

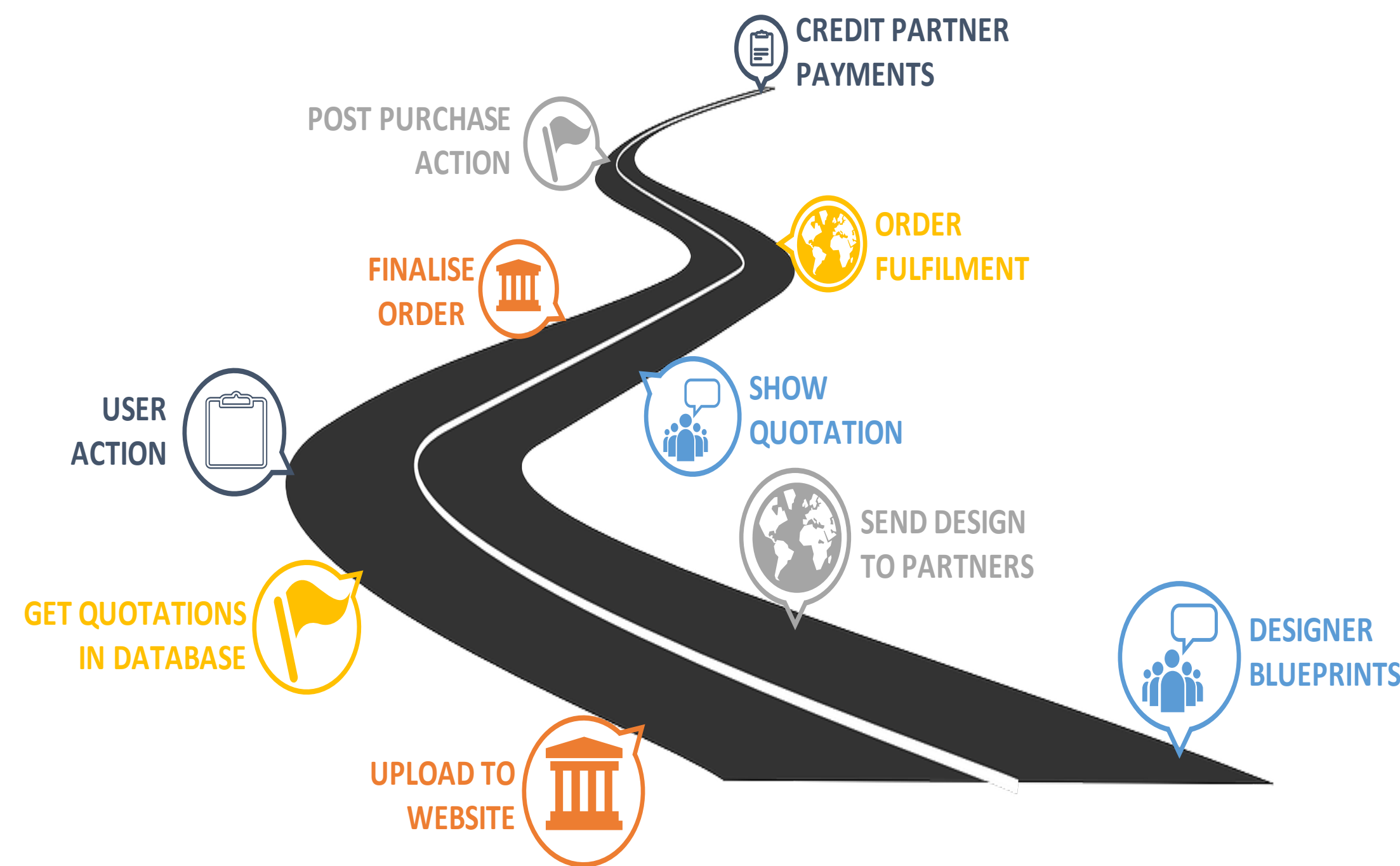
# ONLINE OPEN MARKETPLACE FOR FURNITURE



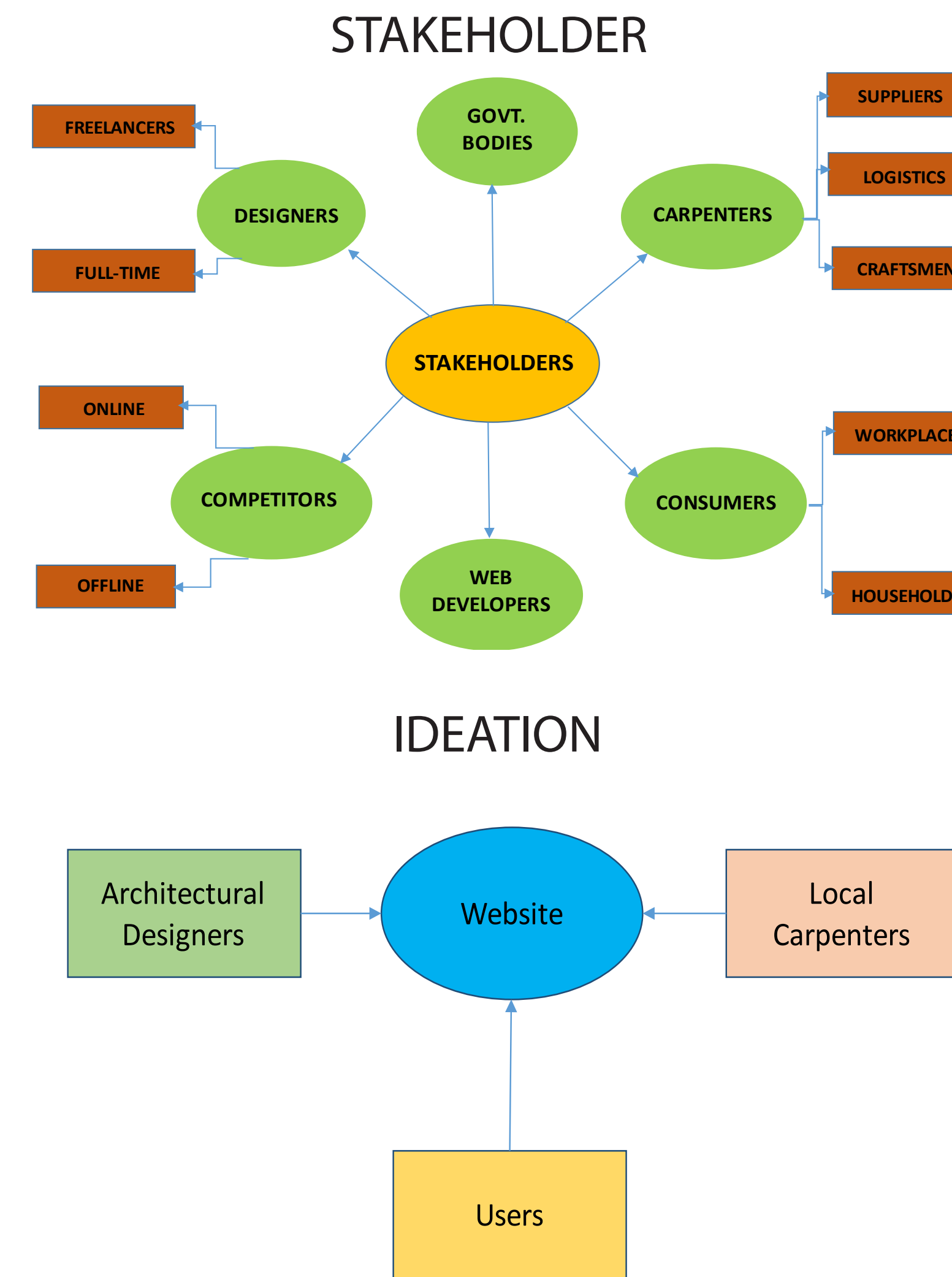
## EXECUTIVE SUMMARY

Is an online furniture platform which connects you, the consumer, with the local carpenters near you to give you the most economical quotes for your customized furniture. You can select any furniture based on a vast range of blueprint original designs uploaded by our exclusive network of professional architectural designers. Our target customer segment is anyone who likes to experiment with their furniture, be it your home or the workspace; someone who feels the furniture aesthetics play a major role in the home or workplace environment tweaking it to feel anything you want – modern, freestyle, quirky, professional to almost anything. So our business model basically has three faces to it, one being the extensively distributed network of quality-checked local carpenters. Second being the professional designers working 24\*7 to produce some out-of-the-way modern furniture blueprints. The third being our online website through which the users can freely navigate through furniture categories and select the best quotation according to your customization. Our core business offering to our customers is “get the new-age customised furniture at the lowest possible prices from our partner near your location”. By having 0 inventory of our own and almost-negligible logistics cost, we give maximum value to our customers and high profit potential to the company. Through research, it is known that almost 5600 furniture products are sold daily across the country. With the average price of our product being Rs. 10000 as compared to industry average of Rs. 16000, and a humble market share of 0.1% in the first year, we are targeting a revenue range of around \$0.3 - 0.5 million. Our potential profit for the first year is targeted at \$100,000

