies although together everyone’s playing the same game, but you don’t lose the ability of doing things your own style. Other ads focused on realness of gaming. (UK ad) A teenager walks through an alley, by pulling a sword off the ground he became part of digital gaming experience, finding himself fighting ancient soldiers and captured by giant monster. • Promotions of Xbox can be found all around us – on TV, on buses, in shops, in magazines, in underground billboards etc. It is there, everywhere we turn, as if it want us to accept it and make it part of our life.
Media Chosen (may be more than one)	<ul style="list-style-type: none"> • Magazines advertising • TV advertising, Xbox MTV launch. • Internet viral advertisement from gaming websites and Xbox’s official websites where downloadable demos are also available

	<ul style="list-style-type: none"> • Game shop promotions etc
<p>Assumed Customer segment(s) addressed</p> <p> Evidence</p>	<p>The target age group is assumed to be between 12-35 year olds. Specifically focused on people who are into the digital entertainment, bringing in Hardcore PC gamers as well as other casual players.</p> <ul style="list-style-type: none"> • The promotion of Xbox opened with online alternate reality game called OurColony where players grouped to gain points in order to get rewarded with cropped pictures of the console and game screenshots. Also there were various online contests to compete for consoles before launching. The hard-core PC gamers (mostly male) are usually the only people with high speed Internet access; since they cannot resist “the most powerful computer ever sold specifically for gaming”, it is most likely that they will participate. • As for casual gamers, a TV ad presents Xbox almost indifferent to a home computer. It shows off a variety of functions such as online video conferencing, emailing, messaging and music downloading etc. No doubt these features will be well received by the higher age group, as well as purchasers who are buying for their kids. • I feel that Microsoft is taking a slightly different approach to Playstation, Nintendo and the old Xbox where the adverts are much more youth orientate; they are now trying to appeal for a wider audience. This can be partly seen from the changes made to the appearance of the console itself. Originally the Xbox is black with a hint of alien green. This creates a mystical look that can be luring to the young people but not so appealing to the adults. Now it's a completely different story where the console and controller are in a shade of platinum white. Perhaps the Xbox marketers saw the popularity of white Ipod amongst the young and the old so they tried to imitate. The shape of console is breaking away from the

	<p>traditional square box look and now resembles almost a PC mainframe. Functionally and visually, Promotion-wise, the old Xbox tagline “Play more”, the word “play” is often associated with children hence drawing a younger audience. The new tagline of “Jump in” is more diffusive allowing a wider range of appeal.</p> <ul style="list-style-type: none"> • There is still strong presence of youth orientation in the ads, which is evident in the style of energetic pop music and performance of modern dances; just like the changeable mobile covers, the detachable faceplates will be very popular with kids; also the Xbox 360 is launched on music television (MTV), which is widely viewed by the younger “in” crowd – a crowd that has embraced the digital era much better than their elders.
<p>Assumed required Marketing Communications outcome</p> <p></p>	<p>Over the last few years the company's reputation has suffered considerably as a result of the litigation surrounding its Windows monopoly. Wikipedia - http://en.wikipedia.org/wiki/Microsoft) The company hopes to improve its public relation through launching Xbox 360, giving the public an innovative impression of Microsoft. This innovation aims to change people’s attitude and hence purchase behaviour by adding PC-like features, making gaming more acceptable and part of digital lifestyle.</p>
<p>Assumed required Marketing outcome</p> <p></p>	<p>In my opinion, Microsoft has two goals for the Xbox 360.</p> <ul style="list-style-type: none"> • First of all, it hopes to gain a significant portion of the rapidly growing video gaming market. As we all know that Microsoft's core PC software businesses have declined and slowed down in recent years, so it is very attractive for the company to move into a rapid-growing and sizable market.

	<ul style="list-style-type: none"> Second, breaking into home entertainment represents a wonderful opportunity for the company to diversify beyond PCs.
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Pro-forma B
Effectiveness of promotional activity

Assumed required Marcoms outcome (summary from form A)	Changing the company's public image. Use innovation to reshape people's attitude and buying behaviour.
Assumed required Marketing outcome (summary from form A)	There are two goals of Microsoft for Xbox 360: 1. Gaining market share 2. Diversification
Type of research undertaken (brief description)	I have chosen to use quantitative research method, where questionnaires consisting of 10 questions will be handed out to a sample size of 30 people within the assumed target age group. I think this will provide enough information to give me a perceptive view of the marketing effectiveness. The research will be undertaken in "Game shop" in Canary Wharf shopping during the weekend because otherwise most people will be at work or school.
Purpose of research	This research is aimed to examine the effectiveness of Xbox 360's advertising on the assumed target segment. I will examine how well the targeted consumers have received the marketing message and their response to various marketing stimuli.
Conclusions drawn from research	Most purchasers of Xbox 360 are male between the ages of 18-35. This more or less confirmed the assumed focus target group - the male hardcore gamers where most of them learned the launch of 360 online. Most people find no clear promotional message. A minority think the TV ad promotes high-resolution gaming, which in my opinion is coherent with the company's intended message for UK. The majority think the adverts are of average to good; the creativity within the ads aroused their

