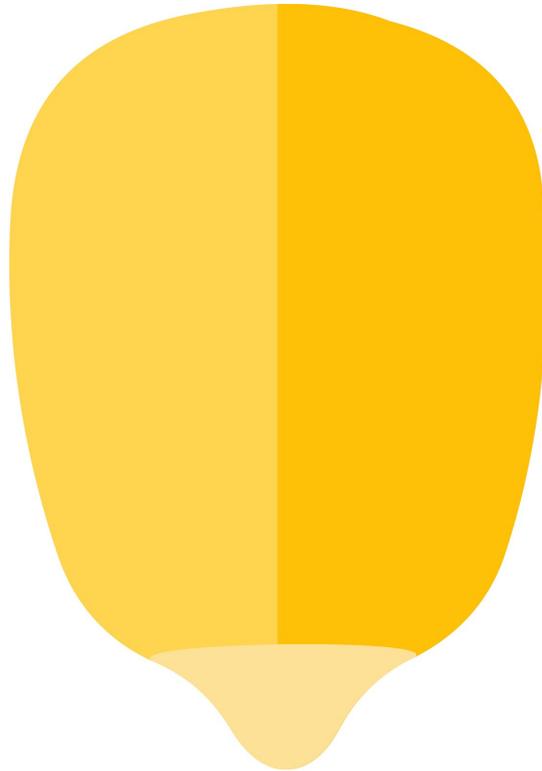


# PraisePop Business Plan

Phillips Academy Andover Team: WoCo & Co.



## Owners:

Jenny Huang

Qiqi Ren

Sloane Sambuco

Moe Sunami

# I. Executive Summary

Negativity and exclusivity are prominent in many communities; too often people feel alone, excluded and unacknowledged. However, with PraisePop, a unique iPhone application, people can spread positivity and inclusivity in their communities by anonymously sharing uplifting posts. PraisePop was created by WoCo & Co. (short for **W**omen who **C**ode), a startup company located in Andover, Massachusetts. WoCo & Co. is currently managed by four enthusiastic members: Jenny Huang, Qiqi Ren, Sloane Sambuco, and Moe Sunami.

## **1.1 Market**

Any community with an email domain has the potential to benefit from PraisePop. Thus, WoCo & Co. plans to target closed communities. We are currently focusing on high schools and universities, places where stress and the need for positivity and a sense of belonging are high. In the future, we plan to expand our market segments to living homes, hospitals, orphanages, offices, and other communities where PraisePop and other applications by WoCo & Co. will have a great effect.

## **1.2 Product**

PraisePop is an innovative and user-friendly iPhone application designed to create a happier, more tight-knit atmosphere. In any community with an email domain, the user can post compliments, jokes, kudos, thank yous, funny stories, and event invites to an anonymous live feed that is open only to his or her community. To censor negative activity, PraisePop prompts users to sign in with their community domain email, which makes their posts (or “pops”) traceable if they are reported. This traceability acts as an incentive to shy away from negative comments. Praisepop is also interactive, in that the user can upvote pops to show his or her agreement or appreciation for a pop’s kindness and inclusivity.

## **1.3 Competitive Edge**

Apps like Yik Yak and Kindkudos and pages on Facebook like “PA (Phillips Academy) Compliments” offer similar services as PraisePop. However, PraisePop is far superior to its competitors, for it offers a unique way to include and be kind to people in the community. PraisePop’s traceability feature is unique to PraisePop and effectively discourages negativity in the feed. Additionally, PraisePop is a community enclosed app, a distinctive feature that promotes tight inclusivity. PraisePop will succeed over other products by aggressively advertising on social networking sites and through announcements on our school website, emails to the student body from interested faculty, and articles in local/school newspapers. Moreover, PraisePop’s free price will appeal to people of all socioeconomic backgrounds.

## **1.4 Mission**

WoCo & Co.'s mission is to develop applications that promote inclusivity and kindness in communities where people feel unacknowledged, discouraged, and excluded. WoCo & Co. encourages people to look at the glass half full, follow the Golden Rule, and spread positivity to everyone.

## **1.5 Keys to Success**

PraisePop will succeed for many reasons. It is an interactive, social, and positive way to engage with the community. The sleek user interface makes it look professional, while the popcorn theme adds a fun spin that increases its market appeal and attracts a diverse set of users. In addition, WoCo & Co. implements strong marketing strategies that focus on targeting the greatest amount of potential customers for the least amount of money. Another key to success is PraisePop's ability to make the user happier. Because a compliment or funny joke can make one feel instantly more cheerful, the user will constantly be coming back to PraisePop for more positivity. PraisePop will become a prevalent and successful app in any community.

