

Your Next Online Grocery Shopping Platform - iGro

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Problem statement:

“About 80% of the US adults did not opt for online grocery shopping even during the pandemic”

We strongly believe that the above customer mindset shift could be influenced with recipe based online grocery shopping tool that iGro is planning to build



Value proposition:

iGro offers a convenient service to buy recipe-based groceries of their favorite brands from their favorite stores

Gives an easy way to decide on the choice of products for cooking their favorite dish

Significant reduction in stress levels and time spent for instore grocery shopping.



Positioning:

Unlike other competitors, who do not provide the option of convenient product selection based on the desired recipe:

iGro provides a simple and convenient service for purchasing products based on recipes from the specific store website and its ingredients exclusive to the store

With a single click, customers can complete the purchase of ingredients.

Personalized selection of ingredients and increased customer satisfaction



Target Customer : iGro

Company

- iGro.com

Business Model

- Online Recipe based Grocery shopping
- Monthly Subscription based

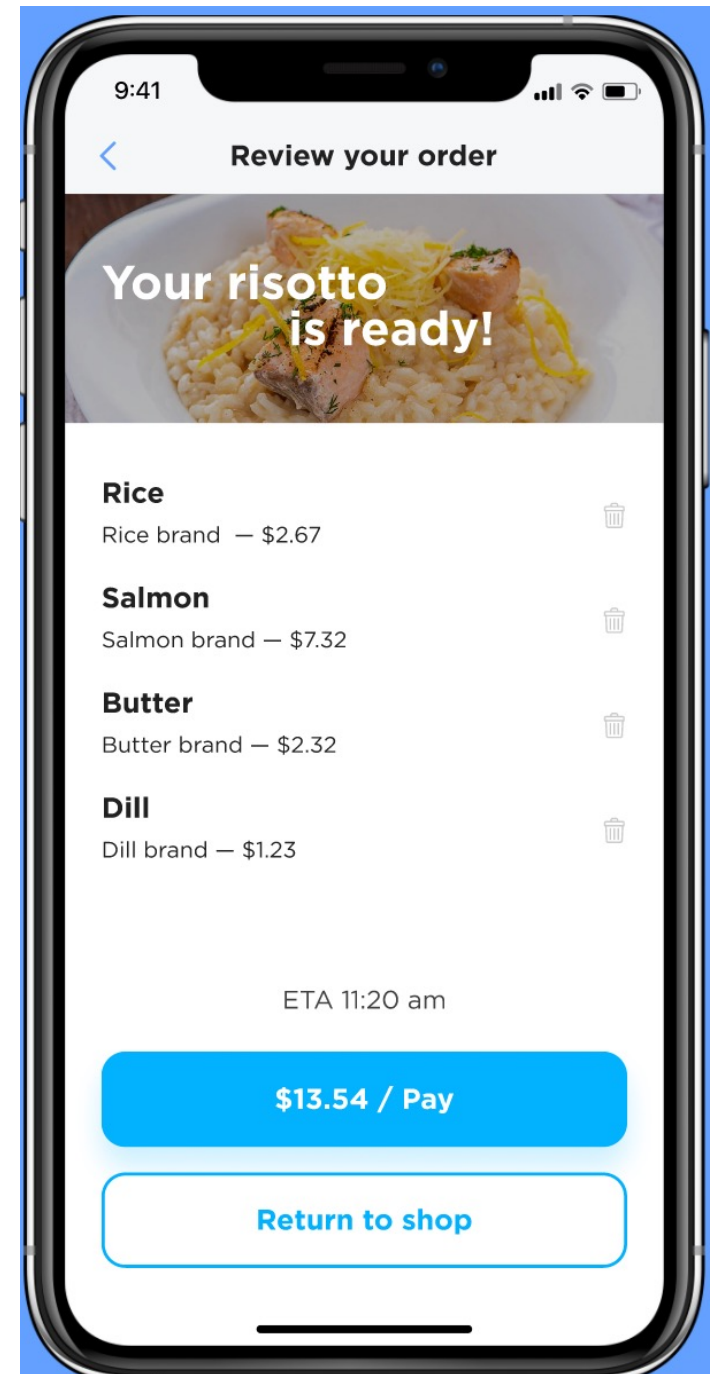
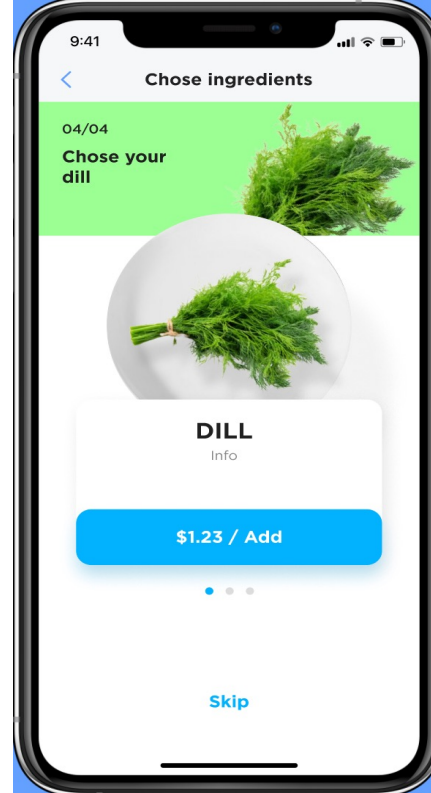
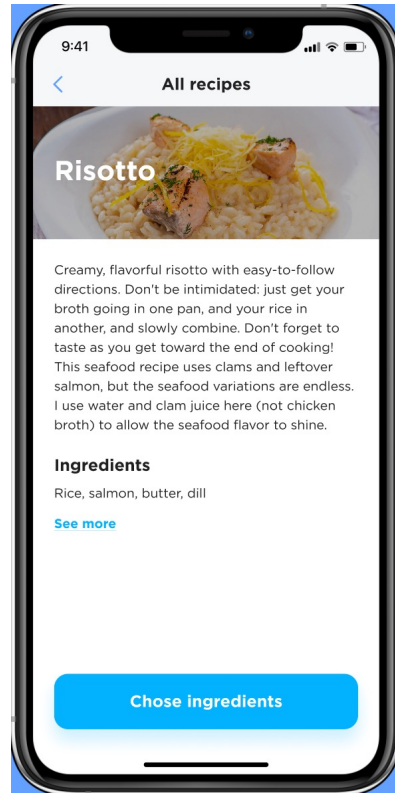
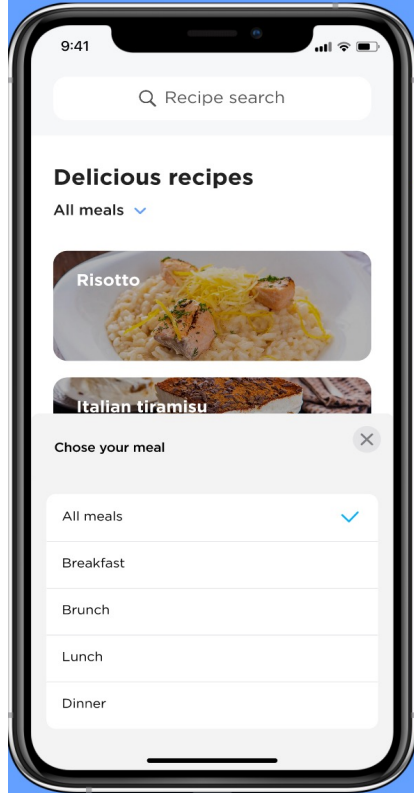
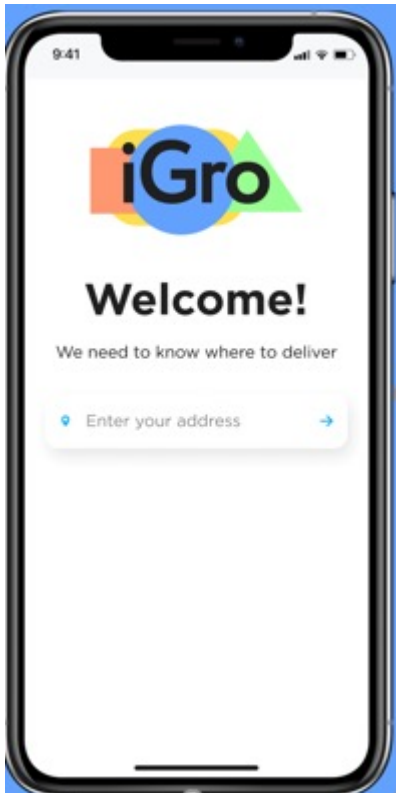
Competitors

