

# *Marketing Plan for June Smart Oven*

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## Executive Summary

In this technological era, there is a huge market of smart appliances industry. Smart kitchen appliances are the subset of the overall smart appliances industry. The most significant factors which fuels the smart kitchen appliances growth are increasing advancements in the home appliances sector. The market is also complemented by the growing smart grid market. Smart kitchen appliances are among the most important components of the smart grid ecosystem since it enables two-way communication.

The report talks about the marketing plan of June Intelligent Oven highlighting market analysis, customer analysis, competitor analysis, SWOT analysis, marketing objective and goals, product and brand management, pricing management, distribution management, communication management and budget. June Intelligent Oven is the product of June Life, Inc. It is a San Francisco based home automation company. Mission of the company is “to use the power of technology to inspire everyone to cook”. June solves the problem that has challenged cooks for years - unpredictable cooking. Now one can cook food exactly how they like it, no guesswork is required. June Life Inc, was formed by former Apple, Google and GoPro employees. The company currently has 48 employees.

June Intelligent Oven has an HD camera, 5-inch touchscreen, Wi-Fi connectivity and a built-in digital scale along with many other features. HD camera lets the cook watch food come to life in real time. It has built-in food thermometer to know when the food is cooked. One can have total control from start to finish as the touch screen lets the user control every aspect of cooking. June Smart Oven is a smart kitchen appliance, with a potential to make every cook’s life much easier. The key factors impacting the usage of smart kitchen appliances are high disposable income, changing lifestyle and energy efficient appliances. The company has three primary marketing objectives and goals: (i) increasing brand awareness and making June a recognizable name in the market, (ii) increasing customer satisfaction, and (iii) growing existing market share and sales. Customer segments are divided into two: individual sales segment and bulk sales segment. Total available market for individual segment are households in the United States and SAM is high income households. Total available market for bulk sales segment is Bay area households, California and SAM is builders and companies of university housing, retirement community households and new apartments.

The product management strategy is to improve the cooking result quality. Tactics adopted for the strategy are free delivery and demo service, improving cooking result based on the feedback from the customers, and increasing FoodID recipe database by providing more varieties for recognized materials and suggested cooking recipes. For brand management, the company aims to increase brand awareness. To increase the brand

awareness, the plan proposes partnership with food material preparation service vendors like Hello Fresh and Blue Apron. Partnerships with these vendors would be beneficial as keeping flyers in their delivery package and ads in the app would expand the customer base. Partnership with popular food YouTuber/blogger and partnership with celebrity chef for product review and participation in trade shows are also recommended.

Currently the product is priced at \$1495 for individual sales segment. Pricing strategy will be different for bulk sales. For university graduate housings, there will be 10% price reduction, for retirement communities there will be a 15% price reduction and for high end modern apartments there will be a 20% price reduction, considering the bulk sales. Distribution management will continue sales over the company website and amazon. Direct sales force will be used for distribution in builders and management companies for university housing, retirement communities and apartment buildings. Sales personnel will personally reach out real estate builders and management companies and provide the information and demo as required. The product will be also distributed through high retail outlets namely Williams Sonoma and Best Buy.

Communication management for individual sale segment is planned through magazines mail list, brochures/leaflets, YouTube ads, google AdWords, web ads and social media. For bulk segment, it will be through magazines mail list, trade shows and web ads. Control and implementation will be done through control phase timings like setting quarterly targets and monitoring them. Also, it will be done through benchmarking projections by comparing the actual sales to the marketing plan projections and then evaluating to look for change areas.

With this marketing plan, the company makes an investment of \$818,800 for the first fiscal year and \$818,800 for the second year, and gains a profit of \$1,656,200 and \$1,931,200 for the first and second fiscal year respectively given a sales forecast of 4,500 units and 5,000 units.

## **1 Introduction**

With the paradigm shift in technology in general, we are now seeing shift in the technology used in kitchen too. Technology available these days has changed the way we used to cook and eat. Along with the technology shift, the change in today's lifestyle has made it necessary to improvise the appliances used in the kitchen [1]. These improvement and technological advances have taken a big leap in recent years, as a result of push towards interconnected future with Internet of Things (IOT) [2]. Our amazing product, June Smart Oven is the need of the hour. It brings intelligence to the kitchen [3]. It is perfect for today's fast lifestyle where one is always on the go but still wants to enjoy home cooked food without spending hours in the kitchen.

Through its elegant and sleek design and unparalleled performance, it delivers the best possible culinary experience, where the age-old fear of every chef in the kitchen is addressed effectively- is the food undercooked or is it overcooked? The food comes out perfect all the time with June Smart Oven. Our company has a mission to use the power of technology to inspire everyone to cook [3].

June Smart Oven is the product of June Life, Inc. a San Francisco based home automation company. The company was launched in 2015 and it introduced its first product i.e. June oven in the market in 2015 itself with the pre-order price at \$1495 and retail price at \$2995. It is a computer-based, Wi-Fi-enabled, app-connected countertop oven that makes use of machine learning and computer vision technologies. It can identify the food put into it and then cook it to perfection with minimal monitoring. This also brings the owner peace of mind along with time saving and other perks.

We are building a marketing plan for June Smart oven, which is based on the present situation analysis of the company and the market, where they want to be in coming years, what the company wants to achieve in the near future, what should be the strategies, tactics and path the company should follow to achieve its goals and objectives and how to make sure they accomplish what they have planned for.

## **2 Company Analysis**

### **2.1 Business Overview**

June Life, Inc. is based in San Francisco and it is a home automation company. The company mission is to *use the power of technology to inspire everyone to cook* [4]. The first product the company launched its June Intelligent Oven which is a computer-based, Wi-Fi-enabled, app-connected countertop oven that makes use of machine learning and computer vision technologies. It can identify the food put into it and then cook accordingly. The oven was created by a team of former Google, Apple and GoPro employees [5].

June Life, Inc. was founded by Matt Van Horn, CEO, and Nikhil Bhogal, CTO, and launched in June 2015 the company itself was incorporated in 2013. Van Horn co-founded Zimride, which later led to the ride-sharing service Lyft. Nikhil Bhogal designed the camera in the first five generations of Apple phones. He is also an inventor on multiple Apple camera software patents. Chef Michael Mina (Michelin-starred) is an advisor to June. Company has received \$7 million in Series A funding from the Foundry Group, First Round Capital, Lerer Ventures, and Founders Fund [5].

## **2.2 Company Organization**

The company currently has 48 employees. Among them, 30 are hardware and software engineers, 4 are designers, 3 of them are in supply chain and operations, 2 are specialized in business strategy and development and 2 are from marketing. There are also interesting function role as culinary program designer as the oven utilizes machine intelligence on cooking recipes.

## **2.3 Products**

June Oven is the first and currently the only one product made by this company. It was firstly introduced in June 2015 and the shipment started in 2016 with the pre-order price at \$1495 and retail price at \$2995. It can now be purchased at the company website or Amazon.

## **2.4 Product Key Features**

- Six carbon fiber heating elements with dual adaptive convection fans
- June food ID technology and 50+ cooking programs
- High-precision food thermometer
- Built-in digital scale
- Safe to touch exterior
- June companion app for iOS

The oven has been designed by Ammunition Design Group and Quanta- computer helped in its manufacturing. The oven has a click knob which is used to control it, along with a 5-inch touch screen and a Wi-Fi connected app. It is 12.8” x 19.6” x 19” in size which makes it bigger than the convection toaster ovens that we presently have in the market. June smart oven has dual surround convection fans, digital TRIAC controllers, a GPU processor, 2.3 GH NVIDIA chip and carbon- fiber heating elements (Refer Appendix A for the list of product specifications). The oven can recommend cooking temperature and time with the help of the built-in scale, core temperature thermometer and the camera. The HD camera is well equipped to recognize common food like pizza, bacon, Brussel sprouts, asparagus, etc. by using optical recognition.

The oven uses food ID function with the help of embedded camera, sensors and computer to recognize the food which is commonly cooked. The camera takes photo of the food kept inside it and uploads it to the server to find its match in the database (Refer Appendix B for list of food June Oven currently recognizes). Temperature and time suggestion is made after that. There is also an option for users to select one of the preset cook programs in case oven is not able to recognize the food.

The iOS app can be downloaded for free from Apple App store for June oven. This app helps display a real-time video of the inside of the oven when connected with Wi-Fi.

When the food is done, it sends notifications. This app also has recipes that can be followed to cook food in June oven. Thus, avoiding the possibility of over-cooked or undercooked food by users. As the users of June oven will increase so will increase the database of stored recipes, food recognition as well as preset cook programs. Different updates will be made available by software upgrades to the oven as well as the app. In addition, June accessories are also available to make this cooking experience more enjoyable for users which can be purchased assets or individual items. Price for these accessories range from \$29 to \$69.

With all this, June Oven allows everyone to discover the joy of cooking at home by enabling precision cooking and restaurant quality performance on the countertop.

### 3 Market Analysis

This section of the market analysis covers the increase in the usage of Smart home appliances and how consumer preferences are changing to accommodate more smart products in the market. We are using this data to support how to predict the market for June smart oven.

#### 3.1 Market Needs

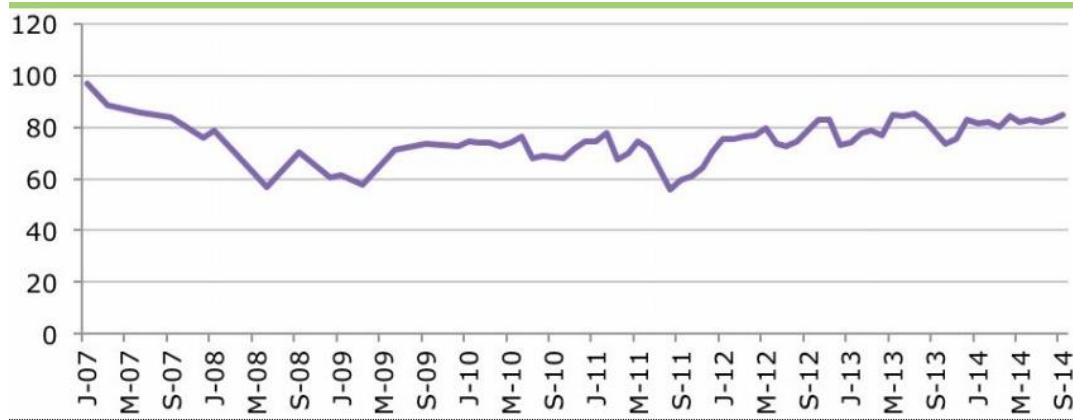


Figure 1: Market change in dining out frequency

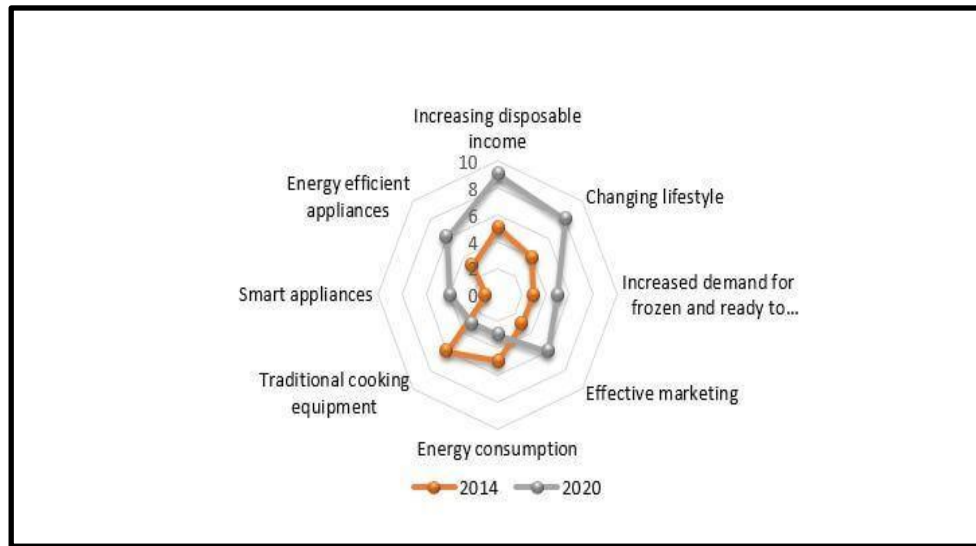
The graph above represents the growing trend of eating at home after the economic downturn of 2008, and hence time spent cooking has gradually increased to an average of 0.57 hours/day by 2013 [6]. Please refer to figure in Appendix D. The small kitchen appliance market has benefited from this increased investment of time in preparing meals at home. Also another facet to this is the increase spending on food while eating out compared to low costs of eating at home. Please refer Appendix E

