

Table of Contents

Mission Statement	2
Vision Statement	2
Values Statement	2
Executive Summary	2-4
Company Description	4-5
Opportunity Analysis	5-10
• Industry	5-8
• Environment	8-10
• Competitive	9-10
• SWOT Analysis	11-12
Marketing Strategy	13-16
• Product	13-14
• Pricing	15
• Promotion.....	15-16
• Place	16
Management Team	16-18
Benefits to the community	18-19
Financial Review	19
Exit Strategy	20
Works Cited	21-23

Mission Statement

\$mart \$hop app brings the customer back to the store and keep the community close. While finding ways to save while shopping.

Vision statement

Bringing shopping back to its core while a touch of button helps you save. Visiting the stores while saving money and time.

Core Values

Never losing touch with the community the store serve while preserving the jobs they create.

Executive Summary

Have you ever gone to a mall to find an outfit for the perfect occasion? Wanting to look just right for the special night, or have you needed that professional look to get the job. It seems simple to just go out and buy the stuff right? Sometime you find the right sweater and then a week later you go back to the same store and that perfect sweater is now twenty five percent off. That perfect sweater is not so perfect anymore. How many times have you seen an awesome deal online from one of those up and coming online only sites. You see something you have always wanted and you purchase it only to find that it two sizes too big or small. What if there was an app to show you all the deals in your area and even better when you get there you get the same awesome deal you had online but now you are in complete control on what you buy, and even better you try it on in the store before you put it in the basket. The \$mart \$hop app helps you find the perfect fit for the perfect price. \$mart \$hop app not only helps the consumer but helps local businesses you may have never heard about. Giving great deal and bringing the customers in the store. For local businesses one of the toughest things is bringing the customer in the store. With

online shopping toppling 2.4 trillion in 2018 and a steady 6-8% increase each of the last 9 years as said on (Invescpro.com) the article By Khalid Salehe. It safe to say that the peak has yet to be made on online shopping. This is the new normal. But with \$mart \$hop app it helps the customers search online for the deals they want and brings them in the store to see all merchandise and live experience. Not to mention allow location on the \$mart \$hop app and unlock a special gift each time, in each store. In recent years show a steady decline in brick and mortar purchasing and jobs being lost due to a number of “consumers don't see the need to go to stores at all” said on Time.com article by Josh Sanburn.”why death of mall ARE MORE THAN ABOUT SHOPPING” . \$smart \$hop gives the business chances to grow in the new online era. With online retail growing each year and job demand increases who is the next big box store retailer to bite the dust? How many jobs can be lost in this? With jobs lost this means no payroll, no taxes being paid, no purchases from those who lost their job, and decline in economy. We decided to take action and help business and customers at the same time. \$mart \$hop is application one downloads to their phone tablet or mobile device. You simply download the app enter you zip code and local store pop up in your area. If you are out of town set location to be updated when you travel. Enter the store and \$mart will ask you to check into your location. Once you did that a special gift will unlock. The gift can be anywhere from free, percentage off, bogo, coupon for the next time you come in or gives you secret friends and family deals. You see all weekly ads for stores in your area. At the mall and need to know who has the cheapest jeans on sale? Enter the zip code and plan out you map before you arrive to get the best parking and make you experience great. Using \$mart \$hop save you money and allows better planning and

more shopping. Who doesn't love that? Go to your mobile device now and download the \$mart \$hop app and start your experience now.

Company description/ Background and Track Record

Background of the company

\$mart \$hop corporation we bring the customers back to the stores and face to face connections reestablished in local communities. With large box store corporations our app allows users to access local ads in their current location or search nearby areas as well. Since we are fairly new company established in 2018, we started off with local ads from individual stores and now have grown to more than 1475 stores in southern California and Nevada. We have increased customer sales at an ongoing rate that consistently increased. In these areas we have gotten people to increase brick and mortar sales by total 18% increase in local areas. So much that stores have had to hire additional help for the traffic. We are committed to bring our communities closer not by just giving them great ways to shop and save money while looking great. But also see the faces of the companies that work in these stores. All while giving the business the foot traffic they need to keep the doors open without having to rely on their marketing team or have very expensive ads that cut into the bottom line. \$mart \$hop app finds ways to bring business and customer together again like in the past but also uses new technology and proprietary algorithms that companies can use to satisfy the consumer needs, wants and demands. We care about our community and the relationships that builds it. We will continue to strive to make the best user experience while saving money at the same time.

