

Use assignment 2: The kickstarter campaign of Nuke: The indestructible notebook



Team 20

Andreas Deivekis : 1679562

Siddharth Mahadevan: 1693670

Teun Roetman: 1687484

Tim Geurten: 1427806

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Introduction

Nuka, an innovative all condition expressing tool. This report includes a detailed account of specifications to the marketing strategy, complete with a promotional campaign to draw attention to our crowdfunding actions.

Rational video

Target group

To start, we decided to target zoomers and millennials, who are either in high school or college. This choice seemed logical for our products, since these users need to take a lot of notes of either homework, lectures or else. Furthermore, after tests, these notes are often not useful anymore, and thus the notebooks are discarded. Making an erasable notebook is thus a product which saves money long term.

Secondly, the indestructibility is also great for our target group. A couple examples: Cycling through rain and getting all your stuff wet, as well as your homework destroyed. Throwing the notebook in the bag without care every time you hastily leave for school. Not closing your bottle properly and having your notebook reek of spoiled milk.

With all these situations, it would make sense to target this group.

A persona for this target audience would be:

Steve Jacobsen

Age: 16

Occupation: High school student

Residence: Bergen op zoom

Description:

Steve is a high-school student living with his parents in Bergen op Zoom. He is a bit of a nerdy student, spending a lot of time online and loving weird and practical gadgets with which he can show off. Since he lives far away from his high-school, he cycles a lot. His parents are middle class, and he works a side job, giving him a good amount of expendable income.

Personal traits:

- Spends a lot of time online and on social media
- Cycles
- Likes gadgets

Amount needed and for what:

There are several parts which need to be funded appropriately to make the launch of the product a success.

To start off, we have the set 5.000 euro marketing budget. Furthermore, we have production costs. These include moulds and dies needed for production, as well as the amount of raw materials needed to create the product.

Lastly, there are distribution costs. Shipping from place of manufacturing to the distribution centre, as well as shipping the final product to customers. The shipping costs to homes can be covered by customers, but shipping to the distribution centre isn't.

Since we want our product to have a low production cost, we will produce in china, where the industry is massive as well as having low costs. The die for our notebook will be simple to produce or might already exist and just need a bit of editing. Thus 3.000 for the dies would be realistic for both the notebook.

The materials aren't complex, they are just basic metals, as well as plastic and wood. Furthermore, the products are quite small and thus don't use that much material. An educated guess would lay at around 3.000 euros as a start-up cost for the raw materials, since all materials used are cheap to source.

Then there are production costs involved. These will be high, since the production line needs to be assembled and workers need to be paid. It is however possible to utilise part of the machines already available, compared to normal notebooks. Furthermore, since this notebook delivers more customer value, it can sell for more and thus it is possible to overbid normal notebook production companies, having much of the machinery, as well as the workers available. The costs will still not be negligible however, with around 6.000 for the changed production line being realistic.

The cost for shipping containers has sky-rocketed since the pandemic, from around 2.000 to 11.000 euros as of now to ship to europe. Since a whole container won't be needed, with notebooks not taking up all the space, the shipping costs can be around 6.000. (Freshplaza, 2016)

Lastly, there will be office costs in Europe, where distribution also needs to be done. This can however be done from an existing home of one of the employees, since the first production won't be that great of scale. This saves money. Furthermore, these employees will be paid from company profits, not adding to the budget. There will be a shipping employee which needs to be paid however, estimating around 1.000 euros for simple work for around 2 weeks.

The total cost of the first production will be around 24.000. These costs are high, but certainly possible to achieve in a kickstarter, with production costs after start up being very affordable. A buffer as well as a profit margin need to be added, as well as taxes. Furthermore, there is a 5 percent kickstarter fee. When utilising a 10% buffer, 10% profit margin for the first run, 5% fee and 21% taxes, the total comes out to 37 thousand. This is certainly achievable. (kickstarter, 2022)

Time frame

Since the product is non-perishable, as well as having minimum costs before production, the time-frame can be quite large. There might be an office, which is something to keep in mind with a small company lacking large funds and thus doing a kickstarter.

