CM40179: Entrepreneurship

Foodle

Draft Business Plan

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Contents

1 Product Description

Foodle is a social gathering application that allows students to connect and organize social cooking sessions together. With universities around the world becoming more culturally diverse, an opportunity presents itself for people to share and learn from one another. It can be intimidating travelling to a new country, and university is all about meeting new people and experiencing new cultures. Foodle can help with this, as it provides a platform for students to experience all kinds of new cuisines. It also provides a network for international students from similar countries to meet and socialize, making living in a new country a bit less scary.

1.1 Pains and Gains

For any product to be successful, it is of critical importance that you can identify how the product addresses the customers need. This helps us understand if there is a potential market for the idea, and helps us analyse where our idea excels over competitors. In order to do this, a table has been created which shows the customer's needs (pains) and the positive outcomes of using our product (gains).

Pains	Gains	Value Proposition (Value Type)
Customer has arrived in a new country and does not know anyone.	Customer socialises and meets new people. Transitioning to a new country is made easier.	Emotional
Customer does not have the necessary cooking utensils to create a specific dish.	Customer can share cooking utensils, without having to purchase it themselves.	Economic Functional
Customer ends up wasting food as food exceeds use-by date and expires.	Customer saves money as food is utilized before expiry date, also environmental benefits.	Economic Emotional
Customer wants to try out new cuisines but is unsure how.	Customer tries cuisines that are authentic rather than finding a recipe online.	Symbolic
Customer wants to save money by eating at home rather than eating out at restaurants.	Customer saves money by cooking with other people and not paying restaurant fees.	Economic
Customer already engages in group cooking via other online organizers (e.g. Facebook events) but the process is tedious and has features missing.	The product provides better usability to the customer: easier to arrange times/dates, recipes and financial costs.	Functional
Customer must do all the cooking related jobs by themselves: purchase food, cook and clean.	Cooking jobs can be divided up between the individuals involved.	Economic Functional

Figure 1: The Pains and Gains for Customers using Foodle

Added to the table is a *value proposition* section. This helps us understand which need the customer value addresses. The categories for this section are functional (usability), economic (saves money), symbolic (self-status) or emotional value (enjoyment, attraction) to the customer. By analysing the value type, we can see how our product fulfils the different types of consumer needs, and where our strengths and weaknesses lie.

1.2 Value Proposition

We can further elaborate on Table 1 by creating a *value proposition canvas*. This allows us to see how our product addresses the pains, gains and customer jobs previously discussed.
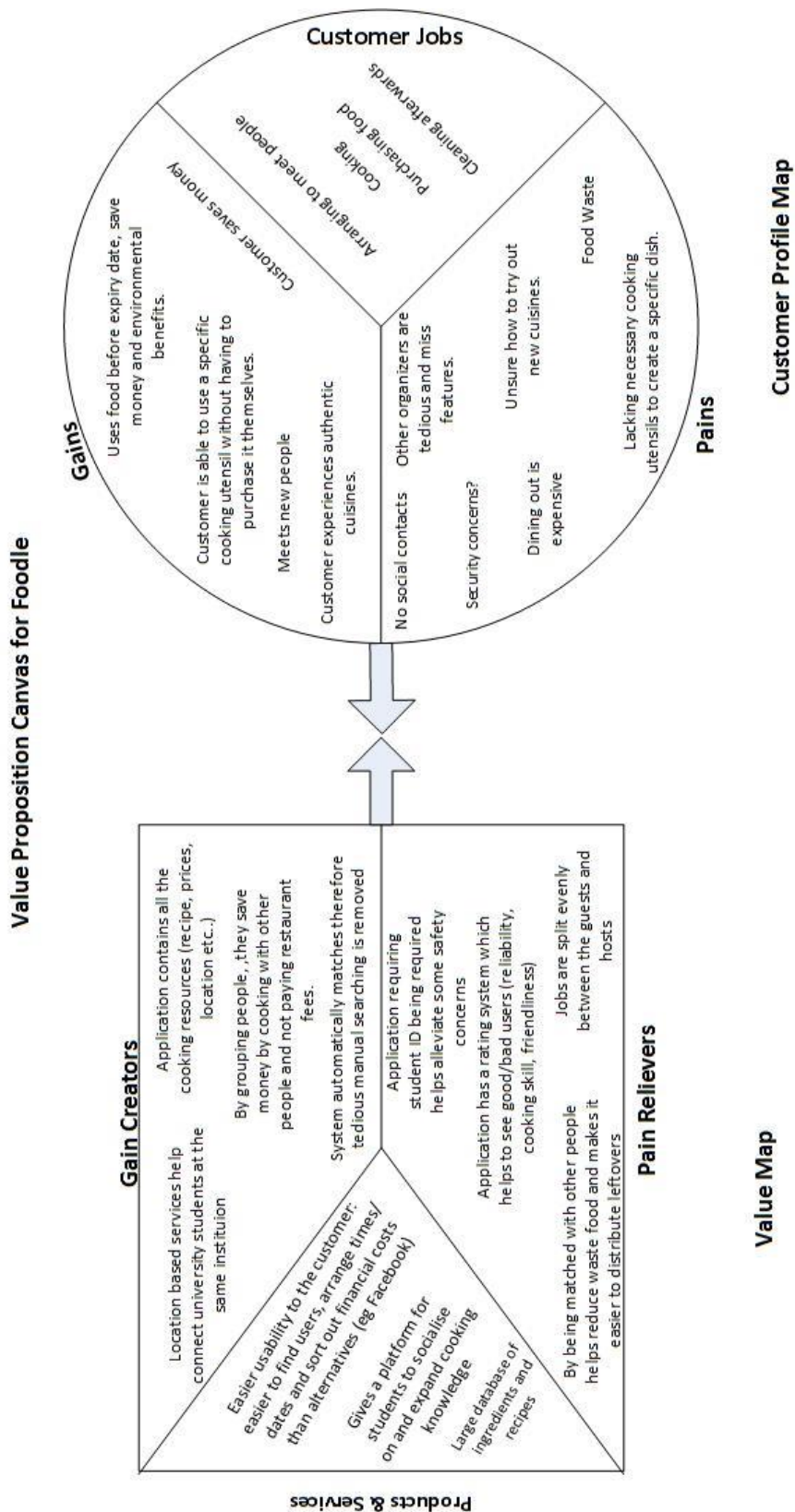
Value Proposition Canvas for Foodle

