

Bu Adobe Build

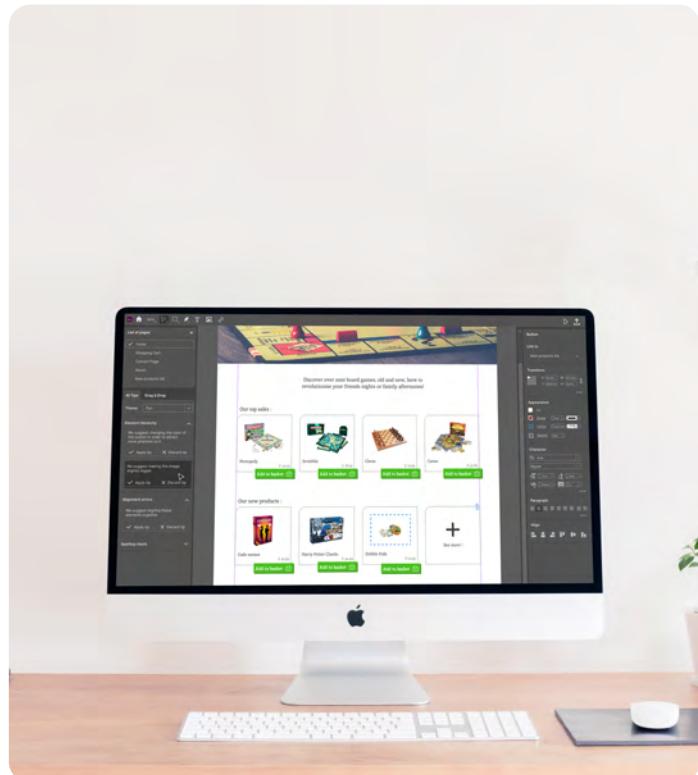
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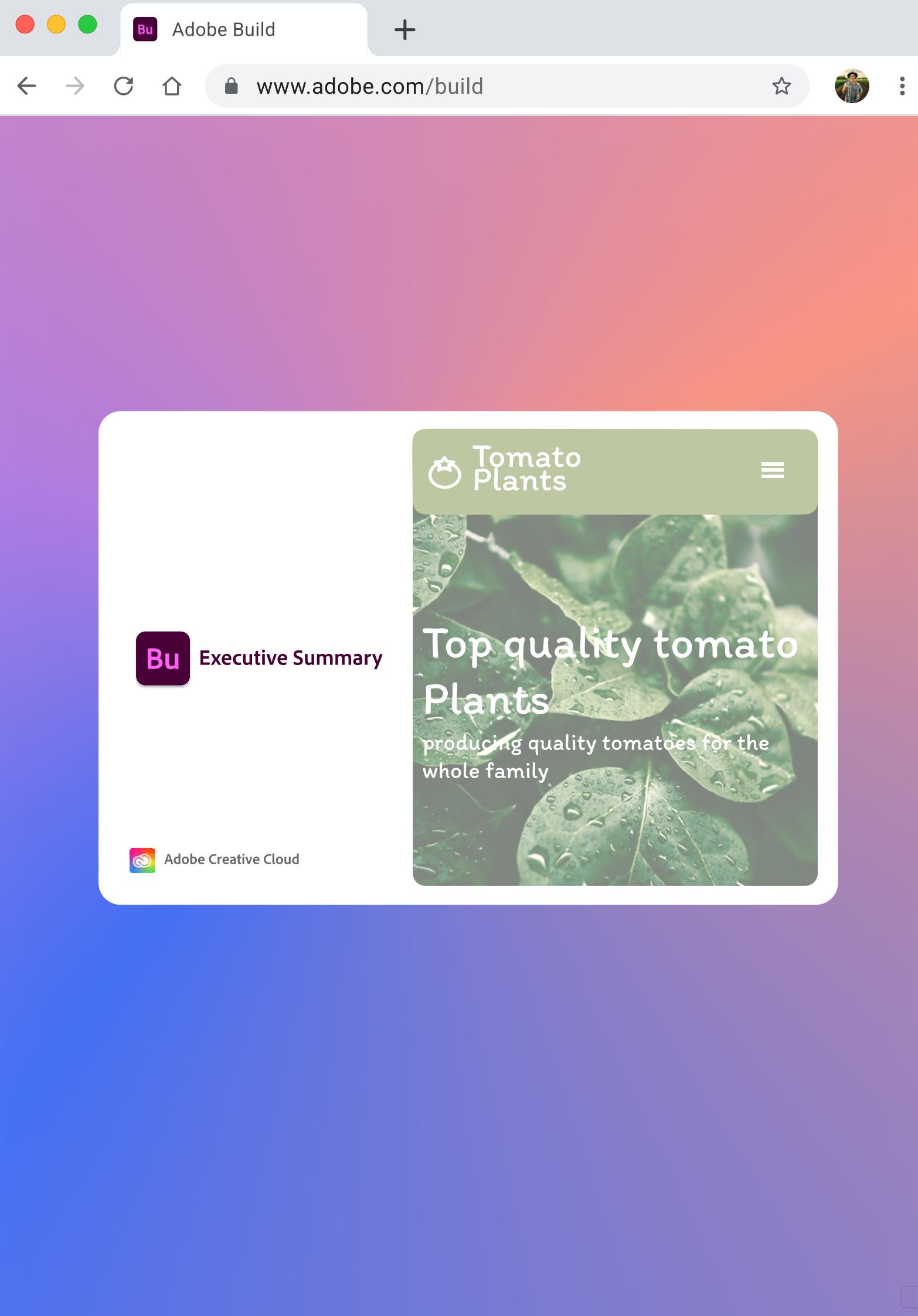


Adobe Creative Cloud



Contents

1 Executive Summary	
1.1 Introduction	4
1.2 Parent Firm	4
1.3 Industry Analysis	4
1.4 Market Analysis	4
1.5 Financial Projections	4
2 Parent Firm Analysis	
2.1 Adobe	6
2.2 Mission, Vision & Values	6
2.3 Adobe's Company Structure	6
2.4 Market Analysis and Adobe's Strategic Response	7
2.4.1 Digital Media	7
2.4.2 Digital Experiences	8
2.4.3 Related Industry Analysis	9
2.5 Adobe position proposal	9
3 Adobe Build	
3.1 Idea-in-Brief	11
3.1.1 Building the website	11
3.1.2 AI Tips Editor	12
3.1.3 Hosting and Analytics	12
3.2 Competitive Overview	12
3.2.1 Website Builders	12
3.2.2 Website Analytics	13
3.2.3 Conclusion of competitive overview	13
3.3 Adobe Build's Marketing Strategy	13
3.3.1 Marketing channel - Instagram accounts	14
3.3.2 Marketing channel - Incubators	15
3.3.3 Marketing channel - Adobe MAX	15
3.3.4 Marketing channel - Youtube	16
3.3.5 Post-acquisition	16
3.4 Financials	16
3.4.1 Prospective Sales	16
3.4.2 Projected Revenue	17
3.4.3 Direct and Indirect Costs	17
3.4.4 Projected Profit	18
3.4.5 Conclusion of financials	18
4 Summary	
4.1 Market Trends Fit	20
4.2 Company Fit	21
4.3 Conclusion	21
Appendix	
A.1 Glossary	
A.2 Customer acquisition funnels	23
A.2.1 Incubator Masterclass	23
A.2.2 Youtube Tutorial Videps	23
A.3 P&L Table	23
A.4 References	24



Adobe Creative Cloud

1.1 Proposed Product Overview

Adobe Build is a browser-based website design software that will expand Adobe's user base beyond creative professionals, towards inexperienced small businesses. An inbuilt AI Tips Editor provides recommendations to improve the site, ensuring an excellent interface design. The user can then host their website on Adobe Build's platform. Once live, the user will receive a continuous stream of extensive web analytics, which will be fed into the AI Editor to provide personalised suggestions for improvement. This product will allow Adobe to become a strong competitor in the website development market.

1.2 Parent Firm

Adobe's aims to inspire creativity for all and to continually innovate finding new outlets for that creativity. Our proposal of a website development software will help Adobe to achieve their aim, as it is providing them with a new avenue for creativity. Adobe already has an extensive portfolio of products, divided into their three product packages: Creative Cloud, Document Cloud and Experience Cloud. Adobe Build will be a profitable way of enriching positive, creative experiences, thus improving Adobe's standing in the creative world.

1.3 Industry Analysis

The global market for website building is expected to grow to a size of \$3.5 billion by 2032, with a CAGR of 5.8%. The number of websites has expanded at an exponential rate, from approximately 15,000 in 1992 to 1.98 billion in 2022. Whilst Adobe does have website development products, these are limited in their capabilities and so far, have not had much success in the market. Improving their web development capabilities, through the acquisition of Adobe Build, will give them easy access to this industry. Given Adobe's strong presence in the digital creative tools market, adding a website builder in conjunction will likely make them a powerful contender.

1.4 Market Analysis

The primary market of Adobe Build is technology start-ups, who wish to set up their online presence to attract more customers. In 2021, there were 1.35 million technology start-ups globally. In 2019, 83.4% of businesses with more than 10 employees had a website, indicating there is a serviceable population. Marketing strategies will be based on channels that are most likely to attract those who work at technology companies. This is through the use of Adobe's existing Instagram network, instructional videos released on YouTube, promotions at incubators and demonstrations at Adobe Max. This will help users get started with the new software, cultivating product loyalty from an early point.

1.5 Financial Projections

Adobe Build will require an initial budget of £1.3 million, for the first two years. In December of Year 2, the product will begin to gain a positive revenue, and by mid-Year 3, the deficit will be entirely recovered. By the end of Year 5, Adobe Build will have a profit of £1 million.

