

## Business Plan Share It

**Date prepared:** 10th of November 2024

### **Contributors:**

Markus Heggø Nordland; 7001

Sebastian Aars Tveit, 7058

Bendik Valand; 7239

André Bakken; 7236

## Table of contents

Business Plan Share It .....	1
Table of contents .....	2
Excecutive summary .....	3
Company Overview .....	3
Problem & Solution .....	4
Target Market .....	5
Business Model Canvas.....	5
Competition.....	6
SWOT Analysis .....	7
Strengths:.....	7
Weaknesses:.....	8
Opportunities:.....	8
Threats: .....	9
Product and service offerings .....	9
Marketing.....	10
Timeline and metrics.....	11
Financial forecast .....	12
Financing .....	13
References.....	15

## Executive summary

Share-it is a rental platform designed mainly for students, making it possible for them to rent needed items from one another. This app addresses common challenges that students face, including tight wallets and limited access to resources. Sharing over ownership and renting over buying provides a cost-effective solution for students, as well as this contributes to environmental sustainability in line with the well-known UN sustainability goals.

The targeted market for our app is students, estimated to be around 300 000 students in Norway and approximately 18.5 million students across Europe. Share It aims to claim a significant part of the market by providing student-customized features, loyalty programs, and a solution to everyday problems. The business model laid as a basis relies on commissions from transactions and advertisements within the app, with predicted growth in both revenue and user base.

Our hardworking team with diverse competence from sales, marketing, finance and leadership gives us an advantage in terms of realizing our vision. Angel investors will hopefully be our way of financing our project, supporting the development of the application and market entry. With a well-produced marketing strategy based on digital promotion, campus partnerships and word of mouth, Share-It hopes to become a part of a student's life.

## Company Overview

Our team includes four bachelor program studies for economics and administration. We have diverse backgrounds as well as many similarities, with a lot of different competences and experience, and we think we make an excellent team altogether.

Bendik is our Ceo with leadership experience from both football and working life. He is a positive, organized and adaptable person who likes a challenge.

Markus is head of sales with sales experience from Kiwi. He is a respectful and including person, with a critical thinking mind. He is also solution oriented. Markus is mainly responsible for sales.

Sebastian is head of marketing and has sales experience through several sales jobs. He is also good at strategic thinking and is highly creative. He has the main responsibility for our marketing and looking at our competition.

André is head of budgeting with 7 years' work experience in different retail stores in the local community. Competence and detail oriented are some of his key characteristics and will be useful in terms of realizing our goals and vision.

## Problem & Solution

### The problem

This idea is solving several problems for students. The main problems this new app will solve are challenges around limited accessibility to essential resources, cost, waste, and helping the environment. The essence is that students struggle to access essential resources due to financial constraints and logistical barriers. Students are receiving on average 12 640kr per month by Lånekassen in 2024-2025 (Lanekassen, 2024). Much of this money goes to rent a place to live. This is making financial constraints. These constraints limit the student's ability to purchase or rent essentials like cars, bikes, tools, and electronics, etc. This is because these items often are costly. Without these essentials, students can gain a reduced life quality, miss opportunities, overspend on infrequently used items, and have a negative environmental impact when purchasing instead of renting.

### The solution

The solution we have to this problem is to create an app called Shareit. This app will provide a platform with peer-to-peer rentals. It will be an affordable solution for students needing temporary resources. Shareit will enable students to rent out their belongings directly to other students. The app will not only make essential resources more accessible but will also allow students to earn income from their underused items and efficiently utilize their assets. This is causing a win-win situation both for the person renting out the item and the person renting. Shareit will be a cost effective, easy access, waste reducing app, helping student's financial situation and their access to essential resources. The app will be beneficial for society by addressing the UN sustainability goal 12: Ensure sustainable consumption and production patterns (United Nations, 2024). ShareIt will ensure efficient resource use, circular economy, and reducing waste.

## Target Market

The target market we have chosen is students. In Norway it is approximately 300 000 students and 254 million on a world basis (Nygård,2022) (Unesco,2024). We believe the student population has a great interest in flexible, affordable options, making them ideal for a peer-to-peer rental model.

We use different types of market segmentation. Geographic, demographic, and behavioral segmentation. The segmentation that is primarily used is geographic segmentation. We seek to target high density student areas, universities, and colleges. It is here the students use most of their time and meet other students. A perfect place for an exchange of the goods.

