GONOW

Marketing Plan

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November 29th, 2016

ENTR 3400

Fall 2016

York University

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# **1 Executive Summary**

GONOW is a mobile app across all mobile platforms that allows its users to assess multiple transit services in real time. To stay competitive in the market, the app offers user-friendly interfaces and simplified layouts. Furthermore, we will promote the app via low-cost techniques to help launch it. GONOW targets age group from age 15 to 80 and over with students and young professionals being the largest users. The app offers Freemium services to transit riders in the consumer segment while charging transit companies fees for the collection and analysis of transit data in the enterprise segment. Initially, GONOW will be deployed in the Greater Toronto Area (GTA) as a proof of concept (POC). It will further be released in other metropolitans in North America and other continents. We estimated that there will be 1 million potential users in the GTA market with the market volume being 34,200 and market value being $1.25 million.

# **2 Unique Value Proposition**

GONOW is a mobile app with real-time transit schedules. It provides all of your favorite transit times immediately in one place. In addition, it combines information from multiple transit systems on one easy-to-use platform.

# **3 Market Size**

GONOW is targeted at those aged 15 to 80+. The age group may be further broken down into 3 subgroups: students and young professionals, working adults, and seniors. Students and young professional, aged from 15 to 34, make up 47% of commuters [8]. People in this age group often commute twice a day on weekdays and twice on the weekend, for a total of 12 times a week [7]. Working adults, aged between 35 and 64, make up 42% of commuters [8]. This age group tends to use transit 10 times a week [7]. The last group are seniors, who make up 11% of the commuters [8]. People in this age only use transit 6 times a week [7].

We estimated that per 100 people using public transportation and the app, it will be used 1050 times a week as shown in Appendix A. Taking into account that 29.3% of all passengers transfer once and 10.7% transfer two or more times [7], the app would be used 1470 times a week. That is to say, on average, a user will use the app 14.7 times per week.

Additionally, we computed the following with data from reputable sources.

Number of Target Customers = 1,000,000 users (see Appendix B)

Market Volume = 34,200 downloads per year (see Appendix B)

Market Value = $1,250,000 (see Appendix B)

## **3.1 Customer Profile**

Mary is a 20-year-old engineering student at York University. She lives with her parents in Mississauga and has to take public transit to school every day. She spends 90 minutes commuting each way, where 20 minutes of that time is spent on waiting for buses that were scheduled to come. (See Appendix D).

In addition, to help her parents pay for rent, Mary works at a restaurant on campus. On Thursdays, Mary gets off class at 4:30pm and works until 11pm. From York University to her home in Mississauga, Mary must take the number 46 GO Bus to Square One, and then transfer to the number 110 MiWay to get home.

Unfortunately, Mary missed the first bus last Thursday as it left earlier than scheduled. Mary could have gotten on the bus had she known it would leave earlier. With increasing stress from school, Mary would like to spend more time on school work and with her family and less time waiting for buses.

# **4 Product**

GONOW is a smartphone application that provides users with all transit schedules in the GTA. The app constantly checks for updated times by combining multiple resources, including: scheduled bus times, updated bus route times and known delays posted on transit sites, historical data, and user collected information. This translates to accurate times that can be more easily predicted and tracked.

Additionally, every time the app is used, bus times are stored and compared with scheduled times. Thus, this information can be further analyzed in addition to applying scheduling algorithms to create an optimized schedule. This information is then provided to transit companies to help them improve their services.

# **5 Place**

Initially, the mobile app will first be deployed in the GTA for Android, iOS, and Windows smartphones as they are the most used mobile operating systems. Also, the GTA is used for POC due to its fragmented transit systems, which have resulted in a large inconvenience for commuters.

Consequently, as GONOW gains popularity in Toronto, more cities will be added to the database. Firstly, we will add the major East Coast cities as they rely more heavily on public transit. Once the new markets become stable, we will add other North American cities to the database. Afterwards, GONOW will be released to the European market, where the app will be available in multiple languages and integrate some popular airplane routes. Lastly, GONOW will be integrated into Asian, African, and South American cities.

