

Asian Food Mystery Box E-Commerce (Shmack Attack)

Project 2 - Phase 1: Business Plan

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Background

I. Problem

There is a large population of Asian Americans, immigrants, and military personnel that have a want and need for Asian food snacks. Asian Americans and Asian immigrants long for the food of their native country. Military personnel have spent time overseas in Asia and also desire snacks from the places they were stationed at. In a globalized world, there has been an interest and popularization of Asian culture. Japanese pop culture has been in America since the 1990s with anime and manga. Korean pop music has been a huge trend in America as well as Korean and Japanese skincare. Chinese cinema has been a part of American culture since the 1980s. Indian and Vietnamese food are also very popular in the U.S. Some areas, typically areas where there are not established Asian communities, do not have international markets where you can easily buy Asian food including snacks. Nearly half of the Asian communities (45%) in the U.S. live on the West coast. Even though California houses many of these communities, there are many underserved Asian communities in the U.S. The ability to access international markets has been impacted by COVID-19, making it difficult for this need to be fulfilled.

II. Business Context

Our business would be in the Asian snack food industry. We are a business that specializes in sourcing hard to find international food products and providing a curated subscription of mystery boxes filled with snacks from all over the world based on their preferences. One of the most trendy ecommerce businesses are mystery boxes as many content creators do a lot of unboxings of these. We would be based in the United States and market to international Americans that live in the U.S. but have some needs for international products. We would source from international suppliers.

III. Business Rationale

The idea arose through noticing the trend of subscription mystery boxes in the make-up, wine, puzzles, toys, tea, and coffee industries. We noticed an opportunity because there are few, if any, mystery boxes that provide Asian snacks. Where there is access to Asian snacks in the U.S, Asian and international grocery stores, you pay a premium for these products. By creating a mystery box, inventory is able to be cycled through because customers don't get to choose what snacks they receive but rather create a profile with their tastes and preferences, which will then determine which snacks are sent monthly. This gives us the ability to introduce new products to customers who may have never thought to buy the snacks sent to them.

Business Solution

I. Business Objectives

Food mystery boxes have been all over in the world of social media. Some use food subscription boxes as an alternative to eat healthy or to try new things. Our first business objective is delivering an international experience to our customers. In today's digital platforms, influencers and content creators have played a pinnacle role in sharing many things with their followers, some of that being food. Snacks are always seen somewhere on social media and the majority of the time someone is trying something new from a different country; for instance, candy, chips, drinks, or even a pack of ramen noodles. Through these user-generated content creators, they play a part in delivering that experience essentially becoming a network effect. The network effect would then grow our business objective.

II. Products/Services Portfolio

We aim to have a very diverse product portfolio. For starting out, our main focus would be snacks and such from Asian countries. We would be insourcing a lot of the products from said countries. Some popular ones would be products from Japan and South Korea since in today's society, K-Pop and Anime are the biggest trends. A fan of these genres would become curious about the country that makes their favorite content. The top five countries we plan to get our snacks from are Japan, South Korea, China, Vietnam, and India. When customers order a box they would be given the option to choose the countries of what snacks they want from. They can opt in for snacks from China and/or South Korea, Japan, or a mix of snacks from all five countries. Since every customer has a very diverse taste palette, we would put those snacks that match into their box. Some of the ways we would find out about the snacks in the five countries is by market research, prior residents, or people we know currently living in those areas. This will allow us to track and find snacks that fit under certain criteria/categories such as sour, spicy, sweet, tangy. This understanding of preference would help us get to know our users and find more customers to increase the market size.

III. Target Audience & Market Size

Our target audience would be that of the millennials and Gen-Z crowd since a majority of these individuals have social media accounts. Older millennials with young children might want to buy new snacks to share the experience they had in their youth. Military members based in Asian countries are another audience group we are considering. There is a large U.S. military presence in countries like Japan and South Korea and many of their snacks are sold inside their bases. Immigrants from those locations, children of immigrants, and their parents are also an

audience group we are considering as our target audience because moving away from home and not having access to those delicious snacks they once had would make them very home-sick.

Our market size would revolve around the United States and if our company were to use the free promotion route on social media, we would be looking at around 50 to 200 customers that would order our boxes. We would be at start-up level and from the customers sharing their hauls on social media that projected number would increase assuming that the proper exposure is marketed.

