



University for Economics, Law, Social Sciences and
International Relations (HSG)

Profila – creating moments of truth

Development of a Go-to-Market Strategy for a Swiss Startup

Maximilian King (17-619-305)

Aline Limacher (17-611-567)

Josephine Salter (17-614-090)

Nicolas Sartorius (17-608-902)

Integration Seminar Group 29

University of St. Gallen

Prof. Dr. Alexander Fust

May 18th, 2019

abstract

This paper develops a go-to-market strategy for Profila, a Swiss start-up in the personal data economy market. Profila covers the need for a transparent exchange of data, which is due to a lack of awareness of GDPR, the trend towards mass customization and the inefficiency of supposedly targeted advertising, by offering a platform and thus acting as a neutral intermediary between companies and consumers. The platform gives consumers more control over their data and personalized benefits, while companies benefit from more accurate customer information and a more intimate relationship of trust with their customers. In order to successfully launch the business idea on the market, it is recommended to conduct a detailed competitor analysis first. In addition, it is proposed to focus exclusively on a strongly limited customer segment when entering the market. Based on the AIDA principle, additional improvement suggestions for the website are explained. Finally, the two strategies "*come-for-the-tool-stay-for-the-network*" and "*Marquee*" are used as orientation aids to attract the first platform users.

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1 introductory remarks

In 2018 the sometimes unknown company "Cambridge Analytica" circulated in the media and caused turmoil worldwide. Donald Trump's election team and the successful Brexit campaign team worked closely with the company to gain unauthorized access to data from 50 million Facebook users to predict election patterns. (Cadwalladr & Graham-Harrison, 2018) This media presence initiated a fundamental crisis of trust based on the asymmetry of information between institutions and individuals resulting from the use of personal data that differs from the expectations and preferences of users.

Data security is a common issue, not least because of the Facebook scandal. In today's age of Big Data, vast amounts of data are produced every day because everyone leaves a detailed digital footprint unknowingly. However, it is not the individuals who provide the data that benefit, but the companies that collect it. (Roosendaal, 2011) However, the Swiss startup Profila wants to give customers back control over their data and enable transparent data exchange between consumers and companies, which improves trust. The discourse with the practice partner therefore led to the following question: *How should Profila's business model be designed in order to promote consumer satisfaction and at the same time create added value for companies?*

Based on a survey, three different problems of the digital age are addressed at the beginning of the work: the question of the ownership of personal data, the value of personal data and the lack of efficiency of supposedly targeted advertising. Subsequently, the third chapter presents the company Profila and formulates possible solutions, which consist on the one hand of sensitisation measures and on the other hand of a platform for data exchange as well as a communication medium for the mediation of targeted advertising. The fourth chapter explains how Profila can promote customer satisfaction and the digital economy. Specific action measures are then derived for Profila, which are specified in the appendix and finally concluded.

2 Challenges in the Digital Age

In the following chapter, three different challenges in the area of Personal Data Economy will be explained in more detail. On the one hand, it shows what new rights consumers are granted by the reform of the General Data Privacy Rights, and analyzes the value they can obtain by disclosing personal data. On the other hand, it explains why inefficiencies occur in the area of targeted advertising.

2.1 Control over personal data

For a long time, the question of the ownership of the data traces left behind on the Internet was only partially answered. The reform of the European General Data Privacy Rights (GDPR) in March 2018, however, created clarity and gave private individuals more influence over the use of their personal data.

The stricter laws call for more transparency and can be enforced more easily due to new cooperation possibilities between all European data protection authorities. Since last March, the data protection guidelines have had to be communicated in plain and intelligible language, which was rarely the case before. In addition, they require a clear agreement - silence can no longer be interpreted as agreement. In addition, companies are obliged to inform all users of the purpose for which their data are processed. Companies are also obliged to provide information as soon as they transfer data outside the EU or a breach of data security occurs. The new laws also allow users to request that their data be moved from one platform to another or that the company issue them with a copy of their data. In addition, users have the "*right to be forgotten*" which means that they can ask a company to delete all data that they have collected up to that point in time. However, many Internet users are not aware of their rights and therefore remain passive in the area of data security instead of actively exercising their influence. (European Commission, 2018; EU GDPR, no date)

In order to find out to what extent people are informed about their rights with regard to their personal data, an online survey was carried out with 143 people (see Annex p. IV). It has been shown that 78% of respondents are annoyed by the fact that their data is used by companies for other purposes and that around 95% would like to have more influence on the use of their data. However, only about 5% of all participants actively deal with the security of their data. Thus it can be derived that only a minority, over which through the GDPR reform

The Commission is aware of the possibilities in the area of personal data that have been created, although there is a need for more influence on the handling of personal data. In principle, more than three-quarters of respondents would be willing to register for more influence options and information on the use of their data on one platform.

2.2 Disclosure of personal data

The monetary value of an individual's personal data is amazingly low and never exceeds \$1. General data such as age, gender or location cost only about \$0.0005 per person or \$0.5 for 1,000 people. Information on important life events that influence consumer behavior and reveal purchasing intentions is of comparatively high value, but costs an estimated \$0.26 per person. The reason for this is that companies generally buy their data in large bundles and competition in the personal data economy is intensifying, which means that the market price of personal data is falling ever more sharply. (Bründl, Matt, & Hess, 2015, p. 12-13; Steel, 2013)

Due to these low values, the disclosure of personal data cannot be induced by monetary incentives. According to the Deloitte Consumer Review, however, there is today a great need for "*mass customization*" and the option to actively participate in the development process (Fenech & Perkins, 2019, pp. 2, 3, 11). Since the use of personal data not only enables lower prices, time savings and free services, but also personalised products and services, there is still an incentive for users to share their personal data (Bründl, Matt, & Hess, 2015, p. 13). For companies, the personalization of products and services can also enable improved efficiency, reduced costs and sustainable growth. As a result, both consumers and companies are showing great interest in *mass customization*, offering companies an opportunity to demonstrate the value consumers derive from the use of their personal data. According to the Deloitte Consumer Review (Fenech & Perkins, 2019, p. 10), however, they must adhere to three basic rules in order to be able to correctly communicate the added value thus gained to consumers: Transparency, personalized benefits and control. Therefore trust forms the basis of a successful data exchange.

2.3 Lack of efficiency of supposedly targeted advertising

"Data is the oil for the economy" (Heiniger, 2019) and undirected advertising is at the same time no longer conceivable in the increasingly digital economy. Therefore, personal data is of great importance for companies. This makes it possible to place personalized advertising in a matter of seconds, which has re-voluted the "classic advertising media" and all aspects of marketing (Bieger, 2015, p. 52).

According to Munther Dahleh (cited in will.i.am, 2019), however, a number of changes still need to be made in order to exploit the full potential of consumer-specific advertising and to efficiently handle the exchange of data between companies and consumers. *"For this to happen, people have to buy into the market, and share their data, and trust that the market maker will actually compensate them appropriately for that data."* People must therefore actively share their data to make Big Data more personal and accurate. According to the survey (see appendix p. VI), 95% of people are interested in controlling their data and sharing it accordingly.

The lack of transparency, accuracy and correctness of the data information are further examples of inefficient data exchange between Internet users and companies (see chapter 3.3). The amount of data stored and sold on the Internet to date is considerable. However, according to a study conducted by Deloitte, consumers rate less than half of the data they store on the Internet as accurate or up-to-date. (Bischoff et al., 2017). This is underlined by the fact that none of the respondents consider the advertising proposed to them on the Internet to be appropriate (see Annex, p. VIII).

A direct exchange between Internet users and companies could minimise the current lack of an overview of the large amounts of data. In this way, Internet users independently determine which data they want to make available to which companies and would thus simultaneously improve the information content of the data.

Another problem of the current data trade is the lack of control by customers over the trade of their personal data. This enables companies such as Google and Face-book to resell the personal information of Internet users to third parties at a profit. While Google thereby earned 27 billion US dollars in the third quarter of 2018, Fa cebook recorded a turnover of 85 billion US dollars in this area in 2018 last year. (Shobit, 2018) Although individual data are almost worthless, Jesse Weaver (2019) believes that Internet users should not be seen as customers, but as business partners and owners of their own data. This one-sidedness of Big Data from an economic perspective is a further reason for the lack of efficiency of supposedly targeted advertising.

3 Profila as a solution

The increasing demand for control over personal data calls for consumer emancipation. This need is the foundation for Profila's business model, which aims at an accurate and fair exchange of data between companies and consumers, thus realizing the aspects of transparency, personalized benefits and control listed in chapter 2.2. Originally, a token ecosystem was planned by an ICO. After consultation with the practice partner, however, the focus was placed on the definition of a sustainable business model, consisting of a commercial and an NPO operation. The former is realized by a virtual data market in the form of a platform. The latter serves to sensitise consumers to their use of data. In this chapter, these two business areas are further differentiated and their duality is demonstrated.

