

Movely

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1. Executive Summary

Currently, the world is facing a serious problem, boredom. As people around the globe are indefinitely quarantining to prevent the spread of Covid-19, it is clear that everyone is running out of ways to stay busy, active, and social. As a result of this pressing concern, the team at Uplift Technologies has devised a solution. Introducing the new, interactive, AR filter game, Movely! Uplift Technologies is revolutionizing the gaming world with this new, innovative app. Movely allows players to compete with friends while staying fit, utilizing interactive augmented reality filters. These games provide users with hours of entertainment, inspiring consumers to get up and active with friends and strangers across the US.

Movely is designed with three main focuses, *competition oriented*, *social oriented*, and *fitness oriented*. As previously mentioned, Movely's goal is to solve the problems that arise from physical and social isolation. The app does this by forming an ecosystem that supports playing and competing with friends while also releasing endorphins by staying active. Movely's main target market is people from the age 13-25 who engage in social media and want to stay active; however, anyone with a smartphone can access these games and join the fun!

Competition oriented is important to our business model to allow for organic growth as friends challenge friends, compete with friends, compete locally, and compete with national leaderboards. Players will be able to send challenges via links to friends over SMS, group chats, social media, etc., to invite friends to try to beat their personal scores. Movely will also offer a tournament mode where players logged on to the app can play live tournaments with friends or log on to watch and cheer on their favorite players. You can also join a tournament in a local group, such as one from your college, and compete for a place on a public leaderboard.

This ties into the *social orientated* aspects of this app, supporting interactions with other people via friendly competition. When opening the app, everyone will see their own personal feed composed of videos of their friend's completing challenges. From this feed, you are given the option to "play this game" off of your friend's videos and challenge them through the app. Additionally, there will be a worldwide feed composed of the most popular videos/challenges recommended for you based off of the games you have completed in the past or have watched others compete in the most.

Meanwhile, the *fitness oriented* component of this game supports an active lifestyle while choosing your own difficulty level. While Movely is not a traditional fitness app, each game will explain prior to playing which part of your body is being worked on or strengthened to inform the players how they are staying fit without even purposefully exercising. This will motivate players to keep playing since they can feel good about themselves while having fun.

With this addictive business model, the games basically sell themselves! With the freemium model, every player will be allotted 10 tries per day. Once they run out of tries, they will be able to buy more coins, like a real arcade, to keep playing. Movely will also offer a subscription model that is designed for users who enjoy competing with their friends so much they are willing to pay a small monthly fee of \$1.99 to receive endless attempts and zero advertisements. Movely will also obtain revenue from advertisements displayed before and after games and sponsored games and tournaments from our partnerships.

Uplift Technologies is excited to pursue Movely and become a leader in changing the way people play games and interact with friends across the country, and eventually the world!

2. Situation Analysis / Concept

Problem

Due to our current isolated situation, everyone, but particularly teens and young adults who are unemployed have been actively longing for ways to stay active, entertained, and social. With gyms, clubs, and public spaces closed, the fit, younger population is trying their best to stay active through self motivation however, it is hard to find the drive with no friendly competition or inspiring coaches surrounding you. Additionally, there are limited, fun and creative ways to get a workout without even realizing it while at home. These pains are the reason the Movely Team decided to create a resolution to this problem. Movely is an innovative application that incorporates augmented reality technology to promote fun, engaging physical activity and social interactions with friends and a whole online community.

Due to the pandemic, people in the younger generation are finding that they have more free time than ever and as a result we are seeing an increase in screen time and social media engagement. In fact, in an initial survey we conducted, just about 85% of respondents admitted their screen time has increased in recent times. In addition to this, it has been increasingly tough for people to figure out how to keep their activity levels and fitness up as most conventional exercise has been put on hold due to the stay at home orders across the nation. In our survey, we found that 86% of people are looking for ways to incorporate some type of exercise and activity into their days at home. The state of the world has aligned perfectly with the trends in both the gaming and fitness industries to provide an open opportunity to gamify movement to allow people to use technology to enhance their life and promote health and wellness while still having fun.

As young, energetic, social college students, the team at Movely debated over different ways to encourage movement and social engagement while stuck at home. There are many workout apps and exercise tutorials already on the market, however, there are no fun, innovative, competitive, games out there that fulfill the desire to get moving while also promoting social interactions. Movely was invented for just this reason, entering its innovative niche in a blue ocean strategy. There are no work out applications currently on the market that incorporate augmented reality functions to create fun, short exercise games that can be completed and used to compete against friends and virtual communities world wide.

Target customer

Movely's target customer is anyone who is of the age 13 - 25, enjoys being active, technologically inclined, and in need of something fun to do when bored at home. This game is targeted toward the younger population since according to numerous studies, teens and young adults spend on average 9 hours a day on online or browsing through social media (Washington Post). To engage this community, Movely is an application available on any smartphone device. However, Movely also encourages a reason to take a break from aimless scrolling on social media and actually get up and have fun.

While fitness applications are mostly used by those that tend to workout and live active lifestyles, we will target both sedentary and active individuals within the age range of 13 - 25, more specifically directed at the highly engaged on social media networks such as Instagram, TikTok, and Snapchat. Social media will be our focus for testing our MVP and gaining traction upon going to market. We chose this strategically because 71% of the Gen Z, our target market, population finds new fitness opportunities through social media, lending us a great opportunity to

market our concept to this generation of consumers. (M.O.O.D Survey) This audience of people tends to be very in tune with pop culture, social media challenges, and have an increasing taste and desire for augmented reality features. While our target market is trending in the direction of becoming increasingly active, we intend to satisfy both their desire to move around and get active in combination with their addictive relationship with games and media consumption.

3. Market Summary, Requirements, Features:

3.1. Market trends-

The current market of active fitness apps is surprisingly not overcrowded, in fact it is quite underdeveloped. With new apps rising, social apps and games are gaining popularity as technology continues to advance. While there are several workout applications and video games easily accessible, there are limited options available that combine them both. A new social app called Tik Tok has taken over worldwide, and this app does encourage physical movement mildly with its dance trend. With this new wave of individuals seeking to be physical and active but are limited due to the coronavirus, it is the perfect opportunity to fulfill this need in a fun way. Workout apps are very helpful and popular but are typically only used by workout junkies, so this app would open up the market to people who are interested but not heavily committed to working out. The gaming market is incredibly large and has an abundance of options for consumers to choose from, but a vast majority of games apps on phones do not require it's users to be active. By combining these two factors, we are able to promote healthy living in a fun way that makes individuals feel like they are playing a game rather than working out.

