

Clocky case

Business



Summary Gauri Nada is an entrepreneur and her invention Clocky which as new generations of alarms which she considers to be the solution for the problem of waking-up in the morning. Nada's product has reached the media and it have created buzz in the market. it has a coverage that many of the available products in the market can't have it in such a free way. Consumers in the market are highly excited for this product and they also consider that it will fulfill their need regarding the issue of smooth waking in the morning and it will help to decrease the rate of being late to school of jobs. This coverage stressed pressure on Nada who is now on many crossroads regarding the production and the introduction of the Clocky in the market of the United States. Nada have studied each item carefully but she hasn't reached her decision yet since she considers that her product needs more time to reach the market.

Another issue to consider is that is she benefiting from the interest og the media in her product or this will have negative effects on the products and its chances in the market. IntroductionGauri Nada has created a product which she considers that it will be the solution to the people who find hard time to leave bed in the morning. She named the product Clocky. The innovative concept of Clocky has drawn the media attention to it, and the Buzz is created, and Clocky is considered to be a star at different media vehicles. This media attention put Nada under pressure, since its product is not prepared yet for mass production.

It is still considered as a concept product. Nada have to take many decisions regarding the production and the marketing strategies. These decisions have to be made wisely to insure the success of the product in the market. Each

item of the strategy have be calculated well and its advantages and disadvantages have to be known for Nada which consider this product to be part of her, especially that she have invested a lot of money and time and effort in order to bring Clocky to life. Nada ' s major fear is that Clocky might become a fad and it will be forgot in a short period of time, for this reason she is hesitant about the idea of introducing it to the market Product Analysis Nada is considered to be an enteurpreneur and those people have innovative ideas that they introduce to the market and they can generate success through them At the beginning Clocky was designed by Nada as a project for her electronic course. The idea is generated from its own experience; she herself is one of those people who find waking up in the morning as a difficult task.

Nada considered that alarms which already available in the market are not the solution for such a problem and they are not fulfilling the need of the consumers especially of the introduction of the snooze button. Clocky is an alarm that runs away through the room to make people who are sleeping move up from bed to turn it off, and this will prevent the person from getting back to bed, since Clocky do it in a way that is considered cute to the people who have already viewed Clocky. In 2005 Clocky became public when its images were spread through websites such as [www. slashdot. com](http://www.slashdot.com) and [www. gizmodo. com](http://www.gizmodo.com). This pushed Nada to stop working on her thesis, and planned to continue working on Clocky . Nada's plan is to create a product that is warm and friendly, but it is able to wake people up in a nice way. Nada says:" Clocky is like you're hungry pet. He's going to wake you up and get you out of bed and he's cute.

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" She decided for Clocky to be a male cause she felt so. Clocky do not look like a typical alarm. People considered that it has an alien look; others considered that it holds a cute factor. These comments pushed Nada to create a design that would appeal to wide audience, and that will be accepted by a huge segment of the market. Clocky doesn't have a snooze button like most of other available alarm clocks. Neuroscientists who study sleep discovered that the continuous use of the snooze button could affect the productivity of the person and it might decrease his or her IQ level.

Most of the population in the United States face sleep deficiencies, and this is the main for the wake up difficulties. With Clocky people will be able to save themselves from the direct effects of the snooze button. It will force them to leave the bed to turn the alarm off, and it will be a great solution for the wake up difficulties. Moreover Clocky will help to change the wake up process from annoying thing to a fun task which will improve the mood of people at morning and will increase their enthusiasm and energy levels. If Clocky is hugely accepted by the market as the solution for their wake up difficulties it will have a huge success and it will generate great revenues for its creator. Industry Analysis: Alarm clocks have been a need for people since long time, the first trail for trial for an alarm clock was on 1810 and it was designed for France's Napoleon Bonaparte.

In 1877 and in 1910 here have another trial for alarm clocks. In 1928 the first clock radio was introduces to the market and since General Electric-Telechron introduced the snooze button which have been adopted widely in the market , there have been no new innovations added o the alarm clocks industry. The snooze button was so successful that it has highly

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uttered the wake -up process. Nada's Clocky has the chance to fulfill this gap in the alarm's clocks industry. The American clock market is considered to be huge market, where over \$ 7 billion are spent by consumers, and this expenditure is showing a growth trend. Moreover the studies show that the portion spent on alarm clocks is not decreasing even when the overall clock industry is moving down.

This is an important sign for Nada that Clocky can generate high revenues, and this part of the industry is suitable one for an entrepreneur to invest in. In the market there have been many products that might be considered as competitors for Clocky. Of them there is the SleepSmart that is introduced by Axon Laboratories, they considered it as an intelligent solution to groggy mornings and the one will help the consumer to wake up in the most optimal stage. SleepSmart has a limited target segment especially that it has an estimated price between \$200 and \$300. Another product which is considered to an innovation in the alarm clocks industry which is the Puzzle Alarm Clock. When this alarm rings the customer have to set up a four parts puzzle in order to stop it.

