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shift your gears. shift your lanes. shift your lifestyle.



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Situational Analysis

THE EVO SHIFTER

As it stands, there is no sustainable alternative to driving a car. There are cars with lower environmental impacts but they still have an impact. What is more, most of these vehicles are designed and assembled with no concern for sustainability in the manufacturing process and materials used. While bikes pose a more environmentally friendly means of transportation, they do not offer many things that drivers have become so accustomed to. This is where we realized another problem; there is no option between a bike and car. While technology advances rapidly, most of the concept cars and vehicles are futuristic, expensive, and demanding in costs and environmentally damaging in producing. The Evo Shifter shifts away from the transportation paradigm and offers people a revolutionary new way to move. The Evo Shifter is essentially a pod vehicle, but rather than having a purely electric motor, it also operates similar to an electric bike. The Evo Shifter can be powered by pedaling, which charges the battery as it pedals or has the option to be pedal-free and fully mechanized. The Evo Shifter is not a car and it cannot reach the speeds of a car and thus will be allowed to ride in the bike lane. No license, no traffic, no fender-benders. The Evo Shifter was designed from birth to be as sustainable as possible while still being accessible and practical. The frame is grown rather molded, out of bamboo which is one of the most sustainable natural materials available as it grows so rapidly. In addition, the panels are bamboo. Another important factor was cutting down the carbon footprint that is associated with manufacturing and assembling products, and why local is important. The Evo Shifter is a product for Fremont, the greater Seattle area, and on the fringes those adventurous Portland, Bellingham, and Vancouver folk who share our community's passion. Keeping this mind, all aspects of the supply chain would ideally be local. The Evo Shifter is more than a vehicle; it's a community exhibiting responsible behaviors that just so happens to be pretty darn cool at the same time.



¹www.pbs.org/wgbh/nova/car/images/my-murphy.jpg, <http://cdn.obsidianportal.com/assets/4316/green-cars-hydrogen-fueled-3wheeler-promises-a-green-ride-futuristic-car-01.jpg>, www.dieselstation.com/pics/Honda-3R-C-Concept-2010-car-pics.jpg, www.nutsbike.com/wp-content/uploads/2009/10/folding-bicycle-has-four-wheels-one.jpg, www.tuvie.com/wp-content/uploads/proxima-the-car-bike-concept1.jpg, <http://cdn.obsidianportal.com/assets/5007/2pzh99l.jpg>, www.dieselstation.com/pics/Honda-3R-C-Concept-2010-car-pics.jpg, www.nutsbike.com/wp-content/uploads/2009/10/folding-bicycle-has-four-wheels-one.jpg, www.tuvie.com/wp-content/uploads/proxima-the-car-bike-concept1.jpg, <http://cdn.obsidianportal.com/assets/5007/2pzh99l.jpg>

SWOT ANALYSIS

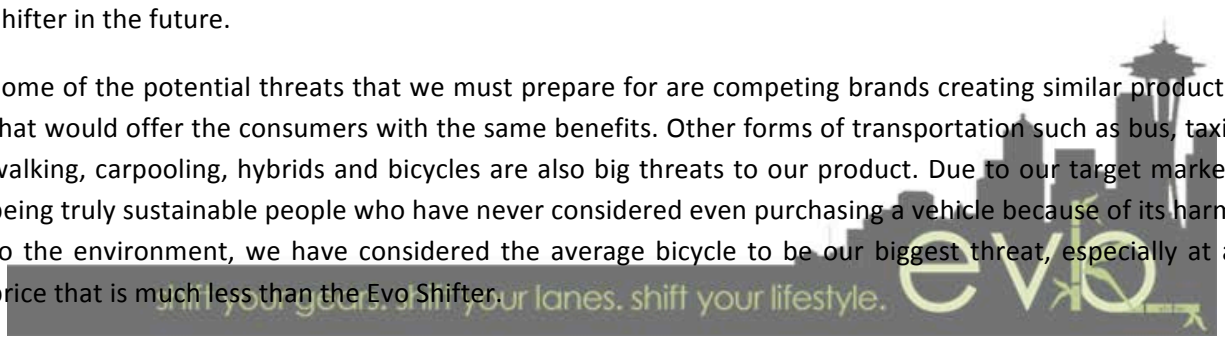
Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Efficient • Local • No gas/emissions needed • Affordable • Convenient • Eco-friendly • Bike/car lane approved 	<ul style="list-style-type: none"> • Short distance • Startup company • Power • One seat • Safety 	<ul style="list-style-type: none"> • Market to the East Coast • Going global: • Customization options • Expansion 	<ul style="list-style-type: none"> • Public transportation • Bicycles • Walking • Cars/car pooling • Hybrids/low gas mileage vehicles

The Evo Shifter introduces features in the bicycle and electric vehicle market that has not been fully fulfilled yet. The vehicle is designed to be used as a bicycle or an electric vehicle based on the needs of the consumer. Being small and easy to use, this vehicle is designed to be very convenient and great for around the town activities. The Evo Shifter will be priced at an affordable rate which will be cheaper than a car, but yet holds its value over the everyday bicycle. As a local, eco-friendly company, we also want our consumers to know that this vehicle is not harmful to the environment, requiring now use of gas or emissions.

Weaknesses that the Evo Shifter expects to encounter include the short distance ability of the product. Being a bicycle with a small electric motor, the Evo Shifter's purpose is for around the town travelling. The vehicle will not have much power or speed, especially when compared to the everyday vehicle. We are also going to face the challenges that come with entering the new market. The need of creating demand for our product and getting the word out can be a huge obstacle that we need to cross as a company.

The Evo Shifter has the opportunity to gain solid market share from the many struggling companies in the electronic vehicle market. If the Evo Shifter is successful in the United States, we would have a great opportunity to introduce this product to other countries that have high usage of bicycles like Asia and India. We could eventually also expand out line and offerings to our purchasing customers by letting them build their own, by adding and removing features, and also providing them with a two seat Evo Shifter in the future.

Some of the potential threats that we must prepare for are competing brands creating similar products that would offer the consumers with the same benefits. Other forms of transportation such as bus, taxi, walking, carpooling, hybrids and bicycles are also big threats to our product. Due to our target market being truly sustainable people who have never considered even purchasing a vehicle because of its harm to the environment, we have considered the average bicycle to be our biggest threat, especially at a price that is much less than the Evo Shifter.



COMPETITION

Product Category	Brand Competitors	Product competitors	Generic Competitors	Total Competitors	Budget
Efficient Transportation	Chevy, Sanyo, Trek	Nissan, Vespa, cars, scooters	fuel efficient bicycles, motorcycles, public transportation, rentals, taxi	Debt reduction, vacation, home remodeling	

NISSAN

- Wide range of Vehicles- electric cars, sports cars, crossovers SUVs & minivans, trucks & commercial
- sells more than 3.7 million passenger cars and commercial vehicles in more than 190 countries²
- Its main operations are located in the country of Japan where it is considered to be the number two car manufacture in the country; following Toyota.³

Strategies

- Put focus towards sustainable energy (wants to be a leader in the electric car industry)⁴
- Ongoing process/ product innovation and advanced R&D Nissan will launch a new model every six weeks for six years, while introducing more than 90 new technologies during the period)⁵
- Efficient operation cost

Target Market

- Nissan offers numerous styles/ models of vehicles that fit needs of a wide variety of customers.
- Recently expanded into the market of fully electric cars.

Strength

- Global Brand Recognition
- Global distribution center (products are sold around the world)
- One of the first companies to mass produces a full electric car. – wide spectrum of innovation among vehicles⁶

Weakness

- Strong dependency on oversea market
- Lack of diesel technology

² <http://online.wsj.com/article/SB10001424052702304447804576411353471701240.html>

³ <https://edisk.fandm.edu/stumip/nissan.ppt>

⁴ <http://tech.fortune.cnn.com/2010/11/18/nissans-leaf-strategy-battery-powered-confusion/>

⁵ <http://online.wsj.com/article/SB10001424052702304447804576411353471701240.html>

⁶ www.plugincars.com/worlds-first-nissan-leaf-electric-car-delivered.html

Capabilities and Vulnerabilities

- Products- Nissan has a wide selection of vehicles that have specializations components to support unique utility performances (4x4, towing kits, electric, ect...)
- Promotions- Promotes through media, sponsors events, →→ Direct response and co-operative advertising
- Distribution- Manufacturing production lines are globally, cuts down on shipping cost. → Bank buys the manufactured cars → puts them on car lots for dealerships to sell
- Pricing- Nissan covers the moderate-high spectrum particularly well when it comes to pricing its cars. They sell a Luxury brand (infinite- high price); while the rest of their lines branded under Nissan are considered to be moderate in terms of pricing. (competitive based)

Nissan Leaf

Introduced in 2010, the Nissan Leaf is a full electric vehicle that seats 5 and starts at a cost of \$31,000. It has a 100 mile range maximum. The leaf is one of the first fully electric vehicle offerings in the US and requires the instillation of a home charging port at a cost of around \$2000. Being a mass-produced automobile, the leaf still has the environmental impact in production as any other car and contains a 660lb battery pack that costs Nissan \$18,000. The leaf does have the advantage that no gasoline is consumed at all but the environmental impact of the fuels used to produce the electricity that charges the leaf must be taken into account. The Evo Shifter emphasizes fully sustainable practices in all aspects of production and contains a much smaller, eco-friendly battery. ⁷

CHEVROLET

- Wide product range- hybrid cars, sports cars, crossovers SUVs & minivans, trucks & commercial
- General Motors acquired Chevrolet in 1918⁸
- GM is considered to be among the top 3 car manufacture in the United States
- Recently had to accept governments bailout plan

Strategies

- Compete with foreign automakers on developing fuel efficient cars
- Strength profits- through lower material cost and greater operational efficiency

Target Market

- Chevrolet offers numerous styles/ models of vehicles that fit needs of a wide variety of customers.
- Recently expanded into the hybrid market

Strengths

- International Presence- with factories located globally
- Substantial Brand Identity
- Sales presence globally

⁷ www.bloomberg.com/.../nissan-s-leaf-runs-99-mpg-on-35-000-freez...

