

**BUILDING A BUSINESS PLAN FOR A GROCERY SHOPPING  
MOBILE APPLICATION IN FINLAND**



Bachelor's thesis

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ABSTRACT

The objectives of the thesis are to investigate how to establish a mobile app company in Finland and how to write a feasible business plan for an online grocery mobile application in this market. A business plan is an indispensable framework of a company since it plays as a guide book for entrepreneurs to lead their business throughout the lifetime of the company, it is a document for financing and it scans opportunities to improve and develop in the future.

The theoretical part of the thesis is to understand the establishment of a business plan, especially in the technology area, by analyzing literature from secondary research to identify the most essential factors of a business plan. This data is studied under reliable and academic sources from the Internet or industry studies, books, journals.

The idea of the business plan originates from the author. The completed business plan is created based on the theoretical framework, which contains the necessary information required such as the management team, business concept, opportunities, market research, competitors, marketing plan, operating plan, risk management and financial plan. The author gains insights and understanding through research and analysis. The outcomes of the business plan are evaluated as feasible enough for the next round of development.

**Keywords** Mobile application, Business plan, Company establishment

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# 1 INTRODUCTION

## 1.1 Background information

With an idea harbored in the past few years, the author makes up her mind to transform it from concept to action by building a feasible and practical business plan for a start-up company. This thesis is the pedal to put it into practice and provides the author with full acknowledgment and understanding relating to creating a complete business plan. Through this thesis, the author applies investigation, analysis, and evaluation skills to make clear the possibility of the idea towards the Finland market.

Online shopping has become an indispensable habit of people around the world. We can buy everything online through a mouse click, from clothes, electronic devices to cars, houses, etc. However, it is a daily routine that people go direct shopping for grocery products in order to get fresh food for the day. The author is conscious of this problem and has in mind the plan to change people's cognizance of purchasing grocery artifacts. The sketch of the idea is to enable online shopping of grocery products such as foods and daily supplies for Finns through an electronic device-based platform application.

## 1.2 Finland overview

### 1.2.1 Records of Finland

Finland witnesses enormous changes that make it become one of the most worth-living places on earth. Over one hundred years, its population increases from three million to five and a half million with prolongation in both life expectancy and education. The population takes only 0.07 percent of the world population, but Finland is a state that proves the strength of small countries on a global scale while standing stably among top nations in international comparisons. The official statistic website Stat.fi collected data which shows many of the first places Finland achieved until the last day of one hundred years old. In term of society, Finland is the most stable country in the world, the safest country, the best governance, the freest, has the most reliable elections, the least organized crime, the most independent judicial system, the best human wellbeing, and human rights, etc. In term of satisfaction and trust, Finland is the happiest country, Finns are the most satisfied with their accommodation in the EU, Finns' trust in other people is the highest in Europe. In information society and competitiveness, Finland is the second-best in the world in applying information and communication technologies so as to uplift

competitiveness and well-being, the most potent digital knowledge capital in Europe, the third-best country for business and business growth environment, the fourth-best in sustainable competitiveness. (stat.fi, 2018)

### 1.2.2 Development of technology

Based on the findings of export.gov, Finland has the highest percentage of Information and Communication technology workforce in the European Union with 6.6% exceeding the 3.7% average. Furthermore, the software industry adds up to most of the \$14 billion turnovers in the sector. This industry benefits from the very low Research and Development (R&D) cost (2 times lower than in Silicon Valley) and the notable prominence on Intellectual Priority Rights protection, which vitalizes companies to take significant steps in innovation and digital services. Besides, Finland is honored as the safest data location all over Europe by the Data Center Risk Index 2016 and has data centers of Google, Microsoft, Equinix... as well as being the target of other international data centers.

Being the state having the highest use of cloud services, Finland has applied 66 percent of cloud services to Finnish companies, and this number has been escalating unceasingly as the action of using third-party services without any barriers. There has been a rise in awareness of the platform and appropriate infrastructure as a service, resulting from dynamic penetration of software to Finland and making it an immensely dynamic and competitive market.

### 1.2.3 Doing technology business in Finland

When thinking of start-up hubs, Silicon Valley and Berlin are usually referred to; however, Helsinki is also a hot spot with innovative start-up companies and new possibilities arise speedily and robustly, making it worth consideration for taking any business internationally. Helsinki has over 1 million people providing unlimited sources of creativity and potential for doing business from all perspectives of culture, education, politics, and finance. It is abounding in advantages and strengths for tech entrepreneurs. First, Helsinki offers significant business ecosystems due to the intensity of start-ups and businesses and the connection among them by a multitude of organizations such as The Federation of Finnish Enterprises (Suomen Yrittäjät), The support network for entrepreneurs (Yrittäjän tukiverkko),... Secondly, setting up a business in Finland is more accessible than anywhere: three weeks maximum is taken as the simplification in bureaucracy and the possibility to authorize processes to a public liability company or complete paperwork via an online form. Plus, Finland is famous for its funding and governmental support for start-ups; one popular program

is Vigo, the bonds between early-stage technology firms and international venture funding.

### 1.3 Research questions

Buying groceries is a part of the daily routine and it is never too late to change people's awareness of purchasing groceries online through some simple clicks on smartphones and get it in the nick of time that satisfies every single household in Finland. Starting a business with the central core of software technology is the awakening in the technological era and the assistance for the human being to get a better and more comfortable life. In order to do that, a complete and effective business plan must be built to guide the entrepreneur in overcoming risks and difficulties as well as deepen the understanding and knowledge of doing business in Finland. Many questions need to be solved and the author summarized them into a concise but comprehensive research question:

"How is a business plan for an online grocery shopping application in Finland created and can it be feasible enough to put into practice in the long term?"

The research question will be answered thoroughly in three sections below:

Section 1: Theoretical framework will conclude all the results from the research process and pave the way for building a business plan for an entrepreneur.

Section 2: The Business Plan will be a valuable guide file to lead the entrepreneur to the setting up of the grocery online shopping application via detailed steps.

Section 3: Recommendations and conclusion will show further suggestions for future research and demonstrate a review for the feasibility of this business plan in long term application.

### 1.4 Research objectives

The development within the information and communication technology industry urges people to prepare a strategic plan that helps a business idea stand out from others. This thesis focuses on the importance of having a feasible business plan for any company and leads readers to the process of creating a complete business plan from the sketch for an online grocery shopping application. Furthermore, this study provides some tactics to adapt to the technology world market by using the benefit of the business plan.

The research will be conducted to clarify three objectives:

The first objective is to introduce theories related to starting a business and building a business plan for a startup company, mainly to figure out and synthesize factors associated with a business plan to support the practical experience later.

The second objective of this thesis is to analyze and complete the business plan for a grocery online shopping application on an electronic device - based platforms. Through an effective business plan, the founder can get a clear view and direct guidance to firm operation and performance in both the short and long term. It also acts as a tool to consider difficulties and risks that may happen along the way and suggest solutions. This business plan aims to bring the value to EasyDay application.

The last objective is to sum up and give recommendations for improving the performance of the firm and applying the business plan efficiently inside the startup company. Furthermore, other ways of developing and extending the idea for further study will be given as well.

## 1.5 Research methods

The author uses secondary research method in this thesis to answer the theoretical framework by creating a big picture of theories related to the business planning process and requirements. Most of the information in this thesis is extracted from Business Management, Marketing, Finance, Logistics books, and journals. According to Stewart and Kamins (1993), secondary information includes a set of information obtained by others then come in many forms. The raw data is gathered and rewritten in a more concise and comprehend form for further analysis. These data are embodied under reliable and academic sources from the internet or industry studies, books, journals and literature. This is a fast, low-cost, easily accessible method for collecting data and the results and benefits are considerable.

Empirical research is a method of approaching quantitative and qualitative results by using a set of data gathered based on experience, examination, surveying or in-depth interviews. This method provides rich conceptual information to answer research questions and apprehend controversial phenomenon (betterthesis.dk). Hence, empirical research plays an integral part in this study by furnishing primary data for the particular grocery online shopping application business plan. The research method allows the author to observe the customer and analyze the market so as to synchronize with the business plan. The author surveys to inspect people' perspectives such



as demand, satisfaction, solutions to the business idea by that evaluate a part of the feasibility of the idea.

## 2 THEORETICAL FRAMEWORK

### 2.1 Business plan

#### 2.1.1 What is a business plan?

Corman & Lussier (1996, p.112-113) define a business plan as an essential component for starting a new business or venture. A business plan can be able to draw and evaluate the future of one enterprise by forecasting risks, profit (or losses). Hence, a business plan is a tool to determine the possibility and feasibility of an idea before taking the next steps in reality.

"A business plan sets out the method for running a specific activity over a specific future period." The specific activity varies from small startup firm to multinational cooperation and links from ventures, a non-profit organization, or a charity. The future period could be six months or five years or the lifetime of the company, a campaign in a few months or a few weeks of meeting and conference. Companies are different in their concerns, but the primary keys such as management, marketing, sales, and production are usually referred to in all business plan. (Stutely, 2011, p.8-9)

Another definition of the business plan from Harvard Business School (2005) is a document describes a business opportunity, gives understanding and knowledge about the potential market, and lays out the detailed steps about how the entrepreneur plans to achieve the objectives. As a matter of choice, a business plan should narrate all eligibilities that the management team are capable, set out the conditions vital for success, and impart a prediction of results over a sensible time horizon.

#### 2.1.2 The importance of a business plan to startup companies.

In the book "Anatomy of a Business Plan", Pinson (2000) indicates two reasons why a business plan is an indispensable document for any type of enterprise.

The first reason to write a business plan is that it plays as a guide book for entrepreneurs to lead their business throughout the lifetime of the company. A business plan comes in a blueprint form, providing comprehension and the core elements of a business to adjust changes

that bring more benefits to the business. It is a mirror that reflects all aspects of the past and current situation and intentions to develop the business in the next period. For new businesses with no record of past information, the predictions will base on the analysis and research in the corresponding industry. Hence, building an effective business plan helps the company to be clear to the results of the business idea. (Pinson, 2000)

Furthermore, Pinson (2000) demonstrates that the business plan is a document for financing. The business plan is crucial for businesses to search for funding from banks, angles, capitalists... The absence of a business plan leads to the evaluation from investors of lacking seriousness and preparation. Every creditor requires the complete report of how the revenue process will be going to get net profits for the firm generally and to get the return on investment for them particularly. The financial plan must be clear and given from solid information and well-calculated numbers such as rate sheets, estimates, 5-years plan, ...

The purpose of the business plan is to make a scan of the business situation and potential risks as well as opportunities to improve and develop in the future. A business plan bestows prognostications of financial issues such as costs, profits, market share, production... and is the critical element in all the outside funding to attract both angle and venture investors. (Corman & Lussier 1996, p.113)

Schwetje & Vaseghi (2007) set many purposes of the business plan in achieving investments for launching or developing a product or a product line, running a marketing campaign or preparing for future growth. A good business plan not only shows the advantages of the company but also explains problems, obstacles and risks may happen during operation. The business plan could be applied to both external and internal use. The external use is to establish the relationship between entrepreneur and investors by activities like venture-capital financing, strategic alliances, and acquisitions. The internal use of a business plan is to function as a management tool for the firm. It provides structured preparation for daily decision making and modification measures.

### 2.1.3 Business Plan Format

Each venture capital firm needs a different business plan in order to pursue their objectives; this means the business plan is distinctive and there is no strict format for all of them. Furthermore, entrepreneurs prefer to bring readers an exciting and unique business plan by customizing its content and form. Having essential elements meeting the demand of all audience, however, is necessary for all founders to find their ways in leading the business.

A standard business plan should include these following elements: table of contents, executive summary, the opportunity (market analysis and trends), product or service description, management and organization, operating plan, marketing plan, financial plan, appendix.

The table of contents provides a glance of the structure that the plan offers to the audience and location of information. Thus, it acts as a guide for readers to comprehend and effortlessly access the data presented. (Haag, 2013, p.22)

Harvard Business School Press (2005) indicates that an executive summary is a short description of the whole plan, intending to explain the business to audiences in a few minutes by two or three pages. It is the most crucial element of a business plan and should be written carefully to response all following requirements: summing up the business concepts, aims and objectives, ascertaining the potential market and competitive advantages, spotting the marketing and sales strategy, describing the management team and underlining the financial situation. (Haag, 2013, p.22)

The opportunity is a section that included the market trends and factors that influence the business, the size of the market and its size in the future. The purpose of it is to evaluate the potential for development by identifying the ingredient for success such as market penetration, innovation of product or service, ... (Harvard Business School, 2005)

Product and service description provides details of the offered product or service. Mentioned in this part usually the distinctive features or characteristics that bring competitive advantage and make the product/ service different from others, so both features, limitations of your products/ service and the competitors' s should be included. The business plan also supplies the strategy of dominating the competition. The entrepreneurs should allude to the patents, copyrights, legal document related to the product or service. (Haag, 2013, p.23)

The management team is the face of the whole organization, which represents the effectiveness and management strategy. Haag (2013, p.25) indicates that the failure of the firm comes 98% from managerial weaknesses, so choosing the right owner for the company is a strenuous and tricky process. So as to establish an excellent management team, these five areas should be analyzed and clarified in the business plan: personal histories, work experience in the related section, responsibilities, salaries, competencies available for the development of the business.

The operating plan is a guide book showing details of turning inputs into outputs that bring sales benefit. The operation of firms varies from businesses to businesses. A single retail firm's operation steps are purchasing, carting, storing selling and delivering products. However, many details in the operating plan require technical knowledge to understand so the ability of the entrepreneur to simplify and make it easy for readers to comprehend the plan is essential. (Haag, 2013, p.25)

The marketing plan is the key activity leading to the success or failure of a company. An appealing product or service is not enough if the firm does not possess a good marketing plan to introduce and connect the product with customers. A feasible and usable marketing plan should mention the following points: singling out of customer segments, number of potential customers and sales revenues, purchase process and convenience, portals and ways to spread the campaign, customer price sensitivity, information about an event or seasonal sales and promotions, ... A bright and practical marketing strategy is the best access to customers. (Harvard Business School, 2005)

The financial plan concludes all standard statements of companies such as income and expense statements, balance sheet, cash flow statement. The income statement focuses on the revenues of the firm, which spent to achieve revenues, the taxes paid over a stated period. The balance sheet shows the assets of the company and the liabilities of the owners. The cash flow statement reveals thoroughly the activities of cash using during a period. Furthermore, a fiscal plan forecasting the financial situation in the next three or five years should be included in the plan. (Harvard Business School, 2005)

The appendix is usually used as a section for adding information and strengthening the content of the business plan. Figures, tables, contracts, listings, ... can be provided in the appendix.

## **2.2 The establishment of the business plan**

The purpose of a business plan is undeniable to any types of business. Elements to established a business plan was mentioned above, however, to complete and deeply analyze a business plan, research should be conducted on various business strategic planning techniques, for example, business model, SWOT analysis, Risk and reward analysis and on operational environment analysis.

