



Business and Marketing Plan

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The Business

Business: Gander Social Media News Network and Search Engine

Structure: Australian Registered Company

Main Business locations: Australia, United States, Canada, Japan, Europe and Middle East.

Date established: 2015

Business owner: Steve Gye

Relevant owner experience and qualifications: Steve Gye has a Bachelor of Commerce from the University of New England with Majors in Marketing and Financial Management. Previously he has owned and operated computer programming and training businesses. He has 30 years experience in providing computer programming and computer training services.

Gander
Over a million
followers worldwide



Overview: The company began developing the Gander News Network and Search Engine in 2015. It has grown to more than a million followers over 100 social media sites and has become one of the most popular news aggregator networks on social media. The website www.Gander.News displays news feeds from social media and RSS feeds in one location for easy viewing. RSS is a synchronized subscription system using extensible mark-up language (XML) to structure news information to be aggregated and displayed in a user-friendly interface. The content includes journalists' commentaries, podcasts, videos, and news items.

Our major emphasis is on Twitter. Twitter encourages back-and-forth conversation, unlike Facebook and Instagram which tend to be more of a one-way broadcasting medium. Twitter is a key part of any social media marketing campaign and is used by virtually all the big Western companies.

The Product

Gander has two main aspects:

- A Social Media News Network
- A Search Engine.

The company has been engaged in research and development of:

- CMS web authoring technology
- Search engine software
- Client/server virtually reality platform which enables users to view and interact with news and information in 3D.

Social media marketing

During the three year period since its inception the Network News Gander has **not been engaging** in selling any paid advertising. This is in order to maintain the integrity of the brand and to facilitate popular acceptance and the growth of social media follower numbers.

Gander has now reached a point where it has a high social media profile and is now in a position to offer advertising and marketing services.

In order to test the market and to develop our marketing program we have engaged two clients, a finance company and an engineering business for the last year to do their social media marketing. Each client has been paying the amount of \$1650 per month. We do not intend to add any more clients until we expand our staff and administrative office resources to cope with the extra work that would be required to service them.

Our services include:

- Selling paid advertising through the Gander News Network.
- Management of clients' social media accounts and websites.

The Gander Website is hosted on a Joomla Content Management System (CMS) based web platform which features the presentation of feeds from social media alongside syndicated news feeds. The integration with social media embed codes means that the website is being constantly updated and refreshed with fresh content.



Gander advertising

Gander offers advantages for increased brand awareness and lead generation. It will enhance a client's professional reputation and assist them be positioned as being prominent in their industry. It leads people to trusting their organisation and attracting clients. It will also boost their website traffic because Social Media plays a huge role in ranking WebPages for search engines.

We place advertisements with the Gander Search Engine and also give the client exposure on the Gander news Website. This means that that they are viewed by thousands of people at any one time. Most search engine revenue comes from cost-per-click advertising programs. This means that organisations bid on the keywords they want to appear for their results and they will only be charged if someone clicks on their ad. This is how cost-per-click advertising works. In other words, some companies can do an advertising campaign without paying a dime if no one clicks on the ad.

The objective of Gander marketing is to build an organisation's profile in order to gain an influential presence in social media. To achieve this we create new (or manage existing) social media sites by adding content and managing followers.

Creating content includes text, graphics and videos relating to the client's brand and organisation. Managing a client's followers involves attracting people and organisations to their social media sites as well as blocking spam and fake followers. We manage social media accounts within the scope of their marketing and organisational objectives. The aim is to build awareness of their brand and to encourage potential customers to make contact.

We design websites using Joomla and Wordpress CMS (Content Management System) web authoring technology which offers versatile and flexible features. A portfolio of our designs can be viewed on our website. We have developed a process where we capture the embed codes from social media onto our websites. This means that the social media feeds are being constantly being displayed in real time. This has the effect of constantly updating the website with fresh content which causes the website ranking to increase because search engines, especially Google, like fresh content from social media. Our web authoring technology not only allows the presentation of website information alongside social media but also the advanced CMS coding renders graphics highly responsive to mobiles and tablets which makes for a rich and compelling environment.



