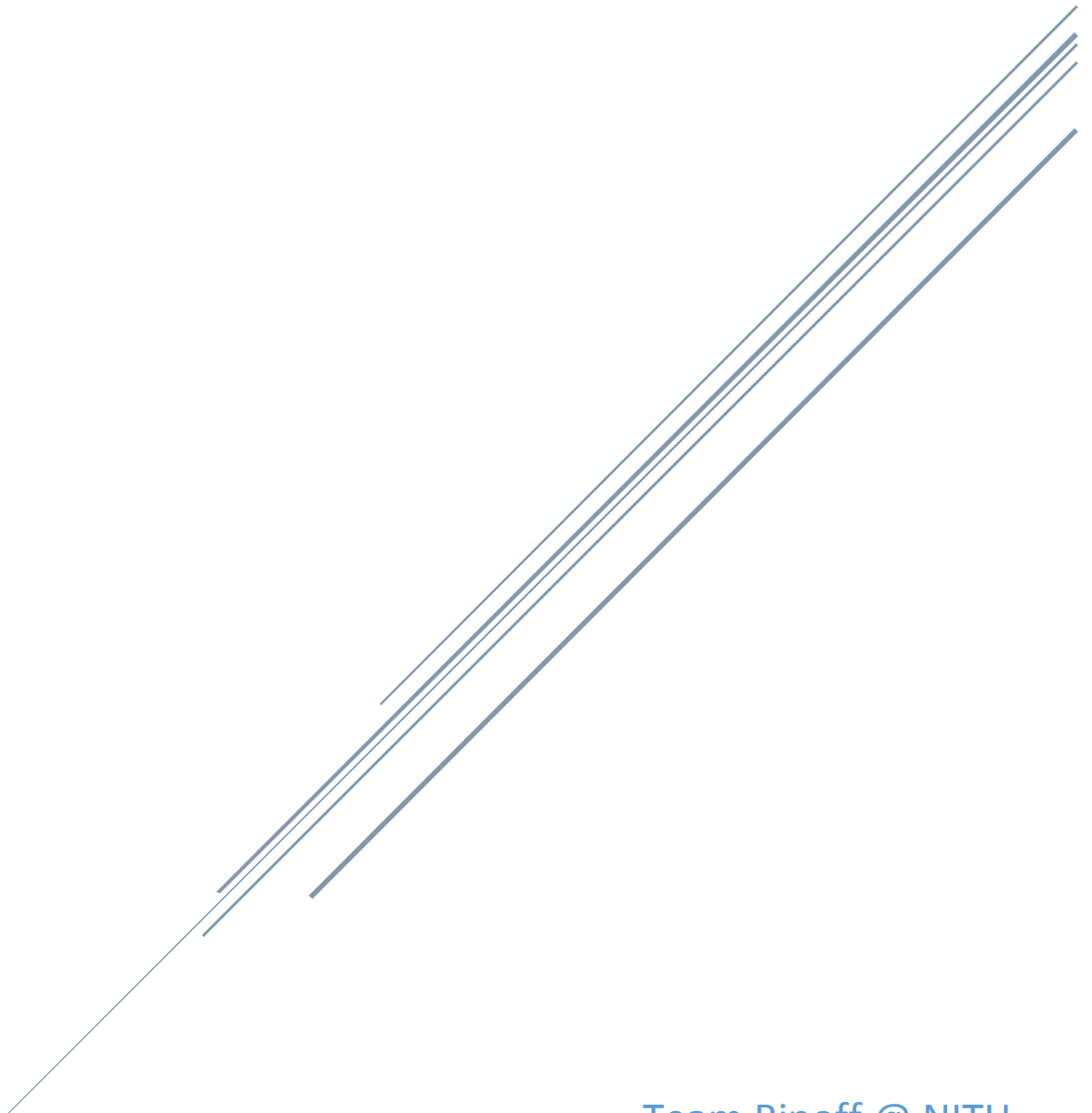


# REDVINECHIEVEMENTS

Life's a game



Team Ripoff @ NITH  
BU5100-13 Entreprenørskap



## FORSIDE FOR INNLEVERING

### TILGJENGELIGHET

☐ Fri ☒ Begrenset

<b>Emnekode og emnenavn:</b>	BU5100-13 Entreprenørskap
<b>Tittel norsk:</b>	Business Plan for <i>Redvinechievements</i>
<b>Tittel engelsk:</b>	Business Plan for <i>Redvinechievements</i>
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<p>A complete business plan for <i>Team Ripoff's</i> platform <i>Redvinechievements</i>, as we believe this is the best way of communicating our idea to potential investors in text. The business plan leans heavily on the <i>Business Model Canvas</i> (Osterwalder &amp; Pigneur 2010).</p>	
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## 0. Executive summary

### 0.1 Introduction

Most everyone remembers *planking* and *#yolo*. These phenomena generated a great deal of social media traffic and traditional media attention. What if they were turned into a game, photo and video documented, and distributed on the Internet for revenue? This Business Plan explains how *Team Ripoff* can develop a social platform for both mobile and desktop in order to generate revenue based on future phenomena similar to the above.

*Team Ripoff* wants to **develop a social platform for documenting and sharing life achievements**, a new twist on an established concept. Sharing photos and video has already proven to be extremely popular with a very large base of users, through for example *Instagram* (<http://instagram.com>) and *Vine* (<https://vine.co/>). While there are many existing services for sharing photos and video with friends and the world as of today, there are few (if any) offering gamification as an integral part of the service. Through a complete achievement system with leaderboards, and thus an added incentive to share and interact, *Team Ripoff* can generate revenue based around users as content providers.

*Redvinechievements* currently needs a working prototype that we later present on a crowdfunding platform like *indiegogo* (<http://www.indiegogo.com/>) in order to fund the rest of the project.

### 0.2 Vision

*Team Ripoff* will provide a leading platform for sharing content to unlock achievements. *Team Ripoff* will experience a healthy growth, which will ultimately lead to a profitable business within 18 months. Our platform will **converge and simplify the way users share** video and pictures with both their friends and the world, allowing them to “show off”. *Redvinechievements* will be the next step in removing the need for the phrase “pics or it didn’t happen”, as documenting everything will become the norm. *Team Ripoff* will be a leading actor in the further development of technology for both sharing video and pictures, and improving the life experience through turning it into a game with achievements.

