



SIMON FRASER UNIVERSITY
ENGAGING THE WORLD

The ChopBox

Elevator Pitch

For the consumers who live in small, one to two person households, The Chop Box is a revolutionary kitchen appliance that speeds up the cooking process by providing the convenience to complete multiple tasks from a single cutting board. Our all-in-one bamboo cutting board is designed with 2 knife sharpeners, a digital timer, UV-C sterilizing light, and a weighing scale! Our product is also environmentally sustainable; the board is made from recyclable bamboo, and all the individual components are replaceable. Along with cutting down your cooking time, The Chop Box also allows you to unlock more space in the kitchen by fitting all your cooking needs in one small and green package.

Situational Analysis

Internal Factors

Company

- a. Our total product cost comes out to approximately \$51.56 CAD. Given this estimate, we believe that a starting markup of 75% is reasonable.
- b. No easily accessible method of acquiring necessary resources to create our product; our team does not include anyone who possesses existing relationships with any component suppliers.
- c. Our team's experience and exposure in social media gives us access to connections that can serve as potential advertising platforms for our product.

External Factors

Consumers

- a. Our target market consists of people living in one to two person households. This gives us an estimated market size of approximately 14,149,632 people, living in 9,138,304 one to two person households. The estimated spending per consumer for products equal to the features our product offers is \$133.54 CAD (Appendix C).
- b. Consumers are becoming more conscious of the impact that their purchase decisions are having on the environment, resulting in trend that shifts towards the purchases of more eco-friendly products (Onurlubaş, 2017).
- c. Ecommerce usage worldwide has been on an upward trend for the last five years; this increased global revenue by 264% from 2014 to 2019 (eMarketer, 2019). The sales numbers in Canada showed similar growth, with a 203% increase in consumer revenue from 2012 to 2017 (StatCan, 2019).

External Factors

Competition

- d. The Cutting Board Company offers basic cutting boards, but allows for size customization, while our product is one size. Additionally, consumers who choose this competitor will need to find alternatives to the other features we offer in our product (The Cutting Board Company, LLC, 2014).
- e. Totally Bamboo is a leader in the bamboo cutting board industry, having developed the first commercially available bamboo cutting board in 1999. As a result, they have many pre-established sales channels through ecommerce sites and physical stores, as well as existing relations with suppliers (Totally Bamboo, 2017).
- f. Brands such as Gourmia and FIREDISC offer bamboo cutting boards with additional features such as scales and knife sharpeners, but there is no brand that makes a bamboo cutting board that includes all the features we offer (Gourmia, 2016; FIREDISC, 2019).

Insight #1

Internal	External	Insight
< b >	< e >	<p>Our lack of existing relations with manufacturers/materials suppliers puts us at a disadvantage compared to other brands that have established existing relations with their suppliers. While our end product is a unique concept, our team will need to allocate more resources to initial R&D in order to find and source materials that are high quality. Without this step, there is a higher chance of us encountering delays in our product cycle, including, but not limited to errors in manufacturing and quality control.</p>

Insight #2

Internal	External	Insight
< c >	< a, c >	Social media and online presence plays a large role in our target market/demographic. This increased usage of the world-wide web has led to a constant increase in Canada's ecommerce revenue in the past few years, with a forecasted growth rate peak of 10.1% in 2019 (Statista, 2018). As a result, with a team experienced in social media marketing, and our target market primarily utilizing online shopping, we can infer that our primary sales channel should be online, at least in the early stages of our product release.

Insight #3

Internal	External	Insights
< a >	< a, f >	Our manufacturing and material costs are low enough to allow us to make a profit on our product by pricing our product at a 75% markup, while still keeping the final sale price less than the combined cost (\$133.54) a consumer would have to spend to buy each separate item (Appendix A1, C).

Insight #4

Internal	External	Insights
< c >	< e >	All of our competitors list their products for sale on multiple e-commerce platforms such as Amazon and Wayfair to maximize their online market share. The majority of them also sell their products on their own website (more profits by cutting out merchant fees). While we will be utilizing similar sales channels as our competitors, our connections to social media influencers gives us an advantage in gaining market share by advertising through various social media platforms.

