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Go and Grow Business Plan for a Social Media Application

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Duke, P. (2023). Go and Grow Business Plan for a Social Media Application. *Information Systems Undergraduate Honors Theses* Retrieved from <https://scholarworks.uark.edu/isysuht/19>

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Go and Grow Business Plan for a Social Media Application

by

Piper Duke

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**An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of
Science in International Business.**

Sam M. Walton College of Business

University of Arkansas

Fayetteville, Arkansas

May 13, 2023



Go and Grow

Piper Duke

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Executive Summary

Overview

Go and Grow proposes to develop a new iOS social media application to connect students studying abroad with students in the destination country. With the use of geolocation, in-app communication, and multi-language support, Go and Grow allows students to make the most of their once in a lifetime experience and give local people and businesses a chance to show off their home country. With Go and Grow, users will create relationship networks by posting questions, connecting with locals, and accessing information not provided by their program, making the student feel more comfortable before they depart and while they are in their study abroad country.

Why Go and Grow?

Studying abroad has become a vital part of the college experience. However, many students admit to struggling with barriers that hinder them from their experience such as language, culture, homesickness, social differences, and culture shock. According to Ed Tech Review, “63% of students said that they want to talk to international students at the school before,” studying abroad (Understanding the Study Abroad Market, 2022). Go and Grow will utilize online platforms to help students quickly find their comfort zone while enjoying the benefits of studying abroad.

The Market/Consumer Trends

Currently, social media is taking the world by storm with the overall market estimated at about \$49.09 billion which is expected to grow 26.2% in the next decade (Social Networking App Market Size Report, 2028, n.d.). With nearly 9 in 10 Americans online (Smith, 2017), now

is a perfect time for a social media app. Studying abroad is another market on the rise with 948,519 students studying abroad from 2021 to 2022 (Duffin, 2021). Students studying abroad are looking for ways to enhance their experience and Go and Grow will do just that.

Starting in northwest Arkansas, our minimal viable product will be tested focusing on University of Arkansas local and international students. Students are looking for a once in a lifetime experience by studying abroad, and with 1,214 international students traveling to the University of Arkansas campus, this is a perfect test market for Go and Grow before expansion into other countries.

Management

Piper Duke is the sole owner and manager of Go and Grow. Her international business degree and study abroad experience will provide her with extensive knowledge into the market and customer needs for developing the application. Go and Grow plans to outsource the application developer and hire additional employees as needed.

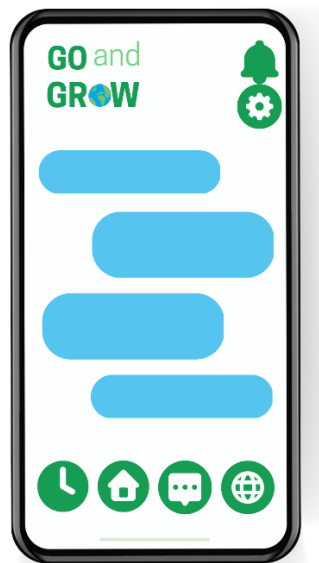
Uses

Go and Grow is a customizable platform for students to connect with others abroad. It will offer students personalized tabs to make their own profile including a profile picture, biography, and their previous posts. Its personalized news feed will provide the user with the ability to make posts, comments, likes, reposts and chat with other users. The application focuses on locations services so the user will be able to view a map to find hotspots of where locals and tourists are located. Depending on the date and time, there will be a “What’s Going On” tab to show local events, activities, and festivals. Users will be able to post transient content to that specific location about current events. Additional features will be accessible beyond typical social media aspects such as helpful resources on visas, cultural norms, and academic support.

Info on the Business

Design

The design of Go and Grow will be a sleek, easy-to-use interface, which will focus on geolocation services, such as GPS coordinates, location tracking, and map integration. We also will ensure data safety for users. Once hired, the application developer will be able to provide more information on this section.



Accounting

The primary sources of revenue for Go and Grow will be university partnerships and in-app advertisements. With universities encouraging students to download our app, it would provide us with much more usage as well as allowing the application to be free to download to students. Advertising by local businesses will provide a great way to showcase new areas of interest to students as well as giving the businesses access to a new market of international students.

