

TEAM ONE ORANGE

BUSINESS PLAN
OF
NITE BARGAIN

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Chapter 1 BP Background

Today, many fresh goods sold by stores (such as bread, dessert, sushi, yogurt and juice) have a short shelf-life of one or two days. To ensure the stores that the products provided are absolutely fresh, they have no choice but to throw them away after closing if they can't sell everything in time, which results in not only a large amount of food waste but also a big loss to businesses. However, if these products are purchased by some customers, the qualities of these products wouldn't be significantly changed as long as they could be served immediately or stored cryogenically. Additionally, it would also be beneficial to the businesses' profits. This behavior is also environmentally friendly by reducing food waste.

Chapter 2 Market Analysis

Demographics: Smart phone users aged 18 to 50 with average incomes, give priority to females.

Geographic: Customers in urban area of metropolises in China, like Beijing, Shanghai, Guangzhou, Shenzhen.

Behavioral: Budget-conscious customers on food.

Psychographic: People who are ready to purchase discounted food.

Potential collaborative stores: Bakeries, pastry shops, dairies. According to Baidu maps, the numbers of bakeries in four metropolises are:

Beijing: 854

Shanghai: 4258

Guangzhou: 1269

Shenzhen: 1091

Assume that 2000 bakeries collaborate with us. If 5 pieces of bread are unsold in each bakery everyday on average, around 3 million pieces of bread will be sold at night via our app, which shows that we have a large target market.

Chapter 3 Project Introduction

Based on the marketing analysis, we have researched and developed an application that integrates multiple information of discounted food in groceries all over the city. The purpose of this application is to make it possible for users to buy qualified food at very low prices and most importantly, for the shopkeepers, to reduce the daily losses because of the waste of expired food. Once the users turn on the application's GPS, they will be able to instantly see the discount information uploaded by the nearby groceries. They can immediately purchase those items online then get them within a certain amount of time.

The project has its huge advantage and bright prospect.

First, leftover food are part of the cost of their business, and the project is able to cut their cost to some certain extent, which will make it more likely for us to cooperate. Similarly, the huge discount is definitely a benefit for the customers to purchase food, which will make the application popular among the buyers. Secondly, the idea is certainly innovative and more likely to occupy bigger market share. Furthermore, this project has an absolutely fast rate of promotion, low cost, less complexity, and a matching idea of the economy.

The detailed information of the plan is as the followings:

The 5C Analysis

Customer

Buyers: People on medium and low incomes in the cities' CBDs

Competition

External: Take-away food apps (Baidu, Meituan, eleme in China), they don't have any service for discounted food.

Internal: Sales promotion of groceries themselves. Compared to this, the advantage of the application is that it provides a platform on which the discount information can spread instantaneously and make much more potential customers aware.

Future competitions from similar companies: Our advantage is that we have more existed collaborators and users.

Collaborators

Stores:

1. Big food groceries in busy streets
2. Groceries near intensive residential area
3. Big Supermarkets (like Walmart and Carrefour)

Chapter 4 Marketing Strategy and Execution

In marketing strategy, Internet products are characterized by data-driven and rapid alternation. Therefore, the marketing strategy should base on the large data and the basis of consumer demand and user experience constantly to optimize the product update. In terms of pricing, the application's strategy is to be free for the shopkeepers in order to increase the number of users, by which attracting kinds of advertising and sharing profits with businesses. As we combine the sales online and offline, we can get the best effect due to the different characteristics. For promoting sales, the combination of online and offline would get the maximum propaganda effect, which would ultimately lead to a good reputation.

Details are as the followings:

The 4P Analysis

Product

Our main product is the application platform —— Nite Bargain.

Consumers: We provide them with the sales information on discount foods, so they can buy these products directly.

Shop Keepers: we offer the measure of delivering instant messages about discount.

Promotion

Offline:

1. If a consumer acknowledges our application through some business and downloads it, the shop keeper can obtain some percentage from the overall profit.
2. The first order for every client will be for free.

Online:

We will advertising on Wechat, search engines, Weibo, and give away coupons and free gifts on these websites.

