

GOOD FOR ALL

Smart Scale
Pricing Evaluator™ - Van Westendorp

GutCheck® ®

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BACKGROUND & OBJECTIVES

Good For All Brands will help make wellness more manageable with a new Smart Scale product. Every time a user steps on, it displays weight, body mass index and body fat %. Those metrics automatically sync to the users' personalized app where it combines with other wellness data like nutrition tracking and fitness activities. All the information is plotted into easy-to-read graphics so users can track their progress and reach their wellness goals.

The team wanted to hone in on the appropriate price range for this product. The Good For All Brands team recognized the value in integrating the voice of the consumer, so this study leveraged the GutCheck Pricing Evaluator™ to determine the preferred price range for introducing the product to market.

Expected price point: \$100

What price range should the Good For All Brands team consider for their Smart Scale product?

Good For All, Smart Scale

Good For All brands makes your wellness more manageable with our new Smart Scale. Every time you step on, you can view your weight and body mass metrics like muscle mass and water weight. These metrics automatically sync to your personalized app where it combines with your other wellness data like nutrition tracking and fitness activities. All of your information is plotted into easy-to-read graphics so you can track your progress and reach your wellness goals.

- Measures and captures weight, body mass index (BMI), water weight, muscle mass, and body fat percentage
- Compatible wellness app captures info and tracks progress
- Wi-Fi enabled for auto syncing with app
- Recognizes up to 4 users and keeps results private
- Compatible with fitness tracker apps and devices



METHODOLOGY

This study was conducted via an online quantitative survey. Each survey lasted approximately 8 minutes.

Method	# of Concepts	# of Concepts per Respondent	# of Respondents per Concept
Pricing Evaluator - Van Westendorp	1	1	500

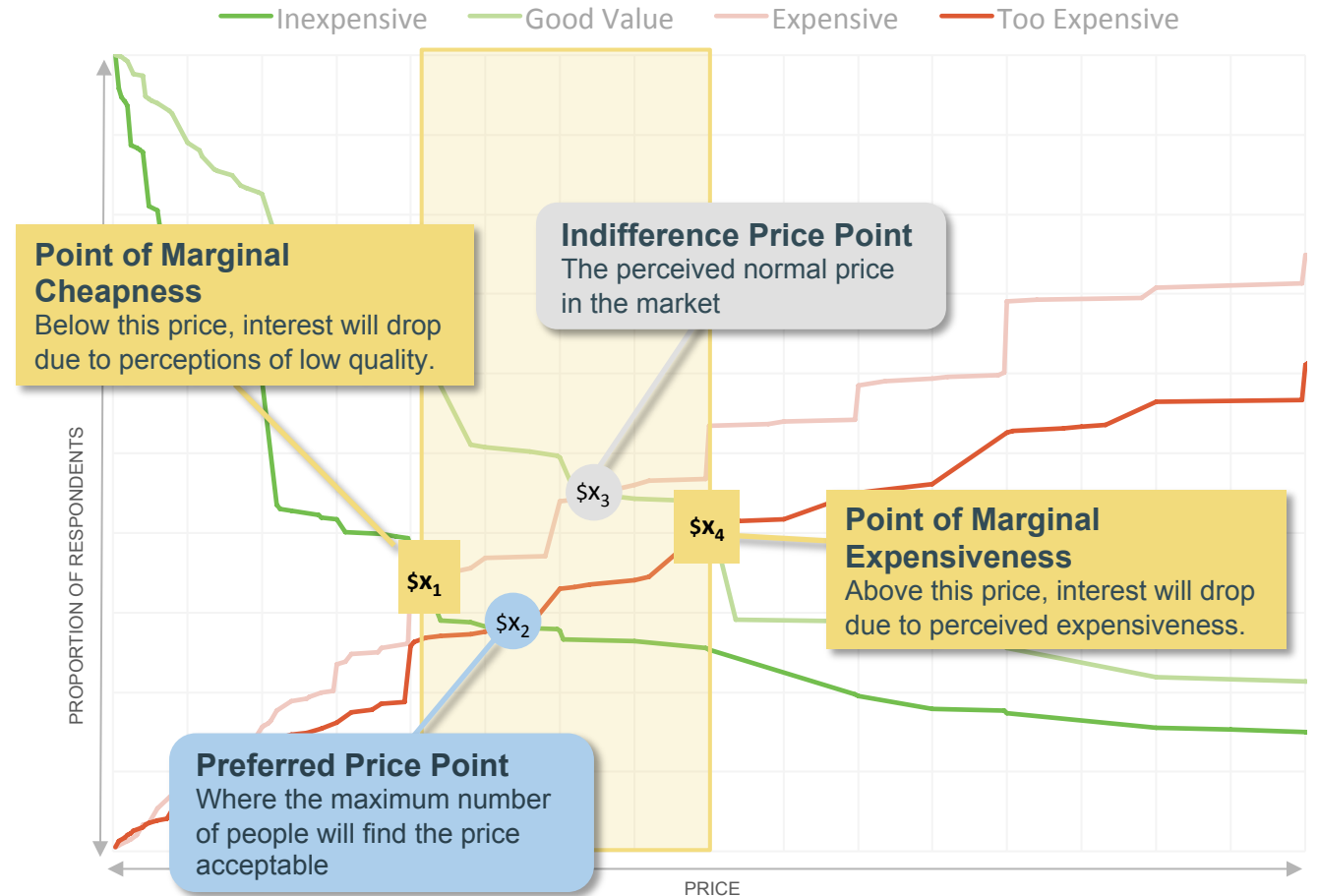
Audience	Qualifying Criteria
Gender	Males and Females
Age	18-64
Interest in nutrition/fitness	Interested in nutrition or fitness tracking
App usage	Uses smart phone apps weekly

The Van Westendorp graph shows the acceptable price range perceived by potential consumers of a product. Price points within the range offer directional guidance.

