



SONIC



MEASURE

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Executive Summary

Greetings!

We are Sonic Measure, and it is our aim to revolutionize the way that people remodel and redesign their homes. More and more people are becoming do-it-yourself home improvers, and we at Sonic measure are going to make the process of measuring, a task that more people get wrong with redesigning than anything, much much easier with our Sonic Measure products. Our goal is to make redesigning a room more fun and effortless with our “Less Time, More Design” philosophy.

Sonic Measure can be described as the first room inclusive sonar measuring device, designed to measure an entire room at once, and make design changes with just the touch of a finger. The Sonic Measure is a small pyramid device that you place in the center of the room. The user leaves the room, presses the measure button and within seconds, any measurement you could dream of is displayed on the user's smartphone.

We are offering a unique chance to invest in our premium sonic measure products, and take advantage of the growth that this technology, and industry is going to see in the near future. We have selected a niche target market of about 1.6 million Young-Owner-Improvers. From this very refined target market we can expect a 10% conversion rate, so we expect to sell or rent around 160,000 Sonic Measure devices. We expect to reach these Young-Owner-Improvers through our attribute-benefit and time saving positioning strategy, and a multitude of advertising and promotions, from social media and online advertising, to sales promotions and expert endorsements. We fully expect to make a healthy profit due to our premium prices.

From all of us at Sonic Measure, we hope to meet all of our objectives, and make it much easier to accomplish “Less Time, More Design.”

Thank You,

The Sonic Measure Team

Team 3

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1. Description of new product or service.

A. A New-To-The-World Product

a. Introduction:

Sonic measure is a new way to measure an entire room in seconds. Using sonic waves (much like those used on submarines, or used by bats) the Sonic Measure gives the user measurements and distances of every wall, corner, window or other feature in a room and can provide a 3D model to play with, all in just seconds. The companion

Sonic Measure app gives the user options of changing the room itself, adding furniture, windows, and many more options. Furthermore, there is the opportunity on the app to pay for more options, tools and expert opinions. Consumers can purchase the product, or rent it through a third party retailer such as Home Depot.

b. How is Sonic Measure a new-to-the-world product.

Sonic Measure is a new-to-the-world product because there are only laser measuring tools, or the out-of-date tape measure, that can only measure one dimension at a time. Sonic Measure is the only product on the market that measures all the dimensions of the room nearly simultaneously. It is also the only measuring tool that is paired with an app that allows you to edit and add things to your 3D models of the room. This gives customers the ability to visualize renovations before lifting a finger. The Sonic Measure works by emitting a sound wave at a frequency that's inaudible to humans. The sound wave then travels outward until it comes into contact with a solid object, at which point the reflected sound wave bounces back and is read by sensors on the Sonic Measure. Then the device gives measurement readings down to the millimeter in only a few seconds which are read through the user's' smartphone which connects via Bluetooth.

B. Product Analysis

a.

All Sonic Measure models are in the shape of a 4-sided pyramid. There are a few buttons on one side and small pegs on the bottom to lift it off the ground. This is a basic illustration of how the Sonic Measure works, sending sonar signals and receiving them back. The packaging will be a box with the picture of the product and the logo on it. It will also be the emphasis a few of the benefits and features listed in bold so people know why they would buy this product and what benefits you receive from using it as compared to a tape measure or other measuring tool.



b. Features & Benefits

Features	Benefits
New sonar technology	High speed and accurate measuring reduces errors and minimizes time spent measuring.
Software to turn raw data into 3D model	Accurate and personalized 3D model of any confined space.
Free app pairing	User friendly interface makes it easy to see measurements.
In app tools	Many options to find the best tools for each room, painting, interior design, remodeling, etc.
Professional Opinions	In-app option to get the opinion of a professional interior designer. This allows people to make the best renovation or redesign possible.
Can be rented or purchased	This gives customers the option to rent it one time for a specific room, or buy it for multiple uses in the remodeling process.

C. Competitive Advantage

Level one

- **Rent or Buy Option**
- **One-of-a-kind 3D Technology**
- **Ease of Use**
- **App options**

Rent or Buy Option: Sonic Measure can be purchased online and delivered within days since all operations take place here in the United States. It can also be purchased or rented at home improvement stores such as Home Depot. Having the option to be rented or bought improves the level of service that can be provided to our customers.

3D Technology: The service the Sonic Measure provides is like no other measuring tool on the market. The 3D model is highly accurate and can measure curves and tall areas of rooms much better than other measuring tools. Once the 3D model is pulled up on the app there are multiple in-app purchases, they give the customer the capability to customize the tools needed to design and tweak their 3D model.

Ease of Use: After placing the Sonic Measure on the floor and leaving the room, you will get your 3D model in seconds. The simplicity of using Sonic Measure makes it better than traditional measuring tools because it does the measuring for you. Also instead of writing down measurements or keeping them in your head, they are displayed right on your phone screen.

App Options: The Sonic Measure app provides Sonic Measure with a competitive advantage because there are no other services or products offered that have the level of customization offered right on your smartphone. More money was invested to create an app that is built better, works faster, and has more options than other design apps available, and it all works hand in hand with the precise measurements provided by the Sonic Measure.

Level two

- **Patent**
- **Pricing Options**

Patent: There is a patent on the Sonic Measure that will protect the technology used to measure the room as well as the technology that turns the data into a 3D model. This keeps other potential competitors from creating measuring tools using similarly reliable and accurate sonar technology.

Sonic Measure has set up a partnership with the largest home improvement retailer in the United States, Home Depot. Now, across the United States, Sonic Measure will have established distribution channels and the reliable reputation and service of Home Depot.

Pricing: The customers can buy or rent the product easily and many different Home Depot locations. Having the option to rent the product through a local home improvement store makes the price customizable to any customer or project. If someone would like to spend a little less, they can either rent the product for a lower price, or choose a more affordable Sonic Measure model.

2. Opportunities and Issues Analysis (SWOT).



A. Strengths

- Sonic Measure is a new-to-the-world product, giving it a first mover advantage.
- Measuring an entire room in seconds beats out competing products based on speed alone.
- Using sonar waves to measure a room reduces errors of measuring by hand and provides all room measurements at once.
- The Sonic Measure can measure curved surfaces, tall ceilings, and hard to reach areas in the blink of an eye unlike competing measuring tools.
- The app paired with this product gives it the advantage over competitors because it creates a 3D model that can be edited as soon as the room is measured.

