

## **Switchboard - The Decidedly Indecisive**

### **SUMMARY**

Switchboard, our weekly newsletter, will deliver the news users want to know straight to their inbox, without the inconvenience of having to search through the data and information they might not have the time or patience to search for. By building a personality profile of each user, we can tailor each newsletter to suit their interests, thus making them more interested in the news they feel obligated to pay attention to, but don't always have the time or energy to seek out. The value of our product is that it makes it harder for users to ignore the news and information about local government they feel obligated to know about, and makes it easier for them to perform their civic duty of being engaged with the community and their local government.

Our newsletter operates through an email delivery service that will be sent out once a week on Tuesdays. Our writers will compile and edit information in the newsletter tailored to each specific user, and will then send the letters out via an email delivery service like Mailchimp. Consumers may read their newsletters in their inbox, or they may visit our website to get the latest on what's going on in their communities.

### **DESIRABILITY**

Our primary targets are older millennials, ages 25-35, those who are in busy, transitional moments in their lives, finally starting to settle down and want to become more integrated in their communities. Millennials make up the largest percent of the United State's population and are growing older with many are approaching pivotal moments in life such as settling down and starting a family. However, even though they are beginning to settle down, they are still living fast-paced, hectic lives and often find themselves without much free time. Through primary and secondary research, we discovered that being informed about local news and local government was relatively low on busy millennials' list of priorities and the majority of respondents cited not having enough time to sift through information as their main reason for not being informed. They would rather spend their limited free time watching the latest episode of Scandal instead of the local news.

Although they may not be informed, nor care to be informed, we found, after speaking to just over 30 local community members, that people do recognize the value in being educated on local government and involved in their local community. The majority agreed that a news service that adjusted to their interests, such as Switchboard, would help them stay informed and involved while not having to worry about wasting their valuable, and limited, free time. We spoke with more than 60 people in our target population and the majority of our respondents said they would use a newsletter service like ours as long as it was tailored to fit their needs.

As previously mentioned, Switchboard is a free newsletter service that is tailored to each unique user's personal interests and needs. Our target audience is a very busy group — juggling young children, budding careers, friends and family, new neighborhoods — the list goes on. Due to their busy lives, they value the power of efficiency, especially when it comes to things that can tend to seem almost chore-like (i.e. keeping up with local government). Additionally, this is the audience that newspapers can't reach due to their on-the-go lives and their lack of interest in what seems to be becoming an archaic product. We want to focus on the efficiency and innovative nature of our product when targeting this group. We will emphasize how this product, similar to other newsletter services such as theSkimm and local newsletter services like Charlotte Five or Raleigh's The Point, only take a couple minutes out of your day, giving you a quick dose of the information you need. We will place a stronger emphasis on how Switchboard takes it a step further and gives you a quick dose of the information you *really* need. This is thanks to our tailored news service, that ensures users they will not have to filter through irrelevant information to find the things that really matter.

## **FEASIBILITY**

Our weekly newsletter is emailed to *you* personally and contains the news *you* want. With our product, we filter through all of the nonsense that you don't have time to sift through, saving you valuable time and keeping you well informed about your community. We know that people are different and have lots of different interests. Whether it's fine dining, school board meetings or local 5ks, we will cover the news that is most pertinent to your life. For this product to work, we only ask that you take a brief survey to inform us of these unique but equally special interests. We'll make sure the local news you're most interested in is delivered right to your inbox in an easily digestible and efficient format.

Our writers will compile and edit information about the latest meetings, legislation and events around you. Just tell us what you want to know, and we'll make it insanely easy for you to receive that information. We will use RSS newsfeeds and work with existing content to compile our letters, incorporating light-hearted wit and humor throughout.