# **6 Price**

GONOW offers Freemium services, where users can install the app for free, but there will be in-app advertisements. On the other hand, advertising on the Freemium model will produce 764 clicks per user per year, generating around $36.6 per user per year (see Appendix C). With a presumed customer’s lifetime of 2 years, the app can generate $73 per customer lifetime value (CLV). There is also a premium version of the app that costs $10 without advertisements. While this does not cover the presumed CLV, it provides us with cash flow to maintain daily operation.

In the enterprise segment, an additional value is produced when feedback is collected from actual arrival times of scheduled buses. As part of GONOW, this information is collected and analyzed, and sold to transit companies to help them improve their services. The potential revenue here cannot be estimated as there are many variables that we do not yet know. However, we do think the exchange of information with the transit companies will produce multimillion-dollar deals as data mining is very popular in today’s technology society.

# **7 Promotion**

In order to successfully promote GONOW as a start-up, we will use various free and low-cost advertising techniques. We will heavily promote the app on social media, such as university Facebook groups and Twitter pages. Furthermore, YouTube videos and screenshots demonstrating the app will be linked to many of the posts, as visuals are much more effective for attracting attention.

The second part of promotion will be on campus. We will post posters around campus, run TV ads like the ones found in the Bergeron Centre, and make classroom announcements to engage potential audience. These will be made possible through the entrepreneurship resources available for students at the Lassonde School of Engineering.

# **8 Competitive Differentiations**

GONOW has two main direct competitors on the market, namely Google Maps and Transit App. While both apps offer real-time transit schedules from multiple transit services in a metropolitan area, there are a couple differences that separates GONOW. Firstly, GONOW is the only app that offers the app on three mobile platforms. Google Maps and Transit App do not support Windows Mobile [13] [14]. Secondly, GONOW has an easy-to-use interface that quickly provides the user with a bus schedule, allowing users to access their desired route without putting in their destination every time they use the app.

Indirectly, there are numerous apps and websites that provide bus schedules for specific transit systems, such as YRT’s smartphone app, or GO Transit’s mobile site. They neither provide access to all transit systems at once nor are they equipped with GONOW’s intuitive and easy-to-follow layout.

# **9 Conclusion**

GONOW is a transit mobile app that seamlessly connects the local transit services on one platform. By doing so, it enables users to quickly find a suitable route for their trip. In addition, GONOW beats out the competition by providing users with a friendly interface and easy-to-follow layout. Currently, the app is only offered in Metro Toronto as a POC. In the future, we plan on offering this app to other metropolitan areas domestically and internationally. With an estimated annual expense of $200 thousand and $1.25 million in return, the rate of return (RR) is 625 %. Along with a growing body of students and young professionals, the app’s user base will steadily increase. The future of GONOW looks bright!

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# **Appendices**

## **Appendix A:**

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| --- | --- | --- | --- | --- |
| Age group | Percentage (%) | # of people per 100 people | # of travels per group per week | # of total travels per 100 people per week |
| 15 – 34 | 47% | 47 | 12 | 564 |
| 35 – 64 | 42% | 42 | 10 | 420 |
| 65 + | 11% | 11 | 6 | 66 |
| Total: | 100% | 100 | N/A | 1050 |

## **Appendix B:**

* 6 million people reside in the GTA [4]
* 23.3% of people in the GTA commute[1]
* 68% of people own a smartphone [5]
* 30,000 downloads for Toronto Transit TTC app on Android [15] (similar app to GONOW)
* 87.6% smartphone market belongs to Android [16]
* $48 per 1000 clicks [6] for the advertisement revenue on the app
* 14.7 clicks per user per week for advertisement revenue as shown in Market Size

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\*Penetration rate is calculated without iOS and Windows users due to insufficient information on the platforms.

## **Appendix C:**

* 14.7 clicks per user per week for advertisement revenue as shown in Market Size

## **Appendix D:**

|  |  |  |
| --- | --- | --- |
| **PICTURE**    From theglasshammer.com  **Mary, the university student** | **DETAILS**  Mary is a 20-year-old engineering student.  She lives in Mississauga and commutes to York University every day.  One-way trip from home to school takes 90 minutes. | **GOAL**  Mary does not want to worry about missing a bus to school or get trapped by traffic on her way home.  Mary wants to spend as much time as she can with her parents.  Mary wants to spend more time on school work. |