### 0.3 Business Objective

*Team Ripoff* aims, through the *Redvinechievements* platform, to **provide a platform in which a community is able to grow around our core concept of real-life achievements**. Through this community, we aim to become profitable within 18 months of the release of our service.

In one sentence, we wish to create order in the chaos that is video shared for “showing off” spread across several platforms today, in addition to providing an added incentive for going out of your way to share.

#### 0.4 Market potential and marketing strategy

*Team Ripoff* targets everyone between 13 and 40 years of age with a mobile device and an Internet connection sufficient to share and browse visual content – the entire first world. This target allows us to easily market in existing channels: social media, advertisements in mainstream web pages, and through creating hype among bloggers. Marketing will, after a brief hard effort by us, become self-driven through the word of mouth and media coverage. At this point, we will assume a passive role, only providing the media with information regarding new features.

Looking at the five competitive forces shaping strategy (Porter 2008), there is no existing competitive rivalry when it comes to our life achievements, our core mechanic. We will have a great deal of customers (although our enterprise customers may be able to drive our prices down for themselves), so the buyers will not be in a strong position to drive our prices down. Our hosting supplier will have next to zero power over us as there are far too many alternatives out there. The threat of substitution is zero because there is no alternative on the market as of now. Our only concern is the threat of new entry to the market, but our platform depends on customer loyalty, and we will focus on establishing this.

#### 0.5 Business Model

*Team Ripoff* will use a freemium (<http://en.wikipedia.org/wiki/Freemium/>) business model, where basic free users may access every aspect of the service, with some restrictions. Users choosing to pay through micro transactions will be able to lift most restrictions on a per-use basis. Users choosing to sign up for a monthly-fee subscription will not face any restrictions created by us, and will have a higher priority than both free and token-based service requests.

