

Start Up Proposal of Aquarium Store

Prepared For
Investors

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Executive Summary

Purpose

The purpose of this proposal is to develop a strategy to create a successful operating aquarium store. In order to reach our goals we must diversify what we can offer to customers, capable of expanding our customer reach, and use technology to innovate a new experience for our customers. If we follow these strategies we will differentiate our store from other local aquariums giving us a higher competitive advantage.

Target Audience

My target audience that I would like to approach is to people that do not have the chance to get the quality/rare livestock from their local fish stores. I will readily have the ability to ship right to their door the next day. It also provides my target audience the convenience to shop at home without coming physically to my storefront and thus increasing expanding my customer's to reach nationwide

Problems that normal aquariums posses

While observing local fish stores, I've noticed some problems:

- Many only do certain aquarium needs: For instance only retail, or only retail and moving aquariums.
- Limited customers due to being a unique hobby.
- Many customer's want deals for the livestock they purchase and local fish stores simply can't afford giving deals
- Doesn't offer an online e-commerce website to show dry goods or livestock for sale

Solutions/Methods

Strategies to combat competition and differentiate ourselves from other aquarium stores:

- Develop a website and update weekly on dry goods/ livestock available
- Offer membership and to have discounts and specials for certain items.
- Offer a virtual experience of retail store and sell out livestock as “what you see is what you get”.
- Offer all aspects of aquarium needs including; maintenance, installation, moving, and retail.

Introduction

The aquarium industry is one of the most unique and volatile markets today. There is an estimate of 700,000 saltwater aquariums in households of the United States alone, not including ponds, freshwater aquariums, or brackish water systems as well. The aquarium hobby has many advantages for the community not only as companions but the success of a thriving ecosystem gives enjoyment to all people, young and old. Also there have been accounts to where people who were provided an aquarium has many health benefits, ranging from lowered blood pressure, patients using less pain medication, and calming patients with hyperactive disorder. (Swain, 2015)

I believe that there's a definite audience to mold our business into. Most businesses are just starting the idea of having an e-commerce website, but I hope to be one of the leading aquarium retail and website to introduce towards the aquarium industry. Local fish store nowadays lack the use of technology and stick to what normal fish stores do, which is selling livestock towards the local hobbyists. The retail store I propose will not only include selling towards local hobbyist but also sell nationwide through ecommerce website to hobbyist that aren't able to get quality livestock locally expanding our customer reach. With the growing trend of shopping online and technology, I believe we can successfully bring something new towards the aquarium industry.

This report includes the following:

- Business Description
- External Analysis (Local fish store analysis)
- New changes our business will include
- Risks
- Method
- Conclusion

Business Description

Our business will deal with the retail/online stores and as well as service. The retail and services will be offered to local customers. However the online store will be offered to nationwide customers. I will be managing all aspects of the store. If our store grows larger, I will be dividing the work into different departments and regulate each department from top-down.

Mission Statement

Our business is to supply hobbyist, nationwide, with quality aquatic livestock at a reasonable price. With our knowledgeable staff we will provide customers reach the success they wish for in their aquariums. For online buyers, we offer innovative technology, such as our virtual reality experience in our stores to help decide the right animal to bring to their doorstep.

Company Goals

Our company goals are to one of the first leading aquarium store to incorporate more of an ecommerce that our generation is trending to today. Also our goals are to facilitate towards all of our consumer's needs, which includes maintenance, installation, and retail. Lastly our main goals is to preserve our marine coral reefs, by supplying customer's with aqua-cultured corals grown within our store.

Company Strengths

Our company has many advantages that will lead towards success. We provide various services towards our customers that many aquarium stores lack. We also notice that many aquarium stores lack the sales that is needed to go beyond breaking even so therefore opening a online store will broaden the amount of customer's we can sell our livestock towards. Lastly I bring years of experience being in the hobby for over 12 years. I have kept both saltwater and freshwater keeping livestock and growing them with high success rates. I have worked alongside aquarium retail stores and understanding what makes them successful or weak.

External Analysis

There are over 15 local fish stores around the Bay Area. Some local fish stores only carry certain livestock and products, while others only do certain services or don't do any at all. I have included the more prominent local fish stores around the bay area and what they do for their customers.

Store name	Saltwater livestock	Freshwater Livestock	Various Equipment on hand	Maintenance	Moving	Installation	Online sales
Keith's Coral Reef	X				X		
Neptune Aquatics	X	X	X			X	
California Reef Company	X		X				X
Aquatic Collection	X	X	X				X
Diablo Corals	X			X	X	X	

