

## **Five-Year Marketing Plan Sleep Secretary**

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### **I. Executive Summary**

Sleep Secretary is an innovative application designed to help students juggle their social lives, school schedule plus work load, and health by focusing on balancing quantities of sleep throughout the week that allows college students to perform at whatever mental level is required.

### **II. Company Description**

Sleep Secretary LLC. was started in 2019 by Riley Ann W. to develop and market the Sleep Secretary application and subsequent products, a new-to-market phone application that utilizes facial recognition software and an Artificial Intelligence that learns the consumers facial changes, programmed with standard facial features and their changes that would indicate sleep deprivation. Sleep Secretary LLC. introduces a mirror with a digital interface and built in camera within three years of starting.

As far as the Company is Aware, Sleep Secretary is the only application that successfully calculates how much sleep is needed and when to wake up based off each individual's lifestyle. The previously unidentified need for such a tool in the college community caused the application to spread greatly through word-of-mouth after initial social media campaigns.

Sleep Secretary LLC. is confident that this technology can benefit those outside of the college demographic over time with Research & Development. This marketing plan overviews how the Company will have a cumulative net ROI before taxes of 100% by the end of the fifth year.

### **III. Strategic Focus and Plan**

The Strategic Focus and Plan section covers the mission, goals, and core competence and sustainable competitive advantage of Sleep Secretary. These aspects of corporate strategy influence the marketing plan.

#### **Mission**

The mission of Sleep Secretary is to provide a product that accurately assists consumers with determining the minimum viable sleep they can get in a night to still function at the required time the next day. Sleep Secretary will have accessibility for different levels and use cases of consumers over time, allowing for reasonable returns and research and development opportunities.

#### **Goals**

In the next five years Sleep Secretary aims to achieve these goals:

- Nonfinancial goals
  1. To develop an AI that uses facial changes and features to determine how much sleep is needed to function at a certain, consumer determined, level the next day.
  2. To initially enter the American market with a phone application targeting students in college.
  3. To develop a mirror and camera digital interface as an ideal supplement to the phone application.
  4. To branch out into markets outside of the college demographic.
  5. To be the first phone application to market that analyzes sleep needs using facial recognition features, as well as manual health data input by the consumer.
  6. To be a recommended application and product by consumer reports.
- Financial goals
  1. To achieve a cumulative net ROI before taxes of 100% by the end of year five.
  2. To sustain AI and mirror interface development using phone application sales.

#### **Core Competence and Sustainable Competitive Advantage**

For core competency, Sleep Secretary aims to provide a new-to-market application and AI that will serve society efficiently and release improved additional products that cater to multiple markets aside from the initial college student demographic, including the beauty and make-up community. Sleep Secretary wants to guarantee accurate data for the consumer technologically and remedy issues with products within service level agreements.

#### IV. Situation Analysis

This situation analysis starts with an overview of the current environment around Sleep Secretary by providing a brief SWOT (strengths, weakness, opportunities, threats) analysis. After this overview, the analysis provides detail on Industry Analysis, Competitor Analysis, Company Analysis, and Customer Analysis.

#### **SWOT Analysis**

Figure 1 shows the internal and external factors affecting market opportunities for Sleep Secretary. This SWOT analysis highlights how the company anticipates the next five years to go in terms of risks associated, as well as strengths/opportunities that may be used as leverage. In favor of the Company is the technical skills already available to the founder, along with basic marketing strategy knowledge and extensive paid advertisement campaigns executed. Distribution and manufacturing is not an initial concern, leaving room to address other issues. Favorable external factors are the high amounts of new individuals joining the target market every year, along with current minimal federal standards surrounding technology.

Figure 1

<b>Internal Factor</b>	<b>Strengths</b>	<b>Weakness</b>
Management	Some corporate and marketing experience in management.	Small management team can damper creativity.
Offerings	New-to-market applications and products.	Some offerings may never be as developed as intended or abandoned.
Marketing	Word-of-mouth nature of college campuses may reduce marketing budget.	If anticipated word-of-mouth marketing is not met, more budget may be allocated towards paid campaigns.
Personnel	Small workforce, little turnover, no turmoil.	May lack some required skills, or it may be faster to outsource some skills.
Finance	Initial sales within acceptable margins.	Working with a fixed sum to earn enough to continue growth.
Manufacturing	Not initially required for first application/product.	By Year Three a manufacturer will need to be acquired.
R&D	Constant improvement of application and resolution of consumer issues.	New technology will be using R&D funds that is not currently providing profit.
<b>External Factor</b>	<b>Opportunities</b>	<b>Threats</b>
Consumer/Social	Large market, four-five year turn-over of target market allowing continuous sales.	A paid application may not immediately appeal to the target market.
Competitive	Unique name that describes function, lack of shipping, new	Phone application relies on quality of consumer camera, unlike other

	combination of technological features and function	sleep applications that do not use facial features.
Technological	Brand new combination of inherent phone features and sleep analysis.	Relies on the consistency and quality of a device provided by another company for service.
Economics	Consumer income is moderate/varies, but sleep and time is more important to consumer.	
Legal/Regulatory	Standards for information storage and security give Sleep Secretary the opportunity to not lose information trust.	If there is a technological breach, the company may need to rebrand.

