



DISRUPTIVE INNOVATION IN ONLINE SHOPPING

MBA THESIS

Niki Karagianni | November 2017





ΒΕΒΑΙΩΣΗ ΕΚΠΟΝΗΣΗΣ ΔΙΠΛΩΜΑΤΙΚΗΣ ΕΡΓΑΣΙΑΣ

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Νίκη Καραγιάννη

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Abstract

Online Market

We explore how big is the online market and its expected growth in consumers and businesses.

Free Time

Based on researches that declare the amount of free time needed, we describe why it affects the online market's growth.

Buying Frequency and Habits

We explore which countries have the biggest online sales, how much the average person spends and what is the penetration rate.

Trends in Online Shopping Activity

Which generation spends more online? Which are the products people buy online more frequently? Through which channels? A number of statistics regarding the American audience show us the factors that define the online consumer.

Questionnaire

A questionnaire that analyzes the income, the average free time, the online activity and more specifically the online shopping activity of modern Greeks was filled by 205 people.

Business Plan

We examine the opportunities of developing a new Social Networking platform, designed specifically for shopping.

Conclusion

Could our Social Networking platform be the disruptive innovation the online market needs?

Introduction

The use of the worldwide web has become essential to most of us in our daily routine over its few years of existence. It was created in 1990 by Sir Tim Berners – Lee, who soon realized the endless possibilities his creation would give to the world.

Collaboration and creativity were and continue to be the main characteristics of the web. The ability to share information and communicate around the globe, in real time, with no kind of frontiers or boundaries stopping us, has turned Berners' – Lee creation into a revelation.

The concept of online shopping didn't take long to appear. In 1994, just four years after the establishment of the worldwide web, Jeff Bezos, a Wall Street executive, saw the immense rate of the web's growth and created Amazon, which remains to this day the largest and most successful online retailer. Many followed his example and thus the online market began to flourish, ending up being today the only trillion dollar market.

Search engines and Social Networking platforms that later developed, have further facilitated online retailers to attract more clients, abolishing the continental frontiers and creating a universal financial exchange.

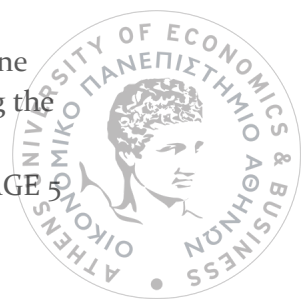
At the same time, the use of internet itself has increased to the point where 2 out of 5 people in the world use it daily, which is a big number considering that underdeveloped countries have been taken into account as well. As an endless source of information, products and services sold online, the web constitutes nowadays an everyday tool for our work, as well as a medium of entertainment.

Furthermore, our hectic way of life, our long hours at work and our busy schedules in general leave us less and less spare time. Shopping even the simplest things, such as groceries can end up being another chore, while having time to search for new clothing, gadgets or gifts can be considered a luxury. Modern time dictated of a less time demanding solution.

The established online market partly solves the aforementioned problem as it gives us the opportunity to acquire an abundance of products from the comfort of our home, even if the store is in a different country, thus gaining us precious time and resources to use elsewhere.

In this paper we are going to examine how the online market has developed, its growth, its necessity because of the reduced free time that the average person has, its usefulness as well as how we could elevate its current state to a whole new level.

Since most of the current online retailers include a wishlist function in their e-shops, we will examine how a platform that could combine wishlists from multiple stores, thus gathering and listing all potential buys of a user in one webpage, would affect the online market's state. The same platform will be built as a Social Networking platform, giving the



possibility to its users to connect with other friends and family members in order to check each other's wishlists and select gifts they would like to offer.

Online Market

How big is the e-commerce market after all?

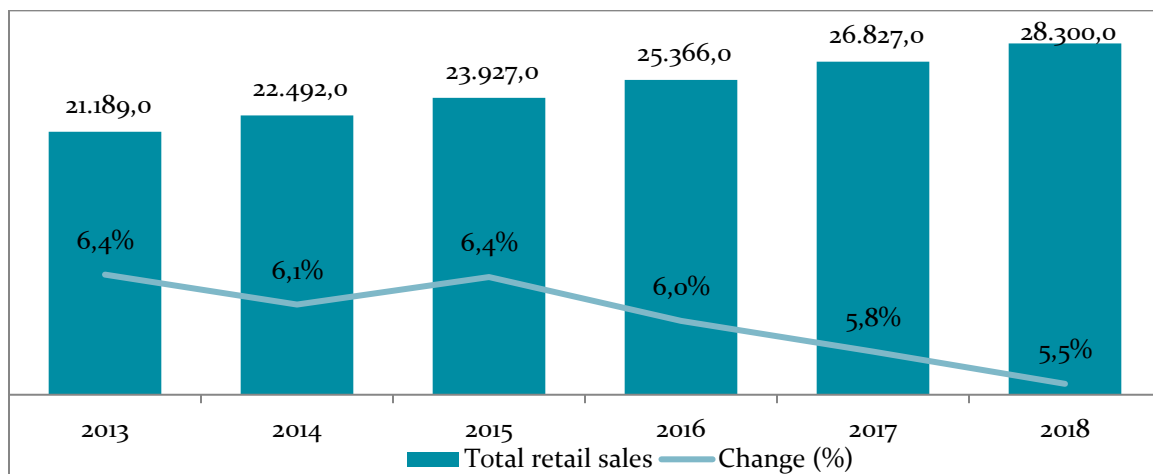
Even though the worldwide web and the online shopping as a concept are relatively new – only 23 years of existence – both somehow managed to be part of many people's daily routine.

One would argue that in modern time, the constant development of technology and science affects our everyday life in a bigger scale than before and that is why things evolve so quickly in every field. As such the e-commerce could not be an exception. Still even by these standards, its development has been phenomenal so far.

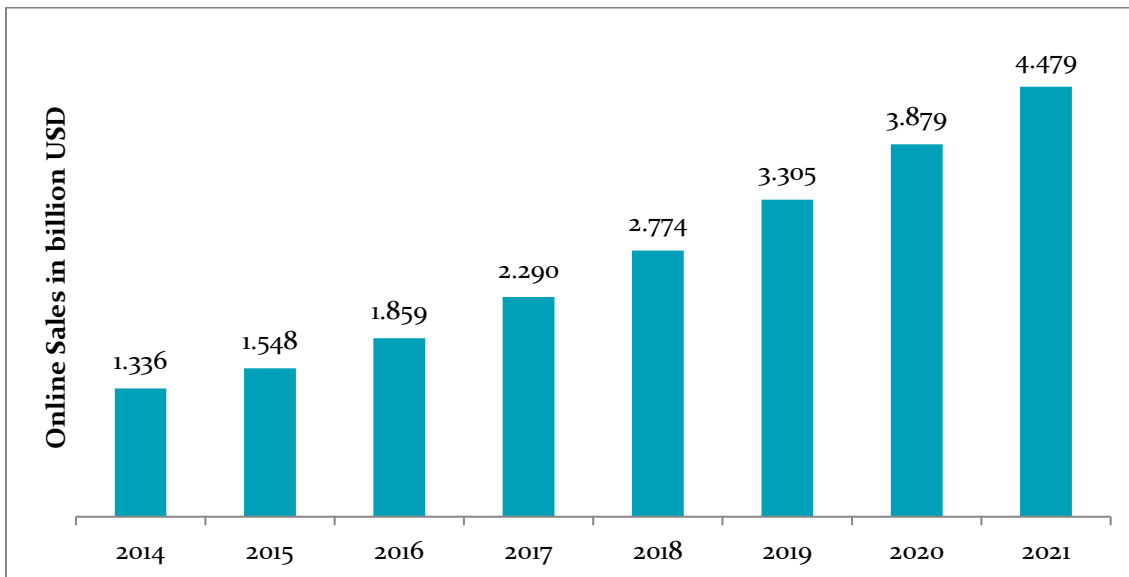
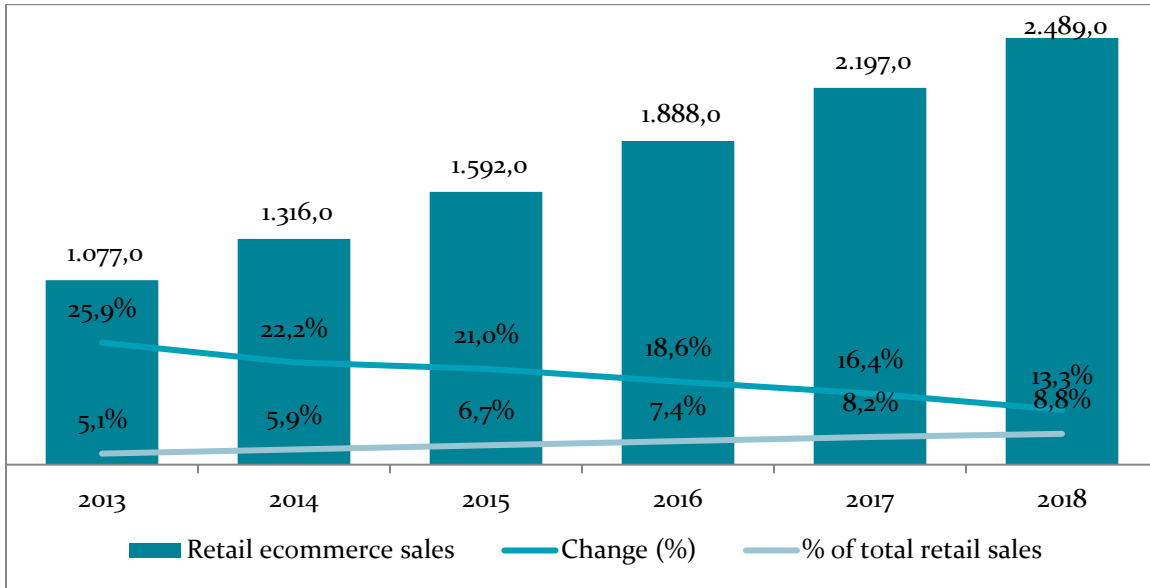
The online market is the only trillion dollar market with continuously increasing transactions. It is estimated that in 2015 the e-commerce sales reached 1.6 trillion USD, and that is just 6.6% of the total 24 trillion USD of retail sales done in the same year. These numbers show that there is still plenty of room for online sales to increase and it is calculated that by 2020 online sales will reach 4.06 trillion USD.

It may never be practical for 100% of retail sales to be completed online, but we can assume that in the not too distant future, a large proportion will be, given the technology advancements that are constantly made, as well as our modern day of life, consumer demographics and their behavior.

The graph below shows the total retail sales worldwide (numbers in trillion USD) and the percentage of change from year to year. We note that there is a slight decrease in the year-on-year growth rate of total retail sales.



At the same time, the following chart shows that even though the online sales' growth rate decreases as well, the percentage of retail sales that are completed online steadily increases.



The most precious benefit of using the worldwide web is the ability to share information globally in real time. It is mainly this characteristic that helped this new economy to be created, as more and more companies constructed e-shops aiming to address a bigger audience than the town they're located, any time of the day irrespective of the company's operating hours. One more advantage that the web offers is its low costs; e-shops are far cheaper to maintain, as they require only a small budget, since there is no need for large

facilities or big numbers in human resources. As a result, today, there are approximately 12 – 24 million online stores available worldwide.

Researches show that 4,7% of the top 1Million websites of the internet are in fact e-commerce sites. In the table below we can see how the business and the revenue are divided among them.

	Rank	% of e-commerce Business	% of Total Revenue
Top	1 – 10k	1%	34%
Mid	10 – 500k	51%	63%
Bottom	500k – 1M	48%	3%

In the above table we can see that online stores ranking among the top 10k (i.e. Amazon, EBay, Walmart) make up for only 1% of the business and yet are capturing 34% of total sales. This is the elite group, big companies with large funds and great marketing forces.

Online stores of the mid-tier, ranking among the top 10 – 500k, make up 51% of the total business and 63% of total sales.

At the bottom tier, even though the group makes up 50% of the total business, it captures only 3% of the total profit. Yet even for this group the mean revenue for each company is 1.5 million USD per year and the median is 500 thousand USD.

Free Time

What is the official amount needed to be happy and what has e-commerce to do with it?

A recent study showed that in order to be happy, one needs approximately 7 hours of free time a day, not counting the hours of sleep.

In reality though, things are different. The modern way of life, our busy-schedules, long hours at the office and numerous obligations, leave us with merely 4 hours and 14 minutes of free time a day. In case of young children in the family, the average free time can be reduced to just 90 minutes a day.

Although, it seems impossible to achieve that much of free time, unless one is unemployed or retired, the perfect work/life balance was a fact until the mid90s, when the work environment was less demanding.

Because of the overburdened schedules and the work-related illnesses caused by stress, many try to find new ways of completing daily tasks in less time. The internet undoubtedly plays a huge role in this, as it gives instant access to users to millions of information, product and services.

Thanks to the worldwide web, we may now pay all of our bills online, in a matter of a few minutes, instead of spending hours in long waiting lines. Similarly, the online market that has been established so far, allows us to proceed in purchases for most of our needs, irrespective of the store's location or operating hours.

These solutions provide the average man of the Western world with a much needed time saving that could be used to relax or spend time with loved ones.

The ease that online shopping offers to consumers and the minimal time it requires are two key factors for its further development and success.

Buying Frequency and Habits

Which countries spend more online?

As explained above, online shopping offers the luxury of purchasing goods and services without the need of visiting the actual store.

Thus, it is no coincidence that it has changed the buying patterns in many countries and has affected those of others. Online shopping is becoming more and more popular particularly in countries of the Western world and a few specific of South East Asia as it could be expected, since online spending is correlated with a country's wealth.

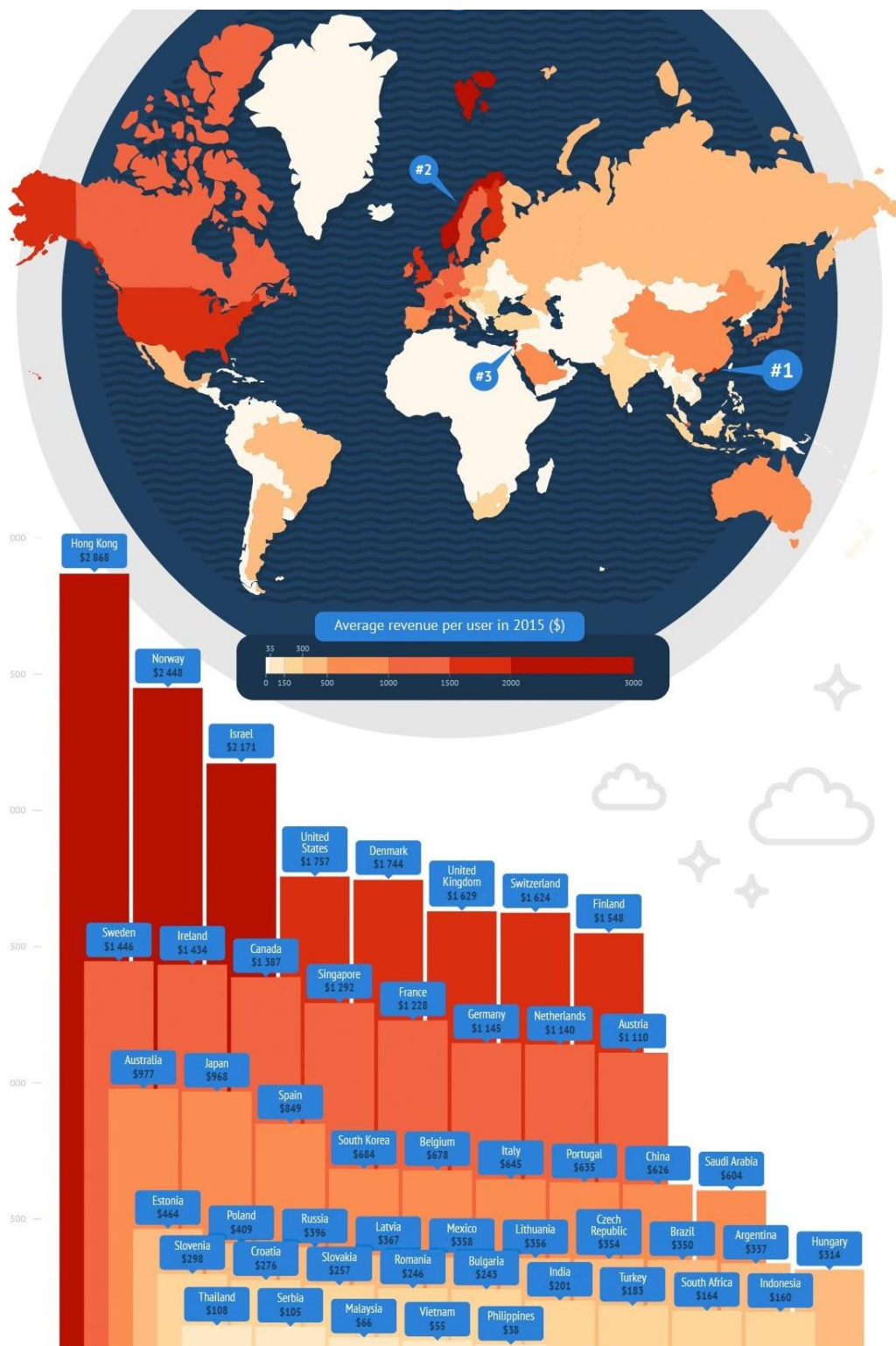
Researches show that over 70% of adults in the U.K., Japan and Germany spend money at online shopping, while Asia Pacific, China and Brazil increase each year their revenues as well.

