Actions implied, See Implied actions observable, See Observable actions of retailer, 252 of salesman, 340 Active element consumer as, 51 definition of, 35 distributor as, 43 government as, 52 graphic representation of, 37 producer as, 39 research agent as, 54 retailer as, 48 salesman as, 46 Active elements, 18 eight specified, 39 Actors in market environment, defined, element in conceptual framework, 16 Advertising consumer assimilation of, 190 consumer exposure to, 189 consumer exposure to retailer, 229 effect of, on awareness gain, 199 expenditure effect on media exposure, 188 purpose of, 3 retailer-generated, 286 retailer use of prepared mat, 288 schedule specification for, 141 size and color specification in, 141 trade, retailer response to, 295 validation of appeals effect on assimilation, 387 Aggregate data, use in testing, 383 Alderson, Wroe, 7, 121, 162, 170, 193, 194, 302 Allocation by distributor to retailer, 325 procedures associated with capital flow, 79 of salesmen by distributor, 325 of salesmen by manufacturer, 145

American Marketing Association, Committee on Definitions, 12 Analysis in desired decision process, 417 Analytical marketing texts, 12 Appeals initialization for testing, 391 population distribution of attitude toward, 393 product-associated, 25 Arbuckle, John, 172 Array and matrix notation, 103 Assembler languages, 100 Assimilation of advertisement by consumer, 190 of point-of-sale promotion, 214 process validation procedure, 387 of retail advertising, 229 of salesman communication, 217 of word-of-mouth communication, 206 Assumption formulation, in management use of simulation, 434 Assumptions and realism, 379 Attitude toward brand, 224 characteristics of consumer, 158 of consumer toward retailer, 227 formulated, 231 and distribution for new product test, 401, 402 effect, on communication playback, 389 on purchase, 176 on response to product use, 219 on word-of-mouth generation, 180 initialization of brand attitudes for testing, 391 measure of, 96 and population distribution, for two appeals, 393 for two brands, 392 of retailer toward competition, 260 scale, defined, 97 and time paths during new product test, 404

Attributes of distributor, 304 of salesman, 337 Availability of media to consumer, 187 of salesmen, 353 Awareness of brand effected by communication, 198 consumer loss of, 231 effected by purchase, 218 effect, on purchase, 176 on word-of-mouth generation, 180 maintenance of, 199 measure of. 96 and time paths during new product test, 404 Backlogs control of, by consumer, 51 by distributor, 43 by government, 53 by producer, 40 by research agent, 54 by retailer, 49 by salesman, 46 as passive elements, 30 and product inventory, 34 Balderston, F. E., 113, 278, 380, 381, 406 Bayesian decision structure, 124 Behavior data describing, 385 of distributor, 306 and perspective on purchase decision, 170 of population, simulated, 399 simulation of individual, 393 Behavior system, firm viewed as, 121 Behavioral attributes of consumers, 158 of retailer, 250 of salesman, 337 Behavioral model, of consumer, 153 of distributor, 301 of retailer, 246 of salesman, 333 Berelson, B. R., 204 Bias, word-of-mouth, 203 Binary machines vs. decimal. 99 Boundary conditions, imposed by government, 53 Brand, absolute share comparisons for, 411 accidental exposure to, 211 attitude formation, 224 attitude initialization for testing, 391 attitude toward, 226 awareness of, effected by communication response, 198 effected by purchase, 218 distributor, decision to drop, 318 knowledge of shares, 310 offer to carry, 315 gross margin evaluation by retailer, 257

image concept, 182

perceived image, 224 perceived vs. realized attributes, 220 population attitudes toward, 392 retailer decision to add, 276 to drop, 271 sales expectations formed by retailer, 258 by distributor, 310 share comparisons for simulation test, 409 Brand identification, as communication content, 26 effect on awareness, 199 Brand-model, 4, 128 Brown, Roger, 173 Brown, S. E., 148 Business climate, retailer response to, 293 Business communication, distributor exposure and response to, 331 Business game differentiating characteristics of, 414 graphic representation of desired decision, 419 impact of simulation-based game, 428 information flow in, 422 objectives for, 414 structure of external environment, 420 structure of simulation used, 423 use of a simulated environment in, 426 Businessman distributor as, 303 retailer as, 248 Buzzell, R. D., 407 Call schedule distributor development of, 326 salesman response to, 354 Capacity, of computer, 98 Capital as element of flow, 27 specification of, 27 Capital flow associated allocation procedures, 79 within consumer sector, 87 within distributor and retailer sectors, 84 within manufacturer sector, 79 processes based on, 78 Carnegie Institute of Technology, 258 Cash, as element of flow, 27 Channel maintenance, decisions by manufacturer, 132 Characteristics of business games, 414 of consumers, 51, 154 of distributors, 43, 301 of government, 52, 358 of manufacturer, 39 of realistic artificial environment, 415 of relevant management problems, 415 of retailers, 48, 246 of research agents, 54, 358 of retailers, 48, 247 Chicago Tribune, 385 Churchman, C. West, 111, 123, 380

