PROBLEM STATEMENT

80%

of sales still occur in physical brick-and-mortar stores in retail, convenience and grocery.

+

50%

of sales were lost in-store in the Canadian retail market due to the lack of personalization efforts

+

5-15%

of potential revenue increase with accelerated omnichannel personalization initiatives

The Future of Retail

is characterized by an organization's ability to fully integrate every digital/physical touchpoint, deliver curated & seamless experiences and capture in-store conversion opportunities.

PROBLEM STATEMENT

Product Summary

The TouchPoint is an Advanced Analytics and Artificial Intelligence product that aims to recapture the **$195 Billion** in Canadian Retail Sales that were lost due to a lack of understanding of customer data and in-store personalization efforts by retail companies.

By applying the Customer Journey Theoretical Framework, we will use **anonymized video analytics** and **reinforcement learning** to help our customers better leverage customer data to provide personalized recommendations & optimize in-store operations

DESCRIPTION OF SOLUTION

Our value proposition strives to capture the "low-hanging fruits" by using AI solutions such as behavioural AI and Sentiment Analysis , i.e. high ratio of impact-to-implementation effort. Moreover, our proposed AI solutions attempt to address the business needs by taking a deep dive into the entire customer journey & identifying areas of disconnection and improvement.

Please refer to the attached technical implementation framework for further details & discussions.

TARGET
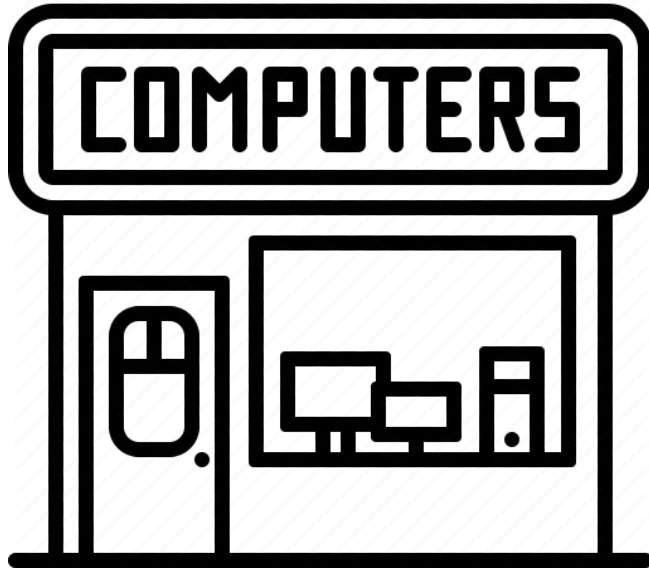
High Tech Retailers
e.g. Best Buy - $42B annual revenue

- Firms that have already made significant technology investments in e-commerce shopping
- Failed to integrate online & offline innovation efforts to deliver cohesive shopping experiences
- Large existing consumer datasets
- Cultural foundation - innovative/data-driven

Grocery Chains
*e.g. Walmart - $510B annual revenue*

BUSINESS MODEL

Please refer to the Google Drive for the full Business Model Canvas

Business Model Canvas

Team Name: The Touchpoint
Designed by:
Date: Mar 1, 2020

Key Partners

Our kay partners include retail customers such as Bestbuy and Walmart with whom we will work together to understand and improve their customer journeys and increase their brand loyalty

Key Activities

Video Analytics:
- To provide visibility into in-store customer behaviours and impacts of pricing changes, store/product displays and promotional events on sales conversion

App Recommender:
- To integrate existing e-commerce applications with physical touchpoints and deliver personalized & seamless shopping experiences

Key Resources
- Data collected from various sources in-store cameras and retailer ecommerce channels.
- Inhouse algorithms developed specifically to understand the customer journey by focusing on behaviour and perception.

Value Propositions

We will understand customer behaviour and pinpoint the sales opportunities that you miss. Every customer will get exactly what they want to buy!

- Understand customer reaction to any in store changes and figure out how to optimize that for best results
- Get the most tailored and customer specific sales channel through a recommendation system that truly understands all of the omnichannel sales channels that large retailers utilize in their sales funnel.

Customer Relationships
- Business to Business sales relationship with retail customers
- Customer Success team who acts as the trusted advisor to help customers fully extract the value of our solutions

Channels
Take the "omnichannel approach" to reach broader audiences & scale up.