I. Respondents are asked four open-ended questions about their perceptions of the product's value:

1. At what price would you think this product is **too expensive** for you to consider buying it?
2. At what price would this product be so **inexpensive** that you would doubt its quality?
3. At what price would you say this product is beginning to get **expensive**, but you would still consider buying it?
4. At what price would you consider this product a **good value**?

II. The responses to the four questions are plotted to form four price curves. The curves for cheap and good value are inverted in order to create the desired intersections, which yield the price points of interest.




Respondents identify specific elements of the stimulus that speak to them positively or negatively. Those responses are then aggregated.

Respondents use their mouse to draw a box over something they think increases or reduces the product's value.

The data overlays onto an image with shading to represent relative frequency that an area was selected. Colors represent the **least selected** areas to **most selected** areas.

To ensure adequate representation, GutCheck requires at least N=50 responses to analyze heat map data and include them in the body of the report. Heat Maps with less than 50 respondents are more likely to show individual opinions that aren't representative of the study's population.



Raspberry flavored, 1.2 oz. retails for **\$1.29**

Find POW SNX in the Energy Bar aisle!

Good 4 U Snacks

Protein and fiber that packs a fruit punch.

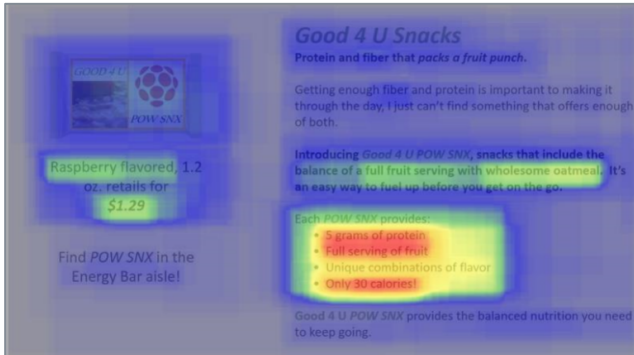
Getting enough fiber and protein is important to making it through the day, I just can't find something that offers enough of both.

Introducing **Good 4 U POW SNX**, snacks that include the **balance of a full fruit serving with wholesome oatmeal**. It's an easy way to fuel up before you get on the go.

Each POW SNX provides:

- 5 grams of protein
- Full serving of fruit
- Unique combinations of flavor
- Only 30 calories!

Good 4 U POW SNX provides the balanced nutrition you need to keep going.



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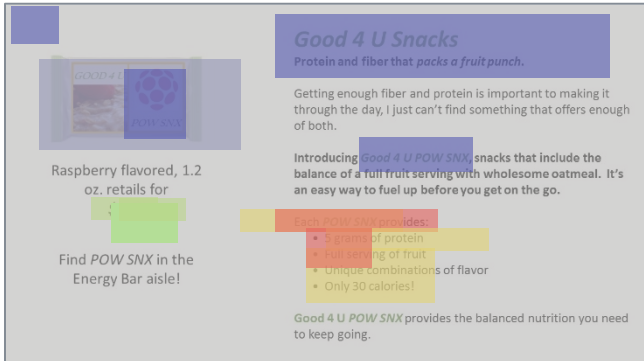
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EXECUTIVE SUMMARY

KEY FINDINGS: SUMMARY

The Good For All Brands team should consider \$51.00 to \$89.50 as the price range for their Smart Scale product.

The **acceptable price range** is defined by the **Point of Marginal Cheapness** at \$51.00 and the **Point of Marginal Expensiveness** at \$89.50.

Fitness app users are willing to bear **higher prices** than the overall audience.

- The point of marginal expensiveness is \$99.50 for fitness app users, which is \$10 more than that of the overall group.

The **Wi-Fi enabled for auto syncing** feature was highlighted most often among all respondents as something that increases the value of the product and ranked highest among fitness app users.

- Focus on this feature in marketing efforts to convey higher value for the product and to leverage the products' appeal among fitness app users.

Consider offering a **free trial** or **guarantee/warranty** to engage consumers with the product and increase willingness to pay.

