

Team 1B

Katelyn Barkhuizen	(14355097)
Dominic Kaikaty	(13687203)
Teresa Mattam	(13726082)
Hajime Yamashita	(10282768)
Lucas Wyte	(14393413)
Yaxin Zhang	(13120050)

24749
Entrepreneurial
Marketing Management



MARKETING PLAN

SPRING 2021

Word Count: 2820

Venture Overview

Hopan is a smart electric powered pot that does the cooking for you while you sit back and relax. The star of the show is the mobile app that connects through the handle of the Hopan smart pot via a powerful Bluetooth connection that guides you through the cooking process allowing you to regulate the cooking temperature and a lot more. The app features a variety of tasty recipes that display the exact temperature required to cook them and this is important when cooking more advanced recipes. You can choose between meals that take fifteen minutes to prepare or more complex meals that will take more time. Hopan provides recipes that all have a 'Smart Cook' button at the bottom and when pressed, the app will tell you what you need to do and when to add the ingredients, while activating the Hopan smart pot to set and regulate the cooking temperature autonomously giving you the freedom to carry on working, cleaning the house or even just to sit down and enjoy that glass of wine. In addition to assisting users with cooking perfect meals smoothly and quickly, Hopan has a sleek design, is multifunctional, convenient to use and dishwasher friendly. All these attributes will appeal to the busy individual. Hopan is truly a one-for-all solution that makes your cooking experience more enjoyable and effortless! The funding for Hopan on Kickstarter has been over backed.

Business Idea Analysis

Market Trends and Opportunities



MILLENNIAL

Born 1980-1995
The first Millennials will turn 50 in 2030
Formative Experiences: smart phones, social networks, helicopter parenting, terrorism, reality TV.

COMMON TRAITS:

- Tech-Savvy
- Multi-tasking
- Collaborative
- Self-Confident
- Diverse
- Competitive
- Optimistic
- Multicultural
- Goal-Oriented

The target market segment of most significant value is formed from the millennials age cohort, being people born into Generation Y and are currently aged 25-40 years. The figure below (AESC) depicts common traits shared by millennials. They are classified as modern-day busy individuals, who are also technologically savvy.

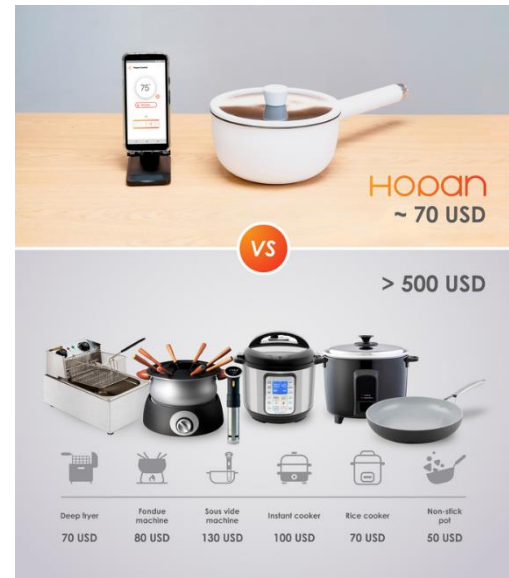
In Australia, consumers are making healthier food choices and prefer nutritious snacks to others. While millennials are time-poor, it is reported that customers' demand for fresh, quick and nutritious home-cooked meals is expected to rise (Ramo, 2020).

Considering these lifestyle factors, we have further specified a sub-culture within millennials who may be a lucrative audience for Hopan marketing, such as people who frequently eat out or have meals delivered, and repeatedly use meal box services such as *Hello Fresh* and *Marley Spoon*. In Australia, food delivery users have a higher average income in comparison to the average person (Nielsen, 2020). Meal box subscribers are more likely to seek quick and easy food solutions, actively participate in decisions regarding their food choices and also seek assistance in cooking techniques, while also tending to be more open to try a variety of recipes (Numerator, 2019).

