# Opportunity Execution Project

## Executive Summary

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## Introduction

FlipTab is a web based news service with three dimensions of intelligent personalization. Firstly, multiple stories which are relevant and interesting to the user are automatically summarized into a single paragraph per topic. Secondly, only adverts which are related to the news story and deemed to be interesting to the user will be served. And thirdly, the summarized stories and adverts will be rendered in a layout tailored to the tastes of the user. The personalized layout means optimizing advert serving without having a negative impact on the user's experience.

## Sales & Marketing

### Value Proposition

***Maximize marketing spend by increasing CTR (Click Through Rate):***

By using data driven web design we can personalize the layout served to any individual user. The layout will increase the chances the user will click on the advert thereby increasing the click through rate.

### Getting to know our potential customers

Marketing in a start-up begins and ends with knowing the customer well. Once we have the market segmented we can see who we should go to market.

Market Segmentation: Work on understanding and segmenting our market:  
(Start by just simply asking the customer what the best way to reach them? )

The results of our market segmentation are shown below in Table 1. By building such a customer profile we can put in place an efficient go-to-market

|  |  |  |
| --- | --- | --- |
| Type of factor | Break down | Flip Tab Customer |
| People Characteristics | Age, sex, race  Income  Life-cycle stage  Location  Lifestyle | Relevant?  High  Relevant?  Urban  Busy |
| Purchase / Use Situation | Brand Loyalty  Purpose of use  Purchasing behaviour  Importance of purchase | High  Stay in touch  App store?  Medium |
| Users’ needs | Price preference  Brand preferences  Desired features  Quality | Important  Important  Important  Important |

Table : FlipTab Market Segmentation Characteristics

We can create a customer profile(s) by filling in the above table making our Go-To-Market obvious.

Go-to-Market: Methods for marketing to them will begin to become obvious.

* Prioritize that list according to the cheapest and most effective methods.
* This list is your list of experiments to run.
* Start implementing experiments on a small scale.

Key to our marketing experimentation and calculating the CPA will be tracking.

## Marketing Methods

Going forward we should keep E-mail, social media and viral marketing in our marketing tool box for FlipTab. For further experimentation, the buying of keywords and banner ads would probably not be cost effective but a development investment in SEO may bear fruit.

Finally, the team should explore off-line marketing opportunities, such as, persuading a major newspaper/magazine or TV program to do a story on us. This would increase awareness and probably drive a significant volume of traffic to the site.

## Partnerships

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## Distribution

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## Costs

### Cost of Sales

Cost of sales for FlipTab consists mainly of costs relating to acquisition:

* Natural Search 🡪 £0.01 per click (SEO development cost)
* E-mail 🡪 £0.01 per E-mail sent

Figure : Cost of Sales for FlipTab on a quarterly basis

### Operating Costs

The main cost is for the development of FlipTab and related support. Additional costs include:

* Salaries
* Rent
* Utilities
* Marketing
* IT
* Administration

A depreciation cost has also been added to cover the cost of the developers’ equipment. A small charge Travel & Entertainment has also been included.

Figure : Operating Cost

## Revenue Model

FlipTab revenue will come from advertising. Basically, each time an ad is clicked on the FlipTab site we will receive £1.50.

|  |  |
| --- | --- |
| **Acquisition (per week)** | |
| Impressions (Natural Search, E-mail Social, Direct) | 4,000K |
| *2% CTR (but 100% for Direct)* | |
| Clicks per week | 1,085K |
| **Advertising** | |
| *2% CLICK RATE* | |
| Clicks per quarter | 282K |
| *Cost per Click = £1.50* | |
| **Ad Revenue per Quarter** | **£424K** |

Table : Revenue Projections for E & P Commerce channels

Figure : Revenue

## Financial Model

Figure : Financial Model 2013 - 2014

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Time Period** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |  | **Y1** | **Y2** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Conversions** |  |  |  |  |  |  |  |  |  |  |  |  |
| Ad Clicks | 141,484 | 155,632 | 169,781 | 183,929 | 198,078 | 226,374 | 254,671 | 282,968 |  | 650,826 | 962,091 |  |
| **Ad Clicks per Quarter** | **141,484** | **155,632** | **169,781** | **183,929** | **198,078** | **226,374** | **254,671** | **282,968** |  | **650,826** | **962,091** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **FlipTab Revenue** |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue | 212,226 | 233,449 | 254,671 | 275,894 | 297,116 | 339,562 | 382,007 | 424,452 |  | 976,240 | 1,443,137 |  |
| **Revenue per Quarter** | **212,226** | **233,449** | **254,671** | **275,894** | **297,116** | **339,562** | **382,007** | **424,452** |  | **976,240** | **1,443,137** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cost of Sales** |  |  |  |  |  |  |  |  |  |  |  |  |
| Costs of Sales | 8,476 | 8,476 | 8,476 | 8,476 | 8,476 | 8,476 | 8,476 | 8,476 |  | 33,904 | 33,904 |  |
| Cost of Sales: Total | **8,476** | **8,476** | **8,476** | **8,476** | **8,476** | **8,476** | **8,476** | **8,476** |  | **33,904** | **33,904** |  |
| **Gross Profit** | **203,750** | **224,973** | **246,195** | **267,418** | **288,640** | **331,086** | **373,531** | **415,976** |  | **942,336** | **1,409,233** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Operating Costs** |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating Costs: Total | 50,500 | 50,500 | 50,500 | 50,500 | 50,500 | 50,500 | 50,500 | 50,500 |  | 202,000 | 202,000 |  |
| **Operating Profit** | **153,250** | **174,473** | **195,695** | **216,918** | **238,140** | **280,586** | **323,031** | **365,476** |  | **740,336** | **1,207,233** |  |

Figure : Financial Model 2013 - 2014

## Funding

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## Conclusions

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