

A Thesis Presented to  
The Faculty of Alfred University

Online and Mobile App Startup Ideation:  
Testing Demand with Google Adwords and Guerrilla Marketing Campaigns

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## Introduction

### *Facebook, Coffee, and Charles Barkley: The First Idea*

The premise of the thesis was to develop and articulate several ideas for online or mobile app businesses, with varying degrees of niche customers. I wanted to fit the potential businesses along a continuum of market size—that is, on one end, conceive a business catering to a narrowly defined niche, with a more ambitious online or mobile app business on the other end of the spectrum tailored to a broader segment of customers.

The first business idea, catered to the broadest segment, is a mobile app that tracks how a user spends his or her time—personal, at work, sleeping, at the gym, everything. The idea was a reincarnation of a business plan I had submitted to both Intel Innovators and Charles Barkeley's Earn Chuck's Bucks, two competitions for startup funding in 2011. The app was tentatively named *Session*. There was, I thought, a sizable opportunity for a “procrastination defense” product in America, given the rapid, near-ubiquitous adoption of Facebook, Twitter, and other addictive social media sites as time-filling and time-killing activities, rather than tools for social connection, in Americans' lives. From the original *Session* business pitch:

*Session*® works like this. You are anybody in America with a computer—teenager, grandparent, poor, upper-middle class, urban, suburban. You want to get something done at the computer—a spread sheet, term paper, organizing images, anything—but the task on the whole feels too daunting. After checking Twitter, Facebook, or your email inbox a few times (your go-to distractions), you open up *Session*: your go-to for procrastination defense. You are prompted with the tagline “How long do you want to *Session*?”—and you can essentially “name your price” for what you can commit to on your task: 10, 15, 30, 60, 120 minute presets, or whatever interval of time you choose.

Let's say you pick 30 minutes to sort through and edit old travel photos. From here, the program puts you in the best position to get it done. *Session* blocks access to go-to distraction sites you have already identified under your customizable settings. You know yourself best.

You already have Facebook and YouTube identified as procrastination culprits, so attempts to access either site during a Session will bring up a “Site Not Found” error.

Other easy options include disabling the internet completely and blocking all sites except one or a few (you could, for example, permit access to only Wikipedia for two hours to get a research paper done). The software will also be available as an app on smart phones.

*Session* will work because it plays on the psychology of procrastination. We avoid completing tasks not because they are inherently unpleasant, but because they seem too big to tackle at once. Procrastination is borne of our **task-based approach to getting things done**: we think “I really should write that essay”—**causing us to think about the essay as a whole**—and immediately we’re behind the motivational eight ball, as dread and distraction set in. Instead of focusing on the big scary essay, **Session forces us to consider a time-based approach: as in, “how much time can I give to this right now?”**

To the wide demographic of the distracted, Session will soon be an invaluable tool for getting more done absent distractions and, ultimately, creating more time.

I came up with the idea on the grounds of Appsumo founder Noah Kagan’s pithy advice: “create a product that you would use yourself; that way, even if it fails, you still have one user.” I would use Session, and if it wasn’t already in existence, I was eager to create it, use it, and share it with the “demographic of the distracted.” My enthusiasm waned, however, amid my competitive research when I discovered existing products like Google Chrome web browser extension Stay Focusd, which blocks user-defined distraction sites for allotted blocks of time much like Session.

#### *Niche to Broad Market Size: Ideating on a Continuum*

The Session experiment provided me a segue into further ideation, and I realized that any product I created to serve such a broad market as “procrastinating American social media users” would either already be in existence and profitable, well on its way existence and profitability, or outside my capability to compete with more experienced, better

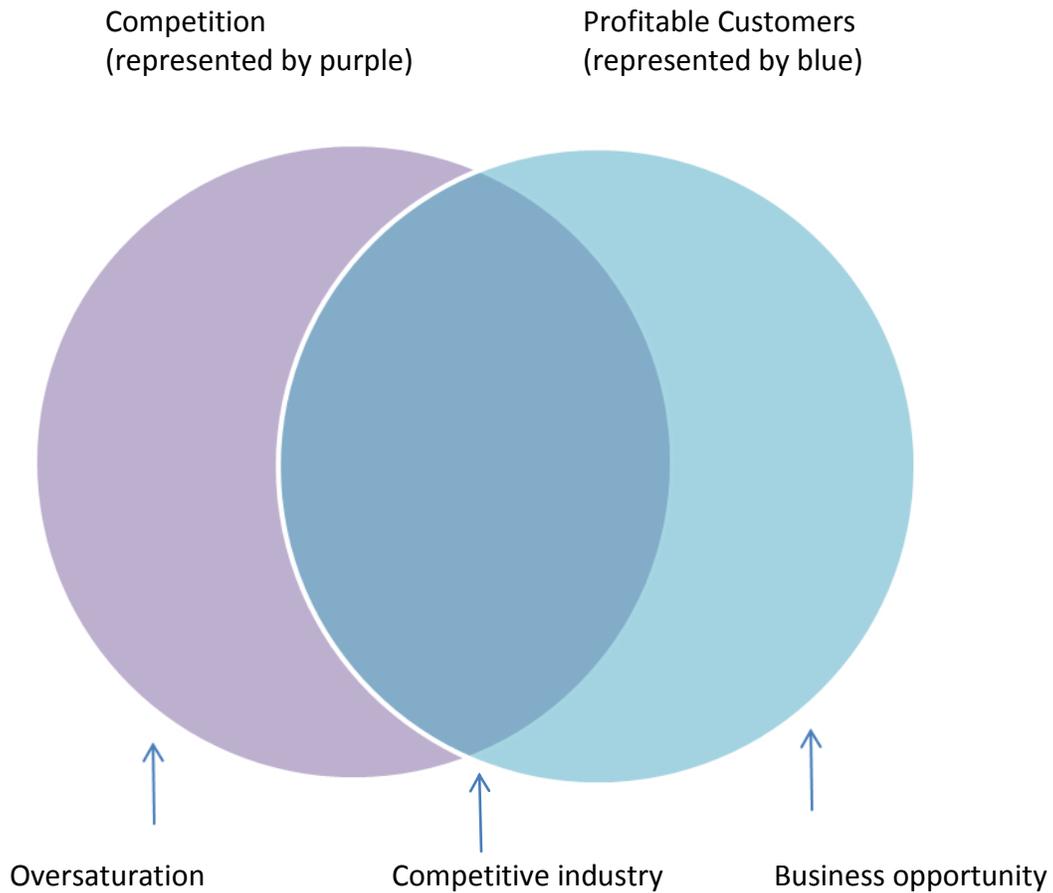
financed entrepreneurs. With no computer science skills myself, I sought to explore new product ideas for less ambitious, smaller niche markets.

In my mind, there is a hypothetical continuum of business opportunities, ranging from the loftiest, broadest markets like Procter and Gamble—serving a market of, say, people in developed nations who buy hygiene products—all the way to the most focused, niche businesses like The Training Glove, a company that sells specialized left-handed golf gloves that promote good form for amateur female left-handed golfers. Now, The Training Glove might or might not be profitable enough to continue business if they sold only gloves tailored to left-handed amateur female golfers (they in fact sell a variety of products targeting different niche subsegments of the golfer market).

In general, the more profitable customers that exist in a market, the more competition there will be—businesses working to satisfy those customers and make a profit. The above extremes exemplify the different challenges in sustaining profitability by serving either end of the broad-niche spectrum.

For example, there might be a billion consumers in the market for hand soap, but meeting that demand for an attractive profit as an entrepreneur would likely prove difficult because it would mean competing with Procter and Gamble. On the other end, there might be no existing competitors manufacturing left-handed dog grooming scissors, but it might be difficult to find profitability in such a niche because of the sheer lack of customers demanding that product.

This reality can be visualized in the Venn diagram below, comparing the presence of competitors and customers and the resulting effects on startup profitability:



Given my lack of financial resources, I opted to restrict ideas to the niche end of the spectrum. Like Session, I brainstormed products that I myself would buy, and I narrowed the resulting options down to three relatively unique apps and online businesses, one extremely niche, a second catering to a broader audience, and a third somewhere in between the two. I was curious to see how niche I could get while still confirming a promise of profitability.

### *Measuring Demand*

My lack of investment capital also forced me to think creatively about how to test each online or mobile app business idea for adequate consumer interest. In doing so, I borrowed from the philosophy of Noah Kagan (founder of AppSumo), Tim Ferriss (founder of BrainQUICKEN), and countless other successful serial entrepreneurs: test before you build. That is, rather than organizing in-depth focus groups or administering surveys to explore my potential customers' opinions and ask if they "would be interested in buying" each product, I simply asked them to buy. That, to me, made the most sense in accurately (and cost effectively) gauging interest in buying my products. As Tim Ferriss writes:

Ask ten people if they would buy your product. Then tell the people who said "yes" that you have ten units in your car and ask them to buy. The initial positive responses, given by people who want to be liked and aim to please, become polite refusals as soon as real money is at stake.

A business profits by creating value, for which customers are willing to pay real money, not just fill out surveys or talk in a room. This emphasis on actually asking customers to buy products that were in fact still in ideation was central to my study. The resulting feedback informed my decision on which of the three potential businesses to ultimately move forward with. From there, I further analyzed my business model, potential revenue streams, projected financials, logistics, and marketing, had a logo professionally designed, and studied the conditions each player in the value chain would have to meet in order to assure my creation had the potential to become a profitable business.

### Three Business Ideas

#### *Where Did My Day Go?*

*Where Did My Day Go?* is a mobile app for personal time tracking. It answers the question “where did my day go?” at day’s end for users who are efficiency-minded and concerned with productivity. The app is meant to track all time, not merely time spent at work or online. This is a notable difference from existing time tracking apps like RescueTime (automatically tracks time spent on the computer) or TimeKlok (tracks billable hours for employees and freelancers).

