

E-Lab Presentation -

Business Plan

purple.com



Group 9



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20DM270**

INTRODUCTION




Manish Taneja · 2nd
Co-founder and CEO @
Purplle.com

🔗 19 shared connections




Saagar Varma · 2nd
Founder's Office & International
Business at Purplle

🔗 1 shared connection



Pratik Sonthalia · 2nd
CEO - Private Brands at
Purplle.com

🔗 12 shared connections



Reneta Kripalani · 2nd
Associate Director, Purplle.com |
Ex Unilever | INSEAD

🔗 7 shared connections

Problems:

- Too expensive
- Not a lot of variety
- Product might be fake

Improvised Idea:

- Proof of originality
- Get the cheaper Indian brands- make things affordable and accessible
- More of male grooming products
- Remove additional charge for COD
- 5% discount on online payment
- Talk about cruelty free etc. products and educate customers

Genesis of the Idea

- Nykaa's scandal
- Nykaa under heat after sustainability issues
- Only 1 prominent beauty and grooming brand
- Beauty and grooming mostly only catering to women
- People can buy products, no need to step out

*Describe the problem being solved.
What's urgent/pressing about it?*

How can we promote Indie brands, decreasing prices, increasing options and exciting customers? Giving them a sense of *made in India*

Shopaholics, working women and men, college students

1 Dominant ecommerce dedicated- lots of potential

Small scale market research



- **Product / Service Description**

Grooming, skincare products and hygiene products, health supplements for men and women.

- **Intended Benefits**

Cheaper for customers, including men in grooming and beauty category, trial and return option is there and many more.

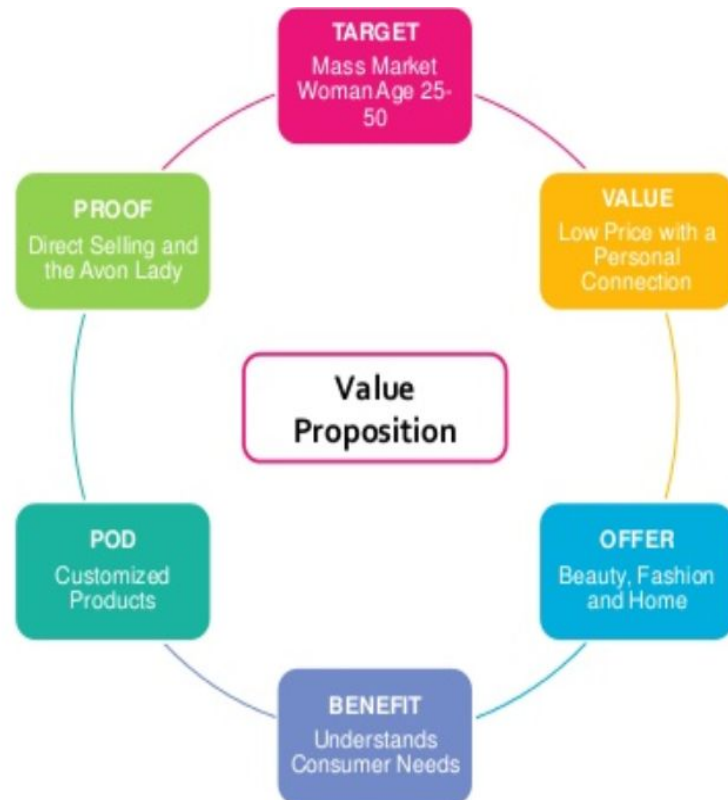
- **Intellectual Properties**

IT refer to proprietorship of those properties which are not physically present, these are like names of the company, logos, design, there artwork and so on and so forth.

Solution Prototype / MVP

Describe your Solution- Getting almost all the INDIAN brands of skincare products and health supplements for any gender under the same umbrella with a major option of trial and return.

Value Proposition



What is so unique/special about it?

The target market space is very broad ,customer segment is even more large, variety of products are there at a affordable rates ,trial and return option is there ,pay later option is there and so on and so forth.

