***Best seller competitor cost model assumption analysis:***

mouse pad cost - $ 0.5

shipping - $ 1.5

customs - $ 0.5

landing cost – Rs.175

selling cost - Rs. 288

**Remaining -** Rs.**113**

AMZ Commission - Rs. 13.5

Delivery - Rs.30

**Total Profit -** Rs.**69**

**Total Profit Margin - 39.5%**

***Sameer cost model assumption analysis***

***If sell on amazon:***

mouse pad cost - $1

shipping - $2

customs - $1

landing cost - Rs.280

selling cost - Rs.349

Remaining - Rs.69

AMZ Commission - Rs.13.5

Delivery - Rs.30

Total Profit - (69) - 44 = Rs.25

Total Profit Margin - 8.9%

***If sell on FB marketplace:***

mouse pad cost - 1

shipping - 2

customs - 1

landing cost - 280

selling cost - 349

Remaining - 69

Total Profit - 69

Total Profit Margin - 24.5%

***Notes:***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Type | Manufacture cost | Shipping | Customs | Landing cost | Selling cost | EBIDTA | EBIDTA Margin |
| Me-AMZ | 1 | 2 | 1 | 280 | 349 | 25.2 | 9 |
| Me-FB | 1 | 2 | 1 | 280 | 349 | 69 | 24.64285714 |
| Me-FB | 0.7 | 2 | 0.7 | 238 | 299 | 61 | 25.6302521 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Units | Price in dollar | Total order cost in Rs |
| Order small | 100 | 4 | 28000 |
|  |  |  |  |
| Order medium | 300 | 3.4 | 71400 |

So may be for an order of 300 items we can bring down the landing cost to 238. But such an order would cost 72000 rupees. And if we sell on amazon on competitive pricing of 299 then we will earn only 7.8% profit but if we sell on unorganized platforms at pricing of 329 profit margin will be 38%. But the question is can we sell 300 mousepads in Hyderabad?