



Karelia University of Applied Sciences  
Bachelor of Business Administration (BBA), International  
Business

# **Business Plan Proposal and a Feasibility Study: Real Estate Sales in Spain**

Jere Palander, Otto Pulkkinen

Thesis, November 2022

[www.karelia.fi](http://www.karelia.fi)



**THESIS**  
**October 2022**  
**Degree Programme in International Business**

Tikkarinne 9  
80200 JOENSUU  
+358 13 260 600 (switchboard)

**Authors**

Jere Palander, Otto Pulkkinen

**Title**

Business Plan Proposal and a Feasibility Study: Real Estate Sales in Spain

Entrepreneurship is promoted more and more in the modern digitalized world, where a company can even be operated from home, completely remotely. Entrepreneurship is a wide subject, and many aspects have to be taken into account when a business plan is designed, and its feasibility is studied.

The aim of this thesis is to design a theoretical framework for a business plan and evaluate the feasibility of the proposed plan. The proposed business plan is a real estate brokerage operating in the Spanish market.

The thesis was mainly concluded with qualitative research methods using data from books, articles and studies. Quantitative research methods were used in some aspects of the market research section.

The results of the thesis were positive in many aspects, but lacking capabilities in a few key areas turned out to be too much to overcome from a feasibility standpoint. The thesis also proved to be important, and it gave valuable information for the authors.

Language  
English

Pages 38  
Appendices 1  
Pages of Appendices 2

**Keywords**

entrepreneurship, business plan, real estate

## Contents

1	Introduction .....	4
2	Business plan executive summary .....	5
2.1	Business plan description .....	5
2.2	Product and service description .....	7
2.3	Target market and customers .....	8
2.4	Marketing Program .....	9
2.5	Company structure .....	10
2.6	Revenue model.....	11
2.7	SWOT- analysis.....	12
3	Competitor analysis .....	14
3.1	Business environment description .....	14
3.2	Main competitors .....	17
3.3	Competitive position .....	18
4	Market and Industry analysis .....	21
4.1	Market scope .....	22
4.2	Market Barriers .....	22
4.3	Growth rate .....	23
4.4	Industry trends .....	24
4.5	Market demand.....	25
4.6	Sales approaches .....	27
4.7	Advertising and promotional plans .....	29
5	Strategic analysis.....	30
5.1	Key performance indicators .....	30
5.2	Tactical plans, goals and schedule .....	30
5.3	Legal considerations.....	31
5.4	Financial considerations .....	32
5.5	Operating assumptions .....	32
6	Conclusions and discussion.....	33
	References.....	35

### Appendices

Appendix 1 Survey regarding the interest for Spanish real estate

## 1 Introduction

A business idea should be tested for its initial feasibility after it is chosen. Some business owners directly move forward with a plan without first analyzing its feasibility. A better idea is to implement a well-researched business plan, because a plan can give insight on the potential problems that an idea has and aid in making decisions about the future. (Barringer 2010.)

The purpose of this thesis is to develop a business plan and evaluate if a company described in the thesis could be feasibly established in the targeted business area based on the research done and if there are any prerequisites for it to make sense.

The business plan template which is used in the thesis is a modified version of the business plan in *The Most Important Consideration for Starting Your Own Business: The Feasibility Study and Business Plan* (Barringer 2010). Aspects of the business plan in *Writing and Implementing a Marketing Plan: A Guide for Small Business Owners* were also used in the core of the thesis structure (Gerson & Shotwell 1991, 7).

This thesis begins with an introduction, briefly going over and explaining the chapters of the thesis. In the second chapter, an overall summary of the business plan will be given including a description of the business, the products and services of the business, the target market and customers, a marketing program, the structure of the company, revenue model and lastly, a SWOT-analysis. The third chapter focuses on making an analysis about the potential competition the company could face based on the business environment, major competitors and Michael E. Porter's five forces analysis regarding the competitive position of the company. The fourth chapter explains and evaluates the targeted market area and the industry. The following areas are expanded upon: planned market scope, potential barriers of entry, growth rate, industry trends, market demand, sales approaches and lastly, advertising and

promotional plans are explained. The fifth chapter is a strategic analysis. Key performance indicators, the tactical plans and the potential schedule of the company's goals, legal and financial concerns and operating assumptions are researched. The sixth and final chapter of the thesis includes conclusions and a discussion. The conclusions will be drawn, and the feasibility of the planned business will be discussed in detail.

## **2 Business plan executive summary**

An executive summary is a short overview of the business plan. Generally, the shorter it is, the better. It has to be well-written. Readers of the plan may not know anything about the industry or running a business, so everything written needs to be easily understandable. The executive summary should tell the reader, in a few minutes, what the aim is, how it is intended to be done and why it is done the way it is. (Nunn & McGuire 2010, 97.)

### **2.1 Business plan description**

A well-implemented business plan helps a new or an existing business in becoming profitable. A business plan is also the documentation that a potential investor will require if seeking outside funding ever becomes a relevant topic for the business. (Pinson 2008, 1.)

When applying for funding, the areas that are considered are the business idea and the plan, what the money is for, the financial situation of the company, the ownership of the company, its organization and what the collateral for the funding is. (Nordea 2022.)

The following picture represents a business model process that differs from a traditional model. Customer acquisition has been put before the MVP and

testing phase. MVP means minimum viable product. This is the biggest advantage of digital customer acquisition. The process of customer acquisition and its cost can often be tested before developing the MVP product. This way, the large developing costs of a company start accumulating only after the validation of customer acquisition and its costs are known. (Novavara 2018.)

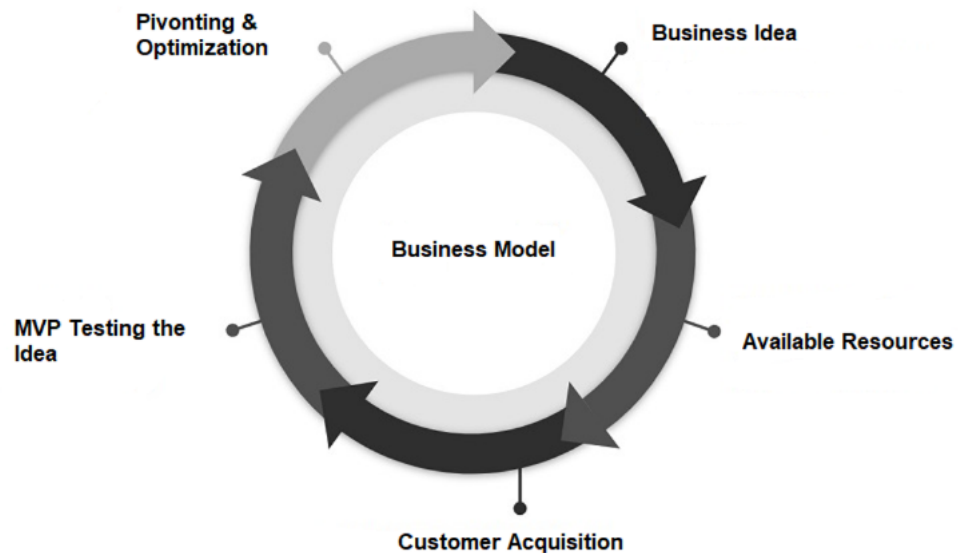


FIGURE 1. Business model process (adapted from Novavara Marketing 2018).

It is good practice to plan a business model with international aspects in mind from the beginning. Most companies try to enter international markets with a business plan that has been invented and proven in their home country. Copying an existing business model and applying it to the next target market is rarely a good way to go international. A business model should be planned with international aspects in mind from the beginning or adjust an existing model for the new target area. (Novavara 2018.)

After the business idea is chosen, it should be tested to get an idea of its feasibility. The proper order of thought in thinking of the merits of a business idea are: identifying the business idea, testing the idea to define its initial feasibility, writing a business plan and lastly, launching the business. Every business idea has strong and weak points. The entrepreneur needs to be aware

of these. Studies have also shown that business owners often overestimate the chances of success. (Barringer 2010.)

A proper business plan should describe and justify the business idea and its future development in a clear and sufficient way. The plan should include not only the strengths of the company but also show a realistic picture of its problems, risks and obstacles. Also, appropriate solutions should be planned and discussed in the plan. (Schwetje & Vaseghi 2007, 1.)

