



Ipsos Vantis

# *Demand Express*

Motorola Droid



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Linking Market Research to Market Performance

## Motorola DROID

Consumer Market Test: March 7 – March 15


The DROID is a critical addition to Motorola's product line and has a strong perceived value at the \$199 price point. As an Android-powered phone, it has all the features consumers expect from such a product (application store, social networking, form factor, and camera functions) and is likely to be a strong contender in the market. Despite its array of powerful features, Droid falters on uniqueness (which is perceived as average). It's technical prowess, as called out in comparisons to other phones, scores more points than the "it does" catch phrase, which is barely noticed by the consumer.

### DROID BY MOTOROLA

This isn't just another smartphone. It's a DROID. And it does. It does fast processing. Does the biggest screen. Does swap batteries. Does run thousands of Android Apps at break-neck speeds. DROID. Google equipped.

It's a pint-sized powerplant. Location aware. Speech recognizing. App-mashing and multi-tasking. Power and intelligence can be more than a phone. DROID by Motorola.

Photos are sharper. Videos pop. It has the most advanced browser and Android 2.0 software with a blazing-fast processor and 3G speed for faster search. It has the world's thinnest QWERTY slider at 13.7mm. It has a 5MP camera with a flash, plus loads of great camera features and a DVD-quality recorder to capture all the richer, bigger, wider experiences you're going to have. It's the phone with the "Hi" IQ.



- Droid keeps disruptive alerts at bay in a handy notification panel, so you can select the messages you want to see, when you want to see them.
- Make a call, answer an email and switch between up to 6 apps simultaneously.
- Only Droids' Free Google Maps™ navigation (beta) speaks to you with turn-by-turn directions – and shows you in 3D – with map, satellite, and street view.

#### Technical Specifications

**Connectivity**  
Web browser  
Bluetooth technology  
Exchange synchronization  
WiFi  
Micro USB connector  
GPS


**Included Applications**  
YouTube  
Amazon MP3 Store  
Google Search by Voice  
Maps  
Facebook

**Hardware**  
3.7" WVGA TFT display  
Memory: 16GB microSD pre-installed  
Removable memory: supports up to 32GB microSD  
Weight: 6oz  
Size: 2.4 x 4.6 x .5 in  
Form factor: slider

Battery life: 1400 mAh Li Ion  
Standby time: up to 270 hours

**Messaging**  
Email, MMS, SMS, Instant Messenger, Voicemail

**\$199 with a new 2-year service plan**





# Key Findings

## Market Potential

- The Motorola DRIOID has a strong potential in the market. Although it is not perceived to be a unique product, it fulfills a need and is perceived to be likeable
- Strong in-market communication is required to ensure that the DROID won't be seen as a me-too product

## Key Market Segments

- Characteristics of the target for the Motorola DROID are:
  - Young (18-34)
  - Living in an urban environment
  - Living in a household with a higher than average spending power
  - Watches more TV than the average consumer
  - Online influencer (likely to contribute to blogs)
  - More likely to shop online than the average consumer

## Communications Overview

- The product is likely to create a good deal of buzz in the market and gain some traction from viral marketing efforts
- However, in order for the product to stand out from the crowd, Motorola should pick a few key features or benefits for focus, rather than communicating so many details and risk a cluttered message.

## Critical Success Factors

- Consumers react most favorably to some technical specifications of the product:
  - Form factor
  - Multitasking
  - Web browser
  - Camera / video capabilities
- However, the positioning of the product is not received well and should be refined further.



# Demand Express Deliverables Explained

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## Market Success Score

The Market Success Score is a calculation of eventual consumer demand, rescaled from 0 to 200 for simple interpretation. In contrast to a full forecast, the Market Success Score focuses only on consumer demand, and does not account for marketing plans (generating awareness and building distribution). A correlation of the Vantis Mass Market Potential Score to in-market sales indicates that concepts with a top third score have a 70% success rate.

## Key Measure Scorecard

Vantis owns the world's largest database of new concept scores in technology, durable goods, health, and services sectors. Key survey measures for your concept are compared to survey norms for the relevant subset of new products from the Vantis Database. The normative comparison indicates breadth of appeal for your offer and broadly identifies strengths and weaknesses essential to new product success and positioning (e.g. high perceived value or low perceived differentiation). Furthermore the pattern of survey score rankings determines an Archetype. There are two dozen new product archetypes, and different marketing implications are tied to each. For example, the Breakthrough Archetype is characterized by low-to-moderate purchase intent, below average value, but very high liking and uniqueness. A simple analysis of purchase intent scores would overlook a huge Breakthrough opportunity, and result in the wrong investment decision. Archetypes are used in Demand Express analysis to eliminate such mistakes.

## Key Consumer Segments

The standardized Demand Express survey includes demographics, shopping and media habits. The summary is meant to give a top-line understanding of the consumer target which is essential to market success and also provides the framework for the market size (right product : right audience rather than wrong product : wrong audience).

## Copy Impact

Copy Impact scores the ability to execute the message in mass marketing. A high score vs. the norm results when one or a few clear, differentiated benefits are present. An offer with high Copy Impact will be very responsive to advertising spend. Thus, seeing heavy spend is a signal of an uptick in business trajectory.

## Buzz Meter

Some products are more likely to be discussed, even hyped by faithful buyers. Buzz meter indicates how much word-of-mouth (buzz) a new product will generate. Buzz meter links directly to demand potential, whereby high buzz scores translate to incremental awareness in the market. Breakthrough products will generally have high potential here.

