

## Group 3B P2

### 1. Product Overview:

The Amara customer base is divided into two segments:

- As our stores are located in the United States, we service affluent US consumers with luxury purchasing tastes mostly interested in Central American or indigenous cultures as a whole, or are focused on purchasing ethically produced indigenous crafts.
- Our customer base is also composed of our indigenous community partners. Our partners, spread across Central America, are artisans who make authentic, high quality products. These artisans have access to few interested buyers and little means to customer service and shipping. Most of our artisans are living in marginalized communities that do not get enough opportunities.

We're a brick and mortar retail company, but creates hard limits on sales due to the limited number of customers we can reach. Our direct purchase model of goods from our partners leads to deadstock issues and wasted, inefficient craftsmanship. This impedes our ability to support more artisans, but furthermore, our current approach creates a very niche customer base that is very interested in Central American or general indigenous culture or ethically produced indigenous crafts specifically.

We've found in our interviews that our consumer base wants to buy authentic, ethically sourced products and are happy to pay more for them, but they are not sure where to get them or how to verify authenticity amongst a sea of cheap imitations.

Through interviews with our craftspeople, we've learned that they struggle with a few things:

- They want to maintain the "soul of their craft" : balancing the tradition of their culture while getting a stable income.
- They struggle to get fair, sustainable compensation for their work.
- They want to create higher margin, higher margin items for luxury buys so they do not have to produce the same cheap trinkets for visiting tourists.

We, as a platform, need to sell more to support our indigenous community partners better. However, we also need to sell differently so they can streamline their offerings and have a more sustainable process of craftsmanship.

We propose a new two-pronged approach to improving our ability to scale and support:

- We will expand our sales to a online platform to reach a new set of customers

- We will streamline our products to center around fabrics and decor, and open the door for brand collaborations

## **2. Scope and Objectives:**

As a platform, we have two primary objectives: first, we aim to expand the reach of Amara to a new set of customers. Second, we hope to streamline our product offerings and overall identity to center around fabrics and decor. This will enable our artisans to have a more sustainable process of craftsmanship while opening opportunities for new partnerships with luxury brands.

This direction for the company would solve our and our customers' pain points :

First, it allows us to serve a broader set of customers – right now we're only serving people who are explicitly interested in supporting indigenous people, but if we move towards luxury fabrics / furniture, we can move towards people that already purchase these types of products but are just maybe more socially conscious (i.e, there are probably more people who want to be a part of doing good for the world by supporting artisans than there are people who are strictly interested in the culture of those artisans).

Second, it allows us to overcome our limitations of being brick-and-mortar by expanding our potential customer base across the country. This likewise allows our consumers with the pain-points of finding authentic, ethically-sourced, indigenous-made luxury products by allowing them to buy from our curated catalog of goods with guaranteed provenance from the comfort of their homes. As shown later in this document, expanding online will lead to an increase in revenue.

Third, with a streamlined product offering, we are able to predict and manage our inventory more accurately, lessening our deadstock issue. In turn, we can give longer term orders to make it easier for our artisans to focus on a smaller set of traditional crafts with higher margins for a longer period of time. This adds to the sustainability of our partnership and betters the livelihoods of our artisans with higher, more stable income.

We want Amara to be a globally recognized brand that offers indigenous artisans around the world opportunities for a better life, while offering customers and clients excellent, unique, and culturally authentic materials and decor

## **3. User Personas:**

Our target users are separated into two demographics: our artisans and our consumers. For our artisans, we are looking to serve indigenous artisans primarily located in Central America who are lacking interested buyers in their higher margin products or lacking a consistent customer base – ideally, they would specialize in fabric-based or decorative products. In Guatemala alone there are around 1 million artisans producing handmade textiles and woven products derived from Mayan culture, though their incomes are highly unstable. These artisans are generally forced to sell low margin items as their primary customer base is from tourism. Their daily wages range anywhere from 20 USD to only a few dollars as a result of fluctuations in sales. Tourism sales are highly inconsistent and most tourists are largely unwilling to make large purchases since it is more difficult to bring those purchases home, which impacts these artisans' ability to support their families.

