Business Plan

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Catalogue

1. App Introduction

1.1 The issues the application solves

Our app focuses on traditional Chinese cuisine. Not only does it help people find out where cuisine is, but also introduce Chinese cuisine culture to the world. The main issues that it can solve as follows:

✧ Convenient search for traditional cuisine: Traditional Chinese cuisine is very diverse, but many people may not know which cuisines are available or how to find them. A good traditional cuisine app should provide comprehensive and accurate information about traditional cuisine, making it easy for users to search for cuisines they are interested in.

✧ Introduction to traditional cuisine culture: Traditional Chinese cuisine is deeply rooted in culture. A great traditional cuisine app should provide detailed introductions and background knowledge, allowing users to look for information about the history and culture of traditional Chinese cuisine.

✧ Provide recipes for traditional cuisine: Some traditional dishes may have complicated recipes and require special cooking techniques and utensils, which may not be easy to find. An excellent traditional cuisine app should provide detailed recipes and cooking techniques, making it easy for users to try making traditional cuisine.

✧ Provide recommendations and reviews for traditional cuisine: Many users prefer to try new dishes recommended by other users. A good traditional cuisine app should provide functions for users to recommend and review dishes, allowing users to share their experiences and help others make better choices.

1.2 User and target market

Considering the issues that our app mainly solves, the target market and user groups of our app for traditional Chinese cuisine can be both native and foreigner who would like to taste or get more information about the cuisine. To meet the different needs and expectations of these users, the app can provide various functions and services. More specific classification as follows:

✧ Foreigners interested in traditional Chinese cuisine: Traditional Chinese cuisine is famous worldwide and attracts many foreigners interested in Chinese culture. These users may want to learn more about traditional Chinese cuisine, find authentic Chinese restaurants and dishes, and learn about the background and stories of Chinese culinary culture.

✧ Domestic and international tourists: For domestic and international tourists visiting China, exploring and trying local traditional cuisine is an important cultural experience. These users may use an app for traditional Chinese cuisine to discover local traditional dishes and restaurants, find their favorite dishes, and learn about the history and background of the cuisine.

✧ Domestic users interested in Chinese cuisine: In China, there are many people with a strong interest in traditional Chinese cuisine. These users may use the app to explore new dishes, learn about traditional recipes and cooking techniques, share their dining experiences with other users, and recommend good restaurants.

✧ Cooking enthusiasts: Some users may use the app to learn how to cook traditional Chinese dishes, try new recipes, and improve their cooking skills.

1.3 Innovation

The innovative features and unique selling proposition of this traditional Chinese cuisine app can be summarized in these three parts.

✧ Authentic and Rich Content: The app provides authentic Chinese cuisine culture, including the history and cultural background of traditional dishes, cooking methods, seasoning techniques, and recommendations for famous Chinese cuisine restaurants and snack bars. Additionally, the app provides detailed recipes and video tutorials, enabling users to learn how to prepare traditional Chinese cuisine.

✧ Personalized Recommendation Function: The app recommends dishes and restaurants that match users' tastes and preferences based on their browsing history, search history, and likes to enhance their experience.

✧ Social Function: The app allows users to share their dining experiences and photos, interact with other users, and increase user engagement.

2. Marketing

2.1 PESTLE Analysis

DIMENSION	ANALYSIS
Political	The government has always attached great importance to the development of tourism, introduced a number of policies to promote tourism and actively cultivate the international consumer market. In addition, the epidemic will be controlled in 2023 and gradually released. People's life will slowly return to a relatively normal state, and culture and tourism will gradually rise.
Economic	After the epidemic is gradually controlled in 2023, it is expected that China's economy will run smoothly in 2023, with a growth rate of about 6.0%, according to the predictions of Chinese Academy of Sciences and other universities and combined with the current domestic and international situation [1]. GDP growth means the growth of economic level, and studies show that the improvement of economic level plays a role in promoting the development of tourism [2].
Social	At present, short videos are popular in the society, and the number of users of such apps as Douyin and XiaoHongshu is huge. According to the research analysis, the popular live tourism trend, food and tourism short video marketing can promote the travel intention [3]. In 2023, the development trend is relatively good, the overall employment situation of the society is good, the income of the people increases, that is, the people have more money to save, and the possibility of choosing to travel abroad increases. In addition, China has rich and characteristic food culture, different regions of China have different food culture, food culture is also a cultural symbol of one region, we can see that food culture is an important part of Chinese national culture.
Technology	In recent years, Chinese scientific research direction develops rapidly. According to the research, Chinese high technology as a means of production is now developed into the corresponding tourism products, such as low-altitude tourism, intelligent hotel and other modern science

	and technology development crystallization, stimulates the new tourism consumption demand [4]. In addition, global mobile payment has significantly improved national consumption willingness and tourism consumption frequency.
Legal	China has a relatively complete tourism legal system, among which the most common is the Tourism Law of the People's Republic of China. In addition, there are a number of laws, such as the Regulations on Travel Agencies and the Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers, to protect the legitimate rights and interests of consumers.
Ecological	Because of our rich and complex terrain, coastal areas and inland areas due to ecological environment difference, food culture difference is also quite big, rich kinds of diet. In tourism, human and natural environment have an important impact on tourism planning and development. At present, tourism ecological environment has been attached great importance. Protection of natural environment and ecological balance is still the most important part of tourism [5].

