Assignment 2

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**Two different ideas:**

1. **E-commerce application:**

The idea is to launch an e-commerce application that can compete with the market that has an opportunity to enhance much more. Online shopping is regarded as a huge potential business in the future as it has not grabbed the attention of the public as seen in other countries.

1. **Ride sharing application:**

The idea is to develop contact between commuters that have the same route at the same time so they can travel on one vehicle. Hence, sharing the expenses. Basically this is a ride sharing application that will divide the cost of commuting between the people sharing the rides.

**Cons of Ride sharing:**

1. **Females cultural issue:**

Females will not share their rides with males due to cultural issues in markets like Pakistan.

1. **Less digitization in Pakistan.**

In Pakistan, people of pakistan are very less digitized. A very few people know how to use the internet for their good.

1. **Abrupt cancellations:**

If someone abruptly cancels a ride by the driver at the moment, there will be a real problem for the person that wants to go for an important job.

1. **Security problems:**

There can be security problems as some people can harm others through this idea.

1. **Privacy Concerns:**

There are privacy issues of people as some people do not want to share their cars. Actually when a new trend comes, people will say bad things about them and some can have bad experiences.

1. **Copyrights issue:**

Copyrights laws are not strong, hence a new competitor with more capital at hand can destroy the competition. Here in Pakistan, people copy the intellectual property and use them for their own good.

1. **Competitors:**

Government buses are very strong competitors as they are subsidized by the government. Their prices are also very affordable for the public.

1. **Licence issues:**

People can use cars without a license so the government can take action upon that.

**Cons of E-Commerce:**

1. **Competitors:**

E-commerce has many competitors. Daraz, Ali express etc are strong competitors now. So the market is very saturated.

1. **Future trends:**

This model cannot survive long as giants like amazon are coming to Pakistan. With almost the same model as Amazon, our chance of survival is too low.

1. **People trust on online shopping:**

In Pakistan, people don’t trust online marketplace. Actually, the culture of online shopping has not matured.

1. **Less digitization in Pakistan.**

Less digitization in Pakistan as there are very few people in Pakistan who know how to use the internet for their good.

1. **No attraction for sellers:**

Sellers will be reluctant to come to an idea that already exists.

**Pros of ride sharing:**

1. **Self knowledge:**

I myself know programming so I can help in creating a good application. I know basic understanding of how things work through algorithms.

1. **Urge to use the application:**

This is a struggling economy so people will like to save money for their future. Students in Pakistan use uber daily for commuting to their university. Furthermore, offices and inter-city commuting is also common. So there are many people who commute on the same route periodically.

1. **Environmental solution:**

Environmental solutions as cars will be used to their utmost capacity as the unnecessary vehicles will be shut down. People can use the same vehicle.

1. **Resource saving:**

Resource saving as petrol is expensive for developing countries like Pakistan to import. The government will also encourage considering the financial benefit it can give.

1. **Comfort:**

Good ride instead of riding on bikes and buses. On Uber and Careem, riding on a bike or rickshaw takes almost half as much money as riding on a car. So why not share rides and half the price of ride and ride on car in bestTrav of us than travelling on bike on same charges. It's also more comfortable than commuting on buses.

1. **Increasing trend:**

This will be an increasing trend as people will come to know about this.

1. **Competitive advantage:**

It is first of its kind in Pakistan so there will be a competitive advantage in place of it.

1. **No need of many resources to begin:**

As it is virtual so we don’t need any heap of resources like land, management staff etc.

**Pros of e-commerce application:**

1. **Self knowledge:**

I am a programmer myself so I can design an app by myself.

1. **Free credit for first month:**

As this e-commerce system will provide free credit for one month so this will be different from others and it will be a hit.

1. **No need of many employees to begin:**

As it will not require much more labor or staff, so e-commerce is a very good idea for business. The cost of management and accounting is minimized as it is all done by algorithms through computers.

1. **More opportunity and market which can be grabbed:**

As there can be much more opportunity in e-commerce as most of the people do not use any e-commerce application. So we have to target those who use none of these e-commerce apps.

1. **No need of land to begin:**.

E-commerce business does not require any land to function. It’s all virtual so it can become a large business with minimum resources at first.

**Final Decision:**

We have decided to choose a ride sharing app as our final idea due to a variety of reasons. Actually both have pros and cons in their respective fields but we have decided to take on the ride sharing business due to a variety of reasons.

1. **Less competitors**

Ride sharing has relatively less competitors in comparison to the e-commerce application. Ride-sharing idea is the first of its kind but the e-commerce market is already very saturated.

1. **Solvable problems:**

The problems regarding ride sharing applications are all manageable to an extent. To counter privacy and security campaigns that can rise, we can do some marketing that can create a positive image in the minds of people. Social media influencers and sharing personal experiences of people can create a large difference. To counter abrupt cancellations, we can add a functionality of backup rides which may apply for the worst case scenario. We can also check for licenses of vehicles and drivers for safe continuation of the idea.

1. **Solution of new problem:**

When a product is launched, the most important thing is what the product is offering, different from the products that have already captured the market. The idea of e-commerce will not grab the attention of customers as it’s already there. Furthermore, to launch with the same idea, we will need excessive cash for marketing as it's not an eye catching idea but in place of this, ride sharing idea is solving problems of many people. So the risk is relatively lower in ride sharing than in e-commerce.

1. **Attraction for new service providers:**

People will come to offer their services in case of ride sharing, but in case of e-commerce, sellers will be reluctant to come to an idea that already exists.

1. **Attraction for customers:**

In Pakistan, people don’t like to pay if they have not seen the product but in case of ride sharing, people will pay after they have got a ride. So money safety is more intact in case of ride sharing. Relatively, online shopping is regarded in Pakistan as something which is shown differently and delivered differently.