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The Vision

To nurture warm, interactive, emotional user experiences within the technological advances of our modern age.

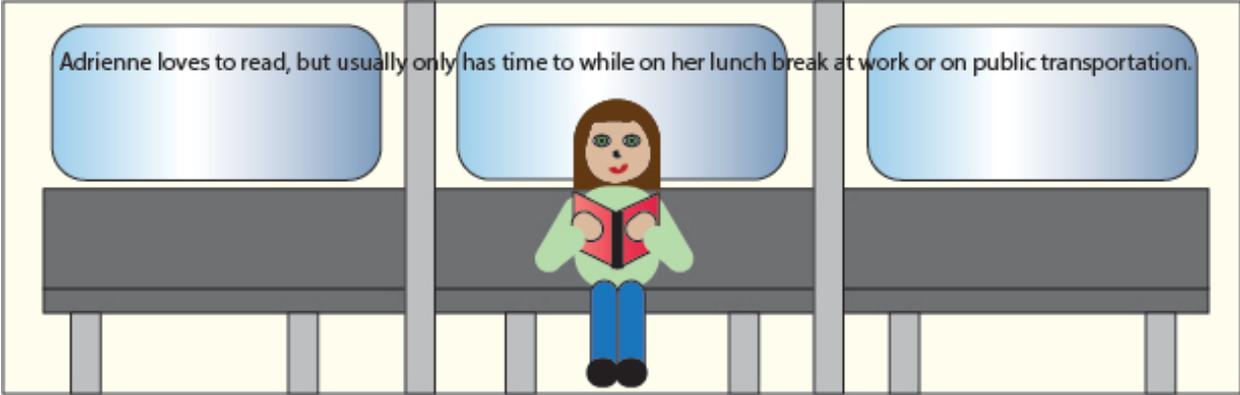
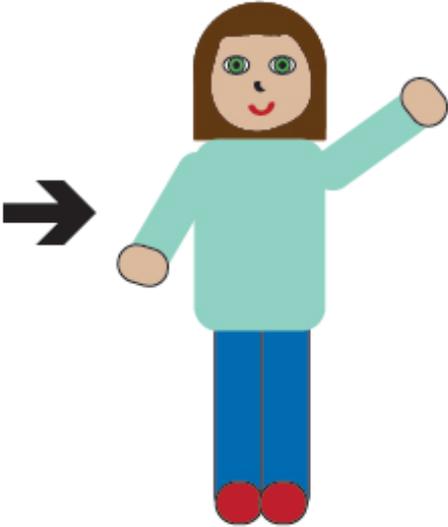
The Mission

