

Assignment 1

Team 36

Structure

- I. One Sentence Pitch
- II. Business Model Categories
- III. Project idea and Business Model

I. One Sentence Pitch

LoyalTea is a software solution to help cafes and bars to build a strong relationship with their customers by creating a unique and gamified loyalty program.

II. Business Model Categories:

Our business model can be described by a combination of the manufacturer and the utility model.

On one hand our business follows the **manufacturer model**, as we sell our software directly to the customer without a intermediary and we license our developed software to the Cafe/Bar. It is within the license variation and ownership of the code remains with our company.

On the other hand our company acts according to the **utility model**, where we receive a percentage of the sales that are made through our web application.

III. Project Idea and Business Model

LoyalTea is a comprehensive software solution designed to foster stronger connections between cafes and bars and their clientele through an engaging and gamified loyalty program. This innovative app serves as a virtual hub, enhancing the bar or cafe experience in various ways.

At its core, LoyalTea offers an intuitive online menu feature, empowering customers to conveniently browse and place orders directly through the app. Additionally, the app introduces a point-based system where patrons can accumulate rewards by engaging with the establishment. This includes automated check-ins using location data to verify presence, as well as participation in weekly challenges ranging from pub quizzes to friendly games like darts.

To infuse a competitive spirit into the gamification aspect of the app, LoyalTea integrates a dynamic leaderboard. This feature enables users to actively compete for coveted top positions, fostering a sense of friendly rivalry. Meanwhile, bar/cafe owners can leverage a comprehensive admin dashboard to monitor check-ins, track

orders, send targeted push notifications, and manage challenges, ensuring seamless operations and heightened customer engagement

With LoyalTea, cafes and bars can elevate customer loyalty, foster a sense of community, and streamline operations through a seamless digital platform.

i. Customer Segments

We differentiate between two types of customer segments. Our primary customer segments are establishments that offer their customers drinks/food within a lively and relaxed atmosphere which encourages social interaction, i.e. cafes and bars.

The customers of these establishments are the customers of these establishments – given that they use our service. Here we can further subdivide into further customer groups such as younger customers, i.e. students, that value potential discounts and loyalty bonuses which they can achieve with our product.

ii. Value Proposition

For the cafes/bars, our application offers increased customer retention rates, due to the unique loyalty program which can lead to long term customer commitment. Furthermore, the ability to purchase goods directly through our application leads to a more streamlined ordering process. Also, the establishments are able to gather interesting and potentially valuable customer insights with the help of our application. Finally, using LoyalTea is a way of setting yourself apart from the competition.

For the visitors/consumers, it provides an easier, time-saving ordering process. Additionally, it offers access to exclusive loyalty bonuses and discounts. Ultimately, LoyalTea presents a new way for the visitor to identify with a specific establishment. It lets the visitor experience community feeling and socializing on a new, unique level.

iii. Customer Relationships

Regarding the cafe/bars, we provide personal assistance during the development stages and also offer a feedback option to ensure continuous improvement and modification.

We interact with the visitors/consumer indirectly. Our application operates as a self-service, allowing users to engage with the platform independently.

iv. Channels

As for our primary customers, we research potential cafes/bars that are frequented by our target consumer and have the potential to form a strong and lasting symbiosis. We are going to reach out to them directly.

General advertisements reach our target audience via social media and on-site posters. This way we are also able to advertise LoyalTea to our secondary customers.

v. Key Activities

Our key activities primarily involve app development. Therefore, also an exchange with the client for customization is mandatory. Also, maintenance and designing new challenges are part of our key activities. Development ensures the functionality of our application and that features meet the needs of cafes/bars and their patrons. Client exchange allows for customization based on specific requirements, while maintenance ensures the app runs smoothly. Designing new challenges keeps the experience fresh and engaging for users.

vi. Key Resources

Our main resources are the developers that create, maintain our web application. Second most important resource are the cloud infrastructure providers, where we can develop, test, and host our application. At last we also need some hard- and software for the development process such as laptops, integrated development environments, and other tools. These resources are essential for a successful implementation of our application idea.

vii. Key Partners

The main partner is the cafe/bar we are working for. With it we have an active and permanent exchange. Other key partners are essential for operating our business as well, but the exchange there is more passive. These other key partners include the cloud providers, a payment provider, and the app stores, where in future a mobile app will be distributed. They ensure that we have minimal downtimes and make scalability possible. With an industry standard payment provider we gain trust by the customers and make payments more secure than we could do it.