	<p>curiosity to find out more about the console. Overall I think the advertising is effective because quite a few people who are aware of the promotion end up buying Xbox. Obviously the pop culture of the ads is successful in drawing the required attention. For such an expensive console people often conduct adequate self-research before purchasing. As long as the functions and new features have an appeal, it is most likely to result in a purchase. Thus the unclear promotional message made relatively little difference to sales.</p>
Post research review	<ul style="list-style-type: none"> • The questionnaire was conducted in one single location as oppose to all over the country. The result can only be the representation of that specific area and it provides insufficient information on the effectiveness of marketing else where in the world. • The UK version of TV advert conveyed a message different to those on showing in other parts of the world. • If people answered they were not aware of the Xbox 360 launch in question 3, they did not get to complete the rest of the questionnaire. I realised later that even if they are not aware they can still own an Xbox if it came as a gift. • Last question of questionnaire requested comments on promotion yielded no result. I think in the future I'll avoid asking questions that demand lengthy answer. • I am also aware that with the time and resources available it has no comparison to a real commercial research.

Pro-forma C

The impact on the Organisations Operations as a result of the promotional activity

Sales activities	<p>The vice president of Home entertainment division Robbie Bach has a new international sales team to take on the challenge of introducing Xbox 360 to Japan & EMEA region. Former Sega America president Peter Moore has been named vice president of retail sales and marketing for those regions. The principle target will be in Japan where sales have been slow compared with those of competitors due to delays in bringing out popular Japanese games. These vice-president or higher-level changes represent high impact on the organisation. This proves that Microsoft is dedicated and determined to break into home entertainment market?</p> <p>http://www.directionsonmicrosoft.com/sample/DOMIS/update/2003/04apr/0403atlnsf.htm)</p>
Accounts, billing and receivables	<p>Not applicable as accounting systems are well established and there wont be any revise in price in just yet - before the launching of new consoles from Sony and Nintendo.</p>
Customer/materials/information processing operation	<p>A new IT networks was set-up that would serve as the project's central nervous system to better keep track of in-transit products, updating status and information exchanges. This has low to medium impact.</p>

Procurement of goods/services and distribution of the same	Fifteen years of collaboration with the world's leading global express delivery and logistics company DHL allowed flawless link in global supply chain as well as precise delivery schedule. On top of that Microsoft also employed dedicated trains to meet arriving shipments and unique aircrafts that won't compromise the integrity of consoles. Overall the level of impact is considered to be medium because Microsoft mostly used its existing well-established supply and distribution routes.
Retail stock and stores management	Not applicable. Also Microsoft doesn't directly retail Xbox. Retailers are in charge of their own allocation and pricing etc.
Recruitment of additional/temporary resources	Although Microsoft is pioneering in the field of computer hard/software, home entertainment is a field that is alien to the company and has been dominated by the Japanese for years. The company recruited experts in all areas especially various top developers from Japan for both console and games. This change is classified as High.
Design (for example; new product, new service, new process, new job)	The old xbox is reborn with a brand new exterior and also leading technology in Xbox Live - incorporating Internet into the gaming experience. These significant departures in terms of functions and appearance show a high level of impact.
Order fulfilment	In Europe and America, customers had to pre-order and pay a deposit before actual sales and on a first come first serve basis. Demand outweighed supply by far, leaving many disappointed. Microsoft claimed that they were so concerned about the ability to stock retailers with consoles that they used a third manufacturing plant and performed standard clearance and synchronized deliveries to distribution centres. But once the consoles leave the centres retailers are responsible for further distribution and delivery. Many retailers over take orders without knowing the

	<p>exact quantity coming to their store. On the other hand, masses of unsold Xboxs in Japan were not rerouted due to cost inefficiency. The impact on company operation is low to medium. The reason being they have fulfilled what is required and the company didn't take much step further in solving the order issues.</p> <p>(http://news.zdnet.com/2100-9584_22-6018580.html)</p>
Customer service support	<p>On the existing Xbox service platform, with little effort Microsoft built a series of website forums to provide better customer service. Individual retailers also automatically contributed to question answering and issue solving. Generally little change was made within the company therefore demonstrating a weak impact.</p>

Conclusion

I think overall the marketing for Xbox 360 consists of more failure than success. Instead of debuting Xbox 360 to industry insiders at the Electronic Entertainment Expo (E3), Microsoft attempted to freeze the market by making consumers aware of its offering six months in advance, unveiling the new console on a primetime MTV special. Since Microsoft holds much lower market share than Sony and Nintendo, it is much more interested in succeeding in the next generation consoles Xbox 360, so hurting its own sales of the original Xbox is of little importance if it can significantly decrease sales of Sony PlayStation 2 and attract new customers before the launch of PlayStation 3. However in the rush to launch, they neglected the Japanese market by overlooking the importance of culture thus failing to appeal.