Circulation of media, 141 and cost of exposure, 188 Clayton Act, 369, 370, 425 Coding communication content, 137 in computer language, 100 Cohen, K. J., 407 Color, specification for advertising, 141 Communication alternative models of, 201 assimilation of word-of-mouth, 206 business-oriented, 331 channel selection, 136 consumer assimilation of salesman's, 217 content coding, 137 content modified, by distributor, 44 by producer, 41 by salesman, 47 determinants of salesman content, 346 effect on awareness gain, 200 generation by salesman, 349 macroflow of response to, 71 media, consumer exposure and response to, 185 origination, by consumer, 51 by distributor, 44 by producer, 41 by research agent, 55 by retailer, 49 by salesman, 47 prominence scale, 137 response to, by consumer, 51, 185, 194 by distributor, 44 by government, 53 by producer, 40 by research agent, 54 by retailer, 49 by salesman, 46 between retailer and salesman, 291 skills developed using simulation-based game, 429 validation of attitude effect on playback, 389 word-of-mouth consumer exposure and response, 202 word-of-mouth macroflow of, 76 Communication content defined, 25 specification, 137 See also Content, communication Compatibility of units, 95 Competition retailer response to, 294 and retailer pricing, 269 Compiler languages, 101 Computer effect on quantification, 97 hardware characteristics, 98 languages, 101 software characteristics, 100 Computer system, functions in simulation-

based game course, 421

Confirmations of orders as operating information, 25 Conflict resolution, effect on memory, 236 Conservative system, shipments in transit as example of, 35 Consistency evaluation, 407 testing, 381 Consumer as active element, 51 accidental exposure to brand, 211 advertisement assimilation, 190 advertisement exposure, 189 assimilation of point-of-sale promotion, 214 assimilation of retail advertising. 229 assimilation of salesman communication, 217 attitude, toward brand, 226 toward retailer, 227 attitudes, index of, 177 awareness gain, 200 brand attitude formation, 224 cell structure, 159 characteristics, 158 and content of contemporary texts, 14 decision, to purchase, 169 to shop, 161 to talk about a brand, 180 demographic characteristics, 155 description of, 154 example of specifications for single cell, 396 exposure, to media promotion, 187 to point-of-sale promotion, 213 to retailer advertising, 229 to word-of-mouth, formulated, 203 exposure and response to word-of-mouth, 202 forgetting process, 231 graphic summary of interactions, 243 income effect, 167 industrial, 244 memory content example, 396 model development reviewed, 240 negative-weakening response to product, 224 perceived need construct and function, 161 perceived retailer image, 230 positive-reinforcing response to product, 223 product experience, 208 psychological (attitudinal) characteristics, 158 purchase decision formulation, 173 as raison d'être, 3 reaction to product use, 218 reactions and responses, 184 response to communication, 194 salesman interaction, 216 selective perception, 195 shopping decision formulation, 167

447

Consumer (continued) simulated, media exposure and response, 397 product experience, 398 purchase example, 398 word-of-mouth exposure, 397 word-of-mouth generation, 399 socioeconomic characteristics, 156 specification, 51 word-of-mouth generation formulation, 181, 203, 399 Consumer behavior model, 153 Consumerlike activities of distributor, 302 of retailer, 247 Consumer sector capital flow within, 87 product flow within, 63 used in M.I.T. Marketing Game, 425 Contemporary texts as basis for structure, 10 consumer content in, 14 principles in, 10 Content advertising assimilated by consumer, 190 perceived by consumer, 198 provided by manufacturer, 136 of capital flow, 27, 28 of communication, defined, 25 specified, 137 of consumer communication, 51 of consumer-generated word-of-mouth, 183 of distributor communication, 44 of producer communication, 41 of promotion, specified, 142 of promotion generated by retailer, 289 of retailer communication, 49 of salesman communication, 47, 346 Control Team, function in simulation-based game course, 420 Conventions computer language, 102 dimensional analysis, 253 employed in model formulations, 102 for graphic representation, 28, 37 Corporate management perspective, implications of, 2 Course structure simulation-based for game, 426 Coverage of media, 140 Customer-retailer interactions, 296 See also Consumer Cyest, Richard M., 122, 258, 278, 407 Data acquisition in research, 363 analysis in research, 365 comparisons with model output, 403 for function validation, 384 generation, 117

