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Market to your customers directly!

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The Bazar Team would like to thank all the people, the microentrepreneurs in different parts of Mumbai who helped us learn about them and their way of earning a living for themselves and the people who depend on them. These people showed us a lot of love and we would like to thank them for the time, effort, and their belief in us that we were making a genuine attempt to understand their problems and were sincerely trying to build a better solution to make it easier for them to reach their customers in a digital realm. They believed in our sincere desire to understand their world and give our two cents to make it slightly more comfortable for them.

We would like to thank our advisor, Professor Steven Weber for his invaluable support and thoughtful comments throughout the process which served us to visualize *pragmatically* the goals that we were trying to accomplish through this project. And to our families, thank you for loving us and bearing with us through the late nights and busy days.

I. Executive Summary

After demonetization in India, there is a macro trend in the economy to shift toward digitization¹, especially amongst those who had been so far aloof from that realm. With this changing business landscape, small business owners who do not have resources or the technical capability to create an online presence are at the greatest risk of being thrown out of business by their larger competitors.

We designed Bazar with an aim to help small homegrown entrepreneurs and mid-sized business owners in developing economies who struggle with using technology and currently use workarounds like WhatsApp to reach their customers digitally. We aim to keep our solution so elegant and simple that these entrepreneurs - many of them who never finished college - could easily use to promote their business.

¹<http://economictimes.indiatimes.com/wealth/personal-finance-news/demonetisation-impact-decoded-gainers-and-losers/articleshow/55348597.cms>

II. INTRODUCTION

A. The Problem

There are millions of people in India today who have an internet enabled smartphone and are owners of some kind of a business operation. Many of these people are *not* tech-savvy. They do not know to build a website to promote their business and rarely use any other kinds of social media marketing tools to promote their businesses. As the current wave of demonetization is gradually showing its effects in the Indian economy, a lot of businesses are incentivized to offer a digital medium that their customers can use to engage with them.

Even when people shop from traditional brick-and-mortar stores, increasingly, a considerable proportion of people in the Indian economy are going digital to find and compare the product they are interested in with alternative options before making a decision to step out of their house. In this era, when oftentimes accessibility to a product in the digital realm is playing an even more important role in the sale of a product than the many other attributes of the product, we face a severe challenge that people who have good quality products may be deprived of reaching their customers due to lack of their online presence.

When big businesses and competitors spend millions on revamping their digital presence, these small business owners are at potentially at a great risk of being driven out of the market by their big competitors despite having high quality products to offer.

B. Current Solutions (or, the lack of it)

We were amazed by the fact that there currently do not exist any solution that directly caters to the needs of the people that we are targeting. Many of these business owners use technological inadequate workarounds to achieve their purposes in an inefficient manner.

The microentrepreneurs that we interviewed in Mumbai primarily use WhatsApp to send images of their products to their potential customers and engage with their customers to get orders. As WhatsApp is a chat application and was not designed to serve the purpose of acting as a marketing platform, which these entrepreneurs are using it for, there are many inefficiencies in doing so. There is a lot of messages going back and forth between the seller and the buyer for each transaction and chats often get very confusing when multiple images of multiple products are involved.

Services like eBay and Amazon have tried to popularize the use of online selling platforms and have created marketplaces that many people have tried to use. eBay, especially, has created a platform in the western economies that an average internet user feels comfortable to use to sell their products. These products range widely from garden equipment to cars, clothing apparels to furniture, and a lot more. Craigslist is another great example, whose simplicity and accessibility despite an archaic-looking interface makes it a popular choice for sellers and buyers in America.

Many technology geeks who are aloof from the social reality are amazed that Craigslist is still alive in 2017. These solutions have worked well for western countries like USA, but there are systemic differences in the users in America and economies like India. Most people in America, in addition to a smartphone, also own a large screen device such as a desktop computer, a laptop, or a tablet. In India there's a large proportion of homes today that own desktop computers and/or laptops, however these devices are solely used by the youths in the households and not so much by our target audience.

