HOMOVERSEAS business plan rationale

PART ONE

**Background:**

Under the international trend of studying abroad, we, aiming for providing a more convenient and comfortable two-way selecting “homestay” platform, invent *Homoverseas* app for all overseas student to find their most suitable homestay over a wide range of countries.

**Uniqueness:**

1. Personalized Classification: We have a searching box for countries, cities and universities, and various tag hints like aspects of age, genders, price, house type etc. after clicking into a specific on-sale renting house also.
2. Detailed Information: We provide specific information like local malls, nearby universities and the time needed to walk there after you click in one homestay.
3. Two-way Selection: Star ranking systems is involved where customers can see credits and comment of the host from their past tenants. Tenants have the right to refuse to those who had low credit. In addition, communicating channels is invented in our app where we provide customers with private space to get to know each other by both chatting and calling function with guaranteed privacy.
4. Comfortableness & Timeliness: Home pages is presented in a comfortable and clean way. We provide one-to-one counseling services to our customers, containing house viewing service, route suggestions for nearby colleges/malls and notable abroad advice to help customers get more adapted to life in a foreign land.

**Feasibility:**

* is presented by the show of our app model.

**Profitability:**

Ways

1. By providing homestay service for oversea students, we deduct a certain agency fee during the trade. The deducting percentage is gained from both the host and the tenant for 25% of the sum of the trading price. (具体见price)
2. We also leave some place for advertisements on our app to gain profits. (具体见promotion)

**Sustainability:**

1. Under the hot trend of studying abroad, a well-organized and trustworthy APP can solve the essential where-to-live problems for thousands of hundreds of overseas students which will become the choice for many students abroad. This provides us with a stable customer base.
2. Designing an APP, despite the initial finance problems (like “the revenue doesn’t match with the cost” problem-solutions are presented in our profitability section, basically to stabilize our customer base and gain profits by agency fee as long-term & small-profit source and by advertisement place as short-term & great-profit), we become stably profitable and sustainable after overcoming these challenges.

**Social Benefit:**

We provided overseas students all over the world a comfortable and trustworthy platform to find their personalized homestay which suits them best. We aim to provide our customers a home no matter where he or she is.

PART TWO

**Product**

Brand Name

We provide homestay service.

* Blue: it gives the impression of bright, fresh, and smooth, meaning clean, comfortable, and trustworthy
* Home image: it shapes like a shelter, meaning comfort and protection

3 steps for booking a host family

1. Search for Homestay

* look for your host families in your city or near your school

1. Talk to your landlord

* chat with your host in our communicating channel to get to know him or her better

1. Room reservation

* securely lock the housing through online payment
* We followed No Visa No Pay and No Place No Pay:
* If your visa application is rejected, you may cancel your booking free of charge
* Cancellations may be made free of charge if admission to the university is not obtained

Step 1: Categories

Customers can search for their ideal homestay from aspects of counties & regions, Nearby Universities or Price Range.

Step 2: Talk to your landlord

Take the Greens for example, here are our APP’s homestay page.

Details included in the page are:

* Host’s nation, age, families, preferences & rules
* Transportation, shopping malls, restaurants, cafeterias, companies, hospitals, gym, schools nearby (and time to get there)
* Furniture, security safeguard, number, and types of rooms (with pictures)

Step 3: Home Reservation

* Personalized Counseling service
* We provide one-to-one consulting service for answering questions and advising suggestions about college entrance questions, nearby environment or security standard, entertainments as well as rental guide for certain university or regions.
* House Viewing service (Membership)
* We also provide offline home viewing service to company and help customers find their ideal homestay.

**Price**

Before our APP’s setting up, we find enough investment to help us thrive through early periods of our business. The feasibility of this is shown as we are an APP focus on meeting the needs of a large group of customers under the hot trend of increasing public preferences of studying abroad. Plus, our techniques are complete with our own advantages. So, we can gain investment.

At first, we will use strategy of penetration when we first set up this APP and put into the market. This helps us to attract both willing hosts and tenants since it’s at a lower price with promising of same or even better service comparing with our competitors. We can create brand awareness during this process as well as increasing our market share rapidly by several promotion strategies. We may face finial loss, but we will try to gain enough investment before penetration.

Why we choose penetration at first?

* Since we have enough investment to support our business strategies, our first objective is to attract more customers as quick as possible and set up a decent image to make them familiar with our app which may cause them to introduce our app to their families or friends (this is because students who studying abroad always have lost of friends or relatives studying abroad).

To be specific, our app will be free to download, and 30 RMB per month for advertisement space, also the agency fee is 15% from both host and customers.

(Reference: domestic agency fee is about 50% from both sides.)

After that, both cost plus and skimming is used at the second stage. The former is for functions and service’s fee increasing and the latter is for commercials and advertisements space. This is available since we have already set up our customer base during the penetration process with decent renown. Cost plus is easy and quick to calculate and ensure our APP’s daily profits; and skimming can maximize our short-run profits. This helps us to recover R&D costs quickly and create a qualified image for our customers.

Why we choose Cost plus and Skimming at our second stage?  
1. Since we had already gained great numbers of loyal customers with renown, it’s time to improve our qualified image to fit with our techniques and unique functions presented in our app, this also help us to gain and maximize our profits drastically by memberships and attracting products who need advertisements(as newborn apps, our advertisements will be much more cheaper than others, this may be the reason other companies are interested in our advertisement space) in order for higher returns on investment and our own further development.

To be specific, our app will cost 5 RMB download’ fee, and 100-3000 RMB per month for advertisement space, also the agency fee is about 25%-35% from both sides.

**Place**

1. specialized service: producer to customer
2. As intermediary agent, we are the retailer between the host and the customer.

**Promotion**

Above line promotion：

1. We can invite people around us to experience our service for free and let them send videos on social media like TikTok, Weibo, Twitter, Little Red Book and so on. (If needed we can pay some fee for this)
2. Find Bloggers/Vloggers overseas, pay for implant advertisement.

* The reason why we choose these three ways of advertising is that the young generation now do not watch TV, listen to radio, read Newspaper and Magazine very often so that advertisement may not been seen. Also, they cost lots of money and cannot make a precise strike.
* The three ways we will use have these advantage:

1 cost effective

2 big data will help us to deliver the video to the right group

3 Because the video may include personal experience， it is more persuasive.

Below-the-line promotion

1 by inviting new user, people can get discount coupons

2 for the first-use user, extra service would be provided

3 For the reason that students abroad usually have the habit of checking e-mail every day, we use e-mail to deliver advertisements. This can also help decrease the cost.