Financial Documents

Pro Forma Income Statement

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
University Partnerships	\$ -	\$ 50,000	\$ 150,000	\$ 300,000	\$ 700,000
Ad Sales	\$ -	\$ 50,000	\$ 100,000	\$ 200,000	\$ 300,000
Total Revenue	\$ -	\$ 100,000	\$ 250,000	\$ 500,000	\$ 1,000,000
Expenses					
Development costs	\$ (75,000)	\$ (100,000)	\$ (175,000)	\$ (250,000)	\$ (350,000)
Marketing	\$ (15,000)	\$ (25,000)	\$ (50,000)	\$ (75,000)	\$ (100,000)
Legal Fees	\$ (10,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (50,000)
Total Expenses	\$ (100,000)	\$ (150,000)	\$ (250,000)	\$ (350,000)	\$ (500,000)
Net Income	\$ (100,000)	\$ (50,000)	\$ -	\$ 150,000	\$ 500,000

Pro Forma Cash Flow

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Cash Flow					
Cash Received from Partnerships	\$ -	\$ -	\$ 150,000	\$ 200,000	\$ 500,000
Cash Received from Ad Sales	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 500,000
Net Cash Income	\$ -	\$ -	\$ 300,000	\$ 350,000	\$ 1,000,000
Investing Cash Flow					
Development Costs	\$ (75,000)	\$ (100,000)	\$ (175,000)	\$ (250,000)	\$ (350,000)
Marketing Costs	\$ (15,000)	\$ (25,000)	\$ (50,000)	\$ (75,000)	\$ (100,000)
Legal Fees	\$ (10,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ 50,000
Total Investing	\$ (100,000)	\$ (150,000)	\$ (250,000)	\$ (350,000)	\$ (500,000)
Financing Cash Flow					
Financing Activities	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -
Total Financing	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -
Closing Cash Balance	\$ -	\$ 50,000	\$ 300,000	\$ 350,000	\$ 600,000

Pro Forma Balance Sheet

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Cash	\$ -	\$ 50,000	\$ 300,000	\$ 350,000	\$ 600,000
Accounts Receivable	\$ -	\$ 50,000	\$ 50,000	\$ 350,000	\$ 600,000
Total Assets	\$ -	\$ 100,000	\$ 350,000	\$ 700,000	\$ 1,200,000
Liabilities					
Initial Capital Investment	\$ (50,000)	\$ (100,000)	\$ (200,000)	\$ (300,000)	\$ (400,000)
Debt Financing	\$ (50,000)	\$ (50,000)	\$ (150,000)	\$ (300,000)	\$ (400,000)
Total Liabilities	\$ (100,000)	\$ (150,000)	\$ (350,000)	\$ (600,000)	\$ (800,000)
Equity					
Common Stock	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -
Total Equity	\$ -	\$ -	\$ -	\$ 100,000	\$ 400,000

Future Plans

As the app gains momentum, we hope to expand partnerships with universities all over the world giving people who study abroad access to benefits of our app. With the market for social media and study abroad on the rise, we see a continuous use of networking platforms meaning continuous success for our app. We want to eventually gain recognition among the top users of social media. As we grow, we will review other markets for expansion.

Legal

Go and Grow is an LLC and will expand when needed. We will adhere to the State of Arkansas laws and regulations. Confidentiality and data protection laws will be strictly adhered to, including those specific to the European Union. Also, some international media laws, such as in China, limit social media usage. We will be sure to comply with the standards set by each country.

Timeline

The development for the application will take under a year. After the development, a test market will focus on University of Arkansas students traveling to the most popular study abroad location, the Rome Study Center and international students studying abroad in Fayetteville. This test market will allow us to connect with four phases of students throughout the year to observe what went well, what challenges remain, and complete the app for usage in the United States in 2026. Expansion should be completed in the United States, and we aim to grow to worldwide usage starting in 2025.