- Amazon – Popular with Grocery shopping
- PCC – Popular for recipes and groceries with premium shoppers

iGro Case Assumptions

- Browsing working professionals in and around Seattle looking for online recipe-based order
- Deliver within 25-mile radius for the first year (partnered with Uber Eats)
- Online Internet users who come across by searching content with high intent keywords
 - Commissions (discounts, vouchers etc.) given to customers are capped at 10% of the total revenue the company owns for orders across all customers in the market.
 - First-time customers gets a free one-time delivery service to home address
- Membership subscription model for the customers using the app/website

Customer Experience at iGro



Market Objectives

- ✓ **Build Brand Awareness**
- ✓ **Increase business**
- ✓ **New product Introduction**

Target Audience Persona & Strategy

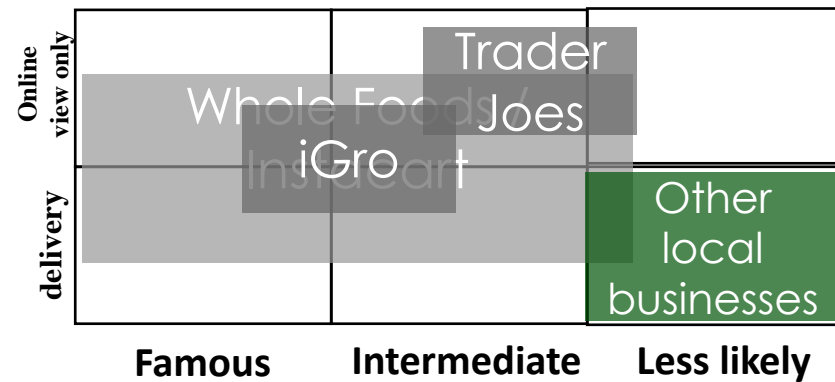
Marketing Strategies

- Reach customers via Social Media
- Optimize Search engine optimization (SEO) / search engine marketing (SEM)

