

BeBe Brasileiro

E - Commerce - Business Plan

Context

Today, more than 70% of Brazilians buy online and more people had to change the way they shop and joined online shopping. This consumer profile follows technology and values the ease, convenience of shopping online. The need for automation, agility, and practicality are fundamental for adhering to this programmed purchase format, even more so in this profile of adults who are already parents or are planning to have kids.

Problem

Specifically, the problem relates to the profile of adults who recently had babies with an intense professional and personal routine, that do not have time to spend shopping in different supermarkets and shopping centers. During the shopping centers' opening hours, usually they are at work and prefer to spend the evenings and weekends with the family at home or away from the city rather than searching in various shopping centers for the daily baby supply.

Solution

The company proposes to build a marketplace software - its own website platform that will make available to purchase baby products ranging from food products, such as baby formula, baby food, to other products such as diapers and clothing. These are currently not available in the competitors' websites in a straightforward way to be purchased.

The main goal of the platform is to promote selling the baby products in monthly baskets "bundles" that contain the basic consumable. During a baby's first years, purchases are more predictable, such as the quantity of diapers, formulas, clothing, and food products. There are different bundles that contain different items and have different prices. Based on the purchase pattern, the platform will automatically place orders with scheduled deliveries at a defined frequency (weekly or monthly) for the client. In this way, the customer will not have to worry about making constant purchases of everyday products. Simple, practical, and convenient.

The customer accesses the platform, assembles their first basket, and informs the baby's age. Based on this information, the platform will suggest the cadence of orders and updates of quantities and new products as the baby grows. Simple, practical, and convenient.

Customer focus group

The target is young and modern parents from 20-38 years of age with a fast-paced life. They are usually located in large developed cities, without the assistance of an in house nanny or grandparents. Their life requires complete professional dedication combined with stress and workload that sometimes is carried out over the weekend and the evenings and minimum free time for their personal life. They prefer to spend the off time doing sports activities, be out in the park with the family or take short trips outside of the city on the weekend. They have a medium income, possess credit and debit cards, mobile phones, computers/tablets and have means to access the internet to purchase online payments.

Secondly, the baby products retailers that are potential partners for the baby bundles subscription program and any other retailers of baby products that have no means to advertise themselves to reach the customers and sell. They are the target to be attracted to sell through the platform by subscribing to BeBe Brasileiro.

MOONSHOT

BeBe Brasileiro is the most loved e-commerce platform by parents that will all want to subscribe to have their products delivered home for their babies given that all suppliers and producers will want to sell their products on the platform because of its success in Brazil.

The goal is to be present in the whole family during the initial cycle of a baby's birth until its first steps and the platform aims to be a point of reference and assistance for young parents with an accelerated routine, serving as an assistant in offering products and information during the different phases of the baby's growth.



OPPORTUNITY COST

These costs are viewed as the best alternative forgone and not as any other alternative, as the next-best alternative goods that can be produced by BeBe Brasileiro strategy with the same value of factors which are more or less the same.

➤ Dropshipping ecommerce model vs Wholesale ecommerce model

The opportunity cost arises here by making the conscious choice to buy products from the supplier before or after a customer buys from BeBe Brasileiro. If I buy inventory before sale, I incur the costs of the products until sold plus the cost of warehouse storage and the cost of shipping to the customer. If items are not sold then I must find a way to dispose of the excess products. This model is quite costly upfront. With Dropshipping it is less cost upfront making the Opportunity Cost low. Only buy products from the supplier when orders come in from customers. The product is shipped straight to the customer.

➤ Two-sided market model

The opportunity cost is created in the two-sided network, as an intermediary economic platform having two distinct user groups that provide each other with network benefits. BeBe Brasileiro creates value primarily by enabling direct interaction between customers and retailers by sharing the space with traditional products and service offerings. Playing an intermediary role, the platform makes possible exchanges that would not occur without BeBe Brasileiro and create value for both sides.

➤ Pricing structure

Changing retailers with target preference for the high end customers and very expensive products could mean an increase per unit cost but higher quality products. In the short term, invest more money than before and consider increasing the price of the product for the customer. But in the longer term, these high-quality products can lead to happy customers. Customers will, in return, promote my products to friends if prices are kept steady, leading to strong market share.

Product Diversification Some of the leading players in the segment have broadened their product catalogue in an effort to retain consumers for a prolonged period. These initiatives can be related to the characteristic of this market niche of being limited to a specific lifetime period, which spans only a few years. Aside from offering products designed for the period of early childhood, some of the major baby products e-commerces have either launched or affiliated themselves with online retailers focused on other age segments, such as those for pregnant women and children.

