Online Platform for Selling Smart Crafts and Goods

Platform Name : Rarezy

PROJECT REPORT

**Submitted For Lean Start-up Management
(MGT-1002)**

Slot: TE-2

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Content:

Abstract:

In this project, we are going to develop a business model which will involve various small businesses and small handcrafts creators to sell their products to the end-user(customers). Creators can post their creations and products on our online app-based platform and the customers can easily purchase them from there. Using this platform we are going to connect middle-class people(creators) and handcrafts businessmen to potential customers providing them a platform for selling their products and services through an online marketplace. You can ask if there are a lot of online retailers like Amazon, FlipKart, Myntra and many more. Then why are we building this lean startup? Because we are not going to sell what other big companies are selling. We are going to connect with middle class people who has their individual skills. They can make their lovely handicrafts and sell in our platform. Why we chose handicrafts as our topic for lean-startup, the answer is simple because we are in India. In India a large number of women are housewives. They have the talent to make different things to sell on this platform. And also, people like waivers are creating good products and they are selling them to the big companies for low price. These monopoly owning companies are selling the same products to people for a very high price. So, by the help of our platform those kinds of people can get more profit than normally they get. Another question that pops us is why did we choose mobile app instead of websites? There is a big matter behind this. Normally all middle-class people can't get to the website. Because of the smartphone revolution a large number of people have/have access to smartphones. So good interaction will be created in mobile apps rather than websites.

Introduction:

There is also a section of cultural handicrafts products made by village and regional people only which most of the customers find attractive but such products are sold in a very confined region or places like village markets, art gallery conferences, tourist places, etc. Due to such reasons, the customers who demand such products can't get them easily. This is a gap in the market that can be covered by this startup and result in potential growth.

But in India, 60 percent* of the women are homemakers and most of them have various creative skills for making various types of arts and crafts. Nowadays e-commerce marketplaces are being widely used in almost all parts of the country with the growth of the internet. Some of the most popular e-commerce giants in the Indian ecosystem are Amazon and Flipkart, Grofers, etc. But on almost all these websites we get the products from businesses which are well established like smartphones, articles of clothing, groceries, etc. Most of the e-commerce giants who even sell such products follow a white labeling business model, in which they buy those products from these small vendors and then sell them for higher prices to make profits.

Business Model Plan:

Type of Business Plan:

Our business plan is retail and customer oriented involving the sale of smart crafts and services from businesses to an end user (called a customer). Our application provides an online mode of shopping which in turn would feel like a all in one Mall experience . Users would be able to shop online with a new touch experience owing to the virtual

view of the user itself. The object will work as a Clone of the user and the user can enjoy the shopping by making orders to his/her Clone.

Our business plan includes

- Develop a store for smart crafts for initial start-up and introduce our start-up

- Arrangement of smart crafts making workers with industry

- Develop an Online Application for Online shopping, it has seller and buyer interface.

Justification for our identifies business type:

We are not going to create any product by our self. Only we are going to create platform in which sellers can sell their products and people can buy what they want. We are going to connect with middle class people who has their individual skills. They can make their lovely handicrafts and sell in our platform. It gives an encounter like going to a real shopping center where the client can shop through virtual customer facing facades from one united site giving a rich, vivid experience. The virtual climate in our internet based business takes the web based shopping experience to a higher level. It will assist the clients with pursuing better decisions while buying. It will give another aspect for shopping. It will make shopping a completely new, fun and intriguing experience.

Motivation:

This start-up totally based upon the poor people who know smart crafts works in village side without employment.

❖ Because we are not going to sell what other big companies are selling.

- ❖ We are going to connect with middle class people who has their individual skills. They can make their lovely handicrafts and sell in our platform.

- ❖ Why did we pick crafted works? Because we are from India. In Indian families most of the women are housewives. They have the ability to make different thing to sell in this stage.

- ❖ So, by the help of our platform those kinds of people can get more profit than normally they get.

- ❖ Normally all middle-class people can't get to the website. Because of smartphone revolution after 3G Internet connectivity they are now easily using mobile apps.

- ❖ So good interaction will be created in mobile app rather than website.

Organization Structure:

Overview:

Fashioning associations will enhance the plans of action, diminish risk, as well as gain assets. Key associations are the organization of providers and accomplices that make the plan of action work.

Employee Structure/Partners:

Key partners include

- ❖ Web developers
- ❖ Suppliers
- ❖ Software engineers

❖ Technicians

❖ Product manufacturers

❖ Delivery helpers & Bank services

A team of web developers need to design a website for the virtual online store and virtual tourism. The website must have the following features:

❖ User friendly

❖ Very interactive

❖ Easy payment procedure

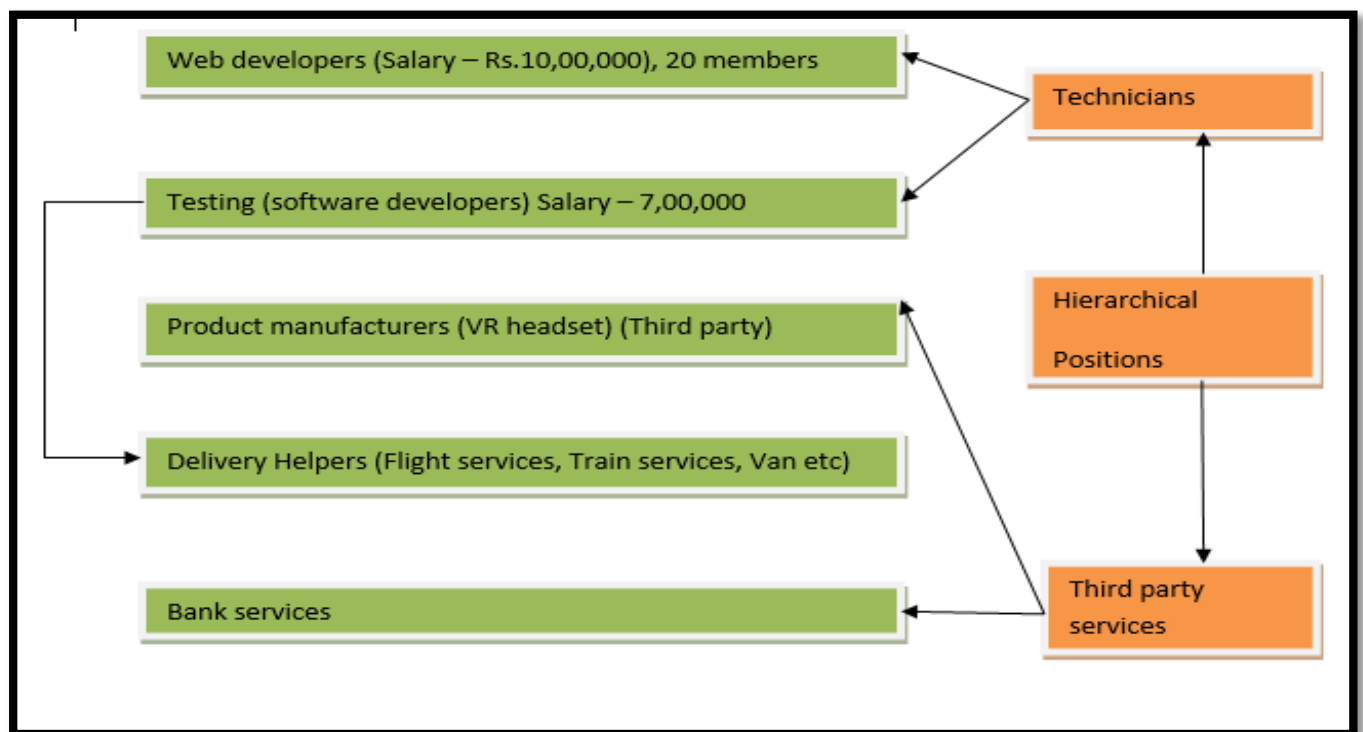❖ Detailed description of every product

Fig: Employee Structure.

Authority and Responsibility:

A team of Smart Crafts specialists need to work on developing a virtual environment for shopping. They have a key/important role to play in our business plan. Customers must feel happy, satisfied, and enjoyable while shopping in this virtual environment. The virtual environment must be developed in such a way that it is in no way short of a real-life shopping experience. Technical support includes the admin of the software. A group of computer programmers need to care for the specialized working of the business. The progress of this internet based virtual store lies completely in the possession of the specialized group. The other accomplice incorporates the stock representative who is answerable for overseeing approaching and active supplies and items inside a business. It may involve the task of maintaining the raw supplies and ordering new supplies. The admin maintains the record about the customer's details, the stock related details, the supplier associated details, the delivery person details/information.

Logistics include:

- ❖ Flight services (For other long-distance State after elaborating Company)
- ❖ Train services
- ❖ Delivery vans, bikes

Business Background:

Business Location to Develop a smart craft of a website with different store fronts and provide authentic online store assistant for each store. And develop some store for our company for introducing to our company to people.

Factors why we identified this location:

❖ Mostly we must open the store in the village side because there are many smart crafts making workers working on this craft making.

❖ In the same good and proper employment opportunity for poor/needy people. And many people have many knowledge and skills about craft making in the village side. In the city people are busy with office work. So, we have to connect the village people and city people using this online application through selling and buying.

❖ Provides an experience like going to an actual mall where the user can shop through virtual storefronts from one consolidated site providing a rich, immersive experience.

❖ The virtual Shopping Mall experience in our online business takes the online shopping experience to a whole new level. Our customers will be making better choices while purchasing/shopping.

❖ It will give a new dimension for shopping and will make shopping an entirely new, fun, and interesting experience.

Hierarchy of our Administration:

❖ A team of web developers need to design a website for the virtual online store. The website must have the following features:
1. User friendly
2. Attractive Very interactive
3. Self-explanatory
4. Easy payment procedure
5. Detailed description of every product

❖ A team of Smart crafts specialists need to work on developing a virtual

environment for shopping. They have a key/important role to play in our business plan. Customers must feel happy, satisfied and enjoyable while shopping in this virtual environment.

❖ The virtual environment must be developed in such a way that it is in no way short of a real-life shopping experience.

❖ Technical support includes the admin of the software.An intelligent User connection point is coordinated with the framework which permits the clients to get insights regarding the items.

❖ By getting the information they can further proceed for ordering. To affirm their request, they need to press the affirm request button.

❖ A group of programmers need to care for the specialized working of the business. The progress of this web-based virtual store lies totally in the possession of the specialized group. If this team wins, the business plan will become a success story for sure.

❖ Delivery helpers and vehicle rental services include,

- Flight services (Will Execute after elaborating Company)
- Shipping   (Will Execute after elaborating Company)
- Train services
- Delivery vans
- Delivery motorbike

Staff and Partners Required:

- To provide authentic online store assistant for each store,

    ❖ An admin to maintain the record about the customer's details, the stock details, the supplier details, the delivery person details.

- Maintaining raw supplies and order new supplies,

- ❖ A stock assistant who is liable for overseeing approaching and active supplies and items inside a business.

- Technical support staff

  - ❖ A team of software engineers need to look after the technical functioning of the business. The success of this online virtual store lies entirely in the hands of the technical team.

- Logistic Services

  - ❖ Consumers demand better service, and this mandate creates a need for shippers to provide fast, accurate and quality service. Great administration methodology is expected to continually upgrade transportation processes and dispose of interruptions. Hence, it straightforwardly affects clients' fulfillment.

  - ❖ Improved customer service can bring a good reputation to a company's brand and help generate more business. At last, very much took care of coordinated operations adds to the general positive client's insight.

Vision and Mission Statement

Vision:

- ❖ To turn into the market chief in the exceptional handiworks fragment

- ❖ To provide quality & beautiful products to the customers.

- ❖ To give hand holding backing to the workmanship craftsmans of India

❖ To save and develop Indian art and high quality abilities so they stay a necessary piece of our social texture.

❖ To be recognized as the leader in producing high quality functional Art wares, Table products, Home products, Gift products and other Indian Handicrafts and to be known as a market driven organization which makes progress toward greatness, quality, execution and dependability in every practical region.

❖ To give work to the individuals who are in search for work on this field for amusement.

Mission:

❖ Fabricate a stage and help craftsmans all over India, sell around the world where clients can find and find Indian handiworks they should purchase on the web.

❖ Increase the awareness of handicrafts and life dependency of artisans on it, by preserving rich heritage, the culture of India.

❖ Enable craftsmans to procure maintainable earnings and, in doing as such, battle destitution. Our craftsman bunches come from assorted topographies and social foundations.

❖ Ladies Empowerment: We solidly accept that our ladies should be monetarily free. By giving their art regard and the genuine worth it merits, we have achieved more prominent interest and commitment of craftsmans in their work.

❖ Increase productivity by upgrading technology and creating to the market

demands.

❖ To empower specialty and craftsmans abilities as a maintainable type of jobs for underestimated networks.

Market and Marketing Strategies:

Target Customer:

Less engaged bunch with a typical age of 45 years and most elevated blend of ethnic foundation. Will more often than not be delegated, lower capabilities and less smart at dealing with their family plan and who like old style cooking things, and everyday utilizations of regular things. As a buyer, will generally feel tense with buys, not liable to investigate for bargains or haggle with organizations. In addition, there are several target demographics to consider.

❖ Traditional People

❖ Devotional people

❖ Who like natural things

❖ Who like Weaving dresses

❖ Gift shops

❖ Function Wall decoration contractor

❖ Fancy stores

Social Media Marketing:

For new firms, social media networks are an appealing marketing tool since advertising themselves online costs little or nothing. The drawback is that you'll have

to put in a lot of effort to establish a presence and make your material interesting enough to be highly valuable. Discounts, freebies, or "flash sales" for your followers on a regular basis might assist a lot. If you have a viable product, sending assessment units to notable bloggers with a large following can help you create a nice word of mind.

