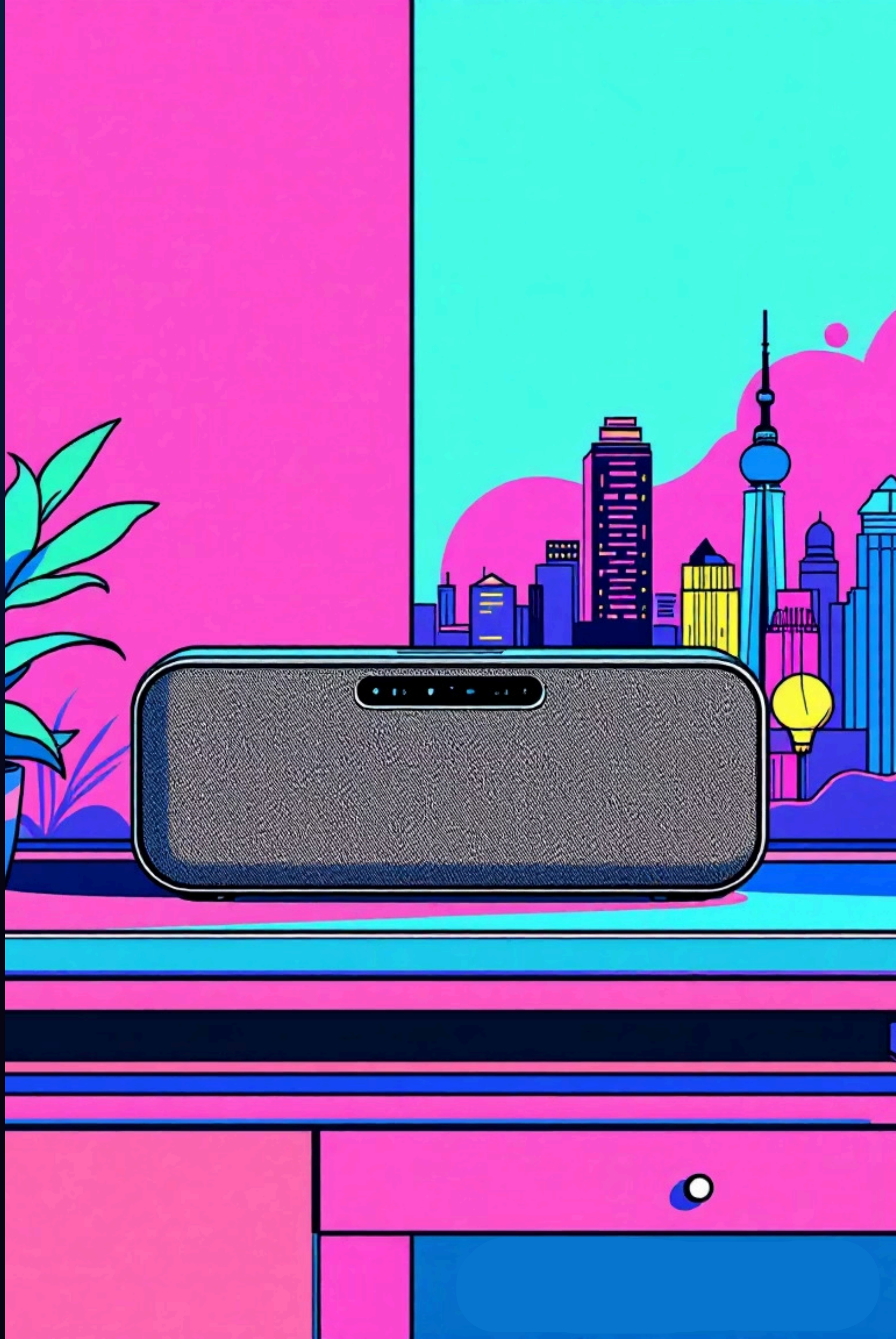
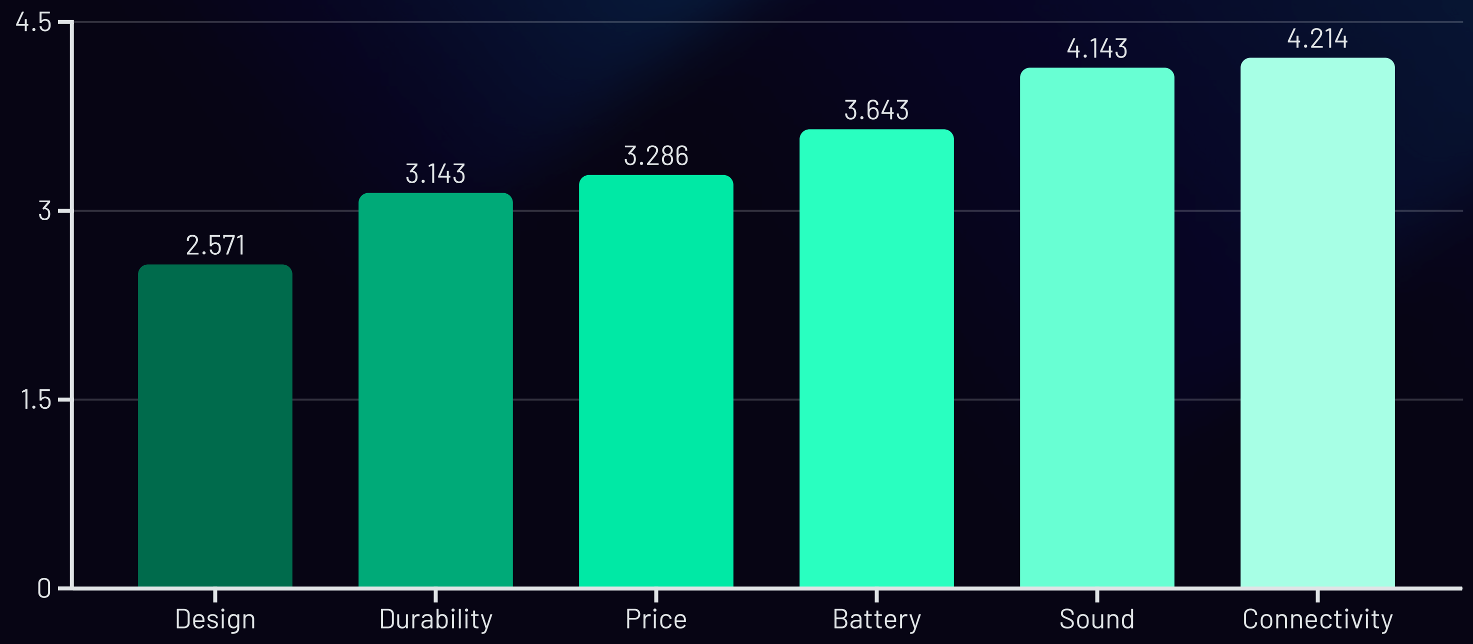
Consumer Insights to Guide the Next Beats Wireless Speaker