## **1.6 Objectives**

We hope to accomplish many things through the integration of our first app, PraisePop.

- Ask the survey question, "Do you feel like you live in a kind community?" to Phillips Academy student again after one year of PraisePop and view an increase of those who answer "Very much" from the original 11% to at least 40% of the community
- Help more than 50% of students at our school (about 550 students) spread positivity through PraisePop
- Expand to a variety of communities
  - High schools, universities, living homes, hospitals, orphanages
    - at least 50% usage in any given community
- Add PraisePop to the Android Market

## **II. Company Summary**

WoCo & Co. (short for **W**omen who **C**ode) is a startup company located in Andover, Massachusetts. It is currently managed by four enthusiastic members: Jenny Huang, Qiqi Ren, Sloane Sambuco, and Moe Sunami.

### **2.1 Start-up Summary**

As five intelligent and capable women, we would develop the application ourselves and do most of the PR/marketing ourselves. We would possibly hire one experienced associate and one creative intern for additional help.

In order to start-up WoCo & Co., the following assets and services will need to be provided.

- Legal services for company formation
- Five computer workstations. Three will be used for business planning, market strategies and app design, while the remaining two will be used for app programming.
- \$200 for promotional materials like stickers, popcorn boxes, t-shirts, posters etc.
- Upwards to \$5000/month to pay for servers or cloud data storage, specifically Parse.
- \$99/year for an Apple developer license

### III. Product Description

People often feel lonely, excluded, or unwelcomed. With the chaos of daily life, it is often hard to connect and be kind to people, especially those you do not know that well. PraisePop solves this problem as an innovative and user-friendly iPhone application designed to create a happier, more tight-knit community. This social media app has many components will make a positive impact.

#### **3.1 Components and Features**

One of PraisePop's unique features is that the app is open only to your community. To start, sign up using your institutional email address. A verification code will get sent to your inbox, and then you are all set to sign in by typing in your name and email address. PraisePop is closed to your community, meaning you will only see posts from people with the same domain email.

Another component of the app is its traceability. Because you log in with your institutional email (school email, work email, university email, etc.), every "pop" or post is traceable. Although each post on the screen is anonymous, if a post is reported, it will be sent directly to us or assigned admins/adults who will access the post's appropriateness and determine whether identity investigation is necessary.

PraisePop's next component is the anonymous live feed. PraisePop's live feed, designed to look modern and minimalistic, is speedy, easy to understand, and easy to use. The feed, updated by swiping down, is filled with anonymous compliments submitted by users. Because of the anonymity, people will not be shy to express gratitude to or compliment those they do not know that well.

The fourth component is the app's many interactive features. You can submit your own "pops"- simply fill in who your note is addressing (to a certain person, group, or to everyone) and specify

whether your post is a “shoutout” or an “invite.” Type in a message less than or equal to 500 characters in length, and send it off to the live feed. Your message can be a compliment, joke, kudos, thank you, funny story, or entire community invite to an event or hang-out in the area. Once your post is on the live feed, other users can upvote your post by tapping a kernel into a popcorn to show their agreement or appreciation for your pop’s kindness and strides towards inclusivity. You will get a push notification every time your pop is upvoted and also every time someone else compliments you.

The fifth component of the app is the random name generator button. To further be inclusive to everyone, PraisePop features an unbiased generator that suggests a randomized person in the community for you to write about. This makes sure that no one gets left out.

The next component of PraisePop is its motivational levels that will keep users coming back for more. A counter behind the scenes keeps track of the number of posts in the feed. For each new milestone (every 100 posts or so), a new achievement or a fun note appears on the microwave on the settings screen. The fact that a funny or clever message is revealed as the number of posts increases will encourage the community to Keep Poppin’.

The sixth component of PraisePop is its “About” page. This page includes the Rules of PraisePop, the Log Out button, your Account Settings, and the Special Thanks page to see who created and helped out with the app. The Rules page displays several community guidelines explaining how reporting works and setting expectations for pops.

### **3.2 Potential Impact**

PraisePop will benefit people socially and mentally. Socially, PraisePop will cause a chain reaction that will have people being kind to one another and then passing it along. Mentally and scientifically, customers will have a release of the hormone oxytocin, making customers feel very content.