3.1 Measures to sensitize consumers to the privacy of their data

The measures to sensitise consumers to data privacy have a dualistic function. On the one hand, they form Profila's core product together with the data platform. On the other hand, they can be used for customer acquisition and thus classified as a marketing tool. The basis for the awareness-raising measures is the reform of the EU's General Data Protection Regulation (GDPR). In the following, possible forms and contents will be compared with each other in order to design an optimal awareness-raising strategy for Profila in order to draw customers' attention to their rights and possibilities in the field of data security.

As the survey (see Appendix, p. VI) showed, only 5% of respondents actively deal with their data security. However, 95% would like to have more influence on the use of their data. Consequently, there is a great need for control and transparency in the area of personal data. However, due to a lack of expertise and time resources, there is a lack of initiative on the part of Internet users. This discrepancy provides Profila with an opportunity to act as a sales intermediary between companies and Internet users, thus creating added value for both parties and making interaction easier. This added value manifests itself for the users in the transparency and for the companies in the trust which they can build up through the cooperation with Profila.

The awareness-raising measures and assistance offered by Profila can take various forms. Possible measures would include measures on the website such as

for example a chatbot, FAQ, learning modules and video tutorial with tests. The Chatbot could answer the visitors of the Profila Website questions in the area of the GDPR. An example of a well functioning chatbot can be found in the appendix on page IX. A section "Frequently Asked Questions", which clearly displays the most frequently asked questions of the website visitors, would simplify and accelerate the information retrieval of the visitors. In order to attract interest not only as website visitors, but also as platform users, it would make sense to grant access to very informative content such as learning modules and video instructions exclusively by registering with the Profila Privacy Alliance (PPA). In addition, Profila could provide a forum within the PPA where consumers can help each other, thereby encouraging the emergence of a community. At the moment there is already a chat room, but the PPA has no forum function yet. Even if the consumptions are not directly on Profila's website, they could be sensitised by an email or SMS newsletter and push notifications. To achieve the latter, Profila would have to create an app where consumers could allow the sending of push notifications. When opening other apps, for example, a push notification with the simplified data protection guidelines of the respective app and the possibilities in the "right to be forgotten" area could be displayed. To strengthen the community, Profila could organise conferences, events and panel discussions on data security and GDPR.

In addition to the form of the sensitisation measure, the content is of course also decisive for whether the consumer appreciates Profila's core product and whether cross-selling or customer retention can be achieved as a result. The aim of the awareness-raising measures is to help customers to manage their personal data and, if necessary, to order different companies to delete the data. Possible contents would therefore be for example the data protection law in Switzerland, explanations to the data protection guidelines of some well-known enterprises or an individualized representation of all revealed data on different platforms in the form of a "Datawallet". Consumers gain access to this content by visiting the website on the one hand and by registering on the platform on the other.

3.2 Platform for transparent and efficient data exchange

Profila is characterized not only by a theoretical educational function in terms of data protection, but also by a blockchain platform on which consumers and companies exchange data. In this commercial part of the startup, it 's individuals

enables personal data to be voluntarily exchanged with a company in return for a corresponding service in the form of tailor-made, personalised advertising (see section 3.3) and exclusive offers. Based on the theory of Engelhardt, Wangler and Wischman (2017), this is to be regarded as a transaction-centered platform, since the basic concept of the Blockchain platform is a neutral marketplace for companies and consumers with integrated navigation and filtering functions (e.g. Airbnb, eBay, etc.). In the following we will analyze the specific functions that the final product could contain. This chapter aims to further differentiate the commercial part of Profila and to include the application of the blockchain.

3.2.1 Design of the platform

Olek & Brown (2019) show that 62% of the Swiss feel that their data is not secure with companies. This result is congruent with the results of the previous survey, in which 95% of the participants would like to have more influence on the use of the data. It should also be mentioned that consumers are only poorly informed, if at all, about where they have left so-called "data traces". Accordingly, consumers must be able to perceive Profila as an intuitive compass in the world of data and must also have control over it by means of a so-called "data wallet", which is intended to provide consumers with an overview of their personal data. The construction of this "Datawallet" is to take place in two parts, whereby the Consumer on the one hand can seize the possibility to determine its previous data traces, at the same time, but can also correct and add data manually. This not only provides the consumer with a clear overview and control of his data, but also enables him to verify the accuracy of the data. In a first step, it is therefore essential to provide consumers with an overview of their previous "data traces" on a dashboard. Profila may offer users to use Google Person APIs and an algorithm to examine your mailbox for information related to account creation, online purchases, mail subscriptions, and other data traces (Hartmann & Jurcic, 2018). Thus, the first section of the "Datawallet" is automatically filled by this collection of conscious as well as unconscious data traces. This allows the user to better manage his subscriptions and data in the future and to track changes in his "Datawallet". Furthermore, in the second section of the "data wallet" a user can create bundles of information himself. An example of this would be an "online shopping bundle", which can be filled out with information on address, clothing size, payment information and membership. This can be used by Profila users with online purchases by one click, which will ensure an efficient and fast purchasing process. With

This two-sided "Datawallet" offers the consumer transparency and control.

3.2.2 Data Transaction Flow

A survey by Deloitte (Bischoff, Hogan & Lucker, p.14, 2017) shows that the data which companies collect about their consumers is often not accurate and incomplete. As a result, some targeted marketing measures, which are associated with a high expenditure of resources, miss their target group and consumers are wrongly segmented (see chapter 2.4). Profila could solve this problem for users and companies and introduce two in-app options "subscribe" and "match".

"Subscribe" could enable the user to identify the companies or their specific product categories as interesting and consequently receive advertising from them (see section 3.2.5). "Match" would be a much more intimate function and would initiate active data exchange. Here the consumer would save his interest in a data exchange on the blockchain and if this profile matches the target group of the company, the consumer would receive the necessary information about the required data and the corresponding counter-performance. After the user has agreed to this, this transaction is executed and concluded via Profila. The company could then use the data for advertising purposes, product improvements or market forecasts. In this process, Profila is regarded as a neutral marketplace and, as an intermediary between consumers and companies, is responsible for the smooth and secure execution of the transaction. As also listed in chapters 2.1 and 2.2, personal data is a good that is characterized by trust and security. The platform is therefore based on block-chain technology, which is a register (distributed ledger) for transactions between anonymous parties. The content of these transactions is ownership, transaction process and content, and timing (Kewell, Adams & Parry, 2017). Unlike conventional transactions, however, this information is not stored on a central database or cloud, but on users' end devices. The number of transaction participants is limited to the sender and the recipient, third parties are not added (Goldman Sachs, 2019). This enables Profila to use blockchain technology as a basis of trust, guarantee the desired security and reduce transaction costs.

Consumers now have complete control over their data and benefit not only from this new overview, but also from products that meet their needs through accurate data.

to be able to satisfy you better. In return for this data exchange, Profila also offers a tailor-made purchasing experience, which will be explained in more detail in the following section.

3.3 Communication medium for the mediation of targeted advertising

The main risk of the Big Data Trend, namely the lack of usability with regard to the factors completeness, consistency, correctness and accuracy of the data, is to be counteracted by the data trade provided by Pro fila. The question now arises, how these new and more precise customer information can be used efficiently.

This chapter presents a possible application in view of the increasing impact of the megatrends of digitisation, multi-optionalisation and individualisation (Roos, 2018). In cooperation with the registered companies, Profila could use the newly acquired precision of the data to optimise targeted advertising. The personalized demands of the individual would be presented in the form of a social media platform, whereby the reception of advertising messages would no longer be purely passive, but would be transformed into an active information processing process. Thus, the consumer has the opportunity to consciously perceive the relevant advertising and directly respond to the offers.

The platform will also include the "Like" and "Dislike" options, which will enable the consumer to continue to signal to the company which product proposals have met with interest and which can be classified as irrelevant to him. This enables the company to continuously improve its segmentation of target groups and personalization of content. Pro- fila should therefore not only function as an advertising platform, but also (with increasing possibilities) offer the customer a personal online shopping experience. This allows the user to indicate his current needs and, based on his previous information profile, the most ideal offers are displayed.

In concrete terms, this could mean that the company shares an image of a product in the form of a contribution, which shows the price and a link to the direct purchase option in the app itself through a click by the consumer, a description of the product and the price.

