

Fake a Sale to Make a Sale - Judge your Product's Market Value by Selling your Prototype

Often a product is developed, but it turns out there is no customers standing in line to buy it. By making sales of the so called "beta-product" one could potentially better evaluate the products market value and thus be sure when making the call for investment.

Many entrepreneurs and start-ups perform the marketing effort, but the predictions received from these studies are often quite uncertain. Large investment costs combined with the uncertainty of the developed product's market value is the reason for many products failure. The method "beta-product marketing" aims on shedding some light on the market value of a product by trying to sell a finished prototype as if it was the finished product. So, what in the title is called a *fake sale* is actually a sale of a functioning prototype, which by the customer is perceived as the finished product.

A thesis was written treating this interesting subject with the title *A case study to investigate how beta product marketing can test the validity of a product's market potential*. The study is not yet finished but it is an interesting field to study with a large potential. Firstly a beta product is created, which is a prototype that by the customer can be regarded as the real deal, then the beta product is sold as if it was the real launch. The hypothesis behind the method is that, by analyzing the responses from the beta product marketing, one can better determine the market potential. This has a large benefit as it can save a lot of money and time.

A Beta Product Marketing was conducted alongside a traditional market survey where it was identified that the responses from these different methods did not correspond. This represents the error factor of letting a potential customer hypothetically giving consent to the product from actually buying the product. From the survey more than 50 percent declared that they would probably or definitely buy the product while 0 percent actually bought the product during the Beta Product Marketing.

The thesis requires more data to evaluate the method but a lot is learnt along the way. Discussions on important aspects to keep in mind when conducting a Beta Product Marketing is made. Such as the effectiveness of this method concerning different types of products, sale environment and number of beta products to produce.

There is a large potential for this method and if bigger studies are made, important discoveries in the field of product development can be made.

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