A study by James Fowler of the University of California, San Diego, and Nicholas Christakis of Harvard, published in the Proceedings of the National Academy of Science, shows that when one person is kind and generous to another, it inspires observers to behave the same way later toward different people. (Suttie and Marsh 2010) These conclusions show that kindness is contagious; receiving a compliment makes you want to give a compliment to someone else. PraisePop will capitalize on this domino effect and cause a chain reaction of people saying nice things on the app and also in person.

Giving compliments and reaching out to others has also been linked to the release of oxytocin, a hormone that induces feelings of warmth, euphoria, and connection to others. Paul Zak, the director of the Center for Neuroeconomics Studies at Claremont Graduate University, found that a dose of oxytocin causes people to give more generously and to feel more empathy towards others. People on an “oxytocin high” can potentially jumpstart a “virtuous circle, where one person’s generous behavior triggers another’s,” says Zak. (Suttie and Marsh 2010) PraisePop will continually be creating these circles of positivity, promoting a flourishing, connected, and happy community.

In conclusion, *PraisePop has the power to bring people together and make people happier.*

### **3.3 Evidence of Impact in Our Community**

We have direct evidence from our own immediate community that shows that kindness and PraisePop can make a large impact. At Phillips Academy Andover, our survey revealed that 73% of the users agreed that more compliments and thank yous would help provide a kinder atmosphere. Over 70% of respondents also agreed that compliments and thank yous improved their confidence and happiness. As kindness is extremely contagious, it will effectively spread from students to faculty and other members of the community who will benefit from the change of happier classrooms, more motivated students, and general energy associated with positive attitudes. 59% responded that compliments and thank yous made them want to consequentially spread positivity around too.

Another large effect of PraisePop is a more inclusive environment. At Phillips Academy, 57% of respondents said that they felt more included after being complimented or being thanked. Not only will this kindness help promote inclusivity, but the invitations to everyone, for example, to play ultimate or soccer on the lawn will do so as well.

## **IV. Potential Market Size**

### **4.1 The Problem**

People often feel lonely, excluded, and unwelcomed. With the chaos of daily life, it is often hard to connect with and be kind to people, especially those you do not know that well.

Our target audience definitely has this problem. Negativity and exclusion are certainly prevalent in WoCo & Co.’s immediate community: Phillips Academy Andover. In a survey of Phillips Academy students, only 11% of responders said that they felt we lived in a very kind community. There is a large mental health issue on campus as well; according to *The Phillipian*’s “State of the Academy Survey,” 18% of women and 6% of men have engaged in

self harm here at PA ("The State of the Academy 2014"). These are heartbreaking statistics, and we are confident that the integration of PraisePop will help alleviate this issue.

#### **4.2 Populations Affected by the Problem**

Andover and high school are certainly not the only places where people frequently face struggles and negativity. Hospitals and workplaces often can hold similar gloomy atmospheres. In hospitals, a positive atmosphere is an integral part of patients comfort and recovery. PraisePop will help create this kind of atmosphere. Significant differences in patients' health have been found in research depending on the vibe present in the hospital. In fact, "the influence of the psychic factor into the appearance and developing the patient's worsening or healing is remarkable," according to a study in the *Current Health Sciences Journal*. (Cotoi and Iliescu 2013, 259) In the workplace, a study found that "a heavy workload has no effect on whether or not employees become depressed. Instead, it is the work environment." (Scrogren 2014)

In conclusion, we can predict that PraisePop will not only positively affect our school, but it will also do so in varying populations across all iPhone-users of the world.

#### **4.3 Target Market**

Any community with an email domain has the potential to benefit from PraisePop. Thus, WoCo & Co. plans to target closed communities. We are currently focusing on high schools and universities, places where stress and the need for positivity and a sense of belonging are high. In the future, we plan to expand our market segments to living homes, hospitals, orphanages, and other communities where PraisePop and other applications by WoCo & Co. will have a great effect.

#### **4.4 Potential Market Size**

In just our school, we have over 1100 students who are potential PraisePop users. When we expand to other communities, high schools alone will have over 16.5 million students who could benefit from our app (Davis and Bauman). There are so many other communities with shared email domains that we can impact. Thus, the market size is at least 16.5 million high schools students but definitely more while taking into account hospitals, orphanages, living homes, offices, and other communities. The market size is ever-growing.