Based on this, it can be concluded that having a well implemented business plan is very important. A proper business plan also indicates the initial feasibility of the idea, its weak points and possible solutions for the problem areas. This can save time and money at the start of the business journey. The proposed business is a real estate brokerage agency which focuses on vacation homes in the Spanish market.

## **2.2 Product and service description**

The product is the reason of existence for every company. Generally, all economic activities revolve around products. A product can be both tangible and intangible. Tangible products are referred to as goods, and intangible products are usually referred to as services. A product reflects the company's efforts to match resources with market demands. Various factors affect the success or failure of a company, but matching resources with the demands of the market is crucial. The starting point of a company's marketing activities is the planned product. It is not possible to decide on pricing, promotion and distribution channels of the product if the product and its characteristics are not clearly defined. (Avlonitis & Papastathopoulou 2006.)

A defining characteristic of a service is its relative intangibility. A pure service cannot be seen, touched or stored; they are not physically present. Because of intangibility, pure service is essentially a process that is experienced. All

services, however, are not considered pure services and may have tangible aspects. (Schneider & White 2004, 6.)

Entrepreneurs often find that investing in the service and customer experience quality is an excellent way to differentiate the company from the competition. Because a small team can be friendly and forge an individual service and close relationship with each customer, it is much easier to provide superior quality of service for the customers compared to large competitors. (Scarborough & Cornwall 2016, 195.)

Offering a particularly memorable customer experience is one of the most important things when a company is offering products and services of any kind. Emotional factors have an influence when a customer compares companies with each other. Many industries are highly competitive; therefore, the best possible customer experience should be offered to the customers. A customer that is happy with the service quality has a high chance of spreading the word about it to others. The same applies to bad customer experience: a company's chances of success can easily be ruined by bad service quality.

The planned company offers real estate brokerage services to customers that are interested in buying a vacation home in Spain. The options for housing presentations are video call presentation or face to face presentation. The listings will also have pre-recorded video presentations of the offerings. Most vacation homes are apartments in block of flats and villas. The vacation homes are mostly located on the south coast of Spain and on Spanish islands.

### **2.3 Target market and customers**

Fundamental changes in consumer behavior are significantly impacting all business sectors. As computers, mobile devices and the internet are now widely spread and readily available, a new generation of customers has been created.



They have much higher level of capability for searching information. (Byrnes & Wass 2021.)

A business is rarely in a position in which it can satisfy every possible customer. It is difficult to meet the exact expectations individual customers have, as customers do not have the same expectations from one another. The strategy of targeting a specific market means focusing on the needs of the customer. Therefore, there needs to be a specified market area that the business intends to serve. (Camilleri 2018, 1.)

The aim is to sell real estate in Spain, mainly near the popular holiday destinations. The target customers for the entrepreneurs are those that are well off and who have the available capital and willingness to buy a vacation home. The target customers' ages vary a lot since willingness and financial capability are the deciding factors in buying a home. It could be assumed that younger people would rather rent a place for a holiday than buy one, even if the financial capability exists. Younger people tend to move more and perhaps want to see multiple destinations when compared to older people that may want a permanent place for retirement.

## **2.4 Marketing Program**

Marketing, depending on how broadly it is defined, is quickly becoming the most important way for companies to stand out from the sea of other companies. The most important task of marketing is gathering interest and showing the company and its services in a positive way to the target customers. (Lodish, Morgan, Archambeau & Babin 2015.)

Marketing is the process of delivering the products and services that the customers desire. It involves all aspects that are associated with gaining and retaining loyal customers. Understanding the target customers' needs, demands and wants before the competition and offering satisfying products and services

for them; and providing customer service, value and convenience so that the customers keep coming back is the key to successful marketing. (Scarborough & Cornwall 2016, 303.)

The marketing program for the planned company will be simple, since mostly social media and the internet are used as marketing platforms. The company will have its own website for listings, and free websites and free sales platforms are also used to spread listings that the company has. Social media accounts could also be made which advertise the company and produce content regarding the listings and the people surrounding the organization.

The company will concentrate on offering the best possible customer experience. It does not matter how good the product is if the customer experience and service quality is lacking. The plan is to listen to customers' wishes regarding all aspects of the service so it can be improved, and any lacking features of the service can be dealt with as early as possible. If a customer is lost due to lacking service quality, word of mouth can quickly spread, and the company may gain a reputation of bad customer service.

## **2.5 Company structure**

Limited company is the most common company form in Finland. The reason for its popularity is that the form is seen as being credible. For the owners, a limited company is often safer than other company forms as the owners' finances are differentiated from the company. The owners are not personally liable for the debts of the company, only with their assets invested in the stocks of the company. The business entity should be a limited company when there are multiple founders, and the plan is to grow and expand as a business. There are also tax benefits for growing companies in being a limited company. One of the downsides for a limited company is that there is more bureaucracy involved in the operation. (OsuusPankki 2022.)

The company will be a limited company. The CEO of the company will be Otto Pulkkinen, and the vice-CEO will be Jere Palander. The board of directors will include one member that is not otherwise associated with the company as well as the two owners. The non-associated member is not yet specified. The owners will both own 50% of the company. This may change in the future if the company grows, and potential business partners join the operation.

The CEO will be in charge of the sales side of the business and the vice-CEO will take care of the background work such as marketing, producing content regarding the listings and managing the customer experience side of the business.

## **2.6 Revenue model**

Revenue model refers to the platform of monetizing customers value for the company. A revenue model is integrated into the business model itself and is supported by the business model in order to monetize the customers' value to the company. (Remeňová, Kintler & Jankelová 2020, 1.)

The business model referred to as a brokerage connects buyers with sellers and directly sell products themselves. Commonly, brokerage companies take a percentage of the price of a deal after it is finalized. This model is commonly used in real estate. (Investopedia 2022.)

The revenue model for the planned company will be a standard real estate business model of connecting buyers with sellers, acting as middlemen and taking a commission. Services other than acting as middlemen, such as aiding customers in finding help on legal, funding related or possible renovation aspects of the deals, are considered as networking with other businesses. Fees are not taken in those cases. If the social media platforms of the company grow sufficiently, it is possible to monetize them in the future for extra revenue. Large

social media platforms are a great source of revenue if the company manages to grow its presence in the social media.

## 2.7 SWOT- analysis

Creating a SWOT-analysis helps the company to identify, prioritize and organize the strengths, weaknesses, opportunities and threats. Creating a SWOT-list alone does not get one very far, but combined with brainstorming, it can achieve a lot of workable approaches for entrepreneurs. A SWOT-analysis can be time-consuming to interpret, which is why a company should take the time to do this. There are also positive aspects to the analysis e.g., SWOT-factors are ranked in order of importance relative to others, rather than simply listed and all given the same value. Most companies and organizations are familiar with the value of a process and the SWOT-analysis is built on that. (Watkins, West Meiers & Visser 2012, 127-131.)

The entrepreneurs Strengths, Weaknesses, Opportunities and Threats are analyzed in the paragraphs as seen in Table 1.

<b>Strengths</b>	<b>Weaknesses</b>
-Skilled entrepreneurs	-New company
-Trend aware	-Legal knowledge
-Connections	-Financial capacity
<b>Opportunities</b>	<b>Threats</b>
-Grow as a business	-War in Ukraine
-Higher margin	-Global pandemic
-Financially low risk	-Competitors
	-Possible recession

TABLE 1. SWOT-Analysis

The entrepreneurs' strengths include trend awareness, connections and the fact that they have previous experience working in the sales and marketing field. One of the entrepreneurs has been working successfully in the sales sector for five years. Therefore, the more competent entrepreneur will take care of the sales side, and the other will do the background work on the apartments, including photographing the apartments, preparing the advertisements and managing the customer experience side. Networking is important, as it helps the entrepreneurs do business and find clients in the real estate sector.

Entrepreneurs see that their weaknesses are that they are new to the business, lack legal knowledge and have limited financial resources. Great knowledge of the law is not necessary as such, as entrepreneurs can get help from their contacts for small matters and can hire a professional for larger ones if necessary.

The opportunity for the company is to grow bigger which will allow it to earn a higher margin on the homes sold. More profit can be made in the future, as the company and its owners become better known. The financial risks of a housing broker are low because they sell homes on behalf of others and take their own margin on the sale price. The commission paid to the company depends entirely on the number of homes sold and the best possible margin on the sale price.

The main threats identified were the war in Ukraine which affects the political and economic stability of Europe, a global pandemic, competitors and a possible recession. The war in Ukraine creates uncertainty for the whole world, and this could be a big threat for the company, depending on how the war develops. The restrictions caused by the pandemic have been reduced and therefore this threat is decreasing.