Capabilities

1. Search engine programming
2. Providing news and information through social media
3. Social media advertising and promotion
4. Management of clients' social media accounts
5. Website design and maintenance
6. Programming Virtual Reality client/server platform

We are able to promote clients through the Gander News Network by regularly publishing content relating to their organisation. This process spreads their brand message to hundreds of thousands of people per day. It also increases their Social media profile giving them more credibility and visibility. There are numerous benefits from being promoted through the Gander News Network but the major thing is that we raise a client's brand awareness in social media and increase your search engine rankings by generating attention.

The Future

Vision statement:

To provide a Search Engine and News Network with advertising and marketing services which offers wide exposure in Social Media.

Goals/objectives:

The grow the Gander Search Engine and Social Media News Network to become one the most influential information organisations in the world.

The Market

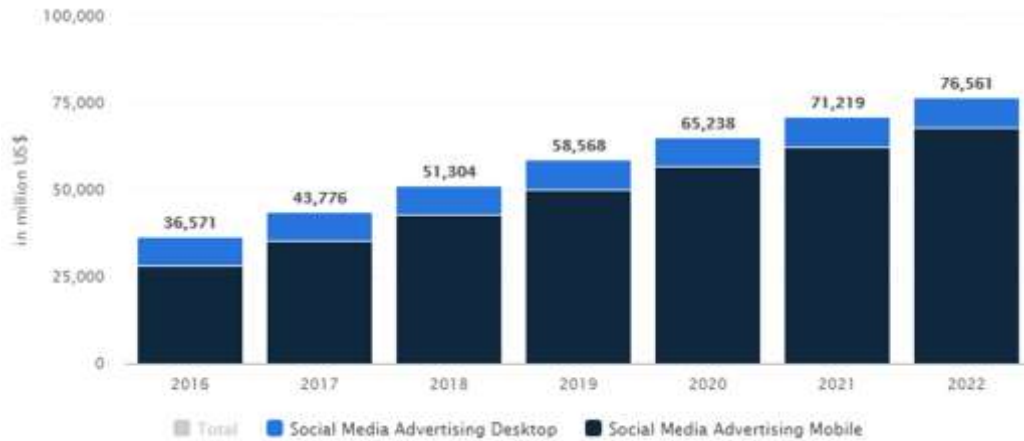
Social Media Advertising

According to <https://blog.hootsuite.com/social-media-advertising-stats/> there was a 26.3% global increase on spending for social media ads in 2017. Social media spending in the U.S. is expected to steadily increase. North Americans are heavy users of social media, but so are people in South America, Europe, Asia and Africa. Social media is being used everywhere, and social media advertising is growing globally.

Social media advertising spending has maintained consistent growth (of about \$6 billion every year) for nearly half a decade. Often these trends rise rapidly for a year or two and

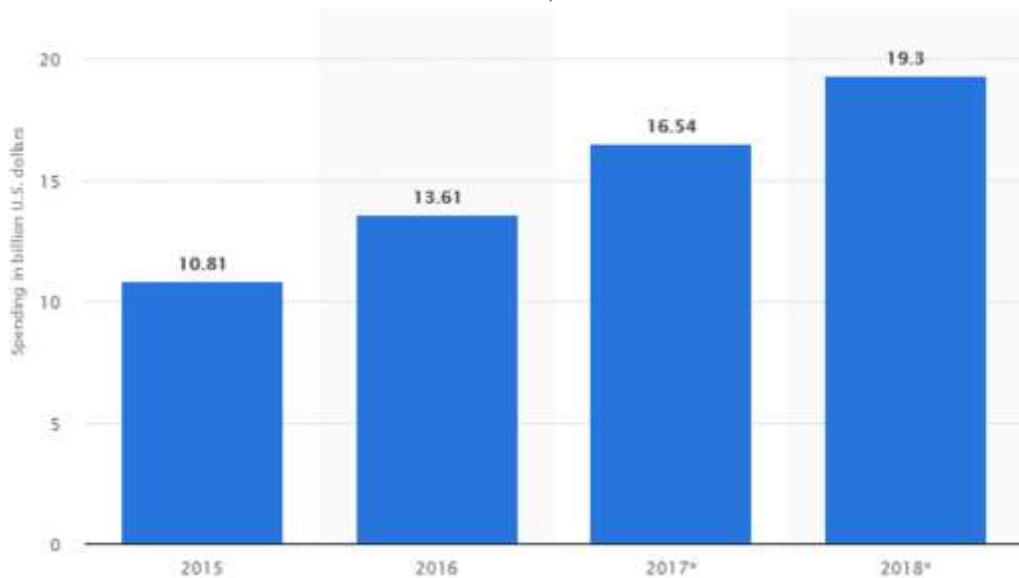
plateau but social media advertising spending continues on this curve. , there’s no telling how the industry will evolve.

