Master's in Business Administration

MyScenario:

A Roleplay-Based Language App

Author: Emily Mae Borgemenke

Supervisor: Antonio Tena Blázquez

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Executive Summary

The MyScenario business plan provides a comprehensive roadmap for launching and sustaining an innovative language learning application. The app leverages AI-driven, scenario-based methods to offer practical language learning solutions that cater to both individual learners and corporate clients. The plan begins with a thorough market analysis, identifying key trends and opportunities within the language learning industry, highlighting the increasing demand for interactive and personalized educational tools.

Marketing strategies are designed to drive user acquisition and engagement through targeted campaigns, influencer partnerships, and content marketing. The operational plan ensures smooth app development, launch, and scaling phases, with a focus on user feedback and continuous improvement.

The HR plan outlines a remote-first organizational structure, enabling MyScenario to attract a diverse pool of talent from Eastern Europe while maintaining cost efficiency. Key roles, including developers, content creators, and marketing specialists, are detailed with their responsibilities and strategic importance to the company's growth.

Financial projections and the business valuation section detail the initial funding strategy, consisting of a founder's contribution and a bank loan, along with a breakdown of development and operational expenses. The plan emphasizes prudent financial management, projecting substantial revenue growth through a freemium model supplemented by premium subscriptions and ad revenue.

Analysis of the business's potential sustainability and social impact highlights MyScenario's alignment with United Nations Sustainable Development Goals, emphasizing quality education, economic growth, and reduced inequalities. The plan concludes with a risk assessment and strategies for mitigating potential challenges, underscoring the company's commitment to long-term success and positive societal contributions.

Keywords:

➢ EdTech

➢ Language Learning

➢ Roleplay

➢ AI-integration

➢ Application

➢ Freemium

➢ User Engagement

I.   Introduction

Billions of people globally engage in learning a second language, contributing to the vast and economically significant language learning industry. Traditional and formal learning methods remain popular; however, an increasing number of learners are turning to online tools and mobile applications to enhance their language skills. This trend is exemplified by the success of platforms like Duolingo and Busuu, which have reported significant growth in user engagement and revenue, especially during the COVID-19 pandemic—a period that saw these applications reaching millions of active users worldwide (Qi, 2021).

The industry's growth trajectory has been particularly steep in the 2010s, further accelerated by advances in artificial intelligence. AI integration in language learning tools allows for the creation of adaptive learning environments that customize educational content based on the learner's proficiency and pace. This personalization enhances the efficacy of learning by dynamically adjusting the difficulty and focus of exercises based on real-time analysis of user responses (Meniado, 2023).

Moreover, the ubiquity of mobile apps has transformed language practice, offering unprecedented convenience and accessibility. This flexibility opens up language learning to a broader audience, including those who might find traditional classroom settings challenging due to time constraints or personal preferences. Additionally, the integration of gamification features such as points, levels, and interactive challenges has not only made learning more engaging but has also significantly improved user retention rates.

The incorporation of social features within these apps—like leaderboards and community challenges—introduces a competitive and communal element to language learning, further driving user engagement by fostering a sense of connection among learners. The industry's pivot toward more interactive and socially driven experiences reflects broader consumer preferences for digital solutions that are not only educational but also engaging and community-oriented.

Cultural understanding also plays a critical role in the effectiveness of these language learning applications. As learners engage with different languages, they are inevitably exposed to the cultural nuances that shape communication practices globally. Recognizing and integrating these cultural aspects can significantly enhance the learning experience, making it more comprehensive and reflective of real-world language use. Good apps should be developed to ensure that they provide learners with a well-rounded understanding of both the language and its cultural context. This approach not only enriches the learning process but also prepares learners to use their new language skills in a variety of cultural settings, promoting greater empathy and understanding across different communities (Hossain, 2024).

To be clear, the language learning application industry is adapting rapidly to meet the demands of a digitally connected and increasingly busy global population. This adaptability, coupled with technological advancements, positions the industry well for continued growth and innovation. As these trends continue to develop, they will likely shape the future of education technology, making language learning more personalized, accessible, and engaging for users around the globe (Meniado, 2023).

I.I Concept Origins

The concept of MyScenario comes from an array of personal challenges I have faced along the way in my language learning journey. Having grown up in a monolingual environment with a distinct lack of diversity, I had very little previous exposure to Spanish or any other foreign language prior to finding myself in Spain as an adult. An often-repeated rhetoric is that total immersion is uncontestably the best way for anyone to learn a second language. However, there are major gaps in the available research preventing confirmation that adults truly benefit from this method equally as much as children, or early language learners, who have well-known advantages to second language acquisition.

While it is true that—through immersion and having to make my way through a wide variety of situations I was wholly unprepared for at the time—my Spanish has improved considerably, it was far from seamless. One key factor that affected my quality of life was that I lost the level of independence I had back in my home country as simple, day-to-day tasks were ever more challenging than before.

Traditional classes are one possible solution to this problem, but they still often leave a hole as they fail to focus on functional language. Instead, they often focus on building proficiency through more traditional methods of grammar and vocabulary teaching. While learning grammar and a wide range of vocabulary is no doubt important, often foreigners or language learners desperately need concrete, functional language and explanations of what's expected in different situations, say needing to make a return at the store. And to practice that specific exchange in a safe environment.

When I looked for language learning resources that could help me prepare for these situations, I often found myself without any high-quality option or options that were just plain boring. Alternatively, I would find a high-quality option for English language learners and yet little to none for Spanish language learners, despite it being one of the most sought languages to learn. According to the Instituto Cervantes, Spanish is the second most natively spoken language in the world and one of the most widely studied. In fact, in 2020, over 22 million students were officially enrolled in a Spanish as a foreign language course globally (Instituto Cervantes, 2020). This disparity in resource quality and availability highlights a significant need for more engaging and practical language learning tools.

Born from my experience, the concept of MyScenario is an application that would have been perfect for me and many others early on in our language learning processes. The application proposed in this business plan aims to address this missing need in the language learning market, providing a solution to many struggling language learners.

I.II Objectives

The objective of this business plan is to verify the viability and feasibility of MyScenario by analyzing industry and business aspects. This project will aim to answer the following questions utilizing the listed methods:

➢ Does MyScenario truly have strong USPs and a strong UVP within the market language learning applications?

➢ Who is MyScenario's target user and how will we market to them?

➢ Is this a financially viable business?

II.   Market Research

In the competitive landscape of language learning applications, rigorous market research is essential for launching and positioning new products effectively. Both primary and secondary market research have been conducted to capture a comprehensive understanding of consumer behaviors and industry dynamics. Through surveys, sentiment analysis, and competitive benchmarking, we gain deep insights into user needs and preferences. Additionally, secondary research helps us identify market trends and benchmark against competitors, ensuring MyScenario aligns with market demands and stands out in a crowded marketplace.

II.I Language App Industry: Porter's Five Forces

In order to shed light on the unique dynamics and influences within the language learning applications industry, a Porter's Five Forces analysis has been conducted. The five forces analysis allows us to understand the competitiveness of the market and the underlying contributing factors. Similarly, it allows us to examine language representation.

II.I.I Threat of New Entrants: Moderate

In the saturated English language learning market, new entrants face tough challenges. Although technology-related barriers are low, distinguishing a brand and attracting users present as tough tasks due to the firm grip held by established brands like Duolingo, Rosetta Stone, and Babbel. These players use their early market entry and strong brand identities to their advantage, which in turn sets high standards in terms of app design, content quality, and user engagement. For newcomers to make a dent, they need to differentiate and introduce truly innovative or specialized features. In contrast to the English market, apps focusing on other languages encounter fewer entry barriers due to the fewer competitors and a scarcity of specialized content, offering a potential advantage for those who can provide superior material in these less-served languages.

Furthermore, the entry of AI-based language learning applications is further intensifying competition in an already crowded market, particularly in the English language learning segment. These new entrants are equipped with advanced technological capabilities, such as personalized learning experiences and adaptive content, which can distinguish them from traditional apps. However, while AI technology lowers some barriers related to content personalization and user engagement, the challenges of brand differentiation and user acquisition remain high. Similarly, many of these AI-based apps entering the market are of low-quality, relying purely on AI elements with no human component, which can leave them feeling rather dull or hollow.

II.I.II Rivalry Among Existing Competitors: Very High

As touched on in the previous section, the rivalry in the English language segment is cutthroat, with key major players like Duolingo, Memrise, and Babbel frequently enhancing their features and engaging in aggressive marketing tactics. These companies are often locked in price competitions, offering special deals and constantly upgrading their apps to secure and grow their user base. The competition is less intense in markets for other languages, where fewer players exist, and the industry is less crowded.

The introduction of AI technologies in language learning apps has likewise escalated the rivalry among existing competitors, particularly in the English learning segment. Major companies are now not only updating their features but are also integrating AI to enhance personalized learning paths and real-time feedback mechanisms. This race to adopt AI capabilities is reflective of the need for continuous innovation to succeed in this industry. Companies like Duolingo, Memrise, and Babbel are frequently rolling out new AI-driven features to improve learning efficiency and user engagement. This also allows them to increase their price for new "premium features" based on AI-integration.

These advancements increase the pressure on all players. And this pressure is further increased by the previously discussed flooding of the market with AI-based apps. The competition is less intense but expected to grow in segments focusing on other languages. These updates reflect how AI technology is shaping the strategic dynamics in the language learning application industry, influencing both the threat of new entrants and the intensity of rivalry among established companies.

II.I.III Bargaining Power of Suppliers: Low

In this industry, suppliers include technology developers, content creators, and infrastructure providers (such as servers). The leverage held by suppliers in the language learning application industry varies depending on the language and the economic context of the content creators. For English language applications, the surplus of content creators and technological developers in a saturated market weakens their bargaining power. Companies have a plethora of choices for sourcing content, which enables them to keep costs low and opt for suppliers offering the most competitive rates without compromising on quality. The development of AI has also managed to further weaken the bargaining power of content creators. The primary stages of creation can be outsourced to AI followed by a second stage where content becomes refined by an expert.

In contrast, for less commonly taught languages, the scenario can be quite different. Although specialized content creators are fewer and might typically wield more power due to the scarcity of their offerings, the economic realities of the regions they operate in can significantly affect this dynamic. In countries with weaker economies and lower currency values, even high-quality content providers may find themselves with reduced bargaining power. Companies based in stronger economies can capitalize on these economic disparities, securing premium content at lower costs due to the favorable exchange rates. This situation often forces local suppliers to accept less favorable terms, diminishing negotiation power.

II.I.IV Bargaining Power of Buyers: High

Buyers in the language learning app market hold considerable bargaining power, primarily due to their price sensitivity and the low switching costs associated with abandoning one resource for another. The English market in particular is flooded with a variety of options, including an abundance of free services, which heightens consumers' sensitivity to pricing differences. This type of market enables users to easily compare features and costs across different platforms, allowing them to choose the most cost-effective solution for their needs.

This lack of switching costs places additional pressure on companies to connect with consumers through their branding as well as continuously innovate and improve their offerings. Similarly, it forces them to keep their prices competitive to retain users who might otherwise opt for more affordable or differentiated alternatives.

On another note, the varied goals and commitment levels of language learners influence their price sensitivity. Casual learners may be unwilling to pay for premium features if they do not perceive a substantial enhancement in their learning outcomes. However, more serious learners or those seeking more unique value propositions might be willing to pay more for what they see as a premium or specialized feature.

In this competitive landscape, companies must not only offer distinct and valuable features but also ensure that their pricing models are sensitive to the economic considerations of their target audience. Balancing pricing with perceived value is crucial for retaining users.

II.I.V Threat of Substitute Products or Services: High

The threat from substitute products and services varies but remains a significant factor industry-wide. Traditional learning methods such as language courses or personal tutors compete fiercely, especially in the case of more serious language learners (e.g. those preparing for certification exams) or in regions where tech adoption is lower. Platforms like iTalki and Lingoda, which connect learners with live classes they can choose from, also provide a tech alternative to in-person classes. Some leading players, like Babbel are competing with this already by offering their own live classes.

Additionally, free online resources challenge app-based solutions. In the realm of English learning, the wide array of high-quality resources available online heightens this threat. Similarly, there is a huge selection of paid-for resources, like self-study textbooks, available for English language learners. For less commonly taught languages, though, high-quality substitutes are scarcer, somewhat mitigating the competitive pressure in these segments.

Overall, the above analysis using Porter's Five Forces shows us that the language learning application industry showcases a high competitive intensity, particularly in the domain of English learning, where innovation is relentless. Successfully entering this space appears rather difficult for new entrants. The analysis emphasizes the need for high content quality and strong differentiation to attract and retain a loyal user base. Offering languages beyond English is also an opportunity for new entrants.

II.II PESTEL Analysis

To identify and better prepare for current opportunities and threats in the language learning industry, a PESTEL analysis has been conducted. This analysis looks at six key areas: Political, Economic, Social, Technological, Environmental, and Legal factors. These areas are further broken down into area-specific opportunities and threats. By examining these aspects, we can understand the broader environment that affects the language learning application market. This understanding will help us in making informed decisions and planning effectively for MyScenario.

II.II.I Political Factors

Opportunities

Government Support and Funding: Governments worldwide may introduce programs, grants, or incentives to promote language learning as part of their educational improvement initiatives or to enhance workforce skills in a global economy. Language learning applications could benefit from such funding or partnerships, increasing their user base and market penetration.

Regulatory Support for EdTech Innovations: With a growing recognition of the importance of technological solutions in education, there might be a regulatory push towards digital learning tools. This could include easing restrictions or providing guidelines that favor the development and adoption of language learning applications, potentially creating new markets.

Threats

Regulatory Challenges Across Different Regions: The global nature of language learning apps introduces complexities due to varying regulations across countries regarding data privacy, digital content, and online education standards. Navigating these could require significant legal and compliance resources, potentially hindering rapid expansion.

Political Instability: Political instability or strained relations between countries can affect market access and the operational capabilities of language learning apps, especially those that rely on cross-border interactions and content sharing.

II.II.II Economic Factors

Opportunities

Globalization of Businesses: As businesses continue to operate on a global scale, the demand for multilingual employees increases. Similarly, Language learning applications can capitalize on this trend by offering targeted courses for professional and business purposes, tapping into a growing market segment (Sándor, 2012).

Increasing Smartphone Penetration: The continuous growth in smartphone and internet penetration worldwide, particularly in emerging economies, presents a significant opportunity for mobile-first language learning platforms to expand their user base.

Threats

Economic Downturns: Economic factors such as inflation and fear of impending recession may lead to cuts in discretionary spending, affecting paid subscriptions for language learning as users might prefer free resources during such periods.

Low Economic Barrier to Entry: The economic barrier to entry for the digital space can be low, leading to a crowded market of application of varying quality. Intense competition can lead to price wars, requiring companies to innovate continuously while managing costs effectively.

II.II.III Social Factors

Opportunities

Growing Interest in Cultural Exchange: There's a rising interest in cultural exchange and global travel, motivating individuals to learn new languages. Language learning apps can leverage this by incorporating cultural education into their curriculum, enhancing user engagement.

Demographic Trends Favoring Lifelong Learning: With an aging population in many developed countries and a focus on continuous personal and professional development, there's an opportunity for language learning apps to cater to a wider age range, from young learners to seniors.

Threats

Changing Learning Preferences: The fast-paced digital environment constantly evolves how individuals prefer to learn, with a growing expectation for personalized, engaging, and flexible learning experiences. Apps failing to meet these evolving preferences may quickly become obsolete.

Digital Divide: Despite advancements, a digital divide still exists in many regions, limiting access to online learning resources for certain demographics. This could restrict the potential user base for language learning applications, particularly in less developed regions.

II.II.IV Technological Factors

Opportunities

Advancements in AI and Machine Learning: The integration of AI and machine learning technologies offers personalized and adaptive learning experiences, making language learning more efficient and engaging. This can be a significant differentiator in the market.

Threats

Rapid Technological Changes: The fast pace of technological innovation requires constant updates and improvements to stay relevant. Apps that fail to keep up with these changes risk being outperformed by more technologically advanced competitors.

Cybersecurity Risks: As language learning applications collect and store significant amounts of personal data, they become targets for cyber attacks. Ensuring data protection and privacy requires ongoing investment in cybersecurity measures, which can be costly.

II.II.V Environmental Factors

Opportunities

Sustainability and Reduced Carbon Footprint: Digital language learning solutions are inherently more environmentally friendly than traditional classroom-based options, requiring no physical materials and minimal travel. Highlighting this aspect can appeal to environmentally conscious consumers.

Promotion of Global Environmental Awareness: Language learning apps have the unique opportunity to incorporate global environmental issues into their content, promoting awareness and encouraging a more informed and conscientious global citizenry.

Threats

Energy Consumption of Digital Infrastructure: The environmental impact of the digital infrastructure needed to support online learning platforms, including data centers and network systems, is increasingly scrutinized. Balancing performance with sustainability efforts can be challenging.

Regulations on Digital Waste: With the growing concern over digital waste and energy consumption, regulations could impose more stringent requirements on tech companies, which would likely include EdTech companies like language learning applications.

II.II.VI Legal Factors

Opportunities

Enhanced Data Protection Frameworks: With increasing global focus on data privacy, language learning apps that rigorously adhere to these legal standards can leverage their compliance as a key differentiator, attracting users who value privacy.

Intellectual Property Rights: Properly managing intellectual property rights can offer language learning apps a competitive edge, ensuring exclusive content and technologies that enhance user experience and retention.

Threats

Varying Data Protection Laws: Navigating the global maze of data protection regulations can be costly and complex, particularly for apps operating across multiple jurisdictions.

Complex Global Regulations: The widespread operations of language learning apps face complicated legal landscapes across different countries. Adhering to varied regulations concerning online services, copyright laws, and user data protection can be both resource-intensive and restrictive.

Key takeaways include the potential for leveraging government educational initiatives and advanced AI technologies to enhance learning platforms. However, the analysis also highlights challenges such as navigating diverse international regulations and the need to rapid technological changes. Staying proactive in addressing these opportunities and threats will enable us to proactively prepare MyScenario for this environment.

II.III Primary Market Research: Survey

As part of a comprehensive market analysis, a structured market research survey has been designed to extract insights into the intricate relationship between language learning and self-perceived ability, with a specific focus on confidence levels. The survey aims to better understand the language learning journey of individuals, examining their self-confidence when using their target language and exploring their personal preferences in language acquisition tools.

II.III.I Methodology

This section outlines the methodology employed in conducting the market research survey for MyScenario. The methodology combines various sampling techniques and tools to ensure a diverse and relevant dataset, which underpins the reliability and depth of the insights gathered.

Universe

To explore the intricate relationship between language learning and self-perceived ability, a structured market research survey was deployed, targeting primarily adults aged 18 and older who are either Spanish speakers learning English or English speakers learning Spanish. This demographic was chosen to align directly with individuals seeking bilingual proficiency, which is central to MyScenario's objectives. The survey aimed to collect 150 unique responses to ensure a comprehensive analysis, with the final tally reaching 158 responses, consisting of 94 from English learners and 64 from Spanish learners.

