

**SURFSCHOLAR BUSINESS PLAN: QUALITY REIGNS
SUPREME**

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Abstracto

A tese de mestrado que de seguida se apresenta vincula um plano de negócios para uma empresa baseada na prestação de serviços, que visa ajudar estudantes Americanos a matricularem-se em programas de mestrado em Lisboa, Portugal, por uma fracção do custo que teriam que acarretar no seu país. Combinando uma educação de alta qualidade e internacionalmente reconhecida com surf de calibre mundial, o enriquecimento cultural é a missão. A empresa, SurfScholar, funcionará numa base de comissão por estudante, permitindo que o primeiro serviço seja gratuito.

A revisão literária tem o papel de fundação crítica sobre a qual o plano de negócio de alicerça. Entre os tópicos abordados encontram-se a diferenciação de marcas, serviço e marketing de relação, tendências e motivos para estudar no estrangeiro, marketing de destinos (destination branding), e publicidade de boca-a-boca. Com uma compreensão mais abrangente dos tópicos mais importantes relacionados com a empresa de prestação de serviços, foram utilizadas ferramentas como a análise PESTLE, o Modelo de 5 Forças de Porter e a análise SWOT, no sentido de adquirir contexto mais profundo.

Uma vez analisada a concorrência, foi levada a cabo uma análise STP (segmentation, target and positioning) mais detalhada. Incluem-se também os factores-chave de sucesso, a estratégia da empresa e a desconstrução da marca da empresa, que conta com o logo, a ideia, missão, visão, valores e imagem de marca.

Foi elaborado um marketing mix focado nos 7 P's e Q. Tal inclui produto, preço, promoção, local (place), pessoas, processo, provas físicas e qualidade. Em suma, um plano financeiro foi executado com o objectivo de estabelecer e quantificar a viabilidade da empresa.

Keywords: Service, Quality, Higher Education, Word of Mouth Communication

Abstract

The following master's thesis entails a business plan for a free service-based company aimed at helping American students to enroll in fulltime master's programs in Lisbon, Portugal for a fraction of the price of what they would be paying at home. Combining a high-quality and internationally accredited education with world-class surf, exploration and cultural enrichment is the mission. The company, SurfScholar, will function on a per student commission basis which will allow it to offer the service for free.

The literature review serves as a critical foundation from which the business plan can be formulated. Topics that are included are brand differentiation, service and relationship marketing, study abroad reasons and trends, destination branding, and word of mouth communication. With a broader understanding of the important topics related to the service-based company, a PESTLE analysis, Porter's 5 forces and a SWOT analysis were conducted to gain further context.

Once the competition was analyzed, an in depth STP (segmentation, target and positioning) analysis was conducted. There is also the inclusion of key success factors, the company strategy and a breakdown of the company brand, including logo, idea, mission, vision, values and brand image.

A marketing mix was conducted that focused on the 7 P's and Q. This includes product, price, promotion, place, people, process, physical evidence and quality. In conclusion, a financial plan was executed with the intended goal of establishing and quantifying the viability of the company.

Keywords: Service, Quality, Higher Education, Word of Mouth Communication

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1. Executive Summary

1.1. SurfScholar

The goal of this thesis is to compose and present a business plan for a service-based company geared towards Americans that provides free academic advising and assistance in regards to obtaining a Master's degree in Lisbon, Portugal. Furthermore, the niche of surfing is used as a unique differentiating factor and to further the attractiveness of the destination.

By offering the service free of charge for the prospective students, the company works on a per-student commission basis from the designated university of acceptance. The service takes place pre-departure and post-arrival. Pre-departure services entails providing useful information, answering degree and city/surf specific questions and assisting with pre-departure logistics. Post-arrival services entail the student's entrance into an accommodating community, on-the-ground logistical support, advice, connections and surfing related matters.

1.2 Business Plan

In order to gain a better grasp of established works in the fields relevant to the topic, an extensive literature review was conducted. All topics examined in the literature review are valuable in furthering the prosperity of the unique service-based company in question. The first installment revolves around brand differentiation and differentiation marketing. As SurfScholar has positioned itself as a one of a kind service, understanding the principles of differentiation is valuable. Subsections covered in this installment include the merits of segmentation and experiential positioning/differentiation.

The second installment considers service and relationship marketing. As SurfScholar is a service that relies heavily on relationship marketing, this installment proved very useful. Subsections include the general principles of service marketing and relationship marketing, an examination of service quality by field leaders Cronin and Taylor, the difference between service marketing and goods marketing, relationship marketing in higher education and customer loyalty and satisfaction in higher education.

The third installment focuses on all things related to studying abroad. As our ‘clients’ would be doing just that, many great insights were gained through this research. Subsections include study abroad trends, rise in employability after studying abroad, how studying abroad helps you grow as an individual, how the expectancy theory relates to the decision making process of prospective study abroad candidates and how to effectively market study abroad.

The fourth installment explores destination branding. Because Lisbon as a destination is integral to SurfScholar, it was important to truly research the complex concept of the ‘destination.’ Subsections include the dissection of ‘destination’ and destination branding/tourist created content (TCC).

The final installment of the literature review focuses on word of mouth communication (WOM). WOM is predicted to be one of the key pillars of the effective growth of the company and is a common theme throughout both the literature review and the rest of the business plan. Subsections include a general dissection of WOM and offline WOM vs. online WOM.

After the literature review, a highly detailed PESTLE examination was formed with the explicit goal of gaining a greater contextual understanding of the situations in both America and Portugal, and where within that context SurfScholar lays. By examining the similarities and differences between the USA and Portugal, it becomes clear that Lisbon is the ideal location for a surf-interested master’s student.

After the PESTLE analysis, a market analysis was conducted that focuses on specific numbers regarding eligible clients in America, and was followed by a competitor analysis. As there are no direct competitors, an examination of MasterPoral, the global leading free European master’s specific advising service, was conducted.

Once the market analysis and competitors analysis was complete, Porter’s 5 Forces were utilized to analyze the competitive power of the company. Because of the uniqueness and specialized knowledge of those within the SurfScholar, the competitive power of SurfScholar proved noteworthy after going through the 5 Forces.

After the completion of Porter’s 5 Forces, a SWOT analysis was conducted in order to determine the internal strengths and weaknesses, and the external opportunities and

threats posed for SurfScholar. While there are definite internal weaknesses and external threats, the most prominent portion of the SWOT analysis came from the opportunities section.

After the SWOT analysis, segmentation, targeting and positioning (STP) took place. The market was segmented into two categories: avid surfers and lifestyle enthusiasts. While the more attractive target was shown to be avid surfers, already executed outbound marketing proved to be attractive to lifestyle enthusiasts as well. Therefore, they are both the target of SurfScholar. SurfScholar looks to position itself as the global leading free service combining a master's education and surfing, suitable and attractive to both avid surfers and lifestyle enthusiasts.

Next, key success factors became tangible and the strategy of the company was developable that revolves around niche differentiation and exceptional service. Also, a proper analysis and description of the company's brand is executed which includes the mission, vision, values and brand image.

With any business plan, the marketing mix plays a pivotal role. This thesis takes into account the 7 P's and Q. The Q stands for quality. Due to the intangible nature of services, service quality is vital enough to stand equally alongside the 7 P's. The 7 P's include product, price, promotion, place, people, process and physical evidence. While all 7 P's and Q are critical, the bulk of this section focuses on Promotion. Spreading the word about SurfScholar is priority number one, and there are many ways of doing this. Included in promotions subsection is WOM and social media, day in the life video, branded content, media kit, business cards, ambassador program, California university tour and blended marketing.

The final section is the financial plan. The financial plan is used to analyze the financial viability of SurfScholar based on a 5-year projection. Subsections of the financial plan include assumptions, a summary, drivers of sales and revenue source, cost structure, sales, income statement, balance sheet, cash flow statement and business valuation. SurfScholar works on a 15% per student commission fee of total tuition, and is split into two payments to SurfScholar at the end* of each academic year. Therefore, there is a cash delay that leads to positive cash flows beginning in just Year 3. Once positive cash

flows begin, however, the company healthily stays afloat. There is a Net Present Value (NPV) of 106,512 EUR on the 5-year projection.

2. Introduction

There are many factors that go into deciding whether or not to pursue a master's degree. Among these factors is undoubtedly the financial aspect. The question must be posed: is getting a master's degree worth the investment? Unfortunately for many in America, the answer is a resounding no! This is because, unfortunately, Universities in America are all too often run like a for-profit business. It has gotten to the point where aggregate outstanding student loan debt in America has surpassed 1 trillion dollars, tragically affecting up to 43 million borrowers. In Europe, there is a more pragmatic approach to how education is offered. When the priority is the educational wealth of the students opposed to the literal wealth of the institution, you get stellar educational programs for a fraction of the price as in America. This was the spark that lit the flame for SurfScholar. Thus, SurfScholar was founded on the notion that no one should be barred from getting a high quality master's degree because of financial restraints, particularly those regularly implemented in America.

As all three founding members of SurfScholar were in part drawn to study in Lisbon by the world-class surfing conditions on tap, it was decided that the niche of surfing would be used as a unique differentiating factor. What was born was the first and only academic advising service combining master's degrees and a surfing experience. In other words, the intention of SurfScholar is to brand Lisbon as the best destination in the world to be both a master's student and a surfer while helping as many people as possible have the amazing experience the founders had.

With the prospective students' best intentions in mind, SurfScholar functions completely free of charge. Instead, SurfScholar operates on a per student commission basis (15% of the total tuition cost), receiving money solely from partner universities. Offering the service for free is congruent with the narrative that the brand's intentions are more community-oriented than customer-oriented. When dealing with SurfScholar, the prospective student receives personalized and detailed answers to any questions that may

arise. By offering effective and personalized assistance free of charge, SurfScholar attempts to establish a peer-to-peer relationship. Through consistent social media and www.surfscholar.com blog updates, SurfScholar has the potential to give a first hand glimpse into the life of a surfing student at one of Lisbon's internationally accredited universities.

Once a student has been accepted to master's program through www.surfscholar.com and arrives in Lisbon, they have officially entered the SurfScholar community. SurfScholar provides an on the ground presence, available to help/guide however possible, when needed. SurfScholar provides a sense of belonging and security that is comforting for someone taking the big step to a foreign land. Once a part of the SurfScholar community, they will have access to the resources, connections and knowledge the founding members have forged over the last several years.

The general trend towards globalization has inevitably translated into globalized education. Having international experience and education is now viewed largely as a positive attribute to have and one that better prepares and qualifies prospective students to enter the global business landscape. This, coupled with increasing international acceptance of foreign degrees, has led to the number of students looking to study abroad and experience different educations, languages and cultures to skyrocket in the last 15 years. To quantify this; the number of exchange students globally went from 1.75 million in 2000 to 3 million in 2009, with by far the largest percentage (nearly 50%) of exchange students globally being in Europe. This trend is not forecasted to decline either. Rather, it is forecasted that by 2025 the number of students studying outside their home countries will balloon to 7.6 million (Rutkowski, 2014).

Portugal, and particularly Lisbon, has become an ever-increasing higher education destination, especially in regards to attracting international students for both temporary (Erasmus, semester abroad, etc.) and permanent studies. Several key factors have attributed directly to this occurrence. Firstly, the level of university education is steadily rising while also offering more and more classes/programs in English. While this university related combination is in itself alluring to prospective international students, it is the attractive attributes of the city of Lisbon that make it a truly desirable study destination. According to Worx (Lisbon based real-estate consultancy firm) CEO Pedro

Rutkowski (2013), “*student life is good in a foreign country where the cost of living is relatively much lower than in other European capitals and there are still more advantages, such as security, good food and wine, climate, beaches close by, cultural programmes and night life*” (p. I). This ever-growing attractiveness that Lisbon is experiencing is an excellent opportunity/selling point for helping to shepherd international students, particularly Americans, to Portugal. This, coupled with the obscene tuition fees present at practically all public and private universities in America and the outstanding surfing conditions in Lisbon (and Portugal as a whole), was seen as viable grounds for the founding of SurfScholar.

3. Literature Review

3.1 Brand Differentiation and Differentiation Marketing

Brand differentiation is a critical component of today’s business. This is particularly the case in markets that either already saturated and/or are highly competitive. Distinguishing oneself from the competition when entering a new market is a valuable and effective tool to help create success.

3.1.1 Segmentation

A big part of differentiation is distinguishing an appropriate market segment. Once a segment has been distinguished, businesses should tailor their differentiation in accordance with the wants, desires and needs of that segment. For this to be successful, the target market segment must be different from the other market segments. Once this is done, specific unique buyer needs must be found and catered to. Achieving successful target segmentation is done as a result of extensive market research. Once the research is complete and a target is chosen, it is up to the business to differentiate themselves from their competitors and provide uniqueness (Okumas and Altinay, 2010). Once a segment is established, it also becomes much easier and efficient in regards to who/how they should market their business. By finding the segment most suited for your business, you can market more successfully (Dalman and Min, 2014).

3.1.2 Experiential Positioning/Differentiation

While all forms of commodity-based companies abstractly utilize experiential positioning, the hospitality/tourism/accommodations markets use it directly. In these markets, experience is everything. However, in my case, the student accommodation market may be lagging behind in this field compared to traditional hotels, resorts and hostels. By creating an experience in a field which does not necessarily take this approach into account can greatly and poignantly differentiate a business from its competition. As stated by Padget and Mulvey (2009), *“Experiential positioning is the strategic process of understanding consumer desires, creating and delivering a particular form of experience, and communicating the firm’s proposed experience to consumers in a way that differentiates the brand from competitors in the consumer’s mind”* (p. 87).

According to Padget and Mulvey (2009), The creation of a common theme for the experience is paramount for creating solid differentiation. The purpose of this theme is to unify the entire process, including the experiential marketing mix. This common theme provides a consistency that should then reflect through all aspects of the company. In other words, a unified experience for the entire operation. Communicating this theme in regards to the experiential offering is an important part of the marketing mix. As stated by Padget and Mulvey (2009), the advertising/marketing should act in a way that elicits relational feelings and connections. The experience should be present in the marketing, and potential clients should be able to feel this experience and, in a sense, interact with it.

3.2 Service and Relationship Marketing

3.2.1 Service Marketing/Quality

When it comes to service marketing, many believe the service itself reigns supreme. While this may seem like an obvious statement, the service quality is both the essence and the foundation of good service marketing. This is highlighted even further in that the service is essentially a performance; a performance which is in and of itself the product. As pointed out in Berry and Parasuraman’s 2004 book *Marketing Services: Competing Through Quality*, *“The textbooks stress the four P’s of marketing – product, place, promotion, and price – but in a service business none of this works very well without a Q*

–for quality” (p.4).

While the initial innovative service idea is an important aspect, it is in fact the execution of that service that sustains business success. This is particularly important in that innovative services are often shamelessly copied. It is therefore the superiority in service execution that will ultimately lead to a service’s prosperity. An example of this is Dominos directly imitating Pizza Hut’s home delivery service. Once an innovative service is seen as a success, other companies will naturally/inevitably jump on board. However, while the concept of an innovative service is easy to copy, the quality is often much more difficult (Berry and Parasuraman, 2004).

3.2.2 Cronin & Taylor

In a landmark study conducted by Joseph J. Cronin Jr. and Steven A. Taylor in 1992 titled: *Measuring Service Quality: A Reexamination and Extension*, Cronin and Taylor sought out to investigate three main questions:

1. *How should service quality be conceptualized and measured?*
2. *What is the causal order of the relationship between service quality and consumer satisfaction?*
3. *What impacts do service quality and consumer satisfaction have on purchase intentions?* (p.63)

At the time when Cronin and Taylor began this study, the common consensus was that perceived service quality was only partially connected to an attitude. There were many attempts made to differentiate service quality from the attitude of consumer satisfaction. While they were similar, they were not in fact one in the same. Through their literature review and empirical study, Cronin and Taylor (1992) denoted that service quality should in fact be conceptualized and measured in regards to an attitude (SERVPERF scale), and the previously used satisfaction (SERVQUAL scale) paradigm was flawed.

In regards to the causal order of the relationship between service quality and consumer satisfaction, much of the literature at the time of Cronin and Taylor’s (1992) study suggested that satisfaction was as an antecedent of service quality (cf. Bitner 1990; Bolton and Drew 1991). However, the study conducted by Cronin and Taylor (1992) suggests through their empirical study that in fact service quality leads to consumer

satisfaction, as was proposed by Parasuraman, Zeithaml, and Berry (1985, 1988). Cronin and Taylor's (1992) results also find that the consumer's satisfaction possesses a more potent influence on one's purchase intentions than service quality. While customer satisfaction is naturally influenced by the quality of the service itself, it is thus argued that managers "may need to emphasize total customer satisfaction programs over strategies centering solely on service quality. Perhaps consumers do not necessarily buy the highest quality service; convenience, price, or availability may enhance satisfaction while not actually affecting consumers' perceptions of service quality" (Cronin and Taylor, 1992, p. 64).

3.2.3 Service Marketing vs. Goods Marketing

Exhibit 1-2 Nature and Roles of Services Marketing

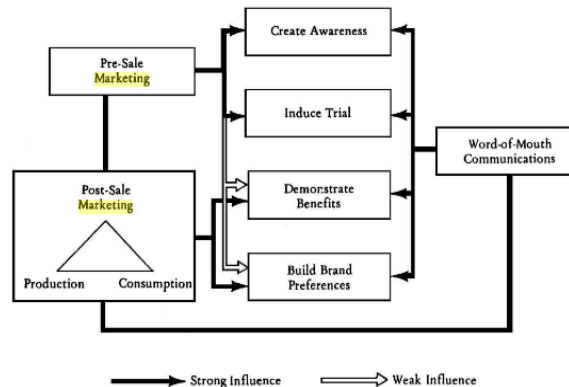


Figure 1 - Service Marketing Process

(Source: Berry and Parasuraman, 2004)

Exhibit 1-1 Nature and Roles of Goods Marketing

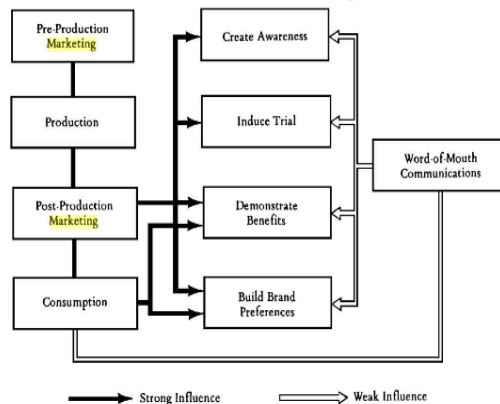


Figure 2 - Goods Marketing Process

(Source: Berry and Parasuraman, 2004)

These two figures demonstrate the inherent difference between service marketing and goods marketing. While both a service product and a goods product begin with critical need identification and product design function, the monumental difference lies in production time and post-consumption activity. While goods are produced before they are sold, a service is almost always ‘produced’ after the sale is made. Because of this, service marketing has a much smaller pre-purchase influence on customers than pre-purchase goods do. As noted by Berry and Parasuraman (2004), “*Whereas good marketers may be able to move prospective customers from brand awareness to brand preference with packaging, promotion, pricing, and distribution, services marketers usually cannot*” (p.6-7). Therefore, it is only during and after the consumption of the service that the most important benefits arise. ‘During’ by providing the best possible experience for the customer and ‘after’ by producing positive word of mouth communication.

Given the invaluable quality of the word of mouth communication within the realm of service marketing, this is seen as a huge priority. While it is in fact possible to create pre-purchase packaging, promotion and brand awareness, it is the intangible nature of the service that in fact makes the post-experience word of mouth communication so valuable when compared to goods marketing. One is able to test-drive a car, for instance. However, one cannot ‘test-drive’ a service. Therefore, there is a greater sense of risk and hesitancy from prospective customers to rely solely on the pre-sale marketing from service providers and instead trust much more people who have themselves experienced the service (Zeithaml and Bitner, 1996). Ultimately, it is simply the quality and execution of the service that produces the most positive outcome in regards to service marketing, whereas goods marketing can rely much more heavily on pre-sale and even pre-production marketing and branding.

3.2.4 Relationship Marketing/Quality:

At it’s core, relationship marketing is understood in regards to the relationship between a company and its’ customer before, during and after a purchase. To better annotate the essence of the relationship, I will provide several concrete definitions:

Groenroos (1996):

“Relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met; and that this is done by a mutual exchange and fulfillment of promises”(p.11)

Berry (1983):

“Attracting, maintaining, and – in multi-service organizations – enhancing customer relationships” (p.25)

Sheth and Parvatiyar (1995):

“Attempts to involve and integrate customers, suppliers, and other infrastructural partners into a firm’s developmental and marketing activities.”

Chalasani and Shani (1992):

“An integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time”(p.34).

Whereas service quality hinges on the service’s technical aspects and level of effective execution by the provider, relationship quality can be viewed by the resulting feelings a customer has towards the provider, their relationship with the provider in regards to commitment and trust, and their overall level of customer satisfaction (Dagger, David, and Ng, 2011; Choi et al., 2004; Ferguson et al., 1999; Groenroos, 1984).

There are strong benefits for maintaining such relationships and fostering their level of quality. Three distinct types of relationship benefits are:

1. confidence,
2. social and,
3. special treatment benefits for the customer that go beyond the core offerings of the service (Dagger, David and Ng, 2011).

Confidence benefits can be seen as the reduced anxiety that comes with making a purchase and the confidence that accompanies essentially knowing what you will get from the transaction (Gwinner et al., 1998). These relationship induced confidence benefits serve as a form of relationship stability (Patterson and Smith, 2001).

The social benefits of maintaining a relationship refer to benefits resulting from the actual relationship between customer and service provider (Reynolds and Beatty, 1999).

Special treatment benefits encompass price breaks, faster service and/or individualized service for customers with whom the company has an existing relationship (Gwinner et al., 1998).

According to the study by Dagger, David and Ng (2011) titled *Generating positive word-of-mouth in the service experience, “confidence, social, and special treatment benefits enhance customer perceptions of technical, functional, and relationship quality”* (p.134). Ultimately, it is argued that this is what leads to higher levels of positive word of mouth communication from customers. Being the result of relationship marketing and maintenance, these three benefits will ultimately positively affect the overall fluidity and quality of the service in question. As this results in positive word of mouth communication, which is essential to any service-based provider, maintaining strong relationships is critical. In conclusion, Dagger, David and Ng (2011) denote that *“Since relationship benefits provide additional value to service experiences, it is likely that benefits will enhance a customer’s level of perceived service quality, from a functional perspective”* (p.135).

3.2.5 Relationship Marketing in Higher Education

Relationship marketing in the realm of higher education has become a popular trend. By viewing prospective students as potential customers and the institution a brand, centers of higher education can effectively use relationship marketing tactics to distinguish themselves in the highly competitive marketplace (Bowden, 2011). While viewing students as clients or customers can be seen as controversial (Ng and Forbes, 2009), it also has its benefits. A detractor of the benefit of viewing students and higher education institutions through the framework of the ‘student as a customer’ is McCulloch (2009), who believed that this framework led to an increased distance between students and the learning process, faculty and administrators. McCulloch (2009) also saw this framework as suggesting that the educational experience would be left simply as a passively used, product-based output exchange.

