

## Social Fitness Business Proposal

### Social Fitness

Social Fitness is a smart phone application that enables the user, who might be a keen or social walker, runner or cyclist, to record and upload their journeys for future reference or to share with other users. It will also permit users to download other users' journeys from the database which they can then follow.

### Progress to date

I am now one third through my Production Plan (see appendix) to launch Social Fitness in the United Kingdom on September 1<sup>st</sup> 2011. Over the last nine weeks I have:

1. Reviewed and refined my initial product concept using data collected from research undertaken
2. Undertaken market research to establish the market potential for the product (see appendix for detail)
3. Established the website, using it to host a research questionnaire
4. Formed the limited liability company Social Fitness Ltd
5. Designed the wireframe for the application, linking it to Google Maps

Since the first initial idea for my product "*Social Fitness*", I have been through a number of processes before refining the product idea based on a lot of data I collected from a wide range of sources. Some of those revisions considered how the product could help individuals run different routes outside their comfort zone and what's the downfall of other similar products currently on the market, With this information I started Brain Storming (see Appendix), using the question "Is there a market for this product And what does it bring to the user experience?"

I carefully planned a UK release date for the product, Thursday 1<sup>st</sup> September 2011. Setting a release date enabled me focus on a deadline, rather than having an open ended project. I came around the date of the 1<sup>st</sup> September 2011 by creating a realistic time chart of weekly goals, this

came to a total of 22 weeks, I then added a 10% contingency period to the total, a 25 week time period from the 3<sup>rd</sup> March. “*Social Fitness*” is now a registered limited company, ***Social Fitness Ltd*** and there is also a website. This website hosted a questionnaire for 3 weeks to gather vital market information. In my eyes this was a massive success having over 300 people from a mixed demographic filling in the questionnaire (see Appendix). From this information gathered, I’ve been able to compile data regarding most popular handsets, percentage of people that would buy a product of this description, and how much they would pay for it.

The concept art for the website is now complete, along with the wireframe design for both the application and website (see Appendix). The website is linked to Google maps and to our database; I can now manually add routes, register users and add other information to the database and it will be displayed on the website. Along with this the app has all the pseudo code written, along with methodology of how data will be securely transmitted between the online SQL database and the hand held device.

### **Looking to the Future**

The vision for Social Fitness is to have a portfolio of products that bring together sportspeople and friends to enable them as users to participate in a range of lifestyle and fitness activities. This will be the first product targeted to be completed by mid-August for UK launch on September 1<sup>st</sup> 2011. In the future I will be looking at expanding the product range into other sporting markets, from golf to gymnastics.

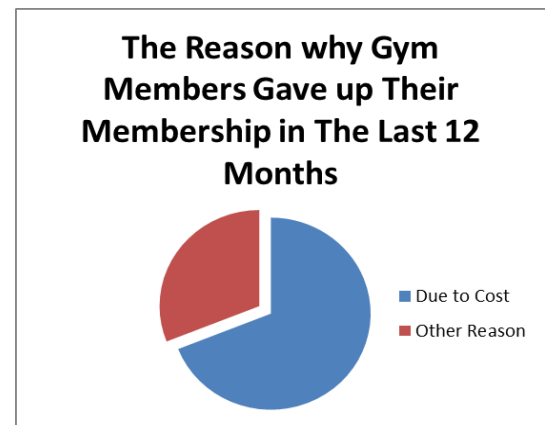
Producing ***Social Fitness Running*** has been a steep learning curve for me that I’m still on, as I’ve never produced an app for a mobile device. It has taken about 45% longer to produce the app than if I had the knowhow and previous experience. This bodes well for future projects as I now feel confident in producing an app of a high quality, in a shorter period of time, for a reduced cost. I will be looking to invest a large proportion of my profit from my current product into future development and expansion.

I am now at the stage of the development of the product where I can see the light at the end of tunnel. I have come across a few problems but nothing that I couldn’t overcome and as a result of this I’m still on target to release the product by 1<sup>st</sup> September 2011. I am on budget with the production of this app although there have been a lot of the costs that are one off; which I won’t have to pay for production of a second or a third app.