The users we target are aged between 18 and 24, they know their way around tech and are open to a cost-effective solution when they need temporary resources. Students also often have a need for short term ownership and affordability. Which makes them ideal for rentals.

The market size in Norway it is around 300 000 students. We estimate that we will reach out to ca 10% with our Share it app. That will result in 30 000 users in Norway. Let us say the average user spends 1000kr a year and we take 10% commission:  $100\text{kr} \times 30\,000 = 3\,000\,000$ . If we expand to Europe the market will be larger. In Europe there are ca 18.5 million students, and we will have countries in Europe as our follow-on markets. (Eurostat,2023) Gradually we aim to implement Share it to Europe, first through Scandinavia and so on.

We estimate to penetrate 5% of the follow-on markets. That equals 925 000 people. We estimate the same average of 1000kr per user in a year and we take 10% commission. In total that equals  $100 \times 925\,000 = 92\,500\,000$ . So, the total market size equals  $92\,500\,000 + 3\,000\,000$ , but it all depends on how it develops in Norway and the gradually development in through Europe.

## Business Model Canvas

Our customer segments are students that need accessible and affordable resources. We are also targeting student clubs and organizations. Students will be our most important customers. We also have potential to expand our customer segments in the future.

The value we deliver to our customers is cost savings, sustainability, safety, and trust. We are offering a cost-saving app for the students where you can also make money.

We are reaching our segment through first of all the mobile app “ShareIt”, social media, campus advertisement and ambassadors, in person marketing, and collaborations. We believe social media will be the most efficient, and in person marketing will be the most cost efficient.

We will keep a good customer relationship through support channels, loyalty programs, and self-service. We will get and keep growing our customers by marketing.

Our revenue streams will be a small commission on the rental transactions and through ads. The value that the customers are willing to pay depends on the product they want to rent. The customers decide themselves the price they will charge for the product they rent out.

The key resources our value proposition will require are technology for our platform, university partnerships, customer support, and community management.

The key activities we do every day will be maintenance, marketing, trust building, customer support and establishing collaborations.

Our most important costs will be maintenance and app development, customer support, ensuring that the platform is legal and complies with regulations, and reaching out to the customers through marketing.

Our key partners will be universities and colleges, angel investors, and sponsorships. The key resources we will require from our partners are support, promotions, and money.

We will have a positive economic impact by being cost saving for the students, it will be a local economic boost with partnerships- creating a supportive economic eco system. It will also generate revenue for the users. We do not impact the national and international economy, but maybe in the future if we expand.

We will have a positive environmental impact by having an efficient resource use by sharing rather than buying, reduce waste, creating a circular economy, and raise sustainability awareness.

The social impact we will have is community building. By building a sharing app for the students, it will be an increase in the social trust and reduce financial stress, making a better life situation for the students.

## Competition

Our app targets the student market with a platform that facilitates affordable, convenient, and sustainable rentals of everyday and/or more unusual items within the student community. This

community and student focused approach differentiates our app from other rental platforms and aligns with students' financial needs and eco-conscious values.

Our primary competitors are Finn.no, Fat Llama, Hygglo, Dele.no, and Getaround, which all have similarities with each other and with our app but are also lacking certain strengths that our app provides.

As Norway's largest marketplace, Finn.no has a rental section where users can borrow and lend a different goods, including tools, vehicles, and bikes. As Norway's leading marketplace it has a strong position. However, Finn.no is a general marketplace not focused specifically on students or sustainability. Their focus is buying and selling used and new items, and they do not focus too much on the rental part. It also does not have a loyalty program for discounts or points, which could attract a lot of students because of the possibility to save money from other websites and apps (Finn.no, 2024).

Fat Llama is an international peer-to-peer rental platform. It is quite similar to our app, allowing people to rent out their items. Fat llama targets everyone, rather than a student demographic, and it lacks the community-building focus of our app. It also has a very untidy layout on their web page, and it is not pleasing to look at. The same goes for Hygglo.no which has a similar layout and is a similar concept but based in Norway. Neither of them has the same concept of loyalty programs as our app will have (fatllama.com, 2024. Hygglo.no ,2024).

Dele.no and Getaround are quite similar concepts to each other but differ from our app through the fact that they only provide rental of vehicles. They do not have any form of student discounts or student focus (dele.no, 2024. Getaround.no, 2024)

While competitors like Finn.no and Hygglo dominate the general peer-to-peer rental market, they lack focus on students and the absence of a loyalty or discount system provides an opportunity for our app to capture a niche market within the student community and other lower income groups.

