SPECKLED BLISS

DESIGN STUDIO

Spring 2023

BA 404 - Small Business Consulting

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Acknowledgement

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Executive Summary:

Speckled Bliss Studio (SBS) is a startup that aims to serve residential property management and real estate businesses in San Diego. Property managers and real estate brokerages can choose tailored services from a choice of:

1. Website Design
2. Branding
3. Print Media
4. Merchandising

The founder Ginny Kim is bootstrapping SBS with a unique approach to traditional design studios. She wishes to serve customers with a blend of professionalism and San Diego flavor. After taking a look at her current business profile, our team at Aztec Consulting knew she was the perfect fit for that mission. She is an experienced design specialist from her prior corporate work as a UX designer. She also crafts products and services that people love, demonstrated by her enthusiastic reviews from her customers and one of her artworks going viral through Instagram.

Ginny initially launched SBS in 2020, but converted to being a founder full-time in January of 2023. With a few B2B customers in her pipeline, she is partnering up with Aztec Consulting (AC) to see which directions are open to take with SBS. Our consulting team consists of five members each with different points of experience and value add to this engagement:

1. Julia Allen - Business Management
2. Dani Barbar - Real Estate and Marketing
3. Jake Barnes - Finance
4. Bekhruz Nuriddinov - Finance and Corporate Mergers & Acquisitions
5. Sara Sussman - Marketing

At AC, we conduct our engagements through primary and secondary research. Our primary research efforts include data gathering through surveys and interviews with relevant stakeholders, and it includes utilizing our direct experience in marketing and finance. Our secondary research consists of leveraging university research databases and articles from sources like statista, IBISWorld, government websites, and etc.

The engagement between SBS and AC includes establishing a high level problem statement followed by four main objectives. The objectives help both us and SBS with

organizing the business into chronological parts and answering some key questions. The problem we recognized was that SBS needed a clearer roadmap for growth and extra insight into the intersection of design and property management. The objectives we dove deep into include:

- **Objective 1: Identify the ideal target market.** Many startup founders have a vision of who their customer is, but does it make sense? Is the market growing? Are there other alternatives?

- **Objective 2: Determine the key components to a successful design services startup.** While competition is typically seen negatively, for startups it presents an opportunity for efficient growth. How are current players operating? What do they do well? What could they do better?

- **Objective 3: Determine optimal communication channels to best reach each customer segment within the target market.** Every customer is different with different needs. How can our client best hear these different customers and reach out to them?

- **Objective 4: Establish a business cost plan for hiring and marketing.** Startup founders are busy wearing multiple hats and often don't have the time to plan out small but important items relating to finances. Based on current customers, what will revenue look like next year or in five years? What revenue model suits a startup at the stage they are at?

After conducting extensive research on each objective and synthesizing the results, we came up with five strategic recommendations that suit Speckled Bliss Studio at its current stage. To help SBS capitalize on our findings, we also formulated a practical action plan for Ginny to consider when going forward with development.

Aztec Consulting is proud to have partnered with Ginny Kim in providing strategic consulting services to her startup Speckled Bliss Studio. Thank you for allowing student consultants in the BA404 program to go through the professional consultation process and make data-driven recommendations.

Introduction:

Ginny Kim, an experienced branding specialist and website designer, approached the Aztec Consulting Program for guidance regarding her company, Speckled Bliss Design Studio. Speckled Bliss entered the BA-404 Small Business Consulting Program as a client and our team was set on evaluating the customer's business needs and determining a course of action for her company through various research methodologies.

Background:

Speckled Bliss Studio is a design studio that specializes in digital design including branding, web design, packaging design, and illustration. The company also offers an e-commerce store which features coastal inspired merchandise such as clothing, key chains, and prints. The company is owned and operated by Ms. Kim. Speckled Bliss Design Studio has been in business since 2020, but the owner has taken on this company as her full-time job as of January 2023. Her company competes in the creative services and design industry within the San Diego Region. Speckled Bliss offers services such as brand identity, website design, packaging design, and illustration. She is working to scale her business to target luxury companies, such as real estate brokers and property management, hotel groups, restaurant groups, and surf brands. Ms. Kim has the ability to serve any of these target markets with her well rounded expertise and design skills that can work in variety to the customer's specific needs at that time.

The critical issue that this company is facing in its early stages of development is gaining real-world customers that will have substantial revenue streams in order to pay her operating costs of running the organization. Being such an early-stage company, she has been fully focused on her current clientele work demand that she has yet to be able to target a specific market or to develop any form of future marketing strategy to capture more market share here in San Diego for the coming years. Furthermore, the company has yet to develop a cost structure for its service that can be marketed to individual target segments attracting customers to her business.

Problem Statement:

Speckled Bliss Design Studio is working to develop an online and referral-based presence to provide customers with personalized digital design and branding services and any other digital design inquiry they may desire. Our team will help to discover where the talents of Speckled Bliss can fit best to provide a service to customers in the appropriate target market.

Objective #1: Identify the ideal target market

We will discover the target market by conducting primary and secondary research. We will analyze the real estate, financial services, E-commerce and legal services industries that may benefit from design services. As well, we will research into the creative design industry and identify how Speckled Bliss Design Studio will best fit within the market. From our research, we will determine the ideal target market and customer segmentation to make credible recommendations.

Methodology 1: SDSU Library Database

Conduct high level research on the design and creative services industry as well as other relevant industries through SDSU library databases and other secondary resources. We will look into the US market, California market, and most importantly, the San Diego market for these services.

Results:

Real Estate Industry

The real estate industry is enormous, with roughly $1.1 trillion worth of transactions in 2022. Property managers have to keep track of the general real estate and housing sub-industry because it correlates to the downstream rental and leasing sub-industry. 30-year mortgage rates hit 6.3 percent in January of 2023, which is above the 52-week average. These increased rates come from the Fed's economic tightening policies and the hiking of the federal funds rate. The cost of borrowing for consumer home ownership and enterprise-level real estate acquisitions have dramatically increased, which reduces the demand for buying real estate. Along with these economic trends, the COVID-19 pandemic also highlighted innovative trends relating to technology enablement.

The most prominent technological trend was virtual home tours offered by property managers and real estate brokerages. The ability to see what they could buy or rent helped nullify safety concerns while optimizing costs. After the pandemic, we expect these virtual tour

offerings to continue growing especially in conjunction with other technology-enabled offerings. Rental prices have increased as a result of inflated home prices, but renting is still preferred over owning due to affordability issues. With construction and technology enablement picking up post pandemic, this space is prone for disruption. The average profit margin of a property manager is 44.6 percent, meaning there is room for spending. Depending on the type of property management firm and the area it serves, firms can differentiate themselves through branding and marketing strategies. Many of their websites are outdated and appeal to older generations. Over the long term, Millennials and Gen Z's will constitute the majority of the workforce forcing firms to adapt their image. Based on IBISWorld's cost structure estimates, in conjunction with our estimate of design spending, it is projected that the total capturable addressable market for design services from property managers is $305 million. If a design studio were to capture even 1% of the market, this would equate to roughly $3 million dollars in revenue.

When analyzing the real estate market in San Diego, it is noted that San Diego is in the top 20% of cities nationwide for real estate industry appreciation. San Diego is one of the fastest-growing cities in the United States, with a population exceeding 1.4 million people. The population has grown 1.22% over the past 5 years, and it is projected to grow 0.88% each year for the next 2 years to reach a population of 1.52 million by 2025. Due to the increasing population, the real estate market is diverse and competitive. Housing units in San Diego are 53% rental properties and 47% owner-occupied properties. As interest rates and home prices rise, it is difficult for first time home buyers to be willing and able to enter the market. This has caused the demand for rental properties to remain high, and the role of property management companies to be increasingly important. There has been a low vacancy rate (around 3.2% in 2021) of rental properties, which has led to an increase in rental prices. As of April 2023, the average rent for a one-bedroom apartment in San Diego is $2,395 per month, which has remained flat in comparison to the average rent from the previous year.

Figure 1: Apartment Rent Ranges

Apartment Rent Ranges in San Diego, CA

Apartment Prices	Proportion
$501-$700	0%
$701-$1,000	0%
$1,001-$1,500	2%
$1,501-$2,100	14%
$2,101+	84%

City	1 Bed Avg Rent	Annual Change
Coronado	$3,112	-5%
La Jolla	$2,967	-1%
Carlsbad	$2,945	+2%
Imperial Beach	$2,677	-1%
Chula Vista	$2,492	-2%
Vista	$2,460	+4%
Oceanside	$2,368	+8%
National City	$2,332	+37%
San Marcos	$2,325	+4%
Encinitas	$2,317	+1%
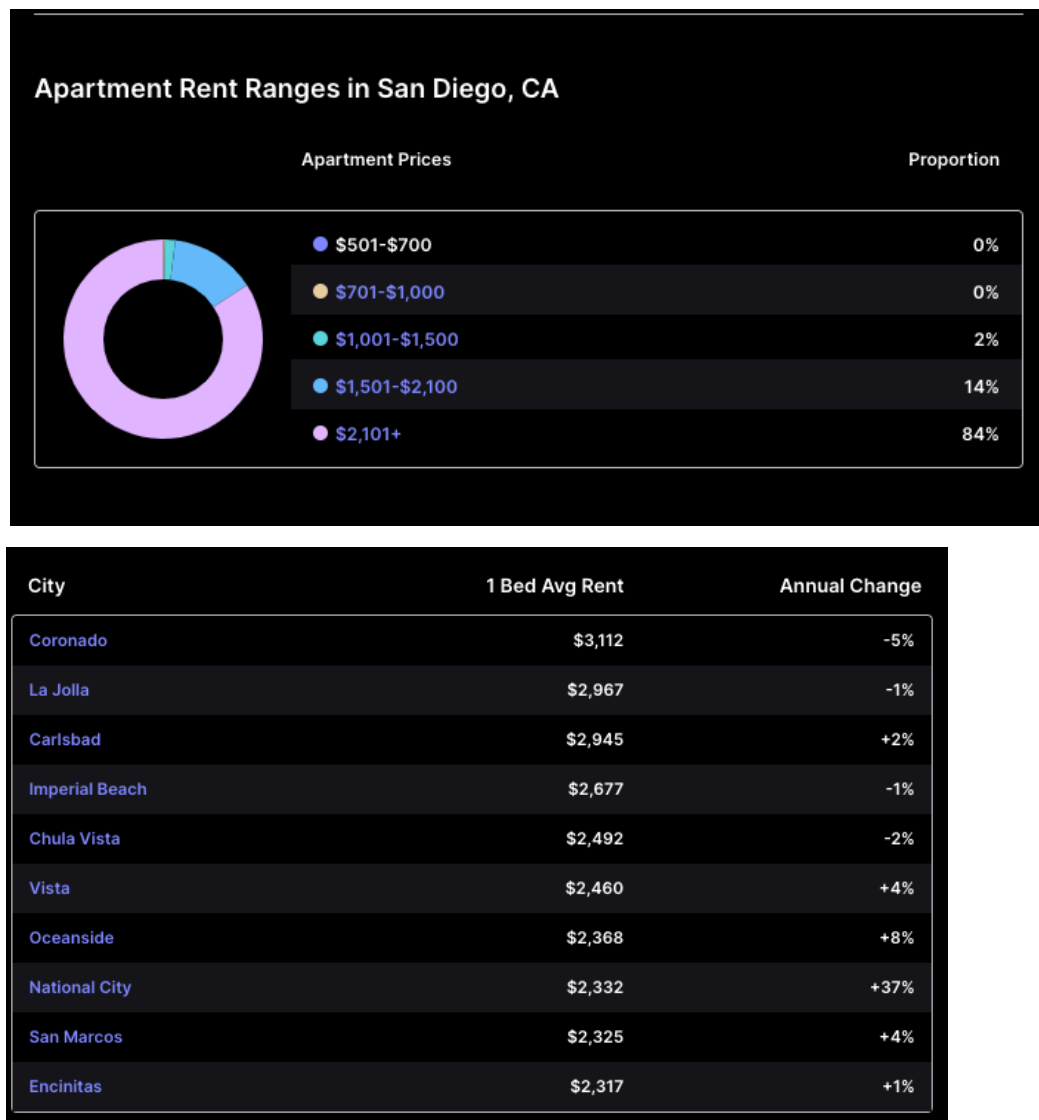
Property management companies in San Diego are responsible for managing a range of rental properties including single-family homes, apartment buildings, vacation rentals and commercial properties. These companies are required to stay up-to-date with the latest trends and regulations, which are reflected in their marketing services such as business cards, website, social media graphics, etc. Even in a highly competitive renter market, property management companies rely on digital marketing to attract the best renters to their properties. There are several marketing strategies to allow property management companies to rank above their competitors, so having a digital branding and marketing professional that specializes in these strategies is extremely important for successful marketing.

A few ways property management, especially vacation homes and residential properties prioritizing leases, can benefit from a strong digital base include attracting tenants and providing client satisfaction. People who are moving into a rental may not have the opportunity to visit the home in-person before committing to the lease. This is the same phenomenon for vacation homes as the temporary residents are most likely not going to be in the general area that the home is located in before visiting. A strong design through visuals and accessibility will promote client satisfaction, creating a positive first impression before stepping foot onto the property. A well-designed digital presence may also lead to higher customer satisfaction as website navigation is a leading cause for potential clients to opt-out of potential opportunities. On the business side of property management, having an easily accessible and well-designed digital presence may result in an increase of productivity and make it easier for all stakeholders: shareholders, employees, and customers. Overall, design services can play an important role in property management by enhancing the appeal, functionality, and value of vacation and rental properties.

While there is a decrease in vacancy and an increase in renters in the San Diego area, there are still many properties being bought and sold. The San Diego housing market is currently a seller's market, meaning there are more properties being sold than there are buyers willing and able to buy. As of March 2023, there were 4,789 homes for sale in San Diego County. In this same month, there were 1,982 homes that were sold. The role of a professional Real Estate agent is important to those trying to sell or buy a property, especially when the market is leading towards one side. Real estate professionals are able to market themselves to their clients through the use of digital marketing services. Their online presence carries their brand and message and plays a vital role in their success. When hiring an outside digital designer, real estate professionals look for someone who has knowledge of the real estate industry to be able to maintain consistency in their vision to target the right audience with their designs. Aesthetically pleasing print media designs, websites, and logos are crucial to the impression that clients will have on real estate agents. Branding allows real estate professionals to take their business to the next level to gain recognition and build up their reputation. Many real estate companies prefer a professional designer to take on the branding of the company to ensure a consistency of the logo and brand message to the services that are provided, as well as keeping up with trends.

