Hamilton Ko, Kayzelyn Barrett, Kaylee Doliente, Andy Dien, Janina Wu, Erick Guerrero

Knick Knack Nook
Team Assignment 2: Business Case

The Collectors

Hamilton Ko, Kayzelyn Barrett, Kaylee Doliente, Janina Wu, Andy Dien, Erick Guerrero

University of California, Irvine

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Dr. Bill Jung

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Business Case

For Business Case (adapted from Table 3-2)

<u>Description of main sponsor</u>:
Knick Knack Nook was founded by a passionate group of six collectors who wanted to create a welcoming space for like-minded individuals. After two years of fostering a growing community of collectors in Irvine, Knick Knack Nook has become a hub for people to showcase their trinkets and blind box collections. As the community expands, Knick Knack Nook aims to offer new ways for collectors to connect, trade, and purchase their dream collectibles.

1.0 Introduction/Background

Knick Knack Nook is a social hangout area in Irvine that allows people to show off their collections of trinkets and blind boxes to other people. We assist with building communities on different trinkets and different blind box brands to foster a welcoming community for those who collect. In addition, the Knick Knack Nook assists people with completing their collection by allowing them to purchase their dream trinkets from us directly, or trade with fellow collectors.

2.0 Business Objective

We at Knick Knack Nook love the community that comes from collecting trinkets and blind boxes. Many collectors love to show off their pulls* or may have duplicate trinkets they'd like to trade at our hangout area. We love fostering this community as there is no shortage of trinkets to collect leading to a long-running community of collectors. This influx of trinkets has led to our mobile app project which we hope will assist collectors in their trading and selling needs. By having hard-to-find blind boxes and trinkets on our app we hope to lure collectors leading to a bigger community and more members who can offer from their own collection.

*pulls: trinket received upon opening a blind box.

3.0 Current Situation and Problem/Opportunity Statement

Collectors struggle with completing their collection for certain blind boxes they wish to collect. Our outdated software lacks the ability for users to know which collections are out there they wish to collect next. We want to keep up with current trends of upcoming blind boxes that are being released from their respective company and inform users utilizing notifications to allow them first access to these newly released items. In addition, we wish to

assist them with spending less money to get their figures or lessen the risk of getting duplicates from their blind boxes.

As customer expectations continue to rise, we want to revise our plans to increase customer satisfaction. So we want to assist users to figure out ways to increase their chances of pulling the specific figure they want. Additionally, enhance the community aspect, by creating e-commerce integration to allow users to be able to directly purchase their dream trinket on their own, and/or purchase from other users or trade with users with duplicates they already own.

4.0 Critical Assumptions and Constraints

For this technology project, we are making several key assumptions that are crucial for its success. One critical assumption pertains to our target demographic. With the rising popularity of collectible figurines, we are assuming there is a growing demand for tools that help collectors manage their inventory. This presents a significant risk to our company, as we are investing our efforts based on a potential increase in interest. To achieve our objectives such as building a community within the collector circle and establishing a broad enough user base for our marketplace feature to function, we require a certain level of engagement from active users. Therefore, we are assuming that users will see the need for our app's main features, like tracking inventory, creating wish lists, and trading figurines, and will choose our application over other similar options.

In order for a successful endeavor, there are several requirements we are looking for. We need to ensure that our design is focused on providing users with an engaging and easy to navigate experience to incentivize users to want to keep using our application. Furthermore, we need to place our efforts into marketing our application to our targeted demographic as the audience is niche and may require curated outreach strategies. Additionally, with our marketing function, we need to ensure that security measures are in place to protect user data and to build trust in the platform. Lastly, actively engaging our community will be key for the long term success of this project, ensuring that it lasts beyond the short term expectations.

5.0 Analysis of Options and Recommendations

The technological requirements for the implementation of the Knick Knack Nook website and application would be the UI, a server for user data, and a database to store customers' collection information. The UI would be the easiest to implement with a DIY approach utilizing in-house UI/UX designers and engineers and assisted by hired developer(s). A DIY approach would be the most logical as it's simple in nature and any changes could be readily addressed as the project goes on, and hiring additional developers as needed would allow for simultaneous development of the website and app. For handling user data, purchasing an

existing service would be optimal. Hiring developers or taking a DIY approach for user data would be a waste of time and money, especially since several services for user data already exist and would be more cost effective. Since there isn't a system that functions exactly as we need for Knick Knack Nook and the requirements for this database are a bit more complex, hiring a development team would be best in terms of creating the collection databases.

