



# Know News Now

Brought to you by the ***Entrepreneurship Action News Team!***

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# Value Propositions

Know News Now will give its users a unique news experience unlike any current news app. Its users will have the ability to customize the news they see by geographic area, specific content, and major news network. The app will seamlessly deliver news in real time to keep users in the know, utilizing a user-friendly interface and integration of multimedia.

But doing so would exacerbate the existing problem we're tackling in the first place; namely, the prevalence of one-dimensional consumers of news. Where KNN differentiates itself from the competition is by providing its users with follow-up stories, competing viewpoints, and relevant resources, in order to create a more holistic, informed consumer of news. Not only will KNN do this within the app itself, but also through a free, weekly newsletter, "Know News Digest," which covers the biggest topics of the week and provides users with all sides of the issue. By giving users the opportunity to see both sides of a story, independent of political agenda or content filtering, KNN will be positioning itself as the "killer-app" in objective news coverage.

# Key Resources

KNN will have three key resources:

1. App developers, to build the mobile platform
2. Patents for the algorithm, which will act as the infrastructure for the app
3. Investors, both angel and venture capitalist, to fund its growth and development

KNN will utilize third-party app developers to code and build the mobile platform. The market for app developers is saturated with independent developers and businesses with several developers at the helm. Because KNN will be a content-driven app with a global reach, a team of app developers (pulled from the Application Developers Alliance, for example) will be needed to code the infrastructure. In addition, having a corporate or small team as opposed to an individual will allow consistent monitoring of the app's performance, as well as timely updates and maintenance for the app when necessary.

Along with the development of the app's infrastructure, KNN will utilize a patented algorithm which will act as the backbone to the app's execution. The algorithm will be a "feed algorithm," much like Facebook's EdgeRank, which will deliver the users' customized content and the follow-up stories/competing viewpoints. For example, if a user is interacting with a particular chosen news outlet versus his or her other specified choices, the algorithm will recognize this and put a bit more content from that outlet in the user's feed than others. It will do so with the follow-up stories and competing viewpoints as well. The content's "weight" will affect its place in the newsfeed as well, with KNN delivering multimedia-paired content first and text content

second. Of course, this content will be sorted based on user relevance and frequency of interaction with a particular outlet. This structure is supported by research from the Pew Internet & American Life Project, whose recent study results showed that “...47% [of Internet users] share photos or videos they found...online,” and the expansion of the mobile app market is capitalizing “...on the ubiquity of cell phones and smartphones that make it simple to upload and share images” (Pew Research). Not only do we want users to easily consume news through the app, but we want to make engaging with it and creating an informed discussion with his or her network simple as well.

Finally, KNN will need to accrue the necessary funding to get through the seed stage, transition to the growth/startup stage, and eventually reach the expansion/maturity stage. Because KNN is not breaking new ground, but instead making an existing market better, the team projects initial angel investor involvement to be higher than VC funding in the seed stage, with risk of loss being moderate. Eventually, as the app expands and its user base grows, VC funding is likely to increase, thus funding further expansion while lowering risk of loss. Because KNN is a data-driven app with content being funneled into its interface via external sources, and we want to give the app cross-platform functionality, costs for production will vary based on the rate at which the user base grows. In a nutshell, they are estimated to be around \$35,000 - \$50,000.

# Key Activities

Our key activities are split into two waves of tasks: development and maintenance.

Starting with development, our first key is to hire a programmer to develop the algorithm that runs the app for customization, and finding supplemental opposing viewpoints articles and preceding stories to create the full picture news story.

Once the algorithm is developed, we will begin to build a media platform around it, starting with an iPhone app and then moving on to Android. The platform will be minimalistic in design so that stories are clean and easy to read, and the menus will make navigation around the app easy and convenient for users.

Our second wave of key activities will come after the app has released. We will continue to develop the app based on user feedback. As a new company, we want to show our users that we value their opinion and make their experience with our product as enjoyable as possible. We will use feedback to modify the current platform and fill the voids our users may experience with our first versions of the app. Apps are a fluid form of media, and ours will provide our users with the most up to date features using the best technological affordances. We will also be monitoring other content-driven apps in the market to ensure our app is innovative and unique.

# Customer Segments

Know News Now's target audience is busy young professionals. They're ambitious in their field and need to keep up with the latest news and trends quickly and succinctly. These are urban, tech savvy professionals, with a progressive mindset and openness to try latest tech trends. Demographically, Know News Now is targeting both male and female users, age 18-30.

In order to describe target audience's psychographics in more detail, we have looked into the [1]VALS Framework (Values, Attitudes And Lifestyles), which includes consumer's lifestyles, attitudes, and values, as well as buying motivations for technology and apps.

We have identified three user categories to target based on VALS Framework data analysis: Innovators, Strivers and Experiencers. Innovators are motivated by ideals, achievement and self-expression. They are open and receptive to new ideas and technologies. Strivers are motivated by achievement, following the latest trends, and fun-loving. Finally, the Experiencers are young, enthusiastic and compulsive consumers. They seek variety, excitement, and spend high proportion of their income on fashion, entertainment, and socializing.

# Channels

The Know News Now application is a new way to target a youthful yet busy audience that wants to keep up the news on *their* time. This application will be available through the use of various channels that are popular and have the potential to be very successful. According to SocialMediaToday.com, there are 1.2 billion app users worldwide as of 2012 and that is expected to rise to 4.4 billion by 2017 (Social Media Today). It is clear to see that there is definitely room for significant market growth as well as a service that needs to be provided to the consumers and making Know News Now a mobile app will be successful. Furthermore, the use of social media is considered a definite must if a brand or company wants to grow in awareness and customer base. As of September 2013, social media giant Facebook has a record of 1.19 billion users. This vast network has the ability to spread the word about our application and its benefits.

