

Real estate in Miami is about to go down again...

Time for real estate to go down again

Almost a year ago, I was writing about the Real Estate in Miami, and I was already aware that the time for good deals was gone. There were no longer any spaces available at a bargain price. As I had forecasted: things are now quite bad, markets are slow, realtors that were making millions a few years ago are now looking for different jobs, and cranes are still standing high, but some new buildings are starting to look deserted.

Let's see what has happened:



Most of the price changes were due to a drop in demand due to external geopolitical factors (Brazil, Venezuela, and the immigration of the wealthy Latin Americans to Southern Florida—Miami in particular).

Now, Venezuela is in complete ruin, and the few that have money had already bought properties a few years ago and are now reselling try to cash out and have money to spend.

In Brazil, the currency is devastated. So Brazilians who can sell their assets in US Dollars now have a significant amount of cash available when exchanged for Reais.

So this means that even if they didn't have a lot of money (in USD), they could make up for it by converting to their currency. So basically, people are letting the deals go and lowering their price expectations.

Now, this does not mean that there is going to be a catastrophe (or at least not anytime soon), as interest rates are still very low, and banks are still lending. But inventory is high, and buyers have greater choices making the time to sell of increasing importance.

Also, most of the foreign buyers who have purchased a property in South Florida in the last few years were cash buyers.

Therefore, even if the market continues to go down as it is doing slowly, we will never experience the same situation that we did in 2008 when prices were coming down due to the inability of landlords make their mortgage payments.

Who is buying again?

Well, as we know, people with bad credit are taking advantage of the readily-available bank money and low-interest rates.

So they are working to return to a 600 credit score to be able to own property, thus lowering their monthly expenses.

Basically, in some blue-collar areas of Miami, or class C, rents are becoming pretty damn expensive. In Fort Lauderdale, Hallandale or Hollywood, you need, on average, \$1700 a month for a three-bedroom residence.

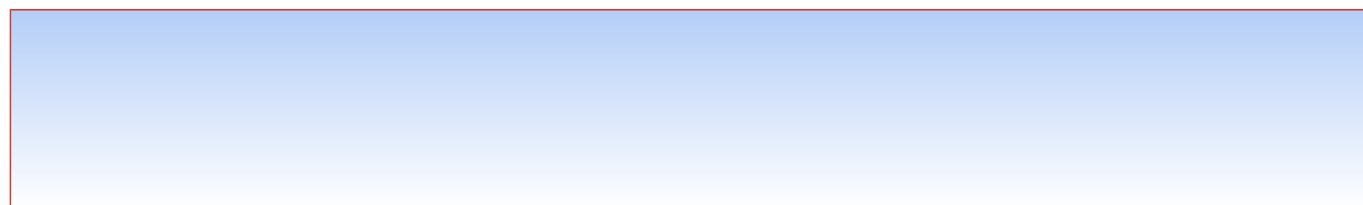
The same goes for semi-ghetto areas such as Miami Gardens, where to rent a 1500 square feet house, you need at least \$1500. So, with a less than 4% interest rate on a 30-year loan, mortgage payments will be much cheaper than rent. Mostly, buyers are buying because they are saving money by doing it rather than paying rent. Rents will likely start dropping a bit anytime soon.

If you saved your money, did your homework, worked hard, risked your money, bought when nobody was even touching real estate, and now you are enjoying the fruits of your work, why shouldn't you enjoy the rewards?

My intuition a few years ago was right. Realtors were always trying to discourage you from class c areas, saying that they would not appreciate much. My math was saying, however, that this was bullshit.

Rent was more expensive—much more than buying a property. So, by the time six years had passed, all those landlords foreclosed upon could once again be eligible to purchase a property. Obviously, the first thing they would do was obtain a mortgage and buy a house—sometimes even more than one.

In Naples, Florida, I purchased assets that are now worth easily 5 times more. Those properties were in low-income areas. However, properties on the beach and inexpensive areas did not appreciate as much. Not even close.



Now, it's time to sell—at least to unload the portfolio.

Why should we get rid of good cash flow properties if, regardless of their value, they are producing a good income?

I think there is a risk: politicians will subtly try to reduce investors' profit through taxes.

Most of the properties in southern Florida bought by investors and hedge fund managers.

They amassed properties, rehabbed them and rented them out. When they did the math, as we did, the simple real estate guys were not that bad, and they not only wanted to have a piece of the pie., they also wanted the entire pie. So they came from New York with millions of dollars, buying properties like people buy apples at the supermarket.

Property values have increased, and the government knows that most of the profit left in the hands of investors. Right now they can subtly take part of the profit, and at the end of the day, investors cannot complain much. So what are they doing?

In the meantime, cities are getting organized. With thousands of inspectors, they create the most stupid laws to charge you money, fees, and any kind of shit, for the most insignificant things. If your tenant parks the car a tiny bit off from the property lines, the landlord gets fined or issued a violation. They're starting to check all of the old permits to evaluate if they are up to code. They are making new regulations to force new construction work, and along with those new codes, there are fines, permit fees, inspector fees, etc. levied.

They are doing it all on purpose. They are trying very hard everywhere to extract money from the landlord, even when it's

clear that the house is in good condition and no work is needed. In this scenario, it's clear that taxes are also increasing, and they will increase more, forcing yields to decline and forcing investors to sell.

The crowds considered by politicians are not the lucky or good investors. The crowds are the poor that cannot afford rent, and they always make more noise. This is what really pissed me off.

If you saved your money, did your homework, worked hard, risked your money, bought when nobody was even touching real estate, and now you are enjoying the fruits of your work, why shouldn't you enjoy the rewards?

But nobody will care about the meritocracy of some wise investors. We will be and always have been the easiest target to hit. When money is needed, the middle class are the ones that need to pay for it more than anybody, even more than the rich.

America will soon face an issue that cannot be solved anymore with quantitative easing. Taxes will need to increase. Real estate assets, mostly when paid for and belonging to investors, will be an easy target.

For this reason, I will not hold many more properties; it's time to sell and look elsewhere. I will only keep one-quarter ($\frac{1}{4}$) of my portfolio.

For more news on great investments stay tuned.

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Domino's, Social Media, & Leveraging Twitter

Domino's: a Case Study of social media and leveraging Twitter (or not)

I want to write today about Domino's Pizza, an international franchise restaurant and pizza restaurant with delivery. Their website is <https://www.dominos.com/en/> *

The company was founded by Tom Monaghan in 1960 and now has an annual volume of USD 1.8 billion and 220,000 employees worldwide. Previously the company specialized in pizza. Indeed its name was Domino's Pizza, but then it started to also sell pasta, sandwiches, and bread –changing its name in 2012 to just Domino's.