### **3 Competitor analysis**

Competitor analysis is a key feature of an organizations strategy, and it affects the way companies behave in their industries. Competitor analysis is done to measure and assess the standing of a company among competition. (Adom, Nyarko, Narki & Som 2016, 116.)

The competition of a new business idea should be clearly described and well researched, failing to do so will only make the entrepreneurs appear poorly prepared. Entrepreneurs that think there is no competition are only fooling themselves. Gathering information about competitors is rarely difficult as the data is readily available. (Scarborough & Cornwall 2016, 183.)

#### **3.1 Business environment description**

The factors that affect the survival, success and sustainability of a company can be classified as both internal and external. A business environment is a socio-political-economic construct, which is a sum of all external factors that influence or govern the operations of a business within its specific geographical area. The areas of an international business environment can be grouped into three categories, which are regulatory, facilitating and complicating elements. Each of the three main categories have sub-categories that are shown in Figure 2.

(Davies 2015, 3.)

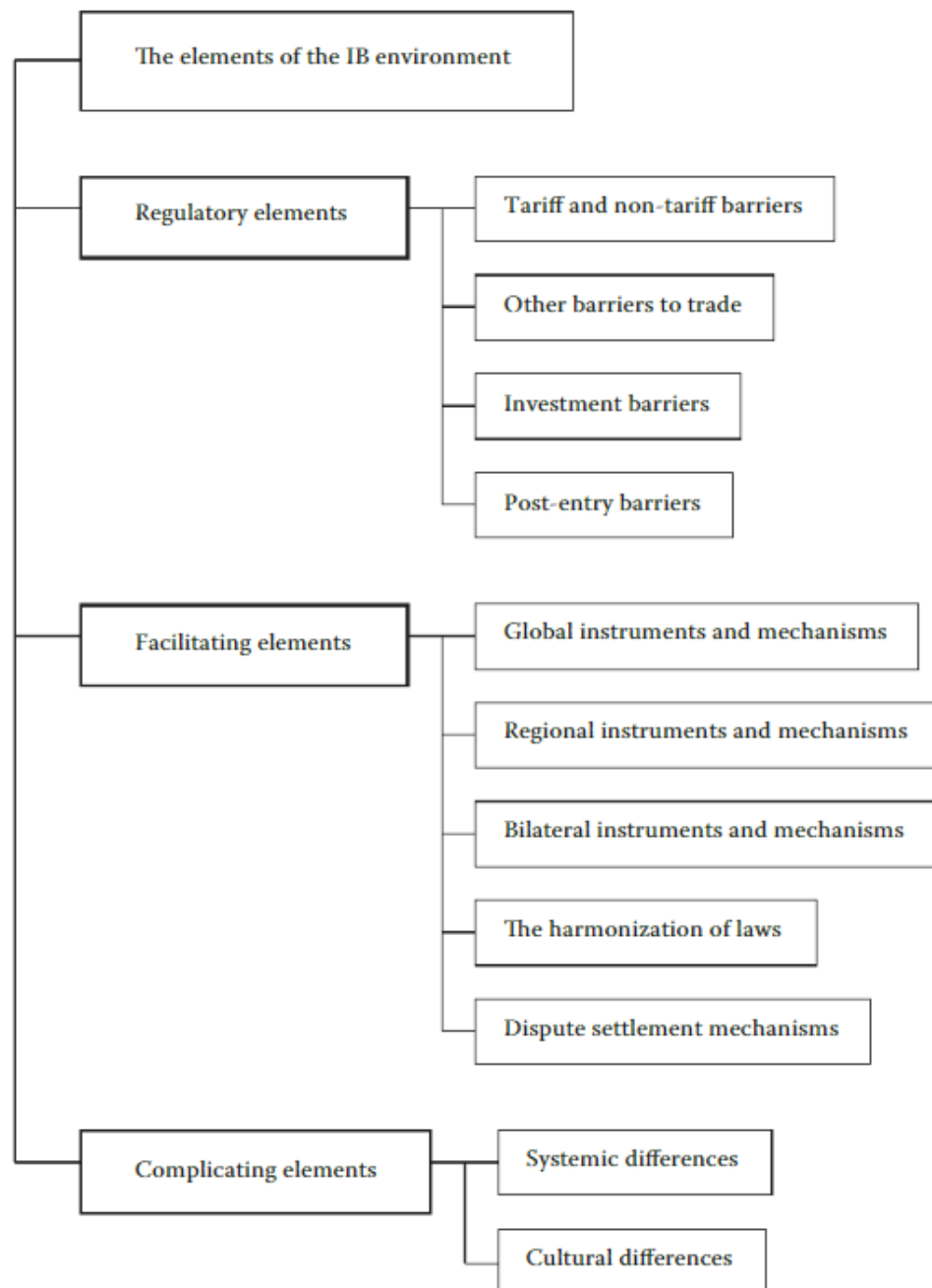


Figure 2. Elements of international business environment (Davies 2015, 4.)

Regulatory elements have the most dominant effect on the international business environment. They are the policies, laws, regulations, requirements and decisions made by governments that affect international trade and foreign investments. The four sub-categories are tariff and non-tariff barriers, other trade barriers, investment barriers and post-entry barriers. They apply directly to

the operations of a company and have the force of a national governments' authority. (Davies 2015, 5.)

Facilitating elements of the international business environment are the written agreements and the organizational entities that are controlled by two or more governments. They are called intergovernmental instruments and mechanisms. The five sub-categories are global, regional and bilateral instruments and mechanics, instruments and mechanics for the harmonization of laws and mechanics for dispute settlements. Facilitating elements provide the framework and systems that facilitate the economic operation of an international business environment, such as: reduction in barriers of trade and direct investment, harmonization of laws, dispute settlements and influence how governments treat companies in the aspect of the international business environment. (Davies 2015, 5.)

Complicating elements of an international business environment are systemic and cultural differences. They are the differences in legal, political, economic and social systems between countries. While the international business environment does not include aspects of the domestic business environment, the cultural and systemic elements of countries business environments create hidden aspects that affect the operation of international business environment and thus are aspects of it. (Davies 2015, 6.)

As Spain is part of the European Union, the regulatory elements are not very concerning to the entrepreneurs. The facilitating elements between countries in the European Union make conducting a business operation inside the borders of Europe quite streamlined. There are, of course, differences between systems and cultures which have to be taken into account when doing business, and as the entrepreneurs lack the required legal knowledge, everything should be checked by a professional of the legal field.

The entrepreneurs think that the most likely problems that may arise are outside factors and not necessarily the elements of the international business



environment itself. One of these factors is the recent war between Russia and Ukraine, which may result in the potential customers not being willing to invest large amounts of money into owning a holiday apartment. Although the war does not affect other countries directly, it will affect the overall economic situation of the world, such as rising interest rates and inflation. On top of that, customers may fear that the war would spread to other countries. Buying a vacation home, just like a nice car, is something that is influenced by feelings. If a customer feels that the political and economic situation in Europe is not stable and safe, it is unlikely that they will buy a vacation home in Europe, even if the aspects mentioned do not yet affect the Spanish market directly.

### **3.2 Main competitors**

The company is new, and people are not yet aware of the brand. The company needs to do something differently and new to make its competitors irrelevant. To succeed when entering a market, entrepreneurs must have a precise plan and be prepared to take risks. (Aaker 2011, xiii.)

While the company is marketing, presenting and selling its offer to a potential customer, the customer makes evaluations, creates opinions and makes a final decision on an offer (McAdam 2013, 58). This is why a company should strive to differentiate itself from its competitors.

There are three main competitors in the Spanish housing market offering Finnish language services. First of these competing companies is Habita (Habita 2022). The second company that also has a lot of apartments for sale is RE/MAX (RE/MAX 2022). Spainhouses is the third big competitor who has vacation homes for sale in Spain (Spainhouses 2022). These companies have holiday homes in the same locations and have been in business for longer periods of time, which makes them big competitors. The entrepreneurs aim to differentiate themselves in the market by offering the most personal, reliable

and memorable service possible. The main goal for entrepreneurs is to produce content for social media and acquire customers through it.

