**Business Model Canvas Template**

**Team Name: Black**

**1. Customer Segments (1/2 Page)**

For whom are we creating value?

Who are our most important customers?

### User & Advertiser customer segments

There are two distinct customer segments that we are creating value for. The first segment is the Users who will be logging onto our website. The second segment is for Advertisers looking to promote their goods and services. Our project is customer driven, focusing primarily on creating value for users. Our belief is that the user segment is the most important segment in the sense that without them we won’t be getting any advertising revenue. Our mass market approach will mean we will be providing the same level of service to all users.

Within the user segment there will be particular users who have strong social media following and are seen as technology experts by their followers. Any recommendations or endorsements from these particular users would be extremely valuable in promoting our website. Throughout this document and our other project deliverables we will refer to these users as Influential Customers.

2. Value Proposition (1/2 Page)

What value do we deliver to the customer?

Which one of our customer’s problems are we helping to solve?

What bundles of products and services are we offering to each Customer Segment?

Which customer needs are we satisfying?

### Personalised repository of technology articles

The value we are creating for users is to create a technology news hub using news articles which are consolidated from numerous sources. Our Unique Selling Point (USP) is that the product will be customised to the individual users interests. For example if the users has indicated they are interested in a particular topics then the articles relevant to that topic will be prioritized over other articles. We will also automatically keep track of what articles each user reads, and use this to further customise their article feed. The top ranking articles will all be relevant to the user with no filler articles and no need for scrolling to find something interesting to read. Consolidating these articles into one central, customised hub will also save users considerable time.

### Advertising hub of users with keen interest in technology

The value we create for advertisers is that our users are interested in technology, so we provide a way for technology related advertisers to reach these users.

Among the types of technology advertisers that would find that commercially useful are: Tech Books, Tech Training, Tech Gadgets and Products.

**Channels (1/2 Page)**

Through which Channels do our Customer Segments want to be reached?

How are we reaching them now?

How are our Channels integrated?

Which ones work best?

Which ones are most cost-efficient?

How are we integrating them with customer routines?

### Website as core product

For users the website will be the only means of accessing our product but at a future point in time this can be rolled out to Android and IOS Apps.

When this happens there will be a continuation of service offerings - same tailoring of articles no matter how content is accessed. If a user logged on via website, iPhone and android simultaneously they would see the same customised articles.

### Social media for marketing

We will rely heavily on social media for creating brand awareness and for feedback. Initially we will use Twitter to keeping users up to date with new features, attracting new customer and retaining old ones. Later on this will spread out to other forms of social media.

To attract Users to the website ‘raising awareness about our products’, we will rely heavily on Social Media, using Twitter for example. We will target the previously mentioned ‘Influential Users’ via Twitter, with the aim of getting a mention in an influential Tech Blog to drive traffic to our site. We would prefer to use viral/free methods to attract users but if the website is not receiving traffic then we may resort to paid means such as Google Adwords, Facebook Ads and natural search to drive traffic to our site.

### E-mail and survey for feedback

Our website also contains links to email us and to our survey monkey so that we can get as much feedback as possible what we are doing well and what needs further enhancement.

Google Adsense will be our primary means of sourcing adds for our Advertising Customer Segment. We will embed the necessary code as part of our HTML and google will take care of the content. Alternatives to Adsense such as buysellads.com (???) and decknetwork.net (??) will also be looked at to see if they can offer a better to service to us particularly during our initial phase.

**4. Customer Relationships (1/2 Page)**

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?

Which ones have we established?

How are they integrated with the rest of our business model?

How costly are they?

### Automated service

As our website is providing an automated service there is no direct 1-on-1 interaction with our users. In order to establish a relationship we will use social media to interact with our users e.g. latest updates, coming soon. As mentioned already in section 3 we will use multiple forms of feedback give users every opportunity to tell us how we are doing. it is important that even though we never speak to our users they still need to feel they have a voice and that we care about what they want.

