

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

Business plan - case study of gift boxes

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Daria Kozhukhar

Economics Policy and Administration
Business Administration

Thesis title

Business Plan – case study of gift boxes

Objectives of thesis

The bachelor thesis deals with presenting a business plan for a gift boxes company, called "Avocado Box". The work is divided into 2 main parts: theoretical and practical. In the theoretical part author analyses the meaning of the business plan and its components. Also in this section is an analysis of companies engaged in a similar type of business.

Methodology

The practical part is aimed at creating and describing the business plan. There is a detailed description of the necessary materials from a financial point of view: calculations, profit forecasts. Additionally, the author creates a marketing strategy for first year of operating. Comparative and descriptive methods will be used in the thesis.

The proposed extent of the thesis

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CHAFFEY, D. *Digital business and e-commerce management : strategy, implementation and practice*. Harlow: Prentice Hall, 2015. ISBN 978-0-273-78654-2.

PERREAULT, W D. – CANNON, J P. – MCCARTHY, E J. *Basic marketing : a marketing strategy planning approach*. [New York]: McGraw-Hill Irwin, 2014. ISBN 978-1-259-06076-2.



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Declaration

I declare that I have worked on my bachelor thesis titled «Business plan - case study of gift boxes» by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 23.03.2020

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Business plan - case study of gift boxes

Abstract

The bachelor thesis is focused on the creation of the business plan for the company called Avocado Box. This company specializes in creating gift boxes. Company Avocado Box this company is located in Prague and working as an online store. The aim was to identify whether the start-up idea would be profitable and competitive.

The thesis itself consists of two parts. The theoretical one is based on the literature and online articles research. This part contains information on how to write a business plan, information about common and standardized business plan items, explains these items, and their importance in the business plan. Also, in the theoretical part, there is a product-market analysis and unit economics analysis.

The practical part introduces the case study of a start-up Avocado Box in Prague. There is full information about the company, such as product description, suppliers, location, and legal structure. In the practical part, there are also such vital components of a business plan as unit economics analysis, SWOT analysis, and PEST analysis.

Keywords: Business plan, Marketing plan, Financial plan, Gift market.

Title of Bachelor Thesis in Czech

Abstrakt

Tato bakalářská práce je zaměřena na vytvoření business (byznys) plánu pro společnost Avokado Box, která se specializuje na výrobu dárkových boxů. Společnost sídlí v Praze a zaměřena na online prodej. Cílem této práce je zjistit, zda tento nápad bude ziskový a schopný konkurence.

Práce má dvě části. Teoretickou část, kde autorka čerpala z literatury a online článků. Teoretická část obsahuje informace, jak sestavit byznys plán, informace o běžných a standartizovaných částí byznys plánu, vysvětluje dané části a jejich důležitost. Teoretická část také obsahuje analýzu výrobků na trhu a ekonomickou analýzu produktu.

Praktická část představuje případovou studii a start-up společnosti Avocado Box v Praze. V této části jsou představeny veškeré informace o společnosti, jako: popis produktu, dodavatelé, lokace a právní struktura. Dále jsou v praktické části obsaženy informace o komponentech byznys plánu, jako: ekonomická analýza produktu, SWOT a PEST analýzy.

Klíčová slova: Klíčová slova: byznys plán, marketingový plán, finanční plán, dárkový obchod

Contents

1. Introduction	10
2. Objectives and Methodology	11
2.1. Objectives	11
2.2. Methodology	11
3. Literature review	12
3.1. Business plan concept	12
3.1.1. Types of business plans	13
3.1.2. Planning process and functions	14
3.2. Market analysis	16
3.2.1. Main functions of marketing plan	17
3.2.2. SWOT Analysis	18
3.2.3. PEST Analysis	18
3.2.4. Unit economics	19
3.3. Transformation of consumer behavior in a digital society	20
3.4. Analysis of companies engaged in a similar type of business	24
3.4.1. Companies with a similar type of business	24
3.4.2. Companies with an identical type of business	26
4. Practical Part	28
4.1. Introduction to practical part	28
4.2. Product description	28
4.2.1. Individuals gift boxes	29
4.2.2. Pre-made gift boxes	29
4.2.3. Suppliers	30
4.2.4. Location	32
4.2.5. Legal structure	32
4.3. Unit economics	33
4.3.1. Marketing campaign budget forecast	34
4.3.2. Variable costs	35
4.3.3. Gross margin per unit	36
4.3.4. Brake even point	36
4.3.5. Initial investments	37
4.3.6. Retention and LTV	37
4.4. Analysis of internal and external factors	37
4.4.1. SWOT analysis	38
4.4.2. PEST analysis	40
5. Results and Discussion	42

6. Conclusion	43
7. References	44
8. Appendix	46

List of figures

Figure 1 Planning process chart	15
Figure 2 Unit economics map	20
Figure 3 Sales funnel.....	35

List of tables

Table 1 Analysis of direct competitors. Companies with a similar type of business.....	25
Table 2 Analysis of direct competitors. Companies with the identical type of business. ...	26
Table 3 Types of pre-made gift boxes.....	29
Table 4 Suppliers.....	30
Table 5 Legal structure of « Avocado Box» company.....	33
Table 6 Marketing budget estimation.....	34
Table 7 Variable costs	35
Table 8 Gross margin	36
Table 9 BEP	36
Table 10 To earn one million CZK.....	36
Table 11 Initial investments.....	37
Table 12 Retention and LTV assumptions	37
Table 13 SWOT analysis	39

1. Introduction

If you ask the entrepreneur to describe the ideal business model, he will say that it does not require large investments, it guarantees a profit, and it is easy to implement. I guess I found one. My business idea is about how to give people joy and earn income. The main goal of the work is to provide a competitive business plan for a gift box company.

My work is divided into two parts - theoretical and practical. In the theoretical part, I am going to describe how to write a business plan and why every good company needs a good business plan. Also, in the theoretical part, I am going to analyze the product market in the Czech Republic. In the practical part, I would like to present a prepared business plan for the company Avocado Box. There will be a detailed business plan, which will include such components as: product description, description of suppliers, location, legal structure, unit economics analysis, SWOT analysis, PEST analysis.

The purpose of my Thesis is to prove that my business plan is realistic, viable, and, most importantly, opening a company Avocado Box is cost-effective, and the company will generate revenue.