### **The Market**

I have identified three potential user groups for the Social Fitness app, namely:

1. People who wish to exercise but cannot afford gym fees. The recent down turn in the economy has seen a lot of individuals have given up their gym membership in the past 12 months and 69% of those surveyed said it was due to cost. These people registered a concern about keeping fit but want to do something that is cost effective, yet a good form of exercise.



2. The business man that travels from city to city and is concerned about his fitness. With Social Fitness he can select a route and turn on the navigation feature that will direct him around every part of the route.

3. Elder individuals that are looking to keep fit, not necessarily bothered about the competition aspect, but there aim to run / walk harder routes based on our 5 a star difficulty rating system.

Each of these user groups will be able to use Social Fitness to meet their individual and collective needs at very low cost and ensured security.

There are three main competitors to **Social Fitness**; Nike, Adidas and Runtastic however the way they operate is considerably different. Nike offers an app for free, however in order for the app to work, you have to own a pair of Nike shoes with the compatibility to have the Nike + chip inserted. The chip is an added purchase, along with the trainers, Giving a total cost of over £90, that is an expensive investment.

Runtastic is a freely available app, however it has a very rigid structure, meaning you cannot achieve certain goals, without investing in that particular additional plugin for the app. There are at least 8 different plugins available ranging in price from £1.69 - £4.99 for each plugin. This is quite confusing for the user, and I believe puts them off purchasing the product.

Adidas has a fitness coaching app 'MiCoach' this is more generalised than the market I'm aiming to hit being designed to get boost your level of fitness by a certain date across a variety of sports, using different exercise techniques. Adidas 'MiCoach' doesn't have any online social feature, Their website targets more toward working and achieving your own goals. Adidas charges around £70.00 for a wrist band that measures heart rate, and other extras that make the experience better.

**Social Fitness** is different to all these other competitors, offering a cheap product that is

elegant, simple, and easy to use. It targets specific user groups that make it easy to share and interact with friends and others with similar ambitions. The Nike and Adidas products they are only available on Apple devices, whereas Social Fitness will be released on a wide variety of platforms. **Social Fitness** brings something new that's never been seen in any similar apps currently on the market. Paula Radcliff said *"as I increases the intensity of my run my music playlist is set accordingly so the tempo increases"*, **Social Fitness** does this automatically, rather than the user creating a playlist on what they believe will suit the pace of their run.

New market entrants might appear from other leading sports giants or possible manufacturers that produce heart rate monitors, wrist bands and pedometers. It is important to get **Social Fitness** into the market as quickly as possible making sure not to reduce the quality of the design. As the key to my particular product is if your friend is using **Social Fitness** you will invest in **Social Fitness** as you want to compete with them, run/walk the same walks, and see the progress you're making compared to others.

### **The Route to Market**

Once my app is completed I will be holding a competition to create interest in the product with 15 different routes across 15 major cities in the United Kingdom. Each participant will be given a free copy of the App for this one event only. This will be a brilliant marketing campaign and show everyone what a fantastic product Social Fitness really is. This I'm sure will generate a positive impact amongst the media. The winners from each city will win a pair of Trainers and a free copy of the app.

The app will then be released on Apples IStore for sale. Along with this method of selling the App, I plan to link with one or more major sporting retailer to stock vouchers for Social Fitness. This means there is an instant connection between the customer base at the retailer and my product. This allows people to buy the product for themselves or to give it to someone else as a gift.

### **Profitability**

There will be 3 main streams of income, **the initial purchase, advertising and online sales.** One third of the people that took part in my research said *"they would purchase the app"* The

initial purchase of app would be a major source of income in the first 24 months of trading but then advertising would become a lead revenue for the company, as purchases of the app will level out advertising will continue to grow, along with online sales off sporting equipment, and other sport related items.

Recurring revenue will be largely made from advertisement, online sales of sporting goods, and the production of sale of new apps target at the sporting niche.

I will be releasing two copies of Social Fitness the premium copy at a price of £2.29, and the standard edition of the product priced at £1.69.

The total cost of producing **Social Fitness** by the release date will be an estimated £550.00, excluding any cost for the time that I have spent in its development.

