Unit 4 – Business Model

Last Week: Branding

➡ Share with the group
- More feedback from Surveys
- Any changes or adjustments?
- Company name and Positioning Statement

Learning Objectives

- Develop a revenue model

- Pricing strategy

- Understanding Revenue Growth

Elements of your business model

- **Starting capital (seed money)** - the money you need to start your business

- **Revenue model -** your plan to make money for your app

- **Operating costs** - things that you need to pay for to run your business

- **Profit projection** - the money you have left over after paying bills

Your Revenue Model
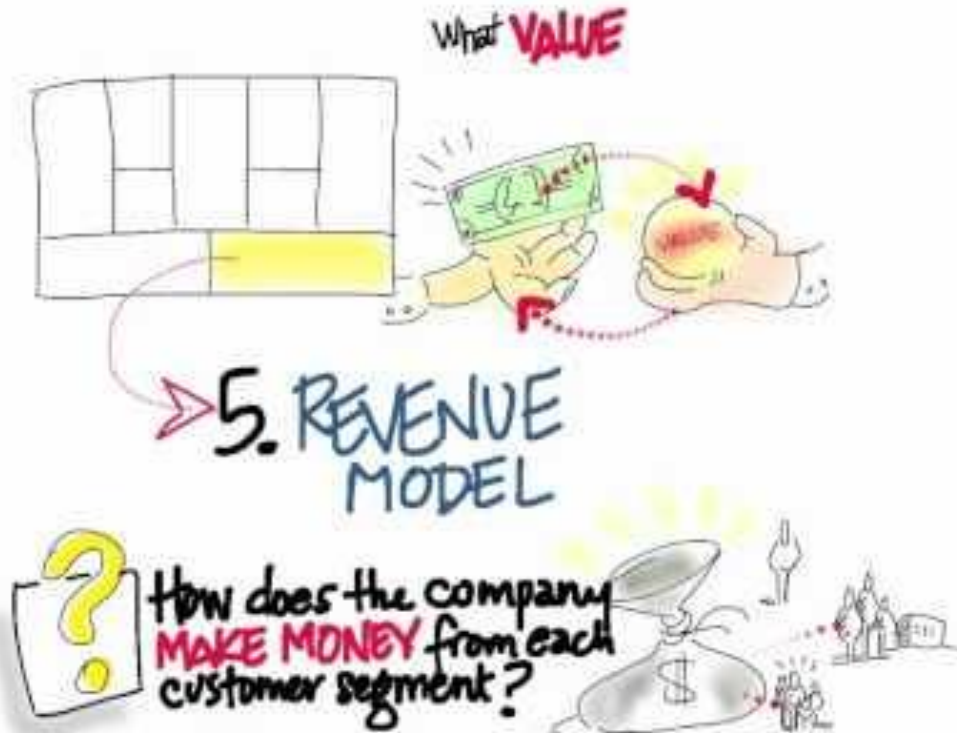
Food Cart Business

- ➡ What will you sell
- ➡ Who are your customers
- ➡ How much will they pay
- ➡ How many customers will you have
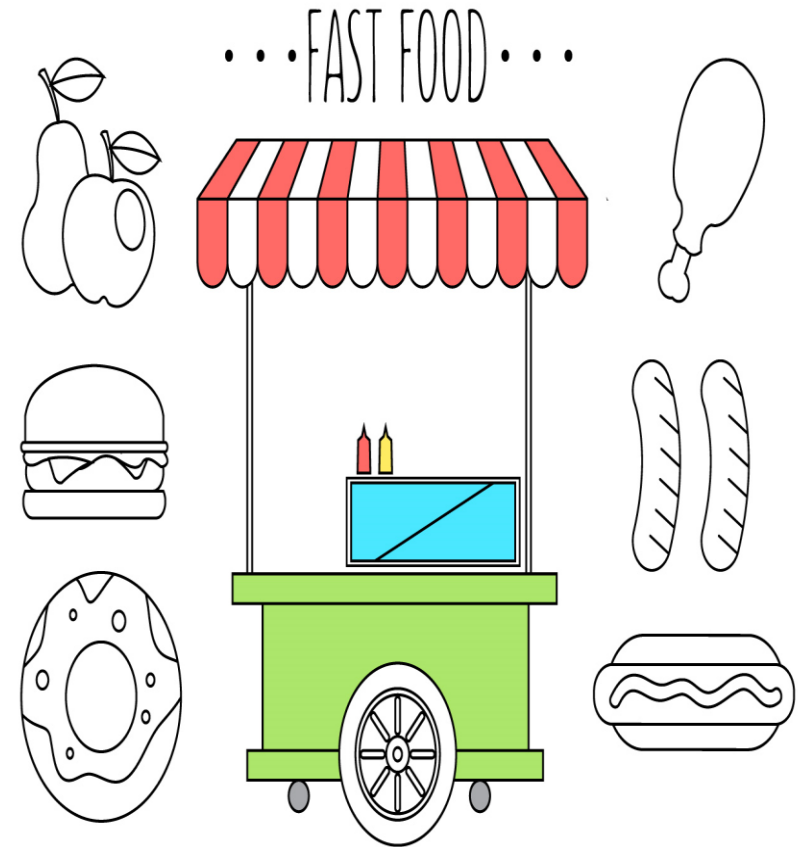
Pricing your Product

Setting a price for a product is one of the most important decisions your company can make!