One reason why I have selected this company to write about is that it has a great story of success—mainly due to its capability of leveraging technology. The main strength of Domino's has been its ability to deliver a pizza within 30 minutes after the order was placed. It was counting on its speed to deliver the pizza before that time frame for customer satisfaction. A few years ago they were offering discounts or even free pizza in the event the order was delayed more than 30 minutes—they believed in their slogan, and they stood behind the pledge.

The Mobile App

In a digital world, like the one we live in today, Domino's has captured the importance of technology. As we know, the importance of e-commerce has been growing, and this is also true for food. Domino's created a very advanced app and managed to have 50% of its orders now made via mobile devices—the first of its kind to have that type of success

with mobile app order placement. The company even has a tracking feature that is able to tell you exactly at what point in the process your pizza is. Being a food business, it has quite a broad market. The core target market is the one related to lifestyle. Usually, families in which both parents work full time, commute more than two hours per day. They are starving after a long day at work and have very little time to dedicate to cooking. Capitalizing on the need to have the food ready, Domino's utilized a brilliant marketing strategy by having an app that is able to track a customer's pizza, thus making it easier to be able to order on the way home and find the pizza right on time when arriving. What a lovely feeling to be able to reach home together with a hot, delicious meal ready and waiting.

The company now tries to maintain its reputation by leveraging technology. To do this, it partnered with the creators of Apple's Siri technology to create a voice assistant to order a pizza; the name of the assistant is Dom (get it?). In 2014 Dom was launched, and it was a huge success relative to reaching and engaging audiences and in promoting social media discussions about it.

http://industry.shortyawards.com/nominee/7th_annual/o4H/dom *

Let's consider some Domino's competitors:

Pizza Hut

The company link is <https://order.pizzahut.com/home> *

Pizza Hut, according to Wikipedia, has more than 600,000 stores in just the United States and more than 500,000 around the world. They also sell pizza, pasta, and similar food as Domino's, and of course, they also have a big chunk of the pickup and delivery market.

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Papa John's

The company link is <http://www.papajohns.com/company/> *

It was founded in 1984 by John H. Schnatter. It has \$1.4 billion in annual revenue and 20,000 employees. It's mostly a takeout and delivery business, but in a few locations, it also has some places to sit and eat, but not to the extent of Domino's or Pizza Hut. Papa John's does not serve pasta. They serve pizzas, breadsticks, and wings and thus has fewer options than the first two companies analyzed.

Little Caesar's

The company link is <https://littlecaesars.com/> *

It was founded in 1959 and is the third largest company for pizza delivery after Domino's and Pizza Hut, according to Wikipedia. Also, Little Caesar's was among the first to use a new kind of speed cooking conveyor oven, the "Rotary Air Impingement Oven" as described in [U.S. Patent 5676044](https://en.wikipedia.org/wiki/Little_Caesars) (https://en.wikipedia.org/wiki/Little_Caesars) *. Their menu is mostly based on pizzas and breadsticks, and they don't serve pasta and other dishes.

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Domino's has social media. They have:

- Facebook account <https://www.facebook.com/Dominos> *
- Twitter account <https://twitter.com/dominos> *

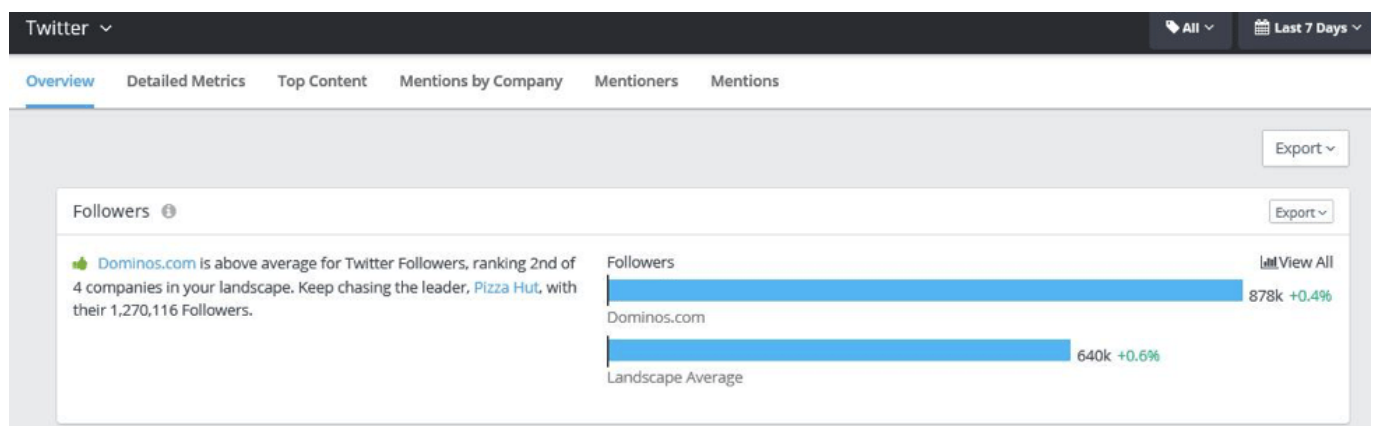
▪ Google plus account
<https://plus.google.com/+dominos/videos> *

Strangely, they do not have a YouTube or an Instagram account.

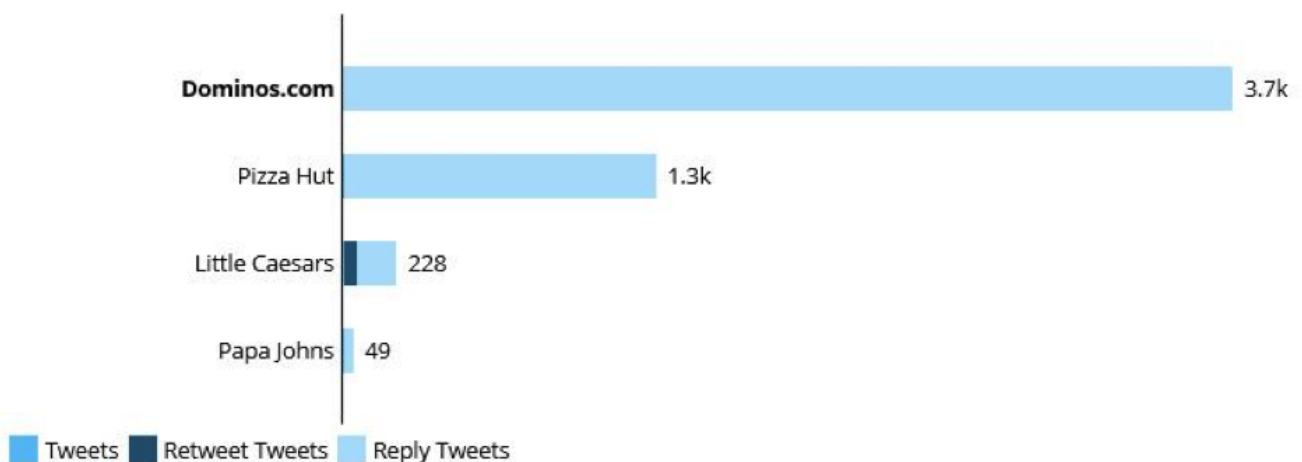
Specific to their Twitter...