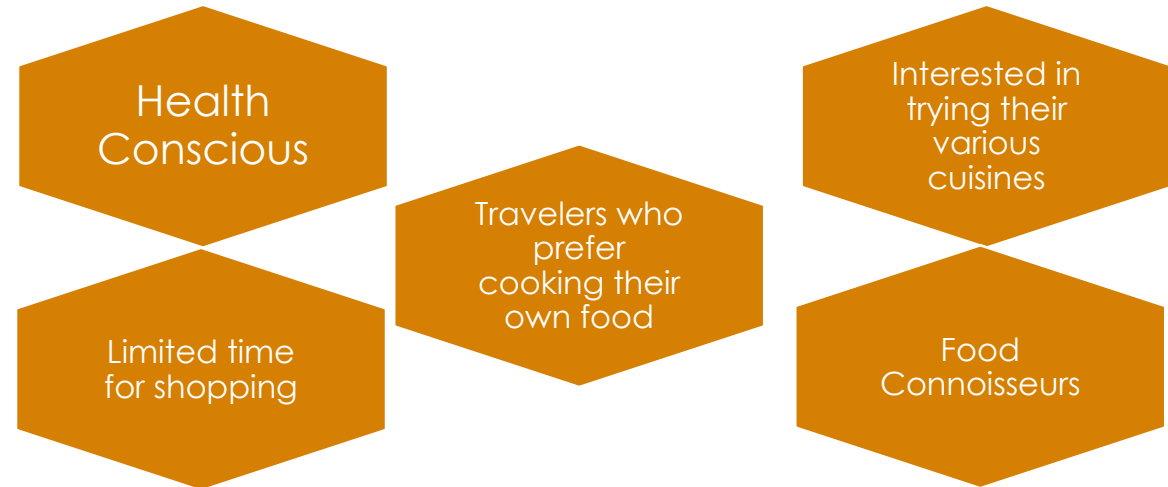
Target Audience Characteristic	Jessica	Kim
Health conscious	Career woman who's on the go Wants to be assured its of high quality	On the go, hasn't put much effort into cooking since he has limited time Likes cooking
Limited time for shopping	Busy Working Schedule	Limited time to cook healthy meal
Travelers who prefer cooking their own food	Likes to travel	Travels due to business most of the times
Interested in trying various cuisines (Italian / Asian / French)	Follows a healthy diet	Loves trying different cuisines – adventurous
Food connoisseurs	Likes to critique food	Likes to try different foods/cuisine
Struggles with online shopping	Incorrect brand/items, Late delivery, Not so fresh	Not tech savvy, Requires training to use applications, late delivery



Brand Matrix with Persona Filter



1. People who have access to internet – mobile / laptop
2. people who are tech savvy





Direct Marketing Focused Campaign

"Recipes made easy, WE deliver YOU cook" 😊

Market Campaign Channels	Objective	Pros/Cons	Measurement
Billboards and posters close to offline grocery shops	Generate awareness/ Control positioning	Pros: Target audience Low cost effort Cons: Low conversion rate	NA
DM-Drop-in-box flyer w/ redemption code ----- 8mm flyers for all shipments	Generate awareness Increase purchase	Pros: Mass Advertising Cons: Historically low conversion rate	Conversion/ purchase rate Cost per acquisition
Social Media Advertisements (Facebook/ Instagram)	Generate awareness Increase purchase	Pros: Mass audience reach Cons: Making payments to social media	Industry buzz Business connections Sentiment Traffic to eCommerce site

Messaging Framework

Positioning Statement

- Unlike other competitors, who do not provide the option of convenient product selection based on the desired recipe:
 - iGro provides a simple and convenient service for purchasing products based on recipes from the specific store website and its ingredients exclusive to the store
 - With a single click, customers can complete the purchase of ingredients.
 - Personalized selection of ingredients and increased customer satisfaction

