**Notes**

People implicitly only like to decide between two things “ipsative”. Do not compare products to competitors. Compare it to having no solution. When selling to customers implicitly imply the alternative to PhoneBelt as texting and driving. Do not compare to competitors when selling.

While I am going to faires, trade shows, accelerators, interviewing customers… make sure to build an email list. I can later copy all my email addresses ever or I can collect email addresses from an email drop. It doesn’t matter as long as I get there somehow

3 ways to get presales for b2b sales. Targeted outreach to potential customers, going to trade shows/industry events/ conferences, and having them contact me through the website/social media

Use an expensive car in the demo for the product. Make sure a human is the forefront. Make sure the car is clean.

Interestingly, the demographics for Kickstarter is 75% male and the average age is 30. I should keep this in mind when launching

Parenting subreddit and similar subreddits.

Imagine paying the worst driver of the indy 500 or whatever race to have one installed in their car and take a call with it during the drive and make it a viral thing

Try to get on one of those viral youtube/blog/tiktoks that talk about stupid products for sale. Any earned press is good press!

When launching a kickstarter campaign get as much attention as possible from free media sources. Asking CLU, Hub101, Berkeley, Berkeley entrepreneurship, Berkeley transfer center, moorpark college, moorpark acorn, VC Star, etc. to write about the business/story/ Kickstarter

Create a non profit like MADD at the same time that advocates for texting and driving and use the charity as a vessel for funding and spreading the message of reducing phone use while driving and pushing the phonebelt

Have them placed in high traffic locations to get as much visibility and integration as possible. Placed in training vehicles, rental cars, Uhauls, ***carshares***, training videos, Ubers (perhaps steep discount/free for proven Uber drivers or partnership with Uber), Rideshare rental cars that drivers can borrow.

Tiktoks/Reels pre launch with either pre-order, waiting list, or kickstarter link in video title and profile description/ pinned top video. Making viral content. Making a ton of content. Demonstration content.

Soliciting like crazy at DMVs to parents and drivers in general. Also at malls, grocery stores, in front of other stores, gas stations. This is legal and is something to get early customers and preorders.

Take ads out with specific and niche magazines, like the one my mom gets. The readers are parents and all the products are niche products.

Think of hiring a celebrity Cameo when doing paid customer acquisition. These are so cheap for the value they bring and they greatly reduce the CAC wethers its Kevin O'Leary or Tom Brady

To get an army of dropshippers to sell this product, a partnership with dropshipping gurus like biaheza, dan vas, etc. where they say on their youtube channel this is the ideal product to dropship but they are not doing it themselves because they are too busy with other crap. Alternatively I can work with vetted dropshippers only and only allow for serious partnerships to control the downsides. Additionally with affiliate marketers/dropshippers, essentially they are also competitors to me if they sell my products because there will be driving up the price of the AdWords.

TV shows, QVC, shark tank, anywhere to get publicity, anywhere that will take me. Morning joe with Queen latifah. Anything

Go on shark tank, get all the publicity on there. Showcase driving a barbie car and getting into an accident when introducing the product to the sharks. Then do an infomercial showing how easy it is to install. Later, proceed to get onto the ventura country and moorpark newspapers, etc. making sure to leverage all the publicity and news as possible. Making youtube/tiktok videos of how to get on shark tank

Paint my car to be a driving billboard emphasizing driving safe and getting attention. Could be media attention and just a lot of visibility. (would it not be viral to have a car that says drive safe being driven like a maniac for publicity?)

Mascot Sir Belty, the anthropomorphic phonebelt

**Ad Ideas:**

Philosophy: People buy with emotion and justify with logic. Create something clickbaity to get attention, emotional to keep attention and to get the buy. Then follow

Marketing ad structure:

1. Grab attention
2. Say general/ disturbing facts that the viewer will agree with and nod their head with. Agreeing there is a problem
3. Offer solution in a way that relates to something easy to understand
4. Describe ease of use and ease of integration
5. Final scary fact/insight
6. Call to action

Marketing ad with examples:

1. The leading cause of accidents by far is distracted driving
2. The average teen has an average screen time of 12 hours per day. If they can’t stay off of their phone while they're in the shower, on the toilet, with their friends, then what makes you think they can while they're behind the wheel…
3. Introducing the seatbelt for your phone.
4. Install in 30 seconds just like a regular phone dock. Now just place your phone in the dock before driving. (visual of girl not putting their phone on the dock and it reminding her)
5. Insurance policies cost hundreds of thousands of dollars. Buy the cheapest life insurance policy out there for only 99.99.
6. Get yours now, we only have a few left in stock.