The real estate industry has digital design rules that need to be followed and made aware of by digital design companies. On all media, digital and print, the agent's license number must be disclosed. This includes, but is not limited to, business cards, websites, flyers, postal mail, electronic media advertisements, and signage. There are also new rules requiring closed captioning on videos posted to social media or websites. The real estate industry rules and regulations of digital media are fully outlined in the National Association of Realtors Internet Advertising Policy. The new standards and laws are available in the California Association of Realtors Legal Tools.

<u>Financial Services Industry</u>

The financial services industry has held steady revenue growth for continuous years, however, due to the recent volatility of the macroeconomic conditions the entire industry and its growth is under fire. The US financial services industry experienced steady growth over the past five years, with industry revenue increasing at an annualized rate of 3.3% to reach $713.9 billion in 2021. The reasoning behind this large scale continuous growth is due to an increase in demand for financial services, as well as a rise in interest rates, which led to higher net interest margins for banks. Profitability in the industry remains strong, with a net profit margin of 29.2% in 2021. However, there are various challenges facing the industry, including increasing competition from non-bank financial institutions, cybersecurity threats, and low interest rates affecting profitability. In terms of key performance metrics, the industry had a debt-to-equity ratio of 8.8 in 2021, indicating that banks rely heavily on debt financing. Furthermore, the industry relies on net interest margin, which measures the difference between the interest income generated by banks and the interest paid to depositors and other creditors. The US commercial banking industry is expected to continue growing over the next five years, with industry revenue projected to increase at an annualized rate of 3.1% to reach $832.5 billion by 2026. This growth is expected to be driven by an increase in lending activity, particularly in the commercial and industrial loan segments.

Within the industry there is increasing importance of technology in the banking industry, with banks investing in digital banking solutions and expanding their online and mobile offerings. Additionally, regulatory changes may impact the industry, particularly in terms of capital requirements and consumer protection regulations. Challenges facing the industry over

the next five years include increasing competition from non-bank financial institutions, continued low interest rates affecting profitability, and cybersecurity threats. Therefore, the financial services industry companies will need to invest in technology and innovation to stay competitive and mitigate these risks. In terms of Speckled Bliss Design Studio, staying current with financial services needs such as website development that allows ease and accessibility for their customer base will allow Speckled Bliss to gain market share in the future of the massive online presence of the financial industry. Furthermore, Speckled Bliss can capitalize on the need for brand recognition with financial service companies by creating brand recognition digital design packets that can be used for marketing. In conclusion, the financial services industry and technology dependence from website to digital marketing will go hand and hand in the future as the greater demand for online presence and accessibility is ever growing.

E-commerce Industry

E-commerce, or electronic commerce, refers to the buying and selling of goods and services online. The industry has grown exponentially in the past decade with many consumers choosing to shop online instead of in brick-and-mortar stores. Electronic data interchange (EDI) allowed businesses to exchange documents electronically, creating the first step to the version of electronic commerce we know today. In the 1990s, the first e-commerce websites began to emerge, and the industry really took off with the rise of the internet and online marketplaces like Amazon and eBay. The e-commerce industry is currently booming, with global e-commerce sales projected to reach $6.4 trillion by 2024 (Trade.gov). The COVID-19 pandemic helped grow e-commerce: consumers have increasingly turned to online shopping to avoid crowded stores and continue practicing social distancing. The top e-commerce retailer in the world is Amazon bringing in more than 45% of all e-commerce sales in the US. The e-commerce industry is facing a few challenges such as increased competition, shipping and logistics issues, and the need to constantly adapt to changing consumer preferences. However, there are also many opportunities for growth and innovation, including the use of AI and machine learning to personalize the online shopping experience to be more immersive and interactive. There are three types of e-commerce, but the most relevant to this project is B2B. Business-to-business (B2B) e-commerce is the buying and selling of products or services between businesses instead of between direct businesses to consumers (B2C). B2B e-commerce is an increasingly important

part of the global economy, with B2B sales expected to reach $20.9 trillion by 2027 (Frost & Sullivan). The projection represents a compound annual growth rate (CAGR) of around 7.5% from 2019. Frost & Sullivan's report attributes this growth to several factors, including the rise of mobile commerce, the adoption of cloud computing, the expansion of social media, and the increasing use of big data analytics. This growth is because of the increasing implementations of digital technologies in everyday life, an increasing number of global supply chains, and the growing demand for a more efficient and cost-effective procurement process. With the expected increase of B2B e-commerce, it is important to pay attention to customer preferences to make their online experience as strong as possible through network aesthetics such as design preferences, navigation ease, and accessibility with all devices (mobile, tablet, desktop).

The overall cost of a custom website development could start from $1500 to $6000 for an average-sized eCommerce business. Higher level website development could cost up to $30,000 (Wordpress Beginner Editorial Staff). An easier and more cost-effective way to create a custom website is to use a previously provided template via theme builder platforms such as SeedProd; however, template based platforms are not going to be as customized compared to hiring an outside web designer or working in-house.

San Diego is specifically an area of opportunity for digital design companies. As online shopping continues to grow in popularity, businesses must have high-quality e-commerce websites to compete. Digital design agencies in San Diego can help businesses create e-commerce websites that are user-friendly, visually appealing, and optimized for search engines.

Legal Services Industry

As of 2021, the revenue of the leading 100 U.S law firms is 127.4 billion dollars. In 2021, 1.2 million people were employed in legal occupations in the U.S. This number was on track to rise to 1.38 million by 2022. The largest share of those working in legal occupations was lawyers. Lawyers also earned the most in this industry, with a mean annual wage of nearly 149,000 U.S. dollars. In global terms, the legal services industry was worth 849 billion U.S. dollars in 2017 and was expected to become a trillion dollar industry by the year 2021. It is stated that once all spending on legal services is included, the U.S technically accounts for half of the global legal services market, making it the largest market in the world. As of now, the legal industry includes both in-house legal teams and law firms. There is a possibility that

occupations in the legal services industry may be impacted by various technological advancements. Around half of U.S. law firms reported utilizing technology that would have the potential to replace human resources. Half of in-house legal teams reported in a 2018 survey that they utilize technology-assisted document reviews, with around 30 percent reporting automating legal processes as it improves service delivery, reduces costs and is crucial to the future of the industry. It is inferred that industry responses to technology seem to be positive. Another source noted that "the global legal services market size was essentially valued at USD 901.8 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 5.3% during the forecast period." The legal services industry has been revolutionized by the integration of Artificial Intelligence. Artificial intelligence software plays a huge role in allowing law firms to maximize time and energy. "According to the American Lawyer, large-sized law firms spend anywhere between 2-5% and smaller law firms between 5-10% of their gross revenue on marketing and design services" (Comrade.) This can range depending on company goals and business objectives.

Digital Design Industry

Digital marketing has begun to change and develop rapidly. The top 3 digital marketing strategies from 2019 include artificial intelligence (AI), influencer marketing, and voice search. Gabriel Shaoolian, DesignRush Founder and Executive Director, says: "Brands can rarely rely on the same digital marketing strategies for several years in a row, because the industry changes so swiftly…When brands stay ahead of emerging trends, they also stay ahead of their competition and attract consumers."

AI is expected to increase profitability by 38% by 2035, with applications in digital marketing platforms such as websites, mobile apps, and digital advertisements such as pop-up ads. Today, nearly 90% of digital display ads are programmed by AI.

Influencer marketing is considered highly effective, with 94% of marketers believing in its efficacy, and brands can use it to promote products, improve brand visibility, generate leads, and increase website traffic. It can be incorporated into social media channels including instagram, snapchat, facebook, and youtube. The use of influencer marketing in the previously mentioned channels has shown to increase conversions by 4.5% on average.

Voice search is catching up to traditional SEO with over 50% of online queries expected to be conducted through voice search in the near future. Brands should start to partake in SEO practices such as optimizing for long-tail keywords, writing in a natural voice, and targeting location-based searches in order to improve voice search rankings.

San Diego is home to a thriving creative community with a growing demand for design services. According to the Bureau of Labor Statistics, the employment of graphic designers in the San Diego-Carlsbad area is projected to grow by 3% from 2019 to 2029, which is on par with the national average. This low percentage is not just San Diego specific and is due to the uprising of artificial intelligence. AI has the potential to automate certain digital tasks that were originally done by human designers. This includes logos, layouts, and basic designs. While AI could lead to greater efficiency or cost savings, it may lead to a reduction in demand for basic design tasks from humans. However, there is something that AI lacks and that is innovation. AI algorithms are based on trends and data so there is a high likelihood that all AI automated designs could start to look the same and lead to a loss of creativity in the industry. Due to this, the design industry will never be able to be fully automated by algorithms as there is always a need for human innovation as well as building relationships through actual human connection.

In recent years, there has been a shift towards digital and interactive design, as businesses are increasingly looking to enhance their online presence and user experience. This has led to a greater demand for web and mobile design services, as well as for the development of e-commerce platforms and digital marketing campaigns. The design industry in San Diego is highly competitive, with many design studios and agencies vying for clients in various industries, including technology, healthcare, and tourism. As a result, design studios in San Diego must stay up-to-date with the latest design trends and technologies in order to remain competitive and meet the evolving needs of their clients.

Today, digital marketing and design stand at one of the highest projected growth industries as almost every industry can benefit from design services. There are some industries that rely more heavily on design services than others including:

- Technology: create user-friendly interfaces for software and web applications.
- Marketing and Advertising: create visually appealing and engaging websites for new and returning clients.

- Media and Entertainment: create visually compelling and interactive websites for users to engage with their favorite media including artists, movies, and TV shows.

- Education: create engaging and intuitive online learning platforms for students.

- Hospitality: create visually appealing and user-friendly websites to showcase hotels, restaurants, and other hospitality-related businesses.

- Healthcare: create user-friendly interfaces for patient portals and medical-related websites.

- Non-profit Organizations: create compelling and easy-to-use websites to drive donations and awareness.

- Property Management: create user-friendly interfaces for potential clients to experience a property without being physically there

- Real Estate Brokerages: create visually appealing and informative online listings to attract potential buyers and renters

San Diego's real estate market presents opportunities for digital design companies, particularly in the areas of website design and development, branding, and marketing. For real estate agents who own and operate their own business, digital design is important for them to differentiate themselves within a growing industry. According to the San Diego Association of Realtors, the median home price in San Diego County is $822,015 as of March 2023, which is a 7.5% increase from March 2022, making it one of the most expensive housing markets in the United States. This presents a unique challenge for real estate companies, who must differentiate themselves from their competitors through effective branding and marketing.

Speckled Bliss Design Studio

In order to understand where Speckled Bliss Design Studio fits best within these industries we will be conducting a SWOT analysis. The results of our analysis will serve as a useful tool for strategic planning, as it helps us identify the organization's internal strengths and weaknesses, as well as external opportunities and threats. The analysis will provide a clearer understanding of the factors that influence an organization's current situation and future prospects, leading to more informed decision-making, enhanced strategic planning, and improved communication with stakeholders.

Strengths:

- Highly skilled and experienced designer who has a strong background in various design disciplines and expertise allowing her to offer a wide range of design services.

- Strong portfolio of successful projects that demonstrates her design capabilities and helps to engage new clients by demonstrating Speckled Bliss has the specific skills and experience to deliver quality work for any sort of design need.

- Reputation for delivering exceptional customer service helping Speckled Bliss to retain clients and generate positive word-of-mouth referrals.

- Creative and innovative design solutions which sets them apart from other competitors within the market. Speckled Bliss' unique design approach allows them to deliver projects that are tailored to clients' specific needs and stand out in a crowded market.

- Specialization in certain design disciplines for the company's target market allows her to deliver projects with a high level of expertise and quality. This specialization also enables them to focus on areas where they can differentiate themselves from competitors.

Weaknesses:

- Limited geographic reach as the company only serves clients within a certain region or market currently limiting their potential client base.

- Limited resources compared to larger design firms resulting in a possibility for the company to struggle to take on larger or more complex projects. Limited resources could also impact their ability to invest in new technology or marketing.

- Lack of brand recognition compared to larger design firms making it harder to attract new clients or compete for larger projects. Building brand recognition requires investment in marketing and networking.

- Potential difficulty in scaling the business due to limited resources, few digital designer personnel, and capacity to grow with projects.

Opportunities:

- Expansion into new markets or industries by targeting new market segments where her design services could meet the demand, which could help to grow their business. This expansion would require investment in marketing and networking.

- Collaboration with other design firms or agencies could allow for access to new clients and expand their design capabilities.

- Adoption of new technologies to improve design capabilities to stay competitive and offer new services to clients.

- Development of new services to meet evolving client needs that meet clients' preferences for digital design and online presence.

- Establishment of strategic partnerships with other businesses or organizations to enhance their capabilities or access new clients.

Threats:

- Intense competition in the design industry with many firms and agencies offering similar services. Speckled Bliss will need to differentiate themselves to stand out in this crowded market.

- Economic downturns or recessions could impact client demand for design services, leading to reduced revenue for Speckled Bliss. During economic downturns, clients may reduce their marketing budgets or defer design projects.

- Changing trends and preferences that require adapting design approaches meaning that Speckled Bliss needs to stay up-to-date with the latest styles and techniques. Failure to adapt to changing trends could lead to reduced demand for their services.

- Potential for new entrants into the market could disrupt the industry and potentially take market share from established players. New entrants could be agile, innovative, and offer new services or approaches that are more appealing to clients.

<div align="center">

<ins>Conclusion:</ins>

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Based on our research conducted, digital design services play an important role within many different industries. With the rise of digital platforms, an online presence and the use of technology when operating a business has become a necessity.

Compared to hospitality options such as hotels and Airbnb's, real estate is a strong target market to enter for digital design opportunities. Our research shows that in the next five years, there is a strong pressure in the real estate industry looking for optimal navigation sites due to high vacancy rates and a growing population as well as higher demand for rentals or leasing properties. Within this industry, the options present are lacking in digital design due to outdated sites.

We came to the conclusion that all of these industries would benefit from design services but real estate is the optimal market to reach out to for digital design services. This is because San Diego is still growing and is one of the most expensive real estate options in the United States. It is also very beneficial as our client has strong experience in this industry. Another area of growth in San Diego for digital design is e-commerce. This is another area that our client has vast experience in and could expand her horizons into as a side gig while focusing on her specialty; that being, residential real-estate in San Diego.

Methodology 2: Interviews

After conducting secondary research and determining the industries that would benefit most from digital design services, we will conduct interviews with companies within these industries who utilize digital design and branding within their company.

