

Executive summary:

sMarket is a grocery shopping mobile application, which provides information about groceries and offers grocery delivery.

The product is still in its early stage (ideation – validation), the project is about assisting sMarket in product validation and market research, which will give sMarket a better view on its best opportunities that can be acquired in the market, and then based on the findings, the beachhead market will be assigned, in addition to the design of the best approach to address the first users, including sales strategy, and the draft of marketing and brand essentials.

The consultant will help clarifying the relevant product market-fit and help the company in identifying the best approach to reach the desired positioning, in addition to finding a convenient method for communicating the product value with the desired audience.

Project stages description:

The consultant went through the following steps towards the completion of the project:

- Hypothesis drafting and validation: with the product team, the consultant listed the hypothesis on which the product idea came to the light. The hypothesis included suggested pain points of the potential users related to grocery shopping, in addition to assumptions related to collective grocery shopping related behavior, in addition to a suggested list of market segments who could represent the potential users of the application.
- Hypothesis testing: the chosen methods for hypothesis testing were a quantitative assessment with a wide group of 220 online grocery shopping and eaters with special dietary needs, and a qualitative assessment in the shape of in-depth interviews with 30 chosen individuals who belong to the identified market segments. the testing tools were a survey of 12 questions, and a questionnaire of 82 questions that took around 90 minutes to conduct for each participant. The desired outcomes of the testing were to validate the hypothesis, collect customers pain points, collect customers insights, and acquire deeper understanding to the needs of people who use online grocery shopping and have special dietary needs.
- Market assessment & Barriers to market entry: after testing the hypothesis and collecting pain points, came the time of knowing the atmosphere which the product is going to compete in. the initial market for the product was decided to be Berlin and Budapest. the next step was

to conduct a desktop research to have a clearer idea about the market size, market trends, and the barriers to market entry which the product will encounter. The desired outcome of this stage was to know the amount of work to be done to establish the footprint in the very saturated selected market, in addition to identify the profitability opportunity of sMarket.

- Competitor analysis: after confirming the profitability opportunity in the selected market, which turned out to be a busy market that is growing rapidly, the next step was to assess the market key players and competitors and their business behavior. The desired outcome from this step was to identify sMarket competitive advantages and disadvantages, to be more capable of knowing the unsatisfied needs of the market, that can be met with sMarket offerings. The competitor analysis showed that the market is highly fragmented between several businesses who vary in size and approach. In addition to showing the amount of enhancement of the online shopping services that took place amid Covid-19 breakout. In addition to the several emerging players with innovative offerings who took great market shares by storm. All these elements indicated the high need to entering the market as soon as possible, to start operating before the competition gets fiercer.
- Go-To-Market strategy: after concluding the unique selling points and key features of sMarket in comparison with the competitors and their offerings, and after researching the market and identifying the competitors to focus on, the next step was to find the best approach to entering the market strongly by drafting a robust GTM strategy. Two key segments were selected to be the beachhead market, and the approach of 4Ps (Product – Price – Place – Promotion) was adapted for drafting the strategy. Starting with the product and identifying the brand essentials based on the customers insights from the testing phase, the brand was preferred to position the product in the role of a healthy eating assistant. Afterwards, two personas were drafted, also based on the market insights. The optimal price for the service was optimized based on comparing the competitors prices with the value they create, and based on the financial plans of sMarket, which relied only on the subscriptions as a revenue channel. And next, the promotion plan was drafted to target the selected beachhead market segments online and offline to make sure of recording the needed volume of subscribed users, by targeting them in the locations they practice their daily activities in. and finally, the place of presenting the value was identified to be the internet, where most of the value is created, in addition to the telephone touch point between the customers and the customer service, and finally on the customers doorstep where the delivery took place.
- Sales strategy: after identifying the shape that represents the products value, and the channels to communicate it with the potential customers, the time came to chose draft the

sales strategy in a way that can insure the start of recording profits in year 2 of the product life. The marketing 3Cs framework was chosen for the strategy (connect, convert, continuously engage), as it is the best approach for online business for the amount of control it gives to before, during, and after sales. Strategic KPIs were identified based on the profitability plan of sMarket, in addition to sub-KPIs for each of the 3Cs to insure the desired level of performance. The strategy drafting highlighted the importance of loyalty program, as the customer stickiness is key for sustainable profitability of such a business model. And after identifying the approach, the final step was to draft the action plan of sales activities, which was listed on a detailed customer journey, and divided on the three kinds of media, earned, owned, and paid.

With the completion of the last step, we tested the accuracy of the hypothesis, recognized the atmosphere in which the business will compete, identifying the key players and how to address them, identified the key competitive opportunities of sMarket, and to whom we should present it. Afterwards we drafted the shape that we want the product to be recognized by, and the methods to communicate it to the desired recipients, and after we established the communication, we finally derived the best way to capitalize on it in.

Key learnings:

- The high importance of customer insights in identifying the best approach of drafting the product. All business should start establishing their beta community from their early stages of starting the business, and consider them a cornerstone for the business stone.
- The methods of testing and assessing the markets and competitors, and the significant importance of finding the proper potential footprint of the product.
- The significantly challenging ecosystem of online applications business, which encounters the threat of short life span if it was not kicked off based on a validated theory.
- The impressive attitude of the key players in response to the pandemic, which taught me the importance of high speed in implementing the innovative ideas, as the life span of market opportunity is too short, especially in hardships.
- The impact of the right selection of the GTM strategy framework, and the proven compatibility between the 4Ps framework and technology businesses.
- The customers nights should be considered in every step from the start to the end of the life business span.
- Unique offerings can sometimes beat big investments, only if the business planning was convenient to the market and takes on consideration the right USPs to build on.