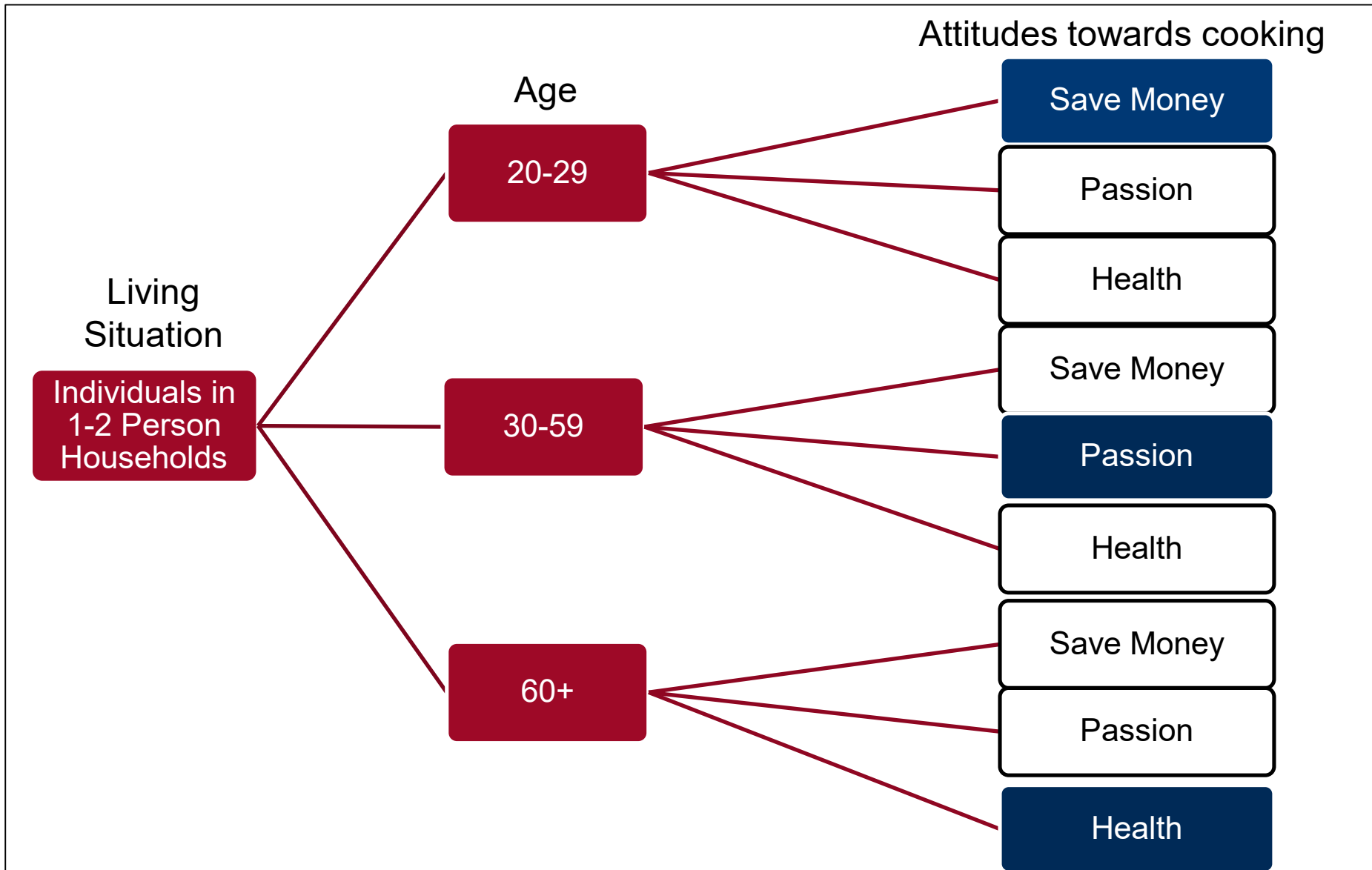
Overall STP Strategy

The segmentation variables we used are based on demographics (living situation, age) and psychographics (attitudes towards cooking). Our target segment is people between the ages of 20-29, who cook because they want to save money. Our product is positioned at the top for functionality, and well above the midpoint in terms of eco-friendliness, relative to our competitors.

Segmentation & Targeting Strategy

- Chosen segmentation variables: Demographics (living situation and age) + Psychographics (attitudes towards cooking at home)
- Three potential segments within target market of individuals who live in 1-2 person households:
 - Age 20-29; cook because they want to save money
 - Age 30-59; cook because they have a passion for it
 - Age 60+; cook because they have more restrictive diets and want/need healthier options
- Target Segment: Age 20-29; cook to save money
- Concentrated Targeting Strategy
 - Small start-up company – limited resources
 - Benefit from creating a single product directed towards a specific segment

Segmentation & Targeting Strategy



Justification for the Target Segment and Targeting Strategy

Demographic

- People of all ages cook - segmenting by demographics (age) allows us to clearly identify three groups/potential segments for our product

Psychographic

- After identifying three relatively large potential segments through the use of demographics, segmenting based on psychographics (attitudes towards cooking) narrows the groups further by identifying why each age group cooks. This allows us to choose a target segment by aligning their values with what our product offers.

