

Salon Privé BV

Business Plan

Content:

Executive Summary	2
Industry Overview	3
Market Analysis and Competition	3
Sales and Marketing Plan	5
Operating Plan	6
Financial Plan	8

Executive Summary

Salon Privé BV is devoted to offering an effortless and convenient Gambling and Sport betting experience to its customers by ditching the traditional sport betting and moving it online. On top of that, Salon Privé BV aims to establish one of the best loyalty programs which should in turn enable it to achieve its goal of being recognised as leaders in their respective target markets.

The covid-19 pandemic played a key role in accelerating the demand for online gambling as people chose to spend most of their time indoors and play online games in their spare time. Additionally, the availability of secure digital payment options is also driving adoption of online gambling apps. Market growth is further fueled by increasing adoption of digital currencies and websites of betting and gambling companies.

Company's marketing plan will combine social media, search engine optimization, and internet advertising. On top of that, a very high focus would be on building up a strong WoM, which will eventually come based on the company's credibility. This will in turn help build the trust between the company and future partners.

The main target will be the emerging markets. The reason behind this is that the aforementioned markets are in the early stages of development, which means that the room of growth is much higher than in the already developed ones.

The operations plan outlines the details of how Salon Privé BV will be run on a day-to-day basis. It will include information on how the website is to be developed and maintained, how customer support will be handled, and how the business will comply with legal and regulatory requirements.

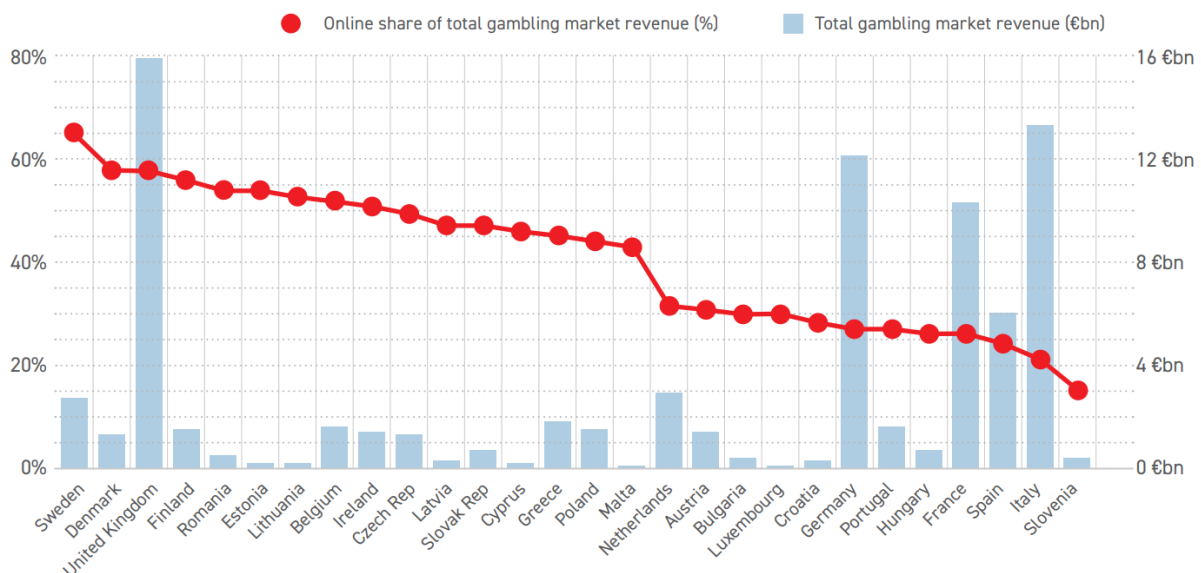
The financial plan, along with the projections can be found in the last section of this document.

Industry Overview

Propelled by a consistent upward trend in internet usage across the globe, the gambling industry decided to complement its land-based operations and create its digital extension. Seeing how lucrative this business model is, many decided to expand their offer and therefore merged the online Sportsbook with the online Casino. This process was accelerated even more due to the spread of Covid-19.

European Online Gambling Key Figures 2021 Edition provides a comprehensive overview of the online gambling scene in EU-27. Figure 1. represents the gambling market revenue and online share of that revenue, and even though not all the data may be useful currently, the comparison between the countries of a single group can be performed.