Even when slightly more sophisticated small scale business owners learn to use a computer, they do so primarily to use Excel to keep track of their accounts and inventories. However, these constitute a very small proportion of the users that form our target population. Although free website creation tools like Wordpress and Weebly are available to all, our target population is not so tech-

savvy to use them and realistically speaking cannot create their website solely by using their smartphone.

C. Our Solution

Our challenge was to create a solution for these people who only use and internet enabled smartphone, are not as tech-savvy as an average Craigslist or eBay user, and runs a business that needs to reach out to their customers in the digital space to give them a fighting chance in the face of the changing Indian economy. As we learnt from INFO 203², there is a bias against people who do not have full-fledged computers even for job applications. Nobody creates their resume on their mobile phone and even job sites and many times not fully operational on mobile devices and force users to log onto computers to complete their job application.

So we wanted to create a solution that could provide full functionality to people who only own a smartphone to use our solution to reach out to their customers. We wanted to keep the barriers to entry low and the flow as seamless as possible so that our users who currently only use chat messaging applications like WhatsApp and WeChat on their smartphone feel comfortable to use the solution that we design for them to reach out to their customers in the digital space. Keeping it as simple as possible was an ongoing challenge for us.

² INFO 203 - Social and Organizational Issues of Information is one of the four core courses of the MIMS program at the Berkeley School of Information

III. Market Research

How big is the market?

Our target customers are owners of homegrown businesses and small-and-medium sized businesses (SMBs). SMB sector is defined as businesses with employee strength up to 1000. There are 51 Million SMBs in India, of which 96.3% are micro-entrepreneurs (<10 employees), 3.4% are small enterprises (10-100 employees) and 0.3% are medium enterprises (100-1000 employees).³

SMBs provide employment to *116 million* people out of the *1.252 billion (9.26%) population* of India and contribute to **38%** of India's GDP - so the market is really huge! Conservatively speaking, even if Bazar is only able to solve this problem for just the textile sector, we would still be providing a solution to the industry that contributes 4% to India's GDP.

Digital Technology needs of SMBs

The solutions meant for large enterprises usually require heavy capital expenditure and IT infrastructure. Also, such solutions have multiple features which increase the complexity of the system and have a steep learning curve. Compared to large enterprises, SMBs use and adopt digital technologies very differently.

Potential for digital solutions for SMBs:

India has seen a considerable improvement in the mobile ecosystem in the past years and based on the trends, the following can be predicted -

- Use of smartphones by SMBs to increase considerably from 7.8 million in 2015 to near universal by 2020 as smartphones and tablets are available for low cost in the range of \$40-\$80.
- Use of broadband and mobile internet by SMBs to increase 7 million in 2015 to 30 million by 2020 given that there was a 2x increase in the average internet speed in 3 years from 0.9 mbps in 2011 to 2.0 mbps in 2014 to 7.0 mbps in 2017 and more than 70% reduction in the internet access prices.
- Use of mobile apps by SMBs to increase from 100 million monthly app downloads in 2014 to 400 million by 2020 (4x increase).
-

³ <https://www.slideshare.net/zinnov/digital-smb-powering-india-into-the-futurev4> (slide4)

Characteristics of such solutions:

- *Should be first released on the mobile* - Due to the high adoption rates of smartphones and mobile internet by the SMBs in India, the solutions should be developed over the smartphones' interface first.
- *Prioritization of ease over features* - To make the solutions as easy to use as possible, the feature set should be kept very simple giving the ease of use more priority over fancy and complex features.
- *Op-ex model of pricing instead of Cap-ex* - The pricing model should be designed in such a way that there is low upfront charge per customer but is recurring.
- *Low switching costs*: From the customer engagement point of view, the app should be able to provide high LTV (life-time value) to customers so that they are guaranteed to use the app regularly.

IV. User Research


A. Methods

We conducted field interviews across Mumbai with many microentrepreneurs who were very kind to speak with us on those hot sweltering afternoons in their shops and factories. We spoke with garment retailers, cloth merchants, wallet manufacturers, and kitchen equipment dealers. We learnt from them about the way they use digital tools to promote their businesses. They showed us the usually cluttered WhatsApp chats that they had with their customers wherein they would send across a bunch of different product images to their customers and the customers would then engage with them about the products that they would be interested in.

