

# **JumpOnIt Mobile Deals, LLC**

## **Business Plan**

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## I. Executive Summary

JumpOnIt Mobile Deals is a tech company that sends local business offers or coupons via text message. JumpOnIt builds databases of people that sign up to receive offers from local businesses right to their cell phones. In each new market the initial database is built through a contest. Each market has their own text keyword and people text in to the short code 88678. To enter the contest people will text their cities keyword to 88678 to enter and to sign up to get great local offers via text. Once someone joins JumpOnIt they will receive 8 initial offers.

3 days a week subscribers receive a text message from JumpOnIt containing 2-5 images of local offers. There is also a message thanking the user and providing a link to view, share or redeem the offer. Once they click on the link a live version of the offers will open in the users web browser where they can swipe through the offers, save the ones they want to use later, share via Facebook, Twitter and text, and redeem the offers at the business location. If a user shares the offer and their friend accepts, they unlock bonus offers from the business that was shared. We provide weekly reports to businesses with the redemption rates and actions from their offers to help determine ROI.

For users or consumers this is a convenient and effective way to receive savings on their phone. JumpOnIt offers a way that consumers can receive discounts without spending money, having to print something out, or remembering to bring anything with (besides their phones). According to a study by Morgan Stanley, 91% of American adults have their cell phones within arms reach at all times, even while sleeping. So the chances of forgetting a phone are much less than forgetting a coupon.

JumpOnIt launched in the Quad Cities April 2015, Nashville May 2015, Des Moines in June 2015 and Murfreesboro, TN in November of 2015. The Iowa City/Coralville market will be launching in January 2016. JumpOnIt will continue to launch in new markets as quickly as possible. The program is incredibly scalable – the more cities we are live in, the more revenue we will generate.

To introduce JumpOnIt in each new city an introductory letter is mailed to all businesses that could benefit from advertising with JumpOnIt. Restaurants, salons, auto service shops, retail shops, etc. are all great examples of businesses that could offer a discount or special to help bring in new customers. The letter is a great way to gently introduce JumpOnIt to the market, but more importantly provides the sales team with a leads list to follow up on.

The sales team starts with the mailing database as a leads list and works to close sales from there. JumpOnIt works to provide a variety of offers that appeal to as many people as possible. It is very easy for subscribers to unsubscribe – all they have to do is respond with the word “stop” – so it is incredibly important that we have a wide variety of really great offers that appeal to the masses.

As we continue to expand from city to city we continue to learn what type of businesses are the best to target, the type of offers that perform best, the right media plan to grow the database, the true ideal customer and more. And we are able to fine-tune the launch plan and sales approach to determine the most effective and efficient process possible. Already we have cut database new user acquisition cost by 94%. We will continue to develop the customer-facing product to include any features that we may be missing and also to develop the service we offer to businesses. Our main goal is to grow databases in as many areas as possible, as large as possible, and send out amazing offers to the database. Providing consumers with a convenient way to save money at local businesses and providing businesses with a direct and effective way to reach consumers is the goal of JumpOnIt.

## II. General Company Description

JumpOnIt Mobile Deals is a technical startup that offers a way for businesses to advertise to potential customers via text message. We create large databases of people that have opted-in to receive savings from local businesses on their phones from JumpOnIt. JumpOnIt Mobile Deals is currently live in the Quad Cities, Nashville, TN, Des Moines, IA and is launching soon in Iowa City/Coralville, IA and Murfreesboro, TN.

Our office is located at 322 North Main Street Davenport, IA. The office is used for administrative and operations purposes and for Quad Cities sales people to have a home base. We will be able to have client meetings and team meetings there as well.

JumpOnIt is a Limited Liability Company owned by Katie Wilson, Sara Castillo, and a selected few “silent” investors. Two partners run JumpOnIt’s day-to-day operations: Founder, Katie Wilson (CEO) and Co-Founder, Sara Castillo (Director of Sales). We initially launched with two full-time sales people in Nashville, one full-time sales person in the Quad Cities, two part-time sales people in the Quad Cities and an administrative person.

As each new city launched, the staffing structure has undergone changes. As of now, most sales people are hired on a contractual basis and are commission based. JumpOnIt has a contracted creative person and technical person. As we grow, we plan to add a full time creative/tech person in addition to more sales staff. JumpOnIt is committed to providing consistently growing job opportunities in the Quad Cities and each market.

Advertising with JumpOnIt will be sold on a cost-per-text basis, so the amount of cost to the business will depend on the size of the database. We will send out 3-5 offers every Monday, Wednesday and Friday per city. We also have the ability to segment the database and send targeted blasts, which would have a higher cost. This allows for advertisers to reach a specific type of person in the most direct way possible: on their cell phone through text.

