GlassMe

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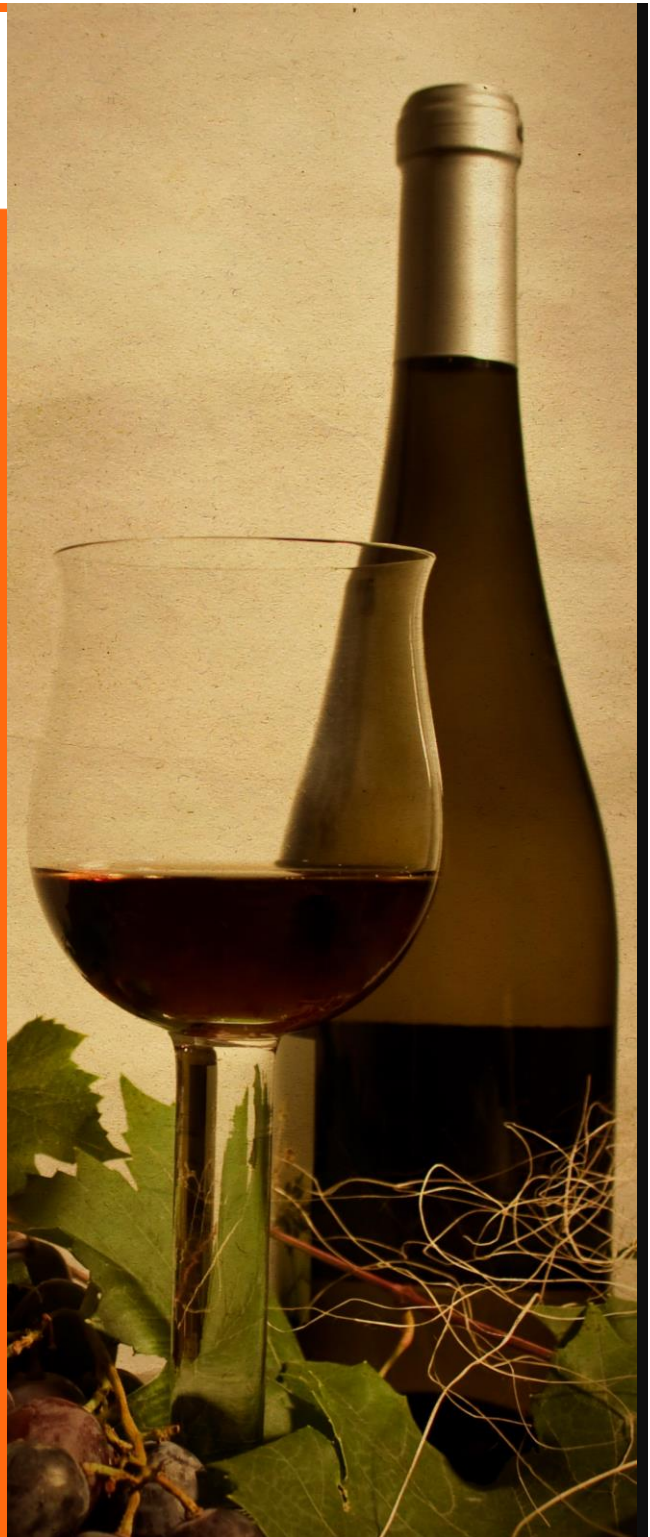
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Executive Summary

GlassMe is an e-commerce start-up company positioning itself as the pioneer in offering online consumers a unique and customizable 3D glass embossing service. The company aims to offer both household consumers and corporate an online solution for customizable premium gifts. As the demand for customizable goods continue to increase, *GlassMe*'s positioning will allow the company to capture the untapped segment as notice in the GAP analysis provided in the report.

GlassMe's main focus is to increase purchase of its consumers as the revenue model of *GlassMe* relies on its sales. By encouraging membership sign-ups and building up the database of our available designs, customers of GlassMe will experience higher switching cost and hence reducing the threat of new entrants. Being an e-commerce structure also allows GlassMe to be reached by many consumers around the globe.

GlassMe also believe the potential of corporate markets as there is a lack of presentable customized goods in the market. By looking into packaging our products with premium packaging, GlassMe could provide embossing of company logos or taglines on the various glass bottles. The benefit also extends to lower operating cost for GlassMe as the requirements for the bulk purchases are standardize.

1.   Business Description

GlassMe focuses on a variety of individual and corporate gifts made out of all kinds of glasses including wine and perfume bottles. What makes *GlassMe* special is that it possesses the capability to emboss any designs into 3D images on our glass gifts. *GlassMe* offers its customers a selection of popular pre-made designs or the choice of customizing their gifts with their personal designs. There are four simple steps required for customers to obtain their personal custom-made glass embossed product. (1) Customer browses through our catalogue of glass gifts, (2) depending on the product chosen, the customer then decides on the contents of the gift. (3) Subsequently, the customer can either submit their personal design, or select from a list of purchased or previously uploaded designs. (4) After the customization phase, customer proceeds to "check-out" and we deliver the gifts straight to their doorstep.

Step 1: Product Category

Step 2: Product Contents

- Red Wine

- White Wine

Step 3: Design Customization

Step 4: Delivery

2. Value Proposition

While there are plenty of customizable gifts out in the market, very few of such gifts are made out of glasses. In Singapore, *GlassMe* is the first online channel to offer such services. In terms of perceived value, glass gifts tend to be more presentable and are widely considered as premium gifts. Hence, *GlassMe* further increases the value of glass gifts by adding elements of personalization into the gifts itself. In addition to providing glass embossing services to consumers, GlassMe intends to ultimately enter into the B2B glass embossing services market.

2.1 Personal Gifts

Since *GlassMe* offers glass gifts that can be personalized with designs submitted by the consumers themselves, the resulting gift would be unique, personalized and meaningful between the gift givers and recipients. For instance, *GlassMe* would be a suitable gift for wedding events or Valentine's Day. Its online buyers are able to submit a photo of themselves or the receiver and create a wine bottle with the image. This gift is unique to the couple as the design is specially personalized for them. It is *GlassMe's* goal to provide its customers the opportunity to create such valuable gifts to their recipients. Moreover, *GlassMe* provides desirable packaging for its products, thereby further increasing the value received by customers. Furthermore, these online buyers will also be provided with a range of glass choices such as perfume, whisky, wine and many more. This allows GlassMe to capture wide range of consumers by publishing varieties of glass products. Therefore the online market consumers are able to choose a suitable gift for different occasions.

2.2 Events Gifts

Besides targeting individual consumers, *GlassMe* also intends to partner with special event planners where there are opportunities for *GlassMe* to provide premium glass gifts on a bulk basis. An example would be from the perspective of a couple deciding on a wedding favor for their guests. GlassMe is able to provide a variety of wedding favors similar to the silver bells (see picture) which are made of glass instead and personalized with the couple's choice of designs. Since the gifts are made out of glasses, it helps portrays an image of elegance and class of the couple and would thus create stronger and long-lasting impressions for their guests. Moreover, since it is likely that these sales will be done in bulk, *GlassMe* will be able to reduce its costs due to the economies of scale and would thus be in a good position to accommodate negotiated prices that are attractive to event organizers.

Another example for *GlassMe* is that it can target corporations by providing glass embossment services as well. As glass gifts are often associated with higher perceived value, corporate will be fond to create their occasional gifts or emboss its glass items with *GlassMe*. Corporate customers would be benefited by having their logo embossed on their event gifts as this enhances the company's brand image. For instance, most corporate events such as the Annual Standard Chartered Marathon tend to offer "free" gifts in return for participation from the public. By offering small *GlassMe* gifts, embossed with the Standard Chartered Logo, along with the standard goodie bags, marathon participants would have a memorable gift that is of high value and also have a stronger and better impression of Standard Chartered. Hence,

from a marketing perspective, *GlassMe*'s corporate clients stand to gain higher leverage on their brand equity through *GlassMe* gifts.

2.3   Contract Sales

Apart from embossing designs into glasses for the purpose of creating valuable gifts for people, *GlassMe*'s unique technology can also be utilized in another aspect; embossing designs into glasses for décor. Singapore is home to many small and medium enterprises such as boutique hotels. These hotels tend to have need for items to decorate their hotels so as to create desirable ambiance for their customers. Hence, *GlassMe* sees the opportunities to expand its services into these areas where the hotels can contract *GlassMe* to work with their interior designers to better value-add to their glass related decorations. By embossing designs ranging from hotel logos to creative works of arts into glasses, *GlassMe* is able to help to magnify the high-class impressions for the hotel guests.

2.4   Designer Platform

Lastly, *GlassMe* has an online designer platform that allows its design contributors to share and trade their designs. From *GlassMe*'s perspective, it will be costly to hire full time designers for its glass offerings, hence to address this issue, *GlassMe* is able to tap on its designer platform for the best designs for its business. For the designers, not only would they be gaining recognition for their works of art, they would also be able to commercialize their designs as they will be able to share the design revenue with *GlassMe* through commissions when their designs are used. In addition, since some of the designers are likely to work freelance for other organizations, they can trade within themselves or work together through our platform as a form of social network for professional designers.