On the contrary, according to Jana Lay-Hwa Bowden (2011), “*conceptualizing the student as a customer emphasizes the importance of fostering a two-way interactive, dialogue-based relationship between the institution and its student body*” (p.213). Therefore, both the student body and the institution in question are inherently and by definition bounded by mutual service production and value extraction. The back and forth present between the student body and the higher education center results in the students becoming co-producers of the service itself, as well as a co-creator of the type, nature and strength of the relationship between the two entities (Bowden, 2011).

3.2.6 Customer Loyalty and Satisfaction in Higher Education

Customer loyalty is the pinnacle outcome of successful relationship marketing. Oliver (1999) describes loyalty as a “*deeply held commitment to rebuy or to repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing, despite situational influence and marketing efforts having the potential to cause switching behavior*” (p.34). This loyalty is integral in forging and strengthening a positive customer-brand relationship, and in return, results in a unique competitive advantage. In regards to higher education, the positive attitudes that are forged towards their brand has been shown to lead towards positive word of mouth recommendations and even the potential for repeat purchasing in the form of continuing education at the same institution (Mavondo, Tsarenko and Gabbot, 2004).

Customer satisfaction can be understood as the extent to which a customer experiences consumption-related fulfillment (Oliver, 1999), and has traditionally been measured by the difference between expected and actual outcome of the service or product experience (Churchill and Suprenant, 1982). Customer satisfaction is one of the premiere factors that lead to customer loyalty. Factors that lead to high levels of customer satisfaction in the realm of relationship marketing are: quality of prior interactions with the service provider (Geyskens, Steenkamp and Kumar, 1999), continuous positive reinforcement (Hennig-Thurau, Gwinner and Gremler, 2002), the consistent fulfillment of service promises by the service provider (Delgado-Ballester and Munuera-Aleman, 2001) and the customers’ belief in the reliability and integrity of the given company (Morgan and Hunt, 1994).

In the realm of higher education, customer satisfaction has been shown to result in positive word of mouth recommendation by students (Mavondo, Tsarenko and Gabbot, 2004), higher revenue streams and minimized costs by higher educational institutions because of ensuing minimized marketing costs (Shah, 2009) and explaining a substantial portion of students variance in willingness to recommend the given educational institution (Marzo-Navarro, Pedraja-Iglesias and Rivera-Torres, 2005). High levels of relationship induced customer satisfaction has also been strongly linked to the attraction of other prospective students, the retaining of existing students, increased donation patterns and increased alumni membership (Helgesen and Nettet, 2007).

3.3. Why Study Abroad?

3.3.1 Study Abroad Trends

The rise in students studying abroad has been consistently rising. As the world continues its trajectory towards globalization, students are responding by seeking educations abroad.

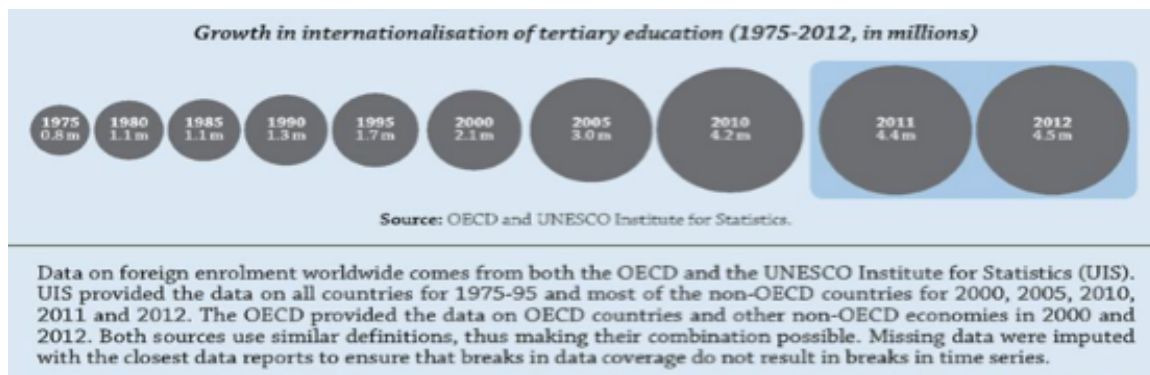


Figure 3 - Long-term Growth in the Number of Students Enrolled Outside Their Country of Citizenship

(Sources: OECD, 2011 and UNESCO, 2012)

While the prevalence of students studying abroad has raised globally, students studying abroad originating from the United States is relatively very low. The United States ranks only 15th globally in terms of the number of students studying abroad (OECD, 2011). In fact, polling has showed that while an upwards of 55% of college-bound students demonstrate a desire to have a study abroad experience, with 26% demonstrating a strong desire (Green, Hestel and Bartini, 2008), less than 3% of these students actually end up

participating in any study abroad program (Institute of International Education, 2011), suggesting a strong disconnect between prospective study abroad students intent and execution.

As a result of this relatively low ranking, the Abraham Lincoln Study Abroad Commission was established by Congress with the hopes of curbing America's apparent lack knowledge in regards to the rest of the world (Durban, 2006). With this, the Lincoln Commission Report of 2005 set a high reaching goal of 1 million American students studying abroad by 2016/2017, a number that would be a 284% increase from 2008/2009 and a represent roughly 50% of the number of annual college graduates (Lincoln Commission, 2005). However, Open Doors 2015 Report On International Educational Exchange produced by The Institute of International Education shows that for the academic year of 2013/2014 there were only 304,467 U.S. students who received any academic credit from abroad, which demonstrates only a 5.2% growth from the previous year (Institute of International Education, 2015).

As the business landscape internationalizes, so do the expectations businesses have of their prospective employees and their level of international education (Albers-Miller, Prenshaw and Straughan, 1999). The concept of international experience and competency is a unanimous desire in the business sector. This rise in globalization has led to the practical inevitability of most companies operating internationally in one capacity or another (Crossman and Clarke, 2010). Being equipped to fulfill the desires of modern businesses has translated into educational institutions themselves often highly encouraging, or even requiring an international experience, often times in the form of a study abroad program or experience (Presley et al., 2010). According to Dr. Allen E. Goodman, President and CEO of The Institute of International Education, a world-leading international education and training organization founded in 1919, *"International experience is one of the most important components of a 21st century education. Studying abroad is one of the best ways undergraduate and graduate students gain the international experience necessary to succeed in today's global workforce. And studying in another country prepares students to be real contributors to working across borders to address key issues in the world we share."*

3.3.2 Employability

Along with globalization comes the need for internationally minded prospective employees. Therefore, it is logical that students with an international education and resulting intercultural understanding would positively differentiate themselves from someone without that experience, and as a result make themselves more employable (Eaton and Kleshinski, 2014). Even though this has been proven time and time again, prospective study abroad students still often worry about the viability of their international educations. According to Konopaske and Werner (2005), study abroad students are in fact experienced individuals who have gained precious and invaluable skills that will help them to combat potential hurdles present when dealing with foreign companies, countries and business partners. Kedia and Daniel (2003) go so far as to say the most vital international skill looked for by firms is an understanding and appreciation of cross-cultural differences. To put this into perspective, up 70% of CEOs in the United States held senior positions abroad for a minimum of two years (US News and World Report, 2010).

While there has historically been many established qualities that make someone employable that are related to the way one thinks and approaches problems, this era of globalization has ushered in new and necessary employee characteristics that are desirable (Eaton and Kleshinski, 2014). While characteristics such as problem solving, leadership and communications are certainly still viable and attractive to employers, there is now a series of employee competencies that have emerged as differentiating factors between an average and above average employee. Chief among these globalization-necessitated competencies are the ability to operate globally, intercultural understanding and the ability to speak (at least) a second language. These competencies are invaluable to a company operating on an international level and are direct results of time spent abroad. While some are born into a situation in which they speak multiple languages, the first two competencies practically necessitate an international experience. Having experience abroad, in a foreign land, demonstrates to employers a willingness to broaden your horizons and an ability to be comfortable in an uncomfortable situation (Eaton and Kleshinski, 2014). An international experience also shows an employer that you have the

capability to relate and communicate with people from all walks of life. This benefit of intercultural understanding tells employers that you are ready to operate in an international business landscape (Crossman and Clarke, 2010).

Another way being abroad greatly increases one's employability and career preparation is if while abroad, the given person participates in an internship. Having an international internship on one's resume has a massively positive affect on career development (Curran, 2007; Dwyer, 2004).

3.3.3 Growing as an Individual

While having an international education on your resume often leads to higher levels of employability, it also helps one grow as an individual. Firstly, the experiential learning component of studying abroad has been consistently shown to have a positive impact on student learning capabilities (Deardorff, 2006; Dwyer, 2004). Also well documented is the reported personal growth study abroad students experience and its positive affect on exhibiting more focused educational and career goals, as well as raised levels of intercultural competence and a corresponding broader worldview (Curran, 2007; Dwyer, 2004).

According to Johnson (2006), individuals who are a part of generation y ('millennials' born in the 1980's and 1990's) have a *"worldview that informs their education, careers, choices and lifestyles"* and a desire for firsthand experiences that shakes up their routine, engages their senses, and stimulates personal growth (pp.4-8). Noble, Haytko and Phillips (2009) contest that by studying millennial's purchasing patterns and behaviors, it is seen that they associate the products that they purchase with personal choice, individuality, freedom and independence. This same valuation of independence, unique experiences and cultural encounters is given to students by study abroad experiences (Clarke, Flaherty, Wright and McMillen, 2009; Sánchez, Fornerino and Zhang, 2006). Also, it has been demonstrated that students who have in the past studied abroad tend to score better than students whom never studied abroad on the 'experience seeking' subscale, showing a clear desire for unusual experiences (Schroth and McCormack, 2000). Therefore, it can be denoted that this desire for independence, personal growth and unique/unusual experiences, is the same desire that drives students to action in regards to having a study

abroad experience.

3.3.4 Expectancy Theory

Expectancy theory was first developed by Victor Vroom in 1964 and involves “a cognitive process theory of motivation that is based on the idea that people believe there are relationships between the effort they put forth at work, the performance they achieve from that effort, and the rewards they receive from their effort and performance” (Lunenburg, 2011, p.1). Since Vroom related directly to the workplace, this can be understood that someone will be motivated if they believe that putting forth a high effort will result in a good performance, and that that good performance will result in corresponding desired rewards.

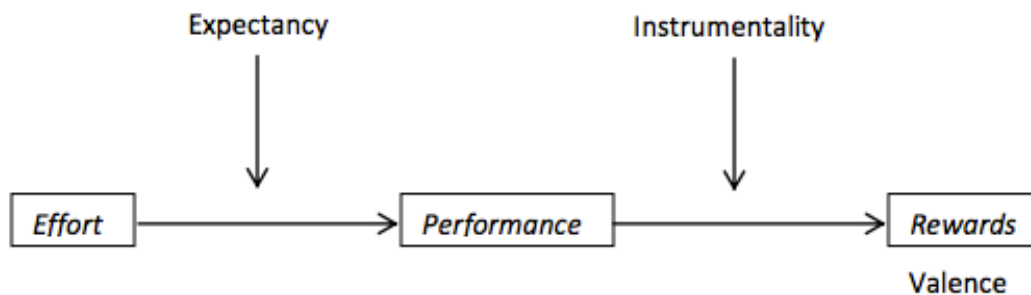


Figure 4 – Expectancy Theory
(Source: Lunenburg, 2011)

Relyea, Cocchiara and Studdard (2008) applied the expectancy theory in order to study the motivational factors as they pertain to perceived risk and value associated with the study abroad experience. They hypothesized “*risk propensity will have a direct relationship with the likelihood to engage in an international experience*” (p. 350) and secondly, that “*the relationship between risk propensity and the likelihood of engaging in an international experience will be moderated by perceived career value such that when students perceive the career to be low, high risk takers will be less likely to participate in an international experience compared to when students perceive the career value to be high*” (p. 351). Having a sample group of 471 undergraduate business students, they proved that both hypotheses were supported. In the case of temporary studying abroad, it must then be the responsibility of the home university to ensure their prospective study abroad students that they will manage as best they can both foreseeable and unknown

risks. It is also critical that students are thoroughly informed of the great benefits of studying abroad, in regards to both personal development and employability wise (Relyea, Cocchiara, and Studdard, 2008). In the case of someone looking to complete an entire degree abroad, there are services that can provide the same level of risk management and counseling that are (should) be offered by home universities.

3.3.5 Marketing Study Abroad

Given the studies that have been done on why people do and should participate in a study abroad experience, it is useful to explore how, given these studies, such an experience could most effectively be marketed. By understanding the motivations, deterrents and process involved when deciding to pursue education abroad, a more informed and encompassing marketing strategy can be devised.

As was explored in the previous section in Relyea, Cocchiara, and Studdard (2008) study, managing risk is critical. Being able to communicate to potential study abroad students that risk is managed allows for easier attention being focused on the reward. This reward, among other things, is the increased employability that results from participating in such an experience. Since it is clear that prospective students worry about the viability of an education abroad upon returning to their home job market, stressing this point is critical.

A factor analysis on the motivational and deterrent factors for studying abroad done by Bomi and Carol (2014) took into account four motivational factors and four deterrent factors: “*intrinsic experience, professional regulators, introjected social, intrinsic liberty and four deterrent factors: information available, school involvement, financial feasibility, family apprehension*” (p.17) What they found was that the two most prominent factors involved in the motivational factors of students to study abroad were ‘intrinsic experience’ and ‘professional regulators.’ Of the two, the ‘intrinsic experience factor’ was far and away the most potent motivator and “responses contain such as to gain self-confidence, learn a new language, to experience new culture, to meet new people and to interact” (Bomi and Carol, 2014). Therefore, it would advisable and affective to market both future employability and the intrinsic experience factors prospective students are yearning for. When it is understood what in fact prospective students desire, it becomes much easier to market accordingly.

As was previously mentioned, while American students are in fact interested in pursuing an international educational experience, there is large disconnect between intent and action resulting in less than 3% of students choosing to study abroad opposed to the upwards of 55% of students interested (ACE, 2008; Institute of International Education, 2011). Therefore, while the interest is high, it is speculated that this is a result of the decision seeming in the far away future and essentially leading to a procrastination of the actual decision. However, it is a big decision and when left to the last minute, it can seem daunting and overwhelming (Loberg, 2012). Because of this, it is important to have a timely marketing plan, which takes into account the full decision process. This also necessitates a steady level of correspondence with prospective study abroad students in order to foster the high level of interest.

The way in which marketing material is presented is also an important factor. For instance, it is important that the material accurately represents the experience. Through their study, Hartley and Morphy (2008) found that material for study abroad experiences were presented in a very clean and touristy manner. They compared this material to the standard university viewbooks in which everyone is perfectly smiling and posing in front of a manicured surrounding. Instead of showing students abroad interacting and experiencing with a dynamic new culture, study abroad marketing material often took an old school, cookie-cutter approach by showing smiling students in front of cliché tourist attractions (Hartley and Morphy, 2008). A study by Bolen (2001) also found that the marketing material tended to exude an aura of consumerism opposed to true cultural experience or academic integrity.

3.4 Destination Branding

In the realm of tourism, the word ‘destination’ often gets liberally thrown around, particularly in regards to how to brand. When the location essentially becomes the given product, it is required to denote what within that location comprises the ‘destination,’ and, in turn, how to best brand it as such. Therefore, it is first appropriate to define the term ‘destination’, and what it exactly means and implies.

3.4.1 ‘Destination’

In order to give a more comprehensive understanding of the term ‘destination,’ I will display several definitions from notable texts on the matter from the past several decades. Burkart and Medlik’s 1974 *Tourism. Past, Present and Future* defines the ‘destination’ as:

“This geographical unit visited by a tourist may be a self contained centre, a village or a town or a city, a district or a region, an island, a country or a continent. This geographical unit may be described as the tourist destination....The tourist destination, however defined geographically, provides a convenient focus for the examination of the tourist movement and of its manifold impact and significance. How important any geographical unit is as a tourist destination, or how it is potentially, is determined by three prime factors: attractions, accessibility and amenities which may be termed the tourist qualities of a destination. (p. 46)”

Here, the authors seem to separate the ‘destination’ from the ‘tourist qualities’. Once a physical location and area is defined, the infrastructure is set into place to examine how this physical space, or ‘geographical unit,’ can be assessed as a tourist destination in accordance with the three prime factors of: ‘attractions, accessibility and amenities.’ This form of macro to micro analysis of locations could be beneficial in determining/distinguishing the prime factors for each ‘geographical unit’ and how they are interconnected.

Cooper et al’s influential 1993 textbook *Tourism. Principles and Practice* gave a more concise definition for destination that reads:

“The destination represents the raison d’être for tourism; it is the reason for travelling, and the attractions at the destination generate the visit” (p. 77).

While similar to the previous definition from Burkart and Medlik, here the physical location (destination) is what sparks the intent to travel, whereas it is the actual ‘attractions at the destination’ that translate that desire into actually making the visit. Therefore, in the case of Portugal, the general appeal of the destination of Portugal may be enough to make someone want to visit, but it is rather the specific amenities within Portugal that will lead to action.

In 2001, Danish author Christjan Fussing Jensen formulated a more comprehensive

definition in his book “Den innovative adfærd i oplevelsesintensive virksomheder. Et strategisk perspektiv i turisme”:

“It is characteristic for the tourism sector that firms creating economic and job effects are part of a bigger totality, where it is not the service offer of the single firm’s but all service offers together, that are the sale argument [...] This totality is in the literature called a destination” (p. 7; Translated by Wolfgang Framke).

With this definition, Jensen highlights the interconnectivity in regards to the destination’s interior amenities. By stressing that it is ‘all the service offers together’ which in fact make a destination, the notion of constructive/sustainable coexistence between services and firms is the selling point.

3.4.2 Destination Branding and Tourist Created Content (TCC)

The obvious goal for any city, state, country or even continent, looking to attract both short and long term visitors is to present an appealing image. While this is most direct in the case of traditional tourism, companies and services hoping to attract any form of business to their host country has the same desire.

According to Gartner (1986), a destinations image and brand are not the same thing. Instead, the organic way an image evolves, and is materialized through word of mouth and other forms of information obtained about a destination, is detached from prompted evolution of the image that comes from destination management organizations (DMO) branded promotion (Gartner, 1986). Therefore, it is the goal of entities looking to brand a destination to focus on promoting an appealing image. However, since there is a technical lack of literal ownership of the destination product or the specific attributes of the actual experience, a destination brand promoter “*makes the taglines, slogans, logos and commercial campaigns the focus of the destination brand and represents the formal elements of the brand*” (Munar, 2011, p. 293). In return, “*Tourists relate to the destination brand by participating in image formation and by adopting and using these formal elements in their different types of generated content on the web*” (Munar, 2011, p. 293). The result of this is tourist created content (TCC).

<i>Tourist-created content</i>	<i>Destination branding formal elements</i>	<i>Destination image formation</i>
Narrative (encyclopedic, review, travel diary, blog, microblog)	Narrative identity: Slogans, taglines, brand name	Narrative text of the impressions, beliefs and attitudes on the destination experience
Visual (photography and video)	Visual identity: Logo, advertising campaigns (photos or video)	Images of the destination experience
Audio (narrative and/or musical)	Audio advertising campaigns (music or text)	Audio stories about the destination experience

Figure 5 – Three Forms of Tourist Created Content (TCC)
(Source: Munar, 2011)

The above figure shows the three different forms of TCC (narrative, visual and audio), the three corresponding formal destination branding elements, and the three corresponding forms of destination image formation. The third column is produced by tourists and is therefore the TCC outcome.

Munar's (2011) study *Tourist-created content: rethinking destination branding* ultimately concluded that not only do people not actively incorporate formal elements of destination branding such as country slogans, taglines or advertising campaigns when sharing their personal travel stories, but they are also much more influenced by seeing and/or engaging with other peoples TCC. This is particularly noteworthy because tourists are extremely active in creating and sharing their own personal destination image formation (Castells, 2001). What is created then is essentially a digital word of mouth, which has long been seen as the most influential factor when making a purchase decision.

3.5 Word Of Mouth (WOM)

Word of Mouth (WOM) has long been lauded as one of the strongest forces in realm of the decision making process. People tend to trust the input of other customers on a higher level due to the natural skepticism one has when analyzing the obvious intentions of a company's marketing/endorsement (Wong and Sheng, 2012). WOM is an active contributor in a company's growth by bringing in new customers, even though they company itself is not directly involved or in control of that process. It also helps to suspend current customers cognitive dissonance by keeping them satisfied and confident with their purchase decision (Festinger, 1957).

While WOM is highly effective for physical products, it is even more potent in regards to service based operations. As seen in Dagger, David and Ng's 2012 *Generating positive word-of-mouth in the service experience*, "Word-of-mouth is especially important for service providers whose offerings are largely intangible, and experience or credence based. In these services customers rely heavily on the advice and suggestions from others who have experienced the service (Kinard and Capella, 2006)" (p. 134). Because such intangible offerings are very experience based, often times the direct approval/disapproval of someone who has experienced it themselves is much more valuable than any possible advertisement of marketing ploy by the given company. As noted by Berry and Parasuraman (2004), "In general, the more difficult it is for customers to evaluate salient aspects of a product prior to purchase, the stronger the potential influence of word-of-mouth communications and the more the product will need to be marked like a service" (p. 6).

3.5.1 Online vs. Offline WOM

Word of mouth communication can come in several different forms. A clear division can be seen between digital and traditional means of word of mouth communication. Electronic WOM entails communication done online, and includes modes such as social media, email, chat rooms and blogs. Traditional WOM of mouth communication is done physically through personal interactions/communication, promotional events and peer-to-peer physical interaction.

Specific personal interactions and informal exchanges regarding a given product have been shown to not affect an consumers purchase decisions and choices, but also mold a consumers potential expectations (Anderson and Salisbury, 2003), pre-usage and pre-purchase attitudes (Herr, Kardas and Kim, 1991), and even the post-usage perceptions and attitudes about a service or product (Bone, 1995).

Electronic word of mouth communication is at its core the same as traditional, offline word of mouth communication, and has been on the rise since the internet has, among many other things, revolutionized the way in which people interact. The staggering percentage of people with access to the internet and all that it has to offer and irreversibly altered the course of human interaction. The internet has given people a new way and

scope to express their views, including on their satisfaction or dissatisfaction with certain products or services (Cheung and Thadani, 2012). The most potent of the online, digital word of mouth mechanisms is social media, allowing patrons to freely and widely recommend, discuss, disseminate and be critical of products (Harvard Business Review, 2011). People active on social networks have the capability to not only share personal information, stories and opinions, but can easily influence those within their online social sphere in terms of peoples' pre-purchase decision making process (Vilpponen et al., 2006)

4. PESTLE Analysis

4.1 Political

The political atmosphere in Portugal, and particularly Lisbon, is perfect for the launch and success of prospective startups. In recent years, a huge push has been made to help foster the growth of the entrepreneurial spirit within Portugal and Lisbon, and such efforts have been largely supported and activated by the Portuguese government.

