MARKET INTELLIGENCE REPORT AND BUSINESS MODEL FOR A LANGUAGE LEARNING AI GAME

(a three js game that allows you to learn languages in an interactive environment)

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INTRODUCTION

This project is a unique language learning AI game leveraging Three js to create an in-depth and interactive environment. Specially designed for students, professionals, language enthusiasts and travellers, this innovative tool combines advanced AI with gamified elements to enhance language learning and engagement.

MARKET INTELLIGENCE

1. **Competitors analysis**: Competitors include Duolingo, Rosetta Stone and Babbel.

- **Duolingo** - This is a well known language learning app that offers lessons by playing games. It has a strong user base and offers a wide range of languages.
  - **Strengths**: The app is easily accessible, everything is free, You can learn multiple languages simultaneously, it also has a large user base of 74 million monthly users.
  - **Weaknesses**: it focuses more on English speakers, it's only for beginners and not for advanced learners, it relies heavily on ads, learning of vocabulary and phrases is limited.

- **Rosetta Stone -** This is a revolutionary CD-ROM and online language learning software acclaimed for its speed, power and effectiveness. It also offers in-depth language learning with a focus on real-life conversation

skills.
- Strengths: It reaches 29 languages to 5,000,000 people in over 150 countries worldwide. It has interactive features. It also boasts of delivering high-quality content to its users.
- Weaknesses: it has a high price tag especially for starters. It has a poor speech recognition system. It has fewer game varieties to learn from.

- **Babbel -** Babbel combines both technology and education to make language acquisition more accessible for millions of users worldwide by focusing on practical conversation skills with personalized lessons.
  - Strengths: It has over 10 million subscribers worldwide. There are over 60,000 lessons on Babbel. 92% of Babbel users rate the course as enjoyable. It has a user-friendly interface with a practical approach to fit desired lessons.
  - Weaknesses: The subscription based model may deter some users. It has fewer gamified elements.

2. Objective numbers (Demand and Growth);

- The global online language learning market was valued at USD 12.49 billion in 2019 and is projected to reach USD 25.73 billion by 2027, growing at a CAGR of 10.2%.
- Keyword research has shown that terms like 'AI

language learning', 'language learning game', and 'interactive language learning' have high search volume on the web.

3. Revenue and size of competitors

- **Duolingo:** In 2023, it generated more than USD 531.11 million, up to 43 percent from the previous year.
- **Rosetta Stone:** Estimated annual revenue is currently USD 153.3 million per year. With an employee base of 755 staff.
- **Babbel**: Approximately in 2022, it generated USD 270 million in revenue, which represents an increase by 31 percent compared to 2021.

BUSINESS MODEL

1. Value proposition - Offering:
- **To whom:** The value of this product will be for young adults, students,language enthusiasts, and professionals.
- **What:** They will be offered an interactive 3D language

learning game using AI, providing an in-depth learning experience through games and real world situations.

2. Market channel:

- Through the google play and apple app stores: by ensuring the game is available on major app stores, with optimised listings featuring compelling visuals, descriptions and positive reviews. This will also allow for direct customer engagement and better data collection, enhancing marketing efforts and user retention.
- By downloading directly from websites: establishing a dedicated website for the game, optimising search engines to attract organic traffic.
- By partnering with other educational firms.
- By engaging online communities and forums like Reddit, to share insights and spark conversation.
- Utilising social media and influencers to give the game the much needed publicity.

3. Customers personas:

- **Students:** Aged 16-24, seeking active ways to learn new languages for academic or personal interest.
- **Professionals:** Aged 25-40, in need of language skills to advance their career.
- **Language enthusiasts:** Aged 16-60, passionate about learning new languages.
- **Traveller:** Aged 18-35, eager to learn new languages for travel and cultural purposes.

4. Customer clusters:

- Language learning centres
- Corporate trainings program

- Schools and universities
- Travel agencies

5. Product development stages:
Boilerplate:
- Basic 3D game setup with simple language exercises.
- Value: initial attraction and proof of concept to gather user feedback.

MVP (Minimum Viable Product):
- Fully functional game with multiple language options, basic AI driven interactions and gamed learning path.
- Value: attracts early adopters, provides enough features for practical use and feedback collection.

V1:
- Comprehensive language learning game with advanced AI, diverse language offer, real world scenes, and social features.
- Value: Fully meets the needs of target personas, scalable, and competitive in the market.

6. Resources needed

- Development team (developers, designers, AI specialist)
- Language experts and content creators
- Marketing team
- Infrastructure (servers, databases)
- Funding for development and marketing.

7. Revenue monetization:

- Subscription plan for premium content and ad-free experience.

- Free model with in-app purchases for advanced features.
- Partnerships with educational institutions and corporations

8. Key costs:

- Cost of development (salaries for developers, designers, and AI specialists).
- Marketing expenses (advertising and promotions).
- Infrastructure maintenance (servers, hosting).
- Content creation (language experts, voice recordings).

CONCLUSION

By focusing on these key elements, this market intelligence report outlines a clear business model and development plan for a language learning AI game using Three js. The product aims to stand out in the competitive market by offering an interactive and in-depth learning experience tailored to various user personas, leveraging advanced AI technology and gamification.