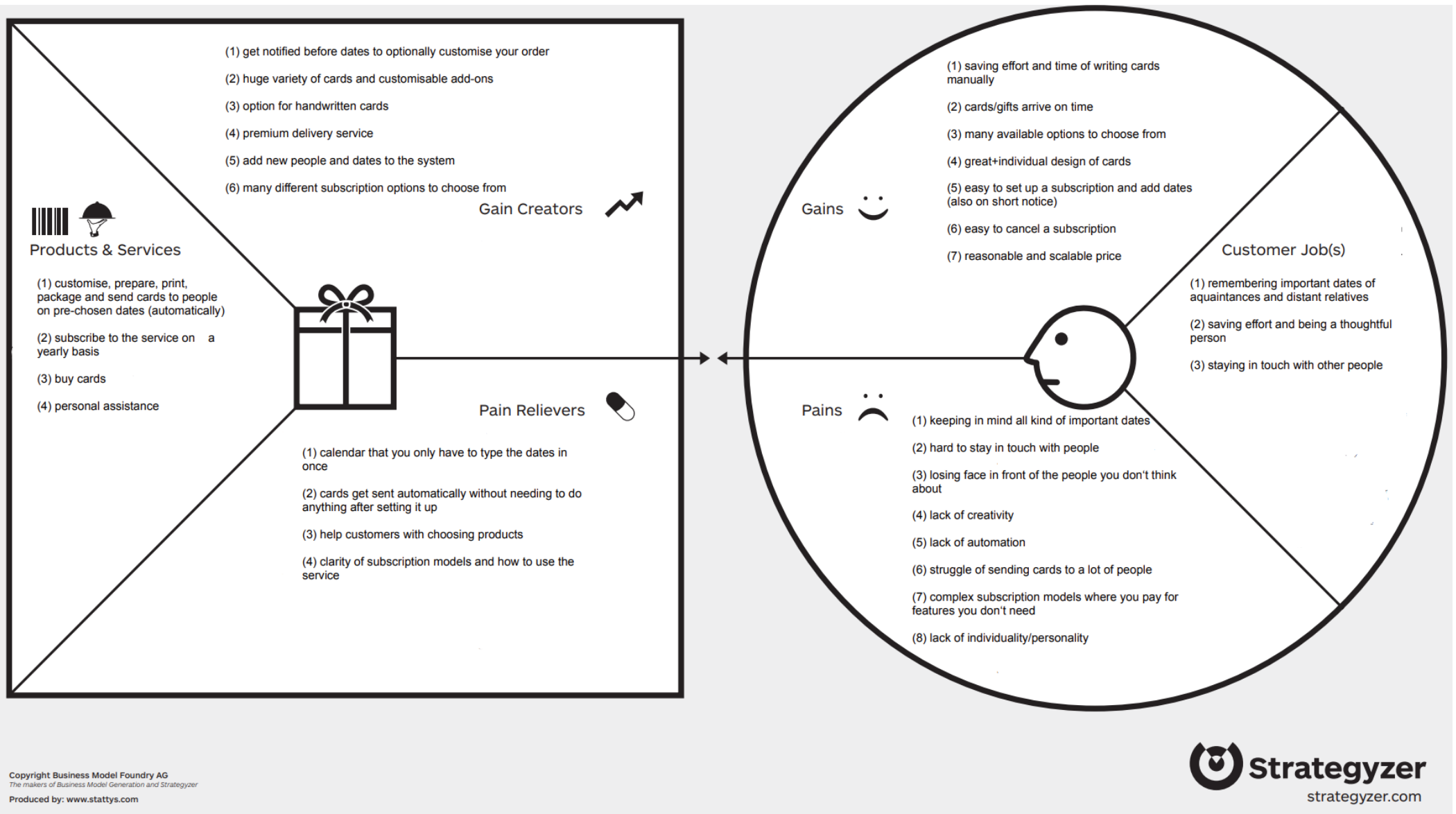




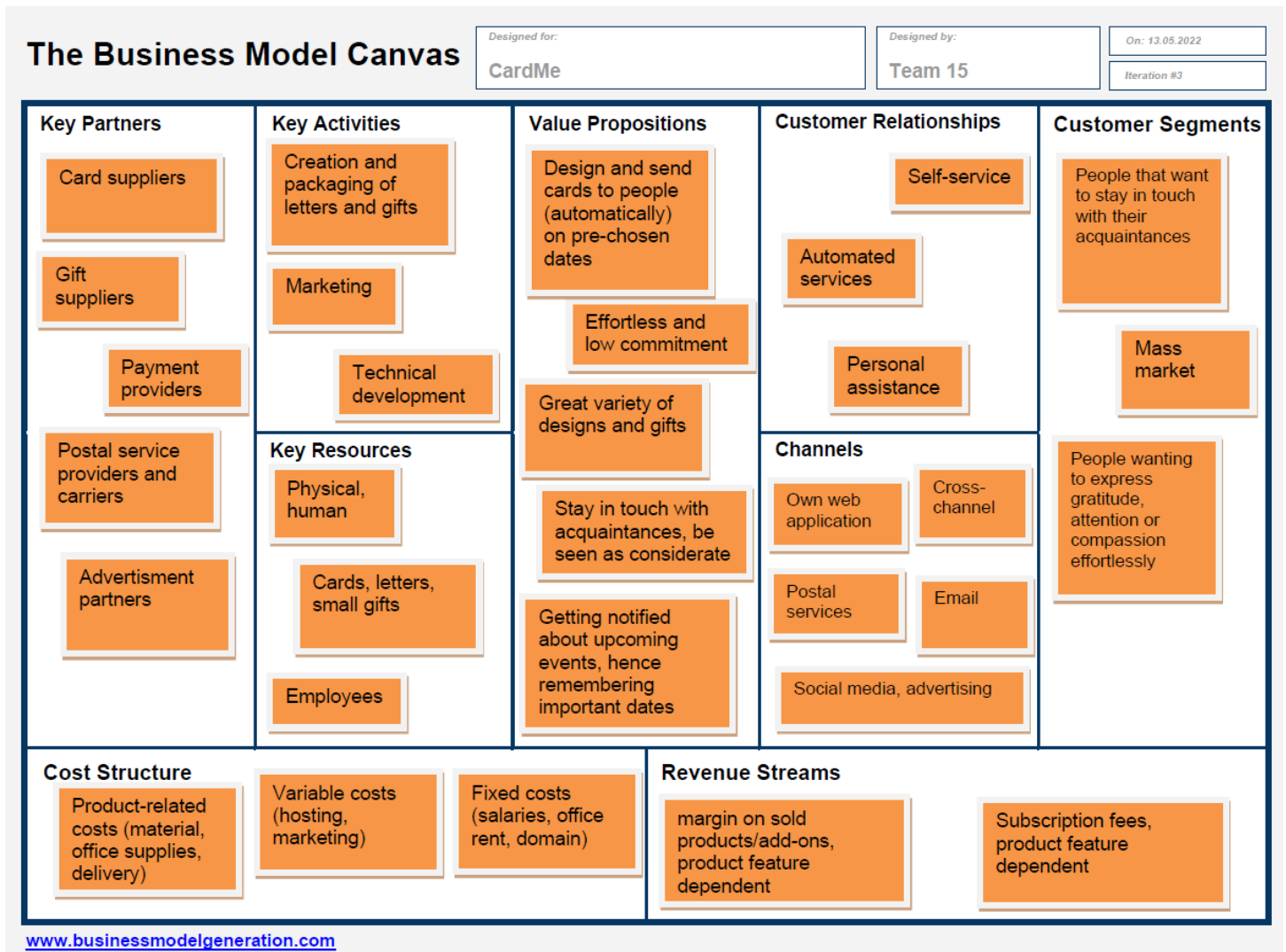
Business Idea

CardME is a subscription service to help individuals to stay in touch, show attention and remember special occasions from acquaintances with thoughtful, customisable cards and additional small gifts.

Value Proposition Canvas (VPC)



Business Model Canvas (BMC)



Detailed Business Model

1. Customer Segments

Our application targets the **mass market** customer segment appealing to anyone that wants to send gift cards and small presents both for special occasions or just as a small gift to say thank you. These are **people that want to stay in touch with their contacts and acquaintances** by giving them caring attention. Our customer segment also includes customers who want to remember important events such as birthdays or Mother's Day without spending too much time and effort managing all the appointments themselves.

