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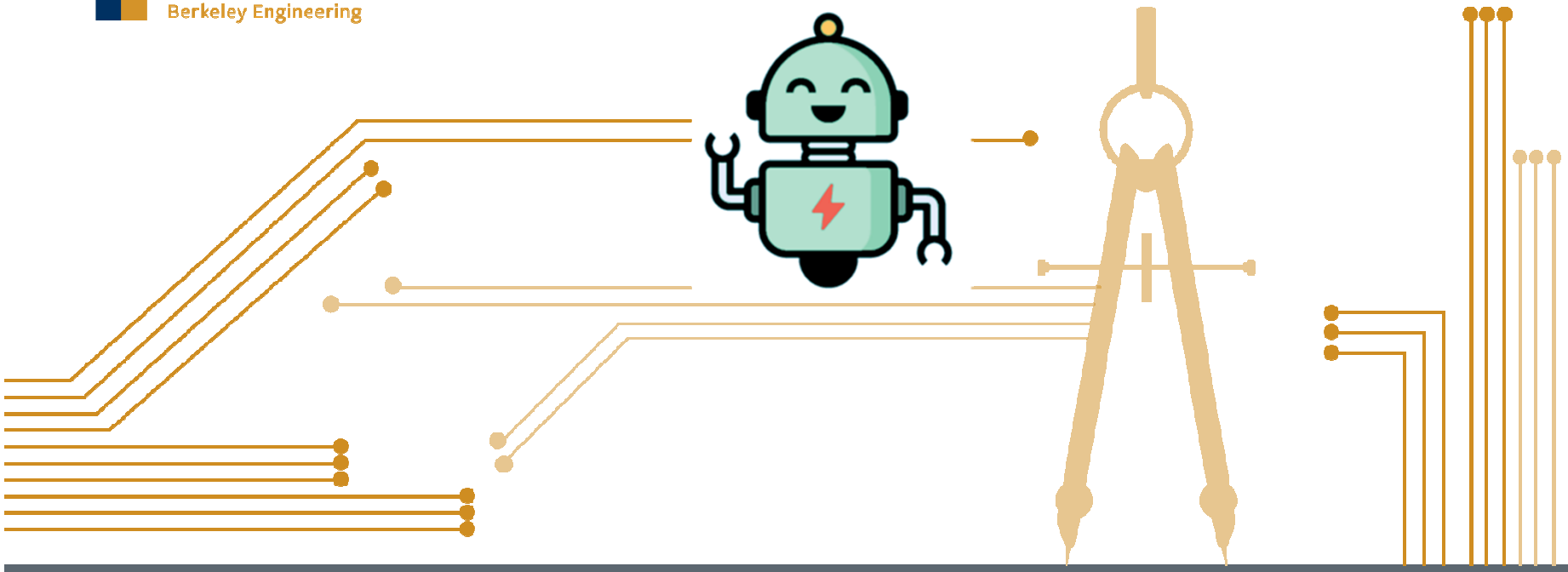

SaveBot! Digital Coupon System

a venture pitch

Brian Horner, Brad McMillen, Edward Wahl, Ph.D., Hirad Samavati, Ph.D., Bala Kuchibhotla

This work was created in an open classroom environment as part of a program within the Sutardja Center for Entrepreneurship & Technology and led by Prof. Ikhlaq Sidhu at UC Berkeley. There should be no proprietary information contained in this paper. No information contained in this paper is intended to affect or influence public relations with any firm affiliated with any of the authors. The views represented are those of the authors alone and do not reflect those of the University of California Berkeley.