The key factors that impact the growing usage of smart kitchen appliances are



- Increasing disposable income
- Changing lifestyle
- Energy efficient appliances

Also, contradictory to the above points high consumption of energy and use of traditional cooking equipment hinder the market growth. Each of these factors would have its impact on the market.



**Figure 2:** Key Trends impacting smart kitchen appliances market

The above factors when combined have given a push to the market of smart ovens and other gadgets. Consumers are much more prepared to splurge on products that make their lives easier and are economically beneficial in the long run.

### 3.2 Market Trends

The smart appliances market was till now seen as a niche segment, however it is predicted to enjoy robust growth from 2015 to 2020 because of many favorable circumstances.

- First, the consumer today is more tech savvy and quickly adapts to new products and finds it more convenient to use IOT integrated systems.
- Second, the smart appliances are much more energy efficient than their traditional counterparts, and gets government support as a result to develop this trend, and also the introduction of smart grid meters has further enhanced the situation.
- Thirdly, to maintain and grow revenue many appliance makers are shifting focus from the low-profit, low-growth traditional ‘non-smart’ segment toward the high-margin, revenue-oriented smart appliance segment. Seeing this as a big-ticket

opportunity, appliance makers are challenging themselves to feature connectivity in all their appliances by 2020[7].

Smart oven market is expected to exhibit high growth characteristics owing to the implementation of Internet of things (IoT) across home appliances and home automation systems. Changing of lifestyle of people across developed countries has further supported the demand for smart oven since it is an introduction in the global home appliance market. Smart and connected homes are becoming the market norm.

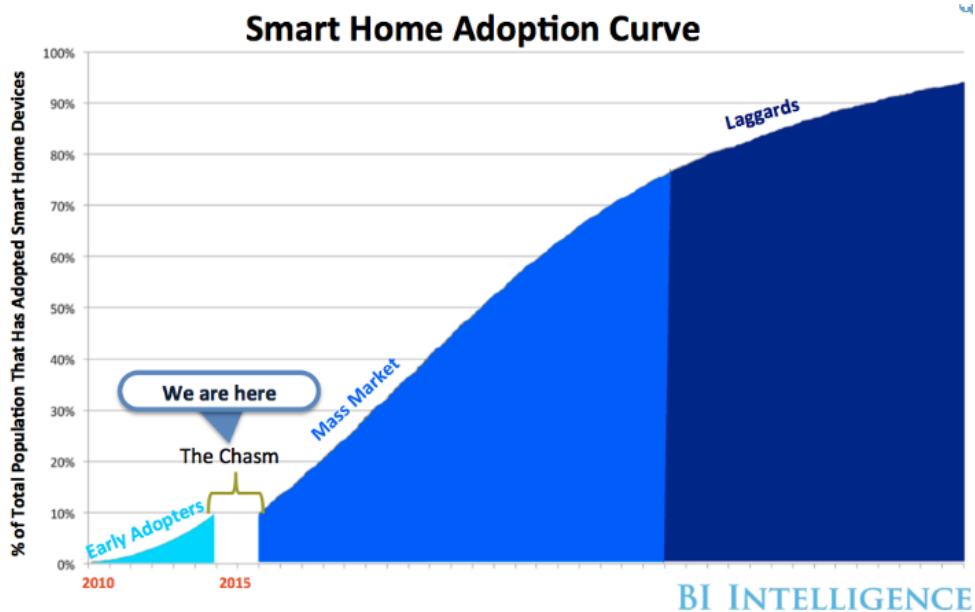


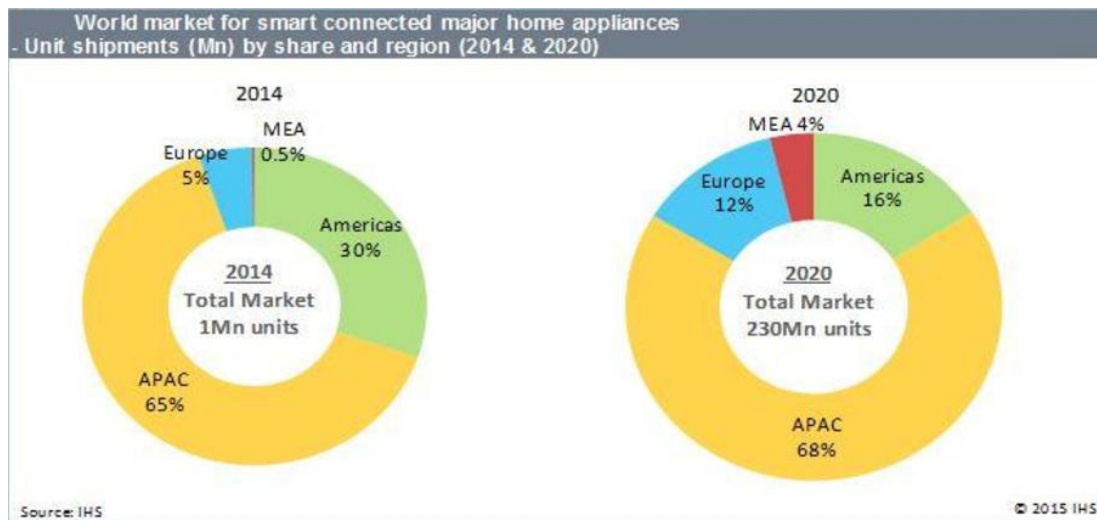
Figure 3: Smart home adoption curve

### 3.3 Market Growth

According to a new market research report published by Credence Research “Smart Kitchen Appliances Market the global smart kitchen appliances market was valued at US\$526.9Mn in 2014 and is estimated to expand with a CAGR of 23.4% from 2015 to 2022[8]. One of the major factors for increase in the growth of smart kitchen products has been the integration with smart grids especially in North America.

Availability of the high-tech appliances coupled with increased disposable income, consumers are now actively shifting towards high-end appliances. Thus, the market is expected to witness strong growth especially in regions having smart grids and high discretionary income.

Based on a recent study by IHS Technology’s Home Appliance Intelligence Service, the global smart connected white-goods market is forecast to grow from an estimated less than 1 million units shipped in 2014 to over 223 million units in 2020, equivalent to a five-year compound annual growth rate of 134%. The total addressable smart connected major home appliance (MHA) market forecast to be 470 million units worldwide between 2015 and 2020[7].



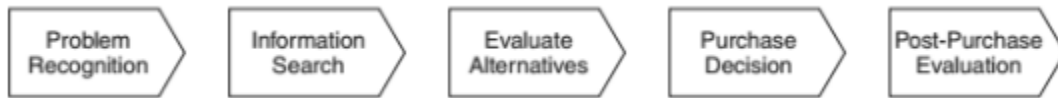
**Figure 4:** Predicted Market growth from 2014 to 2020

Smart oven market is expected to exhibit high growth characteristics owing to implementation of internet of things (IoT) and augmented technology, and inbuilt tutorials for well-known recipes and cooking tips. Furthermore, advancements in Wi-Fi connectivity features along with the LCD and LED display systems have further contributed in the expansion of smart microwave oven market. However, changing lifestyle of people across developed economies has further supported the demand for smart ovens since its introduction in the global home appliance market. Moreover, the demand for smart ovens has been increasing due to rising demand for frozen food and ready to cook foods.

On the contrary, the factors restricting the market growth is the dominance of conventional cooking equipment globally. Also, one of the major reasons restricting the market growth for smart ovens is the price constraint, making it difficult for smart ovens to sustain in the cost sensitive economies such as India, Indonesia, GCC countries, and African countries. Thus, the developed economies are primarily expected to forecast prominent growth trends in the near future.

### 3.4 Buyer Behavior

Buyer behavior is the systematic approach consumers follow when entering the purchase process and making buying decisions. The step by step consumer decision making process, along with common modes of decision making is both useful developing marketing strategies. Stages in the purchase are as follows:

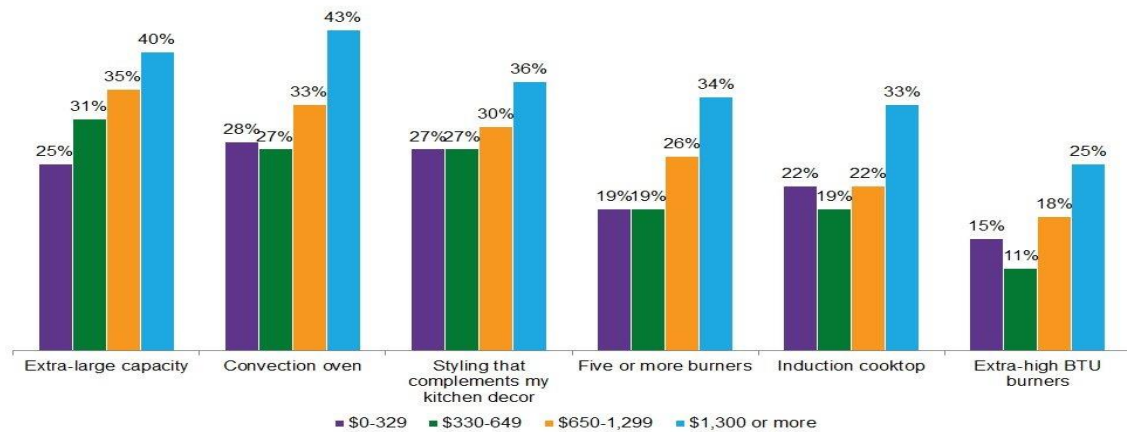


**Figure 5:** Stages of Purchase process [31]

As our product is relatively new in the market, all the stages are not relevant at this point. As we know, customers do not necessarily know what their needs are. Our main focus is to instill a need for our product in the customers. In the case of customer dissatisfaction with the existing product, customers do not know the ultimate solution to it as June Life Inc. is also a relatively new company. However, we can witness what is the consumer's attitude towards a smart product like oven. Per a survey of over 500 households conducted by Next Market Insights in October 2014, technology is already beginning to change the way customers interact with food. "According to the survey in [9], 24% of the respondents who were self-designated cooks currently use a tablet or smartphone "all the time" when in the kitchen to help them prepare food, while another 34% indicate they use a tablet or smart phone "sometimes" [9]. This indicates that customers already see a need to rely on technology when it comes to cooking food. Survey conducted by Braun Research on behalf of Whirlpool Corporation indicates that around half of the home owners want the ability to pull up recipes from the countertop [10]. This need recognition also has been identified by the customer.