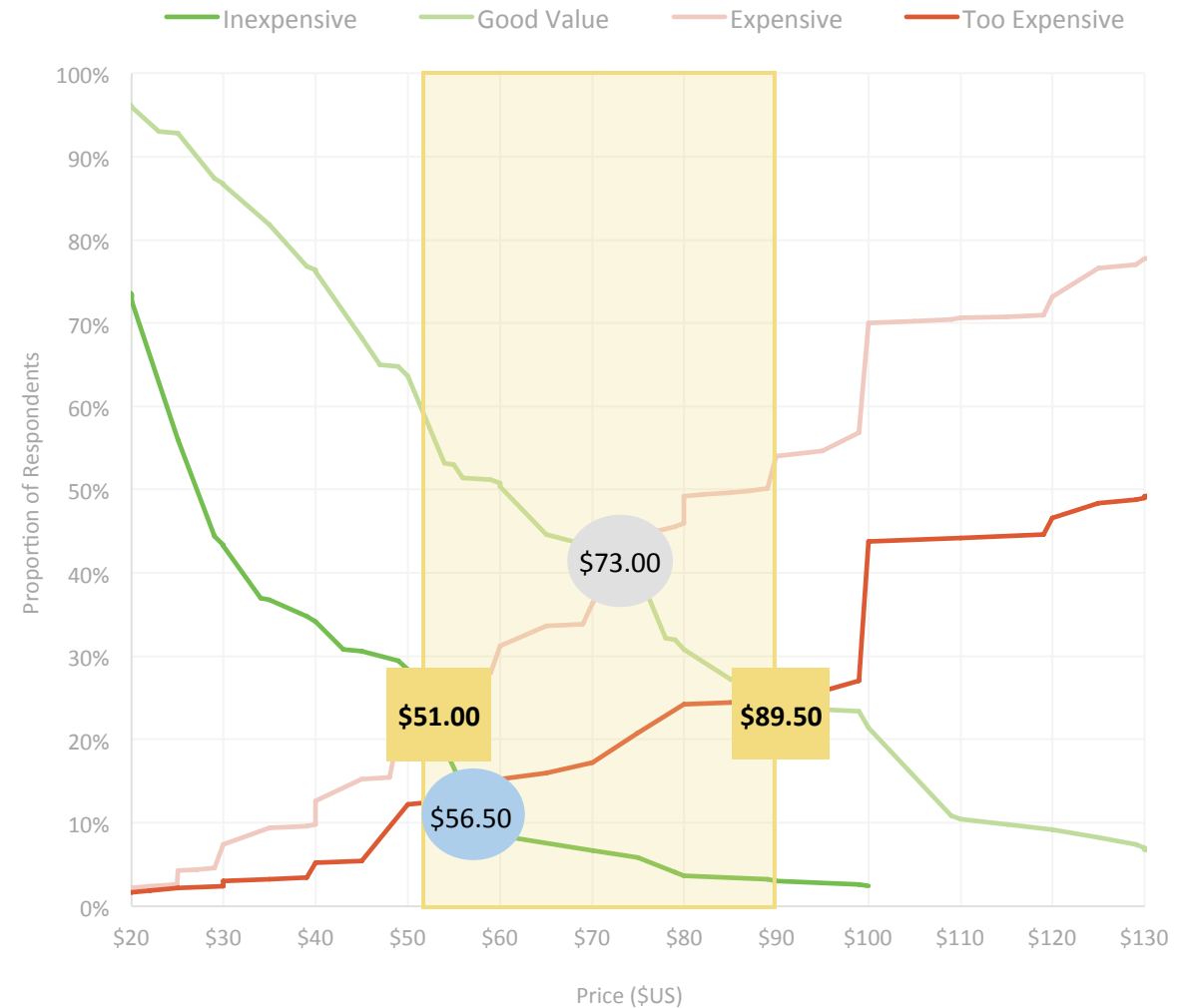
The acceptable price range for the Smart Scale is \$51.00 to \$89.50.

Point of Marginal Cheapness	Preferred Price Point	Indifference Price Point	Point of Marginal Expensiveness
\$51.00	\$56.60	\$73.00	\$89.50

Below **\$51**, interest toward the product would be lost due to a perception of low quality, while above **\$89.50**, the product would be too expensive for most people to consider it.

Within the acceptable price range, **\$73** is the perceived normal price in the market, so at this price, consumers would neither be drawn toward nor turned away from the product.

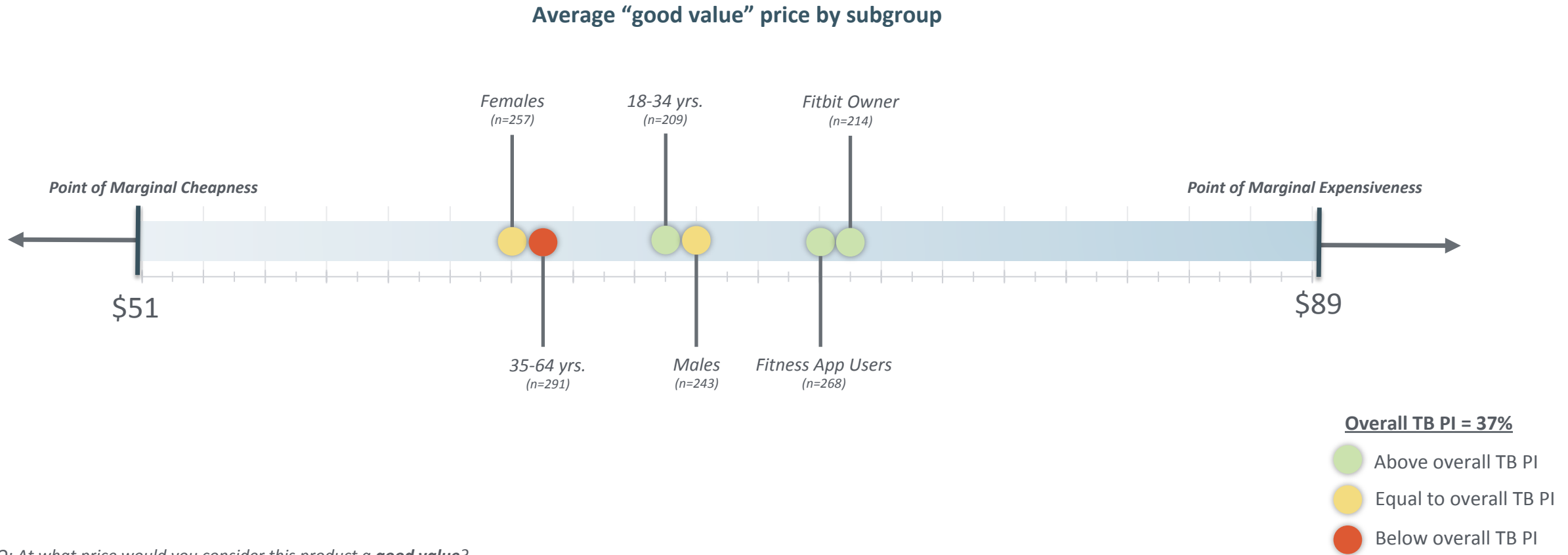
Pricing the product around **\$56.50** would achieve the largest reach, as it is the price point at which most respondents think the price is acceptable.