The top three countries according to what the average consumer spends online per year are Hong Kong (2,868 USD/person/year), Norway (2,448 USD/person/year) and Israel (2,171/person/year).

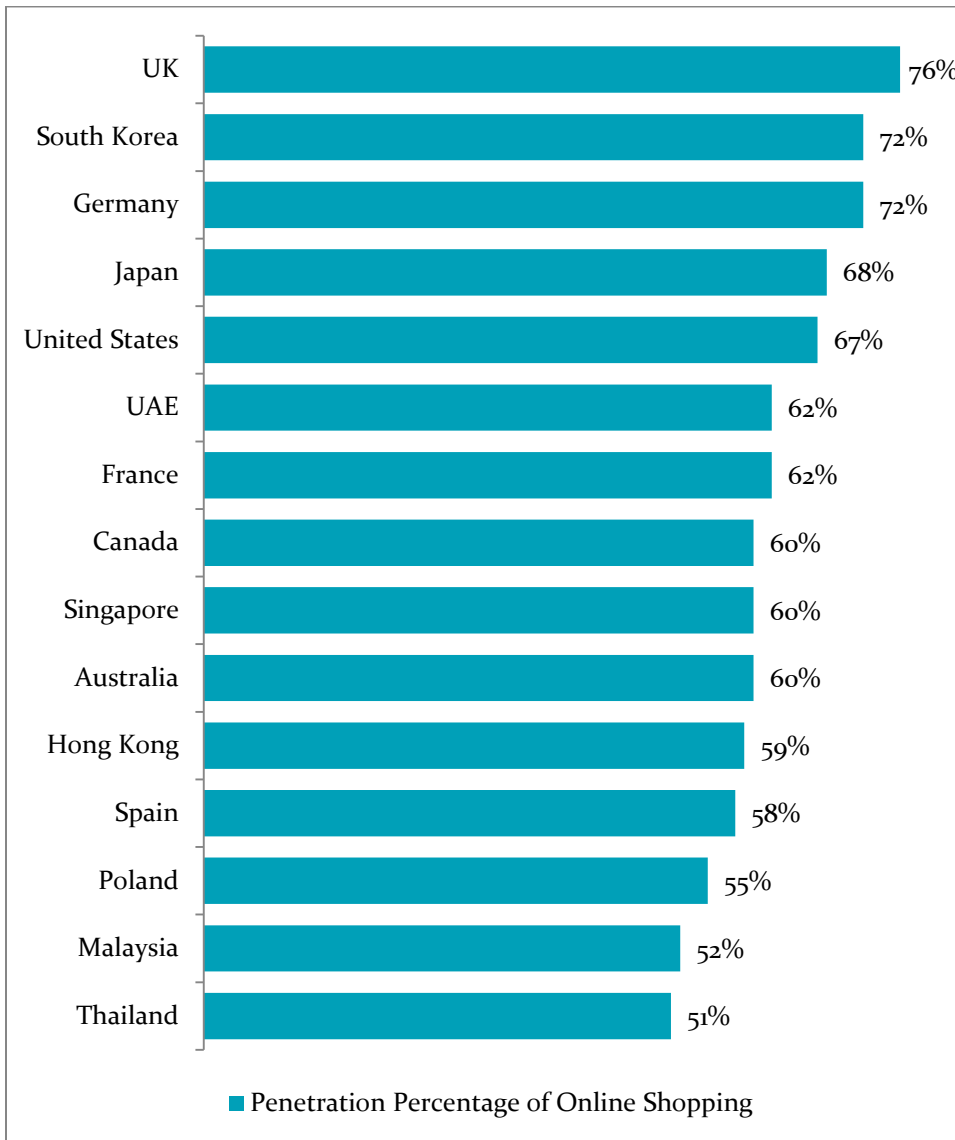
Even though the U.S. is in the fourth place, it still has the highest total revenue from online shopping, reaching 364.66 billion USD a year. Approximately 96% of the adult population in the USA proceeds with online purchases, allocating on average 36% of its total shopping budget.

Similarly, the U.K. might be only sixth in line, but it has the highest online shopping penetration rate. A poll of consumer habits conducted recently showed that 81,2% of shoppers in the country first look at product prices in physical retail stores and then compare it with those in online shops. Additionally, more than 50% of the consumers prefer purchasing electronics from online stores than actual shops. Finally, the poll showed that 30% of clothing shoppers search the prices online before visiting a store to try the outfit. It is reported that Sunday is the most popular day for online shopping, whereas Friday is the least favorite.

In the following picture we can see the average amount of money spent online per person for 50 countries.



The below chart shows the penetration rate of online shopping around the world.



Trends in online shopping activity

Who, what, where?

Online shopping is today, one of the most popular online activities. Some choose to make online purchases for convenience, others because of the competitive prices offered by some e-shops. Either way, the online shopping community constantly grows and businesses around the world choose to create an online store to promote their products not only because it is cheaper than a physical store, nor because it gives them access to a global market, but because it also allows them to influence more effectively the consumers by a range of digital resources, such as Social Networking platforms and newsletters.

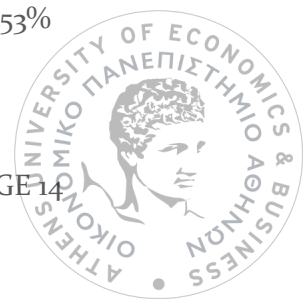
Researches regarding the American online shopping community show the following information:

E-commerce trends by generation

- 67% of Millennials and 56% of Gen Xers prefer to shop on online rather than in-store.
- 41% of Baby Boomers and 28% of Seniors will click to purchase.
- Millennials and Gen Xers spend nearly 50% as much time shopping online each week (six hours) than their older counterparts (four hours).
- 48% of millennials have shopped on marketplaces, 76% at large retailer sites, 46% on webstores or independent boutiques, and 29% at category-specific online stores.
- 56% of Gen Xers have shopped on marketplaces, 76% at large retailer sites, 49% on webstores or independent boutiques, and 37% at category-specific online stores.
- 59% of Baby Boomers have shopped on marketplaces, 74% at large retailer sites, 42% on webstores or independent boutiques, and 39% at category-specific online stores.
- 51% of Seniors have shopped on marketplaces, 66% at large retailer sites, 30% on webstores or independent boutiques, and 44% at category-specific online stores.
- Millennials and Gen Xers spend 6 hours per week shopping online
- Baby Boomers spend 4 per week shopping online.
- Seniors spend 2.5 hours per week shopping online.

E-commerce trends by parental status

- Parents spend more of their budget online in comparison to non-parents (40% vs. 34%) and spend 75% more time online shopping each week (7 hours vs. 4 hours for non-parents).
- Parents spend 61% more online than non-parents (\$1,071 vs. \$664).
- Nearly half (49%) of parents stated that they cannot live without online shopping.
- 53% of U.S. parents have shopped on marketplaces, 78% at large retailer sites, 53% on webstores or independent boutiques, and 34% at category-specific online stores.



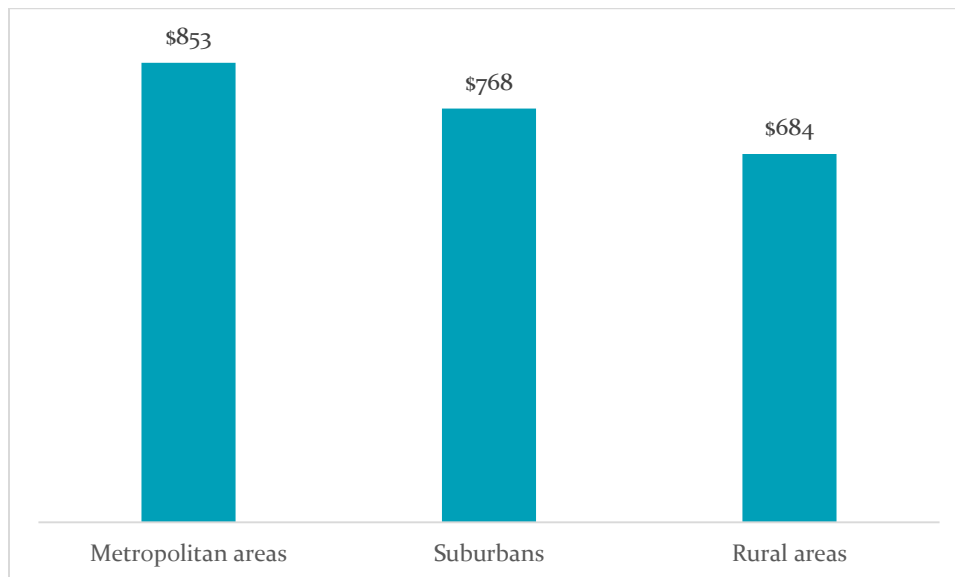
- 54% of non-parents have shopped on marketplaces, 72% at large retailer sites, 39% on webstores or independent boutiques, and 37% at category-specific online stores.

E-commerce trends by gender

- Men reported spending 28% more online than women during the past year.
- 52% of men have shopped on marketplaces, 75% at large retailer sites, 39% on webstores or independent boutiques, and 31% at category-specific online stores.
- 56% of women have shopped on marketplaces, 74% at large retailer sites, 48% on webstores or independent boutiques, and 40% at category-specific online stores.
- Men and women both report spending 5 hours per week shopping online.

E-commerce trends by city-size

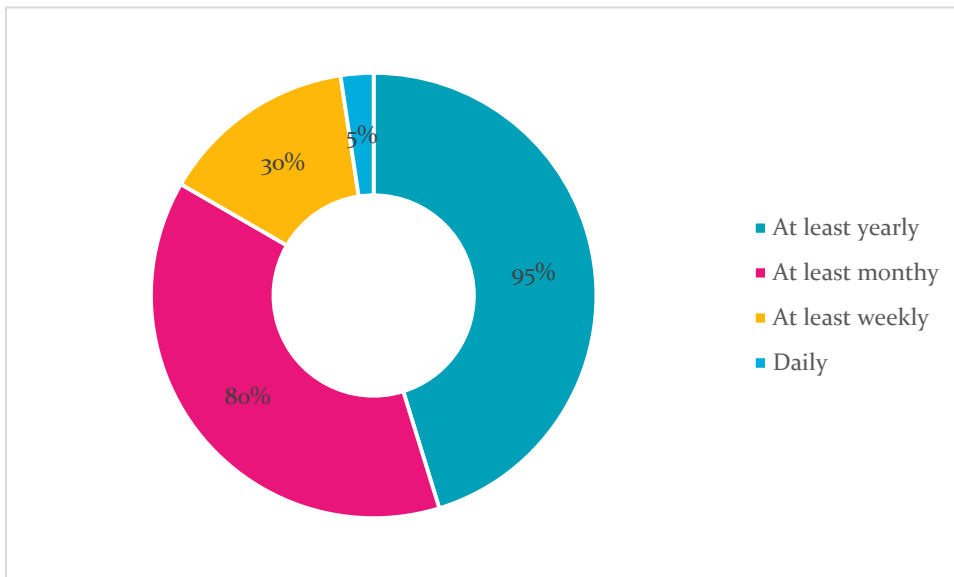
Americans in metropolitan areas are spending the most online



- 63% of suburban shoppers share that shipping costs are their least favorite part of online shopping.
- 38% of rural shoppers cite strong concerns about online privacy.
- 49% of Americans in metropolitan areas have shopped on marketplaces, 76% at large retailer sites, 45% on webstores or independent boutiques, and 30% at category-specific online stores.
- 60% of Americans in suburban areas have shopped on marketplaces, 73% at large retailer sites, 44% on webstores or independent boutiques, and 42% at category-specific online stores.
- 58% of Americans in rural areas have shopped on marketplaces, 71% at large retailer sites, 39% on webstores or independent boutiques, and 40% at category-specific online stores.

- Americans in metropolitan areas report spending 4.5 hours per week shopping online.
- Americans in suburban and rural areas both spend 5 hours per week shopping online.
- Spending and conversion rates
- 51% of Americans think shopping online is the best way to shop, with 49% preferring shopping in-store.
- Americans spend 64% of their shopping budget in-store, and 36% online.
- In the last year, shoppers have spent the most with e-commerce marketplaces (\$488), closely followed by major online/offline brands (\$409) such as Nordstrom or Best Buy.
- 74% of Americans have shopped at large online/offline brand name retailers, 54% on e-commerce marketplaces, 44% at small and specialty online brands and 36% at category-specific online retailers.
- When shopping online, nearly half (48%) of online purchasers first turn to a mass commerce marketplace.
- 31% first shop at a large online/offline brand name retailer, 12% first shop at a category specific online retailer, 7% first turn to a small/speciality online retail brand (more on conversion rates here).
- 52% of smartphone owners use online banking (or e-banking), indicative of a further trend towards mobile shopping

Buying frequency



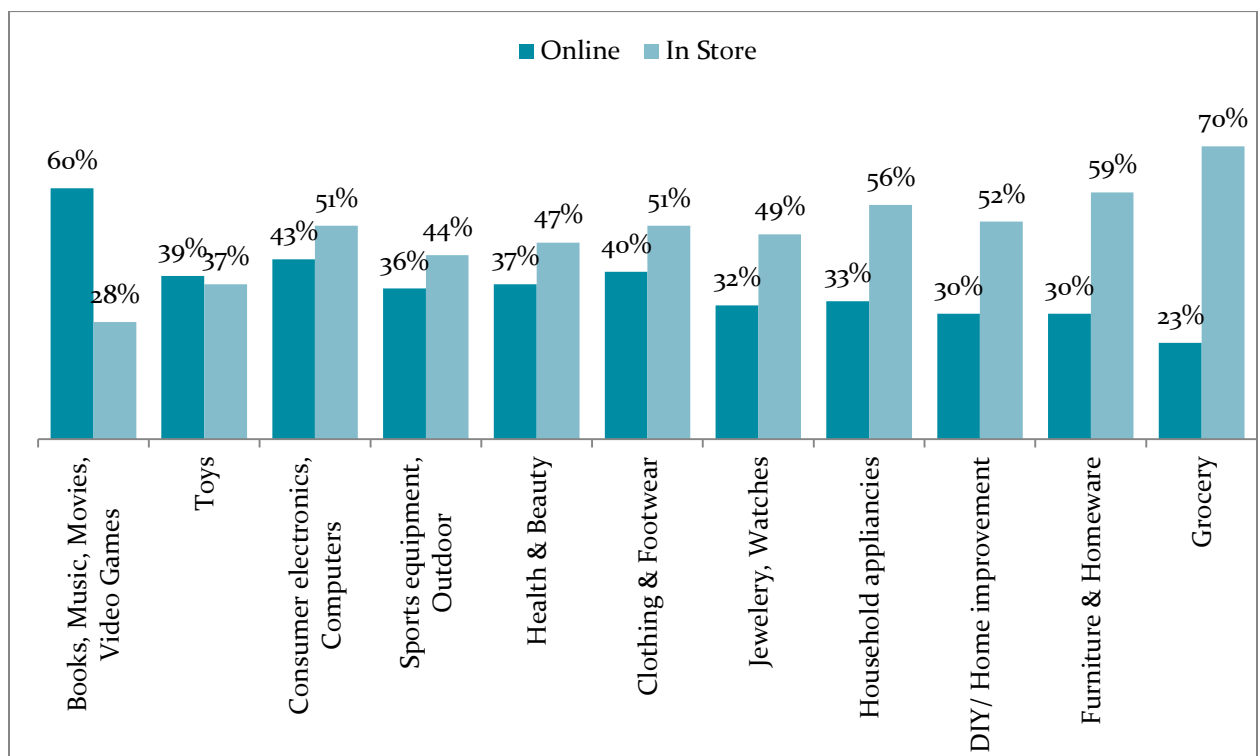
Customer location at time of purchase

- A quarter of online shoppers (25%) have made an online purchase from a brick-and-mortar store.
- 43% of online shoppers have made a purchase while in bed.



