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## Commercial Feasibility & Viability Study

This section of my proposal comprises of my individual investigation of the key attributes that define our mobile applications' commercial feasibility and viability. I will illustrate a feasibility overview of venturing into a high-value market, commercial and monetisation opportunities for our mobile application, whilst illustrating the novelty of our mobile application from an economic and societal perspective throughout this study.

### Feasibility Overview of a High Value Rental Market

The years since the financial crisis unfolded solidified the set of dynamics which undermined homeownership and fueled further growth in the rental sector in Ireland. Since then, the proportion of households renting has grown from 20.6% in 2006 to 27.6% most recently (Kennedy. E, 2019), being the highest since records begun. RTE (2017) reported that there are currently 895,600 people living in rented accommodation in Ireland (RTE, 2017), and 2.75 per rental household (RTE, 2017). According to our competitors Daft.ie's data the average rent being paid to these households is €1,414 euro per month (€514 p/p) (Daft ,2020). Conclusively, the estimated proportion of homes in the rental market are 325,673, that are rented either from a private landlord or voluntary body (CSO, 2016). With the average rent per household being €1414 per annum (Daft,2020), Landlords in Ireland accumulate over €460 million on rental payments per month, highlighting a very lucrative market for Homee to venture into. This translates to an average of €6,170 euro per year for each paying tenant and over €5.5 billion euro across 895,000 tenants per annum.

Despite the pandemic, Daft reported that there is a 1% increase in property rental prices are projected to increase this year alone, and the forecast is only expected to increase more in years to follow in a new era of 'generation rent' (Daft,2020). The increasing market size of this industry and its relevant statistics are important to consider a striving to launch our application into the Irish Market and underpinning it's commercial feasibility. In light of this evidence, a high-value growing market is exemplified and facilitates us with a prosperous opportunity to exploit its enterprise by proposing a rental application with unique offerings to these stakeholders, that remains unrivalled by dominant market players and industry competitors.

## Commercial Monetisation Opportunities for our Mobile Application

### Monetisation Feasibility Study & Proposed Revenue Stream:

This section of my commercial feasibility study proposes a monetisation framework for our Mobile Application that identifies viable income sources to pursue, aswell as potential revenue streams to support my proposal of Homee's commercial feasibility.

#### **Freemium Service Model for Landlords; No cost for tenants:**

Several different criteria rationalise Landlords as the most applicable users of our application to propose a freemium service model to and derive a revenue stream from. Under a freemium service model, an enterprise initially provides a service at no cost to their customers as a strategic method of establishing the foundation for future transactions. Following this, a fee is introduced for customers availing of advanced services, add-ons, or an ad-free user experience. (Segal. T, 2021). By offering our in-app services to Landlords for free such as property listing, reliable tenant acquisition and advertising, Homee's mobile platform can outcompete all our competitors who currently charges a flat rate of €10 to €100, depending on the advertising service they wish to integrate that best suits their desired property listing. Consequently, we can strategically acquire new

customers paying for competitors advertising services with a freemium pricing strategy, and transverse them to our digital property management service that attains a small commission fee. The freemium model is proven to be a popular monetisation tactic for start-ups and mobile-based businesses with small customer acquisition costs, but high lifetime value. (Segal. T, 2021).

A relevant survey conducted by Landlord Vision (2019) involving 2,000 Landlords discovered that most Landlords (87%) used a letting agency to attain reliable tenants and manage their property. (Landlord Vision, 2019). Significant costs of letting agencies' recurring payment model were the primary reason for the subsequent percentage of Landlords not availing of this service. An Irish Consumer forum dedicated to Landlords renting in Ireland referenced a Landlord's justification for paying substantial recurring fees for a letting agency to help them with their tenancy management, inferring that "a good letting agency is extremely valuable, if they source you reliable tenants and deal with the large number of tiny issues that come up" (Ask About Money, 2019). However, considerable evidence of dissatisfaction applies to this rivalled service of our application offering, given that 'Landlords make four complaints a day about letting agents' due to problems with record keeping, management, communication, tenancy agreements, deposits and inventories. (Landlords Guide, 2019)