More important is customer engagement and satisfaction as a factor. When the kickstarter runs for too long, the hype will die down and the funding goal might not be met over time. Furthermore, customers would like to see either their money or the product they've ordered after a while.

Most kickstarters run around 30 days, with the longest being 60. It is stated on kickstarter that shorter campaigns give a sense of urgency to funding it, since it has such a limited timeframe. This in turn makes buyers more likely to fund the project and not forget about it, thinking they will look at it later. An appropriate timeframe for a nice to have, but not necessary product like this, would thus be short. Keeping the promotional strategy of getting as much engagement on social media as possible in mind, which is often short lived, 15 days would be appropriate. (kickstarter, 2022)

Rewards

Looking at different pricing strategies, outpricing other notebooks won't be possible with higher production cost, as well as smaller batches. Thus we will look at a combination of production costs as well as customer value.

The production start up costs will be quite high. It is however needed to keep in mind that our target demographic is young, with some money to spend, but not willing to spend more than a couple notebooks on an indestructible one. A good quality notebook can be had for around 10 euros, while one more affordable could be had for as little as 2 euros. However, if our target group is interested in this higher quality notebook, they will probably already be invested in notebooks and those of higher quality.

Around 4 notebooks would be reasonable, since it would give us a product cost of 40 euros, which is still reasonable and not coming close to digital competitors like tablets, and cheap enough to buy without much thought. This would also give us a reasonable 925 units which need to be sold to reach the stated goal.

Other rewards don't make much sense, since it will be compatible with writing utensils already owned by the user, although expansion into those fields is certainly possible in the future.

Design criteria

For the product, it is of course needed that it appeals to the target demographic.

The gadgets which are more popular with our target demographic are often minimalistic in styling. Looking at products which might interest our target group, for example the gaming brand Razer, the lines are often simple and most is black. Following this sort of design language it is possible to formulate the product. (Razer, n.d.)

The paper will be A5, being small and easy to carry, while still being big enough for drawings and notes. It will have 80 pages, utilising dots on the paper, which are all 1cm from the next dot, organised in lines on top of each other. These give the notebook more flexibility in what and how to write, compared to standard lines.

The cover will be a simple mat black, creating a clean minimalistic aesthetic. It has the logo stamped in the bottom right corner to show the brand. The 2 corners where the paper is exposed are rounded, utilising the razer design language.

Lastly, the part where the pages bond to the cover will be thicker, giving a quality aesthetics, while also lasting as long as the notebook itself.

Promotional strategy

Basic strategy: Using internet marketing and make a video which can go viral

- Objectives of your strategy (make it SMART) (1 pages)

Let's first start by defining the objectives of our promotional strategy.

Pre-Launch marketing objectives:

- (1) Setting up brand awareness in the two months prior to the launch by making 5 influencers recommending the product.

This will make sure brand awareness is created immediately and the product makes a good kick-start. Before the launch of the product, influencers should already make advertisements in order to hype up the target audience. Influencers nowadays are really important, because they can target thousands of people with one post. The influencers should also market the crowdfunding video on their social media, so the crowdfunding gets more and more attention. Spreading attention thus is very important. In conclusion, the first two months prior to the launch are of great importance because the idea remains very fresh in the mind of potential customers,

as it is just a small time before the actual launch. The main tool for reaching this objective thus is gathering 5 successful influencers to promote the product.

- (2) Setting up the whole website and social media platform of the brand successfully 2 months before the actual launch of the product and tracking all kinds of information about this (on Instagram and snapchat).

