

Master's thesis

Tradenomi (ylempi AMK), liiketoiminnan kehittäminen

2021

Mikko Antila

MARKETING PLAN FOR COMPANY X, ONLINE GAMING PLATFORM

– Tool for investor relations

MASTER'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

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MARKETING PLAN FOR COMPANY X, ONLINE GAMING PLATFORM

- Tool for investor relations

The purpose of this business plan is to raise \$3,500,000 for marketing and branding of Company X Ltd's online games and web application which will provide a platform for people to play varying number games such as lotto, and other classic number games.

This business plan will also showcase the expected financials and operations over the next three years. Company X is a Costa Rica based corporation with own global gaming license that will generate revenues through bets placed

KEYWORDS:

business plan, marketing plan, financial planning, online gaming

OPINNÄYTETYÖ (YAMK) | TIIVISTELMÄ

TURUN AMMATTIKORKEAKOULU

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Tekijä(t) Mikko Antila

OPINNÄYTETYÖN NIMI

Markkinointisuunnitelman tekeminen verkkopeliyhtiölle.

Tämän liiketoimintasuunnitelman tarkoituksena on kerätä 3 500 000 dollarin kehitysrahoitus Company X Ltdn online-pelien ja verkkosovellusten markkinointiin sekä tuotemerkkien rekisteröintiin. Tehtävien töiden tarkoituksena on tarjota käyttäjilleen toimivan alustan erilaisia numeropelien pelaamiseen, kuten lotto ja muut klassiset numeropelit. Tämä liiketoimintasuunnitelma / markkinointisuunnitelma esittelee odotetut taloudelliset -ja toimintatiedot seuraavien kolmen vuoden aikana. Yritys x on Costa Ricalainen yritys, jolla on oma maailmanlaajuinen pelilisenssi ja se tuottaa toiminnalleen tuloja erityyppisillä rahapeleillä.

ASIASANAT:

liiketoimintasuunnitelma, markkinointisuunnitelma, rahoitussuunnitelma, online- pelit

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1 INTRODUCTION

Company X Ltd, a Hong Kong / Manila based online gaming company had no marketing plan. The old plans were discarded by time and great need for renewal was needed. I was hired as CBDO of the company and had opportunity to create SWOT analysis of the company and operations, one of the biggest things was to create new marketing strategy. Thesis was based on a work signment where I was hired to do a marketing strategy for a online gaming / casino. The marketing strategy was a small first step where the idea for a full blown marketing / Business plan creation in part of the studies at Turku University of Applied Sciences was established.

The aim of the thesis was to create a study, a complete marketing plan that includes financial planning, marketing plan and information for the readers “how to“ and “why” certain things were presented on this study.

2 DRAGONLOTTO: FORMULA FOR SUCCESS

2.1 Background

Dragonlotto gaming platform is unique concept already ready to operate. We have no competitors on the market. The product is unique, proven and market for the product is stable. Yearly over \$100,000,000,000 USD is used on the traditional lotteries around the world and lotto is proven to be “only get rich plan” for many basic gamers globally. Small money streams from the bets everyone can afford and unique way of playing the game on the same family, community is recipe for success globally.

As a company Company X Ltd started by creating the games, global partners and operating surroundings before the sales. Our systems are tested with 10 million placed daily bets and we can cloud based increase this amount to 50 million bets per day without service interruptions. We have white label option where we can offer others the software we have created, on lease or with profit sharing basis.

In dragonlotto the focus is the gamer, the happy customer, who places the bets where ever he or she is residing. Company X Ltd holds Gaming License from Costa Rica and it can practice any gaming or gambling activity globally, excluding in Costa Rica.

Dragonlotto has an affiliation opportunity embedded where whoever plays the game has possibility to join with small fee to the affiliation program just clicking the option on the app. Affiliates are earning on every bet made on his or her community. This sharing of profit is great possibility for people globally who are looking for supplementing income on the times of economy downfall. Everything is ready for operation, the company has been test running the lottery since January 2018 and no problems have been recorded.

Next step is to start the global sales, getting the affiliates and the first white label clients to work with. We are expecting that investor/investment group will take a share from the company to invest in global business expansion.

2.2 Economic Outlook

Being first one in the market is always substantial benefit, Dragonlotto and its community based games are totally unique and hooking new experience to play games. The 2 year development time has given us a lead that is not easy to reach by future competitors. The gaming outlook is bright, yearly 5.6 % growth in gaming is all the time increasing and reached 514B USD limit on year 2014. On the year 2014 29 % of every dollar used in gaming or gambling was invested to play lotto.

All gaming and gambling is moving gradually towards portable devices, pads and smart phones. Dragonlotto is one of the forefront companies targeting all of its games to these new technology devices. Currently, the economic market condition in Asia and Europe are moderate to progressive. Unemployment rates have declined while asset prices have risen substantially. As such, now is a strong economic environment to launch an online Dragonlotto. And become the #1 online lotto, globally.

In Figure 1 is an overview of the industries that the Dragonlotto will operate within.

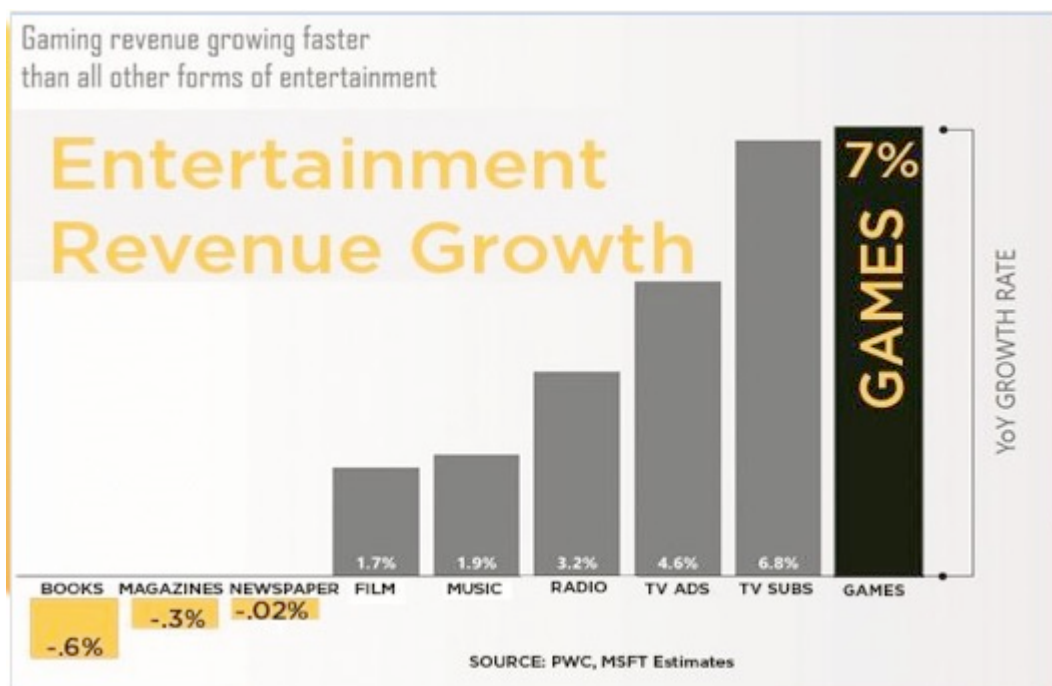


Figure 1. Entertainment Revenue Growth.

Online Marketing Industry

According to Price Waterhouse Coopers 2014 report on aggregate internet marketing budget statistics, it is anticipated that internet marketing expenditures in the US will reach \$70,000,000,000 USD per year by 2015. Currently, internet marketing is a \$50,000,000,000 billion dollar per year industry. Approximately 80% of this revenue is from keyword search advertising with the rest of the revenue generated from rich media, banners, classifieds, sponsorships, referrals, and email advertisements. This industry is expected to continue to grow as the numbers of businesses increase. The growth rate of the industry over the last five years has been well over 40% per year with this trend expecting to continue and then level off over the next five years.

E-Commerce Operations

Online e-commerce businesses (including online casinos) are expected to generate \$115 billion dollars this year. The United States Economic Census indicates that over the next five years, 60% of the businesses in the United States will have an internet presence. In early 2014, industry reports estimate that 210 million people will have access to the internet with approximately 65% of these people having direct high speed internet access.

In Asia, with a market area of more than 3 billion inhabitants, gaming has become socially acceptable and in many other countries, gaming is an accepted part of life. Combining one of the world's most profitable and oldest industries with one of the world's fastest growing and newest groups of potential clients, the possibilities are awe-inspiring. Analysts forecast online gaming revenue will rise to \$22.7 billion by 2015, from \$8.2 billion in 2010.

2.3 Gaming industry

Gaming industry is one of the oldest industries in the world, it said that harder the economy is treating the traditional business and therefore downsizing people, better is the growth the gaming industry. People need their excitement and changing your life with one bet, one lucky draw seems to pull people deeper and more actively to world of gaming year by year. The numbers don't lie, 514B usd industry is growing staggering 5.6 % yearly.