⁸ www.chevrolet.com/experience/history/



Weaknesses

- Diminishing Dealer Networks due to economic down fall⁹
- Too much vertical integration

Capabilities and Vulnerabilities

- Product- Segments by price and functionality; wide selection of vehicles that have specializations components to support unique utility performances (4x4, towing kits, hybrid, etc....)¹⁰
- Promotions- Promotes through media, sponsors events, →→ Direct response and co-operative advertising
- Distribution- Manufacturing production lines are globally, cuts down on shipping cost. → Bank buys the manufactured cars → puts them on car lots for dealerships to sell
- Pricing- Chevrolet pricing strategy is considered too based off functionality/ performance utilities. Their overall pricing is considered to be moderate-high. (competitive based)

Chevy Volt

General Motors manufactured a plug-in hybrid electric car, which is considered by the EPA to be the most fuel-efficient compact car sold in the United States. The Chevy Volt can travel 25-50 mile on its lithium-ion battery alone and a total range of 379 miles using it hybrid technology. Though the front wheel, five door hatchback is considered too expensive selling at \$41,000 new; its been a hot item on the market.¹¹

SANYO ENELOOP

- Product range-Sanyo is a major electronics company that mainly focuses on rechargeable everyday use batteries, TV's, DVD players, digital cameras, electric batteries for vehicles also and all made from nickel metal hydride batteries.¹²
- Sanyo Eneloop is one of the most advanced electric bikes available in today's market. Dominating the industry in features, but not the best in the market as far as sales. Company's revenue of \$17,702.89 was not very impressive in 2010 and has been on a revenue decline of 10.81% from 2008-2010.¹³

Strategy

- Sanyo takes a strategic approach to symbolize adventure and freedom while associating that with cost and pollution.¹⁴
- Focus on having a durable, well integrated electric motor, on a pedal assisted electric bike.¹⁵
- Very innovative company that offers the smoothest motor assistant out there.

⁹ <http://www.motorwayamerica.com/editorial/chevrolet-volt-pricing-strategy-bold-one>

¹⁰ www.optimum7.com/...marketing/.../new-marketing-focus-general-m...

¹¹ <http://www.motorwayamerica.com/editorial/chevrolet-volt-pricing-strategy-bold-one>

¹² <http://panasonic.net/sanyo/>

¹³ <http://www.docstoc.com/docs/72368877/SANYO-Electric-Co-Ltd-SWOT-Analysis-and-Company-Profile>

¹⁴ <http://us.sanyo.com/SANYO-Store/eneloop-bike-CY-SPA600NA>

¹⁵ <http://www.nycewheels.com/sanyo-eneloop-electric-bike.html>

Target Market

- Truly sustainable people who are in need of an environmentally friendly form of transportation.
- People who are looking for a fun that symbolizes adventure and freedom to them.
- Everyday bicycle users who are in need of an extra boost by the electric motor every once in a while.

Strengths

- Innovative battery designs known across the world
- Innovative engagement of a rechargeable battery and a bike
- World-leading market share of rechargeable batteries¹⁶
- Long history of manufacturing energy-efficient electrical systems and equipment
- Ability to deliver high innovative, multi-dimensional and integrated energy and environmental-related solutions¹⁷

Weaknesses

- Declining market share in some sectors; Sanyo Eneloop bike.
- Massive amount of competition in their way
- Their products focus and serve a single need

Capabilities and vulnerabilities

- Product-Sanyo has a wide selection of products that serve the consumers. TVs, DVD players, rechargeable batteries, and also an electric bike.
- Pricing-Sanyo has used the competitive based pricing to best level with the competition out there. Their Sanyo electric bike however is priced higher than the competition, due to its extra features.
- Distribution-Sanyo products are distributed globally through different retailers. Most electronic stores with carry all of their products. Purchasing their other lines such as cameras, TVs, and DVD players are made possible at many retail stores with an electronic department.
- Promotion: Sanyo promotions are made by advertisements through the web and other sources of media.

The SANYO Synergetic Hybrid Bicycle is a sustainable, stability, unique form of transportation that synergistically connects the person with their ability to have an easy and effortless experience with transportation in an environmental way. Allows better stability with uphill slopes, saves energy, a governor to control speeds, and allows ease of transport heavier loads on a bike. The SANYO Synergetic Hybrid Bicycle is a great form of sustainable transportation, but doesn't offer enclosed seating and cargo capacity that Evo Shifter has; giving the customer a safer, more weather reliable, and ability to transport heavier loads.

¹⁶ <http://us.sanyo.com/Presidents-Message>

¹⁷ <http://us.sanyo.com/Presidents-Message>



VESPA

- Product range-The Vespa is responsible for a single brand of scooter manufactured by Piaggio in Italy.
- Vespa is the market leader of scooters in Europe and upcoming leader in the US. Vespa is also the world's fourth largest motorcycle manufacturer by unit sales.

Strategy

- To provide the consumers with a better, fuel efficient mean of transportation
- Strive to lead the industry in two wheel, high gas mileage vehicles

Target Market

- Mainly targeted towards people who are looking for a easy access to the around the town activities with good gas mileage
- Best consumers are college/post college grads, mainly female between the ages of 25-44¹⁸
- Urban area people who are largely from a middle-class home

Strengths

- Global name recognition
- Rapid product development process
- Low cost fuel consumption
- Eco-friendly, lightweight, accessible vehicle

Weaknesses

- Had to pull from the US market until 2000 due to minimum popularity
- Limited power only good for in city use¹⁹

Capabilities and Vulnerabilities

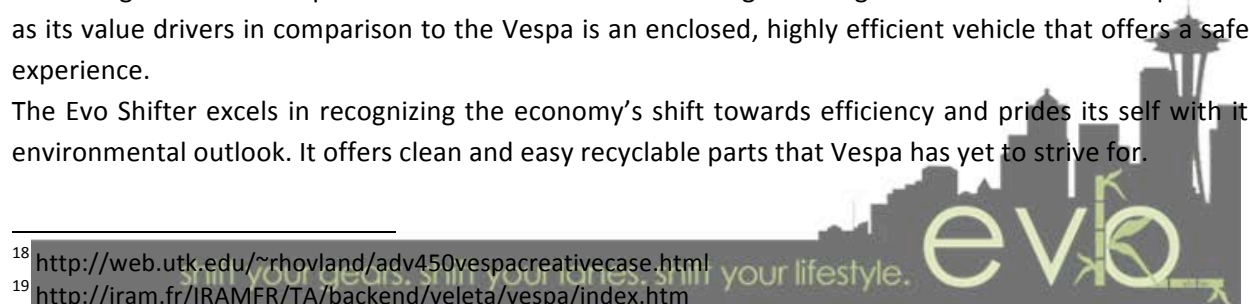
- Product-The Vespa is a classic well established brand known all around the world for its easy, in town everyday use.
- Price-Set price strategy to compete with motorized vehicles, but yet appropriate for its means of use and target audience.
- Distribution-Vespa has an elaborate dealership network across the US and the rest of the world.
- Promotion-Use of magazines, TV, radio (certain parts of the world), and special events marketing.

Vespa caters to a unique group of individuals that like the idea of saving gas mileage while commuting. The unique aspects are highlighted by the actual concept of what a Vespa scooter is; it's a form of transportation that is half way between a bicycle and a motorcycle. It reaches out to consumers by marketing itself as a low performance vehicle with excellent gas mileage. What the Evo Shifter presents as its value drivers in comparison to the Vespa is an enclosed, highly efficient vehicle that offers a safer experience.

The Evo Shifter excels in recognizing the economy's shift towards efficiency and prides its self with its environmental outlook. It offers clean and easy recyclable parts that Vespa has yet to strive for.

¹⁸ <http://web.utk.edu/~rhovland/adv450vespacreativecase.html>

¹⁹ <http://iram.fr/IRAMFR/TA/backend/veleta/vespa/index.htm>



TRADITIONAL BIKES

- Wide product range-numerous bicycle producers out there who have entered the market providing the consumers with various styles of bicycles. Ex. Road bike, mountain bikes, BMX bikes etc.
- Bicycle industry has been a dominant manufacturer in today's society providing consumers with a not only a form of transportation, but also entertainment across the world. In 2010 alone, there were 19.8 million bicycles sold in the US making it a \$6 billion dollar industry.²⁰

Strategy

- Design to provide people with entertainment, exercise and a form of transportation.
- Inspire an alternative means of transportation without the need of fossil fuels.