Place

Our project will be first carried out in Beijing, Shanghai and Guangzhou. After some time, our business will spread into second-tier cities in China.

Through negotiating with different stores, our promotion of marketing would have a much better chance to endow us with their willingness of corporation and contracts on a series of later joint work, such as installing apps, assisting products to be shipped, etc.

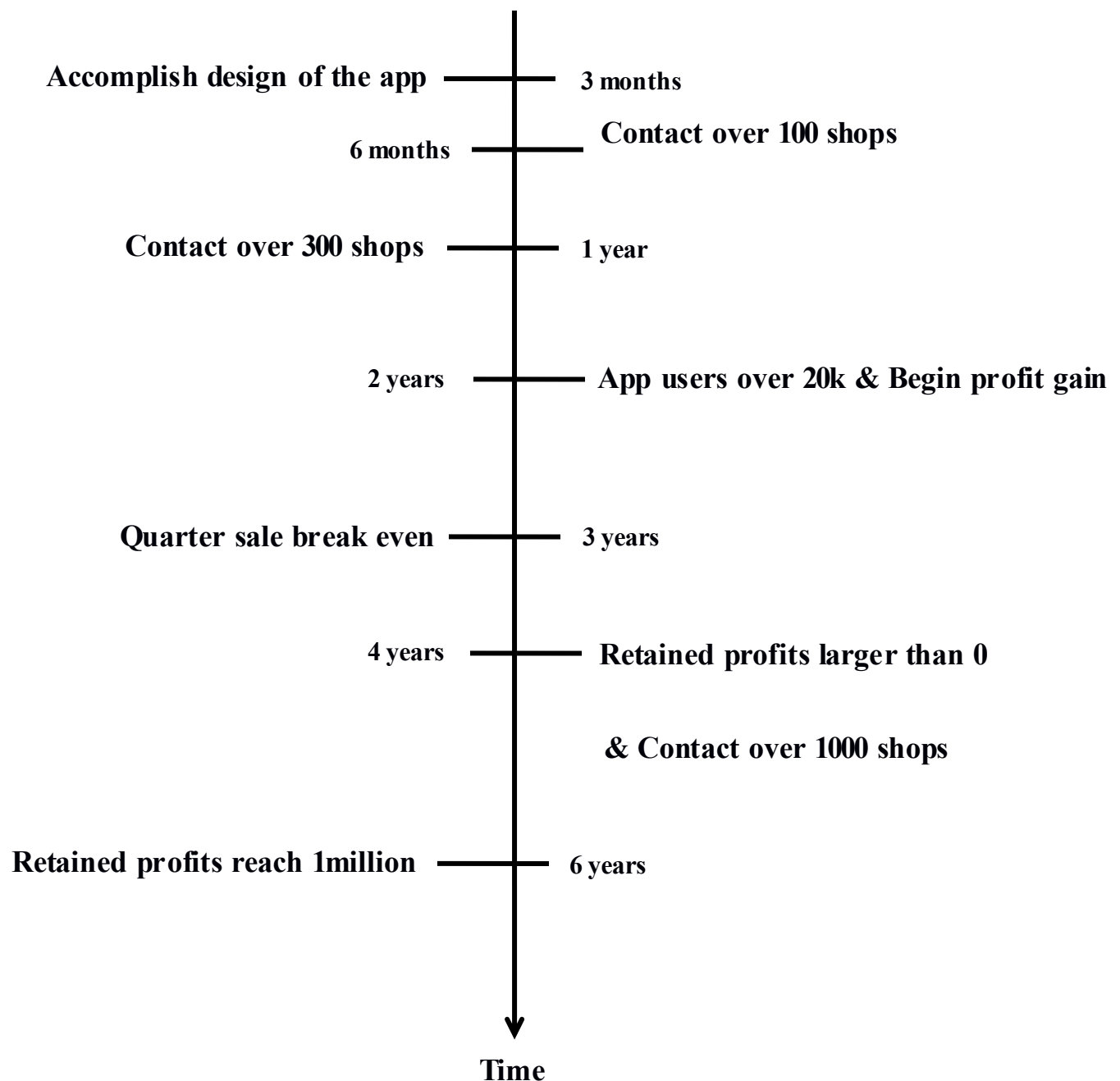
Consumers can easily download our application from Apple Store and Google Play.