- Millennials and Gen Xers are nearly 3x as likely as Baby Boomers and Seniors to have made an online purchase from bed (59% v 21%).
- 23% of online shoppers have made an online purchase at the office.
- Nearly 3 in 10 (29%) of Millennials and Gen Xers have made a purchase from the office.
- More than 15% of Baby Boomers and Seniors have made a purchase from the office.
- 20% of American online shoppers have purchased from the bathroom or while in the car (a +1 for mobile commerce).
- Millennials and Gen Xers are 5x more likely to have made an online purchase from the bathroom (31% v. 6%) than Baby Boomers and Seniors.
- One in ten customers admitted to buying something online after drinking alcohol.
- Men are more than twice as likely as women to have made a purchase after consuming alcohol (14% to 6%).
- Younger generations are 5x more likely to drink and shop than their older counterparts (15% to 3%).
- Parents are twice as likely as non-parents to have made an online purchase after drinking (15% v 7%).

The following graph shows the online or in-store shopping preference for selected product categories by consumers worldwide as of 2017.



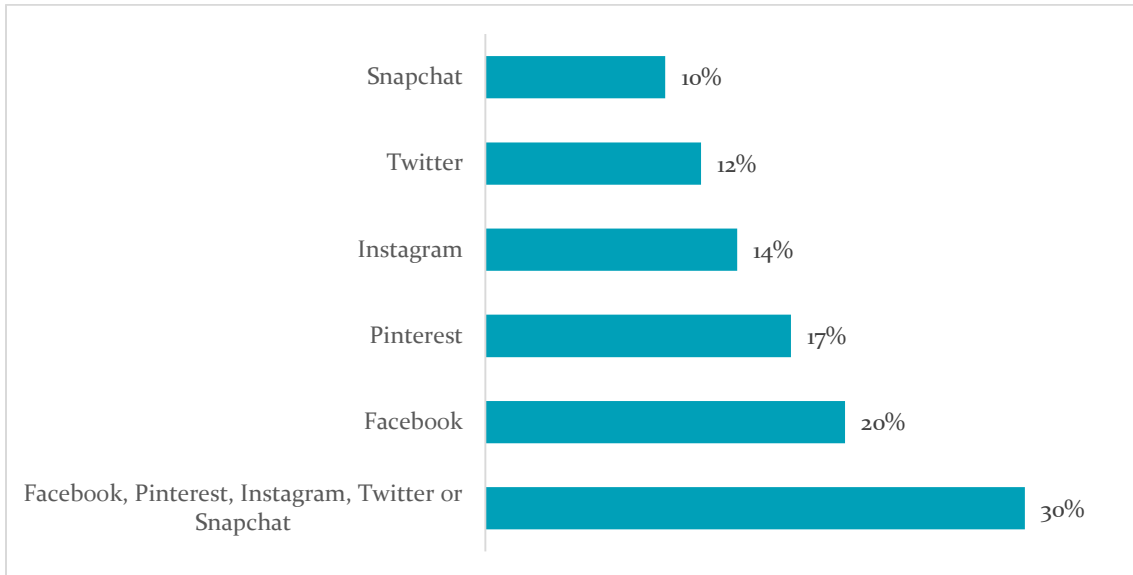
Influencing factors on conversion rates

- The top three factors that are very or extremely influential in determining where Americans shop are price (87%), shipping cost and speed (80%) and discount offers (71%).
- Seniors are less influenced by discount offers than other generations: 47% to 74%.
- Almost a quarter of online shoppers (23%) are influenced by social media recommendations.
- 42% online customers find recommendations from friends and family influential, twice the number who cite advertisements as influential when determining where to shop.
- Younger generations more receptive to advertising: Millennials and Gen X are twice as likely as older generations (27% vs. 14%) to be influenced by advertising.
- 23% of shoppers are influenced by social media recommendations/reviews.
- Online shoppers want products to be brought to life with images (78%) and product reviews (69%).
- Female respondents cited that they enjoy online shopping (51% vs. 37% of male respondents), invest more time (60% vs. 46% for male counterparts) to find the best deals and often search for coupon codes to get discounts (48% vs. 29% for males).
- 66% of online shoppers have decided not to buy an item because of shipping costs.
- 72% of females and 59% of males have decided to abandon their purchase because of shipping costs.
- 49% of cite not being able to touch, feel or try a product as one of their least favorite aspects of online shopping.
- 34% said difficult to return items and long delivery estimates were also a pain (indicating a desire for same-day delivery).
- 21% of Americans state that unattractive or hard-to-navigate websites is frustrating when buying online.
- 78% of online shoppers want more images from e-commerce sites.
- 69% of online shoppers want more reviews from e-commerce sites.
- 46% of online shoppers want more product comparisons from e-commerce sites.
- 42% of online shoppers want more testimonials from e-commerce sites.
- 30% of online shoppers want more video from e-commerce sites.
- 42% of online shoppers have made a purchase they later regret.
- Millennials are more likely to experience purchaser's regret than any other generation (51% v 37%).
- 21% of Americans have accidentally bought something they didn't want.
- More than half of Millennial and Gen Xers (55%) have overspent when shopping online, while just under two in five (38%) of baby boomers and seniors have done the same.
- 48% of online shoppers have bought or spent more than planned when shopping online.



Social media as an influencing factor on conversion rates

As social commerce continues to grow, these trends are indicative of the massive potential for retailers to connect with shoppers on their favorite platforms.



- Men are more likely than women to make a purchase through Facebook (23% vs. 17%).
- Men are more likely than women to make a purchase through Instagram (18% vs. 11%).
- Men are more likely than women to make a purchase through Twitter (17% vs. 7%).
- Men are more likely than women to make a purchase through Snapchat (15% vs. 6%).
- 29% of online shoppers would be likely to follow a brand on Facebook.
- 21% of online shoppers would be likely to follow a brand on Pinterest.
- 21% of online shoppers would be likely to follow a brand on Instagram.
- 18% of online shoppers would be likely to follow a brand on Twitter.
- 13% of online shoppers would be likely to follow a brand on Snapchat.
- 20% of online shoppers would purchase an item a friend has included on their Pinterest board.
- 18% of shoppers would purchase an item a friend liked on Facebook.
- 21% of online shoppers would purchase an item featured in a brand's Facebook post.
- 18% of online shoppers would purchase an item from a brand's Pinterest board.
- 51% of Millennials would be likely to make a purchase over social media.
- 36% of Gen Xers would be likely to make a purchase over social media.
- 14% of Baby Boomers would be likely to make a purchase over social media.
- 3% of Seniors would be likely to make a purchase over social media.



- 29% of Millennials and Gen Xers would likely make a purchase through Facebook if given the option.
- 26% of Millennials and Gen Xers would likely make a purchase through Pinterest if given the option.

Online shopping in society

- 2 in 5 (40%) online shoppers say they couldn't live without online shopping.
- Millennials, Gen X and Baby Boomers are more than twice as likely as seniors to say they couldn't live without online shopping (43% to 20%).
- Online shoppers are nearly twice as likely to say they could not live without online shopping as they are to say they could not live without streaming music (40% to 21%).
- Online shoppers are 8x as likely to say they could not live without online shopping as they are to say they could not live without dating apps (40% to 8%).

From the aforementioned data we can see that online consumers' habits are defined by their generation, sex, location and family status.

For example a man of the millennial generation, with kids, living in a large metropolitan area is more likely to shop online than a woman of the baby boomers generation, with no kids, living in a rural area.

Why is e-commerce flourishing?

What is the key to its success?

The financial crisis has undoubtedly affected the retail sales of the Western world. Still, the internet sales increase steadily.

Over the last decade, e-commerce sales have grown on average 19% per year. Even during the most difficult years, financially speaking, such as 2009, the online shopping activity was still going strong. So while traditional retailers struggled to keep their businesses open, online stores flourished.

Despite the unstoppable growth though, online retailers had fallen into a rut until recently and had difficulties in attracting large numbers of new customers, since they could only rely on search engines. Soon the Search Engine Optimization was established as one of the most important factors for a new website or e-shop and this technique helped greatly the retailers. But, the game changer was the Social Networking platforms.

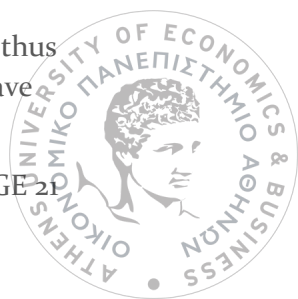
Social Networking platforms promise more traffic by giving to businesses the possibility to advertise and promote their products to millions of consumers in a very low budget. The promotion doesn't even have to be a costly campaign organized by the retailers. Instead the main promotion of products comes from consumers and influencers that post on their accounts, a picture of a certain product or service and immediately hundreds of people, if not more, check and comment.

More specifically, Facebook alone has 500 million active worldwide users and 56% of online shoppers are on Facebook. Though many retailers have not yet been able to drive meaningful traffic from Social Media, 11% of them consider it to be the most effective acquisition tactic, and this percentage is likely to grow.

This technique also made the online retailers to realize something very important. They should present shopping as fun and interactive among friends and communities. With that in mind, retailers have started to advertise their products even in Spotify, a traditionally musical Social Network. Pat McGrath is the first to collaborate by promoting her new lipstick on singer's Maggie Lindemann's page. The millions of the singer's followers will find relevant links on her Spotify page in order to purchase the said product.

The involvement of Social Networking platforms created probably the most disruptive innovation on the customer retention front. Through this channel, businesses can have free user-generated content daily, as well as free access to large, already established communities. In other words, the 3Cs rule (content, community and commerce) that used to seem quite expensive and not viable for online shopping sites, is today something very approachable.

Furthermore, the generation that grew up with the internet is now in its first jobs and thus has spending power. These individuals are comfortable buying online, but they also have



high expectations for a compelling online experience and the pillars of that are friend referrals, a fun shopping environment and a vibrant community; in other words, shopping through Social Networking platforms.

Questionnaire

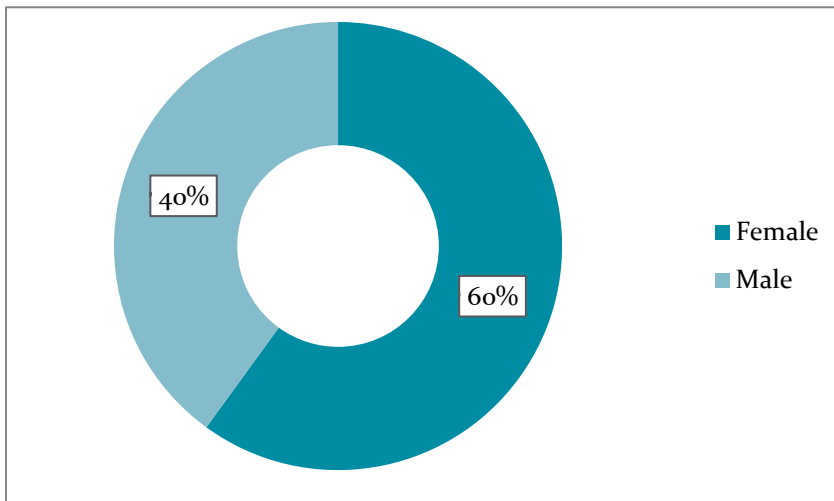
Research regarding the online shopping activity in Greece

A questionnaire that analyzes the income, the average free time, the online activity and more specifically the online shopping activity of modern Greeks was filled by 205 people. Below we may find charts describing the results to each question.

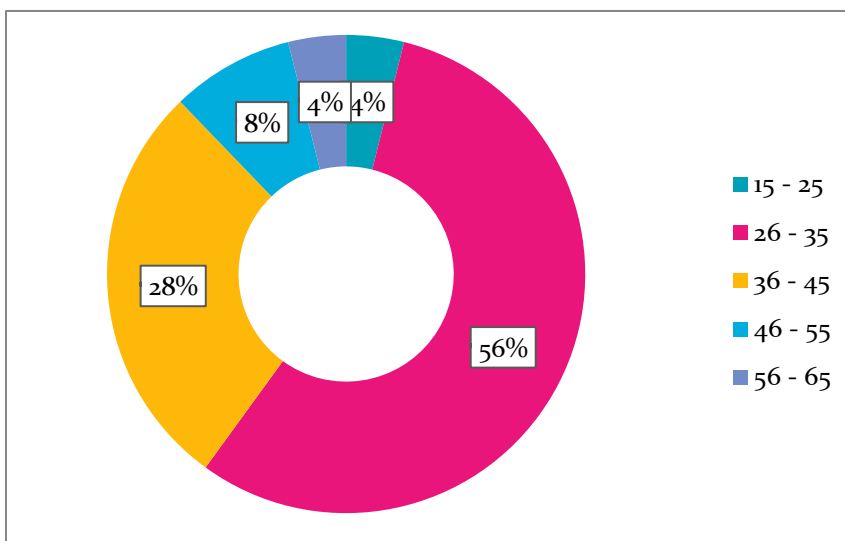
DEMOGRAPHICS

Basic info of the people who answered the questionnaire that affect, according to researches, their shopping habits as well as their free time.