I recently monitored their Twitter account for 7 days using Rival IQ.

The Twitter account has 878K followers. In the 7 day period, this increased 0.4% according to our analysis.

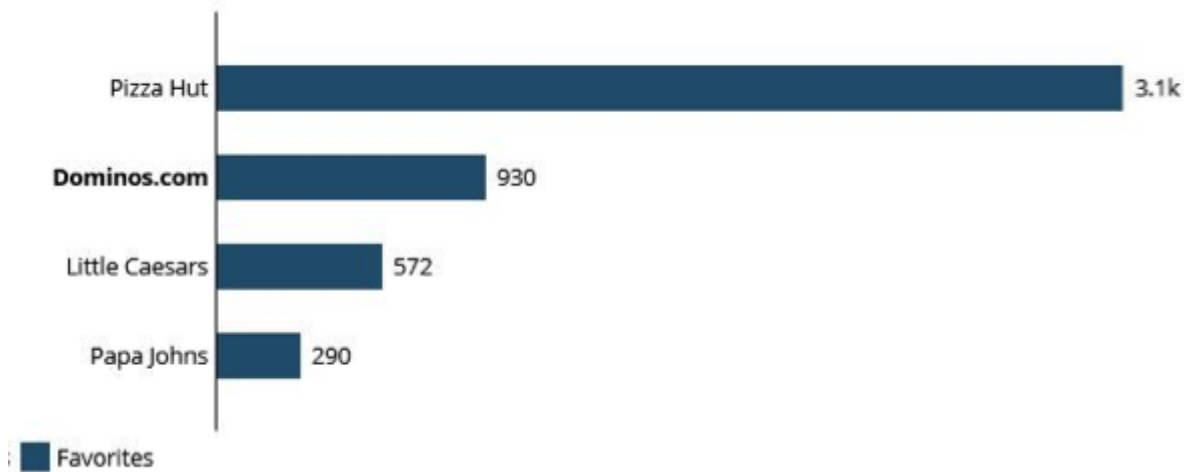


Domino's has many tweets compared to its competitors. As you can see from the graph below, it has almost three times the number of tweets of Pizza Hut.



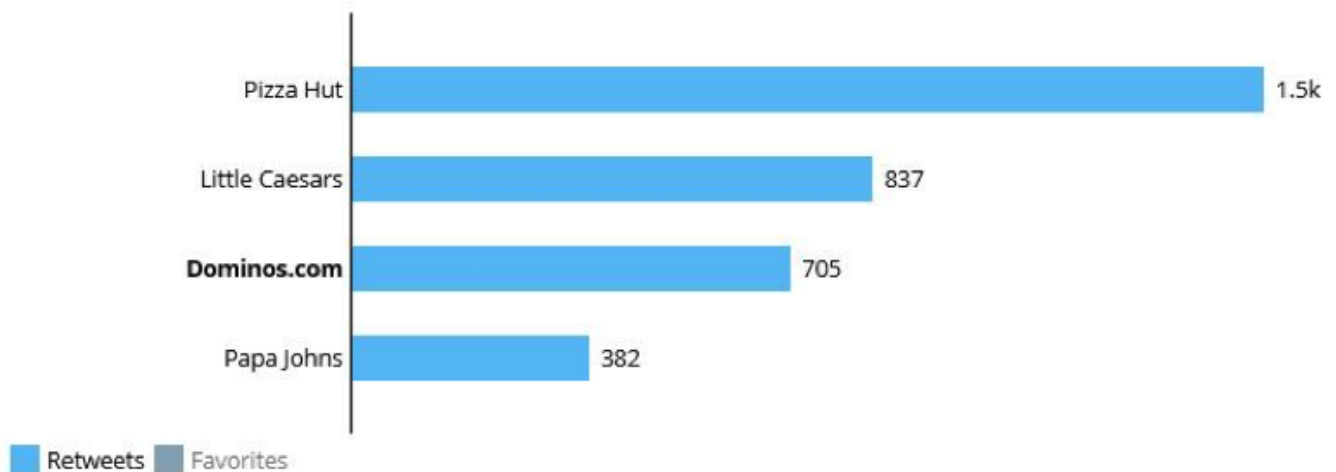
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However, it does not appear to have a lot of engagement. Engagement is much more important than the number of tweets. As you see below, favorites are fewer, as are retweets.

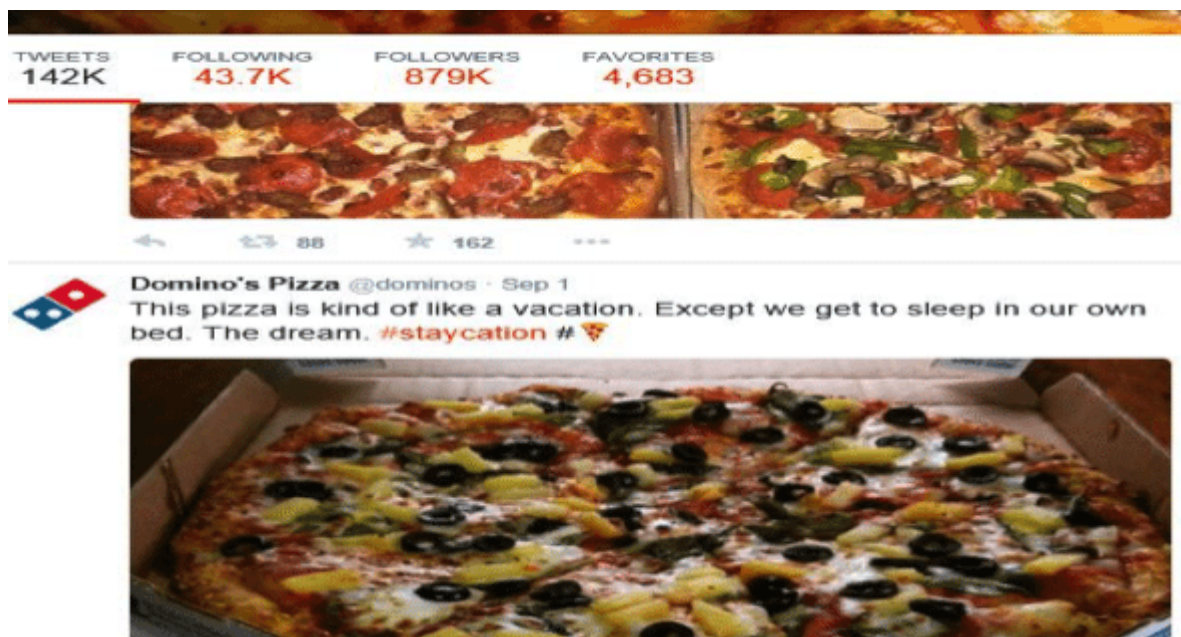


It looks like Domino's has more than eight times the followers of Little Caesar's and three times as many as Papa John's. It is not often mentioned and does not get many retweets as seen in the images below.