With our business model we want to cater to different pain points of our customers. The most important problems of the customer that we address are remembering important dates of others, the difficulty to keep in touch with their network, being disgraced when missing important dates (e.g. birthday) of acquaintances or simply being less creative. For other potential customers, the process of purchasing, writing and dispatching a card is not automated enough and therefore they struggle to show their appreciation to a large number of people. Other customers find that sending basic cards isn't personal enough. Another challenge of our customer segments is to find a good balance between not having enough features and having too many features that are not even used.

Besides the issues that our customers have, there are also gains that our potential customers appreciate. The most important gains are **saving time and effort**, not having to handwrite on the cards, timely delivery, a wide selection of cards and unlimited possibilities to design the cards attractively and individually. Our customers are delighted with a subscription that is straightforward to set up, but at the same time simple to cancel. Our customer segment wants to benefit from justified and scalable pricing.

An example of a possible customer may be a mother who wants to send very personalised Christmas cards with small gifts every year, and with the help of the website, the organisation will be much easier. On the other hand, a possible customer can also be a personal assistant wanting to send a large amount of minimally personalised cards to other employees without any effort and wishes to outsource the process. Hence, our service focuses on thoughtful individuals that want to stay connected to their peers in an effortless way.

2. Value Proposition

With our service, the customer can **buy and send physical cards to people (automatically) on a pre-chosen date** as a gift or to merely show gratitude, attention, compassion or stay in touch. The process can be automated to varying degrees through various features of our service, for instance offering the possibility to store the dates (e.g. birthday) and addresses of acquaintances in the system. This offers the customer a flexible organisation, for example to send cards automatically in defined periods. To ensure that every need is met, in addition to simply purchasing a card from our store, the customer can also optionally customise it on both sides (front and back), use the designs we offer or get personal assistance to create the card.

From the simple purchase of a card to the highly automated process of sending a card, every use case is covered.

The following values relieve our customer segment of their previous challenges. Our service is about **reducing the effort** of keeping in mind all the important dates of different people, hence having an integrated calendar that is not only used to send the cards at the right time but also to give the customer the option to be notified when the dates are approaching. Since the cards are sent automatically, the customer does not have to do anything after setting up the subscription and can even choose the amount of notifications they receive to further **lessen any type of responsibility**. Personal assistance is offered to help the customer through the process of creating a well-designed card that is individually fitted to all their needs. In order to optimise the customer experience of our service we aim to give the customer full clarity of the subscription models and how to use the service.

Besides addressing challenges, our customers are enriched with various gains. To start with, we offer a **huge variety of different card styles** (like colour, prints, pictures, fonts and envelopes) and a text field that can be used to specify the message on the card. Certain types are already included in the default subscription model but other types are defined as payable add-ons. Therefore, the cards range from the most basic design with a simple message or no message at all to very luxurious and detailed designs with hand-written messages and attached gifts. Before the card is sent out e.g. every year the customer receives a notification for the option to adjust the card. Otherwise the service uses the last-used settings or a slight variation of them depending on what the customer has specified. Before sending the card there is also an option to choose a premium-delivery hence speeding up the whole process. The customer can also add new subscriptions, from many different ones we offer, with new cards to their accounts whenever they wish to. The process is introduced intuitively on the website, so that the customer can design their cards without complications. The subscription is easy to order, transparently billed and there is always the option to cancel the subscription at any point in time. As the last point, there is a possibility for the customer to save new persons with the necessary data such as address and date of delivery. With all these options the goal of showing gratitude or attention can be accomplished and our customers can get a good feeling for making somebody else happy.

3. Customer Relationships

Since our service covers many different use cases, the customer relationship is both a **self-service** and an **automated service**. The self-service is that customers can design and order their own cards at any time, and the automated service is that the process in general does not include any (personal) interaction between the customer and our employees. In addition, our service also establishes a personal care relationship with customers by offering **personal assistance** via telephone as an additional service. More specifically, with the help of our creative employees, we find just the right card, words and gift for the occasion. This service is restricted by office hours and capacities.

