

## Team

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## Mentors

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# Colorwheels

Create. Express. Inspire.

Unleashing the next generation of female  
creativity through innovative play...

This week:

12 parents

20 kids

12 experts

**44 total**



# Company Vision

This decade we will inspire and unleash the next generation of female creativity to accelerate the growth of females in the STEM field.

## Core Principles

- Hands-on Learning
- STEM (Science, Tech, Engr, and Math)
- Geared towards girls

# Last week

- Big ideas
  - Experience trumps product
  - Girl Scout Model
  - Market broadening
- Moves to make

# Today's presentation

## **Our focus:**

- Canvas changes
- Channels
- Dollars
- Partners

# Business Model Canvas

## The Business Model Canvas

Designed for: ColorWheels

Designed by Alice Brooks, Daniela Buchman,  
Bettina Chen, Miguel Reyes

(week 7)

Iteration: 10

<p><b>Key Partners</b></p> <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p><small>NOTIFICATIONS FOR PARTNERSHIPS: Optimization and economy Reduction of risk and uncertainty Acquisition of particular resources and activities</small></p> <p>Referrers (parents and bloggers)</p> <p>Educational non-profit institution</p> <p>7</p>	<p><b>Key Activities</b></p> <p>Train young reps</p> <p>Incorporate learning topics</p> <p>Make video demonstrations</p> <p>5</p> <p>Gamification of learning</p> <p>Google adwords</p>	<p><b>Value Propositions</b></p> <p>What value do we deliver to the customer?</p> <p>Quick, convenient, informed purchasing decision</p> <p>Creativity and skills development</p> <p>Fun to assemble and decorate</p> <p>Kids: Community with other kids, shared culture</p> <p>Parents: Way to link up</p> <p>Hands-on learning</p> <p>Educational extracurricular activity</p> <p>169</p>	<p><b>Customer Relationships</b></p> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? <i>Have we been interested with this sort of relationship model?</i></p> <p>Merit based level up - Girl Scout model</p> <p>Parent community</p> <p>7</p> <p><b>Channels</b></p> <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient?</p> <p>Online sales</p> <p>20</p> <p>Schools</p> <p>Museum gift shops</p> <p>Homeschool Co-op</p> <p>After school programs</p>	<p><b>Customer Segments</b></p> <p>For whom are we creating value? Who are our most important customers?</p> <p><small>Mass Market Niche Market Segmented Diversified Multi-sided Platform</small></p> <p>Educated, STEM Parents</p> <p>Tiger moms</p> <p>Gift giver - aunts and uncles, grandparents</p> <p>Daughter (user): 6 to 10 years old</p> <p>169</p>
<p><b>Cost Structure</b></p> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><small>BY YOUR BUSINESS MODEL: Cost Driven (cheapest cost structure, low price) Value Driven (focused on value creation, premium)</small></p> <p><small>SAMPLE CHARACTERISTICS: Fixed Costs (salaries, rent, utilities) Variable costs Economies of scale Economies of scope</small></p> <p>Product design costs</p> <p>Distribution, S&amp;H costs</p> <p>Materials, Manufacturing costs</p> <p>4</p>		<p><b>Revenue Streams</b></p> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p><small>FIXED PRICING: Fixed Price Product feature dependent Customer segment dependent Volume dependent</small></p> <p><small>DYNAMIC PRICING: Negotiation/Auctioning Yield Management Real-time Market</small></p> <p>Monthly subscription (1 month free trials)</p> <p>Multi-level marketing (Mary Kay model)</p> <p>15</p>		

# Channels: Multi-Level Marketing

## Process:

- Gunn High School teachers

## Plan:

- Relationship referrals and word-of-mouth
- Train older girls to run workshops and sell

