

Georgian Institute of Public Affairs  
Caucasus School of Journalism and Media Management  
*MA Program in Journalism and Media Management*

Ani Giorgadze

Ekaterine Sharadzenidze

Sandro Kharazashvili

# New Georgian online media platform business plan

Final Project

**Lecturer:** Nino Makhviladze

Tbilisi

2020

## Contents

New Georgian online media platform business plan .....	1
Business model .....	2
Niche market/Industry.....	5
Porter’s Five Forces Model.....	6
Demographic and Psychographics .....	8
SWOT Analysis .....	9
Potential Investor.....	11
Budget.....	12

# New Georgian online media platform business plan

As much as we agree with the importance and high essence of the free press in both local and global context, we also might need to redefine the actual mission of journalism these days.

Any media outlet can be serving the interests of a certain power vertical, party, business or political elites, but the idea of good and correct journalism is to serve the interests of people, society and give a voice to those, who need it the most. Therefore, the platform that has the ambition to cover and actualize the political, social or even cultural issues, should bring the root problems to the surface, serve as a tool to the grassroots and expose everyone and everything at fault for causing these problems to the public in an uncompromising manner. We believe that would be the kind of journalism that is needed the most in a country on the edge of economic, social and cultural collapse - Georgia.

Since the period when more or less diverse information became more and more accessible to the public, the interest of Georgian audiences grew as well. This tendency was especially supported by the crisis and events and the country had to go through for over 30 years already. The unstable political and economic environment made people more invested into feeling the necessity of understanding the reasons and projecting the future in order to better navigate in life.

This kind of engagement was always effectively used by different media organizations at different times and during different events. Evaluating those experiences and studying the media products they created, also helped us to better understand what works better and why.

## Business model

In order to effectively appear on the market, introducing an honest, fierce editorial policy is not enough. It is crucial to find the way to distinguish yourself from the competitors and gain the loyal audience. Any kind of communication platform needs to understand the culture of the audience.

Today in Georgia there are several media organizations who give a lot of space for the social and political issues related content. However, there are several factors that we decided to use at our own advantage:

- Lack of diverse content on the same issues;
- Lack of strong and clear focus on social and political issues;
- Lack of quality political humorist shows;

Considering the above-mentioned characteristics, our idea is to create an online media platform that will be focused on social and political issues, mostly and will be providing diverse mediums, formats to distribute them to the public.

In Georgia, the most popular topics remain to be politics and among the most watchable programs are the humorist and entertaining shows. We are seeing the window gap for the product to appear on the market that provides a good combination of politics, hard social topics and humor. To provide the references, we had some examples of such products in the past (“Dardubala” - animation TV series, mainly satire of the high rank political figures and reflection of the political environment in Georgia before 2003 revolution, “აკრედიტაციის გარეშე”, which was a low budget social and also political project that aimed to unmask the corrupt positions, public figures and actualize

important the social and political issues) and now we have humorist shows like “Vano’s show”, “Comedy Show” also mostly choosing the political topics as a target, but they are the production of the biased TV channel, who serve the interests of a certain political party.

Therefore, what makes us unique is to have a clear focus and these are the topics that become more and more relevant as the economic, social and political environment worsens and as each political parties try to “steal” the large spaces in media; to offer type of content/programs that had and still have high interest among public (low budget, direct, humorist) and to assure the editorial independence.

The best way to ensure editorial independence and gain not just the credibility, but the trust of the public is to enhance their involvement - grant them the power to make suggestions, ask for opinions, criticize and also to own the platform with you. This is manageable by crowdfunding. Of course, it should be set as a goal and principle or even philosophy of our organization that should be achieved and it cannot be the initial capital or only source of funding.

The advantage of our platform is that it does not require a lot of initial capital and in the beginning we will have also less revenue-oriented policy, as it is founded by the group of enthusiasts, but rather on the personal investment, which also will be our niche to gain the loyal audience and show our devotion to the project. However, as most media organizations, our main source of revenue will be coming Ads and sponsorship. Here we will have strict policy regarding which companies/organizations will be able to offer sponsorship or who we advertise. It is our principle to remain independent, and we will not be partners with the companies/organizations that could harm that. For certain projects that might require a higher budget (e.g. journalistic investigation) we may introduce the concrete project proposals to the funds whose activities and views do not contradict with our policy and vision and who will grant absolute freedom and provide no intervention in our editorial policy. After establishing on the market and gaining a regular audience we will start supporting the process of crowdfunding. This is one of the reasons we must feel confident and be able to provide transparent information regarding our sources of funding.