Results:

In order to gain insight into the specific needs for digital design within our target market and industry, we conducted interviews with property management and real estate brokerage companies in the San Diego area. From the results of the interviews, we are going to be able to make inferences about the tailored demand of certain digital design needs and service by the companies in order to focus the services of Speckled Bliss Design Studio to match the demand.

Property Management Interview:

Company: Beyond Property Management

Interviewee: Danyel Brooks

We conducted our first interview with Danyel Brooks, a property manager and solo owner of Beyond Property Management. She has worked in the industry for 23 years, and owns over 400 properties in the San Diego area. Her company runs lean with 4 employees and the rest independent contractors. She currently meets her design needs through sites that build property management websites. In terms of her cost breakdown, she allocates a small portion of her revenue to design services, and she uses a majority of these services to generate client leads. This includes landing pages and search engine optimization. This equates to roughly $2500 per month of website upkeep. Even so, Danyel stressed the importance of design services in the property management industry and how it can streamline marketing and lead generation. She favored the

idea of posting frequent marketing content on her website and social media platforms like Facebook, Instagram, and Youtube, but she has very little time to organize this. She knows her customers well - typically white men aged 55 years and older with $250K+ in net worth - but she still needs a way to establish a strong reoccurring brand presence through design services.

Property Management Interview:

Company: Sun Devil Properties Inc.

Interviewee: Brent Smith

After interviewing Brent Smith, CEO/Owner of Sun Devil Properties, we were able to gain insightful information into how digital design fits into the property management industry. Smith has over 25 years of experience in the property management industry, with 15 properties that are managed by his company. His company focuses its target market to college students aged 19-23, specifically at San Diego State University and Arizona State University. While he uses social media, Smith stated that word of mouth was the most effective communication channel.

In terms of digital presence and design, Smith emphasized the growing importance of having a media presence for the property management industry. He explained that his company's high-quality website is essential to their target market. Sun Devil Properties Inc. spends about 1% of their gross income on design, with a large percentage of this going towards website development. He also noted that while properties located in high demand areas require less media presence due to recurring tenants and referrals.

Property Management Interview:

Company: Keyrenter Property Management

Interviewee: Milad Madani

Our team interviews Milad Madani, the operations manager for Keyrenter Property Management in San Diego to get a better grasp on their design needs. Keyrenter manages over 350 properties in San Diego with a team of 12 employees including property managers, leasing agents, administrative staff, and maintenance technicians. Madani shared that they primarily hire designers on a project basis, both in-house and outsourced, depending on the specific project and timeline. He shared that design plays a crucial role in the property management industry as the design of a property's marketing materials, website, and branding has a great impact on its

perceived value and appeal to potential tenants. Keyrenter Property Management invests in quality design to ensure that their properties stand out against competitors. They have found that a combination of online advertising, email marketing, and targeted social media campaigns work best to reach our customers. Their social media presence is done in-house by a social media manager who oversees the accounts as they believe social media allows their company to reach a large audience of potential tenants and landlords. They have found that the most efficient social media channels for acquiring new customers include Facebook and Instagram in order to reach their desi

Keyrenter property Management's marketing budget varies depending on specific property goals but typically they allocate a significant portion towards branding and web design. They rely on a combination of having a strong media presence, word-of-mouth, and targeted advertising to reach potential tenants.

Their customers are primarily landlords and property owners, as well as tenants who are looking for rental properties. The target market depends on location and the specific type of property; however, Madani shared that they aim to appeal to tenants looking for high-quality, well-maintained properties in desirable locations.

Real Estate Brokerage Interview:

Company: Resource Real Estate

Interviewee: Loretta Padgett

By interviewing Loretta Padgett, Real Estate Agent for Resource Real Estate, we were able to gain insightful knowledge into the value of digital design and marketing within the real estate industry. This company resides in Ventura, California, a coastal town whose housing market is similar to San Diego. She has been working in real estate for the past 7 years and has directly witnessed the increase of digital marketing within the industry and how important it is for business in a highly competitive area. Her company designs their print media in house. This includes flyers, postcards, and business cards. Her boss designed their logo after consulting a digital design company. When it comes to bigger projects for Resource Real Estate, such as website design and signage design, they look to a professional digital design company to handle these projects. She also shared that as trends and technology change, it is important to keep up. A digital designer would be able to assist her company in these ways, as agents do not always have

time for this. One new piece of marketing she has just been introduced to is a digital business card, which is an upcoming necessity for agents to have. These digital cards make it easy to share contact information when exchanging traditional paper cards may not be practical, such as meeting someone online. Digital cards make it easy for agents to update when contact information, company association, or featured information may change.

Padgett shares that professional digital design in real estate is crucial in this day and age as the designs must catch client's eyes to create brand recognition. She states that the colors, font size, and clarity of print and digital media directly affect who will contact her for business. When looking to hire a digital designer, Padgett claims that their experience within the real estate industry is of high relevance. The designer must understand the agent's target audience, as well as know the industry rules and guidelines that must be followed. These include, but are not limited to, license numbers being shown, correct font, and closed captioning on videos. Before hiring a designer, their company likes to see examples of the designer's past work to show credibility to work for a real estate agency. When asked what her company's involvement is in the design process when hiring a designer, she said that they like to see many different ideas to gauge what would work best for their brand and image. The company likes to trust the designer with their vision, but wants to have some control within the design process. Resource Real Estate measures the success of digital design and marketing campaigns by looking at metrics such as website engagement, interaction with social media posts, and any client leads.

Real Estate Brokerage Interview:

Company: San Diego Brokerage

Interviewee: John Roehrig

Our team interviewed John Roehrig, a broker at San Diego Brokerage, to gain more insight on the real estate brokerage industry in San Diego. Roehrig has 15+ years of experience in property management, sales, and leasing and his current company manages over 200 properties with a team of 30 employees. In terms of their design approach, he believes that digital design should be aesthetically pleasing, functional, and practical. They have in-house designers who work closely with the property management team to ensure that the design aligns with the clients brand and preferences. SD Brokerage also collaborates with outside designers for more complex projects such as building renovations or new property developments.

Their marketing budget is divided by percentage towards branding and web design; Roehrig made it clear that he understands the importance of creating a strong and consistent brand image and believes that websites should be easy to navigate as it is a very valuable asset to attract clients and showcase properties effectively. Within the marketing budget, they utilize email marketing, SEO, and paid advertising measured through CPC (cost per click). In terms of customer segmentation, the company's clients come from different backgrounds and have diverse needs so they are segmented based on their preferences and interests and tailor services accordingly. The target market varies depending on the type of property, but Roehrig shares that he focuses primarily on serving those who value high-quality. San Diego Brokerage believes it is essential for their industry to engage with their audience and promote aesthetics on social media. They use Facebook to share property listings, Instagram to showcase the lifestyle aspect of properties, and LinkedIn for networking and recruitment purposes. Roehrig shared that they specifically favored Facebook and Instagram to attract new customers.

Conclusion:

After conducting the previously mentioned interviews, we see a need by both parties of design services as it pertains to marketing and lead generation. While Danyel Brooks' target customers might be on the older end and Brent Smith's on the younger end, they both stressed the importance of well maintained websites and proper search engine optimization. In an industry that has run on word-of-mouth for a long time, switching to the latest marketing trends with brand identity and social media marketing would allow companies like Keyrenter, Beyond, and Sun Devil to realize newfound growth. In the next decade, technology and marketing upkeep could be the reason legacy property management companies survive while the laggards fail. After interviewing real estate agents from Resource Real Estate and San Diego Brokerage, it is clear that real estate brokerages rely on digital designers for large and small projects. Digital design affects brokerages' image when drawing in new clients, so it is important that the designer has experience working with real estate firms, as well as being knowledgeable about the laws of real estate advertising. Designers must also stay up-to-date with new advertising products and services, such as digital business cards. A digital design agency specializing in property management and real estate will allow for design services that cater to the industries' unique needs and target audiences. The decision to pursue the intersection of design services and

property management and real estate firms as an upcoming digital design firm is validated by these interviews.

Methodology 3: Surveys

We will conduct primary research through a survey to understand what industry and company types most need digital design services. We will be surveying how often companies hire an outside design company, as Speckled Bliss is, to provide them digital design services such as website, logo, and print media design.

Results:

After surveying over 100 individuals, we were able to determine what size of companies would hire a digital design company to create their website, logo, and any print media. We surveyed individuals who work in different industries including education, retail, real estate, biotech, financial services, etc. As our data shows, over 50% of all people surveyed responded that the company they work for hired a digital design company for digital marketing purposes. In the breakdown of the results by company size, we found that companies of all sizes make different decisions with their design services. The majority of companies with 1-10 employees, 31-60 employees and 100+ employees responded that they hire an outside design service company to fulfill their digital design needs. People from companies that had 11-30 employees and 61-100 employees had a 50/50 split response when asked if an outside digital design company was hired for their company.

Figure 2: Survey Question 1

Did your company hire a digital design company to do your business's digital design?

1-10 employees: 35.71%, 64.29%
11-30 employees: 50.00%, 50.00%
31-60 employees: 40.00%, 60.00%
61-100 employees: 50.00%, 50.00%
100+ employees: 38.10%, 61.90%

Yes ■ No ■

Conclusion:

After analyzing the results from the Qualtrics survey, we were able to conclude that business size does not determine their willingness and ability to hire a digital design company. Of the individuals surveyed, there were 57.2% that said that their company has hired a digital designer for digital design services. This isn't the overwhelming majority, proving that both approaches have their advantages. However, with a constant evolution of new technologies and digital design tools, companies without a digital designer will need to reach out to external expertise to keep up to date with the latest trends and marketing techniques. Hiring a digital designer with an industry specialization and knowledge of emerging trends will provide the company with a competitive advantage within that industry.

Objective #2: Determine the key components to a successful design services startup.

Methodology 1: Interviews

We will conduct interviews with digital design professionals who would stand as competitors to Speckled Bliss. We will ask them about their target market.

Results:

In order to gain insight into the specific needs for digital design within our target market and industry, we conducted interviews with design companies in the San Diego area. From the results of the interviews, we are going to be able to gain more insight into the different aspects of the design industry, and make inferences about different marketing channels and strategies that would be the most effective in promoting design services.

Design Studio Interview:

Company: Jacob Tyler

Interviewee: Les Kollegian

Les Kollegian, the CEO of Jacob Tyler, San Diego's top design studio, has been working in the design industry for over 30 years and has been leading the company for 12 years. Jacob Tyler is a design studio that specializes in brand development and digital marketing, including traditional and interactive marketing, web design, and brand development. They have a team of 12 employees and use their in-house design tactics but partner with other professionals for video

work and digital marketing. They started in 2000 before social media existed and said they relied then heavily on word-of-mouth and networking events to expand their company. He stated that the most crucial and effective way he gained clients was through word-of-mouth and having a review backed company that people can trust. They use Google Ads to optimize click rate onto their company. He said they also rely heavily on clutch.co to back their company. Clutch.co is a website that has reviews for B2B companies including ratings, in-depth reviews, and pricing adjustments.Kollegian said they have worked with real estate companies before but aim to create a website and service that can be applicable to any company. Their company does various different sizes of contracts and projects. They usually do a large project which takes 5-7 months that is a full service contract that includes interactive marketing and graphics, brand development, digital marketing, traditional/print, and logo design. They also have smaller projects that are 1-4 months that are more focused on specific needs such as website design or digital marketing. Lastly, they have annual recurring customers that have projects that last a year but they are working continuously through the year to market for them with digital and interactive marketing efforts. Jacob Tyler's pricing is managed on an hourly rate of $185 per hour. Therefore, if a project takes 3 months they will multiply the hourly rate by the amount of hours in 3 months to finalize a cost for their project. Kollegian said the best way to stand out in the industry is through communication and customer service, ensuring strong integrity with any issues or problems and making sure the project is perfect for every customer. The company's design efforts rely on having strong integrity with any issues or problems and making sure the project is completely perfect for every customer. Kollegian stated that it is extremely important to be in constant contact with the customer to make sure everything aligns with their exact wants.

Design Studio Interview:

Company: Branding X

Interviewee: Kamar Martin

Our team interviewed Kamar Martin, CEO of Branding X, to gain information about operating a startup business within the digital design services industry. He shared with us his experience in website design, product design, and packaging. His company provides services which include developing company brand identity, logo and theme creation, and website and marketing development. As a one-person company, he partners with website platforms, such as

Webflow and Shopify. When taking on a new client, he conducts audits to determine what is working for them already and what needs to be improved. He will then provide the client with recommendations in which they can decide whether to proceed or take a new route. He allows the client to be involved as much as they would like in the design process, as it is their business he is designing for. When taking on new clients, his typical contract size is four to eight weeks. He charges $100 per hour for his services and provides his clients with a breakdown of the amount of hours the contract will require. He does not have a subscription system in place, but he provides month-to-month follow up and support to his clients.

Martin's company is based out of Toronto, Canada, but he finds many of his clients beyond this location. He uses social media platforms, including Facebook and Instagram, to connect with his clients. Martin shares that his strengths and specialization as a digital designer is with companies who have a physical product.

Design Studio Interview:

Company: Design Company (Carlsbad)

Interviewee: Anonymous

Our team interviewed the owner of a digital design company based in Carlsbad that specializes in the finance industry. The company preferred to stay anonymous. This company credits their success to the prioritization of collaboration and customer service. They stated that they take time to listen to client needs, understand objectives, and tailor their solutions to meet specific requirements.

They have chosen to specialize in the finance industry because a strong brand image is extremely important to a financial services company, because it helps to build credibility and trust with new and existing clients. Also, there are many opportunities for innovation within this industry, as the technology involved is growing rapidly. There is a very high budget for marketing in the finance industry, but there is also a significant presence of competition, meaning that finance companies need to differentiate themselves through the means of marketing in order to gain clients.

The company stated that they utilize Instagram to advertise their services, but most of their clients are gained by word-of-mouth, due to their success within the industry. It was made clear the importance of maintaining client relationships, due to the fact that the majority of their

current clients are returning customers in need of a brand refresh or upkeep. Overall, they wanted to stress the importance that each client is very unique and it is important to tailor to their specific needs in order to maintain the relationship.

Design Studio Interview:
Company: Poppy Design
Interviewee: Heather Hunter

Our team interviewed Heather Hunter, who is the owner of Poppy Design, which is a full service interior design firm based in Rancho Santa Fe, California that specializes in all aspects of residential design. Since Poppy Design is not a digital design company, we focused our interview on her marketing tactics and what channels she uses to showcase and promote her company.