Competitive Analysis

Two competitors with similar products within the smart kitchen appliances category have been identified. The first is *Zega*, an Australian made slow cooker that uses Bluetooth integration with an app, which has similar functionalities to the Hopan mobile app (recipe repository, informs users when to add ingredients, automatically adjusts temperature, etc.) It is priced at AUD 200 and requires a stove element to function (Zega, 2021).

The second is the *Hestan Cue* cooktop, which is an integrated cooking system that is a combination of an induction cooktop with a smart pot and works via Bluetooth to link with a mobile app. The product is priced at over AUD 500 (Hestancue, n.d).



Hopan has three key competitive advantages when compared to these products. Firstly, Hopan is a cost leader. At around \$100, the smart pot is affordable and priced considerably lower than the competitors. The smart pot is an innovative product and combines the best of technology and design to provide the best user experience. Secondly, Hopan's product team has accumulated technological expertise and learnings since its conception nearly three years ago. The product has had 2 iterations since its development in 2019. There was a previous failure of the Hopan mark I related to product quality / reliability, yet *Radiant Water* was able to learn from this and used learnings towards the successful development of the Hopan mark II, the current product version. Lastly, Hopan has a simple, yet innovative product design that allows users to cook on any surface without a stove. Additionally, when compared with appliances that are not part of the intelligent cookware category, all the product and price features stand out in favour for Hopan.

Concept Testing

Entrepreneurial Segmentation Audit & Targeting

According to *Think with Google*, personas are “fictional profiles that represent groups of similar people in a target audience. They can help you figure out how to reach people on a more personal level while delivering the right messages, offers, and products at the right time” (Castillo, 2018).

To fully illustrate the findings from target segment research, the team developed a persona for a typical Hopan customer that presents a typical customer story through her profile, actions, motivations, goals, and pain points.

Target Segment Persona

Lisa Humphries – 24 Y.O

Profile

- Single, lives alone in rental studio apartment in Chatswood, Sydney (\$450/week).
- Graduated from master's last year, currently working as a Junior Business Analyst at Tesla Motors in North Sydney.
- Works 9AM – 6PM on weekdays, occasionally on weekends, answers team enquiries after hours.
- Cooks most of the time, loves good quality food that doesn't hurt the wallet.
- 80 / 20 extrovert to introvert, loves having friends over to socialise after a busy week.

Main Social Media & Online Search



Goals

- Cook creatively, healthy, and quality dishes quickly at affordable costs.
- Feel the joy sharing my good cooking with friends.
- Enjoy the cooking process, feeling peaceful and enjoy alone time.

Pain Points

- Time constraint - Spending too much time on cooking and cleaning up afterward.
- Running out of cooking ideas, having the same dish over and over again.
- Not cooking the right way - poor quality dishes, burning the food.
- Constraint by disposable income.



Customer journey mapping is “a way to visualise the customer experience and how they interact with your business” (Steuer, 2018). It enables businesses to empathise with the customer by seeing things from their perspective, as well as identify points of intervention where the product offering may address the pain points of the customer. Leveraging the information gathered in the research phase, the team summarised the findings into the following journey map that visually represent the steps Lisa follows to cook a meal, as well as what she may think and feel at each step.

