Overtravels: a business plan that aims to change the Portuguese holiday paradigm

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Master in Marketing

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Para os meus pais.

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Resumo

O turismo é um setor em rápido crescimento, e o ecoturismo é seu componente de crescimento mais rápido, principalmente onde é viável explorar a área livremente. O consumidor português procura experiências significativas em que se divirta ao mesmo tempo que é desafiado, proporcionando viagens e férias inesquecíveis. Além disso, os clientes procuram viagens mais ambientalmente responsáveis e a oportunidade de visitar lugares naturais e interagir com o meio ambiente.

A tese a seguir pretende ser um plano de negócios para a Overtravels, uma empresa de retalho de produtos de campismo e overland. Esta organização será mais do que apenas uma distribuidora de mercadorias, a Overtravels aspira ser um recurso de referência para campistas, overlanders e proprietários de autocaravanas, um lugar onde possam obter tudo o que precisam, apoiado por um serviço de atendimento ao cliente excelente e experiente.

Overtravels é o melhor lugar para encontrar os produtos de que os clientes precisam para permitir uma experiência de acampamento independente e exclusiva. Ele se diferencia por proporcionar uma experiência impecável e emocionante ao cliente, por oferecer uma ampla gama de produtos de camping, caravanismo e overlanding, atendendo às necessidades de custo-benefício do consumidor, disponibilizando os produtos desejados em Portugal.

Palavras-chave

Plano de negócio, Empreendorismo, Inovação

Códigos de classificação do JEL Classification System

M13 - New Firms; Start-ups

L83 - Tourism

Abstract

Tourism is a rapidly increasing sector, and ecotourism is its fastest-growing component, mainly where it is feasible to explore the area freely. The Portuguese consumer seeks meaningful experiences to have fun while also being challenged, taking charge of his travels and holidays. Furthermore, customers seek more environmentally responsible trips and the opportunity to visit natural places and interact with the environment.

The following thesis intends to be a business plan for Overtravels, a camping and overlanding retail firm. This company will be more than just a merchandise distributor. Overtravels aspires to be a go-to resource for campers, overlanders, and motorhome owners, a place where they can get everything they need, backed up by excellent and knowledgeable customer service.

Overtravels is the best place to find the products customers need to allow an independent and exclusive camping experience. It differentiates by providing an impeccable and thrilling customer experience, by providing an extensive range of camping, caravanning, and overland niche products, meeting the consumer's value for money requirements, making the desired products available in the country, and increasing the availability of the desired products.

Keywords

Business Plan, Entrepreneurship, Innovation

Classifications of the JEL Classification System

M13 - New Firms; Start-ups

L83 - Tourism

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CHAPTER 1

Introduction

The Overtravels Business Plan is based on establishing a camping, overlanding, and caravan personalization retail shop that considers elements such as independence, enjoyment, full customization, and excellent customer service. It seeks to target an emerging wild camping tourist niche, overlanders and motorhome owners looking for vehicle customizing items and camping supplies that are not readily available in the Portuguese market. Thus, this business plan was generated to take advantage of that apparent gap in the market and is a result of this presented as the final thesis of Iscte Business School's Master of Science in Marketing program.

Camping, overlanding, and caravanning are a growing market in Portugal; the interest in roaming the land and exploring the environment is increasing exponentially, especially in the west of Portugal. However, car-transforming items to equip the vehicles to engage in this type of activity are hard to find in the country, and the ones that can be imported are too expensive to buy and ship.

Thus, this project discusses the major managerial elements to consider while creating and implementing a camping and overlanding retail firm. This project is divided into five chapters per the standard business plan structure: the literature review, the methodology used, market research performed, the business plan, and the financial viability evaluation.

Firstly, the literature review seeks to comprehend the fundamentals of the tourism industry, its features, and environmental sustainability impact on marketing. The second phase is concerned with market research. The goal is to research the Portuguese environment as a decision-making tool and assess the presented concept's current competition. Given that there is a gap in the market and little rivalry, this study was instrumental in assisting with creating a successful company strategy. The following section contains the whole creation of the business strategy, beginning with identifying market segments representing an opportunity that should be pursued and the marketing plan for retail, using McCarthy's 7Ps model. Finally, a financial strategy is developed to ensure the project's viability and to convert investors.

CHAPTER 2

Literature Review

2.1. Tourism

Tourism can be easily visualized; however, it becomes hard to define as its meaning can depend on the context of its analysis, purpose, and use (Hall and Lew, 2009). Smith (1988) defined it as "the aggregate of all businesses that directly provide goods or services to facilitate business, pleasure, and leisure activities away from the home environment', a view supported by Hall, Williams and Lew (2008), that defended tourism as an interrelation between the relationships of leisure and recreation with other social practices and behavior, considering recreation and tourism as part of the broader pole of leisure.

Conceptualized by Hall and Lew (2009), "Tourism includes those forms of voluntary travel in which people travel from their usual home environment to another location and then return in a manner that is shorter in time and longer in the distance than non-tourism forms of similar human mobility". Regarding the tourism industry, as defined by Tsiotsou (2012), it is the complex compilation of several services such as "accommodation, transportation, dining, recreation and travel", defending that the tourism experience comprises all of them.

Focusing on the tourism industry sectors, Ralf Buckley (2000) appointed a well-differentiated sector where "substantial coalescence, in markets, operators and concepts, between nature-based tourism, eco-tourism, adventure travel and outdoor recreation" was found. This differentiation was enough for the author to recognize and conceptualize the emerging NEAT (nature, eco-, and adventure tourism) sector that relies on the natural, outdoor environment.

"The NEAT sector is a product sector" as its exponential increase in economic significance is due to the increasing commercialization of sophisticated recreational equipment that attends to the higher popularization of NEAT activities (Buckley, 2000). According to the previously cited author, the continuing urbanization of societies is creating the interest and appreciation for the environment while having little to no contact with nature daily, thus creating the necessity to embark on a NEAT experience to escape the city life.

2.1.1. Nature and Ecotourism

The terms eco-tourism, nature-based tourism, and sustainable tourism have been debated by many authors (Buckley, 2000). Swarbrooke et al. (2013) defend that nature-based tourism is a generic term associated with the 'great outdoors', allowing tourists to engage in self-development activities by enjoying the wilderness of 'remote' settings, adventure is facilitated. According to the authors, nature-

based tourism can incorporate two sub-forms of tourism: wildlife and eco-tourism, "a sustainable form of natural resource-based tourism that focuses primarily on experiencing and learning about nature, and which is ethically managed to be of low impact, non-consumptive, and locally oriented" (Fennell, 1999). According to the author, more than sustainably exploring natural resources aims to enhance conservation and preservation of the explored areas.

Nowadays, almost any form of nature-based tourism is advertised as eco-tourism, despite environmental management, education, or conservation whatsoever. It still means different things to different authors and marketers and has become a more marketable and advertisable term. For Ralf Buckley (2000), and following his view of eco-tourism, ecotourists are distinguished by "taking vacations in natural locations, undertaking nature-based activities, and appreciating nature and wanting to learn about it".

Nature-based tourism in public forests and rural landscapes are part of the NEAT sector for most authors. Whether it would constitute eco-tourism depends on definition and implementation, considering that it contributes to conservation and allows tourists to learn.

2.1.2. Adventure Tourism

"Adventure is where participants are voluntarily putting themselves in a position where they believe they are taking a step into the unknown, where they will face challenges, and where they will discover or gain something valuable from the experience" (Swarbrooke et al., 2003). Adventure tourism involves travel and leisure activities that aim to achieve an ecstatic state and a sense of fulfillment by the individual that embraces the experience. According to the previously cited authors, environmental settings, core activities, or transportation contribute as stimuli.

In their book, "Adventure Tourism: The New Frontier", Swarbrooke et al. (2003) defined four 'typologies' of adventure tourism, resulting in four different niche forms of a broader industry: the Activity Tourism, the Nature-based Tourism, the Discovery, and Cultural Tourism, and the Expedition Tourism. As the first is exclusively related to the development of sports tourism, it will not be explored in this business plan, the second was defined earlier, and the latter two are explored below.

2.1.2.1. Discovery Tourism

Discovery Tourism was first defined by Muller and Cleaver (2000) as a tourism sector based on the visit, exploration, and discovery of unusual destinations and privileged contact, allowing for learning opportunities with different cultures.

2.1.2.2. Expedition Tourism

According to Swarbrooke et al. (2003), Expedition Travel is encompassed in the tourism industry as a

niche based on journeys and voyages, mainly focused on exploring the adventure. As the expeditions usually occur in remote settings, surpassing the challenges from the lack of infrastructure accounts for the main "activity". As the authors further explain, the remoteness of locations "provides the conditions whereby challenge, novelty, 'otherness' and discovery can be almost guaranteed, simply by the nature of the location".

Overland expeditions fit as a clear sub-sector of this niche. Through a motor vehicle-based form of transportation, roaming large distances into the unknown often provides novelty that contributes to an adventurous experience.

2.2. Marketing

2.2.1. Sustainability Marketing

Sustainability was firstly introduced in 1995 and has covered definitions that ranged from environmental (sustainability marketing) to holistic (green marketing) conceptions (Kemper and Ballantine, 2019). In 1999, Fuller conceptualized sustainable marketing as the integrated process of "planning, implementing, and controlling the development, pricing, promotion, and distribution of products in a manner that satisfies the following three criteria: (1) customer needs are met; (2) organizational goals are attained; and (3) the process is compatible with eco-systems".

Kemper and Ballantine (2019) defend that not just one concept accurately defines sustainability marketing. The authors developed a perspective that englobes three conceptualizations to bring a more managerial perspective into the table and guide companies on integrating sustainability within their marketing activities: the Auxiliary Sustainability Marketing (ASM), the Reformative Sustainability Marketing (RSM), and the Transformative Sustainability Marketing (TSM).

The ASM concept allows the inclusion of sustainability throughout the marketing mix, with a relevant focus on environmental, social, and economic dimensions of production and consumption. Regarding product attributes, the model considers the production conditions (how the product was fabricated); and its features and performance (what the product contains and what it does). Also, the product production should be sustainably planned, and the other six Ps of the Marketing mix, distribution, pricing, promotion, people, physical evidence, and process.

The Reformative Sustainability Marketing (RSM) extends the ASM model. It acknowledges that the current utilization of resources is unsustainable with the limitation that the earth comprises. Thus, RSM is responsible for promoting sustainable lifestyles and changing current 'doing' business and marketing.

Lastly, Transformative Sustainability Marketing (TSM) conceptualizes that only through a profound analysis of society's systems and processes can it be understood what is not allowing the transition to sustainability. TSM is the strategy that type of marketing that can be led by sustainability pioneers and leaders as the pursuit of it "can then either change institutions to set positive incentives for the development and use of sustainable products or set negative incentives for conventional products" (Belz, 2005).

2.2.2. Tourism Marketing

Tourism and Hospitality products marketing is gradually increasing its complexity. No longer it conveys the image of a place or destination exclusively. It has evolved into attempting to sell the experience of the place or destination, relating it to the consumers' lifestyle hedonic constructs, as the customers based their decisions on projected and perceived mental perceptions rather than prior experience (Williams, 2006).

According to Tsiotsou (2012), as the marketing strategies in the tourism industry have progressed, the attention span to the offer has diminished "owing to the heterogeneity of consumers' needs, desires, preferences, motivations, and behaviors, and the changing global economic and social environments". Following Williams' rationale (2006), "present-time consumers are as likely to be driven by thrift as they are to be hedonistic", as consumers make statements about society and themselves and create their self-identity through consumption.

2.2.2.1. Sustainable Tourism Marketing

The first exploratory explanation of traditional views on sustainable tourism was done by Middleton and Hawkins (1998) through a marketing perspective, claiming that it is "essentially an overall management orientation reflecting corporate attitudes that, ... must balance the interests of shareholders/owners with the long-run environmental interests of a destination and at the same time meet the demands and expectations of customers". However, according to Jamrozy (2007), this definition still relies upon the economic marketing paradigm, "balancing" environmental and economic interests and therefore endangers the rise of alternate concepts in the tourism marketing discipline.

To bridge the recognized gap, the author proposes a new framework for sustainable marketing in tourism, the Sustainable Tourism Marketing Model (STMM), which defends a living system-based view on tourism, in which societal, consumer, and environmental perspectives and objectives shall be integrated. Moving towards a higher global awareness of nature, when placing nature-based tourism in the STMM framework, the marketing of "green" products still aims to be profitable and economically sustainable while considering the impacts of tourism on the host community (indulging socially responsible actions) and integrating human and non-human systems in symbiotic relationships.