User Personas

1. Dadar-based Garment Wholesaler: Keyur *bhai*⁴, as he is referred to in his business circle, is a 47 year-old businessman based in the Dadar suburban area of Mumbai. He has a workshop where his team of 22 employees work on designing and manufacturing garments which Keyur *bhai* wholesales across seven states in India. Keyur and his team of two salespeople send about 25 pictures of their products to about 80 customers every week or two.

Keyur Bhai



"I would like to reach to my customers by putting in the least amount of efforts."

Age: 47
Work: Garment Wholesaler
Family: Married with 2 kids
Location: Mumbai, Maharashtra

Personality

Introvert	Extrovert
Analytical	Creative
Conservative	Liberal
Passive	Active

Goals

- To be able to target the right customers.
- To be able to reach out to the targeted customers easily.
- To not clutter the end customer's whatsapp by sending a large number of pictures.
- To be able to provide a user friendly experience to the end customer by providing .

Frustrations

- Keyur had to employ 3 salespersons just to send pictures of the garments to his customers.
- They send 30 or more pictures to 80 or more customers every week via Whatsapp.
- Since they are not so tech savvy, they find Whatsapp feasible to share the garment pictures with their customers..
- But the current method demands more time and effort and is not a good user experience for their end customers.

Bio

Dadar-based Garment Wholesaler: Keyur bhai, as he is referred to in his business circle, is a 47 year-old businessman based in the Dadar suburban area of Mumbai. He has a workshop where his team of 22 employees work on designing and manufacturing garments which Keyur bhai wholesales across seven states in India. Keyur and his team of two salespeople send about ten pictures of their products to about 80 customers every week or two.

Motivation

Incentive	High
Fear	Low
Achievement	High
Growth	High
Power	High
Social	Low


Preferred Channels

Whatsapp	High
Annual retail conferences	Medium
Referrals	Medium
Guerrilla Efforts & PR	Low

⁴ *Bhai* means brother in Hindi and it is a colloquial way of addressing a respectable person in the community.

- Kandivali-based housewife: Jaya is a 35-year old housewife who makes snacks and chocolates in her free time and sends photos of her products to her social circle of potential customers on WhatsApp.

Savita Kulkarni
Xtersio



"I have the time and the talent and would want an easy way to sell my products to the people I want."

Age: 50
 Work: Homemaker
 Family: Married with 3 kids
 Location: Delhi, India

Goals

- To be able to make products at her own pace and sell it to the customers she wants to.
- To be able to choose her customers based on her own personal circle.
- To be able to share pictures of her products without a hassle and not use technology much.
- Or an experience to be felt.

Frustrations

- The frustrations this user would like to avoid.
- The obstacle that prevents this user from achieving their goals.
- The problems with the solutions already available.
- The product or service that currently does not exist.

Bio

Savita is a married lady with 3 kids. She is not very tech savvy and uses her phone for basic functionalities like making calls, sending messages via Whatsapp, clicking photos etc. She is a talented lady with skills in tailoring clothes, cooking, painting etc and would like to utilize her skills to make money for herself. This would make her more confident and self-independent.

Motivation

- Incentive
- Fear
- Achievement
- Growth
- Power
- Social

Preferred Channels

- Whatsapp
- Referral
- Guerrilla Efforts & PR

Personality

Introvert Extrovert

Analytical Creative

Conservative Liberal

Passive Active

B. Findings

On doing our user research, we reckoned that the following priorities were important for our target users -

- It should be easy to upload pictures of the products.
- The customers of our target users should be able to view the products on any internet-enabled device.
- They should be able to create collections of products and share those collections with their customers.
- Customers should be able to have a seamless experience in sharing their product offerings with their clients.
- Customers should have an easier way than using WhatsApp for sharing their product offerings to their clients by having streamlined processes in doing so.
- Customers should be able to reduce the operational inefficiency by a considerable amount by reducing the time and effort that is spent in sharing individual images to each customer on WhatsApp.
- Clients of the customers should have a simple and user friendly end-to-end experience in viewing the products sent to them.
- Our users should be able to figure out which of those products are liked by the customers so that their conversations can be tailored to just those specific products.