Sampling and Data Collection

The survey utilized a mix of convenience, snowball, and purposive sampling methods to achieve a relevant respondent base. Distributed via Google Forms for ease of access and completion, the survey reached participants through personal networks, LinkedIn, and

targeted online communities, such as tourism or language-learning-focused Facebook groups and subreddits.

The surveys were administered online using Google Forms, which allowed for easy distribution and completion. The collection period lasted six weeks, providing ample time for a diverse range of participants to respond.

Survey Design

The survey methodology for MyScenario revolves around a meticulously structured survey aimed at a diverse group of respondents who are actively engaged in learning either English or Spanish. The survey was distributed in two languages—English and Spanish—to ensure respondents could answer in their target language or the language they were more comfortable with. This dual-language approach helped mitigate potential language barrier issues in understanding and responding to the survey questions.

The survey comprises a series of questions segmented into three distinct sections, each designed to uncover different facets of the language learning experience:

1. **Language Proficiency and Motivation:**

This section captured critical information such as the respondent's target language, their estimated proficiency level, the duration of their language learning, their primary motivations for learning, and the methods they have employed thus far in their studies.

2. **Self-Identified Confidence in Abilities:**

Respondents were asked to self-assess their confidence in various language competencies, such as reading, writing, listening, and speaking. Additionally, they are requested to gauge their confidence in successfully navigating specific real-life situations using their target language. These situations are potential module content for MyScenario, making this section valuable for tailoring app features to real user needs.

3. **Language Learning App Preferences:**

The final section inquired about the respondent's experiences with and attitudes towards language learning apps. It aims to identify which features of such apps are most valued by learners, including AI-driven feedback on pronunciation, grammar correction tools, scenario-based role-play, and other traditional language learning modules.

The survey was designed as a self-administered, structured survey that could be completed in 5-10 minutes. The English version of the survey can be seen in its entirety on pg. 63-65.

Data Processing & Analysis of Survey Results

Responses were coded as nominal or ordinal variables depending on the question type, allowing for detailed quantitative analysis. This process involved:

Translation and Standardization: Responses in Spanish were accurately translated to English to allow for standardized analysis. This was simple given the 1:1 nature of the design between the two surveys.

Coding: Each response was coded based on variable type (i.e. 0/1 for dichotomous, scaled for ordinal, and dummy variables were assigned to nominal variables). This allowed for effective aggregation and comparison.

Export and Quantitative Analysis: Data was exported to Excel, where statistical tools were employed to calculate means and percentages. This helped identify trends and differences between the learning experiences of English and Spanish learners.

II.III.II Survey Results

The results section delves into the data collected from the market research survey, providing a detailed analysis of language proficiency, motivation, and app preferences among English and Spanish learners. By examining these elements, the section highlights significant trends and preferences that are essential for the strategic development of MyScenario, aligning product features with learner needs and market demands. Results can be seen in their entirety in the appendices on pages 66-69.

Language Proficiency and Motivation

This section's analysis reveals varied language proficiency levels among learners. English learners reported a slightly higher average proficiency level, indicating a deeper familiarity or effective study methods. The main motivations for language learning showcased distinct cultural and practical desires. For instance, English learners show a stronger inclination towards using language learning for business purposes (60% compared to Spanish learners at 25%) and educational studies (30% vs. 16%).

Conversely, Spanish learners more frequently cite moving to or living in a Spanish-speaking country as a primary motivation (63% compared to 19% for English learners). Interestingly, both groups similarly prioritize personal interest, travel, and enrichment, highlighting a universal appeal of language learning for personal growth and exploration.

Self-Identified Confidence in Abilities

When examining self-identified confidence across various language scenarios, the data indicate a higher confidence among English learners in more structured and social scenarios, such as "Making a dinner reservation" and "Presenting at school or work," where they outperform Spanish learners. However, both groups show lower confidence in potentially stressful interactions, such as "Responding to an upset customer or client."

When it comes to factors affecting confidence, "Challenges with Grammar" are notably more pronounced for Spanish learners (44%) compared to English learners (19%), indicating potential areas for targeted improvement in language programs. Accent and fluency issues also notably affect confidence. Spanish learners are particularly impacted by a lack of

situation-specific vocabulary (66%) and fluency issues (56%). English learners also report these issues but at slightly lower rates: 53% for vocabulary and 36% for fluency.

Language Learning App Preferences

A strong appreciation is shown for language learning apps, with both Spanish and English learners indicating over 80% find them useful. Mobile devices are the most common tool for accessing language learning resources, used by 91% of Spanish and 66% of English learners. This high usage underscores the importance of mobile platforms in modern language education.

Among app features, "Grammar Correction with AI-generated Explanations" is highly valued by both groups, with 81% of Spanish and 51% of English learners expressing interest. "Scenario-Based Roleplay with AI" is preferred by 75% of Spanish and 49% of English learners. Similarly, significant interest is shown in "Scenario-Based Roleplay with an Online Language Partner", attracting interest from 59% of Spanish and 45% of English learners. When it comes to instant feedback on pronunciation by AI, 31% of Spanish learners value it, while a higher proportion of English learners, at 53%, find this feature useful. This highlights a significant interest in pronunciation tools, particularly among English learners, reflecting a focus on mastering the sounds and intonation of the language.

Limitations

The primary limitations of this study stem from its reliance on convenience and snowball sampling techniques, which may not accurately represent the broader demographic of language learners. These methods, while effective for gathering a quick sample, often lead to biases as the sample is drawn from the researcher's immediate network and their connections, potentially skewing data towards specific user behaviors or preferences. Similarly, the fact that only English speakers learning Spanish and Spanish speakers learning English were targeted further skews data. The results are also not necessarily representative of natives of other languages learning English or Spanish.

Discussion of Survey Results

The survey results have several key implications for the development of MyScenario:

1. **Support for Situation-Specific Vocabulary**: There's a clear need for apps to support learners with functional, situation-specific vocabulary. This is particularly crucial for learners who wish to use the language in practical contexts, like travel or living abroad, as highlighted by the high interest in scenario-based roleplays.

2. **Roleplay-Based Learning**: The interest in scenario-based roleplays, both with AI and real partners, confirms the market demand for interactive and practical language learning tools. This supports MyScenario's roleplay USP.

3. **Community Features**: Given the substantial interest in roleplay with language partners, developing community features such as user interaction platforms could be a strategic post-launch enhancement. This would support peer learning, which could improve language acquisition outcomes (Vuogan and Li, 2022).

4. **Focus on Grammar over Pronunciation**: While pronunciation tools are valued, they are not as critical to our target demographic as grammar support. Focusing on integrated AI feedback for grammar could be more beneficial and resource-efficient, aligning with user priorities and existing market offerings. Similarly, there are already AI-driven apps like ELSA that specialize in this feature.

II.IV Primary Market Research: Benchmarking

In the booming industry of language learning applications, the diversity of offerings and strategies is substantial, as indicated by the below benchmark analysis. This benchmark allows us to see that even brands similar in size or segment have distinct differences, reiterating the need for differentiation in the market. For benchmark purposes, ELSA Speak, Praktika.ai, and Lola Speak were chosen as representatives of more direct competitors. Conversely, Duolingo and Babbel were included to represent industry giants.

Figure 1:Benchmark - Language Learning Apps

Feature	MyScenario	ELSA	praktika.ai	LoLa	Babbel	duolingo
Pricing Model	Freemium €11.99/mo Annual: €7.99/mo	Subscription €18.74/mo Annual: €14.17/mo	Subscription €11.66/mo Annual: €9.17/mo	Subscription €14.99/mo Annual: €4.98/mo	Subscription €10.50/mo Annual: €5.99/mo	Freemium €16.99/mo Annual: €7.33/mo
Languages Offered	2	English	English	English	13	42
Downloads (Play Store)		10 M+	1 M+	100K+	50 M+	500 M+
Avg. Rating (Play Store)		★★★★★ 4.6	★★★★★ 4.8	★★★★★ 4.7	★★★★★ 4.6	★★★★★ 4.7
Learning via Role-Play	✅ Scripted, unscripted, developed stories	✅ Text-heavy, natural voice, not advanced	✅ Conversation with talking head, text heavy	✅ 100% Scripted, integrated into engaging real life videos	✅ Scripted, underdeveloped	❌ Duo Max: iOS, select markets
AI-Integration	✅ Grammar feedback, custom scenarios	✅ Focus on pronunciation	✅ Can create custom scenarios	✅ Pronunciation help	❌ None	❌ Duo Max: iOS, select markets

Source: Own Elaboration

MyScenario, with its freemium pricing model, seeks to broaden accessibility for learners, aligning itself with Duolingo in offering core language tools without initial cost, while also enabling access to advanced features through premium options. The choice to adopt a freemium model allows MyScenario to stand out against their closer competitors. Similarly, the monthly and annual fees set for MyScenario places them squarely in line with other competitors.

In terms of language options, most competitors focus predominantly on English, addressing the largest market of language learners. In contrast, leading platforms like Babbel and Duolingo stand out by offering an expansive range of languages, indicating a strategy to capture a more diverse audience. The gap in the market represents an opportunity for developing new apps.

The metrics of app downloads and user ratings are pivotal indicators of consumer reach and satisfaction. Duolingo's significant download figures reflect its robust market penetration, while Praktika's superior user rating suggests it delivers a learning experience that resonates well with its users.

Regarding learning methodologies, MyScenario distinguishes itself with its emphasis on roleplay, setting the stage for interactive, scenario-based language practice. This stands in contrast to competitors that may rely more on scripted content and traditional learning modules, positioning MyScenario as a platform for users who seek to enhance their language skills through practical engagement.

While AI customization features are prevalent across several platforms, with varying focuses from pronunciation to creating custom scenarios, MyScenario differentiates itself by allowing users to choose whether they would like to complete situation-specific learning modules and whether they prefer scripted or unscripted roleplay. Furthermore, users will have a custom, text-only scenario option in which they can describe their desired scenario. This strategic choice points towards a niche where MyScenario can excel by tailoring the learning experience without the emphasis on grammar mastery or phonetic training, which may cater to learners who prioritize other aspects of language mastery beyond functional, everyday skills.

This benchmark analysis not only sheds light on MyScenario's strategic position within the industry but also underscores the importance of tailored experiences in language learning applications. Recognizing the competitive landscape is crucial for pinpointing areas where MyScenario can innovate and excel, thereby securing a unique place in the market.

II.V Primary Market Research: Sentiment Analysis

In conducting a detailed sentiment analysis of the competitive landscape within the language learning application market, we focused on three major competitors—ELSA Speak, Lola Speak, and Praktika. This analysis digs deeper into specific themes frequently mentioned by users, offering insights into each application's strengths and areas that could be improved.

II.V.I Methodology

For the sentiment analysis component of the market research performed, Vader Lexicon was utilized to parse through Google Play Store reviews, categorizing the sentiments into basic (positive, neutral, negative) and advanced groups based on predefined categories crucial to app performance. These categories included usability, content quality, features, customer support, and technical issues, with specific keywords assigned to each for a refined analysis.

The analysis was performed using Python to automate the extraction and categorization processes, enhancing accuracy and efficiency. Following the computational analysis, results were exported to Excel. This integration allowed for a detailed examination and easy visualization of sentiment trends, aiding in the precise identification of areas for improvement.

By conducting both basic and advanced sentiment analyses, the methodology provided a comprehensive overview of user opinions, highlighting strengths to be leveraged and weaknesses to be addressed. This dual-layered approach ensures that development efforts are directly aligned with user expectations, thus enhancing potential user satisfaction and retention in MyScenario.

II.V.II Sentiment Analysis Results

Figure 2: ELSA Speak – Sentiment Analysis Results
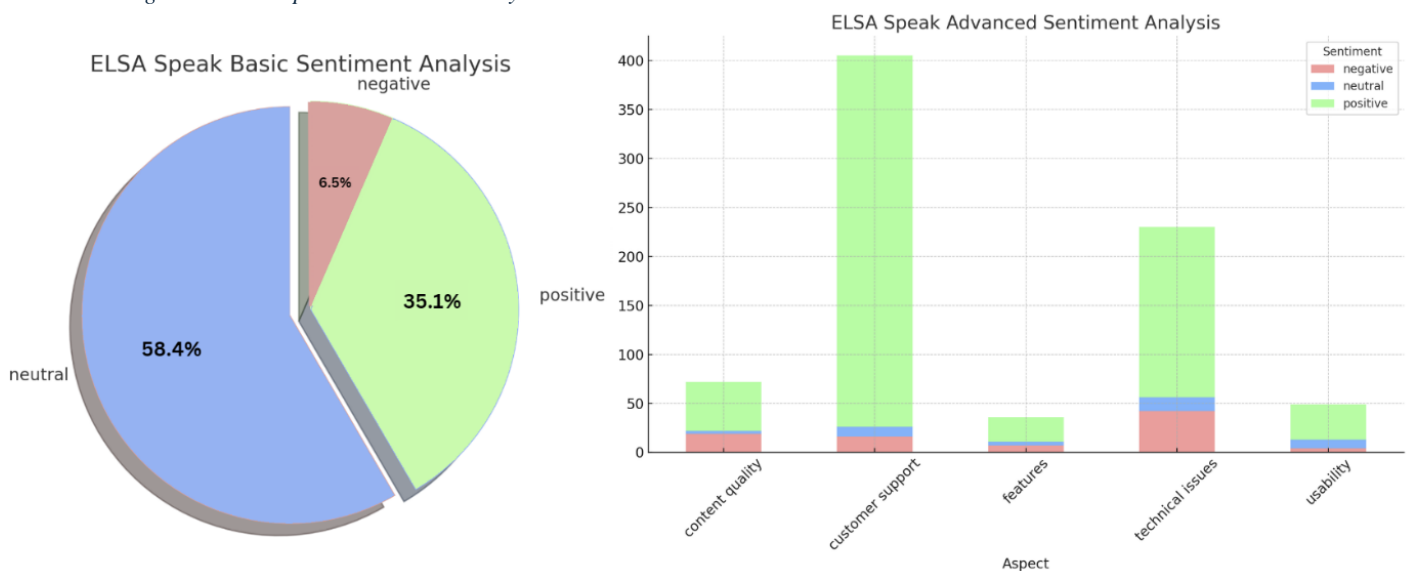
Source: Own Elaboration

ELSA Speak receives consistent positive feedback for its content innovation and comprehensive features. The quality of its educational content is often highlighted by users, who appreciate the diverse and engaging language exercises tailored to various proficiency levels. This positive feedback showcases the app's alignment with user expectations regarding educational content, crucial for maintaining user engagement. Additionally, the user interface of ELSA Speak is frequently praised for its ease of use and aesthetic appeal. However, a significant area for improvement is its customer service; users report frustrations

with slow responses and resolutions to their issues, suggesting a critical opportunity for enhancement.

Figure 3: Lola Speak – Sentiment Analysis Results
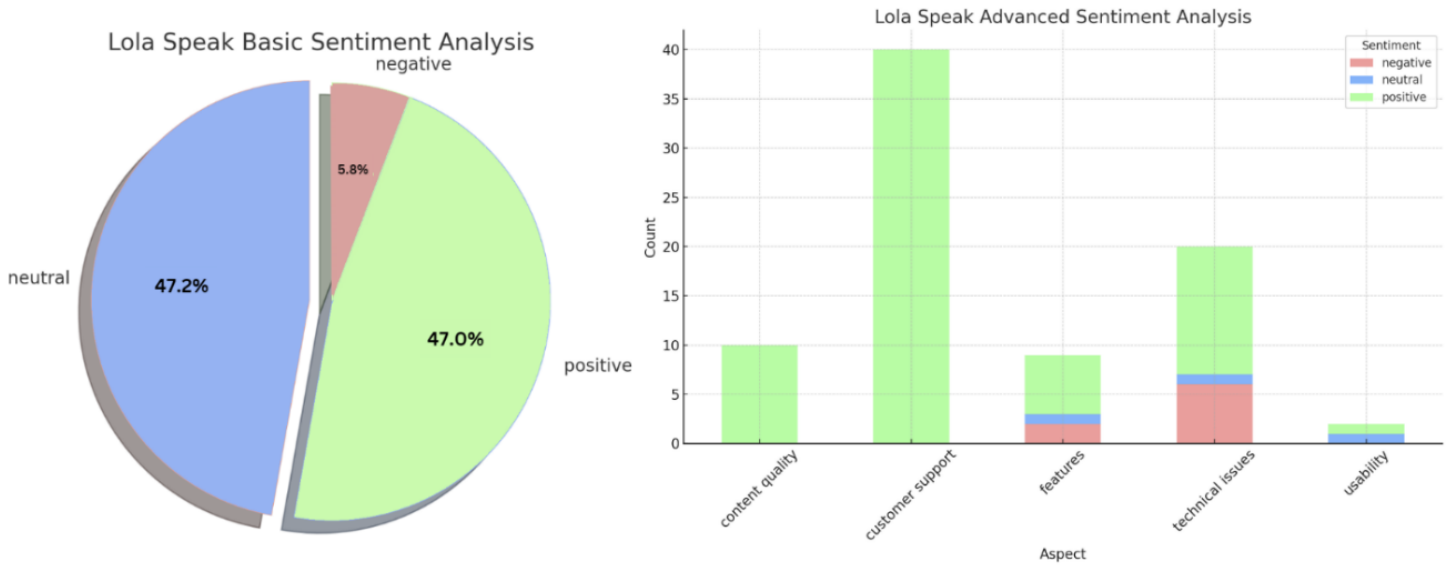
Source: Own Elaboration

Lola Speak exhibits a mix of positive and negative sentiments from its user base. It is often commended for its structured approach to language learning, which includes comprehensive coverage of grammar, vocabulary, and practical usage. Users find this systematic lesson structure helpful for consistent learning progression. Despite these positives, Lola Speak faces challenges with technical performance, with users reporting frequent app crashes and bugs, indicating a pressing need for enhanced software stability and quality assurance. Additionally, while the content is thorough, it sometimes overwhelms beginners, suggesting a potential adjustment in the difficulty settings or more personalized learning paths could be beneficial.

