StuRent Awareness Campaign Design Strategy Report

2019

Team 1

Appendix (https://goo.gl/P4euyo) provides more context.

sturent

See appendix 1.1

StuRent is an information product for 1st and 2nd year students at Bristol University looking to move into private rented accommodation in Clifton, Redland or Stokes Croft in the following academic year.

Core Features:

- Physical StuRent kit acts as gateway product with helpful information
- Digital key included in kit provides anytime access
- Initial information developed and deployed by the StuRent team
- Feedback network to crowdsource data from students across Bristol

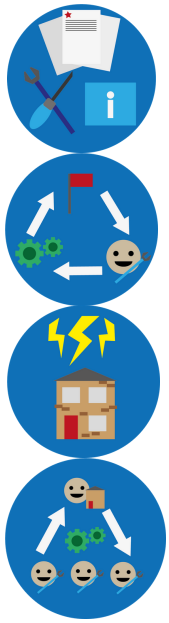
Why this target market?

After reviewing our Proof of Problem (PoP) report we went through a series of validated learning loops (2) in order to determine a specific and valuable market. We explored whether landlords would be a feasible market but ultimately concluded that they would be too difficult to sell to and validate our assumptions with our current skillset, making the essential initial iteration of the product extremely difficult. This is partly why we transitioned back to a student focus, combined with the following reasons:

- Re-evaluation of PoP report revealed students willing to pay to meet specific needs such as information to help them find a good rental property.
- Students are more accessible, enabling faster validating learning loops.
- Initial testing of minimum viable product proved to be highly desirable (30% buy rate) among this customer market.
- Continually renewing customer base ~6000 new undergraduates each year.
- Similar potential customer bases at Universities across UK make idea highly scalable after dominating Bristol market - high growth potential.
- Niche segment of students looking for private accommodation in 3 specific areas of Bristol reduces setup complexity and allows for easier initial expansion.
- Existing student kits focus on transition from home to uni, not in the arguably more difficult transition from uni halls to private accommodation.

What challenges may we face?

- Simple idea necessitates built in defensibility measures to reduce copycats - hence the digital network as a way to build long term value and retain customers.
- From our PoP we know that students dislike paying for things even if it might be valuable and are very price elastic - building a feasible business on a small profit margin may be difficult unless we find ways to cross and up-sell to existing customers.
- Young people are a highly desirable market for many companies due to high potential lifetime revenue - market is very crowded if offering a generic product.

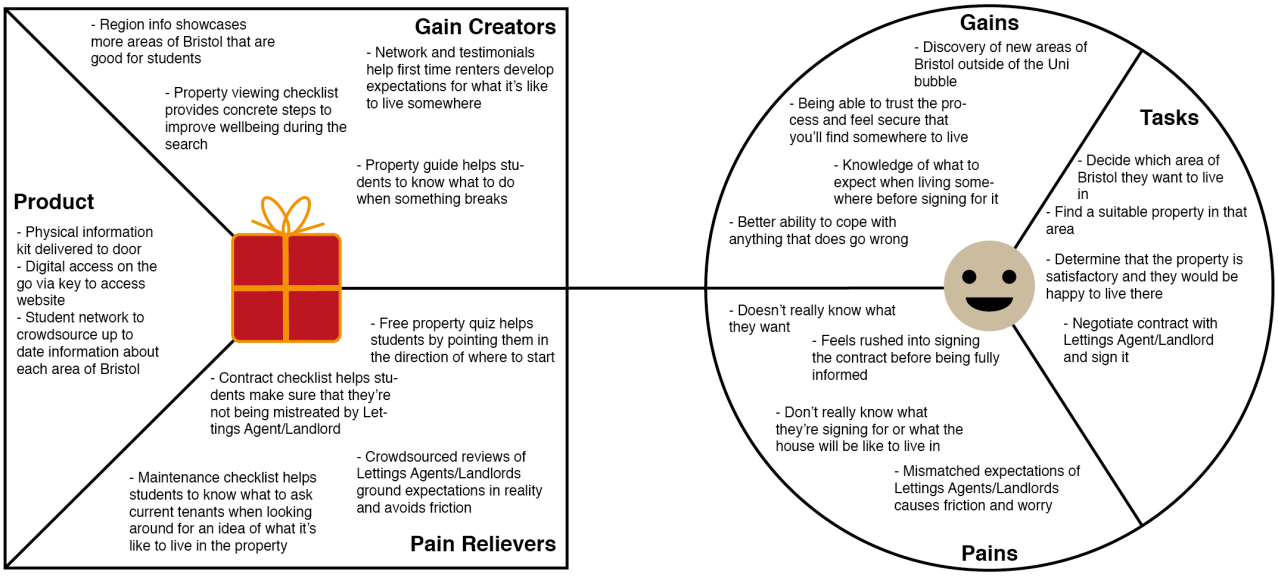


Unique needs and preferences of this market:

- Sensitivity to location of property is high as we know from our PoP report that it comes a close second behind price in terms of importance when making a final decision - always a preference to want to be closer to uni campus even if area itself is not a good fit.
- Information is out there but potential customers do not know about it or find it overwhelming to compile themselves - need for one stop shop arises due to high opportunity cost of spending hours searching for necessary info.
- Customers value confirmation of having somewhere to live above consideration of living there - behavioural tendency to act without thinking on the word of friends - this shows high susceptibility to word of mouth advertising and customer testimonials.

