

Proposal Report

Title: THRIFTED

Prepared for: Daraz

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Submitted To: Ms. Sadia Nauman

THRIFTED

Daraz HR Department 75500 Block 4 Clifton Karachi City, Sindh November 22, 2022

Thrifted, Chief Executive Officer House 11, Blue Area F7 Islamabad, Pakistan

Dear Nida Yousif:

Thrifted is an online application platform which will solve all the problems relating to buying and selling used products. Our application will provide an interacting UI for customers and vendors, enabling faster trading. It will allow the customers to sell their used products to our registered vendors who will refurbish and repair those products and sell it to other interested buyers at an affordable rate.

This concept of buying and selling used products has been around for centuries. However, there are many problems in purchasing and selling faced by the customers and sellers. The sellers have to wait for their potential buyers to approach them and the process itself became a hassle since there are disagreements and bargaining issues. On the other hand, the customers are reluctant to buy a product online as they are scared to get scammed by the seller or the quality and durability of the product might be very low. Our aim through the application is to eliminate all these problems and ensure a smooth flow of buying and selling used products between the customer and sellers.

According to our research and study, Daraz has consistently been in loss for the eight years of its operations in Pakistan. The last years have been all about growth, but it was very expensive. Your website is loaded with traffic but despite eye-popping numbers, Daraz is still running in loss due to the lack of new initiatives to introduce in the market. Share price variations over 5 years has been -57.64 %. Hence, our research ensures that with this initiative, the sales of Daraz will rise exponentially. Attached is the proposal report of our new initiative. If you have any further questions, don't hesitate to reach us out at thriftedcolimited@gmail.com and provide us with your valuable feedback.

Sincerely,

Thrifted

Chief Executive Officer

Enclosure: Proposal

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ABSTRACT

Thrifted is an online application platform which will solve all the problems relating to buying and selling used products. Our application will provide an interacting UI for customers and vendors, enabling faster trading. It will allow the customers to sell their used products to our registered vendors who will refurbish and repair those products and sell it to other interested buyers at an affordable rate. This concept of buying and selling used products has been around for centuries. Recently, a United States study [1] shows that 65% of consumers used online marketplaces to buy used goods. In China, the number of companies' demand and supply has increased [2], but the development in this area has not been done as much as it should have been even though the shift of second-hand trading has shifted to online in various countries which has given a rise to this area. However, there are many problems in purchasing and selling faced by the customers and sellers. The sellers have to wait for their potential buyers to approach them and the process itself became a hassle since there are disagreements and bargaining issues. On the other hand, the customers are reluctant to buy a product online as they are scared to get scammed by the seller or the quality and durability of the product might be very low. Our aim through the application is to eliminate all these problems and ensure a smooth flow of buying and selling used products between the customer and sellers.

INTRODUCTION

Overview

There are a lot of problems faced by people when buying and selling used products online. The following proposal will address those problems and it will provide the solutions to those problems in order to have a smooth flow of buying and selling process.

Background

Online shopping is an exceptional type of electronic commerce also known as eCommerce that associates clients and sellers on all sides of the internet with the utilization of a web browser. Today, browsing online shops that display the range of products, together with images, specifications, and prices to potential customers is rather frequent.

In Pakistan, the e-commerce industry has now existed for about 19 years. Although the first online retailer named Beliscity (launched in 2001) no longer exists, several pioneering shops like Shophive (2005), Symbios (2006), and HomeShopping (2008) still do exist. Rocket Internet made the decision to enter the Pakistani market in 2012. They had already started Azmalo, Daraz, and FoodPanda as first three businesses within the first six months. The Alibaba Group has now bought Daraz.

The oldest player in the online used-products market is OLX, which began operations in Pakistan in 2010 and is still going strong today. Since it first started to operate, OLX has completely changed the e-commerce landscape. Buying and selling have become everyone's fascinating pastime, whether they are housewives, store owners and even dealers. Buyers and sellers can now communicate with one another throughout the nation thanks to websites like OLX.

Statement of Problem

Customers are uncertain as to whether they will receive a proper, error-free, and reasonably priced product when making an online purchase. As a result, Customers have started avoiding online selling as to not be conned online and lose money over fake products. Sellers encounter numerous difficulties when trying to sell products online because they lack the knowledge necessary to effectively market their goods. As a result, they frequently have to wait a long time to find a potential customer. Due to a lack of buyers, this might also lead to sellers not getting paid as much as the item was worth at the time.

According to an article published in DAWN [3] newspaper following are some of the reasons why Pakistanis avoid online selling and buying.

