Group 6 Phase 4

**Does your company need to raise any capital? Why or why not? If you need to raise capital, then what is your best strategy for raising the capital? (Chapter 2)**

We believe that we will need to raise capital for our business before we can start. We will need initial capital for a few different things to get the business running. We will need to pay for the development of our site and the domain to host it. We also have to pay for advertising. Both to potential students and potential teachers. To raise capital we decided to try to find an investor to fund our business.

We decided to go with an investor instead of a bank loan or crowdsourcing for a number of reasons. We chose the investment route over getting a loan from a bank because it may take some time to make a profit. Because of this we want to avoid a loan because we may not be able to pay it back in time. With an investor we can give them equity in the company so we won’t have to worry about paying them back immediately. This will give us time to get a foothold in the market and turn a profit without having to make expensive loan payments.

**What are the security threats that your company may face with them? What are the best solutions for facing with these security threats? (Chapter 5)**

Within our business model, the biggest security threats would be that of a data breach. Since we are storing a large amount of user data, including payment info, private messages, and personal info such as a teacher’s address, it is conceivable that hackers may view our site as a valuable target. Another possibility would be fake accounts. Someone posing as a teacher could use the service to target children, gain access to student info, or send inappropriate spam messages to other users.

One defense against a data breach would be to reduce the appeal of stealing our information. For instance, by first relying on third party payment processing services such as PayPal, or amazon pay we can remove the need for storing most payment data. A data breach would subsequently have a much lower chance of containing such sensitive info, unless said hackers were able to breach these third-party services as well. Regarding fake teacher accounts, we could implement a required government ID verification system for all teachers, like what Airbnb requires of its users.

**How your company can benefit from different types of online marketing (Traditional online marketing, mobile marketing and social marketing)? What is the best social media platform for starting your marketing campaign? Why? (Chapters 6 & 7)**

Our company can utilize online marketing to gather data to help determine who needs a music teacher and who is looking for work in the industry. Using data from search engines we can customize our advertisements to show up when people search key words such as instructor or teacher. We could then also send e-mails to these people advertising our services. Placing our advertisements on social media websites such as YouTube will help students that teach themselves via online videos find a tutor that is right for them. Blogs would also be a great place to market our service, customers would be able to read reviews on teachers and bloggers could refer potential customers to our service’s platform. Marketing through apps such as Spotify or Apple Music can intrigue people to try to learn music when they hear songs they enjoy when they view our advertisement.

The best social media platforms for us to advertise this service would be networks like YouTube, Facebook, and Instagram because users often watch videos when visiting these sites. Many of these videos may be others playing music and potentially our instructors playing or teaching students. Viewers may be inspired and choose to take up music themselves or try a new music teacher.