Customer Journey Map

	1	2	3	4	5	6
	Get home from work	Decide what to cook	Prepare the produce / ingredients for cooking	Cook the dish	Serve the food and eat	Pack away left over food and clean-up
Do	<ul style="list-style-type: none"> Take public transportation home 	<ul style="list-style-type: none"> Search the internet / cooking website / app for inspirations Refer to food left in fridge / storage, confirm need to shop for additional ingredients 	<ul style="list-style-type: none"> Prepare the produce / ingredients for cooking. Eg. chop the vegetable 	<ul style="list-style-type: none"> Arrange introductory call with the prospective client. 	<ul style="list-style-type: none"> Place cooked food into plate Prepare the table / eating area. Eg. cutlery, sauces Ensure stove has been turned off Eat the dish Take pictures and share on social media 	<ul style="list-style-type: none"> Take plates and cutlery to kitchen sink Pack away left over Wash the dishes Wipe kitchen surface dry
Think	<ul style="list-style-type: none"> What do I want to eat tonight? Have I got all the ingredients? Do I need to buy anything else on the way back? How am I doing with this week's budget? Do I have someone coming over to eat with me today? 	<ul style="list-style-type: none"> Do I have all ingredients needed? Do I feel like having a particular dish? Is it healthy? Is it too time consuming to cook? Do I have the right cookware to cook the dish I wanted? 	<ul style="list-style-type: none"> Process takes too long Workarounds if I don't have the right cookware 	<ul style="list-style-type: none"> Process takes too long Things I can do to pass the time Is the food burning? 	<ul style="list-style-type: none"> Is the dish going to taste as expected? Have I turned everything off? (stove, rangehood, etc) Where and how should I eat the food? Is this something I want to cook for my friends when they come and visit next? Was it good value for money? Do I want to share pictures of my creation? 	<ul style="list-style-type: none"> Was it a good meal or not Too much washing, process takes too long What to do with left over
Feel	<ul style="list-style-type: none"> Tired – work and commute Hungry Excited – about what to cook and eat tonight 	<ul style="list-style-type: none"> Hungry Excited – trying something new Anxious – new dish tastes good? Irritated / Annoyed – if need to shop for additional ingredients 	<ul style="list-style-type: none"> Hungry Excited Irritated / Annoyed 	<ul style="list-style-type: none"> Hungry Excited – eating soon Irritated / Annoyed – cooking takes too long 	<ul style="list-style-type: none"> Tired Satisfied / Disappointed – quality of the dish, value for money Excited – wanting to share with friends 	<ul style="list-style-type: none"> Tired Irritated / Annoyed – process takes too much time

Differentiation

All In One Pot

Hopan's smart electric feature does all the cooking and is perfectly suited to busy individuals. The state-of-the-art technological capabilities make it the most capable all-in-one electric pot on the market. It can cook a variety of dishes that use different cooking methods, whilst giving consumers the ability to precisely control various constraints such as the number of ingredients, temperature etc. Featuring well-crafted components and a non-stick inner surface (Kickstarter, 2021).

Smart Cook Function

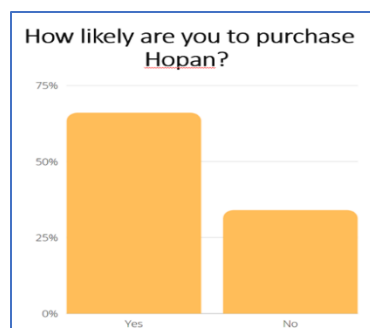
Another point of differentiation is the recipes that come with the Hopan mobile app. This app is combined with the smart cook function, which tells users exactly what, how and when to do it. The smart cook function ensures the consumer's cooking process is seamless and effortless. Without this smart cook function, Hopan would just be another ordinary pot. (Kickstarter, 2021)

Heat Insulating Outer Shell

Hopan is constructed with superior heat-resistant composite. This allows users to cook at high temperatures, permitting them to move Hopan while touching the outside without any heat protection. Hopan promises "no dirty dishes" by allowing users who are dining alone to adjust the temperature inside the pot with the app to keep food warm enough to eat and use Hopan as a bowl. Hopan's versatility is unmatched in the current market, allowing consumers to cook tasty meals on any surface they please, without a stove (Kickstarter, 2021).