B. Weaknesses

- The premium price of this product is a weakness because there are cheaper ways of measuring a room by hand.
- Being the first product of this type on the market the Sonic Measure will have to handle any issues that arise from the use of new technology as well as educating the consumer on what the product is.
- The new technology is more complicated to use than traditional methods of measuring, so it may be more hassle than it's worth to some consumers.

C. Opportunities

- **Market demands and trends for product category:**
 - The demographics of Home Depot shoppers are very similar to the target market so it is a perfect place to promote, sell, and rent the Sonic Measure. (Homedepot.com, 4/5/2016). Home Depot customers are split 51% male and 49% female, and the largest amount of shoppers fall into the 35-44 age range and 60% have kids.
 - Home improvement in the US is largely present in two distinct groups: DIY projects; and projects which consumers contract out. Many American consumers enjoy DIY home improvement projects. The great proliferation of TV programmes, internet resources and knowledge centres makes it possible for many consumers to handle smaller projects, such as painting, while others tackle larger projects, such as home additions. (Intel Academy)
 - Home improvement and gardening stores remained the dominant distribution channel, with a growing 69% retail value share in 2014. Meanwhile, internet retailing's value share rose to 3%, riding the continued growth of retail

programmes which allow consumers to buy products online and pick-up in stores. (Mintel Academy)

- **From the marketing environment (legal, social, etc.):**
 - Power tools are also expected to see an 11% increase in value sales at constant 2014 prices over the forecast period. More baby boomers are converting to cordless power tools, and as new homeowners they are purchasing their first sets of power tools. (Mintel Academy)
 - The pace of home renovations has continued to gain momentum, according to The National Association of Home Builders' Remodeling Market Index, as more homeowners, bolstered by a rebound in home equity, decided to make improvements to their homes. The Index, which measures remodelers' confidence in quarter-over-quarter improvement in the remodeling market, reached an all-time high of 60 in Q4 2014 and remained just slightly below that level in the second quarter of 2015. While the Index is focused on the professional home improvement market and not the DIY side it nonetheless provides a measure of increasing interest among homeowners in making discretionary improvements to their homes. (Mintel Academy)
 - After declining sharply during the recession and after, spending on DIY home improvement started to regain momentum after 2011 according to an analysis of American Housing Survey data by JCHS. The rise in DIY spending, according to JCHS, is being driven by a concurrent increase in home improvement activity overall and by shifting demographics, particularly the coming of age of the large Millennial generation. Young adults spend a higher percentage of their home improvement dollars on DIY projects than older adults. While Millennials in the recession and its aftermath have been slow to purchase their own homes, an improving economy should encourage more young adults to start or expand households, which could in turn expand both the DIY market and the overall home improvement market. (Mintel Academy)

D. Threats

- The Leica Geosystems has many laser measuring tools. It is a larger established company on the cutting edge of technology, they are always making new invention. Even with the patent on the Sonic Measures technology, Leica Geosystems could come out with a competing product.
- From a legal perspective there is a threat once the patent on the Sonic Measure expires that other companies will begin to make similar products.

- Home Depot sells tape measures for around 25 dollars and laser distance measure for 70 to 80 dollars. These are both cheaper ways to measure a room.
- One of the biggest threats to growth in home improvement spending is a slower than expected recovery of the housing market. If recovery is not continued, growth expectations will be tempered. Additionally, urbanisation and rental trends pose some threat to forecast growth, as urban consumers in rental housing tend to spend less on DIY home improvement than homeowners.

E. S-O Connections - Marketing Opportunities & W-T Connections – Marketing Issues

The connections between the opportunities and the strengths are as follows: (1) There is an increased demand for home improvement and home improvement tools, which allows Sonic Measure the opportunity to capitalize on the increase in market size. (2) The target market is making renovations and redecorations to their homes; Sonic Measure gives the the exact dimensions. This cuts back on errors and time spent measuring and remeasuring. (3) The home improvement store that Sonic Measure is distributed through have shopper demographics that are similar to the target market. These similarities mean that Sonic Measure can reach the target market effectively. There are also other companies out there that make measuring tools, and once the patent is up on the Sonic Measure other companies can make a version of it. To combat this there must a new product or version to keep the company going.

The connections between the weaknesses and threats of the Sonic Measure are as follows: (1)The premium price of Sonic Measure is threatened by the cheaper substitutes such as a tape measure or laser measuring tool. Although Sonic measure is a more effective and higher quality tool it can be combated by replaced by a cheaper tool and spending more time measuring. (2) Once Sonic Measure is on the market other competitors can create their version of the technology. Since Sonic Measure is a new to the world product any competition will negatively affect sales.

3. Target Market Strategy. (refer to Slideshow #6)

A. Primary Customer Target.

35-44 year olds with a family, who own a home in the United States. Their income is greater than the median family income of the midwestern United States which is \$51,741 (Median Income- Targeted States, Census.Gov, 2015). Income Range: \$50,000 to \$75,000 for the primary target customer because this is a premium measuring product, and they need to have the funds available to make changes to their home. We decided to focus on people living in cities, because there are many more houses in urban environments than there are rural. and the income level is higher in cities than in rural settings. (Callis, 2016) We call this refined segment of people **Young-Owner-Improvers** because they are young enough to understand the technology, old enough and financially sound enough to own a home, and potentially looking to improve their house.

Estimated Size of Target Market

1,646,632 people. This is the magic number. Geographic area was not taken into account because the main retailer that has been chosen covers the whole of the United States. Start with the population of the USA and divide out the percentage of the population within target age segment, 35-44 year olds. Next the percentage of people living only in urban areas. While people in rural settings could want to make home improvements, there are far more houses to be renovated in urban areas. Next, the income segment of 50,000 - 75,000 was found. Now, for this age segment, how many people own homes? And of this amount, how many people total own homes. Both of these are accounted for, focusing on people with or starting families, so household with 2+ people are the next metric. Finally, perhaps the most important segment, is the percentage of people who would be looking to renovate their home. This is about 54%. After all calculations take place, the total target market comes to 1,646,632 people.

Sonic Measure Target Market		
US Population		323,400,000
Age Segment (35-44)	12.90%	41,718,600
Urban Population	80.70%	33,666,910
Income Segment (50,--- - 75,000	28.50%	9,595,069

Homeownership (age segment)	59.30%	5,689,876
Of Total Homeowners	63.80%	3,630,141
2+ person households	84%	3,049,318
Potential Home Improvers	54%	1,646,632
Total Target Market Size		1,646,632

B. Why this target?

This target is more likely to buy/rent the product than other segments because, the 35-44 year old segment is young enough to understand and use the technology offered by the Sonic Measure, yet there is still 59.3% home ownership across country(US Census, 2015). Also people in this age range spend 30% more money on average than other ages on home improvement. This is a time in their lives when household incomes and family sizes are increasing.