Ad idea:

Video of a cute, young, white, teenage girl on her iphone texting, tiktoking, instagramming while doing daily activities like waking up,eating, at school, and then driving. Then boom she gets into an accident while driving. The voice over then asks, “if your teenager can’t stay off their phone while \*whatever\* what makes you think they can do it while driving?”. Then introduce the product. In the description or in the video, say something like, “the cheapest insurance you can buy”

Tiktok ad idea:

\*Responding to a comment talking about how its kinda expensive\*

A Starbucks coffee costs you $10 and only lasts 10 minutes. That $10 coffee would cost you 10 cents at home. Yes our product is a little expensive but it will last you YEARS.

Tiktok/real Idea:

Have someone fake comment “is it waterproof?” and then just respond why. Its a phone holder in your car, how would you even get it wet

Note:

A rule of thumb for paid ads is to spend no more than 20% of unit profit on ads. If under 20% ads are worth it. If above 20% ads are not worth it.

Step 1: Grab Attention

(Start with teen being on the phone laughing at a Tiktok and then she crashes)

Step 2: POV of mother

My daughter is about to turn 16 and I’m super excited for her to start driving. But I’m also a little bit worried… She’s on her phone while hanging out with her friends, while she’s watching TV, and even at the dinner table. I’ve already caught her glancing at her phone during red lights and I know how dangerous texting, calling, or even Tiktoking while driving is. I just feel like I don’t have any control when I’m not in the car with her.

Step 3: Cut to me doing an infomercial.

Introducing PhoneBelt. (Rotating close up)

The PhoneBelt emits a chime if your teenager drives without their phone in the safety mount.

(Demonstrate starting the car and reversing and the PhoneBelt reminding the driver to put their phone away)

Dinging is a persuasive reminder to buckle up your phone has show to decrease phone use by 60%

The PhoneBelt can also silence non-urgent notifications making your drive even safer (green check mark graphic and positive ching sound)

With Phonebelt, installation is 3 easy steps. Peel. Place. And wait. (animating the 3 steps and a clock with 59 minutes left)

That’s not all! The PhoneBelt offers industry leading grip, you never have to worry about your phone falling out. (check mark animation)

Need a charge? Simply plug in the charger that comes with it and wirelessly charge your phone while on the road! (charging animation)

“Keep your child safe, and get the most affordable life insurance policy out there, get a PhoneBelt” (saying this and ending demo with the PhoneBelt logo)

“Keep your child safe, get a PhoneBelt”

Next Segment

Hi! My name is James Coleman, chief inventor and founder here at PhoneBelt Industries. Since participating at CLUs Startup Weekend, which was the impetus to finally start this business, we have made several PCBs, iterated code, created 3d models for the plastic enclosure, talked to well over 100 customers, and are quickly getting closer and closer to being manufacturing ready. While startups are risky by nature, I am doing everything as possible to de-risk the business as much as possible. With these funds from the Steve Dorfman incubator grant, I want to expand the team, pursue a small pilot study and quantify the change in safety, and lastly as a means to start the tooling process and find manufacturing partners. I have this ongoing debate with myself about whether I built the stupidest product of all time or a truly great product but over time I am believing more and more this product will really change the world. I have spoke to people that think there is more to it than a consumer opportunity but also a big B2B opportunity, a big car insurance opportunity, a big government transportation opportunity, and I am slowly believing more and more this could be a big game changer and this could save a lot of lives. I really think it’s possible where one day people look back to 2023 and think how weird it was that we used our phones so indiscriminately while driving. I think there is a future where using the phone while driving sounds just as foreign as smoking on an airplane does now. I think we can build a future where every car has a PhoneBelt.