Figure 2: Value Proposition Canvas for Foodle

As we can see from Figure 2, our product helps create a platform in which students can connect with one another based on the type of cuisine they are wanting to make. Not only does this give students a

platform to socialize on, it gives them a platform to cook different cuisines and improve their cooking skills. The system will provide all the relevant details required to make a specific type of cuisine (ingredients, prices, recipes etc.) and provides the students with who they will be cooking with (which addresses the need of creating the event and finding people). By cooking together, the need to save money and not waste food is addressed, and since there are multiple people, tedious jobs (such as washing up) are split up evenly. Finally, by using location services and only allowing students to sign up via student ID, we address the issue of how security and user safety.

1.3 Product Alternatives

Our group came up with the idea of Foodle by brainstorming a range of ideas we thought were promising, and then voting on the one we wanted to pursue. Initially, we brainstormed the idea of a food related application, and that's when a member suggested an application for group cooking. We all voted on the group cooking idea, as we thought it was an interesting and unique concept and would like to develop it further.

Undertaking a little preliminary research, we found out that a course mate had done something similar to group cooking through Facebook, but she said it failed due to a lack of organisation and the limitations of the Facebook event creator. This was good news to us as it showed us that there was a potential market for this kind of product. As we distributed questionnaires very early on and got an overwhelming number of responses (1500+) we decided that this was a good product idea and began creating this business plan.

There were a few alternatives we considered but ended up abandoning them for various reasons. First, we considered a multimedia rating system that could learn what movies, songs and games the user enjoys and give them further recommendations. We all felt that this was a good idea but after some quick research we found out it had already been done, and to a high standard. We then decided to make an application that involved user-socialising. We had the idea of both group cooking and group film watching, but decided to go with the former as the film-watching idea had been done multiple times before and was not as a unique of an idea to us.

2 Industry

2.1 Operation

The main industry of the service is social dining and cooking as it encourages people to not only eat together but also the process of cooking the food itself. It is tied to other industries including social networks, food and drink, and retail.

2.1.1 Social dining and cooking

This is a way to connect with other people through one of the needs in life - food. While social dining focuses on eating together with ready-prepared food and social cooking focuses just on cooking the food together, this is a relatively new area that is being explored. The industry benefits people with cultural capital compared to financial value such that new relationships can be forged and maintain existing relationships.

2.1.2 Social networks

Most social networks involves the communication between users, sharing of information or content, and to influence other users. An example is Facebook in which text, audio, and video communication is used to provide information. They are mostly free to use and the industry itself generates revenue from advertising. Some social networks such as Vero, YouTube and Twitch uses a subscription method in which users pay an amount of money per month or periodically to the service.

2.2 Business Model

2.2.1 Customers

The current service is targeted at full-time students pursuing higher education. This target audience are susceptible to new apps and surveys show that they are willing to socialize through cooking.