Strengths

- Appealing to all ages
- Eco-friendly
- Promotes an active lifestyle

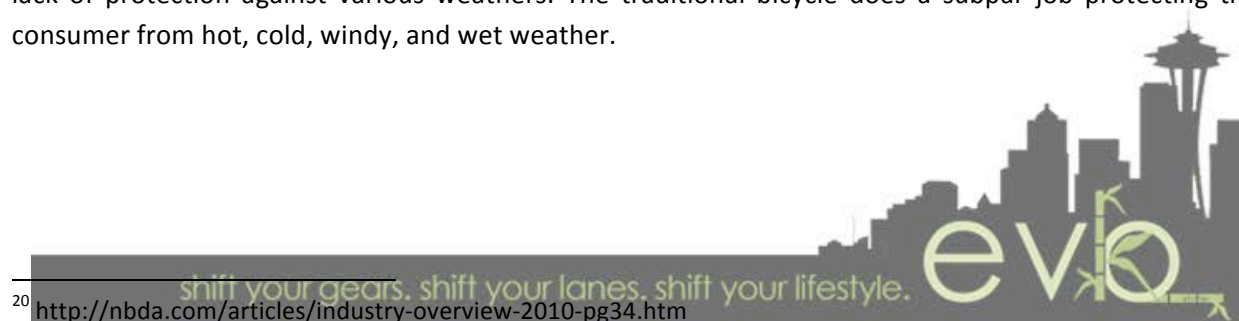
Weaknesses

- Short distance travel
- Low speed
- Vulnerable to climate changes

Capabilities and vulnerabilities

- Product- bicycles are segmented by price and functionality. Products are designed to overcome specific needs of performance. (Off road, urban cruisers, speed bikes, BMX ect.)
- Promotions- made through sponsorship and events→ Direct response advertising
- Distribution- manufactured globally and sent to retailers and online
- Pricing- competitive based pricing; bicycles are priced based on their performance and functionality.

Traditional bicycles are one of the biggest competitions for our product. They are one of the only alternatives that are truly sustainable and environmentally friendly that people can choose as a form of transportation. The bicycle does not need any gas or emissions, it is affordable and not only is it a good form of transportation, but it also does no harm to the environment and it is a great source of exercising. The down side of the traditional bicycle is that they are not usually used for long destinations. Most people use bicycles for simple around the town tasks and errands. Another problem with bicycles is their lack of protection against various weathers. The traditional bicycle does a subpar job protecting the consumer from hot, cold, windy, and wet weather.



BUYER UTILITY MAP

	Purchase	Delivery	Use	Supplements	Maintenance	Disposal
Customer Productivity						
Simplicity			X			
Convenience						
Risk					X	
Fun And Image						
Environmental Friendliness			X	X		X

shift your gears. shift your lanes. shift your lifestyle.



EXTERNAL ENVIRONMENT

ECONOMIC

The US- Still recovering from “the great recession” In 2009 Automakers General Motors and Chrysler Group LLC received bailouts from the US government. Domestic automobiles have been increasing in overall quality and reliability as of recently. Americans possess a wide range of views on how the economy is doing and the upcoming election in 2012 will be heavily focused on the economy.

Economy Seattle Area

Seattle Area Economy- 1.93 million jobs.

Largest employer UW- Employs 28,188

Clean Technology Industry

Seattle has 60,000+ jobs regarding efficient, environmentally friendly energy.²¹ This would be a great place for the production of the Evo Shifter with expertise on green production practices already located in the area. With the largest hydroelectric infrastructure in the world, WA state will be able to provide clean energy to power electric vehicles. Alternative energies such as solar, wind and geothermal show great potential in the future for means of renewable energy.

In Seattle local economy, the clean technology industry/green building industry has been gaining steam.

Optimistic or Pessimistic?

In the down economy, there are fewer recorded births in the United States. Birthrate dropped over 100,000 in the US from 2009 to 2010 and is down over 300,000 from 2007.²²

Another Interesting finding in the down economy is that more and more people are moving in with relatives. Multi-generational housing numbers have risen significantly with many adults moving back in with parents for longer and longer periods of time. 1 in 6 Americans ages 25-35 lived in multi-generational housing.²³

Many consumers have had to forego a 2nd or 3rd vehicle due to economic reasons and the Evo Shifter will introduce more affordable transportation for the urban based users.

According to pew social trends study, Over 62% of Americans have cut back on spending in recent years due to the economy. Many customers are out looking for lower priced alternatives to the goods that

²¹ <http://www.seattle.gov/oir/datasheet/economy.htm>

²² <http://pewresearch.org/pubs/2115/births-fertility-rate-economy-recession>

²³ <http://www.pewsocialtrends.org/2011/10/03/fighting-poverty-in-a-bad-economy-americans-move-in-with-relatives/>



they current use, and many are willing to sacrifice some features for price. Over half of respondents (54%) stated that they believed the recession was not over.²⁴

With the volatility of fuel prices and the economy, consumers are sensitive to the types of automobile purchases they make. Following a cyclical pattern, consumers opt for larger more expensive vehicles during up times and smaller gas-sippers during times of downturn or high fuel prices. There have been recent changes to that trend, with environmentally friendly vehicles commanding a higher price for increased economy due to advanced technology and prestige of owning an eco-friendly vehicle.

This opens up a market for a vehicle that places environmental friendliness as its paradigm while being affordable at a price point much lower than cars. Users will be making tradeoffs (capacity, speed) to gain much improved efficiency and affordability.

What impact has changing technology had on customers?

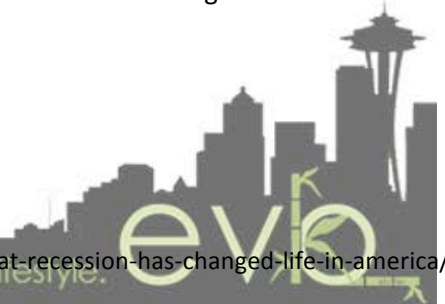
Currently, consumers have more choices than ever when it comes to transportation options. Automobile manufactures offer a very large selection with almost every manufacturer offering some form of hybrid and full EV's are becoming more popular. Currently one restriction on electric vehicles is the infrastructure of charging stations available. Washington State is one of the leading states currently with this infrastructure, with over 300 available commercial stations. Global estimates predict 7.7million charge points worldwide by 2017²⁵.

Another rising trend in the United States is diesel engines. Americans lost respect for diesel in the 1970's with poorly constructed inefficient diesels made by the big 3. Modern technology allows them to run cleaner than ever with impressive fuel economy numbers. Currently domestic manufactures offer diesels in many trucks with small diesel engines starting to emerge in more compact cars. Diesel is massively popular in Europe with manufactures offering a variety of diesel engines across their lineup.

What technology changes affect the way we operate or manufacture products?

One question about the environmental friendliness of EV's and hybrids is in the lithium ion battery pack that they use. Recent research has pointed that the lithium batteries are not as bad as initially thought and that they make up only 15% of the vehicles overall environmental impact. The biggest impact is the energy source used to produce the electricity to charge the vehicle. In regions where hydroelectric power is common, the environmental impact is greatly reduced. In regions where coal and nuclear power are more prevalent there is a greater impact. Studies have shown that a gas burning car would need to get about 70mpg to have the same environmental impact as an EV charged from a standard electricity mix.

²⁴ <http://www.pewsocialtrends.org/2010/06/30/interactive-how-the-great-recession-has-changed-life-in-america/>
²⁵ http://www.evscroll.com/Electric_Vehicle_Charging_Stations.html



POLITICAL TRENDS AND LEGAL ISSUES

Some political negotiations, allegations, and regulations have enforced and empowered money pollution resulting in money laundering from companies increasing climate change. U.S. Chamber of Commerce have been the back bone to creating propaganda allegations to supporting companies that pollute destructive emissions into the environment, effecting the climate change. Since the 1950's, they have guided people to believe that free enterprise is in support to help grow the economy in a positive way following Environmental regulations. Recent studies show that they have neglected all interest in supporting the environment with their petition on the EPA to take no action in climate change, "populations can acclimatize to warmer climates via a range of range of behavioral, physiological, and technological adaptations." The U.S. Chamber of Commerce interest is not the environmental status; it's using political cash to ensure recent technologies remain on artificial life support and to continue increasing commerce in America in an unhealthy environmental way. (chambers)

With Environmental issues rising, recent actions have been made towards reducing emissions in the automotive industry with Obamas proposal to double auto fuel economy by 2025, "(Reuters) - The Obama administration proposed on Wednesday doubling auto fuel efficiency to 54.5 miles per gallon by 2025, a White House energy priority that has come under scrutiny in Congress." (reuters) This has pushed thirteen major automakers to sign the proposal to reduce emissions and gas prices benefiting the economy and environment.

