

SOCIAL NETWORKING APPLICATION DEVELOPMENT

**A BUSINESS PLAN FOR
GONG YEUNG CONSULTING INC.**

by

Colin Yeung

Bachelor of Technology BCIT 2005

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APPROVAL

Name: Colin Yeung

Degree: Master of Business Administration

Title of Project: Social Networking Application Development – A Business Plan for
Gong Yeung Consulting INC.

Supervisory Committee:

Nilesh Saraf
Senior Supervisor
Assistant Professor, Simon Fraser University

Aidan R. Vining
Second Reader
CNABS Professor of Business & Government Relations

Date Approved: _____

EXECUTIVE SUMMARY

Gong Yeung will develop two online applications hosted on Facebook.com that are tailored for business opportunities in the emerging online social networking segment, hoping to catch an opportunity that existed in early Internet-related models.

The first application will be called Sky's the Limit (StL). It is an Affiliate and Referral (A&R) link management system that will provide user generated content to build customer loyalty. StL will own a number of A&R links made available at the StL home page. As new A&R programs are discovered by users of StL, these programs will be included in StL's portfolio of links. Visitors to StL will have the opportunity to create their own links and include them into their favourite's page. Based on Table 1 Sky's the Limit - Projected Valuation and Annual Revenue the estimated revenue and worth of StL after its first year of operation will be between \$8,800 and \$35,200.

The second application is called Marketeer. Marketeer is a complete survey management solution that is differentiated by offering profile filtration and incentive based survey participation. By keeping a database of responses to further profile Participants, it will take advantage of existing social networking technology. The price structure for Marketeer has yet to be determined; however, it is likely that a service charge of 15% will be included for any incentive based survey. Based on Table 2 Marketeer - Projected Valuation and Annual Revenue the estimated annual income for Marketeer during its first year of operation will be \$8,800 to \$26,400, with a net worth of \$8,800 to \$35,200.

Gong Yeung has successfully registered with Industry Canada and established an Internet presence. The registration of the corporation will benefit Gong Yeung by i) protecting it through limited liability ii) providing additional sources of funding, and iii) providing access to additional resources such as industry sponsorships. The Internet presence of GongYeung.com will ensure that this domain will be available for GongYeung as a critical communication channel with its clientele and the general public.

Secondary research indicates that 84% of Facebook users are between the ages of 14 and 26. The demographics for the entire user base have been further divided into four segments: college students, high school students, graduated college and other. The Gong Yeung products will target the college student as its beach head market, because they represent the greatest fit for the products. After establishing this beach head, Gong Yeung will pursue the high school market, followed by graduate students and other niches.

There are no known competitors for StL. For Marketeer there is one competitor; however, this competitor does not offer the functionality for filtering profile information nor does it provide a facility for incentive-based surveys. An analysis of the industry in Figure 14 Gong Yeung Initial Products Porter's Five Forces Analysis reveals that there is a low force to entry, a low force for rivalry, low to high supplier power, high buyer power, and a medium force for substitutes.

Strategically, StL will enter the market with basic functionality and allow user feedback to determine the most valued features to include in future releases. The feature set will grow with consumer loyalty. Through this strategy, it is foreseeable that StL will establish itself in the most dominant position with the largest market share for an online social network-based A&R management solution.

Open source software code underpins the Marketeer product which will enter the market with a very complete feature set. As Marketeer's user base grows so will its value as a complete product since the data from the installed base will be used iteratively to fine tune the offering, thus locking users into the product. The ability to perform surveys for free will attract users; however, to garner participation a Researcher will likely have to provide incentives. As more users participate, the accumulated information will allow for greater accuracy and more focused results. It is the complete survey solution that will make Marketeer an enticing product that can eventually carry it to a market dominant position. Its unique feature set and installed base will differentiate it from competitors and thus enable it to charge premium pricing. Like most technology ventures, the inaugural product for Gong Yeung will focus on winning the beach head market and then the mainstream market. The mainstream market indicates that a product has captured the highly valued pragmatist user. The reward for the product Owner is the "Gorilla" market position along with high revenue and profit margins. GongYeung proposes to cross the chasm from the beach-head market to the mainstream market by making its product the de facto standard within the industry.

Prior to the beta release of Marketeer and StL, the secondary research on the online social networking industry will be supplemented with primary research to validate price and advertisement strategies. Performing the primary research prior to the beta release will provide Gong Yeung with timely information and help protect intellectual property by delaying the possible disclosure of ideas to competitors. At least seven sources of funding have been identified in the event that additional resources are required. The most promising of these sources is the National Research Council Industry Research Assistance Program (NRC-IRAP), which provides funding and a network of industry specific contacts.

Gong Yeung has a road map for how to proceed with its inaugural products and will immediately begin with the initial stages of development, starting with the product prototypes. The future for Social Network Site (SNS) software applications is bright. The \$200 million a year industry in 2007 is expected to experience rapid growth, resulting in a \$2 billion industry by 2012. Gong Yeung is ready to be a part this explosive growth and will target its products accordingly.

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ABBREVIATIONS

A&R	Affiliate and Referral
CRM	content resource management
CTR	Cost, Time, and Resources
IRAP	Industrial Research Assistance Program
OSS	Open Source Software
SEEDS	Self Employment and Entrepreneur Development Society
SNS	Social Networking Site
StL	Sky's the Limit
TLD	top-level domain
UILO	University Industry Liaison Office
URL	Uniform Resource Locator
VC	Venture Capital
WYSIWYG	What You See Is What You Get

THE OPPORTUNITY FOR GONG YEUNG

Online business models have matured significantly in recent years. Not only are email services, product sales and services, banking and other business processes conducted through the Internet, but increasingly, more sophisticated models with the participation of multiple business partners have emerged on the Internet. For example, Google advertising network consists of Google as the platform owner and advertising companies and their clients (e.g., small businesses) as the bidders for advertising spaces who bid for advertising space on online auctions (Earn money from relevant ads on your website). Central to the model are the millions of online users who conduct online searches using Google search engine and at times click on the advertisements alongside the search results which then results in online visits and thus a chain of payments between Google, the advertisers and their clients.

The emergence of SNS represents the second phase of maturity of the Internet (a.k.a. Web 2.0) business models where at the core of the business models is the “social graph” (or network of users) who are either friends or business associates or simply hobbyists with common interests. This social network of people presents an opportunity for online businesses to more accurately target user segments, diffuse or advertise new products or attract new customers. In addition to the social graph, businesses have also achieved critical mass by accumulating large amounts of data about users, enough to create lock-in. For example, users of Netflix or Zip.ca are locked into the service since its data is based on all their previous purchases and searches, allowing Zip.ca to present more accurate recommendations that result in successful purchases. Facebook.com is the dominant social network portal that has accumulated a vast number of users and thus a social graph

of tens of millions of users. Advertising-based models are currently flourishing on Facebook where advertisers target users and their friends based on their public profiles. Thousands of applications that operate on top of Facebook are currently available free; however, many of these exploit their new user-base and eyeballs for creating advertising revenue.

The Enterprise Social Networking (ESN) market was worth \$200 million in 2007 and it is forecasted to grow to \$2 billion by 2012. (The Enterprise Social Networking - Market Dynamics, Sizing and Forecast, 2008)

Gong Yeung proposes to break new grounds by exploiting the Facebook platform in two novel directions. This proposal describes the Gong Yeung Consulting INC. business plan for the development of two (SNS) applications, Sky's the Limit (StL) and Marketeer.

Gong Yeung has two products that it will initially offer called "Sky's the Limit" (StL) and "Marketeer".

(1) "Sky's the Limit" is an A&R link application that will provide a communal environment for visitors to give ratings and recommendations to online A&R programs. In return for this service visitors will click on the A&R links on the Gong Yeung website and enter content onto the website which will further add to the value of the site to visitors.

(2) "Marketeer" is an incentives based application for visitors to create and complete surveys. The key drivers for Marketeer are incentives for completed surveys and the ability to target certain demographics based on user profile information. Transactions for Marketeer will be managed through PayPal, while the survey engine will be derived from LimeSurvey.

These applications are positioned to take advantage of the emerging SNS migration from an early adopter technology to an early majority technology.

Gong Yeung is an online social networking consulting company that is in its infancy. The business is such that sunk costs incurred are not towards acquisition of tangible assets, but for the timely acquisition and creation of intellectual property to deliver solutions for SNS-based services. It is a result of the aforementioned reason that the two products are being built in conjunction to take advantage of economies of scale in knowledge and of learning. StL and Marketeer use similar sources of funding, target the same demographic and as a result have similar entry strategies. From a technological perspective the products will share many facets of implementation. They will be developed using PHP on the Facebook platform, will be hosted on Netfirms.ca, will rely on a MySQL database, developed using the Eclipse Integrated Developer Environment (IDE), and take advantage of common libraries.

A Description of Sky's the Limit

Positioning Statement

For: Social Networking Site (SNS) users that would like to earn income by sharing A&R links with friends online.

Our online service: will use SNS as a platform for promoting A&R links

That provides: online users an established SNS community to build their affiliate and referral network

It is unlike: other A&R web sites because of the online management and tracking feature and potential to generate an un-replicable and unique database.

We have assembled: online tools to create, manage, and give ratings to existing A&R link programs on the SNS platform which is suitable for this type of business model.

Overview of the Product

Sky's the Limit (StL) is a SNS application that allows users to comment on and rate A&R programs. A&R programs are sites that allow for A&R links.

In the following diagram, each rectangle represents a web page, where the inner rectangles are frames within a webpage. In the user's profile page, there will be a frame that will provide news feeds about the user's activity on StL. Clicking on a link within that frame will bring the visitor to the StL home page, which includes A&R links owned by Gong Yeung and a frame for links to the home pages of the visitor's friends. The friend's links page contains affiliate links owned by the friend. Clicking on any A&R link will redirect the visitor to a site that will reward the Owner of the link, based on the number of incentive based transactions that the visitor exercises.

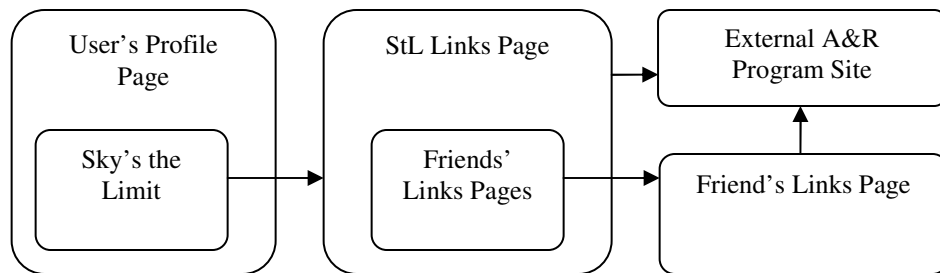


Figure 1 Sky's the Limit - High Level Representation of the Web Interface

Author: Colin Yeung

A&R links are URLs¹ with unique identifiers attached to them to track whom the link belongs to.

To understand the business model in the latter sections of this proposal it is important to understand three types of human entities involved – Owners, Issuers and Invitees. When a seller of a product (e.g, Amazon) or an advertiser need to incentivize online users to either purchase a product or answer a consumer survey through an email campaign, they would typically need to send a web link to a selected sample of online users. For the purpose of this project these users are termed as the *Owners* of these URLs. Each URL from the same Owner would include an identifier that uniquely identifies the Owner. The identifier will be included in the URL of all the pages the *Invitee* (friends) visits while he browses the Amazon website for that period of time. For example, Amazon will be termed as the *Issuer* of the affiliate URL whereas John and Mary would be Owners of these affiliate links. It is possible John and Mary would be offered different discounts depending on their past purchase history on the same product.

John's affiliate link is <http://www.amazon.com/products?aid=12343433>

Mary's affiliate link is <http://www.amzon.com/products?aid=124312313>

If John or Mary is willing, they can also forward their links by email to their friends, the Invitees would be able to access the product catalogues or specific discounts. When an Invitee completes a transaction that is tied to the affiliate program, the Owner will receive commission.

It is quite common for many users of email accounts on Hotmail or Gmail to receive spam from many product vendors that also include affiliate links; however, much of this advertising effort is wasted since the affiliate links do not reach the right potential customers – whereas those

¹ The technical term for a web-link is URL (Uniform Resource Locator).

customers who are searching for affiliate links to use may not find the right affiliate links to benefit from; therefore, these marketing efforts can be better targeted if the Owners of the affiliate links are those who actually signed up for receiving affiliate links and also are active Participants in online social networks. For this reason, the primary aim of Gong Yeung is to launch StL on SNS websites such as Facebook. This would allow Facebook users to acquire A&R links from StL. StL would provide a robust platform on which Owners can manage their affiliate links. It also would serve as a platform for Issuers of A&R content.

In addition to marketing products or customer surveys, A&R links can be issued for taking part in other types of surveys such as opinion surveys by media companies, service businesses such as Hotels, Airlines, and so on. While an *Affiliate* URL usually refers to an online destination that does not necessarily require a signup, a *Referral* always implies a sign-up of some sort. For example, if the visitor clicks on the Owner's link, then signs up for a program from the site, the Owner of the link will receive commission.

How Income will be Generated for Owners

For Owners of an Affiliate Link, the potential to earn income would arise if they take advantage of the discounts offered, participate in surveys or create a user online identity on various web portals. More importantly, income can be accrued by the Owners of Affiliate links if the Invitees also participate in the campaigns. Thus, when a visitor goes to a site by clicking on an A&R link, and then takes an action that is tied to an incentive, the site will compensate the Owner of that link. Every Invitee who participates or buys a product through the affiliate link creates additional revenue for the Owner. The Issuer recognizes the identity of the Owner once the Invitee clicks on the affiliate link.

StL would create revenue for Owners by allowing them to update the A&R links on their Facebook home page. Updated links with new A&R programs will be posted on the Facebook user's page automatically when they are discovered. The users will also have a page listing their favourite A&R links within StL where the user's own A&R links can be included.

A&R link management applications are a powerful complement to social networking sites because the user is either helping their social network contacts search for products through A&R links or is referring them to various A&R links. The social network contacts who receive these links from Owners trust this information more than they would trust information from a random email address. It is natural for friends to be benevolent and share opportunities.

StL will build customer loyalty by helping Owners manage their A&R links, forward these links to their social network, offer comments and ratings on these links for the benefit of their social network and also help them keep track of their earnings. It will allow users to create their own pages with their own A&R links and it will keep statistics on whose page is the most heavily trafficked.

In this proposal we will describe how StL will attempt to take advantage of the built in network affects offered by SNS and thus lock-in users while providing increasing value to them and also erect strong competitive advantage for Gong Yeung

Technical Architecture

Since accumulation of the data on the activity of Owners, Issuers and Invitees, has legal/privacy, confidentiality, competitive and intellectual property ramifications, it is important to

detail the technical architecture of the StL and the types of assets, tangible and intangible that will be created and owned by StL. Two main types of components in any technical architecture are Functionality and Database.

Functionality is what is accomplished by the software program and Database is the location where the digital data generated by the execution of the system, is stored. Thus, in Figure 2 Sky's the Limit - High Level Technical Diagram, the arrow depicts the functionality that will be built into the system by Gong Yeung. This will be the intellectual property (copyright) of Gong Yeung and by default is protected since the program will be in the form of executable files. The database will be owned by Gong Yeung with assurance to the users of confidentiality and sole use for the business purpose of Gong Yeung.