Market and Product Positioning

Target Customer and Market Size

- Men & women who want personalized grooming products at cheaper rate.
- They get cruelty free Indian brand products at cheaper rate.
- It has achieved USD 50 million in gross merchandise value in 2019-20.
- *Currently delivering in 420+ cities and receiving 2000 order per day, will expand to 1000+cities with 10,000 order per day.*

Go to Market Strategy

- *Understand what they need, meet them in person and give them something they can use right away.*
- *Initial market potential-USD 100 million sales, out of USD 7 billion beauty industry in the country,*
- *Purchase Products directly from suppliers and resell them on website or via an app.*

Industry and Ecosystem Positioning



What is the recent in the Industry?

- Cruelty-free, locally made Indian grooming products

What are the key growth trends?

- Market size is estimated to reach USD 10 billion by 2024, and the market is expected to register a growth rate of 6.0%

Who are the major players and key suppliers?

- Key suppliers- Good Vibes, NY Bae, Alps Goodness.
- These products are always on sale and have multiple offers, sometimes given as samples in order to increase sales of these.



	Political	Economic	Social	Technological	Environmental
Favourable	<ul style="list-style-type: none">• Net Neutrality issue• Gov of India to boost rural economy and promote digital India	<ul style="list-style-type: none">• Less tax in online purchase• Busy life schedule result in increase in online market	<ul style="list-style-type: none">• Increase in computer literacy• Raise in number of online consumer• Empowering youth through employment	<ul style="list-style-type: none">• Best search engine optimization• Increase in the use of internet• Mobile application for different platform	<ul style="list-style-type: none">• Price competition• Promotion of green (Eco - friendly) products
unfavourable	<ul style="list-style-type: none">• Changes in the gov. Policies	<ul style="list-style-type: none">• Inflation• Increase in tax rates	<ul style="list-style-type: none">• Awareness and perceived usefulness• Cyber security(online – frauds)	<ul style="list-style-type: none">• Accessibility• Low bandwidth	

Competition Analysis






Strength	<ul style="list-style-type: none"> Showcasing a wide product range on both its online and offline stores to avoid customers shift from their brand due to lack of stock. 	<ul style="list-style-type: none"> Able to shift many social media users as their potential customers with regular online campaigns. 	<ul style="list-style-type: none"> Merger with <u>flipkart</u> has increased its strength and capacity Offering of more than 1.5 lakhs products with over 1000 brands 	<ul style="list-style-type: none"> constantly increasing its offering from beauty items to clothing, health & safety, baby care, and accessories.
weakness	<ul style="list-style-type: none"> It offers free delivery for the order above Rs. 700 which eliminates some of the aspiring buyers. 	<ul style="list-style-type: none"> They are still not serving well at handling customer complaints that can affect the growth of their business. 	<ul style="list-style-type: none"> Intense competition means limited market share growth 	<ul style="list-style-type: none"> They are spending low on their research and development that is weakening their ability to perform well
Price Point	<ul style="list-style-type: none"> Moderate 	<ul style="list-style-type: none"> Expensive 	<ul style="list-style-type: none"> Moderate 	<ul style="list-style-type: none"> Moderate
Unique Value Proposition	<ul style="list-style-type: none"> enables the customers to make best choice for themselves. having flexible payment options 	<ul style="list-style-type: none"> having flexible payment options Unique offers to customers 	<ul style="list-style-type: none"> largest in-season product catalogue, 100% authentic products, cash on delivery 30 day return policy 	<ul style="list-style-type: none"> having flexible payment options

Pricing Strategy

- Purple is present in an extremely competitive environment and hence has focuses on competitive pricing.
- Heavily discounted pricing model
- Organizes shopping festivals named End of Reason Sales in which goods are sold at 60-80% discounted price.
- The pricing of in-house labels is done competitively, still it costs the consumer around 20-25% cheaper.
- Purple should give a margin of 60% to the Indian brands, as compared to 35-40% offered by third party brands

BASIC FINANCIAL PLAN: YOUR BUSINESS IDEA

contents	INR
market research	2000000
Ad cost	10000000
Design cost	15000000
Total	27000000

Fixed Costs (for a month)	INR	Salary per employee	No. of employees
Salary	10000000	25000	350
maintaince cost	5000000		
Electricity	500000		
Rent	500000		
Advertising	10000000		
Total	26000000		