#### **4.5 Predicted Use**

Because 88% of the Phillips Academy students surveyed used an iPhone, PraisePop was designed for iOS. We want to make this application reach as many people as possible. We are confident our school community would love PraisePop. In our survey of PA students, 42% of responders said they gave out compliments multiple times a day and 44% of responders gave out

compliments once or twice a day. This makes up 86% of the all responders which suggests that the community is willing to give out compliments. Further prompted by a user-friendly, anonymous application like PraisePop, more users will gladly give out compliments multiple times a day.

#### **4.6 Competitor Market Size**

Yik Yak has 100,000 monthly active users as of 7/22/14 (Shontell 2015). However, it is banned in most high schools because inappropriate remarks dominate the feed. This leaves the market open for PraisePop whose positive intentions will let it thrive in these schools and appeal to school administrations. Kindkudos did not release their user information. PraisePop has some competition; however, it is superior and unique in a number of ways and will challenge these apps and overcome them in the market.

#### **4.7 Marketing Segmentation**

WoCo & Co. has identified a myriad of possible market segments for the PraisePop application. Each market segment will download PraisePop for personal use to create a more positive environment and closer community.

- High school and university students
- Hospital guests and employees
- Orphanages
- Office Communities
- Living Homes

## V. Competitive Analysis

### **5.1 Competitive Edge**

PraisePop's most important competitive edge is its unique ability to allow members of a community to interact anonymously while spreading positivity and inclusivity efficiently and effectively. Our social networking theme is based off of the successful apps like Yik Yak and Facebook pages like "PA Compliments." In modeling our application off of already proven to be "sticky" models, PraisePop hopes to keep students interested and engaged in their community through the application.

While it is based off of these kinds of services, PraisePop is unique and superior in many ways, so it will succeed in the market. Apps or Facebook pages that offer similar services lack the fun spin of PraisePop's popcorn-themed user-friendly interface, and they lose their market appeal as a result. Other apps lack the regulation that PraisePop has, which effectively disallows negativity since all posts are traceable by email. While traceable, every post still appears anonymous to

other users, so no one should still feel nervous to post. Similar Facebook pages are run by only one administrator, so every post must be approved by this one person before adding to the feed. This loses the live aspect of the feed, the ability to expand to different communities, and the desirable efficiency of posting.

## 5.2 Competition Analysis

There are two apps similar to PraisePop on the market: Yik Yak and Kindkudos. Even though compliments pages on Facebook are found in a different market than PraisePop, they will also directly compete with PraisePop for sales and users.

- **Yik Yak** is like an anonymous Twitter based on location. Yik Yak has a live feed, like PraisePop, but it is not intended to spread positivity. Because Yik Yak's feed is based off location, it is therefore not closed to your specific institution. This allows strangers' posts to flood the feed. Additionally, while there is a report button, the posts are not effectively censored, because usernames can be arbitrary and not linked directly to a community email. Because the email used in PraisePop is that of a community domain, it is much easier to trace whose post is which.
- In **Kindkudos**, users can send kind notes to each other via a notification to the other friend's phone. Kindkudos has no report button, so any secret note can be sent. In addition, there is no live feed, a fun and modern feature.
- **Facebook Compliments Pages**, typically managed through one administrator, are inefficient because there is one person receiving and then posting the notes. Compliments Pages are usually made for and therefore closed to a certain community (ex: PA (Phillips Academy) Compliments). However, any person can follow the page and see the posts, implicating a lack of privacy. These pages are censored because the administrator can pick and choose which posts to show to the public. There is no live feed. Additionally, these posts become part of the Facebook cluttered news feed, causing the positive remarks to be jumbled with unrelated material.

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Features	PraisePop	Kindkudos	Facebook Compliments Pages	Yik Yak
Intended to Spread Positivity	✓	✓	✓	
Live Feed	✓			✓
Anonymous	✓		✓	✓
Email Traceability	✓			
Report Button	✓		✓	✓
Random Name Generator	✓			
Open Only to Your Community	✓		✓	
Can Send Whole Community Invites	✓			✓