The potential for the success of this platform is based on the three megatrends digitalization, multi-optionality and individualization. Increasing digitalization favors the ongoing migration of traditional "shopping" to regular online shopping activities. (Roos, 2018) Ever- but the trend towards multi-optionality is overwhelming customers with a surplus of

Information and opportunities that constantly plague the customer with a sense of abandonment and missed opportunity. The growing selection is to be facilitated by Profila for the user by filtering the abundance of possibilities of Profila and proposing only those products and services which are really to be classified as individually relevant.

3.4 monetization

After the promise of benefits was listed in the previous subchapters, the commercialisation of Profila is now the subject of discussion. Although Profila serves two different players on its platform, it would not be advisable to include both in the monetisation process. This is because consumers already indirectly pay for the service by disclosing their personal data. An additional monetary remuneration would thus considerably hinder customer acquisition and is therefore hardly feasible.

Companies are already investing a considerable amount in the analysis and use of digital data (see 2.3). They will be willing to provide monetary value for the use of Profilas and the associated benefits. In addition, the companies' willingness to pay for personal data will increase significantly if Profila can prove a higher probability of the data being correct.

The first companies are to be provided in the early stage of Profilas, the services on the platform free of charge to support the initial acquisition. However, in order to make full use of the maximum willingness of each company to pay afterwards, various subscription options would be offered. For example, subscriptions could be graded according to data records, with the company being guaranteed access to a different data volume depending on its willingness to pay. The data set is characterized by the size and importance of the content. Furthermore, the size of the company also plays a decisive role in the calculation of the price, as large corporations have more budget available for marketing purposes than start-ups, which are also dependent on the data. This should also enable start-ups to analyse their market with accurate data at low cost. Based on this principle, a selection of monthly subscriptions is to be introduced, which shows continuous variability and is perceived as a service on demand.

4 Promotion of consumer satisfaction and added value for companies

The promotion of consumer satisfaction and the generation of added value for companies are the goal and essential success criteria of the Profilas business idea. They therefore represent an extremely relevant aspect in the development of a sustainable business model. This chapter therefore examines in detail the impact of Profila on consumers and companies.

4.1 Added value of the platform from the consumer perspective of a hypothetical case example

In order to explain the added value of Profila from the consumer's point of view, Kotler (Groissberger, 2019) has transformed the purchasing process into a data usage process for explanatory purposes. The aim is to demonstrate the psychological train of thought of consumers from their first contact with Profila through to registration and use of the Profila Privancy Alliance. In the following, a hypothetical case study of such a train of thought will be presented and the role Profila plays in it will be analysed in more detail.

The emergence of the need can be classified as the first step of the model according to Kotler. Awareness-raising measures play a decisive role in informing consumers about their rights and opportunities in the area of data protection. Through this function, the consumer should develop the desire to have more control over his personal data, which initiates the next steps.

If this need for more control exists, the consumer will actively seek information in order to identify and weigh up his options for action in this regard. Here, Profila is regarded as the source of all information regarding transparency, understanding and control possibilities.

The third step is the selection function. After the need has been concretized to a need by the previous steps, the consumer has a choice of different possibilities for personal data protection at his disposal: a simplified presentation of the data protection guidelines, an overview of personal data in the Datawallet or trading with personal data for advantages at partner companies Profilas. Thus the consumer notices that he can regain this control through Profila and builds up a first trust with Profila.

Before the final decision is made on the extent of data control, the "attitude of others" and "unforeseen situational factors" influence the consumer (Groiss-berger, 2019). On the one hand, this influencing factor of the "other" can unfold through the Profila Privacy Alliance platform (see Chapter 3.1) in the form of a sense of community. On the other hand, consumers do not enter into any irreversible commitments with Profila and can therefore make decisions according to the situation. In addition, the consumer has numerous information possibilities through which he can make more informed decisions regarding his data privacy in the future.

The next step is to analyse the usage behaviour of the customers. Once the consumer has set up his "Data Wallet", shared his favourite companies and personal interests with Profila and released his first data, he can make full use of all the services of the communication platform. Ideally, the customer will then only be presented with products and services that are relevant to him or her and that correspond to his or her stated preferences and personal details. Profila would thus make the purchasing process easier for consumers in times of increasing multi-optionality and information overload. By displaying highly selected and personalized content, the general selection process and thus the second phase of the purchasing process is shortened and made more efficient.

Finally, it is important that the consumer can determine for himself when he no longer wishes to share his data with a company or when the company deletes all previously stored personal data. This is theoretically possible through the reformation of the GDPR, turns out however in practice often as a very complicated process. Via Profila it should be possible with one click to exercise the "right to be forgotten" and to cancel the data exchange. This function would create great added value for consumers and give them a sense of security and control, as they would not have to enter into irreversible conditions.

4.2 Added value of the platform for companies

This chapter explains to what extent Profila can offer companies added value through its business idea.

The goal of Profila is to restore the damaged trust between clients and companies by creating transparency in the area of data privacy and data trade. If a company registers on Profila, the company shows itself willing to take up this aspiration.

which signals to the consumer that the company has great value.

on the well-being of the customer. Thus the registration can be seen as a kind of seal of quality, which triggers positive associations with the registered company in the consciousness of the customer, thereby strengthening the trust in it. Profila could also issue an actual certificate, which can be used by companies as a transparency certificate.

If a company has acquired this trust mark, this can also be used as a competitive advantage. Thus, the consumer will choose the trustworthy provider when faced with a choice. As a result, the registration of a company also puts pressure on competitors, which will force them to register with Profila. This would encourage businesses to engage each other in additional data protection.

Another important advantage that companies can gain through cooperation with Profila is access to more accurate and personal data. On the one hand, this allows the target groups to be segmented more precisely, and on the other hand, the content can be better tailored to the individual target groups. This significantly increases the efficiency of the branding measures used.

5 recommendations for action

The following four recommendations for action are derived from the previous findings from primary and secondary research in the previous chapters and from the numerous discussions with the Profila founder Shawn Jensen.

5.1 Conducting a competitor analysis

Since Profila operates in the personal data economy, which is largely unexplored to date, little or no quantitative market key figures and information exist. Sources are only publications, business plans (white papers), websites of competitors or various forums in which the exchange of ideas and experience is made possible. As a result, Profila will need to focus more on these qualitative sources. In order to conduct a competition analysis, Profila could commission a student consultancy with a large network of motivated students. These produce reliable and unconventional solutions with a comparatively low financial outlay and valuable university resources.

SnowHaze and BitsaboutMe are considered to be two competitors from Switzerland as they have a very similar vision and are active in the same market. The following section shows which aspects of the two companies could help Profila to succeed. The following points could then also be used in the competition analysis to see how Profila could position itself against important competitors in the personal data economy.

- Achieve public recognition through increased media presence.
- Building trust through word-of-mouth propaganda.
- Joining the Swiss Data Alliance to gain access to important market information.
- Running a blog with sensitizing and rich information to create a lock-in effect.
- Capital and customer acquisition by extracting important factors for successful funding rounds.
- Focus on a narrow target market (see section 5.2)

These points are only an orientation aid for student management consultancies and can be extended in any aspects. It is important to adapt successful competitive measures and learn from their failures. More detailed information on the companies can be found in the notes on page X.

5.2 Market entry strategy

PayPal co-founder and Facebook investor Peter Andreas Thiel (2014) lists in his book "Zero to One" a "start small and monopolize" strategy for setting up a startup. One example is Jeff Bezos' founding vision, which aimed at a dominant role of online retailing. To implement this plan, however, they initially focused solely on online bookselling (Thiel, 2014). Facebook successfully pursued the same strategy and focused exclusively on Harvard University students. Meanwhile, their main competitor Myspace aimed at a broad target group of teenagers and musicians, which ultimately meant they did not have the same success (Cennamo & Santaló, 2015).

This approach could also become relevant for Profila's market entry. From various meetings with the founder of Profilas, Shawn Jensen, it emerged that his vision was the "cleansing" of the Internet. However, it is crucial to identify, develop and ultimately dominate a strongly defined market segment in order to expand into the broader market. The results of the survey (see Annex p. XII) once again play an important role here. From these it is clearly visible that students are already sensitized by their tech affinity for their data privacy and, compared to other groups, are most willing to register for more control and transparency on a platform. Based on the results of the first survey, another survey (see Appendix p. XII) was conducted with students from the University of Zurich and Geneva to find out which companies provide the most relevant products for students (see Appendix p. XII). Spotify, Apple, Netflix and Coop took the top four places and are the first target companies for a partnership. Based on these results, a concrete market segment is defined which Profila could address as the first target group.

