# FINDING SPACE IN THE KITCHEN FOR APPLE: MEETING CUSTOMER NEEDS TO LAUNCH ICOOK



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# Agenda

- Product concept
- Competitive analysis
- Target Customer
- Product positioning
- Marketing
- Financial analysis

# **Product Concept**

- Evolution of product features
- Exploratory and Conjoint Analysis
- Proposed features in the concept product.

# STRATEGIC FOCUS & PRODUCT EVOLUTION

### **MISSION + GOALS**

-Identify a customer need in the kitchen for Apple customers

**Problem**: Assist in the cooking process

### LEVERAGE CORE COMPETENCIES

- ☐ Simple and product appeal
- ☐ Platform iTunes, App Store
- ☐ Apple Ecosystem

### FEATURES AFTER EXPLORATORY STUDY

Sensors Notifications

Automate Recepie

Price App connectivity

### AFTER CONJOINT ANALYSIS

- ☐ Customers don't want an expensive device occupying space in the kitchen
- ☐ Customers showed very little interest in a robotic cook
- All customers distinctly wanted healthy eating.

# THE PRODUCT - ICOOK

### **FEATURES**

- ☐ Sensors
  - to check status of cooking
- ☐ Notifications
  - guide/notify on different stages of cooking
- Health
  - Overcooked Burnt
  - Under cooked toxic
- ☐ Price
- Recepie
  - Assist in cooking, proportions, procedure
- App connectivity





# Competitive Analysis

- Advantages of Features
- Low end competition
- High end competition

### Features advantages

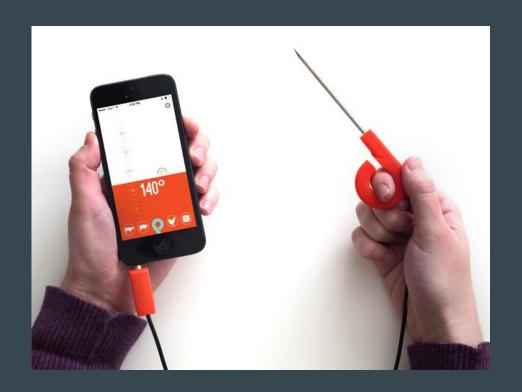
- Easier to use and easier to manufacture.
- The cook top reader could find its way into homes more efficiently than a full oven or refrigerator.
- The oven and refrigerator, although good ideas, are most likely for a more segmented market.
- The Cook top reader can provide a quality experience (cooking steak exactly medium rare) and offer best chance of success for any market. -
- The Cook top reader is more of an innovation than a rehash of something that already exists.



# COMPETITIVE ANALYSIS- LOW END

### The Range Smart Thermometer

- One of several different thermometer smartphone accessories
- \$60
- Not Wireless
- No name brand



# COMPETITIVE ANALYSIS- HIGH END

### The iChef

- Wifi Enabled (must be connected)
- \$300
- Comes with 2 thermometers



# Target Customer

- Customer analysis
- Market analysis
- Customer feedback

### **CUSTOMER ANALYSIS**

- Men outnumber women 2:1
- Average age of an Apple customer is 35-44.
- 1 in 4 people in the 18-34 age demographic express a strong interest in purchasing an Apple product at some point in the next 6 months.
- Apple users are 94% more likely to be affluent than others who utilize mobile devices on a regular basis.





- Trending towards health
- Home cooking is on the rise-- meal delivery companies like Hello Fresh and Blue Apron are offering convenience and health while encouraging customers to cook at home
  iCook technology is speaking to all those families and households who are struggling to
  - provide healthy, organic and tasty home cooked food customized for every single member every single day. More often than not, families eat outside, or order food.