On a smaller level of focus on political and environmental regulations, Washington State has a reputation as being a green, eco-friendly, and healthy a region. Specifically Seattle, which is in the top 5 states on "Americas Greenest States", for having strong policies to have low carbon emissions, energy efficiency, and high air quality ratings. Having Seattle be the 5th in the country on the list of America's Top 50 Bike-Friendly Cities. "Seattle has a 10-year, \$240-million bike master plan that seeks to triple the number of journeys made by bike and add 450 miles of bike paths." (bicycling) has huge influence transportation industry, making Seattle area a great location for the Evo Shifter. With zero emission and sustainable eco-friendly material and productions, the Evo Shifter follows the eco-friendly, green, and healthy cities lifestyle and supports local community commerce with material and production based out of Seattle.

SOCIOCULTURAL TRENDS

Environmental Concerns

For years concerns about the environment have been growing. More and more green products are available every day and consumers have made it clear that environmental awareness and concerns are important to them. in recent years the economic downturns have forced people to place economic concerns first. However, there is still a rising acceptance of green products and lifestyles and pressure on companies to change operations. Trendwatching.com named "Eco Superior" in the top ten trends of 2011, which means "products that are not only eco-friendly, but superior to polluting incumbents in every possible way" (trendwatching.com). This highlights the problem that we saw in the car industry.

Shifts in Transportation

As a result of numerous factors, people are ultimately striving to consume less fuel and fossil fuels. Some of these motivations are environmental, some local, some financial, and more. Whatever the reason, people are starting to look for alternatives to driving solo in their personal car everywhere, everyday. One study found that more and more people are starting to use car sharing services and clubs and “according to [the] numbers, in 2016 there should be about 4.4 million members in North America and 5.5 million in Europe” (Zhao). In addition, more people are looking to buy hybrids and electrics for their next vehicles (see 3 tiers).

Some cities are even having mini revolutions over battles with governments over bike laws and unfair enforcements. Biking is becoming retro-cool, with more simple models designed for style and simple use.

Localization and Sustainability

The trends of financial concern, eco superiority have added to the increasing attention to sustainability rather than simply lower impact.

Active Lifestyles

With shows like The Biggest Loser, I used to be Fat, dancing with the stars and fitness crazes like Zumba, protein smoothies and more, it is hard to ignore the emphasis on being active and getting out more.



PORTER'S 5 FORCES

AUTOMOBILE INDUSTRY

Threats of New Entrants- Low

- Upfront capital requirements are extremely high (cost a lot to set up manufacturing facilities)
- Brand equity (a new firm has none)
- Legislation and government policy (safety, EPA and emissions)

Buyer Power- Moderate

- Many different brands and models that associate with many different lifestyles
- Bargaining is dependent on the dealer, sometimes on the manufacturer (ex. Scion sets price)

Threats of Substitutes- High

- Several other means of transportation (motorcycle, bus, train, airplane, taxi, bike...)
- Low switching cost
- Price is a major factor when considering substitutes. (cheaper alternatives)

Supplier Power- Low

- Numerous suppliers rely on some particular auto manufacturers to buy their products.
- Each manufacturer has many suppliers

Rivalry between Existing Firms- Low

- More competitors are emerging
- Low product differentiation
- Low industry growth rate (increases rivalry among competitors)

Summary

Upon analyzing the automobile industry we came to a very clear conclusion that the competitive intensity was extremely high. Knowing this we knew it would be hard to justify entering such an unattractive market unless we could offer something dramatically different; aka peruse a niche. We would have to compete on an entirely different scale and offer something of great value for our intended target market. The automobile industry was a powerful source when analyzing how we were going to position ourselves as a company. Our product will not be competing on the same value drivers in which the majority of the industry does do to the intensity and high risk of being unprofitable.

shift your gears. shift your lanes. shift your lifestyle.



BICYCLE INDUSTRY

Threats of New Entrants- Low

- Relatively large capital outlay to enter market
- Relatively difficult to exit market due to large capital investment
- High advertising cost

Buyer Power- moderate

- Many different price ranges based off the models
- The models price is usually non-discussable

Threats of Substitutes- High

- Many substitutes available: cars, scooters and motorbikes, walking, roller-skates, etc.
- Public transportation
- Airplanes and trains

Supplier Power- Low

- Technology is easy to mimic
- Non-specialized parts that can be mass produced

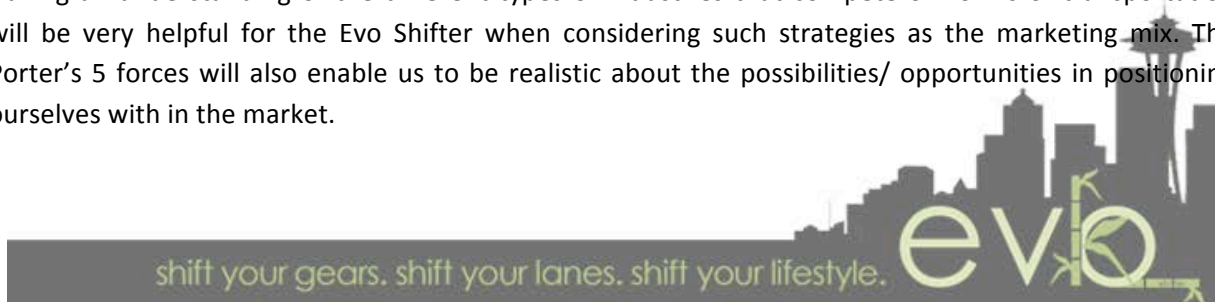
Rivalry between Existing Firms- Low

- More competitors are emerging
- Low product differentiation
- Low industry growth rate (increases rivalry among competitors)
- Unattractive industry to enter but attractive for already established firms

Summary

The bicycle industry was another industry we decided to take a closer look at in hopes to discover a market that was underserved. Like the automotive industry it was seen as a high intensity industry that would be unattractive to new entrants. This however gave us the idea to position ourselves in an attractive way that could pull customers from both the automobile and bicycle industries. Both of these analysis lead to the foundation of our design for an underserved market. Though things such as capital cost would still be high, things such as high intensity among competitors would be relatively low in our niche of the market. Using these analyses when considering our positioning we were able to find a market that offered growth.

Having an understanding of the different types of industries that compete on forms of transportation will be very helpful for the Evo Shifter when considering such strategies as the marketing mix. The Porter's 5 forces will also enable us to be realistic about the possibilities/ opportunities in positioning ourselves with in the market.



THREE TIERS OF NONCUSTOMERS

Soon to be Noncustomers

The soon to be noncustomers reflect a very large part of the market. These customers are people who are concerned about the environment and would like to drive a green car but are not willing to give up driving or switch from their current vehicles. These concerns are reflected in survey conducted by the Consumer Reports National Research Center in November of last year. The findings showed that interested in alternative fuel vehicles is growing and that over a third of those surveys said that they will look for either a hybrid or electric car for their next new car purchase (Consumer Reports National Research Center). However, the research also showed why these consumers are currently not switching as their main concerns are practical and traditional factors of purchasing a car such as quality, safety, and price are still driving decisions. The table below shows the common disadvantages consumers perceive in switching to a greener automobile.

Green car disadvantages	Percent
High purchase price	66%
Inadequate refueling or recharging infrastructure	60%
Limited driving range	58%
Few choices available	48%
Underpowered	48%
Unproven reliability	48%
Not enough room for passengers and cargo	48%
Battery disposal for hybrid and electric cars	48%
Safety concerns	37%

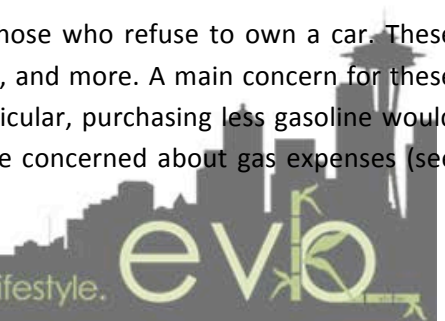
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In addition, recent economic conditions have also led more and more people to consider alternative modes of transportation. A Gallup poll conducted in May of this year revealed that 53% of Americans have made *major* lifestyle changes to deal with higher gas prices (Saad). The most common change in habits was simply driving less (32%). Overall, these surveys demonstrate that while many Americans have the desire to use less gas, spend less money, and if possible be more environmental impact, they will only do so if the alternative is superior (see eco-superior trend in sociocultural trends above).