### **3.3 Competitive position**

According to Michael E. Porter, dealing with competition is the core of formulating a strategy. Despite what some business leaders may claim, fierce competition in a business sector is neither an accident nor is it poor luck. Additionally, competition in the struggle for market shares is not limited to the other participants. Instead, industry competition stems from its competitive dynamics and underlying economics, which extends way beyond the traditional adversaries in a specific business sector. There are five fundamental forces that influence the level of rivalry in an industry. (Porter 1979, 2.)

The five forces influencing the rivalry in an industry are illustrated in Figure 3 and explained in the next paragraphs.

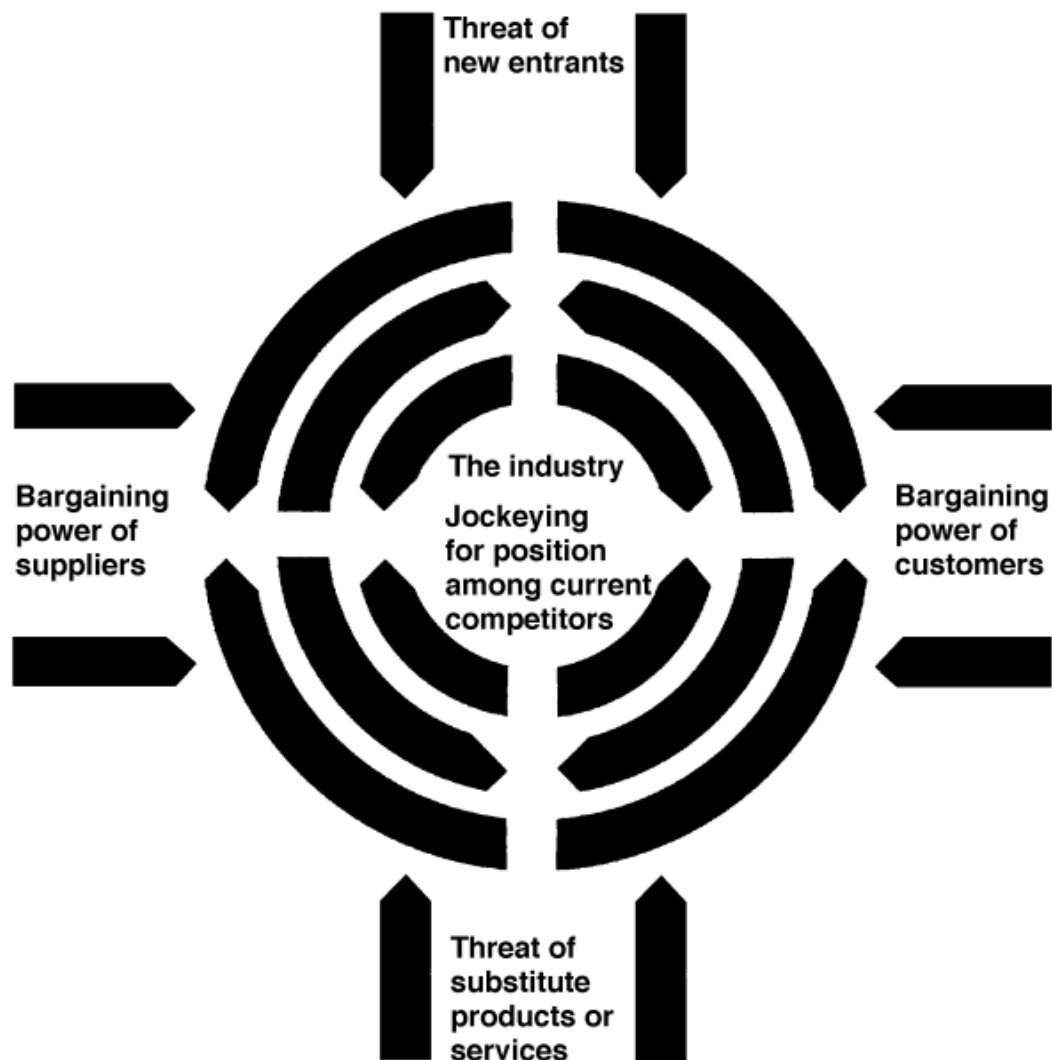


FIGURE 3. Illustration of Porters 5 forces (Porter 1979, 6)

Industry newcomers bring with them fresh capabilities, the ambition to increase their market share, and usually also massive resources. Businesses that are expanding by acquiring new businesses frequently utilize existing resources to reshuffle a market. (Porter 1979, 3.) For the existing large competitors, there seems to be a low threat of new entrants that are capable of competing against them. For a new entrant to be able to stand out, it is either going to take an enormous amount of capital or luck. Even if the new business potentially has much better service than the established competitors, the questions are, how does it stand and acquire the customers' trust without large investments? From the perspective of a business plan, the answer cannot be that the entrepreneurs

rely on luck; moreover, capital for large investments is simply not available for the entrepreneurs.

The large competitors of an industry can exert bargaining power against other participants of a market by competing with prices or with the quality of the product and service (Porter 1979, 5). The main competitors have great bargaining power against smaller businesses simply because of their size. The target market for the entrepreneurs is simply a small part of the competitors' operations, and the main competitors have much greater visibility on the market. Based on this, it seems to take more luck than skill to stand out in a market that is so saturated with competition.

Customers, on the other hand, have the power to reduce prices by demanding more or higher quality service and products and by pitting rival businesses against one another at expense of profitability for the businesses (Porter 1979, 5). In the real estate market, the customers of course have great bargaining power. The customer can choose the business they want to complete the transactions in. The customer likely chooses to buy a home from the business that has either the best service and customer experience, or in this case, the business that has the best reputation and is seen as being reliable. Reliability matters because of the large costs of buying real estate. It is self-evident that the customer will buy real estate from a facility that they deem to be trustworthy, rather than from an unknown new business.

Substituting products or services by setting a cap on product and service pricing, can restrain the potential of the market, and unless the substitute is able to innovate on the product and service quality aspect, the market will suffer in profitability and growth (Porter 1979, 7). For the large competitors, the threat of substituting services on the market for real estate seems to be low. There are of course a lot of real estate brokerages, but there is always the reason why the large companies are large: everyone knows them. Larger establishments are also often seen as more trustworthy. When there are large amounts of money

involved, trust matters, and it is difficult to overcome this barrier by simply offering better service.

Competition between already-existing rivals typically manifests as utilizing tactics such as pricing wars, launching new products, and advertising campaigns (Porter 1979, 3-7). The business plan specifies social media marketing as the main form of advertising. It is a good option, but how can one stand out when the competitor can pour more capital on marketing campaigns than the entrepreneurs? The products that the companies sell are the same. The differentiating factors are the service and its quality, the capital available for marketing and the price of the service. At best, the entrepreneurs could compete with the quality of the service and customer experience, perhaps even with the price by taking lower commission, but everything falls flat when standing out in the market is as difficult as it is.

#### **4 Market and Industry analysis**

Industry analysis is a tool that helps in understanding the competitive dynamics of an industry. It helps in identifying both the opportunities and potential threats that the company may face. (Corporate Finance Institute 2022.)

As with the industry, the market of a business idea should be described and discussed. All customers are not equally important. Some customers are satisfied with the services that are already offered by other companies, and some customers have needs that the business idea is not prepared to resolve. The business idea most likely cannot be tailored to fit every need. Instead, it needs to match the benefits that the business can deliver to those customers that will respond to them. The resulting customers are the target market. (Clippinger 2019, 113.)

## **4.1 Market scope**

The meaning of market scope is how and where the business offers its products and services (Gerson & Shotwell 1991, 9). Ideally a market for a start-up company is one that is big enough to fill the needs of the business idea but too small for it to attract big names of the industry (Barringer 2010).

The aim of the entrepreneurs is to sell vacation homes in Spain. As a real estate agency, the aim is to find the best possible solutions for the customers while offering the best possible overall customer experience. The aim is to stand out with impeccable customer experience and advertising content produced to the highest standards. In addition to selling real estate, the entrepreneurs will also offer assistance to customers in finding help for any funding, legal and possible renovation related problems that may occur. The main customers for the company will be those that have the financial capability and willingness to buy a vacation home.

The real estate sector is very competitive, and there are many businesses that offer services worldwide. There may be a chance for the entrepreneurs to stand out in a smaller market first while operating with the formerly mentioned aspects in mind. It would be nearly impossible to compete against the large companies at the start of the business journey. The entrepreneurs' success against the large companies later down the line relies heavily on the possible social media presence and growth, matters which will be invested in.

