C. BUSINESS PLAN

C.2. ADVERTISING AND PROMOTION

C.2.a. Advertising and Promotion Program

Seneca Preparatory Academy (SPA) Advertising and Promotion Program will be implemented in two phases according to when the School opens its doors. The total cost of advertising and promotion in Year 1 will amount to $37,050. This expenditure is adequate to support the number of students expected to be enrolled at the School in its first year of operation.

Phase-1 Pre-Opening Advertising and Promotion Program

The Phase-1Pre-Opening Advertising and Promotion Program will begin approximately 5 to 6 months before school starts in August of Year-1. This advertising plan will cost $13,450 and its goal will be to develop a market awareness program that will introduce the School to the public at least 5 to 6 months before the first day of school. This awareness program will create the name recognition that will help student enrollment at the newly open school.

Seneca Preparatory Academy (SPA) Phase-1 Advertising and Promotion Program will have the following four advertising and marketing plans:

Word of Mouth Advertising and Promotion Plan

In the Word of Mouth Advertising and Promotion Plan the three school founders (Jean-Claude Abougou, Donka Dyer-Abougou and Bitaya Mulato) use the extensive relationships that they have developed over more than 20 years in Tucson, Arizona to spread the news about the opening of Seneca Preparatory Academy (SPA). The main objective of this advertising campaign is to promote the School's mission statement in Tucson, Arizona and to identify potential teachers and staffs who share the same core beliefs and values as SPA.

Since its inception in 2011, the Word of Mouth Advertising and Promotion Plan is helping the School defines and establishes itself as a unique educational program that will provide the underserved target community with the type of high-quality educational school program usually not available in economically disadvantaged areas. The Word of Mouth Advertisement and Promotion Plan is also helping identify a handful of potential staffs who will be invited to apply for positions at SPA in the future. This advertising plan will continue after even school is open.

SPA ADVERTISING & PROMOTION PROGRAM			
Phase-1Pre-Opening Advertising and Promotion Program			
Activities	**Timeline**	**Advertising Media**	**Cost**
Word of Mouth Advertising Plan	Ongoing since 2010	SPA Corporate Directors	None
Online Advertising Plan	Feb – Aug 2013	Website design fee: $750; monthly maintenance fee: $50/month for 6 months. Online advertising in social networks: Facebook, MySpace and Google. Budgeted for 6 months.	$1,050 $2,000
Outdoor Advertising Plan	Feb – Aug 2013	Lease one mobile and one fixed poster billboards for 6 months.	$3,000
Newspaper Advertising Plan	Feb – Aug 2013	Advertise in the Arizona Daily Star: 7 days/month ; for 6 months	$1,500
Direct Interaction Advertising and Promotion Plan	March – Aug 2013	10,000 flyers at $0.10/flyer. Payment to 1 worker to distribute flyers at $7.35/hr; 20 hours/week, for 4 months. Venues and Miscellaneous	$1,000 $2,400 $2,500
Total Cost Of Pre-Opening Advertising And Promotion Program			**$13,450**
Phase-2 Post-Opening Advertising and Promotion Program			
Activities	**Timeline**	**Advertising Media**	**Cost**
Year-long word of mouth Advertising Plan	Ongoing since 2010	SPA Corporate Board Directors; School Board; families; friends	None
Year-long online advertising in social networks	Ongoing from August 2013	Website maintenance budgeted at $50/month Online advertising: Facebook, MySpace and Google. 1 year budget	$600 $7,000
Year-long outdoor advertising	Ongoing from Aug 2013	Lease one mobile and one fixed poster billboards for the year.	$6,000
Year-long newspaper/online	Ongoing from Aug 2013	Through Arizona Daily Star for 1 year.	$5,000
Year-long community-based special events	Ongoing from Aug 2013	Support for community-based events such as Tucson Cancer Run	$5,000
Total Cost Of Post-Opening Advertising And Promotion			**$23,600**

Table 1. Seneca Preparatory Academy (SPA) Advertising and Promotion Program

Online Advertising Plan

In an effort to reach as many people as possible, Seneca Preparatory Academy (SPA) will use two non-traditional mass communication media (online and outdoor advertising) and a traditional mass communication medium (newspaper advertising).

