

# Morningside Mobile

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"MoSiMob: Paths Cross"

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## ***I. Executive Summary***

### **A) Business Overview**

Morningside Mobile or **MoSiMob** uses mobile technology to bring people together and make paths cross. The service allows you to use text messages on your mobile phone to check in with your location (by sending "@location" to go@mosimob.com). Once the service knows where you are, it can then relay this information to friends and allow you to discover which of your friends are nearby. The service also sends you valuable coupons for immediate use at local businesses.

For students seeking a fun night out, the MoSiMob service offers drink discounts and a convenient way to keep track of the locations of large numbers of friends using a mobile phone. For Columbia area bars, MoSiMob offers a way to deal with the unpredictability of the nightlife crowd. By using the MoSiMob service to blast a mobile phone coupon, merchants will be able to attract large numbers of customers in real-time. With our unique pay-per-action system, bars are ensured that they only pay for real results. With the help of our targeted mobile marketing solution, bars will be able to revive a "dead" bar and turn an otherwise unprofitable night into a very profitable night.

Previous mobile social software implementations have suffered from poor marketing strategies and a lack of substantial revenue sources. Morningside Mobile has creatively addressed these issues with unique strategies for launch, growth, and monetization.

## **II. Market Trends**

### **A) Mobile Phones**

The number of mobile phones is exploding. In July 2005, the FCC reported that there were officially more mobile phones in the US than landlines<sup>1</sup>. Since then, the gap has continued to grow and at the end of 2005, there were 219 million cell phones in the US – more phones than the number of Internet users<sup>2</sup>. With such large growth, it's not surprising that mobile phones have been the focus of much technological development.

Today's mobile phones have come a long way from simple voice-only communication devices. Even low-end phones include a dizzying array of features such as text messaging, pictures, music, video, and internet. Mobile phones have truly become the Swiss army knives of technology and as their capabilities expand, their usefulness does too.

### **B) Social Networking**

Social Networking Services, such as MySpace and Facebook, allow users to interact online in virtual communities. Individuals create a profile for themselves and create friendships with other users of the website. These websites have taken the nation by storm. MySpace, which launched in July 2003, is now the 5th most visited website in the world, and has over 100 million registered users. Facebook, which launched in 2004 and caters to college students, has spread like wildfire across campuses and now has over 18 million users.

### **C) The Rise of MoSoSo: Mobile Social Software**

Mobile Social Software (MoSoSo) services are the mobile phone equivalent of social network services. Like traditional social networking sites, these services allow users to keep in touch with friends and meet new people. Because users interact with these services through their mobile phones, these services cater to users on the go by overlaying a location and time element to the traditional notion of social networking. One example of MoSoSo, for example might be to find out which of your friends are physically nearby and might be interested in meeting up for a drink. By keeping track of real-time locations of its users, these services facilitate social encounters.

### **D) Mobile Social Software: Poised for Explosive Growth**

“The cellphone is the natural tool to combine the physical world with the digital world” notes Cyriac Roeding, the head of mobile phone applications for CBS<sup>3</sup>. There are currently several MoSoSo services operating in the US. None has a large user base or

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<sup>1</sup> <http://www.engadget.com/2005/07/11/its-official-more-cellphone-lines-than-landlines-in-the-us/>

<sup>2</sup> <https://www.cia.gov/cia/publications/factbook/geos/us.html#Comm>

<sup>3</sup> [www.nytimes.com/2007/04/01/business/01code.html](http://www.nytimes.com/2007/04/01/business/01code.html)

widespread brand recognition: less than 2% of US cell phone subscribers have ever tried one<sup>4</sup>. These services are poised to explode however, and if analyst predictions are correct, more than half of the cell phone users in the United States will be using location-based services by 2010<sup>5</sup>. Google clearly recognized this potential when it purchased the Dodgeball MoSoSo service in 2005<sup>6</sup>, and the service continues to operate but lacks widespread usage. "We're still very much in the early stages of adoption," concludes Scott Ellison, vice president of wireless and mobile communications at IDC.

### ***III. Product/Service***

#### **A) Overview**

MoSiMob uses mobile technology to bring people together and make paths cross. It also provides valuable coupons for immediate usage.

#### **B) Value Proposition for Student at Bars or Parties**

For students seeking a fun night out, the MoSiMob service offers a convenient way to share their location and keep track of numerous friends. The MoSiMob service allows users to use text messages on their mobile phone to check in with their location (e.g. by sending "@Nachos" to go@mosimob.com). Users may also query the system (e.g. by sending "?" to go@mosimob.com) which will return a listing of the number of their friends at each Columbia area bar. The system will also return statistics such as the most crowded bar at that moment and information about specific friends if requested. Besides facilitating social encounters, the MoSiMob service will also send students discount drink coupons for instantaneous use at nearby businesses.

#### **C) Value Proposition for Students around Campus**

In addition to the core functionality of the service, the MoSiMob website will allow users to create custom MoSi-Mobs. These online groups ('Mobs') will allow communications to be instantaneously broadcast to the mobile phones of group members. A free food Mob, for example, might allow interested students to send/receive notices about free food around campus. A sports team Mob could provide instantaneous updates about sporting events. A student club could establish a Mob to keep members up to date about last minute event changes. These are just some of the many uses of MoSi-Mobs.

#### **D) Value Proposition for Local Merchants**

Popularity is a fickle thing. On any given night, some Columbia area bars are packed with customers whereas others remain empty. Sociological theory explains this popularity disparity as a cascade resulting from the situation's collective dynamics.

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<sup>4</sup> IDC Research via [http://news.com.com/Mobile+phones+that+track+your+buddies/2100-1039\\_3-6135209.html](http://news.com.com/Mobile+phones+that+track+your+buddies/2100-1039_3-6135209.html)

<sup>5</sup> IDC Research via [http://news.com.com/Mobile+phones+that+track+your+buddies/2100-1039\\_3-6135209.html](http://news.com.com/Mobile+phones+that+track+your+buddies/2100-1039_3-6135209.html)

<sup>6</sup> [http://www.businessweek.com/technology/content/aug2005/tc20050817\\_0949\\_tc024.htm](http://www.businessweek.com/technology/content/aug2005/tc20050817_0949_tc024.htm)

Students choose 'happening' venues over 'dead' venues and by doing so, the popularity incongruence widens drastically. Because of popularity's cascading nature, the manager of a dead venue has no obvious way to get out of this rut. In a recent conversation with the manager of Havana Central at The West End, Mr. Lopez explicitly mentioned crowd unpredictability as one of the problems he faces. Financially, the difference for a bar having an 'on' night versus an 'off' night is immense – thousands of dollars. Businesses are seemingly powerless over the randomness of their customers.