2. Objectives and Methodology

2.1. Objectives

The purpose of the thesis is to write a really working business plan for a competitive business. The purpose of the theoretical and practical parts of the work is as follows: to study the rules for writing a good business plan, to study such important components of a business plan as analysis of the commodity market, business and marketing planning, study of consumer needs, study of existing competition and determine the uniqueness and competitiveness of your own product also forecasting profit or loss.

Ultimately, a business plan must be written in such a way that it can be presented to investors and interest them.

2.2. Methodology

The practical part is aimed at creating and describing the business plan. There is a detailed description of the necessary materials from a financial point of view: calculations, profit forecasts. Additionally, the author creates a marketing strategy for the first year of operating comparative, and descriptive methods will be used in the thesis.

3. Literature review

3.1. Business plan concept

A business plan is a planning document that contains necessary information about the organization, form of ownership, date of formation, founders, types of activities, and the range of products. It describes production, economic, financial activities, using instruments of pricing and marketing policies, provides estimated planned indicators.

Thus, each entity wishing to start an entrepreneurial activity should be aware of the prospects for intellectual, labor, financial resources, and the sources of their receipt. The ability to clearly distribute available resources and effectively use them in the enterprise is necessary.

Many scientists and researchers in their works have tried to define the concept of a “business plan”. So, in the opinion of M. M. Alekseeva, a business plan is a legal document that includes an entrepreneurial program in which the necessity and benefit of this activity are substantiated. In addition, the author adds that the business plan is a permanent document, it is constantly updated, changed, according to changes taking place within the enterprise, and in the market where the company operates. Thus, a business plan is one of the most important tools that help an enterprise determine the means to achieve a result and achieve what is desired.

A similar definition of a business plan is given by I. Yu. Brink and H. A. Savelyev. According to their point of view, this concept is a detailed business plan for a certain period, which sets the indicators that the enterprise needs to achieve.

In accordance with the point of view of V. P. Burov, a business plan is a new planning method that serves to create a variety of innovative objects related to the design or creation of new enterprises and their divisions. The business plan helps to improve technology and organization of production, modernization and development of enterprises and increase the number of products, and, as a result, improve the quality of goods and labor productivity.

S. I. Golovan considers the business plan as follows: this is a documented strategy for the development of an enterprise, which allows you to more fully develop the economic and financial aspects of the work of this enterprise, and provides technical and economic reasoning for specific activities. For new enterprises, a business plan is a mandatory document that allows you to effectively manage capital or get a loan.

Thus, a business plan is a document that includes the result of research and organizational work. The purpose of this document is to study a certain direction of development of an enterprise (product or service) in a particular market and in the current economic conditions.

The main criteria on which the business plan is based:

- *A specific project for the manufacture of a product or service*, for example, the creation of a new type of product or the provision of new services;

- *The comprehensive analysis of the production, business and commercial activities of the organization*. This analysis helps to identify the strengths and weaknesses of the organization, as well as its differences from other similar enterprises;

- *The study of specific mechanisms involved in the economy for the implementation of specific tasks*. Such mechanisms may include financial, technical, economic and organizational mechanisms (Ma Khun, 1997).

- *A business plan allows you to identify the difficulties that an enterprise will encounter*, translating its goals into an uncertain, volatile, competitive environment, formulate and outline ways to solve these problems.

- *The business plan covers one of the parts of the investment program*, the implementation period of which is usually limited to one or several years (often corresponding to the terms of medium and long-term loans), which allows a fairly clear economic assessment of the planned activities. Thus, the business plan serves as the basis for the formation of a national planning strategy.

From the foregoing, we can conclude that the business plan is a kind of development strategy that includes an economically motivated and mathematically calculated assumption about the prospects of the enterprise in the market. It shows a preliminarily developed scheme of actions, a method for its implementation, the resources necessary for its implementation, as well as its economic feasibility.

3.1.1. Types of business plans

Depending on the goals and stakeholders, there are:

• **Production business plan**. It describes the financial and economic activities of the organization and the main business processes.

It also describes the products, production technology, availability of material resources, equipment, machines and mechanisms necessary for the production.

“Based on a comparison of planned and actual indicators, measures are being developed to reduce the cost of products or services rendered for the next reporting period, and a set of measures to increase the efficiency of operation.” (Gorbunov V.L., 2017). For clarity and perception, it may contain charts, figures, tables and graphs.

- **Investment business plan.** It is interesting for investors, founders, banks and other financial institutions, it is necessary to confirm the repayment of a deposit, loan or loan.

“It usually has a purpose and contains information on a specific project.” (Orlova E.R., 2017). The greatest emphasis is on the detailed development of the production and financial plan.

- **Plan for financial recovery.** It is developed at an enterprise that is in a state of bankruptcy or insolvency.

