



# **PROXIMITY**

**CONNECTIONS IN SECONDS, SERVICES IN FOOTSTEPS**





**Proximity is a collaborative platform  
that was created to connect  
student-run businesses with their  
customers.**

**Lowering Barriers,  
Simplifying Operations,  
Catalyzing Merchant Sales.**

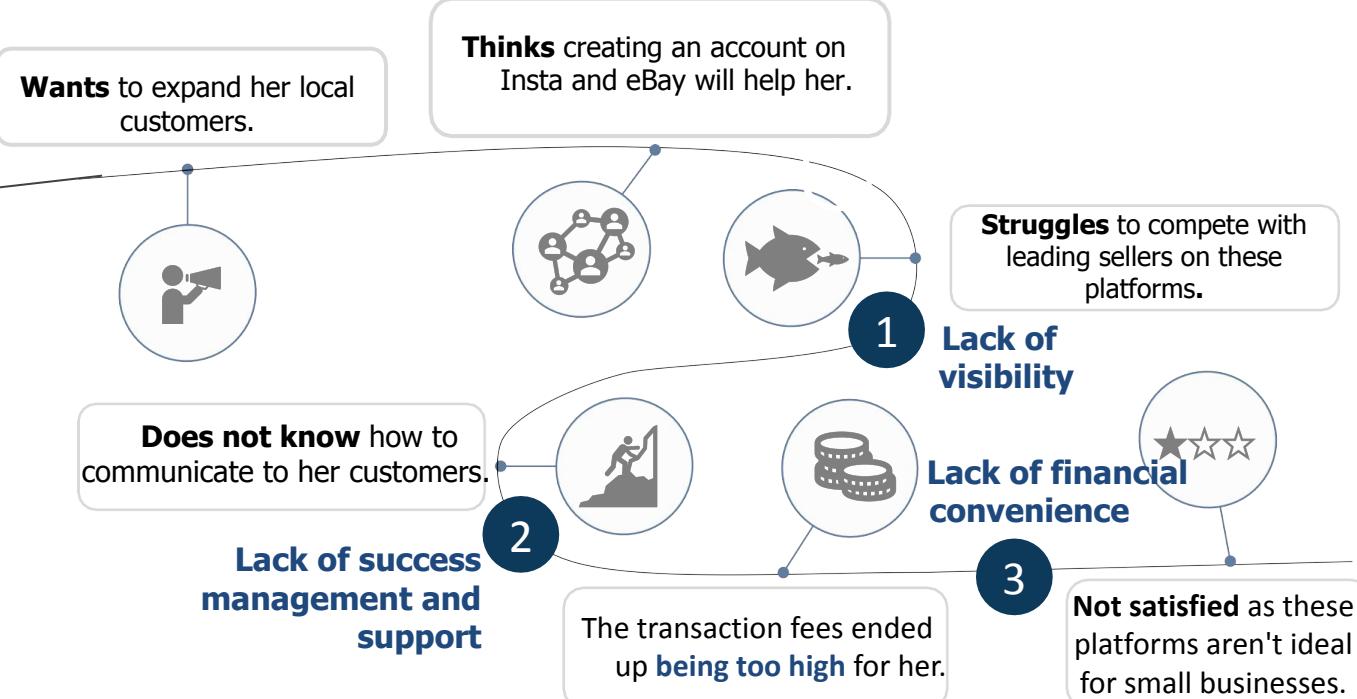
# Three pain-points in the current business owner experience.

Several stages of the process on current platforms are inconsistent with the needs of early-stage businesses.



**Caroline**

21 years old  
Junior at NYU  
Started selling baked goods for extra money



# The core values of our solution are designed to meet the expectations of our buyers and sellers.

Our value proposition to both our buyers and sellers covers a wide array of needs and wants.

