

Emr innovation for rv's



**ASSIGN
BUSTER**

Raul Melendez RV EMR Innovations case 1. Succinctly describe the real product that EMR is attempting to market * Eric Reynolds and Mary Reynolds are a young couple that formed their love over RV's (recreational vehicles) into a profitable business. In 1995, the Reynolds opened an RV repair business out of their home and by 1999 the business was large enough to allow them to open their own shop in Amana, Iowa.

On 2002, Eric Reynolds came up with innovative products that helped or repaired RV deficiencies. They thought that one of their products, called the "Lock-Awn" antibillow device for RV patio Awnings, showed great potential for future investments. Thus EMR innovations were developed with the potential Lock-Awn product to market.

2. Prepare your best SWOT analysis of the year on this company

Internal | Strengths: | Weaknesses: |

- Most RVs suffered from design Flaws on patio awnings-Patio awnings are standard equipment on virtually all RV's
- More affordable prices compared to competitors
- Their products are better in appearance, ease of installation, and ease of operation than competitors
- Targets all segments that own RV's |
- Does not have a well formulated business or marketing plan
- High costs to produce, distribute, and promote their product
- EMR is just an idea and not formulated into any type of organization
- The owners did not attend college so they lack the necessary knowledge to develop, manufacture, and sell a new product
- No marketing nor promotion strategies developed.
- Most people solve the patio awning problem themselves |

External| Opportunities: | Threats: |

- Sell their product as a mail order product
- Attract individual dealers from the workcampers group
- Use an established distributor that already sold RV accessories, such as Camping World (largest RV after-market retailer)-

Promote product in the networking groups and forums for the RVs -Provide the product to the customers in the owner's RV repair Business | -Would require a good website which are very costly and little knowledge is known of this by the owners -They would have to sell the product cheaper than the regular price and the they could badly install the product giving EMR a bad reputation. -EMR needs a strong sales record to do business with Camping World, which they do not have. -Could not develop enough awareness in regards to the cost of the promotion in these areas -Customers might not want the product added to the service | 3. Evaluate the Pros and Cons of the distribution methods that are available to the company Distribution methods available for EMR's Lock-Awn product| Methods| Pros | Cons|) Sell the Lock-Awn as a mail-order product | - Passes the shipping cost on to the buyer | - Requires a good website and knowledge about how to get the website highly ranked on search engines, something that the owner do not posses - Design and hosting cost for the website are very pricy (\$2000-3, 000)| 2) Attract individual dealers from the workampers group | -70, 000 members, live full time in their RVs and look for business opportunities they could conduct from their RVs | -Would have to discount 25 percent off the retail price of the product | 3) established distributor that already sold RV accessories, such as Camping World. | -Camping World was the largest RV after market retailer in the US| -EMR needs a strong sales record, which they do not have, in order for Camping World to distribute their product| 4. Evaluate the Pros and Cons of the various Marketing tactics that Mary is considering- in detail (will each hit their target market? What kind of real impact can they expect from each, cost/benefit, etc.). Marketing Tactics: Pros and cons / will hit target market? And real impact A) Advertise in popular RV magazines: a. Pros: hits their

target market directly (motor homes/trailer life) with a 1. million circulation of people who read the magazine b. Cons: A 1/3 page inserted 3 times costs \$25, 000. Now this pricy but since the target market is very high the awareness to the customers will pay off. c. This will raise awareness directly to the target market and since almost all RV owners are constantly looking for renovation/innovation for their RV then it should be a product that will attract readers. B) Advertise on RV-related websites: d. Pros: links to other websites (such as a EMR website). Ads on their sites for minimal or no costs e. Cons: might not aware potential market enough to develop this conjunction with other websites f.

This strategy targets the potential market for RV's and will benefit the product because customers would have a image of how it works and looks. Costs are minimal so this strategy is very beneficial for a new product such as Lock-Awn. C) Develop promotional brochures: g. Pros: details the awning billowing problem and the benefits of the product. Available to dealers and RV parts distributors throughout the country. h. Cons: for 10, 000 brochures the cost is \$1, 500, this might me a little to pricy i. The target market will be hit directly and the costs will not be a problem because the product will benefit immensely do to the fact that it is giving an over view of the product and what it does. D) Promote and demonstrate the Lock-Awn at RV shows: j. Pros: attract RV enthusiasts, every state has a virtual show each year k. Cons: again price could be viewed as pricy l. It is well targeting the potential market nationally and the costs might be pricy but the potential benefit from the feedback of customers would be greater. E) Ask RV trade publications to evaluate and feature the Lock-Awn in new product spotlight columns: m.

Pros: features the product in new product spotlight columns n. Cons: might not be evaluated properly and hurt the product o. The potential market will be targeted but the benefit from doing this will vary by the evaluation. Yet, EMR are convinced that their product is top of the line.

F) Generate discussions about the lock-Awn in RV chat Rooms: p. Pros: the product will be showed to many potential RV owners and their will be interaction between customer and product owners q. Cons: there really is no threat with developing chat rooms with RV owners r. The benefit is good because no additional cost is being spent on this strategy. G) Use the networking systems of RV clubs to spread information about the Lock-Awn device: s. Pros: could cause awareness in the Rv clubs about the product t. Cons: clubs might not believe in the product u. The benefit would be great if the club members find the product a good one to purchase. 5.

Using the information in the case—and your knowledge gained during this semester, prepare a detailed, yet succinct, recommendation to Mary about the best method(s) of distributing their new product; and the optimum marketing tactics to employ in support of the launch. (this can include not only the possibilities they have raised, but your own expert marketing suggestions as well). Owners of EMR innovations, after analyzing your overview analysis on how to distribute and market your product; we at EP(executive panel) have come up with what we think are the best possible methods for your organization to distribute and market the Lock-Awn product. First of we believe that the best possible way to start distributing your product is joining business with the individual dealers from the Workampers Group.

We believe that this is the best possible method to use due to the fact that your organization is starting with no initial marketing/promotion. This strategy sets out a group of individuals who are and target the same potential market the product is on. Also this facilitates the cost of hiring initial sellers for your product. Since there is no accurate awareness that the product will attract a high level of customers this strategy will be the safest to invest on. With that said there are 70, 000 members in the workampers group making them a large number to potentially joint business. This strategy is surely to succeed due to the deficiency in preventing billowing in most of the RVs.

Now you must be aware that you will have to deduct 25 percent of the retail price when dealing with the workkampers, but if sales become a large number the deduction will not become a problem. EMR must act fast because a potential threat in any decision that is made is the fact that RV manufacturers could fix the billowing problem and a big chunk of potential market might be lost. With that said we belief that the appropriate and cost efficient marketing strategies to be used are developing the brochures, generate discussion about the Lock-Awn in RV chat rooms, and word of mouth. We thought that developing brochures should be the only costly strategy to use because it is a good way to market the target with the information it provides.

The brochures provide information on the frequent problem of RV, which will aware potential customers about the problem, and it has a visual and written description about how the product looks and works. The brochures could be given to the Workampers for them to promote the product in a more efficient

way. As for the discussions and word of mouth we felt these would be quite effective do to the fact that as owners of EMR you have worked and know many RV owners. Just giving discussions and saying to friends about the product will be sufficient with the initial marketing of the product. If the product becomes successful then we can consider other, more costly, strategies to market and distribute the product.