This effort has culminated in Lisbon being awarded the inaugural award of Entrepreneurial Region of the Year in 2015 at the 107th plenary session of the EU Committee of the Regions (CoR) by president President Ramon Luis Valcárcel *“for the city's strategy to boost entrepreneurship and implement key European policies such as the Small Business Act (SBA) and the Europe 2020 Strategy for growth and jobs”* (www.cm-lisboa.pt). By combining domestic policies with EU initiatives, Lisbon has, from a political standpoint, strategically positioned itself as an ideal European business hub going into the future.

4.1.1 Bologna Declaration

With the general increase in globalization, Europe sought out to further globalize its educational systems. With that in mind, the Bologna declaration was born. In 1999, a concerted effort was made amongst the Educational Ministries of 29 (now 46) European countries to create and support compatible higher education systems. What this did was

promote an equal opportunity for all students seeking a higher education within Europe by ensuring comparable standards and quality of education. A major outcome of the Bologna Declaration was the new ability for students to move around to different countries in pursuit of a degree. Because the systems were now compatible, the door was opened for a trans-continental migration of degree-seeking students. In order to accommodate the new influx of international students, degrees taught entirely in English began popping up all over Europe. Portugal has been a member of the Bologna Process since its inception in 1999. According to Brenn-White and Van Rest (2012), *“The Bologna Process serves to “strengthen competitiveness and attractiveness of the European higher education and to foster student mobility and employability through the introduction of a system based on undergraduate and postgraduate studies with easily readable programs and degrees”* (p. 6).

One of the key actions taken by the European Higher Education Area (EHEA) with the Bologna Process in order to create homogeneity amongst European higher education institutions was to transform Europe’s previous ‘two-tier’ system and instead, participating countries in the newly developed EHEA structure would entail three ‘cycles’ in terms of bachelor’s, master’s, and doctoral degrees (Brenn-White and Van Rest, 2012). This system was put into place in order to *“facilitate exchange studies at higher education institutions across Europe by providing them with improved access to higher education institutions and degree programmes according to their individual preferences and skill sets,”* (Munch and Hoch, 2013, p. 1).

While this system was invaluable in the pursuit of fostering the mobilization of students within Europe, the standardization benefits translated into a globalized student mobilization and overall making Europe a more desirable study destination. This new three-tier system would be compatible with that of Economic Co-Operation and Development (OECD) countries. OECD countries consist of 21 European Union countries (including Portugal) and 13 others, among them being The United States of America, Australia and Japan (Munch and Hoch, 2013).

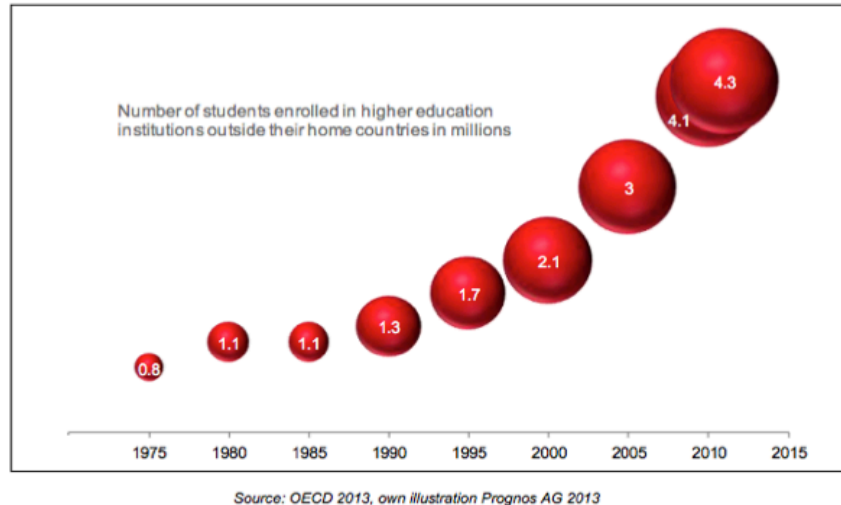


Figure 6 - Student Enrollment Outside of Home Country and in OECD Countries
(Source: Munch and Hoch, 2013)

In this graph, we see the development of the number of students studying outside their home countries and in OECD countries has developed since 1975. As can be seen, the number has more than doubled since the Bologna Process was activated in 1999.

4.2 Economic

4.2.1 Economic - USA

A large factor as to why studying in Portugal would be desirable is the combination of the cost of living and tuition fees students in the United States are burdened with. In short, there has never been a worse time to get an education in the United States in terms of the economic hardships bestowed upon the students.

As is seen in the above graph, tuition fees continue to skyrocket in the United States, more than doubling since the year 2000. While tuition has risen, so has overall student yearly expenditure in regards to cost of living being added to the equation.

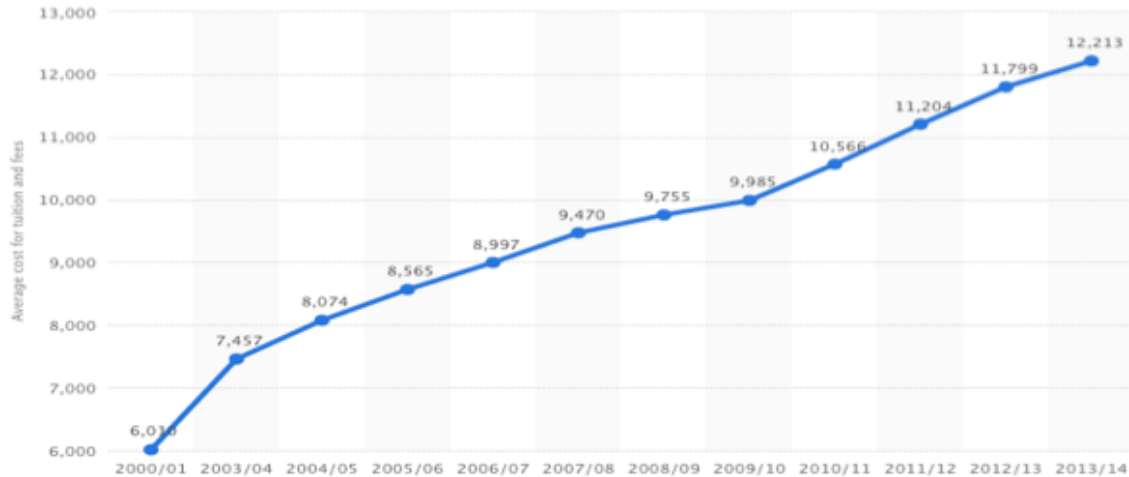


Figure 7 – Rising Tuition Fees in United States From 2000-2014
(Source: www.statista.com)

As is seen in the above graph, tuition fees continue to skyrocket in the United States, more than doubling since the year 2000. While tuition has risen, so has overall student yearly expenditure in regards to cost of living being added to the equation

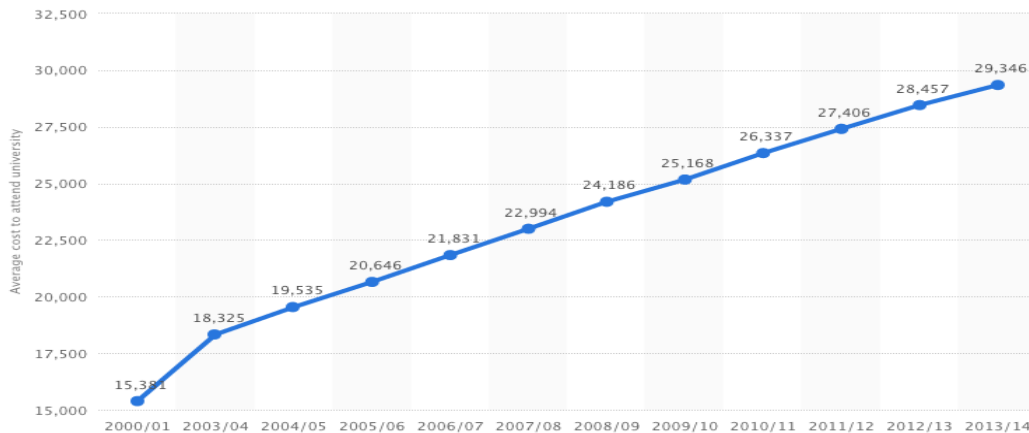


Figure 8 – Rising Student Costs in United States From 2000-2014
(Source: www.statista.com)

The above graph charts the increase in costs for students attending university in their home state (cheaper than going out of state) and living in university housing.

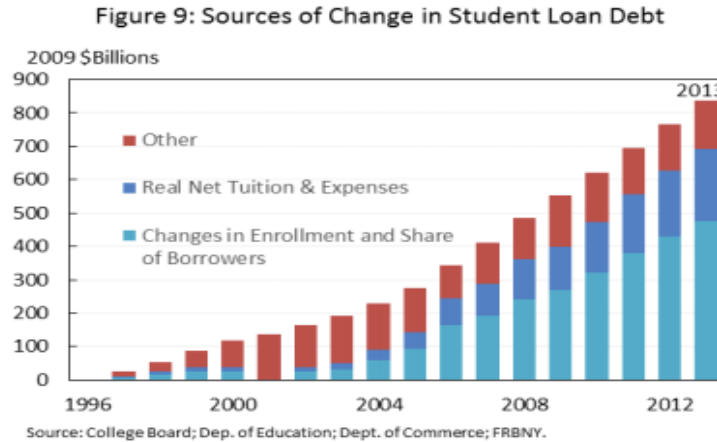


Figure 9 – Sources and Amount of Student Loan Debt in United States
(Source: White House Council of Economic Advisors, 2014)

The natural outcome of these huge spikes in tuition and living costs is the corresponding rise in student debt. This dramatic rise in student loans has culminated in national aggregate student debt going over 1 trillion dollars, making it the second largest overall category of household debt in the United States. According to a 2014 report by the White House’s Council of Economic Advisors titled *15 Economic Facts About Millennials*, factors contributing to this increase are “*rising tuition as state governments have cut funding; parents’ impaired ability to use the equity in their homes to offset some portion of their children’s college costs; and the fact that students are taking longer to repay their loans*” (p. 16). The same report exposes that: “*Around half of students borrowed student loans during the 2013-14 school year, up from around 30 percent in the mid-1990s*” (2014, p. 16). As both universities and cost of living gets higher, so does the sheer amount of borrowing that is required by students in order to meet the costs.

4.2.2 Economic - Portugal

The Portuguese government has executed a number of initiatives aimed at fostering the economic growth of the country, and in particular its capital Lisbon. Upon being awarded the Entrepreneurial Region of the year for 2015, then Lisbon Mayor and current Portuguese Prime Minister Antonio Costa shed light during his acceptance speech on how the municipality of Lisbon and its government strove to achieve economic success; “*Lisbon is a unique city with a great potential as an entrepreneur city, a real Start Up-City. This has been a priority for the Municipality of Lisbon, which has launched various*

articulated projects and programs with this objective. The vital steps have been; spaces for incubation and testing of new concepts (like StartUp Lisboa and Fab Lab Lisboa) ; financial instruments giving support to the entrepreneurs; entrepreneur programs in schools; networking between the different partnerships and spaces, like the Network of incubators of Lisbon, and the Week of entrepreneurship; promotion and support of important international events in Lisbon. Today, Lisbon is internationally recognized as a privileged destination for entrepreneurs, and has been highlighted as one of the best cities in the world for entrepreneurship, by the magazine Entrepreneur" (www.cm-lisboa.pt).

Having this apparatus in place substantially benefits hopeful startups in Lisbon. The support available to prospective startups makes the trajectory towards success more attainable from both a strategic and economic standpoint. For example, Startup Lisboa hold regular ‘office hours’ which offer free consulting on everything from brand building to legal

4.2.3 Economic Comparison: USA and Portugal

	USA	PORTUGAL
Jobless Rate (%)	4.9%	10.8%
GDP (in U.S. Dollars)	17947 Billion	199 Billion
Debt/GDP (%)	104.17%	129.00%
Youth Unemployment Rate (%)	10.2%	26.3%
Wages Low Skill	1,780 (USD/Month)	663 (EUR/Month)
Wages High Skill	4,130 (USD/Month)	1,310 (EUR/Month)
GDP – per capita (PPP) (in U.S. Dollars	\$52,800	\$22,900
Living Wage Family	2,710 (USD/Month)	1,020 (EUR/Month)
Living Wage Individual	1,660 (USD/Month)	565 (EUR/Month)

Table 1 – Economic Comparison: USA and Portugal
(Source: www.indexmundi.com and www.tradingeconomics.com)

4.3 Social

Lisbon (and Portugal) provides the ideal environment to be a higher education student. According to Worx (Lisbon based real-estate consultancy firm) CEO Pedro Rutkowski (2013), *“student life is good in a foreign country where the cost of living is relatively much lower than in other European capitals and there are still more advantages, such as security, good food and wine, climate, beaches close by, cultural programmes and night life”* (p. I). Because of this plethoric combination, Lisbon is widely lauded as one of the most socially and culturally attractive travel/living destinations in Europe, for both domestic and international students.

4.3.1 Events: Music

Portugal, and particularly Lisbon, is the host of countless music festivals throughout the summer months. The pristine summer weather has long drawn festivals to Portugal, and the summer months provide an endless array of internationally acclaimed festivals with world-renowned musicians often headlining. Simply put: Portugal is known internationally for having some of the best festivals in the world, with music to please anyone’s ears. With the size of Portugal being geographically small, any festival within the country borders is less than a day’s drive away.

While there are festivals of all sizes, among the biggest and most acclaimed festivals are:

- Rock in Rio
- Nos Primavera Sound
- Festival Med Loule
- Nos Alive
- Super Bock Super Rock
- Festival Musicas Do Mundo
- Meo Sudoeste Junta-te A Tribo
- Vodafone Parades De Coura
- Boom Festival

(www.portuguesesummerfestivals.com)

4.3.2 Events: Surf

Surfing in Portugal has exploded in the last decade. To accommodate this vast increase in popularity and foster the growth of surfing as a whole, top-notch surf events have become commonplace in Portugal. The governing body of professional surfing, the World Surf League (the equivalent of FIFA for soccer) now holds three top-level contests in Portugal, as well as a series of lower level competitions.

The top level of surfing competition consists of 11 events throughout the year, with the surfer who garners the best average of results at the end of the year being crowned the world champion. On the men's side, the MEO Rip Curl Pro is held in Peniche every October. This event is the second to last stop on the world tour, and is thus tremendously important in terms of world title implications. The popularity of this event has grown exponentially every year since its inception in 2009, and is widely credited as a key driving force in the prosperity of the Portuguese surf scene as a whole. On the women's side, the third to last event of their year is the Cascais Women's Pro, an event that has proven to be decisive and widely attended due to its proximity to the city of Lisbon.

Similarly to the men and women's world tour, there is a big wave world tour, also sanctioned and run by the World Surf League. This year, 2016/17 will be Portugal's inaugural year on the tour lineup. With a waiting period of October 15th- February 28th, the Nazare Challenge will be one of the most highly anticipated stops on tour and will truly validate Nazare's status as one of the best big wave spots in the world.

4.3.3 Web Summit

For at least the next three years (2016, 2017, 2018), Lisbon will be hosting the Web Summit. This year's Web Summit will be hosting over 50,000 attendees over the course of four days, making it far and away the largest startup gathering in the world. Over the four days of networking, there will be world-class speakers, leading investors, international media and representatives from the most promising startups from all over the world. This is a massive gathering is not the traditional conference event. Instead, it will be split into 21 summits in which world leaders in the fields of tech, finance, entrepreneurship and innovation will come together and work towards building a better future. Notable 2016

speakers will be: Tesla and SpaceX's Elon Musk, U2's Bono, Twitter Co-founder Jack Dorsey and Netflix founder Reed Hastings, among others.

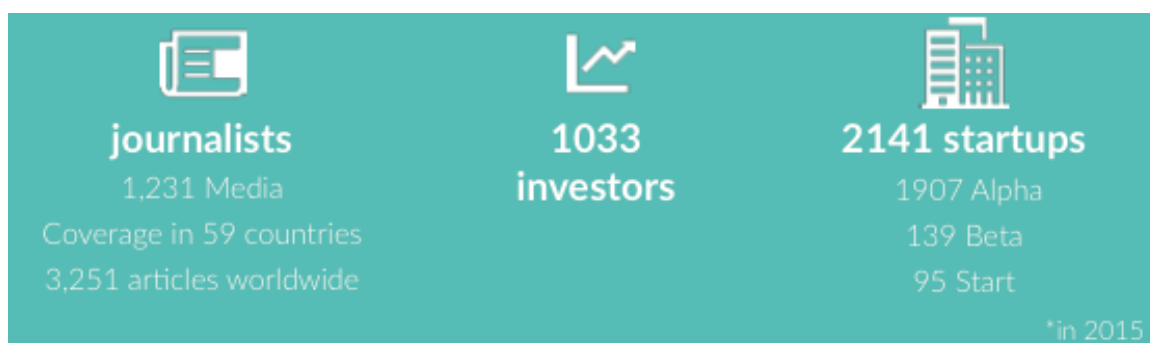


Figure 10 – Web Summit Attendees

(Source: www.websummit.net)

The above table puts into numerical perspective the global relevance and magnitude of the Web Summit by showing numbers from last year (2015).

4.3.4 Demographic Comparison: USA and Portugal

	USA	Portugal
Population	321.57 Million (Slow rise)	10.37 Million (Slow decline. 2010 High of 10.57 Million)
Population Growth Rate (%)	0.77%	0.12%
Religions	Protestant 51.3%, Roman Catholic 23.9%, Mormon 1.7%, other Christian 1.6%, Jewish 1.7%, Buddhist 0.7%, Muslim 0.6%, other or unspecified 2.5%, unaffiliated 12.1%, none 4%	Roman Catholic 81%, other Christian 3.3%, other (includes Jewish, Muslim, other) 0.6%, none 6.8%, unspecified 8.3%
Literacy (% over age 15)	99%	95.4%
Obesity	33%	24%
Health Expenditures (% of	17.9%	10.4%

total GDP)		
Urbanization (% of total population)	82.4%	61.1%

Table 2 – Demographic Comparison: USA and Portugal
(Source: www.indexmundi.com and www.tradingeconomics.com)

4.4 Technological

4.4.1 Technological Comparison: USA and Portugal

	USA	Portugal
Telephone System	A large, technologically advanced, multipurpose communications system domestic: a large system of fiber-optic cable, microwave radio relay, coaxial cable, and domestic satellites carries every form of telephone traffic; a rapidly growing cellular system carries mobile telephone traffic throughout the country	Portugal's telephone system has a state-of-the-art network with broadband, high-speed capabilities domestic: integrated network of coaxial cables, open-wire, microwave radio relay, and domestic satellite earth stations
Industries	Highly diversified, world leading, high-technology innovator, second largest industrial output in world; petroleum, steel, motor vehicles, aerospace, telecommunications, chemicals, electronics, food	Textiles, clothing, footwear, wood and cork, paper, chemicals, auto parts, base metals, porcelain and ceramics, glassware, technology, telecommunications; dairy products, wine, other

	processing, consumer goods, lumber, mining	foodstuffs; ship construction and refurbishment; tourism
Internet	USA is world leader in internet speed and efficiency, as well as consistently pioneering within the field.	Portugal's Internet penetration in early 2006 is high even by European standards. Broadband take-up is also considerably above the European Union (EU) average, thanks to a capable and robust regulator. Both cable and DSL are well represented, though the growth in DSL has comfortably outstripped cable since 2005.

Table 3 – Technological Comparison – USA and Portugal

(Source: www.indexmundi.com, www.tradingeconomics.com and www.internetworldstats.com)

4.5 Legal

4.5.1 Legal Comparison: USA and Portugal

	USA	Portugal
Legal System	Common law system based on English common law at the federal level; state legal systems based on common law except Louisiana, which is based on	Civil law system; Constitutional Court review of legislative acts

	Napoleonic civil code; judicial review of legislative acts	
Government Type	Constitution-based federal republic; strong democratic tradition	Republic; parliamentary democracy
Corporate Tax Rate (%)	38.9%	21%
Personal Income Tax Rate (%)	39.6%	56.5%
Social Security Rate (%)	21.3%	34.75%
Sales Tax Rate (%)	5 States with 0% Sales Tax	23%

Table 4 – Legal Comparison: USA and Portugal
(Source: www.indexmundi.com and www.tradingeconomics.com)

4.5.2 Grounding a Business in Portugal

Starting a business is always an undertaking. In Portugal, there are several different routes for achieving this feat.

One way to establish a business in Portugal is the establishment of an Lda, or a Private Limited Company. The formulation of an Lda. is ideal for smaller companies because it has a semblance of a corporation in that it limits personal liability from losses and profits. An Lda. entails that there can be up to three acting directors, with the possibility of having three-way equal stakes. Another reason the formation of an Lda. is ideal for smaller companies is that in the case of bankruptcy or debt accumulation, it is only the assets of the company that can be compromised and paid to debt collectors, giving a sense of protection to the acting directors.

Another way is via a system called Empresa Na Hora. As is adequately and efficiently explained on the official empresanahora.pt website:

“The 'Empresa na Hora' (On the Spot Firm) initiative will make it possible to create a company in just one office (one-stop office) in a single day (36m).

From now on, interested parties will no longer have to obtain in advance a certificate of company admissibility from the National Registry of Companies (RNPC). Nor will it be necessary any longer to sign a public deed.

During the incorporation procedure, the definitive legal person identification card will be handed over, the Social Security number will be given, and the company will immediately receive its memorandum and articles of association and an extract of the entry in the Commercial Register.

This initiative to modernize administration - Empresa na Hora - is the first step on the way to simplifying the relationship between a firm and the Public Administration throughout its life-cycle. Portugal has thus become one country in Europe where setting up a company is now:

- *fast, taking an average in September 2010 of 37m*
- *less bureaucratic, requiring the completion of a single form*
- *one of the cheapest (costing about 360 euros)*

The security of the incorporation procedure for new enterprises is ensured by having all the details sent to the tax authorities. Between July 2005 and September 2010 more than 97.000 enterprises were set up at the desks opened for this new service, which is the start of true fast-tracking for entrepreneurship” (www.empresanahora.pt).

The goal of the Empresa na Hora initiative is to make the process of opening a company as easily as possible, avoiding time-consuming and complicated bureaucracy as much as possible. This simplified process can be illustrated as:

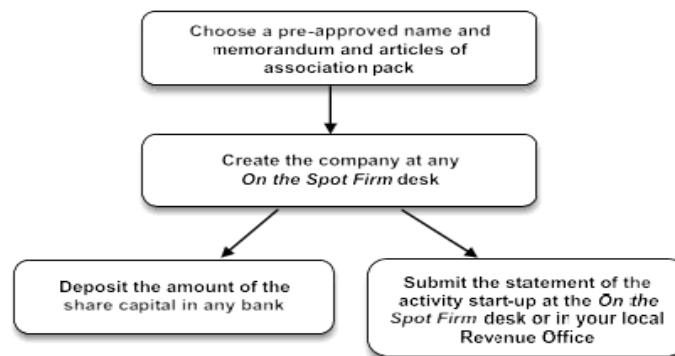


Figure 11 – Empresa na Hora Process
(Source www.empresanahora.pt)

4.5.3 Legal Assistance

As has been previously mentioned, there are many startup incubators and assistance centers throughout the city of Lisbon. The large push towards making Lisbon a desirable startup hub is the key contributing factor. As a result, incubators such as Startup Lisboa regularly hold free office hours for hopeful startups in which they have lawyers present from partnering law firms. These lawyers are there in order to give free legal advice to startups that otherwise wouldn't be able to afford a lawyer.