Business Plan

I. Business Model

Our main business model would be a subscription model. In this model, a subscriber pays a subscription fee. Subscribers will receive packages on a recurring basis, and the recurring revenue from subscribers would lead to higher overall revenues. As part of our product sourcing strategies, we consider wholesale to be the most straightforward. We will make sure that it is viable and has a high return on investment. We will also consider other product sourcing strategies from product-to-product to get the best deals. When our business has established an audience, we will consider reaching out to brands that will take the marketing cost of giving away their products for free if they want to be exposed to our audience. This is another aspect of our business model that can be adapted once the business is more established.

II. Marketing/Sales Plan

Since we are a new business, we will focus on free marketing strategies. First, we will create free social media accounts, such as Facebook, Instagram, Twitter, and TikTok. These accounts will be used to promote our business and gain a larger following to establish our

audience. Social media activities include sharing posts and stories to gain exposure for our business, holding giveaways with requirements like following our account, reposting on their stories, and tagging 2-3 accounts under the comments section. All of our social media accounts will remain active for constant free marketing. We aim to build a loyal social community by engaging and getting our subscribers involved. Furthermore, we will deploy unique ways to market our box. For instance, we will give a discount code for free shipping, offer an additional surprise product or sample for the first 100 subscribers each month, or lower the monthly subscription cost for a limited time to increase sign-ups. These marketing strategies will be tested on our audience to motivate customers to increase sign-ups. When we have reached a larger following we will employ paid marketing strategies, such as sponsored advertisements, sponsored posts on social media feeds, and paid collaborations with influencers on social media. Finally, we will invest in great customer service by being available 24/7 to answer questions, solve problems, and address the needs of our customers through social channels and live chat on our website. Since our subscription box model is tech-focused, it is a must to have customer service readily available.

III. Competition

Our business competitors include businesses focused on mystery boxes, food subscription boxes, snack subscription boxes, Asian food delivery. Also, online Asian grocery stores and local Asian markets are big competitors of our business. The purpose of our business is to share Asian food products that are not easily accessible in the United States, therefore having an ecommerce that focuses on popular and unique Asian food products is a greater competitive advantage than brick and mortar stores. To compete with our business competitors, we will deliver quality products that are trending on publications and social media. By catering to underserved markets

in the United States, we will provide a unique food service experience that will intensify competition and increase customer satisfaction and loyalty.

Business Outcomes

I. Tangible Outcomes

When discussing tangible outcomes of our business, we want to increase revenue gradually, the number of customers using our product, and keep good track of our ROI. In talking about our desire to increase revenue gradually, we will look at our growth rate by comparing the overall revenue generated from our subscription service. Shmack Attack plans to charge consumers monthly for accessing goods from the cities of India, Vietnam, China, Japan, and South Korea. This business model is expected to generate the most revenue, and the subscription box service allows for revenue to be generated quickly. Our primary initial goal is not to lose money from provided services. The subscription box business model requires less capital, which is also a plus. In three years, Shmack Attack hopes to have a decent-sized customer base and have a goal of increasing our revenue by 15% from when we initially started. Our goal is to increase the revenue by 30% compared to the revenue we initially started the business in five years.

Regarding our outcome of maximizing customers, Shmack Attack initially intends to keep a small and focused customer base. We want to have a consumer base of 200-250 users within our first year. Shmack Attack would measure the number of customers based on subscription numbers. To grow our consumer base, Shmack Attack will rely on social media, spreading positive word of mouth, focusing on providing quality service, and asking our consumer base to refer their friends/family. We hope to have a consumer base of between

250-500 individuals using our product within three years. Shmack Attack aspires to have a consumer base of 500-1000 or more using our product in five years.

When discussing ROI, our business is not expecting a high ROI initially and hopes to have an ROI of at least 5%. Shmack Attack would be content with making enough money to justify our investments in a year. Food subscription box services also don't require many costs in inventory, and thus we would have an easier chance of having a higher ROI. To increase our return on investments, Shmack Attack plans to expand revenues by generating more sales and looking at ways to gradually reduce costs, specifically in transporting food items from Asia. We aspire to have an ROI of at least 7% within three years. Shmack Attack plans to have an ROI of at least 10% in five years.

II. Intangible Outcomes

We will gradually contribute to the environment by going eco-friendly in terms of social benefits. Shmack Attack will use sustainable packaging materials in one year. Within three years, we plan to be using green hosting web hosting services and utilizing green procurement. In five years, we have the goal of becoming a fully environmentally sustainable business. Additionally, our business plans to provide individuals with various healthy foods and encourage individuals to live a healthy lifestyle. Shmack Attack provides a variety of food options that are friendly to dietary options. Compared to individuals spending large amounts of time looking at dietary options, our service will provide various friendly food options. Through providing these services, individuals will be able to live a healthier lifestyle mentally, physically, and socially.