Tagline

Recipes made easy, WE deliver YOU cook 😊

Brand Story 1	Brand Story 2	Brand Story 3
Key Support Point: Nutritionist recommended certain diet recipes available on Trader Joe's with ingredients exclusive to trader Joes . iGro offers a variety of these recipes that is available for people who would like to grab and go	Key Support Point: iGro provides one click ingredient shopping with recipes available online from Trader Joes and PCC	Key Support Point: iGro removes the constant stress and struggle of what to cook that include healthy cooked meals, with a different variety of protein, vegetables and dairy to be included in the meal.
Customer Issue Solved by Support Point : Customers now can have access to all the recipes recommended by their nutritionists / doctors that will help them cook recipes and wouldn't have to go looking for these customized recipes across stores	Customer Issue Solved by Support Point : Recipe ingredients exclusive to the store can be purchased without having to go to a different application or the store website	Customer Issue Solved by Support Point : Customer's stress over what to cook or the process of meal planning, which is removed through iGro' s easy access of many curated store specific recipes
Key Differentiation from Competition: Our platform which partners with Trader Joe's consists of a wide range of ingredients for curated recipes on the Trader joe's website	Key Differentiation from Competition : Other recipe websites like Allrecipes.com or Wholefoods don't provide the option to buy and deliver ingredients from the recipe page or redirect to a different application for the purchase. Our application provides the ability to ship and delivery the exclusive recipe ingredients to the customers doorstep	Key Differentiation from Competition: iGro does not provide access to cookie cutter recipe, instead the recipes are exclusive to the store

iGro's Recipe Based Business Model – Base Case

(\$1000's)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue from groceries	\$ 1 040,00	\$ 1 352,00	\$ 1 757,60	\$ 2 284,88	\$ 6 434,48
Revenue from subscription	\$ 140,00	\$ 182,00	\$ 236,60	\$ 307,58	\$ 866,18
Total Revnue	\$ 1 180,00	\$ 1 534,00	\$ 1 994,20	\$ 2 592,46	\$ 7 300,66
Operating costs	\$ 17,70	\$ 23,01	\$ 29,91	\$ 38,89	\$ 109,51
Cost price	\$ 676,00	\$ 878,80	\$ 1 142,44	\$ 1 485,17	\$ 4 182,41
IT Infrastructure Costs	\$ 82,60	\$ 82,60	\$ 107,38	\$ 107,38	\$ 379,96
Employee Salary Costs	\$ 250,00	\$ 300,00	\$ 360,00	\$ 432,00	\$ 1 342,00
Brand or Offline Marketing Costs	\$ 118,00	\$ 153,40	\$ 199,42	\$ 259,25	\$ 730,07
Miscellaneous Costs	\$ 59,00	\$ 61,36	\$ 79,77	\$ 103,70	\$ 303,83
Total Costs	\$ 1 203,30	\$ 1 499,17	\$ 1 918,92	\$ 2 426,38	\$ 7 047,77
Gross Margin	\$ (23,30)	\$ 34,83	\$ 75,28	\$ 166,08	\$ 252,89
GM %	-1,97%	2,27%	3,77%	6,41%	3,46%
Assumptions					
Transactions per Qtr	26 000	30%	Increment QoQ		
Average order value	\$40				
New customers QoQ	7000				
Annual subscription charge	\$100				
Operation costs (from order value)	1,50%				
10 persons team salary costs	\$1 000 000	20%	Increment QoQ		
Marketing budget	10%				

- iGro launching the recipe-based grocery app with a -1,97% GM in Q1, followed by ~ 6,5% profit in Q4 and a GM of ~ 3,46% in FY22

iGro's Recipe Based Business Model – Market penetration

(\$1000's)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue from groceries	\$ 1 600,00	\$ 2 400,00	\$ 3 600,00	\$ 5 400,00	\$ 13 000,00
Revenue from subscription	\$ 165,00	\$ 247,50	\$ 371,25	\$ 556,88	\$ 1 340,63
Total Revnue	\$ 1 765,00	\$ 2 647,50	\$ 3 971,25	\$ 5 956,88	\$ 14 340,63
Operating costs	\$ 26,48	\$ 39,71	\$ 59,57	\$ 89,35	\$ 215,11
Cost price	\$ 1 040,00	\$ 1 560,00	\$ 2 340,00	\$ 3 510,00	\$ 8 450,00
IT Infrastructure Costs	\$ 123,55	\$ 123,55	\$ 185,33	\$ 185,33	\$ 617,75
Employee Salary Costs	\$ 250,00	\$ 300,00	\$ 360,00	\$ 432,00	\$ 1 342,00
Brand or Offline Marketing Costs	\$ 441,25	\$ 661,88	\$ 992,81	\$ 1 489,22	\$ 3 585,16
Miscellaneous Costs	\$ 88,25	\$ 105,90	\$ 158,85	\$ 238,28	\$ 591,28
Total Costs	\$ 1 969,53	\$ 2 791,04	\$ 4 096,56	\$ 5 944,17	\$ 14 801,29
Gross Margin	\$ (204,53)	\$ (143,54)	\$ (125,31)	\$ 12,70	\$ (460,67)
GM %	-11,59%	-5,42%	-3,16%	0,21%	-3,21%
Assumptions					
Transactions first Qtr	40 000	50%	Increment QoQ		
Average order value	\$40				
New customers first Qtr	11000				
Annual subscription charge	\$100				
Operation costs (from order value)	1,50%				
10 persons team salary costs	\$1 000 000	20%	Increment QoQ		
Marketing budget	25%				