### III. Market Analysis

JumpOnIt really has two customers: businesses and consumers.

Businesses- we are able to offer businesses an inexpensive, practical way to reach potential customers in the most direct way possible, by text. Our service also allows for businesses to be able to grow even further when customers share offers with their friends. This is an organic way for them to grow. We also are able to track redemption of our coupons and therefore can help the businesses track their ROI. Businesses will choose to work with us because of the guarantee of their message being seen (99% of all text messages are read). They will also stick around because of the results we will drive.

Our ideal customers and frequent buyers on the business side of JumpOnIt will be retail and service industry type businesses. Restaurants, salons, fitness studios, retail stores, etc. are ideal types of businesses that can offer a discount or “deal” to consumers that will help generate traffic.

Consumers- people in the community – consumers – are vital to JumpOnIt. They make up our database that we send the business offers to. JumpOnIt is a convenient way for consumers to save money at local businesses. Unlike many of our competitors the consumer doesn’t have to buy anything through JumpOnIt in order to receive the discounts. They don’t have to print anything and remember to bring it along. Receiving the coupons via text allows for consumers to save the coupons they want right on their phone. People forget coupons all the time but hardly ever forget their phones. Consumers will be loyal to JumpOnIt because of the great offers we provide and the money they are able to save, but also because it is simple and convenient.

Our target market for the database are women ages 18 and above as they tend to be the main users of coupons/discount programs. We plan to target our advertising and offers towards women but also to make sure that we are putting out a variety of types of offers so as to appeal to as many people as possible. There really isn’t a direct HHI demographic for JumpOnIt; the only requirement is the user has a smartphone. 90% of Americans own a cell phone, and two-thirds of those are smartphones. We have already found that our database is about 81% women across all markets and the main age ranges are 21-55. So we are thrilled to be helping women and families save money, just like we had planned.

Geographically we will initially target the Quad City region; the majority of businesses we sell to will be within the four main cities but consumers may come from further around. In each city we launch we will usually work with businesses in the city-proper but consumers come from surrounding areas as well. There are approximately 500 businesses in the QC that we have targeted as ideal customers for JumpOnIt and between 150k-200k people that would fit the target demographic for the database.

#### **Competition**

Local media groups (TV, Radio, Newspaper), other tech advertising companies, national advertising solutions calling on the market, etc. Our main competition would be media sales teams and other companies offering texting solutions.

Changes In the Media Industry (refer to SWOT analysis for more detail)

Most media companies are dealing with a decrease in loyal users and an increase in commercial avoidance technology.

Newspapers- losing print readers to the web

TV- fragmented audience due to provider options and commercial avoidance technology like DVR's.

Radio- alternate music providers (Spotify, iTunes, Pandora, etc.) and also satellite radio.

So all of these types of businesses are increasing their digital options for advertising solutions to help make up for the losses in their traditional advertising solutions.

JumpOnIt is similar to media companies and other tech companies as we are all selling advertising solutions/options to local businesses with the goal of helping to drive traffic and increase sales. JumpOnIt delivers a more direct form of advertising as it goes directly to a persons cell via text and since 99% of all texts are read there is a much higher likelihood of the ad being seen than any other form of advertising.

One of the biggest issues that large media companies have is that they are trying to sell many different advertising solutions to the same businesses, whereas we are focusing on one service; texting. Their sales staff, who is often used to only selling traditional media solutions, is being forced to learn and sell a whole new world of advertising solutions (digital) in addition to trying to maintain their sales of the traditional product. It keeps the sales staff and the company from becoming known as the expert in any one thing. And as their traditional audiences decrease they are scrambling to make up lost revenue with digital solutions, trying to replace 'newspaper dollars' with 'digital dimes'.

The JumpOnIt sales staff is positioned to be experts in the market by providing one advertising solution to businesses.

Our largest threat would be larger outside media companies coming in and offering a similar advertising solution, building a big database and selling text blasts to it.

JumpOnIt is a great idea but it is also duplicable, which is why speed to market and quickly scaling is so important.

#### IV. Market Strategy

##### **Sales**

JumpOnIt will use a client direct sales approach to sell to businesses. We enter a market through an introductory letter sent to all applicable businesses. Using this approach is a great way to gently get our name out there that also provides a lead list for our sales

people to follow up on. Our sales staff will use face-to-face, phone and email to sell to their customers.

### **Pricing**

Placing an offer with JumpOnIt to be sent out to our database will be sold on a cost per text basis, ranging from \$0.125-\$0.20 per text. We are not going to be the cheapest price in town because we offer the most direct way to reach customers that guarantees you will be seen by 99% of the consumers your message is sent to. We do want to be competitive and our price is fair for the amazing service we offer. Since JumpOnIt is new there really isn't an industry standard in pricing that we have to be concerned with. We have a good margin so if we need to adjust pricing we can.