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CHAPTER 3

Methodology

To be able to accomplish the objective of elaborating a feasible and sustainable business plan, the literature review presented in this business plan will be furtherly developed as, on one side, it is crucial to understand what it means to be a successful entrepreneur, and on the other side explore further the conceptualization of camping tourism and tourists.

Subsequently, a situation analysis will be performed, engaging in a more practical approach to the business plan. Firstly, a Macro and Micro External Analysis, composed of the PESTLE framework, used to understand the business environment Overtravels is trying to integrate and the country predisposition to accept it; a SWOT analysis aiming to understands how the strengths, weaknesses, threats, and opportunities can be understood and combined to create feasible and profitable strategies for the organization; a competition analysis to understand which competitors exist in the market and should be monitored, an lastly, an industry analysis using Porter's 5 Forces Model, to accompany the competitors' development and explore all the other forces that may impact the business environment.

After the analysis, the SMART objectives and the critical success factors for the business plan and its strategy will be defined. This stage comprises the STP, which comprises the understanding of the customer environment by analyzing customers' needs and wants, according to the evaluated customer frame; and the definition of the company's concept and Business Model Canvas, establishing the relevant aspects of the business dynamics; the establishment of the company's mission, vision, and value, as well as the brand personality and elements. Later, considering the previous analysis and business specifications, the 7 Ps of the marketing mix will be defined. Then, the implementation policies and requisites will be ascertained and its costs, leading to the last step of the business plan elaboration, the financial evaluation.

CHAPTER 4

External Analysis

Analyzing the market and the industry's macro-environment is crucial to understand which factors directly or indirectly affect the business environment we aim to operate in and may influence the business' performance.

4.1. Market Analysis

4.1.1. PESTLE Analysis

The PESTLE analysis was conducted to understand how the environmental context could influence the application of the business model. From evaluating the country's political stability, how is the purchasing power of the country residents and support to new ventures, to which generation is occupying the role of decisors, and how are their interests aligned with Overtravels concept. It was also evaluated how are the technological developments being utilized in the Portuguese environment, the level of difficulty that exists when creating a company, and the environmental agreements that can help the introduction of Overtravels in the market.

Political Analysis

Portugal is a semi-presidential republic and a parliamentary democracy, and a member of the European Union. Therefore, it is influenced by the agreements between member states, which affect the country's implementations and actions. Since 2016 the president is Marcelo Rebelo de Sousa. Elected in 2015, on a controversial election, António Costa, from the Socialist Party, became the Portuguese Prime Minister, forming a minority government, with the Left Bloc's support, the Portuguese Communist Party, and the Green Party.

According to the 2020 Index of Economic Freedom - the "fundamental right of every human to control his or her labor and property" (The Heritage Foundation, 2020) -, out of 180 countries, Portugal occupies the 56th position in the rank, with a score of 67.0. This index evaluates the countries based on 12 quantitative and qualitative factors, grouped into four broad categories of economic freedom: Rule of Law, which conveys property rights, government integrity, judicial effectiveness; The Government Size, including government spending, tax burden, fiscal health; Its Regulatory Efficiency, considering business freedom, labor freedom, monetary freedom; Open Markets, including trade freedom, investment freedom, and financial freedom. According to The Heritage Foundation (2020),

government spending and labor freedom are the two factors holding back economic freedom in Portugal: "the inflexibility of labor regulations remains burdensome and costly".

Despite the costly bureaucracies, Portugal has several programs to help entrepreneurs. In mid-April, the government implemented new measures amounting to 25 million euros directed to, estimated, more than 2,500 Portuguese startups. These programs may average up to 10,000 euros per startup and allow them to resolve the pandemic's repercussions. The measures include StartupRH Covid19, financial support equivalent to the minimum wage per employee and the extension of the Startup Voucher (2,075 euros per entrepreneur); *Vale Incubação* - Covid19, for startups with less than five years of existence, "through the contracting of incubation services based on a non-refundable 1,500 euros incentive"; Mezzanine funding for Startups, a "loan convertible into social capital (supplies), after 12 months, applying a discount rate that allows avoiding the dilution of the promoters", with "average investment tickets between 50 thousand euros and 100 thousand euros per startup"; The "launch of Covid-19 instrument - Portugal Ventures", which translates into "Portugal Ventures' call for investments in startups, with tickets starting at 50 000 euros" financed through the *Instituição Financeira de Desenvolvimento* (IFD), Portugal Ventures and *Imprensa Nacional-Casa da Moeda*.

In addition to those, there are pre-Covid-19 measures that have been adapted to the pandemic context. At issue, the 200M fund, "Co-investment with private investors in Portuguese startups and scaleups, with a public minimum of 500 000 euros and a maximum of five million euros", the "Co-investment fund for social innovation, co-investment with private investors in companies with innovative and social impact projects with a public minimum of 50 000 euros and a maximum of 2.5 million euros", credit options for new companies made available by IEFP - *Instituto do Emprego e Formação Profissional*, financing solutions for entrepreneurship from IAPMEI - *Agência para a Competitividade e Inovação*, I. P, and support from ANJE - *Associação Nacional de Jovens Empresários*.

Economic Environment

2014 marks the beginning of a positive trend for the Portuguese economy, given that for the first time since 2008, the Portuguese GDP has shown a slight growth, as we can see in Annex 1, presenting, as of today, a provisional value of 20.736,5€. This indicator does not present a favorable forecast, considering that after growth of 3.51% in 2017, it decreased to 2.85% in 2018 and 2.2% in 2019 (Pordata, 2020). The Portuguese Government predictions support this pre-Covid-19 negative tendency, however, heightened by that context, as the government estimates a drop in real GDP growth of around 6.9% this year, the most significant contraction of the economy registered in recent decades, with better expectations for 2021, with a forecasted growth of 4.3%.

According to the Macroeconomic scenery predicted by the Portuguese Government (PEES, 2020),

the pandemic is expected to harm external demand, with a 15.4% reduction in exports expected, after registering a 3.7% growth in 2019. This effect reflects, especially, the reduction in services exports from the tourism sector, where the pandemic's impact is expected to be particularly severe. In terms of Imports of goods and services, a fall of 11.4% is expected. The public consumption market is expected to accelerate to 3.1%, while overall investment is expected to decline by 12.2% after registering a growth of 6.6% in the previous year. A contraction in private investment explains this evolution, which should be partially offset by increased public investment. Declining is also Private consumption, expected to suffer a loss of 4.3%, after registering growth over 2% for six consecutive years, 2.2% in 2019. The reduction reflects the expected decrease in household disposable income.

Regarding price progress, inflation, as measured by the Consumer Price Index (CPI), is expected to decline by 0.2% after registering a growth of 0.3% in 2019. In turn, the GDP deflator is expected to decelerate to 1% (1.7% in 2019). Despite that, the Portuguese economy's financing capacity is expected to remain positive at 0.3% of GDP. (Pordata, 2020).

For the labor market, a reduction in employment of 3.9% is expected in 2020, after registering a growth of 0.8% in the previous year. An increase in the unemployment rate is expected, reaching 9.6%, after six consecutive years of decreasing, reaching, in 2019, the lowest value (6.5%) since 2003. As a logical consequence, the Average Household Available Income is suggested to decrease by 5%. In contrast, the active income will suffer a loss of 8%, more pronounced in households with higher income and younger age groups (Banco de Portugal, 2020).

On a more positive view, the Portuguese government expects overall economic activity to recover to the levels recorded before the pandemic. On not such a positive lens, the recovery for the tourism sector is anticipated slower.

Social Environment

In recent years, Portugal's birth rate, 1.42 in 2018, has fallen as the average life expectancy has increased, 80.9 in 2018, resulting in an older age structure (Pordata, 2020). This structure is represented by fewer young (0 to 14 years old) and working-age (15 to 64 years old) individuals than elderly individuals (65 years old and older). Regarding generational cohorts, the more conducive to sustainable Tourism are Millennials, born between 1981 and 1996 (ages 24 to 39 in 2020), and Gen Z, born between 1996 and 2010 (ages 10 to 24). According to the Deloitte Global Millennial Survey 2020, taken by more than 27.500 millennials and Gen Zs worldwide, despite the individual challenges and personal sources of anxiety they face, especially during a global pandemic, they have remained focused on more significant societal issues. These generations reinforce their yearning to help drive positive change in their communities and worldwide, prioritizing environmental sustainability. According to last year's version of the Deloitte study, Travel was considered the top aspiration for these age cohorts,

even surpassing earning high salaries and buying homes of their own. In 2019, the resident count for these age gaps was 3.399.207 people in Portugal, accounting for 33% of the population (Pordata, 2020). Moreover, traveling using a car or a caravan is a growing interest in Portugal. Facebook overland communities are growing, especially with people asking where the products can be found in the country.

From a national culture perspective, under Hofstede's Cultural Dimensions framework, Portugal comes out as a country where hierarchical distance is accepted, the dominant values in society are caring for others and quality of life (Feminine), and a clear manifest in a close long-term commitment to the member 'group' (Collectivist). According to Hofstede Insights (2020), the Portuguese cultural values include a screeching preference for avoiding uncertainty, a relative tendency to cynicism and pessimism, and a focus on achieving quick results.

Technological Environment

When it comes to digital government patterns, the 2020 United Nations E-Government Survey ranked Portugal in 35th place from the 193 UN Member States, representing the scope and quality of online services, the status of telecommunication infrastructure, and existing human capacity. In this edition, Portugal is one of the 57 countries with very high E-Government Development Index values ranging from 0.75 to 1.00.

One aspect to consider related to digital opportunities is the increasing dominance of E-commerce solutions, especially in the pandemic context. According to Google Trends (2020), 2020 searches on the term "*compras online*" (online shopping) more than doubled in comparison with 2019. The first Portuguese emergency state observed the peak point at the end of March and the beginning of April. This increase may represent the Portuguese receptivity to new shopping ways and their willingness to use them.

Legal Environment

When it comes to starting a business, the Portuguese government facilitated the process by creating "Empresa Online" (Online Company). This service allows the constitution, by electronic means, of limited companies, sole traders, and limited by quotas. At the same time, it is possible to obtain, also online, a previously registered trademark in favor of the State, with a minimum cost of 127,65€. After this process, several additional costs should be borne in mind, namely the corporate taxes to be paid, the IRC - the Corporate Income Tax, or CIT - levied on the income obtained (21%); Derrama - a municipal tax on profit - (up to 1,5%); IVA - The Value Added Tax, or VAT, a consumption tax assessed on the value added to goods and services - (23%, 13% ou 6%, depending on the type of goods or

services); and TSU - a tax on the employees' monthly remuneration (23,75%) (European Comission, 2020).

Environmental Context

The concern for environmental sustainability has grown exponentially worldwide, by consumers and businesses' initiatives and by impositions made by governments and international organizations. Portugal is no exception.

In 2014, Portugal presented the Partnership Agreement for 2014–2020, vulgarly called Portugal 2020, "the partnership agreement between Portugal and the European Commission, (…) adopted in order to apply the principles of the Europe 2020 strategy and to focus on the economic, social, environmental and territorial development policy that could stimulate growth and job creation in Portugal for the upcoming years" (Portugal 2020, 2014). The Agreement ambitions to meet the European guidelines to support entrepreneurship and business innovation, strengthen research and innovation systems, increase economic competitiveness, and qualify human capital. In addition to those, Portugal 2020 added two more goals to promote the public administration's modernization and encourage the conveyance into low carbon and resource-efficient economy (Medeiros, 2020).

4.1.2. SWOT Analysis

The SWOT analysis summarizes the company's strengths, weaknesses, opportunities, and threats. Because the central goal of a SWOT analysis is to assist firms in developing a complete understanding of all the aspects involved in making a business decision, it is vital to undertake a SWOT analysis before committing to any corporate action. Thus, this analysis is critical for developing recommendations and plans that capitalize on strengths and opportunities to overcome weaknesses and threats.

Strengths

- Overtravels is an innovative project with four recognized targets and only two market players as direct competition;
- Overtravel's strategic plan with strongly differentiated product offerings meeting a growing need, including Outdoor, camping, caravanning, and Overlanding equipment;
- Dedicated online, phone, and presential customer service, allowing to meet any customer's need, leaving room for high customer loyalty;
- Overtravels will reunite over 100 brands in one store, including especially niche products.