V. Design Process

We applied the techniques of design thinking to our process of coming up with a solution for the micro-entrepreneurs and small sized businesses.

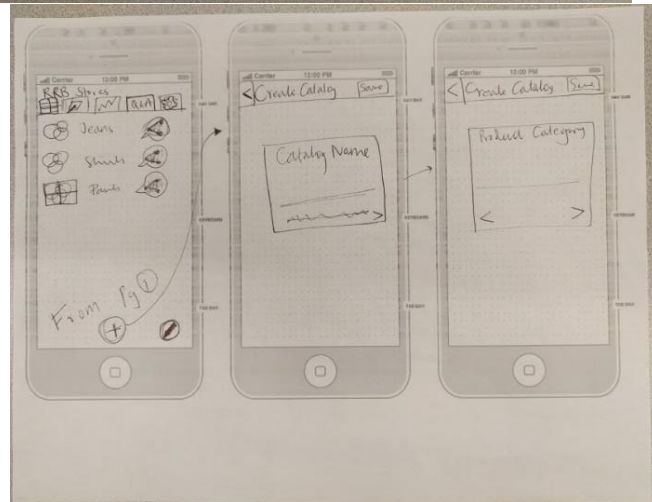
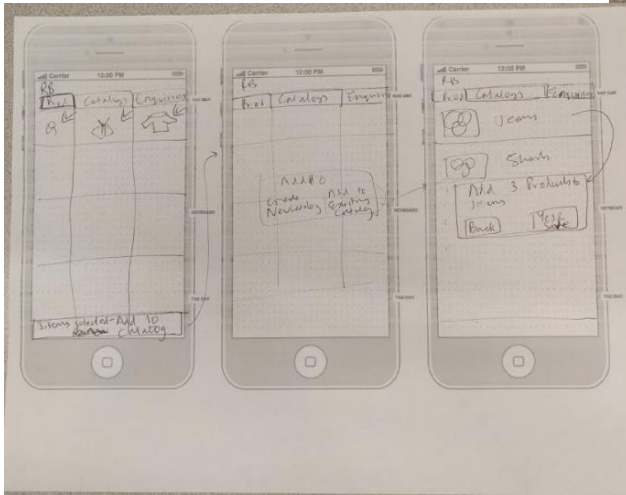
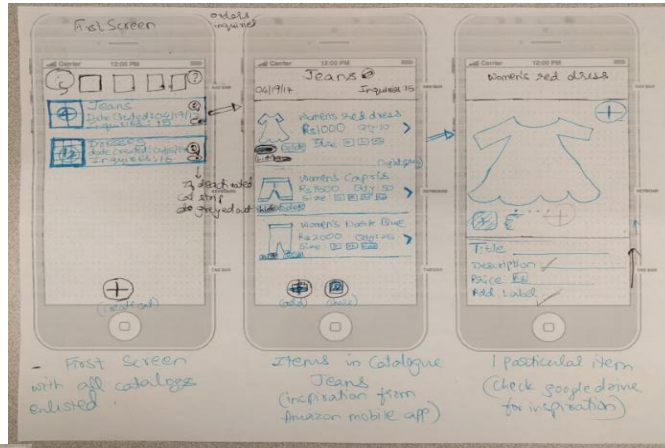
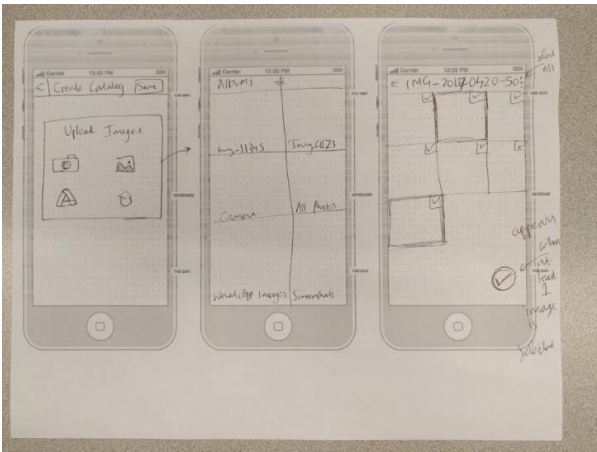
Based on the interviews that we had done, we did a lot of storyboarding to sketch out the problems and understand the priorities of these people

