

Technical University of Munich

### SEBA Master Web Application Engineering

### Assignment 1 Report

### Team 05

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#### 1. Business Idea

Triplan is a smart travel planning platform to help travelers to avoid the stress and hassle of trip planning by not only saving them time, but also getting them great discounts and the opportunity to visit the places liked by the people they follow with the help of its optimized route planning algorithms built onto a user-friendly interface.

### 2. Project Description

### 2.1 Customer Segments

There are two different groups of customers in our business model: travelers all around the world and commercial & cultural places tourists are interested in. Given the time constraints in the project schedule, we focus on the following subgroups: travelers, eating places, and tourist attractions. We focus on improving the vacation experience of people who have money but do not have time to do detailed research on travel planning, or who have no interest in planning their trips. Also, we believe people tend to follow recommendations from their loved ones. Hence, we add value by providing experience sharing with people you would like to follow through recommendation algorithms to make travel planning easier and faster. In addition, we add value for eating places and tourist attractions by helping them achieve global reach by being listed and reviewed on our platform. We help them to attract new customers through recommendations and our business model.

### 2.2 Value Propositions

Our core value propositions are based on helping our customers make more personalized travel decisions while simplifying, accelerating, and streamlining the planning process. To appeal to our customers, we thought about the challenges people face when planning travel. For instance, it is time-consuming to explore hidden gems, and it is probable to miss them. Also, we believe people feel more comfortable with the places recommended by people they trust. Last but not least, we want to address potential financial issues and offer our customers the opportunity to save money. In the other customer segment, we have commercial and cultural places that tourists are interested in. Apart from the places that are already very popular and that tourists can easily reach, the rest of the places have difficulties becoming known worldwide or creating a brand for themselves. Our goal is to solve these problems by developing an easy-to-use planning process, tagging places with different categories, and using the reviews people have followed when making their recommendations. After our customers make their selections, we will provide optimized itinerary planning for them. In addition to travel planning, we know that transparent currency exchange can be challenging and that carrying a significant amount of cash

is not safe in some destinations. Therefore, we plan to solve these issues by integrating a wallet into our platform so that users can even pay with their own local currency without paying any fees. In addition, people will no longer need to carry so much cash when traveling. For eating and touristic places, we offer them the opportunity to reach a global audience to attract more customers and strengthen their brand. Being listed on a digital platform with personalized recommendations can help them to reach more people just being listed on a digital platform with lots of random reviews from people that our customers have no idea of their tastes and expectations.

### 2.3 Customer Relationships

Our customers expect us to help them plan destinations and schedules both before and during their trip, and to provide them with better ways to spend and exchange money. To achieve this, we need to ensure clear communication across our channels. We need to provide clear recommendations with appropriate rationale to guide our customers in their planning. We should also provide all necessary details and requirements after planning a trip. In addition, we should provide a transparent money transaction history with exchange rates, payments, etc. Finally, we should provide support to our customers at every stage and update our algorithm with their experiences and reviews after their trips. On the other hand, for commercial and tourist places, we should provide all the necessary information about the expected customers.

#### 2.4 Channels

The most important channel for reaching our customers and delivering our value proposition will be the website itself. Through the website, customers will be able to evaluate our value proposition by ranking their proposed trips. In addition to optimal and time-saving travel planning, users can also get certain discounts at the restaurants they visit also through the website channel. On this occasion, the email notification channel will also be used. At the payment stage in the restaurant, users receive an email notification with a one-time password that they must show to the restaurant staff in order to receive the discount. To reach more customers and increase awareness of our services, we will use various secondary channels, namely online/offline advertising, social media, word of mouth, and a referral system that allows customers to receive certain discounts.

### 2.5 Key Activities

Key activities, depending on the business model, play a substantial role in reaching customer segments, delivering value propositions, and maintaining customer relationships. As the number of our customers increases over time and we grow in the market, new destinations should be added to the system, discount opportunities should be more diverse, and the

algorithm of our recommendation system should constantly evolve to offer more comprehensive and customized trips, leading us to offer platform and algorithm development as key activities. Maintainability of data is also crucial and one of our key activities. The data in our system should be constantly updated, since it is vital to always provide a reliable service to our customers. Furthermore, our various distribution channels, including advertising, referral system, and email notifications, are significant for maintaining customer relationships and improving the customer experience. Finally, we can consider our revenue streams as one of our key activities to continuously provide good service to our users.