3. Revenue Model

GlassMe received its revenue from 2 main components: consumer sales and corporate sales. Products can be purchased by consumers in small quantity or in bulk while corporate generally only order in large quantity. The main source of revenue for *GlassMe* is received through the sales of goods and personalized services. Furthermore, additional revenue would be obtained when customers choose the pre-made designs that are contributed by the various designers to our gallery. The final price charged on customers is mainly made up from the following components:

Final Price = *Product + Emboss Service + Pre-made Design (optional)*

+ Packaging (optional) + Delivery Charges

Apart from the products purchased from distributors, *GlassMe* controls the other function of the production chain from embossing to packaging of glass products. Without outsourcing, *GlassMe* are able to reduce production cost and obtained higher margin especially when its products are targeting at high-end users who have high purchasing power. By offering different options to customize and add-value to the glass products, customers are automatically segmented according to their own needs. For instance, time effective consumers will prefer to adopt the designs from our gallery and select the presentable packaging for their goods to save their time in designing and wrapping the gifts by themselves. Thus, the diversification of services promotes a larger revenue contribution to the company.

3.1   Consumer Sales Revenue Stream

From the consumer final price components listed above, *GlassMe*'s revenue stream from consumer sales mainly comes from the first four components. SingPost has been identified as the company's main partner for delivery. Hence, delivery charges will be following the standard market price set by SingPost.

As *GlassMe* has well-established relationships with its suppliers, it enjoys discounted distribution prices on its supplies which are lower as compared to those which are purchased at market prices. This allowed *GlassMe* to convert the cost saving to part of its revenue. In addition, to further expand *GlassMe*'s profit margin, the add-on pricing feature for personalized embossed designs allows *GlassMe* to capture and translate a significant portion of these value propositions into and up to 85% of the company's revenue.

Furthermore, traditionally gifts are always being wrapped or put in a proper container so that they looked pleasant and able to enhance anticipation. Since products of *GlassMe* are always given out as gifts, it also provides final packaging service to enhance the overall aesthetic value of the products and they could then to be delivered directly to the dedicated recipient as gifts. An additional of S$ 15 will be added to *GlassMe*'s revenue for every unit of product sold with packaging. Otherwise, the product will be placed in a standard packaging to protect the glass product. As this considerate measure can help to save consumers' time and effort, it will induce a large number of consumers to purchase this additional service and therefore increase *GlassMe*'s revenue.

3.2   Bulk Purchase Revenue Stream

As it is cheaper to produce bulk orders as design is replicable and moulding cost is spread among larger quantities, bulk purchases will be enjoying discounts. At the same time, *GlassMe* benefits from moulding cost saving and large quantity sale. Depending on the quantity ordered, buyers who purchase in greater quantities will enjoy greater cost savings. Some occasions that *GlassMe* could target for its bulk purchase consumers are appreciation gifts presented to guest during weddings, family gifts during Christmas and other special occasions. By estimating the possible cost savings of bulk purchase, the minimum purchase quantity set for bulk purchases will be 20 units. Through this, customers are induced to purchase more in order to enjoy further price discounts from *GlassMe*. For instance, 5% discount will be given for 20 units of purchase, 10% for 50 units and 15% for 100 units. *GlassMe* are able to enjoy larger revenue when more units are being purchased.

Through this special bulk purchase revenue stream, *GlassMe* would also be able to reach out to more potential customers in the recipient group. "Free" publicity is achieved when *GlassMe'*s products are presented to the receivers physically and serve as "samples" which aid the receivers to conceptualize the uniqueness and practical value of the products. When the products successfully trigger the interest of the receivers, it would further increase the customer base of *GlassMe* which lead to higher sales and larger revenue.

3.3   Corporate Sales Revenue Stream

Corporate sales revenue stream could also substantiate the business with its constant orders from corporate. *GlassMe* could look into agreements with corporate in embossing and customizing the annual gifts of the corporate. For industry that serves high-end customers such as hotels and credit cards, the gift presented should represent the corporate the status and positioning. Other than gifts, some corporate would also require constant supply of emboss bottles such as premium hotels that provide complimentary in-house body wash and shampoo. *GlassMe* could possibly look into providing emboss service for all its glass products and even glass utensils used in its dining area. Companies such as Marina Bay Sands aim to provide ultimate luxury in its service. Hence, the willingness to spend for the hotel to differentiate itself is higher and therefore contributes a significant amount of revenue for *GlassMe.*

It is important that *GlassMe* aims to provide its services for corporate with premium branding as this will be aligned to *GlassMe*'s positioning of being premium and of high quality. By reaching out to these premium corporate, it also helps *GlassMe* expand its reach to our target consumers. As our consumers will be experiencing first hand of our product offerings, this will build the awareness of our consumers in the available technology in embossing on such products. Through our advertising in the hotel's in room magazine, the potential consumers are able to surf *GlassMe*'s webpage and possibly make a purchase with us from our website.

3.4   Design Sales Revenue

Other than providing physical products and embossing technology, *GlassMe* also offer pre-made designs contributed by designers. This service enhanced the flexibility of customers in

purchasing our product as some customers would find it hard to design or search for a suitable design for embossing. With the gallery of option provided in the gallery, customers are now given an option to select the designs from our website gallery submitted by the designers to be embossed on the products that they have chosen.

To enjoy this effortless and easy service, the customers will only be charged with an additional price ranging between S$ 10 to 20 depending on the categories of design, which are Top Voted Design, Design of Month and Recommended Design. These are classified according to the popularity of the design and prices are charged highest on Top Voted Design and lowest on Recommended Design. This revenue will be shared by *GlassMe* and the designer with a proportion of 4:6. The bigger share of revenue will go to the designers to create incentive for more design contributions into *GlassMe*'s design gallery. This induces more purchase from the consumers as they will be provided with more choices that suit their needs. As the tendency for consumers to purchase the designs increase, the possible revenue for *GlassMe* would increase.

3.5 Estimated Return on Investment (ROI)

Based on 6 months forecasted income and expenses

Description	S$
Sales Revenue	
i. Consumer Sales ii. Corporate Sales *(Including packaging)*	80 000 60 000
Design Revenue	15 000
Total Revenue	**155 000**
Cost of Goods Sold (on average) - *Wine, Perfume, Glass bottle*	90 000
Initial Capital - *Embossing Machine*	5 000
Operating Expenses - *Utilities, Packaging materials*	3 000
Design Revenue Paid to Designers	4 200
Total Cost	**102 200**
Operating Profit **ROI**	**52 800** **52.1 %**

4.   Market Opportunity

In the recent years, demand for customized gift has increased dramatically and has high popularity especially in Singaporean market. According to an article from Before It's News dated 9 November 2012, the report reflected that consumers are demanding for more personalized and creative products to highlight their identity. Indeed, sales for Zazzle, a personalized gifts online seller invested by Google in 2005 has increased dramatically throughout these years.

Consumers prefer novelty products as compared to off-the-shelves goods. Nevertheless, available novelty high quality gifts in the market are too highly priced making it unaffordable for many. For more price sensitive consumers, choices available look less presentable such as key chains. By creating a gap analysis with two attributes: prices of customize gifts and the ability to customize goods, *GlassMe* notices a gap in its analysis.
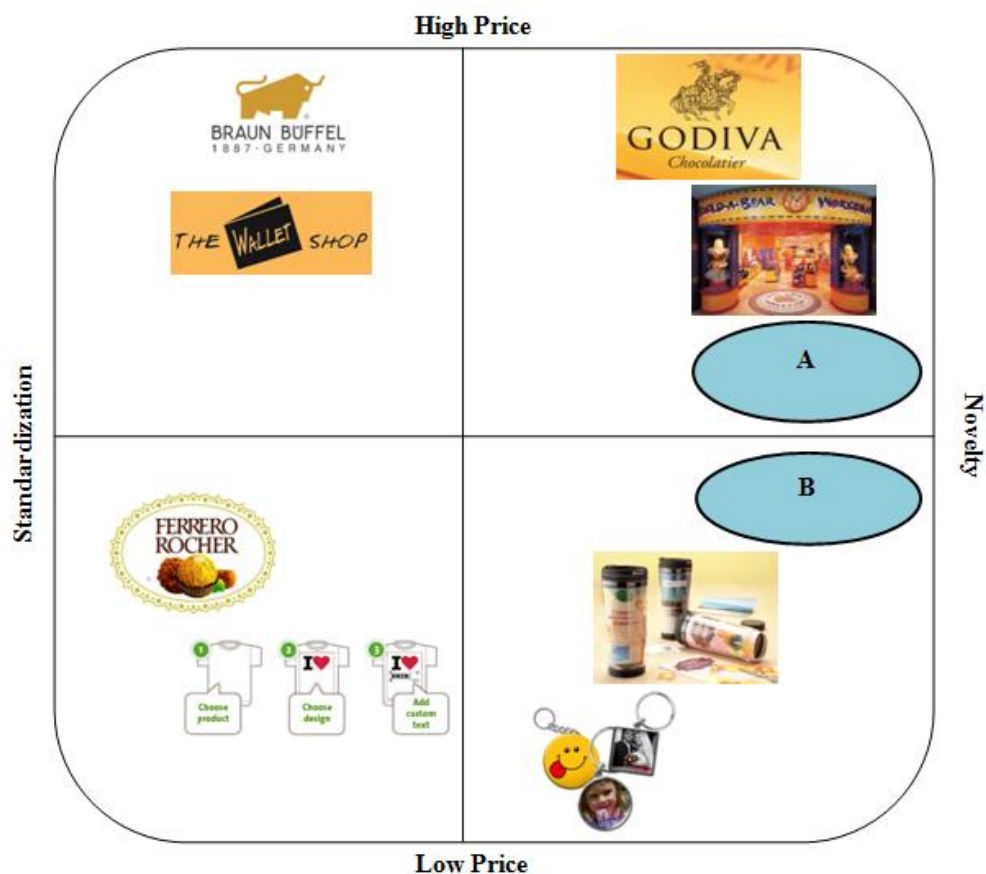
Quadrant 1: High price, Standardized – Braun Buffel & The Wallet Shop