Extern Project 5 — Revised Presentation Plan

Synthesized findings from customer survey, qualitative analysis, and behavioral segmentation to inform product roadmap and positioning strategy



Customers Want Great Sound, Strong Battery Life, and Practical Connectivity



Avg. Customer Prioritization of Speaker Features (Scored 1 to 5)

Collected from 4,972 respondents.

Understanding Customer Priorities

Sound & Connectivity: Top Drivers

Customer data consistently highlights sound quality and connectivity as the leading priorities when evaluating wireless speakers. These features are critical for overall user satisfaction.

Sound Quality: The Primary Opportunity

Despite high prioritization, there's a notable gap between customer expectations and current satisfaction levels regarding sound quality. This presents a significant opportunity to exceed expectations and differentiate our products.

Strategic Product Development

Focusing on sound engineering advancements offers the most impactful route to enhancing customer experience and fostering upgrade interest. While connectivity is vital, sound quality has the greatest potential for market leadership.

The Best Target? Sound Quality for Future Growth

~2,900 respondents are Clearly Satisfied, What's Left?

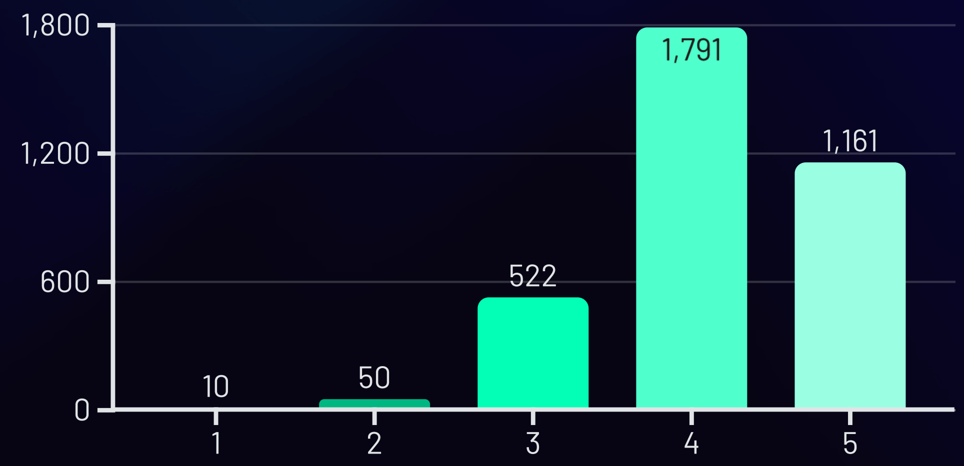
The Opportunity Gap:

- 522 respondents rate sound as "3" (neutral)
- This "satisfaction gap" represents crucial upgrade segment
- Bridging 3s to 4s/5s through sound engineering drives upgrades and new purchases

Strategic Impact:

- Enhancing top customer priority (sound quality) maximizes product development impact
- Clear pathway to drive customer upgrades
- Solidifies Beats' market leadership position

Distribution of Sound Quality Ratings (owners only)



(1 = Very Poor, 5 = Excellent)

Sound Quality: The Universal Driver Across All Age Groups

Sound quality consistently stands out as the most universally valued attribute across all age groups.

Sound Quality: Consistently Paramount

- Remains exceptionally high across all age groups (Under 18 to 65+)
- Particularly strong in 65+ segment, underscoring enduring value
- Universal appeal validates strategic focus on audio fidelity

Battery Life: Age-Dependent Importance

- Higher priority for younger demographics (Under 18, 18-24)
- Driven by reliance on portable devices and extended usage
- Secondary to consistent demand for superior sound

Price: Varied Sensitivity

- Notably elevated in 65+ age group (higher cost sensitivity)
- Other age groups show lower price sensitivity
- Universal demand for sound quality transcends price considerations

Key insight: Sound quality is the singular, most universally valued feature across all demographics—making it our most impactful strategic investment.

Sound-First Customers: Our Highest-Value Segment with Strongest Purchase Intent

Sound-First Segment: Strongest Purchase Intent

- Rates approximately 2.4 on likelihood scale
- Highest-value customer demographic
- Primary driver of customer value and upgrade willingness

Price-First Segment: Significant Intent

- Shows strong intent at around 2.4
- Different value profile than sound-first
- Willing to invest when perceiving value

Battery-First Segment: Lower Priority

- Averages around 2.2 purchase intent
- Prioritizes functionality and portability
- Lower overall spending capacity

Strategic Implication: Superior sound quality is the primary driver of customer value and willingness to upgrade. Improving sound quality directly attracts and retains high-value customers, unlocking their significant spending capacity.

Sound-First and Price-First Customers Show Highest Spending Capacity

Sound-First Customers: Premium Spenders

- Average spend band: ~2.3
- Willingness to invest in premium products
- Often exceed $200 price point

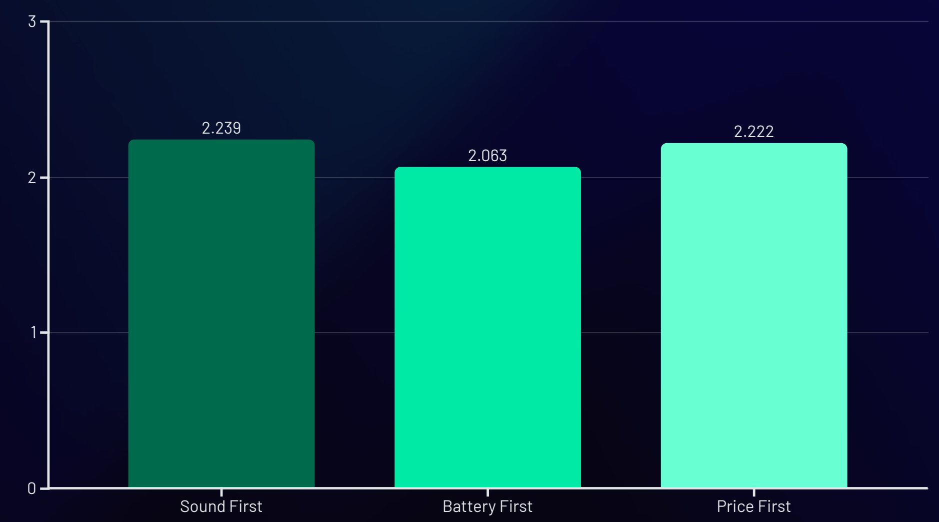
Price-First Customers: Value-Conscious Premium Buyers