Weaknesses

- Inexperience in the industry, adding to executives over-committed and forced to take a significant role in day-to-day operations, diluting the focus and immediate growth opportunities;

- High initial investment and potential seasonality;

- Replicable business model, consisting of product offer purely from reselling, also putting the company entirely at the risk of suppliers' performance;

Opportunities

- There are government's incentives to entrepreneurship, including a less bureaucratic (more straightforward and faster) process of creating new businesses;

- The Portuguese consumer has been showing increasing interest in overland, sustainable and national tourism, thus facing a relevant gap in the market;

- Tourism is seen as an essential vehicle to boost economic growth, as well as the trends in the outdoor industry that arise;

- With the pandemic, people value independent tourism experiences more, and the Portuguese routes are becoming a destination choice for Portuguese citizens

- Millennials and Generation Z are more propane to engage in camping activities, independent traveling, and sustainability, as environmental issues are increasing variables that affect people's decision making;

- There are no companies that reunite and sell all the camping utilities in one place;

Threats

- Stimulus measures are likely to be phased out due to increasing public deficits, while the Portuguese economy may see increases in taxation, putting extra pressure on households and company's budgets;

- Competitors from outside of Europe are beginning to make inroads into the market.

After collecting the findings of the SWOT matrix, the Dynamic Swot is used to produce strategic alternatives by analyzing the negative aspects to change them into positive points. Thus, previous findings are then used to produce a strategic action plan for Overtravels, summarized in table 4.1:

Table 4.1 - Dynamic SWOT (Source: own elaboration)

	Strengths	Weaknesses
Opportunities	**Challenges** • Take advantage of the increasing interest in outside activities and national tourism to present innovative solutions for the camping, caravanning, and overlanding markets; • Use customer support and personalized assistance to engage customers, spread positive word of mouth and attain customer loyalty; • Understand the evident gap in the market of camping, caravanning, and overlanding and take advantage of the increasing interest in sustainable and independent tourism.	**Restrictions** • Communicate the existent gap in the market to gain brand notoriety; • Take advantage of the lack of direct competition to explore the possibilities of the market, diminishing inexperience repercussions; • Use the government's incentives to invest in inventory.
Threats	**Risks** • Use customer loyalty and personalized customer support to face possible competition from European players; • Implement season campaigns and vary portfolio frequently to adjust to the post-pandemic decreasing purchasing power from customers.	**Warnings** • Study European competitors and partners to understand how they face difficulties and overcome inexperience; • Given the target, use social media and engaging content to attain brand notoriety and promote conversion.

4.2. Competitive Analysis

4.2.1. Competition Analysis

Overtravels' competitors can be qualified in two categories, direct and indirect. The first category comprises the only companies in Portugal whose concept and target customers are similar to Overtravels'. The second comprises all the Portuguese companies that sell one or more product categories in Overtravel's portfolio.

Direct Competitors

Overland Portugal Adventure Store

The Overland Portugal Adventure Store was founded in May 2020 by Camilo Oliveira and Luis Sanchez, both Overland Portugal Club administrators. While periodically publishing the magazine Overland Portugal, the founders decided to create a complementary project to satisfy their target audience's (Overlanders) needs. With a portfolio built by overlanding and caravanning items, the products are sold on the physical store with a showroom located in Cascais, part-time opening hours, and an online

store built inside the magazine's website. This online store is very rudimentary, without a clear online sales presence and few products available. However, it relies on the competitive advantage directly related to the magazine and the Overland Portugal Club, which have many followers in Portugal, an enlarged community, good reputation, and credibility.

NomadsaTTv

NomadsaTTv is dedicated to equipment and specific products for caravanning and motorhome-making sales. Distribution is carried out through a physical store with a showroom located in Santa Iria da Azóia, in the municipality of Loures. The company's online store is elementary and old-fashioned, and the social networks they are connected to are underdeveloped.

Indirect Competitors

Topo Tents

Located in Campolide, Lisboa, TOPO offers a rooftop tent rental service and rooftop sales of their production. TOPO also offers predefined road trips, lasting 2 to 8 days and permanently accompanied by a guide throughout Portugal exploring history, gastronomy, and landscapes.

Nomad Glamper

Located in Charneca da Caparica, but with three available pick-up locations (North, Center, and South), Nomad Glamper sells and rents two James Baroud hard-shell models of rooftop tents. To increase the value offering, it also sells the entire range of accessories from the partner.

Decathlon

Decathlon is a producer and distributor of sporting goods worldwide, with more than 1600 stores spread over 50 countries. In Portugal since 2000, it currently has 34 Decathlon stores in various parts of the country. In addition, with its own Quechua brand, Decathlon has a varied and complete portfolio of camping items.

4.2.2. Porter's 5 Forces

In 1979, Michael Porter, a Harvard Business School Professor, created a tool to analyze an industry's attractiveness and likely profitability, giving it his name: Porter's 5 Forces Model. According to Porter (2008), companies should accompany their competitors' development and explore all the other forces that may impact their business environment. Thus, the Porter's 5 Forces Model considers five variables

that may impact the competitive environment, those being the Competitive Rivalry, the level of Threat of New Entrants, the Bargaining Power of Buyers, the Bargaining Power of Suppliers, and the strength of the Threat of Substitute Products or Services.

Competitive Rivalry

Where competition is fierce, strategic decisions such as aggressive price cuts and high-impact marketing campaigns may give a given player a competitive advantage. Besides, whenever a customer may feel unsatisfied with a product or a service, there are plenty of substitute sellers to choose from. On the other hand, where the competitive ambient is low, and no player has the same value offering, the single-player is expected to dominate the market.

"The intensity of rivalry is greatest if:" (Porter, 2008):

- *Competitors are numerous or roughly equal in size and power* - The number of stores with the same concept is low, there are only two, and only one has enough brand recognition, despite not being fully optimized. It is possible to find some of the products in several stores; however, they are not widely available in the market;

- *Exit barriers are high* - Given the need for inventory and a physical structure (warehouse and store), the exit barriers may be considered high;

- *Fixed costs are high* - Given that it is expected to have a relatively big warehouse and physical store, rent and maintenance can be costly;

- *Products are undifferentiated* - Since there are not many offers in Portugal for Overtravels portfolio of products, the value offering may be considered differentiated;

- *Consumer switching costs are low* - Switching costs for customers are practically non-existent;

- *Competitors are strategically diverse* - Given that there are not many competitors, those are not considered diverse.

Global power of the Force: low – There are currently not many direct rivals in the industry, which is a considerable benefit as, given the little competition, brand recognition and market share can be achieved quickly.

Threat of New Entrants

A high threat of entry means that potential entrants are likely to be drawn to the industry's profit and quickly reach the industry. New entrants joining the industry may either challenge or reduce the current players' market share and profitability, resulting in improvements to existing product quality

or adjusting the price levels. If an industry has high and long-lasting entry barriers, a current player will maintain a favorable position and take advantage of it.

"Entry barriers are advantaging that incumbents have relative to new entrants" (Porter, 2008). The threat of new competitors can be high if:

- *Profitability does not require economies of scale* - It is not necessary to obtain economies of scale to achieve profitability in the industry;
- *There is no specialist knowledge required* - Despite being helpful, the resale of overlanding products does not require specialist knowledge;
- *Products are undifferentiated* - In this case, what may distinguish Overtravels is the customer service;
- *Brand names are not well-known* - Given that the market is underdeveloped, brand names are yet to be recognized by the common public;
- *Initial capital investment is low* – The primary capital needs for this project are the inventory and warehouse that should allow creating a physical store; thus, the initial investment may be high;
- *Consumer switching costs are low* – Due to this project being a relatively innovative solution to holidays and traveling, there are few players to choose from. Despite that, the existing direct competition represents no switching costs for consumers.
- *Accessing distribution channels is easy* – The main two distribution channels to be used by Overtravels are the physical and the web store; thus, it is relatively easy to access them.

Global power of the Force: medium/high – Due to the presented market opportunity given the sales gap and growing interest from the public, the market shows many positive signs for those who want to enter. Like Overtravels, new entrants have a high chance and relative ease to act on this opportunity. However, once it already has an established market, there is a high risk of becoming saturated, thus being essential to exploring the fast-mover advantage.

Bargaining Power of Buyers

By having bargaining power, buyers can influence companies to reduce prices or increase the quality of services or products to diminish their industry margins.

"A customer group has negotiating leverage if:" (Porter, 2008):

- *Buyer is well-educated regarding the product* - There is still not much information on the brands available as well as usage; thus, we can consider the buyers are not well informed;

- *Substitutes are available* - Given that there are few competitors in the market, there are not many substitutes;

- *Buyers are more concentrated than sellers* - Most of Overtravel's customer targets are niche product consumers, so the number of buyers is not relatively high. The objective is to create a market necessity to attract and convert buyers. Individually, the products or services purchased by each customer have a reduced weight on Overtravels' turnover;

- *The industry's products are standardized or undifferentiated* – The current industry has not been fully explored, so there are not many products to compare yet, but what is available mainly is standardized;

- *Buyers face few switching costs by changing vendors* – There are no evident switching costs since payment only occurs per product. The existing costs may come from importation fees;

- *Buyers are price sensitive* – Given the reduced number of competitors in the market, the buyers are not very price sensitive.

Global power of the Force: low – Despite not existing in a vast number, the buyers also do not have many players to choose from, thus resulting in the low bargaining power of buyers.

Bargaining Power of Suppliers

The seller's purchasing position in the market impacts the buyer's business climate and affects its ability to achieve profitability. For example, strong suppliers can pressure consumers by increasing prices, decreasing product quality, and reducing product supply. On the other hand, whenever there are several suppliers, the buyer can change to a more suitable alternative.

"A supplier group is powerful if" (Porter, 2008):

- *The buyer is not price sensitive* - Given that there are not many producers, Overtravel's is not considered very price sensitive;

- *Buyer is uneducated about the product* - By studying the market and all the available options, it is inferred that Overtravel's administration can make educated choices;

- *It is more concentrated than the industry it sells to* – Given that there are not many producers, their group is considered more concentrated than the industry it sells to.

- *The suppliers do not depend heavily on the industry for its revenues* – The supplier production is explicitly oriented to this industry, depending heavily on it;

- *Industry participants face switching costs by changing suppliers* – Given that there is a possibility to engage in partnerships with some of the suppliers, there can be considered

a few switching costs; if those partnerships are not developed, the buyer faces no switching cost;

- *Suppliers offer products that are differentiated* – Like mentioned before, there are not many suppliers as the market is still growing; thus, their product offering is relatively differentiated;

- *The supplier group can credibly threaten to integrate forward into the industry* – Given that some producers have the means and knowledge to engage in the production and sales of several products from Overtravel's aimed portfolio, a forward integration may occur.

Global power of the Force: medium - This project's success depends on the product portfolio's availability, and there are not many producers; therefore, these suppliers are significantly powerful.

Threat of Substitute Products or Services

The industry's competitive framework is challenged by the availability of alternative goods providing relatively similar benefits at a competitive price. A cheap and straightforward substitution will undermine the position of an organization and endanger profitability.

"The threat of a substitute is high if:" (Porter, 2008):

- *The substitute product offers a better price-quality/performance trade-off to the industry's product* – Aiming to create a new lifestyle need in the market, the substitute products that can challenge this project are the traditional holiday and traveling forms;

- *The buyer's cost of switching to the substitute is low* – The costs of switching are high, given that the investment made in preparing for overlanding may be substantial.

Global power of the Force: low – The inflexibility of the substitute products is why this project was born. Any other substitute will not fulfill the customer's adventure, flexibility, and freedom needs in the same way.

Attractiveness Overview

The previous study of each competitive Force showed that this sector primarily has a medium-low degree of attractiveness. Therefore, there are apparent hurdles that need to be considered. However, the fact that it is a growing market that has not yet been thoroughly exploited is a very encouraging indicator.

CHAPTER 5

Business Plan

An effective business plan considers all aspects of beginning and running a company. It is utilized as a road map on building, operating, and expanding an organization, allowing one to think about and plan through the critical elements of the business.

For Overtravels, it is presented in this chapter the business objectives and critical success factors in planning the ultimate goals that will guide the plan's development. After that, through the business model canvas, the vital elements of the business are defined, guaranteeing coherency and alignment between its nine building blocks - Key Partners, Key Activities, Key Resources, Value Proposition, Customer Relationships, Customer Segments, Channels, Cost Structure, and Revenue Streams -. Later, to guarantee consistency while defining the organization's brand behavior, positioning, and personality, the organization's vision, mission, and values are stated.

Later in the chapter, the brand characteristics are defined, developing the identity and perception Overtravels wants to communicate to its consumers. The segmentation of the market, targeting the four niche markets, and the brand's positioning towards them are also defined in this chapter, allowing to describe its leading consumers.

Later on, the marketing mix is defined, using the 7Ps model for retail – Product (as a service), Price, Place, Promotion, People, Process, and Physical Evidence -, guaranteeing a feasible and coherent marketing plan. Finally, the chapter ends with the business plan's implementation policies and requirements.