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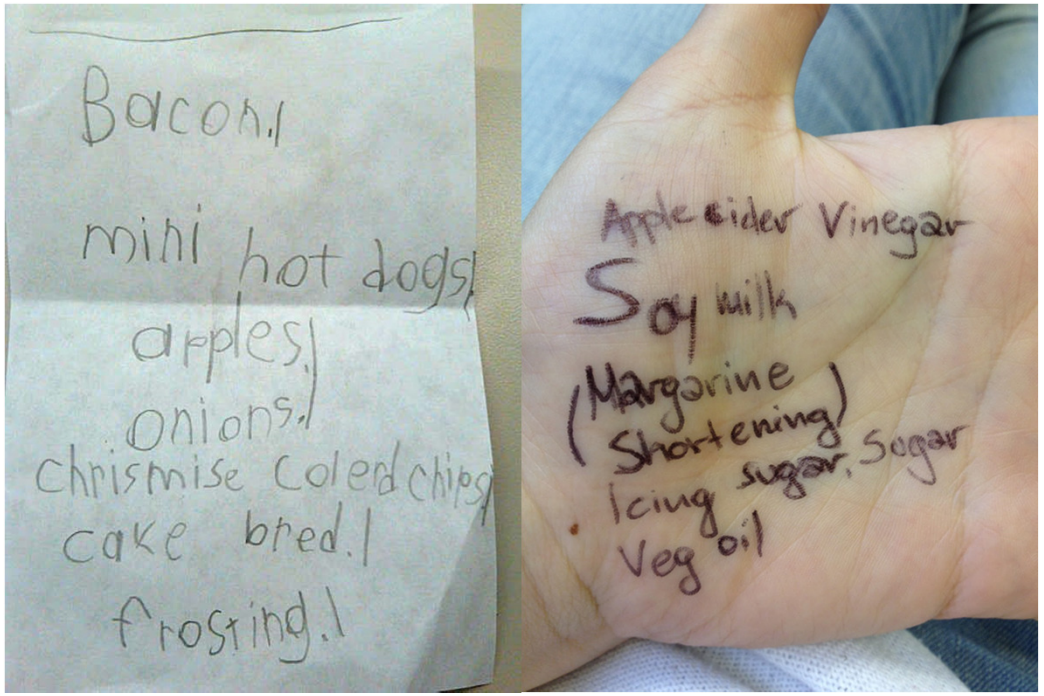
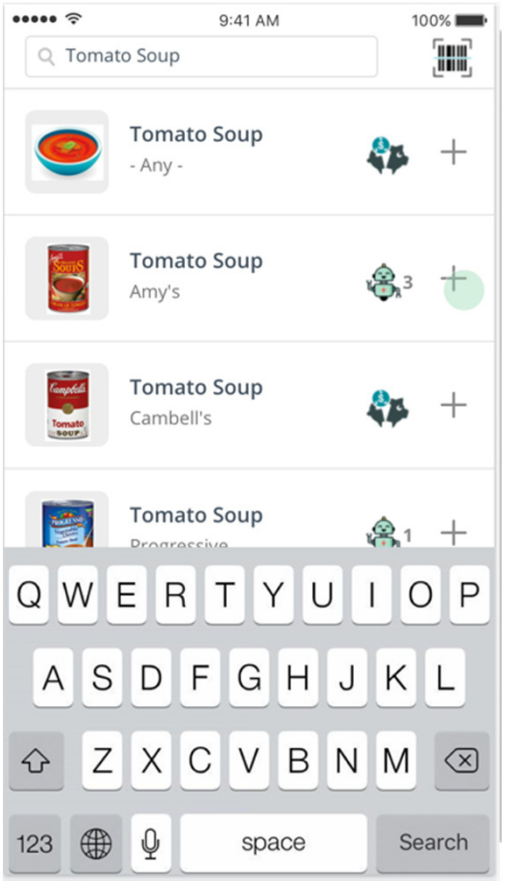
How it Works





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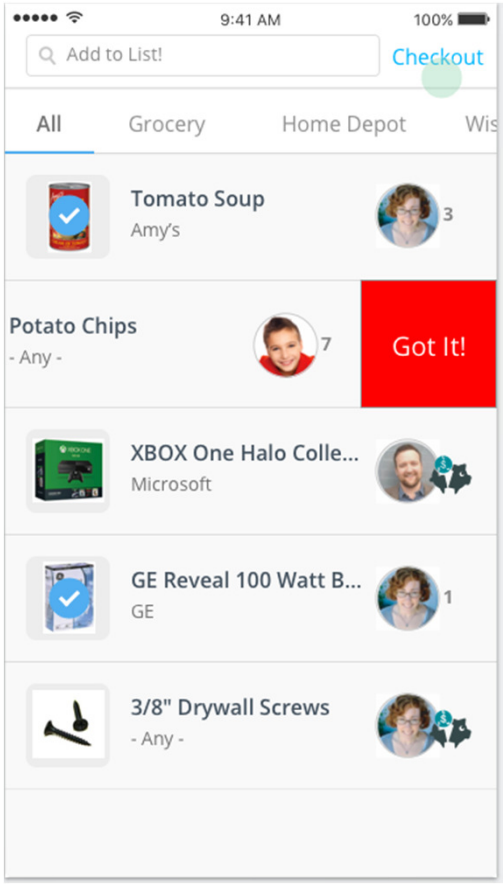