Online gaming industry is growing fast, annual rate being more than 5 % yearly. Dragonlotto Gaming platform is not a direct competitor to the already established online gaming operators because of difference of games and totally different way of playing the games, in a community. On traditional online casino people play as individuals compared to Dragon gaming platform where customers play as individuals but can win also from community they have started. The unique way of winning will affect to the unforeseen growth in the future.



Figure 2. The 10 biggest online gambling companies by market capitalisation.

Gambling facts:

- Gambling activities generated US\$ 514 billion in revenues across the world in 2014

(Source: gbgc.com)

- The annual growth of the industry was 5.6% on the previous year 2014.
- The industry is forecast to do over US\$ 550 billion by 2015.
- 29 % of revenue comes from traditional LOTTERIES. (Source: gbgc.com)
- Gambling is moving towards mobile environments.
- Smartphone/mobile industry
- Smartphone Facts
- Over 1 billion smartphones sold until 2013 (Source: idc.com)

- 1.75 billion smartphone users at the end of 2014 (Source: emarketer.com)
- 87% of all phone sales will be smartphones by 2017 (Sources: forbes.com and idc.com)
- 85% Global 3G Coverage By 2017; 50% For 4G (Source: forbes.com and Ericsson)

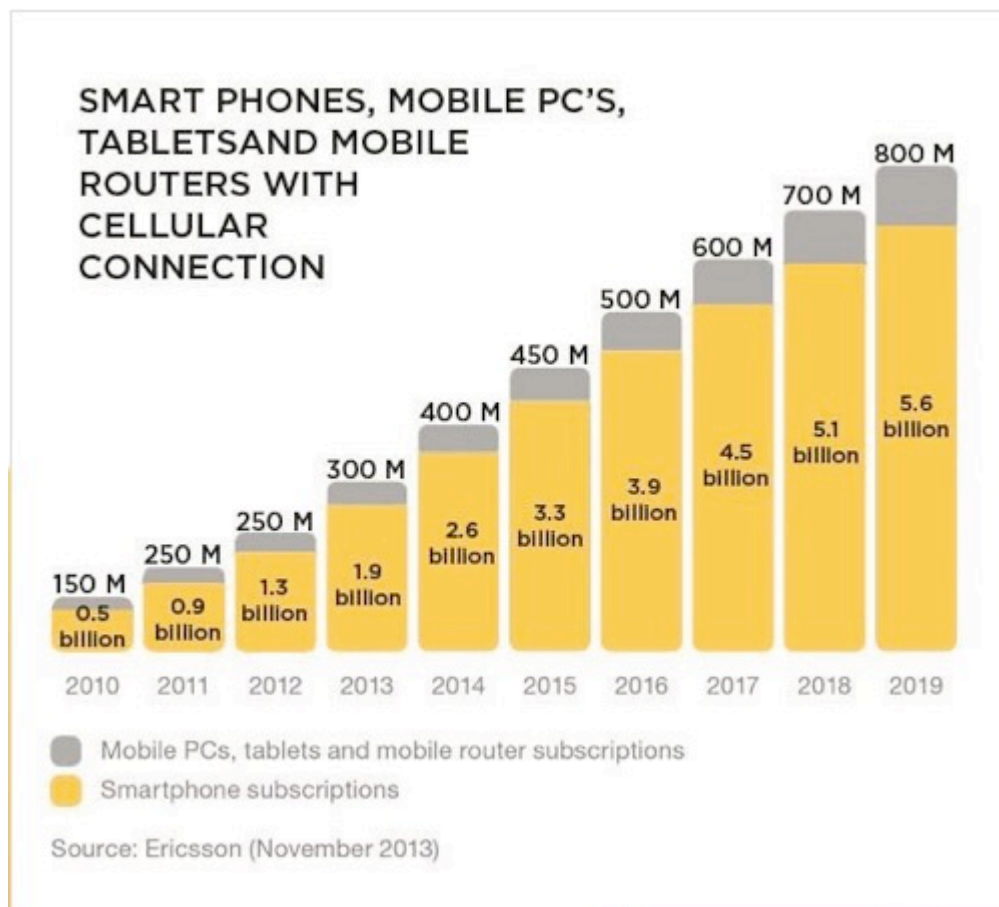


Figure 3. Smart phones, mobile ps's, tablets and mobile routers with cellular connection.

The Dragonlotto average client will be a young middle to upper middle class male or female that has a broadband or portable internet connection. Common traits among end users will include:

- Annual household income \$25,000 - \$120,000
- Between the ages of 18 and 40

- Has high speed or portable internet access
- Is familiar with the concept and operations of online casinos.
- Has spent \$100 to \$200 usage of the Online Casinos.

In gathering demographic and player behaviour data, we can begin to form a better understanding of the people behind the product, empowering operators and marketers to make key decisions on how to leverage tools and effectively monetize players.

Dragonlotto user base is broad because of invitation tool on the app. Users can invite other friends and family members to play with them in same family, same community. More you invite and help others to do same -bigger your gaming community grows. More the community grows bigger your winning potential will be. When inviting the demographics are easily crossed and made much wider. The business area is global and all smart phone types and pads are already supported making the global expansion to happen without barriers.

For example, knowing that 38 % of players prefer to play in the evening can be used to inform customer service practices. Cross-reference this with location data and community managers can begin to effectively allocate resources to maximize customer satisfaction around the clock.

On top of this, the fact that 29 % of social casino players visit a community page several times a day provides operators with a means to engage with players. We know that customer service drives player values and this informs operators on how, when and where is best to communicate with users in order to maximize their monetization potential.

Other interesting facts from this study include that 64% of players partake in other social games outside of the casino genre, indicating that marketers could effectively target users of other gaming apps to build their customer base. Game developers, too, could take influence from these findings with a view to incorporating casual game features in order to expand their potential customer base.

This study highlights how data can be used to improve game development and marketing techniques.

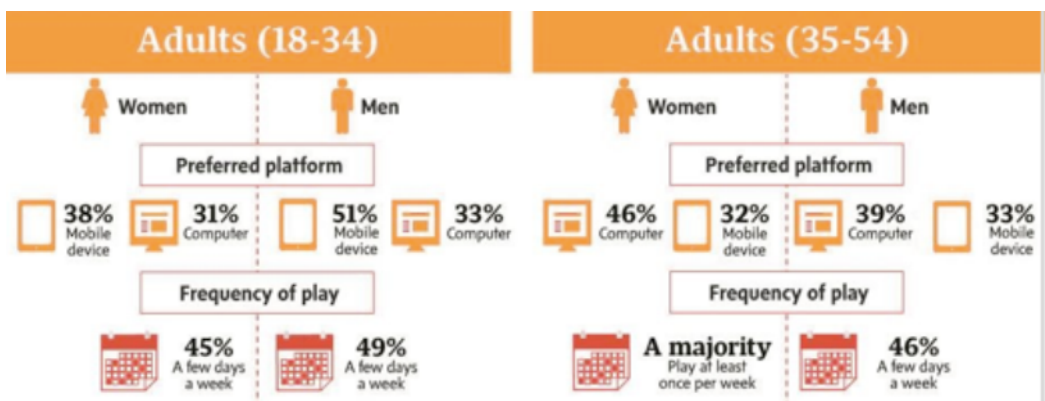
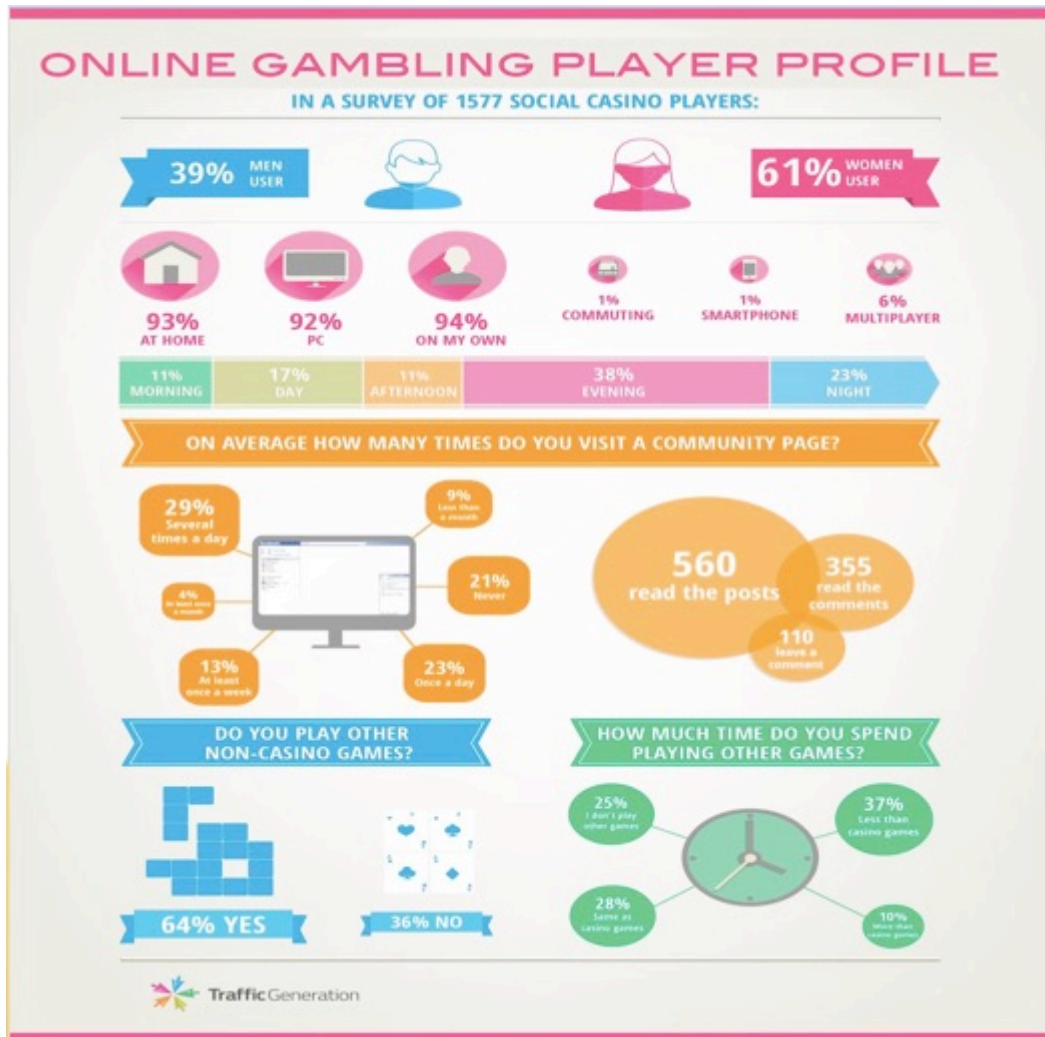