4.6 Environment

4.6.1 Environment Comparison: USA and Portugal

	USA	Portugal
Climate	Mostly temperate, but tropical in Hawaii and Florida, arctic in Alaska, semiarid in the great plains west of the Mississippi River, and arid in the Great Basin of the southwest; low winter temperatures in the northwest are ameliorated occasionally in January and February by warm Chinook winds from the eastern slopes of the Rocky Mountains	Maritime temperate; cool and rainy in north, warmer and drier in south
Coastline	19,924 km	1,793 km
Terrain	Vast central plain, mountains in west, hills and	Mountainous north of the Tagus River, rolling plains

	low mountains in east; rugged mountains and broad river valleys in Alaska; rugged, volcanic topography in Hawaii	in south
Natural Resources	Coal, copper, lead, molybdenum, phosphates, rare earth elements, uranium, bauxite, gold, iron, mercury, nickel, potash, silver, tungsten, zinc, petroleum, natural gas, timber note: the US has the world's largest coal reserves with 491 billion short tons accounting for 27% of the world's total	Fish, forests (cork), iron ore, copper, zinc, tin, tungsten, silver, gold, uranium, marble, clay, gypsum, salt, arable land, hydropower

Table 5 – Environmental Comparison: USA and Portugal
(Source: www.indexmundi.com)

4.6.2 Lisbon Safety

With international terrorism grabbing headlines on a seemingly weekly basis, Portugal remains under the radar, consistently being ranked among the safest countries in the world. The United States Department of State's Overseas Security Advisory Council (OSAC) has given Portugal an official 'Low' terrorism rating. While they acknowledge that Lisbon's membership in the EU and its corresponding open borders system does entail a theoretical threat, there is no credible perceived threat against Portugal

specifically. Along with terrorism having a “Low” rating, so does violent crime. Petty crime does, however, have a ‘Medium’ rating.

OSAC’S Portugal 2016 Crime & Safety Report has several other notable pieces of information in regards to Portugal’s general safety:

- *“The authorities are professional. Portugal places a premium on privacy rights and individual freedoms; reports of unlawful detention, intimidation, harassment, and graft, etc. are rare.*
- *Highways are exceptional, and secondary roads are generally of good quality and well maintained.*
- *Portugal is a multi-ethnic/religious country, and a harmonious relationship generally exists between all groups. Occasionally, inter-ethnic disputes may arise in depressed neighborhoods owing more to socio–economic pressures rather than an outright ethnic conflict or clash of political/religious ideologies.*
- *There are no legal restrictions on same-sex sexual relations or the organization of LGBT events in Portugal.*
- *Thieves reportedly scout parking areas alongside tourist attractions and beaches, watching for rented cars.*
- *Pickpocketing and purse snatchings in the Lisbon area are most likely to occur in buses, hotel lobbies, restaurants, the airport, trains, train stations, and trams”*

(www.osac.gov)



Figure 12 – Safest Places to Travel in the World
(Source: www.economicsandpeace.com)

Taking into account factors militarization, society & security, domestic & international conflict, the 2015 Global Peace Index ranked Portugal number 11 in the list of most peaceful countries in the world. Also, according to the Eurostat 2010 report, Lisbon was distinguished as Europe's safest capital city.

4.6.3. University

The city of Lisbon has roughly 550,000 inhabitants (www.worldatlas.com), and according to WORX (2013), Lisbon has *"140,000 students in higher education, 30,000 graduates per year and more than 16,000 researchers (half of them with doctorates) involved in a wide variety of areas such as Business Studies, Engineering and Communication and Information Technology, Health Sciences and Social Sciences"* (p. III). What these statistics show is that Lisbon truly is a student city, containing both domestic students from all over Portugal and thousands of international students from all over the world annually. As Portugal's higher education becomes more internationalized, so are the courses offered. Every year, there are more classes and full degrees taught entirely in English. While this is in part due to the large amount of international students coming to Portugal for one or two semester study abroad programs, the globalization of the business market as led to Portuguese universities increasing the number of full degrees taught entirely in English, especially business Masters programs. While there are currently more full Masters programs taught in English, more and more bachelor programs taught exclusively in English are emerging as well.

Student tuition in Portugal varies depending on several factors. There are both public and private universities, but fees are not standardized throughout the country. According to regulations put into place by the Ministry of Education in Portugal, public university tuition fees have a recommended minimum fee equivalent to 1.3 times the minimum national wage rate (www.masterportal.eu).

However, since public universities make their own fees, the price often goes over the minimum recommended by the Ministry of Education. Therefore, full-time bachelor and master students at public universities can be expected to pay anywhere between 950 and 1,250 EUR/academic year, and third-tier (PhD) students can be expected to pay between 2,500 and 3,000 EUR/academic year (www.masterportal.eu). There are also, however,

universities that charge an extra premium for international students. This varies from university to university. Students at private universities can be expected to pay between 3,323 and 3,872 EUR/academic year, regardless of degree level (www.masterportal.eu).

University Example:

An example of the offerings from one of Lisbon's most prestigious universities, ISCTE Business School (IBS), helps to demonstrate the network and clout garnered from a top Portuguese university.

ISCTE Business School has:

- 40 companies at the IBS career forum
- +500 multinational companies recruiting from IBS
- A 98% employability rate
- +10,000 students and alumni registered at the IBS Networking
- +200 foreign students participating at the Summer School Lisbon
- +55 partnerships with international universities accredited by AACSB, AMBA and EFMO
- +190 students in exchange programs each year
- +20 new companies registering at the IBS Networking each month

4.6.4 Housing

Lisbon has an extensive network of student housing possibilities throughout the city with some of the most affordable prices in Europe. While there is university-run student housing available, most students choose to search independently. Platforms, such as Uniplaces (a Lisbon-born start-up) provide an online platform for students to find the perfect apartment for them. Most of the time when you find apartments through such websites, you will be renting a single room in an apartment shared with other students, both domestic and international. A single room in a shared apartment can cost between 200 and 400 EUR/month, depending on what you are looking for. A single room in a student residence can cost between 165 and 230 EUR/month. A homestay costs around 500 EUR/month and includes breakfast. And a bed in a dorm room in a hostel runs between 20-25 EUR/night (www.masterportal.eu).

According to Numbeo's analysis titled *Cost of Living Cost of Living Comparison Between United States and Portugal*, "*Cost of living in Portugal is 33.06% lower than in United States (aggregate data for all cities, rent is not taken into account). Rent in Portugal is 59.53% lower than in United States (average data for all cities)*" (www.numbeo.com).

4.6.5 University Accreditation

Of the Business Schools in Lisbon, three have dutifully earned the Association to Advance Collegiate Schools of Business (AACSB) accreditation, which is the world's "*longest standing, most recognized form of specialized/professional accreditation an institution and its business programs can earn*" (www.AACSB.edu). The three schools in Lisbon that have achieved this accreditation are ISCTE Business School, Nova Business School and Catolica Business School. Of the over 16,000 business schools worldwide, less than 5% display the standards of achievement necessary to be distinguished as AACSB accredited.

Both the skills and degree obtained from an AACSB accredited institution serve as valuable assets in the eyes of future employers. Having a degree from an AACSB accredited institution helps future employers determine the adequacy of your education, even if they are not familiar with the exact institution you attended (i.e. getting a degree abroad). Because of the rigorous standards of achievement that must be met in order to get the accreditation, it can be confidently inferred that the level of education you received was above global standards.

4.6.6. Surf (General)

Portugal is known globally as having some of the best, most consistent waves in the world and has in recent years become a key player in the global surfing community. Portugal's entire history has been impacted and shaped as a result of its proximity to the ocean. Having over 800km of exposed and uneven coastline consistently groomed by steady Atlantic swells, Portugal is a modern day surfer's paradise. When non-surfers think about premiere surfing locations, popular destinations such as my home of Southern California often come to mind. However, Portugal has a much higher frequency of

swells, significantly less crowds and a greater density of quality surf breaks than California; by far. A noteworthy difference as far as quelling fear is that Portugal has zero threat of dangerous sharks, while California has an active Great White Shark population. According to promising young Portuguese pro surfer Frederico Morais, *"It's like California with less people, better food, less plastic, less crowd and less fake. It's like a big neighbourhood and that's sweet. It's in Europe, which means you can enjoy an enormous variety of cultures in a couple of hours. Also, Portugal is cheap and there's no violence, no danger, no terrorism, and that's probably the best thing ever. It's a good place to say the least"* (www.stabmagazine.com). As far as waves go, Portugal's most prolific and accomplished surfer ever, Tiago Pires, bluntly proclaims: *"Our coastline is very rich. On the better days, you have waves as good as anywhere in the world"* (www.surfline.com).

While more or less the entire coastline of Portugal is littered with quality, consistent surf, Lisbon and its surrounding area is among the most pristine. Because of Atlantic storm patterns, the waves are more consistent and bigger in the winter months (November-March). Along with there being more waves in the winter, the wind pattern is also more favorable in the winter months, with the normal trade winds being north/north-east. While not ideal for every single spot due to the uneven nature of the Portuguese coastline, this winter trade wind pattern is favorable for most. Most swells reaching Portugal are coming from the north, north-west and west. In the proximity of the Lisbon city center, there are a handful of beaches with waves to choose from.

4.6.7. Popular Surf Spots Around Lisbon:



Figure 13 – Surf Spots in Lisbon Area
(Source: www.wannasurf.com)

Costa da Caparica is located just on the other side of the Ponte 25 de Abril and offers a long beach split up by a series of jetties. Costa da Caparica is a very consistent surf break because it is facing west and is thus exposed to any and all swell coming towards Portugal. Because of how exposed to swell Costa da Caparica is, it is a very ideal summer location when the swells tend to be smaller. While also good in the winter, there can be a tendency for the waves to get too big for the spot, making it unsurfable at times. The entire beach is lined with affordable cafes and restaurants, making Costa da Caparica a perfect beach-day location. The waves are ideal for beginner-intermediate surfers as the bottom is all sand and the waves are never truly surfable over a threatening size. Because of the accessibility of the waves, there are surf schools and surf shops up and down the entire beach year-round. From the Lisbon city center you can reach Costa da Caparica in 15-30 minutes by car and by bus between 35-60 minutes. This really depends on traffic, as access to the Ponte 25 de Abril becomes extremely congested around rush hour.

Carcavelos is the most famous surfbreak in the Lisbon area and has been a hotbed for Portuguese surfing since its inception. Due to its southerly facing location, Carcavelos requires sizeable swells, and as west angled as possible, to break at all. This means that most of the summer, Carcavelos resembles a lake, with even very small waves being rare. When it does break in the winter, however, it can be one of the best breaks in Portugal, offering up large waves with excellent shape and barrels aplenty. The northerly trade winds are also the ideal direction for Carcavelos and groom the waves to perfection.

Being a regional classic, Carcavelos can become crowded when the waves are good. This is usually only an issue on the weekends however, and can be avoided early in the morning. Like Costa da Caparica, the beachfront boardwalk is full of cafes and restaurants. There are also several surf schools that operate year round at Carcavelos. Carcavelos accommodates beginner-advanced surfers, depending on the size of the waves. From the Lisbon city center, it takes about 20-35 minutes by car and about 35 minutes with the train, which is a scenic route as it goes up the Marginal and along the River Tejo. When driving, traffic can also be an issue as both routes, either the A5 freeway or the Marginal become very congested around rush hour.

Guincho and Praia Grande are two popular surf and leisure beaches north of Carcavelos. Similarly to Costa da Caparica, both spots are facing extremely west and are thus highly exposed to swell. As they are also physically located more west, sticking out into the Atlantic Ocean, they are also very susceptible and exposed to wind. As a result, often times in the winter, both spots become not surfable because of the combination of too much swell and wind. Therefore, both tend to be more ideal summer spots, when both the swell and wind patterns are more mild. Both spots have beachfront cafes and restaurants and both also provide surf lessons year round. While accessible by train and then bus, this is not very ideal and can take a long time. Driving is the best option, however both locations are also susceptible to rush hour traffic because they require taking either the congested A5 or Marginal coastal highway.

4.6.8. Ericeira

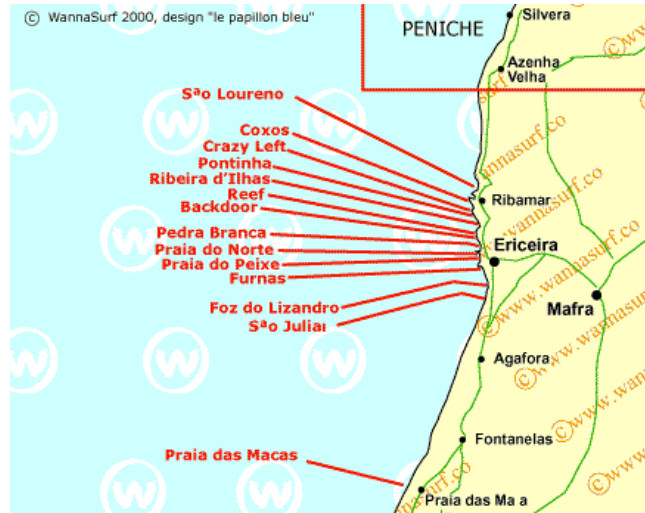


Figure 14 – Surf Spots in Ericeira
(Source: www.wannasurf.com)

Ericeira is located about 40 kilometers north of Lisbon and is among the crown jewels of the Portuguese coast. A thriving surf community since the 1970's, this dreamy location has a natural geographical beauty surpassed only by the quality of waves. This roughly four kilometer stretch of coastline is one of only eight World Surfing Reserves in the world, and the only one in Europe. What this distinction entails is that the local government has agreed to protect the waves under any and all circumstances, making it illegal for any future coastal developments to negatively affect any of its existing surf breaks.

This pristine piece of coastline boasts a plethora of world-class waves within a relatively small area. Facing almost directly west, Ericeira receives a steady flow of swell all year long, while the winter months produce both the best waves and wind. When good conditions line up, there are very few places in the world that have as many truly world-class waves within such a small distance. However, as most of the coast faces the same direction, almost all the breaks require the same combination of wind and swell. What this means, to put it simply, is that either everywhere is good or nowhere is good and there can easily be weeks at a time when nowhere in Ericeira is working. This is however not such a large issue because with modern wave/weather forecasting, it is very easy to see when it will be working. Most surf spots in Ericeira have a rock/reef bottom, which can be a hazard for inexperienced surfers. While most have a rock/reef bottom, there are still several spots that are all sand and this accessible to any level of surfer. Notable

world-class spot in Ericeira is Coxos, and when it is good, is widely considered as the best wave in all of Portugal.

The town of Ericeira is a typical quaint and charming Portuguese fishing town. In the summer months, there is a lot of tourism, both by surfers and non-surfers. Ericeira is littered with surf schools and surf camps, accommodating all levels of surfers. Driving to Ericeira takes about 30-40 minutes from the Lisbon center, and also has direct bus routes, which take a bit longer.

4.6.9 Peniche

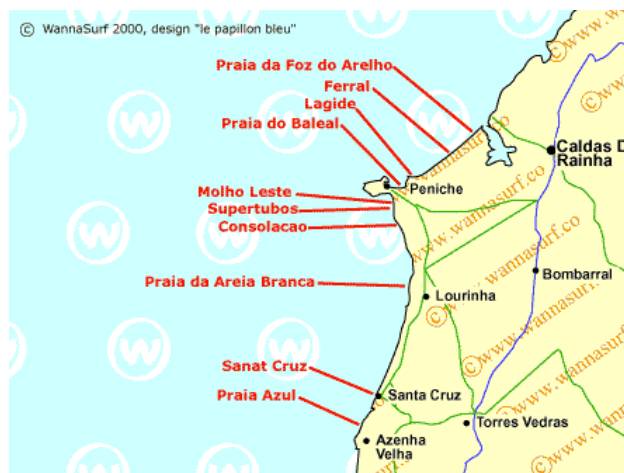


Figure 15 – Surf Spots in Peniche

(Source: www.wannasurf.com)

Peniche is about 100 kilometers north of Lisbon and offers some of the best and most consistent surfing in the country. What makes Peniche so unique is the shape of the coastline. Peniche and its surroundings essentially has coastlines facing in every direction. What this means is that it offers above average waves on all swell and wind combinations. Unlike Ericeira that uniformly faces west, Peniche has beaches facing north, west and south, all within a 15-minute drive.

The most popular wave in Peniche is Supertubos. Supertubos is widely considered one of the best beachbreaks in the world (breaking on top of sand), offering up world-class waves of consequence. Supertubos's world-class reputation was solidified in 2009 when it premiered on the World Tour of surfing, surfing's top level of competition. Originally slotted as just a one-year appearance on the World Tour, the feedback and quality of waves was so great that it became a permanent fixture on the tour every October. The

Moche Rip Curl Pro Portugal (as it is called) brings in huge crowds from all over Europe and has led to Peniche becoming an internationally recognizable premiere surf destination.

Peniche is a traditional quaint fishing town known for its fish canneries. In recent years, neighboring Baleal and Ferrel have exploded as surf camp destinations, with new ones opening every year and the summer months being extremely busy. Getting to Peniche by car takes about 1 hour and the bus takes 1.5 hours. While Supertubos is an advanced-only spot, there are many waves in the surrounding area that are accessible for all level of surfers.

4.6.10 Praia do Norte, Nazare

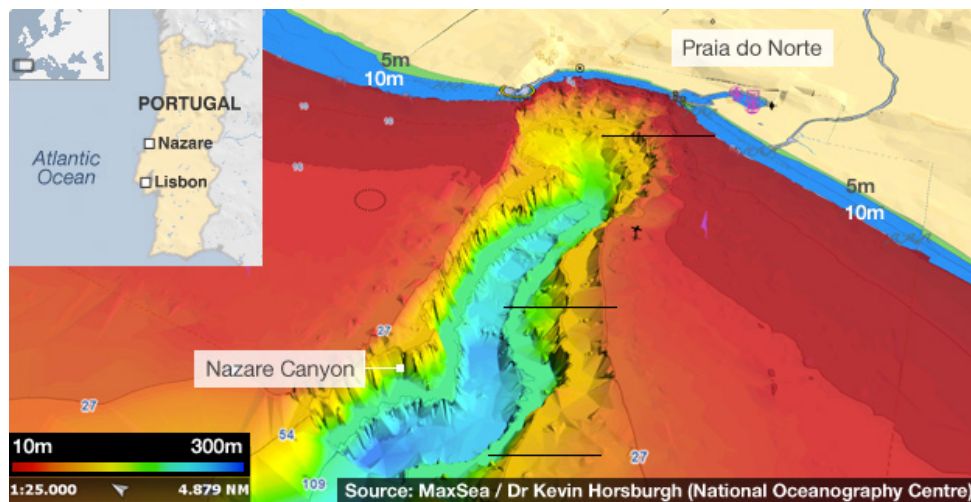


Figure 16 – Nazare Canyon
(Source: www.scsurfbutler.com)

Nazare is about 125 kilometers north of Lisbon and has emerged as one of the premiere and most recognizable big-wave surfing spots in the world. Because of the mainstream, non-surfer appeal of big-wave surfing, no surf spot in Portugal deserves as much credit as Nazare for attracting international attention and interest in Portugal and its waves. Popularized by Hawaiian transplant Garret McNamara, Nazare is also the most well known surf spot amongst non-surfing Portuguese people, and McNamara the most popular surfer, appearing on everything from Portuguese Mercedes commercials to sugar packets.

What makes Nazare arguably produce the biggest waves in the world is the massive underwater canyon located just off the coastline that abruptly turns to shallower waters at the Nazare surf break, Praia do Norte. Normally, as swells come from the open ocean to the coastline, the bottom gradually slopes upwards. As a swell moves towards the shore, it gradually both builds in wave size and loses energy as the bottom gets shallower. Therefore, the more gradual and shallow the slope of the bottom is, the smaller and weaker the wave will be as the energy declines. In this sense, Nazare is a freak of nature. Because of the huge canyon directly off shore, it funnels massive open ocean swells towards Nazare, where once it reaches the edge of the canyon just offshore, it surges up into a gigantic wave. It is essentially the same reason volcanic islands sticking out in the middle of the ocean such as Hawaii and Tahiti have massive waves; the water goes from very deep to very shallow abruptly.

While most big-wave spots around the world are often far offshore and difficult to watch, the waves of Nazare break just offshore, creating a sort of arena on top the cliff lining the beach that is perfect for viewing. It is a spectacle like no other as upwards of 30 meter waves can be seen on the biggest days of winter. With modern forecasting, these huge swells can be detected days in advance, making the 1.5 hour drive worth it.

5. Market Analysis

Since the focus of this business will be the attraction of students from the United States, the author will analyze the eligible United States market.

According to the Institute of Education Sciences (IES), as of the fall of 2015, there was approximately 20.2 million students enrolled in American universities, nearly double the population of Portugal (nces.ed.gov). The United States boasts upwards of 4,410 colleges and universities, which includes four-year public universities, private four-year institutions, public 2-year institutions and private four-year institutions.

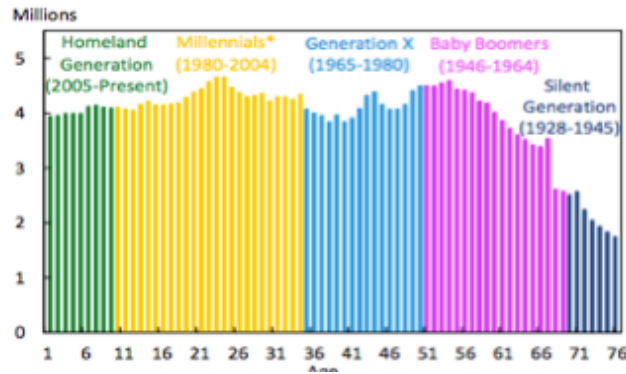


Figure 17 – USA Population Distribution by Age
(Source: White House Council of Economic Advisors, 2014)

The above figure demonstrates that the largest group of Americans by age is millenials. As this is the group most important for the prosperity of SurfScholar, this is beneficial. According to a report issued by the White House titled *15 Economic Facts About Millenials*, “Millenials are also more likely to attend graduate school than previous generations. Among 18 to 34 year-olds, college enrollment stood at 19 percent in 2010, up from 15 percent in 1995. Graduate school enrollment for the same age group has increased at an even faster rate, jumping from 2.8 percent in 1995 to 3.8 percent in 2010 – a 35 percent increase” (whitehouse.gov, p.12).

What this report entails is that there has never been more students pursuing higher education, particularly in regards to graduate school.