## OPERATIONAL VALUE CHAIN



The Value Chain starts when the designer produces a new design on the authorised software. After filtering and selection, the design blueprint is uploaded on the website and simultaneously is provided to all the carpenter partners for quotations. Once all the quotations are gathered in the database, the design is visible to the user on the website. When the user selects a design, matching to the user's location, product quotes are extracted and displayed for user to choose the suitable quote. After finalising the order, the PO is sent to the respected partners for commencing work. The product is then delivered by the partner to the user. Feedback of the customer experience is recorded and ultimately the partner is giv-



## NEED ANALYSIS

The online furniture category in India is a fast growing industry. Expected to reach \$700 million by 2020 at a CAGR of 75%. Gaps identified in the current system are as follows:

- High delivery time
- Increased prices due to high mark-up, inventory and logistics
- Distrust among customers towards the vendors
- No customization owing to pre-manufactured products

## TARGET CUSTOMERS & BENEFITS

- Two main customer segment: Home residents and Workplace employees
- Target Group:
  - Age - 25-45
  - Income Group - 10+ lakhs annually
  - Regular online shopping customer
  - Choice of unconventional modern furniture
  - Delivery time and trust factor top factors while purchase

## BMC MODEL

<b>Key Partners</b> <ul style="list-style-type: none"> <li>Local Carpenters</li> <li>Designers</li> <li>Web Developers</li> <li>Payment Gateways</li> <li>Legal Authorities</li> <li>App Developers</li> </ul>	<b>Key Activities</b> <ul style="list-style-type: none"> <li>Tie-ups with local carpenters</li> <li>Due diligence and quality assessment of partners</li> <li>Association with freelancing/permanent designers</li> <li>Taking orders and routing them to partners near to customers</li> <li>Analyse the data</li> </ul> <b>Key Resources</b> <ul style="list-style-type: none"> <li>Carpenter partners</li> <li>Designers</li> <li>Website</li> <li>MIS platform</li> </ul>	<b>Value Proposition</b> <ul style="list-style-type: none"> <li>Online customizable furniture at comparatively lower prices</li> <li>Purchased based on choice of quotation</li> <li>Faster delivery owing to nearby supplier</li> <li>Minimum retail markup</li> </ul>	<b>Customer Relationships</b> <ul style="list-style-type: none"> <li>Frequent feedbacks and an ear to suggestions</li> <li>Earn customer loyalty through contract</li> <li>Co-branding with partners for co-growth</li> <li>Regular discounts to attract customers</li> </ul> <b>Channels</b> <ul style="list-style-type: none"> <li>Website</li> <li>Social Media</li> <li>Mobile App</li> <li>Media Promotions</li> <li>Property Exhibitions</li> <li>Corporate tie-ups</li> </ul>	<b>Customers</b> <ul style="list-style-type: none"> <li>Home customer wanting a customized furniture at low price</li> <li>Workplace customer wanting to revamp their corporate environment through modern furniture</li> <li>Customer giving priority to quality, delivery time and assured sellers</li> </ul>
<b>Cost Structure</b> <ul style="list-style-type: none"> <li>Website with intellectual properties, user-friendly interface</li> <li>Legal contract with carpenters/craftsmen</li> <li>Customer acquisition through online promotions</li> </ul>		<b>Revenue Streams</b> <ul style="list-style-type: none"> <li>Revenue shared between craftsmen, designers and company</li> <li>Top designers and carpenters can promote on website</li> </ul>		

