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DE LISBOA

Innovative Business Plan - Daily Deal Platform in the Angolan Market

Ivani Alves Ferreira dos Santos

Master in Business Administration

Supervisor:

PhD, Renato Telo de Freitas Barbosa Pereira, Assistant Professor,
ISCTE – IUL

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BUSINESS
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Marketing, Operations and General Management Department

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SUMÁRIO

A criação deste projeto teve como propósito a elaboração de um plano de negócios para uma plataforma de Daily Deal no mercado angolano, um ramo bastante peculiar do e-commerce que estimula negócios locais através de uma demanda criada pelos descontos atrativos oferecidos aos clientes através da plataforma.

Levou-se a cabo um estudo detalhado de modo a determinar a viabilidade económica e financeira do projeto tendo em conta diversas variáveis importantes na conceção de start-ups de e-commerce, particularmente em mercados emergentes. Dentre estas variáveis, destacam-se os seguintes: público endereçável potencialmente inclinado a realizar compras online, condições de infraestrutura que permita uma execução eficiente deste tipo de atividade, crise económica que recentemente tem influenciado diretamente tanto no preço dos produtos e serviços praticados no mercado como no poder de compra do cliente e por último a competição no setor.

Após análise do plano de negócios foi possível perceber a enorme potencialidade deste projeto dado o crescimento do público alvo no curto-médio prazo, associado a fatores como melhoria da economia e das infraestruturas que conseqüentemente resultará em maior confiança e interesse por parte dos principais intervenientes do negócio (comerciantes e clientes). Portanto, estas elações reforçaram a viabilidade deste negócio tornando o investimento neste projeto encorajador a todos os níveis.

Para implementar esta plataforma será necessário um investimento inicial de 30 000 €, destinado à inversão em capital fixo, gastos administrativos e fornecedores.

Tendo em consideração os pressupostos assumidos, a avaliação financeira e económica do projeto revelou-se positiva com um Valor Presente Líquido de 316 160 €, uma Taxa Interna de Rendibilidade de 123% e período de recuperação do investimento de 3 anos.

Palavras-Chave: Plataforma Daily Deal, E-Commerce, Plano de Negócios, Avaliação Financeira, Estudo de Viabilidade, Países Subdesenvolvidos, Angola.

Classificações JEL: M13 - New Firms; Startups.

Z3 - Tourism Economics.

ABSTRACT

This project was created with the intent to elaborate a business plan for a Daily Deal platform in the Angolan market, a very peculiar branch of e-commerce that stimulates local businesses through a demand created by attractive discounts offered to clients in the platform.

A detailed study was carried out to determine the economic and financial feasibility of the project considering several important variables that play a role in the construction of e-commerce start-ups, particularly in emerging markets. Among these variables, the following stand out: addressable audience potentially inclined to make online purchases, infrastructure conditions that allow an efficient implementation of this business model, economic crisis that recently has been directly influencing both the price of products and services in the market and the customer purchasing power, and the existing competition in the sector.

After analyzing the business plan, it was possible to realize the enormous potential of this project given the growth of the target audience in the short-medium term, associated with factors such as economic and infrastructural improvement which will consequently result in greater confidence and interest from the 2 ends of the business (merchants and customers). Therefore, these relationships reinforced the viability of this business, making the investment in this project encouraging at all levels.

To implement this platform, an initial investment of 30 000 € will be necessary, destined to investment in fixed capital, administrative expenditures, and suppliers.

Considering the assumptions made, the financial and economic valuation of the project is positive with a Net Present Value of 316 160 €, an Internal Rate of Return of 123%, and a payback period of 3 years.

Key words: Daily Deal Platform, E-commerce, Business Plan, Financial Valuation, Feasibility Study, Developing Countries, Angola.

JEL Ratings: M13 - New Firms; Startups.

Z3 - Tourism Economics.

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GLOSSARY (ACRONYMS)

NPV – Net Present Value.

IRR – Internal Rate of Return.

O2O – Online-to-Offline Business.

IT – Information Technology.

IAPMEI – Agência para a Competividade e Inovação.

GDP – Gross Domestic Product.

CPI – Consumer Price Index.

EMIS – Empresa Interbancária de Serviços.

INE – Instituto Nacional de Estadística.

SWOT – Strength, Weakness, Opportunity, Threat.

SMART – Specific, Measurable, Attainable, Relevant, Time Bound.

4 Ps – Product, Price, Placement, Promotion.

ATM – Automated Teller Machine.

GI – Gross Income.

SS – Social Security.

IT – Income Tax.

WACC – Weighted Average Cost of Capital.

INTRODUCTION

E-commerce has been increasingly used by almost every sector in the international market thanks to its benefits. Consequently, even the less prepared societies are starting to adopt it. The Angolan market is no exception for several reasons. The current financial crisis that pushes people towards cheaper alternatives, and other important factors, open an opportunity for the Daily Deal business to thrive. This innovative service allows customers to discover and experiment new venues and products at cheaper prices, and merchants to stimulate and explore their businesses at a modest investment. However, like in most developing economies, a deep and rigorous analysis of the market must be made to assess the financial feasibility of the project. This was achieved by gathering valuable information about the market and uncovering the challenges one might encounter in the implementation of electronic platforms in Angola, this way also contributing to the general knowledge of management. Several scientific fields such as Marketing, Information Technology, Strategy, Human Resources Management, and mathematical areas such as Statistics, Managerial and Financial Accounting, and Finance were applied to help resolve this issue.

Firstly, a scientific literature review was prepared to provide a broad insight on e-commerce activities and Daily Deal platforms. It explored the birth of e-commerce and how it evolved throughout the years bringing countless advantages to the modern world. It also looked on how third world countries implemented e-commerce platforms and the challenges they had to overcome. Lastly, it gave an overview on the history, characteristics and opportunities of the Daily Deal business and the use of e-coupons.

The lack of reliable data originated an exhaustive market research including interviews with an expert panel, and a survey with local customers and merchants. The data gathered combined with national economic indicators allowed to establish a prognostic on the current readiness of the market for this type of services and its future potential.

Following the assessment on the market readiness, it was performed a thorough analysis of the opportunities and threats along with an internal analysis of the project which allowed to identify critical factors for the success of this business. The objectives of the plan were mostly set based on these critical factors which provided a reliable guidance for the project.

Next, considering the set of objectives established, it was developed a differentiation strategy focused on competitive discounts along with dynamic marketing strategies to gain awareness and acceptance from the market.

Moreover, to carry out these outlined strategies, a set of extremely specific procedures were laid out. These policies range from the selection of marketing and communication actions and tools, branding, assessment of technological needs and people management processes. In addition, a sales forecast was elaborated based on important variables such as the size of the target market, number of available merchants in applicable sectors, and the level of demand for the services and products in each category available in the platform.

Furthermore, an analysis of all the legal requirements for the implementation of the project was performed along with the description of each step needed to license the business. Then, the capital structure of the company was presented along with the explanation why no financing was used.

Finally, an economical and financial valuation was performed to determine the feasibility of the business plan. Several economic and financial indicators were calculated such as the Net Present Value, Cash Flow, Internal Rate of Return, and Payback Period. This analysis was performed in the perspective of the firm.

1. LITERATURE REVIEW

1.1 HISTORY OF E-COMMERCE

Electronic Commerce is the process of buying and selling products and/or services through a digital environment using methods designed for the receipt or performance of commercial transactions (Santos, Sabino, Morais, Gonçalves, 2017).

Galinari et al., 2015, as cited in Santos et al., 2017, defends that e-commerce started in the 1970's decade by means of electronically financial transactions and documents exchanges among large companies.

According to Albertin, 2012, as cited in Santos et al., 2017, the origins of e-commerce is divided in four phases:

- Phase 1: companies started divulging their products and services through the internet.
- Phase 2: companies started receiving orders and sending information and instructions on how to use their goods and services.
- Phase 3: companies started the distribution of products and services by using information technology.
- Phase 4: this is the current state of e-commerce which integrates all previous phases, and consequently provides more comfort and large variety of offers and options for both the consumer and the seller.

1.2 ADVANTAGES OF E-COMMERCE

E-commerce has impacted different industry sectors in its own way. Several electronic tools have been developed to help both organizations and consumers. According to Santos et al., (2017), tools such as e-learning, e-procurement, e-banking, e-trade, and e-drugs, helps to save time, reduce costs, better communication, prevents human error, and increases service availability for longer periods of time.

However, despite all the advantages of e-commerce there are some important aspects to consider that may pose difficulties in its implementation and usage especially in developing countries. Lefebvre & Lefebvre, 2002, as cited in Santos et al., 2017, stated that e-commerce instigates a profound revolution in the traditional way of doing business, thus, a rigorous adaptation and learning period becomes essential when implementing it.

1.3 E-COMMERCE IN DEVELOPING COUNTRIES

Research on South African companies suggests a non-optimistic view on e-commerce benefits in developing countries (Molla, Heeks, 2007). E-commerce adoption in third world countries has been restrained by the quality, availability, and cost of accessing communication and information technology infrastructures (Molla, Licker, 2005). Certainly, cutting down the price of the internet is a big challenge. Even though companies are trying to maintain the price of bandwidth low, the high expenses of spreading network and operating costs prevent them from offering internet plans at lower prices (Khan, 2016). Molla et al., (2005) also underlines the fact that governmental institutions' readiness to govern and regulate such platforms is a crucial element missing in developing countries making it an additional obstacle for since it is a major form to build trust among users and providers of electronic business. As a matter of fact, perceived risk (such as internet credit card thefts and supplying personal information) was considered the most important barrier to internet and e-commerce usage worldwide (Liebermann and Stashevsky, 2002, and Ahuja et al., 2003, as cited in, Ardizzone, Mortara, 2014). Khan (2016) reinforces this idea when he refers that “Modern laws adopted, and impartiality implemented in the electronic transactions form the basis of trust in the developed world. Where legal and judicial systems are not developed, e-commerce are at a disadvantage because of lack of security.” However, besides perceived risk, other factors may act as barriers to the usage of e-commerce platforms and other innovative systems in general either in developing countries or around the rest of the globe. People tend to use an application to the extent they believe in its usefulness and difficulty level to use it (Davis, 1989). The author calls these two variables as perceived usefulness being “the degree to which a person believes that using a particular system would enhance his or her job performance” and perceived ease of use which refers to “the degree to which a person believes that using a particular system would be free of effort.”

Another issue according to Khan (2016), is that in many third world countries cash is the most accepted system and even checks and credit cards are not readily accepted. On top of that there is a habit in developing countries to negotiate prices with the seller before a purchase, which is not often a possibility in e-commerce.

In Bangladesh for example, e-commerce expansion was delayed due to economic, infrastructural, and legal reasons (Khan, 2016). At any rate, according to the author, since the introduction of 3G technology, electronic platforms have been spreading at a fast pace because of easier access to the internet than in the past. In a period of 3 years, more than 2000 e-

commerce platforms were implemented in the country. The author also mentions more general challenges faced in emerging economies such as lack of education, cultural tradition, poor concept of digital marketing, and political issues. For instance, according to Davis (1999) these complications being discussed in the implementation of e-commerce are not particularly new for developing countries. This author discusses the implementation of electronic platforms in Latin American countries and specifically points out the primary barriers being infrastructural and organizational, strengthening the thesis of other authors already addressed.

1.4 E-COMMERCE IMPLEMENTATION – 10 STEPS TO SUCCESS

Despite all difficulties one may encounter along the implementation process of e-commerce platforms in third world markets, McLaughlin (2009) provides a list of e-business imperatives that all organizations should put forward to avoid failure independently whether it is a developing economy or not (see table a - appendix Y).

1.5 DAILY DEAL WEBSITES

Online-to-Offline (O2O) business is the business model that describes Daily Deal platforms or websites.

According to Li, Shen, Bart (2017), Daily Deal platforms acquire customers online and direct them to offline stores. They serve as digital intermediaries between local merchants and local consumers through e-coupons which are bought online and subsequently redeemed in offline transactions in local merchants who provide the deal. Merchants and Daily Deal websites share profits from the sale of e-coupons as reported by Ardizzone, et al., (2014). This type of website is often described as a two-sided market with consumers or deal hunters on one side and merchants who sell the deals on the other side (Li et al., 2017).

A website named Woot was introduced in July 2004 as one of the first ever websites offering daily deals (Reimers, Xie, 2018). Groupon, in its turn, is the largest global market shareholder with approximately 60% of the industry revenues in 2013 (MacMillan, 2012, as cited in Reimers et al., 2018). Founded by Andrew Mason, the company reached growth rates of 219% in half a year which yielded revenues of \$688 million in the first half of 2011, compared to \$313 million in 2010 (Pepitone, 2011, as cited in Ardizzone et al., 2014). They usually charge a commission of 50% of the coupon price contrary to other Daily Deal platforms that ask for less such as LivingSocial which charges around 35% in agreement with Hu, Dang, Chintagunta (2017). For instance, in 2011 the average discount offered by Daily Deal platforms

in the Italian market reached 68% where Groupon was the market leader along with two other companies, Groupalia and Letsbonus counting with 90% of the total subscribers who were more than 10 million (Yoodeal, 2011, as cited in, Ardizzone et al., 2014). By the end of 2015, Groupon reached about 50.8 million active users around the world, worked with over 1 million merchants, and generated about \$3.1 billion as stated by Hu, et al., (2017).

Daily Deal promotions are a modern marketing strategy that is more economical than traditional advertising and fostered by group buying and geo marketing tactics (Ardizzone et al., 2014). In line with the authors, merchants are motivated to establish partnerships with Daily Deal platforms for different reasons: attracting new customers, increasing traffic to their points of sale, benefitting from word-of-mouth, popularity, and increasing sell-out.

Li et al., (2017) reinforces the latter paragraph stating that on the merchant side, the decision to offer deals on a Daily Deal website is dependent on the expected return (deal sales and advertisement exposure to potential customers using the platform). So, deal offering depends on the size of the other side of the business (consumer side). Past experience and perceived platform attractiveness also influence merchants' decision to participate (Li et al., 2017).

On the merchant side it is not always profitable to offer deals in the short term because the discount rate for the e-coupon is often high and the revenue is shared with the platform. (Edelman et al., 2016, as cited in Li et al., 2017).

The deal's profitability from the merchant side depends mostly on 2 factors: the customer willingness to spend beyond the deal value and the percentage of deal users who become constant buyers (Dholakia, 2010, 2011, as cited in, Ardizzone et al., 2014). Furthermore, profitability also relies significantly on reaching new customers even though according to a study that used a multi-site analysis of popular Daily Deal suppliers, there is a low redemption rate of new customers (Dholakia, 2011, as cited in Ardizzone et al., 2014). Some other factors that affect the success of the deal in terms of sold coupons are the duration of the promotion (positively), limited number of saleable coupons (positively), and if the business is a restaurant (positively). Still in consonance with Ardizzone et al., (2014), three factors will tell if a business will run another daily deal promotion: effectiveness in reaching new customers, the percentage of daily deal users who increase their buying, and employees' satisfaction with daily deal promotion.

On the end consumer side, the decision to buy a deal is tied with several factors: goodwill towards the platform, price, discount level, and deals variety (Li et al., 2017). Additionally, according to a study, daily deals are mostly attractive to a specific target public such as

mainstream shoppers, impulsive shoppers, and users interested in trying new products while saving money (Dholakia and Kime's, 2011, as cited in, Ardizzone et al., 2014).

Local variables can also influence the supply and demand of deals given the nature of O2O business. Li et al., (2017) focus on two local market characteristics besides demographics which are travel cost and store density. These characteristics are particular to a specific market and are not controlled by neither the platform nor the merchants (Li et al., 2017):

- **Travel Cost:** when travel cost is high, merchants may have a stronger motivation to offer online deals, so it encourages consumers to visit them. Low travel costs make deals more accessible which in turn will increase demand for deals in general and intensify the competition between deal offers. In the consumers perspective, high travel cost can potentially discourage clients from buying deals, consequently making deals offered in different locations less replaceable.
- **Store Density:** high store density suggests intense local competition, which can encourage the offering of online deals, but low margins can also prevent merchants' ability to offer greater discounts. Thus, merchants are less likely to offer deals in a market with high store density. High store density also implies ease of coupon redemption, but consumers are also more likely to have access to local offline deal options in this type of market and as such they would be less inclined to purchase online deals.

Li et al., (2017) findings show that travel cost and population size contribute in a positive manner for the growth of the platform, while store density contributes negatively on average. The authors also conclude through performed simulations that travel cost plays a more crucial role on the consumer side, while store density influences more on the deal supply side.

The type of products or services offered in Daily Deal platforms also have a great impact on the success of the website. In the year of 2012 in the United States, the most popular content bought through these websites were "online retail (gourmet food, children clothing, handbags, makeup - 67%), restaurants (46%), events and activities (concerts/theatre tickets, travels, etc. – 30%), health and beauty services (massage, facial, manicure, fitness, etc. – 23%)" (Epmcom, 2012, as cited in, Ardizzone et al., 2014). In America, e-coupons are a successful commercial strategy as 82% of online shoppers are aware of group-buying (even though only 19% of this universe have made a purchase).

Concerning feedback collected from the market, a survey on 640 e-coupon buyers revealed that "84% of shoppers reported a positive experience, 81% mainly bought deals because of the high discount, and 48% appreciated the transparency of the offer, while 39% did not buy

because the deal was not appealing, 35% because the discount was low, and 32% did not buy because of the bad reputation of the partner”. Anyhow, 65% of the respondents showed intention to buy again in the future (Ardizzone et al., 2014).

The ever-growing presence of Daily Deal platforms in the international market is unquestionable, but there are still important aspects of the business model to be refined. It presents structural weaknesses as consumers seem to be more advantageous than merchants because of the imbalance of the offers made available against the value being offered. Consequently, modifications are suggested in the supply side of the business to build a more sustainable model in the long term (Dholakia, 2011, as cited in Ardizzone et al., 2014). Additionally, despite the rapid growth these platforms, the industry has started to suffer from what the media calls “Daily Deal Fatigue” which is a phenomenon in which buyers get tired of deals from platforms (Dholakia and Kimes, 2011, as cited in, Hu et al., 2017). Still in consonance with the authors, if this is a real thing, it may challenge the very own sustainability of the Daily Deal business model, threatening the death of the industry.

1.6 E-COUPONS

E-coupons, in general terms, is defined as ‘a certificate that entitles a consumer to some sort of incentive (discounts or gifts) to buy a specific product or service.’ (Ferrer-Gomila, Hinarejos, Rotger, 2018).

In Daily Deal platforms there are only three actors during the life cycle of e-coupons:

- Merchant: entity that accepts e-coupons when a customer claims a purchase of a product or service (Ferrer-Gomila et al., 2018).
- Issuer: entity that issues e-coupons at request of the merchant (Ferrer-Gomila et al., 2018).
- Customer: entity that buys and uses an e-coupon in the purchase of a product or service to receive a discount or gift (Ferrer-Gomila et al., 2018).

E-coupons have advantages and disadvantages for both merchants and customers (Smith, Shock, Beaves, 2019) which are the following:

- Online versus in store shopping preferences: currently, customers favor online purchases rather than in a brick-and-mortar store. Rox, 2007, as cited in Smith et al., 2019, demonstrates through surveys that 81% of customers prefer online shopping because they can shop anytime of the day, 77% like to save time, 61% enjoy the ability

to compare products offered, and 56% like online shopping because it is easy to find things. Only 46% justified low prices as a reason to shop on the web. (Smith et al., 2019)

- **Customer Loyalty:** one of the main reasons to offer e-coupons is capturing new customers. When e-coupons are offered, they often become available for both current and new customers which can hurt a firm in the short run by harming its profits. However, this strategy can still pay off in the long run if many of the new customers return (Reimers et al., 2018). According to Reimers et al., (2018) several restaurants have reported revenue growth by 10% even though only approximately 50% of restaurants offering e-coupons, registered an increase in their profits. Reimers et al., (2018) concluded through their research that the use of e-coupon promotions to increase profits is dependent on the mix of consumers, and the capacity to attract and keep new customers. At any rate, previous studies have already confirmed that it is five times more expensive to acquire a new customer than it is to maintain one. Consequently, customer loyalty lowers the cost of doing business. Another benefit from customer loyalty is free word of mouth advertising. (Smith et al., 2019).
- **Price Sensitivity:** since customers are more cost conscious than ever before due to global economic recession, firms have a high probability of reduced profits or breaking even on promotional offers (Fisher, 2001, as cited in Smith et al., 2019).
- **Coupon Misredemption:** it is a financial risk and a criminal practice. From a consumer's point of view, it is a fraud and subject to legal action to any individual that is caught involved in such activities. Coupon fraud has been a problem for a while, but with the emergence of new technologies that are highly sophisticated and difficult to halt, this issue has been mitigated (Smith et al., 2019).
- **Coupon Clutter:** occurs when the business-to-consumer marketplace is inundated with coupons and promotional offers. This phenomenon is a threat to firms because they need to make their promotional offers stand out to gain customers. However, coupon clutter is confusing and overwhelming for customers. Thus, this can depreciate coupon offers because of the amount of offers available in the market. Coupon clutter provides another risk through customers who may not redeem their offer, preventing firms from reaching their goal which is sales profit growth (Smith et al., 2019).