For our consumers, we seek to target more affluent U.S or global consumers with luxury purchasing tastes, specifically those with an interest in indigenous culture or those looking to be socially conscious in their consumption of art products. The consumers want a guarantee that their products are environmentally and ethically sourced, and that their money is positively impacting the world. Luxury consumers already represent around 400-500 million individuals globally, and 30-40% of these luxury consumers are already considered socially conscious and looking to purchase sustainably. We expect this percentage to only continue to grow as the world becomes more educated and informed about how to source ethically.

#### **4. User Stories or JTBD (Jobs To Be Done):**

Gabriela Martinez is an indigenous artisan specializing in woven fabrics who sells small scarves and trinkets out of a tourist stand. She wants to save up to send her daughters to college but currently is not making enough to do so. Through her community she is able to reach out and eventually partner with Amara, where she receives orders for higher quality fabric products which stay true to both her existing skills and her culture. Her works are sold on Amara's online platform, and with access to a global audience sells far more than she would be able to at her tourist stand. With Amara she receives both an increase in the amount and consistency of her revenue. She agrees with Amara on a payment amount that can best support her and her family, and is paid a portion of the payment upfront before the completion of each order. Amara also makes plans to order from her for many months moving forward, giving her time to plan out and produce each piece without stress. The increased revenue that Amara's sales of her work brings her and her family an improved quality of living and helps to propel the prospects of future generations of her family.

Emily Thompson is an upper-class businesswoman looking to purchase new decor for her new home in Atherton. She is socially conscious and looks to maximize her positive impact, consistently donating to charity efforts, and has an interest in the local arts scene, frequenting galleries and art showcases. She notices at a friend's house party a beautiful fabric piece and asks for where she purchased it, and learns about Amara. She finds that she doesn't reside near any physical Amara locations, and goes online to purchase instead. She finds a piece that she thinks would be a wonderful

addition to her bedroom in her new home, and learns about the artist that she'll be directly supporting through her purchase, Gabriela Martinez. Thompson takes personal interest in Gabriela's works as she has a deep interest in Mayan culture, especially in their rich history of woven traditional works, and continues purchasing from Amara when Martinez creates new products.

## 5. Functional Requirements:

### User registration and retention:

- User email acquisition for a mailing list.
- Account Creation/Authentication for personalized shopping.

### Shopping Cart:

- Enable users to add products to a shopping cart.
- Implement a persistent shopping cart for users who return to the site.

### Checkout Process:

- Streamline the checkout process for a seamless user experience.
- Support multiple payment options and secure payment gateways.
- Include order confirmation and transactional emails.

### User Reviews and Ratings:

- Allow users to leave reviews and ratings for products.
- Implement a moderation system to manage reviews.

### Search and Navigation:

- Provide a robust search functionality for products, artisans, tribes, and regions.
- Implement filters and sorting options to help users find products easily.

### Product details:

- States the material the product is made of.
- Certifies the sustainable sourcing of it.

### Artisan bio:

- Introduces the artisan and their tribe, art inspiration ...etc.
- Recommends other creations of the same artisan.

## 6. Non-Functional Requirements:

- Fast response time
- Consistent fulfillment times
- Security
- Scalability (managing relationships)
  - Database stuff?

