SHMAP Business Plan

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Executive Summary

Retailers, department stores, and other businesses fill their stores with thousands of products leaving customers to search the shelves for their desired goods. SHMAP will provide locations of store products on a map to enhance and improve the shopping experience of the customers. While our software as a service (SaaS) will be sold as a business-to-business sales model, the shopping locator service is meant to meet the needs of improve the experience of the end users.

Our company's value proposition combines a shopping map with analytics into pre-existing mobile applications. While apps exist that have location based services, they do not show location of items within a map. Additionally, SHMAP will provide analytics to the companies so they may choose to make changes to their store layout based off of customer behavior.

SHMAP will utilize a subscription-based revenue model. The amount of the annual fee will depend on the package the company needs. The packages will be based on the amount of stores a company has. We will sell our service to our primary audience, which consists of companies that have small-to-medium sized stores. Our secondary audience and end-user is customers. SHMAP interviewed 5 local stores and surveyed 66 customers to solidify the need and want for a shopping locator service. Our data showed that there may be a want or need for it in specific stores because customers have difficulty finding items within stores, and most store managers are willing to put what the customer wants first.

The competitive environment of the shopping locator service consists of retail stores creating locators within their apps. While other stores are implementing part of what we want to incorporate in our service, they do not have everything that our service will include. Although our company has a few competitors, our service has a competitive advantage due to our combination of analytics and a location service and the depth of our location service.

For our market strategy we will focusing on business-to-business sales. In order to sell directly to companies we will be utilizing direct sales and sales calls. Our secondary audience, the companies' customers, will also be a way of spreading our service.

There are three main organizational structures that are necessary to create and sell our service: marketing, programming, and service development. SHMAP will heavily rely on direct sales of the service, programming and front-end design, and user experience and analytics.

SHMAP's management team consists of five digital communications students who have at least three years of experience in the marketing, programming, business, and selling fields. Through our coursework and internships, we have extensive problem solving and group thinking skills.

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Introduction

Our shopping locator service will provide a combination of a company's inventory with our location service. This will be integrated into a the specific company's app, paired with analytics provided by SHMAP. Our business plan explains the value proposition, financial planning, market opportunity, competitive environment and advantage, market strategy, organization development, and management team of the service that SHMAP will provide to businesses in the retail industry.

Value Proposition

There are a few elements within our service that are not unique, such as analytics and location services (in general); but, the way we are delivering the service to companies is unique. Our service combines a location-based feature that uses a store's layout and plugs into a pre-existing mobile application, with all the analytics from consumers use. In addition, we will be creating a template for the location service. We will have a general structure for the store location feature and the inventory and layout will change per store. Offering our product as a subscription service and integrating into a pre-existing app will allow us to integrate our overall service into a company much more efficiently (time and cost wise) than if we were to build an internal system for each company.

While we are utilizing a business-to-business model, our service benefits both consumers and companies. The biggest benefit from the location aspect of the service is the reduction in search time, which in turn improves customer experience. Unlike similar stores who have a location feature *(see competitive environment)*, our location service will visually display the location of items on a map of the store. This feature will enable customers to have a fast and efficient experience while shopping in a brick-and-mortar store and employees can go about their daily tasks without receiving excessive questions that take them away from their work. The analytics feature will also improve customer experience if used fittingly by companies. If companies look at the analytics we provide they may choose to make changes based off of customer behavior on the app and improve customer experience by making their shopping experience easier, which may in-turn give them a larger profit.

Financial Planning

REVENUE MODEL

For our service, we will be utilizing a subscription-based revenue model. As mentioned before, we are creating a two-part service that consists of both a location service and analytics. Companies will pay one fee for both services as opposed to paying for two separate services. Originally we were going to charge a monthly subscription fee, but after collecting feedback

from store managers and doing research on similar companies, we have decided to charge an annual fee. However, in the future we may create a monthly option as well.

PRICING
The amount of the fee will depend on the package the company needs. Packages will be based on the amount of stores a company has. The minimum number of stores a company must have is five and the maximum is 400. To determine the price for each package, we will create a monthly price that we feel covers the costs of running/creating our service and that will still give us a small profit. We will then multiply that price by 12 to find the yearly cost, and multiply it by the store number that corresponds with the package. Instead of creating a unique price for each company, we will use the median of the number of stores for each group. To help get an idea of a pricing range, we researched similar companies and the Retailer's Association. To get a general understanding of how our pricing would work, **please view Appendix G (Prices displayed may not be our final prices).**

ADDITIONAL COSTS
Since we are running a business-to-business model, we need to put a decent amount of time and money into sales and marketing. Our main concern will be hiring a sales team to go to businesses and market our product to them. This will most likely be our largest expense and the cost will depend on the amount of people that we hire. Our second highest expense will most likely be cloud storage, since we will be working with the cloud for the analytics portion of our service. We don't anticipate many additional expenses at the time other than some potential additional advertising/marketing efforts and an analytics service. In order to alleviate some of these costs/startup costs, we may look into crowdfunding. Once we are ready to start creating and implementing our service, we may create a kickstarter campaign to gain funding from stakeholders.