Although Microsoft claims that by introducing software elements and incorporating the Internet they are hoping to make the Xbox more approachable in order to increase their customer base. However such features are not advertised and are therefore unknown to the potential customers. There wasn't enough information carried in the TV ads and some of the information given out were too technique for casual gamers to understand, resulting a sale that is not as high as anticipated.

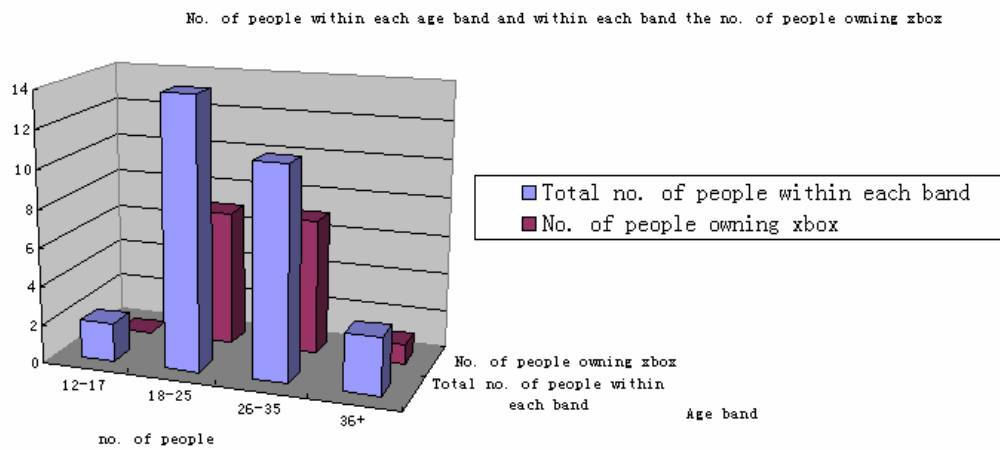
Questionnaires

1. Age: 12-17 ☐ 18-25 ☐ 26-35 ☐ 36+ ☐
2. Gender male ☐ female ☐
3. Are you aware of the Xbox 360 launch? Yes ☐ No ☐
4. If yes, what aroused your awareness? Please choose
Online promotion ☐ TV ads ☐ Billboards ☐ Others ☐
5. Are you currently an owner of Xbox 360? Yes ☐ No ☐
6. Do you think the Xbox 360 TV adverts send out a clear promotional message?
Yes ☐ no ☐
7. If Yes, what message do you think the Xbox 360 advert is trying to send out?
High definition gaming ☐ Exciting functional features ☐
Sharing the Fun with friends ☐ if others, please state _____
8. Do you like the way Xbox is advertised? Please rate the promotion:
Very poor ☐ Poor ☐ Average ☐ Good ☐ Excellent ☐
9. When you first saw the adverts did they make you want to find out more about Xbox 360?
Yes ☐ no ☐
10. Other comments on the Advertising and Promotional methods of Xbox 360

Result of questionnaires

Questions 1 and 5

Age band	Total no. of people within each band	No. of people owning xbox
12-17	2	0
18-25	14	7
26-35	11	7
36+	3	1
Total	30	15



2. Gender

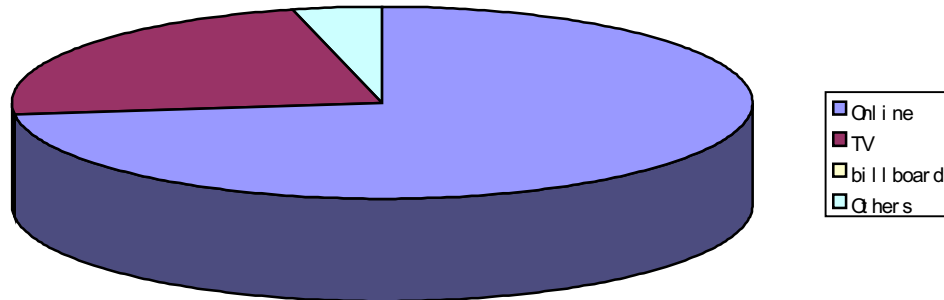
Male 26
Female 4

3. Are you aware of the Xbox 360 launch?

Yes 26, No 4

4. If yes, what aroused your awareness?

Pie chart shows which type of promotion captured most attention from potential customers



6. Do you think the Xbox 360 TV adverts send out a clear promotional message?

Yes 7, No 19, if yes continue to question 7, if no go to question 8

7. If Yes, what message do you think the Xbox 360 advert is trying to send out?

High definition gaming 5, others 2

8. Do you like the way Xbox is advertised?

Poor 3, Average 14, Good 8, Excellent 1

9. When you first saw the adverts did they make you want to find out more about Xbox 360?

Yes 19, No 7

10. Other comments on the Advertising and Promotional methods of Xbox 360

None

I did my questionnaires and collected the result with Jimmy Haung and Andrew wong

Referencing:

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