

# *The Business Model CANVAS*

*Designed for: Golden Boys Chat Service*

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## Key PARTners

Chat regularly forms strategic partnerships with server provider in order to enhance its services and/or expand its reach. High-profile examples of these include the following:

The company entered a strategic marketing partnership with Cable & Wireless through which C&W customers would be able to access all of Chat's features across its networks; C&W would unveil a selection of packages with additional benefits for customers

The company formed an agreement with E-Plus through which it would introduce a pre-paid subscription for E-Plus customers, essentially becoming an operator on the network

### *Key Activities*



Chat business model entails providing its messaging service to its customers



## VALUE Propositions



Chat offers three primary value propositions: accessibility, convenience, price, risk reduction, and brand/status. The company creates accessibility by providing a wide variety of options. Its app enables communication in both mobile and desktop formats – specifically through iPhone, Android, and Window phones and Windows/Mac PCs. It allows users to communicate in over 50 languages.

The company creates convenience by making it easy for users to do many things beyond text messaging. These include the following:

The app enables users to conduct group chats with up to 256 people at a time

The app enables users to send Word documents, PDFs, spreadsheets, slideshows, and more, in message size amounts of up to 100 MB

The company provides a price proposition. It allows users to send messages for free, avoiding SMS fees.

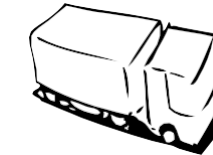
The company reduces risk by maintaining high security standards. It provides automatic, end-to-end encryption, giving every exchanged communication a unique lock and key. This means that messages and calls (including group chats) are secured so that only the user and the person receiving the communication can read or hear it. Even the company is not able to intercept it.

## Customer Relationships

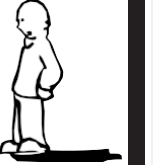


Chat's customer relationship is primarily of a self-service, automated nature. Customers utilize the service through the main platform while having limited interaction with employees.

The company's website provides answers to frequently asked questions. That said, there is a personal assistance component in the form of e-mail support.



## Customer Segments



Chat has a mass market business model, with no significant differentiation between customer segments. The company targets its offering at anyone who wants to communicate using its app.

### *Key Resources*

Chat's main resource is its proprietary software platform, which serves over one billion users worldwide. It depends on its technology employees to maintain and update the platform and its customer service staff to provide support. As a startup it has relied heavily on funding from outside parties, raising \$60.25 million from one investor as of July 2013.

## CHANNELS

Chat's main channel is its mobile app. The company promotes its offering through its website and social media pages.

## Cost Structure

Chat has a cost-driven structure, aiming to minimize expenses through significant automation and low-price value propositions.

Its biggest cost driver is likely product development, a fixed cost. Other major drivers are in the areas of customer support/operations and administration, both fixed costs.

## Revenue StrEAMS

Up until early 2019, Chat's sole source of revenue was a \$1 annual subscription fee charged to users. However, it abandoned the fee and now has a different revenue stream: advertising revenues.

The company provides user information to businesses so that the firms can create targeted ads. That said, it does not allow third-party banner ads designed for general audiences on its platform



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