2.2.2 Competitors

The direct competitors that does social dining and cooking are:
- EatWith (teamed up with Cookening)
- Groupeat
- Travelling spoon
- WeFiFo

We also considered other indirect competitors that is part of the side industries including:
- Virtual communities (eg. Facebook, Meetup)
  - These are social networks focused on social gathering without a focus on the kind of occasion that would be held.
- Food deliveries (eg. UberEats, Deliveroo)
  - Food deliveries available to our users mean that they would have less motivation to cook
- Restaurants and cafés
  - Without having the intention or motivation to cook, users might find alternatives that could provide them cooked food
- Eat out discounts (eg. Group out, Wuntu, Too Good To Go)
  - Students might see discounts as a good deal and convenient way to get food without spending the cost of a full meal and have less intention to cook their own
- Ready-made meals
  - Instant meals become a competitor for the service as our target group might seek this as an alternative that does not require effort into preparing a meal

2.2.3 Suppliers

The main supplier for our service is the online platforms in which we will provide the application for mobile phones to be available. Our main target is on the IOS store and Android's Google Play stores.

2.2.4 Partners

As our service also promotes people to cook their own food, we provide a source of education for the inexperienced or those that would like to learn advanced cooking such as baking or gourmet cooking. These will be done through providing recipes by an online source such as Allrecipes (https://www.allrecipes.com). Another practical option for hands-on experience is for our users to learn cooking at cooking academies that are available in the user's location or online cooking academies. These partnerships would be a channel of mutual benefits that are gained in a way that our service would advertise for them without a cost.

To provide an incentive to the users, we can partner with supermarkets to advertise the ongoing sales of certain items and also other services that provides discounts for buying groceries such as Morrison's 'more card'.

2.2.5 Channels

Our business follow a B2C (Business to Customer) model. For the communication channels, we will directly be communicating with the customers through the app itself, emails, notifications, social media platforms, online chat, and telephone calls.

In terms of distribution channels, the app will be distributed on online app stores, by word-of-mouth, social media, news media, advertising, affiliations and partnerships. Affiliation here refers to a programme in which existing users would refer new users from their social circle to use the service and gain benefits from it. Partnerships refers to the relationships the service has with other companies that would gain a mutual benefit.

The channels for selling our service will be on online app stores and partners' means of promotion.

2.3 External Factors

2.3.1 Political factors

United Kingdom (UK) has decided to leave European Union after the referendum on 23 of June, 2016. This political action, also known as Brexit, will result to the loss of workers, students, and economic support from European countries which bring negative impact on immigration, economic and education.

Since one of our goals is to facilitate cultural exchange among students, Brexit may result in the decrease of European students, thus reducing cultural diversity and to bring in variety of users and cuisines to our service.

To deal with the lack of cultural diversity, we can place more advertisements and promote the service on social media like Facebook and Instagram or at school in order to attract students out of the UK.

2.3.2 Economic factors

In 2008, Britain suffered from great recession (Economicshelp.org, 2018). It resulted in low economic growth, low inflation rate, low interest rate and high unemployment rate.

Currently, the recession is still recovering (Bank of England, 2018). According to the UK inflation report (BBC, 2018), the increase in wages cannot catch up with the inflation rate due to the drop of British currency followed by the vote of British' manifesto to exit the European Union. Moreover, Organisation for Economic Co-operation and Development (OECD) stated that the GDP growth of UK is the slowest among G20 in 2018.

The weak economic growth and high inflation rate may result in the reduction of the British citizens' purchasing power and willingness to spend. This will give an advantage to our service as it not only encourage people to cook at home instead of dining out, but the sharing of expenses to buy ingredients for cooking can save their financial expenses. Nonetheless, the slow economic growth may cause people to be less influenced by the advertising and partnerships we introduce to them. This results in reduced purchases and reduces upstream revenue.

2.3.3 Social factors

Before the rise of Internet, people had more face to face interaction and mobile devices were treated as luxury products at the time and not necessary. Emails were sent as letters and social networks were limited to people situated locally to an individual.

Now, it is more common for people to own a computer at home or a mobile device. The instantaneous delivery of information anywhere through the Internet gives rise to a phenomena of people to communicate more in the virtual world rather than the real physical world. As such, people are more likely to stay connected with friends on their mobile device instead of going out to socialize with people in the real world. People also get to interact with international friends and widen cultural perspectives.

To promote people to socialize again, we are able to provide a safe, convenient and user-friendly platform for users to meet existing and new friends as well as to cook and share a meal together. The platform further allows them to improve their culinary skills and promotes cultural exchange between the users. Our strength is on the focus on cooking and dining as food is a necessity and would generally be consumed every day. However, users who socialize in the virtual world does not mean that they would meet those in the virtual world in the real world. Some users may have social anxiety and are afraid of meeting people. Nevertheless, people may also not come out to meet people as a fear of security.

2.3.4 Technological factors

In the past, purchases were made offline and people were limited to goods sold locally. Furthermore, there were less reliance on technology to provide information on the products or services.

