Proozy should create a new trial delivery service, designed for younger generations

Expanding the target market to college students and millennials fortifies Proozy against competitors and sets the stage for stable profits

College students will find this service easy and convenient, sparking a continued relationship with Proozy

1. Proozy Members select 10 items or are sent pre-selected items based on preferences and history
2. Customers are given a 2-week period to try on items until their credit card is charged
3. Members are charged for what they keep and return what they do not want in a pre-labeled box
4. Products that are a part of this service are listed at a discount greater than the original
Doing business in **multiple markets** is a **risk mitigation strategy** against established competitors.

Targeting a **single market** increases Proozy’s **risk of losing business** if a stronger competitor takes over their customers.

Targeting **multiple markets** spreads the risk of doing business across multiple customers.

**Groupon’s*** Consumer Segments

- 18-24: 26%
- 25-34: 26%
- 35-44: 24%
- 45-54: 9%
- 55-64: 5%
- 65+: 4%
- 12-17: 6%
- 65+: 4%

Daily Deals competitor Groupon targets multiple markets to ensure a **loyal customer base** as well as stable and **consistent profits** over time.

* A similar Daily Deals company

Comscore
Proozy should target **younger generations** to spark interest, building a long-term **business-customer relationship**

**Groupon’s Target Market**

- 77% of consumers are between the ages **25 and 34**
- More than half are women
- Income of **$70,000+**

**College Students**

- Students look for easy and time saving opportunities
- Early exposure to Proozy will result in a continued relationship post-graduation

**Millennials**

- Have just entered the workforce with low incomes
- Able to purchase more products, but not always at high prices

IBISWorld
Proozy’s competitors have implemented a similar service based on consumer preferences.

**Competitor- Prime Wardrobe**

Prime members choose and are sent 8 items to try on for 7 days.

Keep items are paid for while return items are returned with a pre-paid shipping label and in a resealable box.

**Preference- “Bracket Purchases”**

40% of shoppers tend to purchase multiple items with the intent of returning some of them.

The bedroom is the new fitting room.

Retail Dive
Proozy’s “Choose Your Fit” service follows a **12-week** implementation plan.
Key contact information and risk mitigation strategies for successful implementation

**Risk Mitigation**

**Risks**
1. Shipping items back and forth increases the risk of losing a package
2. Need to hire more employees to handle the greater number of shipments
3. Less capital and resources available for other business transactions

**Mitigation Strategies**
1. Improve package tracking systems and create reliable shipping labels
2. Train existing workers to take on newer tasks
3. Analyze and allocate capital that is used elsewhere but can be moved around

**Helpful Contacts**

**FedEx**
(800) 463-3339
3875 Airways, Module H3 Department 4634
Memphis, TN 38116
*Delivery services company*

**Praxent**
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4330 Gaines Ranch Loop #230, Austin, TX 78735
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