## VI. Branding and Promotion

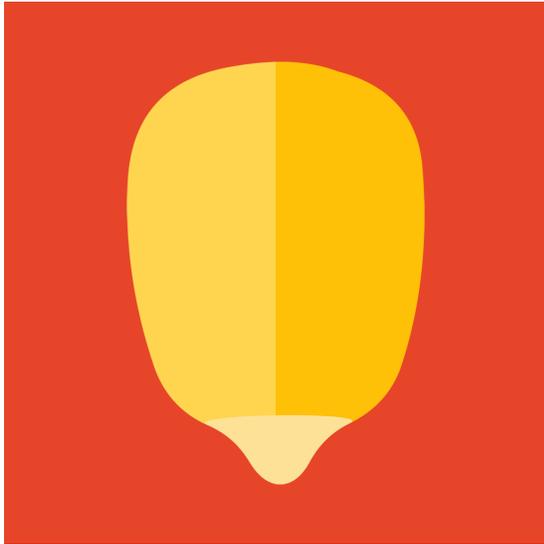
### **6.1 Messaging**

We will describe our app to consumers through creative slogans like “Let’s get poppin’!” We hope to put PraisePop in a happy and fun light in order to make it appealing to our primary target audience, high school students.

### **6.2 Logo and Branding**

PraisePop also has a modern and beautifully designed app logo and icon which will entice customers to download the app. The design (colors, font, popcorn theme) is intended to be bright and fun, which further supports its goal of promoting positivity and inclusivity.

Icon



Branding



### 6.3 Actions to Launch

After collecting user feedback and improving our app, we will place PraisePop on the App store. To increase awareness of its release to the public, we will host a large PraisePop Launch Party at our school.

- Spread awareness about the app to get students excited about the release.
- Rent a large gathering room on campus for the party in advance
- Make announcements about the Launch Party at our school's All School Meeting (where all students and faculty are present), on many forms of social media, and to each dorm on campus during dorm meetings
- At the Launch, serve refreshments, play PraisePop promotional videos, encourage students to download the application, have sample phones and tablets ready as examples, give an overview of the app, and answer any questions about it.

These steps are how we will bring PraisePop to the market and make it known in our community.

### 6.4 Channels

WoCo & Co.'s marketing strategy is based upon the belief that poor overall awareness leads to few sales for the app. Therefore, WoCo & Co. plans to use an aggressive marketing strategy in order to raise awareness for PraisePop first among our primary target market, high school students. Our social networking theme that has been proven "sticky" over time by other likewise apps will keep students engaged and having fun by connecting with their peers.

WoCo & Co. plans to advertise PraisePop on social networking sites such as Facebook, Twitter, and Instagram, due to the large majority of teens who browse these applications. All of these

sites have advertising programs and fast spreading of posts, which will work well on low budgets and cater towards our target market of high school students. On these sites, we will share promotional videos, announcements about updates, information about the PraisePop Launch Party, and even funny pictures with PraisePop sayings that relate to teenage culture. We have many ideas for such hooks: for example, “Your lipstick be cool! Your lip gloss be POPPIN’!” is derived from a famous song lyric widely known among students. By catering our messaging towards high school students, we effectively reach our primary targeted market.

PraisePop will also succeed over other products by advertising in the local area. We will do so by creating announcements on our school website, finding faculty members and student ambassadors to spread the word, and placing articles in local/school newspapers. We will also place flyers around our town in local coffee shops and restaurants and return the favor by advertising them in our app. This method will foster a mutually beneficial relationship. We will also give out PraisePop promotional items during lunch at our school cafeteria. These items include: stickers, customized popcorn boxes, wristbands, etc.

### **6.5 Long Term Success**

We will grow users over time by allowing it to flourish on the app store. We will never stop promoting the app and continue to keep in prevalent in every community we join. Rather than to us, all reported posts (or “pops”) will be forwarded to faculty or designated predecessors for review. For other schools, designated faculty will be in charge of examining regulated posts. Our app, like Twitter, will have long term success. People are constantly wanting to engage in social media and interact with others. Furthermore, kindness never goes out of style. We also hope to designate campus representatives to speak about our app and visit different communities to spread the word about how our app can make a positive difference. All these reasons in combination with our strong marketing strategies will allow us to have a long-term lasting impact.

## **VII. Potential Revenue**

### **7.1 Sales Strategy**

PraisePop will be entirely free and will not include expensive in-app purchases so that it can be inclusive of those of all socioeconomic backgrounds since spreading positivity should not be a burden. Thus, we will earn money through advertisements, sponsors, and other methods. Because we will not initially be making money from the app itself, we will receive funding in other ways.