Justification for the Target Segment and Targeting Strategy

Identifiable

- Our target segment is clearly defined: Age 20-29, live in 1-2 person households, cook because they want to save money (Statistics Canada, 2019; Supermarket News, 2018)

Reachable

- Out of the three, this segment consists of the heaviest users of social media and online shopping (Insights West, 2017; Ipsos, 2017). This aligns with our goal of primarily selling and marketing our product through online channels.

Responsive

- Our product is more technologically advanced than our competitors – this segment primarily falls into Gen Z, which has high adoption rates for technology (Grewal, Levy, Lichti, 2018). It also consists of the younger portion of millennials, who are also classified as being technologically savvy.

Justification for the Target Segment and Targeting Strategy

Substantial

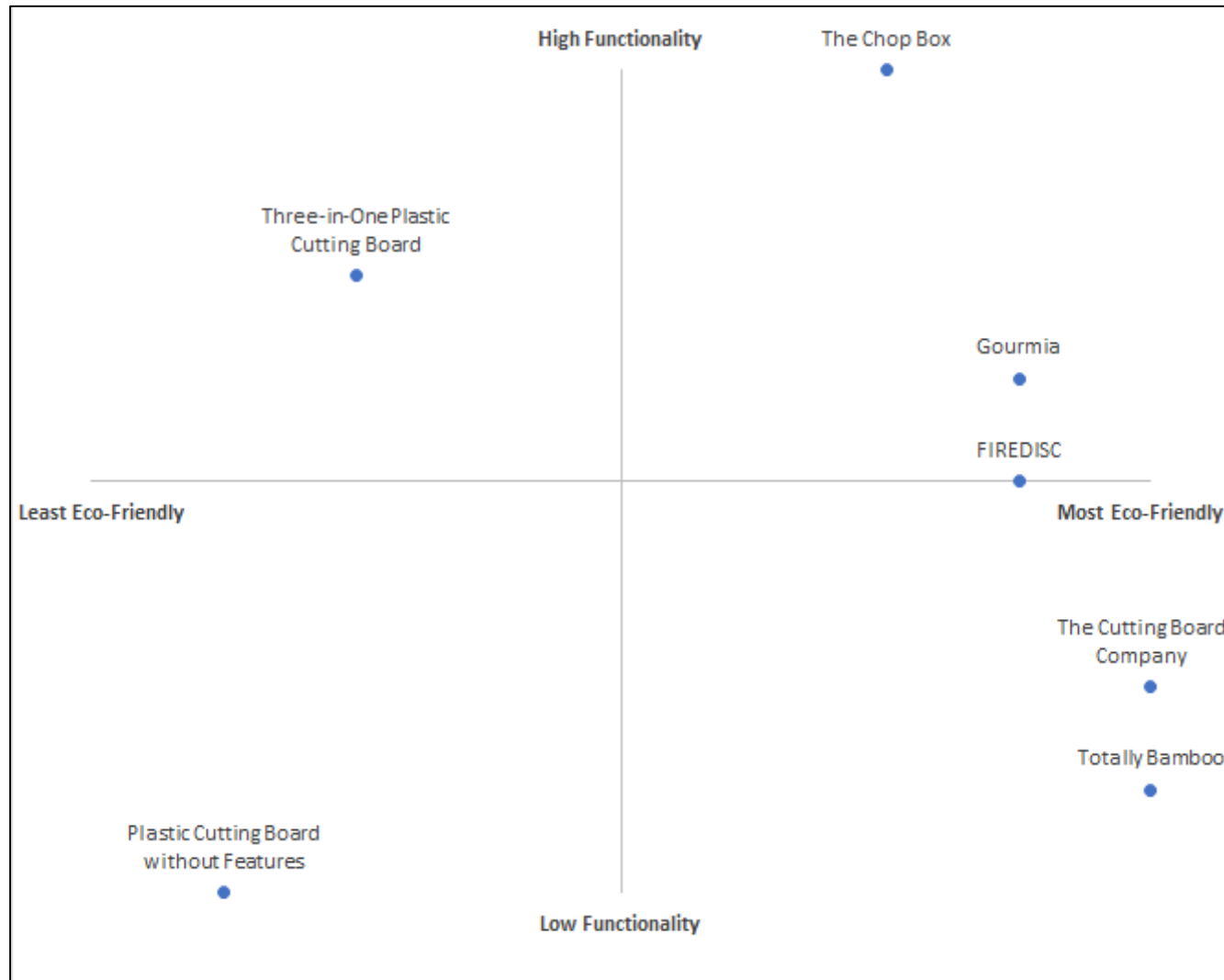
- Our initial target market size from our situational analysis was 14,149,632 people living in 1-2 person households in Canada
- In Canada's 2019 population, 13.6% consisted of individuals age 20-29 (Statistics Canada, 2019).
- 77% of individuals say that they cook at home in order to save money (Supermarket News, 2018)
 - $14,149,632 \times 0.136 = 1,924,350$ individuals
 - $1,924,350 \times 0.77 = \mathbf{1,481,749 \text{ individuals}}$
 - $1,481,749 \times \$90.00 \text{ CAD selling price} = \mathbf{\$133,357,410 = \text{potential target segment size}}$
- From 2003 to 2016, there was a 9% increase in the number of people age 18-25 who cooked at home, and a 7% increase in those age 26-40 (Taillie, 2018). This upwards trend shows that our target segment will likely continue to grow in the future.

