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GRADO EN ADE INTERNACIONAL

BUSINESS PLAN FOR THE MOBILE APPLICATION "DNow"

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1.   EXECUTIVE SUMMARY

Diario de Navarra is currently the most read newspaper in Navarra, and as such it must work hard to keep its customers satisfied. As time goes on and technology evolves the customers become more demanding at they start showing new needs. The recent technological changes, especially the appearance of smart mobile devices, have had a big impact in the newspaper industry and especially in the consumer behaviour. The consumers have many platforms to choose from and they can be informed anywhere, at any time. As a response to this change, Diario de Navarra started working on a new project called Pamplona 24 Horas which would consist on starting a newspaper from scratch. The idea was that this newspaper would satisfy the needs of the "new consumers of information" in Navarre. Parallel to this project another idea emerged: a mobile application with personalized news called DNow.

The purpose of this business plan is to analyse the viability of the mobile app DNow. Even though DNow might be a great product, that is not enough for it to be successful without a strong plan. As this popular quote says, "If you fail to plan, you are planning to fail". Having a plan is essential, and many questions must be answered before launching DNow to the market: Is there really a need for an app such as DNow? Could an app such as DNow be profitable? Would DNow have any competition?

In order to answer those questions we started by conducting a market analysis to have a better understanding of the mobile market in Spain and the consumers of information in Navarre. For the primary research we used the information collected from a series of interviews done by Diario de Navarra, and we also carried out a survey among students in the Public University of Navarre. For the secondary research we used information published by third parties about the mobile market in Spain. We also used Google Analytics and Facebook Insights as research tools. The results from both the primary and secondary research showed an increasing popularity of the smartphones in Spain, and a clear change in the behaviour of the consumers of information. The interviews showed that the people like to be informed about what interests them and they perceive that the newspapers publish too much information and it is impossible to consume all of it. The results from the survey showed that the smartphones and apps are very popular and the respondents liked the idea of an app with personalized news. Since the results from the market analysis seemed to confirm a want for personalized news, we decided to continue the plan, and design a marketing plan for DNow.

The first step of the marketing plan was to define our target market. We know that there is a want for an app such as DNow, but what would be the profile of its average user? With

the information gathered in the market analysis we defined the ideal user of DNow as a 25-44 year old user of smartphone, from Navarra and living preferably in the area of Pamplona and interested in local news. For marketing purposes though, we defined the potential target as an 18-54 year old with the same profile as the ideal user.

Once the target of DNow was defined we developed a promotion strategy for DNow. One of the strongest points of Diario de Navarra is that as a newspaper it has a great set of communication channels and it can have a lot of exposure. Therefore, since DNow would take advantage of those communication channels developing the marketing strategy was not very complicated.

A very important part of the marketing plan was defining the business model for DNow, how the app is going to generate revenue. After evaluating different alternatives we decided that the best option would be a free version of DNow with in-app advertising, plus a paid version of DNow without ads and with more functions such as a notification system. The price of the paid version would be 3.49€.

After having determined the business model we then proceed to estimate the amount of downloads and revenue. Unfortunately we had no information about the previous app of Diario de Navarra due to several factors, so in order to estimate the amount of downloads of DNow we had to take a look at the Android Market in Pamplona and base our estimations on the performance of other apps. We estimated a total annual amount of approximately 70000 downloads from the Play Store and the Apple Store together.

Knowing the estimated amount of downloads, and the business model of DNow, we then prepared a 12 month profit and loss projection, which showed that DNow would be profitable during its first year. Although it is common in business plans, we did not prepare a 4 year profit projection because the calculations would be based on estimations, and we believe the results would not be accurate and reliable enough.

Putting all the information together, everything seems to indicate that with the necessary resources, DNow can be a viable product.

However, we must not forget that the app is still in production and there is a lot to do. A testing phase will be performed during the summer 2014, and during this period we will be able to see how the people respond to the app, and if our assumptions were correct.

2. GENERAL COMPANY DESCRIPTION

2.1. Company Summary

Diario de Navarra is a newspaper publishing company based in Pamplona, Navarra. The company was founded in 1903 which makes Diario de Navarra one of the oldest newspapers in Spain. (Grupo La Informacion, 2008) The main activities performed by the company are:

- Review and periodical publishing
- Printing of newspaper
- Wholesale distribution of books periodicals and reviews
- Road haulage
- Advertising and public relation services (SABI, 2014)

2.2. Mission statement

As a subsidiary of LA INFORMACION group of companies, Diario de Navarra aims to contribute to progress in Navarra, fostering and supporting initiatives related to culture and solidarity as well as economic and social development. (Grupo La Informacion, 2008)

2.3. Company goals and objectives

Diario de Navarra aspires to be a referent in the communications industry. It is currently the most read newspaper in Navarre and the second newspaper in terms of market penetration in Spain. It is also the 12th newspaper in Spain in terms of Average printed copies and net circulation average (OJD 2014).

2.4. The Industry

The newspaper industry has experienced major changes during the last decades, especially since the Internet boom in the 1990s and the emergence of new technology. The massive amount of information available through search engines such as Google, has put newspapers in a difficult situation. Readers can now access any kind of information at any time and in most of the cases for free, which makes them reluctant to pay for newspapers.

This situation has forced newspapers to innovate and differentiate from their competition, trying to find new ways to attract new customers and remain loyal their core values.

2.5. Past performance

As a company Diario de Navarra aims to stay competitive, healthy and profitable. This however has proved to be a difficult task in recent years. The sale of newspapers has decreased significantly in the last decades, and even though Diario de Navarra has a faithful amount of readers and subscribers, attracting new customers has become quite challenging. Looking at the performance of Diario de Navarra during the last years we can see that even though the numbers are positive, the performance has worsen quite significantly:

Unconsolidated Accounts	31/12/2012	31/12/2011	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Operating revenue / turnover	27914490	30633948	32745323	33679282	37879705	41395890	40606716
P/L before tax	4580325	7087238	8630555	7836775	10722078	13940418	12847100
Net income	3453159	5100319	6159516	5707604	7790425	9544779	8743355
Total assets	14379751	14975745	16081970	16075341	18135565	19772192	21212135
Shareholders' equity	6056071	7079545	6607108	7303562	7895236	8612183,2	13982880
Economic profitability (%)	31,852	47,324	53,666	48,75	59,121	70,505	60,564
Financial profitability (%)	75,631	100,108	130,625	107,3	135,804	161,868	91,877
General liquidity	0,861	0,973	0,879	0,931	1,003	1,303	2,203
Indebtedness (%)	57,884	52,726	58,916	54,566	56,465	56,442	34,08
Number of employees	129	134	147	157	162	162	184

Table 1: Past performance of Diario de Navarra. Source: SABI

The Net income has decreased more than half if we compare it to the values in 2007 and the number of employees has also decreased. In the contrary the level of indebtedness has increased to almost a 58%.

Although the results do not look very impressive compared to past years the fact remains that the Diario de Navarra is still profitable, which means that the company is doing a great job.

3. PRODUCT

3.1. Introduction, origins

The recent technological changes have definitely had a big impact in the newspaper industry. After the Internet revolution in the 1990s and the rapid development of mobile devices in recent years the consumption of information and consumer behaviour have experienced a significant change. (Pascual, 2012)

As a response to this situation and in order to keep their customers satisfied, newspapers have had no other option but to adapt, and Diario de Navarra is no exception. Taking a look at the past years, we can see the response of the company:

- 1997: Diario de Navarra created the website Diariodenavarra.es which had a monthly average of 1.2 million unique visitors last year. (WHOIS, 2014)
- 2010: Due to the popularity of the IPhone after its release in 2007, Diario de Navarra launched a mobile app for IOS.
- 2011: After the release of the iPad, Diario de Navarra launched a new app that allowed the readers to read the printed newspaper in their new Apple device.
- 2012: The apps for IOS had a great response but the operating system Android had become very popular among the Diario de Navarra readers. For this reason the company launched an app for Android that was basically a mobile version of the website of the newspaper. Unfortunately, due to several factors the app was not a very successful product and it has not been updated since it was launched.

These were the responses to technological change and new mobile devices but what is more important about all this change is the impact it has had on the customers and how it has affected their behaviour. As the role of technology becomes more important in our daily lives, the wants and expectations of customers change, and it crucial for businesses to understand that. Understanding customers is essential. This is the main concept of the methodology known as "Design Thinking". (Hasso Plattner, 2010)

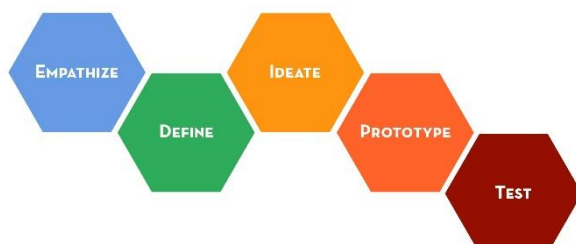In 2013, inspired by this methodology, Diario de Navarra started a new project. The idea

Figure 1: Design thinking methodology. Source: Institute of Design at Stanford

was to create a new newspaper from scratch and it would be called "Pamplona 24 horas". Diario de Navarra covers all the area of Navarra, and so it publishes news about anything that happens there. The truth however is that most of the

"action" happens in Pamplona, and in order to have more exhaustive and broad understanding of the news happening there, a more focused coverage would be necessary. Besides, with the emergence of new mobile devices people are always connected and they can be informed at any time in a very personalized way. So this is basically how the idea of Pamplona 24 horas project came to life: It would be a local newspaper that would cover the area of Pamplona in different platforms.

Using the "Design Thinking" methodology a team at Diario de Navarra has been working on this project during the last months, doing market research and studying if the project is viable or not. However it is still unclear what the platform of Pamplona 24 horas will be, although the option of a website and a mobile application seem very likely:

- Website: Where people could interact. It would be something permanent, where information would stay for a long time and people could interact with each other.

- Mobile application: It would be something instantaneous, on the moment. An application that would allow the users to have access to information immediately wherever they are at any time.

Exploring the possibility of creating a new mobile application with those characteristics, the concept of DNow was born.

3.2. Overview

DNow is a mobile application that allows the user to be informed about local breaking news, related news, and everything that is going on in the social media related to those news. DNow essentially allows the user to have a global vision of a particular local issue.

Although the idea of the app has its roots in the Pamplona 24 horas project, its concept is slightly different. The concept rests on three basic pillars, what is known as SoLoMo (John Doerr from Kleiner Perkins Caufield & Byers came up with this term): Social, Local, and Mobile:

- Mobile: DNow is a mobile app, and as such it can be used anywhere at any time. This way the users do not have to worry about missing any important news, they can always have DNow with them.

- Social: People love sharing their thoughts in the different social media platforms and this information is very valuable. DNow gathers all the relevant information from the social media (YouTube, Twitter, Facebook…) about a particular topic and then makes it available to the user so that he/she knows what people are talking about.

- Local: DNow's main focus will be the area of Pamplona and its surroundings. DNow will offer the users the information that matter to them and the people around them. Also, by sharing their location via GPS, the users of DNow could receive special local offers, relevant information about something that is happening near them, and more.

Putting these three elements together what we have is a very unique mobile application that offers the users exclusive information about particular local issues.

3.3.   Features

Using DNow is intended to be a unique experience. Therefore the design of the application and the way the users are going to interact with the app are very important:

- Simple design: DNow has a modular design to enhance usability in any platform by using responsive design methodologies. The app also uses flat colours, light typographies and simple icons.
- Personalized news: DNow works on a pull and push basis, letting the user configure the way to interact with the app. It has an alert system that the user can configure. This means that the user does not have to be constantly checking the app to see if there are any news (pull), the app will notify the user (push) so that they are always informed about the topics they are interested in. The alert system consists of two reminders:
    o Notifications: for the topics you have subscribed to.
    o Alerts: In case there are new news about a particular topic that might interest the user.
- Utility: DNow is intended to be a useful app. Not only it keeps you posted about the local topics you are interested in, but the main menu has also a very handy clock and weather tab.