2. METHODOLOGY

The aim of this project was to assess the feasibility of implementing a Daily Deal platform in the Angolan market. For that purpose, a specific set of quantitative data was needed to elaborate a well-structured and detailed business plan that would ultimately tell if it is a financially feasible project.

2.1 VALUE PROPOSITION

Around the globe, several times people face issues such as time wasting, inefficient communication, human error, high costs, short services availability, and others. In the era of internet, however, these sorts of problems are often tackled by e-commerce solutions such as Daily Deal platforms.

This business model benefits both merchants and consumers in many ways. For instance, these are some of advantages for merchants associated to these websites:

- Higher financial return.
- Advertisement and brand exposure.
- Higher conversion rate of new clients.

For the end consumer, these are some of the advantages it can bring:

- Large variety of deals.
- Opportunity to visit places at cheaper prices.
- Shop any time of the day.
- Discover new venues.

A diagram with the value proposition along with the risks associated to this business model can be seen in appendix Y (see figure b - appendix Y).

2.2 BUSINESS OPPORTUNITY IDENTIFICATION

Along with the value proposition of this business model, there are other factors that create a favorable and encouraging environment to implement a Daily Deal business model in Angola:

- E-commerce is becoming increasingly common in the Angolan society. Most of the population are young and turned to innovation which means they are more open to new digital services.

- The financial crisis that hit the country and instigated an ever-rising inflation rate in the last few years.
- The lack of employment opportunities has made citizens turn to entrepreneurship to earn their lives, consequently creating more and more commercial venues.
- Government intention to grow the national tourism industry. This is an important factor because more investment will be canalized to this sector which will result in more opportunities for partnerships (more hotels, restaurants, and other touristic related activities).

The mix of these circumstances creates a unique opportunity to explore the use of e-coupons. Anyhow, it is still necessary to explore additional factors that have a significant impact on the success of this business. Thus, a set a macroeconomic and sector-related data was collected to ultimately perform a financial analysis that will dictate if it is a project worth investing.

2.3 DATA COLLECTION

A blend of primary and secondary data was used to feed the business plan. The primary data collected were macro-economic indicators that allowed to perform a radiography of the local market conditions in terms of business environment. This data was acquired from trusted sources such as national governmental websites, international financial institutions webpages, and important statistical centers of information. However, there still were some other relevant information that were not available in trustworthy sources or available at all. Therefore, two methods of primary sourcing were used to collect the missing information: an expert panel and a survey with merchants and end consumers.

The expert panel was assembled to further understand the market conditions for e-commerce platforms specifically. The panel was composed of 4 experts belonging to different companies that operate in the national e-commerce sector. They were chosen based on the type of business they operate in, and level of experience in the sector. A questionnaire with 8 questions was elaborated and used to personally interview each one of them.

This questionnaire addressed the following issues:

- Internet and information technology (IT) availability and access.
- Internet quality and price.
- Legislation for e-commerce businesses.

- Payment methods used.
- Local customers shopping habits.
- Merchants' trust on partnerships with e-commerce platforms.
- Local customers' trust on e-commerce platforms.

The interviews lasted 30 minutes on average and were recorded on a cellphone. The whole process of interviewing and compiling the final report of the expert panel lasted approximately 2 months.

On the other hand, the surveys with merchants and consumers were carried out using Google Forms. The questions were multiple choice and 1 open question. They were 2 separate forms with a specific set of questions with the objective to understand relevant indicators that would ultimately help perform the sales forecast which has a direct impact on the financial valuation of the firm.

The merchants' survey addressed the following aspects:

- If merchants were aware of the existence of the Daily Deal business model and how it could benefit them.
- Reasons that one would or would not become a partner of a Daily Deal platform.
- Discount percentages they would be willing to offer in the sale of their products and services.

The link for the merchants' survey was sent to the Instagram inbox of several merchants that operate in the market. The form registered a total of 26 different respondents which was considered a good quality sample to be taken under consideration.

Regarding the consumers' survey, these were the main points approached:

- Confidence level towards national e-commerce platforms.
- Services and products they would like to see available in a Daily Deal platform.
- Social background of the survey respondent.

The link for the consumer's survey was shared on WhatsApp with friends and relatives who also invited their contacts to answer it. The form registered a total of 273 different answers and provided a deep understanding of each point addressed.

The sampling methodology used was the probability sample method.

2.4 FINANCIAL VALUATION

The goal of any business plan is to determine if a project is financially feasible. Therefore, to perform this valuation it was used as a guide a financial plan spreadsheet provided by a company called IAPMEI which assembles a series of financial tables that are fundamental determining the value of a project.

The spreadsheet started by having to input all the general assumptions made for the project such as the inflation rate and other relevant taxes that are demanded by law. The next step was to elaborate a sales forecast for the next 5 years to perceive all earnings the project could bring. Then, several other tables were constructed such as the external services and supplies table, costs with personnel, net working capital, investment and funding table, net income table which showed all gains and losses of the company for each year, cash-flow table, financing plan table, and balance sheet. After all of them were correctly filled in, the economic ratio table and the financial valuation table were be ready to be constructed. The most relevant variables in the valuation are the Net Present Value (NPV) which must be greater than 0 to be considered a feasible project, the Internal Rate of Return which tells the annual rate of return of a particular investment and its attractiveness, and the payback period which tells the amount of time an investment can be recovered.

3. MARKET RESEARCH

Angola has a population of roughly 31 million people in which 20 million live in urban areas while 11 million live in rural areas. Initially for this business model, the target is those who live in urban areas.

To evaluate the readiness of the market for the implementation of Daily Deal platforms, it was important to understand the macro economic environment through fundamental economic indicators from 2009 to 2020 as illustrated in appendix A.

The first indicator explored was the Gross Domestic Product (GDP) which provided useful insight on how the economy has been performing. Since 2009 the Angolan GDP has been steadily growing, reaching values as high as 145 billion USD (120 billion Euros). However, when the oil crisis hit the international market, Angola was among the countries mostly harmed by the drop in oil price as its economy depended highly on this commodity. From 2014 to 2020, GDP value reduced by an astounding 57%. From an economics point of view, this type of shrinkage usually decreases market attractiveness for foreign investments and is often accompanied by a rise in unemployment. Since 2015 the unemployment rate increased 6.6%, accumulating a total of 31.6% in 2020 (see appendix C). Moreover, it was also important to understand the population purchasing power, and this was accomplished by measuring the consumer price index (CPI) which provides the changes in prices of common consumer services and goods bought by households in a country. From 2009 up until 2020, CPI index registered an accumulated value of 339.29 points, turning citizen's life much more expensive as GDP per capita registered some volatility with a negative tendency over the same time frame as seen in appendix A. For instance, we can see that GDP per capita in 2014 (an economically positive year for the country) was 5 408,41 USD (4 489 Euros) and CPI was at 100 points, while in 2019 GDP per capita was 2 790,73 USD (2 316 Euros) and CPI was evaluated at 271 points. This example clearly shows how citizens have seen their purchasing power being rapidly reduced. An index that reinforces this fact is the inflation rate that fluctuated from 7,30% in 2014 to 17,08% in 2019.

3.1 INTERVIEW WITH THE EXPERT PANEL

In this market research an expert panel was used considering the lack of information available in trustworthy sources. The panel was composed of 4 members with experience in the e-commerce sector. The first 3 interviewed provided a global view of the conditions the market offers to create and operate a digital business, and the 4th interviewed provided insight in the

building process and technological requirements for the construction of an e-commerce platform with the nature of a Daily Deal website. The objective of the panel was to gather information on the market readiness for e-commerce platforms through the experience they have had in the industry.

The first company interviewed was Descontos Angola, a recent company that was launched in November 2019 and coincidentally is also a Daily Deal platform and the only one operating in the country so far. According to the owners of the e-commerce website, the availability of IT and telecommunications in Angola is low, even though they consider Luanda to have satisfactory conditions in terms of availability contrary to other provinces. Furthermore, they affirm that the internet has good quality, but the one with prime quality is extremely expensive, while cheaper internet plans are not good enough to operate businesses. In terms of e-commerce legislation, even though they admit the existence of laws, they consider that the government does not publicize it as much as it should, and customers also do not demand enough for it. They claim the entrepreneur is the entity that most likely knows the law as they have the need to be up to date about what happens in the market. They affirm that our legal system should be more open and engaged in laws concerning cybernetic crimes. For instance, in case of frauds, authorities will have difficulties to prosecute such situations because of the weak legislation that exists. Thus, Descontos Angola's owners consider the lack of strong legislation the greatest liability for e-commerce companies in the market. Now concerning their business operations, they use money transfers, cash, and ATM as their payment methods. The difficult access to credit and debit cards by citizens, prevents the company from using PayPal as an additional payment method. Lastly, they affirmed that local merchants still do not have the initiative to work with Daily Deal platforms, and when approached, they are not too keen to close discount deals with their platform.

The second interview was with Kubinga, a phone application for taxi services like Uber. The company operates in Luanda and has been in the market for at least 2 years already. They find the availability of IT and telecommunications quite challenging. The fact that several people still do not possess smartphones or access to the web, reduces severely their potential client base. Consequently, they claim that the availability of mobile devices is low even though internet availability is high in most areas. Additionally, they claim that the quality of the internet is high despite being expensive when compared to other countries. Concerning legal issues, they go further than what the owners of Descontos Angola claimed. They affirmed that there is an absence of legislation regulating e-commerce activities in the market which luckily for them, does not scare customers away (contrary to what has been described in the literature review).

As for the payment methods, they use ATM, cash, and an electronic wallet they created specifically for the platform. They are not allowed to have debit and credit cards uploaded in the app for legal reasons not specified. Finally, they said that local merchants show goodwill towards partnerships with their e-platform in exchange for advertisement and financial return.

Another expert interviewed was Juelson Bartolomeu, now working at Boston Consulting Group, he is an ex-member of Unitel, the largest telecommunications company in the country. According to him, the availability of IT and telecommunications in Angola is average because despite the mobile penetration rate being high in Luanda, above 90% in 5 million users, only 30% out of these users have smartphones, and within this percentage only 20% use paid internet services. Angola has approximately 6 million internet users with more than half being from Luanda. Most users, around 80%, use free social network services (e.g., Facebook Zero) and do not download apps because of their limited budget to put credit on their phones. Even though the price of the gigabyte is among the African average and below the European average (1000 kwanzas = 1,87 euros), the internet service is still expensive when compared to the population's low purchasing power with a tendency to aggravate because of the harsh economic crisis. Another important fact is that the internet access through personal computers is extremely low since less than 10% of the access to the web in Angola is done this way. Furthermore, despite the negative feedback from end customers, he considers the internet service to be of high quality when compared to realities from countries like Brazil and Portugal, essentially because Angola is a technological hub that assembles 3 submarine cables (WACS, SACS and Monet) and an optical fiber extension for thousands of kilometers. Every capital of Angolan provinces has 3G, 8 have 4G and all national territory counties have at least 2G technology. In addition to that, it was expected the installation of 4G technology across the whole country in 2019, but because of the pandemic the world is facing, this plan will be challenging to implement. Concerning payment methods, because of the tiny penetration rate of credit cards in Angola, they are hardly used alongside PayPal services. Anyhow, all other payment options are valid such as cash, ATM, internet banking, money transfers, and e-wallets within a company's website or platform. Moreover, a new service called Multicaixa Express emerged and is now another method through which companies can charge their customers. It belongs to an entity called EMIS (the equivalent to SIBS in Portugal) that aggregates all ATM cards that a user holds and works as an integrated app for the different banking services. Relatively to the public's confidence in e-commerce platforms, he argues that with the birth of social networks and the massification of e-commerce within the middle class, online shopping has been more common mainly because the society is young, increasingly cosmopolitan and educated, and with greater access to

technology, this way diminishing their initial apprehension. Besides, the fact that startups such as Kubinga, Tupuca and Otchitanda are more and more familiar to the public and some robust companies like NCR migrated to e-commerce activities, provided greater confidence to citizens for online shopping. He also affirms that Angola did not have any e-commerce activities 4 years ago and now has multiple enterprises that serve as links for various businesses and merchants with some proven success. He justifies this by looking at the combined annual financial income of more than 50 e-commerce businesses that earn hundreds of millions of American dollars (e.g., Tupuca, Lwali, Soba e-Store, etc).

Lastly, I interviewed Dario Praia who is a software engineer that currently works as an app developer for Banco Atlantico in Angola. He affirms that the exponential rise of people wanting to create e-commerce businesses originated the birth of platforms such as Shopify and WooCommerce. These platforms are an open-source software which are computer programs that allow users, other than the original creators of the software, to have access, study, and distribute the software to anybody for multiple purposes. They are extremely user-friendly platforms that allow people from all backgrounds to create their own e-commerce website by themselves if desired.

WooCommerce which is based on WordPress, a famous website that was originally used to build blogs, encompasses a wide range of plugins with different functions the user desires to add to his website, for instance, automated e-mails when a client makes a purchase.

The requirements to create an e-commerce website using WooCommerce are the following:

- Create a page on WordPress.
- Install the WooCommerce plugin on the website.
- Choose the forms of payment accepted on the website.
- Choose the design or template of the page.
- Select optional add-ons such as Facebook and other themes.
- Lastly, add the products being commercialized and launch the page.

To create an e-commerce page in such platforms, the user must buy a domain which comes in different prices according to their perceived value. For instance, a “.com” domain in WordPress can cost 15 Euros yearly, while a “. store” may cost 42 Euros per year.

He recommends the use of open-source websites for small and medium e-commerce platforms of any kind since it is extremely capable to bear the demand from the number of expected customers during the platform existence, and at the same time it is cost-saving. He goes on saying that plugins such as WooCommerce, can cope with over 1000 sales

simultaneously in a short time without any major embarrassment. Moreover, he believes the construction of an e-commerce website should take a week or less to be fully operational.

He also talks about other useful features that come with WooCommerce such as the possibility to associate several email accounts to the website depending on how many people will be managing the platform (content administrator, customer service, and others).

To run the business, from a technological point of view, Dario believes that a single person is enough to respond to eventual problems that may arise during the operation of the website. This person must be familiar with computer servers and the platform in which the e-commerce is hosted and does not need to be a full-time worker of the company.

He also provided estimates on costs for building and running e-commerce platforms in the national market:

- A computer engineer sporadically called on duty to solve eventual problems with the website may charge in between 32 to 78 Euros depending on the complexity of the problem.
- A freelancer may charge around 647 Euros to build a whole e-commerce page based on open-source websites.
- A higher reputation company may charge between 1 000 to 4 000 Euros to build a whole e-commerce page based on open-source websites.

A table with a summary of the first 3 interviews carried with the expert panel is shown next:

Table 3-1: Summary of the first 3 interviews with the expert panel.

| Questions | Descontos Angola | Juelson Bartolomeu | Kubinga |
|--|--|--|--|
| Internet and IT Availability | Low on average for the whole country; medium in Luanda | Medium on average for the whole country | Low for IT devices; high for internet |
| Internet Quality | Medium | High | High |
| Internet and IT Price | High | Medium | High |
| Legislation Existence | Weak legislation | N/A | Not aware of the existence of laws |
| Payment Methods | Bank transfers, cash and ATM | Cash, internet banking, bank transfers, ATM, e-wallets, Multicaixa Express | Cash, ATM, e-wallet |
| Payment Methods Choice | Credit/Debit Card access prevents Paypal usage | N/A | They are not allowed to have credit or debit cards uploaded in the app for legal reasons |
| Customer Bargain Attempt | Yes | N/A | Yes |
| Merchant's Trust on Partnerships w/ E-Commerce Platforms | No initiative; show resistance when approached | Yes | Yes |
| Public's Trust? Reason | No trust; lack of legislation | Yes. Cosmopolitan, young, and educated public. | Yes. Weak legislation has not been affecting business |

Source: Author

3.2 CONSUMERS PERSPECTIVE ON E-COMMERCE PLATFORMS

Based on the potential barriers described in the literature review related to customers switching from traditional to online services and shopping, and the interviews with the expert panel, a survey was performed on a convenience sample of Angolan consumers to understand the type of content they would like to see being commercialized online, their trust buying in national e-commerce platforms, and the social background of the respondents.

First, it was ranked the customers' preferences on the services and products they would like to see in the platform. This information is valuable to know which services and products are mainly demanded by the market and consequently explore this opportunity. In a universe of 265 answers, the top 3 services and products customers would like to see discounts on are technical and academic courses, restaurants, and hotels (see figure 3-1 in appendix X).

The next step was to understand if people trust the e-commerce platforms and websites operating in the country. In a universe of 264 people interviewed, 53% have low confidence in buying from Angolan platforms and websites, 42% have medium confidence, and 5% have high confidence. The reasons for this low confidence, out of 252 valid responses, are the following: low trust in Angolan e-commerce platforms and websites in general terms, weak legislation to protect consumers, and people who prefer face-to-face rather than online shopping (see figure 3-2 in appendix X).

Finally, it was segmented the social stratum to understand the background of each respondent. In a universe of 183 valid answers, 51.4% were middle class, 30.1% were middle-low class, 14.2% were middle-high class, 3.3% were low class, and 1.1% were high class (see figure 3-4 in appendix X).

3.3 MERCHANTS PERSPECTIVE ON DAILY DEAL PLATFORMS

Such as on the study on the consumers' behavior towards e-commerce, it was also performed a survey on a convenience sample of merchants operating in the market since this is a two-sided business model (consumer side and merchant side). This survey aimed to understand the familiarity of merchants with Daily Deal business model, evaluate their interest to partner with such platforms, explore the reasons that never made them partner with any Daily Deal website, and assess the maximum discount percentage they would be willing to offer in exchange for greater market visibility and an increase in their financial return.

The first question of the survey evaluated if merchants were acquainted with the concept and business model of Daily Deal platforms, and in a universe of 26 answers, 53.8% of the respondents have never heard about Daily Deal websites, while 46.2% were familiar with it (see figure 3-5 in appendix X).

Then, the goal was to understand if any of the respondents have ever tried to join any Daily Deal platform in the market and the reasons of their choice. In 26 answers, 69.2% said they have never tried to join, and 30.8% said they have (see figure 3-6 in appendix X).

As for the reasons respondents never partnered with any Daily Deal platform, in a universe of 24 answers, 70.8% said they have never been approached by any Daily Deal business, while 29.2% never found any Daily Deal platform in the market to establish a partnership (see figure 3-7 in appendix X).

Regarding the probability for each merchant to establish partnerships with Daily Deal websites, in 26 answers, 7.7% of the respondents said there is a low probability to join one, 65.4% said there is a medium probability, and 26.9% said there is a high chance to join one (see figure 3-8 in appendix X).

It was also important to explore the threshold of discounts each merchant would be willing to offer their customers since the success of daily deals is intimately related to the level of discount offered according to the literature review. Therefore, after inquiring 25 merchants, 72% of them said they would offer up to 20% discount, 12% of them would offer up to 30% discount, 4% of them would offer up to 40% discount, and 12% of them would offer up to 50% discount (see figure 3-9 in appendix X).

Finally, at the end of the survey the goal was to discriminate each respondent by their type of business. Thus, in a universe of 22 answers, 22.7% were restaurants and bars, 18.2% were clothing retail stores, 13.6% were health and beauty services (manicure, massage, facial, etc.), 13.6% were gymnasiums and sport centers, 9.1% were online retail stores (food, clothes, make-up services, etc.), 4.5% were supermarkets, and 18.2% were other types of services not specified by the respondents (see figure 3-10 in appendix X).

PRESENT DEMAND

According to the interviews carried out, only Descontos Angola believes consumers lack confidence when buying from national e-commerce platforms. In contrast, the other two members of the panel strongly believe consumers trust in the services provided by such platforms. Juelson Bartolemeu even says that “with the birth of social networks and the massification of e-commerce within the middle class, online shopping has been more common mainly because the society is young, increasingly cosmopolitan and educated, and with greater access to technology, this way diminishing their initial apprehension.” On top of that, the fact that locals want to see more commonly discounts on products and services described in the customers’ survey, besides revealing an increasing demand for more accessibility to what is available in the market, it opens a window of opportunity for Daily Deal platforms to capture these potential clients.

Comparing the input gathered from the panel with the answers acquired from the consumers survey, it was possible to realize that all of them have valid opinions. The survey on consumers revealed they are almost equally divided in those who trust online shopping (potential buyers) and those who do not. Consequently, present demand was quantified based on the combination of this data with the national demographic data.