As shown in Table 1, the online advertising plan will require the development of the School website in February 2013 at an estimated cost of $1,050 with $300 accounting for website maintenance for six months. In Phase-1 Pre-Opening Advertising and Promotion Program, Seneca Preparatory Academy (SPA) will also use online advertising through social networks such as Facebook, My Space, and Google at a cost of $3,050.

The market research information summarized in Table 2 shows that online advertising will work well in Tucson because 71% of marketing survey respondents have acknowledged having access to the internet, and 53.9% have purchased an item online in the past year. Advertising through social networks will also benefit SPA because social network websites account for more than 20 percent of all display ads viewed online, with MySpace and Facebook combining to deliver more than 80 percent of ads among sites in the social networking category and search engines (Comscore, 2010).

Outdoor Advertising Plan

The School will rely heavily on outdoor advertising and will lease two poster billboards (one mobile and one fixed) from Clear Channel at a cost of $3,000 for the 6-month pre-opening advertising period. Outdoor advertising is well fitted for the city of Tucson since our marketing research study shows that Tucson "is a city on the move" with 90% of the city active population driving to work alone in their vehicles.

Newspaper Advertising Plan

Seneca Preparatory Academy (SPA) will advertise in The Arizona Daily Star newspaper and in its online edition. The Arizona Daily Star is the only daily newspaper that covers the entire city of Tucson, Arizona. This paper has a 238,000 circulation on weekday and 364,000 on Sundays. SPA will advertise seven days per month in this newspaper at a cost of $1,500 during the 6-month pre-opening advertising period.

Direct Interaction Advertising and Promotion Plan

Seneca Preparatory Academy (SPA) will use online, outdoor and newspaper mass communication media to bring the School's marketing messages to as many people as possible. The next step in SPA Advertising and Promotion Program will be to organize face-to-face meetings or direct person-to-person phone interactions between SPA staff and interested parents/relatives who have become receptive to the School mass communication marketing messages. The Direct Interaction Advertising and Promotion Plan will organize the direct contacts between SPA staff and interested parents/relatives. The ultimate goal of this program will be to answer parent/relative questions and "close the deal" by having them sign the student enrollment forms. This plan is budgeted at $5,900.

For direct contacts, Seneca Preparatory Academy (SPA) will use some of the methods and venues suggested by charter school owners and operators at the Best Practice Session of the Charter School Marketing Workshop held during the 2010 Arizona Charter Schools Association Business Conference. These methods and venues are:

- Promotional activities at grocery stores, supermarkets, malls and various public Areas
- Promotional activities at target area daycare facilities, pre-schools and before & after school programs
- Promotional activities and sponsored events at target area apartment complexes
- Awareness Programs in target area churches and religious institutions
- Awareness Programs in medical/pediatrician offices
- Promotional activities in pizza restaurants and other family-oriented restaurants
- Door-to-door market saturation in the target area, within a 5-mile radius from the School
- Business Awareness Program in the target area, within a 5-mile radius from the School
- Open Blast Enrollment Event organized at the School a day or two before it starts, with a Clear Channel DJ and jumping cattle for children.

Phase-2 Post-Opening Advertising and Promotion Program

The Phase-2 Post-Opening Advertising and Promotion Program will be ongoing from the first day of school, that is, from August 5, 2013. This advertising program will cost $23,600 in Year 1, $29,918 in Year 2 and $38,519 in Year 3. The objective of phase-2 advertising program will be to help SPA establish itself as a high-quality scientifically-based academic program that will be easily identified and differentiated from other elementary school programs within the target area.

After the beginning of school, Seneca Preparatory Academy (SPA) will initiate the Phase-2 Post-Opening Advertising and Promotion Program by running the following ongoing yearlong advertising plans:

<u>Word of Mouth Advertising Plan</u>

- Ongoing since 2011. Run by SPA Corporate Board Directors; School Board; families; friends.
- Cost: None

<u>Online Advertising Plan</u>

- Ongoing from August 2013
- SPA website advertising and maintenance budgeted at $50/month or $600 per year.
- Online advertising through social networks budgeted at $7,000 for Year 1.

<u>Outdoor Advertising Plan</u>

- Ongoing from August 2013.