Figure 4: Praktika – Setiment Analsyis Results
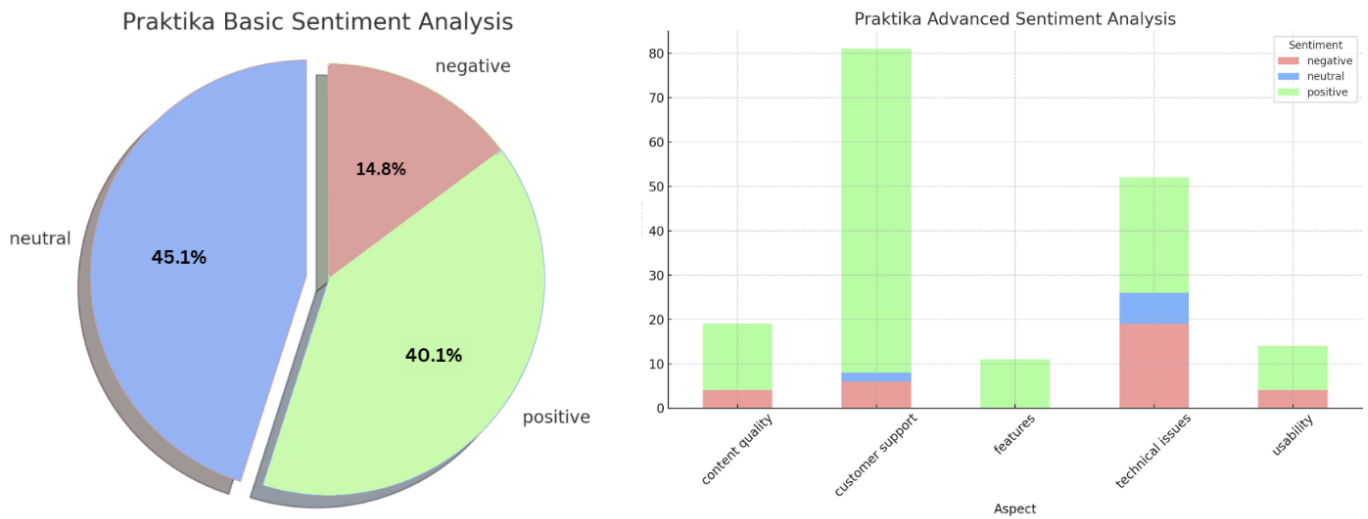
Source: Own Elaboration

Praktika, while receiving considerable praise for its customer support, struggles with several key aspects of its app. Users frequently commend the responsiveness and helpfulness of the customer support team, reflecting well on Praktika's commitment to user satisfaction. However, negative feedback often points to the app's user interface, described as clunky and outdated, which hampers the overall learning experience. Moreover, although the content is plentiful, it lacks engagement and relevance to real-life language use, a significant deterrent for users seeking practical language skills. This feedback indicates that a modernization of the interface and a revamp of the content to make it more interactive and applicable could greatly benefit Praktika.

II.V.III Sentiment Analysis Discussion

Drawing from these detailed observations, it is evident that while each competitor has distinct advantages, they also face notable challenges that MyScenario could leverage. For instance, MyScenario could strive to merge ELSA Speak's robust content and user-friendly design with Praktika's exemplary customer service. Moreover, by ensuring technological reliability and designing content that is both engaging and applicable to real-life situations, MyScenario could effectively address the gaps observed in Lola Speak and Praktika.

This thorough sentiment analysis highlights the necessity of adopting a comprehensive approach in the development of MyScenario. By focusing on delivering a user-friendly design, engaging and applicable content, dependable technology, and superior customer service, MyScenario could distinctly position itself in the competitive market. Learning from the strengths and addressing the shortcomings of existing apps will be instrumental in establishing MyScenario as a well-rounded, innovative solution tailored to the evolving needs of language learners. This strategic emphasis is crucial for MyScenario to emerge as a leading figure in the language learning application industry.

The analysis also pointed out that while some competitors excel in customer service, they fall short on modernizing their interfaces and making content engaging. MyScenario could learn from these insights by blending high-quality, engaging content with exceptional customer service, and a modern, intuitive interface.

II.V.IV Limitations of Sentiment Analysis

It's important to note that the analysis conducted has its limitations, mainly due to the varied number of reviews for each application, which can influence the perceived sentiment and prevents a fair and direct comparison. Despite this, by having performed a more advanced analysis on key areas of performance, key insights were still successfully extracted on a general level.

III. Business Model Canvas

The business model canvas for MyScenario captures the essence of our business strategy through nine interconnected building blocks. Each block addresses a critical aspect of our business, from identifying our target customers to defining our key activities and resources. This holistic view not only helps in aligning our operations with our strategic objectives but

also facilitates communication among stakeholders, fostering a shared understanding of our business model.

Figure 5: MyScenario Business Model Canvas

Business Model Canvas

MyScenario BY : EMILY BORGEMEKE

VERSION : FINAL

KEY PARTNERS

- Content Providers
- Language Experts
- Technology Partners
- Distribution Partners: App Stores
- Educational Institutions
- Affiliate Marketers or Influencers
- Strategic Alliances:
- Funding Partners: Venture Capitalists

KEY ACTIVITIES

- Vocabulary Lessons
- Roleplay Scenarios
  ○ Scripted
  ○ Unscripted
  ○ Speech
  ○ Chat
- Feedback

KEY RESOURCES

- Language AI
- Strong branding
- Strong pedagogy

UNIQUE VALUE PROPOSITION

- Customizable (pick and choose)
- No need to take lengthy grammar lessons prior to practicing
- Adaptable to language level
- AI and Story-Based -> Anywhere, anytime

CUSTOMER RELATIONSHIPS

- Social media interactions
- Customer Support
- Outside of App

CHANNEL

- Referrals
- Recommendations
- Sponsorships with relevant influencers

CUSTOMER SEGMENTS

- Immigrants
- Students
- Travelers
- Professionals

EARLY ADOPTERS

Non-native speakers already located or living in a non-native country that needs to practice situation-specific vocabulary and conversation

COST STRUCTURE

- Development
- Technology
- Operating Costs (App, Servers, etc.)
- Marketing
- Payroll

REVENUE STREAM

- Subscription Fees
- Advertising Revenue (Freemium)

Source: Own Elaboration

IV.   Concept & Design

The design philosophy behind MyScenario centers on creating a youthful, fresh, and engaging environment, which is both bright and inviting. Drawing from the vibrant world of interactive storytelling apps, MyScenario strives to build a universe populated by engaging, multi-dimensional characters. This approach aims not only to educate but to connect emotionally with users, making the process of language learning deeply immersive and interactive. Every design element, from the thoughtful aesthetics of the logo to the dynamic interactions between characters, is crafted to draw users into a compelling narrative that enriches their learning journey.

In this section, you will find initial mockup art that has been meticulously developed using DALL-E 2 prompts and further refined through manual edits. These mockups serve as preliminary designs, which will be enhanced by UX/UI and freelance graphic designers. Following these enhancements, variations of the refined designs will be created for A/B testing to determine the most effective user engagement and experience strategies. This iterative process is vital for fine-tuning our vision and maximizing the educational impact through optimal user interaction.

IV.I Logo & Start Screen

The logo and start screen for MyScenario are crafted to capture the eye and establish a strong brand identity from the first interaction. The logo artfully blends contemporary typography with a vibrant, playful icon, symbolizing the app's focus on communication. Mia, our welcoming "host," is introduced on the start screen, becoming a familiar face for users as they navigate the app. Her name was specifically chosen for its ease of pronunciation across various languages. The start screen acts as an inviting portal into the world of MyScenario, setting an upbeat yet professional tone that promises a journey filled with both fun and effective language learning.

Figure 6: MyScenario Logo & Color Palette
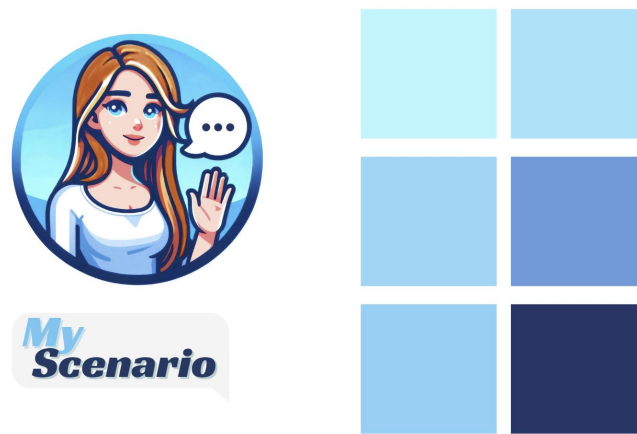
Source: Own Elaboration

Figure 7: Start Screen

Source: Own Elaboration

IV.II Characters

Characters in MyScenario are crafted to be more than mere visual aids; they are complex figures designed to be both relatable and memorable, equipped with rich backgrounds and distinct personalities that reflect the diverse scenarios they inhabit. From the stylish hairdresser Kelly to the knowledgeable doctor, each character not only enhances the narrative but also deepens language learning by engaging users in culturally rich dialogues and interactions. These characters are tailored to represent a variety of cultures and dialects, making learning both contextual and practical.

This multicultural approach not only assists in language acquisition but also fosters an appreciation of cultural nuances, as supported by research indicating that exposure to different dialects and cultural contexts can significantly enhance the effectiveness of language learning (Smith & Kramsch, 2014).

Figure 8: Characters

Source: Own Elaboration

IV.III Learning Modules & Scripted Scenarios

Vocabulary modules in MyScenario are designed to be integral components of the learning environment, enhancing language acquisition through interactive and contextual engagement. These modules are not isolated lists of words; instead, they are embedded within the scripted scenarios, allowing learners to encounter new vocabulary in meaningful and practical contexts. For example, a module might introduce terms related to a culinary setting as users navigate a scenario involving a cooking class. This method supports deeper learning by associating words with specific actions and cultural contexts.

Furthermore, these modules include features such as pronunciation guides, usage examples, and translations, which are crucial for understanding and retention. Pronunciation aids, particularly, help in the correct articulation of new terms, essential for effective communication and integration into practical use. Research supports the idea that direct interaction with new vocabulary within meaningful contexts enhances retention and comprehension (Nation, 2001). Additionally, the provision of usage examples helps bridge the gap between passive recognition and active use (Schmitt, 2000).

Effective vocabulary learning strategies embedded in MyScenario also include spaced repetition and testing effects, where learners are periodically prompted to recall information, further enhancing memory retention (Karpicke & Roediger, 2008). This adaptive approach ensures that learners engage with vocabulary at optimal intervals to reinforce learning.

In addition to the modules, scripted scenarios in MyScenario are crafted to introduce vocabulary in real-life contexts. They feature clickable elements to learn more about vocabulary or cultural notes, enhancing the learning process. For instance, in a salon scenario, phrases like "long overdue" can be explored further by the users. This method not only teaches language but also engages users through role-playing, which is shown to improve language proficiency by creating realistic settings where language skills can be practiced. Additionally, reading aloud, as part of these scenarios, can aid in developing pronunciation and understanding prosodic features of the language. Research suggests that reading aloud supports the acquisition of phonemic awareness and helps in memorizing new vocabulary, making it a valuable tool for language learners (Gibson, 2008).

The inclusion of role-playing in language learning, backed by research from Kramsch (2013), enhances the educational impact by making interactions instructive plus culturally relevant and emotionally engaging. This immersive approach aligns with findings that effective language learning involves active participation in communicative and context-rich scenarios.

Figure 9: Vocabulary Modules, Scripted Scenario, and Vocabulary Tips
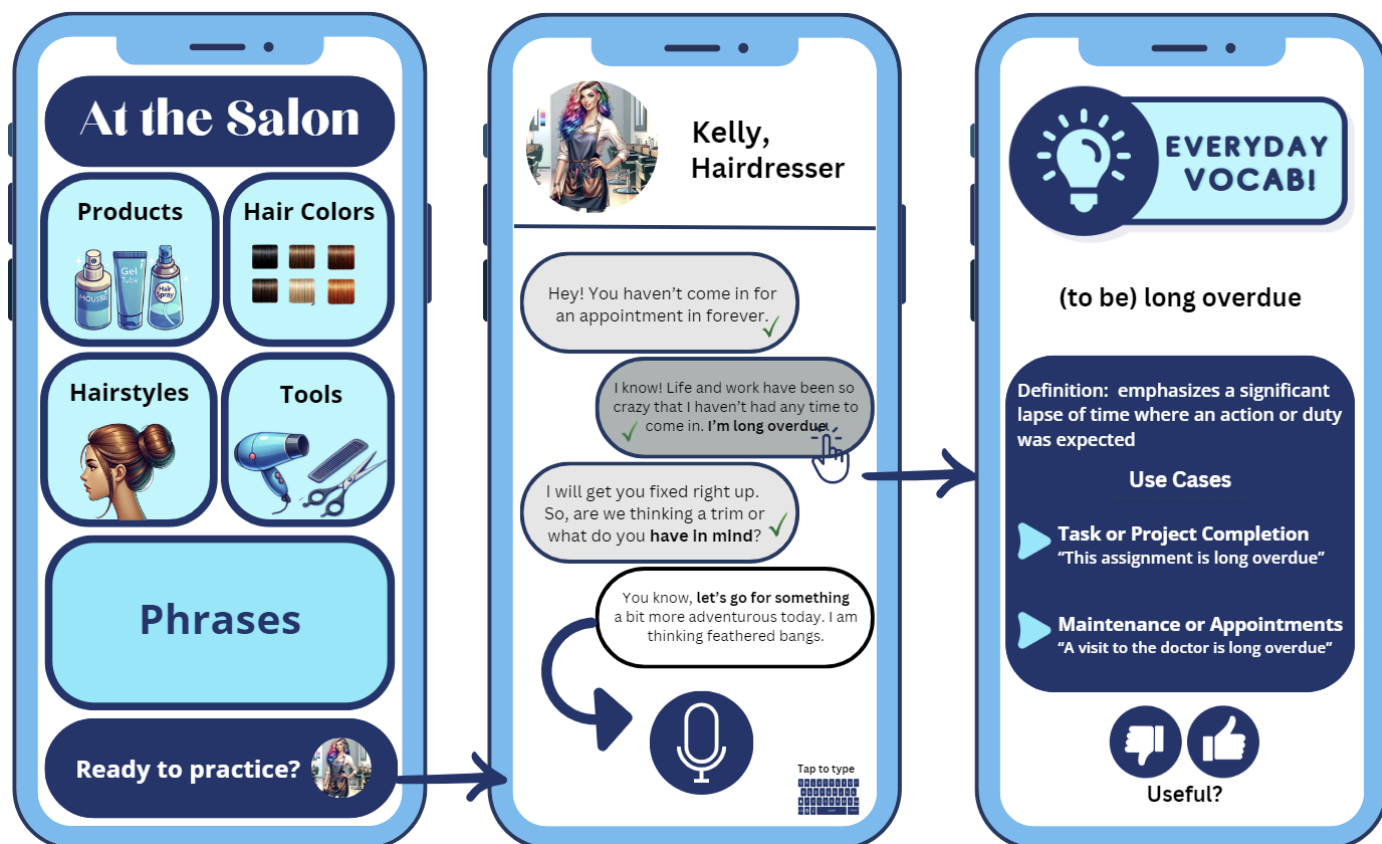
Source: Own Elaboration

IV.IV Unscripted Scenarios & Feedback

Unscripted scenarios offer a dynamic learning environment where users can apply their language skills in less structured, more unpredictable settings, mirroring real-life conversations. These scenarios are designed to be flexible yet guided enough to ensure educational value is maintained, supporting learners in using the language effectively across various situations. The inclusion of clear objectives within these scenarios provides essential structure, guiding learners through their language practice while allowing the freedom to explore and experiment with their responses.

Feedback integration is crucial in these unscripted scenarios as it helps learners refine their language skills through direct interaction and correction. According to Nassaji (2015), effective feedback enhances language acquisition by addressing specific errors and reinforcing correct usage, helping to clarify misunderstandings. Additionally, Shute (2008) emphasizes the motivational aspect of feedback, which guides learners in understanding their mistakes and provides ways to correct them, fostering both confidence and competence in language use. This structured yet flexible approach ensures that learners are not only practicing language but are also continuously learning and adapting based on feedback.

Figure 10: Unscripted Scenario & Feedback Report

Source: Own Elaboration

The overall goal of these designs is to transform language learning into an engaging, effective, and immersive experience. By merging the playful nature of interactive stories with solid educational objectives, MyScenario is crafted to appeal to a diverse audience. This approach makes learning a new language not just a necessity but an enjoyable part of daily life. By strategically incorporating interactive elements, dynamic scenarios, and targeted feedback, the design ensures that each session is not only educational but also delightful, encouraging continuous engagement and deeper learning.

V. Marketing Plan

The marketing plan for MyScenario is designed to establish a robust market presence, attract a substantial user base, and drive sustained growth through strategic marketing initiatives. By leveraging a multi-channel approach that includes digital marketing, influencer partnerships, content marketing, and public relations, we aim to create awareness, engage users, and build a loyal community around our innovative language learning solution.

The overarching goal of MyScenario's marketing strategy is to establish the app as the go-to solution for realistic and functional, scenario-based language learning. The strategy will focus on highlighting the app's unique ability to merge AI-integration with practical, everyday language use cases following targeted educational modules, setting it apart from traditional language learning methods. Key tactics will include showcasing success stories, leveraging data on improved language proficiency among users, and emphasizing the app's ability to customize learning experiences to fit individual user needs and lifestyles.

V.I User Personas

The "User Personas" featured in *Figure 11* below have been crafted to illustrate the diverse array of potential early adopters for MyScenario, a language learning app designed to cater to specific needs and lifestyles. Each persona represents a key segment of the target market, encapsulating distinct goals, motivations, and frustrations that drive their engagement with language learning technologies. By delineating these personas—Corporate Carla, Study Abroad Steven, and Digital Nomad Dani—the app aims to align its features and user experience with the real-world demands of its users.

This strategic focus not only enhances the app's relevance to its intended audience but also guides its development to ensure it meets the nuanced requirements of each group, from professionals seeking career advancement to students and freelancers looking to thrive in multilingual environments. Understanding these personas will help in tailoring marketing strategies, feature development, and overall user engagement approaches, making MyScenario a valuable tool for its diverse user base.

Figure 11: User Personas

	Corporate Carla (32)	Stuy Abroad Steven (20)	Digital Nomad Dani (28)
OCCUPATION	• Works in a multinational company	• Student studying abroad in Spain	• Freelance Graphic Designer
GOALS	• Improve business communication • Enhance professional relationships	• Achieve fluency to thrive in academics • Make local friends	• Maintain flexible lifestyle • Build client netowrk
MOTIVATION	• Career advancement • Opportunities to travel for work	• Full immersion in Spanish culture • Academic success & personal growth	• Navigate travel with ease • Expand freelance opportunities
FRUSTRATION	• Limited time due to busy work life	• Overwhelmed by transition from classroom to the real world	• Finding resources that fit lifestyle
FEATURES WANTED	• Advanced language modules • Feedback on business communication	• Scenario-based roleplay • Real-time correction	• Tips for everyday tasks • Flexible learning
LIKELY TO SUBSCRIBE?	Yes!	No – Limited Funds	Maybe – If the app is engaging

Source: Own Elaboration

V.II Product/Service Policy

The MyScenario app is dedicated to continuous improvement and innovation, embracing a policy of frequent updates to enhance user experience and align with emerging language learning trends. By adopting a monthly update cycle, the app ensures that it can swiftly integrate user feedback, address any operational issues, and introduce new content regularly. This approach not only keeps the content fresh and engaging but also allows the app to quickly adapt to the rapidly changing landscape of technology and user needs. This policy not only meets the immediate needs of users but also strengthens

Accessibility will be a cornerstone of our service policy. We are dedicated to providing a language learning platform that is accessible to users with disabilities. This includes implementing voice commands for hands-free use, subtitles for those with hearing impairments, and screen reader compatibility for users with visual impairments. Our goal is to remove barriers to language learning, making MyScenario accessible and inclusive for everyone.

