

MASARYK UNIVERSITY
FACULTY INFORMATICS



Dance as a Service - Case Study

DIPLOMA THESIS

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Brno, spring 2013

Declaration

Hereby I declare, that this paper is my original authorial work, which I have worked out by my own. All sources, references and literature used or excerpted during elaboration of this work are properly cited and listed in complete reference to the due source.

Attila Fábán

Advisor: Ing. Leonard Wallezký, Ph.D.

Keywords

Dance, portal, case study, service, marketing, business plan, business model

Abstract

This thesis is engaged in intersection of dance industry and IT services by describing business concept of a multiplatform based portal to unite the dance industry entities with a dance teaching possibility in form of IT service.

Acknowledgement

I would like to thank to the advisor of this thesis Ing. Leonard Wallezký, Ph.D. for dedicated time, effort and valuable advices helping me to create such a thesis bringing value not just for academic purposes but for real business as well.

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1 Introduction

The trend of Internet usage is rapidly developing in the last decade and within a short time become a matter of course, or rather the absolute necessity of most businesses. Internet is increasingly consolidating its position as media designed not only for communication, education, entertainment but also as part of the business.

In this thesis I'm describing a business concept of a multiplatform based portal to unite the dance industry entities with a dance teaching possibility in form of IT service. The portal will be an online community for all dance enthusiasts with the main purpose of linking the three core audiences of dance industry. Dance studios who are seeking for students and trying to maintain contact with them, dance students who are seeking for appropriate dance studio to learn and train dancing and dance event organizers who are seeking for professional dancers to perform and dance enthusiasts as attendees.

This thesis is divided into three main parts. In the first part the dance industry as a whole is analyzed with regards on economic aspects like market size and growth projections.

The second part is related to the case study of the seenedance.com portal, realization of the very first idea of dancing portal from which was developed the sophisticated IT service concept and it's business model. This part is describing the realization of dance video tutorial set and the background technology like CMS platform and video hosting solution which made the tutorials available online for the audience.

The core part of this thesis is the business model detailed in the third part written in the form of real business plan with intention to seek investment capital and build a thriving service oriented business based on it. The chapters are divide logically according the the need of an business plan into Executive Summary describing the whole business concept on two pages, the Product describing the value of innovative dance video tutorials, the Business Model as the most important chapter for investors summarizing expected streams of income, the Target Market Segment detailing the customer profile of expected customers,

1. INTRODUCTION

the Marketing Plan explaining the strategy of entering the market and gaining popularity and the Exit Strategy considering the most likely scenarios to occur within the first five years of operation.

PART I
THEORY

2 Dance Industry

The Dance Studios industry mainly seen upward growth movement since 2008 save for a recessionary drop in 2009. Strong growth will continue through 2018, buoyed by the popularity of dance shows in the mainstream media and higher disposable income. However, the industry will face challenges in health clubs offering dance classes and a decrease in leisure time.

This industry includes studios which primarily offer instructional classes focused on providing knowledge and skills related to dance, including ballroom dancing, ballet, hip-hop and modern dance, among others. These include dance schools for children, intermediate and professional dancers. However, this industry does not include dance companies.

Dancing is a historical tradition. Ballroom dancing has been alive at social functions for centuries. In recent years, social dance has proved its long lasting presence. The youth in the recent times is fascinated by the street dancing culture and from the '80s; the hip hop and pop culture took a rapid turn and has engrossed the public. It is in the media, the music and day to day social functions. It isn't usually taught parent-to-child so people are seeking schools where they can learn. With Dance sport being considered as a medal sport in the next Olympics, more people will be exposed to Social and Ballroom dance.

1

2.1 Europe

In Europe the dance economy is estimated to employ around 30,000 people; dancers, teachers, choreographers, technicians and managers. In addition to this, people work in dance as community dance practitioners, promoters, producers, designers, publicists, technicians, physiotherapists, medical and alternative practitioners, therapists, writers and academics. There are an estimated 200 dance companies in the UK. Dance also plays a central or supporting role in commercial and subsidized theater such as West End musicals, and in opera, film, television, live music and video, corporate events, variety shows, clubs and many

1. <http://www.ibisworld.com/industry/dance-studios.html>

other industries.

In 1969/70 the Arts Council of England supported seven dance companies and organizations, in 1998/99 this number had grown to 74. In 1999 there were an estimated 1,472 dance performances given in theaters around the UK, in addition to drama, opera, musical and other productions which incorporated dance. Estimated ticket sales for these dance performances reached €24,000,000, while the Arts Councils of England, Scotland, Wales and Northern Ireland gave out a total of €64,000,000 in subsidy for dance. The scope of the UK dance industry is vast. There are at least 450 dancers in West End musicals. Cruise ships (not a widely researched area) have more than 209 dancers from the UK performing onboard. Professional ballet dancers within England and Scotland total 262. NDTA (National Dance Teachers Association) is the leading subject association for dance in schools. ²

2.2 USA

In 2013, the Dance Studios industry is expected to generate €1.6 billion in revenue. This represents average annual revenue growth of 1.2% over the past five years, including expected growth of 2.4% in 2013. The Dance Studios industry has been positively impacted over the past five years by the popularization of dance-inspired television shows, as well as rising interest in dance as an alternate form of exercise and physical fitness. In particular, dance studios offering Latin-inspired, fusion and ballroom dance classes have benefited from rising consumer demand. For instance, there was a 35% spike in the number of people taking ballroom lessons and attending ballroom events during the 10 year period ending in 2011 according to USA Dance Inc. "However, the industry has not been without its challenges; during the recession, declining disposable income and heightened unemployment resulted in a greater number of consumers limiting their discretionary spending," says IBISWorld industry analyst Caitlin Moldvay. Consequently, enrollment in dance classes declined and clients shifted away from private classes to more inexpensive group classes. ³

