

<p>Questions: Answer the questions below by typing or selecting your answer in the white cells in the column called "Your Answers." [Please click me for a video explanation of why there are underscores " " between words at the beginning of many cells]</p>	<p>Sample Answers: Below are the sample answers for "Tony Shark's" pretend company called "Shark Virtual Reality"</p>	<p>Your Answers Please type or select the answers below. [Don't worry if you can't answer all of the questions yet as you will be able to later in the course. You can always change your answers later on in the course as well. Thanks]</p>
<p>6-1 In Step 3, which was the Executive Summary, we discussed characteristics of the ideal customer. We will use this information to expand upon our target customer. For your reference (and to help you answer the questions below), the information that you documented in Step 3 is in the cell to the right of this box (if you answered the question in Step 3 on What the characteristics of the ideal customer(s) is/are here . --></p>	<p>My answers from Step 3 are:</p> <p>What are the characteristics of the ideal customer(s)? movie and or video game fans</p> <p>What is the location of the ideal customer within 2 years of launching your company? The United States</p> <p>What is the location of the ideal customer within 5 years of launching your company? The United States, Canada, India, United Kingdom, Australia and New Zealand</p> <p>Other Demographic Details: 18 years or older</p>	<p>Note: this is not a question...it's just informational as it is not in a white shaded box: Your answers from Step 3 are:</p> <p>What are the characteristics of the ideal customer(s)?</p>
<p>6-2 [Optional] Customer_survey_research: Have you conducted a sample survey from your customers or potential customers? Please refer to this link in Survey Monkey if you would like to do this prior to launching your product or service (great source for customer and industry research): https://www.surveymonkey.com/mp/online-research/</p>	<p>We included the results of our comprehensive SurveyMonkey.com survey in the Appendix (the back of the Business Plan). Please refer to the Appendix to review the results of the survey.</p>	
<p>6-3 Who_is_the_customer? Expand upon previous answers by writing a 3 sentence paragraph of who your ideal customer is, including (if you want), the average age, where they live, language spoke, income level and other demographic information that will help the reader of the business plan to understand what your target market is. This is important not just for this part of the business plan, but also for Part 9 where we discuss sales and marketing topics.</p>	<p>Based on our extensive customer research*, our ideal customer is a movie lover, an early adopter when it comes to new technology products, over 18 years old, lives in large cities, has an undergraduate university degree, is interested in computer programming and loves music. For the next two years, we are targeting consumers in the United States. In five years, we will also target consumers in Canada, India, The United Kingdom, Australia and New Zealand.</p> <p>* Please see the Appendix for the completed Survey Monkey customer data analysis report. Also, please see Step 9 in order to view the Facebook advertising campaign we are using to target customers with the aforementioned characteristics.</p>	
<p>6-4 Customer_concentration: If 1 or more customers comprises more than 10% of your annual revenue, then please mention this as it is a risk with the business model. If it is a risk, explain how you will address this risk in order to decrease customer concentration in the future.</p>	<p>We do not have customer concentration issues as no customer comprises more than 1% of total revenue.</p>	
<p>6-5 [Optional] Customer_profile_documentation: If applicable, please comment on how you plan on documenting information about your customers (email marketing works best).</p>	<p>When customers register their purchased goggles, they enter their email address and they can opt in to receiving updates on new streaming content, new 1-time higher priced special events media purchases and software upgrades for the goggles. Given the fact that we provide the value of offering free platform (operating system) upgrades for the goggles, we do not expect many customers to opt out of the email distribution list. We document and track all customer details using ActiveCampaign.com (discussed in more detail in the Sales and Marketing part of our business plan).</p>	

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6-6	<p>Customer_attainment_strategy: Document how you intend to get customers. Don't comment on marketing or sales strategies at this point as we will cover this in Step 9. See the example from Shark Virtual Reality in the cell on the right for an example.</p>	<p>Given how revolutionary our product is, we have received a material amount of free media publicity. As a result, we have not spent much on customer attainment. Going forward, we plan on using Facebook advertising, which we discuss in detail in the Sales and Marketing part of this business plan. We also plan on using Google ads and YouTube, as it is now the second largest search engine.</p> <p>We expect our media partners (i.e., The Walt Disney Company) to market our streaming service content as the margin profile is significantly better than other forms of content distribution.</p>	
6-7	<p>[Optional] If applicable, are you following your customers and potential customers on social media accounts, like Twitter?</p>	<p>We follow the largest media companies and current/potential media partners on Twitter.</p>	
6-8	<p>[Optional] If applicable, have you signed up for Google Alerts in order to receive immediate emails whenever your customers are in the news? See https://www.google.com/alerts .</p>	<p>We have signed up for Google Alerts as a way to monitor the news activity of our large partners (and potential partners). We also monitor our industry using Google Alerts.</p>	
6-9	<p>Customer_service: How will you ensure a high level of customer service?</p>	<p>In addition to having a detailed FAQ section on our website, the Apple and Android app downloadable versions of our product contain a step by step guide on how to use our product, configure our product and troubleshoot the use of our product. We will offer additional email support initially and Bruce Banner will offer telephone support. Based on the volume of inbound calls we receive, we will quickly hire offshore telephone support personnel or outsource the job function.</p>	
6-10	<p>[Optional] Customer_response_time: How long does it take (or do you think it will take) for your company to respond to customer inquiries (i.e., 1 or 2 days)</p>	<p>In most cases, customers only contact us if they cannot find the answers to their questions on our FAQ webpage. The customer education video that our customers watch is incredibly well-made that we are pleasantly surprised by the small number of customer questions that we receive. In addition, our customers are incredibly loyal and they often create their own YouTube videos and Quora.com content to help our other customers.</p>	
6-11	<p>[Optional] Customer_loyalty_program: Do you have or plan to have a loyalty program like Starbucks cards?</p>	<p>N/A</p>	
6-12	<p>[Optional] Warranty_policy: Do you offer product warranties. If so, comment on your warranty policy.</p>	<p>We offer a 1 year warranty on the sales of our goggles product. Please see the Appendix of this business plan to see what our warranty looks like.</p>	
6-13	<p>[Optional] Industry_search_trends: If applicable, have you done research on the search trends for the industry that you are in? If so and if you notice any interesting trends to document from the following resource, then mention them in the answer to this question. Here is the link https://trends.google.com</p>	<p>Based on our analysis of the industry trends using Trends.Google.Com., we have noticed that search volume based interest in our industry has seen accelerated growth over the past 12 months. Please see the Appendix in this business plan for more details.</p>	