## **7. Constraints and Assumptions:**

Our most prominent assumptions were that people respond better when they know the artists and that the indigenous identity of artists matters to consumers. Additionally, we assumed our target consumers are willing to spend more for authenticity and ethically sourced goods and that buyers of luxury goods care about the source of materials, not just quality. In our plans to collaborate with other Luxury brands, which was a key step in our growth plan, we made the assumption that luxury brands see new material sources as a growth opportunity. Especially, as we decided to pivot our focus, in our expansion plans, to luxury fabric and decor, we assumed Artisans are interested in shifting to fabric and decor production and that they are open to collaborating with other luxury brands. We also chose this new focus based on the assumption that there's potential for global market expansion by targeting general audiences, since our product shift was made to aim for these audiences. Finally, the main reason we decided to follow these more complex strategies to scale Amara instead of just technologically making more products is because it completely opposes our basic concept of supporting indigenous communities, first, but we also made the assumption that the product value decreases significantly when they are not made by hand. The main constraints we faced were in testing assumptions related to indigenous artisans since there a significant lack of data, and we obtain their partnerships through contacting, discussing and explaining to each of them individually. Obtaining a representative sample of potential customers was also challenging, as ours are an intersection of luxury buyers with interest in Indigenous crafts, and there was not explicit data available.

## **8. Milestones and Timeline:**

Our roadmap consists of all of our new initiatives – streamlining our product offerings, launching our online platform, and collaborating with brands.

Our first milestone will be to launch a website MVP in Q4 2023 as we start our product streamlining process.

Our MVP will consist of a basic sales website where we offer some of the products that we already offer in our brick and mortar stores. We will promote this website to our target demographic located in cities we don't have any brick and mortar stores in.

We will evaluate though:

- A/B testing showcasing different product lines (existing product vs our planned streamlining to fabrics/decor only) and see the number of clicks
- Judging customer acquisition costs from our Google Ads
- Percentage of paying visitors to the website
- We will also track the average revenue per user (visitor) and compare this monthly to our in-store statistics

In 2024 Q2, we will do a big marketing push, opening showrooms across major cities while working closely with influencers to grow our social media presence and gain recognition across the country. In Q3, we will launch an updated website with streamlined product offerings based on the results we find with our MVP and pursue brand partnerships.

Continuously after our launch, we will optimize and grow our community partners as the demand for our goods increases. In 2025 we will expand our online service to other countries and aim to launch our first brand collaboration.

On the back of this in Q3 2025, we will begin to expand our partnerships to indigenous communities in other parts of the world. We will choose the nations we expand to based on national artisan sector size and income instability among artisans. Due to this we will likely start in South Asia, where the artisan sector is the second largest area of employment and income instability is high.<sup>1</sup>

We also plan on launching a mobile app with AR/VR features to help potential consumers visualize the goods in their own homes and living spaces.

In short:

- In 1-3 weeks, we would like to have completed tests of all our assumptions to get a clear picture of a product streamlining that works for both our artisans and our consumers. Tests would also finalize the value propositions we convey on our new website
- In 1-3 months, we would like to begin production of our streamlined product line and launch our basic website landing page teaser.
- In 1-3 quarters, we will launch a marketing campaign consisting of opening pop-up showrooms in key markets and growing our social media presence. We will also launch our website with streamlined product offerings. In this time period, we will also pursue partnerships with luxury brands around our indigenous fabric and textile offerings.

## 9. Resource Requirements:

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<sup>1</sup><https://ballardbrief.byu.edu/issue-briefs/income-instability-among-artisans-in-south-asia>

### Human Resources:

- Indigenous Craftsmen (weavers, fabric artisans, etc) to be identified by recruitment team
- Luxury Brands partnership team (to identify, negotiate, and maintain deals with luxury brands; likely involves marketing specialists and legal advisors)
- Core team (marketing, customer support, product development, supply chain experts)
- Online Platform Development team (web developers to create and maintain the online website + platforms)
- Research and Development team (researchers to analyze market and strategize development)

### Technical Resources: Key Technologies and Tools

- Customer Relationship Management (CRM) System to track relationships with artisans and customer choices
- Analytics tools for marketing and social media campaigns
- Supply Chain Management Software to optimize and track materials

## **10. Testing and Quality Assurance:**

Our testing and quality assurance will be done through three processes:

1. The Amara website will be thoroughly tested by a QA engineer.
2. Our on-site artisan partner manager will be responsible for quality assurance of crafts before it leaves the country of origin.
3. Our brand partnership manager will be in charge of making sure the products are created to the specifications and standards agreed upon by Amara and our partners.