\$mart \$hop was started in Fontana, Ca when classmates started thinking up of new ways to help the community, new innovative ideas, to create entrepreneurship that will change lives for the

good. Mike (CEO) seen the need in nearby mall and brought this to his classmates and the idea took off from there. The group quickly formed a team hit the ground running. The company is now evaluated at \$350,000 thousand and is growing more and more every day. Now all team members are chiefs' managers of the company and is thriving.

Opportunity Analysis and Research

Industry Analysis

90% of Retail Shopping takes place in stores. In order to increase sales, brick and mortar shops like to keep their space minimal, they do not like having mannequins, and they are always changing the structure of the store. On the other hand, other brick and mortar stores such as Forever 21 or Charlotte Russe are decreasing revenue, because their fast fashion is not as appealing as other fast fashion online stores such as fashion Nova. Many of Instagram stores do well in business because they have close relationships with their consumers. For example, Instagram stores share pictures of their customers on their Instagram pages and many of these Instagram stores allow their consumers to be on their PR list, where they send them clothes for free, give them a promo code to share with their followers, all in all they make consumers feel included in their brand and feed into the attention consumers desire from stores they shop at. The shops also engage in all of their consumers posts by commenting, when consumers share their clothing online. Brick and Mortar stores are on a downward spiral. It is estimated that more than 75,000 brick-and-mortar stores are likely to shut down by 2026 (<https://www.pymnts.com/tag/UBS/>). Unfortunately, because of these statistics, not only are companies losing money, but they are losing hundreds and hundreds of employees. Many of

these employees have only ever worked in the retail industry or are in need of supplemental income.

In the United States, online mobile app shopping increased 70% from 2016. With this steady growth, many brick-and-mortar stores decreased foot traffic by 1%, but that one percent accounts for 8,000 brick-and-mortar stores. Seventy-seven percent of shoppers use their mobile during in-store shopping sessions. Americans are also 10x times more likely to utilize their mobile app coupon vs. a print copy.

Advantages of Physical Stores:

The advantage physical stores have over other online stores is that physical stores have physical employees there to help answer their customers questions or concerns. Customers can also see the inventory, many times when you buy online you can only read the reviews and description of the merchandise, but it is much better to see the merchandise in person, not only that but you can actually try on the merchandise. More advantages would be the experience you have in stores when shopping with your family, there are no shipping costs, you can avoid complex returns and you can obtain the item right away.

How much does a retail store pay for marketing?

A successful retail store pays around 3% to 5% of its revenue to marketing. If a business pays more than 5% then your business is based solely on Advertising. On the other hand, if you pay less than 3% then your retail store will not have much exposure or be as present.

How to increase Foot Traffic:

Have an online site, but give the option to consumers to ship their items to the store. Studies show 50% of online consumers, opted to having their items shipped to the store because it is free. Additionally, 45% of those consumers ended up buying more merchandise in store. A guarantee to increase foot traffic in the store is by connecting people, so in order for our app to increase foot traffic in stores (and to guarantee customers are using our app) we can add a page where customers can share pictures of them shopping or take a pictures of them with the deal and can add their location to share to other people on our app. Social Media sites such as Facebook or Instagram do it, you can add your location for other people to see. It'll be beneficial because you'll be connecting local people together to shop for that store discount. Our app can have special promotions for loyal customers, for example every month Marshall's would hold a private event for loyal customers in which Marshall's will open 2 hours earlier and the consumers can come in and shop while enjoying free coffee or snacks. Victoria Secret also holds private shopping events for their registered customers in which the store is only open for them (not the public) and they can shop special promotions. The ultimate best way to increase foot traffic in stores is by building relationships with your consumers and acknowledging their loyalty to your store.