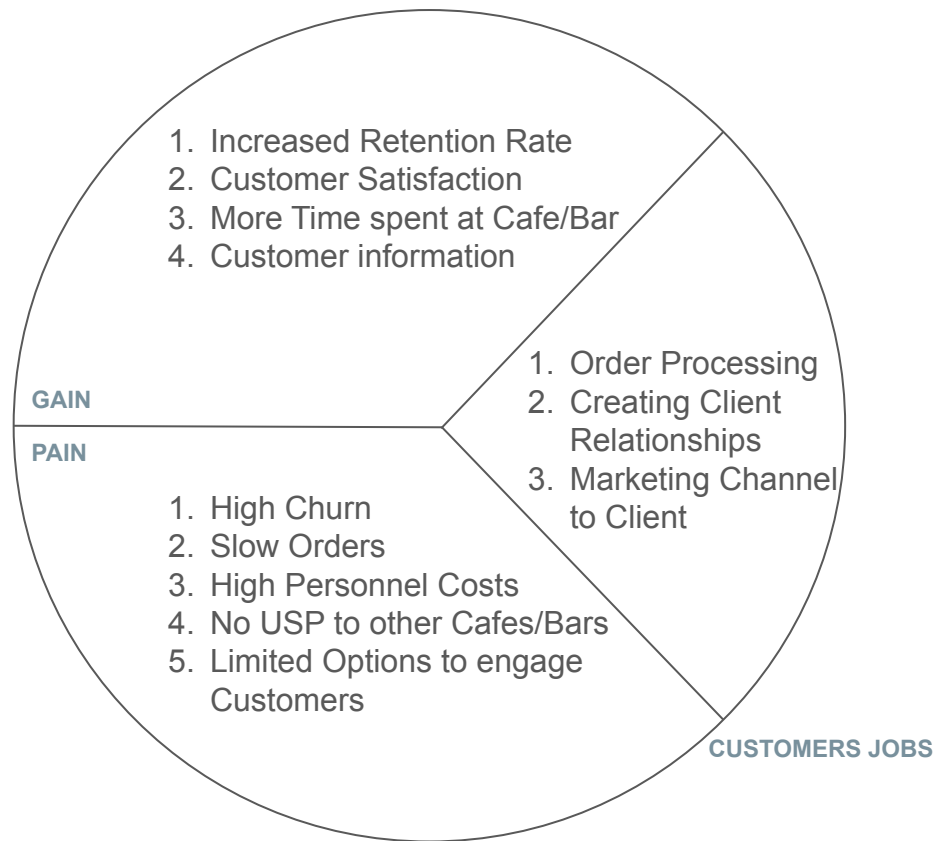
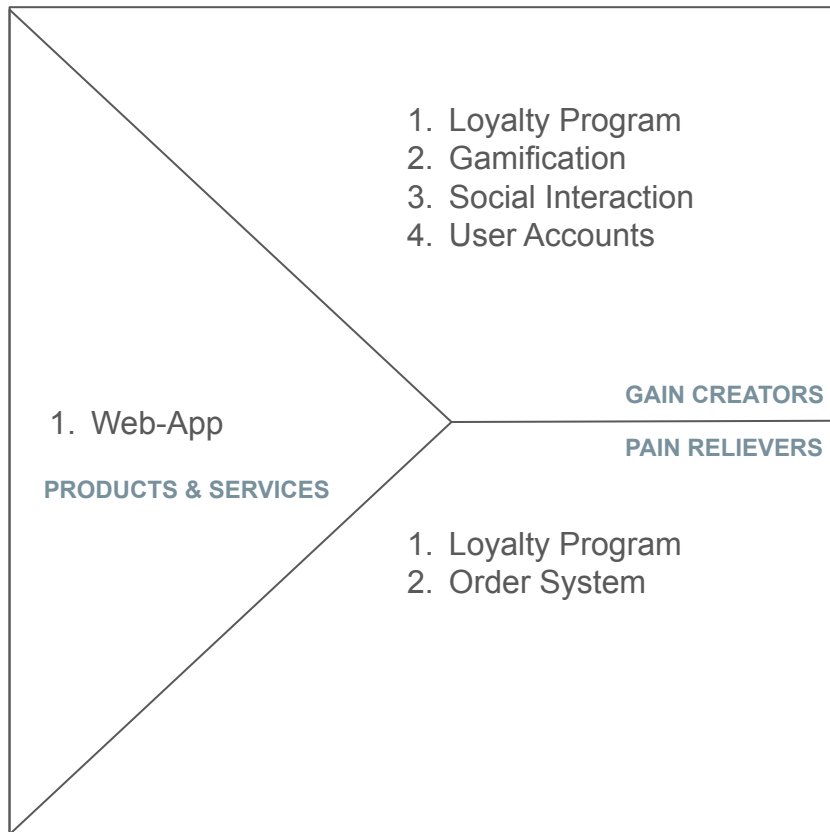
viii. Cost Structure