Heather stated that for marketing, she utilizes Instagram and her website to show her prior work. She stated that she doesn't have time to use it to increase her followers. "If people find me it's just pure luck," and she rarely posts. It's mainly to allow her potential clients to see her work. However, all of her projects are word-of-mouth because she currently does not do any active paid marketing or advertising. Clients find her either through contractors, vendors, previous clients, and friends. It keeps her very busy and she appreciates that people feel comfortable recommending her to others. She states that she wishes she was smart enough to realize that networking was such an important component of running a business, but honestly in her case of success it was just luck.

The insights taken from this interview are that word-of-mouth is a very effective way to gain clients, which is why it's important for Speckled Bliss to maintain its prior and current customer relationships. Although we want to focus our efforts on Instagram and Facebook marketing, this interview validated the importance of word-of-mouth referrals.

Design Studio Interview:
Company: Design Company (San Diego)
Interviewee: Anonymous

Our team interviewed the CEO of a digital design company that specializes in the real estate industry. The CEO and their company preferred to stay anonymous. Their services include website design and development, content creation, social media management, and email

marketing. They stated that they prioritize the creation of a seamless user experience on client websites, and they ensure that the visitors of their generated websites have easy navigation.

Something that is important to this agency is they want to make sure the content and branding created for their client reflects the value and brand personality. They take a collaborative approach to ensure their digital design agency is creating content and branding that accurately represents their clients. Their first step is getting to know their clients' brand and target audience. From there, they work closely with their clients to ensure that the content aligns with their company's internal goals and clients' brand values.

Unfortunately, the CEO could not share specific details on previous projects as they prioritize confidentiality; however, their team has worked on numerous successful projects ranging from custom web design and development to email marketing campaigns. The agency focuses on consistently delivering high-quality results that exceed client expectations. The agency measures their success by accomplishing the clear goals and objectives stated at the beginning of the project; the specified metrics include anything from increased website traffic, higher conversion rates, or improved engagement on social media.

The agency uses a combination of communication channels to bring in new clients, first off being their website that showcases services, highlights their expertise, and shares previous clients. They ensure that the website is optimized for SEO keyword search and that the content accurately represents their brand and offerings. In addition to the website, they use social media platforms (Instagram, Facebook, and LinkedIn) to promote services and interact with potential clients. On these platforms they do not always use paid search, but instead use the platform to share industry highlights, engage with their audience, and highlight previous work. When nurturing leads and prospects, they use email marketing to update their network on any new developments or offers and industry trends. They have found that this has helped keep a strong relationship with previous clients. In order to stay relevant locally, they participate in industry events, conferences, and webinars to network.

Digital Design Interview:
Company: PINT Inc.
Interviewee: Charlie Scala

Our team interviewed Charlie Scala, an account executive for PINT Inc. Scala works with prospective and current PINT clients to understand their digital needs and initial a wide range of web engagements to help their business grow. He has 8+ years of experience with consulting on internet marketing projects and helping businesses achieve digital goals by driving growth through digital channels. PINT Inc. in San Diego has around 40 employees and are actively recruiting. PINT Inc. specializes in creating custom websites and applications for businesses while offering other digital marketing services such as SEO, PPC, and social media advertising. Their key partners include website building platforms like WordPress and Shopify as well as paid SEO subscriptions through Google Analytics.

Scala shared that they find new clients through networking, referrals, and paid digital marketing. Their team also attends industry events and conferences to connect with potential clients. In addition to in person networking, PINT Inc. utilizes social media platforms like LinkedIn and Twitter to stay connected and share their latest projects. Scala shared that they rely on a subscription system to retain customers and build long-term relationships. In this subscription based system, they ensure ongoing support to make sure the digital assets are performing efficiently and effectively. PINT Inc. works with a range of industries but prioritizes healthcare, e-commerce, and hospitality. They have previously worked with property management and real estate companies to create custom websites and showcase properties and services.

After acquiring clients, their contacts range depending on the scope of the project; however, they usually range between $5,000 to $50,000 with the duration of a project being typically between 2 and 6 months. They manage pricing through a combination of the project scope and hourly rates and factor in any third-party costs including hosting or domain fees.

Conclusion:

Through personal interviews with current industry leaders within the design studio industry, we were able to pinpoint key fundamentals to a design company that are fundamental for success and stability. First, excellence with the work that is produced from your company is a huge indicator of the success of your business. With each project the company takes on ensuring that every single aspect of the customers needs have been met allows for recurring clients and word of mouth referrals to more business. This revolves heavily around communication with the

client affirming that each step of the project is matched directly with the vision they had for the company and its digital design. Next, understanding your specialization that your customers desire will allow you to succeed within the industry by giving you a competitive advantage compared to others. Speckled Bliss Design Studio having established and reviewed professional experience working with luxury real estate companies has a competitive advantage in her design services within this industry as she is able to provide services backed by reviews and quality of work examples. Furthermore, Speckled Bliss will be able to have specific services she can provide to the customers that fit the explicit design needs of this industry allowing prospective clients to trust in her design quality and service she provides. Specialization within the digital design industry assists the company with gaining new clients as it provides a selected fit to demand. Lastly, having a detailed cost structure for your clients which involves having project goals and time lengths you can offer to clients allow your company to balance its work and complete the needs of each client you have.

Methodology 2: Conduct secondary research

We will conduct secondary research on successful startups, specifically in the design industry, to be able to determine the key success factors when starting a design services company.

Results:

When starting a business, entrepreneurs begin the process of getting their business started by creating a brand for themselves and developing a marketing plan. Many small startups have difficulty joining the social conversation on the Internet. In the United States, 76% of people are members of at least one social networking site and 79% of those on social networks update their statuses at least once per week. Small businesses can determine where they want to focus their social presence depending on their target market.

The main factor for successful startups in the design services industry should be summarized by the potential of growth with a foundation on a strong brand identity. This includes having a solid business plan, setting achievable goals, and constantly evaluating and improving services and operations. A strong brand identity entails an alignment with your target audience's preferences and values. This helps differentiate your services from competitors and build a loyal customer base. Another crucial element is providing innovative design solutions that stay up-to-date with the latest trends and technologies that meet clients' specific needs.

Excellent customer service is also essential when trying to build trust and loyalty with clients. Startups, such as Speckled Bliss, should listen to clients' feedback, respond promptly and professionally, and deliver high-quality work on time and on budget. Effective marketing strategies are another important component, which includes building a strong online presence through social media and a professional website. Speckled Bliss Design Studio has a professional website that clients refer to for an overview including a portfolio of previous work, client testimonials, and information on their design process and services offered such as website design. The design studio provides services like creating a similar sort of platform for clients to drive their potential clients to inquiries and opportunities.

Collaboration is also vital in the design services industry, which means having a collaborative work style to build strong relationships with clients, partners, and other stakeholders. Startups should communicate effectively, listen to feedback, and be open to new ideas and perspectives. Scalability and growth potential are also necessary components, which includes having a solid business plan, setting achievable goals, and constantly evaluating and improving your services and operations. Lastly, a successful design startup requires a team of experienced and talented professionals who are passionate about design and committed to delivering high-quality work.

There are many startups that started as a sole-proprietorship that eventually grew into large corporations. A few examples include [Bop Design](#) and [PINT, Inc](#). Bop Design is a San Diego-based B2B marketing and web design agency that was founded in 2008. They started as a small boutique agency focused on designing websites for small and mid-sized businesses, and have since expanded their services to include branding, content marketing, and lead generation for B2B companies across various industries. A few factors that lead to their success include differentiating themselves by focusing on serving B2B clients, creating high-quality content, and building long-term relationships with their clients. They also invested in their team, hiring experienced professionals with a passion for digital marketing. Bop Design's commitment to their clients and expertise in B2B marketing has helped them build a strong reputation and achieve long-term success in the industry. In the past, Bop Designs has worked with a luxury real estate company based in Beverly Hills and a commercial real estate brokerage firm in San Diego, as displayed on their website portfolio section. Bop Design uses SEO to improve its websites search rankings through specific keywords to optimize website content and structure to align

with internal and external affairs. They also use social media channels such as Facebook, LinkedIn, Twitter, and Instagram to advertise and connect with potential clients. On their website, they highly prioritize their blog to drive traffic and establish the agency as an industry leader. PINT, Inc. is a web development and digital agency that was founded in San Diego in 1994. The founder started the company as a one-person web development shop and has since grown it into a full-service digital agency with a team of over 30 employees. PINT, Inc. offers a range of services including web development, digital strategy, and UX design for clients in various industries such as healthcare, finance, and technology. PINT Inc. prioritized user-centered design and built long-term relationships with clients. They also invested heavily in research and development to stay ahead of industry trends to constantly improve their services. Their strong reputation helped set them apart and continuously grow their business. Previously, PINT Inc. has worked with San Diego based real estate companies such as Berkshire Hathaway HomeServices, Willis Allen Real Estate, and SD Urban. PINT Inc. primarily uses paid advertising to bring in customers and uses communication channels such as Google Ads, LinkedIn Ads, and Facebook Ads as they primarily target an older, more career-established demographic in the market segment.

Conclusion:

Through the secondary research conducted, it can be concluded that key success factors for startups in the design services industry include developing a strong brand identity, providing innovative design solutions, and offering excellent customer service. Staying consistent is very important in terms of marketing as an overall image between channels will keep things cohesive. It is important to foster collaboration with clients and stakeholders in order to target their vision for their company as well. Long-term relationships with clients have also been a crucial element in achieving success. Successful startups in this industry have differentiated themselves by focusing on specific niches, such as B2B clients, and have invested in research and development to stay ahead of industry trends.

Objective #3: Determine optimal communication channels to best reach each customer segment within the target market.

Methodology 1: Secondary Research

Through secondary research on marketing channels, we will find the top two communications channels for her highest value and customer segments.

Results:

The study Social Media and Social Media Advertising: The Differentiating Role of Platform Type provides insight into eight social media platforms (Facebook, Twitter, YouTube, LinkedIn, Google+, Snapchat, Instagram, and Pinterest) and explains that each digital platform is essentially experienced in a unique way. Each of the listed platforms target specific demographics in which each user's preferences can be highlighted.

The study highlights that the eight platforms themselves are uniquely experienced where each platform has a unique profile and targeted demographic. The most striking differences between the platforms are the negative emotions associated with each; the advertising on YouTube, Facebook, and Twitter score the highest in this dimension. The study defines these negative emotions as the feelings of irritation, annoyance, or frustration a user may feel when interacting with advertising on said platforms. An example with YouTube may be when users have to wait several seconds before being able to skip the ad and continue to the video content. The users may not be patient enough to wait for the actual content being presented in the video resulting in them possibly leaving the page entirely. In contrast, the advertising study also shows that Instagram, Google+ ads, and Pinterest gave the highest entertainment ranked advertisements. Instagram is rated as having the highest entertaining advertisements compared to other platforms; advertising on Google+ stands out for practical use; and advertising on Pinterest is found to stimulate users and provide topicality (see Phillips, Miller, and McQuarrie).

The right appeal, creativity, and good credibility all have significantly positive impacts on an advertisement's effectiveness. This means the higher the advertising creativity is, the higher the advertising effectiveness will be. The advertising appeal is one of the key components to creating an effective advertisement. The appeal should focus on a specific attribute that pulls customers in if that is emotional, logical, or persuading. The endorser's credibility also has a positive and significant impact on advertising effectiveness. Customers will listen to people and

sources that they trust, so credibility is highly important when considering spokespeople or other representatives to stand for a brand.

Social media advertising has provided a new dimension to advertising as it offers interaction to the users, especially on Facebook (Logan, Bright, & Gangadharbatla, 2012). In the previously mentioned study, there is a high percentage of correlation between variables showing that the process of obtaining and exchanging information through Facebook has strong public participation and a good number of engagements. Through viral vertical marketing, Facebook ads can enhance a company's brand image and brand equity, thereby bringing in consumers' with the intent to purchase.

More recently, advertising has changed from push strategy to trust based advertising thus needing credibility. Facebook is a reliable source for many, however this is not enough; a successful ad should include features such as user participation, realization, personalization and feedback. In order to make this happen, companies can plan on boosting their budget on Facebook in order to customize advertising for their consumers. Now is a very critical time for successful companies to follow the customer journey, keeping high engagement for before, during and after their purchase cycle. Many Facebook users say that their willingness to buy brands has increased due to seeing higher *likes* or *shares* suggesting to the consumer that the brand is reputable by trustworthy sources the user already had a connection to. Many consumers think of Facebook as a fashionable way to advertise as many Facebook users are adults interested in finding unique styles. Facebook links advertisements with brand web pages so that users can follow through the customer journey and continue to the advertisement's actual website where customers may follow through a conversion act. In order to succeed with today's competitive market, brands need to stay updated on the latest trends and customer preferences.

According to a study conducted by the Spanish Journal of Marketing, a comparison was made between *Instagram Stories* and *Google Wall*. The results indicated that Instagram Stories not only have a positive impact on consumer attitude towards ads, but also increase the perceived intrusiveness, as compared to Facebook Wall. Perceived intrusiveness is important to advertising as customers would be less likely to purchase if they believe the ad is too invasive, thus being a poor resulting ad. The study highlighted that Facebook Wall ads are perceived as less appealing by the millennial generation as compared to non-millennial users. Further analysis revealed that non-millennial men are more loyal towards Facebook Wall ads, whereas both male and female

millennials and non-millennial women are more inclined towards Instagram Story ads. This may be due to the fluid function that instagram stories have when scrolling through follower's stories.

Property Management companies have a high presence on social media, specifically Instagram and Facebook, meaning that they would be exposed to paid advertisements on these platforms. Please see Appendix (Section E) for Property Management industry presence on Instagram. As shown in the appendix, Property Management companies have a large social media presence, specifically companies in the San Diego area, which is the target market that Speckled Bliss would be targeting through paid advertising. The majority of the property management companies that are on Instagram are very established and would be potential customers that would be able to afford and benefit from design services. Although there were only six Instagram accounts portrayed, this was for example, and there were hundreds of property management accounts found with a simple search. Please see Appendix (Section E) for Property Management industry presence on Facebook. There were multiple Facebook groups regarding property management, and they each housed thousands of members within the industry. There are a selection of these groups portrayed in the Appendix, but alongside Instagram, Facebook also had hundreds of these groups found under a simple search. This proves that paid advertising would be effective on this platform, due to the presence of property managers and property management companies actively using it. Not only do Instagram and Facebook have the most user friendly advertisement service, they also would be marketing on a platform that the majority of Speckled Bliss's target market utilizes. In addition, see Appendix (Section E) for examples of various Property Management company websites that have room for growth and potential in terms of design services, and other examples of social media and website presence in regards to other real estate subsections.