Market Opportunity

TARGET AUDIENCE
Our primary audience for our service is companies that have small-to-medium sized stores. Our secondary audience and end-user is customers.

PERSONAS
To better understand our two audiences our group created two personas **(See Appendix A).** The company persona consists of store managers who oversee small-to-medium sized stores with a fair number of repeat customers. Due to the fact that new customers outweigh employees on the floor of the store, employees can't help every customer find items. The store has a website and an app. Our end-user persona consists of middle-aged users who are tech savvy and also looking to save time. Because they live a busy life picking up their kids, making dinner, working, and

caring for their house, they are looking to grab the items that they already saw online for a quick shopping experience.

CUSTOMER RESEARCH
To solidify the desirability of our product, we organized surveys and interviews for our primary and secondary audience. We interviewed five local store managers to obtain general background information on their app and how likely the would be to incorporate a location service into their current app **(See Appendix E)**. Additionally, we shared an online survey with friends, family, and others on social media to reach our end-user audience **(See Appendix B)**. With two different audiences, we were able to gain feedback from approximately 71 people (66 end-users, 5 companies). While customers indicated that they found stores neither very easy nor very difficult to navigate, the majority indicated that they would use a location service feature if it was available. On the other hand, the responses we received from companies were difficult to analyze as a whole because of the uncertainty with corporate questions and the small number of responses.

PRIMARY AUDIENCE
We interviewed five store managers from Staples, Kohl's, PetSmart, Boscov's, and Hobby Lobby in the Lebanon, PA area. Many of the store managers were unable to answer our questions fully because as a local store they are unable to make executive decisions for their store without corporate. The sole manager that fully answered our interview questions replied that he would do anything to help the customers when asked if he would use our location service. Other stores indicated that corporate might or that they probably would because "the customer is first," but they were unsure. It also became evident that companies do not recognize the need for this service, even though their consumers might. When we asked the store managers to rate how easy they feel it is for consumers to find staff/products in their store, some gave very high ratings, which as a group, we feel may not be entirely accurate and biased. When marketing this service to companies in the future, we may need to show them that consumers do in fact have difficulty in their store and would benefit from our service.

SECONDARY AUDIENCE
When asked how easy it is to locate a store employee or products, 84.2% of survey responses were above a three on a 1-5 likert scale **(See Appendix C, Graph A).** When participants were asked if they would use a mobile application that could locate store items on a map, 66.7% of users responded "yes", while 22.7% percent responded with "maybe" **(See Appendix C, Graph B).** This shows that there was a particular problem area in locating items in a store. Another statistic that we found to be interesting was that when participants were asked what they use a store's mobile application for, the second highest response was for a "product search". 27.9% of

participants said that they use a store's mobile application for product search, while the first reason was to find coupons and specials.

ANALYSIS
While we conducted two surveys with different questions, we were able to analyze and determine that there is some degree of desirability from both audiences. This may indicate that there is not an overwhelming *need* for this service in general, but there may be a want or need for it in specific stores because our data shows that customers do have difficulty finding items within stores.

Competitive Environment

Our service has a direct competitor, Michaels, and a few indirect competitors, Lowes, Home Depot, and Walmart. Michaels is a direct competitor because they have an app that already has a similar location service within it. The location service in their app allows the user to search for an item and it will tell them which aisle the item is in. However, the user must set a store and have location services switched on before being able to access this feature. It also does not show the user where in the aisle the product is located. Lowes, Home Depot, and Walmart are our indirect competitors because within their mobile website or app, they have the aisle number under their product, but they do not say where the aisle is within the store and some do not include where in the aisle the product is.

While other stores are implementing part of what we want to incorporate in our service (or some version of it), they do not have everything that our service will include. We want to include a location service, where the service will tell the user where exactly in the store the item is, and customer based analytics together as one service. Our competitors do a good job of giving the information on where their products are in the store, but they do not give a complete explanation of where to find their products. Our service will give all the information a customer will need to find the item in the store and companies will receive data and statistics on their customers. Therefore, there is a marketspace for us and this location service.

