

Research Log

Tools & Methods

- Customer Value – According to the definition customer values is the purchasing decisions of customers and is exclusively based on the value of the product. It's not our product and it should be linked with the customer's goals and objectives which is appropriate to a specific situation. It is not certain whether it is a conscious decision or an unconscious one. As successful market begins with trying to understand the customer values, we've tried to generate a value proposition to address the features and value drivers for our target customers. After going through all the factors, the following are finalized the value propositions for our Powermat
 - (i) Convenience
 - (ii) Competent Technology
 - (iii) Innovative design

Then, we've looked at the position of the Powermat in the market by identifying the target market at this point of time as Individual customers who are willing to buy the product at the first cut if they like it without much delay in decision making process, whereas our future target market, the Industrial customers are analyzed as those who take some time to decide to go for the product or not after discussing a lot with a group of people who are involved in the process of decision making process as the product should only be used for the company and in bulk.

- Value Proposition – Usually, value proposition is generated to address the features and value drivers for the target customers. Here, in this section the company's stand on using the value drivers to grab the market was discussed. They are:
 - (i) Compelling reason to act
 - (ii) Benefits
 - (iii) Points of differentiation etc

Finally, the competitor analysis was discussed which covers the concepts of competitive volatility which looks at changes in competitors, offerings and strategies. These include future competition, uncertainty over product form like brand and concepts where there might be a possible state of convergence and uncertainty over some of the basic rules of the so-called marketing game.

By applying these principles, the competitive strengths and competitive weaknesses were determined which includes less competition, stylish and sleek product with premium service etc as strengths and packaging, adapters as weaknesses.

Finally, business opportunity is analyzed using all these above principles which clearly identify the untapped potential in the market with some efforts from Powermat's side like more focus on research & development and partnering with some other hardware manufacturers to reduce the prices and to easily dwell in the market.

Technology Assessment

The technology assessment section is reviewed all the technologies involved to Powermat. The similar technologies are compared with the Powermat and well analyzed in order to improve the product's attributes. As to understand the source of technology,

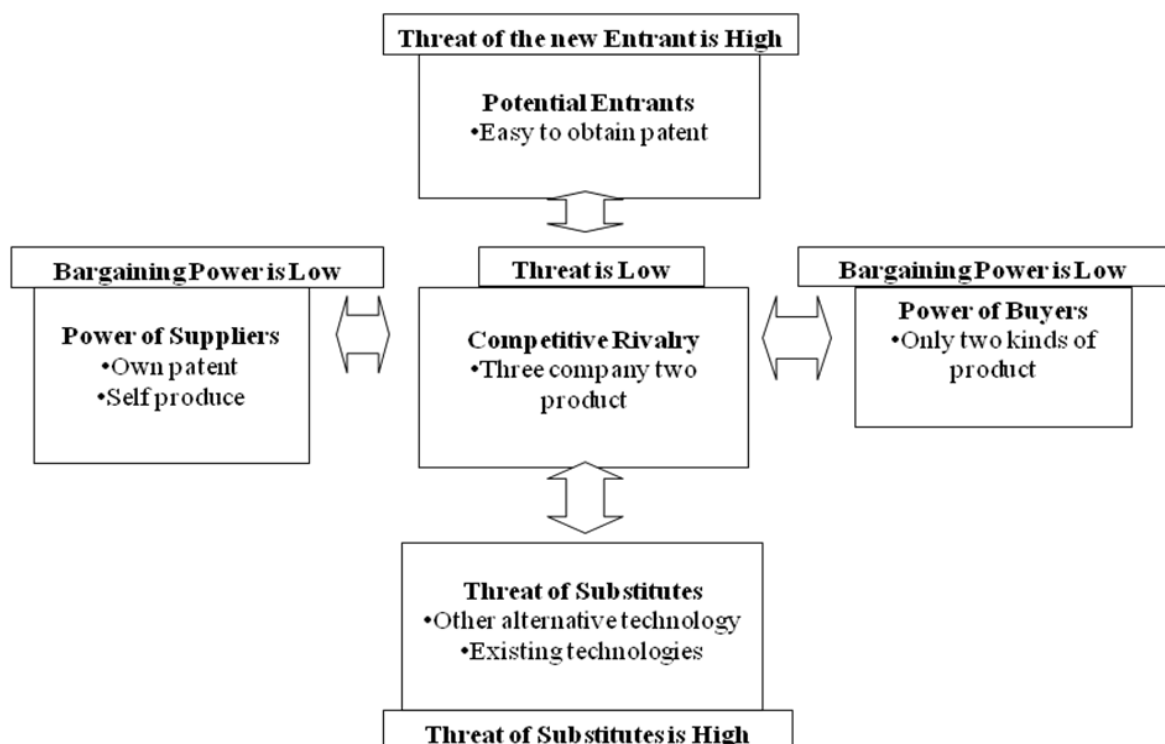
the company can achieve competitive advantages compared to competitors and good marketing plan will be created.

