

Customer Problem:

As climate change has become an increasingly prevalent issue, the need for a quantifiable measurement of greenhouse gas emissions per individual has skyrocketed. The term “carbon footprint” is defined as the measurement of total carbon dioxide emitted by an individual, corporation, or entity. Single-use plastic is a major contributor to the emission of greenhouse gases in the United States. Each year 100 billion plastic bags are passed along by U.S. consumers. Not only are 12 million barrels of oil used to develop the bags but for the average of 12 minutes that each one is used, over 100,000 marine animals are killed. The initiative to reduce the use of plastic bags has been implemented in many states. However, most supermarkets still provide single-use plastic bags to consumers shopping for meat, fruits, and vegetables. In 2017, Americans used approximately 390 million plastic straws a day, most of which ended up in our oceans. More than one million seabirds die each year because they mistake these plastic straws for food. Consumers are unwittingly harming the environment.

Service:

GivingTree is an app that can track an individual’s carbon footprint concerning their consumption of single-use plastic. The app includes a carbon footprint calculator, daily tips such as organic food alternatives, current local and global environmental news, and interactive games for the younger family members. In addition, the app rewards consumers, via a point system, for making eco-friendly choices. Consumers are rewarded points when they purchase eco-friendly products through the GivingTree. With the points, consumers can claim a gift card of their choice from a selection our company offers. They are also rewarded points when they utilize the barcoded reusable bags purchased through GivingTree when they’re shopping at supermarkets. GivingTree will motivate its users to incorporate sustainable eco-friendly habits in their lifestyle, contributing to the goal of protecting the environment and ending pollution.

One Line Pitch:

Give Back, Get Back, Go Green

Company Overview:

GivingTree provides consumers an eco-friendly roadmap to a greener and cleaner environment. The carbon footprint calculator, daily tips and environmental news guide the user to a healthier lifestyle. The shopping section enables consumers to purchase sustainably sourced eco-friendly products from various companies. These companies will advertise their brands via GivingTree’s website. Consumers are rewarded points when they purchase products through GivingTree. One product is a reusable barcoded shopping bag that replaces single-use plastic bags supermarkets provide for meats and produce. We’ve partnered with Organic Cotton Mart to sell and distribute the reusable bags. When a consumer purchases a reusable bag through GivingTree, Organic Cotton Mart will barcode the bags prior to shipping. The barcode is scanned when a consumer

checks out at a supermarket partnered with GivingTree. Points are awarded to the consumer's account whenever they use their bags. Users accumulate points when they buy products on the website. The points awarded depend upon the product. Consumers have two options when they accumulate 40 points. The first option offers a choice of a gift card from a selection of partnered vendors, such as Lush and Mrs. Greens. The second option allows the consumer to continue to accrue points for a gift card of greater value. Today's youth is very aware of environmental issues. The interactive game section makes environmental awareness fun and engaging.

Target Market:

GivingTree targets a diverse socioeconomic demographic of consumers who utilize the internet for their shopping needs. The internet is a useful tool for increasing environmental awareness. GivingTree provides content that addresses consumers' interests and concerns relevant to their health and the environment. The variety of partnered vendors aligns with their shopping needs. Today's youth is internet savvy. They can be exposed to environmental issues whenever they access the internet. Younger family members often influence the choices a consumer makes when shopping. Cognizant of the role they play, we include this population in the demographic our company is targeting. The GivingTree game section educates users in a fun and engaging way. Knowledge and environmental awareness is shared when friends join in game playing. The broader demographic affords the company the opportunity to expand the GivingTree customer base. The shopping and point reward system will be available in Westchester County NY initially. The informative and game sections will be available nationwide. GivingTree's firmographic targets supermarkets, and companies that manufacture or sell eco-friendly, sustainably-sourced products. Partnered supermarkets benefit from the expansion and retention of their customer base. Partnered vendors benefit from having a platform to advertise and sell their products. Collaborative partnerships benefit consumers by providing means to a healthier lifestyle and environment.

Sales and Marketing Strategy:

Our three-phase marketing strategy spans three years. GivingTree will go live in January 2021. A small pilot will address any app or system deficiencies. The pilot's successful completion will initiate Phase 1. We'll attend environmental trade shows, as they're effective forums to advertise GivingTree. In March 2021, GivingTree will exhibit at the Natural Products Expo, which focuses on sustainably sourced products for the home. We'll promote the GivingTree reward system, and procure additional vendor partnerships. Throughout Phase 1, we'll expand our partnerships with supermarket chains to increase consumer utilization of the barcoded bags. Social media tools, such as Facebook, will be used in our advertising campaigns. Initially, we'll collaborate with smaller influencers who'll sponsor GivingTree. In Phase 2, GivingTree will exhibit at the Waste Management-Recycling Expo in January 2022. We'll demonstrate and promote the use of our barcoded reusable bags. Advertising will continue via social media

platforms as we expand our sponsor base. Consumer feedback will be utilized in our procurement of more vendor partnerships. Phase 3 will focus on the development of sponsor relationships with larger influencers in the health, fitness, and travel industries. A sponsorship from Emma Watson and Leonardo DiCaprio will be solicited, as both celebrities are well-known environmental activists. We'll continue to exhibit at environment relevant trade shows.