Demographically, Angola had an estimated population of 31 127 674 people in the year of 2020 according to the National Statistics Institute (INE). Since countryside people have much less access and familiarity with technology, it was only considered people from urban areas. Therefore, there was a total of 19 716 302 people among which 49% were men and 51% were women.

Since the target audience of Daily Deal websites vary from teens, young adults, and more elderly people (based on the products and services mostly offered), the number of men and women in urban areas was filtered to keep only those who are among 15 and 74 years old. This resulted in an estimated total of 11 million people among which 5 247 218 were men (48%), and 5 591 093 were women (52%). These are prospects that may become consumers in case all of them become internet users.

On the other hand, Juelson Bartolomeu said that Angola has 6 000 000 internet users among which 80% of them use free social network services and cannot afford to credit their phones and download apps. Therefore, it is fair to imply that only 1 200 000 (20% of 6 million users) should be considered as potential buyers of e-commerce websites.

Furthermore, taking into consideration the fact that 46.5% of the sample interviewed are potential e-commerce platform shoppers, it is plausible to estimate that among the 1 200 000 internet users, only 558 000 will likely buy from Daily Deal websites in 2021.

Regarding merchants and in consonance with the interviews made, there is a balance between those who are comfortable and willing to close partnerships with Daily Deal platforms and those who are not. Descontos Angola stressed the lack of initiative, reluctance, and skepticism among the reasons several merchants do not work with them. In contrast, Kubinga had a more uplifting perspective on this matter as they affirm that merchants are extremely keen in partnering with them in exchange for advertisement and financial return. Despite the fact these two companies present a distinct business model, both are e-commerce platforms, and as such, both realities should be considered to determine the present demand for Daily Deal platforms from merchants.

Therefore, taking into consideration the expert panel opinion and comparing it with the data gathered from the surveys performed on merchants, it clearly shows that the panel opinion is

perfectly aligned with the market behavior on the merchants' end. As previously seen, almost 70% of the merchants who responded to the survey never tried to join a Daily Deal website, but at the same time it is important to remember that about 54% of the respondents are not familiar with this business model. On top of that, about 71% of the respondents never joined because they were never approached by any Daily Deal business, and approximately 92% said they are likely to join one.

According to data from INE, as of 2019, Angola had registered a total of 168 000 formal enterprises in which 58% of them are in Luanda. Among these companies, 50% are in the wholesale and retail sector, 9% in motor vehicle and motorcycle maintenance, 8% in housing and catering, 6% in construction, 6% in manufacturing industry, 4% in administrative activities and customer service, and 17% allocated to the remaining services. This business plan only considered the following business types: housing and catering (8%), and other services such as spas and gymnasiums (assuming 8,5% of the remaining services). Thus, there is approximately 27 720 target merchants in these sectors across the country. Applying the results obtained from the merchants' survey to these firms it was possible to statistically estimate the present demand for Daily Deal platforms from merchants. Since 46.2% of the sample interviewed said they have heard about Daily Deal platforms, there is a chance that approximately 12 807 out of the 27 720 of the companies may have heard about it or another type of businesses related to couponing.

Regarding the number of merchants likely to close partnerships with Daily Deal platforms, 7 457 companies have a high probability to join, 18 129 have a medium probability, and 2 134 a low probability. As for the level of discounts offered on the deals, it is only considered those companies with a high and medium probability to join the platform which are a total of 25 586. Thus, 18 422 companies would offer up to 20% discount, 3 070 would offer up to 30%, 1 023 would offer up to 40%, and finally, 3 070 would offer up to 50% discount. According to the survey, no company is currently available to offer over 50% discounts in their products and services.

FUTURE DEMAND

To determine the future market demand for e-commerce platforms by following a similar quantification process used to define the present demand, the growth of the Angolan population size by 2030 was estimated. Considering that the annual population growth rate between 1990-2000 was 3.1%, between 2000-2010 was 3.6%, and between 2010-2018 was 3.5%, it was fair to imply that in the next 10 years (2020-2030) the annual growth rate should be among 3 to 4%

or slightly higher if the current economic framework and ongoing socio-political events taking place in the country are considered. Anyhow, through the calculation of the average growth rate from the 3 previous decades and using the current demographic distribution weight for each criterion analyzed, it was possible to estimate the annual population growth rate between 2020 and 2030 to be 3.4% resulting in a gross population of approximately 41 million people, among which 26 Million will live in urban areas. Concerning only citizens in the 15- and 74-years old age range, there will be approximately 15 million prospects by 2030.

If the 3.4% growth rate is applied to the current number of internet users in the country as reported by Juelson Bartolomeu, ignoring other factors such as quicker national network expansion and decrease in price for internet services, there would be approximately 8 106 551 internet users and 20% (1 621 310) of them would be able to afford internet paid services by 2030. As in the present demand quantification, only 46.5% out of the 1 621 310 are potential buyers. Therefore, our target audience would be approximately 753 909 people by 2030.

Regarding merchants, the future demand for Daily Deal platforms on their side depends on different factors. The first one is related to the experience of the first merchants associated with the platform because if these businesses increase their customers flow and consequently their revenue, more merchants will feel more attracted to join the platform. Another factor is the growth of enterprises in the country. To determine that, it is considered data from INE which shows that from 2013 to 2016, 152 359 new companies were registered in this institution which translates into an average yearly growth rate of 50 786 new companies. Consequently, only considering companies from sectors compatible with Daily Deal websites, there will be a potential market of 73 920 companies to capture by 2026.

3.4 DESCRIPTION OF MARKET OPPORTUNITIES AND THREATS

OPPORTUNITIES

- Greater access to technology by the population. There is a rising number of internet users. As digitalization becomes prominent in the Angolan market, the fact that this project is an e-commerce platform, the interaction with the target public becomes easier and more straightforward.
- 4.5G technology is being implemented across all national territory.
- E-commerce trend - societies around the world are becoming more digital and Angola is not an exception.

- Despite the poor economic state of the country, the government has been giving encouraging signs for the growth of the tourism industry.
- Niche market – young people, increasingly educated, and more money conscious.
- There is a boom of new restaurants from fast-food to gourmet dishes.
- The current difficult economic state of the country instigates the emergence of more entrepreneurs in several sectors of the industry making them potential partners to Daily Deal websites depending on the type of services and products they will offer.
- Merchants are interested to join e-commerce platforms to promote their services and products according to the survey performed.
- Unexplored market - besides Descontos Angola, there is not any other direct competitor in the Daily Deal business.
- Since Descontos Angola only uses cash, transfers and ATM as forms of payment, there is an opportunity to implement additional methods of payment such as electronic wallets so customers will have a larger array of options when shopping on the platform, thus increasing the chance to complete a sale.
- Descontos Angola's market introduction has not been aggressive enough to make itself popular among the public. The platform started operating in November 2019, but so far, most people are still unaware of its existence as suggested by their low social network exposure and activity, number of followers, and the low number of deals offered in their website.
- Descontos Angola – chance to analyze this player and benchmark their best practices and avoid the mistakes they made.
- Savers – people in general are becoming more money conscious in their expenditures, therefore looking for cheaper deals.
- The new smartphone factory planned to be built in Luanda will increase the number of smartphone holders in the market as they will be cheaper to purchase.

THREATS

- Economic crisis – many people out of job make them less prone to spend money on Daily Deal platforms.
- Rising inflation puts pressure on the company's budget.
- Volatility in electric energy supply – since it is a digital business, it is imperative a consistent supply of electric energy.

- Covid-19 Pandemic – even though this business model is online, services such as restaurants and spas have been harshly affected by the pandemic, thus it can indirectly impact the Daily Deal business.
- Descontos Angola – competitors are always a threat to a firm.
- Low trust from consumers buying in national e-commerce platforms.
- Cybernetic Crimes – an unavoidable risk present in every online business, especially in developing economies.
- Volatile network stability.

4. INTERNAL ANALYSIS

This project has a great equilibrium in its strengths and weaknesses as seen next.

4.1 STRENGTHS

- Writing Squad with 1 member that will develop the copy of every deal offered in the platform.
- Marketing and Design Squad with 2 members that will be responsible for all marketing actions and graphic image of the company.
- IT Squad with 1 member that will take care of the digital component of the business.
- Sales and Finance Squad with 2 members that will be responsible for acquiring customers and controlling the earnings and expenditures of the business.
- General manager - 1 member responsible to manage the project in a broader sense.
- Open minded team that will allow constant adaptation to the market.
- Determined and focused staff.
- Second Daily Deal platform in the market and first one with e-wallet as a payment option.
- Knowledge about the target public through the surveys performed that will allow more precise decisions from the company's strategic point of view.
- Staff will be composed of young, creative, ambitious, and motivated people willing to learn, take risks, innovate, and achieve the goals set by the company.
- The company will provide lower prices in restaurants, hotels, spas, and all other applicable activities.
- It will give students the chance to join academic courses at more affordable prices than the usual.
- The project will promote local merchants giving greater visibility to their businesses.

4.2 WEAKNESSES

- Modest Budget to invest in the company.
- Manager will be young and unexperienced running businesses.
- Staff members despite being smart, curious, and disruptive, will be simultaneously young and inexperienced.

- Short number of human resources across all operational areas of the company may lead to tasks overload and unproductiveness.
- Sales limited to specific geographies with internet access.
- Initially, staff incentives (e.g., salary, bonus, insurance) will not be market competitive.
- Modest IT investment.
- Low bargain power with merchants regarding the commission percentage that will be entitled to platform in the pilot phase of the project.
- Missing expertise in some areas such as user experience and business analytics.

5. COMPETITIVE ANALYSIS

A SWOT Crusade (Strength, Weakness, Opportunity, Threat) was performed to perceive the relationship between the strengths, weaknesses, opportunities, and threats of the business (see table b - appendix Y).

Based on this SWOT crusade it was possible to determine the following:

- The opportunity that has the most impact on this project is the niche market with a punctuation of 69.
- The opportunity with the least impact on this project is the smartphone factory with a punctuation of 22.
- The biggest threat to this project is Descontos Angola with a punctuation of 69.
- The threat with the least impact on this project is Covid-19 with a punctuation of 30.
- The strength with the most impact on this project is the discount with a punctuation of 11.
- The strength with the least impact on this project is the youth of the staff with a punctuation of 1.
- The weakness with the most impact on this project is the weak budget available for investment with a punctuation of 10.
- The weakness with the least impact on this project is the lack of experience selling this product with a punctuation of 0.

6. OBJECTIVES OF THE PLAN

The objectives of the project must be S.M.A.R.T (specific, measurable, attainable, relevant, and time bound) and to support the definition of the company's goals the results from the SWOT crusade performed were extremely helpful.

The objectives were divided into different business areas, namely: marketing, human resources, finance, material resources, productivity, strategy.

6.1 MARKETING

- Build the website at least 3 months before the launch of the pilot. This way our clients will have the opportunity to have the first contact with the webpage even though they will not be able to do any purchase.
- Create social network pages to advertise the service, interact with prospects, and elevate awareness of the company's existence.
- Offer attractive discounts to customers averaging 20% during the investment year of the project. This way customers can feel with more impact how cheap their purchase becomes, and merchants can realize how this increases their client base and their revenue.

6.2 STRATEGY

- Have 4 different business units: writing, marketing and design, information technology, sales and finance.

6.3 HUMAN RESOURCES

- Hire skilled and competent members for each squad.
- Become an attractive company to work.
- Hire and promote national workers.

6.4 MATERIAL RESOURCES

- Have an office ready to host all staff members, 1 month before the launch of the pilot.

6.5 PRODUCTIVITY

- Become a market reference in the Daily Deal business, especially in Luanda since it has the largest number of registered companies, highest rates of internet coverage, and highest number of potential prospects to use the service.
- Build a strong, consistent, and reliable digital platform for the niche market. This will boost confidence using the service, and consequently, raise customer fidelity.
- Capture 100 companies across all applicable sectors during the investment year of the project.
- Capture at least 1 400 subscribers during the investment year of the project.

6.6 FINANCE

- Generate enough revenue to pay back the investment in 3 years, and to sustain the payment of salaries, taxes, and other fixed and variable costs the project might entail.

7. DEVELOPMENT STRATEGY

The path that an organization takes to achieve competitive advantage and consequently business success is called a strategy. It sets out how a company uses its resources to achieve its global objectives.

There are three generic strategies to perform above average in any sector: cost leadership, differentiation, and focus. The focus strategy is divided in cost focus and differentiation focus (Oliveira, 2013).

For the Daily Deal business to have success, it is imperative that customers feel comfortable using the platform, feel that the discounts offered are high enough to propel them to become users of this service, and the price of product or service being offered is fair (Li et al., 2017). On the other hand, the merchants' side must feel they are achieving their financial and advertisement goals (Li et al., 2017). Thus, a differentiation strategy with drivers focused on offering high discounts rates and having effective sales and marketing of merchants' products and services will be adopted to gain competitive advantage since these are the main factors affecting the decision of both merchants and customers to use such platforms.

The website will aim to gather an extensive number of subscribers in the shortest time possible, especially by adopting an aggressive approach with digital marketing. After it achieves a considerable number of subscribers, it will automatically become an attractive marketplace to advertise products and services. Once the latter is accomplished, merchants will progressively become more encouraged to establish partnerships, offer high discounts, and consequently increase their sales and customer base.

This strategy will be attained by assuring a stable operation of the platform, exploring the human resources capacities in terms of efficiency and quick target audience learning, and heavily investing in targeted digital advertising. Despite the fact these actions carry an increase in the company's expenses, it will counterbalance with the increasing number of sales (revenue) resulting from the combination of the differentiation drivers. In addition to that, the proposed objectives can also be met with this same strategy.

Regarding the company's development strategy, market penetration will be the core activity since Daily Deal business is a brand-new sector in the market. There is still plenty of room for newcomers to capture market share and high chances of becoming market leaders.

8. DEFINITION OF IMPLEMENTATION POLICIES

8.1 MARKETING

This is a fundamental part of the project since the growth of platform relies significantly on how the market accepts this product. Consequently, the main objectives of the company go through gaining brand awareness and trust from customers and merchants. This will be attained by applying appropriate marketing strategies based on the relevant information gathered the market research. These strategies range from the definition of the target audience (persona), development of the marketing mix, and construction of the brand.

PERSONA

Daily Deal platform is a brand-new service in the Angolan market with only one company operating in the sector since 2019. Often, users of such platforms are highly money conscious, explorers, and comfortable shopping online.

Angolans have always been great shoppers but the deep economic crisis the country is currently facing has made people more financially cautious in their purchases which makes an ideal environment for Daily Deal businesses to thrive because while people still have that shopping craving, now they look for the cheaper products and services in the market. However, the bigger challenge resides on the digital component of the project as 53.4% of locals do not feel comfortable buying from online stores (see figure 3.2). Most of these customers are middle class and have a particularly high mistrust in national e-commerce websites due to frauds and similar factors as the underlying reason for their unlikeliness to buy on the web.

On the other hand, 46.6% of the market are potential buyers from Daily Deal platforms which is a very encouraging statistic (see figure 3.2). These customers are young, open to technology, smartphone users, and money conscious.

Therefore, taking all of this into consideration, the ideal persona for the platform is a young individual, money saver, acclimatized and open to new technology, and preferably a smartphone user.

Initially the company will focus its sales strategy on these ideal customers because besides creating density and consequently increasing brand awareness among the public, it will ultimately encourage those customers more averse to buying from national e-commerce businesses to start using the platform.

MARKETING MIX

The marketing mix encompasses the 4 basic elements to market a product. These elements, also known as the 4 Ps of marketing, are the product being commercialized, its price, the placement which is when and where the product will be sold, and promotion which refers to the communication channels that will be used to make the product known to the public. For services, there are 3 additional elements specifically people, process, and physical evidence. For this project, it will only be considered the 4 Ps or marketing because e-coupons can be classified as consumable goods, even though technically, it is a document that establishes a discount on the purchase of a product or service.

PRODUCT

Daily Deal platforms sell e-coupons for products and services commercialized by third parties. These coupons give one the right to buy a specific product or service at a lower price.

The product will be purchased online through the Daily Deal website, and after the acquisition is complete, an email will be sent to both the buyer and the seller of the product or service with a printable version of the e-coupon. To redeem the purchase before the merchant, the customer must present a printed version of the e-coupon along with a form of identification, and the merchant will do a match of the names on both documents and check if the e-coupon code is valid before considering it a successful sale. The verification code of the e-coupon will be automatically generated on its issuance.

Once the payment of the e-coupon is received, the Daily Deal business has the responsibility to send the money the merchant is entitled to along with the purchase confirmation which will contain all the details of the transaction such as the quantity of e-coupons bought, the discount percentage, the client's name, and the date of purchase.

The remote process of allowing people to buy products and services at lower prices anywhere and anytime of the day is quite innovative in the Angolan market. In addition, the fact that in general customers will enjoy a 6-month validity period to decide when to claim their e-coupons makes it an even more valuable product in the market.

PRICE

E-coupons price is dictated by the level of discounts offered in each deal made available on the platform. The higher the discount offered, most likely the lower the commission percentage a merchant will accept to grant to the platform. This means that the only way to control the price of e-coupons mostly depends on the outcome of the negotiation with the merchant in an initial

phase of the business. However, once a Daily Deal platform has established its market positioning with highly successful historical, it will have leverage to demand a fixed commissioning for any type of deal independently of the discount level offered such as Groupon and LivingSocial.

The definition of price is one of the pillars in the marketing mix strategy of a company. According to Oliveira (2013), the selection of price for products and services has 6 distinct phases:

1. Objective selection.
2. Determination of demand.
3. Costs estimate.
4. Cost-Price analysis and other players offers.
5. Selection of a price determination method.
6. Selection of final price.

However, it was considered only 3 of these phases as they are more relevant in the determination of price, namely: costs estimate, competitors, and determination of demand.

Regarding costs, it is imperative to consider both fixed and variable costs, and the total expenses can be found on appendix W.

The only competitor in the market is Descontos Angola, and despite it is unknown how much they charge merchants for each sale, the average amount reputable companies charge is 50% of the e-coupon price (see literature review – Daily Deal section). Nevertheless, since it is a new product in the market and all parts involved in this business (customers and merchants) still have to mature the understanding of the benefits they can potentially enjoy from this business model, and taking into account that 72% of the interviewed merchants said that they would only accept as much as 20% of discount on their products and services, the platform cannot charge 50% in its initial phase to avoid scaring away its partners, but can still earn a fair commission volume given the low discount rate that will potentially be offered.

Demand is another crucial factor in the determination of price for a simple reason. The more customers resort to e-coupons to acquire products and services, the more merchants will feel attracted to offer more and better (cheaper) deals in the platform. This scenario will be a win-win situation for both the Daily Deal platform and merchants based on economies of scale. Therefore, more sales will allow Daily Deal platforms to charge higher commission values from merchants.

Thus, based on the discussion above, the objective is to start with an average 20% share of each e-coupon sale in the platform.

PLACEMENT

The traditional concept of placement refers to the strategy a company uses to distribute their products or services. Unlike retailers and other type of businesses that have the flexibility to use diverse placement strategies, e-commerce is under a specific strategy called direct sale. This method delivers the product or service from the organization directly to the customer. It has the advantage of direct customer interaction and feedback which allows quick implementation of any needed improvement.

Visual cues and signals are extremely important drivers for any e-commerce business. They have the objective to influence purchase decisions by catching customers' attention and ultimately control their minds. Tactics such as knolling which places products in special arrangements and alike objects next to each other, tend to lead customers to look an image for longer periods than normal, and trick their mind into making a purchase.

Another important factor is to keep the webpage simple and organized. Avoiding the division of products in many categories makes choosing easier. The Daily Deal platform will have enough offers to attract prospective customer, but not too many that they become overwhelmed and don't finish the shopping experience.

One final factor that is extremely common in the Daily Deal business is retargeting. People already subscribed in the platform are more likely buyers than first time visitors since their subscription signals their interest in the deals being offered. Therefore, the main objective will be to send direct communication to these customers and increase efficiency in the conversion of browsers to buyers.

PROMOTION

This variable of the marketing mix is related to the communication part of the business. The methods to communicate must be adapted to the target audience and in consonance with the other elements of the marketing mix.

In the initial phase of the project the objective will be to create brand awareness and provide information such as the benefits, features, and usage of the platform. This will be attained through advertising and direct marketing. However, Daily Deal services already have the advantage of being a business based on discounts which may organically stimulate demand from customers.

The communication tone used will be informal, humorous, and modern, so it matches the target audience profile. This is a crucial strategy because it brings the business closer to the end consumer.

The advertisements will be made using Google Ads, and social networks such as Facebook and Instagram in the initial phase of the website. This action will be aggressive for the first 6 months of operations since the product will be in its embryonic phase, which is why a considerable share of the investment budget will be allocated to promotion.