This for instance also includes a teaser with the release-date and an easy link considering information on the crowdfunding video. The teaser however should never reveal all information, but also make the product a little suspicious so it draws the attention of people. In this way, the attention of people towards the product is already drawn, and they are thus more willing to watch the crowdfunding video/action. Just telling people to watch the crowdfunding video may not always help, because people need some sort of background information. This background information can be given by setting up a website and social media platform of the brand, which is promoted by influencers. On this website, obviously the link towards the crowdfunding site should also be given. In conclusion, the main tool thus is finding a good company/person which can set up the whole website and social media platform, and finding good software to actively check the website's statistics.

More marketing actions that are important to reach this objective successfully are:

- Ability to pre-order: with an ability to pre-order already before the launch of the product, the first customers can already be determined before the actual launch of the product.
 - Tracking how customers reach the website: if it is tracked how potential customers reach the website, for instance if they reach the website via instagram, snapchat, and via which influencer. Tracking data is really important, because it shows which referral social media account does good and which not.
 - Put information on the website about the marketing strategy: for instance which influencers promote the product. In this way people can look their favourite influencer up and see what their story about the product is.
 - Competition where people can win if they share information about the product on their social media page, or customers can fill in a link so that they make a chance to win certain rewards/discounts/or even the product for free. More promotion is always better.
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- (3) Making a PR kit available for journalists already 2 months before the launch of the product. This in order to make sure journalists can write about the product. Put

the link of the crowdfunding video/website in the PR kit of the website of the brand itself.

Important for this PR kit is that the following is mentioned in it:

- background of the company: the background of the company should be mentioned, since people want to know what the background of the brand is and how it arised.
- Important details about the top management of the brand: details about the top management are important, because people don't want a scam and they want the top management to be trustable. So expertises, qualifications and their roles should definitely also be mentioned.
- Highlights of the product: a factsheet of the product should be given. Furthermore, what makes the product special and why it is unique should be mentioned.
- Pictures of the product: High-quality images are really important, because they are important for people that are interested in the product, but also for journalists/influencers that want to use the pictures in their blogs/posts/articles. Good pictures can make the difference, because it is important for drawing people's attention.
- Brand logos should be very visible: brand logos make a brand unique and recognizable.

This objective can be reached by hiring a PR agency which can make a press kit.

Marketing objectives during the time the project is on the market:

- (4) Acquisition objective: Acquiring 2000 new customers in the first year (so 2000 sales), with for each customer an average cost per acquisition of \$10, with an average profitability of \$20.

2000 new customers in the first year would ultimately be a good milestone. If the average probability per customer would be 20, then this would mean a profit of \$40,000 in the first year. Tools to reach this acquisition objective are especially great online marketing, and monitoring this. Monitoring is important, as already mentioned, because then you can exactly see which online marketing tactics are paying off and which are not.

- (5) Not only let already-known influencers try the product, but also let students engage and post information about the product.

For instance, influencers can ask their followers if they would like to test the product. Random school students who follow their favourite influencer can try to see if the product also works under the conditions as stated on the website 'like if it works in the rain'. They can send their video back to their favourite influencer, who will post the video. The follower can get the product for free after this, and the influencer can share the ID of the student on his social media, so that the random school student also gets a promotion for his/her instagram. It's then a win-win situation for both the influencer, the brand, and the follower (random school student). Tools for reaching this objective. thus are the influencer, but also our target group which actively uses social media.

- (6) Conversion objective: A form submission rate on Instagram of 15%. So this meant that in total 15% submit their personal information in order to receive a brochure, plus more additional information about the pen.

Through our social media presence we will introduce a newsletter option for customers that either are not convinced about our product or simply would like to get more information about our mission and product. Tools to reach this are of course online marketing, but also having the ability of a monitoring software, which actively checks all submission rates.

- (7) All the money spent on the marketing of the product (€5000), should be recouped within 3 months.

This will be achieved by completing our set goal of making a total amount of 20.000 new customers with an average profitability of 30 euros. This makes the first three months post lunch the time to gain back our investment and after start earning profits. 60.000 euros as a first year milestone makes a three month profit of 5.000 euros.