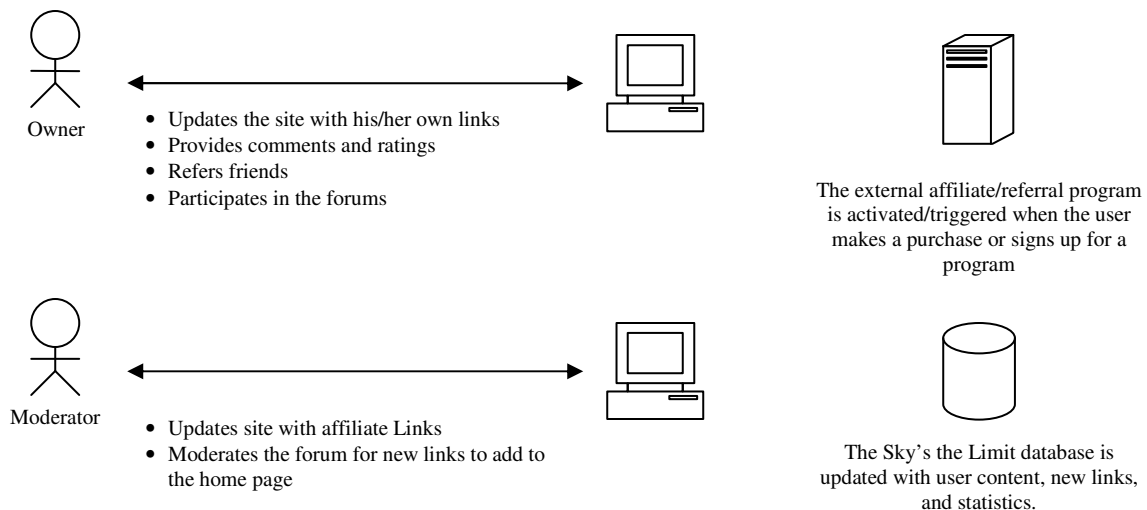


Figure 2 Sky's the Limit - High Level Technical Diagram

Author: Colin Yeung

The User is shown not only to be referring friends (by email), but is also adding the A&R links on his webpage on Facebook for his friends to view and access. He also participates in the discussion boards where he and other members of StL can discuss current and new A&R programs.

Of a particular important note the StL database is proprietary and owned by Gong Yeung. Facebook or any other SNS would have no access to the database (physically or legally). The database is crucial and is updated actively as users update their SNS sites. The user content is the comments and ratings that users have left on the StL website. The statistics are based on the popularity of certain A&R programs. For example, there can be statistics on the average rating for a program within a user's network of friends and how many friends within the network have used the program. The Ownership and exploitation of this database is crucial for Gong Yeung as it will enable it to know for example: Which users are the most connected to their network? What is the profile of the network of each high-performing Owner? More discussion on the business model execution and revenue generation is provided in later sections.

A Description of Marketeer

Positioning Statement

Marketeer is for: researchers that want to sample a target population on SNS

Who are dissatisfied with: inefficient tools and methodologies for obtaining market data

Our product is: a complete surveying solution

That provides: services to find the target population and optionally provide incentives for completing the survey

Unlike: www.surveymonkey.com

We have assembled / We provide: services that take advantage of SNS capabilities

An Overview of the Product

Marketeer is a survey application that will allow **Researchers** to create surveys and include incentives for **Participants** completing the survey. The Researcher will be able to filter the target population by searching through the provided user profile information. In the diagram, Alice uses the Marketeer tool to create a survey, to sample target respondents, and finally to design and administer incentives. In addition, once the survey is completed, Alice can analyze the data.

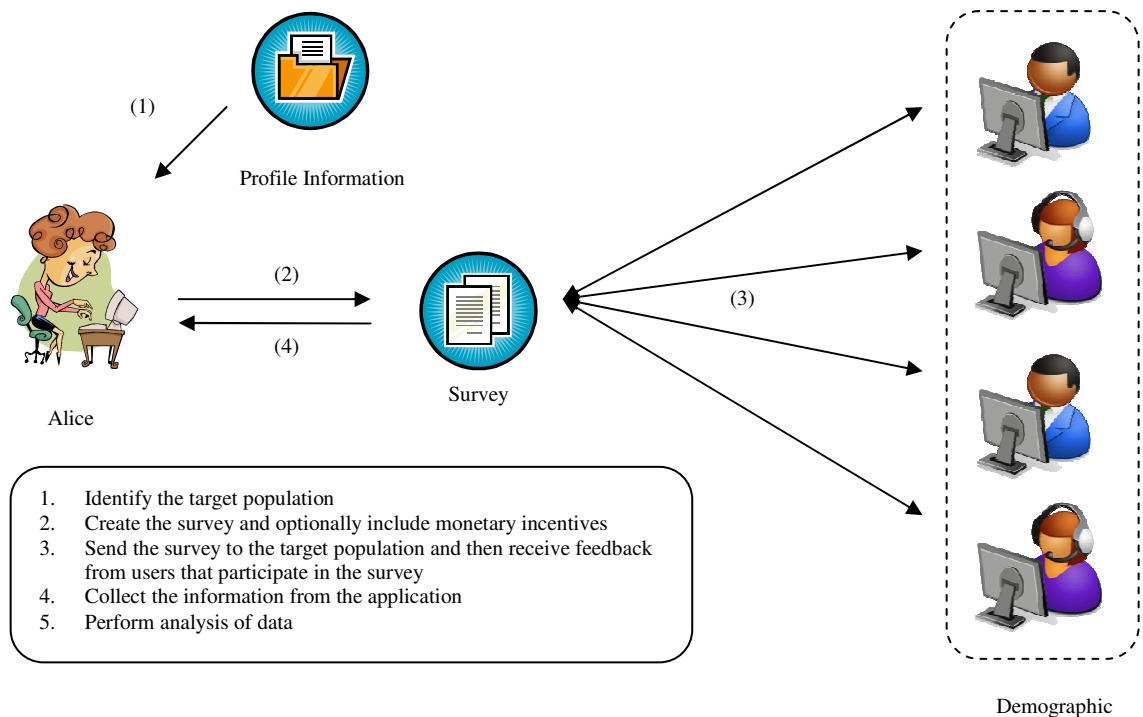


Figure 3 Marketeer – High Level Flow Chart

Author: Colin Yeung

At the start, a prospective user of Facebook who wants to participate in future campaigns must first include Marketeer as an application to his or her SNS profile. The user will then optionally fill in the profile information included in Marketeer which will identify him or her in

future searches by any Issuer who wants to launch a campaign. Thus, in addition to the existing information on Facebook, Marketeer will have access to more profile information about Facebook users than Facebook itself has. Any information that cannot be directly obtained from the existing profile information on the SNS will be included in the Marketeer profile. A user will increase the chances of him or her being selected for a survey by including more information in the profile. An Issuer could potentially also target particular SNS groups.

A variety of features can be included in Marketeer. For example, the Issuer can post a survey request to the all users and accept only users that are qualified, similar to a job posting users could then have an option to set a minimal incentive.

Issuers may even be able to publicize their results on their site and observe how many people view these results. The more popular the results of a survey are the more advertising revenue can be generated. Perhaps, even marketing companies can recruit or contract excellent individuals (Issuers) based on their past results and performance on the Marketeer. Issuers can thus act as consultant based on the number of downloads of their survey results. These features will make Marketeer a self-sustaining model with several sources of income for all entities concerned – Gong Yeung, Researchers, and Participants.

When an Issuer is ready to create a survey, the user profile information is filtered and a sample population is returned to the Issuer. To keep the application from being unnecessary complex, the incentives will only be monetary. The Researcher will be able to set a maximum number of Participants, date for the survey to be completed, and pay per Participant or pay via a lump sum payment to one randomly picked Participant. Researchers will also have the option to ask pre-survey screener questions.

Major Technical Components

The following is a high level diagram that describes the interaction of the major components of the Marketeer system. As is the case of StL, the database will be the intellectual property of Gong Yeung. This repository will contain more detailed profiles of Facebook users and the surveys/campaigns created by Researchers, and in many instances responses of Participants. The functionality provided by the main application is shown by the arrows and the rounded boxes. The functionality would include tools to analyze the data while the database would store the analyses by the Researchers.

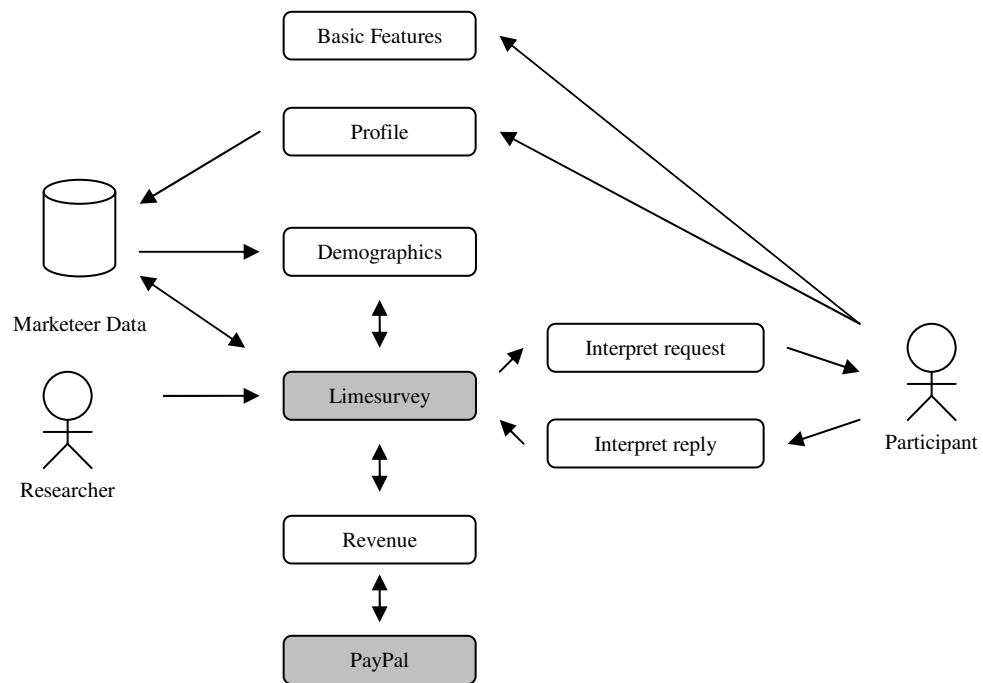


Figure 4 Marketeer Artifact Model

Author: Colin Yeung

Components	Description
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Basic Features	Basic Facebook application features that users are accustomed to
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Profile	A component that will allow a Participant to enter profile information
Demographics	A component to interpret information from Participant profiles and provide meaningful data to the Researcher
<i>Limesurvey</i>	Open source survey creation software
Revenue	A component that will perform revenue management
<i>PayPal</i>	Open source software to communicate with PayPal
Interpret Request	A component that will interpret Lime Survey requests to send survey
Interpret Reply	A component that will interpret user feedback returned to Limesurvey
Marketeer Data	The Marketeer database responsible for retaining the survey data and the Participant's profile information

The Marketeer system will rely heavily on the open source solutions “LimeSurvey – The Online Survey Tool” and third party PayPal components, because they are at the core of the solution. Lime Survey is a comprehensive surveying tool that will provide What You See Is What You Get (WYSIWYG) functionality for creating surveys. The third party PayPal components are pre-built utilities that interface with the PHP PayPal library for managing transactions.

Although Marketeer can be developed using essentially any programming language, the application will be built with PHP, which is a very popular and mature programming language in the open source community allowing for the application to take advantage of other Open Source Software (OSS) solutions.

Like most small projects, Marketeer will be developed using agile development methodologies. Initial stages of work will include a quick evaluation of available open source software, technical risk analysis and mitigation through a proof of concept. The application will be

delivered through a series of small tangible milestones, where the final deliverable is expected to require approximately 400 hours of effort.

Appendix C – BCIT Requirements contains the technical requirements in an application to the BCIT Industry Sponsored Projects program. The appendix also includes a brief Non-Disclosure and Competition agreement.

THE INDUSTRY FOR SNS APPLICATIONS

The products proposed by Gong Yeung Consulting INC will initially be developed for Facebook; therefore, most of the provided information will be focused on Facebook. Depending on the success of the products, a copy of the application will be release on the OpenSocial platform.

Historical Growth of SNS

Social Networking Sites (SNS) will break away from traditional advertisement frameworks, allowing users and networks to self organize and form in unprecedented ways and for advertisers to market directly to these networks. Facebook has accomplished this by providing a viral marketing experience that is tied seamlessly into the news feeds of users. Friends can potentially be informed of every action that another friend has taken on a particular application and thus have been marketed to.

Friends have also become accustomed to referring other friends, possibly all friends to the use of an application. This targeted marketing provides exponential growth opportunities for a popular application.

Some inaugural rankings indicate that Facebook applications attract more than 20 million Facebook visitors and about 61 percent of the total U.S. Facebook audience engaged with a Facebook application in November 2007. Visitors in the ages of 18-24 were twice as likely to engage with a Facebook application as those outside of this range. This is a strong indicator that Gong Yeung`s applications should target the college student market as a beach head for entering the SNS application space with its inaugural products.

Top Facebook Applications* November 2007 Total U.S. – Home/Work/University Locations Source: comScore Widget Metrix		
Facebook Application	Engaged Widget Viewers (000)	Penetration of Total U.S. Facebook Audience
Total Facebook.com Visitors	33,660	100.0%
Total Facebook Applications	20,649	61.3%
Top Friends (Slide)	6,230	18.5%
Movies (Flixster)	5,199	15.4%
SuperPoke! (Slide)	3,626	10.8%
Compare People	3,503	10.4%
iLike	3,449	10.2%
Super Wall (RockYou!)	3,237	9.6%
Likeness (RockYou!)	2,693	8.0%
Quizzes	2,583	7.7%
FunWall (Slide)	2,107	6.3%
Graffiti	1,647	4.9%

Figure 5 Top Facebook Applications

Source: <http://www.comscore.com/press/release.asp?press=2021>

The following chart shows the daily reach of Facebook to the total population of Internet users over a period of Six months. As seen in the chart, Facebook has grown from a reach of 7.0 percent in late March, to 10.5 percent in late September, a jump of 3.5 percent. It is this growth that makes SNS applications such an attractive place for businesses to generate revenue.

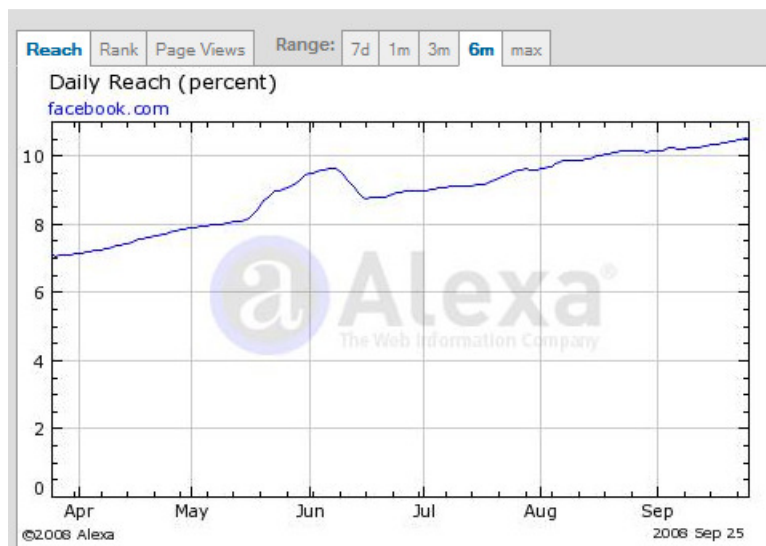


Figure 6 Daily Reach of Facebook

Source: http://www.alexa.com/data/details/traffic_details/facebook.com

According to the Alexa.com site, Facebook is ranked #5 in terms of global traffic, behind Yahoo, Google, YouTube, and Windows Live. Notable Social Networking Sites (SNS) sites that are based on global Internet traffic are provided below.

#5 Facebook (www.facebook.com)

#7 Myspace (www.myspace.com)

#16 Hi5 (www.hi5.com)

#19 Orkut.com.br (www.orkut.com.br)

#37 Orkut.co.in (www.orkut.co.in)

#40 Friendster (www.friendster.com)

SNS sites continue to show exponential growth. “Comscore reports that Facebook attracted 132.1 million unique visitors in June 2008, compared to MySpace, which attracted 117.6 million” –

Source: <http://en.wikipedia.org/wiki/Facebook>

Worldwide growth indicates that over the past year unique visitors to SNS have increased by 25%.

Social Networking Growth by Worldwide Region			
June 2008 vs. June 2007			
Total Worldwide Audience, Age 15+ - Home and Work Locations			
Source: comScore World Metrix			
	Unique Visitors (000)		
	Jun-07	Jun-08	Percent Change
Worldwide	464,437	580,510	25%
Asia Pacific	162,738	200,555	23%
Europe	122,527	165,256	35%
North America	120,848	131,255	9%
Latin America	40,098	53,248	33%
Middle East - Africa	18,226	30,197	66%

Figure 7 Social Networking Growth by Worldwide Region

Source: <http://www.comscore.com/press/release.asp?press=2396>

A further breakdown of the SNS growth by site shows that Facebook experienced an annual growth of 153% between June 2007 and June 2008. As stated earlier this growth makes Facebook a favoured platform for SNS application development.