5.3 Redesign of the website

In the following, the marketing principle *AIDA (Attention, Interest, Desire, Action)* is applied to analyse and improve the Profila website (www.profila.com). The AIDA principle describes the four phases that a customer goes through from the first contact with a product to the purchase decision and is regarded as a guideline for advertising activities. (Benders, 2015). When clicking on the website, the "*attention*" of the visitor must be awakened in a first step. On the Profila website, the two pictures (see appendix p. XIV) and the blue colour are eye-catching. However, the introductory text is not optimally formatted and thus draws the reader's attention away from the content and towards the poorly designed design.

The white background looks unfinished and a visitor might feel that the website is still under construction. On the homepage of the website there is basically no focus point or eye-catcher which tempts the visitor to stay on the website.

Especially in the age of information overload, a company must be able to transmit its main message in just a few seconds in order to arouse the *"interest"* of a visitor as quickly as possible. However, in order to access the two images that explain Profila's services and act as an eye-catcher, a visitor to the website must first actively navigate down. However, as the time and patience of every visitor is very limited, Profila loses some potentially interested customers right from the start. The two commands "Take Control",

"Give Control", on the other hand, are a very fitting description of Profila's service and should be obvious at first glance due to their brevity and pun character. The flow text, which is the first thing that catches the visitor's eye when he clicks on the website, is, on the other hand, less interesting and suitable for keeping customers on the website. Profila should also try to describe more simply what exactly the service offered can be.

At the *"Desire"* step, an emotional reaction and a strong prolongation should be triggered from the visitor to the website. The Profila website has so far lacked emotionally charged functions such as stories, images or consumer voices and ratings. Although there are several images on the website, they do not trigger any need on the part of the visitors.

The aim of the website is to create an *"action"* for visitors to register with the Profila Privacy Alliance. The log-in button can be found twice on the website. On the one hand as a blue bar at the top and on the other hand as a registration form under the category "People". The second possibility, however, is a little hidden. It would be better to agree on a central login button so that nothing stands in the way of the *"Action"* step and visitors are not confused.

5.4 Gaining the platform user

The chicken-and-egg problem with two-sided digital platforms is one of the major hurdles that start-ups with such a business model have to overcome. The difficulty of this problem lies in the fact that participants from one side only register if there are already enough participants on the other side and vice versa. As soon as a critical number of users have joined the sites, this leads to a so-called network effect, which is a

exponentially increasing number of users. This network effect can be attributed to the following two reasons: Each additional member increases the benefit for all existing members of the network and at the same time increases the social pressure on those not yet registered. (pipes to platforms, without date)

In order to trigger the network effect, however, the hen-egg problem must first be overcome. A number of possible strategies exist for this purpose, from which the two relevant tests are presented below and their positive and negative aspects are then explained.

1. «come for the tool, stay for the network”- Strategie

The idea behind this is to attract one side of the user with a service that they can use independently of the other side of the user and generate a great deal of added value for them independently. The other side will then be motivated to register by the existing number of users. (CDIXON, 2015) Profila could use the NPO part of its business model, which includes awareness-raising and education on personal data privacy, to offer consumers this *"stand alone value"*. The results of the survey show that consumers are very interested in how their personal data is used, which is why they are interested in using the NPO services Profilas. Due to the growing number of consumers, the platform would also become more and more interesting for companies.

A major advantage of the *"come for the tool, stay for the network" strategy is that* Profila already has a "tool" as an incentive for registration. The sensitisation and educational measures in the area of private data protection are intended to trigger a feeling of indignation among consumers, so that they feel the urge to want to change something and store data in their 'datawallet'.

The advantage of word-of-mouth propaganda is that it can be applied to consumers. Due to its independence from classical media, it is considered to be one of the most trustworthy ways of disseminating information. (Bughin, Doogan, & Jørgen, 2010) By the above-mentioned feeling of indignation, the consumer will invite others in his environment to view the content provided by Profila. So the consumers animate themselves on the opposite side to register on Profila.

The main problem in winning customers on the consumer side is customer loyalty. Due to the sensitization measures, however, primary customer loyalty should not be an obstacle. Once the consumers are registered, however, Profila can no longer offer them any added value without the company's side, which means that there is little incentive to continue to be active on the

to stay on the platform. Therefore, the platform must be based on a format that keeps consumers busy and entertained until the first companies are won over to the platform.

2. Marquee Strategy

This strategy aims to attract *high value users* through certain incentives. In Profila, high value users are defined as customers who contribute great value to the platform and drive its growth relatively strongly. These users will attract others who want to interact with them. In the case of Profilas, for example, Apple could be a high-value user, since their registration would attract many technically affine consumers. Newly registered companies can offer a free trial version for a limited time, so that they can convince themselves of the platform is a possible incentive. (Parker & W. Van, 2014)

If one concentrates for the time being on the acquisition of companies, then one is confronted with new opportunities and challenges. For example, a small number of companies offer a greater incentive for the consumer group to register. Even with a registered company that is characterized by positive brand associations and a high monetary brand value, this can already generate the attention and trust of a large potential consumer base.

Due to the unveiling of the Facebook Privacy Scandal (Cadwalladr & Graham-Harrison, 2018) and the introduction of the revised European GDPR Data Protection Law (EU GDPR, no date), companies have become aware of the risks of not respecting the privacy of consumers' personal data. The resulting increased care in handling such data would allow Profila to come across complex internal decision-making processes and lengthy legal clarifications. This process therefore involves a high risk for Profila and it is therefore crucial to clarify the legal details internally beforehand, so that on the one hand one can save the companies this expenditure of resources and on the other hand show them that Profila does not hold any risks in this area, but wants to eliminate them altogether.

The main problem in concentrating on the corporate side is that without registered consumers little to no added value can be offered. A way would have to be found to demonstrate to the companies that the platform has potential for success.

Finally, it is advisable to focus on the *"come for the tool, stay for the network"* strategy. The main reason for this is that winning a customer-user takes up less time and money. This is based on the already existing "tool" for customer acquisition and the

This is due to the "stand alone value" for the consumer side offered by this, as well as to the legal precautionary measures taken by companies in the area of data protection.

6 Summary

The theoretical explanations make it clear that Profila generates added value for both customers and companies through its role as an intermediary. This added value manifests itself for the user in the form of increased transparency in data exchange, control over the disclosed data and personalised benefits. In return, Profila enables companies to provide accurate data, realize the full potential of targeted advertising, and build a relationship of trust with customers.

Despite the reformation of the GDPR in March 2018, many Internet users are not familiar with their rights in the area of data privacy, which leads to the fact that they do not perceive influence possibilities for the most part. In order to provide the customer with a basic understanding of these rights, registration with the Profila Privacy Alliance provides access to a wide range of educational and training formats as well as events and conferences. At the same time, this acts as an acquisition strategy and increases customer loyalty by creating a sense of community.

After registration, the first step is to provide the consumer with an overview of the data traces he has left so far, which he can then check for correctness and timeliness and correct and supplement accordingly. By voluntarily sharing personal interests and preferences, the company benefits from more accurate data on its target groups and can thus target them with targeted advertising via the Profila platform. This could be represented in the form of a social media platform, whereby the inclusion of advertising messages is transformed from a passive to an active information processing process.

To enable Profila to successfully launch its business idea, four recommendations for action were derived from the findings of primary and secondary research. Profila should learn from the successes and failures of its competitors in order to be able to create its own USP. It is also advisable not to open up the market nationwide from the outset, but to focus for the time being on a strongly limited market segment. Furthermore, based on the AIDA principle, a redesign of the website is recommended. Finally, to overcome the Henne Ei problem, it is proposed to pursue one of the two strategies "Marquee" and "come for the tool, stay for the network". The concrete implementation of the recommendations for action is further described and visualised in the appendix.

The discrepancy between the self-image and the reality of the users represents a major challenge for Profila. For example, consumers often assess their buying behaviour differently from what it is in reality. However, many companies target exactly these latent wishes and transform them with of a push advertising strategy into a need. Since the consumers on Profila only their conscious

If you specify your wishes, they will most likely not turn out to be congruent with your actual needs.

In the future, the sharing of personal data and preferences on Profila could be made even more intuitive by implementing image and speech recognition technology. For example, it would be conceivable for users to photograph interesting objects in everyday life and forward them to Profila, which would then automatically recognize their properties and save them as preferences. Users could also communicate their preferences and needs via voice messages. The Personal Data Economy is currently still at an early stage of development, but will continue to gain in importance in the future and is therefore the ideal prerequisite for Profila to position itself in the market as a first mover.