**Partnership Ideas**

Alternatively, partner with schools during their red ribbon week. Instead of focussing on just drunk drivers, focus on distracted driving too.

If schools would make it a requirement to have one installed to get a parking pass ( maybe not enforceable but still a general rule that would be sent out to the parents of drivers in their parking permit application)

Partner up with the dmv to be advertised there or included in the pamphlets! The partnership with the DMV is a slam dunk.

Partnership with MADD. Mothers against drunk driving.

Partner with driving schools like ACE driving school . They get X commision for each unit sold. Can also be customers themselves and included in the two steering wheel cars. Use code ACE at checkout.

## **Go To Market Strategy**

The advantages of starting with B2B are that the price per unit will be higher for B2B than B2C so launching with B2B is the only direction that makes sense. The moat is bigger if building contracts with large companies with a large amount of vehicles, making it harder for competitors to compete for as long as possible. My product remains incognito while its gaining sticky market share. The b2b market is largely untapped where there is infinite competition in the B2C market. The advantage of starting with B2C is the ability to use kickstarter to get presale and get the money to launch without having to dilute myself too much. Starting with B2B allows for relationship building with businesses when future iterations come out with more features. I can leverage LOIs from businesses to get better manufacturing terms. Allows me to build the moats for B2C while leveraging the data from B2B to get into DMVs etc. Allows for more predictability of sales.

*1. Governments*

A study on mass transit vehicles. Big government money. Can secure financing with government contracts. Owns millions of vehicles. Loca, regional, state, and federal opportunities. Working with the secretaries of transportation is key. Opportunities with school districts, police departments, paramedics, city owned vehicles, busses, USPS, and 200,000 government owned passenger vehicles

*2. Mobile device manufacturers*

Many smartphone and mobile device manufacturers are interested in promoting the safe use of their products, and this product could be a useful tool for doing so. Mobile device manufacturers could offer the product as an optional accessory or bundle it with their devices as a way of promoting safe driving habits.

*3. Licensing or partnerships:*

Instead of selling the product directly, the company could focus on licensing the technology or forming partnerships with other companies to bring the product to market. For example, the company could license the technology to mobile device manufacturers, who could then incorporate it into their devices or offer it as an optional accessory. This model could involve ongoing revenue streams from licensing fees or other sources. In other words create the product and instead of focussing on doing all the selling myself. Have Apple create a better and more native NFC driving mode and sell the product to Apple for them to sell in their stores. This could be a new category of products for them.

Wireless carriers: Partnering with a wireless carrier could be strategic as it would allow for the Phone Belt to be included in phone plans or bundled with phone purchases, potentially increasing its visibility and convenience for customers. Verizon, t mobile, At&t, Cricket. Could just be a part of their website.

Insurance companies sell it on their website. Not just a discount for installation but a sales funnel.

Very niche specific phone accessory sellers: Phone repair shops, Infotainment sellers like Pioneer electronics.

Road safety advocacy groups.

Car dealerships, both used cars and new cars. It can be a huge upsell that they can “knock off” for buyers to get a good deal. They can also be a sales funnel. If installed before a car is bought the users will see it when doing test drives. Many folks who are buying cars have the teens in mind even if not directly for their teen.

*4: Rentals*

B2B sales with rental/truck companies. These rental companies often have 100s of thousands of vehicles in their fleet. There are also no competitors in this space because a renter especially does not want a driver facing camera in their car. They lose a lot of money in every accident that occurs in a rental car so they have a big incentive to reduce accidents. They can charge customers a special fee if they choose not to have a Phone Belt installed or they can offer a discount to a company that

Ways the rental companies can make money with Phone Belt other than saving money on accidents:

* Charge an additional “hidden” fee if a customer wishes not to have one installed in their vehicle. This way they can advertise a lower price but get paid a higher price if a customer does not want one. A small fee of say $5 will pay for the product itself in 2 weeks
* Call it a “discount” to have one installed in the car. Can better control which cars get rented out using this model because budget customers will chase them irrespective of how much it is.
* Can be placed in vehicles with the riskiest drivers and/or riskiest vehicles from the fleet owner’s perspective and then not have them included in the “premium” vehicles.
* Just have it installed in all vehicles to save millions from accidents.