Worldwide Growth among Selected Social Networking Sites			
June 2008 vs. June 2007			
Total Worldwide Audience, Age 15+			
Home and Work Locations			
Source: comScore World Metrix			
	Total Unique Visitors (000)		
	Jun-2007	Jun-2008	% Change
Total Internet : Total Audience	778,310	860,514	11%
Social Networking	464,437	580,510	25%
FACEBOOK.COM	52,167	132,105	153%
MYSFACE.COM	114,147	117,582	3%
HIS.COM	28,174	56,367	100%
FRIENDSTER.COM	24,675	37,080	50%
Orkut	24,120	34,028	41%
BEBO.COM	18,200	24,017	32%
Skyrock Network	17,638	21,041	19%

Figure 8 Worldwide Growth Among Selected Social Networking Sites

Source: <http://www.comscore.com/press/release.asp?press=2396>

Demographic Trends for SNS

A large scale survey of reports from media reports and library databases was conducted to gather and collect information about the demographic trends on Facebook. This being the initial launch platform, the objective of the library research is to attempt to predict:

1. The growth in usage of StL and Marketeer.
2. The type of surveys and the profile of Issuers who will want to launch surveys or float A&R links on Gong Yeung's service platforms.
3. The dollar volume of incentives that will likely be paid, the distribution of incentives in dollar terms across Facebook users.
4. Application features that may prove useful for users – in the short term.
5. Transaction volume and therefore the size of the infrastructure that will be required. For example, Gong Yeung may need to host multiple data and application servers as back up or

simply to handle the larger volume of activity. Gong Yeung will also need to set up a highly reliable, high bandwidth (leased) communication link to the Internet.

Memberships by Age

Research data indicates that 84% of Facebook users are between the ages of 14 to 26. This market segment should be targeted to obtain the best return on investment (ROI) for any advertising campaign or product release. Products that appear to be most appealing to this group include brand name clothing, games, and sports equipment.

The initial beachhead segment for the Gong Yeung products will be to the large number of Facebook users that fall within the age of 14 to 26 (Figure 9 Age Distribution of Facebook Users). This target segment was chosen because it is the most likely market that will spend spare time to earn spending money. This target segment is also ideal, because these individuals are usually the early adopters of technology products and quickly adapt to disruptive technologies.



Figure 9 Age Distribution of Facebook Users

Source: <http://www.marketinghub.info/social-networking-demographics/>

Memberships by Gender

There is no noticeable difference between the number of male and female users on SNS.

This information will be retained for evaluation following the launch of the Gong Yeung products.



Figure 10 Gender Distribution of Facebook users

Source: <http://www.marketinghub.info/social-networking-demographics/>

Membership by Education

Approximately 47% of Facebook members are studying in high school or college while the remaining 53% have completed their studies. The majority of users are partially or fully college educated. Based on this information Gong Yeung could achieve market penetration by focusing advertisement campaigns towards to high school or college student, since they will have similar interests.

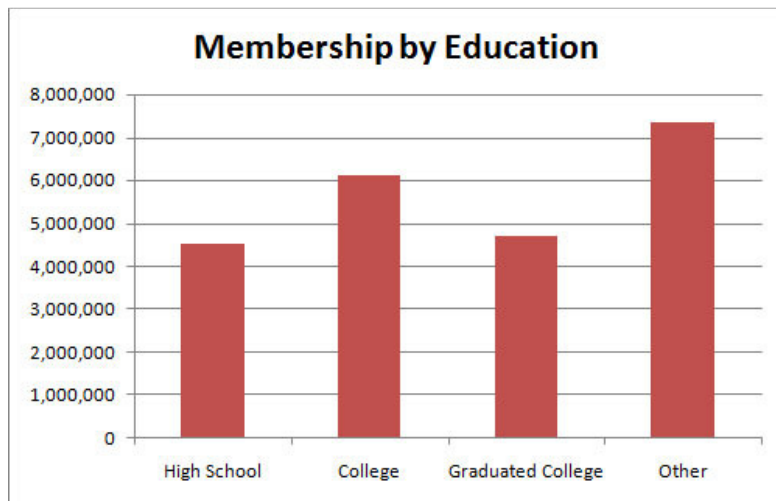
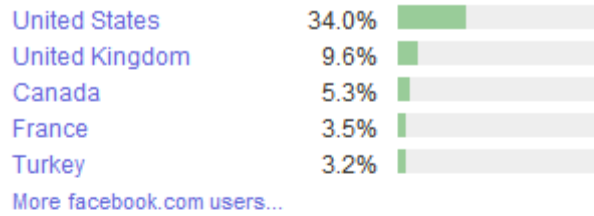


Figure 11 Education distribution of Facebook Users

Source: <http://www.marketinghub.info/social-networking-demographics/>

Membership by Geography/Location

Facebook.com users come from these countries:



Facebook.com traffic rank in other countries:



Where people go on Facebook.com: ?

- facebook.com - **66%**
- apps.facebook.com - **18%**
- hs.facebook.com - **6%**
- Other websites - **10%**

Figure 12 Geographic Information about Facebook Users

Source: http://www.alexa.com/data/details/traffic_details/facebook.com

Strategically, Gong Yeung should also prepare localization features for its applications, because there has been significant growth in Europe, Asia, and Latin America from June 2007 to June 2008.

Worldwide Growth for Facebook.com June 2008 vs. June 2007 Total Worldwide Audience, Age 15+ Home and Work Locations Source: comScore World Metrix			
	Total Unique Visitors (000)		
	Jun-2007	Jun-2008	% Change
FACEBOOK.COM	52,167	132,105	153%
North America	35,698	49,248	38%
Europe	8,751	35,263	303%
Asia Pacific	3,712	20,712	458%
Middle East - Africa	2,974	14,951	403%
Latin America	1,033	11,931	1055%

Figure 13 Worldwide Growth for Facebook

Source: <http://www.comscore.com/press/release.asp?press=2396>

According to data gathered from Alexa.com, approximately forty percent of Facebook users reside in the United States and Canada. This is an ideal fit for Gong Yeung, as the company is based in Vancouver, BC, Canada and as a result has access to Canadian services and regional knowledge.

Also of note from the statistics is users spend eighteen percent of their time on Facebook using the Facebook applications. Gong Yeung can derive from this data an approximate amount of time a user will spend on Gong Yeung products.

Suppliers for SNS

Currently there are two de facto SNS platforms for development, the OpenSocial and the Facebook platform. OpenSocial is a Google standardized platform that many SNS adhere to; therefore, a developer can create one application on this platform that is at the same time compatible with many SNS like Friendster, LinkedIn, and Orkut. Unlike OpenSocial, the Facebook platform is a proprietary platform for Facebook only. An application developed on the Facebook platform can only be run on Facebook. Based on the development community for SNS it

appears that Facebook has a more mature platform and is in terms of unique visitors, one of the fastest, if not the fastest growing sites on the Internet.

Advertising on SNS

Facebook provides a service to target advertisements to users based on age, gender, race, location and areas of interests. This feature gives advertisers a greater return on investment by choosing the demographic they wish to target.

On Facebook an application is made available by setting up a URL to point to a callback URL to the host server. If a user chooses to install an application then Facebook simply provides a means to communicate with the application that is running on an external server.

Because Facebook has a non-traditional distribution channel, we will instead look at advertising channels as a means for distribution for the application:

The following are advertisement channels for encouraging users to install an application onto Facebook:

- **Viral Marketing** – Facebook provides a feature to request friends to add an application. The users that the request is sent to receive an email or notice on their Facebook home page indicating that someone has made a request for them to add an application.
- **News Feeds** – Users that interact with an application can optionally send out news feeds when they have completed an action within the application, and as a result, friends receive the news feed information and are indirectly marketed to about the application.
- **Automated Sign up** – The automated sign up feature allows a site's existing user base to seamlessly sign up for user accounts on Facebook .
- **Word of Mouth** – This is a more traditional form of advertising, where friends using Facebook recommend one another to use a particular application.
- **Direct Advertisement** – The use of media outlets, such as TV, mail, and signage can potentially attract users. Each Facebook application has a unique URL. Providing this URL

to the target population will allow them to include an application by simply putting the URL into the browser, signing into Facebook, and agreeing to install.

- Facebook Ads – Facebook provides direct advertisement to users on a pay per click cost model.

The exact distribution strategy for Gong Yeung will be drawn out based upon further research into the target segments' preferences and cost effectiveness.

Political Considerations for SNS

Prior to either application being developed the ethical standards, political implications, and regulatory standards must be taken into consideration. To illustrate, the following are the governing policies for the Facebook platform.

Ethical Standards

There are soft boundaries for the use of Facebook and the vast user information that it contains. Recent examples include the Beacon advertising program that would inform Facebook users of a purchase that a friend made on Overstock.com and Fandango.com. The progressive advocacy group Moveon.org criticized the use of Beacon, obtaining nearly 70,000 signatures in opposition of it not having an opt-out option. Soon afterwards an opt-out option was provided.

(Wake-Up Call in Facebook-Beacon Controversy, 2007)

There will continuously be a push-pull affect between the vast user community, Facebook, and Facebook application providers as to how user information is exploited and what content capture and display is acceptable. One challenge that Marketeer will encounter is the acceptability from the user community of its collection of profile information to be used to qualify participants for future survey opportunities. Marketeer will attempt to mitigate this risk by insuring the security

surrounding user information and creation of policies governing the use of this information for only the purposes of research within the context of the Marketeer application.

Political Implications

One of the features that invoke fear in many users and potential users of Facebook is the ability to post and tag a picture of a friend/colleague in a compromising situation. Users are sensitive to the information that they place on their profile page and what friends will say about them, either through a wall post or on status updates.

Besides the fear of using Facebook, there are the social rewards of connecting with people from all eras of a user's life. A user can re-establish ties with long lost friends through network connections, organize events for a large group of people, and keep friendship bonds strong through subtle digital interactions.

In a broader scope, Facebook literally has implications on political elections, where politically motivated users leverage Facebook for campaign strategies. There have been workshops held in Washington that provide strategies to politicians for creating candidate profiles and campaign groups dedicated to political ambitions. (From iPhone to Facebook to Live Photo-Blogging, 2008)

Both Marketeer and StL will be challenged to overcome particular generalizations about their usage. StL may initially be seen as an application to promote advertisement and help very capitalistic consumers; however, it will attempt to dethrone this notion by creating a communal environment where visitors are willing participants that want to share their experience, knowledge, and wealth with their friends through the use of A&R links. Marketeer is expected to be

challenged by skeptical users fearful of privacy infringements; however, Marketeer will look to win over these users by maintaining high ethical standards towards the use of user information.

Regulatory Standards

There are five key documents related to regulatory agreements on Facebook. They are the (1) Facebook User's Agreement, (2) Facebook Policies, (3) Facebook Platform Application Terms of Use, (4) Developer Terms of Service, and (5) Platform Application Guidelines.

The Facebook User's Agreement outlines the terms for users of the Facebook application. To be eligible users must be 13 years of age or older and registered information must be accurate, current, and complete.

The Facebook Policies document describes the two core principles for Facebook. The first principle states that a user should have control over his/her personal information. The second principle states that the user should have access to the information others want to share. The document also includes conditions for the safe use of Facebook and third party advertising.

The Facebook Platform Application Terms of Use provides the terms for use of applications within Facebook and the consent to use data in regards to Facebook site information.

“The Facebook Platform does not give Developers access to your e-mail address, personal website, instant messenger ID, telephone number or street address (“Contact Information”). Facebook will only disclose your Contact Information to third parties in accordance with the Facebook Privacy Policy.” (Facebook Platform Application Terms of Use)

“In order to allow you to use and participate in Platform Applications created by Developers (“Developer Applications”), Facebook may from time to time provide Developers

access to the following information (collectively, the "Facebook Site Information")." (Facebook Platform Application Terms of Use)

The Developer Terms of Service provides the terms that govern the use of the Facebook platform. One of the key terms identified which is inline with Gong Yeung's development ideals is the following statement:

"You must treat users' privacy with the same respect we do. If you directly collect personally identifiable information from users, you must post a privacy policy detailing what you'll do with that info." (Developer Terms of Service)

The Platform Application Guidelines is a summary of key conditions that Facebook applications must adhere to. These terms prevent adult content on the Facebook site.

These agreements on Facebook will guide the approach Gong Yeung will take in the development of its applications for compliance and regulation.

Analysis of the Industry Forces for the Products

Michael E. Porter of Harvard University developed the Porter's Five-Forces Framework, which will be used to analyze the industry for Gong Yeung's two products. This analysis will be a snap shot of the current state of the industry. (Porter, 2008, pp. 78-93)

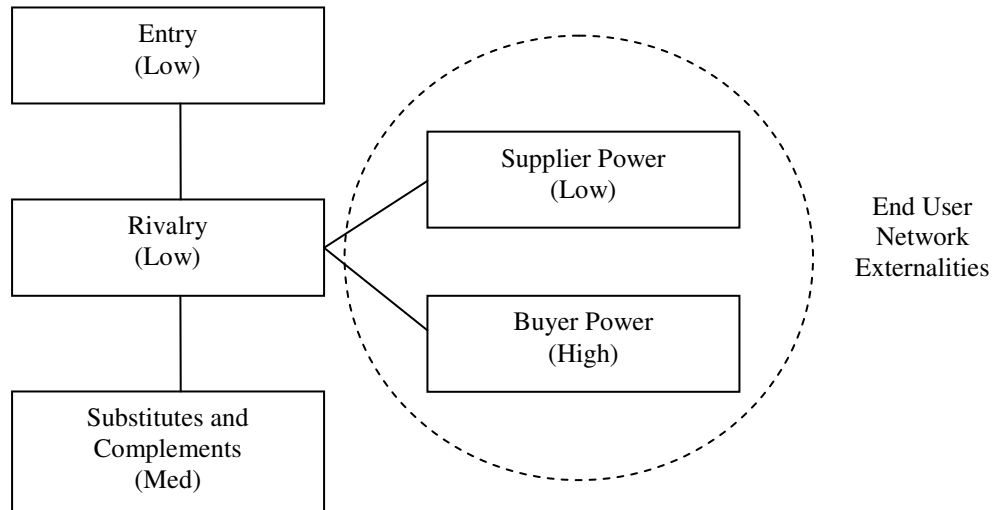


Figure 14 Gong Yeung Initial Products Porter's Five Forces Analysis

Author: Colin Yeung

Rivalry (Low)

Rivalry measures the level of competitiveness among existing firms. The rivalry forces are low, because the market for SNS applications is still in its infancy with few firms competing in the same market space as StL and Marketeer. This untraditional market is competing for the end users' willingness to pay in terms of active time spent with the application, rather than the monetary amount paid for a product or service.

- There are many sellers in the market (Low) – There are many sellers on the market, however these sellers are not well established because the industry is relatively new.
- The industry is stagnant or declining (Low) - It is a new industry and many firms are entering or planning to enter this market place.

- Firms have different costs (Low) – Firms are trying to capture new markets.
- Products are undifferentiated/buyers have low switching costs (Low) – Switching costs can be relatively high, since most applications rely on information established through a social network.
- Prices and terms of sales are unobservable/prices cannot be adjusted quickly (High) – Vendors must find revenue streams while offering their service usually for free.
- There are large/infrequent sales orders (Low) – Sales will tend to be consistent depending on the size of the network.
- Industry does not use “facilitating practices” or have a history of cooperative pricing (Low) – Services are usually offered for free.
- There are strong exit barriers (Low) – Applications can be made by small teams and possibly by individuals.
- There is high industry price elasticity of demand (Medium) – Consumers are somewhat price sensitive, usually they would expect the service to be free.

Entry (High)

There are very few barriers to entry; therefore the forces towards the threat of entry are high. The development of a SNS application does not require much in terms of Costs, Time, and Resources (CTR). When an SNS application becomes a dominant market leader, the threat to entry is low, because the network externalities create high switching costs and strong lock-in.

