C. BUSINESS PLAN

C.2. ADVERTISING AND PROMOTION

C.2.a. Advertising and Promotion Program

Advertising and Promotion Timeline

Seneca Preparatory Academy (SPA) Advertising and Promotion Program will be implemented in two phases according to when the School will open its doors.

The Phase-1Pre-Opening Advertising and Promotion Program will begin approximately 5 to 6 months before school starts in August of Year-1; that is, in February 2012. The overall goal of phase 1advertising and promotion 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.

The Phase-2 Post-Opening Advertising and Promotion Program will be ongoing from the first day of school; that is, from either August 6, 2012. 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.

Phase-1 Pre-Opening Advertising and Promotion Program

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) will 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 will be to spread 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 2010, the Word of Mouth Advertising and Promotion Plan advertisement plan has been able to help the School define and establish 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 has also helped identify a handful of potential staffs who will be invited to apply for positions at SPA in the future. The Word of Mouth Advertising and Promotion Plan will continue even after school opening.

SENECA PREPARATORY ACADEMY'S ADVERTISING AND 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
SPA website development and maintenance Online Advertising Plan	Feb – Aug 2012	Website design fee: $750; monthly maintenance fee: $50/month; for 6 months. Online advertising: Facebook, MySpace and Google. Budgeted for 6 months.	$1,050 $1,000
Outdoor Advertising Plan	Feb – Aug 2012	Lease one mobile and one fixed poster billboards for 6 months.	$3,000
Newspaper/Online Advertising Plan	Feb – Aug 2012	Through Arizona Daily Star: 7 days. $129/month ; for 6 months	$774
Direct Interaction Advertising and Promotion Plan	March 2012 – Aug 2012	10,000 flyers at $0.10/flyer. Fee to 1 worker to distribute flyers at $7.35/hr; 20 hours/week, for 4 months. Venues and Miscellaneous	$1,000 $2,400 $2,000
Marketing/Advertising Reserve Fund	Feb-Aug 2013	Funds set asides for advertising	$9,792
Total Cost Of Pre-Opening Advertising And Promotion Program (Reported In Start-Up-Budget)			**$21,016**
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 website maintenance Year-long online advertising	Ongoing from August 2012	Budgeted at $50/month Online advertising: Facebook, MySpace and Google. 1 year budget	$600 $2,000
Year-long outdoor advertising	Ongoing from Aug 2012	Lease one mobile and one fixed poster billboards for the year.	$6,000
Year-long newspaper/online	Ongoing from Aug 2012	Through Arizona Daily Star ($129/7day/month = $129; for 12 months)	$1,548
Community-based special events	Ongoing from Aug 2012/13	Support for community-based events such as Tucson Cancer Run	$5,000
Total Cost Of Post-Opening Advertising And Promotion (Reported In 3-Year Operational Budget)			**$15,148**

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 of 2012 at an estimated cost of $1,050 with $300 accounting for website maintenance. Seneca Preparatory Academy (SPA) will also use online advertising through social network such as Facebook, My Space, and Google at a cost of $1,000 for Phase-1 Pre-Opening Advertising and Promotion Program.

The market research information summarized in Table 2 shows that online advertising will work well in Tucson because 71% of marketing survey respondents has acknowledged having access to the internet, and 53.9% have purchased an item online in the past year. Advertising through social network 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 has shown that Tucson "is a city on the move" with 90% of the city active population driving to work alone in their vehicles.

News Paper/Online Advertising Plan

Seneca Preparatory Academy (SPA) will advertise in the newspaper and in the online edition of The Arizona Daily Star, the only daily newspaper that covers the entire city of Tucson, Arizona. The Arizona Daily Star has a 238,000 circulation on weekday and 364,000 on Sundays. SPA will advertise seven day per month in this newspaper at a cost of $774 for 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 the Direct Interaction Advertising and Promotion Plan will be to answer parent questions and "close the deal" by having parents sign the student enrollment forms. This plan is budgeted for $5,400 during phase-1 pre-opening advertising.

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 the 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 school starts, with a Clear Channel DJ and jumping cattle for kids.

In Year-1, the total cost of phase-1 pre-opening advertising and promotional activities amounts to $21,016. This cost is reported in the Start-Up Budget; and it includes $9,792 set aside in the Marketing/Advertising Reserve Fund.

Phase-2 Post-Opening Advertising and Promotion Program

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:

Word of Mouth Advertising Plan

- Ongoing since 2010. Run by SPA Corporate Board Directors; School Board; families; friends.
- Cost: None

Online Advertising Plan

- Ongoing from August 2012
- SPA website advertising and maintenance budgeted at $50/month or $600 per year.
- Online advertising through social networks budgeted at $2,000 per year.

Outdoor Advertising Plan

- Ongoing from August 2012.
- Leasing of two poster billboards (one mobile and one fixed) at $6,000 per year.

Newspaper/Online Advertising Plan

- Ongoing from Aug 2012
- Through Arizona Daily Star. One week month advertising in the newspaper and its online version at $129/month or $1,548 per year.

Community-based Special Events

- Ongoing from Aug 2012
- Support community-based events such as Tucson Cancer Run.
- Budget: $5,000

In Year-1, the total cost of phase-2 post-opening advertising and promotion activities amounts to $15,148. This cost is reported in the 3-Year Operational Budget.