Quadrant 2: High price, Novelty – Godiva Chocolate & Build-A-Bear

Quadrant 3: Low price, Standardized – Ferrero Rocher & customized T-shirt

Quadrant 4: Low price, Novelty – Starbucks tumbler & customized keychain

GlassMe has the ability to be the first to bring the glass embossing technology to the market, the various competitors identified are mostly indirect competitors.

In quadrant 1 and 3, many premium brick-and-mortar stores are classified in this category of offering no or less ability to modify the products. Being an e-commerce business model, *GlassMe* has the opportunity to allow greater space for modification and customization of goods. Consumers are being placed as part of the production process which as a result allows lesser inventory cost.

GlassMe identifies 2 gaps through the analysis; medium-to-high price novelty gifts as seen in highlighted area "A" and mid-low price novelty gifts as seen in highlighted area "B". As the cost of goods for *GlassMe* is relatively high, it would be hard for *GlassMe* to compete in the medium-to-low pricing market. Also, the medium-to-low pricing market is rather saturated with different offerings such as key chains, mugs and T-shirt. Therefore, *GlassMe* will be targeting the medium-to-high pricing category with high novelty.

By targeting the high-end user group of professional, managerial, executive and businessman (PMEBs), *GlassMe* aims to provide its customers with flexible range of customized glass product embossing that suits many occasions such as weddings, anniversaries and birthdays. As this service satisfies the need for novelty and with glass materials, it portrays elegance and

class which match with the social status of *GlassMe*'s target group, the customers will be willing to pay for the products from *GlassMe* as compared to other cheaper but lower class products. According to Report on Wages in Singapore 2011 from Ministry of Manpower, the average gross monthly wage for professionals is S$ 4632 while for managers is S$ 6630. Therefore, although products of *GlassMe* charge at a medium-high price as compared to other customized gifts, its products have large market potential and the demand is still predicted to be very high with its reasonable price for our target group.

Furthermore, *GlassMe's* optimal focus is to capture the corporate market that makes bulk purchases. By positioning ourselves at high price high novelty, we would be able to match the brand image of our consumers with the ability to customize their company names. As the price would be based on Request-for-Price, price reductions will be given according to quantities ordered and the degree of customization. Conventionally, pens, T-shirts and key chains were commonly used as corporate gifts. However, these products are too widely used and became less impressive. Observing this trend, *GlassMe* decided to tap in this market and provide innovative solution for the corporate. Other than wine and perfume, glass embossings are also made available to the corporate. With different request, *GlassMe* will customize and source for different materials according to request.

5.   Competitive Environment

GlassMe is an E-commerce business that is primarily based in the gift-giving industry. This section of the report seeks to explore the competitive environment of the gift-giving industry.

The gift-giving industry as a whole is generally fragmented with low barriers to entry. For instance, referring to the previous gap analysis, there is a greater threat from new entrants in cheaper and less differentiated gift segments such as gift cards. However, firms such as Hermes, which are in the more premium and differentiated segments, tend to have high barriers to entry as their existing brand equity mitigates the effects of new entrants with relatively unknown brand names. *GlassMe* seeks to position itself towards the latter as the reduced threat of new entrants will give *GlassMe* more space to price its products profitably. Also, the technology used for glass embossing serves as obstacles to potential imitators as it not only requires high initial capital costs to invest but also skilled training to be use. This presents a window of opportunity for *GlassMe* as it is able to gain a relatively long lead-time ahead of potential competitors, thus placing it in an advantageous position.

Looking into the indirect competitors of the industry, rivalry is kept at a minimum as each segment caters to a different set of consumers with different needs. However, within each segment, rivalry among the existing firms is generally more intense for the economical segments relative to the more premium segments. This is because the more economical segments tend to have homogenous products and are more likely to compete on price. In this regard, *GlassMe* has decided to target the up-market through its personalization offering so as to be able to charge a premium on its services.

Anything that can be given can be considered a gift. Hence, there will always be a threat of substitute products as there are an infinite variety of possible substitutes that can be used to satisfy this need. However, for consumers who are willing to pay for novel and special gifts, this threat becomes less of a concern as the higher perceived value placed on these gifts will help secure the market and attention from consumers. For instance, by comparing the price an ordinary handbag to that of a Hermes handbag, it is observed that the price of the Hermes handbag is many times higher relative to the ordinary bag. This is due to the higher perceived value incorporated into the Hermes handbag through marketing activities such as luxury branding positions. Hence, *GlassMe* tries to reduce the threat by deriving its value through branding, which cannot be easily substituted.

There are many types of gifts and each come in various forms and requires different sets of resources to create. Nevertheless, in most cases, gift suppliers tend to have relatively low bargaining power as firms can easily choose to outsource their production to alternative suppliers who offer lower price. However, while *GlassMe* will be outsourcing its non-core competence operations and supplies to third parties, it is not in its interest to pressure its suppliers on price as there are opporunities to work together in marketing efforts. This is because *GlassMe's* suppliers tend to have reputatble brand positions themselves.

6.   Competitive Advantage

After having explored the analysis on the competitive environment of the gift-giving industry, it is critical that *GlassMe* evaluates its core competencies and identifies sources of competitive advantages in order to differentiate itself from its competitors. This section serves to provide insights into how *GlassMe* gains its edge over competitors.

6.1   First Mover Advantage

As mentioned in the market opportunity analysis section, *GlassMe* is a pioneer in glass embossing services in Singapore, thereby rewarding itself the perks of being the first-mover in this field. Hence, to better capture the value of being the first mover, *GlassMe* has to design features that encourage purchases and revisits from its customers. To do this, *GlassMe'*s first task is to convert customers into members. By encouraging customers to register as members, *GlassMe* can utilize information on their purchasing behaviour and preferences to better customize, organize and send content for their perusal and benefit. In addition, to entice customers to purchase and register, they will be offered discounts and special deals by simply providing the necessary information.

*GlassMe'*s strategy to encourage revisits is to provide a channel for its members to upload their designs into a user-generated gallery. By providing such a platform, *GlassMe* is essentially creating a social space for cultivating a community of active designers. As an incentive, members will be able to gain commissions when other customers have used the designs for their gifts. Furthermore, there will be a monthly competition to decide the best design of the month. These designs will command a bigger share of the revenue as commissions to their designers to encourage competition. Through this strategy, *GlassMe*

will be able to create a strong and active gallery of designs. As such, members will be experiencing higher switching costs to new competitors as it will be difficult to capture *GlassMe*'s market due to the user-generated community and commitment of it members.

6.2   Technological Barriers

Apart from having a first-mover advantage, the technology used by *GlassMe* to emboss its glasses is in essence a barrier to entry for new entrants. This is because the equipment used for embossing 3D designs on glasses is not readily accessible in the Singapore gift market. As such, new entrants and competitors would require longer lead-time to introduce the new technology in Singapore. Imports of such gifts are also not feasible as competitors face higher transportation costs and longer delivery to their customers. Hence, unlike other customizable goods such as T-shirts, the technology used by *GlassMe* is rather uncommon and would require significant capital costs.

As one of the key assets for *GlassMe* is the technology used in the embossing of the product. As such, to avoid forward intergration of our manufacturer, *GlassMe* will not be outsourcing the embossing of the bottles as to protect the competitive advantage of the company. A company example is Build-a-Bear. Various suppliers supply the clothes and accessories for the bears but the main "stuffing" of bears are done in the stores of Build-a-Bear. This has maintained Build-a-Bear's market share and customers remain supportive due to the brand name built. As such, *GlassMe* would also like to duplicate the success of *GlassMe* by maintaining the embossing technology within the firm.