3.4   Technical specifications

The concept of DNow may seem clear, but in order to fully understand it we must take a look at how the application works. That is, we have to understand the frontend and the backend systems of the application:

- Frontend system: This is what the users see when they interact with the application. It is the design, the functions; the features available for the user.

- Backend system: This is where the data and information are stored and where the processes happen. It is basically what makes the app work. In DNow, this is what the journalists will see and use to make the news available for the users.

3.4.1   Frontend system

So far we have an idea of the main features of DNow but we have not explained how it works into practice. How does DNow work in a daily basis?

Every day there will be several threads on the home page of DNow. The number of threads will depend on the availability of information, but we estimate that it will be around 4 or 5 per day. In order to know what the main topics of the day will be, the app will have a podcast (audio file) in which the journalist will explain the news DNow will be covering during the

Figure 2: DNow frontend. Source: Apptivismo.org

day. The podcast is the green icon on the bottom of the app.

Once the threads are published, the users will have the option to subscribe to them. This way, whenever the journalists add new information to a thread, the users that have subscribed to it will be notified.

On the other hand, if a user is interested in a particular topic such as Sports, there is the option to set an alert, so that whenever there is a new thread related to Sports, the user will be alerted.

But what kind of information will the users find in the threads? In order to explain that, we must take a look at the backend system of the application.

3.4.2   Backend system

The content published in the application will be created by journalists using a specific interface. Using this interface the journalists put all the information together and make it available to the users. A prototype of the interface can be accessed here: http://www.apptivismo.org/DNow/editor/

As mentioned earlier, DNow offers the user a global vision of a particular local topic, and this is done by gathering relevant information from different sources. The DNow interface allows the journalist to search and find information from different platforms and put them together in a very simple way. These are the three main sources of information:

- Social Media: Using a social network keyword tracker the journalist can find out what people in the different social networks are saying about a specific topic. For instance, if there is a thread about Osasuna, the journalist can track the keyword "Osasuna" in the different social networks and know what the people are saying. Up to now this social network tracker works for Flickr, Youtube, Facebook and Twitter but it is intended to gather information from other social networks as well. The data found by the tracker appears on the left column of the interface.
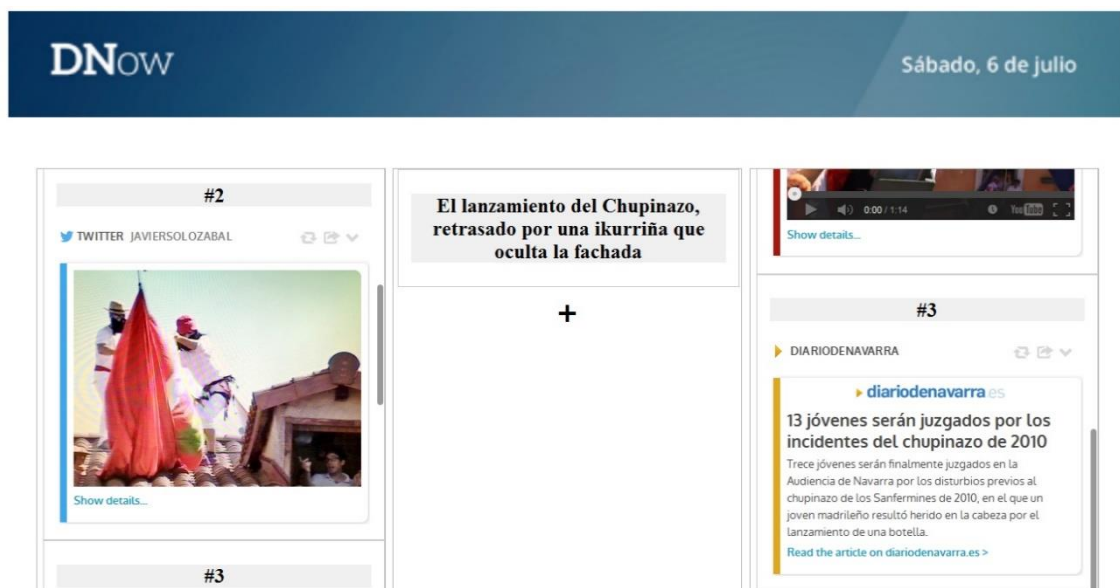
Figure 3: DNow backend. Source: Apptivismo.org

- Related news: Using a semantic tracker, the journalist can find information related to a particular thread on the data base of Diario de Navarra. This tracker allows the journalist to find any related news published by Diario de Navarra. The results of the semantic tracker would appear on the right column.

- Diario de Navarra database: Apart from the news found by the sematic tracker, the journalists can also have access to the Diario de Navarra database. That includes for instance the photographic archive. If the journalist finds that some of this data might be relevant, it can be added to the thread.
- Journalists on the go: If the topic of the day is about something that is happening in Pamplona, there will be journalists on the streets gathering information, pictures, or anything that might be relevant.

In principle the use of the interface is relatively easy for the journalists. They just need to find the right keywords and the trackers make the search of information much easier. For instance, it would be almost impossible for a person to keep track of what everyone is saying about a specific topic in the different social networks, but the social network tracker makes this task much easier.

So this is basically how the threads are built. When the journalists find relevant information through the trackers, they can drag it and drop it into the central column of the interface, which is the main thread. All the information dropped into that column is what the users of DNow will see.

4. MARKET ANALYSIS

4.1 Market research

Before developing a marketing plan for our product it is essential to define and understand the main characteristics of the market we are going to operate in: the mobile market in Spain. In order to do that, market research is necessary. Since it is very important to gather information from different sources, we will divide the market research into two categories:

- Secondary research: This will consist of information published by third parties. We are going to need information about the mobile market in Spain so we will use information from specialized companies such as CIES, IAB Spain, Comscore, and some others. We will also need information about the newspaper industry in Spain and the consumption of daily newspapers, so for this will use information from sources such as AIMC or OIJD.

- Primary research: This will consist of information gathered specifically for this project. Recently a team of sociologists from Diario de Navarra conducted a series of interviews for the Pamplona 24 horas project so their results might be helpful for our project. We also conducted a survey about the usage of mobile devices and consumption of information in Pamplona among students in the Public University of Navarre. The results from this survey will give us some insights about the usage of mobile apps among young people in Pamplona.

- Finally we will also use Google analytics as a research tool. The website of Diario de Navarra had a monthly average of 1.2 million unique visitors, so the information gathered with Google Analytics during the last years has a great value for our project. (Diario de Navarra, 2014)

Once the market research is completed we will have a better understanding of the market we are going to operate in and so we will be able to determine our target market properly. We already have an idea of the segments we would like to target but it seems sensible to conduct the market research first, and then asses our initial thoughts.

4.1.1 Secondary research

We will start the secondary research by analysing the recent changes in the media in Spain and Navarre, focusing mainly on the newspaper publishing industry. We are planning on launching a mobile app that offers local news, so it is very important to understand how the consumption of information has changed over the last years. We want to know how the consumption of daily newspapers has changed as well as the changes in consumer behaviour.

We suspect the internet has had a major impact in the consumption of information, so we will also take a look at the evolution of the Internet in Spain in the last years.

- Changes in Spain's and Navarre's media industry in recent years (Daily newspapers and the Internet)

Ever since the beginning of the financial crisis in Spain in 2007, the situation of the newspaper publishing industry in Spain has not been particularly good. The increasing popularity of the Internet and the appearance of new mobile devices seem to have contributed to the problem as well.

Since 2007 the penetration of daily newspapers in Spain has decreased in about 10% while the penetration of the Internet has doubled. The consumption of newspapers has also decreased: In 2007 the daily consumption of newspapers was 17 minutes while in 2013 it decreased to 12.3 minutes. The daily consumption of Internet however, has experienced a tremendous increase, going from almost half an hour in 2007 to an hour and a half in 2013. (AIMC, 2014)

But what have been the changes in newspaper consumption among different segments in Navarre? Have younger people become less interested in daily paid newspapers? According to CIES, the reading index of paid newspapers in Navarra is higher among older people ranging from 56 to 65 years old. The segment of 21 to 25 years old have shown a bit more interest in recent years, but still, the reading index of the segment of 21 to 45 years old has decreased significantly if we consider it reached values of almost 70% in earlier years. (CIES, 2013)

So the tendencies seem clear: The daily paid newspapers are becoming less popular in general, and the Internet is growing really fast. But this does not mean that newspapers should panic since the decrease of their consumption has not been that dramatic after all and it is still unclear if there is a direct relation between the decrease in consumption of newspapers and the Internet. (Rubio, 2011)

The case of Navarre for instance is particularly interesting. It is the fourth Spanish autonomous community in terms of Internet penetration (55%) after Madrid, Cataluña and Baleares, but surprisingly it is the autonomous community with the highest penetration of daily newspapers in Spain (49.8%). (AIMC, 2014) This clearly shows how strong the newspapers in Navarre are and it should be an example for the other autonomous communities in Spain. Just because the Internet is getting more and more popular it does not mean that newspapers should disappear. They should look at the rise of the Internet as an opportunity.

It is definitely an opportunity, but in order to succeed newspapers must be willing to adapt. This is basically how the free online newspapers appeared, as a response to the Internet boom. They are actually getting very popular which means good and bad news for the newspapers: It is great because the newspapers can broaden their audience and earn money through advertising, but it also means that in general those who tend to read the online newspapers prefer not to pay for the printed editions. In Navarra the number of people buying newspapers has decreased during the last two years, and the people that only read free online newspapers has increased during the last years. (CIES, 2013)

With this panorama, if newspapers want to keep their customers satisfied and be profitable, they must explore new possibilities and be quick to respond and adapt to technological change. This is where mobile devices enter the game.

With mobile devices we refer mainly to smartphones and tablets. The tablets have become very popular in recent years almost becoming a substitute for laptops. It would definitely be interesting to have some insights about the tablet market. However our application DNow is intended to be used in smartphones, so we will focus our research on these devices.

So what is the current situation of the mobile market in Spain? What is the penetration of smartphones in Spain? Do people like to use smartphones? What do they use them for? Do people like to use apps with their smartphones? What kind of apps? We will try to answer these questions in the next section. Since it has been difficult to find information about the mobile market in Navarra, we will use the Spanish market as a whole as our main reference.

- The mobile market in Spain

The mobile market in Spain has experienced an incredible growth during the last years, and Spain is actually the European country with the highest smartphone penetration rate, 66%. The average penetration rate in the EU is 57%, so the rate of Spain is quite high. (comScore, 2013)

But who are the users of smartphones in Spain? According to IAB Spain the ownership of smartphones is higher among young people from 12-25 years old (91%) followed by 26-35 years old and 36-45 years old people, with ownership rates of 87% and 75% respectively. So it seems like the younger the people the more likely it is that they will own a smartphone. Still, the ownership rate of people between 46 and 55 years old is not low either, being 67%. So it seems like smartphones are becoming more and more popular among all ages. (Clarke, 2013)

- Apps in Spain

But why have smartphones become so popular? The answer is probably in the functionalities they offer. The smartphones are really small, simple and intelligent devices, they are basically small computers and they do not require a big investment. Of course the range of prices varies among different models, but it relatively easy to find a simple smartphone for under 100€, which is quite cheap considering the functionalities it will offer the user. (Rubio J. , 2013) The capabilities of the smartphones are truly astonishing: users can have access to the Internet from the palm of their hand, connect with anyone anywhere in the world at any time, and of course have access to thousands of applications. The applications, also known as "apps", are basically programs which are intended to make the life of the users easier or more entertaining. Nowadays there are mobile apps for pretty much everything: banking, games, medical apps, news, weather, and the list goes on. Even though there are so many apps, it does not mean that all of them are good, so this is the challenge for developers: create successful apps.

Since Spain has the highest penetration rate of smartphones in Europe, we can expect the usage of mobile apps to be quite high. But who are the users of apps in Spain?