## **SWOT Analysis**

### ***Strengths:***

- Targeted Market: By focusing mostly on students, our app appeals to a niche in the market with high needs for affordable and short-term access to everyday items, such as

books, sports gear, cars and so on. This makes the app relevant and tailored to student needs and economic situation.

- **Cost-Effective Solution:** The app enables students to avoid high costs from owning by renting rather than buying.
- **Sustainability Focus:** Sharing and renting rather than buying on campus supports eco-friendly values, appealing to students, schools and promoting sustainable practices over a throwaway culture.
- **Loyalty Bonus System:** Offering discounts and rewards through a points system provides additional motivation for students to use the app, which can lead to continued use and increased engagement.
- **Convenience and Community:** A campus-specific marketplace simplifies the planning of borrowing and lending, making transactions quicker and more convenient.

#### ***Weaknesses:***

- **Limited Inventory Scope:** The app's inventory may be limited at the start to what students are willing to rent out, which could lead to limited availability of certain items when compared to broader marketplaces like Finn.no.
- **Dependence on Student Engagement:** Success depends on strong participation from most students. Without high engagement from the users of the app, the marketplace will lack sufficient supply and demand to attract more users.

#### ***Opportunities:***

- **Niche Differentiation:** The student focus and campus-based community creates a unique and strong user base within the sharing economy that the other platforms do not have any focus on.
- **Campus Partnerships:** Collaborating with universities and student organizations could increase the number of students we reach. We could also keep developing the app to integrate the app into campus life.
- **Sustainability Trends:** Most students are very eco-conscious, and our app focuses on reducing waste and will therefore attract users who care a lot about the environment.



- **Loyalty Program Expansion:** The bonus system offers possibilities for partnerships with brands targeting students, enabling mutually beneficial deals for us and our partners and discount codes from different brands.

### ***Threats:***

- **Competitive Market:** Platforms like Finn.no and fat llama have large user bases, making it a challenge to draw customers away from them.
- **User Trust and Safety Concerns:** Peer-to-peer platforms often face issues when it comes to trust, transaction security, and reliability. Having safe and reliable transactions and deals between lenders and renters will be important to building a good reputation.

## **Product and service offerings**

“Share It” is a marketplace created by and for students to rent personal items between each other within the community around universities. The app is built on the idea of lending items for a smaller fee than usual and for students to profit from their underused items by renting them out. This provides the students with an affordable way to borrow the items they only need for a small period, creating a sustainable, affordable, and supporting community in and around universities. The app focuses on valuable but rarely used items that students might not afford to buy themselves. By offering these items as affordable short-term rentals, the app makes it easier for students to access what they need without breaking the bank. This approach helps students save money and gives everyone a fair chance to use items that might otherwise be out of reach.

We have identified four success factors for our company to thrive; trust and safety, accessibility, affordability, and sustainability. “Share it” will offer numerous services designed to simplify and secure the rental process for the users. The app enables students to participate in seamless peer-to-peer transactions with an experience different from anything seen before.

The key service features provided to achieve our identified success factors will be:

**Secure Transactions:** The app includes a secure payment system that guarantees that transactions are handled efficiently and safely for both parties. Both renters and lenders will ideally be protected by a service who holds payments until the transaction is successfully

completed, and both parties are satisfied. A national id will be needed to be able to use the application.

**Rental Listings:** Students will easily be able to list their items with their own description, pricing, and valuable information. The app's search filters will allow potential renters to find the items they seek with filters and advanced search engines.

**Ratings and Reviews:** Users will be able to leave reviews and ratings for one another, so that appropriate behavior and reliability will be essential to be able to use the app in the intended way. Ratings and reviews will be important for the app to be as safe as possible for both renters and lenders.

**Flexible Rental Terms:** The platform allows for flexible rental durations, enabling short-term and long-term rentals. This flexibility is particularly beneficial for students, whose needs may fluctuate based on academic schedules or extracurricular activities.

**Support and Dispute Resolution:** potential problems and misunderstandings will be handled by a customer support system who can provide both parties with help and solutions in case of misunderstandings or problems between the two parties. This will also be available in case any sort of problem occurs with the application.

The share-it app will also have a lot of potential growth, with possible additional features within the app. The possibilities are endless, and the possibility of development is only limited to the imagination. For example, integrated insurance coverage for high-value items can be an addition in the future.

## Marketing

The primary market we will focus on is college students. We are focusing on students because they have limited budgets and would prefer affordable solutions, like our app. Students will save money, build connections, and reduce waste by using shareit.