## CUSTOMERS FEEDBACK

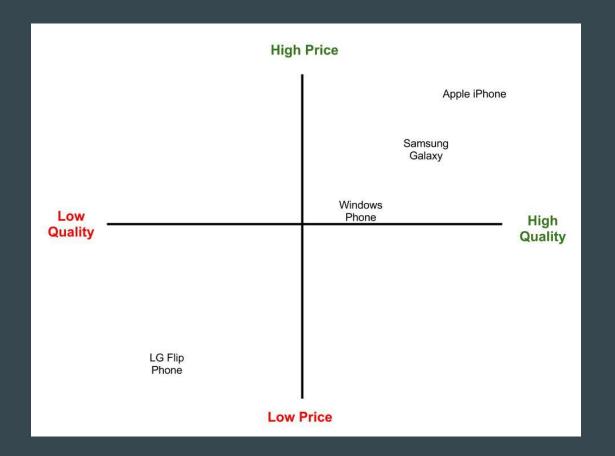
Product differentiations identified by customers while seeking feedback on the product concept

- Precision tracking and recipe planning to your fingertips.
- You can program probe settings, monitor meat temperature and doneness, and check estimated cook times.
- The program's friendly voice will give you real time updates before initiating your phone's vibration when food is done.

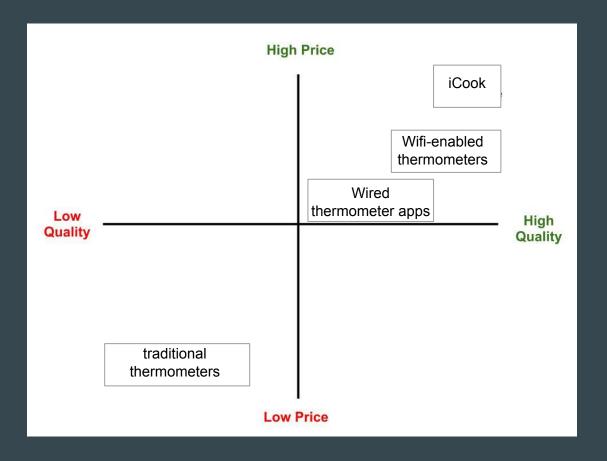
- Pre-programmed food doneness settings
- Integrated social media
- WiFi enabled
- Wireless communication between probe and phone

# Product Positioning

- Apple brand map
- iCook product positioning



### APPLE BRAND POSITIONING MAP



### NEW PRODUCT POSITIONING- IN LINE WITH APPLE'S OVERALL BRAND

# MARKETING

- Pricing strategy
- Marketing strategy
- iCook launch

# PRICING STRATEGY

- \$120 for iCook equipment
- \$25 COGS/unit
- Free app
- Low end pricing for an Apple product but high end pricing for a phone attachment



# MARKETING STRATEGY

#### PROMOTION PLAN

- Limited edition
- Metallic colors
- Sleek design
- Generate buzz
- Stick to Apple marketing strengths
- Think Different.

#### **DISTRIBUTION PLAN**

- Available in Apple stores
- Available as an in-app purchase
- Available online



### **IDEAS FOR LAUNCH**

- Stick to core competencies
- Give to top food bloggers to post about on social media before launch
- Generate secrecy and exclusivity
- Create a wait list, etc.
- Announce a launch date and time to have people line up at Apple store locations



### The Apple Marketing Philosophy

#### **Empathy**

We will truly understand their needs better than any other company.

#### **Focus**

In order to do a good job of those things we decide to do we must eliminate all of the unimportant opportunities.

#### **Impute**

People DO judge a book by its cover.

We may have the best product, the highest quality, the most useful software etc.; if we present them in a slipshod manner, they will be perceived as slipshod; if we present them in a creative, professional manner, we will *impute* the desired qualities.