Overall Phone Belt will help the rental vehicle companies perform type 2 price discrimination on their customers by having them reveal their “type” and their price elasticity on top of saving millions on accidents.

Say the rental customer does not have a smartphone. They can show the dumb phone to the rental car agency and get the Phone Belt price. They are the lowest risk driver and this too would help them with price discrimination by revealing their type.

Aside from being a giant customer, they are fantastic businesses for Phone Belt because they have big brand names that I can use in promotional material in the future and it will give my product so much exposure (nationally and internationally) to future customers everywhere with both parents and other companies seeing, using, and interacting with my product. The customer brand awareness, customer education, and brand usage rights make this deal insanely lucrative even if done at-cost.

Example companies: Hertz, Avis, Budget, Uhaul

*The home run is if insurance companies begin offering discounts to customers that have these installed in their vehicles*

*The other home run is if I can license IP to a car manufacturer to include this device built into their car.*

*Another home run is rideshare inclusion/requirement plus a potential source of data would be making it a requirement for uber vs lyft drivers. It can be promoted in 3 major ways: saves Uber money on accidents, makes drivers safer, makes passengers safer. The latter two can be passed on as a differentiator vs lyft and point of advertisment or vice versa.*

*Mass adoption is the goal. Recreate the seatbelt for phones*

*5. Fleets*

B2B with companies that have small truck fleets. They have high costs from accidents and are less saturated with competitors’ products. They also have gigantic fleets and standardized cars so fitting the product on each car will be less difficult.

Example companies: AT&T, Terminix, PepsiCo

*6. Rideshare Companies*

*7. Parents*

Parents of teen drivers.

*8. Delivery:*

Delivery vehicles are the perfect use case. Companies like FedEx are slow to add the cameras and are not retrofitting old vehicles. The same with some of Amazon’s older fleet and DSP partnership companies. This partnership is a big question mark at the moment. While they are the perfect customer, there is a lot of competition that can be avoided by starting elsewhere.

*9. International:*

Difficult to plan for. Working with large companies likely will accelerate this process but international sales should be last. Canada is an easy integration and the authoritarian and safety first culture of Dubai would make that an excellent location as well. Selling to different cultures will be difficult.

*10. Insurers*

Insurers are huge customers or, at a minimum, strategic partners. They want to lower accidents just as bad as we do. Installed device = lower insurance premium. B2B and B2C.

*11. Commercial Trucking/ Carriers/ Vehicles with competitors’ products*

This stage could be placed anywhere. HIghly uncertain. Already paying for a service so they are already a paying customer which is good. It is likely a better scenario to focus on the untapped markets rather than poaching customers here.

The pros of their product:

* They already need cameras installed to monitor the outside of the car, driver facing cameras are easy to integrate.
* The provide more than protect against cell phone use while driving

The cons of their product:

* Much more expensive than Phone Belt
* Many drivers do not like the big brother aspect of these cameras
* The legality of driver facing cameras is questionable and varies in different areas
* Difficult to be installed/maintained in vehicles

If I decide to try poaching big rig business: Change the pitch to focus on increasing driver satisfaction, being cheaper than a competitor, and the legality of privacy in differing jurisdictions.

Picking fights with the bigger companies while still small does not seem worth it. This market segment is very very juicy but difficult to start with.

If i have to resort to it: A key to capturing this market MAY be working with drivers/ drivers unions to pick my product over competitors. It would need an awareness campaign and to rally drivers which would not be too hard because many drivers hate the cameras. The campaign would focus on examples of invasions of privacy, illegality, logic and emotional arguments.

*12. End game*

Legally be installed by specific drivers (police cars, bus drivers, rideshare drivers, etc).

Legally be required in cars if <18.

Legally be installed by car manufacturers in new cars.

Legally be installed in all cars.

**Mission Statement:**

To reduce distracted driving and make our roads safer.

**Vision Statement**

A future where using the phone while driving sounds just as strange as drinking while driving sounds today.

