Business Plan: Shanoubi

1. **Executive Summary**

Shanoubi is a platform that is promising to provide a convenient ecommerce platform for people living in the QF community (especially students living in the QF dormitories). Our team members, who are themselves living in the dorms, realized the many logistical and other issues faced by many students in the dorms particularly incoming residents, outgoing residents and residents currently living in housing.

Our platform 'Shanoubi' promises to address the many problems students and residents have. We will be providing an ecommerce platform to the people in the QF community (initially we plan to start in QF, but we will expand later on). We will also partner with QF and 3rd party services to provide storage options for students. We are also implementing an automatic price recommendation system that will help seller set the price easily.
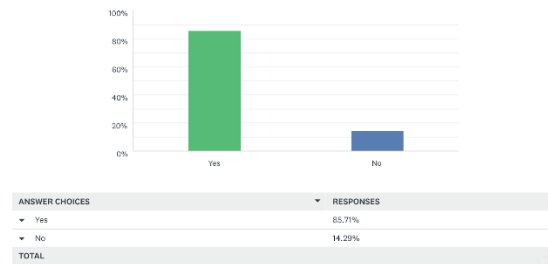
2. **Background**

Students addressed a lot of problems living in the housing. Incoming residents must purchase a lot of room equipment when they are moving in. They don't have any other option than to goto expensive stores and purchase expensive items for their rooms. Similarly, outgoing residents have a lot of unused stuff that they cannot carry with them back home, usually because they are very big in size or there is no longer any need of it, and they don't have any option to sell it to other residents who are in need of it (or perhaps even donate to someone who is in need of it). The situation becomes even problematic during the end of academic career when each resident must empty the room and have to take all of their stuff out. The residents usually have to transport their stuff for safekeeping to any of their relative or close friend living in Qatar. Residents currently living in the housing also expressed the problem of not having access to necessary items during urgent items. These items could include books, printers, cleaning equipment etc.

Our team members felt the need to address the problem of many logistical and daily life problems faced by the students living in the housing. The problem became more urgent when the same problems were highlighted by different students living in the housing. To confirm this issue, we also ran a survey targeting members in and outside the housing. Our responses are summarized in the findings below:

There are platforms like Qatarliving and Olx that allow you to sell used items online. If we introduce a platform among students, would you use it?

ANSWER CHOICES	RESPONSES
Yes	78.57%
No	21.43%
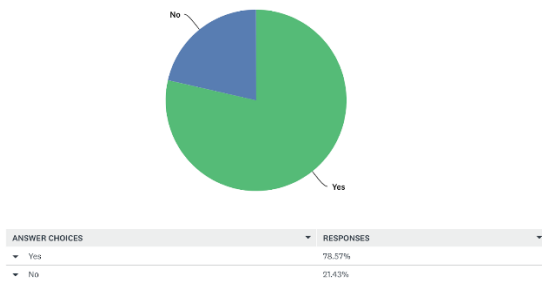
Would you like an online platform to help you sell things online?

| ANSWER CHOICES	RESPONSES
Yes	85.71%
No	14.29%
TOTAL	

Our market research concluded that initially we can target 1000-2000 people. Some of interested people were contacted in person (and through survey) and almost 70-80% agreed that they will like a new platform that can address their issues. Our business is of ecommerce type and we did effective secondary research to back our existence of problem. Using our secondary research, we came to realize that ecommerce platforms have proved to succeed and are highly effective in addressing customers problem.