As part of our commitment to adapt and respond to user needs, we plan to regularly incorporate feedback into our service enhancements. This ensures that our offerings not only meet but exceed the expectations of our diverse user base, enhancing overall user satisfaction and engagement with the platform.

V.III Pricing Policy

MyScenario will adopt a two-tiered subscription model designed to cater to a diverse user base while simplifying the user experience:

Basic Tier: This free version provides users with limited access to basic content and scenarios. It's an excellent option for new users to get acquainted with the app and its functionalities without any initial financial commitment. This tier serves as a gateway, allowing users to explore fundamental features and understand the value of MyScenario. Instead of paying, these users will generate revenue through ads.

Plus+ Tier: For a monthly subscription fee of €11.99 per month or €95.99 per year, users can upgrade to the Plus+ tier, which unlocks a more extensive range of features. This includes access to advanced language scenarios, business scenarios, and enhanced personalization options that adapt to the user's learning progress. For example, users can create custom, text-only scenarios if the existing scenarios do not meet their needs. They will also receive more comprehensive reports on performance. Additionally, subscribers will have access to any community features that are released, such as the potential live language partner roleplay. The Plus+ tier is designed for users who are serious about mastering a language and wish to utilize the app's full capabilities for a more tailored and in-depth learning experience.

MyScenario will not offer a free trial period. This decision is based on industry insights indicating that trial periods do not significantly enhance conversion rates for subscription apps, particularly when users are already provided with a robust freemium version. Research has shown that while longer trial periods can slightly increase conversion rates, the variation in effectiveness across different trial lengths suggests that the trial period itself does not have a substantial impact on user conversion (Hirokawa, 2022). Instead, the emphasis will be on providing a high-quality free tier that demonstrates the value of the Plus+ subscription, encouraging users to commit without the need for a trial.

To encourage user commitment and provide more value, MyScenario will offer promotional discounts on longer-term subscriptions. For example, users committing to a yearly subscription will enjoy a reduction in the monthly cost compared to those who pay month by month. This pricing strategy is intended to reward users for their loyalty and make long-term learning with MyScenario more appealing.

Furthermore, flexible payment options will be available to ensure that users worldwide can easily access the Plus+ tier. MyScenario will support multiple forms of payment, including major credit cards, PayPal, and popular mobile payment systems, accommodating the varied preferences and financial environments of our global user base. In the future, regional pricing may be implemented based on user base and need.

By focusing on a two-tier system, MyScenario aims to streamline the user experience, making it easy for learners to choose a plan that best fits their language learning goals and budget. This approach will help in rapidly converting new users to the Plus+ tier while maintaining an accessible entry point through the free Basic tier.

Figure 12: Basic vs. Plus+ Tier Comparison

My Scenario	**AD-FREE**	**VOCABULARY MODULES**	**INTERACTIVE SCENARIOS**	**CUSTOM SCENARIOS**	**AI-GENERATED FEEDBACK**
Basic User	✕	✓	✓	✕	✓
Plus+ User	✓	✓+	✓+	✓	✓+

Source: Own Elaboration

V.IV Sales Policy

At launch, MyScenario's primary focus will be on reaching individual consumers who are seeking to improve their language skills through functional, everyday content and scenarios. The sales strategy will be driven by direct-to-consumer marketing, with the MyScenario app and app stores acting as the main distribution and sales channels.

While the immediate goal is to cater to individual learners, MyScenario will remain open to the possibility of future expansion into the B2B sector. As the app gains traction and establishes its efficacy in language learning, opportunities to partner with educational institutions and businesses may be explored. This could include offering specialized content that aligns with academic programs or corporate language training needs.

In this scenario, a customer success team will be established to support users in achieving their language learning objectives, providing assistance and personalized support. This team will be essential in gathering user feedback, which will inform continuous improvement of the app and ensure that MyScenario remains responsive to the evolving needs of its users.

By prioritizing user experience and the practical application of language skills, MyScenario aims to make a significant impact in the language learning market. The app's commitment to providing quality, everyday language content positions it well to eventually broaden its reach to the B2B market with business-oriented content, following a successful consumer launch.

V.V Distribution Channels

The distribution strategy for MyScenario is crucial for establishing connections with our customer base and ensuring accessibility to our services. With a primary focus on the consumer market at launch, we have chosen distribution channels that ensure our app is easy to discover and convenient to access. The following points of distribution have been evaluated:

Digital Marketplace

MyScenario will be readily available on popular app stores such as Google Play and the Apple App Store, positioning us directly in the path of potential users actively seeking language learning solutions. The accessibility and visibility offered by these platforms are invaluable for reaching a broad audience. Our focus on app store optimization (ASO) will be key to improving our visibility and driving organic downloads through these marketplaces. ASO strategies will be tailored to highlight the unique aspects of MyScenario, such as its role-play-based scenarios and AI integration, setting it apart from competitors.

Official Website

Our website will serve as a central hub, providing information about MyScenario and enabling direct downloads of the app. This ensures that we cater to users who prefer to engage with apps via web-based interfaces. The website will be rather basic, featuring testimonials, a glimpse of the app's functionalities, FAQs, a blog, and navigations to digital marketplaces for downloading the app. This approach will enhance credibility and serve as a platform for converting interested visitors into active users.

Online Communities and Forums

Engaging with language learning communities through forums and social media groups will not only provide us with direct access to our target audience but also allow us to gather valuable feedback and foster a sense of community among users.

SEO, SEM, and ASO

While SEO strategies will be employed to improve our search engine rankings and SEM campaigns to target potential users actively searching for language learning solutions, ASO will be more important. We aim to drive traffic to our digital distribution channels, ensuring high visibility and accessibility.

Each of these channels plays a critical role in delivering MyScenario to the market. By utilizing a multi-channel distribution approach, we ensure not only visibility but also accessibility and convenience for our users, which is paramount in the competitive landscape of language learning applications. The variety of channels also allows us to cater to different user preferences, whether they are looking for an app through a mobile store, web search, or even recommendations within a community.

While we will initially prioritize the consumer market, we acknowledge the potential for strategic B2B partnerships in the future. As we build our user base and refine our offerings, we will evaluate and pursue collaborative opportunities with educational institutions and corporations that align with our mission and can benefit from our unique language learning solution.

V.VI Communication and Promotion

The communication strategy will involve a multi-channel approach, including:

Online Marketing

SEO strategies will focus on keywords related to practical language learning and AI language applications. SEM campaigns will target specific user demographics across Google and social media platforms. However, ASO will be more important, driving organic downloads and improving visibility in app marketplaces.

Influencer Partnerships

Collaborations with influencers in the education and travel sectors will help demonstrate the app's real-world applications through authentic content.

Content Marketing

Regular blog posts, tutorials, and user stories will be published to highlight the app's features and benefits. Interactive webinars and live Q&A sessions with language experts will engage users and provide live demonstrations of the app's capabilities.

PR and Events

Participation in educational technology conferences and expos will help raise awareness among educators and tech enthusiasts. Press releases announcing new features or milestones will keep MyScenario in the media spotlight.

Through these strategies, MyScenario aims to build a strong market presence, drive user engagement, and establish a loyal customer base in the competitive language learning market.

V.VII First Year Marketing Goals

In launching MyScenario, the focus of the first year's marketing strategy is to establish a strong market presence, attract a significant user base, and set a foundation for sustainable growth. To achieve these objectives effectively, we employ SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals. This strategic approach ensures that each marketing objective is clearly defined, quantifiable, attainable, aligned with our broader business objectives, and time-specific, thus allowing for precise tracking and adjustment of our strategies in real-time.

Year 1, Q1 – Launch and Awareness Phase

Goal: Acquire 20,000 cumulative downloads by the end of Q1.

Tactics: Launch a comprehensive social media campaign leveraging platforms like Instagram and Facebook, where ads will be targeted based on interests related to language learning. Collaborate with two medium-sized influencers in the language learning space who have an engaged following. These influencers could include popular language tutors or bloggers who regularly discuss effective language learning strategies.

Measurement: Track user sign-ups and activity through analytics tools integrated within the app, with monthly reviews to assess the campaign's effectiveness. Metrics will include download numbers, user engagement rates, and social media interaction.

Year 1, Q2 – Growth and Engagement Phase

Goal: Acquire 45,000 cumulative downloads by the end of Q2.

Tactics: Initiate a referral program incentivizing current users to invite friends, offering premium features free for one month. Begin content marketing with bi-weekly blog posts and videos that provide language learning tips, highlighting app features. Collaborate with affiliate influencers who focus on digital nomad lifestyles and study abroad experiences, showcasing how MyScenario can aid in real-world language application.

Measurement: Analyze the increase in user registrations from referrals and content engagement rates to adjust content strategy as needed. Monitor metrics such as referral conversions, blog engagement, and video views.

Year 1, Q3 – Retention and Expansion Phase

Goal: Achieve 70,000 cumulative downloads by the end of Q3.

Tactics: Expand influencer collaborations to include one large influencer with a significant following in the education sector, such as a well-known language teacher or polyglot. Launch an email marketing campaign targeting language learning forums and subscriber lists with tailored content. This campaign will include success stories and practical language tips to engage and retain users.

Measurement: Monitor influencer campaign reach and engagement with affiliate links, email open and conversion rates, and overall app growth metrics. Track metrics such as the reach of the influencer's posts, click-through rates on affiliate links, and email engagement statistics.

Year 1, Q4 – Optimization and Scaling Phase

Goal: Finalize the first year with 100,000 cumulative downloads.

Tactics: Introduce limited-time year-end promotions to new sign-ups, such as discounted annual subscriptions. Increase ad spending during the holiday season when engagement rates are higher, focusing on showcasing real user testimonials and success stories. Engage with influencers who focus on New Year resolutions and personal development to promote the app as a tool for achieving language learning goals.

Measurement: Evaluate the effectiveness of promotional campaigns and advertising through user growth analytics and cost-per-acquisition metrics. Track the success of the year-end promotions, including the number of discounted subscriptions sold and the overall cost-effectiveness of the ad spend.

Retention and Conversion Metrics

We aim to retain 26% of downloads as active users, aligning with industry standards (Tafradzhiyski, 2024). Furthermore, we plan to convert 8% of these active users to paying subscribers with 30% of these subscribers opting for annual plans.

Each quarter's objectives are not only ambitious but designed to be actionable within the set timeframe, ensuring a steady progression towards achieving substantial market penetration within the first year. By employing the SMART criteria, MyScenario's marketing efforts are poised to adapt and evolve in response to market dynamics and user feedback, ensuring that the strategies remain effective and oriented towards long-term success.

VI.   HR Plan

The Human Resources (HR) plan for MyScenario focuses on assembling a talented, diverse, and motivated team to drive the development and growth of our language learning app. This plan outlines our strategies for recruitment, employee retention, training and development, and organizational structure. By fostering a positive work environment and offering opportunities for professional growth, we aim to attract and retain top talent, ensuring the long-term success and scalability of MyScenario.

VI.I Organizational Structure

MyScenario adopts a remote-first organizational structure, prioritizing flexibility and cost-efficiency by minimizing overhead costs associated with physical office spaces. This approach not only aligns with the modern workforce's preferences for flexibility but also allows the company to tap into a global talent pool without geographical constraints. The McKinsey Global Institute report (Lund, Madgavkar, Manyika, & Smit, 2020) provides an in-depth analysis of the future of remote work and its implications across various industries.

Communication and collaboration are streamlined through digital tools. Slack serves as the primary platform for daily communications, with designated channels for various teams and projects, facilitating rapid information exchange and responsiveness. Google Workspace supports document sharing, real-time collaboration, and communication through tools like Gmail, Docs, Sheets, and Meet, ensuring that team members can work effectively from any location.

The company operates with a flat hierarchy during the development and initial rollout phases. This structure fosters open communication, quick decision-making, and a collaborative environment where ideas can be shared freely across levels. Team members are encouraged to take the initiative and contribute directly to the project's success, enhancing agility and innovation. Regular virtual meetings and the use of project management tools such as Trello help maintain organization and clarity in responsibilities and deadlines.

Over time, as MyScenario grows and scales, the organizational structure may evolve to meet new business needs and challenges, potentially introducing more defined roles and hierarchies to support larger teams and more complex projects. This flexibility in the organizational design is key to adapting to the changing business landscape and sustaining growth.

VI.II Key Personnel

In the dynamic landscape of software development, particularly for startups like MyScenario, selecting the right key personnel is critical for success. The primary focus is on assembling a team that not only embodies expertise in their respective fields but also fits the innovative and agile culture of the company.

To optimize costs without compromising on talent, the company has strategically chosen to hire technical roles from Eastern Europe, where a pool of highly skilled professionals can be accessed at a more economical rate compared to local hires (Economic Research Institute, 2024). This structure not only leverages the cost benefits associated with Eastern Europe's tech talent but also utilizes the strategic positioning of Spain to manage broader European and English-speaking markets effectively.

This approach aligns with the remote-first organizational structure, which allows us to operate with lower overheads while tapping into international talent. The initial team will be instrumental in setting the foundational systems and processes that will drive the development and rollout of the MyScenario app. In the below table, the employee expectations are outlined with the timeline of application launch in mind.

Figure 13: Roles & Salaries

Position	Location	Employee Count	Salary
CEO	Remote - Spain	1	(40.000,00 €)
Mobile App Developers	Remote - Eastern Europe	2	(40.000,00 €)
UX/UI Designers	Remote - Eastern Europe	2	(30.000,00 €)
Content Developers	Remote - Spain	4	(27.500,00 €)
Graphic Designer	Remote - Spain	1	(25.000,00 €)
QA Tester	Remote - Eastern Europe	1	(22.000,00 €)
Marketing Specialist	Remote - Spain	1	(27.500,00 €)
Customer Support Rep	Remote - Spain	2	(21.500,00 €)
HR/Admin Support	Remote - Spain	1	(24.000,00 €)
Data Analyst (part-time)	Remote - Eastern Europe	1	(15.000,00 €)

Source: Own Elaboration

The following outlines the core roles, their responsibilities, and their strategic importance to MyScenario's operational success:

The following outlines the core roles, their responsibilities, and their strategic importance to MyScenario's operational success.

CEO

Residing remotely in Spain, the CEO will be integral to driving the strategic direction and overseeing all executive decisions. This role demands extensive experience in leadership and strategic planning within tech startups, ideally with a background in ed-tech. The CEO will actively participate in all phases of development and continue into the operational phase, handling HR and administrative duties until the HR role is onboarded. The CEO's compensation includes equity, reflecting the initial lower salary which is intended to be adjusted post-break-even.

Mobile App Developers (Two)

Hired remotely from Eastern Europe, mobile app developers are required to have comprehensive expertise in mobile technology, especially iOS and Android platforms. A minimum of 3-5 years' experience in mobile development is essential, with a strong portfolio of past projects. These developers will focus on translating the design and content framework into a smoothly functioning app.

UX/UI Designers (Two)

Also based in Eastern Europe, UX/UI designers will need significant experience in user interface design, particularly within mobile app contexts. They should have at least 3 years of experience and a strong grasp of current design software and strategies. Their role will be crucial in ensuring that the app is both aesthetically pleasing and user-friendly.

Content Developers (Four)

Located in Spain, content developers will require a deep understanding of language learning curriculum design. While they will collaborate on general module and content outlines, two will be responsible for the creation of Spanish content and the other two English content. They must possess at least 3-5 years of experience in content creation with specific skills in creating engaging and educational material. These creators will ensure the app's content is culturally and contextually relevant to the target markets. Due to having multiples for the role, there can be flexibility in hiring. For example, one candidate could have stronger pedagogical knowledge and another a hiring degree of creativity, which would work well together.

QA Tester

A part-time position based in Eastern Europe, the QA tester will need experience in software testing, particularly mobile applications. They should demonstrate a meticulous approach to detail and have at least 2 years of relevant experience.

Marketing Specialist

This role, based in Spain, calls for substantial experience in digital marketing, particularly in the ed-tech sector. The specialist should have at least 5 years of experience with proven success in strategic marketing campaigns and digital outreach. They will craft and execute the marketing strategy to effectively reach target users across various regions.

Customer Support Specialist (Two)

A crucial front-line position also based in Spain, requiring excellent communication skills and at least 2 years of experience in customer service, preferably in a tech or educational setting. Ideally, one would be a native English speaker and the other a native Spanish speaker. They will address user issues and feedback, enhancing overall customer satisfaction. They will be responsible for optimizing automatic chats and creating response protocols.

HR/Admin Support

Initially handled by the CEO, this role will later transition to a dedicated professional with at least 5 years of experience in HR, ideally in the tech industry. This position will be crucial for managing recruitment, onboarding, and internal policies.

Data Analyst

Also remotely based in Eastern Europe, this role requires strong analytical skills with experience in data analysis tools and methodologies, particularly those relevant to user behavior analysis in apps. A minimum of 2 years of experience in a similar role is expected.

Each of these roles has been strategically created to align with MyScenario's business goals and operational needs, ensuring that the team is not only skilled and self-sufficient but also cost-effective and strategically distributed to leverage geographic advantages.

VI.III Employee Retention

Ensuring employee retention is a critical goal for MyScenario, especially given the small, startup nature of the business. Retaining key employees not only preserves their valuable work and institutional knowledge but also fosters stability and continuity within the team. Below are strategies that will be implemented to boost retention.

Signing Bonuses and Retention Agreements

Select roles, particularly those that are crucial to the development and success of the app, will be offered signing bonuses as an incentive to join the team. These bonuses come with a retention clause requiring employees to return the bonus if they leave the company before completing one year. This encourages employees to stay through the critical initial phases of the project.

Career Growth Opportunities

Even within a small startup, providing opportunities for career growth and professional development is essential. Employees will be encouraged to take on new responsibilities, lead projects, and develop new skills. Regular performance reviews and career development discussions will help identify and support employees' aspirations. As the company grows, these first employees will be the first promoted to higher positions.

Positive Work Environment

Creating a positive, supportive, and inclusive work environment is key to employee satisfaction. Flexible working arrangements, open communication channels, and a strong team culture where employees feel valued and heard will contribute to higher retention rates.

Recognition and Rewards

Regularly recognizing and rewarding employees' contributions and achievements fosters a sense of appreciation and motivation. This can be done through formal awards, bonuses, public recognition, or simple acknowledgments in team meetings.

VI.IV Training & Development

Given the small size of MyScenario, traditional extensive training programs might not be feasible. However, the following strategies will ensure that employees receive the necessary support and development opportunities. As the company grows, training and development will become more streamlined and feasible.

On-the-Job Training

Most training will occur through hands-on experience and collaboration. New hires will work closely with experienced team members to learn the ropes and understand their roles.

Mentorship

Establishing a mentorship program where new employees are paired with more experienced colleagues can provide guidance, support, and a smooth transition into their roles.

Access to Online Learning Resources

Providing access to online courses, webinars, and professional development resources allows employees to learn at their own pace and according to their specific needs and interests.