### **2.2.1 Business Model**

A business model is a tool clarifying the framework of how to bring your best valuable offers to customers and how to make money based

on that offers. In other words, it is a set of activities to design a product and service and to deliver it to the customer. The initial aim of the business model is to generate benefits and values to both of your customer and your firm. You do not sell your product or service but you sell the solutions and values that customers want or even do not realize. The relationship will be established after the purchase and the company's concern is to maintain and develop the relationship for future retention. All of this requires the effectiveness of the business model. (Spencer, 2013, p.4)

Being the first product on the market is not as important as building the best business model to sell it. Apple did this very well with the iPod containing iTunes store, which brought \$10 billion revenues for the company in just three years. The appearance of digital music players was not new at that moment when the pioneers were Diamond Multimedia and Best Data; however, the iPod had a spectacular victory due to its successful business model. By combining the low-margin iTunes music with the high-margin iPod, Apple successfully provided game-changing experience for the consumer. The innovation of business model is considered more important than the innovation in product or service. A survey by the Economist Intelligence Unit in 2005 published that more than 50% of executives value the effect of business model to firms' breakthrough. However, not all business model can create innovation for the firm. Johnson et al. (2008) demonstrate three steps to establish a good business model. The first one is to make sure the business model brings opportunity to meet up to customers need; the second step is to build a blueprint laying that secure the processes to get profit; this layout has four elements that attached below as Figure 1. The last one is to compare the new and old version of the model to see how different it becomes. (Johnson, Christensen, Kagermann, 2008, p.59)

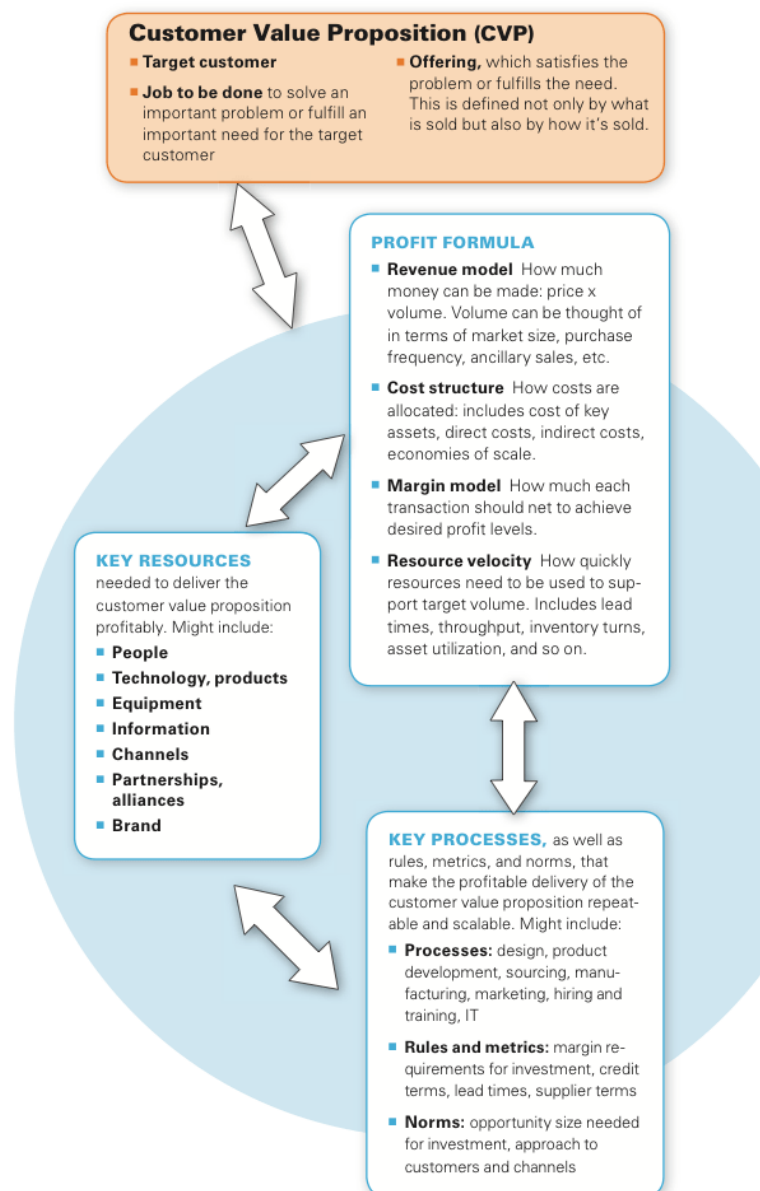


Figure 1. The elements of a successful business model (Johnson, Christensen, Kagermann, 2008)

### 2.2.2 Business Model Canvas

The role of a business model is to establish a guide to benefit revenue for a brand new or existing company. There are many business model templates created by experts; however, the most famous and modern one is the innovative business model canvas from Osterwalder et al. (2010) introduced in the book *Business Model Generation*. He and his colleagues separate a business model into nine blocks which are key partners, key activities, key resources, value propositions, customer relationship, channels, customer segments, cost structure and revenue streams. Those blocks cover four areas of the company: customers, offering, infrastructure and financial viability. This model provides a concept to look through any business model of your company, your

competitor or other organization. Hence, it is a shared language that enables entrepreneurs to design strategic alternatives, evaluate challenges and risk assumptions, and create innovation.

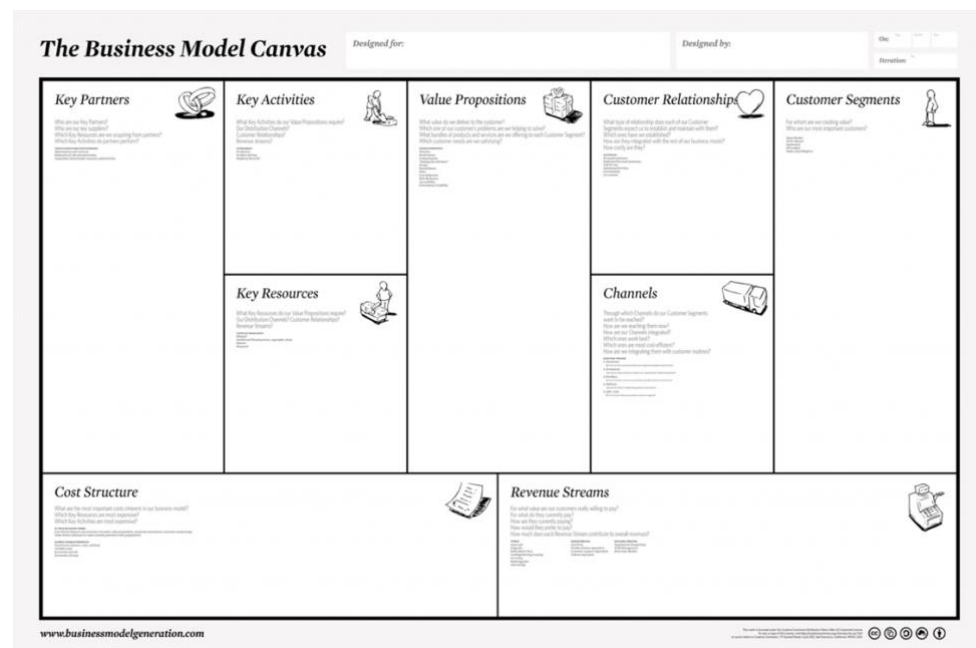


Figure 2. Business model canvas by Osterwalder et al. (2010)

- The offering:

Value proposition:

This block demonstrates the benefits that a product or service could bring to its targeted customers. In this block, the entrepreneur has to show the solutions to meet customer need and satisfy their demand so that they choose the company rather than the competitors. The values vary from similar and familiar ones existing in the market with additional features or brand new and disruptive offers that make a breakthrough in customer awareness. (Osterwalder et al. 2010, p.22)

- The infrastructure:

Key resources:

This block represents all the most crucial assets to function a business. Company resources enable the management team to construct and propose value proposition, preserve customer relationship, and generate revenues. Key resources come in different forms which are human intellectual, financial, physical, and the company can possess them or borrow from key partners. (Osterwalder et al. 2010, p.34)

### Key Partnerships:

Building and developing networking is an essential activity of all enterprises. The motivations of establishing blocs are to optimize the business model, minimize risks, and obtain resources. There are four types of business partnerships: association between non-competitors, coopetition between competitors, joint ventures to expand new plans, buyer-supplier relationships. (Osterwalder et al. 2010, p.38)

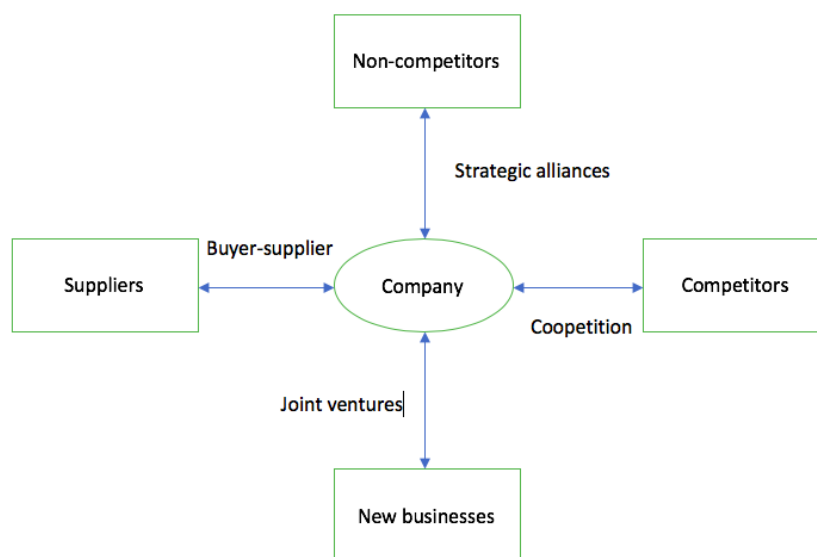


Figure 3. Types of partnerships (Osterwalder et al. 2010)

### Key activities:

The block describes the activities and actions a company must take to set off successfully. Similar to key resources, key activities depend on the type of the company, vary from manufacturing to delivering. It can be useful to distinguish between different activities: production, problem-solving, platform/network. (Osterwalder et al. 2010, p. 36-37)

- The customers:

### Customer relationships:

The role of this block is to describe the types of relationship that the firm and its customer want to establish and maintain. The relationship type can be based on human interaction, self-service, communities, automated service, ... Increasing customer relationship becomes the new focus of companies to raise average revenue per customer and customer retention. (Osterwalder et al. 2010, p. 28-29)



### Customer segments:

The customer segment identifies the targeted customer groups or organizations that the company can serve its product or service. No company can exist without a profitable customer element. To deliver the best value to customers, a company may define different segments with common needs, and behaviors then decide to keep or sacrifice which segments to live up to profitability. There are different types of customer segments, such as mass-market, niche market, segmented, diversified, and multi-sided platforms. (Osterwalder et al. 2010, p.20-21)

### Channels:

Delivering the value proposition offered to segmented customers requires a bundle of distribution and communication efforts. Channels also a key activity that affects customer experience. Osterwalder et al. (2010, p.26) indicate those following functions of channels: branding by increasing awareness among customers, assisting customers in evaluating the product/ service, enable specific purchases, conveying the value proposition to customers, allowing post-purchase customer support.

- Financial viability:

### Cost structure:

This block demonstrates the follow of cost used to run the business. Almost all activities of the company require financial support; however, the firm has to figure out the most important cost inherent and the most expensive activities and resources when functioning the business. Cost structure can have the following attributes: fixed costs, variable costs, economies of scale, economies of scope. (Osterwalder et al. 2010, p.40-41)

### Revenue streams:

All the cash earned from each customer segmented is mentioned in the revenue streams. The company should find the value that customers are willing to pay for to generate more and more revenue streams. There are several ways to create revenue streams: asset sale, usage fee, subscription fees, lending/ renting/ leasing, licensing. Two types of revenues popular in a business model are transaction from payments and recurring revenues. (Osterwalder et al. 2010, p.30)

### 2.2.3 SWOT Analysis

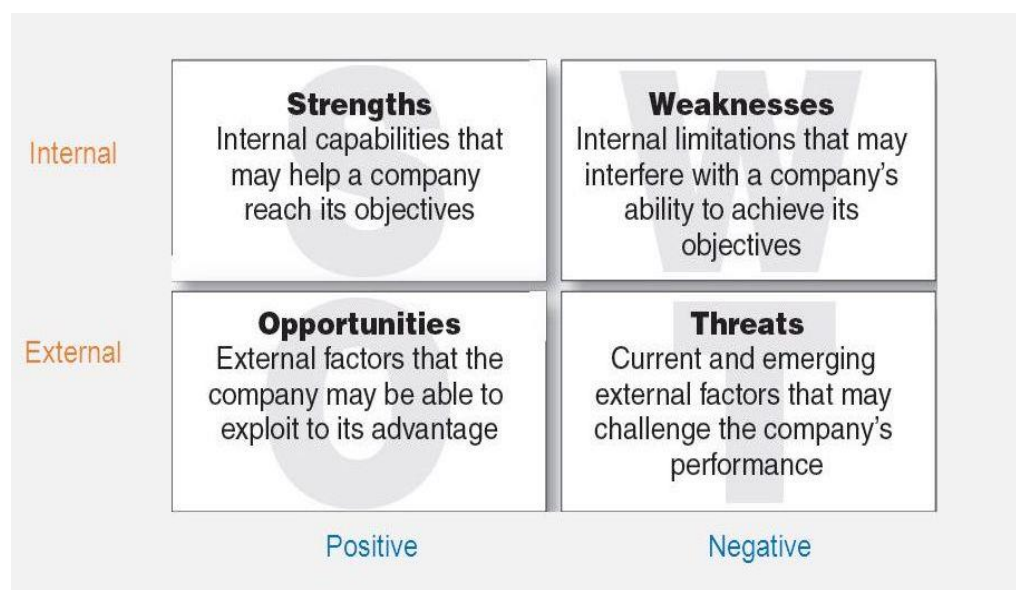


Figure 4. SWOT analysis (Pearson Education Inc. 2017)

According to Pickton and Wright (1998), SWOT analysis is a part of the environmental analysis in the strategic planning management planning process which can identify environmental factors both external and internal to an enterprise through four strands which inquire into strengths, weaknesses, opportunities and threats. It is popularly used due to its practicality and straightforwardness. The preferable value that SWOT analysis brings to the organization is not only acquired in its outputs (which considered applicable for the development of business plan) but also emphasized in the whole management process which assists the management growth and boosts up the advantages.

The identification and evaluation of the factors in SWOT analysis is a pliable tool for managers to gain insight into different areas and take right actions within the company framework. A company with good performance can observe the interactions between business management and its environment of internal or external nature. To perform well, the firm must orient the future objectives towards its strengths, prevent propensities emerged from its weakness, cultivate the opportunities and counter its threats. (Houben, Lenie, Vanhoof, 1999, p.126)

SWOT analysis contains four strands:

- Strengths (S): are composed of internal capabilities, resources and positive situational elements which support the company in satisfying customers and achieve its aims.

- Weakness (W): are all negative situational elements and internal limitations affecting the firm performance.
- Opportunities (O): are made up of favorable external trends and factors from the outer environment that the company can exploit and take advantages of.
- Threats (T): include unfavorable external trends and factors that may create difficulties and challenges to the organization performance.