Traditional Newspaper Ads:

Each week newspaper ads are a conventional type of advertising that would be used to target specific geographical areas. Attaching an incentive to the ad, such as a coupon, can help in deciding its efficacy. Buying an ad in a suitable part for the organization – for instance, a home repair business ad in the local garden section – may also help you reach out to prospective customers.

Targeted Radio Advertising:

A radio ad's efficacy can be boosted with a memorable melody and a succinct tag line. It's critical to match the station you pick with your target audience. An urban present station is a solid choice if you just want to target older adults 35 to 64. To reach young people aged 18 to 24, an unconventional or urban program is a suitable option. According to Nielsen, radio reaches roughly 59 percent of people on a daily basis, with a 45 % confidence score.

Local or National Television Advertising:

Infomercials on local stations could take time and work to create, but they can be especially successful if you sell a high-priced product or service. A nationwide promotional video can cost as low as $63,000, depending on the area and content. If

a Tv commercial can reach clients who wouldn't even listen to radio, the price gap is adequately met.

Public Speaking Events:

Oratory could be a terrific promotion if the thing you offer is connected to your own skills. Put in an offer to groups that may benefited by one of your courses or presentations. To motivate your customers to spread information about your services, bring economic cards and marketing items to the event.

Event Ownership and Appearances:

Event sponsorship may be used to promote your services or products in a number of ways. You will get a mention in the event programme, have such an on-site position that you can hand out samples, or just have the company logo on the event flyers. For occasions that need a handstamp for admittance, one alternative is to offer the facility with an imprint bearing your corporate brand; guests will then be reminded of your logo for a week or two following.

<u>STP Strategies:</u>

Segmentation:

- **Demographics:** We are building this company in India first which contains large number of suppliers from middle class family.
- **Psychographics:** In India people thought is when we use handicrafts that are most beautiful and that will give some status and that will make them feel good

so in this way this is helpful to us

- **Lifestyle:** In Indian life style technology is new so they will take some time to learn how to use our platform. This will be not good for us.

- **Belief and Values:** Indian people believe that they can buy good products in online rather than in the shops so it is good for us.

- **Life Stages:** We think most of our suppliers will be from middle class family. Customers from above middle or sometime from all types.

- **Geography:** India is geographically big so our big challenge will be how we will deliver our products to the people in the edge of the country.

- **Behavior:** In India variety of culture are there they are creating lot of handcrafts in their culture so it will be helpful.

- **Benefit:** Suppliers will get large amount of benefit in satisfaction and best gain from their products. Customer will benefit by getting good products which is made by another man not machine.

Market Targeting:

- Criteria Size: The Indian market is large enough for us to offer our items.
- Difference: Measurable differences exist between segments.
- Money: Revenue will be expected to outweigh the expenditure of extra promotional campaigns and other enhancements.
- Accessible: Each segment must be accessible to our team and the segment can receive our marketing messages

- Focus on different benefits: Different segments are having different benefits.

Product Positioning:

In India now there is gap for entrepreneurs who will uplift the life style the middle and below average (economically) people so we believe that our company will get success.

Porter's 5 Forces:

Threat of new entrants:

- ❖ One trend that started few years ago has been a decreasing number of independent retailers in online marketing.

- ❖ Visit any online marketing platform and you'll notice that a majority of them are selling literally all kinds of stuff.

- ❖ While the barriers to start up an online platform especially dedicated for handicrafts is not impossible to overcome, the ability to establish favorable supply contracts, leases and be competitive is becoming virtually impossible.

- ❖ Their vertical structure and centralized buying gives chain online marketing a competitive advantage over independent retailers.

Bargaining Power of Suppliers:
- ❖ Traditionally, businesses have sought to use vendor ties.

❖ Bargaining power of consumers is moderate owing to the dimensions and concentration of major retailers.

❖ To reduce power and you keep customers, retailers ask for to differentiate merchandise and make robust brands. Individual personal customers have a comparatively low talk's power ahead of enormous retail chains, however, their power is bigger for little retailers, who are less organized.

❖ A contract with an oversized merchandiser like Wal-Mart will create or break a little provider. Within the retail business, suppliers tend to possess little or no power.

Power of Buyers:

❖ Clients have virtually little negotiating leverage with retail businesses on an individual scale.

❖ But as a whole, if customers demand high quality products at bargain prices, it helps keep retailers honest.

Threat of substitute product:

❖ The tendency in retail is not to specialize in one good or service, but to deal in a wide range of products and services. This means that what one store offers you will likely find at another store. Retailers offering products that are unique have a distinct or absolute advantage over their competitors.

Competitive Rivalry:

- ❖ Competitive Rivalry is increased by equal size and power of dominant retailers who are pushing to increase market share.

- ❖ The trend of extinction of small retailers through acquisitions, mergers alliances and high cost to exist this market.

- ❖ Among leading group there are Amazon, Flip kart, Snap deal, Myntra and AJIO that are dominating the large markets of retail sector in India.

7P's of the company (Rarezy):

PRICES:

We buy these products directly from producers, who sells it to us. They purchase and give discount that's why their all the product is 20 to 25% less than market price.

PRODUCT:

This is the application which offers handicrafts like painting, cards. Etc.

PLACES:

This was the most puzzling aspect of Digital advertising. We have such a commodity that we sell through in an app.

PROMOTION:

We send emails because it is easy and 0 investment, coupons to promote. We have Instagram page from that we upload our customer's best reviews with that product and we give the discounts.

PHYSICAL EVIDENCE:

We put application in play store. We also have their position with certain keywords which make it easier to visitors to come and visit that application.

PROCESS:

In order to purchase the products in the cart they need to select the checkout action. The checkout is a five step Purchase Process with the following tasks:

1. Identify they client

2. Select shipping address and special options

3. Select payment method

4. See overview of the entire order

5. Confirm and place order

6. Receive confirmation by email the users can abort the checkout procedure at any step.

When users retry the checkout later, they start again at the first task. Consider a wizard to guide the user through these tasks while minimizing the number of web pages used. However, a wizard is not always needed for just a purchase. Frequently, websites request information that isn't really required to process the order. In many cases, all of the order information may easily fit on one page and hence eliminating the need for a wizard.

PEOPLE:

People in these applications includes those people who bring the product to the customer. The service provided by the application to deliver the product to the destinations and the person involve in that process comes in People. Selection: In the application there is search word written at the top, so by the help of it you can search department wise or you can directly search by click on go button. User- friendly Approach: In this if the visitor has account in the application then when he/she signing in then account then there will appear that welcome with name of person and it also shows the result of last visit that what you have searched and selected last time.