Competitive Advantage:

The points reward system and barcoded reusable bags are unique to GivingTree, giving it its competitive advantage. No other environmental app provides this incentive or product offering. In today's competitive market, consumers are more likely to patronize a company offering an incentive or bonus for their patronage. GivingTree fosters that ideology by offering a free subscription to the app, and rewarding consumers for their active participation in conserving the environment. Consumers are more likely to utilize GivingTree because membership is free. Consumers accrue reward points whenever they purchase and reuse the barcoded shopping bags, available only through GivingTree. The reward system motivates consumers to purchase products that align with their environmental advocacy. Offering a wide range of sustainably sourced products, options for reward redemption, and a varied selection of vendor gift cards to choose from, further enhance the consumer's shopping experience. GivingTree daily tips, environmental news, and game sections provide a guide for a healthier lifestyle for the environmentally conscious. It initiates the education process for those at the opposite end of the spectrum, who are unaware of their adverse impact on the environment. GivingTree provides the roadmap to help them along a path to making healthier lifestyle choices. The collaborative partnerships with GivingTree afford product vendors a platform to reach a large consumer audience.

PLEASE DESCRIBE YOUR START-UP COSTS, AND EXPLAIN HOW YOU CAME UP WITH THEM:

Our start-up strategy keeps GivingTree financially solvent. To determine our start-up costs, we researched the internet and interviewed industry professionals. Using our home office for our work environment negates office space rent. Our utilities, electricity, and phones, are budgeted for \$2,000. As GivingTree is an app, it's prudent that we invest in the latest computer technology, costing \$3,000. We've slated \$3,000 for office supplies and equipment, such as a printer, paper, and pens. Our professional fees amount to \$4,469, which covers lawyer, accountant, and patent fees. Having interviewed a professional app developer, we budgeted \$55,000 for research and development, and end-user support. Website maintenance amounts to \$8,300, incorporating the online store setup, backend user database, and a customized app for iPhone and Android phones. Social media platforms are excellent marketing tools. We're

investing \$13,000 for marketing costs for smaller influencers on various social media platforms, and ads on Facebook and Instagram. While trade shows are costly they are effective. GivingTree will be advertised as an exhibitor, and the exhibition booths will provide advertisements as well. We budgeted \$33,588 for the first trade show. The cost includes trade show fees, booth design and construction, transportation, hotels, and food. Gift cards are budgeted for \$30,000. 10% of our total start-up costs, \$15,235.70 is allocated for any unexpected expenses.

PLEASE EXPLAIN HOW YOU CAME UP WITH YOUR EXPENSES. HOW DID YOU DECIDE HOW MUCH TO SPEND ON EACH ITEM?:

In determining our 3-year financial plan, we did extensive research. For Year 1, \$55,000 is allocated for research and development and end-user support. Continuous enhancements are essential to GivingTree's growth. We've allocated \$10,000 and \$10,400 for Year 2 and Year 3 respectively. The additional \$400 accounts for inflation, as advised by a professional Manhattan-based developer. Our Year 1 budget for office supplies and equipment is \$3000. Furniture isn't necessary. We've budgeted \$1500 for Year 2 and \$1500 for Year 3, for office supplies. Since GivingTree is an app, it's prudent that we invest in the latest computers and technology. \$11,300 is slated for Year 1, \$10,000 for Year 2, and \$12,000 for Year 3. It's pertinent to hire a lawyer to submit the company's legal documents in Year 1. We've budgeted \$3500 for the lawyer. We anticipate legal fees to be lower for the second and third years, as the lawyer will be retained as needed. We've allocated \$2000 for Year 2 and \$1500 for Year 3. In Year 1, our slogan copyright fee will cost \$400, and our trademark fee will cost \$69. We'll hire an accountant to file our annual taxes for Year 1 through Year 3 at a cost of \$500 yearly. The professional services and fees for Year 1 are \$4469. For Year 2 the professional fees amount to \$2500, and \$2000 for Year 3. The professional fees include both the lawyer and accountant fees. We've budgeted \$13,000 for advertising for Year 1 as well as Year 2. \$12,000 is allotted for small influencers, based on 10 promotional posts monthly. \$500 is slated for Instagram advertising at a cost of \$5 per 1000 views. \$500 is slated for Facebook advertising at a cost of \$7.19 per 1000 views. In Year 3, our advertising budget increases to \$32,834. Our budget for Instagram and Facebook advertising remains at \$500 each. We've budgeted \$18,000 for advertising on Snapchat, from January through June, at \$3000 monthly for a personalized Snapchat filter promoting GivingTree's brand. We've allotted \$13,834 for larger influencers to share 10 posts and 12 videos on their social media platforms throughout Year 3. GivingTree will exhibit at two trade shows yearly. For Year 1, the two trade shows total \$33,588, inclusive of trade show fees, exhibition booths, transportation, food, and hotels. For Year 2, the cost increases to \$38,626.20 at a 15% inflation rate. For Year 3, the cost increases to \$44,430.13 at a 15% inflation rate. \$30,000 is allocated for reward gift cards for Year 1, based upon projected consumer activity. For Year 2, we've budgeted \$34,500 for gift cards, as we expect GivingTree's customer base to grow. With expected growth for Year 3, we've increased the gift card budget to