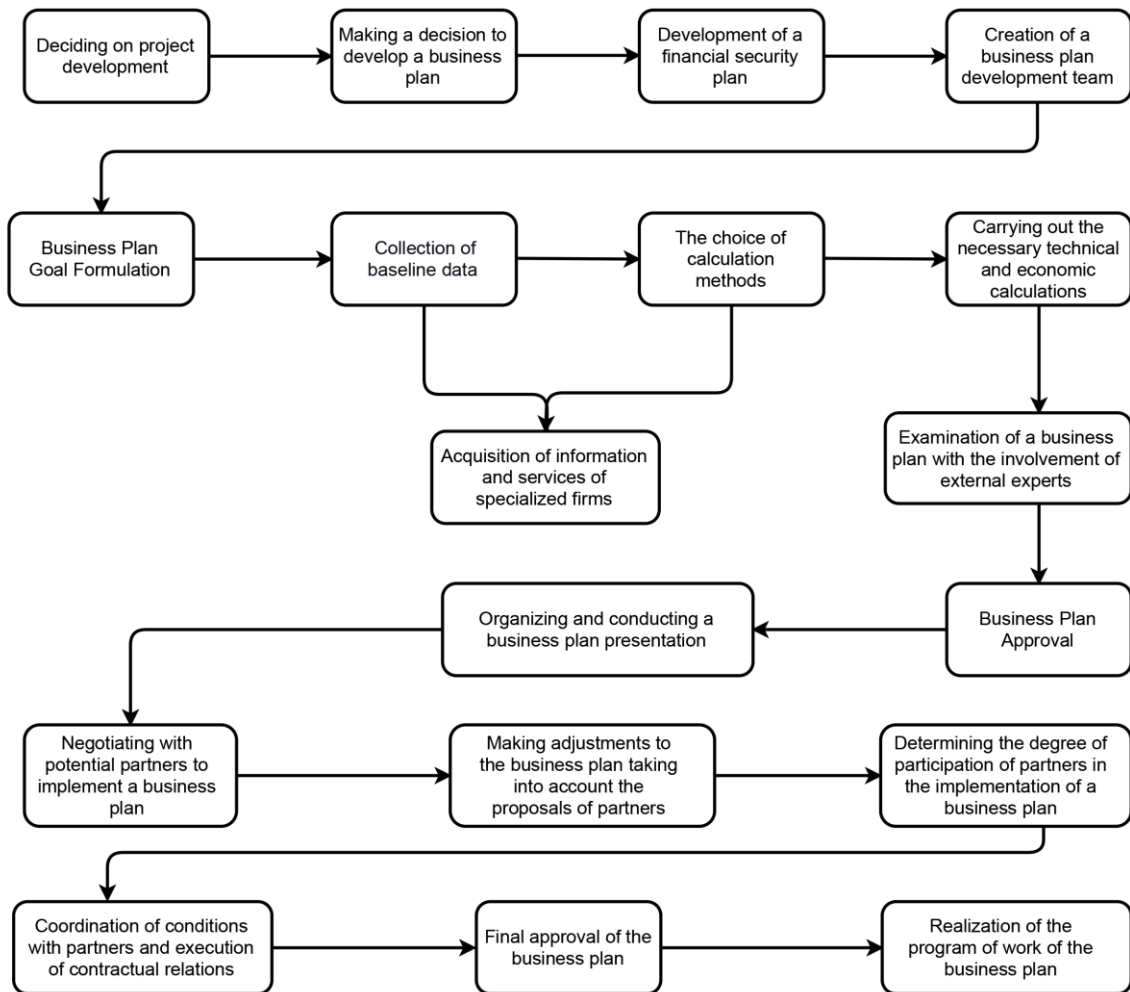
In addition to the basic economic, financial and production information, this plan contains a set of measures to overcome losses or debt obligations with an indication of the responsible officials and deadlines.

3.1.2. Planning process and functions

Planning of production and commercial activities is necessary for all legal forms of enterprises. The activities of a single enterprise without a plan is a reaction to commit event, action based on the plan - a response to the foreseen, and planned events.

A well-designed business plan reveals the prospect of its development, which answers the most crucial question: whether it is necessary to invest effort and money in this business, whether it will bring big profits that will pay off all the money spent.

Figure 1 Planning process chart



Source: (Mustafin N., Laguta I., 2016)

In today's practice, a business plan has four functions:

- **First** - using it to develop a business strategy.
- **The second** one is the formation and implementation of planned programs that allow us to assess the development potential of a new area of activity, to control the processes taking place within the business.
- **Third** - attracting finance from abroad for development purposes.
- **Fourth** - engaging business partners in the implementation of plans that can invest personal funds and technologies in it.

3.2. Market analysis

In current conditions, in order to survive in the competition, enterprises are mastering new types of services, new forms of business, putting forward not only their employees and products but also their consumers. At the same time, management directs efforts to study the market, collect the necessary information, and conduct analysis, after which strategies for market development are already being developed. At the same time, due to a longer existence, large enterprises can be in a more advantageous position compared to small and medium enterprises. However, the long-term presence on the market does not guarantee productive economic activity after all modern business is dynamic. In essence, the study and application of competitive methods in enterprise management are becoming increasingly important. The company's position on the market, development dynamics, characteristics of products (services), competitors' behavior, the state of the national and global economies, and many other factors all affect the process of developing a unique enterprise competitive strategy. Moreover, the development plan may be short-term, medium-term, or even long-term, but for the proper conduct of business, the implementation of planning is necessary.

A significant role for organizations is played by marketing management - this is a focused activity to regulate the firm's position in the market, through planning, organizing, accounting, controlling, executing each phase of the position-activity behavior of the firm, considering the influence of patterns of development of the market space, the competitive environment to achieve profitability and the effectiveness of the subject in the market (Andreeva O. D., 2015).

An enterprise that can be called marketing-oriented should have:

- *sensitive reaction to changes occurring in the market;*
- *the ability to see a still unmet need;*
- *knowledge of what and with what modifications to produce.*

A good marketing plan helps to anticipate changes in the market. If the organization is market-oriented, it seeks to get the most information about market trends, consumers, and competitors and, in the future, use it to create a product that will most fully meet the needs.

The basis of such activities is the development of a marketing plan and its subsequent effective implementation. A marketing plan is a set of events in the field of marketing to increase the competitiveness of an organization (from improving a product to increase the effectiveness of methods for promoting it on the market). Also, a marketing plan is a set of

measures to achieve the goals of the enterprise in the field of marketing (increase in sales, market share) and implementations of the marketing strategy of the enterprise.

3.2.1. Main functions of marketing plan

Marketing in the face of fierce competition is an integral part of the business of the enterprise, as well as a detailed marketing plan. The important development of a marketing plan is determined by its requirements:

1. The content of the marketing plan affects the performance of other plans. For example, the marketing plan defines pricing issues that affect financial performance, and the decision to develop and release new products affects the production plan.

2. The marketing plan systematizes and communicates to all employees of the company those ideas that, before its preparation, were exclusively in the head of the CEO; The marketing plan developed according to all the classical canons also has an important managerial function - it helps all employees of the organization to clearly understand what task they should perform when working with each market segment. This creates the conditions for the coordinated work of managers of various departments to achieve common corporate goals. That is, it is a document organizing the work of the entire enterprise.

3. It allows you to set goals and monitor their achievement.

4. It allows you to avoid unnecessary actions that do not lead to the intended goals.

5. It allows you to distribute time and other resources.

6. The presence of a marketing plan mobilizes company employees.

The common idea of each marketing plan is an action program that allows you to get a positive economic effect, profit, sales growth. Furthermore, the result of the development of a marketing plan should be the definition of goals:

- *financial* indicators of the marketing plan, characterizing the company's sales in quantitative and monetary terms for a specified period (usually one year);

- *marketing* describes the market conditions, the number of branches (representative offices), which the company intends to open in the planning period (Fatkhutdinov R. A., 2015).