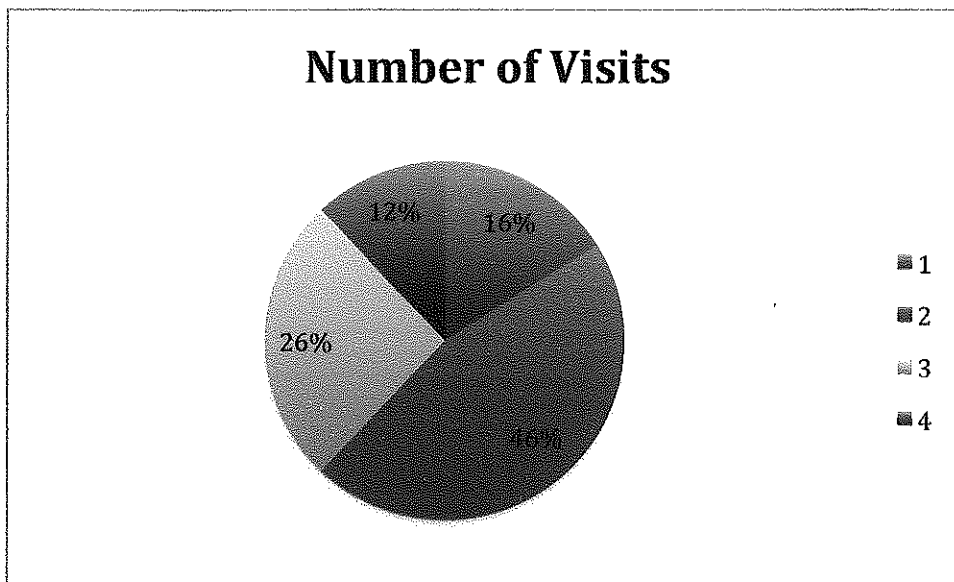
This table shows the variety of inventory and services local fish store offer to it's customers.

Looking at the table I made above, one can see that aquarium stores only do a selected couple of tasks for hobbyists. More specifically, we can see that many only do retail rather than online sales. I talked to one of the owner's, specifically Keith Fraser at Keith's Coral Reefs, about why they don't do online sales and he says, "Online sales are difficult because of the liabilities of when a shipment doesn't go to plan, filing a claim with the distributor is too much responsibility and time draining." (Fraser, K. This goes to say that many stores do not offer all the services they could offer because they are intimidated of the risks attached.

What our business brings to the Aquarium Industry

- **Provides all services towards customers**

Although there are many risks involved with each service, I believe having a store with all services will be a one-stop store for all hobbyists. If we provide many different types of services we will gather the most potential customers locally. Most the times, I find myself having to go to multiple stores to find the exact livestock or equipment I need. Therefore, I gathered data about local aquarium hobbyists to see how many fish stores they usually visit to get what they exactly need, on a fish aquarium forum.



Graph shows the number of visits normal hobbyists have to visit before finding exactly what they want.

One of the more successful ways to be an efficient small business is to be convenient for your customers so that customers will keep coming back and build a relationship. Not only does being a one-stop shop will help our customers find the right item they need but will broaden our customer audience.

- **Provides an online ecommerce transactions**

Online shopping has been the trend lately and providing our inventory towards online customers. With online shopping we can broaden how many customers we can offer to, and increasing our sales. It also will run 24/7 so we can always be open for the public and make transactions even when our retail side is closed. Also with an online side we are able to bring more awareness to our company through online searches.

- **Facilitates Virtual Experience**

Using technology with our business will create a one of a kind experience for our customers. With the use of Oculus technology customers around the nation will be allowed to visit our store with the comfort at being at home. Customers are allowed to look at what they are buying before it even arrives at the front door. Pictures will be updates weekly or daily to show customers what is available or not. This also gives the assurance to customers that what they will be buying will appear just like what is on the virtual experience. This is the perfect answer towards customers who are unsure to buy over the Internet because they simply don't know what they are getting from a generic photo.

- **Offer Memberships deals**

Customers are able to buy membership plans to participate in deals and sales. Fish hobbyists are always looking for deals and this will provide a brand loyalty for customers to keep buying from our business. This can also track what they like from our store, from their previous history and what they would like to see in the future. The membership will also provide customers the ability to create a wish list and our business will try to bring in the demand as soon as we can.

Risks

- **Dead livestock due to shipping**

Sometimes not all packages ship well or the specimen cannot due well through the shipping process. It proves costly because some hobbyist would like a replacement order because of the unsuccessful arrival.

- **Opening all types of services takes time**

Opening all types of services can take up a lot of time. For example if maintenance takes up a lot of time, it can cause the health of the livestock back in the retail side to fall.

- **Servicing aquariums and keeping up livestock is costly**

In the fish hobby the equipment and supplements required to keep high levels of water quality is very expensive and takes up most of sales/revenue.

Methodology

- **Combatting dead livestock:** To combat the possibility of dead livestock. It is important to offer a guarantee on the shipping process and also only offer one-day priority shipping. This way the livestock is insured the best chances of survival. Also it is important that we record the reoccurring dead livestock and make sure stop shipping them or understand how we can repackage them so increase survivability.

It will be important to credit our customers with livestock purchased so that they are able to invest in another package and hopefully even buy more with their credited item.

- **Managing time:** Although maintaining aquariums and installing aquariums prove to be time costly. I believe it is important to shut down one day of retail side and use one day to maintain customer's tank. This way we organize our time to take care of all inhabitants without neglecting any. Also if our service side of our company grows too fast I will have to hire wisely employees that I find suitable to take care of the retail side. Therefore I can attend more aquariums or aquariums that need extra care.
- **Attention to Cost-effective work:** The costs of maintaining an aquarium is high. Every month, an average 100-gallon tank needs average of 200\$ to fund the supplies, change filters, and dose supplements. Therefore it is important to make sure any service that our business accepts taking is cost effective and is worth the time to serve.

Creating a local fish store has been a dream of mine ever since I was introduced into the hobby when I was around 10 years old. With the use of technology and my expertise I hope to create the same enjoyment to people across the nation to build a successful, thriving aquarium business.

References

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