



**FlatMatch** is a **housing platform** designed to **efficiently match landlords and tenants** to solve the problem of overwhelming communication overhead for both, by presenting landlords with a **curated selection of profiles**, based on **tenants' preference selections** and facilitated by a **matching algorithm**.

Software Engineering for Business Applications (SEBA Master) – Team 11

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# The Business Model Canvas

Designed for: FlatMatch

Designed by: Team 11

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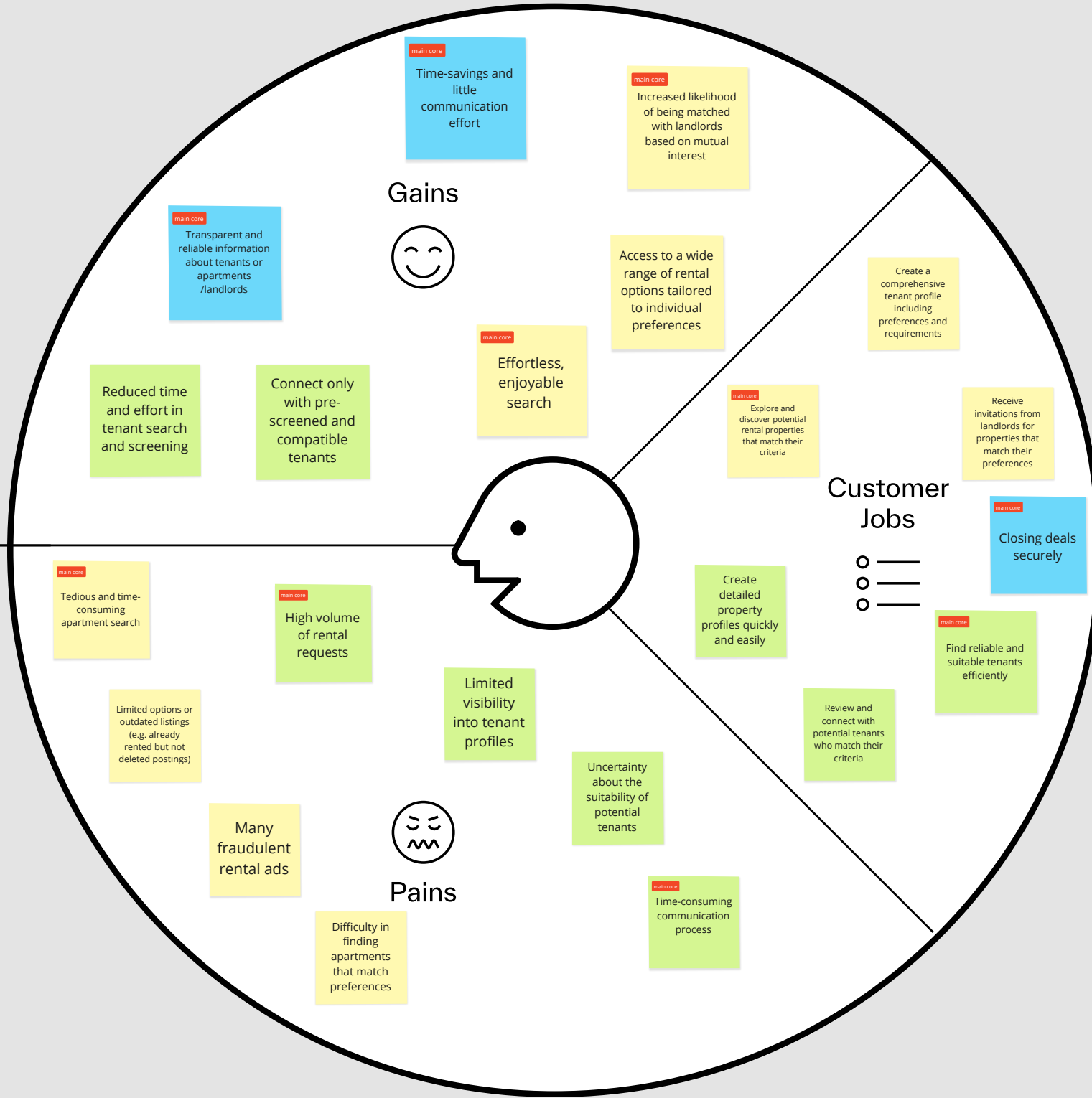
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<div>Key Partnerships</div> <div><b>Advertising Agencies:</b> Placing fitting advertising on the platform (e.g. mobility for moving services, insurance, furniture, etc.)</div> <div><b>Property Management Companies:</b> Offering the selection of housing</div> <div><b>Agencies:</b> Managing properties on behalf of landlords</div>	<div>Key Activities</div> <div><b>Platform Development:</b> Ongoing Maintenance and Implementation of features</div> <div><b>Marketing:</b> Attracting new users</div> <div><b>Partner acquisition:</b> attracting partners for collaboration (e.g. moving or insurance companies)</div>	<div>Key Resources</div> <div><b>Social Data:</b> Database containing all the information about tenants and available apartments and their behavior</div> <div><b>Platform:</b> Robust platform with great infrastructure</div>	<div>Value Propositions</div> <div><b>Mutual Preference Matching:</b> Only showing tenants and apartments that are in mutual interest to each other, minimizing time and effort</div> <div><b>Efficient and Fun Search:</b> Gamification and easier search of suitable apartments or tenants</div> <div><b>Recommendation:</b> Using the user data suggestions can be made for both parties involved increasing their success rate of completing a match</div> <div><b>Extensive Reliability and Trust Features:</b> ID checks, review system, and secured transactions</div>	<div>Customer Relationships</div> <div><b>Automated Matching Service:</b> Our algorithm connects tenants and landlords with highly compatible matches based on preferences</div> <div><b>Notifications:</b> We inform the landlords and tenants about matches and statistics</div>	<div>Channels</div> <div><b>Website (App):</b> The main channel for interacting with the platform</div> <div><b>Social Media:</b> Special target on young people</div> <div><b>Local Newspapers:</b> Targeting older people and landlords</div>	<div>Customer Segments</div> <div><b>Tenants Seeking Housing:</b> The people that are looking for apartments or shared housing</div> <div><b>Landlords, Agencies and Room Sharers:</b> Individuals or companies offering the apartment and agencies acting on behalf of landlords</div>
<div>Cost Structure</div> <div><b>Development:</b> Cost in creating and maintaining the app</div> <div><b>(IT) Infrastructure and Services:</b> Maintenance and running of servers as well as services</div> <div><b>Marketing:</b> Advertising to reach network threshold</div>			<div>Revenue Streams</div> <div><b>Premium Membership:</b> Small fee for advanced features on both sides such as additional selection and statistics</div> <div><b>Advertising:</b> Revenue generated from displaying targeted ads within the application</div> <div><b>Agencies:</b> We can sell valuable data about users and their interactions to professional agencies who demand deep insights for strategic planning</div>			