Working in retail:

When working in retail, you rarely get hours. When I was working at Carter's Oshkosh Bgosh, the most I worked a week was 10 hours. Then when I worked at Marshall's, the most hours I would get were 10 to 12 hours a week. Moreover, working a very low amount of hours does not provide enough money to make a living. There has been a loss of 26,000 jobs in retail

this year. Furthermore, there has specifically been a loss of 18,000 jobs in clothing and clothing accessories stores only in the year 2019.

Environmental Analysis

In 2018, total app usage increased by 50% between 2016 and 2018 globally, taking the total to around 1350 billion hours used (<https://www.businessofapps.com/data/app-statistics/>). In the US, that accounts for over 2 ½ hours per person, per day. And with over 265 million Americans owning a phone, the opportunity to market on websites they currently use, i.e. Facebook (the most downloaded and used app in the world), is great! The consumers are ready for the Smart Shop app that will let them know what discounts are near them, or simply base it off of what they have browsed by utilizing the cookie on their phone.

Smart \$hop will work with the vendors to ensure foot traffic increases based on the sales and discounts they want promoted. At least 12% of consumers utilize their phone to pay for the transaction, because of commodity and convenience or rewards that are offered for using the service. Consumers and vendors alike are ready for the one-stop-shop solution to aid the ever declining foot traffic in retail stores crisis.

Smart Shop will have customer databases that can be sorted according to customer location. Smart \$hop will go out to subscribers in any area, advertising any place you want to go and get a discount to a large local audience. It also benefits that coupons offers are sent to thousands of subscribers, and are visible to everybody who visits our app. Coupons are sometimes known as “social coupon websites” because of the role that customers play in spreading information about good deals. Many deals go viral, as customers post details like sharing your location online such as on Instagram or Facebook. It is also very effective at

attracting new customers, who will certainly boost the sales. Once new customer visits our app and start looking for any area the customer wants to find for a discount customer will get everything they have in there and also, we have an opportunity to turn them into a repeat customer. It helps to speedy promotion when operate quickly compared to traditional marketing. An offer can be sent immediately to the inboxes of thousands of subscribers. It helps to speedy sales because subscribers can purchase a coupon as soon as they read about our discounts and people can take a picture of the discount or themselves shopping, post it to our app, and share their location. That way we can guarantee that customers are using our app and we are increasing foot traffic in stores. Coupon offers are easy to track, so you can count the number of people who redeem a particular offer. The financial systems should then allow us to calculate how much money each coupon customer has spent, including the value of the coupon and any extra purchases. It is beneficial to the customer because aside of them knowing they have contributed positively to our environment. An increase in environmental awareness will aid the company in growing simply by giving customers the knowledge that Smart \$hop is doing their job in sustainable market.

Competitive Analysis

- **Simon Guest Services**

1. Offers a mall map with locations
2. Provides phone numbers and store hours
3. Mens and women categories

- Weakness: Only provides with store information such as hours and open and closing times.

- **Buxbo**

1. Shows deals for places around me such as Jack in the box, WSS, Little caesars, Harbor freight.
2. Has a wallet feature
3. Has a categories feature

- Weakness: Poor app visuals, does not include other stores.

- **Retail Me Not**

1. Has a good interface
2. User login
3. Suggestions categories
4. Mainly coupons

- Weakness: Again does not provide with instore sells.

- **Shopular**

1. Cash Back Features
2. Search features
3. Gifting Options and selections
4. Many deals to show upon opening

- Weakness: Does not have an entire outlet or specific plaza's/town centers.

- Poor app visuals, complications using the application.

SWOT Analysis

Internal Strengths

- It is an application designed to include all retail stores in your surrounding area, so the application will not be limited to only one or some stores.
- The application is personalized, so only your preferred retail stores will show up.
- The application has a rewards program feature in which you can earn personalized coupons.
- It is a low cost leader, because the application gives it's consumers coupons to utilize in retail stores.
- Our team members have had previous work experience within the retail industry, so they know what is causing a decrease in foot traffic.
- The subscription businesses will pay comes with a free trial and it much cheaper than the marketing they already pay for.