6. Competitors

6.1 Master Portal

Although there is no exact competition for SurfScholar that combined a Masters Degree along with a surfing experience, there are other free services assist future students find comparable degrees throughout Europe. The clear leader in this market is MasterPortal.eu.

MasterPortal is under the umbrella of StudyPortal, which also includes platforms such as PreperationCoursePortal, BachelorsPortal, MastersPortal, PhDPortal, DistanceLearningPortal, LanguageLearningPortal, ShortCoursePortal and

ScholarshipPortal and has upwards of 11 million unique users per year that translates into 160,000 international student enrollments annually.

MasterPortal brings together thousands of master's programs onto one platform. What this does is allow students, free of charge, to view and compare these programs and find the one best for them. MasterPortal also provides further information about the cities, application process, the universities and much more.

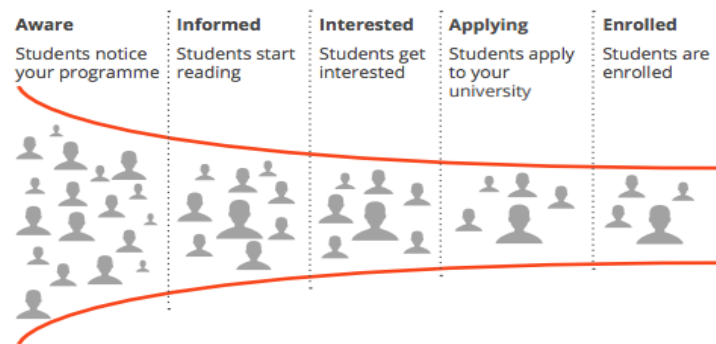


Figure 18 – Master Portal Process
(Source: www.masterportal.com)

The above figure is a step-by-step representation of a prospective students utilization of MasterPortal.

Masterportal is able to use its extremely high level of online traffic and entailing global reach as a way to generate revenue in accordance with their host institutions. This also allows them to create capital through tertiary means and services.

The following chart shows the step-by-step process that is gone through by a prospective institution wanting to promote its' programs on MasterPortal.



Figure 19 – Master Portal Client Process
(Source: www.masterportal.com)

The above chart shows the step-by-step proceedings gone through by a prospective institution that hopes to promote its' programs via Mastersportal.

While there are comparisons to be made between MasterPortal and SurfScholar, there are certain differences. MasterPortal, for instance, is purely an information platform for prospective students looking to independently search for their ideal program while also independently going through the application and moving process. SurfScholar, on the other hand, provides personalized assistance through every step of the process. This is done through deeper connections with the host universities and further bridging the gap between host institution and student. Another stark difference between the two is that SurfScholar is operating within the niche of surfing, whereas MasterPortal is aimed at any and all hopeful applicants. Currently, there is no such service looking to combine higher education and surfing, which serves as an obvious advantage. However, there is a clear level of initial disadvantage for SurfScholar in that the level of global reach exhibited by MasterPortal allows them to be seen by a vastly greater potential clientele. Conversely, the fact that SurfScholar targets a niche segment will lead to more poignant marketing possibilities.

7. Porter's 5 Forces

1. The threat of new entrants
2. The bargaining power of suppliers
3. The bargaining power of buyers
4. The threat of substitute products and services
5. Rivalry among new competitors, (Porter, 1980).

7.1 Threat of New Entrants

The threat of new entrants is an issue in any business. How well established and guarded a company is to this potential serves as a benchmark of company success. In a country such as Portugal that has relatively low wages, founding ones own company can be an attractive proposition.

While there is a low initial monetary investment required for a company such as SurfScholar, the partnerships and specialized knowledge required necessitates a large time investment. Being that all three of SurfScholar's founding members have studied and surfed in both the United States and Lisbon, we have a unique understanding of the needs of the desired target market. By experiencing first hand the university systems in California and Lisbon gives us an advantage in terms of general understanding and logistical insights.

Because of the specialized knowledge possessed by the SurfScholar team, the threat of new entrants is low.

7.2. The Bargaining Power of Suppliers

Because of the nature of SurfScholar, there is no traditional 'supplier' to which it is hinged to. Since it is a free service, it would technically be the partnered university that is the 'supplier.' If a given university were to decide that they no longer needed nor desired our services, there are plenty of others available. Because SurfScholar functions on a per student commission, the initial investment of the partnered university is nothing, as SurfScholar would be compensated solely on a performance-based model. As a result, the only thing the universities would ultimately would be inclined to bargain on would the percentage of the per student commission.

As a result, the bargaining power of the supplier is medium.

7.3. The Bargaining Power of Buyers

With the SurfScholar model, the customer experiences a completely free service. Because the service is free of charge, there is no room for bargain. Since SurfScholar works on a commission basis, it continues the narrative and goal of helping American students save as much money as possible opposed to what they would be paying at home.

While there is competition in the form of other free higher education advisory services, none fall into the niche of surfing. However, since SurfScholar functions on a commission basis, there is the possibility that a prospective student could get information from our service and then apply independently to the given institution. While this is a possibility, the incentive for doing so is nonexistent, given that the service is completely free in the first place. However, since this has already happened once before, it is incumbent upon SurfScholar to further incentivize prospect students to apply through the SurfScholar platform.

Therefore, the bargaining power of the buyers is low.

7.4 The Threat of Substitute Products and Services

To date, there are no direct substitutes for SurfScholar's service because there are no other free services combining a full-length Master's education with surfing. This is the case not only for Lisbon, but anywhere else in the world. However, prospective students who surf or are interested in surfing could use a platform such as MasterPortal (or its affiliates), find a university in a popular surfing destination and figure out the surfing part by themselves. While this is a possibility, the incentive for doing so is low given that the services of SurfScholar are free of charge.

Because of the unique nature of SurfScholar, the threat of substitute products and services is low.

7.5 Rivalry Among New Competitors

As has been mentioned, there are no direct competitors for SurfScholar. However, European Master's portals such as MasterPortal have a reach so broad that it would initially be difficult to compete with. Because of this broad reach, there is the chance that

prospective students interested in surfing would never think or need to look beyond MasterPortal.

The niche that SurfScholar exploits, however, should serve as a potent enough differentiator as to reach those interested in surfing. This is accentuated by the specialized marketing capabilities within the niche segment of surfing.

As a result, the rivalry among new competitors is low to medium.

8. SWOT Analysis

When conducting a SWOT analysis, it is worth noting that the Strengths and Weaknesses should be in regards to the internal aspects of the company, whereas the Opportunities and Threats should be conducted on an external, industry-wide basis.

8.1 Strengths

- Because of commission based structure, ability to make service free for prospective students.
- With connections in surf media industry, able to ascertain free media coverage and be able to make media partnerships.
- All three founding members have firsthand experience with entire process as well as the logistics of living in Lisbon.
- All three founding members have extensive knowledge of the Portuguese coastline and Portuguese wave forecasting, and therefore know ahead of time which surf spots will be best on any given forecast reading.
- Authenticity derived from personal experience with the process of being a foreign surfing student in Lisbon.
- Experience-based knowledge of Portuguese customs and habits.
- Ability to promote Lisbon as the safest European capital city to study in, in regards to terrorism

8.2 Weaknesses

- None of the three founding members are Portuguese. Leads to a lack on in depth understanding of the Portuguese bureaucratic system.
- Limited budget for expansive traditional marketing.
- Not established/new in the market; difficulty proving legitimacy to potential partner universities.
- No permanent presence in the USA (top target market).

8.3 Opportunities

- Every year, there are more and more degrees taught entirely in English in Portugal (and the rest of Europe).
- While there are already a fair amount of master's and PhD programs taught entirely in English, there is a steady rise in bachelor programs being taught in English.
- Very low number of American students in Portuguese universities, particularly in regards to fulltime enrollment.
- Media outlets are very open to running ready-made content, even if that content is branded.
- Lisbon hosts many startup incubators geared towards assisting hopeful startups get off the ground.
- Web Summit will be hosted in Lisbon for the next three years. This is a good platform for networking and publicity, particularly for young companies.
- There are many universities in Portugal, besides just in Lisbon, that are within a close proximity to good waves. Such cities include: Porto, Algarve (region).
- There are many universities throughout Europe that are equally, or lower, priced as those in Portugal that are within a close proximity of good waves. Such cities include (but not limited to): San Sebastian, Bilbao, Galicia, Barcelona, Biarritz, Bordeaux, Tenerife, Nante, Cardiff, Plymouth, Swansea.
- Student debt in America is the second largest debt in the whole country. Students would be eager to find alternatives to paying obscene prices in America.

- Non-surfing media outlets are open to ready-made content for the same reasons as surfing media outlets: it saves the editor much time.

8.4 Threats

- There is a (small) chance that public universities in America could become tuition free.
- Technology and university websites can become so advanced and maneuverable that there would be no reason for students to go through free advising services.
- Large, established European university advising services (MasterPortal) could decide to target niches such as surfing.
- A drastic spike in European terrorism.
- A series of terrorist attacks within Portugal.

9. Segmentation, Target, Positioning

9.1 Segmentation:

For SurfScholar, the segment of interest is individuals involved in the surfing lifestyle. The surfing lifestyle, however, can be split into two parts: those who are **avid surfers** and **surf lifestyle enthusiasts**. The importance of this distinction is to unhinge the requisite of actual surfing from the ability to lead/be interested in a surfing lifestyle. This distinction is practical in that SurfScholar aims at promoting the destination of Lisbon ideal for all individuals under the umbrella of the surfing lifestyle.

The surfing lifestyle has been popularized and caricaturized since its earliest days of mainstream relevance in the 1950's. Hollywood films such as *Gidget* (1959) and the surfer-sound of the Beach Boys paved the path for the universal grasp of the surfing lifestyle and its corresponding industry. What was once a hard-core, antiestablishment pastime became wildly popular and has endured until this day. Since the inception of its mainstream popularization, there have been those who actually surf and those who are drawn to the image of the lifestyle. While this distinction can often be blurred with the

exact spectrum difficult to define, surfing and its lifestyle have consistently soared in popularity and attractiveness.

9.1.1 Avid surfers

For avid surfers, Lisbon and its surroundings provide the perfect destination to be. The number of surfers globally has been approximated to be upwards of 23 million people (Ponting & McDonald, 2013) and over 3.3 million in the United States (Wagner, Nelsen and Walker, 2011), a number that has consistently risen since its mainstream popularization in the late 1950's. With this rise in the number of surfers, so has the global extent of surfing and surf-related tourism, reaching every corner of the world. Currently, there are up to 161 countries that provide a multitude of surf tourism activities (Ponting & McDonald, 2013).

Integral to being an active surfer is travelling to new surfing destinations. A comprehensive study conducted regarding surf travel behavior and destination preferences indicates that 91.1% of surfers had taken a surf trip in the past and that 94.1% percent of surfers are very willing to take a surfing trip in the near future, (Barbieri & Sotomayor, 2013). These findings indicate that those surveyed explicitly use surfing as a motivator to embark on travel and exploration.

The same study analyses the attributes of the destination that motivate surfers. *“The most prevalent attributes when choosing a travel destination for surfing relates to the quality of the waves in terms of the abundance, variety and specialty”* (Barbieri & Sotomayor, 2013, p. 116). Fortuitously, ‘abundance, variety and specialty of waves’ are all consistent with what the Portuguese coast offers, as has been highlighted in the ‘Environment’ section of the PESTLE analysis (Author’s analysis).

9.1.2 USA (Avid) Surfer Socioeconomic Demographics:

In 2011, the world’s largest surf-related non-profit organization Surfrider Foundation teamed up with Surf-First to conduct the biggest ever study on surfers in the United States. Upon surveying over 5,360 surfers, *A Socioeconomic and Recreational Profile of Surfers in the United States* (2011) authors of the study Wagner, Nelsen and Walker helped to define and characterize the modern American surfer. While the survey was

done utilizing an internet-based opt-in method, and thus is a non-probability method that cannot definitively be extrapolated to the entire United States surfing population, it is the largest survey of its kind and the first aiming to build a nationwide surfer profile. The report was presented at the 2011 Global Wave Conference in San Sebastian, Spain.

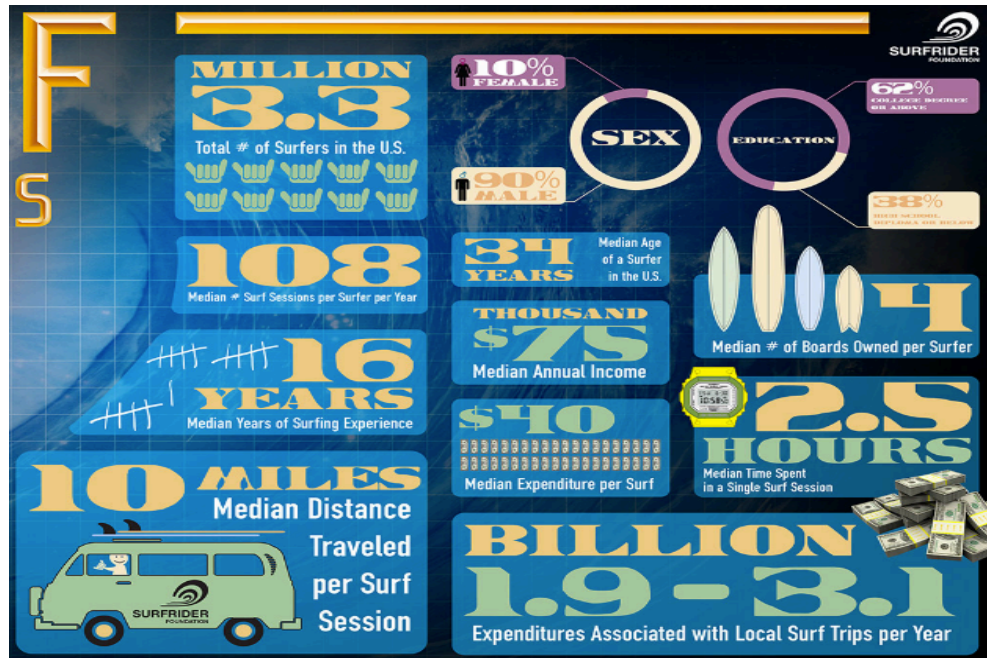


Figure 20 – Socioeconomic and Recreational Profile of Surfers in the United States - Summary

(Source: Wagner, Nelsen and Walker, 2011)

The above image was put together as a summary of the report. What they found was rather impressive. When compared to the national averages seen in the 2006-2008 U.S. Census Bureau, surfers rank vastly higher than the average United States citizen in higher education (62% with bachelor or higher compared to national average of 28%) and median individual household income (\$75,000 compared to \$52,175). Wagner, Nelsen and Walker (2011) denote that this gap in income and education between surfers and the national average is directly correlated with coastal real-estate prices in the United States, along with the relatively high costs of surf equipment. Thus, it can be inferred that surfers tend to be from more affluent areas and thus have more access to quality education.

Another pivotal finding from this report was the impact that surfers had on the local economy. By spending an average of \$40 per surf session, multiplied by the average of 108 annual surf sessions, the impact is substantial.

This study found that only 10% of surfers in the United States are female. While this number seems low, women's surfing has been growing exponentially, largely due to the lifestyle marketing/marketability of women's ocean sportswear.

9.1.3 Surf Lifestyle Enthusiasts

The surfing lifestyle, as defined in contemporary popular culture and surf-brand marketing, entails certain key components. Several prominent ones are:

- Leading a life of freedom and exploration
- Sun-soaked fun
- Being in touch with nature
- Experiencing new cultures and destinations
- Leading a healthy life
- Being forever young (in spirit)
- A cool and laid-back attitude
- Physical attractiveness and sporting prowess

A large contributing factor for the rise in surfing's global popularity comes as a result of the lifestyle image bestowed upon it. Simply put: it sells. To put the lifestyle allure of surfing into perspective, it has been commoditized into a multi-billion dollar per year industry, largely because of its corresponding fashion (Barbieri & Sotomayor, 2013). Through tactful lifestyle advertising, apparel items such as denim jeans, shoes and jackets represent the surfing identity and allow landlocked, non-surfing individuals to feel as if they are a part of surfing lifestyle. Essentially, people are attracted to what surfing represents, regardless of whether they themselves physically surf.

While there are no studies that indicate how many people globally purport to identify with the surfing lifestyle (both avid surfers and lifestyle enthusiasts), the prevalence of major surf companies in the global market place can help quantify the extent to which the surfing lifestyle is desirable. Being that it is now a multi-billion dollar global industry

(Barbieri & Sotomayor, 2013) puts into perspective the reach surfing, at least as a lifestyle, has obtained.

9.2 Target

While we are targeting anyone interested in the surfing lifestyle, the passion for exploration and travelling inherent in those who actually surf proves to be a more poignant target group. However, the outbound marketing (see next section) we have already accomplished in the form of branded content for top online surf publications (See Appendix 1 - How To: Get Shacked In Europe While Earning A Masters Degree and Appendix 4 - Compromise Be Damned: Productive Barrel Time in Portugal) has proven to spread a wide enough net to where the whole spectrum of the surfing lifestyle population has expressed interest. From the many interested emails we received as a result of our online publications, it is clear that interest in the surfing lifestyle was enough to garner interest in becoming a SurfScholar (See Appendix 3 - Prospective Students: Email Excerpts). However, we foresee that avid surfers, opposed to simple enthusiasts will be more likely to take action. As was discovered by Barbieri and Sotomayor (2013), over 94% of avid surfers are very willing to take a surf trip. While an entire degree is different from a simple surf trip, the willingness for travel and adventure is noteworthy.

At this point, our socio-economic target group is surf-minded students currently finishing a bachelors, people who already have a bachelors and generally anyone looking to complete a masters. While surfing is our differentiating factor, the exact surfing level of our prospective students is not a critical factor as there are waves accommodating for anyone. Because the price of both tuition and cost of living is so drastically lower than in the United States, we are looking to attract both people who simply can't afford to study at home and people who, like us, believe that a high quality education is not necessarily correlated with an obscene price tag.

Because we are focusing on obtaining master's degrees, the focus will be on prospective students whom already possess a bachelor's degree, or are currently in the process of completing that bachelor's degree. While there are states on both the east and west coast with universities within proximity of quality surf breaks, California hosts the largest number of surf-interested universities. To give a perspective and in an attempt to

quantify, the author will give total university enrollment numbers for a handful of the most surf-oriented California universities. It should be noted that the numbers include total enrollment, including master's and PhD students. However, bachelor students make up the majority of the total number, as there is much higher enrollment of bachelor students than master's and PhD students combined. Also, these numbers do not account for the multitude of eligible students not currently enrolled who already possess bachelor's degrees. It should also be noted that all of the listed universities have deeply engrained and populous surf clubs and surf teams. The surf clubs are open to anyone interested in surfing and regularly offer surf lessons, events and surf trips. These clubs are very active on Facebook and aim largely to create and unite the surfing community within their respective universities. The surf teams compete against each other throughout the year within their respective state, and at the end of the year, compete against university surf teams from both the continental United States and Hawaii in the national championships. The level of these competitions is only slightly below professional standards.

- University of California, Santa Barbara: 23,497
- University of California, San Diego: 33,735
- University of California, Santa Cruz: 17,866
- University of California, Los Angeles: 43,301
- San Diego State University: 34,254
- University of San Diego: 8,251
- California Polytechnic University, San Luis Obispo: 20,944
- California State University, Channel Islands: 6,167
- Pepperdine University: 7,632
- San Francisco State University: 29,465
- Cabrillo College: 15,387
- Chapman University: 7,892

(www.Google.com)

9.3 Positioning

Being that SurfScholar is the only company of its kind combining both a master's degree and surfing, the unique selling proposition is inherent. The unique selling proposition is further accentuated by the fact that the service is free of charge for the prospective students in that they would not be paying any more for a given master's program than a non-SurfScholar student. While there are other free European master's degree advising services, they are void of a niche and do not provide real-time assistance once present in the given location. Working on a commission basis with universities allows SurfScholar to keep the service completely free for customers while also having the means to provide continued support as if the prospective customer was paying SurfScholar directly. Ultimately, the goal is to be positioned so that prospective students have nothing to lose by going through SurfScholar.

Providing personalized assistance to prospective students is a large part of the SurfScholar experience. By taking customers specific needs and desires into account, SurfScholar uses its specialized knowledge to distinguish itself from the competition.

SurfScholar looks to position itself as the global leading free service combining a master's education and surfing, suitable and attractive to both avid surfers and lifestyle enthusiasts.

10. Key Success Factors

When it comes to a service, the level of quality for the service is of paramount importance. Being available to help on a person-to-person direct basis will help potential SurfScholars feel more comfortable and taken care of. By offering a personalized support system, SurfScholar will be able to alleviate fears and raise levels of trust and confidence in the service. This will also lead to higher levels of positive word of mouth communication between active SurfScholars and future potential SurfScholars. Because of the intangible nature of service, positive word of mouth in the form of referencing is an extremely effective way to become validated.

Being able to adequately and effectively reach potential clients is another critical success factor. Since we are stationed in Lisbon, effectively using digital means will be mandatory.

Getting top universities in Lisbon to trust our service enough to forge a partnership will be of paramount importance. The more universities SurfScholar is partnered with, the more options prospective clients of SurfScholar will have in regards to degree variation. The more faculties that are covered through various university partnerships, the larger the potential clientele becomes.

11. Company Strategy

In accordance with the positioning, the strategy must be defined.

As has been mentioned, SurfScholar will be operating within the niche of surfing. This strategy of differentiation will serve to separate itself from other similar services. The strategy will therefore be for SurfScholar to use this niche to enter the market effectively. The aspect of the niche allows for more effective targeted marketing. Furthermore, because SurfScholar is the only such service of its kind, the exploitation of the unique selling proposition will be conducted. Above all, exceptional service will be the guiding principle of strategy as a whole.

12. The Company Brand

Creating a unique and appealing brand is critical in terms of growing a company. The ensuing brand will be the light in which future and current clients see the company. An aggregation of all the variables associated with the company, the brand is more than just a name.

12.1 Name and Logo



Figure 21 – SurfScholar Logo
(Source: Author's Rendering)

The logo for SurfScholar was born with the intention of sleek simplicity. The goal was to have a logo that could become recognizable, even without the name attached. The name SurfScholar was born out of a description of both the founders and the prospective clients. A person can, for instance be a SurfScholar. This is useful for creating a sense of community; a community of SurfScholars.

12.2 The Idea

The idea for SurfScholar came one day when the three founding members were together talking about the perils of the American university tuition structure. Having all studied in California, all three members were acutely aware of the hardships placed on American students by egregious university tuitions. Beginning post-university life up to \$100,000 in debt had greatly affected past colleagues of ours. We decided to do something about it.

The idea was therefore to help students from America save large sums of money by studying overseas, beginning with Lisbon. Having personally done the same we hope to help others follow suit.

