



The Allan Gray Entrepreneurship Challenge

Module 4 Learner's pack

Module Video



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Congratulations!

You have made it through a tough module of business, met your first marketing challenge, and with about one module to go, are almost at the end of the Entrepreneurship Challenge 2D Game for 2023.

In this module, we're going to introduce you to an essential element of the business environment: **competition**. While you may have found it difficult enough to capture your market's attention when you had their full focus, things are about to get even more complicated as you come across rivals, selling very similar products, in your sphere.

Looking back at Module 3

Before we look at how you can handle this, let's take a look at what happened in the previous module.

- Receiving the revenue targets from your Board must have been very exciting, even if it was a little daunting. You would have realised that the only way to reach these targets was by **launching a marketing campaign**, so that you could make consumers aware of what your company offers. You would also have realised that you had a very tight marketing budget, which made it impossible for you to reach out to as many consumers as you may have liked. Instead, you had to choose to focus on a certain group that were most likely to buy your product. To make sure these people took note of your marketing efforts, you would have had to find out where they lived and which types of marketing channels (online or offline) they were most likely to respond to.
- To find out this information, **you would have needed data**, which was collected from a group of possible consumers. This data told you everything you needed to know about which age group is more likely to buy from you, how much they earn, where they live and what media they consume (which influences the type of marketing channels they respond to).

“
You've made
it to Module 4

- This information was presented in the form of pie charts and bar graphs. **You had to interpret what these graphs were saying**, then use the information to create your marketing campaign.
- This exercise taught you about strategic and tactical marketing, as well as the **4Ps of strategic marketing (price, product, people, place)**. It also taught you some very important principles of economics, such as the opportunity cost: when you have limited resources, you have to be very careful about how you use them. Often, this means deciding not to focus on one market segment (or group of consumers) so that you have more resources to spend on another who are more likely to give the results you want.

Module 4 gameplay

As we said, this module's gameplay is all about trying to get ahead of your business competitors.

You'll notice that during this module, you have been given more revenue targets to meet. You'll also notice that these targets are very high, so it's unlikely you'll be able to achieve them through marketing alone.

- Reaching those targets will be even more difficult because **there are now other companies, offering a similar product**, that consumers may choose to buy from. You have to think about how you can convince those consumers to pick your product: do you need to decrease your prices? Will they be more likely to buy from you if you add more features that create added value? Or do you need to increase your marketing activity, so that more people know about your product?
- There's another option: purchasing, or acquiring, one of your rival companies. This means that you will have **access to another pot of revenue and another brand**, so potentially you stand to make much more money. On the other hand, if you choose the wrong company to buy, your own business will be affected very badly. You may not make any money at all. In fact, you might even find that you're losing money.
- Although conversations in the game are always optional, we strongly recommend that you hold them so that you can earn XP points. The conversation in this module is one of the most important ones you can have, as your CFO will be giving you advice and pointers about acquisitions. **Listen carefully, because it would be a great pity to go bust this far into the Challenge!**

This module's gameplay is trickier than anything you've faced before, so be ready to ask for help from your teachers - especially the EMS, economics and accounting teachers - if you need it.

Getting ready for Module 5!

The upcoming module will be a real landmark, because it's the final module of gameplay! We're going to be ramping things up considerably by introducing you to the stock exchange.

- Get ready: You're about to make your **Initial Public Offering (IPO)**! This means that, from being a small startup, your company is now about to become a public entity.
- You'll also find out more about the **social impact** that your company has made. That's important, because a business shouldn't exist solely to make money - we should also strive to better our communities and society through the products and services we offer.
- We'll explain how **business strategy** influences a company's operations, and the role that vision and mission play.
- Replace with "Shortly after gameplay closes on 30 April 2023,, you'll find out who the **top players** of this year's AGECE are. Hang tight!
- The top players from the game will be invited to participate in the **Applied Learning Challenge** where they will get a real-life opportunity to pitch a business idea and stand a chance to win an Allan Gray Unit Trust to the value of up to R40,000.

Enquiries

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