2. <http://www.danceuk.org/resources/dance-facts/>

3. <http://www.ibisworld.com/industry/dance-studios.html>

3 Market Size and Growth Projections

Europe

The venue survey revealed some important issues which bear out some of the preceding research:

- 31% of the venues in the sample had a dedicated dance programmer and this clearly has an impact on confidence and expertise within venues when programming dance and developing audiences
- 21% of the sample was members of Dance Consortium, 15% of Dance Touring Partnership and 49% indicated they worked in partnership with their local/regional dance agency in programming dance. This indicates the critical role played by the consortia along with the importance of the agency network in developing audiences and performance opportunities
- 37% of the sample indicated, dance was programmed more than 10 times a year with 8 venues indicating, dance comprised between 75–100% of their overall program. These responses are summarized in Figure below

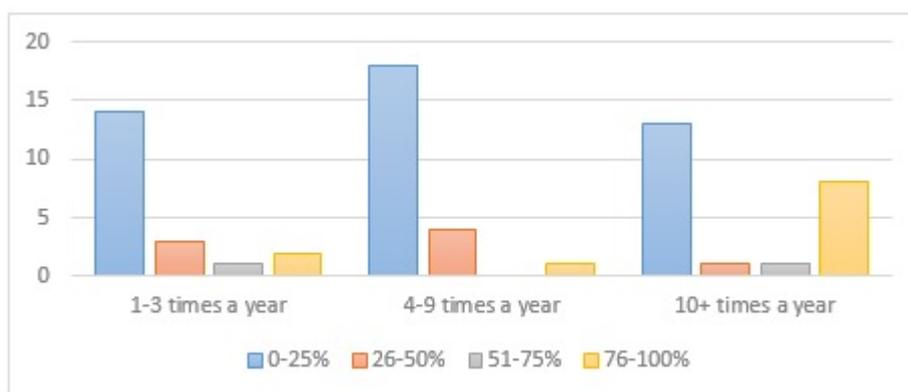


Figure 3.1: Summarized responses

In the entire Europe, There has been a 43% increase in overall student numbers, 51% in full time undergraduates since 2002/03 and this denotes an

3. MARKET SIZE AND GROWTH PROJECTIONS

unprecedented expansion in HE dance provision. When this is compared with the size and scale of the sector outlined above it is apparent, the number of graduates from the 2004/05 cohort will almost match the total number of dancers in work at any one given time. This suggests, HE must address the demand side of the equation curricula if these graduates are to be employable.

- There has been major growth in the number of undergraduate 112% and postgraduate dance students 100% over the five-year period
- The largest increase 112% is in full time undergraduates whilst part-time study has decreased by 23%.
- Postgraduates have doubled over the period
- The number of female students 88% in 2006/07 has increased as an overall percentage by 110% whilst male students continue to represent the smaller overall percentage 12% in 2006/07 and have only grown at a rate of 37%

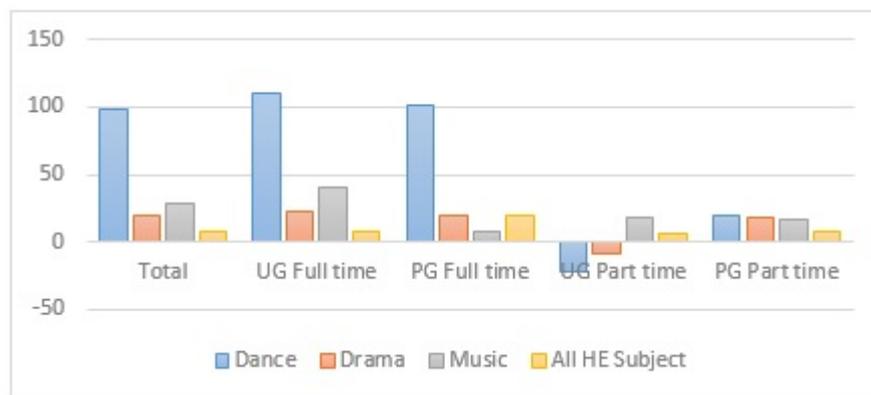


Figure 3.2: Percentage Growth in Student Numbers in HE Dance, Drama and Music 2003-2007 (based on HESA data)

USA

The Dance Studios industry is highly fragmented, the vast majority of dance studios operate from a single location catering to the local market. The most

3. MARKET SIZE AND GROWTH PROJECTIONS

prominent companies in the industry include franchises such as Arthur Murray International and Fred Astaire Dance Studios. Fueled by rising consumer interest in dance over the past five years, the number of dance studios is expected to increase at an average annual rate of 1.2% to total an estimated 8,264 studios in 2013. Over the next five years to 2018, the Dance Studios industry is expected to post positive average annual revenue growth. Improving economic conditions will result in greater per capita disposable income growth, fostering greater spending on recreational activities such as dance. Furthermore, rising income will boost demand for more lucrative private classes and high-profit merchandise sales, benefiting revenue growth for dance studio owners. The baby boomer generation is expected to be a source of growth for the industry over the next five years, particularly for ballroom dancing classes.¹

Dancers and Choreographers:

- Most dancers begin their professional career by age 18.
- In 2006, professional dancers and choreographers held about 40,000 jobs in the U.S. About 17% of these were self-employed.
- National averages show, dancers may earn anywhere between €5/hr to over €20/hr depending on their skill level and type of production. This rate includes rehearsal time, choreography lab time, performance time, and often required time spent in class for company performers. Salary may also depend on location, cost of living, and extent of touring. While a company member in New York City may make more than a company member based in Cleveland, the cost of living is significantly higher in New York than Ohio.
- While the median income of a choreographer in 2009 is approximately €25,500 a year, top choreographers directing their own companies may have an annual company operating budget of €4.3 million. However, with operating costs for large companies totaling over €4 million, the choreographer may net just over €300,000 each year.