BRAND

According to the Canadian company, Shopify, a brand represents how people perceive a business wherever they interact with it.

This means that a brand encompasses not only a name and a logo, but also slogans, products, colors, voices, and reputations.

After carefully examining several options the name chosen for the Daily Deal platform is Batimento. In local slang it means discount and is an extremely popular word used daily in commercial transactions to negotiate prices, especially among young people who happen to be the main target market of the platform. Turning this word into a brand and bringing it to the digital environment is quite innovative and disruptive because it is mostly used in informal forums, and now it will be used online to represent a platform full of shopping opportunities at already negotiated lower prices.

The other elements that will compose the brand personality will be further developed by the marketing squad of the project.

8.2 SALES FORECAST

Since this business model is quite new in the market, there is no data from other players through which one can compare and perform sales prevision. However, through the market research carried out with the public and local merchants, and using relevant economic indicators, it was possible to estimate the number of sales this business can achieve during its life cycle.

Demographics data such as population number and populational growth, was considered along with the internet usage level in the country. Moreover, it was also considered the demand level for each type of product and service, and the rate at which the target market will grow in the next few years. Lastly, it was performed an estimate on the number of prospects that will be successfully converted into customers through marketing actions that will be implemented.

The current demand for Daily Deal platforms has already been estimated. There are 558 000 internet users in Luanda (who are potential buyers from e-commerce businesses) in 2021. However, since the implementation of the project is only intended to start in 2022, the number of internet users used in the financial plan was projected to be 576 972 based on the populational growth. Additionally, the average populational growth (3.4%) was used to determine the market expansion in Luanda and consequently the yearly growth of the company's prospects.

The company aims to successfully convert a minimum of 2.50% of the available universe of potential clients (according to *invespro*, this is the average e-commerce conversion rate globally). During the introduction year, the aim is to capture 0.3% of potential clients since they will still be learning about the platform. Another important contributor to this initial conversion rate is the project's sales force that will still be on the recruitment phase of merchants and arrangement of deals. The next years will see a rapid rise on the conversion rate to 0.8% in year 1 as the business will be in its growing phase with many more products and services offered in the platform, 1.2% in year 2, 1.5% in year 3, and 1.8% in year 4. It is expected that the market will start entering its maturity phase during year 5 which is why the conversion rate will be only 0.2% higher than the previous year. The goal is to extend the maturity phase further into the future to delay the decline phase of the product, and consequently further explore the business potential (see figure a - appendix Y).

Regarding target merchants, there is a total of 25 586 of them across the country but only 58% of these businesses (14 840) are in Luanda which is the focus market. Therefore, it is expected that 72% of them will offer a 20% discount on their goods, 12% will offer 30% discount, 4% will offer 40%, and 12% will offer 50% (these percentages were gathered from the market research performed earlier).

However, it is more challenging to estimate the prices each product will be sold in the platform which is the reason the forecast will assume 6 distinct values based on average prices from local merchants in different industry sectors: 1 restaurant, 1 academic course, 1 bar, 1 Spa, 1 hotel, and 1 gymnasium. Additionally, a weight distribution was used in the sales estimates based on the percentages of the type of products and services the platform expects to sell each year. Below is shown the current average prices for each sector:

- Restaurants - average price of 18 710 AOA (24€) (see appendix F).
- Bars - average price of 6 500 AOA (8€) (see appendix F).
- Spas - average price of 25 250 AOA (33€) (see appendix G).

- Hotels - average price of 138 416 AOA (179€) (see appendix H).
- Gymnasiums - average price of 46 700 AOA (60€).
- Academic and Professional Courses – 129 656 AOA (168€) (see appendix I).

Combining all these data it was possible to estimate how many e-coupons the project expects to sell during its years of operation. Using a conservative approach, the forecast assumed the number of e-coupons sold as the number of successful converted customers, and the sales volume was based on the average price of the products, the quantities sold per sector within the e-commerce platform, and the discounts offered.

Finally, the company expects to stay with 20% of the value for each e-coupon sale during year 0 and 1, 30% in the second year, 35% in the third year, and 40% in the remaining years.

8.3 OFFICE LOCATION

The company will operate in a 5-floor building located within one of Luanda’s suburbs. The rent will be 150 000 AOA (194€) per month, and expenses such as electrical energy, water supply, and sanitation will be included in the rent.

8.4 TECHNOLOGY

The Daily Deal website will be based on WordPress using an e-commerce plugin called WooCommerce. The most important factors to start the webpage are:

1. Choice of a domain.
2. Hosting (Server) and Security.
3. Pre-made themes.
4. Plugins.
5. Developer Fees.

DOMAIN

The platform will use the “.com” domain because it is largely popular and most importantly, it is the most appropriate when referring to commercial websites. This domain costs 9.99 USD (8,3€) per year (see appendix J).

HOSTING AND SECURITY

Regarding hosting services, any website needs space to operate on the web and that is why one needs a host or server to run a page on the internet. The company will buy a plan from Bluehost

which was specifically created for online stores, and a website security essential. The total cost will be 232.08 USD (192,48€).

PRE-MADE THEMES

WordPress has available several templates at no cost. However, free themes also tend to be more common which may negatively affect the branding of the company. For that reason, the company will purchase a theme that besides being less generic it also matches the intended branding of the Daily Deal website. The platform will buy from Themeforest, a website that sells templates for WordPress and prices range from 2 to 200 USD (1,66€ to 166€) with the average sitting in 59 USD (49€) (see appendix L).

PLUGINS

Initially, the only plugin needed for the Daily Deal website is WooCommerce. This plugin as earlier explained, instantly transforms a WordPress page into an e-commerce store. It allows to create and expand stores with thousands of products in a quick and easy manner. The plugin enables an unlimited number of visitors to the webpage if the host and the infrastructure of the website tolerate such load. It also allows customers to make payments through the main gateways used worldwide such as Visa and PayPal.

The platform may eventually need other plugins which will be possible to buy directly from WordPress.

DEVELOPER FEES

The platform will be built by a software programmer with the help of a marketer and graphic designer who will develop the WordPress page, install the WooCommerce plugin, set all configurations, and design the webpage. The software engineer will be paid a fee of 647€ for the assemblage of the Daily Deal platform. Moreover, he will be available to the company anytime time the platform experiences trouble in the IT level. Depending on the service required to fix any bug with website, he will charge 39 Euros per hour on average according to the interview with Dario (see Literature Review - Expert panel section). However, in a later stage, the company will hire on a permanent an IT developer.

EQUIPMENT

The operation of a Daily Deal platform does not require highly sophisticated electronic equipment. The devices needed are common to most companies such as computers, printers, scanners, and copy machines.

Initially, the business will need 2 computers for each squad, making a total of 6 computers. NCR Angola, a local store for digital products, sells laptops at the unitary price of 332 678 AOA (430 €), making a total of 1 663 390 AOA (2 151 €) for 6 laptops (see appendix M).

Regarding the rest of the material, the company will acquire one printer with a built-in scanner and copy machine. The printer will cost 533 121 AOA (689 €) (see appendix N).

SERVICES

The company will hire internet services from a local internet provider called Zap Fibra. This service will have a monthly cost of 41 350 AOA (53 €) (see appendix O).

Another essential tool that will be needed is the Microsoft Office Pack that will cost 99 € per year allowing up to 6 people the use of the software simultaneously (see appendix P).

FURNITURE

The company will buy essential furniture for the office. The total investment will cost 3 754 750 AOA (4 856 €). The costs for each item can be found in the appendix section (see appendix T).

OFFICE SUPPLY

The company will buy essential office supplies. The total investment will cost 150 750 AOA (195€). The costs and quantities for every individual item to be purchased can be found in the appendix section (see appendix U).

KITCHEN APPLIANCES AND SUPPLIES

The office will dispose of 1 microwave that will cost 87 593 AOA (113€), and 1 coffee machine that will cost 49 000 AOA (63€) (see Appendix V). Additionally, the company will buy napkins (360 AOA per box – 0,47€), disposable dishes (16 550 AOA per set - 21€) and garbage bags (2 200 per box - 3€).

8.5 ORGANIZATION

The platform workers must be extremely disruptive, energetic, and willing to learn and innovate constantly, especially in challenging markets such as the Angolan one that requires a greater amount of effort to convince customers that the product being sold is beneficial to them comparing to more mature markets where customers already are more accustomed to using technological resources to tackle their needs. Consequently, this is the work culture intended to be implemented in the members of this project.

STAFF AND ROLES

During the investment year, the team will consist of 7 members that will be divided in 4 different squads as illustrated earlier in the plan: writing squad with 1 member, sales and finance squad with 2 members, IT squad with 1 member, and marketing and design with 2 members. The 7th member of the staff will be the general manager of the project. Anyhow, it is expected new employees to be hired in the next years considering the project's growth and increased demand.

The writing squad will consist of 1 person, preferably skilled in communication and marketing. The squad main responsibilities are:

- Write the copy for all the promotional offers available on the website.
- Manage e-mails from customers and merchants.
- Elaborate direct marketing strategies towards the platform subscribers.

The sales and finance will consist of 2 people, 1 salesman with refined sales skills, and 1 accountant with a good understanding in accounting, finance, and business analytics. The squad main responsibilities will be:

- Search merchants from all applicable sectors for potential partnerships with the platform.
- Negotiate terms and establish business relationships with merchants.
- Set efficient sales strategies that will allow a rapid growth of promotional offers on the platform.
- Manage and control the revenues and costs of the business operation.
- Use financial indicators to help the decision-making process when negotiating with merchants.
- Produce financial reports of the business operation.

The IT squad will consist of 1 person with work experience in e-commerce websites, and computer science or computer engineering. The squad main responsibilities will be:

- Support the business anytime the platform experiences technological issues such as slowness and downtimes.
- Provide innovative and more efficient solutions for the business operations from a technological point of view.

- Help co-workers with the installation and configuration of software in their computers, and any other technological related issue they may experience.

The marketing and design squad will consist of 1 designer and 1 marketer. The main responsibilities will be:

- Create, manage, and promote social network pages for the platform.
- Make the arts for the social network posts.
- Capture and edit photos taken from the merchant's products being commercialized.
- Create and implement digital marketing strategies and draw specific plans to reach and convert the target audience.

The general manager will be the project owner and the main responsibilities for this role will be:

- Oversee daily operations of the business.
- Coordinate the recruitment process of the project.
- Create and implement a strategy and specific objectives to be achieved.
- Develop a healthy work environment for the employees.
- Clear any obstacle that might interfere with the team's performance.

INCOME

The national minimum salaries are stipulated in the Republic Diary, issued in 2018 by the Angolan government, according to each person's category (see table c - appendix Y).

SHIFTS

The office will be operational from 08:00 AM to 05:00 PM, Monday until Friday. Each member will dispose a 1-hour lunch break. Every worker will work on this shift except the IT squad which will operate only when needed, including weekends.

RECRUITMENT AND SELECTION

Job offers will be posted on social networks with greater predominance on LinkedIn. The selection and analysis of prospects will be conducted by the general manager.

9. IMPLEMENTATION REQUIREMENTS

The goal was to identify the requirements and conditions to implement an e-commerce platform in Angola.

9.1 REQUIREMENTS

E-commerce is a recent business model in the local market, therefore as of 2021, regulation is not as complex as in other more advanced geographies. Consequently, there are not many relevant legal requisites a company must follow to start running an e-commerce platform.

9.2 CONDITIONS

There are several variables that play an important role for the success of e-commerce businesses especially in emerging economies such as Angola. However, as revealed by the SWOT analysis previously performed and supported by the literature review (see section 5 – Literature Review), the most pertinent conditions needed to operate an electronic platform is a stable connection to the internet and a formidable ecosystem around the public's trust to shop on the web.

9.3 LICENSING PROCESS

To run an e-commerce business in Angola, one must follow a set of procedures required by law.

The first step is to visit the governmental repartition responsible for the registration and legalization of companies. These are the required steps to register a Daily Deal platform:

1. Fill out an application form.
2. Present the owner's identification document.
3. Present the company's tax number that will be issued by the general tax administration.
4. Pay a 21 000 AOA (27 €) fee applied to commercial venues with up to 200 square meters size.
5. Have an organized accounting system.
6. The company constitution must be in person.
7. Issue a Commercial Certificate.

The second and last step is to acquire a commercial license from the ministry of commerce. These are the requirements:

1. General manager's identification document.
2. Pay a 20 000 AOA (26 €) fee.
3. Fill out an application form.

10. FINANCIAL VALUATION

This is the most relevant chapter because it will ultimately determine the project feasibility. It discusses the capital structure of the company and the reason no financing options were considered. Besides that, it also covers the economic and financial valuation of the company.

10.1 CAPITAL STRUCTURE

Angola is currently undergoing through a deep economic crisis which makes access to financing quite difficult. For instance, financial institutions that are lending money have extremely high interest rates (up to 20%) which drives off entrepreneurs from resorting to this option of funding.

Therefore, the company will be funded with 100% equity during its investment year (year 0). The total investment will be of 30 000 € that will be used to invest in fixed capital, and cover all operational costs including negative results during the first years of operation. Furthermore, no additional margin has been added to the share capital since no interest from loans has to be paid, and the investment in fixed capital is not excessively high.

10.2 PROJECT VALUATION

According to Oliveira J. (2013), the life cycle of a company can be determined based on factors such as the investment amount, lifespan of all assets, funding policy, and sales forecast (performance of the company). Considering these factors, a valuation for the next 5 years was reasonable to explore the economic and financial potential of the project. However, it is important to stress that the project's life cycle can surely exceed this lifespan under appropriate conditions.

For this analysis, several assumptions were made regarding the market conditions. The following are worth highlighting:

- The exchange rate from euro to kwanza was $1 \text{ €} = 773 \text{ AOA}$ (see Millenium Atlantico Bank - Exchange Rate Table from May 3rd, 2021).
- The inflation rate was set at 13.10% according to the International Monetary Fund forecast for the Angolan economy in 2022 (see www.imf.org/en/Countries/AGO).
- All applicable taxes considered were taken from the respective institutional websites.

- The risk-free asset interest rate was from an Angolan treasury bond with a maturity up to 4 years, and a 16.13% coupon (ugd.minfin.gov.ao/PortalUGD/#!/titulus-do-tesouro/conheca-os-titulos-do-tesouro).
- The market risk premium used was 7.26% (Damodaram – Country Default Spreads and Risk Premiums Table).
- Since no Beta for similar companies was found, the *IAPMEI* financial model (which was the base of this business plan) suggested using a Beta Unlevered of 1 when it is unknown.
- The depreciation rates applied to fixed capital are in consonance with the presidential decree No. 207/15, published on November 5th, 2015.

The business plan developed, demanded the elaboration of several tables that provided valuable information from different business angles. The most relevant tables developed were the general assumptions, sales forecast, external services and supplies, expenses with human resources, working capital, income report, cash flow, financial valuation, weighted average cost of capital (WACC), and the balance sheet. They are further discussed in appendix W.

10.3 FINANCIAL VALUATION INDICATORS

The indicators used to determine the financial feasibility of the project were:

- The Net Present Value (NPV).
- The Internal Rate of Return (IRR).
- The Payback Period.

The NPV was used to calculate the current total income of future inflow of cash at a fixed discount rate. These future streams of income already consider inflation rates forecasted for each year respectively. This metric is widely used in investment analysis to assess the current value of the free cash flow to firm. If the NPV turns out to be a positive number, it means that the project will generate revenue streams, and thus it is attractive. On the other hand, if it is negative, it means that the business will only bring expenses, and it is not attractive for investment.

The discount rate applied to bring the future cash flows of the firm to the present was the weighted average cost of capital (WACC). This was achieved by the amount of equity and liability acquired by the company, and the weight each rubric has on the total amount of capital

used to finance the firm. This metric can be used as a hurdle rate against which a company can decide which asset is worth investing.

10.4 ASSESSMENT OF THE NPV IN THE PROJECT'S PERSPECTIVE

The financial model calculated the NPV based on future 5-year cash flows and a continuity value calculated in perpetuity at a 0% growth rate. The cash flow in perpetuity turned out to be 515 585 € and generated a positive NPV of 316 160 € which means that the project is financially feasible (see appendix W). This value allows the company to recover the initial investment in its entirety and generate profits that can be either reinvested in the company or distributed to the corporate body as dividends in applicable cases (see appendix W).

10.5 ASSESSMENT OF THE IRR IN THE PROJECT'S PERSPECTIVE

The Internal Rate of Return was estimated to be 123%. It is an extremely promising IRR given the fact that this is a scalable business model that can rapidly grow if the right strategies are well implemented, associated to the relatively low investment (when compared to the potential financial return) needed to run this platform. Moreover, the low operational losses during the initial years contribute to a quicker recovery of income in the following years (see appendix W).

10.6 ASSESSMENT OF THE PAYBACK PERIOD IN THE PROJECT'S PERSPECTIVE

The payback period is the amount of time an investment takes to reach its breakeven point (the moment in time the expected cash flows equals the initial investment). For this project, the financial model returned a 3-year payback period.

Considering the nature of this business model, the amount invested, and the IRR, the returned payback period is satisfactory.

10.7 ASSESSMENT OF THE ECONOMIC AND FINANCIAL INDICATORS

An analysis of the economic indicators and financial ratios was carried out to provide a deeper picture of the financial performance of the project. This analysis can be seen in appendix W.

CONCLUSION

Angola, like other emerging countries, offers extraordinary opportunities for e-commerce projects in a general sense. It is a country with a young population extremely inclined to technology. It is currently facing a deep economic crisis which saw the government turn to other income sources to diversify the economy, including tourism and services. Simultaneously, people are diving into the entrepreneurial world considering the lack of jobs in the market. The fact that Daily Deal platforms help end consumers enjoy cheaper products and services, and merchants promote their businesses, poses a great business opportunity for the market.

Implementing a Daily Deal platform in Angola has several challenges from an intermittent internet coverage to a weak e-commerce legislation as previously seen. However, the advantages this business brings to people outweigh the less positive aspects of the market, and consequently encourages its investment.

In the end consumer side of the business model, the target market size is quite extensive which increases the probability for a higher number of sales of e-coupons when associated with efficient communication and marketing strategies. On the other hand, the merchant end of the business model is growing at a rapid pace which increases the potential to capture a greater number of commercial partners to the platform.

The initial investment in the project corresponds to 30 000 €, totally funded with owner's equity, and allocated to fixed capital investment and operational expenditures.

The financial model returned a positive Net Present Value of 316 160 €, and an Internal Rate of Return of 123%. The breakeven point of the project occurred after 3 years which is acceptable considering the nature of this business model and the amount of capital initially invested.

Therefore, according to the economic and financial valuation performed, the implementation of a Daily Deal platform in the Angolan market is an economically and financially feasible investment to be made.