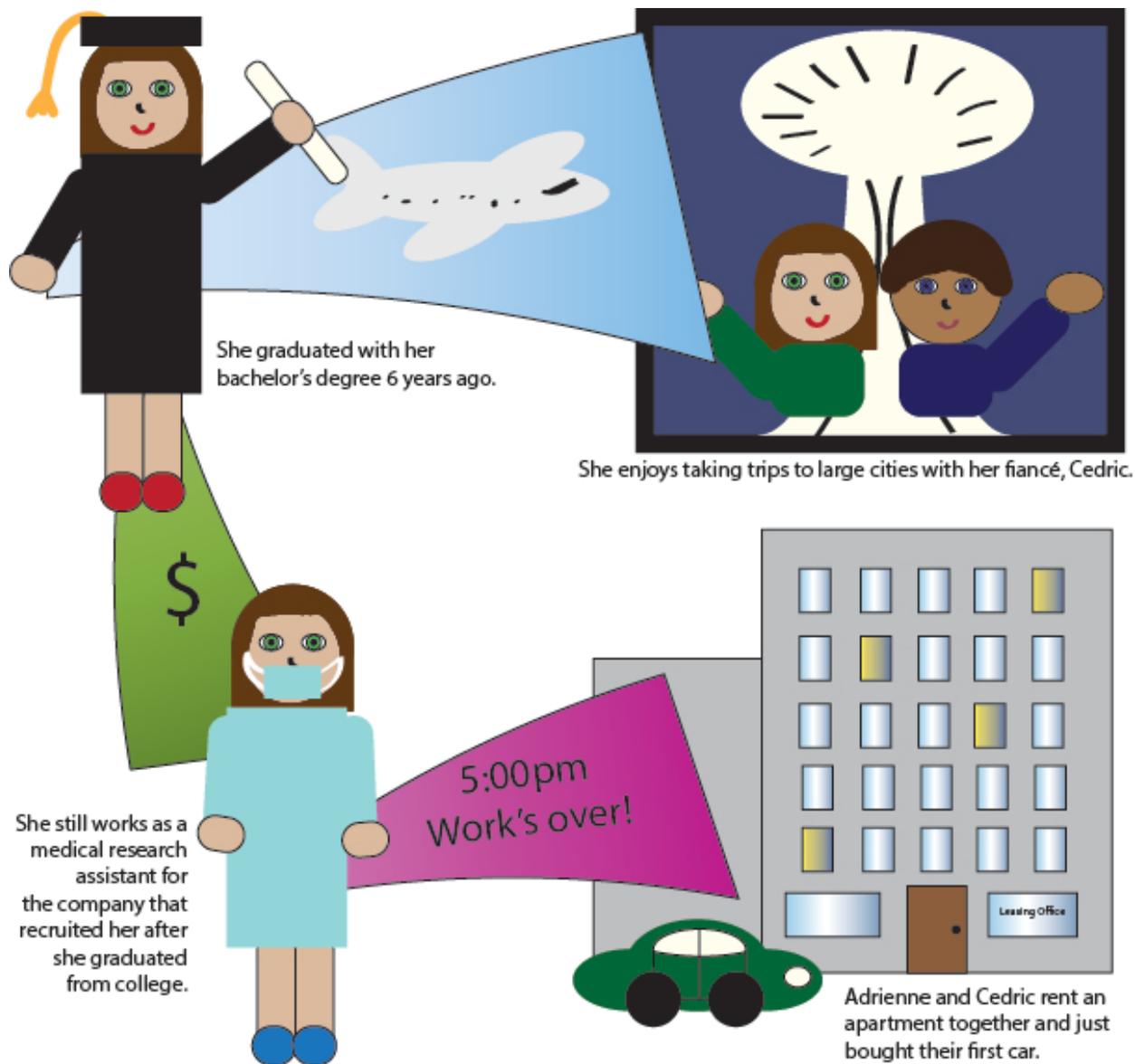
To create an e-reader that marries the convenience of technology with the interactive experience of a book. **parchment** seeks to rival the sensory experience of books while providing the user with a lightweight, compact, and durable product.

parchment's flagship product is an e-reader focused on providing a more interactive, book-like experience. The e-reader features an exterior display shell that changes to match the cover of the book currently being read. It can also sync with books in a physical library so that a reader never has to choose between a digital or physical copy of a book. In addition to these physical features, the digital interface keeps the reader in mind as well by providing an icon of the reader's book with a bookmark in it so that the reader knows how far he/she is in the book at a glance, numbering the pages of every e-book to match the e-reader's screen instead of using the page numbers from the printed version of the book, and showing an actual page flip graphic instead of the swipe associated with digital products.

Consumer Profile: Adrienne

Meet Adrienne





Adrienne is the persona of **parchment**'s overall target market. She is a young woman who makes a good amount of money, but not so much that she feels she can freely spend it on luxury items. She lives in and is drawn towards urban areas of the United States like Seattle and San Francisco. Family is important to her, but she's just now starting to entertain the idea of having one of her own. She is a smart shopper, a good housekeeper, socially responsible, environmentally conscious, trend-setting, and technically adept. She straddles the line between liberal / conservative, analytical / creative, and classic / modern amongst others and seeks ways to nurture all of these parts of her personality. She only buys luxury items if they have a long lifecycle and she is absolutely sure it will add to her overall happiness.

Competitor Analysis

The frontrunners in the world of e-readers are Barnes and Noble's NOOK, Amazon's Kindle, and Apple's iPad. The table below provides an overview of each of these products' offerings.