It is priced about \$50 and it services a segment similar to the segment that Clocky will be targeting. Although Clocky is expected to have lower price and it has been able to grab the attention of the consumer more than those products that are already available in the market. Alarm clock industry is a part of the clock industry in which an investment seems to be profitable, and the reality that there are no available substitutes in the market is considered to be a huge opportunity for Nada's Clocky to succeed in the market.

Moreover the wide attention Clocky have in the media will improve the

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image of Clocky , and will bring awareness to it. Problem Analysis: All of these conditions have put Nada under great pressure. Although its product is considered to be a successful one, it is not yet available in the market.

Nada is facing a dilemma regarding Clocky. Nada have to decide on the mode of production and the marketing strategy and the distribution strategy. All of these elements have to be studied carefully by Nada in order to insure the success of the product in the market and to make sure that Clocky will survive for a long time in the market where it will be considered the new trend in the alarm clocks and not just a fad that will disappear after a while. Nada have borrowed a sum of money in order to bring Clocky to life, and have invested a period of her life in it. For those reasons she is totally worried about deciding the future of Clocky, and sometimes she believes that she have to drop the project.

Evaluation of alternatives: Nada have to decide on the best choice that fits its product before launching it to the market. There are three dimensions to be considered: Production , Distribution , and Marketing in addition to the Price issue. As for production Nada are facing 2 choices wither to partner with an American based company or an overseas company. The best choice for Nada is to choose an American based company to partner with in order to produce Clocky in mass quantities to fulfill the needs of the market.

Partnering with an American based company will protect its product from being imitated and it can have the power of the patent, where in an overseas company the idea can be imitated and distributed through the world.

Moreover if Clocky is produced in the United States Nada will have more power and control over the production process while with an overseas

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company there will be lack of power and lack of communication which will lead to negative consequences for the product and might harm its image in the market.

As for the cost side an overseas company may produce the product in lower cost but if we add to them the cost of shipping and warehousing and packaging, in addition to the added cost of the wasted merchandise. It will be equal to the cost of production with an American based firm. Thus Clocky has to be produced in the United States especially it is the place where it is first identified and created media buzz. American firms will better understand the needs of Nada and the needs of the consumers and thus will be better able to provide a product that will satisfy those needs. After Nada decides on the means of the mass production, she will be considering the way that she will use to distribute the product to the market. Nada is lost between two choices, whether to distribute Clocky in an upscale electronic venues or she should consider selling through smaller stores.

Nada should consider partnership with a large retail network such as Target, since this partnership will enable her to get a letter of credit. She could use this letter of credit as a starting point for the production process. We should remember that Nada is not a business woman and she lacks the capital needed for starting its business, so this letter of credit will provide a strong help for Nada in order to start the mass production of Clocky. Moreover the media attention towards Clocky and increase demand of prospects forces Nada to start the production process as soon as possible. Although each of the products will decrease the power of Nada over her product, Nada should never consider to take the production and distribution and marketing

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process on her own because she lacks the resources and the experience needed to fulfill the job .

As for the marketing strategy there are many items Nada have to consider in order to take the most suitable decisions that will serve her product. First of all Clocky fulfills the need of huge segment of the market , it will help a lot of people to beat up the issue of the difficult wake-up in mornings and it will provide them a new and innovative product . Nada says that this idea of Clocky is inspired from the stories of people who suffer from this problem. However Nada is facing the issue of the positioning of Clocky. Should Clocky be positioned as a fun item or should it be positioned as a practical item that solves the problems of waking -up in the morning Clocky have to be positioned as a practical item that have important benefits for the consumers. It will be introduced to the market as a solution that will make their morning experience a better one, since it is the reason for the existence of such a product.

Moreover this decision will protect Clocky from falling into the Fad category, and it will force Nada and the producers to introduce more improvement to the product and will insure a longer product life cycle in the market. The positioning of Clocky as a fun item will absolutely move it toward the Fad category. It will be enjoyed by the market as soon as it is introduced and it will be able to generate huge revenues, but the market will forget it in the same speed it is raised to the top rankings. Fun items are considered to be short living items and people will forget the main reason for the existence of Clocky in the American market. Although Clocky is still considered to be a

prototype but it has a level of awareness most of the available products in the market don't have.

This level of awareness is a two sided blade. It creates huge advantages for the product and it opens the door for a lot of opportunities, but at the same time it has a lot of disadvantages. It increases the level of expectations for the consumers who are waiting to put their hand on the real product. So Nada have to consider each step and each decision carefully in order not to harm the image and the position Clocky has already in the market. Moreover Nada should consider the production of Clocky in a time period less than the one year she is thinking of to prevent the existence of similar products. Such product could take a part of the market share that is supposed to be for Clocky.