DETAILED FINDINGS

DETAILED FINDINGS: GOOD VALUE SNAPSHOT

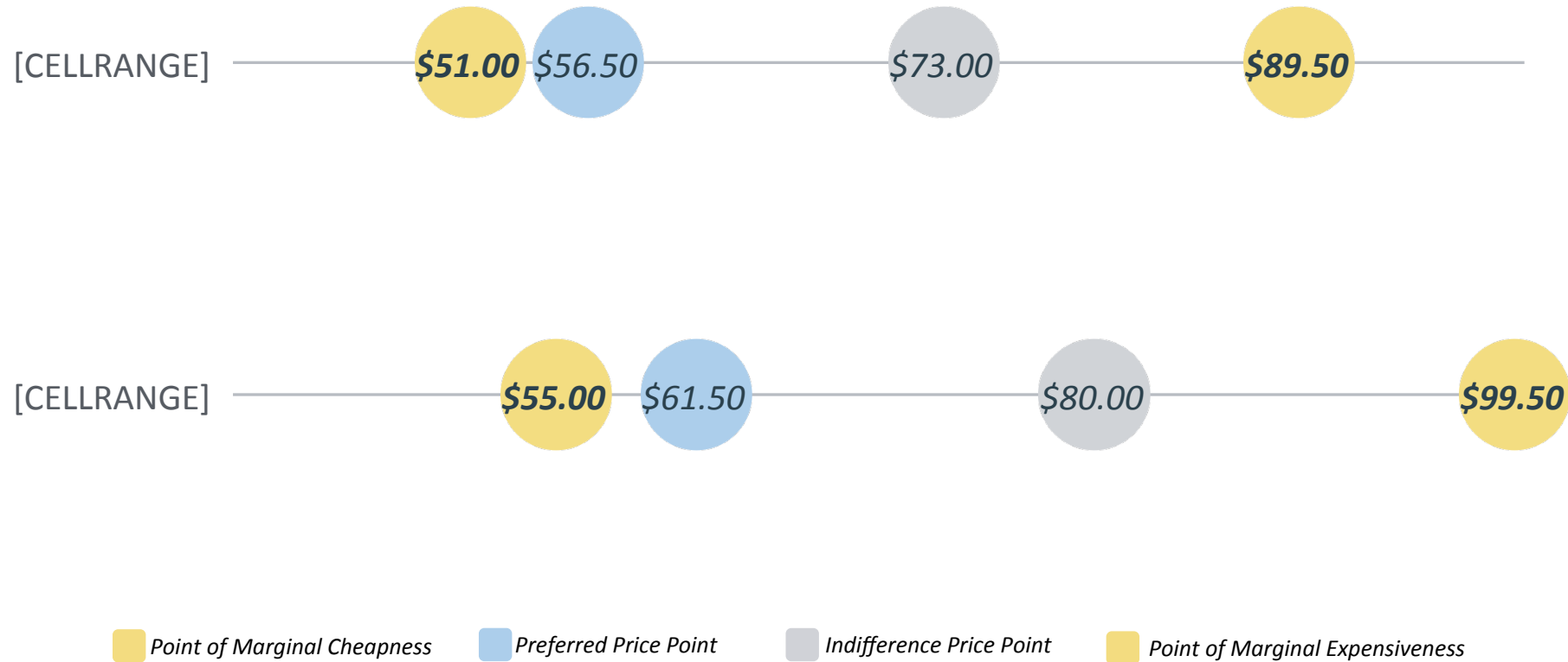
Within the acceptable price range, Purchase Intent and the average price at which respondents consider the Smart Scale a good value vary by subgroup, with those engaged in fitness tracking conveying higher prices and purchase intent.



Q: At what price would you consider this product a good value?