(Kotler et al., 2018, p.80)

#### 2.2.4 Market research

Market research is fundamental for any company; it is the collection and analysis of data relating to the activities of an organization. The purposes of market research can be understanding customers insights, motivations, behavior or satisfaction. Besides, it provides the measurement of market size, market share and potential as well as the effectiveness of pricing process and marketing activities. The market research process includes four steps:

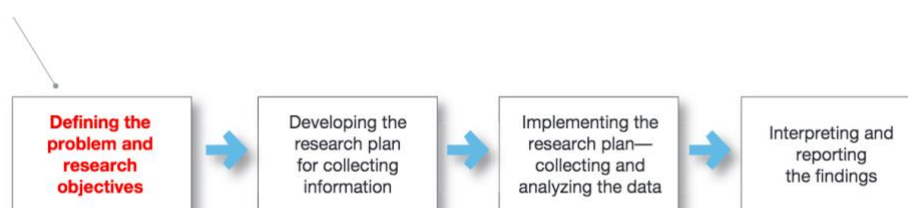


Figure 5. The market research process (Kotler et al., 2017, p.130)

- Defining the problem and research objectives.

The company must come to consensus research objectives. Identify the goals is often the most challenging part of the process as the leaders need to define the objectives based on three main types: exploratory research, descriptive research or causal research. The exploratory analysis aims to collect enough information to identify the problem or suggest new strategies. While that of descriptive research is to draw a holistic picture of the potential market such as demographics or behaviors of prospects towards the products or services. Causal research is aimed at testing the hypothesis and understanding the cause-and-effect between the company and its customers (Kotler et al., 2017, p.131)

- Carrying out the research plan

Next step is to define the information needed for the research, to gather all the information, the company can collect from either secondary data or primary data or both. Secondary data is already available information collected from different sources with another aim, while Primary data is collected to serve a particular purpose at hand. Primary data can be obtained from these research approaches: observational research, ethnographic research, survey research or experimental research. (Kotler et al., 2017, p.132 - 139)

- Implementing the research plan

After collecting the information from the market research, the company have to use the information for the implementation. Researchers need to check and make sure the data is accurate and ready for practical actions. (Kotler et al., 2017, p.140)

- Reporting the results

After the implementation in the market, the company have to interpret the results into reports, conclusions to the management team for future purposes. The reports should not consist of too much statistics but highlight essential findings and meaningful discovery that can be used for the necessary decision-making process. (Kotler et al., 2017, p.140)

### 2.2.5 Marketing plan

According to Kotler et al. (2017), how the company grow and make a profit depends on a reasonable and adequate marketing plan. The marketing plan will set a clear direction for many business purposes, from launching a new product/service to increase brand awareness. It is also used by from company, nonprofit organizations to governments as the preparation for fundraising and outreach or public awareness. In a business plan, a marketing plan is essential since it provides detailed methods for the company to achieve strategic objectives with customers as the root and foundation. For marketers to script a thorough and practical marketing plan, a deep comprehending of market, environment, competition elements must be acquired. The first analysis in a marketing plan is often the internal data and situation. Then after that, a marketing plan containing both internal and external data would be put into practice. In the final step, a set of techniques has to be used to evaluate and measure progress towards initial aims and make room for improvement.

The role of marketing is enormous in multi-aspect relationships as well. How the marketing plan is made impacts the value and satisfaction delivery to customers. Not to mention, the marketing plan relates to the connection among the organization and suppliers, strategic partners since they share the same wish to achieve the objectives. Last but not least, the marketing plan affects the relationship with company stakeholders such as government regulators, press, community. Therefore, a good marketing plan is strongly essential for any organizations as these relationships listed above drive the success of the organization. (Kotler et al., 2017)

The most important element for a successful marketing plan is the development and integration of Marketing Mix. The marketing mix is one of the major and most valuable concepts in marketing including strategic marketing tools for the company to reach the objectives in a specific market, from then engage and develop customer relationships and utter the value proposition to the customer. The marketing mix is organized in the form of 4Ps: product line, price, place, and promotion. (Kotler et al., 2017)

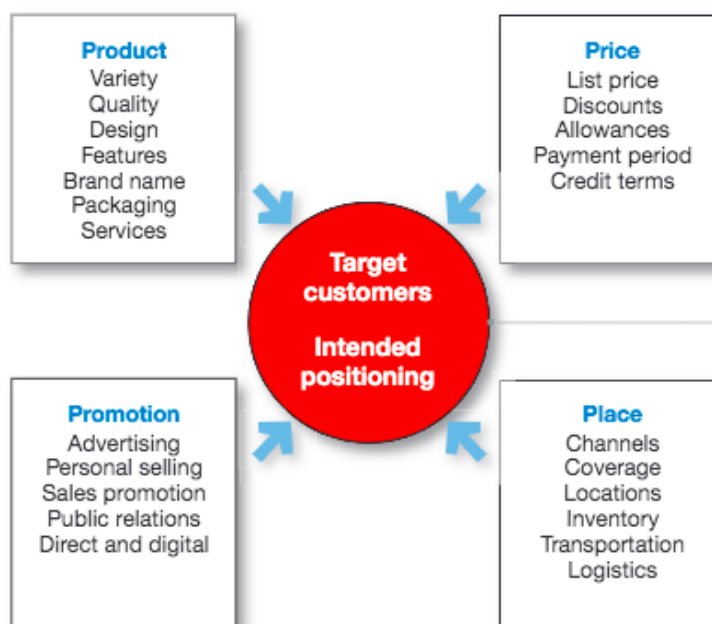


Figure 6. The Four Ps of the Marketing Mix (Pearson Education Inc, 2017)

**Product.** This is the basic requirement element in an organization, can be the tangible or intangible, products, or services that the company offer to the market. How the product benefits customers is vital than what it is. Therefore, the mission of the marketer is to clarify and direct the customers to the benefits of the product. (Kotler et al., 2017)

**Price.** Organizations make revenue by sales and sales require an amount of money that customers pay for the product or service offered by that organization. It is not easy to fix the price of a product or service. This process involves different factors such as customer demand, cost, purchasing power, competitors, government, etc. The decision on this needs to be made carefully as it affects the profitability of the business. (Kotler et al., 2017)

**Place.** The product or service must have an available place for customers to make purchases easily. The firm has to choose to sell the product directly to customers or via distributors, wholesalers, retailers, physically or online. (Kotler et al., 2017)

**Promotion.** This is the bustle of getting customers to recognize the product and persuade them to buy it. Getting all 3P well prepared and done, but if the firm failed in attracting and raising the interest in targeted customers, the whole marketing plan could not be successful. Companies run a promotion in different channels and means, personal selling, advertising, sales promotion, words of mouth, etc. (Kotler et al., 2017)

#### 2.2.6 Marketing mix for a mobile application

**Product.** According to Pratt (2011), an app as a product varies in vast areas in marketing. As the customers pay much attention to quality, usability, appearance and many things more, the app developers have to create an attractive enough app that engages customers and makes them use and reuse it for long term.

- The quality is considered under the possibility to smoothly use the app on multiple platforms, devices, and device generations without crashing.
- The usability relates to the convenience of customers when using the app; many apps require users to login before letting them understand what the app is and how it can support their needs. This may decrease customer satisfaction and may cut their interest in making a trial.
- Whether the app is up-to-date with the current trend should be questioned during the design process. Many apps with proper development but the low-quality design that is outdated do not catch the eyes of customers.
- One crucial factor of the app is the value that it brings to customers. An app with good appearance and design but without any value or benefit to customers will not be used in the long term, not to mention to be recommended. Hence, making users comprehend the values of the app is hugely significant in any marketing activities.

Price. As the app industry is getting mature, customers have more choices and that create difficulties for app company to penetrate. To price an application and get profitability, the business must understand some of the pricing strategies to make the right pricing decision. According to Wilson (2018), there are five main strategies for this process.

- Free app. This is the best choice if you aim at attracting as many customers as possible. And from that, you can draw two ways of free pricing strategies. One is entirely free, the goal for this is not to make money from the app but to drive people to another platform, or increase the satisfaction of customers in the same service. For example, banks introduce apps for online banking, which is free but helps to remain customer loyalty towards the banks. The second is in-app ads, which is a very popular strategy, especially in gaming apps. These apps earn money from being the platform for displaying other app advertisements.
- Freemium. Users can download the app for free but have to pay an additional fee if they want to get access to other features or move to the next levels. Or in other cases, users can only access in a limited time and must pay if they want to keep using these apps.
- Paid. Users pay an amount of money to download the app, and after that, it is used unlimitedly with all features. To choose this strategy, companies must be sure about the value proposition it can impress customers because they always ponder about what they pay.
- Paymium. This is a combination of Freemium and Paid. People pay for the app in the first place, but then they have to pay an additional fee if they want to access some features. This is only beneficial for an app that is so successful that the app developers have the confidence to leverage it. One example of this is Heads Up game from Ellen DeGeneres that give users the option to buy additional cards for more fun.
- Subscription. With this option, users pay a monthly or annual fee to use the app. The advantage of this is to give customers the feeling that they can cancel anytime if the app does not meet their expectation. A typical example of this model is Apple music or Spotify.

Place. Most of the app nowadays are installed from the App Store or Google Play. iPhone users can download the app via the Apple Store, and Android apps can be downloaded via Google Play. Others distribution platforms are Samsung Galaxy Apps and Amazon App

stores. Furthermore, companies should keep in mind that not all markets and countries allow the same distribution platforms. For example, in China, there are tens of distribution channels except for App Store and Google Play; besides, the government blocked some content from these channels. Therefore, each market has different methods to publish the app, and the developer must do a detailed market analysis before the app launching. (Fong, 2013)

#### Android Distribution in the West



#### Making Sense of China Mobile Game Distribution



Figure 7. Differences between Western and China app distribution platforms (Fong, 2013)

After choosing one or some distribution platforms for the app, the company should consider some techniques to improve the app position in the platforms by using keywords on name, descriptions, or using a rating system.

Promotion. Any app can promote itself by paid or unpaid methods. The author indicates some of the methods from Pratt (2011) that is essential for all the app developers.

- Banner Ads, Mobile Ads, and other electronic promotion. App developers pay money to let websites or other apps advertise the app on their pages or in-app options. This may cost an amount of money; however, this promotion method is exceptionally suitable if the goal is to increase customer awareness of the brand.
- Print advertising. Apps can be promoted in magazines or physical banners. This is only suitable if the targeted market is condensed and small; otherwise, the cost for this will be huge. One good thing any app developers should include in the print advertising is QR code leading directly to the app, which lowers the effort to search for the app.
- Reviews on app site. Having a useful review on the app site always lead to good sales. The best way to increase good reviews on the app site is to have a good connection with reviews, app



communities. The most common mistake that many companies have is to pay for reviews. If the distribution platforms detect any cheating, the app will not be able to continue its activity.

- Pre-launch strategies such as blogs, social media, SEO, forums are also recommended. This is to create awareness and attention, and the primary goal is to build the curiosity of customers at the bigger scale, the better.

### 2.2.7 Financial plan

According to Harvard Business School, 2005, the financial plan concludes all standard statements of companies such as profit and loss statements, balance sheet, cash flow statement. The profit-and-loss statement focuses on the revenue streams of the firm, from which sources the company generate the money, and the costs which spent to achieve revenues, the taxes paid over a stated period. Also, the financial plan has to show the Break-even Point when the company start generating profit. The balance sheet shows the assets of the company and the liabilities of the owners. The cash flow statement reveals thoroughly the activities and the sources of cash using during a period. Furthermore, a fiscal plan forecasting the financial situation in the next three or five years should be included in the plan.

## 3 A BUSINESS PLAN FOR "EASYDAY"

A snowy December day, Friday afternoon, 4 PM in an office in the heart of Helsinki, Laura, the assistant, opens her to-do list for the day, recheck it to make sure everything is in order. She has just got back to office a few months after her maternity leave; her baby is 8 months old now. Right at the end of the list, there is an unticked box named "buy food for the weekend". Laura sighs, thinking of a long queue at a supermarket, and reaches out the phone to call her husband, Juho. "Hey baby, do you have time for a grocery shopping trip? I have not done my work yet".

Juho is working as an information technology engineer, and today is a lucky day because he heard that there is a newly launched app called EasyDay, which offers grocery delivered in front of the doorsteps. He is very excited to try new things and immediately download the app. Right after that, Laura calls to ask for help. Juho introduces the app to her, and they decided to buy groceries first time with the app and happy to explore that they get free delivery on their first purchase. Everything they want to buy in K-market is available in the app; choose items, enter the address, payment method, and click done, now it shows "your order has been placed".

Tuomas, a student in the University of Helsinki, who is standing not far from Laura's office, receives right away a message from EasyDay app "You have a new order". Tuomas quickly drives his car to the nearest K-market showed on the app and collect requested items. At 5:30 PM, he carefully delivers the package to the location Laura requested before.

Laura and Juho are satisfied with the package and the service; they decide to keep using EasyApp and introduce to others as well. Tuomas keeps continue to deliver his other orders until the end of his shift.

### 3.1 Executive summary

- The management team

Since the team will be formed as the roles in each department of the business, all will understand and know what to do with the positions. The company is a startup which prioritizes on innovation and creativity, so the company will let the workload to be in an organic system and try to build a young and creative company culture.

- The business

EasyDay is a mobile application which connects users with personal shoppers and local stores and allows people to shop groceries online and save more free time for relaxation and other activities. The goal of the company is to offer a modern and comfortable life for people, as well as create exciting experiences for customers.

- The business opportunity

Finland has a high rate of employment, and this makes people hardly find time to go groceries shopping for a good meal at home after work. People in the cities are exchanging their time for fast-food or outside eating, which makes the meaning of homemade meals are fading in the society. EasyDay, with the help of shoppers, will deliver fresh food for people, in front of their doorsteps, within 2 hours.

Second of all, the accelerated growth of the internet world brings the introduction of a new concept of doing business to the market by electronic commerce. The development of the Internet and Wireless Internet is unstoppable, so there has been similar growth in e-commerce. Buying things online is no longer a problem of trust for people.

- Strategy

The company's strategies are about the span, app design, stores relationship and shoppers. The company will spend the first three years in Finland market and expand to Nordic countries later as the similarity in culture. In terms of design, as app design is the first thing the customer exposed with and it has a significant impact on the willingness to keep using the app in the future, the company emphasizes the investment in design to meet or even exceed customer expectations. The company will find opportunities to be partners with local stores in the market by creating an attractive feasible plan and showing the vast benefits that EasyDay can bring to these stores. The potential shoppers for the business are college students. This group also search for jobs with a flexible schedule. Therefore, the company will advertise at colleges and university, at the same time upload the job description on job portals.

- Competitive advantages

The first competitive advantage of the app is the pioneer in this industry. Therefore, the author believes there are certainly some positive impacts as being the first mover. The company can gain good image and reputation, as well as earning many royal customers when the business performs well and possess the market insights sooner and deeper than future competitors. Besides, the app has many special features which is hard to imitate such as point collecting programme allows users to earn points on purchases for discount, Flash Deal section and Premium programme for an annual subscription with unlimited delivery for orders over €30.

- Marketing Plan

In the first three years, the company's active areas are in 4 big cities in Finland. The company approach the customers by partnering with local stores, doing ads activities on social media profiles, attending tech forums and student forums to share and introduce the app, posting job ads on job portal to look for personal shoppers, etc. All the activities in the Marketing Plan are processed in milestones set up by the management team.

- Operations and Administration

The objective of the business is to create a high standard application to give customers and partners the best experience with the app. Therefore, a team of skillful developers in both frontend and backend and an expert in app designing is what the company is looking for and plan to hire.

