

8 - 10 minutes -

Parts to speak

1 person - Company overview & Problem recognition: Haley

1 person - Situational Analysis & Competitive advantage: Tina

1 person - Budget & Timeline: John

2 people - Recommendations: Maddy and Mikey

Good Evening everyone my name is Haley and my team members are Maddy, Mikey, John and Tina. We are 'competitive consultants' and we're here to show our findings of Audeara's marketing problem and offer recommendations to adjust their current marketing strategy and address their desired outcomes.

Haley 1:30

About the company:

Audeara is a recent start-up company that creates headphones with an inbuilt hearing test to follow their mission statement of "test your hearing, tailor your sound". Audeara has a vision of improving the way that people experience sound and developing products to improve hearing health. Their objective is to have the world's first full fidelity headphones with sound tailored perfectly to each user, allowing them to hear notes they didn't know they were missing, find new parts in their favourite songs, and continually monitor their hearing. Having fulfilled this objective, Audeara are now working towards a greater share of the market for headphones.

Problem recognition:

Audeara wants to know how to gain a greater share of the market by attracting millennials – more specifically, university students. Clearly, they have some huge competition, with big players like Sony, Bose and Beats already dominating the market for headphones. As their main source of competitive advantage is the way that their products care for and are tailored to your hearing, they need to be able to stress the importance of this. This can become a problem when there is a lack of millennial awareness surrounding hearing loss.

Audeara's problems with attracting university students may be a symptom of lack of brand awareness and trust. This can be seen through their presence online in comparison to other major headphones brands. For example: on Facebook, Audeara have around 18,000 likes, whereas Bose, Sony and beats have 4 million, 7.8 million and 8.8 million likes respectively. Furthermore, their competitors have a widespread availability and are purchasable in many physical stores, whereas Audeara is exclusively purchased online. We believe that these factors may be contributing to a lack of brand awareness which, in turn, is leading to lower levels of trust, comprehension, and purchase intention from their target market of university students.

Tina: 2:20

Internal analysis:

Audeara's mission is to revolutionise the listening experience by supplying the world's first full fidelity headphones with a built-in hearing test.

The resources Audeara utilize includes outsourcing the manufacturing process overseas in Shenzhen, China; Retail partnership with Attune hearing - a professional audiologist body that have strong reputations in the hearing industry.

Audeara's offering: Audeara's headphones have an in-built hearing test to tailor the sounds to match with the individual hearing profile to protect the user's hearing. Audeara is one of the disability service providers under the National Disability Insurance Scheme (NDIS) and certain participants are eligible for a free set of headphones .

Audeara's competitive advantage is that their unique headphone set includes both tailored sound and a threshold hearing testing, along with the ability to track hearing health. Audeara's business level strategy is focussed on product differentiation.

Audeara may be considered a premium product, however, they offer more capabilities at a middle-range price point compared to their direct competitors. This can be seen in the positioning map.

External analysis:

Based on the demographic, there are currently 1.1 billion young people worldwide (aged between 12 - 35 years) at risk of hearing loss due to exposure to noise in recreational settings. Audeara is motivated by the significance of hearing loss, and they work towards prevention and helping those affected by it to manage their hearing loss.

From the technology perspective, advanced sound quality and personalisation effects also play a important part in getting the attention of consumers. These advances are critical factors attributing to increased product sales.

From the legal point of view, Disability service providers who meet certain benchmarks are eligible for reimbursement from the government. Audeara's full fidelity headphones are protected by an intellectual patent in Australia.

Economically, the global headphones market size was valued at \$8.7 billion in 2015. Technological advancement in the headphone industry continues to fuel market growth. Therefore, it is an attractive market for existing competitors.

The social-cultural landscape: the rise in headphone use and sales may be a result of more people being tethered to their smart devices, such as music players, mobiles, and tablets, etc. and seeking higher quality sound.