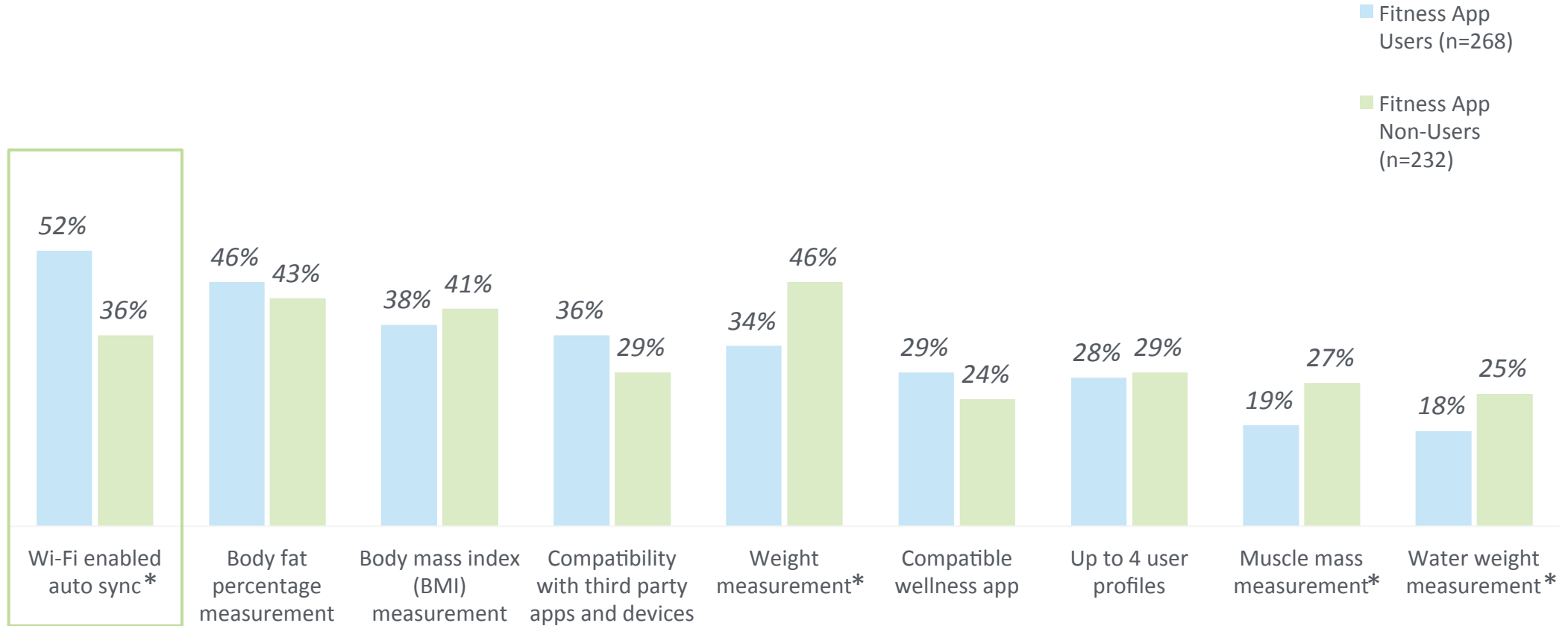
DETAILED FINDINGS: VAN WESTENDORP SUBGROUP ANALYSIS

The market formed by fitness app users is willing to consider higher prices than the overall market.



DETAILED FINDINGS: MOST VALUABLE FEATURES

Leverage the products' appeal with fitness app users by highlighting the Wi-Fi enabled auto sync feature, which is the ranked highest among this group, though not among others.



* Indicates statistically significant difference at 95% confidence.

Q: Please rank which features you think are the most valuable with 1 being the MOST valuable and 3 being the THIRD most valuable feature of this product

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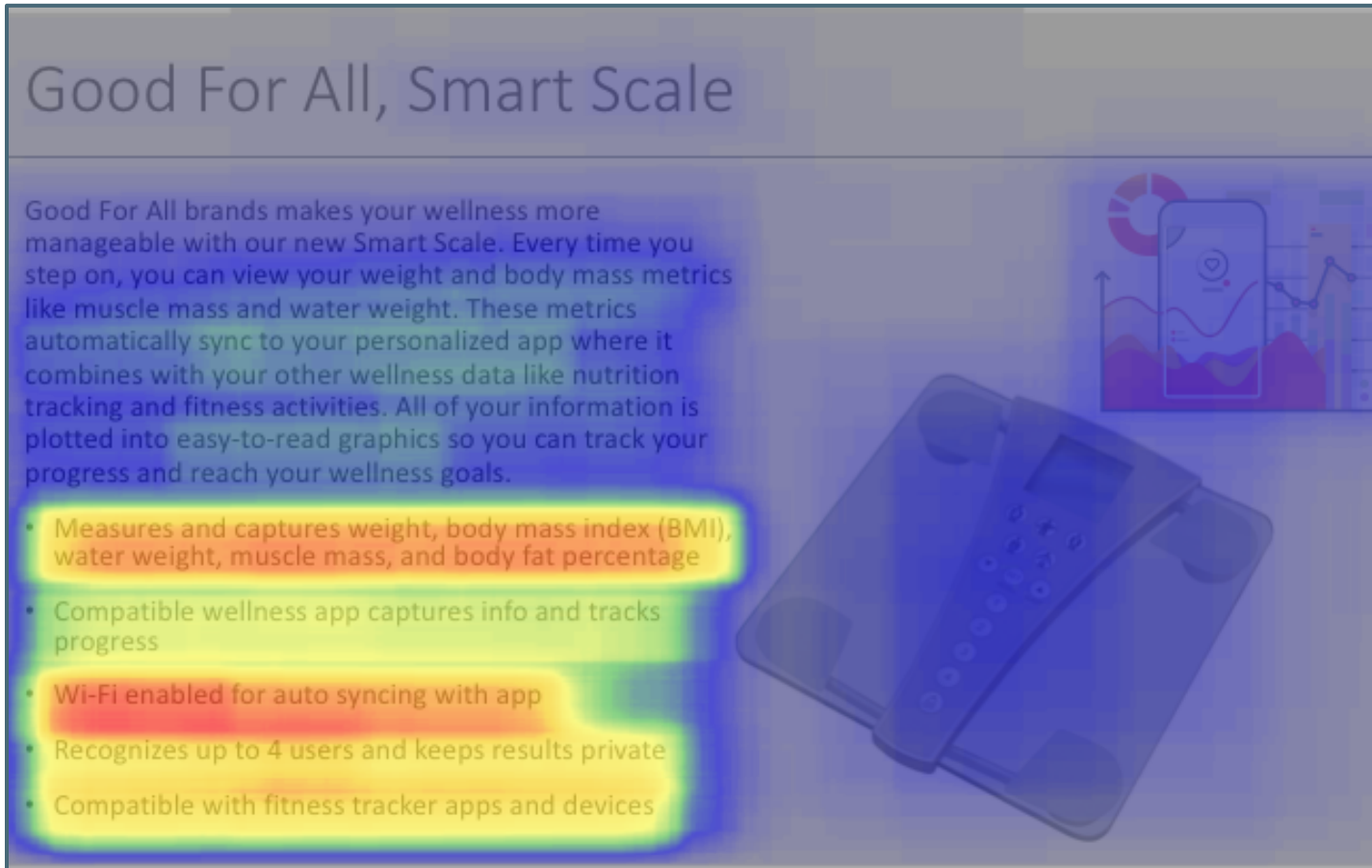
78%