#### 0.6 Management and key resources

*Team Ripoff* consists of three strong software developers with experience in mobile development, web development, and server development; everything that will be required on the software side of things. We do not have much experience with marketing or analysis. This will, however, be far more relevant once we have a steady prototype and enter the crowdfunded phase of the project, and will not be a problem in this phase. We expect to apply a basic, to-the-point interface and user experience design for this phase, and either hire a designer or outsource the design process once we have a prototype working.

## 0.7 Investor payback and exit opportunities

*Team Ripoff* expects to have the *Redvinechievements* platform **prototype up and running within six months** of development, at which point we will crowdfund the continued development. **We expect to be profitable within 18 months**, which will be the first exit opportunity for investors. We do, however, expect our revenue to increase heavily over time once the platform catches on, and staying with us longer will result in a far higher payback.

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## 1. Who are our customers?

*Redvinechievements* will target three different customer segments.

### 1.1. Content providers

Firstly, the platform users: the providers and browsers of content shared on the *Redvinechievements* platform. This group is rather young (13-40 years of age), and is made up of mobile device owners in areas with sufficient mobile internet connections to capture and share moments, and desktop users with an internet connection. Both parts will be able to share content, although this will be even easier on mobile. Both parts will, of course, also be able to browse the published content. In short, we primarily target everyone in first world under 40.

### 1.2. Advertisers

Secondly, the advertisers: with a large user base and a great deal of traffic through browsing others' content, there will be plenty of opportunities to advertise in various ways. We will know what our users are interested in based on the kind of content they choose to browse. In short, we will provide a platform with reach to a great deal of users, and we will largely be able to target the advertisements to create a high click-through rate.

### 1.3. Enterprises

Thirdly, enterprises: as we will have a great deal of users providing content to “show off”, we will create a market for promoting competitions. We will also provide a way of sponsoring videos through deals – for example, *Nike, Inc.* (<http://nike.com/>) may enter a relationship with one or more popular users and sponsor their achievement hunts if they agree to wear *Nike* shoes in their videos, possibly as part of a separate marketing campaign for new shoes.

## 2. What do we solve?

Visual content sharing of today happens in many different channels. Some of the available options are *Instagram*, *Vine*, *YouTube* (<http://youtube.com/>), and even *Facebook* (<http://facebook.com/>). This makes it difficult to browse the exact content you want to see, and nearly impossible to find *all* the *good* content of a given category. What is deemed “good” needs to be defined by peers and other users, and sharing needs to become an even easier and quicker experience. In addition, no one is taking advantage of the potential brought forth by today’s sharing culture, when it comes to challenging *everyone* to a tournament or completing a given task. The *Redvinechievements* platform creates and satisfies a new set of needs customers have not been aware of until now through reinventing the way content is being shared through transforming real life into a highly competitive game with easily measurable results.

### 2.1. Content providers

*Redvinechievements* will be a dedicated platform for easily sharing and browsing people’s achievements in the form of pictures and video. There will also be an option to share content to other social media in order to promote one’s profile and share achievements with actual friends. Through accomplishing various tasks, the users unlock achievements. The submitted solutions, or Achievements, are voted over by the community. In this way, the community decides what the community thinks is good content. The points earned through Achievements stick with the users, promoting an individual-based competitive environment. Of course, completing more difficult challenges will be rewarded with more points than easier challenges.

The process of generating challenges is largely left up to the content providers. They will be able to submit ideas for challenges, potentially acting as leaders and providing examples of solving the challenges. Providing a series of great challenges is a way of documenting creativity, and will be very useful in for example interviews for jobs where creativity plays an important role.

The highest-rated content will be readily available for the community through leaderboards, and will be of value for users looking to build credibility. For example, a highly ranked user who has unlocked many achievements related to a job opportunity will be able to provide proof of knowledge and experience. This will not replace the need for a traditional CV, but be a great addition to each successful user’s portfolio. This also applies to a less formal situation, for example in a school setting, where personal achievements and proof of these very much correlate to social status. Ego casting is an integral part of our platform, and we embrace that fact.