3.2. Existing Solutions and Substitutes.

Current substitutes to this would be Wii Sports, although this active video game must be played with a Wii Console. This limits users greatly, because it is not extremely common for all individuals to have a Wii console laying around the house. Also, the console is quite expensive which differs from our application that is free and easily accessible through cellular devices. Similar games like rock band and guitar hero are also interactive but have the same differences as the Wii games, as they require a game console, making them harder to access and more

expensive. Microsoft's X-Box also developed their own motion sensor console, called the Kinect, that detects motion without the need of a remote control. Sony's PlayStation joined the motion sensor gaming console market too, with the PlayStation Move. However, similar to the Wii, these technologies were very expensive and the consoles have since been discontinued.

Social media applications serve as competition in a way, as they share a similar target audience. There is a mutual social aspect to Instagram, Tik Tok, Twitter, and other apps like this that is seen remotely in Movely. This interactive gaming program is something that is fun to be shared with friends on these platforms as they compete against one another. As social media continues to grow, the screen time increases but most individuals like to have access to multiple apps, so this will be a compliment to their existing applications that adds a new physical aspect. These varying social media applications have recently added filters that are interactive and require movement to complete the tasks or answer questions. These have grown in popularity, proving that people crave interactive activities through their cell phones.

There are a multitude of fitness apps through big brands, such as Nike Running Club and Map my Fitness by Under Armour, but these platforms are focused solely on promoting a full workout, catering to a smaller target market of fitness junkies. Movely serves to promote healthy living in an entertaining way, which opens up the target market tremendously. Through the data our team accumulated in various surveys, it is clear that there is a wide gap in numbers between people who workout at a gym daily versus individuals who are not that dedicated but do enjoy being physical and active. By combining a multitude of interests, our team is able to create a platform for the youth to enjoy their social desires through their cell phones in a pleasurable way with the inclusion of movement.

3.3. Target market

The target market for this high tech application are individuals roughly between the ages of 13-25, who engage with cellular apps and have a desire to be active. With the current circumstances of our world, people are seeking to be active without leaving their homes more than ever. The younger generations are social media junkies, as platforms like Instagram, TikTok, Twitter, and others rise up in popularity year after year. The screen time per person has risen dramatically over the years, especially in today's current situation. Movely is a platform used to fulfill the needs of individuals who crave a combination of excitement and movement in a competitive environment. Given that this application will be available on any smartphone device, it is easily accessible and allows for connection within the community.

3.4. Market Validation

An Instagram story ad campaign series would be run to verify customer demand and thus validate the market for Movely. Gen Zers are incredibly digital savvy, and spend on average four hours using applications on their phones daily (Hamilton). They are highly active on Instagram and thus, very accessible through these suggested market validation ad campaigns.

Three different ads would be tested against a range of hyper-targeted audiences to provide a variety of data analytics that would reveal, through highest engagement, the most robust target market, if any. All market validation ads would be 15 second clips of one person playing on Movely. The video would be a high-intensity screen recording of the person, likely one of a teenage girl, one of a college aged man, and one of a college aged woman and man, playing one of our interactive filter games. The ad would include a “Swipe Up to Play” feature that leads to a landing page announcing the launch of Movely with explicit app feature

description and an option to join a pre-download waiting list that will automatically download Movely onto one's phone when it becomes available on the App Store, acting as an LOI.

Our analytics team would focus on engagement rates, click through rates, share rates, average time spent watching the ad, playbacks, etc. We would also examine which audience performed highest. A matrix would be made for each of the three ads comparing each audience against relevant analytics statistics, as seen in **Table 3.4.1**. See suggested audience template in **Table 3.4.2**. Thus, an in depth analysis will demonstrate which ad performed highest and which audience engaged with the ad most, if any. These results will validate our market with proven consumer interest. Beyond validation, these insights can be used in product launch marketing campaigns. While LOI signings will likely be low, as Gen Z consumers value a zero friction world where any new step is a delay not worth their time - especially when that next step does not reap immediate benefit (pre-download vs. immediate download) - those that do pre-download will be early adopters that can be used to optimize the app in development.

	Engagement Rate	Click-through Rate	LOI Conversion Rate	Share Rates	Avg Time on Ad	# of Playbacks
Audience 1						
Audience 2						
Audience 3						
Audience 4						
Audience 5						
Audience 6						

Table 3.4.1 - Sample Market Validation Ad Analysis Matrix

	Age	Gender	Characteristics*
Audience 1	13 - 17	Female	Active, gaming
Audience 2	13 - 17	Male	Active, gaming
Audience 3	18 - 21	Female	Active, gaming
Audience 4	18 - 21	Male	Active, gaming
Audience 5	22 - 27	Female	Active, gaming
Audience 6	22 - 27	Male	Active, gaming
Audience 7	10 - 13	Female	Active, gaming
Audience 8	10 - 13	Male	Active, gaming

Figure 3.4.2 - Market Validation Ad Campaign Audience Template

* Note: More audiences can be created within age and gender differences to garner even more robust results. This is a template to be expanded upon.

Hence, an Instagram story ad campaign series would validate or invalidate Movely's target market.

3.5. MVP

Movely's MVP must validate prolific customer use of interactive AR filters. To do so, our team would upload an interactive AR filter game to Instagram. Filters are free to create and accessible to Instagram's billion users (AdQuadrant). Thus, we would need no app interface nor development, just simply an MVP of our most promising game idea: the Flappy Bird Pushup. The custom filter would show Movely's logo to garner brand awareness.

Instagram's filter platform allows for exponential sharing. All it takes is one follower to post and share the filter to their followers, those users to then use and share to their followers, etc. etc.

creating an organic, rapidly expanding snowball effect of filter use. If there is high popularity with the filter, it validates Movely. The live use will also surely surface development glitches and flaws that can be used to optimize Movely's technology before product launch.

3.6. Product Positioning

Movely is positioned to host the world's only library of interactive AR fitness games that are playable live with friends. The app is ideal for teenagers and young adults, ages 13 - 25. With Movely, anyone can stay active with exciting games with friends and people all over the U.S.!

3.7. Product Features

Must-Have Features	Nice-to-Have Features	
	<i>Satisfiers</i>	<i>Delighters</i>
10 workable interactive AR games	Ability to like/ comment on/ share videos to other social platforms & SMS	Worldwide game that happens everyday at 3 pm PST (think: Trivia HQ)
Music in background assigned to each game	Fitness benefits listed on each game	Open Filter Library where users can upload their own filters
Social profile	Play tournaments with people in your area/ locally	Heatmap (showing user's movements) in top left corner of filter when playing
Live, saveable videos taken of each game attempt w/ option to post on your profile	Worldwide leaderboard	
Ability to "friend" people	Local leaderboard	
Play-for-a-token system. One game play = one token. (10 free tokens a day)	Friend leaderboard	
3 page feed layout: Middle = Interactive Filter Dashboard,	Ability to filter games by fitness target (ex.	