6.3   Supplier Relationship

As part of *GlassMe*'s internal capabilities, it has established a mutually beneficial relationship with its glass content suppliers. This allows *GlassMe* to enjoy lower cost of goods sold as *GlassMe* can has access to lower distribution prices, thereby giving it a cost advantage over potential new entrants. Moreover, this relationship is sustainable as the suppliers' incentive comes from using *GlassMe* as a sales channel to increase their units sold. *GlassMe* on the other hand benefits by being able to provide a greater range of products for its customers. Most new entrants struggle in obtaining this advantage and would require a longer period of time to establish such a relationship.

6.4   Product Offering

GlassMe differentiates its offerings as compared to various online customizable gift websites such as Zazzle through the product offerings. Zazzle provides consumer with many choices of goods and consumers are able to customize the goods. However, the offerings are targeted on consumers with higher price sensitivity as offers and discounts are always presented to induce customers' purchase. *GlassMe* on the other hand would like to be positioned as a premium and classy brand as the product offerings are more better quality. The products offered are also of utility value instead of decorative items.

7.   Marketing and Advertising Plan

7.1   Target Market

Since *GlassMe*'s ultimate goal would be venturing into the B2B market segment, *GlassMe*'s target market will be focusing on higher purchasing power individuals. These individuals are seen to have the ability to influence the corporate decisions in their workplace and eventually leading *GlassMe* towards its goal. Through market segmentation and targeting, *GlassMe* will be able to identify and better understand its largest customer base. By taking a more focus approach in our marketing strategy, *GlassMe* is able to better target the affordable group of our goods. By not wasting our marketing efforts on building the awareness on the mass market, this would reduce the budget needed for marketing and advertising our products

Through the deeper evaluation of the target market, *GlassMe* will be able to focus its marketing effort on this group of target market.

7.1.1   Demographics

Our primary target market group consists of the highly paid individuals who are basically white-collar workers with professional, managerial and executive positions. The target market could also be individual who owns a SME business. As the target group has a stable and higher monthly income, the spending power is the highest as compared to other segments of the population such as general and blue-collar labours. The willingness to spend of this target group is also higher for goods with greater perceived value. The population of these occupational roles is also large as half of the Singapore workforce is currently holding a white-collar job and it is projected to increase to two-thirds by 2013 (Cheam, 2013).

7.1.2   Psychometric (Attitude, Lifestyle, Purchase behaviour)

The target consumers will possibly have a higher desire for goods that accurately portray their need for recognition. Common and standardize items hardly appeal the group as they desire to be at the forefront for every newest possible product. The target group can prove this assumption through the constant purchase of the latest smartphones. For the Singapore population aged 25-39 years old, the level of ownership of smartphone is 92% (A White Paper, 2012). The high user percentage could be explained by the desire to be at the frontage of the society and the affordability of the group of consumers.

*GlassMe'*s positions itself as a better-perceived value of customizable gifts through its branding and the use of good quality materials such as glass products instead of plastics. For less price sensitive consumers or corporate that are looking for better and presentable products, *GlassMe* offers ideas for classic designs and better packaging. Through the various effort of increasing the brand image of the products, *GlassMe* products will suit the need of the target group of acceptance from the community.

While gifts are presented by our buyers that are likely to be of the same social class, it is important to portray our product that reflects the high social class of our target group. With the classy setting of our website and the various product offering, it satisfies the need for the high social class individuals.

7.2   Pricing Strategy

Since prices are the most direct and tangible form of signal that consumers will receive when making purchase decisions, it is critical that *GlassMe* constructs its pricing strategy such that

it displays its intended value positioning. After all, not only does pricing strategically allow *GlassMe* to capture and translate its value proposition into revenue, and ultimately profits, it also acts as a form of communication device to help establish *GlassMe*'s brand equity. According to research, there are two main components that prices represent; functional value and psychological value. The former relates to the functional benefits that a consumer may derive from using the goods or services whereas the latter relates to the psychological aspect of utilization. *GlassMe*'s products will be heavily focus on the psychological aspect as it is in the nature of gifts to provide psychological satisfaction to its recipients. Hence, *GlassMe*'s pricing strategy will be primarily focused on building and harvesting psychological value from its products.

Information is key to making decisions and when consumers are knowledgeable, they tend to make good inferences and valuation that is accurate and precise. Yet, this rarely happens in reality, as information asymmetry is the norm rather than exception. Often, there is a mismatch between consumers' perceived value and the actual value of the products involved. As a result, consumers generally infer good product quality from high prices in the absence of complete information. Hence, this provides a rationale for *GlassMe* to engage in premium pricing. The difficulty in ascertaining the value of *GlassMe*'s gifts allows it the opportunity to price high and signal good quality. Moreover, due to *GlassMe*'s favorable competitive environment and its first-mover advantage in glass embossing services, there is a lack of competitors in this field which leads to a lack in reference prices for consumers. This further motivates the rationale for premium pricing and also reduces price pressures for *GlassMe*.

GlassMe recognizes that its customers have different levels of price sensitivity; hence it seeks to address this concern through psychological framing tactics, which are natural forms of price discrimination mechanisms. To target the different segments of price sensitive consumers, *GlassMe* introduces add-on pricing for additional features such as better packaging and popular designs. In this matter, less price sensitive customers who are willing to pay more for added features will do so whereas more price sensitive customers have a choice to skip the add-ons and pay less. By doing so, *GlassMe* will be able to engage both types of consumers and potentially convert them into customers. Moreover, the majority of *GlassMe*'s products will have a price ending of either zero or five. For instance, its wine gifts will be priced at $120. Research on psychological pricing has shown that consumers will generally find the $120 price tag distinctively easier to recall due to the price endings and the presence of even numbers. Hence, this helps with better brand and product recall.

As part of the initial marketing campaign, *GlassMe* will be engaging special event pricing through discounts to entice consumers into purchasing and thereby gaining critical sales volume. However, *GlassMe* will not be constantly giving special price discounts as it has determined that its products are not very price elastic due to the lack of substitutes. This is because by constantly depressing the net price of its products, consumers may form the impression that *GlassMe*'s products are cheap and will ultimately harm *GlassMe*'s brand image. Lastly, since *GlassMe* engages in perceived value pricing, it will be offering product return policies so as to address customers' post-purchase uncertainty and making it easier for customers to make the purchase. *GlassMe* is confident in its ability to satisfy its customers' needs.

7.3   Communications Strategy

For *GlassMe*, marketing communications is one of the most critical drivers to its success. After all, having good value propositions is only the beginning; being able to communicate value propositions to consumers and convincing them to accept and engage *GlassMe* is the challenge. This is because *GlassMe* is a new entrant and does not have a well-establish brand presence that consumers can relate to. Moreover, as a startup, *GlassMe* has limited resources that it can utilize in its marketing campaigns, hence it needs to be selective in its communication tactics. In this section, *GlassMe* provides a perspective into how it will communicate and convert its targeted consumers into *GlassMe* customers.

As mentioned above, *GlassMe*'s target market is essentially Professionals, Managers, Executives, and Businessmen (PMEBs). Not only do these consumers have the purchasing power to engage in *GlassMe'*s premium services, they are also in well-established positions that can make business decisions. By positioning itself to better target PMEBs, *GlassMe* hopes to be able to leverage on the customer relationships to gain access to their business networks. Furthermore, by concentrating marketing efforts to this segment, *GlassMe* would be able to achieve more effective and efficient use of its marketing budget. Ultimately, the aim of *GlassMe* is to venture into the B2B market as it is a sustainable and profitable segment for the business.

To achieve this aim, *GlassMe* has two immediate communication objectives: (1) establishing *GlassMe*'s ability to provide desirable and prestigious gifts that is high in demand and (2) building brand awareness so that customers will recognize and recall *GlassMe* as the solution to this desire, thus ultimately leading to purchases.

Central to achieving the communication objectives, *GlassMe* has designed its communications strategy to revolve around the message:

Your prestige, Our purpose,

Designed by you

The idea of this message is to appeal to *GlassMe* customers' social needs as gifts are often given in social situations to help build connections. The greater the perceived value of the gift received, the better the impression created and the stronger the relationship between the gift giver and the recipient. By positioning *GlassMe*'s brand image to be premium and prestige, *GlassMe* is in a better position to achieve this effect. In addition, since there is an element of personalization involved, the gift is more meaningful and thus commands an even higher level of perceived value.