### 3.5 Customer Demand with respect to Features

Potential oven shoppers are especially focused on cooking convenience and speed and are likely to say they would pay extra for features that translate to less time and effort expended in the kitchen. Customers consider features like extra-fast self-cleaning, faster preheating, extra-large capacity, monitoring and controlling via mobile device among many others. Out of all features, extra fast self-cleaning is among the top desired feature. See Appendix E. Consumers that are ready to pay a higher price report that they would spend extra for a variety of features that increase cooking speed or capacity.



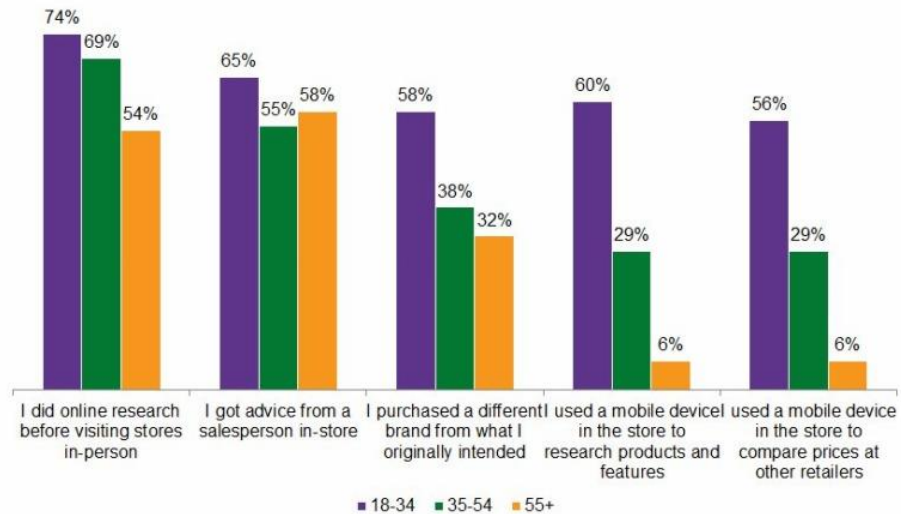
**Figure 6:** Interest in oven/range features, by amount spent on most recent purchase, November 2015

### 3.6 Reasons for Purchase

Some of the reasons for the purchase of a major household appliance are breaking down of the previous one, desiring new features, energy conservation, moving etc. Among all these reasons, breaking down of a previous appliance is the major one behind the purchase of a new one. Please refer Appendix E for details.

### 3.7 Shopping behaviors

Shopping behavior plays an important part. The shopping behavior can further help us to select the most promising distribution channels. Shopping behaviors like doing online research before making purchases, comparison of prices, and advice from a sales person, etc. can help study the consumer and eventually target the right segment of customers. Please refer Appendix E.



**Figure 7:** Shopping behaviors by age, November 2015

Customers in the range of 18-34, are more interested in information and advice than other age groups. An understanding of consumer behavior provides important clues that can help identify market segments most likely to respond to the product and marketing communications programs.

### 3.8 Market Demand for Smart Ovens

The top three emerging trends driving the microwave oven market in the US according to Technavio consumer and retail research analysts are:

- Smart homes supplementing the growth of smart microwave ovens
- Technology and smart features influencing upgrade purchases
- Focus on the aesthetic factor
- Smart homes supplementing the growth of smart microwave ovens

The smart microwave oven market in the US is poised for consistent growth during the forecast period owing to enhancement in the living standards of most US consumers and increasing interest in connectivity-enabled smart appliances.

Some of the top manufacturers in the smart oven market include Breville, GE, June, LG, Samsung, Bosch, Electrolux, Panasonic, Whirlpool, and Haier. The microwave oven market in the US is highly mature with a penetration rate of more than 90%. The market is thus witnessing demand for alternate kitchen appliances. However, the growing demand for built-in and premium microwave oven range is expected to drive the market, which is likely to grow at a CAGR of approximately 4% over the next five years [7].

## **4 Customer Analysis and Segmentation**

### **4.1 Total Available Market (TAM)**

June Life Inc. is still very young as a startup company dealing with consumer appliances. Due to this fact, they are not prepared for large scale ramping and should consider a smaller market than the whole of the US for an aggressive marketing launch. We believe that June Life Inc. should focus on the Bay area in California including Marin, Sonoma, Napa, Solano, Contra Costa, Alameda, Santa Clara, San Mateo and San Francisco counties. The company is based within this region and is home to a high concentration of high tech consumers. The June Smart Oven could be marketed to every single person who has a home making the total available market every household in the Bay area though this is not reasonable. Census numbers from 2015 showed 2,861,918 households in the Bay area which could be considered the total available market for this region in California [11]. The overall US market should still be considered for individual sales through the company website and Amazon.

### **4.2 Segmented Addressable Market (SAM)**

#### **4.2.1 Bulk sales in the Bay area California**

The June Smart Oven is a small device with all the capabilities of a standard oven along with a food recognition system allowing anyone to be a great chef. The advanced video and programming features also allows for monitoring and removes the safety risks of forgetting an oven on with food to burn and fires to start. When considering these product characteristics that differentiate it in the market we believe that three significant target markets should be university housing, retirement communities and high end modern apartments. Each of the segmented markets has limited space and in many cases the graduate housing and retirement apartments have kitchenettes instead of full size kitchens. The first two also do not require the buy in of individual users but allow a more macro view from the management and developers of these facilities.

##### **4.2.1.a University graduate housing**

Universities could purchase June Smart Ovens in bulk quantities at a discount. Compared to full or convection ovens, the June Smart Oven will save space and accommodate busy students with limited time and experience in making meals. The June Oven also reduces the likelihood of setting off smoke alarms and ruining appliances paid for by the university. June could save colleges and universities money in the long run by potentially reducing fire insurance costs and a reduction in energy usage compared to standard cooking appliances. The added benefit by having the June Smart Oven in college/university housing gets students familiar with the product and increases the likelihood they will purchase their own June Smart Oven after they finish school. Though

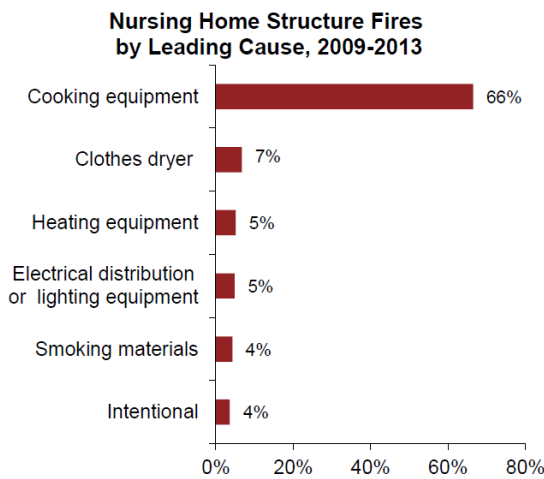
this overall segment could include dormitories as well as the more apartment style graduate housing we will only be looking at the apartment style graduate housing for a target market. This narrower target market has higher quality living environments and older more responsible students that are less likely to damage property. The overall Bay Area also has many more colleges and universities but for this early stage of the June Life Inc. we will be focusing the target to just the five largest institutions in the area.

**Table 1:** Top 5 largest Universities/Colleges with apartment housing in Bay area [12][13][14][15][16][17]

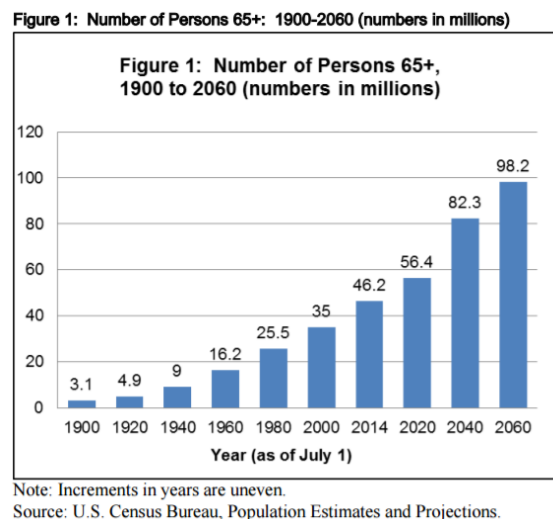
	Full Time Students	Part Time Students	Apartment style units
Academy of Art University	7,804	5,796	160
California State University East Bay	12,333	3,195	160
San Francisco State University	24,273	5,983	800
San Jose State University	25,471	7,302	700
University of California Berkeley	35,960	2,229	300
University of San Francisco	9,763	1,034	200
<b>Total</b>	<b>115,604</b>	<b>25,539</b>	<b>2320</b>

#### 4.2.1.b Retirement Assisted Living Communities

Retirement communities are a unique opportunity for June Life Inc. to target. The living quarters are smaller than standard apartments and frequently have a kitchenette rather than a full-size kitchen. Safety is a major concern with cooking appliances and the elderly. The probability of the resident forgetting food in an oven, falling asleep or just being unable to get to the oven in a timely manner is very high. From 2009-2013 the leading cause of fires in nursing homes and retirement communities was connected to cooking equipment. During that same period, there was an average of 2,620 fires per year.



**Figure 8:** Sources of Fire caused between 2009-2013[18]



**Figure 9:** Growing number of Old age patients brought in due to fire



The June Oven allows these residents to maintain a stronger level of independence while maintaining the safety necessary for these higher density communities. The connectivity of the June Oven could also allow staff to be notified if something is being cooked and is forgotten for an extended period of time.

**Table 2:** Retirement communities in bay area

Table 2: Retirement Communities in Bay Area		
City	Facilities	Total Units
*Alameda	2	135
*Daly City	3	170
Hayward	3	215
Oakland	6	560
*Palo Alto	5	370
Redwood	1	65
*San Francisco	22	2750
*San Jose	20	837
San Leandro	3	195
*San Mateo	5	500
*Santa Clara	4	240
*Sunnyvale	2	104
*Walnut Creek	5	445
Total	81	6586
*High Income Area Totals	68	5551

<https://www.seniorhomes.com/>

The total number of assisted living communities in the Bay area as shown in the table sum up to an estimated 6586 units or apartments. This does not include independent living facilities or memory focused facilities.