Worldwide Revenue in the "Social Media Advertising" segment amounts to US\$51,304m in 2018.



source: <https://www.statista.com/outlook/220/100/social-media-advertising/worldwide#marketStudy>

Social network advertising spending in the United States from 2015 to 2018 (in billion U.S. dollars)

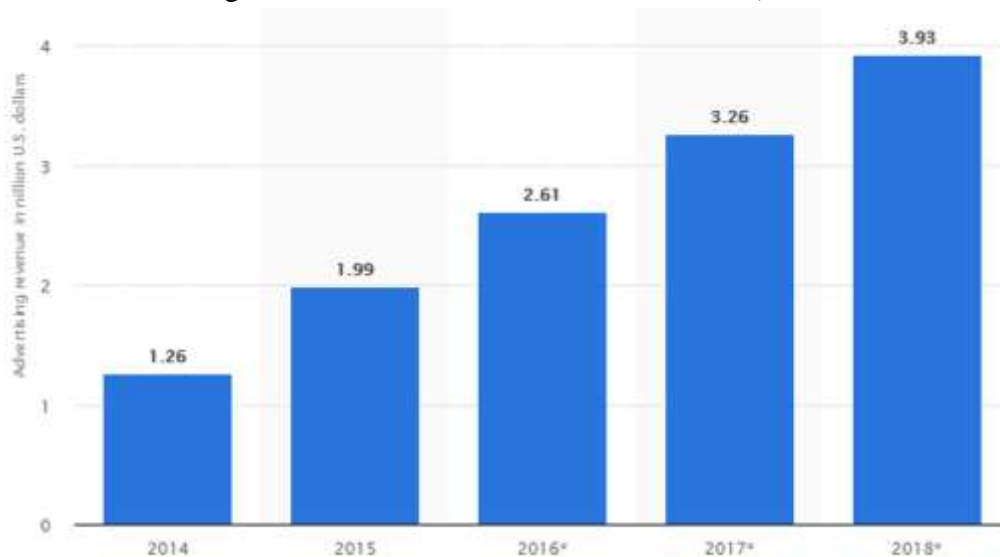


source: <https://www.statista.com/statistics/736971/social-media-ad-spend-usa/>

Twitter advertising revenue has been steadily increasing and Twitter’s earnings report shows that people are turning to Twitter ads than ever before. Twitter was one of the first networks to recognize and capitalize on the potential of social media advertising. In the years since they launched their first ad options, adoption has grown rapidly and steadily.

With 60 percent growth year-over-year, there's little doubt that Twitter ads have proven their worth as an effective option for businesses.

Twitter's advertising revenue worldwide from 2014 to 2018 (in billion U.S. dollars)



Source: <https://www.statista.com/statistics>

Social Media influencers charge an amount per Tweet.

- Celebrity Tweeters charge up to \$50,000 per Tweet.
- Paid per Tweet paidpertweet.com charges an average of \$15-25 per tweet.
- Sponsored Tweets sponsoredtweets.com which is a well-known ad service for Twitter says their average is \$10 per tweet.



