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HELLO DOORBELL

**GROUP 9**

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# Introduction

The product Hello Doorbell is a type of smart doorbell with next-generation security. This product is originally owned by a United States based company Ring and comes with the name Ring video doorbell. Ring is a company with a mission to create and develop products that help people protect their homes as well as their neighborhoods. Our team will be partnering with Ring to launch this product in India with the name Hello Doorbell and with a tagline “Apka Rakshak”. The tagline is in the Hindi language which translates to “Your protector” in English. We will be marketing the product with this tagline in Hindi to reach out to the regional target audience by giving them a personal touch. As this product was already a success in the US marketplace, it will be a confidence boost for launching it in the country of India.

A smart doorbell is nothing but an improvised version of day-to-day audio doorbells. Hello doorbell lets a user see, hear and speak to visitors in real-time from anywhere. It has an attached camera which can record or live stream the actions that are happening in front of it. It is connected near the front door of the home, which is generally the place that needs the most security. This bell comes with a phone application which gets connected to the bell, and then the house owner can use that application for communication. After a few months of the product rollout, the phone application will also have a feature of unlocking the door from the phone itself. This feature will help the Hello Doorbell to stand out of the other competitors. Attributing to all these features that Hello doorbell has; it can be best used for preventing crimes and thefts in our neighborhoods.

# Problem Definition

Hello doorbell comes with a myriad of features. One of those best is of receiving security alerts on our phone, tablet and PC whenever anyone presses the doorbell or triggers the built-in motion sensors. We can monitor our property in high definition video and check on our home at any time with on-demand video and audio. The product lets us detect motion when people visit our property. In addition to that if we think few zones at the front door is more vulnerable then we can add more security at that place by marking that distance to be covered in the motion-sensing zone. So that any activity in the respective part will be detected. These features also let us keep an eye on our kids and pets playing outside. People can also benefit of neighborhood watch, as they can share any suspicious activities in their vicinity with their neighbors. Apart from the security problem, we can also answer our friends or family members remotely when they visit us. When we are not at home, the package delivery man can get our instructions by talking to us from the bell itself.

Due to the daily increase in the crime rate, people are getting more concerned about protecting their places and their neighborhoods. People are seeking to keep surveillance of their homes. Due to these concerns, it is obvious that they will start turning out to use digital security equipment.

Rather than focusing on the countrywide launch of Hello Doorbell, we will start with the city of Delhi. Delhi, in 2018, reported around 1200 cases per 100,000 people as per the report submitted by National Crime Records Bureau of India. This number is four times higher than any other metropolitan cities of India. Safety becomes the need of the hour to prevent the rise in crimes in the National Capital of India. In India, as a majority of people lives in joint families, it is generally the grandparents who take care of children when parents are at work. Parents can also feel secure when they know the safety of those family members who are at home. To overcome the problem of security in the home as well as the neighborhood, to have an on-demand audio and video service available for surveillance, to have an enabled two-way talk installed at the front door, people will resort to products like Hello Doorbell. Due to these reasons, we are planning to market this particular product in the territory of India. Yes, there are other competitors who have addressed this problem. But we have analyzed the weakness of our competitors to understand what better quality we can provide to our customers and have tried to include them in our product. Our product will have advance features like night vision, improved camera resolution, high clarity two-way audio which the Delhi people are looking for in the existing products but are not finding. Hence our product is required to be launched in Delhi, India as it addresses not only the safety problem but also the current weak areas of our competitors which the Delhi population is looking for.

# Situation Analysis

## Potential Customers

When launching a new product, it is essential to understand the target market. With Hello Doorbell, there will be a wide range of potential customers. This could be a need for any type of family dynamic and the new norm for doorbells. Delhi's population is rapidly growing every year and as a company, we can predict the potential success in this particular area in India. There is an estimated population of over twenty-eight million people in Delhi. Our potential customers are middle to upper class due to the price of the product. Some popular residential areas in Delhi are Greater Kailash, South Extension, and Defense Colony. Greater Kailash is in South Delhi and is considered a higher-class society. There are many affluent families that reside in Greater Kailash and security is critical. South Extension is also considered a posh neighborhood located in South Delhi. There is a lot of foot traffic in this area due to markets and street food carts. Defense Colony is in South Delhi and a fairly newer area built in the sixties. Majority of the population here are veterans of the Indian Armed Forces and considered an affluent area.