When considering the demographics of the region there are a few cities that can be removed from our target based on the high price of the June Smart Oven. When we narrow the target down based on this criterion then the target market is approximately 5550 units or apartments [19].

#### 4.2.1.c High End Modern Apartment Developers

High end Modern apartment’s developers can be targeted as these newly constructed or under construction modern apartments would offer an excellent opportunity to have June oven built-in the apartments. There is a growing demand for housing in the bay area due to increasing jobs, population and income growth over the past several years. Residential projects are booming in Bay area. According to US Census Bureau, in 2015, total 12,766 single or multifamily housing units building permits were issued in SFO metro area, which is 28% more than 2014. Over 20,000 units were permitted in 2015, in the nine-county Bay Area which includes Napa, Sonoma and Solano [20].

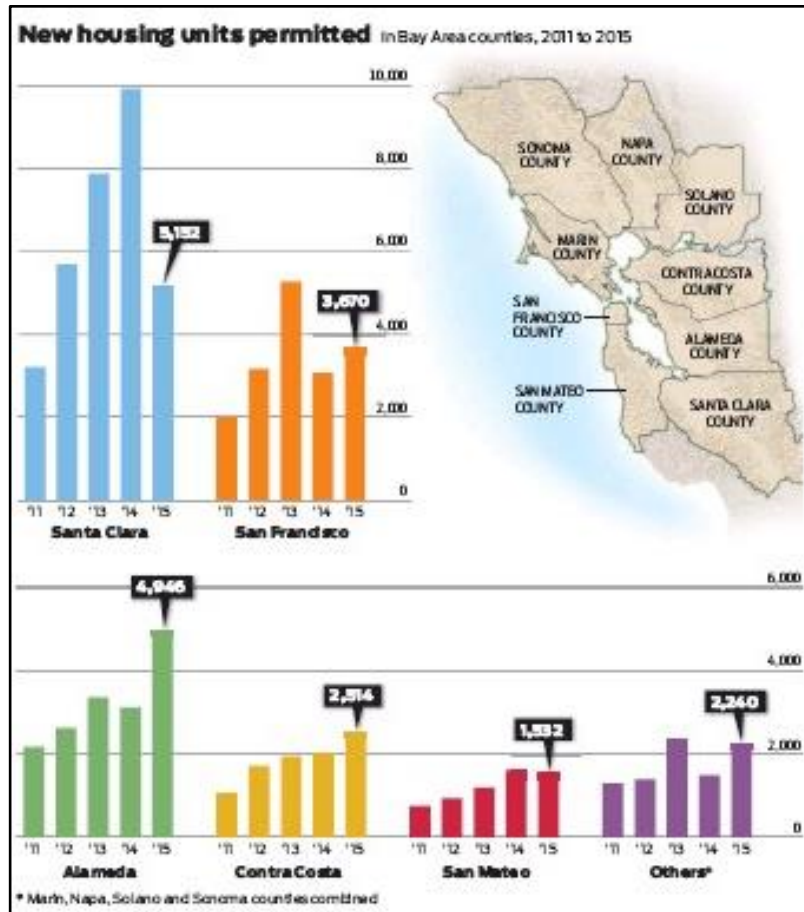


Figure 10: New housing units permits per area

Top Bay Area cities for new housing					
Single- and multifamily housing units that received building permits in Bay Area cities, January 2015-January 2016:					
San Francisco	12,165	Milpitas	2,269	Oakland	1,332
San Jose	10,372	Sunnyvale	1,851	Hayward	1,322
Dublin	2,803	Redwood City	1,549	Pleasanton	1,210
Santa Clara	2,405	Brentwood	1,373	Fairfield	1,207
				Morgan Hill	1,199
				Mountain View	1,100
				Gilroy	1,085
				Fremont	1,051

Figure 11: Total bay area Cities for new Housing

June oven will be a perfect add on feature to these modern apartments because of its smartness as well as its aesthetic appeal. People these days are inclined towards buying smart appliances and if they come built-in, it would also benefit the builders by giving them a differentiating factor. Also, all upcoming homes can be connected with the smart grid which will save energy and lower electricity bills for the residents. This makes the houses energy efficient and will also be environment friendly.

In January 2017 alone, building permit was issued for total 11,762 units in Bay area [21]. This does not include any housing developers constructing less than 100 units. When we

further narrow it down to the major apartment developers in the area the size of target market in this segment would be around 8,000 units.

#### 4.2.2 Individual Sales in Whole U.S. Market

Individual sales of the June Smart Oven through the company website and Amazon is available to the entire United States. Though every household in the U.S. could purchase a June Smart Oven it is not an accurate target for the product target. From this reasoning, we believe the SAM for the individual sales target market should be narrowed to those homes having a household income of \$150,000 or greater. This produces target customers with higher expendable income more likely to invest in a higher end product like the June Smart Oven.

From the above TAM and SAM research we have narrowed down the markets as shown in the following table.

**Table 3:** Total available market and Target Serviceable available markets

Bulk sales in San Francisco Bay Area		Individual sales in United States	
Bay Area households	2,861,918	United States households	122,459,000
Target Markets		Target Market	
University apartment households	2320	High income households	11,576,000
Retirement Community households	5551	Income > \$150,000	
Est. New apartments per year	14,754	[22]	

## 5 Competitor Analysis

High end countertop convection ovens and convection microwaves for the consumer market. Standard technology for higher end countertop ovens use heating elements coupled with convection by continually moving the heated air around for a more consistent heating profile. This differentiates these products from basic toaster or countertop ovens that use the same or similar heating elements but do not control air flow relying only on direct IR radiation and the increase temperature in smaller volume ovens. Some of the new technologies used in these countertop ovens use dynamic control of individual heating elements, integrated temperature probes and improved convection technologies. The following graph shows the potential rival companies to the June Smart Oven. The first group of companies has very similar products in size and cooking methods to that of the June Oven. The second group of companies does not necessarily have a product that would be a direct competitor when considering the small countertop option but they have experience in all the technologies to launch a very competitive product. The last two companies are actually partnerships of existing appliance manufacturers and food software companies that will be launching smart products in the







very near future. Though these products are not on the same size scale as the June Oven they do have similar time saving programs and meal improving automation.

**Table 4:** Competitor companies and their current available technologies

Technology	june	Breville	KitchenAid	Wolf	Samsung	JennAir	Panasonic	GE	Whirlpool + Innit	Bosch + Drop
Full size Ovens			X		X	X		X	X	X
Toaster Ovens	X	X	X	X			X			
Convection Toaster Ovens	X	X	X	X						
Microwave		X	X		X	X	X	X	X	X
Convection Microwave		X	X		X	X	X	X	X	X
Smart Connect	X				X	X	X	X	X	X
Internal Video	X									
Food Recognition	X									
Meat Thermometer	X								X	X
Integrated Scale	X									
Automated Cooking	X								X	X
june		Very similar products			Companies with ability in all competing technologies				Companies/Partnerships releasing Smart Ovens near future	

The table below shows the exact products that would be in direct competition with the June Smart Oven. Breville, KitchenAid and Wolf each have similar sized products with the same cooking method. When looking at these three products their price range is \$400-\$550 but their features, technology and appearance are lacking when compared to the sleek and smart June Oven. The future products to be released by JennAir and Bosch have an appearance more similar to that of the June Oven. Their features and technology are more in line with what the June Smart Oven offers as well but they are currently only producing products for built in fixture appliances. With JennAir and Bosch's current products similar to these soon to release products their pricing is over \$3000. The June Oven fall directly between these product groups when looking at appearance, features and technology and therefore accordingly so does the price.

**Table 5:** Direct competition products, features, technology and pricing

Company	Product	Image	Price	Technology	Cooking Modes	Cooking Programs
June Life Inc.	June Smart Oven		\$1,495	Optical food recognition system Preprogrammed cooking with monitoring Live video feed Integrated temperature probe Integrated weight scale Home connect	N/A	50
Breville	Smart Oven Air		\$400	Element IQ: Auto adjusts elements for mode Air frying: Claims 30% cook time reduction	13	N/A
KitchenAid	Convection countertop oven		\$400	Convection countertop oven 120 minute timer	9	N/A
Wolf	Gourmet countertop oven		\$550	"Advanced convection function" Integrated temperature probe	6	N/A
JennAir Whirlpool + Innit	Connect Oven		TBD Current \$3600+	Fridge food inventory system with automatic recipe finder connects cooking programs Home connect	TBD	TBD
Bosch + Drop	Serie 8 oven		TBD Current \$3000+	Serie 8 Bosch Asssist: Preprogrammed cooking modes and sensor monitoring Steam functions Home connect	13	TBD

Firms face a wide range of competition according to Porter's five forces Model. To determine how the attractiveness of the market is by following Porter's law as shown below.