To reach out to students we need to increase awareness of the app. We are going to use digital marketing as our main marketing strategy. We want to make an account for shareit on several digital platforms that the students use. Instagram, Snapchat and TikTok are the most important ones. We are going to post pictures and videos to promote the concept. We are also going to run ads on these platforms. To increase the popularity of the app, we want to use

influencers and campus ambassadors to promote the app through user generated content. The ambassadors will be provided with promo codes to encourage students to download the app.

Word of mouth is going to help us. Word of mouth will build trust quickly when the students get recommendations from friends or other classmates. When a person recommends something, it is often because of a positive experience. This will make a safe and reliable image of the app. It is important for us to gain a positive word of mouth to build credibility, popularity and raise awareness.

Different collaborations will promote the app. We want to collaborate with student organizations and campus clubs. By doing collaborations with student organizations, we will also have on campus advertising. On campus advertising will get us closer to the students and we can reach out to them face to face. We will also use posters in high traffic areas on campus.

Our main marketing goal is to reach out to the students and increase awareness to make the students download and use the app. We are going to use digital marketing, word of mouth, collaborations, and on campus advertising to reach our customers. We are going to track key performance indicators: awareness, downloads, engagement, growth, and user retention. We will then do an evaluation and adjust our strategies based on the key performance indicators.

## Timeline and metrics

The development for Share it starts with Research and planning. This is expected to last about 2 months. The main goal in this phase is to validate the idea and meet the needs of the market we are aiming towards.

For the next two-three months the focus will be on the product or the app if you like. The focus will be on developing the minimal viable product (MVP). (Productplan.com,2024) The MVP will be the app with just the basic features, so that early customers can get an experience of the service. After the MVP we need to test the app and let the customers try it. This will be valuable and important because we need the feedback of the MVP to see what kind of improvements the app needs. The App will be launched to small a small group of students so the feedback can come in direct, and improvements can be made. This will take place in month 6-8.

In the ninth month the full launch will take place, we will release Share it on App store and Google play, this will be accompanied by a targeted marketing approach. The marketing approach will have a focus on campuses and students' communities. Share it also has a goal

initiate partnership with different student organizations, give them early user incentives so that as many students as possible download the app.

Over the next three months the focus will be on the growth of the app and further app development. First, we will seek to expand the app to other campuses so more students can get the benefits of the app. Also, we will develop the app further and add more features. After the first students use the app, we will get an insight into the user habits and data analysis that will help Share it to become an even greater app.

Key performance metrics are used to measure the company's success, our metrics are first based on the number of users (Twin, 2024). Our first 1000 users will be a milestone and further on the metric will be monthly active users. That will give a good indicator on how many users we have alongside listings per user. Which means we get a metric on how active the users are. Average money spent is also a metric because we have set the average of how much people will spend in a year. If the average reaches 1000kr we will be really delighted, that will also be a milestone for the company. This will also reflect the revenue which could be the number one most important metric for a company.

Customer satisfaction is also a key performance metric we will use. Our goal is always to make everyone happy, however 75-85% customer satisfaction will be a good metric and milestone.

## Financial forecast

### Budget

	Year 1	Year 2	Year 3	Year 4	Year 5
Income					
Users	0-10 000	10 000-25 000	25 000-35 000	35 000-45 000	45 000-50 000
Average income per user per year (100 kr.)	500 000	1 600 000	3 000 000	4 000 000	4 750 000
Ad revenue (1000 KR a day per 10 000 users)	365 000	912 000	1 277 500	1 460 000	1 825 000
Gross profit	865 000	2 512 000	4 277 500	5 460 000	6 575 000
Expenses					
App creation	1 000 000	0	0	0	0
App maintenance	50 000	150 000	200 000	250 000	300 000
Marketing	100 000	200 000	300 000	400 000	400 000
Total revenue	-285 000	2 162 000	3 777 500	4 810 000	5 875 000

**Year 1:** In year 1 we estimate reaching out to 10 000 users within the first year. We estimate that half of the new users each year spend 1000kr each on average, so our estimates are based on us taking 10%. In the first year this would mean an income of 500 000kr from our users and 365 000kr from ads. We will spend 1 000 000kr to create our app, 50 000kr from app maintenance and 100 000kr on marketing. This would bring our total revenue to a loss of 285 000kr in the first year.

