Qkey™



Smart • Simple • Secure

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1. Product/Service point of difference

Qkey is a product that lets the user securely have their passwords and credit card information saved on a portable chip device that can be used on every website possible. Qkey prevents hackers and middle-men from obtaining your information due to the fact the sensitive information is no longer accessible on the web because it's in your pocket. Qkey has also reached their goal/amount of money to be pledged so it won't be a 'faulty' product.

2. Industry Overview

In 2015, the cyber security market was worth $75 billion and there is an estimated projection that the market will reach $170 billion by 2020. Companies such as Norton Security and Malwarebytes provide cyber security and virus protection on your computer. Google also has a system where your Google account will remember your information when you login on any computer. Unlike Google, Qkey is completely offline so there won't be the risk of the system being online like Google.

3. Impacting Trends

Economic: Qkey is a premium product that not everyone needs. It costs $99 and not everyone is willing to pay that much for a product that is not a stable product on the marketplace. That being said, there's no guarantee this will be economically beneficial (Qkey already surpassed its total funds raised goal on Kickstarter and Indiegogo).
Technological: Since this item is a prototype, there could be many similar products that come out in the future like it or products that are similar and cheaper so they can run

Qkey ‘out of business’. Currently, Qkey has a 14-year patent so no one can copy their design for a while.

Social: As people continuously use the internet and develop more and more username and passwords they can’t remember, Qkey would be a beneficial product for consumers because it will store all your information remotely and securely and consumers don’t have to worry about middle-men trying to steal information or getting hacked.

4. SWOT Analysis

Qkey SWOT Analysis

Strengths

-Secure storage of financial sources
-Ability to keep everything localized a uniform place
-Complete first product like this
-Addresses an issue that is relevant to everyone
-Integration with smartphones to allow NFC transactions securely
-information is encrypted on the device, and allows remote corrupting of device if lost or stolen

Weaknesses

-Integration is predominantly via USB connection, allowing more ways to have a secure connection through other means will help having a broader base they can utilize
-Only able to use on mobile devices containing NFC (Near Field Communication) which isn't available on all smartphones currently.

Opportunities

-Due to being the first in the market offering this option will allow them complete access to that sector
-Can make changes to the platform to increase user ability
-As technology develops offers the ability to keep passwords and card information secure.
-Need to add additional ways that the device is able to connect to other smartphones not equipped with NFC, in such ways as Square has offered other methods to plug up via headphone jack.

Threats

-Other companies will be able to create something that is similar to this product.
-Other companies may be able to take the premise behind the device and tweak functionality to allow a broader base to reach.
-Direct competitors could highjack the design if the patent isn't properly kept up with as the design patent typically lasts 14 years.

5. Customer Analysis/ Target/Segmentation & Positioning

5.1 Target

College students. College students must keep up with a lot of different login credentials as they advance through their education and careers. By targeting them at this point, we can provide them with a product that keeps track of this information and allows them to focus on other more critical things. College students won't have to worry about the stress of password-management in addition to their many other stresses throughout their college and professional careers. Qkey could especially help with students who want to study abroad, they wouldn't have to worry about taking a personal computer.

5.2 Segmentation and Positioning

The market segment we identify for our product focuses upon those who find entering login credentials annoying and time consuming, as these people will most likely find our product more appealing. Furthermore, our product helps college students secure their login credentials through our multiple security features. By keeping the process of entering login credentials simple, by advocating for shorter and simpler login procedures we believe our target will find more appeal in our product.