In a market economy, intense competition, and changing political situation, a company needs to have an action plan that would enable it to evaluate the effectiveness of commercial activities, control costs, and compare them with profit. Planning is also necessary to attract

investors and partners who are interested in how their funds, resources, and opportunities will be used. This is what a marketing plan is for.

3.2.2. SWOT Analysis

One of the popular tools in strategic planning for the development of an organization is the SWOT analysis. It is traditionally considered in the theory of such disciplines as marketing, management, and economic analysis. This methodology involves the division of factors describing the object of study into four categories: strengths, weaknesses, opportunities, threats. Strengths and weaknesses are factors of the internal environment of the studied object (i.e., that which the object itself can influence). Opportunities and threats are environmental factors (i.e., those that can affect the object from the outside and are not controlled by the object). For example, an enterprise manages its range of products — this is a factor in the internal environment, but the company does not control trade laws — it is a factor in the external environment (Maysak Oleg, 2013).

SWOT-analysis helps answer the following questions:

- Does the company use internal strengths or distinctive advantages in its strategy? If a company does not have distinctive advantages, then which of its potential strengths can they become?

- Are the company's weaknesses its vulnerabilities in competition, and they do not allow the use of certain favorable circumstances? What weaknesses require adjustment based on strategic considerations?

- What are the opportunities that give the company a real chance of success when using its skills and access to resources? (favorable opportunities without ways to implement them are an illusion, the strengths and weaknesses of a company make it better or worse adapted to the use of opportunities than other firms).

- What threats should the manager most worry about, and what strategic actions should he take to ensure proper protection? (Humphrey, A. 2005).

3.2.3. PEST Analysis

The increase in the number of trading enterprises inevitably leads to increased competition in the market, which forces them to look for ways and means to increase the efficiency of their activities. To develop development strategies, an enterprise needs to have an in-depth understanding of both internal factors, including features, development

opportunities, and trends, as well as external ones that affect the stability and competitiveness of enterprises.

Also, it often uses the help of PEST analysis, which is a marketing tool designed to identify the political, economic, social, and technological aspects of the external environment. The results of the PEST analysis allow us to assess the external economic situation in the field of commercial activity. Based on the information received about the market, a set of goals and company strategies are formed. PEST analysis can be carried out both on a qualitative and a quantitative level, allowing one to assess the relative importance of individual macroenvironment factors for an enterprise.

3.2.4. Unit economics

Unit economy is an economic modeling method used to calculate the profitability of a business model by analyzing the profitability of a unit of goods or a single consumer. Most often, this method is used to determine the profitability of a startup's business idea.

Unit economics methods are also used to model economic results when evaluating advertising campaigns. The roots of unit economics are in microeconomics. The fundamental principle of entrepreneurship is that business must be profitable. According to the key formula of microeconomics:

$$\mathbf{Profit} = \text{Marginal Profit} - \text{Fixed Costs}$$

$$\mathbf{Margin Profit} = \text{Revenue} - \text{Variable Costs}$$

$$\mathbf{Profit} = \text{Revenue} - \text{Variable costs} - \text{Fixed costs}$$

These formulas give an understanding of all the calculations in the unit economy. For the project to be profitable, the marginal profit must be more than fixed costs.

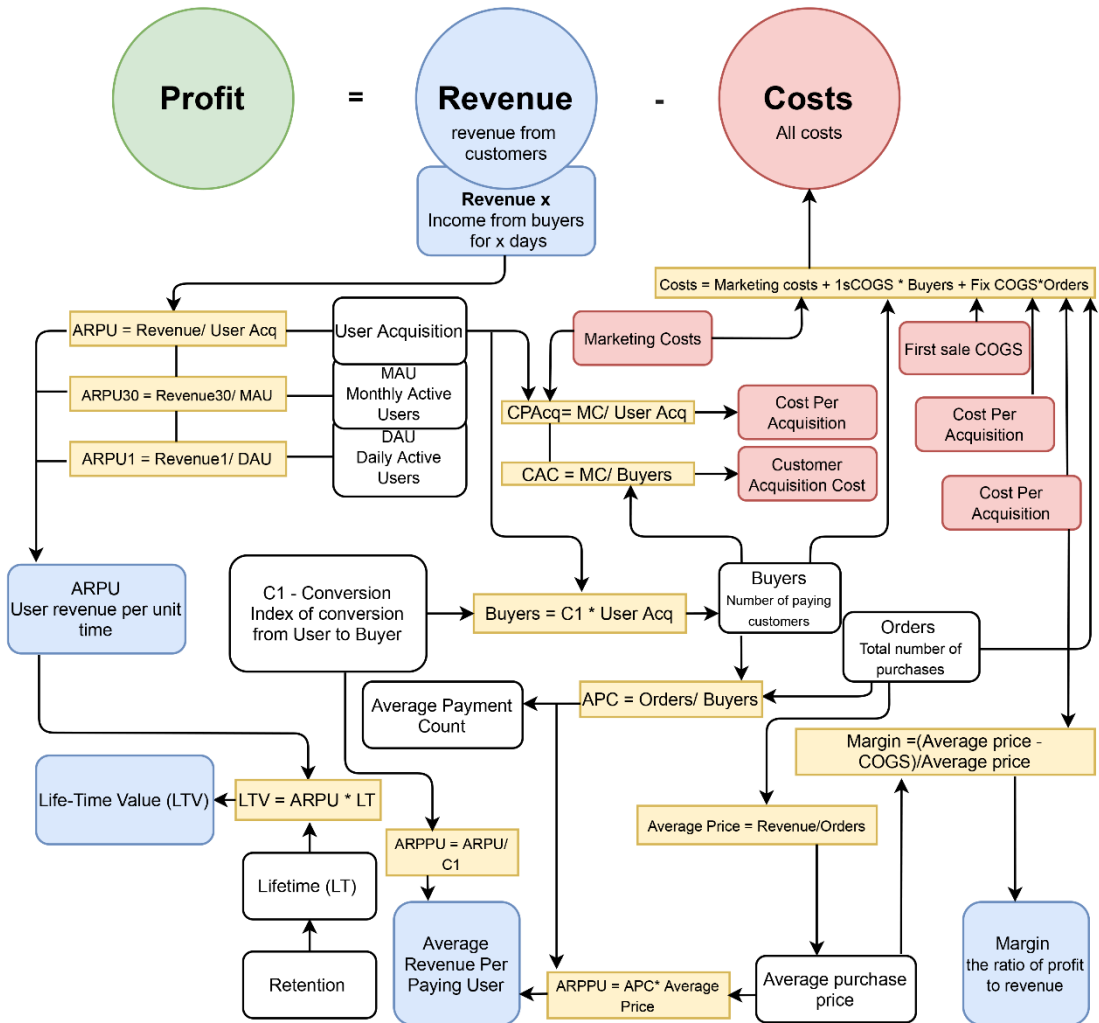
When evaluating project profitability, usually used concepts such as:

- *LTV* - the customer's lifetime value, that is, the average profit the user brings the business for the entire period while he is a consumer;
- *CAC* is the average cost of attracting a user.