# Financial Analysis

Estimated ROI

# FINANCIAL ANALYSIS

11% ESTIMATED ROI

	Pre-Startup	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
1. CASH ON HAND		100					
[Beginning of month]		5,000,000	5,100,000	6,750,000	10,287,500	16,134,375	
2. CASH RECEIPTS	va			eratione riscolar	nated States (1996)	524000000000000000	
(a) Cash Sales		15,000,000	18,750,000	23,437,500	29,296,875	36,621,094	123,105,469
(b) Collections from Credit Accounts		15,000,000	18,750,000	23,437,500	29,296,875	36,621,094	123,105,469
(c) Loan or Other Cash Injection	20,000,000					28 85	25 W <sub>-</sub>
3. TOTAL CASH RECEIPTS	18						135
[2a + 2b + 2c=3]	20,000,000	30,000,000	37,500,000	46,875,000	58,593,750	73,242,188	246,210,938
4. TOTAL CASH AVAILABLE	A 77.		40 00	- / / - ///			
[Before cash out] (1 + 3)	20,000,000	35,000,000	42,600,000	53,625,000	68,881,250	89,376,563	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
5. CASH PAID OUT		- majora	111111111111111111111111111111111111111	CC(3)(0001)			
(a) COGS		15,000,000	18,750,000	23,437,500	29,296,875	36,621,094	123,105,469
(b) Gross Wages (excludes withdrawals)		1,800,000	2,250,000	2,812,500	3,515,625	4,394,531	14,772,656
(c) Payroll Expenses (Taxes, etc.)		450,000	562,500	703,125	878,906	1,098,633	3,693,164
(d) Outside Services		750,000	937,500	1,171,875	1,464,844	1,831,055	6,155,273
(e) Supplies (Office and operating)		300,000	375,000	468,750	585,938	732,422	2,462,109
(f) Repairs and Maintenance		600,000	750,000	937,500	1,171,875	1,464,844	4,924,219
(g) Advertising		3,000,000	3,750,000	4,687,500	5,859,375	7,324,219	24,621,094
(h) Auto, Delivery, and Travel		900,000	1,125,000	1,406,250	1,757,813	2,197,266	7,386,328
(i) Accounting and Legal		750,000	937,500	1,171,875	1,464,844	1,831,055	6,155,273
(I) Utilities		300,000	300,000	300,000	300,000	300,000	1,500,000
(m) Insurance		300,000	375,000	468,750	585,938	732,422	2,462,109
(n) Taxes (Real Estate, etc.)		750,000	937,500	1,171,875	1,464,844	1,831,055	6,155,273
(o) Interest		1,000,000	800,000	600,000	400,000	200,000	3,000,000
(r) Subtotal	25.0	25,900,000	31,850,000	39,337,500	48,746,875	60,558,594	206,392,969
(s) Loan Principal Payment	11	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000
(t) Capital Purchases [Specify]	10,000,000					100	-
(u) Other Start-up Costs	5,000,000						70
(v) Reserve and/or Escrow [Specify]							28
(w) Owner's Withdrawal							21
6. TOTAL CASH PAID OUT	181000000000000000000000000000000000000						the second second
[Total 5a thru 5w]	15,000,000	29,900,000	35,850,000	43,337,500	52,746,875	64,558,594	226,392,969
7. CASH POSITION	100000000000000000000000000000000000000	577 ST 174 A	I no convenience	200 - 200 -	The state of the s	The Control of the Co	
[End of month] (4 minus 6)	5,000,000	5,100,000	6,750,000	10,287,500	16,134,375	24,817,969	
A. Sales Volume [units]		600,000	750,000	937,500	1,171,875	1,464,844	4,924,219
						ROI =	11.0%

# Thank You

# STRATEGIC FOCUS + PLAN

### **MISSION + GOALS**

- -Identify a customer need in the kitchen for Apple customers
- Develop a product based around that need while keeping in line with Apple's core competencies

#### **CORE COMPETENCIES**

- The most significant capability that Apple has mastered (and will contribute to the kitchen environment) across its products is keeping things simple.
- Apple's ability to make appealing products that are easy to use could translate easily into other products

# MISSION STATEMENT EVOLUTION

#### ORIGINAL MISSION STATEMENT

"Apple seeks to create an oven that will cook/grill/bake/roast great tasting, healthy food dishes every single time without the need for intervention on behalf of the user. It will use the iCook technology to ensure a hands-off start to finish cooking process for numerous dishes from various cuisines of the world; allowing consumers to not only enjoy great tasting meals but also allow them to complete other chores during the cooking process."

#### **END MISSION STATEMENT:**

"Apple seeks to create a product that reduces food waste and encourages people to get back into the kitchen and eat healthier home cooked meals by creating a simple, intuitive tool that makes cooking less stressful by reducing the chances of over or undercooking meals."