- iGRO launching the recipe-based grocery app with a -11,59% GM in Q1, followed by ~ 0,21% profit in Q4 and a GM of ~ -3,21% in FY22

iGro's Recipe Based Business Model – Minimum Order Value

(\$1000's)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue from groceries	\$ 750,00	\$ 975,00	\$ 1 267,50	\$ 1 647,75	\$ 4 640,25
Revenue from subscription	\$ 120,00	\$ 156,00	\$ 202,80	\$ 263,64	\$ 742,44
Total Revnue	\$ 870,00	\$ 1 131,00	\$ 1 470,30	\$ 1 911,39	\$ 5 382,69
Operating costs	\$ 13,05	\$ 16,97	\$ 22,05	\$ 28,67	\$ 80,74
Cost price	\$ 450,00	\$ 585,00	\$ 760,50	\$ 988,65	\$ 2 784,15
IT Infrastructure Costs	\$ 60,90	\$ 60,90	\$ 79,17	\$ 79,17	\$ 280,14
Employee Salary Costs	\$ 250,00	\$ 275,00	\$ 302,50	\$ 332,75	\$ 1 160,25
Brand or Offline Marketing Costs	\$ 87,00	\$ 113,10	\$ 147,03	\$ 191,14	\$ 538,27
Miscellaneous Costs	\$ 43,50	\$ 45,24	\$ 58,81	\$ 76,46	\$ 224,01
Total Costs	\$ 904,45	\$ 1 096,21	\$ 1 370,07	\$ 1 696,84	\$ 5 067,56
Gross Margin	\$ (34,45)	\$ 34,80	\$ 100,23	\$ 214,55	\$ 315,13
GM %	-3,96%	3,08%	6,82%	11,23%	5,85%
Assumptions					
Transactions per Qtr	12 500	30%	Increment QoQ		
Average order value	\$60				
New customers QoQ	4000				
Annual subscription charge	\$100				
Operation costs (from order value)	1,50%				
10 persons team salary costs	\$1 000 000	20%	Increment QoQ		
Marketing budget	10%				


- iGRO launching the recipe-based grocery app with a -3,96% GM in Q1, followed by ~ 11% profit in Q4 and a GM of ~ 6% in FY22

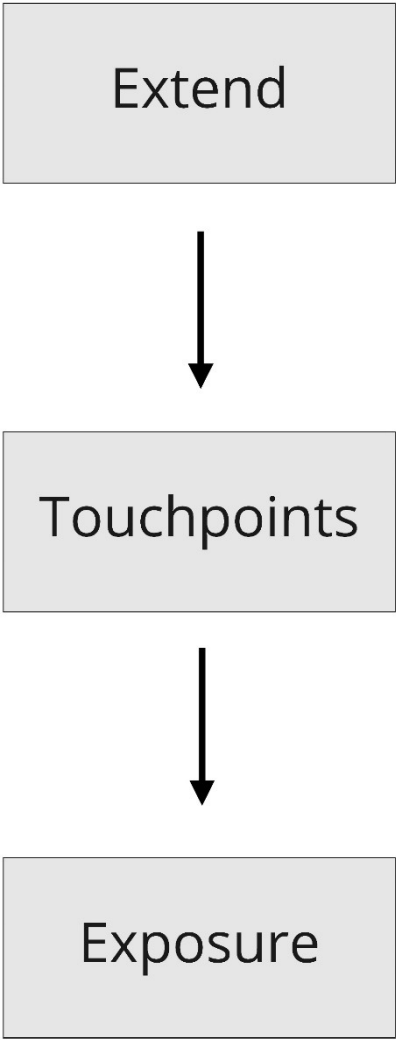
CONCLUSION

- iGro provides an “Easy to Use” mobile and web application to the customers and help them plan/purchase their weekly/monthly groceries
- iGro is committed to deliver High Quality products On Time with Competitive pricing
- As presented earlier, iGro’s business model has an impressive **6% GM** forecast for YR1 provided we invest now

Appendix:

Branding

Brand Characteristic	
Awareness	Low
Likeability	Medium
Market share	Low



Prioritizes pricing bundles with timelines to launch

iGro - Membership Options

Monthly
Regular - \$9₉₉

- ✓ View our best recipe collections
- ✓ Buy required ingredients for cooking your favorite recipe
- ✓ Buy your favorite brand from your favorite store (Trader Joe's)
- ✓ Free delivery for orders above \$25



MVP Launch

Half Yearly \$ 59₉₉

- ✓ Includes all features from monthly
- ✓ View HD video for cooking instructions
- ✓ 10 additional free deliveries



Q2 Post
Launch

Yearly
\$99₉₉

- ✓ Includes all features from monthly, half yearly.
- ✓ View HD video for cooking instructions
- ✓ Free deliveries for all orders



Q4 Post
Launch

iGro – Launch timelines

Other segments identified & Pricing model for Alternate target

- **Core Target :** Customers from Greater Seattle Area who are more interested in online shopping at Trader Joe's
- **Pricing model:**
 - Subscription model B2C :
 - One-time set up – subscribe to the delivering option provided in the app
 - Customer will only pay per month / year and can cancel it at any point in time
 - First time Customers can leverage promotion discounts for subscription
 - Have referral programs
- **Why Subscription Model ?**
 - Easier budgeting: monthly cost .vs. big upfront cost
 - Less commitment: cancel anytime, no big sunk cost
 - Freedom: unlimited access

