

# NOTE OF INTENT

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## Problem

Loneliness is a state of being where one feels a shortage for relational intimacy. Loneliness is therefore both a physical and an emotional state of being. Loneliness has been connected to social anxiety, self-esteem, social support, and depression (Twenge, Spitzberg and Campbell, 2019).

Between 2010 and 2017 loneliness increased for all demographic groups in the US. It's a clear increase, though small, it's significant and alarming considering the short time span (Twenge, Spitzberg and Campbell, 2019). A report from the French national statistics agency from 2019 stated that one person in ten in France suffers from isolation. These people had at best had contact with one person over the last month, including phone calls and text messages (Fitzpatrick, 2019).

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*Problem statement: Traditional social media platforms can create a pattern of isolation, loneliness and anxiety, due to the absence of physical social interaction and difficulty in meeting people, specifically **the first physical interaction.***

This problem is important since it's causing mental illness, anxiety, reduced confidence, and depression. The unwanted lack of social interaction has shown to be harmful. One of the main issues is the perceived difficulties in finding people to interact with, and that first physical interaction scares and intimidates many individuals. Giving people tools and enabling them to overcome this, is a way to allow people to take care of themselves and work for a better life for themselves.

The need is there since people are becoming more lonely and this pressing issue needs to be handled. The constraints facing everyone working against this problem is that individuals might not dare to take the chance of meeting new people even when they have it. This could be due to i.e. fear, fear of failure, or anxiety.

# Proposed Concept

To work against this We propose launching an app, aimed at meeting people, make new connections, and make friends. The intended name of the app is "m8", pronounced "mate".

There will be two versions of the app. One free version and one premium version for highly engaged users. In the app, discounts are personalized and do function as a form of advertising for the partner firms, more on this under "Offers and incentives".

## Personality Testing

In order to pair users with others with similar interests and promote the best type of activities, events, and discounts to each individual, an interest-/personality test will be conducted. It is meant to give the users an insight in what they actually like to do and their personality type (to get to know themselves better). The information will then be used to pair people depending on both personality and interests. The information will also be used to promote offers within each individual's chosen budget, interest, and possible future interests. It is also a way to better promote things so that the partner firms have a chance to increase their number of customers.

## Types of Events

The app is meant to feature events, promotions, and activities fit to as many people as possible.

This includes but is not limited to:

- Tickets to sport events.
- Pass to gym classes, climbing gyms, obstacle courses, and other physical activities.
- Concerts
- Jamming sessions, when people can play instruments together.
- Restaurants and cafés
- Museums
- Book clubs
- Trips

## Offers and incentives

One of the app's facets is to create incentives for people to take the step and engage in the first physical interaction, as well as continuous interactions. This will be done through:

- In app promotions, in the form of discount rewards, provided by partner firms. It can be anything from entry tickets to museums, to discounts for a coffee or a gym class.
- Season events, will be promoted on the app, as well as some promotions having a time deadline, to promote the physical interactions, instead of being pushed off on the future.
- Local events and meetings. There will be a large focus on meeting people in your geographical area, in order to help people build connections where they are.
- Individuals specific interests would be taken into account in the app, building on the personality and interests testing. Giving users the opportunity to share playlists, decide to go to concerts, fashion shows, and so on.
- The app will also feature special *interest groups*, for individuals that know what they want to do but not with who. The basis for this is that we believe it's easier to connect with people of similar interests, and also this way there is an incentive to engage in that first physical meeting.
- Long term the app would involve promotions for group trips as well. These trips would involve travels, festivals, and so on. People would be able to sign up in order to meet people that are going to the same event before the beginning of the event, or simply to have an arranged travel together to the venue.

### *User safety:*

The user safety is of highest importance to prevent crime and bad experiences for the app users, which are the major risks. The app would therefore have:

- ID control (if possible) before a person can make plans and sign up for events.
- Safety instructions, for app users before meeting someone for the first time.
- Terms and Agreements, needs to be signed by every user before using the app, these include the rules for the meetings. These are according to law, no harassment, discrimination, or other illegal acts.
- A complaint system. If a user had an uncomfortable experience or felt unsafe, he or she can report it through the app. The administrators will flag the user causing the discomfort and decide whether the person can continue to use the app or not.
- A safety button, inside of the app. If during an encounter someone feels unsafe, the user can press the button and the persons phone will be tracked. The person will also get information about how to contact the police through this function.

### *User-information safety*

Users private information will be handled with care:

- Other companies will not be allowed to access the users private data.
- Users data will not be sold to other firms.
- Promoted (discounted) products and events will be targeted, in order to help people find the best deals for themselves, and enable the largest incentives for people to meet. The companies allowed to advertise in this way will be subject to scrutiny and all firms will not be accepted.
- In accordance with GDPR all users will be able to access the data we have on them, and ask to be deleted from our records. In accordance to the law all other laws and GDPR will be followed.