5.1. Objectives and Critical Success Factors

5.1.1. Objectives

According to Kotler and Keller (2006), business units should construct a combination of objectives that fit four criteria. They must be arranged hierarchically, from most to least important; the objectives should be quantitative whenever possible; they should be realistic and consistent.

Considering that the Overtravels launch should be expected to occur in June 2022, the following objectives, presented in the table below (Table 5.1), were determined:

Table 5.1 - Overtravels' business objectives (Source: own elaboration)

	Objectives	KPIs	Target
Financial	Increase revenue	Number of sales	3000 products sold in the first year, with an increase of 50% in the second year and 15% on the following
	Increase profitability	Net profit	Reach payback before June 2024
	Decrease operating costs	Operating costs	Reduce operating costs by 3% each year
Customer	Increase brand awareness	% of ad campaign impressions and PR events	Reach one million impressions on each social media campaign and be present in two overland events in the first year of activity. Increase the previous values by 50% in the second year
	Improve market perception	% market share	Reach 80% of market share in the first year with an increase of 3% each year after that
	Improve customer experience	% customer satisfaction	Have a customer satisfaction rate above 90%
Internal processes	Increase offering portfolio	New products as % of sales	Sell 100 different items and increase this number by 10% each year
	Improve delivering process	End-user experience score	Have a customer satisfaction rate above 90%
	Increase marketing efficiency	Brand awareness score	Have 10,000 showroom visitors in the first year of activity and increase this metric by 50% each year after that
Organizational capacity	Improve content supply	Number of content publications	Post regularly with daily interactions with the customer through social media. Post at least ten promoted content campaigns
	Increase software efficiency	Information efficiency index	Increase investment in software systems by 10% each year

5.1.2. Critical Success Factors

Critical success factors reflect the crucial elements that allow for the success or establish the failure of a business plan. For Overtravels, the aspects that should be taken into consideration while evaluating profitability should be a coherent marketing strategy, the ability to establish profitable relationships with the suppliers, the ability to attract adequate staff, the ability to get clients to visit the showroom, and an increase of the total yearly revenues for the first five years. There should also be developed business partnerships with several brands; innovation in the customer experience field; collaboration with overland experts; providing outstanding customer service; increasing brand awareness, and profitability achievement.

5.2. Business Model

5.2.1. Concept

Overtravels concept is to be a retailer for camping and overlanding products that differentiate from competitors and other players in the market through the price, the easy access to the offer, and outstanding customer service. Below it is offered its helicopter view through a business model canvas (Figure 5.1).

5.2.2. Business Model Canvas

The Business Model Canvas, exposed in Alexander Osterwalder and Yves Pigneur's book Business Model Generation (2010), ambitions to create intuitively and simplified business models that "easily describe and manipulate business models to create new strategic alternatives". Through nine building blocks (Value Proposition, Customer Segments, Customer Relationships, Channels, Key Partners, Key Activities, Key Resources, Cost Structure, and Revenue Streams), the tool intends to cover the four main areas of a business, independently of its sector and industry: offer, infrastructure, financial viability, and customers.

Value Proposition

 "The Value Propositions Building Block describes the bundle of products and services that create value for a specific Customer Segment" (Osterwalder et al., 2010, p. 22). Allocated in the Canvas center, the Value Proposition block assumes the responsibility to highlight the value offering that matters the most for the Customer Segment and allows the company to differentiate from the competition. For Overtravels, the Value Proposition relies on allowing an independent and exclusive camping experience through providing an impeccable and thrilling customer experience, providing an extensive

range of camping, caravanning, and overland niche products, meeting the consumer's requirements of value for money, making the desired products available in the country and increasing their purchasing confidence through a physical store.

Customer Segments

"The Customer Segments Building Block defines the different groups of people or organizations an enterprise aims to reach and serve" (Osterwalder et al., 2010, p. 20). Located in the right corner of Business Model Canvas, the customer segment allows the entrepreneur to focus on the customers' needs to provide a valuable offer through their segmentation. Overtravels establishes its Consumer segments as Camping tourists, Overland enthusiasts, Caravan tourists, and Motorhome owners.

Customer Relationships

This block describes the type of relationships that are established between the company and its customers. According to Osterwalder et al. (2010, pp. 28-29), Customer relationships are driven by motivational factors such as new customer acquisition, customer retention, and boosting sales. Especially for the Business to Consumer sector (B2C), additional motivations develop a long-term customer relationship and empower the brand's quality and services. Regarding Overtravels, to enable customer acquisition, there will be an investment in communication in Caravanning and Overland communities and targeted communication on social networks; aiming for customer retention, there will be a very thought through in-store personal assistance and after-sales follow-up.

Channels

"The Channels Building Block describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition" (Osterwalder et al., 2010, p. 20). Customers will either be satisfied with the service offered or unpleased with the system, depending on these platforms and how they operate, thus this block's importance at the moment of the business strategy establishment. Osterwalder et al. (2010) defined five crucial phases to engage through the own and partner channels, directly or indirectly (Salesforce, Web sales, Own Stores, Partner stores and Wholesalers): Awareness; Evaluation; Purchase; Delivery and After Sales. As for Overtravels, the chosen Channels will be the Web Store and the Physical Store with a Showroom to expose the products.

Key Partners

"The Key Partnership Building Block describes the network of suppliers and partners that make the business model work" (Osterwalder et al., 2010, p. 38). Those can be strategic alliances and partnerships between competitors, joint ventures to create new business segments, and buyer-

supplier partnerships to secure supply. According to Osterwalder et al. (2010, p.39.), there are three motivations to partner up with another company: the need to optimize resource allocation, reduce risk in a competitive environment, and acquire particular resources. As for Overtravels' partnerships, are considered the niche products' manufacturers, the distribution partners, and the sales promoters.

Key Activities

Key Activities are the essential processes that make a business sustainable. These are "required to create and offer a Value Proposition, reach markets, maintain customer relationships, and earn revenues" (Osterwalder et al., 2010, pp. 36). Overtravels will have four Key Activities: inventory management, logistics, and Marketing and Sales operations.

Key Resources

"The Key Resources Building Block describes the most important assets required to make a business model work" (Osterwalder et al., 2010, p. 34.). These support the Key Activities' functioning related to the Key Partners, which might provide some of the Key Resources. Osterwalder et al. (2010, p. 35.) categorized the Key Resources as Human, Intellectual, Physical, and Financial. Overtravels' Key Activities rely mainly upon physical assets, a warehouse with a physical store, and intellectual resources such as the brand, partnerships, and customer databases.

Cost Structure

The cost structure encompasses all the costs the company will incur. The authors break down costs as Fixed, Variable, Economies of scale, and Economies of scope (Osterwalder et al., 2010, pp. 40-41.). This block allows us to understand where a company can decrease costs and therefore increase profitability. Overtravels will have a cost-driven business model, meaning that it will target activities to reduce all costs whenever possible. Regarding those, Overtravels shall consider the Fixed Costs of Marketing and Sales, Logistics and Human Resources, and the variable costs that encompass deliveries.

Revenue Stream

"The Revenue Stream Building Block represents the cash a company generates from each Customer Segment" (Osterwalder et al., 2010, pp. 30). Looking at the Business Model Canvas (figure 5.1), it is possible to observe that the Revenue Stream Block connects with the Customer Segments Building Block. It attempts to understand how much the customers are willing to pay for the Value Proposition. This aspect is relevant to understanding which ways it is possible to create value for the different segments. Regarding Overtravels, the primary revenue sources will be the products and promotional items sales and, in the future, short and long course expeditions.

Key Partners 🔗	Key Activities ✅	Value Propositions 🎁	Customer Relationships ❤️	Customer Segments 👤
Niche products manufacturers; Distribution partners; Sales promoters.	Inventory management; Logistics; Marketing; Sales.	Allow an **independent** and **exclusive** camping experience through providing an impeccable and thrilling **customer experience**, providing an **extensive range** of **camping**, **caravanning**, and **overland** niche **products**, meeting the consumer's requirements of **value for money**, making the desired products **available** in the country and increasing their purchasing **confidence** through a physical store.	Communication in Caravanning and Overland communities; Targeted communication on social media; In-store personalized assistance; After-sales follow-up.	Camping tourists; Overland enthusiasts; Caravan tourists; Motorhome owners.
	Key Resources 🏭 Warehouse with a physical store; Brand; Partnerships; Customer databases.		**Channels** 🚚 Web Store; Physical Store with a Showroom.	

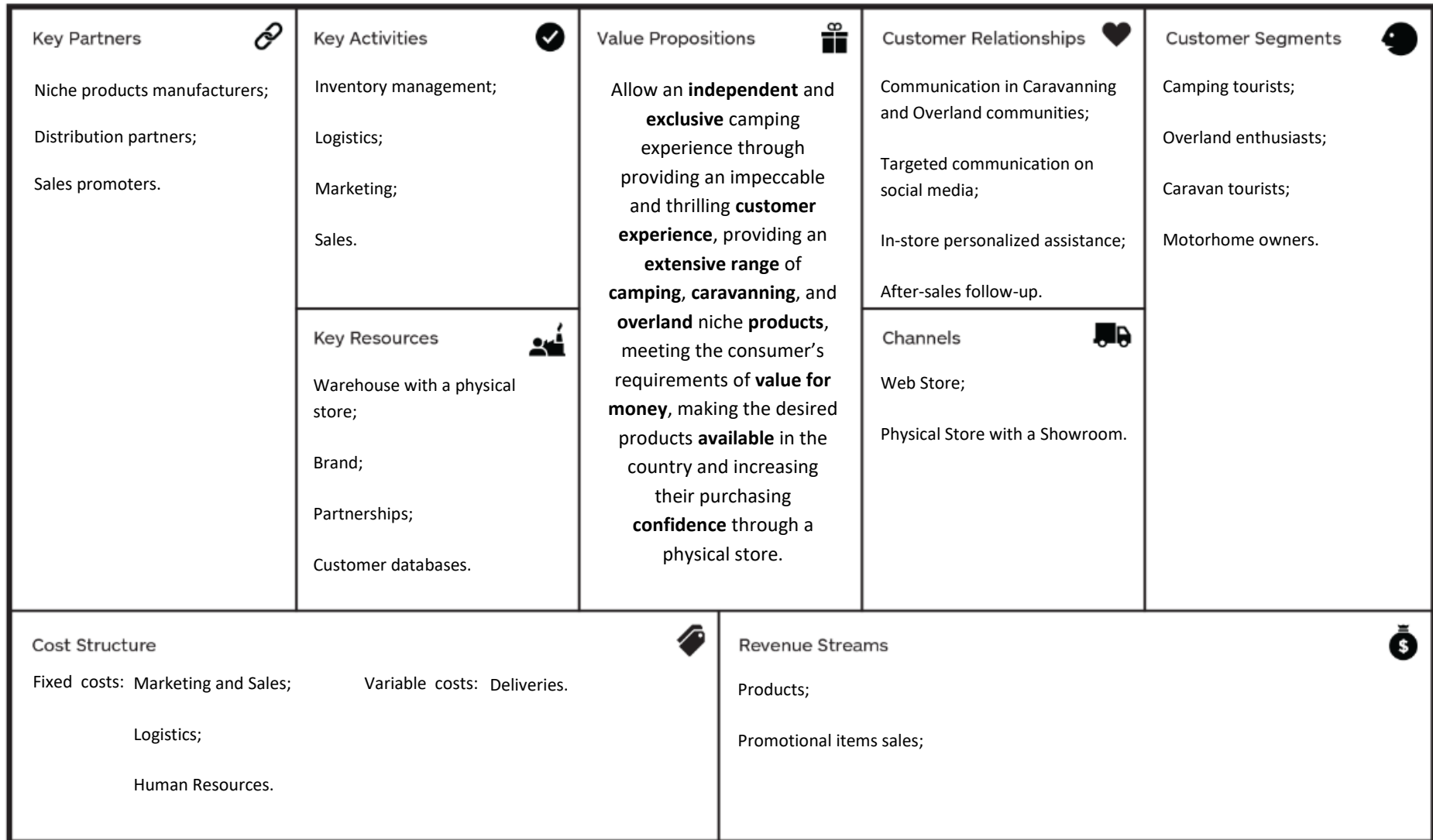| Cost Structure 🏷️	Revenue Streams 💰
Fixed costs: Marketing and Sales; Variable costs: Deliveries. Logistics; Human Resources.	Products; Promotional items sales;

Figure 5.1 - Overtravels' Business Model Canvas (Source: own elaboration)

5.3. Vision, Mission, and Values

5.3.1. Vision

Overtravels aims to revolutionize the conventional Portuguese holiday paradigm by creating an all-in-one concept that joins all the materials and accessories required for a fantastic camping and overlanding experience, making traveling and road trips memorable.