With the rise of smartphones and internet, people can easily communicate to each other anytime and anywhere. Companies and developers can globally promote and sell their products and services efficiently on the internet. However, review sites and bloggers play a larger role in providing ratings. These poses a threat as even if it was just one individual who has a negative impression of a product, if the individual has a wide influence over a big range of other consumers, it would greatly reduce the sales of the product.

In the future, advanced technology such as Artificial Intelligence, Big Data and Virtual Reality will be more developed and pervasive. This could bring another revolution to the social networking industry on how users find information on products and purchase them. It would also affect the way in how companies would deliver their services to the customers.

Due to the highly increasing number of smartphone users and the success of social networking sites, more companies intend to replicate similar business models by providing similar services. For example, Tinder focuses on social dating, TravelPal focuses on social travelling, while Uber focuses on social transportation. The similarity in these businesses is that they provide a platform that relies on users to generate content instead of selling a product to users. As there are significant increase in social apps, our service faces strong market competition. Nevertheless, our service combines industries of social dining and cooking, as well as offering unique ideas such as cooking classes and sharing ingredients which is currently not available in the industry.

To deal with the strong market competition, we need to speed up the development cycles using agile methodologies, and to push in features with frequent updates and provide tight security measures in trend with the new technologies. In the future, we can enhance our user-matching system with Artificial Intelligence and Big Data to provide better social experiences.

3 Market Validation

3.1 Introduction

We would like to see whether the app Foodle is viable, to do this we need to assess whether there is a market for such a service. We need to know:

- Whether people want to cook in groups more than they currently do.
- What age range is most interested in doing so?
- What countries do these people come from?
- Are people comfortable group cooking with strangers? What demographic is most comfortable?
- Are people comfortable with hosting events in their home?
- Whether people enjoy eating/cooking a wide variety of cuisines.
- Do people find themselves with leftovers often? Do people waste food often?

The short survey was conducted on Google Forms with 1707 responses in total between February 25th and 17th March 2018. The participants of the survey were mainly found through Reddit on the subreddit r/EatCheapAndHealthy.

3.2 Key Findings

- 50.6% of participants said they would like to cook with other people more often.
- Ages 0-17 and 18-25 were most interested in cooking more with other people with 81.4% and 56.4% respectively checking yes.
- Participants in Sweden and Germany are most interested in cooking more with other people with 71.4% and 68.2% respectively checking yes. The United Kingdom has the lowest interest with 44.2% checking yes.
- 31.9% of participants said they would be comfortable cooking with strangers.
- On average participants like 5.5 different types of cuisine with 113 different types of cuisine represented.
- 47.3% of respondents find themselves with leftovers 'every couple of days'.
- The greatest proportion of participants (36.5%) throw away food 'every week'.

3.3 Detailed Findings

3.3.1 Respondent Profile

The participants were predominantly from the U.S.A, with 67.6% of them being from there. Canada with 8.7%, the United Kingdom with 7.3% and Australia with 3.4% are the next three highest represented countries.

90.6% of respondents were between the ages 18-40, with 43.9% between the ranges 18-25.

The participants were mainly White (78.0%) with a significant number East Asian (9.0%).

Participants top five favourite cuisines were Mexican, Italian, American, Chinese and Japanese with 70.2%, 68.8%, 67.4%, 61.7% and 57.1% checking them respectively.

40.3% of respondents are currently in higher education.

The majority of participants privately rent their accommodation (51.4%). 3.9% live in University halls.

Almost half of the respondents share a kitchen with one other person (49.7%). 16.7% share with two other people and 16.2% don't share with anyone else.

3.3.2 Extrapolations

From our keys findings and respondent profile we can draw some tentative conclusions.

The majority of the respondents (50.6%) wanted to cook with other people more often. With younger people more interested than older people at 57.3% of participants in the age range 0-25. Cooking with other people is at the core of the Foodle app. For the app to be compatible with a customer, the customer should be already interested in doing so. This allows us to narrow down our target demographic to younger people since they have the most interest in cooking with others.

Respondents from Sweden and Germany were most interested in cooking with other people, which means expansion into Europe could be feasible for the future. The UK had the lowest interest out of all the big countries but at 44.2% checking yes, that is still a significant chunk of interest. This should allow us the flexibility to launch in any major country in the developed world.

It was also found that respondents who live with their parents or in university halls are most likely to want to cook with other people with 59.3% and 58.2% respectively checking yes. 48.7% of the participants that are living with parents are students, on top of the students living in university halls. This gives a good indication that out of younger people, students are most interested in cooking with other people and could potentially form our target demographic.

The most popular reason why students would like to cook more is to socialise at 31.5%. However, students are the least comfortable with cooking with strangers. Out of a random sample of 50 respondents, the most popular reason for not wanting to cook with strangers is because of some form of social anxiety at 22.0%. This shows the app we design needs to help alleviate the awkwardness of meeting new people in social situations.