There are several in-person networking groups for professionals in San Diego that will help with the communication channel, word-of-mouth. Networking allows for the opportunity to meet new people in and outside of your professional field as well as creating a name and reputable brand for yourself. Networking groups provide an opportunity to create relationships with like-minded individuals for the purpose of mutual benefit.

Here are a few options for networking groups in San Diego:

- Young Professionals Network San Diego is a group of young professionals under the age of 40. They host social and professional networking events. To become an access

member and be able to participate in the member platform, attend professional workshops, obtain a member eBusiness card, access My Sphere, and receive a complimentary ticket to a networking event is a yearly fee of $49. For all of this plus an additional 50% off of all tickets it is $99 to become a pro member. Lastly, for tickets to all events along with the other benefits, it is $399 per year to become a premier member.

- San Diego Regional Chamber of Commerce is a business organization offering networking events, educational programs, and advocacy initiatives strictly for San Diego based businesses. A part of this networking group that would be beneficial to Speckled Bliss is the business development and support. There are a variety of programs offered that help businesses to grow and succeed. These programs give resources to market research, funding opportunities, and mentorship programs. There are four different levels of membership which include individual, bronze, silver, and gold. The individual would be the membership choice for Speckled Bliss as CEO Ginny Kim works as an independent business owner.

- Professionals with Purpose hosts regular networking events where they invite a variety of professionals and do not exclude any specific industry. This group hosts a weekly breakfast meeting on Wednesday morning. The meeting allows professionals to exchange leads, expand business relations, develop presentation skills, and become skilled networkers. The requirements to become a member of this networking group are to physically attend two meetings, fill out the membership application, give a presentation about your business, and lastly, become approved by the membership committee.

- LeTip of Greater San Diego is a professional networking organization that prioritizes building new relationships and the exchange of business referrals. They exchange 100's of leads every single month, and have been established for over 30 years. Not only is it a professional network, but individuals have reflected on the lasting relationships and personal growth that they endure. Instead of being run like any other social network, what differentiates LeTip is the fact that they are run like a business, which requires members to be motivated, diligent, and to reject the idea of mediocrity. LeTip has five requirements of its members which are to attend weekly meetings, pass on one qualified referral each week, be ethical, professional, and experienced, be working full-time in your industry, and to sponsor one new member within your first year. The new membership cost to join

this elite networking group is $440. After the first year, the annual membership renewal fee is less expensive. This would be a good choice for Speckled Bliss Design Studio's team to participate in as they invite various industries and our client can seek potential business opportunities within digital design needs, as well as building strong professional relationships within the chapter.

- San Diego Downtown Breakfast Rotary Club is a networking group that meets on a weekly basis for breakfast meetings and networking events. Prospective new members are allowed to attend their first meeting for free, so this would be a great opportunity to learn more about this club. This club focuses heavily on community service work, while meeting and networking with the members within the club.

Additionally, there are several property management conferences each year in California that will allow Speckled Bliss Design Studio to expand its networking abilities within the real estate sector and meet new clientele that may be in need for the specific services Speckled Bliss offers. These conferences focus on promoting property management companies with their expansion in new technology, data analysis, and online presence marketing. Thus, these conferences are an ideal way for Speckled Bliss Design Studio to procure new customers and learn more about the industry the company has specialization in.

Here are a few options for property management conferences in California:

- The PMNationConference is an annual event in Coronado, San Diego for project management professionals to connect and learn from industry leaders. The conference features keynote speakers, workshops, and networking opportunities to help attendees enhance their skills and stay current with industry trends. The entire event focuses on new technology and development for existing property management companies that will allow them to change and upgrade how their regular business is run.
- The National Association of Residential Property Managers Broker & Owner Conference is an event based in Carlsbad, California that commences annually for property management professionals who manage and own residential properties. This conference is an opportunity for individuals to listen to and learn from experts in the industry, as well as gain the opportunity to network with other attendees, and stay updated on the best practices and most current trends in property management. This event revolves around speaker presentations, breakout sessions with peers and professionals, and an annual

trade show which grants individuals the opportunity to connect with various service providers and vendors. The NARPM offers various certification courses and workshops as well to aid in the progression of professional development.

- The International Property Management Expo (IPMEXPO) is an event that commences annually in Los Angeles, Californai in order to bring global property management professionals together in order to showcase an exhibit of the latest technology, services, and products within the property management industry. Individuals who attend have the opportunity to participate in various networking events and educational seminars in order to learn from leaders within the industry and network with peers. The event covers topics related to property management, which include finance, maintenance, legal services, and marketing. IPMEXPO also presents many online resources and various training programs in order to support the professional development of individuals in or related to the industry of property management.

Conclusion:

In conclusion, the secondary research findings suggest that the most effective marketing channels for the highest value-add customer segments of Speckled Bliss Design Studio are social media platforms, specifically Facebook and Instagram, as well as word-of-mouth through the networking group LeTip of Greater San Diego. However, the studies highlighted above share that each platform has a unique user demographic and requires specific advertising strategies to be effective. Effective advertisements require creativity, a strong appeal, and good credibility. All of the previously mentioned are strong assets that Ginny Kim, the founder of Speckled Bliss Design Company, provides. In-person networking groups are also valuable communication channels for word of mouth marketing and keeping up on industry trends. There are also several property management conferences that are held in California each year, which would allow for further networking within the property management industry specifically. It is important that Speckled Bliss stays on top of the latest trends in digital marketing, such as implementing voice search, to compete with client projects and gain a competitive advantage over competitors and attract consumers. It is important to note that the majority of property management companies utilize Instagram and Facebook, meaning that they have presence on these platforms and paid advertisements would reach them.

Methodology 2: Surveys

After conducting secondary research on the optimal communication channels to reach the target market, we then conducted a survey to understand how different demographics respond to specific marketing channels. The marketing channels that we included in our survey were Instagram & Facebook, Google Ads, LinkedIn, and Word-of-Mouth.

Results:

After surveying over 100 individuals, we were able to determine what optimal communication channels and marketing tactics would best reach each age segment. As our data shows, the majority of individuals in age segments of 18-28 preferred Instagram & Facebook, with 85% of responders choosing this option. The majority of the age segment 29-39 also chose Instagram & Facebook, with 71% of responders choosing this option as well. The age segment of 40-50 was split 50% between Instagram & Facebook and Word-of-Mouth. In the final age segment of 51+, 50% of responders chose Word-of-Mouth and 42% chose Instagram and Facebook. Our survey also showed that about half of our surveyors work at a company with a social media presence and either have access to or personally run that account. Of those 55 users, a strong majority also utilize a personal social media account.

Figure 3: Survey Question 2

Q4 - For those who run the company social media accounts, do you have a separate personal account?
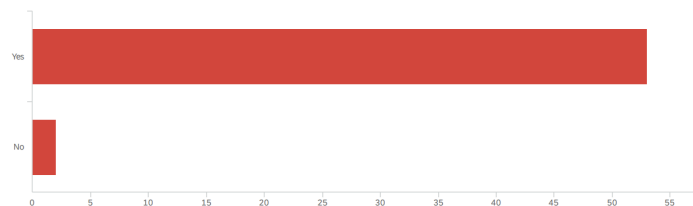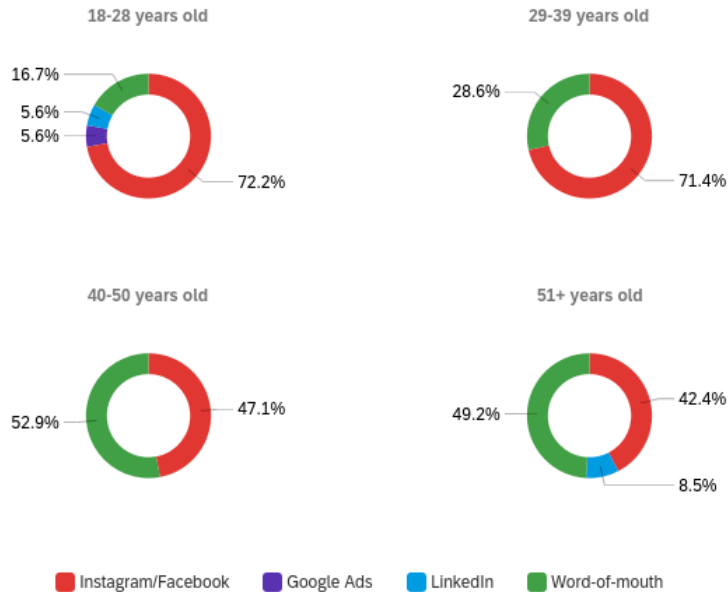
Figure 4: Survey Question 3

Q5 - When utilizing either personal or company social media accounts, what marketing tactic would you most likely respond best to?

Conclusion:

Due to our results collected via survey, we can conclude that Instagram & Facebook are the most effective marketing tactic to reach customers within the age segment of 18-28 and 29-39. Both Instagram & Facebook as well as Word-of-Mouth were proven to be effective for age segments of 40-50 and 51+, with Word-of-Mouth being chosen by 50% of responders in both those segments. Although that was the case for those two segments, if there were to be one communication channel that would be most effective for individuals as a whole, it would be Instagram & Facebook. As stated before, it is important to note that the majority of property management companies utilize Instagram and Facebook with their company account as well as internal employees' personal accounts, meaning that they have presence on these platforms and paid advertisements would reach them.

<u>Objective #4: Establish a business cost plan for hiring and marketing.</u>

<u>Methodology 1: Financial Model</u>

Create a financial model with revenue, operating costs, and tax provisions based on cost data Ginny provided.

<u>Results:</u>

Our team formulated financial projections based on given data and reasonable expectations. The financial model contains both revenue and cost data, which allows us to deduce an optimal time to hire a potential junior designer or chief of staff. Within the cost data, we also analyzed the effect of paid marketing via Facebook, Instagram, Google, and LinkedIn ads. At this point in time, it is difficult to compute Speckled Bliss' customer acquisition cost given a small operating history and niche space serving property management businesses, so it's better to revisit the computation after one to two years of operating data; however, the projected financials show that Speckled Bliss should consider implementing Instagram and Facebook for marketing; in the future can consider implementing Google ads.

Figure 5: Financial assumptions

Financial Assumptions	Value	Comments
Contract value	15,000	Based on her current client
Contract length (months)	2	Based on owner's estimates
Capacity per month	2	Based on owner's estimates
Capacity per year	12	If contracts exceed capacity, need a junior designer
Revenue per month (installments)	15,000	Max capacity revenue
Revenue per year	180,000	Max capacity revenue
Owner expectations	120,000	Her expectations

Figure 6: Income Statement

Income Statement	2023E	2024E	2025E	2026E	2027E
Contracts	7	10	12	14	16
Contract Value	10,000	11,000	12,000	13,000	14,000
Revenue	70,000	110,000	144,000	182,000	224,000
Costs	732	2,801	13,201	13,201	13,201
Operating Profit	69,268	107,199	130,799	168,799	210,799
Tax Rate	22.00%	24.00%	24.00%	32.00%	32.00%
Taxes	15,239	25,728	31,392	54,016	67,456
Net Income	$54,029	$81,471	$99,407	$114,783	$143,343

Figure 7: Current costs spreadsheet

Current Costs	Amount	Type	Annualized	Comments
Adobe Creative Cloud	55	Monthly	660	important
Squarespace	6	Monthly	72	important
Dream Big Designer Cours	1,485	One time	0	Learning course
Brand Designer Template	147	One time	0	Not sure if repeats
LLC Filing Copy	5	One time	0	Legal
Adobe Stock Photos	30	Monthly Sub	0	Cancelling

Figure 8: Future costs spreadsheet

Future Costs	Amount	Type	Annualized	Comments
PO Box	10	Monthly	120	Future
Dubsado	400	Yearly	400	CRM/CMS but need traffic first
Dropbox	17	Monthly	204	to scale projects
Dribbble Pro Business	90	Yearly	90	billed monthly
Flodesk	35	Yearly	35	Annual i think?
Employee?	200	Weekly	10,400	$20/wk working 10 hours
Current Yearly Costs			732	
Projected Yearly Costs			1,581	
PYC with Ads			2,801	
PYC with Employee			11,981	
PYC with Emp & Ads			13,201	

Figure 9: Channel spreadsheet

Channel	Use Case	CPC	CPM
Google ads	outbound customer discovery	1.42	41.10
Facebook ads	older social networks	0.44	14.90
Instagram	younger social networks (more	0.60	8.33
LinkedIn ads	B2B outreach	7.00	34.00
Average		2.37	24.58
Business views needed			300
% of viewers who own a business			1.00%

43

Conclusion:

We will begin with the pro forma assumptions and projections for Speckled Bliss Studio for the next 5 years, which were formulated based on actual documentation from business operations. Our first year revenue forecast for the business is lower than the owner estimates, but we wanted to make sure we have a conservative visual on how budgeting would play out. As of date, the owner conducts 100% of business operations whether it be contracts or ad hoc work. She estimated her monthly capacity for work, which allowed us to derive her yearly capacity of 12 contracts. Speckled Bliss' current contract value is $15,000 but it was unreasonable to assume every future client could meet or exceed that value. For that reason, we started with average contract values of $10,000 and worked up, signifying cross-selling and upselling opportunities from long term client relationships. To project costs, we aggregated known current cost data and anticipated future costs and annualized that. Costs per year vary based on the advertising efforts and employee hiring.

With little data on customer behavior and a small pipeline, we recommend that Ginny begins advertising efforts as soon as 2024. As for marketing channels to target potential clients, we recommend Ginny to look into Facebook, Instagram, Google and LinkedIn Ads each for different purposes. Facebook and Instagram Ads are perfect for granularity and audience targeting. By publishing ads through Facebook or Instagram, Ginny could earn higher conversion impressions because of how much people share their values on the platform. Google Ads is also a powerful advertising tool for any business due to its search-based nature. If Ginny conducts discovery conversations with her current clients to understand how they found her and what key words they searched with to satisfy their design needs, she could leverage those search terms to drive traffic and improve her organic SEO. Linkedin Ads is the final option as it tailors your message to people in the professional community. This can help with targeting business owners

as they are more likely to be on this platform; however, the current financial state is not optimal to promote paid marketing at this point. The average CPM rate for these four marketing channels is $25 per mille. In terms of hiring, we recommend that she take on a part time junior designer the year in which she hits over 10 contracts (2025), which would allow her ample time for job training and would let her focus more on business development initiatives when she hits the 12 contract mark.