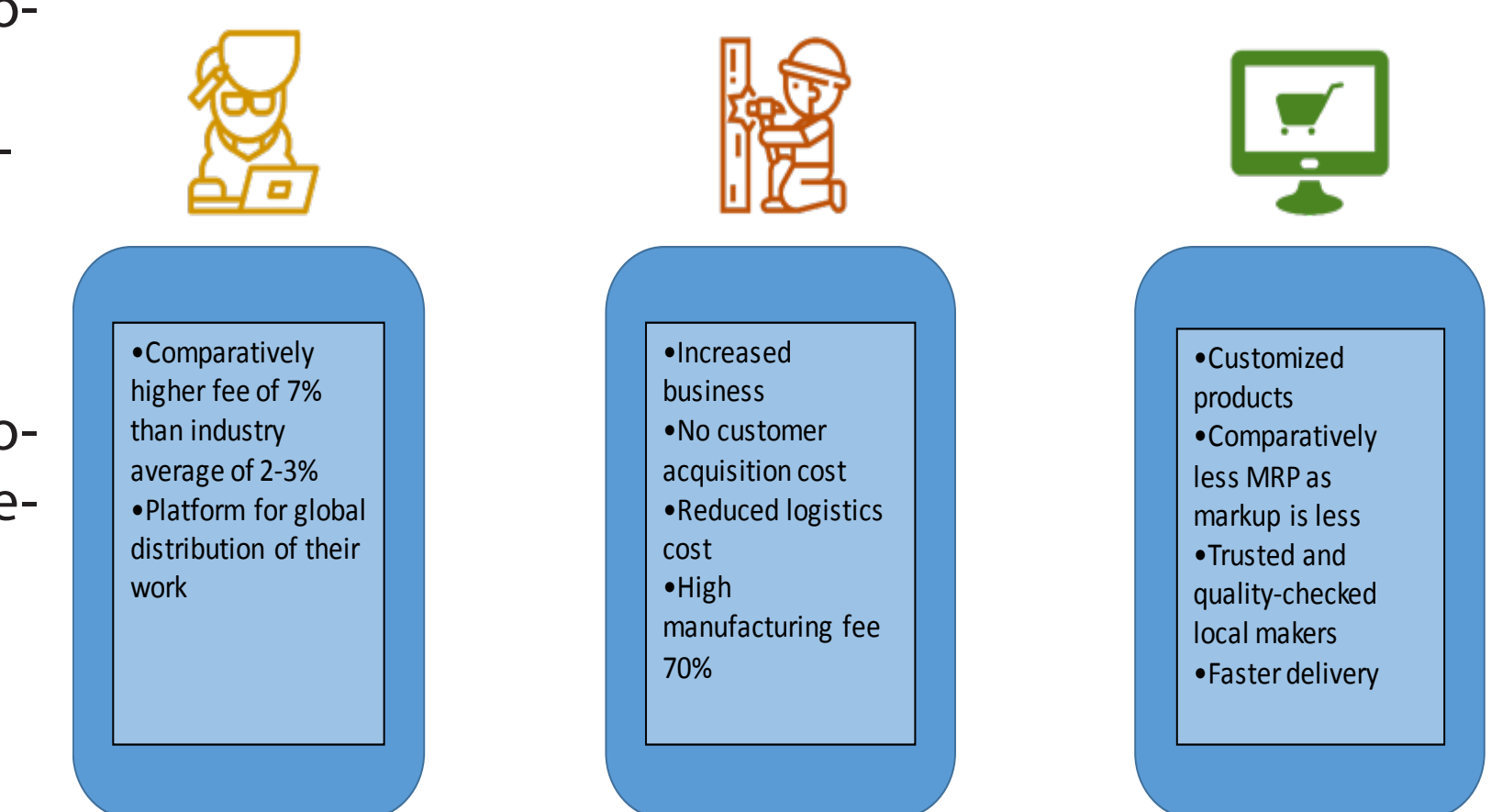
The Business Model Canvas shown alongside communicates the Value Proposition of the proposed open marketplace for furniture. Being an online platform, one of the key activities is developing and maintaining the website. Also, tying up with craftsmen and designer partners is a key activity. Customer acquisition will be done entirely on the digital platforms leveraging the social media for promotions. Cost involved is minimum and includes the legal contracts, intellectual property development and initial promotional cost. Revenue generation is through online payment gateways by purchase and also through partner promotions.

Ideation of the new service is based on using the opportunity spaces spotted and improving efficiency in the process ultimately adding to the value to the customer. This included cutting the delivery time, lowering cost, reducing inventory costs, engaging the local market and giving added value of customization to the customer. The proposed model leverages on the increasing online purchases of medium involvement products and also provides an open platform to designers to showcase their designs online. Scope of the proposed model can be increased by integrating a dedicated customizing space for customers to modify measurements and personalise the product.

## WHY SHOULD INVESTOR INVEST IN YOUR IDEA????

- Low investment owing to the simple and open business model
- Large customer market size already present online
- Targeted revenue of 2-3.6 Crore Rupees in the first year
- Lower breakeven point due to less cost involved and medium-to-high involvement products
- First of its kind online “open” platform for designers and local craftsmen with more than average revenue sharing, hence faster business growth with partners

## WHAT'S IN IT FOR....



## Group Members

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