The prediction of sales for the first 12 months is 1800 standard edition units and 500 premiums; along with advertising this would give me estimate revenue of £5300.00 and a profit of just over £3000.00, without the inclusion of any online sales. To break even I will only have to sell a total of 200 standard editions and 100 premium edition to break even.

## **Resources**

My current skill set allows me to tackle this project head on; I am a fairly experienced website designer / developer; having produced websites for Radio Stations to Equestrian Centres. I have a well-grounded knowledge of programming, as I have had a number of years' experience and as well as this it plays a pivotal role within my degree. This means when it comes to the hard coding of the app, I will be able to produce the coding rather than having to outsource this process which is extremely costly.

I have limited knowledge of server side scripting although currently I am studying books, and online material to help me overcome this. As a result of this studying I have created the online database for the app and the website to communicate, this was the main problem I saw myself having at the initial ideas stage. I will inevitably encounter numerous more problems along the development pipeline, but using this similar approach I will be able to overcome any issue.

To achieve my first sale I will need to become an approved apple developer, and have to have the app approved by them for sale, neither of which I envisage will be a problem.

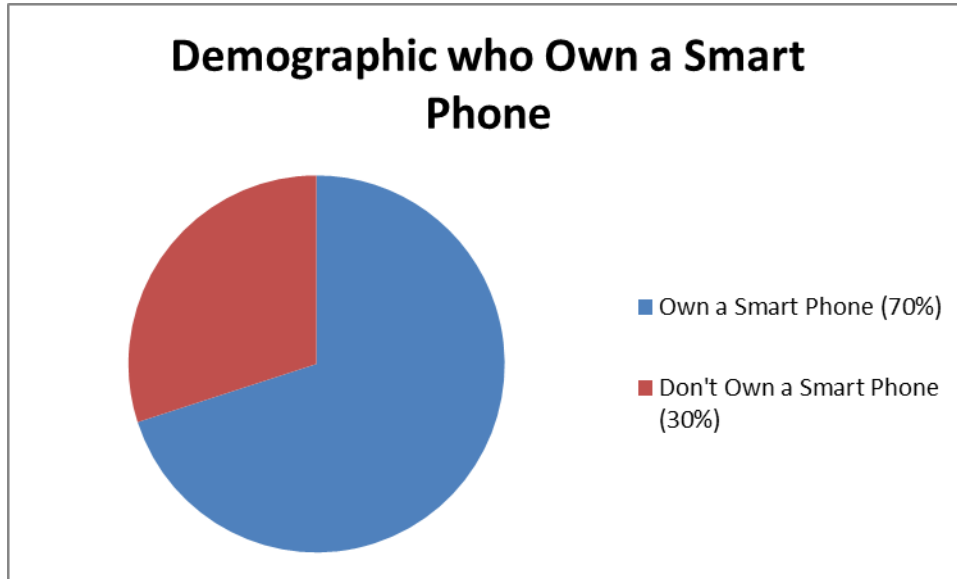
For **Social Fitness** to survive its first 12 months trading, making sales is critical, and I've come up with a unique method of marketing that has never been tried before. This will ensure a large volume of people will use the product and then hopefully purchase it. Once we have a wide user-base then the positive impact of the social media integration is really seen; as users will be sharing times on their page, others will be inquisitive and feel the need to compete with their friends and then purchase the app.

Along with this making the product available for purchase, on a wider variety of different smart devices. Once this is complete hopefully 6 months from the launch the development of the next product from Social Fitness can start.