MoSiMob solves this problem, helping to turn “dead” bars into “happening” bars and thus creating immense value. MoSiMob offers a way to attract large numbers of customers in real-time by sending a mass text-message to a large group of receptive students out for the night. This marketing message will be in the form of a coupon offer. For example, a student might receive this text message: "You and two of your MoSiMob friends have been offered a \$2 off coupon for Havana Central at The West End! Just reply '@WE' to redeem the coupon and check yourself in at the West End."

### **E) Implementation Details**

Use will log onto the mosimob.com website to create a simple profile, add friends, and join MoSi-Mobs. Users will have complete control over their privacy and will be able to control which people can view their exact location, which people can see only that they are out-and-about (but not exactly where) and which people cannot see any of their location information – the default setting for non-friends. Users will also be able to opt-out of receiving coupons.

A quick check-in text message to MoSiMob enables the service for the night. Users will only receive discounts if they have checked-in that night. This will:

- Encourage users to check-in regularly.
- Prevent bothering those users who are studying, out of town, or simply spending the night in.
- Allow the service to avoid cannibalization by sending discounts only to those customers who aren't already at the target venue.

The system will use a unique targeting solution which is 'smart' in its selection of message recipients and designed to bring lasting customers to a bar rather than in-and-out coupon redeemers. This concept is illustrated by the diagram on the first page of the appendix [please turn to this page now].

As demonstrated, the system will use its knowledge of the social network structure and users' current locations to select specifically which people are chosen to receive a text-message coupon. By choosing clusters of people who know each other as opposed to a random collection of students, there is an increased likelihood that they will enjoy themselves at the bar and stay there after using their coupon, perhaps purchasing further drinks but more importantly, bringing in additional friends and making the bar more attractive to people walking by outside.

To emphasize the social value of the coupons and encourage redemption, the coupon offer will also notify the recipients how many of their friends were sent the same coupon and thus may also appear at the targeted bar. To the end user, the system offers both an economic benefit (a discount coupon), and a social benefit (the chance to find friends). Over time, the system will be able to monitor trends (i.e., where people typically go after leaving a certain bar) and this rich behavioral data may be offered as a premium service to merchants in the future.

Upon retrieving an offer for a coupon, the user must check-in at the 'target' bar to retrieve the coupon. This will achieve several goals:

- Allow the system to count coupon redemptions and charge the merchant accordingly.
- Encourage friends of the coupon recipients to go to the target bar, since they will find a high number of their friends there upon querying the system.
- Gather feedback data at the individual level, allowing the system to learn which users are the most effective to target. By learning individuals' coupon redemption patterns, the system will be able to better estimate the cost and effectiveness of an adblast campaign.
- Gather feedback data on the group level, allowing the system to assess the effectiveness of various coupon campaigns and fine-tune them.

Managers of bars can use the MoSiMob system from a computer or from a mobile phone. Upon initial sign-up for the service, bars will be given a unique code which must be text-messaged to the MoSiMob system to identify themselves as merchants. After the initial use, the system will recognize the mobile phone number(s) as belonging to a specific merchant and will provide the option to launch ad campaigns. The bars will be able to choose the details of their offer discount. The system will count offer redemptions and charge the merchant only for those users which take advantage of the discount (a pay-per-action system). The bars will be billed monthly for their adblast usage.

### **C) New User Signup**

Interested users sign up for the service online at MoSiMob.com, free of charge. MorningsideMobile.com will redirect to that website. Users may also begin the signup process by text-message and then complete the rest of the signup process online.

## ***IV. Industry Overview and Competition***

### **A) Defining Our Competition**

Defining MoSiMob's competition is a difficult task. Many varied services could be considered competitors and we have divided these services into segments. For each segment, we consider the current situation and evaluate MoSiMob's strengths, weaknesses, and opportunities.

### **B) Location Based Mobile Social Software Services**

As a mobile social software service focused on interaction with real world locations, we are in direct competition with several location based services that currently operate or will operate in New York City<sup>7</sup>: Dodgeball, Groovr, Social Monkey, and Loopt.

These services all have a network effect in that the value a good or service offers a potential customer depends on the number of other customers who own the good or are users of the service. In layman terms, the MoSiMob service is only useful if you have friends already using the service. The tight social network found on a college campus therefore makes it an ideal launching ground, as a targeted advertising campaign can focus on acquiring multiple users from the same network.

Dodgeball, Groovr and Loopt have never focused their marketing efforts on small campus communities. Social Monkey did launch their service to the Tufts University campus last spring<sup>8</sup> with great success. They have since disbanded the service and plan to relaunch the service to New York City and several other cities<sup>9</sup>. These services have decided to 'go for the gold' and attempt to gain wide user bases by targeting large cities. They hope to make their services profitable by scaling upwards and gaining a large enough user base to making a profit from the miniscule ad revenue they receive their website. By contrast, MoSiMob's adblast mobile marketing solution can generate substantial revenue from each user and will be able to generate large profits even with a relatively small number of users.

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<sup>7</sup> Users to these services must subscribe to a specific city's network. When a user checks in ("@Carmines") the message is checked against local business listings to identify the exact location of the business (91<sup>st</sup> + Broadway) and help identify nearby friends.

<sup>8</sup> <http://media.www.tuftsdaily.com/media/storage/paper856/news/2006/02/07/Features/Social.Monkey.Founders.Hope.To.Revitalize.The.Tufts.Party.Scene-1601557.shtml>

<sup>9</sup> Data gathered from phone conversations with Alex Maloney, co-founder of Social Monkey

The Loopt service warrants additional discussion. Launched by a Stanford sophomore two years ago, the company makes mobile social software which uses phones' GPS technology. Their service is currently available only to members of Boost Mobile, a brand which primarily targets teenagers and young adults<sup>10</sup>. The Helio mobile carrier targets a similar demographic and offers a similar service. These GPS based services allow you to see your current location overlaid on a satellite map along with the locations of your friends. The service automatically tracks your location and requires no user intervention.