## Buyers



From **accessing** a diverse pool of products and services

To **collaboration and support** during transaction

To **reference and trust**

To **affordable and fast** transactions

## Sellers



From **finding** customers

To **maximizing** deal flow

To **supporting** success management

To **frictionless payment**

# Buyer Persona



## Angela, 43

### Teacher

Location: NYC

Education: Liberal Studies

Job: Teacher

*“When you want to create something bigger than yourself, you’re going to need help.”*

### Goals

- Live a meaningful life and make impact on others
- Meet new people and find new experiences

### Frustrations

- She cannot drive in NY so has to depend on public transportation
- Services in NY are expensive
- Tired of the same 2 places she goes to for all her needs (e.g., haircuts, bakeries, etc.)

# Seller Persona



## Robert, 20

### **Sophomore at NYU**

Location: NYC

Education: Economics

Job: student and part-time photographer

*Success is not something that comes to you...  
you have to go for it.*

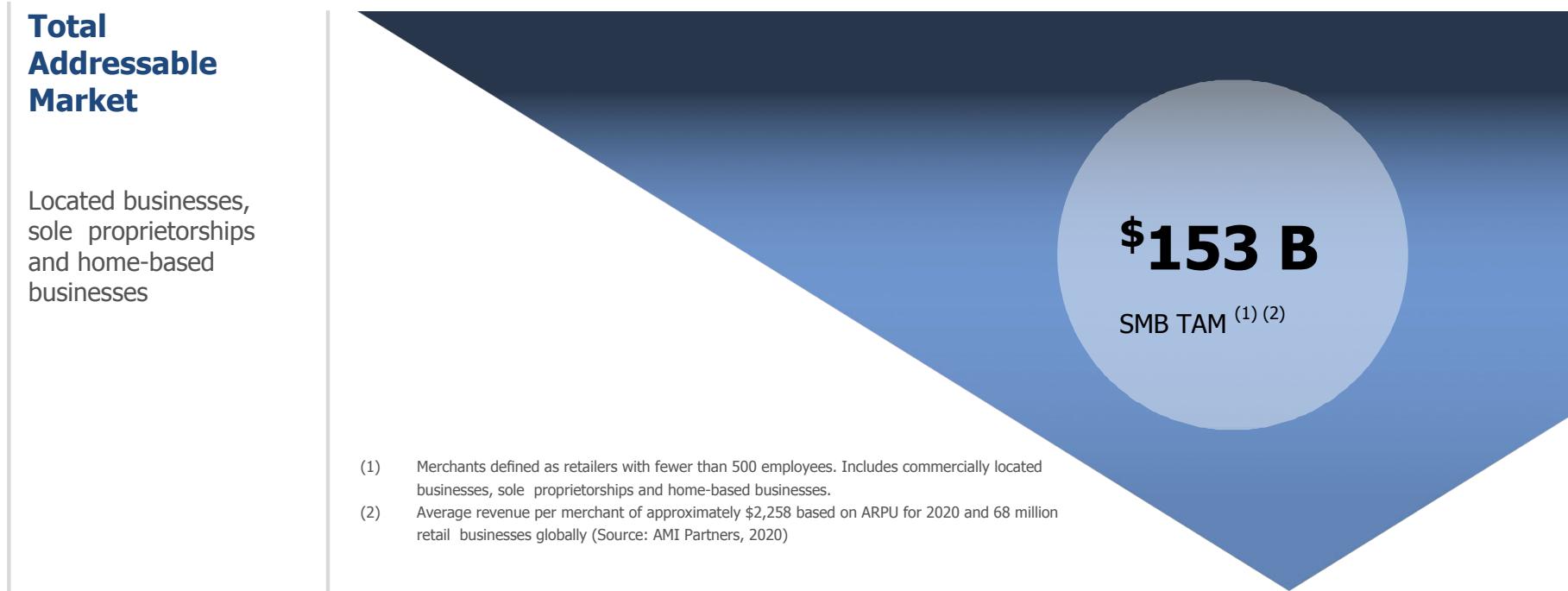
### **Goals**

- Make money to support his lifestyle
- Meet and connect with new people
- Want to learn and grow his business

### **Frustrations**

- Few people know about his business
- Don't have a stable flow of customer
- Difficult to communicate with clients

# There is a large market opportunity.



# Our strategic orientations help us brand an unique identity.

Proximity's approach is centered around catalyzing our sellers' success while offering numerous products and services to our buyers.