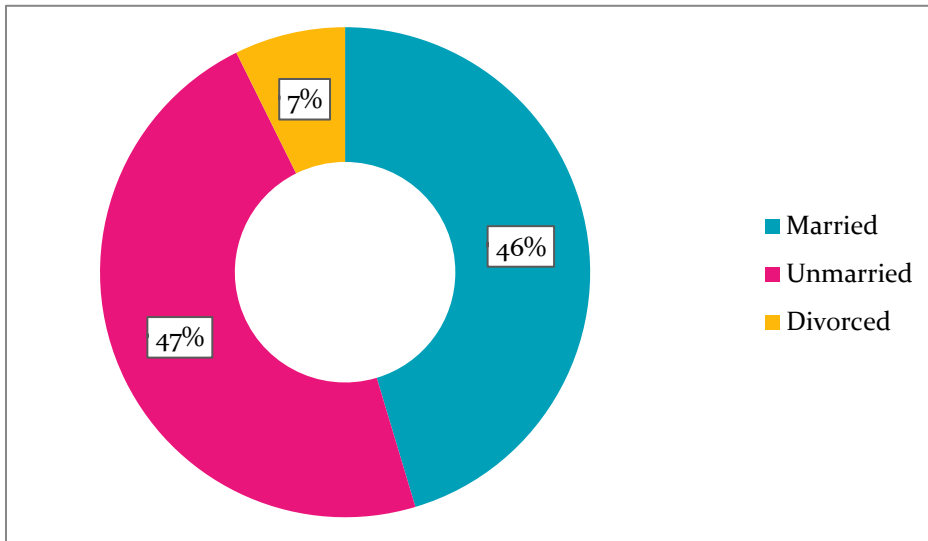
Sex: Male/Female



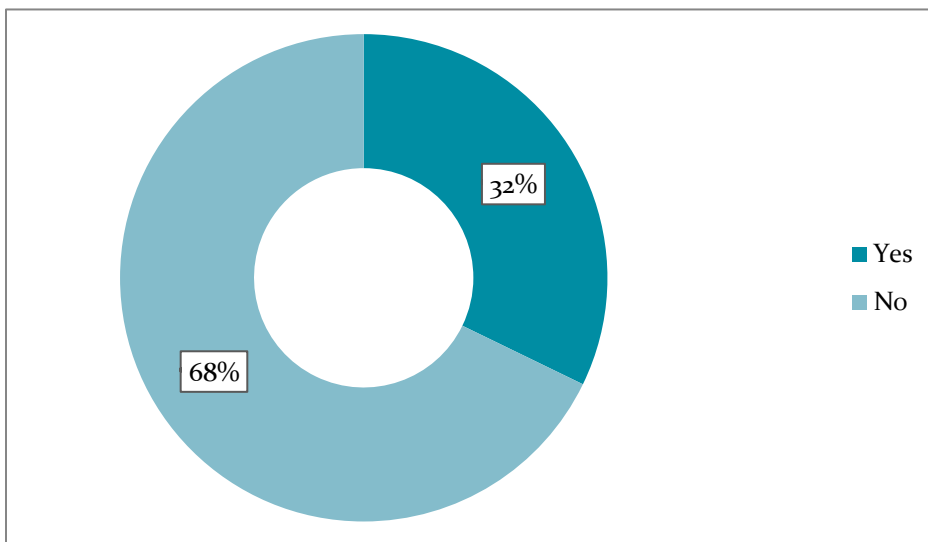
Age Group



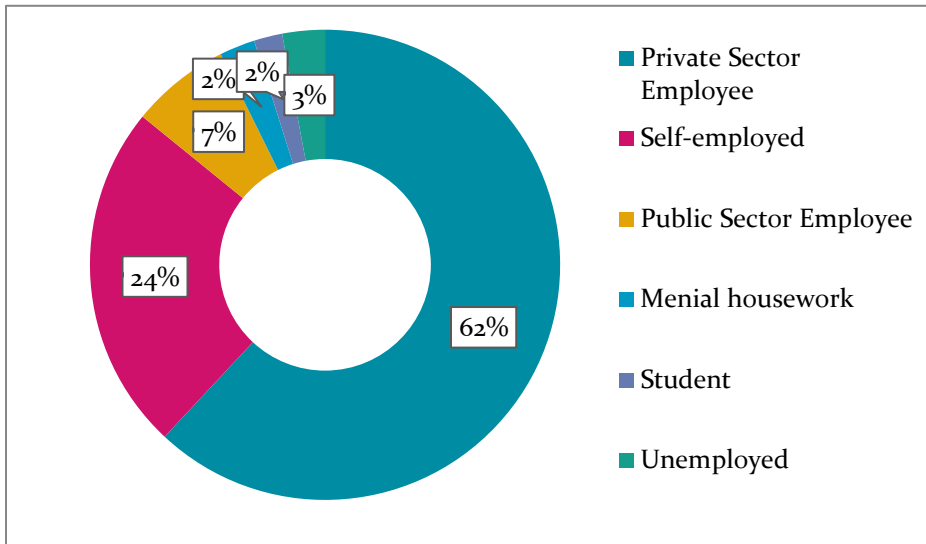
Marital Status



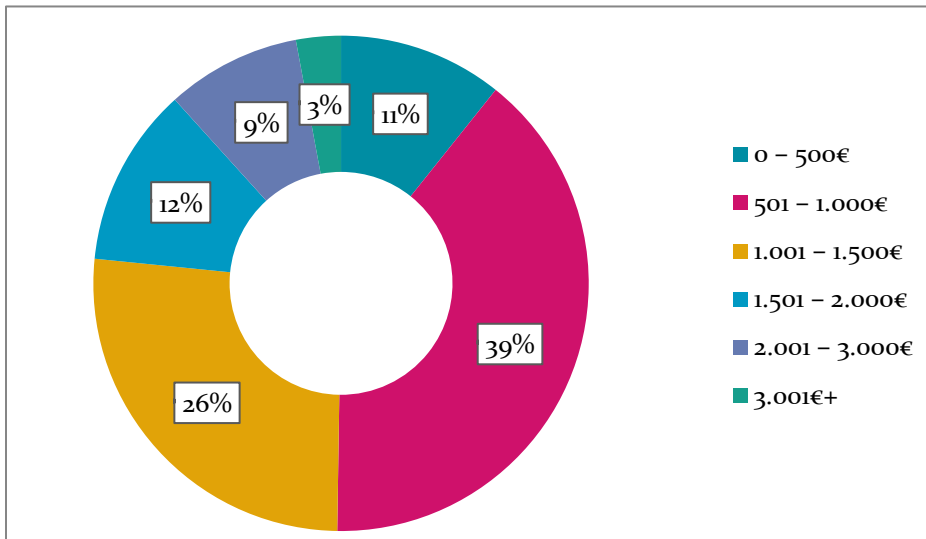
Parent of children under 15 years old



Profession



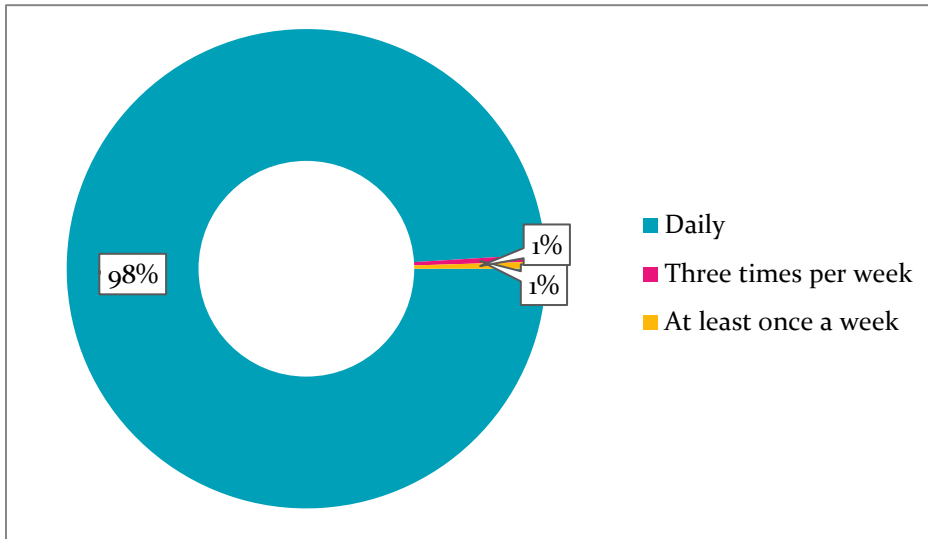
Monthly Income



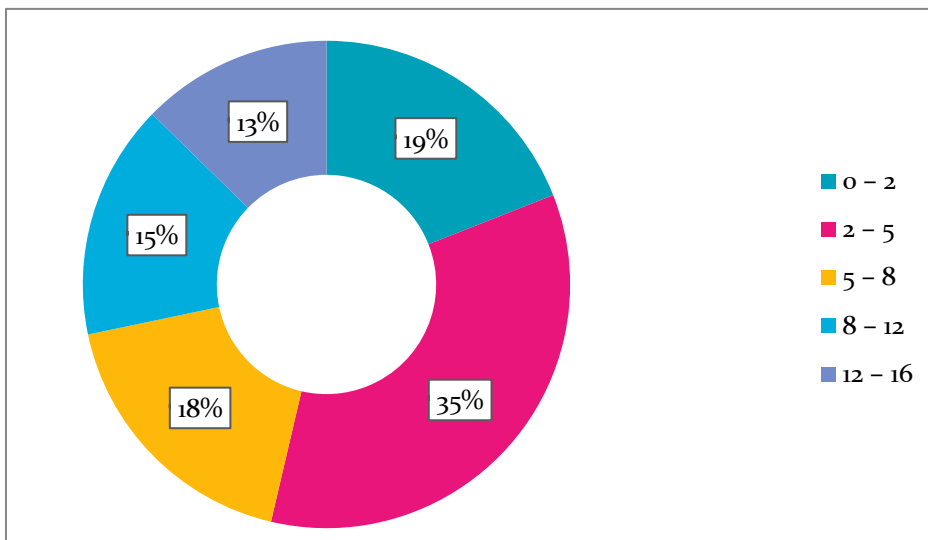
INTERNET HABITS

The below statistics are based on the hours spent on the internet and the respective purpose

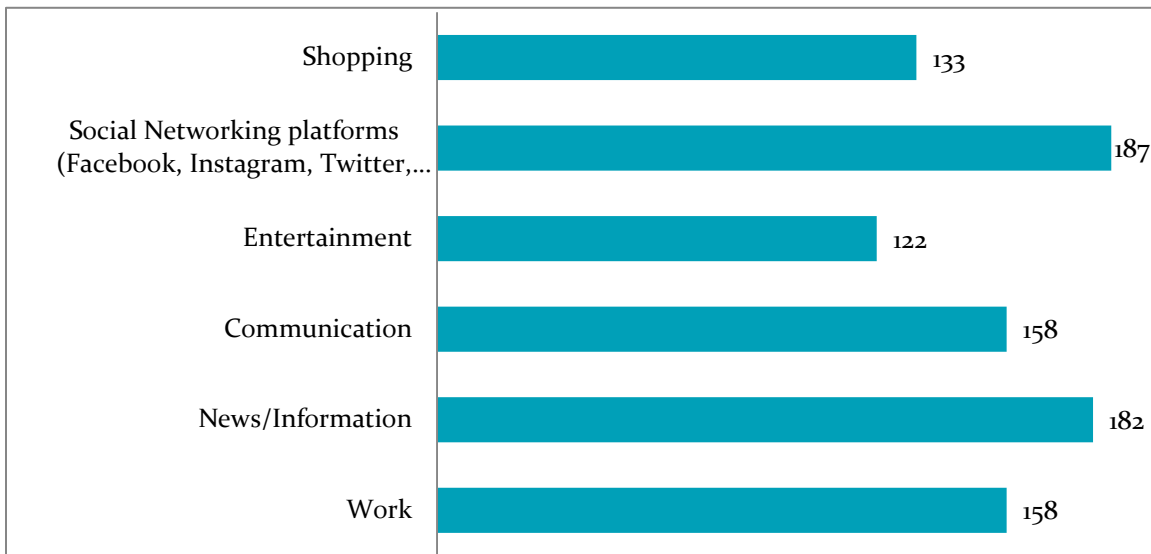
How often do you use the web?



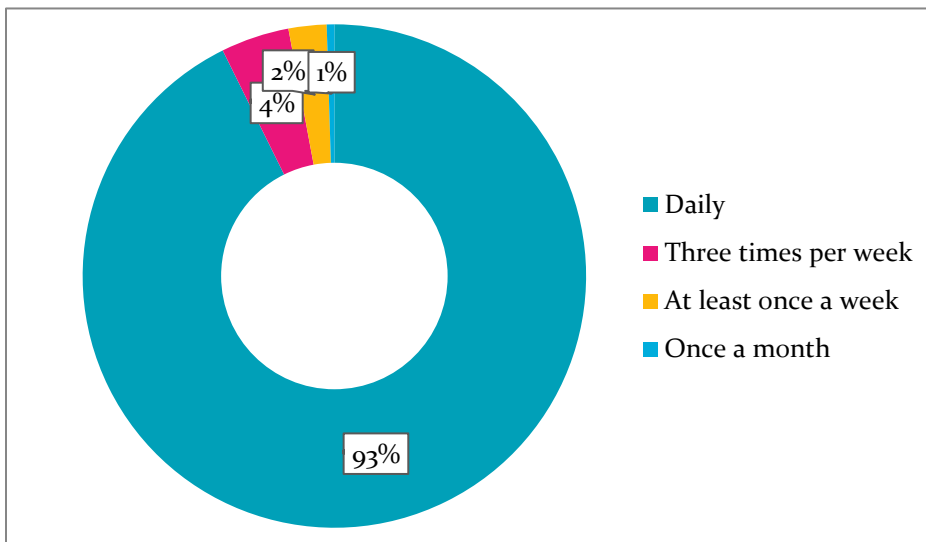
How many hours a day do you use the web?



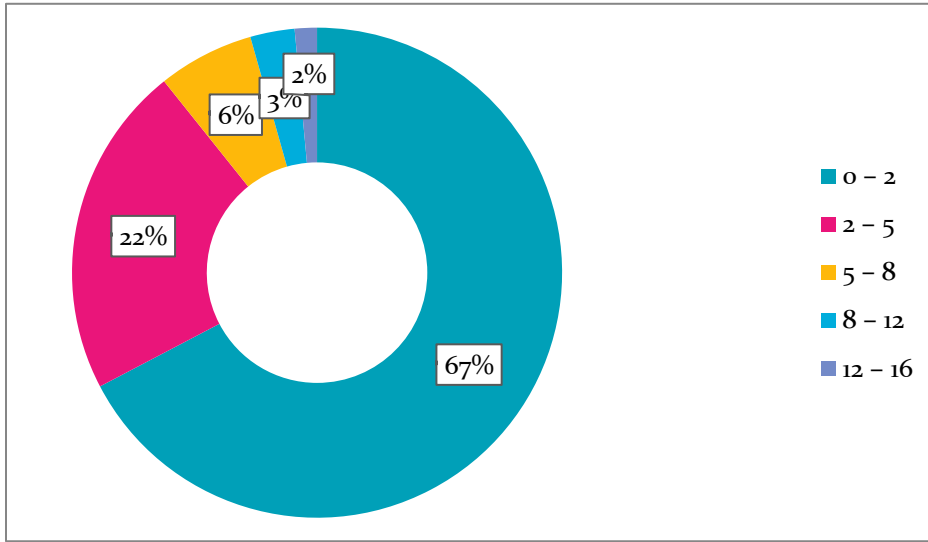
Why do you use the web? (The user may choose more than one answers)



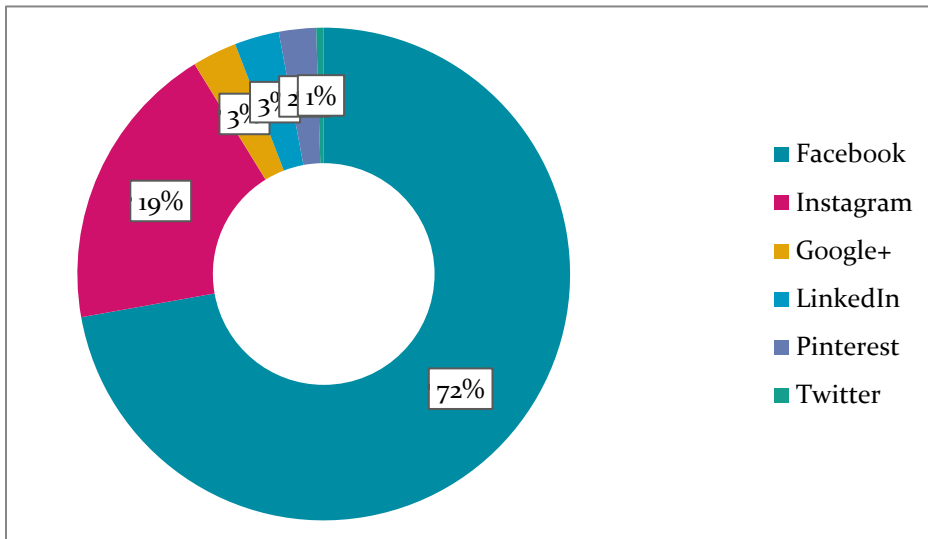
How often do you use Social Networking platforms?



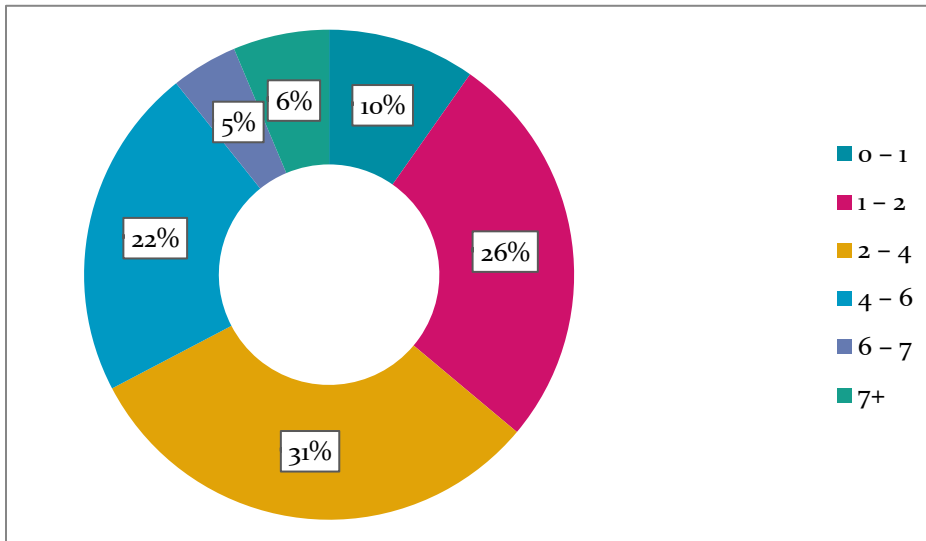
How many hours a day do you use Social Networking platforms?