- Leasing of two poster billboards (one mobile and one fixed) at $6,000 per year.

Newspaper Advertising Plan

- Ongoing from August 2013
- Through the Arizona Daily Star, this advertising expenditure will be budgeted for $5,000 in Year 1.

Community-based Special Events

- Ongoing from Aug 2013
- Support community-based events such as Tucson Cancer Run. Budget: $5,000.

C.2.b. List of Advertising and Promotion Costs

The advertising costs summarized underneath are listed with more details in Table 1.

Costs of Phase-1 Pre-Opening Advertising and Promotion Program

• Word of Mouth Advertising Plan:	None
• Online Advertising Plan:	$3,050
• Outdoor Advertising Plan:	$3,000
• Newspaper Advertising Plan:	$1,500
• Direct Interaction Advertising and Promotion Plan:	$5,900
TOTAL COST	$13,450

Costs of Phase-2 Post-Opening Advertising and Promotion Program

• Year-Long Word of Mouth Advertising Plan:	None
• Year-Long Online Advertising Plan:	$7,600
• Year-Long Outdoor Advertising Plan:	$6,000
• Year-Long Newspaper Advertising Plan:	$5,000
• Year-Long Community-Based Special Events:	$5,000
TOTAL COST	$23,600

C.2.c Advertising and Promotion Program and its Costs Supported by Market Research

Seneca Preparatory Academy Advertising and Promotion Program and its costs are supported by SPA market research study conducted from direct price quotes and information provided by Clear Channel of Tucson, the Arizona Daily Star, social networks, the Arizona Charter Schools Association and with various online marketing research tools.

Table 2 and Exhibit 1support the use of outdoor media, online media and direct contact promotion because:

1. Tucson is a highly mobile outdoor city since 91% of the working population drive alone to work; and Tucsonans spend almost 4 hours per week commuting to work and nearly 60 hours per month in pursuit of recreational activities.
2. Tucsonans are avid users of the internet with 73% accessing it and 54% buying items from it per year.
3. Outdoor advertising has the lowest cost per thousand impressions compared to any major media; consequently, it is the most effective way to reach an outdoor target audience.
4. Direct contact person-to-person promotion is a very effective way to advertise and/or launch a new charter school (ACSA Business Conference, 2010).

TUCSON MARKET CHARACTERISTICS	
Market Profiles	
Traveled 500 Or More Total Miles (mo)	32.5%
Household Plans To Buy Any New Vehicle Next Year	9.7%
Personally Attended/Visited Any Casino (yr)	40.4%
Plans To Buy Wireless/Cellular Service (yr)	7.8%
Personally Attended/Visited Live Theater (yr)	18.3%
Participated In Golf (yr)	10.6%
Bought Any Items On The Internet (yr)	53.9%
Usually See A New Movie Opening Weekend (yr)	7.4%
Did Not Read Any Daily Newspaper(s) (yesterday)	64.1%
Access Internet	73%
Market in Motion	
Drive To Work Alone	90.1%
Carpool	6.9%
30+ Minute Commute	16.6%
Median Travel Time To Work One Way (minutes)	21

Table 2. Tucson Market Characteristics from Marketing Research Study.