These services are certainly the way of the future, but are several years away from becoming mainstream largely due to the technical constraints on handsets – few handsets currently support the software framework which is required for this software to run. The Loopt service also requires that a user download software to his/her handset, a process very few users are comfortable doing. MoSiMob, by contrast, uses a technology which is universally supported and used constantly by the majority of college students: SMS text messaging.

### **C) Mobile Social Software Services**

As a mobile networking site offering group messaging, we compete with services like Frengo and Twitter. Twitter is a social networking and micro-blogging service that allows users to send "updates" (text-based posts) via SMS, Instant Message, or the Twitter website. These updates are displayed on the user's profile page and also instantly delivered to other users who have signed up to receive them. Frengo is an entertainment focused service, offering mobile MySpace postings, games and messages broadcasting to your friends. MoSiMob may add similar services in the future, but we believe that our current product, a location-based mobile networking service, offers far greater utility than these non-location based services.

### **D) Mobile Coupon Providers**

Lastly, as a mobile coupon provider, we compete with Cellfire.com. Cellfire currently offers coupons for an impressive number of nationwide brands. MoSiMob's advantage over Cellfire, however, is the instantaneous nature of the coupons which are sent at the time of greatest need for the bar and greatest convenience for the user. Cellfire has no real advantage over traditional paper coupons and may be more inefficient since it requires businesses to modify their IT systems to accept the one-time use coupons. MoSoMob plans to have the bars' bouncers hand out small slips of paper redeemable at the bar, as customers enter the premises yielding the cellphone coupon.

### **E) A Unique Package**

In the end, MoSiMob offers a completely unique package: part social network, part mobile communications service, and part mobile coupon provider. By launching at Columbia University, we will capitalize on the tightly connected social network found at

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<sup>10</sup> <http://www.boostmobile.com/boostloopt/>

a college campus and also the massive growth potential of New York City. The synergy resulting from the combination of these factors will be unbeatable.

## **F) Timeline**

The MoSiMob website service will be designed and programmed during summer 2007. The website will launch over the summer for those interested in signing up early. The service will launch officially at the beginning of the Fall 2007 semester. Merchant agreements will be established over the summer.

## **G) Barriers to Entry**

To be successful, MoSiMob will require both merchant adoption and end-user adoption. From our conversations with the managers of local bars, we feel that merchant adoption will not pose a large problem. Even if only one merchant uses our marketing solution, we can still generate substantial revenue.

We expect the biggest barrier to be end-user adoption. Without any previous MoSoSo usage experience, users may fail to recognize the value of the service. Additionally, users may have concerns about their privacy or concerns about being overwhelmed by text messages. The website will clearly enunciate our privacy policy and remind users that only their approved MoSiMob friends can see their location using our service. Additionally, the website will make it easy to cancel their account should they choose.

## **H) Key Profit Drivers and Pricing**

MoSiMob is an information goods company and therefore must be extremely careful with pricing: Since the variable cost of launching an adblast campaign is essentially zero, we cannot simply use a cost-plus pricing model (ie consider the cost of producing a unit and add a 20% profit margin).

Instead, value pricing must be used. We must consider what dollar value our service provides to a bar and how much we can fairly take. We estimate that the average drink at a bar is priced at \$6 and costs around \$1 to make. If the bar sends a \$2 coupon, the bar still makes \$3 profit per drink. **We will therefore price our service at \$2 per redeemed coupon**, allowing the bar to make \$1 of profit on a coupon redeemer's drink. Considering that a MoSiMob user arriving at the target bar will probably bring several friends, we believe this price is fair.

We intend to limit adblast campaigns to once or twice a night at maximum. While widespread merchant adoption of the MoSiMob marketing platform would be ideal, only one interested merchant is needed to generate revenue. Having multiple interested merchants, however, may allow us to explore different pricing models, such as auctioning off each night's adblast service to the highest paying bar.

## ***V. Marketing & Launch Strategy***

### **A) Target Market**

Universities tend to keep the majority of campus housing in close proximity. A product that caters to both students and local merchants in this small geographic area is an obvious business opportunity. The MoSiMob service will aim, essentially, to target the students of Columbia University (undergraduate and graduate) and later on, residents of the Morningside Heights area.

### **B) Launch Strategy & Guerrilla Marketing**

In order to make a big splash upon launch while keeping marketing costs low, MoSiMob will rely on guerrilla marketing tactics to break in to the market. Thanks to the small footprint of the campus and the natural curiosity of its students, Columbia is an ideal candidate for guerrilla marketing campaigns.

Our guerrilla marketing initiative, modeled after the yellowarrow.net urban art campaign, will feature a series of brightly colored Mobster-like stickers around campus. Some stickers will resemble weapons, others body parts. These stickers will be handed out to students on campus who will be able to ‘load’ a message onto the sticker by sending a message of their choice to the address listed on the sticker along with the sticker’s unique code. The student will then place their sticker somewhere around campus.

Upon discovering a sticker around campus, a student will find that it features a minimalist set of instructions: Text the code on the sticker to the email address to unlock a stored message. Upon doing so, the curious student will receive the original stored message (“A message from a mobster”) along with the option to append his/her own short message. Additionally, the student will receive a brief text message explaining that this service has been provided by the Morningside Mob and they are encouraged to join the Mob and find out more at MoSiMob.com.

We believe that such a marketing campaign will generate significant buzz around campus and generate press in Columbia newspapers and publications.

### **C) Additional Advertising**

Following our guerrilla marketing campaign, we will implement these additional advertising techniques:

- *Flyers*
  - We will post flyers and posters around campus and in dormitories. The flyers will humorously advertise the Morningside Mob (a cartoon mob of people with cell phones in hand) and instruct students to visit our website for more information.

- *Apparel*
  - Custom-made Mobster T-shirts will be ordered and given away to close acquaintances for advertising purposes. These acquaintances should be willing to wear the promotional T-shirt at least once a week, particularly in areas of heavy traffic.
- *Internet Advertising*
  - MoSiMob will encourage a banner exchange with other student-related websites, including CUsnacks.com, culpa.info, columbiaspectator.com. We will also purchase campus advertising on facebook.com.