Even though the ownership of smartphones seems to be higher among younger people (14-25), according to The App Date the average user of apps in Spain is a 25-44 year old male, based on the city and from a medium social class. (TheAppDate, 2013) So this is essentially telling us that owning a smartphone does not necessarily imply using applications. Younger people seem to be more likely to own a smartphone, but they do not use apps as much as the older owners of smartphones. But then, what do the younger people use their smartphones for? According to IAB Spain some of the most popular Internet activities with a smartphones are chatting, checking the email, social networking, reading news, playing games, listening to music, restaurants and banking. (Clarke, 2013) So this makes sense: younger people tend to use apps to stay connected with their friends and be entertained (WhatsApp, Twitter, games…). Older people however, apart from using social networking apps, tend to use apps that make their lives easier: to find information about restaurants or when they are travelling, when they want to buy a product, to check their bank accounts, and so on. (Inqbarna, 2013)

So it seems like the usage of apps is more common among older people because of the functionalities the apps offer. This is very good news for us since the main value of DNow is its functionality: the users can be informed about the local topics that matter to them at anytime, anywhere.

So far we have a clear idea of who are the users of smartphones in Spain and what they use their smartphones for. But would it not be interesting to know more about their habits?

In a recent study performed by google, the results showed that 71% of the users of smartphones do not go out without their smartphones, that is, they almost always have their smartphone with them. The results also showed that the most common places where the people use their smartphone are at home (96%), at the café (83%), when they are going somewhere (80%), at work (74%) or in the public transport (72%). (Google, 2013) So it seems clear that one of the strong characteristics of the smartphones is that the users can bring them and use them anywhere.

Another interesting insight from the Google report is that it is very common to use the smartphone while doing something else, like watching TV, surfing the Internet, listening to music or reading a newspaper. This is actually very interesting because it means that a lot of information is constantly flowing though the smartphones and this information is very valuable. DNow takes advantage of this flow of information, and it keeps the user informed about what is going on in the social media.

Now, when it comes to mobile apps it is very important to consider the different business models, that is, if the app is going to be a free app or a paid app. We will assess this topic more specifically for our app in the marketing plan, but it would definitely be interesting to have a better understanding of the implications of the different models. For instance, will the customers be willing to pay for a paid app? What kind of apps are people in Spain willing to pay for? Are free apps more popular than paid apps in Spain?

According to data collected by Priori Data, last January the number of paid apps downloads in the Android market accounted only for 0.15% of the total number of downloads, which is an incredibly small percentage. The count of paid apps was also relatively low compared

ANDROID MARKET DOWNLOADS IN SPAIN, JANUARY 2014

	Count	Percentage	Downloads	Percentage
FREE APPS	946196	82.11%	320790000	99,85%
PAID APPS	206191	17.89%	468500	0,15%
TOTAL	1152387	100%	321258500	100%

to the total. (Priori Data GmbH, 2014)

Table 2: Android Market downloads in Spain, January 2014. Source Priori Data GmbH

So it seems clear that free apps are much more popular than paid apps in Spain. But what are the most popular categories? Taking a look at the Top 10 categories of Google Play, we can see that the most popular categories of free apps are entertainment, lifestyle, education

and business. When it comes to paid apps, the apps under the categories of personalization, education and books & reference seem to be the most popular.

As we mentioned earlier, older people seem to be interested in apps because of the functionalities they offer. The education, personalization and books & reference paid apps are a great example. For instance the personalization apps allow the users to change the design and look of their smartphones. Not only the users find them interesting, but they are

Figure 4: Top 10 Google Play catergories. Source: Appbrain.

also willing to pay for them because of their utility. (Appbrain, 2014)

The information gathered up to now can be summarized in the following points:

- The penetration of daily newspapers in Spain has decreased in recent years but the penetration of the Internet has increased significantly
- Navarre has the highest penetration of daily newspapers in Spain and the Internet penetration is also one of the highest in Spain
- Online newspapers are getting very popular and the number of people in Navarre that only read online newspapers is increasing
- There has been a small increase of the reading index of daily paid newspapers among young people (21-25) in the last years
- Spain is the European country with the highest penetration of smartphones
- The ownership of smartphones is more common among younger people (12-25)
- Android is the most popular mobile operating system

- The use of applications is more common among people aged 25-44 years.
- It is common to use the smartphones while doing other activities.
- Older people use mobile apps because of their functionality. They are even willing to pay for them because the apps make their lives easier
- Free apps are way more popular than free apps.

With all the information we have collected so far, we now definitely have a clearer global picture of the mobile market in Spain and the recent changes in the media industry in Spain and Navarre.

But after having completed the secondary research, new questions about Diario de Navarra and the use of smartphones in Navarre have aroused:

- Is Diario de Navarra improving its products to keep the customers satisfied?
- What do the readers expect from Diario de Navarra?
- How interested in local news are young people in Navarre?
- Will the people in Navarre be willing to use the mobile app DNow?

In order to answer these questions we need to narrow down our research and find more specific information about Diario de Navarra and the use of smartphones in Navarra. For this, primary research is necessary.

4.1.2   Primary research

Secondary research tends to be easier and cheaper than primary research. Nowadays with the Internet there is a lot of information published by third parties and it is fairly easy to access it. In the case of primary research, it tends to be more tedious and costly. It consists in gathering specific information for a particular project and it usually involves interviews, surveys and observation.

For the purposes of our project, interviews and surveys would give us very valuable information. Fortunately, during the autumn semester of 2013 a team of sociologists from Diario de Navarra conducted 30 interviews to gather information for the Pamplona 24 horas project. They also performed a market research and wrote a report, the Pamplona 24 horas report. As it has been explained earlier DNow has its roots in the Pamplona 24 horas project, so although the interviews were not done specifically for the DNow project, since DNow and Pamplona 24 horas are so interrelated, we can consider the interviews as a source for our primary research.

Although the Pamplona 24 horas report has great value for this project, there is still the need of more specific information about the use of smartphones in Pamplona. For this reason we decided to conduct a survey about the usage of mobile devices and consumption of information in Pamplona among students in the Public University of Navarre.

We will analyse the results from our survey and the Pamplona 24 horas report in the following sections

- Pamplona 24 horas report

The report of Pamplona 24 horas has a lot of information, but for our project we will only focus on the results from the 30 interviews, which can be summarized in the following points:

- The older readers felt too much homogeneity in the content of the news. That is, they found hard to tell which news were more important.

- There is the need to know almost immediately what is happening around: The younger generations seem to be interested in what is happening around them immediately after it has happened.

- Most of the people keep themselves informed to not be embarrassed. If people ask them they want to be able to answer the questions.

- People believe that social networks act as a filter so that it help them differentiate the relevant information. It protects them from the excessive amount of information out there.

- To consume all the information that a particular media offers it would be necessary to have a daily routine to be informed. Most people are not able to do that so it feels as if they are missing some information.

- In order to be more informed people avoid traditional press and search new platforms that allow them more personalization according to their preferences. This way they can keep themselves informed more properly. (Diario de Navarra, 2014)

As we can see the results from the interviews are very interesting, and they are giving us very valuable information for our mobile application. For instance, the interviews show that people want to know what is happening around them almost immediately and this is exactly what DNow aims to do: the app wants to keep the users informed about what is happening around them but not only that. It also gives the users a global context of the issue they are interested in.

Moreover, the interviews showed that people like personalization. Apparently there is the feeling that newspapers publish too much information and in the end the readers are not

able to consume all of it, so it feels as if they are missing something. That is why they like personalization, because it allows them to be informed about exactly what they want. And this is actually what DNow is all about: personalization. As we have explained earlier DNow allows the users to set up an alert system so that they can be notified about the topic they are interested in.

The results obtained with the interviews seem to be very positive for our project. They somehow seem to explain the decrease of the popularity of newspapers due to the excessive amount of information they have and their homogeneity. The results also show that the behaviour of the readers is changing with personalization becoming more and more important. As we saw in the secondary research, this should not necessarily be seen as something negative, but as an opportunity: Mobile devices are the perfect platform for personalization.

Overall the results obtained with the interviews have proved to be very valuable and helpful. However they focus on the main characteristics and the changes of behaviour of the readers of Diario de Navarra, and we still need more information about the use of mobile devices in Pamplona among young people. To find that information we will analyse the results from the survey we conducted.

- Survey about the usage of mobile devices and the search of local information in Pamplona

Nowadays there are many free websites to carry out surveys. Among the most popular in Spain are Encuestafacil or Surveymonkey. We were initially going to use Surveymonkey for our survey but the team of sociologists at Diario de Navarra recommended Google Forms as a better option. Apparently the free version of Surveymonkey does not allow much personalization and it has a limit of 100 responses per survey, plus it does not allow to download the results. Google Forms on the other hand allows much more personalization of the questions, over 1000 responses, and more importantly it collects the responses into an Excel spreadsheet, which makes it really easy to analyse the results later. For these reasons we decided to use Google forms for our survey. (Henderson, 2012)

The survey consisted of 11 simple questions about the usage of mobile devices, mobile applications, and the search of local information. (The results from the survey can be found in Appendix 11.1).

The data collected during the secondary research showed that young people (12-24) are more likely to own a smartphone and it also showed that slightly older people (25-44) are more likely to use mobile apps. On top of that, we also found that there has been a small increase

of the reading index of Diario de Navarra among young people (21-25) and that the reading index among people 21-44 years old used to be very high (almost 70%) in earlier years. Therefore we know who the users of smartphones and apps are, and who the readers of Diario de Navarra are. We know that young people use their smartphones a lot, but they are not as interested in Diario de Navarra. So they question is, will the younger segments (18-24) be interested in our mobile app DNow? Everything seems to indicate a negative answer but to make sure we decided to carry out our survey among young people in Pamplona.

The survey was sent to a mail list of 1589 students and 175 professors of the Public University of Navarra, making a total 1764 receivers. Over the course of one month (May 2014), the survey collected 217 responses (12.3%).

Now when carrying out surveys it is very important to define the number of respondents necessary to make the results of the survey representative of a larger population, that is, the Sample Size. In order to do that we must define the margin of error we are willing to accept, the population, the confidence level, and the distribution of the response: (Raosoft, Inc, 2014)

- Margin of error (e): This value varies depending on the nature of the survey. For instance in the pre-election polls it is usually 3%. Since the nature of this project is less formal we will be willing to accept a higher error, so we will take a value of 7%. (Vallejo, 2012)

- Population (N): The respondents of the survey ranged from 18 to 64 years old and they were all from the area of Pamplona. In the area of Pamplona the population of 20-64 years olds is around 214000 people. Since the

$$n = \frac{Z^2{}_{\alpha/2}PQN}{\varepsilon^2(N-1) + Z^2 PQ}$$

penetration of smartphones in Spain is 66%, we can estimate that in the area of Pamplona there are 141000 users of smartphones. (comScore, 2013) We will use this number as our population.

- Confidence level (Z): This is the level of uncertainty we are willing to accept. We will set this value to 95% and this gives a Z value of 1.96.

- Distribution of the response (PQ): We will use a value of 50% which is the most used. (Raosoft, Inc, 2014)

With all these values and using the formula to calculate the Sample Size (n), we get a result of about 200 (rounding up). This means that for a population of 141000, and with an error of 7% we need at least 200 respondents for the results of our survey to be representative. We actually got 217 respondents, so we can now be certain that the responses from our

survey are representative of the population in the area of Pamplona using smartphones. Therefore we can proceed to analyse the results.