3. **Proposed Solution**

To address all of the problems mentioned in Section 2, our platform 'Shanoubi' comes in place. We will partner with QF and other 3rd party services to even provide storage spaces for students to store their belongings. Students/residents who need any product or want to sell any product can use our platform to sell or buy items. Our platform will make the buyer and seller get in touch with each other and make necessary transaction. Our platform will also make use of an automatic price recommendation system that will help the seller in setting his price. We have realized the many discrepancies that occur when seller and buyer are trying to negotiate the price of an item. To make this process easy, the seller will input the item and our algorithm will search the web to get an estimate price of the item. This will follow present value of that product so that the buyer will also be satisfied when purchasing. This algorithm is not implemented by any other platform in Qatar and so proves the need of our platform. During our primary market research, we also asked candidates if they would like a new platform thatwill make use of this new algorithm. Almost 65% agreed that they would like such algorithm. The results are also summarized in the picture below:
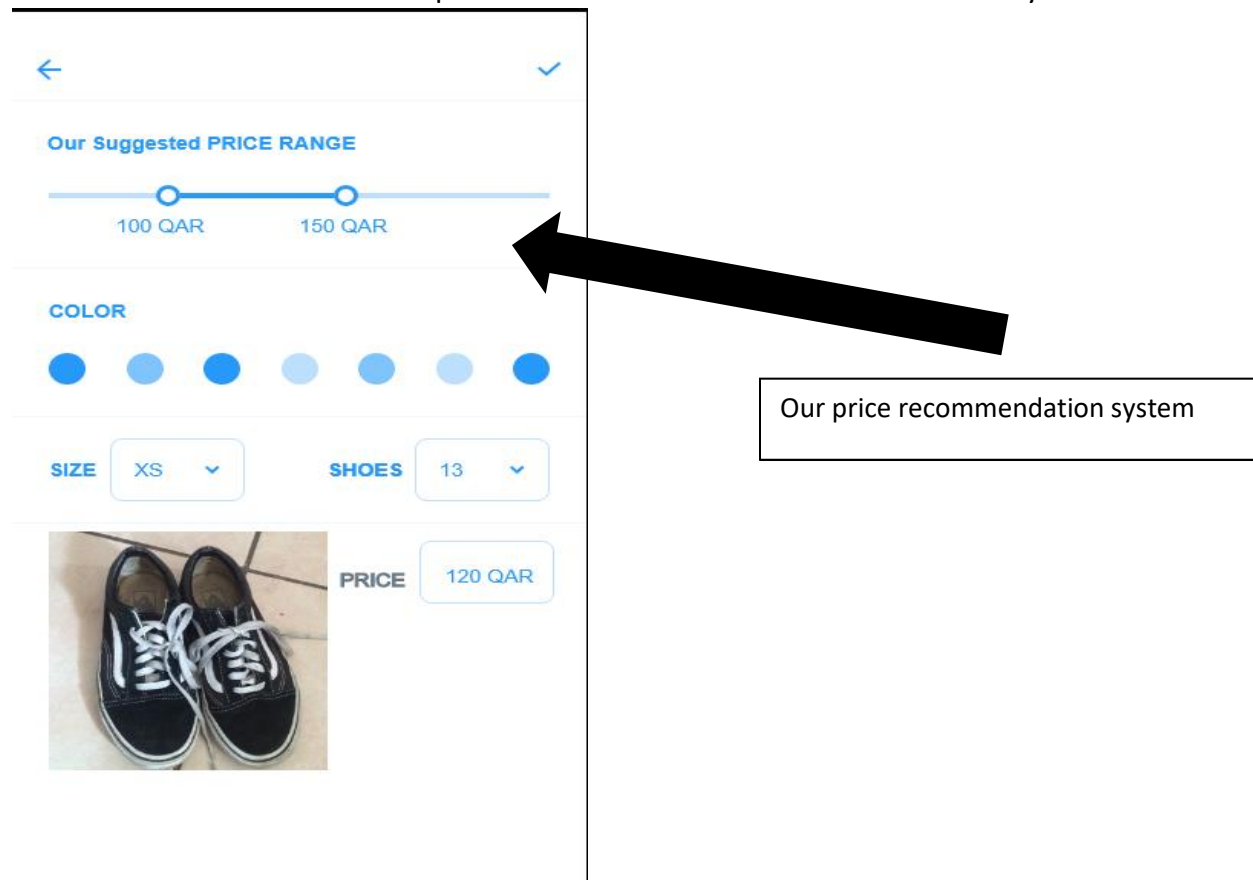

Setting a price for your product can be hectic at times. Would you like a price recommendation system that will set an estimate price for your product?