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6-14	<p>TAM_sentence: Write a sentence about the size and growth of your industry's Total Addressable Market (T.A.M.). In Step 3 (meaning the Executive Summary), you wrote that the size of your T.A.M. is . You also documented that the growth rate of the T.A.M. is . If possible, please provide the source name and source website of the TAM, which you listed previously as and</p>	<p>The Total Addressable Market (T.A.M.) size of the market that we compete in is \$32 billion for the movie industry and \$138 billion for the video game industry for a combined total of \$170 billion. The growth rate of the T.A.M. is 2% for the movie industry and 5% for the video game industry. [Source: IBIS World for the movie industry data and Statista for the video game industry: https://www.ibisworld.com/industry-trends/market-research-reports/information/motion-picture-sound-recording-industries/movie-video-production.html for the movie industry and https://www.statista.com/statistics/246888/value-of-the-global-video-game-market/ for the video game industry.]</p>	
6-15	<p>[Optional] Have you looked into attending local Meetup.com events to network or learn more about your industry?</p>	<p>Not yet</p>	
6-16	<p>[Optional] Percent_of_TAM_sentence: If you want, please comment on the percent of the T.A.M. that you would like to capture in 5 years. We will use this information when we project the revenue on your Income Statement in Step 12. You previously documented that the size of the T.A.M that you wish to capture in 5 years is .</p>	<p>The percent of the T.A.M. market share that we are planning on attaining in 5 years is 1%. Please see the Income Statement portion of the business plan to see our revenue projections.</p>	
6-17	<p>Industry_trends_or_drivers: What are the trends or drivers (meaning things that make the industry do well) in your industry? Please feel free to comment on the problems with your industry and how your company addresses the problems (meaning why your company is the solution).</p>	<p>The problem with the movie market is that the growth of the market is anemic and large media companies are looking for ways to reignite revenue and profitability growth. We believe that our company solves the problem that large media companies are having with anemic growth, as our company offers a very high margin and scalable revenue model with high visibility given the nature of our subscription offering; we are confident that virtual reality programming is the key future growth driver for the movie market.</p>	
6-18	<p>Industry_problem: In one sentence, please explain what the problem is with the industry that your company is in. Please see my sample answer for Shark Virtual Reality on the right. I copied and pasted the sample answer here from the previous question.</p>	<p>The problem with the movie market is that the growth of the market is anemic and large media companies are looking for ways to reignite revenue and profitability growth.</p>	
6-19	<p>Industry_Solution: In one sentence, please explain what the solution is with the industry that your company is in (meaning how does your company address or fix the problem). Please see my sample answer for Shark Virtual Reality on the right. I copied and pasted the sample answer here from 2 previous question ago.</p>	<p>We believe that our company solves the problem that large media companies are having with anemic growth, as our company offers a very high margin and scalable revenue model with high visibility given the nature of our subscription offering; we are confident that virtual reality programming is the key future growth driver for the movie market.</p>	
6-20	<p>Industry_risks: Are there any risks that you wish to discuss with readers of your business plan? Please note, that we will discuss the competition in the next Step, which is Step 7? If you mention a risk (or risks), please comment on how your company can deal with the risk (or risks).</p>	<p>A material risk with the media industry is the threat of piracy. All of our content is streamed to consumers with embedded digital signatures that are specifically encoded to only allow the content to be streamed on a unique registered goggle. We filed a patent on this process. Please see the Appendix for a copy of the patent that we filed. We believe that this is one of the reasons that The Walt Disney Corporation signed a contract with our company (and could potentially be a strategic investor in our next financing round).</p>	

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6-21	Barriers_to_entry: what is stopping other competitors from entering the market and competing with your company (we will discuss the competition in the next Step).	We believe that a material barrier to entry in our industry is the complex technical nature of our patented goggle product, our patented streaming technology and our patent pending anti-piracy technology. Please see the Appendix for details on our patents.	
6-22	[Optional] Seasonality: If your business has an increase or decrease in revenue in certain months, please comment on the seasonal nature of your business.	Our product's best selling month is November, given holiday Black Friday shopping trends. July and August are the lowest selling months given vacation schedules. The subscription revenue is much less seasonal, which helps us achieve high revenue visibility trends.	