

CEMENTZ Online Store MVP

CEMENTZ is a multinational conglomerate that retails building materials world-wide. We were told they are the Home Depot of Mexico, but that turned out to be far from true.

For the type of building construction that goes on daily across the street from the San Francisco Garage, hundreds of trucks of cement are ordered and purchased from CEMENTZ:



Among many things, CEMENTZ serves the thriving home builders' market in Mexico. A home builder [builder] is an individual proprietor who contracts their services to new homeowners.

Homeowners purchase land in the suburbs and rural areas of Mexico. They then find a builder with whom to contract to do the buildout.

The contract scopes the needs of the builder for materials with which to construct the home. The builder then specifies an order of building materials and visits a CEMENTZ retail store to

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arrange for purchase and delivery. CEMENTZ retail stores exist in several locations of major metropolitan areas such as Mexico City and Monterrey. This is often far in proximity from a builder's construction site.

Materials range from 1/2-truck to multiple trucks of cement, 1/4-flatbed truck to multiple trucks of cinder blocks, and other assorted quantities of like building materials.

Delivery of building materials to the construction site is anticipated by the CEMENTZ retail store and the builder at a time for which it appears mutually convenient.

The cost of delivery is embedded in the total cost for the order in such a way that it is not transparent. Payment is arranged by any of (1) in-store cash; (2) in-store credit; or (3) cash-on-delivery, with varying degrees of savings.

It is often difficult for the retailer and home builder to see sufficiently far into the future and, should a contingency on the estimated delivery time occur, then additional costs and penalties are imposed on the builder. Such costs can delay the shipment, or even prevent it if the terms of the penalty cannot be honored readily.

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Mexico abides a culture with a deep affinity between family, friends and business relations. A kiss on both cheeks — or a warm handshake — is customary when encountering relations at home, at the office, or by-and-by.

Such relations are evident among the stakeholders in the home builders' market. There exists a deep cultural affinity between landowners, their prospective buyers who aspire to be home owners, and the representatives of the government agencies responsible for adjudicating the lease and purchase of land.

Deep cultural affinity also exists among prospective homeowners and would-be builders, as well as between builders and CEMENTZ retailers. It is not unusual for such cultural affinity to be expressed by the hospitality shown at home during a visit at which a meal or a glass of sangria is offered.

Similarly, a get-together at a local haunt to exchange, over tequila, stories of family or pass times — such as soccer — occurs regularly. The joy of keeping such company from time-to-time among the people of Mexico is an old and valued tradition.

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On the other hand, Mexicans have a deep antipathy to conducting on-line transactions with their credit cards. The proliferation of online shopping has not permeated the consumer marketplace of Mexico the way it has elsewhere. Mexicans value their hard-earned wealth and, simultaneously, do not sense the deep cultural affinity to which they are accustomed when they shop online.

Their aversion to online shopping with their credit cards notwithstanding, there exists widespread adoption in Mexico of cellphones with internet access. There are established and trusted providers of phones and cell-phone service in the same cultural spirit as the established and trusted relations among home builders, CEMENTZ retail shopkeepers and prospective home buyers.

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CEMENTZ saw an opportunity to improve the lives of stakeholders in the home builders' market. They have a personal stake in the market that's embodied by the shopkeepers of the CEMENTZ retail stores.

They wished to leverage the deep cultural affinity that is imbued in Mexican culture to veritably disrupt the market. To do so, they proposed the following workflow:

- (1) Arrange a social get-together in a relaxed atmosphere after work over tequila between a prospective home builder and a CEMENTZ retail shopkeeper (leverage deep cultural affinity);
- (2) Make the home builder a preferred customer by negotiating discounted prices on their desired basket of goods (provide cost savings; provide personalized treatment; leverage affinity);
- (3) Allow the home builder a personalized portal online that can be accessed from the remote construction site by cellphone (convenience to avoid the long trip to the retail store; provide personalized treatment);
- (4) Provide a convenient view in the personalized portal of the clear savings from the retail price negotiated over tequila (maintain cultural affinity even while online);
- (5) Show that the shipping costs are a direct function of the distance between the construction site and the closest retail store that stocks the goods (make shipping costs transparent);

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- (6) Offer preferred customers to pay by credit card for shipping costs from the store in closest proximity to the construction site, even if the goods are only available in a store of farther proximity (make the builder feel preferred and special; embolden them to use their credit card online);
- (7) Offer customary payment options and associated savings — in-store credit, cash-on-delivery, in-store cash (make the builder feel at home); and
- (8) Guarantee estimated delivery times and offer discounts if delivery is late (switch the burden of delivery late fees and penalties from the home builder to the CEMENTZ).