Name: Ali Kazmi
Assignment: Preliminary Market Analysis of Proposed Product
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Product Proposal

The innovation I would like to propose is an all-in-one automated breakfast station that will boil eggs and brew coffee at the time the internal alarm clock is set. The focus will be on product concept to answer the 6 big questions: What? Whom? Why? How? By Whom? And When? Focusing on these questions will help develop a product that best fits the markets needs and does so as efficiently as possible.

The all-in-one breakfast station can be defined as a market pull product where the goal is to gather insights through market research (surveys, talking to customers, internet data) to further develop the initial prototype so it will better fit the customer's needs whilst solving their problems. At some point in life, everyone's heard the famous saying, "breakfast is the most important meal of the day"; yet, 31 million American consumers skip breakfast daily (NPD, 2011). Moreover, studies have linked breakfast to numerous health benefits such as lower risk of diabetes, improved memory, healthy heart, better metabolism, boosted energy level, and weight control (TNN, 2019). Then why does nearly 10% of the U.S. population skip it? (Census Bureau, 2020). Common reasons are having no time, wanting more sleep, dieting, being too lazy, and/or having no appetite (Deakin University, 2020). These reasons are also justified through the preliminary market research I conducted by surveying 40 of my friends, family members, and classmates. As seen in Appendix A, question 3, 25% off the people surveyed skipped breakfast because they had no time, or it was inconvenient. An additional 25% of them skipped it because they had no appetite in the morning, while 10% were too lazy and 2.5% were on a diet. The all-in-one breakfast station would help such people overcome the struggles related to having breakfast while also being a personal coffee shop for the 77.5% of the people surveyed who drink coffee every morning.

Feasibility Analysis

As per the Eduxir video in the class module, feasibility can be broken down into technical, financial, and market.

From a technical perspective, alarm clocks have been around for centuries and the hardware required to brew coffee (coffee machine) already exists and can be licensed from players that dominate the U.S. coffee machine market such as Keurig, Nespresso, or Hamilton Beach (GVR, 2019). However, the technology to store, refrigerate, dispense, and boil eggs all in one machine does not exist and would need to be developed in house. Alternately, I would look into a new delivery system that already exists to make this innovation more feasible. One I am keen on exploring is using thermo-controlled flasks containing pre-mixed omelet/pancake batter pneumatically delivered onto a hot griddle. Lastly, the change from boiled eggs to omelets or pancakes was influenced by the response to question 5 of my survey in the Appendix.

From a financial perspective, the project will be funded through crowdfunding and venture capitalists. Moreover, it is not financially feasible to invest lump sums of money into the development of a whole new system/technology just to boil eggs. Another reason why adopting the proposed method above may be more feasible.

The U.S. coffee machine market is valued at $5.88 billion and expected to grow by 3.7% from 2019 to 2025 and is dominated by players such as Keurig, Nestle Nespresso, and Hamilton Beach (GVR, 2019). On the other hand, the multifunctional breakfast machine market is fairly new, and is led by companies such as Nostalgia and Elite Gourmet found on Amazon. Unfortunately, I was not able to obtain more information about this market without paying thousands of dollars for a market report.

Based on the results of my survey and the emergence of new multifunctional breakfast machines, I can say that if this product concept is developed further, there is a great potential for return. The most popular all-in-one breakfast station on Amazon shown in figure 1 is offered at $79.99 and is completely analogue. This means that while this machine can brew coffee and make breakfast, it still requires the users input (add beans, crack open eggs, and put in toast) in the morning, and therefore lacks automation. Based on question 10 of the survey, the average user would pay $102.5 for an automated breakfast station. However, this price has been skewed by the majority of undergraduate students (40% of survey) that answered the cheapest option available. I realize this was a mistake on my part since it realistically isn't possible to offer the product for $50 and that option should not have been included. When undergraduate responses are excluded from the response, the average price a user would pay jumps up to $150 which is a lot more reasonable considering the fact that the cheapest Keurig available is $69.24 (Amazon, 2020). This innovation provides a strategic opportunity to automate the breakfast station to solve the problem of skipping breakfast.

Figure 1: Nostalgia 3-in-1 Breakfast Station priced at $79.99 (Amazon, 2020)

References

Amazon. (2020, September). Nostalgia Retro 3-in-1 Family Size Electric Breakfast Station, Coffeemaker, Griddle, Toaster Oven, Aqua. Retrieved September 27, 2020, from https://www.amazon.com/Nostalgia-BST3AQ-Electric-Breakfast-Coffeemaker/dp/B07YFDM4V7/ref=sr_1_3?dchild=1&keywords=breakfast+station&qid=1601259449&sr=8-3

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Appendix: Survey sample size – 40 people

1. I am

Undergraduate student	40%
Graduate student	25%
Industry professional	30%
Self-employed	5%

2. My age group is

Under 18	0%
18 – 24	80%
25 – 34	7.5%
35 – 44	7.5%
45 – 54	2.5%
55 – 64	2.5%
65	0%

3. Do you have a breakfast every morning? If not, why?*

Yes	50%
No, no appetite	25%
No, no time/inconvenient	25%
No, too lazy	10%
No, just coffee	7.5%
No, on a diet	2.5%

4. How effective is your current alarm clock at waking you up?

It gets me up EVERY time	35%
It gets me up MOST of the time	37.5%
It gets me up SOMETIMES, its not loud enough	17.5%
It RARELY gets me up, its not loud enough or I hit SNOOZE	10%
It NEVER gets me up, its not loud or I hit SNOOZE	0%

5. Rate these breakfast options to your liking (1 being your best pick)

	1	2	3	Score
Boiled eggs	25%	25%	50%	1.75
Omelets	55%	27.5%	17.5%	2.38
Pancakes	20%	47.5%	32.5%	1.88

6. At what frequency are you comfortable maintaining the device? (add water to the reservoir for brewing coffee and eggs, loading eggs into the built-in refrigerated unit)

Once every 2 days	52.5%
Once every 4 days	25%
Once a week	22.5%

7. How many times a week do you get coffee in the morning from a store? (starbucks, dunkin, etc)

Never, I don't drink coffee	22.5%
Never, I only brew at home	32.5%
1	17.5%
2	5%
3	2.5%
4	2.5%
5	5%
6	0%
Everyday	12.5%

8. How long does this coffee stop add to your commute?

I don't stop for coffee	57.5%
5 minutes	17.5%
10 minutes	15%
15 minutes	7.5%
20 minutes	2.5%

9. There is also a condiment holder built in to hold (salt, pepper, coffee pods, creamer/sweeter). Are there any other features you would like to add to this?*

No, its perfect	57.5%
Coffee stirrer & utensils storage compartment	7.5%
Milk, for coffee	5%
Toaster for bread; storage for butter, cream cheese, etc	5%
Napkins	5%
Smart device integration (google home, amazon alexa, apple home)	5%
Iced coffee compatible	2.5%
Bluetooth speaker	2.5%
Basket for eggshells	2.5%
Phone charging station	2.5%
Brew tea, not everyone drinks coffee	2.5 %

10. How much would you realistically pay for such a device?

$50	47.5%

$100	15%
$150	22.5%
$200	15%
$250	0%
Average (With Undergraduates)	**$102.5**
Average (Without Undergraduates)	**$150**

*   Percentages in these open-ended questions may evenly add up to 100 due to multiple-overlapping responses.