Customers will not use this product if they do not own a home, because they will not be doing any renovations. Because this is a premium product, the income level must be higher than the median income, so the target can afford the product. Income cannot be higher. The customer will still be doing their own renovations, and not paying to have a professional company do it for them. We chose a segment with families because single people are less likely to renovate their home.

As the economy recovers, the amount of people willing to renovate their homes, or make improvements has been increasing dramatically. According to a survey by houzz, and forbes, people planning to make home improvements has risen 7 percent in the last year.

C. Future Targets

We decided to target a very specific age group for our first year of production because these are the most likely to renovate a home. As Sonic Measure increases in reputation, other ages can be included because many younger people are also beginning to buy homes, and as America continues to get older, there will be more people above our initial age segment who would want to make home improvements.

Another possible future target would be interior designers, and renovation companies, because many people outside of our initial income target hire people to do home renovations for them. These businesses would pay for premium sonic measure services for multiple uses. Also other home improvement warehouses can be targeted and sold to directly to increase the spread of Sonic Measure.

4. Positioning Strategy

A. Statement of Positioning Strategy:

Sonic Measure unique selling point is that it's the most efficient way to measure an enclosed space in mere moments and design it more easily as well. This conjures up the idea of efficiency. At the touch of a button, Sonic Measure will measure a room more accurately than a tape measure ever could and at angles that would be very difficult to measure by hand. This allows for the typical Young-Owner-Improver to create room designs that are very difficult for someone who is not a renovation expert to understand and envision. A simultaneous virtual upload of the room is available online or via the Sonic Measure app for iPhone and Android. This app allows any typical user to envision the room with renovations or furniture additions before any actual action is taken.

B. Type of Positioning Strategy:

Sonic Measure will focus on an Attribute/Benefit positioning strategy. It is unique in that it can measure room sized spaces in a fraction of the time it would take with any other product. This allows it to be positioned as a time saving product because of its efficiency. People are always looking for convenient ways to accomplish common tasks such as measuring something. The Sonic Measure also helps in reducing mistakes made due to measuring errors. It gives the user an exact measurement, down to the millimeter, which allows for perfect cuts and fits every time.

C. Positioning Slogan:

“Less Time, More Design”. This slogan reflects Sonic Measures positioning strategy because it suggests that the user can save themselves time, while also getting more out of each use. Sonic Measure is designed to complete the entire measuring process for a room in mere seconds, giving users more time to plan, design, and create the changes they want to make to that space. Also with Sonic Measures 3D modeling capability, advanced design tools are provided to users, giving them more capability to design the perfect room.

5. Marketing Objectives

A. Short Term Marketing Objectives

The marketing objectives for Sonic Measure's first year of production is designed to generate awareness about the product and its benefits showing users the convenience of using Sonic Measure, compared to the traditional ways, ultimately showing that tape measures and alike are out-of-date. Sonic Measure will also inform users how to properly use it, since it is a brand new idea, and show how to get the best out of their Sonic Measure experience.

B. Target Market Calculation

Sonic Measure will be targeting the age segment of 35 - 44 year olds in the US (41,718,600) who have an annual income between \$50,000 and \$75,000 (9,595,069). This segment was chosen because homeownership is at 59% (5,689,876) and account for 63% of the total homes in the US. This segment also has a great majority, 84% (3,049,318), that have two or more living in the household, and 54% are potential home improvers to come to our target market of 1,646,632. Sonic Measure forecasts a 10% conversion rate for our target market of 1,646,632 people which is 164,663 projected customers.

(Online Sales)

- Direct Standard model revenue - \$1,778,362
- Direct Delux model revenue - \$987,979

(Retail Sales)

- Indirect Standard model sales - \$1,481,986
- Indirect Standard model rental sales - \$463,115
- Indirect Delux model sales - \$4,380,041

(In-App sales)

- Projected revenue - \$46,105

(Tradeshow Revenue)

- Projected revenue in total - \$493,989

6. Marketing Mix Strategies.

A. Product (refer to Slideshow #7)

a. Product Mix

i. Full Product Line

Sonic Measure is a premium niche product line that is designed for a unique customer base, so it will command a premium price. The Sonic Measure product line will include two models, both with similar functionality. The two Sonic Measure Products are the Sonic Measure Standard, and the Sonic Measure Deluxe. The Deluxe model will have specialized features and exemplifies our tagline of “Less Time, More Design.” The Sonic Measure Standard is the typical Sonic Measure, doing typical room measurements. The Sonic Measure Deluxe is the most advanced product that can measure even the most complicated areas. Both products read the area's’ measurement on their smartphone through a bluetooth connection. Bluetooth was chosen because for people doing major renovations, wifi may not be set up yet, so bluetooth provides functionality to all potential users. The difference in the two products is the physical size, the measuring capabilities, and one of the most important features about the Deluxe, the Sonic Measure App.

The Sonic Measure Standard

The Sonic Measure Standard is simpler of the two designs. It is about the size of a cantaloupe, so it is easy enough to carry in one hand. It has the capability to measure an entire room down to the millimeter all at once with just the push of a button. There are only two requirements: The measurer leave the room for a moment to not interfere with the sonar scanning process, and the Sonic Measure be placed in the center of the room.

- Simple and sleek pyramid design.
- Approximately 6 by 6 inch base and 7 inches tall.
- Measure button with a one press measure functionality
- Reset button for multiple measure capability
- Bluetooth capability to provide measurement on any smartphone.
- Protective carrying case

The Sonic Measure Deluxe

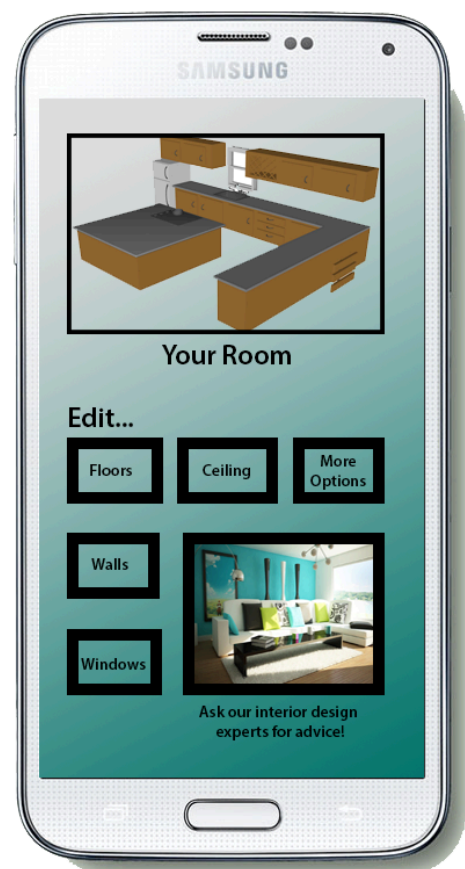
The Sonic Measure Deluxe is the more advanced of the two designs. Like the Standard, it measures rooms down to the millimeter, however the Deluxe supports measuring much more advanced room features such as bump-outs, rounded corners, balconies, cabinets and appliances. The primary aspect of the Sonic Measure Deluxe is the Sonic Measure App support. This gives a whole new functionality to the Deluxe by adding 3D modeling support, resource estimations, and even expert advice. All of these features will be described in the app section.