For each customer segment, EasyDay must approach with different strategies to fit that segment and gain as much as positive impress on the app.

Last of all, the company need to create a brand identity to differentiate itself in the market by designing logo, mission statement and slogan. Besides, patents and legal issues need to be well prepared to avoid being imitated and stolen by others.

### **3.2 The management team**

The success of a business depends a lot on the management team who are people taking responsibility for all aspects of the company and making important decisions for the development and growth of the business. For a mobile application like Easyday, the company looks for capable and active members to fill these positions in the boards: CEO, Finance and accounting, Sales and Information technology.

#### **3.2.1 Chief Executive Officer**

Quyên Cao is the CEO, Director of Operations and Marketing of the company. She was born in Vietnam and now living and working in Helsinki, the capital of Finland. During her high school, she was the leader of many activities which equipped her with general management skill. During the higher academic years, she had the experience in being Sales Manager at the International Christmas Market hold by HAMK University in 2017. Later, she worked in customer relationship area for six months in WorldSome Oy. She was responsible for contacting customers through Skype and emails campaigns, answering customer queries, liaising with customers and different internal departments. Furthermore, she is working as a marketer at GOInternational Finland Oy, where her tasks are driving traffic to the company's website, landing pages, and social media, assisting in the planning of special offers, improving SEO organic rankings by writing web content, adding alt tags and keyword mining, working directly with project manager and CEO to develop project materials. In conclusion, she is packed with understandings and insights of Finnish startup ecosystems and Finland market.

#### **3.2.2 Director of Finance and accounting**

Finance always plays a significant role in a company since it shows the performance, the budget and capability of a company in a fiscal year. Because of the importance, it takes companies a huge amount of money to find and train people to be able to take responsibility for financial services. As EasyDay is a startup, the author decides to outsource the financial part to a finance agency. Outsourcing

accounting is the best way to reduce the operating cost when it provides flexible solutions in complicated financial issues, cuts down the cost of hiring additional employees and there are no accounting software needs installing. Therefore, the author believes that outsourcing accounting is the best choice for SMEs, especially in the first period of running the business.

After researching some of the accounting services in Helsinki, the author found out that ADCOUNT is a potential agency for EasyDay to start with. Adcount established in 2005 with more than ten year-experience in accounting and payroll services for small local businesses in Finland. Also, Adcount has English-speaking local accountants which makes it easy for any foreign entrepreneur like the author to communicate and work with. All the paperwork is offered both paper form or electrical form via cloud computing (more information at [adcount.fi](http://adcount.fi)).

### 3.2.3 Director of Information Technology

The foundation of the business is technology so the application itself has to be created by IT experts. That is the reason for the meticulousness in choosing the right Direction of Information technology for the company. The hired director must meet these standards and requirements. The director must have knowledge of the concept of programming and scripting language that the integrated development environment works with. He/she also has an understanding of new trends and the latest technologies that are emerging in the targeted market. Furthermore, the director has to be in charge of the daily development of the program/application because, in the first period, there will not be enough human resource in these tasks. The director has to be one of our two main app developers and one app designer. Besides, the author also looks for an individual with the capability to increase management effectiveness by applying technology in operating activities such as data management and customer relationship management.

### 3.2.4 Director of Sales

As we all know that sales is the main activity of the company to conduct the revenue engine. This activity is a bridge between potential customers and the services or product the organization provides. There are three main roles that a Director of Sales should acknowledge for the position of our company. First, he/she must be able to lead conversions. After the marketing efforts, the salesperson needs to approach warmed-up prospects and close the deal with them. This process may require personal knowledge and skills to make a sales pitch and tailor the offer for particular customers. Secondly, the

Director of Sales should be able to build trust and loyalty between the company and the customers, from there, leading to the recommendations and reviews from the customers driving the business growth. Thirdly, the author considers a great salesperson as the one not only make a deal but also create a long-lasting relationship with the customer by sales follow-ups. This action is essential for retention rate and brand reputation. For this Finland market, the author decides to hire a Finnish for this position so as to drive customers from his/her personal connection and skills.

### **3.3 The business opportunity**

#### **3.3.1 Busy people in the modern world**

According to Statistics Finland's Labour Force Survey, in July 2019, the number of employed persons was 2,628,000 and the employment rate ranged from persons aged 15 to 64, accounted for 74.5 percent in July compared to 169,000 persons in the unemployment rate in the same period. Besides, the regular working hours in Finland a total maximum of 8 hours a day and 40 hours a week (tem.fi). After getting sensitized about these statistics, the author recognizes that there hardly is time for employed to do grocery shopping or have a regular meal at home after work. Working people want to spend more time on hobbies, sports, and entertainment while grocery shopping is taking their precious free time. This issue also happens for students who spend most of the meal on fast-food as the convenience it brings and the laziness for grocery shopping.

Therefore, the author offers a solution to deal with this problem, helping people using time more effectively and living modern and easier lives. By using EasyDay, all grocery items from food to household essentials can be prepared and brought in front of doorsteps.

#### **3.3.2 E-commerce is creating opportunities for countless entrepreneurs**

The accelerated growth of the internet world brings the introduction of a new concept of doing business to the market by electronic commerce. According to Cox and Dale (2001), e-commerce is enabled by a virtual marketplace on the Internet in which customers purchase the product or use the service online from firms. The development of the Internet is unstoppable, so there has been similar growth in e-commerce. Besides, the appearance of the Wi-Fi system, wireless internet networks, makes it easier to get access to the Internet from almost everywhere, leading a great benefit for the function of firms.

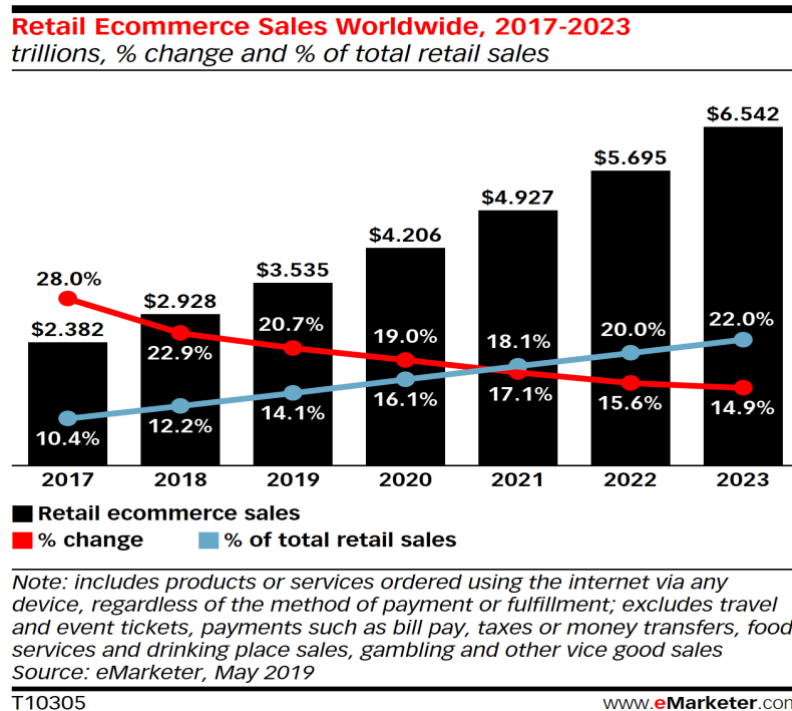


Figure 8. Retail Ecommerce Sales Worldwide 2017-2023  
(emarketer.com)

The global e-commerce is estimated to increase by 20.7% in 2019 from \$2.928 in 2018 to \$4.927 trillion. In 2021, the global eCommerce will reach \$5 trillion, and western market accounts for 3 out of the top 6 eCommerce markets (emarketer.com, 2019)

According to Osman (2019), 95% of purchases will be made online in the year 2040, and the eCommerce sales is estimated to double from \$2.3 trillion in 2017 to \$4.5 trillion in 2021. On the scale of demographics, Millennials and Generation X prefer to shop online to go to stores. Woman accounts for more percentage in numbers of purchases, but men spend 28% more than women. Besides, 59% of eCommerce sales were made via mobile, so the needs for a user-friendly application is enormous for any tech company.

### 3.3.3 Personas (Customer segments)

- Persona A, Kristiina, representative of Users

**Background:** Kristiina is a Finns wife and mother and bank officer. She works from 9 to 17 from Monday to Friday. She loves playing tennis and go skiing in her free time. She is the mother of three kids and two dogs. She loves cooking at home, preparing meals for her family, and staying in front of the fireplace during long winter days.

**Problem:** She wishes she could spend more of her free time for herself and her family, but the tight working schedule only allows her to go

groceries shopping once per week on weekends. And that is why she always buy a huge amount of food, and at the end of the week, meat and vegetables are not so fresh anymore.

The solution: Kriistina installs EasyDay app and she orders groceries from there every two days. She stays in her office and opens the app, go to her favorite K-market, and start choosing items from different boxes and place the order, pay via her credit card and choose the time she wants it to be at her home (or anywhere). From then on, she is happy with her cooking and her daily schedule.

Besides Kriistina as a busy person, the other customer segments the company target on are people who do not like shopping, elderly people and people who do not have a car.

- Persona B, Juha, representative of Shoppers

Background: Juha is a second-year student of the University of Helsinki. He is now saving his money for his traveling hobby and tries to find a part-time job to gain income.

Problem: He looks for a flexible job that allows him to set his own schedule, but it is not easy.

The solution: Juha hears from one of his friends about the job at EasyDay and applies for that. His responsibility is receiving orders from the mobile phones and picking up the order manually at the requested store then deliver it to the customer.

- Persona C, Kimmo, representative of Stores

Background: Kimmo is a Sales and Marketing Manager at K-Market. He is struggling to find a new and innovative strategy to raise company revenue and gain more market share.

Problem: He realizes the growth of technology in society and believes that it is a new way he is looking for. However, the detailed idea is not yet sketched.

The solution: EasyDay approach him one day and introduce the business model and how the integration between the stores and users could benefit K-Market. Then both parties agree with tie-ups and from then on, their market chains increase revenue from the online purchases via EasyDay.



### 3.4 The company, its service and strategy

#### 3.4.1 Business concept

EasyDay operates through a mobile platform which connects users with personal shoppers and allows people to shop groceries online from local chain stores and save more free time for relaxation and other activities. Realized that this business model has been using by many other countries but not Finland, a hub of innovation and technology, the author wishes to make Finns' lives easier and happier with a joy-created application allow people to grocery shopping at any retailers that they want.

#### 3.4.2 How does the app work?

The app is designed with the aim of bringing a friendly and easy instruction for users. A customer can download the app from Appstore or Google Play. After that, the customer enters their postal code and starts his/her purchases from the app at a local grocery store. He/she can search, choose items and put them in the cart. After entering information such as name, telephone number, address and payment method, the order will be confirmed as placed. Right after the order has been made, EasyDay system and a personal shopper will get a notification. The shopper will carefully prepare the order and deliver to the customer in 1 to 2 hours maximum or at the requested time. The service only works during store opening hours.

The author provides several payment methods for orders made via EasyDay. Customers can select the payment method that is most suitable for them. They can always save payment information for further usage. The most common way of paying is using credit/ debit card, which requires them to enter their card details. The second method is Paypal which will lead the customers to Paypal platform in order to complete the payment. The last one is ApplePay which uses FaceID or fingerprint to make the payment.

#### 3.4.3 The mission

The vision of the company is to take away the long and exhausting days that many people now are suffering when doing groceries shopping. For most of them, the time for that should be used for relaxation or hobbies. Due to this, sometimes they feel unhappy when doing everything manually and waiting for a long line then bringing all heavy bought items home. The author believes that the application is the solution for all of this. It provides the perfect chance to have homes full of groceries through some simple clicks without consuming plenty of time on brick and mortar markets.

#### 3.4.4 The objectives

EasyDay exists to earn a sustainable profit while helping people to live easier lives. The company's ultimate goal is to become the biggest groceries shopping app on the market. To achieve this goal, the author comes up with smaller objectives for the first three years of operation:

- To launch the app to the Finland market by January 2021, then grow the number of users to 10,000 customers in the first year.
- To expand the app with more functions by January 2023, at the same time penetrate to other smaller cities.
- To reach the profitability by Year 2.
- To expand the app to Sweden, Denmark and Norway by 2025.

#### 3.4.5 Competitive advantage

The first competitive advantage of the app is the pioneer in this industry. There is hardly any similar platform like EasyDay currently in Finland. Therefore, the author believes there are certainly some positive impacts as being the first mover. First, the company can obtain a good image and reputation of being first in the market. Second, if the model success early, the company could earn a base of loyal customers then lower the risks of being taken from other followers. Third, doing is learning, the longer the company is in the market, the better it understands the demand. From that point, innovation and changes will be developed to prevent competitors from imitating the features.

The app has point collecting programme allows users to earn points on purchases for discount. Together with this is the coupons programme promising many benefits to the users. With each €2 purchased, each user gains 1 point and 100 points equal to €1. By collecting as many points as possible, the customers are able to pay the purchases by their owned points. The coupons are very important in this process as well, for an instant, when some brands want to promote their product by giving out coupons such as buy 1 Colgate Total Whitening, your points of this purchase list will be multiplied by 5, so now €2 purchased gains 5 points. This is a superb benefit for both users and stores, while users can save money and stores can promote their products. And most importantly, the author believes the programme will increase customer retention for the app by encouraging customers to stick with the app for higher points.

The company plans to tighten the partnership between the app and the stores by introducing a Flash deals section. This is a win-win concept comes to the aid of both stores and customers. Environmental problems are stinging our lives and solutions for wastes from supermarkets have not been worked out thoroughly. By promoting the food is about to expire soon with a lower price, stores will save a huge cost of waste treatment later. And this is also good for customers, who

are deal-hunters, price-sensitive and environmentally conscious. Not to mention, brands can also sell discount products which have no relation to expiry through this programme, simply for promotion purposes.

In order to increase customer loyalty and retention, the company outlines the membership programme for customers named EasyDay Premium. This is the option for customers who want to use EasyDay regularly. The company provides the one-year option for customers: €99 annually. With this membership, customers are able to enjoy the benefits listed below:

- Free deliveries for all orders over €30 (normally €4.99 per order)
- Make purchases in a variety of stores in one order without an additional fee.

The membership is automatically renewed year to year and the customer can cancel the membership any time, no penalty is requested.

#### 3.4.6 Value Proposition

- Customers:

Online groceries shopping. The modern world gives people more opportunities to make use of technology in daily life. By some clicks to the items that customers want to buy, choosing the local supermarkets or chain stores supplying the items, packages of groceries will be at the doorstep.

The service delivery within 2 hours. The author aims to build a fast concept, just like what Amazon is doing, deliver groceries within 2 hours. It takes people not a short time for groceries shopping, but with what the app is trying to work towards, groceries shopping is no longer a long and exhausting task anymore.

The app provides service even under inclement weather. In a country as Finland, when the winter is long and dark, and the deep snow stagnates any effort to go shopping, EasyDay is the best choice for days like that. The app works under snow, darkness, rain, etc to bring fresh food for customers.

Customers are also able to track the order easily with our tracking system. This provides comfortable feelings for customers and they can also call the delivery man for special guidance.

The app has a flexible lists system for all customers who love to organize everything and get all purchases in control. The customers can

create as many lists as they wish and save for later purchases. Furthermore, they can share the lists with others as well as sync lists among multiple users using mobile devices. The app also offers the sending lists through email or messaging or restore the lists in the history section for looking back and financial calculation.