As said earlier the survey was composed of 11 questions so we will try so give a brief summary of the results for each question:

- 89% of the respondents were between 18 and 24 years old. 7% were in the segment of 25 to 34 years old, and the remaining 4% were between 35 and 64 years old.
- 67% of the respondents were women and 33% were men.
- 92% were currently studying, 6% were working, 2% were studying and working and 1% were unemployed.
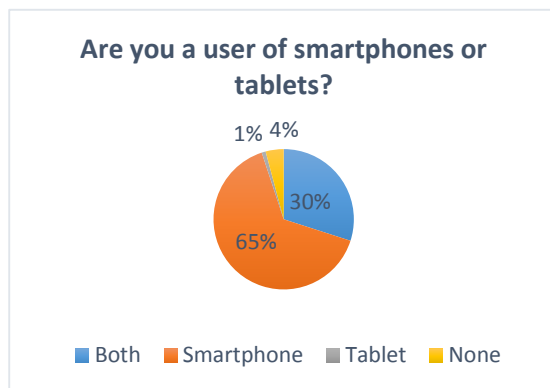
Figure 5: Survey result 1
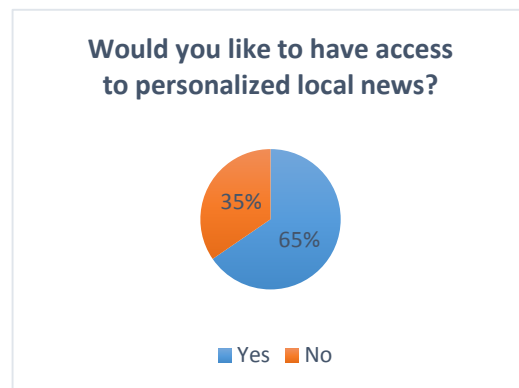
Figure 6: Survey result 2

- Most of the respondents (65%) were users of smartphones and 30% were users of both smartphones and tablets. Having only a tablet does not seem to be very common (0.9%).
- 94% of the respondents said they download mobile apps. The remaining 6% said they do not.
- 80% asserted that they like receiving local information, and 65% said they would like to have access to personalized local news.
- Most of the respondents (68%) said that they would not be willing to pay for the application. 16% said they would pay up to 1€, 13% would pay between 2 and 5€ and only 4% asserted to be willing to pay more than 5€ for the application.

As we can see the results are very interesting, and our initial assumption about the young people was wrong. Since the segment of people from 14-20 are not avid readers of Diario de Navarra and the segment of 21-25 have only shown a slight increase of interest in Diario de Navarra in recent years, we though they would not be very interested in a mobile app with personalized local news. The results however show something very different: 65% of the

respondents said they liked the idea of having access to personalized local news. We did not ask them directly if they would like an app with personalized news, but most of them said they used smartphones (65%) and downloaded mobile apps (94%), so it seems like the idea of a mobile app with personalized local news could have a great response.

We also asked them about the price they would be willing to pay for the app, and the majority of the respondents said they would not be willing to pay, because there is a lot of information out there on the Internet and they can access it for free. Of course we did not explain to them all the features of our application, so their responses were quite predictable. Still, we have confirmed that young people in general are reluctant to pay when it comes to mobile applications.

With our survey about the use of smartphones in Pamplona, and the Pamplona 24 horas report we have answered many of the questions that aroused when we started the primary research. We now have an even clearer picture of the market DNow is going to face when it is launched. We certainly have a better understanding of our potential customers (users of smartphones) out there and how people perceive Diario de Navarra. However we can still gather some more information about the readers of Diario de Navarra, more specifically the readers of the online newspaper www.Diariodenavarra.es. We can do so by analysing the data collected by Google Analytics.

4.2.3   Google analytics as a research tool

Google Analytics is a free service by Google that offers its users very detailed statistics about their websites. It is a very useful tool for marketing campaigns since it gathers a lot of information about the visitors of the websites. It tells the users information such as the location of the visitors, the amount of times they clicked, the time they spent in the website, how they arrived to the website, and many more.

Since the website of Diario de Navarra had a monthly average of 1.2 million unique visitors last year, this means that Google Analytics collected an incredibly big amount of information about those visitors. We can derive a lot of conclusions from this information, and those insights definitely have a really great value for our project.

As we mentioned Google Analytics collects a lot of information, and analysing all of it would require a separate project and a lot of time. For this reason we will use this section to analyse only the most important data collected with Google Analytics that we consider relevant for this project. That includes demographic and geographic information, the technology of the audience, and more importantly, information about the use of mobile devices. We will analyse the data collected over the course of the last year (May 1, 2013 to May 1, 2014):

- Total traffic
- Most of the total visitors of the website (31%) were 35-44 years old. The 25-34 and the 45-54 year old segments had very similar rates, 19 and 20% respectively. The rest of the visitors were 55-64 years old (12%), older than 65 years (10%) and 18-24 years old (7%).
- 54% of the total visitors were female and 46% were male
- Mobile and tablet traffic
- Mobile and tablet traffic accounted for 31.74% of the total traffic of the website. 31% might not seem like a high percentage, but it actually means that there were almost 3.5 million users of mobiles and tablets over the course of the last year.
- Regarding the demographics the most popular age was 35-44 (35%) as with the total traffic, followed by 25-34 (21%) and 45-54 (20%). The segment of 55-64 accounted for 12%, the older than 65 accounted for 7% and the younger segment (18-24) were only 5%.
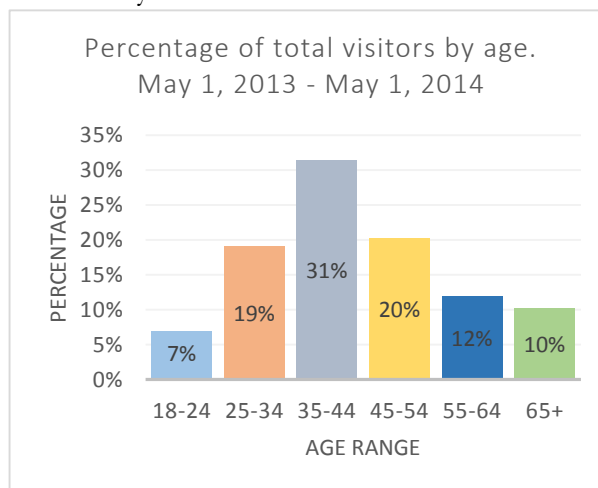
Figure 8: Google Analytics results 1. Source: Google Analytics
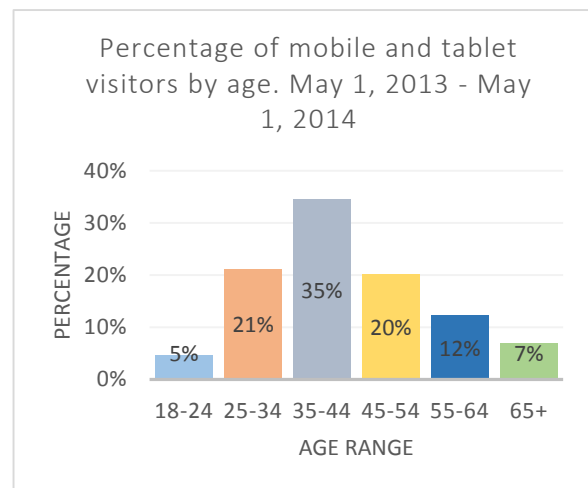
Figure 7: Google Analytics results 2. Source: Google Analytics

So as we can see in table 1 and table 2, overall the most popular visitors of diariodenavarra.com are the segment of 25-54 years old. Interestingly the percentage of 25-34 year old people is higher when they are visiting the website though their smartphones or tablets. What is also interesting about this data is that the traffic of young people (18-24) is very low with respect both to the number of total visitors and the mobile and tablet visitors. Not only they do not visit diariodenavarra.com with their computers but they also do not do it with their smartphones. This actually makes sense since in the interviews carried out by the sociologists the respondents said that one of the main barriers to reading news was that

there is too much information published and it is hard to read all of it. This might be the case of the website of Diario de Navarra

- In-page analytics

Google analytics actually has a feature that allows the administrators to see what the sections of their website that get more clicks are. It is called "in page analytics".

Figure 9: In page analytics of Diariodenavarra.es. Source: Google Analytics

As we can see if we go the landing page of the "Navarra" section, the "Navarra" menu gets the highest percentage of clicks, 21% while the rest of the sections get significantly lower percentages. What this is telling us is that most of the people that visit diariodenavarra.com do not visit all the different sections. They just click on the news that interest them, which seems quite obvious. The explanation for this seems to be that people perceive that there is too much information available and they cannot consume all of it. So does that mean that the website of Diario de Navarra should have less content? The answer is probably no, since although the click rates of some sections are very low, they are still positive, which means that there is people interested in the content of those sections. What is the solution then? Since people perceive that there is too much information, and everybody has different interests, a feasible solution seems to offer the readers the personalization of their news, so that they can have access to the information they want. This is actually what the respondents of the interviews said, that they would like personalized news. So how can Diario de Navarra offer its readers personalized news? The mobile application DNow seems to be the answer.

- Location

Google analytics also collects information about the visitors of the website:

- About 92% of the total visitors come from Spain. The rest comes from the rest of the world, mainly the US, Europe and South America.

- Of those Spanish visitors, most of them come from Pamplona (61.30%) but also there are also visits from Madrid (9.19%), Barcelona (6.07%), Tudela (2.25%), Zaragoza (1.74%), Bilbao (1.43%), San Sebastian (1.17%), Logroño (0.92) and others.

When it comes to mobile and tablet traffic, the locations are also similar

- 93.2% of the mobile and tablet visitors come from Spain. The rest comes mainly from the United Kingdom (0.92%), the United States (0.89%) and other South American and European countries.

- Of those Spanish mobile and tablet visitors, 48.28% comes from Pamplona, 13.3% from Madrid, 12.82% from Barcelona and 6.33% from Tudela. The rest comes from Bilbao, Zaragoza, Valencia, Seville and others places.

As we can see the Spanish locations with the highest number of visitors are Pamplona, Madrid and Barcelona, and the location of the visitors does not vary much depending on how they access to the website (computer or mobiles and tablets)

- Operating systems

According to the data extracted from Google analytics, during the last year the percentage of users of smartphones using the operating system Android (Google) was almost 75%, while the users of iOS (Apple) was 23%. The other operating systems such as Windows Phone and Blackberry had rates of around 1%. However in the case of tablets, iOS (76%) was more popular than android (23%). So the conclusion here is that the operating system Android is very popular among smartphones, while iOS is more popular among tablets, mainly the iPad. Our analysis of Google Analytics could be more extensive, but for now we believe we have collected enough information about how the readers of Diario de Navarra interact with the website Diariodenavarra.com

We will put together all the information from the primary and secondary research in section 4.4, but for now we still need a bit more information about the market of DNow, mainly its possible competition. We will analyse this in the next section.

4.2.   Competitors

After an initial look at the app market in Navarre, we can definitely say that DNow has no direct competitors. After an exhaustive app store research we have not been able to find any mobile application with the characteristics of DNow, either locally (Spain) or globally (other

countries). This is very good news for DNow since the fact that there is no application with similar characteristics makes it very unique and gives it added value.

However, when assessing our competition we must not only try to find products with the same characteristics, but products that serve the same purpose. The main value of DNow is that it gives you access to local news. There are no apps with personalized local news with the characteristics of DNow, but there are certainly many tools and platforms out there that serve the same purpose:

- Twitter: The use of Twitter in Spain in very popular among people from 18 to 30 years old (IAB Spain, poster RRSS). Checking the latest tweets from your favourite newspapers is a quick and easy way of accessing information. However the information published on Twitter is very brief and quite superficial if we compare to DNow. The information that DNow offers the user is much richer, and not only it gives the users the most relevant tweets but also valuable information from other social networks.

- Local press: The main purpose of reading a local newspaper is to be informed about the local issues that matter to the reader. This would also be the reason to use DNow, so somehow newspapers such us Diario de Noticias seem to be our competition. However, the information published in the local press is rather outdated since it was written the day before. DNow gives you the latest information available out as well as relevant information from the past. SO clearly DNow has much more value than a newspaper.

  Regarding Diario de Noticias, it is currently the main competitor of Diario de Navarra but since it does not have a mobile app, it does not seem like a threat, at least for now.

- Local digital press: It seems clear that the local press is not a big competitor for DNow, but what about the local digital press, that is, the online newspapers? They certainly have more updated information than the printed press, but again, the information that DNow offers the user is much more valuable. The online newspapers offer news, but DNow brings the user not only those news, but what is happening in the social media plus any related information that might seem useful for the user.