## **11. Risks and Mitigations:**

### Resistance from Artisans:

- Risk: Artisans may not be willing to partner with Amara or accept certain conditions. They also may not want to adjust their traditional products to fit the needs of the luxury brands.
- Mitigation: Amara must involve the artisans in the design and planning process, ensuring that their voices feel heard. Our team should also offer training and support, and prioritize communication.

### Resistance from Luxury Brands:

- Risk: Luxury brands may not find value in partnering with Amara or may not want to incorporate Indigenous fabrics into their materials.

- **Mitigation:** Amara must conduct extensive research to demonstrate the consumer demand and interest for such materials, therefore illustrating a clear value proposition for the brands.

**Resistance from Consumers:**

- **Risk:** Consumers may not be willing to pay higher prices for ethically-sourced products from luxury brands.
- **Mitigation:** Amara should conduct further research to determine the pricing ceilings and sensitivity of our target consumer base of affluent US consumers with luxury purchasing tastes.

**Unexpected Circumstances:**

- **Risk:** Economic changes might affect the compensation and livelihood of Indigenous artisans, reducing their ability to continue partnerships with Amara and Western luxury brands.
- **Mitigation:** Contracts with artisans should include clauses that account for economic fluctuations, including fair compensation and advance payment specifics. Amara should highlight these details when recruiting Indigenous artisans.

**12. Metrics and Success Criteria:**

*(from most to least important)*

<b>Key Performance Indicators (KPIs)</b>	<b>Success criteria</b>
<u>Revenue</u>	Higher than revenue pre-launch
<u>Website traffic.</u>	> 30%, ideally >= 50%
<u>Average session duration:</u>	2 - 4 minutes <sup>2</sup>
<u>Organic Traffic:</u>	High to test SEO efficiency
<u>Bounce Rate:</u>	< 40%





The success of our launch can be signaled through the following metrics being high: Revenue (especially compared to revenue pre-launch, with at least around 20% coming from returning customers), website traffic, and average session duration (2-4 minutes; tests the attraction of the website design), as well as the (average) total orders (per day, overall, on launch day, new products Vs. old products), in addition to organic traffic to indicate the efficacy of our SEO strategy. At the same time, a low bounce rate (<40%) is a good sign of attractive design.

**13. References:**

We conducted A/B testing and customer feedback from a focus group of 25 potential users. These users were randomly selected and intentionally diversified to reduce confounding variables.

For each segment of the study, users were tested on their preferences between two options, each with a unique description and displayed features (e.g., price).

For instance, one of the questions compared two identical postings with one conveying authenticity and ethical sourcing for a higher price and one being a replica for a lower price.

<p><b>Ethically Sourced, Authentic Mayan Handwoven Blanket - \$290 @stanford.edu</b></p> <p>Date: Mon, Nov 13, 2023 11:22 PM Price: \$290</p>  <p>Immerse yourself in the rich cultural tapestry of Mayan artisans with this authentic handwoven blanket. Each thread, carefully woven by skilled Mayan hands, carries a story of tradition, artistry, and resilience. Our dedication to ethical sourcing ensures that you are not only acquiring a piece of exquisite craftsmanship but also supporting the preservation of Mayan weaving techniques and the livelihoods of Mayan communities in Belize.</p>	<p><b>High Quality, Mayan-Inspired Blanket - \$90 @stanford.edu</b></p> <p>Date: Mon, Nov 13, 2023 11:24 PM Price: \$90</p>  <p>Incorporate the vibrant spirit of Mayan artistry into your home with this eye-catching blanket. Inspired by traditional Mayan designs and motifs, this piece adds a touch of cultural flair to your décor without straining your budget.</p>
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This research delivered valuable insights on customer preferences and sensitivity to Amara’s value proposition. For instance, when given two options of a scarf product, all 25 individuals surveyed preferred the option that identified the Indigenous artisan who had created the fabric and provided further information.