Unique value Proposition:

Often, we notice on big shopping platforms such as Amazon, flip kart doesn't focus on handicrafts so much and the ratings are quite low and most people are not satisfied with their products so we have decided to develop a platform dedicated only for sale of handicrafts.

In India now there is gap for entrepreneurs who will uplift the life style the middle and below average (economically) people so we believe that our company will try to employ the lower and middle class craftsmen who are really efficient and also who have an interest in learning.

❖ Our products are cheap and user specific since we employ efficient craftsmen for the manufacturing of such products and also save costs from buying expensive equipment's which are used in factories.

❖ Often the large shopping platforms do not offer the desired products for the need

of the customer. But we have developed a facility in our application in which the customer can fill all the details of the item he/she wants and can even design such a product in our app so that we can look into the minute details of the product and deliver that to that customer.

❖ We have developed an user-friendly platform for the payment and shipping process and the customer has to follow these simple steps:

- Identify they client (through mobile number/email-id/any other ID)
- Select shipping address and special options
- Select payment method
- See overview of the entire order
- Confirm and place order
- Receive confirmation by email the users can abort the checkout procedure at any step.

When users retry the checkout later, they start again at the first task. Consider a wizard to guide the user through these tasks while minimizing the number of web pages used. However, a wizard is not always needed for just a purchase. Frequently, websites request information that isn't really required to process the order. In many cases, all of the order information may easily fit on one page and hence eliminating the need for a wizard.

❖ We will try to eliminate all the complains of the customers faced in such large platforms such as Amazon and Flipkart over packaging and shipment issues. We would focus on packaging and shipment facilities by collaborating with established courier companies like FeDEX, DHL, Blue Dart etc. to minimize the risk of damaging the products.

❖ We try to avoid artificial products for the materials and try to use as much as

natural products so that it's not toxic and user-friendly.

Competition:

- Competition from large companies will be inevitable but the main USP would be to only focus on the "handicrafts" industry as that is one of the most neglected portions of such large platforms.
- We are bringing out a much simpler payment process which is largely devoid in most platforms. Our payment process follows one step verification and is very much user-friendly.
- We have built a unique system to assure that our customers get the benefit of having exactly the product they want by sketching or by sharing the details of the product in our app.
- We have also set up a unique feedback system through the app as well as through Instagram portal where the customer can put up their reviews about the product and their experience with us.
- We will set up a unique advertising process lacking in the large companies where they forget to approach the lower and middle sections of the society.
- Being natural and Culturally based products, there is a chance that people would refrain from buying artificial products that are more hazardous and would save some money also.
- We would be able to save a lot of capital by not spending on expensive equipment and in turn develop the skills of our fellow workers in making them.

Sales Model:

Pricing:

- It is generally preferred in case of leanstartup to not change prices frequently and that's why it has been planned to keep an optimal pricing and following it throughout the month. As the price is under our control, we have the functionality of changing the price very frequently but for keep the potoential clients we are going to provide various offer using credit cards offer and also on the bulk purchases as a form of promotion.

- It should be determined by the team which is going to be the cost that the customer is going to pay for the various materials and the supplies which are going to be used in making of the materials. The most important of these is our overhead.

- Our charges must be sufficient to pay of, at the very least, the sum of money that have invested in your firm; all of our bills, a percentage of our expenses such as rent, taxes, supplies, and many other expenditures must all be taken into account when calculating a value for your crafts. The following is a list of frequent overheads, however it is not exhaustive:

  - Internet access
  - Website hosting fees
  - Cards for advertising, newsletter or the articles etc
  - Radio based advertisements etc
  - Other advertising

Determining the Prices of the Products:

- This might take a bit of time to figure out your final costs. Determining the price of our creations will require serious study. Our price will decide not and just how much profit we can earn, but then also serve as a thermometer or indicator for our company's business future performance.

- Looking at what others are charging for comparable crafts is the greatest method to discover prospective prices for our crafts. This may be accomplished by visiting both physical and online establishments. Take the time to learn about our competitors and what they do what they're selling, and how well they're doing. Find a forum for home-based craft businesses. Find out what others are charging on message boards or discussion groups on the Internet. on the quality of their work and how effective they are at those costs

  It stands to reason that within order to sell the product, we will also need to rate your products a little lower than our rivals for some goods; and if we want to establish a strong recognition or superior crafting, it will also have to charge somewhat more than can opponents, and we'll be able to explain why.
  You may find a selection of internet companies selling a wide range of crafts at:

  - eBay
  - Etsy
  - Amazon
  - Google
  - Craigslist

We'll invest a day and a month researching through online sellers for goods that have at least the same amount of ingredients and commitment as our handicraft. Examine

how detailed your rivals' activities or goods are, as well as how much people are ready to spend for them. Find a happy medium. Consider if you would be willing to pay more than that for your work. If we don't do it, it's unlikely if our buyers will.

Sales Forecast

1. **Past Economic Performance**

   The impact of history company data at all industries and fields of the organisation cannot be overstated. This type of data is utilized to demonstrate what occurred toward the corporation amid different circumstances mostly in past. It can also be used to predict how you company will do if either of the events occur again during the year. Such data would be used to adjust the cash flow and ride a macroeconomic wave. As a result, a more optimistic outlook may emerge.

2. **Current Global Conditions**

   The COVID-19 pandemic has restricted all the customers to their homes and has created a huge demand for online goods which in turn has also created an opportunity
   for the growth of online marketing platforms and hence we feel it's the right time to launch a start-up.

   Current Industry Conditions:

   The online marketing industry is growing hugely in this lockdown as the demand for online goods are surging high and will continue to do so as the government restrictions are still there.

Marketing Efforts:

We will try to market our products on online platform as much as possible and would try to implement some marketing ideas in offline mode also.

## Sales Team and their marketing

Sales Manager

Sales Manager would monitor the entire sales management process from the headquarters, he will be the one who will lead the whole teams of sales. He would have to connect all the territory sales managers along with the territory sales representatives. He will look after the overall advertising and sales of the company and would monitor them from the head-office

Territorial Sales Manager:

He is the one who monitors the entire sales of a particular area where the company has their base or looking to open their base. They would monitor and connect all the territorial sales representatives together so that they can know what they have to do in that area. They will report to the Sales Manager and would submit all the ground data regarding the sales of a particular time period.