Social Media Management



The cost of hiring a company to manage a company's social media accounts costs on average several thousand dollars per month. It is possible to readily gauge the competitiveness the price that Gander would charge for marketing services by Googling 'how much does it cost to outsource social media marketing'. For example 'The Content Factory' www.contentfac.com which is a leading agency charges up to \$4,000 to manage 3 social media channels.

Depending on the experience level of the social media agency that you hire it can cost you anywhere from \$1,000 per month to \$20,000 per month. Launching a new Twitter account, complete with setup and outsourcing content creation/consumer interaction costs an average of \$2,000-\$4,000 per month. The price range is \$1,000-\$7,500 per month.

The cost of marketing with Facebook can run a bit higher than that of Twitter. To set up a new Facebook account and provide limited ongoing training to business partners, online PR agencies charge an average of \$2,500-\$5,000 per month, with some going as high as \$9,000.

Some agencies charge a minimum of \$4,500 per month for Facebook and Twitter management, but won't include any strategy behind the efforts, which costs extra. We are of the opinion that strategy should always be part of any social media marketing package.



Website Management and Design

According to the market research company Ibis World the Industry Statistics & Market Size of the Web Design Services Industry. Revenue of US\$26bn, Annual Growth 4.8%. Companies in this industry provide an assortment of web design services. Due to the proliferation of internet connections, company websites have become an increasingly important opportunity to reach customers for small and large businesses alike. As a result, the Web Design Services industry has experienced solid growth over the past five years. Moreover, as consumers increasingly access digital content from their smart phones and tablets and the industry has experienced strong demand for mobile-optimized website designs.



IBIS world maintains that new platforms that enable people with limited experience to design and maintain their own websites have constrained the industry's growth, as has the increased popularity of native applications designed outside this industry.



The market research company IBISWorld <https://www.ibisworld.com> identified key success factors and the most important for the social media marketing industry were having a diverse range of clients and the ability to vary services to suit different needs. Over 50 percent of B2B marketers rank social media as a ‘very’ or ‘somewhat’ low cost ad option. A survey asked 200 B2B marketers to rate the cost of demand generation channels based on the cost per lead. Just over 50 percent of the respondents ranked social media as “very low cost” or “somewhat low cost.” This compares to 42.5 percent for search ads, and 41.7 percent for display ads. Social media advertising is generally considered to be quite affordable. Many networks offer the opportunity to test your content organically before promoting it, so you know you’re giving yourself the best opportunity to connect with your target audience.

The Web Design Services industry is in the growth phase of the industry life cycle. IBISWorld estimates that the industry grew at an annualized rate of 4.7%. By comparison, GDP is grew at an annualized rate of 2.1%. This growth outpaces GDP growth which is a key indicator that this industry is growing. Increasing consumer and business reliance on the Internet has largely fuelled the industry's growth. As the price of broadband and mobile Internet has declined, end users have increasingly turned to digital alternatives for traditional tasks. Rising demand and low barriers to entry have also allowed companies to easily enter the industry.



Search Engine Advertising Revenue

Since 2011 Google's revenues have roughly tripled. In 2014, Google made \$65.67B in revenues. In 2015, Google made \$74.5B. In 2016, Google made \$89.46B. For fiscal year 2017, Google reported revenues of \$110.8 Billion. The majority of Google's revenue comes from Google AdWords, which is comprised of two advertising networks.

1. The Search Network: Advertisers create text ads to appear on the search engine results page.
2. The Display Network: Advertisers create display ads to appear on a vast number of websites across the internet

When you use Google to search for anything from financial information to local weather, you’re given a list of search results generated by Google’s algorithm. The algorithm attempts to provide the most relevant results for your query, and, along with these results, you may find related suggested pages from an AdWords advertiser. To gain the top spot in Google advertisements, advertisers have to outbid each other. Higher bids move up the list while low bids may not even be displayed. Advertisers pay Google each time a visitor clicks on an

advertisement. A click may be worth anywhere from a few cents to over \$50 for highly competitive search terms, including insurance, loans and other financial services. (For more, see: [Google Ads Vs. Facebook Ads.](#))

The cost of Google Ads (formerly known as Google AdWords) depends on several variables. Google Ads is based on an auction system that rewards businesses who have high-quality ad campaigns with lower costs and better ad placement. The average cost per click in Google Ads is between \$1 and \$2 on the search network. The average CPC on the Display Network is under \$1. The most expensive keywords in Google Ads and Bing Ads cost \$50 or more per click. These are generally highly competitive keywords in industries that have high customer lifetime values, like law and insurance.