In addition to the individual part of the platform, we will implement a complete guild system which will open for cooperating on unlocking achievements or achieving individually, earning reputation for your guild. This opens the possibility for forming business teams, or simply clans with no connections outside *Redvinechievements*.

## 2.2. Advertisers

We do not aim to establish a new way of advertising or create a new set of needs, but we will be able to provide advertisers with a large user base and a way of targeting advertisements based on personal interest. In this way, we expect to give advertisers a high click-through rate, and with clever implementation of advertisements as a natural part of browsing content, we will be an attractive partner for many advertisers.

## 2.3. Enterprises

*Redvinechievements* will provide a completely new way of using ordinary people for advertising, and interacting with the market. A sponsored competition or tournament with a prize will provide the users with a great incentive to go out there and achieve, and the word will spread quickly of both the enterprise sponsoring the event and the platform, gaining more users for the platform in the process. The competitions and events will be customizable to fit the needs and wishes of the individual enterprise, allowing for targeting specific customer segments.

Enterprises will also be able to establish sponsored relationships with individual users of *Redvinechievements*. This will enable the enterprises to put to use an established platform users already enjoy using, and joining forces with established users of the community with high credibility and much activity around each new piece of content they publish. This approach has previously worked well with bloggers, fashion in particular, and there is no reason the concept should not apply to real-life achievement hunting as well.

### 3. How will we communicate?

*Team Ripoff* will establish a few different channels for communicating with the various groups of customers.

#### 3.1. Content providers

We will need to reach out and promote the *Redvinechievements* platform to boost our reputation, visibility, and credibility to acquire customers. We will mainly focus on social media for delivering our Value Proposition to the content providers, promoting posts and thus reaching out to as large an audience within our target groups as possible. The most obvious medium we will focus on is *Facebook*, but we will also place advertisements on mainstream sites such as 9gag (<http://9gag.com/>), as the primary user base of these sites is likely to match our target base. This will spread the word of our platform, leading potentially paying customers to try our service.

In addition to online marketing, we will aim to acquire at least one large, well-known enterprise customer to boost reputation, and through this spark interest for our platform. *Nike* (again) is such a potential customer, and we aim to kick-start our platform through a large event in cooperation with an enterprise. Acquiring one large customer will also boost our visibility and credibility, which will be important in the customer acquisition process.

With regard to customer retention, we will offer a “post-purchase” support solution where users may receive help with any problems they encounter, in addition to suggesting ideas. This will all be built into our service, on both on mobile and the web. We will, as the community grows, open for a user community to let our users help other users help themselves, but will not focus on this as of yet because this is a classic feature creep.

#### 3.2. Advertisers

We will implement in-app advertisement, preferably with a Pay-per-click model for the advertisers. We initially aim to communicate our Value Proposition to advertisers through direct contact from our end via phone calls, e-mail, and the like. Once we have acquired a user base of satisfactory size, we aim to automate this process, and let our Value Proposition be communicated directly through our platform.

We will use existing solutions as far as possible. By doing this, we need not worry about how the advertisers evaluate our Value Proposition, as solutions to this will be readily available with no effort on our end.

### 3.3. Enterprises

To enterprises looking to market on our platform through challenges, we will communicate our Value Proposition through phone calls, e-mail, and actual meetings. We will present the enterprises we contact with concrete examples of successful campaigns once this becomes possible, and of course pitch the entire idea and what they may gain from becoming customers of our platform.

Once *Redvinechievements* becomes popular enough that it will be attractive for enterprises to contact us instead of the other way around, communication will still happen through direct human interaction with our Team; we believe this to be a better solution for initiating partnerships and projects with a great deal of money and publicity at stake.

We will provide some tools to measure activity in the various challenges enterprises initiate and use for marketing, but leave evaluating the total return on investment up to the enterprises themselves, as there is no way we will be able to measure sales increase and actual generated income.