1. <http://www.prweb.com/releases/2013/1/prweb10305419.htm>

Canada

According to the data released by Canada Council for the Arts (2004):

- Over 1.5 million Canadian adults go to dance performances - representing dance attendance of over 2.5 million.
- The number of people making a living from dancing has grown from under 400 in 1971 to over 6,000 in 2001.
- The number of not-for-profit professional dance companies identified by Statistics Canada has grown from 5 to nearly one hundred from the 1970s to 2000. The number of performances presented increased from 569 in 1975 to over 2,200 at the end of the century.
- Total revenues for these companies grew from €4.4 million in 1973 to €50 million in 2000.
- Over 1 million Canadians adults take dance classes or perform dance themselves in their communities.

Australia

The current market for dance in Australia is relatively small. The Australian Bureau of Statistics has estimated that 9% of the population attends dance performances. This compares with 16.5% for theater, 16.3% for opera or musicals and 8.8% for classical music performances. However, the audience for contemporary dance, which forms the primary focus of the companies covered in this analysis, has been estimated in other research as closer to 6%. At this level, the potential adult (15+) audience for contemporary dance would be approximately 840,000 across Australia.²

2. http://www.australiacouncil.gov.au/___data/assets/pdf_file/0017/34028/04_market.pdf

PART II

CASE STUDY

4 Introduction to SeeneDance.com

People in a particular field are only best aware about the hard work it takes to get name and fame in that field. Dance is another popular form of art which has been evolving since earlier times and has become much more prevalent these days. It has become a part and parcel of our culture. Dancing also improves the physical health of a person as it involves highly physical activities. It improves the flexibility, range of motion and stamina of a person. It also brings in the correct posture, increases the balance and develops the muscle tone and muscle coordination. It improves the social and communication skills of the people who intend to learn it. Sometimes, people who are shy can get an exposure when they are exposed to dance platforms. Moreover, it improves the confidence and self-esteem of the people and develops a positive attitude among the people for others. It becomes highly beneficial to learn dance as it heightens the morality of a person.

The web portal or the platform was started by adopting a lot of ways to get it represented in the best way. The idea of creating a series of video dance tutorials came when I was struggling with remembering the dance set. I learned various dancing steps and forgot them many times. After inquiring my dance teacher and searching around on internet I found out that there was no good quality complete dance lessons from where I could learn and train at home. What was available was in terrible quality and mostly taught way different sequences that what we learned in our dance studio.

The platform has partners of professionals who are an important part of the portal as they are teaching the dance forms in the videos. There are 11 dances on the website divided into three difficulty levels and they help a lot in enhancing and learning all forms of dance in a detailed manner.

The filming of the dance video tutorials were done in the conference room of hotel Barcelo in Brno during two days. A lot of work was done in particular to make the video as good as possible and to impart whatever can be imparted in a short duration to the maximum extent. The filming was done during the summer 2012 and professionals did a great job with the teaching part instilling

a great patience inside them and putting on loads of effort.

Through the help of such a portal, a lot of people from all over the world who have a passion for dance and have an inner urge to dance well get truly benefited. They get the services sitting at their home and learning them over the internet. It becomes easy for them to see and learn without taking any more extra effort to be physically present at a particular place at a particular time. It is also a minimum skill a person should learn which is fulfilled. The high definition videos make the steps very clear to see and the portal ultimately helps a lot towards further developments. In case of any discrepancies, the professionals of the portal can also be contacted for any further information. This becomes a feasible method for the people who are extremely busy in their day to day affair. Enhancing the passion into a career may be a prospective of many people as interest builds exponentially in the direction of passion, thus giving moral confidence. Any individual can build the career with the subscription from the web portal as it can be termed as one of the most robust platforms in making people learn about all types of dance forms ranging from ancient to modern types like Waltz, Slowfox and Quickstep in a unique and easy way. The level division also makes it better for discrimination of the capacity of a person keeping everyone at particular levels for further improvement.

5 Technology

Building a portal has never been easier as today thanks to the open-source content management system (CMSs) platforms with plenty of addons. Currently there are three major CMSs - WordPress, Joomla and Drupal available to choose. Generally accepted opinion says that WordPress is the easiest and fastest way to set up a fully functional and easily manageable portal. Drupal goes well for complex, large, enterprise level portal since it is considered as the most flexible and powerful CMS and Joomla seems to be as compromise between other two. According to W3Tech WordPress is the most popular and widely used across the internet. It has been growing since years at a rapid rate and now is adopted by millions of people from all over the world.¹

5.1 CMS Platform

The portal at first was built on Joomla by taking the advantage of outsourcing possibilities. A freelancer was hired via vWorker.com outsourcing portal who's task was to deliver a customized portal for the dance videos with a payment gateway and configured subscription system. It was a great contribution by him towards the making and presenting of the portal but after difficulties with the payment gateway plugin and general administration complexity of Joomla I have decided to switch to WordPress platform which made it further easier to build the portal. Joomla have been chosen with the mind of expanding the portal into a robust one. After few hundred euros and lot of wasted hours lesson learned to stick with the common wisdom of choosing the easier way to go. In this case WordPress is perfectly suitable to build fast eye-catching and easily manageable portal.

As for today the portal is currently running under www.seenedance.com on WordPress version 3.5.1 with professional template Avada.² The theme is clean, flexible with fully responsive design implemented. It's very intuitive, easy to customize and work flawlessly on mobile devices which is an absolute must due

1. <http://w3techs.com/>

2. <http://theme-fusion.com/avada/>

to nowadays rapidly increasing popularity and usage of tablets and smartphones.

Key plugins implemented:

- **s2Member® Framework** - powerful, easy to configure and use membership plugin.³
- **W3 Total Cache** - most popular performance plugin. By adding browser, page, object and database caching and minify dramatically improve speed and user experience of the site. CloudFare CDN service is also configured in this plugin.
- **BackUpWordPress** - make automated backups.
- **Google XML Sitemaps** - generates special XML sitemaps to help search engines to better index the whole portal.