With Hello Doorbell, potential customers are families in need to be up to date with this product and safety reasons. In a normal family dynamic in Delhi, both parents must go into the office which forces families to hire nannies. Parents can feel at ease knowing who is coming into their home when they are away from the family. An important feature on this app is the neighborhood alerts that occur. These alerts notify if any crime occurred nearby and footage showing the perpetrator to watch out for. With frequent power cuts in the streets of Delhi, crime rate in the night has seen a higher increase. It is important to launch our product which will have better quality night-vision as well and improved camera quality. These are few of the important features that our potential customers will be looking forward to.

## Competition

When launching a new product, there will always be competition to adhere to. There are other video doorbells that are attainable which consumers in India can purchase currently. The major products that are competitors are the Godrej Solus ST 7 Lite Video Door Phone and the Panasonic VL-SW251BX Video Door Phone. The Godrej Solus has features such as convenient door lock release and vandal resistant/weatherproof outdoor unit which sets this product apart. This product is retailed at 12,999 rupees which is about $172 US dollars. Although this product is already available in the market, the customer reviews are not up to par and are quite negative. Customers believed that the product was wrongfully advertised and most returned the video doorbell. The Godrej Solus claimed that the product was a touch screen and consumers learned quickly that it was not. The memory card slot does not take pictures and the product failed within six months. The Panasonic video door phone retail price is 24,990 rupees which is about $330 and is on the pricier side. This video doorbell can connect up to four wireless monitors and has an intercom call feature. Some cons about the product is that only one unit can be used at a time and that there is no installation support. We are entering a monopolistic competition where there are a few competitors and the product is slightly different. This type of competition is where companies compete for customers and their products are not perfect substitutes for each other. Marketing between products is crucial to differentiate products and persuade customers to choose their company.

## Assumptions

The Ring video doorbell is an established company founded in 2013 and sales since the launch of the product have been rapidly growing. Some assumptions about the Ring is that this advanced technology can be an invasion of privacy. Customers' concerns include that their civil liberties are being threatened and potential hacking can happen. Law enforcement has used the Ring as a source of evidence for crimes. Customers feel like buying this product can help reduce crimes but also are hesitant to potentially lose privacy due to assumptions of the product. Ring doorbell has a great motion detection system and there is a two-way talk feature which attracts consumers to our product. Another assumption of the company is based on if the product is an essential need for every home. The first doorbell was invented in 1831 and the purpose or features have not changed since The Ring. Jamie Smirnoff created this idea and pitched it to the popular television show, Shark Tank. Even though the product was rejected on the show, Amazon purchased the company in 2018 for $1 billion dollars and ever since the product has been a huge success. The Ring has made consumers believe this is the new era and norm for this type of doorbell.

# Segmentation

Market segmentation is becoming an increasingly important issue in [market research](https://www.marketresearch.com/) and business intelligence in India. Segmentation, as defined in market reports by the Market Research Company India, helps companies identify and pinpoint the market into groups of potential customers with similar motivations and characteristics. By segmenting out certain markets it makes marketing in this growing economy far more productive and profitable.

For our product, we are considering the following segments:

Geographic Segmentation

We will be segmenting regions based on the crime rates in different states of India and population density.

### Demographic Segmentation

For demographic segmentation, we will be considering different incomes of families and different types of residence.

### Psychographic Segmentation

We will be conducting :

* Interviews : Interviewing working parents on the need of security for their children.
* Surveys : Surveys will be conducted to understand which region/state has the highest crime rate
* Customer data : We will collect data on most bought items in Delhi and decide on the category of the product. The Electronic items and household appliances are in top 20 most bought product categories in Delhi.

Behavioral Segmentation

Segmenting based on what customers need like good sound system, high resolution camera, ease of installation, the usage level, basically the benefits sought by customers.

# Targeting

Market Targeting is required to evaluate the potential and commercial attractiveness of each segment. For selecting the target market, we have considered the factors like *Criteria Size* - How large the market size is, does it justify segmenting. We have ensured to have *measurable differences* between segments. Next factor is *Money*, Anticipated profits must exceed the costs of additional marketing plans and other changes. How easily each segment is *accessible* to our team and if the segment can receive our marketing messages.

Based on these factors, we have targeted :

* **Delhi**

Delhi is the most densely populated state with highest crime rate of 67.87. In Delhi, we will also be concentrating on more densely populated cities like New Delhi, Kirari Suleman Nagar, Karawal Nagar, Sultan Pur Majra, Bhalswa Jahangir Pur.

