

Mobile Applications Tourism & Leisure workshop



Overview



- Introduction
- Products
- Financial Scenarios
- Conclusion



Introduction



EUROPEAN UNION
European Regional
Development Fund

Interreg IVB
North Sea Region
Programme



Facts about Groningen



- 1.400.000 day tourists per year, 50% in target group age 15-45
- 100.000 tourists stay 1 or more nights, 60% in target group age 15-45
 - Average 2,8 nights
- Highly educated
- Middle or upper middle income
- Spending € 70 per day
- Information through internet
- 185.000 residents
- 50.000 students
 - 30.000 living in Groningen

Sources: Marketing Groningen, CBS (2005)



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Visitor needs

- Day tourists
 - 30% city tour
- Overnight tourists
 - 60% city tour
- Free internet
- Location based services

Sources: Marketing Groningen, CBS, student market research

Products

WiMultitask developed the following products:

- Portal
- City Guide
- Serious Request
- Restaurant Locator

Portal



- Main page/portal
- Application platform
- Easy to use



City Guide



- Tourism
- Location and time based
- Specified information

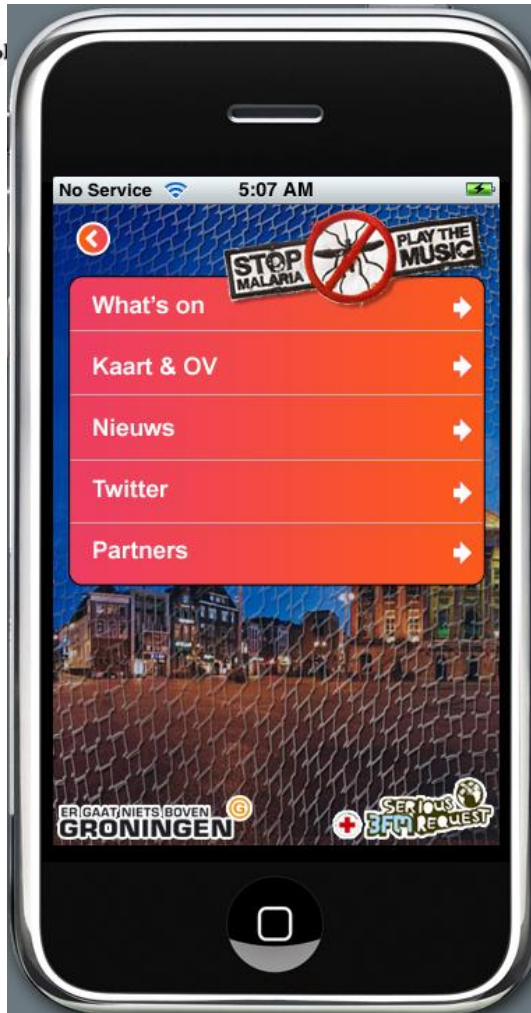
Restaurant Locator



- Location and time based
- Easy to use



3FM Serious Request



- Charity project
- Information
- Total donations 7 million EUR



Financial scenarios

- 6 financial scenarios
- Income
 - Portal
 - City guide
 - Restaurant Locator
- Amounts in euro
- 2 entrepreneurs

1 - Free internet access

- Our own SSID
- Free wireless internet to our users
- Break even takes a while

	Year 1	Year 2
Turnover	78.000	140.000
Purchasecosts	60.000	60.000
Gross profit	18.000	80.000
Operating costs	66.000	70.000
Net profit	-48.000	10.000

2 - Subsidised

- Our own SSID
- Free wireless internet to our users
- Municipality subsidised
- 2nd year break even

	Year 1	Year 2
Turnover	78.000	140.000
Purchasecosts	60.000	60.000
Subsidy	30.000	0
Gross profit	48.000	80.000
Operating costs	66.000	70.000
Net profit	-18.000	10.000

3 – Lower network costs

- € 10.000 per year for using the network

	Year 1	Year 2
Turnover	78.000	140.000
Purchasecosts	10.000	60.000
Gross profit	68.000	80.000
Operating costs	66.000	70.000
Net profit	2.000	10.000

4 - Smartphone users

- Our own SSID
- Free wireless internet to our users
- 50% of target group has a smartphone, instead of 25%

	Year 1	Year 2
Turnover	160.000	192.000
Purchasecosts	60.000	60.000
Gross profit	100.000	132.000
Operating costs	66.000	70.000
Net profit	34.000	62.000

5 - Residents

- Our own SSID
- Free wireless internet to our users
- City with 1.000.000 residents

	Year 1	Year 2
Turnover	130.000	156.000
Purchasecosts	60.000	60.000
Gross profit	70.000	96.000
Operating costs	66.000	70.000
Net profit	4.000	26.000

6 - Tourists

- Our own SSID
- Free wireless internet
- Assume 3.000.000 day tourists, instead of 1.400.000
- Assume 200.000 overnight tourists, instead of 100.000

	Year 1	Year 2
Turnover	133.000	159.000
Purchasecosts	60.000	60.000
Gross profit	73.000	99.600
Operating costs	66.000	70.000
Net profit	7.000	29.600

Conclusion

- Business case would be profitable if there were more users
- The costs for using the network should be lower
- In our case WiFi does not give a big advantage compared to 3G/4G/WiMAX
- Subsidising necessary to make business case sustainable