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<https://canalk.com/irt-em-angola/>
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www.imf.org/en/Countries/AGO
- World Bank – Gross Domestic Product Per Capita
www.worldbank.org
- Ministério das Finanças – Treasury Bonds
ugd.minfin.gov.ao/PortalUGD/#!/titulos-do-tesouro/conheca-os-titulos-do-tesouro

- Damoradam – Market Risk Premiums

http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html

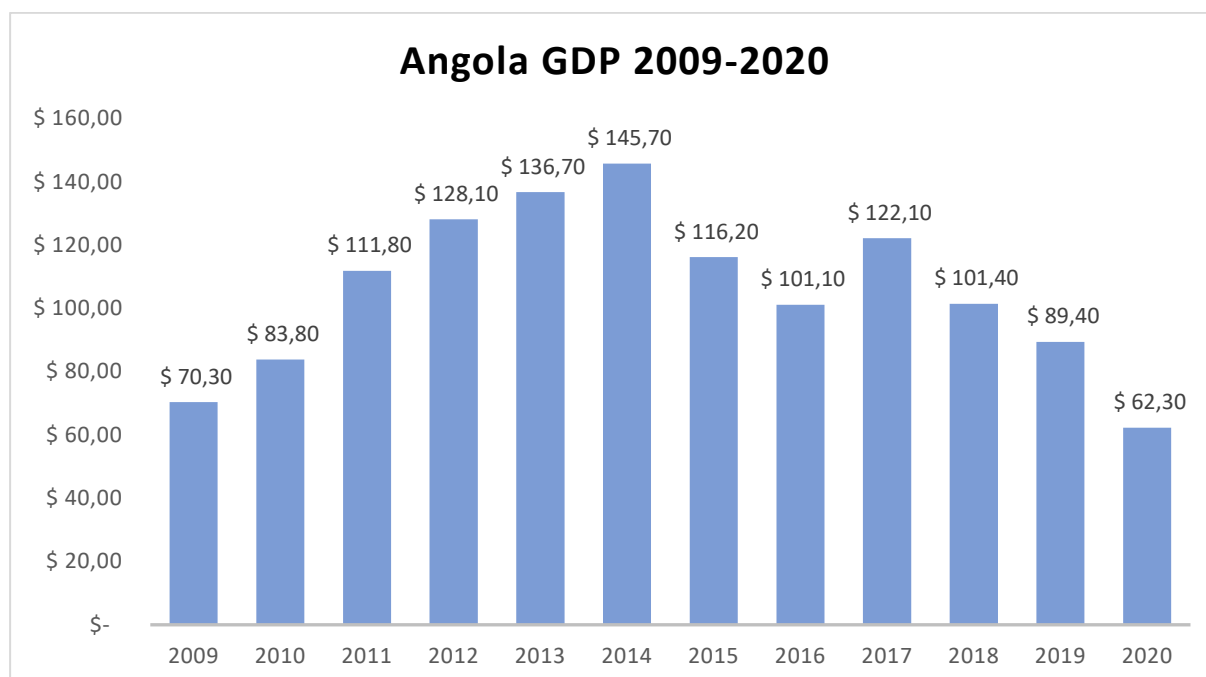
APPENDIX

Appendix A: Table with the Macro-Economic Indicators of Angola (From 2009 until 2020)

| Year | GDP (billios USD) | GDP per Capita | Unemployment Rate (%) | Consumer Price Index (January) | Inflation Rate % |
|------|-------------------|----------------|-----------------------|--------------------------------|------------------|
| 2009 | \$ 70,30 | \$ 3 122,78 | - | 86,72 | 13,70% |
| 2010 | \$ 83,80 | \$ 3 587,88 | - | 100,00 | 14,48% |
| 2011 | \$ 111,80 | \$ 4 615,47 | 25,0% | 111,38 | 13,48% |
| 2012 | \$ 128,10 | \$ 5 100,10 | 26,0% | 109,02 | 10,29% |
| 2013 | \$ 136,70 | \$ 5 254,88 | 25,0% | 93,04 | 8,78% |
| 2014 | \$ 145,70 | \$ 5 408,41 | 26,0% | 100,00 | 7,30% |
| 2015 | \$ 116,20 | \$ 4 166,98 | 25,0% | 114,27 | 9,16% |
| 2016 | \$ 101,10 | \$ 3 506,07 | - | 162,20 | 30,69% |
| 2017 | \$ 122,10 | \$ 4 095,81 | 19,9% | 204,79 | 29,84% |
| 2018 | \$ 101,40 | \$ 3 289,65 | 20,0% | 232,02 | 19,63% |
| 2019 | \$ 89,40 | \$ 2 790,73 | 28,8% | 271,22 | 17,08% |
| 2020 | \$ 62,30 | \$ - | 31,6% | 339,29 | 22,28% |

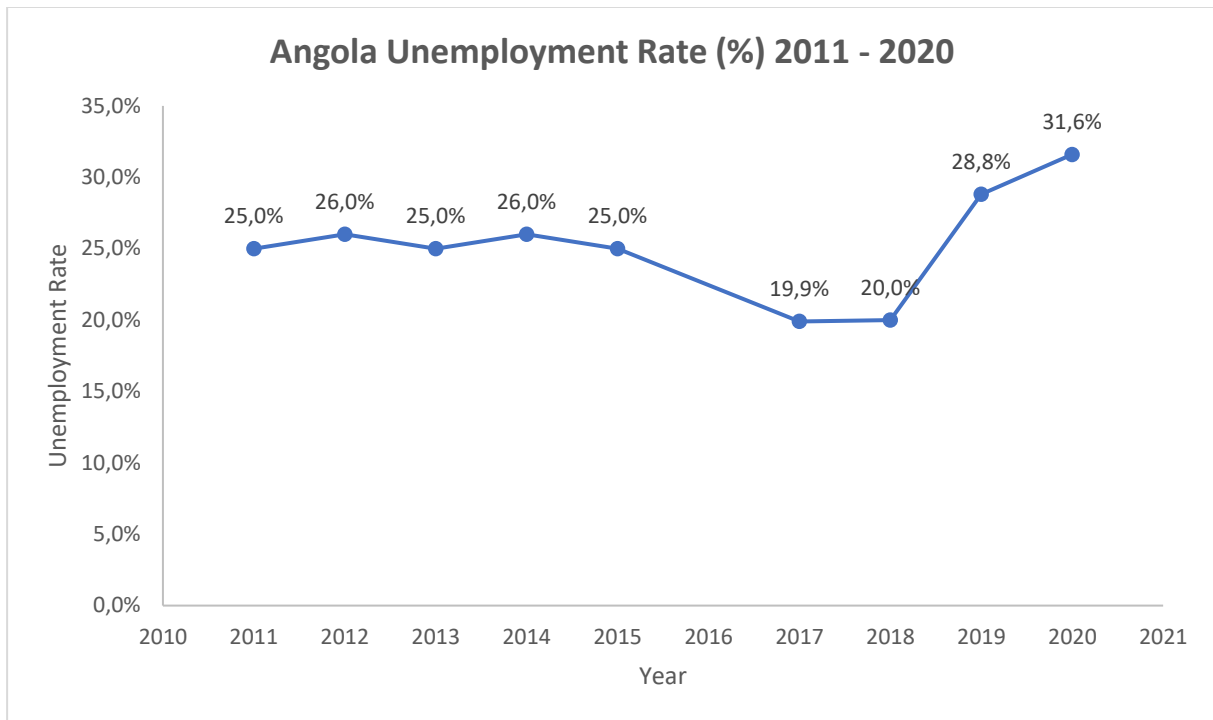
Source – Author

Appendix B: Bar graph with the Variation of the Angolan GDP in US Dollars



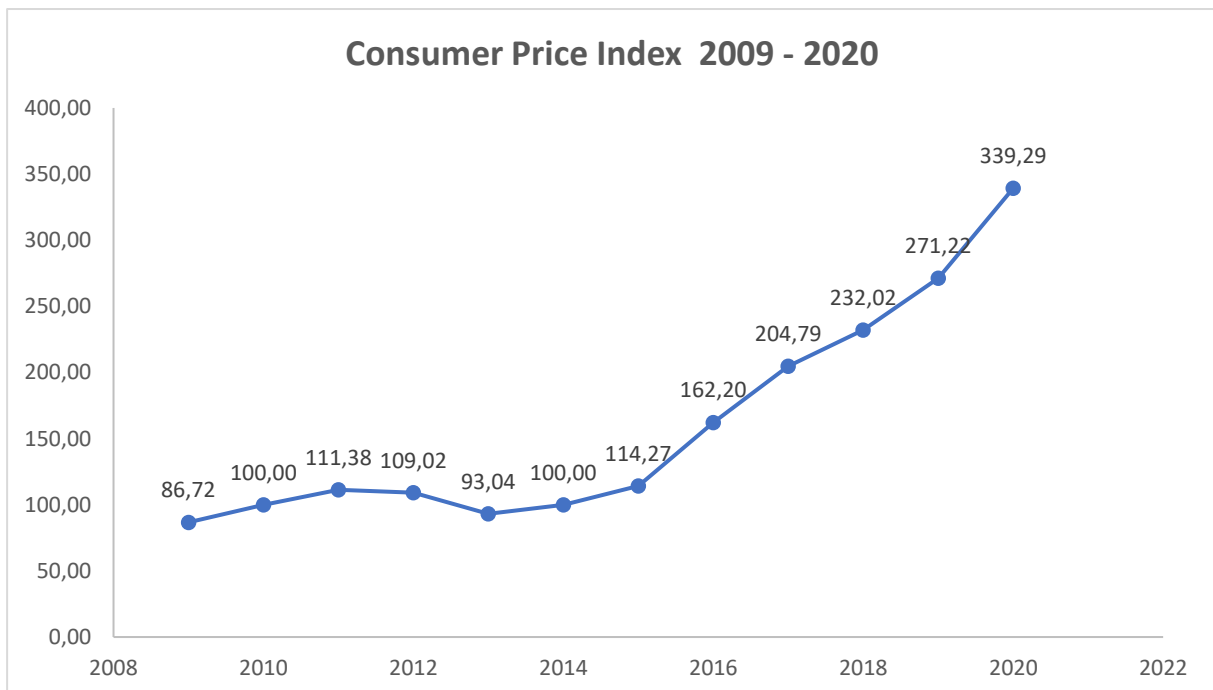
Source - Author

Appendix C: Line Graph with the Variation of the Angolan Unemployment Rate



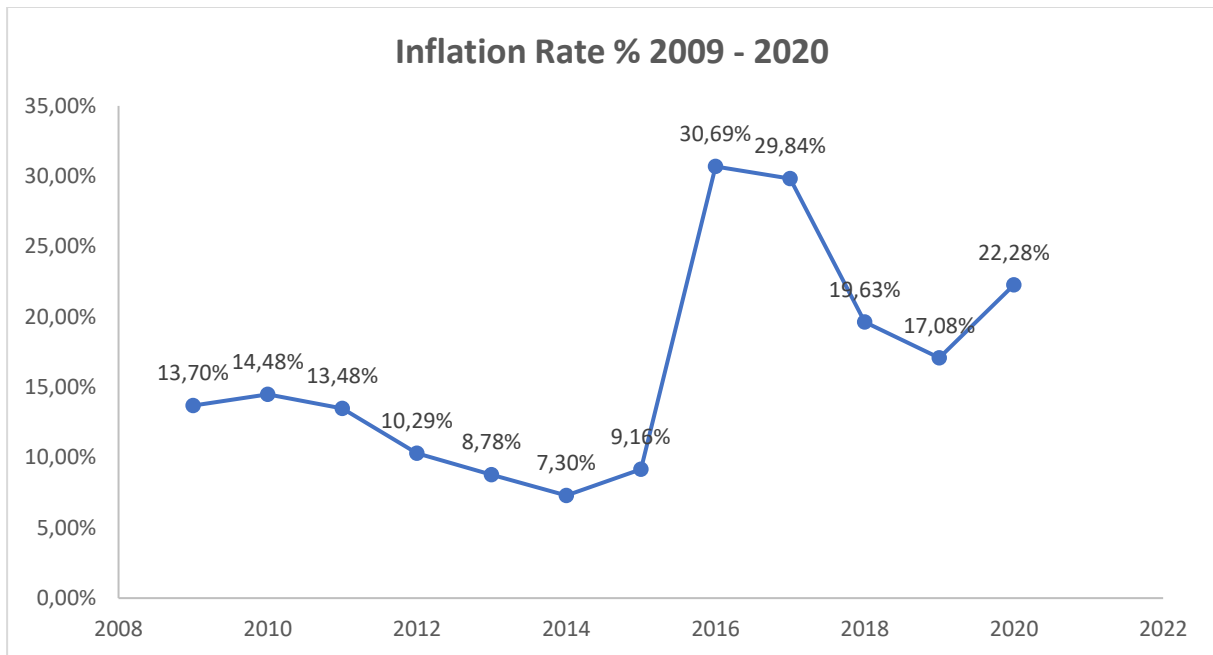
Source – Author

Appendix D: Line Graph with the Variation of the Angolan Consumer Price Index



Source – Author

Appendix E: Line Graph with the Variation of the Angolan Inflation Rate




Source – Author

Appendix F: Average Prices from 1 Restaurant and 1 Bar in Luanda, Angola

Restaurante Venezia ✔ Reivindicado

●●●●○ 185 avaliações | Nº 10 de 172 restaurantes em Luanda | \$\$\$ - \$\$\$, Internacional, Europeia, Portuguesa

📍 Rua Comandante Che Guevara #116/120, Luanda Angola | ☎ +244 936 133 131 | 🌐 Site ↗ | 🕒 Aberto agora:



📷 Todas as fotos (15)

Pontuações e avaliações

4,0 ●●●●○ 185 avaliações

Detalhes

FAIXA DE PREÇO

AOA 11.613 - AOA 25.806

Prato do Dia

Filetes de corvina com arroz de tomate

Ou

Bifinhos de frango c/ arroz de cenoura e
batata doce frita

Bebida (refrigerante, água ou fino)

+

Café

6.500 KZ

live
Waterfront bar & club

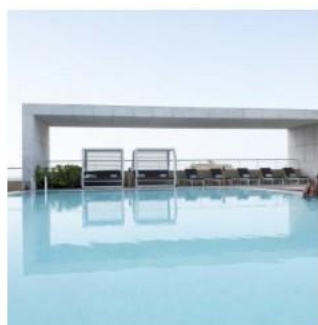
Fotos de LIVE
em Instagram Photos

Appendix G: Prices from a SPA in Luanda, Angola

| wellness | PREÇARIO/PRICE LIST | |
|--|---------------------|--------------------------------------|
| RITUAIS DE MASSAGEM / MASSAGE RITUALS | | |
| | Ⓢ | |
| Abhyanga Shareera (Corpo Todo) Ayurvedic Full Body Massage | 60'/90' | 24.000 AKZ / 31.000 AKZ |
| Pada Abhyanga (Pés) Ayurvedic Feet Massage | 30' | 15.500 AKZ |
| Shirodhara (Cabeça) Shirodhara (Head) | 45' | 26.500 AKZ |
| Pernas Cansadas Tired Legs | 30' | 15.500 AKZ |
| Griiva Skandah (ombros, pescoço, costas e cabeça) Griiva Skandah(shoulders, neck, back and head) | 30' | 19.500 AKZ |
| Massagem de Assinatura Sayanna Luxury Sayanna Luxury Signature Massage | 60'/90' | 24.000 AKZ / 31.000 AKZ |
| Massagem Vichy Vichy Massage | 45' | 20.000 AKZ |
| Hidromassagem Hydromassage | 30' | 18.000 AKZ |
| Massagem Profunda Deep Tissue Massage | 30'/60'/90' | 19.500 AKZ / 28.000 AKZ / 35.000 AKZ |
| Ritual Chackra com Pedras Quentes Chackra Ritual Hot Stones Massage | 75' | 29.000 AKZ |
| Drenagem Linfática Manual Manual Lymphatic Drainage | 60' | 24.000 AKZ |
| Massagem Sayanna para Futuras Mamãs Sayanna Mother-to-be Massage | 60' | 24.000 AKZ |
| RITUAIS PARA HOMEM / MAN RITUALS | | |
| | Ⓢ | |
| Ritual Rei David (Corpo e Rosto) King David Ritual (Face & Body) | 90' | 35.000 AKZ |
| RITUAIS PARA CRIANÇAS & ADOLESCENTES / KIDS & TEENS RITUALS | | |
| Massagem - Delícia de Chocolate - Criança dos 5 aos 12 anos Delight Chocolate Massage - Children from 5 to 12 years old | 45' | 19.000 AKZ |
| Massagem - Delícia de Chocolate - Adulto a partir dos 13 anos Delight Chocolate Massage - Adults from 13 years old | 45' | 24.000 AKZ |

Source: www.luanda.epic.sanahotels.com

Os melhores hotéis em Luanda



EPIC SANA Luanda Hotel

8.5 Ótimo

Luanda



A partir de **US\$390** por noite



Art House

8.2 Ótimo

Luanda



A partir de **US\$105** por noite



Hotel Alvalade

7.3 Bom

Luanda



A partir de **US\$294** por noite



Pensão Malépo










7.3 Bom

Luanda

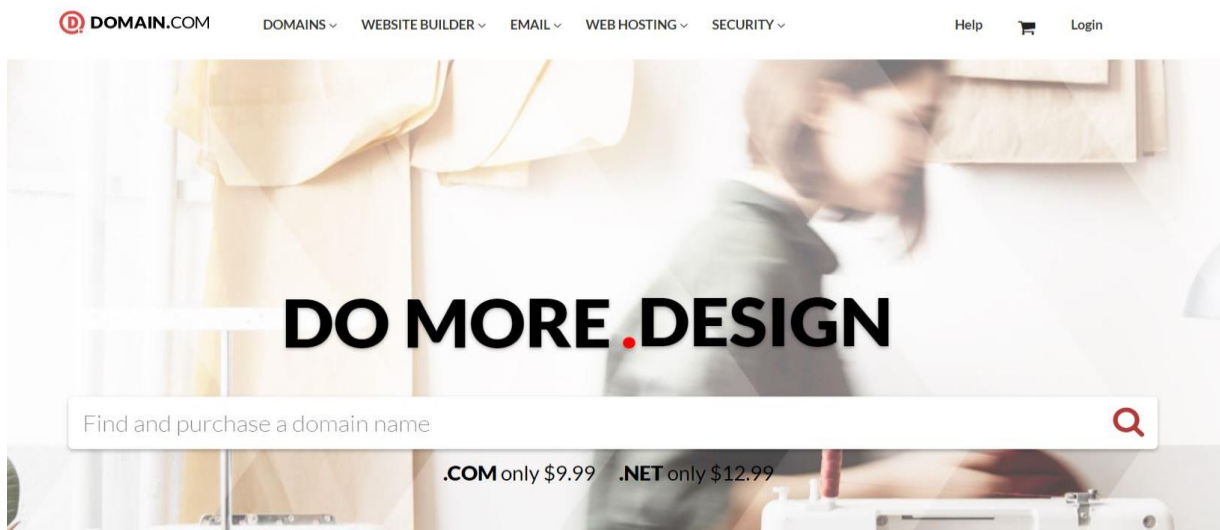


A partir de **US\$40** por noite

Appendix I: Prices from Different Professional Courses in Luanda, Angola in local currency

| | | |
|---|---|----------------------------|
|  | <p>Instalação e Configuração </p> <p>by Centro de Formação SISTEC</p> <p>Começa a: Flexível</p> <p>Luanda 60 horas Curso Presencial</p> | <p>Kz95,000 Total</p> |
|  | <p>Electricidade Predial, Industrial e Automação </p> <p>by GHF - Centro de Formação Profissional.</p> <p>Começa a: Flexível</p> <p>Luanda 2 meses Formação Técnico Profissional Presencial</p> | <p>Kz15,000 Por módulo</p> |
|  | <p>Condução Defensiva </p> <p>by Grupo Mieres Academy</p> <p>Começa a: Flexível</p> <p>Luanda 30 horas Curso Presencial</p> | <p>Kz63,282</p> |
|  | <p>Perito Averiguador do Ramo Automóvel </p> <p>by Academia de Seguros & Fundo de Pensões</p> <p>Começa a: Flexível</p> <p>Luanda 30 horas Curso Presencial</p> | <p>Kz275,000 Total</p> |
|  | <p>Processamento Salarial PGF04 (40H) </p> <p>by Progene Formação</p> <p>Começa a: Flexível</p> <p>Luanda 40 horas Formação Técnico Profissional Presencial</p> | <p>Kz200,000 Total</p> |

Appendix J: Acquisition Price for a “.Com” Domain



Appendix K: Prices of Hosting and Website Security Service Essentials (Bluehost.com)

Package Information


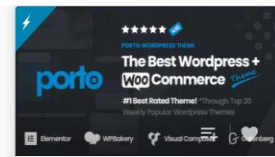


| | |
|-----------------------------|---|
| Account Plan | Choice Plus 36 Month Price - \$5.45/mo. ▾ |
| Hosting Price | \$196.20 (\$5.45 for 36 months) |
| Primary Domain Registration | Free |
| Let's Encrypt SSL | Free - terms |

Package Extras

| | |
|---|---|
| Domain Privacy + Protection | Free |
| Codeguard Basic | Free |
| Bluehost SEO Tools Start | <input type="checkbox"/> - \$ 1.99 per month (Billed annually at \$23.88/yr) More information |
| Single Domain SSL | <input type="checkbox"/> - \$ 3.33 per month More information |
| 1 Microsoft 365 Mailbox - 30 Day Free Trial | <input type="checkbox"/> - FREE More information |
| SiteLock Security - Essential | <input checked="" type="checkbox"/> - \$ 2.99 per month (Billed annually at \$35.88/yr) More information |
| Savings | \$415.44 (67% off) |
| Total | \$232.08 |
| | Add tax exemption |

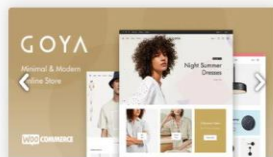



The hosting service price starts at 5.45 USD (4,52€) per month and they only allow a 36-month plan at this rate. Along with this service it is always good practice to have a website security essential which is a standard technology for keeping internet connections secure and prevent attacks from hackers and viruses. This essential has a cost 2.99 USD (2,48€) per month.