5.3.2. Mission

Give campers and overlanders impeccable customer experience, incredible road trips, and unforgettable memories.

5.3.3. Values

Integrity, honesty, humility, trust, enthusiasm, and enjoyment underpin Overtravel's brand message and operationality. All of this is done while providing an exceptional client experience and preaching environmental protection.

5.4. Brand

The first feature that distinguishes a company from its competitors is its brand. It is the company's method of communicating its values to the market. It is the first stage for a company to develop an image and a concept in the minds of its consumers that will be used to associate quality and unique features distinct from rivals'. Based on this, Overtravels' branding goal is to establish a strong link between the company and the concepts of freedom, enjoyment, and close interaction with the environment. Furthermore, a strong brand will enable better loyalty, improved marketing communications effectiveness, reduced exposure to competing marketing activities and marketing crises, larger margins, and higher financial market returns (Kotler and Keller, 2006). As a result, two essential branding factors should be considered: the brand personality, which describes the brand persona, and the branding features, making the brand distinctive regardless of its touchpoints with the target.

5.4.1. Brand personality

Overtravels is assertive in its capabilities, competent and confident without being stubborn or overbearing. Its approach to service is based on giving customers what they are looking for knowingly and not knowingly. Overtravels is confident of its customer service value and advises customers to choose products for the benefits they represent. The tone of voice used by Overtravels is clear,

engaging, fun, and confident. Communication regarding items, activities, and lifestyle is enjoyable, pleasant, and friendly. What Overtravels delivers to the market is valuable and exciting, and this is reflected in the tone of voice used to communicate with consumers and partners.

5.4.2.   Brand elements

Logo system

The logo system (Figure 5.2) conveys Overtravels' point of view — the joy, freedom, and flexibility of traveling overland. The brand identity is built on two structural components: - The wordmark is based on the name, Overtravels. Second, the symbol – the tent outlines – is seamlessly interwoven into the name, producing the letters "A" and "V." This brand is geared toward daring tourists who want to feel free and have fun.

Logo	Name	Symbol

Figure 5.2 – Overtravels' logo system (Source: own elaboration)

Typography

Overtravels main type font will be "Avenir", a contemporary, highly readable sans serif typeface used on all digital and print materials, as well as building signs and vehicle branding. This typeface is available in four weights: light, regular, semi-bold, and bold.

Color scheme

Overtravels' color palette (Figure 5.3) consists of lead - blue, green, and brown - and support – light brown and white - colors. Visually, communications should have an overall appearance of nature, as represented in Overtravels' mood board (Annex A).
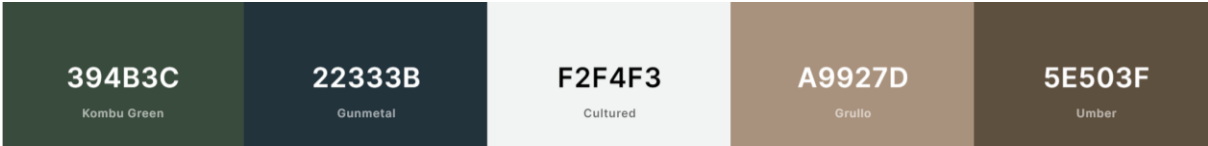

Figure 5.3 - Overtravel's color scheme (Source: own elaboration)

5.5. Segmentation, Targeting, and Positioning

The segmentation, targeting, and positioning (STP) relies on providing a customer-centric perspective to define a strategy to identify and meet the buyers' needs. The process's fundamental idea is to divide the audience into smaller groups with similar characteristics, target each segmented group based on their preferences and habits, and make positioning adjustments in branding and marketing tactics to fit their needs and expectations.

5.5.1. Segmentation

Since consumers are so dissimilar, it is critical to consider sources of consumer heterogeneity such as individual differences, life experiences, functional needs, and self-identity or image. Therefore, the market must be segmented into consumers with everyday needs and characteristics that display similar purchasing habits, enabling businesses to concentrate their resources on small, homogeneous customer groups.

According to Kotler and Keller (2006), the key is to adjust the marketing program to recognize customer differences in order to "identify the appropriate number and nature of market segments and decide which one(s) to target (...) s". The authors proposed four primary segmentation criteria for this process — geographic, demographic, psychographic, and behavioral segmentation.

In addition, Kotler and Keller (2006) suggest that a market segment must have specific characteristics to be practical and valuable to a business. It must be measurable - the segments' scale, purchasing power, and characteristics can be quantified -, substantial - the markets are big and lucrative enough to warrant service -, accessible - the segments can be reached and served efficiently-, differentiable - the segments are conceptually distinct and react differently to various elements of the marketing mix-, and actionable - effective programs for attracting and serving segments can be created.

Demographic

According to Kotler and Keller (2006), demographic variables are conventional among marketers because they often correlate with consumer needs and wants. Another advantage is that they are simple to quantify. Thus, even when the target market is characterized in non-demographic terms, it is necessary to refer back to demographic characteristics to estimate the market's size and the media most effectively used to reach it.

The variables chosen to segment Overtravels' market demographically were: age, generation, gender, income, family structure, family life cycle, education, occupation, and social class.

Geographic

Geographic segmentation divides the market into geographical units such as countries, states, territories, counties, towns, or communities. A business can operate in one or a few places or operate in all but pay attention to local variations. As a result, it can tailor marketing programs to the needs and desires of local consumer groups. For Overtravels, the principal variables to take into consideration are Country, Region, and Geographic density.

Psychographic

According to Kotler and Keller (2006), "in psychographic segmentation, are divided into different groups based on psychological/personality traits, lifestyle, or values". Those characteristics are fundamental in segmentation as people from the same demographic group may have wildly disparate psychographic profiles.

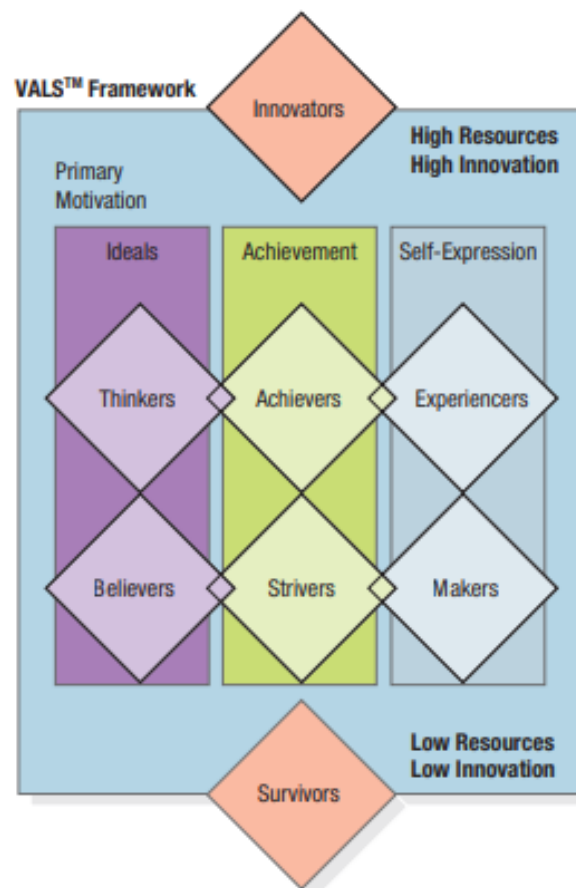*Figure 5.4 – The VALS Segmentation System (Source: VALS™ Strategic Business Insight's (SBI), www.strategicbusiness insights.com/VALS)*

To evaluate de existing segments for Overtravels, the Strategic Business Insight's (SBI) VALS™ framework (Figure 5.4), classification systems based on psychographic measures, will be used. Developed in the 70s by Arnold Mitchell at SRI International, the VALS segmentation framework's

primary dimensions are consumer motivation (horizontal) and consumer resources (vertical). Consumers are motivated by three primary factors: ideals, achievement, or self-expression, resulting in eight VALS types: Innovators, Experiencers, Thinkers, Achievers, Believers, Strivers, Makers, and Survivors.

Knowledge and principles guide those who are primarily motivated by ideals. Those who are driven by success seek out products and services that demonstrate accomplishment to their peers. Consumers who are motivated by self-expression seek social or physical activity, variety, and risk. Character traits such as energy, self-confidence, intellectualism, novelty-seeking, innovativeness, impulsiveness, leadership, and vanity determine an individual's resources in conjunction with critical demographics.

The four groups with higher resources are the Innovators — Successful, sophisticated, active, "take-charge" people with high self-esteem. Purchases often reflect refined tastes for relatively upscale, niche-oriented products and services -, the Thinkers — Mature, happy, and reflective people who respect order, expertise, and commitment. They look for long-lasting, practical, and valuable items-, the Achievers — People who are successful and goal-oriented in their careers and families. They choose luxury goods that show success to their peers -, and the Experiencers — People who are young, energetic, and impulsive in search of variety and excitement. They invest a significant amount of their income in fashion, entertainment, and socializing.

The four groups with lower resources are the Believers — Conservative, conventional, and traditional in their views. They prefer familiar goods made in their country and are loyal to well-known brands -, the Strivers are trendy and fun-loving but have limited resources. They choose fashionable items that resemble the purchases of those with higher material wealth -, the Makers — Practical, down-to-earth, and self-sufficient individuals that enjoy working with their hands. They are looking for goods manufactured in their home country that serve a practical or functional purpose -, and the Survivors—Older people fearful of change and devoted to their preferred brands.

Behavioral

In behavioral segmentation, marketers classify consumers based on their understanding of, attitude toward, use of, or reaction to a product. For the systematic process of Overtravels retail and online presence, the following criteria will be evaluated: behavioral occasions, benefits, user status, usage rate, loyalty status, readiness stage, and attitude toward the product.

Given the segmentation criteria defined above, the table on the following pages (Table 5.2) was composed to present the segments comprising the Overtravels environment's totality.

Table 5.2 - Overtravels' market segments (Source: own elaboration)

Demographic	
Age	Under 6; 6–17; 18–29; 30-39, 40–49, 50–64, 64+
Generation	Silent Generation; Baby Boomers; Gen X; Millennials; Gen Z
Gender	Male; female
Income	Under 10,000€; 10,000€–15,000€; 15,000€–20,000€; 20,000€–30,000€; 30,000€–50,000€; 50,000€–100,000€; 100,000€+
Family size	1–2, 3–4, 5+
Family life cycle	Young, single; young, married, no children; young, married, youngest child under 6; young; married, youngest child six or older; older, married, with children; older, married, no children under 18; older, single; other
Education	Grade school or less; some high school; high school graduate; some college; college graduate
Occupation	Professional and technical; managers, officials, and proprietors; clerical sales; craftspeople; forepersons; operatives; farmers; retired; students; homemakers; unemployed; other
Social class	Lower lowers; upper lowers; working-class; middle class; upper middles; lower uppers; upper uppers
Geographic	
Country	Portugal; Spain; UK; other
Region	North; center; south; interior; coast
Density	Urban; suburban; rural
Psychographic	
Psychographic lifestyle	Culture-oriented; sports-oriented; outdoor-oriented

Personality	Compulsive; gregarious; authoritarian; ambitious; other
VALS framework	Innovator; Experiencer; Thinker; Achiever; Believer; Striver; Maker; Survivor
Behavioral	
Behavioral occasions	Regular occasion; special occasion
Benefits	Quality; customer service; economy; speed; value for money
User status	Nonuser; ex-user; potential user; first-time user; regular user
Usage rate	Light user; medium user; heavy user
Loyalty status	None; medium; strong; absolute
Readiness stage	Unaware; aware; informed; interested; desirous; intending to buy
Attitude	Enthusiastic; positive; indifferent; negative; hostile; other

5.5.2. Targeting

After identifying market-segment opportunities, the company must determine how many and which to pursue. We can target markets at four levels: mass, multiple segments, single (or niche), and individual (Kotler and Keller, 2006).

Multiple Segment Specialization is the target strategy for Overtravels that provides better results. Selective specialization makes it possible to choose a subset of all possible segments, each of which is objectively attractive and appropriate. The segments may have little to no overlap, but each promise to be profitable. The multisegment strategy also has the benefit of spreading out the firm's risk. Thus, there are four target segments for Overtravels, the Camping tourists, the Overland enthusiasts, the Caravan tourists, and Motorhome owners.

The four target markets are described in the table below (Table 5.3), considering the segmentation criteria defined in the previous process.