5.2 Video Hosting

The dance tutorials are hosted on Vimeo PRO⁴ video hosting provider for commercial use. After reviewing the top most popular commercial video hosting companies I decided to use services from Vimeo group with a pro version since it's services was far the cheapest comparing to the other video hosting providers. The significant price difference comparing to competitors was due to the lack of support, which I haven't find necessary since the video management is pretty simple. The subscription include 50GB storage and 250,000 plays with no bandwidth caps or time limits. High definition video support mobile and tablet compatibility is self-evident.

3. <http://www.s2member.com/>

4. <https://vimeo.com/pro>

PART III

BUSINESS PLAN

6 Introduction

True Dance Dynamics is dedicated to bringing quality and affordable dance instruction to the entire world through online portal. There is an active and dedicated ballroom, waltz, salsa, tango, hip hop and various other dance communities already waiting to be registered with the website. However, there has never been an actual online dance studio with almost all the dance categories listed, where these people can enhance their knowledge of dance and enjoy being with other people of like interests. The company intends to engage dance community into the online studio to begin with a strong base of supporters. From there True Dance Dynamics will be able to spread the word, dancing is a fun and exciting way to spend time. There are many benefits to dancing which will attract people from many backgrounds and interests.

True Dance Dynamics is destined to become the world's premier dance instruction portal where different dance studios, professional artists and dance learners will come together where schools and professionals will also be able to enlist their merchandize and retail products for their students, while providing the members with easy and smart way to keep a tab of the best dance tutorials for their viewing while achieving targeted sales, professional website medium and customer solutions to make sure, each member of True Dance Dynamics gets the exactly what he's looking for, efficiently.

True Dance Dynamics will be an online community portal designed to provide a channel for people training and involved in various kinds of dances, where they'll be able to learn and enhance dancing skills at their own time and leisure. The students will be able to use the portal for training at home or anywhere by watching the online animated tutorials customized for each dance studio according to their dance lessons style. As additional the student can look up physical dance studios, engage with other passionate dancers, and look up dance group class schedules, upcoming events, studio news, and lesson information. The portal will provide possibility for dance studios to use it for making their own web presentation guided by profession web developers and designers. The dance studio will be able to advertise for certain students groups and send newsletters.

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The launch of the business shall be combined with a high impact internet marketing campaign with special aim of social media marketing. The website True Dance Dynamics will be put into limelight by various online social media and online marketing tactics.

With a prediction of engaging a large number of students in the True Dance Dynamics chain of dance courses, the company aims to gain market respect by engaging the masses, regardless of their age and gender.

7 Executive Summary

True Dance Dynamics - dance portal

Contact person: Attila Fabian

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Czech republic

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Investment

Required investment: €40,000

Own capital: €2,000

Current investors: none

The investment will be used for formation of the company, development of animated dance tutorials, website development and marketing

Planned revenue:

2013: €0

2014: €19,000

2015: €58,000

Planned monthly expenses during first year: €1,600

The team

Attila Fabian - I will manage the whole project.

I study Service Science Management and Engineering on Masaryk University. My experiences reach into leading small teams, building and customizing web portals and filming dance lessons. Online businesses are the area of my primary interest. My vision is to build a multimillion dollar international business and with my greatest strength of persistence to follow my goals, I believe I will achieve it.

Elevator pitch

True Dance Dynamics will be online portal/community for all dance enthusiasts with the main purpose of linking the three core audiences of dance industry. Dance studios who are seeking for students and trying to maintain contact with them, the dance students who are seeking appropriate dance studio to learn and train dancing and dance events organizers who are seeking for professional dancers for performances and dance enthusiasts as attendees.

The portal will provide tailored animated dance tutorials as an added value to dance studios and their students to be able to practice anytime, anywhere.

Customers and users

The main customers will be dance studios and individual dance enthusiasts. Dance studios will be addressed individually to become our partner. The main users will be dance enthusiasts.

Problem which this project is solving

There is no such as greater portal that would unite the huge community of dancers and no extensive collection of quality dance tutorials of popular dances. There is a lack of a channel where dance studios, which are looking for students, could target appropriate audience and stay in touch with them, where students, who are looking for place to learn and train dances could easily find an appropriate dance studio and dance event organizers who could easily reach the target audience. The portal addresses the problem of interaction between individual entities of dance industry on multiplatform basis.

Solution which this project is presenting

A Multifuplatform dance portal bringing together dance studios, dance students and dance event organizers. The portal will include dance animated tutorials that don't exist so far on the market. Compared to the traditional method of recorded videos, animation technology offers significant opportunities for additional details critical to perceive the dance dynamics, such as. steps mapping, highlighting of important features, standardized template for all dances, etc.

Business model

Commissions from dance schools for providing dance tutorials for their students.

Membership fees from applicants willing to independently learn different dances.

Advertising and direct marketing fees from dance studios and dance event organizers.

Competitive advantage

Firs of it's kind dance community which would be associate entities in dance industry. Innovation in this project is the concept of dance tutorials based on animation technology. The portal will be cross-platform - compatible with PC, tablet and mobile. Existing substitutes are DVD tutorials that teach only one specific choreography of the dance which is often unsuitable for dance students as they are learning another choreography in their dance studio.

8 Concept

This concept has been prepared for review and to showcase the Company's technology, operations associated and expected financials for the period for 2013-2017. The Company will be Czech Republic based which offers membership to users for learning and developing dance skills while deriving commission fees through its online platform.

Dance has witnessed an unprecedented growth in scale and ambition since the end of the 1970s. In 1991 Brinson wrote: 'Within the last twenty five years the profession has extended in so many directions it has transformed the character of national dance culture.' This growth is evident across the subsidized and commercial sectors as well as in increasing participation and engagement.