## ***VI. Long Term Growth Strategy***

There are two different growth strategies MoSiMob could follow. First, we could spread to other college campuses. Unfortunately, few colleges rely on their local bars as heavily as Columbia does. We believe that the better strategy is to use Columbia as a stronghold in NYC and attempt to spread our service across the city. We will especially target NYU but also open our service to the public. Considering that a large percentage of Columbia students remain in NYC after they graduate, we will already have a significant user base across the city. These students will likely help spread the word about the service to other young people.

## ***VII. Technology Implementation***

### **A) Website Programming**

To run the back-end website, we will use the industry standard open-source programming languages. PHP will be used for page scripting, MySQL for database management and HTML and CSS for webpage styling. To minimize costs, the founders will use their personal computers and software to design and implement the web site, and the site will be hosted by bluehost.com.

### **B) SMS Short Code Considerations**

Originally, MoSiMob planned to purchase a short code (CSC) which would allow users to send text messages to a five digit number such as 25227. But unlike an internet domain name, which can be purchased in minutes and costs pennies per month to own, the process of leasing a dedicated CSC takes months and has significant costs: \$500/month (or \$1000/month if a specific sequence of numbers is desired). These numbers must be bought in three-month periods. Because mobile phone users are spread across networks, an SMS gateway must be used to aggregate all the services and provide an interface with a web application. There are fees of 3-5 cents to send or receive each text message. Total costs are estimated in the range of \$15,000 to \$30,000 per year<sup>11</sup>.

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<sup>11</sup> <http://gigaom.com/2007/03/16/10-things-to-know-about-short-codes/>

Additionally, there are several bureaucratic issues: to lease a CSC requires an application to the Common Short Code Administration and typically takes several months. Unlike the free and open nature of an internet domain name, phone carriers can shut down a CSC service any time for any reason and even restrict the types of content that can be transmitted via SMS.

### **C) Mobile Email Gateways**

Fortunately, most U.S. carriers and recent phones have built-in support for sending email through their own SMS gateways<sup>12</sup>. On Verizon, for example, sending an email to *number@vtext.com* will deliver that message in seconds to the handset. Any responses from the handset are delivered back to the same email address, where a web server running a mail host can parse the data and respond appropriately. We may look into acquiring an SMS code in the future. Although asking users to text-message an email address may seem unprofessional and may confuse some users, we believe it's the most reasonable option at this time.

## ***VIII. Primary Research***

### **A) Students**

To evaluate the market for our service, we administered a survey to 40 undergraduates around campus (see appendix for raw data).

Our survey results clearly show that the basic requirements for our service exist:

- All survey respondents, 100%, report carrying a cell phone when they go to bars.
- The vast majority of survey respondents, 98%, have text-messaging and 83% use it once a day or more.
- 64% of survey respondents are not charged a per message fee to send/receive text messages.

We also asked about the bar-going habits of CU students:

- A significant portion of undergraduates go to local bars: 98% of survey respondents go at least once a month and 50% report going to a CU area bar once a week or more.
- When asked to rank six criteria for choosing a bar in order of importance, 93% of respondents chose "Where my friends (already) are" as their most important criteria. This suggests that if we can simply get a few users to switch bars with the use of coupons, many more friends will follow. In 78% of cases, respondents ranked "Prices/drink specials" as one of their top three criteria for choosing a bar.
- Next, we asked "If given a \$2 off drink coupon for a nearby bar that must be redeemed within 30 minutes, what percentage of the time would you change

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<sup>12</sup> [http://en.wikipedia.org/wiki/SMS\\_gateways](http://en.wikipedia.org/wiki/SMS_gateways)

bars?” The modal response was 50%. On average, respondents said they would change location 35% of the time.

We asked additional questions to gauge interest in our service and its offerings:

- First, we asked whether respondents would be interested in signing up for mobile mailing groups (MoSi-Mobs) and gave some example uses of these clubs. 59% said they would sign up.
- Next, we gave a description of our MoSiMob location based social network service and asked if they would sign-up. 45% of respondents said “yes” or “maybe.”
- Lastly, we asked whether students would be open to the idea of receiving coupons on their phone while at a bar. 54% of respondents said “yes” or “maybe.”

The results of our survey were very encouraging and show promise for the MoSiMob service.

## **B) Merchants**

Additionally, we met with the managers of several Columbia Area bars to get feedback about our idea as well as a sense of the financial value our service can provide their business. The feedback was generally positive. After speaking with Mil Lopez, Havana Central's general manager, it became clear that the majority of their drink business for the week comes Thursday-Saturday nights (when Columbia students typically don't have to attend class the following day). They offer happy hour specials from 4-7pm on some weekend evening to attract nearby residents and dinner customers, a strategy used by many of the mid and large sized bars near Columbia.

Mr. Lopez also described his practice of using **spontaneous prime-time happy hours** (prime time is approximately 9pm-3am) and some competitors mentioned similar practices. These happy hours are not pre-announced but are an attempt to increase business at an expectedly empty bar. As customers enter, they are notified that the bar is currently having happy hour and that drink prices have been lowered.

If prices are lowered to bring new customers, why would a bar offer a lower price to a customer who has already walked in the door with the intention to purchase a drink at full price? Aren't these discounts targeting the wrong customers?

The value in spontaneous happy hours, explained Mr. Lopez, comes as a result of the customers' network of friends, whom they call on their mobile phones and invite to the bar to join them for cheap drinks. This brings additional business which, even at the discounted prices (20% off), drives additional profit. This network marketing technique is only mildly successful however and there is an obvious need for the type of last-minute instant advertising that MoSiMob offers.

The manager at The Heights Bar and Grill, Kevin Lydon, was also helpful in our research. The Heights is much smaller than Havana Central and has a maximum capacity

of roughly 50 people. It is almost always full on weekends and the ability to drive additional customers wouldn't add much value to a venue of such small size. The manager was not interested in our adblast service for prime times. The Heights, however, is the smallest bar around campus and most of the other bars frequented by Columbia students are much bigger.