Table 5.3 - Segmentation criteria for Overtravels (Source: own elaboration)

Segmentation criteria	Camping tourists	Overland enthusiasts	Motorhome owners	Caravan tourists
Demographic				
Age	18–29	30–49	18–29; 30–49	30–49
Generation	Millennials; Gen Z	Gen X; Millennials	Gen X; Millennials; Gen Z	Gen X; Millennials
Gender	Male; female	Male	Male; female	Male; female
Income	Under 10,000€	20,000€–30,000€; 30,000€–50,000€	20,000€–30,000€	15,000€–20,000€
Family size	1–2	3-4	1-2	1-2; 3-4
Family life cycle	Young, single	Young, married, youngest child six or older; older, married, with children; older, married, no children under 18	Young, single; young, married, no children	Young, married, youngest child under six or older; older, married, with children; older, married, no children under 18
Education	High school graduate; college graduate	Grade school or less; high school graduate	College graduate	High school graduate; college graduate
Occupation	Students; unemployed; other	Professional and technical	Managers; content creators; unemployed; other	Professional and technical; other
Social class	Middle class; upper middles; lower uppers	Working-class; middle class; upper middles	Middle class; upper middles; upper lowers	Working-class; middle class
Geographic				
Country	Portugal	Portugal	Portugal	Portugal
Region	Center, Coast	Center, Coast	Coast	Center, Coast

Density	Urban; suburban	Rural	Rural	Suburban; rural
Psychographic				
Psychographic lifestyle	Sports-oriented; outdoor-oriented	Outdoor-oriented	Culture-oriented; sports-oriented; outdoor-oriented	Outdoor-oriented
Personality	Independent; adventurous; gregarious; other	Compulsive; ambitious; adventurous; authoritarian; other	Independent; adventurous; gregarious; other	Family-oriented; adventurous
VALS framework	Innovator; Experiencer	Maker	Experiencer	Maker
Behavioral				
Behavioral occasions	Special occasion	Regular occasion; special occasion	Regular occasion	Special occasion
Benefits	Quality; speed	Value for money; accessibility; quality; customer service	Value for money; accessibility; quality; customer service	Value for money; accessibility; quality; economy; speed; customer service
User status	Potential user; first-time user	Ex-user; potential user; regular user	Potential user; regular user	Nonuser; ex-user; potential user; first-time user; regular user
Usage rate	Light user; medium user	Light user; medium user	Heavy user	Light user; medium user
Loyalty status	None; medium	Strong; absolute	None; medium	None; medium
Readiness stage	Unaware; aware; informed; interested; desirous; intending to buy	Aware; informed; interested; desirous; intending to buy	Aware; informed; interested; desirous; intending to buy	Unaware; aware; informed; interested; desirous; intending to buy
Attitude	Enthusiastic; positive	Enthusiastic; positive	Enthusiastic; positive	Enthusiastic; positive

Target Persona

Given the targeting criteria defined, four target personas were created:

- *Camping Tourist* – André Duarte, 27, an adventurous surfer. Working full-time in a restaurant, André saves his vacation time to explore the Portuguese coast with his girlfriend. He aspires to get to know and surf every European beach. Currently, he struggles to afford all the utilities he needs to comfortably roam the European continent, as it is too expensive to order online and cover the shipping fees.

- *Overland Enthusiast* – José Martins, 42, is an engineer with a strong personality. Adventurous and an overland enthusiast, Miguel likes fishing and cruising on 4x4 vehicles. On the weekends, Miguel likes to explore the nearby mountains with his girlfriend. He aspires to go on a Morocco expedition soon. He has trouble finding the tools and appliances he needs to prepare his car for the weekend trips in Portugal and the long course expedition, which are available exclusively online and with expensive shipping.

- *Motorhome Owner* – Lu Caetano, 30, an independent photographer and social media manager. Adventurous and self-sufficient, with an adventurous mindset and environmentally conscious, Maria works remotely from wherever she chooses to travel that day. She aims to visit every country in the world. Nowadays, she struggles to find the equipment she needs to remodel and furnish her new motorhome.

- *Caravan Tourist* – Rodrigo Gaspar, 45, a married computer engineer with two small children. Rodrigo likes to provide his family with some quality time together and new experiences. For summer vacation, he plans to travel down the Portuguese coast in his caravan. Currently, Rodrigo struggles to find quality and affordable items to prepare the caravan for his road trips with the family. He also has some doubts about the right equipment to buy, given that he values quality and safety above all.

5.6.3 Positioning

For adventurous campers, overlanders, and motorhome owners who are having trouble finding the items they need in Portugal, Overtravels provides every camping, overlanding, and campervan personalization items at affordable prices and immediate convenience. Besides availability, at Overtravels, customers can find outstanding, professional, and informed support, facilitating the discovery of trips of a lifetime.

5.6.   Marketing-mix

McCarthy and Perreault Jr. (2002) introduced the modern notion of Marketing Mix, defined as the controllable factors that a firm may employ to satisfy its target consumers and accomplish the desired and successful marketing strategy.

For Overtravel's, the 7Ps defined by McCarthy (2002) for retail will enhance the integrated strategy for the company and its brand, allowing it to make profitable marketing decisions at every level to make sure it is coherent and adaptable and, above all, competitive.

5.6.1.   Product (as a service)

In retail, the product becomes more than the tangible good itself. Thus, below are defined the two retail product dimensions, service, merchandise, and store-brand (following the branding characteristics defined previously in this chapter's "Brand" section).

Service

The service should be evaluated regarding tangibility, reliability, responsiveness, empathy, assurance, quality, and expectation versus experience. According to Kotler and Keller (2006), there are three steps to guarantee service quality control. First, invest in good hiring and training procedures. Explored further in the People segment of the Marketing mix; Second, standardize the service-performance process throughout the organization. Overtravels' service blueprint will outline the service operation, points of interaction with customers, and proof of service from the customer's perspective; And lastly, monitor customer satisfaction. Overtravels will use recommendation and complaint programs, consumer surveys, and comparison shopping to gain an advantage. It will also be created customer information databases and systems to provide more personalized service, especially online.

Merchandising

For the merchandising aspect of the retailing product, assortment, variety, and image should be considered. It is necessary to satisfy customer needs/wants to achieve market goals within the framework of a thought-through strategy.

This strategies' plan will mean picking and selling products that convey a clear message to customers, identifying sources of merchandise distinction to differentiate Overtravels' offer from competitors, and establishing relationships within the supply chain as a source of customer value.

Customers will choose an item based on its perceived value. If the product's actual value matches or exceeds the consumer's requirements, the customer is pleased. However, they will be dissatisfied if the actual value of the product falls short of their expectations. Thus, Overtravels' approach will be

based on Kotler's five Product Levels model (figure 5.5), with the Product line breadth, a broad range of generic product groups with few brand options, in mind.

The true benefit of the model is that it allows a company to understand the needs and desires of its consumers, allowing them to differentiate themselves from their rivals. The company will then adapt the service and product portfolio, organizational processes, and marketing campaigns to what customers want. Finally, the model assists companies in aligning with the desires and needs of their customers.

Thus, the model comprehends five levels: the Core Benefit - the underlying want or need that the consumer meets when they purchase the product -; the Generic Product - a stripped-down version of the product that includes only the features required for it to work -; the Expected Product - the collection of features that consumers anticipate when they purchase a product -; the Augmented Product - any product variations, additional features, or facilities that help distinguish the product from its competitors -; the Potential Product - all future augmentations and transformations of the product.
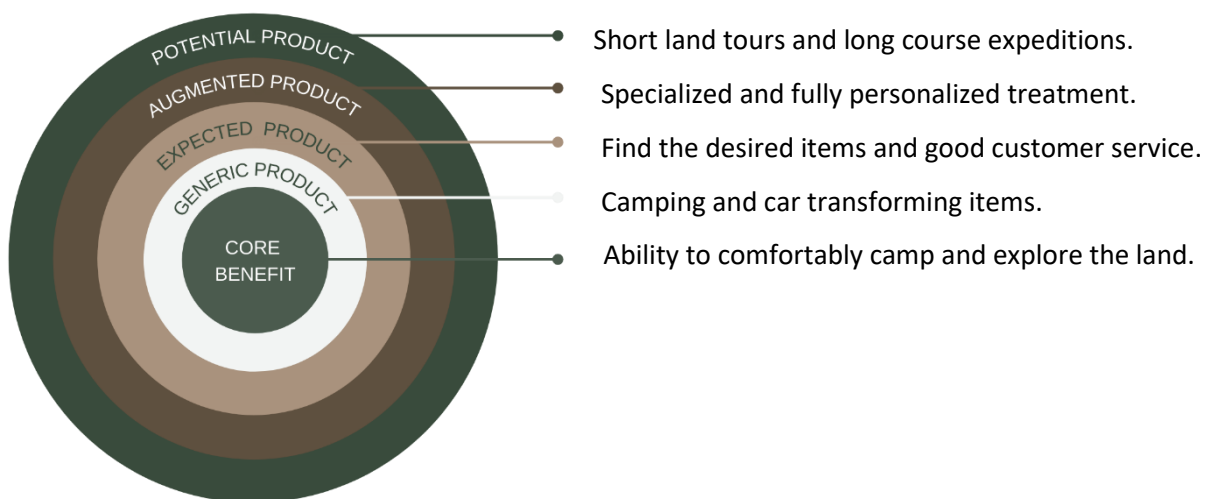
Figure 5.5 – Kotler's Five Product Levels model applied to Overtravels (Source: own elaboration)

5.6.2. Price

Despite the increased importance of nonprice influences in contemporary marketing, the price remains a vital component in marketing. According to Kotler and Keller (2006), an organization should follow a six-step method when developing a pricing strategy.

To begin, it should determine its pricing objective, estimate the demand, the likely quantities it will sell at each possible price, estimate how its costs vary at different levels of output, and for differentiated marketing offers, examine competitors' costs, prices, and offers, choose a pricing method, and finally, determine the final price.

1. *Pricing Objective* - for Overtravels, Maximum Current Profit will be the goal to obtain. This means it is necessary to estimate the demand and costs associated with alternative prices and choose the maximum current profit.

2. *Demand* - as determining accurate demand is quite tricky, Overtravels will closely follow the impact of price sensitivity on sales. This price sensitivity can be faced with providing a distinctive portfolio, taking advantage of the absence of competition, the perceived quality and exclusivity of the items sold, and store attendance.

3. *Costs* - to determine the costs, it is crucial to keep track of inventories and engage in a cost reduction strategy. As so, it is necessary to calculate the direct costs - not only the inventory costs but also duty, freight, and delivery charges, as well as direct labor costs incurred in the provision of the service - and calculate the cost of goods sold and cost of sales - this covers direct expenses as well as other costs incurred to supply the goods to the client-. For Overtravels, costs such as general supplies, delivery, wages, benefits, depreciation, amortization expenses, marketing and advertising, rent or mortgage and property taxes, insurance, professional fees, and warehouse overhead should be accounted for.

4. *Competitors' Costs, Prices, and Offers* - following Kotler and Keller's (2006) Pricing Strategy, Overtravels must consider competitors' costs, sales, and potential price responses within the range of possible values dictated by market demand and business costs. For example, supposing Overtravels' product portfolio and service has features that the closest rival does not, the company should assess their relevance to the consumer and apply that value to the competitor's price. On the other hand, if the competitor's offers have any features that Overtravels does not have, the firm can deduct the sum of those features from its price.

5. *Pricing Method* - Overtravels will use Kotler and Keller's (2006) three Cs model for price setting, in which three significant considerations are taken while setting the price - costs set a floor to the price, competitors' prices and the price of substitutes provide an orienting point, and Customers' assessment of unique features establishes the price ceiling. Given this, Overtravels will have Markup Pricing as the preferred method. As so, a standard markup value will be added to the products' cost.

However, even though the pricing strategy should be coherent and consistent, the pricing structure should not be exclusively single-priced. Instead, it should include variations and occasional price adaptations such as price discounts and allowances (as awards for early payment, volume purchases, and off-season buying, for example), and promotional pricing in order to reflect logistic needs such as excess plant capacity, declining market share, a desire to dominate the market through lower costs, economic recession, cost inflation or overdemand.

5.6.3. Place

Kotler and Keller (2006) define distribution channels as the places "to display, sell, or deliver the physical product or service(s) to the buyer or user". Thus, channels of all kinds play an essential part in a company's growth and influence all other business decisions.

Physical Distribution

The supply chain is a long path that connects raw materials, parts, and finished goods to final buyers.