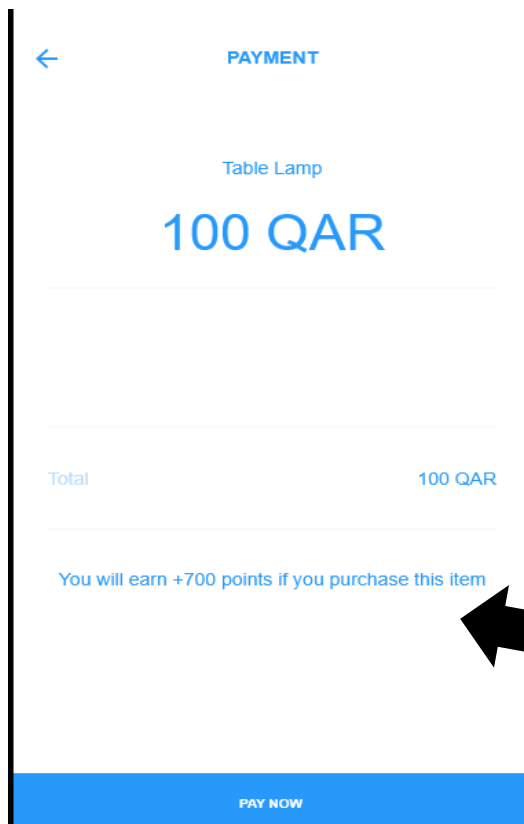| ANSWER CHOICES	RESPONSES
Yes	64.29%
No	35.71%
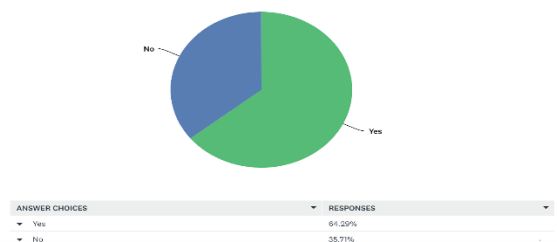
Our customers will receive a lot of benefits while using our platform. Our initial targeted community is a very close-knit community. Our platform will try to establish a family like environment for our initial market. Since many of our initial customers live in QF, it will make it easy for them to make trustworthy and rapid transactions. We will also introduce free delivery options for transactions outside QF, discounts for initial customers, add on products etc. We are also implementing a points system in our platform. For each transaction, users will receive some points. Using these points, user can then receive discounts, access premium features etc.

Premium users will also have access to 'Track your order' through which they can keep an eye on their incoming shipment if they are ordering from outside QF.
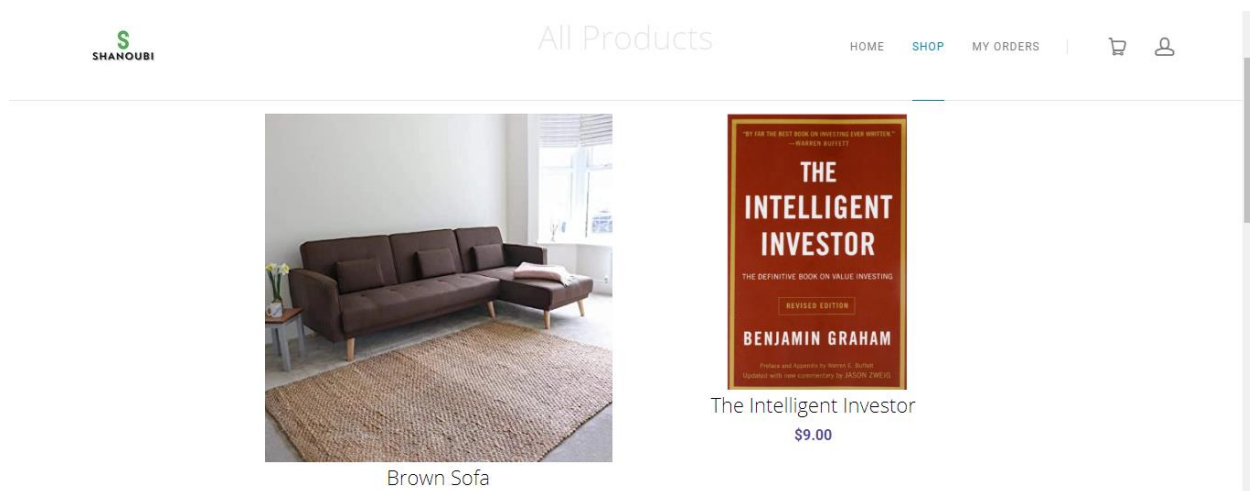
To make our platform turn into reality, we implemented an app and a website. Both app and website make use of our ample features and demonstrate them effectively.