It is the two above mentioned indicators that determine the success of a company's product.

Investors usually assess the viability of a business model as high if the entrepreneur can quite easily explain how the profit will be formed based on indicators such as income per client (unit price), customer acquisition cost, customer.

Figure 2 Unit economics map



Source: Author based on Vlasdislav P. work

3.3. Transformation of consumer behavior in a digital society

Research conducted by a group of marketers led by David Cort showed that “Today’s customers are not just narrowing their search, they are moving along a more complex path, leaving more options for themselves at each stage.” D. Cort developed a model of consumer behavior (“Travel consumer”) based on studies in which about 20 took part thousand people around the world. The analysis was carried out in five product segments:

cars, skincare products, consumer electronics, insurance, and cellular services.

The consumer’s perception of the brand is formed at points of contact, such as advertisements, news, conversations with family and friends, their own experience in using the product. In a digital society, the number of common grounds has increased; they have

become qualitatively different. At the same time, a large amount of information comes from channels that brand owners do not control.

Four stages are distinguished in the Cort model:

1. Overview of the offers of various brands.
2. Active assessment by searching for information from acquaintances, in product reviews, etc.
3. Purchase.
4. Use, recommendations, and the formation of communication-based on brand trust.

If the buyer's connection with the brand becomes strong enough, then it will be possible to enter the cycle “purchase - use - recommendations - communication,” completely bypassing the first two stages.

At the first stage of the “journey,” the consumer studies and evaluates the many brand offers. In today's world, the flow of information is so powerful that the consumer himself limits the number of options.

The second stage may unexpectedly lead to an increase in the number of possible options since there is an active search for product reviews and recommendations of acquaintances and friends. As you get deeper into the problem and comprehensively analyze, the selection criteria may change. Information obtained at the cost of one's own efforts influences the final decision much more than

brand advertising.

The last barrier on which a brand can significantly influence the choice of a buyer is the point of sale in the store. This is one of the most important points of contact. The final decision can be affected by everything: from the atmosphere in the store, and contact with the seller to the packaging of goods, placement on the shelf, and the final price.

The last stage, as a rule, attracts marketers the least: the product has already been purchased. On the contrary, the buyer does not reduce his activity by starting to use the product. He wants to exchange his experience, impressions of the goods. If at the same time, he learns something new about the product, his attitude to the brand may change. David Edelman claimed that over 60% of customers who purchase cosmetics are looking for product information on the Internet. Wherein

marketers generally do not take into account this common ground in their models of consumer funnels. And finally, dissatisfaction with the purchased goods can cause sharp criticism and disappointment in the brand. This whole process is very fast, since all

communications are carried out on the Internet: in social media: social networks, sites of reviews and recommendations, etc.

In the modern information society, the evolution of branding is associated with the three basic theories of Unique Selling Proposition - USP, Emotional Selling Proposition - ESP, Me Selling Proposition - MSP.

USP theory postulates uniqueness as a competitive advantage of a brand, usually of a rational nature. ESP theory describes technology

establishing an emotional connection between a brand and a consumer. The emotional component of a brand may imply individuality, freedom, uniqueness, pleasure, satisfaction, modernity, safety, trust, frugality, familiarity, recognition, status, prestige, patriotism, confidence, warmth, love, etc.

The MSP theory describes the formation of consumer feedback with a brand. In modern society, such a connection is formed based on interactive (two-way) communication through digital channels. This allows you to speed up the process of interaction between the brand and the consumer and provide a stable emotional connection. Online CRM provides "a personalized dialogue with consumers, allows you to offer them customized products and services, ... build brand loyalty."

Modern practical branding is based on the humanity and humanization of brands. Familiar features such as quality and reliability should be present in the brand initially. They are no longer indicators of consumer choice. Digital communications have provided brands the opportunity to establish a strong relationship with the consumer, to engage in common business through ideas and values that are close to the consumer. Currently, the brand is based on the idea that the brand should not belong to the manufacturer but the consumer. Many brands voluntarily transfer part of their authority to the consumer: conducting surveys, studying public opinion about the product in social networks. Since effective control over consumer communications in a digital society is practically impossible, brands need to actively engage in communication as partners, preaching their ideas and values, emotional and social benefits.

Martin Lindstrom wrote that "reality branding" will soon develop, close to product placement advertising techniques, and is already developing as situational placement when a whole story is created around the brand. For example, casual game Sim City McDonald's. You can build many objects, fill them with an interior, but all of them will have an "imprint" of the McDonald's brand.

More and more people spend time online, and this fact sets the guidelines for choosing brand communication channels. Thus, large brands were one of the first to solve strategic long-term marketing tasks through social media, which provide great coverage, interactivity, and the use of several communication platforms at once.

Social Media Marketing (SMM) uses tools communication with the target audience in social media with a high degree of personalization. Targeting by audience profiles allows you to select specific sites, types, and methods of communication with the target audience.

Social media provides two main functions: sharing and response (relation to content - comments and Like marks). Additionally, the following auxiliary service is possible - to monitor what other users are sharing. Thus, there is an effective mechanism by which communication between users is possible when exchanging content created by the brand. You can also add the brand as a friend.

The Internet is rapidly socializing, and this is the main trend of the online environment. Currently, there are tens of thousands of social networks whose total audience exceeds one billion users and, according to some estimates, will soon overtake the audience of search engines. As practice shows, today, any self-respecting company has a blog or group in social networks to reach its target audience with a specific offer quickly. And any action of the brand on social networks will definitely get a response from the subscribers in the form of a "Like" mark, either in the form of a report or a comment, and at best, all of these indicators together.

