Further Research and Marketing Plan

Domain name

handsoffcooking.co.uk for ten years : £264.96
.UK (.CO.UK) Domain Registration handsoffcooking.co.uk

£90.90 1st year £0.99 then 2+ years £9.99 (9% off 10 Years)

Privacy & Business Protection handsoffcooking.co.uk @ £129.90 72% off 10 years (Renews at £25.97/yr), keeps private information from public database so we can only publish names addresses etc if we want to.

£220.80+£44.16 (Taxes & Fees)
Totalling £264.96

https://uk.godaddy.com/dpp/find?checkAvail=1&tmskey=&domainToCheck=handsoff.com

Advertising on Social Media

There is no minimum charge for advertising on facebook, we tell facebook how much we want to spend and they try to get as much publicity as possible for that amount. It is free to create and run a page, we would only have to pay for advertising that page.

The advertising campaign should include short videos, of our recipes as well as videos of the screen as people use it. There should be a link to our product page on facebook which will have all the relevant information on it about the product plus some free bonus items such as videos from the premium version. Lots of these pages regularly post videos, share articles and engaging content such as quizzes etc - a possbility for us?

It is estimated that tasty make between $20,000 and $50,000 per video they make through product placement and adverts. Example tasty case stud: 45-second guide to making a cheese-stuffed pizza pretzel had 37 million views, 650,000 likes, and 750,000 shares within 24 hours.

To set a budget we have two options, pay X amount and see how it goes, carefully monitoring page views and click throughs from facebook to app store. The other option is to set a target revenue from these adverts alone, how many premium subscriptions do we need to cover advertising cost and generate revenue. Must be patient, it will not be an overnight success, it can take months to achieve desired revenue.

AdWord, on google adverts are ordered based on quality score, based on click through rate and relevance of keywords etc, and ad rank, set by google. We pay per click given by the ad rank of the ad below/ quality score + 1p. Advertisers bid on keywords and we would bid as much as we can depending on our budget. Once we set a budget we can estimate revenue from it.

https://www.facebook.com/business/help/201828586525529
https://www.facebook.com/business/help/201828586525529
https://www.quora.com/How-much-money-do-the-Tasty-videos-on-Facebook-make#
http://fortune.com/2016/01/19/buzzfeed-tasty-proper-tasty/
https://www.socialmediaexaminer.com/facebook-ad-budget-how-to-set/
https://www.wordstream.com/blog/ws/2015/05/21/how-much-does-adwords-cost
https://adwords.google.com/intl/en_uk/home/how-it-works/search-ads/

Typical App Prices

Most apps are free and offer some sort of in app purchase system. Please refer to other document for pricing breakdown of competition and suggestions on our pricing (https://drive.google.com/drive/folders/1uqRCgPDMYEOPG94sdWLuQ9_hqsnJMMaN).

Typical AdSense Revenue

Again this very much depends on how big we are as a company and what we can dictate to people wanting to advertise on our platform. Average cost per click varies depending on time of year i.e greater at christmas etc, 'Throughout 2015-2016 period CPC varied from roughly $0.35 in Q2, 2015 to $0.27 in Q2, 2016. During this time the peak value CPC reached was in Q4, 2015, a quarter that covers the Christmas season when all advertisers are doing their best to reach more of their target audience and hence CPC should go up.'

http://www.mobyaffiliates.com/guides/mobile-app-advertising-cpm-rates/

We are having an advert at the start of the recipe slideshow on the free version, but this should be varied. Therefore we should follow a similar model to google whereby the highest bidder gets more share of the adverts displayed on customers phones. Maybe advertisers pay a certain amount per month for % share.

