

Shine Advertising Platform

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Executive summary

Our advertising platform is a revolutionary way for businesses to reach their target audience through digital advertising, leveraging the reach and targeting capabilities of third-party social media platforms like Facebook and Instagram. We employ state-of-the-art technology, data-driven insights, and an intuitive user experience to assist companies of all sizes in making the most of their advertising budgets and achieving their marketing objectives.

Our platform gives businesses a unified dashboard to manage all of their ad campaigns across various social media platforms, along with precise audience targeting, real-time campaign optimization, and sophisticated analytics. This makes it simple for firms to organize their marketing initiatives and obtain a thorough overview of their marketing outcomes in one location.

We also provide recommendations guiding companies to develop and improve their campaigns using proven techniques to make a successful ad campaign. To make sure that businesses utilize our platform to its full potential, our team of professionals offers individualized help and direction.

We have already gained traction working with small business owners wanting to reach their customer base. By making investments in marketing and sales initiatives, enhancing our technology infrastructure, and creating new features to satisfy our customers' changing needs, we intend to increase the platform's reach.

Overall, for companies trying to get the most out of their digital advertising, our advertising platform provides a full solution. We are convinced that we can assist businesses in achieving their marketing objectives and fostering growth by fusing cutting-edge technology, data-driven insights, and professional support with the reach and targeting capabilities of third-party social media platforms.

Company Overview

Business structure

Shine Advertising Platform will operate as a privately held corporation, with the ownership and management held by our founding team members listed below.

Nature of the business

Shine advertising platform provides a comprehensive digital advertising solution for businesses of all sizes, leveraging the reach and targeting capabilities of third-party social media platforms like Facebook and Instagram.

Industry

Our advertising platform operates within the digital marketing and advertising industry, which is rapidly growing as more businesses shift their focus to online channels.

Background information

Our founding team members have extensive experience in digital marketing, advertising, and technology, having worked in the field trying to sell their own products and services using the above-mentioned platforms. We identified the need for a comprehensive advertising platform that leverages the reach and targeting capabilities of third-party social media platforms and developed our platform to address this need.

Business objectives

Through aggressive marketing and sales initiatives, partnerships with companies, and the ongoing development of new features and technology, we aim to position our advertising platform as a dominant force in the digital advertising sector.

Team

With backgrounds in digital marketing, advertising, technology, and business development, our founding team members contribute a wide range of expertise to our advertising platform. In order to continue offering our customers outstanding service and support as our user base expands, we intend to scale our team.

Market analysis

Market size

The digital advertising industry is projected to reach \$389 billion globally by 2024, with significant growth driven by the increasing number of businesses shifting their advertising spend to online channels.

The digital boom in our country also plays a factor in increasing our market size. For instance, according to a study made by datareportal.com, there were about 29.83 million internet users in Ethiopia by January 2022, a number expected to have exponential growth in the coming years thanks to the continued growth in the telecom sector.

Additionally, the users of smartphones and social media platforms have also significantly increased enabling us to reach this customer base using those platforms.

SWOT analysis

	Positive	Negative
Internal	Strengths - Comprehensive digital advertising solution across multiple social media platforms. - User-friendly interface and personalized support for clients. - Centralized dashboard for managing ad campaigns, making it easy for businesses to navigate and optimize their campaigns.	Weaknesses - Relatively new to the market, with limited brand recognition and customer base. - Dependence on third-party social media platforms for ad placement. - Limited resources to compete with established players in terms of marketing and advertising spending.
External	Opportunities - Growing demand for digital advertising solutions due to the increasing adoption of online channels by businesses. - Expansion into new markets and industries, including international markets.	Threats - The unprecedented blockage of social platforms placed by the government. - Economic downturns and market fluctuations impacting advertising spend. - Changes in social media algorithms and policies

	- Increase in social media and internet users in the country - More investment by telecom companies, including those joining the market space like Safaricom, etc...	impacting ad placement and targeting.
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Competitive analysis

Shine Advertising faces competition from two forms of digital advertising means listed in detail below.

Personal Channel Owners

As we all notice the way most digital marketing is done here in our country, Ethiopia, is through personal Facebook pages, Telegram Channels, Youtube Channels, and Instagram Pages. Those pages are usually owned by a celebrity figure or user with a lot of followers and charge business owners to place an ad for their product on their pages. But the drawback in this form of advertisement is that there is no way of getting data analytics of how many customers the ads reached and the payment options are also based solely on the number of followers of that particular page and not on how many people the ad actually reached. We will detail how our platform fixes this issue in the differentiation section below.

Existing digital advertising platforms

Another potential competitor would be the already-established platforms allowing users to pay them a certain fee for placing their ads on third-party platforms. And the drawback we noticed from these kinds of platforms is that they don't have a centralized platform whereby users could manage all the ads they created and get live data analytics of how well each ad is performing. This live data analytics is crucial as these businesses will further use it to make calculated decisions about products they could spend more on and those to cut back spending. The lack of a centralized platform to manage all their ads results in the addition of unnecessary load on the business owners as they have to track all of them separately.