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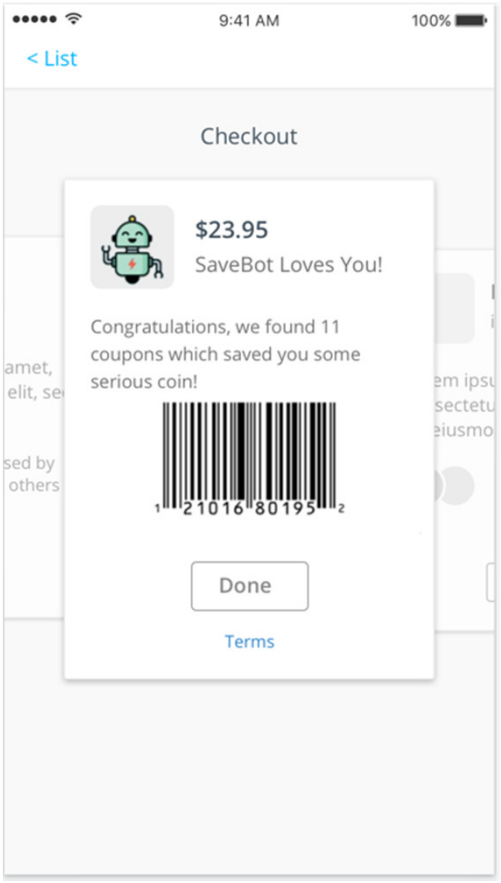

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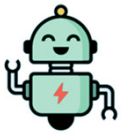
Unmet Need

- Traditional coupons are declining
- eCoupons are **growing** but not loved:
  - Customers
    - Spammy, time consuming, coupon not valid
  - Retailer
    - No customer data
    - Coupon management
  - Manufacturer
    - No customer loyalty
    - No customer data

FUN FACT!
Of the 305 billion U.S. coupons distributed, only 2.9 billion were redeemed.



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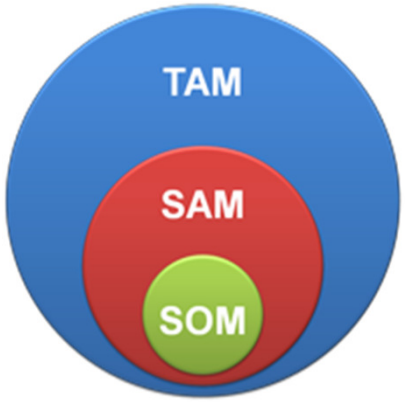
Target Market & Size

- TAM = $28B all coupons (for USA, 2015)
- SAM = $4B digital coupons (for USA, 2015)
- SOM = $13M at Yr 5, Potentially $400M in Yr 10
- Digital coupon share of the TAM is growing at 10% per year



