



Project Report

PLAiR Market Research Log



ETM 555/655 Technology Marketing

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Introduction

Our development process of the PLAiR Dongle marketing plan is presented in this marketing log. In order to develop the marketing log, we incorporated the knowledge from the text book. The report begins with the idea generation concept which provides a basis of how to select a product for a team project. Secondly, we conducted a thorough research to understand in detail about our product, and our competitors. We, then interviewed people and used the reports available in PSU's library of databases and business journals(Mintel, Euromonitor, etc.) to find out what the customer/market needs are and to understand whether our product had the correct value proposition to fit in that market. Based on our research we found our target market and tailor made a marketing plan for our target market. From the class lectures, the knowledge from marketing books, guidance from the instructor, interviews and an extensive literature review we developed the product plan, and the 4P strategies. To be beneficial for advancing future research, we added key learning and suggestion for each step in developing the plan for the PLAiR.

Idea Generation

Before we had an actual meeting, we brainstormed as many as possible technology products or services that fit the following characteristics: it is not available in the market yet, the technology must be feasible, and it will likely have a high potential market. The following three projects were identified as the most feasible:

1. Samsung OLED flexible display technology TV/mobile phones
2. Haptic user interface technology touchscreen displays
3. PLAiR USB dongle

To select one out of the three candidates, we discussed in the class and received a feedback from the instructor. Finally we selected the most possible product, the PLAiR Dongle.

Key Learning and Suggestion

Selecting a potential high-technology product or service was the most challenging part of this step. In this stage, we learnt a key point of how to select the best product for our marketing plan by asking ourselves "why would people need and buy this product?" The PLAiR dongle is a product which can be sold to the end user directly. We choose this product because we want to look into the customers directly. The other two products are technologies which can be adopted by the manufactures, which cannot embody the

preference of end users directly. That is the reason why we didn't choose them as our marketing plan topic.

Product

To begin our marketing plan, we researched about PLAiR in great depth. PLAiR is a Wi-Fi-enabled HDMI dongle that can connect any mobile device – smart phone, tablet, and laptop - to any television that has an HDMI port. Based on our research we concluded that PLAiR is the only streaming media player in the market that supports streaming from multiple devices operating on different platforms – Android, iOS, OS X and Windows. The pocket-sized device grafts on to an HDMI port and receives video over WiFi from custom apps for Android, iOS, OS X and Windows. Moreover, we also did an in-depth literature review about our potential competitors, and clearly there are several streaming media devices.

Key learning and suggestion

We found very limited information on PLAiR from the product website. We believe the company does not want to divulge too much information since the product is still in very stages. However we did get plenty of insights into PLAiR from tech blogs such as Zdnet, CNet, Engadget, Wired, and TechCrunch which informed our understanding of PLAiR and its differentiating features and leveraging these aspects to position PLAiR in the market.

Competitive Research

To begin our competitive analysis, we identified in entirety the features of our product along with competitor products. We used all available resources to find products in the streaming media players market. The list of features is listed as below.

- Device & Platform (OS) Compatibility
- Content Channels
- Top Tier VOD Vendors
- Max resolution
- Text entry
- Web access
- Playing from network share
- Price

Key learning and suggestion

In this step, the most difficult part is to identify the accurate features and specifications that most customers look for while making a purchase decision. For more accuracy of data about the key features, our team also scoured websites of retailers such as Amazon.com, BestBuy and Fry's for users' feedback on popular streaming devices such as Apple TV, Roku, Google TV, etc. Collating all the information, we were successfully able to identify the criteria/attributes that served as the basis of our perception map. This step ensured that we were headed in the right direction of customer and market identification.

Market Segmentation

Identifying the market segments is a crucial aspect of a marketing plan. To be able to identify our target market, we listed several questions that specify our focus areas. The following two segments were identified based on our interviews and research:

1. The Cord-Cutters: People who are trying to save money by canceling their cable subscription that can run \$60 or more a month.
2. The Young Families: Couples with young children who appear to use online sources for their children's entertainment needs.

Key learning and suggestion

At this step we learned that customer demographics are only the first and most basic step in identifying potential segments. It is the value drivers and the key benefits and customers' perception of likely benefits that are the main criteria for making the purchase decision. The segmentation of market gives the base to set up more marketing strategies.

Target Market Identification

We identified the 18-44 year olds as our target market based on several media and entertainment reports by Nielsen and reports on streaming media device usage provided by Mintel. Our interviews further corroborated our finding. Our findings revealed that average 18-44 year olds are upwardly mobile, urban and comfortable using technology (HDTVs, smart phones and/or other devices - tablet, laptop). Only a third of them view shows as they are first broadcast every day, implying that a majority of people in this age group are not too concerned about watching live TV. This trend clearly shows consumers' preference for watching content at their own pace and convenience. We estimated the size of the target market to be approximately 10 million (around 55% of the 19 million).