for management use, 434

for initialization, 118 operating, 118 organization in research, 365 required for simulation testing, 383 Dean, Joel, 127 Decimal machines vs. binary, 99 Decision Bayesian, 124 characteristics of desired process, 416 consumer purchase, 169 consumer shopping, 161 distribution, 131 by distributor, to add brand, 315 to drop brand, 318 to order, 319 distributor pricing, 313 function testing, 392 functional areas. 127 to generate word-of-mouth, formulated, 181 graphic representation of game process, 419 manufacturer pricing, 143 procedure in business game, 418 product, 129 product-oriented outputs, 128 product policy, 129 production scheduling, 129 promotion, 136 to purchase, simulated, 398 research, by manufacturer, 147 retailer, to exert selling effort, 283 to order, 278 to place product, 282 retailer pricing, 264 retailer promotion, 284 sales force composition and allocation, 146 of salesman, to accept employment, 353 to seek employment, 349 to shop, simulated, 398 stochastic processes in, 107 Decision maker, marketing, See manufacturer Decision process, management, 123 Definition of active elements, 35 of elements of flow, 22 of macrosectors, 8 of passive elements, 29 qualitative, of framework, 18 of simulation, 111 specific, for eight active elements, 39 of system elements, 22 Definitions, American Marketing Association Committee, 12 Delays controlled, by consumer, 51 by distributor, 44 by government, 53 by producer, 40 by research agent, 54 by retailer, 49

Delays (continued) by salesman, 46 as passive elements, 29 time, defined, 29 Demographic characteristics. of consumers. 155 of retailer, 249 of salesman. 337 Description of consumer, 154 of distributor, 301 functional, 117 of market. environment. 8 qualitative, 10 of population, 117 of promotion content by manufacturer, 136 of retailer, 247 of salesman. 333 Development of consumer model reviewed. 240 of macromodels, 8 of micromodels, 9 of model, 116 Dichter, Ernest, 227 Dimensional analysis, 253 Dimensions of models. 91 Discountable paper, element of flow, 28 Dissipators, defined as passive elements, Distribution, effect on retailer expectations, 259 Distribution channels, management control of, 301 Distribution decision outputs, 134 Distribution decisions. 131 Distribution sector capital flow within, 84 product flow within. 61 used in M.I.T. Marketing Game, 424 Distributor as active element, 43 activities, 302 attributes, 304 behavior of, 306 as businessman. 303 call schedule development, 326 consumerlike behavior, 302 decision to add new product line, 315 to drop brand, 318 to modify existing product line, 316 to order, 319 as decision maker, 303 description of, 301 evaluation of existing sales, 307 of retail outlet, 325 of seasonal cycle, 308 expectation formation, 310 exposure and response to business communication, 331 implications of exclusive agreements, 317 knowledge of brand shares, 309 model of, 301

offer to carry brand, 315 pricing decision, 313 pricing by manufacturer, 144 profit expectation, 314 response to special purchase opportunities, 323 retailer characteristics comparison, 305 sales force maintenance, 327 salesman, interactions, 335 selling effort, 341 as salesman's customer, 336 as salesman's employer, 335 salesmen allocation decision, 324 shipments to retailer, 324 specification, 45 variable definition, 405 Drucker, Peter, 3, 4, 125, 127, 148 Duncan, D. J., 10 Economic attributes of salesman, 337 Economic characteristics of consumer, 156 of distributor, 303 of retailer, 249 Economist's view of purchase decision, 169 Economy, impact of, on retailer, 253 Educational applications of simulation, 413 Elements of flow, 18, 19 capital, 27 conventions for representation, 28 definition, 22 information as, 24 product as, 23 Elements of system active, 18 defined, 22 of flow, 18 passive, 19 Employment decision, of salesman, 349 Evaluation in game decision process, 417 Evaluation and review in management use of simulation. 437 Exclusive distribution agreements, 317 Expectation, distributor formation of, 310 retailer formation of. 258 Experience consumer, at point-of-sale, 209 with product, 208 simulated, with product, 398 distributor evaluation of, 307 effect on purchase decision, 171 after purchase, 180 retailer evaluation of, 253 Explication in desired game decision process, 417 Exponentiation, conventions regarding use, 102 representation of, 105 Exposure accidental, to brand, 211 consumer, to media, 185 to media, simulated, 397 to point-of-sale promotion, 213