Figure 4. Online gambling player profile. (<http://www.trafficgenerationltd.com/social-casino-player-profile/>)

3 BUSINESS PLAN

3.1 Reasons for a Business Plan in general

I have the privilege of diving deep on the business planning during this research paper. The most common questions I have heard from friends who are entrepreneurs and starting some new business are, "Do I really need a business plan and when? Is writing a business plan really the best use of my time?" My answer as straight up marketing minded start-up veteran is almost always, "Yes." A business plan is an important or maybe even imperative part of starting a new business.

In reality, business plans, like this one I made during my work, can take a long time to write, require that you have a complete access of all of data you need at your fingertips, depend in part on planning and visions and often are responsible for creating and pushing a long list of research you need to plan and execute and of course other work you need to complete.

When looking the start-up scene where manytimes outside financing is vital and therefore business plan is required for financial purposes as well but in conventional old style or small sized business not everyone is sold on the usefulness of a business plan. Infact the research done of 116 new businesses conducted by Babson College. The research show that the creation of a formal business plan BEFORE commencing a small business venture there was no difference in the eventual success of the business, which was not in need of significant outside financing.

Some might disagree on this but taking the time needed to create a business plan can steer away the startup process and cost precious opportunities, ideas and visions otherwise created in more free surrounding for a small business start-up enviroment.

Seeing the matter in other perspective, one study found that entrepreneurs who create and upkeep formal plans are 16 % more likely to achieve real stand in business world with working business than the compared to identical non-businessplanning business persons. Many interesting studies have shown that even doing and finishing a business plan is not a 100 % promise of success, it does thou indicate that the kind of business person who completes a the complte plan for business is also more likely to run a successful business on his own.

One question is, if you are planning to run a business why not to record it and plan it on paper as well? its better to arm yourself with one of the best tools a small business manager can have on the field.

For some fields a business plan is simply a “must”

The fields I have been majorly working in the business plan is simply a must. Majorly the businesses which needs a plan to approach a financial institution for a loan, apply for loan or a grant, pitch business idea to investors, or enlist the support of a business partner, a business plan is required. In any business that needs outside financing needs everything written on paper in right way.

When looking for potential investors and supporters one thing is clear; everyone who we want to join and see the true potential on our business idea... want to see clearly laid out in hard facts and numbers, the threats and potential rewards. A business plan is the best, and generally, the only acceptable way to provide this information if done with thought.

A great way to improve decision making

Starting a business, deciding to succeed is all about decicions. You decude and then commit on your goals. There are some parts in a normal business plan that you simply cannot do or follow thru if you are on the fence, undecided, or not fully committed to take the business all the way. Making a business plan is to poor you're your thoughts and ideas of the business to the paper and make the ideas develop while you write. Business plans helps to eliminate the gray area because while planning we have to write specific information down in black and white as a action plan, plan for business. Making tough decisions during the business and during wriiting the plan is one of the hardest and most useful parts not just of writing a business plan but as being a business leader. Just thinking for example, if you are thinking what products exactly you will sell at what price points you need to get out there to do research or state the matter to the business plan that you have not decided on the matter yet but you consider certain procerange to be profitable. Identifying this and other key information is a extremely valuable end product of the business planning process to figure out the business value.

3.2 Reality check for a business is a business plan done right

Once started writing the business plan for me the first real struggle was lining the whole project in a way the financiers would understand it. For the small business owner who wants to launch a new venture, but doesn't want to consider that his or her business idea may be a bit flawed or is not yet fully developed the writing stage of business plan helps understanding the flaws. When calculating possible win / loss scenario and possible income streams its good to keep the facts as "what you already know" basis and leave the dreaming for marketing materials.

The idea of planning business plan and writing it may be hard to understand and maytimes terrifying and unwelcoming hurdle for impassioned entrepreneur, but the value that it will be bringing for the whole business timeline is really valuable. Identifying gaps early on in the process gives business owners a chance to shore up their research, test their ideas and take steps to make the business stronger and more viable. Taking time of writing a well planned business plan may initially be a step back, extra time not calculated when starting the business, but any and all further work can bolster the entrepreneur's chance of success before he or she invests time and money in a business that is likely to fail.

New ideas, new improvements directly from the plan

Opening up the business in paper makes us as business directors discover new ideas, different approaches and fresh perspectives. Brainstorming while making the plan is moment where some of best things that can happen from the depths of the business planning process, creativity creates creativity... Even the planning process might take time...like mine has taken...many sleepless nights and frustrated days... but despite the sometimes negative reputation of the process, a business plan isn't just a long, stiff and structured document.

In matter of a fact, what I see business plan to be is: " I think an effective business plan is the opposite from stiff and structured document; it's a flexible, growing and dynamic tool that can help you think creatively and come up with new solutions for some of the toughest business challenges."

Business plan in general, same as mine is based on sections, areas where different sides of operation is opened for the investor or person looking in to the complex structure

of the company and its operations and ideas. This is especially true when you consider the Marketing Strategy Section. Here, as you create a blueprint for your marketing activities, creativity and fresh ideas are invaluable.

3.2.1 Action plan comes from a well crafted businessplan

Stagnant non changing business plan is useless if its not actively kept in date while business grows and changes. As a active and all the time refreshed plan with a structure business plan is a useful document for everyone starting or running a business. When you use your business plan as a tool to help you outline action items, next steps and future activities, you are creating a living, breathing document that not only outlines where you are and where you want to be, but also gives you the directions you need to get there.

When, based on my own experience, I am thinking of question of whether or not we really need a business plan, I would advice any business owner on the both sides: You might still be able to build a successful business without a plan, if your expertise in the field is without parallel or in the field is no competition, but it is most certainly easier to do with a wellconstructed business plan in your hands.

We need to keep in mind that if we are using our plan as a true business planning tool, a map or a guide to the prionciples and goals we want to reach, we don't have to wait until you have all of the answers to get started, answers will be found on the way and added to the plan.

When asked about an opponent's plan for their impending fight, former world heavyweight champion Mike Tyson once said: "Everyone has a plan until they get punched in the mouth."

Mike Tyson was right, we will learn from our own mistakes and following the pitfalls of others. I believe in "learning by doing" approach which has been gaining popularity and been videly publiced places such as the lean startup surroundings. I would say it is better to act, improvise, and pivot than to waste time and resources on a 20-page plan that won't survive first contact with the customer, no one is interested of stagnant non evolving piece of history "where everything began".

In all the time evolving business plan we should be using the “purposive planning” approach which advises how a plan can help usefully map out, organize, and direct the startup. A plan answers central questions such as “Where are we now?” “Where do we want to get to?” and “How are we going to get there?”

In any winning and all the time evolving plan should help detail how the opportunity is to be seized, what the right success for the company looks like, and what resources are required to achieve it. Creating understanding where the business will be, and grow to, when plan will be followed and constantly improved. This can be key to the investment decisions of angel investors, banks, and venture capitalists if to join or reject the proposed co-operation with the company.