## Risks:

- Size of network of each girl
- Lower margins

# Channels: MLM Test

Hypothesis	Process	Expected findings
<p>Train highly motivated high school teen girls as sales force</p> <ul style="list-style-type: none"><li>• pad resume</li><li>• gain tutoring skills</li><li>• low pay or volunteer</li></ul>	<p>Conversations with motivated high school girls</p>	<ul style="list-style-type: none"><li>• appropriate pay level</li><li>• frequency of events</li></ul>

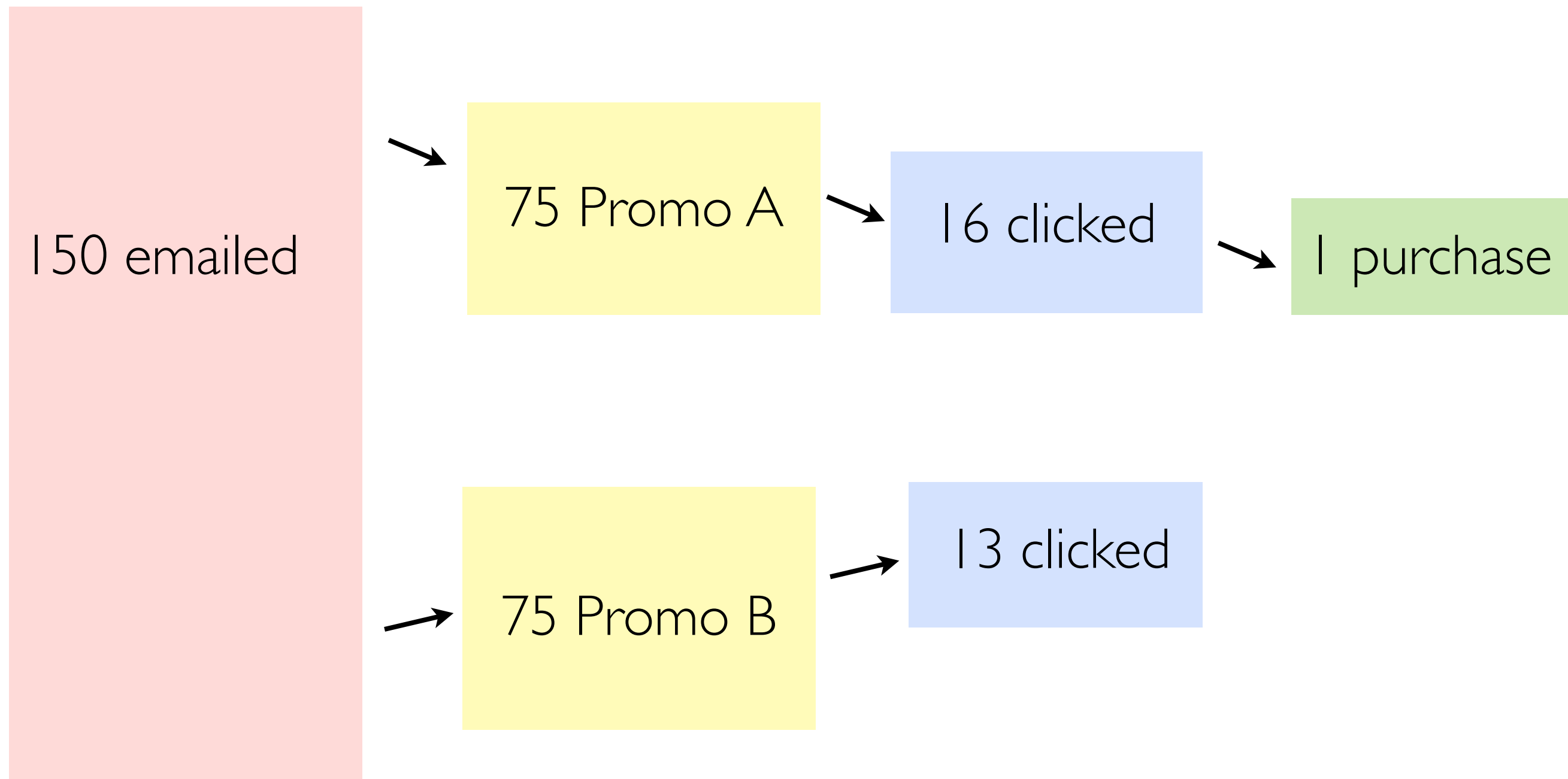