## **4.2 Market Barriers**

Once the target markets are defined, the potential barriers of entry have to be researched (Gerson & Shotwell 1991, 9). Barriers of entry may include challenges regarding technological, governments regulatory, patents, start-up costs or education and licensing related problems and requirements. Barriers of entry usually operate on asymmetrical principles. This means that different

companies have different strategies, assets, capabilities, access, etc. Barriers of entry become dysfunctional when they become high enough that existing companies are able to keep out all relevant competitors, which then causes a monopoly or oligopoly to form on the market. (Corporate Finance Institute 2022.)

The potential barriers that the entrepreneurs may face are that the real estate sector is already filled with well-known businesses and that standing out in a market like that may prove to be too difficult. In social media marketing, if platforms such as YouTube and Instagram are used to promote the entrepreneurs, standing out may be financially cheap, but it is still uncertain. Standing out and being a successful social media influencer is largely based on luck and going viral. If that is not achieved, it is difficult to grow sufficiently in terms of social media presence.

### **4.3 Growth rate**

In economics, growth rates are used to indicate a percentage change in a variable over a period of time. Growth rates can be both positive and negative. (Investopedia 2022.) The annual index of the value of house sales transactions in Spain is shown in Figure 4.

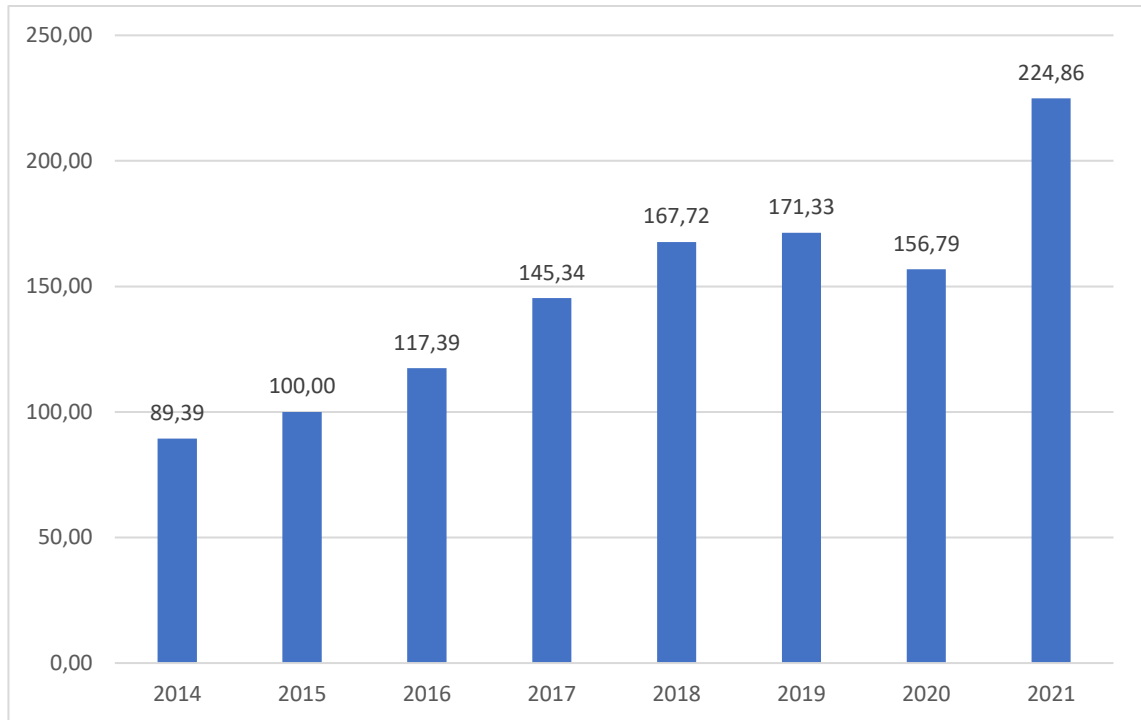


Figure 4. The annual index of the value of house sales transactions in Spain (2015=100) (Eurostat 2022).

Figure 4 indicates that the total value of transactions in the Spanish real estate industry has been steadily increasing since 2014. The index shows a clear drop in 2020. This happened because of the global pandemic and the restrictions that it brought. Inflation is taken into account on the index. The data indicates that the market has continued to grow after the restriction were reduced.

#### 4.4 Industry trends

Industry trends occur in every sector and these trends can vary over a very short period of time but are usually examined over a longer time frame. Trends can be related to marketing, sales or prices, for example. Industry trends and awareness of them can benefit a business significantly. (Worth 2022.)



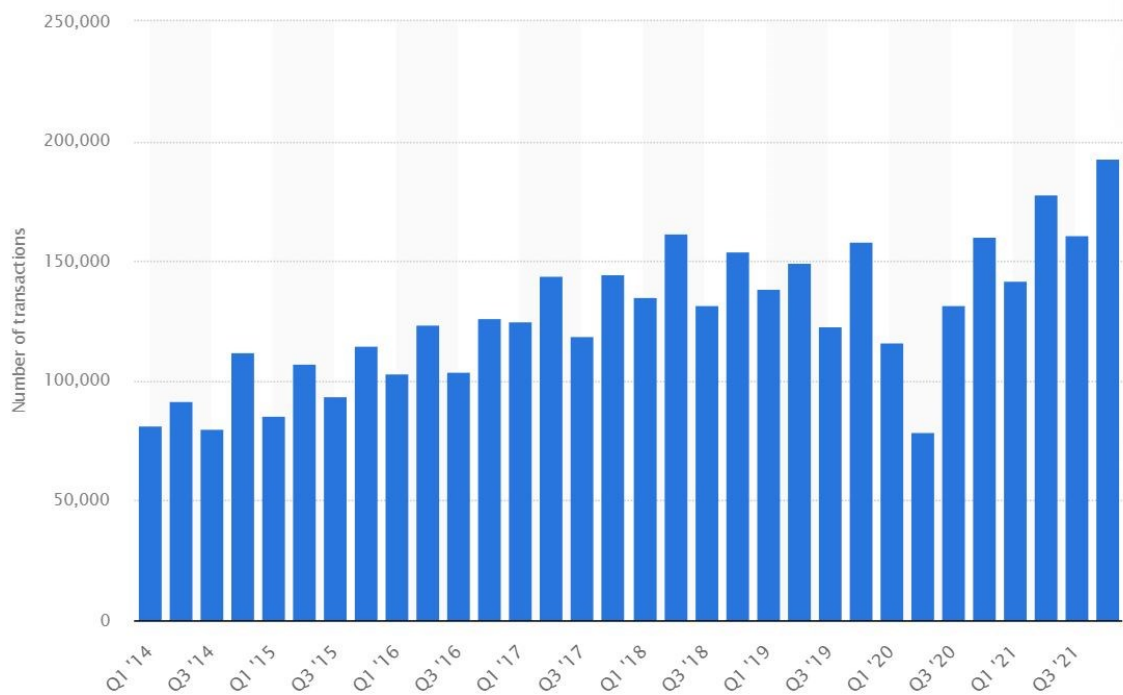


Figure 5. Number of residential real estate transactions in Spain (Statista 2022).

Figure 5 indicates that the sales of residential real estate in Spain have increased steadily until 2019. Immediately at the beginning of 2020, there was a bigger drop in the number of sales, and this was due to the pandemic caused by the coronavirus and the global restrictions it brought. As soon as the market returned to a more normal situation and restrictions were reduced, the figure shows that housing sales have also returned to normal and continued to grow.

#### 4.5 Market demand

Market demand refers to the consumers' desire to buy a product or a service and the willingness to pay a certain price for those products or services (Investopedia 2022). Market demand is analyzed based on Figure 6. and was previously covered Chapters 4.3 and 4.4.