- Production entails significant economies of sales – minimum efficient scale is large relative to the size of the market (High) – There are no significant economies of sales required to enter this market.
- Government protection of incumbents (High) – There is practically no protection from the government.
- Consumers highly value reputation/consumers are brand loyal (Medium) – Once a critical mass of customers has been established they will tend to be loyal to the application.
- Access of entrants to key inputs, including technological know - how, raw materials (High) – Developers require minimal technical experience to develop a Facebook application.

- Experience curve (High) –Developers will require little to no experience.
- Network externalities (High) – There is a high threat of entry because network externalities that lock in users to a particular application in the market spaces that Gong Yeung’s products are competing in have not been established yet.
- Expectations about post entry competition (High) – Historically, SNS applications have one winner that will dominate a market segment.

Substitutes and Complements (Medium)

There is a medium threat of substitution, because of existing competitor services and the continual threat of competitor feature enhancements.

- Availability of close substitutes and/or complements (Med) – From an initial assessment of competitors on Facebook, there appeared to be few applications that offered similar services through SNS applications as compared to the services that Gong Yeung proposes to offer through its two inaugural applications; however, there are non-SNS applications that offer similar services.
- Price-value characteristics of substitutes/compliments (Low) – The products that Gong Yeung offers will be free to use and by nature, lock-in customer loyalty.
- Price elasticity of industry demand (Med) – It is expected the consumers will tend to stay loyal to the applications as switching costs will likely be high; however, because the industry is relatively new, these switching costs within SNS applications in this market space has not been well developed yet. The willingness of consumers’ to pay can be measured by the amount of time they spend on the application, the frequency that they update content, and the rating they give for the usability of the application.

Supplier Power (Low)

It is assumed that the supplier to StL and Marketeer is the SNS platform provider, the moderators, the researchers, and the development team.

- Competitiveness of the input market (Low) – SNS provide the developer APIs to enhance the service they offer. It is highly unlikely that they will take away this functionality.

- The relative concentration of the industry in question, its upstream, and its downstream industries (Low) – Although the industry is concentrated they collude to create greater efficiency for the developer, by standardizing on development platforms.
- Purchase value of downstream firms (N/A)
- Availability of substitute inputs (Low) – There are only two major SNS development platforms, OpenSocial and Facebook. This is a good scenario since it allows developers to concentrate on business logic rather than on creating compatible applications.
- Relationship-specific investments by the industry and its suppliers (N/A) – Relationship investments will likely not affect the developer.
- Threat of forward integration by suppliers (High) – The SNS could potentially offer a similar service which would make it difficult for Gong Yeung to complete.
- Ability of suppliers to price discriminate (N/A) – It is free to develop on the SNS platforms.

Buyer Power (High)

Because of network externalities the traditional Porter's five forces model is altered by the consumer who will add value to the application by including content to the StL site or by providing profile information to the Marketeer application and thus becoming a supplier. The diagram indicates this relationship by placing a dashed circle around the buyer and supplier forces.

Buyer power is from the standpoint of the end users, because firms are competing for the end users' willingness to pay in terms of time spent on an application. This time can be spent adding content to the site, including additional profile information, participating in surveys, or conducting market research.

- Competitiveness of the input market (High) – It is highly competitive to obtain active users.
- The relative concentration of the industry in question, its upstream, and its downstream industries (High) – There are many developers and start-up companies building applications for SNS and there are a number of users on SNS using disparate SNS applications.

- Purchase value of upstream firms (High) – It is very competitive to acquire talented developers on SNS.
- Availability of substitute inputs (Med) – There are similar products that are not SNS applications.
- Relationship-specific investments by the industry and its suppliers (High) – There are currently tens of thousands of SNS applications.
- Threat of backward integration by buyers (High) – If developers see an idea that they like, they may build a similar, competing SNS application.
- Ability of buyers to price discriminate (High) – Internet searches and the wide selection of SNS applications allows the consumer to easily discriminate.

CUSTOMERS FOR THE PRODUCTS

The initial products from Gong Yeung will be launched informally. Visionaries and innovators within the market will begin to use StL and Marketeer and provide feedback on how the services provided can be enhanced. Following a series of revisions a formal launch of the products will be made to a wider audience in the selected target segments: College students, secondary school students, people that have completed school, and large corporations.

In an attempt to garner the lucrative pragmatist consumer, the customers will be targeted in sequence, starting with the college students. Using the Geoffrey A. Moore paradigm for crossing the chasm, the college students market represents the beach head (head pin) market for Gong Yeung's initial products.

Head Pin (Beach Head) - College Students

The college school market is the largest of the four identified markets on Facebook. It is the market with the most potential for Gong Yeung's initial products because the typical demographics of a college student is someone who does not have much disposable income, someone who would like to make more disposable income, and someone who has connections with many other friends with similar interests. It is a very well-defined market segment that offers greater predictability for a marketing campaign.

This market will represent the beach head market for Gong Yeung's products because winning this market is very important to establishing a presence and gaining market penetration into the other markets.

Pins - Secondary School Students

The second largest of the identified target markets, the high school student is similar to the college student in terms of demographics. The caveat with trying to access the secondary student is that most of this market is not eligible for a PayPal account. The secondary student would have to gain permission from a parent or sponsor to obtain a PayPal account on the student's behalf.

Pins - Completed School

The market segment of users who have completed school is varied and will want to use the products from Gong Yeung to meet specific needs. It is likely that this market has a steady source of income and would not be as willing to spend spare time generating disposable income; however, potential revenue streams exist in niche markets within this segment.

Pins - Large Corporations (Marketeer Only)

Ultimately the ability to win over the previous three markets will lead to a victory for Marketeer and StL; however, for Marketeer there is one final segment that would secure its position in the market place as the market leader. The previous three markets essentially are the consumer market, while the final segment for Marketeer is the business market. Once businesses begin to use Marketeer as a means to acquire market information, it would be an indication that Marketeer has become a mainstream product and clearly a market leader.

COMPETITORS OF THE PRODUCTS

Sky's the Limit

Competitors Providing A&R Link Services

Because StL is differentiated by a number of traits, there are no known applications that directly compete against it. First, StL is an application that motivates Owners to share their links, because this action will allow the Owners to maximize their revenue potential. Second, StL creates a community of Owners through forums, comments, and ratings for A&R links that is self governing using a principle similar to the OSS community where the best interests of the users is protected by the user community. Third, the value of StL is the content, which is provided by StL users. This StL-specific content will lock in users to the application by increasing the switching costs for whoever decides to switch to another application. Fourth, the highest priority of StL is to earn the trust and loyalty of the Owners, by providing the services they require to practically organize and manage their A&R links.

The tables to follow will list four competitors to StL indicating where available, their performance trends and positioning.

Competitor #1 – Cashback Discounts

URL	http://www.facebook.com/apps/application.php?id=18601263984
Performance/ Trends	794 monthly active users, — 1 review
Positioning	<i>“This money saving application is free to use. Get huge savings from your Internet purchases. Examples are:</i> <ul style="list-style-type: none">• <i>Ebay - 40% Cashback from Ebay’s sale revenue when you buy.</i>

- *Car Insurance - Get over £100 back from your policy purchase*
- *Tesco - Get £5 for an online account plus grocery discounts*
- *HMV - Get 6% off your purchases*
- *Credit Expert - Get £6 to sign up for their free trial*
- *iTunes - Get 4% off your purchases*
- *GAME - Get up to 8% Off your purchases*
- *LoveFilm - Get £12.50 free When you sign up to a free trial*
- *+ Over 1,000 more retailers” (Cashback Discounts)*

Competitor #2 – SocialCents

URL	http://www.facebook.com/applications/SocialCents/6144428578
Performance/Trends	(3.6 out of 5) Based on 26 reviews Users:619 monthly active users, Categories: Business, Money
Positioning	<p><i>“Offers and Surveys Currently for the countries below.</i></p> <ul style="list-style-type: none"> <i>* United States</i> <i>* United Kingdom</i> <i>* Canada</i> <i>* Australia</i> <p><i>Earn real money by completing offers and surveys in your free time. Earn even more by inviting your friends. Every time one of your referrals does an offer, you get up to 15% of that offer's value.</i></p> <p><i>We have 2 core values which is what puts us above the rest. First, we actually care about you as a person. We are readily available to talk to you if you have an issue with the program. Second, we are trying to change the way marketing is viewed by the public. We try our best to screen out bad offers that infringe heavily on your privacy. We put a mark next to offers that have unfriendly privacy policies in an effort to protect you.</i></p> <p><i>It goes without saying that we of course pay our users in a timely fashion. Once paid by our advertisers, we send the money out. We make our money by having loyal users like yourself and we want you to enjoy working with us!” (SocialCents)</i></p>

Competitor #3 - StudentBeans

URL	http://www.facebook.com/apps/#/pages/studentbeanscom/20345003016?ref=s
Performance/	Users:2,071 monthly active users,

Trends	Categories: Alerts, Money
Positioning	<i>“Get the latest and greatest student offers streamed directly to your facebook profile from studentbeans.com, the UK's leading provider of exclusive student discounts” (StudentBeans)</i>

Competitor #4 - Quick Apps - the Money Making Affiliate App Builder

URL	http://www.facebook.com/applications/SocialCents/6144428578#/apps/application.php?id=11179296110&ref=s
Performance/Trends	Users: 159 monthly active users, Categories: Classified, Money
Positioning	<i>“Create Niche Facebook Apps with Unique Content Literally Within Seconds. Have you ever wondered how to make money with Facebook? I am sure many of you will have worked it out. One of the easiest ways, is through affiliate programs. Programs such as AdSense, Cubics, AdChap etc. BY putting these programs on an App, you can earn an average of \$1 - \$10 per day easy. However, that is still not a lot of money. Have you ever wondered how to make big money? The answer is so simple, we were surprised nobody had thought of it before. Instant App Generation! Imagine, one small app can earn \$30 - \$300/month easily. What if you had 100 apps? You would be earning \$3,000-\$30,000 per month. The only draw back with this idea is that it would usually take weeks to set up that amount of apps. Not anymore! This product allows you to create as many apps as you want with unique feature rich content in a few hours” (Quick Apps - the Money Making Affiliate App Builder).</i>

In addition to the Facebook applications that compete in the SNS application space there are online sites that do not have a Facebook derivative and therefore do not exploit the reach of online SNS. One such site is affiliatetips.com. This is a very organized, well presented site that offers users great information on affiliate programs.

For example the site has a rating for each affiliate program, where the rating is the average score out of ten based on the following attributes: affiliate support, revenue potential, marketing resources, promptness of payments, special promotions, editor score and tracking. Second, the site offers a simple five point user rating system. Third, there is a table that lists the benefits and

challenges of the program under review and fourth, there is a detailed full review that highlights features of the program.

Marketeer

Competitors Providing Survey Services

There are a few competitors to Marketeer. Only Easy Survey Maker competes in a similar space to Marketeer by providing survey creation features. Marketeer intends to differentiate itself from its competitors by providing a survey solution that includes demographic filtration, incentive management, and access to a vast online social network.

The following set of tables describes Marketeer competitors based on available information for performance/trends and positioning.

Competitor #1 - SurveyMonkey

URL	http://www.surveymonkey.com
Performance/Trends	Traffic Rank: #1009 Revenue: \$10-50M http://www.alexa.com/data/details/main/surveymonkey.com
Positioning	SurveyMonkey.com is a well known and established online survey program. It has a fair and easily understood pricing structure available at http://www.surveymonkey.com/Home_Pricing.aspx
Key Weaknesses	Does not have a SNS presence yet or does not see this as a strategic position that it should undertake.

Competitor #2 – Easy Survey Maker

URL	http://www.facebook.com/applications/Easy_Survey_Maker/7923448753
Performance/Trends	(3.4 out of 5) Based on 11 reviews Users:187 monthly active users, Categories: Business, Dating
Positioning	<i>“Get the latest and greatest student offers streamed directly to your</i>

facebook profile from studentbeans.com, the UK's leading provider of exclusive student discounts” (Easy Survey Maker)

Competitor #3 - iAsk

URL	http://www.facebook.com/applications/iAsk_(Quiz_Survey_Test_Creator)/23947725648
Performance/ Trends	(3.3 out of 5) Based on 15 reviews Users:9,908 monthly active users, Categories: Education, Just for Fun
Positioning	<i>“Is a survey creator that allows users to essentially create their own survey within facebook. This is a quiz maker and seems to be a popular product” (iAsk)</i>

Competitor #4 - SurveyMachine

URL	http://www.facebook.com/applications/SurveyMachine/6432141571
Performance/ Trends	Users:217 monthly active users, Category: Just for Fun
Positioning	<i>“SurveyMachine, one of the biggest survey sites for MySpace and Xanga, is now available right here on Facebook! Now you can share surveys easily with friends both on facebook and off.” (SurveyMachine)</i>

MARKET PLAN

First Mover Products

A majority of SNS users fall within the ages of 14 to 26. This presents a niche market and an opportunity for SNS applications to target this large market by meeting their requirements for earning spending money by using something that they already have which are spare time and a large network of friends with similar interests.

StL will provide a service to organize A&R links in a manner that is both communal and profitable for this market and for Gong Yeung. A&R links are one of the most common mediums for an end user on the Internet to generate income.

Marketeer will allow researchers to gather information on participants while rewarding them for their time spent with monetary incentives for participation.

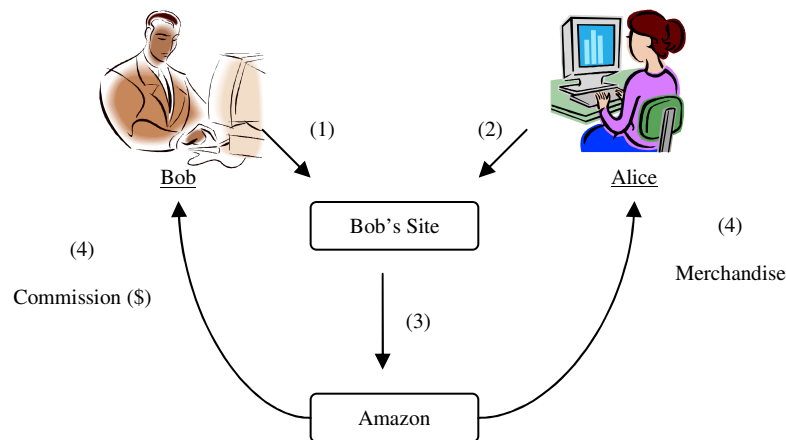
The ability to capture this market within the SNS application space while using a relatively small investment of CTR will create lock in of end users for the products while potentially returning high profit margins. It is expected that SNS applications with solid business models will experience explosive growth in the next five years. The window of opportunity will only exist for first movers in this market space, because it is critical to capture end users early on since doing so will lock them into using the product and create high barriers of entry for competitors attempting to enter the same market space.

Sky's the Limit

The Business Model

The business model of StL is based on affiliate program commissions and the number of visitors that an Owner of affiliate links attracts to perform commission based transactions. A well known affiliate program is available through Amazon.com. The compensation for the Amazon affiliate program² rewards Owners (associates) up to 15% commission.

The following diagram is an example of how an affiliate program works.



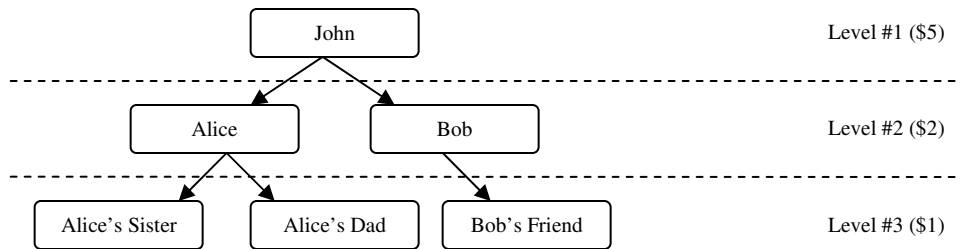
1. Bob updates his website with an Amazon affiliate link
2. Alice, who is Bob's friend visits Bob's site and clicks on the affiliate link. Alternately, Bob can also have some links automatically forward to Alice and a few other friends.
3. Alice is redirected to the Amazon site
4. When Alice makes a purchase she will receive the merchandise and Bob will receive some commission

Figure 15 Sky's the Limit – Business Model – Affiliate Links

Author: Colin Yeung

The following is one example of a referral link program with 3 levels of rewards. It is possible for Issuers of A&R links to devise variations of such incentive structures in order to suit their objectives.

