

# Prediction Markets: A New Tool for Strategic Decision Making

## Thecasesolutions.com



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# **Group 17**

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Psychology (America)

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Psychology (Ireland)

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Management (China)



# Outline

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Aim: In-depth understanding of areas of organisational change and decision based on our case .

Part1: Introduce case;

Part2: Analysis case combines with cognitive simplification and cognitive biases in the external environment;

Part3: Recommendation and Conclusion.

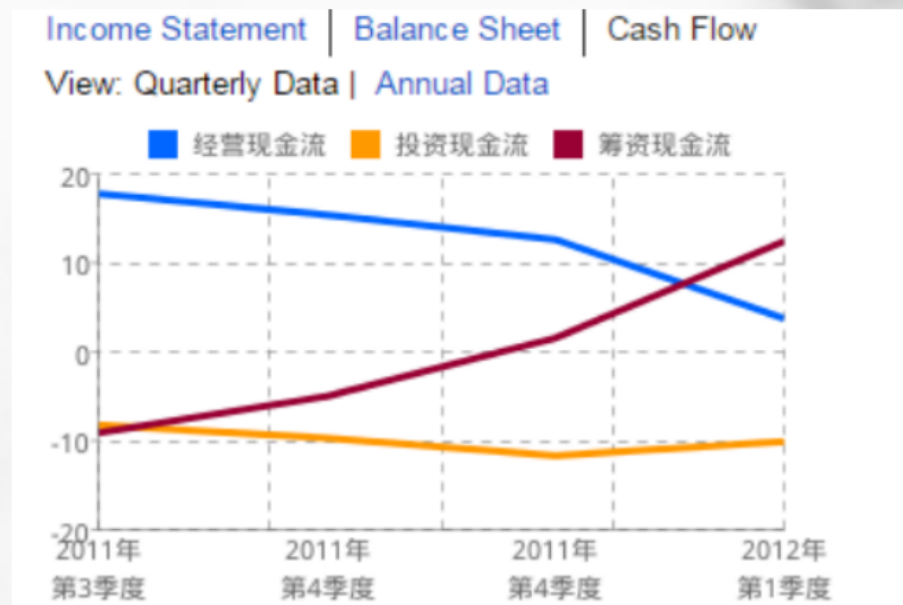
## Case -Golfsmith

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1967,Golfsmith was established in New Jersey;  
1967-2002,Captial accumulation rapidly ;  
2002-2007,The number of retail stores were tripled and they added several new catalog titles ;

# Data

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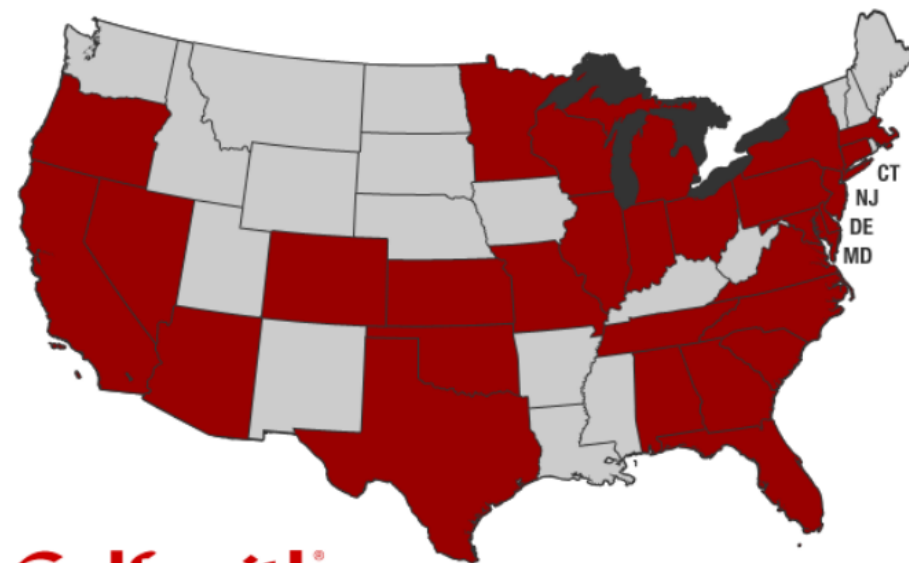


# Locations

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### States with Stores

Click a highlighted state below to view all Golfsmith stores in that state.



**Golfsmith®** Stores

# Cognitive Simplification

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Based on the concept of Bounded-Rationality

**2002-2007**  
**Rapid Retail Expansion**

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- Heuristics
  - Availability Heuristic
- Escalating Commitment
- Single Outcome Calculation

**Acquisition Decision Making**

- 2003 acquisition of Don Sherwood Golf and Tennis World
- Reasoning through Analogy
  - Illusion of Control



**2002-2007**  
**Rapid Retail Expansion**

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- Heuristics
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