Internal weaknesses

- We have a lack of reputation, because our launch has barely launched and it has not had the exposure needed to target many consumers or businesses.
- Moreover, since we would want our application to grow as much as it can we will have to hire new people in which it will take time to train them about our company values and organization.
- We will only have one type of subscription to offer companies which would be for them to promote their in store coupons on our site.

- The application is solely based on retail stores, so there's a chance some store would not like to join our application.

External Opportunities

- We have a strong online presence to get in touch with our customers.
- Some consumers find it more convenient to shop at physical stores, so they can examine the product and our application will offer them a coupon to the retail store as well.
- We can have consumers who will post to coupon from our application to their social media, which will then expose our application. Moreover, it will turn to free marketing for us.

External Threats

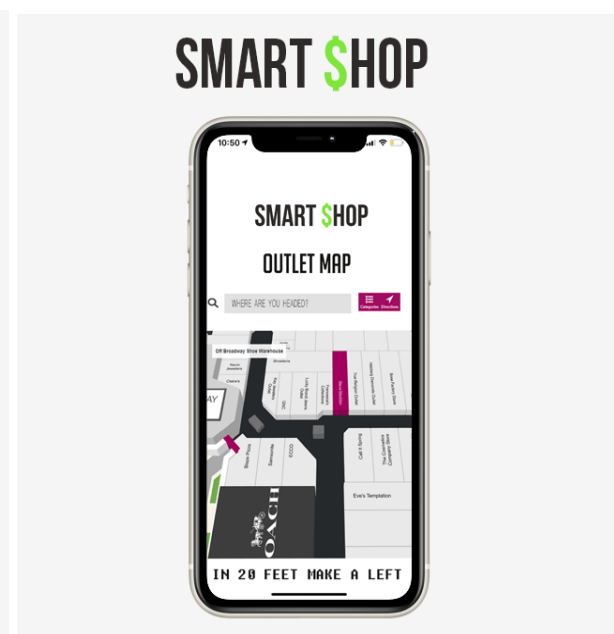
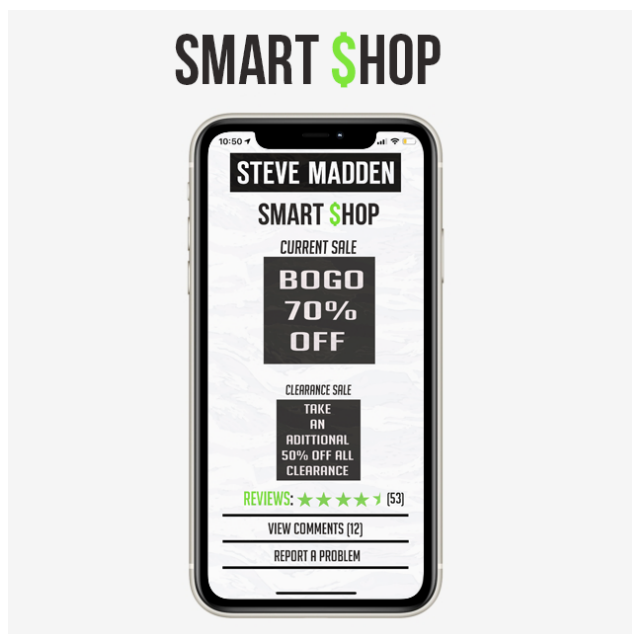
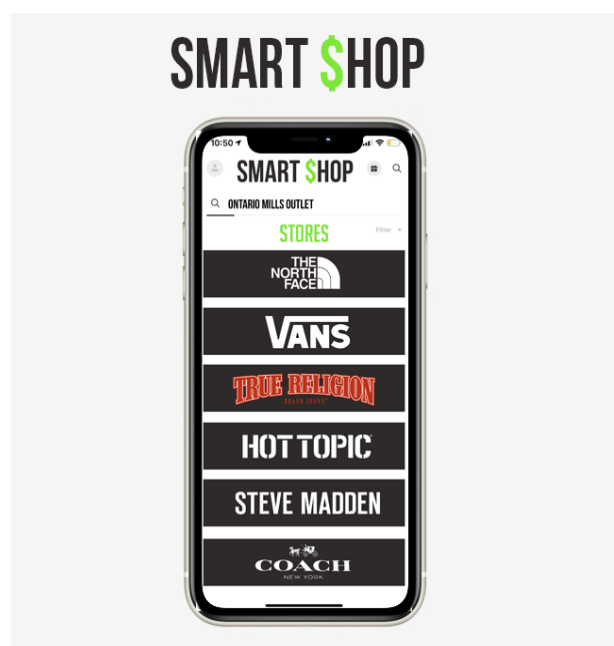
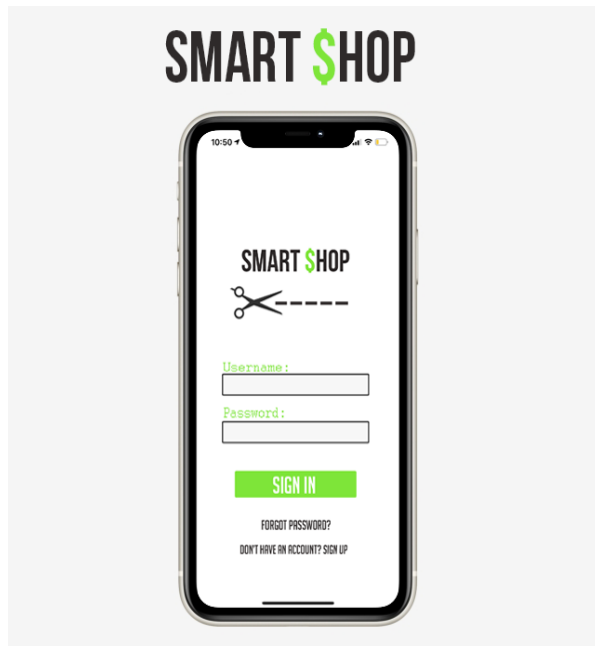
- Online shopping is growing, so maybe our application will not attract those customers who shop online.
- Retail stores can find ways to improve their own store application for their loyal customers.
- If a consumer checks into the store using our application, we can make a profit. However, the profit might not always be promised because consumers can forget to check into the application.
- Some customers will not want to allow access to their location, in which they will receive coupons from retail stores that are not local.