Price

1. The platform charges 10% of the price/profit of the products from the businesses.
2. The platform gain profit through placing advertisement of the joining shops.
3. The application platform is free to use.

Chapter 5 Milestones & Financial Plan

Milestones



In the future, most of the shops which need to deal with perishable goods will pay attention to this kind of platform. Therefore, this part of market will gradually be expanded and people will be accustomed to this consuming model, resulting in an increased used of our application.

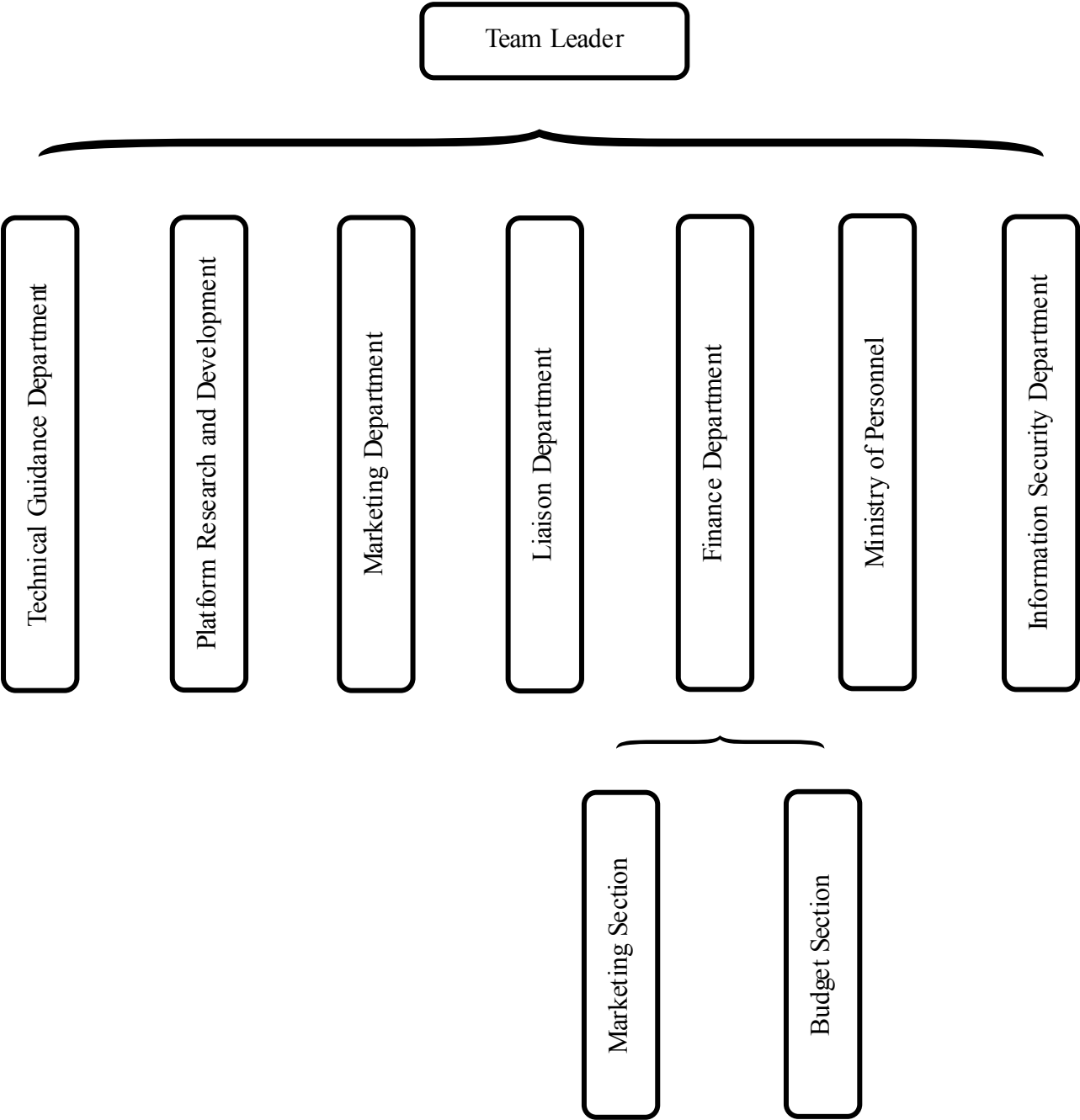
Financial Plan

	year1				year2		year3	
	Q1	Q2	Q3	Q4	Q1/ Q2	Q3/ Q4	Q1/ Q2	Q3/ Q4
Units sold	0	71000	125000	168000	280000	480000	515000	745000
Average selling price	0	¥4	¥4	¥4	¥5	¥5	¥6	¥6
Deducted percentage	0	¥1	¥1	¥1	¥1	¥1	¥2	¥2
Revenue	0	¥71,000	¥125,000	¥168,000	¥280,000	¥515,000	¥960,000	¥1,490,000
Cash needs	¥211,300	¥195,300	¥272,300	¥322,300	¥804,000	¥978,000	¥1,242,000	¥1,415,000
Cash collected	¥-211,300	¥-124,300	¥-147,300	¥-154,300	¥-524,000	¥-463,000	¥-282,000	¥75,000
Net Cash	¥-211,300	¥-335,600	¥-482,900	¥-637,200	¥-1,161,200	¥-1,624,200	¥-1,906,200	¥-1,831,200

Cash Flow Plan

	year1				year2		year3	
	q1	q2	q3	q4	q1/q2	q3/q4	q1/q2	q3/q4
People	5	6	8	10	12	15	18	20
Salaries&Benefits	¥75,000	¥90,000	¥140,000	¥180,000	¥500,000	¥600,000	¥810,000	¥960,000
average	¥5,000	¥5,000	¥5,800	¥6,000	¥6,600	¥6,900	¥7,500	¥8,000