Giant retailers can spend up to \$50 million per year on paid search in Google Ads. According to the online advertising service *Wordstream* the average business using Google Ads spends between \$9,000 and \$10,000 per month on their Google paid search campaigns. That's \$100,000 to \$120,000 per year.

Source: www.wordstream.com/blog/ws/2015/05/21/how-much-does-adwords-cost

It's well-known that Google has dominated the search engine market, and therefore has a larger search volume and more reach. By no means are they the only search engine. Microsoft's Bing search engine is growing quickly, too. There are 5.4 billion monthly searches conducted on the Bing Network. Bing has three search engines — Bing, Yahoo, and AOL — so when you advertise on one platform, your ad is actually seen on all three. This opens up campaigns to searchers across all Bing, Yahoo, and AOL owned and operated sites, as well as various partner sites. Microsoft's search business is showing ongoing good momentum, growing an impressive 17% YoY in FY Q4 2018. The growth rate improves on both a year ago and on last quarter, showing a significant upwards trajectory.

Gander Social Media Advertising

The purpose of advertising with Gander is to gain web traffic and attention by being promoted on the Gander news website and search engine as well as through the Gander social media news network.



If you want to be found among the millions of sites on the web then you must have an effective social media presence. If you do not invest in building a social media profile today you may not be competitive in the future.

- The Gander News Network and News Search Engine has more than a million followers over 100 prominent social media sites and is one of the most popular News Networks on social media.
- We promote your organisation through the Gander Social Media News Network and by placing your profile on the popular Gander News Website.
- There are numerous benefits from being promoted with Gander but a major thing is that we raise your awareness in social media and increase your search engine rankings by generating attention. The large Social Media organisations play a huge role in ranking Websites for search engines, especially Google.
- A strong social media profile helps build brand awareness and an audience, which increases the likelihood that people will click on your brand's content in Google's search results
- Our major emphasis is on Twitter which is emerging as the preferred social site for marketers of commercial enterprises. Twitter is conducive to advertising products and services. It is designed to let people share short messages and "updates" with others.
- Twitter encourages back-and-forth conversation, unlike Facebook and Instagram which tend to be more of a one-way broadcasting medium. Twitter is a key part of any social media marketing campaign and is used by virtually all the big Western companies.

How the Gander Advertising System Works



- You take out a monthly subscription
We do not require you to enter into a long contract.
- Your organisation's profile is embedded and displayed on the Gander News Website and Search Engine.
We will either use your existing Twitter account or if you do not have one we will help you to create a new one and show you how to use it.
- Your Twitter feeds are displayed in real time.
This means that your advertising is always current because whenever you send a Tweet your profile on the Gander website is updated and refreshed.
- We drive people to your profile through the Gander Social Media Network.
Gain wide exposure in social media which will increase your visibility and credibility.

Gain wide exposure when your social media profile is placed on the Gander News Website and Search Engine. You will also be promoted through the Gander Social Media Network which has more than a million followers over 100 prominent social media news sites.

FOUR DIFFENT ADVERTISING PLANS



Standard Advertising Plan \$200 per month

Your profile is embedded on **one page** of the Gander Website and Search Engine and as well as gaining **social media promotion** through the Gander News Network

Silver Advertising Plan \$400 per month

Your profile is embedded on **two pages** of the Gander Website and Search Engine with improved **social media promotion** through the Gander News Network

Gold Advertising Plan \$600 per month

Your profile embedded on **three pages** of the Gander Website and Search Engine as well as gaining enhanced **social media promotion** through the Gander News Network

Platinum Advertising Plan \$1000 per month

Your profile embedded on **five pages** of the Gander Website and Search Engine as well as gaining optimum **social media promotion** through the Gander News Network

Marketing the Gander Service

Marketing strategy:

We promote our services through our own Gander News Social Media Network as well as utilising third party media organisations. The focus is to sell the benefits of marketing through our social media network to advertisers which will drive them to our site.

