

| <p>Questions: Answer the questions below by typing or selecting your answer in the white cells in the column called "Your Answers." [Please click me for a video explanation of why there are underscores " " between words at the beginning of many cells]</p> | <p>Sample Answers: Below are the sample answers for "Tony Shark's" pretend company called "Shark Virtual Reality"</p> | <p>Your Answers Please type or select the answers below. [Don't worry if you can't answer all of the questions yet as you will be able to later in the course. You can always change your answers later on in the course as well. Thanks]</p> |
|--|---|--|
| <p>5-1</p> <p>Detailed_product_or_service_description: In Step 1 you wrote what your product or service is in 15 words or less. Here is what you wrote:</p> <p>Please write a more detailed 1-3 paragraph description of your product or service, including the value proposition to your customers.</p> | <p>Here is what Tony Shark wrote for the description of his company in 10 words or less: Virtual reality software that puts you in movies and video games</p> <p>Here is his 2-3 sentence description in more detail:</p> <p>Shark Virtual Reality® has created a patent pending breakthrough product called the Shark Virtual Reality Platform® that allows movie and video games lovers to experience what it feels like to be in movies and video games! Customers purchase the Share Virtual Reality Goggles® and they pay a monthly subscription fee in order to bring the movies into their living rooms (pricing details are provided below). Current customers include The Walt Disney Company and DreamWorks Animation.</p> <p>We are selling the product at our precise manufacturing cost of \$99. There is no cost to encode all movie and gaming content to work with our goggles. Our patented encoding process will upscale all content from 720 or higher resolution to literally have the appearance of 8k video resolution in an astoundingly clear 3 dimensional immersive virtual environment!</p> <p>Unlike other virtual or augmented reality companies, instead of requiring a separate hand held controller, Shark customers simply wave their hands in the air in order to control the content that they are experiencing. We believe that we are light years ahead of the competition and that our product offering could result in</p> | |
| <p>5-2</p> <p>[Optional] Scalable: Is your business model scalable? If so, comment on how it is scalable. [If applicable: Is your product or service a platform; if so, what else can run on your platform in the long-run?</p> | <p>Our company's business model is very scalable. We own the platform (similar to the road), so we can charge customers (similar to cars or toll booths) a monthly subscription fee. The business model is very scalable; we can upsell same-day releases to customers at a high pricing point as well as live sporting events. We can cross-sell television programming content and even video games.</p> <p>In the future, we plan on partnering with Autodesk or Dassault Systems in order to create a software development kit (SDK) to allow students and engineers to create content for our goggles. We also plan on partnering with healthcare providers in order to assist with future remote based surgical operations procedures. We will never license our product to any company or government agency that intends on using our product for military purposes.</p> | |
| <p>5-3</p> <p>[Optional] Quality_Control: How do you ensure that your product or service is produced and delivered with high quality to the extent that the customer experience is superb (especially when compared to the competition)? You can comment on the packaging in the next question after this one.</p> | <p>Our quality control process is superb as we test each pair of our Shark Virtual Reality Goggles 3 times post manufacturing. In addition, content that we deliver to customers over our Shark Virtual Reality Platform is upscaled to 4K quality (if available and if the broadband connection is high speed) and downscaled to 720 resolution (if the broadband connection is not high speed).</p> | |