12.3 The Mission

With our idea in mind, SurfScholar sought to help provide an excellent alternative to students unable or unwilling to pay the obscene tuition fees in America. As all three founding members came to Portugal partly because of the truly world-class surf, SurfScholar decided to take a 'kill multiple birds with one stone' approach in terms of what was offered. The mission of SurfScholar is to provide a completely free service that

helps prospective students save money while: Surfing perfect waves, getting a high quality master's degree and having the international experience of a lifetime. While the primary mission is the attracting of students from America, anyone from anywhere, interested in a surfing master's experience is welcome.

12.4 The Vision:

SurfScholar aims to become the global leading service that combines surfing and higher education, exponentially expandable by a combination of organic word of mouth referencing, surf media partnerships and content-oriented online community.

12.5 Values

The SurfScholar team believes that education should be attainable for anyone. Through our experiences with the educational systems in America, SurfScholar was motivated to ensure that financial burden was not grounds enough to not get a high-quality education. Because of this, SurfScholar decided to work strictly on a commission basis, continuing the narrative that we are in fact interested solely in the optimization of the users experience, not their money.

Being avid surfers, the SurfScholar team values the productive and sustainable lifestyle engrained in surfing. Combining surfing, studying and exploration was therefore a natural fit.

12.6 The Brand

Who said educational services had to be stale and boring? SurfScholar aims to create an attractive image along the lines of the surfing niche. As was referenced in the literature review (Hartley and Morphy, 2008), study abroad marketing material is often outdated and dull. With SurfScholar, the intention is to create an interactive community, flooded with constant content. SurfScholar content comes in the form of blog posts (on the website), Facebook and Instagram, all of which are interconnected. Through these outlets, SurfScholar patrons are consistently updated with edgy blog posts, university information and surfing/lifestyle images that define what it is like to be a student in Lisbon. Through our hashtag (#surfscholar), user created content and organic word of

mouth communication are created as well, giving patrons a stake in the brand and its' narrative.

13. Marketing Mix: 7 P's and Q

13.1 Product/Service

The service provided by SurfScholar can be split into two categories: pre-arrival and post-arrival. The entire process is completely free of charge for the prospective student.

13.1.1 Pre-Arrival:

Once a prospective student comes into contact with our website and/or social media, we are at their disposal. On our website, www.surfscholar.com, all necessary information is provided, including the list of programs available at our partner universities via direct hyperlinks to the university website. If the prospective student has any logistical questions not available on our website or the university website, we provide speedy and quality assistance. Once a student decides to apply, they will do the application through the university website, just like any other student. The same level of quality assistance is available for the actual application process, if need be. Once a student is accepted, we can then, if requested, help with any other aspects of the pre-arrival process. Such aspects include: visa assistance, housing recommendations/assistance, surf equipment recommendations, etc.

13.1.2 Post-Arrival:

Once a student arrives in Lisbon, they have officially entered the SurfScholar community. We provide an on the ground presence, available to help/guide however we can, when needed. SurfScholar provides a sense of belonging and security that is comforting for someone taking the big step to a foreign land. Once a part of the SurfScholar community, they will have access to the resources, connections and knowledge the founding members have forged over the last several years.

13.2 Price

The price for prospective students is completely free. Working on a commission basis allows SurfScholar to keep the price of their service free for students. Because SurfScholar was founded on the principle that students are paying too much for education in America, having the service free of charge for the students continues this narrative and inspires trust in the brand message. SurfScholar will be working with a 15% commission rate on the students' normal university tuition.

13.3 Promotion

As far as promotion is concerned, a service relies heavily on its portrayed image. Because of the intangible nature of a service, tactful promotion is needed in order to accurately spread the intended message of the brand. As SurfScholar is a hopefully startup operating with no external funding, the execution of low-budget yet effective promotional activities is the goal.

13.3.1 Word of Mouth and Social Media

Because of the prevalence of word of mouth communication in regards to a service, it is critical to create content that portrays the life of a student, from the perspective of a student. Since the three founding members of SurfScholar have lived the true SurfScholar experience, they are uniquely capable of portraying this message in a peer-to-peer fashion opposed to a seller-to-consumer fashion. By having content that shows the daily life of a Lisbon SurfScholar, prospective students can get a glimpse into what life could be as a surfing student in Lisbon, lowering the services level of intangibility (See Appendix 5 - Sample Social Media (Facebook) Posts).

Social media is a powerful promotional tool in regards to a service such as SurfScholar. Therefore, it is critical to create a large social media community. By attracting prospective students to follow SurfScholar on social media (Facebook and Instagram), they are able to see and understand what to expect in Lisbon. Therefore, without ever having been to Lisbon, prospective students can gain an understanding of what the lifestyle and waves are like via constant social media updates. While Instagram is better for promoting the Lisbon lifestyle, Facebook is very useful for sharing more technical

information regarding university technicalities, city information and Portuguese news events/stories. It is important to highlight the things students are worried about when deciding to study abroad. As was explored in the literature review, a big factor is the legitimacy of a foreign degree (AACSB Accreditation) and how it in fact helps to raise employability. Also, it's important to show how this will help them on a personal level; becoming a better, more well rounded person by having an international educational experience. Along the lines of tourist created content, social media allows SurfScholar students show their lives as well, putting the power into their hands. While we hope to promote the destination as authentically and attractively as we can, content produced by satisfied 'customers' will naturally carry more clout.

13.3.2 Day in the Life Video

Similarly to the 'day in the life' theme of the Instagram portion of the social media, SurfScholar will create a literal 'day in the life' video. This form of promotion is regularly used by services to help ease the intangibility and give hesitant prospective customers a better idea of what to expect. This video will serve as shareable promotion via internet platforms, surf media and social media. The video will depict a full day: beginning with a the subject having breakfast on his Graca apartment balcony with a nice view, walking down to metro, taking metro to class, getting picked up from school by some surfing friends with the surfboards on the car, the drive over the Ponte 25 de Abril for a surf session at Costa Da Caparica, coming back and having dinner at a lively tasca and then finishing by entering Lisbon's nightlife. This video will be a stylistic montage of the previously described series of events. Since SurfScholar has the means of creating such content in house, it will not appear in the financial plan.

13.3.3 Branded Content

Branded content has been, and will continue to be, huge for SurfScholar. With the connections SurfScholar has with top surfing media outlets, they have been able to very effectively get their message out for free. With surfing being the niche, SurfScholar is able to effectively reach their desired segment. Having been involved with multiple top surf media outlets, I am aware of the constant need for content. By providing content for these outlets, it allows SurfScholar to embed our message in desirable content for the

websites/outlets themselves. By creating content that described my personal journey and how I ended up studying in Lisbon (See Appendix 1 - How To: Get Shacked In Europe While Earning A Masters Degree), it allowed prospective students to relate on a personal level. From that one article alone we received scores of emails from interested customers, many of which expressed that they themselves related personally to my story. *How To: Get Shacked In Europe While Earning A Masters Degree* (Appendix 1) was posted on The Inertia's official Facebook page, viewable to all 300,000 of their followers. It went on to be shared 592 times on Facebook and 10 times on Twitter. Appendix 2 - Respondents From 'How To: Get Shacked in Europe While Getting a Master's Degree' Analysis has a breakdown of country of origin and interested degrees. The analysis in Appendix 2 confirms the internationalization of the business sector that was covered in the literature review (Konopaske and Werner, 2005), and shows that business degrees were by far of the biggest interest.

This furthers the WOM appeal in that it comes off more as peer-to-peer instead of traditional advertising. This also becomes invaluable shareable content on both our website and social media. Having SurfScholar material published on top surf media outlets helps to raise the legitimacy of our brand. While surf-related media has been SurfScholar's top priority in regards to branded content, University and lifestyle related outlets will also be of interest. Once content is created, it is easily distributable to different media outlets, and makes the job of the given outlet's editor that much easier.

13.3.4 Media Kit

SurfScholar has created a Media Kit in order to make the lives of prospective journalists easier. When approached by someone interested in writing about SurfScholar, having a media kit prepared with descriptions, high quality photos and exciting content/testimonials makes the process simplified and effective for the interested party. Also helps to keep the message consistent and centralized. The full media kit is present in Appendix 6 – Media Kit.

13.3.5 Business Cards

Having business card on hand is an effective way to forge relationships, keep contact and foster legitimacy in the eyes of the person you are interacting with. (See Appendix 7 – Business Card)

13.3.6 Ambassador Program

An ambassador program further allows prospective SurfScholars to have a point of physical contact with someone involved with SurfScholar. While these SurfScholar ambassadors are not direct employees of SurfScholar, they serve as both promoters and references. Establishing and promoting surf ambassadors on our website and social media will help to spread the SurfScholar web, and further serve to build the international SurfScholar community. These individuals do not even necessarily have to of studied in Lisbon to be ambassadors. Even people who have simply come and spent time in Lisbon with SurfScholar (of which there are many from throughout California, Germany and Switzerland) can be ambassadors. Because of the overall lack of knowledge about Portugal in general, having a third-party person to talk to about subjects like Lisbon nightlife, Lisbon cuisine and surfing in Portugal will strengthen positive word of mouth communication. As was confirmed in an email interview I conducted with Bob Mignogna (Editor of the biggest surf magazine in the world, Surfing Magazine, for 30 years), *“I would also pick a small handful of schools that have very large surfer-student populations, such as San Diego State University, University of North Carolina Wilmington, University of California Santa Barbara, University of California Santa Cruz, and others (Florida has a number of them), and focus on getting set up with an ambassador at each of these. All of the schools mentioned here have full surf clubs/teams, and the president of the club may be a good choice for the ambassador role. There are many universities in the US with surf clubs/teams”* (Appendix 8 – Bob Mignogna Email Interview Response).

13.3.7 USA (California) University Tour

As has been shown time and time again, word of mouth is paramount for service businesses. What is entailed in this is face-to-face communication. Because of the

intangibility of services, having physical interaction with prospective clients is critical. Therefore, doing a form of US college tour is immensely productive. With all three of SurfScholars founders having California undergraduate experience, we are acutely aware of the prevalence of surfing in Universities in California. While SurfScholar has actively sought out the social media accounts of surf teams and clubs from universities in the US (and beyond), face-to-face dialogue is undoubtedly more proactive, particularly in the case of an ‘intangible’ service with the level of time commitment as completing a Masters degree. Therefore, doing a California university road trip in which SurfScholar coordinates with the respective universities’ career-centers to host seminars through which we can effectively promote SurfScholar. By putting a face to the company, we will be better able to begin a trusting relationship with prospective SurfScholars. In April 2016, two members of SurfScholar visited New York University, The New School (NYC) and the University of California, Santa Barbara and plastered flyers throughout the campuses and surrounding areas, resulting in a multitude of website visits and interested emails from prospective students (See Appendix 9 – Flyers: USA University Campuses). This will not be present in the ensuing financial plan because two of the founding members of SurfScholar regularly visit California for family reasons and can execute this promotional tactic concurrently with such a visit. In the future, if the initial tour is successful, a more comprehensive, nationwide university tour will be considered and added to the future financial plan.

13.3.8 Blended Marketing

SurfScholar plans to print large decal stickers with the SurfScholar logo, name, website and social media hashtag easily readable, and plaster them on the back of our cars. As is already practiced by SurfScholar, when a member has available space in their car, fellow SurfScholars are invited to join. With the large sticker, people will be able to easily go from seeing the car on the street or in a surf spot parking lot to finding out further information on the website and/or social media. This combination of indoor and outdoor marketing will help raise brand awareness and allow intrigued people to more easily learn more. This will also strengthen the sense of community for SurfScholar.

13.4 Place

SurfScholar will be operating out of Lisbon, Portugal. However, the majority of the pre-arrival process will be conducted online through www.surfscholar.com and affiliated social media (Facebook and Instagram). Because SurfScholar does not have a physical office, the maintenance and quality of the website will be of utmost importance as this in essence will serve as our ‘store’. Once students arrive in Lisbon, SurfScholar will provide an on-the-ground presence, ready to effectively assist with any logistical quandaries that may arise.

13.5 People

The SurfScholar team consists of three founding members, each with unique skills and qualifications. Having the right people within a company is just as much a part of the business offering as the service or product provided, and thus must be chosen wisely. All three founding members have in depth personal experience studying and surfing in both California and Portugal.

Tobias Gutsche: Tobias (Germany) has an MSc in Marketing from ISCTE Business School and a double bachelor in marketing and sports science from the University of Innsbruck. During his bachelor’s, Tobias spent a full academic year abroad at California State University, Fullerton. Tobias has much experience with online marketing, website design, SEO and event management, having worked for industry titan Red Bull.

Simon Einstein: Simon (USA) has a master’s in Sustainable Tourism Management from the Polytechnic Institute of Leiria and a bachelor’s in Global Studies from the University of California, Santa Barbara. In the last six years, Simon has lived in five different countries working and studying, an experience that has given him a unique understanding of intercultural needs and the ability to fluently speak five languages.

Sam Einstein: Sam (USA) has an MSc in Marketing from ISCTE Business School and a bachelor’s in Philosophy from the University of California, Santa Barbara. Having worked extensively for several of the top surf publications in the world, Sam has made invaluable connections within the realm of surf media. Specializing in content production and mixed-media marketing, Sam has made a name for himself in the digital surf world.

13.6 Process

The technical process takes place, for the most part, online. Through our personalized assistance and interconnected social media and website, prospective students should have the tools necessary to complete the application process with ease.

13.7 Physical Evidence

The physical evidence of a SurfScholar's experience can be defined in several ways. The most obvious product of completing a master's degree would be a Master's Diploma. En route to getting this diploma, much more is gained on both a personal level and future employability level. As was discussed in the 'Why Study Abroad?' section of the literature review, there is a plethora of benefits gained from an international educational experience.

13.8 Quality

At the end of the day, quality reigns supreme. It is the only truly distinguishing factor when it comes to a service. As was highlighted in the literature review (Berry and Parasuraman, 2004), it is beneficial for a service business plan to include and stress the importance of service quality. As was argued by Berry and Parasuraman (2004) in the literature review, none of the P's tend to work without exceptional levels of quality in executing the service itself.

14. Financial Plan

14.1 Assumptions

A large part of a financial plan is making educated assumptions about future business happenings. As with any assumption-based plan, unforeseeable events and circumstances can hinder the accuracy/attainability of the plan itself.

While established companies can have an easier time predicting future results based on previous trends, sales and patterns, new companies are forced to make more assumptions with a lower amount of tangible data.

14.2 Summary



Figure 22 - Year Income Statement – 5-Year Projection

(Source: Author's Analysis)

As can be seen on the 5-year projections above (Figure 20), sales go from 1,215 EUR in Year 1 to 99,669 EUR in Year 5. Year 1 is effectively (a bit less than) a half-year, and represents the real-time beginning of SurfScholar. For Year 1, there is currently only one actively enrolled student. Because of the mid-year beginning of the projected sales, there is a sharp rise from Year 1 to Year 2, but raises steadily after that at a projected roughly 30% annual increase. It is 'roughly' 30 percent because whole numbers must be used because it is not possible, for example, to have half a student.

Because of the purely commission based payment structure inherent in the free service provided, the Cost of Goods Sold (COGS) amounts to 0. Therefore, the gross profit is left at 100% of the total sales amount. The costs of wages only begin effectively in Year 3 due to the nature of single annual lump sum commission payments. Because of this, there is a cash delay of 12 months. At the beginning, there will be a cash shortage due to the nature of the cash delay, but it will healthily bridge the cost gap once the cash delay of the second batch of students (Year 3) is accounted for. The cost of wages and fixed expenses together play only a fractional role and result in earnings before interest, taxes,

depreciation and amortization (EBITDA) of 436 EUR in Year 1, and grows to 84,088 EUR in Year 5. The EBITDA embodies the operational strength of a given business model. Depreciation and amortization play a small roll, with an average of 50 EUR annually (excluding the exception of 17 EUR in Year 1) that amounts for a 600 EUR long-term investment for the registration of the company and the legal fees that come with it, leaving an EBIT of 420 EUR in Year 1 and growing to 84,039 in Year 5. Once interest expenses and Portugal's 21% corporate income tax are accounted for, net income is 226 EUR in Year 1 (19% of sales/gross profit) and up to 66,391 EUR (66% of sales/gross profit) in Year 5.

14.3 Drivers of Sales and Revenue Source

Dashboard	Comission		Master Cost		Cost
MSc in Marketing	15%	EUR	9,800	EUR	-
MSc in Hospitality and Tourism Management	15%	EUR	18,000		

Table 6 - Drivers of Sales and Revenue Source
(Source: Author's Analysis)

The complete source of revenue for SurfScholar comes from the 15% commissions obtained from enrolled students. Therefore the sales, or operational revenue, is equal to the revenue in that there are no other streams of income present.

SurfScholar will have two revenue sources that have been labeled as 'MSc in Marketing' and 'MSc in Hospitality and Tourism Management.'

The MSc in Marketing will serve to represent all the normal master's programs offered at a price of 9,800 EUR. The 15% commission of this tuition comes out to 1,215 EUR and will be the standard gross profit. The institution used as a basis for this price is ISCTE Business School, as this is the sole university with which SurfScholar is currently affiliated. While SurfScholar aims to potentially expand to other top universities in Lisbon such as NOVA School of Business and Economics and Catolica-Lisbon School of Business and Economics who have slightly higher, yet comparable, tuition prices, the 9,800 EUR total tuition fee for an MSc offered at ISCTE Business School will be used as the working benchmark.

The MSc in Hospitality and Tourism Management is a specialty degree offered at ISCTE Business School that includes one full academic year at a partner university in Orlando,

Florida and is therefore more expensive at 18,000 EUR total tuition fee. The 15% commission fee of this tuition comes out to 2,700 EUR and will be the standard gross profit for that degree.

14.4 Cost Structure

SG&A - Other Fixed Expenses	Year 1		Year 2		Year 3		Year 4		Year 5	
Advertising & Marketing	EUR	-331	EUR	-1,002	EUR	-1,012	EUR	-1,022	EUR	-1,032
General Supplies	EUR	-66	EUR	-200	EUR	-202	EUR	-204	EUR	-206
Internet, Mobile	EUR	-66	EUR	-200	EUR	-202	EUR	-204	EUR	-206
Legal Fees	EUR	-66	EUR	-200	EUR	-202	EUR	-204	EUR	-206
Bank Fees & Charges	EUR	-66	EUR	-200	EUR	-202	EUR	-204	EUR	-206
Registrations	EUR	-41	EUR	-	EUR	-	EUR	-	EUR	-
Marketing Campaign Launch	EUR	-83	EUR	-	EUR	-	EUR	-	EUR	-
Total - SG&A - Other Fixed Expenses	EUR	-779	EUR	-1,983	EUR	-2,003	EUR	-2,023	EUR	-2,043

Table 7- Indirect Costs & Startup Costs
(Author's Analysis)

This section will focus on the overall cost structure of the company. As seen above (Table 7), material, recurring amounts include advertising & marketing, general supplies, internet & mobile, legal fees, bank fees & charges, domain name (see Table 11 - Income Statement) and Squarespace (see Table 11 - Income Statement). The costs are adjusted for inflation in the 5-year projection. The largest of the recurring costs is represented by the advertising and marketing budget, although it is still relatively low. The structure and strategy of the company allows for very low cost marketing and other fixed costs. While some traditional marketing schemes will be employed (and are accounted for above in Table 7), the majority will be done through cost neutral tactics. Such examples include (already proven) branded content and prospective positive word of mouth referencing/communication.

Non-recurring costs includes registrations and one-time extra cost for the launch of marketing campaigns. A normal non-recurring cost for such a company would be the construction of a website due to its critical role in the functioning of a non-physically located place of business. For this company, however, the website was built in-house. Monthly costs for the domain name and Squarespace (website builder) are, however, accounted for as recurring costs (see Table 11 - Income Statement).

All cost elements of the business are entered into the following categories:

Cost Structure	Year 1	Year 2	Year 3	Year 4	Year 5
Total - Cost of Goods Sold	EUR -	EUR -	EUR -	EUR -	EUR -
Total - SG&A - Wages	EUR -	EUR -	EUR -7,163	EUR -12,893	EUR -13,538
Total - SG&A - Other Fixed Expenses (Non-Recurring)	EUR -124	EUR -	EUR -	EUR -	EUR -
Total - SG&A - Other Fixed Expenses (Recurring)	EUR -655	EUR -1,983	EUR -2,003	EUR -2,023	EUR -2,043
Total - Cost Structure	EUR -779	EUR -1,983	EUR -9,166	EUR -14,916	EUR -15,581

Table 8 - Cost Structure

(Source: Author's Analysis)

Table 8 takes into account the fixed recurring costs, the fixed non-recurring costs and the wages. As there is no actual cost for the goods sold, that line remains blank all the way through the 5-year projection. Year 2 represents the year with the smallest percentage of costs because it has neither non-recurring costs nor the cash flow required to be able to pay wages.

SG&A - Wages	Year 1	Year 2	Year 3	Year 4	Year 5
Sam	EUR -	EUR -	EUR -2,388	EUR -4,298	EUR -4,513
Simon	EUR -	EUR -	EUR -2,388	EUR -4,298	EUR -4,513
Tobias	EUR -	EUR -	EUR -2,388	EUR -4,298	EUR -4,513
Total - SG&A - Wages	EUR -	EUR -	EUR -7,163	EUR -12,893	EUR -13,538

Table 9 - Wages

(Source: Author's Analysis)

As has been explained, wages will not be payable until Year 3. Because of the commission structure, the company will be receiving cash commission once per year (at the end of the students first year); a payment that amounts to half of the 15% commission of the students tuition. Because of this cash delay, Year 3 is the first possible year for wages because it represents the surpassing of the breakeven point. The wages appear relatively low to ensure that the breakeven happens as quick as possible. These wages are not set in stone. However, it is best to assume low wages to begin with, and once volume actually increases, the wages can be more comfortably assessed.

14.5 Sales

Sales are the driving force behind any business. As has been mentioned, much of a financial plan is based on educated predictions. Particularly for startups, this task can be dubious. Therefore, predicting sales is simply a company's best possible estimate of future business activity and often serves as a goal to be reached.

Sales volume is driven by the drivers, and can be seen on Table 6. The table below (Table 10) shows the predicted volume of sales over the course of the 5-Year projections.

Volume	Year 1	Year 2	Year 3	Year 4	Year 5
Volume - MSc in Marketing	1	30	39	51	60
Volume - MSc in Hospitality and Tourism Management	1	3	6	9	12
Total	1	33	45	60	72

Table 10 - Sales by Volume – 5-Year Projection
(Source: Author's Analysis)

Year 1 represents the present time. As we currently have one student enrolled in the MSc in Marketing at ISCTE Business School, the total volume of both of the companies drivers of revenue is one. With a full year of previously explained extensive marketing, advertising and community driven word of mouth generating, we predict to have 30 students enrolled in Year 2, dispersed throughout the 'normal' MSc programs. We also predict having three students enrolled in the MSc in Hospitality and Tourism Management by Year 2. Both drivers of sales and revenue are predicted to increase by 'roughly' 30% every proceeding year after Year 2.

