**TECHNICAL UNIVERSITY OF KENYA**

**PROJECT A: CONCEPT PAPER**

**NAME: DAVID MORGAN BUSURU**

**ADM: SCCF/05705P/2022**

# 1.Title

Shop-Ease: A Flexible Payment Solution for Electronics

# 2. Brief Overview

E-commerce has revolutionized the way consumers purchase goods, particularly electronics, by offering convenience, variety, and competitive pricing. However, high upfront costs remain a significant barrier for many consumers. Many e-commerce platforms offer credit or financing options, but these often come with high-interest rates and risks of customer default, leading to financial strain for both buyers and sellers.

Existing "Buy Now, Pay Later" (BNPL) systems have been widely adopted by e-commerce platforms to offer more flexible payment options. However, these systems are often accompanied by high-interest rates, making them less desirable for budget-conscious consumers. Furthermore, in the event of a payment default, consumers risk losing both their money and access to the product, while sellers face revenue losses and stock shortages.

# 3. Problem Statement

The high upfront cost of electronics makes them unaffordable for many consumers. While existing financing options allow consumers to pay over time, they come with risks such as interest fees and potential default penalties, which can result in financial loss for both buyers and sellers. There is a need for a more flexible and secure payment solution that allows consumers to make instalment payments while minimizing the risks associated with defaulting on payments.

# 4. Importance of the Research Question

Finding a flexible, affordable, and secure payment solution for electronics is crucial, as it addresses the core issue of accessibility. With the growing reliance on smartphones and home electronics, it is important to provide consumers with an option to purchase these products without the fear of debt or financial loss. This project is worth undertaking because it will create a win-win situation for both buyers and sellers by offering a system that is fair, secure, and accessible. For consumers, it ensures they can access high-quality electronics at a manageable cost. For sellers, it guarantees payment security, reducing the risk of financial loss from defaults.

# 5. Proposed Solution

Shop-Ease proposes a flexible payment system that allows customers to purchase electronics in installment, with the following features:

* **Payment Plan**: Customers will be able to choose an instalment payment plan where they pay over a set period, rather than paying the full amount upfront.
* **Product Hold**: The product will be held by Shop-Ease until the customer completes full payment. This eliminates the risk of sellers losing revenue due to unpaid balances.
* **Default Handling**: In case a customer defaults on their payment plan, they will receive a product (or products) equivalent to the amount they have already paid. This ensures that consumers receive value for their money even if they cannot complete the payment, while sellers avoid losing potential income.
* **No Interest Fees**: To further assist budget-conscious consumers, Shop-Ease will not charge any interest on deferred payments, making it a more attractive and affordable option compared to traditional BNPL solutions.