Competitive Advantage

Although our company has a few competitors, our service has a competitive advantage due to our combination of analytics and a location service and the depth of our location service. Our location service will be able to tell a user where in the store, what aisle, and where in the aisle the item is. Our competitors do not have this full feature in their mobile apps and websites. We will also have the advantage of incorporating analytics in with the service so the companies can get feedback on their customers along with having their inventory's whereabouts known to their customers at the click of a button. While other companies are implementing a location service in their mobile apps and websites, they are not doing so effectively. We will have the advantage of

being the first mover into this marketspace where we create the location service for other companies. With this location service, we will include more information on where the items are in the store to afford a lower cognitive load on the user.

Our product will also have the advantage of having the ability to be integrated into other apps. Other businesses typically have to create a whole new app and make it usable on all devices so as to bring in as many customers as they can. With our product, we will not be building a new app but developing a system of integrating our service into a pre-existing app. There is a marketspace for our location service because our service will be the only one where it can be placed into another existing app. We will have an advantage with building this type of service because we will not have to build a full app and have it be able to run on various devices as well as incorporating the branding of all the companies we are hosting this service for. Cutting out of all the excess development allows us to offer our service at a more efficient rate (time and cost wise). Building a new app could also cause many problems and offer a disadvantage because we would have to convince the customers of the businesses the app is trustworthy and helpful. If we integrate our service into other apps, customers are already using those apps and have trust in them.

Market Strategy

For our market strategy we will focusing on business-to-business sales. In order to sell directly to companies we will be utilizing direct sales and sales calls. This will be done by calling and visiting prospective companies in order to build relationships and develop trust in our brand. This is our primary market strategy in order to have face-to-face relationships with our customers so that we can then create the best personalized service for their specific company.
Another way that we are going to market to our primary audience of business-to-business is by word of mouth. As our brand grows and we acquire more customers, competitors for those companies will want to be able to have a service that keeps them up to date with the competition. This way our service can spread to the different competitors' mobile applications.

Our secondary audience, the companies' customers, will also be a way of spreading our service. If our service is of value to the customer and they like to shop at stores that utilize our services, we will utilize customer loyalty and word of mouth to spread our services to other competing stores with similar customers.

Organizational Development

There are three main organizational structures that are necessary to create and sell our service: marketing, programming, and service development.

SALES AND MARKETING

As mentioned in previous sections, since we are B2B, we will rely heavily on marketing and direct sales. We will have a sales team that focuses solely on going out to businesses and completing direct sales and/or making direct sales calls. This department is so crucial because if companies don't know about our company and the service we are offering, we won't be making any sort of profit. Though probably not as important as sales, marketing is still crucial. A few team members will be in charge of our marketing efforts which could range from our website to direct/targeted online advertisements.

PROGRAMMING

Programming will be a pretty large part of the development of our project. Since we are using a template system and just changing certain details for each store, most of the programming will come early in the process. In general, our programmers will need to utilize a text editor as well as a cloud service. Our programmers will mainly be responsible for working with store inventories and creating the location feature itself. In order to map the locations of products, we will need inventories from all the stores we work with. The information from those inventories will then go into a database that is created by our programmers and can be regularly updated. As far as the location service goes, our programming team will create code that will emphasize the area of a store's map that corresponds with the product they are searching for. Once the overall structure is developed, the programming team should only have to update databases and input store layouts.

SERVICE DEVELOPMENT

The service development team will be creating both a usable service and assisting our client with the overall usability and customer experience for their store. This team will consist of individuals with roles in user experience and analytics. The biggest task this team faces is creating the interface that will plug into the pre-existing app. The programming team will create the back-end, but the service development team will create the front-end that will allow users to search through categories or directly search for a product. The team will also be responsible for collecting the analytics from the service using Google analytics or a similar service. After collecting the analytics, the team will analyze it and hand them off to the company.

Management Team

To accomplish our project objectives we have formed a five member team of digital communication students. Digital communications is a major that consists of six concentrations: design, business technology, videography, user experience, communications, and programming. Each of us have at least three complete years of experience in all of these concentrations working within the major and completing internships. We have the most expertise in our group in the user experience, communications, and design fields.

Along with the formal qualification of our major, we have also have taken multiple courses in business, HTML5, programming, marketing, and selling. In these classes we have also been able to develop and refine our problem solving and group thinking skills.

We have specified team roles that consist of: project manager, promotion and sales, programming, finance and accounting, analytics, and user experience. Defining our roles allows us to collaborate on a more organized level to accomplish our goals.

Conclusion

Using this business plan, SHMAP will be able to create a unique shopping locator service that uses a company's pre-existing app and inventory to create a location service and combines it with user analytics. Through extensive research and consideration of elements such as market opportunity and competitive environment, we were able to develop a value proposition, competitive advantage, market strategy, organizational development, and financial plan. The management team, which consists of our five group members, will conduct the tasks discussed in the plan in order to develop a successful service that can be marketed and sold to businesses in the retail industry.

Appendices

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