Figure 1. Gambling Revenue and online share per country [2020]



Market Analysis and Competition

The market analysis can be divided into 2 important sections, namely:

- Online Gambling Markets
- Emerging Markets

The combination of the aforementioned will be used when assessing the profitability of entering into a business partnership with third parties.

Online Gambling Markets

According to a new report by Grand View Research, Inc., the global online gambling market size is expected to reach \$153.6 billion by 2030, at a CAGR of 11.7% from 2022 to

2030. The freemium model of online gambling is a major factor. It is expected to drive the market growth in the coming years.

The increasing prevalence of smartphones and the internet, along with the ease of access to casino gaming platforms, has had a positive impact on market statistics. Moreover, the availability of low-cost betting applications is expected to benefit the growth of the market during the forecast period.

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Amongst a very fierce competition, the brands which stand out from the rest and are taking up the majority of market share are:

- Bet365
- William Hill
- 888 Holdings
- Betfair
- Ladbrokes Coral Group
- Paddy Power Betfair
- Unibet Group
- MGM Resorts International

Emerging Markets

Emerging markets, also known as developing countries, are attractive for our business because of their potential for strong economic growth and large, untapped consumer markets. Additionally, other benefits of targeting the emerging markets:

- Large and rapidly growing populations: Many emerging markets have large and rapidly growing populations, which can provide a large and growing consumer base for businesses.
- Increasing urbanisation: Urbanisation is increasing rapidly in many emerging markets, leading to the creation of new cities and the expansion of existing ones.
- Rising income levels: As economies in emerging markets grow, so do the income levels of their populations.
- Liberalising economies: Many emerging markets are liberalising their economies, making it easier for foreign companies to invest and do business. This can include reducing tariffs, simplifying regulations and increasing transparency.
- Infrastructure development: Infrastructure in many emerging markets is underdeveloped, so the investment in building and upgrading infrastructure such as transportation, communication and electricity networks will be attractive for business and making it easier to distribute goods and services.

- Government support: Governments of many emerging markets are actively seeking foreign investment as a way to boost their economy and create jobs. This can include tax breaks, investment incentives, and other support measures.

Sales and Marketing Plan

Marketing and Sales Strategy

Our marketing plan will combine social media, search engine optimization, and internet advertising. This will enable us to reach a large audience and draw visitors to our website. In order to reach particular categories like casual and frequent gamers, we will also use tailored advertising.

- **Social Media**

To advertise our business, we'll make advantage of social media sites like Facebook, Twitter, and Instagram. This will entail producing interesting content, holding competitions, and developing a following for our brand. To reach a wider audience, we'll also run advertisements on social media.

- **Search Engine Optimization (SEO)**

To increase the visibility of our website on search engines like Google, we will utilise SEO. This calls for the use of keywords in our content, the creation of backlinks, and structural optimization of the website.

- **Online Advertising**

We'll employ a number of different internet marketing strategies. This will encompass social media sponsored posts, banner adverts, and pay-per-click advertisements. In order to connect with users who have already visited our website, we will also use display retargeting.

- **Bonuses and Promotions**

We will offer generous bonuses and promotions to attract new customers and retain existing ones. This will include welcome bonuses, loyalty programs, and regular promotions. We will also use personalised bonuses to reward high-value customers.

- **Partnerships**

We will build partnerships with other companies in the gaming industry to cross-promote our online casino. This will include partnerships with game developers, affiliate marketers, and other online casinos.

Operating Plan

Website Development and Maintenance

The development of the website will be carried out in-house by our skilled team of web developers. This will enable us to have full control over the website's design, functionality, and overall user experience. Our team will ensure that the website is optimised for search engines and is fully responsive, providing a seamless experience for users on all devices. In addition, developing the website in-house will allow us to easily make updates and changes as needed, ensuring that the site remains up-to-date and meets the evolving needs of our customers. We are committed to delivering a high-quality website that not only meets but exceeds the expectations of our customers.

Technology and Infrastructure

Online gaming platform: the business will use a reliable and scalable online gaming platform that will provide the necessary tools to manage and operate effectively.

Data Management: The business will ensure that customer data is protected and stored securely to comply with privacy laws and regulations.

Hosting: The business will select a hosting service that provides reliable and scalable infrastructure to support the website and gaming platform.

Payment gateway: The business will use a secure payment gateway that will allow for the secure handling of customer financial transactions.