Why do so many prices end in 9? Eg. .99c or $9.99 or $99

Pricing Apps

- ➡ One-time download price
  - Minecraft
- ➡ In App purchases
  - Pokemon Go
- ➡ Advertising
  - Facebook
- ➡ Donations
  - Share The Meal

ShareTheMeal

Food Cart Example

- Paid app model - sell each food item for a set price, and decide on the price

- In-app purchases - give away food, but sell condiments and larger plates at a set price

- In-app ads - give away free plates of food, but sell advertising space on the plates

- Donations – give away the food but have a donation jar by the condiments

Pricing Considerations

- How much is your app worth to your target customer?

- Will they see enough value to pay when they download?

- Are there in-app features that users would pay for?

- How do competitors charge?

- Who are the potential advertisers?

- How likely are your users to donate?

Potential Revenue

- Your revenue is a function of your price, your market size and how quickly you will get customers

- Market size is the number of potential customers

  - Who would buy your app and how many people like that are there?

Calculating Revenue

- If I can sell a $1 app to all under 19's in Ottawa
  - $1 x 200,000 = $200,000

- Won't all buy at once!
  - Need to market it
  - How quickly can I reach my customers

Sample: Messaging App Growth
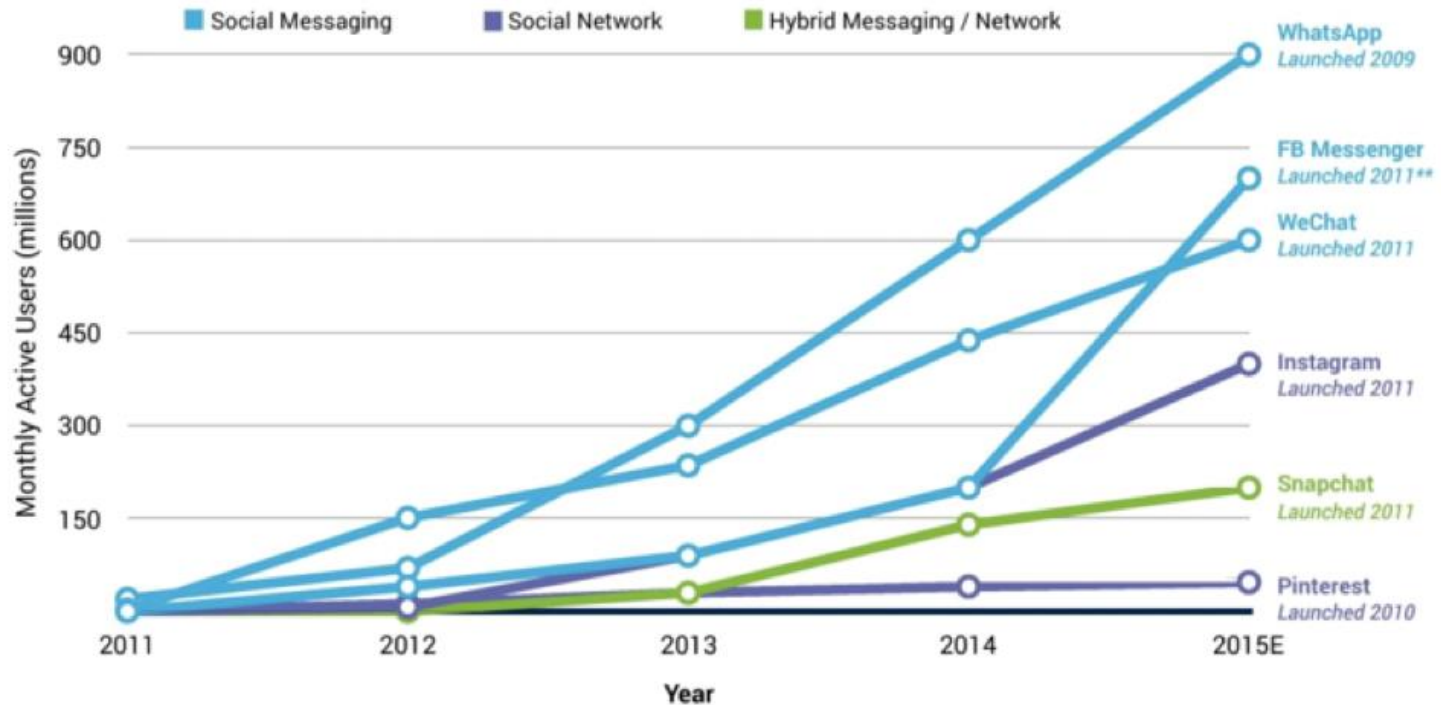
*Messaging defined as communicating primarily in real time with other contacts; social defined as broadcast sharing of status updates, images, videos, or other content. All data measured from Q2/Q3 of each year.
**Became standalone app in 2014
Sources: Business Insider, Fortune, Mashable, Instagram, AppAnnie, AdWeek, Quartz, Yahoo Finance, Experian, TechCrunch, Forbes, Tech in Asia, eMarketer, Compete, Activate analysis