2.2 SWOT Analysis

STRENGTH	WEAKNESSES
1. Focus on the popularization of local food culture and strong pertinence. Nowadays, the popularity of popular apps in the market is not comprehensive, and the public's understanding of this aspect only stays on the surface. In this application, we will introduce the pictures, characteristics, name origin, historical background and so on of many classic food in different places, in order to provide the most perfect introduction to users. 2. Short time and convenient. In this application, the food will be differentiated by its location. Users only need to select or search a specific province or city to obtain local cuisine, effectively meeting the basic needs of people in a fast-paced life. 3. Wide market range and strong competitiveness. The target market of this application is not limited to Chinese nationals, but will also be geared towards foreign countries. In the process of use, the user can choose the required language (Chinese, English). In particular, considering the prominent features of the naming of traditional food, we will present the names of food in a bilingual form on the English interface [example: biangbiang noodle], so that foreign friends can understand the Chinese food culture, but also appreciate the profound culture of Chinese characters.	1. The business is relatively simple. It only shows the popularity of regional traditional food, with low comprehensive attraction and low utilization rate.

OPPORTUNITIES	THREATS
1. Tourism recovery. Since February 2023, favorable policies have been introduced across the country to accelerate the recovery and deeply integrated development of culture and tourism. According to the data center of the Ministry of Culture and Tourism, it is estimated that the number of domestic tourists in 2023 will be 4.55 billion, an increase of about 80% year on year. Domestic tourism revenue reached about 4 trillion yuan, up about 95% year on year. In addition, the inbound tourism market is gradually picking up. In February 2023, many places such as Guangdong, Hunan, Fujian and Shandong welcomed their first inbound tour groups. 2. The combination of catering activities and tourism can form a unique tourism market. At present, with the continuous improvement of people's living standards, people are no longer satisfied with their own food and clothing, and food culture has been widely attached importance in such an environment, and the development prospect of food culture tourism industry is good. 3. The extensive and profound Chinese food culture is conducive to responding to the national call. Entering the new era, how to "forge a strong sense of community for the Chinese nation" has become a major realistic proposition. Promoting the packaging of Chinese food culture and giving play to its role as "cultural adhesive" is conducive to making the people consciously create a sense of "unity of the whole nation", and providing a way to build a strong sense of community of the Chinese nation with the identity of Chinese food culture.	1. Platform competition is large. Some tourism apps have a certain market share and a large number of users, making it difficult to develop this APP.

2.3 Channels to Validate an App

2.3.1 Market competition

At present, although the business scope of this application is relatively novel and highly targeted, it does not mean that we do not have competition. Throughout the whole market, the competition with this application is as follows: 1. Ctrip (travel APP); 2. Douyin (short video platform); 3. Xiaohongshu (Social media platform)

2.3.2 Competitive Analysis

	Ctrip	Douyin	Xiaohongshu
Positioning	Aiming at a wider range	Douyin is a short	Xiaohongshu APP is a