Detachable Handle

The detachable handle makes it possible for the handle and the electric cable to be stored within the pot. Making Hopan easier to be stored in tight spaces and carry around in a backpack. Since the technology of Hopan is in the handle, users can simply attach the handle to whichever pot they want to use. This allows for convenience for easy cleaning, allowing users to place the bowls into the dishwasher with ease (Kickstarter, 2021),

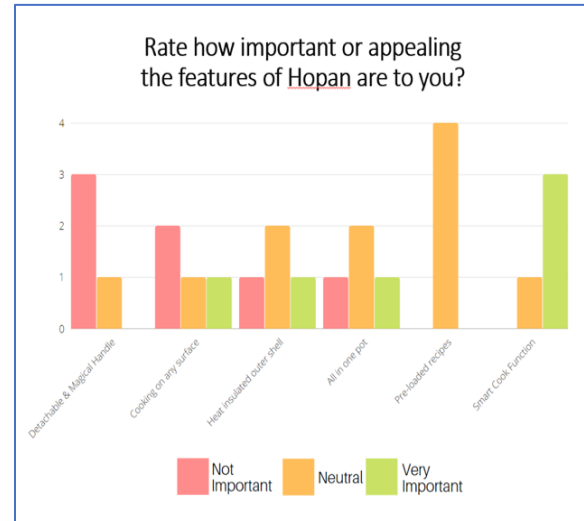


Testing Outcomes

Primary data was gathered through surveys, interviews and *Instagram* polls using a micro-influencer with 27k followers. These were aimed at our targeted audience aged between 20-34. In each study, we provided extensive insight into the product Hopan. Before stating the price of Hopan, we asked if this is something consumers would consider purchasing, 66% of participants responded favourably.

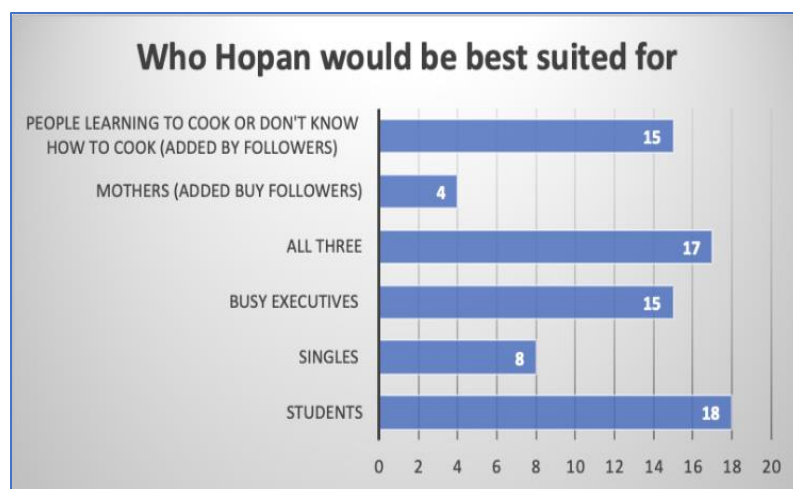
This indicates that there would be a demand and a market for Hopan. Through the concept tests, we found that the market best suited for Hopan would be people who are either learning to cook or can't cook—students, singles and busy executives.

We found that respondents cook and prepare their meals at least once a week, making Hopan the perfect product for this specific target market. It will make cooking less tedious in their busy lives. After extensively studying our interviewee's responses, the product has some perceived benefits, however, it also has some areas that require improvement.



Hopan addresses many of the challenges associated with cooking a quick tasteful meal, making the process enjoyable, smooth, and almost effortless. Most of the respondents were impressed by the all-in-one functionality of the product as well as the smart cook function, which we would push as a major selling point.

Some respondents were however not convinced of the product and would possibly purchase but not recommend Hopan. This is because they cannot recommend something they have not tried themselves, which is understandable. This gives us more confidence in how we are going to market the product to our target audience. *Instagram* was one of the universally recognised platforms in the social media arena and the interviewees use it the most, although the respondents felt strongly that sales ads ruin the experience. After running a poll on *Instagram*, we found that 70% of users on *Instagram* would rather purchase a product from seeing an influencer use it, instead of purchasing a product from an *Instagram* sponsored advert.



This shows us that we need to use more real-life scenarios such as influencers to sell the smart pot. Many interviewees' decisions are likely to be influenced by other people's reviews, therefore the use of influencers is a way to recommend and review products more authentically. In addition, social media ads and search engine optimisation will be used to support the promotion.