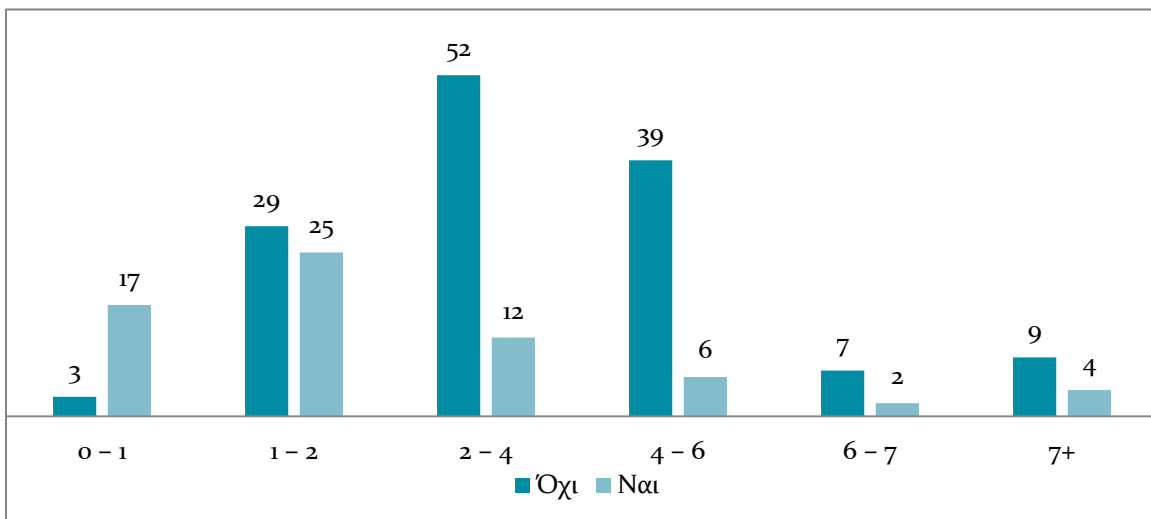
Which Social Networking Platform do you use more often?



How many hours of free time a day do you have?



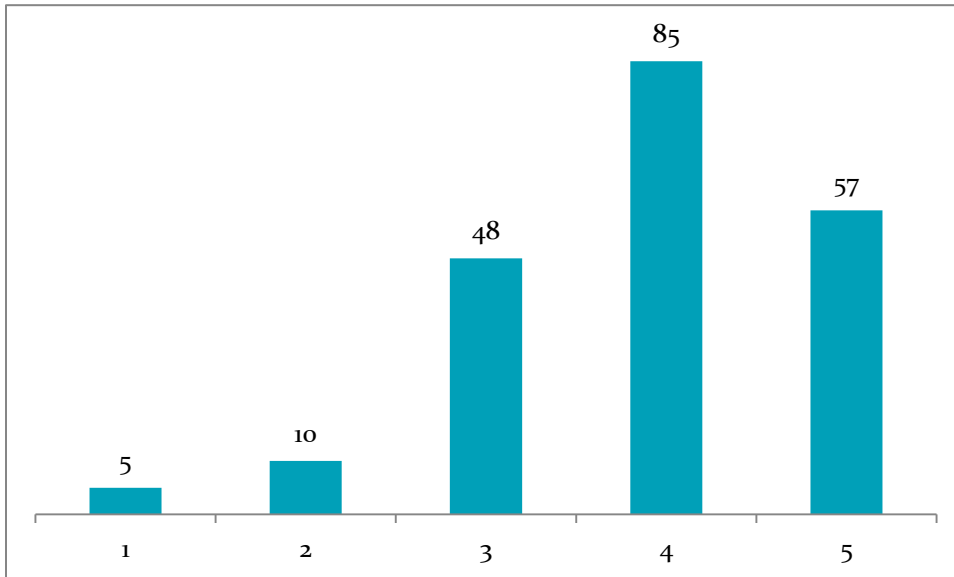
How many hours of free time a day do you have? Based on having children



ONLINE SHOPPING ACTIVITY

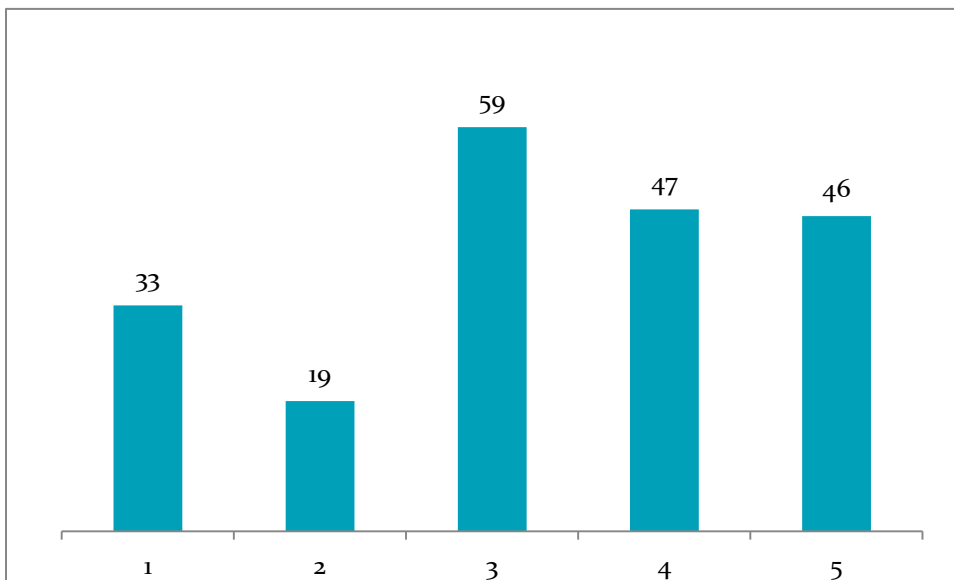
The following charts are describing the online shopping activity and habits of modern Greeks.

Do you consider online shopping safe?



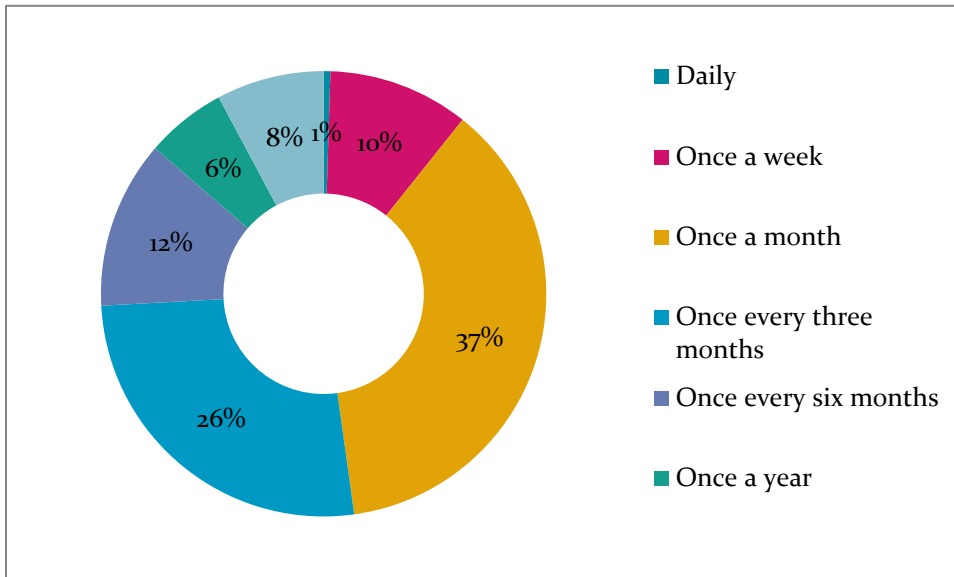
On a scale 1 to 5, 1 being No and 5 being Yes

Do you shop online only during sales period (i.e. Black Friday) or regularly?

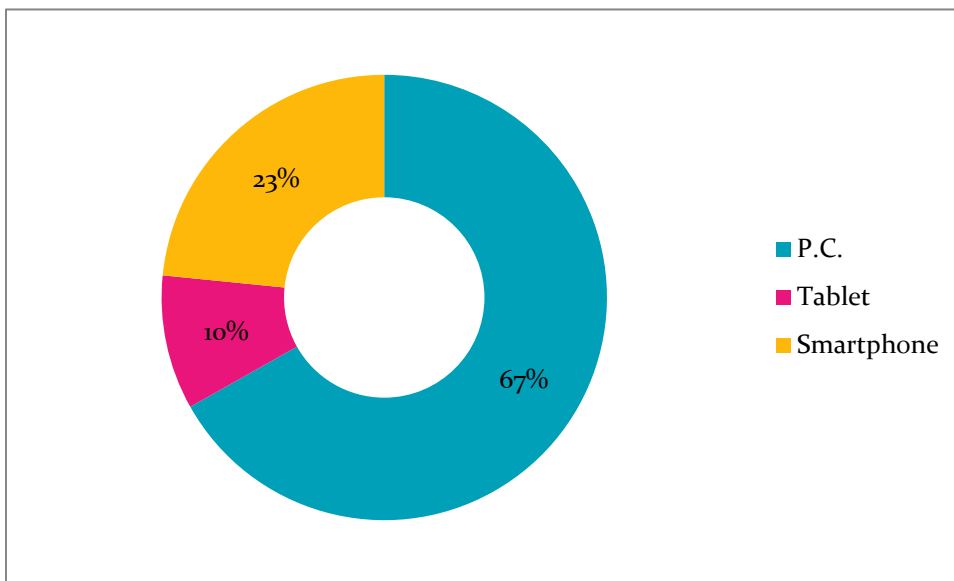


On a scale 1 to 5, 1 being Rarely and 5 being Regularly

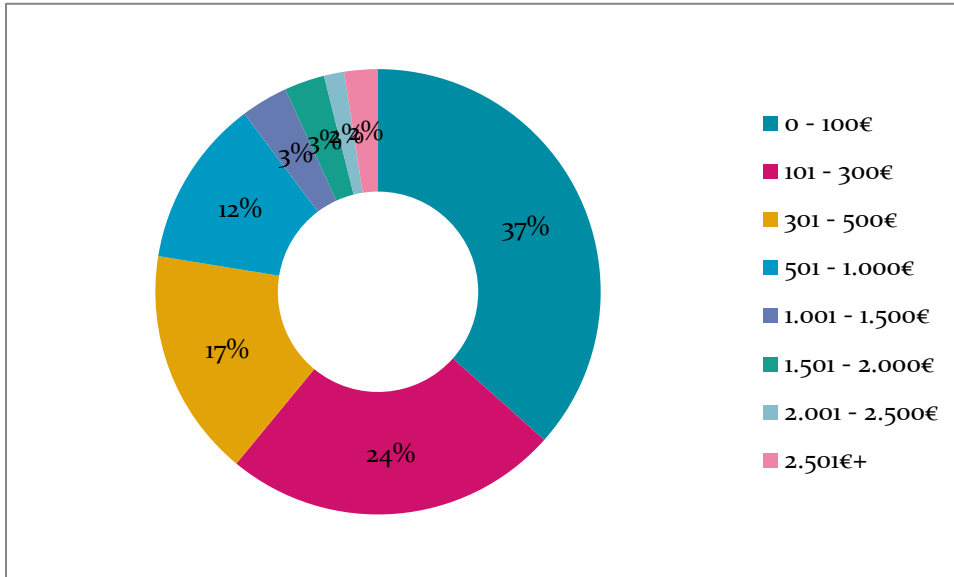
How often do you shop online?



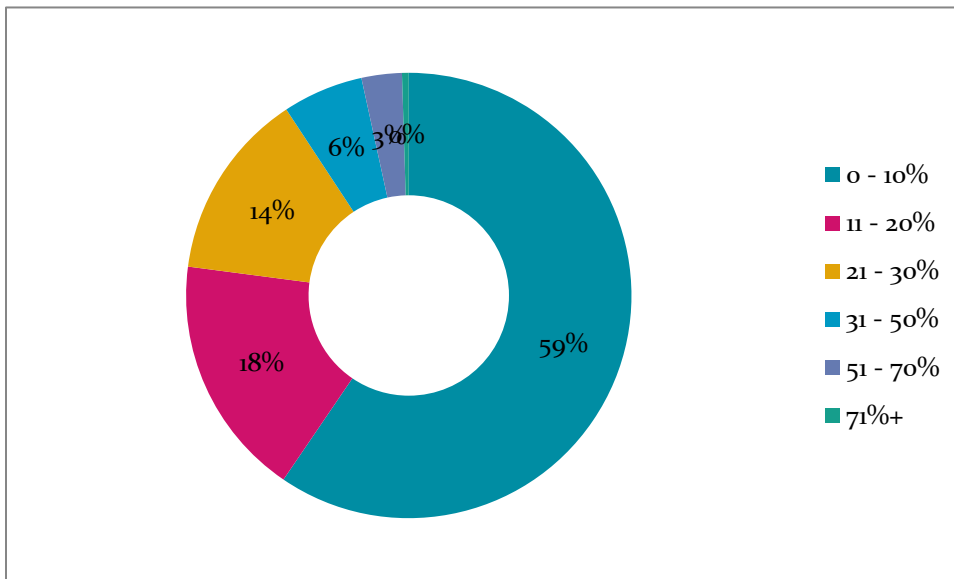
Which device do you prefer to proceed with online shopping?



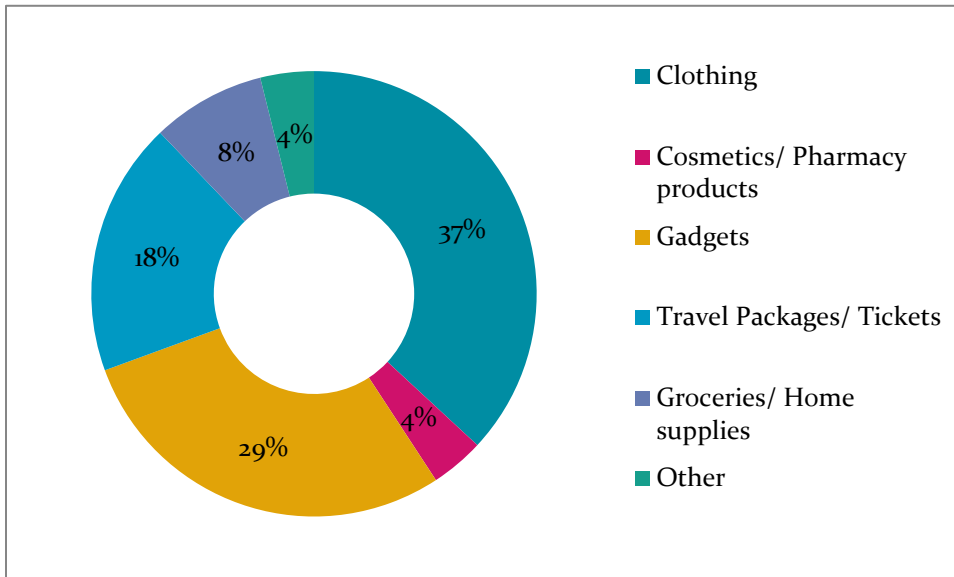
How much do you usually spend in online shopping?



What percentage of your annual expenses are your online purchases?