Adobe Build

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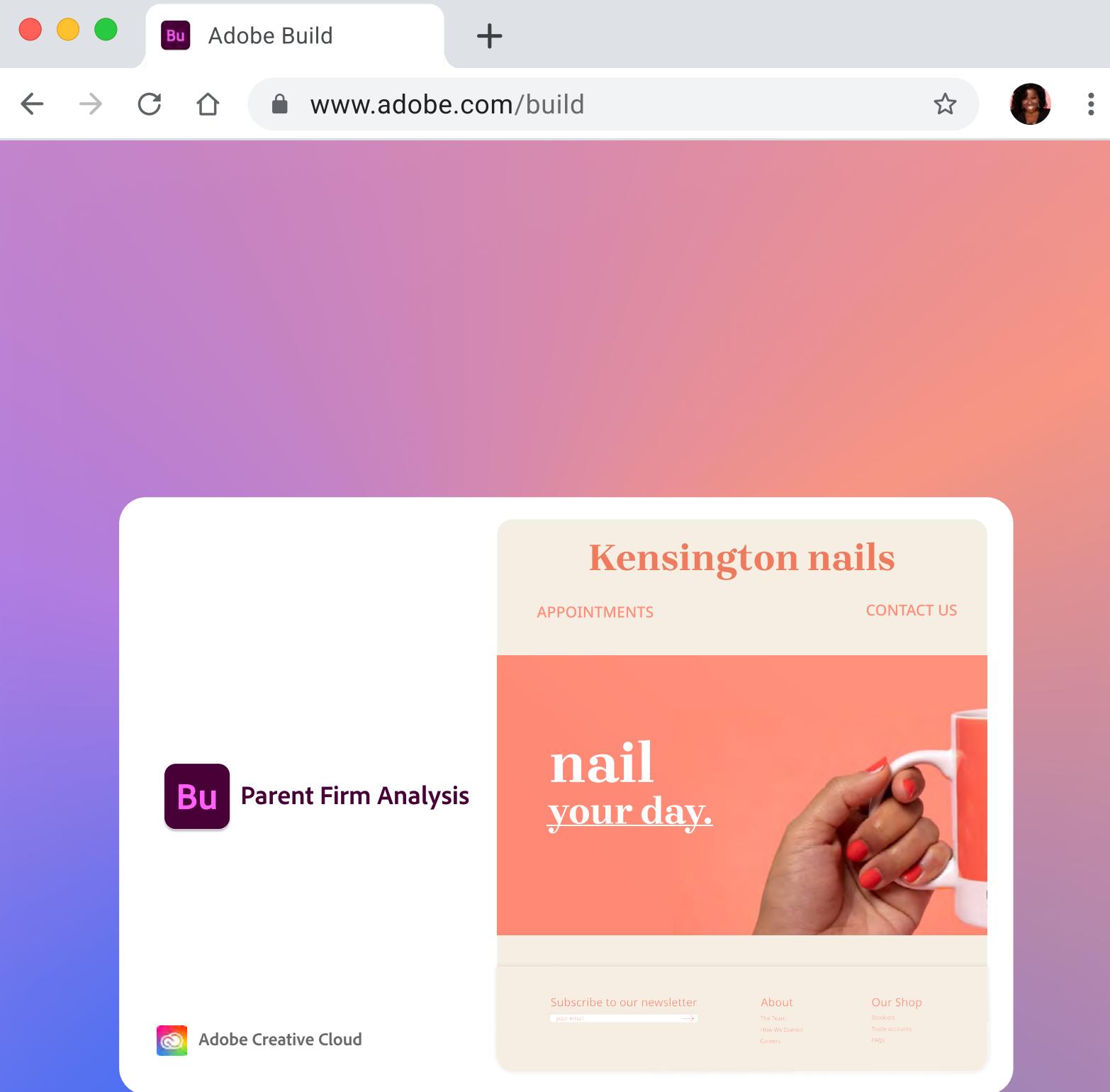
Stockists

Trade accounts

FAQs

Bu Parent Firm Analysis

Adobe Creative Cloud



2.1 Adobe

Adobe is an American multinational software company, centred on constructing digital outlets for creativity. It was founded by John Warnock and Charles Geshke in 1982 to launch PostScript, a printing technology they developed [1].

In the mid-1980s, Adobe entered the consumer software market by developing Adobe Illustrator and acquiring Photoshop [2], which later became their most successful programme. In 1992 the PDF was created [3], becoming one of the world's most popular file types; Google has 2.2 billion PDFs publicly available [4]. By the third quarter of 2022, Adobe had a revenue of \$4.43 billion, 93% of which came from subscriptions (see Figure 1).

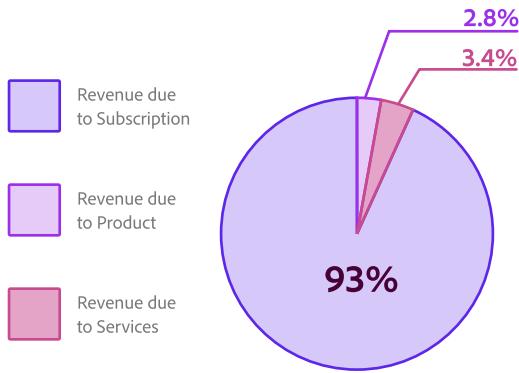


Figure 1. Adobe's Revenue by third quarter of 2022

Adobe has achieved revenue growth of 13.86% [5] and has an improved market share of 1.34% year-over-year [6]. After operating in the industry for several decades, it is known for offering the best graphic design and illustration tools. It continues to please its clients by releasing cutting-edge apps. They currently operate within three main segments: digital media, digital experience, and publishing. To see the revenues of each segment, see Figure 2.

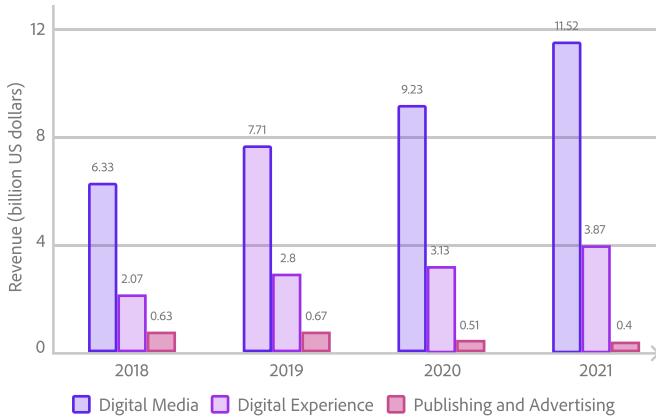
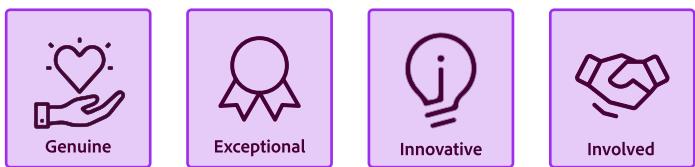


Figure 2. Adobe's Revenue by Segment

2.2 Mission, Vision & Values

Adobe's Mission:
to change the world through digital experiences

Company Values



Corporate Responsibility



Figure 3. Adobe's Mission and Values

As shown in Figure 3, Adobe's mission statement shows they are dedicated to advancing society through creativity. They are prepared to redefine digital experiences to guarantee that their products have positive impacts. This follows through to their company values, which power each sector of their corporate responsibility.

2.3 Adobe's Company Structure

The Digital Media segment of Adobe encompasses the Creative Cloud and the Document Cloud. Creative Cloud includes Photoshop, XD, and Stock whilst Document Cloud includes Acrobat DC, Scan, and Sign. This segment focuses on allowing "individuals, teams, and enterprises to create, publish, and promote their content anywhere" [7], accounting for 73% of 2021 total revenue at \$11.52 billion [7].

The Digital Experience segment contains the Experience Cloud, including Adobe Analytics and Adobe Experience Manager. Its intention is to "enable brands and businesses to create, manage, execute, monetise, and optimise customer experiences" [7]. Digital marketing accounted for 24% of the total revenue in 2021, evaluating at \$3.87 billion [7].

The Publishing and Advertising segment "contains legacy products and services that address diverse market opportunities, including eLearning solutions and technical document publishing" [7]. This constituted 3% of 2021 total revenue at \$398 million [7].

2.4 Market Analysis and Adobe's Strategic Response

Market analysis for Adobe's top two revenue-producing segments was conducted. This was then compared to Adobe's strategy [7] and a SWOT analysis was conducted about Adobe within these two segments to identify opportunities within the market.

2.4.1 Digital Media

Figure 4 summarises the key trends within this market and the companies implementing them. The trends are rated on a scale of how disruptive it is, against how established it is.

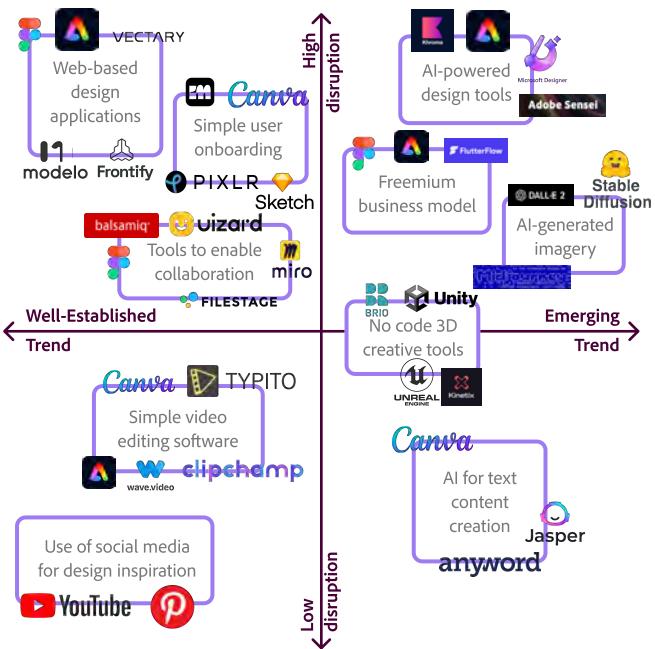


Figure 4. Digital Media Trends

Adobe's aim for Digital Media is to turn it into the leading platform for digital documentation workflows. By continuously developing all software, Adobe hopes to enhance the experience of their current customer base, whilst also expanding it. The company aims to provide both innovative creative outlets and increase document productivity. This will be done using data-driven, customer-centred processes, facilitating the learning process. Some of the prominent market trends from Figure 4 were explored further.

2.4.1.1 Browser-based Software

A prominent trend includes a shift towards browser-based software (e.g. Canva and Figma). Adobe launched Adobe Express in 2017, which is a browser-

run version of Photoshop (launched as a freemium business model) to increase accessibility of their product. It has been successful and is now being used as a tool for education by 43 million students and teachers around the world [8].

Adobe want to expand into browser-based software and make onboarding to Adobe an easier process

2.4.1.2 AI-powered design tools

There is a trend towards the use of AI for content creation and in particular AI-powered design tools. For example, Microsoft recently launched Microsoft Designer. It uses AI to create a document based on a few inputted words and DALL-E 2, a text-to-image AI system, to generate images. Microsoft's application, Sketch2Code, also uses AI to turn hand-drawn designs into HTML prototypes. Other applications include Khroma, to generate colour palettes that users like, and Google's AutoDraw, which suggests clip art using a sketch. In 2017, Adobe introduced Adobe Sensei, an ML algorithm, which automates mundane and repetitive tasks by understanding and predicting user data, thus saving time and enhancing their experience. Currently, Adobe are also investigating the use of Generative AI within their products (e.g. Photoshop and Adobe Express) [9].