Differentiation

Shine Advertising will counter the above-mentioned drawbacks as the pricing option is based on the number of people business owners wish to reach and the payment will be upfront solely based on the intended reach number cutting down unnecessary ad spending and increasing transparency and trust. It will also provide a centralized dashboard whereby the business owners can see all their currently running ads, live data analytics about their reach, spending, performance, CPC(cost per click), Clickthrough rate(how many users ended up clicking their redirection links) and other important metrics, all from a single dashboard.

Products and services

Our advertising platform provides a comprehensive digital advertising solution across multiple social media platforms, including Facebook and Instagram. Our platform allows businesses to create, manage, and optimize their ad campaigns from a centralized dashboard, providing a user-friendly interface and personalized support.

Our key services include:

- **Ad campaign creation:** We assist companies in putting together compelling advertisements that are suited to their own marketing objectives and target market.
- **Ad placement:** To display ads in front of the appropriate audience and increase exposure and interaction, we make use of third-party platforms with already established userbases like Facebook and Instagram.
- **Ad monitoring and optimization:** For optimum impact, we continually improve targeting, messaging, and ad placement using data analytics.
- **Reporting and analytics:** We offer regular reporting and analytics to assist companies to monitor the success of their advertising campaigns and make fact-based choices that will increase ROI.

Customer segmentation

Our ideal customer is a small to medium-sized business owner or marketing professional looking to expand their reach and visibility through social media advertising. Our primary target markets are in Ethiopia, with an emphasis on people living in urban areas like Addis Ababa. They are at ease utilizing digital tools and platforms, and they are searching for a simple and affordable way to handle their social media advertising. Our clients come from a variety of sectors, including as e-commerce, business-to-business, hospitality, healthcare, and more.

Marketing plan

Based on Shine Advertising's ideal customer, here's an overview of the marketing plan.

Price

Our pricing policy as an advertising platform will be flexible to different businesses' budgets. Depending on our client's advertising objectives and spending limits, we will provide a range of pricing options, including cost-per-reach, cost-per-click, cost-per-impression, and cost-per-action. We will offer competitive rates that are suited to the requirements of small and medium-sized organizations.

Product

Our advertising platform will enable businesses to create and run effective digital advertising campaigns on popular social media platforms like Facebook and Instagram, more platforms will be added as we go. We'll provide businesses with an easy-to-use dashboard where they can create and oversee their ad campaigns, target their ideal clients, and monitor the effectiveness of those efforts. Our platform will give businesses useful data analytics and insights to help them maximize their advertising efforts and meet their marketing objectives.

Promotion

We will use a variety of promotional strategies to attract businesses to our advertising platform. To raise brand awareness and produce leads, we will make use of content marketing, social media marketing, and SEO. Additionally, we will approach companies directly and provide them with a free trial period to evaluate the performance of our platform. Finally, we will rely on word-of-mouth advertising by encouraging our pleased customers to recommend our platform to other companies.

Place

Our advertising platform will be entirely online-based, accessible from any location with an internet connection. This means that businesses can create and run their advertising campaigns from the comfort of their office or home. Our platform will be available 24/7, making it convenient for businesses to manage their campaigns at any time.

Logistics and operations plan

The logistics of creating and placing ads for Shine Advertising are detailed below.

Suppliers

To provide relevant ads to our clients, our platform collaborates with a number of ad networks and publishers. In order to ensure a smooth flow of products and maximize our ad distribution, we develop ties with these providers.

Production

Our team of experts creates, curates, and optimizes ads to ensure the best possible results for our customers. Our team puts in a lot of effort to make sure that each ad campaign is designed and delivered effectively, using research-backed ways to make successful ads, and each is personalized to our customer's unique needs in order to help them reach their goals.

Facilities

Our team works remotely to produce and deliver ad campaigns to our customers. This allows us to maintain a flexible work environment and respond quickly to any issues that may arise.

Equipment

Our team uses state-of-the-art software and hardware to produce and deliver ad campaigns. We ensure that our equipment is regularly maintained and upgraded to ensure the highest quality of service to our customers.

Shipping and fulfillment

Our platform delivers ads to selected publishers and ad networks in real-time, once payment is confirmed as received. This ensures that our customers' ads are delivered promptly and efficiently, reaching their target audience at the right time and place.

Inventory

Our platform does not hold an inventory of ads as each ad is created and delivered in real-time based on the specific needs of our customers.

Overall, our logistics plan ensures that our customers receive the highest quality of service and that their ads are produced and delivered in a timely and efficient manner.

Financial plan

a. Projected Sales

Based on market research and estimated conversion rates, we project our sales for the first year as follows:

Month 1: Birr 10,000
Month 2: Birr 15,000
Month 3: Birr 20,000
Month 4: Birr 25,000
Month 5: Birr 30,000
Month 6: Birr 35,000
Month 7: Birr 40,000
Month 8: Birr 45,000
Month 9: Birr 50,000
Month 10: Birr 60,000
Month 11: Birr 70,000
Month 12: Birr 80,000

Total projected sales for the first year: Birr 480,000

b. Projected Income and Expenditure Statement

Based on our projected sales and estimated expenses, our projected income and expenditure statement for the first year is as follows:

Revenue: Birr 480,000
Cost of Placing the ads on social platforms(Expenditure): Birr 230,000
Gross Profit: Birr 250,000
Operating Expenses: Birr 20,000
Net Income: Birr 230,000

c. Projected Break-Even Point

To calculate the break-even point, we need to know the contribution margin, which is the difference between the price of the service and its variable cost. In this case, the variable cost is the cost of placing the ads on social platforms.