For Overtravels, the supply chain (Figure 5.6) has the following structure:

Figure 5.6 - Overtravels' supply chain structure (Source: own elaboration)

The physical store and warehouse are expected to have a 10h to 19h daily schedule and be located in the Municipality of Torres Vedras, in the center region of Portugal, a city recognized for its 20km of beaches and valleys, known in the overland community for its 4x4 routes.

Marketing Channels

According to Kotler and Keller (2006), to design an effective marketing channel structure that aligns with the brand positioning, the previously identified consumer needs and wants shall be considered.

It is crucial to define channel goals and constraints and identify and analyze significant channel alternatives. Consumers may choose their preferred channels based on price, product assortment, and convenience, as well as their shopping objectives (economic, social, or experiential). Segmentation exists just as it does for products, and companies must be mindful that different customers have different desires during the purchasing process. Thus, to reach all potential customers, Overtravels will pursue an Omnichannel retail strategy, a sales and marketing approach that provides shoppers with a genuinely optimized buying experience by integrating consumer interfaces from brick-and-mortar to smartphone browsing and everything in-between.

Each channel has unique strengths and weaknesses, from retail shop salesforce to web sales touchpoints (social media and website). Combining them in a structured and planned approach makes it possible to reach every potential customer on their preferred channel and make it a selling point. It should also focus on maximizing the market by channel diversification and extensive data and device integration.

In conclusion, for Overtravels, an integrated omnichannel strategy will allow customers to order a product online and pick it up at the store location, search for the product online while at the store, try the product, buy it online and have it delivered at home and return an online-ordered product to the retailer. Besides that, they will receive discounts and promotional offers based on online and offline purchases and have fully personalized and integrated customer support that shares information internally.

5.6.4. Promotion

According to Kotler and Keller (2006), developing effective communications requires eight steps: firstly, identify the target audience, determine the communications objectives, design the communications, select the communications channels, establish the total communications budget, decide on the communications mix, measure the communications' results, and manage the integrated marketing communications process.

Given that the target market was already defined earlier in this business plan, and the communications design and measurements are defined when in operation, the remaining steps will be defined in this chapter.

Communications Objectives

There are three main objectives for Overtravel's communication strategy. The primary one is to create brand awareness - foster the consumer's ability to identify a purchasing opportunity within the industry, recognize or recall Overtravels' brand, establishing a basis for brand equity. The second is to promote brand attitude - Assist consumers in determining Overtravels' perceived potential to address a current need. The third is to develop the customers' brand purchase intention - Influencing people to purchase from Overtravels.

Communications Channels and Communication Mix

After careful elaboration of Overtravels' Customer Journey (Annex B), it is possible to select the following channels to promote the brand: a website composed of a webstore, an "About Us" page with the company's values, mission, and vision, and a blog to pursue an SEO strategy. In addition, an SEM strategy will also be developed to increase the webstore flux.

Social Media, in particular, Facebook – through posts, events, a community group, and involvement in the target communities -; Instagram – through an Instagram store, lifestyle and equipment posts, and interactive Instagram stories -; Tik Tok – through lifestyle videos, product assembly videos, and market novelties videos -; Pinterest, through lifestyle pictures leading to the blog posts, webstore, Instagram, and Tik Tok; and Reddit through camping and traveling experience sharing.

All the social media organic results will be complemented with a paid media strategy to boost brand awareness.

An e-mail marketing strategy will also function as a touchpoint for customers and potential customers with information on orders and a channel for customer conversion.

Offline, the primary touchpoint will be the store personnel that will also be representing the company at national and company-sponsored events. There can also be advertisements on billboards in the Torres Vedras region showcasing the camping lifestyle and articles in overland community magazines.

Integrated Marketing Communications

Overtravels will integrate personal and nonpersonal communications channels through multiple-vehicle, multi-stage campaigns to generate maximum effect and maximize message reach and impact.

To efficiently manage and coordinate the complete communication process, integrated marketing communications (IMC) are required. Defined by the American Association of Advertising Agencies as "a marketing communications planning that recognizes the added value of a comprehensive plan to evaluate the strategic roles of a variety of communications disciplines, and that combines these disciplines to provide clarity, consistency, and maximum impact through the seamless integration of discrete messages", IMC can assist establish brand equity and increase sales impact by producing firmer message consistency.

5.6.5. People

This part of the Marketing-mix applies to those working on Overtravels to, among other things, conduct market analysis to identify demand and consumer demands, control the supply chain to ensure prompt fulfillment, support facilities, and function as contact points for customer engagement.

Given that customer care representatives are supposed to serve as a differentiating feature for Overtravels compared to other competitor companies, and it may work in its favor as an advantage, this aspect should represent the primary concern when recruiting people.

Overtravels' customers must know that they can speak to professionals that perform as industry experts who are eager and ready to support them whether they have questions or complaints with the items they purchased. Thus, it is necessary to recruit people who fit its culture and values and educate the customer service representatives. This should include both the professional and personal facets of the work, implying that they should be well-versed in the requirements of the goods they sell while being approachable and have a sincere willingness to help the customer. According to Kotler (2012), "better-trained personnel exhibit six characteristics: competence, courtesy, credibility, reliability, responsiveness, and communication".

5.6.6. Process

Retailing encompasses all operations involved in marketing products or services directly to end-users. For Overtravels, this covers three functions: supply, marketing, and logistics.

Adding to the traditional retail concept, Overtravels will integrate the critical components of an omnichannel retail experience.

Supply

The supply function encompasses the selection, purchase, stock management, display, and sale of a range of products, following a specific order of activities: first, it is necessary to select the product categories, then it is needed to identify, choose, evaluate, and appraise suppliers. After the suppliers are chosen, the purchase portfolio should be planned, and lastly, the responsible person should negotiate margins and quantities.

Marketing

To achieve a coherent and practical marketing plan is necessary to gather information about potential and current customers, competitors, and other actors and forces in the marketing environment.

After this analysis is conducted, it is necessary to acquire the funds to finance inventories at different levels in the marketing channel and develop a consistent Marketing Plan that will later translate into the dissemination of persuasive marketing campaigns and actions to stimulate brand recognition and purchasing.

Also, it is crucial to develop pre-purchase services such as ordering online, in-store, and by phone and post-purchase services such as shipping and delivery, adjustments, and returns and installations to allow for sales conversion.

Logistics

Market logistics entails preparing the facilities to satisfy demand and integrating and managing the actual movements of products from points of origin to points of sale to meet customer requirements profitably.

For Overtravels, the business logistics mission will be assisted by an Integrated Logistics System (Figure 5.7), which includes orders, inventory and warehouse control, product flow systems, and physical delivery planning, aided by information technology. These advancements can minimize order-cycle time, administrative labor, mistakes and have increased operational control. Thus, the primary process will include:
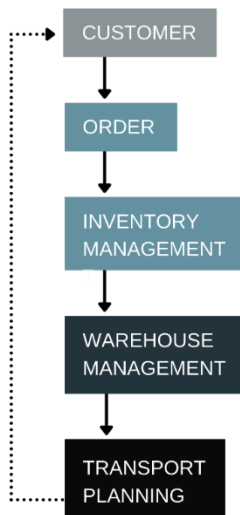
Figure 5.7 – Overtravels' logistics process (Source: own elaboration)

Order Processing - Receiving and sorting an order, whether offline or online, entails editing inventory, overseeing customer care, receiving payments, and coordinating paperwork between suppliers and transportation firms.

Inventory management - Inventory management is a critical component of the supply chain and manages and documents the number of goods for sale. While coping with frequent and fast adjustments, steps such as receiving, processing, storing, and monitoring inventory make up the inventory management process.

Warehouse management - Warehouse management is a set of processes that sustain, monitor, and automate warehouse operations. Receiving items, transporting them, coordinating warehouse staff using, ensuring secure working environments, and using software and hardware to find and monitor items are all part of the process.

Strategic transport planning - After the order has been assembled and packed, the final step before it leaves the store is to optimize the distribution. This step includes selecting a shipping method while keeping in mind that logistics options impact retail pricing, on-time delivery results, and the condition of the products when they arrive at the destination, all of which influence customer satisfaction, and consequently, loyalty.

5.6.7. Physical Evidence

Stores can provide a shopping experience as a significant differentiator in addition to their inherent advantages, such as items that shoppers can see, touch, and experience, real-life customer service, and no shipping time for most purchases. Consumers frequently rely on physical clues to assess the worth of a product or service before purchasing it. As a result, physical features and staff behavior play a strategic role in developing a robust and pleasant image for the brand. In Overtravels case, the physical characteristics will aid in translating an atmosphere of freedom, adventure, and fun.

Overtravels' building structure will be divided into four sections: the warehouse, where the merchandise will be stored; the back office, where management will do regular work; the showroom, where most of the products will be displayed, and the outside experimentation area, where products can be tested and events can be held.

Layout

The showroom arrangement, which is especially relevant to Overtravels, helps to function physical evidence by making clients feel welcome and comfortable deciding to purchase the displayed objects.

An intuitive layout should aid the Overtravels customer shopping experience in a circuit and closely put items that function together, increasing the possibility of cross-selling.

Ambiance

As retailers must consider all the senses when defining the consumer experience, the appearance and feel of a shop should be carefully considered to represent the company's beliefs and objectives while also meeting consumers' expectations. The chosen atmospherics should display planned physical messages to meet the store selling objectives. For Overtravels, this may be represented by soft nature sounds, green as the main color scheme, and the smell of grass, for example, combining with the always friendly and engaging staff.

Retailtainment

Besides creating the right store ambiance and layout, for Overtravels, in-store entertainment will also be promoted to attract customers who want fun and excitement. Experiential marketing can be used not only to engage with the customers but also as a co-branding opportunity, to raise the company's visibility, to generate or reinforce perceptions of essential brand image connections, to demonstrate commitment to the community and onto social problems, to establish and build relationships with partners and suppliers, and To make merchandise or promotional opportunities available.

For Overtravels, retailtainment can be translated into a caravan decorating demonstration developed in compliance with a supplier or hosting an expert that will answer questions or give tips on the best traveling and camping spots. It will also be in the plans for Overtravels to organize a yearly 4x4 ride event in the west, discovering the mountain landscape, following Kotler and Keller's (2006) words, "the idea is not to sell something, but to demonstrate how a brand can enrich a customer's life".

5.7. Implementation and Requirements

The implementation of the Overtravels business strategy is expected to take nine months. This chapter defines the project stages and essential activities crucial to the project's success and the company foundation requirements.

5.7.1. Project Phases and Main Activities

Concept development (phase one) - This project's original concept is being developed and examined to see if it is feasible to execute and complete. Furthermore, this thesis serves as the foundation for the project definition and planning since it specifies the project's scope and following stages.

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Project's funding quest (phase two) - Once the project has been completed and proved feasible, it is critical to secure funding. Therefore, the project will be submitted to multiple sources in order to obtain the best benefits.

Execution and Launch (phase three) - The company will be constituted and the brand registered in this stage. At the same time, the physical space for implementation must be found and rented, and the online store developed. Also, in this phase, Overtavels will begin building its product portfolio with its targeted suppliers. Finally, at the end of this phase, a solid marketing campaign will be implemented to raise brand awareness based on the marketing plan defined in chapter 5.

Performance and Control (phase four) - This phase begins when the store is launched and continues indefinitely since it evaluates and analyzes its success and progress, involving regular evaluation and sensitivity to criticism.

All the above phases are detailed below (Table 5.4) regarding the estimated duration and approximate start date:

Table 5.4 - Overtravels' main activities plan (Source: own elaboration)

Phase	Activities	Estimated duration	Start date
1	Project feasibility analysis	3 weeks	September 2021
1	Viability study	2 weeks	September 2021
2	Investment quest	6 months	October 2021
3	Company constitution	1 day	April 2022
3	Brand registration	4 months	April 2022
3	Warehouse selection and rent contract	3 months	April 2022
3	Website development	3 months	April 2022
3	Suppliers selection	2 months	April 2022
3	Product portfolio selection	1 month	April 2022
4	Promotion of Overtravel's brand	Continuous	June 2022
4	Performance evaluation and control	Continuous	June 2022

5.7.2. Foundation Requirements

Everyone in Portugal can create a company at the Government service "Empresa na Hora" for 360 euros. However, before asking for validation, it is necessary to have a Certificate of Admissibility of Firm or Denomination issued with the name already approved. Then a model of social pact shall be chosen. For Overtravels, it should be the SQ-1-06-II model for a share company.

To register the brand, it is necessary to have a representation of Overtravels' identity (namely, with the words, figures, and drawings that compose it and the colors of the brand, if the colors are to be registered), the identification data of the person applying for registration (name, business name or company name, nationality, address, fiscal number, and email), the classification of the products or services for which the brand is intended (according to the Nice Classification) for Overtravels the classes 22 and 25. This process will take approximately four months and cost 127,65 euros.