Adobe is beginning to use AI more readily to collect customer data and provide more relevant experiences

2.4.1.3 Tools to Enable Collaboration

Since the pandemic, there has been a shift to hybrid working environments [10]. Therefore, design tools must adapt to the changing remote working habits. Design tools that aid online collaboration have become increasingly popular [11]. These include: Balsamiq for wireframe collaboration, Filestage for file review and management collaboration, Miro for whiteboard collaboration, and Figma for interface design collaboration. Adobe's acquisition of Figma demonstrates Adobe recognises the need for collaboration in the market. Adobe's CEO stated, "the combination of Adobe and Figma is transformational and will accelerate our vision for collaborative creativity." [12]. Adobe currently uses Creative Cloud Libraries and documents for collaboration, however, these are not as responsive, or "live" as other applications.



Adobe recognise the need for design collaboration

2.4.1.4 Use of Social Media for Design Inspiration

Adobe are constantly looking for new ways to connect with the creative community. They have shown this through creative residency programmes, and live interactive tutorial sessions with creative professionals on Behance. However, research from Storyblocks shows that although Adobe is the preferred content creation tool, many people have started to look elsewhere for inspiration. Particularly millennials, who look towards YouTube and Pinterest for design inspiration [13].



Finding ways in which Adobe's target market interact with creative content is vital in sustaining the Adobe ecosystem

2.4.1.5 Adobe's Innovation Strategy

Adobe has a variety of products on the Creative and Document Cloud. Their breadth of product offerings is unlike other companies in the market. However, there is market competition for individual/sets of products. Therefore, Adobe must continue to innovate products in line with market trends. Adobe has accelerated its creative innovation by acquiring companies and merging their technologies within existing (or new) Adobe products. For example, on 7th October 2021, they acquired Frame.io, enabling the launch of their collaborative video editing platform.



Acquiring companies allows Adobe to expand into new areas of innovations and grow their customer base

2.4.2 Digital Experiences

Figure 5 summarises the most prominent trends within the industry of customer experience and companies who are implementing these trends. Many of these companies could be considered Adobe's competitors. Within the Digital Experience segment, to stay ahead of these trends, Adobe has a four growth pillar strategy: Data Insights Audiences (e.g Adobe Analytics), Content and Commerce (e.g Adobe Experience Manager), Customer Journeys (e.g Adobe Campaign), Marketing

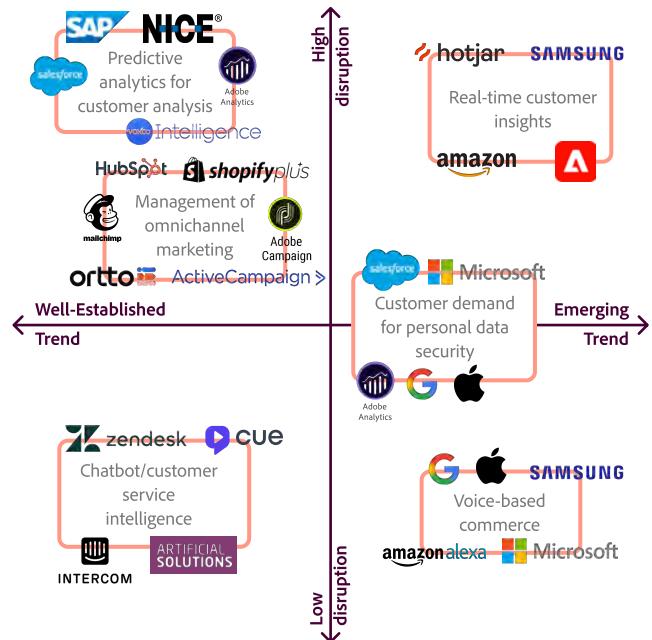


Figure 5. Digital Experiences Trends

Workflow (e.g Adobe Workfront). Further research was conducted into evolving trends on the matrix and how these aligned with Adobe's strategy.

2.4.2.1 Predictive Analytics and Real-Time Customer Insights

These trends align with Adobe's Data Insights and Audiences pillar, which focuses on delivering businesses with strong customer profiles using reliable AI-driven, real-time analytics, throughout the customers' journey.

IoT devices monitor and predict what the customer might need next, providing real-time insights. However, Adobe has Real-Time CDP (Appendix A.1) which finds real-time insights through customers' use of digital products. This platform builds a real-time model of the user so website content can be more efficiently adapted. Data from Adobe's CDP can also be analysed through predictive analysis (involves ML and statistical algorithms) to identify future customer journeys. The market for predictive analytics is expected to increase to \$28.1 billion by 2026 [14].



Adobe recognises the need for real-time data, and predictive analysis to maximise businesses' customer acquisition

2.4.2.2 Management of Omnichannel Marketing

Omnichannel experiences allow customers to have consistent experiences whenever they interact with a brand. This provides better customer satisfaction and engagement [15]. This trend aligns with Adobe's

strategic Customer Journeys pillar, which follows a B2E approach, through software such as Adobe Target and Adobe Campaign. These help businesses "manage, test, target, personalise and orchestrate campaigns and customer journeys" [7]. Through managing these different customer-related channels, Adobe is following the trend of omnichannel marketing.

 Adobe recognise the trend towards omnichannel marketing by providing products to enable it

2.4.2.3 Other Pillars

Adobe's other two pillars relate to Content and Commerce and Marketing Workflow. These do not directly align with the matrix since they focus on the business management side of customer experience.

2.4.3 Related Industry Analysis

Although it is hard to pin down direct competitors for Adobe, SaaS (Appendix A.1) is a huge market with many large companies and over 14 billion users worldwide. Most SaaS firms (approximately 60%) are located in the US. By 2026, it is expected that the SaaS industry will be worth \$307 billion [18]. As of December 2022, Adobe is the largest SaaS company with a market value of approximately \$159 billion, closely followed by Salesforce with a market value of \$145 billion [19]. Market capitalisation is crucial for allowing prospective investors to gauge a company's value and size in relation to other businesses. Adobe is the fourth most valuable with a market cap of almost \$244 billion [20]. The SaaS companies with the largest market cap are Apple, Microsoft, and Alphabet (Google), making them Adobe's competitors.

2.5 Adobe Position Proposal

The division between Digital Media and Digital Experience allows the capitalisation of opportunities within these segments. However, overlapping both areas opens untapped opportunities. Adobe's expertise in professional design tools combined with their strong understanding of measuring and predicting consumer behaviour could create a product that is uniquely different to anything on the market.

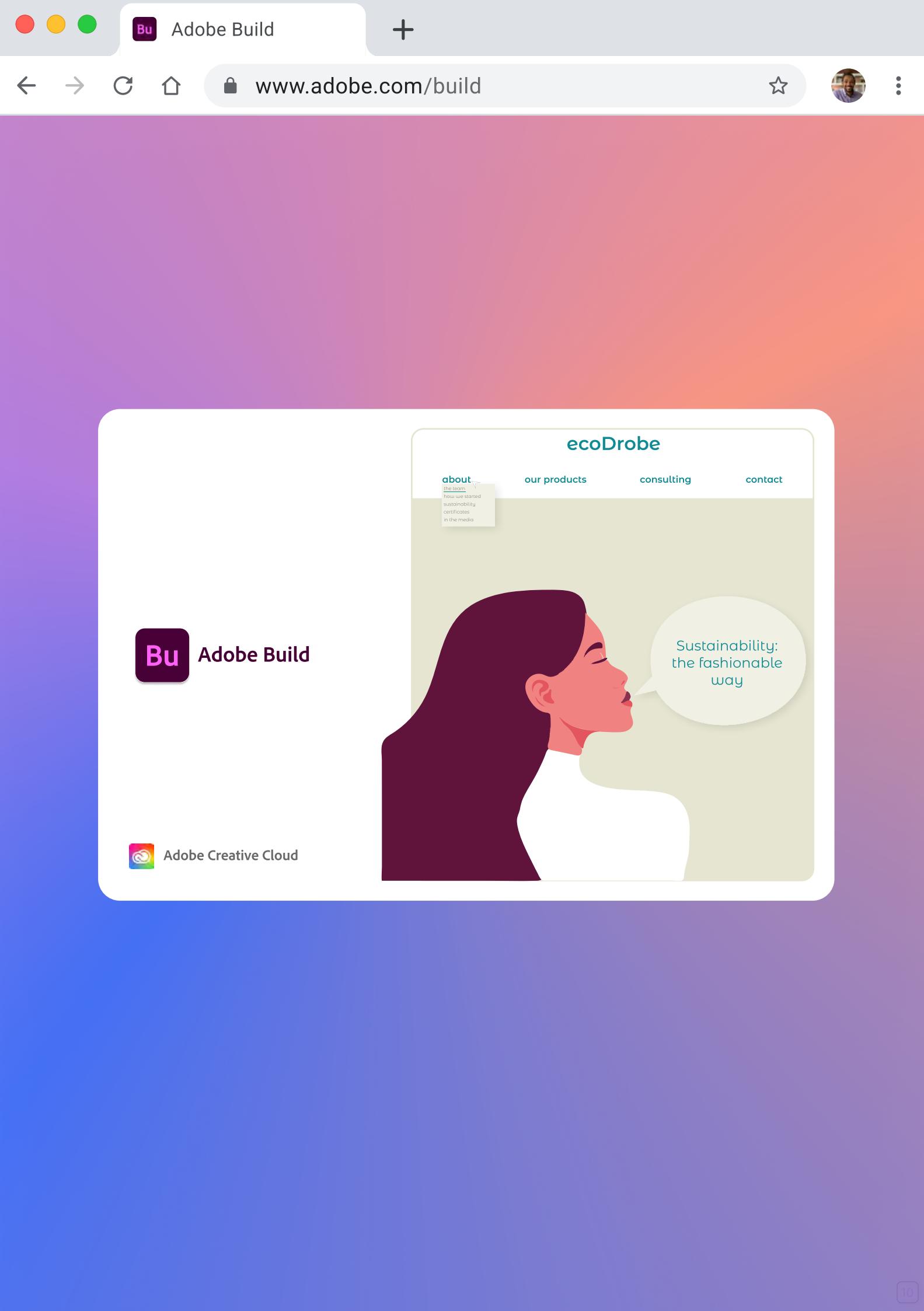
Our product would fit within the Digital Media segment. By incorporating analytics, an extensive

dataset will be collected, providing the user with more relevant and implementable insights. Our product will capitalise on the market trends outlined in Figures 4 and 5. AI-powered design tools, data analysis for deep customer insights, and simple user onboarding will allow our product to flourish within the market.