4. Channels

There are five defined channel phases which are awareness, evaluation, purchase, delivery and after sales. To motivate people to order on our platform, awareness must be raised using channels as customer touch points. Our customer segment is reached by using cross-channel marketing, i.e. the interaction of different channels. The channels used are various **social media platforms and website advertising**. To evaluate our value proposition the customer just needs to go to our **website** and find all useful information about how the service works and what it costs. Additionally, we will encourage users to rate us on external **service rating platforms** so other users can evaluate our proposition more easily. The purchase will be conducted on our **application** and the delivery will be done via **postal services and carriers**. In the after sales area we will provide customer support via **email** to inform the customer about the delivery and ask for feedback.

5. Key Activities

Our key activities are the **creation** (printing, bundling etc.) **and packaging** of letters and gifts customised and bundled by the customer. Besides that, other key activities lie in the **technical development and enhancement** of our (web) platform as the main interface of customization and driver of sales. To provide an ever-growing **selection** of card designs and thoughtful gifts we also continuously monitor and expand our product line. Beyond the selection of available products the **marketing** of our application is also part of our key activities.

6. Key Resources

Our key resources are **physical and human**. To fulfil our value proposition we need a great variety of physical **cards, letters and small gifts**. Furthermore we need the help of our **employees** to bundle, package and send the orders. Also the customer support and the development is done by our employees.

7. Key Partners

To provide our service we rely on multiple partners and suppliers. First and foremost the **suppliers of the letters and cards** we offer our customers as options. These partners range from local shops for individualised cards to large (online) retailers. For the additional gifts which are offered as add-ons, we partner with **gift suppliers** i.e. retailers for stationary, sweets or gift cards. To securely process payments we integrate **payment providers** into our web application. Examples for such payment providers could be PayPal or Stripe. After the successful checkout we fulfil the orders with the help of **postal services and carriers**. Their employed services range from standard letters, over express service to insured delivery. Also the partner for renting the printers should be mentioned here as equally important in the fulfilment process. To foster growth we place advertisements on different channels, therefore we also rely on **advertisement and social media platforms**.

8. Cost Structure

As our project focuses on creating value for our customers with a great variety of cards and gifts and a premium but easy to use personalised service offering, our overall business is value-driven. The main costs of operation are **product related costs** such as material (cards, gifts, etc.), office supplies (ink, envelopes, etc.) and delivery costs. Also part of the product related costs are duties to payment providers. To start operations we need to invest into IT for our employees and accommodate costs associated with the foundation (legal fees, duties, lawyers etc.). Our fixed costs are **salaries, office rent and telecommunication fees** (domain, telephone, internet). Costs such as energy, heating and water are variable and supplementary to the office rent. Development is conducted in-house therefore these costs are mainly part of the salaries for our IT staff. The imprinting of cards is also done in-house but on rented printers, therefore constituting fixed costs. **Hosting** is among the variable costs incurred as the requirements can change depending on the amount of traffic on our site (pay per use). In addition, the **marketing** costs are also part of the variable costs.

9. Revenue Streams

Our main revenue stream is the margin on the **asset sale**. For offering one time deliveries we charge a premium for every order. The premium is dependent on the chosen cards, additional gifts and services. Another revenue stream lies in **subscription fees** for recurring deliveries. The customer hereby decides on different bundles. These bundles can be further customised therefore the subscription fee the customer has to pay depends on the product features he chooses.

Mapping to Business Model Categories

Our business strategy can be assigned to both the Merchant model and the Subscription model, so it is a combination of both.

The assignment to the Merchant Model is based on the fact that we are a retailer of goods with the sale of postcards and optional small gifts, as well as a retailer of services with the printing of individual cards or handling of the delivery of cards. As a merchant, the sales are based on list prices, in our case based on the prices of the cards, printing and gifts. In addition, as a distributor, we are involved in distribution by coming up with a business strategy to promote sales and optimise pricing. More specifically, we are a virtual merchant or even called e-tailer, since we act as a retail merchant solely connecting to the customer via the web.

Mainly, our strategy falls under the merchant model as described but we also offer a subscription feature to automatically send cards in an individually defined period (e.g. one year for birthdays). Different subscription models are possible by choosing different bundles that vary in the number of cards and gifts. Customers are charged on an annual basis when they subscribe to our service. Thus, our business strategy can additionally be assigned to the Subscription Model. But more precisely, our business strategy can be mapped to a subscription product, where the customer pays for access to a product as a subscription and pays in a recurring period, as in our case.