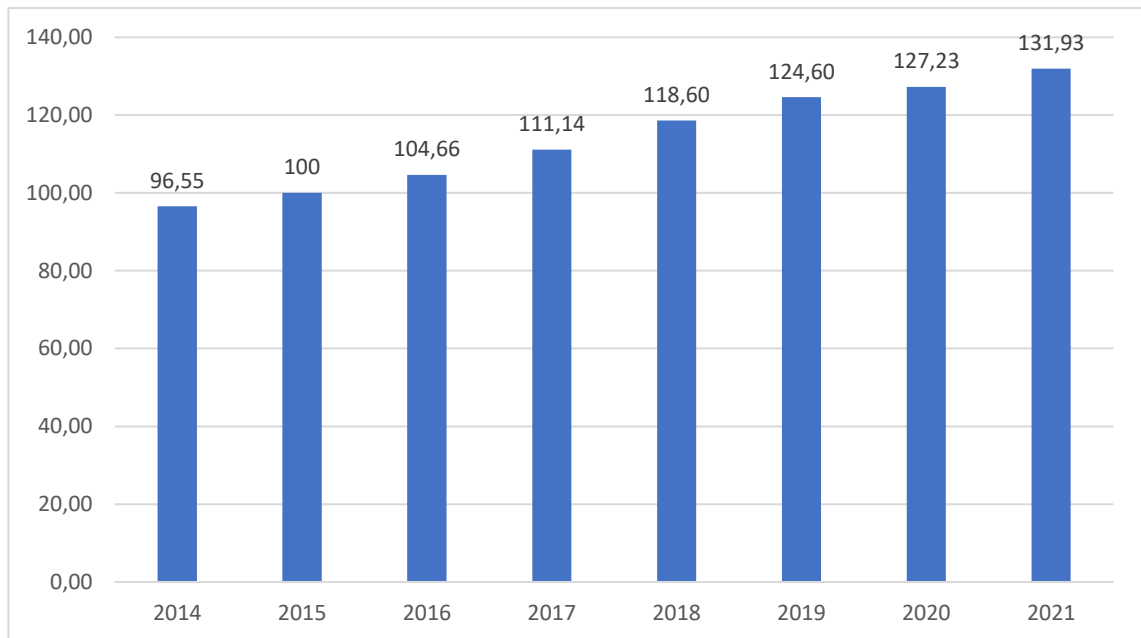


Figure 6. The housing price index (HPI) in Spain (2015=100) (Statista 2022).

Housing price index measures the development of house prices. As Figure 6 indicates, house prices in the Spanish market have steadily risen yearly since 2014. The average price of a house in Spain has increased by almost 32% since 2014. Inflation has been taken into account on the index.

The entrepreneurs organized a survey with 84 respondents. Of the respondents, 66.7% were interested in buying a holiday home now or in the future somewhere in Spain. The Southern coast and the Spanish islands were the most interesting for the respondents, with 88.1% being interested in those areas (Appendix 1). It has to be taken into account that some respondents may not have the interest to properly answer a survey. This can distort results. Data from a survey that has sample size this low cannot necessarily be regarded as being fully reliable because of that, but it can still work as an indicator.

As indicated by the previous metrics shown in Chapters 4.3 and 4.4, and as seen in Figure 6 and the survey in this chapter, there clearly is a demand for housing in the Spanish market. When taking these metrics into account, there is no indication that this demand would subside in the near future. The recent war

in Ukraine and rising inflation may affect the demand in the future should they further escalate, but as of writing, the market is healthy and growing.

#### 4.6 Sales approaches

Sales work must be done skillfully so that the customer likes the sales situation and the fact that he is being sold to. Most people do not like the feeling of being sold something. (Denny 2013, 5.)

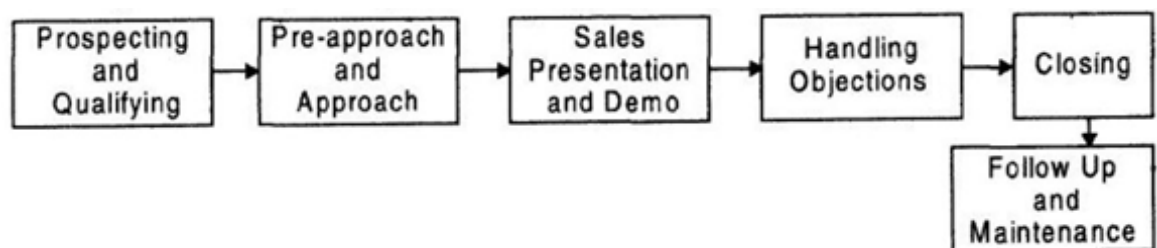


Figure 7. Sales process (Chunawalla 2008, 19.)

Prospecting is the first step. This involves the salesperson observing competitors, monitoring the market and generally looking at what is being sought to buy. At this stage, the salesperson also looks at potential leads. (Chunawalla 2008, 19-20.) The company is new, so leads are likely to come from the apartments for sale later, once visibility has been built up.

In the pre-approach phase, it is a good idea to get to know the potential customers as well as possible. Doing as much background work as possible will help when the time comes for the first face-to-face meeting. In this approach phase, the most important role is played by how the salesperson presents themselves and what kind of communication skills the salesperson has. (Chunawalla 2008, 21-22.) One of the entrepreneurs has been working successfully in the sales sector for five years and has thousands of customer encounters. There are no problems in the approach phase for the company due to previous experience.

A sales presentation is considered an important part of sales. Usually this involves introducing oneself and one's product, and possibly interviewing a potential customer to find out what they need. A possible presentation, depending on the product, and various types of promotional leaflets and other material are also often part of this. (Chunawalla 2008, 22-23.) The company will hold meetings with new customers and establish a reliable and solid relationship with them right from the start. The meeting will be a professional and pleasant experience for the potential customer.

The skillful handling of objections is important for successful selling. Objections will inevitably arise at times in sales situations, and the salesperson should not be intimidated by them. Objections should be identified and can almost always be resolved. A skilled salesperson should be able to recognize whether it is an objection or a condition. Sometimes the customer has a condition that the seller may initially treat in the same way as an objection. However, some conditions can create an obstacle to a successful sale and make it impossible to close the deal. (Chunawalla 2008, 25-26.) The company's salesperson has good communication skills and is therefore almost always able to find a final solution that satisfies both parties in the sale. Based on previous sales work, the salesperson is able to adapt to the customer's needs and put himself in the customer's perspective.

The most important of the sales stages is the closing of the sale. Without the success of this stage, the sale is not successful, and the company will not make a profit. Some customers may take a long time to make a decision, while others are quick to make a decision. It is important for the salesperson to always be ready to close the deal. The salesperson should also sometimes try to lead the customer to a buying decision by asking questions that may lead to a sale. (Chunawalla 2008, 26-27.) The company's salesperson has no previous experience in residential sales but will certainly be able to use his previous sales skills in the housing market. The sales job is very similar no matter what you are selling. Ultimately, once the salesperson has thoroughly familiarized

themselves with the property they are selling, they will be able to sell it successfully.

#### **4.7 Advertising and promotional plans**

Advertising is an important part of a company's business. It is one of the most important elements in the promotion of a company and its products. Advertising helps a company build its brand and brand image, which is important for sales. Advertising creates visibility for a business and, in the best case, can even create demand. Advertisements create a planned and controlled message that reaches many people. Ultimately, the only function of advertising is to sell the company's product. (Rajput & Vasishth 2008, 12–15.)

The company aims to make its ads eye-catching and attractive. Most of the marketing is done through various social media platforms, including YouTube, Instagram, Facebook, TikTok and Snapchat. These platforms are by far the most popular, and the company's visibility through these platforms can at best, grow exponentially. The company will provide an impeccable customer experience, which will play an important role in marketing, as this will help spread the word from customers to their friends and acquaintances. The company's goal is to get a big presence in social media and, through this, more valuable homes for sale. When the company has higher quality real estate for sale, it plans to make YouTube presentation videos about them. These videos will help the company to create unforgettable moments and dreams for potential future customers who watch these videos and aspire to own a vacation home in the future. This way the company will remain in the subconscious of the followers of the social media platforms and potential customers.

According to the survey 76.2% of the respondents felt that marketing through social media would be the most effective for them (Appendix 1). Social media marketing is also an inexpensive option to advertise and promote real estate and develop brand image.

## **5 Strategic analysis**

A strategic analysis is used to determine the goals of the business venture, conceptual plans in terms of performance, tactical plans, a schedule for success and a description of operating assumptions that may apply (Gerson & Shotwell 1991, 10). In addition, both financial and legal concerns are described in this chapter.

### **5.1 Key performance indicators**

Key performance indicators refer to the measurements that a business uses to analyze its performance (Investopedia 2022). To examine its performance, the company will use five KPIs: revenue growth, customer satisfaction, website and social media traffic, customer acquisition cost and number of engaged leads. The KPIs were chosen in a way that they would complement and help in analyzing the operations of the business in its early stages. More factors can be included in the future should the business operations grow.