## Critical Success Factors

Phrase-by-phrase analysis, indicating why consumers will buy. This analysis, based on a concept highlighter exercise, identifies key message components that motivate the target audience.

## Top 5

This "elevator test" identifies the 5 most important parts of the message - phrases that A) reach the consumer and B) persuade them. Reach is calculated using the click rate for each phrase in the concept highlighter exercise. Persuasion is derived by correlating the click rate (reach) with the key measure scorecard.

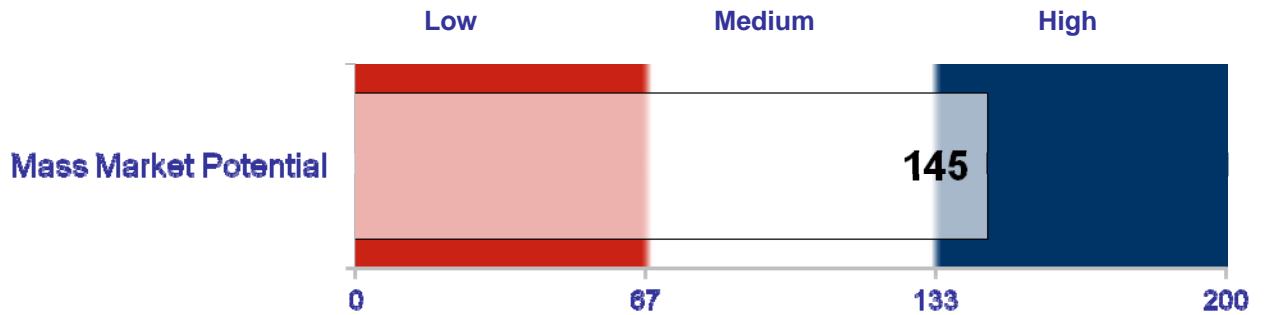


# Vantis Scores

## Market Performance Indicators

The Motorola DROID is a strong performer with a top market success score, indicating a greater than 70% chance of success in the market. Although it is not perceived as very unique, this product is perceived to fulfill a need and to have a good value. Of particular interest is the strong “definitely would buy” score, indicating a core target that is enthusiastically awaiting the introduction.

### Market Success Score



### Key Measure Scorecard

	Bottom 20 Percentile	Below Average	Average	Above Average	Top 20 Percentile
<b>Seek Information</b> (Top Two Box %)			49%		
<b>Purchase Intent</b> (Top Box %)					13%
<b>Purchase Intent</b> (Top Two Box %)				33%	
<b>Liking</b> (Mean 6-Point Scale)				4.1	
<b>Price/Value</b> (Mean 5-Point Scale)				3.3	
<b>Uniqueness</b> (Mean 5-Point Scale)			3.4		
<b>Believability</b> (Top Box%)				44%	
<b>Need Fulfillment</b> (Top Two Box %)				48%	

Although the Vantis Database consists of over 20,000 product evaluations, the scores of this study were compared to a subset of approximately 150 similarly priced products.



# Key Market Segments

The Motorola DROID appeals to young consumers with a higher than average spending power, living in an urban household. They watch TV more than average with higher viewership of movies, financial and political news, and dating and job search reality shows. They are furthermore easier to reach with print media, as they have greater subscribe rates to newspapers.

Demographics		Total (311)	Target (103)	Index	Media Habits		Total (311)	Target (103)	Index
Gender (%)	Male	73	82	112	TV (Hrs/Wk)	Hours/week (mean)	18.0	20.0	111
	Female	27	18	67		Movies on non-subscription channels	56	72	129
Age (%)	18-24	7	15	215	Movies on premium channels	35	52	149	
	25-34	33	38	115	Financial news	27	46	170	
	35-44	37	39	106	Local news	66	68	103	
	45-54	15	9	60	National news	49	61	124	
	55+	9	0	0	News parody	19	29	153	
	Mean Age	38	34	88	Political news	16	33	206	
Gender / Age Quads (%)	Male 18 - 34	35	45	129	Primetime comedy series	57	68	119	
	Male 35+	38	36	95	Primetime drama	61	55	90	
	Female 18 - 34	5	7	140	Primetime talent shows	29	36	124	
	Female 35+	22	12	55	Adventure reality TV	30	37	123	
Ethnicity (%)	Caucasian	84	78	92	Dating reality TV	10	20	200	
	Hispanic	3	7	213	Job search reality TV	14	23	164	
	African-American	6	4	67	Auto racing	20	28	140	
	Asian	5	10	202	NFL Football	83	84	101	
	Other	2	2	100	College Football	62	69	111	
Marital Status (%)	Married	58	55	96	NBA Basketball	38	57	149	
	Single/Wid/Div	42	45	105	College Basketball	54	67	124	
Children at home (%)	Age 5 and under	20	25	129	MLB Baseball	58	65	113	
	Age 6 to 12	22	27	124	Hockey/NHL	42	49	117	
	Age 13-17	15	20	135	Tennis	17	31	183	
	HH Size (mean)	3	3	110	Golf	28	39	141	
Total household income	Yearly mean (\$000)	70.1	83.0	118	Programs watched at least once per week (%)	Morning talk shows	17	24	141
						Daytime talk shows	15	19	127
Disposable household income	Monthly mean (\$)	722.9	986.4	136	Late-night talk shows	23	30	130	
					DIY shows	22	32	145	
Residence (%)	Urban	31	47	151	Game shows	18	26	144	
	Suburban	51	42	83	Kids programming	15	21	140	
	Rural	19	12	63	Learning programs	34	32	94	
Type of Home (%)	Single Family Home	72	76	105	Soap operas	11	14	127	
	Townhouse / Duplex	18	15	80	Newspaper % Subscription	33	42	128	
	Apartment	9	10	104	Magazines (Mean) Number of subscriptions	3.8	3.8	100	



# Key Market Segments (Continued)

Although the target only spends marginally more time browsing the web, they do tend to visit a wide variety of websites. They are also more likely to influence others online by contributing to blogs and to play games either online or offline. Moreover, the target is more likely to rely on advice from salespeople in stores and to prefer making purchases online than the average consumer.