Left = Friend Feed/ Leaderboards, Right = Your Profile	arms/abs/cardio)	
“Invite friends to play” button that instantly opens SMS with a prewritten text & invite link	“Verified” Social profile, when you become Expert level at games	
Live tournament feature to play with 2 - 12 friends at once		

3.8. Market size

Target Market

The beachhead for Movely is anyone in the US who is between the ages 13-25 who engage in virtual media for entertainment. Because of this, the target market is defined as all U.S. citizens from the age 13-25 who actively spend time and money on social media and gaming applications. The United States Census Bureau recorded there to be an estimated 25 million Americans from age 13-18 and 30 million Americans between the age 18-25 (United States Census Bureau). According to statistical research, 90% of teens and Americans between the age of 18-25 are active on social media platforms or online gaming sites (pewresearch.org). This data establishes a market size of 49.5 million Americans. Furthermore, since teens spend on average \$141 annually, while adults over the age of 18 spend \$106 annually on smartphone games alone, 60% of the total amount spent on gaming content for all devices, the serviceable obtainable market has a \$6 trillion annual potential (Yahoo Finance, NYPost).

Served Available Market

Since people out of the target age range may also be interested in this social gaming platform, the served available market is defined as all U.S. citizens from the age 13 and older who engage in social media and gaming applications. There are an estimated 245 million Americans over the age of 18 and 72% of them are active social media users, or 176 million people (United States Census Bureau, Pewresearch.org). This market size, combined with the 13-18 year old population who are active social media users, accounts for a 199 million person market. Using the annual financial data, this market is worth \$22 trillion annually (Yahoo Finance, NYPost).

Total Addressable Market

The total addressable market would be everyone in the US with access to the app store and therefore, has a smartphone. Research shows that 95% of teens in the U.S. have smartphones which would be around 23.75 million people (Pewresearch.org, United States Census Bureau). 81% of U.S. adults have smartphones which equates to around 198 million people (Pewresearch.org, United States Census Bureau). These numbers multiplied by the annual amount each age group spends on games for the smartphone equals an estimated \$24.3 trillion per year (Yahoo Finance, NYPost). These huge market sizes show the enormous financial potential there is for an app like Movely. While it is unrealistic to achieve 100% of any of these markets, even a small fraction would make Movely a prosperous, profitable company.

4. Product Definition and Design

4.1. Product-Market fit and MVP Validation

Product market fit is defined by the degree in which a product satisfies the demand of the market. There are many factors that must be considered in order to determine how our product might perform such as identifying our target audience, customer needs, specifying our minimum viable product feature set, creating our minimum viable product, and finally, testing that minimum viable product.

For this product, we are targeting teenagers and young adults who want to start working out. Living a healthier life has been a trend that this generation has been pushing, which has triggered many people to start being more active. Movely would make being active a lot more fun and competitive, making getting into fitness easier. Many teens and young adults lack motivation or the resources to go to a gym, this product will allow for a fun way to exercise in the comfort of their own homes.

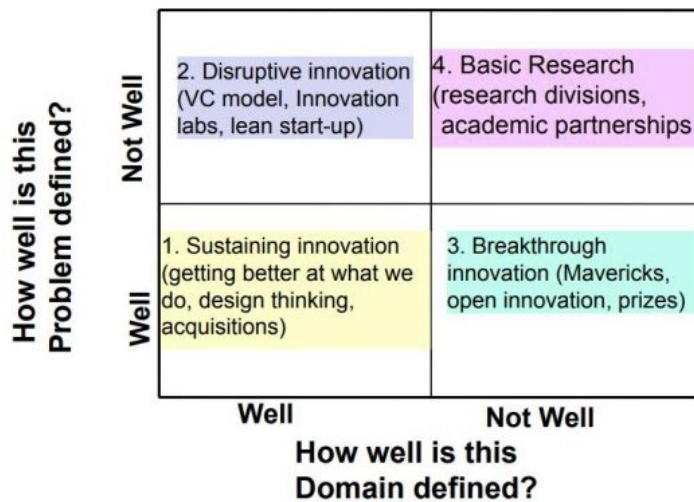
Our minimum viable product is a filter on platforms such as Instagram and Snapchat. This MVP allows Movely to gauge how well the product might do, as it provides our company access to a strong user base with trustworthy statistics. Additionally, this prototype is simple and efficient testing, as it would take less engineers and resources than developing a completely new app.

4.2. Place this product on the 2x2 of uncertainty / innovation and product / market

		Products	
		Existing	New
Markets	Existing	Market Penetration	Product Development
	New	Market Development	Diversification

Movely would be in the product development category of the graph illustrated above. The market we are targeting are people who enjoy virtual, social gaming and staying active. This market already exists and has been growing exponentially in the past couple months as people have been quarantined at home, longing for social connection and motivation to get moving.

Movely will be a new type of product, as there currently are not any fitness-gaming apps comparable to this product. Currently, fitness apps are developed to track progress, distance ran, and various other metrics. Movely will be the first app that promotes activity but is primarily focused on AR gaming technology. This product is in the disruptive innovation category since there is no app on the market that offers an array of AR technology games that can be played against friends but there is a market out there for a product like this.

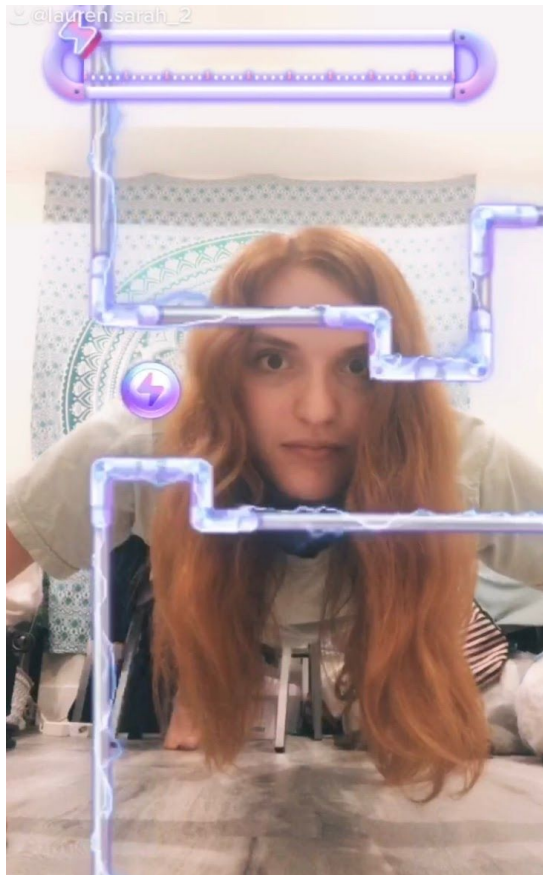


4.3. Features against the Market Requirements



We will be able to deliver sufficiently against all the requirements as identified in 3.7. All that we would need is a couple engineers with iOS and Android development experience to implement the social media aspect of the product. The AR games on the other hand will use computer vision in conjunction with the phone's internal cameras/sensors, similar to that of Snapchat and Instagram. In terms of Nice-to-Have Features, the Satisfiers will be pleased with our constantly updated games; however, the Delighters approval will depend on if we are able to get enough users to actually implement additional functions and updates