As a first step to introduce itself and what it does, *GlassMe* intends to utilize its website as the main gateway for informational purposes so as to reduce informational uncertainty. Through its website, *GlassMe* is able to give consumers a better idea of what to expect by showing sample photos. Moreover, the website will also display testimonials and reviews from other previous customers so as to better establish product credibility. Furthermore, as high priced products tend to represent a greater portion of consumer's budget, they may naturally associate the purchase with a higher level of risk. *GlassMe*'s seeks to mitigate this risk by providing more information through the website. Lastly, most of *GlassMe*'s individual customers will likely be buying through the website as it is easy and convenient to

do so. Clients, such as wedding planners, who are likely to purchase in bulk will also be able to contact *GlassMe*'s management team for more information and better deals. In essence, the website functions only as a sales channel, it also works as a communication node where *GlassMe* can direct and attempt to educate consumers on its value propositions.

With the website established, *GlassMe* will proceed into building brand awareness through a variety of communication channels. In this regard, *GlassMe*'s first task is to achieve brand visibility and it intends to do this by marketing through events and experiences. For instance, weddings tend to be grand in nature with a high degree of couples trying to impress their guests. To capitalize on this, *GlassMe* will enter into partnerships with event planners from well-established hotels and venues. Through these partnerships, *GlassMe* will provide incentives such as sharing a percentage of profits with the event planners to induce them into advertising and promoting *GlassMe*'s services to their clients. In the event that wedding couples are interested, the event planner will then outsource and direct them to *GlassMe* to for designing and creating the wedding favors. This way, *GlassMe* is able to gain access to a wider range of customer networks and create valuable connections. Through these connections, *GlassMe* plans to establish good relationships with clients so as to generate positive word of mouth effects. In addition, through the distribution of *GlassMe* gifts as presents, such as wedding favors, potential customers will be exposed to the *GlassMe* offerings. This increases product visibility and interested parties will likely engage the event organizers for more information, who will then be directed to *GlassMe* and its website.

Another form of communication tactic that *GlassMe* will be executing is sales promotion. Within *GlassMe*'s target market of PMEBs, *GlassMe* will specifically search for senior

managers and businessmen of small and medium enterprises. Searching will be sourced from connections made with previous clients as well as other sources such as business directories. Where there are possibilities of cooperation from businesses such as boutique hotels, *GlassMe* will then present *GlassMe* gifts along with an informational brochure to the senior management and business owners as forms of goodwill to introduce *GlassMe* as a brand. However, *GlassMe* will avoid hard-sell tactics and not try to push sales. Instead, the main point is to subtly create positive brand presence in hopes that these potential customers will remember and recognize *GlassMe* during their interactions with other business leaders. Through this form of word of mouth, *GlassMe* seeks to drive stronger brand recall should these business decision makers have need of *GlassMe* services.

GlassMe is aware that its targeted consumers tend to be relatively sophisticated and clustered in more exclusive social networks. For instance, professionals tend to subscribe and follow certain opinion leaders through a variety of information channels such as reputable blogs. Hence, *GlassMe* will endeavor to engage in these opinion leaders to be featured and mentioned in their articles about GlassMe. This is to help GlassMe break through the clutter of information overloading by mainstream media as well as to gain credible access to tightly clustered and information selective social networks. To entice these opinion leaders to endorse the GlassMe brand, it seeks to provide negotiable and attractive incentives that will be mutually beneficial. In addition, when GlassMe has accumulated enough profits, it has plans to advertise in interior design magazines such as LuxeSource where its readers tend to be more high-end individuals who not only have high buying power but will also be interested in GlassMe services as well.

Lastly, GlassMe also intends to engage with its suppliers to work towards affiliate marketing. Since GlassMe's content suppliers have reputable brand names themselves, working together to promote each other's product offerings would be in everyone's interest. For the suppliers, they would be able to increase their sales through GlassMe while GlassMe on the other hand can extend its customer base and further increase its sales. In essence, both GlassMe and its suppliers have interest that are aligned and would be in a position to gain from each other's gain, a win-win situation.

GlassMe also has a complete customer service system to make sure customers are well engaged. A list Frequent Asked Questions (FAQs) is available in its website so that common doubts can be cleared instantly and efficiently. Otherwise, customers can contact *GlassMe* via E-mail or hotline. To ensure good customer experience, *GlassMe* has a "Less than 3 days" policy where it intends to make sure that all E-mails and RFP forms will be replied in less than 3 days. There is also automated response system to acknowledge the receiving of E-mails and requests. These features create two ways communication which make *GlassMe* always reachable to the customers and subsequently develop confidence in it. Quality and effective customer service plays a significant role in securing the customers.