Adobe are clearly investing money into CMS (Appendix A.1), as shown by their acquisition of Magento. Table 1 demonstrates Adobe's aim to expand their involvement in the interface between the customer and the business. However certain elements are lacking, which our proposed product will fulfil.

Table 1. Comparison of Adobe Products

Products	Pros	Cons
Adobe Commerce 	<ul style="list-style-type: none"> Scalability Flexible drag and drop customization Omnichannel marketing 	<ul style="list-style-type: none"> Very difficult to navigate Not intuitive Not affordable
Adobe Portfolio 	<ul style="list-style-type: none"> Intuitive Automatic image sizing Unlimited image collection 	<ul style="list-style-type: none"> No e-commerce support Limited customisation Ambiguous pricing
Adobe Analytics 	<ul style="list-style-type: none"> Easy import and export of data Good integration with other marketing cloud products 	<ul style="list-style-type: none"> No reporting tools No customer support
Adobe Dreamweaver 	<ul style="list-style-type: none"> Provides coding suggestions Live Preview mode 	<ul style="list-style-type: none"> Not affordable Not intuitive Require coding knowledge



Adobe Creative Cloud

3.1 Idea-In-Brief

We are Adobe Build. We help start-ups reach their customers and increase their brand awareness through easy, data-driven website development.

Adobe Build is a browser-based website design software (Figure 6), that provides small businesses with the flexibility and freedom to create anything they want whilst receiving professional design feedback from an AI Editor. The Editor makes real-time suggestions based on graphic design principles, ease of use and current trends in web development (e.g recommendations on layout and colour coherence). The upgraded AI Editor's suggestions will allow for constant design iteration, so the website is never static. This will provide the user with feedback ensuring the website stays up-to-date and reduce time spent on editing.

The user can then publish the website to their selected domain, hosted by Adobe Build, and keep track of the website analytics. This will then feedback into the AI Editor, informing more suggestions for design choices.

3.1.1 Building the Website

Websites can be built from scratch on Adobe Build. However, if the user has an existing website, they can provide the URL, and their website will become

editable on Adobe Build. For data security, website ownership will be verified before transferring. Modifications to the current design will always be possible for subscribed users.

Unlike existing website builders, Adobe Build gives their users the creative freedom to work free of templates and traditional constraints. This freedom, combined with the AI Editor, will be attractive to start-ups that are under strict time constraints, and have little experience working with design software. Furthermore, for simpler editing, a drag-and-drop method will be available. The software's element recognition system will place recurrent blocks into the menu. This optimises the process, matching the needs of inexperienced users.

User research concluded that full, live collaboration was not necessary since greater permissions and control were needed on the website. To allow secure edits Adobe Build has two modes: Designer Mode (fundamental structure of the website can be changed) and Reviewer Mode (only text can be changed).

3.1.2 AI Tips Editor

The dataset to train the ML algorithm will be sourced from creative content sites (e.g. Dribbble and Behance), digital design competitions (e.g. Awards, The FWA, Adobe Digital Edge Awards) and UI

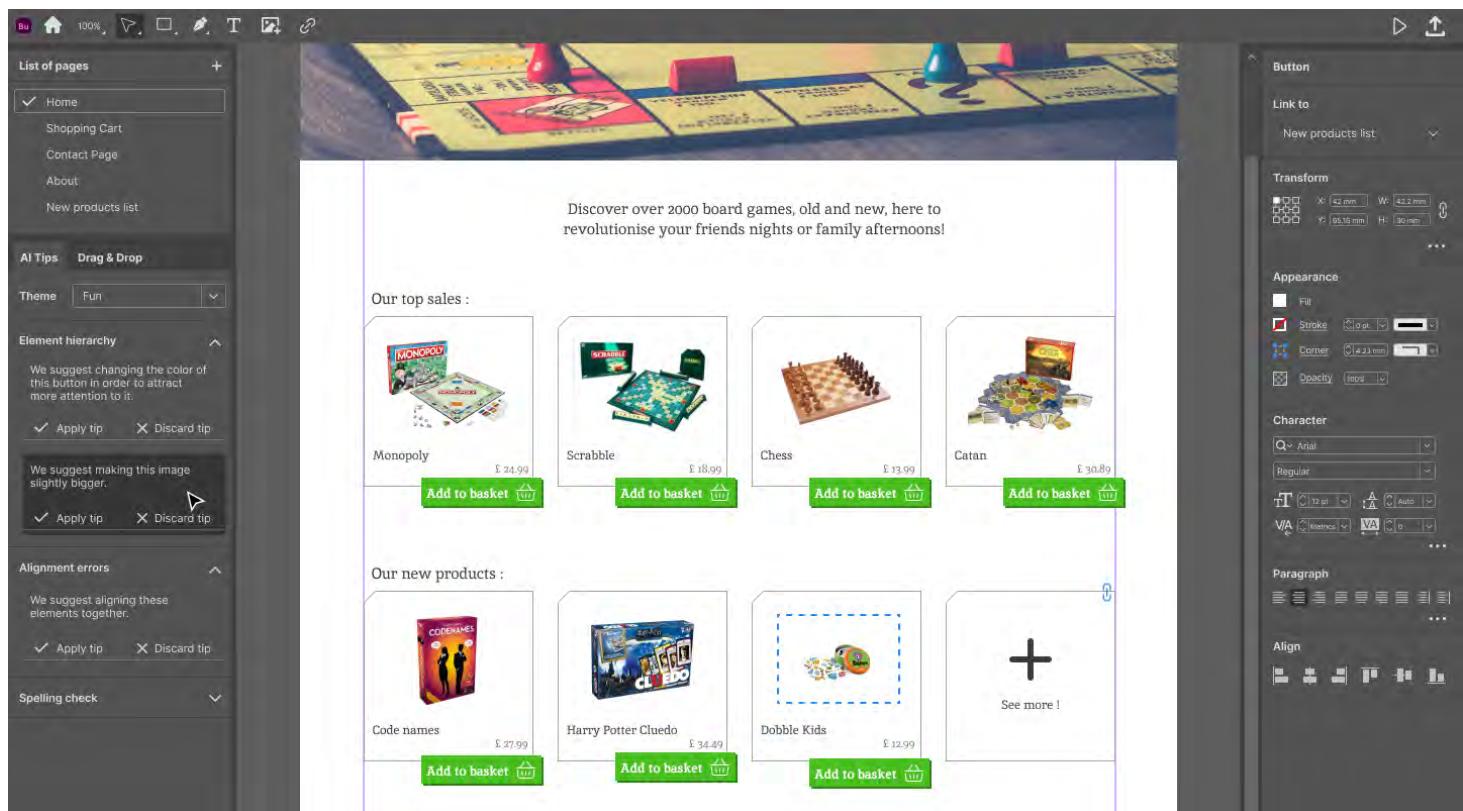


Figure 6. Adobe Build Interface

documentation (e.g. Material Design). This is to analyse successful websites' UX and UI, and therefore provide useful and insightful suggestions. If the user does not have an existing website, a theme can be chosen (e.g. elegant, technical) to base the design on. A quick quiz is available to help unsure users decide on a theme. The Editor will provide recommendations in line with the chosen themes.

The suggestions provided by the editor can be accepted or rejected by the user. If the user chooses to accept, it will automatically be implemented into the website design.

3.1.3 Hosting and Analytics

Users can host their website on Adobe Build with a selected domain name (an important feature for users). Adobe Build creates real-time profiles, statistics and heat maps of visitor interactions for the user to identify areas where they became disinterested. Visitors' journeys with the website would be recorded and private data removed for protection. This data would not only be displayed to the website owner (as shown in Figure 7) but also fed into the AI Editor. It would combine the data with predictive analytics to anticipate customer needs, improving the website to ensure that these desires are met.

3.2 Competitive Overview

To get a complete overview of the competitor landscape the most popular website builders and website analytic software were researched. Although some website builders, like Wix, have analytic tools, they are not widely used. Adobe Build will be a strong competitor as it combines website builders and analytic software, enabling users to make data-informed improvements to their website with one simple click.

3.2.1 Website builders

Around 18 million websites on the internet use simple website builders [21]. With more than 45% of the website builder market share, Wix [21] [22] is dominating the market. Over 8 million active websites use it, three times as many as Squarespace, its closest rival [21]. Wix is a cloud-based web development platform that allows users to create HTML5 websites and mobile sites through the use of their online drag-and-drop tools. Squarespace [23] is a SaaS-based CMS, composed of a website builder, blogging platform and hosting service. Weebly [24] is considered the best for small businesses, making it the closest competitor of Adobe Build [25]. It is a web-hosting service featuring a drag-and-drop website builder. 1 million websites use Weebly, giving it a market share of 6% [21].