Channels	Objective	Strengths/ Challenges	Measurement
Search engine optimization (SEO) / search engine marketing (SEM)	<ul style="list-style-type: none"> • SEM – pay Google to show ads in the search results • SEO- use high commercial intent keywords for a given keyword search. 	<p>Strengths:</p> <ul style="list-style-type: none"> • SEM - offers advertisers the opportunity to put their ads in front of motivated customers who are ready to buy at the precise moment they're ready to make a purchase • Trackable and measurable • Pay per click • SEO - More targeted using relevant keywords <p>Challenges:</p> <ul style="list-style-type: none"> • SEM -Can get expensive due to competition <ul style="list-style-type: none"> - Ad blockers • SEO - Tracking keywords to revenue is virtually impossible. 	<ul style="list-style-type: none"> • SEM / SEO - track the number of times people saw your ad, i.e., impressions vs took an action after seeing your ad, such as clicking it, asking for directions, or dialing a phone number from it.

References:

<https://www.wordstream.com/search-engine-marketing>

<https://www.searchenginejournal.com/enterprise-seo/top-challenges/#close>

<https://www.semrush.com/blog/seo-results/>

Channels	Objective	Strengths/ Challenges	Measurement
Social Media Marketing	<ul style="list-style-type: none"> Create awareness about the offering, Customer engagement, Customer Conversion and Consumer Metrics 	<p>Strengths:</p> <ul style="list-style-type: none"> Increased brand awareness Immediate customer contact leading to more customer interaction and measure of customer satisfaction Cost effective Increase inbound traffic to the application Gain market insight to improve offerings and service using the customer engagement on social media <p>Challenges:</p> <ul style="list-style-type: none"> Exposes social media strategy to competitors Negative comments from customers affect brand equity Requires a long-term and continuous investment to see consistent ROI Requires engaging the experts to cut through the 'noise' to deliver a high rate of conversion 	<ul style="list-style-type: none"> Awareness metric Audience Growth Rate Social Share of Voice Average Engagement Rate Conversion Rate Bounce Rate Social Media Conversion Rate Consumer metric Customer Testimonials

References:

<https://sproutsocial.com/insights/social-media-metrics/>

<https://buffer.com/library/social-media-metrics/>

Workback Schedule

DEADLINE	STATUS	ITEM DUE	OWNER
30 weeks Prior To Release Date	Complete	Identify the problem statement <ul style="list-style-type: none"> Identify the target customer Market analysis Value proposition 	iGRO team
26 Weeks Prior to Release Date	Completed	Competitive Positioning <ul style="list-style-type: none"> Identify business value Pricing 	iGRO team
18 Weeks Prior to Release Date	Completed	Define MVP <ul style="list-style-type: none"> Usability discussion Prototypes User Testing 	iGRO Team
16 Weeks prior to Release Date	Completed	Define Product Roadmap <ul style="list-style-type: none"> Build product backlog PRFAQ Negotiation Final exec product presentation 	iGRO Team
12 Weeks Prior to Release Date	Completed	Product Build/Branding	iGRO Team
10 Weeks Prior to Release Date	Completed	Pricing and Packaging	iGRO Team
6 Weeks Prior to Release Date	In Progress	Integrated Marketing Plan <ul style="list-style-type: none"> Define digital marketing channels Define KPIs and Metrics for measuring success 	iGRO Team
3 Weeks Prior to Release Date	To Start	Final Media Plan Locked	iGRO Team
7 Business Days Prior to Release Date	To Start	Campaigning, Influencers	iGRO Team
Release Date!	To Start	Broadscale Media iGRO's product Launched for Customers	iGRO Team

Channel Spend Plan

A	B	C	D	E	F
Media channels	Planned cost	Estimated delivered impressions	Estimated clicks	CTR	Estimated price per click
SEO	\$25000	-	-	-	-
SEA	\$90000	240000	4560	1.9	19\$
Facebook	\$30000	840000	5040	0.6	6\$
Instagramm	\$20000	560000	12320	0.22	2.5\$
Twitter	\$40000	1100000	22000	2	1.4\$