Exposure (continued) to retailer advertising, 229 to word-of-mouth, 202 to word-of-mouth, simulated, 397 distributor, to business communication, 331 retailer, to customer comment, 297 Fast-service order condition, 320 Federal Trade Commission Act, 369, 371, 372 Ferber, Robert, 154 Festinger, L., 236 Financial reports as description of process. 81 Finished goods as element of flow, 23 Firm as behavior system, 121 as input generator, 123 as organization, 120 perspectives on, 120 Flow element of, 18 defined, 22 of operating information, 73 of promotional information, 67 of word-of-mouth information, 76 Forgetting due to conflict resolution, 236 impact on memory content, 234 process, 231 simulation, output relating to, 399 Forrester, J. W., 202, 278 Four-phase approach to management application of simulation, 436 organizational considerations, 439 Four "P's" as example of qualitative structure, 13 Framework conceptual, 15 example of application, 17 proposed conceptual, 16 Function of computer in simulation-based game course, 421 of consumer behavior model, 153 of control team in simulation-based game course, 420 establishing form of, 386 of game administrator in simulationbased game course, 321 of instructor in business game course, 420 perceived need, 162 SRF3F and SRF2F logistic, 106 Function validation. data for. 384 Functional decision area, 127 Functional description and representation, 117 Functions, representation in computer language, 103

Game administrator, role in simulationbased game course, 421 Games, based on simulation systems, 413 Gaudet. H., 204 Government actions of, under Federal Trade Commission Act, 371 under Robinson-Patman Act, 372 as active element, 52 functions of, 369 graphic representation of action, 374 impact on competitive interaction, 370 impact on system boundaries, 53 representation of, 358 representation in M.I.T. Marketing Game. 425 specification of, 53 Graphic representation of active elements, 37 of basic functions, 104 of capital flow, 78 of consumer model interactions, 242 of desired game decision process, 419 of elements of flow. 28 of government action, 374 of macro information flow, 65 of macro pricing relationships, 82 of macro product flow, 58 of macro purchase decision, 87 of passive elements, 32 of qualitative structure, 17 of retailer order decision, 279 of retailer pricing decision, 272 of selected research functions, 368 of selective perception process, 197 of simulation-based Management Information Systems, 242 Greenberg, H., 339 Hansen, Victor R., 370, 371 Hardware, computer, 98 Harling, John, 112 Henderson P. L., 148 Hind, J. F., 148 Historical condition duplication, sample evaluation, 407 Historical explanation, as research function. 365 History, duplication of, as test, 382 Hoggatt, A. C., 113, 278, 380, 381, 406 Hypothesis formation in research, 360 Identifiers, brand name, 26 Identification of retailer name in advertisements, 291 Implementation, in desired game decision process, 418 under four-phase approach, 439 process, 9

Implied actions, element in conceptual framework, 16

Income effect on ability to purchase, 167

Individual behavior simulation, 394, 395 Industrial consumer, 244 Industrial salesman, 47 Information assimilation process, 192 as element of flow, 24 flow based processes, 65 in simulation-based game environment, 422 specification of, 26 Information systems, simulation-based, 441 Initialization data for, 118 of parameter values for testing, 391 Initial conditions for system testing, 401 Input generator, firm viewed as, 123 Instructor, role in simulation-based game, 420 Integrated planning by manufacturer, 147 Interaction between advertising exposure and response, 201 between consumer and salesman, 216 between factors in purchase decision, 177 government impact on competition, 370 between retailer and customer, 296 between salesman and manufacturer, 334 between salesman and retailer, 336 word-of-mouth nature of, 204 Interactions of consumer model summarized, 242 summary of, 114 Interdisciplinary approach to system design, 6 Intermediate variables, use of, 96 Interpersonal relations, in simulation-based game course, 428 Interview procedure for assimilation validation, 388 procedures in research, 363 Kahl, J. A., 156, 157 Katona, George, 177 Katz, Elihu, 206 Kuehn, A. A., 202 Languages computer, 100 used in study, 102 Lazarsfeld, P. F., 204 Logical functions, representation of, 104 McMurry, R. M., 338, 357 Macro- vs. microsimulation, 111 Macroflow of system structure, 115 Macromodel development, 8 Macrosector definition, 8 Macrosimulation, characteristics of, 112 Macrospecification development in fourphase approach, 437