Market Analysis

The market analysis is analyzed based on lifestyle and the use of Powermat product. The discusses were made to understand where the value goes for each market segment. Since the price of Powermat is higher than competitors, our group tried to come up with strategies that create more values into the products. The more explanation will be explained in marketing strategies.

Competitors Analysis

In this section our team uses the porter's five forces (picture) for understanding current industry or market situation. Even though we had little bit disagreement between team members about which company are our competitors, in the section we just compare two competitor companies which have similar product with Powermat. Their product use wireless power transfer technology and support multi device. And after porter's model, we simple compare price and existing type of adapters with competitor's products and Powermat. Price, type of adapters and design are only difference between our product and competitors



. Although in competitor analysis we wanted to put more information such as competitor company profile, and comparing market position and brand value. It was too hard to gather the information because Powermat and Duracell just begin to sell their product few months ago, so we could not find sale or market share data. Even though Wildcharge started in 2007, they recently start to force this market with increase adapter types. Moreover, gathering company profile data was also difficult. Pure energy solution does

not have annual report, and even their web page is not completed yet. They changed name from wildcharge to pure solution with extend business on Sep. they include battery industry. We found some data about Duracell, but we did not put in the section because it is not useful only one company profile. After current competitor analysis, we put Décor Company into passable competitor because it is not exactly same market, but it can be impact or compete with powermat. Some of our team member thinks that those company is target partner company rare then competitor. But we put it in possible competitor because some of the power's target is same with them.

Net Assessment

We discussed the all of the strengths and weaknesses of the company. One person worked on the initial brainstorming. They brought this information to the group for verification. Comments were made, and the additions were incorporated into the master file. This section was used to tie together our marketing strategy.

Marketing Strategy

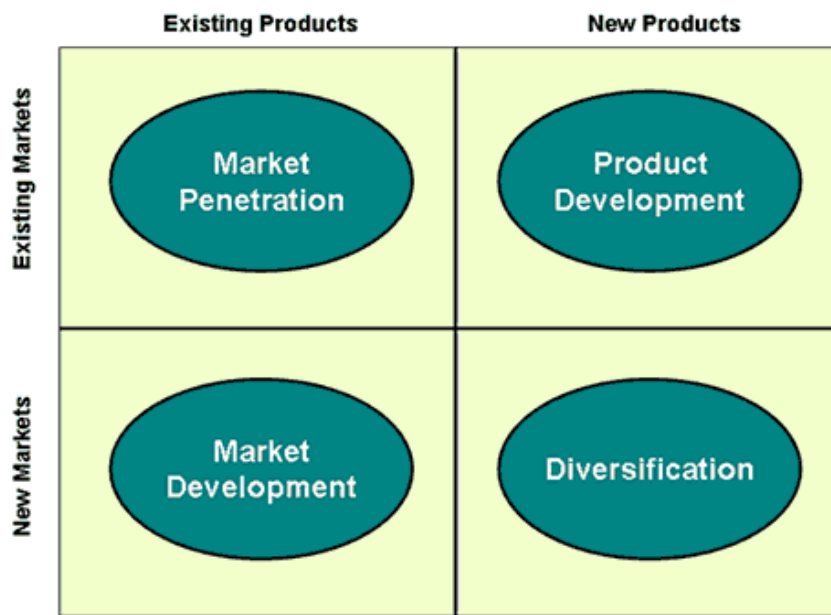
To get the first information on the different marketing strategies, we did brainstorming to figure out, which points should be included and what options there are. This was based on prior research in the marketing plan book and the class material. When we made a decision which strategy might suit best to our company and our product we did further research in the internet to learn more about special characteristics.