- Shoppers:

Flexible working schedule. EasyDay is a great company for young and energetic people to earn income from. Not only provide a stable income, but EasyDay also offers very flexible working hours for shoppers. They can choose the time and some areas as they wish to work and at the end of the week, the timetable for next week will be sent to a personal shopper account.

The chance to meet people and explore the city. No Finnish requires, the company is suitable for foreign students who want to meet people and talk to people, as well as knowing many secret beautiful corners of the city and maybe pick up some Finnish words. This job is fun and new and fitted to anyone.

- Supermarkets/stores:

There is no doubt that the app will attract a large number of customers for the stores. Besides the traditional way of shopping, now with the app, the supermarkets can sell the products without having customers' present in the stores. The business now is easier than ever.

The increase in the number of customers obviously leads to an increase in sales and revenue of the company. The stores will be recognized as modern and comfortable stores if they appear in a new means regarded as an innovation. Customers are willing to buy from stores making them happy, and convenience that is the image EasyDay can equip and support them for.

#### 3.4.7 How does the app make money?

There are three revenue streams made out from the app:

- Delivery fee: Customer pays a standard delivery fee depending on the total price, €4.99 on order over €30 or €6.99 over order under €30.
- Surcharge on store price: This is not applied to all stores, some stores sell their products at the same price online or offline; however, some stores have a mark-up price of 15% more compared to their original prices in stores. This mark-up goes to EasyDay for paying the shoppers.

- **EasyDay Premium:** By agreeing on terms and conditions from EasyDay and paying the €99 annually service fee, customers can benefit from the membership programme, EasyDay Premium. Unlimited free deliveries are offered for members using the programme and many other benefits are experienced from this.

### 3.4.8 Strategy

To achieve the set objectives, the author needs a clear strategy for the development of the app.

**Span.** In the first three years, the app will only focus on big cities of Finland: Helsinki, Espoo, Tampere, Vantaa, Oulu

After three years, the company will expand to other cities in Finland and Nordic cities with the same model. Updates and innovations will be added and explored regularly to ensure that the app is functioning well and the customer satisfaction is stable. Seeing that the Nordic countries share a similarity in culture and customer behavior, the company will make the use of it to enlarge the business and the reputation.

**Design.** Design is the first thing appealing to customers when they start using an app and it lasts in the whole customer experience with the app. For those reasons, the design is a great important part for the growth of the company. By emphasizing the investment in design, the app may meet or even exceed customer expectations. More important than adding features and attributes, a great design first entails the elimination of unnecessary elements which may confuse customers. For example, apps nowadays contain buttons such as share on standard social media, which nobody does, but it accounts for a large space in the app interface. Besides, the app has to be clear, friendly and it has the lowest possibility of accidental tabs (Ashwini, 2017).

**Stores.** First, the company will work with chain stores in these areas, which are K-market, K-city market, K-supermarket, S-market, Prisma, Stockmann. The business model and service portfolio will be presented to impress and convince the feasibility of the business. If all parties agree with the cooperation, a service proposal agreement will be signed. The author trusts that this creates huge benefits for the stores, and by using the app, the number of customers will increase at speed.

**Shoppers.** The company sketches out plans for attracting enough number of shoppers for the shopping and delivering activities. The potential shoppers for the business are college students. They have cars and look for a job to earn income; they also wish to have a flexible job due to the schedule at schools. For that reason, the company will

advertise at colleges and university, at the same time upload the job description on job portals such as mol.fi, duunitori.fi, ... Also, the more students in the shopper community, the better for the growth of it as students are the biggest group in the power of words of mouth. The shoppers will be trained before they are ready with their tasks.

#### 3.4.9 Partners

The most important partners of EasyDay are local stores, supermarkets. As they are the foundation to establish the business; regarding as the main suppliers for the app, local stores provide the direct resources for customers. By cooperating with them, it would be easier for the business to expand in a large scale and keep promise to provide the best and most familiar groceries to customers. As mentioned above, the company will pursue the partnership agreement with Finns chain stores which are K-market, K-city market, K-supermarket, S-market, Prisma, Stockmann, etc.

Besides, another partner is financial partner. Due to the fact that the company need money to grow, the management team should seek outside for capital that enables the inside activities such as training people or app developing. Also, making a partnership with experience in the market brings the benefit of consulting to make strategic acquisitions or structure the investment. In addition to, a financial partner ensures the company's financial security by providing liquidity to the owner in many ways such as buying stock from the board or invest money that will acts as dividends to shareholders, etc. After researching the possible investors in this field, the company consider Inventure.fi as a potential financial partner. It is a Nordic technology fund and a partner of many tech startups having the same operation with EasyDay such as Wolt, Noona, Now interact, etc. Its mission is to support Nordic entrepreneurs by providing a strong capital base to lead investments. (inventure.fi)

#### 3.5 Market research

To found a business, it is vital to have a deep understanding of the market and the potential consumers. Therefore, the company conducted a survey to identify the market need and customer preferences. It would be costly to travel from towns to towns in Finland; therefore, the survey is run mostly online in Tampere, Oulu, Espoo, Vantaa and directly in Helsinki. The total number of respondents is 88 people.

Age of participants	Under 18	18 - 25	26 - 35	35 - 45	45 - 60	More than 60	All ages
Total	9	23	18	21	12	5	88
%	10.2	26.1	20.5	23.8	13.6	5.7	100%

Figure 9. Age of respondents in number and percentage

The company tried to spread out the survey as well as it could be, to reach the points of view not only from metropolitan area but also from big cities, so the numbers and position of participants are quite balanced, Helsinki ranked first with almost 25 answers, not to mention nearby locations as Vantaa and Espoo. (see Figure 10)

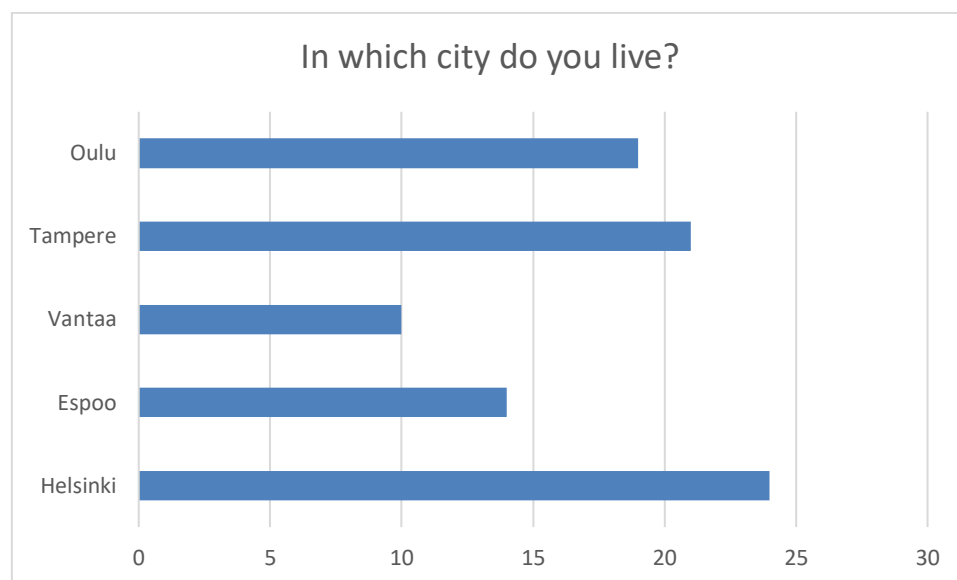


Figure 10. Geographical location of respondents

The company would like to know about the frequency of respondents in terms of grocery shopping, in order to analyze the market potential and the shopping habits of Finns. In figure 11, the bar chart shows the rate of occurrence of grocery shopping situation in the market. It is clear that no one in the participant lists has shopping once per month. By contrast, the graph can be observed that most people, accounts for 41% of all participants, go for a grocery trip two times per week. And after that are people going for the trip three times per week, made up 31% of the total number. From the survey, it can be said that there is a significant need in the market for this section, as people go shopping very frequently, and there are some people who even go every day to purchase fresh food.

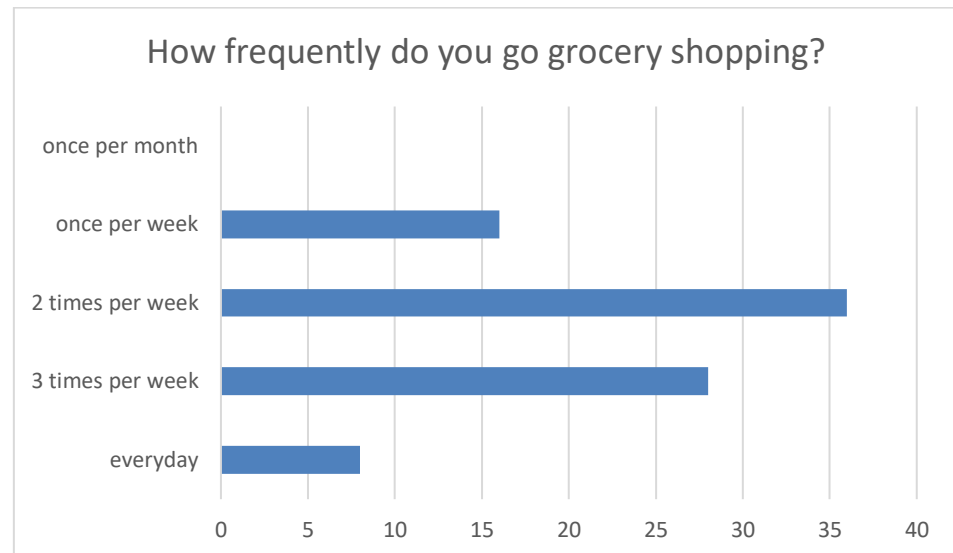


Figure 11. Shopping frequency

The survey questioned the difficulties that the participants have when thinking of the current grocery shopping situation, and the result is demonstrated in Figure 12. No difficulties group accounts for 34% of the total figure, this is quite reasonable as stores are located everywhere in the market and they are very convenience to reach. Look closer to the pie chart, the company sees that there are a big and a considerate number of respondents have the issues with their time using for grocery shopping. As discussed before, there are always a gap for technology innovation to fill in and EasyDay with such the vision will solve this problem. Another group is miss sales, which means that the customers are not able to buy the items on sales before they are out of stock. That is where EasyDay with the partnership with local chain stores will make it easier for people to hunt good deals.

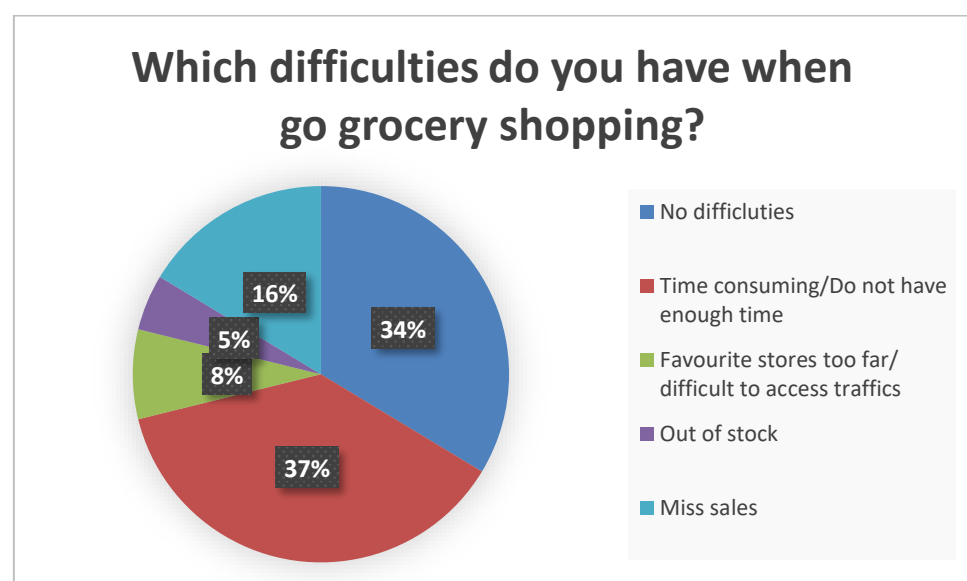


Figure 12. Difficulties when doing grocery shopping



The company conducted the survey with the question about the spending of each respondent during a grocery shopping trip (Figure 13.) As most of the participants do grocery shopping two or three times per week, the largest range amount of money per trip is 30 to 60 euros, which takes 47 percent of total respondents. With this number, a fee of a trip by EasyDay, €4.99, is not considered expensive, as it accounts for only 10% on average. Besides, there are around 31% of respondents spend less than €30 per trip, and this group members mostly have very frequent shopping trip. Because the spending on a trip is less than €30, meaning that the fee on a trip is €6.99, these customers are the potential group for offering the Premium program, which allows them to have a free delivery fee as soon as they pay for monthly or annually subscription.

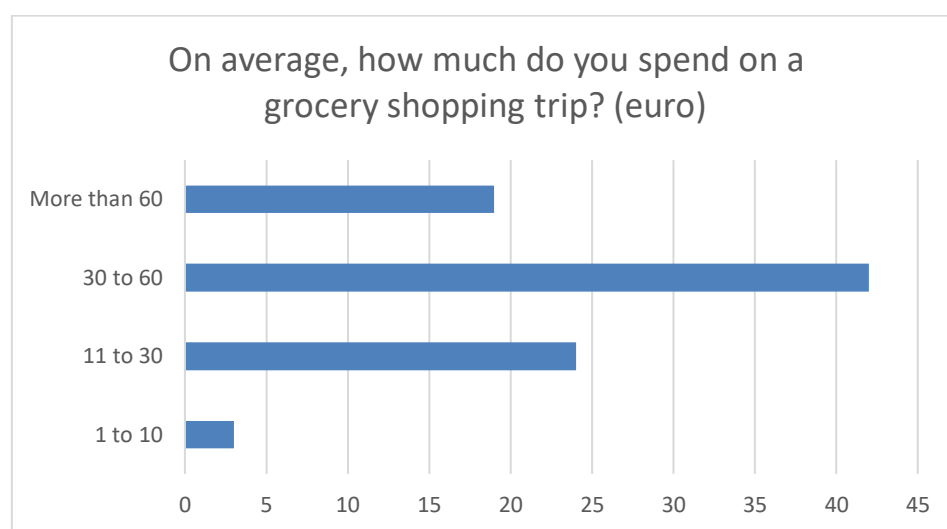


Figure 13. Spending on a grocery shopping trip

The company describe the app as following and ask for the likelihood of respondents to use the app: " Easy day is an application that can assist you with grocery shopping tasks. We provide online grocery shopping, delivery service, sales hunting, nutrition indications (fitness, obesity, anorexia, etc.). By using the app, you can choose whatever you want to shop in your favorite store and also set the delivery time to your doorstep." It can be seen that most of the people have chosen moderate likely and slightly, which means that they are still skeptical about the app but are willing to give it a try. Come next is around 35% of respondents answering very likely and extremely likely, standing for the mindset to take trial and be open for new technology innovation of Finns. The company see it as a good sign for the market launch. (see Figure 14)

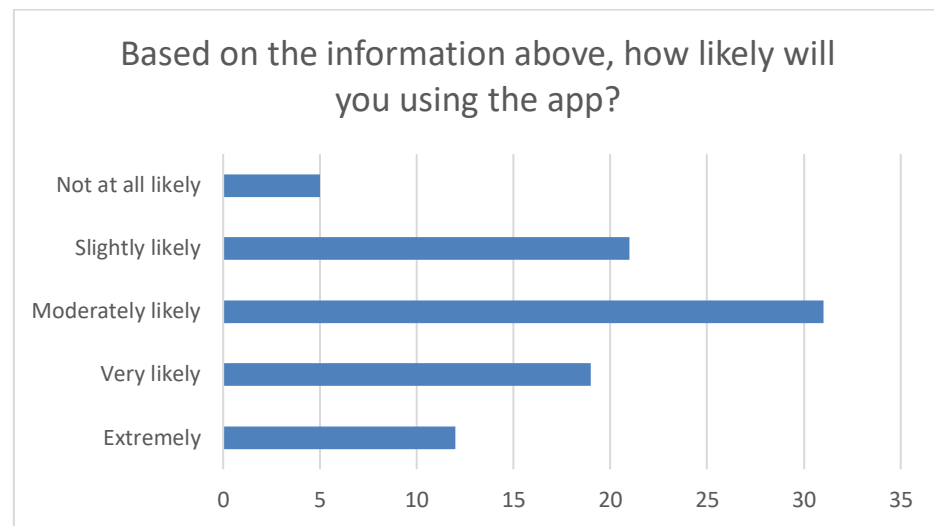


Figure 14. Likelihood to use EasyDay application

The company develops the app with some outstanding functions, which are home delivery, sales hunting, coupons, point collecting and subscription programme. However, to know if the customers are willing to have these functions, the company asked for the preferences of the customers. In Figure 15, it is clearly seen that the main feature of the app, home delivery is chosen by 84% of the respondents. This indicates the most basic feature that the app has to achieve in order to gain customer interest. Some other features ranked highly are coupons and subscription offer and sales hunting. The point collecting programme is not so favored by respondents; however, this is a new program and has not been clearly described in the survey, so the customers see hardly benefits for them in the long term. The company have to give instructions when launching these features in order to make customers see different values that EasyDay proposes.

