**REMINDER**

This is an **individual** case and, as such, must demonstrate **your** knowledge of the appropriate course material and **your** ability to effectively communicate. It is **not** to be worked on as a “team” effort.

These instructions are in addition to those provided in the “Case Assignments – Overview & Instructions” document posted on Blackboard.

**THE MANDATE**

You are the Chief Marketing Officer for DeNA and it is the summer of 2019. The strategy deck you are preparing is to be presented to and discussed with Yu Sasaki, Head of DeNA’s game division and Taku Kojo, producer of the mobile game, Othellonia. Your task is to:

**Determine the best future growth strategy for the Othellonia Game and the right marketing programs to support that growth strategy.**

Your deliverable is a document that presents the required strategy recommendations and trade-offs for Othellonia including appropriate supporting analysis and rationale. The business decision deck should be designed to present all the necessary facts and analysis in a logical manner to support your recommendations – it needs to “tell the story” in a concise and clear manner but it must also be thorough and complete.

Your business decision deck must include the identification of alternatives, all necessary supporting analysis of those alternatives using appropriate and thorough close-ended criteria and the rationale for your final recommendations. It would also be wise to consider the long term AND short-term implications of their situation and your resulting recommendations. All of this, of course, assumes that you have correctly specified the problem(s) and/or opportunities that need to be addressed.

Finally, you can only rely on information contained in the case and your interpretation and analysis of that information for your understanding of the company and its industry; no external research is required or permitted for any aspect of this business decision deck.

**GRADE ALLOCATION**

Remember that this case represents 20% of your final grade for MKM805 – Strategic Marketing Management. Your assignment will be graded out of **130** marks as follows:

10 marks for your thorough analysis of the company’s situation and the identification of the problem.

* The problem must be properly identified and stated in a clear, concise, well-written problem statement on your cover page or on the opening slide to your deck.
* This must include DeNA’s long and short term objectives, their current challenges & opportunities, and their competitive advantages are an additional requirement.
* A critical evaluation of the launch of the game must also be included.
	+ - What where the positives and negatives of how Othellonia launched the game?
		- **Was using an offline community management approach the right decision when launching the game? Why or why not?**
		- This assessment can be done with bullet points, a criteria table is not required.
* Multiple insights should and can be derived from the case facts, and 50% of the marks for this section are based on the insights you have discovered.
* Your situation analysis must also incorporate any insights and understanding that you have derived using the VRIO (identifying competitive advantages) framework.
* It is not necessary, however, to provide a formal 6 competitive advantage (VRIO) analysis in your appendix though you are free to do so if you believe it is helpful to the reader.
* What do you learn from your analysis to impact your alternatives and recommendations?

10 marks for the remainder of your situation analysis.

* This must include a thorough 5 “C” analysis with a special emphasis on the customer “C”.
* Multiple insights should and can be derived from the case facts, and 50% of the marks for this section are based on the insights you have discovered.
* Your situation analysis must also incorporate any insights and understanding that you have derived using the 6 Forces framework.
* It is not necessary, however, to provide a formal 6 Forces analysis in your appendix though you are free to do so if you believe it is helpful to the reader.
* What do you learn from your analysis to impact your alternatives and recommendations?

30 marks for your market size, customer and customer lifetime value calculations and analysis.

* 3 marks for determining market size, in users, including total market for strategic games, current users, lapsed users, lapsed users who might play again, and potential new users.
* 3 marks for breaking down Othellonia’s customer base into heavy, moderate & light users for MAU, DAU, ARPPU, Daily Revenue by customer and by customer group.
* Remember to provide appropriately calculated metrics for total customers for MAU, DAU, ARPPU (weighted average) and total daily revenue
* 8 marks for calculating current CLTV for light, moderate and heavy users , and a weighted average for all users.
* For this analysis, assume an interest rate (discount rate) of 10% per year or 0.02612% per day.
* 8 marks for CLTV simulations for each growth option under the following assumptions
* Increased daily expenditures by 10%
* Increased engagement with frequency of play increases by 1 day per week
* Increased daily retention of 1 basis point (e.g. from 99.5% to 99.6%)
* Reduced daily churn by 20% (e.g. if daily churn was 7.4%, it would now be 5.92%)
* 3 marks for the number of customers and % of lapsed and potential new users that must be acquired each week to break-even on the McDonald’s promotion
* 5 marks for professional presentation of metrics in your deck with only the key metrics presented in your deck with appropriate interpretation and analysis, and the detailed properly formatted tables with explanation for your calculations in your appendix.

10 marks for your analysis and interpretation of the market, Othellonia’s current customer base and their CLTV.

