Kipaji App OTT Platform

Business Growth **Plan**

Kipaji App OTT Platform

September 2022

Table of Contents

Executive Summary

BACKGROUND

Innovations in digital technology have dramatically transformed how people purchase and consume multimedia content. They now use computers, tablets, and smartphones and access pirated content freely online. This has made it difficult for content creators to commercialize their works – thus the move towards on demand and transactional multimedia services.

Kipaji App addresses that issue by providing a digital app that bring content creators and content consumers together, where creators can upload their works, and consumers can use it through their digital devices. The app is integrated with multiple mobile, VISA/MASTERCARD payment gateways.

FINANCIALS

In 18 months, Kipaji has been downloaded by more than 100,000 users, where 20,000 transactions have been made, leading to 30m shillings in revenues. At least three-quarters of the revenues come from three creators whose works were placed on the platform. Despite over 100m investment in Kipaji, the app hasn't unlocked its true potential due to limited marketing capabilities and weaknesses in acquiring desirable content.

KIPAJI APP HIGHLIGHTS

Highlights for Kipaji App 18 months of operation:

➡️ **100,000+ Downloads**

➡️ **20,000+ Transactions**

➡️ **100+ Creators**

➡️ **ARPU is 1,000 shillings**

➡️ **20m+ collected so far**

OPPORTUNITY

80 percent of Kipaji's users are between 18—35 years. Considering Tanzania's demographics and positive indicators such as growing access to the internet, access to proper devices, and access to mobile money, the market outlook in the long term is very attractive.

Kipaji App seeks to raise 7.2billion, where over 70% will be used in the production and acquisition of attractive content for the app, building the brand and marketing the content, and further app developments. Within five years, revenues are projected to be 74 billion shillings where profits are projected to be about 16.72 billion shillings.

SECTION 02

Realizing the Vision
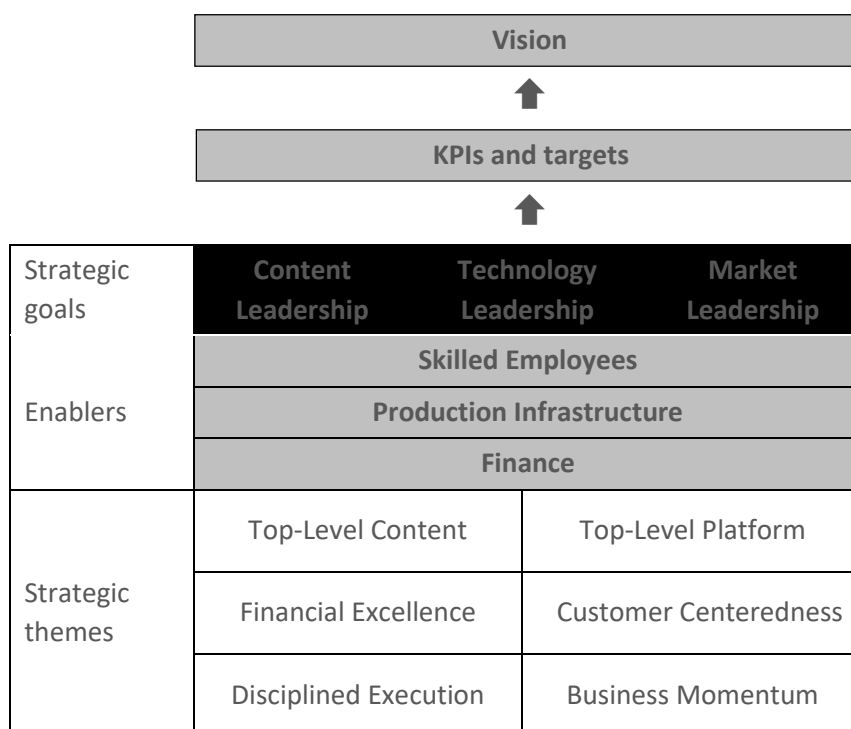
Kipaji's strategic goals are leadership in technology, market, and content. The three enablers represent what Kipaji needs to realize its goals. The strategic themes guide Kipaji's approach to achieving these goals. Every functional unit is responsible for the delivery and achievement of this plan.

Monitoring and reporting on progress against Key Performance Indicators (KPIs) and targets is done monthly, quarterly, and annually. While the goals and objectives will remain essentially the same, strategies, KPIs and targets may be modified in response to changes in the environment.