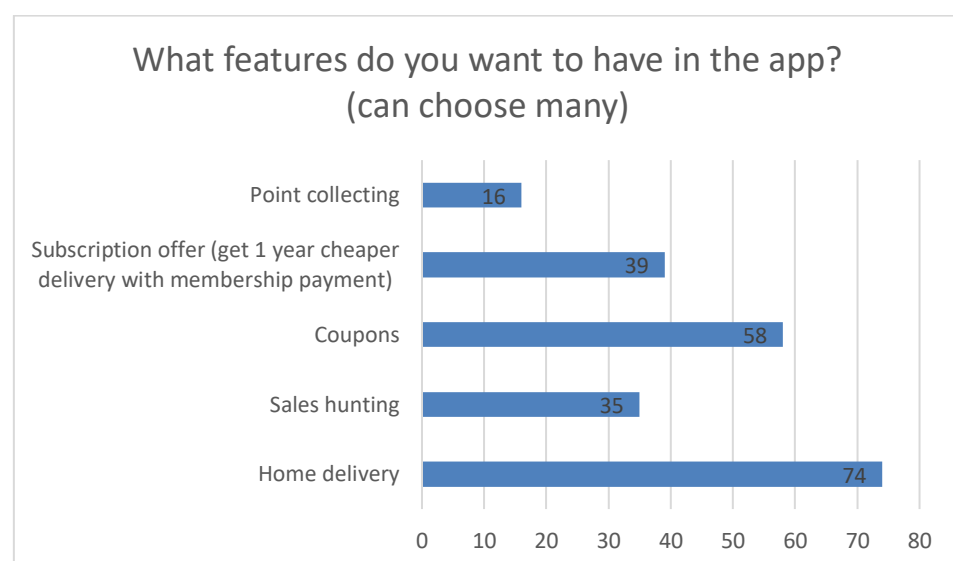


Figure 15. Favorite features of EasyDay app

## 3.6 Competitors

At the moment, there are small competitors in the market share the same model, however, they are small-scale, and there are little reputation or recognition to customers in the market.

Ruoka.net is a web-based platform providing online grocery shopping service for people at the Helsinki Metropolitan Area (Helsinki, Vantaa, Espoo). The family company is Ruokanet Oy with 22 years of experience in online non-chain grocery stores. Their products are not from chain stores in Finland but wholesalers such as Wihuri's Metro and Heinon tukku.

Ruoka.net has the same business idea with EasyDay; however, it is a website interface, which is different from what EasyDay is planning to build, a mobile application. The advantage of Ruoka.net is the multiple payment methods via all banks in Finland. Besides, due to the long experience in the industry, Ruoka.net obtains local networks and understands ways of doing business.

On the other hand, the author figures out many disadvantages of Ruoka.net that definitely can be changed or upgraded to attract more customers. First, the landing page and the whole web page is not attractive and friendly enough to urge customers to make purchases via the website (see Appendix 1) The website is designed in an old-style, full of text and not well organized. The types of products are not compact but run along the left side of the page, this may make customer confusing, and the searching process takes more effort. Secondly, using the sources from wholesalers may provide a better price for the products, but at the same time, the product brand recognition is weaker than ones from chain stores. Finns pay attention to quality and brand name when purchasing not only groceries but also daily goods, which makes the clarity in the origin of the products extremely significant. Thirdly, Ruoka.net delivers the package one day after the order has been made, which is considered not fast and convenience for customers when compared to EasyDay model, deliver within 2 hours.

## 3.7 Marketing Plan

### 3.7.1 Marketing analysis by SWOT

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>- Superior quality app</li> <li>- Fast delivery</li> <li>- Corporations with big chain stores</li> <li>- No inventory warehouses</li> </ul>	<ul style="list-style-type: none"> <li>- difficulty in calling for investors at first</li> <li>- operation experts are lacking</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>- e-commerce trends</li> <li>- technology development</li> <li>- modern and developed market</li> </ul>	<ul style="list-style-type: none"> <li>- Finns have not acquired a taste for online grocery shopping</li> <li>- Evolution of apps</li> </ul>

### 3.7.2 Current marketing situation

**Company.** The company is going to launch the EasyDay mobile application. Although the online shopping industry is maturing, the groceries shopping area is not taken into consideration. Realized that fact, the company focus on growing the application by planning a comprehensive marketing package to deliver value propositions of the app to targeted customers. The strengths of the company are the pioneer in the Finland market, diverse social contacts, and backgrounds (customers, shoppers, stores), and the benefit raised form core values. However, the new exposé to the market is the company's weakness that creates difficulty in calling for investments.

**Customers.** Already mentioned, EasyDay is created for people who are busy, love technology and convenience and also young people making an effort to earn income from part-time jobs; they form the target group for the company. The increase in eCommerce sales and the development of technology show that there is a need for an application like EasyDay for integrating and exchanging the help among three parties: users, shoppers and stores. EasyDay is a new provider to stimulate the demand for daily and practice services for everybody.

**Competitors.** In Finland market, competitors in this industry are not yet succeeded in performing their marketing campaign. As analyzed above in the competitor sector, the competitors like Ruoka.net only operates in a web-based platform which is different from EasyDay mobile app, and it is not paying much investment in marketing as the brand awareness is low in the market. In general, the strength of the competitor is time and experience on the market, but that is also their weakness if they do not have an effective marketing plan for the growth of the business when they already possess contacts and experience. Therefore, EasyDay will be the first-ever application in the

industry that allows users to make purchases on their phones and get the package within 2 hours, on the same day.

### 3.7.3 Marketing mix for EasyDay

The marketing plan for EasyDay mostly bases on the 4P of the marketing mix model. The author gives detailed analysis below to complete these four sections: Product, Price, Place, and Promotion.

Product. EasyDay app offers the following features:

- User sign in
- Organized lists of items into clear and app-friendly categories.
- Different payment methods
- Delivering to home or office within 2 hours after placing orders.
- Point collecting programme for future discount or payment.
- Redeeming coupons from in-app stores.
- Syncing and sharing shopping lists with family members/ friends.
- Flash sales updated every hour, every day.

The app will be run with all features described above. In the long term, when the app has a stable position in the market, more features and varieties will be added to increase customer satisfaction. A web-based platform will be developed to expand the convenience of the app to customers, which allows them to shop in the office, or at school.

Price. It is not easy to come up with a reasonable price for the app. If the price is too low, the company cannot gain profitability. However, if the price is too high, the customers will not use it. Therefore, before making a decision on the pricing process, these aspects have to be considered carefully:

- Cost. The company cost structure includes technological set-up running cost for app development, salaries for permanent employees, and commission-based payments to shoppers.
- Demand. The personas are large in the market, and the demand is quite high if the company can change the shopping habit of Finns.
- Competition. The company is in a good position when there is not really a competitor sharing the same model in the market.
- Marketing objectives: The company's main objectives is gaining market share and maximization of sales, meaning that the app will be used popularly among targeted customers.

After considering these factors, the company decides to use the objective-based pricing method in Freemium and subscription model for the app. This is applicable for new and innovative service that enables the flexibility of the price in different stage. Therefore, the

price of the service will not be too high but still can earn profitability for the company. Together with the process of comparing the same model in other markets, for instance, the USA and UK, the company find the suitable price which is mentioned in the "How does the app make money" section.

Place. As the company is a start-up trying to penetrate the market, the company will initially develop the app in the most two popular platforms in Finland market: App Store and Google Play. However, all app company faces the same problem in helping customers to find the app on the distribution platforms due to the number of million apps available. Lists and categories are displayed in the platforms, but still, many customers do not expose to them easily. Hence, the app needs to have a list of keywords in the app's name and description, helping in reducing search effort and also catchy screenshots urging the customers to download and use it. The good display of the app also affects the possibility to be featured by Apple or Google Play in the section "App of the day", which helps people recognize the app better.

Promotion. In promotion, the company plan to carry out in mass marketing as the goal is to spread awareness and to communicate with customers. The company decides to be aggressively active on social media sites, using Facebook, Twitter, and Instagram to gain recognition and to communicate with people. At the same time, the company publishes videos on YouTube to instruct and demonstrate the app. Also, some marketing campaign, ads, and search engine optimizing will be taken place. The introduction of the app on technological websites and related forums will also be active. Especially, the app will offer free delivery for the first order and coupons to attract and urge people to download the app. When the app reaches a number of customers, word-of-mouth is a substantial way to spread out the usage; the company will make use of it by encouraging customer reviews and social media shares by offering promotion programs such as a discount or give away packages.

#### 3.7.4 Marketing launch.

From October 2020 to Jan 2021: Pre-launch

- Creating social media profiles and start writing posts and blogs related to the app, such as count down the event and online user manual videos. Follow and get in touch with influencers, renowned reviewers, etc.
- Attend tech forums or officer/student forums to share and introduce the app content and value. The content includes some demonstrations, screenshots, illustrations

- Posting on job portals and social media to find shoppers, focus on students who are the potential group for this position. Shoppers must have their own car and legal driving license.

January 2021:

The company will launch the app in January 2021 firstly in the metropolitan area. Helsinki is famous for being the hub of technology and modern life. No better city can be the kick-off place for EasyDay. The company will print out banners and pay for advertisement on bus stop panels and electronic advertising board in metro and train stations. Besides, ads will be displayed at the stores using the service and also at their online websites. Furthermore, some pop-up spots will be arranged on central-area streets to demonstrate the app and give guidance to people.

March 2021:

After two months in the Helsinki area, the company will expand the app to Tampere and Oulu as they are the top cities having the most population. Online and printed ads continue the same plan as in the Helsinki area. In addition, Google ads and Google analysis will be implemented simultaneously to fasten customer awareness and collect data for further development.

## 3.8 Operating Plan and Administration

### 3.8.1 Legal Form of the company

After researching suitable legal forms for the business, the author decided to establish EasyDay base on Limited Liability Company (LLC). This form protects the benefits of the business without troublesome formalities. Earnings and losses are passed through the owner(s) and declared in the tax returns. The author calculated the advantages and disadvantages of the LLC for better decision and preparation.

The advantages are unlimited members, and each member has a limited liability of the LLC. Besides, all members can enjoy either the distributed profit or guaranteed payments. Members can withdraw checks at any time of the year by the benefit of distributed profit or leave the profit as the working capital for the next year. The guaranteed payments allow members of the LLC to obtain a base income in the situation that the business might be under low revenue or loss. If at the end of the year, the share of the net income is more than the guaranteed payments, there will not be a guaranteed income for that year (entrepreneur.com, 2005).

On the other hand, the LLC contains disadvantages that all entrepreneurs need to acknowledge before making any decision. The author, who is the managing member sharing the bottom-line profit have to comply with the self-employment tax. Also, the members of an LLC are not allowed to pay themselves wages.

### 3.8.2 Operating Plan

- Building a high-standard application

As the application is what between the company and its partners and customers, the company aims at creating a very responsive, modern, user-friendly app. Even though the values the app can give to customers are enormous and luckily, they understand those values, the company will not earn profitability if the tool is poor and unattractive. Therefore, a team of skilful developers in both frontend and backend and an expert in app designing is what the company is looking for and plan to hire.

- Approaching different segments with different strategies

Since the personas for the app are in three segments: customers, shoppers and stores, the company sees a need for applying different approaching and marketing tactics to get the best effects and positive outcomes. Regarding the evolution of the Internet, marketing the service to any segments is not a challenge anymore. However, the content for each segment is distinct. For example, to earn more customers, the advertisements help them get the values and benefits from the app; for shoppers, the job ads are shown on job-seeking websites, with the offers and the requirements; for stores, as it is in a higher level, the company should have meetings and professional approach to them rather than running social media ads.

- Boosting brand recognition

To boost the brand recognition, firstly the company has to build the identity of the brand by creating a logo (see Appendix 2), mission statement and slogan. A mission statement should cover three points to articulate a company's purpose, which is the product or service, the method it does to benefit customers and the reason for creating values to customers. For EasyDay, the mission statement is "At EasyDay, we provide grocery shopping services that allow people to have everything ready at home by a click". By this mission statement, customers will understand what EasyDay is doing (grocery shopping service), how it is done (by a click) and why Easy Day is valuable (allow people to have everything ready at home). The slogan, on the other hand, needs to be short, catchy and consistent with the brand. Therefore, the slogan for EasyDay is "Easy as it is" which is memorable and relating to the



brand's name. After the identity creation, it is inevitable to apply for patent and trademark to avoid the risk of being stolen.

### 3.9 Risk management

In this part, the company consider all the possible risks that could be obstacles for the development of EasyDay in the Finland market by indicating key problems. After that, some solutions are generated to answer these risks in the future.

First of all, according to Yle.fi (2010), Finns have not been familiar with the concept of online grocery shopping. Many websites have failed in this industry as those companies could not get local stores being partners, then the people say they do not want to use the website due to long transportation. Furthermore, Finns are picky consumers who do not let others make their food selections. However, this is the story of 9 years ago from Yle, now Finns are more open to technology innovation and consider the convenience as their first priority.

Second of all, the risk of shopper shortage needs consideration. Since all the shopper will work with flexible schedules, there will be some hours the number of shoppers is not sufficient for orders. One solution for this is finding enough shoppers for an area, and shoppers should always park near a store so whenever an order is placed, there will not be extra time for travelling. The other solution could be increasing the price in rush hours, and a part of the fee will be given to shopper for motivation. However, this cannot be applied in the first period when people are still skeptical about the app.