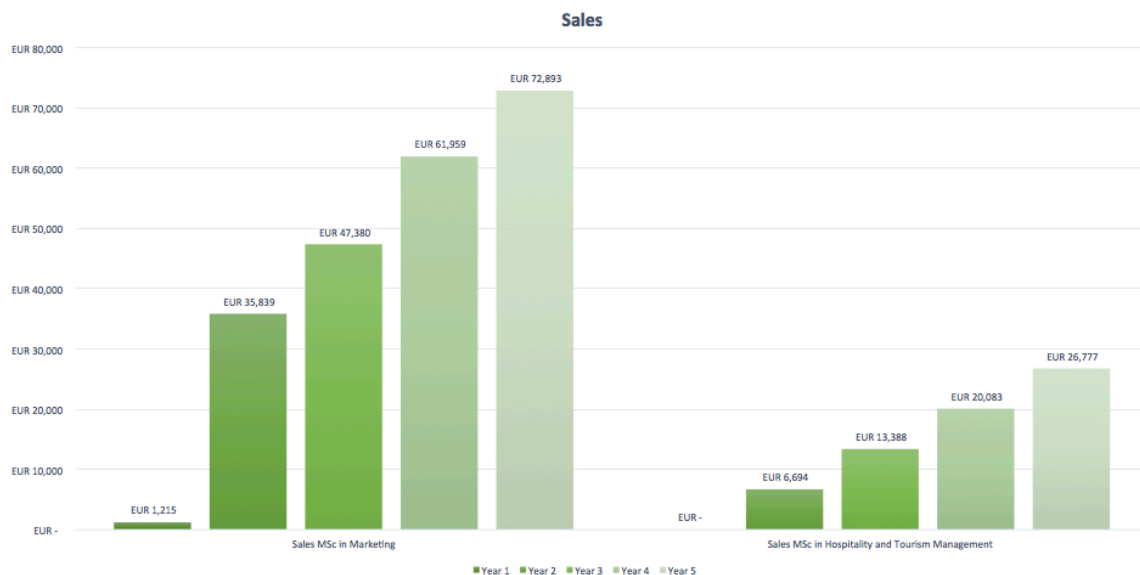


Figure 23 - Sales Converted From Volume Into Revenue (Volume * Price)
(Source: Author's Analysis)

14.6 Income Statement

The income statement demonstrates a company's financial performance during a specific accounting period. The performance is thus assessed by a summation of how a given business incurs its revenues and expenses as a result of a combination of non-operating and operating business activities.

The company has a small (226 EUR) positive net income after just the first year due to the low costs (no cost of service) and low investment barrier required for the structure of the service. The depreciation comes as a result of a 600 EUR long-term investment for the initial registration, and coinciding legal fees, of the company's Lda. Because it is viewed as a long-term investment, the full amount is not present and instead is accounted for as a steady depreciation of (beginning Year 2) 50 EUR annually.

The EBITDA dictated the operational strength of the working business model. This entails the profit which is unaffected by accounting standards manipulation. The EBITDA is a good gauge of a healthy business because the bottom line moves along with it.

The below table (Table 11) is the company's projected 5-year income statement and demonstrates all the necessary data needed to evaluate the 5-year projected net income.

Income Statement		Year 1		Year 2		Year 3		Year 4		Year 5	
Sales	EUR	1,215	EUR	42,533	EUR	60,769	EUR	82,041	EUR	99,669	
- Cost of Services	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-	
Gross Profit	EUR	1,215	EUR	42,533	EUR	60,769	EUR	82,041	EUR	99,669	
Sales MSc in Marketing	EUR	1,215	EUR	35,839	EUR	47,380	EUR	61,959	EUR	72,893	
COSS - MSc in Marketing	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-	
Gross Profit - MSc in Marketing	EUR	1,215	EUR	35,839	EUR	47,380	EUR	61,959	EUR	72,893	
Sales MSc in Hospitality and Tourism Ma	EUR	-	EUR	6,694	EUR	13,388	EUR	20,083	EUR	26,777	
COSS - MSc in Hospitality and Tourism M	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-	
Gross Profit - MSc in Hospitality and Tou	EUR	-	EUR	6,694	EUR	13,388	EUR	20,083	EUR	26,777	
- SG&A - Wages	EUR	-	EUR	-	EUR	-7,163	EUR	-12,893	EUR	-13,538	
Sam	EUR	-	EUR	-	EUR	-2,388	EUR	-4,298	EUR	-4,513	
Simon	EUR	-	EUR	-	EUR	-2,388	EUR	-4,298	EUR	-4,513	
Tobias	EUR	-	EUR	-	EUR	-2,388	EUR	-4,298	EUR	-4,513	
- SG&A - Other Fixed Expenses (Recurring	EUR	-655	EUR	-1,983	EUR	-2,003	EUR	-2,023	EUR	-2,043	
Advertising & Marketing	EUR	-331	EUR	-1,002	EUR	-1,012	EUR	-1,022	EUR	-1,032	
General Supplies	EUR	-66	EUR	-200	EUR	-202	EUR	-204	EUR	-206	
Internet, Mobile	EUR	-66	EUR	-200	EUR	-202	EUR	-204	EUR	-206	
Legal Fees	EUR	-66	EUR	-200	EUR	-202	EUR	-204	EUR	-206	
Bank Fees & Charges	EUR	-66	EUR	-200	EUR	-202	EUR	-204	EUR	-206	
Domain name	EUR	-23	EUR	-70	EUR	-71	EUR	-72	EUR	-72	
Squarespace	EUR	-36	EUR	-110	EUR	-111	EUR	-112	EUR	-114	
- SG&A - Other Fixed Expenses (Non-recu	EUR	-124	EUR	-	EUR	-	EUR	-	EUR	-	
Registrations	EUR	-41	EUR	-	EUR	-	EUR	-	EUR	-	
Marketing Campaign Launch	EUR	-83	EUR	-	EUR	-	EUR	-	EUR	-	
EBITDA	EUR	436	EUR	40,550	EUR	51,603	EUR	67,125	EUR	84,088	
- Depreciation	EUR	-17	EUR	-50	EUR	-50	EUR	-50	EUR	-50	
Legal Fees	EUR	-17	EUR	-50	EUR	-50	EUR	-50	EUR	-50	
EBIT	EUR	420	EUR	40,500	EUR	51,553	EUR	67,076	EUR	84,039	
- Intrest Expenses	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-	
EBT	EUR	420	EUR	40,500	EUR	51,553	EUR	67,076	EUR	84,039	
- Income Tax	EUR	-194	EUR	-8,505	EUR	-10,826	EUR	-14,086	EUR	-17,648	
Net Income	EUR	226	EUR	31,995	EUR	40,727	EUR	52,990	EUR	66,391	

Table 11 - Income Statement
(Source: Author's Analysis)

14.7 Balance Sheet

The balance sheet operates with three main components: assets, liabilities and owners equity.

Balance Sheet		Year 1		Year 2		Year 3		Year 4		Year 5
Total Assets	EUR	983	EUR	38,272	EUR	79,412	EUR	135,847	EUR	197,526
Current Assets	EUR	504	EUR	37,842	EUR	79,032	EUR	135,516	EUR	197,245
Accounts Receivable	EUR	1,215	EUR	42,533	EUR	60,769	EUR	82,041	EUR	99,669
Cash	EUR	-780	EUR	-4,829	EUR	18,229	EUR	53,368	EUR	97,576
VAT Recoverable	EUR	69	EUR	139	EUR	35	EUR	106	EUR	-
Non-Current Assets	EUR	479	EUR	430	EUR	380	EUR	331	EUR	281
Net Assets	EUR	479	EUR	430	EUR	380	EUR	331	EUR	281
Total Liabilities & Equity	EUR	983	EUR	38,272	EUR	79,412	EUR	135,847	EUR	197,526
Liabilities	EUR	194	EUR	7,087	EUR	9,536	EUR	15,630	EUR	14,238
Current Liabilities	EUR	194	EUR	7,087	EUR	9,536	EUR	15,630	EUR	14,238
Accounts Payable	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Income Tax Payable	EUR	194	EUR	6,832	EUR	8,899	EUR	11,631	EUR	14,238
VAT Payable	EUR	-	EUR	255	EUR	638	EUR	3,999	EUR	-
Non-Current Liabilities	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Long-Term Debt	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Equity	EUR	790	EUR	31,185	EUR	69,876	EUR	120,216	EUR	183,288
Retained Earnings	EUR	190	EUR	30,585	EUR	69,276	EUR	119,616	EUR	182,688
Common Stock	EUR	600	EUR	600	EUR	600	EUR	600	EUR	600

Table 12 - Balance Sheet in EUR – 5-Year Plan

(Source: Author's Analysis)

The assets account for all the things the company owns. In the case of this company, those four things are accounts receivables, cash and VAT recoverable and a non-current assets. For other companies, assets could include things such as land, inventory, equipment, supplies, etc.

Accounts receivables entail the money a company expects to receive from customers. Accounts receivables are usually utilized with credit payments, however, because SurfScholar operates in a way that a customer's payment does not come until after the first full academic year (commission payment from the university), it is appropriate to utilize accounts receivables in the accounting process. If sales have instant money transaction, small companies tend to utilize cash accounting methods because it (obviously) holds more liquidity, and therefore can be instantly used. In the balance sheet above (Table 12), all the sales will fall under accounts receivables because all of them will have a cash delay of one year. Because of this, it is not until Year 3 that the cash delay retires and positive cash assets are present. It is also because of this that wages cannot be paid until Year 3 (cannot pay wages with accounts receivables). Ultimately, it is the cash assets that properly value the company. The Value Added Tax recoverable makes up a small portion of the total assets. The non-current asset represents the

investment made for the registration and coinciding legal fees of the company in the form of creating an Lda.

The liabilities represent the financial obligations of the company. The primary obligation for this company comes in the form of the 21% corporate income tax.

The equity, or owner's equity, of the company is also often referred to as the 'book value' of the company. The equity is comprised of the total assets subtracted by the liabilities. In this case, the total equity is split between three equal 'owners.'

14.8 Cash Flow Statement

The cash flow statement works with the cash that comes in and out of the company. Having a steady inflow of cash is obviously critical for any company is a good indicator for investors that the company is going well.

Cash Flow Statement - Pre Funding	Year 1		Year 2		Year 3		Year 4		Year 5	
Cash Flow from operating activities	EUR	-847	EUR	-2,450	EUR	25,094	EUR	37,789	EUR	47,526
Net Income	EUR	226	EUR	31,995	EUR	40,727	EUR	52,990	EUR	66,391
Increases in non-cash Current Assets	EUR	-1,284	EUR	-41,388	EUR	-18,132	EUR	-21,344	EUR	-17,522
Increases in Current Liabilities	EUR	194	EUR	6,893	EUR	2,449	EUR	6,094	EUR	-1,392
Depreciation/Amortization	EUR	17	EUR	50	EUR	50	EUR	50	EUR	50
Cash Flow from investing activities	EUR	-496	EUR	-	EUR	-	EUR	-	EUR	-
Legal Fees	EUR	-496	EUR	-	EUR	-	EUR	-	EUR	-
Cash Flow from financing activities	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Funding	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Capital Repayments	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Stock issues	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Dividends	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Cash Flow (Indirect Method)	EUR	-1,343	EUR	-2,450	EUR	25,094	EUR	37,789	EUR	47,526
Cash Flow (Indirect Method - Cumulative)	EUR	-1,343	EUR	-3,793	EUR	21,301	EUR	59,090	EUR	106,616

Table 13 - Cash Flow Statement - Pre Funding
(Source: Author's Analysis)

As was mentioned in the previous section and seen in Table 12, positive cash flows are not present until Year 3. This is because of the nature of the once per year lump sum payment that comes at the end of the academic school year. Therefore, until Year 3, practically all of the value of the company will be in the form of non-cash current assets (accounts receivables). However, once the gap is bridged in Year 3, the company will have a combination of healthy operating cash flow and non-cash current assets (accounts receivables), making the aggregate total assets very appealing. Until Year 3, the cash flow appears deep negative (-1,343 in Year 1 and -3,791 in Year 2, respectively), because it amounts to the expected cash not yet attained in the form of accounts receivables.

As far as investment goes, the only active investment is that of the registration and coinciding legal fees (seen as 'legal fees' under 'Cash Flow from investing activity').

While the full amount is 600 EUR, it appears on the cash flow statement as -496 EUR because of the nature of sales tax being reported separately.

After the cash flows are calculated, there are several ways in which the viability of the firm can be assessed. Among those methods is the payback period, which evaluates the time required to offset the initial investment. If the payback period is reached before the expiration of the given projection period, it is a good sign. In the case of SurfScholar, this is accomplished in Year 3. This is because although the costs and investments are relatively low due to the nature of the business and its payment schedule, SurfScholar cannot breach the payback period until there are positive cash flows (in Year 3). After the cash delay is eclipsed, however, the positive cash flows are significant due to the minimal relative costs required for the company and therefore stay healthily above all required costs. Since the payback period is met within the confines of the 5-year projection, the company looks promising.

14.9 Business Valuation

Business Valuation - FCFF										
Income Approach	Year 1	Year 2	Year 3	Year 4	Year 5	Terminal Value				
Free cash flow to the firm	EUR	-847	EUR	-2,450	EUR	25,094	EUR	37,789	EUR	47,526
Growth Rate										
Cash flow from operations	EUR	-847	EUR	-2,450	EUR	25,094	EUR	37,789	EUR	47,526
+ Interest*(1-tax rate)	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
- Capital expenditures	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Weighted Average Cost of Capital		4.62%		5.13%		2.91%		2.20%		1.81%
Market value of Debt	EUR	-	EUR	-	EUR	-	EUR	-	EUR	-
Market value of Equity	EUR	790	EUR	31,185	EUR	69,876	EUR	120,216	EUR	183,288
Before tax cost of debt		0.00%		0.00%		0.00%		0.00%		0.00%
After tax cost of debt		0.00%		0.00%		0.00%		0.00%		0.00%
Cost of Equity		4.62%		5.13%		2.91%		2.20%		1.81%
Discounted Free Cash Flow to the Firm Y1	EUR	-847								
Discounted Free Cash Flow to the Firm Y2	EUR	-2,450								
Discounted Free Cash Flow to the Firm Y3	EUR		25,094							
Discounted Free Cash Flow to the Firm Y4	EUR			37,789						
Discounted Free Cash Flow to the Firm Y5	EUR				47,526					
Discounted Free Cash Flow to the Firm Y5 - Terminal	EUR				-					
Firm Value	EUR		107,112							

Table 14 - Business Valuation

(Source: Author's Analysis)

Upon discounting all future cash flows, the firm value (or present value, PV) comes out to 107,112 EUR. All future cash flows were discounted in order to establish the current value of future income. The future cash flows are all discounted using the WACC, or weighted average cost of capital. The WACC consists of the combination of the market value of the debt and equity. Because this company functions with no credit-induced debt

as a result of completely self-funding, the WACC consists solely of the market value of the equity.

While the PV is a useful valuation of the business, the more poignant valuation is the Net Present Value (NPV). The NPV is a more accurate valuation in that it takes into account initial investments, while the PV only calculates cash inflows. Thus, the NPV comes out to the Net* Present Value. Therefore, the NPV uses the same tactic as the PV by discounting all future cash flows using the WACC, but then also subtracts the initial investment at the end. Because the initial investment for this company is relatively very small (600 EUR) due to the low cost/low investment-needed nature of SurfScholar, the NPV does not deviate far from the PV and is healthily at 106,512 EUR.

15. Conclusion

SurfScholar is a unique company that focuses heavily on a niche (surfing) as a differentiating factor. By branding Lisbon as the perfect affordable location to both study and surf, SurfScholar provides a legitimate and exciting alternative to the cost-heavy state of higher education in America. Ultimately, the intention of SurfScholar is to truly help and inform people of what lays beyond their normal environment.

The innovative low cost structure of SurfScholar gives much freedom to the founders. As a result of these low costs, SurfScholar is able to experiment with a multitude of alternative methods of attracting attention, opposed to traditional and cost intensive marketing.

To date, the most effective of SurfScholar's marketing efforts has come in the form of providing branded content for internationally recognized online and offline surf publications. By marketing our experience (see Appendix 1), people are able to relate to the message and envision themselves having the experience as well. Therefore, strategic media partnerships and relationships will be critical for the success of the company.

For any service, quality is paramount for success. The goal of SurfScholar is to provide the most efficient service possible while helping prospective students grow both

academically and personally. The long-term and short-term benefits of obtaining a foreign degree are well proven. It is the job of SurfScholar to transmit this message.

SurfScholar is under the firm belief that once several people participate in the SurfScholar experience and the community grows, positive word of mouth referencing will grow organically. For any service, word of mouth communication is the most valuable form for messaging. It is on this principle that SurfScholar builds its community-oriented brand image.

While there is currently just one student enrolled through SurfScholar, we are confident it will grow. By predicting 30 students for the academic year of 2017/2018, SurfScholar has set a goal it plans to accomplish. Although positive cash flow will be delayed until Year 3, SurfScholar is more concerned with the long-term success and growth of the company/brand and will not be deterred.

If SurfScholar can use all the knowledge gained from the production of this thesis to actualize the 5-year financial forecast provided, SurfScholar will have positively impacted the lives of 211 young adults. That would be deemed a great success!

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17. Appendices

Appendix 1 - How To: Get Shacked in Europe While Earning a Masters Degree

SURF

How To: Get Shacked in Europe While Earning a Masters Degree

f 589 t 10 v 3 WEDNESDAY MARCH 9, 2016



Sam Einstein



REC

After graduating with a B.A. in philosophy from UC Santa Barbara, I was qualified for...not much. Just another cliché liberal arts degree recipient posted up at mom and dad's house in Venice. I decided to travel a bit, got a restaurant job and dabbled with brief freelance stints at surf companies. As nice as it is moving back into your childhood bedroom (not), a change of scenery was urgently needed.

It was time to assess my priorities. I wanted to travel. I wanted to surf. I wanted to experience different cultures. I wanted to learn other languages. I wanted to live on my own. But get a master's degree and go tens of thousands of dollars into debt? Screw that.

I came to the conclusion that I couldn't continue the cycle of saving money at a shitty job, going on a surf trip, coming back home broke, and repeating. It was time to start considering a "kill multiple birds with one stone" strategy.

Having heard rogue murmurs of affordable master's degrees overseas, my curiosity was sparked. How about the waves though? While I had been to Europe many times to visit my Swiss family, I had never actually entertained the idea of doing a shred trip along Europe's west coast. If I'm going to travel that far to surf, I might as well go somewhere tropical, right? Hell, I had never even set foot into the Atlantic.

Europe was the calling, but the wave knowledge was missing. The decision was made: find a livable city on Europe's west coast with good universities and better waves. So after stacking up about six months of Abbot Kinney bartending tip money (the only benefit of Venice's obscene gentrification), a one-way ticket to Europe was purchased. Flying into Bilbao in September, I was lucky enough to score some early season Mundaka. What followed were several months of making my way through Spain and southwest France, hitting cities such as San Sebastian, Bordeaux, Hossegor, Biarritz, Galicia, San Vicente de la Barquera and Bilbao. As I went along, everyone kept telling me, "Once winter comes, make your way to Portugal." I obliged.

Linking up with some friends of friends in Lisbon, my fate was sealed. The waves blew my mind. The quality, consistency and lack of crowds (especially during the AM sessions) were like nothing I'd ever seen. The search ended and I anchored down in Portugal's capital for the rest of the winter, scoring the best waves of my life by day and sifting through the lively streets by night. The world-class waves harmoniously complimented the diverse seaside city. Eventually, both the winter and my bank balance dwindled down; it was time to go home.

While Portugal has been getting a decent amount of exposure as of late, at the time two and a half years ago, I thought I had stumbled upon El Dorado. This became painfully

clear one afternoon post dismal surf session with 1,000 of my best friends(?), drinking a \$10 beer at my local watering hole that would have cost me €1 in Lisbon.

Luckily, my trip had a purpose. While in Lisbon, I began investigating the university situation. It looked promising. Very promising. With a plethora of schools to choose from, many of which have master's programs taught entirely in English, the plan was set into motion.

Fun fact about Europe: they actually give a shit about educating people and don't run their universities like for-profit businesses. When the priority is the educational wealth of the students opposed to the literal wealth of the schools' faculty/higher ups, you get stellar educational programs for a fraction of the price as in America.

I am now completing my MSc in Marketing in Lisbon. The dream was actualized. Surf perfect waves in an epic city and get a master's degree for (literally) one-tenth of the price. It may seem like a daunting task, but is very doable. I talk to friends in the states all the time and they are baffled that it's even possible.

"But the low prices only apply to European citizens, right?"

Nope.

"Getting a visa is impossible as an American, right?"

Nope.

"Is my bachelor's degree even valid over there?"

Yup.

"The waves are definitely better in SoCal though, right?"

Not even close.

"What's the catch?"

There isn't one.

The longer I've been here and the more European students I've talked with, the more I've began to resent the American university system. People here in Europe cannot fathom the idea of spending up to \$100,000+ on a master's degree. And rightfully so. It's absurd and not normal practically anywhere else in the world. The term "Highway robbery" comes to mind.

With all this in mind, my brother Simon (who also did a master's in Portugal), my German classmate Toby (who previously studied abroad in California) and I all decided to tackle this issue head on. By using surfing as a vessel for exploration and education, we decided to help bring Americans to study in Lisbon. We call it SurfScholar. Using our combined experience and passion for surfing, we want to help students save tens of thousands of dollars getting a quality education while also charging the waves of their life and experiencing a new culture.

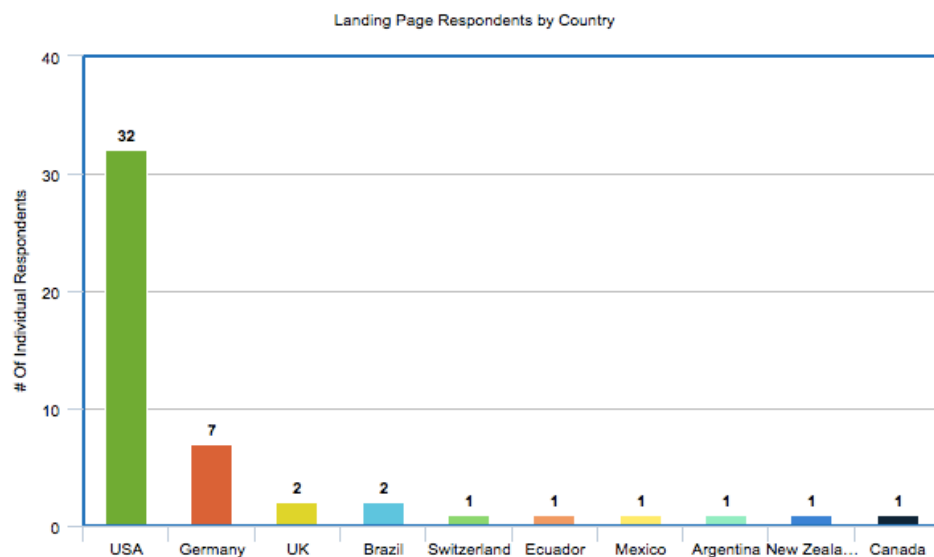
Plus, there is a very real chance Donald Trump could be the next President of the United States of America. It wouldn't be a bad idea to start making a solid back up plan.

