

Assignment #A: Marketing Study

Description of the Assignment

The marketing study kicks off the development of your product because it is fruitless to ignore the lessons of others. While you may have a novel and innovative concept, you'll still need to think about your customers, what they need and want, pricing, competition, intellectual property, and more. This is going to involve gathering lots of information and will require the assistance of everyone in your group. Marketing studies can easily run hundreds of pages in length, but for our purposes we will keep the length to several pages (including charts, graphs, etc.). Along the way, you will discover lots of facts about your product or service that will heavily impact the design. Here are a few general areas to think about:

Who are your customers?

- Demographics: age, income, education, location
- Buying habits and product preferences
- User experience and expectations

How much will it cost you to make your product or offer your service?

- Material costs and overhead
- Employee costs (incl. how many hires, salaries and benefits)
- Capital equipment
- Advertising
- Marketing research
- Sales support
- Shipping
- Trade shows, seminars and exhibitions

Additional considerations in your marketing study may include:

- What is the general nature of the market you are attempting to penetrate in terms of rate of change, trends, investment, etc.?
- Who are your competitors?
- How will you distribute your product or service?
- What are your most effective advertising venues?
- How should you promote your product?
- What current events will have the greatest impacts on your market?
- What threats pose the greatest dangers to your business (competition, accident, liability, etc.)?

Division of Labor

Since this is a team assignment, it will be helpful to assign a portion to each team member. You may organize your team in any manner you wish; however, be sure that tasks are distributed equally in terms of workload and responsibility.

Editor: This is very important, big job and needs to be done by someone who knows word processing software thoroughly. Each team member is responsible for writing one or more individual sections that are already proofread, sourced, and checked for accuracy BEFORE forwarding them to the editor. The editor's job is to integrate individual sections into a whole document—*not* to fix everyone's mistakes!

Here are some possible options to consider for dividing up tasks; each of these elements can be covered by a separate team member, or shared:

Customers: You'll need to know as much as possible about your customers. (Some of this is listed above on page one.) See the help page links for possible sources of research data.

Competition: Survey the competition and their products. Who are your competitors and what are they selling? What features do the competitors' products have? What are the price points for competing products? How do they distribute their products?

Intellectual Property: Which brand names are you competing with? What are some of the recognizable trademarks and logos you'll be competing with? Does a competitor have control of a product name that is synonymous with the product itself (e.g., Band-aid, Kleenex, Ajax, etc.)? Which patents control the product space you're entering? Can you come up with a unique competitive product name and logo?

Pricing: How much are customers willing to pay for your product (based on the competition—see above), and approximately how much will it cost you to make your product? As a start, you can use your competitors' price points to set a general price goal for your product; this will be helpful as you enter the design stage.

Distribution and Sales: How are you going to sell your product? To some extent, this will depend on the customer. If your customer is a government or NGO, you will need to learn all you can about their bidding and acquisition process. (Start by talking to an expert.) If you are selling your product through retail, you will need to decide whether to sell using the internet, or whether to target a chain such as Walmart or Target. If you target a retail chain, you will need to research its product acquisition process.

Legal Requirements and Approvals: Many products have legal requirements, such as meeting safety regulations; for example, most electrical products must have grounded plugs. Many retail chains require Underwriter Laboratories (UL) testing and approval for consideration of certain products. What are *your* legal requirements?

Formatting of the Marketing Study

Make certain that the final study coheres as a single document and uses the same font throughout, the same margins, headings, etc. This means that one of your teammates should take responsibility as the team editor for integrating individual sections into a final document. **THIS DOES NOT MEAN THAT OTHER TEAM MEMBERS CAN FORWARD UNPROOFED, FRAGMENTED TEXT, GRAPHICS, ETC. TO THE EDITOR AND “HOPE FOR THE BEST.” EACH TEAM MEMBER IS RESPONSIBLE FOR WRITING AN INDIVIDUAL SECTION THAT IS READY TO GO—THOROUGHLY PROOFREAD FOR ERRORS, SOURCED, AND CHECKED FOR ACCURACY. THIS IS NOT THE EDITOR’S JOB!**

1. All drafts should be double-spaced, using 10–12 point font size.
2. Reference all researched data using a standard APA, CSE or Chicago format. References should appear either in footnotes or in a dedicated "References" list at the end of each section.
3. Write all sections for brevity and organization. Ask yourself this question: "If I was a business manager or investor and wanted to find specific information, could I do so within a few seconds?" If the answer is yes, then you're on the right track.
4. Organization is paramount. Remember: this is not an essay, it's a proposal! Use plenty of white space in your formatting, along with ample headings and sub-headings. Wherever possible, use bullets, tables, charts and graphs to present data, but...
5. Don't forget to explain your data and findings. It is not enough to simply toss out data. You must explain the source(s) and how the selected data fit into your marketing strategy and overall proposal. What is the tie-in to your proposal?
6. Title and number all tables, figures, graphs, etc. (e.g., "Table 1," "Figure 2"). Refer to these in your text by their number: E.g., "Table 5 demonstrates the correlation between education level and income."
7. Be certain that your marketing study—and every other section of your proposal—includes a brief, one-paragraph introduction. The marketing introduction should summarize what your product is and who your customers are. Provide a rationale for your marketing choices. *Why* have you selected the marketing strategy you have? Why did you *not* make certain choices?
9. Do away with ambiguities and uncertainties. Words like "probably," "might," and "maybe" should not occur often in your proposal. Your tone should be decisive and resolute: "We intend to enter the fast food market by replacing outdated and worn equipment," not "We might look into replacing worn and outdated restaurant equipment." "Aluminum will be used for all tensile members," not "We may consider using aluminum." No investor wants to read about what you *might* do; they want to know what you **will** do!