In addition there should be targeted print media advertising in publications that pertain to our target group. The use of press releases can be made where we provide editors and journalists with information so that they can create editorials and stories. Further promotional activities could be made through functions and trade shows where there is representation to businesses and organisations.

Social media strategy

We seek to achieve and communicate a brand awareness that we collect their social media together in a hub displaying it on a colourful platform. The primary social media accounts that we shall use are Twitter as well as, to a lesser extent, Facebook and Instagram.

The strategies that we shall employ to network and communicate effectively shall be in conjunction with our broader sales and marketing strategies. Overall responsibility for the upkeep of our social media presence lies with the Marketing & Admin Director.

Market Positioning

Market position: Seek to offer a reliable product where clients are assured of a good level of customer service and return on investment for their marketing dollars.

Unique selling position: The Gander News network provides an extensive way to communicate with people online

Anticipated demand: We anticipate a demand of several thousand members that will eventually join the service.

Pricing strategy: The price is based on consideration of what equivalent social media marketing and website service providers currently charge their customers.

Value to customer: The product is a good way to increase a client's brand awareness and social media presence.

Customers

Customer demographics: The profile of a typical Gander News customer would be a business or individual that seeks to increase sales and have a strong social media presence.

Key customers: Large corporations that favour public relations and social media presence.

Customer management: A customer support program which provides efficient communication and feedback facilities.

Marketing activity/milestone	Date of expected completion	Cost (\$)
Advertising through our own social media network. Print advertising, online advertising, mail-outs, giveaways and free trials. Media releases, real world events and trade shows. Website and search engine. blogs and social media, public relations and sales prospecting, building the Gander brand and service.	12 months	\$62,000

Planned promotion /advertising type	Promotional strategy
Print media advertising,	Produce adverts, articles and press releases with the aim to build product awareness and memberships.
Media releases	Distribute media information kits.
Online advertising	Google adwords to drive visitors to our site. Conversion rate of amount of visitors verses sign up allows us to bid for the right search placement price per click with Google. Selected advertising with other online entities.
SMS	No plans to implement due to negative reputation for spamming
Social media campaign	Use of our Twitter, Facebook and Instagram network
Events	Trade shows and other publicity generating venues.
Giveaways	The nature of our product is that a customer pays a monthly subscription, and then there are further promotional activities such as extra free promotion and liking of their tweets. We could offer a reduced cost trial period.
Direct -Mail and Phone	A targeted phone and direct mail campaign to qualified leads generated by our sales staff.

Expenses

Operating Expenses

There are three cost centres: technical, administrative and marketing. The office and control room which maintains the social media accounts and provides technical support and is in the same facility used by staff supporting advertising sales and canvassing for clients.

	Annual
Salaries & Wages	
Chief Executive Officer	\$ 120,000.00
Social Media Programming Director	\$ 100,000.00
Website Designer and Programmer	\$ 100,000.00
Accounts & Sales Director	\$ 100,000.00
Support Staff Wages	\$ 150,000.00
Total Salaries & Wages	\$ 570,000.00

Overhead Expenses	Monthly	Annual
<i>Office rent and electricity</i>	\$ 5,000.00	\$ 60,000.00
<i>Telephone, computer, insurance</i>	\$ 2,000.00	\$ 24,000.00
<i>Misc costs</i>	\$ 2,000.00	\$ 24,000.00
Total O'heads expenses	\$ 9,000.00	\$ 108,000.00

Annual Marketing Expenses

Advertising	\$ 24,000.00
Travel Expenses	\$ 10,000.00
Promotions	\$ 12,000.00
Printing & Postage	\$ 6,000.00
Events	\$ 10,000.00
Total	\$ 62,000.00

Capital Expenses

Capital expenses include the costs of setting up the administration office and computer control room.