Macroview

of capital flow, 79 of information flow, 65 of product flow, 58 Management applications of simulation, 431 control of distribution channels, 301 involvement in simulation process, 431 organizational considerations, 439 performance references, 441 role, in macrospecification development, 437 in microspecification development, 438 in testing and evaluation, 438 in system implementation, 439 and simulation-based information system, 441 by students in simulated environment, 426 testing implicit models, 440 use of simulation, 440 Management information systems based on simulations, 441 Management problems, characteristics of, 415 Management use of simulation assumption formulation, 434 data generation, 434 four-phase approach, 436 model, development, 434 evaluation, 435 policy implementation, 436 policy inference, 435 problem definition, 432 review procedures, 436 Manufacturer as active element, 39 behavior modeled, 120 decision output variables summarized, 150 distribution decisions, 131 integrated planning, 147 pricing decisions, 143 product decisions, 129 product policy decisions, 127 production scheduling, 129 promotion decisions, 136 research decisions, 147 retail promotion generation, 142 sales force maintenance, 145 salesman interactions, 334 salesman selling efforts, 343 specification, 41 support of retail salesmen, 336 Manufacturer sector capital flow within, 79 inputs for testing, 385 product flow within, 61 used in M.I.T. Marketing Game, 424 March, James, 122, 258, 278 Margin dollar impact on retailer pricing, 266 effect on retailer pricing, 266

percent impact on retailer pricing, 267

Market Research Corporation of America, 385 Market viewed as network, 19 Marketing decision maker, See Manufacturer Markup, See Margin Martineau, Pierre, 225, 227, 296 Mathematical functions, representation of, 104 Mayer, D., 339 Measurement, of attitude, 96 of awareness, 96 types of, 94 Media, advertising availability to consumer, 187 characteristics, effect on exposure, 188 circulation and overlap, 141 consumer exposure and response to, 185 as element of flow, 25 promotion, macroflow of, 67 simulated exposure and response to, 397 specification by manufacturer, 140 Memory content for simulated consumer, 396 Memory reduction due to conflict resolution, 236 due to forgetting, 234 process, 240 Methodology of book, 2 of research agent, 362 Michigan, University of, Survey Research Center, 177 Micro- vs. macrosimulation, 111 Micromodel development, 9 Microsimulation, selection of structure, 113 Microspecification development in fourphase approach. 438 Missionary salesman, 336 M.I.T. Marketing Game. 413 communication skills developed in, 429 impact of a simulation-based game, 428 interpersonal relations developed, 428 playing the game, 427 problem-solving approach, 428 Modeling process, 118 Model characteristics desired, 93 comparisons against real-world data, 403 of consumer behavior, 153 reviewed, 240 conventions used in formulations, 102 determinants of structure of, 117 development by management, 434 sequence, 160 steps in, 116 of distributor behavior, 301 evaluation, based on simulation test, 406 by management, 435 precision and validity, 378 of retailer behavior, 246 of salesman behavior, 333

of stochastic process, 107 testing and validation, 385 Models alternative of communication process, 201 process flow, 57 qualitative vs. quantitative, 91 testing management's implicit, 440 types of, 91 Monitor procedures in business game decision process, 418 Name identification in retailer-prepared advertisement, 291 Negative-weakening response to product, 224 Network, market viewed as, 19 Nonconservative system, salesman communication as example, 35 Notation, See Conventions Objectives of book, 1 for a business game, 414 Observable actions, element in conceptual framework, 16 Operating data, 118 Operating information as element of flow, 25 macroflow of, 73 Orcutt, Guy, 383 Order conglomerate case condition, 322 distributor decision to, 319 fast-service condition, 320 response to special purchase opportunities, 280, 323 retailer decision to, 278 slow-service condition, 321 Orders as capital, 27 macroflow of, 73 as operating information, 25 Organization, firm viewed as, 120 Organizational considerations affecting management application, 439 Orientation variables effect, on purchase, 176 on word-of-mouth generation, 180 initialization for testing, 391 Osgood, C. E., 96 Outlet selection, 132 Overlap of media, 141 Parameter values for testing, 384 Passive elements, 19 conventions for graphic representation, 32 definition of, 29 specification of, 29 Perceived brand image, 182, 224 effect on response to product. 220

