

CASE STUDY: New Channel Assessment

Company Overview

Music Company is a publicly traded world leader in music technology. Its products serve music educators and music makers worldwide.

The Challenge

Music Company primarily distributes its products through the education channel. The management team identified entering the consumer channel as its top “game changer” idea. The company wanted to understand the investment requirement to enter the consumer channel and quantify the resultant market opportunity. The Savvy team was hired just eight weeks prior to the client’s annual strategy meeting, where the board would decide the company’s strategic direction.

Savvy Solution

The approach to addressing the challenge was broken into two parts: a Discovery Phase and an Assessment Phase.

In the Deep Dive and Discovery, Savvy conducted research studies of parents and students, including users and non-users of Music Company’s product. The first research milestone involved qualitative groups in two key geographic markets. Analysis of those interviews provided details for the second research milestone, a quantitative online survey conducted with a national panel that fit within targeted demographics/psychographics. The goal of the survey design was to understand (1) reaction to product concept and purchase intent among those with various levels of familiarity, (2) likely sources of awareness, (3) pricing sensitivities/options, and (4) opportunities for product improvement.

Both top-down and bottom-up approaches utilizing results from the primary research along with secondary market research were used to size the consumer market opportunity and develop the overall budget, introductory plan, and ongoing requirements for marketing programs. Savvy investigated similar products in adjacent industries to help determine estimated market size. In addition, Savvy’s research included analysis of a subscription-based pricing plan versus a traditional retail pricing plan.

Results

Savvy presented the results of the market research along with a detailed consumer business and launch plan at the music company’s annual board strategy meeting. The plan identified the top three key issues in launching in the consumer channel, consumer market sizing, the investment required, and the risk involved. In addition, a marketing plan required for success in the consumer channel and corresponding 5 year revenue projections were included. Upon presentation of the findings, the Music Company had the tools necessary to make an informed decision on the strategic direction of its company.

Quick Facts

- Publicly traded music technology company interested in understanding the market potential and investment required for its top “game changer” idea
- Savvy conducted secondary market analysis and primary research: qualitative focus groups and quantitative national research to size market opportunity
- Savvy presented the research findings and consumer launch plan at client’s annual board strategy meeting