The dance field is wide, encompassing a breadth of genres and styles and a profession which reflects this diversity and range of cultures. In all its manifestations, the industry can see an exponential growth: vocational training and higher education provision for the profession have developed to support the growth of the field, voluntary and amateur engagement has developed as public engagement in dance as a social form has increased, the informal sector has seen a massive increase in community dance and youth dance activity, and theatrical dance has expanded through the growth in production and touring provision, the development of dance agencies and enhanced programming and presentation in venues around the country.

In mapping dance in 2013/014, the frame of reference has had to be broad to take into account the diversity of the field. Whilst the research has considered the field within the context of the funding system and examined the impact of public support on the field. The Company have also sought to generate a greater understanding of the wider field which exists beyond.

True Dance Dynamics will be an online community for dance studios, professional dancers, amateur dancers along with offering services of an e-commerce portal to affiliates selling dancing dresses and accessories.

The Company is desirous of establishing and accomplishing short, medium and long term goals which are quantifiable and achievable. Continuously updat-

ing and reviewing these goals is paramount to the successful long term operation of the company.

9 Product

The business will be an online community for dance schools, professional dancers, amateur dancers and retail selling dancing dresses and accessories.

The portal will provide:

- Web portal for the school to manage students, dancing lessons and special events
- Animated dancing video tutorials created according dance studio classes as an aid to train at home. The teacher will film himself the dance formation and based on it will be created the animation which will have a standardized format for all the dance schools. The dancing video tutorials of a given class, which the student physically attends will be available for the student for free, the dance school will be charged 5-15% of the dance lesson in order to provide to their students. The student will have the possibility to subscribe to video training of other dances, styles and difficulty levels with additional paid membership
- The website will provide opportunity to professional dancers to offer dancing performance for various events
- The portal will become an advertisement place for dance studios, dance related events and affiliates
- The business will offer an active forum for the community to engage the dancing audience
- The portal will contain an e-commerce for dance accessory, dresses, shoes etc. drop-shipping

End to end supports for dance studios

The Company will establish careful policies and guidelines and the appropriate staff to provide support. This comprehensive system includes toll free access to online help and a live chat structure with qualified personnel who are directed to

resolve customer situations. Additionally a full ticket system will be implemented to help track and ensure customer queries are successfully resolved. As customer retention is a primary goal of the Company, the ultimate satisfaction of each and every customer and their individual experience over the portal is important for company's progress.

Better than DVD sets

True Dance Dynamics has devised a system where the steps will be animated to be able to highlight every important move in a very detailed manner as compared to the regular dance DVD sets available. There are some DVD sets of dance formation trainings but none of them contains the wild range of dances and dance formations as True Dance Dynamics's will.

Value added benefits

- Improved interaction of professionals with a huge and highly growing customer base
- An opportunity for professionals to develop strategic promotion decisions for their businesses through the medium of True Dance Dynamics
- Fresh professional talents can get a stage to advertise their skills to global audience
- New dancing styles can get encouragement

Dance students and learners can select artists and dance studios based on feedback received by other dance students.

The mission of True Dance Dynamics is to offer a place where people can learn to dance, meet new people, have fun and feel comfortable. The company will offers varied dance programs with price options for all levels of interest, with greater emphasis on customized classes and small package sessions to avail the desired dance skills and objectives.

True Dance Dynamics aims to become the largest online dance community, targeting individuals of all ages and genres who seek or provide services related to the dancing industry.

10 Expansion Plan

The Company expects after the initial launch viral expansion and increasing revenues during the following 6 months of operation. The Company intends to implement a diverse marketing strategy throughout Europe, America and other global markets effectively targeting an existing customer base of people who wish to learn dance through online tutorials. Once membership and traffic to the site will be established and growing in various markets. The Company will initiate revenue generation from advertising and additional offerings. Additional revenue will be generated by selling banner ads posted throughout the website.

The 2nd phase of company's expansion model will aim at penetrating the global dance accessories retail markets which are still in its infant stage. The company aims to fetch early bird advantages in world market and be Ace online dance tutorials provider.

New features for the same will be released on a regular basis, on the website, on the Facebook page to make the website more and more simple, easy to use and navigate. The ultimate goal is to increase the number of members and revenue, make the website the primary destination for dance tutorials and merchandize, making it the best search engine to fetch anything a dancer can need, determined by its simplicity, ability to locate any dance type easily and eye-pleasing User Interface.

Primary Objectives

To develop an online platform which provides basic features to obtain data about the business from dancing schools and associated members.

Growth Objectives

6 months:

- partner up with 10 dance studio from middle Europe
- accumulate 5 000 members beyond dance studio members

Year 1:

- partner up with 30 dance studio from Europe
- accumulate 10 000 members beyond dance studio members

Year 2:

- partner up with 100 dance studio from Europe and USA
- accumulate 20 000 members beyond dance studio members

Year 3:

- partner up with 250 dance studio from all over the world
- accumulate 40 000 members beyond dance studio members

Year 4:

- partner up with 500 dance studio from all over the world
- accumulate 100 000 members beyond dance studio members

Year 5:

- partner up with 1 000 dance studio from all over the world
- accumulate 300 000 members beyond dance studio members

11 Vision

The Company's vision is a combination of Core Values, Core Purpose and Visionary Goals.

Core Values

The following represents the Company core values:

- Pioneering concept in the online dance tutorials
- Become a premier online dance community
- Multiplatform based providing access to the portal with tablets, mobiles and smartphones
- Retail dance dresses, shoes, accessories and materials sales focusing on the upcoming dance artists marketplace globally.
- Meeting fiduciary & social responsibility by creating value for its investors, stakeholders and customers
- Empower customer service & user experience

Core Purpose

The core purpose of True Dance Dynamics is clearly represented in the words "Dance anywhere anytime!" The following represents the Company core purpose:

- Provide a channel to link entities of dance industry
- Provide users the best dance tutorial videos based on their requirements
- Help them manage their tutorials and memberships wisely over the website portal
- Inspire the Company's employees to provide an excellent experience for users

- Inspire the Company's customers to create loyalty and to understand the benefits of True Dance Dynamics

Visionary Goals

Two primary types of visionary goals are adopted - Role Model and Target.