Vision
↑
KPIs and targets
↑

Strategic goals	Content Leadership	Technology Leadership	Market Leadership
Enablers	Skilled Employees		
	Production Infrastructure		
	Finance		
Strategic themes	Top-Level Content		Top-Level Platform
	Financial Excellence		Customer Centeredness
	Disciplined Execution		Business Momentum

SWOT ANALYSIS

This analysis highlights external and internal environmental factors that affects Kipaji's performance.

INTERNAL	
Strengths	**Weaknesses**
- OTT Platform - Recognized Brand - Excellent Teamwork Experience - Unique Value Proposition	- Inadequate Financing - Marketing Capability - Creators' Acquisition - Lack of internal Content Production
EXTERNAL	
Opportunities	**Threats**

▪ Strategic Partnerships ▪ Huge Demand for OTT services and no Established Competitor ▪ Expansion into Other Regions ▪ Content Production Sector Underdeveloped ▪ Content Exclusivity	▪ Competitors' Actions ▪ Pirated contents

- **Strengths**: This refers to competencies and resources that the organization is good at, thus providing a strong foundation for success:
    1. **Mature Platform**. As a platform, Kipaji has gone through multiple versions where multiple issues have been addressed and features added. It is tested and is bug free. It is integrated with mobile money operators. It provides multiple customer management features.
    2. **Experienced Team**. The team has worked together for almost two years – therefore, roles are well defined, teamwork is appreciated, and market dynamics are well understood.
    3. **Unique Value Proposition**. With over 100,000 downloads, Kipaji has shown that it is attractive. Moreover, transaction patterns show that it has managed to create loyal clients – where thousands have made multiple purchases, with some making up to 100 purchases. This highlights the fact that Kipaji solves a clear problem for a segment of the market.

- **Weaknesses**: This refers to internal issues that needs improvement if the organisation is to achieve its goals:
    4. **Inadequate financing**. What has been invested in Kipaji has not been enough to sustain any meaningful marketing campaign and content acquisition initiative.
    5. **Marketing Capabilities**. Kipaji's marketing campaigns have mainly been limited to what some content creators have done for their works. The team could use more experience in planning, executing, and sustaining creative marketing campaigns, especially in the absence of adequate financing.
    6. **Content Acquisitions**. 80% of Kipaji's total revenues come from 5% of contents. Good content not only drives growth and revenues but also it minimizes churn rate. Thus, failure to acquire enough compelling content has significantly hampered Kipaji's growth potential.

- **Opportunities**: This refers to external factors which can be capitalized on for growth:
    7. **Huge Demand for OTT Services**. All factors point to the fact that there is a huge latent demand for OTT services while there are no established service providers. While Kipaji has gained some traction, the opportunity remains there for the taking.
    8. **Regional Expansion**. Targeted offline and online marketing can reach out to clients in regions where competition is minimal and supply is low.
    9. **Movie Production Sector Underdeveloped/Underserved**. Since the quality is exceedingly low, works of good quality will be greatly appreciated.

- **Threats**: These are external factors which may endanger the organization's ability to realize its vision:
    10. **Competitor's Actions**. Since the sector is still relatively new, a serious investor who wishes to change the game can potentially be quite disruptive at this stage.
    11. **Pirated content**. Easy access to pirated movies from Hollywood, Nollywood, and Bollywood is a threat to the development of a successful Bongo movies' industry.

Clients Segments

Innovations in digital technology have dramatically transformed how people purchase and consume multimedia content. People now increasingly use computers, tablets, and smartphones and access pirated content freely online. This has made it difficult for content creators to commercialize their works – thus the move towards on demand and transactional multimedia services.

Kipaji App is a digital marketplace that facilitates business between content creators and consumers, where creators can upload their works, and consumers can use it through their digital devices. The application has been integrated with mobile payment gateways so payments can be done automatically through M-PESA, Tigo Pesa, and Airtel Money and VISA/MASTER for reaching their international markets. Thus, clients have a very robust platform to consume rare multimedia content and creators have a way to commercialize their creative works online.

MARKET ANALYSIS

The success of a mobile or PC based over the top (OTT) services in Tanzania depends on several factors. These are: access to the internet, access to appropriate devices, and access to mobile money. With 88% of the population having mobile access, at least 44% Tanzanians having internet access, and smartphone penetration standing at around 86.2%, all indicators strongly suggest that this market will get bigger with time.