Key learning and suggestion

While the size of overall market – all possible users of HDTV and mobile devices – in US is quite large – 19 million, we realized that not everyone in this segment would be a potential target for us since this segment also comprised the older generation that is usually averse to technological changes. We therefore decided to look for the age group that showed the most propensities for consuming streaming content – the 18-44 year olds – and focus only on this segment for the purpose of this plan.

Customer Analysis

From the research, we found Americans today are seeking new technologies and devices that make it easier for them to watch the content they want whenever and wherever is most convenient for them without. We also noticed that the resounding trend is that Americans are spending more time watching video content on traditional TVs, mobile devices and via the internet than ever before. The number of homes with an HDTV has been steadily increasing over the years. This suggests that the TV screen remains the dominant platform on which to consume content. However consumers are seeking new and convenient means to deliver content to their big screens. Our research and interviews revealed that customers want a product that is extremely easy to use, offers a lot of content variety, doesn't cost much and doesn't occupy much space. These value drivers guided our market positioning and related strategies.

Key learning and suggestion

We learned that customers' needs and value drivers are closely linked. It is extremely crucial to understand what a customer wants to be able to deliver a solution that closely meets his/her specific needs. We performed extensive research, particularly on blog sites and user comments and feedback to understand what do customers value the most. Our interview further affirmed our findings from the secondary research. Identifying the needs and value drivers helped us assess whether our product has the capability to address customers' needs and deliver the expected benefits. We used a simple methodology that rated key attributes on a scale of 1-5 to create a perceptual map. A visual representation of knowing how PLAiR fared with respect to competition provided us more clarity in creating the positioning statement for PLAiR.

Competitor Analysis

Our team analyzed the key product features of the most popular products in the streaming media players market. We identified Apple TV, Roku, Google TV and BoxeeBox as the popular streaming devices and performed detailed research on their product features using the product websites and blogs. We collated all the information in a tabular form which compared each product on the basis of the following:

1. Device and platform compatibility
2. Content channels
3. Top-tier VOD vendors
4. Max Resolution
5. Web access
6. Playing from network share
7. Price

Key learning and suggestion

We learned that comparing our product's features with competitors is a methodical and efficient way to gain a good understanding of PLAiR's competitive advantages and also provides insights into the aspects that need further reinforcement.

Communication Plan

While creating the communication plan, we continued to emphasize the effectiveness of our marketing plan. We decided to create our messaging around the theme of versatility and ease of use, since these were found to be the two biggest strengths of PLAiR. We also highlighted these aspects in our positioning statement: "PLAiR is most versatile, easiest to setup and use because of its multiple device and OS compatibility, and small size and intuitive user interface." We planned to target online advertising, promotional distribution to major tech news sites, and live events geared toward directly engaging potential customers.

Key learning and suggestion

Our primary customers being young, urban and tech-savvy, we decided to use Web 2.0 as the main tool for promoting our product. We therefore designed a multi-pronged promotion strategy for PLAiR including targeted online advertising, promotional distribution to major tech news sites, and live events geared toward directly engaging potential customers.

Financial Analysis

Since the price of PLAiR was already announced at \$99 in the Consumer Electronics Show in Las Vegas in January 2013, we decided to maintain the same price for the purpose of the plan. Moreover, we were unable to find much information regarding manufacturing costs of PLAiR. We therefore decided to use competitors pricing as benchmark to assess the viability of pricing PLAiR at \$99. We also validated the price based on customer's willingness to pay. We used customer feedback and rating from various blog-

sites and Amazon.com to determine how much customers were willing to pay for PLAiR and similar products. Our research and interviews revealed that most customers felt that \$100 for a streaming media player was “good value for money.”

Key learning and suggestion

Pricing was difficult for us especially considering the lack of information to use as a basis for calculating various costs. However, we also realized that since all products are priced the same, product differentiation, not price leadership, is the basis of competition in this market. We also gathered from our research that functional (ease of use), operational (compatibility with various devices) and financial benefits (cheaper alternative to cable) would justify the current price of PLAiR.

Conclusion

Our team collaborated throughout the course of this project by evenly distributing the work and clearly communicating the action points, timelines and feedback to each other. Our meetings helped us brainstorm and gain more clarity on our approach. We also set stringent deadline for each of our activities to ensure timeliness of our research and documentation deliverables. This approach not only helped us achieve our goals in a timely manner but also served as checkpoint that we were progressing in the right direction. The class lectures and presentation material, the marketing concepts discussed in the text book and the template for marketing plan in the supplement reading served as valuable guidelines during the entirety of the project.