Justification for the Target Segment and Targeting Strategy

Targeting Strategy: Concentrated

- Our competitors primarily use mass-marketing and differentiated targeting strategies (general bamboo/plastic cutting boards, cutting boards of different shapes/sizes) (The Cutting Board Company, LLC, 2014; Totally Bamboo, 2017; FIREDISC, 2019).
- As a start-up creating a new product, we have limited resources, so we will benefit from creating a single product targeted at a specific segment:
 - Saves space in a 1-2 person household (All-in-one product, as opposed to buying separate tools for each task)
 - Saves money during the cooking process (no need to buy each individual tool)
 - Easy to reach our target segment (age 20-29), as we are primarily marketing and selling our product online

Positioning



Justification for the Proposed Position

- The Chop Box is positioned well above the midpoint in terms of eco-friendliness.
 - While being made of bamboo, our product also consists of additional components that are individually recyclable/replaceable
 - Some of our competitors rank above us for this benefit; their boards are also made of bamboo, but they have fewer additional components, making their products slightly more eco-friendly as a whole
 - Consumers looking for an eco-friendly product will be satisfied with our product, as it does not consist of any components that are not replaceable or recyclable.
- Our cutting board is positioned at the top for functionality; none of our competitors can equal the number of features our product offers in a single package.
 - Our product will likely be the first one that consumers look to when they want to buy an all-in-one cutting board
- None of our competitors compete in the same direct target market segment
 - A few are close to us on the map in terms of eco-friendliness, but none come close in terms of functionality
 - They all employ either mass-marketing or differentiation, while we are using a concentrated approach
 - With a potential target segment size of **\$133,357,410**, there is room for potential competitors that decide to create all-in-one cutting boards. However, this allows us to capture the majority of the market share, as we are the only product currently available in this specific category.

Positioning Statement

To individuals age 20-29 who live in 1-2 person households, and cook at home because they need to save money instead of eating out all the time, The Chop Box is an all-in-one cutting board that provides access to a variety of kitchen tools in a single, more affordable package.

Marketing Mix

Product:

- All-in-one cutting board – all cooking prep tools in one place
- Includes many additional kitchen appliance features (Eg. Scale) while maintaining the footprint of a standard size cutting board
 - Saves space from having to own/store multiple kitchen tools
- Eco-friendly – all parts replaceable and recyclable
- Made of bamboo – high quality, organic material = more durable, low maintenance

Pricing

- Higher starting price relative to standalone cutting boards, but much cheaper than the combined costs of buying each tool separately
- Cost-based pricing
 - \$90.00 starting price
 - \$133.54~ combined cost of tools
- Pay a more premium price for a higher quality cutting board, and the convenience of having all kitchen tools from one product

Marketing Mix

Place

- Sell online initially through the use of ecommerce platforms
 - Personal website
 - Eg. Amazon, Wayfair
- Possibly branch out into brick and mortar stores after establishing market share and gaining profit through ecommerce sales

Promotion

- Primarily advertise through social media
 - Social media pages/advertisements demonstrating the features of the product
 - Social media marketers/influencers showing the product in daily use scenarios
 - Periodic giveaways for subscribers/followers

Marketing Mix

The Chop Box is a high quality all-in-one cutting board priced proportionally based on the sum of its' parts. It will be sold and promoted online, which is the medium that our target segment utilizes the most.