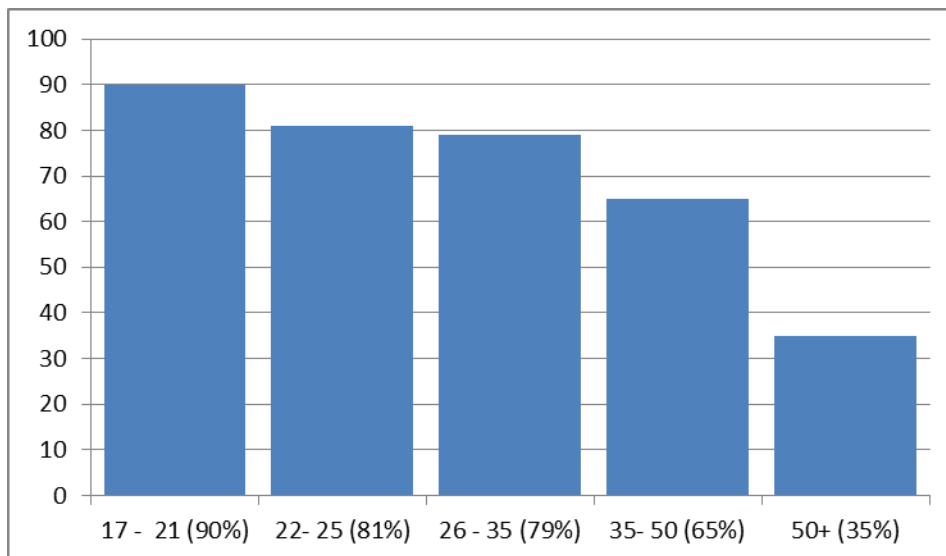
I have one major worry for my project, as I'm currently a one man team. Once I release this product if there is a major take off, I may struggle to keep up with demand, whether this entails moving to dedicated servers or managing the sheer volume of traffic to the website. The possibility of employing a small team, to help with development and maintenance may be a real prospect by the end of trading of the first year when there is a reliable fixed income coming into the business.

Appendix:

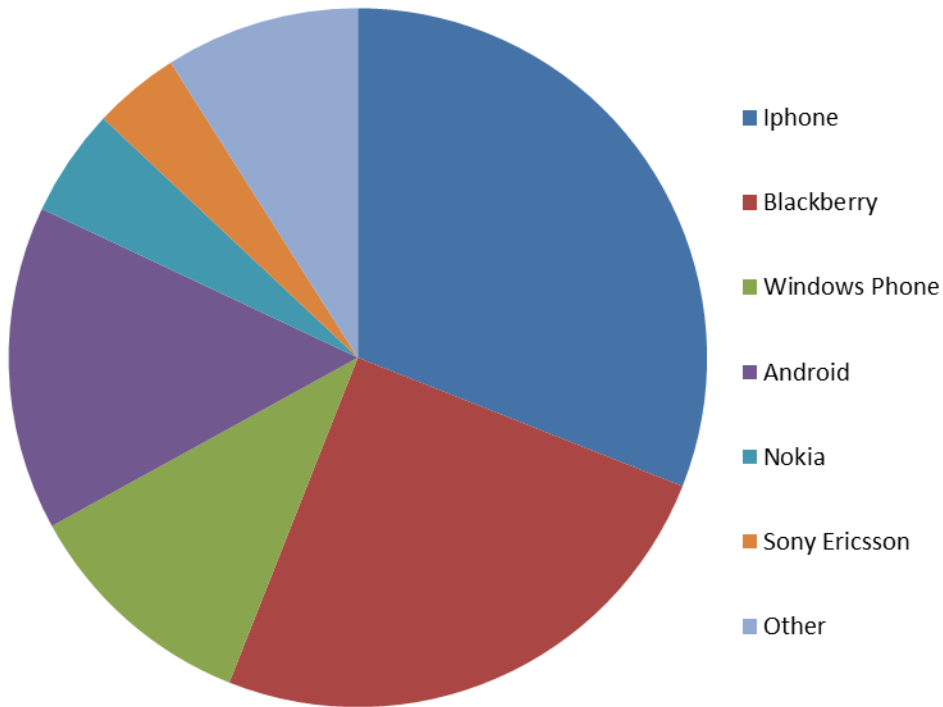
## Data Collection



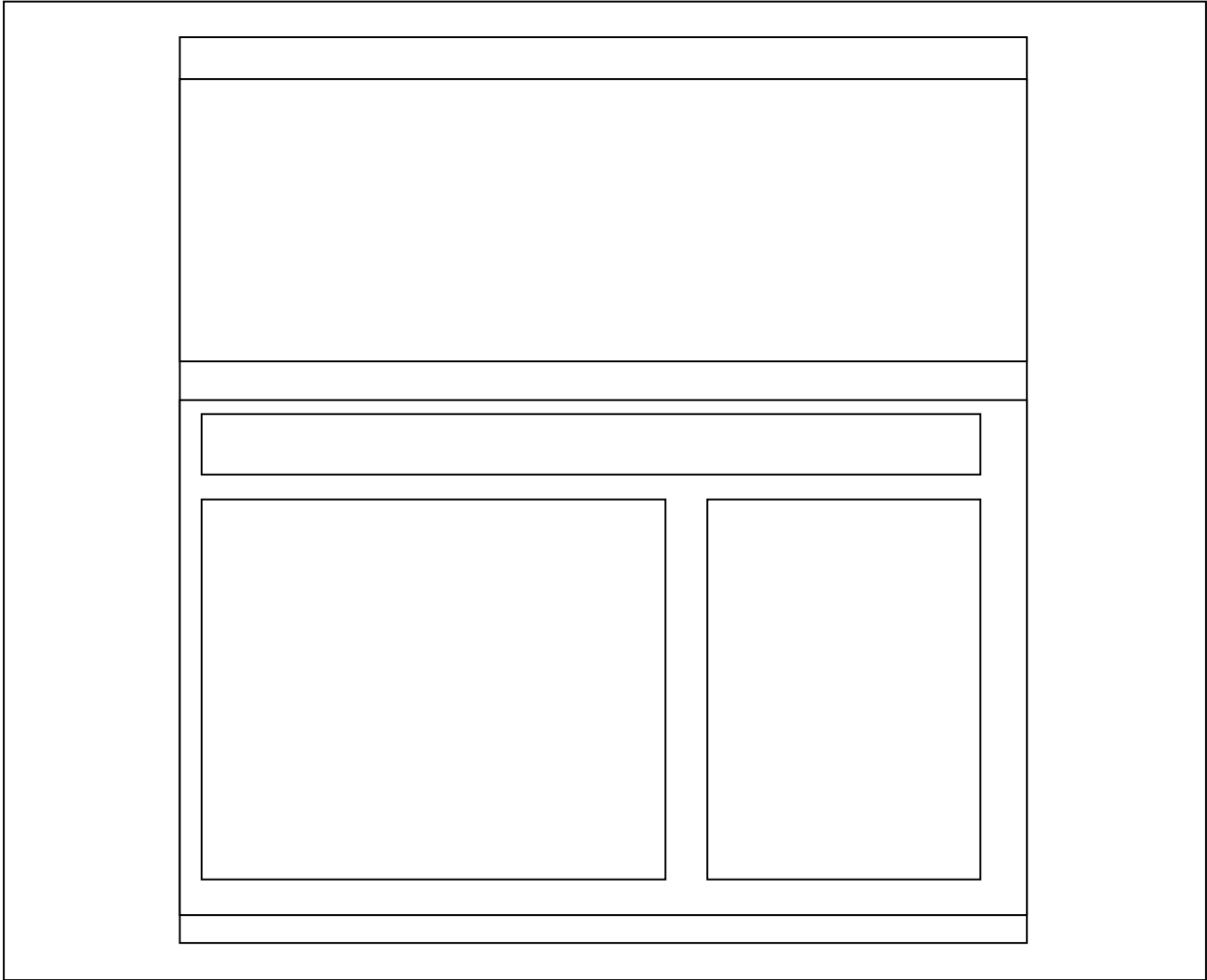
Out of the total people that took part in my survey, I found out just over 70% of the total people own a smart phone. When broken down this shows that:



## Percentage of Smart Phone Handsets Owned by The Total Demographic




# Website Design



# Website Progress

The research questionnaire hosted on the website for 3 weeks.



**Social Fitness Research**

'SOCIAL FITNESS' is a web/app based exercise program that brings individuals with similar ambitions together. With the ability to share running routes, compete with one another, along with social network integration. This brings a whole new dimension to running.

Please take a moment of your time to fill out our Questionnaire. Thank you.