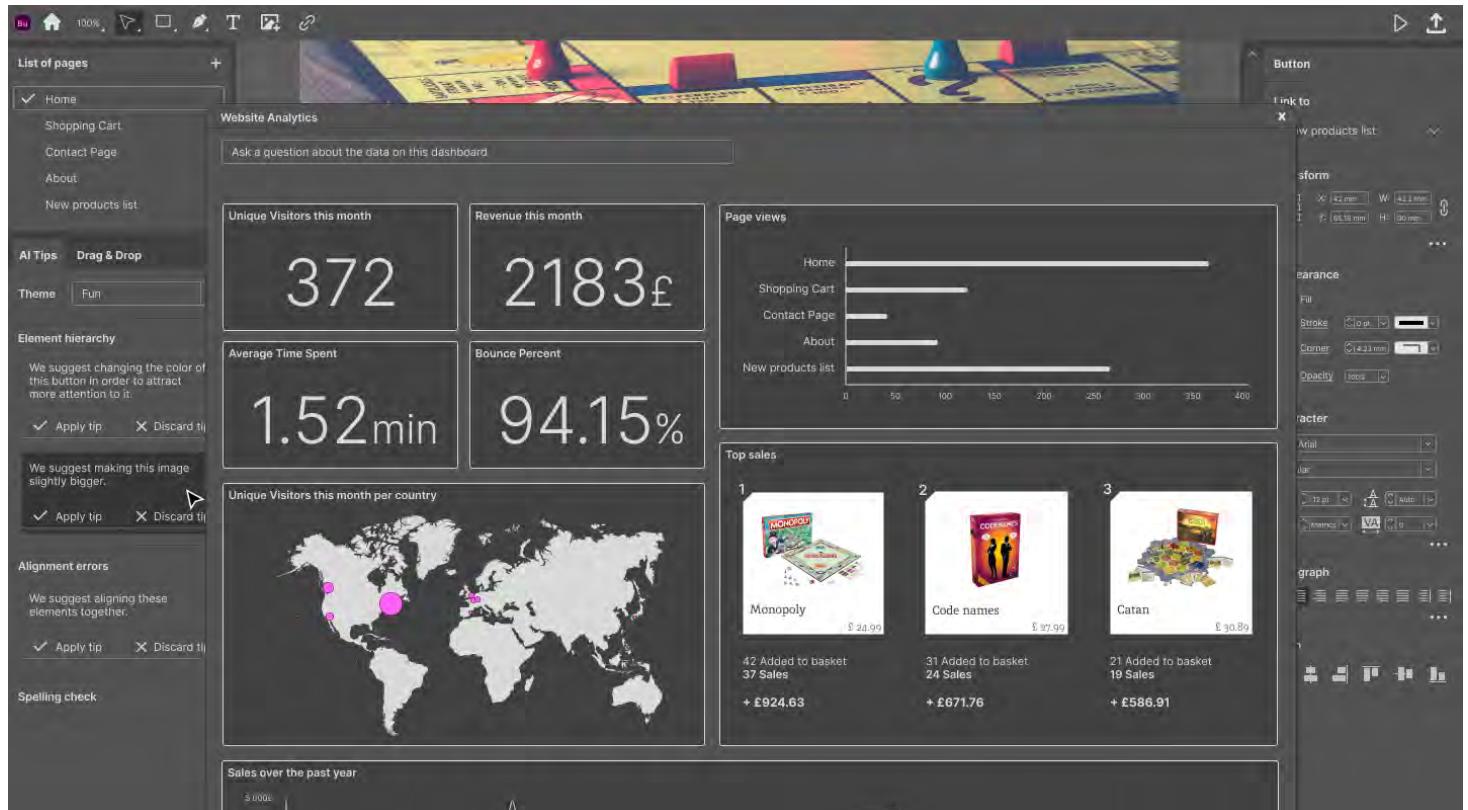


Figure 7. Adobe Build's Analytics Tab

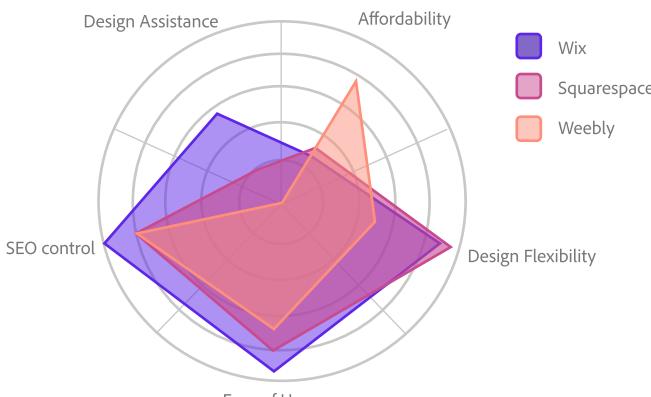


Figure 8. Radar Graph

Figure 8 compares the top two performing website builders, Wix and Squarespace with Adobe Build's closest competitor, Weebly.

3.2.2 Website Analytics

According to a survey of 2000+ professionals, the most popular web analytics tools are Google Analytics, Adobe Analytics and Mixpanel [26]. Google Analytics [27] is 70% more popular [26] than Adobe Analytics and Mixpanel, making it the most widely used web analytics tool for monitoring and comparing website traffic and campaign conversion rates. Including funnel visualisation, referrers, time spent on the site, their location, and custom visitor segmentation, Google Analytics uses a variety of methods so users gain insights into how their website is performing. It also can import all of its data from Google Ads, providing seamless integration [28], standing out further compared to competitors.

Adobe Analytics [29] is the second most popular web analytics tool, demonstrating that Adobe already have a good reputation for website feedback. Through predictive intelligence and flexible reporting, Adobe Analytics offers deeper insights into pertinent data, assisting organisers in analysing information along the customer journey. The platform is packed with several award-winning technologies that can be trusted to transform enormous volumes of online data into clear insights that anybody can use. Additionally, the software's AI-powered predictive analytics uncovers under-the-radar opportunities with a simple click. Faster decision-making is made possible by real-time integration with Adobe Sensei. [28]

Mixpanel [30] is equally as popular as Adobe Analytics. It is a website analytics platform that has the capability to understand each user's journey on a

website. With this platform, the user can combine all of their data sources and quickly learn about the behaviour of their visitors. It allows them to push alerts to their customers in an effort to boost sales and client engagement. Furthermore, it utilises ML, to prevent data mining and immediately acts on insights. It also provides a funnel function that aids in determining where and why they are losing consumers [28].

3.2.3 Conclusion of Competitive Overview

When comparing our proposal against Adobe Commerce and Weebly (website builders aimed at businesses), user research indicates that it will be successful, as it is not limited in the same way that Weebly is. The incorporation of an Adobe Analytics style tool will increase its usage, due to the popularity of this feature. The combination of building and analytics makes Adobe Build a likely competitor in the market (see Table 2).

Table 2. Comparison of Adobe Build Against Website Builders Tailored for Businesses

Products	Adobe Commerce	Weebly	Adobe Build
Affordable	✗	✓	✓
Intuitive	✗	✓	✓
Customisation	✗	✗	✓
Data-driven design	✗	✗	✓
Web Analytics Feedback	✓	✓	✓
Low Maintenance	✗	✗	✓

3.3 Adobe Build's Marketing Strategy

Adobe Build facilitates the implementation of changes on a website using an AI tips editor and a quick drag-and-drop option. These are advantageous for incubator technology start-ups, which often don't have a secure business model in place and are constantly evolving. Therefore, our marketing strategy was initially built targeting them and can be expanded to encompass other customer segments in the future. A customer profile of a tech start-up was developed to identify the ideal marketing channels, shown in Figure 9.

In reference to Porter's Five Forces model, our product has the potential to be a big competitor in the market due to its low switching costs. This is because pre-existing websites can be imported with a click of a button (they do not have to be rebuilt) and the software has simple onboarding.



USER PERSONA

Neal Saleem

ABOUT

Neal is Bio Engineering graduate from Imperial, who wants to begin his start up with a new technology that he has developed. His company, Fitly, is a London-Based Startup, bringing an innovative wearable gym and fitness tracker to the market.

NEEDS

- To establish an online presence quickly
- To create his own website so that he can update it
- See consumer behaviour on his website
- Have a unique website that fits with the brand identity he has created

GOALS

- More investment opportunities
- Expand Fitly outside of the UK
- Start marketing his products online

PAINPOINTS

- Does not have much business knowledge
- Does not have much confidence in designing websites
- Tried using Weebly but felt design options were limited
- Does not have coding knowledge

EDUCATION Imperial College London

JOB TITLE Technology Start-up CEO

EXPERIENCE 2-3 years

PASSIONATE

AMBITIOUS

RESOURCEFUL

CURIOS

FAVOURITE APPS







Figure 9. Target Customer Profile

3.3.1 Marketing channel - Instagram Accounts

Adobe already has a notable presence on Instagram with multiple accounts for different countries and software, the main one reaching over 1.4 million followers [31]. Capitalising on this network, Adobe Build's launch would be advertised, as shown in Figure 10, with varying intensities on several accounts. As Adobe tends to post multiple times every day across all accounts, Adobe Build would be advertised every three days on its own account and every month by Adobe and Adobe Creative Cloud. A greater frequency of posts is expected around Adobe Build's launch, rapidly growing the community's interest. This could encourage Adobe's existing tech start-up followers to click through to the website, and then subscribe to the 14-day free trial. The conversion funnel in Figure 11, summarizes the users acquired through this channel.