Variable Costs (per unit)	Cost	Unit	Rate (INR)
transportation cost	50	1000	50000
miscellaneous			2000000
packaging	50	1000	50000
Total	100		2100000

Revenue (for 30 days)	
Number of customers	4000
Units per purchased	1000
Avg. Price per unit (INR)	350
Purchase frequency	3
Total sales in units (INR)	12000000
Total sales revenue (INR)	4200000000

Customers (per day)	No. of days

SUMMARY	
Revenue	INR
Sales	1250000000
Others	50000000
Total	1300000000
Profit	2974000000
Breakeven	FALSE
Pay back period (months)	0.01
Contribution	25000.00%

Operational Plan

Key Resources

- Hyper-personalization to attract more customers and use of Digital resources to retain them.
- Describe cloud and data warehouse as key resources, which helps the company to collect up to 40 million event data points a day,

Key Activities

- It gives an online space to beauty and wellness needs of both men and women.
- It leverages on data analytics and AR technology to improve workflow and enhance the customer experience.

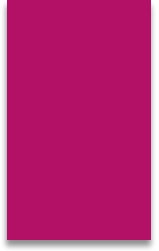
Key Milestones

- Has over 6 million user base and 3 million monthly active visitors.
- It has over 700 brands with nearly 50,000 products available.
- Raised \$45 million in 3 rounds of funding.

Implementation Plan / Milestones

- Purpille aims at \$100 million sales in 2021
- Purpille is looking for acquisitions and is working on in house brands to implement this plan.
- Existing in-house brands generate 45 per cent of the total revenue
- Already achieved sales of \$50 millions in 2020.

Organizational Plan - Team



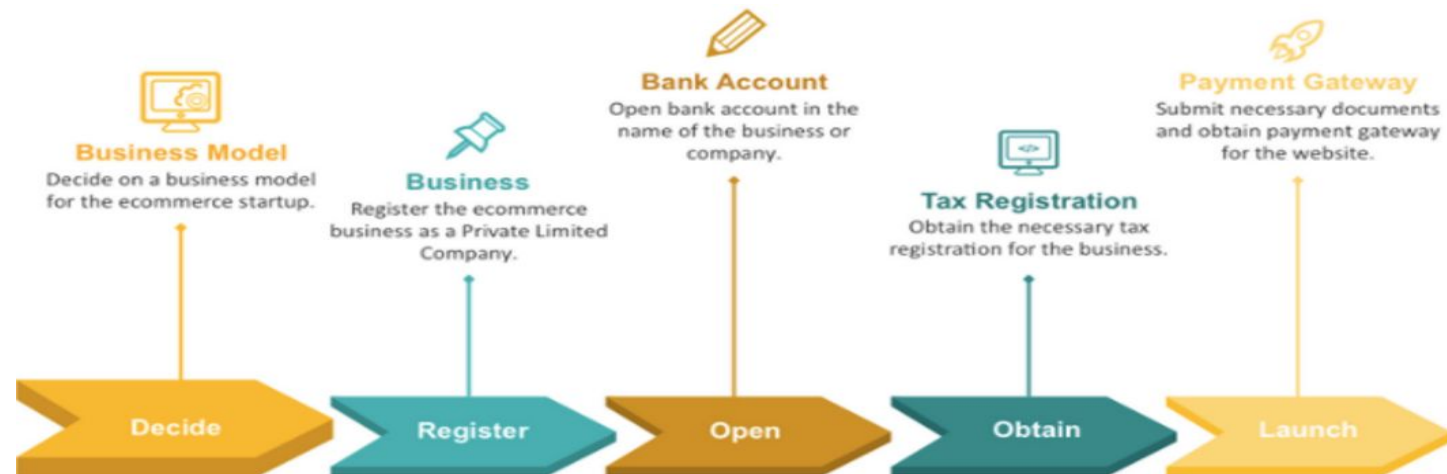
- The founders, co founders of Purplle are highly experienced and have worked with MNCs like Unilever in past.
- Raised \$93.6M in total 10 rounds of funding.
- Ventures like Spring Marketing Capital, Sequoia Capital India as well as foreign investors like Goldman Sachs, Verlinvest are leading investors in Purplle.

Legal

Company Incorporation Identity

Legal process, i.e. registration of the Company in Registrar of Company (ROC), in order to form a company.