Territorial Sales Representatives

They are the ground-level staff who manage the daily sales of the company of a particular area by travelling and shipping products to the customers.
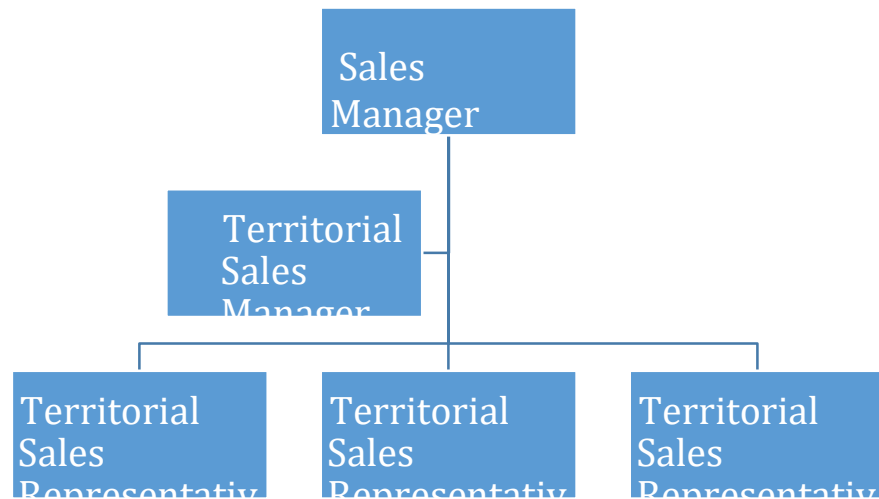
Marketing policies:

- ❖ The main marketing section would be social media (mainly Instagram) where we would put-up ads both solely and collaboratively with other marketing agencies.

- ❖ We would also send newsletters and brochures of our latest products on emails to those who subscribe to our application and follow the Instagram account.

- ❖ We would deliver leaflets to the areas our territorial sales representatives are visiting.

Upon certain establishment, we are planning to put up YouTube Ads so that we can also reach out to people of the larger section.

Business Model Canvas (BMC):

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
- Third-Party Applications - Artisans - Sellers, Manufacturers, and Distributers - Payment Partners	- Manage the supply chain network - Logistics - Platform Development and Maintenance - Partnership and Distribution	- Culture and Heritage Rich Prodcuts - Convenience - Exclusive + Trustworthy Products	- Customer Service - Customer Reviews - Best Deals and Offers	- Discount Lovers - Indian Culture Enthusiasts - Decor related businesses
	Key Resources - Technology and Infrastructure - Brand and Smartbuy - Warehouses - Payment Resources/Systems		**Channels** - Rarezy App - Rarezy Official Websites - Social Media - Seller Program or Channels	

Cost Structure	Revenue Streams
- Technology and Infrastructure Cost - Warehouse and Delivery Cost - Advertising and Marketing expense - Workforce Maintenance	- Commission on Sales - Shopping Fees - One time sales

Financial Model:

Investment:

We need a small level investor and we take a loans to start our business Financial requirement to attain the goals of our Project.

INVESTMENT	COST (Rs)
SELLER 1	100000
SELLER 2	120000
SELLER 3	80000
SELLER 4	300000
SELLER 5	175000
TOTAL	Rs. 7,75,000

INVESTOR

INVERTSER	COST (Rs)
SELLER 1	1,20,000
SELLER 2	1,50,000
SELLER 3	1,00,000
SELLER 4	3,50,000
SELLER 5	2,00,000
TOTAL	Rs. 9,20,000

11.3 PROFIT AND SHARES

INVESTOR	SELLER PROFIT	SHARE (50 %)	OUR PROFIT
SELLER 1	20000	50 %	10000
SELLER 2	30000	40 %	12000
SELLER 3	20000	40 %	8000
SELLER 4	50000	60 %	30000
SELLER 5	25000	50 %	12500
			Rs. 72, 500
TRANSPORT & WORKER'S SALERY	IF	ANY	Rs. 8.000 (Approx)
TOTAL	PROFIT	72,500 (-)8000	Rs. 64,500

Environmental Factors:

Micro Environmental Factors

❖ Big companies like Amazon and Flip cart can easily implement this idea they are already having big infrastructure so they can easily market this idea to people before us.

❖ We are selling only handicrafts. But companies like amazon are selling large variety of products so people may attract by them.

❖ We are building this company for middle class. Now after this Cvid-19 problem people mind may change all like to do their own business so if they try to sell some new kind of products which will be created in home will improve our business opportunity.

Macro Environmental Factors

❖ we are building app using Flutter technology which can create app for both Android and iOS with single codebase so development also easy for us. Development and maintenance cost reduced to half.

❖ We are only building mobile app so it will work in variety of mobiles only. It will not work in desktops. So our weakness is we don't have website to sell products.

❖ Our only investment is in app building and marketing no other investment needed.

❖ We are building a mobile app. Mobile app is more handier and easier to use than websites. It will increase our customers.

SWOT Analysis:

STRENGTHS

We are building this project for middle-class families. We are starting in India. India contains a large amount of middle-class families so it is very easy to get suppliers.

OPPORTUNITIES

We are building this company for middle class. Now after this Cvid19 problem people mind may change all like to do their own business so if they try to sell some new kind of products which will be created in home will improve our business opportunity
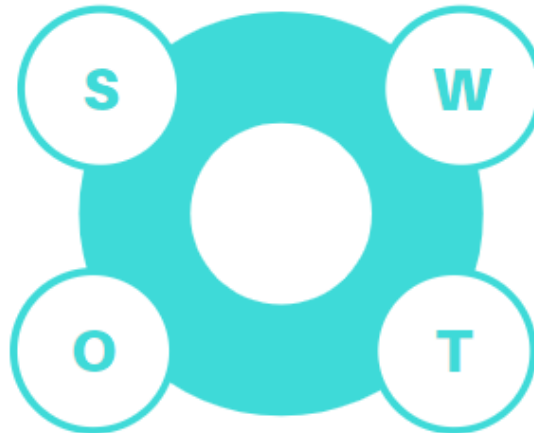
WEAKNESSES

Our first and far most weakness is we are new to this business. So, our guesses may not be true about this product.

THREATS

Big companies like Amazon and Flip cart can easily implement this idea they are already having big infrastructure so they can easily market this idea to people before us.

STRENGTHS

Development and maintenance cost reduced to half.No companies are only targeting on handcrafts. So, the competitors are less.

OPPORTUNITIES

We are not expecting big sellers we are expecting people who make simple products in their home and want to sell so this is one opportunity.

WEAKNESSES

We are only building mobile app so it will work in variety of mobiles only. It will not work in desktops. So our weakness is we don't have website to sell products.

THREATS

If we fail to sell product which are brought by seller, we may lose. So, suppliers want to believe us.

STRENGTH	WEAKNESS
❖ Our major focus to build this project is for middle class families. We are starting in India. India contains large amount of middleclass family so it is very easy to get suppliers. ❖ we are building app using Flutter technology which can create app for both Android and iOS with single codebase so development also easy for us. Development and maintenance cost reduced to half. ❖ No companies are only targeting on handcrafts. So, the competitors are less. ❖ Our only investment is in app building and marketing no other investment needed. ❖ We are building mobile app.Mobile app is more handier than websites. It will increase our coustomers	❖ Our first and far most weakness is we are new to this business. So, our guesses may not be true about this product. ❖ We are selling only handicrafts. But companies like amazon are selling large variety of products so people may attract by them ❖ We are only building mobile app so it will work in variety of mobiles only. It will not work in desktops. So our weakness is we don't have website to sell products. ❖ We are new to this business so we don't have any brand in this fields like Amazon or Flip Cart. So initially customers will be less. In this time, we may lose some sellers.

