TABLE OF CONTENT

1.0 Market Plan

1.1 Product

The products are a website application that allows the user to design their own website. This kind of product are called and classified as Do-It-Youself (DIY) Website. The application is named as Digital Paper. The idea of the name came in respond to the real purpose of the website application because the application would be useful for business or young entrepreneurs who wish to display and provide their business information online. Replacing the classic brochures and pamphlets into digital and displaying it online is the main usage of it. The real example of the application uploaded to: http://www.digitalpaper.com.my. Digital Paper was originally developed from core by Regan Rajan who has experience of being web programmer for more than 5 years.

1.2 Customers

The product found to be useful for business owners who have computer knowledge but do not have their own website. Therefore the target market is identified as business owners or young entrepreneur. They can be owner of small medium business or home business. The product would be positioned as 'a modern requirement for businesses' highlighting that a business must have own website to publish and promote their products online in this internet era.

1.3 Competitors

DIY Website market is well established and yet growing everyday with new businesses being registered in Malaysia rapidly. We are highlighting four of our main competitors. Our competitors are:

1. Exabytes Hosting
2. eMerge Hosting
3. Edorey Technologies
4. RVSiteBuilder

Exabytes are the most active competitor. They promote their product with the name of "DIY Ebossss" at the price of RM599 per year or RM99 per month. The DIY Ebossss is actually co-branded with RVSiteBuilder web application. Exabytes are Malaysia's leading web hosting company and it is being their biggest strength. They promote to their business customers and package the product together with their hosting. Thus, Exabytes are the market leader.

The second biggest competitor is eMerge Hosting. They are one of Malaysia's popular web hosting company. eMerge promote their product with the name of SharkSurf. They price the product for RM299 per year including domain name and web hosting. According to their latest promotion, they claim that the 25,000 units of SharkSurf were successfully sold.

The third competitor is Edorey Technologies. They are promoting their product with the name of MyPortal. It is being claimed as the first Malaysian's DIY Website. MyPortal is being sold at very low price of RM50 per year including web hosting but do not include domain name. Beside offer several other packages of the application that comes with domain name but slightly higher. Their MyPortal is widely popular among college students because promoted at low price to college and university students.

Fourth is RVSiteBuilder which being attached or packaged directly with Cpanel applications. Cpanel is widely used web control panel. The use of Cpanel is to control hosting account such as adding domain names, having FTP to upload files and so on. It is merely a must have application for Linux server web hosting. Due to their bundling strength, RVSiteBuilder become the most used application among the other DIY Website. It is being offered by almost all web hosting companies. Like mentioned before, Exabytes Ebossss is actually RVSiteBuilder application but co-branded with Exabytes to gain the co-branding strength.

Knowing the competition exist heavily in the market, we are still entering the market due to our own product's strength and advantages which being a head of our competitors. In

