

FurniSpace

-A world where your dream home is a virtual canvas waiting to be furnished.

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Business Modelling of FurniSpace App:

Value Proposition:

1. For Customers:

- Convenient room scanning and dimension measurement.
- Color analysis for furniture that matches room decor.
- Personalized furniture recommendations.
- Augmented reality (AR) visualization.
- Access to a wide range of furniture vendors.

2. For Vendors:

- Access to a large customer base.
- Vendor onboarding and partnership opportunities.
- Data analytics to optimize offerings.
- Affiliate partnerships for increased sales.

Channels:

1. Mobile app distribution through app stores.
2. Online marketing and social media.
3. Collaboration with interior designers and home decor brands.
4. Direct partnerships with furniture vendors.

Customer Relationships:

1. Self-service through the app.
2. Customer support for inquiries and issues.
3. Regular updates and communication via email or notifications.
4. Personalized recommendations based on user behavior.

Target audience:

- Interior designers who seek furniture options for their projects
- Home owners/ home dwellers in urban areas who require space efficient furniture options
- Office and business owners
- Tech Savvy users
- Students and dorm room owners

Key Resources:

1. Mobile app development and maintenance.
2. Partnerships with furniture vendors.
3. Skilled development and data analytics teams.
4. Marketing and promotional resources.

This business model outlines how Furnispace plans to create value for its customers and generate revenue from various sources while managing its costs and key activities.

Revenue Streams for FurniSpace App:

1. Premium subscription model: Provide features like advanced customization options(including a variety of materials, upholstery options, configuration and modular options), exclusive collections, or access to trending interior design and curated collections. with an ability to save them, as premium features.Offer these features through a monthly subscription model or one-time purchases.
2. Vender onboarding and partnership: Charging a one time onboarding fee from the vendor to join the app and taking a small commission on each transaction.

3. Advertising and Promotions: Offer advertising opportunities for vendors to promote their products within the app, charging fees for sponsored listings or featured placements.
4. Affiliate Partnerships: Collaborate with complementary businesses (e.g., interior designers, home decor brands) and earn affiliate commissions for referred sales.
5. Data Analytics: Utilize data collected from virtual placement and visual search interactions to provide insights to vendors for a fee, helping them understand customer preferences and optimize their offerings

Financial Equations for FurniSpace App:

Assumptions:

- Number of Users: 1,000 users
- Commission Percentage: Furnispace earns a 3% commission on each furniture sale.
- Marketing Costs: ₹70,000
- Salaries: ₹300,000 (for a small development team)
- Rent: ₹40,000
- Utilities: ₹10,000
- Other Overheads: ₹0 (removed)
- Number of Subscribed Users: 400 users
- Vendor Onboarding Fee per Vendor: ₹6,000
- Data Analytics Fee per Vendor: ₹8,000

Commissions on Furniture Sales:

- Total Sales Volume = Number of Users x Average Transaction Value
 - Total Sales Volume = 1,000 users x ₹10,000 = ₹10,000,000 (₹10 crores)
- Commission Earnings from Sales = Total Sales Volume x Commission Percentage
 - Commission Earnings from Sales = ₹10,000,000 x 3% = ₹300,000 (₹3 lakhs)

Premium Subscription Mode:

- Monthly Subscription Fee per User: ₹100
- Premium Subscription Revenue = Monthly Subscription Fee per User x Number of Subscribed Users x 12 months
 - Premium Subscription Revenue = ₹100 x 400 x 12 = ₹4,80,000 (₹4.8 lakhs)

Vendor Onboarding and Partnership:

- Vendor Onboarding Revenue = Vendor Onboarding Fee per Vendor x Number of Vendors
 - Vendor Onboarding Revenue = ₹6,000 x 15 = ₹90,000 (₹90,000)

Affiliate Partnerships:

- Affiliate Commission Rate: 3%
- Total Affiliate Sales Generated: ₹5,000,000 (₹5 crores)
- Affiliate Commission Revenue = Total Affiliate Sales Generated x Affiliate Commission Rate
 - Affiliate Commission Revenue = ₹5,000,000 x 3% = ₹1,50,000 (₹1.5 lakhs)

Data Analytics:

- Number of Vendors Utilizing Data Analytics: 5 vendors
- Data Analytics Revenue = Data Analytics Fee per Vendor x Number of Vendors Utilizing the Service
 - Data Analytics Revenue = ₹8,000 x 5 = ₹40,000 (₹40,000)

Total Revenue:

- Total Revenue = Commission Earnings from Sales + Premium Subscription Revenue + Vendor Onboarding Revenue + Affiliate Commission Revenue + Data Analytics Revenue
 - Total Revenue = ₹3,00,000 + ₹4,80,000 + ₹90,000 + ₹1,50,000 + ₹40,000 = ₹10,60,000 (₹10.6 lakhs)

Net Profit:

- Net Profit = Total Revenue - Operating Expenses
 - Total Operating Expenses = Marketing Costs + Salaries + Rent + Utilities
 - Total Operating Expenses = ₹70,000 + ₹300,000 + ₹40,000 + ₹10,000 = ₹420,000 (₹4.2 lakhs)
 - Net Profit = ₹10,60,000 - ₹4,20,000 = ₹6,40,000 (₹6.4 lakhs)