#### 2.6 Key Resources

To keep our services running, we need some physical resources that will house our services, database and web application. Human resources is another key resource which consists of engineers and data scientists for maintaining and developing the platform, and customer service representatives to always be there for our customers. The next category is intellectual resources consisting of our data providers. Google APIs will be used to get the details, such as ratings, reviews, etc., about the eateries and tourist attractions. Our customers are also our data providers, as the places and tours they like are stored and the recommendation algorithm delivers better results based on this data. Last but certainly not least, financial resources are also key to our successful existence. With the help of payment service providers, we will build a system where users can safely deposit money into their wallets. The affiliate model depending on the digital wallet will be one of the financial sources. Moreover, with the promoted lists where the establishments can place themselves higher in the listings.

#### 2.7 Key Partners

First, we need to deploy our systems, for which we will partner with AWS and use their infrastructures, platforms and storage systems as services. Second, our application relies heavily on data. Therefore, we will constantly populate our database with place and location information using Google's APIs so that our algorithms can plan our users' travel plans as optimally as possible. However, without the opportunity to attract customers, the systems will run for nothing. Therefore, to fulfill the promises of our platform, we need to partner with these eateries and tourist places so that we can offer discounted prices to our users, and, in turn, help our partners bring more customers to their places. To do this transaction securely, we will partner with an online payment service provider and allow our users to perform deposit and withdraw actions on their wallet.

#### 2.8 Cost Structure

The online travel market is a huge and fiercely competitive market with numerous companies. Our cost structure is value-driven as the main contribution of our business model scales with the value we are able to add value for our customers compared to our competitors. We have to work on providing the best user experience with valuable recommendations in order to create our customer-user base fit during trip planning. Our largest category of expense will therefore be our human resources, as we need qualified staff to improve the user experience and also engineers and data scientists to develop our platform with successful recommendation models. Data itself is another cost item to develop better recommendation models. However, to survive in such a market, we also need to interact with our potential users through many different channels and maximize customer satisfaction, in addition to our unique features that differentiate us from our competitors. Therefore, marketing and acquisition costs will be crucial in the beginning. On the other hand, we need to pay for the payment service provider to maintain our digital wallet. Finally, we have expenses related to IT infrastructure such as database services, backend services, etc. From a startup perspective, our goal is to minimize the fixed costs in our cost structure. This way, we will be able to cover the variable costs as our website grows. So we don't need a large initial investment.