**Year 2:** In our second year we assume all the 10 000 users from the first year spend 1000kr each on average. Also, we assume half of the 15,000 new users spend 1000kr on average. This would bring our total income to 2 512 000kr. We will spend 150 000kr on app maintenance and 200 000kr on marketing which brings our total revenue to 2 162 000kr.

**Year 3:** We use the same estimate with 1000kr on average per user from the 25 000 users from the start and half of the 10 000 new users. This brings our total income to 4 277 500kr. We expect to spend 200 000kr on app maintenance and 300 000 on marketing. This brings our total revenue to 3 777 500kr.

**Year 4:** When we use the same methods as in the years before we end up with a total income of 5 460 000kr in the fourth year. We will spend 250 000kr on app maintenance and 400 000kr on marketing. This brings our total revenue to 4 810 000kr in the fourth year.

**Year 5:** Using the same method, we end up with a total income of 6 575 000kr. We estimate 300 000kr on app maintenance and 400 000kr. This brings our total revenue in the fifth year to 5 875 000kr.

All these numbers are estimates from various sources relevant to ad-revenue, marketing, and maintenance costs. (Saxena, 2024. Martin, 2024. BDC, 2024.)

## Financing

To fulfill our dream of creating the “ShareIt” app, strategic financing will be required to support the app’s development, creation, and growth in the student market. In order to achieve our goals and our vision, investment will be a key component providing funding for technological development, marketing and so on. The primary source of funding will be initial investment from so called “angel investors” and as the app becomes more popular between peers, “revenue reinvestment” can be used for future ways of funding.

Angel investors are an “investor that provides initial seed money for startup businesses, usually in exchange for ownership equity in the company” (Ganti, 2024). In order for our business to thrive these types of investors are needed. In the start-up we need capital to create our much-needed app, and this will cost a substantial amount of money. Approximately 1,5 million Norwegian kroners to be precise. This information is gathered from various sources describing similar apps to ours and the cost of their application and is estimated to be between 300 000 and 2 500 000 kr. (Saxena, 2024)

When the app has gained ground and become successful, revenue reinvestment will be used for it to become self-sufficient by investing revenue back into the app to develop. By developing the app, we can also expand out of Norway and focus on other countries in Europe and beyond, this opens the possibility for great revenues in the future.

## References

*Angel Investor: Definition and How It Works.* Akilesh, Ganti 01. October .2024 from <https://www.investopedia.com/terms/a/angelinvestor.asp>

*How to estimate the social media app development cost budget,* Prateek Saxena, 10. October 2024 from <https://appinventiv.com/blog/how-much-social-media-app-development-costs/>

*Universitet og høgscole- sjekk hvor mye lån og stipend du kan få.* Lanekassen, 01. November 2024. from <https://lanekassen.no/nb-NO/stipend-og-lan/norge/universitet-og-hogskole/>

*Ensure sustainable consumption and production patterns.* United Nations, 07. November 2024. From <https://sdgs.un.org/goals/goal12>

Martin, M. (2023, 4. November) How much does it cost to maintain an app. Design rush <https://www.designrush.com/agency/mobile-app-design-development/trends/how-much-does-it-cost-to-maintain-an-app>

BDC, *what is an average marketing budget for a small business,* (Gathered 2024, 7. November) <https://www.bdc.ca/en/articles-tools/marketing-sales-export/marketing/what-average-marketing-budget-for-small-business>

Finn, (Gathered 2024, 7 November) <https://www.finn.no/>

Getaround, (Gathered 2024, 7 November) <https://no.getaround.com/>

Dele, (Gathered 2024, 7 November) <https://dele.no/>

Hygglo, (Gathered 2024, 7 November) <https://www.hyglo.no/>

Fat llama, (Gathered 2024, 7 November) <https://fatllama.com/uk>

Unesco, (Gathered 7. November 2024) Higher education, <https://www.unesco.org/en/higher-education>

Eurostat, statistics explained. (July 2023) [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tertiary\\_education\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tertiary_education_statistics)

Geir Nygård (2022) Statistikk Sentral byrå, <https://www.ssb.no/utdanning/hoyere-utdanning/statistikk/studenter-i-universitets-og-hogskoleutdanning/artikler/na-er-det-over-300-000-studenter-i-norge>

Twin, (2024) KPIs: What is key performance indicator? Types and examples, <https://www.investopedia.com/terms/k/kpi.asp>

Productplan.com (hentet 7. November 2024) Minimum viable product, <https://www.productplan.com/glossary/minimum-viable-product/>