

DJ Ascentia Product Endorsement Strategy Update

Evaluating ARMband and Runi Opportunities

Tobias Zeier, the 10th of March 2025
University of Essex Online

Transcript: Strategic Recommendation for DJ Ascentia

Good afternoon, everyone. My name is Tobi Zeier, and today I will present a strategic recommendation for DJ Ascentia regarding the endorsement opportunities for ARMband and Runi. This presentation will outline updated project plans, financial projections, risk assessment, mitigation strategies, and a final recommendation based on the latest developments. The objective is to ensure that DJ Ascentia makes an informed decision that maximises earnings while mitigating potential risks.

The primary focus of this presentation is to evaluate the revised offers and challenges associated with both products, ARMband and Runi. We will go through the updated project timelines, followed by financial projections, shed light on potential risks, and examine mitigation strategies. To conclude the presentation, I will provide a recommendation to ensure DJ Ascentia gains a clear understanding of which endorsement opportunity presents the best financial and strategic option.

ARMband's Revised Offer

In our last report, we recommended that DJ Ascentia takes Runi's offer since it had higher financial returns as well as lower risks. Now, ARMband has significantly improved its offer, making it more attractive for an endorsement. The company no longer requires a financial investment from DJ Ascentia and is now offering an 8% share of gross profit. They are even willing to increase to 11% if The Runes withdraws its business.

One of ARMband's strongest advantages is that the product is fully functional, rigorously tested, and ready for immediate promotion. This ensures that DJ Ascentia can start generating income without any technical delays or additional development work. Furthermore, they revised to a non-exclusive deal, which allows for greater flexibility, meaning DJ Ascentia can explore other endorsement opportunities in the future while still benefiting from this partnership (Li & Luo, 2020). Their sales performance was slightly below their prediction with 750 units sold in Year 1.

Runi's Challenges

In contrast, Runi has encountered several significant setbacks. Its sales figures have fallen considerably short of expectations, with only 1,750 kits sold compared to the predicted 2,750. More concerning is the fact that the complete system has yet to generate any sales at all, which calls into question its market viability.

The primary reason for this underperformance is a major software development issue. A critical UI component was initially thought to be open source but was later found to be proprietary. This component must now be reverse engineered, a process

that is estimated to take approximately six weeks; however, according to Thomas et al. (2021) reverse engineering can be time consuming and hence the delay could be even longer. Once this fix is implemented, DJ Ascentia will need an additional four weeks to create product demos to showcase the product's capabilities. This means that Runi will face a total market delay of at least 10 weeks before it can begin generating revenue again, putting it at a substantial disadvantage compared to ARMband. Since its architecture is based on RISC-V, there is no alternative software which could be used instead.

Updated WBS Runi

To fully assess the impact of these delays, let us examine the updated Work Breakdown Structure for Runi. You can see the critical path in red. The project is currently in Software Development phase, which takes at least 6 weeks longer than expected due to the reverse-engineering of the proprietary UI component. Once this phase is completed, testing can be started to ensure functionality and reliability. Only when the product including its software is fully tested, DJ Ascentia can begin to create demos and promotional content. This phase will last a further 4 weeks.

Updated Gantt Chart Runi

If we look at the updated Gantt chart, we can see that the earliest launch of the fully tested and working product could be by the end of the year. This could be further delayed if the reverse-engineering takes longer than expected.

Comparison of Timelines

Now, if we compare the timelines of both projects, it stands out that Runi will only be able to increase its sales earliest by the end of this year whereas ARMband requires only two weeks for DJ Ascentia to create his demos and can begin endorsements and promotions. This makes ARMband the far superior option in terms of timeline efficiency. Kirjavainen et al. (2020) have conducted a study in the digital camera industry and have found that early market entrants attract better customer evaluations.

Financial Projections: ARMband vs. Runi

Let us now compare the financial implications of both endorsement deals. For ARMband, we have a gross profit share of 8%, which could be up to 11% if The Runes decide to withdraw their business. The predicted sales are 1,500 units per year, whereas the actual sales were 750 in Year 1. This is due to DJ Ascentia was not working together with ARMband back then. The annual income could be from £9,600 up to £13,200 if The Runes withdraw.

Now for Runi the gross profit share is 7%, the projected sales are 2,750 kits and 950 assembled products per year, whereas the actual sales are 1,750 kits and 0 assembled products in Year 1. The annual income for Runi is £7,350.

While Runi theoretically offers a higher profit margin per unit, the extended delays and uncertain sales performance significantly increase financial risks. ARMband provides a higher and more stable income stream, especially if The Runes withdraw, increasing DJ Ascentia's share to 11%.