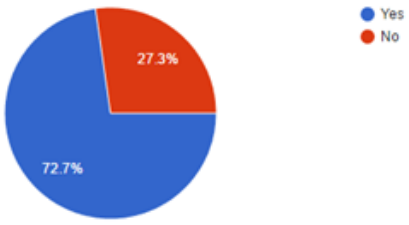
5.3 Customer Analysis

College students have low funds to spend freely, but at the same have a lot of passwords and concerns about online safety. By advertising the convenience and relative safety of this product we can convince students that it is worth spending a little more money on. However, as these students go through their college careers they will start getting more steady jobs and funds to spend. This product is new and innovative, and can assist them through the early parts of their career. Additionally, consumers who

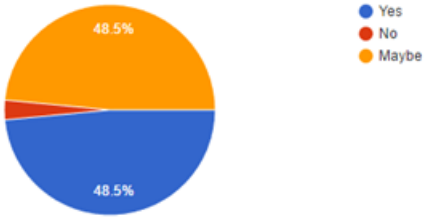
are already in the early stages of their professional career most of the time travel a lot for work. This product is also for them and can greatly assist in their day-to-day work.

5.4 Survey

In our survey, we found that even though 82% of our sample frequently visit websites that require login credentials, more than 70% report forgetting these credentials often. On top of this most of our sample consisted people at college student age. Based upon this; the survey reveals that there is demand for Qkey, especially amongst college students. We also Discovered that only 3% of consumers outright believe that Qkey would not be useful at all. At the same time, due to the financial situations of most college student the pricing for the Qkey may not be ideal, putting our product out of their price range.



Do you have trouble forgetting your username or password?



Would a device that puts in the username and password of websites be useful to you?

6. Pricing

Based on the initial version of the Qkey production costs are low, totaling about $35 for materials. Taking that into consideration, we include a $30 fixed cost that covers labor and markup total cost by 100 percent to cover software development to reach an MSRP of $130. As promotions for our product run throughout the year, the product will be

discounted accordingly. Because we are unsure of how well our product will sell, our financials will use the MSRP as a base price for projections and will be forecasted accordingly with a three-month moving average to insure there will be no stock out.

7. Distribution

Initially, our sales through Kickstarter, Indiegogo, Fundable, as well as our individual website will be our current source of distribution out of our hub in Sandpoint, ID. We also attend various Technological Tradeshows such as CES (Consumer Electronic Show) which potentially also offers a source of sales, as well as foster meetings with large retailers. Eventually, we would like to get into stores such as major technological stores such as BestBuy, Fry's and Amazon as they are major retailers for technology. Our individual website will also be a mode of sales as well. Initially, we would like to pair up to offer exclusivity with a major technological chain such as BestBuy to showcase the functionality and have a prominent display in their stores. We will likely offer the exclusivity for a maximum of three months in order to get our product more widely known, then offer the ability to purchase through avenues throughout major retailers as well as online giants such as Amazon.

8. Marketing Plan

We are going to utilizing a wide variety of marketing channels to increase the exposure of our products and to also keep our costs low. One of our main channels of digital marketing is going to be social media because of its versatility and its relevance to our target market of millennials. Social media is such a wide spectrum and as a company

we are going to be focusing on YouTube, Facebook, Twitter, and Snapchat. YouTube is going to be one of the most effective sources of advertising for this product. In addition to releasing our own promo and “how to” videos on our main YouTube Channel, we are going to maximize awareness and exposure for this product by collaborating with popular YouTube consumer electronic reviewers like Unbox Therapy or MKBHD. We will send them a sample of our product free of charge so that they can explain its uses and functions to their millions of subscribers and viewers. Along with this, we can offer a promotional code for a 10% discount that is exclusive for the viewers of the videos to increase traffic to their channel as well as encourage buyers to purchase our new product. In addition to consumer electronic reviewers, we can also target gaming channels since they cater to a similar target audience.

In addition to YouTube, other social media platforms like Facebook, Twitter, and Snapchat will also be utilized. For example, Qkey can set up their own account on each of these platforms to create a virtual presence to communicate with buyers, as well as potential buyers. We can use these accounts to offer deals and communicate the functions and uses for the product. In addition to creating business accounts, we will also be using each of the platform’s advertising functions too. For example, on Facebook and Twitter we can display banner ads to our target audience since Facebook allows businesses to change the audience definitions like age, location, and gender to engage our target audience. On Snapchat, we can advertise by using very short video advertisements that last from 10 to 15 seconds and place them in between the “stories” that people swipe through.