24.2% of students stated that they would like to cook more to for try new cuisines. Participants also enjoy a wide variety of cuisines - 5.5 different types of food were favoured on average. These two statistics suggest that the population, particularly students are interested in trying new cuisines. Our app could be a good facilitator for that experience.

With a lot of the participants being left with excess food (47.3% 'every couple of days') and often having to throw that food away (36.5% 'every week'), there is clearly leftover food going to waste that could be shared in a larger group. Our app could help reduce these statistics and save people money by sharing this leftover food in a larger group.

3.4 Methodology

The survey used was designed by the GroupCook team on Google Forms. It was conducted between February 25th and 17th March 2018 with the majority of the responses coming from users of the subreddit r/EatCheapAndHealthy. Other participants include users of: r/cooking, r/AskCulinary, r/SampleSize, r/Assistance, r/UKUniversityStudents, r/businessschool and Facebook friends of the group members. Since exposure on social media is partly luck based, the post on r/EatCheapAndHealthy generated the vast majority of the responses through the momentum of upvotes on that particular subreddit. This can introduce bias into the data. For the most part this is ok because people who are interested in eating healthily and cheaply are part of our target customer base. Our app is designed to help people cut costs and try a variety of cuisines in the process. However, it will unfairly skew our data regarding how much people enjoy cooking and participate in it. Since eating cheaply is part of the subreddit's title, it is fair to assume that the users will cook at home to save money and could also enjoy cooking more. Despite this, our key questions that we want answering are more focused on social

cooking and whether participants are interested in other cultures cuisines. These things should not be so influenced by eating cheaply and healthily.

To gain more personal data from people who are not necessarily interested in cooking, we are interested in conducting some secondary research in the form of 1 on 1 interviews. These interviews will be with friends and family of members of the team. We will ask the participants similar questions to the survey but in a more informal, conversational fashion.

3.5 Industry Insight

How does our service match up to competitors in the same industry or neighbouring industries? Our service is fairly unique in such a way that we do not have any direct competitors at this time. However, there are some large scale products that can each provide part of what we are offering.

Facebook is a social media juggernaut with over 2.2 billion active users currently. Although they are not specifically involved in cooking in any way, they do possess tools to allow users to easily organise events with their friends and even strangers through groups. Despite this, Facebook does not make much effort to alleviate social anxiety in face to face interactions. It facilitates virtual connections to organise real life events but does nothing to encourage it. Our app can help those who want to socialise but struggle to do so by encouraging them to meet new people through cooking.

Both Deliveroo and HelloFresh involve food delivery in fashion and are widely popular services. Deliveroo has a wide network of restaurants affiliated with it and can deliver premium food to your door quickly. HelloFresh has connections with lots of food supplies, which allows them to deliver just the right amount of food needed to cook their recipes in your own home. However, they both lack the social aspect that our service can provide. Their services are not about socialising, they are just about getting access to the food in some way. Also, they are fairly expensive services. With Deliveroo and HelloFresh you are paying for convenience, not a sociable experience. Our app can provide this with the ability to organise cooking sessions with friends and strangers alike.

In a sense, Tinder may be our most direct competitor. They offer socialising with stranger through profile matching. Although similar, their app is more concerned with the romantic side of relationships. Foodle is more interested in helping people find friends through the medium of cooking. This may appeal to a different subsection of society than Tinder and therefore sets Foodle apart from it.

4 Analysis of the inherent risks

Given the rapid pace of technology advancement, it is still unknown how social networks will evolve. Social issues involving security of the users could be already solved through data blockchains and algorithmic monitoring and social networks would be much safer than the current situation. Furthermore, recent news of social networks such as Facebook that exploits data to influence the United States of America election polls in 2016 has given rise to a movement in deleting Facebook (Quartzy, 2018). This poses as a risk as people would trust social networks less in the near future and gain benefits from deleting their social network accounts.

To tackle this problem, we provide online cooking courses, recipes and tutorials for users. This way, they can learn about cooking on the internet and exchange cooking ideas with online friends. For those that who does not want to be social, they can still use the app to improve their culinary skills. In time, they will trust our service more and through social comparison or having a fear of missing out, they might be able to come out of their comfort zone and meet up with other users eventually. Also, if we are able to get more sponsors, we can give out some kind of incentives such as discount coupons to motivate users to attend user-hosted events. Thus, users will be more active to participate and socialize.

There is concern that an established social media platform may decide to implement a group meetup system that can compete with ours more directly. This would be detrimental to our business since they

already have large active user bases that would use their service over a new one, such as ours. The only way to mitigate such a risk is to either develop our product as quickly as possible so it meets the market before a larger company can make their similar product, or pivot our idea to set it apart from the competition if the time comes.

