Prediction Markets: A New Tool for Strategic Decision Making
Group 17
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Aim: In-depth understanding of areas of organisational change and decision based on our case.
Part 1: Introduce case;
Part 2: Analysis case combines with cognitive simplification and cognitive biases in the external environment;
Part 3: Recommendation and Conclusion.
Case - Golfsmith

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