² <https://affiliate-program.amazon.com/103-4674651-4588636>



1. John makes \$5 for every incentive based action John takes and John has referred Alice and Bob.
2. John receives \$2 for every incentive based action that Alice and Bob make. Alice and Bob will still receive \$5 for every incentive based action they take.
3. John receives \$1 and Alice and Bob receive \$2 for every incentive based action that Alice's sister, Alice's dad, and Bob's friend make, which they will receive \$5 for.

Figure 16 Sky's the Limit - Business Model - Referral Links

Author: Colin Yeung

It is also possible to devise an incentive structure, where if Alice earns \$1000 in a month, John will receive 5% since he is the one who introduced Alice to sign up. Thus, John has significant incentives to promote and attract other highly effective users who could become Owners in due course. Owners of affiliate links earn income that depends on how their social network is structured. A prime example of an effective incentive campaign is Amway. (Amway.com)

Amway provides a traditional multilevel marketing campaign structure, where an Issuer can earn income through commissions from selling products and by referring others to sell products. Another example of an effective incentive campaign is the A&R program at HostRocket.com. HostRocket.com is a web hosting provider that offers substantial incentives for Issuers that refer new customers to sign up for one of the web hosting packages.

Details for the affiliate program are provided in the following diagram. The program appears to offer a minimum of \$75 per sale, which is substantially more than most other affiliate programs.

Web Hosting Affiliate Program

Generous Commissions - Now Up To \$150 Per Sale

or each new shared hosting customer you refer to HostRocket through our web hosting affiliate program, we'll pay you up to \$150. It doesn't matter which package or term your new customer selects, we'll pay you \$150 for each successful sale you generate for HostRocket.

- Sales 1 through 10 = \$75 per sale
- Sales 11 through 20 = \$95 per sale
- Sales 21 through 30 = \$115 per sale
- **Sales 31 or more = \$150 per sale**

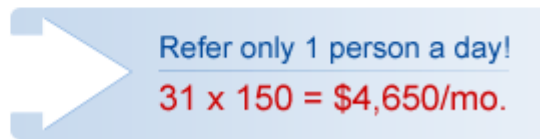


Figure 17 HostRocket.com - Affiliate Program

Source: <http://www.hostrocket.com/affiliates.html>

HostRocket.com also has a referral program that has a 2 tier commission structure. This program allows Issuers to refer other Issuers and earn 10% of what the referred Issuers earn.

Marketeer

The Business Model

The following is an illustration of the transaction details for an incentive based survey on the Marketeer application. PayPal will manage all transactions for incentive based surveys.

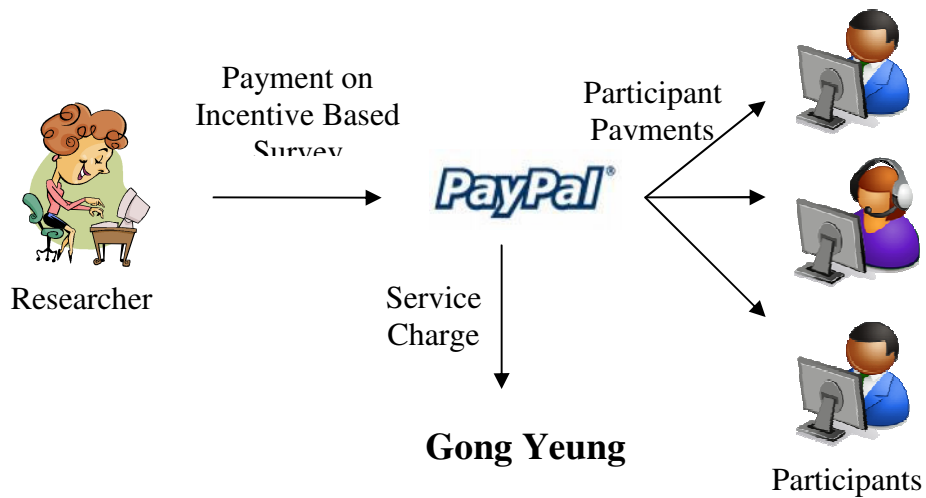


Figure 18 Marketeer - Business Model

Author: Colin Yeung

All three entities in this model will profit from Marketeer. Researchers will be able to target very finely their campaigns. Participants will have an additional channel for income generation and Gong Yeung will benefit by being an intermediary linking the Researchers and Participants.

SALES FORECAST

Sky's the Limit

The Revenue Model

Whereas the Business Model defined at a conceptual level the business processes for StL, the Revenue Model will discuss and provide financial details, forecasting potential caveats and future growth. At the time of this writing, there were no known reliable sources that provided accurate information on the potential revenues that can be generated through an A&R program. This revenue model is based on estimates for the potential number of active users and the average revenue that each user will generate.

The implementation of StL provides great opportunities for Gong Yeung, because it requires a small sunk cost to develop and implement the solution. Once in operation, StL will rely on Moderators that Gong Yeung hires to update the site's links. Secondly, Gong Yeung will create a framework that is scalable in order that feature enhancements will not intrude on usability and to insure that the data is still valid.

A potential caveat Gong Yeung faces occurs in the event that a person takes legal action against Gong Yeung. To mitigate this risk a disclaimer of limited liability will be presented to the user and made generally available within the application.

SNS applications are usually valued based on the number of active users, the number of installs, and the application rating. The estimates provided will only take into account the number of active users, because non active users will not provide revenue through the StL application.

A tool such as the adonomics.com calculator can be used to determine the value of a Facebook application. The calculator is a free service that provides analytics on Facebook applications in a manner similar to stock market applications.

The following table provides the projected worth and annual revenue of StL.

Table 1 Sky's the Limit - Projected Valuation and Annual Revenue

Author: Colin Yeung

Months	Active Users	Estimated Worth & Annual Revenue			Valuation (per active user)		
		Low	Med	High	Low	Med	High
1	30	\$ 15.00	\$ 30.00	\$ 60.00	\$ 0.50	\$ 1.00	\$ 2.00
2	60	\$ 30.00	\$ 60.00	\$ 120.00			
3	120	\$ 60.00	\$ 120.00	\$ 240.00	Annual Rev Gen / Active User		
4	240	\$ 120.00	\$ 240.00	\$ 480.00	Low	Med	High
5	480	\$ 240.00	\$ 480.00	\$ 960.00	\$ 0.50	\$ 1.00	\$ 2.00
6	960	\$ 480.00	\$ 960.00	\$ 1,920.00			
7	1400	\$ 700.00	\$ 1,400.00	\$ 2,800.00			
8	1800	\$ 900.00	\$ 1,800.00	\$ 3,600.00			
9	2200	\$ 1,100.00	\$ 2,200.00	\$ 4,400.00			
10	4400	\$ 2,200.00	\$ 4,400.00	\$ 8,800.00			
11	8800	\$ 4,400.00	\$ 8,800.00	\$ 17,600.00			
12	17600	\$ 8,800.00	\$ 17,600.00	\$ 35,200.00			

Note that because the low, medium, and high estimates were the same for both the projected worth per active user and the projected annual revenue generated per active user, the projected worth and annual revenue have been combined onto one table. The annual totals are provided on the row representing the 12th month.

The valuation per active user is based on general estimates that range from \$0.30-\$4.00, which are obtained from various online sources.

The estimation for annual revenue is based on the Amazon.com affiliate example where Owners of an affiliate link are rewarded with a 4% commission when visitors from their links complete a purchase on Amazon.com. At 4% commission, gaining \$0.50 in revenue would require

the visitor to make a purchase of \$12.50. To obtain the high estimate of \$2.00, the visitor would have to make a \$50 purchase annually.

The month column represents the elapsed time from the application launch date. The Facebook platform was made available as an API to the developers in late May of last year (2007). Twelve months was chosen because it is fairly reflective of the amount of time current applications have been available on Facebook. (Wikipedia OpenSocial)

The estimate also accommodates for the periods indicated by the shaded months, when revenue is expected to plateau and recover as the market shifts from early adopters to early majority users.

Marketeer

The Revenue Model

The Business Model for Marketeer defines at a conceptual level its business processes. The Revenue Model will discuss and provide financial details, forecasting potential caveats and future growth.

The sunk cost to build Marketeer is minimal; however, users of Marketeer will demand high levels of reliability and confidentiality. Because Marketeer will be responsible for user data, the expectation of a highly secure system will add to the overall cost of development and implementation. There are also variable costs accounted for which are associated with each transaction that will be given to PayPal. These transaction fees will be charged in the overall costs to the Researcher.

The revenue model will follow the same assumptions as outlined in StL's revenue model. It will forecast growth up to twelve months from the launch date, it will make an estimation based on

the number of active users, and it will estimate the annual revenue based on user transactions. This model also accommodates for the periods indicated by the shaded months, when revenue is expected to plateau and recover as the market shifts from early adopters to early majority users.

Incentive based surveys will require at a minimum, a 15% service charge, which will help cover the infrastructure, maintenance, and transaction cost. User transactions with Marketeer are of a different nature compared to the transactions made through StL. For example the high estimate for annual revenue, \$1.50, is based on a user making a survey with incentives of \$10 or it can be assumed that of 10 users only one user creates a survey with incentives worth \$100 during the year.

Table 2 Marketeer - Projected Valuation and Annual Revenue

Author: Colin Yeung

						Valuation (per active user)					
						Low	Med	High			
						\$ 0.50	\$ 1.00	\$ 2.00			
						Annual Rev Gen / Active User					
						Low	Med	High			
						\$ 0.50	\$ 1.00	\$ 1.50			
						Valuation (Per Active User)			Annual Revenue (Per Active User)		
Months	Active Users	Low	Med	High	Low	Med	High				
1	30	\$ 15.00	\$ 30.00	\$ 60.00	\$ 15.00	\$ 30.00	\$ 45.00				
2	60	\$ 30.00	\$ 60.00	\$ 120.00	\$ 30.00	\$ 60.00	\$ 90.00				
3	120	\$ 60.00	\$ 120.00	\$ 240.00	\$ 60.00	\$ 120.00	\$ 180.00				
4	240	\$ 120.00	\$ 240.00	\$ 480.00	\$ 120.00	\$ 240.00	\$ 360.00				
5	480	\$ 240.00	\$ 480.00	\$ 960.00	\$ 240.00	\$ 480.00	\$ 720.00				
6	960	\$ 480.00	\$ 960.00	\$ 1,920.00	\$ 480.00	\$ 960.00	\$ 1,440.00				
7	1400	\$ 700.00	\$ 1,400.00	\$ 2,800.00	\$ 700.00	\$ 1,400.00	\$ 2,100.00				
8	1800	\$ 900.00	\$ 1,800.00	\$ 3,600.00	\$ 900.00	\$ 1,800.00	\$ 2,700.00				
9	2200	\$ 1,100.00	\$ 2,200.00	\$ 4,400.00	\$ 1,100.00	\$ 2,200.00	\$ 3,300.00				
10	4400	\$ 2,200.00	\$ 4,400.00	\$ 8,800.00	\$ 2,200.00	\$ 4,400.00	\$ 6,600.00				
11	8800	\$ 4,400.00	\$ 8,800.00	\$ 17,600.00	\$ 4,400.00	\$ 8,800.00	\$ 13,200.00				
12	17600	\$ 8,800.00	\$ 17,600.00	\$ 35,200.00	\$ 8,800.00	\$ 17,600.00	\$ 26,400.00				

Costs to execute the revenue model are strongly tied to the price structure of PayPal services. According to the following screen capture from the PayPal website there are no monthly fees and no setup fees for transactions. (Transaction Fees for Domestic Payments - United States)

Transaction Fees for Domestic Payments - United States

Account Fees	
Setup Fees	None
Monthly Fees	None [†]
Gateway Fees	None
Transaction Fees	Low
All Tools Including Shopping Cart	Free [†]

PayPal is affordable for businesses of all sizes. Fees are applied **only when you accept a payment** if you don't receive money, you don't pay a penny.

- No monthly fees[†]
- No setup fees
- No gateway fees
- Free eBay and merchant tools
- Antifraud systems at no extra cost

[†]Does not apply to [Website Payments Pro](#) or [Virtual Terminal](#).

Fees for receiving payments from buyers in the United States

[View cross-border transaction fees](#)

Monthly sales	Price per transaction
\$0.00 USD - \$3,000.00 USD	2.9% + \$0.30 USD
\$3,000.01 USD - \$10,000.00 USD	2.5% + \$0.30 USD
\$10,000.01 USD - \$100,000.00 USD	2.2% + \$0.30 USD
> \$100,000.00 USD	1.9% + \$0.30 USD [†]

Figure 19 PayPal - Transaction Fees for Domestic Payments

Source: https://www.paypal.com/cgi-bin/webscr?cmd=_display-receiving-fees-outside&countries

To receive fees from buyers PayPal charges a maximum fee of 2.9% + 0.30 USD per transaction. For a survey Participant to be paid by the Researcher, the Participant will require that each survey taken reward a minimum amount to offset the transaction costs, which is at least 2.9% + 0.30 USD. To help facilitate this requirement Marketeer could set a survey incentive floor of \$0.50 USD per user. The Participant in this case would receive approximately \$0.50 - \$0.30 - \$0.50 (2.9%) = ~\$0.18. To hide the cost from the Participant, the PayPal transaction fee will instead

be charged to the Researcher. In this case the Researcher would receive an invoice of \$50 USD + \$7.50 USD service charge for a survey with one hundred respondents, that each received an incentive of approximately \$0.18 USD.

If the PayPal platform allows Participants to transfer funds without the transaction charge, for example to send and receive money to other accounts for free, then the above scenario would not be factored into the operating costs of Marketeer. (Fees)

Table 3 PayPal - Fees for Personal and Business Accounts

Source: http://www.paypal.com/cgi-bin/webscr?cmd=_display-fees-outside

	Personal account	Premier/Business account
Open an account	Free	Free
Send money	Free	Free
Withdraw Funds	Free for bank accounts in the U.S	Free for bank accounts in the U.S
	Fees for other withdrawal options	Fees for other withdrawal options
Add funds	Free	
Receive payments funded by PayPal Balance, PayPal Instant Transfer or PayPal eCheck	Free	1.9% to 2.9% + \$0.30 CAD
Receive payments funded by Credit Card, Debit Card or Buyer Credit	4.9% + \$0.30 CAD (limit of 5 transactions per 12 month period)** for domestic or U.S. transactions	
	2% + applicable Fees Fees for cross border payments	
	4.9% plus \$0.30 CAD for card payments received using PayPal on Skype	
Multiple currency transactions	Exchange rate includes a 2.5% fee**	Exchange rate includes a 2.5% fee**
	Fees for cross border payments	Fees for cross border payments

Pricing for the Services

To determine an ideal price structure, surveymonkey.com was used as a benchmark for an estimate of how to price for Marketeer services.

The surveymonkey.com price structure is well suited for its market strategy. It has been constructed to capture market share, to create competitive forces, and to provide a reasonable source of revenue. Marketeer will not follow surveymonkey.com's price structure, because it is

competing in an SNS application market space that surveymonkey.com has not entered yet; however, it is imperative to examine the surveymonkey.com pricing to determine Marketeer's pricing strategy.

Surveymonkey.com has three account types to accommodate the Researcher's requirements. At anytime a Researcher can upgrade an account seamlessly, without losing any surveys or responses collected. This flexibility enables the Researcher the freedom to progressively pay to acquire additional services. The three accounts at surveymonkey.com are Basic, Monthly Pro, and Annual Pro. (Our Pricing Fits Every Budget)

The Basic account can have a maximum of ten questions and is allowed to receive at a maximum, one hundred responses. A Researcher with the basic account will be able to use surveymonkey.com's services for free within the constraints of the account. The basic account removes barriers to entry for new Researchers and creates an additional threat of substitution for competitors.

The Monthly Pro account is priced at \$19.95 per month. Features of this account include a maximum of 1000 responses per month, unlimited number of questions per survey, and a \$0.05 per response overcharge rate. There are also additional features over the Basic account. The Monthly pro is a good choice for the casual Researcher, who requires a survey with a sample size that is representative of a large population. (Sampling (statistics))

The Annual Pro account is priced at \$200 per year and allows for an unlimited number of responses and an unlimited number of questions per survey. This account targets the professional Researcher that will frequently send out surveys with varying requirements.