# The Value Proposition Canvas

Value Proposition:  
Connects tenants and landlords based on mutual preferences, reducing wasted time and effort.

Customer Segment:  
Tenants looking for apartments, landlords



landlord both tenant

# Assignment 1 – Team 11

## Business Model and Project Idea

The following section provides a more detailed explanation of the business model and the project idea based on the Business Model Canvas.

### Customer Segments

Our main customer segments are **tenants** seeking housing in the form of a flat, a shared apartment or a house which fits their specific needs. Similarly, we attract **landlords** searching for reliable tenants to occupy their property. As landlords usually also have various preferences regarding a potential tenant, which – in many cases - exceed financial stability, our platform can assist in finding the right match. Landlords might even be inclined not to maximize their possible rent to find a reliable tenant as this will reduce the future effort and make longer rental periods more attractive. Moreover, our platform serves room sharers seeking compatible housemates which should fulfill certain personal criteria to make co-living possible.

### Value Propositions

With FlatMatch our aim is to make the tedious process of finding flats and tenants vice versa (especially in high demand cities) more efficient and fun using algorithmic mutual preference matching. By taking a more gamified approach in the discovery and selection process for potential tenants, we can increase engagement in our customer base and create an overall more enjoyable experience. Most importantly though, using this approach, we can also solve another major issue for most landlords - the endless flood of requests which must be reviewed to find the right tenant. By using mutual preference matching of tenants and landlords, FlatMatch only shows properties and tenants that fit the preferences of both parties. This can drastically reduce the time and effort needed on both sides. Furthermore, by supplying more information on housing (tenant side) and tenant preferences (landlord side), FlatMatch can provide users with more personalized recommendations to further optimize this process. Trust is an essential point within our business model. Therefore, we include extensive trust

mechanisms like ID verification and reviews of repeated landlords, as an additional key value proposition. To reduce the potential for scams on FlatMatch we introduce deposit handling where we handle the money transfer as a trusted third party.

### Customer Relationships

Using our advanced matching algorithm, we want to ensure that both the tenant and the landlord will have a compatible match based on user preferences. We implement automated notifications to inform the users about new matches, messages and updates for their preferences. This will help to keep the users engaged and reduce the effort that is currently put into the searching process for the housing market. After successful matches we regularly ask for feedback to ensure a feedback loop for improving our product and add additional features, which will help to refine the platform but also makes the user feel valued in the process.

### Channels

The primary channel for user interaction is our website. It utilizes all core functionalities including the initial account creation and profile setup with preferences for the tenant or the apartment. The main activity is swiping through the listings and communication with the corresponding match. We are planning to build a user-friendly website for the free user, but we still want to offer more advanced features for paying users. To overcome the network effect a second important channel is social media for user acquisition, there we will build brand awareness, and drive the traffic to our platform. Therefore, we will use Instagram and Facebook to share the success stories of perfect matches that happened on our platform, moreover we will try to share housing and profile creation tips to engage a broader audience. To also attract landlords, which usually reside in a different age group, we will be running advertisements in local newspapers which may be more accessible and relevant to this customer segment.