This justifies the critical need for a better service provider for paying Landlords of this service that Homee upholds, by accelerating the leasing experience though attending to their vast acumen of needs through a digitized tenure platform. Furthermore, Irish Landlords are willing to pay letting agencies an average fee of 8% of the monthly rent acquired to let and manage their properties. (Tenant Ready, 2015). Tenants are not paying customers nor obliged to pay for advertising costs and letting agency fee's, so there is no justification to subject them to costs for engaging with our service. This will stimulate demand, establish a firm market identity, and value proposition to our customers' needs and expectations in an over saturated market. A no-cost engagement would be the most successful onboarding strategy to recruit tenants in this market, who are the key stakeholders that would initially attract Landlords to Homee's application. Conversely, a higher level of profit will correlate with more Landlords interacting with Homee by attaining a large tenant customer base availing of a free beneficiary platform. Being a cost-player asserts long-term success. (Neilson. G et al, 2008)

### **Proposed Revenue Stream & Initial Pricing Framework:**

The commission fee I propose for Homee's commercial pricing model that would effectively contest against competitors offering a similar service and letting agencies is 2% of the Landlords monthly rental earnings. By proposing a freemium service model of 2% commission once Landlords transfer to Homee's property management platform, our SaaS mobile application would be positioned at a competitive pricing advantage against letting agencies waving a hefty fee of 6%-10%, and costly advertising platforms such as Daft and Rent.ie with discrepancies in their current in-app services and usability features. Therefore, more traction on cost savings will encourage Landlords to engage with our mobile application. If we were to focus on our local sub-market of 21,235 operating tenancies in Limerick (Limerick Post, 2020), and strive towards pioneering 46% of this market that our survey respondents expressed willingness to switch to a dedicated digital platform from their letting agent, our profit margin from this sub-market is projected to be €600.5k per month; given the average rental price is €1414 per household (Daft, 2020).

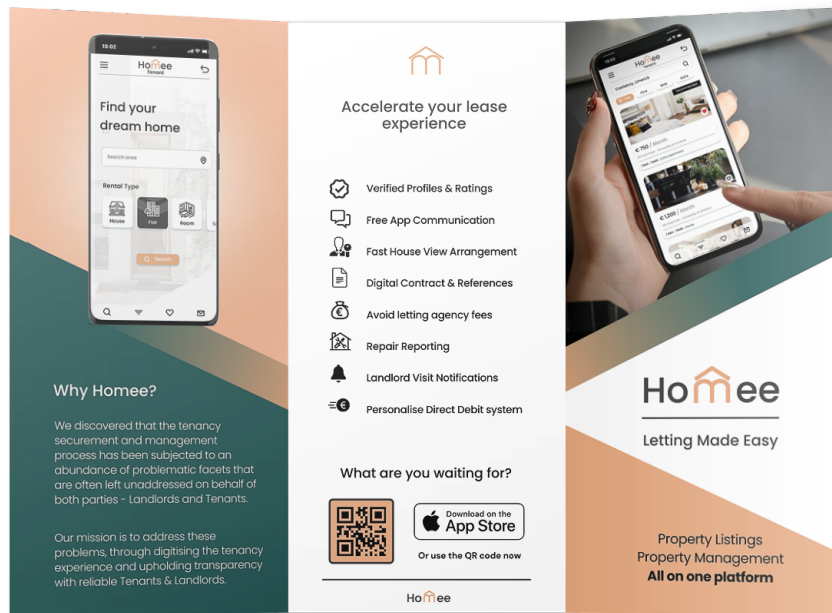
This highlights the profitable commercial feasibility of Homee's Application from its monetisation prospects and viable revenue stream that can be attained, solely based on our local sub-market and projected customer acquisition results on our survey's findings. On a more ambitious note, targeting our mobile application to the entirety of the Irish rental market with a 2% commission rate charged to property owners for engaging with our tenancy management portal forecasts the potential profit margin to be

9.2million per month and 110 million euros per year. Considering that 100% of landlords and tenants from our survey findings rely on their mobile to communicate with each other throughout the letting experience (i.e. call, text, email app), it is a viable proposal. Freemium service is already being utilized by many competitors in the rental advertising market, such as Daft and MyHome.ie, and it has has been proven to be an effective revenue driving strategy.