WDMDG will ideally integrate with iCal, Google Calendar, and Outlook so that I, the user, can opt to track how I spend my time before, after, and in between those time slots already on my calendar.

For example, if I have a meeting from 12pm to 2pm on my calendar, then *Where Did My Day Go?* will automatically include the meeting on an end-of-day time summary. The app is meant to be as hands-off and automatic as possible. Integrating with Siri on the iPhone, for example, the app could ask users every half-hour “what are you doing?” and transcribe quick vocal answers to text to display on a daily “agenda-style” summary.

The agenda-style summary looks like the graphic on the right of the following graphic, titled “My Actual Day”:



The above user (let's say a college student) planned to go to the gym, study, apply for jobs, and finally hit the library before giving a presentation at 7pm. Instead of doing all the constructive things this person imagined she would get done, she actually slept in and meandered through Facebook until her 7pm obligation.

This is an dramatized example, but it represents the motivation that users would have to respond to Siri or take a second every half-hour throughout their Saturday and Sunday at home. A summary of how we spent our day is meaningful. Showing people how they spend their time is, in a real sense, showing people a granular summary of how they spend their life.

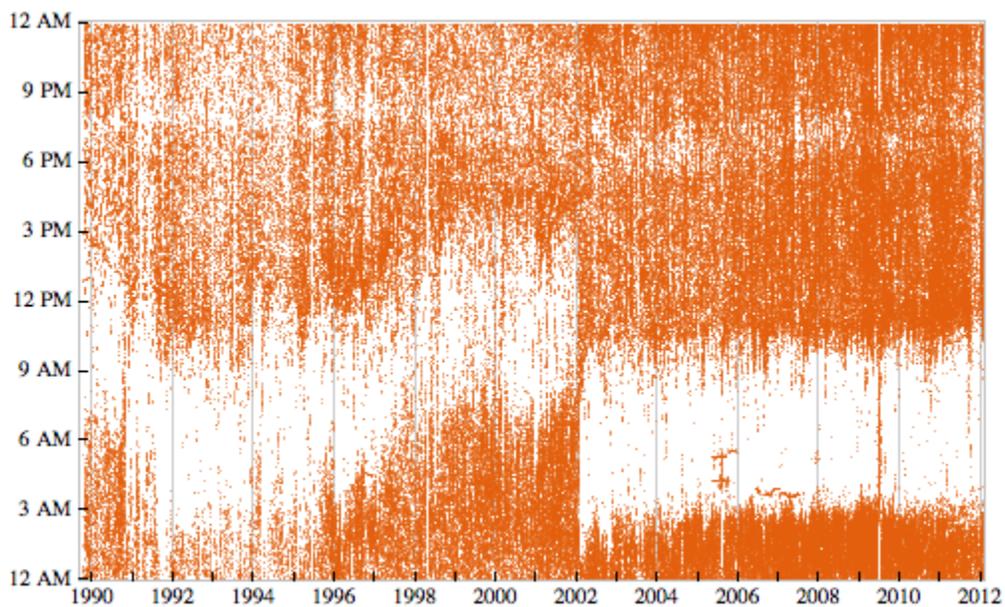
*Further Defining the Target Market*

*Where Did My Day Go?* targets the broadest audience on the market-size continuum, thus some further clarification is in order. Its audience is primarily tech-savvy professionals who are interested in metrics and personal development.

Example users include readers of the blog Lifehacker, Tim Ferriss followers, and users of productivity systems like Getting Things Done, Pomodoro technique, Don't Break the Chain, The Now Habit, and others.

Another characterization of metrics-minded app users is the readership of Stephen Wolfram, who measures his email traffic and phone calls, among other variables in his personal and work life, to mine for insights. Taken from his blog post “The Personal Analytics of My Life,” Wolfram documents his history of email activity:

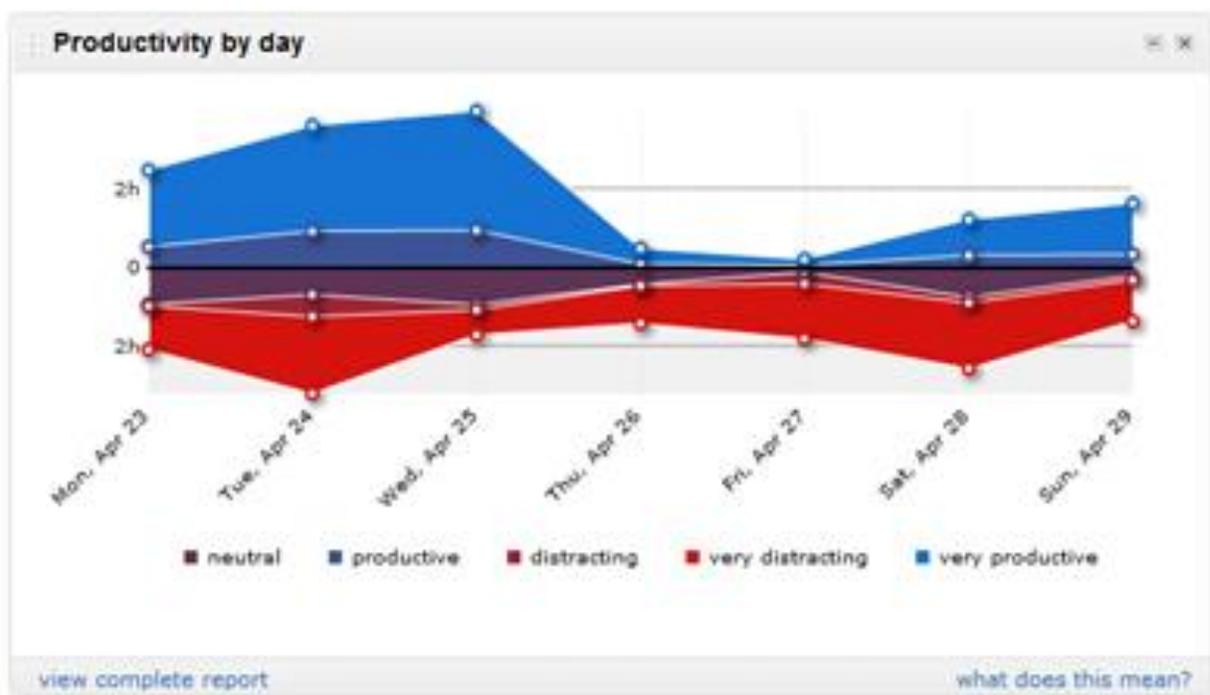
Let's start off talking about email. I have a complete archive of all my email going back to 1989—a year after *Mathematica* was released, and two years after I founded [Wolfram Research](#). Here's a plot with a dot showing the time of each of the third of a million emails I've sent since 1989:



The first thing one sees from this plot is that, yes, I've been busy. And for more than 20 years, I've been sending emails throughout my waking day, albeit with a little dip around dinner time. The big gap each day comes from when I was asleep. And for the last decade, the plot shows I've been pretty consistent, going to sleep around 3am ET, and getting up around 11am...(The stripe in summer 2009 is a trip to Europe.)

Wolfram measures his email using sophisticated statistical analysis software. *Where Did My Day Go?* offers interested users the value of insights that can lead to greater productivity and behavioral change, without the hassle of statistics software or designing a system like Wolfram has built.

My bet with this app is that users will find unique value in the agenda-style summaries of how they spend their time, as opposed to squint-inducing graphs like Wolfram's email plot or the following chart, taken from a summary of my own computer activity via productivity tool RescueTime:



### *Hip Hop Headquarters*

The second business idea is an online portal that lists and summarizes rap music contests going on around the web. Hip Hop Headquarters keeps an ear to the ground for rap contests hosted by independent YouTube users and established musicians. The site then maintains a list of ongoing contests for aspiring rappers to browse through by contest deadline, prize money, potential exposure, and other relevant details.

In aspiring hip hop artists, Hip Hop Headquarters targets a smaller niche market than the smart phone users who want to measure their time, discussed in WDMDG.

This site creates value by saving these artists the time normally required to uncover rap contests, particularly on YouTube. YouTube users can search for contests by searching terms like “rap contest,” for example, but many results will bring up contests with deadlines that have already passed. More frustrating still, for every rap contests on the site, there will be dozens (sometimes hundreds) of entries with the same tag as the original “host” video that provides the rules, deadline, etc. In short, it is difficult to find one specific YouTube video with contest rules among the hundreds of video entries to that video, because they all use the same search tag: the name of the contest.

Once aspiring musicians are subscribed to Hip Hop Headquarters, they can forget about the tedious searches and simply receive an email every time a new rap contest is posted on the site. This also gives artists the most time possible to craft a winning entry.

### *Grassroots Festival of Music and Dance Annual DVD*

Moving further along the continuum, I identified an opportunity to make a product for attendees of the Grassroots Festival of Music and Dance that occurs in Trumansburg, New York every July.

Grassroots, like many big music festivals, has multiple stages, with multiple bands performing simultaneously at the different stages throughout the festival. For many Grassroots enthusiasts, the music schedule presents numerous conflicts on which band to see when two or more popular acts are set to perform during the same time slot. For this reason, I speculated that there might be an attractive demand for high quality footage of all the bands in the form of a Grassroots Festival DVD. This would allow attendees to revisit their favorite performances, as well as watch the bands they weren't able to see due to scheduling conflicts or any reason.

The DVD would compile high quality video and audio of every band's performance over the festival's four-day duration.

### **Validating Demand**

With three potential businesses (and respective niches) in mind, I sought to cheaply validate whether or not my target market would be likely to purchase—not by asking them if they would purchase, but by asking them to purchase.

To do this, I created free Wordpress blog pages for each of the three business ideas:

1. [Wheredidmydaygo.wordpress.com](http://Wheredidmydaygo.wordpress.com)
2. [Hiphopcontests.wordpress.com](http://Hiphopcontests.wordpress.com)

### 3. [Grassrootsfestivaldvd.wordpress.com](http://Grassrootsfestivaldvd.wordpress.com)

Among the Widgets (added features) you can install on any Wordpress site is the email subscription box. Blog visitors can enter their email address in the box and opt to receive email notifications of future postings on the blog. This email box Widget provided me an excellent tool to count and collect interested users in my potential products.