#### 2.9 Revenue Streams

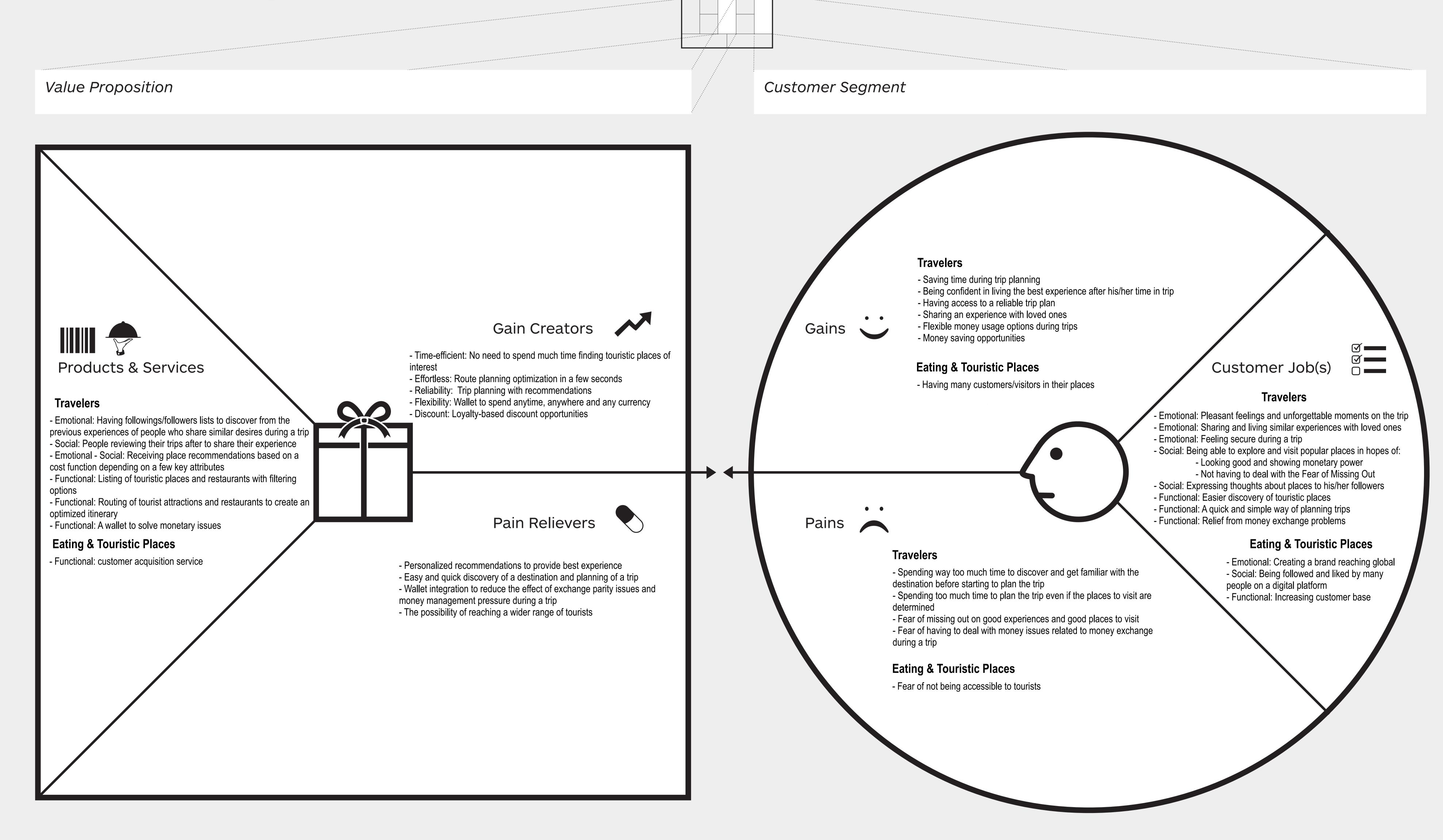
Our platform has a two main revenue streams:

- Affiliate model: The first source of revenue is based on revenue sharing with restaurants. When our users schedule a tour and select a restaurant in the tour plan, they can deposit money into our integrated digital wallet and pay the bill when they leave the restaurant using the one-time password integrated into the digital wallet. We receive a certain amount of transaction fees from the bill.
  - **Example:** If the check amount is \$100, the \$100 bill is deposited from the user's wallet and \$95 is sent to the restaurant. The difference of \$5 is our revenue from this transaction.
- Advertising (Fees for promoted listings): We give restaurants and other places that want
  to increase their visibility the opportunity to be listed in the top lines. In our list of
  touristic places and restaurant list, the first 3 items are promoted.

#### 3. Business Model

Triplan is a smart travel planning platform that differentiates itself with its data-driven recommendation system, loyalty-based discount opportunities and digital wallet support for potential monetary issues. Since eating and touristic places are our customers, we need to have a lot of travelers as our users to increase our profit. In order to increase the number of travelers we have on our platform, we need to maximize the satisfaction of our users with our product and services. We have to keep the data related to our customers up-to-date, improve the user experience of our platform and our digital wallet, improve the quality of our recommendation algorithms, create a new type of money-saving opportunities in addition to improving our loyalty-based discounting opportunities, and adopt potentially interesting locations as our new type of customers such as hotels, transportation, stadiums. Accordingly, our business model is based on the affiliate model and advertising. The affiliate model's initial investment cost is nearly \$0 for our customers since it is a revenue-sharing model that scales with the number of customers we provide to them. Therefore, our customers can adopt our platform easier compared to other business models since it will cost them nothing but the profit of acquiring new customers through our users. In addition to the affiliate model, advertisement is a crucial business model for increasing our profit over time because even though we will not profit much based on a low number of users, in the beginning, ads scale better with the increasing number of users through the adoption of our platform with many people around the world. We will use ads for placing the locations in the upper positions of location selection lists during the trip planning of our users. We believe our customers will be willing to pay for ads after we reach a wide range of users since they will want to reach people to gain new customers. Consequently, affiliate and advertisement models are the most suitable business models to increase the profit of our platform.

### The Value Proposition Canvas





Value Propositions

Which one of our customer's problems are we helping to solve?