8. Prototype Website

This is our prototype homepage. It features a user-friendly layout that is intuitive to use.
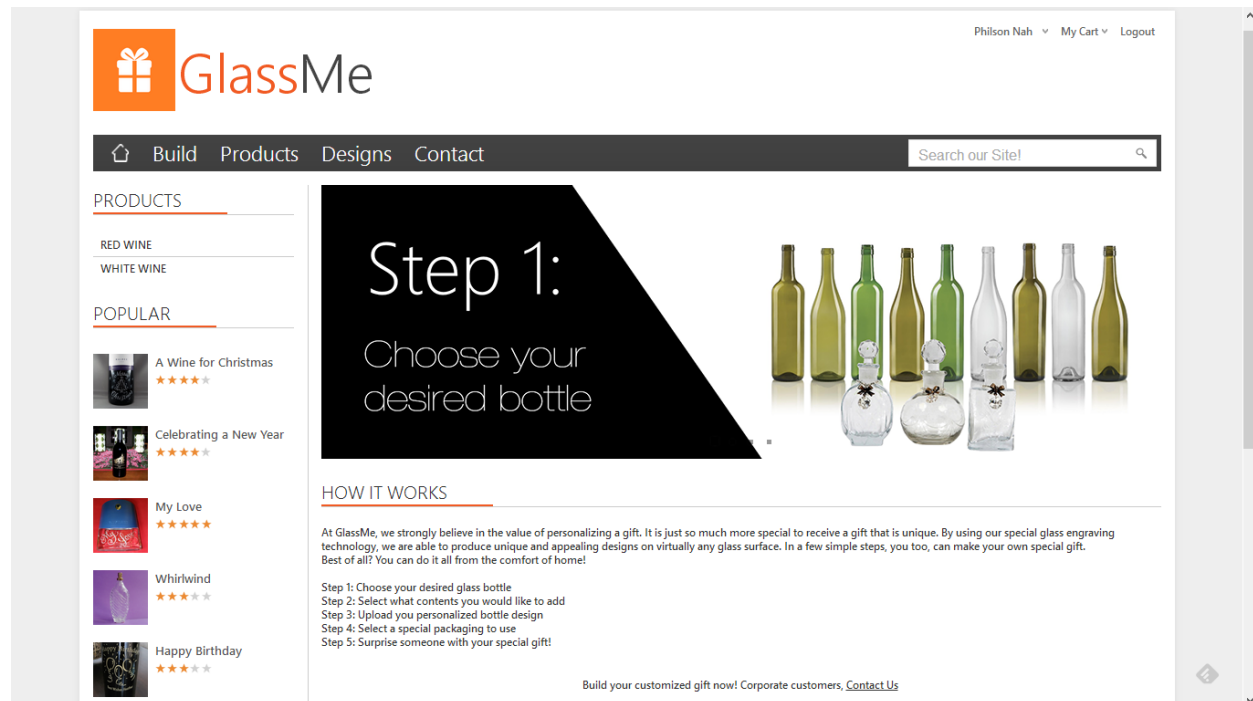
Our product catalog lets users easily search and filter through our range of products.
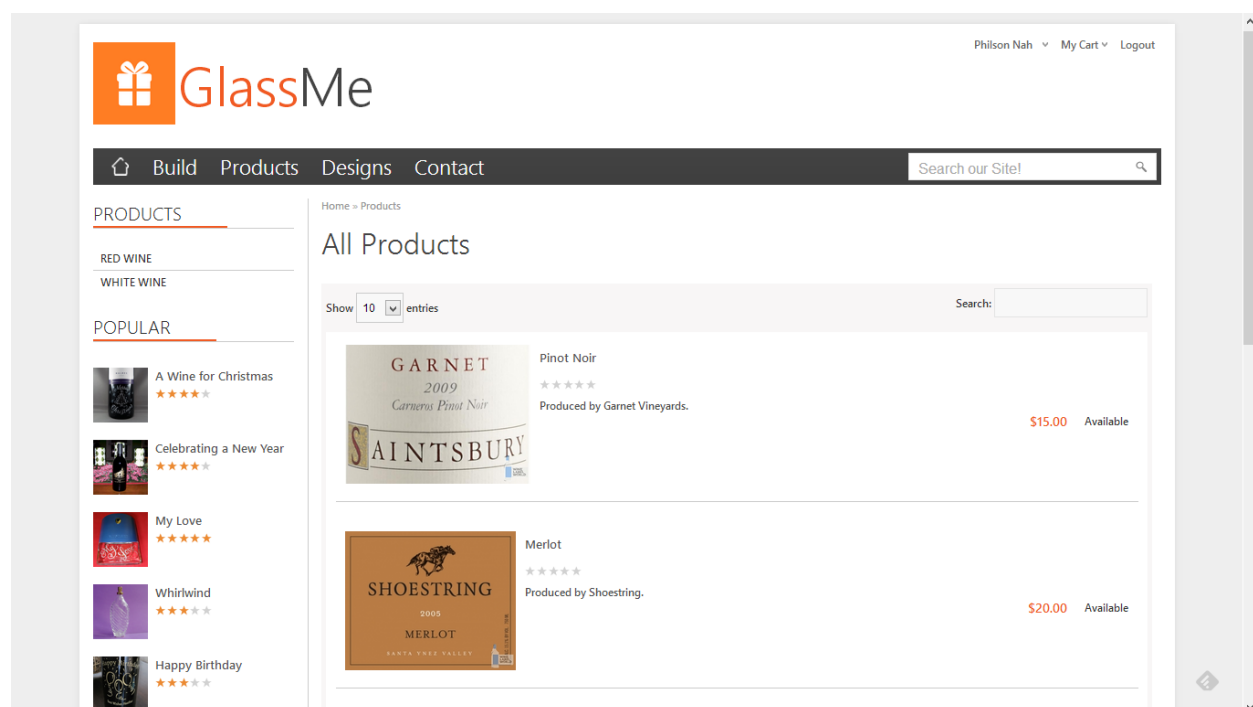
The first step in building the product is to choose which bottle to use.
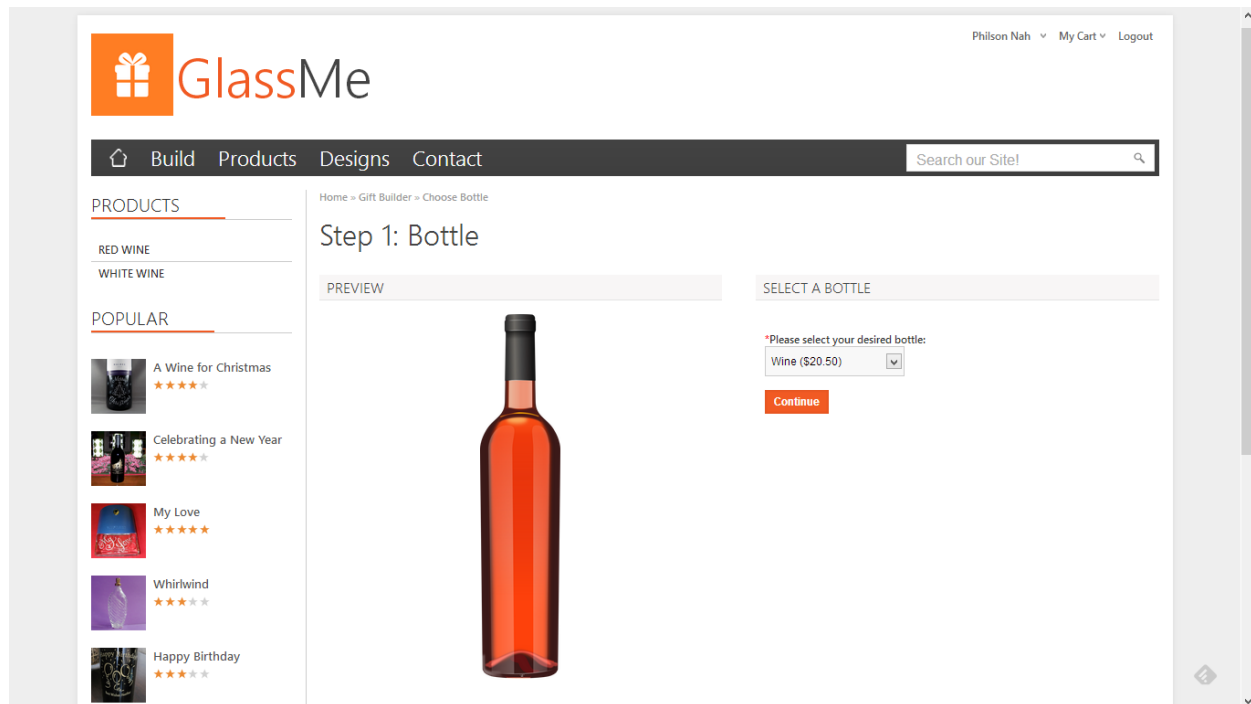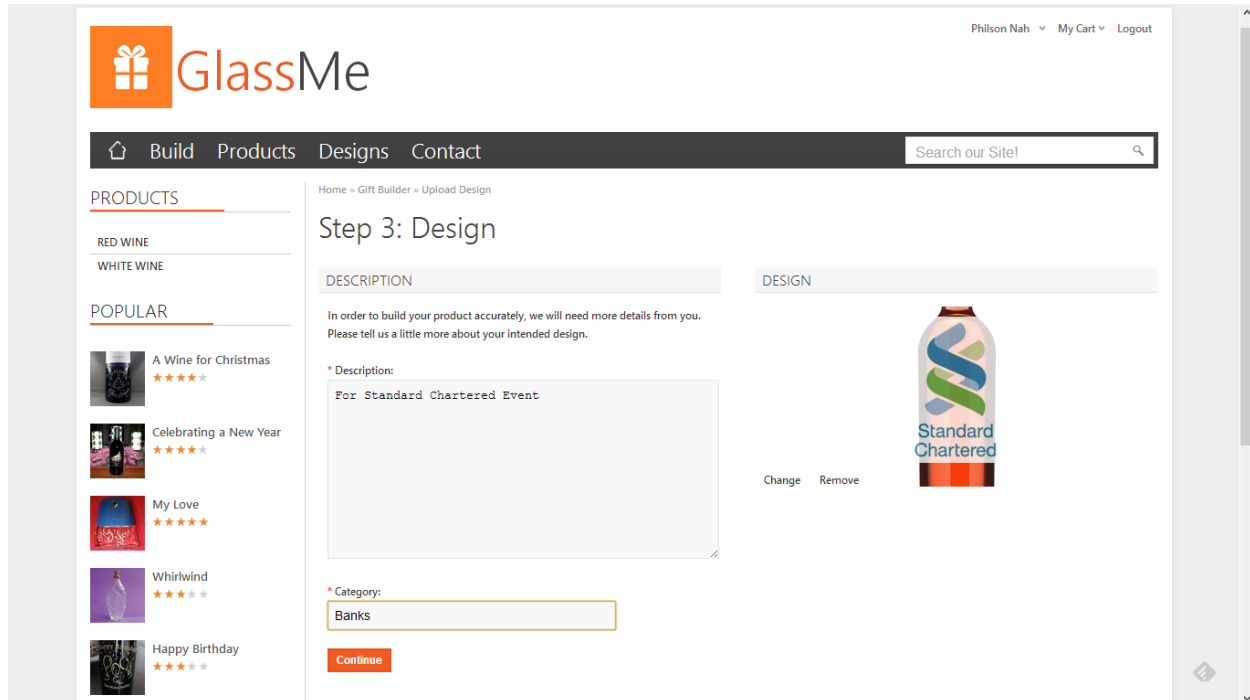
The second step will require the customer to select his or her desired bottle contents.
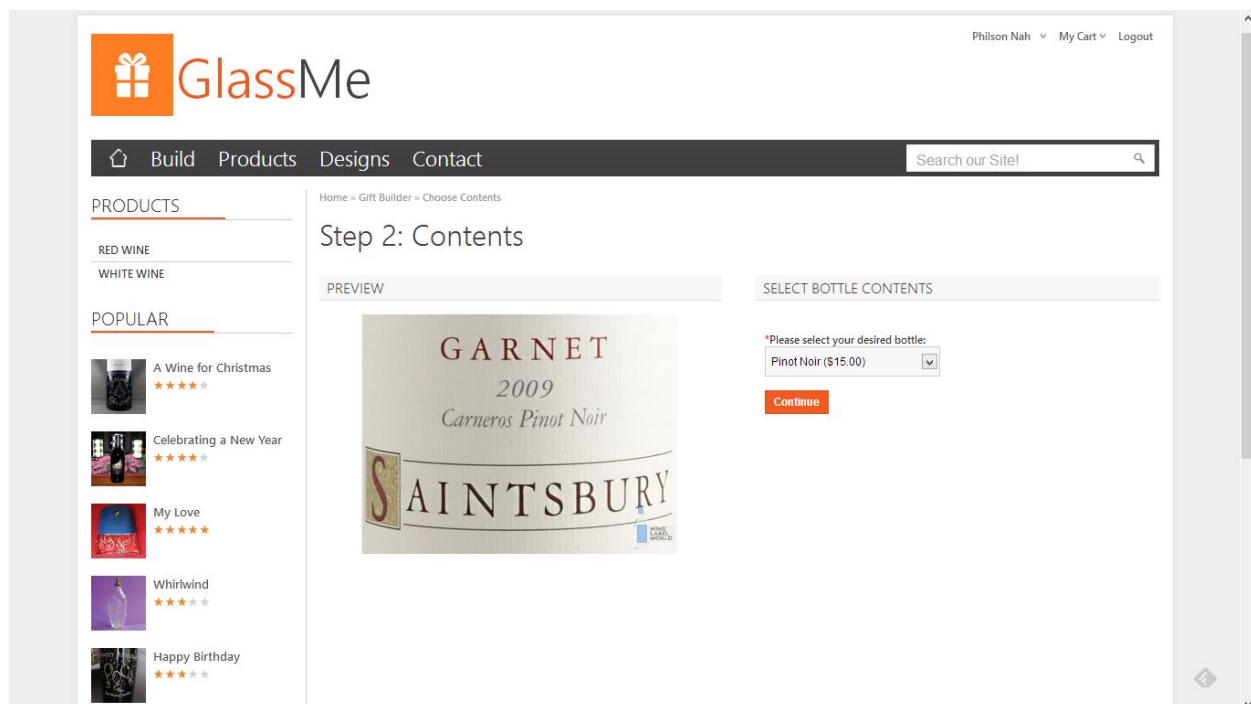