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| <p>5-4 [Optional] Packaging: If applicable, comment on the packaging of the product/service.</p> | <p>The unboxing of our Shark Virtual Reality Goggles is a minimalist process, where the consumer pulls a black string with a small gold colored ring; once the string has been pulled at the top of the box, the 4 sides of the box slowly open. The process is low cost as gravity allows the 4 sides of the box to slowly unfold. In addition, we licensed Hallmark's greeting cards' sound chip to play our short soothing jingle sound along with Morgan Freeman saying these words 'Welcome to the future of entertainment; I will see you in the movies.'</p> <p>Please see the financial section of this document for details on the cost of packaging, the license royalty paid to Hallmark and the cost of hiring Morgan Freeman for his recorded catch phrase.</p> | |
| <p>5-5 [Optional] Production: If applicable, comment on the production of your product and how you plan on dealing with potential inventory issues.</p> | <p>In order to ensure that we do not have material inventory issues, each Shark Virtual Reality Goggle is created by a contract manufacturing company called FoxNotACon, Inc. once the consumer places the order. The product is then produced and delivered to customers in 1-2 weeks. In the future, we plan on allowing customers to customize the product with their own colors and higher priced options similar to what Scuf Gaming does for customized video game controls.</p> <p>Please see www.ScufGaming.com for an example of customized production.</p> | |
| <p>5-6 Current_Price_Strategy: Discuss the pricing strategy of your product (the next question deals with cross-selling and upselling pricing details, if applicable). Consider using a "charm pricing strategy," meaning \$9.99 or \$99, or \$999. We will cover the cost of production in the financials section in Step 11,</p> | <p>Customers purchase the Share Virtual Reality Goggles® for \$99 plus a \$9.99 monthly subscription fee, which provides consumers with one movie per month (each additional movies cost \$8.99 per month). Customers have the option to pay annual subscription fee at a lower price of \$99.</p> | |
| <p>5-7 [Optional] Future_Price_Strategy: Discuss current or future cross-selling and upselling pricing details, if applicable.</p> | <p>In the future, we plan on upselling live streaming content for \$19.99+ prices for sporting events, concerts, extreme sports experiences, etc. We also plan on cross-selling television content for \$4.99 per episode and video games at a \$99 price point.</p> | |
| <p>5-8 [Optional] Bundle_Price_Strategy: If applicable, comment on bundle product sales as a strategy, try to buy as a strategy and other pricing strategies.</p> | <p>We are currently in late stage discussions with Samsung on potentially bundling our product with ultra high end Samsung televisions.</p> | |
| <p>5-9 [Optional] Volume_Discounts: If applicable, comment on volume discounts.</p> | <p>We provide educational discounts of \$20 for our goggles if educational institutions purchase lots of 100+ units.</p> | |
| <p>5-10 [Optional] Financing: Do you have a financing option when selling your products?</p> | <p>We plan on offering financing options for the goggles. We are currently discussing this strategy with the 3 largest financing companies.</p> | |
| <p>5-11 [Optional] Premium_or_premium_strategy: Do you offer a premium or freemium version of your product?</p> | <p>We are currently in late stage discussions with Bose about creating an ultra high end \$999 version of our product with future acoustic capabilities. We are not sure though about this strategy as it is unclear if this will jeopardize our ability to eventually sell our product through the Apple store.</p> | |
| <p>5-12 [Optional] Input_prices: If you are producing your product, comment on your thoughts on input price spikes (i.e., if commodity prices rise).</p> | <p>Part of our patent pending production process involves several commodity inputs, including copper and other materials. We have a hedging strategy in place in case the price of our inputs spike.</p> | |

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| 5-13 | <p>Distribution_strategy: Discuss how and who is selling your product to your customers. Don't spend too much time answering the more complex nature of your distribution strategy (if applicable) as we can elaborate on this in the Go-to Market Strategy questions in Step 8.</p> | <p>The Shark Virtual Reality Goggles are currently sold on Amazon. We plan on also selling the goggles on our website and through Best Buy's retail stores. We are optimistic that The Walt Disney Company will help us sell our products through the Apple Store in the future.</p> <p>Our media content is sold online through our monthly subscription service; customers attach our goggle product to their Windows or Mac computers using the USB cable that ships with the goggles. Once the goggles are attached to the customer's computer, the goggle's battery is charged. The goggles are also registered to our customer when attached to their computer for the first time (we ask for the customer's email address so we can upsell or cross sell future content). The customer also enters in their credit card number once the goggles are attached to their computer, then they can download movie content once we have confirmed that the payment has been processed.</p> | |
| 5-14 | <p>[Optional] Return_policy: What is your return policy?</p> | <p>We offer a 15 day 100% refund policy to our Amazon Prime customers and a 20% restocking fee charged to other customers of our goggles product.</p> | |