Online Habits		Total (311)	Target (103)	Index	Gaming Activity		Total (311)	Target (103)	Index
<b>Internet (Hrs/Wk)</b>	Hours/week (mean)	20.5	21.1	103		Puzzle games	35	52	147
<b>Websites (% visit weekly)</b>	Music	37	55	114	<b>Online gaming (%)</b>	Gambling / card	28	43	154
	News/headlines	70	80	145		Action adventure	11	21	202
	Entertainment News	33	49	145		First person shooter	13	26	203
	Social networking	59	75	128		Massively multiplayer	12	20	176
	Online stores	55	66	120		Racing games	7	18	249
	Personal finance	56	61	109		Role-playing games	8	20	255
	Stocks/investments	25	34	134		Simulation games	8	17	206
	Auction sites	34	41	121		Sports games	9	19	211
	Web-based gaming	28	35	125		Strategy games	10	22	217
	<b>Online Activity (% weekly)</b>	Watch TV	39	57		148	<b>Offline gaming (%)</b>	Puzzle games	24
View movies (e.g.		22	37	172	Gambling / card	20		28	139
View videos other than		38	51	134	Action adventure	26		33	125
Read product reviews		41	57	140	First person shooter	25		35	141
Read blogs		31	41	132	Massively multiplayer	9		18	201
Stream music		28	40	144	Racing games	20		30	148
Write blogs		10	22	217	Role-playing games	19		28	146
<b>Info Search</b>									
<b>Info Sources (%)</b>	Friends/Family	77	81	104	<b>Purchasing Importance (mean, 5pt scale)</b>	Price	4.5	4.5	100
	Talk to salesperson	30	41	135		Quality	4.5	4.7	104
	Consumer reviews	66	69	105		Brand	3.5	3.6	102
	Expert reviews	46	51	110		Convenience	4.0	4.3	107
	Company website	52	52	101		Customer service	3.9	4.3	110
<b>Purchasing (%)</b>	Prefer Retail	63	59	94					
	Prefer Online	37	41	110					

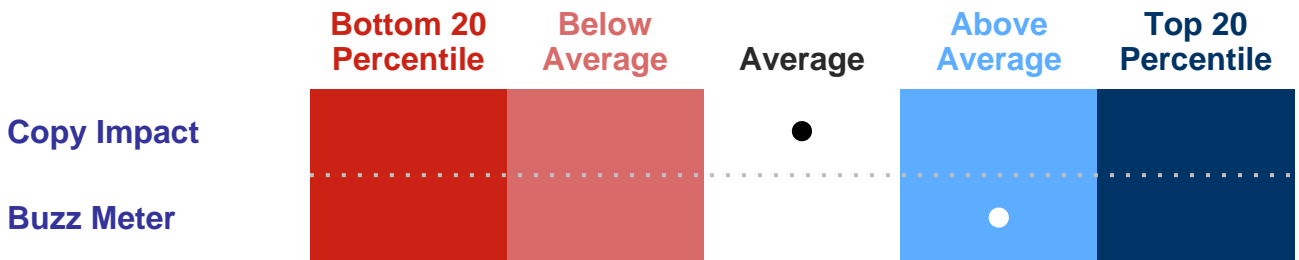


# Communications Overview

The Motorola DROID's message is not particularly impactful (average) but the product is likely to create a good deal of buzz in the market. Although the product is likely to gain traction from viral marketing efforts, it would benefit from improvements to its currently cumbersome message.

The Top 5 analysis identifies the key phrases that had the greatest impact on the consumer. While these phrases don't encapsulate the offer entirely, they point out the persuasion points that reach and persuade the most consumers