* What is the impact and strategic value, both qualitative and quantitative, of light, moderate and heavy users?
* Which customers have the greatest potential and why?
* What do you learn from your analysis to impact your alternatives and recommendations?

15 marks for your analysis of the customer base composition and spill-overs (social effects) across segments.

* Do you want to increase retention or frequency of play or both?
* Is the current split of Othellonia’s customer base (3%, 16% and 81% heavy, moderate & light, respectively ideal? If not, what do you think the “ideal” composition of the customer base be?
* Which customers have the greatest potential and why?
* Your analysis must include the following considerations:
* Why would you want light users in your customer base?
* Which segment has higher social need and higher social influence?
* What do you learn from your analysis to impact your alternatives and recommendations?

10 marks for clearly identifying alternative growth options, any implications for DeNA’s business model for each growth option and identifying the marketing tactics that you would use for each option.

* The case identifies three growth options: acquire users, engage users and improve monetization. You should identify a minimum of 2 additional growth options.
* The bulk of the marks in this section are for identifying the implications for the firm’s current core competencies and competitive advantages, and the marketing tactics for each option.
* Does each alternative leverage the firm’s core competencies and competitive advantages? If so, how? Does it require the development of any new competencies or competitive advantages? If so, what is it and how difficult will it be to develop?
* Your marketing tactics should be limited to 3 – 5 tactics for each alternative and each one should be a 1 sentence bullet point.
* For example, if the alternative is increasing retention, you would want to provide tactics to increase retention amongst light, moderate and maybe even heavy users.

15 marks for evaluating your alternatives and your recommended strategic focus of action to Sasaki and Kojo?

* This includes considering the previously required analysis of the qualitative information on CLTV from the simulations.
* A qualitative analysis is also required using a comprehensive set of close-ended criteria.
* Your qualitative and quantitative analysis must be used to determine your overall recommendation on which growth option you are recommending and why.

15 marks for your recommendation on the type of promotional activity that the Othellonia should invest in given your decision on the strategic focus of action.

* While you must evaluate all the alternatives mentioned in the case, you should not be limited to only those alternatives. You should identify no more than 2 additional alternatives.
* A qualitative analysis is required using a comprehensive set of close-ended criteria.
* You absolutely need to consider the kind of user each option will attract and appeal to.
* 15 marks for your summary of your decisions on growth focus and supporting tactics including short rationales, and the overall quality and impression of your business decision deck.

**All** the necessary information for the reader to evaluate your recommendation **must** be included in your business decision deck and its appendices:

* Any excerpts from your spreadsheet included in your presentation must be formatted properly and presented so that it looks like it is an integrated part of your presentation.
* The financial information presented in your actual deck (versus what is in the appendices) must be a summarized version of the detailed financial models that are contained in your appendices. Do not waste the reader’s time by putting the exact same information in two places in your deck.
* Your spreadsheet must be submitted to the professor at the same time as you submit your powerpoint file. You must also upload a pdf of your business decision deck to SafeAssign by the designated time.

As with all cases in this course, all the information required to solve the case is in the case unless otherwise stated in the specific case instruction document. Searching for information and answers on the internet is not required, nor is it permitted unless specifically required in the case instructions.

The business decision deck must be designed to present **all** the necessary facts and analysis in a logical manner to support your recommendation – it needs to “tell the story” in a concise and clear manner but it must also be thorough and complete. You are free to flow the content in your deck in whatever way best communicates the “story” you want to tell. The allocation of space for each of the required areas is up to you as long as the assignment requirements are appropriately covered. The size of your deck and the allocation of space for each of the required areas is up to you as long as the assignment requirements are appropriately covered AND there isn’t inappropriate repetition of case facts and irrelevant points.

Additional submission instructions and requirements, and submission deadlines are outlined in the “Case Assignments – Overview and Instructions) document that has already been posted on blackboard.

* Remember that you must submit a pdf on-line through SafeAssign and email your powerpoint deck and excel spreadsheet directly to the Professor.
* All submissions must be received before the submission deadlines, and all of your submissions must be absolutely identical; if that is not the case, a grade of “0” will be given for the assignment.
* This means that your pdf and powerpoint deck must be exactly the same, and that the metrics information in your pdf & powerpoint decks must be the same as in your excel spreadsheet

As a reminder, your overall grade on the case can be adjusted +/- 10% of the total marks available for the case by the professor to reflect the quality and quantity of your participation in our class discussions.

**The overall quality, flow, consistency & professionalism of your submission must meet an appropriate standard for a business deck in the “real world”. Marks, up to 20% of the total grade for this assignment can be deducted if the following expectations are not met or if too much irrelevant content is included.**