Moreover, given that 75% of the population of Tanzania (about 45m people) is below 25 years of age and given that this is one of the fastest growing populations in the world, demographics also suggest that the market will get bigger with time.

Beyond Tanzania, the platform is scalable to serve clients from other nations, once mobile money integration is done with their operators. Where this is possible, even now users can cross pay from their regions and creators from those other countries can share their content on the platform.

CLIENTS SEGMENTS

Kipaji App is targeted mainly for the following market segments:

- **Bongo Movies**: Youths, mostly without tertiary education. Found in small towns, high density neighbourhoods, bus/bodaboda stands, marketplaces, religious houses, etc.
- **Bongo Fleva**: Youths, mostly without tertiary education. Found in small towns, high density neighbourhoods, bus/bodaboda stands, marketplaces, religious houses, etc.
- **Local (Swahili) E-Books**: Fresh graduates, college students, entrepreneurs, new employees, mid-level employees, religious houses, non-English speakers, etc.
- **Masterclasses**: Fresh graduates, entrepreneurs, college students, new employees, mid-level employees, religious houses, etc.
- **Gospel Music**: Christians. Found in churches, Christian groups, blogs, etc.

VALUE PROPOSITION

80 percent of Kipaji App's ideal customers lie between 18–35 years of age. They use mobile phones more than television, they have relatively low purchasing power, good internet user experience, and lack of the time to settle at home watching TV. These customers may understand a little bit of English or not at all and would prefer local content as a result. They are mainly small scale vendors, matching guys, house helps, unskilled or low skilled workers, transporters, students, etc. Since most of the pirated or imported content is in English, and the culture portrayed is foreign, the needs of this group are generally not served by such content.

Kipaji App's unique value proposition is in providing compelling exclusive content to engage this group competitively and conveniently. At least 5,000 users have made three or more transactions – this implies loyalty, which implies that a felt need is being served.

Other apps, alternatively, they are not as well developed, they don't have a similar reach, and the offerings are generally old.

Business Goals

To achieve rapid business growth, Kipaji App has adopted the following strategic goals:

- **Content-Driven Growth**: To achieve growth by effective acquisition and production of the most compelling digital content in Tanzania.
- **Marketing-Driven Growth**: To achieve growth by effectively engaging the market through online and offline methods.
- **Technology-Driven Growth**: To achieve growth by innovative development of Kipaji App as a platform.

OBJECTIVES

- **Financial**: To exceed 100 billion revenues in the next 5 years.
- **Application Downloads**: To achieve 5,000,000 downloads in the next 5 years.
- **Number of Transactions**: To reach 4.5m transactions in the next 5 years.
- **Content Acquisition**: To recruit at least 1,000 active and most popular content creators in the region to the platform to ensure that growth targets are achieved.
- **Content Production**: To produce a continuous stream (at least 2 per month) of compelling content (mostly video – but other contents also) to engage clients every month.
- **Platform**: To have the most advanced technology platform in the region capable of supporting desired growth targets (service, marketing, billing, scalability, etc.)

GROWTH STRATEGIES

The following 14 strategies will be utilized to navigate through challenges and make the most of the opportunities highlighted:

- **Content-Driven Growth**: Good content drives uptake and revenues, while minimizing churn rate. The following strategies will be used to ensure excellent supply of content:
  1. To develop strategic relationships with content creators to establish a clear competitive advantage for the organization.
  2. To work with skilled creators to produce compelling content for users.
  3. To produce Kipaji app original contents especial series for exclusivity magnification.
  4. Licensing international contents and dubbing them into Swahili language from global entertainment content market.

- **Marketing-Driven Growth**: At this stage, Kipaji needs to grow by selling more to its existing market while acquiring new clients. The following marketing-related strategies will be used to create a growth momentum for Kipaji:
  5. To use offline and online techniques to increase number of downloads
  6. To establish a vibrant and respected brand
  7. To prompt existing customers to invite friends (referrals)
  8. To establish a physical presence in other regions in Tanzania
  9. To develop a powerful website that will recruit, engage and maintain clients

10. To acquire and produce very compelling content for downloads-to-revenues conversion
11. To use popular content creators to market their own content
12. To develop and execute a solid marketing strategy/plan

- **Service-Driven Growth**: A top-end digital platform is required to deliver high quality services. The following strategies will be used to ensure that Kipaji app is the best in its category in Tanzania:
    13. To develop internal capabilities for in app development and support
    14. To continually innovate so as to achieve platform and service superiority

DIGITAL EXECUTION

Effective digital marketing strategy is crucial to rapidly scale up uptake beyond its physical reach. This enables an organization to serve clients it cannot see, which is true to Kipaji's business model. Potential channels for online marketing include Google, Facebook, Instagram, Twitter, WhatsApp, blogs, email bursts, websites, etc. Through these channels, one can create multiple touch points which will invite clients to engage with the message being communicated.