4.4. Wireframes

MVP Filter Game:



The MVP is an instagram filter that allows users to play the active game and the option to share the recorded gameplay video and challenge their friends. For Movely, it acts as a proof of concept-these games are exciting and people actually enjoy it- determined by the rate of completion and shares. The MVP will also prove if potential users desire to get up and perform an active task and if they are motivated by the physical aspect of it.

In the above game, currently found on TikTok, the  always stays at the eye level and the user must move according to the puzzle and not touch the  against the boundaries. This game would be similar to our MVP. While it has a simple gameplay, our MVP will get more

difficult as the levels increase, for example boundaries narrow in and the speed increases. If the MVP proves our concept, we will start developing more games from there.

Main App Games:



← Recording information

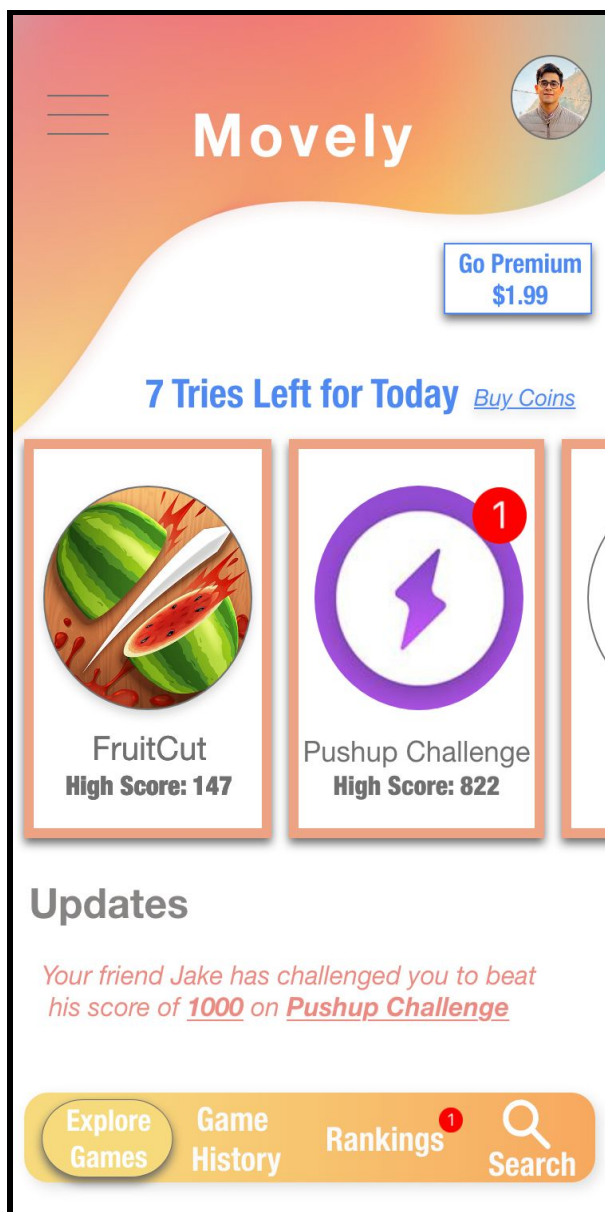
← Scores

This game is similar to Fruit Ninja- however in this game the fruits are projections around the user. Here the user can only miss 5 fruits and must try to slice the maximum number of fruits. As the user surroundings are used to project the fruits in AR, the game feels more realistic and opens more possibilities like special fruits according to your surroundings. There are options for different virtual backgrounds too.

App Home Screen Layout:

The application home page is where all the active games are available.

Menu Option



← Profile Page

← Premium Option

← Number of tries left for free user/ In-App Purchase Option

← Active Games gallery- all available games and information about previously played games.

Game/ Social Updates- New Challenges or ranking changes in your network show up
← here. Also includes information about new recommended games.

Navigation Bar to switch between Games
← Gallery, Previous Game History (which includes options to share on social platforms), Rankings (Global and in social network), and Search Page for games.

4.5. MVP - Proof of Concept

The metrics we plan to use to validate the product are related to user reach, type and quality of user interaction. First, the purpose of our MVP is to verify our most important assumption- that users find the games engaging and want to play multiple times. One extension or result of this assumption is that users appreciate the social aspect of the game and compete and challenge their friends. Both of these assumptions can be validated by the number of filter users and shares on instagram. Another assumption we can validate with the MVP is if the user interaction is short-lived (played game once or left in between) or on average the user's played multiple times. This shows that consumers would be willing to subscribe and not just remain as free users. Also another important source of validation is surveying users who interacted with the filter most or filled feedback form. They can provide more insight about revenue model validation and assumptions of growth.

4.6. IP considerations

As Movely is a mobile application, the Intellectual Property Rights are applicable differently. To build most of the application, experienced developers are required. First of all, to ensure that the developers do not use the idea or replicate the app with other features, a Non-Disclosure Agreement (NDA) must be signed. A well-written NDA requires the people and companies reviewing and working on the idea to not share or utilize it. If any developer violates the NDA they can be sued for a large sum of money. While the NDA prohibits developers and employees from discussing the project over a specific, defined timeframe, it does not protect against a core team member leaving to work for a competitor. To prevent competitors from profiting from experiences and knowledge of an employee, a distinct Non-Compete Agreement

or a Non-Compete Clause to the NDA must be added. The participants must agree that they will not exploit confidential knowledge or information from the project and won't use it to start a new business or to work for a competitor. Getting intellectual property rights protection from the government is important to allow only the inventor to manufacture and profit from an invention, typically for 20 years from the date of filing. For the sake of branding, a trademark over the name of the company/ application and the application logo is required.