Regular Feedback and Development Meetings

Holding regular one-on-one meetings to provide feedback and discuss career development helps employees identify areas for improvement and growth. These sessions can also be used to set goals and track progress.

VII. Operations Plan

The operations plan for MyScenario is designed to ensure smooth, efficient, and effective processes from the initial development phase through to the launch and ongoing operations. This plan outlines the key operational strategies and activities that will be undertaken to achieve the company's goals, emphasizing the importance of a structured yet flexible approach to accommodate growth and changes in the business environment.

VII.I Development Phase

The first year is dedicated to the development of the MyScenario app, focusing on building a robust, user-friendly, and engaging product. This phase is critical as it sets the foundation for the app's success in the market. In this figure below, the roles required are charted by month. Having employees start only when their roles become pertinent is a key way for costs to be managed in this developmental year.

Figure 14: Product Development Phase – Involvement by Role

	Initial Development Phase			Mid-Development Phase						Final Phase		
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
CEO												
Mobile App Developers												
UX/UI Designers												
Content Developers												
Graphic Designer												
QA Tester												
Marketing Specialist												
Customer Support Rep												
HR/Admin Support												
Data Analyst (Part-Time)												

Source: Own Elaboration

VII.I.I Initial Development Phase (Months 1-3)

During the initial development phase, the primary focus is on laying a solid foundation for the project. Key personnel, including the CEO, content developers, mobile app developers, and UX/UI designers, will work on meticulous planning, goal setting, and establishing the project's framework. Activities include defining the project's scope, objectives, and success metrics, creating initial wireframes and prototypes for the app's interface, and outlining the structure of language learning modules and scenarios.

Clear milestones will be set to track progress, and comprehensive onboarding will ensure all team members are proficient in the tools and processes used. Additionally, consultancy services and AI integration setup will be initiated to ensure the AI components are seamlessly integrated from the beginning.

VII.I.II Mid-Development Phase (Months 4-9)

The mid-development phase is characterized by intensive content creation and the advancement of app features. The team will expand to include marketing specialists, QA testers, and HR/admin support. Content developers will focus on detailed module creation, ensuring cultural and educational relevance. Mobile app developers will implement core functionalities and integrate content, continually iterating based on feedback. A detailed resource allocation plan will ensure all aspects are adequately supported. A comprehensive pre-launch marketing strategy will be defined, targeting specific audiences with key messages through selected channels. A robust QA testing protocol will be established, incorporating automated and manual testing to ensure app stability and performance. Resources will also be allocated for legal fees, including company registration, IP protection, and data protection compliance.

The marketing specialist will initiate pre-launch marketing strategies to build anticipation and attract early adopters that could be potential alpha/beta testers, leveraging social media and targeted campaigns. QA testers will join in month 7 to perform rigorous testing, identifying bugs and ensuring app stability. HR and data analytics support will begin in month 9, preparing recruitment and onboarding plans for the customer support team and setting up tools to track user behavior and app performance.

A detailed beta testing plan will be developed, specifying user selection criteria, testing timelines, and feedback collection methods. A comprehensive training program will be implemented for the customer support team to ensure they can handle user inquiries and feedback efficiently. A structured process for integrating beta testing feedback into the final development stages will be established, ensuring timely and effective adjustments to the app. Final AI integration and adjustments based on beta feedback will also be completed during this phase.

VII.I.III Final Development Phase (Months 10-12)

The final development phase involves the alpha/beta rollout, live user testing, and continuous feedback incorporation to finalize the app. The customer support team will join to handle

user inquiries, feedback, and issues. During this phase, the app will be launched to a select group of users for beta testing, gathering extensive feedback to identify improvement areas.

Customer support will ensure users have a positive experience and their concerns are promptly addressed. Feedback from beta testing will be incorporated to refine the app's features and content, with final rounds of testing to ensure readiness for launch. A continuous feedback loop will be implemented for ongoing improvements, preparing for the full-scale launch with comprehensive marketing and operational strategies.

VII.II Launch Phase (First Operational Year)

The launch phase will involve the full rollout of the MyScenario app to the general public. This period is critical for establishing a user base, generating revenue, and gaining market traction. Below are the key activities for the launch phase.

Marketing and User Acquisition

Aggressive marketing campaigns will be executed to attract new users. This includes social media advertising, influencer partnerships, content marketing, and PR efforts. SMART goals will be set to measure the effectiveness of these campaigns, ensuring that user acquisition targets are met.

User Support and Engagement

The customer support team will be fully operational to handle user queries, technical issues, and feedback. Regular updates and engagement activities, such as in-app events, new content releases, and user feedback sessions, will keep users engaged and satisfied.

Performance Monitoring and Optimization

Continuous monitoring of app performance, user behavior, and engagement metrics will be conducted. Data analytics will play a crucial role in identifying areas for improvement, optimizing the user experience, and enhancing app features based on real-time feedback.

Revenue Generation and Financial Management

Strategies to monetize the app, such as premium subscriptions, in-app purchases, and partnerships, will be implemented. Financial performance will be closely monitored to ensure revenue targets are met and the company remains on track for profitability.

VII.III Scalability and Expansion (Years 2-7)

As MyScenario gains traction and establishes a solid user base, the focus will shift towards scalability and expansion. Several strategies will be used in this phase, as outlined in the below subsections.

Geographical Expansion

Expanding the app's reach to new markets, particularly those with high demand for language learning. Localization efforts will ensure the app meets the cultural and linguistic needs of new user groups.

Feature Enhancements

Continuously adding new features and content based on user feedback and market trends. This includes expanding language options, incorporating advanced AI capabilities, and enhancing interactive and social features.

Team Growth

Hiring additional team members to support growth, including developers, content creators, marketing specialists, and customer support staff. Building a robust team will ensure the company can handle increased operational demands and drive innovation.

Partnerships and Collaborations

Establishing partnerships with educational institutions, language schools, and other relevant organizations to enhance the app's credibility and reach. Collaborations can also lead to new content and feature development opportunities.

VIII. Financial Plan & Viability

The financial plan for MyScenario outlines the projected financial performance and strategic investments necessary to achieve our business goals. This section will include detailed projections of expenses, revenue, and profitability, as well as strategies for securing initial funding and managing cash flow during the crucial development and launch phases. As Friedman (2018) discusses, startups can adopt various compensation strategies to manage their financial constraints effectively. Several of these methods were used in the planning of MyScenario

VIII.I Working Capital Required

The working capital required for MyScenario encompasses both the initial investment necessary for development and the operational expenditures anticipated during the first year. Working capital represents the funds needed to cover the company's day-to-day operational costs, ensuring that the business can sustain its activities without financial interruption. For MyScenario, this includes the initial expenses associated with infrastructure, software licensing, legal compliance, marketing, and consultancy services. Additionally, it covers ongoing operational costs such as salaries, marketing efforts, and other essential expenditures throughout the first year. Accurately estimating and securing adequate working capital is crucial for maintaining liquidity, managing cash flow, and ensuring the successful launch and growth of MyScenario in the competitive language learning market. This comprehensive

approach to working capital ensures that the company is well-prepared to meet its financial obligations and support its strategic objectives from the outset.

VIII.I.I Product Development Expenses (Pre-Launch)

The product development expenses for MyScenario during the pre-launch phase encompass a wide range of essential costs to ensure a robust and well-prepared entry into the market. These expenses are meticulously planned to cover infrastructure, software licensing, legal compliance, marketing, and initial operational expenditures.

Figure 15: Product Development Expenses (Pre-Launch)

Initial Investment Breakdown	Initial Development Phase			Mid-Development Phase						Final Phase		
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
A. Infrastructure												
Cloud Servers & Storage (AWS)	- 250,00 €	- 250,00 €	- 250,00 €	- 500,00 €	- 500,00 €	- 500,00 €	- 800,00 €	- 800,00 €	- 800,00 €	- 1.200,00 €	- 1.200,00 €	- 1.200,00 €
Website Hosting (WordPress)	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €
B. Software Licensing & Services												
Google Workspace	- 120,00 €	- 120,00 €	- 120,00 €	- 132,00 €	- 132,00 €	- 132,00 €	- 144,00 €	- 144,00 €	- 168,00 €	- 192,00 €	- 192,00 €	- 192,00 €
Slack	- 41,30 €	- 41,30 €	- 41,30 €	- 45,43 €	- 45,43 €	- 45,43 €	- 49,56 €	- 49,56 €	- 57,82 €	- 66,08 €	- 66,08 €	- 66,08 €
Trello	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
AIaaS	- €	- €	- 6.500,00 €	- 1.500,00 €	- 1.500,00 €	- 1.500,00 €	- 1.500,00 €	- 1.500,00 €	- 2.000,00 €	- 2.000,00 €	- 2.000,00 €	- 2.000,00 €
C. Legal & Compliance Setup												
Legal Fees (IP, company registration, contract drafting)	- 3.000,00 €	- €	- 1.000,00 €	- €	- 1.000,00 €	- €	- €	- 1.000,00 €	- €	- €	- €	- €
Data Protection Compliance	- €	- €	- €	- €	- €	- 500,00 €	- €	- €	- 1.000,00 €			
D. Marketing & Branding												
Website Design (contracted)	- €	- €	- €	- €	- €	- 750,00 €	- €	- €	- €	- €	- €	- €
Advertisting & Marketing	- €	- €	- €	- €	- €	- €	- €	- 500,00 €	- 500,00 €	- 2.000,00 €	- 2.250,00 €	- 2.250,00 €
ASO/SEO/SEM	- €	- €	- €	- €	- €		- €	- 250,00 €	- 500,00 €	- 500,00 €	- 500,00 €	- 1.000,00 €
F. Initial OpEx												
Insurance	- €	- €	- €	- €	- €	- €	- €	- €	- 150,00 €	- €	- €	- €
Consultancy Services (AI, etc)	- €	- €	- €	- €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €
Salaries	- 21.666,67 €	- 21.666,67 €	- 21.666,67 €	- 23.958,33 €	- 23.958,33 €	- 23.958,33 €	- 25.458,33 €	- 25.458,33 €	- 28.708,33 €	- 32.291,67 €	- 32.291,67 €	- 32.291,67 €
	- 25.085,97 €	- 22.085,97 €	- 29.585,97 €	- 26.143,76 €	- 30.643,76 €	- 30.893,76 €	- 31.459,89 €	- 33.209,89 €	- 37.392,15 €	- 41.757,75 €	- 42.007,75 €	- 42.507,75 €

TOTAL - 411.774,36 €

Source: Own Elaboration

A. Infrastructure

- **Cloud Servers & Storage (AWS):** Starting at €250 per month for the initial three months, the cost scales up to €1,200 per month by the final phase, totaling €8,250. This reflects the increasing need for storage and computational power as development progresses.

- **Website Hosting (WordPress):** A consistent cost of €8 per month, totaling €96, provides the foundational web presence needed for MyScenario.

B. Software Licensing & Services

- **Google Workspace:** The monthly cost begins at €120 and increases to €192, totaling €1,788. This covers essential communication and collaboration tools.

- **Slack:** Initial costs of €41.30 per month rise to €66.08, summing up to €615.37. Slack is crucial for team communication in a remote-first setup.

- **AI as a Service (AIaaS):** A significant one-time cost of €6,500 in month three, followed by €1,500 monthly, reflecting the importance of integrating advanced AI capabilities, totaling €22,000.

C. Legal & Compliance Setup

- **Legal Fees (IP, company registration, contract drafting):** An initial cost of €3,000, with subsequent costs totaling €6,000, ensuring that all legal foundations are solidly established.

- **Data Protection Compliance:** Essential for user data security, these costs total €1,500, ensuring compliance with relevant regulations.

D. Marketing & Branding

- **Website Design (contracted):** A one-time expense of €750 in month six for the creation of a relatively simple website using WordPress.

- **Advertising & Marketing:** Starting in month eight, these costs escalate to €7,500 by the final phase, covering various marketing campaigns.

- **ASO/SEO/SEM:** Beginning at €250 in month nine, these costs ensure the website's optimization for search engines, totaling €2,750.

F. Initial OpEx

- **Insurance:** A cost of €150 in month nine to cover essential business insurance.

- **Consultancy Services:** Consistent costs of €3,500 per month from month five, totaling €28,000, for expert consultancy to guide strategic decisions. This budget will be especially important to ensure AI-integration is done correctly given the lack of in-team resources.

- **Salaries:** Starting at €21,666.67 per month and increasing to €32,291.67, salaries are a major component, totaling €313,374.99 over the year.

VIII.I.II First Year Expenses

In the first year, MyScenario's total projected expenses are €587,113.75, covering essential areas such as content production, technology and development, hosting, marketing, and general administration. Content production and technology expenses are significant, including salaries for content and tech teams, AI-as-a-Service costs, and software subscriptions. Marketing and sales efforts are emphasized, with a planned reinvestment of 15% of projected revenue into marketing, higher than the industry average of 8.3%, to ensure

robust user acquisition and growth. Operating expenses also cover general administrative costs, communication tools, legal compliance, and insurance.

Figure 16: First Year Expenses

	Q1	Q2	Q3	Q4
Direct Costs				
Content Production (Content Team salaries, graphic design wages)	- 33.750,00 €	- 35.437,50 €	- 37.209,38 €	- 39.069,84 €
Technology & Development (Tech salaries, AIaaS, software and tool subscription,)	- 46.500,00 €	- 48.243,75 €	- 50.052,89 €	- 51.929,87 €
Hosting and Technology (AWS)	- 3.624,00 €	- 3.759,90 €	- 3.900,90 €	- 4.047,18 €
Operating Expenses				
Marketing & Sales (Marketing salaries, Campaigns, Ads, ASO, etc.)	- 17.075,78 €	- 23.893,19 €	- 26.923,85 €	- 31.863,15 €
General & Admin Expenses (Salaries, communication tools, legal & compliance costs)	- 31.229,88 €	- 32.010,63 €	- 32.810,90 €	- 33.631,17 €
Insurance	- 37,50 €	- 37,50 €	- 37,50 €	- 37,50 €
	- 132.217,16 €	- 143.382,47 €	- 150.935,41 €	- 160.578,71 €

	TOTAL	- 587.113,75 €

Source: Own Elaboration

VIII.I.III Investment Funds

The total combined expenses for the initial development and the first year of operations amount to **€999,748.11**. This total is comprised of €411,774.36 for pre-launch development expenses and €587,113.75 for first-year operating expenses. These expenses cover product development, infrastructure, software licensing, legal and compliance setup, marketing and branding, initial operating expenses, and salaries.

To support the development and initial operations of MyScenario, a total of €1,000,000 in investment funds must be secured. The proposed investment fund shown below includes a founder's investment, contributions from investors (Angel or Venture Capital), and a bank loan with a 7.5% annual interest rate. The bank loan is structured as interest-only for the first two years, followed by a five-year payback period with equal payments.

Figure 17: Investment Funds

Initial Investment	
Founder's Investment	50.000,00 €
Investors	650.000,00 €
Bank Loan (7.5% interest)	300.000,00 €
Total	**1.000.000,00 €**

Source: Own Elaboration

VIII.II Revenue Model

MyScenario will generate revenue using a freemium model through subscription costs and ad revenue. The premium subscription model, called "Plus+," includes two tiers: monthly (€11.99/mo) and annual subscriptions (€95.99/year). The assumption is that 8% of all active users will subscribe to the Plus+ model, with 30% of those subscribers opting for the annual subscription.

For non-subscribing users, ad revenue will be generated through the freemium model. It is assumed that the remaining 92% of active users will generate ad revenue, viewing an average of 50 ads per month. The average revenue per user from ads is estimated at €3.60 per year (Business of Apps, 2024).

Active users are calculated using a 26% retention rate from the previous quarter plus 26% of new downloads. The year-over-year growth projections for years 2 to 7 are as follows:

- **Year 2:** 50%

- **Year 3:** 40%

- **Year 4:** 30%

- **Year 5:** 25%

- **Year 6:** 20%

- **Year 7:** 20%

It is assumed that, according to marketing campaign goals, MyScenario will achieve a cumulative total of 100,000 downloads by the end of Q4 in the first year. The conservative revenue projections reflect a realistic expansion strategy, taking into account the competitive landscape and market potential. The growth rate also factors in increased marketing efforts, product improvements, and expanding market reach.

VIII.III Profit & Loss Statement (7-Year Prediction)

VIII.III.I P&L Prediction (Year 1)

Figure 18: P&L Statement (Year 1)

	YEAR 1			
Profit & Loss	**Q1**	**Q2**	**Q3**	**Q4**
Revenues				
Plus+ Monthly Subscription Fees	40.286,40 €	60.825,27 €	66.148,83 €	77.623,26 €
Plus+ Annual Subscription Fees	11.518,80 €	25.917,30 €	40.315,80 €	57.594,00 €
Ad Revenue (Freemium)	16.200,00 €	26.712,00 €	27.194,40 €	31.370,40 €
Direct Costs				
Content Production (Content Team salaries, graphic design	(33.750,00 €)	(35.437,50 €)	(37.209,38 €)	(39.069,84 €)
Technology & Development (Tech salaries, AIaaS, software and tool subscription,)	(46.500,00 €)	(48.243,75 €)	(50.052,89 €)	(51.929,87 €)
Hosting and Technology (AWS)	(3.624,00 €)	(3.759,90 €)	(3.900,90 €)	(4.047,18 €)
Gross profit	**(15.868,80 €)**	**26.013,42 €**	**42.495,87 €**	**71.540,76 €**
Operating Expenses				
salaries, Campaigns, Ads, ASO, etc.)	(17.075,78 €)	(23.893,19 €)	(26.923,85 €)	(31.863,15 €)
General & Admin Expenses (Salaries, communication tools, legal & compliance costs)	(31.229,88 €)	(32.010,63 €)	(32.810,90 €)	(33.631,17 €)
Insurance	(37,50 €)	(37,50 €)	(37,50 €)	(37,50 €)
EBITDA	**(64.211,96 €)**	**(29.927,90 €)**	**(17.276,38 €)**	**6.008,95 €**
Depreciation	0,00 €	0,00 €	0,00 €	0,00 €
EBIT	**(64.211,96 €)**	**(29.927,90 €)**	**(17.276,38 €)**	**6.008,95 €**
Interest	(5.625,00 €)	(5.625,00 €)	(5.625,00 €)	(5.625,00 €)
EBT	**(69.836,96 €)**	**(35.552,90 €)**	**(22.901,38 €)**	**383,95 €**
Taxes (under Spain's new start up laws: 15% for first two years of profit, 25% annually)	0,00 €	0,00 €	0,00 €	0,00 €
Net income	**(69.836,96 €)**	**(35.552,90 €)**	**(22.901,38 €)**	**383,95 €**

Source: Own Elaboration

The first year Profit & Loss (P&L) statement for MyScenario indicates a strategic allocation of financial resources to drive growth across key categories. Throughout the year, content production costs grow by 20% each quarter to support the continuous development of high-quality educational material. Technology and development expenses, including salaries and AI-as-a-Service (AIaaS), increase by 15% each quarter, ensuring the platform remains technologically robust and innovative. Hosting and technology costs, primarily for AWS, also see a 15% quarterly increase to accommodate the scaling user base and data requirements.