COMPETITION

One of the most recent innovations in this segment in Brazil was the launch of subscriptions for items such as diapers and hygiene products. Although this sales model remains limited to a small number of stores it was able to grab the attention of certain markets such as larger Brazilian cities, which are the regions where it is common for parents to have a limited amount of time to make regular purchases of products for their children.

Amazon is a serious competitor in the subscription-based commerce space, given its scale. Not only does it offer Amazon Subscribe but has a program focused on the new parent/budget-shopper demographic specifically with Amazon Mom, whose members receive various savings in addition to the Subscribe and Save discount.

E-commerce Bebê Store, sets prices for monthly bundles at competitive levels, while presenting subscribers with free gifts with each delivery and also granting discounts to other product categories at the moment of subscription. Over the last few years, they have also launched various types of monthly subscription services designed for gestating and new mothers, which in some cases offer a surprise list of products chosen specifically for each period of the mother's life.

www.bebestore.com.br

E-commerce Tricae, for example, has diversified their product lineup in recent years and currently offers products for pregnant women, newborn babies and children up to 11 years old.

[Tricae | Calçados, Roupas, Brinquedos e Mais | Moda infantil](#)

E-commerce Ducali Baby, offers various baby products to purchase from their website as well as online courses for pregnant mothers and different packages for home consultation to assist them during the pregnancy period.

[Ducali Baby - Home](#)

E-commerce Alô Bebê, delivers a wide range of baby products up to 1 year sizes including furniture and home accessories and a limited range of shoes and clothes up to 11 years with members loyalty programs based on points.

[Acessórios para Bebês - Alô Bebê \(alobebe.com.br\)](#)

E-commerce Best Baby, provides different international and local branded products for babies up to 3 years old.

[Coleções \(bestbaby.com.br\)](#)

E-commerce BB Moderno, dedicated exclusively to baby clothes and a very limited offer of items until the age of 10.

[BB Moderno](#)

E-commerce Ubuy, based in Kuwait, offers its services in more than 90 countries around the world, with most popular product categories: electronics, cell phones and accessories, kitchen and dining, books and office products, etc. They have a section destined to babies with limited products from international brands.

[Best Online Shopping Store for Electronics, Fashion, Home Improvement & More in Brazil \(ubuy.com.br\)](http://ubuy.com.br)

Other online International brands retailers such as: Chicco/IT, Le Petit Bateau/FR, Jacadi/FR, Paola da Vinci/FR, etc

Threat of Substitute Products

Quality is becoming more important than price to most consumers, as 53% rate quality as the most important factor when making purchases. But, the threat of the substitute products available that offer a reasonably close benefits match at a competitive price will remain. Same product can be found at a lower rate from a different retailer provided that transaction might not be secured, the retailer is unknown, the product might not be original. BeBe Brasileiro target group wants to purchase all items from one platform rather than hunt for individual items bargains on different websites that becomes time consuming.

Threat of New Entrants

This type of threat will sum the companies able to cross the financial, regulatory differentiation and marketing barriers to enter the market and reach the customers. The industry is attractive and multiple entries may be along the way, therefore building strong brand recognition is vital for BeBe Brasileiro to maintain the strongest position on the Brazilian market.

Bargaining power of Customers/Suppliers

It is estimated that three million children are born in Brazil every year, and that the revenue for the baby products sector has almost doubled in the last five years. Statistics from Brazil's Alana Institute indicate that the total addressable market, in annual revenue terms, is currently at BRL 13 billion, and that 15% of all revenue of the clothing market in the country is related to the baby products segment.

The market can open to local brands that can produce and sell cheaper, manufacturer or vendors, distributor or wholesaler, Chinese copy/fake products given that the quality and the performance of the product might be lower or unsatisfactory. Often such products have an attractive price and presentation but the material degrades faster, the colors fade away, the safety for certain toys might be broken. What will speak for BeBe Brasileiro and make the difference will be the brands themselves along with their quality, ranking, reviews and price attached. Customers' values can be influenced by education but at the end of the day it's a personal choice.

The network effects of a successful platform as Bebe Brasileiro increases returns in scale. Users will pay more for access to a bigger network, margins improve as the user base grows. Buyers prefer a large number of sellers, to have a variety of choices and, meanwhile, sellers prefer a large number of buyers, such that the members in one group can easily find their trading partners from the other group. Therefore, the cross-side network effect is positive.