## Communications Indices



## Top 5

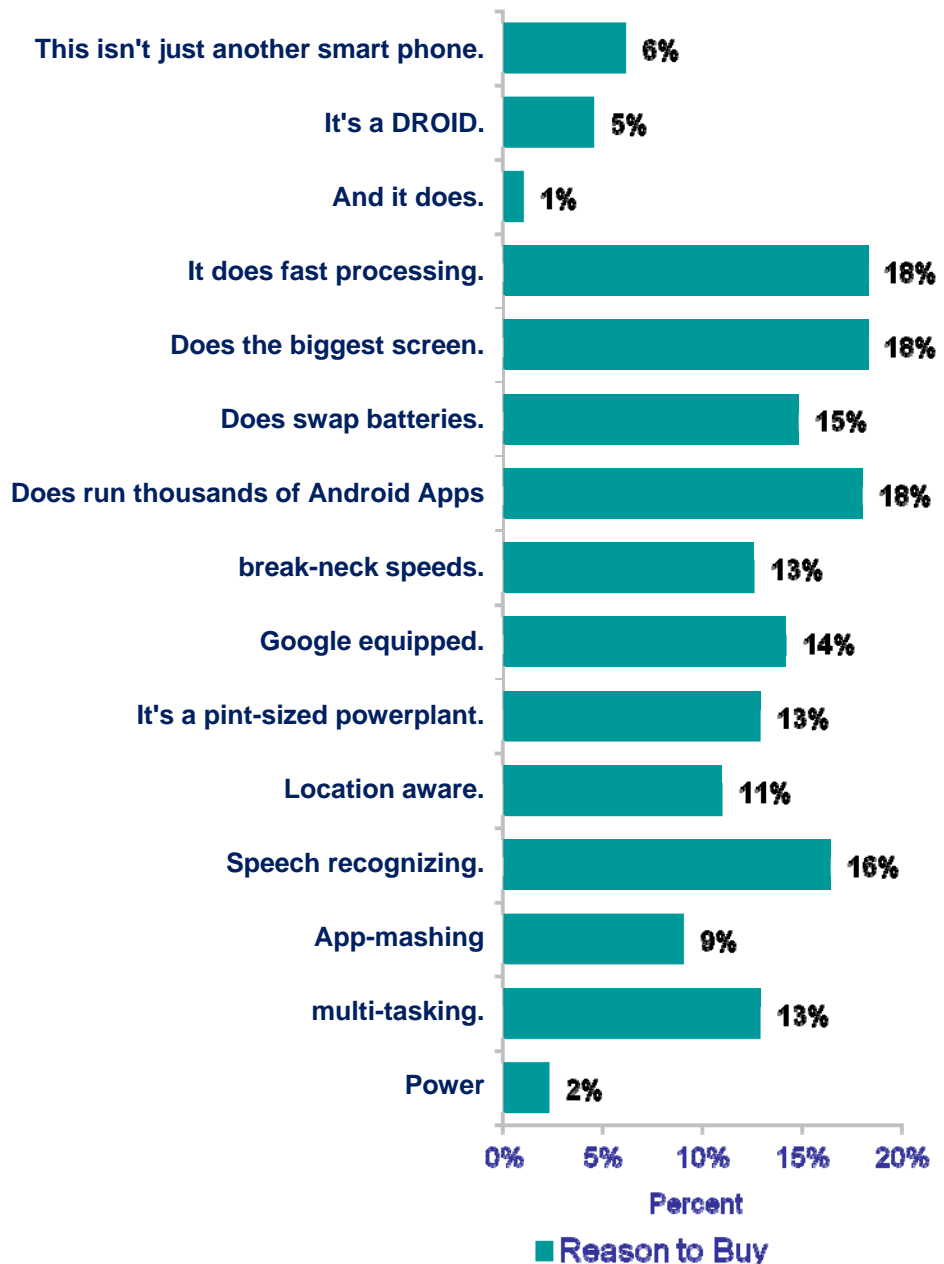
Rank	Phrase	Order in Concept
1	Web browser	70
2	Does run thousands of Android Apps	7
3	Facebook	80
4	YouTube	76
5	has the world's thinnest QWERTY slider at 13.7mm	26



# Critical Success Factors

## Concept Highlighter

The following 6 pages show the phrases in the order they appear on the concept. There are simply too many things about this phone that consumers like, and this can be a curse. Marketing needs to call out key points, making them simple to digest. Consumers react to most of the technical functions of the phone but the positioning of the product (“It Does” and “Power and intelligence can be more than a phone”) do not resonate well.

