



KampQuest.com

Business Plan



Contact Information

www.kampquest.com

contact@kampquest.com



1. Executive Summary

1.1 Introduction

KampQuest.com is an innovative way to help customers lower their education and entertainment costs by buying and selling used books. Customers can buy or sell books through the website's combination of e-commerce platform as well as an e-classified system. The service aims to offer used books to students at the least possible price.

1.2 Product/Services

KampQuest.com is an interface between small scale (second hand) booksellers and customers. Instead of keeping our own inventory we would keep a live database of the inventory held by our second hand sellers. Initially we would create a database of all quality-checked books in stock with the seller and give him a basic android phone with a pre-installed app. The app has two big buttons to add and remove books. If a customer buys a book through our store, we notify the seller and he keeps the book aside. On the other hand if the seller sells a marked book to a walk-in customer he can scan the bar code and it automatically updates our website database. If a student wants to sell a book he can do so by listing it on our website, but since students are not authorized sellers, we would provide a “Contact Seller” option instead of a “Buy Now” option if the seller is a student.

1.2 Market Analysis

According to a study done by us, as on October 2014 the amount a Computer Science Engineering student would spend if he/she chooses to buy new textbooks would at least be 20,000 INRⁱ. This study does not consider the inflation in 4 years and reference / extra books which the student would buy. As students/professionals are faced with increasing financial constraints they try to purchase, and later sell, old text books from small scale book sellers dealing in used books - this is accompanied by availability issues, price haggling and over pricing by sellers. College libraries allow students to rent books but that too for a very short period of time. Furthermore, not all the students and professionals have access to libraries.

According to United States-India Education Foundation there were 16.97 Millionⁱⁱ undergraduate and graduate enrollments in 2011-12 and a separate survey revealed 26.5 millionⁱⁱⁱ students took



admission for the same in 2014-15. According to "The National" in 2011^{iv}, India was the world's third-largest English book market and "The German Book office's 2013" report states that organized retail counts for only 7% of book sales in India^v. Our core customer segment (students) are mostly tech-savvy, the Internet penetration among them is pretty high and increasing. The graphs below show the Growth of Technical Institutions in India and student intake according to the AICTE^{vi}.

1.3 Financial Consideration

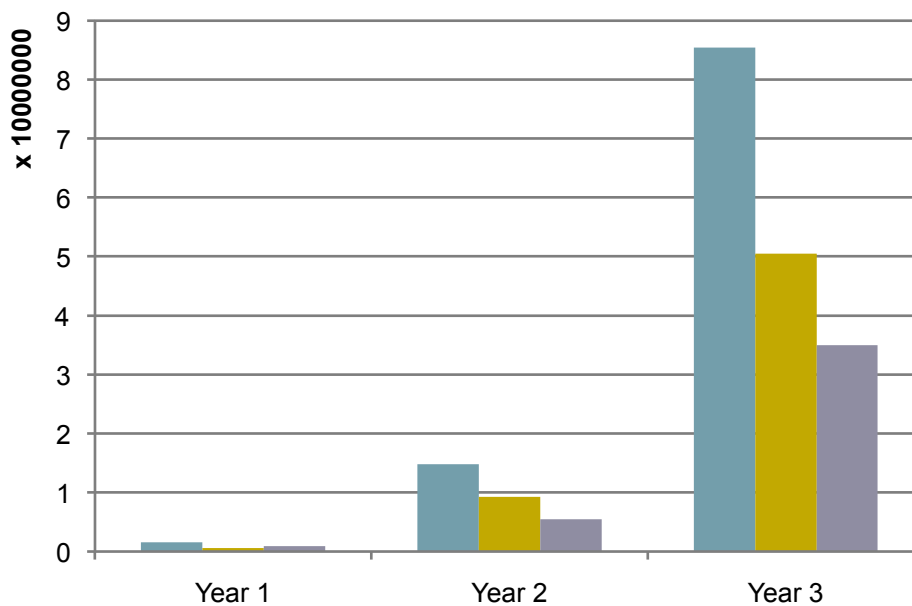


Fig 1.3

1.4 Mission

To be a leader in Online Reused Book Service, to provide students across India, books at affordable prices with easy delivery and returns. We will realize this by bridging the gap across the wide second hand books market place by partnering with them with the use of technology thus offering our customers a massive collection of books across the nation.

1.5 Vision

To be the only name, which people think of when they want to buy used book.



➤ 2. Product/Service Description

KampQuest.com will provide a first of its kind service for buying and selling second hand books online. Our services will include doorstep delivery for the books ordered online and a feature to contact fellow-customers who are selling the books. We are an interface between small-scale second hand booksellers and customers and would aim to earn a 5% commission in selling books as well as through advertisement on book covers.