Nearby bars frequented by Columbia students:

- Havana Central at The West End (114/Broadway) -- open to offering discounts on a weekly basis, during weekend nights
- The Heights Bar and Grill (112/Broadway) -- too small to offer discounts on weekend nights, but might consider its use during the week
- Nacho's Kitchen (113/Broadway)
- 1020 Bar (109/Amsterdam)
- O'Connell's (107/Broadway)
- Amsterdam Cafe (120/Amsterdam)
- Radio Perfecto (119/Amsterdam)
- Suite (108/Amsterdam)
- Mona's (107/Amsterdam – currently closed)
- Casbah (110/Broadway – currently closed)

We also considered the value of our service to additional bars which are not within walking distance of the university. In the past, some of these bars have even had promotions where they reimbursed cab fare for customers coming from Columbia. Although we did not speak with the managers, we believe they would be very open to working with MoSiMob:

- The Gin Mill (83/Amsterdam)
- Bourbon Street (82/Amsterdam)
- Jake's Dilemma (82/Amsterdam)

### **C) Competitors**

We also performed competitive intelligence gathering. First, we signed up for Dodgeball and Frengo and learned about all the features. Additionally, we read articles and analysis about all the MoSoSo services. We also contacted Alex Maloney, co-founder of Social Monkey, whom we spoke to over the phone. Having launched the service at Tufts University last spring, he had many interesting insights and first hand observations. He noted that the service was very well received upon launch and that they were able to get 400 signups within a short time period. Alex formed a partnership with a local bar and used the mobile service to announce an open-bar and reported that “the line was around the corner.” Alex also told us that Social Monkey is currently being redesigned and they plan to focus on larger urban markets such as New York City and Boston. They currently have no plans to target additional college campuses, and they plan to monetize the service only via website advertising.

## ***IX. Financial Data***

### **A) Startup Costs - Promotions**

Multi-shaped stickers which communicate mobster activity will cost \$245.50 for 500 stickers shipped from Kool Print (koolprint.com). These stickers will be given away for free to students around campus for interactive use as discussed previously.

Twenty custom-made, double-sided, black-and-white basic ringer T-shirts will be ordered from Zazzle (zazzle.com) and given away to close acquaintances. These shirts will cost \$17.51 each, totaling to \$420 shipped.

600 flyers. With Columbia's weekly printing quota, this form of advertising will not cost anything.

Facebook flyer advertising will be purchased on for 2 weeks at a cost of \$10/day, or \$140.

Total Promotional Cost: \$805.50

### **B) Startup Costs – Technology**

Like any information goods company, MoSiMob's costs will be minimal. Registering the domain name MoSiMob.com and MorningsideMobile.com through a service such as godaddy.com will cost \$6.95 each. Web hosting and email service will be purchased from Bluehost.com totaling \$15.75/month. All programming and design work will be done from the personal computers of the founders.

Annual Costs: \$202.90

### **C) Maintenance Costs**

We expect maintenance costs to be minimal. As noted above, running the website and email application will cost \$202.90 annually.

### **D) Projected Revenue**

As stated earlier, we plan to charge merchants \$2 per coupon redemption for the use of our adblast campaign. We did some quick calculation to estimate revenue potentials: There are 6000 Columbia undergrads and our survey predicts a signup rate of 45% = 2700 signups. Among those surveyed, they averaged 3.3 "going out nights" a month. 2700 members \* 3.3 going out nights = 8910 nights-out each month. If we were to send out a coupon to *all* members on all nights, considering that on average 35% of respondents said they would switch bars given a \$2 coupon, we can expect to achieve

$8910 * 35\% = 3118.5$  bar switches a month, charged at \$2 per coupon redemption (switch) = \$6,237 revenue / month. This is likely an over-estimate. First, it assumes that all users check in every time and also that we send all users coupons (rather than implementing the smart selection technology illustrated in the appendix), but this estimation gives us an idea for the upper limit on our monthly revenue.

A bar's capacity may actually be the real bottleneck to the service. Assuming that Havana Central at The West End can hold 300 people, let's assume that the MoSiMob service brings the bar from 50 people to capacity at 300 – an increase of 250 customers. Assuming that all the customers came in pairs, this means that 125 coupons were redeemed, at \$2, which earns \$250 for MoSiMob. Assuming that we run only one campaign per each weekend night (at Columbia this consists of Thursday, Friday, and Saturday nights), we should be able to make \$750 per weekend. Assuming there are approximately 30 weekends during the school year, our annual revenue should be  $30 * 750 = \$22,500$ .

### **E) Break-Even Analysis**

The variable cost of launching an ad campaign is essentially zero. Assuming the estimated promotional startup costs are \$805.50, it will take roughly four adblast campaigns (earning \$250 each) to break even. After only two weekends of full operation, we should be making a profit.

### **G) Requested Funding**

We are requesting funding to cover initial promotional costs and server costs,  $\$805.50 + \$202.90 = \$1008.40$ .

## **X. *Management Team***

### **A)**

#### **Artia Moghbel SEAS '08**

Artia will assist with the technical implementation of the project as well as negotiating and maintaining merchant relationships. A true entrepreneur, Artia has started several ventures. In 2003, he founded Schoolrack.com, an online tool that easily allows teachers to build class websites -- the website has registered over 8,000 users since launch. As co-founder of Trezr.com, he built a community-based website which aggregates online product deals and has held talks with an interested venture capital firm. Most importantly, he has extensive experience negotiating deals with local Columbia Area businesses through his work with the Pirate Card, a student discount card that brought in over \$16,000 in revenue in its first year at Columbia. Over the past two years, he has held various internship positions around New York City, working in both the consulting

and finance industries. At the United Nations, Artia helped the UN Development Programme explore charitable business opportunities in developing countries. The program successfully opened dozens of co-sponsored village banks in Brazil and Namibia to help revitalize local economies. Artia has also held a position at a newly founded hedge fund, where he helped analyze business opportunities and profitable deals and gained insight into a fast-growing financial industry. His combined work and extracurricular experiences have reinforced Artia's interest in business, which he plans to pursue full-time in years to come as a strategy consultant.