The third step is where all the customization takes place. The user will upload their personalized design to our site, and get a real-time preview of what the final product may look like.
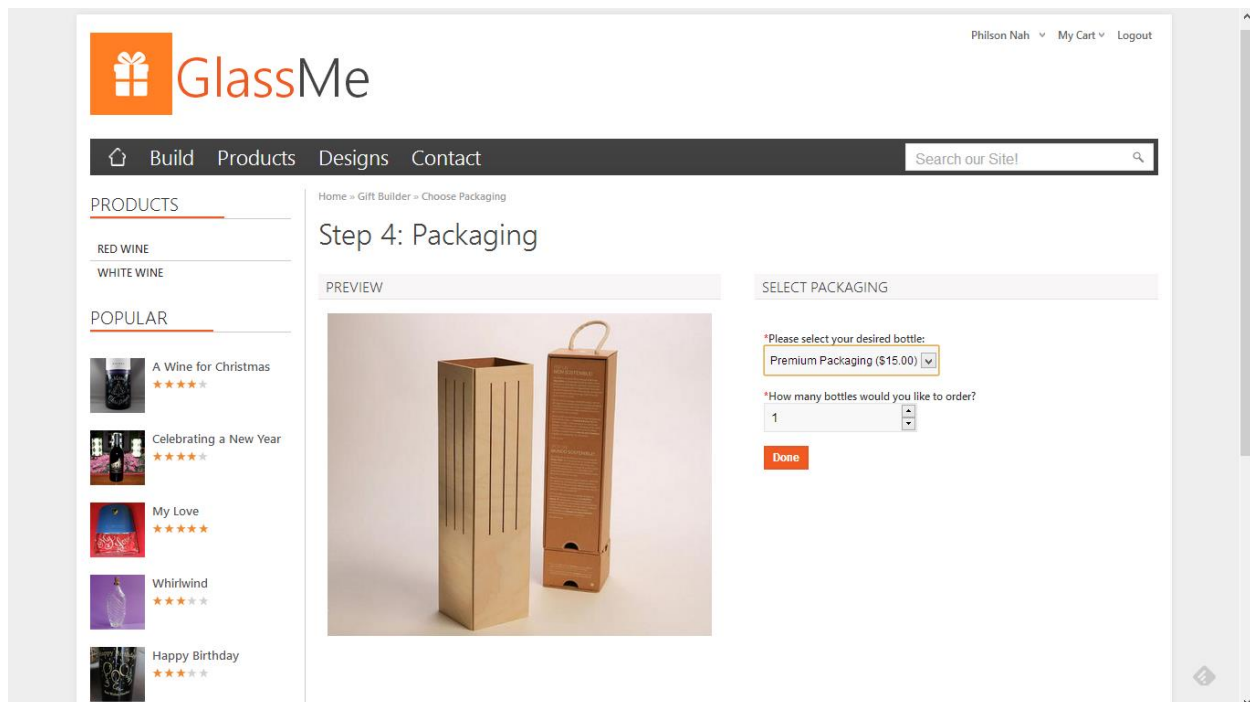
In the final step, users get the option to select their type of packaging, for an extra premium look.
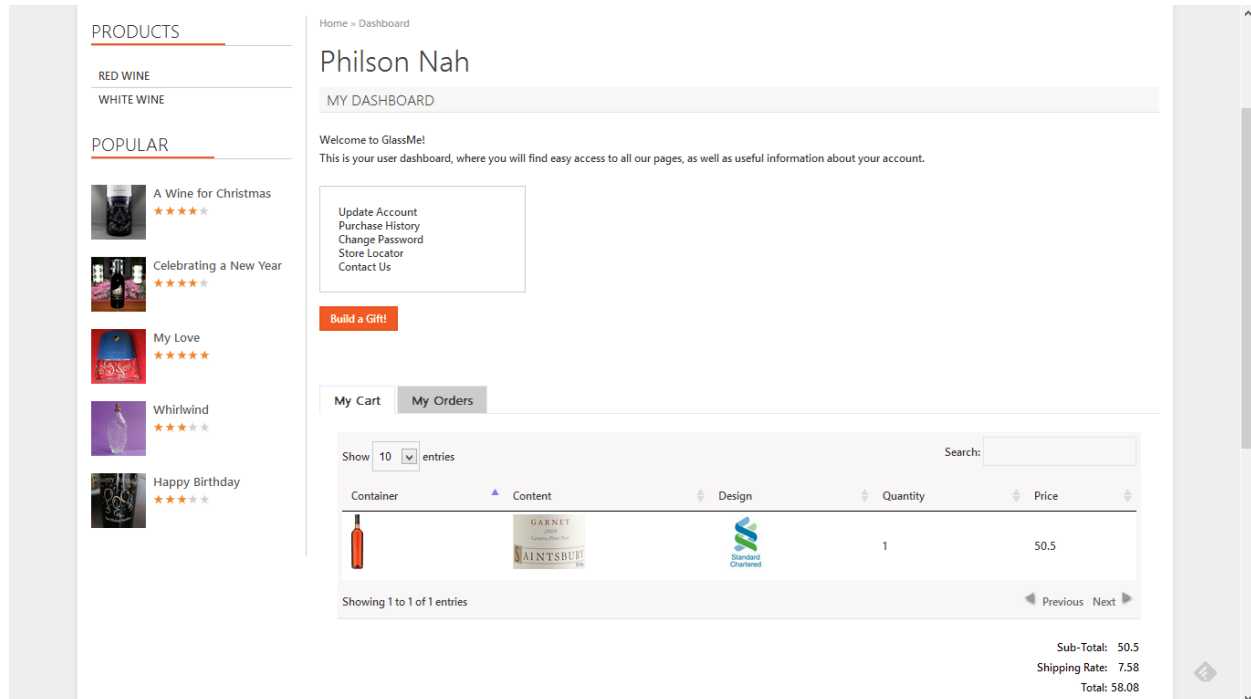
Our user dashboard allows customers quick access to information. The shopping cart has also been conveniently integrated into the dashboard.
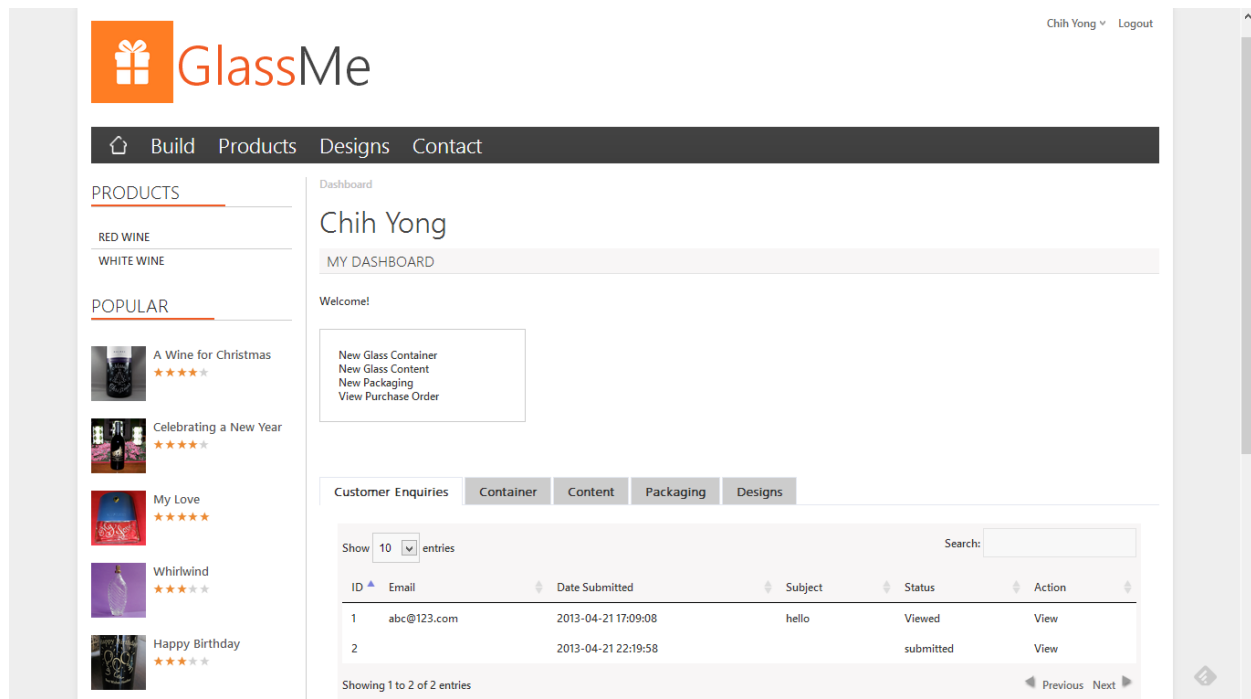
We have also set up an administrative portal for employees to manage the product catalog, respond to enquiries, and process orders.