## **Prototypes:**



PROTOTYPE 2, OCT. 16TH QUESTIONNAIRE

Name \_\_\_\_\_  
 Email \_\_\_\_\_  
 What state do you live in? \_\_\_\_\_  
 What town/city do you live in? \_\_\_\_\_  
 Do you have children? \_\_\_\_\_

Are you interested in news about other surrounding towns? (Check off boxes with other areas)

- Carboro
- Chapel Hill
- Hillsborough
- Orange County

What are your hobbies/interests? (check off boxes)

- Biking
- Walking
- Local sports
- Visiting parks
- Shopping
- Dining
- Local arts and crafts
- Local music
- Education
- Development
- Research
- Faith-based involvement

Any interests or topics that you want to learn more about? (check off boxes)

Have children? If so, are you interested in receiving news about the local school system and/or their respective schools? (check off boxes)

- No, I do not have children
- No, I do have children but am not interested
- Yes, please send me information about local school system
- Yes, please send me information about my child's school (if available) enter school name here \_\_\_\_\_
- Yes, please send me information about the local school system and my child's school

**NEWSLETTER MOCKUP** - SAY FOR A MOM IN HER THIRTIES WHO IS INTERESTED IN SCHOOL NEWS, COMMUNITY CLASSES, BRING/OUTDOOR RECREATION ETC. AND TAX/GENERAL GOVERNMENT NEWS

**THINGS TO KNOW IN CARRBORO...**

**LOCAL SPORTS...**  
 UNC took down Georgia Tech for the first time in Atlanta since 1997. It looked dim for the Tar Heels at first, but UNC came back from a 21-point deficit to win the game 38-31.  
 UNC men's soccer will play UNC-Wilmington on Tuesday, and the volleyball and and field hockey teams both play at home on Friday. Here's the full schedule.  
 It's an off week for high school football - East Chapel Hill, Carrboro High School and Chapel Hill High School are all away this Friday. But Cedar Ridge High School plays at 7 p.m. and Orange High School will have their homecoming game on Friday at 7 p.m.

**LOCAL ART...**  
 Broadway hopeful? No Shame Theatre is happening this weekend at the ArtsCenter. Come watch 15 performances you've never seen before - all of which showed up just an hour before you sit down to watch. 8 p.m. at the ArtsCenter. Tickets are \$5.  
 It's time for the 2nd Friday ArtWalk. From 6 p.m. to 9 p.m., this Friday, enjoy a few different art exhibits around Chapel Hill and Carrboro and catch a free comedy show at DSI Comedy Theater.  
 SPONSORED: Looking for the perfect place to hold your next party or event? Consider 'Wine and Design', located in the Glen Lennox shopping center in Chapel Hill. We hear they'll teach you how to paint a pig this Friday.

**LOCAL MUSIC...**  
 You can always count on Car's Cradle and Local 506 to have a schedule packed with great musicians. This week is no different.  
 If you've always wanted to be a songwriter, put Songwriters' Circle at the ArtsCenter on your calendar. It's next Monday, Oct. 12, at 6:30 p.m. Come share your work and hear others.

**SHOPPING...**  
 J. McLaughlin is opening a new store in Meadwood this week. Chapel Hill Magazine describes it as "classic American style." This will be their 101st store, but 100th would've been far more exciting.  
 SPONSORED: Rumors, a thrift store boutique in downtown Chapel Hill, celebrated its second anniversary last week. If you have any interest in local thrift stores, check this one out.

**DINING...**  
 Something to celebrate: TOPO Distillery and others like it can now sell their liquor on their tours thanks to a new piece of legislation out of the N.C. General Assembly. (The last thing we'll be thanking them for, we're sure.)  
 Carolina Brewery is doing its part to raise awareness for breast cancer this month. Instead of the traditional Sky Blue Golden Ale, grab a six pack of Sky Pink Golden Ale, complete with pink packaging.

## VIABILITY

We determined both our initial startup costs and our monthly costs by talking to other media startups like our own — specifically Charlotte Agenda and Charlotte Five — and by working with John, our instructor, and other people in entrepreneurship that were available to us. The website design and creation is an estimate, but using Wordpress and MailChimp pricing guides, we can assume our costs there are pretty close to what they actually will be. Our marketing costs,

both initial and regular, are comparative to the budget similar products dedicate to social media marketing as well.