	Barnes and Noble	Amazon	Apple
What do the competitors' websites and premises look like?	<ul style="list-style-type: none"> • Professional • Welcoming • All about books and reading • Barnes and Noble stores have a warm atmosphere and allow customers to read books before purchasing them 	<ul style="list-style-type: none"> • Professional • Expansive • All about e-commerce 	<ul style="list-style-type: none"> • Professional • Essence of Quality • All about technology • Apple stores are very open and invite potential users to try the products
How do employees interact with customers?	Employees are available at inconspicuous desks throughout the store to allow customers to browse the books without feeling pressured or rushed.	Customers must contact Amazon by phone or email.	Employees are constantly moving around the floor to answer questions and help customers.
How are products displayed?	<p>In the stores, there are rows and rows of bookshelves with tables through the main walkways for special items and a large desk specifically for NOOK sales.</p> <p>Online, a large image of the NOOK Glowlight is displayed at the top of the page. It is followed by billboard style images that highlight various features of the product with the specs listed in a table on the bottom comparing it to Amazon's Kindle Paperwhite.</p>	A row of icons is displayed on the top of the screen, one for each Kindle model. The rest of the page displays the specifics of the currently selected product.	<p>In the stores, the products are laid out on tables around the entire store and customers are welcome to interact with them.</p> <p>Online, images of the iPads and their specs are displayed in a large table to be easily compared against one another.</p>

<p>How are products priced?</p>	<p>The NOOK Glowlight is \$99 including shipping. The Glowlight is the only e-reader made by Barnes and Noble.</p>	<p>Amazon features three Kindle e-readers: the Kindle, the Kindle Paperwhite, and the Kindle Voyage. They are priced at \$79, \$119, and \$199 respectively including shipping, but the Kindle would display ads while the user is reading. A customer can pay an extra \$20 to remove those ads.</p>	<p>Apple offers five different iPads: iPad mini, iPad mini 2, iPad mini 3, iPad Air and iPad Air 2. They come in a range of prices based on their storage capacities and internet capabilities. The 16GB Wi-Fi only models are \$249, \$299, \$399, \$399, and \$499 respectively. These are the cheapest options for each iPad. The most expensive option is the 128GB iPad Air 2 with Wi-Fi and cellular data capability priced at \$829.</p>
<p>What do your customers say about your competitors?</p>	<p>Based on the Amazon reviews of the NOOK Glowlight, users seem satisfied with the product. It received 3.9/5 average stars and 58% of reviewers gave it 5/5. It's lightweight and easy to look at for extended periods of time. The main concern is that the Glowlight only allows for 500MB of personal data. The other 3.5GB of storage are reserved for the operating system and items purchased through Barnes and Noble. Another concern users have is the quality of the physical fabrication.</p>	<p>Specifically looking at the Amazon Kindle, most customers seem well satisfied with the product. It received 4.2/5 average stars and 60% of reviewers gave it 5/5. It's lightweight and easy to look at for extended periods of time. The main concerns are that the Kindle has no backlight and no Wi-Fi capabilities.</p>	<p>Specifically looking at Apple's iPad Air and Amazon reviews, users are generally happy with this product as well. It received 4.6/5 average stars and 80% of reviewers gave it 5/5. It has many capabilities outside of being an e-reader, which many people enjoy, and it's very easy to use. The main complaint about the iPad Air is that the RAM is really low and cannot be relied upon for browsing the internet.</p>
<p>Where and how do your competitors advertise?</p>	<p>Barnes and Noble advertises NOOK through print ads, social media, and hopes to engage in 3D technology in the near future.</p>	<p>Amazon advertises Kindles through television, billboards, radio, YouTube, and Pandora just to name a few.</p>	<p>Apple advertises iPads through television, billboards, radio, YouTube, and Pandora just to name a few.</p>

Digital books only make up 27% of U.S. book sales as of 2014 and, in 2016, only 23.3% of consumers are expected to own an e-reader and 34.3% are expected to own a tablet. Why don't more readers want digital books? By answering that very question, **parchment** has an advantage over these three competitors. NOOKs, Kindles and iPads have yet to reach the level of engagement that books provide, but a new e-reader designed specifically for readers has the potential to envelope a person in the world of literature in a new, exciting, and convenient way.

Goals

Goal #1: Graduate from the Academy of Art University (AAU) with a Master of Fine Arts degree in Industrial Design. My thesis project will be on an e-reader that improves the e-reading experience for people who still prefer physical books (the first steps of starting **parchment**).

Expected Date of Completion: December 15, 2017

Existing Resources/Achievements to Support this Goal

- I currently hold a Bachelor of Science degree in Mechanical Engineering, which provides many useful skills to support AAU's industrial design program.
- I am already a student at the Academy of Art University. This summer marks my second term at AAU.