selected a specific like

23%

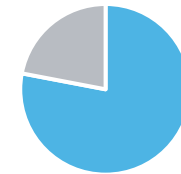
selected a specific dislike

Respondents especially value that the Smart Scale is Wi-Fi enabled for auto syncing with the app and that it can measure a variety of metrics.



78%

selected a specific like



"I don't have to do anything. I like that things are automated so-to-speak."

"That it works with all brands, not just for Fitbit...because everyone likes different trackers."

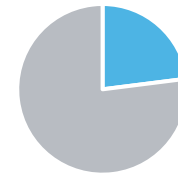
"I am looking for items that are different from the average smart scale. I think it stands out because it can not only track weight, but it can track my BMI, muscle mass & water weight."

Respondents indicated that the limited number of users, cheap look of the scale, and confusing graphics on the app reduce overall value.



23%

selected a specific dislike



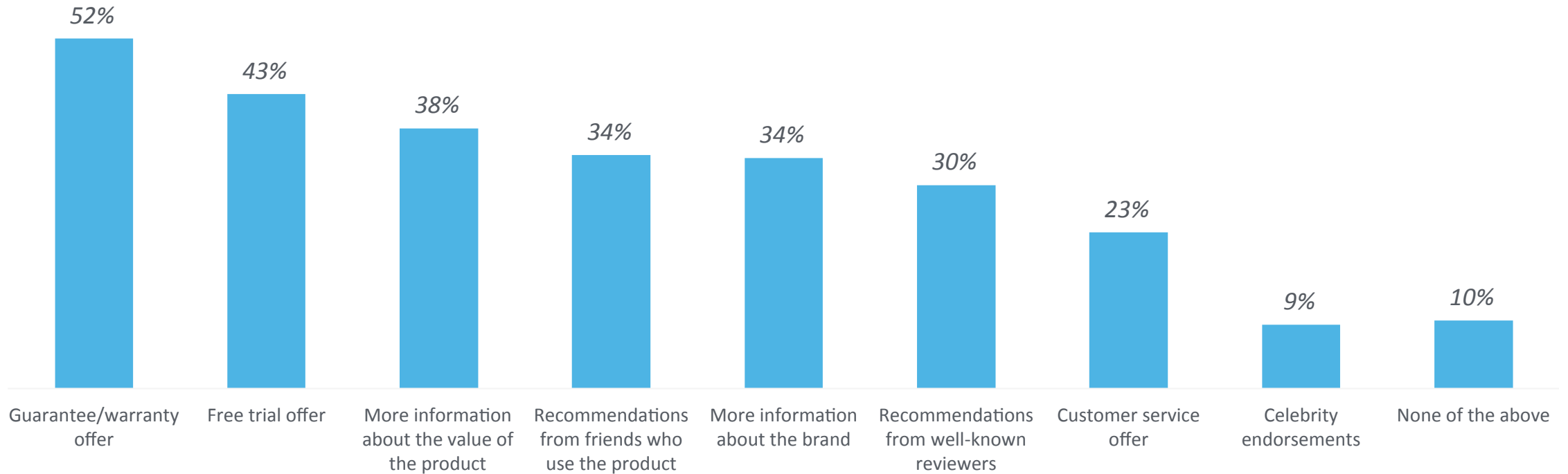
“I think it looks kind of cheap and the long term durability would concern me more than anything. Maybe making it out of higher quality materials would improve my perception.”

“Recognizing only 4 users feels a bit limited. I believe it should be able to support more users if the price is high.”