Another potential risk is that not ganing any funding for our business idea. Since the team does not have much experience coding a smartphone app and with no funding, we wouldn't be able to hire outside developers to help us with this. Also, we would not have any money for promoting our app and marketing it. To prevent this risk from playing out we would need to teach ourselves the necessary programming skills to develop the app ourselves. Our marketing model would have to be low budget and efficient. These two things are possible but very time consuming and would be good to avoid.

Furthermore, assuming we can get the start-up going, we would have to be wary of the team dynamic going forward. If members of the team are not comfortable with the direction the project is going then conflict can cause the business to not be successful by wasting time and money. To ensure this doesn't happen the team will have clear channels of communications with frequent progress reviews.

5 References

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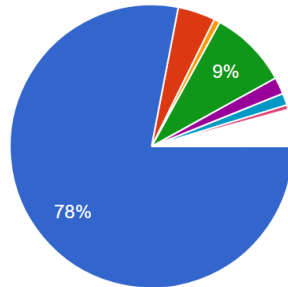
6 Appendix

What is your age?
1,707 responses

- 0-17
- 18-25
- 26-40
- 41-60
- 61+
- Prefer not to say

46.7%
7.4%
43.9%
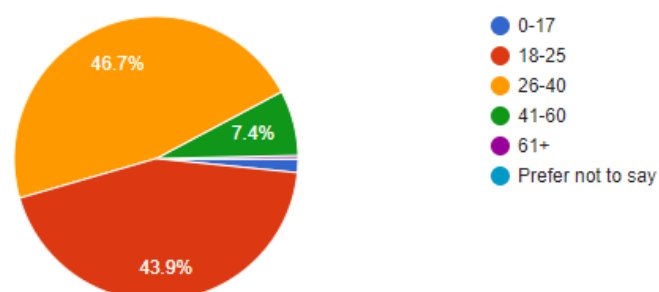
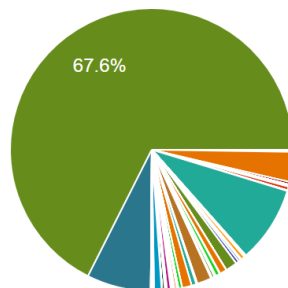## What is your ethnicity?

1,707 responses

- ● White
- ● Hispanic/Latino
- ● Black/African/Caribbean/Black British
- ● East Asian (Chinese/Mongolian/Jap…
- ● South Asian (Indian/Bangladeshi/P…
- ● Prefer not to say
- ● Mixed
- ● Filipino
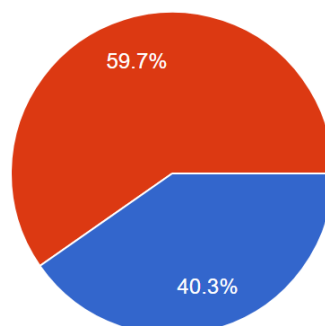
▲ 1/9 ▼

What country do you live in?

1,637 responses

- ● Afghanistan
- ● Akrotiri
- ● Albania
- ● Algeria
- ● American Samoa
- ● Andorra
- ● Angola
- ● Anguilla

▲ 1/33 ▼

Are you currently in higher education? (eg. University, Higher National Diplomas etc.)

1,707 responses

- ● Yes
- ● No

What kind of accommodation are you currently living in?

1,707 responses

- Privately Owned
- University Halls
- Private Halls/Communal Blocks
- Private Renting
- Living with Parents

51.4%
13.8%
29.5%
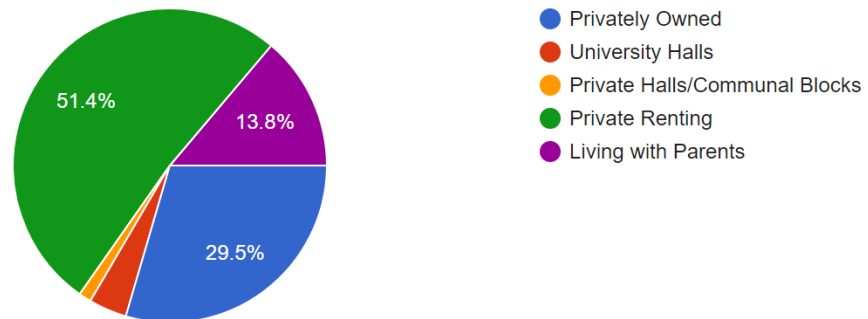
How many people do you share your kitchen with?

1,707 responses

- 1 (Just you)
- 2
- 3
- 4
- 5-9
- 10+

16.7%
11%
49.7%
16.2%
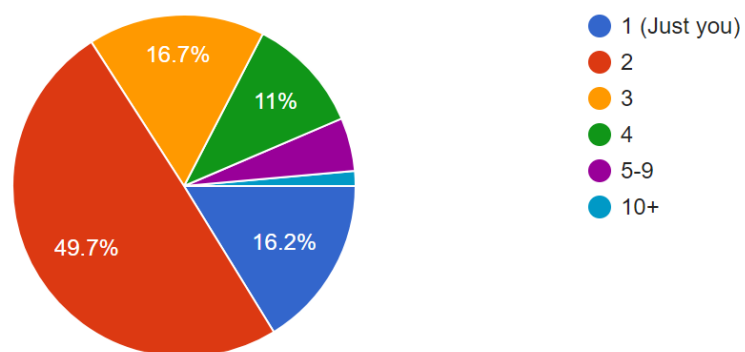
How much do you enjoy cooking?

