

TASK 3

UNDERSTANDING CONSUMERS

Sub-Task 1: *We now need to evaluate whether the new option would be attractive to customers. Brainstorm and shortlist criteria that customers may use to evaluate competing offers. What data points would help us decide if the new offer is attractive to consumers?*

Affordability

- Compare cost of handset leasing plan and traditional plan
- Price sensitivity

Attractiveness

- Is this a trend change
- Percentage of customers that prefer handset leasing to traditional plans

Ability to upgrade

- Percentage of customers want to upgrade your phone

Up-front costs

- Sensitivity to higher up-front costs

Damage & Insurance

- Importance of insurance to customersTarget:

“ Young people who normally upgrades their phone infrequently, could be enticed to upgrade every 12 months instead, on deals with low upfront costs with freebies thrown in.”

Sub-Task 2: *Your team has now collected data via online surveys with consumers. Given the data your team gathered, fill in your evaluation matrix and identify the target segment for this plan.*

Key insights from the research findings from consumer survey:

- ≤30 years old are keen to lease if they could upgrade every 12 months
- Most of those who upgrade every 24 months could be persuaded to upgrade every 12 months if the costs is lowered.
- Most people want low upfront costs when buying a new phone
- Most people just keep their old phone when they upgrade (perhaps to save money)
- Majority of people do not buy insurance for their phones.

Target Segment:

<30 years old, who upgrades their phone every 24 months

Sub-Task 3: *Given the target segment, identify changes to the offering that would make it more attractive for them. Also come up with a product name that you think will appeal to the segment.*

Product name: "CHANGE TO INNOVATE"

Changes 1: Low upfront costs

Changes 2: Free insurance

Changes 3: Frequent upgrade options