general, comparing to Exabytes Ebossss and RVSiteBuilder, our Digital Paper is richer in term of features whereas we cover the need of business owners including the feature of displaying Google Maps in their business. Comparing to eMerge's SharkSurf and Edorey's MyPortal, our Digital Paper richer in features as well as the design itself because it is build with AJAX language which is most the modern way scripting.
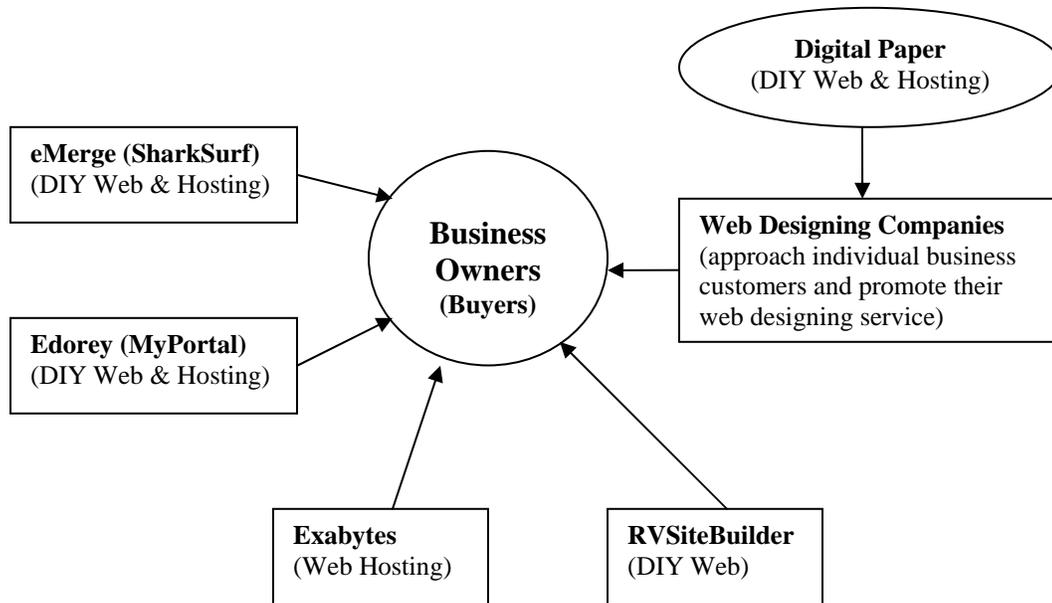
1.4 Entry Strategy – The Market Strategy

Digital Paper would be marketed using differentiation strategy. The features of Digital Paper would be made rich and stands ahead of competitor. Some of our leading features that our competitors do not have are:

1. Google Map – our competitor do not have this feature build in
2. Editable Design – our competitors do not allow the user to change the design of website and only allows the users to change template or change color. We let the user to change all web elements of the website easily
3. Templates – the users can create their own templates through the web application and share with others
4. Build in catalog module – our competitor's product do not have special module for the users to upload their product information but Digital Paper has it
5. No forced branding – our competitor would show their brand in the user's website. But Digital Paper would not show our brand to give full privacy to our users.

The Digital Paper is targeted to business owners but we would not distribute or sell directly to them. Instead, Digital Paper would be sold to Web Designing firms. This is where our marketing plan is totally differentiated from other competitors in the market. Our key features of Digital Paper are allowing the user to change the design by them and save it as template. This is why the Digital Paper would be sold to the web designing companies. The web designing companies are the people who approach the business owners and promote their web designing services. Digital Paper do not intend to go into competition with this web designing firms instead we would supply our Digital Paper to these designing firms and that would enable this firms to custom design their own

templates and sell it to the end user. Furthermore, Digital Paper would not impose any brand and this enables the web designing companies to brand it themselves. The idea is charted below:

Business Strategy that our competitors use (Exabytes, eMerge, Edorey, RVSiteBuilder) and how Digital Paper will enter the market

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                                          ┌──────────────────────┐
                                          │    Digital Paper     │
                                          │  (DIY Web & Hosting) │
                                          └──────────────────────┘
                                                     │
                                                     ▼
┌────────────────────────┐                 ┌──────────────────────────────┐
│  eMerge (SharkSurf)    │                 │  Web Designing Companies     │
│  (DIY Web & Hosting)   │──┐              │  (approach individual business│
└────────────────────────┘  │   ┌──────┐  │  customers and promote their │
                            ──▶  │Business│◀─│  web designing service)      │
                             ┌─▶ │Owners │  └──────────────────────────────┘
┌────────────────────────┐  │   │(Buyers)│
│  Edorey (MyPortal)     │──┘   └──────┘
│  (DIY Web & Hosting)   │      ▲     ▲
└────────────────────────┘     ╱       ╲
                              ╱         ╲
                  ┌──────────────┐  ┌──────────────┐
                  │  Exabytes    │  │ RVSiteBuilder│
                  │ (Web Hosting)│  │  (DIY Web)   │
                  └──────────────┘  └──────────────┘
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Before the DIY Website become popular or attack widely the market share, the user must approach to Web Designing firm to get their website done. The Web Designing firms are the real service sellers for this website market. With DIY Website entering the market, the products attacked the web designing service and took high number of their market share. The main reasons are; web designing service was costly compare to DIY websites and the DIY Website gives control back to the user to change their website content easily without getting back to the designer, making it cost effective to maintain. In general, DIY Website is priced low and easier to maintain.