Setup Costs

Office Furniture & Fittings	18,000.00
Computer Workstations & Phones	20,000.00
Internet and electrical wiring etc.	3,000.00
Signage and misc.	5,000.00
Leasing and legal costs	4,000.00
Total	50,000.00

Gross Margin

Annual Gross Margin

Income: \$ 6,960,000.00

Expenses:

Capital Expenses	\$	50,000.00
Salaries & wages	\$	570,000.00
Overhead Expenses	\$	108,000.00
Marketing Expenses	\$	62,000.00
Total	\$	790,000.00

Net Profit before tax \$ 6,170,000.00

Return to capital:

Value of assets based on yield

Yield (1 years net profit)	\$	6,170,000.00
Capital value of asset	\$	50,000,000.00
Percentage Return on Capital		12.34%

S.W.O.T. Analysis

Industry Threats & Opportunities

A growing number of potential clients are internally developing and maintaining their own websites

Many businesses are developing mobile-responsive websites to create a superior user experience

The industry will benefit from the changing media landscape as more content is produced online

Strengths

Have built a large social media network that would take years for any competitor to emulate.

Weaknesses

Small organisation – no large corporate presence.

Opportunities

A large and expanding market for this type of product.

Threats

Competitors can steal some of our business and marketing concepts.

S.W.O.T. activity sheet

S.W.O.T weakness/ threat	Activity to address weakness/threat
Competitors can usurp our business and marketing concepts.	Contain this treat by achieving market performance through pricing and advertising.

Research and Development

Search Engine programming research and development

Gander has been developing search engine server based on Apache Lucene Core. It is a high-performance, full-featured search engine written entirely in Java, offering powerful features through a simple API:

Scalable, High-Performance Indexing - over 150GB/hour on modern hardware

- small RAM requirements -- only 1MB heap
- incremental indexing as fast as batch indexing
- index size roughly 20-30% the size of text indexed

It has accurate and efficient search algorithms and ranked searching with the best results returned first. Powerful query types: phrase queries, wildcard queries, proximity queries, range queries and more

- fielded searching (e.g. title, author, contents)
- sorting by any field
- multiple-index searching with merged results
- allows simultaneous update and searching
- flexible faceting, highlighting, joins and result grouping
- fast, memory-efficient and typo-tolerant suggesters
- pluggable ranking models, including the Vector Space Model and Okapi BM25
- configurable storage engine (codecs)

Gander 3D Virtual Reality News World

The company has developed a Virtual Reality multi-platform, multi-user 3D server application. The core software is written in C++. The virtual environment, or 3D world, is 500 acres and can be accessed through a variety of clients, on multiple protocols. The user is represented by an Avatar who can go to different regions that display news and social media information in 3D.



The Gander News client/server platform is designed for news and social media but could also be adapted for other applications. For example, a platform for literature where publishers and authors can promote themselves or for entertainment where musicians could promote and sell their music.

The 3D world is an attractive way to view News and Social Media information.



The main feature of virtual reality is that it that brings together on one colourful platform internet and social media information. This can be from areas such as web pages, blogs, reviews, videos and anything that can be found on electronic media is able to be presented in 3D as well.

This system has e-commerce potential because it can be a is a marketing distribution system where a person selling any product has a dynamic platform which can be linked to their online store. It can be an virtual reality interface for an Amazon, eBay or any other e-commerce application. This enhances the way a seller can present their products. It also allows for new and improved sales presentations where buyer avatars are able to walk through shopping malls and stores instead of conventional 2D interfaces.



You can view You-Tube videos of the simulator on our website.

Summary

The Gander product consists of a:

- social media news information network
- search engine dedicated to news
- CMS based web platform displaying syndicated news feeds

The product is suitable for attracting organisations who wish to have their goods and services promoted through the Gander network.

The intellectual property includes:

- the system for managing social media accounts
- the system for integrating syndicated news feeds onto social media accounts
- the CMS web platform developed for embedding live social media feeds and syndicated news feeds
- technical resources and internal research capabilities for search engine and virtual reality technology