STRATEGY

Focus on Convenience It is a common trend for e-commerces of baby products in Brazil to offer same day or express delivery, in order to provide an option of increased convenience to consumers. This type of delivery is often related to baby food, which without rapid delivery would be hardly competitive with purchases at physical stores.

Opportunity I see a great opportunity on the market for a business dedicated to this particular consumer audience that are ready to embrace a meal plan for their baby, available with various budget friendly options along, flexible in modules, easy to subscribe and easy to pause, change or alter the products or quantity.

Product Differentiation What Brazilian online stores of baby products explore, aside from the commonly purchased clothing and hygiene items related to the first years of infancy, are the many paths to provide a better shopping experience to some types of items that might require immediate use, such as hygiene products and allowing for the subscription of certain product categories.

Subscription Plan There is no existing nutrition plan recommendation or project to subscribe online for a determined period of time that details the most suitable products according to your baby age, weight and medical limitations such as allergies or specific requirements. For example, baby food, milk and formula, some competitors do not offer it at all or have a very limited stock and the product runs out of stock often so it can not be ordered.

The solution created by BeBe Brasileiro is to introduce the subscription based meal plan that provides all the ingredients and the preparation receipts according to the baby's age and limitations. It covers the full range of products and friendly budget alternatives that the young family needs to purchase for a baby in one place. The subscription will be created after the first basket is ordered in conjunction with a consultant that will provide the most adequate products and package tailored to the baby's specifics and budget.

Customers can choose to have these items delivered in regular four to 12-week installments, and BeBe Brasileiro will send out reminder emails at least 10 days ahead of shipments to allow customers to make adjustments if need be.

BeBe Brasileiro sells offers and experiences to customers, not just products.

BRANDING

The HERO & Mastery Archetyp

We can make things better and easier for you. We have the tools and will to make it happen for you.

Ecommerce brand is not just a logo, brand name, and clever tagline, but it's how people perceive by interacting directly or indirectly and talking about the business' personality, the impression left behind. It will integrate the 4V :

Vision: it's impactful not monetary

Values: what is dear to the company and audience

Voice: must be memorable and consistent

Visuals: logo, typography, color

STRATEGIES TO PROMOTE THE BRAND

The brand must outline the benefits for the customers, focusing on the right target market audience, bring consistency and maintain loyalty. For example, conduct surveys to identify their needs, which search term they use online when they look for the products and optimize attraction to my platform. Another example would be a segmented list to send customers personalised data, email sequence would be a great tool and also check on their data; what, when, how often they buy, and be available to answer their queries. The initiatives to allow for product subscriptions not only generate high engagement to consumers but can also serve as a way to strengthen the store brand and generate more conversions.

I believe the content grows the relationship with the customers: podcasts, blogs, videos, infographic templates, communication on their favourite platforms, comparison content can connect emotionally and speak their language. For greater brand recognition, team up with authentic influencers relevant to the audience and collaborate to expand the reach.

Customers love the brand that engages the community, they connect with brands that make them become part of a bigger cause. Studies show 73% of customers believe companies must improve communities they operate in. For long-term impact, I consider donating a portion of profits to a specific charitable organization annually.

Big ecommerce is not static, moves with the times. As a trend, I consider posting ephemeral content on the channels, rich media content that's available for only 24 hours and disappears. It creates a rush to see the content. Instagram stories are a great tool to share the brand message in exciting ways.

Positioning the brand and working on experience for customers, good things happen. Products fly off the shelves, profits soar, the brand gains popularity and relevance. Strategic branding produces more than customers, it can produce an engaged community of brand campaigners.

What Stands behind the brand:

- Simply understanding your needs as parents
- We have all set for you, do not worry
- Your baby is growing healthy and happy
- Convenience, quality, consistency
- Enjoy and relax in your free time
- Easy, happy life as new parents

Message: we deliver peace of mind to your family.

PRICING STRATEGY

- The platform will be open to retailers to sell the bundles at an agreed price and BeBe Brasileiro will not buy inventory in advance. Once the order is placed by the customer, the retailer will deliver the products to the customer. BeBe Brasileiro plans to create the main revenue from the bundle sale by customer subscription.