Marketing Strategy

Product

Overall, Smart \$hop is an app designed to help one save money while shopping. First and foremost, you can unlock personalized Smart \$hop deals by checking into the store or you can unlock personalized Smart \$hop deals by taking a photo of yourself in the store, uploading it to the app, and adding your current location to advise other users of the store sale. Moreover, the application asks you to share your location in which it will read your location and alert you of any sales nearby. It always recommends sales based on your preference or recent search history. When signing up for the application it gives you the option of signing up with your email or phone number and the most beneficial thing about it, is you can control the notifications you receive. We understand how maddening it can be having a store send you tons of emails everyday. However, with Smart \$hop you will be able to control the frequency of the notification you receive, you can chose to receive notifications daily, weekly, or monthly. Another feature the application has, is that it shows you how much money you have saved using Smart \$hop each time you use our application. Not only that, but we also feature a reward system in which for every ten coupons you use from our application, you will receive a personalized Smart \$hop coupon or reward, which can range from \$10 off to a buy one get one free. Moreover, another feature will be rating specific outlet store deals and giving input in the remark segment underneath each store. We needed to make the application satisfying to the eye and easy to utilize. The client will have the option to see the whole shopping center outlets deals with the push of a button without strolling around attempting to find the stores and go to and from to think about the two. The application will have an element to include a portion of your preferred

stores to be informed when a deal is changed or a superior arrangement turns out. We likewise plan to incorporate a shopping center guide to assist you with finding a particular store with on feet route estimating from feet.