Some interviewees stated that the worst part of cooking is cleaning up, therefore, Hopan's benefit of cooking and eating out the same pot will be a strong selling point as it uses fewer utensils, makes less mess and is dishwasher friendly, unlike many pots.

According to the interviewees' responses, 75% of them said they would not pay a subscription fee and 25% said they would pay a subscription fee to gain access to pre-loaded recipes.

Thus, it would be a promising idea to include the fee as a mark-up of the price of the pot and include the mobile app and recipe repository as an added benefit instead of a subscription.

Price and quality were deemed crucial when considering Hopan's purchase. The questions asked gave a good insight as to what consumers consider to be too expensive and too cheap.

According to the interviewees, anything above \$200 was seen as too expensive and anything less than \$50-70 would come across as the quality being too low and cheap. However, according to Instagram polls, we found that 70% of respondents said they would not pay \$100 for Hopan.

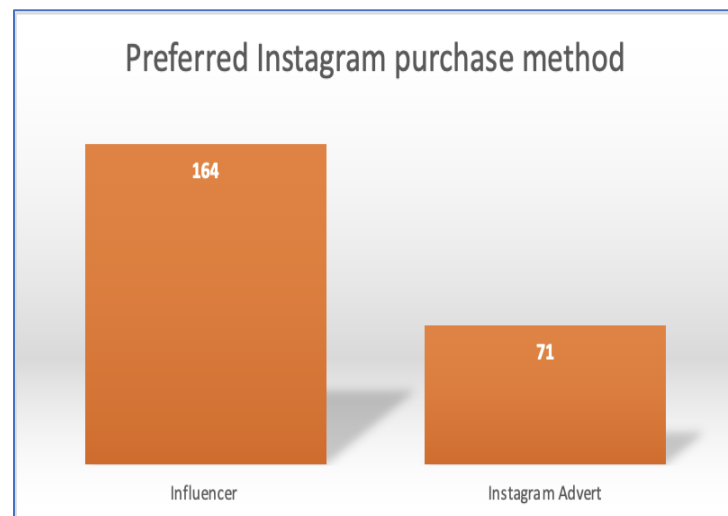
More importantly, the data revealed an unforeseen biased response to the perception of the pricing component that could lead to a respondent changing their intention to purchase. Now identified, this common bias can be addressed prior to the product launch without incurring a financial loss or any "bad press".

At what price would you consider Hopan to be so expensive that you would not buy it?

\$200-\$300

At what price would you consider Hopan to be so low that you would consider the quality to not be so good?

\$20-\$70



Respondents were not able to identify any similar products, confirming Hopan's competitive advantage, in this target market.

Other features such as colours, sizes of the product, availability in stores and instructional videos or demonstrations have proven to be unimportant factors to the sample. A substantial proportion found the heat-insulated outer shell, the ability to cook on any surface and the detachable handle unimportant.

Demand Generation

“Marketing activities must serve their purpose in a cost-effective manner that attracts the largest number of customers and ultimately leads them to purchase. This is the basic premise of demand generation and sales.” (Lodish et. al., 2015)

Marketing Objectives

- Efficiently reach the most valuable consumer market segments; and
- Make consumers aware of the Hopan; and
- Educate consumers about the Hopan’s features and benefits; and
- Engage consumers into a trial evaluation of the Hopan app; and
- Cultivate consumers’ interest to lead to a future purchase of the Hopan product; and
- Improve consumers’ perception of the Hopan’s competitive advantage over any competitors

Price Perception

Having identified the AUD \$140 product retail price and \$10 annual service subscription fee were preventing consumer purchase intention, changes around price perception have been implemented.