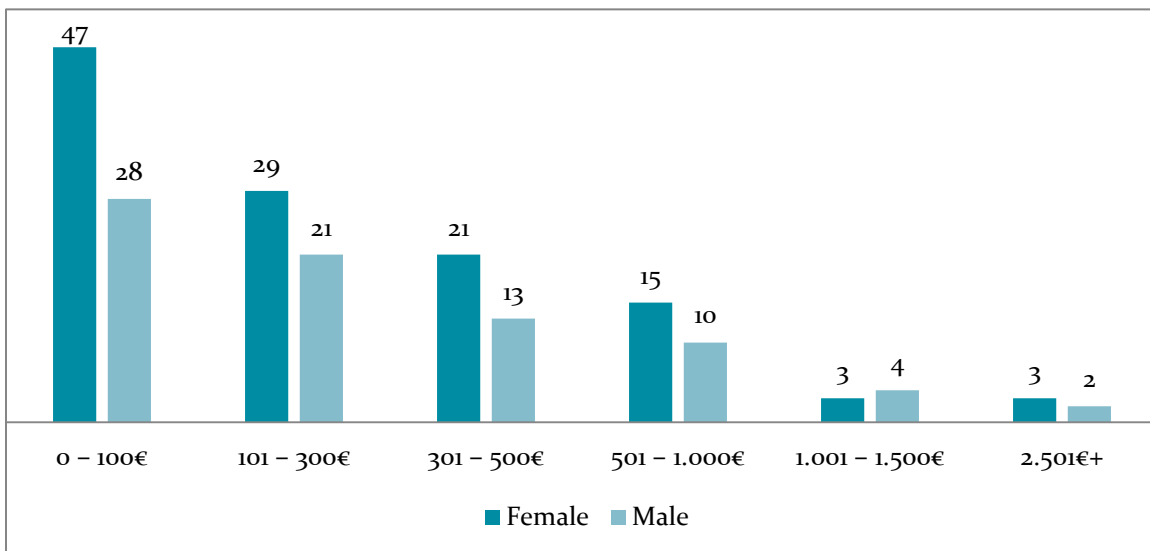


What kind of products do you usually purchase online?

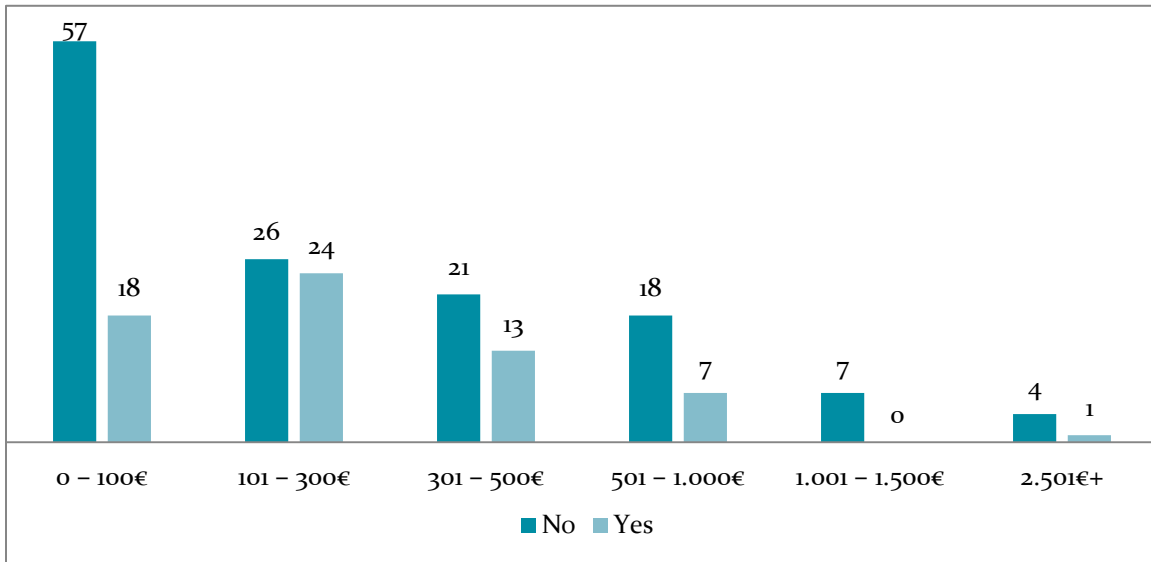


Based on the responses given regarding their online shopping activity, we can also present the following: Women tend to spend more than men, and parents tend to spend less than non-parents.

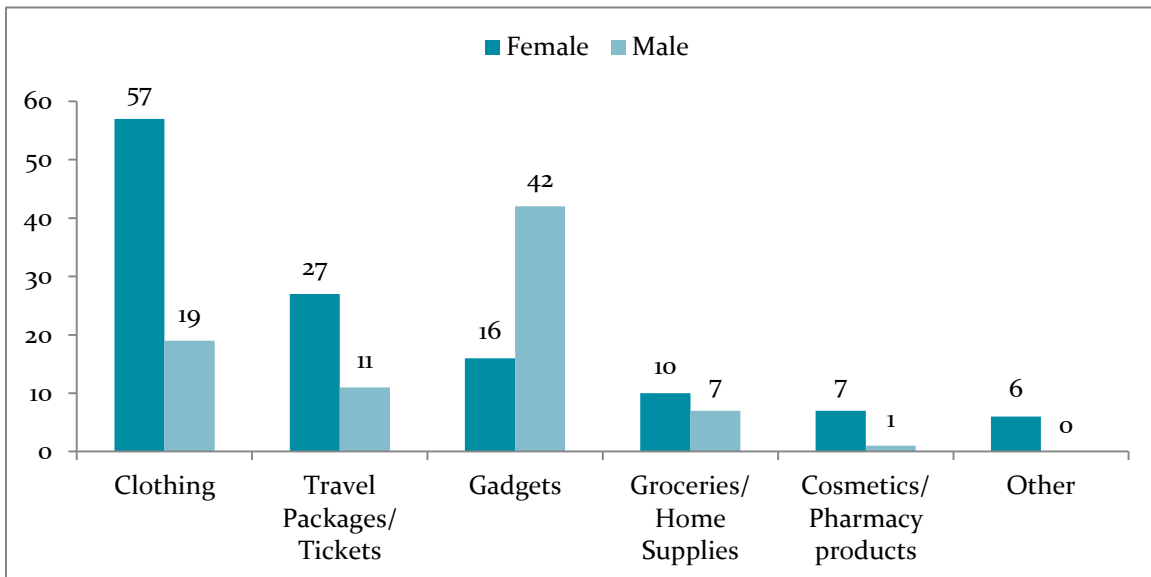
How much do you usually spend in online shopping? Based on sex



How much do you usually spend in online shopping? Based on having children



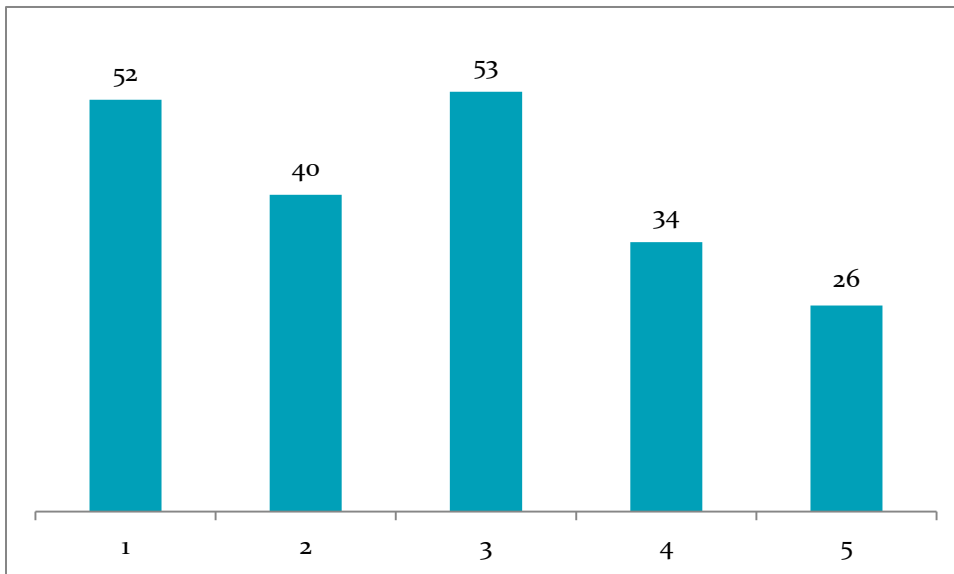
What kind of products do you usually purchase online? Based on sex



WOULD A SHOPPING PLATFORM WORK?

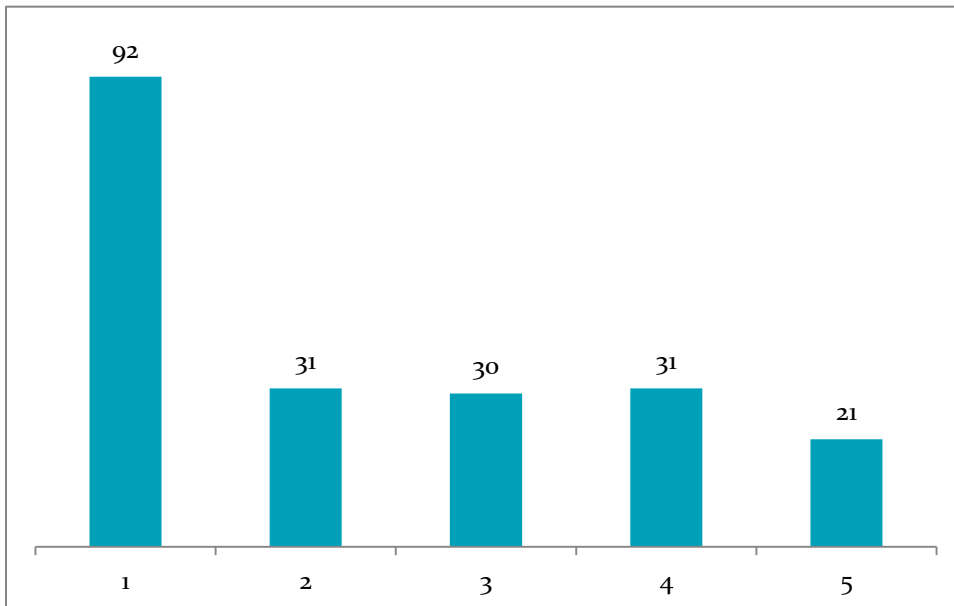
The following charts show whether the Greek online consumers use the wish-list option given by online stores and if they would be interested in a platform such as the one we will examine in the business plan later in this paper.

Would you buy something directly through a Social Networking platform if you could?



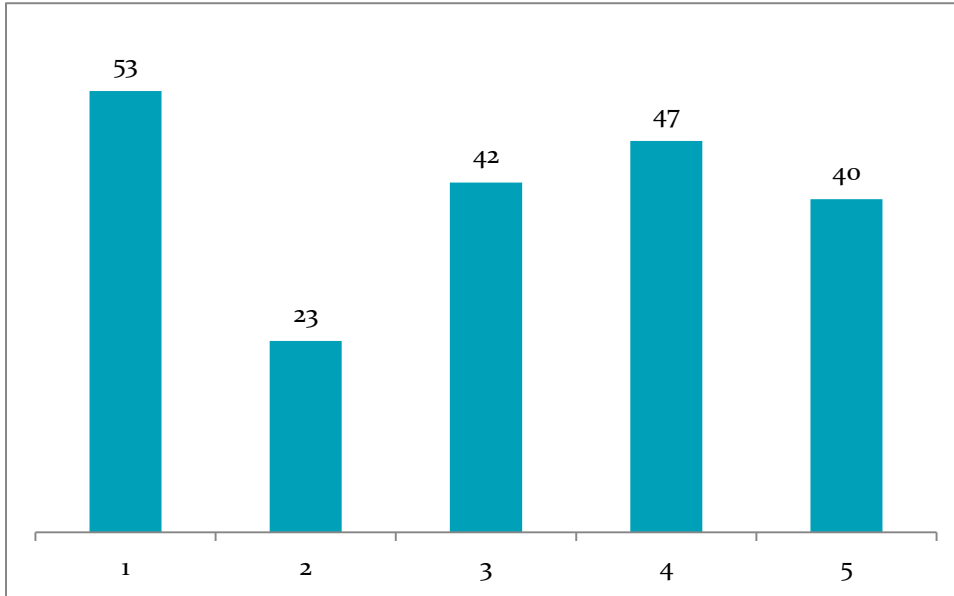
On a scale 1 to 5, 1 being No and 5 being Yes

Do you make use of the wish-list option given by online stores?



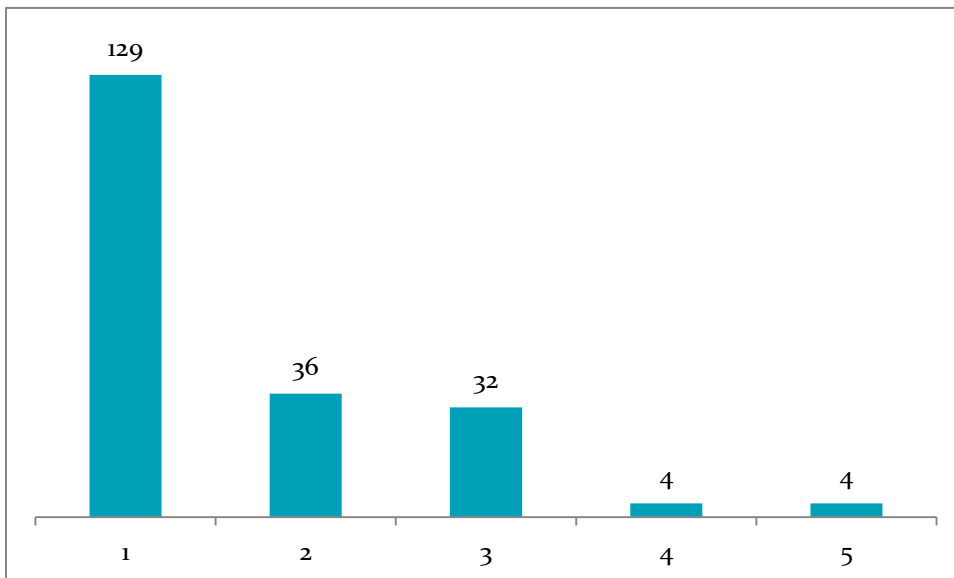
On a scale 1 to 5, 1 being No and 5 being Yes

Would you find convenient a platform that gathers all your wish-lists over multiple online stores into one?



On a scale 1 to 5, 1 being No and 5 being Yes

Would you pay for such a platform?



On a scale 1 to 5, 1 being No and 5 being Yes

Based on the collected data from just a small proportion of Greek online consumers we can conclude the following:

1. Even though the income of most is low, there is an online shopping activity on the rise (47% shop online at least once a month, if not more often).
2. Even though most do not use the wish-list option, there are many (42% of the total answers) that would like a platform that gathers all the wish-lists in one webpage.
3. Almost no-one would pay for the said platform, but we have to consider the wealth effect in Greece and the fact that because of the financial crisis, Greeks tend to cut expenses that are not perceived as necessary.

Business Plan

Based on our previous research regarding the continuously increasing online shopping activity around the world, as well as the new strategies that new trends dictate in order to gain and retain customers, we will examine the Business Plan of a Social Networking platform that aims to present shopping and exchanging gifts as something fun and interactive among friends.

EXECUTIVE SUMMARY

WishList is a new Social Media platform that aims to present online shopping and buying gifts as a fun, less time consuming experience among friends.

The platform will provide registered users with the possibility to form wish-lists of items they wish to acquire by multiple online stores. Thus, instead of keeping separate wish-lists in each website, the users may gather all their desired goods in one single webpage. The wish-list will be shared with their friends and as such, users can either buy an item of their lists by themselves at a later point, or they can receive it as a gift from a fellow user.

The platform aspires to be the new way of online shopping. The online market is the only trillion dollar market and it is universal, giving the users the opportunity to buy items from a retailer based in a different country than their own, without the need of travelling to visit the relevant store.










Our target market is:

- A. Online retailers of the Western world (North and South America, Europe, South Africa, Australia), Russia and Israel.
- B. Online users of the said countries, both male and female, from 15 to 65 years old.

Our team is consisted of a Marketing & Business professional, a Web Developer and a Product/ Customer Experience Professional.

The nature of the platform allows us to develop and design it with a low budget, while expecting a large profit since it meets all needs of online consumers based on our research, and at the same time we are entering a market that is already huge and keeps increasing in a big rate.

