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| FOMO MARKETING PLAN |
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Contents

[INTRODUCTION 3](#_Toc2605753)

[HOW CUSTOMERS FIND AND USE APPLICATIONS 3](#_Toc2605754)

[MARKETING COMMUNICATIONS PLAN 5](#_Toc2605755)

[Online Promotion 6](#_Toc2605756)

[Financial Plan 7](#_Toc2605757)

FOMO MARKETING PLAN

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# INTRODUCTION

Smartphone applications are offering several functions to make the user’s life easier. Today there are over 1.6 million apps available for Android users and 1.5 million apps for Apple users (Statista 2016a, cited 10.5.2016). Almost anyone can create a simple app and publish it to app stores, but the bigger challenge is to get the users to find the app. The app stores are not providing enough visibility for the app, so the marketing of the app requires a different channel, for example social media.

As the application and online markets expands, people have found new ways to simplify the lives of customers by offering all sorts of services.

## HOW CUSTOMERS FIND AND USE APPLICATIONS

According to a study from Nielsen, users spend around 30 hours per month using applications (2014, cited 31.5.2016). The users have typically 36 apps downloaded on their smartphones, but only 26% of them are used daily. The most popular apps are used for socialising and communicating, or gaming. (Google 2015, cited 31.5.2016.)

Only 40% of the apps are found by searching from the app store. Instead most of the apps, 52%, are found by recommendations from family, friends or colleagues. Price is the biggest factor when downloading an app, it is affecting 82% of the consumers. About 75% of the consumers assume that the app will be free. Description, reviews and ratings the second biggest factors when deciding to download an app. (Google 2015, cited 31.5.2016.)

A common factor with frequently used apps was that the user felt that the app makes their life easier as seen on figure 1. Another factor was that the app has clear instructions how to use it. These two factors were important to 63% of the respondents. These factors were more important than appealing design or new content. The users value the simplicity and easiness, which is the most important thing to focus on when developing the app. (Google 2015, cited 31.5.2016.)

**App monetising**

According to Statista, 68.8% of the applications in Google Play were free (2015, cited 31.5.2016). The apps should gain some revenue for the developer, in order to make the app profitable. There are different strategies to make money on free applications, such as in-app advertising, in-app purchasing, freemium or sponsorship. Otherwise the app can be paid, so the revenue is created immediately. (Canada 2015, cited 31.5.2016.)

In-app advertising means that the app is selling advertising space. This method is suitable if the application is collecting the users’ data and if there are no possibilities to offer in-app purchases. In-app purchases let the user to purchase more functionalities in the app. Game apps commonly offer in-app purchases, such as game currency or extra lives. (Orfanos 2014, cited 31.5.2016.)

Freemium applications are free to download, but some functionalities are blocked in the free version. By paying the fee the user will have access to the full version of the app. Offering this paid version is suitable for apps that have advanced features in them. Other way to monetize is sponsorship. The idea is to have a partner that will offer the user rewards when the user completes actions in the app. This can be implemented for example by showing advertisement 12 videos of the partner and then the user gets more in-app currency or lives. (Orfanos 2014, cited 31.5.2016.)

**App testing**

Beta testing can be performed before the application is launched. The access can be given through a link, where anybody can join to become a beta tester, or through inviting specific people to become the beta testers. For example Google offers a closed beta testing through Google+ communities. Having the closed beta testing, through email or Google+, enables the developer to limit the amount of the testers and also the testers can give feedback. (Kimura 2016, cited 15.8.2016.)

A/B testing can be performed after the launch of the application. The testing is done by making two different versions of the app, which are tested on two groups of people. The two groups should be similar, e.g. in the same age range with similar interests. On the second time some function or appearance of the app is changed compared to the first time. After both tests, the conversion rate, the amount of people who for example signed up on the website, is collected and then compared. The one which has the greater conversion rate should be more effective, and therefore it should be used. The variable can be e.g. a headline, image, colour on the page or text. (Vwo 2016, cited 15.8.2016.)

**Purpose of marketing communications**

Marketing communications is used to spread information about the company and their new products. With marketing communications, a clear image of the company and the product can be created, which will make the customers trust and gain interest in the products and the company. One of the strategies is to create a feeling for the customer that they belong into the community of the company or the users of the product. This is creating a relationship between the customer and the company. This kind of effective communication avoids confusion and distrust towards the products or the company. (Isohookana 2007, 11.) According to Vuokko, the purpose is to create an integrated image for the consumers, stakeholders, shareholders and the organisation. This means that all the groups do not have to have the same information, but only the information that they are interested in. The shareholders are more interested in the profitability of the company and the consumers the qualities of the product. (2003, 12–13.)

**Target audience**

The target audience for this application in this marketing communications plan is 18 to 55 years old males and females that are interested in finding a good bar or club to visit, and the bars and nightclubs. Since the target audience is big, especially globally, two groups are formed, and they are focused on this marketing plan.

The targeted users are people who are interested in finding out what leisure and entertainment activities are happening in the city that they live in. They are also interested in offers that entertainment centers like bars, sports clubs, beaches, etc are providing. The targeted entertainment centers would be those that want to get more visibility through the app, and buy ads or provide discounts for the users of the app.