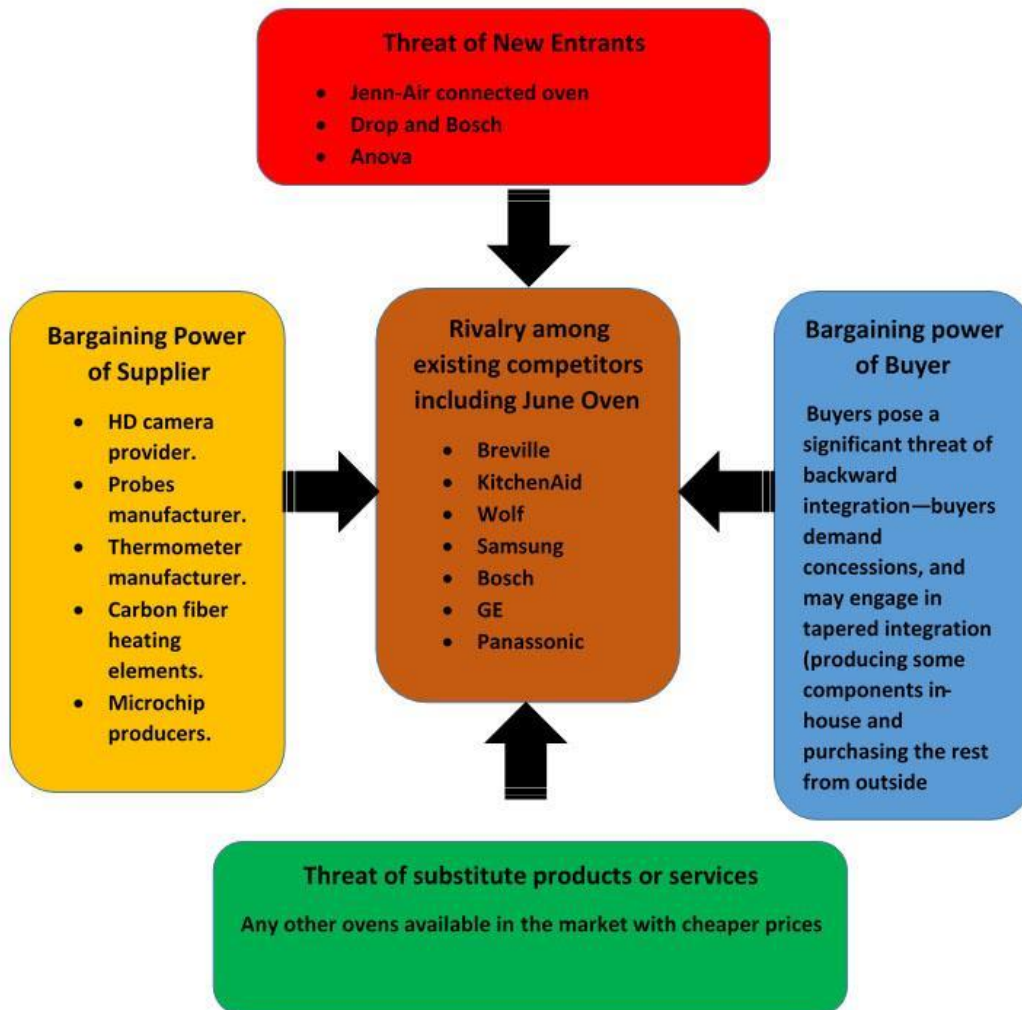


Figure 11: Porter's Five forces

## 6 SWOT Analysis

SWOT analysis is an analytical framework tool for companies to face its challenges and to find its most promising new markets. The acronym is for strengths, weaknesses, opportunities and threats. It is used at the beginning stage of marketing planning to focus on key issues. Strengths and weaknesses are internal factors. Opportunities and threats are external factors. Strengths and opportunities are positive factors to add value for the companies. On the other hand, weaknesses and threats are the negative factors to decrease the value of the companies. The main purpose of SWOT analysis is help companies develop a full awareness of all the factors in the decision of marketing strategy.

The major strengths of this product is the proprietary Food ID technology which uses several design patents. Currently, no other similar products provide the same food recognition functionalities in the market. This uniqueness is the major competitive feature

with other traditional convection toaster oven products. The software cooking recipe database of the oven is automated updated over the internet to have continuously evolving and improving cooking presets and profiles. Thus, it is not just an off-the-shelf product. It is a product with learning feature and the functionality continues to grow. The mobile phone app also allows users to share the video or photo of how their June oven cooks for them to their social network. This could help to create word of mouth for June oven. As for the users, this product makes their cooking process easier and faster in their daily life.

Currently, there are weaknesses must be considered. The price of this product is generally higher than traditional convection toaster oven products with price ranging from \$50 to \$200. There is several competitors' oven product with smart cooking functions with price ranging from \$400 to \$550. However, their products do not provide similar food recognition functions to suggest cooking recipe. The price would be the major concern for customers when making decision to pay premium for the new technology functions. Also, the dimension size is averagely 10~15% larger than other countertop convection oven products. This might be a concern to those users does not have sufficient free counter-top space for it. This product is allowed to be installed in the cabinet but the carpenter effort and cost are incurred. Furthermore, this product is currently sold on the company's website and Amazon. There is no retail store or show room where users could check out this product physically and understand how the food would be taste by using June Oven cooking recipe. Although the Food ID database is continuously growing, there are still limited food can be recognized by June Oven. Meanwhile, the App is currently only available for iOS platform users but the smartphone market has more than 85% market share on Android OS platform, according to IDC analysis report [23].

On the opportunities side, there is increasing trend to publish savory food content to social media in recent years. Popular cooking channels on Facebook like Tasty has more than 85 million Facebook followers and 500 million of viewers of their food videos each month. This type of content providers produces short and fast-motion videos which attract viewer in. They created the atmosphere and trend in social media channels to share people's food experiences to their friends on social media platforms. People would be more willing to make food on their own to try out the recipes from the cooking video. Also, the video recording function in June Oven allows the users to connect with other people with their fun cooking experience. They can share the recorded video to their friends easily. This creates the opportunities for June Oven to increase the brand awareness at the same time. On the distribution side, the partnership with Amazon could utilize the large network of strategic inventory and warehouse system. This allows for larger manufacturing runs which will drive costs down in the long run.

However, we are also seeing increasing threats from some competitors who also try to make smart home type ovens. For companies who are already existing strong players in home appliances industry could easily leverage their existing resources and experience for making smart home ovens. They are also strong in their original distribution channel management. As the result, they might bring their products to the market with lower price. This would put June Oven in great threat position. There might also be chance that economic goes downturn and consumers would become more prices sensitive when making purchase decisions.

**Table 6: SWOT Analysis**

<p><b><u>Weakness</u></b></p> <ul style="list-style-type: none"> <li>● High priced product</li> <li>● Requires additional countertop space similar or larger than a microwave</li> <li>● Only available online - does not allow consumers to test the oven hands on</li> <li>● Limited food recognition as the database grows</li> <li>● The app is only available for iOS as of now</li> </ul>	<p><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>● Proprietary technology - food recognition software</li> <li>● Learning Software (AI) - Continuously evolving and improving cooking presets/profiles</li> <li>● Social media connector - now you can post pictures of your meal and a video of it cooking!</li> <li>● Peace of mind cooking - no burning, no fires</li> </ul>
<p><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>● New entrants from larger companies with more resources and experience in the market</li> <li>● New entrant of low price defender</li> <li>● Economic downturn</li> </ul>	<p><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>● Partnerships with companies like Tasty videos to grow social media presence and increase available cooking presets coupled with preparation videos.</li> <li>● Partnership with Amazon to utilize large network of strategic inventory/warehouse system. This allows for larger manufacturing runs which will drive costs down.</li> </ul>



## 7 Marketing Objectives and Goals

June Life Inc. has the following primary market objectives and goals for the June Oven.

1. Increasing brand awareness and making June a recognizable name in the market.
2. Increasing customer satisfaction
3. Growing existing market share and sales.

The marketing objectives are conducive to the growth mindset. Since June being a proprietary technology, it is imperative for the growth of the company to firmly establish its presence in the minds of the consumer. The key is to make the consumer realize that this oven does the task of two or more gadgets in their kitchen singlehandedly and hence can replace a lot of other products. We want to set out achieving this aim via the process of providing continued support and assistance to the consumer and taking feedbacks and continuously working on it. This increase the brand loyalty and customer satisfaction for June. In turn, this increased brand awareness can then be converted to tangible growth in sales and revenue and increasing the company's foothold in the market space.

This marketing plan will focus on the commercial bay area market, based on the analysis in previous sections, and will contain the product positioning within these target markets and segments, and the optimal marketing mix for competitive advantage and greatest market share.

### 7.1 Market Strategy

The marketing strategies for June Oven centers on increasing brand awareness and customer satisfaction and in turn increase in sales volume. We aim to develop a plan that targets all three of these for a twofold benefit of customer satisfaction and company growth.

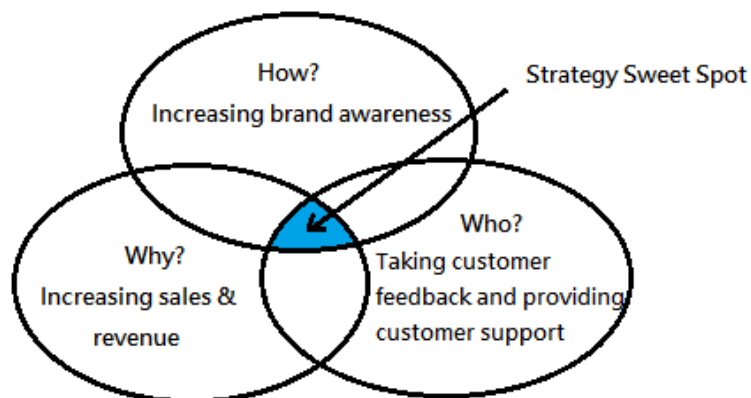


Figure 12: Strategy sweet spot

### **7.1.1 Brand Awareness Strategy**

The consumer's ability to recognize a brand or to recall sufficient distinguishing features is critical for the purchase decision making. Unless the consumer is first aware of that brand or a brand within that category, they cannot be convinced to make a purchase [24]. We aim to partner with cooking video content providers to directly engage with the specific audience group. This would also include content to show how convenient and easy are recipes made with June Oven. Feedback provided by the consumer can directly be integrated to the app.

Another facet to this is the food preparation companies like HelloFresh, Blue Apron. The meal kit delivery service market has grown to \$1.5 billion in 2016 in US and is expected to at least double over the next few years [25]. June Oven can collaborate with these firms to reach directly to this segment of customers who prefer to cook their own meals but can't afford to spend a lot of time doing it. Also, the meal kits will include June Oven cooking brochures with detailed instructions & recipes. The first three leading vendors HelloFresh, Blue Apron and Plated would be the first target partners for this strategy.

To increase brand awareness to other customer groups we will use pop-up stand in high-end food markets, department stores and home appliance trade shows, etc. These offer the experience of first hand use and to answer any queries etc. Another strategy could be exposure through other social media sites like Facebook, Instagram and we intend to have a small social media team to do this in the near future. Roping in celebrity chefs to increase the hype around the product is also a key strategy for the near future.

### **7.1.2 Customer Satisfaction Strategy**

June Oven, being a new entity in the market, is aiming to increase revenue and customer loyalty by means of providing the customer with full customer care support and prompt actions on any feedback/complaint. The major issue that a customer might face is while understanding the working of June Oven since the technology is fairly proprietary. The key task for us is to provide support and assistance in the initial stages of installation. A proper walkthrough demo as requested by the consumer will be scheduled, even multiple times so that the consumer feels comfortable using the product. Also, to increase customer satisfaction, we aim to improve the quality of the June Oven cooking recipes and to increase the recipes database to provide access to diverse and variety of options. The in-app feature allows the user to share the cooking result and feedback for June Oven recipes. Dedicated customer service team would collect and analyze this feedback and send it to the engineering team to improve the cooking recipe results. Suggestions to add new food ingredients in line with the collaboration with food preparation companies would also be built into the recipe development plan. To build customers' trust in our product, 2-year warranty and 100 days no-ask return policy would be offered together with free shipping, installation and demo service.

### **7.1.3 Sales Volume Strategy**

The above two strategies are going to be our gateway to increasing the market share for June oven. A satisfied consumer and a brand that's well recognized auto translates to increased sales for the company.

To target university graduate housing, retirement assisted living communities and high end apartment buildings, we intend to provide volume discounts for sales above a particular number. Professional networking and cold calling will be used extensively to increase contact with potential bulk buyers. We also aim to further ease into search engine optimization (SEO) and use of social media sites to enhance awareness and in turn increase sales.

## **7.2 Target Market Positioning**

The target markets based on the earlier TAM and SAM sections within the Bay area of California are university graduate housing, retirement assisted living communities and high end modern apartments. These are the proposed positioning strategies for each of the target markets.