**Initial Startup Costs:**

Website design and creation (\$100)  
 Increased marketing to build a subscriber list (\$250 in sponsored social media content)

**Regular Operating Costs:**

Website hosting (Estimated \$20/month)  
 Freelancers (\$0.50 per word, estimated 750 words per newsletter) (Estimated \$1,500 per month)  
 Email/RSS feed newsletter service (\$25/month with MailChimp)  
 Marketing/Advertising - paid search, digital advertising (\$250/month)

- digitally → social media, banners, Facebook targeted ads, sponsored Twitter posts
- print → partner with local businesses to promote product, posters in local businesses

**Startup cost, Month 1:** \$2,145  
**Cost per newsletter:** Roughly \$450  
**Cost per month (4x):** \$1,795

Over three years, our costs will increase as we increase the amount of content put into a newsletter (increase the freelance writers/how much they are writing), increase our MailChimp account to account for the increase in subscribers and increase the money we are putting into marketing and advertising every month.

**Cost model:**

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Y1	2,145	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795
Y2	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Y3	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000

Realistically, we expect three to four customers per newsletter after we have reached around 1,000 subscribers in Chapel Hill and its surrounding communities. So, it is likely that our first few newsletters will bring in limited revenue, because there will be less subscribers and therefore less advertisers willing to purchase native spots.

With Switchboard, we will be attempting to attract two kinds of customers: Advertisers who will purchase native or banner ad space on the website or in the newsletter and readers/subscribers who will read, subscribe, share and engage with our content on a weekly and daily basis.

We will find advertisers by connecting with small businesses and organizations in the area that have roots to the community. We will encourage sponsorships with those businesses and trade advertising in Switchboard for access to businesses advertising us to their customers through in-store posters, mailing lists and promotions. We determined to offer a sponsorship option both to grow our newsletter and to allow advertisers to reach all of our subscribers, instead of just the subscribers that choose to receive the category of news their blurb fits into. We will also examine our competitors in the area — the Chapel Hill News, Orange Politics, The Daily Tar Heel, WCHL/Chapelboro, WRAL, etc. — and note businesses that are not advertising with these media outlets or businesses that were advertising with them and are no longer. We think our unique approach to getting the news to readers will attract businesses that are unhappy with advertising options.

In order to attract readers and subscribers, we plan on using targeted Facebook advertising as well as sponsored Facebook posts and Twitter posts to reach a great number of our audience. We will pair with sponsoring businesses to provide incentives to subscribe — coupons or deals for featured businesses in exchange for signing up — in order to attract a subscriber base in our early months. We will continue to dedicate money as we grow to marketing our product to potential subscribers. We’ve also received suggestions about pairing with local Chamber of Commerce branches as well as Visitors’ Centers and homeowners associations to reach people who are new to the area as they move in; this was not part of our original plan but we are considering it.

We have determined our prices based on analyzing other media outlets like ours — Charlotte Agenda, Charlotte Five, etc. — as well as media outlets like The Daily Tar Heel that are losing subscribers and revenue over time, often due to their high prices. We also discussed our advertising costs with customers over the past few months, and one company compared our prices to what they would and already do pay for a community bulletin or church newsletter. After more research, we found that our prices are very similar to community bulletins/church newsletters, while still reaching a larger audience. We want to make sure we keep our advertising competitive while also still bringing in a profit for Switchboard.

**Revenue Stream:**

Subscribers 0-2000 (Y1)

Native blurbs in newsletter (\$150 per blurb, goal of 3 per newsletter = 12 per month)

One sponsor in newsletter (\$250 for one newsletter, goal of 2 per month)

Digital revenue on website (\$250 in misc. digital per month, whether it be banner ads or native advertising, on the website)

	Cost	Goal per month	Revenue per month
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Native blurbs	\$150	12	\$1,800
Sponsor	\$250	2	\$500
Digital revenue	xx	xx	\$250

**Subscribers 2000-3000 (Y2)**

- Native blurbs in newsletter (\$200 per blurb, goal of 5 per newsletter = 20 per month)
- One sponsor in newsletter (\$300 for one newsletter, goal of 3 per month)
- Digital revenue on website (\$350 in misc. digital per month, whether it be banner ads or native advertising, on the website)
- Job board postings (\$50 per posting, goal of 5 per week = 20 per month)
- Calendar events (\$25 per event, goal of 20 per month)