## MARKETING COMMUNICATIONS PLAN

The marketing plan is a strategy that helps the company to reach their marketing goals. The marketing plan is usually divided in five major parts: market analysis, target customers, marketing goals, action plan and budget plan. This marketing plan focuses on defining the marketing communications goals and creating an action plan for daily tasks and yearly goals. The marketing plan includes the potential partner businesses and the customers.

**Prelaunch plan**

The prelaunch plan includes creating awareness, getting entertainment centers and users to sign up, and getting a test group to give feedback about the app. The target group should be defined also, in order to create more specific advertisement or social media posts. For this app, the target group could be people aged 18 to 55, both genders and interested in finding out what entertainment activities are going on in the city they live in.

It needs to be determined if the users need to sign up for the app. For the app developers it is useful to have the signed up users in order to collect information from them. The sign up process can be done with for example Facebook login, Google login or making own user database. Using at least two options would be better, since some users do not have a Facebook account or they do not want to use it.

Creating an interesting start page with a signing up or log in function is important, because it is the first thing that the user sees after downloading the application. Like in the figure 3, the Airbnb app’s start page is simple, it offers two ways to sign up, it shows the Terms that the user will have to agree in order to use the application, and a way to log in.

**After launch plan**

After the launch it is important to know if the users are satisfied with the application. By asking them to give feedback, it helps the developers to make changes that the users want. It is important to keep the social media active also after the launch in order to keep the users interested.

**Feedback**

A feedback form could be displayed in the app and in the email newsletter to gain some feedback from the users. The users can be motivated by giving out a prize for filling the feedback form. It is important to listen to the users’ feedback as seen in the case study of Tinder. The users were missing a functionality from the app, which they offered later on. Although most of the new functionalities are available only to the premium users, they still provided the functions that the users were missing.

During the first year there should be two feedback sessions, first with the test group and a second one before launching the app to another location. By doing this it provides the developer crucial information about the needs of the users. If the feedback after the second time got better, then the launch can be done easily to the new location.

**Co-operation**

A co-operation plan could be made with a blogger, who could write posts to promote the app. A new blogger, or a blogger with not too big audience, is easier and cheaper to acquire. The blogger should be contacted through email, where the company presents itself and the app, stating why this app should be reviewed and why this blogger would be a suitable person to do it.

The blogger should be writing about similar topics, for example newly launched apps or entertainment related apps. By getting to know the blogger a bit better makes it easier to explain why they would be the best person to write about the app. To create the co-operation with the blogger, something should be offered in return. This can be for example a discount code, or sponsoring a contest on the bloggers page.

## Online Promotion

We are going to make use of advertising packages or products offered by social media companies (e.g. facebook boosting of posts etc.) to promote our application. Social media applications offer advertising services to businesses or any other interested parties that are interested in marketing their products or simply create awareness of their products or a particular event.

Cre8 investments will also advertise the application on websites that have large traffic like Jumia, youtube, etc that will increase the awareness of the application.

## Financial Plan

**Important Assumptions**

The financial plan depends on important assumptions. Interest rates, tax rates, and personnel burden are based on current rates and conservative assumptions.

Some of the important underlying assumptions are:

* We assume that FOMO will finance the plan.
* We assume a slow growth economy, without major recession.
* We assume the rate of growth for the number of smart phone owners will continue.

**General Assumptions**

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| --- | --- | --- | --- |
| General Assumptions | | | |
|  | Year 1 | Year 2 | Year 3 |
| Profit Tax (% of profit) | 22.1 | 22.4 | 22.6 |
| Labour Tax and contributions | 11.3 | 11.6 | 11.9 |
| Other taxes (% of profit) | 0.0 | 0.0 | 0.0 |
| Total Tax Rate | 31.4% | 34.0% | 34.5% |
| Other | 0 | 0 | 0 |

**Projected Profit and Loss**

Our projected profit and loss is shown on the Profit and Loss table. We show a conservative estimated net profit in the first year. According to the research carried out by our team, these projections are conservative and should be easily attained.

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| --- | --- | --- | --- |
| Pro Forma Profit and Loss | | | |
|  | Year 1 | Year 2 | Year 3 |
| Income |  |  |  |
| Promotions of Events | 2,000,000/= | 4,000,000/= | 6,000,000/= |
| Total Sales | 2,000,000/= | 4,000,000/= | 6,000,000/= |
| Gross Margin | 2,000,000/= | 4,000,000/= | 6,000,000/= |
| Expenses |  |  |  |
| Web Site and Application advertising | 300,000/= | 800,000/= | 1,500,000/= |
| Utilities | 200,000/= | 400,000/= | 800,000/= |
| Total Operating Expenses | 600,000/= | 1,500,000/= | 2,500,000/= |
| Profit Before Taxes | 1,400,000/= | 2,500,000/= | 3,500,000/= |
| Taxes Incurred | 280,000/= | 500,000/= | 700,000/= |
| Net Profit (@ month) | 1,120,000/= | 2,000,000/= | 2,800,000/= |
| Net Profit (@ year) | 13,440,000/= | 24,000,000/= | 33,600,000/= |