Kipaji's online marketing strategy will be guided by the following principles and tactics:

1. Establish a strong social media presence – have vibrant Google, FB, Instagram, Twitter, Website, and WhatsApp Business, etc. channels – with a special focus on multimedia friendly and more popular Facebook, Instagram, and YouTube. The target is to have a total of at least 500,000 followers on these channels within two years. With this program, official channels will be enhanced, engagement strategies developed, targets set, actions defined, and results monitored.
2. Use well-known creators to market their contents. Choosing strategic creators or socialites with channels with 100,000+ followers to market the content and the platform can result into a significant growth. Even a conversion rate of 10:1 can result into dramatic growth. Having a strong relationship with these partners and incentivizing them is desirable for success.
3. Use sponsored ads – through one's own media channels, partners, and influencers. When coupled with powerful content, a single campaign can reach hundreds of thousands of people across the nation. Ads will be targeted to regions with favorable factors for uptake and where Kipaji has already had some traction.
4. Use in-app native notifications and referrals. An average person may have over 100 contacts in his mobile phone. If 50,000 users can connect Kipaji to only 5% of their contacts, that will result into a 5-fold increase in the number of users. Having a program that defines what notifications ought to be sent, when, how frequently, targets, results, and follow up will greatly improve Kipaji's outcomes in this case.
5. Use a lifestyle website to engage the market in a creative way. The website will provide information about lifestyle and entertainment in the nation, while prominently displaying Kipaji's content in every page. So, the website will have information about where to dine, movies and cinema, social and cultural events, celebrities' news, etc. The idea is to draw people to the website using such information while introducing them to Kipaji and its content. Partnering with multiple advertisers to supply their information for free can make the program sustainable.

OFFLINE EXECUTION

Complimenting marketing online, marketing offline can give Kipaji an extra edge in advancing its mission. Strategically, this approach makes it more active rather than passive and enables it to reach those people which are hard to reach online but are ideal customers for Kipaji.

The offline marketing activities may involve any of the following: using sales/information booths at several places (malls, markets, bus terminals, colleges, business hubs, etc.); organizing and sponsoring entertainment events; radio and TV ads (where a well-placed ad can result into hundreds of users), etc.

SECTION

05

Required Financing

Kipaji seeks to raise 7.2B shillings which will finance the five years of this growth plan where over 80% will be used for development purposes such as purchasing of video/audio production instruments, production and acquisition of attractive content, executing an effective marketing program, and further app developments. The rest will go into OPEX as cash.

*This plan requires TZS **7.2B which** will be used to finance multiple activities necessary for business growth.*

BUDGET DETAILS

The breakdown of the required funds is given below, in TZS:

165m	425m	365m	704.1m
Office furniture & branding	Studios Development & equipment	Computers and office rent	Staffing
4.994B	400m	4.884B	2.31B
Content Development and Marketing	App upgrade Development	CARPEX	OPEX

Appendix

GOAL 1: CONTENT LEADERSHIP

Goal 1: Content Leadership				
This goal encompasses the quality, breadth, and relevance of the solutions we provide and the expertise we possess.				
Aim: Transformation of skills and expertise into innovative products and services which address the most pressing societal and business issues through technology.				
Objectives	**Strategies**	**Outputs**	**Timeframe**	**Responsibilities**
Objective 1.1: Content Acquisition: To recruit the most popular content creators in the nation to the platform to ensure that growth targets are achieved.	• To capitalize on relationships to establish a clear competitive advantage for the organization. • Review, identify, and list all potential relationships	Relationships Database	Quarterly targets, progress measured monthly	COO
		Relationships Management Strategy	3 months	
Objective 1.2: Content Production: To produce a continuous number of compelling content (audio, video, etc.) to engage clients every month.	• To work with skilled creators to produce compelling content for users. • To produce Kipaji app original content • Licensing global entertainment contents	Mapping of skilled creators Identification of proposed stories/content for production Plan of Action Continuous stream of contents produced	Quarterly targets, progress measured monthly	COO