### **5.2 Tactical plans, goals and schedule**

The first step of the plan is for both entrepreneurs to complete the LKV qualification. Only after passing the exam, can they call themselves real estate agents. Without this qualification, the entrepreneurs cannot sell apartments. This qualification must be held by at least half of the estate agents in a real estate company. In addition, the qualification increases the broker's reliability towards the client. (Keskuskauppakamari 2022.) The company's tactical plan is to run a short three-month trial period to see if it can attract customers and make a profit.

The company's schedule is that the LKV exam would be completed in January and the MVP testing phase would start in March 2023 and end in early June 2023. During the first MVP testing phase the company's goal is to sell two apartments in the first three months. Financial income is made by selling apartments. The mandatory expenses of the business are low. As a result, the first goals do not have to be too high. One of the most important business goals is that the company is known to have the best customer services available.

### **5.3 Legal considerations**

Entrepreneurs should consider the following when setting up a business. "Only private entrepreneurs or legal persons registered as real estate brokerage agencies may operate as real estate brokerage agency" (Ministry of Economic Affairs and Employment 2022). "The registration notification must be submitted to a Regional State Administrative Agency" (Ministry of Economic Affairs and Employment 2022).

The requirements for registration are as indicated by the following citations: "The agency has taken out a liability insurance that is estimated to cover any losses arising from the operations" (Ministry of Economic Affairs and Employment 2022).

The agency has a person in charge for its operations. The person responsible for the operations of a real estate brokerage agency must possess the professional competence demonstrated in the LKV (licensed real estate agent) qualification test, while the person responsible for the operations of a letting agency must possess the professional competence demonstrated in the LVV (licensed letting agent) or LKV qualification test. (Ministry of Economic Affairs and Employment 2022.)

A company shall be incorporated by way of a written Memorandum of Association, signed by all shareholders. By signing the Memorandum of Association, a shareholder subscribes for a quantity of shares, as indicated in the Memorandum of Association. The subscription shall not

be cancelled once all of the shares have been subscribed for, unless otherwise agreed. The term and the duties of the management and the auditors begins as of the signing of the Memorandum of Association. (Limited Liability Companies Act 624/2006, 1 §.)

The authors of this study do not have precise knowledge of the law in all situations. As a result, the company can hire a lawyer to help with legal matters if the need arises.

#### **5.4 Financial considerations**

As the company has not been established, it is difficult to make financial forecasting. The operation needs to be trialed for a period in order for the entrepreneurs to get reliable data. The start-up costs for the company are technically low, but standing out in the target market may take significant amounts of capital.

Setting up a limited company costs €380 if done on paper and €240 if done online. However, it must be considered that the share capital of the company must be zero euro in order to do this online. (Osakeyhtiön Perustaminen 2022.)

#### **5.5 Operating assumptions**

The company plans to sell relatively inexpensive holiday homes in Spain. Brokering expensive and more specialized holiday homes is not possible, at least initially, as the company's agents should have contacts with the owners of these types of homes or with districts where people own luxury homes. Networking plays a big role in the real estate industry, so if the company gets off to a good start and builds up popularity and networks, getting value homes for sale will be possible in the future.



The company and the apartments it has for sale will be advertised, at least in the beginning, solely through various social media sites. Social media advertising is a powerful way to reach as many potential customers as possible. In addition, advertising on social media platforms is cost-effective. Getting a lot of popularity and visibility on social media is very much about luck and timing. If a company has a lot of capital, it makes it easier to gain social media visibility, because then the company can organize various competitions with significant prizes and technically, buy visibility for itself. In the entrepreneurs' case, success regarding marketing relies quite heavily on luck.

## **6 Conclusions and discussion**

This thesis designed a framework for a business plan in the proposed market and studied the plans feasibility. The thesis consists of an introduction in which the general structure of the thesis is explained. In the second chapter, the summary of the business plan is given, including product and service description, explanation of the target market and customers, brief overview of the marketing program, company structure and revenue model. Lastly a SWOT-analysis of the entrepreneurs is studied. The third chapter was a competitor analysis, describing the business environment, indicating the main competitors and analyzing the competitive position of the company. The fourth chapter explained the planned market scope and potential market barriers that may be faced. After which the growth rate, industry trends and market demand were studied. Lastly, theory for sales approaches was presented and then, advertising and promotional plans were explained. The fifth chapter consisted of a strategic analysis introducing key performance indicators that complemented the business plan in its early development. Tactical plans, goals and schedule for the trial period were explained, and lastly, legal and financial considerations were examined along with operating assumptions.

After further examination regarding the framework and on the potential success of the operation, it can be concluded that the entrepreneurs would have good basic knowledge in order to proceed with the operation. The aspects that the entrepreneurs lacked knowledge of, such as legal and advanced financial details, would be further researched with outsourced help. The business environment and the target market were also regarded as suitable. The real estate market in Spain is growing and healthy. As of this study, the war in Ukraine and rising inflation do not yet affect the market in a meaningful way but should be taken into consideration.

When the entrepreneurs' competitive capabilities in the target market were analyzed, it was concluded that as of this study, it is not feasible to compete in such a saturated market. The market is simply too competitive, and it is not feasible to expect that the entrepreneurs would be able to win customers from larger competitors that have the potential capital for large investments in marketing. It was concluded that relying on luck for success in social media marketing is not a feasible strategy for success. Taking the competitive aspects of the research into account, it would be very difficult to achieve growth and success. If the entrepreneurs had a stable and large enough social media presence, the answer might be different.

The thesis clearly indicated that designing and properly evaluating a business plan and all of its aspects is very important. Although the risks were considered low, without the plan and its evaluation, the entrepreneurs could have wasted time and money by starting a business without the proper information required.

## References

- Aaker, D. A. 2011. Brand Relevance. John Wiley & Sons, Incorporated.  
<https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=644830&query=competitors> 15.10.2022
- Adom, A. Y., Kofi Nyarko, I., Narki, G. & Som, K. 2016. Competitor Analysis in Strategic Management: Is it a Worthwhile Managerial Practice in Contemporary Times? Journal of Resources Development and Management.  
<https://iiste.org/Journals/index.php/JRDM/article/view/33186/34084> 03.11.2022
- Avlonitis, G. J. & Papastathopoulou, P. 2006. Product and Services Management. SAGE Publications, Limited. <https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=334500&ppg=5> 01.11.2022
- Barringer, B. 2010. The Most Important Considerations for Starting Your Own Business: The Feasibility Study and Business Plan. Pearson.  
<https://learning.oreilly.com/library/view/the-most-important/9780132378826/ch01.html> 15.10.2022
- Byrnes, J. S. & Wass, J. S. 2021. Choose Your Customer: How to Compete Against the Digital Giants and Thrive. McGraw-Hill.  
<https://learning.oreilly.com/library/view/choose-your-customer/9781264257102/> 11.11.2022
- Camilleri, M. A. 2018. Market Segmentation, Targeting and Positioning. Tourism, Hospitality and Event Management.  
[https://link.springer.com/chapter/10.1007/978-3-319-49849-2\\_4](https://link.springer.com/chapter/10.1007/978-3-319-49849-2_4) 29.10.2022
- CFI Team. 2022. Barriers to Entry. Corporate Finance Institute.  
<https://corporatefinanceinstitute.com/resources/economics/barriers-to-entry/> 02.11.2022
- CFI Team. 2022. Industry Analysis. Corporate Finance Institute.  
<https://corporatefinanceinstitute.com/resources/management/industry-analysis-methods/> 02.11.2022
- Chen, J. 2022. Growth Rates: Formula, How to Calculate, and Definition.  
<https://www.investopedia.com/terms/g/growthrates.asp> 12.11.2022
- Chunawalla, S. A. 2008. Sales Management with Personal Selling - Salesmanship. Global Media. <https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=3011404&query=selling> 03.11.2022
- Clippinger, D. 2019. Business Report Guides. Research Reports and Business Plans. Business Expert Press. <https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=5638719> 27.09.2022
- Davies, W. 2015. The International Business Environment. A Handbook for Managers and Executives. Productivity Press.  
<https://learning.oreilly.com/library/view/the-international-business/9781498731164/chapter-01.html> 29.10.2022