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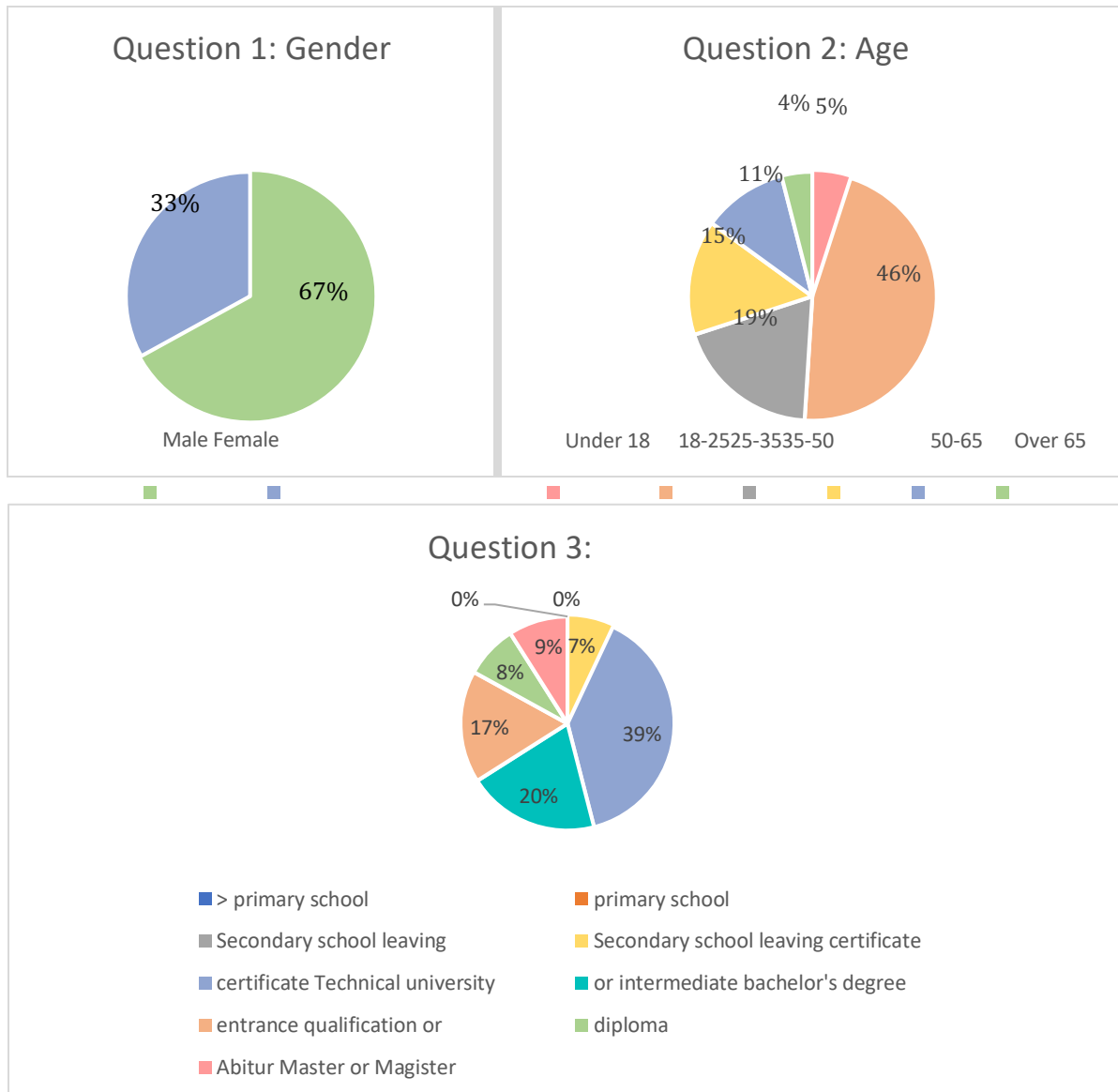
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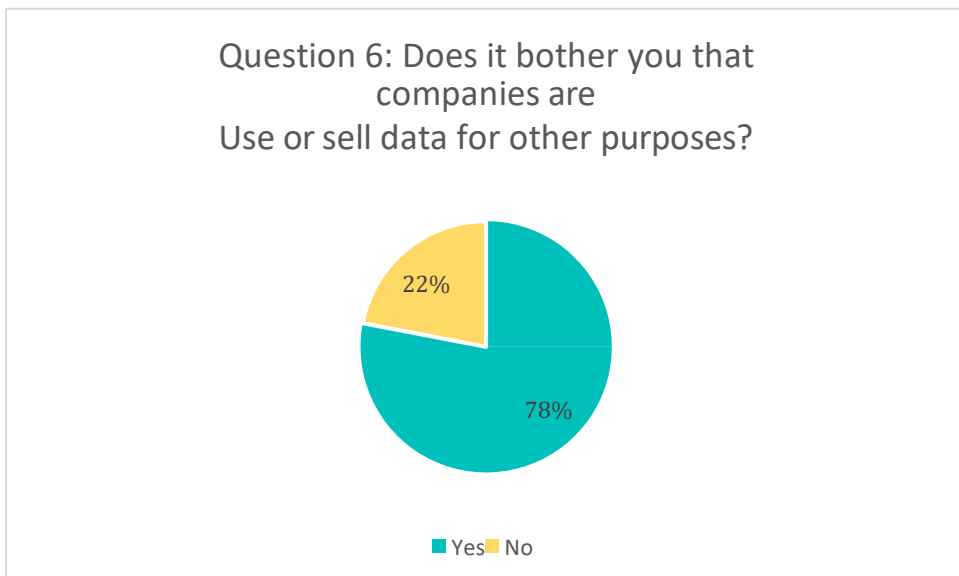
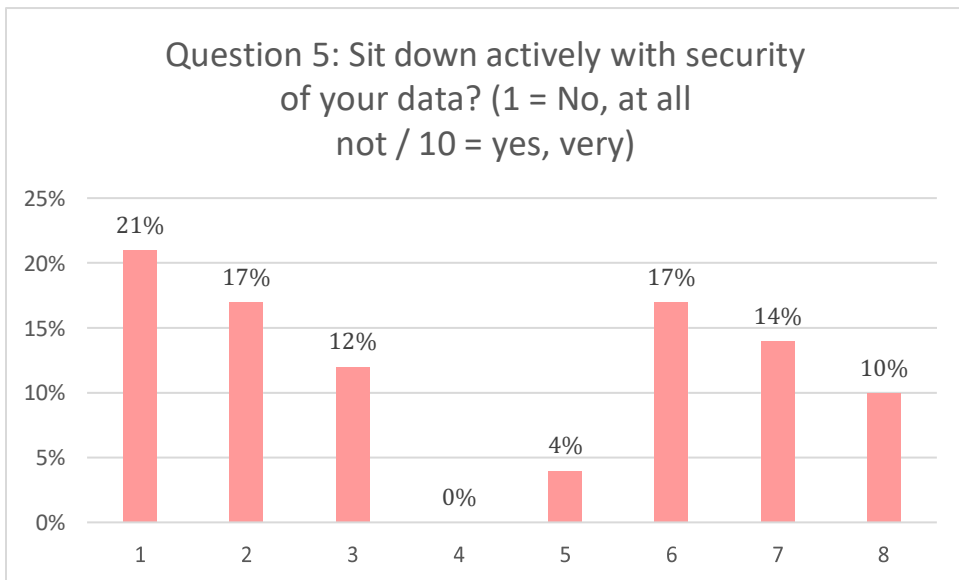
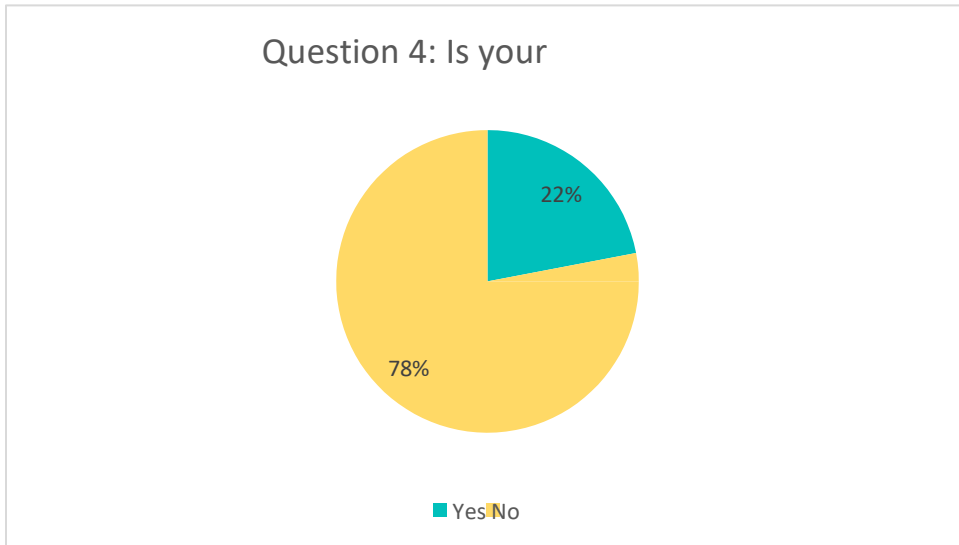
appendix

- 1.) poll
- 2.) Harvard Chatbot
- 3.) competitor analysis
- 4.) market entry strategy
- 5.) Redesign of the website Declaration of Independence

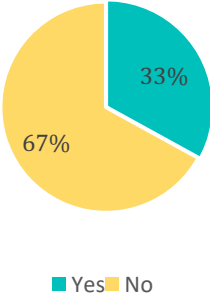
1. poll

An online survey of 143 people about the Survmetrics programme was conducted to find out how consumers are aware of their privacy rights and whether there is a demand for the Profilas service.