Pricing

We desire our consumers to have the opportunity to save the most money while using Smart \$hop, so we plan on keeping our application free to consumers. However, in order for us to make money we plan on giving businesses a subscription for promoting their business. Furthermore, when our application launches we plan on offering businesses the opportunity of a three month trial so they can test the waters and see the progress of our application. Moreover, if they would like to continue using our application for promotion, we will charge a subscription. Additionally, businesses tend to pay 3% to 5% on their companies revenue to Marketing. With that being said, we will sell our subscription to 1.5% to 2% of the businesses' revenue. So, if a businesses' revenues is 12,000 monthly, we will charge a subscription range from 180 to 240 monthly. Furthermore in order for the application to make money, we will have a guaranteed income from the subscription for businesses. Continually, in order for the application to make money we plan on earning a 15% profit if a consumer chooses to use our application. We will also allow our businesses to showcase their advertisements on our application, in which we will charge \$100 a month, because our business is only growing, but once it starts having more users our advertisement cost will be much higher.

Promotion

When it comes to promotion for Smart \$hop our ideas are endless. We plan on promoting the application through social media either Facebook or Instagram. To promote on Facebook we can choose from either cost per click (CPC) which is an average cost of \$0.27 or we can do cost per thousand impressions (CPM) which is an average cost of \$11.29 (Blue Corona). Next, we also plan on advertising on local malls or shopping centers. For example, Ontario Mills which is

a Simon Outlet Center sells booklets filled with coupons for \$10. However, we will inform consumers we have a greater advantage by offering a free application and the application being eco-friendly as well. Moreover, while working in retail businesses were able to leave their business cards or flyers at the store's cash wrap, so we plan on leaving our flyers on the cash wrap for consumers to see while they are purchasing items. We also plan on launching Smart \$hop locally and when it shows a positive effect and review we will expand our application.

Place

Smart \$hop is a potential and easy access with coupons and sales as an online application establishment. The ideal location for our venue establishment is in our app "Smart \$hop" in Google PlayStore and Apple Store where you can get a lot of promotions and coupons to enjoy your purchasing and saving time and a lot of money.

Management Team

- **Michael Yoshioka (Chief Executive Officer)**

As CEO, Mike was the creator and brainchild of his vision to bring customers back to business and making it worth their while as giving the discounts online to the store fronts. Holding the value in hand with every move Smart \$hop makes.

- **Paul Gehres (Chief Financial Officer)**

Bringing experience and team first mentality the CFO is the right hand to the CEO at \$mart \$hop and helps with day to day operations and manages to financial aspect of the growing business with new ways to make money and bring community and business back together.

- **Rebeca Olivas (Chief Operating Officer)**

Rebeca brings operating experience from an array of various jobs. She handles daily operations executes plans and helps the CEO and CFO with major decisions regarding the company's future. She helps juggle all obstacles that come up in the business.

- **Ashley Larrondo (Chief Technical Officer)**

As CTO Ashley has helped with the development of the app. She helps all officers with daily tech needs and helps make life easier on all staff members. Overseas the app and the programming of the app and keeps up the function and never lets the app fall short of the highest expectation.

- **Jasmine Zavala (Chief Marketing Officer)**

Marketing is one key aspect here at \$mart \$hop. Jasmine has helped with engaging the team keeping up the customers and expanding bringing in big retailers to use the app.

- **Liuaiki Medina(Chief Experience Officer)**

Liuaiki(Waki) known by her peers. She handle experience through out the corporation. She is where she is needed at the time. She helps with upcoming employees and helps bring them up to speed. At Smart Shop experience is needed and Waki bring this to the table as well as spot upcoming talent.

- **Vivian Gastelum(Chief Information Officer)**

The information officer is key to keeping information fluid throughout the corporation. Vivian excels at this and is a key piece to our information highway. She keeps us up to date engaged and keeps the customers and business up to date with new updates and changes to our network.

Benefits to the community

Smart Shop is a new way to shop in stores and save. Not only does the app help you save but also helps the community they are in. Getting out to the stores and saving helps people discover new store in their area. Helps the local economy and creates new jobs while discounts are given out and new in-store experiences are created. While technology increases face-to-face communication should not suffer. Smart Shop is dedicated to help bring the customers back to the store to experience new ways to shop. While more customers increase local economies growth with the same people that shop in them work in them.