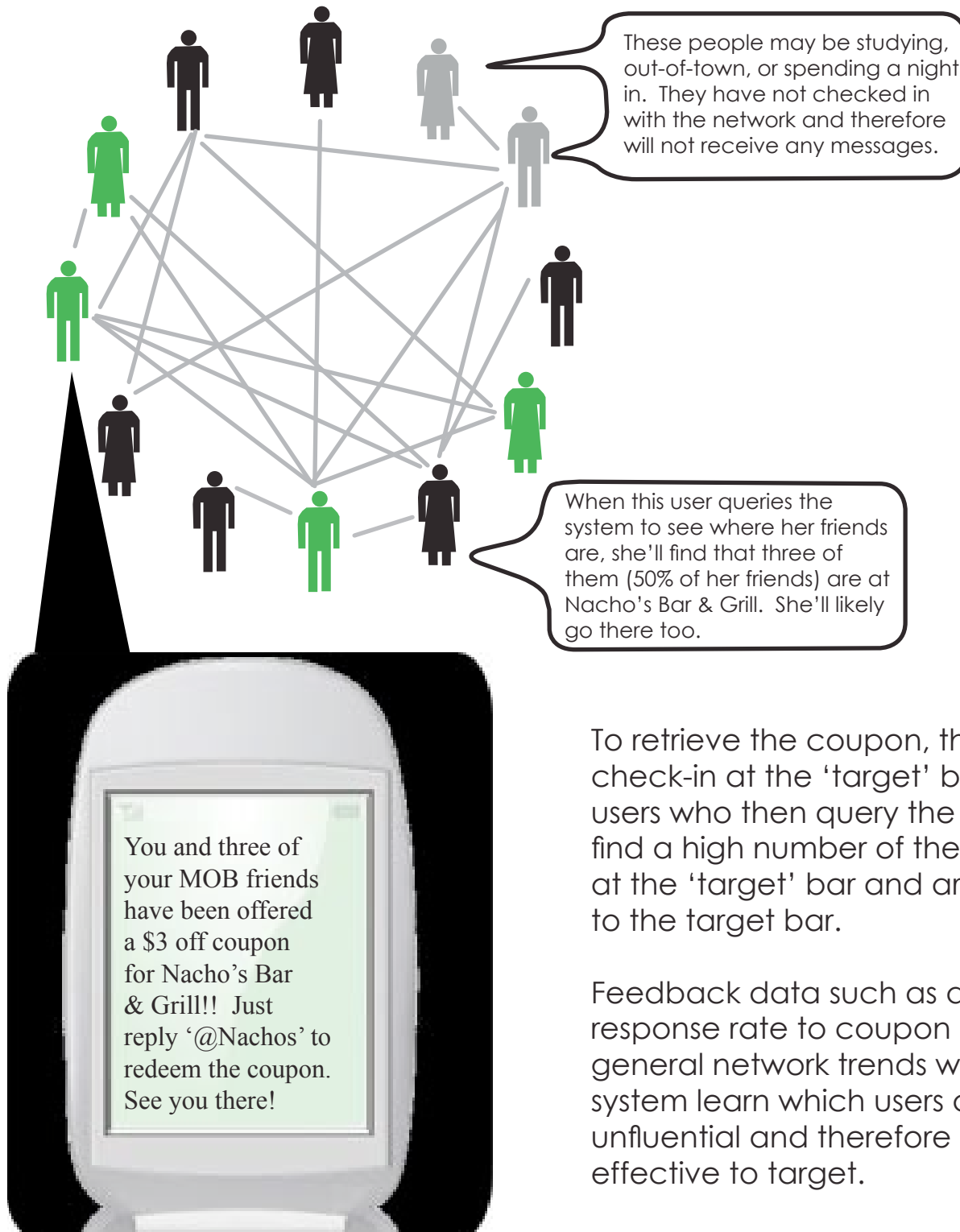
**B)**

**Jonathan Wegener CC '07**

Jonathan will be in charge of the technical implementation of the project as well as the launch marketing and growth strategy. A double major in Sociology and Neuroscience, he is a man of many talents. Jonathan has extensive experience with web programming and design. For the past four years, he has run culpa.info, a popular Columbia website which serves 200,000 pages a month. As the webmaster, he overhauled the site's design and functionality and formed a monetization plan for the website. He also has worked with on-campus groups such as COOP (Columbia's Outdoor Orientation Program) to deliver customized web solutions. He has experience with HTML, CSS, SQL, PHP, Javascript and Java. Jonathan is also comfortable with the marketing/advertising world and has taken several courses at Columbia's Business School. Through an internship at a market research/brand consulting company, he learned how to measure brand health and how to build a strong brand. Additionally, Jonathan worked this past summer as a strategy consultant on behalf of Scottish Enterprise, where he developed a strategic marketing plan for a bottled water company. His joint interests in technology and consulting recently propelled his team to a 1<sup>st</sup> place finish in the BearingPoint Technology Consulting Challenge.

# Illustration of Concept

This diagram demonstrates the tight social friendship network typical of a university and how our unique mobile marketing system takes advantage of the network structure. Using the system's knowledge of social network structure and current locations, specific people, **marked in green**, are chosen to receive a text-message coupon. By choosing clusters of people who know each other, there is an increased likelihood that they will stay at the bar after using their coupon. To the end user, the system offers both an economic benefit (a discount coupon), and a social benefit (the chance to find random friends).



To retrieve the coupon, the user must check-in at the 'target' bar. Other users who then query the system will find a high number of their friends are at the 'target' bar and are likely to go to the target bar.

Feedback data such as an individual's response rate to coupon offers, and general network trends will help the system learn which users are the most influential and therefore the most effective to target.

# ARTIA MOGHBEL

5780 Lerner Hall, New York, NY 10027 • (818) 515-8339 • am2477@columbia.edu

## EDUCATION & AWARDS

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### Columbia University

School of Engineering: B.S. Operations Research  
School of Liberal Arts: Minor in Economics, Minor in English and Comparative Literature  
GPA: 3.74/4.00 – Dean's List all semesters, Sigma Phi Epsilon Balanced Man Award

New York, NY  
May 2008

### Clark Magnet High School

GPA: 4.30/4.00 – Rank: 3/242  
Student Body President, Christopher A. Burrows Scholarship, Kiwanis Elks Scholarship, Governor's Scholar Award

La Crescenta, CA  
June 2004

## WORK & BUSINESS EXPERIENCE

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### Vision Capital Advisors, LLC

Analyst Intern

- Perform basic due diligence and initial screenings on both domestic and international companies
- Conduct research into equity and debt securities in small-cap public companies
- Inform, seek out, and manage investors for hedge fund with \$270m of assets under management

New York, NY  
September 2006 – Present

### Schoolrack.com, Inc

Founder

- Created online tool for automatically building teacher and professor websites
- Registered over 8,000 users since launch