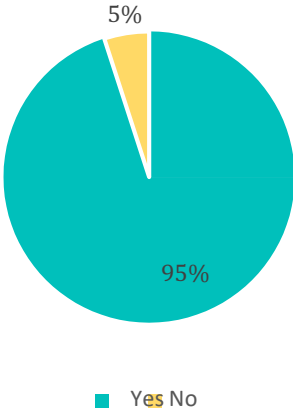




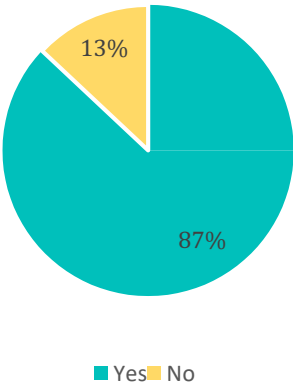
Question 7: For data protection reasons do you have
has already decided not to register with
social media or an Internet platform?



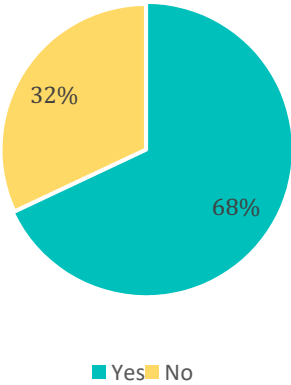
Question 8: Would you like to have more
influence on the use of your data?



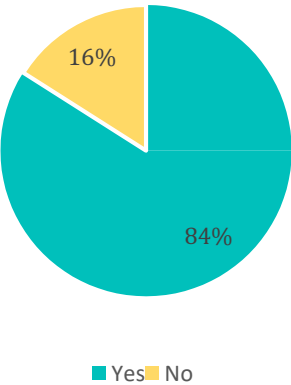
Question 9: Would you be prepared to do
that on a



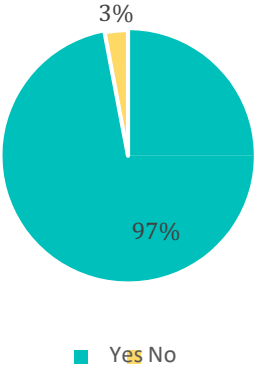
Question 10: Would you like more information?
about the use of your data?



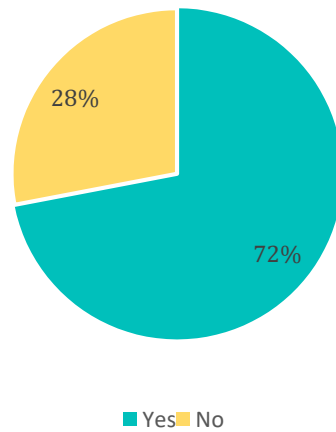
Question 11: Would you be prepared to do
this on a



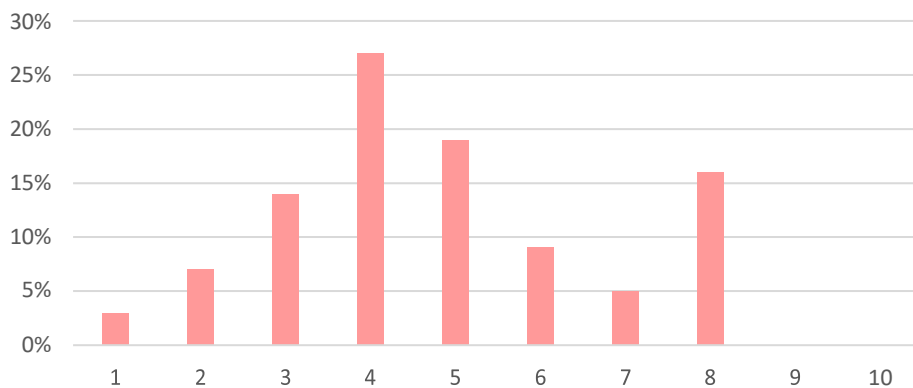
Question 12: Could you imagine disclosing
personal information on the condition that you
benefit from it?



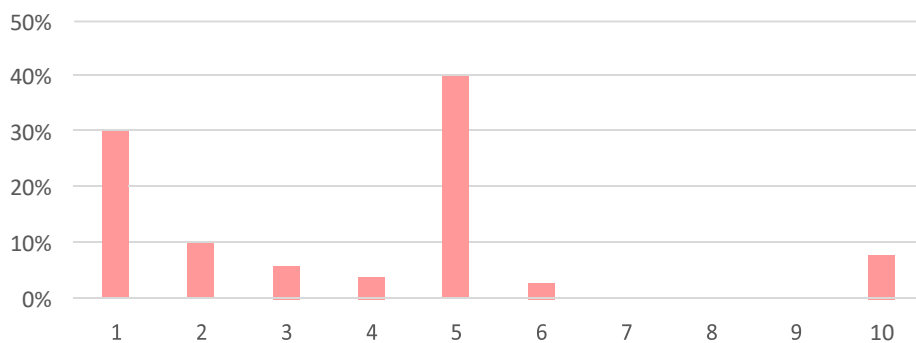
Question 13: Would you sell your data?



Question 14: How aptly do you think advertising proposed on the Internet? (1 = Not at all accurate / 10 = Very accurate)