Editor's Note: To learn more about the author and SurfScholar, go [here](#).

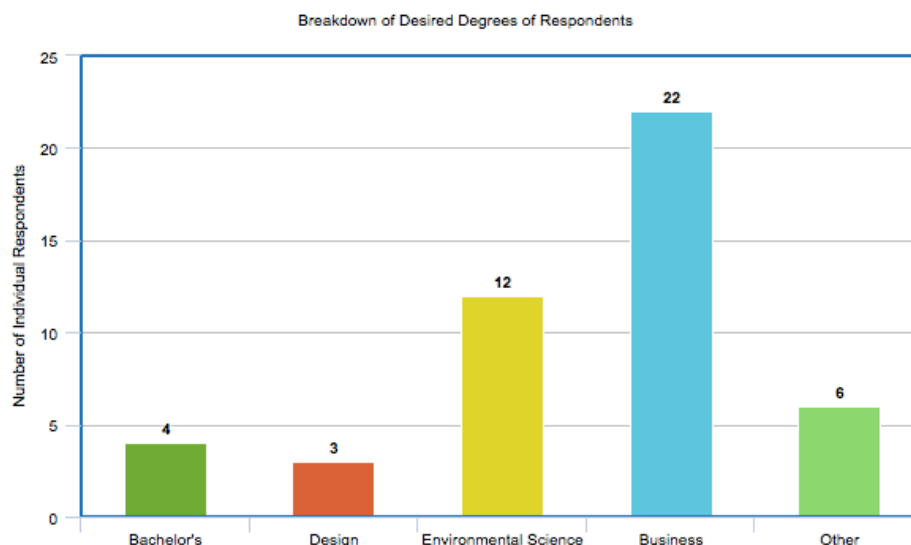
<http://www.theinertia.com/surf/how-to-get-shacked-in-europe-while-earning-a-masters-degree/>

Appendix 2 – Respondents From ‘How To: Get Shacked in Europe While Getting a Master’s Degree’ Analysis

The figure below shows the breakdown of country of origin from interested emails after the article was published on The Inertia.



The figure below shows the breakdown of desired degrees from interested emails.



The figure below shows the specific degrees of interest, correlated with the country of origin.

Name	Nationality	Desired Degree
Dean Bertrand	USA	Undergraduate Degree
Maria Echevarria	Mexico	Design
Aleck gaudreau	Canada	Undergraduate Degree
Ryan Watters	USA	Undergraduate Degree
Cait Salerno	USA	Marine Biology
Dylan Powers	USA	MSc Marketing
Thomas Barzeel	USA	Physical Therapy
Robert Mabry	USA	Marine Biology
Jack Creevy	USA	Environmental Studies
Patrick Quintos	USA	MSc Finance
Grayson Walker	USA	Photography
Sam Hartle	UK	Biological Chemistry
Fernando Carvalho Pacheco	Brazil	Marine Biology
Kai Hill	USA	Anthropology
Andrew McCabe	USA	MSc International Business
Nerissa Nyssen	USA	MSc Marketing
Taylor Burgdorf	USA	Sustainable Science
Connor Courtney	UK	MSc Management
Mark Martin	USA	MSc Management
Patrick Pohl	Germany	MSc Marketing
Ian Birkett	USA	MSc Management
Christina Jassmann	USA	Photography
Rebecca Schneider	USA	Sports Management
Piet Hammelrath	Germany	MSc. Management
Jesse Cloutier	USA	MBA
Miles Krumpack	USA	Global Studies
Nina Walter	Germany	MSc Marketing
Philip Stauss	Germany	Msc Marketing
Felix Klein	Germany	Design
Cody Gibbons	USA	Oceanography

Appendix 3 – Prospective Students: Email Excerpts

Media – Magazines and Online Publications

Media Kit

The initial article on the Inertia: How to: Get Shacked in Europe While Earning a Master's Degree generated 589 unique shares on Facebook, thousands of reads and over 100 personal e-mails from prospective students

"First of all, I just want to say, that this might be the most amazing idea ever! More and more people need to know about this! I've been interested in going abroad for a masters degree for the exact same reason; it's SOOO expensive here."

CAITLYN, USA

"Hi! This program is exactly what I'm looking for. It sounds like Portugal is a fantastic opportunity to score great waves and get a solid Masters education. I'm quite curious to learn more. Let me give you a brief background. I grew up surfing in San Diego and studied neuroscience at Johns Hopkins University. I spent 6 months in Rio de Janeiro, Brazil for a study abroad and now have a decent grasp on Portuguese. I currently work (and surf!) in San Francisco for a biotech news/data company but would like to improve my tech experience and education. I'm interested in the following areas/topics: Business Intelligence & Analytics, an MBA, project management, data science, big data, health informatics, biotech, pharmaceuticals, user research and design(UX), data science, customer success etc., and anything tech centric. Can you tell me more about your program and universities/programs that fit my interests?"

ALEC, USA

"I'm currently looking into masters of education in Southern California and came across your site for studying in Portugal! What an amazing experience while learning and completing a masters. Not to mention the epic waves! I'd love to learn more"

DYLAN, USA

"Hi! I learned about Surf Scholar through Sam's article featured by The Inertia . Congratulations on your awesome project, personal and professional accomplishments! I couldn't have stumbled upon that article at a better time. Initially, I had set my eyes in San Sebastian, Spain, but why not try Portugal?! I'd love to learn the language and travel as much as possible given that Barcelona is the only European city I've ever been to."

MARIA, MEXICO

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Appendix 4: Compromise Be Damned: Productive Barrel Time in Portugal

Posted on the The Inertia website and Facebook (+300,000 followers). Shared on Facebook 678 times.

TRAVEL

Compromise Be Damned: Productive Barrel Time in Portugal

 678  9  6 WEDNESDAY MAY 25, 2016



Sam Einstein



Compromise. Life is littered with it, often forcing us to concede the things we love for the things we vitally need. Cruel, ain't it? For surfers, the cruelty of compromise is often accentuated by the fact that we "need" what we "love."

As Laird Hamilton's superhero wife, Gabrielle Reece, once hilariously proclaimed, the intense frustration Laird feels when the waves are small is akin to being a dragon slayer when there are no more dragons. While we aren't all looking to slay the metaphorical dragon, this analogy helps drive the point home. A surfer needs his or her surf, and all too often "real life" rears its ugly head and demands we compromise.

Well, we at [SurfScholar](#) say compromise be damned! Mixing adventure, cultural exploration, endless barrels, and affordable education was the formula used to actualize this dream in sunny Lisbon, Portugal.

Two surefire ways to have your cake and eat it too are: 1.) Being a student in an affordable, wave-rich country and 2.) Becoming an accredited English teacher... in an affordable, wave-rich country. This country is, of course, Portugal.

What first drew me to Lisbon was the quest for a lovely city with good universities and even better waves. What I found, both in the city and the surf, blew my expectations

out of the Pacific water and planted them firmly into the Atlantic. I was hooked. This was several years ago, and unless you have been chilling underneath an internet-less rock, you too must now be aware of the truly world-class wave situation over here.

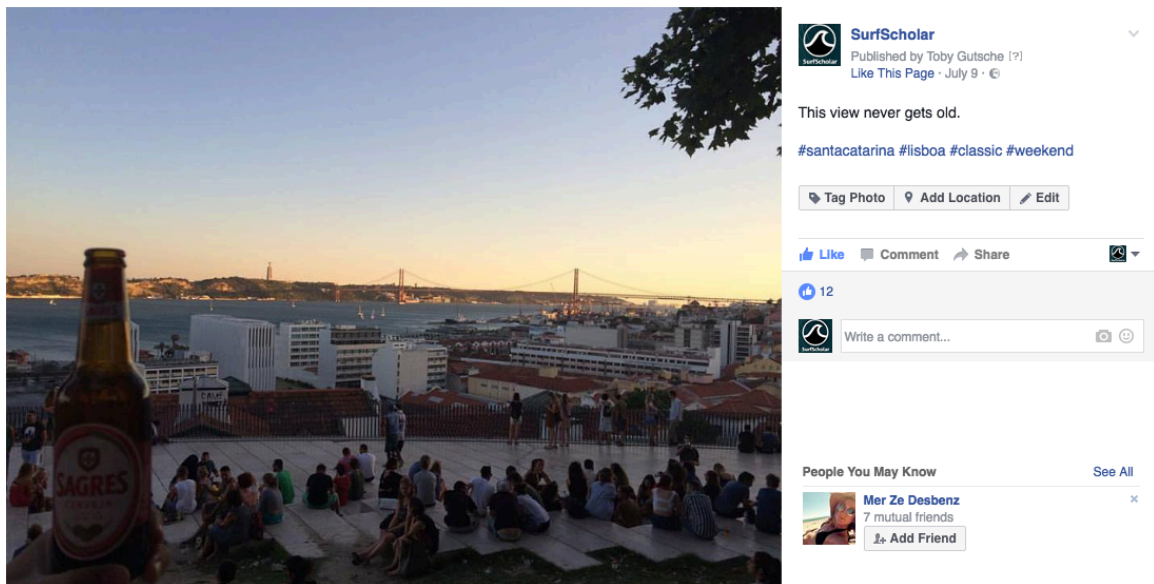
Now, being at the tail end of my master's degree here in Lisbon, my brother Simon, my classmate Toby and I decided to give back and help shepherd other haters of compromise here to Lisbon to be both productive and score the waves of their lives. Whether you are looking to get a quality degree for a fraction of the price of what it is in your hometown or simply looking to become an accredited English teacher able to work and shred anywhere in the world, SurfScholar has got you covered.

While I could harp all day about the [splendors of life in Portugal](#), up-and-coming Portuguese surf stud Frederico Morais hit the nail on the head in a recent Stab interview. "It's like California with less people, better food, less plastic, less crowd, and less fake," said Frederico. "It's like a big neighborhood and that's sweet. It's in Europe, which means you can enjoy an enormous variety of cultures in a couple of hours. Also, Portugal is cheap and there's no violence, no danger, no terrorism, and that's probably the best thing ever. It's a good place, to say the least."

<http://www.theinertia.com/travel/compromise-be-damned-productive-barrel-time-in-portugal/>

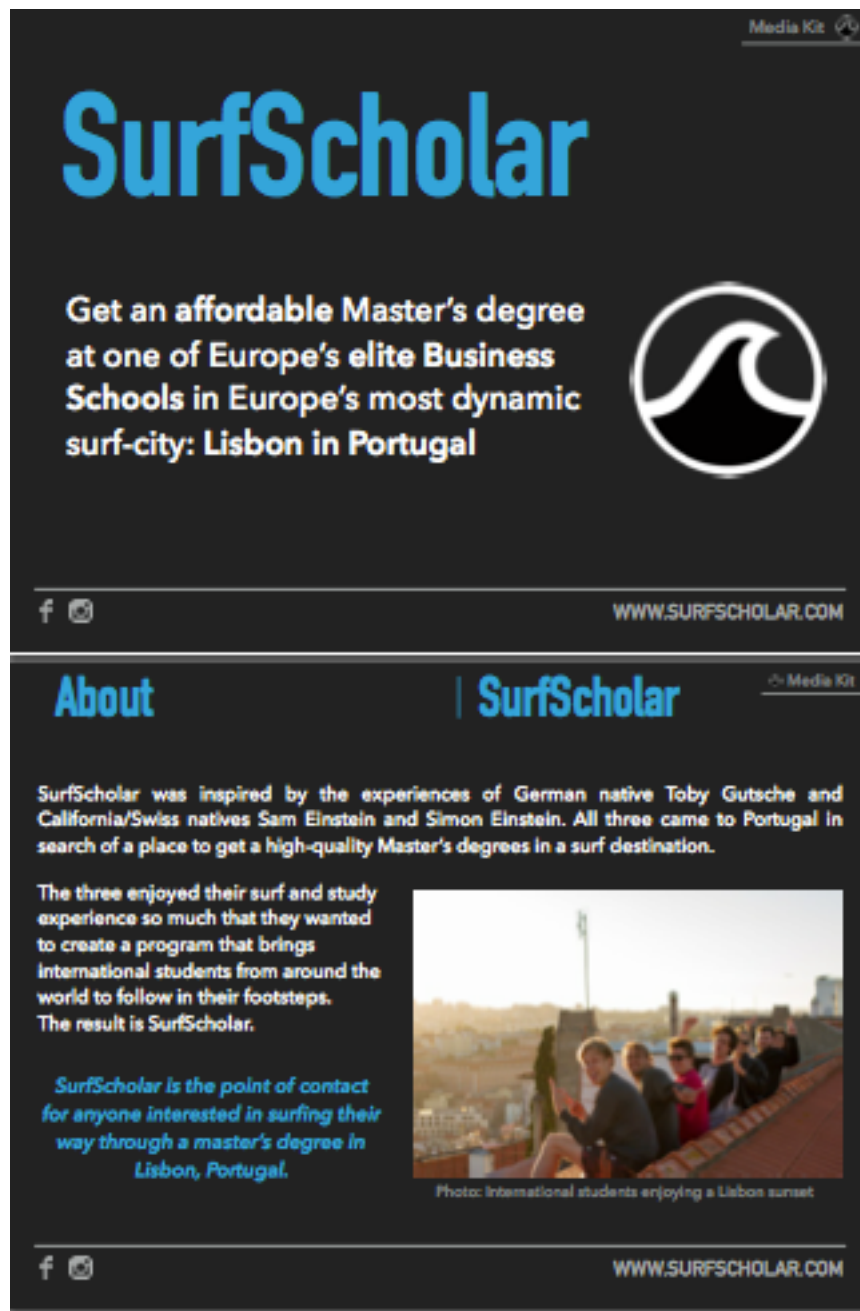
Appendix 5: Sample Social Media (Facebook) Posts

Such posts are geared towards showing the Lisbon lifestyle. By viewers getting a glimpse into what it means to be a surfing student in Lisbon, prospective students gain a more authentic understanding of what to expect. Such posts also raise excitement levels and can lead to positive word of mouth.



Appendix 6 – Media Kit

Media Kit: p. 1 and 2



Media Kit: p. 3 and 4

What SurfScholar Does | SurfScholar


SurfScholar has a partnership with ISCTE Business School - IBS in Lisbon, Portugal. SurfScholar works closely with IBS to promote its various English taught master's degrees.
(Internationally recognized Business School with the AACSB* Accreditation)



What you have to do to become a SurfScholar in Lisbon:

1. Prospective students go www.surfscholar.com for a master's degree offered by one of SurfScholar's partner institutions.
2. SurfScholar assists through the entire application process.
3. Once in Lisbon, students join SurfScholar's growing network of surfers and students.

At no extra charge to prospective students, SurfScholar provides:


- Personalized information about individual master's degrees
- Personalized assistance throughout the application process
- Personalized information about living logistics and options
- Personalized information about surfing in the region
- Inclusion in a network of surfers upon arrival


Photo: Lisbon's iconic bridge

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*Association Accredited to Advance Collegiate Schools of Business



What SurfScholar Does | SurfScholar



"LISBON HAS IT ALL. THE BOYS FROM SURFSCHOLAR KNOW THIS PLACE AND THE GIRLS AND GUYS OF LIVING AND STUDYING HERE LIKE THE BACK OF THEIR HANDS. ALSO, THEY ALWAYS SEEM BE IN THE RIGHT PLACE WHEN THE WAVES ARE ON."

PAUL TWAKES (MSc. MARKETING AT IBS)



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Media Kit: p. 5 and 6

Mission

SurfScholar

Media Kit

SurfScholar bridges the gap between international students and their dream study and surf experience. We combine travel and surf with earning a high quality and internationally recognized master's degree. Our network and services ensure SurfScholar's participants a smooth transition into their new lives in Lisbon.



Photo: Canelos Beach - Just a 20 minute train ride from Lisbon

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Media – Magazines and Online Publications

Media Kit

SurfScholar has the ability to create content for interested publications. Sam of SurfScholar has previous experience contributing to such surf publications as Stab Magazine, BeachGrit and The Inertia, and copywriting for Quiksilver.

The following articles about SurfScholar's inception and vision were written by SurfScholar and published by The Inertia.

"HOW TO: GET SHACKED IN EUROPE WHILE EARNING A MASTER'S DEGREE"
<http://www.theinertia.com/surf/how-to-get-shacked-in-europe-while-earning-a-masters-degree/>

"COMPROHISE BE DAMNED: PRODUCTIVE BARREL TIME IN PORTUGAL"
<http://www.theinertia.com/travel/comprohise-be-damned-productive-barrel-time-in-portugal/>



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Media Kit: p. 7 and 8

Media – Magazines and Online Publications

Media Kit

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"First of all, I just want to say, that this might be the most amazing idea ever! More and more people need to know about this! I've been interested in going abroad for a masters degree for the exact same reason, it's SOOO expensive here."

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"Hi! This program is exactly what I'm looking for. It sounds like Portugal is a fantastic opportunity to score great waves and get a solid Masters education. I'm quite curious to learn more. Let me give you a brief background. I grew up surfing in San Diego and studied neuroscience at Johns Hopkins University. I spent 4 months in Rio de Janeiro, Brazil for a study abroad and now have a decent grasp on Portuguese. I currently work (and work!) in San Francisco for a biotech new/old company but would like to improve my tech experience and education. I'm interested in the following areas/topics: Business Intelligence & Analytics, an MBA, project management, data science, big data, health informatics, biotech, pharmaceuticals, user research and design(ER), data science, customer success etc., and anything tech centric. Can you tell me more about your program and universities/programs that fit my interests?"

ALEC, USA

"I'm currently looking into masters of education in Southern California and came across your site for studying in Portugal! What an amazing experience while learning and completing a masters. Not to mention the epic waves! I'd love to learn more"

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MARIA, MEXICO

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Media – Magazines and Online Publications

Media Kit


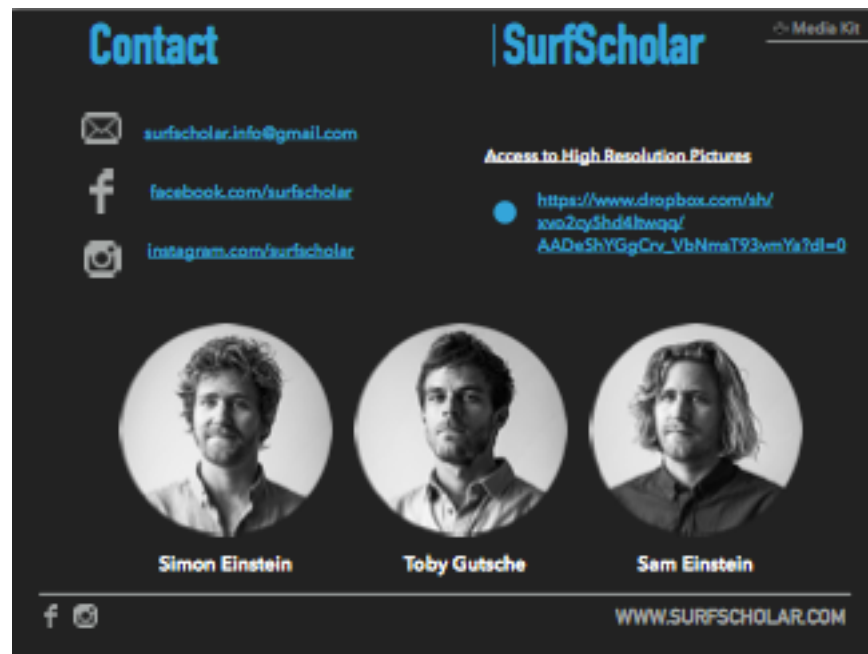


Photo: SurfScholar at Supertubos - Europe's best beachbreak

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WWW.SURFSCHOLAR.COM

Media Kit: p. 9

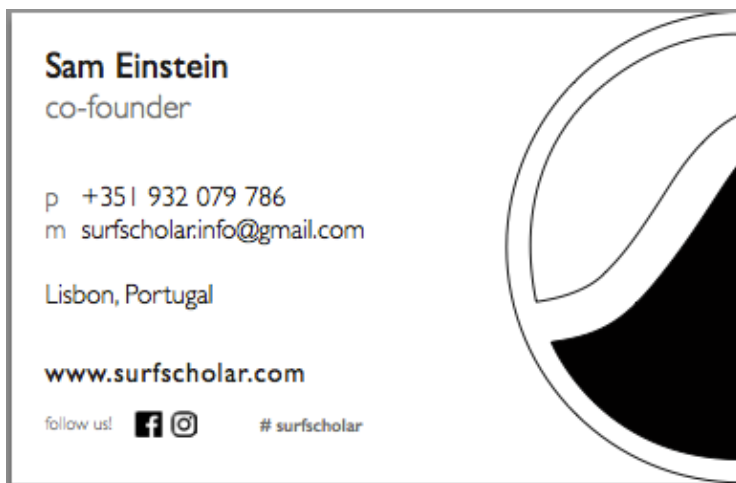


Appendix 7 – Business Card

Front:



Back:



Appendix 8 – Bob Mignogna Email Interview Response

Hi Sam,

That's an interesting concept for a business service, and one that I assume you would expand to other cities/countries once you worked the bugs out of the Lisbon launch.

It sounds like you're looking for a marketing plan that can be put into effect with little money, or, as they say, with no budget! If so, that's certainly not easy to do.

Assuming that case, my starting points would be in Australia and America, where you have the two largest surfing populations in the world and in the case of the US, the largest number of universities in the world. I would identify all the undergrad universities that are located near surfing areas, because that's where most surfers go to college. In the US, this includes schools from Maine to Florida, San Diego to Washington State, and in Hawaii, and maybe one or two in Texas. Follow the same tactic in Australia. I would make sure that the lists include all universities/colleges that have any kind of surf-related studies, and also oceanography, marine biology and so on.

I would then determine all the methods of communicating with students in these schools through various clubs (many have surf clubs/teams), bulletin boards, social media, newsletters, graduate counseling programs. I would also look for a "champion" or "ambassador" at each university to "quarterback" this amongst the students at their school. Maybe you put the ambassadors on an incentive program.

I would also pick a small handful of schools that have very large surfer-student populations, such as San Diego State University, University of North Carolina Wilmington, University of California Santa Barbara, University of California Santa Cruz, and others (Florida has a number of them), and focus on getting set up with an ambassador at each of these. All of the schools mentioned here have full surf clubs/teams, and the president of the club may be a good choice for the ambassador role. There are many universities in the US with surf clubs/teams. Most compete in the NSSA and some in the AAU.

That's the path that I would take, and while doing so, I suggest you continue to seek free coverage in the US and Australia surf media, making sure that they identify how an interested person can look further into this.

Hope this is a little helpful.

Regards

Bob

Appendix 9 – Flyers: USA University Campuses



***Use surfing as a vessel to explore Europe and
get the international education of your dreams
for a fraction of the price as in the U.S.***

- Acquire skills that you can use to pursue a life of remote work and exploration
- Have the freedom to work from anywhere in the world
- Experience a new culture, learn a new language, meet new people; immerse yourself
- Anchor down in sunny Lisbon and score the waves/times of your life while saving mountains of money

Surf Scholar

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