To involve the customer's voice we conducted a survey. There, we incorporated questions to figure out what the customer values and what they want to be improved. As the results have shown that the price is too high with respect to the delivered values, we thought of solutions to improve that. Our first thought was to reduce costs. However, we are in a marketing class and not in a technology class therefore we finally decided to increase the value. This is done by creating an additional attribute which increases the value of the product. In our particular case, we decided to modify the Powermat as a piece of decoration.

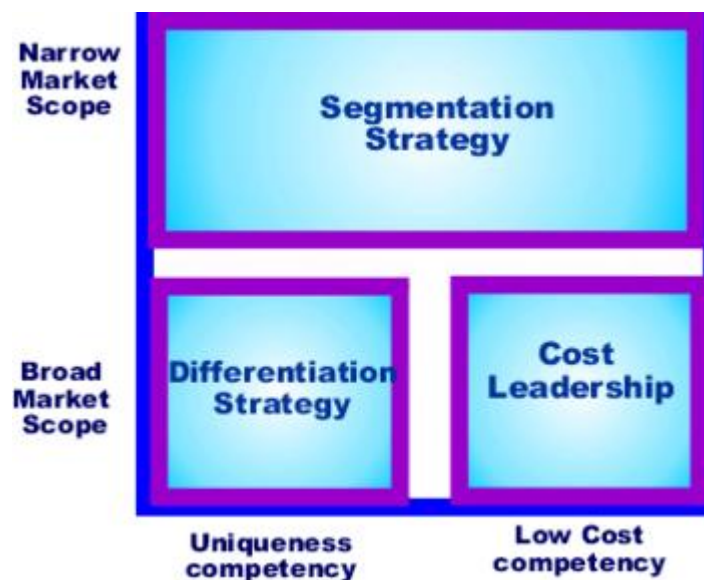
As basis for our growth strategy we chose to implement a blue ocean strategy. This strategy is characterized by creating a new uncontested market space, by making the competition irrelevant and by creating new demand. There has not been a market for charger, yet. So by offering a décor wireless charger, a totally new market is addressed. In order to exclude this market for competitors, we thought we would focus on cooperations with electronic manufacturers and thus gain a unique position.

Furthermore, blue ocean strategies go hand in hand with differentiation. As we differentiate ourselves from the competitors through the décor attribute, we have also fulfilled this characteristic.

Apart from that, we applied the Ansoff Growth Matrix (see following figure) to plan our growth strategy. As we will create a new market and as the wireless charging technology is new as well, we located ourselves in the field of "Diversification".



In addition we considered Michael Porter's generic strategies to achieve and maintain competitive advances. Michael Porter defined three general types of strategies to gain competitive advantages. Those are segmentation strategy, differentiation strategy and cost leadership (see figure below). As we have already mentioned that we created a difference between us and our competitors through the décor attribute, our strategic position in this connection was quite clear. This differentiation serves as a big competitive advantage for our company. The other two strategies would not have been attractive to us, as we do not have the lowest price in the market and as the market for charger is not a niche market.



In order to develop a positioning strategy we did some research on our competitors. However, there are no real competitors as we are the only company that has linked a charger technology with a piece of decoration. Both sides, the wireless chargers as well as

the decoration products do not compete with us directly.