2.1 Sourcing without Inventory

Instead of holding inventory, we would list the books held by various small-scale sellers who decide to partner with us by keeping a live database of the inventory held by our used book sellers. Initially we would create a database of all quality-checked books in stock with the seller and give him a basic android phone with a pre-installed app. This app would have a very simple user interface - two big buttons to add and remove books. If a customer buys a book through our store, we notify the seller and he keeps the book aside. On the other hand if the seller sells a marked book to a walk-in customer he can scan the bar code and it automatically updates our website database. Only trusted sellers can add new books through the application directly.

2.2 Marketplace

Since the transportation of books would increase the price, internally we function as a marketplace model. We are developing a graph-like logical structure to connect sellers and pin-codes as nodes and delivery charges on connections. To deliver a book to a pin code we would fetch the nearest (in terms of delivery charges) seller to the pin code and deliver the book accordingly. Sellers are hidden externally from the customers to simplify the purpose of placing the order, delivery and returns.

2.3 An e-classified

Apart from selling old books through second hand book sellers, we also provide an e-classified service where students can upload the books they want to sell along with their location, price. If the seller is a student/customer (not an authorized seller) we would show a “Contact Seller” option – just like an e-classified service and would link the buyer and the seller without any



profit. This generates traffic on our website and even if the student is unable to find another student who is selling that book, we would be selling it as well.

2.2 Delivery

Initially we would be using third party delivery services, and then slowly move towards integrating our own delivery in specific cities. Since most of the deliveries will be local, delivery charges would be less & they would be partly borne by us and partly by our customers.

2.3 Advertisements

KampQuest.com would offer targeted advertising to specific demographics (different streams of study, locations or colleges) through stickers on the back of the books, bookmark inserts and book covers at nominal rates to clients.

2.4 Technology

We will have a website for customers and an android application with a phone for sellers. All our software would be developed in-house by our experienced developers.

2.5 Product Development

The software development is almost complete and we have contacted two booksellers to start listing their inventory - we would be running a pilot program in Pilani from January, 2015 and then launching the service in 6 months.

3. Market/Customer Analysis

3.1 The Problem

According to a study done by us, as on October 2014 the amount a Computer Science Engineering student would spend if he/she chooses to buy new textbooks would at least be 20,000 INR^{vii}. This study does not consider the inflation in 4 years and reference / extra books which the student would buy. As students/professionals are faced with increasing financial constraints they try to purchase, and later sell, old text books from small scale book sellers dealing in used books - this is accompanied by availability issues, price haggling and over



pricing by sellers. College libraries allow students to rent books but that too for a very short period of time. Furthermore, not all the students and professionals have access to libraries.

3.2 Core Customer Segment

Though the company would deliver to anyone who orders from us, our core customer segment are students studying in schools and professional colleges across the country. Initially we would run a pilot program in Pilani, moving on to Delhi and Jaipur before launching the service nationwide.

3.3 Market Size

According to United States-India Education Foundation there were 16.97 Million^{viii} undergraduate and graduate enrollments in 2011-12 and a separate survey revealed 26.5 million^{ix} students took admission for the same in 2014-15. According to "The National" in 2011^x, India was the world's third-largest English book market and "The German Book office's 2013" report states that organized retail counts for only 7% of book sales in India^{xi}. Our core customer segment (students) are mostly tech-savvy, the Internet penetration among them is pretty high and increasing. The graphs below show the Growth of Technical Institutions in India and student intake according to the AICTE^{xii}.