- Simple sleek pyramid design
- Approximately 9 by 9 inch base and 11 inches tall
- Measure button for one press measure functionality
- Reset Button for multiple measure capability
- Bluetooth capability to provide measurement on any smartphone
- Advanced internal hardware for advanced and complicated measurements
- Advanced feature app functionality
- Protective carrying case

The Sonic Measure App

The Sonic Measure App is really what sets the Sonic Measure Deluxe apart from the standard, or even any other measuring device on the market today. The app receives the measurement details from the Sonic Measure. When the Deluxe is used, advanced features are unlocked allowing users to design in ways never thought possible before. With the app full interior design capabilities are possible.

- View and edit 3D virtual room models, such as removing wall or adding windows
- Calculate how much paint will be needed to cover walls
- Add virtual furniture and decorations to preview aesthetics
- Change and view lighting options.
- Ask a Sonic Measure Interior Design Expert



Accessories and Extended Product

The main accessory for the standard model is the ability to purchase advanced app features on a per-room basis, however users will still be limited by the Standard's measuring capabilities for more difficult room features. Over time, as more and more rooms are paid for, this can become a very useful and profitable accessory. The first time would be free, then each room would cost 10 dollars.

A great feature for both the Standard and the Deluxe is the potential to purchase expert advice on how to best design the space. For many first time home renovators, have a professional's device in the moment is a great tool to have. The Sonic Measure Interior Design Expert will have access to the customers room measurements and models, and will be able to make recommendations about how to make the room the most appealing space possible.

Future Product Mix

The future product mix of Sonic Measure has a lot of potential. A third smaller model could be added, that is great for measuring just one wall. Also more features can be implemented such as purchasing items for the freshly measured room, right on the app. Also as this sonar technology improves, more accurate measuring can be implemented, in even smaller sized models.

b. Branding strategies

i. Brand Name & Branding Strategy

The name Sonic Measure captures exactly what this product is about. The product uses Sonar wave measuring technology to measure a room in seconds. The brand name is itself a shortened title of the technology used, and it captures the ease and essence of this product. The word "Sonic" calls upon the idea of speed, giving Sonic Measure the sense that it is a quick product to use, and it uses advanced technology to do so. Specifying that the product is used for measuring is essential to educating the public of a new-to-the world product as well as search engine optimization. (Brand name and specific branding strategy used.)

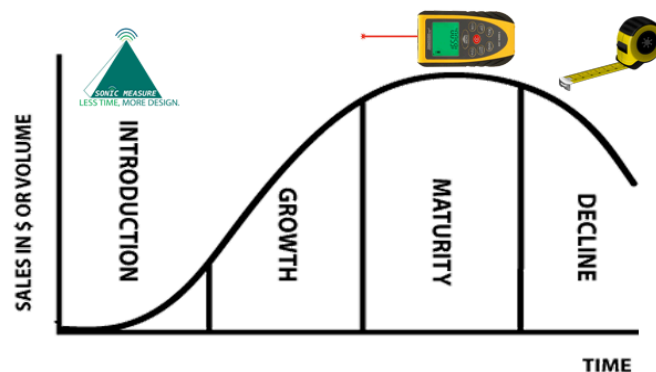
ii. Brand mark

The brand mark for Sonic Measure is a pyramid, with sonic waves coming out of the top. This represents the shape of the product, as well as simply illustrating how the device works. The sonic waves can also be seen coming out of the top of the letter “i” in the word Sonic.

c. Stage of the product life cycle

Sonic Measure enters the market in the introductory stage of its product life cycle. Sonic Measure’s main industry is home improvement which is a growth industry, specifically, in do-it yourself home improvement which is showing growth(HIRI, 2015). There are several large competitors with many smaller competitors in the industry, always coming out with new products. While construction equipment and home improvement products have been around for a long time, do-it yourself home improvement has been increasing with people looking to save money on hiring and materials costs. This is why do-it yourself home improvement is in the growth stage. New competitors are rising to take advantage of new ways for people to renovate their houses on their own in an easier way. As the US economy has recovered, do-it yourself home improvement, after taking a short decline has been on the rise since then, and is almost back to pre-recession levels(Harvard University, 2015).

Product Life Cycle



Growth stage marketing objectives are to focus on the products features, and improvements it has over its competitors, and the benefits Sonic Measure provides for people choosing to improve their home themselves. Because it is a new product, advertising will be higher, because there is no word of mouth activity taking place, or general product awareness. Sales promotions should also be common, to increase brand preference before competitors enter the market. More about Sonic Measures promotional activities is addressed in the Promotion section.

