KU Varsity Hackers

Deployment Plan

Commercialization Strategy:

In bringing Shelf to market, the peer-to-peer book lending platform will face several challenges consistent with any two-sided network business, but also harness the advantages of the network effect if implemented effectively. The primary challenge centers on acquiring customers on both side of the network (in this case, lenders and borrowers) evenly. Businesses typically have one chance to acquire each customer. If a borrower looks for books on Shelf and finds none, the likeliness of that individual returning in the future approaches zero.

Observers of the tech industry will recognize this dilemma across many of the ubiquitous platforms that have consumed American lives, such as Uber, airBnB, and others in the sharing economy. To mitigate the issue at hand, these companies built out their communities in concentric circles, tackling one city at a time and marketing heavily to both sides of the network simultaneously. Much of this was (and still is in Uber's case) done through the deployment of large quantities of capital as incentives for users to join the service. Shelf will begin its building out its platform on the KU campus, paying approximately $1 for each book a user uploads, until a critical mass is reached. This will encourage people to upload books, then a marketing campaign will raise awareness of their existence, driving users to the site and connecting readers, fulfilling the mission of Shelf.

Cost Analysis:

A variety of costs, some expected, others not, come into play when taking a product to market. Fortunately, Shelf is a software-only product and will eventually implement the

traditional SaaS (Software-as-a-Service) revenue model, meaning it is a fairly capital efficient business. We will model costs off of the commercialization strategy detailed above.

Starting with product required costs: a domain is needed to house Shelf. Since shelf.com is taken, we will use bookshelf.co at a cost of $2,200.00 from Domain.com. This price is justified since it will be easy to improve our SEO with such URL. When the product is launched and lightly used, we won't have Firebase storage costs, but will down the road.

Next, we will examine the other cost factors in commercializing Shelf. First we have the set amount of money paid to individuals who upload a book. Since we are deploying in Lawrence, we will use this as the cost basis. A rough estimation suggests around 1000 books would provide a reasonable critical mass to kick start the platform. Therefore, at a rate of $1 per book upload, this would cost $1000 to implement.

The marketing campaign represents the other main cost of implementation. We would use Facebook and Instagram as our primary advertising medium because they enable advertisers to target specific demographics with high accuracy. We would use a brand awareness campaign as the structure, enabling us to pay in a fee per 1,000 impressions. While many factors change this fee, a baseline average is $7.19 per 1,000 impressions. Assuming a 5% conversion rate and a goal of getting 1,000 leads, we would have to spend $143.80 on advertising to reach the listed book critical mass. For building the borrower side of the platform, since we don't want 1,000 people borrowing at the same time, we might target 200 leads. Using that same 5% conversion rate, this yields a cost of $28.75.

The costs discussed above are the main costs we would experience for deploying Shelf. Summing them up yields a total cost of **$3,372.56**.