Role Model - True Dance Dynamics strives to grow and prosper in a fashion similar to other successful online community portals startups. In this regard the firm will show a keen desire to provide a unique service in dance industry, be a responsible corporate citizen, while growing profits and maintaining user satisfaction.

Target - The Company's target goals include:

- Become a premier online dance community
- Maintaining customer satisfaction and generate more and more satisfied and happy users worldwide by creating value for them
- Inspiring new and creative Dance tutorials and retail selling methods for the users with better user-friendly interface
- Growing profits

12 Business Model

The True Dance Dynamics business model consists of a multi-source revenue model. Acting as a third party dance tutorials listing web portal, the company will derive its revenue from partners commissions, membership fees, industry agreements designed to assist members with promotion of their professional dance skills, advertising revenues and retail sale. The Company True Dance Dynamics will provide the platform to showcase various types of animated dance tutorials to a large global audience through a unique combination of partnerships with dance studios, social networking and online user collaboration.

Tailored to the individual member's needs the True Dance Dynamics platform can be accessed from any internet connection worldwide and will provide members with the ability to easily view and learn dance types and steps through animated movements on the page through which one can effectively learn every minute detail about the various steps in the choreography.

One primary attribute under consideration is the need to build membership and loyalty among users by proving the value in advance of the appearance of regular subscription fees. Professional dance studios, individual artists and True Dance Dynamics will be committed in assisting artists and associated individuals realize their goals without appearing as greedy and users should not feel they are being spammed with ads or they must purchase something to utilize the site.

12.1 Revenue Source

Dance Studio partnership commission – Animated dance tutorials will be developed to all dance studios customized according to their teaching technique and access provided for their students based on commission fee 5-15% of lessons fees. The dance studio will be able to use the portal to create their own web presentation with the support of our professional web developers.

Subscriptions – True Dance Dynamics will offer a subscription model to users based on a tiered pricing and benefit structure

- **Basic membership** – goes for students of dance studio
- **Premium membership** - similar to the basic membership but for individual members not associated with a Dance Studio Subscription. Basic video tutorials will be provided as additional videos for an additional cost
- **VIP membership** - will includes all features of the advanced subscription and access to premium video tutorials for performances and access to videos from other studios and other genres, the Premium membership is True Dance Dynamics highest available membership category

Retail Sale - the website will earns revenue from online retail sales of dance accessory (e.g. shoes, dresses), among others.

Advertising - will offer advertising possibility for dance studios and other

Very few platforms offer such a wide variety of dance programs, social networking and expert dance industry analysis, True Dance Dynamics is the solution.

12.2 Sales Forecast Summary

The following information represents the Company's annual sales forecasts divided by product type and is based upon a prediction of future sales over a specific period of time based on past performance of similar software products, organizational spending patterns and market trends. In the preparation of a comprehensive operating plan, sales forecasts is created to help develop an operating budget allocating marketing resources, while monitoring the competition and the product environment. See the Sales Forecast Summary below.

Revenue Forecast	Year 1	Year 2	Year 3	Year 4	Year 5
Dance Studio Partners	10	30	100	250	1 000
Students per Partners	150	150	150	150	150
Monthly Commission per Student	€1	€1	€1	€1	€1
Total Commission Revenue	€18,000	€54,000	€180,000	€450,000	€1,800,000
Expected Premium Members	0	100	200	500	1 000
Expected VIP Members	0	10	20	50	100
Premium Membership	€15	€15	€15	€15	€15
VIP Membership	€30	€30	€30	€30	€30
Total Membership Revenue	€0	€1,800	€3,600	€9,000	€18,000
Advertising	€1,000	€3,000	€7,000	€15,000	€30,000
Total Revenue	€19,000	€58,800	€190,600	€474,000	€1,848,000

Table 12.1: Sales Forecast Summary

13 Business Model Canvas

Customer Segment

- Dance studios - organizations who offer dance lessons and training possibilities.
- Dance enthusiasts - individuals interested in learning dances or events to dance.
- Dance event organizers - organizations hosting events related to dance.

Value propositions

- For dance studios - a platform to manage their classes, students and events. Advertising services and direct marketing services. Animated video tutorials tailored to their classes.
- For dance enthusiasts - animated video tutorials to learn dances anywhere anytime. Channel to find appropriate dance studio and dance events.
- For dance event organizers - channel to find dance performers and participants.

Channels

- Internet - services will be delivered online via e-channels as portal, videos, emails.

Customer Relationship

- High level customer support and involvement in video tutorial refining and portal improvement

Revenue Streams

- Commissions from dance studios

- Membership subscription from dance trainees
- Advertising & direct marketing from dance studios and dance event organizers

Key Resources

- Content management system
- Dance video tutorials

Key Activities

- Web platform developing and maintaining

Key Partnerships

- Dance studios to act as marketing channel to increase the user base

Cost structure

- Formation
- Website Development and maintenance
- Marketing
- Tutorials Production
- Pre-Paid Items

14 Start-up

After the initial mass launch the Company expects revenues will aggressively expand during the following five years of operation and intends to implement a diverse marketing strategy effectively targeting existing markets and franchisees. Once active distribution channels and regions are established the Company will initiate revenue generation from development of new markets, channels and products. The Company's start-up expenses are budgeted primarily to be used in operations and include:

Start-up capital	
Formation	€500
Website Development	€7,500
Marketing	€7,500
Tutorials Production	€20,000
Pre-Paid Items	€500
Miscellaneous/Reserve	€4,000
Total Requirements	€40,000

Table 14.1: Start-up expenses and budget allocation estimation

The Company is seeking for external capital totaling forty thousand euro (€40,000) to develop, deploy and scale operations and accelerate marketing efforts in the worldwide dance studios market and to ensure speed to market. By investing primarily into developing the animated dance tutorials and customizing web platform, marketing and sales activities. The Company expects to penetrate the market and establish substantive membership and market share within a six month timeframe, allowing for speed to market and preventing additional competitors the opportunity to create counter solutions.