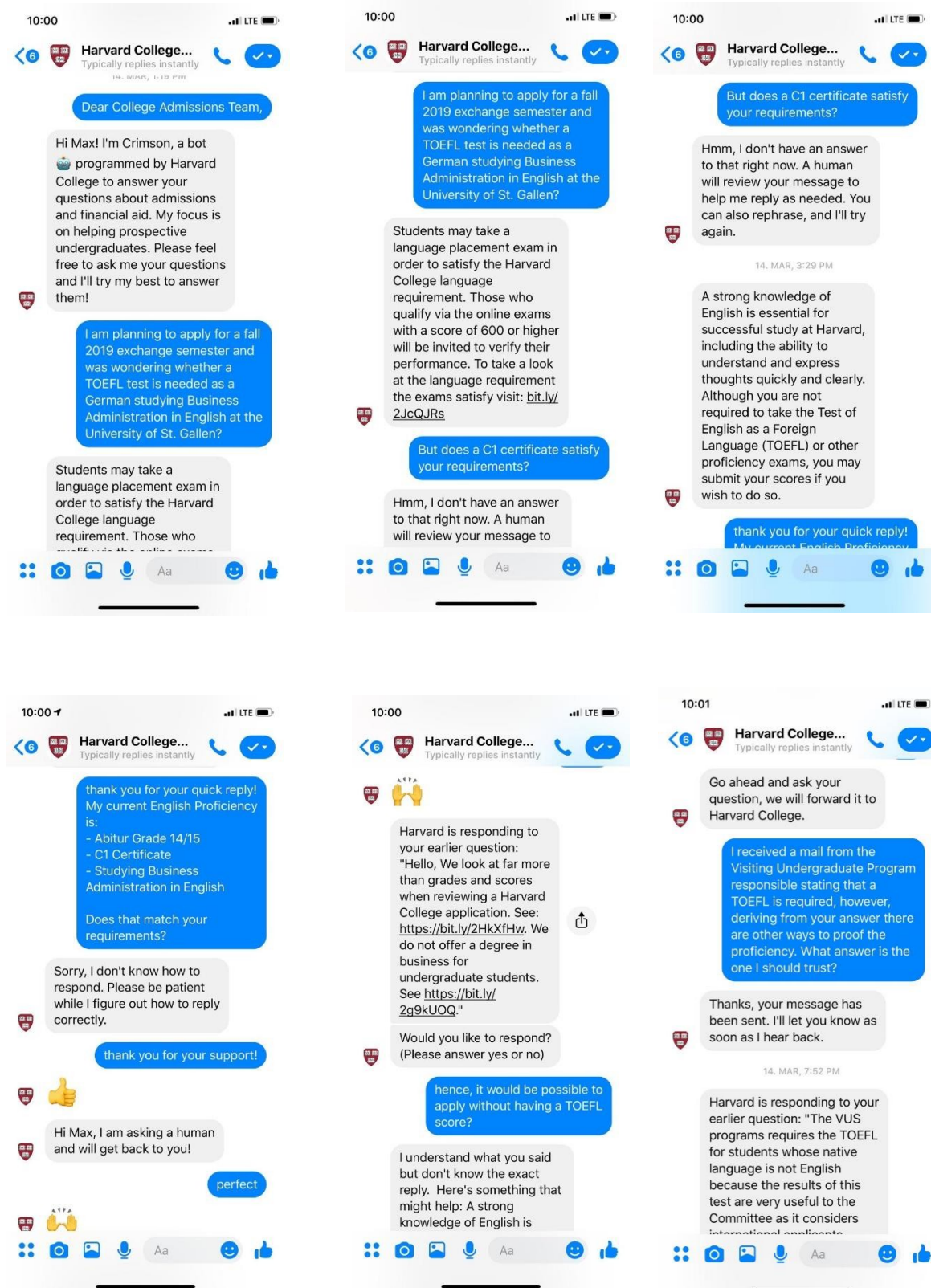


Question 15: How does it affect your perception? a trademark, if you have to accept the privacy policy when visiting the website? (1 = negative



2. Harvard Chatbot

Below is an excerpt from the Facebook chat history of Maximilian König and the Harvard College chatbot of March 14, 2019. This will help Profila to program its own chatbot and inspire it to do so.



3. competitor analysis

SnowHaze1

SnowHaze has its USP by being the first VPN provider that only needs the IP address of the user. This IP address is temporarily stored to transfer data and is immediately deleted when the connection is terminated. This has the advantage that Internet users are protected from unwanted web monitoring and marketing. SnowHaze focuses mainly on its own iOS browser and therefore has a different focus compared to Profila. However, it is a valid point of comparison in the still young Personal Data Economy.

The company was founded by five students of the Swiss Federal Institute of Technology (ETH) and was therefore nominated for the PwC SecTech Award 2018. The startup has already established itself on a small scale and has been able to position itself accordingly. It is precisely this reputation that is highly relevant in this new market, because the reputation signals its trustworthiness to potential customers.

Furthermore, the young company runs a blog with exciting and above all sensitizing information. The customers can thus inform themselves and their interest is aroused.

The student consultancy described above could, for example, look into how Profila could build up a better media presence in order to gain trust and popularity in Switzerland. In addition, other relevant factors regarding data security and consumer wishes can be derived from this business idea.

BitsaboutMe2

Christian Kunz (cited in Huwiler, 2018), co-founder and CEO of BitsaboutMe, describes his company as follows: *"We offer a platform on which they can view their online activities in bundled form and thus regain control over their data as easily as possible."* BitsaboutMe is a Berne startup founded in January 2017. Christian Kunz was active as CEO at ricardo.ch, during which time he also met his co-founder Christophe Legendre, the then CTO of ricardo.ch. (Huwiler, 2018) This curriculum vitae is also useful for the acquisition of customers, as they trust in the competence of the founders.

Capital and customer acquisition is relevant for Profila's market analysts. Private users in the fourth tier area registered on the platform in 2018. They come from Switzerland, Germany and Austria. BitsaboutMe accordingly focuses on the DACH region and narrows the

¹ For more information: <https://snowhaze.com/de/>

² For more information: <https://bitsabout.me/de/>

and then enter their target market. In March 2018, a first round of international business angel financing brought in a high six-figure sum.

Both competitors are also members of the Swiss Data Alliance³, a non-partisan alliance for innovative and fair data use in Switzerland. In this alliance, individuals, companies, research institutions and business associations exchange information on the latest trends in the personal data economy.

Such a membership would be an interesting way for Profila to access important market information. The student management consultancy would analyse such organisations in more detail and create a clean plan of how Profila can make a name for itself in the market.

³ For more information: <https://www.swissdataalliance.ch>

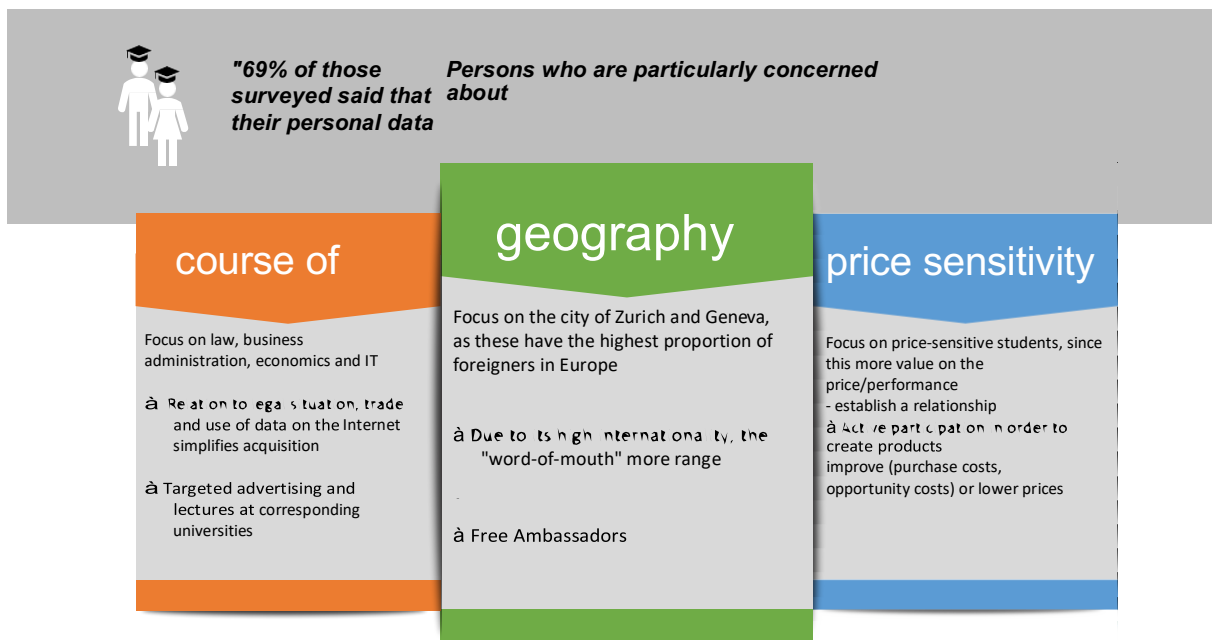
4. market entry strategy

Based on the first survey, students are the most important target group for Profila. As a result, we have further restricted this group by the categories of study programme, geography and price sensitivity.

As far as the course of studies is concerned, it would make sense to start with students who focus on law, business administration, economics or IT in a course of studies. These already have a connection to the material and the customer acquisition process can thus be designed faster and simpler. In addition, universities offer an optimal environment for targeted advertising and appropriate lectures.

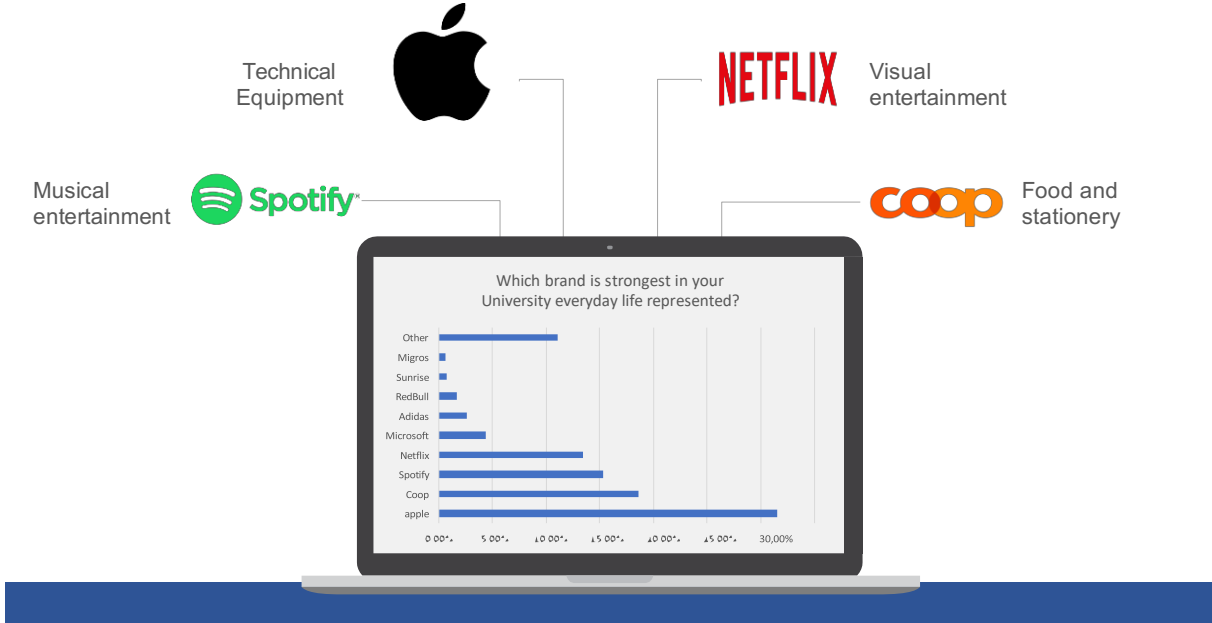
Geography is also a decisive factor. An international city such as Zurich and Geneva has the highest proportion of inhabitants with foreign passports in Europe. Thanks to their international networks, the *word-of-mouth* effect can unfold in the best possible way and has the largest reach. The users who carry the app to their home country can be seen as free ambassadors and form an optimal foundation for future expansion.