Today, with the rising use of the internet and smartphones, customers can compare prices with just a click of a button. So, the pricing strategy that the company in the e-commerce industry chooses must be one that not only gives a good ROI but also gives a sense of 'value for money' to the customers. According to the target customers, market requirement and promotions, the following pricing strategies can apply:

Loss leader pricing: This strategy can convert the customers into loyal customers and guarantee repeat sales. The main idea behind this pricing strategy is to price certain products at a suggestively lower price than that of the competitors in the e-commerce industry. This technique not only drives traffic to the store but also helps in converting window shoppers into paying customers. It is intended to be applied in the initial stage to attract customers.

Basket-based pricing: This strategy is used to influence customers to make a purchase. In this technique, certain price points or products are used to incentivize customers to purchase products. For example, it offers free delivery if your total basket value surpasses a particular limit. This sometimes makes customers purchase more than they would have originally planned. This strategy will be available seasonally for different calendaristic events such as: christmas, easter, mother's day, etc.

Quick-delivery pricing: The company leverages its state of the art logistics network to not only serve its customers in the shortest period of time but also to use it as a profit-making pricing strategy. It gives customers choices such as next day or 2-day shipping, same day delivery, in return for an additional premium from the customers. This is a significant way for the company to keep its prices lower than the competitors but at the same time influence profitability for the business. Available all year round.

- The platform will also be open to retailers that want to sell baby products of any kind and provide revenue to BeBe Brasileiro such as:
- the monthly fees for the professional retailers that sell more than 40 items/month, advertise products, want to qualify for top placement on product detail page, use advance selling tools, sell products in restricted categories that require approval.
 - fee per item when the sale occurs, retailers sell below 40 items/month.
 - listing fee online.
 - promoted listing.
 - invertible currency exchange.
 - commission per transaction paid by clients.

For the essentials that will be listed in the market research as “must have” items by parents, BeBe Brasileiro plans for the second stage of development, to purchase wholesale at cheaper price than the competitors by looking into the suppliers directories, contacting the manufacturer, attending trade shows, professional networks and finding low-cost wholesale distributors.

* For the subscription basket BeBe Brasileiro will provide complimentary (for free) the nutrition plan specifically customised to your baby along with the instructions and 24H consulting available to you.

Details of Price List Calculation and Contents of Baskets

Content	Supplier	Regular Price	Selling Price	Revenue
Huggies Tripla Proteção Hiper M - 276	\$33.87	\$42.34	\$44.45	\$10.58
Toalha Umedecida Personalidade Baby Eurofral	\$9.75	\$12.18	\$12.79	\$3.05
Fórmula Infantil Enfamil Premium 1 1300GR	\$20.72	\$25.90	\$27.19	\$6.48
BASIC Bundle Price	\$64.34	\$80.42	\$84.43	\$20.11
Huggies Supreme Care Roupinha - 120 Tiras	\$36.50	\$45.62	\$47.91	\$11.41
TOALHAS UMEDECIDAS BEBÊ PERFUME	\$15.47	\$19.34	\$20.31	\$4.83
Fórmula Infantil Pregomin 400g	\$27.07	\$33.84	\$35.54	\$8.46
STARTER Bundle Price	\$79.04	\$98.80	\$103.76	\$24.70
PAMPERS Confort 56 Unidades Cada	\$40.38	\$50.47	\$53.00	\$12.62
KIT C\ 10 TOALHAS UMEDECIDAS BEBÊ PERFUME	\$15.47	\$19.34	\$20.31	\$4.83
Fórmula Infantil Aptamil Pepti 800g	\$32.80	\$41.00	\$43.05	\$10.25
PREMIUM Bundle Price	\$88.65	\$110.81	\$116.36	\$27.70

Pricing Bundles

Bundle Type	No of items	Manufacturer Price	Selling Price	Contribution Margin
BASIC “budget friendly”	3	\$63.96	\$84.43	\$20.47
STARTER “best sellers”	3	\$79.06	\$103.76	\$24.70
PREMIUM “prime choice”	3	\$88.66	\$116.36	\$27.70

MAIN COSTS

eCommerce Platform	
Design	\$15,000
Programming and ePay Setup	\$20,000
Integrations	\$8,000
Data Imports	\$5,000
Hosting (annual)	\$6,000
Search Engine Optimization (annual)	\$31,000
> Average eCommerce Website Cost /Year	\$85,000
> Government requirements: license, autorisation, permit	\$500
Operating Costs	
Office rent and Utilities	\$4,800
Communication Plan Avoxy 0800..	\$1,200
eCommerce Manager	\$60,000
eCommerce Accountant	\$20,000
eCommerce Assistant	\$18,000
> Average eCommerce Operating Cost /Year	\$119,000
> Total Fix Cost First Year	\$189,000
> Average Marketing Cost /Year	\$24,000
Office Consumable	\$2.000
> Variable Cost First Year	\$26,000

* Stage 2/ Year 2

Best seller items on the platform - buy inventory in bulk and sell cheaper than competition at good profit will involve warehouse lease.