B. Place

a. Channel Strategy

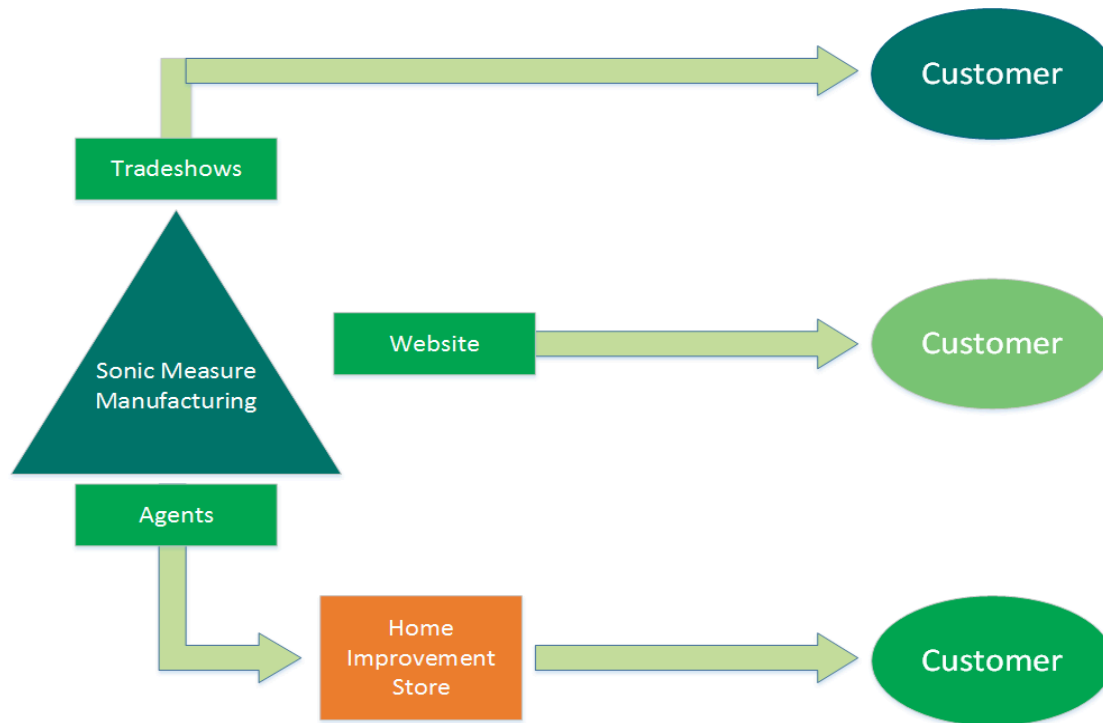
Multiple Channels of distribution will be utilized to deliver Sonic Measure to the customers.

Direct website: Sonic Measure will be distributed directly to the customer through online sales. Our website will offer both models of the product, but unlike other channels, renting will not be available online.

Retail Home Improvement Warehouse: Home Depot is the main retail store that our product will be offered through, because of its capability to sell and rent the products to our entire target market nationwide. Also there is a large sales force that can be trained to operate and sell our product. We have agents that will take control of selling the product to Home Depot Stores.

Trade Shows: Sonic Measure will also be available at trade shows as a promotional element. People at trade shows will gain the ability to see how Sonic Measure is used and what features it has from our own staff before buying. When they do purchase, it will be at a lower price than if they had purchased online.

ii. Visual or diagram of your channel's decision.



b.Direct or Indirect Channels

Direct Channels: Offering Sonic Measure products online to consumers allows our target market to understand and appreciate the technology behind what makes such a revolutionary measuring product. It also will inform people about all of the potential features of both models, and the benefits of the Sonic Measure app. Also because our target market is younger and more active, they probably spend more of their time online, and it is a potential place to do more of their shopping. 41% of this age group use computers, tablets and smartphones to go online, and 54% of internet users do shopping online. (Digital Strategy Consulting, 2014)

Promoting Sonic Measure at trade shows will increase its exposure by showing people how it works with live demonstrations, and provide a nice discount.

Indirect Channels: The first year on the market, Sonic Measure will be distributed throughout the country via Home Depot Home Improvement Warehouse. It is a major source of home improvement goods for the target market. It is a medium sized store

with well developed infrastructure in the US. Using Home Depot's established infrastructure will help Sonic Measure be available all throughout the United States. Getting the cooperation of the home improvement stores will be accomplished by the Sonic Measure service team. The team will be in charge of making sure the buyers are happy and cooperative throughout the partnership. There will have to be a well developed relationship since the Sonic Measure is available for rent at Home Depot locations. Any service or technical issues will be handled by the team to make the partnership easier on Home Depot.

c. Future Strategies

In the future, business markets are going to be considered so moving into channels that primarily serve businesses is going to be a must. Getting a wholesaler may be needed, because the volume of Sonic Measures being sold will increase. Also renting Sonic Measure's from other locations such as Lowe's is also a possibility. Direct selling may also become a factor as Sonic Measure is advertised on home improvement shows, and consumers look to buy directly from us.

C. Price

Model (sales)	Sonic Measure Standard	Sonic Measure Deluxe
Cost to Manufacture & Deliver	\$100	\$125
Direct Online Sales Price (60% Markup)	\$160	\$200
Price Sold to Retailer (30% Markup)	\$130	\$162.50
Suggested retail price (MSRP, 35% Markup)	\$175	\$220

Sonic Measure will not use a wholesaler the first year of operations, this is because during the first year Sonic Measure will be selling directly to the customers via the website, and will also be sold at retailers throughout the United States which will also be shipped to the retail locations directly from Sonic Measure Headquarters and handled by our account managers.

Sonic Measure will utilize a markup pricing strategy with a standard 60% for online sales, and a 30% markup when selling to the retailers, which has a standard markup on products that is 35%. Sonic Measure's prices across all the models will be available online at a less expensive price than through Home Depot. This strategy gives more incentive for customers to order online. With online sales we can easily gather market information to make future decisions regarding where to expand retail locations, feedback on pricing, and receive more demographic information pertaining to the target market. Also, by offering a slightly lower price via the direct channel (online), there will be more incentive for our target market

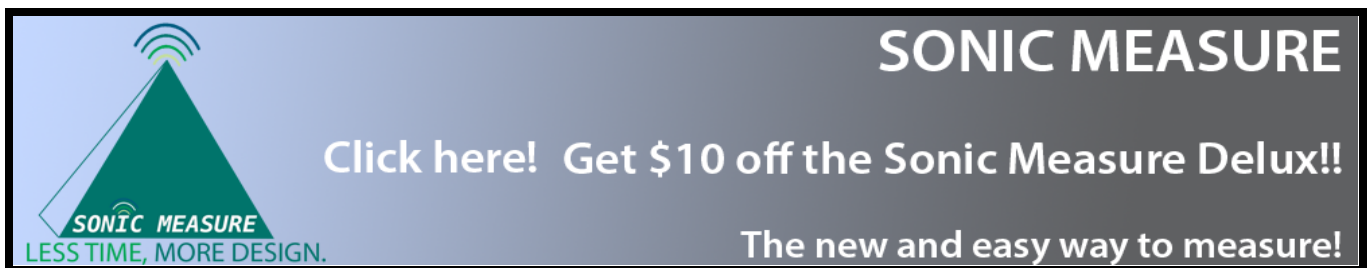
D. Promotion

Promotion Mix Strategy

Sonic Measures promotional mix strategy will consist of five major categories: advertising, personal selling, publicity, direct marketing, and sales promotions. Advertising will utilize online advertising, google adwords, and in-store promotions. The majority of our target market use the internet to research new products so it is important to appear in ads while they research. Personal selling will focus on guerrilla marketing tactics, as well as involvement in DIY/Home Improvement trade shows. This allows an opportunity to show our target face-to-face how the Sonic Measure works, and all it's features. Furthermore, guerrilla marketing creates an opportunity to gain publicity. Another way to increase publicity is through utilizing press releases (to stay connected with the media), social media marketing, and a website and content marketing blog. Direct marketing will involve database marketing and a customer service representative to stay connected with our customers. Lastly, our sales

promotions will use social media in order to facilitate contests that will give away a sonic measure as well as free room scans with expert insight.