### **7.2.1 University Graduate Housing**

The positioning in this market should focus on the lifestyle of these students as well as the safety and long term cost benefits to the universities as owners. These students are hard pressed for time usually working full time jobs or working as teaching assistants while also going to school full time and possibly having a family life. Time is very precious to them and the June Smart Oven can give them some time back while removing the mental burden of cooking and increasing the likelihood of eating better meals. On the other side of this is the building managers that need to deal with fire calls, energy consumption and space constraints while trying to keep the residents and university happy. The June Oven could meet the challenge of each one of these by removing the possibility of oven fires, reduced energy costs compared to standard ovens and taking up less overall space than a standard oven while still having the same cooking abilities and more. Ultimately the decision to upgrade a housing complex to include the June Oven falls on the management staff of the given buildings but the residents could also weigh in with a desire for the improvement as well. This results in two different personas that can be marketed to for the same result. The added benefit of this market for future is that the students become familiar with the June Oven and may purchase their own upon graduation as well as word of mouth communication to their parents as well.

### **7.2.2 Retirement Community Housing**

The retirement assisted living communities fall right between the independent living communities and memory or nursing home facilities. This elderly group requires a little

more attention than the independent group but still have some independence that they cherish. The June Oven can enable them to have the independence they desire while removing the risk associated with having kitchenettes in these living environments. These appeals to all parties involved the residents, their concerned children/family and the staff/management of the facility itself. The living space of these facilities is very small so a kitchenette rather than a full kitchen is highly likely. The June Oven allows for more space without sacrificing cooking quality. These units are usually only single or double occupancy so the cooking capacity of the June oven can meet their needs while any larger meal requirements could be performed at the facility restaurant or cafeteria. The June Oven should be presented to the residents, their families and the facility staff as all stakeholders in the community. Current residents may have more influence of improvements to their own accommodations while the staff and management would ultimately decide to improve any vacant units. The same with university housing there is a major concern with fire hazards in these high density living environments and June can mitigate some of that risk.

### **7.2.3 High end Modern Apartments**

High end Modern apartment's developers can be targeted as these newly constructed or under construction modern apartments would offer an excellent opportunity to have June oven built-in the apartments. There is a growing demand for housing in the bay area due to increasing jobs, population and income growth over the past several years. June oven will be a perfect add on feature to these modern apartments because of its smartness as well as its aesthetic appeal. People these days are inclined towards buying smart appliances and if they come built-in, it would also benefit the builders by giving them a differentiating factor. Also, all upcoming homes can be connected with the smart grid which will save energy and lower electricity bills for the residents. This makes the houses energy efficient and will also be environment friendly. June oven can be positioned as a high tech oven which is smart, it knows what you are cooking, saves you time, heats up smarter and faster, help you cook precisely and you can control everything from start to finish.

## **8 Product and Brand Management**

The center of product management is to improve the customer satisfaction. Three areas would be emphasized in the first two-year marketing activities:

- a) **Upon purchase:** On site installation and demo would be provided for new June Oven owners to resolve any usage questions.
- b) **Improve the cooking result:** The June App will add a new function to allow customers to feedback their cooking result based on the recipe June Oven provide. They could either upload photo/video of their food or just leave text comments. Customer service team would collect these feedbacks and share to product

development for future improvement.

- c) **Increase Food ID database:** Based on feedback from customers, the development team will keep on the new cooking recipe development to provide more variety selection of food material to be recognized and suggest for more recipe options.

The center for brand management is to improve the brand awareness for June Oven. Besides placing ads in publication, magazines and websites, various partnership activities would be arranged:

- a) **Food preparation service provider:** We will partner with companies like Such as Hello Fresh, Blue Apron and Plated to exchange the opportunity to promote products to each other's customers. In their food material delivery package, June Oven flyer would be included. In their food ordering App, cooking recipe by June Oven would be suggested based on the ordered food material. Ads for June Oven would be shown in their App as well. On the other hand, we'll also provide similar promotion activity for these partners in June Oven delivery package and App. The best benefit for this approach is to target directly to the right customer segment with lowest marketing expense.
- b) **YouTuber/bloggers and food video content providers:** we'll offer them a month of free usage of June Oven to exchange their testimonials and reviews. In each month, 10 popular content provider and YouTuber/bloggers whose major content is related with cooking experience would be chosen for this activity. In the hope of utilizing their large follower base, the brand awareness for June Oven could be increased dramatically.
- c) **Celebrity chef:** Celebrity chefs can be massively influential through their demonstrations via mass media, especially television. Beside to improve the brand awareness, the other benefit of their testimonial or reviews is to build up the trust in the cooking result of June Oven.

## 9 Pricing Management

### 9.1 Individual Sales to High Income Households

The current marketing strategy for the June Oven is almost exclusively to high income households through sales on the June Life website as well as through Amazon.com. The pricing through these channels should be maintained at the \$1,495 price holding the estimated 50% margins on direct sales from the company. The availability of financing through the June Life website should also be maintained with available rates from 0-5% based on customer's financial criteria.

## **9.2 Bulk sales in the San Francisco Bay Area**

Bulk sales area is limited to the immediate Bay Area to be closer to the June Life company base location for a direct sales force. Due to the intimate relationship between face to face salespeople and customers it is common to establish bulk order discounts. The university apartment buildings can be expected to have order quantities ranging from 10-30 units per order. These order quantities would be given a 10% price reduction. Based on this price reduction of \$150 and an estimated manufacturing cost of \$750, the profits from this bulk order bracket is reduced by 20%. The next bulk order bracket is the retirement communities with order quantities between 30-100 units. This bulk order bracket would be given a 15% discount on orders. This is a price reduction of \$225 and a resulting profit reduction of 30%. The final and largest bulk order bracket is the apartment buildings with 100+ unit orders. This bulk order bracket would be given a 20% price reduction of \$300. This price reduction results in a 40% reduction in profit.

## **10 Distribution Management**

Since our target market is divided into two segments, the distribution of the two will be based on their individual needs.

### **10.1 Individual Sales Segment**

The current strategy involves selling through Amazon and the company website to individual buyers and we intend to keep this as a source of distribution even in the future sales. The following will be our channels for individual sales:

**a) Sales over the company website:** June oven is currently being sold through company website and we will continue to do that in future. In next two years, we are planning to increase the sales through company website.

**b) Selling through Amazon:** June oven is being sold on Amazon.com currently and will continue to sell through amazon website. Increasing sales through Amazon. com is also the goal for next two years.

**c) High-end Retail Outlets:** June oven will also be sold through high end retail outlets. For coming two years June oven will be available on Williams Sonoma and Best-Buy.

### **10.2 Bulk Sales Segment**

The company is venturing into the bulk sales section for the first time and hence we are following the traditional direct sales channel for all three of our bulk sales segments, high end modern apartments, university housing and retirement communities. June oven will

use direct sales approach for distribution through bulk sales. As the product is a high technology product and it is also costly, the best strategy will be to use efficiently trained sales persons to get to the builders and management companies for senior housing, university housing as well as high end modern apartment units. Since June Oven is proprietary technology, it is a brand-new concept in kitchen with many functionalities and features. The consumer might get overwhelmed at the beginning, hence salesperson with in depth knowledge about June oven can give a demo which could increase the ease of use and satisfaction in the customer as the customer will have all the knowledge necessary to fully utilize all the features and functionalities of the brand new June oven . Using sales force can help June Oven reach its key customers/ market segments such as the key corporate accounts (Builders and management companies). It can also be used to communicate to the distributors and channel members.

## 11 Communication Management

Since June is a new product we need extensive communication strategies to make it a household name and increase the recall value of our brand. However, the company just started off and hence allocating a large amount of budget is also not a feasible option hence we are focusing our communication strategies on the following mix to have the highest degree of reach and cost efficiency.

**a) Traditional Advertising:** At the moment, we are focusing our efforts on Print media especially Cookbooks, cooking magazines, home decor magazines and trade journals for an effective Horizontal and vertical advertising. The crux of our advertising is however the YouTube ads, as this channel has a higher traffic, great reach and unique targeted demographic watching. We are using non-skippable ads for the initial few months along with display ads so that audience starts to recognize June as a brand name. In the second half of our marketing strategy we will diverge into skippable advertising on YouTube. June Oven will also use google AdWords for advertising. Initially the product will appear on Search Ads. In the later stages, the company will consider banners on gmail.

**b) Trade shows & popup stands:** Since trade shows and seminars provide a company with a large audience we are focusing on The International Home + Housewares Show, International Executive Conference for Digital Home Technologies held in SFO and Cedia Expo being held in San Diego. When it comes to influencing a decision, nothing can compete with face-to-face interaction. Trade shows provide opportunities to engage with current customers and attendees. The sales team representatives are going to be part of the team in these events. We will be having QR codes linked to June ovens social media accounts or lead generation pages, asking for contact information and this would be helpful in getting the consumers business cards and enable us to get fresh leads in our

sales pipeline. We'll also utilize popup stands at high-end marketplaces and malls during weekends in San Francisco area to provide face to face experience for customers to have direct experiences on June Oven. They could see how June Oven works and try out the cooked food quality.

**c) Social Media:** The far reach of social media is one of the reasons we are integrating it in our advertising strategies. We will collaborate with YouTube and bloggers for the relevant demographic sections. The strategy will be to promote our product in their blogs and channels and we give them a commission based on, purchases. We also plan to have dedicated social media personnel for handling our Facebook page and Pinterest account that will target high income women who are a large audience of these platforms. Also, ads inside apps for the food preparation companies that we are collaborating with will have a far-reaching audience base.

**d) Brochures and Leaflets:** The partnership with food preparation companies give us an opportunity to target their customer base by sending leaflets in their produce boxes.

## 12 Budget and Control

Over the next two years, the first phase sales volume goal of June Life is to generate the sufficient profit to cover current employee expense through those marketing tactics and planned activities which have been introduced in previous sections. The related cost estimation of these activities will be explained in following section in details.

### 12.1 Budget Estimation

The communication budget plan includes below categories:

- **Advertising:**
  - Mailing list [26]: includes the cost to obtain the list, design & print marketing materials, and postage cost to reach ten thousand receivers in each quarter.
  - YouTube Ads [27]: YouTube is currently the second largest search engine in the world. We'll use a 30 second video ad for June Oven and choose the watcher segment which fall into our target sale demographic group. YouTube also provides a built-in Analytics tool which is used to see how our ad performs. The cost estimation includes both twenty thousand views for non-skippable ads and forty thousand views for skippable ads on YouTube to reach individuals.
  - Web Ads: is the incentives for those partner bloggers to place June Oven ads on their webpage.



- Flyer & brochure [28]: includes the cost for thirty thousand flyers and thirty thousand brochures in one year. They will be used in the food material service partner’s delivery packages.
- **Trade shows and popup stands [29]:**
  - Trade shows: three national level trade shows which focus on home appliances are chosen to participate. The cost includes renting a ten by ten square foot exhibit booth and related event expense. The International Home and Houseware Show is held in March. The International Executive Conference for Digital Home Technologies is held in May. The Cedia Expo is held in September.
  - Popup stands: two pop up stands are to be used at selected high-end kitchen hardware stores and shopping malls during the weekends so as to provide face-to-face chance to demo June Oven’s functions to the consumers.
- **Social media and internet:** From the second quarter, the partnership activities with ten blogger/YouTubers, two food video content providers and four celebrity chefs would start. They will be provided one month free usages of June Oven. The cost of this category is the production cost of the used ovens. These ovens will be used continuously to later partners.

