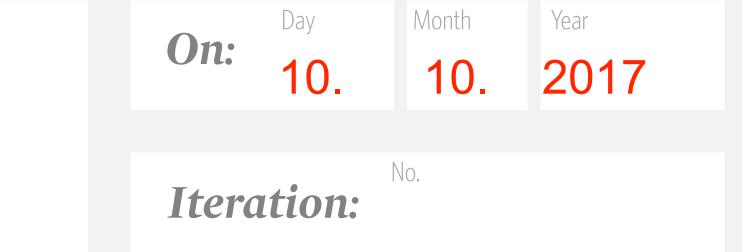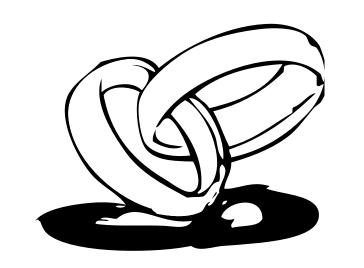# The Business Model Canvas

Designed for: https://en.shpock.com/
"Shpock" - a garage sale app

Designed by: Joe Schoeler

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?

MOTIVATIONS FOR PARTNERSHIPS:
Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

- server host
- Facebook (for publicity)
- user are key partner, because without them, shpock had nobody to offer service to or to bring affiliate (marketing) activities to (-> which is their main service and revenue stream)
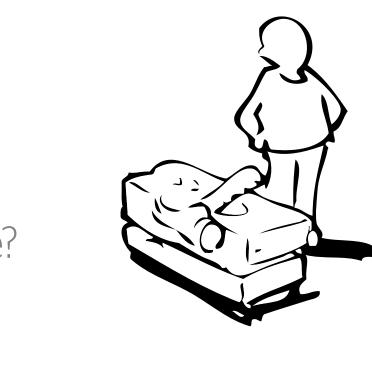
Key Activities

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

CATEGORIES
Production
Problem Solving
Platform/Network

- Marketing and steadily increasing the customers service since it is a service they offer and no special product
- provide enough server capacities to handle everything regarding their customers wishes

Key Resources

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

TYPES OF RESOURCES
Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

- personell to maintain the app and website
- enough server-power
- personell to answer questions of customers and users
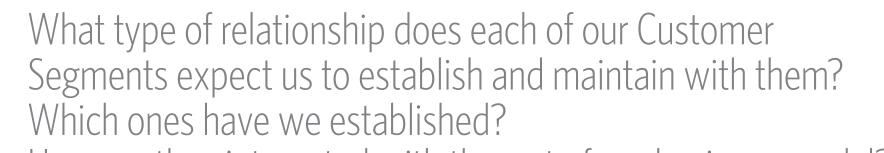
Value Propositions

What value do we deliver to the customer?
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?
Which customer needs are we satisfying?

CHARACTERISTICS
Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability

- "perfect" place to buy or sell things from first (mostly companies) or second (or third, …) hand (mostly private users)
- different bundles/options the customer has to advertise his/her product (with different prices)
- also possible for customers to list products for free, which is the most used service
- create a secure feeling for the customer to offer products or for a user/customer to buy products from (by references of other users/customers) verified people
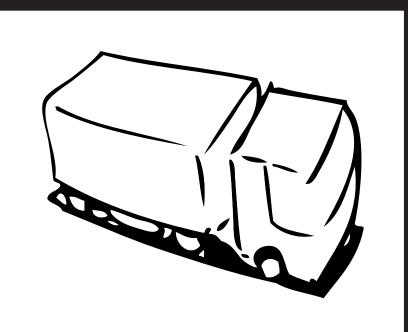
Customer Relationships

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?

EXAMPLES
Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

- not the typical cust.-prod.-relationship, but a service-based partnership, since users/customers use the service to offer their products to other people
- C. Rel. has to be kept very high to sercure the value propositions

Channels

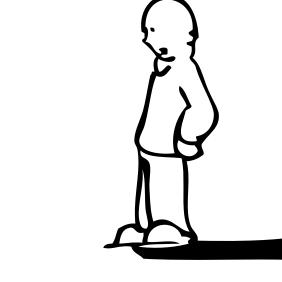Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNEL PHASES:
1. Awareness
   How do we raise awareness about our company's products and services?
2. Evaluation
   How do we help customers evaluate our organization's Value Proposition?
3. Purchase
   How do we allow customers to purchase specific products and services?
4. Delivery
   How do we deliver a Value Proposition to customers?
5. After sales
   How do we provide post-purchase customer support?

- marketing channels are mostly online, but also TV-advertising has been done
- "service"-distribution is 100% only per browser or app, no others

Customer Segments

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

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform

- private customers are most important to keep the image/public relations,
BUT: private ones do not create any revenues, since they mostly use the free services
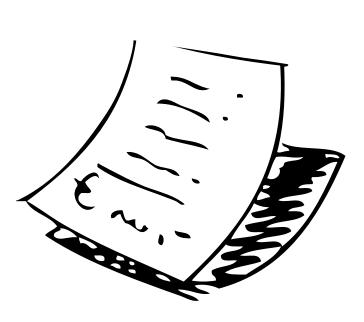- B2B is more important for the revenues, since companies sometimes use shpock's services to create another distribution channel for their products

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?

IS YOUR BUSINESS MORE:
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)
Variable costs
Economies of scale
Economies of scope

- variable cost for server-hosting and server maintenance
- variable costs for maintaining app and webpage
- variable costs for marketing and public relations

Revenue Streams

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

TYPES:
Asset sale
Usage fee
Subscription Fees
Lending/Renting/Leasing
Licensing
Brokerage fees
Advertising

FIXED PRICING
List Price
Product feature dependent
Customer segment dependent
Volume dependent

DYNAMIC PRICING
Negotiation(bargaining)
Yield Management
Real-time-Market

- non-free services for customers to advertise their products (mostly used by company-customers) -> produces the biggest part of all the revenues
- affiliate marketing services for other advertisers (Amazon sometimes advertises for own products) -> smaller share of total revenues