1,707 responses
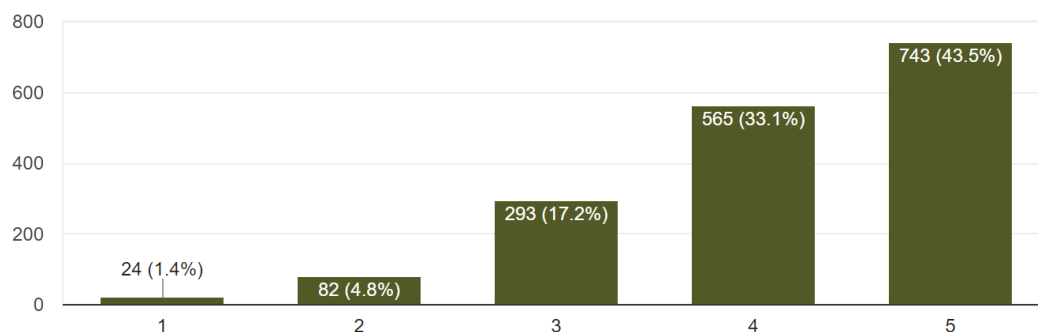
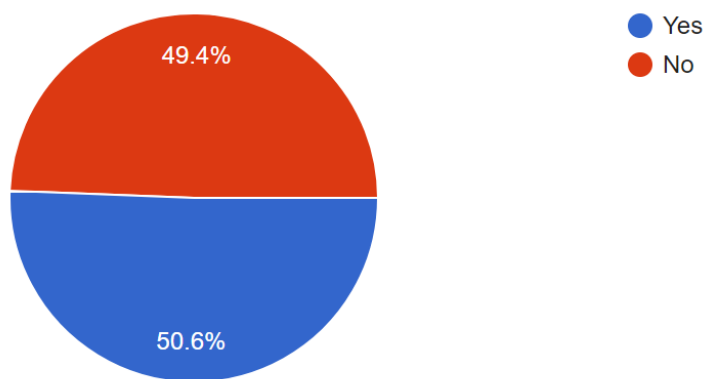## How much do you enjoy cooking with other people?

1,707 responses
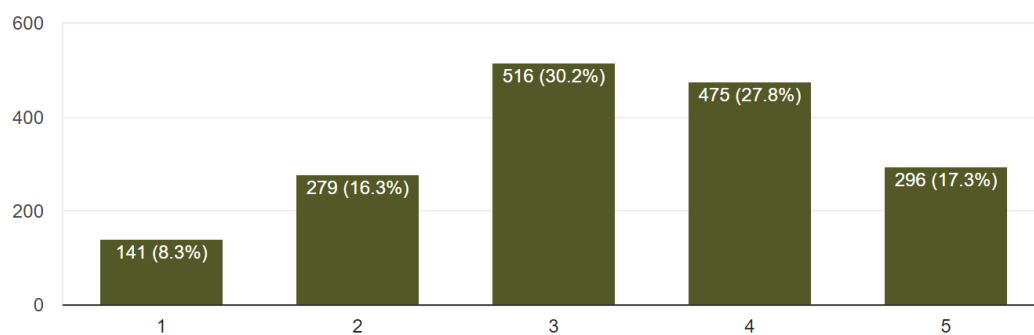
Are these exclusively people you live with?

1,707 responses

Legend:
- Yes
- No

55.5%
44.5%
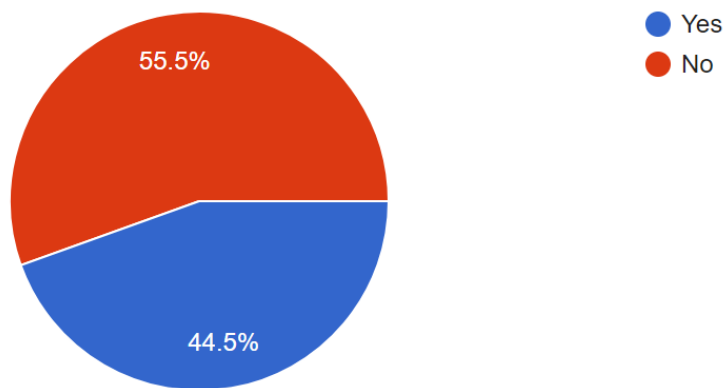
Would you like to cook with other people more often?
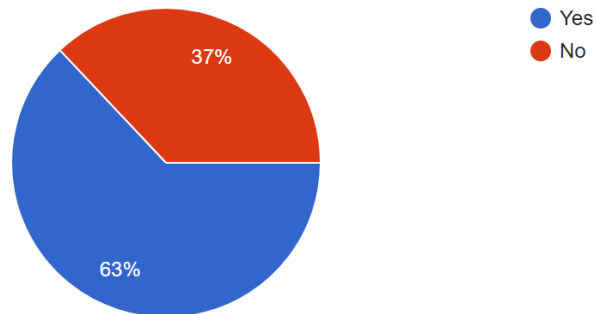
1,707 responses

