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I. Executive Summary

Problem
Despite the rise of credit and debit cards, physical money is still prevalent in our modern economy, with its significance including tipping waiters and splitting bills, to making purchases with businesses or services that do not accept credit or debit cards. Withdrawing and depositing money from the bank forces an arduous and often inconvenient detour to an ATM or bank. Additionally, many banks impose daily or per withdrawal restrictions on ATMs, further encumbering an already troublesome process.

Introduction
SpotMe is an on-demand service that crowdsources cash to the Users immediate location. Our service taps into the wallets of many to allocate any requested amount of cash for the User. The service is comprised of two categories; Users and Spotters. These “Spotters” give money to Users, and are given a complete refund through a bank deposit, plus a $0.40 service fee per transaction. Users request cash, and are charged from their bank accounts plus a $1 service fee per transaction. The service works both ways, allowing a User to both request cash and deposit cash. The service functions through a mobile phone application that alerts nearby Spotters to another User requesting cash. Users are incentivized to collect or deliver through a $0.40 dividend of the $1 service fee on each transaction.

Target Market
Our target market is comprised of Millennials and Generation Z, specifically students and young adults ranging from ages 14 to 33. Our service targets an urban demographic to reduce wait times and boost the popularity of the service, namely San Francisco, New York, Los Angeles, and Boston.

Exit Strategy
Our primary exit strategy is acquisition by another payment service such as Venmo or PayPal. These companies have already amassed a large following that lines up with our target market, and acquisition would give us access to their extensive customer base.
II. Problems

Need for physical money on demand.

Many people prefer to carry only credit and debit cards, and find themselves in a frustrating predicament when they need cash. Credit and debit cards can be declined, expired, or simply not accepted with many businesses and services. Splitting bills, paying friends back, or even tipping waiters are all potential scenarios in which people need cash.

Inconvenience of ATMs.

The scarcity of ATMs can make the process of finding an ATM, traveling to its location, and then depositing or withdrawing money an unnecessary hassle. Many people do not realize that they need cash until they do, which makes finding an ATM a time consuming and annoying task.

Complications with the interchange of credit and physical money.

Many banks charge fees for withdrawals and deposits, reaching up to $4 per transaction on ATMs and $10 at banks. Furthermore, withdrawing money from an ATM that does not belong to your bank costs an additionally fee of up to $10 per transaction. Many banks also set daily restriction on the amount of withdrawals and deposits that can be made, with additional surcharges for high volume deposits and withdrawal.
III. Customer Segments

Spotters

SpotMe caters towards the working-class consumer located in an urban or suburban geographic. The average annual income of our primary target market is between $50,000 to $200,000. We envision many of our Spotters as individuals with a stable income that are looking to make extra money while using minimum time and energy.

Users

Our User class is comprised of both our primary and secondary target markets. Although many of our consumers will be working class individuals, preliminary surveys and focus groups have shown that middle class college and high school students generally enter the service as Users rather than Spotters. These students are part of Generation Z, and therefore will be more comfortable with technology and the internet.
IV. Unique Value Proposition

The Competition

Although our service is unique and innovative, it faces some competition. Nimbl is a small startup that attempts to provide cash through company sanctioned couriers at the touch of a button. However, a shortage of couriers inflates wait times to 30 - 40 minutes, far from instant delivery. Additionally, Nimbl charges a $5 service fee for all transactions, an extravagant cost that few urban consumers are willing to pay in lieu of visiting an ATM.

What makes our product different?

SpotMe will revolutionize how people exchange money by bringing the ATM to the customer. The service allows customers to take on the role of both the Spotter and the User, allowing them to make withdrawals as a User and make deposits as a Spotter. Our service relies on crowdfunding, giving us access to microfunding from hundreds of wallets rather than an expensive and dangerous centralized company account. In this way, SpotMe eliminates the middleman, bridging the gap between Spotter and User without using any company deposits. Thanks to our unique method of depositing and withdrawing, our service fee is only $1 per transaction, making the service cheaper.

Why our product is the best.

SpotMe is an innovative take on a frequent issue that appeals to a virtually untapped market segment. Our services unique business structure and low service fees guarantees our success over Nimbl or any copycat services that enter the market.
V. Solutions

Dual Functionality: Spotter and User

The **Spotter** is the backbone of our service. When a cash request is made, Spotters within a two-mile radius receive a notification and provide the User with cash. For security, Spotters take videos of their cash through the application to confirm how much they are carrying. Depending on how much cash they have, the Spotter will be assigned an amount to deliver to the User and will receive a full refund through Venmo or their bank account, plus a service tip of 30%.

The **User** can make a request for cash at any time and for any amount. They will be connected with one or multiple Spotters, who will deliver the cash directly to the User. The User is deducted the amount of cash withdrawn plus a $1 service fee from a connected Venmo or bank account.

**Billing**

SpotMe facilitates the interchange between cash credit without any hidden expenses or extra transaction fees. Since the service does not withdraw money directly from an ATM, it does not incur any fees for withdrawing money and imposes no limit on the amount of cash requests that can be made in a day. Our service allows users to avoid ATMs and banks entirely, while essentially paying Spotters for delivery and the hassle of withdrawals.
Spotter Selection

Depending on the amount of cash the User requests and the number of Spotters who respond, SpotMe will determine how much money each Spotter needs to give. Additionally, our service will determine and enlist the minimum number of Spotters necessary to avoid unnecessary service fees. This algorithm prioritizes Spotters in closer proximity to the User to decrease wait times and increase convenience.