Risk Evaluation and Mitigation Strategies

ARMband presents minimal risk, as the product is already functional and market ready. The only notable risk is the potential withdrawal of The Runes, but rather than being detrimental, this would result in an increased share of profits, making the endorsement even more lucrative. ARMband has slightly lower sales than predicted and offers a lower profit margin compared to Runi.

Runi, however, presents substantial challenges and risks, including:

- Extended delays in software development and product demonstration.
- Uncertain sales performance, particularly for the complete system, which has yet to gain traction.
- A 50% chance that Runes may withdraw their business, eliminating DJ Ascentia's earnings from this endorsement altogether.
- Limited software compatibility until fixes are complete.

To mitigate these risks and ensure DJ Ascentia is well-positioned, we propose the following strategies:

- **For ARMband:**
 - Take advantage of its non-exclusive nature to explore additional partnerships.
 - Leverage existing Zynthian demos, requiring only two weeks of testing.
 - Implement an aggressive marketing strategy to maximise sales potential. Modern marketing strategies like Influencer marketing can boost the success of a new product up to 80% (Unachagi, 2024).
- **For Runi:**
 - Accelerate the UI component fix by collaborating with the open-source community.
 - Engage early testers to refine the software ahead of time.
 - Develop a contingency plan in case Runes withdraw.

Final Recommendation

Considering all financial, technical, and strategic factors, ARMband is clearly the superior choice. It offers:

- Immediate revenue potential with no upfront investment.
- A market-ready product that can begin generating income in just two weeks.
- A higher and more stable income stream, particularly if The Runes withdraw and DJ Ascentia's share increases to 11%.
- Non-exclusivity, allowing to diversify income streams which is important for influencers to drive sustainable financial growth (Ercegovic et al., 2023).

I do recommend for DJ Ascentia to consider Scenario one, where he pursues both ARMband and Runi to diversify income streams and maximise earnings.

However, if The Runes decide to withdraw, the recommendation is to focus on ARMband since in that case, ARMbands gross profit share would increase to 11%, making it financially even more attractive. On top of that, their product has no delays, and their offer is more flexible, allowing DJ Ascentia to explore additional opportunities.

Conclusion and Next Steps

In conclusion, ARMband is definitely the optimal choice for endorsement due to its immediate income potential, lower risk profile, and non-exclusive nature.

The recommended next steps are as follows:

1. Finalise the ARMband marketing strategy and promotional materials.
2. Conduct two weeks of testing to validate the demos.
3. Monitor Runi's development progress and reassess endorsement viability once the product is fully functional.

By prioritising ARMband while keeping an eye on Runi's progress, DJ Ascentia will secure a stable income stream and minimise exposure to unnecessary risks. Thank you for your time, and I am happy to answer any questions you may have.

Word count: 1395

References:

Zeier, T. (2025) DJ Ascentia Product Endorsement Strategy Update: Evaluating ARMband and Runi Opportunities. EIPM March 2025. Presentation submitted to the University of Essex Online.

Thomas, S.L., Van den Herrewegen, J., Vasilakis, G., Chen, Z., Ordean, M. and Garcia, F.D., 2021. Cutting through the complexity of reverse engineering embedded devices. *IACR Transactions on Cryptographic Hardware and Embedded Systems*, (3), pp.360–389. Available at: <https://doi.org/10.46586/tches.v2021.i3.360-389>

Li, S. and Luo, R., 2020. Non-exclusive dealing with retailer differentiation and market penetration. *International Journal of Industrial Organization*, 70, p.102591. Available at: <https://doi.org/10.1016/j.ijindorg.2020.102591>

Kirjavainen, J., Mäkinen, S.J. and Dedehayir, O., 2020. Early entrants attract better customer evaluations: evidence from the digital camera industry. *European Journal of Innovation Management*, 25(1), pp.95–112. Available at: <https://doi.org/10.1108/ejim-03-2020-0086>

Unachagi, P. (2024) 'Modern marketing strategies: a study on role of modern marketing strategies on success of a new product', *International Journal for Multidisciplinary Research*. Available at: <https://doi.org/10.36948/ijfmr.2024.v06i05.27215>

Ercegovac, I., Tankosić, M. and Vlahović, A. (2023) 'From content creators to business innovators: the entrepreneurial impact of YouTube influencer channels', in *ERAZ Conference – Knowledge Based Sustainable Development: Vol 9. Selected Papers*. Available at: <https://doi.org/10.31410/eraz.s.p.2023.187>