According to the reviews on *trustpilot*, our main competitors do not have strong customer support and diversified offers.



Demand  
Creation

# Our first customers will be NYU student-run businesses & individuals near school.

## Student-run Businesses

**Target NYU students** with flyers & website

- Student businesses at Berkley Center @ NYU
- Will gradually expand to neighboring universities (Parsons, Columbia, Pratt, Pace, etc.) through Ambassadors Program

## Customers

**Target price-sensitive individuals near NYU** traveling from city to other regions for cheaper products/services

- Those willing to support/pay for student-run businesses
- Those who value instant connection



Are you a student business owner struggling to maintain a **steady flow of customers**? Join Proximity to promote your business, post your availability and connect with customers all in one platform!

## Proximity

Connections in Seconds,  
Services in Footsteps!



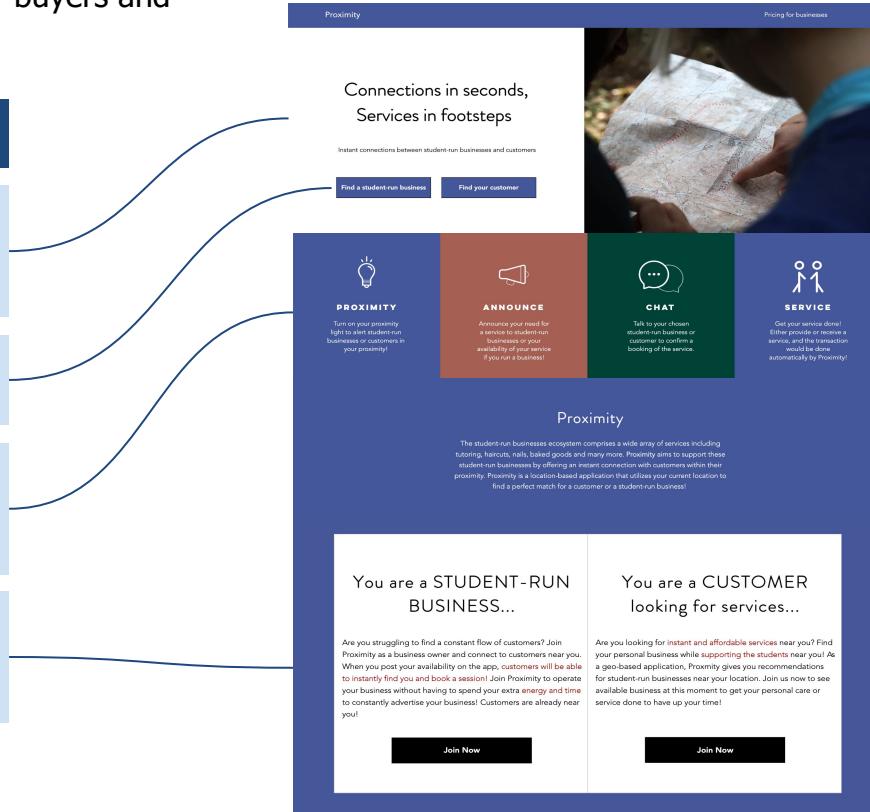
Are you looking for **instant** and **affordable services** near you? Join Proximity to see student-run businesses operating in your proximity in real-time and get your services done quickly!



# Our landing page gives an overview of our value proposition.

Our website will help us gain trust for both our buyers and sellers.

- Solutions Features**
- A distinct **value proposition** with a call to action.
- Call to action** guides to next steps
- Highlighting our approach to **simplified operations**.
- Clear **separation** of benefits for both buyers and sellers.



# Our marketing strategy consists of 4 focus points.

1

## Hire student ambassadors

The goal of a brand ambassador is to **acquire new sellers** by participating in local public events and posting Proximity flyers on their campus.