Methodology 2: Secondary Research

Conduct secondary research to see if a subscription based or package deals would be beneficial at this stage in order to best help, financially and efficiently, Speckled Bliss Design Studio.

Results

Some potential benefits implementing a subscription based or package deal may include:

- Predictable revenue: A subscription-based model can provide a predictable source of revenue, as you'll know how many subscribers you have and how much they're paying each month.

- Customer loyalty: Offering a subscription-based or packaged deal can help you build customer loyalty, as customers who sign up for a subscription or purchase a package are more likely to stick around and continue using your services.

- Increased revenue: By offering a subscription or package deal, you may be able to increase the amount of revenue you generate from each customer, as they'll be committing to a longer-term relationship with your business.

- Streamlined processes: If you offer a package deal, you can streamline your processes by offering a set of predetermined services. This can help you manage your workload more efficiently and ensure that you're providing consistent value to your customers.

Some possible costs to implementing a subscription based or packaged deal may include:

- Reduced flexibility: Some customers may not be interested in a subscription or package deal, and may prefer to pay for individual projects or services as needed. Offering only subscription or package deals could reduce your flexibility and limit your potential customer base.

- Pricing issues: It can be challenging to set the right price for a subscription or package deal, especially if you're unsure how much work each customer will require. You'll need

to carefully consider your costs and your target market to determine a pricing structure that is both profitable and attractive to customers.

- Commitment and churn: While subscriptions and package deals can increase customer loyalty, they can also lead to a higher churn rate if customers are unhappy with the service or if they feel they're not getting enough value. You'll need to carefully manage your customer relationships to ensure that they remain satisfied with your services over time.

- Administrative costs: Offering subscriptions or packages may require additional administrative work, such as managing customer accounts and payments, creating and updating service packages, and tracking customer usage. You'll need to factor in these administrative costs when determining whether or not a subscription or package deal is right for your business.

Conclusion

It is important to carefully consider the potential downsides as well, such as the risk of reducing flexibility for customers or creating a pricing structure that doesn't align with the needs of your target market. It's also important to carefully plan the specific details of your subscription or package deal, such as the pricing, services included, and the duration of the subscription or package, to ensure that it is sustainable and profitable for your business.

<div align="center">**Recommendations**</div>

Recommendation #1: **Target high ticketing industries, specializing in real estate due to previous experience and industry growth.**

Based on our secondary research on different industries that rely on digital design services, we know that these services are crucial in most industries today. As a luxury design services company with a coastal style, we recommend that Speckled Bliss targets luxury coastal companies that require clean, professional design work. We recommend that she specialize in digital design and branding services for residential real estate and property management companies that reside in the coastal areas of San Diego, as real estate professionals require these design services. Some real estate and property management companies that could benefit from Speckled Bliss digital design services are The Property Management Guy, Rancho Mesa Properties, FBS Property Management, The Neuman Team, and Wolf Real Estate Team. Based on our research, these companies look to digital designers who are knowledgeable about the real estate industry, so with a specialization in this industry, Speckled Bliss will be able to establish a client base and gain expertise. We recommend that Speckled Bliss provides a wide range of services, as the talents of the company are extensive. For property management companies with rentals and vacation homes, these services will include brand identity, website design, logos, welcome packets, business cards, etc. For residential real estate companies, these services will include establishing brand identity along with business cards, print advertisements (flyers, postcards, etc.), signage, and website design. A specialization of services will attract more business, maximize contracts for the company, and nearly triple net income within 5 years.

Recommendation #2: **Create a consistent and cohesive brand image that has clear specialization.**

Based on our competitor analysis interviews and secondary research, we determined the crucial key factors to success within the design industry is to build a strong, reliable brand image

revolving around highly rated reviews and strong, clear specialization for its services. We recommend that Speckled Bliss Studio structure its brand image revolving around a specialization within the real estate industry that has specific services and designs that largely benefit luxury residential property management companies and real estate brokerages. In order to effectively specialize her services, we recommended Speckled Bliss to construct her online presence emphasizing her competitive advantage in design services for luxury real estate and property management. This will allow Speckled Bliss to hone its skills and expertise in a specific area leading to greater efficiency, effectiveness, and overall excellence. Furthermore, specializing in a particular area within the real estate industry can lead to increased credibility, reputation, and profitability. By structuring their brand image around a specialization within the real estate industry, Speckled Bliss Studio can differentiate itself from its competitors and attract a specific target audience. This target audience, consisting of luxury residential real estate and property management companies, has specific needs and requirements that can be better met through specialized design services. By focusing on this niche, Speckled Bliss Studio can position itself as an expert in the field and build a reputation for delivering high-quality, tailor-made design solutions. Additionally, specializing in a specific area can allow Speckled Bliss Studio to streamline its processes and resources, leading to greater efficiency and profitability. The company can develop a deep understanding of the specific challenges and opportunities within the real estate industry, allowing them to develop solutions that are better suited to their clients' needs. In conclusion, building a strong brand image revolving around specialization is crucial for success in the design industry. By focusing on a specific area within the real estate industry, Speckled Bliss Studio can differentiate itself from its competitors, attract a specific target audience, streamline its processes and resources, and ultimately achieve greater success and profitability.

Recommendation #3: Utilize social media channels, specifically Instagram and Facebook, as well as word-of-mouth to gain clients for organic marketing.

Based on our secondary research on communication channels for each customer segment within the target market, Speckled Bliss Design should utilize specifically Facebook, Instagram, and word-of-mouth referrals for organic digital marketing. This would mean having a stronger social media presence on both Facebook and Instagram as well as attending networking groups.

Speckled Bliss should post to Instagram and Facebook 1-2 times a week to stay connected with current followers as well as gain exposure to new followers and potential clients. The majority of property management companies have a presence on social media platforms, like Instagram and Facebook, so connecting with them through social media will help build a following. Organic posts on these platforms would be an effective way for Speckled Bliss Design to reach potential clients in the property management industry. These posts can include updates in the industry, previous designs and projects, and continue to share a consistent brand image with the company website. It is also crucial for SB to engage with a networking group within the San Diego region to meet professionals who are in need of design services and/or can provide her with word-of-mouth referrals. Networking groups are a valuable means of communication for word-of-mouth marketing and staying up-to-date on industry trends to remain competitive and attract clients. The company website should also implement a testimonial page with case studies from previous clients demonstrating the problem, solution, actions, and results.

Recommendation #4: Utilize social media channels via Instagram and Facebook ads for paid marketing.

Based on our survey results, we determined that the utilization of paid marketing and advertisements would be very beneficial, specifically utilizing the platforms Instagram & Facebook. It was determined, via the surveys we conducted, that Instagram & Facebook would be the most cost effective and able to obtain the attention of ages 18-51, the majority of the working class. LinkedIn, Google Ads, and marketing via word-of-mouth were considered in the initial validation, but were ruled out due to the fact that they did not gain as nearly as much traction in this industry compared to Instagram and Facebook. Instagram and Facebook advertisements are both convenient and straightforward to navigate. Depending on the bidding model, Instagram advertisements can vary from $0.20 to $6.70 and Facebook advertisements can vary from $0.94 to $12.07. It can be noted that Facebook advertisements are better suited for gaining website traffic or gaining views or engagement for written content. Instagram advertisements are better suited for boosting overall brand awareness with various visuals. Both would benefit Speckled Bliss, as overall brand awareness, the first marketing step, and website traffic will lead to more customer traction. In terms of filtering to the specific target market, Instagram and Facebook advertisements can be targeted by location, age, gender, and interests.

Both platforms can also be used to target different B2B job titles, and it is important when implementing these advertisements to include business owners keywords on ads and landing pages and target an email list of clients which can aid in creating a lookalike audience. Overall, Instagram and Facebook advertisements will be the most effective means of promoting Speckled Bliss's brand awareness and gaining clients in the property management industry.

Recommendation #5: Begin paid marketing in 2024 and hire a junior designer in 2025.

Based on our financial projections, we recommend that Ginny hires a part time junior designer one year prior to reaching max capacity, starting 2025. This is to allow a buffer year where she can train an employee or intern and not be at max capacity of 12+ contracts. This employee can be a student or non-student who can begin working part time for 10 hours per week at $20 per hour. With an extra part-time employee, Ginny can focus on solely business development and complex design work while the junior designer can focus on ad hoc work, emails, marketing, etc. This will optimize business processes and open up Speckled Bliss' contract capacity. In the medium term, the junior employee can decide to stay with Speckled Bliss or leave due to a career change. The former would be the ideal scenario where the junior designer would wear multiple hats and learn the ins and outs of the business and be a huge long term value add. The latter would still not be an issue because there is minimal work load and plenty of leeway to find another hire.

Action Plan:

Action 1: Organize the Speckled Bliss Design Studio website to emphasize a specialization in digital design services for residential real estate, property management, and property vacation rentals. The website design should highlight the design services Specked Bliss offers that best fit the needs and demand of the targeted real estate grouping. Additionally, the website should provide the previous customer projects within this market that will showcase the quality of work her services provide to the customer. The home page of the website should have a clear and concise message that highlights the services offered by Speckled Bliss Design Studio. This message should emphasize the studio's expertise in digital design services for residential real estate, property management, and property vacation rentals. On the services page, highlight the specific services that Speckled Bliss Design Studio offers to clients in the real estate industry.

These services could include website development, marketing pamphlets for each property and branding design. A testimonials page should be implemented to showcase the quality of work that Speckled Bliss Design Studio provides. Include testimonials from previous clients in the real estate industry who were satisfied with the digital design services they received.

Action 2: Join a networking group and Facebook groups to begin connecting with professionals in the San Diego area who may be potential clients or provide you referrals. Our team suggests the networking group LeTip of Greater San Diego. To learn more, contact a member of the leadership team. The President is Sheila Ragan of Ocean Point Financial Systems. Her phone number is 858-270-1450. Also, attend a property management conference to broaden knowledge in the industry and connect with professionals. The PMNationConference is local in Coronado and occurs annually.

Action 3: Start forming a social media presence on Facebook and Instagram. Our team suggests posting previous project work to demonstrate Speckled Bliss Design's branding while including images that would attract people in the target market: residential real estate, property management, and property vacation rentals. This could include designs she has done for previous clients in the market. The Speckled Bliss Design Studio social media accounts should follow other design companies and leaders for inspiration preferably outside of San Diego to avoid conflict with competitors. The accounts should also follow leaders in the San Diego real estate industry as well as their prospective company accounts.

Action 4: Become knowledgeable on the policies and standards of real estate and property management advertising by reading the following:

Figure 10: Real Estate Standards Resources

Resource	Website
National Association of Realtors Internet Advertising Policy	https://www.nar.realtor/legal/risk-management/nar-internet-advertising-policy
California Real Estate Legal Tools: New Standard in Advertising	https://www.srar.com/membership/CARNew_Standards_in_Advertising_(7.17.17).pdf

| Real Estate Advertising Guidelines | https://dre.ca.gov/files/pdf/re27.pdf |

Action 5: In 2024, based on financial projections, begin promoting paid advertising via Instagram and Facebook. By then it's important to have a consistent presence on those platforms (posting once a week) because that will convert inorganic ad views to engagements. Based on our research for the ideal customers and the best channels to reach them, starting with Facebook and Instagram would be the highest value play given a smaller budget allocation. We expect these ads to cost $25 per thousand views and $2 per click. To get those ten projected contracts in 2024, with a standard sales conversion rate of 3%, we expect total marketing efforts to cost $1.2K. However, this cost also includes the higher pricing of Google and Linkedin Ads to give SBS headroom in getting those impressions and clicks.

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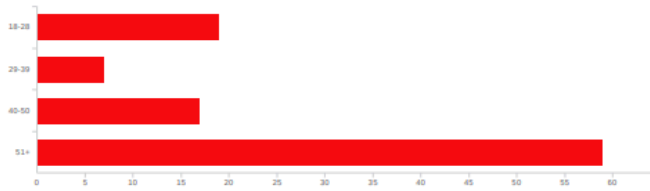
Appendix A: Business Model

The Business Model Canvas

Designed for: Speckled Bliss Design Studio
Designed by:
Date:
Version:

Key Partners 🔗

Uses a CMS system to build her websites

Wix website builders
Hostaway website - syncs to booking websites (airbnb)
Squarespace website
Stripe payment requesting
Adobe Creative

Key Activities ☑

Working one on one with businesses to create personalized digital and print products
Analyze research on competitors and market to understand the design service industry
Join networking groups within the high ticketing hospitality services
Create a strong marketing strategy to reach her targeted audience via social media
Clarify, specify, and differentiate the specific services provided with consistent pricing

Key Resources 🏭

Speckled Bliss Design Studio offers print production and digital design:
Brand Identity, Merchandise, Environment Displays, Animation
Human capital, unique branding, and licensing
Speckled Bliss offers unique designs specific to each client's preferences and branding

Value Propositions 🎁

Having a trustworthy, reliable service that is backed by previous customer reviews and word of mouth praise

A uniquely tailored experience that fosters flexibility and a fully detailed and personal start-to-end relationship for coastal hospitality options

Customer Relationships ❤

Interest in serving HNWI in real estate after previous work
Commercial work has a referral based relationship
Public awareness through free design offerings: Instagram stickers
Testimonials from previous customers displayed on personal website

Channels 🚚

Speckled Bliss website
Social Media Marketing
Instagram, Pinterest
Word-of-mouth

Customer Segments 👥

Target high level service providers for elevated, high-ticket items:

Real estate, tech, SMBs, hospitality, etc.

Cost Structure 🏷

Paid by hour per project ($100/hr)
Monthly subscription payments to key partners
Revenue Streams: Project contracts one on one clients, Illustrations , Licensing (bigger brands, stores), Print on demand goods

Revenue Streams 💰

Design services
Monthly/yearly subscriptions for digital upkeep
Two proposal options: paid-in-full (15% off) vs installment payment
Print-on-demand products

Appendix B: Qualtrics Survey

Q1 - How old are you?

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	How old are you?	1.00	4.00	3.14	1.17	1.37	102

#	Field		Choice Count
1	18-28	18.63%	19
2	29-39	6.86%	7
3	40-50	16.67%	17
4	51+	57.84%	59
			102

Showing rows 1 - 5 of 5

Q5 - When utilizing either personal or company social media accounts, what marketing

tactic would you most likely respond best to?
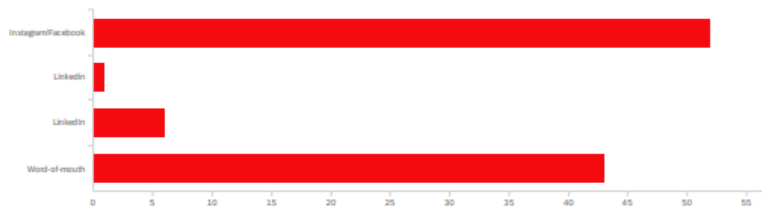
What marketing tactic would you respond best to?