Refusing Customers

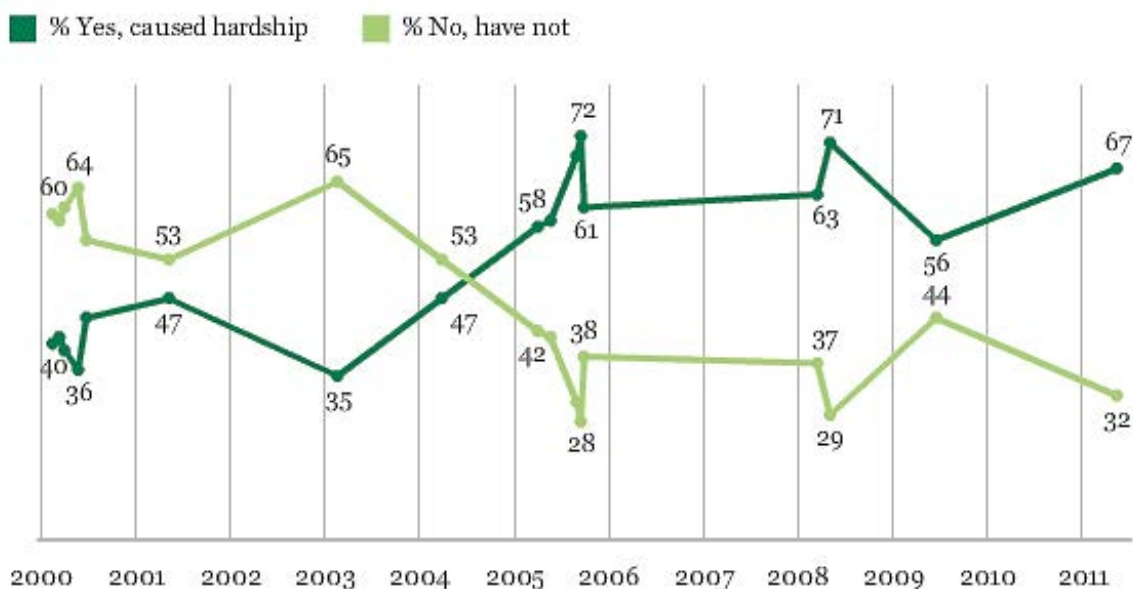
The refusing customers in the automobile/vehicle industry are those who refuse to own a car. These people rely on public transportation, car shares, bicycles, walking, and more. A main concern for these customers is environmental impact, but also cost savings. In particular, purchasing less gasoline would improve the well-being of many as the majority of Americans are concerned about gas expenses (see figure 1).

²⁶ (Consumer Reports National Research Center)



Impact of Recent Gas Price Increases on Personal Finances

Have recent price increases in gasoline caused any financial hardship for you or your household?



GALLUP®

Figure 1 (Saad)

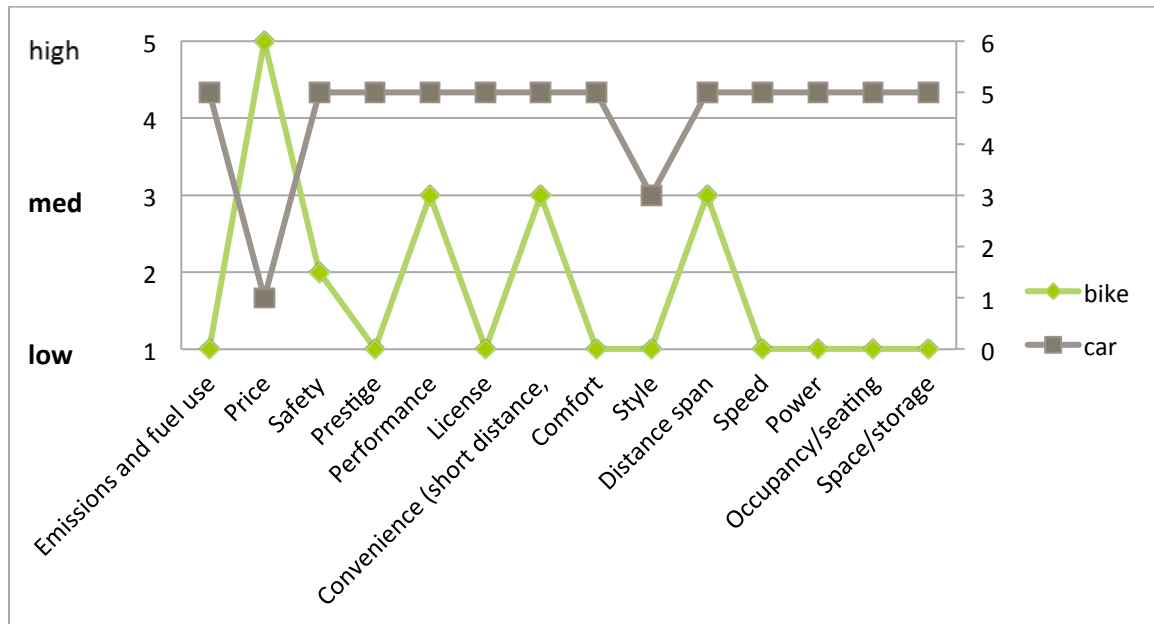
Many of these people represent those most passionate about current sociocultural trends. For example, more people are forfeiting personal ownership of a car and relying on car shares. Others are biking more while some petition for improving public transportation.

Unexplored Customers

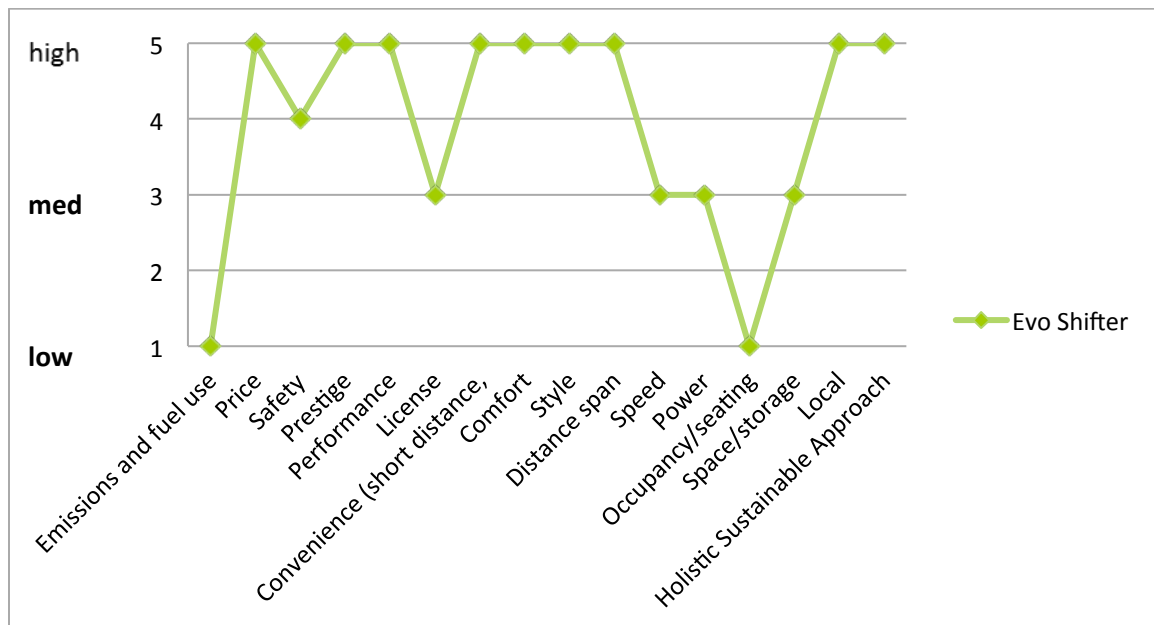
Two major advantages that bikes have over cars is the freedom from requiring a license and the ability to drive in the bike lane. Currently, no automobiles have thought about targeting people who do not have a license.



STRATEGY CANVAS: CURRENT



STRATEGY CANVAS: EVO SHIFTER



Marketing Implementation

SOLVING THE PROBLEM

THE PROBLEM

In short: There is no vehicle that is truly environmentally-friendly, durable, and affordable. There is no one seeking to create one without sacrificing design, practicality, and comfort... until now.

PRODUCT FEATURES

The Evo Shifter's innovative design encompasses the idea of a truly environmentally friendly means of transportation. With everything from the parts on the car to the zero emission policy being based on the notions of being green, the Evo Shifter is the first of its kind.

The features of the Evo Shifter starting with its main structure being made out of bamboo, which is a source that is both durable and is rapidly replenished. The bamboo gives the Evo Shifter a lightweight structure making it easy to pedal when need. The Evo Shifter offers the comfort and safety of a car while offering the simplicity of a bike. With its enclosed structure the Evo Shifter will protect the rider from any weather conditions and ensure the safety of the consumer demands.

The interior of the Evo Shifter is kept simple while providing the basic needs of an everyday commuter. The seat is made from recycled bicycle tires, which prevents the hazardous process used to discard the tires normally. The electric motor on the vehicle charges from the friction that is produced through action of pedaling. This battery is also used to power some of the necessary features of the vehicle which includes windshield wipers, LED headlight and taillight, small fan, and also low-power speakers for an auxiliary input. People probably won't miss the bells and whistles since people use their smart phones for just about everything. But if they try to drive those fancy phones they probably won't get very far. We'll let the phone run the apps while we take them around the town (hands-free of course, safety first kids).

shift your gears. shift your lanes. shift your lifestyle.



THE SOLUTION

The Evo Shifter meets even the most stringent environmental standards by being fully constructed out of sustainable materials. From the repurposed bicycle tires making up the seat, to the full bamboo frame, the Evo Shifter offer eco-friendly solutions across the entire manufacturing process. With a forward focus on locality and sustainability, the company will partner with local firms such as alchemy goods to provide the highest quality while maintaining loyalty to neighborhood companies.

Sustainability

The Evo Shifter is constructed by local and sustainable materials. The Evo Shifter will partner with alchemy goods, a Seattle repurposing firm, specializing in the use of used bike tires to produce the driver seat. The seat meets the sustainable goal of the product design and establishes connections with local suppliers.