C.2.b. Advertising and Promotion Program and Costs are Supported by Market Research

The cost of Seneca Preparatory Academy Advertising and Promotion Program and the various advertising plans that make up this program are supported by SPA marketing research study conducted from the information provided by or generated from Clear Channel of Tucson, the Arizona Daily Star and StarNet, or online marketing research tools.

As shown underneath in Table 2 and Exhibit 1 underneath, the School marketing research study shows that:

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 effect way to advertise and/or launch a new charter school (ACSA Business Conference, 2010).

Consequently, SPA Advertising and Promotion Program will use the following 3 types of communication media: 1) outdoor media; 2) online media; and 3) direct contact promotion.

In addition as shown in Exhibit 1 SPA marketing research study provides a relative cost of advertising in various communication media in Tucson.

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.

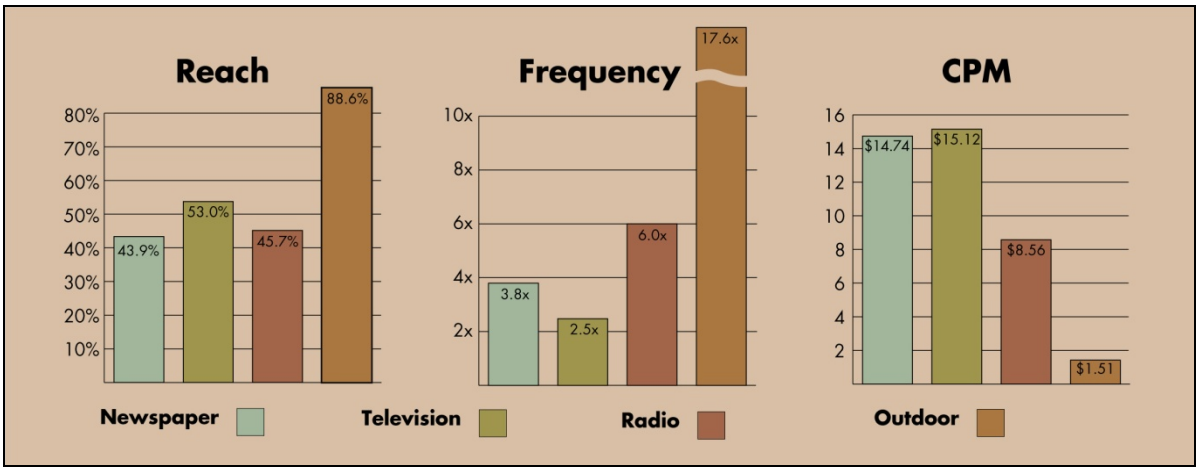

Exhibit 1. Effectiveness of Various Advertising Media.

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

C.2.c. Cost of Advertising /Promotion Are Included in the Start-Up and 3-Year Operational Budget.

In Year-1, the total cost of phase-1 pre-opening advertising and promotion activities will amount to $21,016 with $9,792 put in reserve in the Marketing/Advertising Reserve Fund. This cost is reported in the Start-Up Budget.

In Year-1, the total cost of phase-2 post-opening advertising and promotion activities will amount to $15,148. This cost is reported in the 3-Year Operational Budget.

C.2.d. Number of Students and State Equalization Budget Supported and Reflected in 3-Year Operational Budget

The state Equalization funds are computed from the 2011-2012 Fiscal Year Budget Worksheets for Charter School provided by the following ADE School Finances website: http://www.ade.az.gov/Schoolfinance/Forms/Budgets/FY2011-2012/.

SPA is reporting two student counts in the 3-Year Operational Budget. The "Total Student Count" for a specific year represents the total number of students who are projected to attend school in that year. For instance in Year-1, 244 students are projected to enroll at SPA. Therefore, the number 244 represents the "Total Student Count" for Year-1.

The second student count is labeled "Number of Students used for Budget Calculations" or "NSBC". This number is calculated as following:

NSBC = (Total Student Count) – (50% Grade K students) – (5% Total Student Count).

The NSBC is the number of students that is entered in the FY 2012 Budget Worksheet A to compute the projected state equalization budget for that specific year.

In the computation of the NSBC, SPA is using 50% of Grade K students because kindergarteners receive only 50% of the normal state equalization funding provided by ADE. Since SPA will have one kindergarten class with 20 students, this reduction amounts to 10.

To make conservative financial projections, SPA is reducing the NSBC by 5% of the total student count.

Using Year-1 where 244 students are projected to enroll in grade K-4, the NSBC (The Number of Students used for Budget Calculations) is computed as following:

NSBC = 244 – 10 – 12 = 222.

By entering this number (222) in the ADE website given above, the estimated state equalization generated is $1,347,392.

In Year 2, 320 students are projected to enroll; and the NSBC = 320 – 10 – 16 = 294. The estimated equalization funding received that year will be $1,764,210.

In Year 3 at full capacity, 376 students are projected to enroll; NSBC = 376 – 10 - 8 = 347. The equalization funds generated from the NSBC is $2,064,106.

REFERENCES

- Comscore, 2010. The 2010 US Digital Year in Review. February 7, 2011. http://www.comscore.com/Press_Events/Presentations_Whitepapers/2011/2010_US_Digital_Year_in_Review
- Clair Channel website. http://clearchanneloutdoor.com.
- ADE School Finances website. http://www.ade.az.gov/Schoolfinance/Forms/Budgets/FY2011-2012/.
- ACSA, 2010. Arizona Charter School Association Business Conference, 2010.