Perceived need construct, 161 formulation, 165 function, 162 Perceived retailer image, 230 Perceived vs. realized attributes of product, 220 Perception retailer, of distribution and promotion, 259 selective, 194 Performance references for management, 441 Perspective management implications of, 5 taken in book, 2 Perspectives on the firm, 120 Phillips, C. F., 10 Planning, integrated by manufacturer, 147 Point-of-sale assimilation of, by consumer, 214 consumer experience at, 209 simulation, 398 display size, 142 impact on purchase, 171 retailer placement, 284 retailer response to, 299 validation of placement function, 390 Point-of-sale promotion consumer exposure to, 213 as element of flow, 25 macroflow of, 69 Policy communiqués macroflow of, 73, 75 as operating information, 25 Policy implementation, through management use of simulation, 436 Policy inference, through management use of simulation, 435 Policy management orientation of simulation application, 431 perspective, 4 Policy sciences approach to system design, 6 Pollak, Otto, 296 Population behavior simulation, 399 description, 117 Positive-reinforcing response to product, 223 Precision, tests of, 378 Prediction of future condition as test, 382 as research function, 366 Price effect on consumer response to product use, 219 retailer evaluation of average (prevailing), 256 Price-quality syndrome, 172 Pricing decisions of manufacturer, 143 decision outputs, 144

distributor, decision, 313 oriented by manufacturer, 144 graphic representation of retailer logic, 272 retailer, clearance policies, 275 competitive effect, 269 decision, 264 oriented by manufacturer, 144 procedures, macroflow, 81 Principles of marketing in contemporary texts, 10 Problem definition in management application of simulation, 432 in research. 359 Problem solving in simulated environment, 428 Problem statement in desired decision process, 417 Process alternative models of communication, 201 desired decision procedures, 416 forgetting, 231 of information assimilation, 192 management decision, 123 of memory reduction, 240 model development, 116 of modeling, 118 new product information, simulated, 400 of selective perception, 195 simulation, application to management, 432 Process flow models, 57 Processes capital flow based, 78 information flow based, 65 marketing quantification of, 89 product flow based, 57 related to production scheduling, 129 Producer, See Manufacturer Product, consumer experience with, 208 consumer reaction to use, 218 decisions, 129 definition of, 23 defined as element of flow, 23 distributor line composition, 315 factors affecting contribution to firm, 127 introduction of, timepath data, 402 ownership function, 165 perceived vs. realized attributes, 220 placement decision at retail, 282 policy decisions, 127 retailer additions to existing line, 262 addition of new line, 262 evaluation of line trends, 255 line composition, 271 shipments to retailers from distributor, 324

simulated experience example, 398

Product characteristics, as communication content, 26

Product characteristics (continued) specification of, 129 Product flow based processes, 57 Product flow, in consumer sector, 63 graphic representation of, 58 macroview of, 58 in manufacturer sector, 61 multisector, 65 within retailer and distributor sectors, 61 and value flow, 78 Profit distributor expectation, 314 retailer expectation, 257 Prominence scale, 137 Promotion allocation procedures, 138 assimilation by consumer, 190 consumer exposure to media, 187 content generated by retailer, 288 content specification, 142 effect on retailer expectations, 259 as element of flow, 24 manufacturer decision outputs, 141 manufacturer decisions, 136 manufacturer-generated, for retailer, 142 media, See Media promotion point-of-sale assimilation, 214 point-of-sale, See Media promotion retailer activities, 228 retailer decision to generate, 284 Psychological attributes of consumers, 158 of retailer, 250 of salesman, 338 Purchase decision behavioral perspective on, 170 consumer, 169 and brand awareness, 218 and word-of-mouth generation, 180 economist's view, 169 interaction between factors, 177 macrorepresentation of, 87 simulated example of, 398 validation of attitude effect on, 386 Push, See Selling effort Oualitative definition of framework, 18 of market, 10 of market environment, 8 Quality, Price-, syndrome, 172 Quantification computer's effect on, 97 of expectation formation, 260 of marketing processes, 89 process, 8 Quantitative vs. qualitative models, 91 Random vs. sequential access, 99 Random number generator, 107 Rates of flow, controlled by consumer, 51 by distributor, 43