On each blog for the potential businesses, I posted descriptions of the product. I encouraged visitors to submit their email address to purchase or use the product. I felt confident, then, that I could count email subscriptions about as good as purchases, because visitors were in fact expressing interest in buying with their subscription.

An example Wordpress page with an email subscribe box:

## Get an email when Grassroots DVD 2012 becomes available for purchase! →

Posted on [March 27, 2012](#)

Posted in [Uncategorized](#) | [Leave a comment](#)

## A Preview (hint...awesome video of Giant Panda)

Posted on [March 28, 2012](#)

Have the time of your life at Grassroots Fest? Wish it could be Grassroots all year round?

How awesome would it be if you could jam out to the positive vibes of Donna the Buffalo, Giant Panda, Keith Frank and all others—straight from Grassroots—while partying or in your living room?



Get an email with previews when the DVD is available  
August 2012

Get an update

Search

### Recent Posts

- [A Preview \(hint...awesome video of Giant Panda\)](#)
- [Get an email when Grassroots DVD 2012 becomes available for purchase! →](#)

### Archives

- [March 2012](#)

### Categories

- [Uncategorized](#)

### Meta

- [Register](#)
- [Log in](#)
- [Entries RSS](#)
- [Comments RSS](#)
- [WordPress.com](#)

The purpose of the Wordpress sites for potential businesses was to validate demand before investing time and capital into creating the product. I communicated value on the sites just as I would if the products were already in existence. Therefore, if nobody wanted WDMDG, Hip Hop Headquarters, or a Grassroots Festival DVD, I would know via micro-testing and could scrap the project, thereby saving time and money to move on to more profitable projects.

### Driving Traffic to Micro-test Sites

With test sites built on Wordpress, I needed to drive traffic of potential customers for each product to the sites and gauge their authentic interest. To attract visitors, I used a two-pronged approach of guerrilla marketing in relevant customer communities and pay-per-click (PPC) advertising by keywords using Google Adwords.

#### *Guerrilla Marketing*

To attract visitors to the Hip Hop Headquarters site, I commented on 135 YouTube video contest entries to rapper DeStorm's "Watch Me" contest in March 2012. The comment communicates the value of Hip Hop HQ, right on the YouTube pages of aspiring artists who have already taken action to enter a rap contest—my target market. The comment reads:

#### Linked Comment

Hey man good luck in DeStorm's contest...if you're interested in putting out more work, this site has links to 6 other current YouTube rap contests for emcees to win cash and gain followers: [hiphopcontests.wordpress.com] Winning competitions is the best way to gain credibility and fans, and the more you enter the better chances of winning one--thought you might want to check it out! Have a good day.

Similarly, I commented on productivity blog posts and in the app store to promote the WDMDG test site:

**Pocket Informant Price Gouging?**  
arsenalamie 10th Apr 0

They raise the price to \$14.99 coincidentally the day after this review?!?!  
Convince me it's worth it or why I should trust the company.

---

[Reply](#) [Flag](#)

**"Must Have" aps**  
bb\_apptix 11th Apr 0

I think you define the word "must" differently than I do. Also, differently that a dictionary would.

---

[Reply](#) [Flag](#)

**Where Did My Day Go? app**  
kingpreface less than a minute ago 0

If you want a free download of my new personal time tracking app, please visit  
wheredidmydaygo.wordpress.com

Description:

**John McGuire said...**

We love Grassroots!

January 14, 2012 9:29 PM

**Anonymous said...**

Offsite camping tickets prices are too high. \$150 at the gate? Silly. The true spirit of Grassroots is above this sort of arbitrary price inflation/highway robbery. Please adjust offsite camping ticket prices accordingly. You know what's honest and true. Seems like 2 years ago it was just \$50 at the gate.

February 11, 2012 4:06 PM

**Grassroots DVDs said...**

Hey guys,

Check out [www.grassrootsfestival dvd.wordpress.com](http://www.grassrootsfestival dvd.wordpress.com) to buy a high-quality annual DVD of the Grassroots Festival of Music and Dance!

March 27, 2012 9:58 AM

and also on posts in the Grassroots Festival blog:

In addition to the free guerrilla marketing of the products on relevant blogs, I set up a Google Adwords account to run PPC ads alongside Google search results, to bolster traffic

and provide a safeguard in case the guerrilla campaigns failed to attract visitors due to lack of impressions or perceived credibility.

### *Google Adwords Campaigns*

With Google Adwords, I aimed to attract visitors to the site via paid ads on the side of Google search results that my target users would likely see. For Hip Hop Headquarters, I submitted text that I hoped would convey the unique value of the site and attract aspiring hip hop artists alongside organic search results that aspiring artists look at. One ad looked like this in creation:

## Create ad group

### Name this ad group

An ad group contains one or more ads and a set of related keywords. For best results [Learn more about how to structure your account.](#)

Ad group name:

### Create an ad

Text ad
  Image ad
  Display ad builder
  WAP mobile ad

To get started, just write your first ad below. Remember, you can always create more

Headline	<input type="text" value="YouTube Rap Contests"/>
Description line 1	<input type="text" value="Links to current contests for cash."/>
Description line 2	<input type="text" value="Preview beats, deadlines, &amp; prizes."/>
Display URL <a href="#">?</a>	<input type="text" value="hiphopcontests.wordpress.com"/>
Destination URL <a href="#">?</a>	<input type="text" value="http://"/> <input type="text" value="hiphopcontests.wordpress.com"/>

**Ad preview:** The following ad previews may be formatted slightly differently from what is shown to users. [Learn more](#)

Side ad

[YouTube Rap Contests](#)

Links to current contests for cash.  
Preview beats, deadlines, & prizes.

[hiphopcontests.wordpress.com](http://hiphopcontests.wordpress.com)

Top ad

[YouTube Rap Contests - Links to current contests for cash.](#)

Preview beats, deadlines, & prizes.

[hiphopcontests.wordpress.com](http://hiphopcontests.wordpress.com)

For WDMDG, I wanted to attract tech-savvy app users interested in time tracking

All but deleted keywords | Segment | Filter | Columns |  Search

These keywords refine search, and determine which placements are good matches for your ads. [View Change History](#)

Mar 19, 2012 Mar 25, 2012

[+ Add keywords](#) | Edit | Change status... | See search terms... | Alerts | Automate | More actions...

<input type="checkbox"/>	<input checked="" type="radio"/> Keyword	Status <sup>?</sup>	Max. CPC <sup>?</sup>	Clicks <sup>?</sup>	Impr. <sup>?</sup>	CTR <sup>?</sup>	Avg. CPC <sup>?</sup>	Cost <sup>?</sup>	Avg. Pos. <sup>?</sup>
<input type="checkbox"/>	<input checked="" type="radio"/> where did my day go	Eligible	\$1.00	0	0	0.00%	\$0.00	\$0.00	0
<input type="checkbox"/>	<input checked="" type="radio"/> best time tracking app iphone	Below first page bid First page bid estimate: \$3.75	\$1.00	0	0	0.00%	\$0.00	\$0.00	0
<input type="checkbox"/>	<input checked="" type="radio"/> productivity app iphone	Eligible	\$1.00	0	0	0.00%	\$0.00	\$0.00	0
<input type="checkbox"/>	<input checked="" type="radio"/> personal metrics	Eligible	\$1.00	0	0	0.00%	\$0.00	\$0.00	0
<input type="checkbox"/>	<input checked="" type="radio"/> track personal time	Eligible	\$1.00	0	0	0.00%	\$0.00	\$0.00	0
<input type="checkbox"/>	<input checked="" type="radio"/> time-tracking app iphone	Below first page bid First page bid estimate: \$3.00	\$1.00	0	0	0.00%	\$0.00	\$0.00	0
Total - Search <sup>?</sup>				0	0	0.00%	\$0.00	\$0.00	0
Total - Display Network <sup>?</sup>				0	0	0.00%	\$0.00	\$0.00	0
<b>Total - all keywords</b>				<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0</b>

and personal analytics. Thus, I agreed to bid against other advertisers on prices I would pay

All online campaigns > Where Did My Day Go? >

 Ad group: Ad Group #1

[Where Did My Day Go?](#)

Track how you spend all your time!

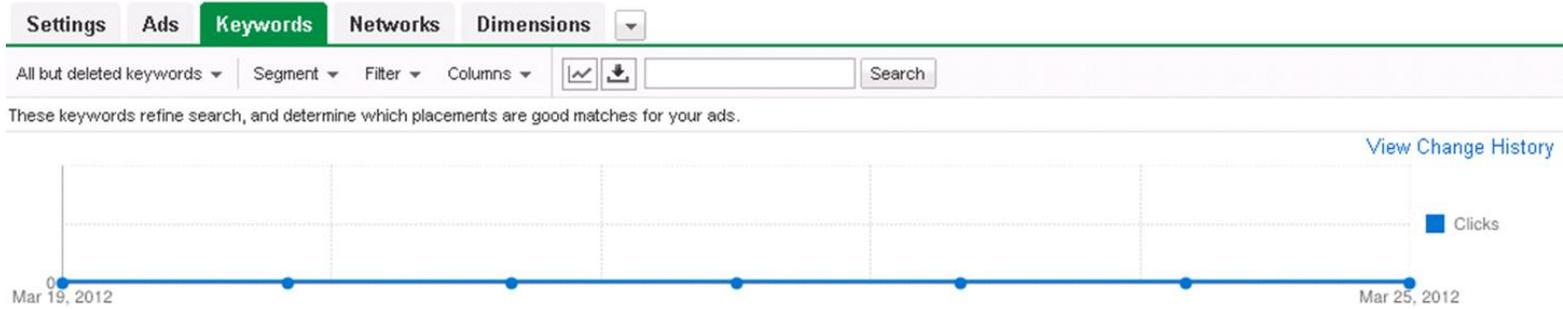
Free downloadable app for iPhone

[www.wheredidmydaygo.wordpress.com](http://www.wheredidmydaygo.wordpress.com)

Google per click that I got on search results for search terms like *where did my day go*, *productivity app iphone*, *personal metrics*, and *track personal time*. Below is an overview of the campaign keywords and the ad that showed up in searches of those terms.