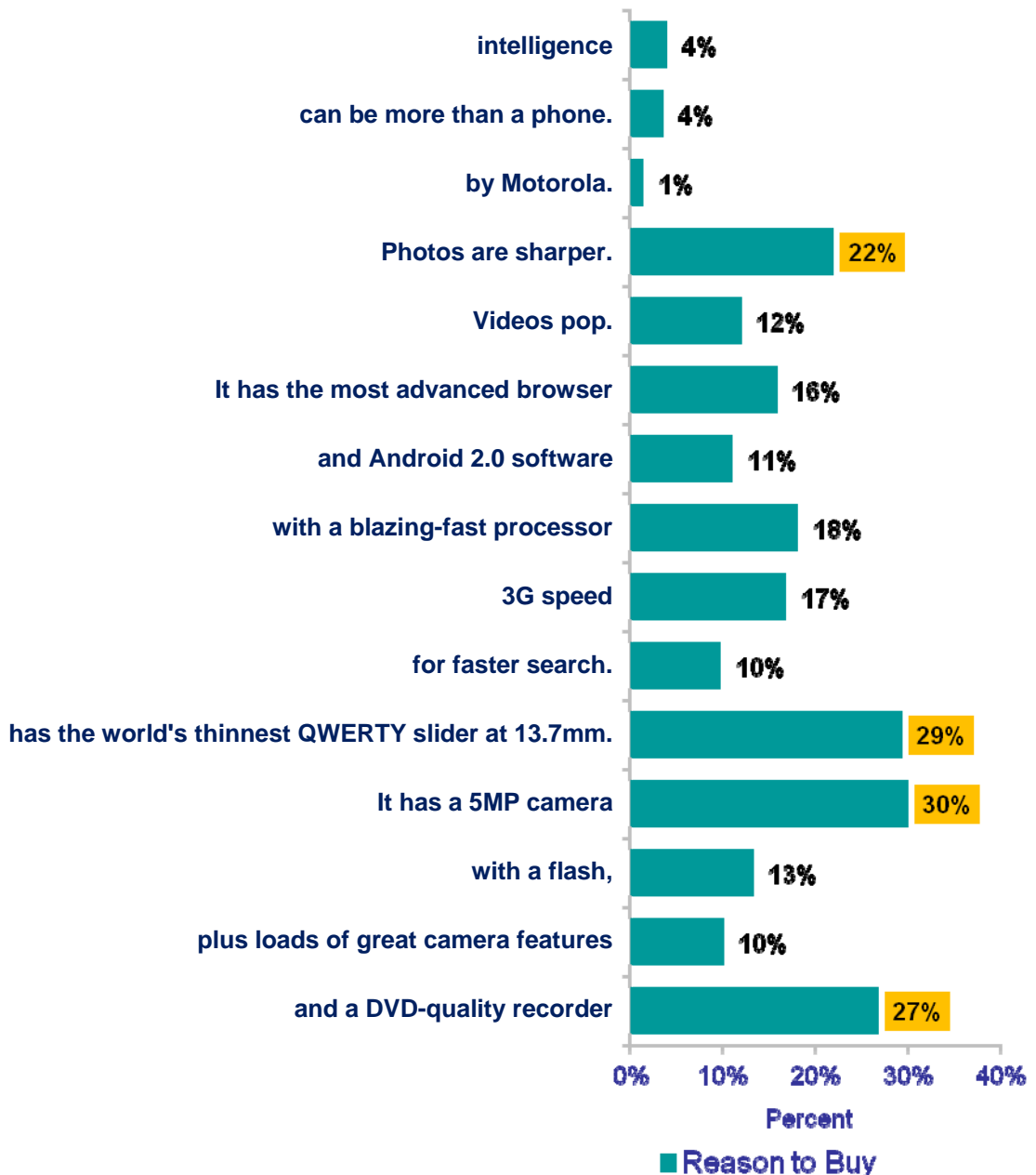




# Critical Success Factors

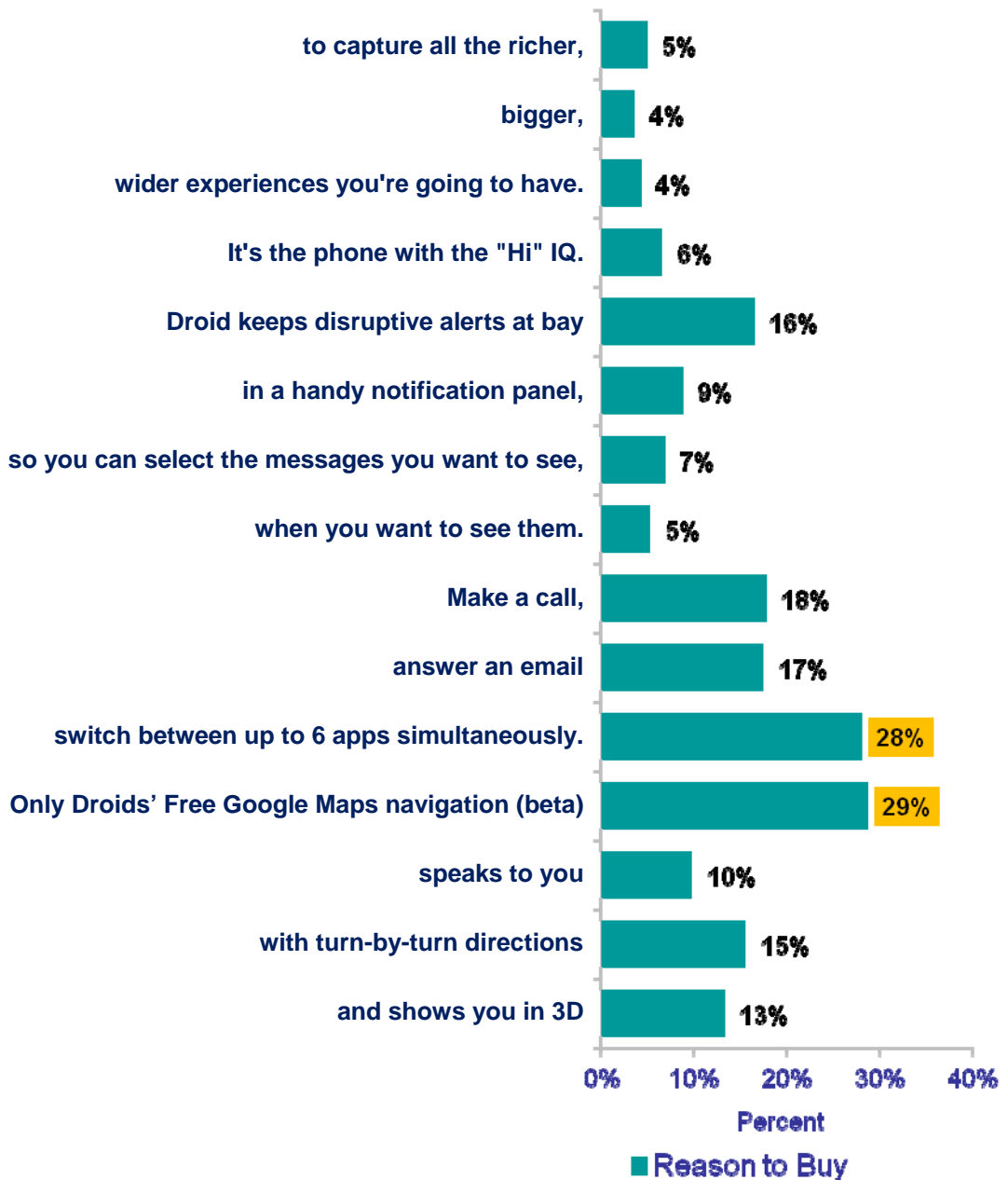
## Concept Highlighter (Continued)

The Droid's comparisons to other phones work well. Note on the following pages the consistent barrage of attacks on other phones, such as photos are sharper, most advanced browser, world's thinnest QWERTY keyboard, etc.