Marketing and sales expenses grow in accordance with the overall revenue growth to maintain aggressive user acquisition and retention strategies, starting modestly and ramping up significantly in later quarters. General and administrative expenses, including salaries,

communication tools, and compliance costs, increase by 20% each quarter to support the expanding userbase, operational needs, and ensure smooth business functions. This strategic financial management helps MyScenario transition from initial losses to achieving a small net positive income in Q4, laying a strong foundation for sustained growth and profitability.

VIII.III.II P&L Prediction (Years 2-7)

Figure 19: P&L Statement (Years 2-7)

Profit & Loss	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Revenues						
Plus+ Monthly Subscription Fees	378.345,41 €	545.574,08 €	730.523,69 €	940.549,26 €	1.162.518,88 €	1.436.873,33 €
Plus+ Annual Subscription Fees	209.109,42 €	301.535,78 €	403.756,41 €	519.836,37 €	642.517,76 €	794.151,95 €
Ad Revenue (Freemium)	156.781,66 €	226.079,15 €	302.719,98 €	389.751,97 €	481.733,44 €	595.422,53 €
Direct Costs						
Content Production (Content Team salaries, graphic design	(172.305,33 €)	(204.095,66 €)	(241.751,31 €)	(286.354,43 €)	(324.439,57 €)	(367.590,03 €)
Technology & Development (Tech salaries, AIaaS, software and tool subscription,)	(233.022,56 €)	(276.015,22 €)	(326.940,03 €)	(370.423,05 €)	(419.689,32 €)	(475.507,99 €)
Hosting and Technology (AWS)	(18.160,73 €)	(21.511,38 €)	(25.480,23 €)	(30.143,11 €)	(35.659,30 €)	(42.184,95 €)
Gross profit	**320.747,87 €**	**571.566,75 €**	**842.828,51 €**	**1.163.217,01 €**	**1.506.981,89 €**	**1.941.164,84 €**
Operating Expenses						
salaries, Campaigns, Ads, ASO, etc.)	(118.160,95 €)	(139.961,64 €)	(165.784,56 €)	(196.371,81 €)	(222.489,27 €)	(252.080,34 €)
General & Admin Expenses (Salaries, communication tools, legal & compliance costs)	(146.930,36 €)	(166.472,10 €)	(188.612,88 €)	(213.698,40 €)	(242.120,28 €)	(274.322,28 €)
Insurance	(150,00 €)	(154,50 €)	(159,14 €)	(163,91 €)	(168,83 €)	(173,89 €)
EBITDA	**55.506,57 €**	**264.978,51 €**	**488.271,93 €**	**752.982,89 €**	**1.042.203,52 €**	**1.414.588,33 €**
Depreciation	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
EBIT	**55.506,57 €**	**264.978,51 €**	**488.271,93 €**	**752.982,89 €**	**1.042.203,52 €**	**1.414.588,33 €**
Interest	(22.500,00 €)	(22.500,00 €)	(18.000,00 €)	(13.500,00 €)	(9.000,00 €)	(4.500,00 €)
EBT	**33.006,57 €**	**242.478,51 €**	**470.271,93 €**	**739.482,89 €**	**1.033.203,52 €**	**1.410.088,33 €**
Taxes (under Spain's new start up laws: 15% for first two years of profit, 25% annually)	(4.950,99 €)	(36.371,78 €)	(117.567,98 €)	(184.870,72 €)	(258.300,88 €)	(352.522,08 €)
Net income	**28.055,58 €**	**206.106,73 €**	**352.703,95 €**	**554.612,17 €**	**774.902,64 €**	**1.057.566,24 €**

Source: Own Elaboration

The financial projections for MyScenario from Year 2 to Year 7 highlight a robust and scalable business model. Revenues are expected to grow significantly each year, with a 50% increase in Year 2, tapering to 20% by Year 7. This growth is driven by a substantial rise in both subscription fees and ad revenues, reflecting an expanding and loyal user base. All numbers account for a 3% annual inflation rate, ensuring realistic and comprehensive financial planning.

Under Spain's favorable startup laws, MyScenario benefits from a reduced corporate tax rate of 15% for the first two years of profitability, followed by the standard 25% rate (Pié, 2023). This tax regime supports the company's financial stability during its early growth phase. The bank loan of €1,000,000, taken at a 7.5% annual interest rate, follows an interest-only payment structure for the first two years, with principal repayments beginning in the third year over a five-year period, culminating in the final year.

The gross profit is projected to increase substantially year over year, demonstrating effective cost management and revenue growth. The operating expenses will scale according to the revenue growth and the changing needs of the business, including significant allocations for marketing and sales, which are crucial for maintaining a strong market presence and continued user acquisition. EBITDA and EBIT are projected to grow significantly, indicating strong operational performance and financial health. The completion of loan repayments in the seventh year will further enhance the company's financial position, leading to peak net income and indicating long-term sustainability and profitability.

VIII.III Determining Viability with Net Present Value

Figure 20: NPV Calculation

NPV Calculation	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Discount Rate	10.0%							
Cash Flows	(1.000.000,00 €)	(127.907,29 €)	28.055,58 €	146.106,73 €	292.703,95 €	494.612,17 €	714.902,64 €	997.566,24 €
Discount Factor	1,00 €	0,91 €	0,83 €	0,75 €	0,68 €	0,62 €	0,56 €	0,51 €
Discounted CFs		(116.279,36 €)	23.186,43 €	109.772,15 €	199.920,73 €	307.115,24 €	403.543,90 €	511.909,22 €
Net Present Value (NPV)	**439.168,32 €**							

Source: Own Elaboration

The Net Present Value (NPV) calculation for MyScenario, conducted with a 10% discount rate, indicates substantial positive cash flows starting from year 2, reflecting significant returns post-initial investment phase. The NPV of €439,168.32 confirms the project's viability, suggesting that expected earnings exceed the initial investment, thereby validating MyScenario's financial feasibility and potential profitability.

Cash flows were derived from net income, considering no physical assets and depreciation, simplifying the estimation. From years 3 to 7, a €60,000 annual loan repayment was deducted from net income to calculate cash flows accurately. This approach ensures a realistic assessment of the project's financial performance and sustainability.

IX. Risks & Sustainability

The business model and strategic plan of MyScenario are designed with long-term sustainability in mind, while also acknowledging and addressing potential risks. Therevenue model, which includes a mix of subscription fees and ad revenue, ensures a diversified income stream that can support the business through various market conditions. By targeting both individual learners and corporate clients, we mitigate the risk of revenue volatility and broaden our market reach. However, we must consider several risks that could impact the business.

Market competition is intense, with established players like Duolingo and Babbel. To mitigate this, MyScenario focuses on unique features such as cultural immersion and advanced AI-driven personalization. Economic downturns could affect users' willingness to pay for subscriptions, but our freemium model provides a buffer, ensuring continuous user engagement and ad revenue even during economic slowdowns. Rapid technological changes also pose challenges, so we plan to continuously invest in R&D and stay updated with the latest tech trends to ensure our platform remains cutting-edge. Additionally, as a global platform, compliance with data privacy laws like GDPR is critical. We have allocated resources for ongoing legal support and data protection measures to ensure compliance and user trust.

Our decision to hire key technical roles from Eastern Europe helps maintain cost efficiency while tapping into a pool of highly skilled professionals. This approach not only reduces operational costs but also allows us to reinvest savings in product development and marketing, further strengthening our competitive edge. Additionally, MyScenario's remote-first organizational structure reduces overhead costs associated with maintaining physical office spaces. This not only aligns with modern workforce trends but also promotes a flexible work environment that can adapt to future changes in business needs or external economic conditions. Our commitment to continuous improvement through user feedback and technological advancements ensures that our product remains relevant and valuable to users, fostering customer loyalty and long-term engagement.

Despite the potential risks, we believe that MyScenario is well-positioned for sustainable growth. Our diversified revenue streams, cost-efficient operations, and commitment to continuous improvement provide a robust foundation for long-term success. By staying agile and responsive to market changes, leveraging our unique value proposition, and maintaining a strong focus on user satisfaction and technological innovation, we are confident that MyScenario can navigate challenges and continue to thrive in the competitive landscape of language learning apps.

X. Social Impact

MyScenario has a profound positive social impact, aligning with several United Nations Sustainable Development Goals (SDGs). By providing accessible and affordable language learning opportunities, MyScenario contributes to SDG 4: Quality Education. Our platform empowers individuals with language skills that enhance their educational and employment prospects, thereby promoting lifelong learning opportunities for all.

Furthermore, MyScenario supports SDG 8: Decent Work and Economic Growth by equipping users with language skills that are increasingly essential in a globalized job market. This enhances their employability and enables them to participate more effectively in the global economy. The app also fosters cultural understanding and global citizenship, contributing to SDG 10: Reduced Inequalities. By breaking down language barriers, MyScenario promotes inclusivity and facilitates better communication and understanding among diverse populations.

XI. Conclusions

The MyScenario business plan has rigorously evaluated the company's unique selling propositions (USPs) and unique value proposition (UVP) within the competitive landscape of language learning applications. By leveraging cost-efficient talent from Eastern Europe and adopting a remote-first organizational structure, MyScenario ensures operational flexibility and financial prudence. These strategic choices not only reduce overhead costs but also enable us to reinvest savings into product development and marketing, thereby strengthening our competitive edge.

Through detailed market research, we have identified MyScenario's target user base, which includes individual learners, corporate clients, and educational institutions. Our marketing strategies are tailored to these demographics, using a mix of digital marketing, influencer partnerships, and community engagement to effectively reach and convert potential users. This approach ensures that our marketing efforts are both efficient and impactful, maximizing our reach within the intended market segments.

The financial viability of MyScenario has been thoroughly analyzed, demonstrating a strong potential for profitability. The Net Present Value (NPV) analysis shows significant positive cash flows starting from year two, with a cumulative NPV of €439,168.32. This positive NPV indicates that the expected earnings in present value terms exceed the initial investment, confirming the financial feasibility of MyScenario. Additionally, the adoption of a freemium model with subscription and ad revenue streams provides a diversified income base, ensuring sustainability and growth even in varying market conditions.

In conclusion, MyScenario is well-positioned to make a significant impact in the language learning market through its innovative and sustainable business model. Our strategic approach ensures operational flexibility and financial prudence, while our revenue model provides a robust financial foundation. The commitment to social impact further enhances the platform's value, making it not only a tool for education but also a means to promote economic growth and reduce inequalities. As MyScenario continues to grow and evolve, our focus remains on delivering high-quality language education that empowers users and contributes positively to society.

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Appendix A. Market Research Section

Figure 1:Benchmark - Language Learning Apps

| Feature	My Scenario	ELSA	praktika.ai	LoLa	Babbel	duolingo
Pricing Model	Freemium €11.99/mo Annual: €7.99/mo	Subscription €18.74/mo Annual: €14.17/mo	Subscription €11.66/mo Annual: €9.17/mo	Subscription €14.99/mo Annual: €4.98/mo	Subscription €10.50/mo Annual: €5.99/mo	Freemium €16.99/mo Annual: €7.33/mo
Languages Offered	2	English	English	English	13	42
Downloads (Play Store)		10 M+	1 M+	100K+	50 M+	500 M+
Avg. Rating (Play Store)		★★★★★ 4.6	★★★★★ 4.8	★★★★★ 4.7	★★★★★ 4.6	★★★★★ 4.7
Learning via Role-Play	✅ Scripted, unscripted, developed stories	✅ Text-heavy, natural voice, not advanced	✅ Conversation with talking head, text heavy	✅ 100% Scripted, integrated into engaging real life videos	✅ Scripted, underdeveloped	❌ Duo Max: iOS, select markets
AI-Integration	✅ Grammar feedback, custom scenarios	✅ Focus on pronunciation	✅ Can create custom scenarios	✅ Pronunciation help	❌ None	❌ Duo Max: iOS, select markets

Source: Own Elaboration

Figure 21: ELSA Speak – Sentiment Analysis Results
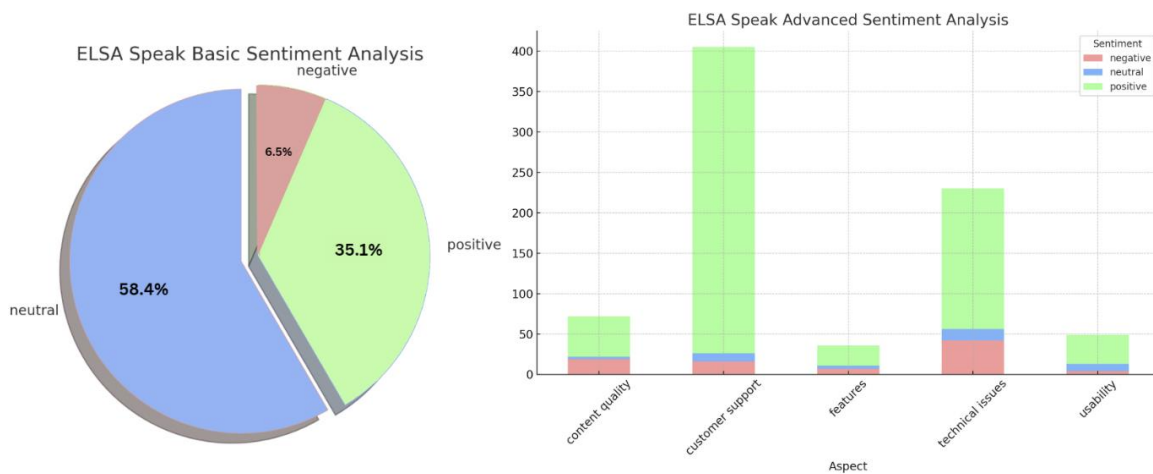
Source: Own Elaboration

Figure 22: Lola Speak – Sentiment Analysis Results
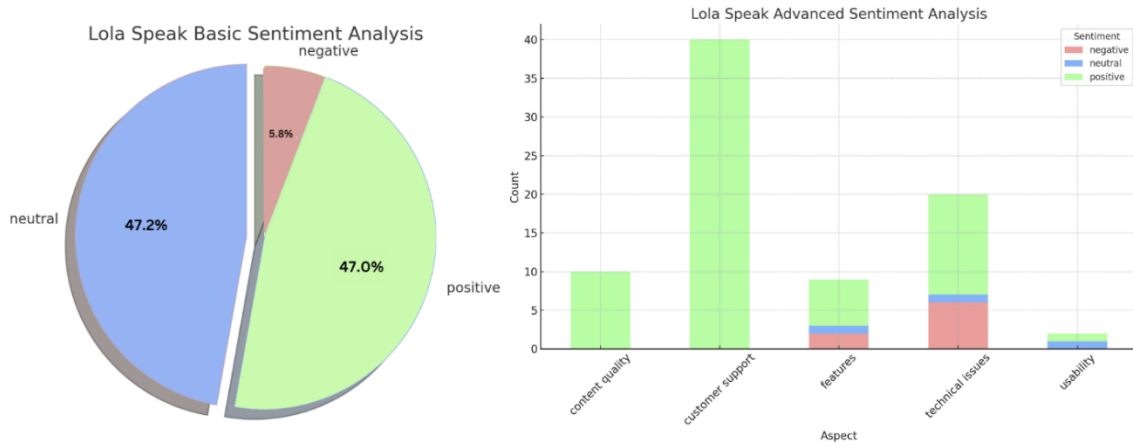
Source: Own Elaboration

Figure 23: Praktika – Setiment Analsyis Results
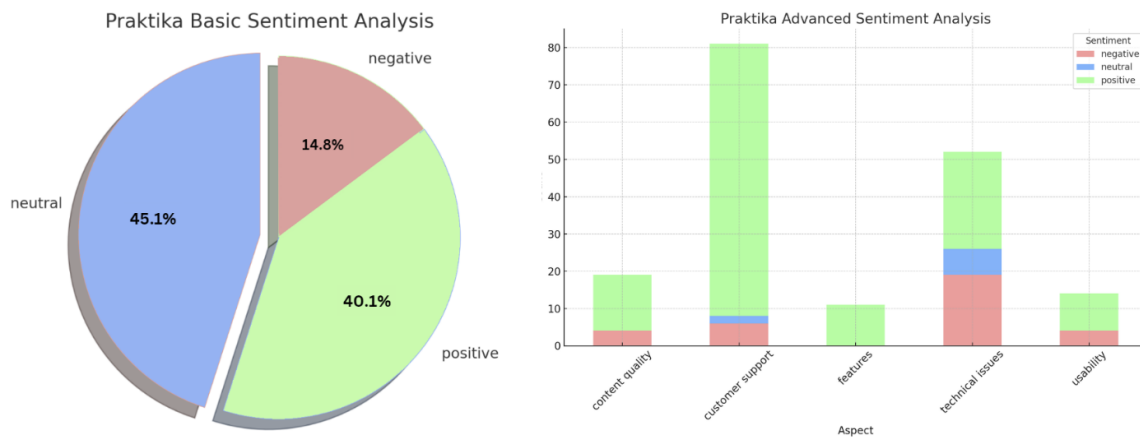
Source: Own Elaboration

Appendix B. Business Model Canvas

Figure 24: MyScenario Business Model Canvas
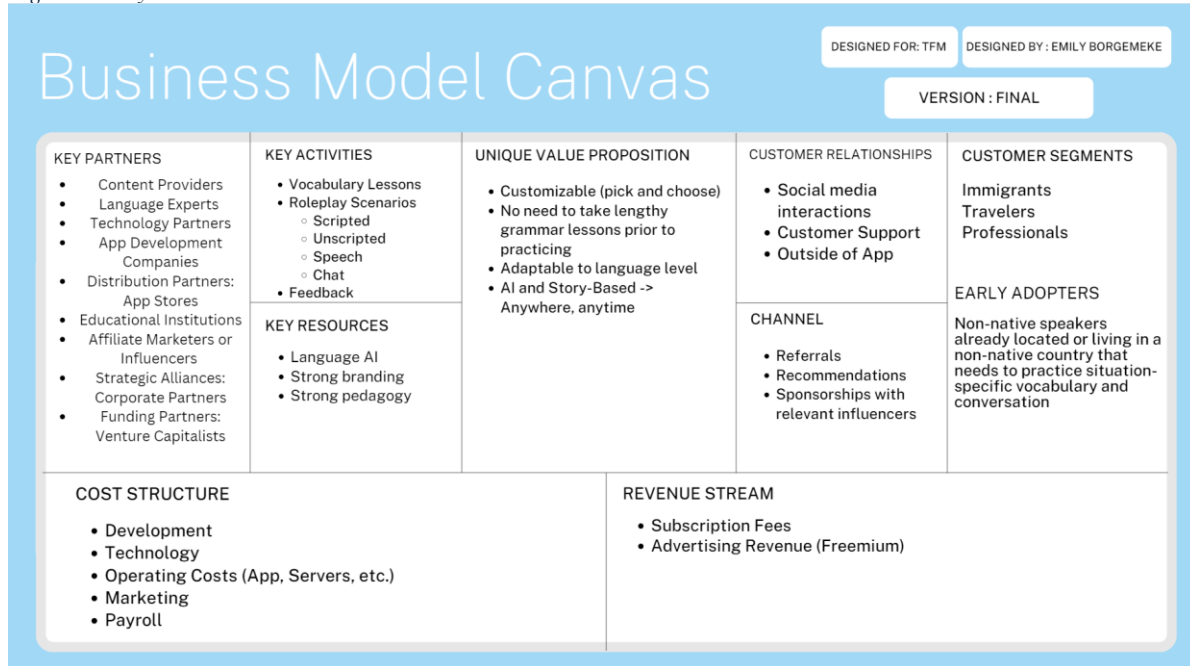
Source: Own Elaboration