2

## Organize public events

The goal of these public events is to **encourage interaction between buyers and sellers** and to **build trustworthiness** in this new market.

### Examples:

- 1) Flea-service market
- 2) School/regional online sale
- 3) Learning from experts mentorships

3

## Collaborate with influencers

The goal of this influencer partnership will be to **enhance the perception of Proximity as a voice in the marketplace: an activist brand.**

4

## Send weekly newsletters

The goal of the newsletter will be to **retain buyers and sellers and to increase adoption** through interactive messages and information.

### Content:

- 1) 'What is happening?' in Proximity
- 2) Interactivity (games, memes)
- 3) Advertisements - revenue stream

\*\* partner with Mailchimp

# Our timeline of marketing strategy in 2023 and 2024

Ambassador Program | Public Events | Brand Activism | Weekly Newsletter

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	Set up <u>gmail account, TikTok, Instagram</u>  Individually reach out to NYU student-run businesses	NYU Student Ambassador Program	Design <u>pop-up event</u>	Summer Flea-service Market	Influencers	Neighboring schools - Student Ambassador Program	Design <u>pop-up events</u>					
Weekly Newsletter												
2024	Schools Online Sales	Learning from experts mentorship	Student Ambassador Program	Connect with US universities with student-run businesses associations	Student Ambassador Program	Regional Online Sales						
Weekly Newsletter												

# Our retention strategy is deeply influenced by our core values.

Our retention guidelines are developed to differentiate Proximity and allow to build scalable capabilities.

## Buyers

### Constant Flash Sales

Constant flash-sales from businesses/sellers throughout the day.

### Messaging & Payment System

Official bookings can only be made on the app. Also, the frictionless payment system ensures convenience.

### Individualized recommendations

We provide products/services recommendations with transaction history, reviews, and a past work portfolio of all of those businesses.

## Sellers

### Reviews & Rating

Incentives to have more reviews and ratings to improve their credibility.

### Messaging & Payment System

Reliable payment system to ensure that each payment is made and received.

### Attract customers based on availability

Sellers can sell their products/services at lower rate to local demand whenever they are free.



Operating factors

# Key partners, resources, and channels are important to operate our business.

1

## Key Partners

**In-house payment system**  
[Stripe]

**Universities** with student-run business associations (Rice, Cornell)

### Influencers

2

## Key Resources

**Licences:**  
In-house designs, URL

**Software developers**  
**Data architects**

**Google Maps API** for implementation

3

## Channels

**Website**

**Mobile App**

**Newsletter**

**Social Media** (Instagram, TikTok)

4

## Key Activities

**Data management & processing**

- User data
- Products data
- Payment Details

**Generation/Idealization of Recommendation Algorithm**

- How to better connect users?
- How to better recommend related goods/services?

**Freemium version of proximity removes barriers for student-run businesses, giving students the chance to try their idea and our platform with no penalty.**



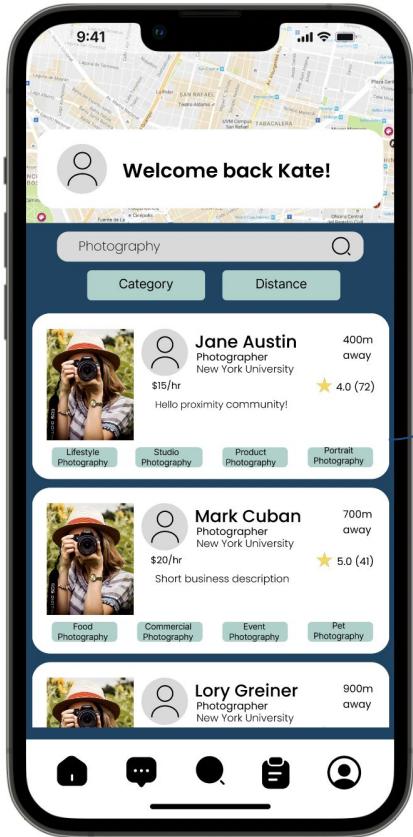
#### Student Business Owners

- 1) Get on the platform for free
- 2) Have to be verified
  - a) Student ID
  - b) Visual verification
  - c) Email verification (.edu)
  - d) Linking a social media account
- 3) Will not be charged until they hit the sales amount of \$100
- 4) After Benchmark, will get charged 10% commission fee on every successful transaction

