Milestone 1

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Milestone One: Context, Need, Pricing

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Milestone One: Context, Need, Pricing

**Introduction**

For this paper, a prospective modern item for Samsung Mobile and Electronics will be examined. The article discusses the characterizing highlights of a product the company will offer and how the potential advanced product fits in Samsung's existing operations. Research is conducted on all the Samsung's items concerning their maintainability and focusing majorly on socioeconomics, customer purchasing inclinations, and the demand for the item (Chang, 2011). The study exhibits the investigation on costs, competitors, target market, the need, and pricing. The objective of the prospective item is to protect its users, detect the virus, and improve communication.

**Context**

**Defining Features**

Samsung Electronics and mobile Company is a Korean company that manufactures and electronic components and mobile devices. The company produces semiconductors, batteries, image sensors, displays, and camera modules. Also, Samsung is the world's largest producer of smartphones, television sets, and mobile phones (Chang, 2011). The company has ample resources to produce or invent a new device. Notably, they have an intense Research and Development team that can help design a machine given an idea. Also, their technology enhances them to come up with new products. Samsung has established itself as a brand company for quality. Their users regard the products as quality items compared to those of competitors such as techno and Nokia. Importantly, the word Samsung has the impression of quality to the clients. Hence, the mobile company is regarded as the top quality brand producer of smartphones. Accordingly, they can design a face shield smartphone with features to protect the face of a customer. The phone has specs that when activated, they shield your face from viruses. Also, other specs allow it to detect alcohol, temperature, and provide news.

**Mission and Brand Description**

The objective of my product is to serve people, especially health officers. The product aims to protect health officers in this pandemic period. The face shield cell phone has features that help detect a person's temperature. Besides, the cell phone can detect the alcohol level of a person. Identifying alcohol level helps reduce accidents, promotes efficiency at work, and helps improve relationships. Statistics show that drunkard drivers cause 80% of road accidents (Roma et al., 2019). Drunkard workers do not work efficiently and are likely to perform an egregious job while also missing to meet deadlines (Roma et al., 2019). Alcohol deteriorates several relationships, especially at workplaces. When an employee goes to work while drunk, they are unlikely to control themselves or can find themselves misbehaving hence affecting their relationships with colleagues or the management. Therefore, our device's detection of temperatures and alcohol levels will help a myriad of people. Thus, our core mission is to save lives and improve human interaction.

The device will be the only phone ever to perform these particular functions: detecting temperature, alcohol level, and proving smart news. Our partnership with Samsung helps the device be accepted readily in the market. Their mission also coincides with ours. Samsung's corporate mission is to allocate human resources and technology to build high-level products and services that accord to a better global society (Chang, 2011). As such, the product contributes to a better community with simplified means of communicating, detecting infection, and also measuring alcohol content a person has consumed.

**How the Idea Fits Into the Brand**

The concept of face shield smartphone fits with Samsung. Firstly, Samsung Electronics is a company suited to contributing to a better world. The products and services they help the world become better (Chang, 2011). Samsung's technology focuses on an efficient world with better communication. Secondly, Samsung can develop new ideas. They have a knowledgeable R&D team that strives to innovate. Thirdly, their goal is to conquer their competitors, such as Apple, who is their primary concern(Cusumano, 2010). As such, my concept offers them a chance to become the first company to develop a unique smartphone which every company's goal. The Idea affords them a chance to take a competitive advantage over Apple because they will be the first smartphone companies to develop a device that can measure temperature, detect alcohol level, and provide smart news. Besides, The company has all the resources needed to create the gadget. The cost will not be high to acquire since most of the funds required are readily available. Therefore, Samsung Electronics will not face challenges in creating the device; they only lack the Idea.

**Effectiveness**

Samsung has evolved in terms of innovation. They have an innovative strategy termed a fast follower that has proved successful (Cusumano, 2010). Their fast follower strategy proves useful to my product. I will adapt their innovation strategy to set standards for the competitors or come up with a better product immediately; the competitor releases a similar product. Therefore, their effectiveness influences my product as I will consider developing a better device when competitors adapt to my device. As the inventor of the commodity, I can add more specifications that other manufacturers cannot copy. Samsung's brand offers my product leverage to dominate the face shield smartphone. Also, the business culture of Samsung influences my Idea. The company has their institution, and only the CEO has the power to control the company, the culture pioneers at becoming a supplier before and going into business, they invest massively to limit competition and lastly, they invest in everything in various market types (Chang, 2011).