When it comes to enterprises looking to establish a marketing relationship with individual members of our platform, we will provide a means of contacting our users through the platform for recognised enterprise accounts. We aim to automate this process with no engagement from our side, as we expect many relationships of this kind to form. Again, evaluating the actual value generated will be up to the enterprise; we can and will merely provide statistics regarding the demographics reached and engaged in by their sponsored competitions and tournaments.

## 4. What relationships will we establish with customers?

### 4.1. Content providers

We wish to automate our communication with the content providers and browsers to as great an extent as possible. We will, of course, help our users solve their problems. However, the human-to-human interaction service levels will vary greatly with the kind of membership the individual user maintains. We will provide a classic FAQ which will attempt to answer as many common questions as possible both in-app and on the web to avoid being flooded with inquiries. A user with a full paid membership will be prioritised over a one-time-payment request, which will again be prioritised over answering a free user's questions.

As the platform grows and we start providing a forum based on the community, our development team will take a more passive role in support. This means that we will merely be answering questions the users cannot figure out among themselves, and moderating the content the users provide. If the need for additional support arises, we will engage a dedicated support team, as we expect to have the required income at that point.

Our platform will provide automated suggestions for categories and content to browse based on personal preference, which will be powered by the data we collect as the users browse the platform and their patterns become clear. Our platform will automatically try upselling to our content providers, through suggesting to upgrade to a paid membership at appropriate times, and through asking the user whether they wish to utilize a micro-transaction if this could be beneficial for what they try to accomplish. We will also provide a referral system where referring your friends and making them sign up will be rewarded with a relatively low amount of tokens, as a completely free try-before-you-buy solution.

As we rely entirely on the content providers to be valuable for advertisers and enterprises, we will enter a kind of co-creating relationship with the customers, but keep this automated as far as possible. Following YouTube's example, successful users with many views and votes (and therefore high credibility) will be rewarded with part of the advertising revenue they generate, providing yet another incentive to solve difficult challenges and share even more. Imagine being an achievement hunter for a living!

We will provide a way for the users to suggest new ideas, allow the community to vote on the various suggestions, and push out the most popular suggestions and tweaks often so the users will see direct results of suggesting.

## 4.2. Advertisers

We will, as far as possible, use existing and automated solutions for providing our platform's advertisers with the information they need to evaluate our Value Proposition. This way, we will be able to focus our time on development of the platform, growing our user base, and making sales. Although we may need to contact potential advertisers directly in the early phase of the project, we will transition into a fully automated relationship with these as our platform becomes attractive and the human relationships are no longer necessary.

## 4.3. Enterprises

We will establish and maintain strictly personal relationships with enterprise customers as far as we deem necessary, as no two enterprises will have the exact same needs or goals for a marketing campaign on our platform. We will apply dedicated personal assistance once we acquire enough enterprise customers that this becomes relevant, and enter actual partnerships with enterprises if this proves mutually beneficial.

We will provide tools for easily mapping out and planning different kinds of campaigns and creating advertisements based on successful templates, but we will allow the enterprises to customise their campaigns as much as they need within the confines of the *Redvinechievements* platform. In this way, we will be able to remain in charge of how our platform is used in this manner and generate important statistics for successful campaigns.

## 5. How will we become profitable?

### 5.1. Content providers and advertisers

We will follow a *freemium* business model through offering two different kinds of payment: micro transactions and full-fledged paid memberships with a monthly fee. The basic, free users will be able to use the platform to its full basic extent. They will, however, see advertisements and not be able to for example upload full quality content. They will also have a lower priority in support cases than token-based and paid requests. The users will generate revenue through seeing and clicking advertisements in-app and on the web site, and the two different kinds of payment solutions we offer.

The micro transactions will allow the users to purchase an amount of tokens which can be used to pay-per-use for most of our services, which may be beneficial for the casual user of the platform. Tokens may be used to bypass restrictions on video length, picture and video quality, and cut in line for quicker customer support.

A full, monthly-fee based membership will completely remove all the restrictions created by us listed above, as well as give a higher priority in support cases than even the token-based requests, and in addition remove advertisements from the platform.