Appendix C. Concept & Design

Figure 6: MyScenario Logo & Color Palette
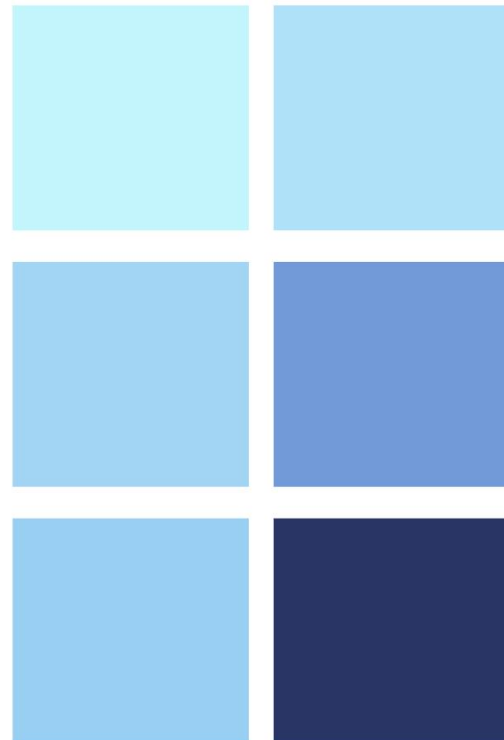
Source: Own Elaboration

Figure 7: Start Screen

Source: Own Elaboration

Figure 8: Characters

Source: Own Elaboration

Figure 9: Vocabulary Modules, Scripted Scenario, and Vocabulary Tips

Source: Own Elaboration

Figure 10: Unscripted Scenario & Feedback Report

Source: Own Elaboration

Appendix D. Marketing

Figure 11: User Personas

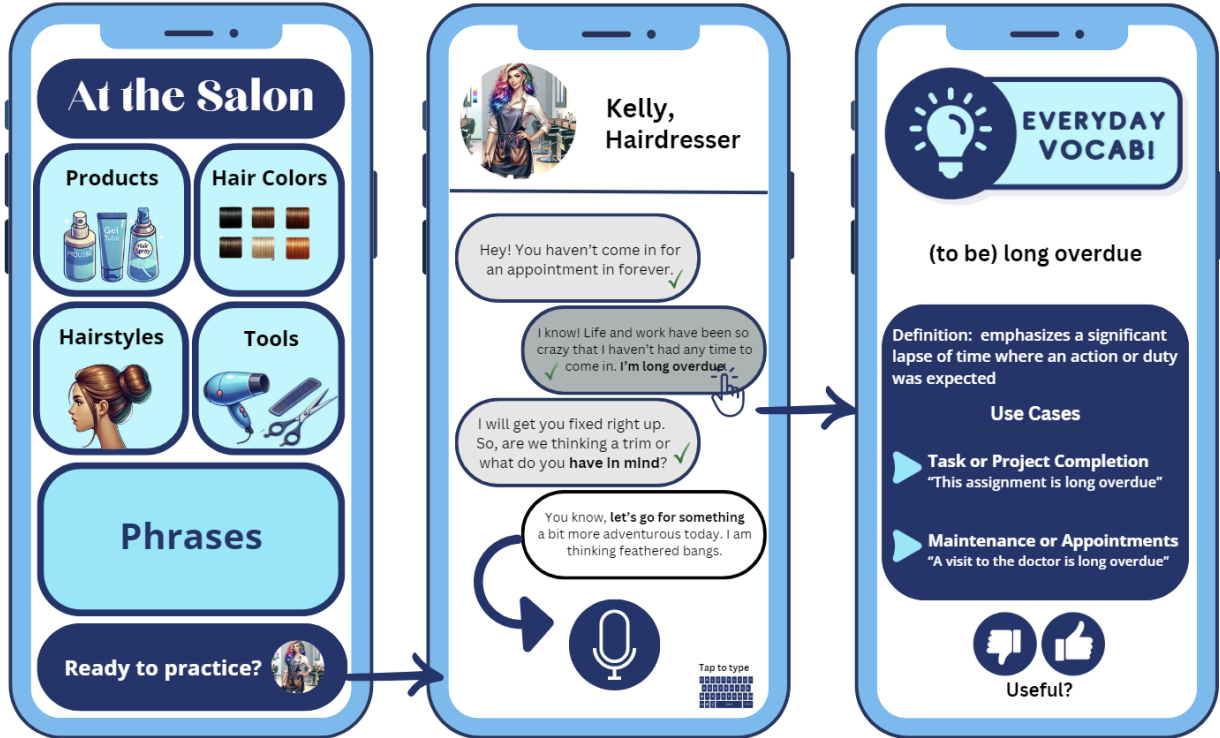|	Corporate Carla (32)	Stuy Abroad Steven (20)	Digital Nomad Dani (28)
OCCUPATION	• Works in a multinational company	• Student studying abroad in Spain	• Freelance Graphic Designer
GOALS	• Improve business communication • Enhance professional relationships	• Achieve fluency to thrive in academics • Make local friends	• Maintain flexible lifestyle • Build client netowrk
MOTIVATION	• Career advancement • Opportunities to travel for work	• Full immersion in Spanish culture • Academic success & personal growth	• Navigate travel with ease • Expand freelance opportunities
FRUSTRATION	• Limited time due to busy work life	• Overwhelmed by transition from classroom to the real world	• Finding resources that fit lifestyle
FEATURES WANTED	• Advanced language modules • Feedback on business communication	• Scenario-based roleplay • Real-time correction	• Tips for everyday tasks • Flexible learning
LIKELY TO SUBSCRIBE?	Yes!	No – Limited Funds	Maybe – If the app is engaging

Source: Own Elaboration

Figure 12: Basic vs. Plus+ Tier Comparison

Source: Own Elaboration

Appendix E. HR & Operation

Figure 13: Roles & Salaries

Position	Location	Employee Count	Salary
CEO	Remote - Spain	1	(40.000,00 €)
Mobile App Developers	Remote - Eastern Europe	2	(40.000,00 €)
UX/UI Designers	Remote - Eastern Europe	2	(30.000,00 €)
Content Developers	Remote - Spain	4	(27.500,00 €)
Graphic Designer	Remote - Spain	1	(25.000,00 €)
QA Tester	Remote - Eastern Europe	1	(22.000,00 €)
Marketing Specialist	Remote - Spain	1	(27.500,00 €)
Customer Support Rep	Remote - Spain	2	(21.500,00 €)
HR/Admin Support	Remote - Spain	1	(24.000,00 €)
Data Analyst (part-time)	Remote - Eastern Europe	1	(15.000,00 €)

Source: Own Elaboration

Figure 14: Product Development Phase – Involvement by Role

	Initial Development Phase			Mid-Development Phase						Final Phase		
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
CEO	■	■	■	■	■	■	■	■	■	■	■	■
Mobile App Developers	■	■	■	■	■	■	■	■	■	■	■	■
UX/UI Designers	■	■	■	■	■	■	■	■	■	■	■	■
Content Developers	■	■	■	■	■	■	■	■	■	■	■	■
Graphic Designer	■	■	■	■	■	■	■	■	■	■	■	■
QA Tester				■	■	■	■	■	■	■	■	■
Marketing Specialist				■	■	■	■	■	■	■	■	■
Customer Support Rep										■	■	■
HR/Admin Support										■	■	■
Data Analyst (Part-Time)										■	■	■

Source: Own Elaboration

Appendix F. Financials

Figure 15: Product Development Expenses (Pre-Lauuch)

Initial Investment Breakdown	Initial Development Phase			Mid-Development Phase						Final Phase		
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
A. Infrastucture												
Cloud Servers & Storage (AWS)	- 250,00 €	- 250,00 €	- 250,00 €	- 500,00 €	- 500,00 €	- 500,00 €	- 800,00 €	- 800,00 €	- 800,00 €	- 1.200,00 €	- 1.200,00 €	- 1.200,00 €
Website Hosting (WordPress)	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €	- 8,00 €
B. Software Licensing & Services												
Google Workspace	- 120,00 €	- 120,00 €	- 120,00 €	- 132,00 €	- 132,00 €	- 132,00 €	- 144,00 €	- 144,00 €	- 168,00 €	- 192,00 €	- 192,00 €	- 192,00 €
Slack	- 41,30 €	- 41,30 €	- 41,30 €	- 45,43 €	- 45,43 €	- 45,43 €	- 49,56 €	- 49,56 €	- 57,82 €	- 66,08 €	- 66,08 €	- 66,08 €
Trello	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
AIaaS	- €	- €	- 6.500,00 €	- 1.500,00 €	- 1.500,00 €	- 1.500,00 €	- 1.500,00 €	- 1.500,00 €	- 2.000,00 €	- 2.000,00 €	- 2.000,00 €	- 2.000,00 €
C. Legal & Compliance Setup												
Legal Fees (IP, company registration, contract drafting)	- 3.000,00 €	- €	- 1.000,00 €	- €	- 1.000,00 €	- €	- €	- 1.000,00 €	- €	- €	- €	- €
Data Protection Compliance	- €	- €	- €	- €	- €	- 500,00 €	- €	- €	- 1.000,00 €			
D. Marketing & Branding												
Website Design (contracted)	- €	- €	- €	- €	- €	- 750,00 €	- €	- €	- €	- €	- €	- €
Advertising & Marketing	- €	- €	- €	- €	- €	- €	- €	- 500,00 €	- 500,00 €	- 2.000,00 €	- 2.250,00 €	- 2.250,00 €
ASO/SEO/SEM	- €	- €	- €	- €	- €		- €	- 250,00 €	- 500,00 €	- 500,00 €	- 500,00 €	- 1.000,00 €
F. Initial OpEx												
Insurance	- €	- €	- €	- €	- €	- €	- €	- €	- 150,00 €	- €	- €	- €
Consultancy Services (AI, etc)	- €	- €	- €	- €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €	- 3.500,00 €
Salaries	- 21.666,67 €	- 21.666,67 €	- 21.666,67 €	- 23.958,33 €	- 23.958,33 €	- 23.958,33 €	- 25.458,33 €	- 25.458,33 €	- 28.708,33 €	- 32.291,67 €	- 32.291,67 €	- 32.291,67 €
	- 25.085,97 €	- 22.085,97 €	- 29.585,97 €	- 26.143,76 €	- 30.643,76 €	- 30.893,76 €	- 31.459,89 €	- 33.209,89 €	- 37.392,15 €	- 41.757,75 €	- 42.007,75 €	- 42.507,75 €

TOTAL - 411.774,36 €

Source: Own Elaboration

Figure 16: First Year Expenses

	Q1	Q2	Q3	Q4
Direct Costs				
Content Production (Content Team salaries, graphic design wages)	- 33.750,00 €	- 35.437,50 €	- 37.209,38 €	- 39.069,84 €
Technology & Development (Tech salaries, AIaaS, software and tool subscription,)	- 46.500,00 €	- 48.243,75 €	- 50.052,89 €	- 51.929,87 €
Hosting and Technology (AWS)	- 3.624,00 €	- 3.759,90 €	- 3.900,90 €	- 4.047,18 €
Operating Expenses				
Marketing & Sales (Marketing salaries, Campaigns, Ads, ASO, etc.)	- 17.075,78 €	- 23.893,19 €	- 26.923,85 €	- 31.863,15 €
General & Admin Expenses (Salaries, communication tools, legal & compliance costs)	- 31.229,88 €	- 32.010,63 €	- 32.810,90 €	- 33.631,17 €
Insurance	- 37,50 €	- 37,50 €	- 37,50 €	- 37,50 €
	- 132.217,16 €	- 143.382,47 €	- 150.935,41 €	- 160.578,71 €

TOTAL - 587.113,75 €

Source: Own Elaboration

Figure 17: Investment Funds

Initial Investment	
Founder's Investment	50.000,00 €
Investors	650.000,00 €
Bank Loan (7.5% interest)	300.000,00 €
Total	**1.000.000,00 €**

Source: Own Elaboration

Figure 18: P&L Statement (Year 1)

	YEAR 1			
Profit & Loss	**Q1**	**Q2**	**Q3**	**Q4**
Revenues				
Plus+ Monthly Subscription Fees	40.286,40 €	60.825,27 €	66.148,83 €	77.623,26 €
Plus+ Annual Subscription Fees	11.518,80 €	25.917,30 €	40.315,80 €	57.594,00 €
Ad Revenue (Freemium)	16.200,00 €	26.712,00 €	27.194,40 €	31.370,40 €
Direct Costs				
Content Production (Content Team salaries, graphic design	(33.750,00 €)	(35.437,50 €)	(37.209,38 €)	(39.069,84 €)
Technology & Development (Tech salaries, AIaaS, software and tool subscription,)	(46.500,00 €)	(48.243,75 €)	(50.052,89 €)	(51.929,87 €)
Hosting and Technology (AWS)	(3.624,00 €)	(3.759,90 €)	(3.900,90 €)	(4.047,18 €)
Gross profit	**(15.868,80 €)**	**26.013,42 €**	**42.495,87 €**	**71.540,76 €**
Operating Expenses				
salaries, Campaigns, Ads, ASO, etc.)	(17.075,78 €)	(23.893,19 €)	(26.923,85 €)	(31.863,15 €)
General & Admin Expenses (Salaries, communication tools, legal & compliance costs)	(31.229,88 €)	(32.010,63 €)	(32.810,90 €)	(33.631,17 €)
Insurance	(37,50 €)	(37,50 €)	(37,50 €)	(37,50 €)
EBITDA	**(64.211,96 €)**	**(29.927,90 €)**	**(17.276,38 €)**	**6.008,95 €**
Depreciation	0,00 €	0,00 €	0,00 €	0,00 €
EBIT	**(64.211,96 €)**	**(29.927,90 €)**	**(17.276,38 €)**	**6.008,95 €**
Interest	(5.625,00 €)	(5.625,00 €)	(5.625,00 €)	(5.625,00 €)
EBT	**(69.836,96 €)**	**(35.552,90 €)**	**(22.901,38 €)**	**383,95 €**
Taxes (under Spain's new start up laws: 15% for first two years of profit, 25% annually)	0,00 €	0,00 €	0,00 €	0,00 €
Net income	**(69.836,96 €)**	**(35.552,90 €)**	**(22.901,38 €)**	**383,95 €**

Source: Own Elaboration

Figure 19: P&L Statement (Years 2-7)

Profit & Loss	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Revenues						
Plus+ Monthly Subscription Fees	378.345,41 €	545.574,08 €	730.523,69 €	940.549,26 €	1.162.518,88 €	1.436.873,33 €
Plus+ Annual Subscription Fees	209.109,42 €	301.535,78 €	403.756,41 €	519.836,37 €	642.517,76 €	794.151,95 €
Ad Revenue (Freemium)	156.781,66 €	226.079,15 €	302.719,98 €	389.751,97 €	481.733,44 €	595.422,53 €
Direct Costs						
Content Production (Content Team salaries, graphic design	(172.305,33 €)	(204.095,66 €)	(241.751,31 €)	(286.354,43 €)	(324.439,57 €)	(367.590,03 €)
Technology & Development (Tech salaries, AIaaS, software and tool subscription,)	(233.022,56 €)	(276.015,22 €)	(326.940,03 €)	(370.423,05 €)	(419.689,32 €)	(475.507,99 €)
Hosting and Technology (AWS)	(18.160,73 €)	(21.511,38 €)	(25.480,23 €)	(30.143,11 €)	(35.659,30 €)	(42.184,95 €)
Gross profit	**320.747,87 €**	**571.566,75 €**	**842.828,51 €**	**1.163.217,01 €**	**1.506.981,89 €**	**1.941.164,84 €**
Operating Expenses						
salaries, Campaigns, Ads, ASO, etc.)	(118.160,95 €)	(139.961,64 €)	(165.784,56 €)	(196.371,81 €)	(222.489,27 €)	(252.080,34 €)
General & Admin Expenses (Salaries, communication tools, legal & compliance costs)	(146.930,36 €)	(166.472,10 €)	(188.612,88 €)	(213.698,40 €)	(242.120,28 €)	(274.322,28 €)
Insurance	(150,00 €)	(154,50 €)	(159,14 €)	(163,91 €)	(168,83 €)	(173,89 €)
EBITDA	**55.506,57 €**	**264.978,51 €**	**488.271,93 €**	**752.982,89 €**	**1.042.203,52 €**	**1.414.588,33 €**
Depreciation	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
EBIT	**55.506,57 €**	**264.978,51 €**	**488.271,93 €**	**752.982,89 €**	**1.042.203,52 €**	**1.414.588,33 €**
Interest	(22.500,00 €)	(22.500,00 €)	(18.000,00 €)	(13.500,00 €)	(9.000,00 €)	(4.500,00 €)
EBT	**33.006,57 €**	**242.478,51 €**	**470.271,93 €**	**739.482,89 €**	**1.033.203,52 €**	**1.410.088,33 €**
Taxes (under Spain's new start up laws: 15% for first two years of profit, 25% annually)	(4.950,99 €)	(36.371,78 €)	(117.567,98 €)	(184.870,72 €)	(258.300,88 €)	(352.522,08 €)
Net income	**28.055,58 €**	**206.106,73 €**	**352.703,95 €**	**554.612,17 €**	**774.902,64 €**	**1.057.566,24 €**

Source: Own Elaboration

Figure 20: NPV Calculation

NPV Calculation	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Discount Rate	10.0%							
Cash Flows	(1.000.000,00 €)	(127.907,29 €)	28.055,58 €	146.106,73 €	292.703,95 €	494.612,17 €	714.902,64 €	997.566,24 €
Discount Factor	1,00 €	0,91 €	0,83 €	0,75 €	0,68 €	0,62 €	0,56 €	0,51 €
Discounted CFs		(116.279,36 €)	23.186,43 €	109.772,15 €	199.920,73 €	307.115,24 €	403.543,90 €	511.909,22 €

Net Present Value (NPV)	439.168,32 €

Source: Own Elaboration

Appendix G. Survey & Results

Figure 21: First Section of Survey

Which language are you currently learning? (This is your target language) *

○ English

○ Spanish

What do you estimate your level to be in your target language? *

○ Beginner (A0, A1, or A2)

○ Intermediate (B1)

○ Upper-Intermediate (B2)

○ Advanced (C1 or C2)

What are your primary motivations for learning your target language? (You may select more than one) *

☐ Educational studies

☐ Business purposes

☐ To communicate with family and friends

☐ To move or live in a country where said language is spoken

☐ Personal interest, travel, or enrichment

How long have been learning your target language? *

○ <6 months

○ 6-11 months

○ 1-2 years

○ 2+ years

How have you studied or learned your target language? (You may select more than one) *

☐ Taking traditional classes

☐ Self-study

☐ Organically through immersion strategies (speaking with natives, consuming content, etc.)