BUSINESS MODEL CANVAS

Key Partners  <ul style="list-style-type: none"> - Users - Online Retailers - Other Social Media Platforms - Investors - Online Payment Institutions 	Key Activities  <ul style="list-style-type: none"> - Developing Stable Platform - Marketing - Developing long-term partnerships with retailers - Merchandising 	Value Propositions  <ul style="list-style-type: none"> - Easy access to multiple online stores in one single platform - Easy way to pick gifts for other people 	Customer Relationships  <ul style="list-style-type: none"> - Communities - Self Service 	Customer Segments  <ul style="list-style-type: none"> - Retailers - Online Shoppers (18-60YO), Mass Market
	Key Resources  <ul style="list-style-type: none"> - Online Servers - Security System - HR (web developers, designers, marketing, product mngers, accounting dpt, legal dpt) 		Channels  <ul style="list-style-type: none"> - Official Website - Mobile Devices/App 	
Cost Structure  <ul style="list-style-type: none"> - Website Hosting/ Server - Website/ Platform/ App Design and Management - Physical Office & HR 			Revenue Streams  <ul style="list-style-type: none"> - Advertising Revenue - Percentage from Sales 	



BUSINESS CONCEPT

There have been numerous studies regarding the free time of the average person, how many hours it should be and how many it actually is. The result was that in order to have a healthy life balance, one should have at least 7 hours of free time daily (not including the hours of sleep). The current way of life of the Western world though is overburdened with busy schedules and numerous daily tasks, leaving to the average person less than half of the ideal quantity of spare time, or even just minutes in case of young children in the family.

It is no coincidence that more and more people turn to the internet to complete daily duties and chores, such as paying bills or buying groceries and home supplies in the minimum amount of time possible. Consequently, online shopping, which is less time consuming, is preferred in many occasions.

At the same time, the online market provides consumers with a unique opportunity. Thanks to the modern day technology, the online market is universal, with no limitations of frontiers within the Western world. As such, a user can buy easily and effortlessly products of a retailer based in a different country, without the need to travel abroad to visit the relevant store.

As a result, online shopping is one of the most popular online activities today. In fact, researches have shown that the online market is the only trillion dollar market, with increasing transactions in a fast pace. It is estimated that in 2016 over 1.61 billion people purchased goods online, which translates into 1.9 trillion USD and it is expected that by 2020 the online market's transactions will reach 4.06 trillion USD.

After thorough research of the possibilities that e-commerce has to offer and the online shopping activities of the public, we realized that there is a gap in the services currently provided.

To this day, internet users can register and keep wish-lists individually, to each online store of their choosing, thus creating numerous files scattered in multiple sites. Our platform is designed in order to give its user the ability to search for products or services through our search engine, which is connected to the online stores of our cooperating parties. The user will be able to add the item desired in a wish-list that will be available for his/her registered friends to see. Otherwise, the user can add the product to a private wish-list that can be shared, if decided, with specific contacts.

The platform will also have a “wish for it” button that can be integrated to the browser, allowing the user to add goods in his/her wish-lists while navigating to official online stores.

WishList aims to not only make shopping a fun and less time consuming experience among friends but to end the gift anxiety as well. There are a lot of people that find buying gifts a nerve-wracking experience as they feel too much pressure to select the right



present. By using our platform, one can easily search through someone's wish-lists and select the desired gift based on his/her budget.

WishList will be presented to users as the new Social Networking platform, designed to meet their needs regarding online shopping and buying gifts, just as Facebook's purpose is to connect people, Pinterest's to inspire, Instagram's to share photos and Spotify's to listen to music.

By making good use of the current technology, the development of e-commerce and the overall internet activity around the world, our platform aims to connect two categories of users: the retailers and the consumers. WishList is built in a way that can increase the sales of online retailers in a worldwide scale as a new channel to promote their goods globally, while at the same time it provides the consumers with the ability to have in a single webpage all their desired products and either buy them themselves at a certain point or receive them as a gift from a fellow user.

The company will be established soon, aiming to bring the online market in a new era.

PRODUCT/SERVICE

WishList will be the new Social Networking platform that connects two kinds of users:

- A. Online consumers, in need of a neat way to keep track of all the items added on wish-lists as well as to get rid of gift anxiety by browsing through their friends' wish-lists and acquiring the perfect present.
- B. Online retailers that wish to promote their products and services globally through a new channel, which is designed specifically for shopping

So the product/ services we offer for each group respectively is:

- A. To its core, the platform will be like any other Social Networking platform, meaning the users will be connected to their friends in order to cause interaction. Thus, first they will have to register in our platform; no one may use it as a visitor. They can either create a new account or use their Facebook account, in order to register faster and connect immediately with friends that are already members of WishList. Upon registering the users will answer a short questionnaire about their interests (clothing, technology, etc.) and a personalized home page will be formed. The second step will be for users to be connected with any already registered friends, and they'll be able to invite more to join WishList in order to create the interaction prospect.

Each user will be able to create more than one wish-lists, either public for their friends to see, or private, or even shared only with specific contacts.

While users are connected to our platform searching for new goods, our algorithm will continuously adjust their homepage according to their current interests.

Users can also navigate to online stores, outside the platform and still add the desired items to their lists by using the "Wish for it" button that will be integrated to the browser.

Purchased items will be automatically deleted from their wish-lists, as long as the procedure is completed through WishList.

- B. Online retailers will be able to create their own official pages, where all of their available items will be displayed. Anything that is available on their website will also be available in our platform and at the same price. Our platform will be notified if a certain product is out of stock in order to update the wish-lists that contain this product.

WishList will be a new channel designed specifically for shopping, to promote their business in a global scale. Their products will be displayed upon proceeding with a partnership, but they will also be able to engage in advertising activities within our platform. An advertised product will appear more often to search results and personalized home pages of users that have shown a relevant interest.



MARKET & RESEARCH ANALYSIS

The target market is divided in the two following categories:

- A. Online consumers of the Western world that look for a fun and easy way to do shopping and exchange gifts.
Today, the average person has a very small amount of free time due to the hectic way of life and our busy schedules filled with responsibilities. More and more people turn to the internet in order to complete daily tasks in the less time possible.
Based on the results of our research, conducted with questionnaires filled by Greek users, we concluded that most people have up to 4 hours of free time a day and shop online at least once every 3 months. This shows that even in Greece, where online shopping isn't that popular yet and the wealth effect is rather low, online shopping is on the rise. The majority of the answers we received also showed that a platform collecting all wish-lists into one webpage would be useful.
- B. Online retailers/businesses that need one more channel to promote and sell their products. As it was stated earlier in this paper, nowadays consumers and businesses alike turn to the internet for solutions. It is evident that during the last decade, online businesses are flourishing despite the financial crisis, while physical stores struggle to remain open.
Our WishList platform will operate as a new online channel, helping businesses to address a larger audience in global scale.

Consumers Categorization

Based on their location:

We will start building our platform for the American market, since it is the biggest online market, reaching 364.66 billion USD in 2012. Then we will expand to Europe and when all these markets have been successfully penetrated, we will continue for the rest of the Western world.

Based on their age:

- Ages 18 to 25: they are in their first jobs, thus they have spending power and usually less responsibilities which equals to a bigger tendency to spend on shopping for fun. They grew up with the internet and so socializing and shopping online comes natural to them.
- Ages 25 to 55: they are mostly parents of young kids (up to 15 years old), thus they don't have much free time. Internet services, including shopping, come as a solution for them in order to gain free time. This specific group includes the first generation of Social Networking which translates to a regular use of the internet and Social Networking platforms.



- Ages 55+ : they may not be as regular users as the two aforementioned groups, but they increase steadily. These are people who try to keep up with modern technology and start to explore the benefits of Social Networking and online shopping. Usually, they have more free time and bigger shopping budget.

Based on their income:

Online shopping is relevant to the wealth effect of a country and the local users. Likewise, users with high income tend to be frequent buyers and spend more than users with lower income or with more responsibilities.

Online Retailers Categorization

Based on the product/services they offer:

We will start by conducting business agreements with online retailers that sell the products acquired most frequently, which are: clothing, consumer electronics, books, health & beauty, sports equipment, jewelry and watches. Then we will gradually add products and services.

Based on the amount of sales they produce:

We will start with the biggest online retailers, taking into account not so much the variety of products and services they provide, but the statistics of their websites' traffic and the conversion rate of visitors to buyers. We are talking about retailers such as Amazon, Ebay, Walmart, Net-a-porter, etc.

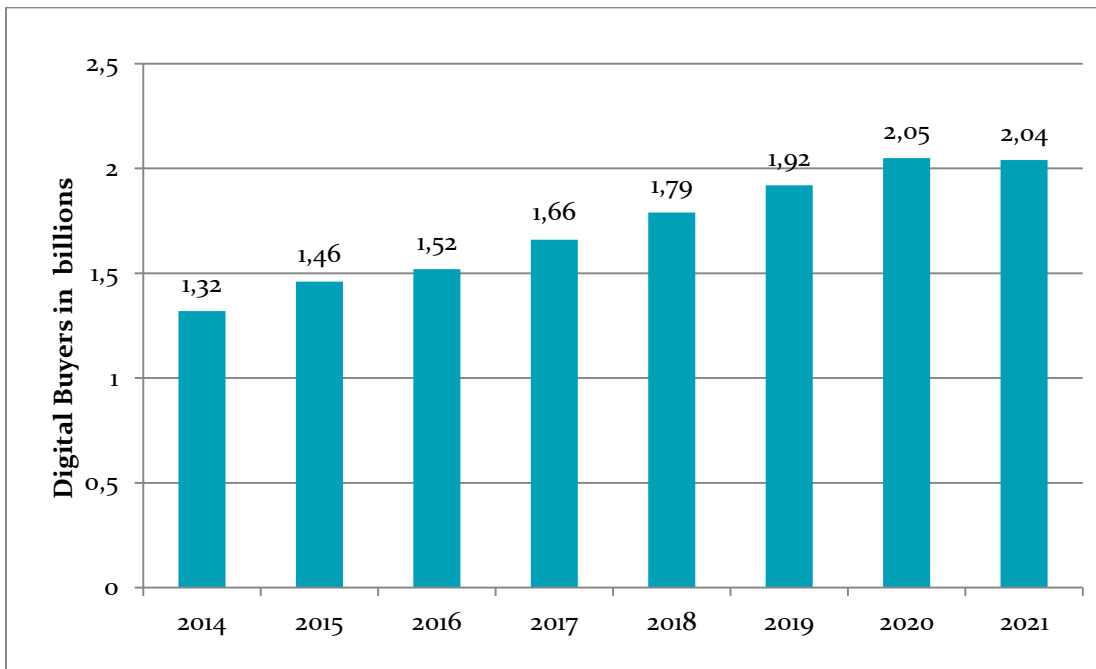
Based on the geographic region they cover:

As previously stated, the platform will be available first for the American audience, then for the European and then for the rest of the Western world. As such, we will start by businesses covering the online consumers of the U.S. market, then gradually add the rest.

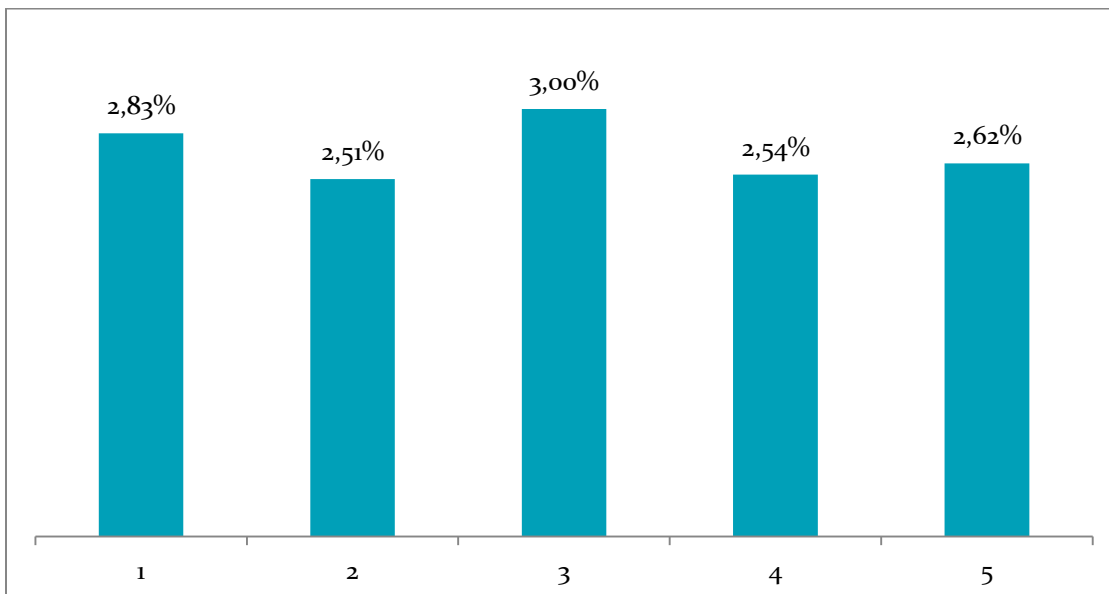
Evaluation of Markets

The online market is the only trillion dollar market and it is expected that by 2020 it will reach 4,06 trillion USD.

The chart below displays a forecast of the number of digital buyers worldwide from 2014 to 2021. In 2021, over 2.14 billion people worldwide are expected to buy goods and services online, up from 1.66 billion global digital buyers in 2016.



The next chart shows the conversion rate of online shoppers worldwide as of the second quarter of 2017. During this period, 2.62% of e-commerce website visits were converted into purchases, up from 2.54% during preceding quarter.



The market is on the rise with a very high rate of increasing sales each year and there are many reasons that lead to this phenomenon. Below we name the most important:

1. **Online market is a global market:**

A consumer located in Greece can easily purchase a product sold in the U.S. without the need of visiting the actual store.

2. **The online market operates 24/7, it is fast and easy:**

By eliminating the need to visit the store in order to purchase the desired goods, we eliminate as well operating hours and working personnel. Now consumers have the opportunity to proceed in acquiring anything at the comfort of their own space at the time that is most convenient to them.

This benefit of online shopping is, to many busy people, the answer to their problems. Even if they have very little free time, they are able to shop.

3. **Competitive prices can be found online:**

Many retailers choose to have lower prices of their products online in order to attract more people. But, aside from that, the search engines over the internet give to users the possibility to search a product in multiple online stores simultaneously, compare the prices and choose among them.

4. **Consumers are only getting younger:**

Younger generations have grown up with the internet. To them the use of the internet is a daily habit, not only for matters of work or information, but for entertainment and shopping as well. Online shopping already is one of the most popular activities on the internet, and as the years go by with more and more children growing up and becoming active consumers, online shopping will become a standard routine.

What statistics and researches show though is that users demand for easy, accessible online stores that make online shopping a fun experience. Our platform aims to achieve exactly that by transforming shopping into an interactive experience among friends.

By sharing wish-lists with products they desire, the interaction among users, the anticipation of a potential gift, the joy of giving the perfect gift to a beloved one, is what makes the shopping experience more fun than it has even been before.

Retailers all over the world have realized that online shopping is the future and thus more and more proceed in creating e-shops. Not all of them successfully, since there is more to do than just create a webpage in order to become an online retailer, yet there are already 12 million e-commerce sites.

Successful businesses know that the key is to address the public through multiple online channels (Social Media, Search Engines, Bloggers, etc.) and our platform will provide them with a new one, designed specifically to increase online shopping.

COMPETITION

The online market is not difficult to enter. Aside from the millions existing online stores, Social Networking platforms have also noticed the online shopping trend and start to integrate the possibility of buying goods through their platforms. Facebook, Pinterest and Spotify, are all in the process of adding this feature to their platforms, although all of them are still in beta version and available in certain areas only.

Despite all that, we still have a main advantage. All of the aforementioned options are designed to help mostly the only retailers and not the consumers. WishList on the other hand is designed to satisfy the consumers' needs by creating a platform where shopping and exchanging gifts is a fun and group experience, just as it would be visiting the actual store, eliminating at the same time the long lines to the cashier, the distance to the store and the stress to visit during operating hours.

Main Competitors

There is actually no real competitor so far. There used to be "Wishpot" which was closer than any other business to what we aspire to create, but it doesn't operate since 2013.

Pinterest, Facebook and Spotify are starting to add the concept of shopping directly through their platform by visiting the online retailer's official page/board.