In a digital society, brands have unlimited opportunities to establish close contact with consumers. Personalization of communications

and the lack of time limits made it more organic for the brand to exist in human life. In order not to destroy the potential harmony of relations, brands should be as open and honest as possible in communication with the consumer, take into account the interests of their customers at the moment of micro-moments and build quality communications with them both before and after the purchase, which is much more important

in terms of brand development prospects. In developing the brand's communication strategy, one must not forget about the complex path that the consumer follows in the process of product selection, and carefully plan the interaction at the points of contact. In modern marketing, the consumer has become a full partner of the brand. It is this idea that should be at the heart of planned consumer communications.

3.4. Analysis of companies engaged in a similar type of business

When you start any business, you must analyze the overall level of intra-industry competition. Why it is so important?

The more intense the level of competition in the industry:

- the faster the market environment changes.
- mobility and quick reaction to changes are more critical.
- the higher the level of required costs, staff qualifications, and expectations of the product.
- the harder it is to find a free market niche and a successful competitive strategy.
- the higher the risks of long-term profit decline.
- the higher the level of development and saturation of the market.

It is necessary to analyze the market and create your own business, considering all of the above points.

In the Czech Republic, the gift market is represented by several leading companies that are competitors for a new company «Avocado Box. » The type of business of some of these companies is identical to ours (online store of gift boxes). The type of business of other companies is different from ours; however, these companies also work in the field of gifts, and these companies are direct competitors to our company.

Thus, two main types of competitors can be identified:



1. Companies with a similar type of business
2. Companies with the identical type of business

3.4.1. Companies with a similar type of business

In the Czech Republic, there are two biggest companies that do not directly work in the field of gifts, but people often use the services of these stores when choosing gifts for themselves and their loved ones, so these companies are direct competitors. These companies are “NANU NANA” store and “Albi” store.

The table below presents the analysis of these companies.

Table 1 Analysis of direct competitors. Companies with a similar type of business.

Brand name	Main assortment	The benefits of this type of business	The disadvantages of this type of business
<p>ALBI</p> 	<p>The assortment of the “Albi” store presents a variety of board games, puzzles, soft toys, special gift mugs and T-shirts, stationery, candles, magnets, tea and coffee products, greeting cards, gift bags, etc.</p>	<ul style="list-style-type: none"> • “Albi” is a physical store; the buyer can visit it, see the product live, and evaluate all its advantages and disadvantages. • This store has been located in the Czech market for quite some time and has a good reputation for its regular customers. 	<ul style="list-style-type: none"> • The “Albi” store has a rather limited assortment • Most of the store’s products are aimed at the age group of 10-20 years old, • Most of the products are aimed at women.
<p>NANU NANA</p> 	<p>The assortment of the “NANU NANA” store is represented by goods for drawing, stationery, houseware, photo frames, seasonal home decorations, decor items, greeting cards, gift bags, etc.</p>	<ul style="list-style-type: none"> • “NANU NANA” is a physical store; the buyer can visit it, see the product live, and evaluate all its advantages and disadvantages. • This store has been located in the Czech market for quite some time and has a good reputation for its regular customers. • Products in this store are not expensive. 	<ul style="list-style-type: none"> • The “NANU NANA” store has a rather limited assortment • The store has a relatively limited selection of gifts. • Most of the store’s products are aimed at women.





Source: Author

As we can see from the table, "Albi" and "NANU NANA" stores have both advantages and disadvantages. Summarizing them, we can say that the main advantage of these stores is that they are physical stores, and customers can personally familiarize themselves with the assortment. The main disadvantage of these stores is that their range of products is quite general; it is difficult for the buyer to find a unique, specific gift.

3.4.2. Companies with an identical type of business

In the Czech Republic, the market of gift boxes is not represented by a large number of companies, despite the widespread worldwide, this type of business is not very common here. As a result of this - rather low competition in this niche of goods and services. However, several companies are still present, and we are obliged to consider them as direct competitors.

Table 2 Analysis of direct competitors. Companies with the identical type of business.

Brand name	Main assortment	The benefits of this type of business	The disadvantages of this type of business
<p>MANBOXEO</p> 	<p>Wooden boxes filled with gifts presented by alcohol, sweets, food.</p> 	<ul style="list-style-type: none"> • The highlight of the brand is that all of their gift sets are packed in wooden boxes, which can only be opened with the help of a special scrap that comes with the set. • The company offers a large selection of gifts for men. 	<ul style="list-style-type: none"> • The main assortment of the store consists only of food and drinks. • The main assortment of the store is presented with gifts for men. • The average price of a gift box is quite high
<p>DARBOX</p> 	<p>Wooden boxes filled with gifts presented by alcohol, sweets, food. Gift sets consisting of soap, shampoo, cream, etc.</p> 	<ul style="list-style-type: none"> • The highlight of the brand is that all of their gift sets are packed in wooden boxes, which can only be opened with the help of a special scrap that comes with the set. • The company offers a large selection of gifts for men, women. 	<ul style="list-style-type: none"> • The assortment of the store is pretty same. • Despite the fact that this store presents gifts for women and men, it will be difficult to find a gift for a child. • The average price of a gift box is quite high

As we can see from the table, "Manboxeo" and "Darbox" stores have an almost identical assortment of goods. When I analyzed the websites of these two stores, I noticed that "Manboxeo" has a larger assortment; however, in general, both of these stores offer the buyer about the same product. In my opinion, this is a big drawback of these two stores.

To attract as many buyers as possible, you need to create a product in the market that will have its peculiarity and, if possible, will cover as many solvent gender and age groups as possible.

4. Practical Part

4.1. Introduction to practical part

Gift business is a good option for creative entrepreneurs. With a creative approach, a qualified business plan, and a starting capital, you can quickly develop your business. People love to give and receive gifts for various reasons. When we choose a gift, we try to please the person and surprise him. Therefore, the sphere of entertainment and the sale of gift products are so actively developing and annually opens up new directions. Any creative is welcome - there is a consumer for every idea.