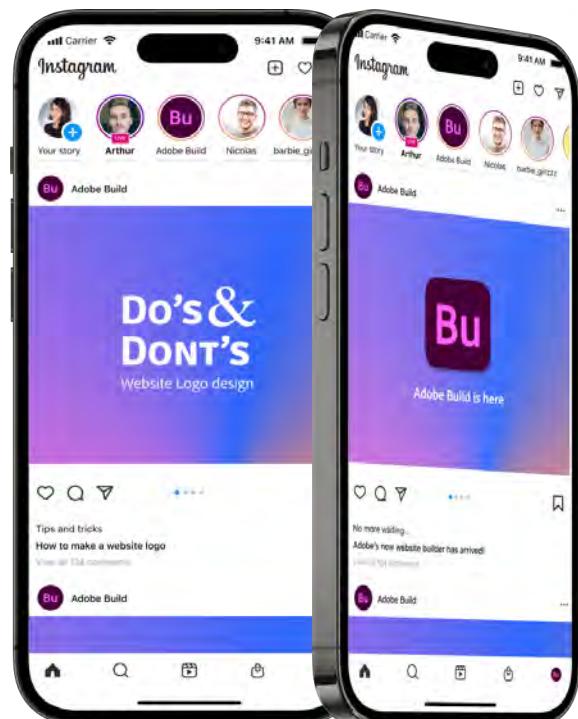


Figure 10. Instagram Account Post

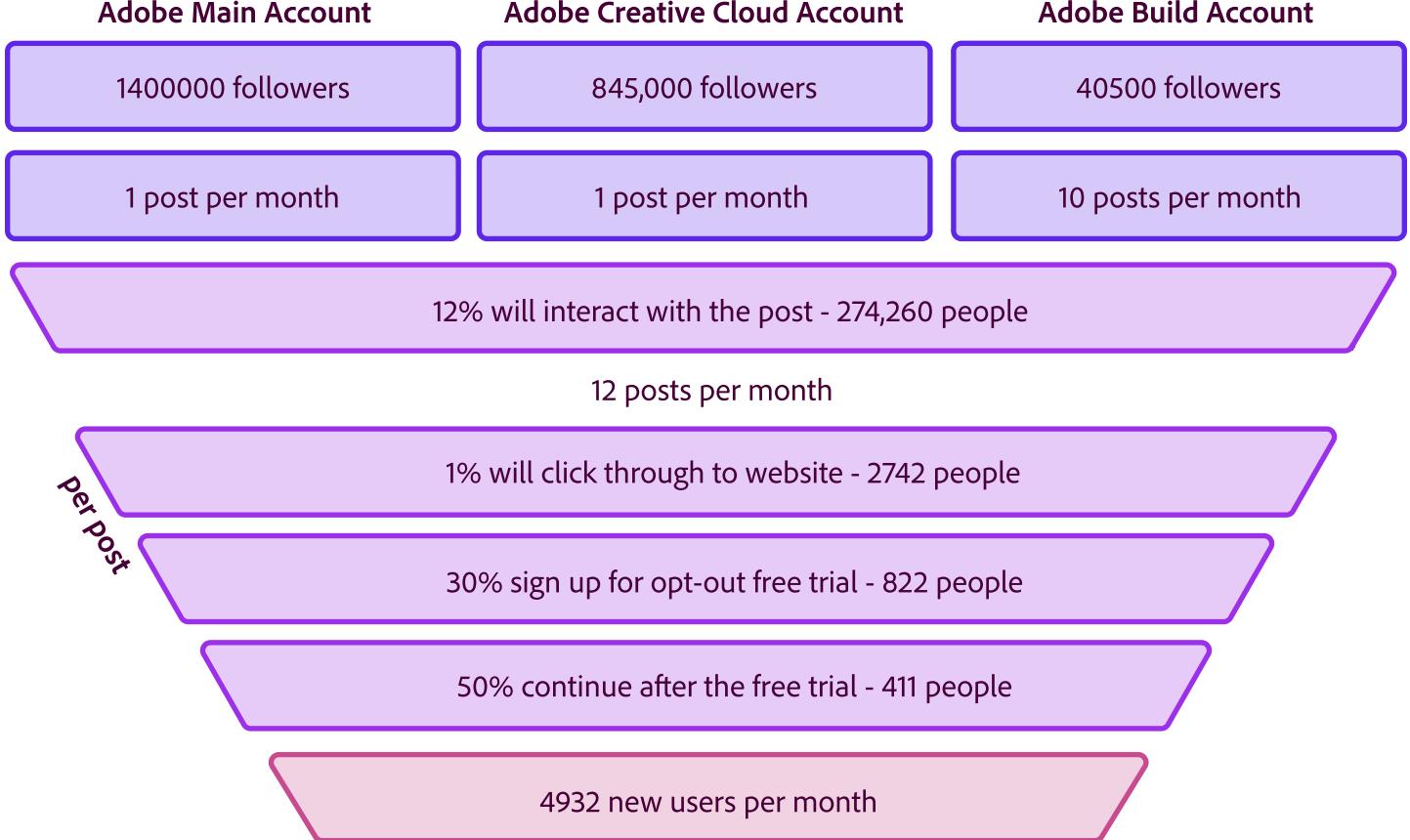


Figure 11. Instagram Accounts conversion funnel - values derived from the P&L table

3.3.2 Marketing channel - Incubators



Figure 12. Incubator Session

Several tech start-ups begin in incubators, which help them grow with tutorials and expert advice. Targeting these customers by running workshops that demonstrate Adobe Build, shown in Figure 12, showing how the product works and benefits them. The workshop would have a £10.00 attendance fee. However, since these tech start-ups often have little to no design knowledge, it will give them first-hand experience using the product and tailored advice to use it effectively. Additionally, the provided free trial will be extended to one month so they may continue to use the product and explore it further, boosting the probability of them renewing their subscription (see Appendix A.2.1). The cost of this extra would be deducted from our revenue.

3.3.3 Marketing channel - Adobe MAX

Adobe MAX is an annual conference held by Adobe to present new developments, products and expand its community of creative professionals and is known for its high attendance (see Figure 13) with 6000 people in 2022 [32]. Adobe MAX provides a substantial stage to roll out Adobe Build, advertising it directly to those attending the event, giving them first-hand experience of the product with an opt-out free trial. If the software is liked by those attending, it would be spread through word of mouth and by individuals' or businesses' own channels, increasing the number of customers (see Figure 14). As this is an annual event, there is already a budget set aside by Adobe to host it, although our team's travel costs need to be covered.



Figure 13. Adobe Max

6000 customers attend the conference

43% go to the website - 2580 people

Each person convinced tells 2 people about the software - 7740 people

30% sign up for opt-out free trial - 2322 people

50% continue after the free trial - 1311 people

1311 new users per year

Figure 14. Adobe Max conversion funnel

3.3.4 Marketing channel - YouTube

Promotional and 'how-to' videos can be released on YouTube to publicise Adobe Build and encourage customers to visit the website (see Figure 15). Learning about the product through a video encourages free trial users to renew their subscriptions as they become more familiar with the software (see Appendix A.2.2). Initially, these videos would be tailored to those in start-ups, with these being released a few months across the year. This channel has the biggest expense as the content creators would need to be paid per video. The number of videos is likely to grow as the target market expands, resulting in further costs.

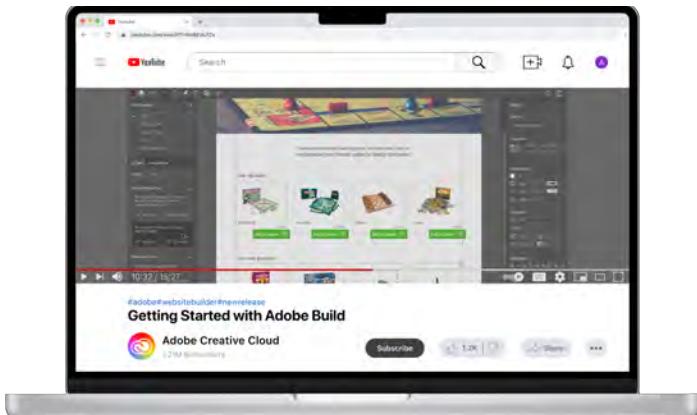


Figure 15. Youtube Tutorial Videos

3.3.5 Post-acquisition

Customer acquisition was considered in Section 3.3, however as the Pirate Metrics demonstrate, the customer journey after acquisition is also important for maximising the LTV (Appendix A.1) of every

customer. Figure 16 demonstrates Adobe Build's strategy post-acquisition.

Acquisition

The customer acquisition is directly linked to our marketing strategy - explained in depth in Sections 3.3.1 - 3.3.4.

Activation

All users begin with a 14-days opt-out free trial which gives them the opportunity to familiarise themselves with our product. Easy, step-by-step tutorials on YouTube provide guidance for beginners set up their first company website. For tech start-ups in incubators, our masterclass sessions provide tailored advice and supports them to launch their website.

Retention

Once set-up, users have to do minimal website maintenance since the website traffic analytics and the AI Editor helps to keep it up to date. The specific Adobe Build forum encourages community growth by sharing experiences, advice and examples.

Referral

Community events, such as Adobe Max, encourages users to talk to people who haven't used the product before, increasing interest. Collaborations and company websites created on Adobe Build will be shared on their Instagram accounts, showing real-world results obtained with Adobe Build.

Revenue

The product is easy to pay for since the subscription model means that customers can add their card details once and forget about it. This results in a regular revenue stream of £16 per month per customer.

Figure 16. Pirate Metrics

3.4 Financials

3.4.1 Prospective Sales

After nine months of development, Adobe Build would be launched at Adobe MAX. Following the announcement, the product will debut on the market with an effective marketing campaign to reach potential users rapidly and consequently gain a profit quickly. For the four customer acquisition channels described above, an estimation of the number of customers driven to our product was found according to each acquisition channel's reach. Once

compiled, these revealed Adobe Build's customer base expansion from month to month for the first three years. Hence, the number of sales is directly correlated to marketing investments (shown in Figure 17). The main acquisition channel was identified as Instagram posts, driving about 300 new customers each month. This organic channel enables numerous sales with a yearly customer acquisition cost of about £4300 per year.

3.4.2 Projected Revenue

As Adobe Build is an online website-building service, the COGS only consists of hosting each customer's website. Every time a visitor loads a page of our customer's website, this page's data is duplicated, for which the storage must be paid. The storage needed depends on the number of visitors to a customer's website, which varies often for tech start-ups. Taking an estimate of 414 visitors per month for small businesses results in a COGS of £0.05 as cloud data storage is inexpensive. Taking into account the low value for COGS and our competitors' prices, Adobe Build's subscription price was defined as £16.00, which is equivalent to the entry-level prices of other website builders. As the revenue is proportional to increasing sales, the resulting gross profit will be quite high, as shown in Table 3, which is necessary to cover all other costs.

Table 3. Gross Profit

Years	1	2	3	4	5
Revenue (£)	170,072.70	3,183,722.57	5,541,843.77	7,899,964.97	10,258,086.17
- COGS (£)	553.78	10,358.74	18,037.04	25,715.34	33,393.64
= Gross Profit (£)	169,518.92	3,173,363.83	5,523,806.73	7,925,680.31	10,291,479.82

3.4.3 Direct and Indirect Costs

Research and development of Adobe Build's AI Editor was projected to be £25,000. A further £12,500 would be allocated for future improvements.

Employee salaries will be the largest expenditure, as shown in Figure 18. A competitive product will require multiple developers for both back-end and front-end development. Depending on the product's progress, the team's size and structure would change over time, with fewer developers once the product is operational. Marketing and sales personnel would also be needed. An average of £927,500 will be budgeted for the payroll annually.

All employees would require access to software such as GitHub and a performant laptop. A separate budget of £20,500 has been allocated for quarterly team lunches and desk rental in WeWork facilities per employee per year.