Retail Price Reduction

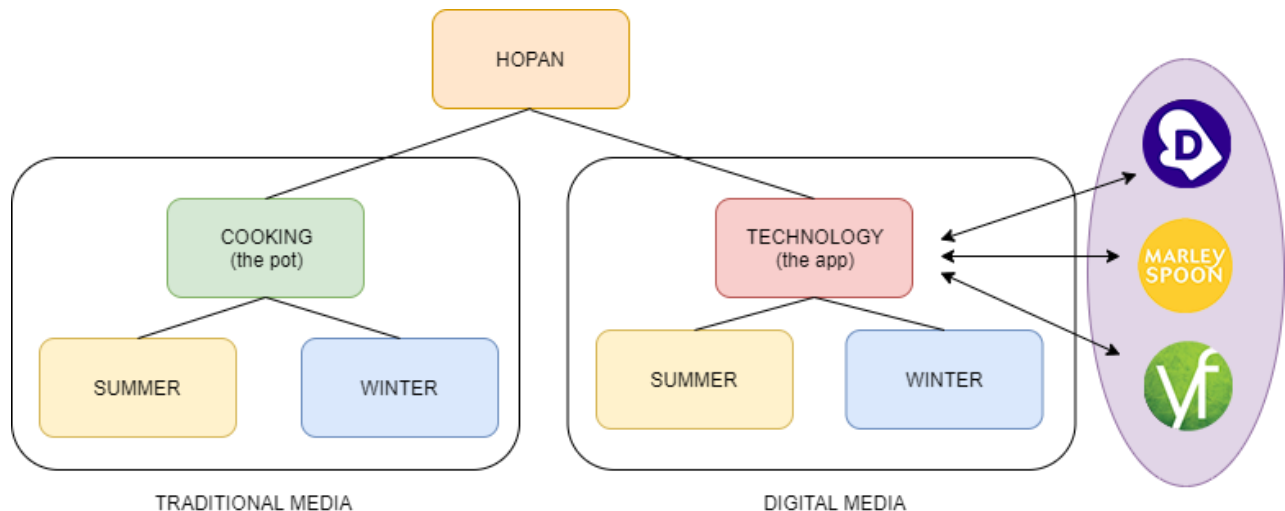
The lower \$105 introductory product price offered during the *Kickstarter* funding round will be retained, as it can be considered a reasonable price to be paid by consumers for their perceived value, supported by sales orders over and above the initial financial projections.

Annual Subscription Fee Waived

The annual service subscription fee to use the app has been removed with any loss of revenue absorbed as a manufacturing cost. The service will not only be included at no initial or ongoing cost to customers who purchase the product, but the app will facilitate future sales when used as a marketing medium to significantly increase perceived customer value in the Hopan offering.

Marketing Strategy

Distinctive competence adds value to solidify sustainable advantage



The Hopan product offering is comprised of two components combined for distinctive competence: cooking in a Hopan pot using technology in the Hopan app. Category positioning and product differentiation is relative to consumers' perceived value attributed to the Hopan's features and benefits and the distinction between the physical product and the digital service informs the marketing strategy and messaging to communicate.

Cooking focus for product promotion using traditional media

Traditional media and consumer touch points present opportunities to demonstrate cooking with the Hopan, to promote the product offering and communicating the features and benefits to consumers through advertising.

Technology focus for app awareness using digital media

Owned and earned digital media provides almost infinite options for building awareness of the Hopan offering, encouraging evaluation of the technology as a free standalone service while gaining the perception of market leadership through strategic marketing as a digital service, distinct to product promotion.

Creating the value proposition for competitive differentiation

Partner with meal box providers to add value as the most "connected" cooking app for no cost with the pot sold as an optional extra, marketed as the must-have premium "accessory" for purchase. Integrated with social media platforms to encourage app uptake and support increased use to grow market share as the category leader.

Marketing Activities

Leverage public relations for maximum value in creating a “winner buzz”

“Proper use of public relations and publicity can provide this ‘winner’ feeling far faster and at much lower cost than a big national advertising campaign” because “the key driver to quickly gaining leadership in a new category is the creation of ‘buzz’ – the feeling that you are the winner” (Lodish et. al., 2015).