4.7. Ecosystem and Partnerships

a) Ecosystem

The ecosystem for a product is equally important as the product itself: to thrive in the market and successfully attain a share of the market, the ecosystem needs to be collaborative. Each entity in the ecosystem affects and is affected by the others. This creates a constantly evolving relationship in which each entity must be flexible and adaptable in order to survive as in a biological ecosystem. Movely's primary ecosystem consists of other gaming apps, social media platforms, and fitness apps/ gyms. As Movely is in the middle of the spectrum of proper gaming applications and fitness applications, these other apps can be either competition or collaborators in the product.

Firstly, social media platforms can both benefit and harm the product. Many users prefer to share their game results especially if it involves a video of them playing. Hence the product benefits from creating a friendly and competitive environment for playing active games and the social media platforms benefit from more daily activity from users. However, if users or the platform employees introduce filters similar to Movely's games then the product loses users. Many would prefer to play directly on the social platforms as they are considered to be more

reliable and result sharing would be relatively easier. To counter this drawback Movely must focus on not only creating games that can be replicated as filters but focusing on and tracking the fitness aspects of the game. Tracking game progress and leaderboards are slightly complex on a filter hence more creative ways of presenting the same clearly differentiates the product.

Similarly, Movely can make partnerships with some gaming apps. This provides users to the product and promotes other game apps. An active-game version of those apps can be one of the ways to achieve that. However, gaming apps also act as competitors as they take a significant portion of the market of users that play any game on their smartphone. Most gaming apps require minimal activity, and most can be toggled with just fingers and this leads many users to prefer those. However, as one of the objectives of the product is promoting activity then focusing on that concept differentiates the product and creates a slightly different user base that prefers to be active while enjoying the game.

Lastly, as outlined above, focusing on the fitness aspects proves to be beneficial for the product. However, this puts Movely in a position where it can lose users to fitness apps or form partnerships and actually gain users. If the games are created in partnership with fitness apps or gyms, then those games can track or help the user be more active and do those exercises in the form of interactive games that lead to a healthier lifestyle. As a result, the app is able to cater to users who are more inclined towards fitness effectively and also promotes the gyms and some fitness apps. On the other side, if fitness apps like Nike and Fitbit Coach try implementing interactive exercises then they may take a significant portion of the product's user base.

Although these are the one of the main players in the ecosystem, the applications also benefit from partnerships and collaboration with movie and tv show productions. The ecosystem

is influenced by App Stores, camera technology, gaming consoles like Xbox Kinect and PlayStation Move, etc.

b) Partnerships and Collaborations

To succeed in a constantly changing and expanding ecosystem many partnerships or collaborations are required. Movely can partner with other gaming apps, firms like NVIDIA that produce motion detecting software, social media platforms, movie/ tv show productions, and gyms. Movely can partner with games like Fruit Ninja or Temple Run to create interactive games that require users to perform certain actions like jumping to jump over a branch instead of a swipe up on the touch screen for Temple Run. As a result, not only does the product gain users familiar or active on such gaming apps but also provides a two-way promotion for both apps. The new environment for an already successful game will boost daily activity for the product. Many firms like NVIDIA are constantly researching and perfecting motion detecting software. A lighter version of this can be used on most smartphones for better motion detection and introduction of games involving complex movements. Game developers for the product platform will be able to use the software and would even use it for other applications thereby boosting the number of users for the software firms and gaining credibility in the development community.

Partnerships with social media platforms is pivotal for creating a well-connected community of active gamers and promoting users to challenge and compete with their friends. It is great for advertising new games as filters on social platforms. The filters act as mini-games and to experience the full game, the user must follow the link to the application. Collaborations with movie productions to promote upcoming movies like Avengers Endgame or shows like Game of Thrones. These games act as paid promotions for new releases and also provide an

opportunity to gain additional users by adding their favorite content in the form of active games. Lastly, partnerships with gyms or fitness experts to add gaming content that exercises specific body parts or fitness routines. In return, the app can advertise the partners as experts in their field and to consult them for more personalized training.

4.8. Gamification plan

In order to keep users engaged, we propose to give every user a set number of daily tokens for free. In order to play games or have a complete workout, users would need to use their tokens. Users would also be able to purchase additional tokens or earn them through challenges/tournaments/watching ads. This rewards our active and most dedicated users with more tokens while keeping our app relevant.

Movely will also roll out new and trendy games from time to time so that users would be able to try something new and be kept engaged.

There would also be a social media platform on the app where users would be able to share their progress and compete. Movely will encourage users to challenge and share their progress with friends through various reward methods so that the app can attract new users while entertaining the existing user base. For example, John can send a run challenge to Zach and as a competitive young man, Zach would want to complete that challenge and maybe challenge a couple more friends while at it.

In addition to in game features, Movely will also try to partner with various sport apparel brands such as Adidas, Nike, etc. to offer discounts, promotions, or events. This will be a win-win situation for both parties as it would allow these sport apparel companies to get free advertisement while encouraging young people to stay fit, which in turn will also grow the target

market of these apparel companies. Companies would also be able to sell products directly from the app, allowing our company to charge a small commission.

Lastly, by partnering with celebrities, Movely would hopefully be able to make it into mainstream media and attract new users. Celebrities would be able to promote living a healthy life and other positive lifestyle advice while promoting their brands. They would also be able to record their exercise and encourage people to start being active.

5. Business Model and Monetization

5.1 Customer Revenue

Movely will profit from three main revenue streams, one-time transactions, recurring revenue/subscribers, and sponsorships/advertisements. The app itself is free and will provide players with 10 free games a day. If players want to buy more virtual coins to play more games, they will be able to purchase them with real money. The cost will be \$.99 for 10 more tries and \$1.99 for 20 more tries. We believe this model will be more profitable than just charging customers for the App since Movely can profit off of customers multiple times, decreasing the churn rate of customers and increasing customer lifetime value. In addition to buying more coins, Movely will also offer a premium version for a monthly subscription for \$1.99 a month that offers endless games and no advertisements with a one month free trial. The subscription price is low to attract customers since it will prove to be profitable overtime.



CAC Costs

5.2 Advertisements

Additionally, Movely will profit off of advertisements from participating companies. 15 second video advertisements will be displayed before and after each game. Each advertisement will have a link to the company's website to achieve easy accessibility to the product or service. Ads will cost businesses \$5 per 500 views with a minimum of a \$100 campaign. Since the price for advertising is based on number of views, Movely can charge a similar rate to current leading apps. However, as Movely experiences exponential user growth, we can scale the cost for advertisements, increasing the rate to \$15 per 1000 views with a minimum rate of \$500 per campaign, matching our competitors' price (Influencer Marketing Hub). As the app grows in popularity, more businesses will organically seek interest in using our platform to market their products.