3.3.1 Technical Institutes Plot

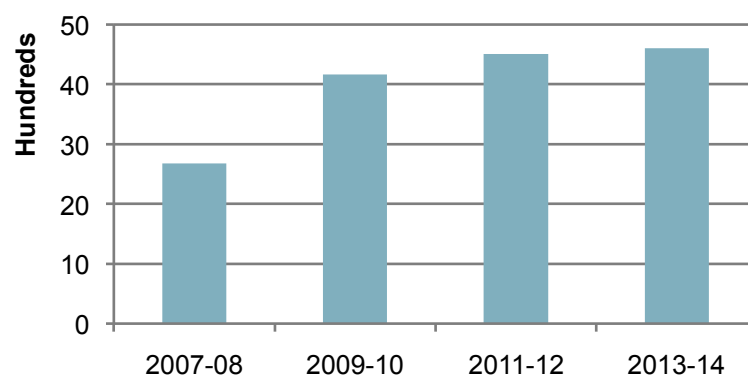


Fig 3.1 Technical Institutes



3.3.2 Student Intake Plot

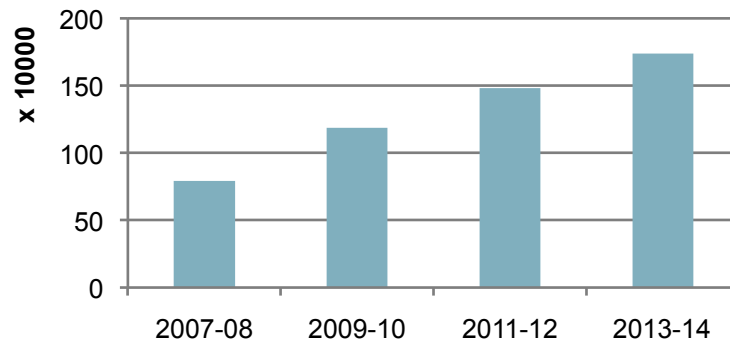


Fig 3.2 Student Intake

3.4 SWOT Analysis

S	<p>Strengths</p> <ul style="list-style-type: none"> •Use of Technology: Leveraging Technology like mobile apps to form a model that can combine the vast corpus of second-hand books vendors giving us a great supplier side. •Partnering with second-hand books vendors: By partnering with second-hand books vendors, we will be able to provide books at much lower rate than fresh books. •Partnering with second-hand books vendors: By partnering with second-hand books vendors, we will be able to provide books at much lower rate than fresh books. •Tech-Savvy Marketing: With the use of technology at every facet of the Business like Mobile Apps, Online/Digital Marketing can attract more number of student customers. 	W	<p>Weaknesses</p> <ul style="list-style-type: none"> •No integration into logistics. This can increase our logistics cost too much if not integrated. •Evaluation of Returned Books: Determining of returned books condition for its suitability for the next renting. •Disposal of deteriorated books whose conditions won't be suitable for renting anymore. •Unrealized Cash on Delivery Orders. •Non-standard price across nation Since the business is dependent on local vendors, process will vary across different regions. This will give our service a non-standard look. •Lack of funding for initial setup.
O	<p>Opportunities</p> <ul style="list-style-type: none"> •Economic Condition of Indian Students: India has 20 million students enrolled in Universities and Colleges and 60-70% of them come from low-medium income group families. So, India is a great market place for second hand books. •Economic Condition of Indian Students: India has 20 million students enrolled in Universities and Colleges and 60-70% of them come from low-medium income group families. So, India is a great market place for second hand books. •Advertisements Other industries with students as their customers do not have a proper medium to advertise to potential customer. For example : A first year engineering student will be more interested in Java/C++ while a final year student would be in ERP. We can help these advertisers to identify their potential customer and can earn revenue. 	T	<p>Threats</p> <ul style="list-style-type: none"> •Cyclical Nature of Demand The orders will be highest in the semester starting and will be decreasing till the next semester will give the business the cyclical nature. •Threats of new entrant: As the entry barrier are low in this industry, it can generate threats of new entrants. •Unavailability of all the books in second hand market during peak demand time(semester starting) •Online book stores like Flipkart, Amazon giving huge discounts on fresh books. •Competition with local second hand book sellers in nearby areas. •Substitutes like E-Books, Kindle.



4. Sales and Marketing Plan

KampQuest.com major market segment would be the all undergraduate and graduate students in India. We aim to simplify the buying/selling of textbooks during each semester, develop a trust based relationship with students and to create a trend of re-using old books & selling them back rather than buying new books only to throw them away at the end of the course.

4.1 Alliances with Colleges

We aim to form alliances with colleges and create college specific websites that would list books by streams, subjects and courses. Apart from our main website, we would create a white-label website which can be modified according to the requirements of the college.

4.2 Building trusted customer relations

As mentioned earlier, we attempt to appeal to all students in the need of textbooks for coursework or leisure reading. Once drawing the costumers in we would keep customers coming back since apart from solving a major problem with in obtaining old textbooks we would also be providing a platform for the students to sell the books.

4.3 Online Marketing

Social platforms and our SEO – optimized website would be a key component in drawing as well as retaining customers.

4.4 Print Media & Branding

We would use tradition print media like flyers, billboards, posters during semester cycles. The books we sell would have branded packaging and free goodies like motivational stickers and bookmarks with our branding.

4.5 Physical Presence

KampQuest.com also aims to create a temporary physical presence in colleges by maintaining temporary kiosks during the start / end of a semester and college fests.



➤ 5. Competitor Analysis

5.1 Key Analysis with competitors

We have identified three main competitors, which are operating in the online book rental model. However these competitors lack a differentiated business model and are basically online shops trying to sell books.

Factor	KampQuest	RentMyText.in	LibraryWala.in
Location	Plan to Expand Nation wide	Currently in Karnataka.	Operating in Mumbai, Pune and Bangalore.
Cost Effectiveness for Students	A student can have up to 75% saving over the cost of the book**	User have to spend 40% of MRP of books for 5 month while KQ user have to pay only 20% for MRP of books***	Saving only if students want different books every month.
Availability	Since, our model is based on partnering with number of vendors and not just dependent on inventory, we can offer a very high availability	Book Available only if present in RentMyText inventory.	Book available only if present in LibraryWala inventory
User Experience:	One Click Checkout, Guest Checkout, Responsive Application,	Not very intuitive.	Responsive, easy check out.
Ordering (Searching and Placing Orders)	We Offer Cash On Delivery and Online Payment Mode	Rent Books service available and Only Online Payment	Need to pay monthly registration fee.
Delivery	We will offer various type of delivery option nation wide	Only for Karnataka	Services offered in Bangalore, Pune and Mumbai.
E-Classified	Yes	No	No
Service Type	Single point Buy and Sell books.	Only Rent Used Books	Exactly like a library brought online.
Returns	We offer 7 days return policy	No Return Policy	Return policy resembles a library.