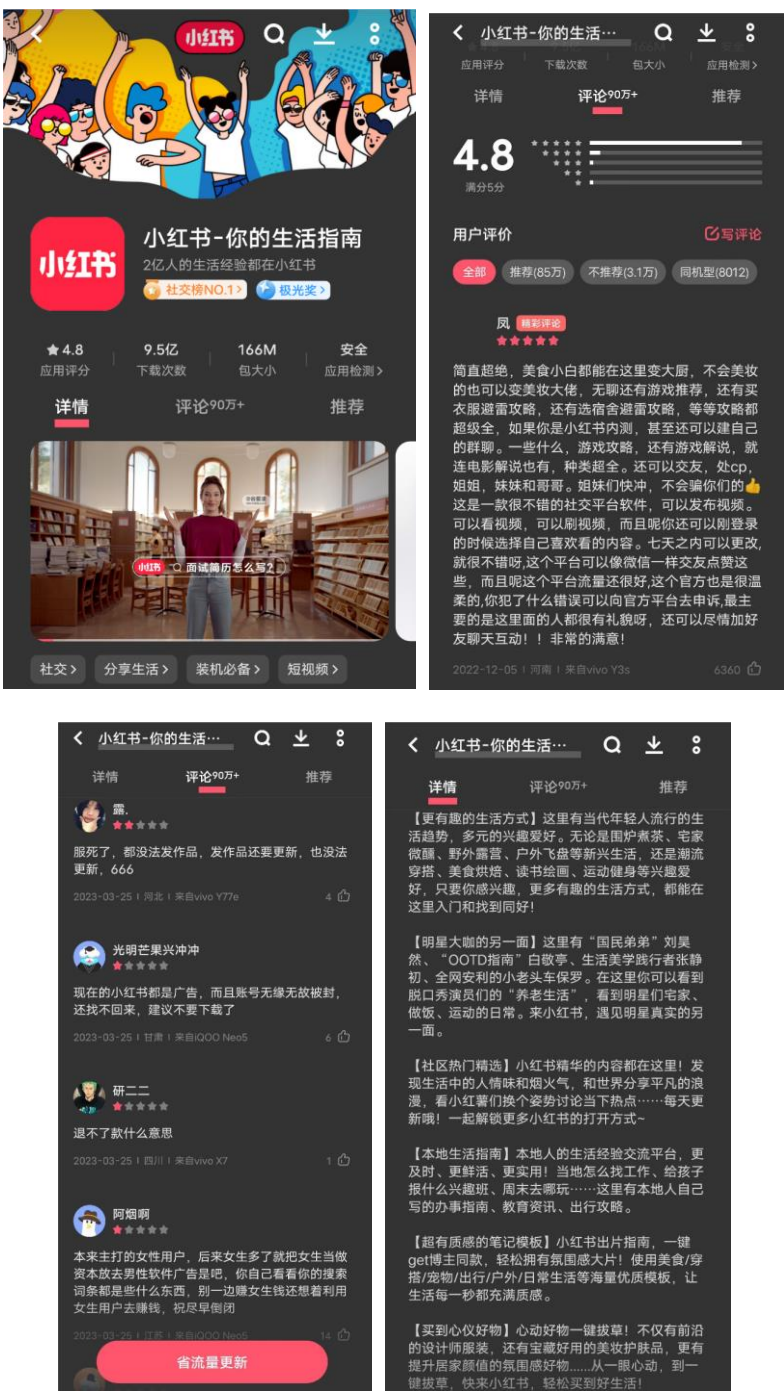|			
	of urban lifestyle websites, we are committed to serving consumers and enterprises with high consumption power in major cities in China, and achieve differentiation strategy with comprehensive travel intermediary and perfect and high-quality services in this market, so as to get ahead of competitors and establish our own competitive advantages.	video social software for creative music incubated by ByteDance. It is a short video community platform for all ages. Users can choose songs through this software, shoot music works and form their own works.	lifestyle platform and consumption decision-making portal for young people. Here you can discover the real, upward and diverse world, find the fashionable way of life and more.
Strengths	1. The tourism industry has perfect services, a large number of users and a certain market share; 2. List local specialties and recommend local restaurants.	1. Short videos are hot. In a short time, I learned about the traditional food around the country through the interesting introduction video of the blogger, which is more attractive.	1. Great social features. Xiaohongshu platform is highly interactive. Users can post graphics and other content, or communicate with others through comment sections and following publishers. The stickiness between users is very strong and the correlation is very high. Through friends recommendation or platform planting grass, the promotion of traditional food.
Weaknesses	1. The popularity of food is superficial and not deeply involved in the historical background; 2. The layout of the food interface is not obvious, which is not the main business, and the usage rate is low.	1. There is suspicion of a large number of advertisements, and the authenticity of food promotion is not guaranteed; 2. The Douyin platform will limit the stream, and some videos that promote food with intent cannot be seen by most people.	1. There is suspicion of a large amount of advertising, heavy filter; 2. The majority of the audience has a stereotype of XiaoHongshu. Although the columns of XiaoHongshu are not limited to beauty makeup and skin care, but also expand to food, movies and TV, etc., most of the audience's brand image of XiaoHongshu is limited to beauty makeup and clothing.

2.3.3 App Store

In the app Store, we checked the categories consistent with this app: 1. Ctrip Travel; 2. Douyin; 3. Xiaohongshu; 4. Douguo; 5. Xiachufang

Ctrip

Douyin

Xiaohongshu

Douguo

Xiachufang

By reading the comments, we found that:

Why do people like the app?	Powerful functions (record life, easy operation, customer service, social); Rich in content; Practical (convenient, fast and affordable); Page aesthetics
What makes the app stand out?	Lifestyle (leisure life, sharing life, convenient life);

	Social function; Content theme (food, recipes)
Does the app work the way it should?	For the most part, yes, but here are a few things that happen: Flash back; Pop-up ads (APP download); Forced update; User information disclosure; Overlord clause; ripeness
How are they marketing their app?	Brand merger and acquisition and cooperation; Functions (Share, record good life, find hot, personalized recommendation, affordable and convenient); Format (short video/live/online class); Practical content; Wide coverage (all walks of life/all over the country
What is their competitive advantage?	Plenty of resources and plenty of words; Large scale after-sales team; Advanced technology and management control body; Huge amount of customer traffic