Warehouse rent and Expenses/ year	\$66,000
-----------------------------------	----------

REVENUE PLAN for the FIRST YEAR

The Bundles Subscription will generate the following revenue:

Bundle Type	No of Bundles	Selling Price	Contribution Margin	Revenue/Year
BASIC "budget friendly"	200	\$84.43	\$20.47	\$49,128
STARTER "best sellers"	150	\$103.76	\$24.70	\$44,460
PREMIUM "prime choice"	100	\$116.36	\$27.70	\$33,240
TOTAL	450	\$304.55	\$72.87	\$126,828

Commission fees from Seller on the eCommerce platform will provide revenue as following:

Account settlement professional retailer (30)	\$29/month	\$ 10.440
Fee per item when sale occurs	15%	\$ 60.000
Listing fee online	\$0.20	\$ 6.000
Promoted Listings	\$5 - \$25	\$ 8.000
Fees from third-party payment (invertible currency exchange)		\$500
TOTAL SELLER FEES Revenue		\$ 84.940

Fees payment gateway example of how it breaks down the revenue from Buyer:

PayPal: 2.9% + \$0.30 for transactions over \$10.	
Stripe: 2.9% + \$0.30 per transaction.	
Authorize.net: 2.9% + \$0.30 per transaction + \$25 monthly fee.	
Shopify: 2.9% + 0.30 Additional 2% per transaction for third-party payment	
TOTAL CLIENTS FEES Revenue	\$ 18.000

VAT/ Total Revenue	12%	\$ 35.004
--------------------	-----	------------------

TOTAL Revenue First Year	\$ 291.700
VAT	\$ 35.004
TOTAL Costs	\$215.500
PROFIT = REVENUE - VAT - COSTS	\$ 41.196

Break Even Analyse

Total Cost First Year \$215,500

TOTAL CLIENTS FEES Revenue	\$ 18.000
TOTAL SELLER FEES Revenue	\$ 84.940
Bundles Minimum Revenue	\$ 112.560

Year	Bundles	Revenue	Months	Bundles	Full Revenue
BASIC “budget friendly”	200	\$ 49,128.00	12	360	\$ 88,430.40
STARTER “best sellers”	120	\$ 35,568.00	12	250	\$ 74,100.00
PREMIUM “prime choice”	85	\$ 28,254.00	12	160	\$ 53,184.00
Break Even Point		\$ 112,950.00	12		\$ 215,714.40

To cover the total costs of the expenses required to be invested in the first year BeBe Brasileiro must ensure a minimum of 405 bundle subscriptions per month and collect revenue of approx 113000\$ per year. Also, from the fees, accounts settlements, listing and advertisements it is estimated to collect a total of 103000\$.

To obtain the entire amount from the bundle sales it is required a number 770 bundle subscription per month, and after VAT will be deducted the business will generate profit.

Goals

Year	1	2	3
Revenue Goal	292,000.00\$	500,000.00\$	1,000,000.00\$
Customer Subscriptions Base Goal	770	1500	3000

The forecast for the second year, when the business is stable, BeBe Brasileiro plans to invest more into marketing and reach to the customers that could not have access to its services. The target is to double the amount of subscriptions and produce a revenue that is almost double than in the first year by investing the rest into marketing and facilitating easy access to the expansion of the platform.

In the third year, when the business is well known on the market amongst the customers the focus will be to maintain its clients. The target will be to attract the high end customers from the upper class by offering prime quality bundles and the very low class that did not have means of purchasing products online before.

[How Much Do Ecommerce Websites Cost in 2021? \(Real Numbers\) \(wpbeginner.com\)](#)

[How Much Does It Cost to Rent a Warehouse? | Prologis](#)

[Digital Business 2021 | Laws and Regulations | Brazil | ICLG](#)

[Ecommerce Business Plan \(FREE How To Guide + PDF Sample Template\) \(ecommerceceo.com\)](#)

[eCommerce Website Pricing: 2021 eCommerce Website Costs For Design, Developent & More \(outerboxdesign.com\)](#)