- Google alerts: This is a tool from google that allows the users to receive alerts whenever there is new information on the Internet about a particular topic. It seems to have great value to the user, but the information that google alerts collects is rather

superficial compared to what DNow offers. Google alerts seems a great tool to receive information about a topic in general, but the information that DNow gathers is more specific. Most of the information shared on the social networks does not appear on Google, but DNow is able to find it through its social network trackers.

- News 360: This mobile app allows the users to personalize their news according to their preferences (sports, politics, photography, nature, and so on). The app finds news articles and blog posts that might be relevant for the user. The app however is only available in English and with local editions for countries such as the US, UK, Australia and Canada. Although the concept of the app is slightly similar, the content of DNow is much more specific and rich: not only it finds content from the web as New 360, but it also gathers information from the social media.

- Newsbeat: This mobile app offers the users to listen to the news that interest them. They set the topics they are interested in and the app reads the most relevant news to the users as if it was a radio. This definitely seems like an innovative concept, but again there is only an English version, and the nature of the news is quite general, not as specific as what DNow offers.

- Radio: A lot of people get informed about local news by listening to the radio. In this case what makes DNow a better option to get informed is not only the information it offers but also the way this information is presented. While listening to the radio, it is very easy to miss something. With DNow that is not very likely to happen.

Since DNow does not seem to have any direct competitors and the indirect competitors do not seem to be a big threat after all, this really looks like a big opportunity for the app.

4.3.   SWOT Analysis

Now that we know who the possible competition of DNow and the market it is going to operate in, we can perform a swot analysis to see the strong and the weak points of DNow. Strengths

- It is a local app, and as we have seen it does not seem to have any direct competition.
- Its innovation: DNow is a very unique app and there are no similar apps like it.
- DNow has the support of Diario de Navarra: That means the possibility to have access to capital, advertising channels and all the resources of Diario de Navarra.
- It is a very simple app
- Diario de Navarra has access to exclusive and unique information which makes the content of DNow very valuable.

- Personalization: DNow has an alert system that allows the users to personalize the news they want to be informed about.
- DNow will be available for both Android and iOS operating systems.

Weaknesses

- The last application of Diario de Navarra was not very successful and it has a bad reputation. DNow obviously has nothing to do with it, but it might have some effect when DNow is launched
- Lack of content: We have estimated that every day there will be about 4 or 5 threads but we do not know if there will be enough information to build those threads.
- Generating revenue: As we will see later in the marketing plan, making money with mobile apps is a rather difficult task.

Opportunities

- The primary research has shown that young people are interested in personalized local news so this might be an opportunity to attract more customers from that segment.
- New partnerships might originate as the app enters the mobile market.
- The app market has low barriers to entry

Threats

- Competitors: Right now DNow does not have any direct competition, but we do not know what our competitors are working on. Maybe Diario de Noticias is about to launch an amazing app and we do not know it
- Imitation of our app: Nowadays it is relatively easy to develop an app based on an already existing app. If our app turns out to be successful it is very likely that somebody out there will create a different version of it.

4.4. Evidence of a gap in the market

If we put together all the information we have collected so far through primary and secondary research, plus the conclusions from the competition and the SWOT analysis, we believe we have enough data to confirm that there is a gap in the mobile market in Navarre. The following list provides the most important insights from our market analysis that indicate the existence of a gap in the market:

- Smartphones are very popular in Spain, Navarre is no exception.

- Spain has 22 million active users of apps and they are very popular among people from 25 to 44 years old. (TheAppDate, 2013)
- The readers of Diario de Navarra feel like there is too much information out there. They would prefer personalized news so that they could keep themselves properly informed and avoid the excess of information.
- The consumers of information in Spain are no longer devoted to a single platform such as printed press. They are prone to switch between different devices and platforms (web, smartphones, and tablet) and they can decide when and how they consume information. (comScore, 2013)
- There has been a small increase of the reading index of daily paid newspapers among young people (21-25) in the last years.
- Our survey about the use of smartphones in Pamplona shows that young people (18-25) like the idea of having access to personalized local news.
- Currently in Navarre there is not any news application with the characteristics of DNow.

All these insights seem to support the idea that not only the use of smartphones is very popular in Spain but also that the readers of news in Navarra are interested in personalized local news and there is currently no tool or program that meets that desire. Therefore we can be certain that there is a big opportunity for DNow in the mobile market in Navarre.

Now that the market analysis is completed, we can proceed to start the marketing plan, in which we will define our target based on the data collected though market research, define the product we want to sell, and finally define the marketing strategy, that is, how we are going to launch our product into the market.

5.   MARKETING PLAN

5.1   Product benefits

In the product section we described the main features of our product, DNow. However, in order to develop an effective marketing plan it is essential to identify the benefits of DNow, and understand how the customers are going to see the app. So here are the main benefits of DNow that we have identified:

- Ease of use: The simple and intuitive design of DNow makes the user experience easy and efficient.
- Useful information: The information provided by DNow can help the users to take decisions.
- Mobile: The app can be used anywhere at any time.
- Push and pull system: The user does not have to be constantly checking the app. The app will notify the users when there is new information.
- Personalization: The notification system can be personalized so that the user only receives the information that interests him or her. This means that the content will be different for each user according to their preferences.
- The value of the environment: DNow shows the user the value of the interaction of others users in other platforms such as Twitter. If an important topic is being discussed in Twitter, DNow will show the user the most relevant content created there.
- Global vision: DNow gives the user a global vision of a particular topic which means they can avoid losing time searching for news in different platforms.

But In the market place the consumers do not focus only on the characteristics and benefits of the products, what they want is basically a product that gets the job done, so the key is to find the right job for your product. Why will the people want to use DNow? What is the job of DNow? (Clayton M. Christensen, 2007)

- DNow keeps the user informed about the latest local news in Navarre. Not only with information from Dario de Navarra but also from different social networks.
- By gathering all the information DNow saves a lot of time for the user who does not have to surf the internet to look for all the information.
- The personalization system allows the user to be informed only about what they want, protecting them from the overload of information of the newspapers

All these peculiarities make for a unique mobile app with a great value for the users. They can use it whenever and wherever they want, and it allows them to be informed about local issues that interest them in a very easy and quick way.

5.2   Target

We have already defined all the features and benefits of our product DNow, and we have also performed an exhaustive primary and secondary market research, which gave us a lot of insights about the potential customers in the mobile market in Spain and more specifically in Navarre. Therefore we can now define more properly the target audience for our product. We can start by listing the main insights we can extract from our market research:

- The average user of apps in Spain is a 25-44 year old male from an urban environment and a medium social class.
- There has been a small increase of the reading index of daily paid newspapers among young people (21-25) in Navarre in the last years
- The most common visitors of diariodenavarra.es are the segment of 25-54 years old.
- The main visitors of diariodenavarra.es come from Pamplona, Madrid and Barcelona.
- The results from our survey in Pamplona showed that most of the respondents (18-24 year old females) liked the idea of having access to personalized local news.

So with this data we can already differentiate two main targets:

- Core target: 25-44 year old, medium social class users of smartphones in Navarra. This would be the ideal user of DNow.
- Generic target: 18-54 year old, medium social class users of smartphones in Navarra. This includes all the potential users of DNow.

Note that these targets do not necessarily need to be readers of Diario de Navarra. People that do not read Diario de Navarra frequently might find DNow interesting because of its features and added value, so we will also include them as our target.

Also, regarding the social class of the target, the only requirements to use DNow are having a smartphone and Internet connexion. We already know the smartphone penetration in Spain, so estimating the number of users of smartphones in Pamplona will not be a problem. However not all the users of smartphones have access to the Internet but nowadays the free Wi-Fi spots in shopping centres, cafes and streets have become very popular, even in Pamplona. Therefore we suspect that the medium social class users of smartphones and will not have any problems managing to have access to the Internet. This also applies to the unemployed users of smartphones. (Ayuntamiento de Pamplona, 2014)

Regarding the "job" of DNow we mentioned earlier, if we suspect why people will want to use DNow, we can also have an idea of what kind of people will want to use it or in what situations:

- People with no time to look for information: When they are in the office, people that have kids and are very busy all day, and so on.
- People curious about local information.
- Entrepreneurs that want to know more about a particular topic.
- Early adopters: People that like trying new applications.

These are just some of the profiles that we suspect will be interested in our app, but having a more specific profile is rather difficult. Therefore based on our assumptions we will create a generic profile for our main target. So far these are the main characteristics of our main target:

- 25-44 years old
- Male or female
- Medium social class
- Employed or unemployed
- User of smartphones
- In Navarra, preferably the area of Pamplona
- Interested in local news

Knowing all of this information and with data from the Statistical Institute of Navarre we can proceed to size up our target market.

Latest population data of Navarre. Jan 1, 2013							
Age	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59
Total	31763	37704	49260	55773	53151	50209	44852	39069

Table 3: Latest population data of Navarre. Jan 1, 2013. Source: Statistical Institute of Navarre

We also know that the smartphone penetration in Spain is 66%, so with this value we can estimate the amount of users of smartphones among the different segments of the population of Navarre.

Age	25-44	20-54
Total	195888	322712
Smartphone penetration, 66%	129286	212990

Table 4: Smartphone users in Navarre by age.

Rounding up the numbers obtained, we have that our core and generic targets are composed of approximately 130000 and 213000 individuals respectively. For marketing purposes we will use the generic target.

5.3   Strategy

5.3.1.   *Goals*

When developing a marketing plan it is essential to define the main goals of the strategy. These goals are basically what we want to achieve with the marketing campaign. We must not forget that DNow will be launched as a product of Diario de Navarra, so we will divide the goals into three main categories: Goals as a business, communication goals and marketing goals.

Goals as a business:

- Make Diario de Navarra a referent media in Navarra. Nowadays the data confirms that Diario de Navarra is the newspaper leader in Navarra, so it is very important to maintain that reputation. (CIES, 2014)
- Being profitable: Diario de Navarra as business aims to be profitable and even though the revenue of DNow will account for a very small percentage of the total revenue of the company, the goal will be to make the app economically viable.
- The mission of Diario de Navarra is to make Navarra a better place, so this mission will have to be taken into account during the marketing campaign.

Communication goals:

- The main communication goal will be to let the public know the lunching of the mobile application DNow. This is what we want to communicate.

Marketing goals:

- We initially considered the goal of entering the top 50 in the Google Play and App Store, but since the target market of DNow is quite limited it will definitely not get enough downloads to achieve that. However, the number of downloads when the app is launched is crucial to have a good reputation. Therefore the goal will be to achieve as many downloads as possible in a short amount of time. The results will be measured by the amount of downloads
- It would be great if a lot of people download DNow after it is launched, but according to Localytics only 22% of the apps that are downloaded are used more than one time, so we must avoid that. (Localytics, 2013) The goal then will be to empower the users to use the app and leave reviews in the app stores because they

are very important. The results will be measured by the number of reviews in the app stores.

- Social Media presence: As a way to interact with the users of DNow, the goal will be to be present in the different social media networks and share relevant information about DNow. The results will be measured by the interaction in the social media (likes, shares, and comments).

- The main revenue source of the app will be advertising, so the goal will be to find those who want to advertise their products in DNow.

- Advertising (SEM): After the app is launched and people have left their reviews the goal will be to keep attracting new users by Search Engine Marketing. The results will be measured by the number of downloads.

- Making DNow more visible on the Internet: This can be done by working on the Search Engine Optimization (SEO) and App Store Optimization (ASO) of DNow. The SEM contributes to that as well. The results will be measured by the number of downloads and the interaction in the social media.

Now that we have defined the main goals and how we are going to measure them, we can develop the marketing strategy, that is, the actions we are going to take to achieve those goals.

5.3.2. Promotion strategy

Addressing each goal individually would require a more detailed analysis and the promotion strategy is intended to help the reader have a general idea of what we are going to do to achieve our goals. Therefore in this section we will focus on describing some of the marketing actions and how they are going to contribute to achieving our goals.