As below table shows, the total estimated communication budget for year 1 and year 2 is \$103,800 respectively.

**Table 7: Communication Budget Plan**

		YEAR 1 (in USD)					YEAR 2 (in USD)				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>Total Budget</b>	Activity	\$ 26,200	\$ 37,200	\$ 15,200	\$ 25,200	\$ 103,800	\$26,200	\$37,200	\$15,200	\$25,200	\$ 103,800
Advertising	Mailing List	10,000	10,000	10,000	10,000	\$ 40,000	10,000	10,000	10,000	10,000	\$ 40,000
	Non skippable YouTube Ads	1,600	1,600	1,600	1,600	\$ 6,400	1,600	1,600	1,600	1,600	\$ 6,400
	Skippable YouTube Ads	1,600	1,600	1,600	1,600	\$ 6,400	1,600	1,600	1,600	1,600	\$ 6,400
	Web Ads	500	500	500	500	\$ 2,000	500	500	500	500	\$ 2,000
	Flyer & Brochure	1,500	1,500	1,500	1,500	\$ 6,000	1,500	1,500	1,500	1,500	\$ 6,000
Trade Shows & Popup Stand	The International Home + Housewares Show	10,000				\$ 10,000	10,000				\$ 10,000
	International Executive Conference for Digital Home Technologies			10,000		\$ 10,000		10,000			\$ 10,000
	Cedia Expo				10,000	\$ 10,000				10,000	\$ 10,000
	Popup stands	1,000				\$ 1,000	1,000				\$ 1,000
	Social Media & Internet	Blogger/YouTuber		7,500			\$ 7,500		7,500		
	Food video content provider		1,500			\$ 1,500		1,500			\$ 1,500
	Celebrity Chef		3,000			\$ 3,000		3,000			\$ 3,000

Besides the marketing communication, extra employees would be needed to support these marketing activities. One experienced marketing director would be hired to lead these marketing campaign. Two direct sales people are required for bulk sales segment. Bonus/sales commission budget is reserved if they reach the sales target volume. Two technical support people are planned to provide the on-site demo service. Two marketing

specialists are hired to support the partnership activities. A software engineer is hired to support the customer feedback functions in the app and website. Three more part-time customer service representatives are hired to provide promptly support for June Oven customers. Their salary is estimated for San Francisco area base. Added together with the marketing communication expense, the total marketing budget would be \$818,800 for year 1 and year 2 respectively.

**Table 8: Total Marketing Budget**

	Year 1 (in USD)					Year 2 (in USD)				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
<b>Total Marketing Budget</b>	\$ 204,950	\$ 215,950	\$ 193,950	\$203,950	\$ 818,800	\$ 204,950	\$ 215,950	\$ 193,950	\$203,950	\$ 818,800
<b>Staff</b>										
<b>- Management</b>										
<b>Marketing Director</b>	35,000	35,000	35,000	35,000	\$ 140,000	35,000	35,000	35,000	35,000	\$ 140,000
<b>- Employees</b>										
<b>Direct Sales People</b>	17,500	17,500	17,500	17,500	\$ 70,000	17,500	17,500	17,500	17,500	\$ 70,000
<b>(Bonus/ Sales Commission)</b>	17,500	17,500	17,500	17,500	\$ 70,000	17,500	17,500	17,500	17,500	\$ 70,000
<b>Tech Support</b>	25,000	25,000	25,000	25,000	\$ 100,000	25,000	25,000	25,000	25,000	\$ 100,000
<b>Marketing Specialists</b>	32,500	32,500	32,500	32,500	\$ 130,000	32,500	32,500	32,500	32,500	\$ 130,000
<b>SW Engineers</b>	25,000	25,000	25,000	25,000	\$ 100,000	25,000	25,000	25,000	25,000	\$ 100,000
<b>Customer Service</b>	26,250	26,250	26,250	26,250	\$ 105,000	26,250	26,250	26,250	26,250	\$ 105,000
<b>Marketing Communications</b>	26,200	37,200	15,200	25,200	\$ 103,800	26,200	37,200	15,200	25,200	\$ 103,800

Based on these estimated cost, the breakeven units would be 2,977 units in two years, assuming the revenue of one product sold is \$550 which is around one-third of the selling price of a June Oven.

**Table 9: Breakeven Estimation**

	Year 1					Year 2					Total
	Q1	Q2	Q3	Q4	Sum	Q1	Q2	Q3	Q4	Sum	
<b>Total Marketing Budget</b>	\$204,950	\$ 215,950	\$ 193,950	\$ 203,950	\$ 818,800	\$ 204,950	\$215,950	\$193,950	\$ 203,950	\$ 818,800	\$ 1,637,600
<b>Breakeven units</b>	373	393	353	371	1,489	373	393	353	371	1,489	2,977

As introduced at the beginning of this section, the target profit for phase one is to cover the labor cost for this company's fifty employees. Based on this goal, the estimated profit with 4,500 units sold in year 1 and 5,000 units sold in year 2 would allow us to meet this target with estimated profit in two year as \$3.5 million.

**Table 10: Profit Estimation**

	Year 1					Year 2					Total
	Q1	Q2	Q3	Q4	Sum	Q1	Q2	Q3	Q4	Sum	
<b>Total Marketing Budget</b>	\$204,950	\$ 215,950	\$ 193,950	\$ 203,950	\$ 818,800	\$ 204,950	\$215,950	\$193,950	\$ 203,950	\$ 818,800	\$ 1,637,600
<b>Sales Forecast (units)</b>	900	900	1,350	1,350	4,500	1,000	1,000	1,500	1,500	5,000	9,500
<b>Revenue (note: \$550/unit)</b>	\$495,000	\$ 495,000	\$ 742,500	\$ 742,500	\$2,475,000	\$ 550,000	\$550,000	\$825,000	\$ 825,000	\$ 2,750,000	\$ 5,225,000
<b>Profit</b>	\$290,050	\$ 279,050	\$ 548,550	\$ 538,550	\$1,656,200	\$ 345,050	\$334,050	\$631,050	\$ 621,050	\$ 1,931,200	\$ 3,587,400

## 12.2 Control and Measurement

The control measures are needed in place to maximize the return on a marketing plan. As a marketing plan moves along, the controls are constantly analyzed to determine how the plan's actual performance compares to the projections. Any changes that need to be made are done based on the analysis of marketing controls. We are deploying the use of the following to keep our plan in check

- **Control Phase Timings:** We will set quarterly targets and monitor them so that we have a real picture of our market growth. It is important that a check be in place so that we don't find at the end of the marketing plan that the campaign wasn't successful. The objective is to find out what's happening and why it's happening and then decide what corrective actions are necessary.
- **Benchmarking Projections:** Our Marketing plan controls include performance benchmark standards that relate to marketing plan objectives. We will compare actual sales compared to the marketing plan projections and then evaluate these to look for change areas.

The major evaluation will be done based on the following:

**a) Brand awareness:** Billions of searches are conducted each day on Google, Bing, Ask jeeves, Aol and yahoo search engines and social networking websites by variety of people around the globe. These search engines provide exactly where June oven stands. We can measure increase in brand awareness for June Oven, along with the traffic rate of June Oven website. Along with the search volume we can also assess

- **Website visits:** The average number of visitors per month to know how popular our brand is
- **Bounce rate:** Bounce rates let us know where exactly are we lacking in holding the interest of the consumer and overall customer satisfaction for the website sales.
- **Geographic sources of traffic:** Finding out what percentage of visitors comes from what regions is critical to monitor where exactly our next expansion should be. It will also allow you to spot opportunities by finding gaps in distribution when looking at all competitors.

**b) Customer satisfaction:** Measuring customer satisfaction can help to reduce the number of unhappy customers. Online survey tools such as Google Forms would be used to acquire the customer satisfaction feedback for June Oven. Customer service team will keep track of the social media to find out what the positive and negative feedback, and resolve them accordingly.

Feedback/Reviews/Testimonials on forums/websites Like amazon are a great view to find the source of satisfaction or displeasure for the consumer. Also, App stars are also a measure of the popularity of our product and how often it is being downloaded.

**c) Sales Volume:** We will track our sales volume based on quarterly data. Our target for the year is 4,500 in year 1 and the quarterly break-down is 900 units for the first two quarters and 1,500 units for the next two quarters.

**d) Sales Conversion rate:** In electronic commerce, conversion marketing is the act of converting site visitors into paying customers [30].

We will keep a close monitoring of how many people abandon the online shopping cart and in retail sales how many of our sales pitches are being converted to actual sales. This will give us a realistic view of how much of the marketing effort is being converted into sales.

## **Conclusion**

The marketing team has proposed a marketing plan for June Intelligent Oven. June Intelligent Oven is the only product offered by June Life Inc. which is a relatively a new name in the market. The oven was launched in June 2015 and started shipping in Spring 2016. As we see it is not a recognized brand given the short time which has passed. The marketing plan proposes strategies for two years ahead. The plan considers the current situation of June not being popular among people. Therefore, it focuses only on Bay Area, California households rather than planning for the households in entire US. Eventually the company will ramp up and become the market leader. However, at the same time, individual sales segment targets households in the US and June Oven can be distributed through the company website and amazon.

June Intelligent Oven is a smart oven with amazing features. Market analysis shows that smart home appliances market worldwide is estimated to expand with a CAGR of 23.4% from 2015 to 2022. It is evident that there is an emerging market in the smart home appliance industry with customer demands that June Intelligent Oven can meet. To achieve our objectives and goals, SWOT analysis has been done to identify our strengths, weaknesses, opportunities and threats. The marketing plan considers SWOT and Porter's five forces carefully and accordingly proposes the marketing strategy. We analyzed our market by performing SWOT analysis and Porter's five forces.

Partnerships with HelloFresh and Blue Apron will be very beneficial to reach their customer base. It is very important to make the company a household name by increasing the brand awareness. Partnerships with popular you tubers and bloggers, partnerships with celebrity chefs and trades shows are the tactics that are expected to make June a popular name. Customer satisfaction is of utmost importance, which the company is delivering well at the moment and will continue to maintain and improve it. As customer segments are divided into two: Individual and Bulk Sales, the pricing strategy will also differ for both segments. The company is expected to make a profit of 1,656,200 for FY1 and \$1,931,200 for FY2 with an investment of \$818,800 and \$ 818,800 for FY1 and FY2 respectively with this marketing plan. Ultimately with its high end features the company will be successful in "using the power of technology to inspire everyone to cook".

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## **Appendix A - Patents information**

Utility Patent 9,644,847

Connected food preparation system and method of use

Granted May 9, 2017

Abstract

A connected oven, including a set of in-cavity sensors and a processor configured to automatically identify foodstuff within the cooking cavity, based on the sensor measurements; and automatically operate the heating element based on the foodstuff identity.

Design Patent D782,864

Countertop oven

Granted April 4, 2017

CLAIM: We claim the ornamental design for a countertop oven, as shown and described.