Use of Funds Summary

- Formation, legal and accounting efforts
- Development of the True Dance Dynamics web platform
- Development of animated dance video tutorials

- Operating Funds and Working Capital
- Sales and Marketing

15 Target Market Segment

The company's product range and services enjoy a vast target market segment. People all over the globe who can and are willing to improve their dancing skills and learn new dances and dance studios who provide physical dance trainings will form the Company's target audience. The company has divided these potential customers into the following groups:

- Dance studios
- Dance passionate people
- Dance event promoters

Dance Academies

The company shall make solid efforts to gain acceptance with the various dance studios and professional artists who are looking forward to teaching dance as a career. These artists or dance studios will be cooperating on creation of various tutorials published on the website and will charge a certain amount for the subscription of the various lessons listed on their profile. The company aims to gain acceptance with this audience the most because the main revenue stream shall be generated from this section of the market.

Emerging Artists

True Dance Dynamics, shall target budding dance artists who are aspire to become professional dance artists and who are currently studying dance at some local dance organization/center. This website audience aspire to become professional dance artists and develop a potential career based on their dance practice.

16 Innovation, Competitive Advantage & Unique Selling Point

Working with and for a wide customer base and exceeding their expectations as well as providing cost effective dance tutorials along with a wide variety of dances is what will set True Dance Dynamics apart from the many other Dance studios.

True Dance Dynamics is planning to surpass its competition in several ways. There is currently no other online dance portal which offers the entire array of dance techniques along with tutorials from so many professional artists and schools. This will serve as an edge above the rest for the True Dance Dynamics. Among the other things, one of the main things which set apart this online venture is the adaption of animated dance steps which are introduced for the first time. The True Dance Dynamics online website is different from the competition since the competition has only filmed dance tutorials, but with animation one can add footstep mapping and highlight important features of dance movements. The possibilities of customizing the tutorial according to customers needs are limitless with animated technology. The dance videos tutorials on the portal will be an entirely new level of dance tutorials with better quality, wider range, cutting edge possibilities and subscription based products. Similar technologies are already applied in combat sports and body building and True Dance Dynamics will bring it to the dancing sphere.

What sets the company apart from Dance Learning DVDs?

There are some DVD sets of dance formation trainings but none of them contains the wild range of dances and dance formations as True Dance Dynamics will list.

17 Marketing Plan

The Company intends to use a high impact marketing campaign generating substantial interest including traditional contact with dance schools combined with online and internet traffic to True Dance Dynamics. Although, these strategies primarily include the use of search engine optimization and pay per click marketing, more conventional marketing resources like technology trade shows, online advertising activities, sales development and viral marketing campaigns will follow carefully orchestrated strategies by marketing personnel. Timely coverage of the company's progress will be further directed through ongoing press relations, news releases and feature stories targeted at key Internet content communities and other media outlets.

The company will offer a variety of courses, wide range of dance styles with multiple difficulty levels. The course outlines will follow industry standards of recognized progression in dance, referred to as program dancing. The different levels of dance are recognized as Social Foundation, Bronze, Silver, and Gold which is consistent with the dance industry. Although the instructors will be designing course outlines according to their dance routine, there will be basic packages which the company can offer in these different levels.

17.1 Entry and Growth Strategy

Speed to market and being one of the first few in this new space within the global market provides value by allowing for introduction to key user experience improvements and media accolades for the Company to realize a large competitive advantage over currently popular or emerging venues.

True Dance Dynamics marketing strategy will target people who wish to get more for their investment in dancing. A large variety of dance lesson packages and programs will be offered in an effort to make dancing affordable to any budget. Teachers will be highly skilled and professional keeping with the image of the online studio. The website will be an elegant place to learn various types of dances, where customer service is number one. Marketing venues will include placement advertisement, direct mail, and Internet Web page and include

partnerships with community businesses.

17.2 Three Phase Unique Marketing Method

The company recognizes, as a form of product, online dance tutorials and merchandize are a class of their own. Due to their unique qualities they are suitable for newer distribution models too. In addition to tested traditional marketing methods, such as advertising through varied means, the company will be using creative new ways to generate awareness, interest and needs through active-persuasion.

The marketing strategy will be carried out in following phases:

Phase 1: Lead Phase

The focus here will be to generate interest. A multi-pronged approach will be used. The launch of Beta-version of True Dance Dynamics will be accompanied by publicity which will use social networks. Target consumers will be approached directly in this phase.

An attractive user interface website with smart features will be designed and advertising videos will be made, uploaded and distributed. Traditional means such as paid advertising will also be used here. These steps serve to establish a presence in the market.

Phase 2: Review Phase

This phase focuses on gathering reviews and feedbacks. The website will be live and used amongst targeted close circle for trial usage and expert reviews. Online reviews and tech publications will be targeted. Positive reviews will be published for extra publicity, flaws and inadequacies if any, will be addressed before the launch of the final versions of the website.

Phase 3: Lunch Phase

The focus will now be on gathering momentum, creating more interest scaling the range of dance studio partnerships and dance tutorials available. With the

website formally launched, the reviewing will be continued. Additional inputs from tech-bloggers will be included.

Website listing on search engine will be optimized by paid means. Online forum will be created by the marketing team, since they are more likely to be perceived as being neutral, and therefore credible. Traditional methods of publicity like internet ads, participating in trade shows will be used throughout to reinforce presence.