6.0 Preliminary Project Requirements

The first requirement is to have a consultant work with the PopMart company and Sonny Angel company to get authorization to sell their licensed merchandise to users through our platform and to partner with the company to obtain merchandise to sell. The second requirement is to obtain information about the available collections and series from each company so that the application can display the available figures based on different categories such as series, brand, and rarity. The third requirement is to create a server and hire a specialist who will handle each user's private data, such as their payment information and mailing address when buying or trading figures. The fourth requirement is to have a database that keeps track of each user's information relating to their collection. This includes information about the figures that the user already has, any figures that the user has wishlisted, traded, or sold, and any figures that the user has up for trade or sale. The fifth requirement is to determine a way for users to customize their profiles so that they can showcase their collection and their favorite figures as well as what figures they may be looking for as well as what figures they might have available for trade or sale to other users on the platform.

7.0 Budget Estimate and Financial Analysis

For the Knick Knack Nook project, we have a budget of $40,000. The main costs include $8,000 for website development, $10,000 for app development, and $2,500 for software licenses. We've allocated $3,500 for marketing, $5,000 for initial inventory, and $2,000 for community events. Operational costs are estimated at $4,000, with $1,500 for misc. expenses. The total projected cost is at $36,500, leaving a $3,500 contingency fund for unexpected expenses. This ensures the project can be completed within budget while allowing flexibility adjustments.

8.0 Schedule Estimate

From start to finish, the project should take around 6-8 months not including licensing. Due to the unpredictability of how long the licensing process could take, we are not including it in the estimated time. There will be 1-2 weeks allotted to research and obtaining trinket collection information, which will be conducted by in-house analysts. Given that new trinket collections are released all the time. After the initial research is complete, the trinket database development can begin, which will take approximately 1-2 months and be conducted by a development team. The application and website development process will begin immediately and be allotted the entire 6-8 months for completion given that it requires the completion of the

database along with the development itself.

9.0 Potential Risks

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Risks that we can foreshadow while implementing the technology project include:

1. Finding sponsorship/partners
   a. Regarding sponsorships, because we are targeting a specific demographic of users, it may be difficult to find companies that are also pertaining to that demographic as well. Currently the sponsorships that we could focus on would be collectible figurine companies or online marketplaces, however we need to demonstrate how our company may align with their partnership goals.

2. Staffing issues
   a. With staff, a potential risk that we could foresee happening is our lack of resources. With the issue of entering a niche market and outsourcing partnerships, we may be looking at a snowball effect into a lack of funds to provide for these staff members.

3. Lack of user engagement
   a. Lack of user engagement is a potential risk that any platform faces; however, given the niche focus of Knick Knack Nook, this challenge could be even more highlighted. Because we cater specifically to trinket and collectible enthusiasts, our success depends heavily on building a loyal and active community that finds value in our platform's unique features.

4. Decline in market demand
   a. With our focus on an emerging trend, there's a risk that the demand for collectible and trinket-focused platforms could decline over time. Trends can be unpredictable, and if the popularity of collecting certain items wanes, this could lead to a decrease in our target audience and ultimately affect our platform's growth.

5. Market Competitors
   a. Our current technology project contains features that overlap with a few competitors that are dominating the market right now. This includes Facebook Marketplace, OfferUp, and Ebay. While our project does pertain to collectors only with many features that are designed for trinkets, we can argue that the marketplace feature is a risk to advertise with having our said competitors.

6. Security Concerns
   a. The idea of trading and selling involves customer interaction in real-time as well as customer's payment information being saved into our application. With valuable information, a big risk on our end is to ensure that the user is safe when trading as well as securing their payment information.

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> 7. Stock & Suppliers
>   a. The feature where users are allowed to purchase certain collections from our own stock of trinkets creates the risk of lost revenue We must ensure that we are reading the financial trends of our users and maintaining our inventory stock based on those results, if not, we run the risk of net losses.

Project Contributions

Member Name	Role & Contributions
Andy Dien	- Team Liaison 4.0 Critical Assumptions and Constraints 9.0 Potential Risks
Kaylee Doliente	- Member - Description of the main sponsor 7.0 Budget Estimate and Financial Analysis
Hamilton Ko	- Liaison Backup 6.0 Preliminary Project Requirements 3.0 Current Situation and Problem/Opportunity Statement
Erick Guerrero	- Member - Description of the main sponsor 2.0 Business Objective
Kayzelyn Barrett	- Member 1.0 Introduction 3.0 Current Situation and Problem/Opportunity Statement
Janina Wu	- Member 5.0 Analysis of Options and Recommendations 8.0 Schedule Estimate