Third, for a company which has the main focus on delivery and logistics, the risk of wrong or missing items is possible to happen. There will be a customer support hotline for this situation and the refund or redo the delivery will be processed as the wish of customers.

### 3.10 Financial Plan

#### 3.10.1 Sales revenues

The sales revenue of the company consists of three sources of revenues. Firstly, the main revenue stream is from delivery fee. To increase the revenue, the company add a mark-up 15% to the products as the total amount of the product is returned back to the stores. An additional revenue stream is the subscription fee for EasyDay Premium. People who pay €99 will have one-year unlimited free delivery for all orders over €30. In the paragraphs below, all the revenues will be particularly explained in detail.

- Sales revenues delivery fee

The application will be ready to use in January 2021 and the first orders will be in Helsinki, Espoo, Vantaa, Tampere and Oulu. The company estimate that the number of app users will be 3% of total number of households in these cities, 90% of the users will shop for orders over €30 around average 2 times per month in order to get the cheaper delivery fee, while the rest, 10% of users will shop for orders under €30 around 3 times per months as they prioritize their time and freshness of products more. The total amount of household in these cities are 371,500 families, 3% of these family is predicted to use the app, so the numbers of users who use the app in 2021 is 11,145 accounts. The company estimates that there will be 20% of the users choose the Premium account. Take 90% of 80% total accounts (20% subtracted from Premium) multiply by €4.99 per order and 5 orders per month, take the result plus for 10% of total accounts multiply by €6.99 per order and 6 times per month, the monthly revenue is €98,780 (calculation:  $11145 * 80\% * [(90\% * €4.99 * 2) + (10\% * €6.99 * 3)] = €98,780$ ). Hence, the delivery fee revenue for the whole 12 months of **2021** is **€1,185,360**

In 2022, the market is still in these big cities, however, due to the marketing campaign and word-of-mouth, the growth rate increases up to 5% ( $371,500 * 5\% = 18,575$ ), and at this year the number of Premium user increase to 30%, with normal users. With the same formula, the delivery fee revenue for **2022** is **€1,588,244** (calculation:  $18575 * 70\% * [(90\% * €4.99 * 2) + (10\% * €6.99 * 3)] * 12 \text{ months} = €132,352 * 12 = €1,588,244$ )

In 2023, the company wants to expand the market to other smaller cities of Finland such as Turku, Lahti, Kuopio, Jyväskylä. So, the calculated total number of family will be 488,500. The growth rate in big cities increases but the app is new in smaller cities; therefore, the rate is still at 5% of total households, accounts for 24,425 accounts ( $488,500 * 5\%$ ). The other stays unchanged. Accordingly, the total revenue for **2023** is **€2,273,076** (calculation:  $24,425 * 70\% * [(90\% * €4.99 * 2) + (10\% * €6.99 * 3)] * 12 \text{ months} = €189,423 * 12 \text{ months} = €2,273,076$ )

- Sales revenue mark-up price

To increase the revenue, the company markup 15% to the price of products. The company estimated that the average spending of orders over €30 is 70€ while under €30 is 20€. In 2021, there are 11,145 accounts, in which 90% of them with orders over €30 and 10% with orders under €30. Calculating based on this information, the company receive revenue of **€1,324,026** for **2021**. (calculation:  $12 * [11,145 * (90\% * €70 * 15\% + 10\% * €30 * 15\%)] = €1,324,026$ )

In 2022, the number of users increases due to the marketing campaigns to 18,575 accounts. With the same formula as above, the revenue the company receives in **2022** is **€2,206,710** (calculation:  $12 * [18,575 * (90\% * €70 * 15\% + 10\% * €30 * 15\%)] = €2,206,710$ )

In the following year, the business expands to other cities in Finland and the number of user accounts increases to 24,425 accounts. Accordingly, the revenue from the markup price calculated for **2023** is **€2,901,690** (calculation:  $12 * [24,425 * (90\% * €70 * 15\% + 10\% * €30 * 15\%)] = €2,901,690$ )

- Sales revenue EasyDay Premium

The package EasyDay Premium is for regular customers of EasyDay, by purchasing €99 annual subscription, those customers have unlimited free delivery for orders over €30 and other benefits. The company estimates in the first year 2021, there will be 20% of the total number of users will pay for EasyDay Premium, so the revenue from Premium programme in **2021** is **€220,671** (calculation:  $11,145 * 20\% * €99 = €220,671$ )

For the year 2022, the number of Premium member increases to 30% in the new 18,575 total number of users. Therefore, the revenue in **2022** is **€551,677.5** (calculation:  $18,575 * 30\% * €99 = €551,677.5$ )

With the expansion to other cities, the percentage of annual subscription stays the same while the total number of users rises to 24,425. Accordingly, the company's revenue from Premium members for **2023** is **725,422.5€** (calculation:  $24,425 * 30\% * €99 = 725,422.5€$ )

To sum up the revenue stream, the company will generate a margin of **€225** of profit per account in 2021 (calculation:  $(€1,185,360 + €1,324,026 + €220,671) / 11,145 \text{ accounts} = €225$ ). Accordingly, for the year 2022, the company generate **€234** per account (calculation:  $(€1,588,244 + €2,206,710 + €551,677.5) / 18,575 \text{ accounts} = €234$ ). With the same formula, the margin per account is **€241.5** (calculation:  $(€2,273,076 + €2,901,690 + 725,422.5€) / 24,425 \text{ accounts} = €241.5$ )

### 3.10.2 Costs

- Variable costs

The variable cost will rise corresponding to the number of the accounts and the cities EasyDay operates in. For each city, the average of ten deliverymen per hour. The working hours are the same with store opening hours (8 – 22). And for all cities, the company has one solid customer service call centre within a total of 5 employees. They will

earn €11 per hour, including daily allowances. This would sum up to an amount of **€3,104,640** in the year **2021**. (calculation:  $[(10 * 5 \text{ cities}) + 6] * €11 * 14 \text{ hours} * 30 \text{ days} * 12 \text{ months} = €3,104,640$ )

In 2022, the number of delivery man will increase to average 13 shoppers for a city per hour. Accordingly, the variable costs will be **€3,936,240** in the year **2022** (calculation:  $[(13 * 5 \text{ cities}) + 6] * €11 * 14 \text{ hours} * 30 \text{ days} * 12 \text{ months} = €3,936,240$ )

In the year 2023, the number of delivery men in the first five cities stays the same and there is an average of 6 shoppers in each of the four new cities. This lead to the cost of **€5,045,040** in **2023** (calculation:  $[(13 * 5 \text{ cities}) + (6 * 4 \text{ cities}) + 6] * €11 * 14 \text{ hours} * 30 \text{ days} * 12 \text{ months} = €5,045,040$ )

- Fixed costs

Wages, Salaries and benefits. The management team consists of 4 people and everyone earns €2,000 per month.

Rent and utilities. Within the first years, the company will rent one room in co-working space for the call center to lower the cost. The price for a room in Helsinki is €15,000 per year.

App development. The amount of capital needed for the initial steps is approximately €160,000 as the app is in complex type and requires many features.

Equipment. IT licenses cost €5000 per year, phones for call center costs €300 for five fixed phones and €10,000 for ten computer devices.

Corporate identity. To create the identity for the company, it spends €10,000 at the beginning of 2021.

Marketing. The company will pay €2,000 per month in the first year for marketing expenses. This sums up to an amount of €24,000 for 2021 for Google Adwords and Social Media ads. In the following two years, due to the good network and word-of-mouth, the cost for marketing declines to €16,000 yearly for 2022 and 2023.

Insurance. The company pays €300 per month for the insurance fee. This sums up to €3,600 annually.

### 3.10.3 Break-Even Analysis

The company has three different revenues, and from that, the margin per customer is calculated accordingly €225 in 2021, €234 in 2022 and €241.5 in 2023.

In the first year, the variable costs per customer will be €278.5 (This is broken down as follows: €3,104,640 of variable costs in 2021 / 11145 accounts). As EasyDay only generates €225 of profit per account in 2021, the contribution margin per account will be negative (€278.5 – €225 = €53.5). Hence, the break-even point will not be reached in 2019.

In 2022, the variable cost per account will be €211 (calculation: €3,936,240 / 18,575 = €211). As the margin is €234, the contribution margin per account is positive at €23. However, the fixed cost needed to be considered as well. The fixed cost for the year 2022 is €180,600 (Salaries €96,000 + Insurance €3,600 + Office rent €15,000 + Marketing €16,000 + Depreciation €50,000). Therefore, the company will reach a break-even point after 7,852 active accounts in total 18,575 accounts in the year 2022 (€180,600 / €23).

## 4 DISCUSSION

### 4.1 Suggestion for further development and studies

The research is written from the business point of view, mostly explains how to operate and develop an idea into practice; therefore, the author supposes that there are spaces for app developers to add points and details on technological parts as the key of this business idea is technology.

Ideas are always changing, meaning that the best idea of today is not the best of tomorrow, new kinds of technology and different kinds of approaching the market should be came up with and analyzed to adapt the business to the new market every day. One example is in marketing, the 5-second ads is a new marketing trend which replaces long-story ads. Since the tendency of people to skip ads after the first five seconds, there is no point to delivering the message in the later part of the video. However, it is challenging to create an ad which can show product values to customers within 5 seconds.

If the founders choose to develop the business idea into a real case, this business plan will be a very essential and valuable framework for further development. This business plan framework is created mostly based on the form of Harvard Business School Press; therefore, the future work can be to refer other outlines so as to find new approaches and fill in the missing parts of the business.

## 4.2 Conclusion

The theoretical part of this thesis shows the importance of having a strategic plan to start a business and covers all the understandings of how to form a business plan for a start-up company as well as give steps to create a practical business plan and to analyse if it is feasible or not. This thesis meets up all the objectives by not only provide theoretical support but also generates a complete business plan for a grocery online shopping application on electronic device-based platform. After taking a holistic view of the plan and seeing the financial plan of the business plan, the author evaluates the business plan as feasible enough to start.

This thesis gives excellent opportunities for the author to get knowledge in the process of establishing a company in Finland market. In other words, the thesis shows different requirements and aspects of building a feasible business plan based on the raw idea. The author sees the possibilities to continue and develop the business plan in the future.

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## Appendix 1 Ruoka.net interface

**QUICK FIND**

Advanced Search >>

**PRODUCT CATEGORIES**

- ▶ Fruits vegetables
- ▶ Dairy & eggs
- ▶ Cut flowers
- ▶ Bread & Pastries
- ▶ cheese
- ▶ Meat & Birds
- ▶ Pisces
- ▶ Sausages & Games
- ▶ Meals & Ready Meals
- ▶ Biscuits & Dry Bread
- ▶ Murot & Myslilt
- ▶ Sugars, sweeteners, Flour, Porridge
- ▶ Jams & Marmalades
- ▶ Ketchup, Mustard, Oil, Spices
- ▶ Ingredients for sauces, sauces, dips
- ▶ Rice, pasta, muesli
- ▶ Preserves
- ▶ Beverage baskets and can packaging
- ▶ beverages
- ▶ Coffees, teas & cocoa
- ▶ Sweets & Snacks
- ▶ Frozen, Food
- ▶ Frozen: Ice cream, other delicacy

**OWN INFORMATION**

User name:

Password:

[Kirjaudu](#) [Rekisteröidy](#)

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**Oiva report**

**NAVIGATION**

- Home
- Advanced Search
- Selection
- Promotional products
- New Arrivals
- Releases

**INFO**








- Ruokanet Oy - Commercial Vehicle
- Customer
- Service Price List
- HELP - section
- Bottle Removal Instructions
- Terms & Conditions
- Privacy Policy
- Contact / Feedback

## Appendix 2 EasyDay logo



Appendix 3  
Business Model Canvas EasyDay

Business Model Canvas -

 <p><b>Key Partners</b></p> <ul style="list-style-type: none"> <li>- Local chain stores</li> <li>- Financial company</li> </ul>	 <p><b>Key Activities</b></p> <ul style="list-style-type: none"> <li>- App creation and development</li> <li>- Shopper management</li> <li>- Stores management</li> <li>- Customer service</li> </ul>	 <p><b>Value Propositions</b></p> <p>Customers:</p> <ul style="list-style-type: none"> <li>- Fast delivery within 2 hours</li> <li>- No in-store purchase effort</li> <li>- Deliver service under all weather conditions</li> </ul> <p>Shoppers:</p> <ul style="list-style-type: none"> <li>- Flexible working hours</li> <li>- Meeting people and explore the city</li> </ul> <p>Stores:</p> <ul style="list-style-type: none"> <li>- Sales increase</li> <li>- Larger number of customers</li> </ul>	 <p><b>Customer Relationships</b></p> <ul style="list-style-type: none"> <li>- Social media profiles</li> <li>- In-app or call centre customer service</li> </ul>	 <p><b>Customer Segments</b></p> <p>Customers:</p> <ul style="list-style-type: none"> <li>- People who are busy</li> <li>- People who do not like shopping</li> <li>- People do not possess a car</li> <li>- Elderly people</li> </ul> <p>Shoppers:</p> <ul style="list-style-type: none"> <li>- Part-time jobs seeking people</li> <li>- People who have a car and a smartphone</li> </ul> <p>Stores:</p> <ul style="list-style-type: none"> <li>- Stores which want to have higher sales</li> <li>- Stores which want to have more customers</li> </ul>
 <p><b>Cost Structure</b></p> <ul style="list-style-type: none"> <li>- Technological cost during creation and operation</li> <li>- Operation costs</li> <li>- Commissions for shoppers</li> </ul>		 <p><b>Revenue Streams</b></p> <ul style="list-style-type: none"> <li>- Mark-up price</li> <li>- Delivery fees</li> <li>- Subscription fee for EasyDay Premium</li> </ul>		