It appears that most of the tweets do not get attention. What I noticed is that the more the tweet contains rich communication (picture, audio, and video), the more likely it is to get engagement. So an appealing image of a pizza has a higher chance of getting retweeted. However, if the tweet has poor graphics than it is likely to get the same kind of engagement as that without a graphic. Most of Little Caesar's mentions, despite a smaller base of followers (100K against the 879K of Domino's), did get much engagement during the week due to a #LCPizzaParty campaign launched to bring pizza to Justin Bieber fans, which included pictures and sending tweets about it. This brought a lot of engagement and many retweets and mentions. This proves that even with having a smaller audience, a company can be very successful in engaging with the audience. Perhaps it goes to the old saying regarding quality over quantity.



Domino's has not posted many tweets that are content rich. However, they have started to do so recently—even while I was doing this study. Domino's account is tweeting more pictures than it ever did in the past, as seen in the screenshot below. In this case, they did indeed get more retweets and mentions than before.



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The Analysis:

The data shows that even if the competition's audience is huge, and the number of tweets is even larger—here it was about 4k a week—the tweets themselves are not very engaging and thus do not have a substantial effect. Other competitors with a much smaller audience obtain much more attention from customers—excluding tweets, but those tweets are more engaging. If Domino's would launch a Twitter campaign or involve celebrities like Little Caesar's has done, this could spur more engagement. The LC campaign for Bieber Believer fans was ingenious!

Let's look at the touch points of this brand, (whether it happened during, before and after the purchasing cycle) for Dominos. In particular, it can be:

1. the time in which the delivery will arrive and promised punctuality (a massive brand strength as its target market wants to get a hot pizza to eat right away).
2. Also the ordering experience and how pleasant or how easy the experience of ordering the pizza was can be another touch point.
3. And then there is the product itself and how good the pizza is—how tasty it is.

What it looks like is that one of the more important touch points, delivery, does not perform as it should judging from the social media complaints that Domino's receives. Unfortunately, social media is used to communicate inefficiently by the operations services. Most of the time, all of these negative mentions bring up negative perceptions of the service, even if it is really limited to a few cases. This can always happen, but the way it is depicted on social media skews the perception.

I recommend adding testimonials or launching a campaign to tweet constantly that pizzas arrive on time —accompanied them

with images of satisfied customers or even short videos. Maybe make a public pledge again that should the pizza be late they provide it free of charge or something similar. It needs to be significant, though—to the point that people see it as a real value-added pledge. Often we see that social media can be a magnet for what has gone wrong. This is often the case for reviews—those who are not happy are more likely to complain whereas those who are satisfied are less likely to say so. This is where social media can be compelling. This company, like many others, should institute a program that effectively solicits those other reviews—the more-satisfied-than-not. In this way, I think they can leverage the satisfied customers in ways that communicate well to potential customers.

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Price Discrimination

Price discrimination may sound strange to people, but it's a strategy used by companies to take advantage of the willingness to pay by different groups of people.

Large companies and great marketing strategists use this technique. Smaller companies do not really employ it, so I would like to dig in a bit more and give an overview on the benefit of price discrimination.

It's a very sensitive topic, so if you apply this to your company's strategy, make sure you do it in the right way, because if poorly managed it could prove to be anti-productive, but if well managed it can really drive your

profits through the roof.

In marketing, pricing strategy is really important. The choice of a price needs to be thoroughly analyzed and cannot be dealt with superficiality.

If you have a maximum price for which different segments are willing to pay, do you set up a lower price in order to make everybody happy?

If this is how you conduct your business, you might lose a big opportunity, not only to make much greater profits but also to generate a competitive advantage in comparison with other brands.

The ability to get the best price from the richer client and to offer a better deal to other groups may sound unfair, but it's used constantly in brands not only to increase profit but to create even more loyal clients and enhance the brand advantage .

Allow me to explain:

What is clear is that clients that buy a different product will have different prices. But we need to understand what happens when the product is the same but the price is different. An example is a student discount; the same product at an adult price. Or think about an airline, train a bus trip or even hotel accommodations.

Some of those services are the same, for example, an economy class for an adult will be the same service that will cost the same money to the company but it is sold for a much lower price. So in this case companies take advantage of another market segment with less spending ability. If you think they were doing it because they feel sorry for the students and they want to make them travel then you are very naïve J, but I need to admit it's a good

excuse so don't complain about it.

The Internet gives us a chance to negotiate with individual prices. I think such approach is similar to Alibaba.com who gives an attractive price range, but then they negotiate with the individual buyers.

This reminds me of an old trick of a Chinese supplier who would let me choose two products at different prices to assess my knowledge and my approach to them before giving me a price. Testing me gives him an edge on my willingness to pay, my perception of quality and my attitude towards certain products. With the Internet, brands can get information on demographics, interests, age, etc.

First Degree

Companies that negotiate prices individually use a tool called first-degree price discrimination and it's easier to apply to e-commerce brands.

Second-Degree

Second-degree price discrimination is considered more like an indirect method.

Second degree implies that firms offer different deals, (in quality and quantity) and consumers self-select based on their willingness to pay and their tastes. In this instance, you can be more generic; you don't need to know everything about your consumer. You can select groups that prefer different products.

This can be done through:

- **Nonlinear pricing**

This means you can have a more expensive price for the first quantity and then a lower price if you buy more

products or use more of the services of the company.

This quantity discount is used by many brands, mostly telecommunication companies. They offer different products that allow a bigger discount based on how much you use the product.

▪ **Versioning**

Firms offer different versions of their product, so a lower quality can have a cheaper price and allow targeting a segment with a lower income.