5.3 Sponsorships/Partnerships

Furthermore, the app will offer a new game once a month designed specifically to promote a partnered business or company. Movely envisions partnerships with a wide range of companies that target customers similar to Movely's market segment. For example, Nike could purchase a sponsored game that incorporates the swoosh in a fun, interactive way. Additionally, Red Bull could have a game that requires players to shake a can until it explodes, working out the upper body while intriguing the player to quench their thirst with a delicious Red Bull. These sponsored games that run for a month will cost the sponsor \$1,000 at first however, once the app reaches 10,000 users, the cost will increase to \$2,000. When the app grows to 100,000 users, the game will cost sponsors \$5,000 and we will offer two sponsored games. At one million users, the

team sees their being up to 4 sponsored games offered to partners for \$10,000. These numbers will continue to increase as the app's popularity increases.

5.4 Advertiser/Partner Profile

Since Movely is catered towards people in their 20s and younger, the advertisements shown on the app and sponsored game will reflect this target market. Additionally, since the app promotes physical activity, the team expects a focus on athletic advertisements. Some specific companies that will fit the brand of our app well include, sportswear, (Nike, Adidas, LuluLemon, Athletica, etc.) energy and health drinks, (Red Bull, Monster, Gatorade, protein shakes, etc.) and major sports leagues, (NCAA, NBA, CFL, NFL, etc.). However, since our app is not only marketed towards the sporty community, advertisers are not limited to the fitness market nonetheless, (product name) assumes these companies and organizations would express the most interest in partnering with this app. Since our app is designed to get people active and working out, advertising things like workout clothing or recovery drinks that consumers may realize they want or need would be properly targeted marketing. Additionally, major sports leagues may be interested in creating a sponsored game designed to promote their sport and increase viewership.

6. Customer acquisition, distribution and launch plan

6.1. Customer acquisition plan

Initially, we plan to launch our MVP as an instagram filter game. Through this filter, we will be able to gather important insights and interaction metrics such as impressions, captures, and shares. With our MVP product we will mainly be looking to acquire early users in the UCLA community through engaging content posts with our filter. We plan to run a grassroots campaign, leveraging our wide network on the UCLA campus to encourage students to use our instagram filter. As the filter MVP begins the spread across instagram accounts, we will try to focus solely on organic growth and engagement in order to move as cheaply and quickly as possible.

Moving towards our 1st generation product, our customer acquisition plan will become more aggressive. While we will continue with our instagram filter, we will begin to partner with influencers to promote our app. Social media channels such as Instagram, TikTok, and Snapchat will be the main focus as our target demographic spends the most time on those platforms. One strategy for customer acquisition will be sponsored story posts with influencers that are using the Movely game filter while promoting the application with links to download on the app store.

We also plan to leverage this influencer content to repurpose it into the format of targeted ads on instagram and snapchat. These ads will function as highlight reels of all our influencer partners performing the activities in our interactive game and link viewers directly to the app store. Along with our paid initiatives, we plan to stimulate organic acquisition by leveraging the competitive nature of our users. The application will allow users who complete a challenge or game to ping their friends via SMS to try and beat their score. Additionally, users will be able to

post the videos of their funny fails and epic triumphs to their social media accounts such as TikTok for all of their network to engage with.

While paid acquisition will help us establish our brand with influencer partnerships, we will focus most of our energy on setting up our game for organic growth. By allowing users to challenge their friends and create a community around our game, we believe we create a viable opportunity to go viral within our target market.

6.2. Product Distribution

We plan to distribute Movely through all major App stores: the Apple App Store, the Google Play Store, the Amazon Appstore for Android, Samsung Galaxy Apps, LG SmartWorld, and the Sony AppStore. Customers will be able to find Movely on any of these app stores and download it for free onto their personal device.

6.3. Marketing and Promotion

Our main marketing outlet will be social media marketing. As Movely is a social fitness app, our main audience will be those active on social media and thus reachable through social media advertisements.

Our major push promotion will be a far-reaching influencer campaign. We will pay prominent influencers to post a video of them playing the ___ game on their Instagram story and tagging us. The video will be fun, exciting, and enticing to viewers to want to try the game themselves. To take it a step further, our marketing team will ask influencers to challenge friends to beat their score by tagging three friends in their post. This will start a highly viewed challenge movement on Instagram stories of playing Movely and beating friends. With enough influencers

on board to participate in the contest, it will naturally leak to the masses and become a viral contest. The app automatically records every time you play and will have a seamless one button connection to Instagram stories, allowing low transaction costs for creating your own video and participating in the contest.

In addition, we will recruit a team of famous TikTokers from the “Hype House” to post a video of them completing the challenge. In this way, Movely will be plastered across social media and grab a lot of attention from everyday users of the apps and encourage them to hop on the bandwagon and join the hype.

For our launch, we may also recruit brand ambassadors from major college campuses across the country. College students will do almost anything for a resume booster. If we recruit them as being guerilla, grassroots marketers for Movely, and have them post their own Instagram stories of the contest, it will create a nationwide movement of hype and visibility for Movely. This will ignite a lot of interest which will lead to lots of overnight downloads.

6.4. Product Launch

Our company plans on launching Movely by first testing our concept through our MVP on platforms such as Instagram and Snapchat. If the MVP performs as anticipated then we will start our launch through college campuses. This then provides an environment where young adults can share their activities among each other. After a college launch, we then would want to move into the teen and high school markets by targeting activities that are trendy for high schoolers.

6.5. Promoters and Partners

Our promoters would include games, movies, celebrities, and sport apparel brands. Other games would be able to promote their games on our platform such as Temple Run. For example, the Temple Run on our app will feature an active version of Temple Run, allowing for the Temple Run game company to expand into the fitness area and attract additional users. We would also want to place our product in various movies and TV shows through product placements so that mainstream media would cover it. Celebrities would also be able to share their active routine on our platform, further promoting their self image while spreading positives and encouraging messages for people who want to start getting active. Lastly, we would want to partner with sport apparel brands to reward our users with discounts after certain milestones have been reached. This will help boost sales for these brands while encouraging our users to stay active by using our app.

7. Financials

7.1. Identify relevant costs to build the MVP

It would cost Movely around \$3,500.00 to develop an MVP. Based in Los Angeles, a software engineer would cost \$35 an hour and it is estimated that it would take around 100 hours to develop the MVP.

7.2. Identify future product development costs

Future development costs are estimated to be around \$7,000.00, as it would take approximately an additional 200 hours from the software engineer. In addition to software engineering, Movely would also require a hosting service which will cost around \$240 annually.