	Cost	Goals per month	Revenue per month
Native blurbs	\$200	20	\$4,000
Sponsor	\$300	3	\$900
Digital revenue	xx	xx	\$350
Job board	\$50	20	\$1,000
Calendar events	\$25	20	\$500

**Subscribers 3000-5000 (Y3)**

- Native blurbs in newsletter (\$250 per blurb, goal of 7 per newsletter = 28 per month)
- One sponsor in newsletter (\$400 for one newsletter, goal of 3 per month)
- Digital revenue on website (\$500 in misc. digital per month, whether it be banner ads or native advertising, on the website)
- Job board postings (\$100 per posting, goal of 5 per week = 20 per month)
- Calendar events (\$50 per event, goal of 20 per month)

	Cost	Goal	Revenue per month
Native blurbs	\$250	20	\$5,000
Sponsor	\$400	3	\$1,200

Digital revenue	xx	xx	\$500
Job board	\$100	40	\$2,000
Calendar	\$50	20	\$1,000

**Revenue and Cost Model:**

Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Newsletters per month	4	4	4	4	4	4
Revenue	\$1,275 (Half of goal)	\$1,275 (Half of goal)	\$1,275 (Half of goal)	\$1,912	\$1,912	\$1,912
Cost	2,145	1,795	1,795	1,795	1,795	1,795
Profit/Loss	-\$870	-\$520	-\$520	\$117	\$117	\$117

Year 1	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Newsletters per month	4	4	4	4	4	4
Revenue	\$2,550	\$2,550	\$2,550	\$2,962	\$2,962	\$2,962
Cost	1,795	1,795	1,795	1,795	1,795	1,795
Profit/Loss	\$755	\$755	\$755	\$1,167	\$1,167	\$1,167

Year 2	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Newsletters per month	4	4	4	4	4	4
Revenue	\$3,375 (half of goal)	\$3,375 (half of goal)	\$3,375 (half of goal)	\$5,062	\$5,062	\$5,062
Cost	2,400	2,400	2,400	2,400	2,400	2,400
Profit/Loss	\$975	\$975	\$975	\$2,662	\$2,662	\$2,662

Year 2	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Newsletters per month	4	4	4	4	4	4

Revenue	\$6,750 (goal)	\$6,750 (goal)	\$6,750 (goal)	\$7,487 (quarter of goal)	\$7,487 (quarter of goal)	\$7,487 (quarter of goal)
Cost	2,400	2,400	2,400	2,400	2,400	2,400
Profit/Loss	\$4,350	\$4,350	\$4,350	\$5,087	\$5,087	\$5,087

<b>Year 3</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>
Newsletters per month	4	4	4	4	4	4
Revenue	\$8,225 (half of goal)	\$8,225 (half of goal)	\$8,225 (half of goal)	\$8,962	\$8,962	\$8,962
Cost	3,000	3,000	3,000	3,000	3,000	3,000
Profit/Loss	\$5,225	\$5,225	\$5,225	\$5,962	\$5,962	\$5,962

<b>Year 3</b>	<b>Month 7</b>	<b>Month 8</b>	<b>Month 9</b>	<b>Month 10</b>	<b>Month 11</b>	<b>Month 12</b>
Newsletters per month	4	4	4	4	4	4
Revenue	\$9,330	\$9,330	\$9,330	\$9,700 (goal)	\$9,700 (goal)	\$9,700 (goal)
Cost	3,000	3,000	3,000	3,000	3,000	3,000
Profit/Loss	\$6,330	\$6,330	\$6,330	\$6,700	\$6,700	\$6,700

## WHO ARE YOU

Katie Schmidt:

I'm a senior advertising major and religious studies minor from Wilmington, N.C. I'm pursuing a career in advertising, more specifically Account Planning. I'm a music junkie and culture enthusiast who has an undying love for dogs and a guilty pleasure for Quentin Tarantino movies. Two truths and a lie: 1. I've begrudgingly danced with the lead singer of Sugar Ray on TV. 2. My favorite scent is a book store. 3. I have two dogs.