GOAL 2: MARKET LEADERSHIP

Goal 2: Market Leadership				
This goal encompasses the effectiveness and efficiency of our approach to the market.				
Aim: Effective market engagement leading to rapid growth of revenues and market share.				
Objectives	**Strategies**	**Outputs**	**Timeframe**	**Responsibilities**
Objective 1.1: Application Downloads: To achieve 5,000,000 downloads in the next 5 years.	To use offline and online techniques to increase number of downloads	Events, Campaigns, Flyers, Radios, TVs, Newspapers, etc.	Quarterly targets, progress measured monthly	Marketing
	Build a highly recognized and respected brand	Noticeable presence in social media, events, sponsorships, etc.	Quarterly targets, progress measured monthly	Marketing
	Prompt existing customers to invite friends (referrals management)	Noticeable increase in downloads and transactions through referrals	Quarterly targets, progress measured monthly	Marketing
	Establish a physical presence into other regions in Tanzania	Lists of regions to expand to; Expansion Plan; Teams on the Ground	Quarterly targets, progress measured monthly	Marketing
	Develop a powerful website that will engage and maintain clients	A website Engagement targets	Quarterly targets, progress measured monthly	Marketing
Objective 1.2: Number of Transactions: To	To acquire and produce very compelling content to lead in downloads to revenues conversion	Relationships database	Quarterly targets, progress measured monthly	Marketing

		reach 4.5m Transactions in the next 5 years.	To use popular content creators to drive sales conversions, internal content sales, content licensed	Strategy Developed	Quarterly targets, progress measured monthly	Marketing
Objective 1.3: Financial Growth: To exceed 100 billion shillings in revenues in the next 5 years.	Develop and execute a solid marketing strategy/plan	Marketing Plan exists Effective marketing campaigns in and out of Dar es salaam	Quarterly targets, progress measured monthly	BDD

GOAL 3: SERVICE LEADERSHIP

Goal 3: Service Leadership				
This goal encompasses the nature and quality of our technology platform.				
Aim: An efficient, scalable, clients-centered platforms.				
Objectives	**Strategies**	**Outputs**	**Timeframe**	**Responsibilities**
Objective 1.1: Platform: To have the most advanced technology OTT platform in the region capable of supporting the desired growth targets (service, marketing, billing, scalable, secure, etc.)	Development of internal capabilities in app development and support. Using continued innovation to provide service leadership	Individuals that are capable of supporting and continuously upgrading the platform. List of desired features that support the application.	Quarterly targets, progress measured monthly	COO/HR

ENABLERS

The realization of our strategic goals is enabled by exceptional people, high-quality infrastructure, and financial sustainability.

People

Our success depends on the outstanding performance and contribution of all our staff.

Aim

To value, support, develop and utilize the full potential of our staff, working with each other across our team to make the organization an exciting place to work.

Objectives

To meet our aim, we will:

- Review the organization structure with respect to its suitability Vis a Vis this growth plan.
- Develop the human capital of the organization, with focus on video and audio production and marketing skills.
- Attract, reward, and retain the best people.
- Nurture a professional and human-centered culture where all staffs will flourish both professionally and individually.

Strategies

We will achieve our objectives by:

- promoting the attractiveness of the organization as a nationally significant institution, and supporting new staff to enable them to become effective
- rewarding excellence and success in a variety of ways
- investing strategically in our staff in order to inspire and equip them to deploy a range of skills to shape, influence and lead, and supporting professional and career development, planning and advancement
- fostering a culture of high aspiration and performance, drawing on excellent leadership, effective management and employee engagement
- providing safe and accessible working environments

Targets

1.0 Quarterly performance reviews program incorporating staff development and learning outcomes incentives

2.0 Functional top performers' strategy

3.0 Skills development plan to ensure the achievement of all the needed accreditations **KPIs**

Infrastructure

High-quality studios is crucial to enable us to develop a competitive advantage in content production and acquisition

Aim

To build a well-designed and competitive multimedia content production studios to facilitate production and acquisition of good content.

Objectives

To meet our aim, we will:

- Invest in state-of-the-art video and audio production infrastructure.