# Channels: Hypothesis testing

Hypothesis	Process	Findings
Direct online sales as sole channel	Talking to: <ul style="list-style-type: none"><li>• local toy stores</li><li>• parents at CCM</li><li>• emails out to parent list (A/B test)</li></ul>	<b>Inconclusive</b> <ul style="list-style-type: none"><li>• value in seeing physical kit</li><li>• need to determine in-store marketing strategy that follows our vision</li></ul>



# Email Marketing Results

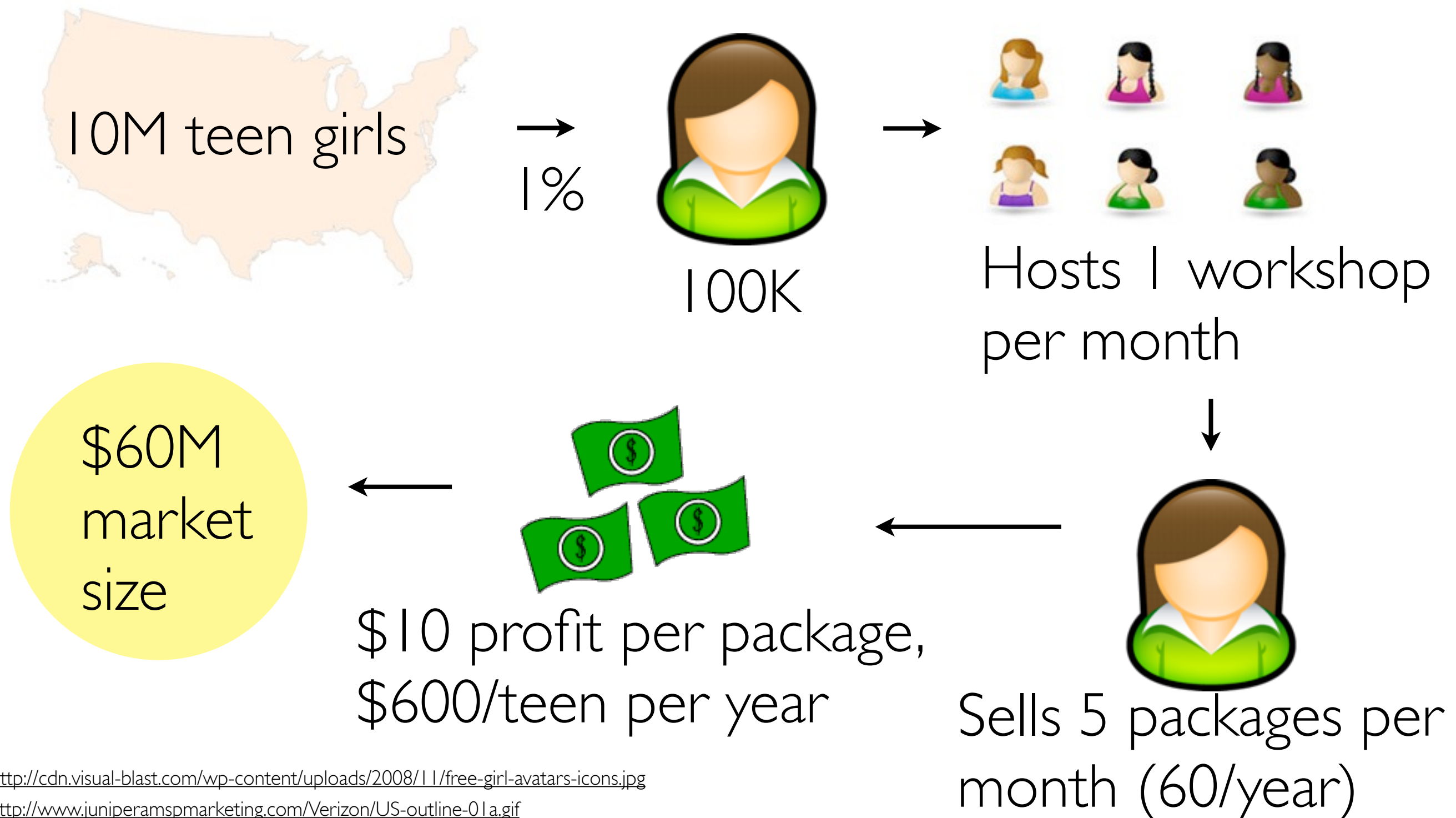
(48 hours so far)