Engage interest with promotional events and viral marketing for sustainable profitability

“There is no substitute for the actual trial of most products or services. Promotion gets your product itself in front of the customers, influencers or press so that they can more easily try it or see it in action.’ Employing adaptive testing and experimentation, these promotions can be tested and adapted to focus more resources on those that yield the best results” (Lodish et. al., 2015).

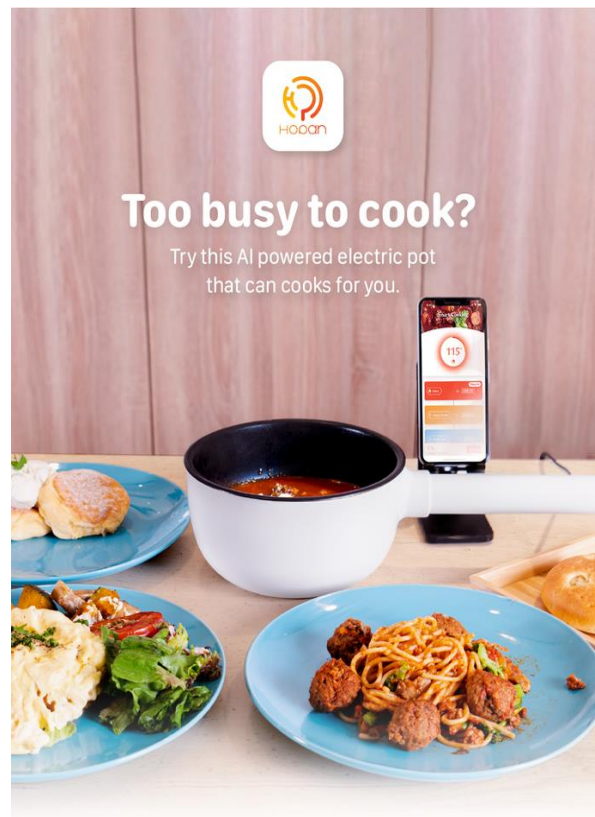
With “virality being a key goal”, the redeveloped Hopan app will be available to anyone with an Android or iOS smartphone to download and use with no initial or ongoing costs, because in order to build maximum sustainable profitability over the longer term, initially “free versions are what drew people in” (Lodish et. al.).

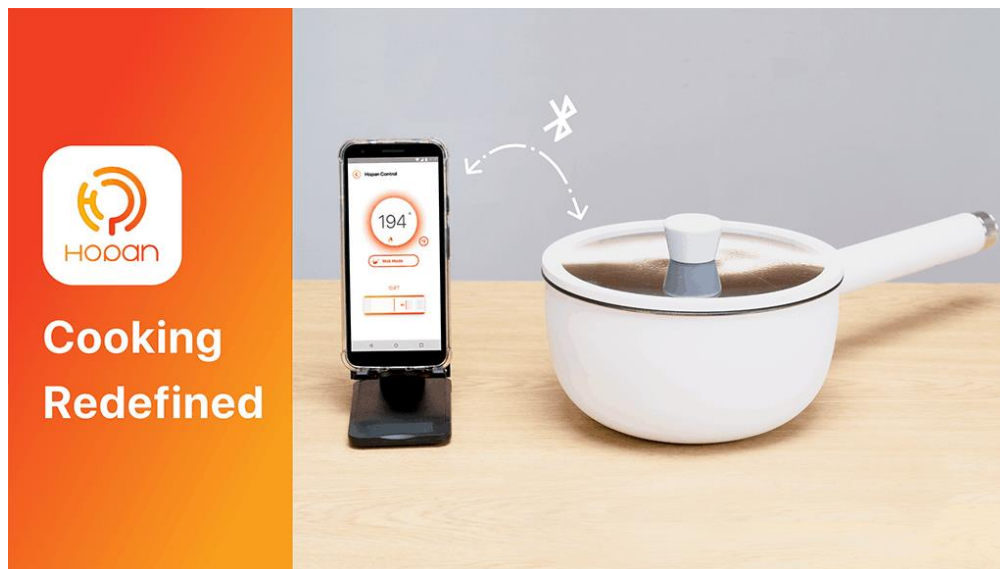
Advertise to build awareness and reinforce competitive advantage messaging

Television advertising helps to make customers less price responsive and can produce big volume effects (a mean increase of 18% in sales), the effects last for a period of over two years and they emerge surprisingly fast (within six months in most cases). (Lodish et. al., 2015).