However, you need to be careful not to make the mistake of making the product substandard (which sometimes costs more money) and sell it at a reduced price. An example can be some software versions if you think about it. Sometimes you can buy software with a limited functionality for a cheaper price. In this case, the company had the premium version but then spent money and time to make it less functional in order to appeal to consumers with less ability to spend.

They spent more money and they are receiving less revenue for their product.

▪ **Bundling**

Some consumers prefer some product more than others, and sometimes firms can bundle products together making an attractive price for buying several products together. This is also used to promote a new product. This can reduce consumer heterogeneity (which I am not sure is a good thing in a centric customer world) and in this manner you can sell more products to more segments and increase profit.

Rather than decrease prices for example to attract more buyers, you can bundle products together at an attractive

price but not so low as you would need to in order to sell to people not really interested in the product.

For example, you are selling a specific product X , Y , and Z:

Your buyer group 1 is willing to pay \$50 for X, but not interested in Y, unless it is really cheap.

You could bundle X and Y at \$65 in order to sell more of Y without dramatically lowering the price. You could eventually keep selling Y for \$35 to another group interested in that product and willing to pay more, or in this way, the new group could also eventually be interested in buying product X bundled with Y because it seems attractive as a price.

Intertemporal Pricing

Another issue to touch on very quickly is Intertemporal pricing. This is basically the increase or decrease of prices in relation to time.

Unfortunately, in high technology or innovative products prices tend to be higher at the beginning and lower as time goes by. So you are punishing the Innovator or the early adaptor – the people who really buy at the beginning and help the diffusion of the product.

If you don't know what I am referring to please look at the graph below and refer to Theory Diffusion of innovation of Everett Rogers.

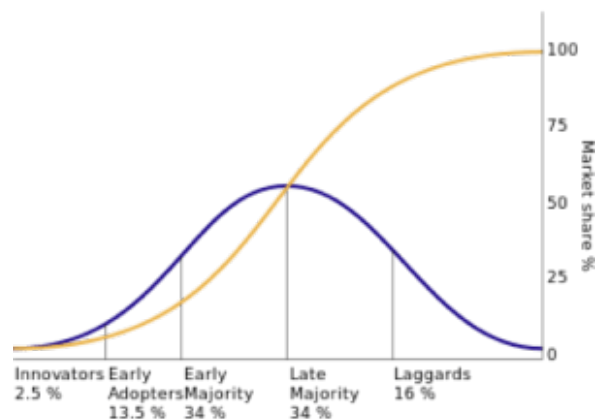
https://en.wikipedia.org/wiki/Diffusion_of_innovations *

Price Discrimination

Many consumers that catch the fact that the price of an item may cost less in the future may delay the purchase. This is an

issue. It is also inconsiderate to lower the price of an item. It can represent a lack of loyalty toward some customers.

All my real estate investors know that we (the developers) tend to the inverse strategy when we sell a planned project. We increase the price as we sell more units or as we advance in the process of construction. This is great and helps the early investors gain profits compensating them for the initial trust.



Antonio Velardo price discrimination graph

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Charitable Campaign: Helping Seniors Improve Their Quality of Life

Good evening. This is just a short note here to discuss something very important. I love writing. I love sharing my

experiences so that others can learn from them and hopefully have success also. It was once said that with great success comes great responsibility. This is not something that I have hid from or take lightly. I actually take great care and responsibility realizing that there are many in my very own community that requires assistance, right here in Fort Lauderdale. I would like to do what I can and I have been working very hard to that end. This great and noble cause has been one of the reasons it has been hard for me to blog on here the way I enjoy too.

Anyhow, I want to welcome all those who know someone 65 or older in this area to contact me. No games, no scam. Share their story, or help them to share their story with me also, so that I can help. I realize that many people above the age of 65, especially those in real need, do not often have access to a computer or perhaps even basic computer skills. This is where I will rely on my friends and visitors, to nominate someone and share his/her story and help spread the word so that together we can have a great impact and help our cherished neighbors, friends, and family. This is important to me, and I know it is important to many of you also. Let's act quickly and help all those as quickly as we can. I encourage everyone to do the same, especially those who are in a greater position to do so—this is our responsibility, our duty I think, to do so. I will look forward to these requests, and to helping as many of those in need in our area here in southern Florida as I can.

Thank you, and have a good evening.

Read more:
<https://www.digitaljournal.com/pr/2487539#ixzz3VvWJcxE4> *

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Business Angel

Hello! I wanted to touch base quickly here via my blog and my social networks and extend an invitation. I am a firm believer that opportunity breeds opportunity, and that hard work is the key to success. Hand and hand, these two elements have often led to amazing inventions, products, businesses etc. I love to be a part of new ideas, of creative, fresh ways to do things. It is cliché, yes, but thinking outside of the box has become a cliché for a reason...because of its importance. Put the old ways to bed and share your new ideas with me, let me help you incubate them and bring them to life!

My invitation today is for all you entrepreneurs or small business owners and operators or those of you who have a cool idea. If you have a product or service, or idea or business, or just an idea that you think may be the next big thing, and you are looking to bring things to reality or to take them to the next level, fill out the form and shoot me your idea. If you have a formal plan and layout, that is awesome. Share it with me and I would love to review it. If you are not yet that formal in your process or idea, that is ok too, still feel free to reach out to me. I am always looking to lend a hand and help elevate entrepreneurs and creative thinkers where possible! I am lending money and offering mentor-ships too.

I can't wait to [hear from you](#) and consider your ideas!

Gratification Theory

Uses and gratifications theory attempts to explain the uses and functions of the media for individuals, groups, and society in general.

The theoretical foundation of this theory lies in the social origin of need. I use the media with an active approach, and it is tough to spend time watching television, so usually, I search news online through YouTube, Twitter or blogs or typing the topic into Google and look for the various results.

I do sometimes read important international newspapers on my iPad, but then I always try to verify the news from other sources.

I admit it is becoming pretty confusing. Bloggers and YouTube do their best to broadcast news with an opposite point of view of the national press and television reporters. However, both national newspapers and television newsrooms do not broadcast opinions. They can only broadcast substantiated facts.

Sometimes the alternative media can make sense, but there are times when it appears there is a conspiracy of the Lobbies and the government for each topic or item that exists on the earth, from the milk to the toothbrush.

Apparently, the effort of providing contrary information to what the Big channels broadcast is becoming the unique selling point for those small bloggers and YouTube Journalists. And it looks like the success of those independent forms of media is directly proportional to the conspiracy theories they can discover or to the capacity to entirely differ from the original news generated from the known channels.

This attempt as we discussed last week is very valuable and gives excellent potential concerning freedom to this generation, but then other issues surface. If the only way to

get noticed is to be entirely different from the original news, we risk that the information will be distorted and twisted just to satisfy their private agenda.