### *Technology*

The app will have a map function, using the location of the user to show the places to visit around : museums, exhibition, concerts, and also free places to hang out : nice cafés, parks, monuments. The app will locate other users on the map, and people can post their plan for the day. User A could see that user B posted that he will be at Musée d'Orsay at 4pm. User A can then easily check the personal profile of user B, and send user B a message. Then, user A could decide to "Join" the encounter organized by user B.

### *Scope*

A geographic segmentation will be used, implementing the app in a few major cities, such as Paris, to begin with. The more specific target are inhabitants in urban areas and global citizens who move around. Millennials age 18-34 (from 18 years due to safety reasons), will be targeted more than other groups through the marketing methods, as they use these platforms in a higher frequency than older age groups.

The brand position is an intermediary between a social media of location like Snapchat, an encounter platform like Tinder and an urban activity founder like Fever. M8 offers a complete app, that gathers the qualities of the others and goes beyond.

Existing solutions to this problem are few and different in different cultures. It involves engaging in a group activity or seeking out friends yourself, which can be scary, difficult and lead to added anxiety and stress. Effective solutions don't exist today.

This solution allows people to solve the problem themselves, involves incentives to make them interact with people, and comes in a new format. People do not have to label themselves as lonely or having lack of friends to use the app. They simply use it to find new friends, taking off a lot of pressure from the individual users.

### *Measure impact*

The impact measure will be conducted in the short run, middle run and long run. Short term impact will be studied by analysing the number of app downloads, number of users and the usage intensity, as well as app reviews. The middle term impact of the app will be analysed like the short term, as well as focus on how users are using the app and how to make the user experience better based on this data. In the long term impact will be measured and analysed by looking at reviews, both of the app and on the user experience on other websites and in magazines. If the impact and response in the first cities is positive, an expansion of the app would be desirable.

### *Deployment Strategy*

The deployment strategy is to assure the presence of the brand on all important social media to communicate and promote the product. Product placement with Youtubers and influencers is also considered, with a certain type of influencers such as travelers, who's audience could be interested in this product. Hence, it would start with a push-marketing strategy, promoting and communicating information about the brand.

### *Expected positive impacts*

Enable people and give the tools to give everyone a chance to get out of their lonely routine and vicious circle that our internet habits can create. Make it possible for people to create connections as well as experiences and true friendships that will last. The goal is to create engagement and create true friendships through the app, decreasing involuntary loneliness and isolation.

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### *Organization*

Potential partners and sponsors of the project are:

- The city of Paris.
- RATP and Paris' Tourist Office.
- Restaurants, cultural and entertainment establishments.
- Private investors.



# Return on Investment Analysis

## Ads

We expect 50,000 users in the first year. The model of the ads will be the following : splash screens, which appear when you launch your app, and banners, which appear at the bottom of content lists and at the top of detail pages. We will use a Cost Per Click CPC ad system, which means that we will get money every time a user clicks on an ad.

We expect a conversion rate of 5%, i.e. at least 5% of our users will click on an ad every day. In general, one click pays 0.05 cents. We will therefore have  $(0.05 \times 50000) \times 0.05 = 125$ . Multiply by 365 = 45,625 euros.

## Venture Capital

The first year, ad revenues won't be enough to generate profits. Therefore, we will have raise money from VC firms. Expectation : 50 000.

## Commission on events and discounts

The more we bring people to bars, museums, events, the more we get. Users get discount through our app and we levy a fee for each discount used by the app users. Cost for initial application development is estimated at 5,000 - 10,000€, a cost excluded from the P&L.

### *Application Development*

P&L	2020	2021	2022	2023
Advertising revenues	46625	73000	85000	95000
Fees from discounts granted	10000	12000	14000	16000
<b>Net sales</b>	<b>56625</b>	<b>85000</b>	<b>99000</b>	<b>111000</b>
Subsidies	10000	10000	5000	5000
<b>Total net revenue</b>	<b>66625</b>	<b>95000</b>	<b>104000</b>	<b>116000</b>
Operating expenses				
Marketing	4000	4000	4000	4000
Website Maintenance	1000	1000	1000	1000
Wages and Salaries	87000	90000	93000	95000
Depreciation Expenses	2000	2000	2000	2000
<b>Total Operating Expenses</b>	<b>94000</b>	<b>97000</b>	<b>100000</b>	<b>102000</b>
<b>Income from Operations</b>	<b>-27375</b>	<b>-2000</b>	<b>1000</b>	<b>14000</b>