- Advertising
 - Online Ads – (\$20,000)
 - The Sonic Measure will be advertised on several home remodeling blogs and websites such as Houzz and Dwell. This is where our target market finds a lot of information for DIY renovations. When a member of the target market is planning a home renovation, magazines and website become an important source of information. These blogs and websites are opinion leaders in the remodeling community. Advertising on these will draw attention to the new and easier way to measure a room and plan a remodeling project. Sonic Measure will purchase non-rotating banner advertisements on these sites, and will be placed on sidebars and visible on all pages. The 140x140 banner spots will cost around \$500 per month, per site. These websites have collective impressions around 3,000,000 per month.
 - Mockup banner ad

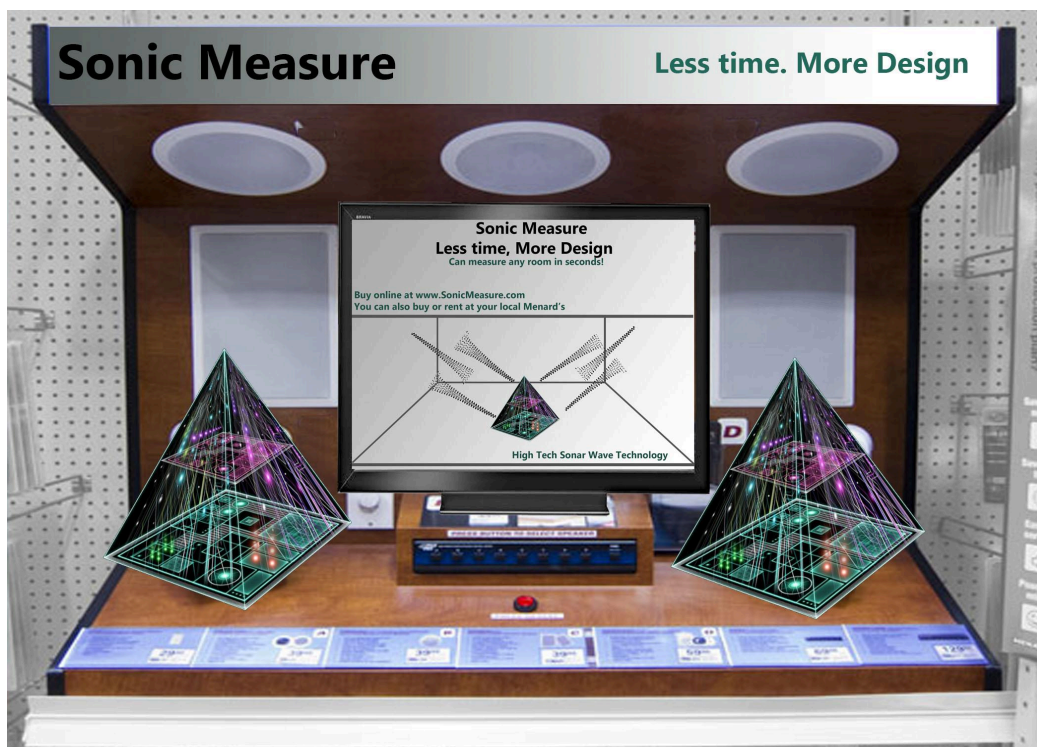


- Print Ads – (\$270,000)
 - Sonic Measure will also advertise in home improvement magazines. This Old House, and Home Building and Renovation are two that Sonic Measure will advertise in. These advertisements will show a diagram how Sonic Measure and the app work and the benefits of using it. Another channel for advertising efforts will be in lifestyle magazines such as Home & Garden, etc. The readers of these magazines are always redesigning their homes and stand to benefit the most from the Sonic Measure. The home improvement magazines we are targeting are considered niche magazines and will cost around \$10,000 per full page ad. The lifestyle

magazine being targeted, Home & Garden, charges around \$250,000 per full page ad.



- Google AdWords – (\$150,000)
 - Sonic Measure will purchase Google AdWords, targeting geographically to better reach our target market. We will be purchasing 150,000 clicks at \$1 per click. These ads will drive our audience to our website to learn more about our products, and where to find them.
- In-Store Promotions – (\$2,000,000)
 - The Sonic Measure will be sold out of large hardware stores with thousands of different products, so it is important to attract shoppers attention. In-store displays will not only be fully branded, but will also use video screens and video content to grab the attention of passers-by. The videos will be pulled from the content marketing page and will essentially be tutorials for the product. It is a new-to-the-world product so it requires introduction and instruction on its many uses. SM is allocating \$1000 per store promotion and will be present in 2000 Home Depots across the nation.



- Personal Selling
 - Guerrilla Demonstrations
 - Guerrilla marketing can be a great way to gain a lot of attention to a brand without spending large sums money when carried out successfully. Sonic Measure will utilize public relations by performing large scale demonstrations of our products in iconic, high traffic, buildings, such as the Grand Central Station in Chicago. The goal is to demonstrate the product and how it works to the public. PR can also be used by having people use the Sonic Measure and describe their experience using the product, which can then be picked up by various media sources. The goal is to do four demonstrations of this nature within the first year.
 - Trade Shows – (\$40,000)
 - Sonic Measure will also attend trade shows in order to further connect with our target market, and more importantly, show them how the product works. By interacting directly with our target we can engage them on a greater level than just advertising. They can hold the product in their hands, and test it out before buying. SM will target a couple trade shows throughout our first year. The first will be the International Builders Show in Las Vegas. It is the largest light construction building industry trade show in the US, and is the perfect opportunity to show off a new product that specializes in measurements for building. Another example of a trade show Sonic Measure will attend is the National Hardware Show, also located in Las Vegas. This event is similar to the previous trade show, except it targets more independent customers, rather than just contractors and businesses. Sonic Measure will buy a 10x10 display costing around \$20,000 per trade show.
- Publicity
 - Celebrity Endorsements
 - Another way to promote the Sonic Measure will be through endorsements by actors and home improvement experts on HGTV. Instead of paying for them directly Sonic Measure will give away free products to these individuals in an attempt to get them to use it on their show. The idea is that the Sonic Measure will make their jobs so much easier, that they will start using it on their shows as well.