### Key Activities

The main activity is the ongoing maintenance and enhancement of our online platform to provide an enjoyable experience for our customers and extend our customer base even further by providing excellent usability features. Furthermore, reaching marketing our application through online advertising and social media will be required continuously, but especially at the launch of the app. Moreover, we'll actively pursue partner acquisition by attracting collaborators such as moving or insurance companies for collaboration.

### Key Resources

One of our key resources is that we control the user data which contains detailed information about tenants and properties, which is valuable for the matching process but also for advertising agencies. It includes profiles, preferences, and the past rental history on our platform on the tenant side as well as housing listings and preferences

on the side of the landlords. Secondly, the great infrastructure that we have is a robust platform and server infrastructure with an advanced database system to handle user data and the matching algorithm.

### Key Partners

Our first key partners are advertising agencies that are targeting the platform's user base. These agencies design and manage the advertising campaigns that we show on our platform. Primary targets could be insurance companies, companies providing furniture or mobility to facilitate the moving process. Furthermore, partnerships with property management companies can be established, which can also benefit from the pre-selection of fitting tenants for their properties. Similarly, agencies managing properties on behalf of landlords can use this to their advantage. The latter partnerships are key in creating a greater amount of housing offers on our platform, thus incentivizing users to visit FlatMatch instead of competing products. Their know-how and experience can also be used to further improve our preference-based matching algorithm.

### Cost Structure

Our cost structure is divided into initial and maintenance costs associated with the development of the platform, as well as the implementation of new features. Moreover, we have ongoing expenses for running the platform, which include server cost and salaries to ensure continuous operation. Some additional services or licensing might be needed to establish interfaces to partners or integrate external products into our platform. As the platform first needs to establish an initial user base, we aim to be involved in promotional activities in marketing to attract and retain our users. As soon as an initial customer base has been reached, the marketing costs will significantly drop as networking effects and an increased offer on our platform should pull in further customers – both offering and trying to rent property. Financially, the initial costs of the creation of the platform and marketing efforts to reach out to the first customers and partners will greatly outweigh the running costs after these initial phases have finished.

### Revenue Streams

Our first revenue stream is advertising which will allow us to make the platform free for a broader user group, by placing strategically timed ads during the selection process of the tenant to maximize their visibility without breaking an enjoyable user experience. The other group that we are targeting are users that subscribe to a premium membership for additional features such as additional swipes for the tenant, more selection possibilities for the landlord, filtering of confirmed profiles and advanced statistics. The premium pricing model serves as our major revenue stream for the platform. Another – although potentially minor – revenue stream is the selling of valuable data about tenants and their choices regarding matches to housing agencies who can then use these insights to improve their strategic planning and offers.

## Business Model Mapping

The business model of the proposed rental matchmaking platform can be mapped to several categories of web-based business models, primarily under the brokerage and freemium models, with elements of advertising and infomediary approaches. Each category contributes uniquely to the platform's functionality and revenue generation strategy.

**1. Brokerage Model:** As the core function, the platform acts as a broker, facilitating seamless interactions between renters and landlords. It simplifies the rental matching process through an efficient algorithm, much like a transaction broker, by pairing potential renters with appropriate properties based on mutual preferences. Although this is our value proposition, this does not represent our income stream.

**2. Freemium Model:** The platform employs a freemium approach where basic functionalities are available for free, which helps in attracting a broad user base, resulting in the necessary positive network effects. For users seeking enhanced features—such as premium visibility for landlords, advanced verifications for potential renters or advanced filtering options for both sides—a subscription model is implemented. This allows the platform to convert a segment of free users into paying subscribers by offering additional value.

**3. Advertising Model:** Given the platform's ability to retain renters for prolonged periods through an engaging interface (akin to Tinder), there is significant scope to display contextually relevant advertisements. This prolonged user engagement increases the likelihood of ad interactions and conversions, making the advertising model particularly effective. Ads related to moving services, home insurance, and decoration could be interspersed throughout the user experience, capitalizing on the time users spend on the platform.

**4. Infomediary Model:** The platform functions as an infomediary by collecting valuable data on user preferences, behavior, and interactions. This data not only aids targeted marketing but is also a cornerstone for providing advanced analytics features. Such features are offered to professional agencies and power users who demand deep insights for strategic planning and market understanding. By selling these analytics services, the platform creates an additional revenue stream while enhancing its value proposition to high-end users (e.g. rental agencies).

### Conclusion

By leveraging these integrated business models, our platform ensures multiple revenue streams while enhancing user engagement and satisfaction in the flat search

experience, thus supporting a sustainable and scalable business model in the competitive rental market.