Bonus Features:

As we are targeting executive and business customers, we have also integrated Google Maps to provide convenient travel directions, should they need to meet us in person.
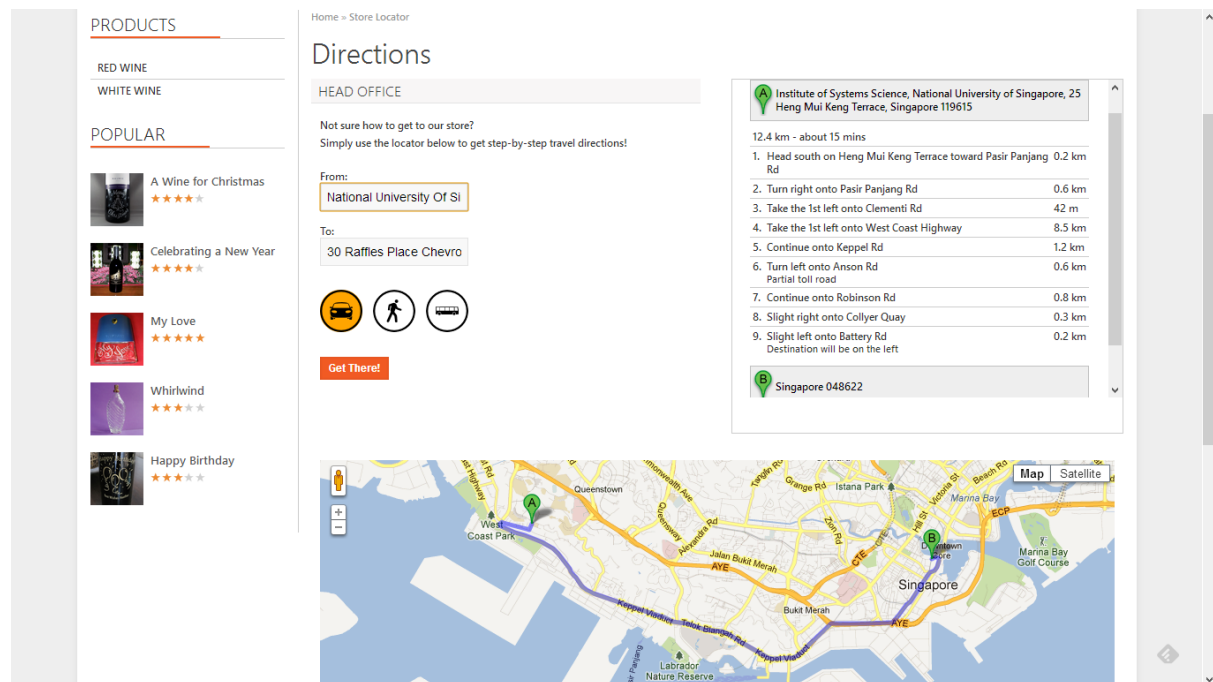
As our target customers are known to be busy, we have made on-the-go access much easier. By using Responsive Web Design (RWD), our site is built to be mobile friendly, and can be accessed from any device.
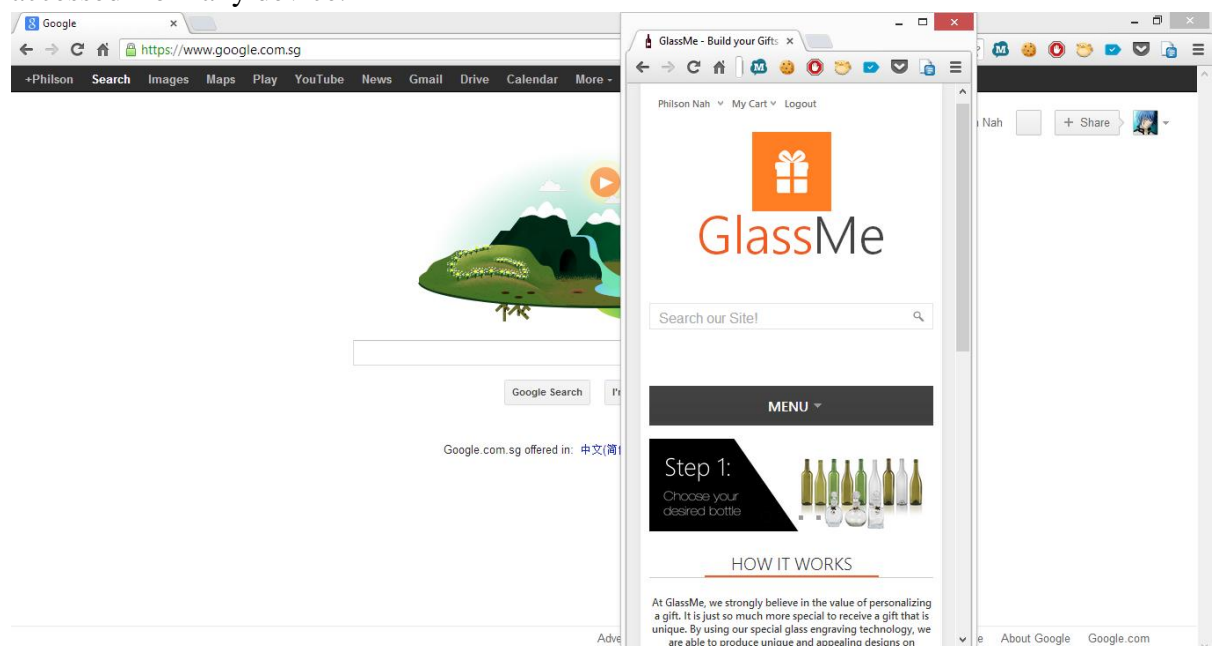
9.   Conclusion and Future Plans

To sum up, the current lack of creativity on glass materials guarantees a promising market for *GlassMe* to penetrate in. Also with an e-commerce nature, *GlassMe*'s starting fund would be lowered as shophouse rental and inventory cost can be minimized and this increases the turnover rate of the company. The matching of low start-up capital with substantially large market indicates low investment risk and high returns. By targeting the high-end consumers, *GlassMe* benefits from the potential demand and spending ability of these consumers. Thus, as computed in revenue model, the estimated ROI after one year of investment is as high as 52%.

Business scale of *GlassMe* is expected to expand after *GlassMe* has successfully created its branding in the market with sufficiently wide customer network. Currently *GlassMe* is building its brand name and customer base via consumers in B2C model and through them, subsequently reaching out to more corporations with higher consumption spending. As new innovations will appear in customized gift market, it will threaten the position of *GlassMe* in this market. Therefore, *GlassMe* future plan is to concentrate more on providing customized glass products for corporate in B2B market.

As the pioneer in this technology, *GlassMe* leverages on its branding reputation with quality products and strong relationships with suppliers and customers. Thus, *GlassMe* will be able to secure the current long term purchase agreement and also attract more demand from new corporates when glass engraving eventually becomes a significant key element for corporations to create their own identities and to differentiate themselves from their competitors.

Moreover, *GlassMe* will also act as an intermediary to receive outsource from corporate who wish to adopt engraving service as a personalized service provided to their customers. It will be irrational for the corporate to include this process to their production chain because it is costly to do so without economies of scale. Therefore *GlassMe* will be the resort for their solution. For instance, watches and mobile phones could be the potential markets for *GlassMe*. These companies may approach *GlassMe* for customization options for consumers to engrave their names on the glass of the watches and mobile phones. *GlassMe* believes that it has high market opportunity in this intermediary position.

To accommodate the estimated growth in demand, *GlassMe* will utilize part of its profits to invest on more and sophisticated engraving machines to increase its productivity. Larger quantity production enables *GlassMe* to generate higher revenue which relatively dilutes the cost on machineries. By estimation, *GlassMe* will grow by at least 30% in the next 5 years. *GlassMe* has unlimited growth potential by constantly adapting and changing its model based on new demand trend in glass customization market.

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