To be exactly truthfull, though, no one really is 100% sure if it pays to plan in EVERY business structure. For every study that shows it does, another study comes along and says that startups should learn by doing. Because ways of doing and planning are so diverse like business ideas and fields this has done little to help the would-be entrepreneur decide whether to plan.

The starting point for my business plan and research there after was that insufficient attention has been given to why entrepreneurs plan and when should they just do. There is a wide range of contextual factors that will prompt the decision to plan.

Like in my case this included the past entrepreneurial experience to everything from the need for external finance and the urge to grow the business and to innovate. To know what you are about to do or not examining the context for planning has another side effect. An entrepreneur’s background and startup conditions have a big impact on the chances of that business becoming viable. Better-financed startups are more likely to succeed. So are more experienced entrepreneurs.

Digging deeper to the entrepreneurial planning but with more context than previous efforts. To do so, I found the Panel Study of Entrepreneurial Dynamics II. This tracked a representative sample of more than 1,000 starting up U.S. entrepreneurs over a time of 6 years (2005 to 2011). While being done, the study has used some of the most indepth data ever gathered on the characteristics of startups and their founders. The panel study details the full range of activities undertaken to get the business off the ground and, vitally, whether it reaches a key measure of viability: reaching cash flow positive.

If I will separate would-be entrepreneurs into two groups: those who write a formal plan and those who don't. On this scale of research is better to use a common statistical method to ensure that the two groups were, in effect, statistical twins —identical in all respects except that one twin writes a plan and the other does not. This meant that I could establish if the startup planning or nonplanning “twin” was more likely to achieve venture viability.

It pays to plan. Business leaders who write plans are infact 16 % more likely to achieve their goals in business than the otherwise identical nonplanning counterparts. I also realized what makes people write business plans in the first place. Two of the biggest findings stood-out. First, high-growth oriented START-UP entrepreneurs were 7 % more likely to plan, while those with innovative, disruptive ideas are also marginally more inclined (4 %) to plan than their peers. The inference is that planning is of more benefit when the challenges are greatest.

Second, Business leaders seeking external finance are 19 % more likely to commit their vision to paper than those not seeking finance.

Writing a plan will make a great the difference when it comes to realizing startup success. Plans support the process of turning an entrepreneur's vision into tangible actions by promoting the organization and direction of startup activities. In the real world, business leaders and start-up entrepreneurs very seldomly start with the question “To plan or not to plan?” More often than not, they begin with a hazy vision of what success might look like. On the business early stages, start-up business owners may thou improvise or experiment to bring this vision into better focus, but as the startup begins to take shape, and innovation and growth become important, a plan begins to become necessary for the startup to succeed.

Business plans also remain vital for external fundraising because it builds legitimacy and confidence among investors that the entrepreneur is serious. Further, it reassures staff, suppliers, customers, and other key stakeholders.

“Going into business without a business plan is like going on a mountain trek without a map or GPS support – you'll eventually get lost and starve!” — Kevin J. Donaldson, an entrepreneur, author, and business coach.



Figure 5. The business plan agenda.

The business plan on the process is an overall picture in where I what to create formal statement of business –and describe the marketing targets, the complete idea behind reasons why these targets are reasonable and planned and how to reach these goals. On creation of business plan the ways of forming one is not stated and businessplan to businessplant differencies can be huge. In everycase in well formed businessplan is found many forms and criteria, depend on what type of business, industry and the target audience of the business plan. It can also contain background information about the business and other related info of the company, organization or group that attempting to achieve these goals and well functioning operation environment.

3.2.2 Who is the audience his/her plan is aiming to?

When studying the field of business start-ups and the business plans made, there are always two key questions which has to be concened in the early stages of creation of a good and clear businessplan, the audience needs to be quided clearly from on the process of writing an implementation plan:

what is his/her plan for?

who is the audience his/her plan is aiming to?

According to Brian Finch's theory, there are six pivotal identification points that are helping to distinguish these different groups of audience (Finch 2010, 2):

- Does the audience desire to purchase your business or a part of your business?
- Does the audience desire a joint venture contract?
- Does the audience desire to invest in your innovative ideas or just in an existing business?
- Does the audience desire to provide support for your business?
- Does the audience desire to make a grant?
- Does the audience desire to sign in a contract?

When studying the target groups of audience listed on top of this text we will reach to a different expectation as well as reaction to a business plan. When the businessplan is written right the viewer and writer of the plan will already have a clear idea and vision about the targeted viewers and goals. The main goal of a business plan is classify and the adjust the content of the plan so that it is easier to be adjusted also in the future. For example, if your plan is targeting to gain a grant from a regulatory authority, the key research part of your businessplan has be carried out on a extra piece/page of the plan which is checked through by corporate legal help to check if your company is eligible not against the local regulation. On the other hand on the plan viewers might be look on different matters relation on their interest such as sustainable developing plan, local social benefits, job offers and possibilities for the region and so many other factors which might not look attractive to a viewer which would want to buy or invest to your business as financial move.

On this current businessplan and -study I am writing a business plan presenting a company to run their specialized businessmodel in Asian market. The core, most essential purpose of this plan is to the company possibilities for new financing and on possible merger situation. The key factor is to bring information of the unique nature of Company X business structure, their products or services, spread the ideas of this business to an other company on the merger and more info to everyone who is involved in the project and want to be assured on their commitment to the end. This type of

businessplan, which we are exploring right now, will focus more on financial objectives and example marketing plan and not so much on personnel development and management issues. On this businessplan the author has drawn the picture of the business as a whole related to new financing and how the company has agreed on towards the same strategies and objectives.

The items that are normally described in the businessplans are added to the figure below to support someone writing his/her own plan. "Structure of a business plan" (image below) creates a broad window to the fundamental sections of a business plan writing. However, the choice of items to make a plan's structure will vary from business to business (Finch 2010, 19).

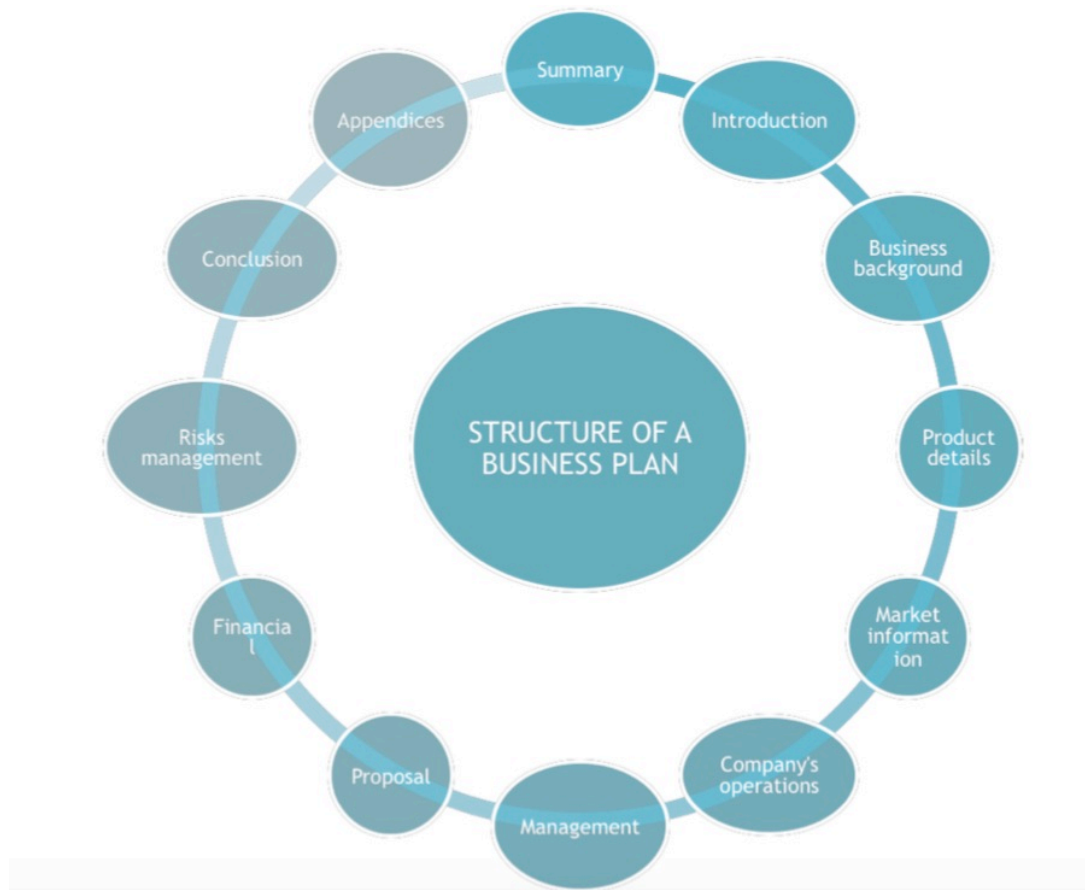


Figure 6. Structure of Business Plan based on Finch theory (Finch 2010)

When looking into the categories on the image its easy to realize that the order of them can differ a lot, base upon the business structure, cultural differencies, basic need to the plan and the story line that the author is buildin and marketing/communicating to the audience. The normal is that some sections are merged and some new ones can be

added, just depending the need of the plan like stated earlier. The main idea anyway is to conducive way to keep a logical and easy to follow structure even same ideas can be repeated several times on different sections of the plan. As a good example the summary and conclusion sections will be repeating about the core values, the objectives and goals of the business, all depending on the need which the plan for formed to fill.