There has currently been a loss of 26,000 jobs in retail due to the increase of online shopping. However, with the application Smart Shop, we plan on increasing the foot traffic in physical stores, which will overall bring more jobs to those in retail. Not only that, but the hours are limited to those working in retail, in which we also plan to improve the weekly hours

employees are given. So instead of retail employees working part time hours such as 10 to 12 a week, we can increase them to full time hours which will be 35 to 40 hours.

Financial Review

Startup Expenses	Estimated Amount
Development	\$25,000
Maintenance	\$48,000
Design	\$2,000
Logo	\$500
Promotional Ads.	\$100,000
Contractors	\$30,000
Insurance	\$12,000
Research	\$12,000
Wages	\$75,000
Total Startup Expenses	\$304,500

Exit Strategy

Smart Shop is seeking an investment funding of \$75,000 for 20% of our company. We are confident in the projected growth that Smart \$hop will encounter as it garners a consecutive and successful introduction into the world of shopping consumers using the services. Upon many seasons of statistical analysis and information from our board of directors and investors, we will attempt an acquisition. This ensures that larger buyers - specifically in the malls and outlets - can see the progress of the app and want to invest in it. Selling Smart \$hop to larger investors that work directly in the mall/outlets will guarantee that the app's original purpose and audience are still being served, just on a much larger scale.

WORKS CITED

Ripe Media, *How Much Does It Cost to Make an App by Yourself?* (2018, november 15).

Retrieved from Ripemedia.com:

<https://www.ripemedia.com/how-much-does-it-cost-to-make-an-app-yourself/>

Roy Chomko, *Maintaining an app is critical to its overall success* (2012, May 25).

Retrieved from feircewireless.com:

<https://www.fiercewireless.com/developer/maintaining-app-critical-to-its-overall-success>

Saleh, K. (2019, November 6). *Global Online Retail Spending*. Retrieved (December 14, 2019)

from <https://www.invespcro.com/blog/author/khalid>

Sherman, *Average Advertising Costs to Know Before You Start Marketing Your Business*, (2019, October 31). Retrieved from LyfeMarketing.com:

<https://www.lyfemarketing.com/blog/average-advertising-costs/>

Sanburn, J. (2017, July 20). *Why the Death of Malls Is About More Than Shopping*. Retrieved

(December 14, 2019) from <https://time.com/author/josh-sanburn/>

Bain, M. (2018, July 29). Fashion Nova conquered Instagram by embracing the "thirst trap". Retrieved from <https://qz.com/quartz/1341992/fashion-nova-conquered-instagram-by-embracing-the-thirst-trap/>.

Bogdan, A. (2019, May 7). How to Increase Foot Traffic With Social Media. Retrieved from <https://promorepublic.com/en/blog/increase-foot-traffic-social-media/>.

Corpuz, J. (2019, December 11). The Best Shopping Apps for Coupons, Price Comparisons and Deals. Retrieved from <https://www.tomsguide.com/us/pictures-story/910-best-shopping-apps.html>.

Current Employment Statistics Highlights. (2019, December 6). Retrieved from <https://www.bls.gov/web/empsit/ceshighlights.pdf>.

Jeremy. (2018, November 9). Online Store vs. Physical Store - What's The Difference? Retrieved from <https://www.websitebuilderexpert.com/blog/online-store-vs-physical-store-whats-the-difference/>.

Maheshwari, S. (2019, September 30). Forever 21 Bankruptcy Signals a Shift in Consumer Tastes. Retrieved from <https://www.nytimes.com/2019/09/29/business/forever-21-bankruptcy.amp.html>.

McLeod , B. (2017, March 9). How Much Does it Cost to Advertise on Facebook? Retrieved from <https://www.bluecorona.com/blog/how-much-facebook-advertising-costs>.

Nicasio, F. G. (2019, July 11). How To Drive Foot Traffic To Your Retail Store [17 Ways]. Retrieved from <https://www.vendhq.com/blog/foot-traffic-retail-store/>.

Zeiger, S. (2019, March 4). The Pros & Cons of a Retail Store Vs. an Online Store.

Retrieved from

<https://smallbusiness.chron.com/pros-cons-retail-store-vs-online-store-40789.html>.