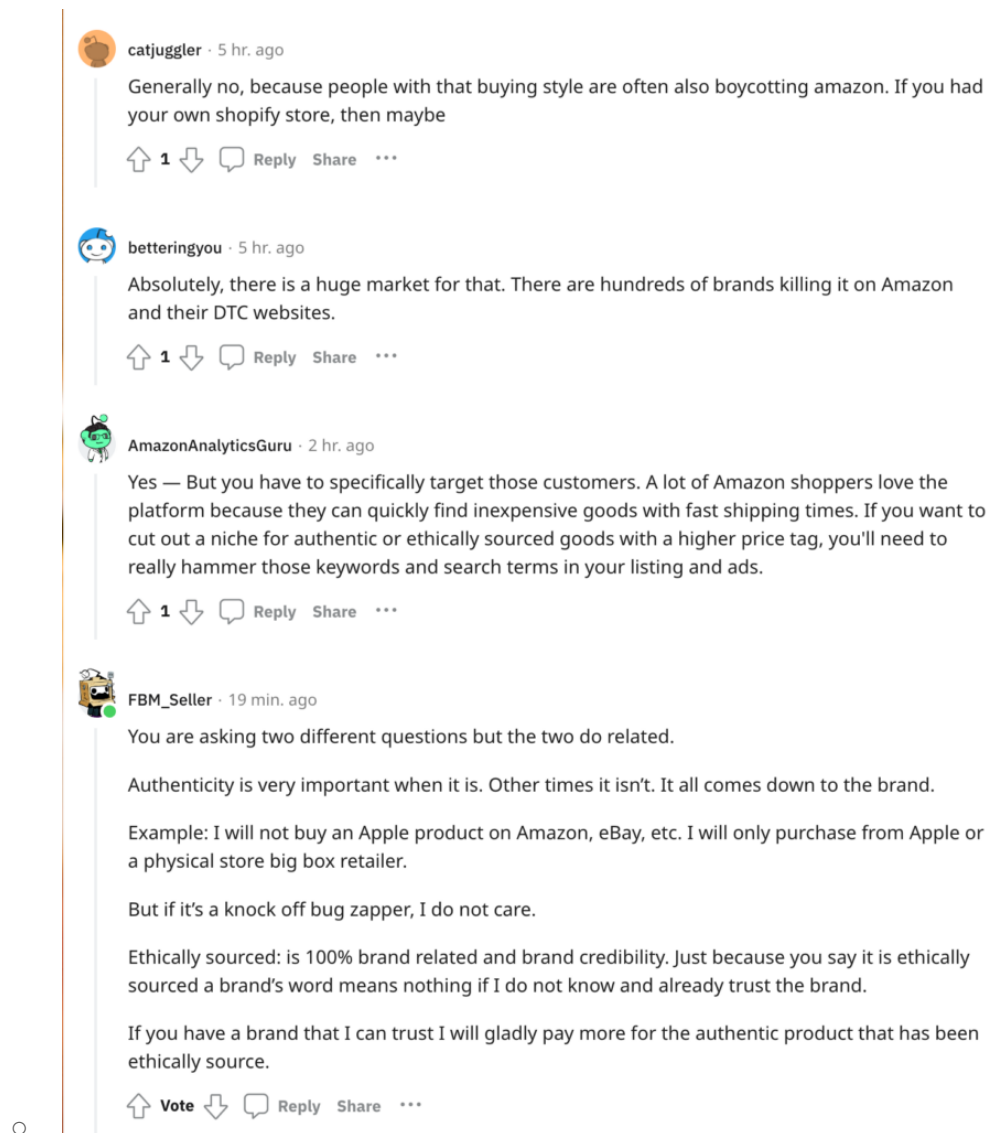
We also posted on Reddit forums to get insights from actual sellers:

## Are people willing to spend more for authenticity and/or ethically-sourced goods?

Curious whether you guys have any insight on whether things sell better/for a higher price when you convey a product's authenticity or ethical sourcing.