Marketeer's price structure has two objectives, to (1) capture market share and to (2) allow the market to determine pricing. As discussed in the revenue model, the price structure will be based on a service charge that is a percentage of the incentive price paid for a survey.

The proposed price structure is intended to capture market share, since the ability to use Marketeer's services for free will maximize the number of willing Participants and entice them to learn about and use the product. Marketeer's value is substantially tied into the size of the user base, which present an effective profiling database. It is a complimentary source of value obtained from the service charge for incentive based surveys. After acquiring a critical mass of users, creating strong lock in and switching costs to the users, Marketeer can optionally open its platform for further development and sustainment by the community.

The price structure allows the market to determine the price. Marketeer provides profile content to Researchers for targeting specific samples within a population. The potential targets within the sample have the option of setting a price to take the survey, because they would like to be rewarded for by providing their opinion. This market structure provides a collaborative atmosphere for the Researcher and potential Participants. For possibly the first time, the Researcher can accurately predict the price to conduct a survey using the target population's willingness to pay in terms of time spent in return for a monetary reward.

It is because of the aforementioned objectives that Marketeer will have its own price structure which will be unique in the industry of market research.

OPERATION PLAN

Market Entry for SNS Applications

After the Internet became mainstream, a number of years elapsed before business applications for the Internet became mainstream. The business to consumer and business to business models had to also cross a chasm from market entry into the mainstream market. Transitioning traditional business methodologies from a brick and mortar establishment into an abstract digitalized form presented both cultural and logistical challenges.

SNS has recently emerged from a market entry service to a mainstream service, and business applications will follow. Currently business applications for SNS are still in their infancy and are attempting to cross the chasm into the mainstream market. Proper models to take advantage of current SNS platform offerings are currently being developed and refined.

With reference to the Geoffrey A. Moore books “Crossing the Chasm” and “Inside the Tornado” the strategy for entry into the market will take into account the technology adoption life cycle and establishment of a beach head market.

The Gong Yeung products will sequentially pass through five groups in the technology adoption lifecycle: innovators, early adopters, early majority, late majority, and laggards. [Refer to “Description of the Chasm Groups” in Appendix 4 – Market Entry] Each group represents a unique psychographic profile, which is a combination of psychology and demographics that makes its marketing responses different from those of the other groups (Moore, Crossing the Chasm, 2002)

How Gong Yeung will Cross the Chasm

For the Gong Yeung products, it is assumed that the caveats between the groups are reasonably small except for the Chasm. Social networking applications take on a different approach to chasm crossing.

The innovators and early majority are the group of people that will be capable of sustaining the application on life support. It is estimated that 200 monthly active users could sustain the applications. This is the number of users that would be able to provide valuable feedback on the application and meaningful content for Gong Yeung's products.

After achieving the sustainment group, Gong Yeung should amass resources to cross the chasm. As specified in Moore's book the caveat must be crossed by concentrating on the beach head, identified in the market assessment section as the college student market.

Because the products are discontinuous innovations, the consumer perception of ways to interact with A&R links and manage surveys will change drastically. To capture the student market, Gong Yeung must tailor the product to be specifically appealing to the college student and it must find effective advertisement channels to market the product to the this market. Currently it is assumed that the products are appealing to the student market because it is free to use and can be an effective means to gain disposable income.

Because there is likely a grey area between the categorization of the early majority and late majority, some of the college student market will partially represent the pragmatist market as well. It is expected that they will communicate along industry lines or through professional associations, likely using word of mouth as a result Gong Yeung should consider unique channels of advertisement. Users will be encouraged to open up news feeds and forward requests to install the product onto friends. Other alternatives include advertising through a post secondary school

mailing list, tutorials for communication of a standardized advertisement message, and distribution of printable advertisements in high traffic areas such as transit stations, malls, and recreational centres.

How Gong Yeung will Manage the Tornado

After the chasm has been crossed, Gong Yeung will begin to concentrate on specific niche markets. There is a concept in the Moore book called the Bowling Alley, where each pin represents a niche market segment. [Refer to “Description of the Tornado” in Appendix 4 – Market Entry] As discussed previously the head pin (beach head) is the college student market. Other subsequent pins include the secondary student and completed school market. In the case of Marketeer, there is the final pin, which is the business segment represented by large corporations.

To achieve a dominant position, the products must enter the tornado and then simply obtain as much market share as possible. Gong Yeung should not segment, should not customize, and should not commit to any special projects. It should avoid friction by streamlining the creation, distribution, installation, and adoption of its product to increase development productivity and advertisement effectiveness in order to become the unanimous market leader.

Sky’s the Limit

Positioning of the Product

StL will initially offer essential features and virtually no content. As users begin to install the program and provide feedback, consumer loyalty will grow. This initial set of users will provide content required for building the loyalty and feedback necessary to guide the development of StL and its feature set to steadily meet the ever greater demands of the growing consumer base.

The direct Facebook competitors to StL are Cashback Discounts, Social Cents, StudentBeans, and Quick Apps. Their position has been identified by the blue circle. They currently offer limited features with no customer loyalty. Their position is very similar to StL's starting position; however, they collectively have a greater consumer base.

Affiliatetips.com is a non-SNS application that is very feature rich and allows users to rate affiliate programs. It has consumer loyalty, because of the rating system and self generated site content with relevant information. Affiliatetips.com does not compete directly with StL, because it does not provide a supply and demand side network effect.

StL's desired position is to be a complete product that offers a large feature set, supported by a large base of users. Loyalty will be established through network externalities and superior service.

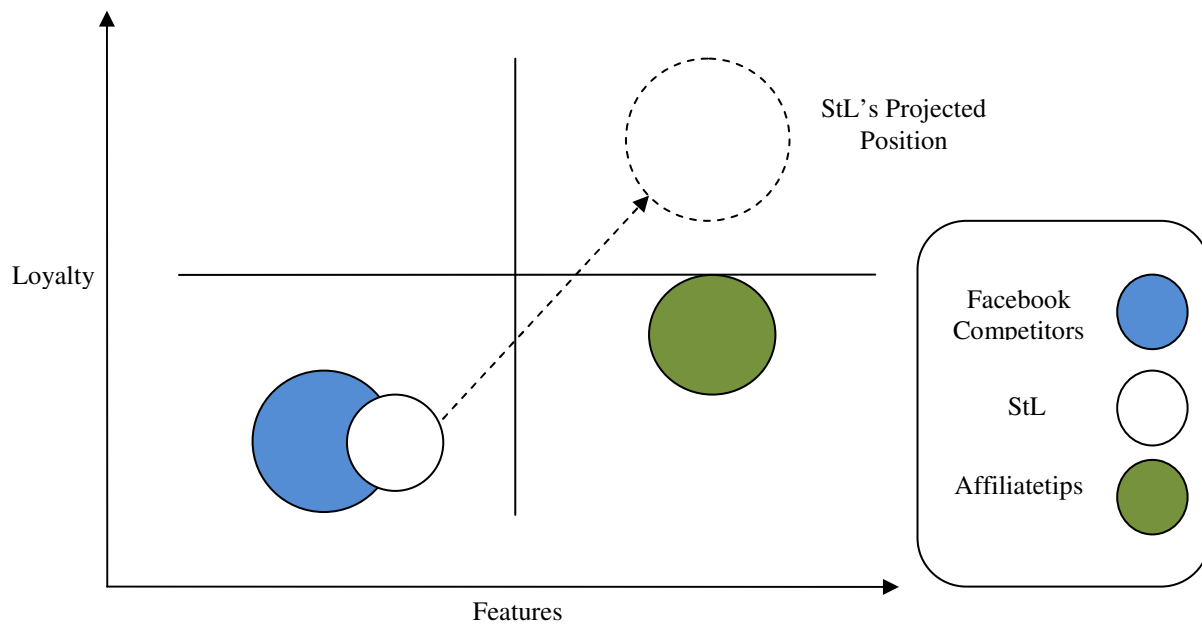


Figure 20 Sky's the Limit – Positioning

Author: Colin Yeung

Marketeer

Positioning of the Product

The Marketeer application will offer a large set of features on entry into the market. Ideally the application will have the full functionality of open source software wrapped with business software to perform transactions using PayPal. Consumer loyalty will grow with the user base and user provided content. The accumulation of this data will be the most valuable asset in the Marketeer application, because the data will allow for the application to find target populations for market analysis.

The competitors to Marketeer on Facebook are Easy Survey Maker, iAsk, and SurveyMachineCollective. Of these competitors, Easy Survey Maker is the only one that offers very similar functionality; however, it does not include user profile information and survey incentives mechanisms. Loyalty for the Facebook competitors is relatively high, because they are locked into using the application through their installation. Their feature sets however are not as complete as Marketeer's feature set will be at the time when Marketeer enters the market.

SurveyMonkey.com is the best known competitor to Marketeer that is not on Facebook. It offers very similar functionality to Marketeer, but it does not have an SNS derivative and as a result does not provide the profiling information that Marketeer will provide. Surveymonkey.com has a well established feature set and pricing structure. It is well known and has an established brand, which contributes to its customer loyalty. Its current user base is required to sign up and it is foreseeable that Surveymonkey.com could simply convert its current user base into Facebook users and potentially move into the SNS space to compete directly against Marketeer.

Marketeer's desired position is to obtain high customer loyalty by establishing a large base of end user profile information that is valuable to both the Participant and the Researcher.

Marketeer can accomplish this by offering a unique pricing model determined by the Participants' willingness to pay in terms of time spent completing surveys by using a strong marketing campaign through targeted advertisement models, and by providing superior service to end users.

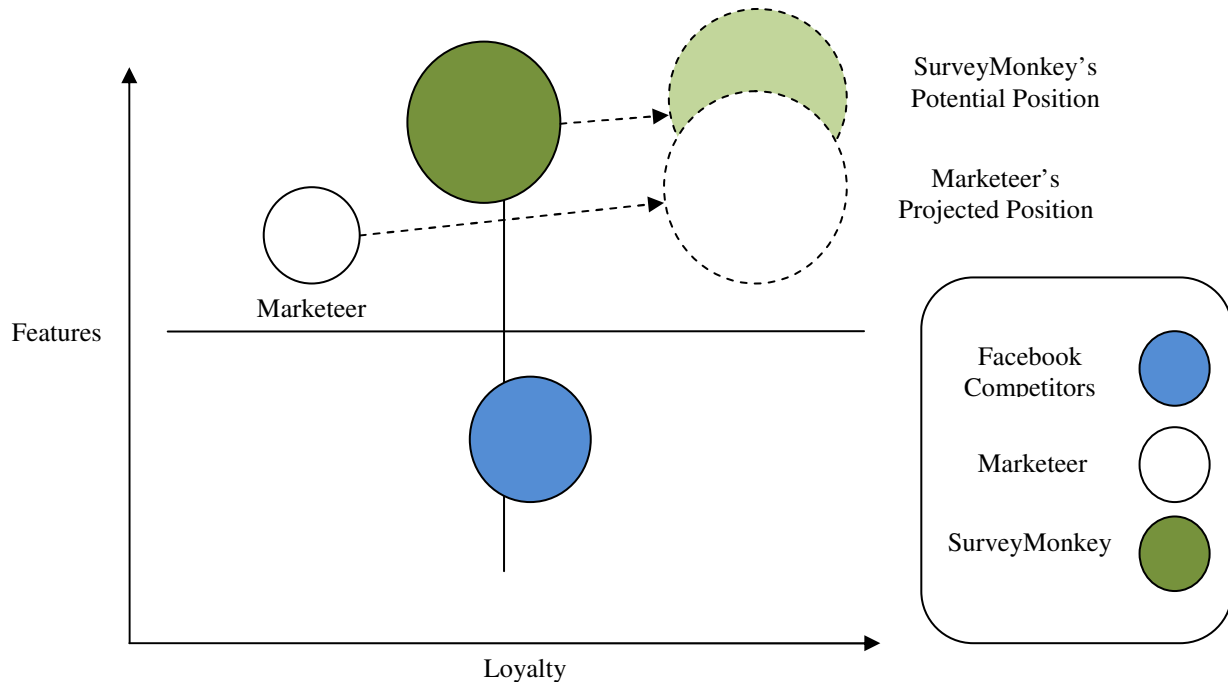


Figure 21 Marketeer – Positioning

Author: Colin Yeung

Maintaining a Competitive Advantage at Gong Yeung

As the Gong Yeung products emerge from the tornado and become mainstream products, margins will decrease and usability will improve. Once the products have reached the mainstream market place they will essentially retain their competitive advantage until the end of life for the market.

There are three ways for Gong Yeung to sustain and expand operations after reaching the mainstream market.

First, include additional features to continually improve user experience, thus satisfying current consumers and retaining customer loyalty.

Second, expand internationally to accommodate non-English speaking countries and cultures, targeting countries that have a large number of Facebook users. There is an analogy in Moore's book that expansion should occur in two small spheres rather than one large sphere of equal volume, because the surface area of the two small spheres will be greater than that of the large one. Penetration into foreign markets should create pockets of reasonably sized users rather than expanding from one large user base. Using the two small spheres example, niche markets can be won in international markets with greater speed than simply expanding from a central market.

Third, continuously drive innovation by setting expectations on staff that current products will have short life cycles that will require Gong Yeung to pursue new ventures or enhance existing ventures through disruptive technologies, where opportunities will exist in adolescent technologies.

FINANCIAL PLAN (SOURCES OF FUNDING)

The following section lists funding sources for Gong Yeung. Depending on the type of technology venture, there are a number of options for funding that will help the company through its initial stages of development and into early markets.

Industrial Research Assistance Program (IRAP)

The National Research Council Industrial Research Assistance Program (NRC-IRAP) provides both technical and business oriented advisory services along with potential financial support to growth oriented Canadian small and medium sized enterprises. (NRC-IRAP Home Page)

The research console has a network of 260 professional in 100 communities across Canada to support innovative research and development in science and technology. IRAP helps a company become commercial ready with new products and services turning knowledge and innovation into strategic opportunities, jobs and prosperity.

IRAP offers two kinds of financial assistance through “Research and Technology Development Activities” and “Youth Employment Strategy Programs”. The Research and Technology Development Activities program provides non-repayable contributions to Canadian subject matter experts (SME) that are interested in growth using technology to commercialize services and products in Canadian and international markets.

The Youth Employment Strategy Program provides firms support to hire post-secondary graduates. The firm benefits from this program by being able to acquire resources to use

technology for commercialization, while the graduate benefits from this program by gaining valuable work experience.

Additional benefits of using NRC-IRAP are the network of entrepreneurs, research and development (R&D) institutions, technology brokers, and technology transfer centres that it has access to. IRAP also maintains partnerships with regional, national, and international organizations.

Angel Investors

Angel investing is a term used to describe financing that is usually provided by friends and family. There are also professional angel investors that typically seek 10x or more return within 5 years for their investment. The return is usually gained through an exit strategy such as an Initial Public Offering (IPO) or acquisition.

Venture Capital (VC)

Venture Capital is usually a dedicated pool of capital that is managed by a venture capitalist to invest into privately held potential high growth companies. Venture capitalists generally require high stakes within the company, much like an angel investor, seeking at least 10x return typically averaging out at 20 to 30% annual return on their investments and possibly ownership of 25 to 50% of the company.

Business Incubators

A business incubator provides services for a company that includes but is not limited to use of office equipment, networks of professionals and partners, financial support, and business

advisement. In return for these services the founder will grant the business incubator a percentage of the venture's revenues and/or part ownership in the venture.

Bank Loans

It is difficult for a founder to qualify for a bank loan on a start-up company unless the founder has an established reputation for creating successful start-up companies. A qualifying founder will be able to grow a company without incurring steep future costs in return for an initial investment, because the funds would be borrowed as an independent investor.

Self Employment and Entrepreneur Development Society (SEEDS)

SEEDS Business Development Centre (BDC) provides services for unemployed individuals living in the Greater Vancouver Area that have a reasonable venture and would like to create a start-up company. SEEDS will provide business advice and funding of up to \$300 a week for 48 weeks in support of the individual through the start-up.