What bundles of products and services are we offering to each Customer Segment?

What value do we deliver to the customer?

Which customer needs are we satisfying?

## Key Partners



Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?

- Google Data Provider
- Restaurants
- Touristic Attractions such as museums, theaters, etc.
- AWS Infrastructures, platforms and storage systems as services
- Online payment service provider

## Key Activities



What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?

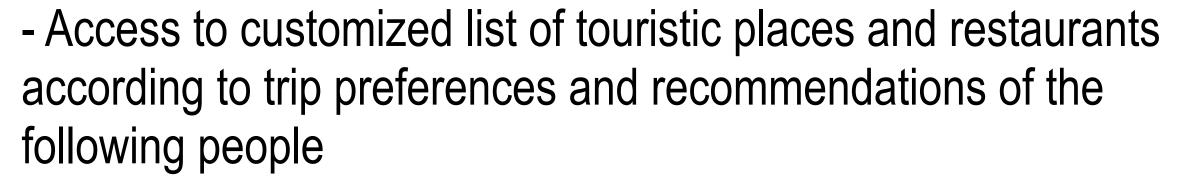
- Production Problem Solving Platform/Network
- Development of platform and algorithms
- Maintainability of data

Customer service/experience

### **Travelers**

"Getting the Job Done

Convenience/Usability



- Easy and time-efficient user interface to select touristic places and restaurants to create a tour plan
- Getting optimal route for selected touristic places and restaurants
- Easier payments during travel and discount opportunities when planning via the integrated wallet

### **Eating & Touristic Places**

- Global Reach
- Increase customers

# Customer Relationships (1)

What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established?

How are they integrated with the rest of our business model? How costly are they?

Personal assistance Dedicated Personal Assistanc Automated Service

### **Travelers**

- Transparent, safe and secure money transaction history
- Customer support and better algorithms through trip reviews
- Customer support for trip requirements via email - Protect customers in case of problems about the digital wallet

## **Eating & Touristic Places**

Through which Channels do our Customer Segments

How are we integrating them with customer routines?

- Customer information via email

Channels

How are we reaching them now?

How are our Channels integrated?

Which ones are most cost-efficient?

want to be reached?

Which ones work best?

How do we deliver a Value Proposition to customers?

- Email notifications

Online/Offline advertising

- Social media

Word of mouth

- Referral System

- Website

## Customer Segments

For whom are we creating value? Who are our most important customers?

Mass Market Segmented Multi-sided Platform

### Mass market 1

Travelers all around the world. People who enjoy staying connected and sharing their experiences with the people they feel close by on digital platforms & social medias.

### Focus group in our MVP:

- White-collar Workers: has money to spend on vacation but do not have much time for discovering & planning

- University Students: adapted the usage of technology in their daily lives for making decisions with the help of recommendation systems driven by their digital traces to make processes easier, faster, and optimized

### Mass market 2

Commercial & Cultural places tourists are interested in: Places wanting to reach more people (potential customers) by being listed and reviewed on a digital platform. Also, the customer relationship management through a platform in future use.

Focus group in our MVP:

- Eating Places and Touristic Attractions

## Key Resources

What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?



- Website Itself
- Server Infrastructure
- Payment Service infrastructure
- Human resources
- Data Resources



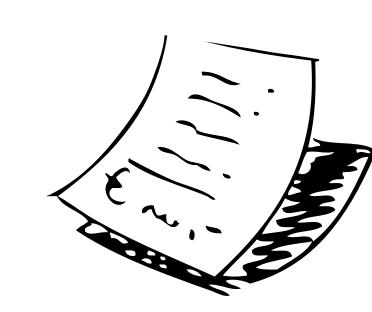
## Cost Structure

What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?

Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing) Value Driven (focused on value creation, premium value proposition)

**SAMPLE CHARACTERISTICS:** *Fixed Costs (salaries, rents, utilities)* Economies of scale Economies of scope

- IT Infrastructure
- Human Resources
- Cost of acquisition
- Payment Service/Processing Cost
- Research and Development
- Data collection



### Revenue Streams

For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How much does each Revenue Stream contribute to overall revenues?

Usage fee Lending/Renting/Leasing Brokerage fees

FIXED PRICING List Price Negotiation(bargaining) Product feature dependent Yield Management Customer segment dependent Real-time-Market

Affiliate model

- Advertising: Promoted listing fees

