

# BUSINESS PLAN



## Mobile Application – Loyalty Program



2014

*Adaptation of this business plan is possible for similar project around the world.*

*The financial model in separate file is attached to this business plan, which makes it easy to build a new financial plan by entering the appropriate data.*

## Project Description

**Idea and essence of the project:** development of mobile application for Android and iOS, which will become the mobile loyalty system with the working title «ShakeWallet».

**Geography of the project:** Russia.

### Audience of the Project:

- facilities of entertainment and leisure in Russian Federation (RF);
- visitors of facilities – users of mobile applications (core audience – solvent population of Russia aged 18-45 years).

### Competitive environment (applications – loyalty programs):

- Starcard;
- Sailplay;
- Fidme.

«ShakeWallet» for business	«ShakeWallet» for users
<ul style="list-style-type: none"> <li>• <i>Use of remuneration principle</i> – due to the points and bonuses for each visit, the clients are willing to come back again;</li> <li>• <i>Principle of «viral spread»</i> – due to the recommendations among friends and acquaintances, the clients also gain points, which in its turn promotes the application among potential users;</li> <li>• <i>Communication with customers at a distance</i> – installation of application enables the communication with clients at a distance due to the sending of personal notifications;</li> <li>• <i>Detailed analytics and results</i> – partners of the project have an opportunity to be comprehensively informed about the clients, their preferences, new visitors, their age, sex, etc.;</li> <li>• <i>democratic tariff policy</i> – the company has developed three possible variants of subscription fee for the project partners.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>nice addition</i> – users additionally receive presents and bonuses for visiting of the favorite places;</li> <li>• <i>simplicity of use</i> – to gain points, the user must only scan the QR-code, presented on Holder;</li> <li>• <i>understandable exchange algorithm</i> – to exchange the points for presents, it is only necessary to show the chosen present on the smartphone screen to the representative of facility (administrator, waiter);</li> <li>• <i>unlimited amount of points</i> – every time when user recommends the application or brings friends to the facility, he gains additional points.</li> </ul>

### Financial indicators of the project

Indicator	Units	Value
Necessary investment	\$	***
NPV	\$	***
IRR	%	***
Payback period	years	***
Discounted payback period	years	2.05

## Excerpts from Research

Within the project, **mobile application for Android and iOS operation systems** was developed by the initiator.

Application will be based on the idea of mobile loyalty program with the working title «ShakeWallet», which essentially is a single electronic discount card, but has a branch, which provides the saving of bonus in a course of use with the following exchange the accumulated points for presents/discounts in the respective point of sale.

Due to the «ShakeWallet», the visitors of leisure facilities do not need to keep dozens of discount cards with them, buy coupons or collect stamps: it is enough to install the application to their smartphones, accumulate the points for visiting of facilities, scanning the QR-code, and receive presents in the future.

**The main feature of the project** will be the gamification of the «ShakeWallet» application: clients visit the facilities, gain points and receive presents.

The principle of service is simple enough –in facilities the special menu-holders with QR-code are placed on the tables. Guests scan QR-code via telephone at each visit. They gain points for each visit and exchange them for presents: drinks and dishes, discounts or «chips» of facilities.

Application uses the geolocation and each QR-code is attached to its facility. Also facilities can send the push-notifications for clients, conduct surveys and use analytics.

It is necessary to register on the official website to begin the cooperation with «ShakeWallet». After that, the company's manager will contact with a potential project partner, provide the access and equipment for test period. After the free of charge period, facilities choose an appropriate variant among set of paid subscriptions.

Mobile application operates on the iOS and Android platforms; user can download it in App Store and Google Play.

\*\*\*

Global smartphone supply has increased by 23.1% in Q2 2014 over the similar period of 2013 and amounted to \*\*\* mln devices. This is a record volume in comparison with other quarters, marked by analysts.

\*\*\*

Russian smartphone market has increased to \*\*\* mln RUB in Q3 2014, the number of sold devices has amounted to \*\*\* mln. As opposed to the previous reporting period, the smartphone market in rubles showed the positive dynamics during the year, increasing by 19.4%.

\*\*\*

Despite the fluctuations of exchange rates, the Russians continue to buy the mobile devices. But the preferences of Russian users of mobile devices continue to shift to the cheaper models such as Fly, Alcatel or Explay.

\*\*\*

An average price for smartphone in Russia has declined to \*\*\* thsd RUB (by 14.9% for a year). In terms of market price categories in Q3 2014, the positive dynamics is fixed only in segment of devices of the budget category, which are valued up to 5 thsd RUB. In July-September, \*\*\* mln of such smartphones were sold, which is two times more than in previous year.

\*\*\*

As for the Russian market, the positions of Android platform, which is the base for most devices in different price segments, have been strengthened in Q3 2014 – its share in Rubbles has increased to \*\*\* bln RUB (growth by 72,4%), in unit – to \*\*\* mln devices (growth by 85,5%).

\*\*\*

For the period of June 2013 – July 2014, the number of applications in Google Play has increased by 60% and their total revenue – in 2.4 times; Taiwan and Indonesia have closely approached by the revenue to Great Britain<sup>1</sup>.

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<sup>1</sup> According to the research App Annie, <http://app2top.ru/industry/app-annie-za-god-vy-ruchka-google-play-vy-roslo-v-24-raza-42738.html>

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and would like to remind you that:*

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«VTSConsulting» company you'll have a guarantee of  
getting a consultation from specialists who have  
worked on a specific business plan*
  
- ✓ during one to two hours our team will be ready to  
answer all questions related to the structure and  
content of the business plan*

*Respectfully,  
«VTSConsulting» team*

## INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

### «VTSConsulting» team and principles of work

- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

**We appreciate greatly the cooperation with each customer.  
And we are proud of our customers!**

LLC «Zemleugodie-Invest», OJSC «Votkinsky plant», SPE «Stealth», State Enterprise UkrSRIPRI «Masma», «Reproto Technologies», «VOK Montage Service» company, LLC «PRIIMAS»	«Petrovizard» company , Port Temryuk, LLC «Spetsbudproekt», group of companies «SEMPROGROUP», LLC «Maximus Construction», «Rosmolodezh», LLC «Sisif Service», LLC «Plant TITAN», LLC «Project K»,	LLC «Portal Logistics», SPK «Nauka», I.N. Frantsevich Institute of Materials of NAS of Ukraine, NTUU «KPI», Science Park «Kyiv Polytechnic», The Russian Government, Verkhovna Rada of Ukraine
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This is not a complete list of those  
who was pleased with the cooperation with «VTSConsulting».

«VTSConsulting» company is a team of professionals, whose knowledge and experience will allow you to save money, nerves and time: preparation of investment documents will take from 4 to 10 days.

Our customers recommend us to their friends and partners, because we work for the results and complete satisfaction of a Client. Thus, ordering business plan, information or investment memorandum from us, you do not just spend money.

**You invest.**

*Respectfully,  
Vladyslav Tsygoda,  
the head of «VTSConsulting»*