- Partnerships with consulting services & resellersthat design digital/data strategies for retailers
- Full integration and compatibility with major cloud services providers (e.g. online marketplace)

Customer Segments

Niche markets: Retail, Grocery and Convenience
- Customers looking to integrate online & offline digital innovation efforts to drive more in-store sales conversion
- Customer Customers looking to better analyze customer behaviours to optimize in-store operations & shoppin

Cost Structure
- Our fixed costs include salaries, development expenses & utilities
- Lean cost structure with costs driving up for Azure storage & computing capabilities as we continue to collect more data from existing portfolios of retailers
- Subscription and licensing costs to softwares for analysis and market intelligence
- Reseller partnerships & processing expenses

Revenue Streams
- Annual subscription business model; 3 tiers of services based on customer segment & sizes
- Consulting services revenue

SOLUTION ARCHITECTURE

Please refer to the attached Solution's Architecture, Preliminary Technical Roadmap and the Preliminary Technical Framework for further details and discussions.
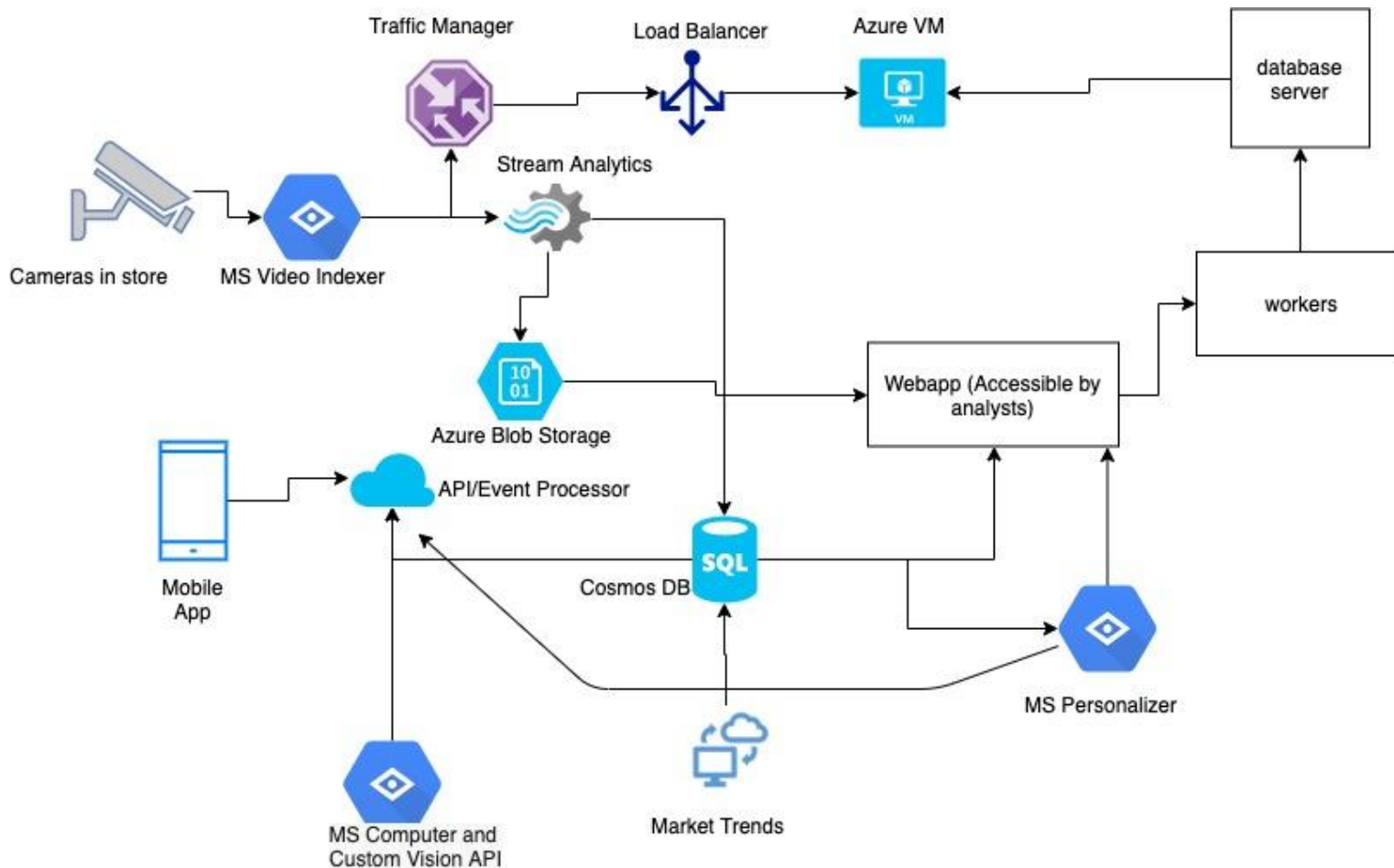
BENEFITS OF THE APPROACH