Evaluation of effectiveness before to make marketing more valuable after

Evaluating a campaign before it is executed nationally will lead to a marketing expenditure that can be justified. Using an individual state as a ‘sample’ before being rolled out to the wider Australian market, campaigns can be evaluated as live ‘planned experiments’ and “the more variability there is among the campaigns generated and evaluated, the more likely the best or most effective campaign will be more effective in increasing sales” (Lodish et. al., 2015).





Future Challenges

Hopan's first significant challenge is the acquisition of new clients. Research shows that most agencies depend on customer referrals when getting new clients, and as a solution, companies resort to developing referral programs to help widen the customer base. The second challenge is retaining the acquired clients. For a product like Hopan's smart cooking pot, client retention comes down to product quality, efficient and reliable customer service. Additional strategies like personalized gifts or exclusive promotions also aid in customer retention. Keeping up with advertisements and platform changes is another potential challenge to a company that relies on an online platform to market its products. Hopan markets the smart cooking pot worldwide and is therefore faced with the challenge of keeping up with a vast range of advertising platforms. They should employ more staff to track changes to optimise product publicity across the global market.

Conclusion

Hopan is a practical option for time-poor people and it has the potential to spread to a broader market. Even though a few interviewees may find it hard to purchase or recommend a product that they have not used, we will use the marketing approaches listed above, including optimal pricing strategies, bundling of benefits by offering the mobile application as part of the product and not charging an annual subscription fee, refreshing the social media campaigns to communicate different benefits according to change in seasons and finally, in line with potential customer feedback, to utilise influencer marketing to reach a wider audience of the millennial target segment. We expect that once customers try the product, positive word-of-mouth will help build momentum in sales.

References

- AESC. (n.d). <https://www.aesc.org/media/image/generation-x-vs-millennials>
- Castillo, S. (2018, February). Make it personal: using marketing personas and empathy in your marketing. *Think with Google*. <https://www.thinkwithgoogle.com/intl/en-aunz/future-of-marketing/creativity/marketing-personas-audience-research/>
- Gibson, A. A. & Partridge, S. R. (2019). Nutritional qualities of commercial meal kit subscription services in Australia. *Nutrients*, 11(11). 10.3390/nu11112679
- Lodish, L. M., Morgan, H.L., Archambeau, S & Babin, J. A. (2015). *Marketing that Works: How Entrepreneurial Marketing Can Add Sustainable Value To Any Sized Company*. Pearson FT Press.
- Nielsen. (2020, August 20). *Fast Facts*. <https://www.nielsen.com/au/en/fast-facts-newsletter/>
- Numerator. (2019, September 5). Meal kit market: the whos and whys behind meal kit buys. *Numerator*. <https://www.numerator.com/resources/blog/whos-and-whys-behind-meal-kit-buys>
- Radiant Waiter. (2021). *Hopan: The Smart Way To Cook (Canceled)*. Kickstarter. <https://www.kickstarter.com/projects/1071964479/hopan-the-smart-way-to-cook-0/?ref=kicktraq>.
- Ramo, A.M. (2020, September 5). *Examining Meal Kit Consumers*. <https://www.preparedfoods.com/articles/123414-examining-meal-kit-consumers>
- Steuer, A. (2018, November 26). What is customer journey mapping and why is it important? *Forbes*. <https://www.forbes.com/sites/forbesagencycouncil/2018/11/26/what-is-customer-journey-mapping-and-why-is-it-important/?sh=7532948f5a76>
- Zega. (2021, October 14). *Zega Intelligent Cookware*. <https://www.zega.com.au/>