Table 5.1 Competitor Analyses



6. Management Team

- **Rishabh Jain (CFO):** Completed his MBA in Finance with 81 percent marks in 2013. Has worked at Global Logic from February 2013 to January 2014 as a Management Trainee assisting the PMO in quarterly rate increase program which lead to 15% increase in revenue.
- **Nishant Kumar (co-founder):** A graduate in computer science engineering with 3+ years of experience. Earlier UI Engineering Lead at “*Kavan Life & Computing*” presently doing his master's in software system from BITS Pilani.
- **Rachit Magon (co-founder):** Completed his B.Tech in Computer Science in 2012 and worked with Wipro Technologies as a .Net Developer before joining Bits Pilani in June 2014.
- **Surya Prakash Singh (co-founder):** Presently pursuing M. E. in Software Systems from Bits Pilani after completing his B.E. in CSE.



7. Financial Highlights

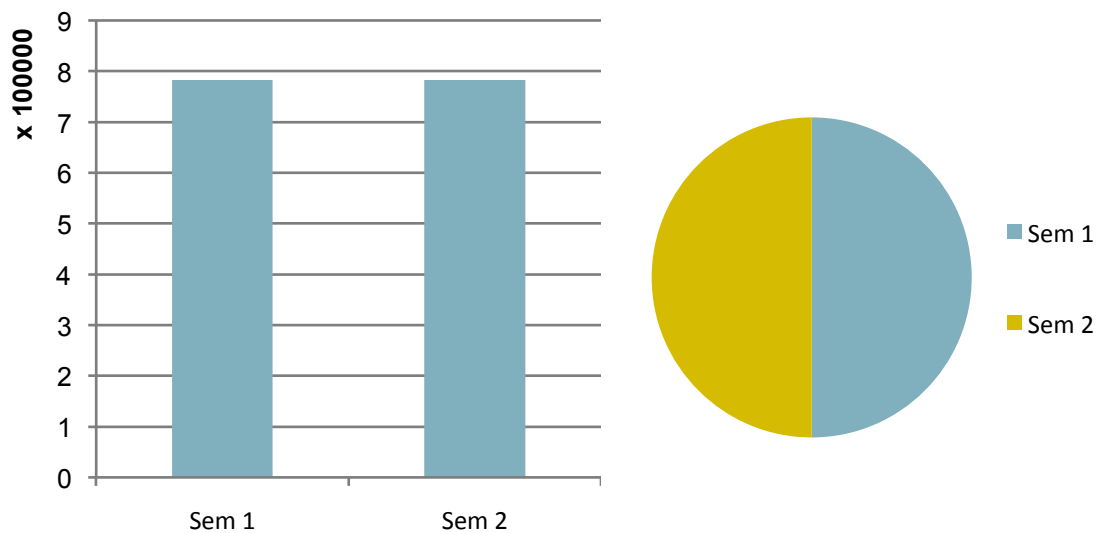
Calculation is based on appendix 8.1

7.1 Sales Forecast

7.1.1 Year 1

	Year 1	
	Semester 1	Semester 2
Number of Buyers	847	847
Revenue from Buyers	84794.4	84794.4
Revenue from Advertisement on books	1694.192112	1694.192112
Number of Viewers	346231.3	346231.3
Revenue per view	3462.313	3462.313
Number of Clicks	692462.6	692462.6
Revenue per click	692462.6	692462.6
Total Revenue	782413.5051	782413.5051

7.1.1 Sales Forecast Year 1 (Revenue Plot)





7.1.2 Year 2

	Year 2	
	Semester 1	Semester 2
Number of Buyers	4239	4239
Revenue from Buyers	423972	423972
Revenue from Advertisement on books	16941.92112	16941.92112
Number of Viewers	1731156.5	1731156.5
Revenue per view	34623.13	34623.13
Number of Clicks	3462313	3462313
Revenue per click	6924626	6924626
Total Revenue	7400163.051	7400163.051