Figure 18. Other expenses per year

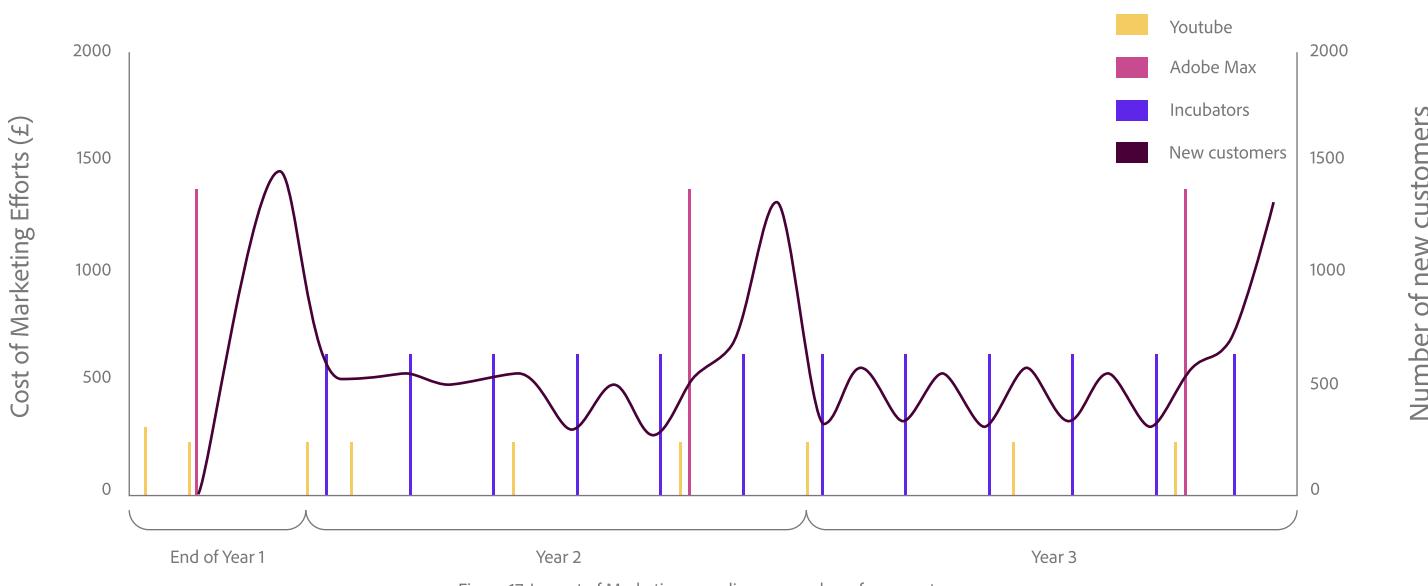


Figure 17. Impact of Marketing spending on number of new customers

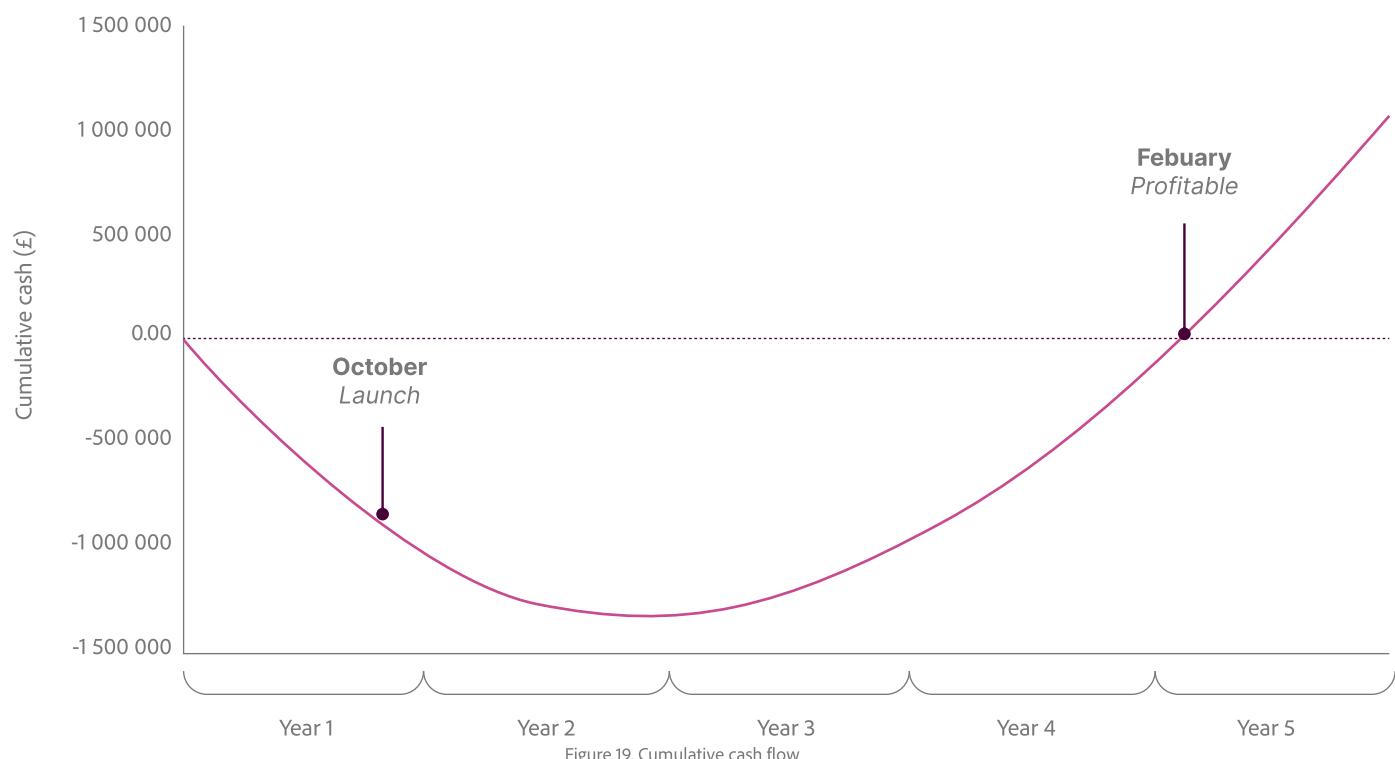
3.4.4 Projected Profit

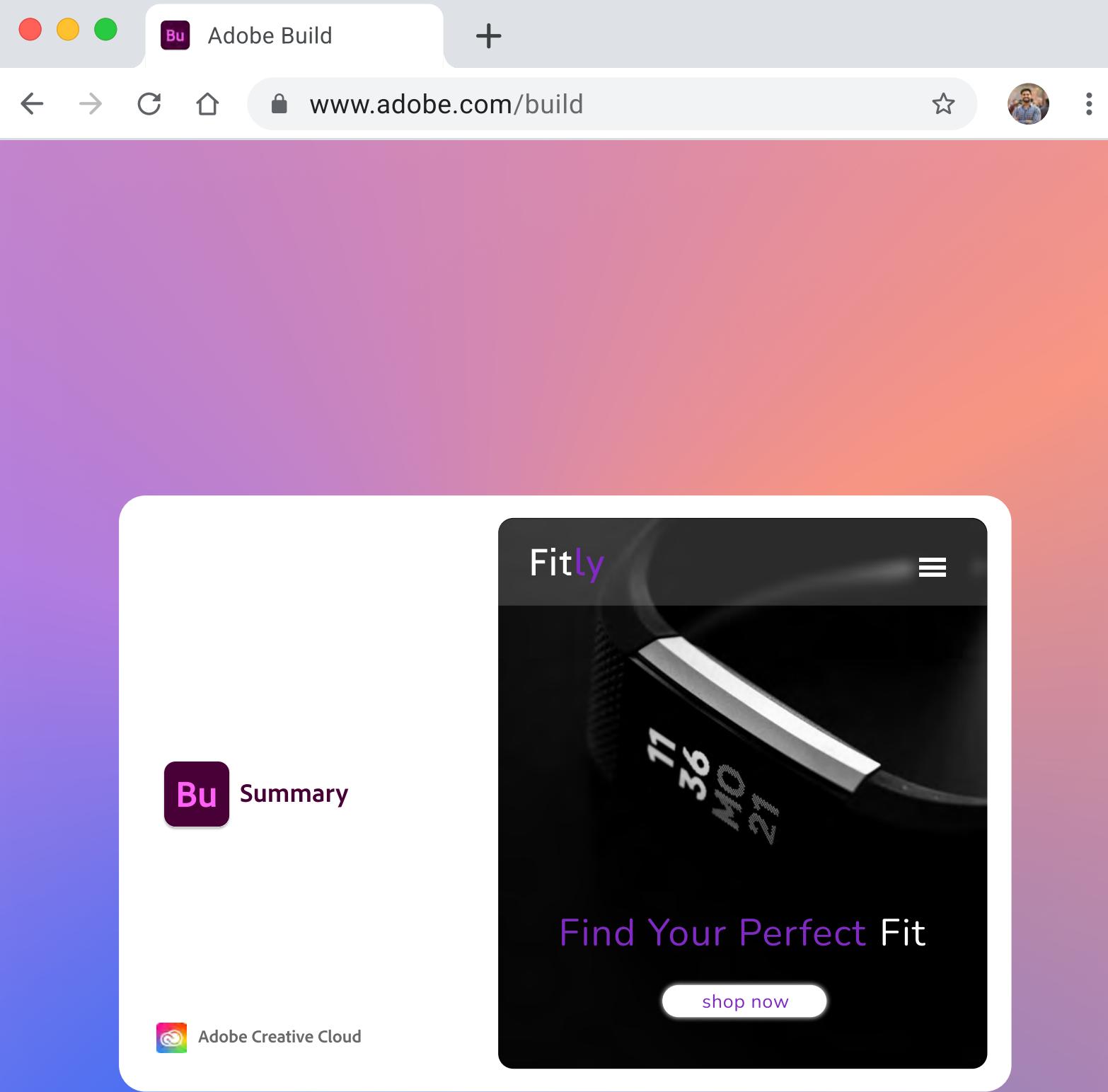
During the research and development phase of Adobe Build, a significant deficit would be accumulated. However, once launched, the marketing strategy would drive a steady increase in our customer base. The P&L table (see Appendix A.3) shows the company would start gaining a profit a year after launch, recovering the entirety of our deficit within three and a half years. This can be seen in Figure 19 depicting our statement of cash flow, showing the resulting growth in the following year.

Although this growth can vary in reality with a longer period in "the valley of death", the support of a well-known firm like Adobe and the benefits of our product relative to other website builders will allow Adobe Build to achieve success. Its projected future exponential growth will then boost Adobe's profit.

3.4.5 Conclusion of Financials

Adobe Build is an AI suggestion based website builder that expands Adobe's customer base to non-creative specialists. Focusing on small businesses, a competitive pricing strategy and targeted marketing channels such as running workshops will quickly accumulate users. While there is an initial high development, once launched Adobe Build has potential for a growing customer base resulting in steady growing profits.