Responses gave us valuable information about sellers' perspectives:

- r/Amazon Seller



The screenshot shows a vertical thread of four replies on a Reddit post. Each reply includes a user profile picture, a username, a timestamp, the text of the reply, and interaction icons (upvote, downvote, reply, share, and a three-dot menu). The first reply is from 'catjuggler' (5 hr. ago), the second from 'betteringyou' (5 hr. ago), the third from 'AmazonAnalyticsGuru' (2 hr. ago), and the fourth from 'FBM\_Seller' (19 min. ago). The 'Vote' button in the fourth reply is bolded.

**catjuggler** · 5 hr. ago  
Generally no, because people with that buying style are often also boycotting amazon. If you had your own shopify store, then maybe  
↑ 1 ↓ Reply Share ...

**betteringyou** · 5 hr. ago  
Absolutely, there is a huge market for that. There are hundreds of brands killing it on Amazon and their DTC websites.  
↑ 1 ↓ Reply Share ...

**AmazonAnalyticsGuru** · 2 hr. ago  
Yes — But you have to specifically target those customers. A lot of Amazon shoppers love the platform because they can quickly find inexpensive goods with fast shipping times. If you want to cut out a niche for authentic or ethically sourced goods with a higher price tag, you'll need to really hammer those keywords and search terms in your listing and ads.  
↑ 1 ↓ Reply Share ...

**FBM\_Seller** · 19 min. ago  
You are asking two different questions but the two do related.  
  
Authenticity is very important when it is. Other times it isn't. It all comes down to the brand.  
  
Example: I will not buy an Apple product on Amazon, eBay, etc. I will only purchase from Apple or a physical store big box retailer.  
  
But if it's a knock off bug zapper, I do not care.  
  
Ethically sourced: is 100% brand related and brand credibility. Just because you say it is ethically sourced a brand's word means nothing if I do not know and already trust the brand.  
  
If you have a brand that I can trust I will gladly pay more for the authentic product that has been ethically source.  
↑ **Vote** ↓ Reply Share ...

- r/EtsySellers



Equivalent-Camera661 · 15 hr. ago

As long as the product is actually handmade, then I am willing to pay a bit more. If it is not, then I choosing the cheapest price or the closest seller.

15 Reply Share ...



candlebombs · 15 hr. ago

Speaking for myself, yes. I would guess people on Etsy are generally willing to spend more for that compared to shoppers at say Amazon.

5 Reply Share ...



DenaBee3333 · 15 hr. ago

Good question. I think the answer is some are, but many aren't.

4 Reply Share ...



CasketBuddy · 9 hr. ago

Generally speaking I happy to a pay little extra for products that are better quality, use ethically sourced materials, and are hand-made. I know that my purchase is a HUGE deal for smaller sellers, so I like to support independent traders as much as I can.

Eco packaging is also a huge selling point for me, I hate having to throw away single use plastics so I'm happy to pay a little extra to know that what I throw away will degrade naturally.

4 Reply Share ...



PurpleEsskay · 10 hr. ago

Some are but it seems the majority arent. I do a lot of 3d printing stuff and when I was about a year in I went to great lengths to find a supplier of recycled material. I ended up paying 2x the normal price just so that I was using a local supplier I could go to to collect stock, and who showed me their setup where they did indeed use recycled materials.

It didn't result in any noticable difference in sales, but cut my margins in half.

I've also experimented with more premium recycled packaging materials and again it makes no difference.