- Product

Even if the concept of a product is really nice, if the product does not seem attractive the customers will not want to purchase it or try it. Therefore the image and design of the product are really important. It is basically what the customers will perceive so it is very important to take care of them. In the case of DNow, its design is very simple and intuitive, which intends to make the user experience more pleasant. After the testing phase during the summer 2014, a designer will be in charge of making sure the app looks great and is ready to be sold in the app stores. A great design will contribute to a better user experience, and hopefully this will encourage users to leave positive reviews. (Hulewicz, 2014)

- Client segmentation

Once the users have downloaded the application, they will be asked to fill in a very simple register. They will just have to say their name, age, e-mail, gender, location, and so on. Just some generic data. The register will be optional since we do not want the users to perceive the app as something intrusive.

With all the information from the users' registration a database will be created. All that data will be used for the segmentation of the advertising inside DNow.

In order to manage all the information from the database we will use DoubleClick for Publishers (DFP) Small Business. It is a management tool from Google that helps managing the information from the database and segment the advertisements in relation to that information. This management tool is free until 90000000 impressions which we do not think we will reach, so in principle managing the information from the data base will not have any cost for us. Also, the database will not use any private information from the user. Only generic information.

So the idea is that thanks to the register we will be able to segment the ads among different users based on their location, gender, interests and so on. For instance if we know that one user is interested in sports, the content of the ads could be from Decathlon.

The task then will be to find those companies that want to advertise their products in DNow. Since Diario de Navarra has a lot of partnerships we suspect it will not be very difficult.

- Marketing actions

Besides the product and the customer segmentation we also need to define the main marketing actions we will carry out in order to achieve our goals. These are the main actions we have come up with:

- Press release: It is very important to let the public know that Diario de Navarra has launched a new app. Therefore what a better way of doing so than creating a press release. The cost would be minimal and it could reach a lot of potential users. The press release could have a QR code that would redirect the users to the App stores to download DNow. This would contribute to increase the amount of downloads after the launching.

Figure 10: QR code example. Source: Qrcode.es

- Promotional video or tutorial: Even if the description of the product is very detailed the customers will not understand how DNow works until they see it in practice. So a good way to let the users know more about DNow is creating a simple video

explaining the functionalities of DNow. Apart from that the tutorial video a promotional video could be great. For instance a video showing a group of friends talking about a local issue and how they like DNow to be informed. The main issue of this video is that its production cost would be quite high so we will just mention it as a possible alternative. These videos would also contribute to increase the amount of downloads in the beginning and encourage the users to leave positive feedback.

- Online promotion: One of the most important advantages of Diario de Navarra is that as a newspaper it has the potential of reaching a great amount of people though its main communication channels (website, Twitter and Facebook). Therefore for our marketing strategy we will use the main channels of Diario de Navarra instead of hiring other companies to do it for us:

  o Diariodenavarra.es: The website has around 1 million unique visitors each month, so it can give DNow a lot of exposure. The main task will be to

Figure 11: App Store download links. Source: Google

create links that redirect the readers to the App Stores where they can download the app. The tutorial video could also be promoted in the website. (Diario de Navarra, 2014)

  o Facebook: The Facebook page of Diario de Navarra has currently around 24k followers so it can be a great platform to reach the users of DNow and interact with them, encouraging to leave reviews and other relevant information. (Facebook, 2014)

  o Twitter: The Twitter account of Diario de Navarra has currently 36k followers so it can also be a great platform to interact with the users of DNow, or publish the latest news about the app. (Twitter, 2014)

  o YouTube: Diario de Navarra has a YouTube account with very few followers. However these could be the platform to host the tutorial video that then would be shared on the other social media platforms. (YouTube, 2014)

- Conferences, app contests, *hackathons*, etc: As a way to promote the app DNow could take part on conferences or even celebrate a hackathon.

- Sweepstakes: As a way to encourage the users to download DNow, Diario de Navarra could organize a sweepstake in which for instance one of the first 1000 users that

downloaded the app could win a tablet. Diario de Navarra has a lot of partnerships so the cost of this sweepstake could be minimal.

- Web Advertising (SEM): Once the app has been in the market for a few months it could be great to do an AdWords campaign to reach more users not only in Navarre but also outside of Navarre. Since the AdWords campaign seems interesting we have actually estimated the cost it would have and how it would work.
    - o We started the campaign by searching for relevant keywords using the tool "Ubersugest".
    - o We also used Google analytics to see the locations of the visitors of Diariodenavarra.es. The data showed that the most popular visitors come from Pamplona, Barcelona and Madrid. With this information we can segment the AdWords campaign. (Diario de Navarra, 2014)
    - o Once we had the list of keywords and the locations of the campaign we used Google Adwords to give an estimation of the cost of the keywords. (see appendix 11.3)

This is the structure of the AdWords campaign:

	Goals and Estimations				
	Jan-14	Feb-14	Mar-14	Apr-14	Total
Impressions	10.000.000	10.000.000	15.000.000	15.000.000	50.000.000
CTR	1,00%	1,00%	1,00%	1,00%	1,00%(average)
Clicks	1.000	1.000	1.500	1.500	5.000
CPC	0,30 €	0,30 €	0,20 €	0,20 €	0,25 €
Investment	300,00 €	300,00 €	300,00 €	300,00 €	1.200,00 €
% Downloads	1,00%	1,00%	1,00%	1,00%	1,00%
Downloads	10	10	15	15	50

Table 5: AdWords campaign goals and estimations

As we can see we estimated that the campaign would have a total cost of 1200€ during the period of four months, and it would be converted into 50 downloads of DNow.

- App Store Optimization (ASO): Besides paying to make DNow more visible on the Internet (SEM) there is also the option to optimize DNow in the different app stores, so that it is more likely that users will find DNow when they are looking for apps in the app stores. There are many ways to optimize the app:

o Description: Choosing a right description is essential. It must describe exactly what the app does and its benefits. (Hulewicz, 2014)

o Keywords: The keywords are very important because they will determine whether the app will appear after a search or not.

Figure 12: DNow logo. Source: Apptivismo.org

o Logo: Having a great logo helps a lot, it must be simple, suggestive and not ugly.

o App's title: The title should be descriptive and short.

o Screenshots: It is very imporant to let the users know how the app looks and how it works, so attaching a few screenshots near the description of the app is very reccommended. The Play Store from Google allows up to 8 screenshots whereas the App Store from Apple allows only 5. It is nice to add small descriptions to each screenshot to let the customers understand what they see. (Machuret, 2014)

5.3.3. Budget

We now have a clear picture of the actions that will be carried out to achieve the main goals, but it is also very important to define the budget, that is, the cost of all of these actions Fortunately Diario de Navarra has a very strong set of communication channels which will allow DNow to have a lot of exposure. Also, since the communication channels are internal, the cost is minimal. Therefore the only cost that we should take into account is the AdWords campaign that as we saw, will have an estimated cost of 1200€.

We also mentioned that a designer will make sure that the app looks great and is ready to be put on the App Stores. However we will include this cost in the start-up expenses.

5.3.4. Monetization strategy

As mentioned previously in the market analysis, when it comes to mobile applications it is essential to define the monetization model, that is, how the app is going to generate revenue. In case the app is a paid app then we must determine its price, which is not a particularly easy task.

These are the main pricing models for mobile applications:

- Free app: There is no revenue from the downloads of the application. Instead, the app serves as a platform to give more visibility to a brand redirecting the user to another platform where the revenue is generated (a website for example). (Tapsarena, 2014)

- Paid app: The users must pay to download and use the application, so the revenue is proportional to the number of downloads. Most of the paid apps stay under the 4.99€ price point and normally the users expect to pay very little even for very sophisticated apps. (Apppli, 2011) Therefore, setting a correct price is very important, otherwise it can be a really big barrier. It is all about meeting customer expectations, and in general they are set very high. The price however does not have to be fixed, it can be changed although it is not recommended. (Matzner, 2011)

- Freemium or Lite: This model consists of a free version of the app plus a paid version that is more advanced and has more functionalities. (Matzner, 2011) For this model to be profitable, the service offered by the free app must have a very low marginal cost, which should be compensated by the price the users pay for the premium version. To be viable this would require a lot of users. (Prieto, 2009) This is the most popular model for games: Once you start the game it is free, but if you want to play in the next level you have to pay.

- In-app purchases: Besides offering a better version of the app, there is also the option of offering additional products within the app. This is also very popular for games, where the players can purchase virtual goods. (Goetz, 2013)

- In-app advertising: This is one of the most popular monetization models. It basically consists of integrating different ads in the app in the form of banners, interstitial (full screen ads), video ads, and so on. (Vourkos, 2014) They key to a successful in-app advertising model is to find the right balance between the user experience and the ads: Too many ads will make the user experience annoying and they users will want to uninstall the app. The revenue is generated by clicks and impressions. . This model is recommended for apps with a lot of users. (Apppli, 2011)

- Subscription: The app that the user downloads is free, but in can have access to exclusive content paying for instance a monthly fee. (Tapsarena, 2014)

As we can see there are quite a few possibilities to choose from, and all of them have their advantages and disadvantages. Therefore we must choose the model that fits better for DNow. It can be helpful to look at the models of related applications.

Taking a look at the news category of the Play Store from Google, we can see that there are plenty of apps. However most of them are free, and the reason for this is the service they offer. Most of these apps (including the old app of Diario de Navarra) have a generic design that consists in a mobile version of the website of the newspapers. These apps do not have any special features, they just show the latest news published in the websites of the

newspapers. Since they do not have any special features and they do not require any maintenance at all, it would not be sensible to charge for them. In this case the revenue is generated with ads as well as in different platforms (the websites of the newspapers). The app basically serves as a way of giving more visibility to the newspapers.
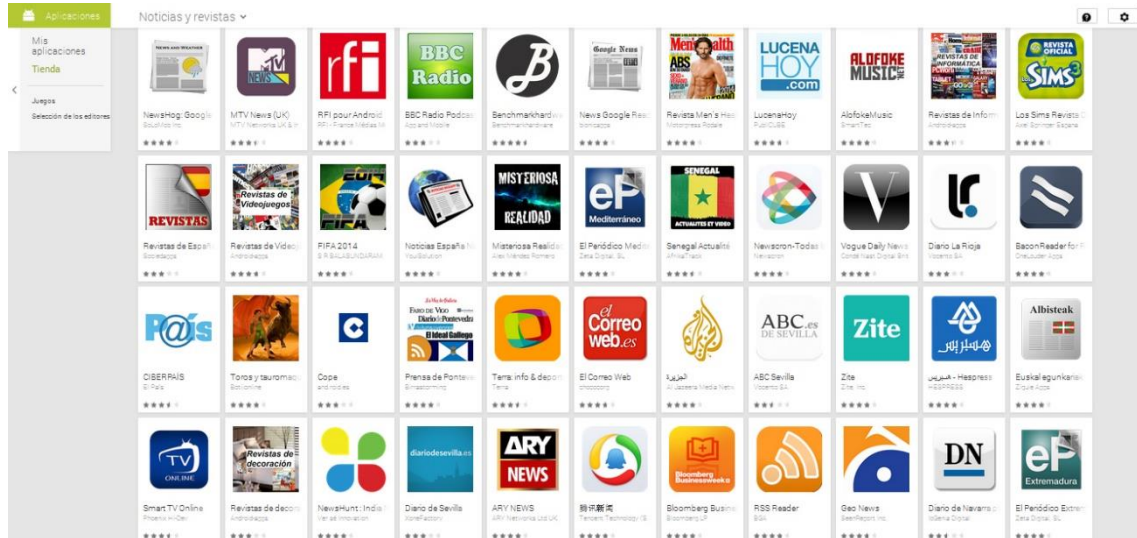
Figure 13: Play Store News and Magazines category in Spain. Source: Google

As we can see almost every newspaper in Spain has a mobile app: BBC El Mundo, ABC.es, La Gaceta, El Diario de Córdoba, Diario de León, and more. None of these applications offers anything special tough. DNow however is more than news app. Not only it offers the users news from Diario de Navarra, but also the most relevant content from different social media platforms, and a personalized alert system. All these characteristics make for a very unique app, and the features of DNow seem to justify its price.