# Customer experience on proximity is designed to be seamless!

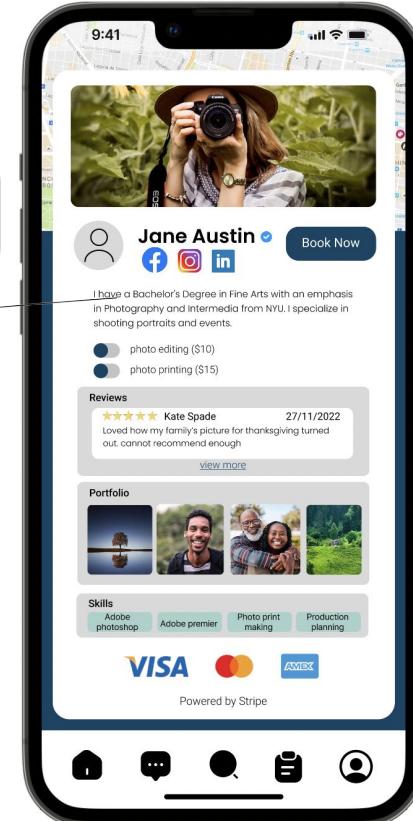
Search for services,  
filter by category  
and distance

1



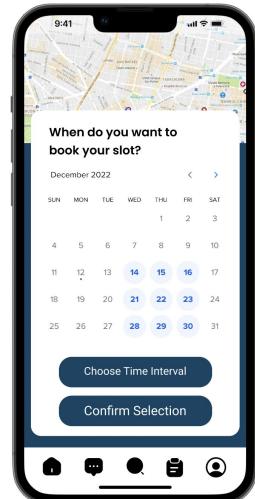
Review  
student details

2

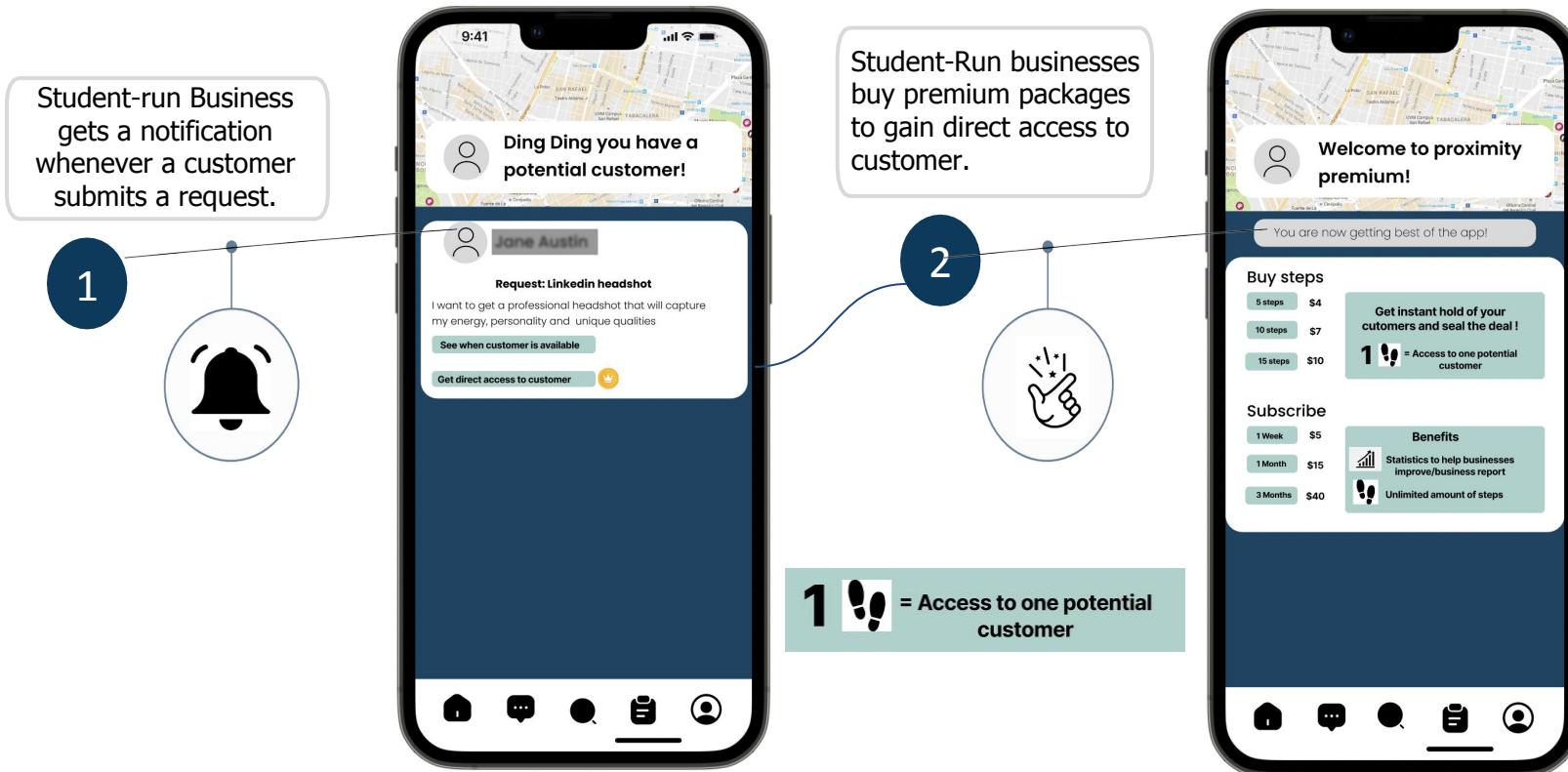


Book slot

3



# Premium version of proximity gives student-run businesses prior access to customers with specific request and the ability to directly contact them.



# Proximity's pricing strategy focuses on eliminating barriers and risks for early stage businesses (sellers).

1

Etsy

Variable listing fee  
and transaction fee

3

eBay

Variable listing fee  
and transaction fee

3

Facebook  
Group

Ad revenue and  
data analytics

4

Proximity

No listing fees and fixed  
commission rate  
Geo-based application

Transaction fee of  
5% of the sale price

\$0.20 per item  
listing

\$0.30 minimum fee  
per item

Further percent  
depends on  
category of item

Free for listing

No policy /insurance  
/customer support

Free for listing

Reliability

Charging the businesses as it  
makes sales and grows



**Financials**

# High marketing costs have led to huge customer acquisition costs.

In the short term, customer acquisition costs are likely to be quite high, yet they expected to decrease as customer loyalty increases.

## Student-run businesses

**2-4 years**

Customer Lifetime Value

- During their academic years (3-5 years)
- Require time to practice skills to be qualified

## Buyers

**4 years**

- Vary enormously depending on their satisfaction and the efficiency of our marketing strategy

Customer Acquisition Cost

**\$ 102.5**

Total Marketing Expenses: **\$284,143**  
Projected # of Sellers and Buyers: **2772**

## Our revenues streams are relatively solid...

Proximity can generate within 4 years more than \$1 Million in revenues, in spite of a slow start.