Office&Supply	¥61,300	¥61,300	¥81,300	¥81,300	¥200,000	¥240,000	¥280,000	¥290,000
Rent	¥60,000	¥60,000	¥78,000	¥78,000	¥180,000	¥200,000	¥230,000	¥230,000
Office facilities	¥1,300	¥1,300	¥3,300	¥3,300	¥20,000	¥40,000	¥50,000	¥60,000
Equipment	¥61,000	¥21,000	¥21,000	¥21,000	¥64,000	¥78,000	¥85,000	¥90,000
PCs	¥60,000	¥19,000	¥19,000	¥19,000	¥58,000	¥70,000	¥76,000	¥81,000
Maintenance	¥1,000	¥2,000	¥2,000	¥2,000	¥6,000	¥8,000	¥9,000	¥9,000
Marketing	¥8,000	¥15,000	¥20,000	¥25,000	¥20,000	¥30,000	¥32,000	¥35,000
Travel	¥6,000	¥8,000	¥10,000	¥15,000	¥20,000	¥30,000	¥35,000	¥40,000
Cash need	¥211,300	¥195,300	¥272,300	¥322,300	¥804,000	¥978,000	¥1,242,000	¥1,415,000
Cumulative Cash needs	¥286,300	¥406,600	¥678,900	¥1,001,200	¥1,805,209	¥2,783,200	¥4,025,200	¥5,440,200

Chapter 6 Team Structure



Chapter 7 Platform Development

In order to satisfy customers' need, we highlight the comparison of the prices of goods now and before in the design of the application. At the same time, we provide the weight, time limit, quantity, etc. , ensuring great freedom for customers when using our service.

In the interactive page of the application, we design the button of indent, assessment, shops, etc. Furthermore, we add the function of searching, transmitting, and online paying, which fits the current customers' demand of online shopping and paying. The design not only expands our potential customers, but also advertises our collaborators.