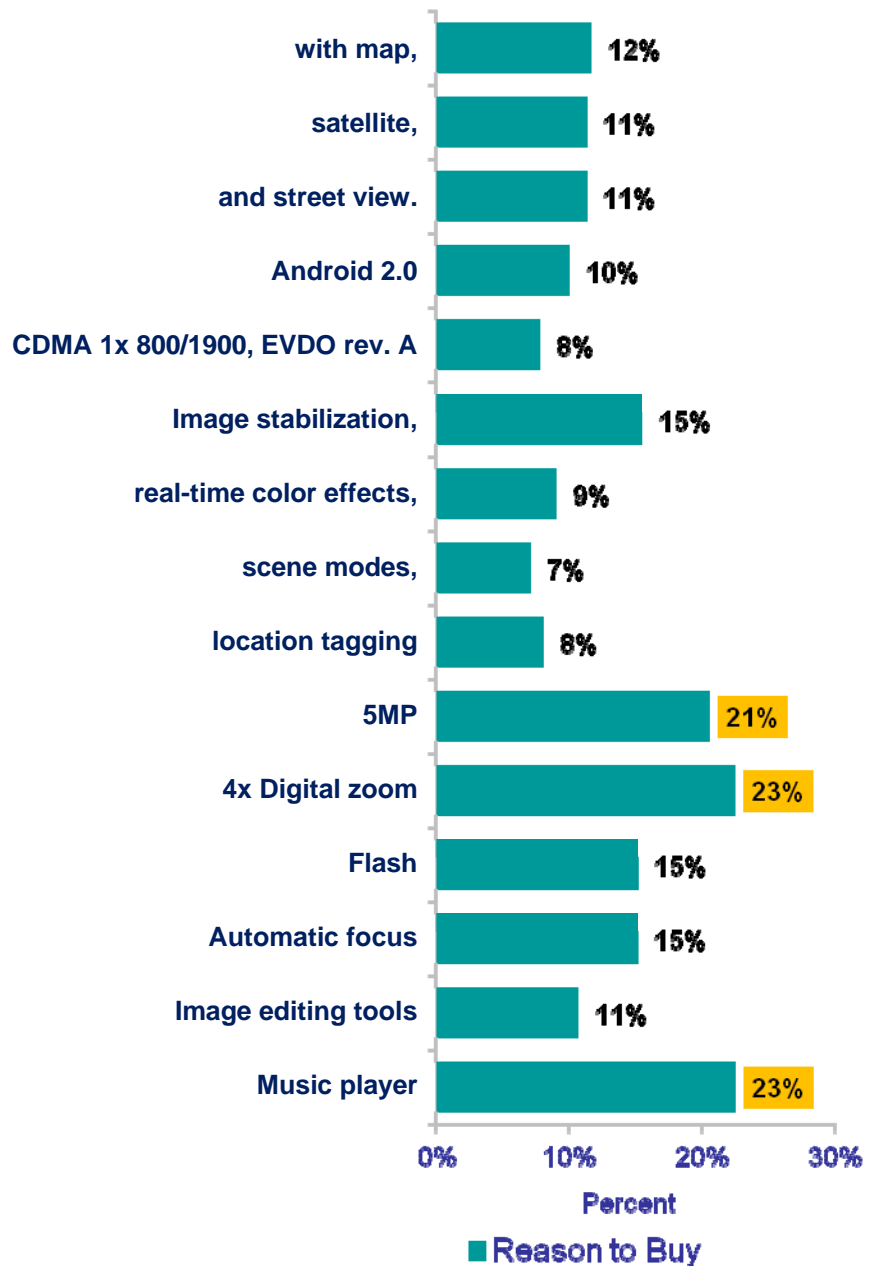
# Critical Success Factors

## Concept Highlighter (Continued)



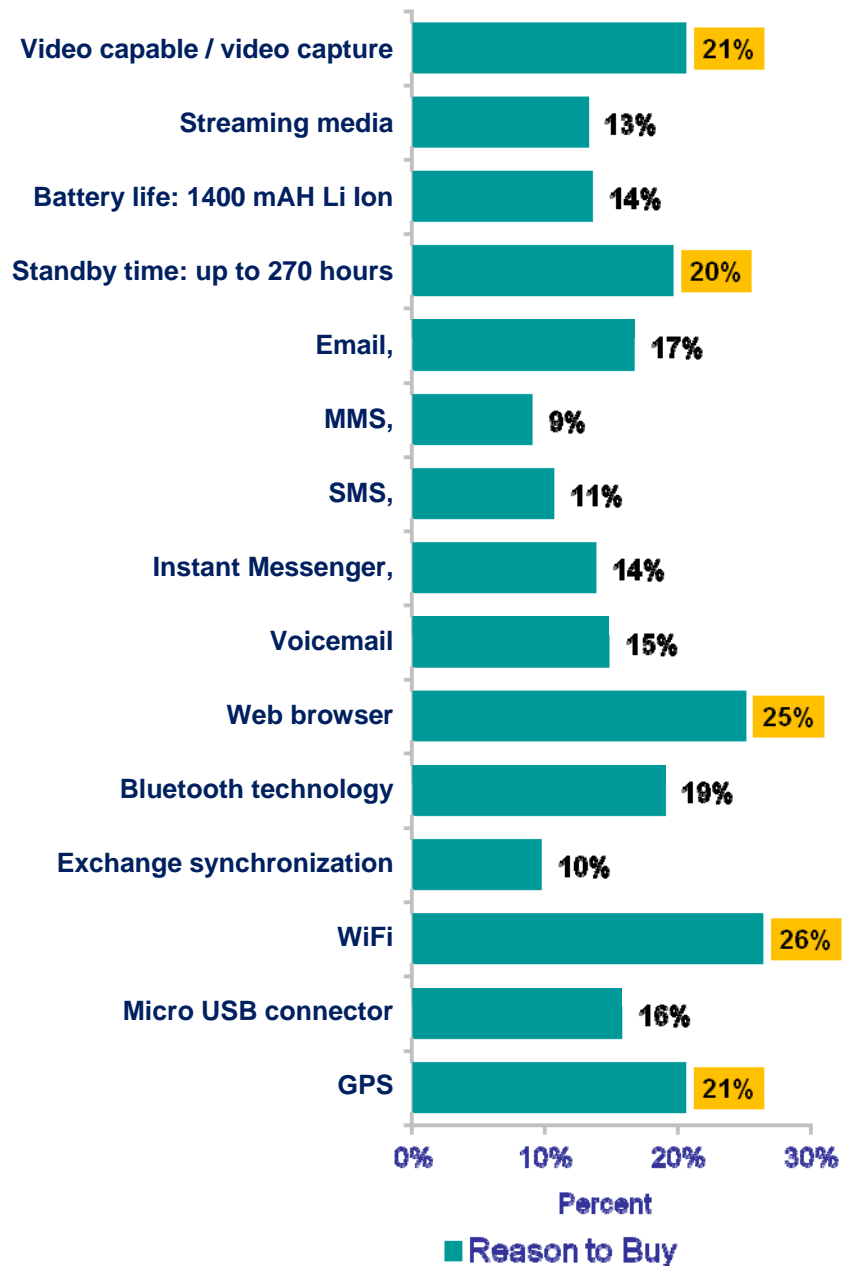