Financial Forecast		2023	2024	2025	2026	2027
<b>Proximity</b>						
Subscription plans						
	Weekly	62	357	780	1,164	1,511
	Monthly	202	1,044	2,318	3,474	4,522
	3 Months	499	2,856	6,240	9,310	12,091
Bundles						
	Five Steps	150	857	1,872	2,793	3,627
	Ten Steps	175	1,000	2,184	3,258	4,232
	Fifteen Steps	125	714	1,560	2,327	3,023
Advertising						
	Emails	12	71	156	233	302
	Website	31	179	390	582	756
	Social Media	19	107	234	349	453
Commission						
	Services	41,933	239,904	524,160	782,006	1,015,661
	Second-hand market	1,248	7,140	15,600	23,274	30,228
	Crafts	3,744	21,420	46,800	69,822	90,684
<b>Total Revenues</b>		<b>\$46,925</b>	<b>\$268,464</b>	<b>\$586,560</b>	<b>\$875,102</b>	<b>\$1,136,573</b>

## ... yet, our operating profit is negatively affected by the variable costs.

Besides the fixed costs, our efforts in sales and marketing explain our low margins in the first years of operations.

	2023	2024	2025	2026	2027
Customer Support and account management costs	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
Hosting Expenses	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Software license fees	\$240	\$240	\$240	\$240	\$240
Internal engineering (salary)	96,000	96,000	96,000	96,000	96,000
<b>Total Cost of Operations</b>	<b>\$198,240</b>	<b>\$198,240</b>	<b>\$198,240</b>	<b>\$198,240</b>	<b>\$198,240</b>
<b>Gross Profit</b>	<b>(\$151,315)</b>	<b>\$70,224</b>	<b>\$388,320</b>	<b>\$676,862</b>	<b>\$938,333</b>
Margin %	-131%	26%	66%	77%	83%
<b>Total Sales &amp; Marketing Expense</b>	<b>23,462</b>	<b>67,116</b>	<b>146,640</b>	<b>218,776</b>	<b>284,143</b>
<b>Total G&amp;A Expense</b>	<b>4,692</b>	<b>26,846</b>	<b>58,656</b>	<b>87,510</b>	<b>113,657</b>
<b>Total Operating Expenses</b>	<b>\$28,155</b>	<b>\$93,962</b>	<b>\$205,296</b>	<b>\$306,286</b>	<b>\$397,800</b>
<b>EBITDA</b>	<b>(\$179,470)</b>	<b>(\$23,738)</b>	<b>\$183,024</b>	<b>\$370,577</b>	<b>\$540,532</b>
Margin %	-382.46%	-9%	31%	42%	48%

## Proximity's breakeven point and capacity of generating cash flow are weak.

Despite a relatively longer breakeven timeline and negative cash flow for the first 2 years, Proximity has a high potential in the long term.

Cash Balance	2023	2024	2025	2026	2027
<b>Beginning Cash</b>	(1,021,497)	(2,500,887)	(1,627,585)	1,617,716	7,016,866
+Cash Inflow	46,925	268,464	586,560	875,102	1,136,573
-Cash Outflow: Operating	226,395	292,202	403,536	504,526	596,040
<b>Ending Cash</b>	<b>-\$1,200,967.04</b>	<b>-\$2,524,625.60</b>	<b>-\$1,444,561.28</b>	<b>\$1,988,292.96</b>	<b>\$7,557,398.72</b>