Financial Evaluation

6.1. Financial Analysis

6.1.1. Project Assumptions

This chapter will go through the project's economic and financial viability analysis. Several assumptions were made to arrive at the considerations that would serve as the foundation for this analysis.

The first assumption is that the first semester of 2022 will be focused on preparing the company to go live in the second semester of the same year. Overtravels will, after that, be fully prepared to launch its core business with the two business partners and founders as the only employees. Thus, the forecast for 2022 corresponds exclusively to the second semester of the same year.

This financial study will concentrate on the first five years of operation because the business is projected to be consistent and identical across the years (from 2022 to 2026). Regarding monetary values, the inflation rates were not considered for the stated calculations to simplify the evaluation process and its minor relevance to the project's objectives and desired outcomes.

Since there is no information available for this market, all the projections correspond to estimations.

6.1.2. Sales Forecast

Overtravels must consider the previously stated assumptions in order to generate a realistic sales forecast. Because the retail of camping, overlanding, and caravan customization items will be the company's major emphasis, selling those products will be the primary source of revenue. The projected sales values are shown in the table below (Table 6.1):

Table 6.1 - Overtravels' sales forecast (Source: own elaboration)

	2022	2023	2024	2025	2026
Sales	225 000,00€	675 000,00€	776 250,00€	892 687,50€	1 026 590,63€
Percentual increase		50%	15%	15%	15%

6.1.3. Provision of external services

The figures indicated under the topic of external services providers are based on the expenses of carrying out the activity, estimated according to the market prices stated in table 6.2.

Table 6.2 - Provision of external services (Source: own elaboration)

	2022	**2023**	**2024**	**2025**	**2026**
Electricity	540,00€	1 080,00€	1 080,00€	1 080,00€	1 080,00€
Water	120,00€	240,00€	240,00€	240,00€	240,00€
Rent	3 000,00€	6 000,00€	6 000,00€	6 000,00€	6 000,00€
Insurance	900,00€	1 800,00€	1 800,00€	1 800,00€	1 800,00€
Hygiene	1 500,00€	3 000,00€	3 000,00€	3 000,00€	3 000,00€

6.1.4. Personnel expenses

As the only employees for the first five years of activity are the two founders of Overtravels, their salary will be the Portuguese minimum wage, with a value of 665 euros.

6.1.5. Initial investment

The initial investment will focus on assets throughout the whole product line, the expenses arising from the provision of external services, and customizing the physical environment by converting a warehouse section into a showroom. The anticipated investment is 228 560,00€.

6.1.6. Profit and Loss account

In the Profit and Loss statement, it is projected that the five years of operation (2022-2026) will result in a positive net profit for the period, as presented in table 6.3, on the following page. It is expected that Overtravels' will increase profitability by 258% on the second year of activity (mainly given the fact that on the first year of activity are only sold products on the second semester), proceeded by an increase of 19%, 18%, and 17% in 2024, 2025, and 2025 respectively.

Table 6.3 - Profit and Loss statement (Source: own elaboration)

	2022	**2023**	**2024**	**2025**	**2026**
Sales	225 000,00€	675 000,00€	776 250,00€	892 687,50€	1 026 590,63€
Cost of goods sold	202 500,00€	607 500,00€	698 625,00€	803 418,75€	923 931,57€
Gross Profit	**22 500,00€**	**67 500,00€**	**77 625,00€**	**89 268,75€**	**102 659,06€**
Provision of external services	6 060,00€	12 120,00€	12 120,00€	12 120,00€	12 120,00€
Personnel expenses	1330€	1330€	1330€	1330€	1330€
EBITDA	**15 110,00€**	**54 050,00€**	**64 175,00€**	**75 818,75€**	**89 209,06 €**
Depreciation and amortization	1 511,00€	5 405,00€	6 417,50€	7 581,88€	8 920,91 €
EBIT	**13 599,00€**	**48 645,00€**	**57 757,50€**	**68 236,88€**	**80 288,15€**
Interest expenses	679,95€	2 432,25€	2 887,88€	3 411,84€	4 014,41€
EBT	**12 919,05€**	**46 212,75€**	**54 869,63€**	**64 825,03€**	**76 273,75€**
Income taxes	2 713,00€	9 704,68€	11 522,62€	13 613,26€	16 017,49€
Net Profit	**10 206,05€**	**36 508,07€**	**43 347,00€**	**51 211,77€**	**60 256,26€**

CHAPTER 7

Conclusion

The purpose of this project was to create a long-term business strategy for an innovative retail company.

It was possible to deduce a rising interest in sustainability and independent travel from the Literature Review section, implying an exciting demand opportunity to explore. Furthermore, the external study revealed a market gap in Portugal's camping, overlanding, and caravan customization goods, indicating a solid business opportunity for Overtravels. The external analytical techniques – PESTLE Analysis and the 5 Porter's Forces – verified those findings.

The examination of competitors concluded that the firm has few direct competitors; nevertheless, being essential to note that none of the competitors, either direct or indirect, has the same business approach as Overtravels.

It was also determined that the company's clients include campers, motorhome owners, and overland enthusiasts who wish to explore the Portuguese countryside on their own. As a result, Overtravels will pursue a differentiating strategy based on the availability of niche products and the quality of its customer service.

Regarding the defined marketing mix defined for Overtravels, the product is exposed mainly as a service concerning selling merchandising related to camping and overlanding. The pricing structure will be a hybrid of a single-price system with modifications and regular promotional rates. Regarding Overtravels' distribution channels, two key selling points in the marketing plan promote an integrated omnichannel strategy: its physical shop, a showroom, and an online store. Concerning Overtravels promotion, the goals defined for Overtravels are to raise brand recognition, improve brand attitude, and increase consumer brand buy intention. These ultimate goals will be met through an integrated communications strategy that includes the website, social media, e-mail, and numerous additional offline touchpoints as channels. Overtravel's employees and representatives are intended to be the company's distinguishing feature. Employees must be knowledgeable about the items they offer while being accessible and genuine in their desire to assist the consumer, giving exceptional customer service that aspires to be memorable and spread through word-of-mouth. This marketing mix also defines the three functions that compose all retailing operations: supply, marketing, and logistics. Finally, physical shop evidence is presented, emphasizing layout, ambiance, and retailtainment since the store retail experience may be a predictor of differentiation from competitors.

The firm's income will be generated by the items it sells. A financial evaluation was carried out as the last stage of the Business Plan. It determined that the firm's initial investment of 228 560,00€ is sufficient to pay the costs of starting the business and producing positive profits within the first year of operation. However, it should be recognized that external influences such as governmental laws and weather conditions may impact the project's outcomes.

The firm's revenues will arise from the products sold. As a final stage of the Business Plan, it was conducted a Financial evaluation. As a result, it was possible to conclude that the firm's initial investment of 228 560,00€ is sufficient to cover the needs to start the business and bring positive results from the first year of operation onwards. However, it should be noted that external factors such as political regulations and climate conditions may influence the project's results.

In conclusion, when put in practice, it is reasonable to believe that the project may be slightly different from this Business Plan as the process evolves and new ideas are generated. However, it is reasonable to assert that this Business Plan creates the required conditions to succeed and transform the Portuguese vacation paradigm.

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Annexes

Annex A – Overtravels' moodboard (Source: own elaboration)

STAGE	AWARENESS		CONSIDERATION	
Customer Activities	Word-of-Mouth; See a picture or blog post on Social Media; See Ads on Google; Search for "camping", "caravanning", "overland", etc., on a search tool; See promotional products at an event.	Compare and evaluate alternatives.		Visit the Showroom/Brick-and-mortar store.
Customer Goals	No goals at this point.	Find the best equipment to prepare a car/motorhome for overlanding.		See/feel the equipment.
Touchpoints	Website; Blog; Instagram; Facebook; Tik Tok; Pinterest; Google Ads; Overland-related magazine.	Landing page; Website; Online store; Company page; Searchbar; Instagram; Facebook; Tik Tok; Pinterest; Overland-related magazine.		Store location; Store ambiance; Store layout; Product positioning; Product availability; Employee Appearance; Employee behavior; Wait times.
Experience — 5	x			
Experience — 4	(interested, curious)			x
Experience — 3				(considerative, trustful, comfortable)
Experience — 2		x		
Experience — 1		(confused, requires effort)		
Business Goals	Increase awareness and interest.	Increase number of website visitors.		Increase shopping cart value and conversion rate.
KPIs	Number of people reached.	New website visitors.		Number of visitors.
Organizational Activities	Create marketing campaigns and content both online and offline; Public relations.	Create marketing campaigns and content both online and offline.		Optimize processes, people, and perception on the brick-and-mortar store; Optimize shopping experience.
Responsible	Marketing and communications.	Marketing and communications.		Marketing.
Technology Systems	Customer Relationship Management (CRM);	CRM; Analytics; Website; Blog; Marketing automation; SEM.		-

	Analytics; Social media; Website; Blog.		
STAGE	**DECISION/PURCHASE**		
Customer Activities	Add to cart.	Order and pay online	Pay
Customer Goals	Easily find and select the products.	Order effortlessly.	Make an informed and supported purchase
Touchpoints	Product list; Product page; Cart page; Abandoned cart e-mail.	Website; Payment app; Order confirmation e-mail; Checkout page; Thank you page.	Checkout; Customer support; Store service.

Experience				
	5	x		
	4	(expectant, excited)	x	
	3		(nervous, excited)	x
	2			(payment is painful)
	1			

Business Goals	Increase shopping cart value and conversion rate.	Increase online sales and conversion rate.	Increase shopping cart value, conversion rate, up-selling, and cross-selling.
KPIs	Shopping cart value; Conversion rate.	Online sales; Conversion rate.	Offline sales.
Organizational Activities	Optimize online shopping experience.	Optimize online purchase funnel and order handling.	Optimize offline payment processes; Organise customer service.
Responsible	Online development; Customer service.	Online development; Warehouse; Logistics.	Customer service; Sales representative.
Technology Systems	CRM; Analytics; Content Management System (CMS);	CRM; Analytics; Content Management System (CMS); E-commerce platform; Product	PIM; Billing system.

	E-commerce platform; Product Inventory Management (PIM).	Inventory Management (PIM); Marketing automation.	

STAGE	DELIVERY AND USE			
Customer Activities	Receive or pick up an online order	Contact customer service	Assemble the equipment.	Use
Customer Goals	Receive and/or pick up an order effortlessly and when needed.	Get help if problems arise; Request refund.	Get help if needed; Assemble at the store location.	Have all the equipment needed.
Touchpoints	Delivery service; Packaging; Messages (e-mail, SMS, phone call).	Phone call; E-mail; Chat; In-store support.	In-store support; Phone call.	Products.
Experience	**5**				
	4	x		x	x
	3	(happy when received, excited to try)		(expectant)	(satisfied)
	2		x		
	1		(frustrated)		
Business Goals	Deliver on time and minimize the delivery window.	Increase customer service satisfaction; Minimize waiting time.	Increase customer service satisfaction.	Make products match expectations.

KPIs	On-time delivery rate; Average delivery window.	Customer service success rate; Waiting time	Service success rate.	Product and service reviews.
Organizational Activities	Picking and delivery.	Organize customer service.	Develop assembly services.	Optimize products' portfolio.
Responsible	Warehouse; Logistics.	Customer service.	Customer service.	Product purchasing.
Technology Systems	CRM; Analytics; Order and delivery systems; Marketing automation.	CRM; Analytics; Help desk; Chat.	-	CRM; Analytics; Vendor management system; PIM.

STAGE	LOYALTY AND ADVOCACY		
Customer Activities	Order again and/or more.		Share experience.
Customer Goals	Repeat good customer service.		Share feelings; Give feedback.
Touchpoints	Brick-and-mortar store; Website.		Word-of-mouth; Social media; Ratings on Google Business and website.
Experience	**5**		x
	4	x	(enthusiastic, happy)
	3	(satisfied)	
	2		
	1		
Business Goals	Increase retention rate; Increase order value and/or frequency.		Turn customers into advocates; Turn negative experiences into positive.

KPIs	Retention rate; Order value and frequency.	Customer satisfaction.
Organizational Activities	Re-target marketing; Optimize re-ordering processes; Up-selling and cross-selling.	Manage feedback and social media; Develop sharing/inviting possibilities.
Responsible	Marketing; Online development.	Customer service; Online development.
Technology Systems	CRM; Analytics; Marketing automation; E-commerce platform.	CRM; Analytics; Marketing automation; E-commerce platform; Social media; Website.