**Target Market**

Majorly, the cell phone targets all medical staff. Health officers are more exposed to the virus than any other profession, and more of technology is required to survive the pandemic. There is a need to safeguard them from the epidemic. According to medical research, 80% of infected medical officers acquire infections from patients (Tarcan et al., 2017). More measures need to be invested in protecting them from those infections. Shielding the face with this item will help lower their chance of contracting disease fro their patients. Also, it will reduce the chances of medical officers passing the virus to the patients. Besides, the detection of alcohol specifications targets all medical staff and other users. The specification can help a medical officer detect their alcohol content before performing a medical procedure. For instance, surgeries need critical care; hence zero alcohol content is required before a surgeon performs surgery (Chaloupka, Grossman & Saffer, 2002). Therefore, the detector will help medical officers measure their alcohol level before performing their duty, hence avoiding wrong decisions. Also, smart news specification enhances communication in the workplace. Doctors can receive news conveniently and also communicate with various departments in the organization.

Consequently, medical officers need technology that can help them contain various infections. They deal with different diseases every day. Also, they can come up with solutions to these diseases, especially outbreaks. For instance, medical officers need technology that may lead to a solution to Covid-19. Advanced technology may lead to the invention of measures to help cure, prevent, or treat the disease. The government and health organizations need to invest massively in technology.

Additionally, medical officers are distributed over every part of a country. However, in low-income countries, the distribution is sometimes unequal shows a shortage in developing countries. Medical officers are equally distributed to satisfy health issues in these countries. States that do not experience a shortage of medical staff imply that at least each patient gets the required medical attention at the time necessary. In such nations, a significant number of medical officers suggest that they cannot be accommodated in healthcare facilities; hence a great number goes home where they socialize with different people. Medical staff who socialize with people outside the hospital can transmit disease from patients to people outside.

Moreover, in places where medical officers are in shortage, they face lower chances of contracting infections from patients in the hospital. Notably, medical staffs need measures that can help reduce transmission of disease from hospitals to the outside world. Hence, they need the smartphone to help decline the extend of spreading infections. For instance, with face shield smartphones, they can measure their temperature to determine if they are infected with Covi-19 and hence make a healthy decision before socializing with friends and family, which can pose a danger.

**Demographics**

Demographical statistics reveal that the mean age of medical staff in the world is 40 years (Tarcan et al., 2017). There are a few doctors above the age of 60, which is approximately 20% of world medical staff. A study on Covid-19 shows that people above the age of 60 are more vulnerable to Covid-19 (WHO, 2020). They have lower chances of surviving the diseases; hence they should be protected from the virus. At 60 years of age, the body immunity weakens; thus fighting disease becomes a challenge. Therefore, the face cell phone will serve a vast population that includes all medical staff and the older generation above sixty years.

**Psychographic Characteristics**

Medical officers have unique spending habits, unusual buying habits, they value instinct things, and their hobbies differ from other professions. Since their job involves many hours of intensive work, they tend to like hobbies that provide live entertainment to make their brains shift their monotonous work (Tarcan et al., 2017). Music is one of their hobbies. The prospective product will entertain to help them turn their minds from work as they refresh. Indeed, medical officers like to spend on items or services that boost their health. As a result, the face shield smartphone will fit their spending habit. Besides, they value cellphones, especially smartphones that can help get information the needed. The smart news specifications allow them to acquire new knowledge with immediacy.

**Want or Need**

# **Analysis of Target Demographics**

Due to the high risk of acquiring Covid-19, medical officers want the means of protecting them. The virus spreads through contact and enters a person's' breathing system through the nose or the mouth (WHO, 2020). Therefore, medical officers want an item that can protect the virus from entering the nose and mouth. They need protection so that they can protect others too. The Idea meets their needs because the smartphone covers their face hence shielding the virus from entering the person's mouth or nose. With the face shield smartphone, the virus can not come into contact with your mouth or nose. Hence, the Idea satisfies their want and fulfill their needs.