### **Describing our Service**

JumpOnIt offers the best deals on things to do, see, eat and buy in the Quad Cities sent straight to your phone for free; just text JUMPONQC to 88678.

Or

Receive local offers via text message up to 3 times a week for free. Share offers with your friends to unlock bonus offers.

### **Advertising**

Our advertising plan and promotional budget will depend on the size of the market and reach provided by different advertising options. The launch requires the most advertising since it is the contest that builds the initial database. We used an initial advertising budget in the Quad Cities of \$40,000 and have tweaked the plan in each city as we go. Our budget has originally been spent mainly across TV, radio, print, digital, digital radio, email, etc. In the future we are going to be focusing more on radio and local events based on results we have seen so far. There are free promotional things we are doing to increase brand awareness such as coasters and table tents in local bars and restaurants, window decals in local businesses and on vehicles.

One of our most important growth plans that we are beginning to implement in the Quad Cities (and will then duplicate in other markets) is a fundraising opportunity for local high school teams or booster clubs. Growing the database is the most important piece of the business and can also be the most expensive. We are working with local high schools to have them sign up as the "School of the Week" with JumpOnIt. During their week they can do whatever they think will work best to get people to sign up for JumpOnIt and we will donate \$0.50 for every person that joins during their week. This is a great way to raise money for the schools whether for a team, group or booster club. This model can also be used for local nonprofit and charity groups.

Social media is a large focus that we work to build in all markets. We will start with general JumpOnIt Twitter, Facebook, Instagram and LinkedIn pages that we use to grow awareness of what is happening with the company, the kind of offers that are going out, expansion into new cities, etc. Our website really is not the most important part of the business; it's there mainly for people to be able to find and gain info on JumpOnIt.

## V. Management Plan

Katie Wilson - Founder and CEO of JumpOnIt - has a bachelor's degree in Business Management and Accounting and experience in sales, digital media and management. She spent six years at the Quad-City Times where she positioned herself as an expert in her field; she spent most of her time as Digital Advertising Director. Business owners respected her knowledge and opinion in helping to provide the best digital solutions for them to grow their business. Ms. Wilson spoke at conferences in Las Vegas, Washington D.C., Madison, Knoxville and more. Skilled in training successful sales people she led one of the top ten digital programs in the country, according to Editor & Publisher Magazine March 2014 and was named one of the "25 under 35 People to Watch" in April 2014 also by E&P Magazine. Ms. Wilson has a strong network in the business community of the Quad Cities making it a great launching pad for JumpOnIt.

Sara Castillo - Co-Founder & Director of Sales - Ms. Castillo will manage growth and success of the sales team as well as develop a process for monitoring strategy, productivity and success of our sales force. She will hire and train sales staff in each new city.

Our initial staffing needs include administrative, creative and sales roles.

Administrative/Program Maintenance person - full-time position - minimum base pay of \$32k with potential to grow and also the ability to earn commission through sales they cultivate. Benefits, paid vacation and holidays will be provided.

Sales Staff - full-time & part-time positions - commission based.  
Depending on the size of the city we will need 1-4 sales people representing JumpOnIt.

Creative/Design Person - part-time, hourly, and contract positions to start.

The goal for JumpOnIt is to be an exciting and fun place to work and for the employees to be part of the team/work family. Positive feedback will create an uplifting atmosphere and cultivate far more success than any negative feedback. The management staff plans to lead by example, actively selling as much as possible so that they are experiencing the same things as our staff and helping to learn how to overcome any objections. An aggressive pay plan will also help the sales team to feel they are benefiting from the success of the company.

## VI. Financial Information

The biggest costs associated with building JumpOnIt have been developing the technology through our vendor, building out the brand, the website and all sales material.

Once the basis for JumpOnIt is built we will have mainly the initial advertising cost associated with launching in each market.

## VII. Exit Strategy

The long-term goal for JumpOnIt is acquisition by a larger media company (or other similar type of company) in the next 3-5 years.

Using the example of Periscope (a new technology company with no revenue model, but a high list of users), which was bought by the larger social media company, Twitter, merely a year after its launch. While JumpOnIt is a different type of technology platform than Periscope (Periscope was app-based, while JumpOnIt is web-browser based and text driven), it is similar in its ability to attract and maintain users. JumpOnIt also has a strong revenue model in place that Periscope did not have at the time of its acquisition. JumpOnIt has thousands of users, as well as user data, which are all in addition to a proven revenue model. The company is positioned for acquisition and that position will only become stronger in the upcoming years.