We did paper prototypes to quickly verify the user's ideas about the solution and we spent some time building the low-fidelity prototypes and iterated over it several times until we could tailor it to satisfy our user's needs and excite them about the possibilities that they could achieve using our solution.

In the next few pages, we walk you through some of the low- and high- fidelity prototypes that we made during our design phase.

A. Paper Prototypes

Paper prototypes helped us quickly envision how our solution would look like and helped us to chalk out our assumptions and biases and change them as we went along.



B. Low-Fidelity Prototypes

We used Balsamiq to create these low-fidelity prototypes.



Create Catalog - product category



Jeans Catalog



Home Screen



Create Catalog - catalog name



all catalogs



First screen



Jeans catalog mockup



Create Catalog - Select Images from Gallery

C. High-Fidelity Prototypes

Below are the high-fidelity prototypes that we created to ideate a solution for our users.



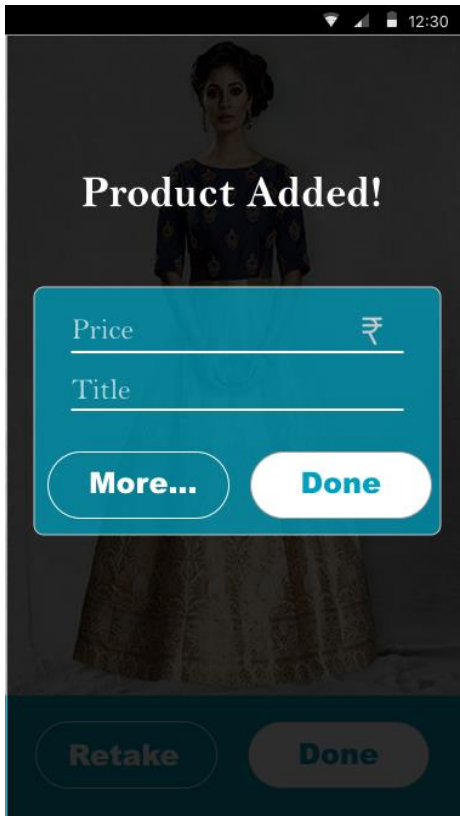
First Logon Screen

On this screen, the user is told that they can upload a product's photo and start sharing it with their customers