Calculating Revenue

- ➡️ App purchase
  - Cost of the app * number of users who pay to download
- ➡️ Advertising
  - Cost of an ad * number of users who would see it/click
- ➡️ In App purchases
  - Number of downloads * percent who purchase * how much they purchase
- ➡️ Donations
  - Number of downloads * percent who donate * size of donation

Next Steps

- Continue working on your market research and branding

- Come up with your pricing and revenue model
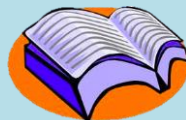
Use your **workbook**

Using Mobile Features

➡ Your App will get more points if it calls external features and the web!

- Media components
- Sensors
- Social components
- Web databases

AI Components

- **User Interface components** - Button, CheckBox, DatePicker, Image, Label, ListPicker, ListView, Notifier, PasswordTextBox, Screen, Slider, Spinner, TextBox, TimePicker, WebViewer

- **Layout components** - HorizontalArrangement, TableArrangement, VerticalArrangement

- **Media components** - Camcorder, Camera, ImagePicker, Player, Sound, SoundRecorder, SpeechRecognizer, TextToSpeech, VideoPlayer, YandexTranslate

- **Drawing and Animation components** - Ball, Canvas, ImageSprite

- **Sensor components** - AccelerometerSensor, BarcodeScanner, Clock, LocationSensor, NearField, OrientationSensor, ProximitySensor

- **Social components** - ContactPicker, EmailPicker, PhoneCall, PhoneNumberPicker, Sharing, Texting, Twitter

- Storage components - File, FusionTablesControl, TinyDB, TinyWebDB

- Connectivity components - ActivityStarter, BluetoothClient, BluetoothServer, Web

Media Components

- Camera
- Player
- ImagePicker
- Sound
- VideoPlayer
- SpeechRecognizer
- TexttoSpeech
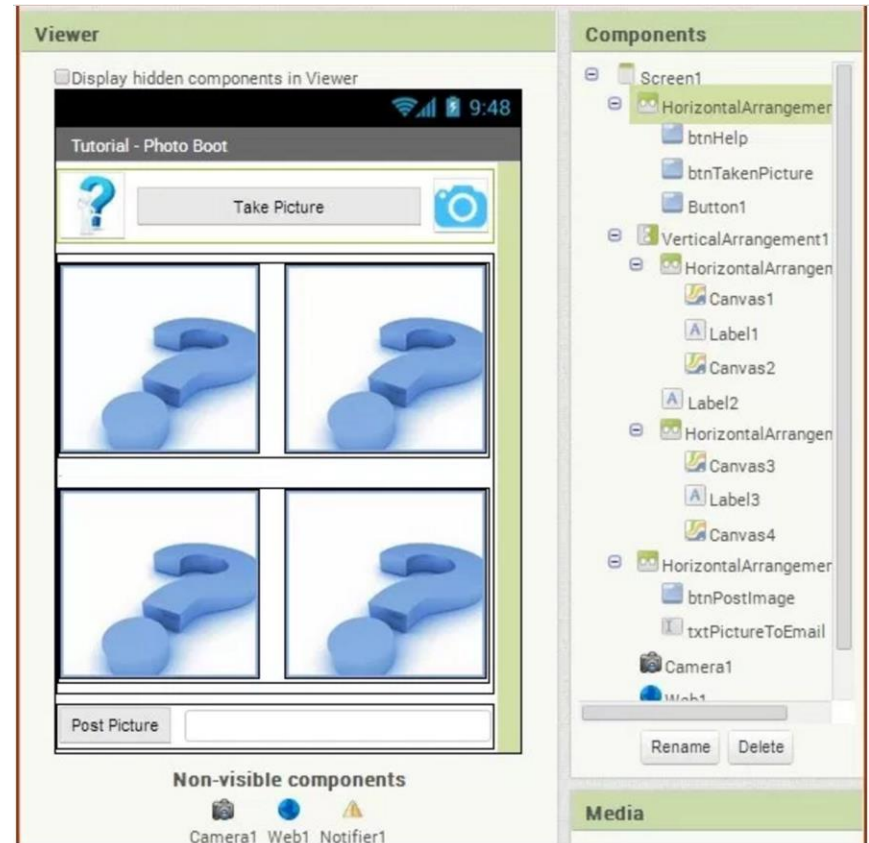
Sensor Components