**Preface:**

Using the phone while driving has been a problem for a long time and the magnitude of the problem is growing increasingly worse every year. Talking while driving grew to texting and driving which grew to {Instagram/ Internet/ Youtube} -ing while driving. To solve this problem, we are developing the PhoneBelt. The PhoneBelt is a car phone holder that detects if the car is moving and if a smartphone is in it. If the driver is on the road without their phone in the PhoneBelt, the PhoneBelt chimes just like a seatbelt would, until the user puts their phone into the PhoneBelt.

The new product we are introducing is a phone holder that chimes like a seatbelt if the driver uses their phone while driving.

**Executive Summary**

PhoneBelt is a startup company that aims to offer a new product that will help parents keep their teenage drivers safe while they are on the road. Our startup will position our brand as synonymous with safety, innovation, and quality and be launching on Kickstarter in the coming months. Our primary target market will be parents of teenagers as they are the most safety-conscious segment. We will propagate our message with as much earned media as possible and also use the competitive advantage of being a startup to sell based on our story and the fact we are a small business. Our pricing will likely be $99 and we plan on reaching customers through social media marketing, influencers, going viral, and through local news organizations. We acknowledge the legal and financial risks and have contingency plans in place. We predict $1 million in revenue in the first year assuming a successful Kickstarter campaign and selling 10,000 units.

**Goal**

To construct a qualitative marketing plan that defines the strategies and tactics that best introduces a new product to market and simultaneously builds a strong brand and business moat to differentiate our product.

**Situational Analysis**

**SWOT Analysis**

***S****trengths*

1. First mover advantage. The key strength of a new product category is the first mover advantage. We have the opportunity to establish what metrics we compete on, we get the opportunity to brand ourselves as the de facto answer to the consumers’ problem, and the novelty of the premise allows us for key strategic partnerships.
2. Differentiating, where other businesses struggle differentiating their by marginally different features, colors, or brand identities, creating a new category of product allows us to easily differentiate ourselves in the marketplace which in turns allows us very low early Customer Acquisition Costs (CAC), notably through earned media.
3. Size. While there certainly are disadvantages, being a startup, our team is quick, nimble and entrepreneurial. We make decisions fast and together rather than by cross-departmental, cross-temporal, and cross-regional meetings/votes. We are the best positioned to respond to consumers and trends.
4. Demographics. Being a young and diverse cohort, we have key insights and advantages especially in social media marketing and influencer marketing that older firms simply do not. The diversity of our team: men, women, Hispanic, White, Persian, etc. allows us to understand and market better to various segments of the population.

***W****eaknesses*

1. Finances. Being a startup and being in the hardware niche, the Cost of Capital is far higher than that of established, larger, firms. By definition we are a cash poor business and must sell segments of the company in order to raise sufficient capital to manufacture the product. This leaves no funds for paid advertisement until the business has grown to a substantial size after several production runs. Marketing and selling on such a tight budget will be very difficult.
2. Differentiation. Creating a new category product allows the company unique methods of getting customer attention, but in turn, a large segment of our marketing has to be focussed on educating the market rather than other industries where the consumer does not need to be educated.
3. Questions of value proposition. This product may not provide a large enough value position over that of typical phone holders. The marketing team must not only educate and sell to the consumer, but also emphasize why a standard phone holder is insufficient.
4. Product life cycle. While other products return recurring revenue due to a short product life cycle (e.g. a toothbrush needing replacement every 3 months). PhoneBelt has a very long product life cycle of (an estimated) 3 years. This means that the Lifetime Value (LTV) of a customer is very low and will present a challenge when scaling.
5. Uncertain Demand. Because the product is new, it is difficult to predict how much demand there will be for it, and the startup may struggle to accurately forecast sales. This will create an awkward dynamic between the supply chain team and the marketing team. Selling products that don't exist and having excess inventory are both extremely problematic situations that require a difficult balancing act between these two teams.