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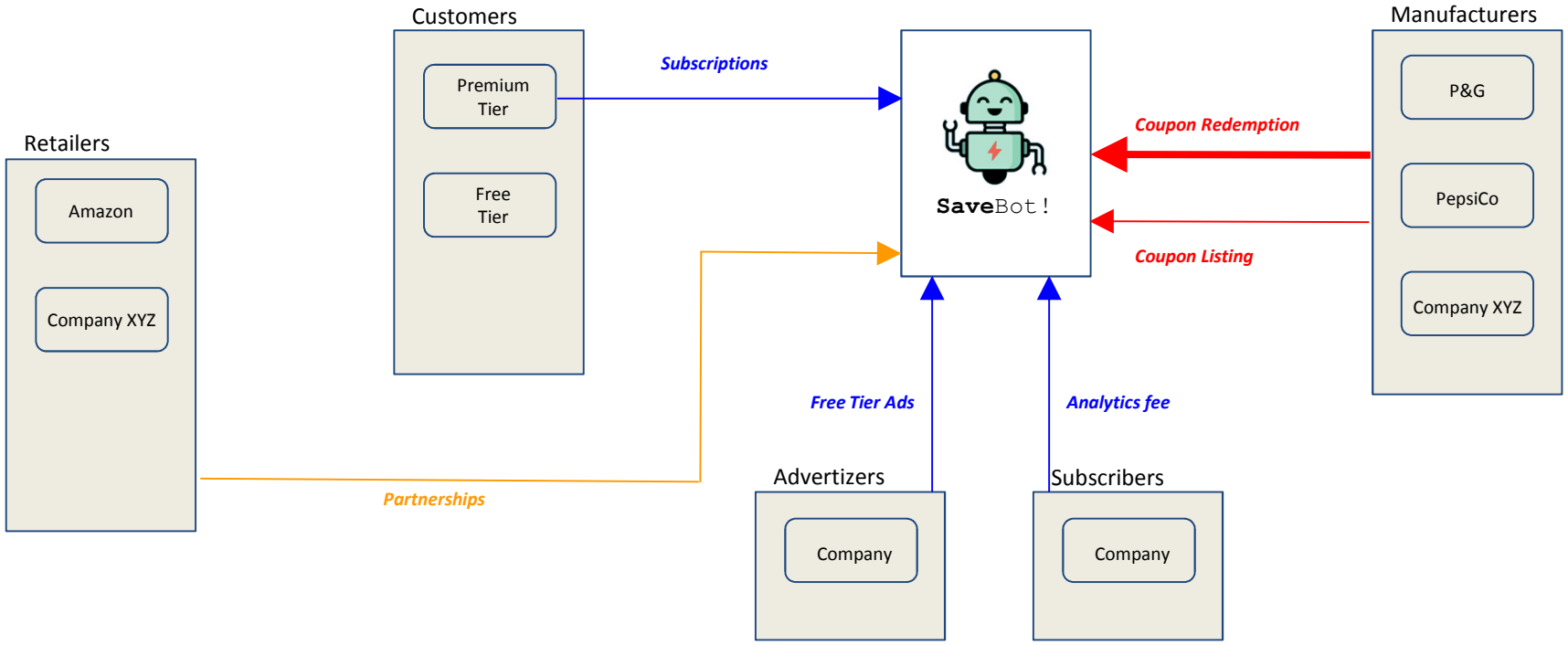
Business Model



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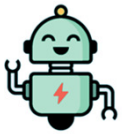
Go to Market & Sales Strategy

- Sign Deals with Largest UX Consumer Goods Mfg:
  - **Big 20**: P&G, Nestle, PepsiCo, Johnson & Johnson, Kraft, Coca-Cola, Tyson Foods, Kellogg, Heinz, General Mills, Colgate, Hormel Foods, General Electric, Campbell Soup, Hershey, Dr. Pepper Snapple Group, J.M. Smucker Co., Clorox, Dean Foods, and International Paper
  - **Goal**: expected initial uptake of 3 (within 5 months)
  - Win with free service for first 100k coupons
- Advertise on Social Media (Facebook…)
- SaveBot rewards



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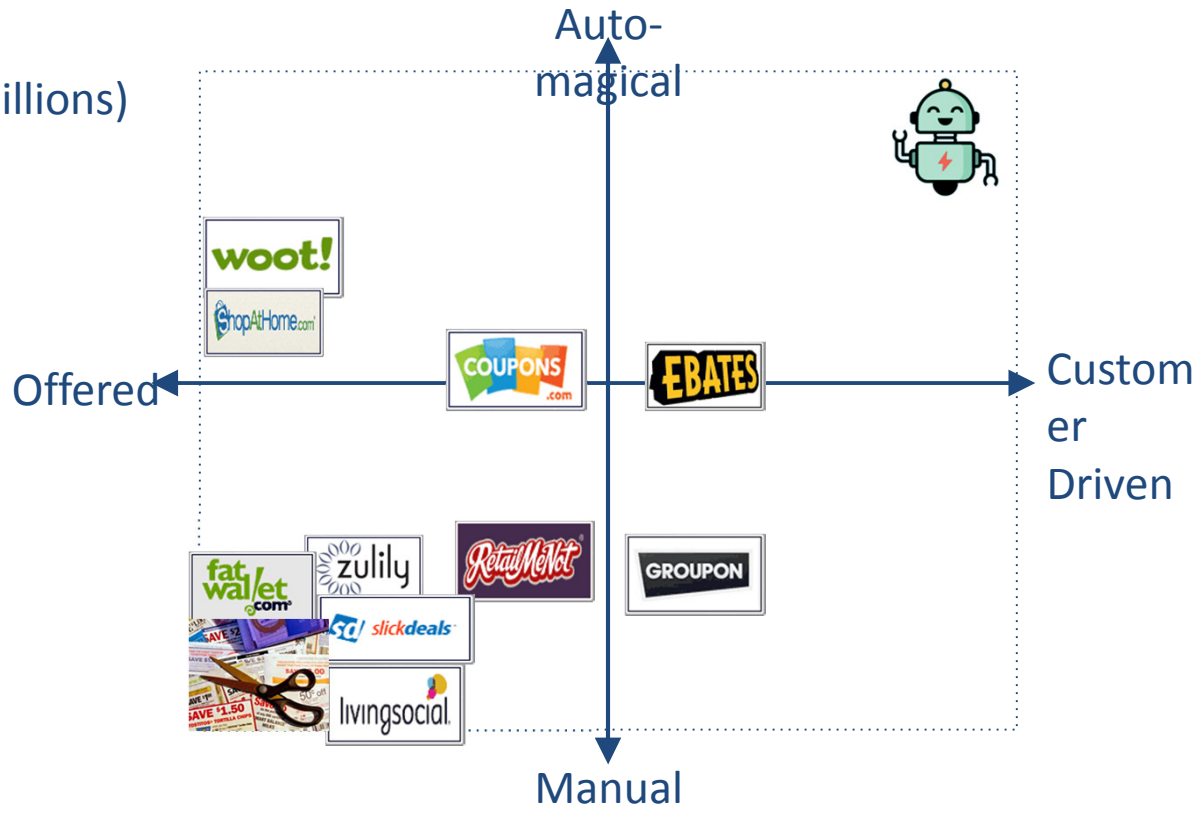
Competition