Another method is to do pay per view so for every 5000 times an ad is displayed they pay a certain amount. This company charges $50AUS for every 5000 views of an ad on their platform.

https://teamappadvertising.com/business/pricing

Typical Salaries

According to the below site the avg salary for someone in a startup is £36k. This varies with software manager earning £44k, a developer earning £32k etc.

https://www.payscale.com/research/UK/Employer=Startup/Salary

Salaries will depend on growth of company, are we going to be regularly publish vast updates or will a lot of the work be just maintenance with occasional updates? Good start ups need to attract people so we should aim to pay at least 10% higher for staff that established companies. A graduate software engineer can expect about £32k starting salary, so we should be offering around £35k for graduates with no experience. This is probably a minimum for these sorts of roles. We should also include bonuses based on performance as

well as shares in our company. Marketing graduates probably expect £27k starting salary for a good marketing role.

https://www.payscale.com/research/UK/Job=Software_Developer/Salary
https://medium.com/swlh/why-great-startups-pay-higher-salaries-60255c75aa1e
https://jobs.theguardian.com/jobs/marketing-and-pr/graduate/

Any necessary possible expenses post-release

Typical Sales Volume

App downloads over time information is not freely available, developers don't tend to publish this information however the table below shows some information obtained from the google play store on number of install since release.

Name	Release Date	Current Number of Downloads	Avg Review /5
BBC Good Food	1/9/12	50,000+	3.4 (151 reviews)
Kitchen Stories	Early 2014	1,000,000+	4.6 (21579 reviews)
Tasty	27/7/17	1,000,000+	4.7 (25197 reviews)

The Tasty app is part of the buzzfeed group so it's rapid uptake is due to huge backing and investment from the parent company. The closest rival i would suggest we have is kitchen stories in terms of starting out small and growing steadily. In four years they have over 1 million installs from google play store, lets estimate that they have 2 million downloads including other app stores.

If we look at keyword searches from Google's AdWord Tool then we can gauge a picture of of the number of people searching for phrases that are closely linked to our product. The table below shows data from the previous year for searches relating to our product.

Keyword	Min search volume	Max search volume	Competition	Top of page bid	Top of page bid

				(low range) /£	(high range) /£
recipe app	1,000	10,000	Low	0.17	0.61
cooking app	100	1,000	Medium	0.22	1.45
recipe book	1,000	10,000	High	0.15	0.32
dinner ideas	10,000	100,000	Low	0.17	1.45
easy dinner recipes	1,000	10,000	Low	0.13	1.96
cookbook	1,000	10,000	Medium	0.22	0.9
free recipe apps	10	100	Medium	0.18	0.46
Total	14,110	141,100		1	7

This table shows the search volume per month and the bidding price for having an advert on these keyword searches. Based on these seven phrases then potentially we can have 141,100 adverts being seen per month on google. If we take into account other search engines plus all of the other thousands of keywords that we can advertise with then i estimate that we can have 300,000 adverts seen per month. Google estimate that 2% of all ads seen result in a click through so per month we can hope for 6000 clicks. Of these 6000 clicks we can assume that around 1500 are of our target audience. This assumption is based on the fact there are approximately 9.3 million people in the uk aged 18-30 out of about 65 million, and that this generation spend more time online than older generations. Conversion rate is unlikely to be above 20% so let's say that monthly from this sort of advertising alone 300 new customers download the app. This is on one advertising platform and we are far more likely to get customers from social media advertising.

https://www.wordstream.com/average-ctr
https://www.linkedin.com/pulse/20141102220536-50610275-how-to-forecast-sales-for-an-smart-phone-app

Im struggling to find data on downloads directly from Facebook adverts etc. Millennials spend 34 hrs a month on facebook on average and roughly 88% of our target audience use facebook so that's approximately 8.2 million facebook users. By advertising on this platform we can hope to reach millions of users. If we target 20,000 views of our advert per day on facebook then 400 (2%) of these views will become click throughs resulting in 80 downloads per day (20%). Out of these 80 downloads per day we aim to have a 60 subscribers resulting in 60 subscribers per day. Per year we aim to achieve 21900 subscribers.

If we get around 300 downloads per month from advertising on keyword searches and aim for 75% subscription rate as before then we can achieve 225 subscribers per month. Over the year this become 2700 subscribers. If we include other social media platforms such as twitter and pinterest then we can aim to achieve 30000 subscribers a year.