***O****pportunities*

1. Strategic partnerships. Being novel and being a product that literally saves lives, we are positioned for key strategic partnerships. Government partnerships: Working with the DMV, Office of Traffic Safety, NHTSA, or Department of Transportation to potentially spread awareness, sponsor safety studies, buy for government vehicles, or even fund commercialization. Non-profit organizations: partnering with school districts, Red Ribbon, MADD, etc. to spread awareness of distracted driving and our solution. For profit partnerships: Partnering with driving schools to sell PhoneBelts to parents or car/ health insurance companies to lower premiums for folks who have PhoneBelts installed.
2. Preorders. Being a novel product we are uniquely positioned to use platforms such as Kickstarter or Indiegogo to get pre-sales on our product. Websites like these allow companies to sell products to customers in exchange for early delivery and discounted prices relative to expected MSRP. These preseales can fund the expensive manufacturing setup and a low risk proof of concept. The platforms will market us on our behalf and future competitors will not have this advantage. Additionally, we can create waislists and generate Letters of Intent from commercial organizations in order to secure better financing and drum up earned media.
3. Earned Media. Introducing a new, and loud, product will allow us to get earned media without costing the business a cent. Whether it’s bloggers posting their experience with our product, a debate whether the product has merit on a show like Good Morning America, or even a viral Tiktok discussing how stupid the product is, this publicity will generate sales on our behalf. Our marketing efforts will be heavily deployed to push this earned media category advantage as hard as possible with the philosophy that any media is good media.

***T****hreats*

1. Changing Technology. If a black swan technology shift occurs or accelerates, there could be substantial damage done to the company. This is difficult to predict but this product is based around driving and smartphones and if smartphones or driving become outdated by a new technology (e.g. smart glasses taking over the smartphone) our business will be in great harm
2. Earned media is uninterested. One of the core principles on how this product will succeed is the anticipation of earned media. The idea is that this product is controversial and novel enough to gain a lot of attention on its own. A key threat to the business is if this product is not interesting enough to gather significant attention. Large shifts in strategy will be needed if this is not the case in order to drum up other forms of attention.
3. We fundamentally believe that most startups die from suicide not competition, but emerging competition is definitely a threat to consider especially if early results prove promising. Copy-cat products, despite IP, can quickly copy technology we spent months creating in days. Unexpected competition with similar products can force us to compete on price which would eviscerate our bottom line. Monitoring competitors’ actions, building a brand moat, and protecting IP are the best methods to combat this threat.
4. Incongruity of sales and inventory. A world where sales outpaces inventory is a world where the brand is damaged and sales are lost. A world where inventory outpaces sales if often a bankruptcy. A major threat is balancing these two levers and finding the right equilibrium. Steps must be made to keep one in line with the other. Doing excellent forecasting and having the supply chain and marketing teams in constant communication is the best method to minimize this risk.
5. Pushback. A very key threat is unexpected driver pushback. Our mental model and comparisons to the seat belt lead us to believe that this technology will not have super strong push back by drivers, but on the other hand, changing human behavior is very hard. If there is higher pushback by drivers than expected this will damage our sales and boost customer returns. To minimize this, strategies must be made that ease the driver into the technology as smoothly as possible.
6. Lawsuits. Perhaps the scariest and the most unpredictable threat to us is the threat of lawsuits. A single one can eviscerate the company. Dealing in the safety and automotive sectors, we are positioned in a very regulated and very lawsuit friendly environment. We must reduce this risk by all means possible. Strategies to reduce this threat can be running claims and marketing media by a lawyer first, making language sufficiently vague when necessary, and potentially purchasing litigation insurance as we scale.

**Market Trends**

The market trends of a new product or category is very difficult and dangerous to predict. That being said, key subtrends can be used as proxies to estimate whether the market for PhoneBelts is growing or shrinking. The percentage of adults who own smartphones has grown from 35% in 2011 to 85% in 2021 (Exhibit I). The average “screen time” of teens has grown from 6 hours and 40 minutes per day in 2015 to 8 hours and 39 minutes per day in 2021 (Exhibit II). The number of vehicles has grown from 272.1 million in Q1 of 2018 to 285.2 million by Q4 2022, a growth of 13.1 million vehicles (Exhibit 3). Overall, this data illustrates a problem growing in size and in magnitude. There is also an existing trend of growing parental control/ oversight over teenagers. Conversely, self-driving cars will eventually be a countertrend when they become fully autonomous (where a driver isn’t needed at all) in the next decade or two. Additionally, while the number of licenses and vehicles are growing, the percentages are falling, meaning the trends of rising licenses and vehicles are slowing. Overall, through syllogistic logic, the market for PhoneBelts is large and growing.