18-28 years old
- 15.8%
- 5.3%
- 5.3%
- 73.7%

29-39 years old
- 28.6%
- 71.4%

40-50 years old
- 52.9%
- 47.1%

51+ years old
- 49.2%
- 42.4%
- 8.5%

Legend: Instagram/Facebook | Google Ads | LinkedIn | Word-of-mouth
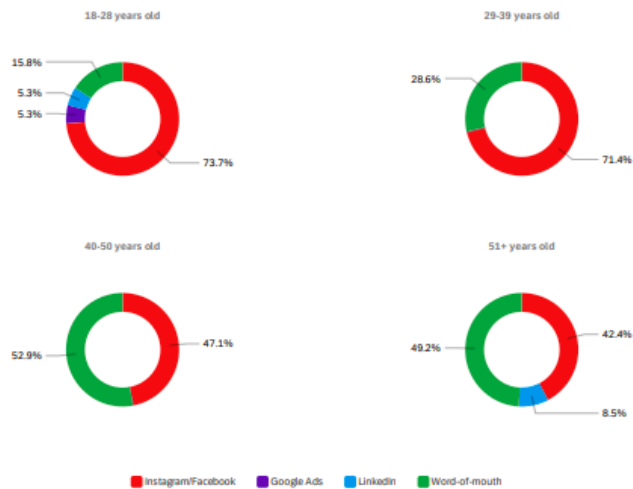
#	Field	Choice Count	
1	Instagram/Facebook	50.98%	52
2	Google Ads	0.98%	1
3	LinkedIn	5.88%	6

#	Field	Choice Count	
4	Word-of-mouth	42.16%	43
			102

Showing rows 1 - 5 of 5
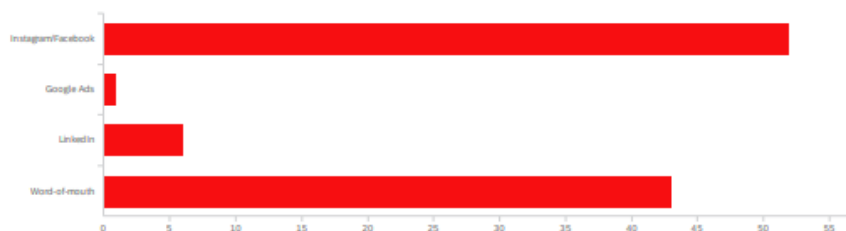
Q3 - Do you work at a company that utilizes digital design (personalized company website, logo, print media, etc.)?

1-10

100.00%

11-30

100.00%

31-60

100.00%

61-100

100.00%

100+

100.00%

■ Yes   ■ No
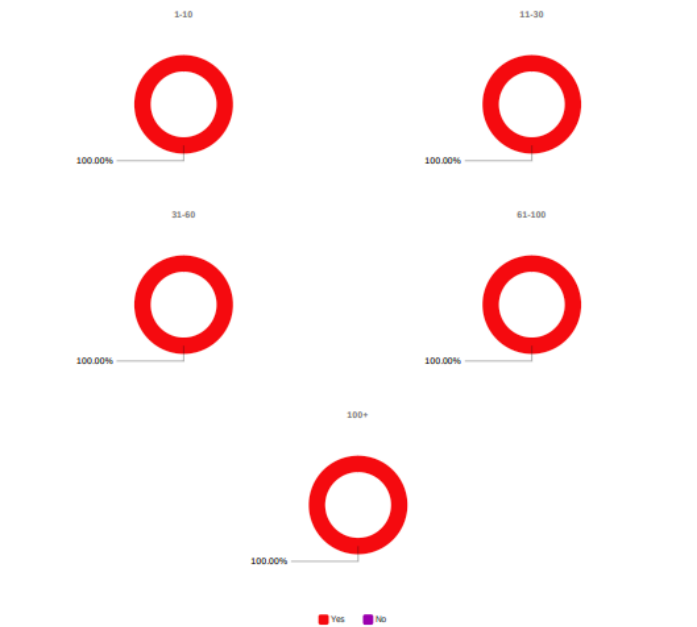
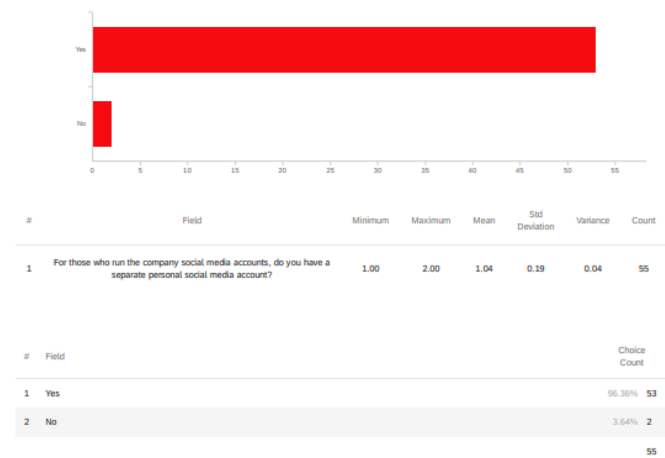| #	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Do you work at a company that utilizes digital design (web design, branding/logos, print media, etc.)?	1.00	2.00	1.41	0.49	0.24	102

Q4 - For those who run the company social media accounts, do you have a separate personal account?

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	For those who run the company social media accounts, do you have a separate personal social media account?	1.00	2.00	1.04	0.19	0.04	55

#	Field		Choice Count
1	Yes	96.36%	53
2	No	3.64%	2
			55

Showing rows 1 - 3 of 3

Type your response:

Music

Financial services

Human Resources

HR and benefits

Retail sales

Church

Banking/Credit Union

Higher education

Food and beverage

Real Estate

Construction

surfing

Higher Education

Ad Tech

Plumbing and air conditioning

Commercial Printing

Government

Real estate

Healthcare

Real estate

SAS

Insurance

Higher Ed

Property management

Type your response:

Real estate

Sports Business (Agency)

Education

Education (private school)

Education

Real Estate

Consumer electronics

Financial services

Biotech

Education

E-commerce

Financial services

Retail

Finance

Psychiatry

Management Consulting

Banking

Legal services

Retail

Biotech

Real estate

consulting firm

real estate

Type your response:

Real estate
Sports Business (Agency)
Education
Education (private school)
Education
Real Estate
Consumer electronics
Financial services
Biotech
Education
E-commerce
Financial services
Retail
Finance
Psychiatry
Management Consulting
Banking
Legal services
Retail
Biotech
Real estate
consulting firm
real estate

Q7 - How many employees work in your company?

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	How many employees work in your company?	1.00	5.00	3.35	1.71	2.92	55

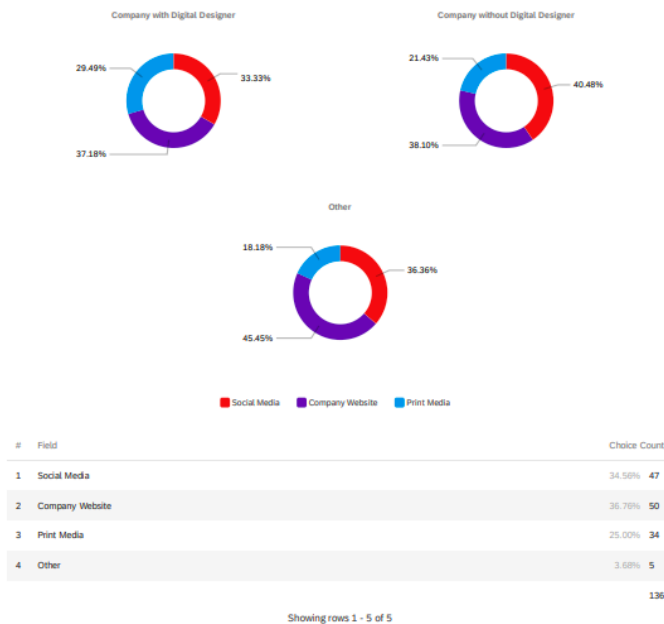| #	Field		Choice Count
1	1-10	25.45%	14
2	11-30	12.73%	7
3	31-60	9.09%	5
4	61-100	7.27%	4
5	100+	45.45%	25
			55

Showing rows 1 - 6 of 6

Q7 - Did your company hire a digital design company to do your business's digital

design/branding?

Did your company hire a digital design company to do your business's digital design?

1-10 employees

35.71%

64.29%

11-30 employees

50.00%

50.00%

31-60 employees

40.00%

60.00%

61-100 employees

50.00%

50.00%

100+ employees

38.10%

61.90%

🟥 Yes 🟪 No

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Did your company hire a design company to do your business's digital design/branding? - Selected Choice	1.00	3.00	1.55	0.66	0.43	55

Q8 - What marketing platforms does your company use? (Select ALL)

Company with Digital Designer

29.49%

33.33%

37.18%

Company without Digital Designer

21.43%

40.48%

38.10%

Other

18.18%

36.36%

45.45%

🟥 Social Media 🟪 Company Website 🟦 Print Media

#	Field	Choice Count	
1	Social Media	34.56%	47
2	Company Website	36.76%	50
3	Print Media	25.00%	34
4	Other	3.68%	5
			136

Showing rows 1 - 5 of 5

Q11_4_TEXT - Other

Other

Partnerships, retail, paid media, etc.

End of Report

Appendix C: Financial Model

Financial Assumptions	Value	Comments		
Contract value	15,000	Based on her current client		
Contract length (months)	2	Based on owner's estimates		
Capacity per month	2	Based on owner's estimates		
Capacity per year	12	If contracts exceed capacity, need a junior designer		
Revenue per month (installments)	15,000	Max capacity revenue		
Revenue per year	180,000	Max capacity revenue		
Owner expectations	120,000	Her expectations		

Income Statement	2023E	2024E	2025E	2026E	2027E
Contracts	7	10	12	14	16
Contract Value	10,000	11,000	12,000	13,000	14,000
Revenue	70,000	110,000	144,000	182,000	224,000
Costs	732	2,801	13,201	13,201	13,201
Operating Profit	69,268	107,199	130,799	168,799	210,799
Tax Rate	22.00%	24.00%	24.00%	32.00%	32.00%
Taxes	15,239	25,728	31,392	54,016	67,456
Net Income	**$54,029**	**$81,471**	**$99,407**	**$114,783**	**$143,343**

Current Costs	Amount	Type	Annualized	Comments
Adobe Creative Cloud	55	Monthly	660	important
Squarespace	6	Monthly	72	important
Dream Big Designer Cours	1,485	One time	0	Learning course
Brand Designer Template	147	One time	0	Not sure if repeats
LLC Filing Copy	5	One time	0	Legal
Adobe Stock Photos	30	Monthly Sub	0	Cancelling

Future Costs	Amount	Type	Annualized	Comments
PO Box	10	Monthly	120	Future
Dubsado	400	Yearly	400	CRM/CMS but need traffic first
Dropbox	17	Monthly	204	to scale projects
Dribbble Pro Business	90	Yearly	90	billed monthly
Flodesk	35	Yearly	35	Annual i think?
Employee?	200	Weekly	10,400	$20/wk working 10 hours
Current Yearly Costs			732	
Projected Yearly Costs			1,581	
PYC with Ads			2,801	
PYC with Employee			11,981	
PYC with Emp & Ads			13,201	

Appendix D: Price Comparison

| Pricing Comparison					
Business Name	Crafty Webz	Experia Creative	StraightFire	Average Design Agency	Speckled Bliss Studio
Value Prop	Website Design	Website and Branding	Website and Branding	Design Services	Design Services
Project Cost	$2,000	$3,000	$5,000	$15,000	$15,000

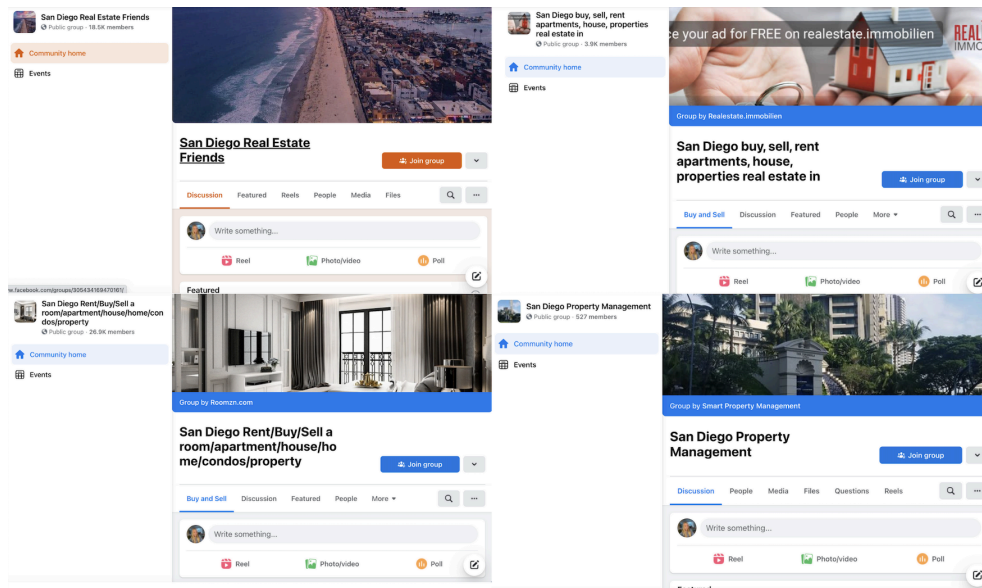Appendix E: Real Estate Industry Social Media & Website Presence

