IMPLEMENTING AUTOMATED RETAIL
LESSON PLAN
MODULE 2: PRODUCT

Sponsored by **SPIRIT Box** *By Spirit Factory*

TIME REQUIRED

One to two ninety-minute block classes for marketing students

OBJECTIVES

At the conclusion of this lesson, students will be able to generate product ideas to contribute to ongoing business success.

PERFORMANCE INDICATORS

- Identify product opportunities
- Identify methods/techniques to generate a product idea
- Generate product ideas

MARKETING CLUSTER CORE | INSTRUCTIONAL AREA: PRODUCT/SERVICE MANAGEMENT

ACTIVITIES & ASSESSMENT

BELL RINGER

What would you sell?

CASE STUDY

ZOOMSHOPS taking flight in airports and beyond

CLASSROOM ACTIVITY

Product opportunities

CLASSROOM ACTIVITY

Online suggestion box

CLASSROOM ACTIVITY

Bell Ringer follow-up: Product selection revision and plan-o-gram

QUIZ

Product and product development in automated retailing

INSTRUCTIONAL CONTENT

SLIDE 1 _____

BELL RINGER: What would you sell?

At the beginning of the class, hand out the activity sheet entitled "What Would You Sell?" and ask students to brainstorm with a partner for approximately 5 to 10 minutes and list the products that they think should be sold through the Spirit Box. (This will later translate into a follow-up activity based on developing a plan-o-gram.)

SLIDE 2 _____

Define the traditional marketing terms of Product and Product Development.

Product is defined as a good, service, or idea that is created as a result of a process and satisfies a want or need.

- Products can be goods or services; Goods are tangible and services are intangible.

SLIDE 3 _____

Products have features and benefits.

- Features are attributes of a product.
- Benefits are the advantage or value of that attribute to the customer.

SLIDE 4 _____

Example: Crest 3D White toothpaste has the feature of specific ingredients (like hydrogen peroxide/baking soda) and the benefit of these ingredients is the whitening effect the user receives.

SLIDE 5 _____

Product Development is defined as the creation of products with new or different characteristics that offer new or additional benefits to the customer.

SLIDE 6 _____

Creating new products means developing a new, innovative or original idea to fulfill customer needs or wants.

Creating products with different characteristics involves modifying or changing an existing product to meet a need or want of the target market.

SLIDE 7 _____

Take a minute to ensure understanding of the term target market (those customers most likely to buy from you or the group of customers you are trying to reach).

- Stress the fact that new or modified products are developed around the wants and needs of customers. Marketers need to identify and understand those wants and needs in order to develop products that will lead to business success.

SLIDE 8 _____

The same basic marketing principles and strategies of traditional product development hold true for automated retailing with a few additional things to consider.

Ask students to think of things that might be different in automated retailing:

- The automated kiosk (Spirit Box) is a product in itself. The kiosk needs to be marketed to the target market.
- Also, the idea or concept of automated retailing is a new product.

SLIDE 9 _____

CASE STUDY: ZOOMSHOPS Taking Flight in Airports and Beyond

Pause PowerPoint at this time and hand out case study to students or use Promethean/Smart Board technology to pull up the online article "ZoomShops Taking Flight in Airports and Beyond" (_http://specialtyretail.com/issue/2009/01/ retailer-profiles/entrepreneur-profiles/zoomshops_entrepreneur_profile/_).

Review case study as a class or in small groups to form better understanding of the concept of automated retailing and how it is emerging as a marketing trend. Ask students to identify times/places where they have seen/used automated retail.

- Identify product features and benefits of the automated kiosk or machine itself that would be of interest to your target market.

  (Example: Spirit Box features SureVend technology that guarantees vend within three attempts or money returned; accepts major credit cards; touch-screen interface is easy to use and has an appealing interface for the customer; product dispensing is quick, which creates convenience and eliminates long wait time/lines at the school store).

- Can you think of any other product features and benefits of an automated kiosk? Consider how you would describe/explain your automated retailing machine to a potential customer.

- While automated kiosks offer tremendous opportunity to provide convenience for customer purchases, the kiosks have limitations in what size and types of products can be sold through the box.
  - Identify those limitations: Size of coils determine product size; packaging requirements; labeling requirements.

SLIDE 10

Product opportunities exist when there is a gap (Product Opportunity Gap "POG") between what is currently offered in the market and the opportunity for new or modified products as a result of emerging trends.

- Products successfully fill this gap when they meet customer expectations and are perceived as useful and desirable.

SLIDE 11

Example: Starbucks provides a coffee house hang-out environment to fill a gap between hanging out at home and hanging out in eating/drinking establishments.

SLIDE 12

Identifying product opportunities involves a process. Steps to identifying product opportunities are:

1. Conduct Market Research to Identify Need or Gap
2. Evaluate the Current Market
3. Identify Current Problem
4. Determine How to Solve the Problem

SLIDE 13

CLASSROOM ACTIVITY: Product Opportunities

Have students separate into pairs or small groups and apply/identify product opportunities. Allow 15-20 minutes for students to identify a product opportunity gap for the automated kiosk (Spirit Box) and then allow time for sharing their ideas.