4.1 Market Trends Fit

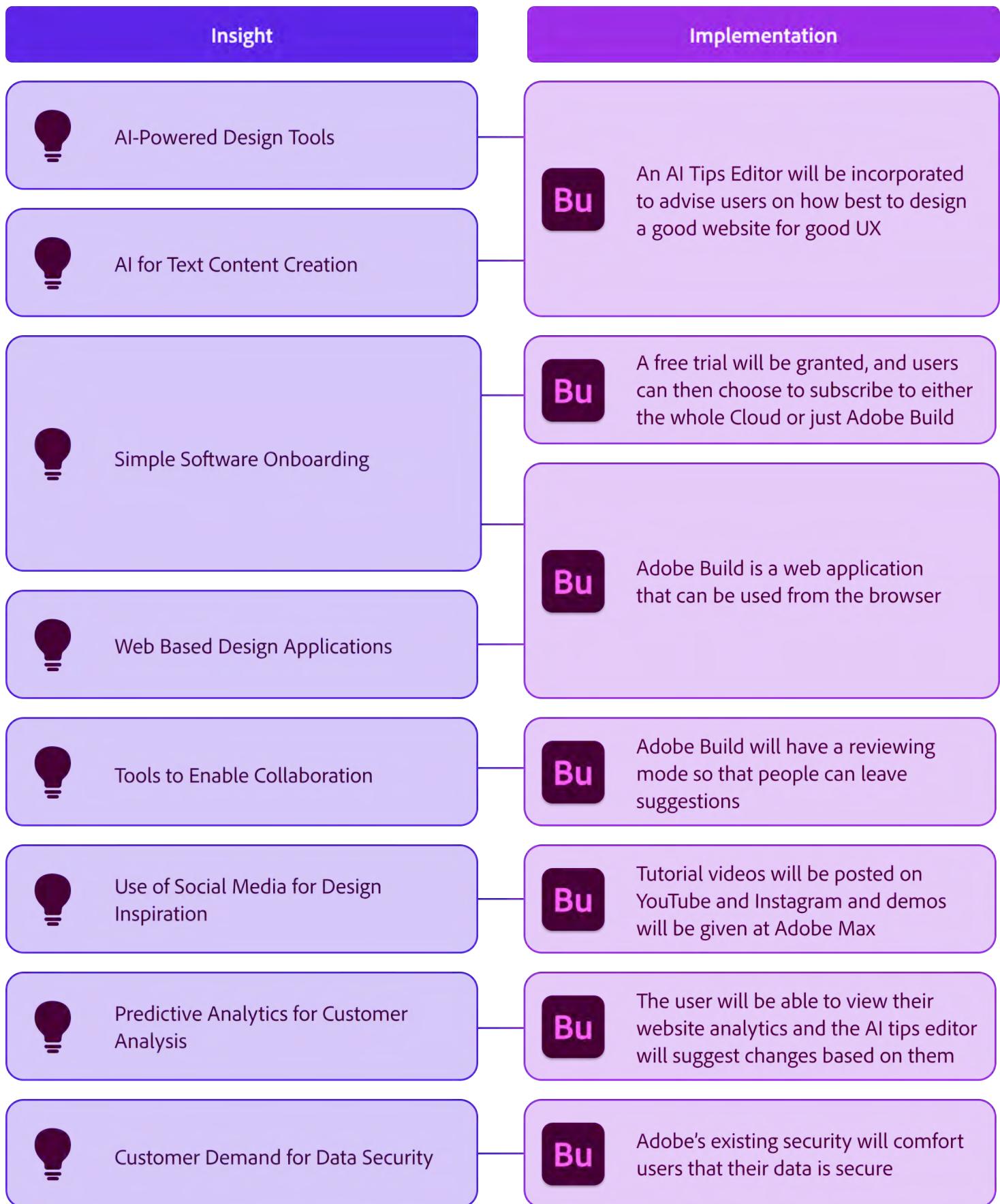


Figure 20. Company Fit Graph

4.2 Company Fit

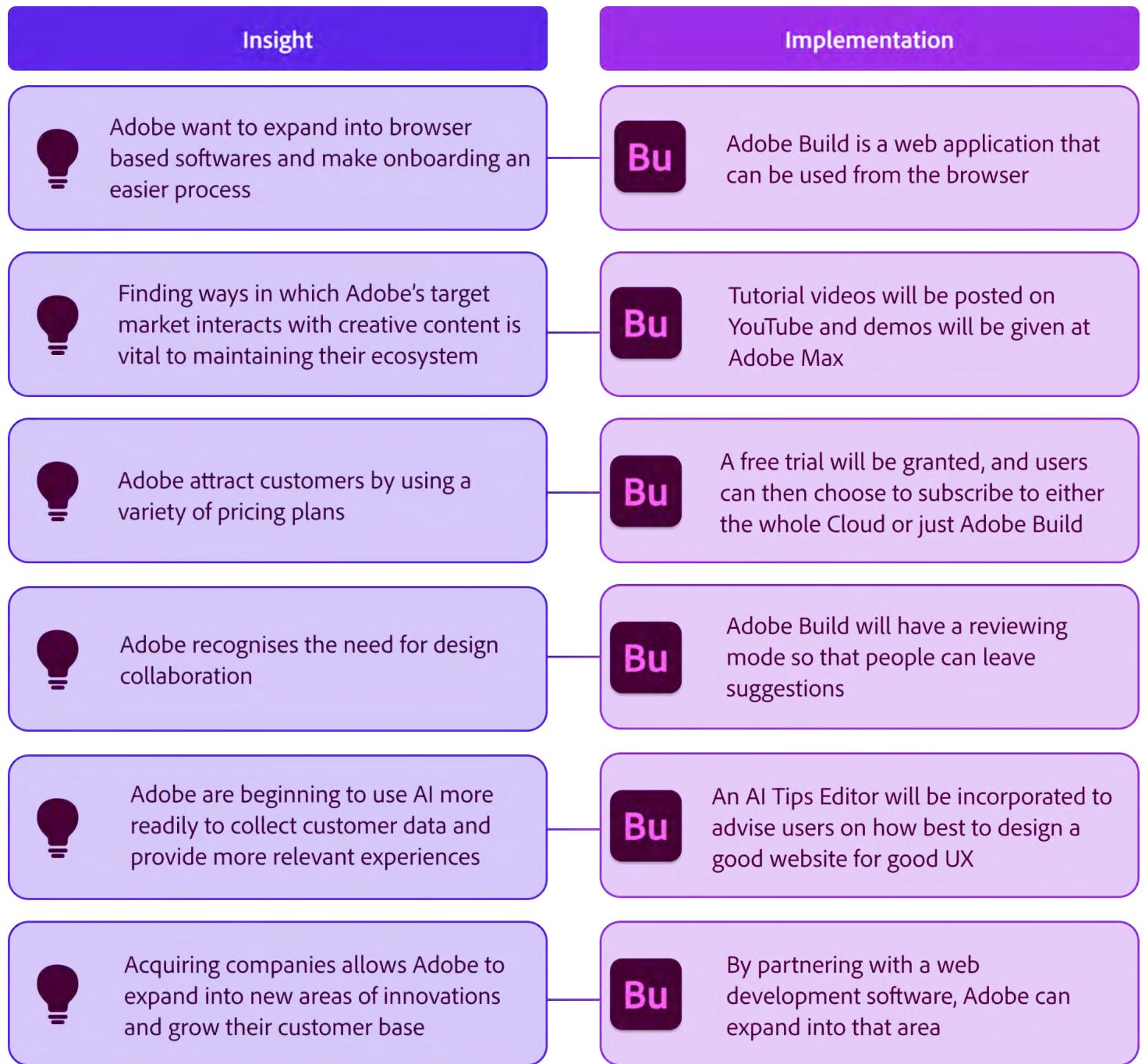


Figure 21. Marketing Trends Graph

4.3 Conclusion

Both Figures 20 and 21 show that the proposal of Adobe Build can not only meet the user needs, as indicated by the market trends, but also fits in well with Adobe's company strategy. The proposal is desirable, feasible and financially viable.

Adobe Build is desirable to customers, as indicated by user research, which led to the development and refinement of many features. It is also a fruitful venture for Adobe as it has the capability to expand its user base and provide technology that could be implemented in its existing portfolio.

Adobe Build is feasible as its software is a new combination of pre-existing technologies.

Adobe Build is financially viable as demonstrated by Section 3.4. It will make a profit of £1 million after 5 years. Therefore, Adobe Build is not only increasing Adobe's user base but is also a successful financial investment to increase their market share.



Adobe Creative Cloud

about

our technology

contact

A.1 Glossary

AI	artificial intelligence
ML	machine learning
SaaS	software as a service
CMS	content management system
CAGR	compound annual growth rate
LTV	lifetime value
valley of death	period of time before product is profitable
COGS	cost of goods sold
CDP	customer data platform
IoT	internet of things
freemium	pricing strategy where a basic version of the product is free but the user is charged for extra features

A.2 Conversion Funnels

A.2.1 Incubator Masterclass



Figure A1 Incubator Session conversion funnel

A.2.2 Youtube Tutorial videos

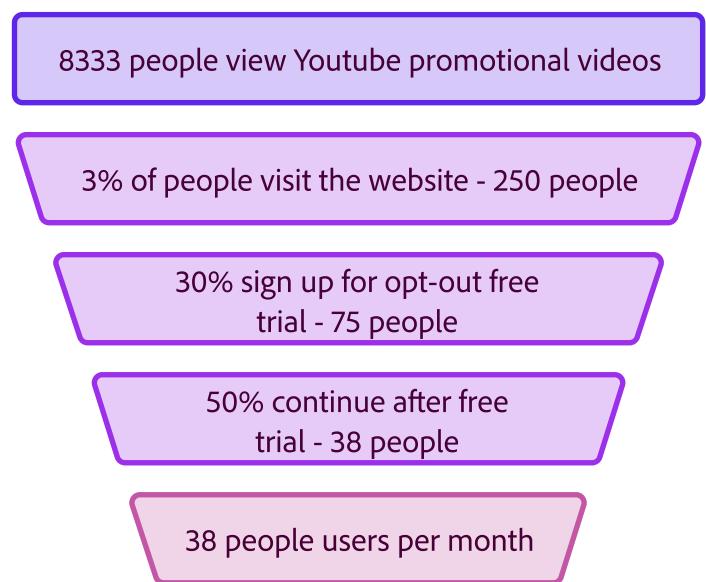


Figure A2 Youtube Tutorial Videos conversion funnel

A.3 P&L Table

To analyse the financial evolution of our product and its profitability to Adobe, a P&L table was completed. It is available on the following link :
https://docs.google.com/spreadsheets/d/1wEddY6eF54Meh8TORh5cIP_ofOnxxhulwBJbB54s0cc/edit?usp=sharing

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