- Denny, R. 2013. Selling to Win (4th ed.). Kogan Page, Limited.  
<https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=1109934&query=selling> 17.10.2022
- Gerson, R. F. & Shotwell, N. 1991. Writing and Implementing a Marketing Plan. A Guide for Small Business Owners. Course Technology Crisp.  
<https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=3116964&query=business+plan>  
 20.09.2022
- Habita 2022, <https://www.habita.com/toimipiste/53/Habita-Fuengirola>  
 01.11.2022
- Housing price statistics. 2022. Eurostat.  
<https://ec.europa.eu/eurostat/web/housing-price-statistics/data/database> 13.11.2022
- Kopp, C. M. 2022. What is a business model with types and examples. Investopedia.  
<https://www.investopedia.com/terms/b/businessmodel.asp>  
 04.11.2022
- Laillistettu kiinteistönvälittäjä LKV - Keskuskauppakamari.  
<https://kauppakamari.fi/palvelut/tutkinnotjakokeet/lkv/> 27.09.2022
- Limited Liability Companies Act.  
[https://finlex.fi/en/laki/kaannokset/2006/en20060624\\_20191139.pdf](https://finlex.fi/en/laki/kaannokset/2006/en20060624_20191139.pdf)  
 05.11.2022
- Lodish, L. M., Morgan, H. L., Archambeau, S. & Babin, J. 2015. Marketing That Works. How Entrepreneurial Marketing Can Add Sustainable Value to Any Sized Company (2nd ed.). Paul Boger  
<https://learning.oreilly.com/library/view/marketing-that-works/9780133994339/ch00.html#ch00lev1sec4> 19.10.2022
- McAdam, J. 2013. The One-Hour Business Plan: The Simple and Practical Way to Start Anything New. John Wiley & Sons, Incorporated.  
<https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=1392386&query=business+plan>  
 20.10.2022
- Mitä tarvitset hakeaksesi lainaa yritykselle? Nordea. <https://urly.fi/2SDX>  
 01.11.2022
- Number of residential real estate transactions in Spain from 1st quarter 2014 to the 4th quarter 2021. 2022. Statista.  
<https://www.statista.com/statistics/765414/real-estate-transactions-of-residential-homes-in-spain/> 10.11.2022
- Nunn, L. & McGuire, B. 2010. The Importance Of A Good Business Plan. Journal of Business & Economics Research (JBER).  
<https://clutejournals.com/index.php/JBER/article/view/677/663>  
 01.11.2022
- Osakeyhtiön perustaminen. <https://yrityksen-perustaminen.net/osakeyhtion-perustaminen/> 08.11.2022
- OsuusPankki 2022. <https://urly.fi/2SE1> 10.11.2022
- Pinson, L. J. 2008. Anatomy of a Business Plan: A Step-by-step Guide to Building the Business (7th ed.) Tustin: Out of your mind...and into the marketplace.  
<https://books.google.fi/books?hl=fi&lr=&id=klOJaF52G7QC&oi=fnd&>

- [pg=PP13&dq=business+plan&ots=LRC10gj9Uv&sig=3ORXHRpXwlcIgriiP8TzGcLcXro&redir\\_esc=y#v=onepage&q&f=false](#) 28.09.2022
- Porter, M. E. 1979. How Competitive Forces Shape Strategy. Harvard Business Review.  
[https://asiakas.kotisivukone.com/files/laatuoptimi2013.kotisivukone.com/tiedostot/porter\\_5competitive\\_forces.pdf](https://asiakas.kotisivukone.com/files/laatuoptimi2013.kotisivukone.com/tiedostot/porter_5competitive_forces.pdf) 10.11.2022
- Rajput, N & Vasishth, N. 2008. Advertising and Personal Selling. Himalaya Publishing House. <https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=588553&query=Advertising+and+Personal+Selling> 01.11.2022
- RE/MAX 2022, <https://remax.fi/fi/asunto-espanjasta> 01.11.2022
- Real estate brokerage agencies and letting agencies. Ministry of Economic Affairs and Employment. <https://tem.fi/en/real-estate-brokerage-agencies-and-letting-agencies> 07.11.2022
- Remeňová, K., Kintler, J. & Jankelová, N. 2020. The general concept of the revenue model for sustainability growth. <https://www.mdpi.com/2071-1050/12/16/6635/htm> 10.11.2022
- Scarborough, N. M. & Cornwall, J. R. 2016. Essentials of Entrepreneurship and Small Business Management (8th ed.) Pearson.  
[http://students.aiu.edu/submissions/profiles/resources/onlineBook/W8z3L4\\_Essentials\\_of\\_Entrepreneurship\\_and\\_Small\\_Business\\_Management-8.pdf](http://students.aiu.edu/submissions/profiles/resources/onlineBook/W8z3L4_Essentials_of_Entrepreneurship_and_Small_Business_Management-8.pdf) 05.11.2022
- Schneider, B., & White, S. S. 2004. Service Quality: Research Perspectives. Thousand Oaks: Sage publications, Inc.  
[https://books.google.fi/books?hl=fi&lr=&id=qBXliZ6-CBcC&oi=fnd&pg=PA9&dq=service+quality&ots=AiRsjsNaCu&sig=4bp2sRXILXiOkG836tJ5yech-8U&redir\\_esc=y#v=onepage&q&f=false](https://books.google.fi/books?hl=fi&lr=&id=qBXliZ6-CBcC&oi=fnd&pg=PA9&dq=service+quality&ots=AiRsjsNaCu&sig=4bp2sRXILXiOkG836tJ5yech-8U&redir_esc=y#v=onepage&q&f=false) 11.10.2022
- Schwetje, G. & Vaseghi, S. 2007. The Most Important Considerations for Starting Your Own Business: The Feasibility Study and Business Plan. Pearson. <https://learning.oreilly.com/library/view/the-most-important/9780132378826/ch01.html> 02.11.2022
- Spainhouses 2022, <https://www.spainhouses.net/fi/myynnissa-asunnot-espanja.html> 01.11.2022
- Statista. Housing price index (HPI) in Spain from 2007 to 2021. 2022.  
<https://www.statista.com/statistics/772550/housing-price-index-in-spain/> 11.11.2022
- The Investopedia team. 2022. Demand: How It Works Plus Economic Determinants and the Demand Curve. Investopedia.  
<https://www.investopedia.com/terms/d/demand.asp> 12.11.2022
- Twin, A. 2022. Key Performance Indicator (KPI): Meaning, Types, Examples.  
<https://www.investopedia.com/terms/k/kpi.asp> 11.11.2022
- Watkins, R., West Meiers, M. & Visser, Y. 2012. Guide to Assessing Needs. Essential Tools for Collecting Information, Making Decisions, and Achieving Development Results. World Bank Publications.  
<https://ebookcentral-proquest-com.tietopalvelu.karelia.fi/lib/pkamk-ebooks/reader.action?docID=868308&query=swot+analysis> 15.10.2022

Worth, M. 2022. What are Industry Trends?

<https://www.aboutmechanics.com/what-are-industry-trends.htm>

07.11.2022

2018. Liiketoimintamalli ja kansainvälistyminen. Novavara Marketing.

[https://novavara.com/liiketoimintamalli-ja-sen-merkitys-](https://novavara.com/liiketoimintamalli-ja-sen-merkitys-kansainvalistymisessa/)

[kansainvalistymisessa/](https://novavara.com/liiketoimintamalli-ja-sen-merkitys-kansainvalistymisessa/) 16.10.2022

## **Survey regarding the interest for Spanish real estate**

### Survey questions:

1. How old are you?

Answer options: a) 18-25 b) 26-32 c) 33-39 d) 40+

2. Do you already own a vacation home or a summer cottage?

Answer options: a) Yes b) No

3. Are you interested in buying a vacation home in Spain now or in the future?

Answer options: a) Yes b) No

4. In which region would you prefer a vacation home?

Answer options: a) northern coast b) southern coast c) eastern coast d) mainland d) Spanish islands

5. What price would you be most interested in for a vacation home?

Answer options: a) 0-75 000 b) 75 000-150 000 c) 150 000-225 000 d) 225 000+

6. What type of a vacation home would you like?

Answer options: a) Villa b) apartment in a block of flats c) rowhouse apartment d) semi-detached house

7. What kind of marketing would work best for you?

Answer options: a) social media advertising b) magazine advertisements c) TV advertising d) none

8. If you were to buy a vacation home in Spain, would you buy it for your own use or as an investment?

Answer options: a) for personal use b) as an investment

9. Would you prefer to use a Finnish or a foreign real estate agent?

Answer options: a) Finnish b) foreign c) not relevant

10. How would you like the presentation to take place?

Answer options: a) pictures online are enough b) video call presentation c) on-site presentation of the apartment d) no matter