The only way I encourage others in my field to use and interact with media outlets is to send them links from the various sources. Some of my employees are older, and it's difficult to explain and convince them of the importance to communicate through or take advantage of the new media.

Also, I feel there are time restraint factors, and we cannot force other parties that are engaged in business relationships with us to communicate through new mediums, even when is not the most efficient form of communication. Our need for gratification cannot lead us to be abusive and disrespectful towards other people needs. Sometimes a phone call or an email can do the work without the necessity of getting too fancy about simple communications. People have different needs. I satisfy my cognitive need by participating in online courses, forums, and blogs. My diversion need is gratified on YouTube listening to music or other topics that can distract me.

Personal relationship and Personal integrative needs in my case are not that strong I would guess probably are satisfied using LinkedIn, but I need to admit that my personality and characteristics do not really meet the gratification criteria through social media about that particular need.

The need for recognition and self-esteem is satisfied in my private life, and I am happy I don't feel like interacting with social media, for example through Facebook, to give out personal information.

I will report a sentence I read during my research that connects with the example that Dr.Braddock did in her Lecture of

Facebook is like giving somebody a stage and an audience and that's one way it can bring out and magnify narcissism," (

Dr. Elias N. Aboujaoude, a Stanford psychiatrist)

For example, my Facebook page is managed by some of my employees, and I sometimes log in, so I don't miss the ability to analyze the phenomena. I could use it eventually for business purposes, but it's really annoying for me to have my life displayed on it. It seems that I do not belong to myself anymore. The issue here is that I notice not only that Facebook users tend to satisfy their narcissism, but they just engage with profiles that exhibit similar behavior. If I only write about business or other economic topics, people get bored and don't engage, so my Facebook profile is not successful. To attract users, I need to copy their style and their behavior. So I will think about posting pictures of my Ferrari, of my yacht, of all the places I regularly visit around the world, and all the cool stuff I do. This is the only way to build a consistent number of followers from which I can eventually use for business purposes

An excellent example of the gratification theory comes from the Harlem video. Viewers thought at the onset that the videos were products of individuals for entertainment purposes. In the end, they discovered that the video was the creation of YouTube and Twitter for self-promotion.

George Miller created phenomena when he filmed himself and his friends performing a dance he called the "Harlem Shake" when in fact it was not the Harlem Shake at all. This inspired others from Florida and Australia to make their own versions and post them on YouTube with limited success. Actual record labels and professional disk jockeys took up the gauntlet and made, even more, versions, showed them on YouTube and promoted them with their Twitter accounts.

The use of YouTube and Twitter by corporations to push the "Harlem Shake" videos propel into the viral sphere is a prime example of the Uses and Gratifications PR theory. Corporate

executives saw the potential for these mediums to fill specific entertainment needs and thus grow profits exponentially. Everyone bought into the action which made the video the sensation that it became.

“Harlem Shakes” took a different route to fame than other videos. Generally, videos are made by studio professionals, and then students make their own versions and parodies. In this instance, the students made the videos first and then Google investors, Marker Studios and the Mad Decent record label jumped on the bandwagon and reaped the rewards of the “Harlem Shale’s” viral success.



Theory of Mass Communications (Adorno)

Adorno and Horkheimer were some of the first scholars to critically engage with the proliferation of new forms of mass communications of the early 20th century.

They argued that, in modern capitalist society, the increasing commodification of culture had transformed culture itself into a crucial medium of ideological domination, and a vital means by which the capitalist order itself was maintained.”(Max Klinger)

Behind Adorno and Horkheimer's work, there is a refusal of the modern capitalist society. On the one hand, they support the Marxism framework analysis and identify it as exploitative toward the human being and hence they recognize that must be overthrown. They argued that capitalism was doomed to be replaced by socialism. In their arguments, they also sustained that social and cultural factors played as important a role as economics in oppression. As Dr. Braddock mentions in this lecture, the difference with Neo-Marxism is that there is a belief that values and society can be shaped by people that do not belong to the Elite and do not have economic power. Naturally, if we could make an analogy with today's communication media tools, those theories make much more sense if we think of the capacity of individual bloggers to challenge the communications of the Elite that have substantial economic resources.

To analyze Adorno and Horkheimer's quote expressed in the lecturer's presentation, we need to contextualize it in that during that period they witnessed the emergence of new forms of mass media and entertainment industry. It makes sense that such a revolution made a profound impact in a society that was strongly influenced by these new media's features. They thought that industrial culture would result in commodification. They believed this was the natural result of capitalism. Further, they would argue that what they considered the culture industry would bind the audience to the status quo and have altered culture itself into a philosophical vehicle of control.

Their idea is that culture or art can abide by certain social conditions providing an alternate vision of reality. They did recognize the emancipatory force of art but only when it can be autonomous and independent. Therefore, they basically acknowledged that art does change historically. In the era of a capitalistic monopoly, they believed that new techniques of production and distribution of art meant that the free

circulation of cultural products that had once characterized the middle-class era had come to an end.

Adorno and Horkheimer believed that the growth of the culture industry homogenized and restructured cultural form. By doing this, the individual was limited to being able to think for himself. The cultural form made him a conformist and a follower.

I think one example can be found in Hollywood. The movie's industry always had the intention to make a considerable profit. Hollywood was producing films with the sole idea of optimizing benefits by appealing to exact tastes of particular groups. This way the viewer is not required to think to be entertained. In essence, the style and the form of those films were identical to each other. Good examples are the old Western themes and the romantic comedies. Even if there were better promotions and a list of different movies with different characters, the truth was that everything was pre-classified by the production team. The audience had no choice but to become a passive, unreceptive recipient of the art.

The mass media are, in classical Marxist terms, a 'means of production' which in capitalist society are in the ownership of the ruling class. One example can be found in my country the fact where Berlusconi, who was the head of the government and still is the owner of the major communication media and has ownership of more than 60% of the TV-channels and newspaper of the country. By controlling the media, he manages and manipulates the advertisements for political purposes and sometimes for a favorite industry or brand in which he might have economic interests. All this reminds me a bit of the propaganda theory studied last week, in particular, the bandwagon effect in which individuals will do something because others are doing it and they want to feel part of that community. So the elite can promote values and ideas to convince a group of people. If through these manipulations the group is loved and successful, the bandwagon effect itself

will do the rest and “help” and “push” some consumers to buy a particular product.

Reference & Source Links:*

- <https://www.businessdictionary.com/definition/bandwagon-effect.html>
- <https://www.iep.utm.edu/adorno/>
- <https://www.cym.ie/documents/chandler.pdf>
- <https://themaxklinger.wordpress.com/2012/11/27/a-summary-of-adorno-and-horkheimers-slightly-interesting-and-staggeringly-pretentious-views-on-art/>

**As external links, all will open individually in a new browser window/tab.*

Kickstarter is the way to go?