- Inaccurate product listing
- Defective goods
- Replicas and Knockoffs
- Overpricing and fake discounts
- Fraudulent reviews
- lack of product and market knowledge

Need

Daraz has consistently been in loss for the eight years of its operations in Pakistan. They are still three to four years from making profits. The last years have been all about growth, but it was very expensive. They spent almost 100 million dollars in the growth only. There website is loaded with traffic but despite eye-popping numbers, Daraz is still running in loss due to the lack of new initiatives to introduce in the market. Share price variations over 5 years has been -57.64 % [4]. Daraz is not a failure, but they are very slow in their way to success so with this initiative our solution will add value to your marketplace.

Scope

With our research, we aim to find and solve all the problems customers face in online selling and buying different products. Especially when it comes to selling and buying used products online. We have seen that the trend of online shopping has been decreasing recently due to there not being proper reliable services to facilitate this process. We aim to provide your users where they can not only buy used products for a valid price but can also sell their used goods online to your company according to their goods' proper worth. Our service will aim to provide a platform where you will resell the products after refurbishing them if possible, or your company can deconstruct the goods and reuse them as they want in their other products. Thus, this service aims to make the exchange of used goods online efficient and reliable for users directly.

PROPOSED PLAN

Methods

1. Web Application

We will be creating a web application for both the customers and vendors. We will be able to give services to the customers and sellers digitally through this app. This app will be convenient for the customers as they will be able to order from their homes or offices through web. We will keep the UI of this application straight forward in order to make it user-friendly and even elder people would be able to navigate through this app and order for their desired product. The customer will also be able to sell a product which are of no use to them, and the vendors will be able to buy it from them and repair them and then sell it back to the customers. They can also create separate accounts for both the customers and vendors so that they will have an option of selling and buying respectively. We can also add two extra functionalities as well. There will an option of auction on the website in which both the vendors and customers could bid on a product. There will also be an option of trading in which the customers or vendors both can trade different products with each other which will enable quick transaction between both the parties.

2. Mobile Application

In addition to the web application, there will be a mobile application as well for both the customers and vendors. The mobile application will add portability as we know that in this area of technology, majority of the population owns a mobile phone, so they don't have to wait reach their home or office in order to make a purchase or sell a product. These applications will also show how serious the company is regarding this business and will make an impact in the industry and will enable the company to rise to new heights as well. In addition to this, having two applications on two different platforms will satisfy all types of people like people who loves to order from websites will do so through website application and those who love to order from mobile phones can do so using mobile application.

3. Additional features In Web and Mobile Application

a. Points System

There will be a point system in our web and mobile applications. This feature will allow customers to earn points when purchasing a product which can be used to avail various coupons or discounts.

b. Discount On Purchase

There will be a system in which the golden customers will receive special discounts when buying products.

Cost

1. Investment

The initial investment is not that high compared to the finances invested in similar ideas. An approximate value of PKR 25 million would be required to get this business from just an idea to up and running.

First, because Daraz is an online business, we need software engineers and application developers to develop the idea from scratch and get it live. Because of the supposed large database, this application will require complex coding methods. Moreover, this part would take the most amount of time in setting this business up. That is why more coding specialists are required to get this done in just under 6 months. Their demands for working on this sum up to a total of PKR 10 million.

Secondly, we will hire a complete team of experts to work a remote, full-time job. Their initial wages will be a total of PKR 10 million for 6 months (estimated time of completely executing this business).

Finally, every employee will be provided with a computer from this company along with licenses to software which will be used. This will be a total of PKR 5 million.

2. Contracts & Agreements

As our application is basically a rescue service for companies who are in the refurbishing business for many years but still do not have enough customers. We are going to do an

agreement with 5 different companies. In this agreement, the following clauses will be catered:

- The company is bound to use the application after signing this contract.
- They are not allowed to contact the users of our application with any other platform.
- They are bound to give 15% share to us.
- In case there is any issue with the application our company will try to resolve the issue in 24 hours.
- We will take feedback from customers quarterly and in case of any complaint we can annul the agreement.
- If any company has a complaint against a customer, we will handle the whole situation and will provide the necessary help.

3. Hardware And Software

The most important asset required in the software/application of our business as it is completely online. This application will have cloud servers. Along with mobile applications, a website will also be needed for PC users.

A bulk order of Core i5 (11th gen), 512 TB SSD and 8 GB RAM is required for all the employees.

Wages And Salaries:

Software Designers	Rs 1,000,000
Application Designers	Rs 1,000,000
Code Specialists	Rs 1,000,000
Cloud Server	Rs 500,000
Production staff	Rs 200,000
Editor-in-Chief	Rs 100,000
Art Director	Rs 200,000
Business Manager	Rs 500,000
Advertisement Manager	Rs 200,000
Maintenance	Rs 300,000
Total	Rs 5,000,000

Hardware/Software Upgrades:

Core i5 (11th gen), 512 TB SSD and 8	Rs 50,00,000
GB RAM	
Microsoft Office	Rs 200,000
IDE IntelliJ	Rs 500,000
Visual Code C++	Rs 500,000
Server Database	Rs 200,000
HP Pavilion 2709 27" inch Monitor	Rs 10,00,000
Total	Rs 6,400,000

Miscellaneous Costs:

Graphics	Rs 300,000
Telephone	Rs 200,000
Mailing	Rs 100,000
Other	Rs 400,000
Total	Rs 1,000,000

Feasibility and Advantages

Our initiative will bring competition in the marketplace with different advantages, So, the probability of success of our initiative is high, due to demand of people buying used things in the marketplace. Not everyone can afford expensive and unique brands but with refurbished and thrifted items, users can access such items feasibly. Improved advertisement and enforcement could also work for us. And slight modifications in our facilities would also automatically increase the sales of Daraz.