7.1.2 Sales Forecast Year 2 (Revenue Plot)

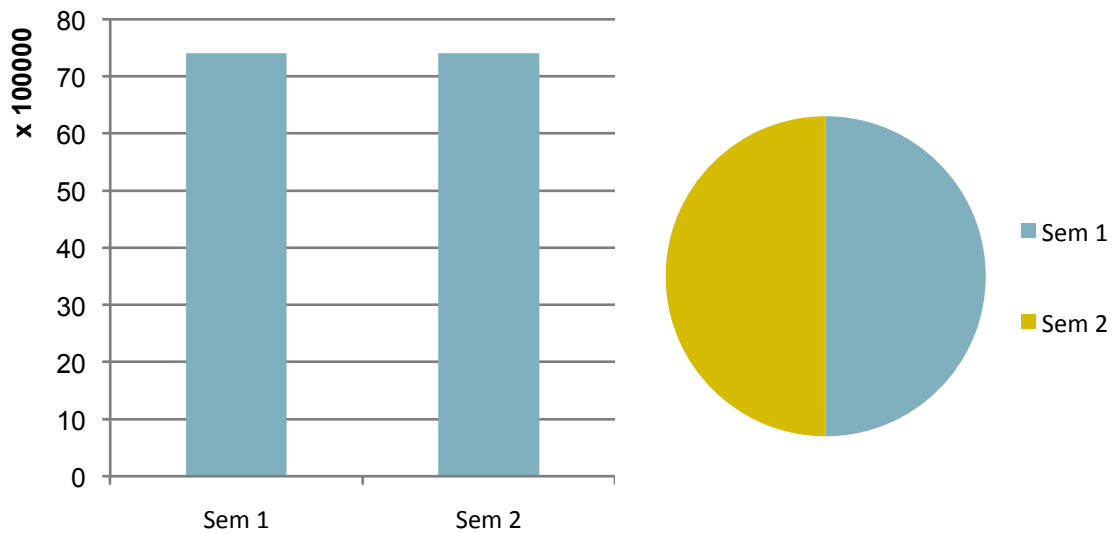


Fig 7.1.2 Revenue Plot



7.1.3 Year 3

	Year 3	
	Semester 1	Semester 2
Number of Buyers	8479	8479
Revenue from Buyers	847944	847944
Revenue from Advertisement on books	8470960.56	8470960.56
Number of Viewers	5539700.8	5539700.8
Revenue per view	166191.024	166191.024
Number of Clicks	11079401.6	11079401.6
Revenue per click	33238204.8	33238204.8
Total Revenue	42723300.38	42723300.38

7.1.2 Sales Forecast Year 3 (Revenue Plot)

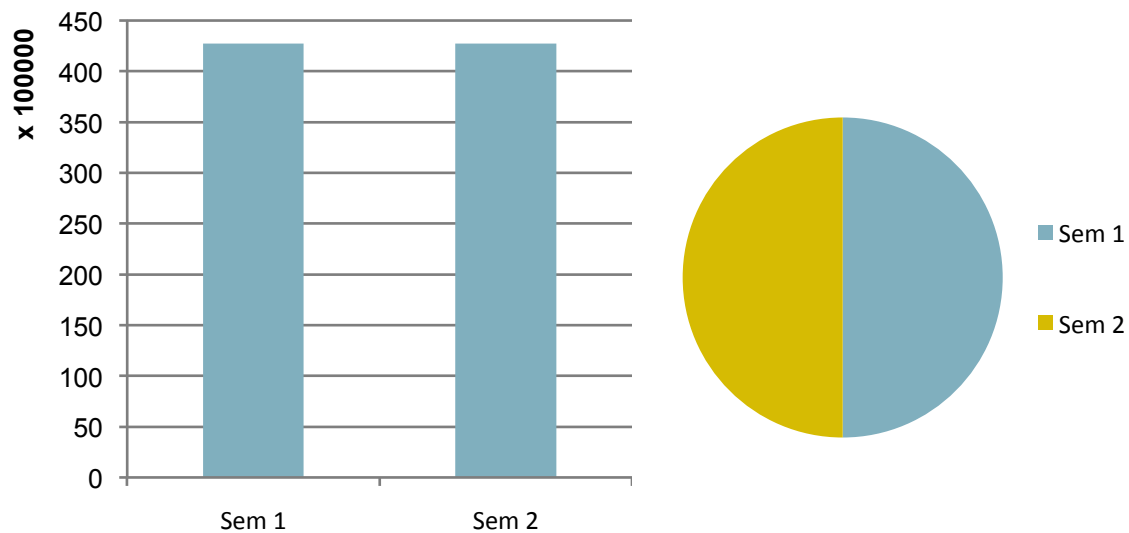


Fig 7.1.2 Revenue Plot



7.2 Tax and Interest Rate

	Year 1	Year 2	Year 3
Tax(%)	30	30	30
Interest(%)	9	9	9

7.3 Projected Profit and Loss

7.3.1 Year 1

	Year 1	
	Semester 1	Semester 2
Sales	782413.5051	782413.5051
Cost of Goods Sold		
Gross Margin	782413.5051	782413.5051
Expenses		
Payroll	100000	100000
Sales and Marketing Expense		
Web hosting		
General and Administrative Expense		
Depreciation Expense		
Total Operating Expense	100000	100000
Profit Before Interest and Tax	682414	682414
Tax	204724.0515	204724.0515
Profit After Tax	477689	477689