I know many crowdfunding platforms, and every day a new one is born. However, Kickstarter is the one with more users by far, and it is the most successful platform– not only for many users but also for projects funded.

I will be frank. I don't like their model. I understand why they are successful, and I will explain in this post: why I prefer other platforms instead and why I personally find little value in using it from an investor point-of-view. There are values may be from a potential fundraiser it but I will need to face some ethical issue, and I don't know if I am willing to do that, but let me start from the beginning and down the line I will explain better what I mean.

The main competitor of Kickstarter is IndieGoGo

The main difference between the two is that within Kickstarter if you don't reach all the money requested the project does not get financed, so it's either all or nothing. Instead, with IndieGoGo, you get the money regardless of the amount that you collect. In this model, lies the secret of Kickstarter.

The above concept can be positive or negative. If you are an investor, you can think that you will waste your time attempting to fund a project without knowing with certainty if it gets started. But at the same time, you could also consider that it's better and safer to only finance projects that will begin if they have the money requested. Otherwise, with only a portion of the funds required, a project could not be completed. So if this "all or nothing model" is positive or negative, it might be a unique point of view.

From a fundraiser perspective, if you're sure of collecting the money and have a very creative project, then Kickstarter is excellent. However, many fundraisers are moving towards IndieGoGo, as it's better to get something than nothing. Or maybe with the all or nothing you have a better chance to take them all?

Now, funny enough, the population of the Web likes to feel appreciated and essential. Do you remember the video about McGonigal that we viewed in the crowdsourcing lecture? It opened my mind.

Think for a moment. Let's apply their gaming theory to the attitude of the internet-user towards financing a project. Do you remember the Epic meaning?

Yes, everybody wants to feel so valuable to contribute to a world cause, there is an Epic meaning syndrome on Internet—people get inspired by a mission that will change the

course of humanity. In the all or nothing approach, your \$20 will make a difference!! There is a project to develop a tool that will change the lives of poor people in Africa? Great! Your \$5 will make a difference, but only \$10,000 are missing! A great campaign in social media will get you the money!! The user feels that if they contribute to the idea of a project with a robust humanitarian impact, they can make a difference as every dollar counts toward the minimum amount outreach.

The Kickstarter approach plays on the Epic meaning need of the users, thanks to them:

- a project will get funded or not,
- the users have great power,
- they feel they can make a difference,
- they feel it's their project,
- they are part of it.

It's nice. Unfortunately, they fail to understand that they are making somebody else rich with their money, without anything back, and most of the times project does not help a good cause, and it only helps to make rich or to finance some crazy fancy ideas of lunatic investors that will never get money from serious investors.

This is the only logical explanation. I spend time on IndieGoGo every day, and projects are much nicer, well presented and interesting than Kickstarter—at least from my point of view.

It's important to understand the Role of:

- the investor,
- the benefactor, and
- the Chicken.

Wise investors know that the investment needs to be directly proportional to the risk, most of those crowdfunding platforms are risky, for example in my research project I am analyzing

few of the Real estate crowdfunding, and they are dangerous and risky. They mostly offer not virtual guarantee and mezzanine loans and type b shares they not even worth the paper they are written on.

There is a need for education, in this sense. Otherwise, a lot of people will get rich while many others will get robbed.

And they risk destroying an excellent idea and concept just because of greed.

Accessing the Web needs to be a way to leverage the possibility to access more people—not to find more unaware investors to take advantage of.

My experience with IndieGoGo was quite upsetting, but I guess it's the norm for most of the project, at least I was aware of it, and the amount of the purchase was small. I bought a little device that was supposed to automatically measure the amount of muscle and percentage of body fat with a simple scan. The amount was less than \$200, so it did not really matter how risky it was (that's part of the trick as many \$200 contributions makes millions).

The desire to have this device before it appeared in stores (I guess its part of the motivation behind many funding, too) pushed me to fund the project.

The device was supposed to be ready in May, and I still have not received it. And likely I will never get it.

Somebody is working on a project, getting paid a big salary and probably will never deliver anything. There is less urgency when easy money pours from the sky to finance a project, and a company can pay you big bucks to be the boss.

If I need to put money as I do on a project, I need to consider the risk and the reward. Most of the projects on Kickstarter offer a ridiculous reward for the investment, offering a piece of the equipment or for a slightly better

price.

So you pay \$250 rather than \$200 or \$180 for something that's not done yet, you will get the product may be in few months if the project does not fail.

What sort of investment is that?? This does not make sense, I would instead buy the product in the shop, and pay the extra \$50 or \$100. At least I know I will not lose my money.

This does not make sense, it's more like a donation, it's an act of humanity, or it falls in the gratification need to be part of an epic project and have a fancy device few month before others.

Now, most of those fundraisers are not poor. They are wealthy, but they are leveraging the Web because they know or learned how easy it is to fool young, inexperienced investors that like to play as if they are in a Shark Tank Series. The difference is that they fail to understand they are not the sharks, but they are the shark's food.

Some of their incentives make me laugh. One project I particularly liked, for example, offered \$5,000 incentive in which you get to have a dinner with the Project Leader and be called the primary sponsor.

Now I would happily pay \$30,000 or \$50,000 to have a dinner with a proper influence person that can teach me a lot: a Warren Buffett, Larry Page Sergey Brin or Gandhi (if he was alive). In substance, somebody I appreciate with a very high level of knowledge and influence. But I will not give \$5,000 to a random individual trying to finance a project. This is stupid, but people do just that, and it works.

To answer the question of the assignment: I would not feel like financing most of the project in either Kickstarter or IndieGoGo, at least if the bottom line is to make an investment. Of course, if I feel compelled to contribute to

an excellent cause or I need to give a donation to somebody that looks genuine, this is another matter.

Crowdfunding can quickly become a big scam if investors are not cautious to what they do. People get a kick from a project, and they only see the positive aspects of the projects and their sales pitch. Most cannot understand the challenges involved and consequently many projects fail miserably.

When I raise money for a project, I like to give a serious prospectus to my investors, and mainly a full guaranteed and control of the companies.

I received literally millions of dollars from investors, but all had full control and full understanding of the risk and of the rewards. Raising money without giving the investors proper guaranteed is unethical, so from one side, there is an incentive from the other I feel that if I take money from people that put trust in me I need to do it right, so I don't feel for now happy to fund a project in those terms.

I am looking at more positive way into CrowdCube that it's a British crowdfunding platform, it seems more serious than other however I still see much threat for serious investors.