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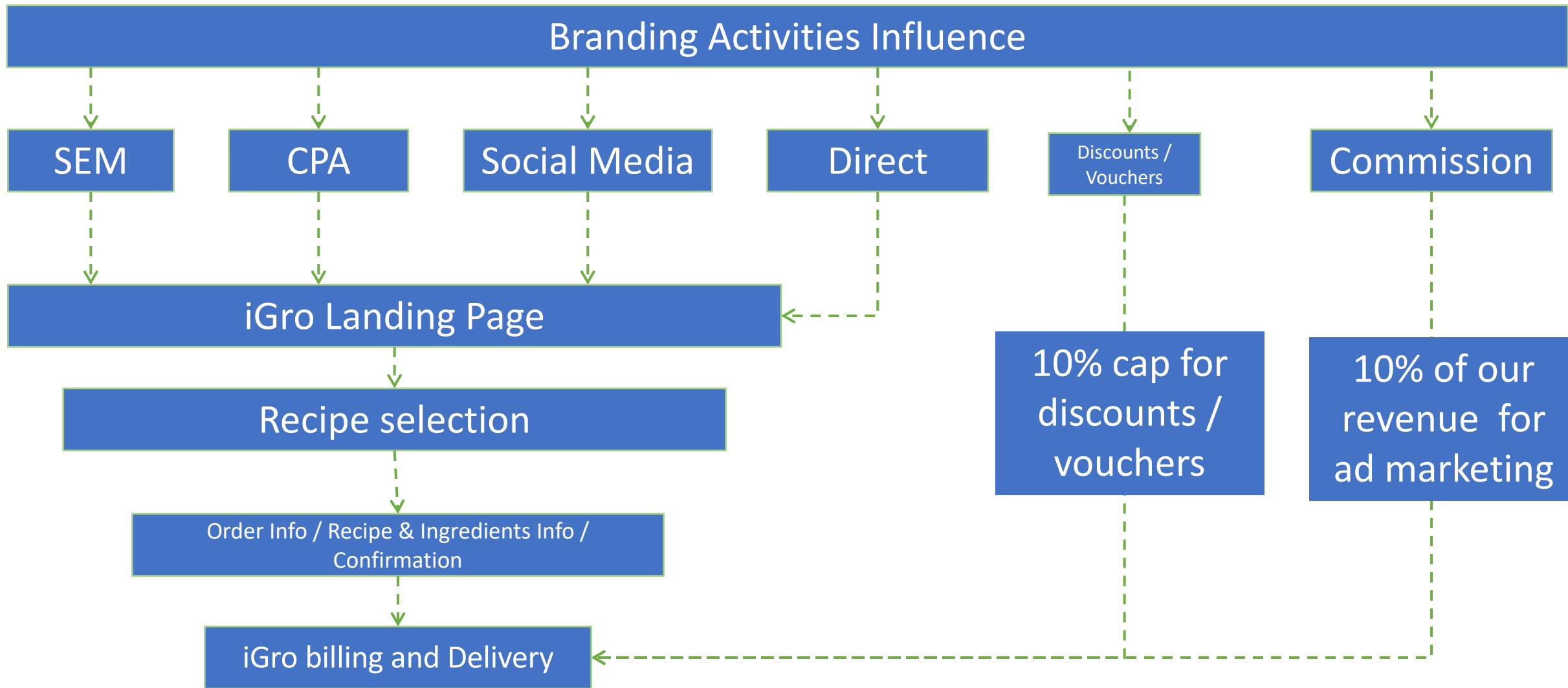
Managing Conversion — Online Click Path

iGro ad Click Path:

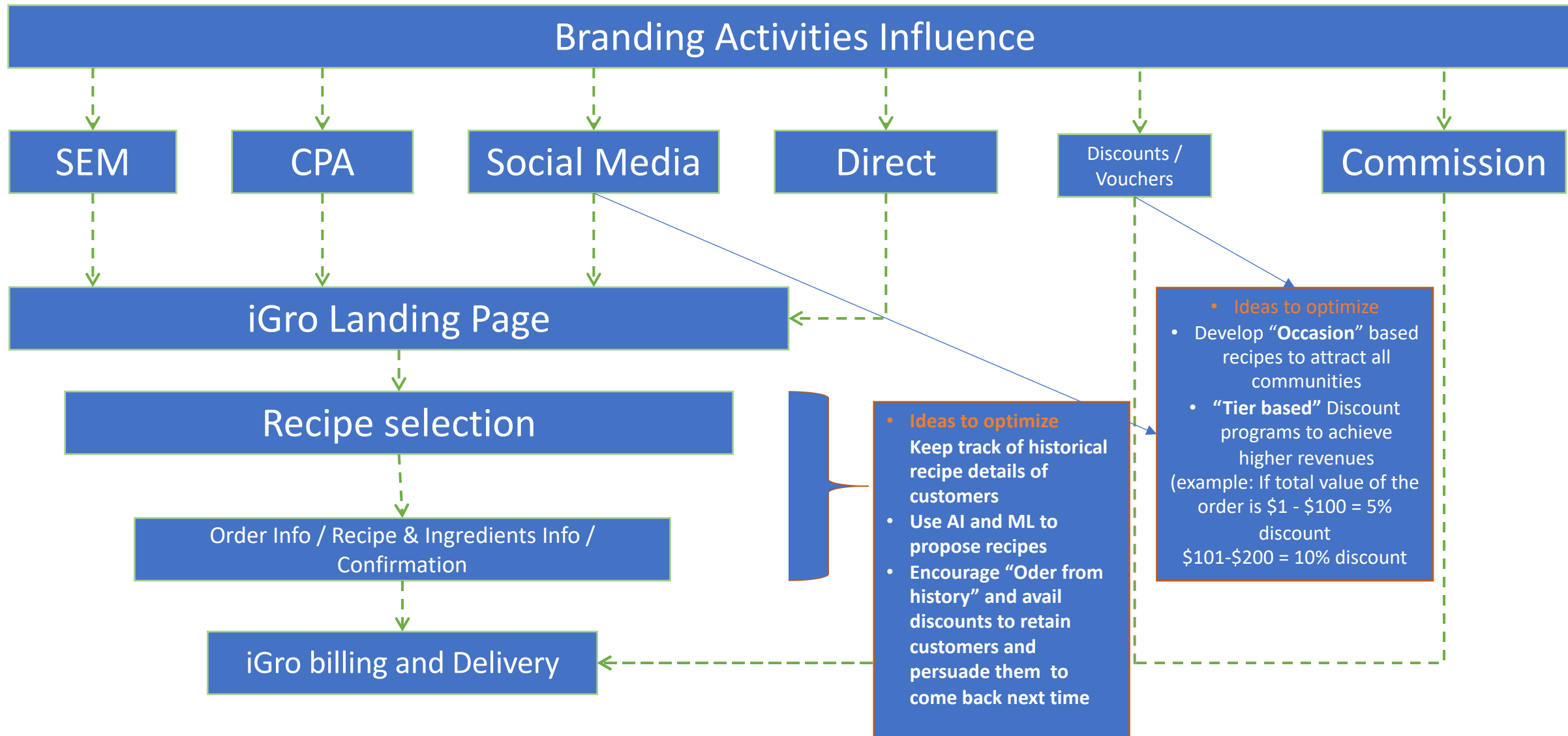
Metrics that will be used to advertise the platform