Contribution Margin = Revenue - Variable Cost

Contribution Margin = Birr 480,000 - Birr 230,000

Contribution Margin = Birr 250,000

Once we know the contribution margin, we can calculate the break-even point by dividing the total fixed costs (operating expenses) by the contribution margin.

Break Even Point = Fixed Costs / Contribution Margin

Break Even Point = Birr 20,000 / Birr 250,000

Break Even Point = 0.08

Therefore, the break-even point for this advertising platform is 0.08, or 8% of the revenue. This means that the platform needs to generate at least Birr 250,000 in revenue to cover its variable and fixed costs.

d. Projected Profit and Loss Statement

Item	Amount (Birr)
Revenue	480,000
Cost of Placing Ads	230,000
Gross Profit	250,000
Operating Expenses	20,000
Net Income	230,000

e. Projected Balance Sheet

Assets:

- Cash: Birr 230,000

Liabilities:

- None

Equity:

- Owner's equity: Birr 230,000

Note that we have simplified this balance sheet and we did not include other potential assets or liabilities that the business may have. Additionally, this projection assumes that all revenue is received in cash and all expenses are paid in cash.

f. Projected Cash Flow

Month 1:

Beginning cash balance: Birr 0

Cash inflows: Birr 40,000 (from revenue)

Cash outflows:

- Birr 23,000 (cost of placing ads on social platforms)
- Birr 2,000 (operating expenses)

Net cash flow: Birr 15,000

Ending cash balance: Birr 15,000

Month 2:

Beginning cash balance: Birr 15,000

Cash inflows: Birr 40,000 (from revenue)

Cash outflows:

- Birr 23,000 (cost of placing ads on social platforms)
- Birr 2,000 (operating expenses)

Net cash flow: Birr 15,000

Ending cash balance: Birr 30,000

Month 3:

Beginning cash balance: Birr 30,000

Cash inflows: Birr 40,000 (from revenue)

Cash outflows:

- Birr 23,000 (cost of placing ads on social platforms)
- Birr 2,000 (operating expenses)

Net cash flow: Birr 15,000

Ending cash balance: Birr 45,000

Month 4:

Beginning cash balance: Birr 45,000

Cash inflows: Birr 40,000 (from revenue)

Cash outflows:

- Birr 23,000 (cost of placing ads on social platforms)
- Birr 2,000 (operating expenses)

Net cash flow: Birr 15,000

Ending cash balance: Birr 60,000

Month 5:

Beginning cash balance: Birr 60,000

Cash inflows: Birr 40,000 (from revenue)

Cash outflows:

- Birr 23,000 (cost of placing ads on social platforms)
- Birr 2,000 (operating expenses)

Net cash flow: Birr 15,000

Ending cash balance: Birr 75,000

Month 6:

Beginning cash balance: Birr 75,000

Cash inflows: Birr 40,000 (from revenue)

Cash outflows:

- Birr 23,000 (cost of placing ads on social platforms)
- Birr 2,000 (operating expenses)

Net cash flow: Birr 15,000

Ending cash balance: Birr 90,000

g. Projected Ratios

1. Gross profit margin: 52.1% ($\text{Gross Profit}/\text{Revenue} \times 100$)
2. Net profit margin: 47.9% ($\text{Net Income}/\text{Revenue} \times 100$)
3. Operating profit margin: 54.2% ($(\text{Gross Profit} - \text{Operating Expenses})/\text{Revenue} \times 100$)
4. Return on assets (ROA): 62.5% ($\text{Net Income}/\text{Total Assets} \times 100$)

Critical Risks

1. Cybersecurity Threats: With the increasing number of cyber threats, advertising platforms are also at risk of cyber attacks that can steal sensitive data, affect the user experience, and cause financial losses.
2. Ad-blocking: With the rise of ad-blocking software, advertising platforms are at risk of losing revenue as their ads are blocked from reaching their target audience. This can impact the revenue of the platform and its advertisers.

3. Changes in regulations: Changes in regulations and laws can impact advertising platforms, especially if new rules affect data privacy, user tracking, or other aspects of advertising. This can lead to additional costs and compliance issues for the platform.
4. Government blockage of social media platforms: As we recently noticed the government might put restrictions on social media platforms and usage of VPN affects the effective customer reach as our third-party platforms are heavily reliant on location of users to reach intended audiences.

Exit Strategy

Among our planned exit strategies includes:

1. Acquisition: We will seek out potential buyers who are interested in purchasing our advertising platform. This could be a larger company in the advertising industry or a company in a related industry that could benefit from our platform.
2. Merger: The company could merge with another advertising platform to create a larger, more competitive company. This could provide a lucrative exit for the founders and investors while also giving them an ongoing stake in the merged entity.