

Grab that opportunity

Most businesses aim to sell goods and services at a profit. One way to increase profits is for the business to expand. To do this, the owner/s or manager/s of the business may seek new opportunities within the **niche** in which they operate or to identify new opportunities in other industries.

To do this a business can:

- identify problems that their customers are experiencing and find ways to modify their good or change their service to solve the problem
- identify gaps in their current range of products or services available to consumers and **innovate** to fill these gaps
- identify the new products that competitors have 'launched' by following the products and services that are 'trending'; and learn from the most successful of these products
- investigate overseas markets where their current products could be sold.

Activity 18 Lime is new



The first dockless electric kick scooter sharing services started to roll out in the USA late in 2017. They have since expanded to more American cities and to other countries including Australia.



Photo from Lime Scooter via Pinterest

Lime is a 'start-up' that spotted an opportunity early and has created a very successful business. It is financed by Uber and Google-parent Alphabet.

Go to the Lime homepage at: <https://www.li.me/>

Click on the 'About Us' tab and read about what the business is and how it came about.



By mid-2019, Lime had permits to run its electric scooter sharing service in three Australian cities (Adelaide, Brisbane and Sydney). The business recorded 1 million rides on its scooters in Brisbane in their first six months of operation. Lime's competitors in the Australian market include: Beam, Ride and Neuron.

In a group of four, each read one online article about the boom in electric scooter sharing services in urban areas.

Here are some examples from 2019:

<http://theconversation.com/limes-not-lemons-lessons-from-australias-first-e-scooter-sharing-trial-108924>

<https://www.abc.net.au/news/2019-06-25/scooter-numbers-to-double-on-brisbane-streets/11245312>

https://www.washingtonpost.com/world/2019/07/09/electric-scooters-have-arrived-europe-lot-people-hate-them-too/?noredirect=on&utm_term=.3cb74d8c4958

<https://phys.org/news/2019-07-electric-scooters-eco-friendly.html>

<https://www.news.com.au/technology/innovation/motoring/on-the-road/everything-you-need-to-know-about-lime-bikes-and-scooters-popping-up-in-our-cities/news-story/d74e7921b19fba4d90335774817b6d68>

<http://www.ratio.com.au/why-is-there-a-lack-of-rideshare-e-scooters-in-melbourne>



Use a PMI chart to take notes about electric scooter sharing services from the article that you read.

Share and compare the information from the article that you read with that from the articles that the other members of the group read.



Discuss, as a class, whether electric scooter sharing is a good idea for large cities.

Activity 19 Stasher is new



You probably haven't have heard of Stasher. It's a 'start-up' that has spotted an opportunity and created a very successful business.

Go to their homepage at: <https://stasher.com>.

Click on the 'About' tab and read about what the business is and how it came about.



Write a response to each of the following non-googleable questions:

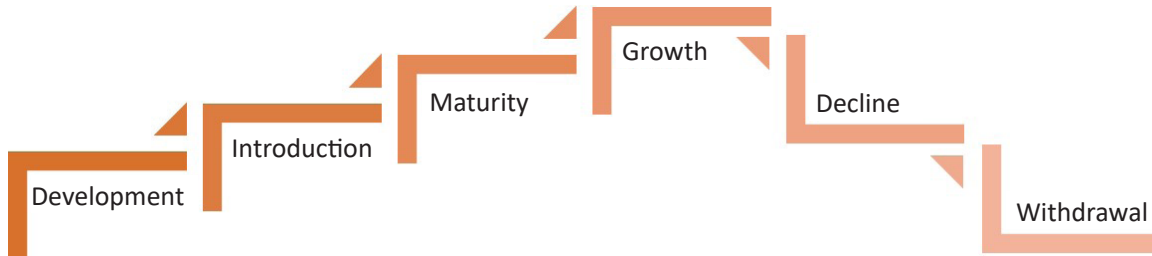
- What is happening at Stasher?
- What is interesting and/or unexpected about the development of Stasher?
- What does the development of Stasher make you wonder?
- What might happen if another business establishes a similar service to that provided by Stasher?



Share and compare your responses to those of a partner.

The product lifecycle

Products, like living things, have a lifecycle and a limited lifespan. The demand for successful new products usually increases quite rapidly after they are launched. In contrast, long-established products eventually become less popular. The product life cycle can be divided into stages. Each stage has its own characteristics.



Development and introduction

During the development stage, the business spends a large amount of money to create a new product to sell. The business researches the target market for the product to make sure it is in line with what they want. The new product must have a competitive advantage over the substitute products being sold by competing businesses. A business can achieve this by:

- having lower costs (which enables it to sell at a lower price than its rivals), **or**
- **differentiating** its product from those of its rivals.

The introduction stage can be the most expensive phase due to the cost of activities, such as, consumer testing and marketing. Generally, the quantity of the new product sold is initially low after it is launched.

Maturity and growth

If the product is successful, then during the maturity stage the business will sell an increasing quantity of the product and its total profit will increase. As the quantity produced increases the average cost of production will decrease further increasing total profits. This is the stage when the business spends most on marketing.

During the growth stage, the business aims to maintain the market share that it has built up. It tries to avoid extra spending on things such as modifications to the product and marketing. However, it may try to reduce its average costs by making improvements to the production process or perhaps moving production off-shore to a country with lower wages.

Decline and withdrawal

Eventually the quantity of the product sold starts to decrease as the market is **saturated** and/or consumers start switching to other products introduced by competing businesses.

Finally, the business will decide to withdraw the product from the market. During this stage, the business will try to minimize its spending on the product (for example, by stopping marketing and holding as little stock as possible).

Back to the start

If the business is going to continue after the decline of its current products, it will need to be spending money on creating and developing new products. Generally, the business will try to take advantage of their existing facilities and the skills of its current workers.

Activity 20 Which stage of the product cycle?



With a partner, identify the stage of the product cycle in which each of the following goods/services is currently located.

- the Apple iPhone
- desktop computers
- electric cars
- video recorders
- the Big Mac (a type of McDonalds hamburger)
- delivery of letters
- surfboards
- delivery of packages by drone



Uber is the most widespread 'ride sharing' business in the world.

With a partner, discuss why Uber has expanded into food delivery (Uber Eats) and is investigating other ideas such as Uber delivery drones and Uber aircraft?



Dyson is one of the world's leading manufacturers of vacuum cleaners. The innovative design has resulted in James Dyson and his family being ranked fifth on The Times 2019 UK Rich List with wealth of £12.6 billion.

Use the internet to find out what differentiated Dyson vacuum cleaners from others on the market when they were first developed.



Identify which stage in the product lifecycle you think Dyson vacuum cleaners are in. Write a paragraph to justify the stage that you have selected.



Dyson are now designing an electric car which they plan to manufacture.

Use the internet to find out how far this expansion of the business has gone.



As a class, discuss whether a business, such as, Dyson (or Apple or Google that are also developing electric cars) will be able to successfully compete with the existing makers of petrol-powered cars that are also moving to the production of electric cars.