- Press Releases

- Sonic Measure will send out a press release before every event or trade show that it participates in, and before any public demonstrations or installations of the product. This is an attempt to draw in the media and cover whatever it is we are doing. This will be especially important for drawing in the media to our guerrilla marketing efforts. This is SM best opportunity to make the most of its guerrilla marketing efforts.

- Social Media

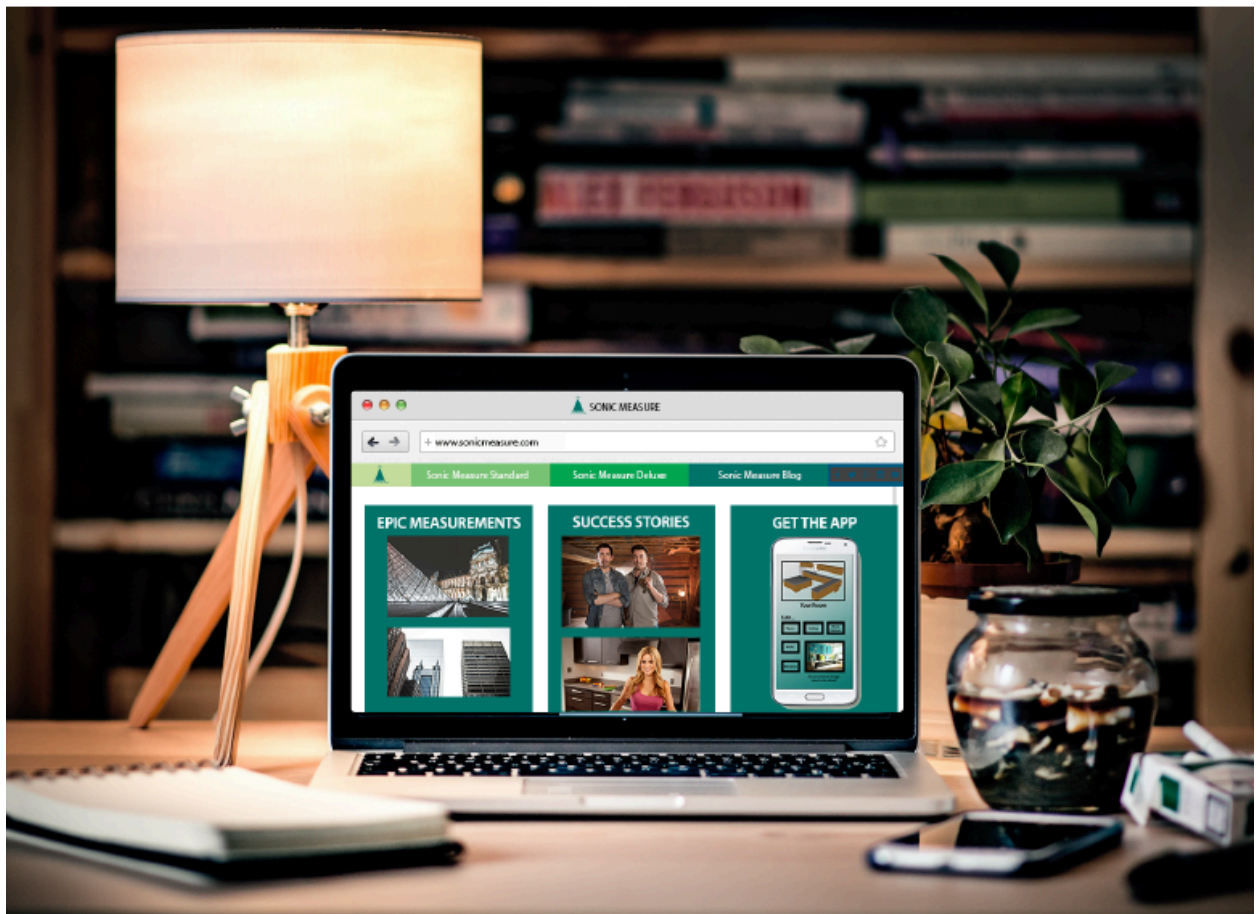
- Sonic Measure will be heavily utilizing social media efforts in order to continually engage our target market, and monitor customer sentiment. Social media is a cost effective way to reach your target market, and keep them happy. Not only can SM keep its customers up to date on demonstrations and promotions, but can also monitor Twitter and see what users are saying about the Sonic Measure. If they have an issue, we can engage them, and resolve it much faster than any other channel. Sonic Measure will focus on Facebook, Twitter, Google+, Youtube, Instagram,

and Snapchat. Facebook and Twitter will focus on keeping our audience informed and content, and Youtube, Instagram, and Snapchat will focus on visual promotions and demonstrations of the product and the events SM is attending.

- Website/Blog

- Sonic Measures website, www.sonicmeasure.com , will also be used to promote its brand and products. It serves as a source for further information and understanding for our target market. The website can also drive traffic to all our social media channels, as well as our content marketing blog. Sonic Measures content marketing blog will focus on showcasing how it can work for you. It will have videos, articles, and images showing all the ways and spaces Sonic Measure can be used. The content marketing page aims, first and foremost, to provide value and understanding to Sonic Measure's target market/audience.

- Mockup



- Direct Marketing
 - Database
 - Sonic Measure will collect its buyer's emails in a customer database, such as Batchbook CRM, and send them targeted monthly newsletters that will promote the product, sales promotions, and upcoming events. In order to obtain these emails, SM will utilize its paired app. Customers will be required to create an account when first using the app, this will include information such as their email address. SM will also collect a list of interested and potential customers at the trade shows we attend.
- Sales Promotions
 - Social Share Promotion
 - Share an image of yourself using the Sonic Measure on social media (Twitter, Instagram, Facebook) to win one of three prizes. First = free sonic measure, second = 5 free rooms scans with expert insight, third = 1 free room scan with expert insight. This promotion not only improves engagement through social media, but also allows customers a chance to check out our overall online presence.
 - Give It a Try Promotion
 - Try Sonic Measure out for yourself, if you rent it and like it, purchase it within three days you will receive 10% of the total price. This promotion plays off the fact that the Sonic Measure makes measuring so easy, there is no substitute. We are confident that consumers will be sold once they try the Sonic Measure for the first time.