Unique visits each month (Millions)

1. GroupOn (30M)
2. RetailMeNot (24M)
3. Zulily(20M)
4. Coupons (18M)
5. ShopAtHome(18M)
6. SlickDeals(17M)
7. LivingSocial(12M)
8. Woot(10M)
9. eBates(7M)
10. FatWallet(6M)



e: http://www.ebizmba.com/articles/coupon-websites

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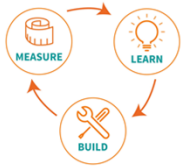
Company Timeline

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Y3

Startup → MVP → Beta → Full Release → Cash flow positive → Growth

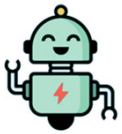
- Seed



Target top 20

- Series A

Major Customers Wins	1st	2nd	3rd	4th	5-8	9 -13	....
Headcount	10 16 22	29	32	35	38 40	42	46



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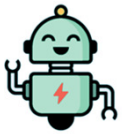
Financial Projections

		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Y3	Y4	Y5	Yr 5, %
Revenues	Digital Coupon	0	0	0	0	250	500	750	1000	6000	9000	13500	95%
	Retailer Partnerships	0	0	0	0	10	20	30	40	240	360	540	4%
	Other Sources	0	0	0	0	0	0	0	0	60	90	135	1%
Total Revenue		**0**	**0**	**0**	**0**	**260**	**520**	**780**	**1040**	**6300**	**9450**	**14175**	**100%**
Gross Income		0	0	0	0	260	520	780	1040	6300	9450	14175	100%
Expenses	R&D	166	171	324	329	339	314	269	274	1086	1161	1138	8%
	S&M	69	69	124	159	237	247	242	247	1111	1131	1031	7%
	G&A	173	226	321	384	367	455	508	560	2158	2309	2302	16%
	Other	0	63	78	213	213	229	248	264	1120	1260	1260	9%
Net Income		**(407)**	**(528)**	**(847)**	**(1,085)**	**(896)**	**(724)**	**(486)**	**(305)**	**825**	**3,589**	**8,444**	**60%**
	Annual				(2,866)				(2,412)	825	3,589	8,444	



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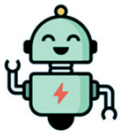
Executive Team

- Brian Horner
  - 25 Years User Experience in creating award winning consumer/enterprise experiences.
- Brad McMillen
  - Mobile developer and software architect, prior startup expertise
- Edward Wahl, Ph.D.
  - Working at third startup.
- Hirad Samavati, Ph.D. Electrical Engineering from Stanford
  - Trained in hardware design, avid software programmer
- Bala Kuchibhotla
  - Developer with 17 patents on systems development



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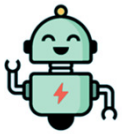
Ask

- $3M Seed Capped at $10M
- Help recruiting Director of Business Development
- Expect Series A at end of first year



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