Required Steps for Completion

- Obtain a C or higher in my remaining 16 classes

Promotional Strategy to Achieve this Goal

- Provided a written statement of intent and an online portfolio of my existing work

Required Resources for Completion

- Tuition
- Rent
- Living Expenses
- School Supplies

Itemized Budget of Costs

Item	Cost	Notes
Tuition	\$44,880	\$935 per unit (3 units per class; 16 classes remaining)
Rent	\$26,100	\$900 per month; 29 months remaining
Living Expenses	\$12,000	\$100 per week; 120 remaining
School Supplies	\$8,000	\$500 per class; 16 remaining
Total	\$90,980	

Goal #2: Have at least five fully functional beta e-readers that can be tested for user satisfaction.

Expected Date of Completion: August 1, 2019

Existing Resources/Achievements to Support this Goal

- I will have obtained my M.F.A. degree in Industrial Design.
- I will have completed much research regarding user needs, materials, manufacturing, funding, and distribution through my thesis project.
- I will have a working rough prototype of the e-reader and its software from my thesis project.

Required Steps for Completion

- Hire an Attorney
- Apply for a Business License
- Get Funding
- Get Office Space
- Hire Business Operations Personnel, Marketers, Designers, and Engineers (for the hardware and software)
- Find a Manufacturer
- Test the Product

Promotional Strategy to Achieve this Goal

- Hire an attorney to help me apply for the proper business license
- Find an appropriate venture capitalist to approach for funding
- Pick an office space in a noticeable location in Silicon Valley (such as along the I-280) to start getting some name recognition in the public eye
- Recruit employees from my personal network and from college campuses
- Find a manufacturer for a small, one-time production order.
- Approach smaller book stores like *Dog Eared Books* in San Francisco to see if they will be open to letting us test the e-readers in their stores in order to promote the product to their customers while simultaneously doing research.

Required Resources for Completion

- Attorney
- Business License
- Funding
- Office Space
- Employees
- Manufacturer

Itemized Budget of Costs

Item	Cost	Notes
Business License Attorney	\$21,000	\$300 per hour (est. 2 hours per week for 35 weeks)
LLC Filing Package from legalzoom.com	\$359	
State of California LLC Filing Fee	\$85	
Federal Tax ID (EIN) Obtainment	\$49	
Registered Agent	\$159	
Office Space	\$1,080,000	\$60 per square foot per month (est. 1,000 square feet) for 1.5 years
Office Space Deposit	\$60,000	Equal to one month of rent
Office Building Insurance	\$18,000	\$1,000 per month for 1.5 years
Office Utilities	\$18,000	\$1,000 per month for 1.5 years
Office Decorations	\$5,000	
Desks	\$900	\$100 per employee (9 total)
Employee laptops with insurance	\$20,700	\$2,300 per employee (9 total)
Office Microwave	\$100	
Office Refrigerator	\$2,000	
Office Supplies	\$9,000	\$500 per month for 1.5 years
Office Toiletries	\$18,000	\$1,000 per month for 1.5 years
Emergency Fund	\$10,000	
Business Operator	\$70,760	Annual salary (with benefits and taxes)
Marketer	\$84,180	Annual salary (with benefits and taxes)
Product Designer	\$78,080	Annual salary (with benefits and taxes)
Mechatronic Engineer	\$102,480	Annual salary (with benefits and taxes)
UI/UX Designer	\$111,020	Annual salary (with benefits and taxes)
UI/UX Software Engineer	\$136,640	Annual salary (with benefits and taxes)
Database Engineer	\$86,620	Annual salary (with benefits and taxes)
Web Designer/Engineer	\$113,460	Annual salary (with benefits and taxes)
Manufacturer	\$6,540	\$60 per unit (est. 100-unit minimum)
Bank Service Fees	\$540	\$30 per month for 1.5 years
Miscellaneous Repairs and Maintenance	\$18,000	\$1,000 per month for 1.5 years
Total	\$2,069,272	

Goal #3: Partner with at least three publishers (ideally Hachette Book Group, Houghton Mifflin Harcourt, and HarperCollins) to design a system that allows readers to buy physical books and receive e-books automatically in **parchment**'s system with that purchase. This e-book will appear in their e-readers through a simple syncing process.