Legend:
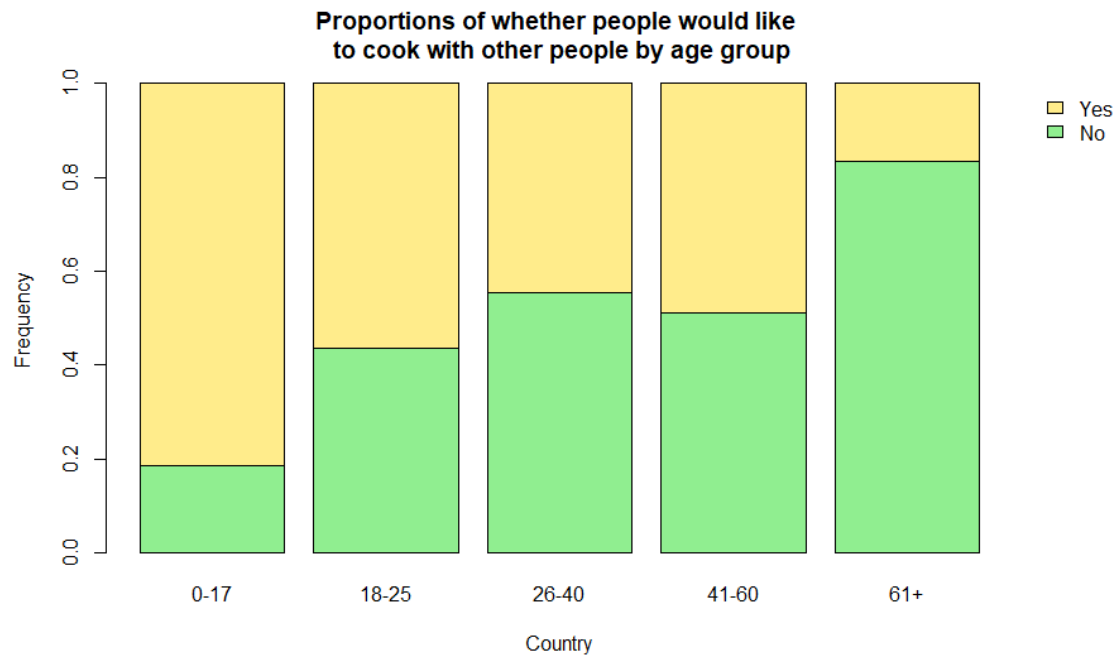- Yes
- No

49.4%
50.6%

Would you be comfortable cooking with people you have never met before?

864 responses

- Yes
- No

37%

63%

Proportions of cooking enjoyment for each country

- 5 - Enjoy alot
- 4
- 3
- 2
- 1 - Do not enjoy

Frequency

Country

Australia   Canada   Germany   Malaysia   New Zealand   Sweden   United Kingdom   United States

Proportions of whether people would like to cook with other people by country

Frequency

Country

Australia   Canada   Germany   Malaysia   New Zealand   Sweden   United Kingdom   United States

Proportions of whether people would like to cook with other people by age group

Why students would like to cook with others

Proportions of whether people would like to cook with other people by accomodation type

SWOT Analysis

Strength	Weaknesses
Economic • Help people save money on food ingredients • Not many direct competitors Social • Meets the customer need well • Can help people overcome social anxiety • people like making friends online Environmental • Reduces food waste if people cook together	Economic • Possible competitors are popular and versatile e.g. nearly everyone has Facebook • May not be a market for group cooking Technology • Inexperienced development team Social • Society is becoming more antisocial
Opportunities Social • Customers are health conscious • Everyone has a smartphone • People care about their body image • Could expand to social media where people share photos of their meals which would be good publicity Technology • Google play and app store can help with publicity	Threats Political • BREXIT, if there is less immigration then there could be less cultural influence Economic • Food changing price • Fast food gets cheaper • growing economy makes more people to dine out Social • People become antisocial • More introverts Technology • Apps become redundant • New app is created for group cooking or similar Environmental • Extreme weather affecting food supply Legal • Security issues with meeting strangers • Tight regulations on the app store