**PAY AND GO**

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**Description**: Pay and go is a digital solution to improve the in-store customer shopping experience. It aims to automate the checkout process eliminating regular registers and self-checkout counters by employing a scan and pay system. The primary goal is to reduce the time spent in the checkout process while extending benefits to consumers.

**BEACH-HEAD MARKET**

**Our beach-head market: Students shopping in mid size markets**

*End User - Student population*

*Economic Buyer - Mid-size markets*

This choice has been based on the following answers, and on some observations we made in several markets.

**Considerations to define our beach-head market**

1. ***The customers within the market all buy similar products***

The student population generally has a similar need when it comes to grocery shopping

1. ***The customers within the market have a similar sales cycle and expect products to provide value in similar ways.***

The products that they buy are generally predictable and have a set timeline to replenish their stock. This indicates that they will also be out shopping more frequently in mid-size stores closest to home/university.

1. ***There is “word of mouth” between customers in the market, meaning they can serve as compelling and high-value references for each other in making purchases.***

The student community “word of mouth” for stores around the college campus is generally very high.

1. **Is the target customer well-funded? Does the target customer have a compelling reason to buy?**

Since groceries are a necessity for the target customer, the spending on the market will not change based on their economic situation

1. **Is the target customer readily accessible to your sales force?**

Yes, due to the strong ties with the academic community, the target customer can be easily reached. The target on the organization side is a little more difficult to reach.

1. **Can you today, with the help of partners, deliver a whole product?**

Yes the various aspects involved are users, stores, and payment gateway integration

1. **Is there entrenched competition that could block you?**

The payment systems that are currently installed at counters could lose business due to our product, they could potentially be strong competitors.

1. **If you win this segment, can you leverage it to enter additional segments?**

Yes, we can expand from the mid-sized supermarket chains to larger chains and then to other segments such as clothing, bookstores, etc.

On the user's side, students are a great way to enter the market, and if we win students, it will be possible to extend to their parents, friends, grandparents.

1. **Is the market consistent with the values, passions, and goals of the founding team?**

Yes, the goal is to empower users to handle the end to end process of their shopping and remove the need for third-party interference.

**Observations made, to confirm our assumptions**

| **Store** | **Avg no. of people in line at once** | **Number of people with small cart size (<5)** | **Avg time taken in line person** | **Number of individuals in each age group** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **0-21** | **21-35** | **35-49** | **50+** |
| **Foodtown** | **4** | **2** | **3:41min** | **0** | **6** | **3** | **1** |
| **Gristedes** | **6** | **2** | **5:17 min** | **1** | **4** | **4** | **3** |
| **Morton Williams** | **9** | **8** | **2:04 min** | **0** | **5** | **2** | **2** |
| **Hardware Store** | **7** | **5** | **1:15 min** | **0** | **4** | **1** | **2** |
| **Wholefoods** | **12** | **2** | **Self-checkout + Regular:**  **8:30 min** | **0** | **5** | **6** | **1** |

**Number of students vs stores to show ratio (demand and hence need for solution)**

Columbia university total enrollment: 31,000 students

**Popular grocery stores around campus:**

Large chains - Trader Joes and Whole Foods

Mid sized chains - Morton Williams, Apple Tree, Foodtown, Hmart

Small/Independent - Milano market, Westside Market

**Assumption**: At Least 70% of the students shop frequently at mid sized chains and at least 85% when they have a small basket size.

This leads to a ratio of 20,000:4 on a frequent basis i.e. **5000:1**

* Lower percentage of the student population regularly shop at the large chains because the large chains are further away from campus.
* The fact that large chains typically need more space to set up proves that there might not be too many around Columbia campus and within the city. Hence, leading us to mid-sized markets as our beachhead.

**% of mid size stores that have self checkout (proves that midsize is beachhead)**

* Further supporting our beachhead market selection is the fact that mid-sized chains largely do not have self-checkout counters.
* They don’t have the kind of footfall or investment that larger chains typically have, and so make do with regular checkout counters.