Expected Date of Completion: February 1, 2020

Existing Resources/Achievements to Support this Goal

- I will have my M.F.A. degree in Industrial Design.
- I will have an established start-up with working beta e-readers and lots of user research data.
- I will have a network of small bookstores to potentially distribute the product through.

Required Steps for Completion

- Fly to each publisher to present **parchment**'s product and market research
- Discuss and agree on terms for a partnership that will allow users to sync their physical books to the e-reader

Promotional Strategy to Achieve this Goal

- Contact each publisher directly through phone calls and emails to set up presentation and discussion times

Required Resources for Completion

- Flights
- Hotels
- Rental Cars
- Celebratory Dinner / Drinks

Itemized Budget of Costs

Item	Cost	Notes
Flight + Hotel + Car Packages to New York City	\$2,182.27	For 3 people from orbitz.com through EWR for January 11 th -15 th
Flight + Hotel + Car Packages to New York City	\$2,182.27	For 3 people from orbitz.com through EWR for January 11 th -15 th
Flight + Hotel + Car Packages to Boston	\$2,227.06	For 3 people from orbitz.com through BOS for January 11 th -15 th
Celebratory Dinner/Drinks	\$3,000	\$100 per person; est. 10 people per trip
Total	\$9,591.60	

Goal #4: Release **parchment**'s new e-reader with an improved user experience focusing on readers who simply love physical books

Expected Date of Completion: August 1, 2020

Existing Resources/Achievements to Support this Goal

- I will have my M.F.A. degree in Industrial Design.
- I will have an established start-up with working beta e-readers and lots of user research data.
- I will have a network of small bookstores to promote and distribute the product through.
- I will have partnerships with publishers to enable users to sync their existing physical libraries with their e-readers.

Required Steps for Completion

- Promote the Product
- Manufacture the Product
- Distribute the Product

Promotional Strategy to Achieve this Goal

- Promote **parchment**'s e-reader through billboards and posters in small bookstores

Required Resources for Completion

- Office Space
- Employees
- Promotion Materials (i.e. posters, billboards, etc.)
- The Final Product(s)

Itemized Budget of Costs

Item	Cost	Notes
Office Space	\$720,000	\$60 per square foot per month (est. 1,000 square feet) for 1 year
Office Building Insurance	\$12,000	\$1,000 per month for 1 year
Office Utilities	\$12,000	\$1,000 per month for 1 year
Office Supplies	\$6,000	\$500 per month for 1 year
Office Toiletries	\$12,000	\$1,000 per month for 1 year
Business Operator	\$70,760	Annual salary (with benefits and taxes)
Marketer	\$84,180	Annual salary (with benefits and taxes)
Product Designer	\$78,080	Annual salary (with benefits and taxes)
Mechatronic Engineer	\$102,480	Annual salary (with benefits and taxes)
UI/UX Designer	\$111,020	Annual salary (with benefits and taxes)
UI/UX Software Engineer	\$136,640	Annual salary (with benefits and taxes)
Database Engineer	\$86,620	Annual salary (with benefits and taxes)
Web Designer/Engineer	\$113,460	Annual salary (with benefits and taxes)
Manufacturer	\$32,700	\$60 per unit (est. 500-unit minimum)
Bank Service Fees	\$360	\$30 per month for 1 year
Miscellaneous Repairs and Maintenance	\$12,000	\$1,000 per month for 1 year
Posters	\$653	\$7.25 per square foot of poster; 15 2"x3" posters
Billboards	\$3000	3 ads for 4 months at \$250 each
Total	\$1,593,953	

SWOT Analysis of My Goals and Strategies

Strengths

- I understand some of the aversions readers have with e-readers and tablets and I can use this understanding to help catalyze brainstorming to solve this problem.
- My background is in both engineering and design.

Weaknesses

- I lack industry experience.
- I lack an established network in the e-reader / book industry.
- It will be extremely difficult for me to conduct non-biased research.
- The e-reader market is already saturated with trusted products from trusted brands.
- I lack the money needed to start the business pre-funding.