Not only are social media and mobile apps the ways to go, but guerilla marketing also has the potential to spread awareness. Guerilla marketing tends to lean on a more creative, entertaining and engaging side of marketing when it comes to attracting customers. With a unique guerilla marketing campaign, Know News Now will be able to show just how customizable and convenient it is to use our application, and that there is no other leader in our field. On a school campus, something as simple as chalking sidewalks is able to capture attention and could lead to increased consumer awareness.

One last channel that Know News Now wants to use is the traditional method of email blasts. With email, we would be able to inform customers about new additions to our app as they

become available and with this they could help spread the word to their friends and colleagues. It is a traditional method of contact and users can always rely on email to be there to inform. As you can see, the channels that Know News Now wants to become a part of will ultimately expand awareness about the application and increase our consumer base.

# Key Partners

Our team wants to develop, market and distribute our app by leveraging third party expertise for certain aspects of our project. Our mobile app will rely on partnerships with third parties and suppliers because we simply do not have the expertise to do everything. We hope to create a meaningful, two-way relationship with our consumers, developers, and key innovation partners in order to make our app as useful as possible. Our innovation partners include developers, silicon vendors, and top mobile operators including Verizon Wireless, AT&T, Sprint, T-Mobile, U.S. Cellular, and Cricket Communications. We hope to sell through a mobile marketplace. Our plan is to create a partnership with these device vendors, which will include cellular stores like T-Mobile, larger electronic stores like Best Buy, department distributors like Target and Wal-Mart, as well as online outlets like Amazon.com. However, our main priority will be the mobile operators' home stores. More importantly, a key partnership will be with Apple (iPhones) and Samsung (Android) because of their mobile app capability.

Furthermore, in order to best deliver news to our customers, our key partnerships also include national and local news stations and sources. The national news stations we hope to include are FOX, NBC, ABC, BBC, CNN and Al Jazeera. The local news stations would vary by each major city. For example, for those attending the University of Illinois, we would include WCIA, WILL Public Media, West Central Illinois Educational Telecommunications, as well as news content providers like UI-7. The national news source partners will be our current partners and we will put the local news sources on our "wish list" as potential future partners. The national news sources will be easier to include in our app because they are nationwide. The local

news sources allow further personalization and relevance to an individual; however, it is more difficult for our team to acquire these news stations for each city.

These key partners will help reduce risk and optimize operations. We think these partnerships would improve our business and have an influence on our app's progress. A successful business rarely stands alone - even a mobile startup app.

# Cost Structure

## Application Developers

Whether we take on a person for the company, or we hire a service, Know News Now will require the expertise of developers. They will help us create the code for developing the app into a final product for the iPhone app store. The greatest expense will likely be the development of the app itself and can range anywhere from \$10K to \$20K ([www.howmuchtomakeanapp.com](http://www.howmuchtomakeanapp.com)).

Using an app development service will cost more since we won't be able to manage the app easily, and it won't be in our hands to oversee all stages of development. It may be easier to learn how to do it ourselves or to give up part of the company to a new developer.

## Mathematician or Aspiring Google Prodigy

The most important aspect that makes Know News Now unique is its algorithm, which will allow us to keep content specific to the user. If a user clicks on a story from a certain news source, the algorithm will provide follow-up stories from other news sources to facilitate the development of a more informed consumer of news.

## Graphic Designers

Graphic designers will provide us with the necessary know-how to make Know News Now relevant and interesting to the consumer. This may simply involve basic news source research, or it may involve the collaboration of a professional team.

## Salesforce

A long-term goal of Know News Now will be to expand the company to a variety of urban, tech savvy users across the country. A passionate, dedicated sales force will need to be garnered over time to establish a network beyond initial launch. These may include regional marketing teams, as well as brand managers and ambassadors.

### **Research Firms**

Research will initially be conducted in-house and through the analysis of existing publications such as Pew Research. However, over time, Know News Now will need to hire the expertise of an outside firm to do a long term analysis of consumer trends, interests, and app-usage patterns to provide better direction.

# Revenue Streams

Know News Now will be a free App within the marketplace. However, in order to provide revenue, Know News Now will integrate non-intrusive ads and sponsored content to support the cost of building and running the app. Users who wish to avoid the advertising and find Know News Now to be a necessity in their daily lives can subscribe to the service for a small fee that will remove the ads.

Initially, it is expected that most of the revenue will come from advertising. Over time, we hope to entice users to make the upgrade to a premium account at a price that is not yet determined. We hope that we can build the trust and consistency in user's daily lives that they feel a necessity to upgrade.

# Sources

[1] VALS: <http://www.strategicbusinessinsights.com/vals/ustypes.shtml>

[2] Pew Research: <http://www.pewinternet.org/Press-Releases/2013/Photo-and-Video-Sharing-Grow-Online.aspx>

[3] Algorithm information: <http://blog.bufferapp.com/understanding-facebook-news-feed-algorith>

[4] Consumer metrics: <http://socialmediatoday.com/1672466/mobile-apps-how-many-people-use-apps>

[5] Social Media Today:

<http://investor.fb.com/releasedetail.cfm?ReleaseID=761090>