# \$\$: Revenue Model Test

Hypothesis	Process	Findings
One-time purchase as our revenue model	<ul style="list-style-type: none"><li>• 8 days since enabling Amazon Checkout</li><li>• \$19.95 initially, changed to Good-Better-Best strategy</li></ul>	<p><b>6 sales</b> (0.75 kits/day)</p> <p>Conversion = 1.16%</p> <p><b>Inconclusive - we're not reaching target markets</b></p>

# “Mary Kay” Market Size



<http://cdn.visual-blast.com/wp-content/uploads/2008/11/free-girl-avatars-icons.jpg>

<http://www.juniperamspmarketing.com/Verizon/US-outline-01a.gif>

<http://icons.iconarchive.com/icons/deleket/sleek-xp-basic/256/Office-Girl-icon.png>

# Partners

Learnings:

- Gain early exposure and monetary opportunities by holding workshops at the CCM

Future steps:

- Determine pricing strategy and present demo kit to CCM
- Contact similar museums

Questions:

- Scalability?
- Can we train teens to volunteer for this to maintain a presence



Back up slides

# Market Size (Online sales)

7.5M households with girls 5-9

20% of US households make over \$92K

$$7.5 * 0.20 = 1.5M$$

Expect to get 30% of those households = 450K

$$450K * \$100 = 45M$$

(\$100 comes from subscription and also from analogous toys that these households are willing to spend on)

# \$\$: Income Statements

## Asset Sale:

Sell 600 kits/month = Positive cashflow

Customers = 5,000 cumulative (FY2012)

Gross Profit Margin = 53%

Paying ourselves \$10,000 each

Operating expenses (marketing) as 15% of previous month's revenue

# \$\$: Income Statements

## Subscription Fee:

Bottoms-up approach: 3% Conversion from Unique Visitors (scaled similarly to how KiwiCrate and BabbaCo are, 9k by the end of FY2012), 9% churn  
Subscribers = 1,400 cumulative (FY2012)

## Multi-level Marketing:

Margins are 25% lower (-)



Country/Territory



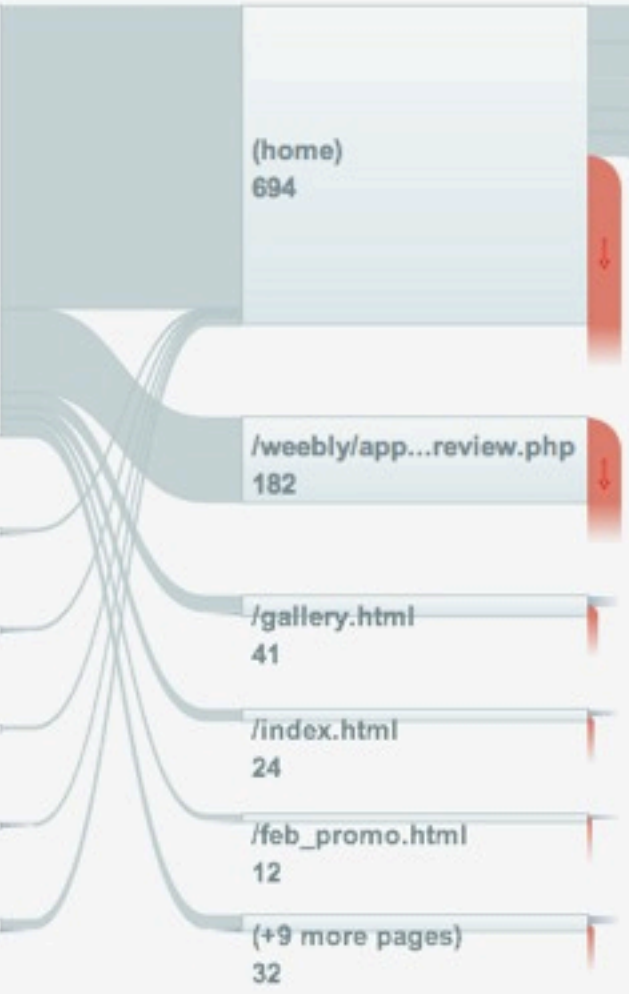
Starting pages  
985 Visits 610 Drop Offs