OPPORTUNITIES	THREATS
❖ We are building this company for middle class. Now after this Cvid19 problem people mind may change all like to do their own business so if they try to sell some new kind of products which will be created in home will improve our business opportunity. ❖ We are not expecting big sellers we are expecting people who make simple products in their home and want to sell so this is one opportunity.	❖ Big companies like Amazon and Flip cart can easily implement this idea they are already having big infrastructure so they can easily market this idea to people before us. ❖ If we fail to sell product which are brought by seller, we may lose. So, suppliers want to believe us.

CSR (Corporate Social Responsibility):

- Use eco-friendly raw materials for handicraft
- Planting more trees
- Give more employment to the unemployed person
- Pay the taxes regularly
- Don't manufacture such product which are effect the Indian culture
- Encouraging the women education by night schools.

Source Funding:

Some of the ways to raise funds for a product are:

DEBT CAPITAL

- ❖ Like individuals, companies can and borrow money. This is possible privately with the help of bank loans, or it is done socially through a debt issue.
- ❖ These debt issues that we get in return are termed as corporate bonds, which allows a wide number of money-owners to become lenders (or creditors) to the company.
- ❖ The major drawback of borrowing money is the interest that must be paid to the lender. If there is failure to pay back the money, this can result in default or bankruptcy.
- ❖ But, the interest paid on debt is typically tax-deductible and costs less than other sources of capital.

RETAINED EARNINGS

- ❖ Company's main agenda is to make profit by selling a product or service at a considerate profit margin.
- ❖ This is the best source of funds that is possible for any company and in the best case scenario the method that brings in the maximum money, and is called retained earnings.
- ❖ These attained funds are distributed among the shareholders in the form of dividend payments or shares, and is also used as an investment in projects and to grow the business.

EQUITY CAPITAL

❖ A company can generate money by selling part of itself in the form of shares to investors, which is known as equity funding.

❖ The advantage of this type of funding is that we do not have to give the interest payments back to the lender.

❖ But on the other hand the major drawback is that further profits are divided among all shareholders that are a part of the company.

❖ Furthermore, shareholders of equity have voting rights, which means that a company forfeits or dilutes some of its ownership control as it sells off more shares.

Operation Planning:

An operational plan is a document generated by a component of an organization that outlines the actions it will take to support upper management's strategic objectives and strategies. However, in order to completely comprehend operational plans, we must first examine a company's whole planning process. We mainly operate through website and slowly go with the app, so our daily activity is based on the improvement of the website user interface using daily feedbacks from the visited customers and improving our website and giving the facilities they want in the site. And continue with the products availability and the customer select the service and then they will order the product that are available. As soon as the ordering takes place the message will be given to the delivery system and they take care for the packaging and delivering the product to their address and in the expected time and then in that time courier or delivery boys will deliver the product.

Survey/Analysis:

We successfully collected a total of 234 responses:

Do you usually buy handmade crafts from local market?

234 responses

● Yes
● No
● Sometimes

93.2%

What do you look for while buying crafts locally?

234 responses

Low Price — 132 (56.4%)
Supporting local bussiness — 123 (52.6%)
Diverse Choices — 114 (48.7%)

Handmade impressions — 127 (54.3%)
Ease of purchase — 118 (50.4%)

0   50   100   150

What limiting factors do you think come into play while purchasing locally?

234 responses

Not much variants available — 116 (49.6%)
Products related to that area only are available — 123 (52.6%)
Can't compare or bargain much — 117 (50%)
Difficult to find local vendors — 118 (50.4%)
Only cash payments — 107 (45.7%)
No return policy — 116 (49.6%)

0   25   50   75   100   125

Would you be interseted in buying crafts online?

234 responses

- Yes
- No
- Maybe

85%

What features would you need in an online marketplace?

Copy

234 responses

Feature	Count
Ability to see from wider variety...	121 (51.7%)
Can buy things without leaving...	110 (47%)
Ability to buy crafts from vendo...	118 (50.4%)
Discounts and Free Shipping	117 (50%)

Feature	Count
Customer Support	127 (54.3%)
Uniquely made products	123 (52.6%)

0   50   100   150

How much do you spend on crafts annually?

Copy

234 responses

- < ₹500
- > ₹500 and < ₹1000
- > ₹1000 and < ₹2500
- > ₹2500

32.1%

34.6%

32.9%

Would you be intersted in buying crafts from an online marketplace?