When looking the plan at hand or any businessplan on contrast to Brian Finch's theory on the strategy of categorize audience purposes in reading business plan and how to set up it right to the concentration on the report, Edward Blackwell's theory present the model of a framework in which information delivered to the reader are already in a logical order.

When finding the most efficient way for your or my plan at hand is to make sure that reader can easily follow the same logical flow that we as the authors want to deliver. As ambassadors of the businesses we are creating the plans for it is important that the we as writers can determine our target readers in the meaning of, for example, their interested toward the offering, business, purposes of reading the plan and cultural and educational knowledge background.

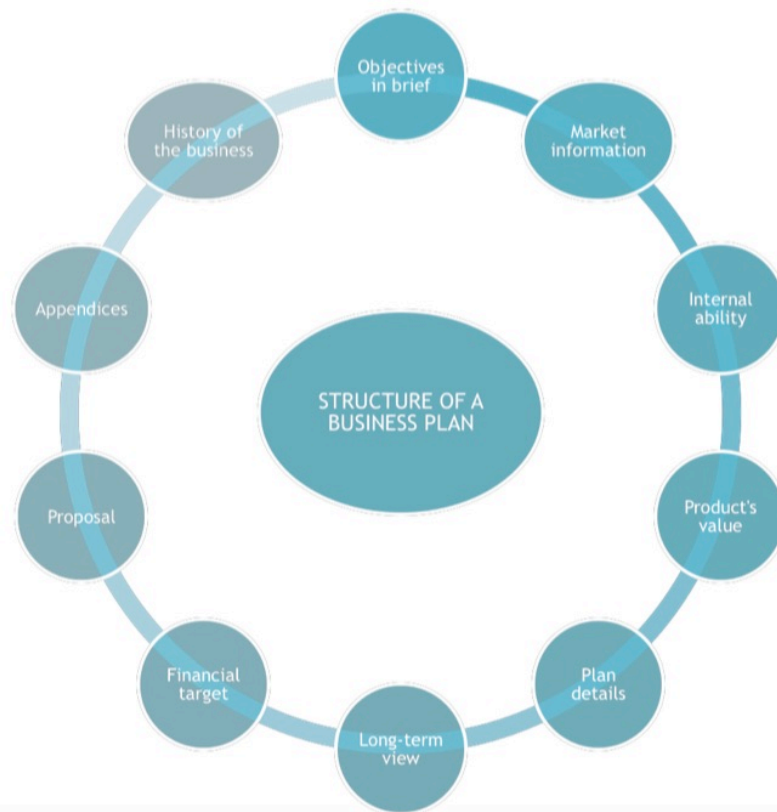


Figure 7. Structure of Business Plan based on Blackwell (2008)

When we scale through the literature and online presentations how to create a well formed plan many presentation will be presented. On my past expertise on the field I have concluded that the clear and simple way is most of the time the best, that's why I have clearly showed this through the two figures of the variations and contrasts of the presented two model theories. Even thou in both images there is many of common items listed, most of the fundamental parts of the business plan, including business or company's background, unique and current market information, financial analysis and the genuine goals; there are still noticeable amount of differentiating elements which can be decisive when author wants to choose between the two theories. One of the noteworthy differential is that in Finch's theory, tyou can find the "product detail" section, however in Blackwell's theory, the corresponding section is listednot as detail but as "product's value". Many people examining the theories can sometime underestimate these two stages since they assume immediately that the two sections are both used for the "purpose" of describing and explaining the aim of the plan and the products or services. However this distinction in my point of view means a lot more than common perspective. When examining the Blackwell's explanation on his "product's value" section, it is more sophisticated and adaptive to the new business mindset. The section, where the producer is required to declare the product and services with all of their features and technical data like in Finch's theory, is also available a product or services with all their included benefits, specified innovation and experience that it is directly designed to deliver to specific customer. One of the main reasons why this type of an introduction for a products or services is sometimes better than just describing physical features, is that in the in intense and extremely competitive business environment, customers and investors are more on a lookout for the motivated team with good innovations, core values and benefits the a product they can be pride over, not just new products with good features.

To conclude this in short, a business plan is the basic foundation, written steps of establishing a business or projects. Way to describe what company and its services are all about. In anycase there is no free lunches and no free and shortcut fixes to business success. Making a well-built businessplan doesn't mean that the business journey and the success of the business or projects is assured, however as a tool to draw an complet "glossary" picture of your operations and overall business it is a great help, as well as when acquiring financing, making overall look to the market and your competitors, thus the forward planning will bring with it the minimized the risks and lay a ground stone for futures business development. On the process company should weigh the possibility of

spending an sufficient effort, resources, ideabank and personnel, hen build a well-established businessplan before each and every valid project. As the author and designer of the this businessplan perspective, I feel the most important and even crucial thing to figure before starting a businessplan is the targeted audienceclass and culture, the main focus should be on what kind of reaction is wanted rom the reader and what is wanted to achieve from of the plan. When we are looking in to the focus right ahead of us we must not forget the long term planning, how the business can be develop in the future.

On preparation of a businessplan the main task for the author is precisely in pursuance of the plan, to be closely connected with the company businessplan is made for or with. The importance is based for acquiring the most current and valid information with nothing hindering the information flow between the author and the management of the company is to have a thorough understanding about the goals of the corporation and their culture inside of the company and really use time to decide the right questions to be ask. Writing down the questions while getting to know the core business and future is the good way to start. Written down questions have to cover seriously everything included to the case and the business, including the operating environment on internal and external business. If the autor follows the plan started from the written questions and once all the topics and question can be meticulously answered in the implementation phase of the businessplan re-workable result is successfully achieved.

3.3 Marketing plan

I will be present the theory that I have been using on the written business/marktingplan for the Company X Ltd. The marketing side is key ingredient of the business /marketing plan for the online gambling company. A marketing plan, in general, includes various parts of marketing insights and and factors. The reason of this section is also to provide the viewer an overlook to the particularly delected theory in the marketing plan, This section is used as well in basis knowledge preparation about the concepts used and their usage concerning marketing. To have a deeper knowledge of the plan and it's usage author has added some sections of the marketing figures to be included as a part of the marketing plan.

Marketing mix

On this Business / marketing plan author is using marketing mix. Marketing mix is considered to be one of the most popular, if not the most popular, tool for marketing that introduces the well known concept of 4P's: product, price, place and promotion. During the work I was very careful on choosing the best ways and most fitting strategies for this plan. A good marketing plan will use, utilize and employ the consistency of all the marketing mix, to create a equilibrium and complete, transparent picture of a company and it's marketing strategies. Making a blueprint for a marketingplan in same time taking to a consideration all the different elements on a marketing mix is making sure that atleast all of the basic marketing instruments of a corporation are directed to a same goal and when planned and executed well does not form any infrictions between any of those figures. To give an example litteral of the subject:: "the distributing channel can be the element which supported strongly by the appropriate advertising plan and in-store communication" (De Pelsmacker et al. 2001). See is to believe or this case understand, so we added a figure 8 below to show some of the main ideas of the marketing mix:



Figure 8. Marketing mix – 4P's (Relativemarketing 2016).

4 EXECUTIVE SUMMARY FOR BUSINESS PLAN

4.1 The purpose of the business plan

The purpose of this business plan is to raise \$3,500,000 for marketing and branding of Company X Ltd's online games and web application which will provide a platform for people to play varying number games such as lotto, and other classic number games. This business plan will also showcase the expected financials and operations over the next three years.

Company X Ltd is a Costa Rica based corporation with own global gaming license that will generate revenues through bets placed on the website, the apps on the smartphones and pads. The Company was founded by two Finnish persons, both founders have agreed in long term to stay with them company for further development.

The Site

Company X Ltd will primarily generate revenues from the taking of bets on behalf of players that become enrolled members of the site or apps. As stated above, the Dragonlotto gaming platform will domicile its assets in a different location as certain legal restrictions regarding online gambling apply throughout the globe. The games hosted on the Company's services will include lotto and several online style games.

The business will generate revenues from the games, affiliation fees and from static and dynamic advertisements that generate revenues on a per 1000 impressions basis while concurrently earning other income from affiliate partner revenues. The third section of the business plan will further describe the services offered by the Company X.