- (8) Making sure people get a certain discount if they would like to place their independent review on the website.

More reviews will be beneficial for sales eventually. This can be set up by the platform structure. This means that completing a review and submitting an email address in the designated area, the user will be eligible for a small discount around the 10% mark.

- (9) Increasing the website's traffic by 150% in the 6th month compared to the 3th month.

Traffic increase will be achieved by our heavy reliance on social media. Along with the influencer promotion we have devised, we plan on having a big social media presence, this will take the form of advertisements, stories and posts. If more people can get introduced to our product we will be able to achieve a significant increase in website traffic. Our most important tool, thus stays marketing via social media.

- (10) Making sure that on the social media platform Instagram, the brand gains 5000 active followers within 3 months. This is why the role of influencers is so important.

As mentioned before, our promotional campaign is mostly integrated with social media. This means that we would like to increase product/brand awareness as well as the amount of active followers to all social media accounts related to us. This is the job of the influencers to create this first connection with our potential audiences, referrals do more for us than simple straightforward advertising, for the first few months before and after launch we depend on them to increase our following, when we have achieved this we will be able to sustain ourselves without having to rely on influencing figures.

Costs associated with our promotional strategy as well as our campaign have been carefully curated to fit and complement our products needs. What follows below is a detailed breakdown of the five thousand euro marketing budget. By categorising our cost we will be able to make more educated decisions as to how we can maximise product awareness and product profitability.

Budget breakdown for marketing and campaign purposes.

- Since our selected target audience has an already existing intimate relationship with social media, we can use this to our advantage and as mentioned in detail in our promotional strategy we will employ at least five influencers that best fit and affect our targeted audience. This will be a temporary employment, as their task will be to promote the product for the two months leading to our lunch, thus already creating brand/product awareness. For this work the influencing figures will be compensated with 600 euros each. A grand total of 3.000 euros will be allocated to this action as it is the best and most efficient way to get a feeling of our audience as well as spreading product awareness.
- By the time our team will be able to lunch, it is imperative to already have a platform up and running. In this platform customers will be able to get more information about our product, mission and beliefs, as well as place pre-orders of our offered product. For us to achieve this, we plan on working with professionals that will handle the platform setup, design as well as publishing. This as a one time partnership will set us behind by an approximate 1000 euros. This amount will be broken down in two parts, one is 750 euros for the design and an additional monthly charge of 50 euros for the first five months after the lunch. After this limited time frame, with our estimated profits we will be capable of maintaining the platform internally.
- As mentioned before, our heavy reliance on social media does not stop with the infulcing model. We also need to reach audiences independent of the infulcers following. This will be achieved by creating advertisements for instagram. These impressions only advertisements pop up between users' stories and act as a great way to communicate a product such as our own passively. This has a minimal cost of 100 euros since we plan on using them for the first three months post lunch. An ad

such as this costs around a euro per day so this advertising phase will last for three months and ten days to be exact. (Schaller, 2018)

- With a total of 900 euros remaining we plan on employing a more local and intimate approach with potential customers. This will take the form of employing a total amount of 6 “product testers and marketers. Their job will be to interact and test the product as well as market it and showcase it to new people. Preferably, we would like to approach university students as we firmly believe they are a key customer base to our product's success. We plan on starting with 6 employees that will be paid 21 euros per day, without fixed schedules. This will act as a testing marketing strategy and will last 7 days. After, if we see a sustainable increase in profits we will refine it and allocate a bigger amount in order to get more testers.

Reflection

We learned how many different costs occur when wanting to produce a product, especially when outsourcing and utilising promotion platforms. Looking at all the extra costs on kickstarter lists, as well as the normal costs, it surprises us that in-store products can be as cheap as they are.

While making the report, it is very noticeable how important the user is in the process of not only the design of the product, but also marketing, as well as setting prices. We learned that delivering the best product is only possible when thinking about the end user in every single step, not just in the obvious ones. This will in turn also create the most value,

Appendix

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