The all-encompassing priority of our solutions is to maximize stakeholder values sustainably. To achieve this goal, we must ensure that we are accelerating our customers' digital transformation & data utilization, supporting the partner ecosystem, and ultimately empowering consumers with more personalized experiences while ensuring compliance & security.

The Touchpoint
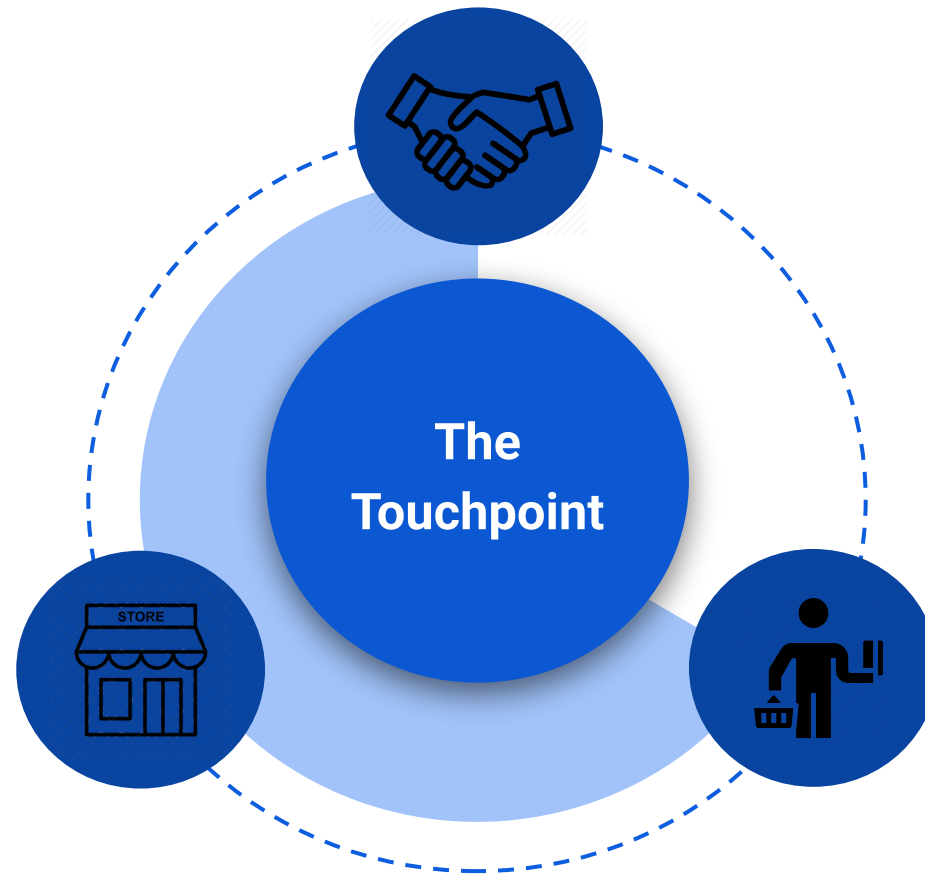
REVENUE AND COST STRUCTURE

Revenue Model

- The main source of revenue will be a monthly subscription revenue from our retail partners such as Best Buy.

- Discrimination pricing strategy based on traffic and store size and retailer brand.

Cost Structure

- Main costs will be development, marketing, and operations.

- After 2 years of operations, marketing will become the biggest cost allocator followed by research and innovation.