3. Operating

3.1 Product & Service

The app aims to introduced Chinese traditional food with two languages (both Chinese and English), which not only promote Chinese to learn more about traditional food but also foreigners will hold interest to Chinese traditional food and culture. The app offers a wide range of Chinese traditional food recipes with clear instructions and attractive images. The recipes are categorized by region or type of cuisine, making it easy for users to find what they're looking for and being interested in. In addition, the app also offers features like ingredient details, video for cooking and relevant stories for cuisines.

3.2 Price

The app will be offered for free or at a low cost to attract wider users. Alternatively, the app provides a premium subscription service for users who want access to additional features, such as exclusive recipes or cooking videos, which could effectively market Chinese traditional food to a wider audience, making it more accessible and appealing to those interested in exploring Chinese traditional cuisine.

3.3 Place

The app could be distributed through major app stores such as the Apple App Store and Google Play Store. It could also be promoted through food-related websites and forums, as well as targeted ads on social media platforms. What's more, a variety of marketing strategies will be used, such as social media advertising, influencer marketing, and search engine optimization (SEO) for app store

rankings. The app could also partner with Chinese restaurants or food bloggers to promote the app and increase brand awareness.

3.4 Promotion

✧ Publicize the brand and deepen users' cognition of the enterprise brand. Through traditional media and digital media such as elevator ads, paper media, mobile APP market, Douyin short videos, wechat groups and other ways to release information with APP, make promotional videos, and actively try to cooperate with food programs, so as to make users download the APP.

✧ Form effective interaction with users. By displaying product information, messages in the APP site, incentive mechanism and task mechanism in the APP, users are encouraged to interact and get a good experience in the process of participating in and completing tasks.

✧ Collect relevant hot topics, combine the hot topics with the operation activities in the APP, and spread them, so that more users can understand and stimulate their enthusiasm for participation.

4. Financial Key Indicators

4.1 Customer Acquisition Cost

Customer acquisition cost (CAC) refers to the amount of money a business spends on average to acquire a new customer. It is a key metric for measuring the effectiveness of company's marketing and sales efforts. For our App, it is important for us to keep CAC low, as a high CAC can lead to decreased profitability and hinder growth. Factors including marketing and advertising expenses, sales team salaries and commissions, and the length of the sales cycle will all influence CAC.

✧ App type: for a free app, it may have a lower CAC as it can be promoted through organic search, social media and word-of-mouth, while a paid app may require more marketing efforts and resources to acquire new customers.

✧ App platform: The platform on which the app is developed can also impact the CAC. For example, iOS app development may have a higher CAC due to Apple's stringent app approval process and the need to market specifically to iOS users.

✧ Marketing strategy: Paid advertising campaigns can be more expensive but can also lead to a higher volume of downloads. Organic marketing strategies such as social media marketing, content marketing, and influencer marketing can have a lower CAC, but may require more time and effort to generate results.

4.2 Lifetime Value

The lifetime value (LTV) of an app is the total amount of revenue generated by a customer throughout their relationship with the app. Calculating the LTV is an important metric for businesses to determine the return on investment (ROI) of their app development efforts and to determine the potential profitability of their app. Here are some factors that can impact the LTV of an app:

✧ App monetization strategy: Our app is free and relies on advertising, the LTV may be lower than if the app is a paid app or uses in-app purchases.

✧ User engagement: The more engaged a user is with the app, the higher the LTV. App with high user engagement is likely to have more repeat users, which can lead to increased revenue over

time.

✦ Retention rate: The app with a high retention rate is more likely to generate more revenue over time, as users continue to engage with the app and make additional purchases.

4.3 Burn Rate, Runaway and cash flow

4.3.1 Burn Rate

To calculate the burn rate, it is necessary to determine the monthly expenses required to cover salaries, software and hardware costs, marketing and advertising expenses, and any other costs associated with the development process, which will provide an estimate of the amount of money you are spending each month.

4.3.2 Runaway

To calculate runaway, it is essential to divide cash reserves by monthly burn rate, which will provide an estimate of the number of months until run out of cash.

4.3.3 Cash Flow

To evaluate the cash flow, it ought to consider the expected revenue from the app, as well as any expenses associated with operating the app once it is launched, which help to consider how much cash flow you can expect to generate from the app over time.

4.4 Profit

Several factors will influence the profit potential, such as the revenue model, and the projected user base. The revenue model determines how the app will generate revenue. Our revenue models for apps include in-app purchases, subscription fees, and advertising revenue as the major revenue.

References

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