Phase 4 revisions

**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 get a loan from a bank.

We decided to use takeout a loan instead of using crowdsourcing methods, because the amount of initial capital we need is relatively low, so it would be reasonable to say that we could payback our debt in a reasonable amount of time. We chose not to crowdfund Legato, because we are producing a product and not a service. We have no tangible goods to offer as a reward to offer, because Legato is a platform to connect people and doesn’t generate content. After we expand Legato’s user base we may pursue investors to expand our capacity. As we expand we will have to buy more server space. We may also want to update our website or mobile application in the future to conform to the desires of customers which would require more capital. Finding an investor now is irrelevant however because we haven’t developed our user base yet.

**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. We could take out banner ads on websites that appeal to music fans. 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.

In addition to internet marketing we could also use some other marketing methods. We could take out ads in newspapers or magazines. We could also advertise on TV and radio. These traditional marketing methods aren’t as effective at reaching specific people what may be interested in Legato, but it does spread our name and brand which will help gain more users.

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.

Revisions

Raise Capital

· We did not discuss being a crowdfunded business, if we were to use crowdfunding it would be a great way to perfect our business plan. Dependent on how much we raised we may be able to use some of the funds to implement our business plan, starting our company and reducing our loans.

Marketing

· We can advertise in the Milwaukee Journal Sentinel reaching the public by internet and publications it will strengthen our chances of reaching customers

· Sending out e-mails to people who search for music tutors through search engines, first we must attain the information from search engines such as google

· A radio advertisement on popular radio stations