In this market situation, Digital Paper which do not impose its own brand would be great opportunity for the web designing firms to buy the Digital Paper from us and market it with their own brand. The proposal is similar to an Original Equipment Manufacturer

(OEM) model that will produce the product but marketed with other's brand for the best of every party involved in the business.

Our strategy is not similar to RVSiteBuilder because RVSiteBuilder design is not customizable and making it not suitable for the web designing firms to promote. Besides, they always impose their brand over their product. Besides, they provide the DIY Website application to Web Hosting firms while Digital Paper would be provided to Web Designing firms.

2.0 Production Plan

2.1 Resources required

To execute this business, we will need our own operating office. It would merely to represent our service stronger and stable. But we would not require using the office all the time as the process of setting up the Digital Paper can be done without even the need of office. Therefore, office is not one of our critical requirements, as result of it we would not spend on setting up our own office. Instead, we would share the office space with other company. This spending would save our financial resource.

2.2 Process of production and pricing

We would need web hosting to store our web application. We would need domain name to be registered for each of our clients. For this, we would buy the web hosting and domain name from Shinjiru Hosting. Shinjiru is direct competitor of Exabytes. The web hosting would cost RM 90 but we would have reseller price that discounts 10% resulting to the price of RM 81. At the same time, Shinjiru is selling the domain names (.com.my) for RM 59. Buying this hosting and domain name would take 1 day time. The compulsory cost would be:

Primary Cost

1) Domain Name   RM 59
2) Web Hosting   <u>RM 81</u>
    Total   RM 140

The first stage or the production is buying domain name and web hosting. The second stage is to install the web application files and set the database configuration. This process would take nearly 1hour. We would out-source the work of setup for hourly basis. Our-sourcing this task would be appropriate because if we hire our own technician, they might not utilize all the time and will result to waste of human resource. Therefore out-sourcing the setup work per hour would cost RM 50. One installation would take 1 hour only.

Setup Cost

1) Primary Cost   RM 140
2) Installation cost   <u>RM 50</u>
   Total   RM 190

The profit would be earned from the sales through license fee over our web application. Each individual copy of the web application would need to pay a license free to our company every first. But the fee would be different from the first year and the next year onward.

Total Product Price (first year)

1) Setup Cost   RM 190
2) License Fee   <u>RM 250</u>
   Total   RM 440

On the second year onward, we need to renew the web hosting and domain names at the same price. But we would not be required to pay the installation cost. Therefore there is only primary cost and we would take profit lower this year to only RM200 for the license renewal fee.

Total Product Price (second year)

1) Primary Cost   RM 140
2) License Fee   <u>RM 200</u>
   Total   RM 340

The customer service to end-user would be taken care of the web designing company themselves. But any complain over the system performance or application bugs, the web designing company would report-back to us. We would need to take care of the technical supports. The technical support responsibility would belong to our own technicians.

3.0 Risk Management Plan

Our business focuses on web application and our biggest risk is technical risk. The web application is depending on the browsers to run the application. Multiple browsers and their continuous rapid improvement

We are splitting the technical risk into two. One of application technical risk and another is server technical risk. Our service depends on the servers and browsers. We can minimize the risk of servers by using only professional web hosting and pay the premium web hosting price. For this, we have engaged the web hosting service with Shinjiru as we are transferring the server technical risk to Shinjiru themselves. Shinjiru would take care of the server risk with their dedicated technicians as well as daily data backups of our clients.

The application technical risk cannot be avoided because we cannot control the growth or development of the web browsers. We got to develop our own technicians to always update our web applications regularly as the web browser develops. The web browser development can be predicted will happen every 6 months once. There is two most popular and widely used browsers which are Internet Explorer and Firefox. We need our technician to update our web application regularly every 6 months and keep the application supported by at least both of the major browsers.