Recommendations:

Mikey 1:40

SOCIAL MEDIA ADVERTISING:as you can see, we have five key recommendations for Audeara to implement into their marketing strategy. Though their products are positioned well, the general health issue of hearing loss may not be in the forefront of the minds of university students. Audeara needs to consider how to get the importance of this issue across to their target market and other consumers as a supporting marketing tool for their product. As previously mentioned, Audeara is also one of the disability service providers under the National Disability Insurance Scheme (NDIS), and they are also in a partnership with Attune hearing. Audeara may consider utilising these resources to build a marketing scheme to increase awareness of this issue, how it affects everyone (young people in particular), and how their products can be beneficial to the prevention of hearing loss. When positioning their products in relation to this issue, Audeara may stress just how much a young person's hearing can be affected by daily activities: regular attendance at concerts and music festivals, going clubbing on the weekends, listening to music through headphones on full volume, and other loud environments they may be exposed to. This may be done through infographics and informational and promotional videos online through sponsored posts on social media.

EVENTS AND TESTING BOOTHS:In order for Audeara to increase brand awareness, they need to increase brand and product exposure among their target market of university students. In 2018, Audeara went to the music festival 'Splendour in the Grass' to push their product. They were also present at 'BigSound' in 2017 and 2018 as a part of the music technology showcase. We believe that continuing to go to similar events will help to increase consumer awareness within their target market. To allow the consumers to gain trust in the product, we propose that Audeara consider setting up a testing booth. This will allow passers-by to test their hearing and hear how the headphones compliment their hearing profile, thus increasing likelihood of purchase. We also recommend that Audeara consider utilising the testing booths at university open days as this will allow for direct exposure between their target market and the product.

Maddy 1:50

Testing the fit and comfort of headphones is crucial to the likelihood of purchase for consumers. With an exclusive online availability, potential consumers are not currently able to test these key features, thus a physical distribution channel may increase the likelihood of purchase. Therefore, our final recommendation in order to build brand awareness is to expand distribution to physical stores, namely, JB Hi-Fi. This will create exposure to consumers as well as allowing them to compare the specifications and see the additional benefits that Audeara has to offer. Therefore supporting the product differentiation strategy.

Next brings us to our cost solutions. After determining the positioning of the brand and building greater awareness, Audeara need to consider how they can make their products more appealing to university students in terms of price. We strongly believe that offering a 10% discount will increase the likelihood of purchase from university students. We recommend this to be done through a partnership with websites such as 'UNIDAYS'. In addition to further offset this concern, we also recommend that Audeara introduces Afterpay to their online store. We believe that the ability for students to 'buy now and pay later' will increase willingness to purchase a product that may be out of the budget, but otherwise appealing.

Our last recommendation brings us to the design of the headphone. The current appearance of the headphones is quite generic: all black with leather cushioning around the over-ear speaker. We believe that university students will find appeal in a larger range of colours, textures and sizes. Our client from Audeara has asked to keep away from a 'trendy' brand personality and lean more towards an aura of sophistication. Black, white, and grey are colours that may be associated with the brand personality traits of sophistication and timelessness. Therefore, it is recommended that Audeara start to expand their product line with headphones in these colours, perhaps adding more as the brand gains traction. I will now pass it over to John to discuss our implementation plan and budget.

John

Timeline: 1:40

We recommend following steps here. First, we recommend Audeara immediately introduces the 10% student discount through UNIDAYS as well as the use of Afterpay online. This will ensure that existing online traffic may be more inclined to purchase.

Next, Audeara should focus on building awareness by releasing the sponsored social media infographics with the NDIS and Attune hearing. This will help to increase awareness of hearing loss to their target market.

To build further awareness and trust for the actual product, Audeara should continue to participate in music festivals with testing booths and attend university open days to directly engage with their target of university students. After that, they should enter physical distribution through stores such as JB Hi-Fi. This may be beneficial in attracting a larger range of people, not just university students.

Finally, Audeara may wish to advance the current appearance of the headphones. Because Audeara would like to keep their brand personality sophisticated, they could potentially start with bringing in colours that project. After this, they may provide customizing service for customers.

Budget:

There are 5 areas of focus for the budget. Social media advertising is one of the main focuses for our recommendations. Therefore, 30% of budget will be dedicated to this. Testing booths will be utilised to build consumer awareness and trust at events, and will be dedicated 25% of the budget. Physical distribution will also be used to help build brand trust and awareness and recognition, and will take up 20% of the budget. Experimentation with design will be used to attract customers, however, it is not the main focus of our plan. Therefore, it will occupy 15%. Finally, 10% will be set to partnerships with brands such as 'UNIDAYS' and 'Afterpay' for discounts and other cost-friendly features.