### Marketing Material to support Homee's Commercial Feasibility Proposal:

I designed Marketing Material in the form of a trifold brochure on Adobe InDesign that illustrates the novelty of our digital product, that could be used to pitch to our prospective customers, target markets and funding agencies. **Click on the Images to see a full preview of the Trifold Product Brochure or follow the link:**

[https://ulcampus-my.sharepoint.com/:f/g/personal/19218346\\_studentmail\\_ul\\_ie/EIKgNxBsMdrPripisB\\_SryoBNE6fMKa2ZGWiZsDJOx8DSw?e=AHuuHW](https://ulcampus-my.sharepoint.com/:f/g/personal/19218346_studentmail_ul_ie/EIKgNxBsMdrPripisB_SryoBNE6fMKa2ZGWiZsDJOx8DSw?e=AHuuHW)



The Marketing Brochure I crafted for 'Homee' takes into consideration a variety of graphical design strategies in order to reach our targeted audience, purpose and context. The Marketing Brochure as a whole demonstrates effective application of graphical UI design techniques to captivate the prospective user. Our colour scheme has been implemented throughout the corporate identity, graphical elements, stylisations and designs. Consistent and appropriate typography has been implemented to create a harmonious and cohesive appearance. Corporate branding identity is consistent throughout. Each graphical element and stylisation created in the identity package has been thoughtfully crafted to complement the corporate identity of Homee. Our value proposition entailing integrity, transparency, functionality and seamlessness have been accounted for as a basis for creativity and vision whilst creating this collateral. I developed this trifold brochure to a standard suitable for commercial printing, ready for production to present to potential customers, target markets and investors.

## Design Considerations applied to Marketing - Audience, Purpose, Context

In order to survive and grow, it is important that Homee finds ways of recruiting and engaging its target audience through strategically designed marketing material. I applied my graphic design and marketing knowledge from my experience as a Marketing Intern for Version 1 to tailor-make this product brochure into a Marketing Asset that we could utilise.

**(1) Audience** - I designed this brochure to cater for digital-savvy landlords and tenants who are seeking a trusted rental community hub; strategised at generating awareness and engagement and informing users of our diverse in-app capabilities. Through using the users language, making problem statements relatable, and information concise, the marketing material should captivate the users we intend on reaching.

**(2) Purpose** - Purpose is defined through application visuals and text to educate them on our proposal cause, our value proposition and novelties of the application. The design elements comprise of Homee's commercial brand identity, values, and illustrates the purpose behind the diversity of solutions Homee offers to users that are currently unmet by market players.

**(3) Context** - I designed the brochure's context to be informative, functional, and inspirational for users to read. The brochure exemplifies relevant information about the problems we're solving, our core mission, long-term sustainability, and how our application drives value to its users' priorities. I reflected on these attributes throughout the brochure's context to effectively capture a viewee's interest and enthusiasm through visual means.

## Conclusion of Commercial Feasibility Study:

In contrast to our competitors, we offer more comprehensive digital solutions and economically viable service in the market. With the rental marketplace in such demand, the rental economy continues to expand rapidly, and many property owners seek to look for an approach that is cost-friendly and efficient. Its' prosperities and enterprise is solely influenced by overcoming social and economic issues relevant to the case that the public is experiencing during the rental experience. To follow suit with this strategy for Homee, I have thoroughly investigated implementing this approach by understanding our customer needs and preferences through a user-centered evaluation methodology, complimented with appropriate marketing collateral to engage and recruit our users. This approach is driven to embed fruitful prosperities of Homee's commercial viability, through creating brand loyalty, seamless interactions within it's digital solutions, and firmly establish its commercial opportunities in the rental market landscape as a rivalled market player to watch out for.