

The proof of a good  
idea is others believe  
in what you're doing

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There are many pricing assistance apps for the online marketplaces in the country but there are hardly any app for assisting the consumers about the prices and offers being offered by the offline vendors.

Sensing the gap out of his own experience of paying a food bill through credit card in a restaurant, Mumbai-based Hemant Meka Rao decided to launch an app, called NearU to help consumer track the right offers across different categories along with offering an online platform for the retailers to captivate the consumers while saving their heavy spent on traditional marketing channels like flyers, hoardings, print, radio, TV ads, mailers and sms.

Briefing about the venture Hemant Rao, Founder and CEO, NearU Mobile Pvt Ltd. spoke to Entrepreneur. com.

What inspired you to launch location-based mobile app for discovery and deals?

It all started with my personal experience when my wife and me were having dinner at a restaurant and I paid by credit card. When I walked out, I realized that another credit card had a 10 per cent off. I thought it wouldn't be nice if there was an app that curates all the deals and offers at the location and I am at.

From that, it just grew and as I started looking at that, I started to see that it's more than just credit card deals, its sales, happy hours, and more. And as we understood the space more, we realized how difficult it was for retail stores to get users through the traditional marketing channels like flyers, hoardings, print, radio, TV ads, mailers and sms were either too expensive or

ineffective. NearU was able to solve those problems both for the consumer and the retailer.

How the app works?

We observed and studied that there has always been an unwelcome gap, can also be termed as, miscommunication, between vendors and consumers (particularly escalated by the arrival of eCommerce websites/apps). There are vendors who are looking for the right consumers (target audience) consumers, and at the same time, there are consumers looking for availability of Products on discounted prices at retail outlets.

The NearU app is a simple app that uses the Online to Offline utility model bringing the online app user to the offline retail market. The vendors can easily showcase their offers and deals at one place and the users can be guided to the retail store through the app and thus acting as a mediator between vendors and consumers.

How did you fund your business?

The proof of a good idea is not one where you can put money but where others believe in what you're doing. So when I approached family and friends to invest, with little convincing, they came onboard and funded the entire venture.

How did you secure your first deal?

I innocently asked a friend of mine if he was interested in investing in the app space. He said sure and made me pitch to him and he said Done. He was so supportive that I can't thank him enough. He made me run it by his tech friend and his CA. When all of them were convinced, he sent the cheque.

How did you manage to attract investor like Dr Goutam Challagalla to back you?

Dr Goutam Challagalla is an International marketing Guru. He has advised several Fortune 500 companies including 3M , IBM, HSBC, UPS, Ernst & Young, GE, Swatch Group and many more. He has assisted clients on developing a market strategy, designing a marketing and sales organization, and customer service.

He has already started helping NearU by helping us create our message. The clarity of that message helps NearU create a clear space for itself. Moving forward, as an investor, will help NearU to be a better offers marketing platform for retailers, and how we can enhance our user experience taking insights on user behavior from Dr. Goutam. Further his international reputation will definitely help us in our international expansion. We plan to be the go-to app for daily usage in not just India but internationally as well.

Any plan of approaching for next round of funding? What would be the amount?

We have started approaching investors for the 2nd round of funding. We aren't looking to raise too much as we believe in keeping our costs low and

giving maximum return on the investment. So we're looking for \$500, 000\$ - 1 Million.

Would you ever consider a sell out?

NearU started with the idea of solving a customer's need and a merchant's pain. If we are able to continue solving that, it doesn't matter if we run it or someone else, as long as the purpose it was built for is served.

What is your opinion of startups coming in the vendor to user space?

I think it's a cluttered area for ones who are coming in without the right vision but at the same time an astonishingly vast space. Unfortunately, they are plenty. They are looking at creating the present hype, the instant news without focusing on the long term goal. Startup apps should be able to define their positioning in terms of providing real value to vendors and users that would last for years and years to come.

What are your future expansion plans? What would be the investment?

Our goal is to be in every city and town in India where a retailer needs a customer. We want to be that bridge, we want to offer not just better deals to customers but even a better experience than an eCommerce site, and in future, we plans to deliver product you want from NearU in hour's time by the merchant rather than wait a week for an eCommerce site to deliver it to you. Once we feel comfortable in our growth, we would look outside of India. The investment is not much as we run a very lean operation.

What is your current turnover and target for fiscal 2016-17?

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We have not started charging merchants as we are first focusing on the user and merchant experience and low cost acquisition. However, in the next 3 months we will be starting that process and hope to be cash flow positive in this fiscal.