La Crescenta, CA  
November 2003 – Present

### United Nations

Research Associate, Intern

- Supported efforts of corporations exploring charitable business opportunities in developing countries
- Aided in planning 2005 World Summit attended by 178 world leaders
- Helped arrange financial road show for senior officials in Qatar, UAE, and Saudi Arabia seeking investment from private equity firms in the United States
- Assisted in publication of *The UN Development Programme and the Fractured World*

New York, NY  
June 2005 – July 2006

### Pirate Card

President of partnership

- Created year-long discount card for college students released for the 2005-2006 school year
- Negotiated and contracted over 20 discounts with local merchants
- Manufactured, marketed, and sold 2,500+ cards on the Columbia University campus

New York, NY  
March 2005 – August 2006

### Treznr.com, Inc

Co-founder

- Hired and managed developers to build community-based website for aggregating online product deals
- Met recently with partners from large Sand Hill Road venture capital firm for potential buyout
- Leveraged latest Web 2.0 technologies, similar to YouTube, Digg, and eBay

New York, NY  
May 2006 – Present

### Common Cents

Project Manager

- Worked for non-profit organization responsible for collecting over \$650,000 worth in pennies annually
- Managed team responsible for penny transportation from 722 schools to penny depository

New York, NY  
September 2004 – March 2005

### Fuyue School of Foreign Languages

English Teacher

- Taught 2<sup>nd</sup> year intensive English course in capital of Hunan Province, China for six weeks
- Facilitated group of 30 students ranging from 12-21 years old

Changsha, China  
June 2004 – August 2004

## MISCELLANEOUS

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- Proficient in Microsoft Excel, Word, PowerPoint, Access, Publisher, Dreamweaver, Photoshop, HTML, PHP, C++, and Java
- Relevant Coursework Completed: Accounting/Finance, Micro/Macroeconomics, Global Economy, Production Planning
- Fluent in English and Persian, Proficient in Spanish

# Jonathan B Wegener

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## Education

**Columbia University, Columbia College.** New York, NY  
Bachelor of Arts, Expected May 2007  
Majors: **Sociology** (GPA: 3.9), **Neuroscience & Behavior** (GPA: 3.5); Overall GPA: 3.5  
Honors Senior Thesis: Social Shopping Websites and Citizen Marketers  
BearingPoint's Tech Consulting Challenge, 1<sup>st</sup> place; Deans List; Nominated for Writing Prize  
SAT Math: 800; Verbal: 690; Writing: 770

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## Related Courses

- Intro to Marketing\*
  - Pricing Strategies\*
  - Economic Sociology
  - High-Tech Marketing and Entrepreneurship\*
  - Advertising and Integrated Communications\*
  - Social Science Research Methods
- \*Columbia Business School Courses*
- 

## Experience

Sep - Nov 2006

**Millward Brown Inc.** New York, NY  
*Client Service Intern*

- Analyzed quantitative data to assess brand performance for several national brands.
- Prepared surveys and analyzed survey data to predict success of advertisements.
- Created Excel macros to automate frequently performed tasks.

Jun - Aug 2006

**Scottish Enterprise.** Encouraging Dynamic Global Entrepreneurs. Glasgow, Scotland  
*Strategy Consultant: Greencore Mineral Water*

- Analyzed bottled water market research reports to identify future trends.
- Developed proposals and strategic marketing plans for three new products.
- Identified distribution channels and barriers to market entry.
- Met with client weekly to discuss progress and reevaluate objectives.
- Worked in six person international team.
- Produced final consulting report, gave oral presentations to client.

Jun 2005 - Feb 2006

**Division of Experimental Therapeutics.** Columbia University. New York, NY  
*Laboratory Research Assistant*

- Designed and performed experiments to develop cure for cocaine addiction.
- Organized data, analyzed quantitative results, and presented conclusions.

May - Aug 2004

**School of International & Public Affairs.** Columbia University. New York, NY  
*IT Consultant*

- Installed networked computers, provided support to faculty.
- 

## Activities

Jan 2003 - present

**www.CULPA.info** — popular student website featuring 10,000+ professor reviews.  
*Website Administrator*

- Increased user submissions by 60% by launching campus-wide PR campaign.
- Developed metrics for usage trends and redesigned site to be more user friendly.
- Designed monetization plan.

Sep 2005

**New Student Orientation Program**  
*Orientation Leader*

- Provided academic and personal guidance to twelve new students.
- Created icebreakers and group activities to smooth the transition to Columbia.

Sep - Dec 2004

**Community Impact**  
*ESL Writing Instructor*

- Taught English as a second language to adults in Spanish Harlem.

Jan - Dec 2004

**Columbia Daily Spectator**  
*Production Staff*

- Designed pages and layouts for Columbia's main student newspaper.
- 

## Computers

Designed multiple websites for Columbia organizations.  
Experience with Microsoft Office; Adobe Photoshop, InDesign; E-Tabs; Quanvert; Simmons Choices3.  
Programming experience in HTML, CSS. Some experience with Javascript, SQL, PHP, Java.

## Survey

School, year, gender?

How often do you go out to the Columbia-area bars?

When you go to the bars, how many friends typically accompany you?

How much \$ do you typically spend when you go out?

What is your primary criteria when choosing a bar in the Columbia university area?

### **Please rank:**

A) Location/Proximity

B) Prices/Drink Specials

C) Where your friends (already) are

D) Décor/atmosphere

E) Service/bar staff

F) Your personal familiarity with the bar

Do you carry a mobile phone when you go to bars?

What carrier?

Do you have SMS messaging? How often do you use it? Is it free to send/receive messages?

Are you familiar with any of the following services? Dodgeball, Groovr, Social Monkey, Frengo, Loopt

Would you sign up for the following free service?

A mobile service allows users to create mobile groups that allow broadcast communication between the members' mobile phones. For example, a free food group would let members instantly send/receive notices about free food around campus. Subscribing to a sports team's group would deliver instantaneous game updates to your phone. A student club might use a group to notify members about last minute event changes.

We're considering launching a service that lets you use your mobile phone to locate your friends. Would you sign up for the following free service?

A mobile service that's all about using technology to bring people together. The service allows you to use SMS text messages on your mobile phone to check in with your current location (e.g. send "@West End" to 53433). Once the service knows where you are, it can then relay this information to your friends.

Additionally, it allows you to locate your friends or meetup with nearby crushes, offering a convenient way to keep track of your friends' locations by using text messaging on mobile phone. Additionally, you may receive valuable discount drink coupons for instantaneous use at nearby bars.