7.3. Identify customer acquisition costs

Customer acquisition costs will be assumed from the “gaming” section of the below graph, provided by Professor Rostamian in lecture. Because this graph only accounts for CAC regarding in-app purchases (\$86.61), registering (\$14.39) and installing (\$1.42), we will have to make some assumptions to fit our freemium business model and monetization setup. We will account for free users at the install CAC, \$1.42. We will account for paid users, or in other words those under subscriptions and those making in-app purchases, by averaging the register (\$14.39) and in-app purchase (\$86.61) CACs provided by the graph which brings us to an average paid user CAC of \$50.50. Therefore, with 400,000 assumed total annual users broken down into 20,000 paid users and 380,000 free users, we will have a total annual free user CAC of \$539,600.00 and a total annual paid user CAC of \$1,010,000.00 for an overall total CAC of \$1,549,600.00. This is further demonstrated in our financial spreadsheet.



Graph 7.3 - CAC assumptions

7.4. Break-even analysis for the product (target the first generation product)

Through the break even analysis found on the attached excel file, our product will break even at 650,000 users.

7.5. Profitability analysis for the product (12 to 24 month window)

The projected annual revenue per subscriber is found to be \$24.00 while the annual average cost per user (combined free & subscription) is found to be \$3.96. These numbers yield an average profit per user per year to be \$0.0107. Detailed analysis of these numbers can be found on the attached excel file.

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9. Appendix (extra items that don't fit in the main paper, exhibits, photos, etc.)

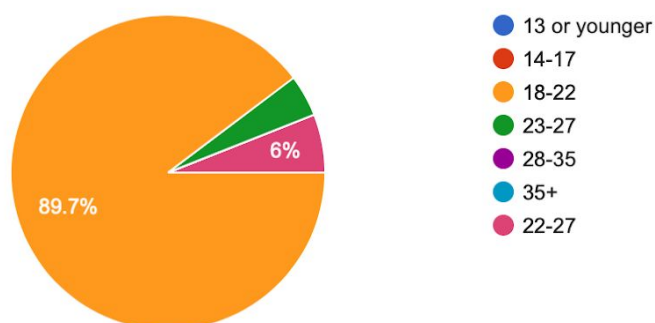
Management 163 Survey

117 responses

[Publish analytics](#)

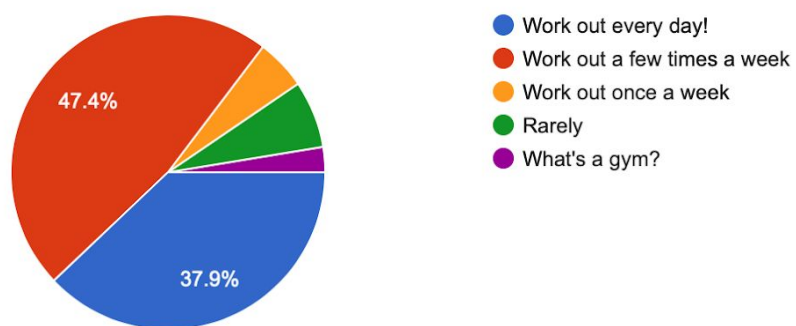
How old are you?

117 responses



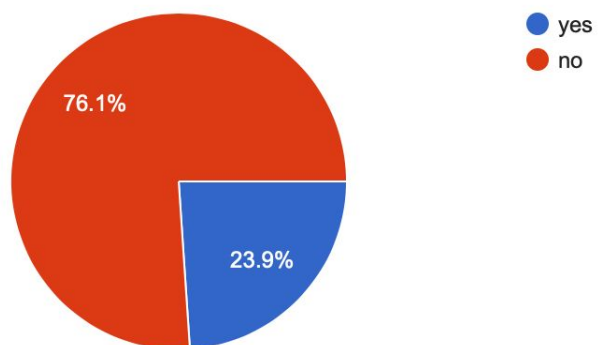
How active are you?

116 responses



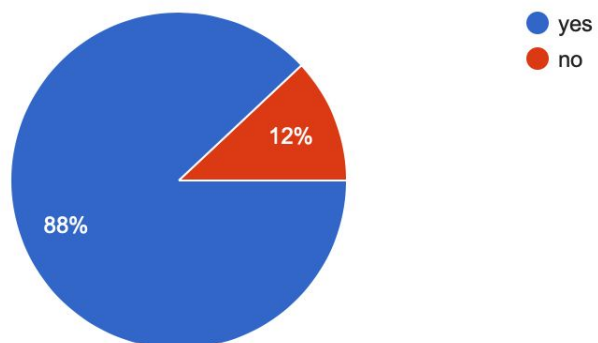
Have you ever paid to get more lives, more plays, etc. in a game app?

117 responses



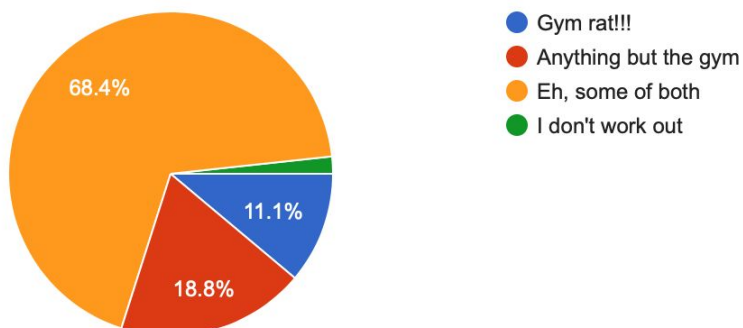
Have you been looking for a way to work out while at home?

117 responses



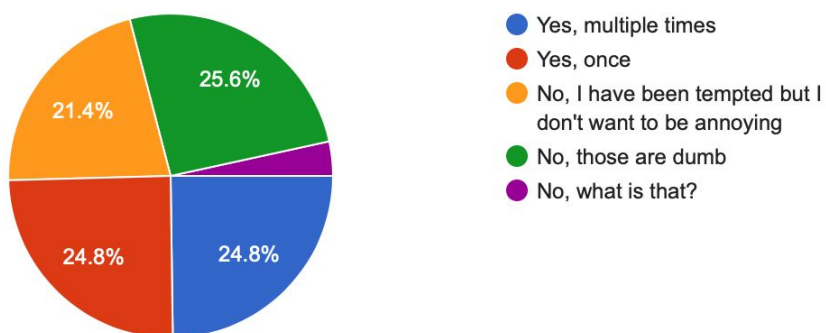
Do you enjoy going to the gym or working out in alternative ways (hike, dance, skateboard, surf, etc.)?