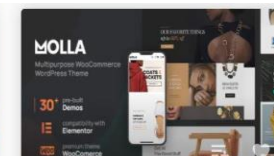


Appendix L: Pre-Made Themes Prices (Themeforest.net)

| | | | |
|---|--|---|---|
|  <p>#1 Best Selling WooCommerce Theme The perfect theme for any WordPress or WooCommerce Store</p> <p>Flatsome Multi-Purpose Responsive Wo... by UX-themes in Woocommerce</p> <p>\$59 ★★★★★ (6.4K) 159.2K Sales</p> <p>Preview Cart</p> |  <p>The Best Wordpress + WooCommerce #1 Best Rated Theme! Through Top 49 Weekly Released WordPress Themes</p> <p>Porto Multipurpose & WooCommerce T... by p-themes in Woocommerce</p> <p>\$59 ★★★★★ (2.9K) 59.9K Sales</p> <p>Preview Cart</p> |  <p>WordPress Theme for Any Kind of Store. 65+ Ready to use demos.</p> <p>WoodMart - Responsive WooCommerce ... by xtremos in Woocommerce</p> <p>\$59 ★★★★★ (1.4K) 29.4K Sales</p> <p>Preview Cart</p> |  <p>The Most Complete & Customizable WooCommerce Theme 100+ SHOP</p> <p>XStore Highly Customizable WooComm... by 8theme in Woocommerce</p> <p>\$39 ★★★★★ (1.1K) 24.4K Sales</p> <p>Preview Cart</p> |
|---|--|---|---|

Hot under \$49

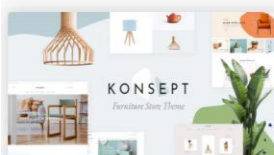


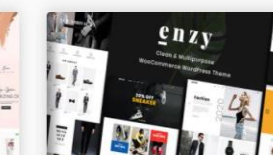
[View all](#)

| | | | |
|---|--|--|--|
|  <p>Goya - Modern WooCommerce Theme by krusvelaz in Woocommerce</p> <p>\$39 ★★★★★ (106) 4.2K Sales</p> <p>Preview Cart</p> |  <p>Lusion - Multipurpose eCommerce Word... by ArrowHiTech in Woocommerce</p> <p>\$39 ★★★★★ (42) 1.1K Sales</p> <p>Preview Cart</p> |  <p>Home & Lifestyle Elementor WooCommerce Theme Slider Revolution Elementor Page Builder WooCommerce</p> <p>Aora - Home & Lifestyle Elementor WooC... by themebay in Woocommerce</p> <p>\$48 \$28 ★★★★★ (29) 788 Sales</p> <p>Preview Cart</p> |  <p>Drile - Furniture WooCommerce WordPre... by skygroup in Woocommerce</p> <p>\$59 \$48 ★★★★★ (30) 632 Sales</p> <p>Preview Cart</p> |
|---|--|--|--|

| | | | |
|---|--|--|--|
|  <p>Organic & Food Store WordPress Theme OS - Pre-Built Demos</p> <p>Freshio - Organic & Food Store WordPres... by pavoithemes in Woocommerce</p> <p>\$59 ★★★★★ (25) 1K Sales</p> <p>Preview Cart</p> |  <p>Multi-Purpose WooCommerce WordPress Theme 30+ Pre-Built Demos Elementor WooCommerce</p> <p>Molla Multi-Purpose WooCommerce Th... by don-themes in Woocommerce</p> <p>\$59 ★★★★★ (32) 817 Sales</p> <p>Preview Cart</p> |  <p>Medical Equipment WooCommerce Theme Search by Category BIG Update</p> <p>Medizin - Medical WooCommerce Theme by ThemeMove in Woocommerce</p> <p>\$59 ★★★★★ (23) 757 Sales</p> <p>Preview Cart</p> |  <p>For small business and powerful warehouse 30+ sites, 100+ modules</p> <p>MyMedi - Responsive WooCommerce Wo... by skygroup in Woocommerce</p> <p>\$39 ★★★★★ (27) 629 Sales</p> <p>Preview Cart</p> |
|---|--|--|--|

Top shopping items

[View all](#)

| | | | |
|--|--|--|---|
|  <p>Furniture Store Theme by Elated-Themes in Woocommerce</p> <p>Konsept - Furniture Store Theme by Elated-Themes in Woocommerce</p> <p>\$75 ★★★★★ (4) 459 Sales</p> <p>Preview Cart</p> |  <p>Furniture WooCommerce WordPress Theme 8+ Pre-Built Demos Time Collections WooCommerce</p> <p>Davici - Furniture WooCommerce WordPr... by wpbingo in Woocommerce</p> <p>\$48 ★★★★★ (12) 374 Sales</p> <p>Preview Cart</p> |  <p>Beauty Cosmetics Shop by designthemes in Woocommerce</p> <p>Beaux - Beauty Cosmetics Shop by designthemes in Woocommerce</p> <p>\$59 ★★★★★ (10) 367 Sales</p> <p>Preview Cart</p> |  <p>Clean & Modern WooCommerce WordPress Theme Clean & Modern WooCommerce WordPress Theme</p> <p>Enzy - Multipurpose WooCommerce Wor... by skygroup in Woocommerce</p> <p>\$48 ★★★★★ (18) 337 Sales</p> <p>Preview Cart</p> |
|--|--|--|---|

themeforest.net/item/freshio-organic-food-store-wordpress-theme/28365085

WordPress eCommerce Themes

Search within this category



Choose from over 1,300 WordPress eCommerce themes. Explore items created by our global community of independent designers and developers, confident they're hand-reviewed by us. [Read more](#)

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Save on WordPress eCommerce themes.

[Browse on sale themes](#)



Green Farm – Organic Food & Eco Farm ...
by Smarty-Themes in Woocommerce

~~\$82~~ **\$57**

★★★★☆ (3)

77 Sales

[Preview](#)



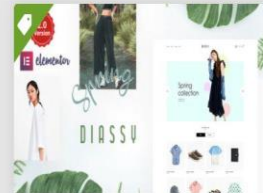
Evon - Bag Store WooCommerce WordPr...
by snstheme in Woocommerce

~~\$89~~ **\$62**

★★★★☆ (6)

196 Sales

[Preview](#)



Diassy - Fashion WooCommerce Theme
by familab in Woocommerce

~~\$58~~ **\$39**

★★★★☆ (11)

120 Sales

[Preview](#)



Appendix M: Laptop Prices in NCR Angola

The screenshot shows the NCR Angola website interface. At the top, there is a navigation bar with links for 'LOJA ONLINE', 'SOBRE NÓS', 'ACÇÃO SOCIAL', and 'NCR CORPORATE'. A green header contains social media icons for Facebook and WhatsApp, along with an 'APP' button. Below this, a green bar displays contact information: 'Suporte (Seg. a Sex. das 8h às 17:00h) 222 670 000 / 923 167 000', a WhatsApp icon with the number '940 370 723', and an email address 'cliente.online@ncrangola.com'. The main content area features a search bar with the placeholder 'O que procuras?' and a 'CARRINHO' icon showing '0' items. A sidebar on the left lists product categories: 'COMPUTADORES PORTÁTEIS', 'Macbook', 'PC portátil', 'Acessórios', 'Transformadores', 'Mochilas', and 'Bolsas'. The main product display features an HP laptop with a Windows 10 desktop background. To the right of the laptop, a green 'NOVO' badge is present. The product title is 'HP COMPUTADOR PORTÁTIL 15.6" AMD ATH3050U HD 4GB 256GB SSD GFX W10 HOME SLIM CINZA'. Below the title, the reference number 'REFERÊNCIA: 2J8K9EA' is shown. The price is prominently displayed as '332 678,00 AKZ' with a note 'preço com IVA incluído à taxa em vigor'. A 'Seguro' section lists warranty options: 'Garantia normal de 1 ano (GRÁTIS)', 'Seguro Dano Acidental (1 ano) (33 680,00 AKZ)', 'Extensão garantia(+1 ano) (20 210,00 AKZ)', and 'Multi-Garantia(1 ano Dano acidental + 1 ano Ext. Garantia) (45 810,00 AKZ)'. At the bottom left, there is a promotional banner for 'HP Pavilion All-in-One PC' with the text 'Um poderoso PC All-in-One. Construído para entretenimento'.

Appendix N: Printer and Scanner Prices in NCR Angola

The screenshot shows the NCR Angola website interface. At the top, there is a green navigation bar with links for 'LOJA ONLINE', 'SOBRE NÓS', 'ACÇÃO SOCIAL', and 'NCR CORPORATE'. On the right, there are social media icons for Facebook and an 'APP' button. Below this, a white bar contains contact information: 'Suporte (Seg. a Sex. das 8h às 17:00h) 222 670 000 / 923 167 000', a WhatsApp icon with the number '940 370 723', and the email 'cliente.online@ncrangola.com'. The main header features the NCR Angola logo and a search bar with the placeholder 'O que procuras?'. A secondary navigation bar includes 'LOJAS', 'APOIO AO CLIENTE', 'BEM-VINDO VISITANTE!', 'REGISTAR / ENTRAR', and a Facebook icon. Below this, a dark navigation bar lists 'PRODUTOS', 'LOJA HP', 'NOVOS PRODUTOS', 'OPORTUNIDADES', and 'DESTAQUES'. The main content area is divided into three sections. On the left, a sidebar lists product categories: 'IMPRESSORAS E SCANNERS', 'Impressoras', 'Scanners', 'Ploter', 'Fotocopiadoras', and 'Acessórios'. The central section features a large image of the HP M438n printer. To the right of the image, a green 'NOVO' banner is followed by the text 'Fotocopiadoras' and 'HP IMPRESSORA - FOTOCOPIADORA MFP MONO A3 M438n (22PPM)'. Below this, the reference number 'REFERÊNCIA: 8AF43A' is shown. A dark grey box highlights 'CONSUMÍVEL COMPATÍVEL TONER W1335A HP ORIGINAL 335A LJ'. The price is displayed as '533 121,00 AKZ' with the note 'preço com IVA incluído à taxa em vigor'. At the bottom of the product details, there is a quantity selector set to '1', a plus/minus button, and a green 'ADICIONAR AO CARRINHO' button. A link 'ENVIAR A UM AMIGO' is also present.

Appendix O: Monthly Internet Service Cost from ZAP FIBRA (20 Megabytes Speed)

ZAP Fibra

[Sobre](#) | [Equipamentos](#) | [Vantagens](#) | [Pacotes TV + Net](#) | [Guia TV](#) | [Videoclube](#) | [Serviços](#) | [Adesão](#) | [Formas de Carregamento](#) | [Ajuda](#) | [Comerciais Credenciados](#) | [Condições Gerais de Serviço](#)

Pacotes TV + Net

[ZAP Fibra 2MB](#) | [ZAP Fibra 6MB](#) | [ZAP Fibra 20MB](#) | [ZAP Fibra 50MB](#) | [SUPER 50MB Sem Limites](#)

TV: +120 canais

41.350 AKZ/30 DIAS

IVA incluído à taxa legal em vigor

Descrição do Pacote



Appendix P: Microsoft Office Pack Price



Está a comprar:

Microsoft 365 Família

Até seis pessoas

99,00 €/ano

Faturados anualmente

Incluído:

- ✓ Até 6 TB de armazenamento na nuvem (1 TB por pessoa)
- ✓ Funciona no Windows, macOS, iOS e Android
- ✓ Segurança avançada para e-mail e ficheiros
- ✓ Aplicações de produtividade premium



Appendix Q: Income Selection Based on the Republic Diary and Calculation of Net Income in Local Currency (Source: Republic Diary November 28th, 2018)

| Pessoal Técnico | | Índice 100 = Kz 39.731,93 | |
|------------------|------------------------------------|---------------------------|-----------------|
| Grupo de Pessoal | Carreira/Categoria | Índice A | Vencimento-Base |
| Técnico Superior | Assessor Principal | 960 | 381.426,49 |
| | Primeiro Assessor | 900 | 357.587,34 |
| | Assessor | 840 | 333.748,18 |
| | Técnico Superior Principal | 760 | 301.962,64 |
| | Técnico Superior de 1.ª Classe | 680 | 270.177,10 |
| | Técnico Superior de 2.ª Classe | 600 | 238.391,56 |
| Técnico | Técnico Especialista Principal | 540 | 214.552,40 |
| | Técnico Especialista de 1.ª Classe | 480 | 190.713,25 |
| | Técnico Especialista de 2.ª Classe | 420 | 166.874,09 |
| | Técnico de 1.ª Classe | 400 | 158.927,71 |
| | Técnico de 2.ª Classe | 370 | 147.008,13 |
| | Técnico de 3.ª Classe | 350 | 139.061,74 |

The salary for each worker was based on the income categories for a bachelor's degree (highlighted in yellow).

Appendix R: Income Tax Table with The Different Salary Echelons

TABELA DO IRT

IMPOSTO SOBRE RENDIMENTO DO TRABALHO



| Nº | | GRUPO DE REDIMENTO | | | | TAXA | | | |
|-------------|----------|--------------------|---|------------|--------------|-----------|-------|------------|------------|
| 1º Escalão | Até | - | A | 70.000 | Parcela Fixa | - | - | Excesso de | - |
| 2º Escalão | De | 70.001 | A | 100.000 | Parcela Fixa | 3.000 | 10,0% | Excesso de | 70.000 |
| 3º Escalão | De | 100.001 | A | 150.000 | Parcela Fixa | 6.000 | 13,0% | Excesso de | 100.000 |
| 4º Escalão | De | 150.001 | A | 200.000 | Parcela Fixa | 12.500 | 16,0% | Excesso de | 150.000 |
| 5º Escalão | De | 200.001 | A | 300.000 | Parcela Fixa | 31.250 | 18,0% | Excesso de | 200.000 |
| 6º Escalão | De | 300.001 | A | 500.000 | Parcela Fixa | 49.250 | 19,0% | Excesso de | 300.000 |
| 7º Escalão | De | 500.001 | A | 1.000.000 | Parcela Fixa | 87.250 | 20,0% | Excesso de | 500.000 |
| 8º Escalão | De | 1.000.001 | A | 1.500.000 | Parcela Fixa | 187.250 | 21,0% | Excesso de | 1.000.000 |
| 9º Escalão | De | 1.500.001 | A | 2.000.000 | Parcela Fixa | 292.000 | 22,0% | Excesso de | 1.500.000 |
| 10º Escalão | De | 2.000.001 | A | 2.500.000 | Parcela Fixa | 402.250 | 23,0% | Excesso de | 2.000.000 |
| 11º Escalão | De | 2.500.001 | A | 5.000.000 | Parcela Fixa | 517.250 | 24,0% | Excesso de | 2.500.000 |
| 12º Escalão | De | 5.000.001 | A | 10.000.000 | Parcela Fixa | 1.117.250 | 24,5% | Excesso de | 5.000.000 |
| 13º Escalão | Acima de | 10.000.001 | A | - | Parcela Fixa | 2.342.250 | 25,0% | Excesso de | 10.000.000 |

Appendix S: Net Income Calculation Based on The National Tax Income and Current Social Security Tax (Source: inss.gv.ao)

Taxas de Contribuição

Trabalhador por Conta de Outrem

| | Taxa Contributiva |
|----------------------|-------------------|
| Entidade Empregadora | 8% |
| Trabalhador | 3% |
| Total | 11% |

The net income was calculated based on the subtraction of the social security tax and income tax from the applicable gross income:

$$\text{Net Income} = \text{Gross Income (GI)} - \text{Social Security (SS)} - \text{Income Tax (IT)}$$

Where:

$$\text{Income Tax} = \text{Parcela Fixa} + (\text{GI} - \text{SS} - \text{Excesso}) * \text{Income Tax Rate (Taxa)}$$

Appendix U: Office Materials Invoice in Local Currency

Grupo DaCasa - Materiais de Escritório, LDA

Nome: Ivani dos Santos
Contacto: 00244 923 900 344
Data: 04-05-2021

Fatura Proforma

| # | Produto | Quantidade | Preço Unit. | Total | |
|--------------|------------------------|------------|-------------|-------------------|--|
| 1 | Lapiseira | 12,00 | 400,00 | 4 800,00 | |
| 2 | Marcador | | 1 300,00 | 0,00 | |
| 3 | Lápis | 12,00 | 600,00 | 7 200,00 | |
| 4 | Afia | 6,00 | 2 000,00 | 12 000,00 | |
| 5 | Borracha | 10,00 | 400,00 | 4 000,00 | |
| 6 | Clipse | 4,00 | 500,00 | 2 000,00 | |
| 7 | Agrafador | 4,00 | 1 300,00 | 5 200,00 | |
| 8 | Furador | 2,00 | 5 700,00 | 11 400,00 | |
| 9 | Removedor de Agráfo | 4,00 | 500,00 | 2 000,00 | |
| 10 | Pasta de Documeto | 8,00 | 2 700,00 | 21 600,00 | |
| 11 | Envelope A4 CX, Branco | 3,00 | 3 750,00 | 11 250,00 | |
| 12 | Tesoura | 3,00 | 900,00 | 2 700,00 | |
| 13 | Autocolante de Papel | 6,00 | 700,00 | 4 200,00 | |
| 14 | Resma de Papel A4 | 4,00 | 3 500,00 | 14 000,00 | |
| 15 | Caixa de Arquivo | 2,00 | 4 600,00 | 9 200,00 | |
| 16 | Pensador de Fita Cola | 6,00 | 1 900,00 | 11 400,00 | |
| 17 | Fita Cola | 5,00 | 320,00 | 1 600,00 | |
| 18 | Quadro Branco 60*90Cm | 1,00 | 14 200,00 | 14 200,00 | |
| 19 | Álcool Gel | 6,00 | 2 000,00 | 12 000,00 | |
| Total | | | | 150 750,00 | |

The company will buy essential office supplies namely:

- Pen.
- Markers.
- Pencils.
- Sharpeners.
- Erasers.
- Paper Clips.
- Hole Puncher.
- Staplers.
- Stapler Remover.

- Envelopes.
- Scissors.
- Sticky Notes.

Appendix V: Microwave and Coffee Machine Prices in Local Currency



DESTAQUE

Micro-ondas
BOSCH MICRO-ONDAS COM GRELHA 17L
INOX

REFERÊNCIA: **HMT72G450**

87 593,00 AKZ
preço com IVA incluído à taxa em vigor

1

ENVIAR A UM AMIGO

> DETALHES DO PRODUTO

[Tweet](#) [Partilhar](#) [Google+](#) [Pinterest](#)

-29%

MÁQUINA DE CAFÉ
DELTA Q - ANSELMO RALPH

Agora
34.999



Máquina De Café Delta Qool Evolution (Modelo Anselmo Ralph)

★★★★★ (1 avaliação de cliente)

~~49.000Kz~~ **34.999Kz**

- 1 +

Categoria: Compras

Appendix W: Presentation and Analysis of Relevant Financial Tables from the Financial Plan Elaborated

General Assumptions

| General Assumptions | |
|---|------------------|
| Currency | Euros |
| Exchange Rate | 1 Euro = 773 AOA |
| Project's Life Cycle | 5 years |
| First Year of Activity | 2023 |
| Investment Year | 2022 |
| Inflation Rate | 13,10% |
| | |
| Average Receipt Period (days)/(months) | 30 |
| Average Payment Period (days)/(months) | 30 |
| Average Stocking Period (days)/(months) | 0 |
| | |
| VAT Rate - Sales | 14,00% |
| VAT Rate - Service Provision | 0,00% |
| VAT Rate - COGS | 0,00% |
| VAT Rate - External Supplies and Services | 14,00% |
| VAT Rate - Investment | 14,00% |
| | |
| Social Security Tax - Entity - Corporate Body | 8,00% |
| Social Security Tax - Entity - Workers | 8,00% |
| Social Security Tax - Personal - Corporate Body | 3,00% |
| Social Security Tax - Personal - Workers | 3,00% |
| Average Income Tax | 18,00% |
| Corporate Income Tax (CIT) | 25,00% |
| | |
| Financial Investment Rate - Short Term | 0,00% |
| Loan Interest Rate - Short Term | 0,00% |
| Loan Interest Rate - Medium to Long Term | 0,00% |
| | |
| Risk-Free Asset Interest Rate - Rf | 16,13% |
| Market Risk Premium - (Rm - Rf)* or p | 7,26% |
| Beta of Similar Companies | 100% |
| Growth Rate of Cash Flows in Perpetuity | 0,00% |

Sales Forecast

| Sales Forecast without VAT | | | | | | |
|--|-------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Inflation Rate | 13,10% | 8,90% | 6,90% | 6,00% | 5,78% | 5,78% |
| | | | | | | |
| | | | | | | |
| Sales | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Revenue from e-coupons Sold | 8 944,51 € | 34 038,32 € | 91 970,56 € | 156 405,85 € | 224 477,54 € | 272 806,36 € |
| Quantity of e-coupons Sold | 1 442 | 4 773 | 7 402 | 9 568 | 11 872 | 13 639 |
| Restaurants Unitary Gross Price | 24,00 € | 26,14 € | 27,94 € | 29,62 € | 31,33 € | 33,14 € |
| Bars Unitary Gross Price | 8,00 € | 8,71 € | 9,31 € | 9,87 € | 10,44 € | 11,05 € |
| Spa Unitary Gross Price | 33,00 € | 35,94 € | 38,42 € | 40,72 € | 43,08 € | 45,57 € |
| Academic Courses Unitary Gross Price | 168,00 € | 182,95 € | 195,58 € | 207,31 € | 219,29 € | 231,97 € |
| Gymnasium Unitary Gross Price | 60,00 € | 65,34 € | 69,85 € | 74,04 € | 78,32 € | 82,85 € |
| Hotel Unitary Gross Price | 179,00 € | 194,93 € | 208,38 € | 220,88 € | 233,65 € | 247,16 € |
| Weighted Average Unitary Gross Price | 31,01 € | 33,76 € | 36,09 € | 38,26 € | 40,47 € | 42,81 € |
| Weighted Average Unitary Price with Discounts | 23,07 € | 25,12 € | 26,85 € | 28,47 € | 30,11 € | 31,85 € |
| Daily Deal's Share over the Unitary Price with Discounts | 20% | 20% | 30% | 35% | 40% | 40% |
| Total | 8 944,51 € | 34 038,32 € | 91 970,56 € | 156 405,85 € | 224 477,54 € | 272 806,36 € |

The sales forecast was evaluated by assuming that each customer successfully captured will buy one e-coupon per year. The quantity of e-coupons sold was based on the percentages of the target market the company expects to convert, and the size of the target market that has a yearly growth of 3.4%. The price for each e-coupon was calculated through the average price of each product and service offered in the platform (Weighted Average Unitary Gross Price), while the Daily Deal platform's revenue is the commission (%) charged on each e-coupon sale (Daily Deal's Share over the Unitary Price with Discounts).