Finally, the only webpage built to serve the consumers instead of the retailers is "WishlistR", but when creating a list, the user has to add for each desired product a photo, a description and a link leading to the retailer's webpage. The platform is free of charge. The engagement of users on this particular site, based on SimilarWeb is the following:

Engagement	
Total Visits	250,55 K
Avg. Visit Duration	00:02:14
Pages per visit	3,20
Bounce Rate	39,7%

Assumptions

There is plenty of room for our platform to evolve. Even more so, it is the next step in online shopping.

The charges will be low, in order to make our product attractive to consumers and businesses alike. Users will be required to pay only 2\$/year, while online retailers will give



to our company 2% of the total amount of their earnings from sales completed through WishList. The company's main profit will come from advertisements of products.

MARKETING PLAN

Our Unique Selling Position for consumers is the ability we give to our users to surf multiple online stores through one single platform, tag their desired items in wish-lists that may contain goods from different retailers and finally the ability to share their lists with their friends and exchange gifts.

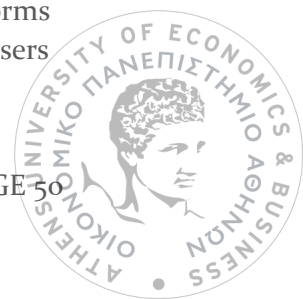
Our Unique Selling Position for online retailers is the ability to promote their products in a new channel designed specifically for shopping, addressing already established vibrant communities.

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none">- Currently there is no other platform providing the same services- Combines numerous online retailers in one single platform- A team with broad experience in Marketing, Web Developing and Product/User Experience- Less time consuming shopping- Presenting shopping/gifting as a fun activity with friends	<ul style="list-style-type: none">- Need to conduct agreements with as much online retailers as possible
Opportunities	Threats
<ul style="list-style-type: none">- Increasing online shopping activity- Continuously reduced free time- Ending Gift Anxiety- Online global market phenomenon	<ul style="list-style-type: none">- Other, already established, Social Networking platforms- Companies with bigger capital that might try realizing our idea

WishList will be promoted as the new Social Networking platform, in the line of many that has though a very specific differentiation. Just as Facebook is the platform that connects people, or Pinterest the platform that inspires, WishList is where friends come together to have fun with shopping and exchanging gifts. The goal is to convince the public that this is the best, most enjoyable, easiest and fastest way to make their daily purchases and wish for gifts.

The platform will be promoted mainly online, through other Social Networking platforms and blogs and specifically Facebook, with which we plan to cooperate in order to let users



register on WishList by using their Facebook account, thus connecting at once with any friend that is already registered as well.

Pricing Policy

a. Consumers:

As we aim to keep the product appealing to the public, which means it should be among other things relatively cheap, the fee for our online consumers will be only \$2 per year.

b. Online Retailers:

Our main income will come from our cooperation with online retailers.

Firstly there will be a fee for each order that has been made through WishList and that will be the 2% of the total amount.

Secondly, the online retailers will be able to organize advertising campaigns within our platform. The cost for each campaign will depend on the target audience (how many people the retailer aims to reach) as well as the duration of the promotion.

Still there will be a restriction of minimum advertising budget \$3 per day.

Distribution Channels

The WishList platform will be developed for users of personal computers as well as cellphones and tablets.

We believe that mobile devices are a key factor for the future of online shopping, as their use increases continuously. More and more people use their mobile devices instead of their PCs, even for shopping. The application for mobile devices will be available for free in Apple Store and Google play and will provide the user with the same possibilities as the main platform.

Services & Warranties

Our company won't associate with the product purchased; it will only operate as a new channel of consumerist transactions. As such, in case of a malfunction of the product, or clients displeased with the services they received from a retailer, it is the retailer's responsibility to compensate the consumer or replace the product.

WishList provides specific services to the two categories of its users:

a. Online Consumers

- Easy and accurate access to multiple online stores

- Continuous update of the information given for any product in order to be in accordance with the retailer's website (i.e. product no longer available should be removed from the wish-list followed by a notification to the user)
- Preservation of their privacy regarding personal data

b. Online Retailers

- Support how to best promote their products through this platform and the tools they should use

All Marketing and Sales activities will be coordinated at first by our Marketing and Business Professional who is also the owner of the idea.

MANUFACTURING AND OPERATIONS

One of the many advantages of startup businesses in the internet sector is that they don't require a large number of facilities, machinery or test labs and technological advancement to begin operating properly. This translates to a need for only a small budget during the first few months.

For the successful operation of WishList we will need the following:

Facilities

We will lease offices for our team to work, a small space with no need of renovation. We will purchase basic offices' supplies and equipment as well as computers, printers and a new server. We will also need to pay for a good quality online server to host our website which will guarantee the maximum speed in order for our website to load quickly and provide good user experience.

Human Resources

Our team is already composed of one Marketing and Business Professional, one Web Developer and one Product/Customer Experience Professional. We will need to build the relevant teams, with two subordinates for each one, as well as a graphic designer, a corporate finance executive and a sales team of three people.

Marketing professionals will need to have experience in building marketing strategies and corporate branding from scratch. This experience can be acquired either by previously working in new businesses or handling the rebranding of established ones.

Our future Web Developers should have a thorough knowledge of their field and experience in developing a code, not simply using ready templates such as WordPress. They should have experience in websites that require e-shops and search tools.

Product/ Customer Experience professionals should have previous experience in the online market industry. They should come from multinational companies providing services/ products online in order to be accustomed with the constant research that needs to be done in order to make the platform appealing and user friendly.

Our Graphic Designer should have an experience in designing websites in collaboration with web developers and a portfolio that shows he/she can understand the nature and identity of each company and adapt its design in order to respect the corporate image.

A Corporate Finance executive would be of much value, especially coming from M&A or investment banking field. This professional would be a key player in evaluating and consulting the company's next moves or risks to be taken in order to achieve economic growth quickly and effectively.

Our Sales Team will be composed by professionals with experience in B2B sector with proven negotiation skills and sales tactics. This team will be in charge of conducting agreements with new online retailers, aiming to achieve cooperation with most if not all main online stores. Our Sales Team will report to the Marketing & Business Professional.

All of our new employees must show initiative, responsibility and imagination and should be team players.

Other issues

We will also need to cover expenses for copyrighting of our brand name and logo worldwide.

ENTREPRENEURIAL TEAM

Niki Karagianni – Marketing & Business Professional

Marketing & Communications professional specializing in rebranding a company and reforming its entire communication. Further experience in legal documents and drafting of contracts. Organized, meticulous, excellent in time management, great in working both within a group and as a leader, taking initiatives, thinking out-of-the-box.

PROFESSIONAL EXPERIENCE

Akouson, Hearing Centers (GR)

May 2017 – Present

Marketing & Communications Manager

- Developing Marketing plans and consulting on Business Strategies for new consumer markets
- Responsible for the company's rebranding
- All company's PR activities, including conducting all written material necessary i.e. Press Releases, Company Profile, Corporate Presentations and formal letters
- Organizing and implementation of ATL and BTL communication campaigns advertising the company's products and services
- Responsible for the company's website and Social Media pages

Mideast Travel Worldwide, Travel Agency (GR)

Jan 2012 – April 2016

Marketing & Communications Executive

- A-Z production of 5 luxury editions, 4 of which nationally awarded
- Evaluation and organizing of Corporate Presence in more than 10 expos yearly
- Company's events organizing, i.e. Parties of up to 500 people, Press Events, Familiarization trips (two of the largest in Greece), B2B workshops abroad (two sponsored by GNT0)
- All company's PR activities, including conducting all written material necessary, i.e. Press Releases, Company Profile, Corporate Presentations and formal letters
- Organizing and implementation of BTL communication campaigns advertising the company's products and services
- One of the two people responsible for the company's website

Solely responsible for major projects, reporting directly to the General Manager and the Managing Director, while also serving as a substitute Manager during the original Manager's two maternity leaves.

Played principal role in the decision and implementation of the company's rebranding, while also prepared and executed the opening of the company's two new branches in Glyfada & Mykonos.

EuroMedicines, Pharmaceutical Wholesalers (UK)

Jan 2011 – Dec 2011

Wholesaling Division Analyst

- Statistical analysis and monitoring of companies' performances
- Overall responsibility of Corporate Presence at fairs in Europe

Responsible for the company's sales analysis and marketing competition research, reporting directly to the General Manager

Developed a database comparing the sales of EuroMedicines and its two sister companies (Pharmagora, K.P. Marinopoulos), highlighting strengths and weaknesses

ALAPIS, Pharmaceutical Company (GR)

Business Development Executive, In-Licensing

Feb 2009 – Dec 2010

- Market Research and communication with potential suppliers and partners
- Responsible for the Department's presence in B2B conventions abroad, 5 yearly, while actively participating myself through personal meetings with potential suppliers
- Handling all CDAs, as well as drafting contracts for In-Licensing deals
- Having a key role over the company's overall image in major exhibitions abroad, including all financial transactions and conducting the company profiles of 2009 and 2010

Handled various projects reporting directly either to my Manager, the Business Development Executive Director or the C.E.O., according to my responsibilities in each case

Business Development Executive, Out-Licensing

Feb 2008 – Jan 2009

My role included contacting potential clients for selling company's products abroad, archive monitoring and updating contact lists and databases

EDUCATION & LANGUAGES

Education

- MBA Athens University of Economics and Business 2015 – present
Attending the part time program
Expected graduation date: October 2017
- University of Piraeus 2003 – 2009
Bachelors' degree – Industrial Management & Technology

BSc thesis: “A case study on fashion e-commerce portals and their increasing competitiveness throughout the years”

Languages

- Greek – Mother tongue
- English – Fluent – Michigan Proficiency
- French – Very Good – DALF C1
- Italian – Very Good – Diploma di Lingua Italiana

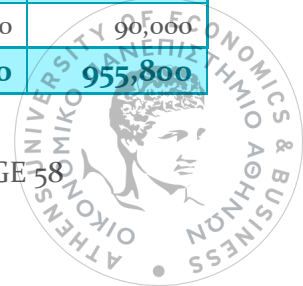
FINANCIAL DOCUMENTATION

We will now review the Projected Financials of WishList, examining the investment needed, the annual costs, as well as the expected revenues.

The first two tables record the necessary budget to build the platform and establish our business, as well as the expected annual operational costs during the first five years.

Establishment & Equipment Costs	Cost in \$
Establishment Costs	2,000
Computers, Printers etc.	5,000
Furniture and decoration	3,000
Equipment Installation	500
Website	3,000
Other expenses	5,000
Investment	100,000
Total	-81,500

Annual Expenses	Cost in \$				
	Year 1	Year 2	Year 3	Year 4	Year 5
Personnel Expenses	345,800	345,800	436,000	758,800	758,800
Employees' Salary	163,800	163,800	254,000	352,800	352,800
Managers' Salary	105,000	105,000	105,000	196,000	196,000
Graphic Designer's Salary	21,000	21,000	21,000	84,000	84,000
Corporate Finance Executive's Salary	28,000	28,000	28,000	77,000	77,000
Legal Consultant's Salary	28,000	28,000	28,000	49,000	49,000
Operational Costs	31,200	31,200	40,800	41,000	41,000
Office Expenses	6,000	6,000	9,600	9,600	9,600
Lease	12,000	12,000	18,000	18,000	18,000
Benefits	7,200	7,200	7,200	7,400	7,400
Telecommunication Expenses (Telephone, internet)	6,000	6,000	6,000	6,000	6,000
Transporation Expenses	57,000	57,000	57,000	36,000	36,000
Business Trips	57,000	57,000	57,000	36,000	36,000
Marketing & Sales Expenses	50,000	50,000	50,000	40,000	30,000
Advertisements	50,000	50,000	50,000	40,000	30,000
Other Expenses	54,000	54,000	72,000	90,000	90,000
Insurance	54,000	54,000	72,000	90,000	90,000
Total	538,000	538,000	655,800	965,800	955,800



As we already stated, WishList will initially only be available for USA, then we will add Europe and when these markets have been successfully penetrated, we will start gradually adding the rest of the Western world. Below we can see our expected market penetration in numbers.

Market Penetration	Penetration in Units				
	Year 1	Year 2	Year 3	Year 4	Year 5
Consumers	41,400,000	62,100,000	82,800,000	165,500,000	196,500,000
Consumers Penetration	20%	30%	40%	50% + 20%	50% + 30%
Online Retailers	5,000	7,000	10,000	12,000	17,000
Online Retailers Penetration	0.5%	0.7%	1%	1.2%	1.7%

Years 1 - 3 we only penetrate the US Market (207 million online consumers)

Years 4 - 5 we start penetrating the EU Market (310 million online consumers) as well

Years 1 -5 we only penetrate the top 1M of online retailers

At the below table we have calculated the expected revenues according to our penetration in the American and European market during the first five years, as well as according to the number of online retailers that we have included in our platform.

Annual Revenues	Revenues in \$				
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues from Consumers	82,800,000	124,200,000	165,600,000	331,000,000	393,000,000
Revenues from Subscriptions (2\$ a year)	82,800,000	124,200,000	165,600,000	331,000,000	393,000,000
Revenues from Online Retailers	175,000,000	268,400,000	387,000,000	647,200,000	779,200,000
Percentage fee from sales (2%)	145,000,000	218,000,000	291,000,000	532,000,000	616,000,000
Advertisements	30,000,000	50,400,000	96,000,000	115,200,000	163,200,000
Total	257,800,000	392,600,000	552,600,000	978,200,000	1,172,200,000



The last table shows the expected annual turnover, based on the figures calculated in the previous ones.

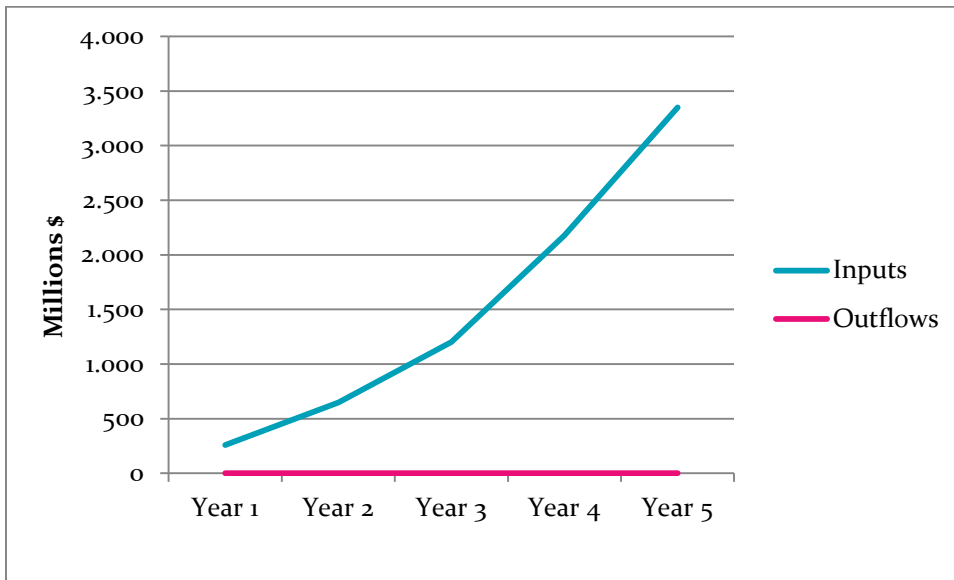
Turnover	Constructing Period	Year 1	Year 2	Year 3	Year 4	Year 5
A. Inputs						
Cash		91,500	257,353,500	649,415,500	1,201,359,700	2,178,593,900
Own capital	10,000					
Revenues		257,800,000	392,600,000	552,600,000	978,200,000	1,172,200,000
Total of Inputs	10,000	257,891,500	649,953,500	1,202,015,500	2,179,559,700	3,350,793,900
B. Outflows						
Investment Expenses	-81,500					
Annual Costs		538,000	538,000	655,800	965,800	955,800
Taxes						
Total of Outflows	-81,500	538,000	538,000	655,800	965,800	955,800
Total Cash	91,500	257,353,500	649,415,500	1,201,359,700	2,178,593,900	3,349,838,100



Conclusion

By completing our research regarding the online shopping habits around the world, the trends that exist today, the innovation that is in a way requested by the consumers and the retailers, as well as the size of the online market and how fast it keeps on increasing, we conclude that WishList, not only has plenty of room to evolve, but it actually constitutes the disruptive innovation needed in online shopping.

We can see that even with small fees to both categories of its customers, the platform is very profitable.



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