7.3.1 Profit and Loss Plot Year 1

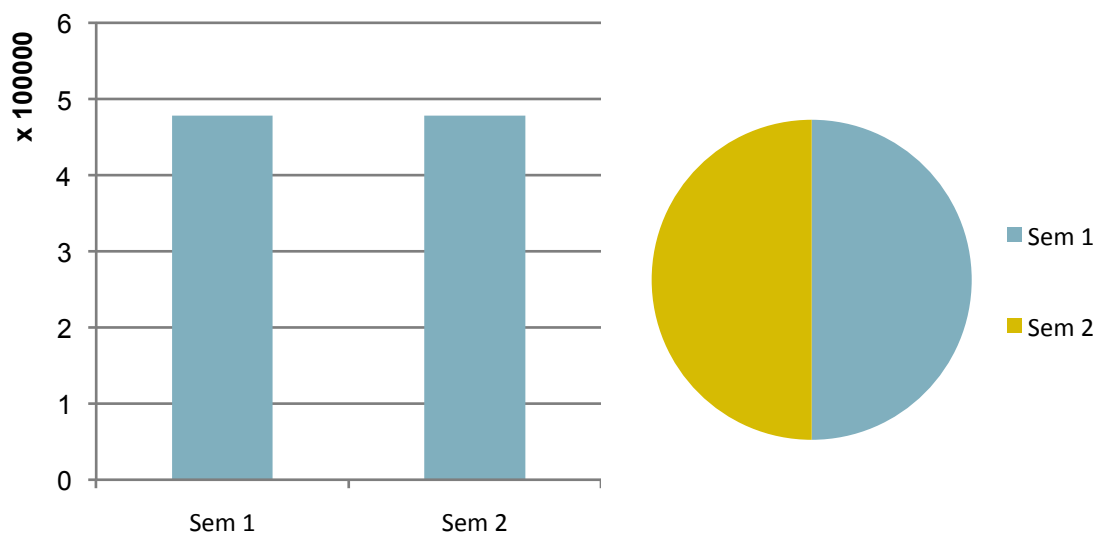


Fig 7.3.1 Profit and Loss Semester Wise



7.3.2 Year 2

	Year 2	
	Semester 1	Semester 2
Sales	7400163.051	7400163.051
Cost of Goods Sold		
Gross Margin	7400163.051	7400163.051
Expenses		
Payroll	1425000	1425000
Sales and Marketing Expense	1000000	1000000
Web hosting	400000	400000
General and Administrative Expense	600000	600000
Depreciation Expense	53281.25	53281.25
Total Operating Expense	3478281.25	3478281.25
Profit Before Interest and Tax	3921882	3921882
Tax	1176564.54	1176564.54
Profit After Tax	2745317	2745317

7.3.2 Profit and Loss Plot Year 2

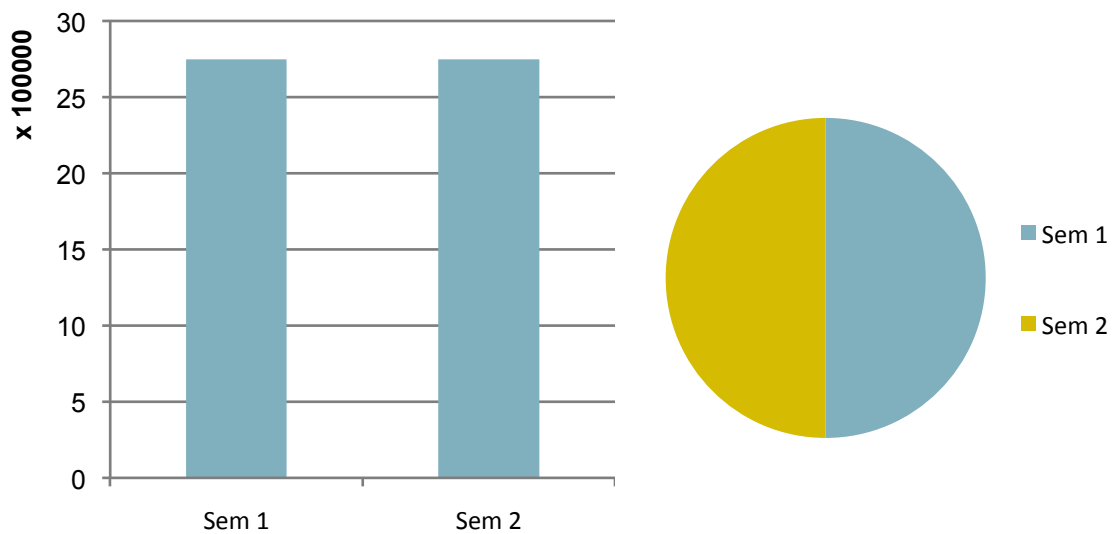


Fig 7.3.2 Profit and Loss Semester Wise



7.3.3 Year 3

	Year 3	
	Semester 1	Semester 2
Sales	42723300.38	42723300.38
Cost of Goods Sold		
Gross Margin	42723300.38	42723300
Expenses		
Payroll	2700000	2700000
Sales and Marketing Expense	2000000	2000000
Web hosting	850000	850000
General and Administrative Expense	900000	900000
Depreciation Expense	186277.75	186277.75
Total Operating Expense	6636277.75	6636277.75
Profit Before Interest and Tax	36087023	36087023
Tax	10826106.79	10826107
Profit After Tax	25260916	25260916