Price sensitivity is the 3 pillar and focuses on price-sensitive students, who therefore attach great importance to the price/performance ratio. They will perceive a better "performance" of different products through the control of their own data. Thus, they will actively participate in Profila to improve their position as consumers.



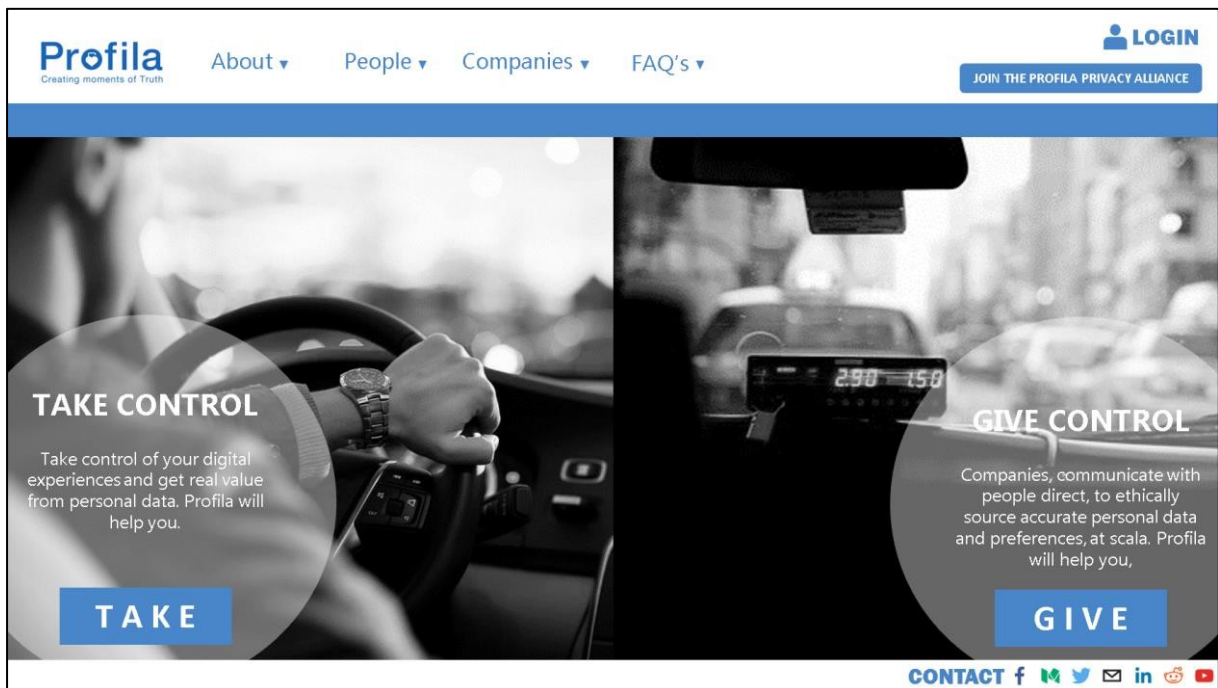
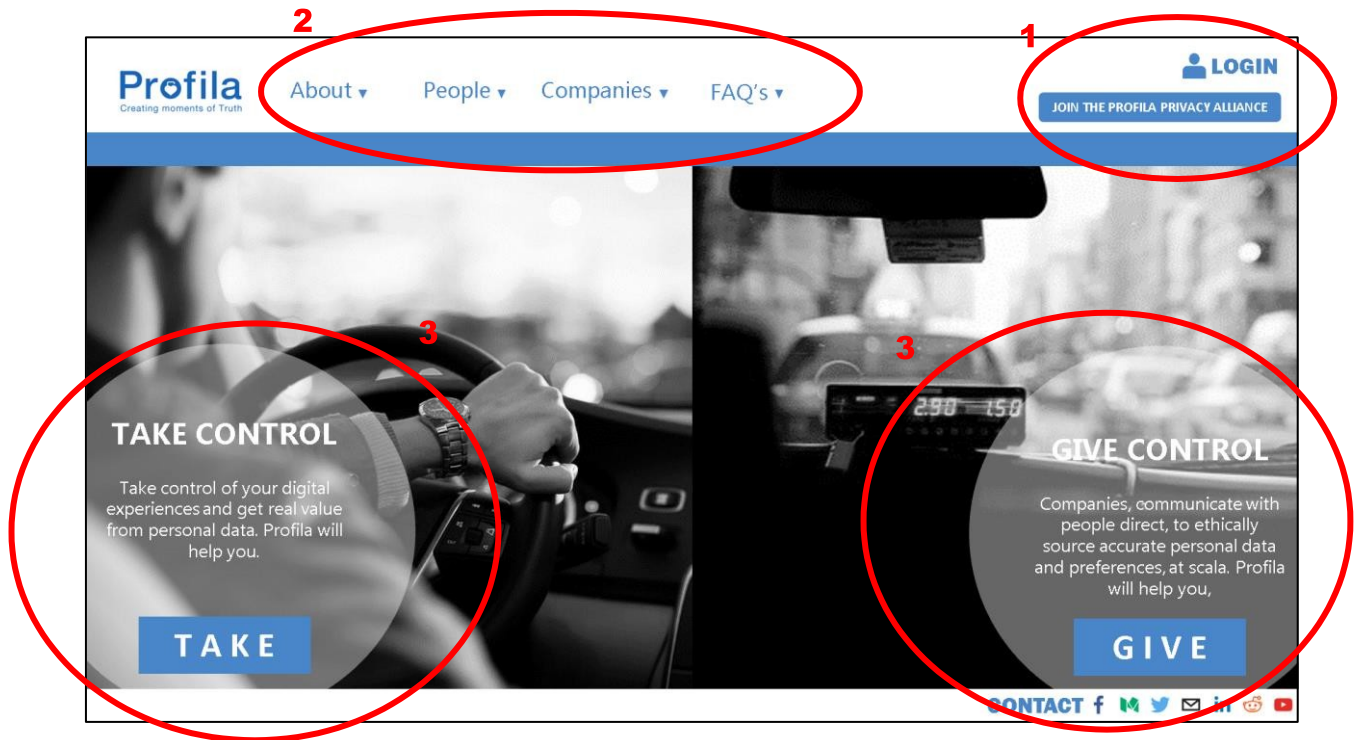
Once the group of consumers has been defined more precisely, the opposite side of the business should be taken into account. For this we have asked over 200 students the question: *Which brand is most strongly represented in your everyday university life?* By evaluating the survey

Apple, Coop, Spotify and Netflix have won through and could therefore be the first target companies for Profila. By their attractiveness the hen-egg-problem could be overcome and thus an optimal starting position could be reached.



5. Redesign of the website

The following is an idea of how the Profila homepage could be designed. Important here is a clear and immediately visible registration and login button (1), intuitively understandable subcategories (2) and an eye-catcher or call-to-action (3).



declaration of independence

"We hereby declare,

- that we have written the present work independently, without outside help and without use of other than the indicated aids;
- that we have mentioned all sources used and correctly quoted them according to current scientific rules;
- that we have acquired all intangible rights to any materials we may use, such as images or graphics, or that these materials have been created by us;
- that the topic, the work or parts thereof have not already been the subject of a performance record of another event or course, unless this has been expressly agreed in advance with the speaker and is stated in the work;
- that we will not hand over or publish any copies of this work (or any accompanying slides) to third parties without the written consent of the University, if a direct reference to the University of St.Gallen or its lecturers can be established;
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"By uploading the written work, we agree with implied action to make the declaration of independence, to have read and understood it, and that it corresponds to the truth."

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