# Critical Success Factors

## Concept Highlighter (Continued)



# Critical Success Factors

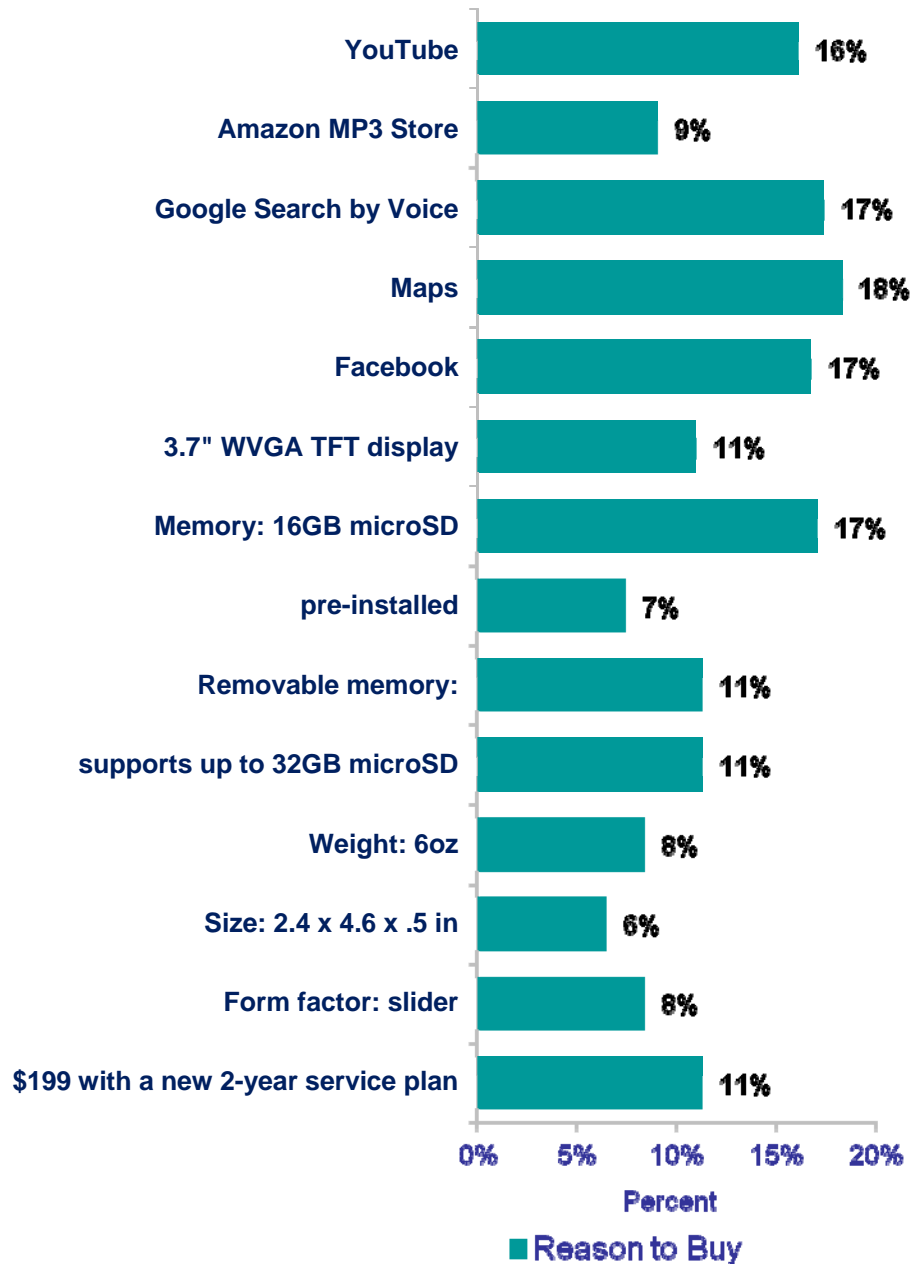
## Concept Highlighter (Continued)