Our partnership network will include:

- Universities - that could occasionally provide the required inventory, working space and, more importantly, share the expertise or mentorship.
- Other media outlets - mostly the independent media organizations that work on similar topics, they could offer the expertise and easier access to the sources, help us with the archives and respondents in some cases.
- Funds - Mostly foreign funds, whose activities and policies we know and whose project we are familiar with and do not contradict with our editorial policy.
- Civil unions and groups of activists - whose experience and expertise will help better cover certain topics.
- Social media communities - the communities that are united around the concrete topic (like activist groups) and mostly share the information online (e.g. “սրտ մոհման”, community gathered around the labor problems).
- NGO sector - carefully chosen non-governmental organizations, whose activities and politics we agree with and have good reputation in public also.
- People directly affected, also known as grass roots - workers, students and regular people who we will offer our platform as a medium to tell about the problems, suggestions and to speak for their rights.

As we mostly will be reaching our customers via different social media channels, it will make it easier to make the process interactive, which is one of the highest priorities for us. We will use our social media platforms (e.g. Facebook page, Instagram page) and their sub-platforms (IGTV, Stories, Lives) as effectively possible. The main concept of those sub-platforms is to ease the interaction process with the audience. As we are willing to make the public more and more involved in our work, we will offer them various ways to reach us with their opinions, suggestions, ideas and, more importantly, we will provide the private, confidential platform for those, who are willing to share their stories (e.g. working conditions at a certain company) and to maintain confidentiality (in fear of losing the job).

Our major human resources will be:

- Journalists, who have the knowledge and skills in creating, shooting, editing multimedia content and have high interest in working with the main topics that our platform will offer.
- Social media managers - as our main distribution channels will be different social media platforms - Facebook, Instagram, Twitter, YouTube.
- Coders, programmers - As we are an online platform, an effective and attractive website is the key for us.
- Editor
- Content creators - staff members responsible for researching, choosing and analyzing the topics we are covering.
- HR manager - responsible person to delegate the tasks considering the skill set of each staff member.

## Niche market/Industry

The main topic of our media platform will be politics and hard social topics which will be covered in different formats and forms, mostly via creating the humorist shows/programs. As we are entering the media industry of Georgia, we do not see the good combination of such online platforms or TV shows. As the politics and social topics are very important nowadays and the majority of people are very into it, we think that we will have our place and the position in the market.

The media industry in Georgia is a bit large, but not so diverse. There are some types of online platforms, which are dedicated separately only for the politics, political debates or talk shows, news or discussions about some political parties in a more satirist way.

For today, we, the creators of this start-up, are observers for all media platforms in Georgia, and we see that most of them are not independent and are following for the thoughts and ideas of different political parties. Most TV shows or media outlets try to position themselves as balanced and neutral but only a few can achieve it.

We think that as we don't belong to any governmental or oppositional party, our place in this industry will be very important.

## Porter's Five Forces Model

Porter's 5 forces industry analysis looks at multiple aspects of the industry's competitive structure and economic environment, which includes the bargaining power of buyers, bargaining power of the suppliers, threat of the new entrants, threat of the substitute products and the competition rivalry.

The first is bargaining power of buyers, which means that if your product/company is clear and buyers know how much it costs, they have the power to choose between the vendors. For our online media platform bargaining power of buyers is not so high, because in Georgia there are only a few media platforms, which offer similar content. As we mentioned above, our main idea is to be honest and unbiased, to be non-governmental or oppositional and explore real stories about people, as well as dig into politics. For instance, independent and unbiased online platforms such as Publika or Netgazeti, who actively cover the social and political topics, can be considered as our main competitors in that category. While the channels and online outlets that focus more on entertainment and also politics, such as Mtavari Arkhi, PosTV fall also in the category of our rivals. We can have two kinds of customers: Audience, who will watch us and the advertisers, who will be interested to have partnership with us and use our platform for advertisements. As for the audience, we have to cover interesting topics, which will be related to our everyday life and problems which are around us. We will try to tell the stories which are close to people and reflect the life of the majority. As for the advertisers, they will choose the platform which has more followers and bigger audience. Also, which platform sells commercials with the lower price. In both cases, customers have the power of choosing between multiple options so our aim will be to cover interesting topics which will be close to people and their problems, get as big and loyal an audience as possible and gain trust.