Our price recommendation system

← **PAYMENT**

Table Lamp

100 QAR

Total   100 QAR

You will earn +700 points if you purchase this item

PAY NOW

Our point tally system

Some snippets of our website:

S SHANOUBI

All Products

HOME   SHOP   MY ORDERS

Brown Sofa

The Intelligent Investor
$9.00

Track your order button

We found OLX and Qatar Living as our competitors but none of them are using the premium features we are providing like Automatic Price System, temporary storage of iteme etc.

4. Implementation strategy

Our team consists of 2 members: Uzair and AbdulAziz

- Hacker

    Uzair will take the responsibility of being a hacker. Being a computer Science major at CMUQ, he has the relevant skills to engineer the product, solve technical problems and bring coding solutions into reality.

- Hustler

    Uzair will take the responsibility of being a hustler. Given his proactive nature, he gets work done easily. He also likes to go social and hang around with different groups of people. This factor can help our business achieve the 'growth hack'. He is also studying business in his free time and is also pursuing a minor in Business Administration at CMUQ. He has an effective people's management skill, and usually takes the whole team together.

- Hipster

    AbdulAziz will take the responsibility of being a hipster. Being an Information Systems major at CMUQ, he deals with design and user experience. He is also a local Qatari and can easily design our product according to the local taste of the Qatari population. His closeness to Qatari culture and Qatari values can also help us incorporate a better user experience that can provide value to the local Qatari population.

Our team suits perfect because one of our team member live in the dorms himself. The other team member is a local and has a better idea of local Qatari market and Qatari people. Also,

when Uzair can't be around in Qatar, AbdulAziz can help monitor business activities since he is a local here.

We already have a mobile app and a website up and running. Interested people can go and test them to check the level of service we are providing.

Our implementation strategy will involve each user who is logged into our website or app to share our service with atleast 1 of their close friend or relative. We will provide a discount code to both parties which they can use to waive off delivery fee or access discounts etc. Our close operation with QF will also help us in many ways. We can get investment, resources etc from QF and can work collaboratively with QF. Making use of both an app and a website can give us an early boost in potential targeted customers.

5. Business Model

We will be using a C2C business approach. During our market research, we found that C2C businesses have proved to be very effective because they lie in the collaborative economy. After studying the models that we can use for our business we came up with the conclusion that three models can help us generate revenue. However, we plan to start with one and then implement the other two. The first one is Transaction Fee Model, we are relying mostly on this model, as we are an intermediate platform that connects the buyer with the seller, we plan to take a commission from transactions made through our platform, a 2% commission from each transaction. Once we build an audience for our business, we will then apply the Advertising Model to our website and App. where we get for every viewer a $0.3 income. Along with that comes the Freemium Model, where everyone can use our platforms. However, there are features that require paying a monthly fee for. Like, pushing your products to more customers to speed up the process of the product being sold, hides ads from your sight.

1. Transaction Fee Model

2. Advertising Model

3. Freemium Model

Transaction Fee Model:

Our platform will charge a small transaction fee for the transaction of all products.. This fee will include 2% of the total value of the product.

Our platform will also focus to capture our initial market and retain our customers to be permanent. We will do this by providing:

i) Discount Charges: We plan to occasionally provide customers with deals such as a reduction fee of using premium features. We will include trial versions so that customers can test these premium features.

ii) Incentives: We will also include a reward system using points. For every transaction made by the seller and buyer, they will receive points. They can later redeem points to get further discounted premium features and free sponsored listings.

We will charge 2% of the total value of the transaction using our transaction fee model. Using this model, our annual revenue will be:

Total Revenue/year from Transaction Fee Model = (Total # of high value transactions) * (0.02 * Avg price/transaction)

Advertising Model:

In the beginning, our business will mainly focus on the advertising model. We will have Google AdSense to display ads on our website and we will also use banner ads and sponsored ads. The revenue from this model will depend on the number of views and clicks we will get on our website. The Ad Model will help us generate more revenue in the future as we expand our user base. With google recommendation algorithms, the pattern of usage by a user will help modify the recommended advertisements to increase the number of clicks on each advertisement put on our platform.