Security

We will implement strict security measures to protect customer information and ensure fair gameplay. This will include encryption of sensitive data and regular testing of the website's security system.

Additionally, we will comply with all legal and regulatory requirements for online gambling, such as obtaining a licence from the state gaming commission and implementing know-your-customer (KYC) procedures to verify the identity of customers.

Customer Support

A team of specialised individuals will form a dedicated customer support team to handle any customer questions or concerns. They will be available 24/7 via phone, email, and live chat, and will be trained to resolve any issues in a timely and professional manner.

Regulatory Compliance

Licensing: The online casino will obtain the necessary licences from regulatory bodies to operate legally.

Compliance policies: The online casino will implement and enforce policies to comply with regulations such as Know Your Customer (KYC), Anti-Money Laundering (AML), and Counter-Terrorism Financing (CTF).

Responsible gambling: The online casino will implement measures to prevent gambling addiction and promote responsible gambling. This includes self-exclusion, deposit limits, and responsible gambling information and support.

Financial Management

Payment processing: The business will select a payment processor that provides secure and efficient payment processing services.

Accounting: The business will establish accounting systems to track revenue and expenses, maintain accurate financial records, and comply with tax laws and regulations.

Risk management: The business will implement risk management strategies to protect the company from financial losses. This includes insurance policies, hedging strategies, and contingency plans.

Financial Plan

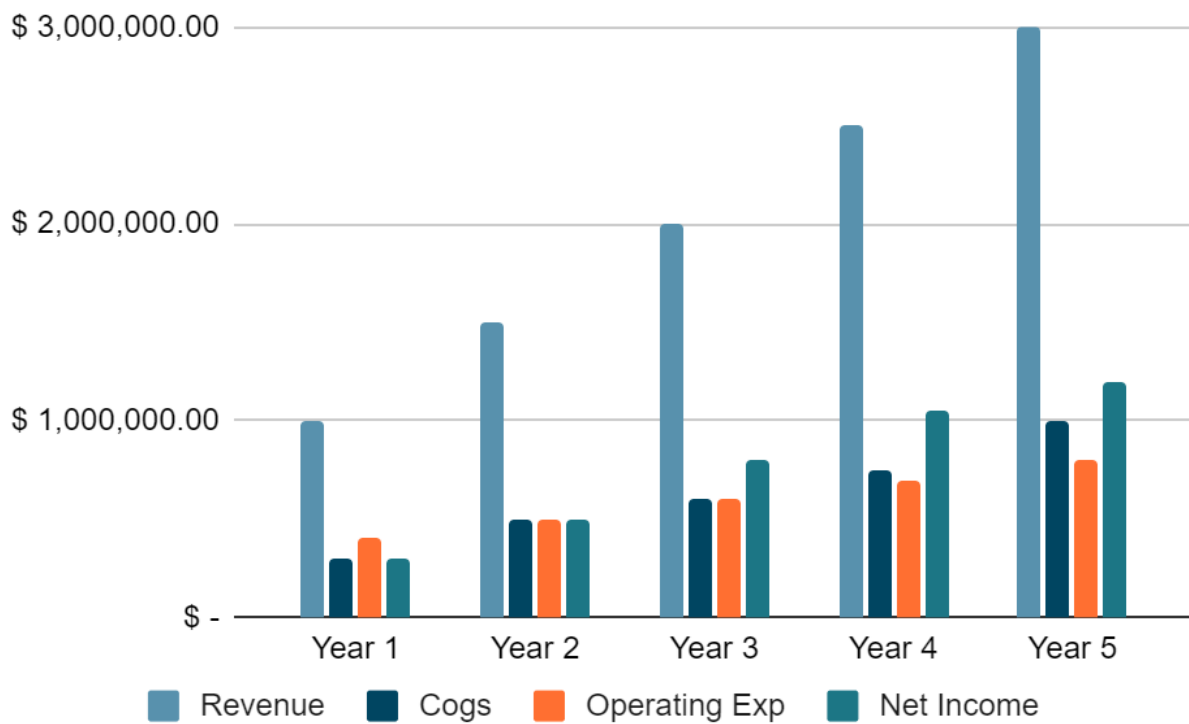
It is important to remember that Financial Projections are estimates and subject to change. The actual financial results may vary from the projections due to a number of factors such as changes in the market, competition, or unexpected events.

