Assignment - 03

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| **Group 10** | |
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Submitted To: Prof. Chantal McQueen

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**Task 1**

The primary market for a Virtual Reality (VR) House party can be segmented into four. These are demographic, geographic, behavioral, and psychographic (McQueen, 2024).

For the proposed VR House party, the team agreed to adopt TrickVR Gaming Fiesta as the business name for the VR House party event.

The major target market of the company are:

* individuals, families, or groups of people who are passionate about Virtual Reality (VR);
* young people, from 18 years and above, who are mostly VR enthusiasts and have plenty of leisure time;
* high-income earners with a minimum weekly income of $2000 CAD to $2500 CAD;
* residents in areas or big cities like Toronto and London. These areas have a minimum of 100,000 people residing there. Again, the population in these areas is more high-brow and familiar with technologies that they use in their day-to-day activities;

The target market is grouped into four (4) main market segmentation categories for our VR business in line with Module 7 of the Course material, as seen below:

**(1) Demographic Segmentation:** Two (2) relevant characteristics within this segmentation are:

1. The age of gamers in Canada is averaged at 35 years old (Clement, 2022). Therefore, we are targeting any gender enthusiastic about Virtual Reality within the age range of 18 years and above.
2. Individuals with high purchasing power and who earn a minimum weekly income of $2000 CAD to $2500 CAD.

**(2) Geographic Segmentation:** Two (2) relevant characteristics within this segmentation are:

1. Customers residing in the affluent neighborhoods of Toronto and London, Ontario.
2. Customers residing in urban cities where they are mostly exposed to technologies in their daily lives.

**(3) Behavioral Segmentation:** Two (2) relevant characteristics within this segmentation are:

1. The target audience will comprise mostly of people who purchase because of promotions, discounts or special offers for occasions like Family Day, Valentine’s Day, Friendship Day, Black Friday, Christmas Day and New year. Therefore, TrickVR Gaming Fiesta plans to offer special offer for new and frequent users. Like $30 off the first purchase and $10 off subsequent purchases.
2. The target audience will be made up of people who love to adapt to change and are open to new technologies although VR is relatively new and not many people embrace new technologies.

**(4) Psychographic Segmentation:** Two (2) relevant characteristics within this segmentation are:

1. Customers whose lifestyle, values and beliefs inform their social interaction hence the love for indoor games instead of outdoor games. This group will be offered the VR house party service for any celebrations such as birthdays.
2. Customers who are conscious of their social status and love to showcase their wealth by owning Innovative modern technologies. (Gil-López, C., Guixeres, J., Moghaddasi, M., et al., 2024). These customers might want their friends and family to have a feel of the VR experience during their parties, which would form a major part of the services we offer to the public.

**Task 2**

A logo with text on it

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The business name, TrickVR, represents the life of ingenuity and fun that defines our brand. By infusing the word 'Trick,' we want users and party guests to have a feeling of realism, an experience beyond the ordinary, with every moment filled with surprises and excitement.

Our ‘VR’ logo, encircled with scribblings of Trick surrounding the iconic 'VR,' is a visual representation of the dynamic energy and creativity that awaits our customers. It also reflects our commitment to creating a remarkable reputation for TrickVR as a brand with so much to offer to its customers with endless possibilities, and ensuring we protect the Brand by satisfying our customers.

Our slogan, **'We make your VR Party experience memorable’**,' summarizes our mission to leave a lasting impression through unforgettable gaming adventures. With each interaction, we strive to deliver moments that linger in the mind and heart, ensuring our customers keep coming back for more.

At TrickVR Gaming Fiesta, we invite you to step into a world where gaming meets imagination, and every experience is crafted to be truly memorable."

**Task 3**

**Pricing Strategy**

Considering the nature of our VR home parties business, we decided the combination of penetration pricing, demand-based pricing and bundling would be the most suitable pricing strategy. These combined pricing strategies will help to attract more customers and they will positively affect the growth of our business (Gil-López et al., 2023).

**Selected**

Penetration Pricing: In this stage we are aiming to attract new customers and therefore this could be a good strategy. Setting an initially lower price to build market share and gain traction among potential customers could be very effective for newly started businesses like ours.

Demand-Based Pricing: Demand for VR home parties may change due to internal and external factors such as seasons, weather, local events, technology, legal regulations. Adjusting our prices along with those factors may help to maximize our revenue.

Bundling: We can introduce membership or subscription-based bundles with add-on services or upgrades. Those add-on services can include premium virtual reality headsets, extended playtime, or exclusive access to new content.

**Not Selected**

Price Skimming: This strategy is not suitable because it's typically used for innovative products or services when entering the market with high initial demand and limited competition (Team, Q. C., 2022). At the initial point these products or services charge high price and then lower it gradually.

Cost-Based Pricing: This strategy sets prices based on the cost (Decker, 2023). When deciding the price, it’s important to consider the costs because it affects the cash flow (Profit or loss), but solely relying on cost-based pricing may skip the factors such as market demand.

Dynamic Pricing: In dynamic pricing, price fluctuates along with the competitor pricing, demand, and other factors. Since our business is a VR home party business which is still in the initial stage, dynamic pricing would not be suitable.

Prestige Pricing: This strategy is suitable for high quality and luxury products. After establishing a higher market share and brand awareness, we can consider providing a premium service only for customers who are willing to pay more. But in the initial stage this strategy is not tactical.

Odd-Even Pricing: This pricing strategy is more about psychology. We can use this tactic to make our prices look more attractive, but its impact might be minimal when comparing with other strategies.

Loss Leaders: This strategy will not be suitable for our VR business since it does not provide multiple products or services to cover the loss.

**Task 4**A screenshot of a computer

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**Task 5**

**Radio Advertisement**

Script for Radio Advert:

(Background Music)

Narrator in excitement :

Hello!! Guess what’s new in town?

Have you heard about TrickVR Gaming Fiesta? Experience it yourself.

The world of imagination is calling you. Talk to us at TrickVR to help you plan that party. It's a brand new experience with lots of fun that you definitely don't want to miss out on.

For more information, send an email to info@trickvrgamingfiesta.ca or call us on 4-3-7-6-6-3-6-9-7-9

TrickVRGaming Fiesta – We Make your VR Party experience memorable!

*(See attached audio link)*

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