

Simply recipes  
business plan the app  
marketing essay



**ASSIGN  
BUSTER**

Simply Recipes app is the next step in food recipe apps, and unlike anything currently on the market today. The goal of this app is to save users money while at the same time reducing food wastage and getting its users eating healthier. It's an easy and straight forward app that anyone can use and enjoy.

One of the unique selling points of this app is the ability to select what items you have left in your fridge and the app will come up with recipes that will use as many of those ingredients up as possible. So if all you have left in your fridge is say an avocado, some goats cheese and beef, it will find recipes encompassing as many of these ingredients as possible. The healthy aspect comes in when browsing recipes that will contain nutritional information on how healthy the recipe is.

If you are still in need of some ingredients it will create a shopping basket automatically for your desired ingredients and show the user deals and offers for the required ingredients at several supermarkets. This would allow the user to go to a store nearby to pick up your order or have it home delivered. As not all the items your want would be part of a recipe, or you may want to add something to the dish, the app would also gives the user an option to purchase any other items they require from the chosen supermarket sells.

## **Mission**

Simply Recipes is looking to become the next kitchen essential, and the next stage in how people find out and access recipes. The mission is not only to have a simple to use app but to have a vast amount of choice available to its consumers.

We want a fair profit for the owners and supermarket chains who sign up, while having a rewarding place for the employees to work. While at the same time being green and helping people reduce wastage and save money.

## **Objectives**

Simply Recipes objectives for the first 5 years of operation include:

Expanding into new customer segments.

Introducing new celebrity chefs to the application.

Keeping Employee Costs below 25% of revenue.

To maintain a profit.

Help People maintain a healthier lifestyle.

## **Keys To Success**

The creation of a unique and innovative recipe app with many unique features, that differentiate us from the competition.

Simple and easy to use app.

Many discounts and offers to our customers.

Large Amount of Monthly Active Users.

To get several of the large supermarkets signed up to Simply Recipes.

Several Celebrity Chefs signed up to Simply Recipes.

Controlling Costs at all times without exception.

## **Key Partners**

The first key partners we expect to obtain would be the companies that manage and maintain the app stores for the mobile operating system such as Google and Apple. These partners would give Simply Recipes a simple and effective method of distributing the app to potential customers. These partners would also give a simple and effective method of collecting users subscription fees, explained in more detail in the revenue section.

Other key partners would include supermarket chains such as Tesco, Asda and Sainsbury's, as this is where the users of the app would be purchasing their ingredients from. Having a close connection with these partners will help provide our customers with the greatest possible selection of ingredients and offers. While at the same time we will be able to provide the supermarket chains a better understanding of what its customers require.

## **Key Activities**

Simply recipes will keep a keen eye on the maintenance and future development of the app. We will make sure it continues to function correctly and remains bug free. This will ensure its users have the best possible experience while using the application.

As users will have the ability to upload their own content, we would like to have these recipes to have the recipes displaying their nutritional information such as how much fat, salt, etc is in the meal. The users of the app may be unaware of this information. So Simply Recipes plans on updating and maintaining this information for its users.

We would also like to reward our customers who use the app regularly by uploading their own content and use it to purchase their weekly shop. To do this we will need to continually be looking for potential offers for our customers, whether they be free subscription to the app, restaurant/supermarket vouchers etc.

## **Key Resources**

To maintain Simply Recipes we will need a few key resources. One of these is computers to maintain and update the application. To distribute the app through the various application stores an internet connection will also be required. We currently have one member of our team who is technically minded so will be in charge of the development and maintenance of the application.

We currently have three members of our team who are incredibly knowledgeable about the nutritional information in food. But as the application expands and more users upload their content they may not be able to handle the volumes so other nutritionists will need to be recruited.

## **Value Propositions**

What are we selling?

For the app user we would be offering them a vast amount of high quality recipes, and a highly discounted rate to those found in a recipe book. While at the same point having many unique features not currently found in current mobile recipe apps, such as the ability to enter several ingredients and the app will bring up recipes using as many of those ingredients as

possible. Reducing wastage and saving the user money in the process.

Another feature that you won't find in any other recipe app, is that if the user likes a recipe they can add the required ingredients in the recipe straight to a shopping basket.

For the supermarket, we will be offering a large amount on active monthly users, enthusiastic cooks who are looking to cook something new. By giving supermarkets a chance to get closer to their customers they will receive a better understanding of what customers are buying and what items, if any, they should begin to stock. It will also give supermarkets a easy and cheap way to advertise what food and drink they currently have on offer.

## **Finances**

### **Revenue**

Revenue will be created in several ways. The first method will be by charging the users a small subscription fee of around £0. 79. The reason why this price will be introduced at this rate as in our market research it has shown what people would be willing to pay for such a service, shown in Figure [1].

Figure [1] - Subscription Price

The majority of our revenue will come from the supermarkets. By allowing users to purchase the ingredients they require directly from supermarkets we would ask the supermarkets for a small cut of the profits they make from the transaction. In 2012 Tesco's PLC was operating on a 6. 1% profit margin [7], meaning a family of 4 spending £100 a week on food Tesco would see

£6. 10 of that. We would be asking Tesco's for a 10% cut on their profit they receive through the app, resulting in Simply Recipes receiving around £0. 61.