#### **Test Page Results: PPC**

Throughout the first week of testing beginning March 19, 2012, the PPC ads for all three campaigns attracted zero clicks:



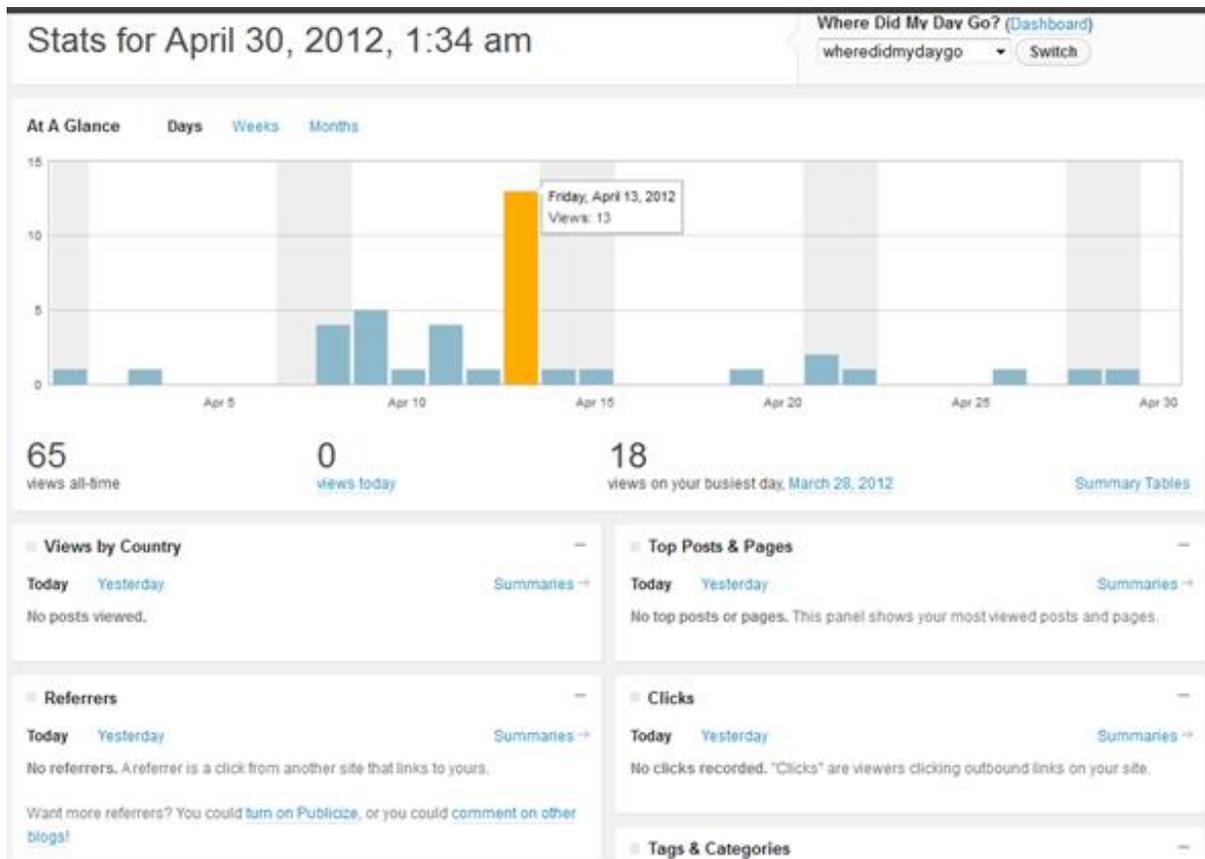
In reality, the ads had just been set up and probably did not begin to run during this first week. The zero clicks likely reflect a lag in the time between my designing ads and choosing keywords and the time Google began actually showing the ads. Pressing forward with my schedule to choose a validated business, however, I ignored the Google Adwords data (blank for all three business ideas) and made a decision for choosing a business to pursue based on the guerrilla marketing traffic alone.

(Note: since that first week with zero clicks, the data shows 420 clicks out of 335,946 impressions from April 1 through April 29, 2012. Fortunately, this more recent data, explored further in the appendix [Google Adwords Campaigns Since Choosing Hip Hop HQ](#), happens to support the decision that I made based solely on guerrilla marketing traffic results.)

### **Test Page Results: Guerrilla Marketing**

With zero clicks through the first week on Google, I could be sure that any traffic my test sites did receive had to have come via guerrilla commenting. For WDMDG and the Grassroots Festival DVD, the results were equally as underwhelming as the nonexistent PPC traffic.

*Where Did My Day Go?*



The telling statistic here is “Referrers”—or clicks from external sites that brings visitors.

With zero referrers as of April 29, 2012, clearly no potential app users have visited the site after seeing a guerrilla comment on a productivity blog. (The 65 views all time are therefore from PPC ads).

It would be worthwhile to test a few different comments for effectiveness in getting people to visit (I used the same comment), as well as to post on more blogs, contact influential productivity gurus directly, and otherwise increase guerrilla marketing of WDMDG to assure that the lack of referral visitors is due to a lack of customer demand, rather than a lack of exposure.

The app is also fairly unique and might need to get in the hands of users in all its functionality in order to convince others of its value. The personal note storage app

Evernote comes to mind as a relevant parallel. Often, it is difficult to push a technological solution to an invisible problem; only user experience after trying will spread word of the app's utility.

In short, brief PPC ads and commenting might not suit the nature of WDMDG and the way it needs to be explained and marketed. Alternatively, the unprofessional URL ([wheredidmydaygo.wordpress.com](http://wheredidmydaygo.wordpress.com)) and lack of a logo or download button to the app might have been a turnoff to visitors who would have indeed been interested.

Or, the absence of traffic generated from these limited campaigns is legitimate and reflective of poor demand for the app. Without any further data, I had to move forward with this assumption. Of the 65 views via PPC, zero visitors entered their email to express interest in downloading the app.

### *Grassroots Festival DVD*

As of April 29, 2012, the Grassroots DVD had 30 views all-time with one email subscriber expressing interest in buying the DVD when it becomes available after the 2012 festival. It had none after the first week of testing.

Like WDMDG, the work of setting up the testing page for the Grassroots DVD with a product description and email sign-up box has been done. It would be worthwhile to continue guerrilla marketing in blogs, Google+ Circles, the Grassroots Facebook page, and

Today	Yesterday	Summaries →
No referrers. A referrer is a click from another site that links to yours.		
Want more referrers? You could <a href="#">turn on Publicize</a> , or you could <a href="#">comment on other blogs!</a>		
<input type="checkbox"/> Search Engine Terms <span style="float: right;">--</span>		
Today	Yesterday	Summaries →
No search terms. Search terms are words or phrases users find you with when they search.		
<input type="checkbox"/> Totals, Followers & Shares <span style="float: right;">--</span>		
Totals	Shares	Spam
Content		
2		0
<input type="checkbox"/> Posts		<input type="checkbox"/> Comments
Taxonomies		
1		0
<input type="checkbox"/> Categories		<input type="checkbox"/> Tags
Followers (includes <a href="#">Publicize</a> )		
1		0
<input type="checkbox"/> Blog		<input type="checkbox"/> Comments

elsewhere to draw more traffic to the testing site and glean results of more statistical significance. The Grassroots DVD is the most straightforward product of the three to communicate to customers. It is also the only paid, physical product of the three; visitors who sign up to be notified when they can buy the DVD—unlike those who sign up to use Hip Hop Headquarters or to download the WDMDG app—represent immediate revenue. The nonexistent traffic from PPC ads and the 2 referral views in March did not justify my moving forward with the business. Still, the DVD will be an intriguing product to continue gauging consumer demand for in the future.

#### *Hip Hop Headquarters*

Hip Hop HQ was the clear winner in the first week of guerrilla testing. Visitors found the site via organic Google searches using the same broken up URL (hiphopcontests.wordpress.com) I included in my YouTube commenting spree. (YouTube does not allow comments with clickable URLs, so I couldn't put hiphopcontests.wordpress.com without the spaces.) One visitor in the first week even found the site through an organic search result for the keyword "rap contests":

Referrers	
Today	Yesterday
<a href="#">Summaries</a>	
Referrer	Views
 Search Engines	10
 en.wordpress.com/typo/?subdomain=hiphopcontest	3
 wiki.answers.com/Q/What_is_the_name_of_the_movie_Eminem_is_in	2
<b>Total views referred by links to your blog</b>	<b>15</b>

Search Engine Terms	
Today	Yesterday
<a href="#">Summaries</a>	
Search	Views
hiphopcontests.wordpress.com	7
hiphopcontests.wordpress.com	1
rap contests	1
<b>Total search terms</b>	<b>9</b>

Visitors clicked through some of the posts on the site linking to outside rap contests, suggesting legitimate value to users.

Top Posts & Pages	
Today	Yesterday
<a href="#">Summaries</a>	
Title	Views
Home page	 73
TIMIAN March 2012 Contest (exposure)	 3
Game Changer Contest (\$100)	 3
Artist for Artist Contest (\$40, studio microphone)	 2
Kinglce Contest (\$500, custom pendant)	 2
Get that Cash Contest (\$175)	 2
<b>Total views of posts on your blog</b>	<b>85</b>

Still, a count of 12 views on individual posts out of 73 homepage views (16.4%) suggests that the majority of users were either confused or unimpressed by the home page. 2 visitors entered email addresses to use the site in the future.