Opportunities

- **parchment** will target the precise group of people my future competitors have not yet reached.
- **parchment** will work directly with publishers to provide more options to the reader.
- **parchment** will work with smaller book stores to reach the demographic of readers that would (theoretically) prefer a more intimate digital reading experience.

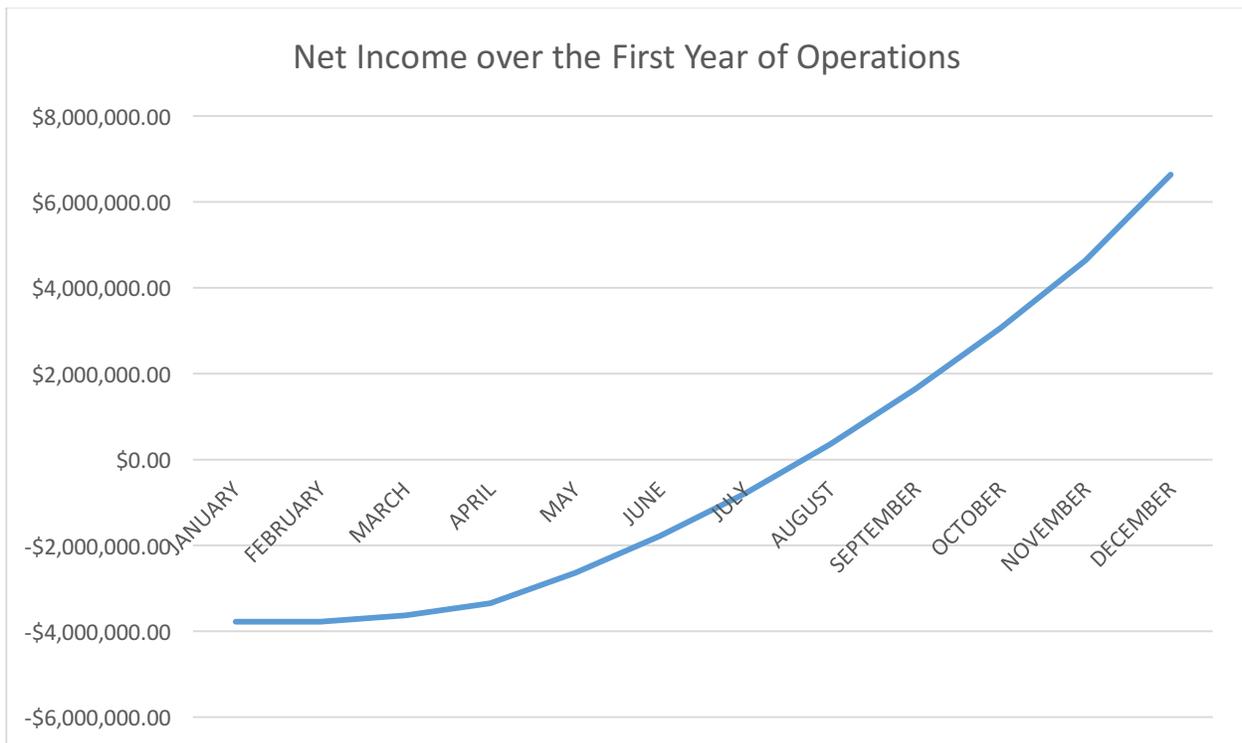
Threats

- **parchment** will face established competitors.
- **parchment** will target a group of consumers who have been actively resisting the type of product I want to introduce.
- **parchment** is expensive and will be completely dependent on the funding it receives from venture capitalists.

Intended Price

As previously mentioned, the e-reader market already has strong competition with Barnes and Noble's NOOK, Amazon's Kindle, and Apple's iPad at the top. In order for my product to be successful, I have to compete with their prices. Of these three competitors the NOOK is most comparable to the e-reader I would like to provide with **parchment**. It currently sells for \$99.99, so **parchment**'s e-reader should be sold for about the same price.

The Kindle and the NOOK account for about 60% and 20% of the entire e-reader market respectively with no other major contenders. **parchment**'s goal is to command another 15% of that market by the end of its first year of operation after product launch. The current growth plan for the company is to increase its sales steadily by 1% of the market every month with larger jumps in February, May, and December to account for Valentine's Day, Mothers' Day, and Christmas. With all of these projections combined, **parchment** will be able to break-even within its eighth month of operation.



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