After our extensive marketing strategies, we know that we will get many downloads. The app's free price will also help PraisePop obtain the biggest user base possible. Thus, our app will be popular and let us earn revenue off of advertisements from local businesses and interested companies. These businesses, to start, include the local Bertucci's, Andover Book Store, Orange Leaf, La Rosa's Sandwich Shop, One Thong Chai, and Sweet Mimi's Chocolates. We will advertise them as pops at the top of the feed, and we will review all the advertisements to make sure they comply with PraisePop guidelines. We also plan to use Google's AdSense program to earn additional money. With such a large user-base, this should not be too hard to profit from. We will also earn revenue from grants from interested organizations, donations, sponsors, and partnerships. We have already applied for a grant of almost \$6,000 from the Abbot Academy Association and will use this money to kickstart our app.

## 7.2 Potential Revenue

Based on our market size and our sales strategy, we have calculated our expected revenue of 1,458 per day from our primary target alone and \$353,920 in the long run after implementing a price change when the app becomes popular. Our primary target market is the 1105 PA students, and eventually, we can reach the 16,600,000 high school students and more communities beyond.

We will first calculate the potential revenue for just our initial target market of students at our high school, Phillips Academy Andover.

We start with the eCPM, or effective cost per thousand impressions, formula:

$$\text{Revenue} = \text{eCPM} \times \text{impressions}$$

where the number of impressions is the number of times the advertisement is displayed. (Bea 2013)

Regardless of application, the average CPM earning is \$1 to \$1.5 per 1,000 impressions (Bea, 2013). To be on the safe side, we will estimate our CPM to be \$1 per 1,000 impressions. In our survey, 66% of the responders said that they would be interested in using our app. Using this estimate, we predict that out of the 1105 Phillips Academy Students,  $1105 * 0.66 = 729$  students will download our app. Because PraisePop has a constantly updating live feed like Yik Yak and Twitter, we can expect users to browse the app multiple times per day. If we assume that the downloaders will browse PraisePop an average of two times a day, then we get an estimate number of  $729 * 2 = 1,458$  impressions per day.

Thus, our calculated revenue per day = eCPM\*Impressions =  $1 * 1458 = \mathbf{\$1,458}$ .

With a potential gross revenue per day so high, PraisePop can make a lot of money that can help fund future improvements to the app and make it even more popular.

After our user base has grown significantly, we will consider putting a price on the app: \$0.79 in the Apple App Store. We did not want to charge people for the app initially because people tend to download free apps much more often. We only want to charge people for the app once we ensure that we have built a loyal consumer base. We want to be confident that the demand for PraisePop is high so that we will continue to have downloads after putting a price on it. After comparing our app to others, we believe that once PraisePop has a user-base of 50,000, we can consider raising the price. The ideal calculations are shown below. We will assume that out of our market size (16,600,000 high school students), 3% will use the app. We will price PraisePop at \$0.79 when we reach 50,000 downloads.

Expected number of users = expected proportion\*market size =  $0.03 * 16,600,000 = 498,000$

Expected number of charged users = number of users - number of non-charged users =  $498,000 - 50,000 = 448,000$ .

Expected revenue after price change = number of charged users\*price =  $448,000 * \$0.79 =$   
**\$353,920**

After implementing the price change, Praisepop has the potential to make a total of \$353,920 as a successful application on the app store.

## VIII. Future Plans

### **8.1 Additional Features**

WoCo & Co. did not get to build some features that we originally planned for, but we hope to effectively implement them in the near future. These features are:

- Push notifications when someone is complimented or thanked
- Daily Push notifications of a random “Pop of the Day!”
- Share and save pops to your Camera Roll (Right now, people can still screenshot posts they enjoy)
- Word bank of negative words such that no one can post a message with any of these words. This would decrease the number of reported posts as well as effectively discourage negative words.
- Multiple community feeds. Those who are part of multiple communities with email domains can have separate tabs for each community feed instead of having to create multiple accounts.

After the integration, improvement, and expansion of PraisePop, WoCo & Co. plans to begin work on other apps that focus on positivity. We hope to make a significant difference in the general happiness of communities worldwide.

## 8.2 Milestones

WoCo & Co. has several milestones it hopes to complete in time.

<b>Event</b>	<b>Date of Completion</b>
Business Plan Completion	4/3/2015
App Source Code Draft Completion	4/10/2015
PraisePop Launch Party at Phillips Academy (Application Made Open to the Public)	November 2015
Profitability	November 2015 and onwards
Expansion to other Communities	November 2016 and onwards

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