- It is a Public Company founded in 2012.
- The first thing to do is set up a current account in the name of your business. It offers you the advantage of collecting profits and paying the losses in the name of your company rather than your personal account.
- It requires a number of documentation and legal compliances. But, they are necessary for the scaling of business later on, when your turnover is larger.
- Tax Registrations for GST, Service Tax, Corporate Tax, VAT etc. has to be done.
- Any online business wanting to accept online payments needs to be a registered company. This is needed so that, they can establish a secured payment gateway on the website.



Key Legal Compliances

- Legal compliances are an integral part of any business. It ensures that the business runs smoothly, avoids unnecessary penalties or legal actions that hamper operations and ensures the unceasing built-up of customer confidence.
- The privacy policy of the site is formulated in accordance with the Information Technology Act, 2000 (“**IT Act**”) read along with the Information Technology (Reasonable Security Practices & Procedures & Sensitive Personal Data or Information) Rules, 2011 (“**IT Rules**”).

Risk

Analysis

- Vulnerability to online security breaches (can include phishing, website hacking and unprotected web services) and cyber-attacks
- Client disputes and refunds
- Violation of Intellectual property
- Low SEO ranking
- Poor customer service
- Weak authentication methods
- Ensure information security
- Select the right acquiring bank and merchant services provider
- Create and display effective policies

Lean Canvas

Designed for:

Purple

Designed by:

Group 9, Blmtech

Date:

28/03/2021

Key Partners	Key Activities	Unique Value Proposition	Customer Relationships	Customer Segments
<p>Cosmetic & supply companies</p> <p>Publishing houses: Beauty/Fashion/Gossip magazines</p> <p>Fashion Houses: Runway shows Beauty Trends</p> <p>Social Networking</p>	<p>Capturing Customer Preferences</p> <p>Personalized Service: Build behind- the- scenes staff to provide one on one instant messaging with customer</p>	<p>Personalized, Unbiased recommendations for your needs from beauty experts you can trust</p> <p>Credibility</p> <p>Range of Products: offering the best products across different price points to create the perfect "product prescription"</p>	<p>Interactive Service: Combination of self- service and personal customer service</p> <p>Online Community: Customer "experts" feedback and recommendations</p>	<p>Beauty Enthusiasts: Women (18-44), Urban, already buying and/or researching online, into cosmetics.</p>
	<p>Key Resources</p> <p>Industry Experts: Access to excellent artists And well- trained staff with unsurpassed product knowledge.</p> <p>Online Platform</p>		<p>Channels</p> <p>Direct: Delivery of product and services</p> <p>Create Awareness: PR through key partners. Print, TV, Online media and Industry makeup artists</p>	
<p>Cost Structure</p> <p>Value Driven: Staff , overhead for website, COGS Advertising</p>		<p>Revenue Structure</p> <p>Subscription model or Pay-Per-Use</p>		

MANAGER PROFILE



Mr. Parveen Chandar- Sales and Marketing



Parveen Chander Kumar

to me ▾

Dearest Tanvi,

Let us schedule at 20:00hrs on 28th March 2021.

Wishing you the best with your future ahead



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Warm Regards,

Parveen Chander Kumar

General Manager and Area Director

Mar 30, 2021, 7:48 PM (12 days ago)