Design Patent D777,504

Countertop oven with bumper

Granted January 31, 2017

CLAIM: We claim the ornamental design for a countertop oven with bumper, as shown and described.

Design Patent D771,996

Countertop oven with cooling features

CLAIM: We claim the ornamental design for a countertop oven with cooling features, as shown and described.



## Appendix B -June Oven Product Specification

<b>DIMENSIONS</b>	Height	12.8 inches
	Width	19.6 inches
	Depth	19 inches
	Weight	44lbs (20.0kg)
<b>HEATING</b>	Total power	1,800W (120V / 15A)
	Top elements	4 × 450W "Instant-On" carbon fiber broiling elements
	Bottom elements	2 × 450W "Instant-On" carbon fiber baking elements
	Dual-Surround convection	2 × high-airflow, variable speed fans
<b>DISPLAY</b>	Size	5 inches
	Resolution	720×1280
	Viewing angle	160 degrees
	Backlight	LED
<b>INPUT</b>	Touch	Capacitive touch with multi-touch support
	Click-knob	Optical encoder wheel with click support
<b>CONNECTIVITY</b>	Wi-Fi	802.11 a/b/g/n 2.4/5 Ghz
<b>PROCESSING</b>	CPU	NVIDIA Tegra K1 Quad-Core ARM Cortex-A15 2.3 GHz
	GPU	192 NVIDIA CUDA cores
	RAM	2 GB DDR3 1600MHz
<b>CAVITY SIZE</b>	Volume	1.0 cubic foot
	Tray size	Fits standard 9×13-inch baking sheets, and dishes up to 11×16 inches
<b>MINIMUM DISTANCE</b>	Back wall	1.6 inches
	Side wall	2 inches
	Under cabinet	4 inches
<b>AUDIO</b>	DAC	16 bit / 44.1 Khz
	Speaker	2 Watts
<b>SENSORS</b>	Camera	1920×1080 at 30 FPS
	Weight sensors	4 load cells
	Internal cavity temperature sensor	
	2 ports, 1 probe included	Core temperature probe
	On-door, thin profile	Ambient light sensor
<b>LIGHTING</b>	Interior	2 high-power white LEDs
<b>MATERIALS</b>	Interior	Polished stainless steel
	Exterior	Cold-rolled steel
	Finish	Metallic Silver Grey
	Door	Door Edge-to-edge, triple-glazed, thermally coated glass
	Click-knob	CNC-machined stainless steel

## **Appendix C - The List of Foods June Oven Currently Recognizes**

### **Vegetables**

- Asparagus
- Broccoli
- Brussels Sprouts
- Kale Chips
- Potato
- Potato Chunks
- Sweet Potato

### **Seafood**

- Salmon Filet
- Whitefish Filet

### **Poultry**

- Chicken Breast

### **Meat**

- Bacon
- Beef Steak
- Lamb Rack
- Sausage Links

### **Frozen Snacks**

- Chicken Nuggets
- French Fries

### **Baked Goods**

- Chocolate Chip Cookies

### **Toast**

- Bagels
- Burger Buns
- Pop-Tarts
- Sliced Bread
- Toaster Strudel
- Waffles

## Appendix D - Cooking Time Average over the years

Figure 16: Average time spent daily on food preparation and cleanup, by gender, 2007-13

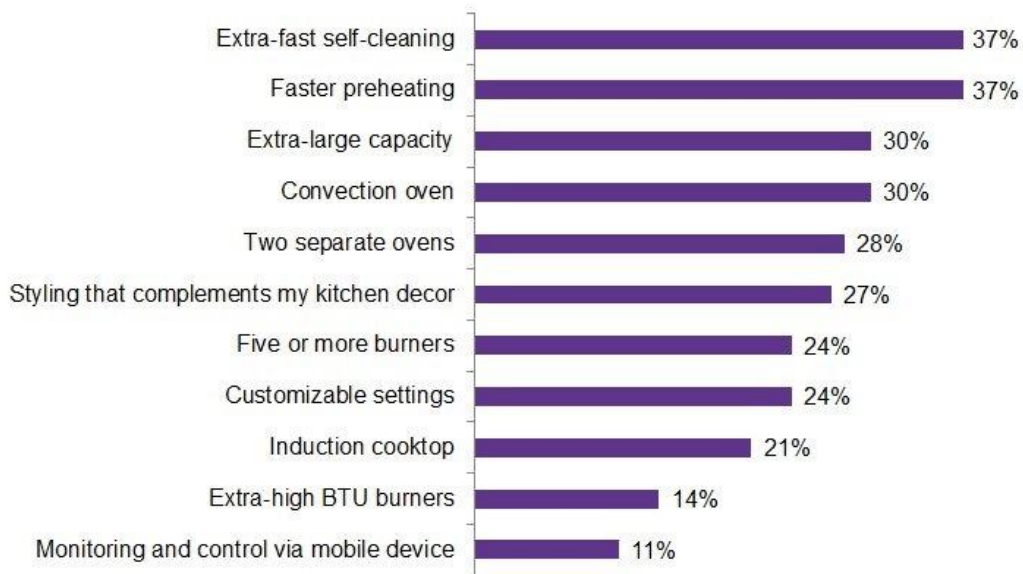
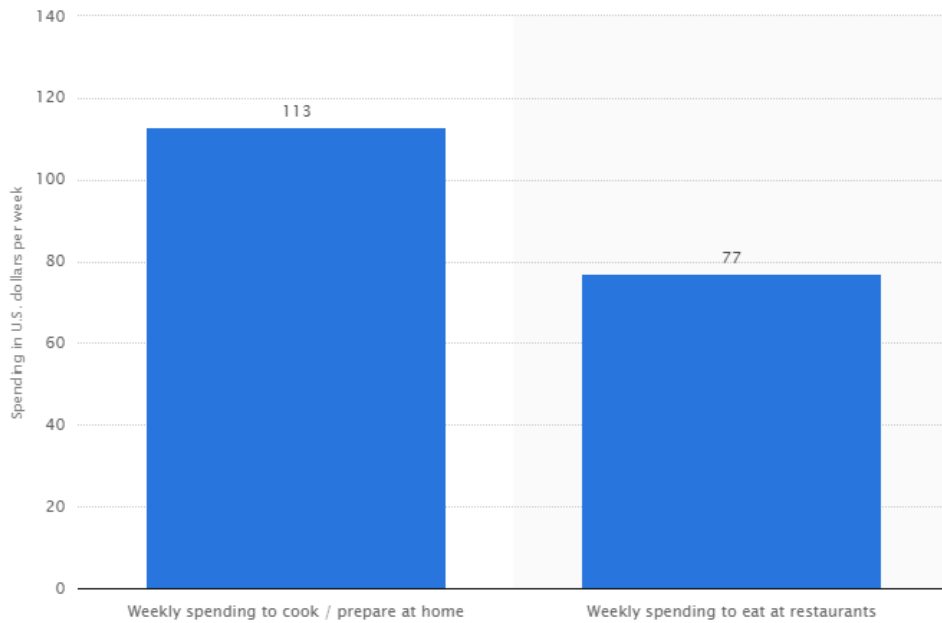
	<b>Total</b>	<b>Men</b>	<b>Women</b>
	<b>Hours/day</b>	<b>Hours/day</b>	<b>Hours/day</b>
2007	0.52	0.28	0.74
2008	0.52	0.30	0.73
2009	0.54	0.29	0.77
2010	0.56	0.32	0.79
2011	0.56	0.31	0.79
2012	0.53	0.28	0.75
2013	0.57	0.33	0.80

[Click here to shrink table](#)

Source: US Department of Labor, Bureau of Labor Statistics, American Time Use Survey/Mintel

[download into spreadsheet](#) [create new graph](#)

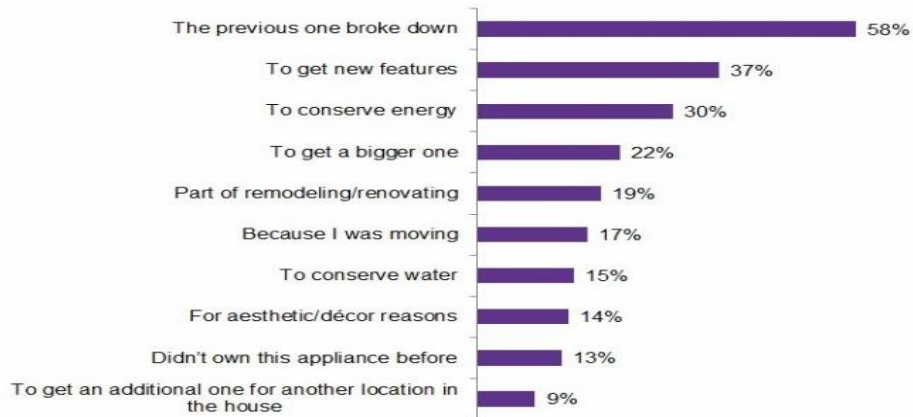
## Appendix E - Buyer Behavior



*Interest in oven/range features, November 2015*

*Base: 2,001 internet users aged 18+*

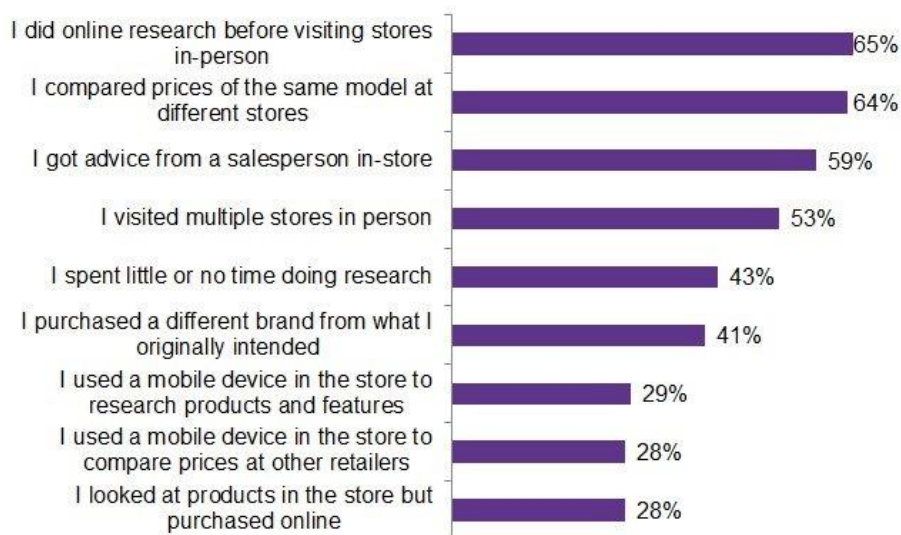
*Source: Lightspeed GMI/Mintel*



*Main reason for most recent purchase, November 2015*

*Base: 1,584 internet users aged 18+ who are purchasers*

*Source: Lightspeed GMI/Mintel*



*Shopping behaviors, November 2015*

*Base: 1,584 internet users aged 18+ who have purchased an appliance*

*Source: Lightspeed GMI/Mintel*