As our product would be purchased by the organizations, you will get the best amount.

- It's an assurance that you don't have to wait so long, as if it is in good condition then the app will sell it as soon as possible
- Improvement should be made on a daily basis by the management so it will ensure that the platform stays up to date.
- With this initiative, people can get antique wide range of items like cars, etc., while sitting anywhere in the world.
- The initiative will propose proper verification of the sellers, so that the fraudulent activities happening will forbid.
- The initiative will provide lower service charges with additional discounts.
- The Option to Auction will ensure that the antique items will get their best prices.

Personnel

We will hire a complete team of experts to do a remote, full-time job. This team will include a marketing department overlooking what is being sold and what is being bought, a technical department which will handle all the bugs that might occur in our application and any security concerns in our database and finally a few people working as customer support service to assist the users of this application. The existing teams of your company can handle all the complex expertise.

Team Director of Daraz will manage the team and coordinate with other directors.

The Manager of Daraz would be overlooking the directors. It is the manager's job to assign projects or assignments to the directors who will then coordinate with their teams to fulfill the tasks. There might be more than one manager depending on the number of tasks to complete.

CONCLUSION

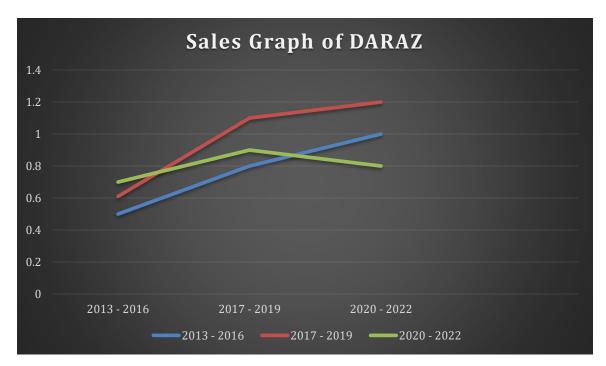
Online shopping is a unique sort of electronic commerce that connects buyers and sellers from all over the world through the use of a web browser. Online shopping provides an extraordinary amount of convenience to shoppers, and additionally to merchants. This can be a large part of how the web has evolved to where it is today.

One of the main reasons why people are using online retailers more frequently is the convenience of doing your shopping from the comfort of your house. Not only can you buy in the comfort of your own home, but you can also escape the inconveniences of being in a busy store, such having to look for a specific item, we want to make your company the most popular online marketplace for buying and selling services and goods. We hope to put the greatest possible products into the e-commerce ecosystem, one that is not only efficient and trustworthy, but also well-liked by our loyal customers.

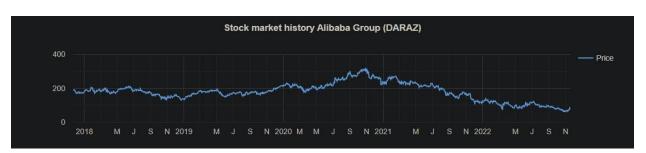
We are committed to this goal, and we know that the best way to achieve it is to listen to our users and deliver a quality product that is far better than any other e-commerce platform. Selling reconditioned goods and verifying sellers are two of our initiative's innovative concepts that will increase not only your sales but also your ability to win over customers' trust. We're eager to share our study with you and are looking forward to your comments. We'll be able to better service them as a result, and we'll eventually create a more resilient company model. We want to create a platform that users will be proud of. We have some exciting features in the pipeline, and we can't wait to show you more.

GRAPHICS

• Following are the graphs of sales of Alibaba Daraz from 2013 to 2022,



• The stock market history of Daraz Alibaba,



References

[1] Statista. (2018a). Online platforms used for second-hand sales and purchases according to online shoppers in the United States as of June 2017. Statista. "C2C platform usage according to U.S. online ... - Statista." 20 Dec. 2019, https://www.statista.com/statistics/691842/usa-c2c-second-hand-ecommerce-platforms/.

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- [2] Statista. (2018c). Number of B2C and C2C e-commerce companies in China from 2008 to 2013 (in 1,000 companies). Statista. "China: number of B2C and C2C e-commerce companies 2013" 15 Apr. 2014,
- [3] https://www.dawn.com/news/1351491
- [4] https://www.dawn.com/news/1714897