Market Analysis

Customer Market

Despite the COVID-19 pandemic, study abroad numbers have reached pre-pandemic status with about 325,329 United States students studying abroad in 2015-2016 and about 948,519 students coming to the United States to study abroad. This would be our customer base after expansion. Before expansion, the University of Arkansas offers a market to approximately 1,400 international students (Assessment of Programs University of Arkansas, n.d.) making an excellent test market for the minimal viable product.

The problems students face when studying abroad include language barriers, culture shock, feeling comfortable, educational differences, and overall integration (Torrens). Go and Grow plans to allay these. With the increase in students studying abroad and 4.48 billion social media network platform users in 2021 worldwide (Dean, 2021), we eliminate see an expanding and viable market for Go and Grow.

Competition

Currently, there are no apps directly competing with Go and Grow. However, we do see limited competition from other social media apps such as Instagram, Twitter, or Facebook. These apps have groups for study abroad, however, they are hard to navigate and do not provide the information or connection most students are looking for. Also, there are two study abroad apps, Leverage Edu and Yocket, which provide information to study abroad applicants, but they do not seek to utilize the social media aspect and are both based in other international areas, not the

United States. Go and Grows’ focus will provide students a niche app untapped by those platforms.

Competitive Advantage

Our competitive advantage is the niche app market we are serving. While groups for studying abroad pop up in other social media sites, they are hard to navigate and provide limited “real time” interaction opportunities. Go and Grow aims to make those connections abroad while immediately presenting up-to-date information in a clear and concise manner.

SWOT Analysis

<p>Strengths:</p> <ul style="list-style-type: none"> Studying abroad is a niche market Easy to navigate interface Free to partnered university students Helps students navigate studying abroad Eases the feeling of uncomfortableness 	<p>Weaknesses:</p> <ul style="list-style-type: none"> Social media is a generally competitive market Gaining initial partnerships
<p>Opportunities:</p> <ul style="list-style-type: none"> Expansion to new markets in the US and around the world Gaining partnerships with external study abroad programs Expanding beyond students study abroad 	<p>Threats:</p> <ul style="list-style-type: none"> Established social media networks The cost of development Time to develop

Test Marketing

To test Go and Grow, we plan to start with a minimal viable product and utilize the University of Arkansas international students in Fayetteville. With the close proximity to our test market, we will be able to implement changes and assist as needed within a short amount of time. We plan to collect feedback from users through surveys and questionnaires. After thorough testing, we will expand our test market to the students studying abroad in the University of Arkansas Rome Study Center. This popular destination for Arkansas students will provide us enough information to implement our application abroad. Once completed, we plan to expand to other universities in the United States, eventually reaching worldwide usage while focusing on popular study abroad destinations.

Market Strategy

Sales/Promotion Strategy

Students at universities are increasingly becoming aware of studying abroad and gaining the “local” experience. We want to encourage students studying abroad and locals to download the app to make the most out of exploring the world. Go and Grow plans to enter the market through university partnerships, starting with the University of Arkansas. We will promote at the study abroad office for students to have even more access to Go and Grows information. The detailed promotion strategy will include email campaigns, campus social media and in-person promotion through specific study abroad offices or campus events. Flyers will be included in the materials students receive when they register for their excursion. To encourage downloads further, we will organize a raffle awarding prizes and scholarships for students studying abroad.

By adding a small fee to the students’ study abroad tuition, students can download Go and Grow and use its resources in the future for free. While conducting the test market, we will provide a reduced rate as we are collecting data. After testing, pricing for the one-time fee will be dependent on the size of the university and the number of students who study abroad there.

Community Involvement

Go and Grow will provide involvement opportunities for businesses around each location and provide a stronger sense of community among international and local students. In the “What’s Going On?” tab, we will showcase opportunities such as volunteering, student groups, and town events. Partnerships with local businesses will support the community and boost the local economy allowing local and international students the opportunity to connect deeper with local dynamics.

Conclusion

I see Go and Grow as a profitable opportunity. Within this competitive market, Go and Grow is a niche prospect in the world of social media. Conducting this business plan was a beneficial way to understand how to build a business from the ground up and execute it successfully. With limited information however, I did need to make assumptions that would be improved with real world conversations and interactions. With that in mind, to make a confident decision I would need to conduct more market testing and customer analysis to start Go and Grow with certainty.

Resources

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