- Phone sensors can be useful for time, place and activity in your app
  - AccelerometerSensor – shaking or screen orientation
  - BarcodeScanner – useful for shopping apps
  - Clock – useful for alarms or timers
  - LocationSensor – useful for maps or finding businesses
  - Pedometer - fitness

Social Components

→ Social components can help your app interact with phones, text and mail

- ContactPicker
- EmailPicker
- PhoneNumberPicker
- PhoneCall
- Texting
- Sharing

Connectivity - calling external apps

➡ Using Activity Starter (in this case to map hospitals near my current location)

Web databases

→ We have used TinyDB but it is only on your phone. WebDB are shared:

- Requiring login and passwords for users
- Sharing data from a game, like a high score list
- Allowing users to share images with each other through a feed
- Displaying a feed that updates all users see
- Remembering everything about a user such as their transactions or favourites

Sharing data on the Web
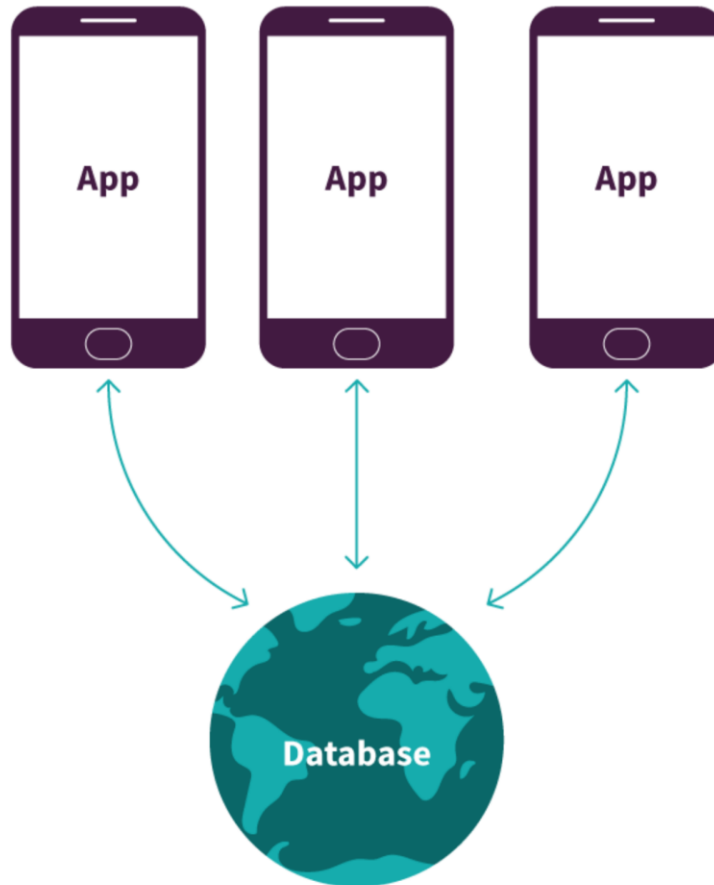
Web Databases

➡ **TinyWebDB**

- Data is stored in tag value pairs
- Great when your data is paired like usernames and passwords, or Fruit and a list of fruit

Name	Colour	Size
Brenda	Purple	L
Bob	Green	XL
Cindy	Blue	S

➡ **Fusion**

- Data is stored in tables
- Good when you have lots of information to store about something

Using Fusion Tables

- Creating a directory of location centers that are accepting donations.
  - The table entries include latitude and longitude, phone numbers, and items they accept.
- Storing information to create custom user profiles.
  - Things like user location, username, and favorites
- Making maps and plotting points on maps
- Visualizing data in pie charts and graphs
- Storing users' information
- Storing posts and comments on a forum

Next Steps for your app

- What type of data will I need in order for my app to work?

- Where do I need to get that data from?

- Choose a mobile component and a web database or external application that would be useful to your app

- Tutorials are in Code-4 to help you!

Registering for the Competition

- my.technovationchallenge.org

- Create your account

- Check your email for the confirmation from Technovation

- Click on the confirmation link

- Select "I am a student" and fill in the form

- On your dashboard add your parent's info and your location

- Create your team, or join it if it is already there

Complete your registration