**Marketing Strategy**

**Profile of the Target Consumer**

Distracted driving is a gigantic problem, with B2B and B2C opportunities. That being said, our research illustrates that there the B2B market is extremely saturated while the B2C market is virtually untouched. Therefore, the B2C market, and more specifically, the parents of teen drivers is the ideal initial target market. Their highest priority is the safety of their children and this "head-on-fire" demand means they are the customer segment most eager to try a new product while also being price-inelastic. Our marketing campaign must illustrate the importance of this product on their child’s safety.

In order to best understand this customer segment’s motivations, behaviors, needs, and preferences, we will build a customer persona. This parent (female) is named Sally. She lives in suburban Southern California, has a bachelor's in communications, and works as an RN at a hospital. She is caucasian, in her forties, and attends her Christian church most weeks. Sally is upper middle class, married, and likes to grab coffee with friends. She does most of her shopping on Amazon or at Target and has never ordered anything off of Kickstarter because it feels unreliable and risky. She is already thinking about buying a Life360 subscription to monitor her child’s driving.

Sally has two children who are 14 and 16. The older sibling, Jake, just earned his driver's license and Sally is planning on celebrating by buying him a used car. She’s excited for Jake to start driving but also terrified of Jake driving unsupervised. She sees Jake on his phone during dinner, while in the bathroom, even while brushing his teeth and is worried he won't stay off the phone while driving either. Sally has already caught him switching songs on the Spotify app during red lights. She wants her children to be safe but feels out of control when she's not in the car with him.

**Offering**

The PhoneBelt delivers on the customer's needs of safety and control by assuring that her child will not be using their cellphone while driving. The two minute installation is all it takes to give her peace of mind.

**Competitive Frame of Reference**

We have three categories of competitors. The first, driver facing cameras, are a rapidly growing solution in the commercial driving space. Despite being wildly unpopular by drivers, they are very good at keeping drivers off of their phones and they save companies millions each day. This category of product is very competitive and very profitable for the companies that sell them. Their unpopularity by drivers and their extremely high costs keeps them from realistically penetrating the B2C market.

The second category of competitors are apps like Life360. These apps can turn off certain phone functions while the phone detects driving and delivers notifications to parents if the driver speeds, hard breaks, or crashes. While the perks of this solution are clear they have many drawbacks including: they need a good cell signal to work, need the phone to be on, the app needs to be open in the background, they are highly inaccurate, drivers dislike them, they cannot differentiate between drivers, passengers, bikes, busses or cars and only can detect motion, they must be activated by the user and can be deactivated by the user at any moment.

Thirdly there are existing phone holders. They allow drivers to access their phone in a safer way while driving. While useful, they have no mechanism to enforce compliance. For some users, especially those with phone holders installed already, they might simply not see enough of a value proposition to switch to our product. For this reason, we are adding as many additional features as possible to make the switch more appealing - better form factor, better grip, better material, adding wireless charging, easier use, adding mounting on curved surfaces, heat resistance, non-urgent notification silencing, easier setup, more compact design, unique color, and better branding

**Positioning**

Adjectives: Safe, Innovative, Premium (High quality/ Good customer service)

The Maslov’s hierarchy place’s safety as a top human priority and one of the strongest motivators to make a purchase. We want to position our brand as *synonymous* with safety. We want the association so strong that parent’s feel like a bad parent if they *don’t* equip their teen with a PhoneBelt. Our strategy is to use colors, symbols and words associated with safety, innovation, and quality. To gain trust and credibility we will use parent testimonials on our website to push our message. Creating educational content on ways parents can keep their teenager safe (such as a 10 tips video). Even though this is not directly related to PhoneBelt, this will change our brand association and may attract followers of our target audience. Doing corporate responsibility campaigns that simultaneously attract earned media. For example, sponsoring a distracted driving campaign or bringing a wrecked car from a texting accident into a shopping mall.