### Totals, Followers & Shares

**Totals** Shares Spam

Posts: 7

Comments: 0

Categories: 2

Tags: 0

**Followers:** 2

2 WordPress.com [blog followers](#). 0 WordPress.com [comment followers](#).

Additional promising feedback for Hip Hop HQ came in the form of reply comments on YouTube pages of rappers I contacted with the Wordpress site URL. Below are two representative examples of positive feedback:

Cheer man. Thanks very much for the heads up. I'll check it out.

[TeamTorch](#) in reply to [GhastlyOccurrences](#) 18 hours ago

no i will use it thanks for the info man i didnt even know there was other contest out there right now so thanks again

[mickeystratton59](#) in reply to [GhastlyOccurrences](#) 4 hours ago

### *Conclusion, and Suggestions for Further Testing*

It was clear that Hip Hop HQ offered the most demonstrable value to users, judging from one week of guerrilla testing. Admittedly, guerrilla marketing in the midst of a big ongoing rap contest that targeted potential Hip Hop HQ users probably generated many more impressions than my comments in app blogs for WDMDG or the Grassroots blog. Also, the testing time of merely one week and lack of Adwords clicks are areas for improvement.

Given the data, though, Hip Hop HQ looked most promising, and as a bonus, it was the only product I could realistically build myself without having to pay an app programmer for WDMDG or a team of videographers with equipment for filming Grassroots. I moved forward analyzing a business model for Hip Hop HQ, researching strategies for monetizing a free blog and looking at the limited cost structure I would incur running the site from my home.

### **Revenue Streams**

There are several ways that Hip Hop HQ, a free site, could earn revenue. Primarily, the ways Hip Hop HQ could earn passive income from traffic are: affiliate links, banner ads, and pay-per-click advertising. What follows is a breakdown of how these three revenue streams work for bloggers out there today, as well as potential applications for Hip Hop HQ.

#### *Affiliate Links*

Affiliate links are in-site links to external products—often via Amazon’s Amazon Associates program—that pay site owners a small commission per click leading to a product page. An example affiliate link from the blog of Tim Ferriss looks like this:

## Tools and Tricks

---

**Celluthin** – The topical lotion containing aminophylline that effectively inhibits the A-2 receptor. Use carefully, as it appears to continue to inhibit this receptor for at least several days after you've stopped using it.

[Non-affiliate Amazon link](#)

[Affiliate Amazon link \(I get a small commission\)](#)

**Atopiclair (Glycyrrhetic Acid Cream)** ([www.atopiclairus.com](http://www.atopiclairus.com)). Here's where you can find more information about Atopiclair. You won't be able to order the product directly, but you can get rebates on the official site if you decide to apply for a prescription.

### Footnotes and References:

For Hip Hop HQ, the site would include, via Amazon Associates, product links to microphones, audio interfaces, mixers, pop filters, and other recording equipment products relevant to aspiring musicians. Individual posts for contests could include notes saying:

**Need a microphone to enter (name of contest)? Here are 4 of the highest rates mic's on Amazon, listed from least to most expensive:**

- **(Affiliate link to microphone)**

Another way to drive revenue via affiliate links would be to solicit guest hip hop artists (say, with a new project to promote) to author posts on Hip Hop HQ in interview format. One of the questions for a rapper, in addition to asking him about new projects, tour dates, and creative influences, could ask for honest product recommendations. This would give Hip Hop HQ subscribers reliable opinions on buying recording equipment. (More on the motivation for guest artist interviews in the appendix [Summary of Incentives for Players in the Hip Hop HQ Business Model](#).)

## Banner Ads

Another way to generate income on a free site is through selling space for advertisers to display graphic ads. Hip Hop HQ would reach out to relevant companies that pursue online advertising opportunities targeted toward aspiring hip hop artists. Some examples are institutions selling music education, recording equipment companies, and video and audio editing software companies. The below example—a banner ad for video recording software Camtasia—was cropped from Producertoolz.com, a resources for hip hop producers to share their music.

**PRODUCERTOOLZ.COM**  
FREE DRUM KITS, SOUND KITS, FL STUDIO, TUTORIALS, MIDI, PRODUCER KITS, TIPS, HIP-HOP

Search...

Featured Industry Software Drum Kits Samples VST's Tutorials Instrumentals Mixtapes

Camtasia Studio  
© TechSmith

**DOWNLOAD FREE TRIAL**

**Dubstep Toolz**

- Best Free Drum Machine VST's For Dubstep
- 3 Songs That Should Have Dubstep Remix Versions
- Best VST For Dubstep – NI Massive
- Dubstep Sample Pack (Dubstep FX, Boom SFX, Impacts Sound Effects, Rises, Sweeps)
- Flux Pavilion-Bass Cannon (Official Video)
- Free Drum Machine VST – Grizzly VST
- How to Flip a Song into a DUBSTEP Version
- 100 Free Crazy Dubstep Samples
- Who Was the First Dubstep Artist?
- 5 Crazy Michael Jackson Dubstep Remixes

**Download Samples**

- 10 Pack of Free Drum Kits
- 10 Pack of Free Drum Kits...
- 10 Pack of Free VSTs...

### How To Make Dubstep in FL Studio

BY PRODUCERTOOLZ – MARCH 28, 2012  
POSTED IN: DUBSTEP, FEATURED, TUTORIALS

[Ads by Google](#) [FL Studio](#) [Dubstep](#) [Lil Wayne](#) [Best Dubstep](#)

If you are looking for a how to make dubstep in FI Studio tutorial then check this video out. It goes over all the tips and tricks to making Dubstep on FI Studio.

0 tweets  
[Tweet](#)  
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FL Studio Dubstep Tutorial: How To Make a Simpl...

**Download**

Last Updated: Aug 23, 2011  
License: Free  
OS: Windows 7/Vista/2003/XP/2000/NT  
Requirements: No special requirements

**PDF Reader**

none  
Your Ad Here

Unlike pay-per-click affiliate commissions, the price of banner ads would be negotiated up-front. Hip Hop HQ would reach out to companies with a proposed price for placing a banner ad for one month or three months. The price would depend on Hip Hop HQ's current traffic statistics. One attractive attribute of Hip Hop HQ, to a potential advertiser, is the concentration of visitors' psychographic segmentation. Nearly all, if not all, of the site's returning visitors will be aspiring, self-motivated hip hop musicians who are taking action to make music. That is a passionate—and potentially profitable—market that comprises near-100% of the traffic that would be seeing a banner ad for a company like Cantasia or a microphone provider.

*Pay-per-click Ads: Google Adsense, Chitika*

The final viable source of revenue for Hip Hop HQ is PPC advertising via Google Adsense and Chitika. These are PPC ads on the side of a blog, tailored to readers based on the blog's content. Below is an example of Adsense, taken, ironically, from Eric Giguere's The Unofficial Adsense Blog.

The screenshot shows a blog page with a green navigation bar at the top containing links for Home, About MEMWG, Privacy Policy, Recommended by Eric Giguere, and Sitemap. The main content area is divided into two columns. The left column contains three advertisements: 'Want to advertise online?' with a link to Google AdWords, 'Work From Home \$19-\$24/hr' with a link to InquireHow.com, and 'ITT Tech - Official Site' with a link to www.ITT-Tech.edu. The right column features a 'g+1' button, a main article titled 'Google's Free SEO Guide' dated September 23rd, 2011 by Eric Giguere, and a second article titled 'How to Find a Hacked WordPress Plugin'. The article text describes a 32-page document from Google Search Engine Optimization Starter Guide.

The ads on the left generate revenue, based on keyword bids, for every click. This would require no maintenance work once up and running, nor would it entail any negotiation, as the ads are chosen and revenue paid automatically through Google AdSense or Chitika, a lesser known but equally legitimate PPC ad liaison.

### **The Importance of Traffic**

Steve Pavlina, of personal development blog [stevepavlina.com](http://stevepavlina.com), offers a word of advice to beginning bloggers in his post [How to Make Money from Your Blog](#). He writes:

You can screw almost everything else up, but if you can generate serious traffic, it's really hard to fail...Traffic is the primary fuel of online income generation.

This is an important mantra for any business offering a service that is free to users. By starting a “free” business, an app or website founder is opting consciously to shift the structure of generating revenue. That is, rather than create a product valuable enough that customers pay money for it, the founder creates a product valuable enough that customers—a lot of customers—will simply use and look at it. The value to the owner lies in the traffic of customers, which creates value for other companies, to have this flow of customers look at their products in the form of ads alongside the free app or website.

It is therefore imperative that Hip Hop HQ generate as much traffic as possible, increasing the value to advertisers and thus increasing the site’s profitability. Traffic is Hip Hop HQ’s primary fuel to generating income through advertising. (It is a delicate contrast in incentives, then, when revenue-generating ads become annoying to the visitors that justify revenue from those ads in the first place.)

In this business model, micro-testing is critical, so as to retain as many users as possible, while also maintaining a profitable ad presence that is relevant and genuinely helpful for some users who go on to buy recording equipment, download software, or pursue a music education provided by advertisers. It is through this process that Hip Hop HQ can sustain profitability and all parties involved—the website, aspiring rappers, advertisers, and guest posting artists—can all benefit and take away some value from the site.

## Financials

### *Assumptions*

In researching multiple bloggers' opinions on the money-making potential of a "typical" blog site, the overwhelming consensus seems to be: it depends. The income that a given blog can generate is a function of a wide array of variables, including the niche readership, attractiveness of the site's visitors to potential advertisers, and effectiveness of affiliate links. These variables decide the monetary value per page view and per affiliate, banner ad, or PPC ad click.

Then, of course, the mean monetary value of each page view is multiplied by the number of page views, which is a function of other variables, such as links from well-known blogs, presence and popularity of guest posts, attention on social media and sharing sites like Digg and Reddit.

One unfortunate aspect of blogging as a business is that no blogs (that I could find, at least) are publicly traded the way that Apple is. Therefore, there are no publicly available financial statements to analyze and make projections about how one could copy a successful model.