7.3.3 Profit and Loss Plot Year 3

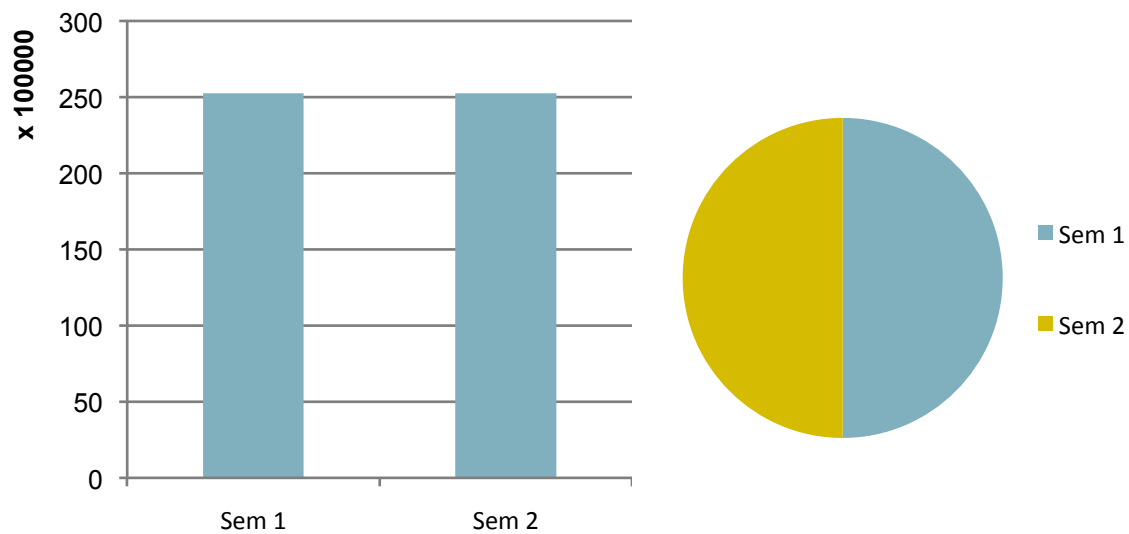


Fig 7.3.3 Profit and Loss Semester Wise



7.4 Projected Cash Flow

	Year 1	Year 2	Year 3
Cash Flow from Operations			
EBIT	1364827	7843764	72174045
Depreciation Expense	0.0	106562.5	372555.5
Net Cash Flows from Operating Activities	1364827.0	7950326.1	72546600.8
Cash flow from investing activity			
Purchase of new equipment	426250.0	1063972.0	2064420.0
Net Cash flow from Investing Activity	-426250.0	-1063972.0	-2064420.0
Cash flow from Financing Activity			
Seed Capital	3500000.0		
Net Cash Flow from financing activity	3500000.0		
Beginning Cash Balance	0.0	4438577.0	11324931.1
Ending Cash Balance	4438577.0	11324931.1	81807111.9