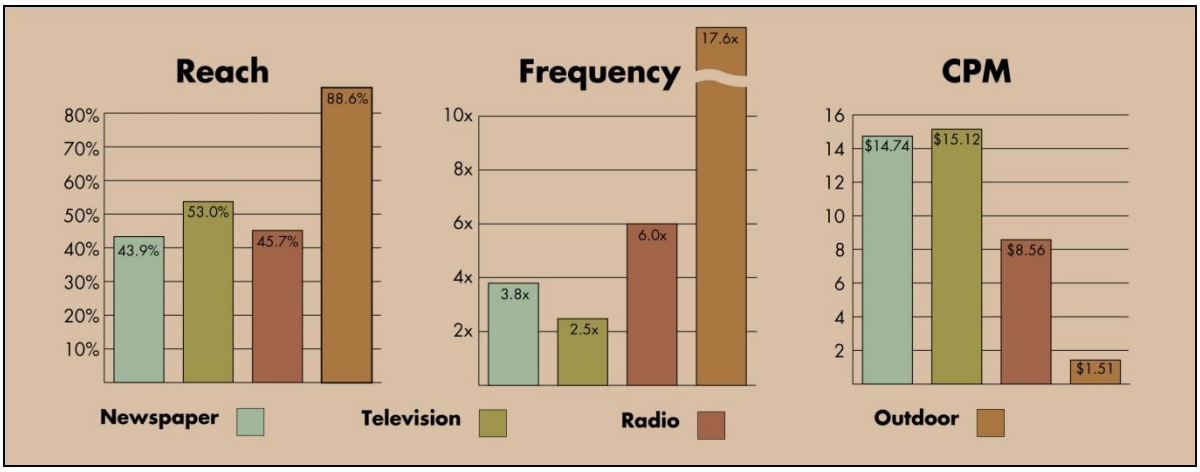

Exhibit 1. Effectiveness of Various Advertising Media.

CPM: cost per 1,000 impressions. Source for Table 1 and Exhibit 1: http://clearchanneloutdoor.com. Retrieved 9-26-10.

C.2.d. Timeframe for Advertising & Promotion Consistent with Start-Up of School

The timeframe of SPA advertising and promotion program will be consistent with the start-up of the school because Seneca Preparatory Academy (SPA) Advertising and Promotion Program will be implemented in two phases according to when the School opens its doors.

Phase-1 Pre-Opening Advertising Program will start approximately in February/March 2013; that is 5 to 6 months before school opens on August 5, 2013. Phase-2 Post-Opening Advertising Program will begin on August 5, 2013 and will be ongoing thereafter.

C.2.e. Fair & Equitable Enrollment Procedures

ARS 15-184 provides Equal Opportunity to all Students to Enroll at SPA

Seneca Preparatory Academy (SPA) will abide by ARS 15-184 law; consequently, SPA will provide all students who submit a timely application an equal opportunity to enroll regardless of ethnicity, national origin, religion, gender, income level, disabling condition, and proficiency in the English language or athletic ability.

Arizona Revised Statute 15-184 can be summarized as following:

- A charter school shall enroll all eligible pupils who submit a timely application, unless the number of applications exceeds the capacity of a program, class, grade level or building.
- A charter school shall give enrollment preference to pupils returning to the charter school in the second or any subsequent year of its operation and to siblings of pupils already enrolled in the charter school.
- A charter school that is sponsored by a school district governing board shall give enrollment preference to eligible pupils who reside within the boundaries of the school district where the charter school is physically located.
- If remaining capacity is insufficient to enroll all pupils who submit a timely application, the charter school shall select pupils through an equitable selection process such as a lottery except that preference shall be given to siblings of a pupil selected through an equitable selection process such as a lottery.
- A charter school shall not limit admission based on ethnicity, national origin, gender, income level, disabling condition, and proficiency in the English language or athletic ability. However, a charter school may limit admission to pupils within a given age group or grade level.
- A charter school may refuse to admit any pupil who has been expelled from another educational institution or who is in the process of being expelled from another educational institution.

Application of ARS 15-184 at Seneca Preparatory Academy (SPA)

- Seneca Preparatory Academy (SPA) will adopt and implement ARS 15-184 and its enrollment lottery policy as the School's enrollment guideline policies.

- All SPA advertising and promotion, enrollment and official documents will have the following statement that summarizes the school enrollment policy:

  Seneca Preparatory Academy (SPA) abides by ARS 15-184 and its enrollment lottery policies. SPA provides all students an equal opportunity to enroll regardless of ethnicity, national origin, religion, gender, income level, disabling condition, proficiency in the English language or athletic ability.

- Student enrollment will be open all year long and admission will be done on a first-come first-serve basis, according to ARS 15-184 guidelines. If the demand exceeds the school capacity, SPA will develop a waiting list and students will be chosen through a lottery system.

C.2.f. Reporting of Advertising & Promotion Costs

In Year-1, the total cost of Phase-1 Pre-Opening Advertising and Promotion Program will amount to $13,450. This cost is reported in the Start-Up Budget.

The total cost of Phase-2 Post-Opening Advertising and Promotion Program in Year 1 will amount to $23,600. This cost is reported in the 3-Year Operational Budget.

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