1st Interaction  
375 Visits 105 Drop Offs

2nd Interaction  
270 Visits 84 Drop Offs

3rd Interaction  
186 Visits 49 Drop Offs

United States  
936



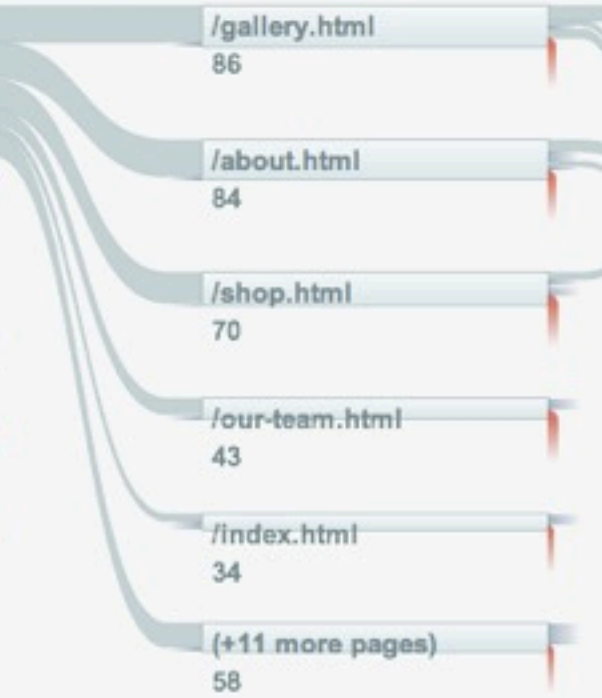
Canada  
8

India  
8

(not set)  
5

United Kingdom  
5

(other)  
23



# Analytics for Colorwheel Toys Giveaway

Start Date

02/19/2012

End Date

02/28/2012

Apply

Visits (?)

**3,798**

380 per day  
on average

Entries (?)

**2,762**

277 per day  
on average

Entry Rate (?)