University Industry Liaison Office (UILO)

UILOs help forge relationships between the industry and university resources in order to commercialize ideas to garner long term economic benefits for the university and achieve financial stability for the corporation. Some UILOs, such as the SFU UILO, include a venture incubator with office space for companies just starting out and/or want to establish a presence in the Vancouver marketplace. SFU has a business centre that is a venue for networking and liaison between the university and the corporate sector. It also provides additional services such as the ability to book conference facilities at discounted prices.

HIGH LEVEL RISK ASSESSMENT FOR THE PRODUCTS

Technological Uncertainties

In the technology field, *discontinuous technologies* are those which capture an entirely new market unexpectedly or create an entirely new channel of communication with a target segment. In this sense, StL is expected to create a degree of significant discontinuity since it is the first time that an application for A&R management has been made available on an SNS site. Campaign management and SNS are perfectly suited for each other since A&R Links can most effectively be diffused to the population via social networks.

There is no known application on Facebook that (1) provides rating systems for existing A&R programs and (2) allows the Owners to create their own A&R links page that has both community and individual opinions on the programs that they have links to.

The rating system will lock users into using the StL application. Thus, StL will be a radically new application; however, no technological uncertainties are perceived to be facing the application at this time. Since Gong Yeung's products will be hosted on top of Facebook the continuity of the business operations depends on the uptime of Facebook. To diversify in the medium term Gong Yeung will aim to launch StL on other SNS sites apart from Facebook.

The Facebook platform supports multiple programming languages including PHP, Ruby, .NET, and Java (Facebook has recently ended support for the Java API). PHP will be the development language of choice because it is more mature than Ruby and it is commonly used in open source projects.

Although, there are no technical uncertainties; it will be preferable to provide a scalable solution that can be piloted by a small number of users prior to a full release; therefore, the initial release will be a Beta version.

Market Uncertainties

The profile of online Internet users is changing rapidly as the elderly segment of the population also acquires skills to use Internet-hosted applications. The needs of Facebook users are likely to evolve as loyal users of Facebook age over time. Thus, we expect important changes in the behaviour of individuals online – for example in terms of their need for more mature content such as news feeds, financial information unlike the information needs of teenage users (see Figure 9 Age Distribution of Facebook Users). As the population ages and enters the income-earning range, the targeting of referral links will have to be far better since income-earning segments will have less need of income that can be earned from StL. Thus, another benefit of diversifying to other SNS sites will be to expand into other markets. Over time however, the social network of the initial Owners will help Gong Yeung expand the total market usage of StL.

A second aspect of the market is the skill of the users to learn StL and understand the incentive structures for various referrals campaigns. Thus, necessary changes to the user knowledge and skills include learning the StL application, learning how to sign up and use referral programs, and optionally learn to use viral marketing aspects of the program effectively. Changes in affiliate visitor behaviour include learning to perform viral marketing to be effective at using A&R programs and becoming accustomed to using such programs to receive commission from their actions, for their referrals, and for those that they have referred.

Since Marketeer is a more complex application than StL, Gong Yeung will engage in continuous learning to understand the users' needs and introduce features that make it easier for the Researcher to manage campaigns. One excellent example of continuous improvement is Google Docs which is continuously improved by newer features for collaborative word processing, spreadsheet and presentation applications.

There will be changes required in Researcher/Participant knowledge and Researcher/Participant behaviour. The Participants will be required to install Marketeer onto their SNS, to use a PayPal account if they do not have one already, to virally recommend the application, and to optionally complete a separate Marketeer profile. The Researchers have to adjust their behaviour and accept using social SNS technologies to obtain market data, to become accustomed to finding effective ways to find their target population, and to use the Marketeer pricing model effectively.

Changes in Researchers and Participants' behaviour include the willingness to create and complete online surveys.

Market Externalities

There are two market externalities to consider. First, if StL became prevalent in the community of A&R program users similar applications will likely be offered by competitors. Second, because StL simply provides the service to manage A&R links, it will rely on the success of external A&R programs to generate revenue.

Marketeer is expected to create a degree of significant discontinuity since it is the first time that an incentive based survey management tool has been launched on a SNS platform.

Marketeer will differentiate itself from its competition by providing a form for gathering additional profile information. The survey tool will also gather results from previous surveys and include that into the users profiling information. Marketeer can then reference the user information database to identify potential respondents for future surveys. There is currently only one competitor on Facebook that has a similar market space, offering a free survey creation tool that allows users to poll other users.

CONCLUSION

The opportunity exists in the SNS application space to create products with a small investment of CTR that will provide services to capture large market shares, where the products will compete for the end users' willingness to pay through time spent on SNS applications. An application that successfully captures these potentially large markets therefore will gain a high reward for a minimal amount of risk incurred.

The SNS application market space is relatively new. Products in the market space are currently developing revenue models that are sustainable. The SNS platforms for creating such models have recently emerged and players in the market space are uncertain how to take advantage of the opportunities that exist. It is analogous to standing in a train station where there is a high volume of daily commuters and not knowing how to provide a service to those users that will generate sustainable revenue. One aspect of this analogy that requires further clarification is that capturing the market will incur high switching costs to the end users, so in effect, a product that is successful in providing profitable services to the commuters essentially owns the station, because now the commuters are locked into using the provider's services that they contribute to. It is a "winner takes all" scenario.

Gong Yeung is trying to meet what appears to be a niche in the market place for the end users. Most SNS users are between the ages of 14 to 26. Although current SNS applications provide services that are novel and fun for this age group, the applications tend to not provide a service that will generate any opportunity for substantial revenue. Also, this age group appears to

have spare time, have a number of friends that share similar interests, and are willing to spend spare time performing tasks that will earn them spending money.

Gong Yeung's products propose to create niche products that will meet the need of the 14 to 26 year old SNS application user to generate spending money, by taking advantage of something they already have which is spare time and friends with similar interests.

StL will fill this niche by providing a service to organize and sort A&R links. A&R links are one of the most common mediums for an end user on the Internet to generate income. The organization of links and the ability to instantaneously market these links to friends will be appealing to the target market.

Marketeer will fill the aforementioned niche by allowing Researchers to gather information on Participants in the target market, while rewarding the Participants for their time spent with monetary incentives for participation.

Both products, StL and Marketeer, become better as more users interact with their services. The technology to create these products already exist, do not cost anything to acquire, and are quite sophisticated. The ability to provide this service is complimented by the end users' ability to practically access their SNS application from anywhere through an Internet connection, such as a desktop, laptop, or smart phone. The products are entering an emerging high growth industry expected to have explosive growth over the next five years. The recent recession concerns, availability of improving wireless access protocols such 3G and soon to be 4G networks and general adoption of SNS applications will all contribute to the success of StL and Marketeer.

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APPENDICES

The following sections contain the appendices for this document

APPENDIX 1 – INCORPORATION

Incorporation can be completed within a week. This includes the time required to name the corporation. Refer to the Guide for Federal Incorporation because it is the standard resource to understand the requirements for incorporation. (Guide to Federal Incorporation)

It is recommended that a start-up company register with industry Canada, because the benefits for having a company far outweigh the limitations. Registration of a company incurs the added overhead of having to file separate tax statements; however, the founder will benefit from having (1) limited liability, (2) availability to funding, and (3) access to resources restricted to corporations.

Limited liability helps protect the founder from the actions taken in a venture. Although there are some exceptions when the founder is a director of the company, limited liability restricts financial responsibilities from personal finances to the finances of the corporation.

A founder can gain access to funds for a venture that would otherwise be unavailable to him, such as funding from IRAP. The funding will give the corporation the seed money to get started and to expand operations as the venture matures.

Through a corporation a founder will have access to resources such as the ability to sponsor student projects.

There are two options for registering a corporation. First, the founder can simply use business number to uniquely identify the corporation. Second, the founder can uniquely name the corporation. This document will cover the second option, because the founder will go through an

identical process to register the corporation using the first option, however, he will not have to gain approval on a corporation name.

In Canada, all of the information required to register a corporation can be found at the Corporations Canada website. Refer to this site to register the corporation. (Guide to Federal Incorporation)

The first step to registering a corporation is to determine a company name. The name cannot be qualified as having a connection with a government or university, must not lack distinctiveness, and must not cause confusion. The following references will help guide a founder to the policies and procedures for naming a corporation.

1. Policies for name granting (Policies for name granting)
2. Register for an Industry Canada (Register for an Industry Canada User Account)
3. Sign into the NUANS Real-Time System (Sign into the NUANS Real-Time System)

During the name registration process the founder must generate a Nuans report. This report lists all the current registered corporation names that the candidate corporate name could be in conflict with. The report will be reviewed by corporations Canada to determine whether it is available. Prior to generating the Nuans report the founder has the option to search for corporation names that could be potentially conflicting. A founder should consider including common word combinations within the candidate name during the Nuans search. For example if a candidate name is Northern Lions Consulting INC, the search should include the combinations “Northern Lions”, “Lions Consulting”, and “Northern Consulting”.

When a founder is considering the candidate name for a corporation, he should also ensure that it is available in a form of a domain name for the Uniform Resource Locator (URL) of the company website. The search for a domain name is free and can be performed through a site such as Interric.ca, which will search common top-level domain (TLD) names such as .ca, .com, .net for availability of the candidate name. If a founder determines that a TLD is available, the TLD can be registered with a hosting service. The hosting service may allow the founder to register a domain name for free with the subscription to a hosting service package. Domain names are usually renewed annually at a cost of approximately \$10.

When the founder has chosen the hosting service for the company website, he should ensure that it will also support the programming languages he intends to use. For example www.netfirms.com provides servers that host PHP and .NET applications, which are commonly supported programming languages for the Facebook platform. If the founder intends to host the company website on netfirms.com, he will be provided with a content resource management (CRM) system to the company website. The founder will also have the ability to host SNS applications on netfirms.com as well.

The total cost of incorporation at the time of this writing was approximately of \$300, while the approximate cost to subscribe for a year of service with netfirms.com hosting service, which includes five domain names, cost approximately \$200 annually.

APPENDIX 2 – SKY’S THE LIMIT

The following table is registration information from Facebook.com for the StL application.

Table 4 Sky's the Limit Registration Information

Source: www.facebook.com

Field	Value
Product Name	Sky’s the Limit
Platform	Facebook
URL	http://apps.facebook.com/skysthelimit/
API Key	35981bd61098ac45614b41e28a4bd454
Secret	4797f6fb997a5123e57f12d58537319e
Application ID	20453593815
Contact Email	colinwgyeung@gmail.com
Support Email	colinwgyeung@gmail.com
Callback URL	TBD
Canvas URL	http://apps.facebook.com/skysthelimit/

Home Page

The header will be updated according to the current page. The following are featured sites

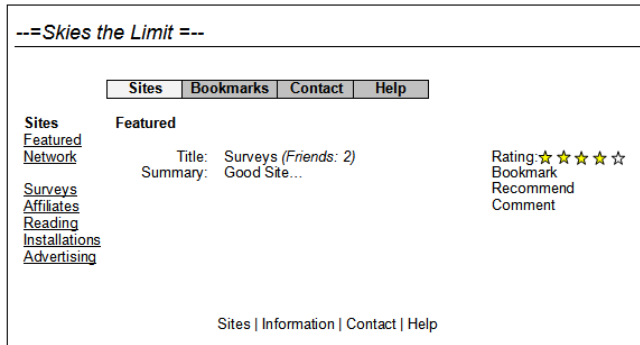


Figure 22 StL Home Page

Author: Colin Yeung

Descriptions and Comments Page

The URL containing the referral ID will be embedded within the Title of the A&R link. For example the ID 23 was embedded in the following URL, <http://www.mysurveys.com?rid=23>.

Users will be able to rate a program with a single click, without a page refresh.

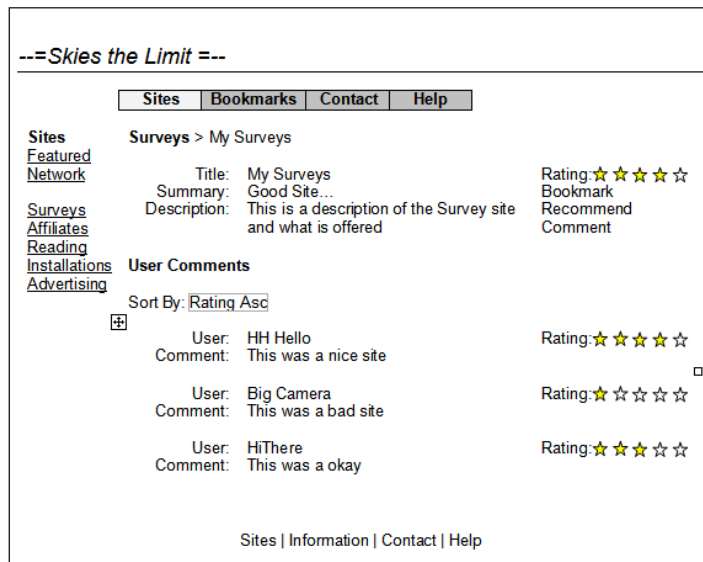


Figure 23 StL Descriptions and Comments Page

Author: Colin Yeung

Bookmarks Page

Users can sort by Overall Asc, Overall Desc, Individual Asc, Individual Desc, Date Asc, Date Desc

--=Skies the Limit =--

	<table border="1" style="margin: auto;"> <tr> <td style="padding: 2px;">Sites</td> <td style="padding: 2px;">Bookmarks</td> <td style="padding: 2px;">Contact</td> <td style="padding: 2px;">Help</td> </tr> </table>	Sites	Bookmarks	Contact	Help	
Sites	Bookmarks	Contact	Help			
<p>Sites Featured Network Surveys Affiliates Reading Installations Advertising</p>	<p>Sort By: <input type="text" value="Rating Asc"/></p>					
	<p>Title: My Surveys Summary: Good Site... Comments: These are my individual comments I thought the site was quite good for these reasons</p>	<p>Overall Individual ☆☆☆☆☆ ☆☆☆☆☆</p>				
	<p>Title: More Surveys Summary: Good Site... Comments: These are my individual comments I thought the site was quite good for these reasons</p>	<p>Overall Individual ☆☆☆☆☆ ☆☆☆☆☆</p>				
	<p>Title: Many Affiliates Summary: Good Program for affiliates Comments: Many affiliate has good incentives</p>	<p>Overall Individual ☆☆☆☆☆ ☆☆☆☆☆</p>				
<p>Sites Information Contact Help</p>						

Figure 24 StL Bookmarks Page

Author: Colin Yeung

Contacts Page

--=Skies the Limit =--

	<table border="1" style="margin: auto;"> <tr> <td style="padding: 2px;">Sites</td> <td style="padding: 2px;">Bookmarks</td> <td style="padding: 2px;">Contact</td> <td style="padding: 2px;">Help</td> </tr> </table>	Sites	Bookmarks	Contact	Help	
Sites	Bookmarks	Contact	Help			
<p>Sites Featured Network Surveys Affiliates Reading Installations Advertising</p>	<p>Skies the Limit is a product of Gong Yeung. The following is contact information for the corporation.</p> <p>Gong Yeung Consulting INC. Vancouver, BC, Canada 555 E 55th Ave V5V 5V5 Email: admin@gongyeung.com</p>					
<p>Sites Information Contact Help</p>						

Figure 25 StL Contacts Page

Author: Colin Yeung

Help Page

The help page will contain information about using the site, suggestions for best practices, and tutorials for viral marketing strategies.