* **Upper Middle class and Upper-Class- Elite families**

Since this product is little on higher end, we will be marketing it to Upper class families, families who need security, those who are working parents who need to keep a track on their kids and aged people back home. Parents can walk home immediately if they notice any suspicious activity going around while the kids are at home

* **Gadget lovers**

Since this product is an app-based home appliance, which is driven by smart technology, the gadget-tech savvy people will like this product.

# Positioning

After targeting the right market, doing competitor analysis and reviewing the differences between the various market segments :  
We position our product “Hello Doorbell” as a **smart device** overcoming the traditional way of answering the doorbell **targeting** the highest rated crime city in INDIA – **Delhi**, **upper middle class** as a **secure, bot-guard** appliance with advance features.

After considering our competitors, we have improvised the features like improved night vision, better camera resolution, 180 deg wide angle view and better two-way communication to resolve, with class 10 memory card suitable for high definition video recording, since this is an app based product, users can access the live and saved recordings from any part of the world, addressing the pain points faced using the competitors’ device

Another distinguished feature in our product is “Neighborhood Watch” – which can help in Alerting neighbors about any suspicious activity. – A feature in app to upload the videos , discuss and track any suspicious activities with other neighbors can help the customers to make their home safe and as well as the community. It is an Easy to install device and user-friendly mobile application. We provide not only live recording, but also recorded videos can be accessed at any point of time via micro SD card or via accessing the cloud storage. And finally, it is a device which needs least maintenance .

Potential market in terms of dollars, profits and sales:

US Ring Video Bell price = $99.99

US Household Income = $60,293

Price Income Rate = US Ring Video Bell price / US Household Income

= 0.1658%

Thus, assume the ring bell price is 0.1658% of the Delhi household income.

Per Capita Income of Delhi = ₹365,529

Since most families contain 2 adults with income, we assume the Delhi Household Income is

= ₹365,529 \* 2 = ₹731,058

Estimated Ring Video Bell price in Delhi:

= ₹731,058 \* 0.1658%

≈ ₹1,211.76

Number of Household in Delhi = 4,205,000

Since the price is calculated based on median household income, we assume half of the families

are our target consumers.

Potential Market Value = (Number of Household in Delhi / 2) \* Price in Delhi

                             = ₹2,547,725,483

Number of Household in US = 127,590,000

Annual Sales Volume in US = 591,000

Annual Sales in Delhi = (Annual sales in US / Number of Household in US) \* No. of

Household in Delhi \* Price Per Unit

= ₹23,602,661

We did not find any hints about profit, but since its Ring grows very rapidly, we will use the

average profit rate: 10%.

Annual Profit in Delhi: = ₹ 23,602,661 \* 10%

= ₹2,360,266

# Marketing plan

## About Product

Theproduct in US is known by **Doorbot**, since this product is marketed in India, to add a regional touch we have renamed the product as “**Hello Doorbell**”.

Features of the product are :

* **Smart Security :** Inbuilt sensors in Smart doorbell give alerts on your phone when anyone is near to your door or if there is any suspicious activity near your door
* **Video Recording** : On recording mode when not in home via micro SD card or recording in cloud.
* **Monitor Your Home Remotely** : With 720p HD resolution camera with wide angle lens, view clear picture of your front door on-demand whenever you want.
* **Two Way Audio (Talk & Listen)** : See, hear and talk to visitors through built-in 2-way audio enhanced microphone and speaker.
* **Night Vision** : Monitor your home at night with the good visibility provided by Infrared LEDs.
* **Easy to Maintain with Removable Battery Pack** : Charge your Doorbell without moving the device using the quick-release battery pack.
* **Violent Demolition Alarm** : Even if the best device is placed to add protection, thieves always find a way out, most of the time they think to steal the device itself. To overcome this problem, a loud alarm will start to beep if the doorbell is illegally assembled.
* **Wi-Fi Connection** : In addition to smartphones/tablets, the main monitor can also wirelessly connect to the Wi-Fi router for easy connections without a cable. Upto 4 devices can be connected.
* **E-mail Notification** : The device will be able to send e-mail with a time image of visitors to e-mail addresses registered in advance, enabling users to check who has visited when you are outside home.
* **Mobile App :** The device is supported with mobile application which will be supported by iOS and Android platforms both. All the live and saved recordings will be accessible by the app from any part of the world.
* **Class 10 Memory Card :** The device will come along with a class 10 memory card which is ideal for storing and transferring data, playing movies and songs. Suitable for high definition video recording.