This sort of advertising costs and it is up to us to decide on what we'll spend on this. Considering AdWord advertising, we can spend anywhere between £0.17-1.96 per click depending on how high on the list we want to reside. Let's say we spend £0.2 per click we would spend £1200 per month on advertising. On social media if we spend the same per click then we would spend £80 per day on advertising. Over the year the total cost of this advertising would be £43600.

If we aim to achieve 30000 subscribers a year all paying £2 per month (£24 per year) then we can expect to achieve £720,000 per annum. This is based off only achieving 30,000 subscribers per year. I would suggest this is a good aim for year one.

https://sproutsocial.com/insights/new-social-media-demographics/
https://www.facebook.com/help/community/question/?id=4903375074247

Below is an estimate of how we can progress in terms of subscribers over the next three years based on popularity of similar apps since they we released and their marketing budget.
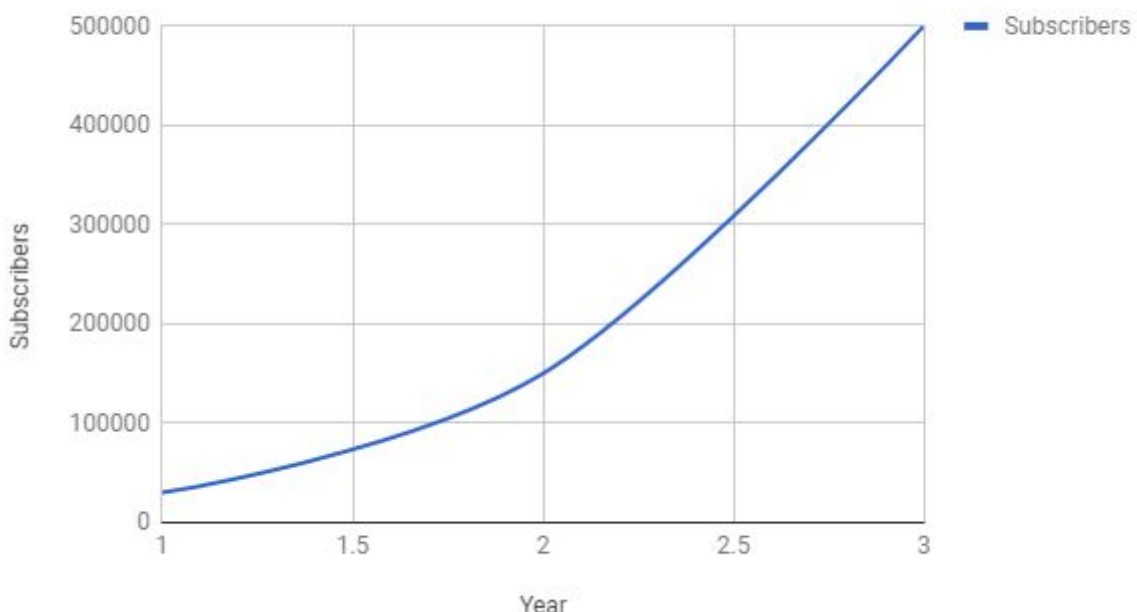
This is based off research into advertising online and on social media. There will be other ways of reaching people described in the marking plan. In order to increase growth we would need to spend more on advertising per year until we have such a large customer base that we can reducing spending on our own advertising and start to charge larger companies more money to advertise with us. This is similar to what tasty have achieved with their success and product placement advertising in their videos. At first we start off small as we won't have the budget to achieve the level of subscribers we desire but hopefully by the second year we can spend what we need to on marketing to achieve this level of growth.

Marketing Plan

- Freshers Fairs
- Advertising on Facebook
- Advertising on search engines
- Pop up stalls at universities, supermarkets and in town centres
- Advertising with brands

The above points are all avenues we can explore in order to push our product into the mainstream.

As our target audience is young people aged 18-30, setting up a stall at freshers fairs are a great way to tap into a mass of young people living in one area. The beauty of this is that there will be different freshers every year to visit, the downside is that there is a limited window of opportunity as freshers weeks are usually only in one six week window, mid august to october.