While you're out at the Columbia bars, would you be interested in receiving drink coupons via cell phone for other Columbia bars?

If given a \$2 off drink coupon for a nearby bar that must be redeemed within 30 minutes, what % of the time would you change bars?

How many facebook friends at Columbia do you have?

Re Nu	School year	CU Bar Frequen	Group size	How much \$ spent	Criteria Ranking	Carry a Mobile Phone	Have SMS	SMS usage freq	Per message change?	Familiar with Competit	Would sign up for mobile groups	Would sign up for bar service	OK w/ ads	% of time they would chan bars?	How many facebook friends do you have?	
1	Seas 09 M	1/Month	4-5	10-20	CFBED	Yes	Sprint	Yes	daily	No	No	No	No	Yes	50%	300
2	Colun Colleg 08 M	1/Week	3-4	15-20	CABFD	Y	Tmobi	Y	daily	N	N	N	N	N	0%	250
3	C 07 M	1/2Week	4	20	ABECF	Y	Verizc	Y	daily	N	Y	Y	Y	Y	50%	200
4	C 10 F	Never (downto only)	6-7	15	CBFEA	Y	Sprint	Y	daily	N	N	Y	Y	Y	70%	110
5	S 09 M	1/Month	4-5	0	CADBE	Y	Verizc	Y	daily	N	N	N	N	Y	50%	140
6	C 07 F	1/Week	3	10	CABED	Y	Verizc	Y	daily	N	N	Y	N	Y	15%	175
7	Barna 07 F	2/Month	6	15	CABFD	Y	Verizc	Y	daily	N	N	Y	Maybe	N	25%	270
8	C 07 F	2/Month	4-5	30-40	FBCAD	Y	Verizc	Y	2-3/we	Yes	N	Y	M	M	0%	200
9	C 07 F	1/Month	2	10	CFEDB	Y	Verizc	Nn	never	N/A	N	N/A	N/A	N/A	N/A	Not on facebook
10	C 07 M	1/Month	3	10	BADCE	Y	Cingu	Y	daily	N	N	N	N	M	20%	200+
11	C 07 F	2/Month	2-6	<20	CBFEA	Y	Verizc	Y	daily	Y	N	N	Y	N	20%	280
12	S 08 F	2/Week	4	20-30	CBAFE	Y	VZ	Y	daily	Y	N	Y	Y	Y	40%	273
13	B 09 F	2/Week	4-6	10	DCABE	Y	VZ	Y	daily	Y	N	Y	N	Y	40%	220
14	B 10 F	1/Week	2	10	CABFD	Y	Unice	Y	daily	Y	N	N	N	N	20%	66
15	S 08 M	1/Week	3	20-30	CADBE	Y	Verizc	Y	daily	N	N	Y	N	Y	50%	300
16	C 08 M	2/Week	2-3	10	BADCE	Y	Verizc	Y	daily	Y	Y	N	Y	N	20%	400
17	C 07 F	1/2Week	3	40	CBFEA	Y	Cingu	Y	daily	N	N	Y	Y	N	40%	170
18	S 08 M	2/Month	4	20	ACBFD	Y	Verizc	Y	daily	Y	N	N	N	N	50%	300
19	S 08 M	1/Week	3	20-30	CBFEA	Y	Sprint	Y	daily	N	N	N	N	Y	40%	250
20	C 09 M	1/Week	4	10-20	CBADE	Y	Verizc	Y	daily	N	N	Y	Y	Y	60%	200

21	S 07 F	3/Month	6	30-40	CADBE	Y	Verizc	Y	daily	Y	Y	N	N	Y	50%	450
22	S 07 M	1/Week	4	10	CBFEA	Y	Sprint	Y	daily	N	Y	Y	Y	N	40%	200
23	C 07 F	1-2/Mon	4	10-20	CADBE	Y	Verizc	Y	daily	Y	N	Y	Y	N	10%	180
24	C 09 M	1/Month	6	20-30	CABED	Y	Cingu	Y	daily	N	N	N	N	N	60%	410
25	C 07 M	2/Month	3	40-60	BADCE	Y	Cingu	Y	rarely	Y	N	Y	Y	Y	70%	208
26	S 09 F	1/Week	4	10	CBFEA	Y	Verizc	Y	daily	N	N	N	Y	N	40%	350
27	C 10 F	1/Week	4	30	BCDAE	Y	Cingu	Y	rarely	N	N	Y	N	N	25%	140
28	S 09 M	1/Month	2	20-30	CBADE	Y	Verizc	Y	2/Wee	Y	N	Y	Y	Y	50%	250
29	C 08 F	1-2/Wee	4-5	30	CABDE	Y	Sprint	Y	daily	N	N	Y	Y	N	75%	300
30	S 08 F	2/Month	3	20	ACDBE	Y	Verizc	Y	daily	Y	N	Y	N	N	40%	150
31	C 07 M	1/Week	2-3	30	BACED	Y	Verizc	Y	daily	Y	Y	Y	N	N	50%	170
32	S 08 M	1/Week	4	10-30	CBFAD	Y	Cingu	Y	daily	Y	N	N	N	N	-	200
33	B 07 M	1/Month	3	10	CBFEA	Y	Cingu	Y	daily	N	N	N	N	M	20%	240
34	C 07 F	1/Week	2-6	20-30	CADEB	Y	Verizc	Y	daily	N	N	N	Y	N	20%	320
35	B 09 F	2/Week	4-6	10	CFBAE	Y	Verizc	Y	daily	N	N	Y	N	Y	40%	180
36	B 07 F	1-2/Mon	4	10-20	CADBE	Y	Verizc	Y	daily	N	N	Y	Y	Y	10%	220
37	B 10 F	1/Week	3	20-30	CABFD	Y	Sprint	Y	daily	N	N	N	N	Y	20%	70
38	S 09 F	2/Week	3-5	10	CBFEA	Y	Verizc	Y	daily	N	N	Y	Y	N	40%	280
39	C 10 F	1/Week	5	20	BCDAE	Y	Cingu	Y	rarely	N	N	Y	N	N	25%	250
40	S 09 M	1-2/Mon	2	20-30	BCDAE	Y	Verizc	Y	2/Wee	Y	N	Y	N	Y	50%	140