Paige Ladisic:

I'm a senior editing and graphic design and political science major from Oak Island, N.C. I'm the editor-in-chief of The Daily Tar Heel. I love college media and studying reader engagement and analytics, but I also love to watch the Food Network and read. Two truths and a lie: 1. I do not

want to be a reporter when I graduate. 2. I love grocery stores. 3. I wake up early every morning to exercise.

Mary Tyler March:

I'm a senior reporting and communication studies major from Salisbury, N.C. I'm the managing editor of The Daily Tar Heel, but I want to work internationally and do international reporting. I love writing and reading long-form analytical stories, but also enjoy hiking and spending time outside. Two truths and a lie: 1. I'm deathly afraid of spiders. 2. I've had a sneaker stolen by a dingo. 3. I've swum with a crocodile.

Addie Mcelwee:

I am a senior majoring in graphic design and editing. I love being outdoors, crafting, porch-sitting and coffee! I'm from Statesville, NC. Hoping to work in the field of graphic design or art next year. Two truths and a lie: 1. I was born in Louisiana 2. I traveled to Florence this past summer 3. I have a brother that goes to Carolina with me

## **FREQUENTLY ASKED QUESTIONS**

### **Why a newsletter?**

Newsletters are surging in popularity right now, especially those that are structured like TheSkimm. Many large publications are coming out with their own newsletters as well in order to meet the demand. Readers want the news to come to them.

### **How often will this newsletter come out?**

Once a week.

### **What topics will be covered in the newsletter?**

Whatever topics you select in your personality quiz. Anything from local government news about surrounding towns to news about business and dining in the area. You're required to sign up to get news about your town/city, but the community news is a bonus.

### **How long will the personality profile take to complete?**

Two to three minutes.

### **How will I benefit from this newsletter?**

We'll let you know what's happening in your community while also keeping you informed on the less exciting local government news. We'll make the news quick, easy and accessible to you every week.

### **Do I have to pay for a subscription?**

No.

### **On which day will the newsletter be sent? Why that day?**

Tuesday. Research shows that Tuesday is a popular day of the week to send emails in order to increase the open rate. The most emails are sent on Monday, but emails are more likely to be opened on Tuesday.

**How will you find and maintain a subscriber list?**

We will focus on targeted social media campaigns — targeted Facebook advertisements, specifically, but also sponsored Twitter posts and email marketing — and brand ambassadors in order to gain the majority of our subscriber list, as well as traditional flyers in businesses and community places. We will also advertise in local newspapers and on news websites to hit those audiences.

**What’s your backup plan if advertising doesn’t make as much money as you thought it would?**

If we cannot fund our product through advertising, our product will not be viable.

**How much are businesses/advertisers paying for things similar to this?**

Through talking to businesses, we found that advertisers paid between \$100 and \$200 for similar products. One business compared us to a church bulletin, which they paid around \$150 every month or so to send to a targeted audience.

**How will you market this differently to the advertisers and subscribers?**

To subscribers, we’re making it easy to get the news that you care about. For advertisers, we’re targeting the people who are most interested in their company — native blurbs will go out only to people who are interested in learning about that “category” of news.

**Why isn’t anyone doing this right now? Why isn’t this already happening?**

This is happening, but not on the same scale. Outlets like The Point, Charlotte Five and Charlotte Agenda are delivering hyperlocal news to readers via newsletters and mobile-friendly websites. We are different because we allow for personalization and plan to expand to cover multiple communities.

**When will you break even?**

Because of our low startup and operating costs, we hope to break even by Month 3 of Year 1. However, we will not become entirely profitable until the second quarter of Year 2.

**Looking at trends in print advertising, is it good to base your revenue model around that?**

We’re breaking away from traditional print advertising. Instead, we will be going completely native, which many successful outlets like Quartz have already done. Advertisers see far more success in native than in the traditional banner ads.