For our branding strategy, we did a brainstorming on all positive attributes of our product. As most important ones we identified product properties like stylish, convenient, cool, trendy and a combination of modern spirit and nature. In the next step we did a mind-mapping to detect strategies to implement those attributes. As a result we decided to apply class and wood as materials for new constructions and for decorating the existing establishments. To emphasize the premium image we decided to set up a separate customer service department to provide excellent service. Besides, as a consequence of the cooperation strategy we thought we might be able to profit from the image and the brand identity of our future partner.

Regarding the product and market life cycle, we looked at the life cycle diagrams. In this context it was quickly clear that we are in the early market and that only some lead users have bought our product. A much harder decision was to think about a good strategy to overcome the chasm. At first, when we had not focused on the decoration option we thought of targeting the big majority right away as charger a not really new but rather a consumer product. In this scenario we were looking to win on bulk. However, we changed our focus with respect to the decoration option and therefore a new strategy was needed. In this new context we decided to use the cooperation strategy to get across the chasm. As we collaborate with a manufacturing company in order to get rid of the adapter, the group who refused to buy the Powermat because of this adopter would be opened up right away. Additionally, if we go further and say that we might be able to team up with Apple to develop the option to wirelessly charge the I-Phone a big market would be open to us immediately.

As a further option of collaboration we thought of offering the Powermat as a package in the same way like currently classic chargers are sold.

Problems in this context were that there was not much information about the company (the one we were looking at) available.

Moreover, after having a closer look at the product we chose, we realized that this product is not that attractive than we have thought in the beginning. After that it was hard to convince others and to purport we would believe in our product.

Furthermore, sometime it was kind of fuzzy to think about some strategies as those are all just some deliberations which are not based on a real situation or at real facts (e.g. service strategies, product development, warranty, etc.).

Sales and Distribution Plan

Usage of tools and methods

▪ Partners & Alliances Strategy

According to the figure of the types of partnerships, a variety of partnerships can be formed at all levels of the supply chain (Figure D1) [D1]. Since Powermat is a new product for the new market and it is the only product in our company, it's not the correct timing to seek alliances with our competitors which are in the same market domain. Furthermore, the market in the future is hard to predict. If a lot of customers begin to use wireless charger, we will seek our suppliers as partners to decrease the cost of raw materials.

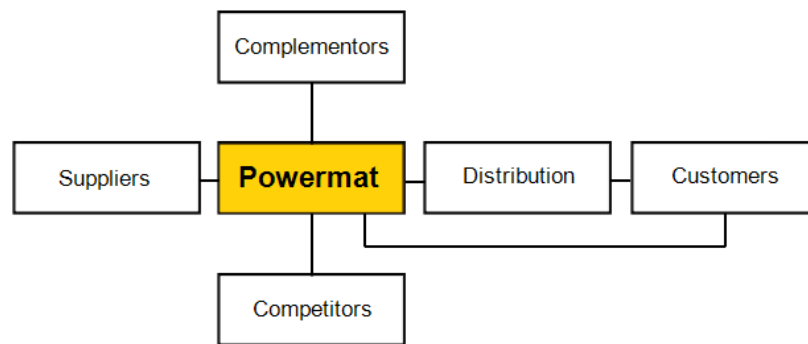


Figure D1. Partnerships along the Supply Chain

In addition, according to Figure D2- reasons for partnering across the stages of the product life cycle, Powermat is between the emergence and the growth stages. In this stage, we should manage early adopters' expectations by understanding their goals and clearly communicating how the innovation will help attain those goals [D2]. In this stage, we should establish a marketing alliance with a larger, well-established firm that has well-developed distribution and other marketing competencies. Hence, we choose furniture manufacturers, well-known distributors (BestBuy, Sears, Office Depot, and Amazon.com), and mobile phone manufacturers, which we think it is worth trying, as our marketing partners.

