

# CBC Business Model Proposal

Preliminary Round Business proposal

## *Restaurant Champion Mobile App*

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Filled by mentors:

Level of Recommendation					
Initial					

## Summary

Our product includes a mobile-app and a web-app that enable Chinese restaurant go-ers to order dishes and pay in advance at a discount, as well as to get personalized recommendations on restaurants dishes. For the restaurant owners, our product provides data analytics on trending dishes and diners' experience.

## Problem

Today, if you go to a popular restaurant in a first-tier city in China, such as the Wai-Po-Jia chain in Hangzhou, you will typically have to wait three times. At first, you will wait around one hour in the long line to be seated. After that, you will spend time making decision on which dishes to order, and wait for the dishes to be cooked. At last, you will wait the waiter to process your bill. Wait is very user-unfriendly and a customer could have been shopping, touring around instead.

In addition, restaurant discovery has been dependent largely on word-of-mouth. The fact is, a major reason for going to a particular restaurant is for its specialty dishes. However today restaurants rarely keep detailed log of dishes ordered. This important information get lost easily through friend's verbal referrals. By using cloud technology to process online dish ordering data, accurate recommendations can be given.

On the other hand, restaurants maximize their revenue by increasing the turn-around rate for each table. The time consumer spend ordering dishes and paying bills is wasted time, which could otherwise be used to feed more diners and therefore generate more revenue.

## Solution

Our solution include a website and a mobile app, and has following core functions:

- Enable user to reserve table, order dishes in advance. If the user choose to optionally pay in advance, the cost may be at a discount compared to ordering at the restaurant.
- Recommend restaurants to customers. *"Users who went to A restaurant also enjoyed food at B restaurant, particularly dish C there."* The recommendation is done using dish-order data of peer restaurant go-ers, similar to Amazon's shopping recommendations.
- If the user has to wait in line to be seated, the mobile app will push user notifications to customers on remaining waiting time, during which customers can do something else instead of waiting.
- Provide data analytics and feedbacks to restaurant owners. The analytics report is generated based on dish-ordering data. This enables restaurants to have a methodical approach in judging new dishes, trending dishes, and customer experience. The web-app will provide easy interface for restaurants to upload/update menu items.
- Allow restaurants to offer a fully personalized dining experience, such as waiter greeting with customers' names, chatting on customers' previous dining experiences, or knowing in advance customers' dietary preferences. This personalized user experience will help build brand loyalty.

While we do not expect restaurants to drastically change their process, which has been the same for the many past centuries, we do believe restaurants are open to increasing revenue and improving customer experience. Our solution will create direct value for both of these goals.

## Competitions & Differentiation

Our apps differ from current competitors in the following ways:

- Extremely easy-to-use interface for restaurant go-ers and restaurant owners. For restaurant go-ers, our apps allows users to have a very enjoyable online dish ordering experience. For the restaurant owners, it allows them to upload/update menu items very easily, and to search analytics about dishes or guests easily. Our web-app will use responsive front-end technology including javascript, CSS, and/or HTML5.
- Accurate recommendations engine algorithms, which takes dish ordering data, will use Hadoop cloud computing framework to do fast pre-processing, and generate relevant recommendations results.
- A mobile app, which allows users to discover restaurants, deals, and order dishes during their fragmented time. The mobile app offers many other unique advantages, such as location-based recommendation, push notifications on remaining wait time, and potentially to track if the user was physically at the restaurant.

My team has previous experience working at Google and various start-ups, in developing back-end algorithms, recommendations engine and user interfaces.

## Marketing

Our target restaurants: rising or popular chain restaurants in first-tier cities in China.

Our target customers: young, tech- and financially-savvy, white-collar restaurant frequenters.

We will use mobile apps to publicize our product. Imagine at a participating restaurant, when a new user is waiting in line to be seated, he will be offered instructions by the host on how to order in advance with his mobile phone in order to save time waiting at the table. Our mobile app will estimate the waiting time, and push text notifications on the remaining wait time straight to his smart phone. As users engage with our mobile-app in store, we will inform users of the web-app.

## Cost & Revenue model

Costs (1st year):

- Developer cost to the web and mobile-apps. However the co-founders can build the first working beta. Thus we can bootstrap this cost at the beginning. (\$ 0)
- Server and storage hosting cost for web- and mobile-app. (\$ 3000)
- Business cost of getting the restaurants to test-use our web and mobile-app. (\$ 5000)

Revenues

- Revenue will generate from commissions, paid by restaurants, resulting from each successful referral (5%).

Coverage	One 1st-Tier City	All 1st-Tier Cities	All 2nd-Tier Cities
Annual Revenue (RMB)	¥ 2,463,750	¥ 7,391,250	¥ 14,166,562

Some mechanisms must be placed to minimizing cheating the system from both the restaurant go-ers and the restaurants. A user must provide a valid credit card in order to use our service. The user who ordered in advance will use a passcode to redeem their deal at the restaurant. The user will also be encouraged to check-in, and to submit reviews after their dining experience.

## **Vision**

Our vision is to revolutionize the restaurant experience for customers, and generate more revenue, knowledge, and brand-loyalty for restaurant owners, and other wait-time heavy/reservation-possible services. Eventually, we want restaurants to cook food in advance to further streamline the ordering process. In the U.S., such model has succeeded with food delivery and pick-up services. This feature requires additional commitment from users. We need to weigh the commitment vs. flexibility preference of customers.