## Break Even Point

**Number of customers:**      **Fixed expenses:**      **Variable expenses:**      **Projected break even timeline:**

744

\$198,240

\$397,800

21 months



Conclusion

# We are feeling optimistic about Proximity.



**Sizeable market** opportunity (\$153B)



**Limited direct competitors** as a **sandbox** platform for student businesses

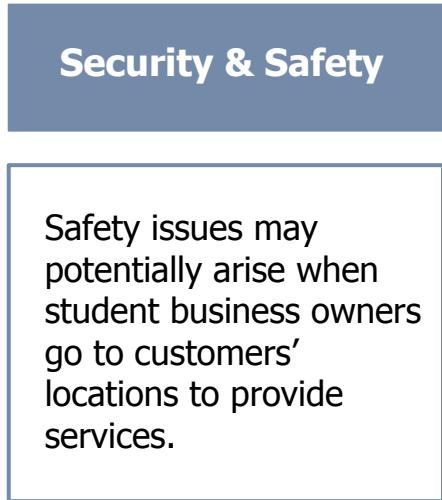


Potential for a wider **social impact** on the local community



**Positive user feedback** from surveys on Proximity's **features**

## However, there are critical factors we need to account for...



**...as well as doing more experiments and testing some risky assumptions...**

## Risky assumptions

1. Customers will prefer to get their services done nearby
2. Customers are not tightly bound by brand loyalty
3. Customers trust student run businesses
4. Student service businesses are willing to meet customers in their agreed location
5. Students will continue their businesses to some extent in the summer

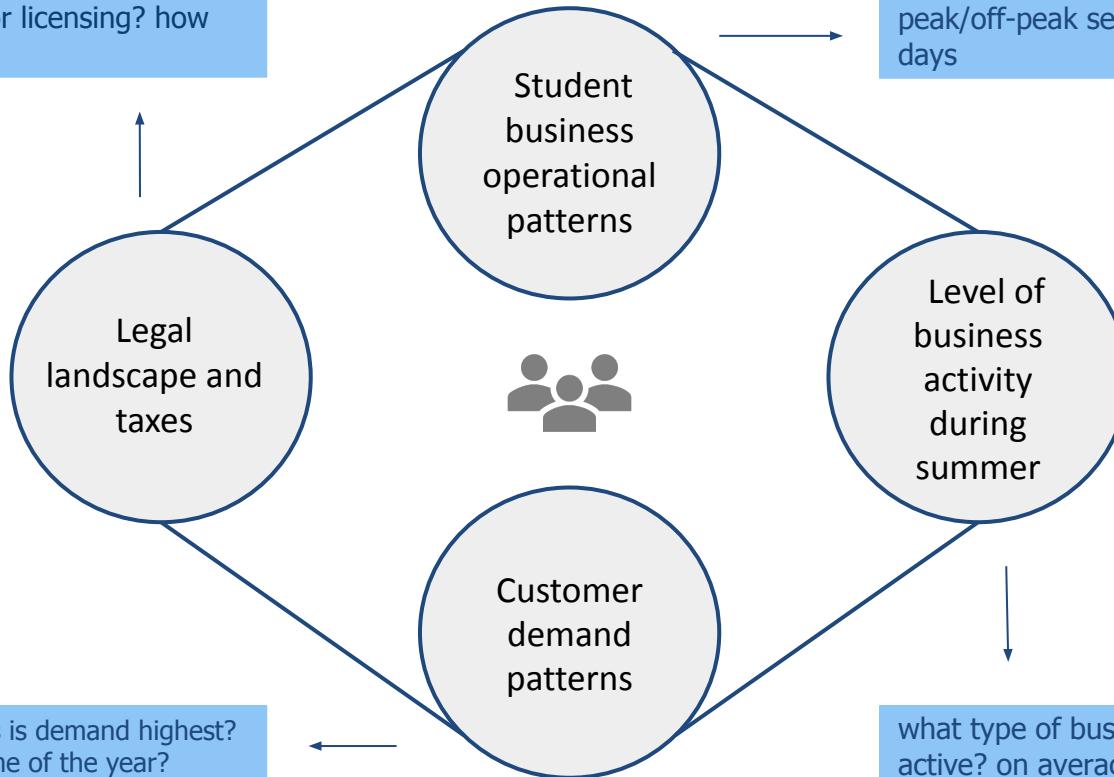


## Future tests

1. Interviews with people getting services done (at hairdresser, nail salon, seamstress etc)
2. More interviews with NYU students who run their own businesses
3. Beta testing with customers through Google forms (different service options each with available booking times posted by student businesses)

# We want to obtain more insights about our users and the wider ecosystem.

any workaround for licensing? how will taxes work?



for which businesses is demand highest?  
and during which time of the year?

what type of businesses are more  
active? on average, how active?



Thank you!