SLIDE 14

Studies have shown patterns used by successful companies who consistently and continuously spin out new products or ideas. See company examples here: *www.innovationresource.com/resources/seven-strategies/*

The following techniques are used by these companies:

1. Involve everyone in generating ideas (example: online suggestion box for employees)
2. Involve customers in the process (example: online discussion boards; social media)
3. Involve customers in new ways (example: think outside the box; instead of hosting a traditional focus group go for an online, interactive forum)
4. Involve new customer groups (example: expand your definition of your current customer - look to those groups who are not yet customers and involve them in the process)
5. Involve suppliers (example: seek ideas from current vendors- express needs that you currently have and seek ideas for meeting that need through the supplier)

SLIDE 15

CLASSROOM ACTIVITY: Online Suggestion Box

Students work in pairs or small groups and develop the template for an online suggestion box for the school-based enterprise employees and a template for an online discussion board for customers. Along with the template, students should identify the following:

- Recommended timeline for posting both templates
- How to encourage employees and customers to respond to suggestion box or discussion board
- Who will check the responses and frequency of checking
- How will the product ideas be evaluated and selected

CLASSROOM ACTIVITY: Bell Ringer Follow-up: Product selection revision and plan-o-gram

Students return to their small group and revise their automated retail product selection list from the Bell Ringer activity based on the information they received through the PPT lesson and class discussion. As students revise their listing they should identify the criteria by which they selected those products. Provide students the activity sheet, "Plan-o-gram For Automated Retail" for them to fill in their product choices for placement in the Spirit Box.

Plan-o-gram Instructions:

Based on the information learned regarding the product strategy of the marketing mix, use the plan-o-gram sheet to visually display/place your product in the kiosk for sale. Use your own Spirit Box coil configuration to identify the large and small coils. Keep the following tips in mind:

• Larger items require a large bag (no products larger than a T-shirt)

• Large bags take up TWO coil spaces in the machine

• Small bags take up ONE coil space in the machine

• The coils vary by sizes: 9, 11, 13, and 24. This represents the number of products that will fit in the coil slots.

• If you offer an assortment of sizes of each item such as a S, M, L, and XL T-shirt, this will take up 8 coils/1 row of your kiosk/box.

ASSESSMENT AND FOLLOW-UP

QUIZ: Product and product development in automated retailing

RESOURCES AND MATERIALS

Online Resources and Trade Journal Articles:

• *www.businessdictionary.com/definition/product-development.html*

• *www.entrepreneur.com/encyclopedia/target-market*

• *http://specialtyretail.com/issue/2009/01/retailer-profiles/entrepreneur-profiles/zoomshops_entrepreneur_profile/*

• *www.ftpress.com/articles/article.aspx?p=1945330&seqNum=2*

• *http://www.sparxoo.com/2010/04/20/new-product-development-identifying-product-opportunity/*

• *http://www.marketingprofs.com/articles/2011/4322/three-techniques-for-real-innovation-in-product-development*

• *http://www.innovationresource.com/resources/seven-strategies/*

• *www.spirit-factory.com* Website for custom print spirit products

Books and Textbook Resources:

• *Marketing Essentials,* Glencoe

• *Creating Breakthrough Products: Revealing the Secrets that Drive Global Innovation,* 2nd Edition; Jonathan Cragan and Craig Vogel

AUTOMATED RETAIL: WHAT WOULD YOU SELL?

Instructions: Your school store has contracted with a supplier of an automated retail kiosk that will be located somewhere in your school building—but away from the school store. Make a list of all of the products that you think would be the best choices to sell through the kiosk.

Product	Rationale for Selection of this product

PLAN-O-GRAM FOR AUTOMATED RETAIL KIOSK

QUIZ

PRODUCT & PRODUCT DEVELOPMENT IN AUTOMATED RETAIL

True or False: Mark a T beside each statement that is TRUE and an F beside the statements that are FALSE.

_____ 1. Products are goods, services, or ideas that are developed to meet customer wants and needs.

_____ 2. Products are always *tangible goods*.

_____ 3. The automated kiosk is an example of a new product.

_____ 4 Product development is the creation of products with new or different characteristics that offer new or additional benefits to the customer.

_____ 5. Target market is the group of customers most likely to buy your product.

_____ 6. Marketers need to identify and understand customer wants and needs in order to develop successful products.

_____ 7. An automated retail kiosk will market itself and does not need to be marketed as other products are marketed.

_____ 8. The automated kiosk does not have product features and benefits.

_____ 9 Product opportunities exist when there is a gap.

_____ 10. Involving customers in the product development process through online discussion boards is a current technique that major corporations use to generate fresh ideas for new products.

Optional: Shorten the True/False to 5 questions and then assess application and knowledge through a short answer/discussion question:

Explain how your school-based enterprise will apply decisions regarding PRODUCT to the automated retail kiosk.

QUIZ ANSWER KEY
PRODUCT & PRODUCT DEVELOPMENT IN AUTOMATED RETAIL

True/False Key:

1. True
2. False
3. True
4. True
5. True
6. True
7. False
8. False
9. True
10. True

Short Answer/Discussion:

Responses will vary but should include decisions such as determining products that will fit properly in the automated kiosk and dispense with ease; products that customers want and/or need such as T-shirts, etc.