☐ Language learning apps

Source: Own Elaboration

Figure 22: Second Section of Survey

How confident are you in your abilities in the following areas in your target language? *

	Very Unconfide...	Somewhat Unc...	Neutral	Somewhat Con...	Very Confident
Reading Compr...	○	○	○	○	○
Listening Com...	○	○	○	○	○
Speaking Ability	○	○	○	○	○
Writing Ability	○	○	○	○	○

How confident would you feel about using your target language in the following situations? *

	Very Unconfide...	Somewhat Unc...	Neutral	Somewhat Con...	Very Confident
Making a dinne...	○	○	○	○	○
Going to the do...	○	○	○	○	○
Presenting a pr...	○	○	○	○	○
Asking and foll...	○	○	○	○	○
Going to the ha...	○	○	○	○	○
Hanging out wi...	○	○	○	○	○
Contacting cus...	○	○	○	○	○
Responding to ...	○	○	○	○	○
Filing a police r...	○	○	○	○	○
Going to the de...	○	○	○	○	○

If you answered less than "Very Confident" for any of the situations in the previous question, which of the following factors affect your confidence? (You may select more than one)

☐ Pronunciation / Accent

☐ Lack of Situation-Specific Vocabulary

☐ Lack of Fluency (slow or stuttered speech)

☐ Challenges with Grammar

☐ Negative Experiences in the Past

Source: Own Elaboration

Figure 23: Third Section of Survey

Do you find language learning apps to be a useful tool for language learning? *

○ Yes

○ No

Which language learning apps have you used previously? (You may select more than one) *

☐ Duolingo

☐ Busuu

☐ Babbel

☐ Memrise

☐ None of These

How do you typically access language learning resources? *

☐ Online using the computer

☐ Online using a smartphone

☐ Offline materials

☐ I don't usually access language learning resources

Which of the following features would interest you in a language learning app? (You may select more than one)   *

☐ Instant Feedback on Pronunciation by AI

☐ Grammar Correction with AI-Generated Explanations
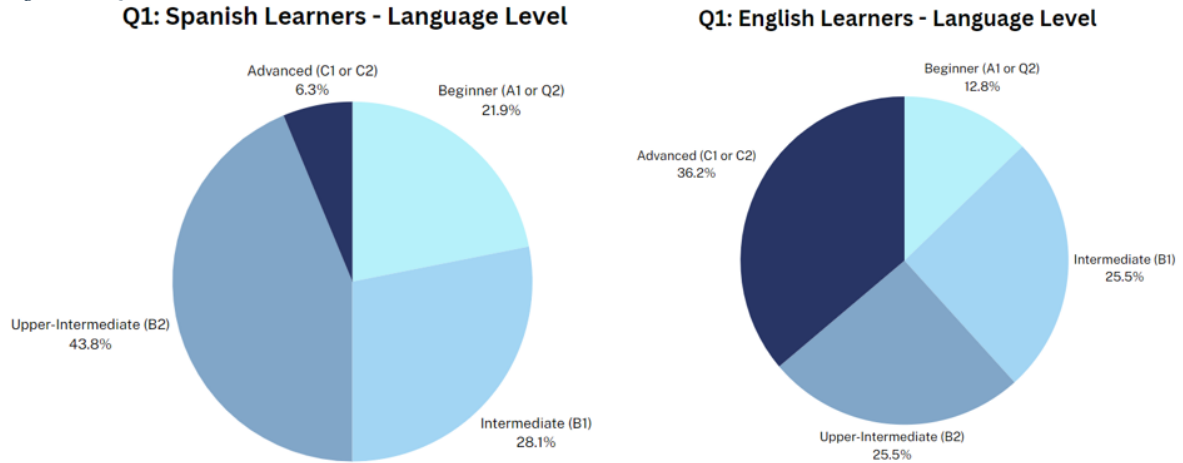
☐ Scenario-Based Roleplay with AI

☐ Scenario-Based Roleplay with an Online Language Partner
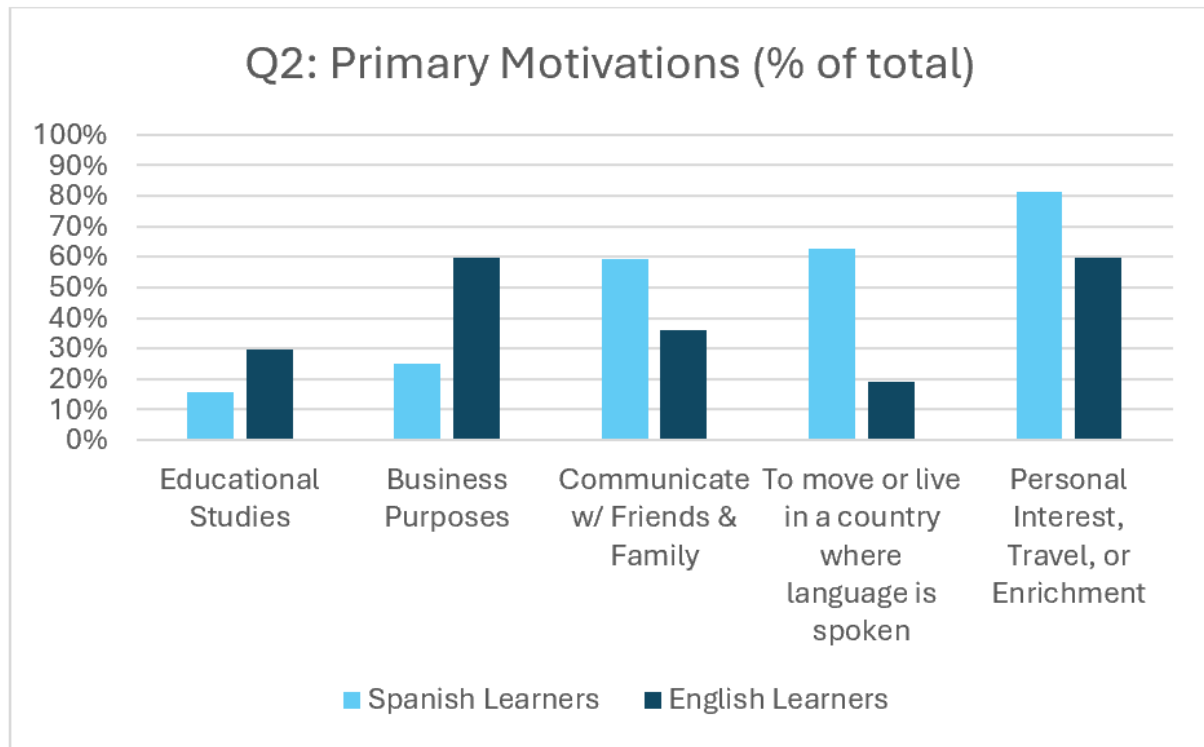
☐ Traditional Vocabulary/Grammar Modules

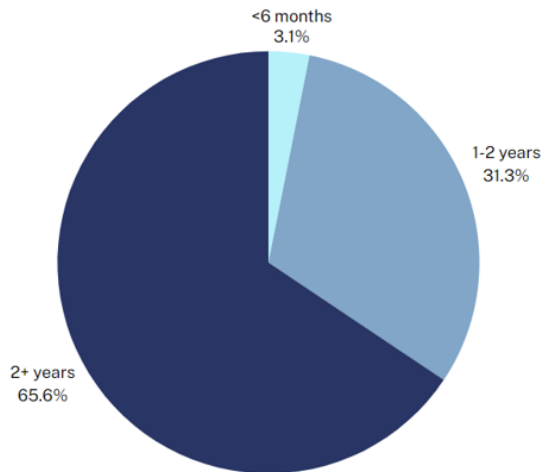☐ None of These

Source: Own Elaboration

Figure 24: Q1 Results

Q1: Spanish Learners - Language Level

- Advanced (C1 or C2) 6.3%
- Beginner (A1 or Q2) 21.9%
- Upper-Intermediate (B2) 43.8%
- Intermediate (B1) 28.1%

Q1: English Learners - Language Level

- Beginner (A1 or Q2) 12.8%
- Advanced (C1 or C2) 36.2%
- Intermediate (B1) 25.5%
- Upper-Intermediate (B2) 25.5%

Source: Own Elaboration

Figure 25: Q2 Results

Q2: Primary Motivations (% of total)

Spanish Learners / English Learners

Source: Own Elaboration

Figure 26: Q3 Results

Q3: Spanish Learners - Time Studied

<6 months
3.1%

1-2 years
31.3%

2+ years
65.6%

Q3: English Learners - Time Studied

<6 months
19.1%

6-11 months
4.3%

1-2 years
6.4%

2+ years
70.2%
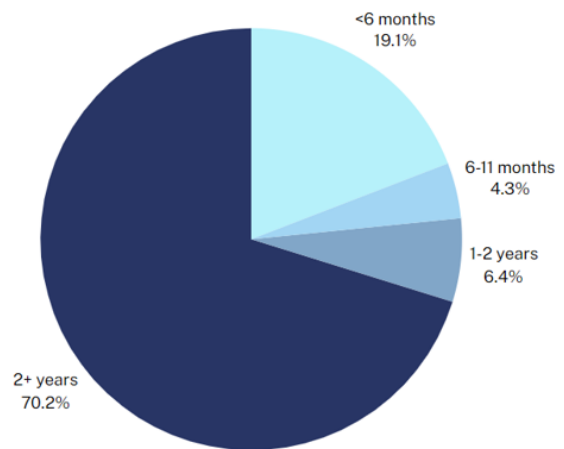
Source: Own Elaboration

Figure 27: Q4 Results

Q4: Learning Methods Used (% of total)

Method	Spanish Learners	English Learners
Traditional Classes	66%	79%
Self-Study	69%	34%
Immersion	75%	47%
Language Apps	81%	28%

■ Spanish Learners ■ English Learners
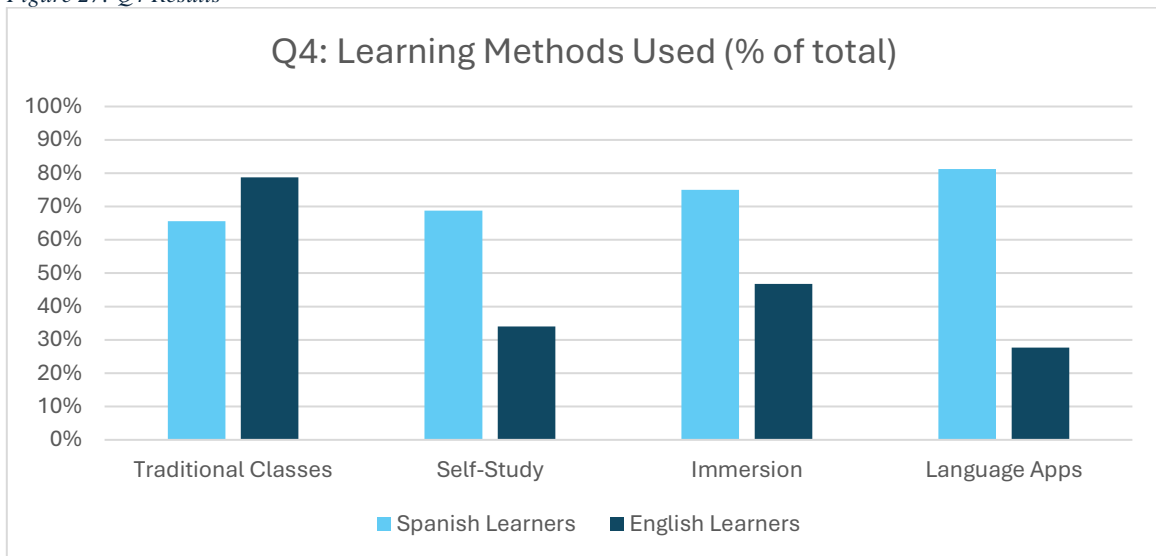
Source: Own Elaboration
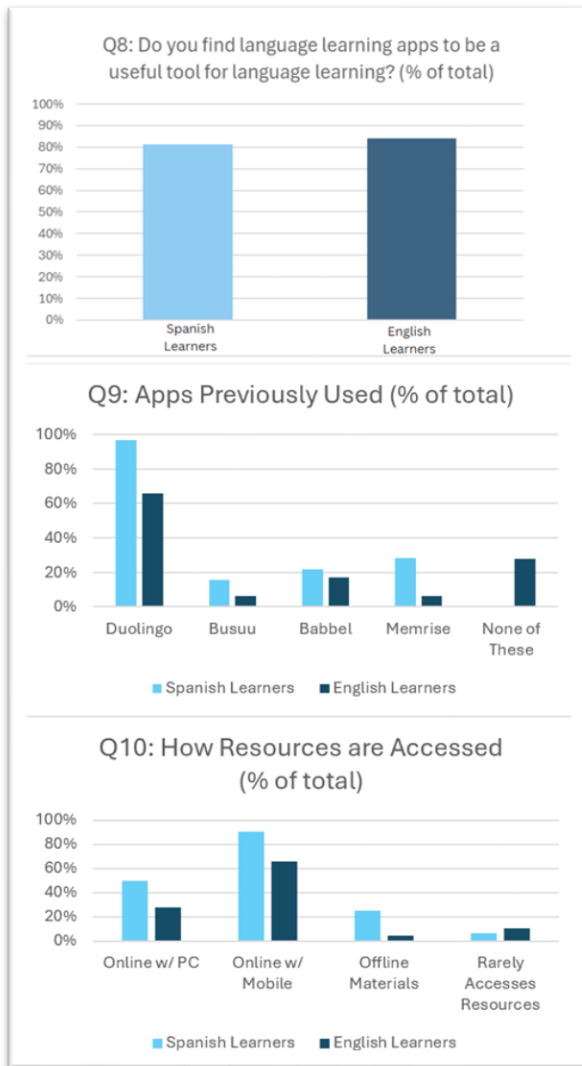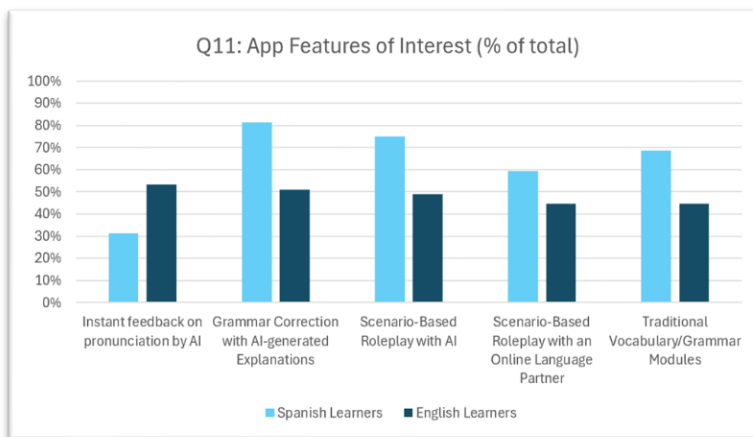
Figure 28: Q5-Q7 Results
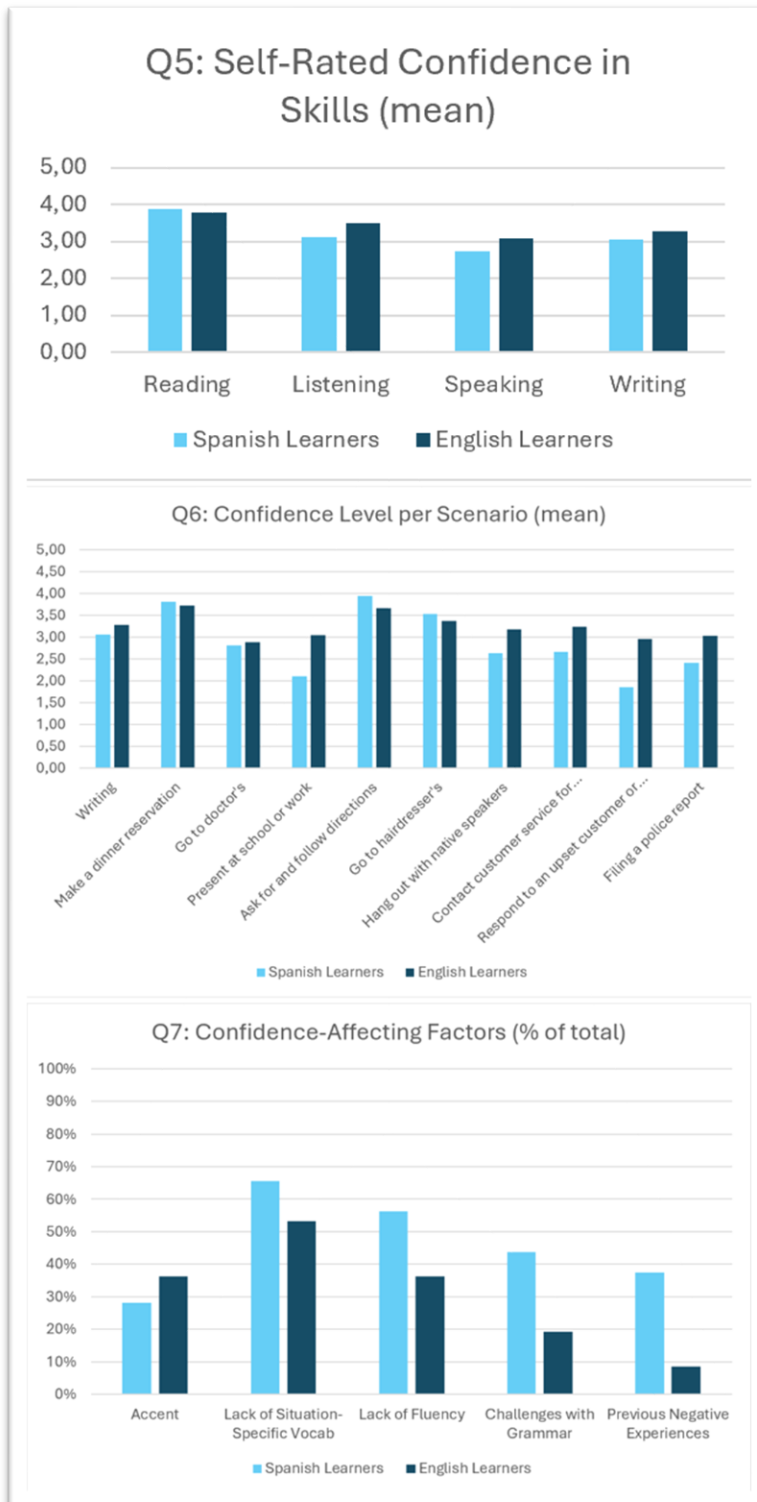
Figure 29: Q8-Q10 Results

Figure 30: Q11 Results

Source: Own Elaboration