The second is the bargaining power of suppliers – which means that if there are a lot of suppliers you can choose between them, but if there are limits the power is in suppliers' hands. We need to understand how different each supplier is and whose activities and politics we agree with and have a good reputation in public also. For our start-up main suppliers will be other media outlets, independent media organizations that work on similar topics, groups of activists, Social media groups which are concentrated on this topic, NGOs and the main source will be people, which will be directly in contact with us, and we will be open for each person to share with us their issues.

In this case, the bargaining power of suppliers is not very weak but also not very strong. There are a lot of outlets in Georgia but not so many whom we trust but simple people will be our main power. In Georgia there are a lot of people who struggle with different problems, and they will be our main source.

Third one is the threat of new entrants – which are the new start-ups or businesses who try to enter the same market as you are, maybe products will be similar to what you sell.

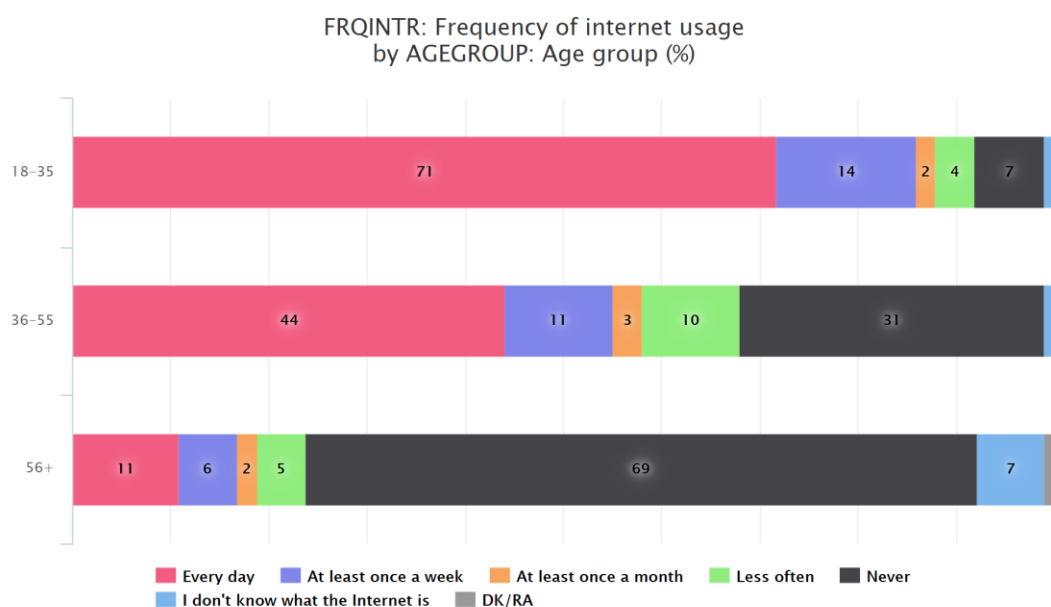
We think that to make such a start-up you need to be enthusiastic. As in the democratic society and as nowadays, being a journalist and having an online media platform doesn't require high quality cameras or techniques, the industry entry barrier is low. Our main power is that we are all interested in politics as well as social problems which are around us and as we have a detailed and structured business model, we will have our place in the market. Also, one of our powers will be connections. We have people, who are already in this kind of work for years, and we will have the opportunity to get all needed information as soon as possible.

Fourth is the threat of substitute products, which means businesses that have the same content and the idea, that are similar (maybe with cheaper materials or quality) to the products you sell. They use a different technology to meet the same customer need. We know our substitutes and know how effective they are, also how straightforward is for customers, which are as our future audience as well as future advertisers to choose our platform. Today in Georgia the main problem is that people don't trust journalists and media outlets. In some way it will be our strength. From our side, it will be like a statement that in Georgia free media exists. We understand that in the media market

there are a lot of different TV channels, as well as online platforms. Nowadays, the target audience, which we want to achieve, the majority of them use online media platforms to get news. Our uniqueness will be that for us each person will be important, and we will be critical skeptic with each politician or whoever.