Most threats are negligible and avoidable, but the main weakness of Sleep Secretary is the size of the starting team and the team members' skillsets compared to established phone applications outside of the problem that Sleep Secretary solves. The small team has no initial impact but may put the company behind future copy-cat applications in new functions and features. The greatest opportunity is the turn-over within the target demographic, college students. New students enroll every year, ensuring new possible consumers.

### **Industry Analysis**

The sleep industry is estimated to reach \$101.9 Billion by 2023. Most of the industry is occupied by mattress sales, given the high cost of a large product. Other industry products consist of alarm clocks, pillows, and bedding. The industry is not expected to be fully dominated by Sleep Secretary, but rather incorporated and eventually advocated for by those selling different products. Various levels of quality are already available for products within the sleep industry and are not viable options for Research and Development.

### **Competitor Analysis**

Most products already on the market that may impact Sleep Secretary's sales are based exclusively on the idea that interrupting REM sleep is the worst sleep offense that can be committed and adjust only for that. A lot of these applications are free to download, but are usually left at the wayside in favor of using the built in phone alarm that is accessible for the main screen of a phone. There are not many direct competitors, but similar technologies like "Naked" that scan the consumer to provide data. Naked is targeted towards fitness tracking, however.

### **Company Analysis**

Sleep Secretary LLC.'s CEO Riley Ann W. has three years of experience working in the technological sector, with social media experience and research done independently. She pioneered the idea behind Sleep Secretary.

Currently, Sleep Secretary's application competes for high-lighted spots in phone app stores to gain more traction within the college demographic, but it's acknowledged that other demographics may be reached and the target demographic re-evaluated. The application is a stand-alone product, but the concept leaves room for improvement.

## **Customer Analysis**

Customers are expected to be working part or full time while also attending a college or university, therefore coming from many different levels of social stratifications and varying backgrounds. There is no individual race, gender, or income level that Sleep Secretary will target as many types of people attend higher education. Income is expected to be moderate, and from the younger group of people that the sleep industry considers. Since the application is on a previously owned device, this makes it financially acceptable

## **V. Product Market Focus**

This section describes the five-year Marketing and Product Objectives for Sleep Secretary, as well as the Target Markets, Points of Difference, and Positioning.

### **Marketing and Product Objectives**

Sleep Secretary's marketing goal is to maximize the opportunity provided by being a college student concern that has yet to be successfully remedied or addressed without a bandaid approach, while developing physical products using the initial developed technology that appeal to other available markets. These are detailed below:

- Current product. The current product, the phone application, will be widely used nationally in college campuses to ensure proper sleep habits by the end of year five. This will likely cause copy-cat applications to enter the market.
- Current markets. Current markets, within college campuses, will be grown by expanding brand exposure and product need using social media. Initial information release online will be free with a beta application on the market, with some paid campaigns on social media within the first year. Once the application is no longer in beta, all information released online be a paid advertisement. Application sales and bug-fixes will increase word-of-mouth marketing and allow for increased funding towards physical product development, prior to being overtaken by copy-cat applications.
- New products. Sleep Secretary's popularity and financial success will stagnate and decrease if no new products or improvements are introduced given the nature application development for smart phones. Accordingly, a physical mirror with a built-in camera and digital interface as a replacement to the application will be developed by the end of year three and released. Other new products are likely to be identified as opportunities as consumer feedback is provided and focus groups are executed.

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- New markets. New products may not cater towards the college demographic and student budget as successfully as they would to markets not yet entered. While some college students may invest in the Sleep Secretary mirror, it is likely to appeal to a wider demographic that those few would belong to. The mirror will initially be marketed towards the beauty community, involving providing some free product to social media stars so that a new audience can be reached.

### **Target Markets**

The primary target market for Sleep Secretary's phone application is a college student that is working, either part-time or full-time. Therefore the consumer has minimal expendable income, and the price of a phone application that will free up time within a schedule is a worthy investment.

The secondary target market for Sleep Secretary's products and services are those concerned with obtaining the proper amount of rest to ensure a youthful appearance over time, that additionally use mirrors with particular lighting regularly. The Sleep Secretary mirror will have optimal lighting to reduce the margin of error in facial analysis.

### **Points of Difference**

The characteristics that make Sleep Secretary unique compared to competitors can be described with two key features:

- Unique technological application to sleep calculators. Most sleep calculators only factor in REM sleep into what time to wake up or set an alarm for. Instead, Sleep Secretary uses facial recognition to calculate the same thing for a particular individual.
- Only sleep application that may recommend less sleep, according to the consumer's schedule. If you don't need to wake up early the next day, or have a minimum workload available throughout the day, with pressing deadlines or exciting plans the night before Sleep Secretary may recommend getting less sleep for the consumer to function as they need to.
- Word-of-mouth marketing. All it takes for Sleep Secretary to take root on a college campus is a few students finding it and sharing it with friends, and this occurring exponentially.
- Sleek interface and ideology. Sleep Secretary has a "futuristic" aesthetic that appeals to the current average age of those enrolled in higher education.