117 responses



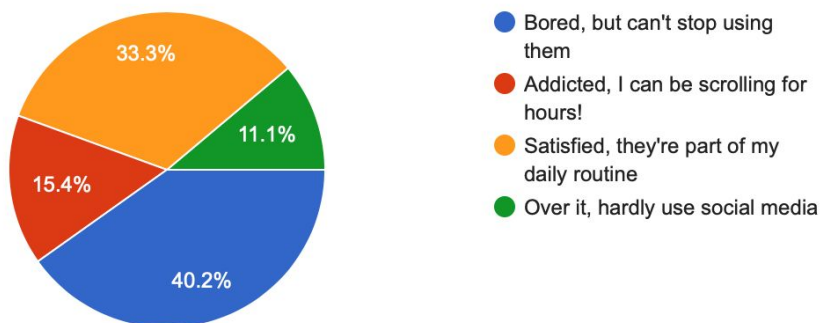
Have you completed an Instagram, Tiktok, or Facebook challenge?

117 responses



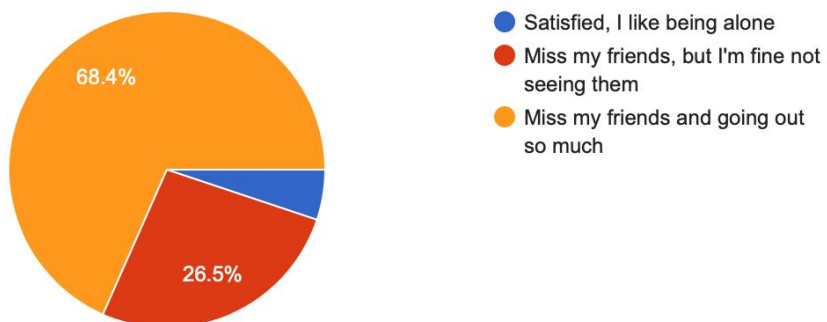
How do you feel about your Instagram, Snapchat, TikTok, Twitter, and Facebook use (choose which BEST describes you)?

117 responses



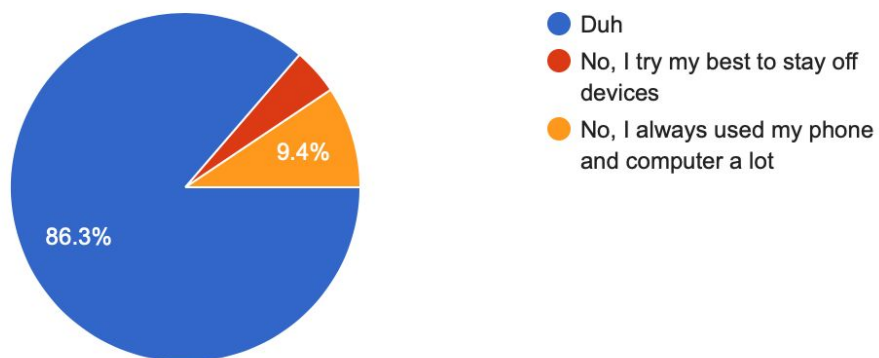
How satisfied are you with your social interactions during quarantine?

117 responses



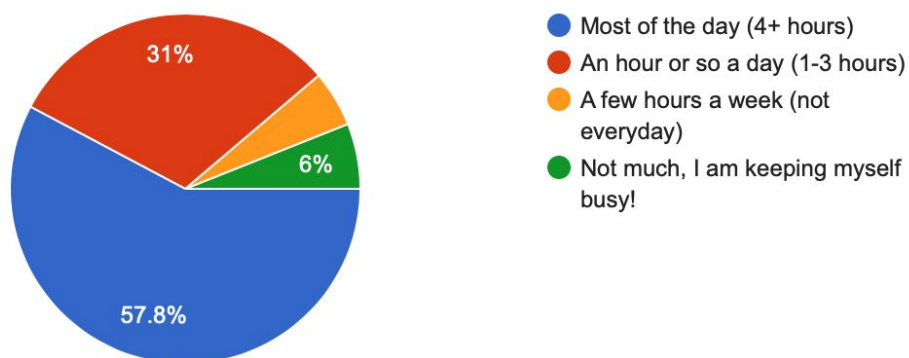
Has your amount of screen time increased since the start of quarantine?

117 responses

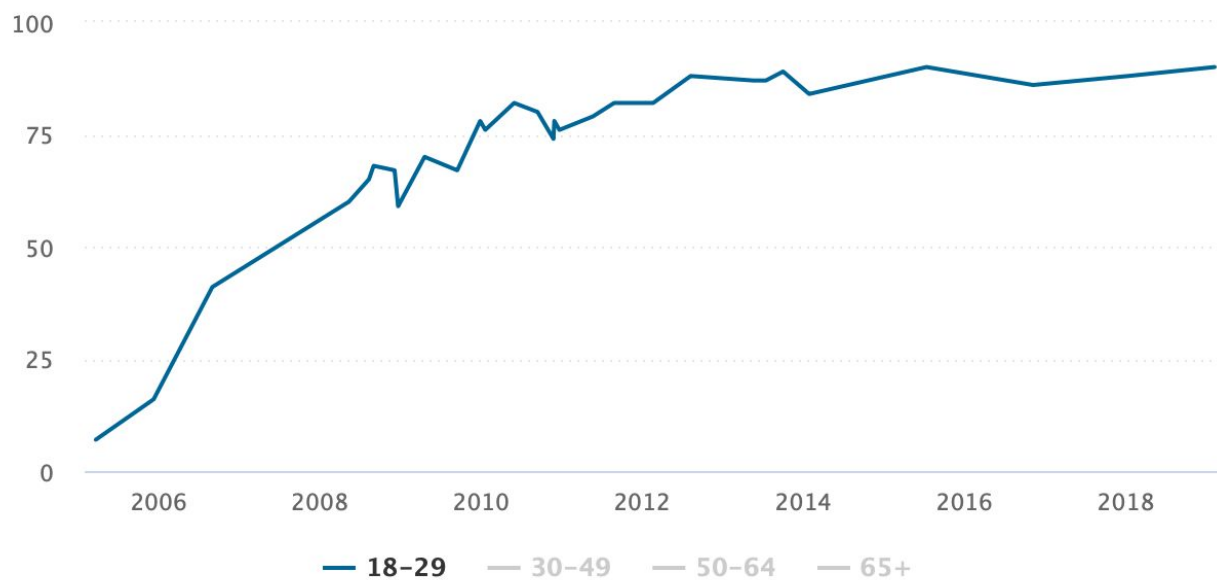


How much free time do you have?

116 responses



% of U.S. adults who use at least one social media site, by age



% of U.S. adults who use at least one social media site