As a new business it is vital to create and maintain strong customer relationships. To achieve this our website needs to be fast, stable and provide high quality of personalisation of news articles. If performance is slow or articles are not relevant to the user then we will lose them as customers. Users need to know that they can rely on us.

### Direct contact via social media

Our users, particularly those identified as Influential Customers will be important in promoting our brand and helping us acquire new customers.

As mentioned our website is primarily an automated service. We can establish a twitter relationship with our customers, by following them as we have their twitter name when they login. In the future we can make the website more community based, by allowing Users to interact with each other on the site, perhaps by showing what Twitter names are logged in, commenting and rating articles and products.

### Advertising relationships

To maintain our relationship with basic advertisers we need to comply with Adsense terms and conditions. To maintain this relationship satisfactorily i.e. we get significant revenue

Advertisers who rely on us to host their sponsored ads or affiliate links will need to see a reasonable conversion rate between our users and purchases or their products or services. We need to ensure all forms of advertising are strategically placed on our website in areas of high visibility which will not take away from the articles as they are the core content of our website.

**5. Revenue Streams (1/2 Page)**

For what value are our customers really willing to pay?

For what do they currently pay?

How are they currently paying?

How would they prefer to pay?

How much does each Revenue Stream contribute to overall revenues?

Our primary customer segment , the users will never be asked to pay for our service.

### Cost per click

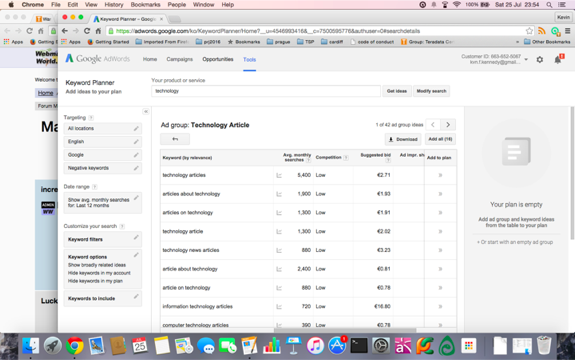
Revenue will come from the advertising customer segment and will consist of sponsored articles and advertising.

As Adsense costs are determined via a bidding process. if the return/response is poor then the CPC rate will be reduced. it is difficult to estimate the revenue that we will receive per user click/visit to our website. the details below are used for illustrative purposes only.

A CTR (Click-through Rate for the add as a percentage) of 1% and a CPC (Cost-Per-Click) of 1.84 Euro would result in 336,311 Euro a year if we had 50,000 unique visitors a day (see table below

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **examples** | **full cpc** | **cpc minus google commision** | **visits** | **clicks** | **daily rev** | **per year** |
| **low CPC** | 0.33 | 0.2244 | 50000 | 500 | 112.2 | 40953 |
| **mid level CPC** | 2.71 | 1.8428 | 50000 | 500 | 921.4 | 336311 |
| **high CPC** | 3.23 | 2.1964 | 50000 | 500 | 1098.2 | 400843 |

the CPC rates are taken from Google Adwords, see image below.



While there are alternatives to Adsense we feel that they would not Adsense would be a better fit to building a hub as the adds would be relevant to our individual users.

### Cost per Impression

CPM ( Cost Per 1000 Impressions) is an alternative to CPC. A reasonable target revenue for CPM would be 90 cent to 2.74 Euro per 1,000 impressions.

### Private Advertising

would become an option as our user base grows. This means that we are made an agreed amount for fixed period of time. We would need more than 1000 unique visitors a day to consider this. Even then this option is time consuming to source and will take distract at least one resource from working on the functionality of our website.

### Affiliates

Another source of income is affiliate links. In this scenario we would receive a commision based on purchases made after a user clicks on a link on our site. This would also be time consuming to create but potentially very lucrative.

**6. Key Resources (1/2 Page)**

What Key Resources do our Value Propositions require?

Our Distribution Channels? Customer Relationships?

Revenue Streams?