- People stumbling the ad by recipe and Ingredient search results with high intent keywords
- Display ad Click Through Rate = $\text{no. of clicks that ad received} / \text{\# of times the ad is shown} \sim 100 / 20,000 = 0.02 \%$
- **Conversion Rate %:**
 - Website: $\text{Conversions} / \text{Total Clicks} * 100$
 - App based: $\text{Order places} / \text{App downloaded} * 100$

iGro Branding Activities : Funnel Overview



iGro: Optimize Conversion Funnel



Awareness Metric: attention brand get across social media these metrics illuminate your current and potential audience.

Audience Growth Rate: measures the speed at which your brand's following increases on social media. It's *how quickly* you gain followers

$$\frac{\text{Net New Followers}}{\text{Total Audience}} \times 100 = \text{Growth Rate Percentage}$$

Social Share of Voice measures how many people are mentioning your brand on social media *compared* to your competitors.

$$\frac{\text{Brand Mentions}}{\text{Total Mentions (Your Mentions + Competitor Mentions)}} \times 100 = \text{SSoV Percentage}$$

Engagement metric indicates how audiences are interacting with your content.

Average Engagement Rate: is the number of engagement actions (e.g., likes, shares, comments) a post receives relative to your total number of followers.

$$\frac{\text{Total Likes, Comments \& Shares}}{\text{Total Followers}} \times 100 = \text{Average Engagement Rate Percent}$$

- Conversion metric: demonstrates the effectiveness of your social engagement.

Conversion Rate: is the number of visitors who, after clicking on a link in your post, take action on a page (e.g., subscribe to your newsletter, download a gated content asset, register for a webinar) against that page's total visitors.

$$\frac{\text{Conversions}}{\text{Total Clicks}} \times 100 = \text{Conversion Rate Percentage}$$

Bounce Rate: is the percentage of page visitors who click on a link in your post, only to quickly leave the page they land on without taking an action.

Assessing the Profitability of Lead for iGro

Marketing channel	Twitter		Explanation:
Cost to drive each single customer			
CPC	0.33	[\$]	Cost per click provided by Twitter
Conversion rate	2	[%]	Percentage of people who clicks on advertising became customer
Generate customer	15	[\$]	Cost to generate a new customer from Twitter (CPC * Conversion rate)
customer value			
Average bill per transaction	40	[\$]	Our target for a first year
Delivery costs	4	[\$]	Average price to deliver one order
Vendor goods costs	30	[\$]	Price in average that we pay to vendor for customer order
Pick up goods costs	1	[\$]	Average price that we pay person who collect goods from the Vendor
Pocket costs	0.02	[\$]	Price that in average we pay for packing an order
Transaction fee	1.2	[%]	Visa transaction fee
Operational costs	4	[\$]	Our target 150000 transaction in first year. We have a team from 5 persons in average salary in \$120k. It means that in average we pay $120k * 5 / 150k = 4\$$
Profit per transaction	0.5	[\$]	How much profit we got from each transaction in average
Average transaction per month	5	[-]	Base on research in internet in average customer make 5 transaction in online grocery
Average customer lifetime	18	[month]	Base on research in internet average customer lifetime with product is 1.5 year
Average transaction per customer during lifetime	90	[-]	Average count of transaction during lifetime
LTV (life time value)	45	[\$]	Average profit that average customer brings to company in average lifetime frame
Summary: LTV > Generate customer			Market channel works in case if money generated by customer more than his acquisition cost