The frame of the Evo Shifter is constructed from bamboo because of its rapid growing ability, sustainability, and ease of use when forming into shapes with growing molds. The frame is made with a all-natural resource and produced and formed easily by growers and bamboo carpenters in Seattle called, “Bamboo Builders Northwest”.

the windows is the only part of the product that is not sustainable. The windows are an important safety feature not worth compromising and thus thigh grade plastic window panels are used. We recognize the negative environmental impact of this material. Unfortunately, a truly sustainable alternative is not yet available although we continue to investigate. In addition, we are constantly following the PVC recycling industry, as there is an excess of PVC waste but as it stands now the recycling process is very complicated and the costs are astronomical. We are hoping to eventually make this is a local, feasible option without raising the price on you. We continue to keep our eyes on the industry and will adapt with changing trends.

Durability

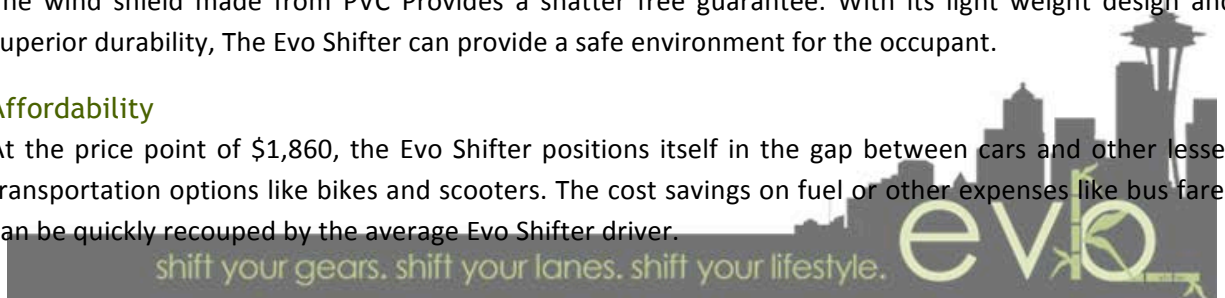
The natural strength of the bamboo not only protects the occupant but is lightweight enough to provide an easily movable vehicle. The natural water resistance along with eco-friendly epoxies will construct the canopy surrounding the rider allowing a fully waterproof environment.

The driver’s seat will be constructed from used bike tires, to provide a comfortable yet stable ride for the user. The natural elasticity of the tires will provide shock absorption for the rider, protecting from bumps in the roadway.

The wind shield made from PVC Provides a shatter free guarantee. With its light weight design and superior durability, The Evo Shifter can provide a safe environment for the occupant.

Affordability

At the price point of \$1,860, the Evo Shifter positions itself in the gap between cars and other lesser transportation options like bikes and scooters. The cost savings on fuel or other expenses like bus fares can be quickly recouped by the average Evo Shifter driver.



MARKETING MIX

PRICE

With its unique design and capabilities the Evo-Evo Shifter delivers a one of a kind transportation experience. Since the pure purpose behind this revolutionary design is transportation, we considered a wide spectrum of other means of transportation upon agreeing on a price.

Product Category	Brand Competitors	Product competitors	Generic Competitors	Total Budget Competitors
Efficient Transportation	Chevy, Nissan, Sanyo, Vespa, Trek	fuel efficient cars, bicycles, scooters	motorcycles, public transportation, rentals, taxi	Debt reduction, vacation, home remodeling

By analyzing the entire efficient transportation industry we were able to set a pricing point at \$1,860. Our justification behind this number comes for the basis of two main ideas. The first set of reasoning was derived from the concept of a customer wanting a hybrid/fully electric car, but not being able to afford any out on the current market. Then second was looking at the wide variety of the generic competitors such a public transportation, bicycles, motorcycles, etc.... Both of these viewpoints played huge parts in finding an appropriate/ attractive pricing point.

Price ranges for cars are based off value drivers created by the manufacture's designs. Though the Evo-Shifter offers some very favorable value drivers it lacks in many as well. The Evo-Shifter should fall into the lower pricing sector of the car industry not because it's less valuable to a consumer, but rather because of it differentiating target market.



PROMOTION

Promoting the Evo-Shifter will be strategically done by targeting and reaching out to an inner city, environmentally concerned audience. The Evo-Shifter will take the initiative to root itself into a local community by promoting such things as only using local suppliers, hiring local staff, and promoting its environmentally friendly outlooks. Transparency when promoting to potential customers will be our number one objective. Good vibes and a strong community backing will promote are company through word of mouth.

Potential other promotions would be paying to participate in automotive trade shows, social media, and sponsoring events. The goal is to create awareness by reaching out to a target market that finds our product attractive. Though our advertising budget will not be extensive, by sponsoring meaningful events and having strong local presence we believe such things as press releases and word of mouth will be enough to spread awareness to our potential target markets.

Another way that we can really prove our passion for the community and dedication is participate in the naked bike ride Fremont is famous for during their solstice festivities. We could have an Evo Shifter employee and pilot naked ride.



DISTRIBUTION

For our initial strategy we plan to have the Evo-Shifter sold out of our main distribution center located in the inner urban Fremont part of Seattle. The distribution center will have an assembly garage and a gallery promoting our product. Though consumers will have the ability to purchase the Evo-shifter online, we believe most purchases will be made at the shop due to our interactive consumer base.

Customers will also be able to ask for a variety of customization to truly create a personalized Evo-shifter. Customizations and upgrades will be ordered and have a set pick up date for costumers to receive at the dealership, upon the arrival.



WHOLE PRODUCT ANALYSIS

GENERIC PRODUCT

The Evo Shifter is a hybrid pedal and electric vehicle that provides accessibility to transports drivers on the roadway and biker lane, in inner city and suburbs environments. The vehicle conveniently provides access to multiple routes of destination with access to biker path and roadway and is weather compatible, featuring an enclosed weather resistant driving compartment. This provides convenience and weather protection transportation, ultimately making the driver feel comfortable and transport efficiently.

EXPECTED PRODUCT

(Similar to the generic Product)

Evo Shifter offers ease of effort in traveling with an interchangeable mechanism switching the pedal to electricity power for hilly environment's and roadway mobility.

AUGMENTED PRODUCT

Augmented expectation is the having a vehicle that is sustainable, ecofriendly, transportable, and weather resistant. The Evo Shifter meets this expectation by being an eco- friendly sustainable vehicle, virtually designed to transport individuals to their designated destination in an accessible, efficient, and practical way. With fully an enclosed driving compartment and equipped interchangeable mechanism to shift from pedal to electricity powered for different road scenarios and demographics, the Evo Shifter allows drivers to attain every in city road situation in an efficient, protected, and eco-friendly way.

POTENTIAL PRODUCT

The Evo Shifter is designed for accessibility for different scenarios and manufactured with sustainable practices for ultra-eco-friendly mobility performance, allows the Evo Shifter to enter into communities that share the same values and traits for transporting in a sustainable, eco-friendly, and convenient way. This will allows us to potentially open up CO-OP shops in the Fremont, WA community, where we would like to add the service and opportunities to modify and personalize your vehicle: Expand seating capacity, color options, music features, and more. Targeting Fremont will potentially increase change and expand more options in inner-city mobility, while promoting a healthy, personalized, green lifestyle.

Shift your gears, Shift your lanes, and Shift your lifestyle!

shift your gears. shift your lanes. shift your lifestyle.

evo

BEACHHEAD

We saw a great opportunity in the Fremont neighborhood of Seattle. The trends seen here overlap with the trends and concerns that we researched. These people are young, care about design, slightly Out there, ahead of sustainable trends, work in Seattle, and take pride in their small local community. They are young professionals, urban, quirky, local pride, community involvement, open minded.