Copy

234 responses
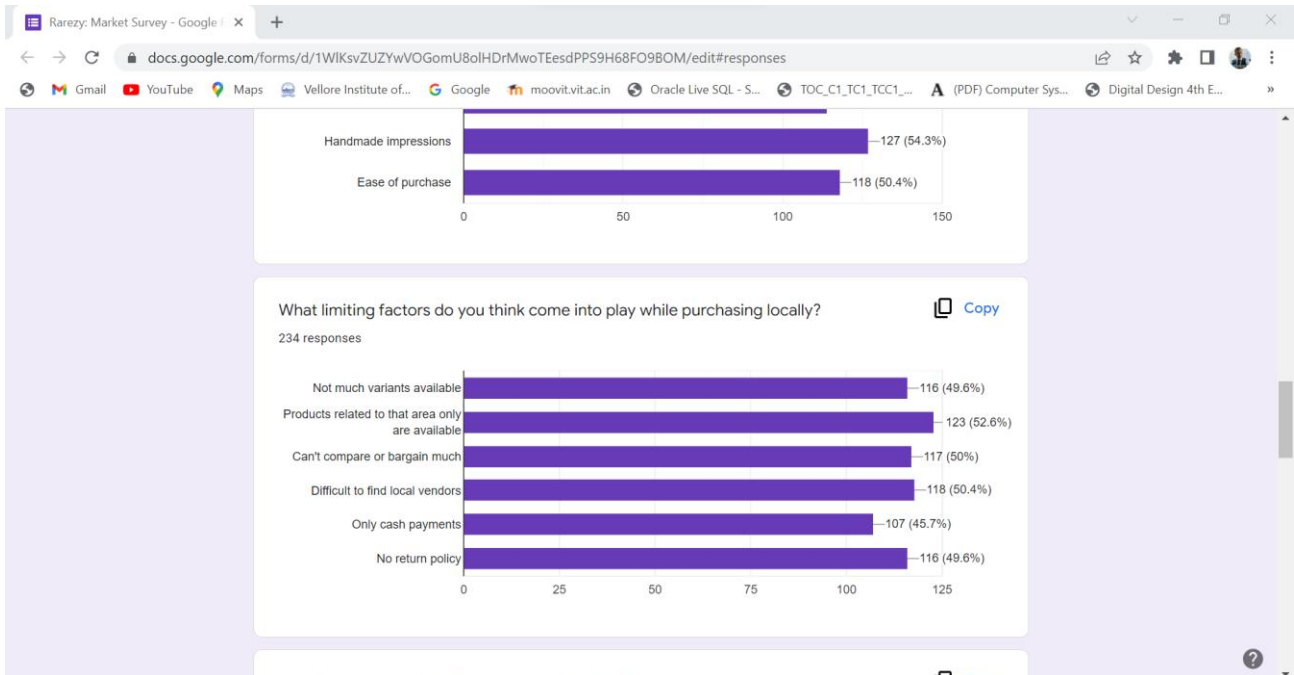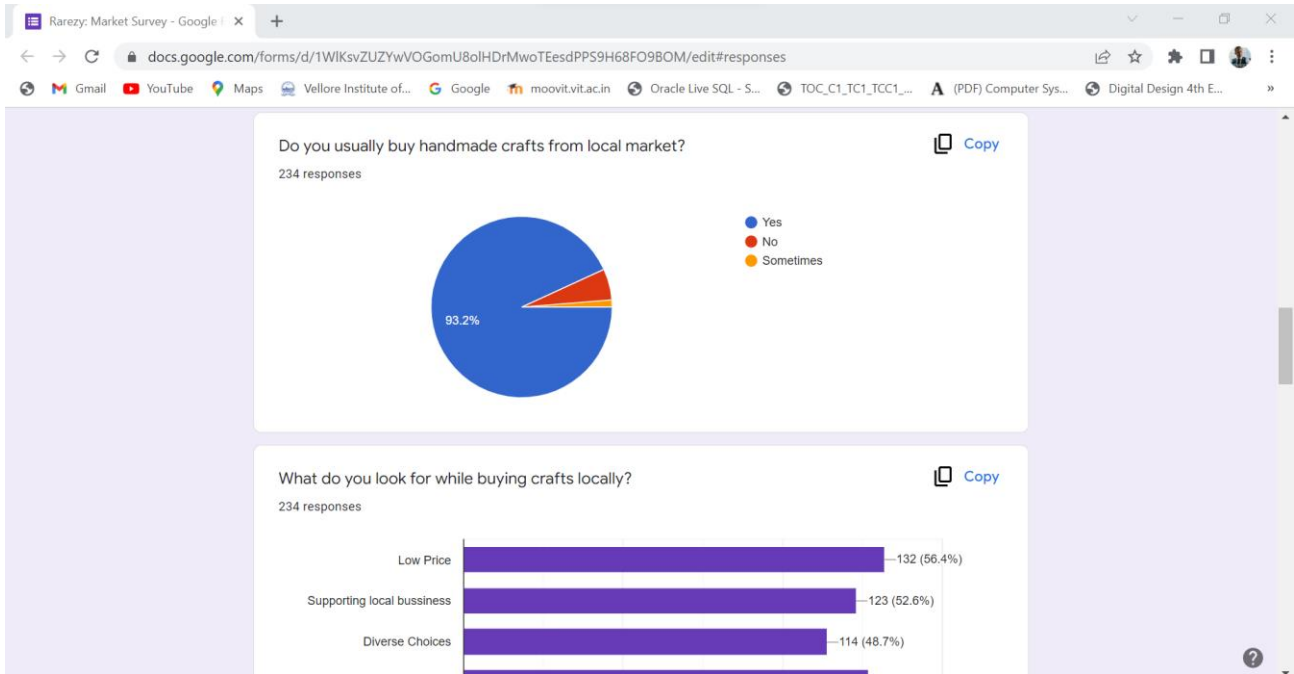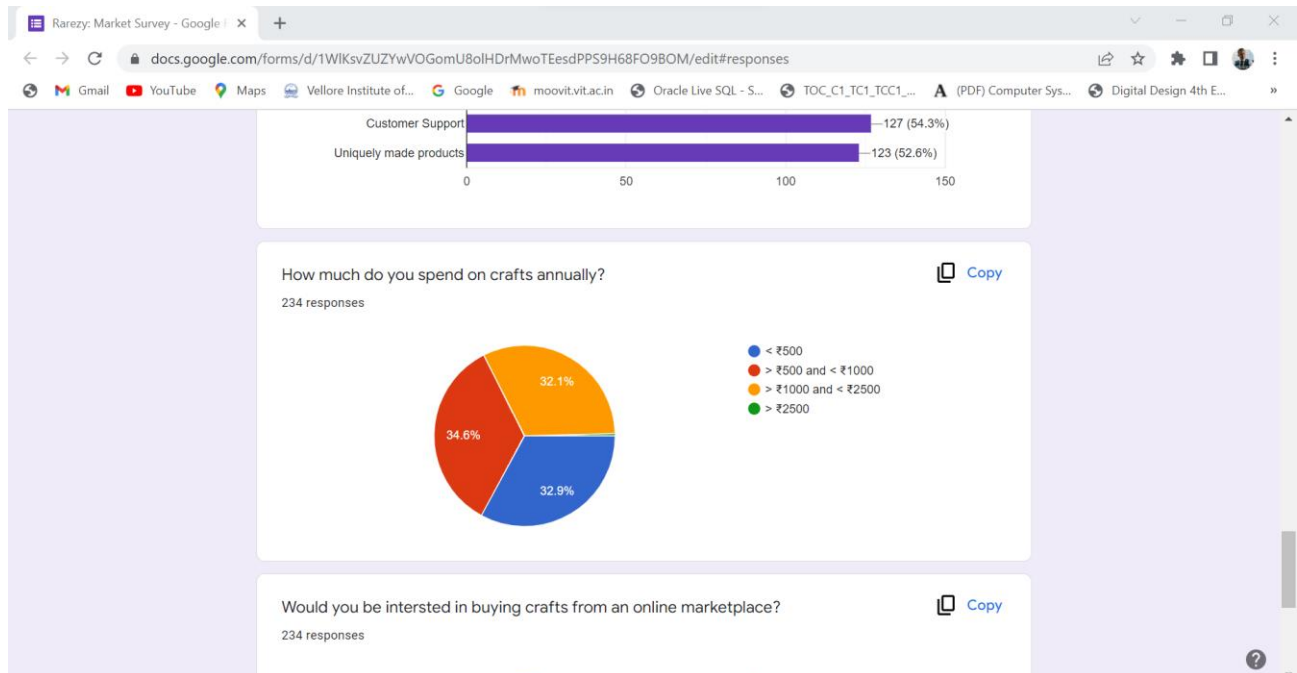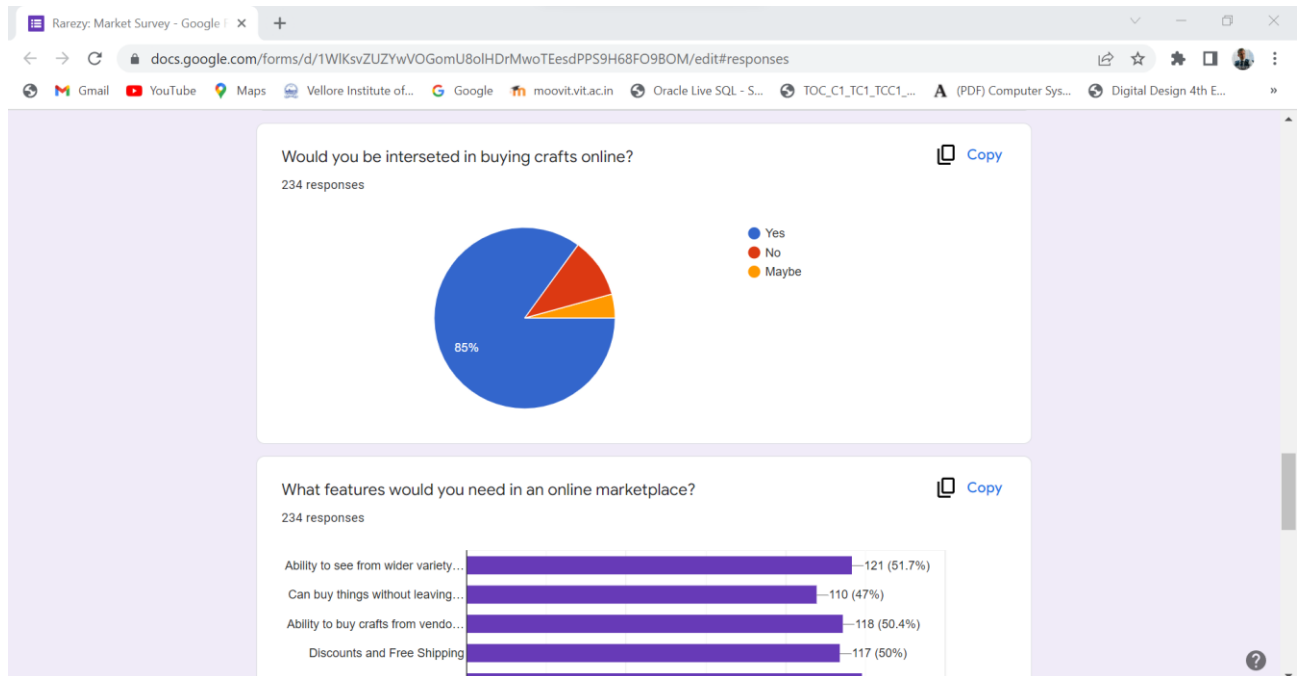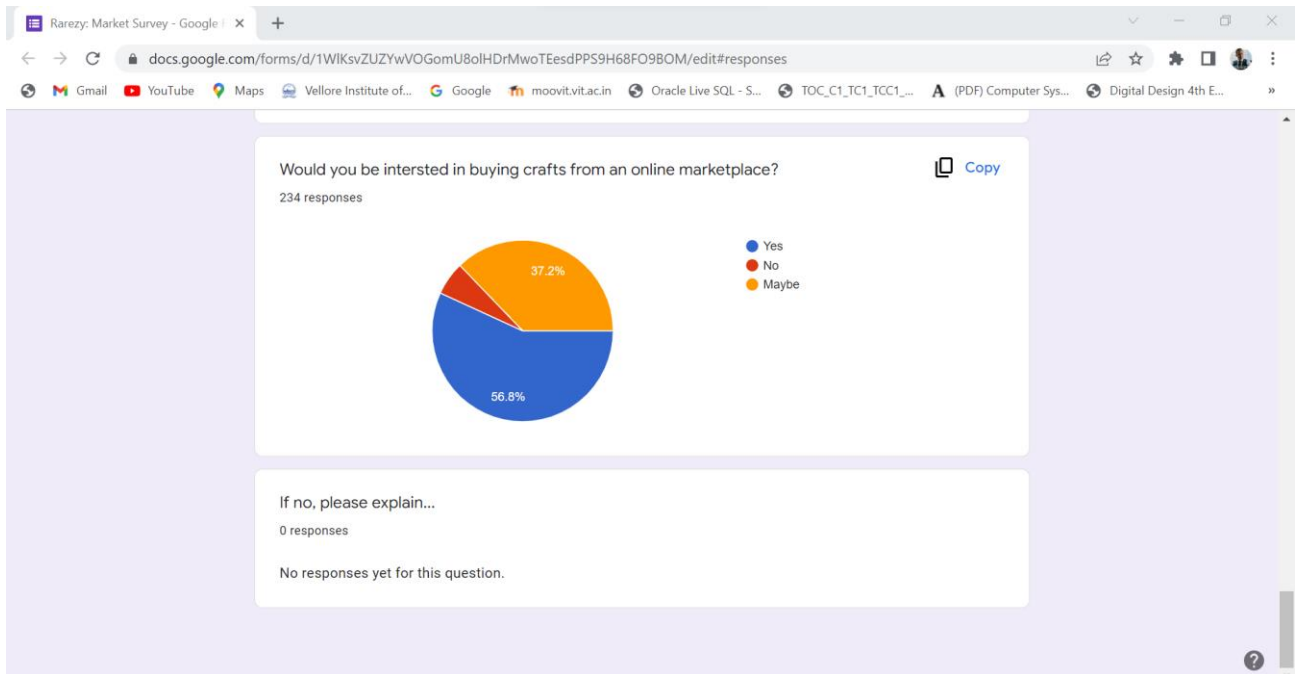
From, the above analysis it is very clear that people love Indian handicrafts and products. Thus, it has a very considerable market.

Risk Analysis:

Risk	Likelihood	Impact	Strategy
Political related pressure for money-lending and investment.	Highly likely	High	Do the insurance policy for industry and workers
Price exploitation	Likely	High	Use personal van for transportation

Waste management	Likely	Medium	Do the recycling process for reduce the waste
Working Conditions and treatment of workers	Likely	Medium	To satisfy the workers provide many different advantages like treatment cost, vacation, bonus etc.

Conclusion:

We have finished the user interface of our app and we done some marketing for our ides also through social media handle thank you to everyone who helped for our idea. We believe this idea will get success. We have performed all the required analysis for our start up. So finally, after taking analysis people said our project good one and appreciate it. People are switching to online shopping mode from the offline/traditional patterns/way of shopping from a store. Around 70% people like these craft things. Around 70% people don't know online platform for craft things. Around 80% people prefer mobile app for buying. So that's why we created this Mobile app for this start-up.

Plagiarism Report

Title

LSM FINAL PROJECT REPORT 19BCE0858

4% SIMILARITY INDEX

1% ACADEMIC

3% INTERNET

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