

Part I:

- Open *Virtual Business* (Start, Programs, Knowledge Matters, Virtual Business).
- Select Open an Activity.
- Select Targeted Marketing.

Using the information on your screen, answer the following questions:

1. For what store are you taking charge of Promotion?
 2. What is the purpose of this activity?
 3. What is a demographic feature of the neighborhood?
- Click OK.

Part II:

Activity 1: Random Direct Mail Promotion

- Select Actions.
- Select Promotion.
- Select Direct Mail.
- Click and drag your mouse over to the location where you want your mailing to go.
- Click OK.
- Name your list “Random”
- **Run until April 10th.**

Determine the effectiveness of your Direct Mailing:

- Select Actions.
- Select Market Research.
- Select New Survey.
- Ask customers “How did you become aware of Deluxo?”
- On Number of Customers to Survey, change to 500.
- Click OK.
- Print the results and complete the following question:

| |
|---|
| How many people are aware of Deluxo by mail? _____ (percent) _____ (actual number) |
|---|

You’re finished with this activity. Close the survey. Select File, then Open an Activity. Click “No” when asked if you wish to save this session and go to Activity 2.

Activity 2: Direct Mailing Using Market Segmentation

- Select Targeted Marketing Activity.

Complete Market Research to focus your next mailing:

- Select Actions.
- Select Market Research.
- Select New Survey.
- Ask customers “Are you aware of Deluxo?”
- On Number of Customers to Survey, change to 500.
- Click OK.

To *segment* your results and to *buy a mailing list* for your next promotion:

- Click Segment button.
- Check only those who answered “No” to your survey.
- Click Apply.
- Click Buy Mailing List Button.
- How many names would you like to buy? Type in the **full** amount of people.
- Click OK.
- Name your List “NotAware”.
- Click OK; click OK; click OK; click Close.

Send out your Direct Mail:

- Repeat the Promotion process for Direct Mail, but this time use the “NotAware” list.
- Click OK.
- **Run until April 10th.**

Determine the effectiveness of this Direct Mailing and segment your mailing list even more:

- Select Actions.
- Select Market Research.
- Select New Survey.
- Ask customers “How did you become aware of Deluxo?” and “How important is price to you?”
- On Number of Customers to Survey, change from 500.
- Click OK.
- Print your results and complete the following question:

How many people are aware of Deluxo by mail? _____ (percent)
_____ (actual number)

Repeat the process for segmenting your mailing list and do the following:

- With the question “How important is price?” showing, select those who answered “Not Important”.
- Click Apply.
- Change the question to “How did you become aware of Deluxo?” and select those who answered “Not Aware”.
- Click Apply.
- Click Buy Mailing List Button.
- How many names would you like to buy? Type in the *full* number of people.
- Click OK.
- Name your List “Mix1”.
- Click OK; click OK; click OK; click Close Survey.

Since Deluxo is charging “Premium” prices for its products, you’re going to focus on the people who think price isn’t important when purchasing goods.

Repeat the Promotion process for Direct Mail but this time, use the “Mix 1” list.

- **Run until April 17th.**

Let’s see if you were able to increase the number of people who are aware of Deluxo:

- Complete the Market Research process using a new survey, only this time asking the question “How did you become aware of Deluxo?”
- On Number of Customers to Survey, change from 500.
- Click OK.
- Print your results and complete the following question:

How many people are aware of Deluxo by mail? _____ (percent)
_____ (actual number)

*See if you can keep increasing the number of people who become aware of Deluxo using different promotional methods, such as newspapers (putting ads in the **Finance** section) and/or constructing a Billboard in a **targeted** location (for example, where you know wealthy people live) and/or continuing Direct Mail using **segmented** lists. If you go Bankrupt at any time, just start the Activity again (File, Open an Activity, Targeted Marketing).*

Good Luck!

What promotional activity was most effective?