“Well I’m not familiar with metrics. It would have to be spelled out where I understand it all.”

DETAILED FINDINGS: WILLINGNESS TO PAY (n=500)

Most respondents would consider paying more for the Smart Scale with a guarantee/warranty or free trial offer. These offers lower the risk for consumers to engage and become familiar with the product.



Q: Which of the following, if any, would make you consider paying more for the product?

SUPPLEMENTAL FINDINGS

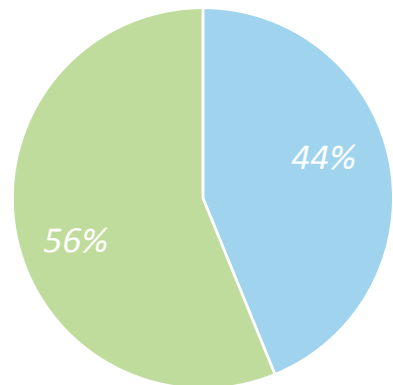


Efforts to increase familiarity with the product category could increase intent to purchase and perceived value.

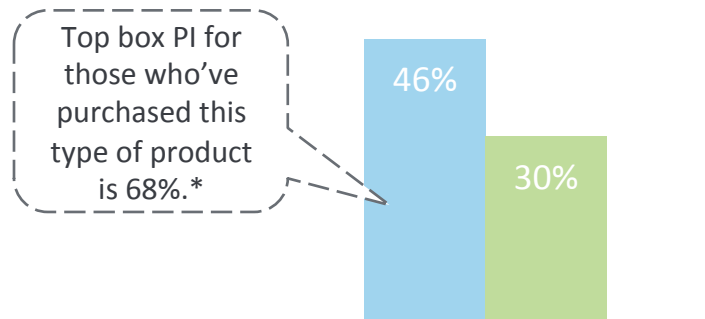
The majority of respondents were not aware that this type of product is available for purchase. This group has relatively low purchase intent and tends to consider the Smart Scale a good value at lower prices.

- I have purchased this type of product/I was aware that this type of product is available, but I have never purchased one
- I was not aware that this type of product is available for purchase

Percent of respondents by awareness



Top box Purchase Intent by awareness



Average "good value" price by awareness



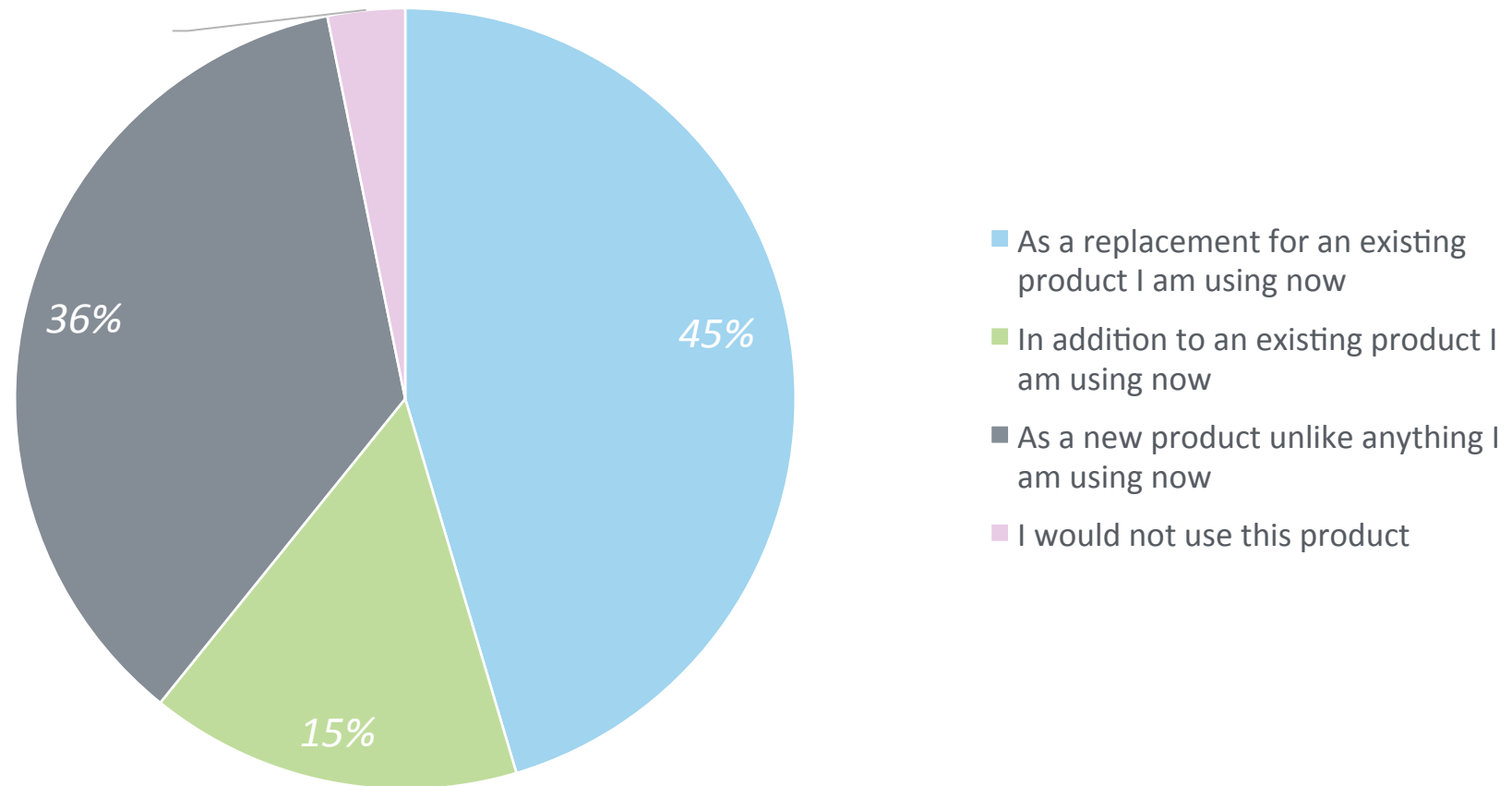
Q: Please select the statement that best describes your experience with this type of product.