**73%**

Best was 83%  
on 2/19/2012



Entries



Visits

Campaign Metrics

Facebook

Twitter

Microsite

Totals

Visits

Entries

Rate

Visits

Entries

Rate

Visits

Entries

Rate

Visits

Entries

Rate

Total

3,797

2,761

73%

1

1

100%

0

0

N/A

3,798

2,762

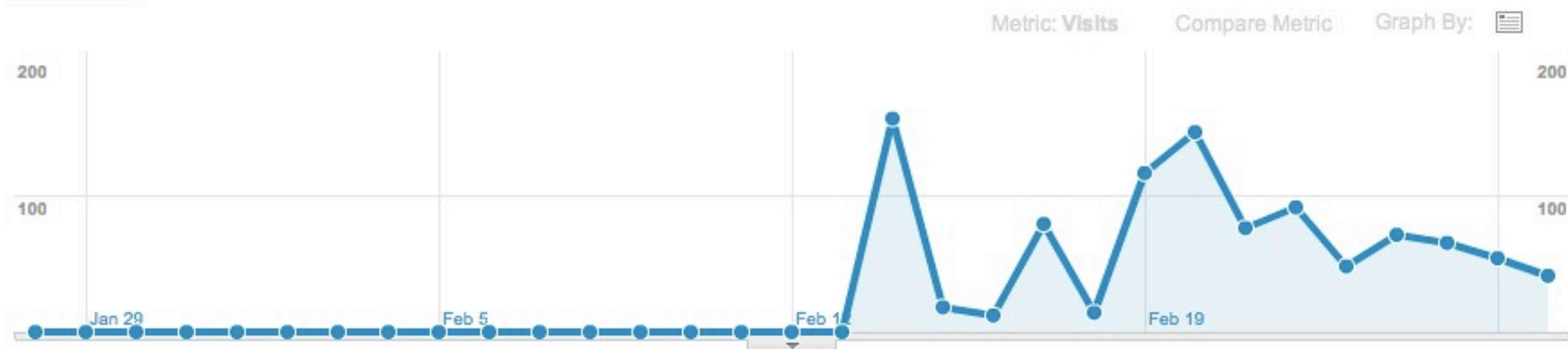
73%

## Visitors Overview

Jan 28, 2012 - Feb 27, 2012

100.00% of total visits

### Overview



914 people visited this site



987 Visits



914 Unique Visitors



2,891 Pageviews



2.93 Pages/Visit



00:21:34 Avg. Time on Site



57.24% Bounce Rate



92.50% % New Visits



97.67% New Visitor

964 Visits

2.33% Returning Visitor

23 Visits

## Engagement

100.00% of total visits

Jan 28, 2012 - Feb 27, 2012

### Performance

Visit Duration

Page Depth

Visits

**987**

% of Total: 100.00% (987)

Pageviews

**2,891**

% of Total: 100.00% (2,891)

Viewing: Visit Duration

Visit Duration	Visits	Pageviews	Percentage of total	
			Visits	Pageviews
0-10 seconds	593	622	60.08%	21.52%
11-30 seconds	74	209	7.50%	7.23%
31-60 seconds	59	211	5.98%	7.30%
61-180 seconds	108	429	10.94%	14.84%
181-600 seconds	63	334	6.38%	11.55%
601-1800 seconds	35	231	3.55%	7.99%
1801+ seconds	55	855	5.57%	29.57%

# Hypothesis testing this week

- H: Toy Stores are a feasible place to sell.

T: Go to toy stores, talk to staff, observe

R:

- Science kits are often bought as birthday presents
- The science kits area of the store was very crowded
- Teachers do not buy science kits from them often
- Packaging is really important



# Channels: Key Learnings

- **Value in seeing physical product**
- Research toy online, try out at store
- Stores carry example/demo toys that can be played with, increase conversion rate to buy
- Our product may not reach potential customers due to clutter or categorization in the store

## http://www.colorwheeltoys.com/: Sign up Funnel

Of the 384 people who *Visited site*, 16.7% of those people eventually *Clicked Sign Up*.

Last 7 Days: February 21, 2012 - February 27, 2012 [Edit](#) ▾



Visited site		Visited site again by Weeks							
Time	People	1	2	3	4	5	6	7	8
Week of Feb 15, 2012	333	48	5	-	-	-	-	-	-
Week of Feb 22, 2012	293	20	-	-	-	-	-	-	-

Visited site		Visited site again by Weeks							
Time	People	1	2	3	4	5	6	7	8
Week of Feb 15, 2012	333	14.4%	1.5%	-	-	-	-	-	-
Week of Feb 22, 2012	293	6.8%	-	-	-	-	-	-	-

# Channels: Email Sign-ups

Last 30 Days: January 29, 2012 - February 27, 2012 [Edit](#) ▾



Easier to get people to sign-up to our newsletter since it has a lower cost (free)