Still, as we saw earlier most of the app users expect to pay nothing or very little even for high quality apps, and it does not seem very likely that the users of smartphones in Navarre will be willing to pay for DNow, considering the staggering decrease of the sale of newspapers in recent years. The results from the survey we conducted seem to support that:
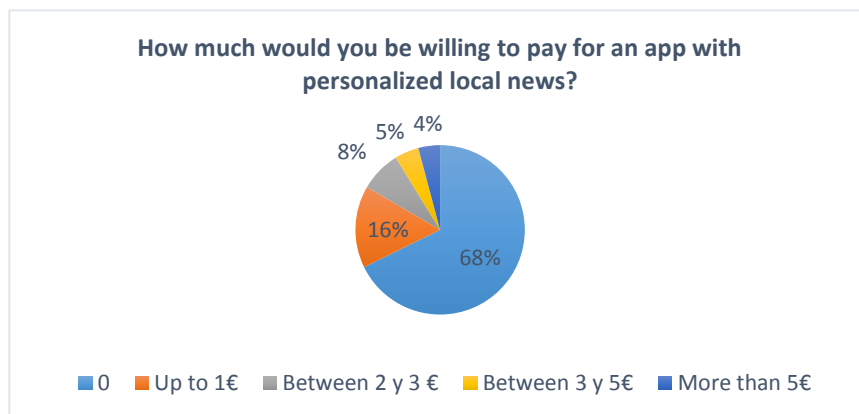
Figure 14: Survey result 3

In the survey we did not specify all the features of DNow, we just asked how much they would be willing to pay for an app with personalized news? Without further information about the app most of the respondents (68%) said that they were not willing to pay for it. Some of them said that the reasons why they were not willing to pay was that nowadays there are plenty of platforms that allow free access to news (mainly online newspapers). However they did not know all the features of DNow. The results also show that 16% of the respondents said they would be willing to pay up to 1€, which is not a lot, but it is something. For all these reasons, we believe that the best monetization model for DNow is a Freemium model with advertising. That is, a free version of DNow with limited functionalities and ads, plus a premium version of DNow without ads, and more functionalities such as the personalized alert system.

In theory, if the users like DNow, they will be willing to pay for the premium version to get rid of the ads, and enjoy the alert system. If they are still not willing to pay for DNow, the app will generate revenue with the ads.

Since the users will have to pay for the premium version, we must determine the price. Taking a look at the Google Play Store most of the top paid news are under the 4.99€ price point and the most expensive costs 4.45€ (aText-TV). Therefore, we will set the price of DNow at 3.49€, which seems to be a reasonable price in a middle range. We will have to take into account that both the App Store from Apple and the Play Store from google get 30% of the benefits from each sale.

5.3.5. In-app advertising

We know how we want to segment our ads, but it is also important to define what kind of ads will appear on the app. In order to make the user experience more pleasant the ads must not be intrusive and annoying or else the users will want to uninstall the app. Therefore we will have to find a balance between the user experience and the format of the ads. There are plenty of options but these are the formats we have chosen:Bottom banner: This ad will appear on the bottom of the page and will require a minimum size of 320x50 pixels. It will have a duration of 15 seconds and will appear both in the home page and in the different sections. Once the user has entered the app once, the banner will not
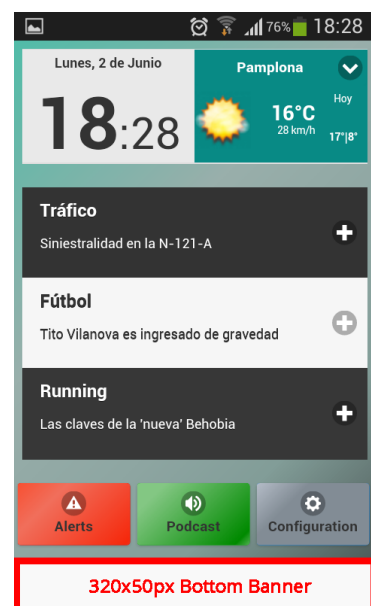
Figure 15: Banner example in DNow.

show again on each page. Only when the user closes the app and starts it again the banner will appear.

- Interstitial: This ad consists on a full screen image that will have a duration of approximately 10 seconds, with the option of closing it. It will appear in the different sections, not in the home page. It will show again the same way as the banner, only when the user closes the app and opens it again. It will require an approximate size of 480x720 pixels.

- Banner video: This ad is similar to the interstitial except that it is not a static image but a video. The video will have a duration of approximately 20 seconds and a maximum size of 49kb. The user will have the option of closing it and it will appear on the different sections.

Now when it comes to online advertising, since the website of Diario de Navarra is very popular it has plenty of ads integrated in the different pages of the site. It is a nice platform to gain visibility for the companies that want to advertise their product. Diario de Navarra has a brochure where all the different rates for the different formats are explained. However, when it comes to mobile advertising, Diario de Navarra does not have any brochure with information about the rates, so we had to estimate the rates for our formats based on the competition:

Rates for the different mobile ad formats				
	Top Banner home page	Bottom banner section	Interstitial	Banner video
El Pais (El País, 2014)	45 €	35 €	80 €	90 €
ABC (Cmcovento, 2014)	22 €	17 €	25 €	29 €
Mundo deportivo (Publi Press Media, 2013)	18 €	18 €	30 €	25 €
Diario de Navarra	12 €	12 €	20 €	20 €

Table 6: Rates for the different mobile ad formats.

We have estimated the mobile rates for DNow using the rates from the other newspapers as a reference. As we can see the other newspaper have relatively expensive rates which is explained by their popularity and the amount of views their apps receive.

5.3.6. Sales forecast (downloads)

In order to estimate the amount of downloads of DNow, we had to take a look at the App Stores and more specifically at the apps in Pamplona.

We found out that the most popular app in Pamplona is the app from la Villavesa, which makes sense since it is a service that covers the area of Pamplona and a lot of people use it. Knowing that there are around 154000 users of smartphones of 14-64 years old in the area of Pamplona and this app had approximately 75000 downloads, we calculated a penetration of almost 50% which is a lot for a mobile app.

Popular Android Apps in Pamplona				
App	Description	Price	Downloads	Rating
Pamplona me gusta	Official turism app from the city hall of Pamplona	Free	1.000 - 5.000	3.5
Tu Villavesa	Information about Villavesas in real time	Free	50.000 - 100.000	4
Parkplona	Find the nearest parking place in Pamplona	Free	1.000 - 5.000	4.2
Insider Pamplona	How to spend your time in Pamplona. Geolocation	Free	1.000 - 5.000	3.3
Triporg Pamplona	Trip planner	Free	500 - 1.000	4.5
Diario de Navarra	Access to the main news from the website	Free	10.000 - 50.000	2,7

Table 7: Popular Android apps in Pamplona

We cannot expect to have as many downloads as la Villavesa because it is a more generic service and it has more users. Therefore we estimated a penetration of 15-20% for DNow. Considering there are 213000 users of smartphones of 18-55 years old in Navarre, we estimated a total amount of 70000 downloads, summing up the App Store and the Google Play downloads.

Also, knowing that less than 10% of the users pay for premium apps, we estimated that DNow will gain an approximated total of 6300 premium users in the period of 12 months.
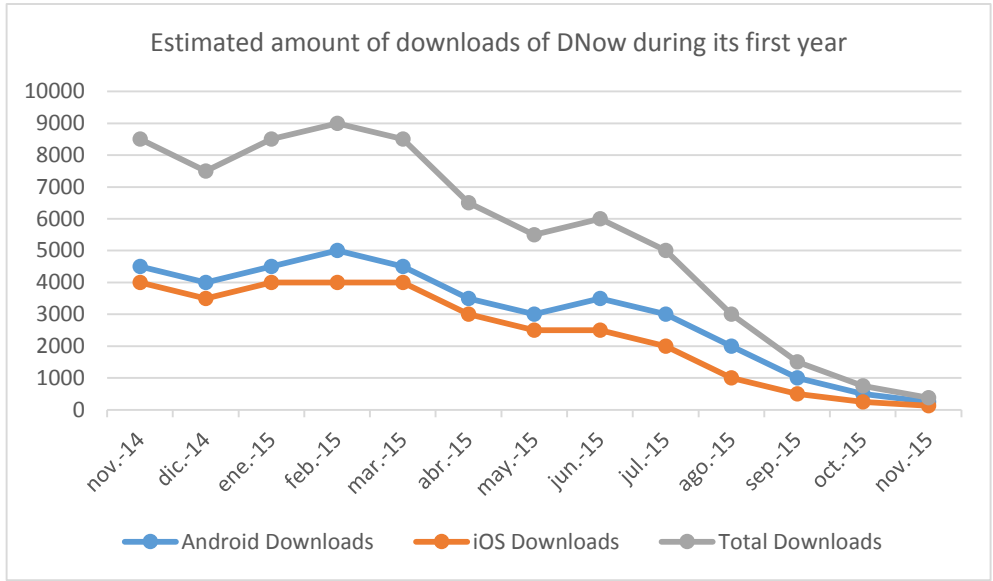
Table 8: Estimated amount of downloads of DNow during its first year

The peak in February would correspond to the AdWords campaign and the social media presence. The peak in June would correspond to an app update with increased functionalities.

6.   PERSONNEL AND OPERATIONAL PLAN

6.1.   Personnel plan

Carrying out the operational plan will require some personnel. These are the main profiles and their cost for the company:

- Interns: They are in charge of developing the Minimum Viable Product and will stay in the company from February 2014 to June 2014. The three interns will have a cost of 975€ for Diario de Navarra.

- Programmers: In order to make the app ready to be sold there will be 3 profiles necessary: A backend programmer, a web programmer and a mobile programmer. Their job will require an estimated amount of 600 hours and it will have an estimated cost of 8560€.

- Journalist: As explained earlier, in order to work properly, DNow requires a journalist that generates new information for the threads using the backend of the app. Initially there will be just one journalist in charge, working full time on this job, but maybe as time goes by more personnel is necessary. The journalist will have an estimated yearly cost of 35000€.

Even though we are including the interns and the programmers and designer in the personnel plan, their cost will count as part of the start-up expenses.

6.2.   Operational plan

The team of three students from the Public University of Navarre have been developing the main structure of DNow since last February. A minimum viable product (MVP) is intended to be ready at the end of June 2014.

When thinking about launching a new product it is very important to have a prototype as soon as possible and start experimenting and testing with it in order to identify the weak and the strong points of the product. This phase is really important. (Hasso Plattner, 2010) Therefore, as soon as the MVP is ready then the testing phase can start. It is intended to be carried out during the summer of 2014 (July and August), and during this period of time the app will be tested, showed to public and put into practice, to see if our initial assumption about the app were right or wrong, and to see if any of characteristics of the app can be improved or not.

After the testing phase is over and we have a better understanding of DNow, then the app must be prepared and improved in order to make it ready to be sold. During the testing phase the testers will try the MVP which is basically a prototype of DNow. However that prototype cannon be sold as it is, and it must be transformed into a final product that can be sold. The

personnel necessary to carry out that task will be composed of 4 profiles: A backend programmer, a web programmer, a designer and a mobile programmer. These people will basically put together what the interns of the UPNA have been working on so far, and they will make DNow ready to be sold. This job requires an estimated amount of time of 600 hours in total and it is intended to start after the summer, in September 2014.

 Once the app is ready to be sold to the public, the developers will have to put it into the different App Stores (Apple and Google stores) and wait for confirmation from the stores. Once the app is available at the app stores then the communication campaign can start. It will basically consist on letting the public know about the release of DNow. It will require a lot of presence in the social media (Facebook and Twitter) and well as in the main communication channels of Diario de Navarra which are the website diariodenavarra.es and the printed edition of Diario de Navarra (further details about this communication campaign can be found in the marketing plan).