### Hardware

On the hardware side we need a high capacity server or virtual server with high speed web access. The capacity will need to increase as our number of users increases over time. Renting a virtual server from strategic partner may be the most cost effective method and it will free our personnel to work on the core product while our partner maintains the hardware for us. The partner would also take care of backup and data recovery. To give the User fast access to the website, we may need to distribute the website in different Regions, for example with AWS in Europe, US, and Asia.

### Business & technical skills

The high level of both technical & business skill sets within the team need to be maintained.

### Marketing partner

It may be necessary to align ourselves with marketing partner to help build our brand. We recognise that no matter how good our website becomes we still need to get the message out to potential users. Bringing in recognised experts to help with this can only be beneficial.

### Finance/Revenue resource

At least one resource will need to have primary responsibility for monitoring Adsense and other revenue resources. While this is quick and straightforward to set-up initially it is important that as the number of users increase that so do our number of clicks. revenue sources need to regularly monitored for effectiveness.

**7. Key Activities (1/2 Page)**

What Key Activities do our Value Propositions require?

Our Distribution Channels?

Customer Relationships?

Revenue streams?

### Strong Initial Product

We need strong initial product that provides value to users on day one. The User Interface needs to be simple & fast with strong working version of preference algorithm to customise the news articles.

### Social Media Presence

A strong social media presence, especially twitter initially is vital to building our brand.

### Continuous Improvement

We need to continually review and update the preference algorithm.

The key activity is to attract Users to the website and to keep them returning.

Product development is important, that we add features to ensure that our website is different and better than the competition.

### Be Revenue focused

We need to ensure that when we do have Users, that the Advertising section of the website is successful in bringing in Revenue. Too many online businesses become “successful” without actually becoming a viable business and this is not a trap we want to fall into. We believe is important to embed sponsored content from start so there are no significant redesigns later on.

**8. Key Partnerships (1/2 Page)**

Who are our Key Partners?

Who are our Key Suppliers?

Which Key Resources are we acquiring from partners?

Which Key Activities do partners perform?

### UCD/Hardware Supplier

At the moment our main partner is UCD who is providing us with our current Virtual servers. We view this as a temporary partnership and will need to find a long term replacement.This will also provide us with higher capacity as our business grows and also outsource the maintenance of the hardware. This should allow us to benefit from economies of scale as we would be sharing the physical resources with other organisations. most importantly this will free up our internal resources to focus on continuous improvement of our software.

### Marketing Partner

As mentioned earlier we may need to also form a partnership with Marketing. We identified as part of our SWOT that none of us has a strong User Interface background so it may be necessary to to consult with a graphic designer or experienced web developer. This would be more of a short term/occasional arrangement.

### Internet based service providers

In order to make our product work we need access to numerous technology news related RSS feeds. There is a large number of these available so this should never be an issue. There is a risk that RSS feeds are becoming less popular, as a contingency we need to be ready to use Web scraping or other means to get the same information. At the moment we are relying on Twitter to authenticate our Users. This can in the future be rolled out so that users can authenticate using other forms such as Facebook.

Revenue providers

Any companies that are part of our revenue chain such as Adsense are vital partners. While it may be simple to maintain these relationships (adhere to basic code of conduct including not clicking on your own links), the importance of these relationships should not be overlooked.

**9. Cost Structure (1/2 Page)**

What are the most important costs inherent in our business model?

Which Key Resources are most expensive?

Which Key Activities are most expensive?

### Staff costs

Staff costs will become an issue the medium to long term as none of the team are planning to work for free.

### Hardware

We will need a structure in place to deal with costs relating to our server / Virtual server capacity needs including potentially a separate database server. Having a strategic partner for this will help make these cost easier to manage as they will become more variable than fixed in their nature. This will mean cost will only start to increase as our business grows.

### Brand promotion events

As part of our brand promotion on social media there will be small cost for events such as “like and share”, funniest tweet mentioning our brand.

### Marketing Partner

Additional cost would accrue if we brought in an established company as a marketing partner. In the short term to medium term we will most likely use cheaper means such as student competition to come up with best idea to promote our brand. This temporary measure would be a supplement to our our ideas.