Despite this large degree of variability and lack of financials for income-generating niche blogs, some bloggers—Tentblogger.com, StevePavlina.com, and BloggingwithAmy.com were three that I found helpful—actually open up their finances for curious amateur writers.

I based my financials on the March 2012 numbers from Blogging with Amy. This is a blog with a different niche readership—aspiring bloggers—than Hip Hop HQ’s aspiring rappers, however there are some notable parallels.

Both amateur bloggers and amateur rappers represent driven, entrepreneurial-minded creators of content (writers) looking for opportunities to gain followers in their respective crafts. The recent numbers from March 2012, at the time of writing this thesis, are most likely to reflect current revenue figures for a typical blog—if there is such a thing. Lastly, I was attracted to the fact that Amy’s blog receives most of its income in affiliate clicks, which I view as the primary source of potential income for Hip Hop HQ due to rappers’ need for (often expensive) physical equipment in pursuing their art—unlike bloggers. For this reason, my estimates based on Amy’s numbers might very well be conservative, given the affiliate link potential of the aspiring rapper niche.

Amy offers the following figures in her interview:

**Niche?** Blogging tips, time-management tips, how to start a blog, how to make money blogging.

**Pageviews per month?** Google Analytics tells me in the last 30 days (May 15, 2010 – June 14, 2010) I’ve received 13,149 pageviews. (This number is not normal. See special circumstance below.)

**Monthly income?** In the same time period (mid-May to mid-June), I’ve made about \$500. (Again, not a normal number. See special circumstance below.) This does not include income from design/consulting which I would say resulted from my blog but is not directly related to it.

**Main income streams?** Affiliate sales (i.e. getting a portion of a sale for referring someone to a product or service).

Adopting her pageview-to-revenue ratio, I used a figure of  $\$500 / 13,149 \text{ pageviews} = \$0.038$ . This means that, assuming Amy's value per pageview, Hip Hop HQ would be worth 3.8 cents per pageview.

In April 2012, Hip Hop HQ had 564 pageviews. With Amy's ratio, the blog would bring in  $(\$0.038 \text{ in revenue per pageview}) \times (564 \text{ pageviews}) = \$21.43$  in total income. For lack of statistical specificity regarding what portion of her income comes through which channels (only saying that the total is "mainly" from affiliate sales), I will assume that Hip Hop HQ's revenue will be 70% through affiliate sales of microphones, mixers, and other relevant recording equipment.

The remaining 30%, I will speculate, might be split up evenly among total AdSense revenue, a banner ad for Reebok, and a second banner ad for Camtasia editing software.

These assumptions result in the following projected income statement for May 2012, assuming another 564 pageviews like in April 2012.

*Projected Income Statement: May 2012*

# Income Statement

May 2012

(\$)

Revenue	Current Month
	Amount
Google Adsense Revenue	2.14
Amazon Associates Commission	15.00
Banner Ad Revenue: Camtasia Studio	2.14
Banner Ad Revenue: Reebok	2.14
Total revenue	21.43
Expenses	Current Month
	Amount
Hosting: GoDaddy	5.94
Internet: Time Warner	29.99
Laptop maintenance, straight-line depreciated	15.00
Total expenses	50.93
<b>Net Income (Loss)</b>	<b>(29.50)</b>

One insight from this projection is the net loss of \$29.50. In reality, the loss is a result of amortizing the expense of my laptop, which I already own, and internet, which I already pay for. From a personal expenses standpoint, the only additional expense that Hip Hop HQ demands is site hosting for a domain name. (Wordpress.org offers free blog templates to curtail paying a web designer.)

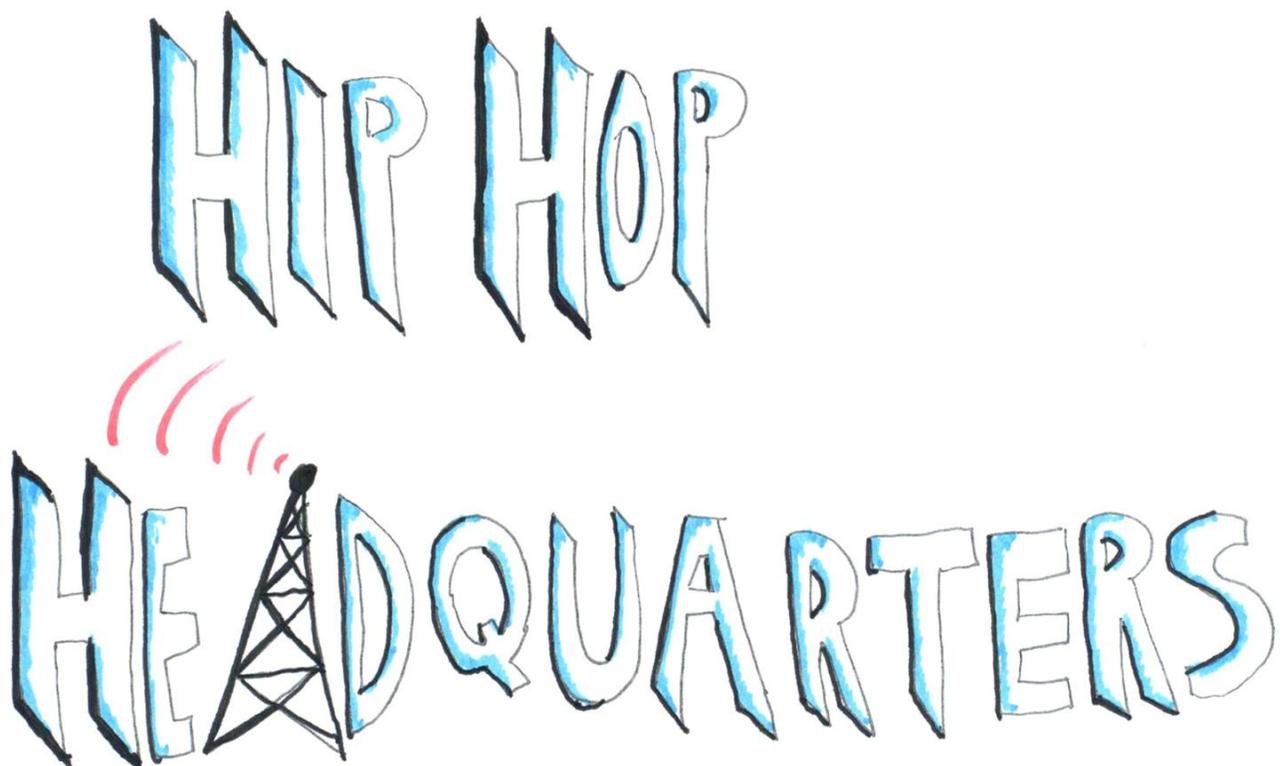
Another insight is the scalability of revenue. Again, these numbers are grounded on the assumption of May repeating April's 564 pageviews. If Hip Hop HQ—through sustained guerrilla marketing on YouTube rappers' pages, in Google + Circles and on Facebook and

Twitter—can boost this figure to 10,000 pageviews, then total revenue jumps to \$380, expenses remain at \$50.93, and that net loss of \$29.50 becomes a net profit of \$329.07.

Numerically, then, we can easily see the wisdom of Steve Pavlina’s recommendation about generating serious traffic. With this business model, the expenses are fixed, while the revenue is almost entirely variable, scaling down or up along with the site’s monthly pageview number (which, in turn, informs how many PPC clicks, affiliate clicks, and banner ad impressions the blog attracts). The accounting here also implies the need for patience—revenue might not attractively outweigh fixed expenses for several months before finally attracting repeat visitors and pushing revenue over the edge for sustained profit. It will be interesting to move forward, building traffic and testing rates for banner ads and affiliate links as the site grows.

### Logo Designs

Having chosen Hip Hop HQ, I hand-drew a concept for the company logo:



The radio tower in place of an 'A' symbolizes the idea of the website collecting information and communicating it to those listening. Hip Hop HQ deciphers the noise of YouTube contests and relays the information efficiently to aspiring rappers.

I then had logos professionally designed by Fast Free Logo, my classmate and colleague Renee Latragna, and Pinnacle Logo, all using this concept as inspiration. After giving a presentation to a group of about 25 marketing students and faculty at the AU College of Business, the consensus confirmed my own feeling that the Pinnacle Logo design was best.

Fast Free Logo:



Renee Latragna:



Pinnacle Logo:

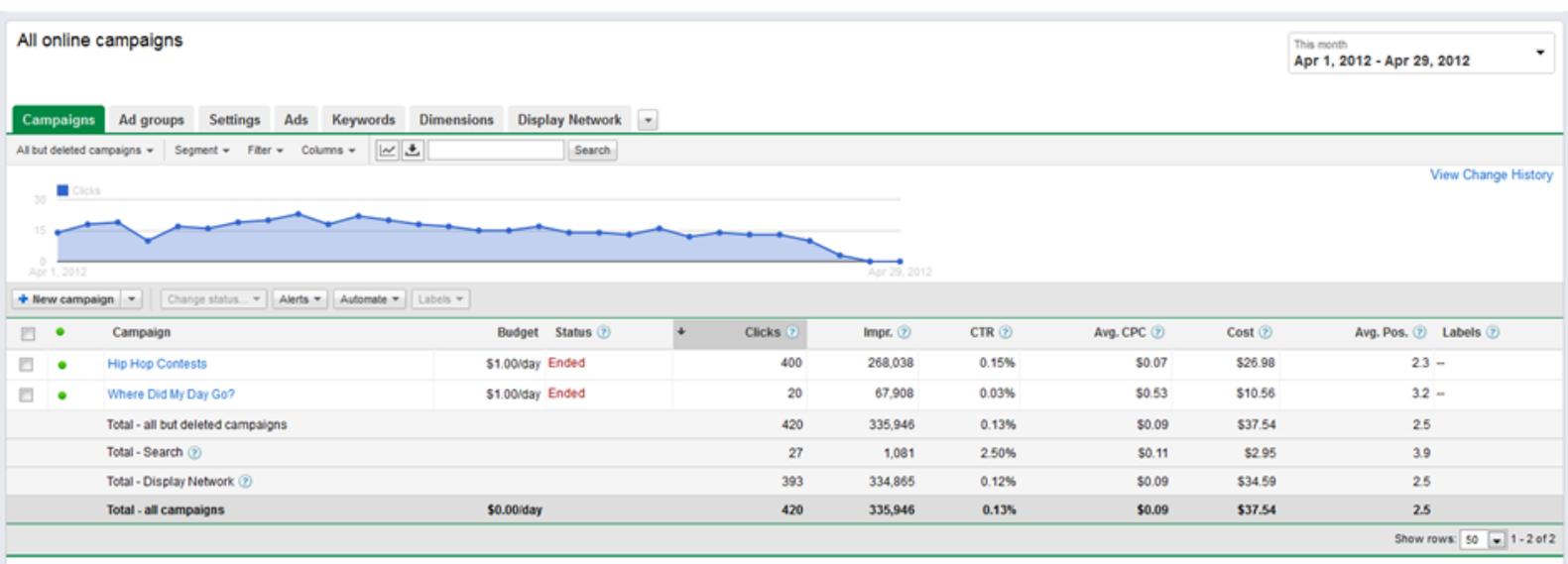


## Appendices

### *Google Adwords Campaigns Since Choosing Hip Hop HQ*

Fortunately, my initial choice to pursue Hip Hop HQ—based solely on traffic and feedback from guerrilla marketing in the niche community on YouTube—ended up being justified anyway once the Google Adwords campaign got going.

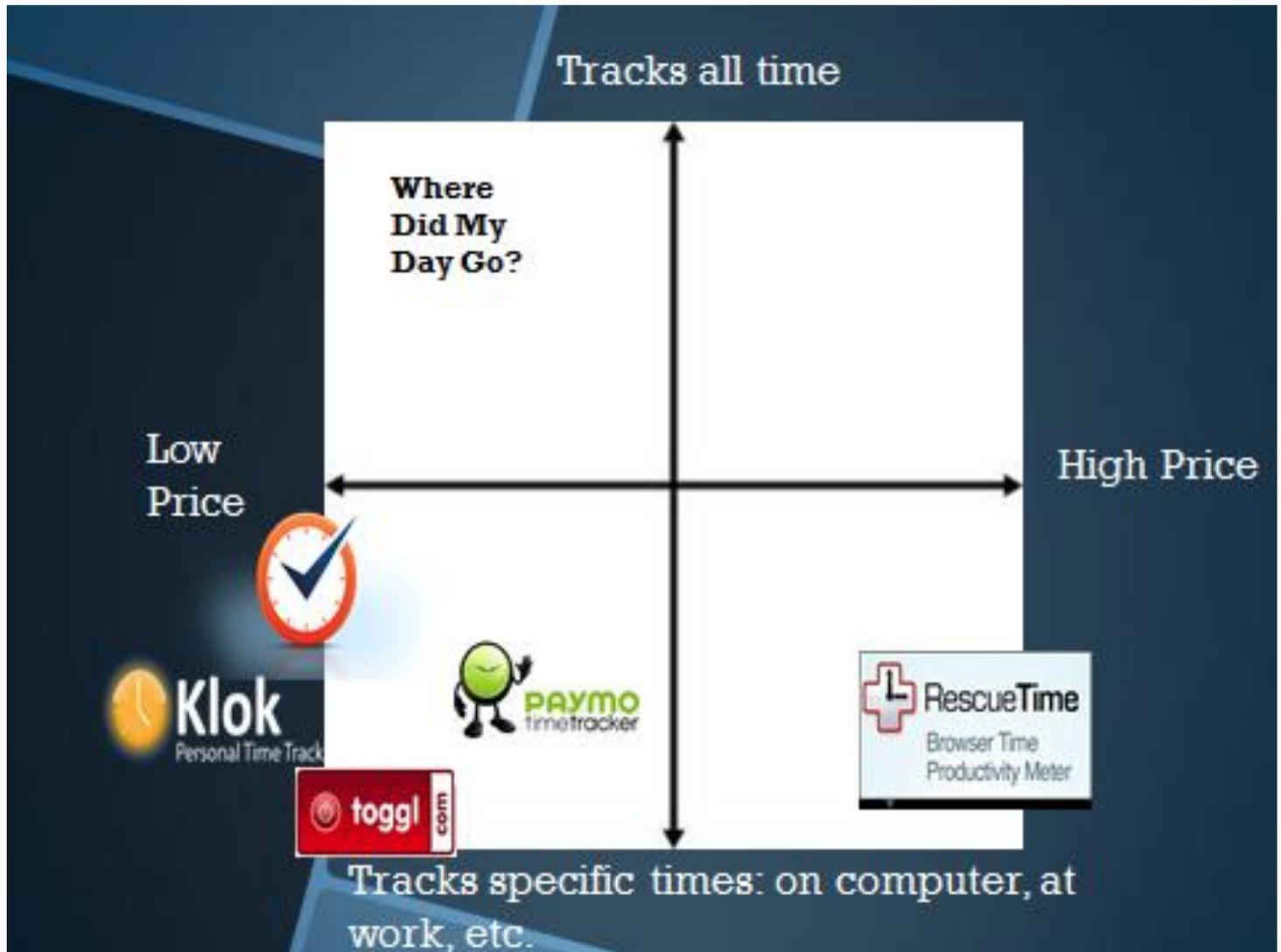
Below is a comparison of the most and least successful of the three campaigns.



A few takeaways from these stats: Hip Hop HQ ads attracted a .15% click-through-rate (CTR), meaning that .15% of Google searches for which the Hip Hop HQ ad appeared resulted in a click to the Wordpress testing site. Contrast this with WDMDG, which attracted an appalling .03% CTR and a total of just 20 clicks. The Hip Hop HQ ads just so happened to outperform the other two campaigns—by a wide margin—in the weeks following my decision based on limited information to choose Hip Hop HQ as the business I would test.

*Perceptual Maps for Three Business Ideas*

Where Did My Day Go?