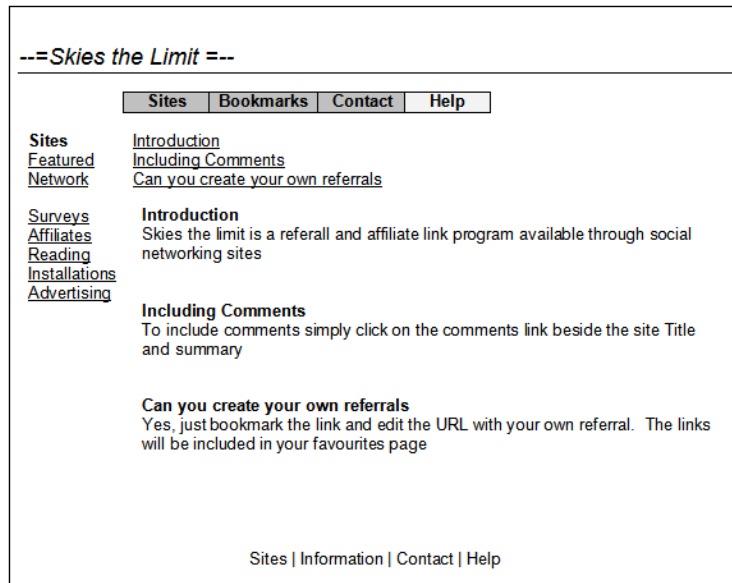


Figure 26 StL Help Page

Author: Colin Yeung

Forums Page

There will be an additional tab for forum content where users will discuss A&R programs that could potentially be included in the featured part of the site. Topics within the forum may include “Hot Programs”, “Best Practices”, and “FAQs”. The community will ultimately decide which topic areas are available.

Additional Ideas

The website will ideally be similar to Amazon.com and Redflagdeals.com in terms of a management content system for search and ratings. Additional features will include the ability to search by popularity among friends and news feeds about new favourite sites, comments, and changes to comments.

APPENDIX 3 – MARKETEEER

The following table is registration information from Facebook.com for the Marketeer application.

Table 5 Marketeer Registration Information

Source: www.facebook.com

Field	Value
Product Name	Marketeer
Platform	Facebook
URL	http://apps.facebook.com/marketeer/
API Key	27984a3ffde6d47beef25f0482ec7efc
Secret	54415867173645b8f945f3ff5b328e9b
Application ID	25684861231
Contact Email	colinwgyeung@hotmail.com
Support Email	colinwgyeung@hotmail.com
Callback URL	TBD
Canvas URL	http://apps.facebook.com/marketeer/

BCIT Requirements

The following document contains the technical requirements provided to BCIT as an application for the BCIT Industry Sponsored Projects. No student groups thus far have accepted the project for this term. If the project is accepted in a future term the sponsorship cost is approximately \$500.

Company/Business profile required (including the nature of business and an introduction, less than 150 words)

Gong Yeung Consulting INC. is a start-up company that would like to develop an application using current social networking technologies.

Project description required

Please include description of the project with well-defined goals and expectations (approx. 200 words)

General descriptions have been provided below, because students will be required to sign a non-disclosure agreement prior to the start of the project.

Goals

- (1) Evaluation of available open source software for the implementation of the application
 - Search for existing software (libraries, frameworks, source code)
 - (2) Technical risk analysis and mitigation through proof of concept (PoC)
 - (3) Design and development of the application on the Facebook platform or on Google's OpenSocial platform
 - (4) Implementation of the application onto a hosted server
- ** Most importantly, the student(s) should acquire knowledge on the technology and development processes used for project so that it will help them in their future careers

Expectations

- * Development of the application using agile development principles
- * Contribution of ideas for best approaches to the design of the application
- * Use of a full systems development lifecycle (SDLC) from requirements gathering through to implementation
- * Work towards small tangible milestones by providing incremental deliverables
- * Some experience or a keen interest in web development is highly desirable
- * Open and honest communication

Number of students required and estimate of work volume

For example, a group of 4-5 diploma-level students for a 15-week term, or a 1 degree-level student for a 4-month term. Requests are not guaranteed.

I would prefer 4-5 diploma level students; however, I would also consider one degree-level student for a four-month term

The amount of work would likely require about 400 hours of effort. I am flexible on the deliverables. I have a technical background and can likely assist the student(s) with most programming issues.

Using the goals of the project, I would estimate the distribution of effort would be:

- (1) 25 hours
- (2) 50 hours
- (3) 300 hours
- (4) 25 hours

Description of the current arrangement

If applicable, describe how the tasks are currently carried out, current status of the information, etc.

The application will be built from scratch, some high level ideas will be given; however, the student(s) will be expected to provide input on what would be the best approach on the solution

If coding is required, what programming language or languages would be used?

- * HTML/CSS/JavaScript
- * PHP (possibly J2EE)
- * SQL scripts

Hardware & software requirements

The software will be hosted on netfirms; however, a student can build their own environment using Apache (or JBoss) and MySQL

The following is a Simplified Non Disclosure and Competition Agreement drafted by Gong Yeung that will be used for the industry sponsored student project.

Non Disclosure and Competition Agreement

I _____ (Stakeholder) agree not to, directly or indirectly, disclose or compete, on the Facebook platform for a period of six years with _____ (Founder) in the business of the Facebook application(s) that will be mentioned in an email to be sent to the Stakeholder at the email address(es)

_____ on this
____ day of _____ 20____ at approximately _____.

The term "not compete" as used herein shall mean that the Stakeholder shall not own, manage, operate, consult or to be an employee in a business substantially similar to or competitive with the business of the Facebook application(s) presented in said email from the Founder.

The Stakeholder acknowledges that the Founder shall or may in reliance of this agreement provide Stakeholder access to trade secrets, customers and other confidential data and good will. Stakeholder agrees to retain said information as confidential and not to use said information on his or her won behalf or disclose same to any third party.

This agreement shall be binding upon and inure to the benefit of the parties, their successors, assigns, and personal representatives.

Signed this _____ day of _____ 20____.

Founder

Stakeholder

Protection of User’s Privacy

In order to protect the identify of Participants who answer surveys, Marketeer will ensure that no Researcher floats a survey targeting less than 10 participants and if less 10 participants

answer a survey then the data will not be disclosed to the Researcher. In addition, in any survey, the identity of those taking the survey will never be revealed. Marketeer will also issue a disclaimer stating that threats to confidentiality of a response also would arise if the participant shares private information with the Issuer, in which case Gong Yeung is not responsible. Gong Yeung will also not be responsible for the content of the survey, its offensiveness or any other threats.

APPENDIX 4 – MARKET ENTRY

Description of the Chasm Groups

The following is quick overview of the groups. More detailed information of the groups can be found online and in the Geoffrey A. Moore book “Crossing the Chasm”. It has been said that informed intuition rather than analytical reason is the most trustworthy decision-making tool to cross the chasm.

Innovators (Technologists)	Pursue technology products aggressively because technology is a central interest in their life.
Early Adopters (Visionaries)	Easily imagine, understand, and appreciate benefits of a new technology that will relate these potential benefits to their concerns.
Early Majority (Pragmatists)	Driven by a strong sense of practicality and are content to wait and see how other people make out before buying. Practically one third of the technology adoption life cycle exists in this group and this group must be captured to gain any substantial profits.
Late Majority (Conservatives)	Waits until a technology has become an adopted standard and tends to buy from large established firms.
Laggards (Skeptics)	Are generally regarded as not worth pursuing, because they will only buy into a technology when they do not even know that it exists.

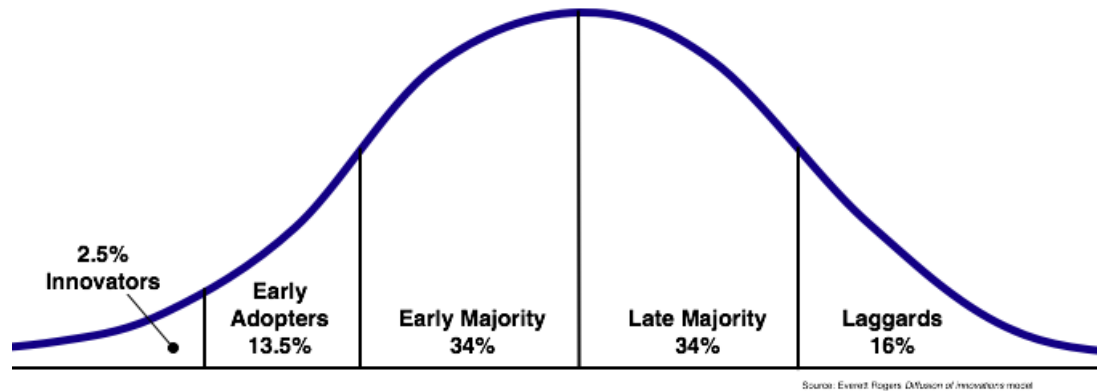


Figure 27 Technology Adoption Lifecycle

Source: http://en.wikipedia.org/wiki/Technology_adoption_lifecycle

Description of the Tornado

The ultimate goal of a technology based product is to cross the chasm, play well in the bowling alley, enter the tornado, and arrive to become a mainstream product (main-street).

The following points outline the key concepts from the Moore book.

- The early market – represents technology enthusiasts and visionaries looking to be first to get on board with the new paradigm.
- The chasm - represents a time of great despair, when the early-market wanes, but the main stream market is still not comfortable with the immaturity of the product.
- The bowling alley - represents a time when vendors craft niche specific whole products to capture niches within the mainstream market beyond the beach head.
- The tornado – represents a mass market adoption when the general market place begins to switch over to the new infrastructure.
- Main Street (mainstream) – represents aftermarket development, when the base infrastructure has been deployed and the goals now is to flesh out its potential.
- End of Life – new paradigms begin to appear on the market that supplant the leaders.

To have arrived at main-street likely indicates that a technological product has achieved market leadership and the Gorilla position within the market place. According to Moore's book there are three positions in the market place, the Gorilla, the Chimps, and the Monkeys. Although

this document will not delve into the details of how to compete in each position, the only position that will return substantial profits is to be the Gorilla position.

Essential Principles of Tornado Marketing (Moore, Inside the Tornado, 2005, p. 75)

1. Attack the competition ruthlessly.
2. Expand your distribution channel as fast as possible.
3. Ignore the customer.

Microsoft Lessons (Moore, Inside the Tornado, 2005, p. 86)

1. Recruit partners to create a powerful whole product.
2. Institutionalize this whole product as the market leader.
3. Commoditize the whole product by designing out your partners.

Avoid Tornado Mistakes (Moore, Inside the Tornado, 2005, pp. 89-95)

1. Tornado forces are bigger than any one company's ability to control, so don't try.
2. Don't introduce discontinuity during a tornado.
3. Tornado designs service out, not in.
4. Don't bet on preventing a tornado.

The following diagrams from Moore's book represent the revenue and profit potential from achieving the dominant position in the market place, represented by the Gorilla.

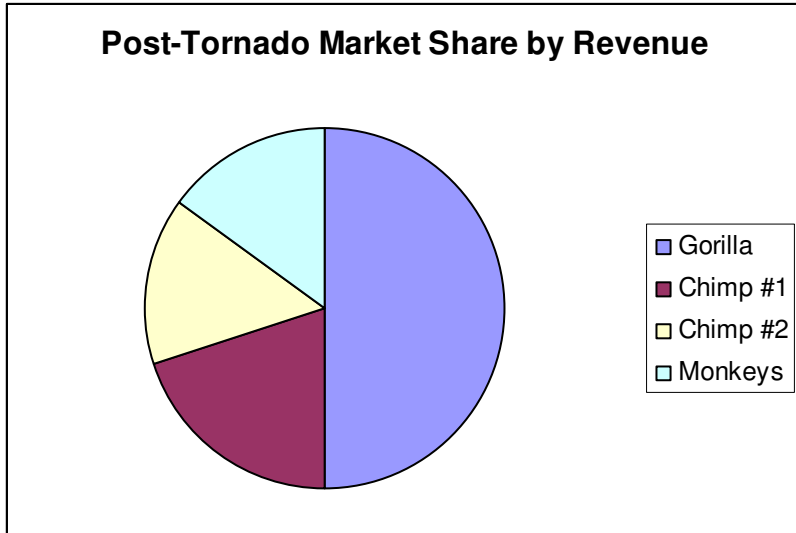


Figure 28 Post-Tornado Market Share by Revenue

Source: (Moore, Inside the Tornado, 2005)

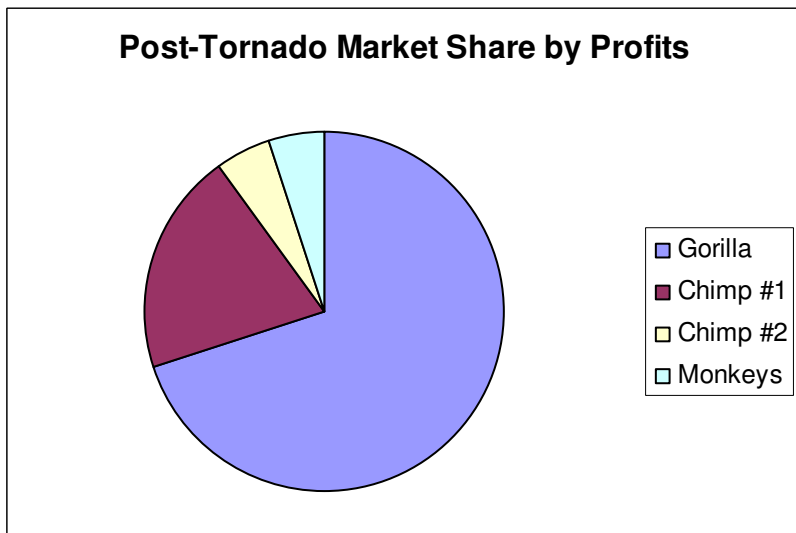


Figure 29 Post-Tornado Market Share by Profits

Source: (Moore, Inside the Tornado, 2005)

Once the market has stabilized and the tornado growth ceases, the market has become a main stream product and has entered Main Street. This is where the market leader earns a dramatically disproportionate share of the profits and will typically enjoy this advantage for the rest of the market life, which is reflective of the magnitude of having the prize pragmatist customers confer upon the market leader. (Moore, Inside the Tornado, 2005, p. 71)

APPENDIX 5 – PRIMARY RESEARCH FOR THE PRODUCTS

Description of the Study

The primary research Gong Yeung intends to perform will be a research study undertaken for the sake of extending existing knowledge. The study will help Gong Yeung further understand the target population of users to gather demographic data and to determine price points, advertising, and market strategies. Primary research will be performed on an indeterminate date that will coincide with the beta release of Marketeer. It will assess the usability of the interface, willingness of the users to pay for Marketeer, and willingness to engage in A&R programs.

Design of the Study

The research design will be both exploratory and descriptive. It will be exploratory, because Gong Yeung will have gained a better understanding of the market place after performing the research. It is descriptive, because this data will be used to describe phenomena that may be unknown to competitors and therefore give Gong Yeung a competitive advantage.

The subjects for the research study will be students between the ages of 14 and 26. To reach this audience effectively, students will be contacted through an email distribution list that will potentially yield a sample which is representative of the target population. This form of contact is also in line with an expected medium of communication that will be used to launch the Gong Yeung products.

To protect the intellectual property (IP) of the products this survey will be in a disguised form and have both structured and unstructured questions.

Questionnaire

The following survey is a market research study that will help determine user preferences for social networking sites. The survey has approximately 30 questions and will take about 15 minutes to complete.

After completing the survey you will be entered into a draw to win a prize.

Screening Question

1. Do you use a social networking site such as Facebook, MySpace, Friendster, or LinkedIn?

Demographics

2. What is your gender?
3. What is your age?
4. What is your nationality?

Social Networking Site Usage

5. What social networking platforms do you use?
6. Where do you tend to surf the Internet from? (home, transit, office, other)
7. Approximately how many hours a week do you spend on the Internet?
8. Approximately what percentage of that time do you spend on social networking sites?
9. Besides the basic features do you include add-ons such as applications?
10. Would you consider using an add-on to make spending money?

College Student

11. What is your major?
12. What is your occupation?

Advertisement

13. What types of advertisements are most enticing? (Open ended and suggestions)
14. What types of advertising are most effective? (Open ended and suggestions)
15. Do you respond to email advertising?
16. Have you ever paid to conduct a research study? If so how much?

Pricing

17. How much would you expect for 15 minutes of your time?
18. How much would you expect for 15 minutes of your spare time?
19. How much would you expect for 15 minutes of your spare time on transit or while waiting?
20. How much would you expect for 30 minutes of your time?
21. How much would you expect for 30 minutes of your spare time?
22. How much would you expect for 30 minutes of your spare time on transit or while waiting?

Strategic

23. Would you complete surveys for spending money?
24. Would you complete reading assignments for spending money?
25. Have you ever participated in a viral marketing program?
26. Would a sophisticated viral marketing program that is communal in nature interest you?