3 Reply Share ...



bnzgfx · 7 hr. ago

Authenticity used to be the whole point of Etsy. Some people will pay more for goods made with care by hand. Maybe not *enough* people, though, which could be why Etsy decided to play fast and loose with their definition of "hand-made". Then again, maybe they just got greedy.

Incorporating a company whose mission was to promote cottage businesses might have been a misstep.

3 Reply Share ...

The screenshot shows a Reddit thread with four comments. The first comment is by user 'LeyKlussy' (11 hr. ago) discussing Etsy shoppers' preferences for handmade goods. The second is by 'Wildernessinbox' (10 hr. ago) talking about the additive effect of ethical sourcing. The third is by 'merd3' (2 hr. ago) with a short response. The fourth is by 'holdonwhileipoop' (2 hr. ago, edited) discussing brand positioning. Each comment includes up/down arrows, a reply icon, and a share icon.

**LeyKlussy** · 11 hr. ago

I think Etsy shoppers want the handmade, small business feel. Knowing that their order was special for them, as opposed to, let's say, some garbage sent from a China warehouse.

Now, if a buyer specifically cares that "the gold for their jewellery is fair trade" or "the wool for their knitted hat is organic from a small sheep farm", I'm not sure. I think it's a bonus, but there's a cost Vs demand issue. (Ie, if it costs 3 times more to make, you may lose 80% of buyers, which is not good business wise).

2 ↓ Reply Share ...

**Wildernessinbox** · 10 hr. ago

I would say in many cases yes, it's an additive effect that will allow some customers to feel better about buying from your brand or shop. However if it isn't displayed/presented well and priced higher (since ethically sourced things cost more) you could see people abstain from buying for something cheaper.

2 ↓ Reply Share ...

**merd3** · 2 hr. ago

No, not in this economy

1 ↓ Reply Share ...

**holdonwhileipoop** · 2 hr. ago · *edited 2 hr. ago*

Some are, but they usually want to be commended for it. The majority want things cheap and fast. Now, if my entire brand was about eco-this or sustainable that, my answer would be different. I have a mix of organic and plain ole everyday options.

1 ↓ Reply Share ...

### Market Research Sources:

- [Source 1](#)
- [Source 2](#)
- [Source 3](#)
- [Source 4](#)

### Competitive Analysis Sources:

- [Gathered: A Native Marketplace](#)
- [The Sourcing District](#)
- [Swatchon](#)
- [Folksy](#)
- [Etsy](#)

### KPI success criteria:

- [Success Criteria + Everage ecommerce session duration.](#)
- [Average Session duration.](#)
- [Ecommerce average session duration.](#)

- [Website Traffic](#)

OKR Key result:

- [Big Commerce](#)
- [Setting website traffic goals](#)
- [AgoraPulse](#)

#### 14. Go to Market:

Our distribution channels to customers will be comprised of:

1. Retail: Pre-existing Brick-and-Mortar Stores.
  - a. We will continue with current production/distribution systems
2. Online: New online platform/website with direct sales.
  - a. Use current production and supply-chain systems to create stock per-demand and distribute
3. B2B: Luxury brand channels (through partnerships)
  - a. Utilize partners' supply chain systems

Sales will revolve around product sales to consumers, collaborations with other brands, and fabric sales to luxury brands.

We will generate demand and awareness through marketing consisting of:

- Brand collaborations
- Publicly sponsoring NGOs supporting Indigenous American populations.
- Social Media:
- Influencers.
- Walkthrough videos
- Pop-up launch events
- Amara Physical stores

While conducting these marketing campaigns, we will focus on educating our target customers, focusing on Amara's trusted authenticity and ethical practices through:

- "About" and "FAQ" sections on our website.
- Informative website with a deep dive into each product (sourcing, artisan, story, tribe...etc)
- ChatBots for questions.
- Trained salesperson at the stores.
- QR codes with information on when products are from + the story on product tag