«Avocado box» is a new company in the industry of gifts and presents. The gift business is considered seasonal, but this does not prevent it from making a profit all year round. After all, there are many reasons for gifts: New Year, Mother's Day, Valentine's Day, various professional holidays, birthdays, weddings, etc.

The gift box business is a relatively popular type of business worldwide. However, in the Czech Republic, there are not many companies providing such services. It makes the opening of this type of business attractive in terms of the low competition in the market.

4.2. Product description

How gift boxes from the Avocado Box company will look like? And what will be so special about them?

To answer these questions, I would like to present you the main business idea. Avocado Box provides our customers offers a wide range of gifts for any occasion. We have two main types of services:

- The ability to order an individual gift box, the filling of which will depend on the wishes of the client.
- An assortment of pre-made gift boxes (different types, different price), so the customer can choose and buy one of them.

Such an assortment of goods increases the chances that everyone will be able to find and buy in our online store what he wants. As a result, the customer may choose each service separately or may order both.

4.2.1. Individuals gift boxes

Do you know what exactly the person you are going to give a gift likes? You know, for example, that he loves white chocolate, the Game of Thrones, and collects mugs, and he also loves purple color, giraffes, and scarves. Perfectly. All you need is to write all your wishes, indicate the necessary information, and indicate how much you are willing to spend on a gift box. Avocado Box will make for you an ideal gift box that will meet all your wishes regarding filling and price. Using our service, you will be able to please your loved one with that gift that he will definitely like and save his time.

4.2.2. Pre-made gift boxes

In case you do not want to wait until we collect an individual gift box for you, or if you want to know exactly what will be in your gift box in advance, Avocado Bock provides a wide range of pre-made boxes among which everyone will find something to their liking.

An assortment of pre-made gift boxes will be presented in many categories. All of these categories you can see in the table below:

Table 3 Types of pre-made gift boxes

Types of gift boxes	Description
Seasonal Gift Boxes	Filling a gift box will consist of selected items united by one feast-day, for example, New Year, Christmas, Mother's Day, Valentine's Day, etc. The content of such a gift box will vary and depend on the theme of the feast-day.
Birthday Gift Boxes for women	Filling a gift box will consist of selected items such as women's cosmetics, stationery, mugs, alcohol, unique socks, enamel pins, collectible toys, women's accessories, candles, candies, etc.
Birthday Gift Boxes for men	Filling a gift box will consist of selected items such as men's cosmetics, stationery, mugs, alcohol, unique socks, enamel pins, collectible toys, candies, etc.
Gift Box for children	Filling a gift box will consist of selected items such as children's books, candies, toys, stationery, baby accessories, etc.

Thematical Gift Boxes	Filling a gift box will consist of selected items united by one theme, for example, a cartoon (“Rick and Morty,” “Gravity Falls,” etc.), a game (“Diablo,” “Borderlands,” etc.), a superhero (Spiderman, Batman, Wonder Woman, etc.). The content of such a gift box will vary and depend on the theme.
Cosmetic Gift Boxes	Filling a gift box will consist of selected cosmetic items, also in this gift box will be presented cosmetic brands that are not represented on the Czech market (such as Colourpop Cosmetics).

Source: Author

4.2.3. Suppliers

All the necessary products for filling gift boxes, the company Avocado Box plans to buy from different manufacturers. Below is a list of companies whose products the company intends to use:

Table 4 Suppliers

The supplier	Type of product
Aliexpress (The Aliexpress service has a large number of sellers from whom the company can buy products.)	<ul style="list-style-type: none"> • Stationery: notebooks, diaries, pens, rulers, pencil cases, stickers, posters, photo albums, etc. • Technical goods: computer gaming mice, computer mouse mats, phone cases, chargers, lights, led garland , alarms, etc. • Women's accessories: earrings, rings, bracelets, necklaces, mittens, socks, gloves, belts, headbands, hair clips, head jewelry, clutches, purses etc. • Men's accessories: rings, bracelets, earrings, scarves, ties, butterflies, purses, socks, etc.

	<ul style="list-style-type: none"> • Home decorations: coasters for glasses, coasters for jewelry, posters, containers for lenses, etc.
Budget Books	Children's books, coloring books, interactive books, children's play sets, etc.
Colourpop cosmetics	Cosmetics of the American brand colorpop: lipstick, lip gloss, eye shadow, glitter, highlighter, lip liners, body products, themed kits, etc.
Candy store	Products of American, British and Japanese brands: alcohol, soft drinks, sweets, popcorn, chips, lollipops, theme sets, etc.
Marks and Spencer	Products of British brands: alcohol, soft drinks, sweets, popcorn, chips, lollipops, theme sets, etc.
Makro	Products of Czech and foreign brands: alcohol, soft drinks, sweets, popcorn, chips, lollipops, theme sets, etc.
Kelsey Smith	Made by designer enamel pins and key rings, etc.
Choctohouse	Handcrafted Chocolate, Chocolate candies, etc.
Kurgesagd	Original calendars
Ikea	Candles, home decorations, photo frames, toys, etc.
Zakka	<ul style="list-style-type: none"> • Stationery: notebooks, diaries, folders, pens and pencils, paper tape, stickers, sketchbooks, etc. • Accessories: umbrellas, cosmetic bags, trinkets, badges, wallets, cases

	<p>for glasses, socks, passport covers, pocket mirrors, hats, gloves, etc.</p> <ul style="list-style-type: none"> • Home accessories: pillow covers, caskets, mugs, candles, heating pads, rugs, piggy banks, photo albums, photo frames, etc.
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Source: Author

Over time and the development of the Avocado Box company, the number of suppliers will increase.

4.2.4. Location

«Avocado Box» is an online store of gift boxes, so there is no need to rent some special place and open a physical store. In this case, the company needs to rent an office or a storehouse to keep all of the goods, carton boxes for future gift boxes, already prepared gift boxes, and other necessary things.

«Avocado Box» provides to their customers a pickup service, so an office or a storehouse should be located close to the center of Prague, but renting should not be too expensive. The Prague Dejvice area is well suited to these requirements. Also, the place should be close enough to the metro and tram station. Hradčanska station suits perfectly. Based on the foregoing, one of the tasks is to find and rent some office or a storehouse in this area.

4.2.5. Legal structure

In case that «Avocado Box» is a small business, the headquarters of workers are represented by only two people: person A and person B.