If we manage to achieve the 10, 000 active monthly users at the beginning of the first year that could bring in revenue of up to £317, 200 from the supermarkets alone. We are looking at the end of year 5 to have around 60, 000 monthly active users with around 70, 000 that use the app for special occasions. This projection would bring in revenue of anywhere up to £1, 305, 400.

For users wishing to purchase a subscription to the app many of the Mobile operating systems allow users to purchase this through the operating systems designated application store. Then the company in charge of the app store pays the developer at the end or beginning of each month taking a cut of around 30% [2]. So for a £0. 79 subscription fee per user Simply Recipes would receive £0. 553 per month per user. This is a good way of collecting users fees as it can make users feel more comfortable with the transaction, as many people feel uncomfortable giving their card details to new websites/ Apps they are unfamiliar with.

For users purchasing their shopping the users can purchase this in App, using either a debit or credit card. This purchase will be forwarded initially onto the supermarket with them returning the 10% of their profit to Simply Recipes.

Below is a short breakdown of the where the revenue we plan on generating comes from:

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## Revenue

Year 1

Year 2

Year 3

Year 4

Year 5

Investment

50000

0

0

0

0

Supermarkets

152500

228750

305000

457500



915000

Subscription

18960

3950

6320

15800

35550

221460

232700

311320

473300

950550

## **Costs**

The main cost for start up of Simply recipes will be the development of the app. This will be a one off cost for the initial start-up of the app, but a running cost will need to put into place of around to maintain the app keeping it up to date and bug free.

As users will be able to upload and download recipes a server will initially need to hired to have some where the recipes can be stored for uploading

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and downloading. This will become a running cost for the first 5 years, where we would be looking to purchase a server for the company. To remove this running cost, and allow Simply Recipes to have easier access to the content its users are uploading.

Once the first year of trading is complete and recruitment is required, Simply recipes will locate to a rented office. Another major cost in developing the app is advertising as without it people will be unlikely to hear about Simply Recipes.

Below is a short break down of where the major costs of the business will be going:

## **Expenses**

Year 1

Year 2

Year 3

Year 4

Year 5

Wages

150000

200000

250000

300000

350000

Total Bills

20000

8000

8000

8000

8000

Advertising

20000

20000

20000

20000

20000

Rent

300

300

300

300

600

190300

208300

258300

308300

358600

## **Profit**

Simply Recipes is looking to help people lead a healthier and more productive lifestyle. By providing its users with a quick and simply to use app, it can help people tackle the problems that come with unhealthy eating such as diabetes and obesity.

Modern society is beginning to prefer companies and individuals who have a greener attitude. Simply Recipes aim to become other company with the ambition of offering its users a great product while at the same time helping out the environment. By helping people come up with recipes with the ingredients that have lying around will reducing the amount of food and package wastage each household produces, while at the same time reducing the expenditure on their weekly shop.

We are also looking to turn over a profit, which grows with each year of trading. Allowing us to expand the apps capabilities and what Simply Recipes can offer its customers. Below is what we are looking to make in the first 5 years of trading.

## **Profit**

Year 1

Year 2

Year 3

Year 4

Year 5

Revenue

£221, 460. 00

£232, 700. 00

£311, 320. 00

£473, 300. 00

£950, 550. 00

Expenses

£190, 300. 00

£208, 300. 00

£258, 300. 00

£308, 300. 00

£358, 600. 00

£31, 160. 00

£24, 400. 00

£53, 020. 00

£165, 000. 00

£591, 950. 00

Figure [2] - Profit

## **Channels**

The way to deliver apps to customers currently for the majority of mobile platforms is through their designated app store. For Apple that would be the iOS app store [2], for Google the Google Play store [4] and for Windows phone the Windows Marketplace [6]. These stores allow users to find the application quickly and easily. So we will be submitting versions of the app to these stores to allow quick and easy access to the app.

For Google's Android operating system their app store is not the only place that their users can access apps from, they can also be accessed from sites

such as Amazon Apps [1]. Therefore Simply Recipes will be uploaded to these stores as well.

Typing up recipes on a mobile device is tiresome and can take much longer than a desktop counterpart. So we would be looking in the future to have a website counterpart to the app. That would have similar functionality to that of the app.

So people gain knowledge of Simply Apps quickly, we are aiming to advertise Simply Recipes in students campus news papers and news papers such at metro to attract business men and women.

## **Customer Segments**

There are several different types of customers who are likely to use the app. Initially it will be aimed at the student market and the busy business men and women who don't have much free time so tend to look for meals that are quick and healthy, while at the same time trying to save some money.

We would be looking in the future to expand the customer segments in the future to having recipes specific to users dietary requirements such as if they are diabetic or can't eat gluten. It's often hard to find a good set menu for dinner parties so this is another area which Simply Recipes would like to expand on.

Our market research showed that the most common meal people make at home was dinner, shown in Figure [3], so this is the meal the Simply Recipes app will try to include the most content for.

Figure [3] - Meal Usually Cooked At Home

## **Customer Relationships**

Customer relationships will be maintained in several ways. The first is by allowing users to easily upload and share their own recipes and rate others on theirs, to give the app a greater sense of community.

The second will be by offering users special offers such as a free upgrade of the app to the premium service, money off their desired supermarket or even the chance for vouchers on meals out. The more the users uses the app for purchasing their weekly shop or even by uploading their own content the more discounts and offers they will receive.

The final way this app aims to maintain a good customer relationship is by having a celebrity chef section. People buy many celebrity chef books, the size of the cookbook market in the US was around \$1billion in 2011 [4].