

**GNG2101**

**DELIVERABLE F**

**Submitted by**

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## **Introduction**

An important step in marketing the product is to select a business model, the deliverable F covers the business model. We will first identify the type of business model that we would select if we were to market our product. Secondly, we will present a business model canvas and to finish with, the core assumptions.

### **1. Business Model**










Among the different types are: brick and mortar, landlord, subscription, freemium, advertising, and razor-blade, we decided to choose the Customers building model, where customers are free labourers (similar to IKEA's business model) .

We chose to do the customers business model which is similar to the IKEA business model which uses their customers as labourers to reduce shipping costs. We chose this business model because it would be relatively easy to maintain. Our customers will have the option of buying a kit with all of the materials needed to create the waterproof hearing aids through an affiliate link from online retailers such as Amazon and Ebay. An affiliate link will allow us to earn money from every product purchased through that link and we would not have to pay for shipping or a warehouse for storage of the materials. We will also earn money through donations since we aren't looking to earn a lot of money from this product since we want to make the product as accessible to as many people as possible since all the other products are in the \$1000 range.

Another way money can be earned on our website would be through ads on the bottom of the website. We would also earn money through donations from the customer when they are accessing the instructions to complete the kit, this allows as many people as possible to be able to afford a waterproof hearing aid. By choosing this business model we eliminate the cost of renting and storing materials, we also eliminate assembly costs and shipping costs which are all already covered by the online retailers.

Since our product will be purchased as a kit, the customer will be doing this modification will be required to take apart the hearing aids at their own risk and thus the customer will be liable for any voided warranty that comes from the manufacturer of the hearing aid included in the kit. Since this is a kit the customer will also be liable for any loss of functionality due to them not following the instructions provided. By choosing this business model we would have to cover the maintenance costs of our website and a customer help desk where the employee works from home using their own laptop.

## 2. Business Model canvas

<div>Key Partners</div> <div></div> <div>Amazon, eBay affiliate stores</div>	<div>Key Activities</div> <div></div> <div>Website development Product development and management</div>	<div>Value Proposition</div> <div></div> <div>Waterproof hearings aids high quality of microphone rechargeable headset, long battery life  Waterproof hearing aids that are accessible to everyone who has hearing impairment</div>	<div>Customer Relationships</div> <div></div> <div>Customer service Social media</div>	<div>Customer Segments</div> <div></div> <div>Internet users - Everyone with low income, as many pepole that requires a waterproof headset but can't afford it The most important users are our customers</div>
	<div>Key Resources</div> <div></div> <div>Websites Amazon or eBay</div>		<div>Channels</div> <div></div> <div>Product website and documentation</div>	
<div>Cost Structure</div> <div></div> <div>Website set up and running costs Product development General and administrative Marketing and sales</div>			<div>Revenue Streams</div> <div></div> <div>Affiliate links, donation and ads</div>	

## 3. Core Assumptions

From developing our business model canvas, we assumed that our customers will have access to the internet and can purchase our kit from our affiliate links that are linked to online

retailers. We are also assuming that since the customer saved money by choosing our product they will be willing to donate to us so that we can maintain our product website so that it can remain accessible to everyone. Another assumption we have made is that the customer will be using our affiliate links to purchase everything and not purchase them without the affiliate links. Additionally, we are also assuming that the customer will be using our video instructions which will be available on multiple platforms; by having a video we assume that the customer will watch and rewatch the video to ensure that they are following the steps correctly, as well as this, we will create ad revenue from customers rewatching the video. With our business model, we can assume that we will attract low income persons and people who are looking for a waterproof hearing aid for a more affordable cost.

For the development of the canvas, it was important to make assumption cores which are presented below.

- **Product demand:** Is there a need or want for your product or service? Is the need already being met, or is there room for another product?

Currently no hearing aid on the market is fully waterproof and affordable. In fact, the prices of the devices are around \$ 1,000. A need is therefore obvious and the room is there for our product.

- **Market conditions:** Who would buy your product and where are they? Can you serve their location? Is the market saturated, or is there room/need for more products?

The people who are going to buy the product are people with hearing problems and who desire to have hearing aids that are waterproof. In 2011, a study showed that 4.6 million Canadians had hearing problems and 25% wore a device and many prefer not to wear the device since it is not suitable for everyday life.

- **Pricing:** What do current users pay for similar products? What do you need to charge so that you will be profitable, and will consumers pay your price?

Currently, people pay an average of \$ 1,000 for hearing aids that are not 100% waterproof. So it is certain that people will want to pay since the price would be really more affordable because they will only have to pay for the material.

- **Risks:** What are the risks associated with your idea?

The main risk is that people give a donation, since they will not be forced to do so. Moreover, another risk would be that people would listen to the video on how to make their device waterproof because with the views it will be possible to make an income.

- **Probability of Success:** Can you reasonably overcome the risks to become profitable?

The probability of the success of our model is still very good since we offer the possibility of making a hearing aid waterproof at a reasonable price. Because of this, people are going to be more conducive to leaving donations and more with the views on the videos and with the affiliate links an expense will be required which means greater profit. It would also be interesting to do a market study with people with hearing problems to see if this model would interest them.

## **Conclusion**

To conclude, it was seen during this deliverable that the type of business model chosen is a customer building model. In addition, a business model canvas was presented as well as the core assumptions.

## **Bibliography**

<https://www150.statcan.gc.ca/n1/pub/82-003-x/2015007/article/14206-fra.htm>