Another relevant fact important to mention is the remarkable revenue growth from year 2 onwards, instigated by a higher commission share per sale, larger target public, and the inflation rate.

External Services and Supplies

| External Services and Supplies | | | | | | |
|------------------------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Months | 8 | 12 | 12 | 12 | 12 | 12 |
| Inflation Rate | 13,10% | 8,90% | 6,90% | 6,00% | 5,78% | 5,78% |
| | | | | | | |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Specialized Service | | | | | | |
| Developer Fee | 647,00 € | - € | - € | - € | - € | - € |
| Marketing Services & Merchandising | 5 000,00 € | 5 000,00 € | 7 000,00 € | 9 000,00 € | 11 000,00 € | 13 000,00 € |
| Materials | | | | | | |
| Kitchen Supplies | 72,76 € | 72,76 € | 72,76 € | 72,76 € | 72,76 € | 72,76 € |
| Rent | | | | | | |
| Office Rental | 1 552,00 € | 2 345,27 € | 2 507,09 € | 2 657,51 € | 2 811,12 € | 2 973,60 € |
| Other Services | | | | | | |
| Internet Service | 424,00 € | 640,72 € | 684,93 € | 726,02 € | 767,99 € | 812,38 € |
| Communication | 312,00 € | 468,00 € | 468,00 € | 468,00 € | 468,00 € | 468,00 € |
| Total | 8 007,76 € | 8 526,74 € | 10 732,78 € | 12 924,30 € | 15 119,87 € | 17 326,74 € |

The investment year is the only one with expenditures devoted to the construction and development of the platform. After that, the platform will be surveilled and maintained by an internal team. The company will operate only 8 months during this year considering all the necessary steps needed to take before launch.

The steady growth of expenses along the years is tied to inflation and a stronger investment in marketing activities.

Expenses with Staff

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Months | 8 | 12 | 12 | 12 | 12 | 12 |
| Pay Raise (%) | | | | | | |
| | | | | | | |
| Personnel Services | | | | | | |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Remuneration | | | | | | |
| Corporate Body | 3 180,62 € | 4 770,93 € | 4 770,93 € | 4 770,93 € | 4 770,93 € | 4 770,93 € |
| Staff | 12 065,03 € | 27 146,33 € | 33 178,85 € | 33 178,85 € | 39 211,36 € | 39 211,36 € |
| Social Security | 1 219,65 € | 2 553,38 € | 3 035,98 € | 3 035,98 € | 3 518,58 € | 3 518,58 € |
| Total Expenses with Staff | 16 465,31 € | 34 470,64 € | 40 985,76 € | 40 985,76 € | 47 500,88 € | 47 500,88 € |

The objective of the company is to negotiate a fixed salary with workers along the years assuming the market keeps its macro-economic conditions minimally steady. Social security expenditure is in consonance with current prevailing laws.

Working Capital

| Net Working Capital Investment | | | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Working Capital Requirement | | | | | | |
| Treasury Security Reserve | | | | | | |
| Customers | 1 118,06 € | 2 836,53 € | 7 664,21 € | 13 033,82 € | 18 706,46 € | 22 733,86 € |
| Inventory | | | | | | |
| State | - € | - € | - € | - € | - € | - € |
| Total | 1 118,06 € | 2 836,53 € | 7 664,21 € | 13 033,82 € | 18 706,46 € | 22 733,86 € |
| Working Capital Resources | | | | | | |
| Suppliers | 1 000,97 € | 710,56 € | 894,40 € | 1 077,02 € | 1 259,99 € | 1 443,89 € |
| State | 552,66 € | 771,33 € | 917,12 € | 917,12 € | 1 062,91 € | 1 062,91 € |
| Total | 1 553,63 € | 1 481,90 € | 1 811,52 € | 1 994,14 € | 2 322,89 € | 2 506,80 € |
| Working Capital Needed | - 435,56 € | 1 354,63 € | 5 852,70 € | 11 039,68 € | 16 383,57 € | 20 227,06 € |
| Investment in Working Capital | - 435,56 € | 1 790,19 € | 4 498,06 € | 5 186,98 € | 5 343,89 € | 3 843,50 € |
| State | 552,66 € | 771,33 € | 917,12 € | 917,12 € | 1 062,91 € | 1 062,91 € |
| Social Security | 209,63 € | 292,57 € | 347,87 € | 347,87 € | 403,17 € | 403,17 € |
| Income Tax | 343,03 € | 478,76 € | 569,25 € | 569,25 € | 659,73 € | 659,73 € |
| VAT | - € | - € | - € | - € | - € | - € |

Working capital during year 0 is negative (- 435,56 €) meaning that the company has more current expenses than current earnings. This shortage will be covered by the initial amount invested in the company.

However, working capital is readily recovered in year 1 mainly because of a reduction in expenses in external services and supplies, and an increase in sales. This trend is repeated in the following years.

Net Income

| Income Statement | | | | | | |
|--|---------------|---------------|---------------|--------------|--------------|--------------|
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Sales and Performed Services | 8 944,51 € | 34 038,32 € | 91 970,56 € | 156 405,85 € | 224 477,54 € | 272 806,36 € |
| Exploration Subsidy | | | | | | |
| Earnings/Losses | | | | | | |
| Variation in Production Inventories | | | | | | |
| COGS | | | | | | |
| External Services and Supplies | 8 007,76 € | 8 526,74 € | 10 732,78 € | 12 924,30 € | 15 119,87 € | 17 326,74 € |
| Personnel Services | 16 465,31 € | 34 470,64 € | 40 985,76 € | 40 985,76 € | 47 500,88 € | 47 500,88 € |
| Inventory Impairment | | | | | | |
| Impairment of Accounts Receivable | | | | | | |
| Provision (Raises/Reduction) | | | | | | |
| Investments Impairment | | | | | | |
| Fair Value (Raises/Reduction) | | | | | | |
| Other Income and Earnings | | | | | | |
| Other Expenses and Losses | | | | | | |
| EBITDA | - 15 528,56 € | - 8 959,06 € | 40 252,02 € | 102 495,79 € | 161 856,80 € | 207 978,74 € |
| Expenses/Reversals | 1 779,42 € | 1 681,92 € | 1 681,92 € | 3 048,59 € | 3 048,59 € | 3 048,59 € |
| Assets Impairment | | | | | | |
| EBIT (Operational Result) | - 17 307,98 € | - 10 640,98 € | 38 570,10 € | 99 447,21 € | 158 808,21 € | 204 930,15 € |
| Interest and Similar Income Earned | - € | - € | - € | - € | - € | - € |
| Interest and Similar Expenses Incurred | - € | - € | - € | - € | - € | - € |
| RESULTS BEFORE TAX | - 17 307,98 € | - 10 640,98 € | 38 570,10 € | 99 447,21 € | 158 808,21 € | 204 930,15 € |
| Tax over the Period's Income | - € | - € | 2 655,28 € | 24 861,80 € | 39 702,05 € | 51 232,54 € |
| NET INCOME OF THE PERIOD | - 17 307,98 € | - 10 640,98 € | 35 914,82 € | 74 585,40 € | 119 106,16 € | 153 697,61 € |
| Loss Carryforward | | - 17 307,98 € | - 27 948,96 € | - € | - € | - € |

The net income for the investment year is negative considering that it will be a new service in the market, people will still be learning about it, and consequently not enough revenue will be generated from sales.

During year 1, there is a slight improvement on results as sales go up. Besides, it is important to mention that no corporate income tax is paid in the first two years because of the negative results of the period.

Cash Flow

| Operational Cash Flow Table | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Cash Flow from the Project | | | | | | |
| Operating Results (EBIT)x(1-CIT) | -12 980,99 € | - 7 980,74 € | 28 927,57 € | 74 585,40 € | 119 106,16 € | 153 697,61 € |
| Depreciation and Amortization | 1 779,42 € | 1 681,92 € | 1 681,92 € | 3 048,59 € | 3 048,59 € | 3 048,59 € |
| Provisions | | | | | | |
| | -11 201,56 € | - 6 298,82 € | 30 609,50 € | 77 633,99 € | 122 154,74 € | 156 746,20 € |
| Investment/Divestment in Net Working Capital | | | | | | |
| Net Working Capital | 435,56 € | - 1 790,19 € | - 4 498,06 € | - 5 186,98 € | - 5 343,89 € | - 3 843,50 € |
| | | | | | | |
| Exploration Cash Flow | -10 766,00 € | - 8 089,01 € | 26 111,43 € | 72 447,01 € | 116 810,85 € | 152 902,71 € |
| | | | | | | |
| Investment/Divestment in Fixed Capital | | | | | | |
| Fixed Capital | - 8 415,78 € | - 234,56 € | - 234,56 € | - 4 697,28 € | - 234,56 € | - 972,56 € |
| | | | | | | |
| Free Cash-Flow | -19 181,78 € | - 8 323,57 € | 25 876,87 € | 67 749,73 € | 116 576,29 € | 151 930,15 € |
| | | | | | | |
| Cumulative Cash Flow | -19 181,78 € | -27 505,35 € | - 1 628,48 € | 66 121,25 € | 182 697,54 € | 334 627,69 € |

The negative exploration cash flow in the first two years suggest precisely the same as the net income table where the project is still picking its customers, gaining market confidence, and expanding its merchants' network.

The almost exponential positive cash flows registered in the following years clearly show the scalable feature of this business model.

Moreover, the amount of free cash flow from year 2, will allow the company to reinvest the money in different parts of the business where needed, and distribute dividends when applicable.

Balance Sheet

| Balance Sheet | | | | | | |
|---------------------------------|--------------------|-------------------|--------------------|---------------------|---------------------|---------------------|
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| ASSETS | | | | | | |
| Noncurrent Assets | 6 636,36 € | 5 189,00 € | 3 741,64 € | 5 390,33 € | 2 576,30 € | 500,27 € |
| Fixed Tangible Assets | 6 488,68 € | 5 105,36 € | 3 722,04 € | 5 272,05 € | 2 522,06 € | 461,07 € |
| Investment Properties | - € | - € | - € | - € | - € | - € |
| Intangible Assets | 147,68 € | 83,64 € | 19,60 € | 118,28 € | 54,24 € | 39,20 € |
| Financial Investments | | | | | | |
| Current Assets | 7 609,28 € | 2 836,53 € | 38 691,01 € | 134 016,87 € | 271 106,06 € | 438 594,09 € |
| Inventory | - € | - € | - € | - € | - € | - € |
| Customers | 1 118,06 € | 2 836,53 € | 7 664,21 € | 13 033,82 € | 18 706,46 € | 22 733,86 € |
| State and Other Public Entities | - € | - € | - € | - € | - € | - € |
| Shareholders/Associates | | | | | | |
| Other Accounts Receivable | | | | | | |
| Deferrals | | | | | | |
| Cash and Bank Deposits | 6 491,22 € | - € | 31 026,80 € | 120 983,05 € | 252 399,60 € | 415 860,23 € |
| TOTAL ASSETS | 14 245,64 € | 8 025,52 € | 42 432,65 € | 139 407,20 € | 273 682,36 € | 439 094,37 € |
| EQUITY | | | | | | |
| Paid-in Capital | 30 000,00 € | 30 000,00 € | 30 000,00 € | 30 000,00 € | 30 000,00 € | 30 000,00 € |
| Shares | | | | | | |
| Other Equity Instruments | - € | - € | - € | - € | - € | - € |
| Reserves | | - 17 307,98 € | - 27 948,96 € | 7 965,85 € | 82 551,26 € | 201 657,41 € |
| Revaluation Surplus | | | | | | |
| Other Variations in Equity | - € | - € | - € | - € | - € | - € |
| Net Result of the Period | - 17 307,98 € | - 10 640,98 € | 35 914,82 € | 74 585,40 € | 119 106,16 € | 153 697,61 € |
| TOTAL EQUITY | 12 692,02 € | 2 051,04 € | 37 965,85 € | 112 551,26 € | 231 657,41 € | 385 355,03 € |
| LIABILITY | | | | | | |
| Noncurrent Liability | - € | - € | - € | - € | - € | - € |
| Provisions | | | | | | |
| Financing Obtained | - € | - € | - € | - € | - € | - € |
| Other Payable Accounts | | | | | | |
| Current Liability | 1 553,63 € | 5 974,49 € | 4 466,80 € | 26 855,95 € | 42 024,95 € | 53 739,34 € |
| Suppliers | 1 000,97 € | 710,56 € | 894,40 € | 1 077,02 € | 1 259,99 € | 1 443,89 € |
| State and Other Public Entities | 552,66 € | 771,33 € | 3 572,40 € | 25 778,92 € | 40 764,96 € | 52 295,44 € |
| Shareholders/Associates | - € | - € | - € | - € | - € | - € |
| Financing Obtained | - € | 4 492,59 € | - € | - € | - € | - € |
| Other Payable Accounts | | | | | | |
| TOTAL LIABILITY | 1 553,63 € | 5 974,49 € | 4 466,80 € | 26 855,95 € | 42 024,95 € | 53 739,34 € |
| TOTAL LIABILITY + EQUITY | 14 245,64 € | 8 025,52 € | 42 432,65 € | 139 407,20 € | 273 682,36 € | 439 094,37 € |

Business Ratios

| MAIN BUSINESS RATIOS | | | | | | |
|------------------------------|----------|-------------|-------------|--------------|--------------|--------------|
| ECONOMIC INDICATORS | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Business Growth Rate | | 281% | 170% | 70% | 44% | 22% |
| Net Return on Sales | -194% | -31% | 39% | 48% | 53% | 56% |
| | | | | | | |
| ECONOMIC + FINANCIAL RATIOS | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Return on Investment (ROI) | -121% | -133% | 85% | 54% | 44% | 35% |
| Yield on Earning Assets | -121% | -133% | 91% | 71% | 58% | 47% |
| Asset Rotation??? | 63% | 424% | 217% | 112% | 82% | 62% |
| Return on Equity (ROE) | -136% | -519% | 95% | 66% | 51% | 40% |
| | | | | | | |
| FINANCIAL RATIOS | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Financial Autonomy Ratio | 89% | 26% | 89% | 81% | 85% | 88% |
| Solvency Ratio | 917% | 134% | 950% | 519% | 651% | 817% |
| Fixed-Charge Coverage Ratio | | | | | | |
| | | | | | | |
| LIQUIDITY RATIOS | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Current Ratio | 4,90 | 0,47 | 8,66 | 4,99 | 6,45 | 8,16 |
| Quick Ratio | 4,90 | 0,47 | 8,66 | 4,99 | 6,45 | 8,16 |
| | | | | | | |
| BUSINESS RISK RATIOS | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Gross Margin | 936,75 € | 25 511,58 € | 81 237,78 € | 143 481,55 € | 209 357,67 € | 255 479,62 € |
| Degree of Operating Leverage | -5% | -240% | 211% | 144% | 132% | 125% |
| Degree of Financial Leverage | 100% | 100% | 100% | 100% | 100% | 100% |

These ratios provide further insight on the project's feasibility in different perspectives.

The economic indicators, such as the Net Return on Sales, is in consonance with the net income and cash flow from the first two years of operation. It is negative because of the low number of sales and higher level of expenditures, but steadily recovers in the next years and becomes quite attractive in terms of financial efficiency for the company.

Return on Investment (ROI) has its highest value in year 2 (85%) suggesting it is the point where the company will experience its best phase during the growth of the business. This indicator starts falling out considering that it will be more challenging to capture new end consumers and merchants at the rapid pace of the previous years.

Weighted Average Cost of Capital (WACC)

| WACC Calculation | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--------------------------------|-------------|------------|-------------|--------------|--------------|--------------|
| Liability | - € | 4 492,59 € | - € | - € | - € | - € |
| Equity | 12 692,02 € | 2 051,04 € | 37 965,85 € | 112 551,26 € | 231 657,41 € | 385 355,03 € |
| TOTAL | 12 692,02 € | 6 543,63 € | 37 965,85 € | 112 551,26 € | 231 657,41 € | 385 355,03 € |
| % Liability | 0% | 69% | 0% | 0% | 0% | 0% |
| % Equity | 100% | 31% | 100% | 100% | 100% | 100% |
| Costs | | | | | | |
| Financing Cost | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% |
| Financing Cost with Tax Effect | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% |
| Cost of Capital | 23,39% | 24,82% | 26,03% | 27,16% | 28,31% | 29,52% |
| Weighed Cost | 23,39% | 7,78% | 26,03% | 27,16% | 28,31% | 29,52% |

Financial Valuation

| Financial Evaluation | | | | | | | |
|--|---------------|---------------|--------------|-------------|--------------|--------------|--------------|
| Project's Perspective (Post-Financing) | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2027 |
| Free Cash Flow to Firm | - 19 181,78 € | - 8 323,57 € | 25 876,87 € | 67 749,73 € | 116 576,29 € | 151 930,15 € | 514 585,29 € |
| WACC | 23,39% | 7,78% | 26,03% | 27,16% | 28,31% | 29,52% | 29,52% |
| Adjustment Factor | 1 | 1,078 | 1,358 | 1,727 | 2,216 | 2,871 | - |
| Adjusted Free Cash Flow | - 19 181,78 € | - 7 722,77 € | 19 050,00 € | 39 223,55 € | 52 601,14 € | 52 926,85 € | 179 262,50 € |
| Cumulative Adjusted Flow | - 19 181,78 € | - 26 904,55 € | - 7 854,55 € | 31 369,00 € | 83 970,14 € | 136 896,99 € | 316 159,50 € |
| Net Present Value (NPV) | 316 159,50 € | | | | | | |
| Internal Rate of Return | 123% | | | | | | |
| Payback Period | 3 Years | | | | | | |

The free cash flow to firm in further years was calculated in perpetuity with a 0-growth rate.

The NPV turned out positive with a high numerical value meaning that it is an extremely attractive business to invest with a satisfactory return. Furthermore, the 123% Internal Rate of Return which is greater than the cost of capital, reinforces this fact.

The payback period is also encouraging considering the revenue stream generated by this business model.