Revenue Sources (2025)

Publications
5.0%

Consulting Revenue
22.0%

Subscription Revenue
73.0%
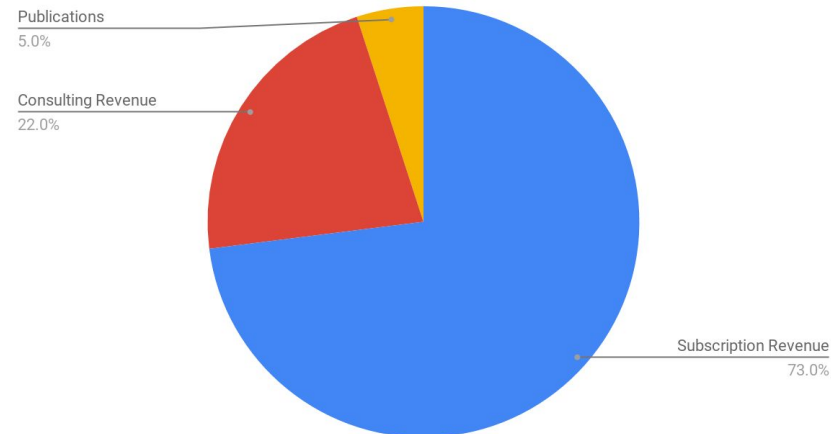
KEY FINANCIAL TAKEAWAYS

Goals

- Profitability within **3** years

- Market leader in the retail analytics area with a proven impact on sales and customer retention within **24** months.

Feasibility

- The **$28 Trillion** retail sales market is ripe and ready for new innovations, creativity, and digital transformation and reimagining in store experiences will lead the way.

- Major retailers like **Best Buy** are already committed to more than doubling their research and technology spending and realize its importance.

Ask

- We plan on raising **$50000** initially, expenses are shown in the next slide.

- SAFE (Simple Agreement for Future Equity) method of investment preferred

FINANCIAL PROJECTIONS

Key Takeaways

2X revenue **YoY**

- Profitability within 3 years.

- Consulting Services to be added by year 3.

- We will gradually increase spending on research and innovation to keep our product and services updated and cutting edge.

| PROJECTED INCOME STATEMENT					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
REVENUE					
Subscription Revenue	$10,000.00	$22,500.00	$46,500.00	$92,700.00	$270,000.00
Consulting Services			$15,000.00	$20,000.00	$30,000.00
Total Revenue	**$10,000.00**	**$22,500.00**	**$61,500.00**	**$112,700.00**	**$300,000.00**
EXPENSES					
Development	$10,500.00	$4,000.00	$5,000.00	$6,000.00	$7,000.00
Operations (Maintenance and Salaries)	$3,000.00	$6,000.00	$9,000.00	$12,000.00	$15,000.00
Marketing	$8,500.00	$10,000.00	$20,000.00	$40,000.00	$60,000.00
Customer Service	$4,000.00	$5,000.00	$6,000.00	$7,000.00	$8,000.00
Research and Innovation	$2,000.00	$2,000.00	$3,500.00	$5,000.00	$10,000.00
Customer Acquisition	$2,000.00	$3,000.00	$4,000.00	$10,000.00	$25,000.00
TOTAL EXPENSES	**$30,000.00**	**$30,000.00**	**$47,500.00**	**$80,000.00**	**$125,000.00**
NET INCOME	**-$20,000.00**	**-$7,500.00**	**$14,000.00**	**$32,700.00**	**$175,000.00**

TEAM PRESENTATION

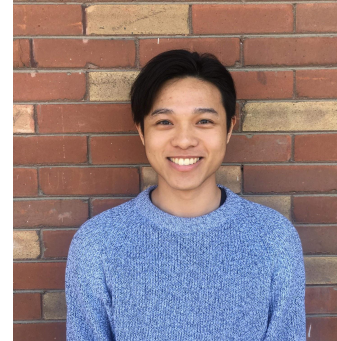SAXENA
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Operations Research

Professional
engineering
background currently
pursuing my Masters in
OR as I aspire to be a
Data Scientist!
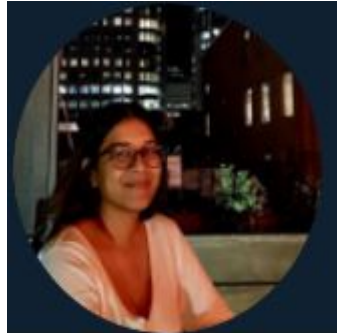
KOPALAKRISHNAN
VANIE
22

COMPUTER SCIENCE

A Java coder who
loves experimenting
and prototyping new
ideas!

Chang
Alex
23

Economics &
Psychology

An aspiring sales
professional who's
passionate about
innovative uses of
technologies to answer
puzzling questions

Mianoor
Areeb
23

Digital Enterprise
Management

An avid problem solver
who loves creating and
building products
whilst applying new
technologies