by government, 52 by producer, 39 by research agent, 54 by retailer, 48 by salesman, 46 Raw material as element of flow, 23 Reactions and responses of consumer, 184 Realism, requirements for, 415 Reality and assumptions, 379 and models, 378 Reliability evaluation, 406 Reliability testing, 377 Reports financial, 81 generation in research, 366 macroflow of, 75 macrospecifications, 437 microspecifications, 438 as operating information, 25 Representation in computer language, 102 formal, 117 of functions, 103 graphic, See Graphic representation Requirements of conceptual framework, 15 Research data acquisition, 363 data analysis, 365 data organization, 365 decisions by manufacturer, 147 functions, 359 graphic representation of activity, 368 hypothesis formation, 360 interview procedures, 363 methodology, 362 problem definition, 359 representation of, 358 sample selection, 362 source determination, 361 variable definition, 361 Research agent as active element, 54 simulation, 367 specification, 55 Response to communication by consumer, 51, 184, 185 simulated example, 397 by distributor. 44 to business communication, 331 effect on brand awareness, 198 function testing, 392 by government, 53 macroflow of, 71 by manufacturer-producer, 40 negative-weakening, 224 to policy communication, macroflow, 75 positive-reinforcing, 223 to product use, formulated, 219, 222, 223 to purchase, simulated, 398 represented, 199 by research agent, 54

Response to communication (continued) of retailer, 252, 293 to business climate, 293 to competition, 294 to consumer media, 299 consumerlike, 299 to point-of-sale display, 299 to trade promotion, 295 to trade salesman, 295 by salesman, 46, 430 to word-of-mouth, 202 macroflow, 78 Retail outlet, value to distributor, 325 Retailer actions, 252 as active element, 48 addition to existing product line, 262 of new product line, 262 advertising, assimilated by consumer, 229 in consumer media, 286 attitude toward competition, 260 behavioral attributes, 250 as a businessman, 248 characteristics specification, 249 clearance pricing policies, 275 competitor effect on pricing, 269 consumer attitude toward, 227 consumerlike activities, 247 consumerlike responses, 299 decision to add a brand, 276 to drop a brand, 271 to exert selling effort, 283 to promote, 284 demographic characteristics, 249 -distributor characteristics comparison, 305 economic characteristics. 249 evaluation, of average brand gross margin, 257 of average (prevailing) price, 256 of external economy, 253 of product line trends, 255 expectation formation, 258 experience evaluation, 253 exposure to customer comment, 297 image of, perceived by consumer, 230 interactions with customer, 296 model of behavior, 246 name identification in retailer-prepared advertisements, 291 order decision, 278 perception of distribution and promotion, 259 point-of-sale display placement, 284, 390 pricing decision, 264 pricing by manufacturer, 144 product placement decision, 282 promotion activities, 228 promotion content generated, 289 psychological attributes, 250 response, to business climate, 252, 293

to competition, 294

to consumer media, 299 to point-of-purchase display, 299 to special purchase opportunities, 280 to trade advertising, 295 to trade salesmen, 295 and salesman communication at point of sale, 291 and salesman interactions, 336 specification, 49 use of prepared advertising mats, 288 validation of point-of-sale placement function, 390 variable definition, 251 Retail sector capital flow within, 84 product flow within, 61 used in M.I.T. Marketing Game, 425 Review procedures in business game decision process, 418 in management use of simulation, 436 Robinson-Patman Act, 369, 372, 373, 425 Sales attributed to salesman, 344 distributor evaluation of. 307 expectations, formed by retailer, 258 formed by distributor. 310 Sales force decision outputs, 146 maintenance, 145 maintenance by distributor, 327 Sales presentations, macroflow of, 71 Salesman actions, 340 as active element, 46 allocation decision, 145 allocation by distributor, 324 availability, 353 behavioral attributes, 337 call schedule, 325, 326 characteristics, 337 communication, assimilation by consumer, 217 example of nonconservative system, 35 generation, 349 with retailer at point-of-sale, 291 compensation from manufacturer, 145 decision, to accept employment, 353 to seek employment, 349 demographic characteristics, 337 description of, 333 determinants of communication content, 346 distributor, allocation of, 324 compensation of, 328 interactions with, 335 economic attributes, 337 interaction with consumer, 216 and manufacturer interactions, 334 model of behavior of, 333 psychological attributes, 338

responses, 340

Salesman (continued) and retailer interactions, 336 retailer response to, 295 sales attributed to, 344 selling effort, 341 specification, 47 supported at retail by manufacturer, 336 variable definitions, 340 Salesman sector, used in M.I.T. Marketing Game. 425 Sample selection in research, 362 Scale attitude, 97 prominence, 137 Scheduling of production, 129 Seasonal cycle, distributor evaluation, 308 Selection of communication channels by manufacturer, 136 of outlets by manufacturer, 132 Selective perception, 194 graphic representation, 197 Selling effort by distributor, 303 by retailer, 252, 283 by salesman, 341 Selling presentations, as element of flow, 25 Sequence, of consumer model development, 160 Sequential vs. random access, 99 Sherman Antitrust Act, 370, 425 Shipments to retailer from distributor, 324 in transit, as example of conservative system, 35 Shop, consumer decision to, 161 Shopping decision, simulated example, 398 Simulation application of, 9 in education. 413 through four-phase approach to management. 432 characteristics of macro and micro, 112 of consumer behavior, 153 contribution of, 126 defined, 111 development, 2 of government activity, 373 impact on business game, 428 of individual behavior, 393 languages, 101 in management information systems, 441 of manufacturer decision outputs, 120 micro- vs. macro-, 111 of new product introduction, 400 output for artificial consumer, 394, 395 as performance reference, 441 of population behavior, 399 of research agent behavior, 367 of retailer behavior, 246 of salesman behavior, 333