\$39,675. We've budgeted \$2000 yearly for home office utilities. Our team will forego a salary in Year 1. For Year 2, we've budgeted \$6,000 each for the CEO and CMO salaries, totaling \$12,000. For Year 3, each salary increases to \$12,000, totaling \$24,000.

PLEASE EXPLAIN HOW YOU DETERMINED YOUR REVENUE. HOW DID YOU PREDICT HOW MANY PRODUCT UNITS YOU WOULD SELL OR CUSTOMERS YOU WOULD SERVE? DID YOU PREDICT CHANGES IN REVENUE AFTER YEAR 1? WHY?:

GivingTree generates revenue via three sources: advertisements, add-free alternatives consumers purchase, and a broker percentage for each partnered vendor product sold through GivingTree. Our initial demographic target is Westchester County in New York, with a population of 967,506. We conducted research to determine the number of people in Westchester County who are environmentally conscious and apt to use GivingTree. Our survey results indicated that 59.2% of the population is environmentally conscious, totaling 572,763.55 people. To set our consumer baseline, we took 3% of the Westchester County environmentally conscious population, totaling 17,182.90. We were conservative in establishing our base because GivingTree is a start-up company. To determine our broker revenue, we projected the sales from the seven companies that partner with GivingTree. Burts Bees 6 month sales totaled \$1,269,000,000. Our projected 6 months revenue amounts to \$5,177.52, based on an 8% broker fee and conservative market share. Our annual revenue amounts to \$10,335.04 for one large company. We multiplied the total by 3 as we're partnered with three large companies, totaling \$31,065.12. We took a third of the \$10,335.04 for each of our 4 smaller companies, totaling \$13,780.60. The revenue amount from all companies totals \$44,845.72, which is 8% of the \$560,572 projected partnered vendor revenue. In Year 2 and Year 3, we increased the amount conservatively by 6%, representing sales growth. In Year 2 we anticipate our partnered vendor revenue to total \$594,207, and \$629,859 in Year 3. In Year 2, based on 8%, our projected profit revenue totals \$47,536.56. In Year 3, our projected profit revenue totals \$50,388.72. Five companies will purchase ad space on GivingTree's website. We expect 1,000 monthly visitor clicks, totaling 12,000 per year. This was determined by the average start-up website visitor clicks on banners and ads. We looked at Pandora, Youtube, and Facebook's average dollar per click on an ad. We conservatively chose to charge \$1.20 per 1,000 clicks. We multiplied \$1.20 by 12,000 to get the annual amount of ad clicks per company, amounting to \$14,400. This number was multiplied by the 5 companies, totaling \$72,000. In Year 2 and Year 3 we increased the amounts by 15% for the growth of GivingTree's website consumer base. In Year 2 we're projected to make \$82,800 and \$95,220 in Year 3. We researched the number of consumers who buy the ad-free version which was 3%-7%. We chose 7% of our 17,182.90 consumer base, totaling 1,203 consumers. We researched the average amount consumers pay for ad-free versions which is \$4.50. We multiplied 1,203 consumers by \$4.50 to determine the revenue generated from the ad-free purchases. Our profit revenue totals \$5,412.61, derived from multiplying 1,203 by \$4.50. In Year 2 and Year 3 we expect a 15% consumer growth rate. In Year 2 our company plans to have 1,383 consumers, and 1,590 consumers in Year 3.