Total Revenue/year from Advertising Model = Total # of views * 0.3

· Where 0.3 is a constant of $/view

Freemium Model:

We will provide a free version of our platform to all our customers. However, customers will have to pay an additional fee to use some of the premium features. These premium features include:

- Charge for promoting/pushing some ads,
- Charging for displaying their ads in the first place of the list.
- Remove all the ads from our platforms

Premium features will include a package that customers can buy and can have a featured ad listing of their choice. The package will start with a $5 basic fee. The revenue using this model will be:

Total Revenue from Freemium model = (Total # of customers who buy a premium package) * $5

We are relying mainly on the transactions fee that we get as our mainstream of revenue. So volume of transactions is the most essential aspect for our income. We must promote our business well, to a good income.

Total Revenue = ((Total # of customers who buy a premium package) * $5) + (Total # of views * 0.3) + ((Total # of high value transactions) * (0.02 * Avg price/transaction))

6. Beachhead Market

We are aiming at the students who live in the Education City. There are around 5,000 people living in EC, so we must know the number of students. Based on the survey that we conducted on students of our university, 85% of the surveyed students wanted a platform to sell products that they have in their dorms and they do not want anymore.

This platform is provided for students who wants to sell their furniture to others within the range of EC. Since we do not provide a delivery service, we must take into consideration that seller and buyer can agree upon who have to do the process of moving that furniture piece. The same goes for electronic devices and books. We are planning to categorize the products sold on our platform to ease the process of shopping through it. Those categories will depend on the consumption behaviours that both the buyer and the seller have, like the type of products they would want to buy, or the must occurring type of product being sold. From this we can know which types of the products should we focus on in terms of the Price Recommendation System. As that will require a vast size of recorded transactions from other websites saved in a database, by this we are optimizing our time to be as productive and efficient as possible.

As for the TAM for Qatar's market for Furniture and Electronics:

Initially, we are targeting the population of Education City. As the business grows we plan to expand to the whole country's market.

The number of Online buyers in Qatar is **300,000.** Which is 14% of the whole population.

The market size of Electronics and Furniture in Qatar is **$300,264,000.** So if we captured 14% percent of that, it would be **$4,203,696**.

Thus, the TAM would be **$4,203,696.**

7. Financials

7.1 Revenue Projections
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Year 1:

The Target Market is 0.01%. It would be **$42,036** for the first year.

Year 2:

The Target Market for the second year is 0.025%. The projected revenue will grow to be **$105,092.**

Year 3:

As the market we are in is expanding we are also expanding. The Target Market will grow to 0.05%. Making the projected revenue equals **$210,184.**

Year 4:

The Target Market will grow to 0.075%. Thus, projected revenue equals **$315,277.**

Year 5:

The Target Market will grow to 0.1%. Making the projected revenue equals **$420,369.**

8. Marketing Plan

We are planning to work with the dorms management in Education City to sponsor us and spread our name, that we provide a platform for students to sell their unused furniture and electronics instead of throwing them in the common area. This will help us in getting the people who are in need for our platform. After that we can focus our resources on those customers and rely on them to be our lead customers, and their word of mouth to help our business grow. This strategy can help us allocate less costs on marketing and more on other operations.

We plan to periodically email those customers to ask them for feedback on our communications and operations, improving their experience with us and making them more connected to our business. This will be doable since we are a small business.

Our services to initial customers will help us turn them into our loyal customers. Those customers will also become our marketing source. Along with that we can market on social media platforms on the radius of EC, since its our targeted market. These ads has low costs, thus it wont spark up our expenses on the aspect of marketing.

This is the ideal marketing plan that would work along with our business.

9. Concluding Remarks

Our platform will help people save their money, time and get better quality products. Our services are also very convenient to use and very close to them. Our product will basically add value to our customer's life and make it convenient for them to manage equipment and items. Our 3 business models will then help us capture that value and turn it into meaningful revenue. Advertising and Transaction fee model will provide us with a recurring and constant income whereas freemium model will multiply our income to a great extent.