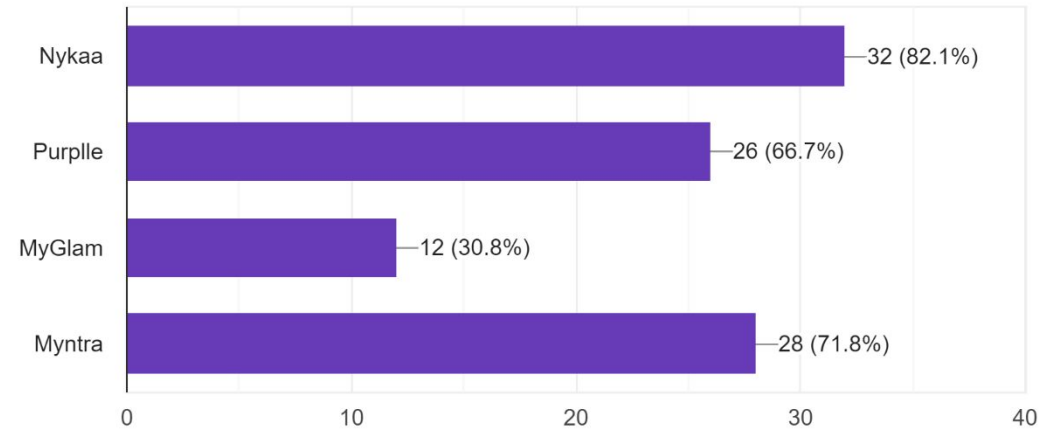


SURVEY

- ▶ Data set- 50 total (50-50 F/M)
- ▶ Non leading questions
- ▶ Purpose: To understand the priorities of a customer
- ▶ To find our certain biases and take advantage
- ▶ To check on brand awareness
- ▶ To understand reasons for non-users

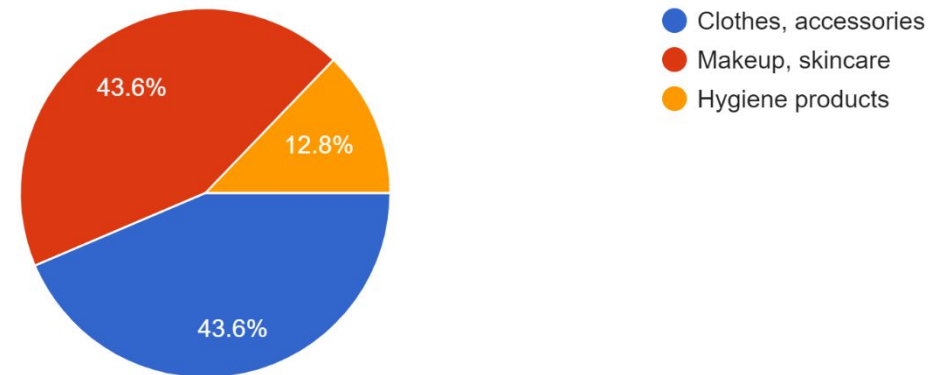
1. Which companies have you heard of?

39 responses



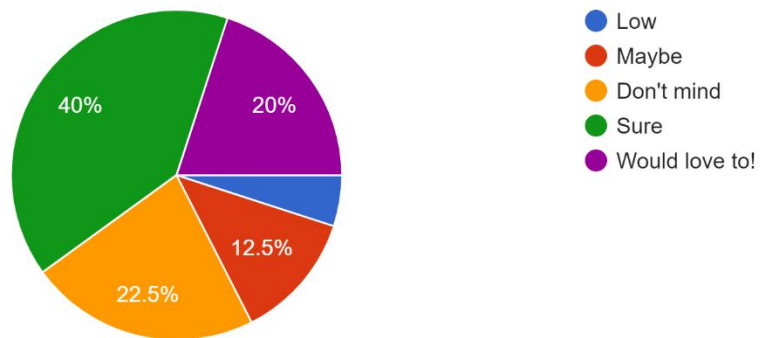
2. What do you mostly shop for online?

39 responses



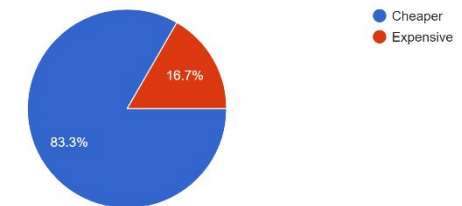
5. How open are you on a scale of 1-5 to try other ecommerce website that serve the same purpose as your favourite on?

40 responses



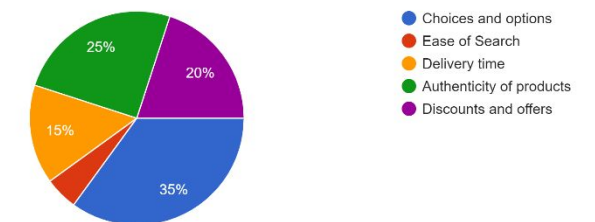
3. Do you think online products are more expensive or cheaper than going out shopping?

42 responses



4. What do you like the most about your selected brand of choice (as of ques 1)?

40 responses



Thank you