When the public starts to interact with DNow (downloads, reviews…and so on) the marketing actions are very important. Diario de Navarra must keep track of the performance of the app and try to interact as much as possible with the users to see their opinions and find what can be improved about the app.

Apart from that there will have to be a very intense use of the main communication channels of Diario de Navarra to make sure that as much people as possible gets to know that Diario de Navarra has launched a new mobile app. Also, the ASO will be very important in order to make the app more visible in the app stores.

OPERATIONAL PLAN DNow, Feb 2014, Apr 2015														
Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sept-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
MVP development														
					Testing phase									
							Final product development							
									DNow release					
									Marketing strategy					
												AdWords campaign		

Table 9: Operation Plan

After the app has been in the mobile market for a few months, then a SEM campaign will be performed. It will basically consist on an AdWords campaign. It will require some investment, but hopefully it will help DNow reach more users. The campaign will have a duration of around 4 months and an approximate cost of 300€.

Once the AdWords campaign is finished and DNow has a fair amount of downloads and users, the main activity will be to monitor the performance of DNow: Number of downloads, premium users, reviews and so on. Also the presence in the social media platforms will be very important to keep in touch with the users and interact with them.

6.3.   Legal environment

The legal environment of app development can become particularly complex considering all the sets of terms and conditions of the app stores. There are also some issues regarding the intellectual property, so Diario de Navarra will have to keep a record of the development of the app for future uses. (ACS, 2012) Regardless of the complexity of the legal environment, the most important issue to consider is probably the license agreement for DNow. As we explained earlier DNow intends to have a register when the users download the app, so the main obligation for Diario de Navarra will be to explain very clearly to the users how they are going to manage their private information and for what purposes it is going to be used.

7.   START-UP EXPENSES

The expenses incurred before launching the app will be associated to:

- Interns: Each intern has a cost of 375€, which makes a total of 975€.

- Programmers and designer: They will have an estimated cost of 8500€.

- iTunes Connect account: This account has an annual cost of 70€.

- Android Market developer fee: It has a cost of 17.5€.

This makes a total initial investment of 9563€. This will be depreciated over 4 years which is the period used by Diario de Navarra for computer software.

8. FINANCIAL PLAN

8.1. 12 Month Profit and Loss projection

12 month Profit and Loss projection

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Revenue (Sales)													
Advertising	848,64	1597,44	2446,08	3344,64	4193,28	4842,24	5391,36	5990,40	6489,60	6789,12	6938,88	7013,76	7051,20
Premium users	2669,85	2355,75	2669,85	2826,90	2669,85	2041,65	1727,55	1884,60	1570,50	942,30	471,15	235,58	117,79
Total Revenue	3518,49	3953,19	5115,93	6171,54	6863,13	6883,89	7118,91	7875,00	8060,10	7731,42	7410,03	7249,34	7168,99
Cost of Sales													
App Store fees	800,96	706,73	800,96	848,07	800,96	612,50	518,27	565,38	471,15	282,69	141,35	70,67	35,34
Total Cost of Sales	800,96	706,73	800,96	848,07	800,96	612,50	518,27	565,38	471,15	282,69	141,35	70,67	35,34
Operating income	2717,54	3246,47	4314,98	5323,47	6062,18	6271,40	6600,65	7309,62	7588,95	7448,73	7268,69	7178,66	7133,65
Expenses													
Salary expenses	2900,00	2900,00	2900,00	2900,00	2900,00	2900,00	2900,00	2900,00	2900,00	2900,00	2900,00	2900,00	2900,00
Repairs and maintenance	39,85	39,85	39,85	39,85	39,85	39,85	39,85	39,85	39,85	39,85	39,85	39,85	39,85
Advertising	-	-	300,00	300,00	300,00	300,00	-	-	-	-	-	-	-
Total Operating costs	2939,85	2939,85	3239,85	3239,85	3239,85	3239,85	2939,85	2939,85	2939,85	2939,85	2939,85	2939,85	2939,85
Profit/Loss	-222,32	306,62	1075,13	2083,62	2822,33	3031,55	3660,80	4369,77	4649,10	4508,88	4328,84	4238,81	4193,80

Table 10: 12 month Profit and loss projection.

The financial plan was prepared after calculating the revenue that DNow would generate during a year through its in-app advertising and thought the premium accounts. The calculations can be seen in table 11:

Revenue estimation of Dnow during its first year	nov-14	dic-14	ene-15	feb-15	mar-15	abr-15	may-15	jun-15	jul-15	ago-15	sep-15	oct-15	nov-15
Android downloads	4500	4000	4500	5000	4500	3500	3000	3500	3000	2000	1000	500	250
iOS downloads	4000	3500	4000	4000	4000	3000	2500	2500	2000	1000	500	250	125
Total downloads	8500	7500	8500	9000	8500	6500	5500	6000	5000	3000	1500	750	375
Cumulative total downloads	8500	16000	24500	33500	42000	48500	54000	60000	65000	68000	69500	70250	70625
Active users, 78%	6630	12480	19110	26130	32760	37830	42120	46800	50700	53040	54210	54795	55087,5
Daily impressions Android + Apple (x8)	53040	99840	152880	209040	262080	302640	336960	374400	405600	424320	433680	438360	440700
Revenue from advertising CPM=16€	848,64	1597,44	2446,08	3344,64	4193,28	4842,24	5391,36	5990,4	6489,6	6789,12	6938,88	7013,76	7051,2
Premium users (9%)	765	675	765	810	765	585	495	540	450	270	135	67,5	33,75
Revenue from premium users, 3,49€	2669,85	2355,75	2669,85	2826,9	2669,85	2041,65	1727,55	1884,6	1570,5	942,3	471,15	235,575	117,7875
Selling cost	800,955	706,725	800,955	848,07	800,955	612,495	518,265	565,38	471,15	282,69	141,345	70,6725	35,33625
Net revenue from premium users	1868,895	1649,025	1868,895	1978,83	1868,895	1429,155	1209,285	1319,22	1099,35	659,61	329,805	164,9025	82,45125
Total revenue	2717,535	3246,465	4314,975	5323,47	6062,175	6271,395	6600,645	7309,62	7588,95	7448,73	7268,685	7178,663	7133,651

Table 11: Revenue estimation of DNow during its first year.

9. FINAL CONCLUSION

Putting together all the information gathered through the different sections, it seems rather clear that DNow could be a viable product:

- Newspapers are no longer the main platform of information, people want new ways of being informed.
- Smartphones and apps are becoming very popular.
- There is no application like DNow in the market: This means no competition.
- The interviews show that people believe there is too much information out there and they would like to have a "filter" to receive the most relevant information for them.
- Young people seem to like the idea of an app with personalized news.
- DNow is a quite original product and it counts with the support of Diario de Navarra so it seems like the product has a lot of potential.
- Our calculations show that DNow can be profitable during its first year of life.

There seems to be evidence of a gap in the market and everything we have analysed so far seems to indicate that DNow could be a viable product.

However, the app is still in production, and the testing phase that will be performed during the summer, will be very important in order to see how the people respond to the app, and to see if our assumptions were correct.

Therefore, although the information gathered for this Business Plan seems to indicate that DNow could be a viable product, we will only be able to confirm that statement after the testing phase is completed.

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11.   APPENDIX

11.1   Appendix 1: Results from the survey about the use of mobile devices and the search of local information in Pamplona:

How old are you?	Responses	Percentage
18-24	193	89%
25-34	16	7%
35-44	4	2%
45-54	2	1%
55-64	1	0%
Blank	1	0%
Total	217	100,0%

Are you a man or a woman?	Responses	Percentage
Man	71	33%
Woman	145	67%
Blank	1	0%
Total	217	100%

What is your current occupation?	Responses	Percentage
Student	199	92%
Student and employed	4	2%
Unemployed	2	1%
Employed	12	6%
Total	217	100%

Are you a user of smartphones or tablets?	Responses	Percentage
Both	65	30%
Smartphone	141	65%
Tablet	2	1%
None	9	4%
Total	217	100%

Do you like to receive local information?	Responses	Percentage
Yes	173	80%

No	44	20%
Total	217	100%

Would you like to have access to personalized local news?	Responses	Percentage
Yes	142	65%
No	75	35%
Total	217	100%

Do you download mobile apps?	Responses	Percentage
Yes	205	94%
No	12	6%
Total	217	100%

How much would you be willing to pay for an app with personalized local news?	Responses	Percentage
0	147	68%
Up to 1€	34	16%
Between 2 y 3 €	17	8%
Between 3 y 5€	10	5%
More than 5€	9	4%
Total	217	100%

11.2   Appendix 2: Canvas model for DNow

Business Plan for DNow

Key Partnership	Key Activities	Value Propositions	Customer Relationships	Customer Segments
The users that interact with the app The companies that want to advertise their product inside the app	App development App maintenance Search of information Marketing Listen to the users	Simple design Personalization: Alert system Global vision of a local issue Push and pull Variety of information Mobile: Anywhere, anytime. Local	Encourage the users to leave reviews Ask the users what they would like to improve	Core target: 25-44 years old, Pamplona, Navarre, Smarphone users, with access to the internet, interested in local news. Generic target: Same profile as the core target but 18-54 years old.
	Key Resources Servers Date bases		**Channels** Smartphone: App stores (Google and Apple) Web: Facebook, Twitter, Website of Diario de Navarra Printed edition of Diario de Navarra	

Cost Structure	Revenue Streams
Interns in charge of creating a MVP Programmers and designer in charge of making DNow ready for the market Journalist full time in charge of Dnow Maintenance: 5% of the initial investment each month Server App Stores licenses and fees (30% of the selling price)	In-app advertisment Premium users, 3.49€

11.3   Appendix 3: List of keywords and suggested bids for the AdWords

campaign. Note that these are only some of the keywords. The list was too long to include it here.

Keyword	Avg. Monthly Searches (exact match only)	Competition	Suggested bid
El tiempo	1830000	0,14	0,02
Diario de Navarra	550000	0	0,02
Noticias	301000	0,05	0,03
hoy	74000	0	0,2
el tiempo en pamplona	49500	0,02	0,09
Musica	49500	0,11	0,25
UPNA	49500	0	
Ultima hora	40500	0,08	0,09
App	33100	0,19	0,95

meteorologia	27100	0,01	0,02
Osasuna	27100	0	0,05
Navarra	22200	0,01	0,76
Pamplona	22200	0,08	0,66
Deportes	18100	0,13	0,06
empleo navarra	12100	0,02	0,27
san fermin	9900	0,01	0,57
Universidad de Navarra	8100	0	0,89
Redes sociales	8100	0,44	0,7
Gobierno de Navarra	6600	0	0,21
Ayuntamiento de Pamplona	6600	0	0,02
noticias navarra	4400	0	0,01
trending topic	3600	0	
agenda	2900	0,01	0,79
sucesos	2900	0,06	0,01
fiestas	2900	0,11	0,49
Cultura	2400	0,01	0,23
Deporte	2400	0,07	0,12
Universidad	1900	0,23	1,92
ahora	1900	0	
diario de navarra hoy	1600	0,03	0,01
Politica	1300	0,01	0,16
sociedad	1000	0,02	0,84
app gratis	880	0,22	6,06
Local	880	0,01	0,75
portada	880	0	
zona media	880	0	
tiempo navarra	720	0,11	0,02
diario de navarra noticias	720	0,01	0,02
navarra educacion	720	0,01	
navarra deportiva	720	0	
accidentes	720	0,13	0,85
noticias iphone	720	0,02	0,19
Interesante	590	0	

Universidad Navarra	480	0,03	1,43
noticias android	480	0,01	
diario de navarra empleo	390	0,44	0,07
vecinos	390	0	
diario de navarra fotos	320	0,13	0,08
diario de navarra ultimas noticias Average	320	0,13	0,04 **0.47**