Property Management:
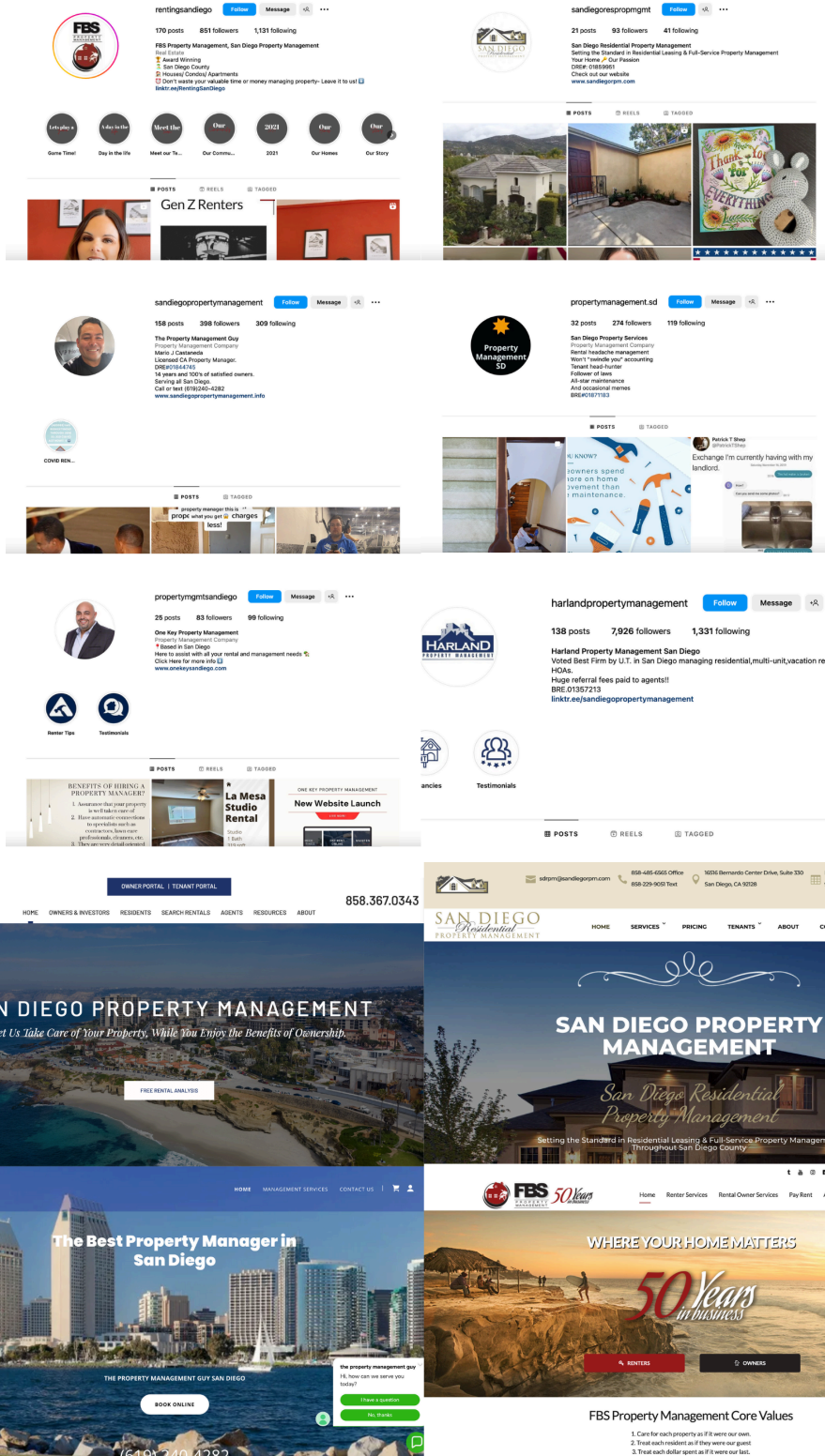
Residential:
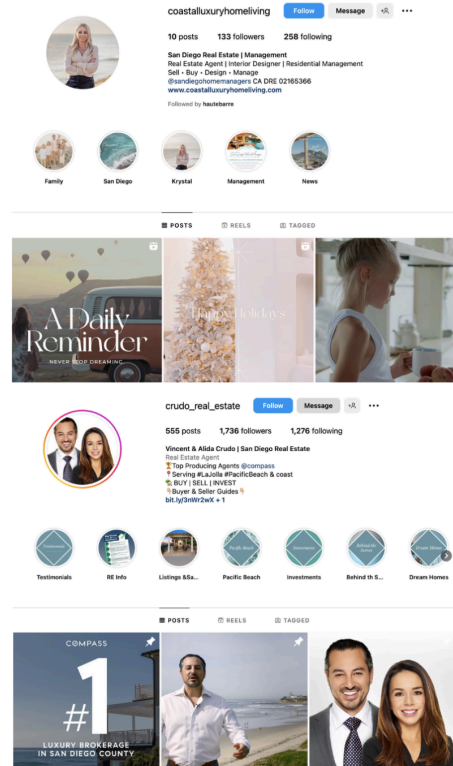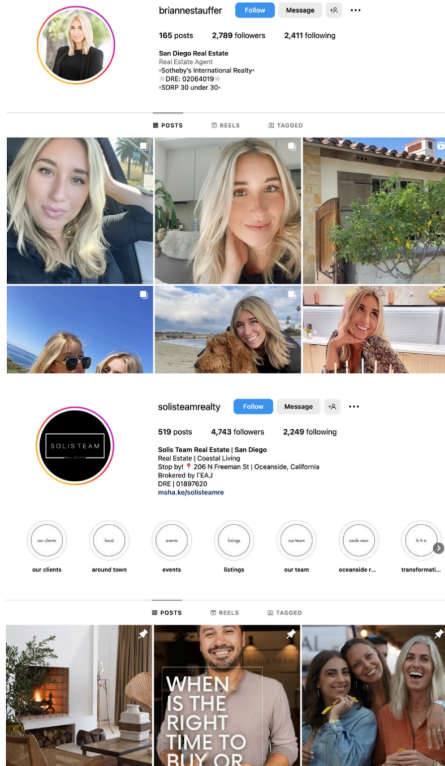
Real Estate Facebook Presence:

Appendix F: Real Estate Industry Interview Questions

- **General:** How long have you worked in the industry? How many properties does your company manage? How many employees work in your company?
- **Design:** Do you have an in-house or outside hiring for design? How do you believe design fits into the property management industry? How important do you believe design is?
- **Marketing:** What is your marketing budget (or percentage), specifically towards branding and web design? Do you rely on media presence, word-of-mouth, or other?
- **Customer Segmentation:** Who are your customers? What is your target market for your properties? What communication channel works best for your customers?
- **Social Media Presence:** How do you manage your social media presence? How important do you believe it is for your industry?What platforms do you find most of your customers from?

Appendix G: Digital Design Industry Interview Questions

- **General**: Can you tell me a little about your company and what services you provide? What is your job title? How long have you worked in the industry? How many employees work in your company?
- **Services**: What is your specific service? Key partners?
- **Client Outreach:** Where/How do you find clients? Do you have a subscription system to retain customers and keep them needing your services? How do you keep customers coming back? Is there a specific target industry of businesses that you find more success with? Have you worked with property management or real estate companies before? Do you utilize any social media platforms for client outreach?
- **Contracts**: How do you approach a new project? Typical size of your contract? (if comfortable) How long does it take you to complete a project?
- **Pricing**: How do you manage pricing? By hour? What are some costs you have with each project?

Appendix H: San Diego Design Startups: PINT & BOP Website & Social Media

PINT Inc. - Website & Facebook
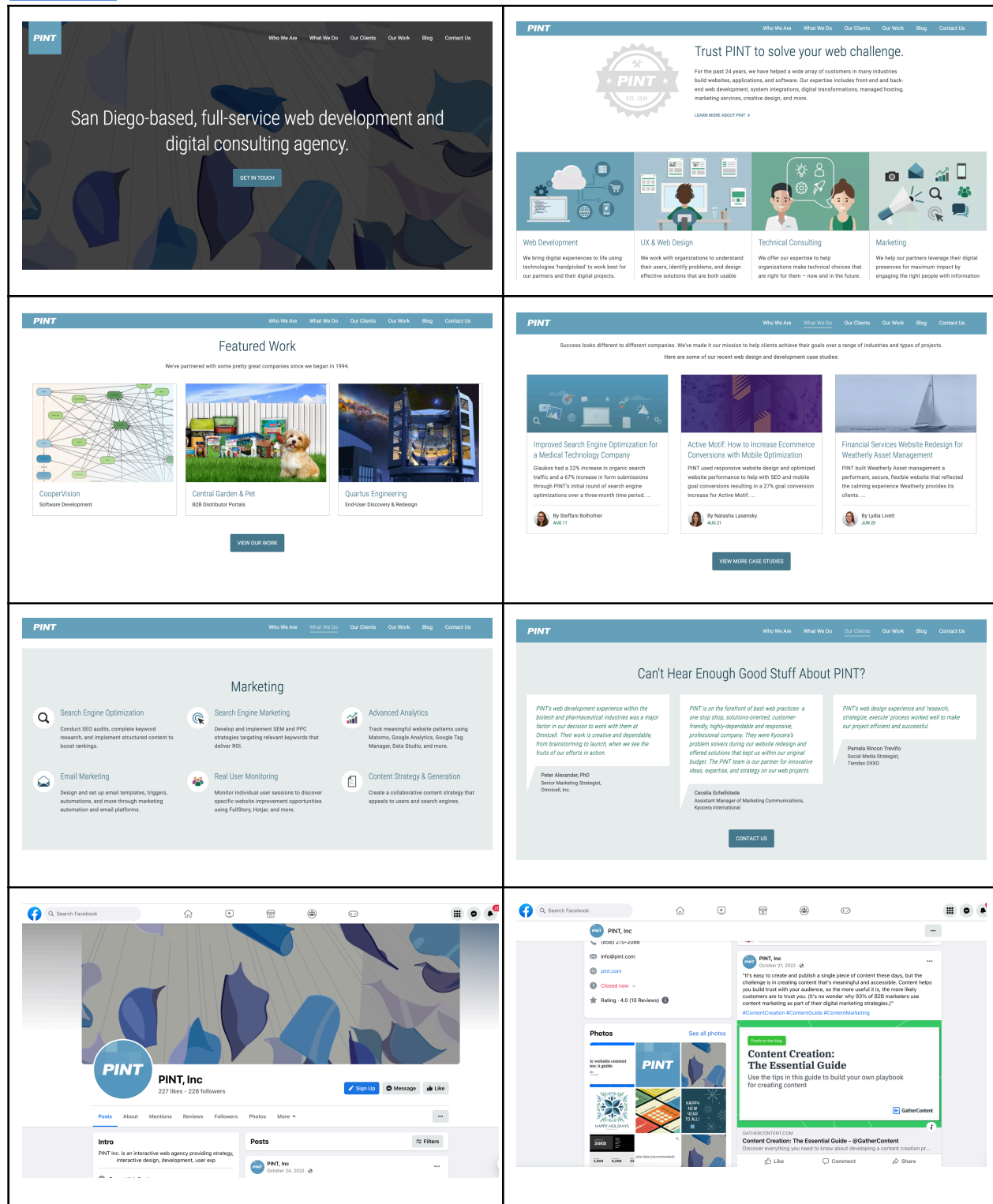
SPECKLED BLISS

[BOP Design](#) - Website & Instagram/Facebook
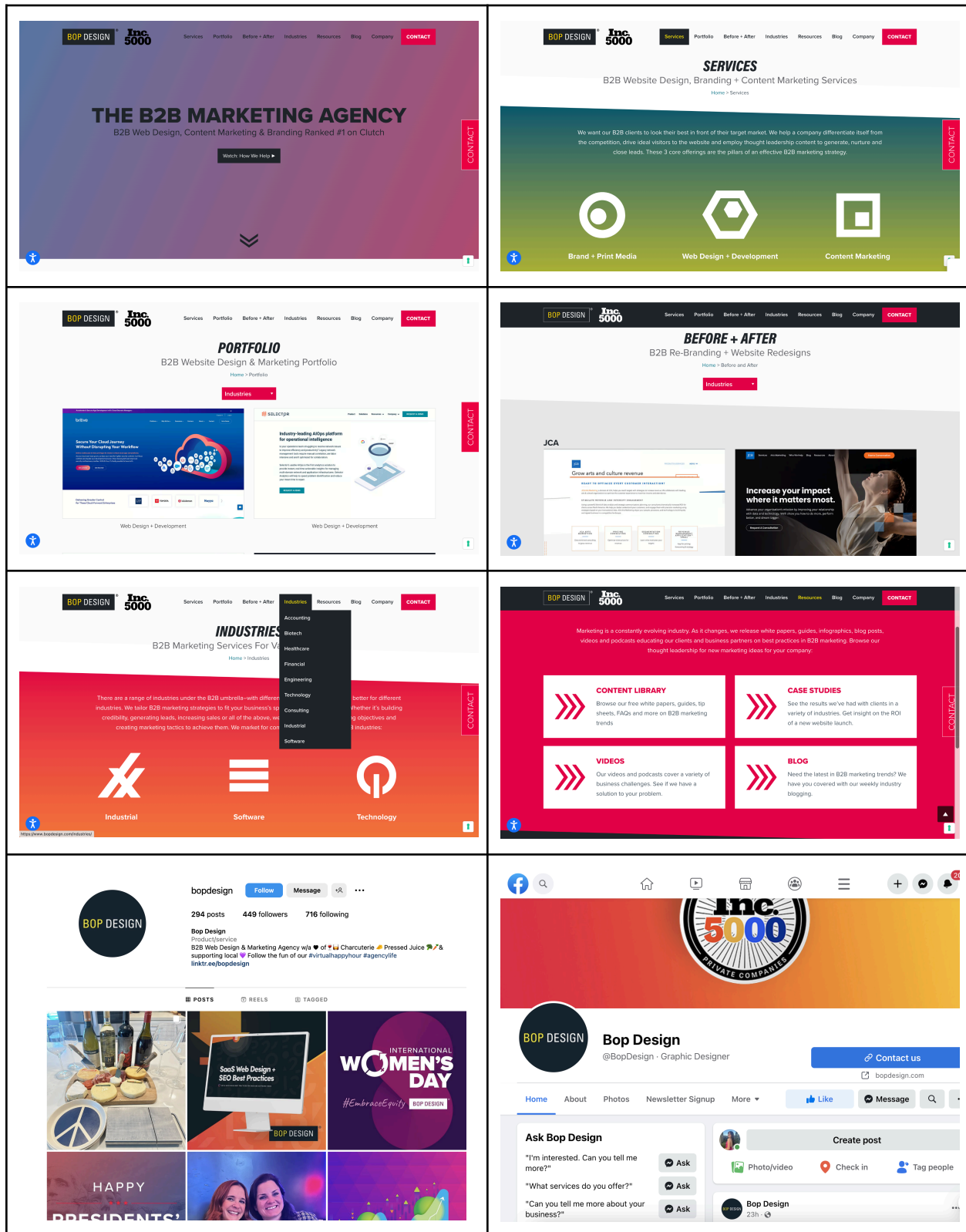
Appendix I: Speckled Bliss Analytics - Site Traffic & Content