**Defending the Choice**

In support of the chosen target, they are the best for the product because they deal with people's lives every day. Their core objective is to lives. As such, they offer essential services to the community. The lives of medical staff need to be protected. Protecting their health is mutual because when you protect a health officer, you protect the entire world. I support their lives because by so doing; I am protecting mine too. The world needs to set measures that can offer assurances to doctors. Providing the device one of the significant steps that can help assure doctors.

**Pricing and Cost**

One face shield cell phone will require 200 US Dollars to produce. $200 will be a variable cost price of a cell phone. The intention is to produce enough gadgets to satisfy all medical staff and health care facilities. The estimated number of medical officers globally is 800 million. Hence approximately 900 million devices will be produced. As such, the product needs $1,6 Billion in variable costs. Fixed costs for the production include rent and lease payments, utilities, insurance for the company, salaries, and payment of interests. These costs will remain constant because they do not interfere with the number of products manufactured. On the other hand, the variable cost of the smartphone will depend on the number of cell phone manufactured. The above-estimated cost fits our short and long-term goals because we can produce 800 million items, and the capital is available. Also, we plan to supply the entire market since we will create a monopoly in the market; hence our long term goal is to conquer the entire market. Therefore, the product will be supplied to clients globally and will lead to huge profits. More cell phones will lead to an increase in production costs. Table 1 below shows the cost categories for producing the product.

**Consumer Willingness and Competitor's Pricing**

The total average cost of producing a single smartphone is approximately $205. We predict that the consumers will be willing to buy the product at $350. If competitors produced a similar product, they would set a higher price. The possible competitor in this business is Apple. When Apple provides a new product, they set their rates higher than their competitors (Cusumano, 2010). Therefore, we predict them to have a higher price than us.

**Corporate Social Responsibility of the Idea**

Our targeted market will be willing to purchase our product since it relates to bettering the community. Subsequently, when launching the product, we will align our corporate social responsibilities that include a war against the pandemic. The product is ethic-oriented and aims to help medical staff protect themselves and protect the whole society. As such, they will be convinced to pursue the product.

**Pricing Strategy: Skimming**

The concept of face shield smartphones will lead to a significant competitive advantage. The business will operate alone in the market before other companies can start to produce similar items. As such, we will enter the trade with a comparatively higher seeking price to attain extreme revenues before other firms can start to produce the same smartphone or instead of alternatives for our product. In this case, we will set our first price at $350. When competitors such as Apple venture in the same business, we will adjust our price. Just before they can set their price, we will lower our costs gradually. Reducing the amount can help maintain our customers. Notably, we focus on satisfying our consumers. The price and quality of our prices must fulfill the needs of our clients. Besides, a satisfied customer becomes loyal to the product hence (Cusumano, 2010). Consequently, the pricing strategy employed will lead to the establishment of brand loyalty for the organization.

**Conclusion**

The Idea of producing a face shield smartphone offers an opportunity in the market. No other organization has ever produced such a product; hence our product will lead to a monopoly that will be utilized to establish a brand product. Besides, the product is significant as it helps protect medical staff during the pandemic and creates massive profits for the organization. There exists a considerable market for the product hence massive profits. Also, the effectiveness of the manufacture and availability of ready customers predicts the success of the product. The product fits the medical staff and essential workers. Consequently, they are willing to purchase the product. Moreover, the product is none of the measures to employ in the fight against Covid-19. Alternatively, the face shield smartphone offers communication and entertainment; hence it is a multipurpose product. Setting the price high ($350) before competitors enter the same business will help the organization obtain maximum revenues.

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Appendix

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| --- | --- | --- | --- | --- |
| Labor | Quantity (No. of items produced) | Variable Cost | Fixed Cost | Total Cost |
| 1 | 1 | $200 | $1000 | $1200 |
| 2 | 500 | $100,000 | $1000 | $101,000 |
| 3 | 1,000,000 | $200,000,000 | $1000 | $200,001,000 |
| 4 | 8,000,000 | $1.6 Billion | $1000 | $1,600,001,000 |

Table 1