Appendix X: Surveys

Source: Author

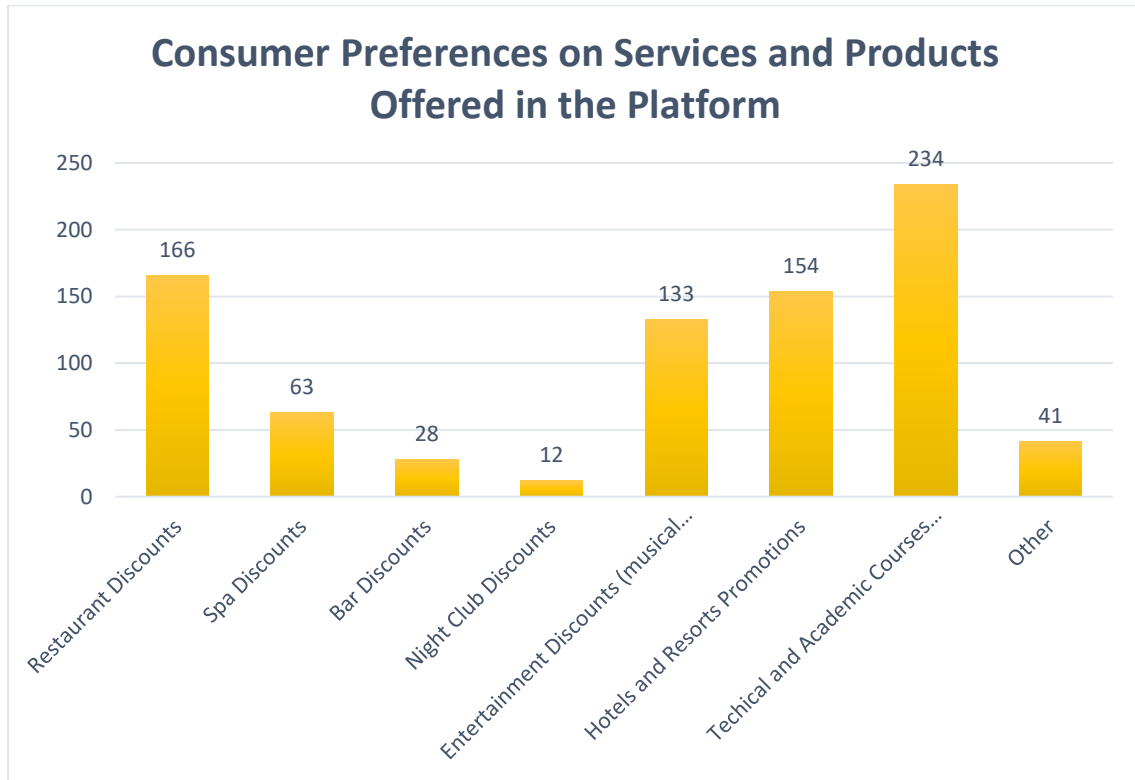


Figure 3-1: Survey with consumers – Preferences on Services and Products

1- Qual a sua confiança ao realizar compras em plataformas digitais ou websites angolanos?

264 respostas

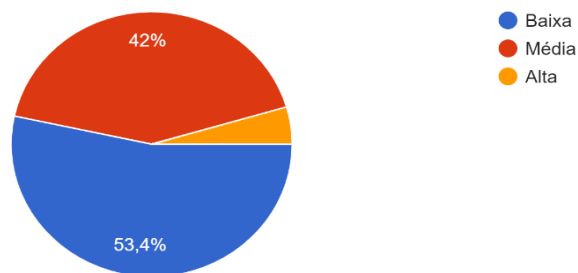


Figure 3-2: Survey with consumers - Consumers' confidence in purchasing from local digital platforms and websites.

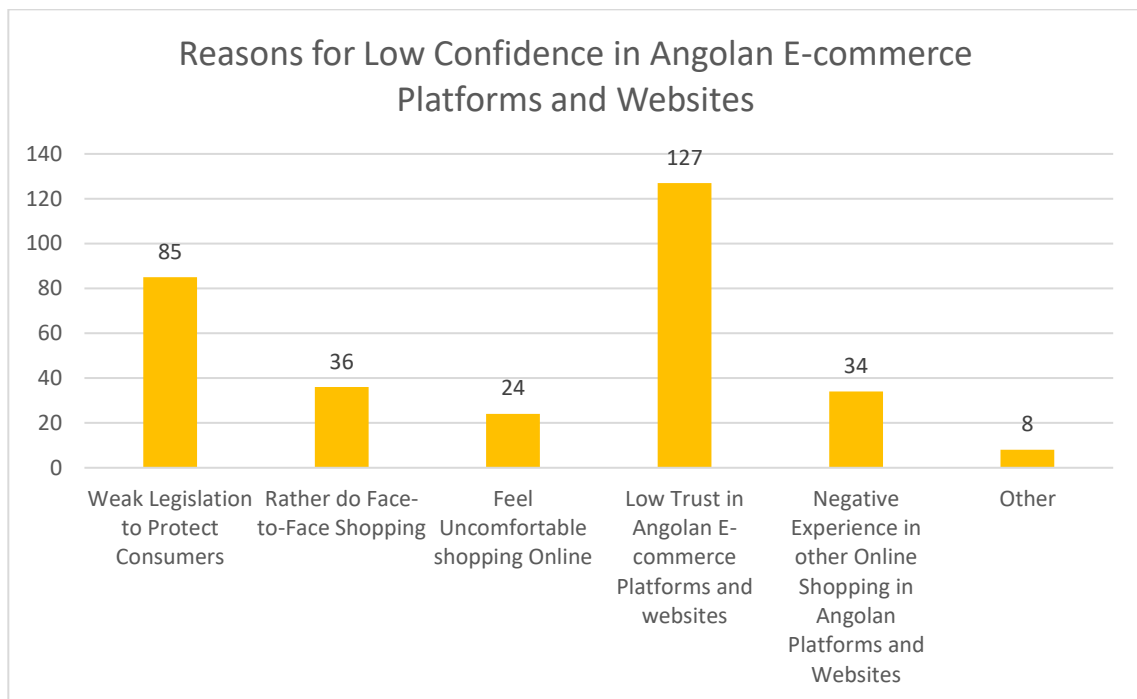


Figure 3-3: Survey with consumers

3- Qual é a sua classe social?

183 respostas

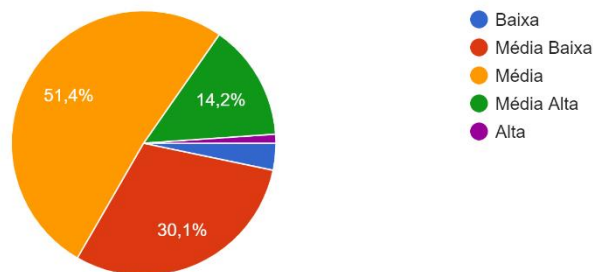


Figure 3-4: Survey with consumers - Respondents' social class.

1- Já ouviu falar das plataformas online de descontos (também conhecidas como daily deal platforms) e as vantagens que este serviço oferece aos comerciantes?

26 respostas

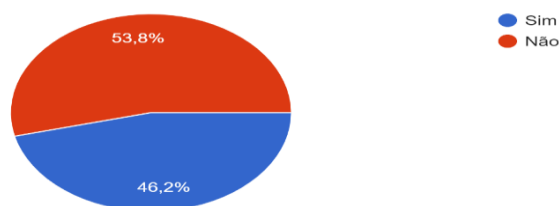


Figure 3-5: Survey with merchants - Merchants who have heard about Daily Deal platforms.

2- Já alguma vez procurou associar-se à uma plataforma online de descontos?

26 respostas

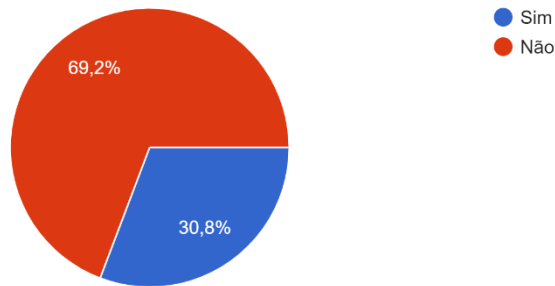


Figure 3-6: Survey with merchants. Merchants who have searched for Daily Deal platforms in the market

Porque razão nunca associou-se à uma plataforma online de descontos?

24 respostas

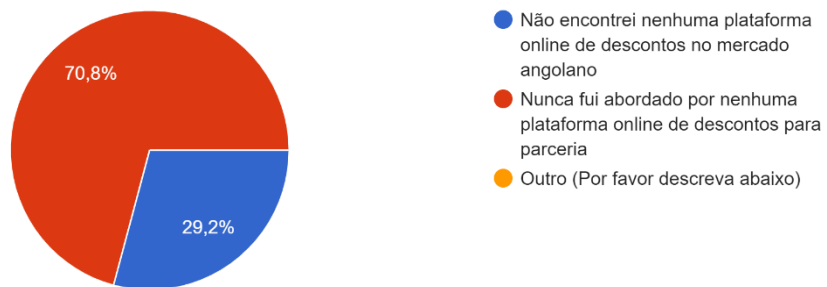


Figure 3-7: Survey with merchants - Reasons merchants never tried to join a Daily Deal platform

3- Qual é a probabilidade de tornar o seu negócio parceiro de uma plataforma online de descontos de modo a ganhar assim maior visibilid...onsequentemente obter maior retorno financeiro?

26 respostas

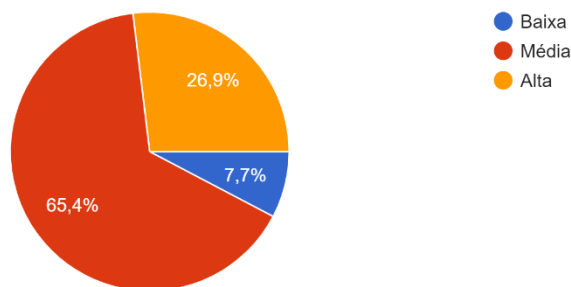


Figure 3-8: Survey with merchants - Likelihood merchants will join a Daily Deal platform

4- Qual é a "máxima" percentagem de desconto que o seu estabelecimento comercial estaria disposto a oferecer aos seus clientes tendo em conta a visibilidade dos seu negócio à novos clientes.
25 respostas

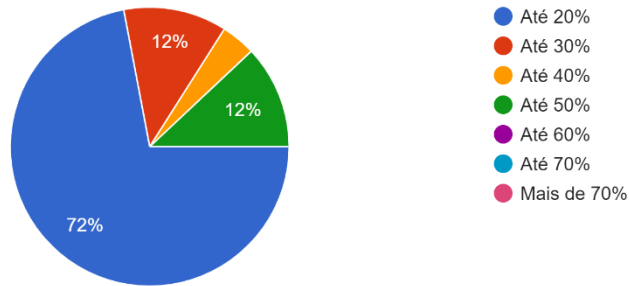


Figure 3-9: Survey with merchants – Discount percentages that merchants are willing to offer

5- Que tipo de estabelecimento comercial possui?
22 respostas



Figure 3-10: Survey with merchants – Business sectors that answered the survey

Appendix Y: Other Tables and Figures

Table a: The imperatives of e-business: case study of a failed project.

| |
|---|
| E-Business Imperatives |
| 1. Ensure that e-Business Strategy is an integral part of overall business strategy |
| 2. Understand and continually monitor external environment for opportunities and threats (SWOT/STEEPLE analysis) |
| 3. Ensure e-Business Strategy supports the core competencies and any competitive advantages that may exist within the business |
| 4. Identify a suitable change agent who will be accountable and responsible for driving the change |
| 5. Recognize the need for infrastructure and training investment at all stages of the change |
| 6. Ensure that the nature of the change is communicated, and the benefits are understood |
| 7. Identify the stakeholders and the impact the change will have on them (Power/Matrix) |
| 8. Identify impact on all parties. Monitor and proactively manage the main resistors to change (people, design, organization, power, and process) |
| 9. Install a sense of urgency by aggressively leading from the top, and executing throughout the organization as a team |
| 10. Consider the option of a strategic (internal/external) alliance in helping to achieve the e-Business solution |

Source: Mclaughlin (2009)

Table b: SWOT Analysis: A – Writing squad; B – Design squad; C – IT squad; D – Sales squad; E – Strategy squad; F – Young staff members; G – Second Daily Deal platform in the market; H – Discounts; I – Advertises merchants’ businesses; J – First experience selling the product; K – Inexperienced leader/manager; L – Inexperienced staff members; M – Small team; N – Weak incentives; O – Weak IT investment; P – Low bargain power with merchants to offer greater discounts; Q – Weak budget; R – Missing expertise.

| | | Strengths | | | | | | | Weaknesses | | | | | | | TOTAL | | | | |
|----------------------|-----------------------------------|-----------|----------|-----------|----------|----------|----------|----------|------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|-----------|
| | | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | |
| Opportunities | Niche Market | 4 | 5 | 5 | 5 | 5 | 3 | 1 | 5 | 1 | 5 | 4 | 4 | 1 | 1 | 5 | 5 | 5 | 5 | 69 |
| | Descontos Angola | 1 | 1 | 1 | 1 | 5 | 1 | 5 | 1 | 1 | 5 | 3 | 1 | 1 | 1 | 1 | 4 | 1 | 1 | 35 |
| | Unexplored Market | 3 | 3 | 3 | 5 | 5 | 1 | 5 | 4 | 4 | 4 | 2 | 2 | 3 | 3 | 4 | 5 | 5 | 3 | 64 |
| | Savers | 1 | 1 | 1 | 5 | 4 | 1 | 5 | 5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 37 |
| | E-commerce Trend | 1 | 1 | 1 | 1 | 5 | 1 | 5 | 5 | 5 | 3 | 1 | 3 | 1 | 1 | 5 | 1 | 5 | 5 | 50 |
| | Rising Internet Usage | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 1 | 5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 26 |
| | Smartphone Factory | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 22 |
| Threats | Economic Crisis | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 5 | 1 | 5 | 5 | 1 | 38 |
| | Electric Energy Supply Volatility | 4 | 5 | 5 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 5 | 1 | 34 |
| | Covid 19 | 1 | 1 | 1 | 1 | 5 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 5 | 1 | 1 | 1 | 4 | 1 | 30 |
| | Low Trust When Shopping Online | 5 | 5 | 5 | 5 | 5 | 2 | 4 | 1 | 1 | 2 | 3 | 3 | 1 | 1 | 5 | 1 | 2 | 5 | 56 |
| | Cybernetic Crimes | 1 | 1 | 5 | 1 | 1 | 1 | 1 | 1 | 1 | 5 | 1 | 5 | 3 | 1 | 5 | 1 | 4 | 1 | 39 |
| | Descontos Angola | 1 | 1 | 1 | 5 | 5 | 1 | 5 | 5 | 5 | 5 | 3 | 3 | 5 | 5 | 5 | 5 | 5 | 4 | 69 |
| | Network Stability | 5 | 2 | 5 | 1 | 2 | 1 | 1 | 1 | 3 | 5 | 1 | 1 | 1 | 1 | 5 | 1 | 4 | 1 | 41 |
| | TOTAL | 6 | 3 | 10 | 4 | 9 | 1 | 9 | 11 | 5 | 0 | 3 | 2 | 8 | 6 | 5 | 7 | 10 | 3 | |

This SWOT Analysis considered 9 strengths, 9 weaknesses, 7 opportunities, and 7 threats. It used a scale from 1 to 5 where 1 represents the weakest relationship between opportunity/threat and strength/weakness, and 5 represents the strongest relationship among them. The column with the total resulted from the sum of each opportunity/threat – strength/weakness relationship in each row, while the row with the total resulted from the difference between the sum of the

strength – opportunity relationship and the strength – threat relationship, and the difference between the sum of the weakness – opportunity relationship and the weakness – threat relationship.

Source: fasttrac.org

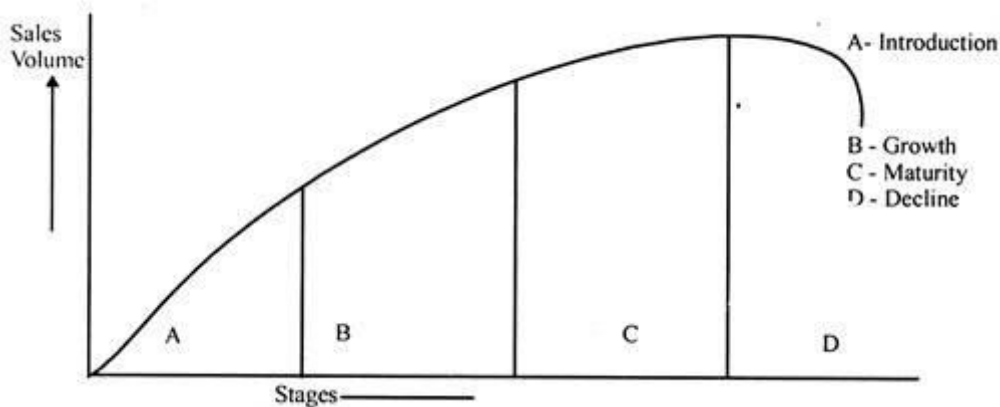


Figure a: Stages of Product Life Cycle.

Table c: Minimum Stipulated Income for Each Category and per Function (Source: Author, based on the Republic Diary from November 2019)

| Role | Gross Income | Net Income (GI - SS - IT) |
|--|--------------|---------------------------|
| General Manager | 493,26 € | 397,58 € |
| Writer/Communication Technician | 308,29 € | 251,35 € |
| Salesman | 308,29 € | 251,35 € |
| Accountant | 308,29 € | 251,35 € |
| Computer Scientist/Engineer | 308,29 € | 251,35 € |
| Designer | 308,29 € | 251,35 € |
| Marketeer | 308,29 € | 251,35 € |

This table shows the predicted gross income (GI) for each worker and the net income including discounts from social security (SS), 3%, and income tax (IT) which varies according to the salary.

For further explanation on the calculation of the net income please refer to appendix Q, R and S.

Source: Author

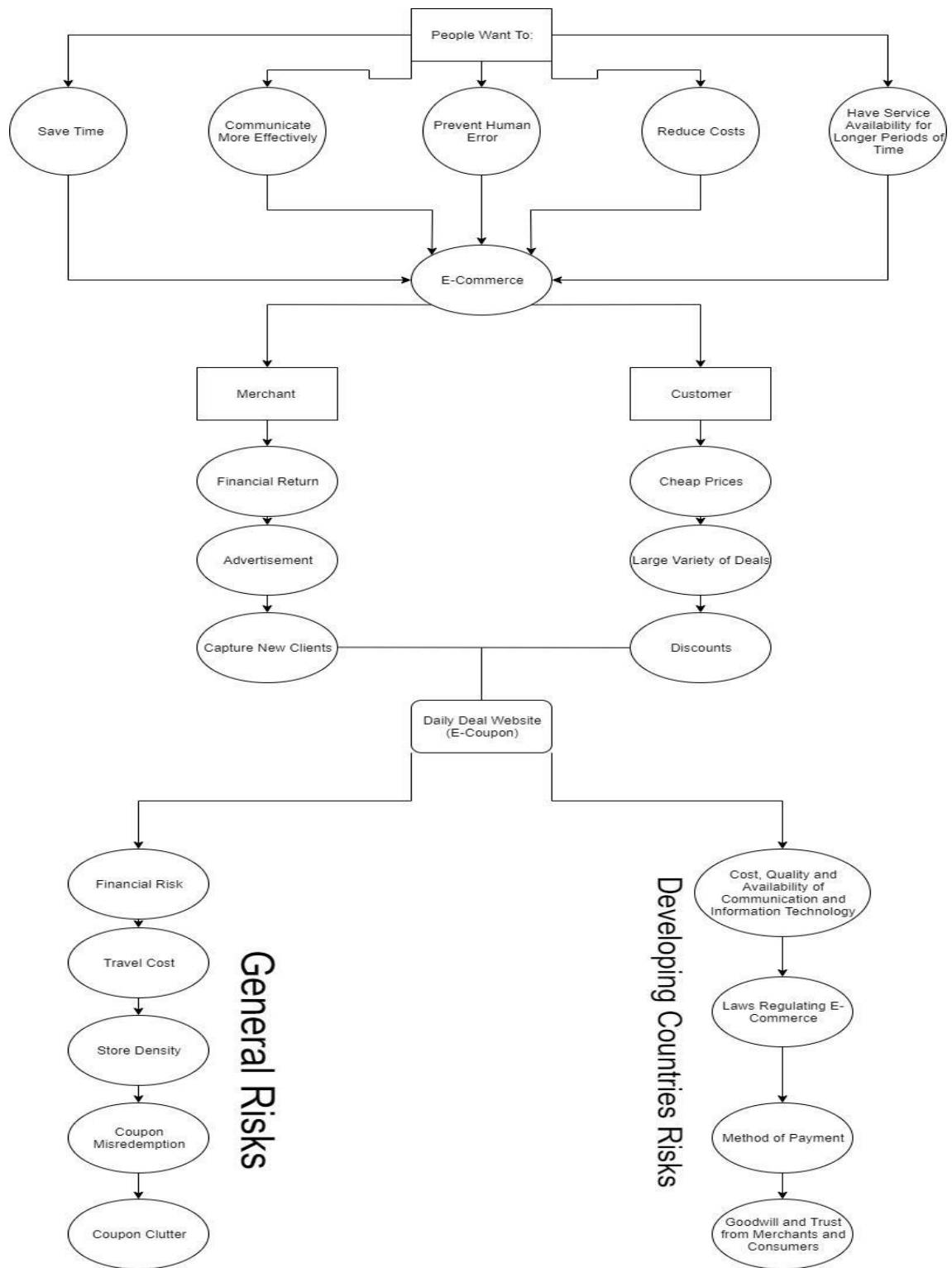


Figure b: Value proposition summary. Reasons for the emergence of e-commerce. Daily deal platform with 2 ends (merchant and consumer). Motivations of merchants and consumers. Challenges and risks to implement Daily Deal platforms.