The guild system will work differently based on the kind of membership a user maintains. Our tentative solution is to limit the number of members a guild may consist of and use a pay-per-extra-user solution, unless the new user maintains a paid membership. We do, however, wish to understand what the market wants from this solution before we settle on a definitive implementation.

With these three different ways of using the platform, we provide the users with a way of trying before they commit to buying with very low risk and loss, and this will be a powerful incentive to at least try the various paid features we offer. As we become able to target advertisements on an individual-user basis, we expect a quite high click-through rate, which will in turn optimise this revenue stream.

### 5.2. Enterprises

Enterprises will be able to promote their advertisements in-app to reach a broader audience, and a challenge created by an enterprise may be sponsored to go to the top of the general challenge lists. For instance, *Nike* may challenge the users to run a half-marathon with their *Nike+* app, and will be able to promote their own challenge in exchange for a direct payment. This may also be negotiable, as we are looking to build strong relationships with large enterprise customers. We will not charge for full-fledged

marketing campaigns on *Redvinechievements*, as this will generate value in the form of media hype and new and returning users.

## 6. What resources will we require?

We will strictly need server access and space for hosting the content and the platform. We expect to use Amazon Web Services (<http://aws.amazon.com/>) at first, as this is a very stable platform with many important customers. These facts force Amazon to provide excellent uptime and support.

In time, as our user base grows, we will move the entire platform to our own server clusters, thus removing the (admittedly small) risk of long downtime that comes with an external supplier like Amazon.



## 7. How will we spend our time?

Our main day-to-day activities will be research and development, with emphasis on development. Our main task will be developing the *Redvinechievements* platform, which means building server software and clients for mobile and the web in order to allow the users to interact with the service. This will, by far, be the most time consuming part of our work. User testing our solution will be an important task, and may be considered part of developing the platform. Maintenance of the platform is, of course, another aspect of this.

We will also be spending time on acquiring enterprise customers. As we will rely on acquiring at least one large enterprise customer for kick-starting our platform with a campaign on launch day, this is going to take up some time once we have an early prototype ready for display.

Creating hype in the traditional media and among technology bloggers, and figuring out what the market really wants from our platform, will take up a considerable amount of time. The crowdfunding process, which takes place once we have the prototype ready, is an important part of this, and will provide us with important information. We will also focus on marketing in social media, and optimising marketing of the platform through analysis.

Continuously expanding the FAQ will be an important but small part of our work. Providing human customer support will be a great time consumer, but not while we are still in the prototyping phase, at which point we will already have the project crowdfunded.

## 8. Who will our partners be?

As part of our vision is to lead further development of technology for sharing visual content and unlocking achievements, we may form permanent or temporary cooperation and co-competition partnerships with other companies. Cooperation partnerships apply to cases where companies providing other solutions have a common interest in developing part of the technology. Co-competition may become relevant where both companies direct competition with us and ourselves will benefit from further development of the technology we both rely on.

We may also form partnerships with recurring enterprise customers who succeed in marketing through campaigns on our platform, providing them with better offers and us with secure enterprise customers. In this way, we will be able to maintain a steady flow of engaging tournaments and challenges for the users, in turn building customer loyalty and ensuring that the users remain users on *Redvinechievements*.

## 9. What will our expenses be?

We will need a place to work, and expect to rent an office. We will need powerful hardware setups in order to work optimally, and means to upgrade these if and when new technology requires us to.

We will need to market our platform and create hype around the solution, through advertising spots on popular web sites and promoted updates on for example *Facebook*.

We will need to outsource some of the development, primarily the graphical and user experience design, in addition to development for *iOS*. Outsourcing the testing process will leave us with more time to focus on development, and in due time outsourcing the customer support would be a great relief on our workload.

The project will demand hosting of the platform and content. With regards to our high requirements for stability and customer support, we have been led to choose Amazon Web Services. The transition to a server cluster will require us to buy a great deal of hardware, but this will not be relevant until we have the working prototype running.

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