\* Required

**Gender \***

Female  
 Male

**Age Group: \***

13 - 16  
 17 - 21  
 22 - 25  
 26 - 35  
 36 - 50  
 50 +

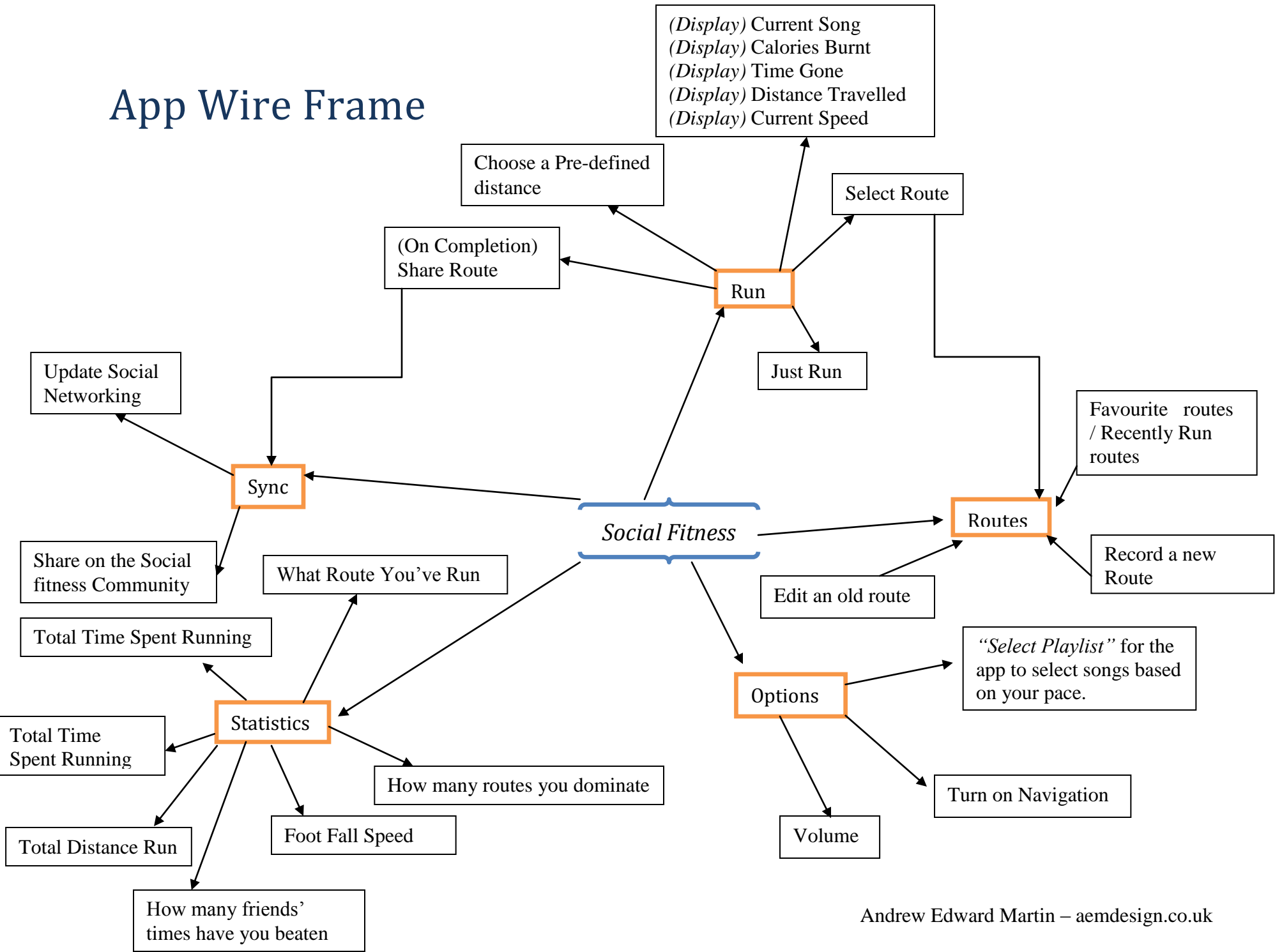
**Do you Own a smart phone? \***

Yes  
 No

**If YES is it an:**

iPhone  
 Blackberry  
 HTC  
 Other:

# App Wire Frame



# Production Chart