Relative to our target segment, our product saves space, and includes eco-friendly incentives. As an all-in-one cutting board that removes the need for separate kitchen tools, the selling price of our product is fair when looking at the combined costs of purchasing tools separately. With our target segment consisting of heavy users of social media and online shopping, the most effective way for us to market and sell our product is through online mediums.

Strategic Plan

Objectives	Benchmarks	Time Frame	Evaluation/Control
[Product] Create a product ready for retail sales	<ul style="list-style-type: none">Fully finished and tested product	Within 1-2 years of beginning contact with suppliers	<ul style="list-style-type: none">Establish supply chain by working with suppliersConduct alpha and beta test phases
[Product] Establish market share during product life cycle	<ul style="list-style-type: none">Minimum 25% target market share reached by end of introduction stageAt least 50% target market share during growth stage (when direct competitors emerge)Maintain a 60% target market share during maturity stage	<ul style="list-style-type: none">6 month introduction stage1 year growth stage	<ul style="list-style-type: none">Post advertisements on company social media and influencer marketer channelsReview how customers received the ads and adjust accordinglyOffer 30 day trial period as an incentive for hesitant customers to purchase our product

Strategic Plan

Objectives	Benchmarks	Time Frame	Evaluation/Control
[Product] Maintain a high review rating throughout product life cycle	<ul style="list-style-type: none">Product rating of 4.5 stars or higher	Ongoing throughout product life cycle	<ul style="list-style-type: none">Implement lifetime warranty for manufacturer defectsSet customer inquiry response time within 48 hoursReview customer feedback and respond accordingly
[Promotion] Create brand awareness	<ul style="list-style-type: none">Achieve substantial following on company social media accountsEstablish a pool of social media influencers	Within 6 months of product launch	<ul style="list-style-type: none">Measure increase in number of followers per weekTrack traffic on different social media platforms and adjust volumes of promotion accordingly

Strategic Plan

Objectives	Benchmarks	Time Frame	Evaluation/Control
[Pricing] Generate profits	<ul style="list-style-type: none">• Reach break-even point to cover costs from product development• Positive profit margin	Within 2 years	<ul style="list-style-type: none">• Sell at least 57%~ of boards produced to cover fixed and variable costs (Appendix A)
[Place] Create a sustainable ecommerce business model	<ul style="list-style-type: none">• Product successfully launched on multiple ecommerce platforms• Positive profit margin from ecommerce sales	Within 3 years	<ul style="list-style-type: none">• Release product on ecommerce platforms• Evaluate traffic on each listing and adjust promotions accordingly
[Place] Increase sales channels	<ul style="list-style-type: none">• Expand into brick and mortar sales	4-5 years after product launch	<ul style="list-style-type: none">• Identify storefronts at geographic locations that are ideal for our target market(s)• Consider increasing promotional channels to account for expansion of target segments

Justification of Marketing Mix

- Our product offers value that is directly catered to our target market
- Our product is currently the only one on the market (currently only indirect competitors) – having a higher market share expectation is reasonable.
- Because our target market heavily utilizes online resources (social media and online shopping), maintaining a strong reputation and online presence is important
 - Strong online reputation catered to target segment can result in diversification of promotions (eg. Word of Mouth)
 - Online channels are the best way to reach our target segment – effective and timely communication works to our advantage here
- With the high adoption tendencies of new products from our target segment, our sale price is reasonable, and would only require us to sell 57% of our produced stock to break even
 - Large window to increase the mark-up percentage if necessary
- Once profits have generally peaked from an ecommerce standpoint, expanding into brick and mortar stores allows us to expand our audience reach and diversify our target market

Justification of Marketing Mix

- Each objective adds to the overall growth of the company
 - Aligned with target market characteristics
- Every portion of the strategic plan is interconnected, and acts as a step to adding value for the company
 - Eg. If we ignore our company's online presence, then our profits will be driven down, as our sales channel utilizes that same medium
- Our situational analysis decision consisted of an initial analysis, where we identified a potential target market, with a goal of initially selling online and then expanding into physical stores
- STP analysis confirmed our initial findings from the situational analysis – target market consists of the heaviest users of online resources
- Our plan gives us a bigger time frame to develop a finished product to account for our company's lack of existing relations with suppliers
- Our company's strength's and experience with social media made it a logical procedure to utilize that medium as a primary source of promotion for our product

Appendix

Appendix A

Eg. Produce 5000 boards; \$51.56 total product cost x 5000 = \$257,800

\$257,800 / \$90 sale price = 2864~ Boards

(2864 boards / 5000 boards) x 100% = 57.3% of boards sold to break even