## Packaging Features

The Box itself will act as an instructional guide for installation. The numbers on the sub boxes will indicate and guide the customer step by step on installation. With such user-friendly packaging any person will be able to install the device without much hazzle.

App installation guide will also be available inside the box assisting user in installing app on iOS or Android

## Promotion

This product is for Indian Customers and is particularly concentrating Delhi population who speak Hindi. To add a personal message and reach Indian audience, our tag line is: **Hello Doorbell** – “*Apka rakshak*”, which means : **Hello Doorbell** – “Your Protector”

For Promotions, we will be using the **Push and Pull Strategy**

As Part of *Push Strategy*, we will be sending out flyers, brochures, to every doorstep and make every household be aware of our product.

As part of *Pull Strategy*, we will be promoting our product on Social media platforms like *Facebook*, *Twitter* and *Instagram*.

YouTube Video Ads and Google Ads will be made to attract a greater number of users to buy our product.

Apart from this, the installation videos will be made available on YouTube.

We will also be providing *free delivery* for first 3 months

## Distribution

Initially, we will be having a regional rollout. We are going to target Delhi. For the 3 months the device will be sold in electronic stores like *Reliance digital trends*, *Croma* and *Hometown*.

Based on the feedback received, we will make necessary changes if required. We will then do the national rollout on the E-commerce websites like *Amazon, Flipkart, Snapdeal*, allowing the user to buy our product online.

The product will also be made available offline, at retail electronic stores post national rollout as well.

Since the App is supported by iOS and Android, it will be made available by Google plays stores and Apple play stores.

Web based service will also be made available, orders will be taken from our website as well.

## Pricing Plan

We have come up with two pricing plans:

Basic: Customers opting only for a video doorbell

Pro: Customers will be able to get a recording of 24 hours of triggered activity.

|  |  |  |
| --- | --- | --- |
| PRICING | Pro | Basic |
| BASE MODEL | **1211.76 INR** | **1211.76 INR** |
| SUBSCRIPTION COST | **+ 500 INR per month or 6000 INR per year** |  |
| TOTAL | **1,711.76 INR** | **1211.76 INR** |

Also, we are offering a free trial to our Pro plan for the first month and you will be charged 500 INR per month once your free trial expires.

We are also providing flexible EMI options with 0 interest.

### Cost of Marketing

#### Newspaper advertisements

Hindustan Times is the single largest English daily followed by The Times of India, Indian Express, Business Standard, The Hindu, The Statesman and The Asian Age. Giving a weekly add for one of the inside pages would cost us around Rs 2,16,000

#### Outdoor Advertising

Starting cost for a very prominent location would be Rs 3.5 Lakhs whereas regular hoardings can start as low as Rs 1.5 Lakhs.

#### Radio Advertising

A popular monthly package at *Radio Mirchi* would cost you Rs 239,400.

#### Transit Medium Advertising

The ad rates for DTC buses are Rs 7,000 for 10 bus/month for the full interior. And Rs 24,000 for 10 bus/month for the full exterior.

#### Digital Marketing cost

Around Rs 1,00,000 per month.

This would account to a total of about Rs. 9,45,400

|  |  |
| --- | --- |
| Type | Cost |
| Newspaper Advertisements | 2,16,000 |
| Outdoor Advertisements | 1,50,000 |
| Radio Advertisements | 2,39,400 |
| Transit Medium Advertisements | 2,40,000 |
| Digital Marketing Cost | 1,00,000 |
| Total | 9,45,400 |

## Time frame, national or regional rollout

### Regional Rollouts

* The first regional rollout will be in Delhi, the  capital of India. With a collective population of 28 million and spread over 46,208 Sq. Km, NCR becomes the second highest populated region in the country after Mumbai and the world’s second largest urban area.
* For the first 3 months we plan to offer a free delivery.
* We also plan to take a feedback survey from customers and resolve issues if there are any during this period

### National rollout

* India video surveillance market is projected to grow at a CAGR of 22.7% during 2019-25.
* Once the regional launch of the product is successful, we plan to partner with any of the leading ecommerce websites like eBay or Flipkart for our national rollout.
* We will also keep an option of pre ordering before the official rollout.

## Limitations or potential threats to success

* If a big company copies the product, we will be securing our product by having patents for our design and technology, by offering superior features, by building brand loyalty and trust; and by offering competitive prices.
* Might be too expensive for the middle-class population.
* May face threat from the rise in the security camera market.
* No unlocking by phone by tablet
* Poor Internet connection can degrade the camera resolution