7.4.1 Cash Flow Plot

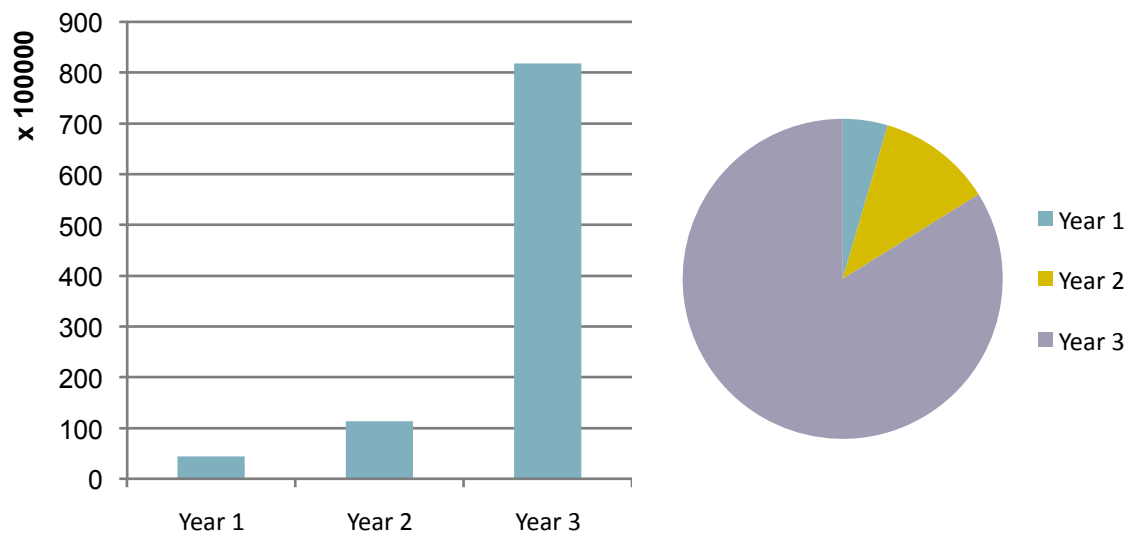


Fig 7.4.1 Cash Flow Yearly



7.5 Projected Balance Sheet

	Year 0	Year 1	Year 2	Year 3
CURRENT ASSETS:				
Ending Cash Balance	3500000	4438577.01	11324931.11	24974571.11
TOTAL CURRENT ASSETS			11324931	24974571
FIXED ASSETS:				
Office Equipment - (net) (4 yr life)		426250	1490222	2436988.25
Less Accumulated Deprecation			106562.5	289691.6
Net Office Equipment (net)			1383660	2147297
TOTAL ASSETS	3500000	4864827	12708591	27121868
CURRENT LIABILITIES:				
Capital(Stockholder's Equity)	3500000	4864827.01	9960358.872	27121867.76
Total Liabilities	3500000	2087571	9960358.872	27121868

8. Investment Required

7.2 Cost of the Project

Infrastructure	Website Hosting	41456



	Server Capacity	200000
	Office Equipments	100000
	Hardware for vendors	84794
Operations	Travelling	100000
	Contracting Vendors	100000
	Preoperative Expenses	100000
	Fees	100000
Marketing	Online Adds	700000
	Sponsoring of Events	500000
	Events in College	500000
	Coupon Discount	150000
Provisions	Unrealised COD	100000
	Cost beard due to unavailability of books	150000
	Additional shipping charges	200000
Technical	Technical know-how	373750
		3500000



➤ 9. Appendix

9.1 State wise Enrollment

State	Total Enrollments (2012-13)
Uttar Pradesh	4572904
Delhi	983426
Rajasthan	1695888

9.2 Buyers

Year	Year 1			Year 2			Year 3		
States	Delhi	Rajasthan	Uttar Pradesh	Delhi	Rajasthan	Uttar Pradesh	Delhi	Rajasthan	Uttar Pradesh
% cover	0	0.1	0	0	0.5	0		1	
Number of Customers		1695.888			8479.44			16958.88	0
Total customers	1696			8479			16959		

Year	Year 1	Year 2	Year 3
% Cover	1	5	8
Number of users	692462.6	3462313	5539700.8
Number of Views (assuming 2 views per user)	1384925.2	6924626	11079401.6

9.3 Revenue per Student

Buying of book from vendor	55	% of MRP
Selling to Student	60	% of MRP
Earning	5	% of MRP
Average Student Spending	2000	MRP
Revenue per student	1200	



Earning per Student	100	Rs
---------------------	-----	----

9.4 Revenue from Advertisement

	Year 1	Year 2	Year 3	
Advertising Fees	0.1	0.2	0.5	% of MRP
Advertising Revenue per book	0.333	0.666	1.665	
Advertising Revenue per student	2	4	10	
MPR of 1 book	333	333	333	
No. of books per student	6	6	6	

9.5 Sale of Advertisement on Website

	Year 1	Year 2	Year 3
Revenue per view(Rs)	0.01	0.02	0.03
Revenue per click(Rs)	1	2	3

9.6 Organizational Structure

		Year 1	Year 2	Year 3
Management Staff				
	Marketing	1	2	3
	Operation	1	2	2
	Finance	1	1	1
	HR+Admin	1	1	1
Technical Staff				
	Android Developer	1	2	2
	Ios Developer	1	2	2
	UI Engineer	1	1	1
	Designer	1	1	1
	PHP/Web Developer	1	1	1
	DBA	1	1	1
	Server Admin		1	2
Helper Staff		1	2	2



Total		11	17	19
--------------	--	-----------	-----------	-----------

9.7 Organizational Structure - Payroll cost

		Monthly Payout	Year 1	Monthly Payout	Year 2	Monthly Payout	Year 3
Management Staff							
	Marketing	60000	60000	100000	200000	150000	450000
	Operation	50000	50000	100000	200000	150000	300000
	Finance	50000	50000	100000	100000	150000	150000
	HR+Admin	50000	50000	100000	100000	150000	150000
Technical Staff							
	Android Developer	30000	360000	530000	1060000	700000	1400000
	Ios Developer	30000	360000	530000	1060000	700000	1400000
	UI Engineer	30000	360000	530000	530000	700000	700000
	Designer	30000	360000	530000	530000	700000	700000
	PHP/Web Developer	30000	360000	530000	530000	700000	700000
	DBA	30000	360000	530000	530000	700000	700000
	Server Admin	30000	360000	530000	530000	700000	1400000
Helper Staff		10000	120000	18000	36000	20000	40000
Total			2850000		5406000		8090000

9.8 References

- I. <http://blog.kampquest.com>
- II. <http://www.usief.org.in/India-Factsheet.aspx>
- III. <http://www.dreducation.com/2014/06/graduate-data-india-student.html>
- IV. <http://bit.ly/1xo9gAd>
- V. <http://bit.ly/1rgkeoV>
- VI. http://www.aicte-india.org/downloads/Growth_Technical_Institutions_310514.pdf#toolbar=0