Our financial projections indicate that we will achieve profitability within the first year of operation. We anticipate significant revenue growth in the first year, with an estimated annual growth rate of 50%. Nevertheless, this percentage is expected to drop with the time, as the absolute numbers will increase. Additionally, we expect to have a high gross margin, driven by the relatively low cost of operating an online casino. The majority of our revenue will come from online casino games. On top of that, we will also generate revenue from potential advertising and partnerships.

Below can be found a projected income statement for the next 5 years accompanied with the appropriate graphical representations:

Table 1. Projected P&L over the years

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000
COGS	\$ 300,000	\$ 500,000	\$ 600,000	\$ 750,000	\$ 1,000,000
Operating Exp.	\$ 400,000	\$ 500,000	\$ 600,000	\$ 700,000	\$ 800,000
Net Income	\$ 300,000	\$ 500,000	\$ 800,000	\$ 1,050,000	\$ 1,200,000



** COGS - represent all the costs associated with the product (processing fees, affiliates...) and is estimated to be approximately 30% of revenues*

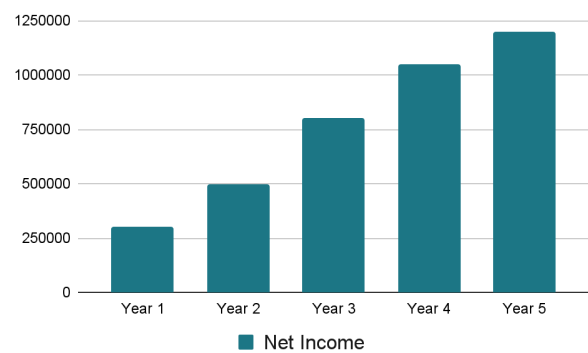
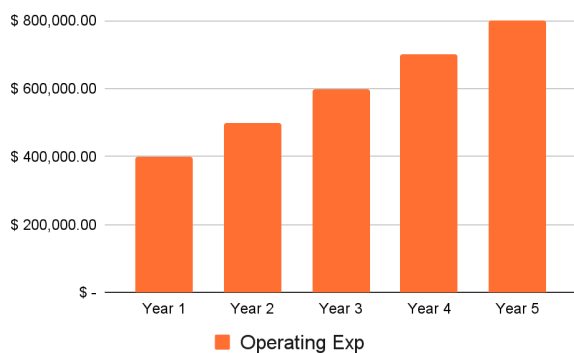
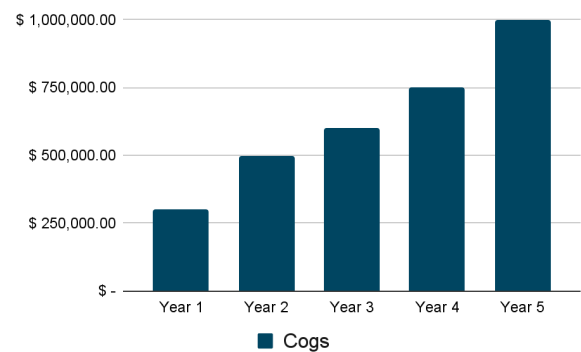
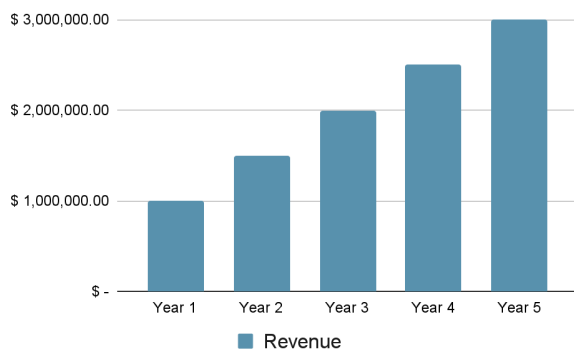


Table 2. Balance Sheet

Assets		Liabilities	
Cash and Cash Equiv.	\$ 300,000	A/P	\$ 50,000
A/R	\$ 100,000	N/P	\$ 100,000
Prepaid Exp.	\$ 50,000	Owner's Equity	
PPE	\$ 50,000	Owner's Contribution	\$ 350,000
Total Assets	\$ 500,000	Total Liab. and OE	\$ 500,000