# Critical Success Factors

## Concept Highlighter (Continued)



Country      ▪ USA

Dates of Fieldwork      ▪ March 7, 2010 – March 15, 2010

Data Collection Method      ▪ Online

Concept Specs      ▪ JPEG  
                              ▪ 2 pg

Sample Size      ▪ N=300

Sample Definition      ▪ General population  
                                  ▪ Internet access

Exposure Method      ▪ Sequential monadic survey  
                                  ▪ 3 concepts per respondent  
                                  ▪ Test concept exposure rotated to avoid order bias

Length of Survey      ▪ 15 minutes



# Questionnaire Details

## Key Measure Scorecard

- |                  |   |
|------------------|---|
| Seek Information | <ul style="list-style-type: none"><li>▪ Which statement best describes how likely you would be to seek more information about the product/service?</li><li>▪ Response on a 5-Point Scale – “Definitely Would” to “Definitely Would Not” Buy</li></ul> |
|------------------|---|

- |                         |   |
|-------------------------|---|
| Purchase/Sign-Up Intent | <ul style="list-style-type: none"><li>▪ Which statement best describes how you feel about buying/signing up for the product/service?</li><li>▪ Response on a 5-Point Scale – “Definitely Would” to “Definitely Would Not” Buy</li></ul> |
|-------------------------|---|

- |        |   |
|--------|---|
| Liking | <ul style="list-style-type: none"><li>▪ How much do you think you would like or dislike the product/service?</li><li>▪ Response on a 6-Point Scale – “Like Extremely Well” to “Not Like at All”</li></ul> |
|--------|---|

- |             |   |
|-------------|---|
| Price/Value | <ul style="list-style-type: none"><li>▪ Considering the price, how do you feel about the value of the product/service?</li><li>▪ Response on a 5-Point Scale – “Very Good Value” to “Very Poor Value”</li></ul> |
|-------------|---|

- |            |   |
|------------|---|
| Uniqueness | <ul style="list-style-type: none"><li>▪ How would you rate the product/service in terms of being new and different from other products currently available?</li><li>▪ Response on a 5-Point Scale – “Extremely New and Different” to “Not at All New and Different”</li></ul> |
|------------|---|

- |                  |  |
|------------------|--|
| Need Fulfillment | <ul style="list-style-type: none"><li>▪ How well would the product/service solve a problem or fulfill a need for you?</li><li>▪ Response on a 5-Point Scale – “Definitely Would” to “Definitely Would Not”</li></ul> |
|------------------|--|

- |               |  |
|---------------|--|
| Believability | <ul style="list-style-type: none"><li>▪ Which statement best describes how you feel about the believability of the statements made about the product/service?</li><li>▪ Response on a 4-Point Scale – “Very Believable” to “Not at All Believable”</li></ul> |
|---------------|--|

## Buzz Meter

- |                             |  |
|-----------------------------|--|
| Agree/Disagree (5 pt scale) | <ul style="list-style-type: none"><li>▪ If I owned this product, I would want people to know I personally own it or use it</li><li>▪ I would email or tell friends and family about this</li><li>▪ I would recommend this to people I know</li><li>▪ I would search websites for consumer ratings, blogs, or more information about it</li><li>▪ This product will create a lot of excitement and will be talked about</li></ul> |
|-----------------------------|--|



# About Ipsos Vantis

## Linking Market Research to Market Performance

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### Experience

Ipsos Vantis is a world leader in forecasting and optimizing new products and services before they are introduced in market. Over the past 20 years Vantis has conducted 20,000 new product concept studies, and built the world's largest database of new product survey scores in technology, durable goods, health, and services industries.

Forecasting validation is an absolute necessity for the success of our business among corporate clients and institutional investor clients. Ipsos Vantis tracks its forecasts vs. market launches and has observed a high degree of accuracy

- 80% of forecasts are within 20% of actual sales results
- Early stage concepts clearing the Vantis hurdles have a 70% success rate in-market

### Philosophy

Forecasting validation is a necessity for our business in order to ensure the validity of the advice, but our attention is placed on delivering research that informs the right business decision. Every Ipsos Vantis study delivers results that depict business impact. Our unique point-of-difference in the market research community is the ability to translate survey data to business results. We report answers to business questions in terms that business partners can understand: Sales, Revenue, Probability of Success in Market.

### Demand Express & the Vantis Philosophy

Demand Express serves several purposes.

- Evaluating new investment ideas
- Monitoring a new product or service's ongoing market acceptance and reach
- "Disaster checking" products/services that you have already forecasted
- Competitive intelligence on new products that you monitor

Demand Express is highly standardized, making it easy, fast, and affordable to test new product and service ideas. On the other, Demand Express is a succinct collection of powerful market-proven metrics that relate to the three major components of new product success: demand potential, key consumer targets, and critical success factors. While Demand Express stops short of a sales forecast, its deliverables hold true to the philosophy of translating survey scores to business impact. Demand Express will detail the opportunity for a new product or service, leaving little doubt as to the strength of the new product idea.