Q: At what price would you consider this product a **good value**?

*Small sample – only 50 respondents have purchased this type of product.

SUPPLEMENTAL FINDINGS: PRODUCT USE (N=500)

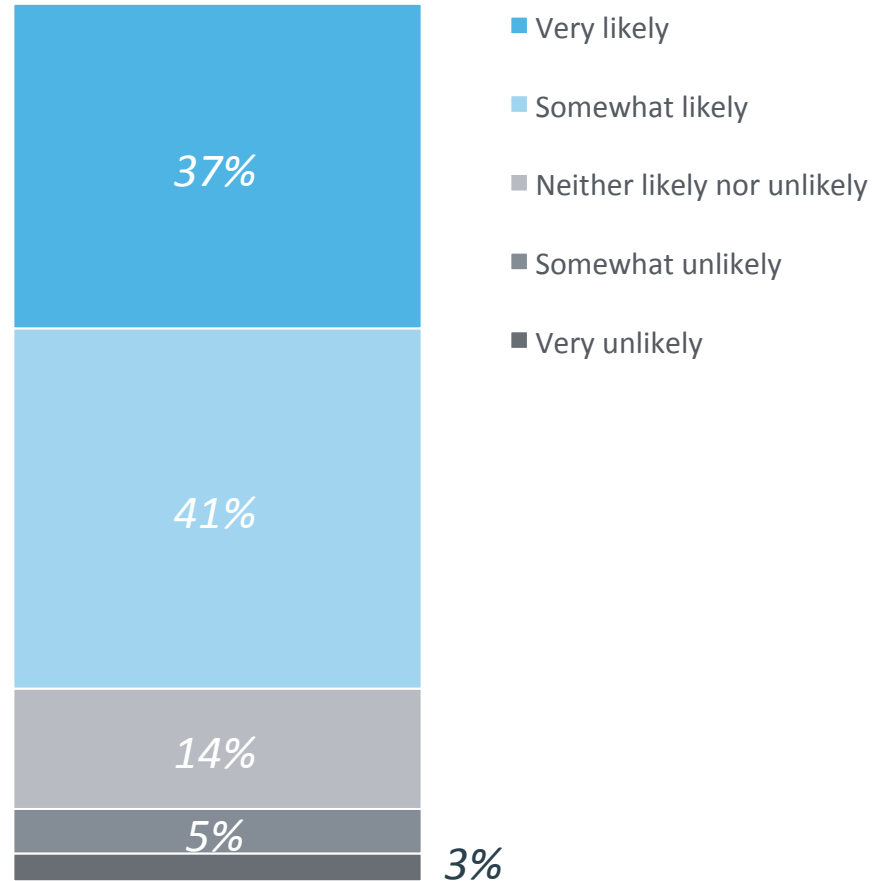
Lack of familiarity with the product is further evidenced by the fact that over 1/3 of respondents say they would use this product as something unlike anything they are using now



Q: If you were to purchase this product, how would you use it?

SUPPLEMENTAL FINDINGS: PURCHASE INTENT (n=500)

78% of respondents are at least somewhat likely to purchase the Smart Scale



Q: Overall how likely or unlikely would you be to purchase this product if it were available today?

APPENDIX

APPENDIX: SAMPLE DEMOGRAPHICS

Gender	
Male	49%
Female	51%

Age	
Under 13	--
13 – 17	--
18 – 24	12%
25 – 34	30%
35 – 49	35%
50 – 64	23%
65 or older	--

Region	
Midwest	21%
Northeast	16%
South	40%
West	23%

Interested in Nutrition	
Very interested	62%
Somewhat interested	36%
Neither interested nor uninterested	1%
Somewhat uninterested	0%
Very uninterested	0%

Interested in Fitness Tracking	
Very interested	42%
Somewhat interested	39%
Neither interested nor uninterested	12%
Somewhat uninterested	3%
Very uninterested	3%

APPENDIX: SAMPLE DEMOGRAPHICS

Smart Phone App Usage	
Everyday	78%
Multiple times per week	19%
Once a week	4%
A few times per month	--
Once a month	--
Once every few months	--
Once every 6 months	--
Once a year or longer	--
Never, I do not use smartphone apps	--

Apps Used in past 6 months	
Fitness Tracking	54%
Maps	79%
Email	91%
Banking	69%
Social Media	88%
Music	76%
None of the above	0%

Tracking Devices Used in past 6 months	
Fitbit	43%
Nike Fuelband	14%
Jawbone UP	7%
Garmin	16%
Other fitness tracking device	14%
None of the above	39%