How do we provide value to our target market?

By targeting a small niche market we are better able to understand its specific needs and tailor our product to suit them. This helps us to move towards domination of this small market, then expand out into other similar markets later (15). Our value proposition canvas below outlines how we bridge the gap between customer needs and what our product offers.



How does our media engage our audience?

Our target audience is categorised as Generation Z (those born between 1995 - 2015) and engages heavily with social media (3). As such we are beginning our marketing funnels primarily on Instagram, which is used frequently by 52% of our customer segment, with 72% of younger Gen Z using it (16). Other sites, such as Facebook are declining in usage and are saturated (4) so would be less effective for acquiring new customers.

From our PoP report we know that our customers are reluctant to pay upfront. Therefore, we first offer value without charge – a quiz that helps them determine the most suitable area in Bristol to live in. Only after this do we present our product, highlighting how it increases the value of the activity they just performed. Our research shows this freemium model is an effective tool for customer acquisition in ventures with crowdsourced elements, allowing faster growth at lower cost (12).

Our campaign is:

- **Simple:** With a single featured product we are able to focus the experience and user journey, ensuring that it is quick and easy for our target audience, who are more likely to have a short attention span, to find value in our product and engage. Using a video on a single product website the boosts sales and engagement. KissMetrics reported that visitors are 114% more likely to buy a product after watching a product video than those who do not (13).
- **Honest:** Demonstrating how the product can be used and the value of using it tells our visitors what to expect. We showcase real customer testimonials to highlight how our product has been valuable to others and build trust. This increases the credibility of the product in the perception of the target customer, and also lead to higher conversion rates (14). This is proven to be an effective approach to build a successful online sales funnel (5) and we know from our research that our customers are highly engaged by this approach.
- **Visual:** Using striking visuals and a bold colour palette we capture the attention of our user base. By positioning ourselves primarily on Instagram and displaying what we're doing we draw in customers intrigued by our style. Engagement via competitions to catch the eye of potential customers drives visitors to our campaign website.

How have we begun validating assumptions?

We have begun validating initial assumptions by asking questions while students were interacting with our first physical prototype. Our main assumptions at this stage are related to the price of the product, whether it requires a physical component to warrant payment and what the best driver is for engagement with our crowdsourced network.

What did we find?

We determined that 1st year students were more likely to buy the product than 2nd year students, 29% vs 26%, which validates that the concept is desirable. Overall, around 30% of visitors to a simulation website bought the product with the price set at £4.99, but we need to validate with other price points to calculate the price elasticity of demand. Taking this value into consideration we determined that this was a sufficient level of interest to continue specialising into this niche market.

What are our next steps?

Having validated the viability of targeting at our specific niche market from the positive feedback received from initial prototype testing, we aim to use the awareness campaign to validate assumptions which will be core to developing a coherent sales strategy to target early adopters.

This campaign will seek to further confirm the desirability of the product and validate viability of the concept by continuing to perform validated learning loops. We will test the following main assumptions (MA):

- **Price elasticity:** MA of price point between £4-6. We have 3 prices on the campaign website, £2.99, £4.99 and £7.99, and by A/B testing them we hope to calculate the price elasticity and so determine the optimal price for sufficient profit to expand.
- **Physical vs Digital:** MA of both components being necessary for sales. A/B test them to further validate whether we could simply sell digital keys, removing need for shipping boxes.
- **Channels:** MA of social media being best to reach our target audience. By tracking the clickthrough rate (CTR) on a variety of marketing funnels from social media, email marketing and direct linking we can determine the most effective way of getting new customers in.
- **Partners:** MA of student organisations being willing to get involved and help us sell the product. By using our media assets to showcase our idea we will be approaching several student and university organisations to determine if they would be willing to partner with us due to mutual interest. For instance whether the SU would want to partner and pay for our product to provide to all first years, or perhaps simply to give us useful information to include.
- **Defensibility:** MA of students being willing to engage with the network features if provided with potential for prizes and rewards. Engagement with students via running competitions on Instagram page to determine if this is a viable strategy based on number of submissions to said competitions.
- **Customer purchase funnel:** MA of giving the quiz away for free up front improving the likelihood of subsequent purchase. A/B test with and without quiz and track buy-rate. Experiment with funnels by creating more free content which provides upfront value to turn 'cold' visitors to the campaign website into 'hot' paying customers.

How are we qualified to make this successful?

Our current team possess a range of skills which make them effective at these initial stages of the project. We have core skills which enable us to iterate, test and learn from our prototypes and validate our assumptions at this initial stage. As we grow we will require other expertise, mostly in the form of subject specialists about our market, B2B sales and B2C marketing.

Our Skills

- Technical development skills necessary for assembling the digital aspect of the idea.
- Knowledge of Lean Start Up methodologies to aid with rapid prototyping and learning.
- Visual and media design to create engaging videos and images to draw in new customers.
- Data analysis skills to draw insights from key metrics recorded by digital tools.
- Human Centred Design skills to tailor product to market through deep understanding of needs and wants of customers.

Areas to Improve

- An industry specialist in the rented accommodation sector to help us decipher the complexities of our chosen market.
- A marketing lead to help us devise more effective and tailored funnels to turn students into paying customers.
- Logistics specialist for managing shipping and delivery of StuRent kits if physical product validated.
- A B2B expert could help us take the product to student organisations such as the SU and help us get institutional clients.

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