Paid searches are also a good way to build up a strong digital customer base.

We can advertise on the popular search engines like Google, Bing, and Yahoo. Whenever a person enters a relevant search like “how to remember passwords”, or “password manager”, we can use SEO to target those customers and bring traffic to our website. Paid search marketing is relatively inexpensive but can be very effective if we target the right searches.

Another way to market the product would be through the use of technology magazines like Wired, PC World, and MIT Technology Review. One of the main benefits for advertising on a popular magazine subscriber like Wired, would be that our product would gain immediate status by association. Most of the popular technology magazines like Wired, PC World, and MIT Technology Review are well respected and have a level of prestige in the consumer’s eyes. This will help build our brand and its image to the public.

Our other forms of advertising like CES 2018 and Co-Op with retailers are going to be either seasonal or “one-time”. For example, the Consumer Electronics Show takes place only once a year, but it allows us to reveal our new product to a large selection of people who are technologically oriented. Although this is going to be a one-time event, it can prove to be extremely effective because it can build up the “hype” for the Qkey. Our second form of seasonal advertising is going to be a Co-Op with retailers like Best Buy and Fry’s. We are planning to sell our product in their stores year-round but exclusively offer promotions and bundle deals during the back-to-school months. We strategically picked the back-to-school months because students are going to be buying items like laptops or PC’s and our product can be offered at a discount if they choose to bundle both products.

12 Month Ad Planning

January- Attend the 2018 CES Show

February- Start targeting gaming and reviewing YouTube channels and offer special promo code for video viewers

March- Create banner ads and social media accounts on Facebook, Twitter, and Snapchat

April– Implement paid searches on Google, Bing, and Yahoo

May- Co-Op with Best Buy, Fry's, Walmart

June- Continue Co-Op with retailers

July- Offer bundle deals to target back to school to target back to school shoppers

August- Continue to offer bundle deals to target back to school shoppers

September- Finish-up with back to school deals and re-implement paid searches

October- Offer promotion on social media (Facebook, Twitter, and Snapchat)

November- Offer magazine advertisements on Wired, PC World, and MIT Technology Review to introduce Christmas deals

December- Continue to target magazine ads to target Christmas shoppers, and also implement paid searches to target people who search "Christmas gift ideas"

9. Goal Set & Supporting Financials

The goal of our first year with the product is two-fold. Firstly; by extensively marketing the item to generate awareness, we are able to gain a solid brand loyalty by customers who are pleased with our product. Secondly, our goal is to generate at least $200,000 of net income, most of which will go into research and development to help create a more

advanced version two product with better materials, user interfaces, and software. The other portion will be divided and distributed as a dividend to our shareholders.

Month	Revenue	Cost	Marketing	Kick starter	Net Income		
Janurary	0	18935	10000	52055	23120		1 Unit = 35
Febuary	0	18935	10000	52055	23120		Production run 1082 units
Product Launch							
March	26000	7000	10000	0	9000		200 units/mo
April	26000	7000	10000	0	9000		MSRP: $130
May	26000	7000	7000	0	11000		
June	26000	7000	7000	0	11000		
July	26000	7000	7000	0	11000		
August	26000	7000	5000	0	14000		
September	26000	7000	5000	0	14000		
October	26000	7000	1000	0	19000		
November	26000	7000	1000	0	19000		
December	26000	7000	1000	0	19000		
12 Month Total	**260,000**	**-70000**	**-74000**	**104,100**	**220,100**		

Based on this initial projection for the fiscal year of 2017, an initial production run of approximately 1100 units will cover project backers with the very first version of the product. Afterwards, the product will launch with a scheduled production of 200 units a month, costing about $35 to produce per unit. At about a $130 MSRP per unit, the yearly net income is expected to be $220,100. This projection will be updated using a three-month moving average to forecast production starting mid-year in June. Because there will be ongoing/changing promotions for our product, the MSRP of $130 will be used to forecast sales. The production units sold will also be more accurate after switching to the updated schedule.

10. Supporting images, prototypes, etc.









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