**Marketing Tactics**

**Pricing Strategy**

We plan to test several price points. Ultimately the pricing strategy will take into account the consumers’ price elasticity, COGS, competitor prices, the brand image we want to convey, price synergy with marketing efforts, early adopter price elasticity, pricing psychology, and the concept of sticky prices. Our early estimate is a price of $99.

**Sales Channels**

Due to high upfront costs of NRE, legal costs, and inventory, our initial sales channel must be a pre-order platform, likely Kickstarter. As we grow, we will expand our sales channels to our personal website, Amazon, QVC, and retail. Our channels will grow with our revenue starting in high margin- low visibility channels and expanding to high visibility- low margin channels.

**Marketing Channels and Communications**-

As a startup we have unique advantages and disadvantages. We get the opportunity to tell a story with our company and have consumers buy into supporting a small business. Well before the Kickstarter launch, as we iterate and get customer feedback, we will build an email list that will disseminate the Kickstarter launch. Near the launch, we will collaborate with influencers, bloggers, local newspapers, local organizations, etc. to launch media synchronously with the Kickstarter launch. Upon launch, getting as much press and publicity as possible via television, social media, and influencer marketing. During this stage, any press is good press, so if we get put on a list of “10 Worst Products of 2023”, that is a win.

**Controls**

**Monitoring performance**

The most important factor for monitoring marketing performance is to set key benchmarks and KPIs prior to launching each campaign. This is necessary to ensure that the campaign can be accurately monitored. Using various analytics tools, combined with A/B testing will allow us to get the most value from each marketing campaign. Lastly, having a data gathering processes, data cleaning processes, and analytics toolset in order to extract meaningful performance metrics.

**Risks & Contingencies**

There is immense legal risk, making sure to advertise in very legal ways and making sure to never make unsubstantiated claims that could lead to litigation. Additionally, there is a lot of risk when using other parties to promote our campaign… our influencers/partners could say things that might damage our brand. Lastly, an underperforming campaign where P.O.s are not substantial enough to cover costs or excess inventory is created, this would be fatal to the company.

**B2B Selling Strategy:**

Get LOIs from any company that will be interested in working with me even if I have no intention of working with them at the moment such as retail stores. Get LOIs from anyone and everyone to get better valuations, financing, and better manufacturing terms.

Approach the company with a: cost savings thesis, a driver satisfaction thesis, and historical (or projected) results. Few businesses will turn down the perspective of a trial run/ test run on some vehicles in the fleet. Getting a foot in the door is key. Mere exposure effect: getting in contact early and establishing rapport and connecting slowly with time will lead to much higher success and conversion rates. Social engineer the people to say “yes”.

Ex: A quick phone call with an executive to “ask a few questions” about their needs and wants as a company. Mention that we are in the final R&D stages and a solution with details coming soon and want to hear the perspective of (\*insert job title and insert industry\*). Reach out a week later with a handwritten thank you letter with a waxed seal. A month later, reach out again and pitch the idea and the prospect of a free sample or test. If yes, convert. If not, ask what changes could be made to fit their needs, follow up a month later anyways.

Send holiday cards like a realtor would for various holidays. Consider the $10 a year part of the customer acquisition costs. Send to businesses that said yes and to businesses that said no. Even permanent no’s can become referrals or partners in future ventures.

B2B is an immensely personal relationship. Even small gestures like a Happy Thanksgiving message go a long way.

Create urgency. Have first reach out to say:

Hey name,

I’m hoping to connect with Title

I saw you are an alum from university or I saw your blog post about issue and we are launching this product called Phone Belt. We have 500 units on the way and are looking for 2 or 3 companies to partner with for this beta launch. There are only 500 units to spread around but we think that your firm and ours have a lot of potential to be partners for years to come and out of respect wanted to reach out to you first to discuss what a partnership would look like and to see how much value we can provide to your firm. To remind you of what we do and who we are: very briefly describe the problem, competitor solution, our solution, contact info, and calendly link to schedule a demo.

Avoid free trials but instead money back guarantees or year long contracts that can be canceled within the first month. Make it on them to quit, not the default to quit. Charging is also key

Consider cancellation guarantees to encourage risk averse companies to try it but still have the default situation be them paying