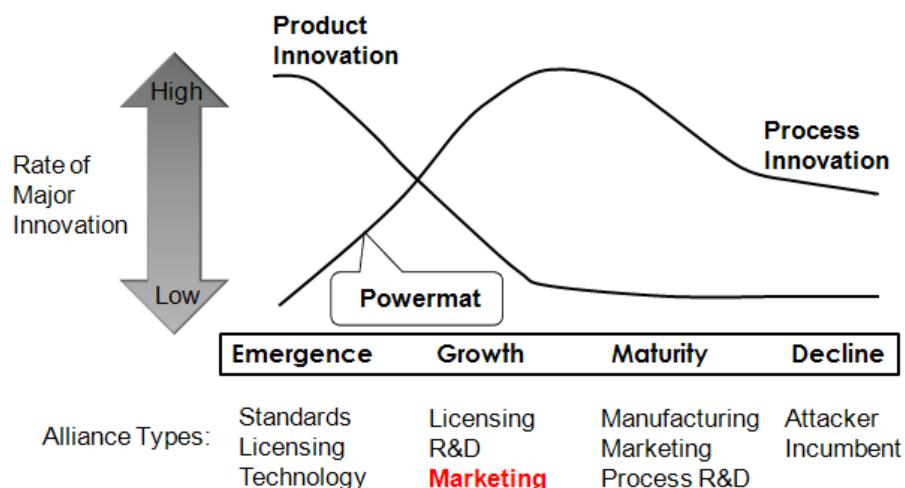


Figure D2. Reasons for Partnering across the Stages of the Product Life Cycle

■ Promotion Strategy

Figure D3- The Advertising and Promotion Pyramid is the tool we used in promotion strategy section. This Pyramid is based on two dimensions: the degree of coverage, or reach, of the target audience, and cost efficiency [D3]. For our Powermat, we choose three kinds of promotion: Media Advertising, Public Relations/Publicity, and Tradeshows. For a new product, trying to make as the most as possible people know about it is the most important. This is the reason we choose media-TV and radio advertising.

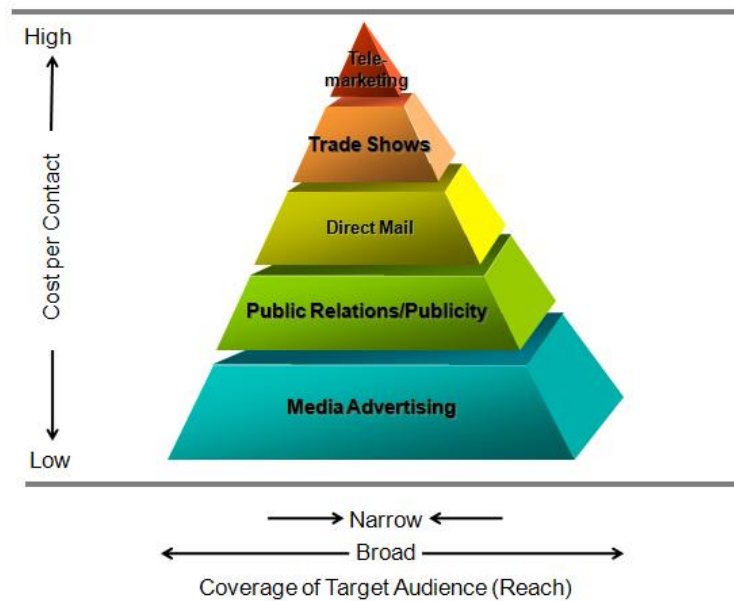


Figure D3. The Advertising and Promotion Pyramid

Problems

- The cost of materials
For the alliance, supplier is one of partners that we can consider cooperating with. However, Powermat is a real new product in the market that we cannot know its suppliers of raw materials. Hence, it is hard for us to judge if we should cooperate with suppliers.
- Licensing and R&D situation
The licensing and R&D situation is unknown. Without this information, we cannot predict future operation correctly.

Financial Analysis

Our financial analysis started with an assumption of the number of households in the United States. We're trying to sell convenience. Cutting down on the number of charging units are tied more directly to number of households than number of users. This takes into account users having multiple devices, and families share a common charging area. We added Powermat's cost of goods, R&D, and other related costs. We also implemented a bass model looking at other devices using similar technology.