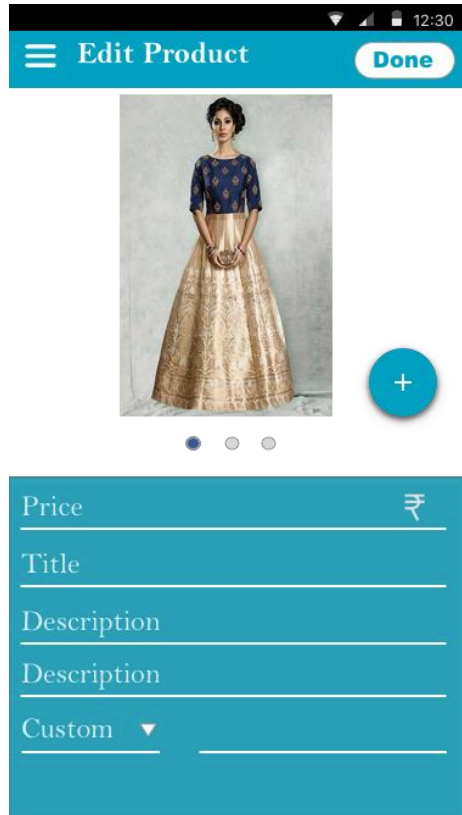
Product Photo Screen

On this screen, the user takes a photo of their product



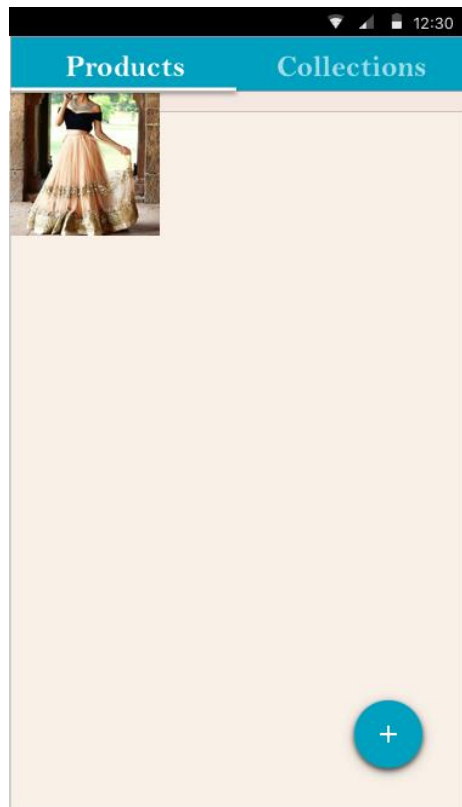
Add Product Details

The user adds price and title of their product after taking its picture



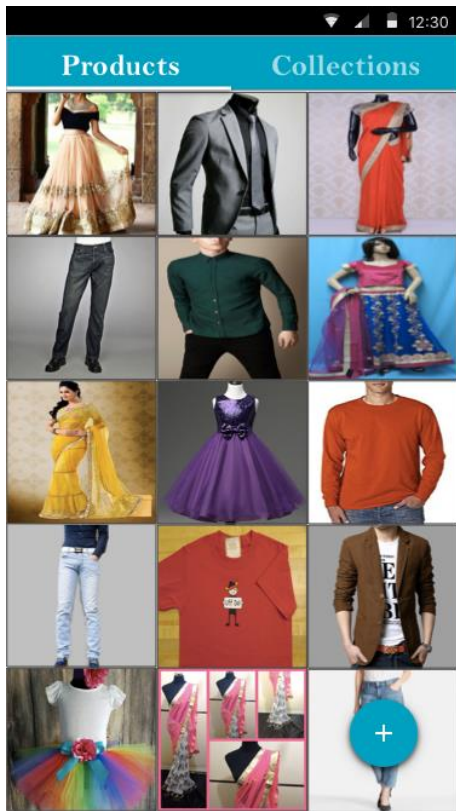
More Product Details

The user can add more product details as per their needs

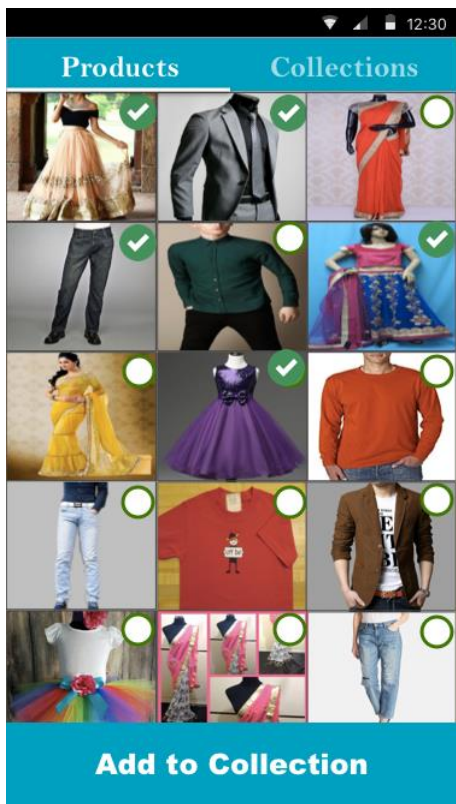


Product Page

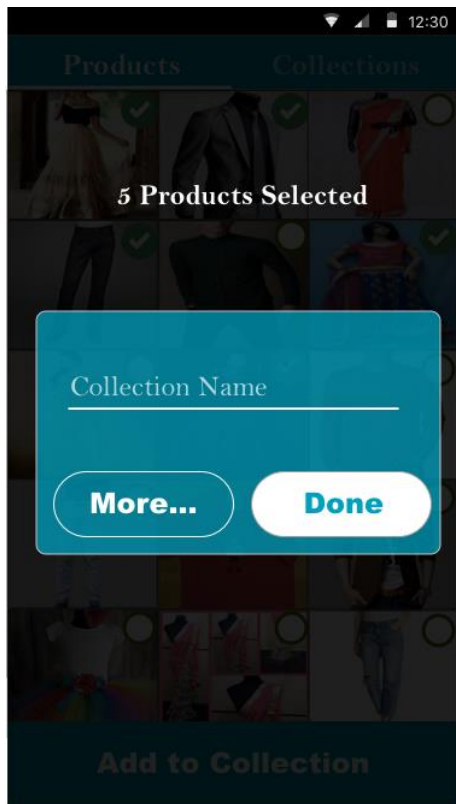
The user can see all the products they have added



Product Page
With many products added

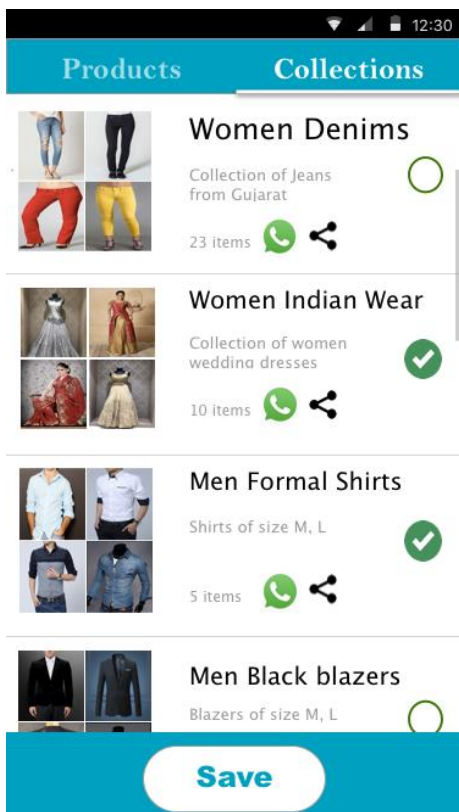


Selecting Product to add to Collection
Individual products can be selected to be added to a collection



Creating a Collection

Individual products that were selected are added to a collection



Collections Screen

All user created collections are here that they can share with their customers through WhatsApp or other means

VI. Bazar's Business Model

As we aim to promote Bazar for the social good of the Indian society and would like to generate funds to sustain its operations and, more importantly, to transform Bazar as the demands and needs of the society change gradually, we pressed ourselves to think of a business model that would incentivize even really small business owners to give it a try and larger businesses to pay a small monthly subscription fee for the benefits they get from the app and to support its ongoing evolution.

In order to accomplish, our two-fold goal we thought of a scaled subscription-based model - wherein small businesses who have less than 5 customers viewing their products at any given time, could use the app for FREE. Any additional customers trying to view their products will see a message that the product page has reached its maximum capacity at the moment and ask them to check back again in sometime.

A second-tier offering, which we expect most of our users would purchase would be those business which need more than five but less than fifty parallel users would have to pay a monthly subscription fee of Rs. 500 (USD 7.7, roughly). And a third level offering would be unlimited parallel users for Rs. 999 (USD 15.5, roughly) per month.

VII. Next Steps

Our next steps would be to develop and launch this app in the market and see how users are using it and then iteratively improve the features of the app that would make it even more popular amongst its users. Since this app was mainly targeted to Indian economy, we could later scale it up to expand to neighboring countries like China and also to East Asian countries like Thailand and Vietnam.