- Average spend band: ~2.3
- Prepared to spend more when perceiving value
- Budget-conscious but willing to invest

Battery-First Customers: Budget-Focused

- Average spend band: ~2.0
- Prioritize functionality and portability
- Lower price point preference

Average Spend Band by Feature Cluster



Where 1 = Less Than $50, 5 = More Than $300)

Key insight: Premium pricing is justified and achievable when sound quality improvements are clearly demonstrated and communicated, especially to sound-first and price-first segments.

Strategic Imperative: Elevate Sound Quality to Drive Product Leadership

Sound Quality: Biggest Upside & Driver of Intent

- Bridges gap from 3-star to 4-5 star ratings
- Addresses dissatisfaction and reduces churn
- Captivates 42% of customers with highest upgrade likelihood

High-Value Customers Prioritize Sound

- Sound-first segment shows highest spending capacity
- Strongest purchase intent among all segments
- Upgrades existing customers who rated sound as "average"

Sound Justifies Premium Pricing Across Segments

- Price-first customers rationalize premium spend on audio superiority
- Attracts new customers across all segments
- Universal appeal across all age groups

Connectivity & Battery: Supporting Features

- Essential for competitive positioning
- Support purchase decisions, but don't drive them
- Cannot match sound quality's power to upgrade and attract

Tactical Product Roadmap: Sound-First Approach

Engineering Priorities

- Improve clarity across volume ranges
- Enhance loudness stability
- Refine bass accuracy without distortion
- Optimize mid-range vocal presence
- Invest in next-gen audio codecs

Pricing Architecture

- Premium Model: $179-$249 (unparalleled sound innovation)
- Standard Model: $99-$169 (clear value story on audio improvements)
- Position sound quality features to justify top-tier pricing

Supporting Features (Secondary)

- Add faster charging capabilities
- Deliver moderate battery life gains (10-15%)
- Maintain portability and durability standards
- Ensure seamless connectivity and multi-device pairing

Next Steps: Align Product Roadmap and Marketing Around Sound-First Strategy

Implementing this recommendation requires coordination across product development, pricing strategy, and marketing execution. The following action items create a roadmap for the next 6-9 months, all laddering up to our core sound quality priority.

Product Development

- Prioritize Sound Engineering Excellence: Lock audio performance specifications for clarity, loudness, and bass. Allocate R&D resources to make sound quality the undisputed hero feature, ensuring breakthrough improvements in acoustic design.
- Integrate Connectivity as Supporting Narrative: Ensure product development solidifies essential connectivity features. Position enhanced connectivity, alongside extended battery life, as crucial supporting elements that complement and elevate the overall premium sound experience.

Pricing

- Strategize Premium Pricing on Sound: Build a pricing model that reflects sound quality as the primary premium differentiator. Establish tiers ($50-$80, $99-$150, and $150-$250) with clear value propositions driven by superior audio performance.