Maybe there is a need in the market for a platform that offers to crowdfund with a proper guarantee—rather than a shallow and risky piece of paper that will be almost impossible to claim back when the project turns bad. And they usually do.

My negativity is focused not on the crowdfunding but on the negative use of it. Experienced sharks are damaging unaware and dummy investors, and this, in the long run, can affect this magic world of funding in the new age if it does not get regulated. Besides that, crowdfunding is amazing. It's changing the world, and the business models and the perspective of investors and clients, and anybody approaching business needs to seriously take a look at those options to

reconsider a new model and a new way of doing trade.

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Scan Me Reputation Management

This week all our studies were concentrated on online reputation and its effect on every aspect of a career and business, but also its effect on personal lives.

I have not been very active on the Web. I am an investor, and I usually find deals around the world buying shares in companies and installing new management that can produce profits.

For me, the Web is not all that beneficial. People want to make me a permanent resident of one country or another so they can claim I owe taxes to them. I do not need to build a specific reputation to attract business or to try to be presentable for a job application.

I, therefore, do not have an active presence on the Web. There is very little published about me, and I am pleased.

I am present on social media a lot; I usually post some motivational sentences and some information that is helpful as business advice. I use social media to remain in touch with different people or groups, and I usually join business discussions in which my input is highly appreciated.

My companies are on social media, and I do make sure that all are present on the web and have a friendly interface. Since I started this course, I am continually reminding all of my CEO's of the importance of the internet, the importance of

presence and interaction with the users. It's new territory for many of them, and everybody confirms the importance of leveraging such tools. However, few really have the tools and the capacity to implement a serious, effective strategy. This course will give all of us the opportunity to develop a significant advantage in this new age business world.

What I also noticed is that there are many people with my name around the world, from America to South America to Europe.

Usually to search for a person who is not a very famous we need to add either the name of the business or the city.

For example, in my case, I can add Miami next to my name in the search, and many more mentions come up.

Most of the results are for my blog and all my sentences on social media, from Facebook, Slide Share, Twitter, etc.

So as we learned, social media can play a significant role in driving traffic and building a reputation. Social media can be an efficient way to build a reputation and engage with clients and business networks.

People will know who you are, what you do and look into your values and interests. This will help to create an idea about a person. Right or wrong, the first impression counts.

I have a new blog on which I am working, and I post few Real estate notes. The blog is new and has not indeed been launched yet because I want to make more professional graphics.

The blog will be an excellent tool for reputation, and I can apply all the theories learned in this course from SEO optimization and tags words to Google analytics to evaluate traffic.

Honestly, my blog will be only to inspire other people to invest wisely and find the financial freedom I found at very young age. I will also add something about charity. I don't

intend to raise funds, but I want to donate money to real people that have a need and leverage social media to spread the news. This may create a trend among friends to help the poorest. This helps reputation but also creates something good for society.

Google Alert will help to keep track of the progress and alert me on my name and how it is mentioned.

I found the notes I took during the Lecture particularly helpful, and I went on socialmention.com and wrote my name.

From it, I could evaluate the ratio of the positive comments, which was quite high 17 to 1, and also the positives of my name on the search engines which was measured with 95%.

The influence on the Web was apparently meager, so from those key performance indicators, I can see what was already known to me: my reputation is exceptional, but I am not really known on the web.

I will be more present on the Web as I learn how to leverage all the tools at which we are learning.

Zillow's App: a Real Estate App

Being in the Real Estate Industry, I downloaded Zillow's app.

Zillow is the most prominent real estate portal in America. Through the Zillow app, there many options to find useful real estate information from decorating your home to renting an apartment or finding professional help.

Once I downloaded Zillow's app, I let the app find my location. It will suggest via the map real estate deals that were in my area. This works for both rentals and sales.

Now I am able to filter what I am looking for so this will narrow the search. This is a beneficial tool because by identifying the requirements, I will only spend time looking at deals that are within my criteria. The map feature is user-friendly, and you scroll through and pick out the areas where you prefer to live or invest.

Another feature that makes Zillow very successful is the possibility of inserting the address of virtually any house that has ever been in the MLS (Multiple Listings Service) and to be able to know the full story of the house. So I can check the pictures, how much it was sold for in previous years, how much tax it pays per year, and all the characteristics like the year it was built, lot size, etc.

It does have a system that can predict the value of the house and of the potential rent. The information is very reliable. Indeed many investors use it to identify the approximate value of the house based on Zillow's price.

It does have a forum within the app where you can ask questions and get help or just get an opinion from a professional realtor.

The success of this app is also due to the review of realtors. Realtors engage with the clients by asking a question, and they can sell their professionalism with the answers they give. Clients can browse the forum and select an agent that inspires more trust. The latter reflects the concept learned in our first Lecture in which we spoke about the evolution of the expert friend and the importance of the new generation to rely on a specific review to choose to buy a particular product or service.

In Zillow's app, this is precisely what happens. Realtors

engage with the customers and sell themselves, their ability, their capability, and professionalism. When they have made a positive impression, they will be chosen by potential clients. Their business model to create revenue is clear. They afford the possibility of realtors to introduce and advertise themselves so that all that interaction with the users earns potential rewards.

The revenue must be huge because they also advertise mortgages and rehabbing. So through the app, I can basically order a new kitchen or bathroom. I can choose the style and the color and have an instant quote.

I sit on my sofa while I get all this from my iPad.

The app does not have coupon or discount, so it leverages on the cognitive need of the users. Zillow provides all the information a user could wish to have instantaneously. People can use Zillow to study and evaluate and compare the rentals or the buying. Zillow's strategy has been to invest in the data collection of all the transactions in real estate in the USA and create a way to analyze the data and provide it free and in an easy to read format for everyone.

They created their power from sharing for free all the data collected, that's a fantastic innovation, what we learned until now proves how useful and valuable can be the analysis of data, analyzing data can help to develop a strategy for positioning for advertisement, etc.

The innovation of Zillow was to share for free those enormous amounts of data to become popular and visited and as happen eventually leverage this position to grow and start to create revenue.

I always thought that the apps or the socials or the video that are most successful are the ones that before charging try to give a proper contribution or advantage to the user. If you provide a free solution to a gap in the market and that

solution has value, it's only matter of time before users will come. Then you can produce a proper revenue late with aggregates services.

Internet population loves the word free, and they recognize value and power of proper content, and I find it so far, more than simple discount or coupon but an app with no substance.

The power of providing information and proper content will generate a real keen interest in the app. This is rather than just downloading an app with the intention of getting a discount coupon. I think the genuine keen interest in using an application that is beneficial for a business or a personal life will always be superior to the attempt to buy a client by offering a discount coupon.