The cost structure is comprised out of fixed and variable costs. On the fixed cost side we have expenses for employee salaries and other operating costs like rent and hardware. Depending on the usage of our web-application we have variable costs for the cloud infrastructure that we are using and the payment fees that are deducted by the payment provider that we are using.

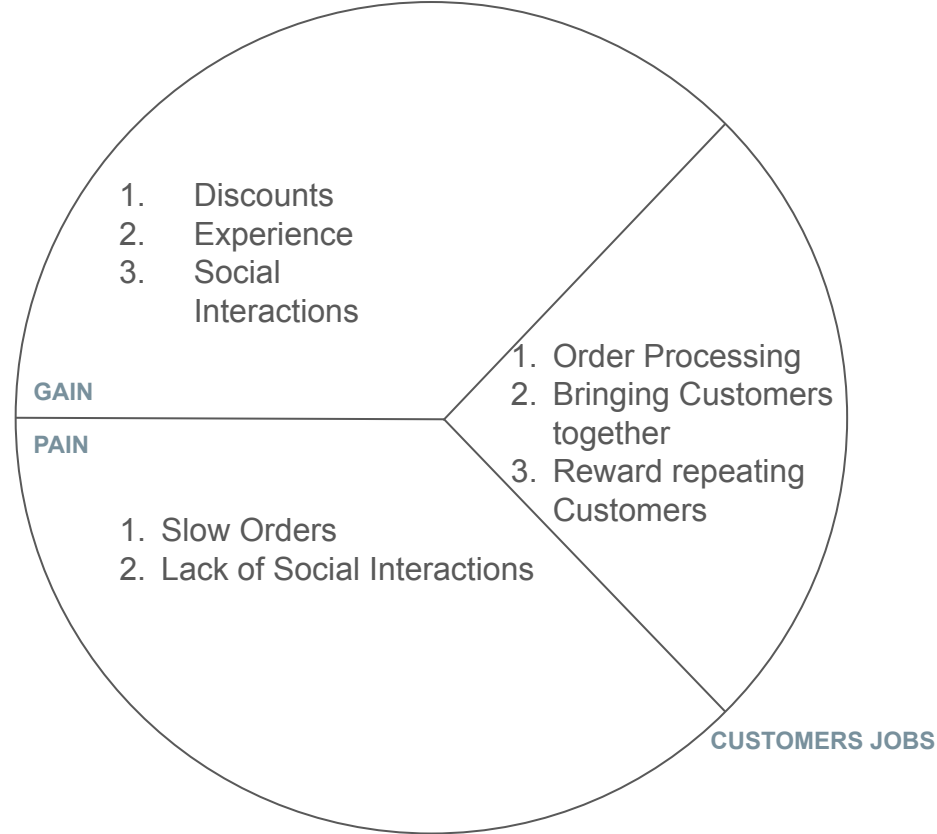
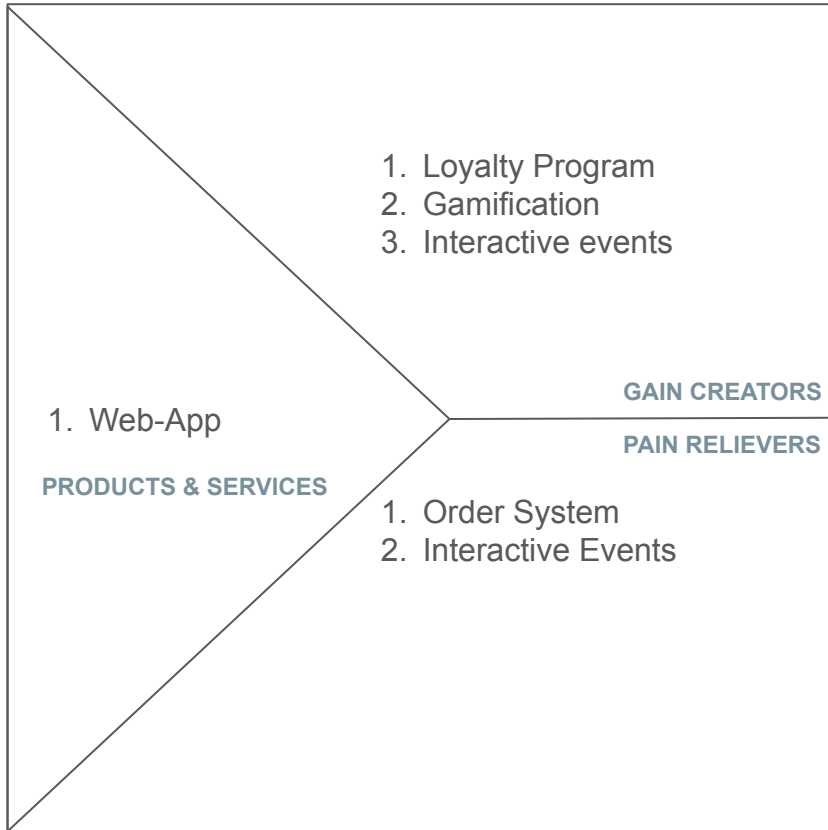
ix. Revenue Streams

Our revenues also split up in fixed and variable ones. In the beginning we demand a one time payment for the license to use our application. When the app is in usage we receive a revenue cut for payments that are made through our application. This ensures that if there is a lot of usage of our application our variable costs are covered and we stay profitable.

Cafes/Bars (Direct Customers)



Consumers (Indirect Customers)



Business Model Canvas				
Key Partners - Cafe/Bar - Cloud Provider - Payment Provider - Appstores	Key Activities - Development - Exchange with client - Maintenance - Designing new Challenges	Value Propositions For cafes/bars: - Increase Customer Retention rate - Reduction of time spent for ordering process - Customer Insights For consumers: - Easier Ordering process - Community Feeling / Unique Socializing Experience - Access to exclusive deals	Customer Relationships Direct Customer (Cafe/Bar): - Personal Assistance during development - Feedback option Indirect Customer (Consumers): - Self-Service	Customer Segments Direct: - Cafe/Bar Indirect: - Visitors of the Cafe/Bar
	Key Resources - Developers - Cloud Infrastructure - Development Tools (Hard- and Software)		Channels - Mouth 2 Mouth - Cold Calls to Cafes/Bars - Social-Media - Poster Advertisement (On-Site)	
Cost Structure Fixed: - Employees - Operating Costs (Rent/Hardware) Variable: - Cloud Infrastructure - Payment Fee			Revenue Streams - Initial Fee - Revenue Cut for payments through the (web-)app	

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