### **Positioning**

Most sleep assistants are alarm based or sleep cycle oriented, but at this point people tend to have a device they prefer to use as an alarm. Sleep cycle alarms are simply bandaids in comparison to a customized sleep schedule.

## **VI. Marketing Program**

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The four marketing mix elements of the Sleep Secretary application and eventual physical product are detailed below.

### **Product Strategy**

Product and technological development are to be handled initially by the founders and eventually by a few additional team members.

The first product is a Sleep Secretary phone application available on different smart phone providers, that costs 99 cents for the consumer to download. The application will have in-app purchases available, including a one-time fee that will involve adjusting the AI to the consumer's face without the consumer waiting for the AI to learn their face. This will involve the consumer uploading at least thirty images they've taken of their face from approximately the same angle, and the application processing various lighting differences and angles to determine a "baseline" of the user's face. This will only be an additional service, and not required to use the application.

After receiving \$150,000 net profit, Sleep Secretary will develop a stand-alone device non-reliant on existing technology. This will appear as a mirror with consistent lighting around the edges, that shows the consumer's reflection and digital analysis on top of the image of the consumer. This unique and futuristic mirror will appeal to those who enjoy acquiring top-end gadgets while it is in beta, and eventually will be sold widespread.

### **Price Strategy**

Sleep Secretary costs 99 cents to download from a phone's application store, a standard price for phone apps considered "premium" services. For an additional \$4.99, the consumer can purchase an immediate facial baselining/server processing priority to ensure facial reading accuracy from initial download.

### **Promotion Strategy**

Key promotion programs feature discount codes and coupons, product placement via social media, and information dissemination on sleep.

*Discount Codes and Coupons.* Coupons or free codes for immediate facial processing will be given to consumers for brief periods of time over social media to encourage the initial, lower cost of download.

*Product Placement via Social Media.* Physical Sleep Secretary mirrors will be provided for free to those with certain internet followings that may pique interest amongst their audience.

*Information Dissemination on Sleep.* Social media will share multiple articles on sleep that are favorable to not always sleeping the same amount each day.

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## **Distribution Strategy**

Sleep Secretary does not immediately require a physical distribution strategy. Instead the application will be submitted and approved by multiple app stores, and immediately available to the consumer..

## **VII. Financial Data and Projections**

Historically, applications that are new to the market perform well.

Five-year financial projections for Sleep Secretary are below:

<b>Financial Element</b>	<b>Units</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Application sold	1,000	100,000	150,000	175,000	200,000	400,000
Net sales	\$1000	160,000	200,000	225,000	250,000	450,000
Gross profit	\$1000	140,000	160,000	200,000	225,000	440,000
Selling and operation costs	\$1000	10,000	40,000	60,000	80,000	140,000
<b>Operating profit</b>	<b>\$1000</b>	<b>150,000</b>	140,000	160,000	200,000	<b>300,000</b>

These projects reflect the expected operational costs for development and marketing, as well as factoring in application sales not only from downloading but from in-application purchases as well. As brand trust increases, the amount of in-app purchases is likely to increase.

## **VIII. Implementation Plan**

Introducing Sleep Secretary to the internet will not be complex, but will require promotions and networking with possible early-adopters of the technology to see if they will assist with word of mouth.

Sleep Secretary will focus its marketing efforts in the South region of the USA in the first quarter of the first year.

Sleep Secretary will focus its marketing efforts in the Northeast region of the USA in the second quarter of the first year.

Sleep Secretary will focus its marketing efforts in the West region of the USA in the third quarter of the first year.

Sleep Secretary will focus its marketing efforts in the Midwest region of the USA in the fourth quarter of the first year.



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Each region of the USA will be divided and marketed towards primarily at different times in the first year. These marketing efforts will be repeated in consecutive years to ensure consumer happiness across multiple regions and successful consumer growth.

Physical product manufacturing locations will be identified during marketing efforts to determine which region is best to distribute and ship from.

## **IX. Evaluation and Control**

Quarterly application sales goals and downloads for each year have been set for Sleep Secretary within each region of the United States of America. Actual application downloads and sales will be compared to these targets, and focus groups will be performed should they not meet the target. Based upon focus group data, marketing tactics and positioning will be re-evaluated or the application will be modified and adjusted. Spreading throughout the USA will be not be initially obvious, and bursts of growth are expected – therefore goals are quarterly to allow for proper evaluation periods. Development of the Sleep Secretary mirror interface product may increase if funds gained through application sales are faster than anticipated. Additionally, Sleep Secretary may outsource future development for a fresh perspective and so that the initial development team may focus on higher level issues that occur as the company grows.

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