**Why are you paying freelancers? Why wouldn’t this just be aggregated of the news that’s already there?**

We want to tell the news in a different way. News outlets, especially traditional newspapers, cover what they think they are supposed to cover — every town hall meeting, every ordinance passed. We want to cover what our readers *need* and *want* to know. That means sending our reporters to different places and asking different questions than traditional news.

However, we will be aggregating some news. For example, if WRAL covers the opening of a new road, we would link to their stories and coverage in our newsletter, instead of redundantly sending a freelancer out to the site to also cover the opening of a new road. We'll weigh our options and use our freelancing budget for when it's worth it.

### **What's the cost of developing the newsletter service?**

The newsletter service will come down to basic operating costs, like a MailChimp subscription (\$25-\$35/month), freelance writers (\$0.50-\$1 per word, depending on level of work experience), and website hosting costs (\$20/month).

### **Will news and information be accessible on a website as well?**

Yes.

### **TIMELINE**

Determined product team - Aug. 28, 2015  
Brainstormed ideas for potential product - Sept. 8, 2015  
Determined solidified project idea - Sept. 15, 2015  
Presented project to potential users - Sept. 15-18, 2015  
Presented first practice pitch - Sept. 22, 2015  
Made first prototype - Sept. 29, 2015  
Determined cost list - Sept. 29, 2015  
Presented prototype to potential users - Sept. 29-Oct. 1, 2015  
Edited and designed updated prototype - Oct. 6, 2015  
Reached out to potential advertisers - Oct. 6-Nov. 10, 2015  
Determined product revenue model - Oct. 20, 2015  
Updated final prototype - Oct. 27, 2015  
Updated business model - Oct. 27, 2015  
Created initial pitch script - Oct. 29, 2015  
Named product "Switchboard" - Nov. 3, 2015  
Created list of FAQs for product - Nov. 10, 2015  
Presented final pitch for product - Nov. 18, 2015

### **APPENDIX**

Some notes:

#### **(Feedback on slides/presentation 11/5)**

- Too much text on slides
- say 83% didn't vote, rather than 17% did

- People don't care — end slide
- Screen grab isn't clear
- 48 out of 58 — say 48 out of 58 gave us their interest
- Kill 50 out of 58 slide
- Responses — not super certain/convincing — kill or find another way to say it
  - pay \$165 to get into a church bulletin, so they'd do it for us too
- Not a fan of starting off pitch with a question
- People don't care about voting and they're okay with not caring — 83% of people didn't vote in the local elections this year
- Make the people real anecdotes

### **(More notes and feedback from class)**

Do you have a backup plan if the advertising doesn't make as much money as you thought it would?

Will you use tools to your advantage like eyetracking?

How will you market this differently to the advertisers than the people subscribing?

How much are businesses/advertisers paying for things similar to this?

Why are you paying freelancers? Why wouldn't this just be aggregated of the news that's already there?

Why is no one doing this right now? Why isn't this already happening?

Looking at trends in print advertising, is it good to base your revenue model around that?

What makes you so special?

Cost of developing the app itself?

When will you break even?

Word of mouth and social media — how will you use that? If you're going to market this way, it doesn't just happen. How will you get word of mouth going?

How are you going to make sure people keep using the app and it doesn't become an app that just sits on their phone?

### **(Feedback from Lizzy)**

- Broader swath — outside the bubble, credible, not biased (look at Boombox FM and Offline Media Raleigh)
- growth-hacking — digital and in-person marketing; how to get 50,000 sets of eyeballs on product — look at traction measures (Zero To Traction [Andrew Chen], B to C measures)
- Make sure to focus on the efficacy of email
- The problem is fundamentally about friction
- You should aggregate credible sources in these communities to give you a broader scope of information.
- Narrow in on your target audience - college students and young-middle aged adults is too broad.

### **Sources:**

Over 60 direct interviews and people questioned, ages 19-50.

Feedback from John Clark and class visiting lecturers.

The Daily Tar Heel

UNC School of Media and Journalism (students and staff)

Parents, friends and community members

Mintel Report - Marketing to Millennials - US - February 2015

- <http://academic.mintel.com.libproxy.lib.unc.edu/display/716482/>