Hip Hop HQ

Host contests

The world's largest  
rapcontest.com

My16bars.com



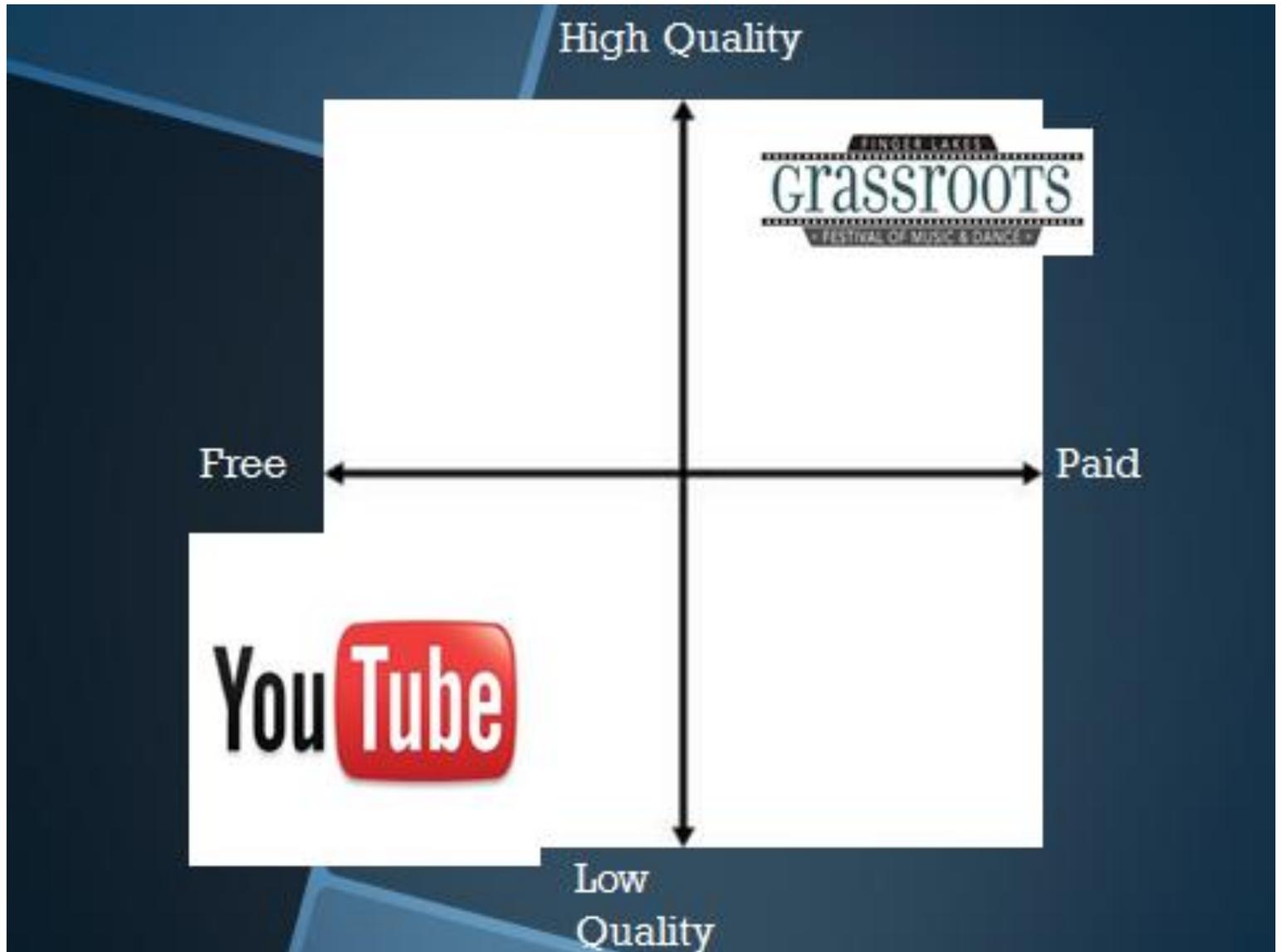
Easy to  
filter search  
results

Difficult to  
filter  
search  
results



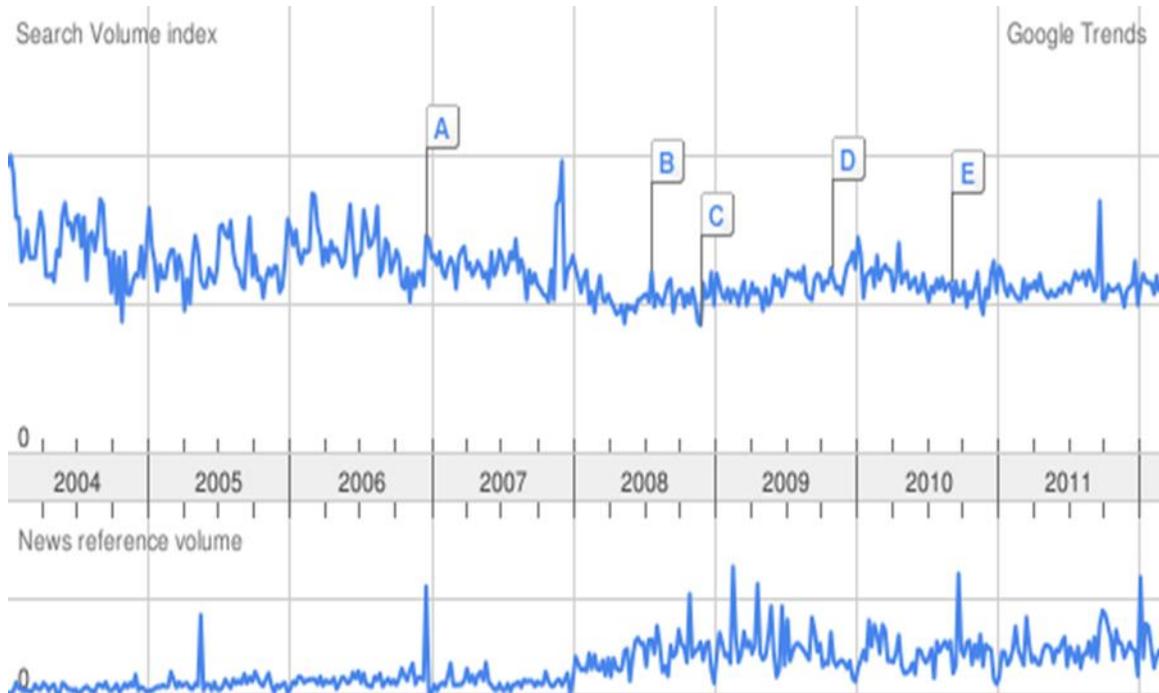
Summarize, link to external  
contests

Grassroots Annual DVD



### Three Business Ideas in the News: Google Trends

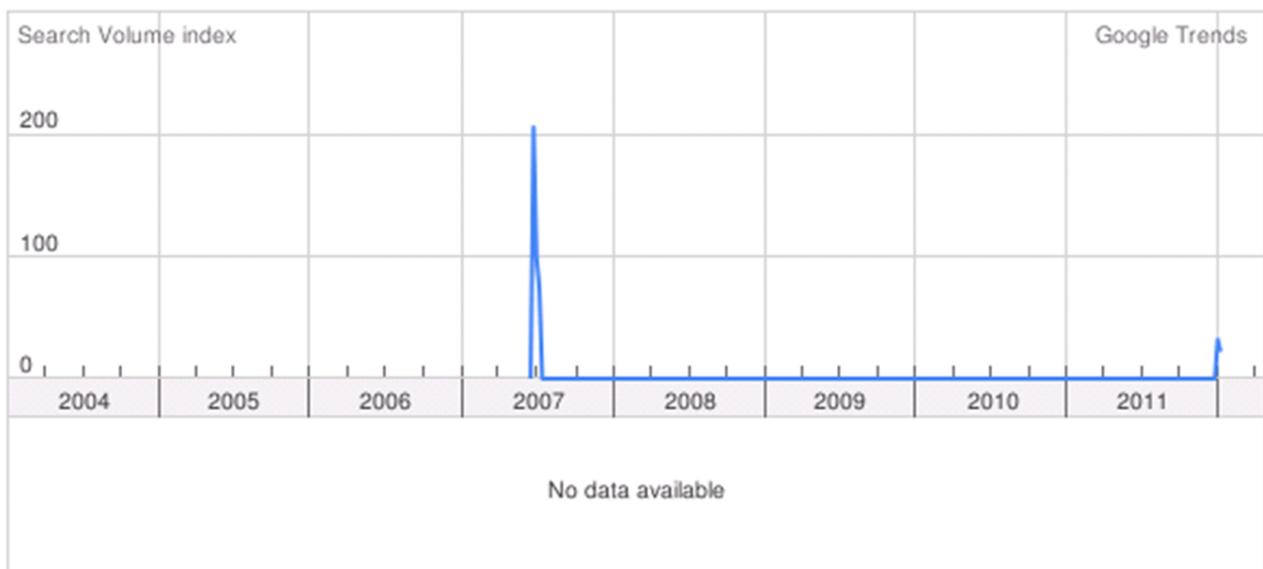
Time Tracking:



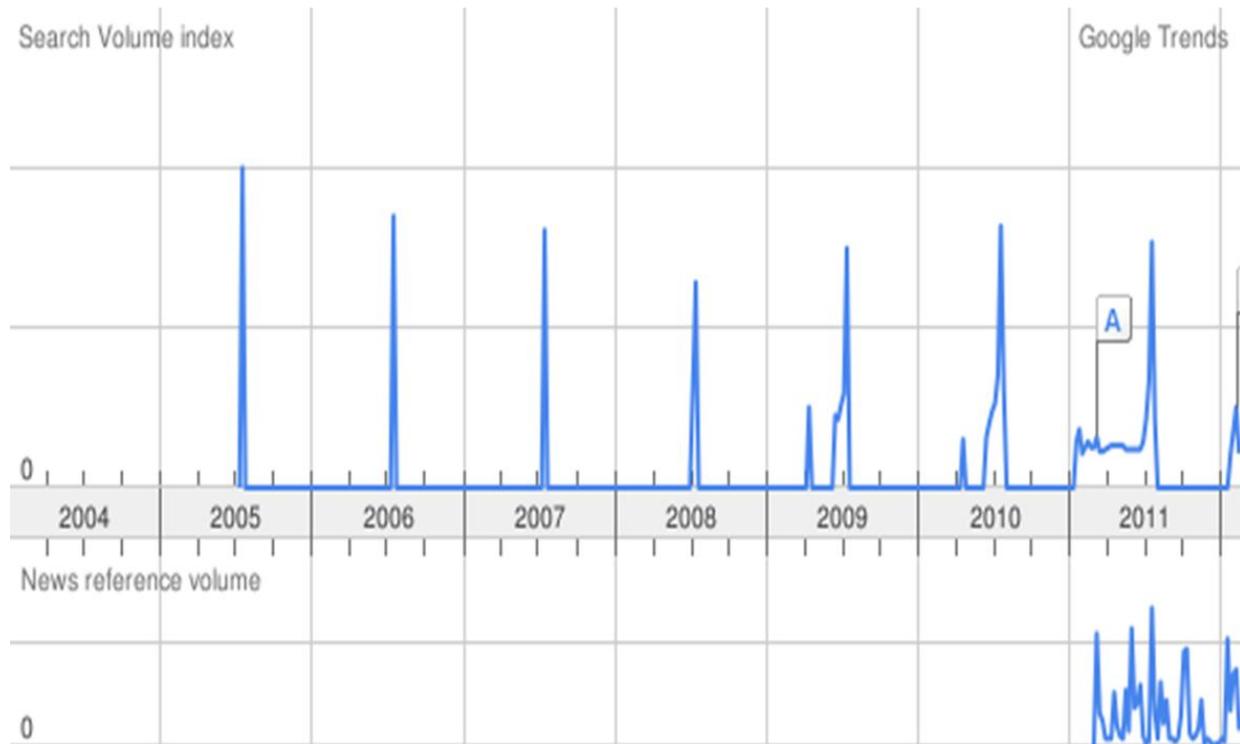
Hip Hop Contest:

hip hop contest

1.00



## Grassroots Festival:



*Summary of Incentives for Players  
in the Hip Hop HQ Business Model*

# Value Chain players

HipHopContests

Advertisers

Affiliates

Guest post artists

Contestants/ site visitors

# Value Chain: contest process

1. Artist announces a contest on YouTube
  2. Hip Hop HQ publicizes contest
  3. Contestants visit Hip Hop HQ
  4. Contestants view and click on affiliate links, banner ads, PPC ads
- 

## Benefits, (Costs)

### Hip Hop HQ

- Earn profit via advertising

(Work: update site, promote site, negotiate with advertisers, affiliates, guest artists)

### Advertisers

- Make money via product sales

(Pay certain amount per click on their ads leading to the sale)

### Affiliates

- Make money via product sales

(Pay certain amount per click on links leading to sale)

## Value Chain: guest artist process

1. Hip Hop HQ reaches out to artist with interview, proposal for affiliate commission
2. Hip Hop HQ posts artist's response with affiliate links
3. Artist's fans, Hip Hop HQ subscribers read post, click links
4. Hip Hop HQ, artist both gain followers; commissions

# Benefits, (Costs)

## Guest post artists

- Gain followers, write about their creative process, earn money via affiliate links.

(Take time to write post; risk perception of affiliate links)

## Contestants/ site visitors

- Get objective product recommendations from artists they admire, advice for self-promotion, easy comparison of ongoing contests

(Ads are annoying; having to pay for affiliate products)

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