Appendix 4  
Profit and Loss Statement

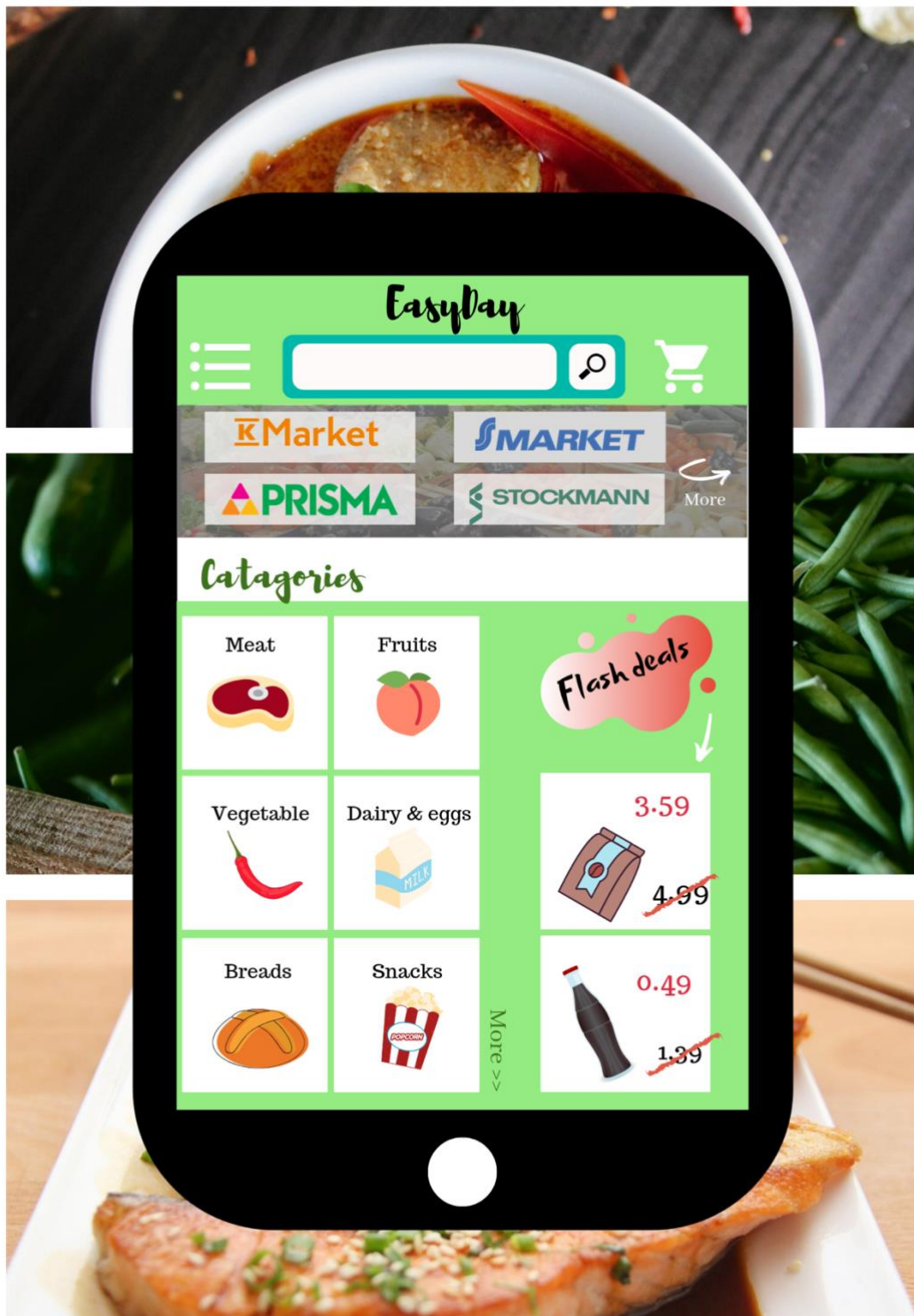
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Year 2021	Year 2022	Year 2023
<b>Profit and loss statement</b>															
Sales revenue	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 98,780	€ 1,185,360	€ 1,588,244	€ 2,273,076
Delivery fee	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 110,336	€ 1,324,026	€ 2,206,710	€ 2,901,690
Sales revenue	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 18,389	€ 220,671	€ 551,678	€ 725,423
Premium	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 258,720	€ 3,104,640	€ 3,936,240	€ 5,045,040
Variable costs	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (31,216)	€ (374,583)	€ 410,392	€ 855,149
<b>Gross Profit</b>															
<u>Fixed costs</u>															
Salaries	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 8,000	€ 96,000	€ 96,000	€ 96,000
Rent	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 1,250	€ 15,000	€ 15,000	€ 15,000
App development	€ 160,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 160,000	€ -	€ -
Equipment	€ 15,300	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 15,300	€ 5,000	€ 5,000
Corporate identity	€ 10,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 10,000	€ -	€ -
Marketing	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 2,000	€ 24,000	€ 16,000	€ 16,000
Insurance	€ 300	€ 300	€ 300	€ 300	€ 300	€ 300	€ 300	€ 300	€ 300	€ 300	€ 300	€ 300	€ 3,600	€ 3,600	€ 3,600
Depreciation	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 48,000	€ 50,000	€ 52,000
<b>Contribution profit / EBIT</b>	€ (232,066)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (746,483)	€ 224,792	€ 667,549
Tax	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ (253,804,22)	€ 76,429,11	€ 226,966,49
<b>Net profit</b>	€ (232,066)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (492,679)	€ 148,362	€ 440,582

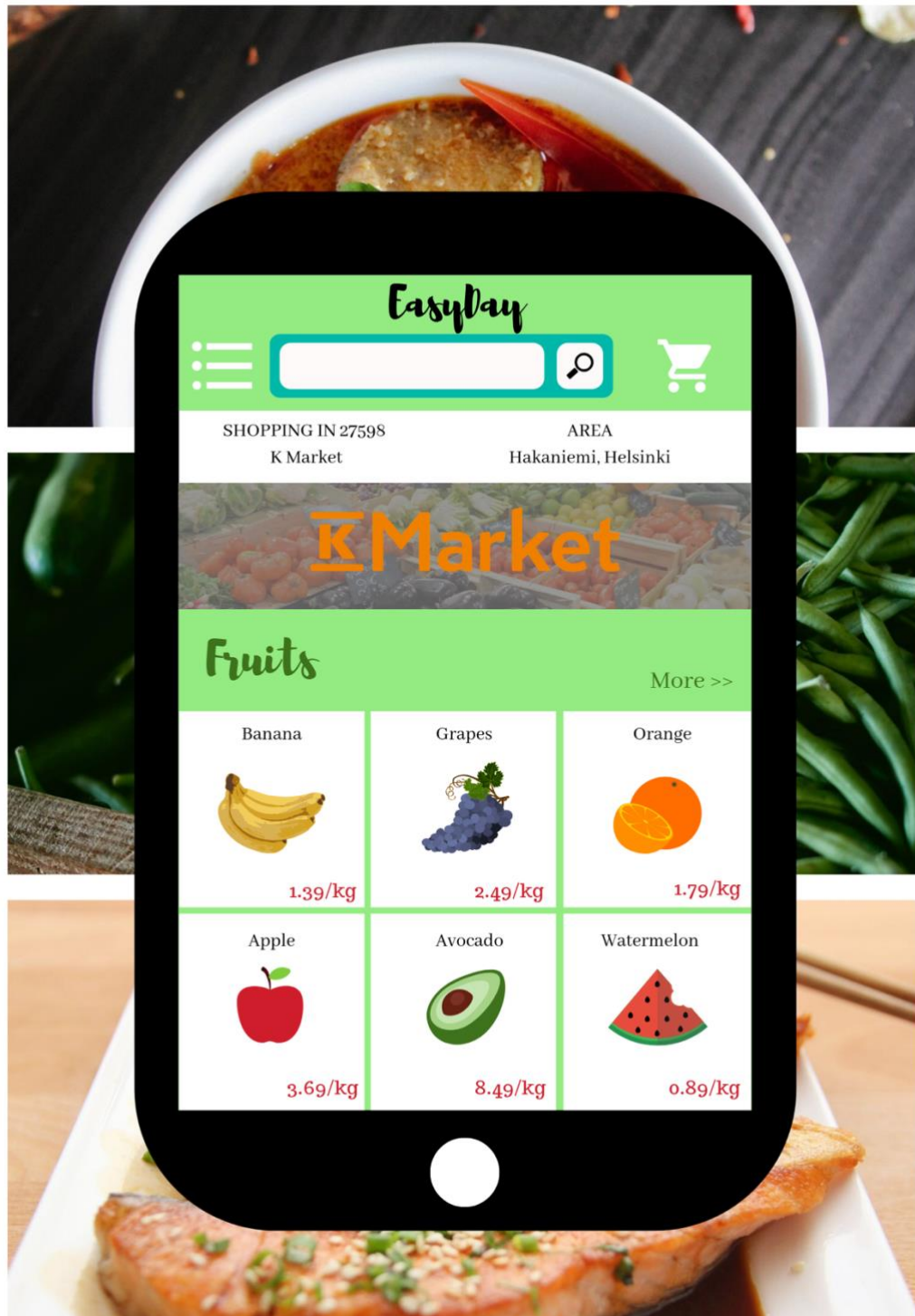
Appendix 5  
CashFlow Statement

<b>Cash Flow Statement</b>															
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Year 2021	Year 2022	Year 2023
Net profit	€ (232,066)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (46,766)	€ (492,679)	€ 148,362	€ 440,582
Depreciation	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 4,000	€ 48,000	€ 50,000	€ 52,000
<b>Cash-Flow from Company activities</b>	€ (228,066)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (444,679)	€ 198,362	€ 492,582
<b>Cash-Flow from Operations</b>	€ (228,066)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (444,679)	€ 198,362	€ 492,582
Investment in fixed assets (CAPEX)	€ 175,300	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 175,300	€ 5,000	€ 5,000
<b>Cash-Flow from investment</b>	€ (403,366)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (42,766)	€ (619,979)	€ 193,362	€ 487,582
Contribution of founders	€ 80,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 80,000	€ -	€ -
Investors money	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 250,000	€ 3,000,000	€ 460,000	€ 460,000
Repayment of a loan	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 571,428	€ 571,428	€ 571,428
Dividend (10%)	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 14,836	€ 44,058
<b>Cash-Flow from Financing</b>	€ (73,366)	€ 207,235	€ 207,235	€ 207,235	€ 207,235	€ 207,235	€ 207,235	€ 207,235	€ 207,235	€ 207,235	€ 207,235	€ 207,235	€ 1,888,593	€ 67,098	€ 332,096

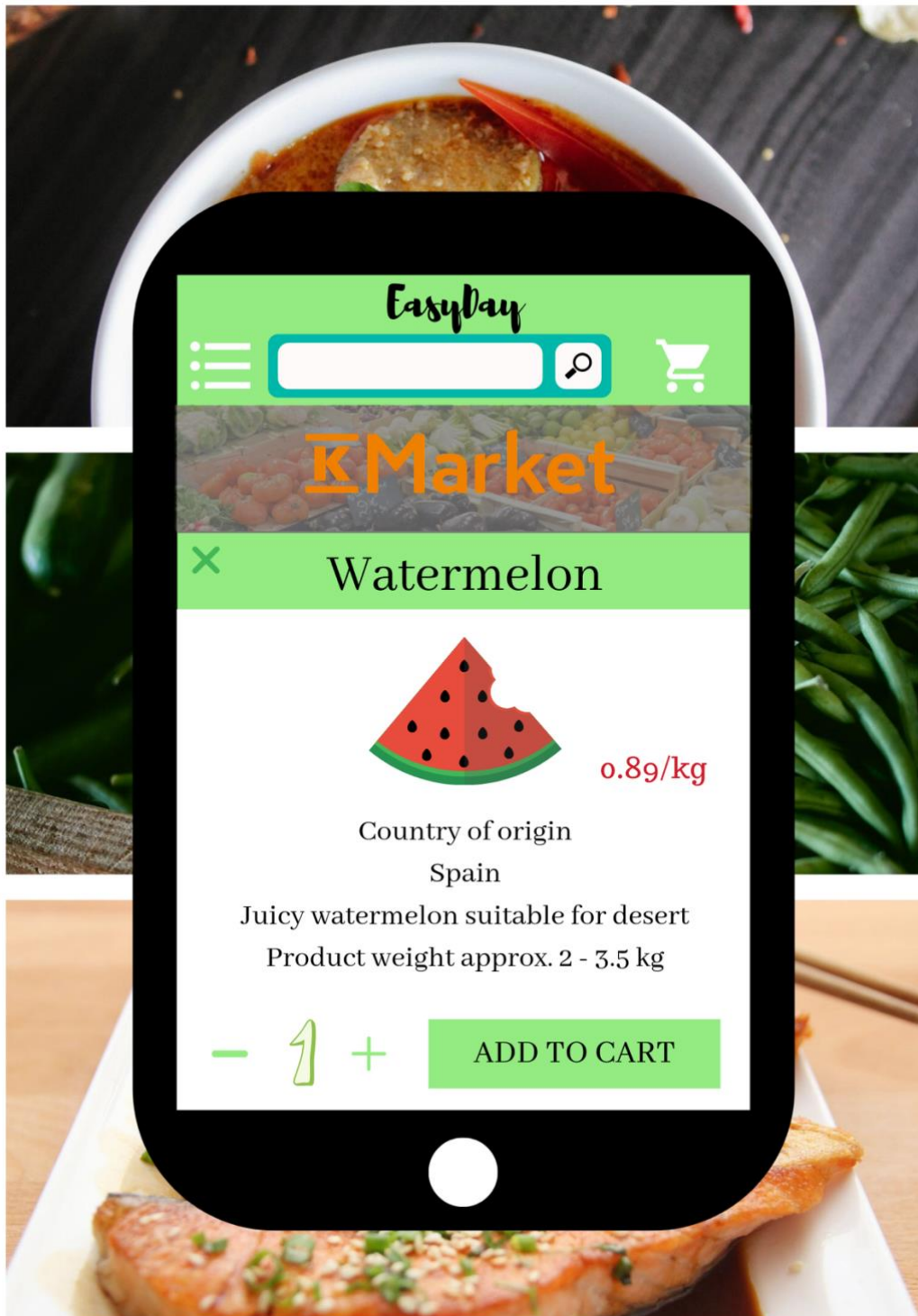
Appendix 6  
Opening Balance Sheet

<b>Opening Balance Sheet</b>			
<b>Assets</b>		<b>Liabilities</b>	
<b>Fixed assets</b>	€ 15,470	<b>Equity Founders</b>	€ 80,000
Company identity	€ 10,000	<b>Equity Investors</b>	€ 3,000,000
App	€ 160,000		
Equipment	€ 15,300	<b>Long-term liabilities</b>	€ 920,000
<b>Current assets</b>	€ 3,984,530	<b>Short-term liabilities</b>	
Account receivable	€ -	Account payables	€ -
Bank	€ 3,984,530		
<b>Total asset</b>	€ 4,000,000	<b>Total liabilities</b>	€ 4,000,000









Appendix 8  
Market research survey

1. How old are you?
  - Under 18
  - 18 – 25
  - 26 – 35
  - 35 – 45
  - 45 – 60
  - More than 60
  
2. In which city do you live?
  - Helsinki
  - Espoo
  - Vantaa
  - Tampere
  - Oulu
  
3. How frequently do you do grocery shopping?
  - Everyday
  - 3 times per week
  - 2 times per week
  - Once per week
  - Once per month
  
4. Which difficulties do you have when doing grocery shopping?
  - No difficulties
  - Time consuming/Do not have enough time
  - Favourite stores too far/ difficult to access traffics
  - Out of stock
  - Miss sales
  
5. On average, how much do you spend on a grocery shopping trip?
  - €1 - €10
  - €10 - €30
  - €30 – €60
  - More than €60
  
6. Do you have trust in online shopping?
  - Yes
  - No
  
7. Easy day is an application that can assist you with grocery shopping tasks. Our company provide the online grocery shopping, delivery service, cooking recipes, nutrition indications (fitness, obesity, anorexia, etc). By using the app, you can choose whatever you want to shop in a grocery and also set the delivery time for that.  
Based on the information above, how likely will you using the app?

- Extremely likely
- Very likely
- Moderately likely
- Slightly likely
- Not at all likely

8. How likely that you will recommend this application for a friend or colleague?

- Extremely likely
- Very likely
- Moderately likely
- Slightly likely
- Not at all likely

9. What features do you want to have in the app?

- Home delivery
- Sales hunting
- Coupons
- Premium, subscription program (get 1 year cheaper delivery with membership payment)
- Point collecting to have discount next usages.