VI. Channels

App Store

As our service functions through a mobile phone application, the app store will be our primary method of distribution. Our beta launch will occur exclusively on IOS and Google Play Stores, making our service available on both iPhone and Android devices. We hope to acquire new customers through positive reviews and demand for our innovative service.

Accelerants

We plan to create a reward-referral system to incentivize our first wave of users to download and use the application. We plan to offer our first 150 Spotters a $20 initiation tip along with a startup of $50 solely towards cash deliveries for Users. In addition, we plan to offer the first 100 users one free delivery and $10 in startup credit.

Partnerships

We plan to partner with several cash only restaurants, bars and small businesses located across San Francisco and New York to promote our service and establish a strong community.
presence. For example, Tornado is a popular cash only pub located in SF, advertised as having a selection of over 40 beers. It has a 4.3 star google rating with over 600 reviews, and is described by critics as “one of the best beer bars in SF” (Yelp). Similarly, The Boil is a cash only restaurant located in New York, with over 1,000 5 star reviews. Both locations are just a few of the many popular cash only businesses we plan to partner with to boost our brand image and community presence. These partnerships will allow us to have a presence with key target market sectors, while also promoting businesses that will spread our service to new customers.

**Social Media**

In the contemporary business world, a strong and positive social media presence is an essential to distribute and market apps. We plan to focus our social media presence on our secondary target market, specifically high school and college students located the Bay Area, Silicon Valley, New York, and San Francisco.

**Stunts**

We have planned several publicity stunts to promote brand awareness and foster stronger community connection in our target demographics. Our primary stunts will involve local professional athletes endorsing our product by acting as Spotters or Users to illicit reactions from customers. These athletes would primarily include players from local NFL and NBA teams, like Odell Beckham Jr, Eli Manning, Steph Curry and Klay Thompson. We purposely chose players local to our target demographic because they resonate well with our target psychographics in their respective areas, stimulating word of mouth promotion and free publicity through local news stations.
VII. Revenue Streams

Revenue Model

Our primary source of revenue comes from a service fee incurred by the User. When the User makes a withdrawal, SpotMe charges a $1 fee. 60% of the fee goes to our company, while the remaining 40% goes to the Spotter. If the transaction requires more than 2 Spotters, our service will charge an extra $0.40 to cover their fees while still maintaining a profit.

Figure 1. This diagram illustrates how the fee is divided between the Spotter and our company.

Revenue Details and Predictions

With roughly 43,744 estimated Users in San Francisco and 879,300 in New York, our total User base amounts to 923,044 Users in both demographics. Thus, our **minimum yearly revenue** comes down to $15,691,748. 

\[(43,744 \text{ SF Users } + 879,300 \text{ NY Users}) \times \text{Minimum of 17}\]
Gross Margins

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Lifetime Values

Our target demographics are predicted to have a lifetime value ranging between $17 to $88, depending largely upon their reliance and individual consumer habits. Based on preliminary market research, our service has a high customer retention rate of 84%, due to its versatility and convenience.

VIII. Cost Structure

Marketing Costs

Our marketing costs will total to roughly 950,000, with $11,600 being attributed towards the incentives program. Celebrity endorsements, partnerships, and social media outreach will require a rough total of $930,000, depending on negotiations with partners and athletes.

Distribution Costs

Since our service is a phone application, we only require $99 annually to keep our App Store membership and a onetime fee of $25 for Google Play.
Human Resources Costs

SpotMe requires a total of $530,000 for operational and administrative costs.

Additional Costs

We will spend approximately $1200 on miscellaneous costs.

IX. Key Metrics

Supply and Demand

SpotMe is essentially a delivery service, and a problem we foresee is demand exceeding supply. Our team will closely monitor which geographical areas spike more to determine if sector or surge pricing is necessary. Additionally, understanding our supply and demand relations will help us define our psychographics more clearly.

Demographics

We need to track exactly what type of customer uses SpotMe to observe any discrepancies in our target market. Understanding the age, occupation, and income of our customers will allow us to pinpoint our market and sell more efficiently.

X. Competitive Advantage

Our service is unique due to its fresh and innovative business model, taking on a stable market with virtually no competition. We would patent our Spotter Algorithm, which allows us to locate
and maximize the efficiency of Spotters. Our service has several areas for expansion, namely expanding into new cities and environments. Additionally, we have the option to break into the international market and facilitate foreign exchange.

XI. Conclusion

People should not have to pay money to use their own money. Banks pile on ridiculous fees and surcharges, and ATMs are few and far between. SpotMe is the future of currency exchange, and it will one day replace ATMs as the primary method of conversion between credit and cash. Despite the overwhelming advantage of credit cards, our service is guaranteed for success because cash is a commodity, and will always be an essential in our daily lives. Our only obstacle is reaching our target market, and with this investment we can fund our campaign and effectively kickstart our business. With 90.5% margins, our service is guaranteed to return the investment and more within 2 years of effective operations. SpotMe will revolutionize currency exchange, and is poised to become the next multi-million dollar service.

XII. Bibliography