Data from the last census on the Fremont Neighborhood (Department of Planning and Development)

Age

- 35.8% aged 25-34

Income

- 23.8% within \$60,000-\$90,000

Households

- 46% 1 person
- 42.2% 2 persons

College Educated

- 82.7% of males
- 84.2% of females

Journey to Work

- 56.9% drive alone
- 19.7% public transportation

Journey to Work Characteristics in Detail

(See table 1 below – only applies to those over 16)

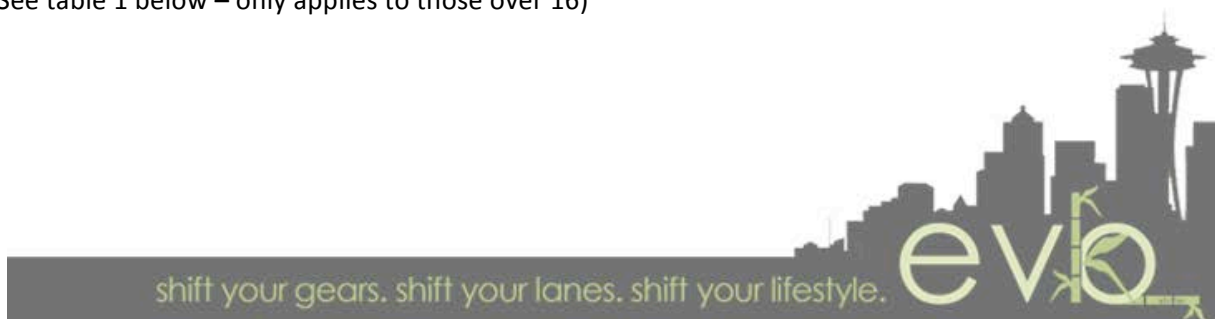


Table 1 (Department of Planning and Development)

Journey to Work Characteristics
Census 2000, Summary File 3

CRA:

Fremont

P30. MEANS OF TRANSPORTATION

Universe: Workers 16 years and over

Total:	10,014	100.0%
Car, truck, or van:	6,537	65.3%
Drove alone	5,697	56.9%
Carpooled	840	8.4%
Public transportation:	1,972	19.7%
Bus or trolley bus	1,947	19.4%
Streetcar or trolley	0	0.0%
Subway or elevated	0	0.0%
Railroad	0	0.0%
Ferryboat	6	0.1%
Taxicab	10	0.1%
Motorcycle	31	0.3%
Bicycle	476	4.8%
Walked	452	4.5%
Other means	47	0.5%
Worked at home	479	4.8%

P31. TRAVEL TIME TO WORK

Universe: Workers 16 years and over

Total:	10,014	100.0%
Did not work at home:	9,535	95.2%
Less than 5 minutes	136	1.4%
5 to 9 minutes	789	7.9%
10 to 14 minutes	1,502	15.0%
15 to 19 minutes	1,831	18.3%
20 to 24 minutes	1,898	18.9%
25 to 29 minutes	730	7.3%
30 to 34 minutes	1,508	15.1%
35 to 39 minutes	417	4.2%
40 to 44 minutes	312	3.1%
45 to 59 minutes	390	3.9%
60 to 89 minutes	142	1.4%
90 or more minutes	90	0.9%
Worked at home	479	4.8%

P35. PRIVATE VEHICLE OCCUPANCY

Universe: Workers 16 years and over

Total:	10,014	100.0%
Car, truck, or van:	6,537	65.3%
Drove alone	5,697	56.9%
Carpooled:	840	8.4%
In 2-person carpool	771	7.7%
In 3-person carpool	44	0.4%
In 4-person carpool	17	0.2%
In 5- or 6-person carpool	8	0.1%
In 7- or more-person carpool	0	0.0%
Other means *	3,477	34.7%

*Including those who worked at home

P32.3. TRAVEL TIME TO WORK FOR WORKERS WHO DID NOT WORK AT HOME

Universe: Workers 16 years and over

Total:	9,535	100.0%	Average
Less than 30 minutes:	6,576	70.0%	22.0 min.
Public transportation	985	10.1%	19.1 min.
Other means	5,711	59.9%	14.3 min.
30 to 44 minutes:	2,237	23.5%	32.3 min.
Public transportation	792	8.3%	31.6 min.
Other means	1,445	15.2%	32.7 min.
45 to 59 minutes:	390	4.1%	45.3 min.
Public transportation	108	1.1%	47.6 min.
Other means	282	3.0%	45.6 min.
60 or more minutes:	232	2.4%	83.2 min.
Public transportation	107	1.1%	85.7 min.
Other means	125	1.3%	81.0 min.

P34. TIME LEAVING HOME TO GO TO WORK

Universe: Workers 16 years and over

Total:	10,014	100.0%
Did not work at home:	9,535	95.2%
12:00 a.m. to 4:59 a.m.	111	1.2%
5:00 a.m. to 5:29 a.m.	101	1.0%
5:30 a.m. to 5:59 a.m.	227	2.3%
6:00 a.m. to 6:29 a.m.	429	4.3%
6:30 a.m. to 6:59 a.m.	579	5.8%
7:00 a.m. to 7:29 a.m.	1,279	12.8%
7:30 a.m. to 7:59 a.m.	1,804	18.0%
8:00 a.m. to 8:29 a.m.	1,660	16.6%
8:30 a.m. to 8:59 a.m.	1,031	10.3%
9:00 a.m. to 9:59 a.m.	1,066	10.6%
10:00 a.m. to 10:59 a.m.	305	3.0%
11:00 a.m. to 11:59 a.m.	169	1.7%
12:00 p.m. to 3:59 p.m.	351	3.5%
4:00 p.m. to 11:59 p.m.	423	4.2%
Worked at home	479	4.8%

P28. PLACE OF WORK--MSA/PMSA LEVEL

Universe: Workers 16 years and over

Total:	10,014	100.0%
Living in a central city:	10,014	100.0%
Worked in MSA/PMSA of residence:	9,756	97.7%
Central city:	8,151	81.4%
Remainder of this MSA/PMSA	1,635	16.3%
Worked outside MSA/PMSA of residence:	228	2.3%
Central city:	161	1.6%
Remainder of different MSA/PMSA	61	0.6%
Worked outside any MSA/PMSA	67	0.7%
Living in remainder of an MSA/PMSA:	0	0.0%
Worked in MSA/PMSA of residence:	0	0.0%
Central city:	0	0.0%
Remainder of this MSA/PMSA	0	0.0%
Worked outside MSA/PMSA of residence:	0	0.0%
Central city:	0	0.0%
Remainder of different MSA/PMSA	0	0.0%
Worked outside any MSA/PMSA	0	0.0%

shift your gears. shift your lanes. shift your lifestyle.

evolo

Department of Planning and Development with
Assistance from Fugro Sound Regional Council
January 2005

Fremont
11.1

Community Reporting Area Level
Page 17

DAY IN THE LIFE

BEFORE

Situation

Bradley, (23) has recently graduated from WWU in Environmental Studies and due to the down economy has moved back in with his parents in Seattle. Both of Brad's parents work full time and require the use of the family's two vehicles to commute for work. Money is kind of tight in the family so owning a new 3rd car is not an option any time soon. Brad cares very much about the environment and can sometimes get offended by the environmental impact of large Trucks/SUV and feels that global warming is a very real problem. Brad needs to be able to get around Seattle to look for jobs and socialize with friends but limited transportation options are hindering his ability to do so.

Desired Outcome

Brad is looking for a viable alternative to public transportation, walking or biking. Environmental impact plays a large part on purchasing decisions, but traditional hybrids/EV's are well out of the customers price range. Brad is looking for an easy way to get around town in a timely manner without the schedule restrictions of busses and the environmental impact of traditional gas powered vehicles.

Attempted Approach

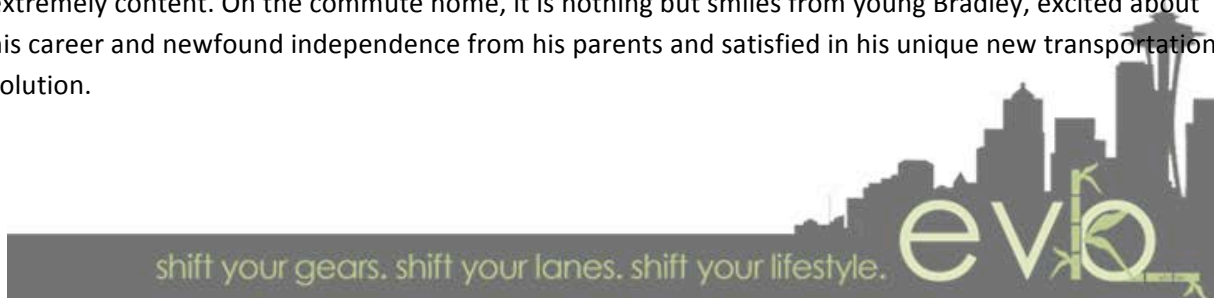
Brad has an 8am interview for a promising job that is about 8 miles away. He checks the online bus schedule and finds out that it is a 3 bus commute get where he needs to go. The closest bus stop is about a mile away from home so Brad decides to bike down to the stop to catch the first of his buses at 6:15AM. Brad, a young man who enjoys his rest, is not too excited about having to wake up at 5:00AM. It is a dark, rainy Seattle morning so Brad fills his thermos with some java and hits the road. Brad is extra careful riding to the bus stop, not to get his interview clothes dirty, but while waiting at the bus stop he still manages to get splashed by a passing truck, partially soiling his khakis. Upon boarding the standing room only bus, Brad is heckled by a highly intoxicated vagabond, distracting him from mentally preparing for the upcoming interview.

Upon arriving at the stop to get on bus #2, Brad notices that he has misplaced his transfer coupon, causing him to pay another \$2 for the next bus. The next bus arrives 15 minutes late, leaving Brad to worry the whole ride about being late for his interview. Arriving tardy at the last bus stop, Brad is informed that he did in fact miss the bus and that the next one comes in 45 minutes. Brad looks down at his watch and realizes that it is 7:35 and the interview site is about 2 miles away still. Determined not to miss the interview, Brad starts furiously pedaling his bike in a last ditch effort to get to there on time. With about one mile left, the chain derails on Brad's mountain bike and while replacing it, a large grease stain is smeared across the front of his dress shirt and tie. It is the last mile of the commute and it's almost all uphill from here. Still eager to get to the interview, Brad powers up the hill, breaking a significant sweat in the process.