Financing

The original investors are seeking to raise \$3,500,000 while offering 25 % equity and a board position. The financing will be used for the following:

- Development of the Company's online games platform.
- Financing for the next 12 to 18 months of operation.
- Capital to purchase servers, computers, and related technology

The current investors and management have already contributed \$6,250,000 to the venture. Completed all the R&D and key strategic partners globally including iTunes (Apple)

Mission Statement

To become the recognized leader in its targeted market as a platform where people can play classic lotto games and other easy number games.

Management Team

The management team has more than 20 years of combined experience in the online and Internet industry. Through the expertise of management team, the company will be able to bring the operations of the business to profitability within its first year of operations.

Sales Forecast

The management team expects a strong rate of growth at the start of operations. The management team conducted a meeting that discussed the forecasted sales and mathematical strategies building the sales structure. The statistical results determined were based on regional sales hubs that are constantly supported by visiting sales directors.

Expansion Plan

The Founders expects that the business will aggressively expand during the first three years of operation. The management team intends to implement marketing campaigns that will effectively target clients within the Company's demographic. Important mediums of marketing are facebook, social media, own events, carshow / lifestyle shows.

4.2 Financing Summary

Required Funds

At this time, the Draggonlotto requires \$3,500,000 of debt funds. Below is a breakdown of how these funds will be used after acquiring the 25 % shares to the investor.

Projected Startup Costs 12months

Software upkeep 12months	\$240,000
Working Capital	\$1,020,000
FF&E	\$30,000
Software Development	\$500,000
Security Deposits	\$5,000
Lotto Insurance	\$150,000
Servers and Technology Equipment	\$25,000
Marketing Budget	\$255,000
Miscellaneous and Unforeseen Costs	\$25,000
Total Startup Costs	\$2,250,000

2.2 Required Funds (Cont..)

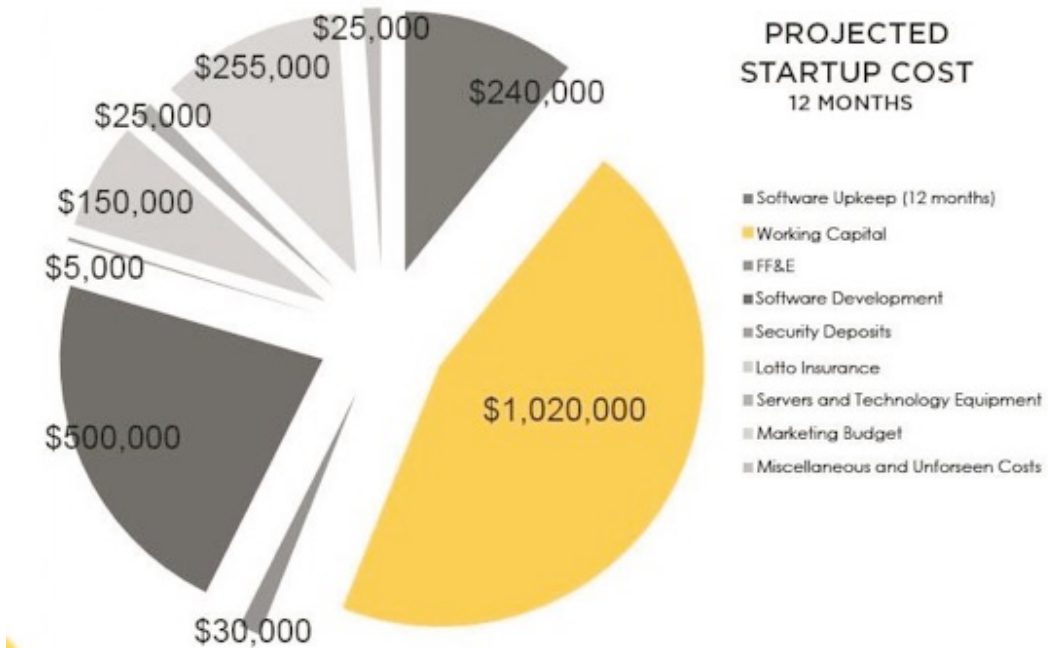


Figure 9. Startup costs and funds.

Investor Equity

The current ownership and investors are seeking an investment from a third party at this time to launch the operations globally. Current shareholders are the seed investors. Seed

investors are looking forward to capitalizing their initial investments bit by bit when VC investors are starting to take over the company to next level.

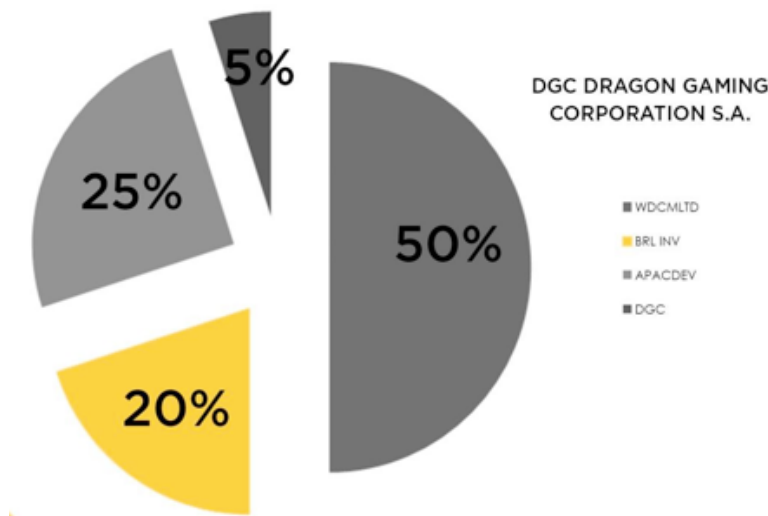


Figure 10. Investors.

Exit Strategy

When the business is very successful reaching over 5 million users (10 % being active) players, the ownership may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of the Company X. Based on historical numbers; the business could fetch a sales premium of up to 10 times earnings. Calculation for value is proximately \$100 per active user. Online Gambling platform Betsafe was sold to Betsson in May 2011 for total of €60 million. B etsafe was a Norwegian sports exchange, online casino and poker room.

Betsson a Malta-based Swedish online gambling and poker operator became with the acquisition of Betsafe the single largest operator in Malta. In the years leading up to the purchase agreement Betsafe had increased its revenue by 119% over the course of 2010 and had more than 84,000 real money players in 2011 on its Ogame poker room with 148 employees in Malta The clear Return of Investment (ROI) of investment is less than 2 years, we expect the most fruitful time for an exit strategy to be in 2-3 years from investment.

4.3 Products and Services

Dragonlotto gaming platform operations

The primary revenue center for the business will come through the ongoing placing of bets by customers with the Company X among online games such as lotto along with the 10+ other games currently in beta development.

With these games, the player will be directly playing against themselves but same time playing as a one family, one community. If one player in the community will win so many others will win with the winning player, this will create buzz, free marketing that will make games irresistible to the friends and relatives of the winners.

Revenues streams

Because it is vital to own internal strong revenue streams, the sales of advertising space on the sites and apps are not key aspect to business, though a good extra on top of everything. Company X has ready-made apps to all android-based devices and iOS devices (iPad and iPhone); a specially designed WebApp services all other platforms. Company X has incoming revenue from white label services (games made for others on our platform on their own outlook) and own games run by the company, all which are rotating 24/7, everywhere in the world, on every imagined platform.

At the onset of operations the business will develop a relationship with Google AdSense so the business can immediately generate revenue in every field. Each time a visiting user clicks on one of the advertisements for the business, the Company X receives a payment from Google. These ads will be tastefully placed throughout the Online gaming platform.

The Company X also intends to develop its own internal advertising programs that will feature static advertisements within the website. These advertisements will be sold directly to advertisers rather than through a third party system, like Google AdSense. In the future, the gaming company will also seek to develop a product affiliation and corporate sponsorship relationships which would further uplift the Company's visibility and revenue streams.


4.4 Is there is any company in any industry Dragonlotto could be compared to?

In the gaming industry there is no company such as Dragonlotto, so far. On the fast booming Taxi industry there is a new coming rising star that has a lot of similarities to the business that the Company X is running, -company is called Uber. In the picture (figure 12) are the similarities of these two businesses, even being in two different industries the both companies are expected to skyrocket their business in near future.



Picture 1. Dragon Gaming Corporation.

