Business Strategy and Structure for Beverage Distribution Platform

# 1. Introduction

This document outlines the business strategy, structure, challenges, and growth plan for a beverage distribution platform designed to simplify ordering, payment, and delivery of beverages for retailers and shop owners in Jalingo and beyond. The platform leverages mobile and web applications to create a seamless experience, while also providing unique advantages such as referral rewards, location-based structuring, and city/ward codes.

# 2. Competitor Landscape

Currently, many shop owners rely on direct phone contacts to order beverages. Deliveries are often advertised as 'free,' but competitors cover this cost through added margins or bulk supplier deals. These competitors have the advantage of personal trust and simplicity. However, this system is not scalable, lacks transparency, and can be unreliable.

# 3. Platform Advantages

Our platform provides several advantages over the traditional phone-order model:

- Convenience: Orders can be placed anytime via mobile or web apps.

- Transparency: Prices are clear and standardized.

- Trust: Deposits and structured payment flows provide security.

- Scalability: A digital platform is not dependent on a single contact number.

# 4. Pricing Strategy

We evaluated multiple pricing approaches for a typical 75cl beverage bottle (Consumer price ₦450, Retail/Wholesale price ₦370).

## Option A: Match Market Retail (₦370) + Paid Delivery

Pros: Transparent, low prices attract bulk buyers.  
Cons: Delivery fee may discourage small buyers.

## Option B: Slight Markup (₦400) + Free Delivery

Pros: Easier sales pitch ('same price, free delivery').  
Cons: Delivery cost must be absorbed by platform.

## Option C: Dual Strategy

Wholesale buyers: ₦370–₦380 with free delivery for orders above ₦20,000.  
Small buyers: ₦400 with free delivery.  
This ensures competitiveness with bulk buyers while maintaining margins for smaller transactions.

# 5. Delivery Policy

Free delivery will be available for orders above a set minimum (e.g., ₦20,000). For smaller orders, a small delivery fee (₦200–₦500) will be charged. This policy ensures sustainability while still providing a competitive edge.

# 6. Referral and Promotional Systems

The platform will include customer engagement features such as:

- Referral rewards: Bonuses for users who bring new customers.

- Monthly promotions: Discounts or extra bonuses to drive recurring orders.

- Partnering with big retailers: Strengthening supply chains and trust.

# 7. City Codes and Location Structuring

To improve user tracking, delivery efficiency, and business intelligence, the platform will adopt a structured coding system for wards and locations. For example, in Jalingo city:

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 "JAL-001": "Abbare Yelwa Ward",  
 "JAL-002": "Barade Ward",  
 "JAL-003": "Kachalla Sembe Ward",  
 "JAL-004": "Majidadi A Ward",  
 "JAL-005": "Sarkin Dawaki Ward"  
}

Each shop or customer location will be tied to a specific code, simplifying logistics, referrals, and analysis of business performance across different parts of the city.

# 8. Challenges

- Competing against entrenched suppliers who have personal phone-based networks.  
- Managing delivery costs while remaining competitive.  
- Educating users to adopt technology instead of traditional phone orders.

# 9. Offline Activation

Offline activation will involve ground-level campaigns to onboard shop owners, explain the benefits of the platform, and assist with app installation. This builds trust and accelerates adoption among less tech-savvy users.

# 10. Conclusion

This platform is uniquely positioned to modernize beverage distribution in Jalingo and beyond. By balancing competitive pricing, structured logistics, referral-driven growth, and strategic partnerships, it can outperform traditional phone-based ordering systems while remaining profitable.