The Video Marketing Division will release a series of viral videos and spread the videos on social media.

17.3 Online Advertising

True Dance Dynamics will initiate an Internet based marketing campaign. Customers will be guided to the website through exposure in search engines and social media sites. This can be a highly effective strategy as the Internet is often used as a means of locating information on new products and technology. The marketing plan specifically targets two different groups, Dancers/Dance Academies and Students, disregard of age and sex.

To generate traffic and awareness of the products, the marketing strategy will focus on developing web content on the own site to attract search engine traffic for multiple keywords. In addition to the social marketing, the Company will be using a press release campaign and secondary content sites to target online shoppers.

For optimal effectiveness and targeting, Internet advertising provides the most flexibility for True Dance Dynamics. Through analytic software, the most effective measurement metrics are readily available and include:

- Impressions
- Clicks and click-through-rate (CTR)
- Conversions and conversion rate

Impression data is the most valuable component, because it provides a number of opportunities which were available. Measuring clicks from impressions, one

can determine click-through-rate (CTR). Using CTR, one can determine which Products ads get more viewer response thus allowing effective measurement and ad testing opportunities. Once a visitor views their ad, clicks on their site and triggers a conversion, then conversion rate can be determined. Conversion rates provide campaign success data. If impressions are high, then high conversion rate is a great metric to determine, the campaign was an overall success.

17.4 Brand Marketing

Through SEO and Press Releases True Dance Dynamics have the ability to associate as a leader within the online ratings and testimony sub category.

Onsite

- keywords optimization
- back-linking in dances related portals
- Google's +1
- Facebook like's button and comments

Offsite

- RSS widgets of the dance tutorials will be developed which will allow passive affiliate website promotions
- Category specific ghost blogs delivering keyword rich articles which creates second tier link building which insulates the True Dance Dynamics site from aggressive link building penalties.

Others

- Identify and contact through a targeted media campaign current users and participants of various dance tutorials sites and discussion venues.
- Highlight through a massive viral campaign the Company's "Learn at your pace" message to every social platform.

- Publish Media Releases in major publications like and publish weekly Press Coverage talking about the website's launch, Creative Concept, User Friendly Interface, Founders as Successful Young Entrepreneurs, Business Achieving Targeted Milestones and more.
- Attach ourselves to every selling lead generation site, group, forum and organization to propel the Company services to all within in an informative and effective awareness campaign.
- Pre-populate networks across the web with True Dance Dynamics user accounts in every social network to gain and maintain an active contributing audience.
- Develop data mining strategies to know who may be candidates for the Company's service. True Dance Dynamics will then target these users with banner advertising which may influence their Internet browsing decisions.
- Contract or partner with an effective high level social media corporation which specializes in large scale social business strategy to create a national brand following.

Free Publicity in Web PR Sites

Press releases which are spiked with the web address link and laced with search engine optimized keywords and phrases almost always generate effect and impact once planted in free web PR sites. The writing style should stir interest and compel readers to click through and follow up.

18 Management team

The Company will be led by the President / Chief Executive Officer solely in 2013. The operations team will be a three divisional structure comprised of a Marketing division, a Technology division and an Administration division. Duties and tasks are further divided into sections within each division. The organizational structure is designed to maximize personnel, while maintaining flexibility in size and scope. The Company's management has considered the importance of maintaining a fluid advantage to the size of the workforce and maturity.

Personnel Plan	Year 1	Year 2	Year 3	Year 4	Year 5
Administrative team	€0	€12,000	€24,000	€36,000	€40,000
Marketing team	€5,000	€24,000	€36,000	€48,000	€50,000
Technology team	€12,000	€24,000	€36,000	€48,000	€50,000
Total Payroll	€17,000	€60,000	€96,000	€132,000	€140,000

Table 18.1: Personnel expenses forecast summary

19 Exit Strategy

Several exit strategies exist for the Company. The following represent the most likely scenarios to occur within the first five years of operation.

Acquisition

Being acquired by another company is an attractive option as the Company's value usually exceeds what is reasonable based upon income. An integral part of a successful acquisition is for the Company to work diligently to be attractive for a candidate.

To accomplish this, True Dance Dynamics will:

- Ensure the company offers value to the user base.
- Offer innovations in areas which mesh perfectly with the needs and desires of the user
- Operate with the highest level of integrity and compliance to ensure the availability of transparency to the potential suitors.

Initial Public Offering (IPO)

The IPO is a challenging yet rewarding alternative. An IPO can be lucrative and multiple small cap markets including the OTCBB, Frankfurter Wertpapierbörse, among others provide relatively low barriers and a global reach to a sophisticated investor base.

To prepare the Company for a potential IPO for True Dance Dynamics will:

- Maintain immaculate financial records.
- Maintain positive working relationships with industry leaders and financial analysts.
- Look to generate high profit levels with low operating costs to ensure attractiveness to the underwriting sector.

Strategic Merger

After identification of potential partners the Companying great care through a selection process designed to weed out all but the most compatible entities, the Company could pursue a merger with a competitor or potentially an as similar business enterprise.

20 Conclusion

In this thesis I have described a service oriented business concept of a portal designed to unite the main entities of the dance industry and provide a innovative way of teaching dance based on animated tutorials which is not jet used in dance industry but already gained popularity in martial arts and body building video trainings.

The assignment of writing a business model was fulfilled in the last part of this thesis with chapters describing in detail each main part of the business plan like executive summary, product, business model, target market, marketing plan and exit strategy among most important ones. Each of this chapter contains in dept description required in professional business plan to provide deep insight of the business for possible investors and to form a base guideline for building the service and company.

The business plan itself is based on presumptions and leaps of faith containing forward looking statements considering the future operations, economic performance, including such things as business strategy and references to possible future success. Such forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements and there is no assurance or guarantee for actual results or developments. Prospective investors will be urged to carefully consider the risk factors.

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