What Market needs	What the current market offers	What Dragonlotto offers	What the World Market gains
Greater possibility to win	<ul style="list-style-type: none"> Working traditional models, working same way than 200 years ago Winning potential normally around 1: 15 000 000 Only local games 	<ul style="list-style-type: none"> Totally new way playing lotto and other games. Having the terminal in in your pocket. Community can multiply your winning potential to 100 000 times bigger. Winning potential on your own game 1:5 000 000 Unlimited Global Gaming More than just lotto to choose from. Superior gaming platform 72 games per day 	<ul style="list-style-type: none"> Bigger jackpots in lotto and fast growing global game A lot of winners who eagerly are looking for new players to their communities to win together. More versatile ways to play Cash back possibility from playing online
Stress free world of gaming	<ul style="list-style-type: none"> Line up at kiosks or neighborhood stores. Security risk for holdup or just inconvenience and time consuming 	<ul style="list-style-type: none"> No more line up. Game is where you are. NO more security risk or weather issues, you can play where ever you are or what ever you do. No lost time, no lost cost for travel. No more lost opportunities 	<ul style="list-style-type: none"> No more panic to line up, saved time benefits. White label possibility to any country or community/group
All in your own privacy	<ul style="list-style-type: none"> Noisy surrounding, long lines 	<ul style="list-style-type: none"> You are free to live your life. Hassle free 	<ul style="list-style-type: none"> Freedom of choice Multiple opportunities
Possibility to income, cash back and earning from the games	<ul style="list-style-type: none"> One game one winner No rewards if recommend to others Income possibility very expensive. 	<ul style="list-style-type: none"> One Game all community will win. Winner will get 100% of jackpot You are rewarded if anyone in your community wins. Easy few step access to own lotto / gaming business, affordable to join. Fits for everybody. 	<ul style="list-style-type: none"> More people starting to earn while playing More tax income to counties (affiliates pay taxes to their own countries) More purchase power



Dragonlotto Gaming Platform Superiorities

Figure 11. Dragonlotto Gaming Platform.

Economic Outlook

Being first one in the market is always substantial benefit, Dragonlotto and its community based games are totally unique and hooking new experience to play games. The 2 year development time has given us a lead that is not easy to reach by future competitors.

The gaming outlook is bright, yearly 5.6 % growth in gaming is all the time increasing and reached 514B USD limit on year 2014. On the year 2014 29 % of every dollar used in gaming or gambling was invested to play lotto.

All gaming and gambling is moving gradually towards portable devices, pads and smart phones. Dragonlotto is one of the forefront companies targeting all of its games to these new technology devices. Currently, the economic market condition in Asia and Europe are moderate to progressive. Unemployment rates have declined while asset prices have risen substantially. As such, now is a strong economic environment to launch an online Dragonlotto. And become the #1 online lotto, globally.

Competition

The current management and investors feel timing is key as of today the company as next to now true competition globally. Giving Company X the opportunity to be first to market. Dragonlotto is built to succeed in the industry by following the trends, customer psychology and based on long term expertise on the market.

Everyone has heard of stories of the sky rocketing stock values of online & app products like uber , the private taxi app and Alibaba the online market platform. dragonlotto is next app taking part of this new age race challenging others to a UFC style free fight. Uber, (founded in March 2009) is an app-based transportation network and taxi company headquartered in San Francisco, California, which operates in cities in many countries. The company uses a smartphone application to receive ride requests and then sends these trip requests to their drivers. Customers use the app to request rides and track their reserved vehicle's location. As of 16 December 2014, the service was available in 53 countries and more than 200 cities worldwide and was valued at more than US\$40 billion.

Alibaba Group Holding Limited (NYSE: BABA) is a Chinese e-commerce company that provides consumer-to-consumer, business-to-consumer and business-to-business sales services via web portals. The group began in 1999 when Jack Ma founded the website Alibaba.com, a business-to-business portal to connect Chinese manufacturers with overseas buyers. In 2012, two of Alibaba's portals handled 1.1 trillion Yuan (\$170 billion) in sales. The company primarily operates in the People's Republic of China (PRC), and at closing time, on the date of its historic initial public offering (IPO), 19 September 2014, Alibaba's market value was measured as US\$231 billion. Company X

and Dragonlotto gaming platform are combining these 2 biggest trends in the industry in totally unique way, on the gaming industry setting.

4.5 Marketing Plan

Company X intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market.

Marketing Objectives

Develop an expansive online presence through the use of pay per click marketing and search engine optimization. Establish relationships with advertisers that are targeting a computer savvy younger demographic. Develop promotional giveaways that will draw users to the website and apps via viral marketing methods.

Marketing Strategies

The management intends to use a high impact marketing campaign that will generate a substantial amount of traffic to www.dragonlotto.com and to the Dragonlotto gaming platform apps. These strategies include the use of search engine optimization and pay per click marketing.

The Company's web development firm will have a noticeable investment in paid search results linking to the Company's website. For instance, when a person does a Google search for online lotto websites, the Company X will appear on the first page of the search. This strategy is technically complicated, and the Dragonlotto gaming platform will use a search engine optimization firm to develop the Company's visibility on a non-paid basis. Management expects that a SEO firm will place large amounts of linking data and text specific keywords into the business's website, which will allow the Company X to appear more frequently among search engines. A majority of web portal and search engine companies use very complicated algorithms to determine a website's relevance in relation to a specific keyword. SEO firms place text and tags on the website to increase the rank of a specific website.

Additionally, Company X will use several pay methods for increasing the Company's visibility. This strategy is expensive, but the results can be phenomenal if this marketing strategy is properly executed. These advertisements

appear along the border and side of a website, and each time a person clicks on the website, a small fee ranging from fifty cents to one dollar is charged to the Company's account. This strategy will be used until the Company X gains momentum. Below is presented structure of sales team.

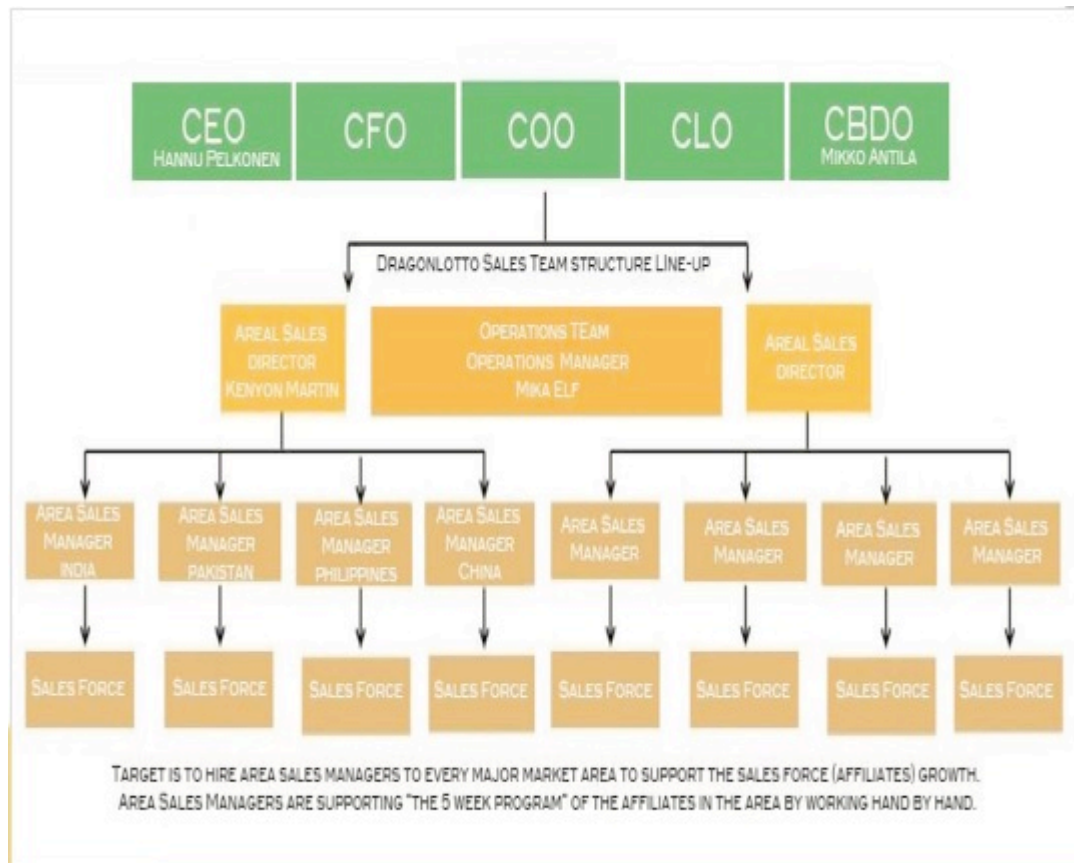


Figure 12. Structure of sales team.

4.6 Organizational Plan and Financial Plan

Management team of the company includes the founders and selected leaders. Raised funding will give the company the possibility to tap into the global gaming workforce and leadership search, company will be adding CFO, COO and CLO to the roster.