The clock reads 8:08 when Brad arrives to his interview after a 2 hour commute. His coat is drenched with rain, his khakis have a stain from a passing by truck, shirt covered in chain grease and he is physically and emotionally worn out from the trials and tribulations of his travels. A visibly shaken and dirty Brad heads into the interview unable to perform to his potential. He ends up choking on a few crucial interview questions and does not get hired on to the desired position which he is qualified for. After feeling some disappointment about not getting the job, Brad realizes that he must now repeat the commute back home which caused his so much trouble, propelling him further into a state of uneasiness.

DAY IN THE LIFE (AFTER)

After struggling with transportation for a few months, Brad hears about a new Seattle area company offering a unique solution, the Evo Shifter. After being impressed by its environmental friendly features, design and local production, Brad decides to purchase a unit. Its price is affordable enough for the family and since it does not require fueling or insurance like a mainstream vehicle it will be economical in the long run. Still on the hunt for a job, Brad has a few upcoming interviews. His next interview is in almost the same place as the last one at 8AM as well, about 9 miles away from home. He is able to sleep in until 6:30AM, awaking feeling well rested and alert. At around 7AM Brad decides to hit the road in his Evo Shifter, unafraid of the morning's downpour thanks to the shifters fully enclosed seating area. He decided to plug in the shifter the night before his commute to have a full battery to minimize the amount of pedaling done on the ride there, not wanting to exert himself again. The cost of the charge from the wall socket is less than \$.50. Heading down the street, he breezes right past the first bus stop, relieved to not be riding transit today. On the flat parts of the journey, Brad easily pedals maintaining a good speed while replenishing the battery. The unit has easily enough battery power to self-propel itself for the entire journey, but Brad chooses to pedal some to keep refilling the battery with human generated power instead of from commercially produced power. On the way to the interview, Brad receives numerous head turning looks and thumbs-up due to the unique design of the vehicle. People in the area really seem to like the shifters and their drivers. This puts Bradley in a good mood as he continues on his commute. Passing the 2nd bus stop, he sees a group of weary looking travelers, disgruntled by another late bus. Approaching the final uphill to the interview, he switches the bike over to electronic assist and easily tackles the hill with minimal effort. Upon arriving to the interview, Brad looks down at his watch and sees that it 7:40, 20 minutes to spare. He straightens up his still clean and freshly pressed dress clothes, ready for an interview feeling confident and on top of his game. Walking in Brad takes a seat and is brought in to the interview early, impressing his soon to be boss with his punctuality. After a very successful interview, Brad is hired onto the company and exits the building extremely content. On the commute home, it is nothing but smiles from young Bradley, excited about his career and newfound independence from his parents and satisfied in his unique new transportation solution.



POSSIBLE FUTURE EXPANSION

With the Evo Shifter entering the market based out of Fremont, we hope to catch the attention of our target market in the best way possible. After the launch of the product in an area which houses many residents who care about the environment and their surroundings, we hope to get an idea of how successful the Evo Shifter will be in other areas like Fremont. The Evo Shifter will also be available through the online purchases but will also be at other locations to look at in Fremont and Bellingham.

Based on the success of this product, the Evo Shifter looks to introduce other locations for dealerships and showrooms across the nation mainly in areas that are similar to Fremont and Bellingham. Cities like Maine, Portland, Minneapolis, San Francisco, Vermont, ect. However, it is crucial that we make the same considerations regarding localization and sustainable operations for every new market and location that we plan to enter.

There are several places across the world that the Evo Shifter can also be successful in. India and Asia are a place that there is a high usage of bicycle for transportation. This is not necessarily due to being environmentally friendly, but an interest in providing cheap transportation. People in those areas are from the lower income level for the most part, and being part of a high-populated area, bicycles are the number one form of transportation. They are small, easy to use, convenient and affordable. The Evo Shifter is going to serve all of these needs and also add to it the comfort of being in an enclosed space, which will protect the user from various weather conditions.

As the Evo Shifter gains popularity and success, the demand for the product is going to increase, leading us to introduce a second edition with an option of a second seat, bigger compartment, and a stronger battery.



WHY WE MIGHT FAIL

About 90% of small businesses fail; entering the market with this product is a huge and expensive risk that we are willing to take.

The Evo Shifter is entering the market hoping to capture the attention of the specific beachhead of people looking for the most environmental friendly transportation solution leading to a gain in popularity and demand among that segment. Not being able to market the product properly to them and failing to truly solve a problem is a big gate to failure. This can be done in many ways.

Price of the Evo Shifter might not be appealing to some people. Even though the Evo Shifter will be priced well below a brand new car, some might take the alternative of purchasing a used small car with the same amount money that they would spend on this vehicle. Costs of this product can also lead to failure if it requires us to increase the price of the vehicle.

The short distance travel that the Evo Shifter is providing the consumer can also be a problem. Best for in-town use, the short distance that the battery will allow this vehicle to travel can really limit the use of this product. Consumers may not be willing to pay the price if they regularly travel longer distance.

Seating is another downside to the Evo Shifter. Offering only one seat makes it harder to get involved in group travelling and inhibits the owner from sharing the experience with others at the same time.

Competition is a huge obstacle that the Evo Shifter needs to overcome. With numerous electric vehicles, bicycles, and electric bicycles out there with reputations that they have built, it can be difficult for the Evo Shifter to enter the market and gain market share.

Distribution channels of this product are also going to create high cost to introduce the Evo Shifter to the market. If sales do not occur upon the introduction of the product, it is going to lead into loss of revenue for the company by operating these dealerships and showrooms. Starting out with a small local dealership, gaining potential wide spread awareness is another potential issue.

CONCLUSION

There are numerous reasons why the Evo Shifter would not succeed in today's market, but with the strategies that we are using as a company this can be a huge success. By focusing on the beachhead who are local people looking for an environmentally friendly form of transportation, and providing them with the benefits that they can gain by purchasing the Evo Shifter can lead to word of mouth and popularity of the product can easily increase the demand for this evolutionary, environmentally friendly vehicle. Focusing on these individuals will make crossing the chasm and reaching the early majority of consumers in the market much easier. The Evo Shifter is the form of transportation for people looking for a truly sustainable vehicle that will offer them the joy of riding a bicycle using little effort, with the comfort of a car, and the class and looks of a revolutionary machine, all at a price they can afford.

shift your gears. shift your lanes. shift your lifestyle.



ELEVATOR PITCH

For
LOI

- The Fremont locals

who are frustrated with
WHO ARE FRUSTRATED WITH

- their current transportation options and alternatives

the Evo Shifter is
THE EVO SHIFTER IS

- A revolutionary new vehicle

that allows you to
THAT ALLOWS YOU TO

- Drive down the road or pedal right on through the bike lane.

Unlike
UNLIKE

- Cars and bikes,

We created the best of
both worlds
WE CREATED THE BEST OF
BOTH WORLDS

- In a truly sustainable and affordable crossbreed without sacrificing style, comfort, or safety.

shift your gears. shift your lanes. shift your lifestyle.

evo

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POWER POINT



Problem

- No truly environmentally-friendly, durable, affordable vehicle
- No "Eco Superior" vehicle

Survey: What would you do to save more on fuel?¹

	New car	Used car
Pay more for fuel-efficient car	58%	49%
Compromise amenities of comfort	44	54
Compromise size or capacity	47	48
Compromise performance	27	35
Compromise safety	11	14

¹Consumer Reports, 2011

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Three Tiers of Noncustomers

- SOON TO BE NONCUSTOMERS**
 - Financially conscious
 - Environmentally sympathetic
 - Would consider alternative if practical and affordable
- REFUSING CUSTOMERS**
 - Do not own a car by choice
 - Environmentally concerned
 - Aware of sustainability issues
- UNEXPLORED CUSTOMERS**
 - No license
 - Or no desire to use automobiles of any kind for environmental reasons

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shift your gears. shift your lanes. shift your lifestyle.



Beachhead

- Fremont
- Young professionals, urban, quirky, local pride, community involvement, open minded

Age

- 35.8% aged 25-34

Income

- 23.6% within \$40,000-\$90,000

Households

- 46% 1 person
- 42.2% 2 persons

College Educated

- 82.7% of males
- 84.2% of females

Journey to Work

- 54.9% drive alone
- 19.7% public transportation

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Day in the Life Before

- Bradley (23)
- Looking for job in Seattle area
- Has 12 mile commute to interview
- Relies on bike and bus to get where he is going

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Product Description



shift your gears. shift your lanes. shift your lifestyle. **evlo**

shift your gears. shift your lanes. shift your lifestyle. **evlo**





Day in the Life After

- Bradley acquires an Evo Shifter and has a pain free and khakis clean commute to work

Neato Gang!

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Why we might fail

- Small start-up business
- Price
- Attracting the beachhead
- Cost of production
- Limited space
- Competition

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Elevator Pitch

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who are frustrated with	•their current transportation options and alternatives
the Evo Shifter is	•A revolutionary new vehicle
that allows you to	•Drive down the road or pedal right on through the bike lane.
Unlike	•Cars and bikes,
We created the best of both worlds	•In a truly sustainable and affordable crossbreed without sacrificing style, comfort, or safety.

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