Marketing

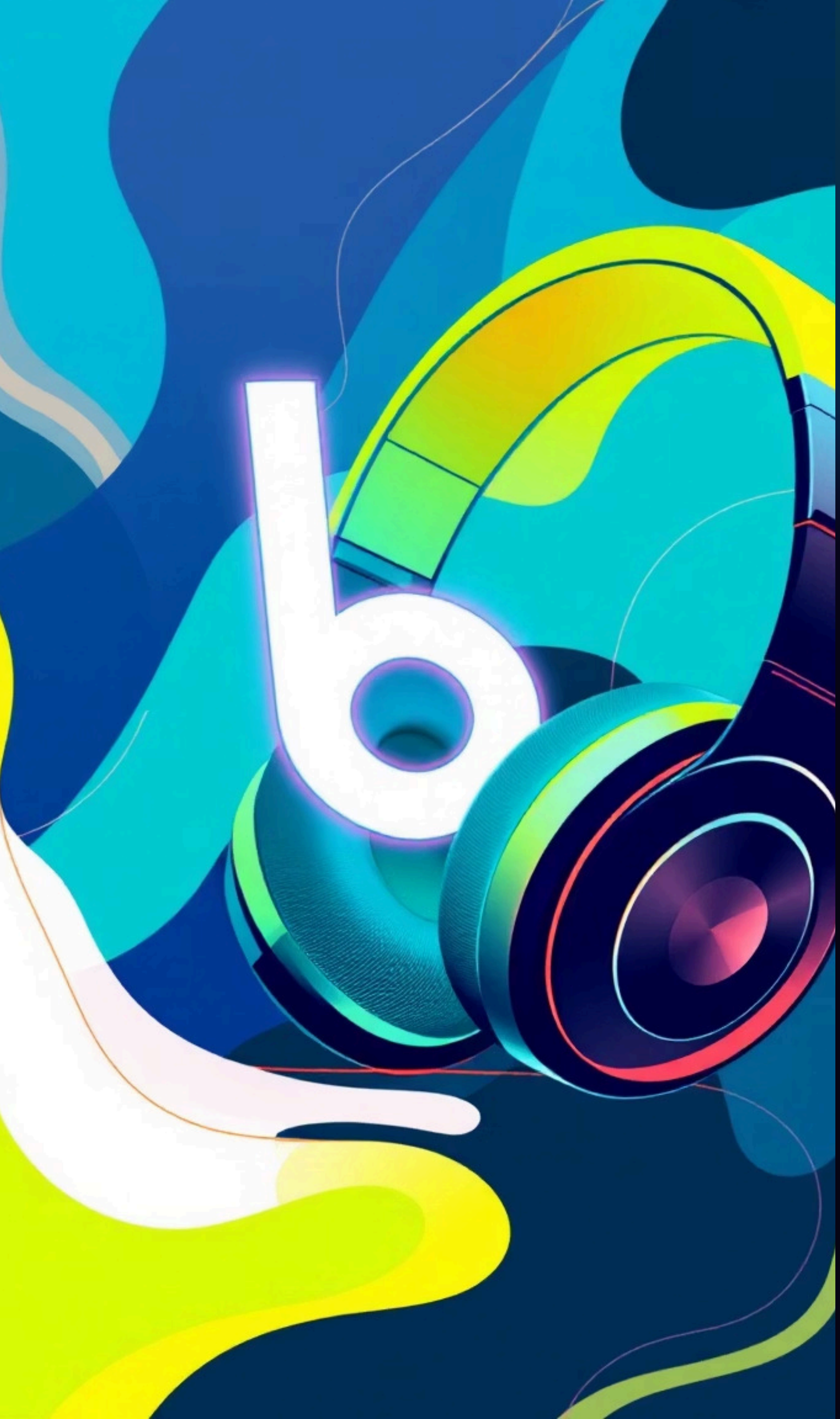
- Develop Sound-Centric Marketing: Refresh the marketing funnel with campaigns emphasizing sound quality improvements. Create compelling demos, competitor comparisons, and transparent claims that highlight our audio advantage to sound-first and price-first segments.

Timeline

- Product Development Cycle: Focus on 6-9 months for core audio engineering refinements and sound quality enhancements.
- Marketing Preparation: Messaging frameworks emphasizing sound can begin immediately and run parallel to engineering efforts.

Success Metrics to Track

Monitor upgrade intent in the sound-first segment, competitive win-rate against JBL/Bose for audio performance, average selling price in the mid-tier, and customer satisfaction scores specifically for sound quality post-launch. Also track positive feedback on connectivity as a strong supporting feature.



Sound First. Revenue Follows.

This analysis provides a clear strategic direction: lead with sound quality improvements, support with smart pricing, and communicate value transparently. The data shows that when we solve for audio performance, we simultaneously address the concerns of both our sound-first enthusiasts and our price-conscious value seekers.

By aligning product development, pricing architecture, and marketing messaging around this sound-first strategy, Beats can recapture market share from JBL and Bose while increasing upgrade rates among our most valuable customer segments.

Review Full Research Data

Schedule Strategy Session