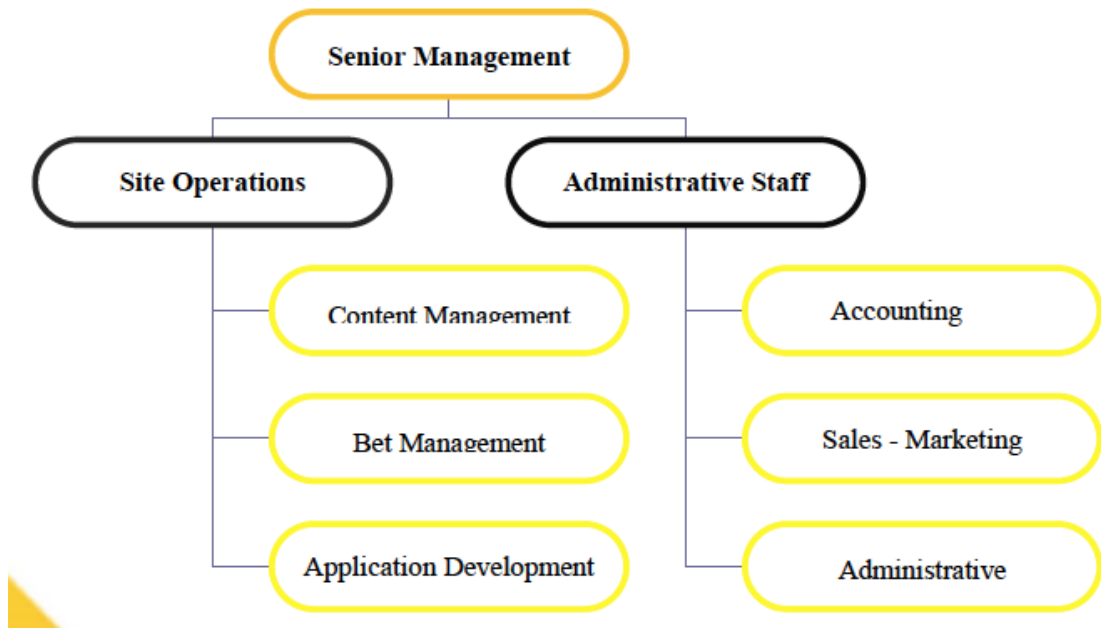


Figure 13. Organizational Plan.

Financial Plan - Underlying Assumptions

Gaming industry is moving towards a 24/7 online services. Over the last two years, the gaming industry has a growth faster than ever before, and it is expected to continue during next ten years. Easier access to the gamblers and gamers has brought online casino services to homes with desktops and laptops to the hands of "every man." Now we are challenging the gaming world by bringing it also to mobile users equipped with smart phones or tablets.

Dragonlotto's business is based on the following facts of the markets: fast growing rate of mobile users, rapidly spreading 3G and 4G networks and growth of the mobile gaming industry. We have also noticed that the investors on the markets are investing directly in mobile device gaming industry (read more from the Dragonlotto Magazine). This is a fact of the fast-developing gaming industry.

We are on the verge of an explosion of the market. Dragonlotto does not have competitors on the market of the global mobile lotto. We are a No1 global mobile Lottery Company. When investment on sales structuring is done, there is no company, which can be competed with us. The growth estimations are great.

As an assumption, based from the forecasted figures, we are anticipating an immense prospect to take over 2-3 % of the global lottery market during the next ten years. Gaming industry is estimated to grow to 550B USD market by the year 2015. All in all, lotto covers 29 % of the global gaming market

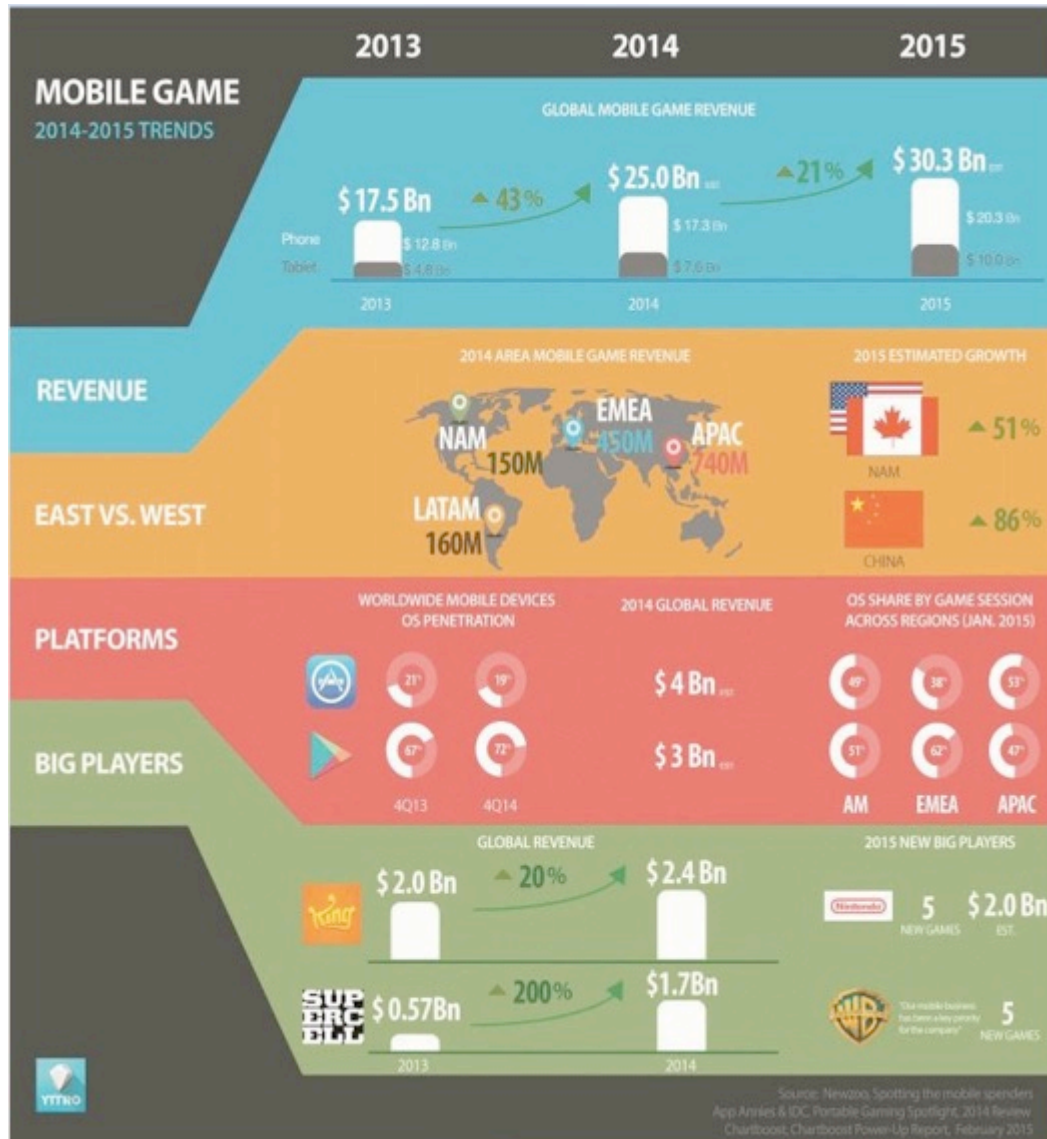


Figure 14. Mobile Game 2014-2015 trends.

The Company X has based its proforma financial statements on the following:

- The Dragonlotto gaming platform will have an annual revenue growth rate of 230 % per year.
- The Management will acquire \$3,500,000 of debt funds to develop the business.

- The investment loan will be secured with 25 % common stock of the business.



Figure 15. Gaming is huge.

Sensitivity Analysis

In the event of a severe economic decline, the demand for specialty online based advertising and online gaming services may decrease significantly, which may cause the advertising/gaming revenue generated by the business to level off or decline. However, the high margins associated with the Dragonlotto gaming platform will ensure that the business will be able to remain profitable and cash flow positive at all times.

Source of Funds

Funds have been used to develop the software, Creating the basic structure of operations, websites, staff training, international travelling on business, training Videos etc. Dragonlotto has work teams places in different parts of the world depending on their special skillset; Hong Kong, Philippines, USA, UK, India, Germany and Sweden.

Now the products are developed both backend and frontend. Hardware is acquired and on operational status. It is time to take the 3rd step of the operational level and move to sales.

5 CONCLUSION

The Company X's Native apps are now covering more than 3 Billion possible users market area, Web apps covers the rest. The Company X is everywhere, ready to offer globally the ULTIMATE gaming experience globally with no apparent global competitors.

"We're not just another social web app: we're connecting real people to jackpots and changing gaming industry for the future. Making ordinary people earn and win globally is the biggest reward for us."

Dragonlotto is a technology company. The Company X makes a smartphone app that provides users with an on-demand, private online gaming service that takes them away from day to day grind to virtual gaming area where everything is possible financially. You can reach Company X's gaming service in dozens of countries and hundreds of cities around the world - at the push of a button. On another level, Dragonlotto is about applying mobile technology, data-driven decision making, and world-class operations teams to solve a massive, offline problem: economy downfall and peoples need to earn supplementary income to their families.

"These are early days. Come join us, and help us build a new fabric for urban gaming experience in a community that is redefining the way people entertain and same time build their lives towards something better."

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