and traditional analytic approaches, compared, 433 use of microstructure. 113 Size, point-of-sale display, 142 specification for advertising, 141 Sloan School of Management, M.I.T., 413, 430 Slow-service order condition, 321 Small Business Administration, 374 Socioeconomic characteristics of consumers. 156 Software, See Computer, software Source determination, in research, 361 Specification of advertising schedule, 141 of advertising size and color, 141 of capital. 27 of communication content, 137 of consumer, 51 of distributor, 45 of government, 53 of information, 26 of media by manufacturer, 140 of passive elements, 28 of producer, 41 of product, 23 of product characteristics, 129 of promotion content, 142 of research agent, 55 of retailer, 49 of retailer characteristics, 249 of salesman, 47 of salesman attributes, 337 as stage in model development, 116 of variables. 94 Specifications, example of single consumer cell. 396 Speed, of computer processing, 98 Sprague, C. R., 393 Stability evaluation, 406 testing, 381 Stochastic process representation, 107 Structure Bayesian, 124 of computer languages, 100 of consumer behavior model, 153 of a consumer cell, 159 distribution, 131 of external game environment, 420 four "P's" as example of, 13 impact on description, 20 macroflow of system, 115 of management decision process, 123 model, 117 selection of a microsimulation, 113 of simulation for business game, 423 of simulation-based game course. 426 Structures, based on contemporary texts, 10 Student manager in simulation-based game, 426 Subsystem testing, 400

Survey Research Center, Univ. of Michigan, 177 Synthesis of qualitative relationships, 9 System behavioral, 121 boundaries imposed by government, 53 conservative and nonconservative, 35 elements, definition of, 22 evaluation based on simulation test, 406 implementation under four-phase approach, 439 management information, 441 performance testing, 406 structure, 114 subsystem testing, 400 total performance testing, 400 validation and testing, 377 Test of absolute brand share level, 411 of attitude and awareness measures, 404 conditions for total system validation, 400 of rank order for brand shares, 409 of system performance, 406 time path data generation, 402 Testing actual and simulated time paths, 402 data required for, 383 decision and response functions, 392 and effect, of advertising appeals on assimilation, 387 of attitude on communication playback, 389 of attitude on purchase, 386 of point-of-sale display size on placement, 390 implicit models, 440 initial conditions for system, 401 model evaluation, 406 parameter values for, 384 purposes of, 377 subsystem level, 400 system performance, 377 system reliability, 377 system validity, 378 Testing and evaluation in four-phase approach, 438 Tests of consistency, 381 duplication of historical conditions, 382 prediction of future conditions, 382 of relevancy, 3

of stability, 381 of truth, 378 of validity, 380 of viability, 380 Thorelli, Hans, 6 Turing, A. M., 379 Units, compatibility of, 95 Use opportunity coefficient of. 164 effect on response to product use, 219, 222 Use of product, consumer reaction to, 218 Validation, of system performance, 377 Validity testing, 378 Value flow of, 78 of retail outlet to distributor, 325 Variable definition of, for consumer model, 160 in research, 361 dimensional analysis conventions, 253 distributor model definitions, 305 general specification, 94 identification conventions, 102 intermediate, 96 manufacturer summary, 150 retailer model definitions, 251 salesman model definitions, 340 Viability evaluation, 406 testing, 380 Vidale, M. L., 201, 202 Weber, M., 156 Weinberg, R. S., 202 "What If?" questions, 440 Wholesaler, See Distributor Wolfe, H. B., 201, 202 Word-of-mouth assimilation by consumer, 206 bias, 203 communication, macro flow of, 76 communication, response to, 78 consumer, exposure and response to, 202 generation of formulated, 181 content generated by consumer, 183 simulated example, 399 exposure formulation, 203 simulated example, 397 information as element of flow, 24 interaction, 204