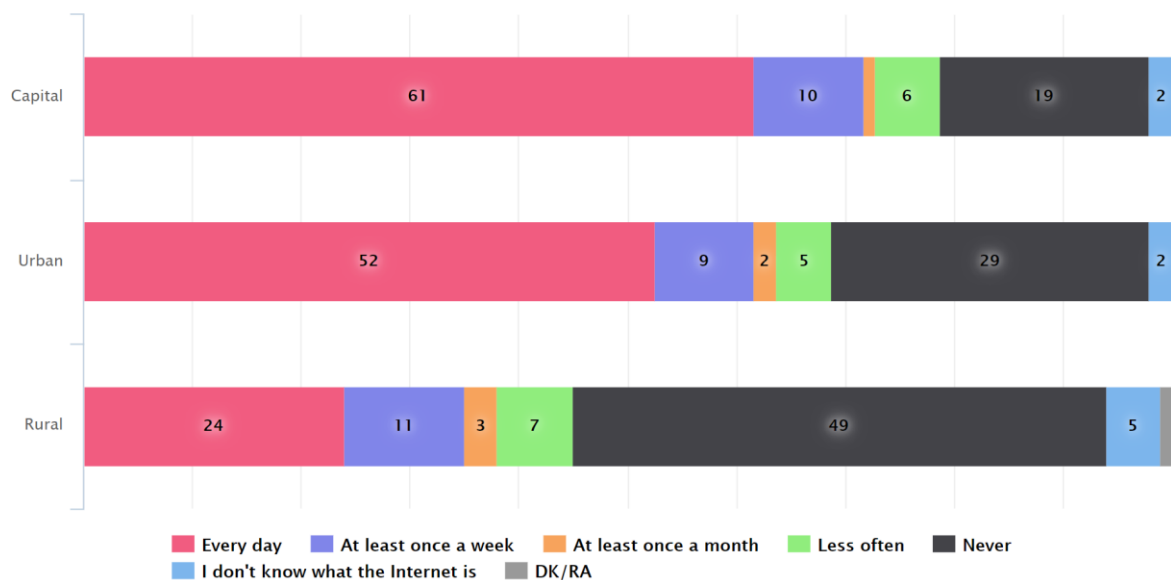
## Demographic and Psychographics

Age range of our platform audition can go anywhere from 18 to 50 or later, we cannot really limit it to a certain age. Most of the people realize or not politics affect most people and it is really important to bring messages you consider as important to the people. Satire humorous shows can do that job pretty well as for everybody else humor is attractive and understandable. In humorous ways you can bring significant ideas to the grassroots and later on they can be affected and get them more active in political life. However, as our show will be based on the World Wide Web, it will somehow exclude certain age groups from our audience. Young people are more internet-savvy in Georgia and anywhere else, thus youth due to that fact might be more attracted to our media platform. NDI's "Public attitudes in Georgia, November-December 2019 survey shows the same result: youth are more keen on non-traditional internet media than traditional ones. This latter factor might turn out as our advantage.



As our working language is Georgian it is easy to guess our audience will be Georgian speaking population too - mostly people who currently live in Georgia and are involved in politics to a certain degree or emigrants who are outside the country but still trying to influence policy agenda and execution. Based on the geographic variable as Georgian language is not widely spoken our show cannot go global or does not have pretension so too. However, even within Georgia there are many places where internet access is still problematic and it might make it hard for us to get viewers from those regions.

FRQINTR: Frequency of internet usage  
by SETTYPE: Settlement type (%)



Besides age and settlement type demographics probably not many significant factors can impact on our audience features.

## SWOT Analysis

Our project's uniqueness in Georgia can be defined as our strength as Georgia has some culture of political satire shows and many of them were successful and widely known within our country. Thus making alive this type of media platform again will bring us a quite loyal audience and big reach.

Another quality that separates our platform from others is the fact we are able to operate even with quite a low budget. As we calculated our monthly salaries it was no more \$1500 per month. Most media platforms and shows are much more costly than ours, so it makes our operation process a bit easier and gives us a sparkle of hope that we will not encounter many financial difficulties later on.

