

HOW TO CREATE A PROFITABLE BUSINESS IN THE SOCIAL WI-FI SPACE

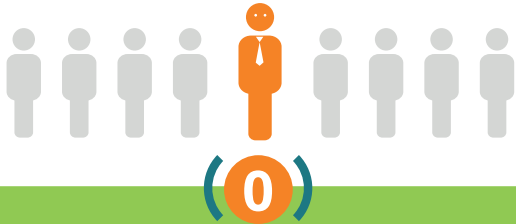
— Generate revenue streams,
reduce costs and get high margins —

FIRST TOUCH

Tanaza partner program brings matchless benefits for reseller partners.

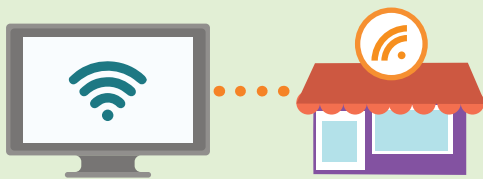
We'll let you pry into the revenues, the margins, the price and the business model of one of our partners, let's call him James.

Let's see revenues, costs and margins of his projects...



◆ The business ◆

James founded his company in 2009. He sells IT and marketing services to restaurants, cafeterias, pubs in his district. The company has a proven experience in web developing, web apps, on-line adv, networking (the company deployed many free Wi-Fi hotspots with password), and software integration.



James came across Tanaza website last year, looking for a Wi-Fi software with the social login feature. He had a quick chat with our sales team and after the 30-days free trial he signed to become a reseller partner.



BENEFITS OF TANAZA PARTNER PROGRAM

- Margins; about 50% of the revenue for the sole software + margin on additional services
- Low hardware costs: Tanaza supported APs start from 19\$.
- Low up-front costs: Tanaza doesn't charge you in the trial period (unlimited APs and connected clients) so you can make tens of demos to your prospects without spending a dollar
- Fast go-to-market: start selling Wi-Fi even before paying!

FIRST 30 DAYS

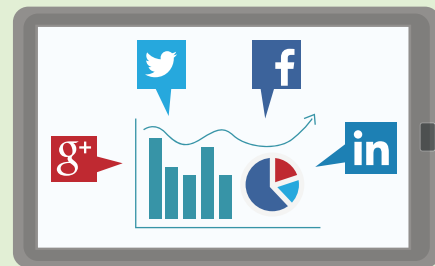


◆ Demo APs ◆

James bought 3 TP-Link WA901ND to use them as "demo APs".

He configured 3 splash pages with social login and went to his customers to let them try the demo APs and Tanaza for free.

He decided to give to his customers the credentials to monitor their Wi-Fi clients through the Social Dashboard. Thanks to this tool, they could see every person coming into their place and connecting to the Wi-Fi!



One-time costs

Buy TP-Link WA901ND from Amazon.com x 3

-117 \$

Recurring revenues

No customers yet!
James offers installation and support for free during the trial period.

+

0 \$

Margin



=

-117 \$

TOTAL MARGIN

End of the first month

-117 \$

SECOND MONTH



(2)

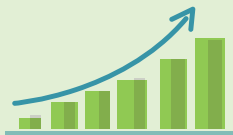
◆ Pricing ◆

Three customers decided to buy the service. They paid:

- \$ 99 to keep the APs they already had in their place.
- \$ 299/year for an all-inclusive Wi-Fi service with social login, advertisements, redirect to a customized landing page, support, social dashboard.

James bought yearly licenses for Tanaza all-in-one and became partner.

In one month only, James recovered the fee he paid to become a reseller partner and started his Social Wi-Fi business with 3 customers. He planned to increase the number of installed APs and to sell marketing services based on Wi-Fi data to increase his revenues.



One-time costs

Setup fee as reseller partner x1

-560 \$

Recurring costs

Licenses (1 year) for Tanaza all-in-one x 3

-342 \$

One-time revenues

Access Points sold x 3

237 \$

Recurring revenues

Wi-Fi service with Social Login (1 year) x 3

897 \$

Margin



232 \$

TOTAL MARGIN

End of the second month

115 \$

MONTHS 3 TO 12

(3)

James started the trial to 16 prospects, got 12 new customers and installed 18 new APs in total.

◆ Price to the END USERS ◆

- Networks made of one AP
\$ 99 for the AP, \$ 299/year for the all-inclusive Wi-Fi service with social login, advertisements, redirect to a customized landing page, support, access to the social dashboard.
- Networks made of 2 APs
\$ 198 for 2 APs, \$ 500/year for the all-inclusive Wi-Fi service with social login, advertisements, redirect to a customized landing page, support, access to the social dashboard

◆ Price for ADD-ONS ◆

James added the DEM service to his sales proposition and one customer bought the service as an add-on. They sent one newsletter per month, for 10 months, to max 1,000 users. James created an "Entrepreneur" account for FREE on Mailchimp to send 2,000 e-mails per month to Wi-Fi clients on the behalf of his customer.



- He charges 99 \$ for each newsletter sent.
- This price includes the newsletter design (standard template), the delivery to 1,000 users (0,099 \$ per each Wi-Fi client) and a basic report.

One-time costs

Buy TP-Link WA901ND from Amazon.com x 18

-702 \$

Recurring costs

Licenses (1 year) for Tanaza all-in-one x 18

-2,052 \$

One-time revenues

Access Points sold x 18

1,782 \$

Recurring revenues

Wi-Fi service with Social Login (networks made of 1 AP - 1 year) x 6

1,794 \$

Wi-Fi service with Social Login (networks made of 2 APs - 1 year) x 6

3,000 \$

Monthly newsletter x 10

990 \$

Margin



4,812 \$

TOTAL MARGIN

End of the year

4,927 \$

AFTER 1 YEAR

(4)

James paid only 117\$ to buy the hardware and start a business with Tanaza in the social Wi-Fi space. He recovered the up-front investment in only one month and got 4,927 \$ margin in his first year with Tanaza, with 21 APs in total. He generated more than \$ 6,600 of recurring yearly revenues. He sells his services to the existing customer base and promotes products through word of mouth, that's because his cost to acquire customers is near to zero. His revenue streams are recurring, and the margin will grow and grow in the next years (he estimates to deploy 250 APs). He dedicates about one hour a week to the Wi-Fi management (sometimes, even less!), and his customers are happy. WiFi-related services such as e-mail marketing to Wi-Fi clients are increasing his revenues.

Weekly working hours

1 hour

Number of customers

15

Number of APs

21

Number of Wi-Fi clients (unique) in one year

20,100

Number of connections (total) in one year

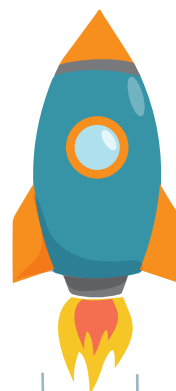
55,800

Additional services sold

10 DEM

◆ THE FUTURE ◆

If James has 100 APs at the end of the second year and deploys a total of 250 APs in 3 years, his revenue from WiFi will be about 120K \$ (about 100K \$ of yearly recurring revenues), costs about 45K \$, margin about 75K \$.



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