If we were to have a stall at freshers fairs we could have live demonstrations of the app as well as tasters of the food you can cook with the app, this will appeal to students. Costs can vary and there's not a lot of information out there however from University of greenwich, who have 9000+ students visiting, prices vary depending on location : £480 - £800 (see link).

York Freshers Fair: The 2016/17 price for a Freshers Fair stall for a private business was £525 for a standard stall and £825 for a premium stand (Email from YUSU).

	2009/0	2010/1	2011/2	2012/3	2013/4	2014/5	2015/6	2016/7	2017/8
UG	10,365	11,220	11,770	11,890	12,165	12,300	12,520	12,925	13,415
PGT	2,410	2,675	2,785	2,760	2,775	2,665	2,480	3,145	3,360
PGR	1,125	1,170	1,190	1,250	1,280	1,370	1,390	1,410	1,335
Grand Total	13,900	15,065	15,745	15,900	16,220	16,335	16,390	17,480	18,110

Leaflets are a must to give to students to encourage downloads. With vistaprint 20000 budget, glossy, a6 sized flyers would cost £86.61 excl VAT. If there are around 9000 students attending then we could aim to hand out at least 1000 flyers and free food samples.

So a typical cost of campaigning at a freshers fair would be around £500 for a standard stall, around £4.33 for cost of 1000 leaflets and maybe £300 on tasters (around 30p per sample). Per event : £804.33.

Of the thousand leaflets handed out we should aim for around 400 downloads of which we should aim for 300 subscribers. If these subscribe for a year at £2 per month then we can achieve £7200 revenue from this initial £800 outlay. If we aim to do ten freshers events a year with the same figures we can achieve 3000 subscribers in this one month window resulting in £72000 yearly revenue.

As students begin to use the app, they will share it with their friends, colleagues, housemates and family and hopefully the app will begin to circulate.

https://www.vistaprint.co.uk/marketing-materials/flyers?txi=16907&xnid=TopNav_Flyers++(linked+item)_Marketing+Materials&xnav=TopNav
https://www.suug.co.uk/aboutus/advertise/freshersbookings/
https://www.york.ac.uk/about/student-statistics/

Pop up stalls would be similar to those described for freshers fairs but be on a much smaller scale. For example we could return to the universities throughout the year but with a smaller setup which would lead to lower cost but also few new subscribers. Another way to promote our app is to hand out leaflets in town centres and at shopping centres to passers by. This would result in less yield as most people will take a leaflet and throw it away however leaflets are very cheap to produce, £86.61 for 20000.

2% of all adverts online result in click throughs to the actual product, if we apply this rate of uptake to leaflets then per 20000 leaflets handed out in the street to our target audience then we can aim for 400 downloads per 20000 leaflets of which 300 become subscribers. We would have to employ someone to hand out leaflets etc in town centres and supermarkets, if they are paid £10/hr, work six hours a day and hand out around 720 leaflets (2 per minute) then total cost of this exercise would cost, £60 in wages and £3.18 in leaflet cost totalling £63.18 a day. Again assuming 2% download rate then we can achieve 14 downloads and 10 new subscribers. Paying £2 a month for the subscription for a year yields £240 a year from these subscribers. This isn't a great return but it does however get the brand name amongst supermarket products and the high street. These estimates rely on a pessimistic 2% yield but it shows how this sort of marketing can still make a profit with a pessimistic approach.

Another avenue to explore would be getting ties with big brands. By having QR codes on the packaging of products such as Pringles, Cadbury's and Robinsons. These brands have a big impact on younger generation and as they are food companies so we could include some advertising on the app for them as part of any deal. This idea might have to be something that we cannot explore immediately as we do not have the market share or brand power that most of these companies would look to promote. I have sent emails to Heinz, Mondelez (Cadbury), and Kellogg's (Pringles) asking about the likelihood of a deal like this happening but all responded saying it wouldn't be possible. I also tried to ask ASDA and ALDI about having ties with a supermarket but neither got back to me.

https://www.slideshare.net/Voxburner/youth-100-2017-the-top-brands-according-to-uk-1624s

The details for marketing on social media and online is given in the previous section detailing costs and returns from this sort of marketing.