Enthusiastic staff who are very motivated by the results instead of money can be another strength of ours too. People working for this platform are eager to change something and influence the state's policy on different levels. Intellectual property is the very basis of future success.

As we are an internet-based media platform it is another strength of us. The Internet is not as regulated as traditional media and it gives relatively more freedom to act than our counterparts from conventional media channels. We also can act more independently as our channel's editorial policy will not influence our work, and we will be independent actors in our activities. In Georgia sadly we see many cases when TV channel's executive boards roughly interfere with their journalists' working space and freedom. AdjaraTV is one of the latest examples of that.

Our weakness might be the lack of experience in that field. As we set up our company purely based on the enthusiasm and desire to change situation in the country for the better it might not be enough. In journalism experience matters a lot. Starting a new independent media platform without prior experience might turn out a hard process.

On the behalf of the opportunities the best of our luck comes to the fact that internet is the least regulated environment in the state for now, thus as we have already mentioned we can act freely and shape our platform as we wish without much obstacles. Another opportunity is not paying too much taxes – as we will not register as the huge TV channel or big benchmark.

The biggest threat we are facing as newly emerging media platform is not fully democratic system which is still in its transition. Governmental forces might make fake obstacles for us and make operating more painful. We have seen many examples of such kind in the republic of Georgia previously and currently too. This threat might turn out real so should be cautious and very critical at the same time. Being critical is our one of the most important niches.

## Potential Investor

Our ultimate goal is to set up the platform that will be funded by the crowd, public, and our audience. Which will enhance the main idea and vision of our project to be unique, independent and speak for and represent the people living in Georgia - bring their problems to the surface and contribute to actualizing the process, which will be done much more effectively if we can on behalf of the public. It will also provide access to the first-hand news, exclusive stories and finally help us develop the trust, credibility and gain more resources.

As for the perspective of the people willing to fund such project, it will be the tool and platform, where they can share ideas, speak for themselves, fight for their rights, help each other via spreading the unbiased and most relevant information, facts and demand the changes.

We also understand that it cannot be achieved at the beginning stage, that we will need to take several steps and position ourselves as an organization that deserves such trust, as we are aiming to get small donations but from a large number of people, who care more about how they spend their money. Therefore, we will minimize the costs at the beginning stage, use our personal capital and friends and people, who share similar ideas, as our main human resources. We are also considering addressing certain funds, whose activities and projects agree with our policy and who guarantee the absolute freedom for our work and editorial policies. And we are also going to make any source of the revenue or funding as transparent as possible. The funds' activities themselves we are considering to propose our future projects, are researched, explored and studied, and we know well about their politics and interests and goals - they also want to actualize the economic and social problems existing in the region and are willing to make contribution to the process supporting it.

## Budget

Our company is a start-up, created by enthusiasts which are very interested in the content we are going to cover. We think that three of us, the founders will also be the journalists here. So, our team will be on their monthly salaries. Please note, these are the essential employees we need to start to operate and the salaries are for the beginning stage.

- 3 Journalists – \$200 Per one (we will also represent the content managers at the beginning stage)
- Editor – \$300
- 2 Social Media Manager – \$200 per one
- 2 Web Developers (Coder and the Programmer) – \$300 per one
- HR Manager – \$200
- Comic – \$200

In general, monthly salaries are 1400 USD including VAT and the pension for each employee.

We will need a small office, which will cost monthly from 150 to 200 USD.

For the office we will need to have techniques to make and record online shows. Also, to shoot outside our office. In general, as under the name “technical inventory” we will need 3 Photo and Video cameras, 3 microphones, 3 computers which will be in general 10,000 USD.

As our platform is online and nowadays most of the population of Georgia uses social media, we need to boost the posts on Facebook and Instagram and make promotions. Monthly salary for the social media promotions will be \$1000 in the beginning to raise the awareness. Then, we will try to lower it as many people will know and hear about us and what we are doing.

## **Sources**

Gncc.ge

tvmr.ge

## **References**

Thornton, L., NDI, G., Turmanidze, K., & CRRC, G. (2015). Public attitudes in Georgia. *National Democratic Institute*.