E. Summary of Marketing Mix

Promoting Sonic Measure in home improvement stores is a great way to show the customer exactly what it does. The customer will see that Sonic Measure offers the most efficient way to measure a space in seconds, at the touch of a button. The Sonic Measure will measure a room more accurately than a tape measure ever could and at angles that would be very difficult or impossible to measure by hand. Highlighting the Sonic Measure in specified home improvement blogs and magazines is a great way to gain exposure. The more people that know about the product and where to rent or it, the more likely they are to use it. If popular home improvement personalities receive the product

8. Projected Profit and Loss Statement.

A. Year One Budget:

Revenue	Column2
Direct Standrad Total Revenue	\$ 1,778,362.56
Indirect Standard Purchase Total Revenue	\$ 1,481,968.80
Indirect Standard 4 hr rental Total Revenue	\$ 185,246.10
Indirect Standard full day rental Revenue	\$ 277,869.15
Direct Deluxe Online Revenue	\$ 987,979.20
Direct Deluxe tradeshow Revenue	\$ 329,326.40
Indirect Deluxe Revenue	\$ 4,380,041.12
In-App Revenue	\$ 329,326.40
Total Revenue Before Operating Expenses	\$ 9,750,119.73
op exp	Column2
Cost of Employees (8 account managers, 8 agents, & 6 interior design professionals)	\$ 1,540,000.00
4 Customer Service Representatives	\$ 160,000.00
website design	\$ 10,000.00
R&D	\$ 500,000.00
App development	\$ 125,000.00
marketing (15% of sales)	\$ 3,146,713.75
Total	\$ 5,481,713.75
Total Year 1 Profit	\$ 4,268,405.98

The total year one profit was created from 10% of the target market purchasing or renting a Sonic Measure, minus the costs of goods sold and operating costs. The total year one profit is \$4,579,732. This profit and loss statement was created in sections divided up by product and channel.

Sonic Measure Standard (60% of sales)	Direct (online)	indirect (retail purchase)	indirect (Retail rental 4hr 10% of price)	indirect (Retail rental full day 15% of price)
MSRP	\$160.00	\$175.00	\$17.50	\$ 26.25
Cost for retailer		\$130.00	\$13.00	\$ 19.50
Manufactuing Cost per unit	\$100.00	\$100.00	\$10.00	\$ 15.00
Percent of sales	30.00%	20%	25%	25%
Marginal revenue	\$60.00	\$30.00	\$3.00	\$ 4.50
Units per channel	29639.376	19759.584	24699.48	24699.48
Revenue per channel	\$4,742,300.16	\$3,457,927.20	\$432,240.90	\$ 648,361.35
COGS per channel	\$2,963,937.60	\$1,975,958.40	\$246,994.80	\$ 370,492.20
Profit (before expenses) per Channel	\$1,778,362.56	\$1,481,968.80	\$185,246.10	\$ 277,869.15

First we looked at the profit for the Sonic Measure Standard which is sold through the direct online channel, and indirect retail channel. In the indirect retail channel the Sonic measure can be bought or rented. All of these channels that the Sonic Measure Standard is sold through makes up 60% of total sales. Out of that 60%, 30% of sales is online, 20% is bought in stores, and 50% is rented from the store. The number of units sold that corresponds with the percentages is show in the table.

Target Market	1,646,632	est sales (10%)	164663.2
Sonic Measure Deluxe (40% of sales)	Direct (online)	Direct (tradeshow)	indirect (retail store)
MSRP	\$200.00	\$175.00	\$ 220.00
Cost for retailer			\$162.50
Manufactuing Cost per unit	\$125.00	\$125.00	\$125.00
Percent of sales	20.00%	10.00%	70.00%
Revenue per unit	\$75.00	\$50.00	\$37.50
Units per channel	13173.056	6586.528	46105.696
Revenue per channel	\$2,634,611.20	\$1,152,642.40	\$10,143,253.12
COGS per channel	\$1,646,632.00	\$823,316.00	\$5,763,212.00
Profit (before expenses) per Channel	\$987,979.20	\$329,326.40	\$4,380,041.12

Next we looked at the profit from the Sonic Measure Deluxe which is sold through the direct online channel, the direct trade show channel, and the indirect retail. The Sonic Measure Deluxe can not be rented, only purchased. The Sonic Measure Deluxe makes up 40% of total sales. Out of that 40%, 20% is online sales, 10% is trade show sales, and 70% is in store sales. The number of units sold that corresponds with the percentages is show in the table.

Marketing	Cost
Online Ads	\$ 20,000.00
Print Ads	\$ 270,000.00
Google Ad Words	\$ 150,000.00
In store Promotions	\$ 2,000,000.00
Tradeshows	\$ 40,000.00
Safety Net	\$ 666,713.75
Total	\$ 3,146,713.75

Last of all we looked at revenue from the in-app purchases. We predicted that 7% of the Sonic Measure Deluxe customers would purchase in app tool kits or professional opinions. The cost for developing the app is included in operating expenses.

op exp	Column2
Cost of Employees (8 account managers, 8 agents, & 6 interior design professionals)	\$ 1,540,000.00
4 Customer Service Representatives	\$ 160,000.00
website design	\$ 10,000.00
R&D	\$ 500,000.00
App development	\$ 125,000.00
marketing (15% of sales)	\$ 3,146,713.75
Total	\$ 5,481,713.75

Once all the profit less costs of goods sold was calculated we looked at the expense of the project. We would need eight account managers, eight sales agents, and six interior design professional, with an average salary of \$70,000. Sonic Measure would also hire 4 customer service representatives with the average salary of \$40,000. Sonic Measure, since it is a high tech product, needs to have a high quality website and app. We budgeted extra money in these expenses to ensure top quality online experience. Last of all we budgeted 15% of sales to marketing. Since it is a new to the world product the target market there needs to be a lot of advertising, public relations, and the target market needs to be educated on the product.

B. Itemized Marketing Budget

Marketing	Cost
Online Ads	\$ 20,000.00
Print Ads	\$ 270,000.00
Google Ad Words	\$ 150,000.00
In store Promotions	\$ 2,000,000.00
Tradeshows	\$ 40,000.00
Safety Net	\$ 666,713.75
Total	\$ 3,146,713.75

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- Guerrilla Demonstrations

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- Direct Marketing

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sonic measure, second = 5 free rooms scans with expert insight, third = 1 free room scan with expert insight. This promotion not only improves engagement through social media, but also allows customers a chance to check out our overall online presence.

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