Table 5 Legal structure of « Avocado Box» company

Person	Investment	Ownership	Responsibility	Income
<u>Person A</u>	100 000 CZK	50 %	Person A is responsible for the selection and purchase of goods, inventory, assembly of gift boxes as well as their packaging.	50% of the remaining income (after tax, and reinvestment of part of the income)
<u>Person B</u>	100 000 CZK	50 %	Person B is responsible for the operation of the online store, the reception and processing of orders, SMM, the organization of delivery of boxes.	50% of the remaining income (after tax, and reinvestment of part of the income)

Source: Author

4.3. Unit economics

Unit economics is the economy of one unit, from which the business of the company is composed. For example, it can be one client, one table in a restaurant, one product in a line, one branch in a big network, etc. What exactly to choose is determined by the company itself. The economy of one unit in business models is calculated to understand whether the business will be profitable in its pure form or not. In other words, if a business unit is profitable, then the company must be profitable or have all the prerequisites for this.

My plan for calculating unit economics is next:

- 1) Marketing campaign budget forecast + CAC
- 2) Variable costs = Cost of goods sold + Tax + CAC
- 3) Margin
- 4) Break-even point
- 5) Initial investments
- 6) Retention and LTV

4.3.1. Marketing campaign budget forecast

The first step is calculating the marketing campaign budget forecast.

Using Google Ads and forecast tool, I created this table, which shows the approximate budget for search phrases on google. Traffic volume was chosen based on the goals of saving (get the maximum number of buyers at the lowest price).

Table 6 Marketing budget estimation

Suggested phrases	Estimated number of requests	Estimated number of impressions per month (for selected traffic volume)	Approximate number of transitions per month (for the selected traffic volume)	Average rate (at the selected traffic volume), CZK.	Average price debited click (with the selected traffic volume), CZK.	Estimated budget, CZK (with selected traffic volume)
birthday present	8258	4823	712	11,7	2,6	1851
gift for girl	3054	2679	454	10,9	2,0	923
gift for woman	4616	3517	42	16,9	4,4	184
a gift for boy	2020	1368	226	18,7	2,1	481
gift for man	9587	4427	50	16,5	4,1	205
Gift Boxes	419	321	47	47,7	3,8	181
Total, taking into account the selected traffic volume	27954	17136	1531			3824

Source: Author using Google ads tool

Based on this table, we can calculate CAC (customer acquisition cost). Which is a must-have for unit economics. We have to remember that we should include taxes on the CAC rate, which will be about 10%.

$$\text{CAC} = \text{Marketing expenses} / \text{The number of new customers}$$

Assumptions for converting transitions to leads - 10%

$$\text{Leads: } 1531/10 = 153$$

A marketing lead is a person who shows interest in a brand's products or services, which makes the person a potential customer (<https://sendpulse.com/support/glossary/marketing-lead>).

Assumptions for converting leads to final customers also 10% (realistic view). Calculations will be performed with this value, but a positive forecast is about 20-30% of the leads.

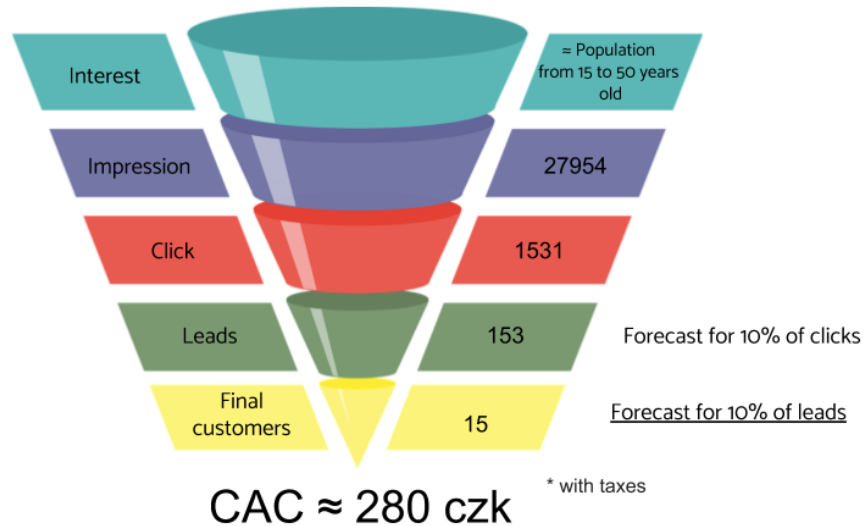
$$\text{Final customers: } 153/10 = 15$$

$$\text{CAC: } 3824/15 + 10\% = \mathbf{280 \text{ CZK.}}$$

Of course, in this calculation, we use only Google search ads, but also, we will use Facebook and Instagram advertising tools. However, still, this gives us approximate numbers on which we can rely to build unit economics.

Figure 3 Sales funnel

Sales funnel Google Ads Forecast for 30 days



Source: Author

4.3.2. Variable costs

The next step is to calculate all variable costs.

$$\underline{VC = COGS + \text{Payment system commission} + CAC + TAX}$$

The estimated cost of this unit is 600 CZK.

$$VC = 600 + 3\% \text{ (from the whole amount of the sale)} + 280 + 19\% \text{ (from income } \approx 65 \text{ CZK per unit)} = 919 \text{ CZK per one unit.}$$

Table 7 Variable costs

Variable costs (COGS + Tax)	TOTAL without taxes	919		TOTAL variable costs for 1 order Was calculated before COGS - Cost of goods sold Corporate income tax in Czech Republic
	TOTAL with taxes	984		
	CAC CZK	280	Variable	
	COGS	600		
	payment system commission	3%	Variable	
	Taxes 19% from income	64,98	Variable	

Source: Author

4.3.3. Gross margin per unit

To calculate gross margin, we need to subtract variable costs from the unit sale amount.

$$\text{Gross margin} = 1300 - 919 = \mathbf{316 \text{ CZK.}}$$

Table 8 Gross margin

Gross Margin, Contribution Margin	Margin	316		The difference between the selling price and variable costs + taxes included
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Source: Author

4.3.4. Brake even point

The Break-even point implies a balance of income and expenses when profit is zero.

$$BEP = \frac{FC}{P - VC}$$

Where FC – fixed costs; P – Unit price; VC -variable costs.

Table 9 BEP

Fixed costs	Warehouse rent	11 000	Fixed Fixed	Warehouse rent
	Accountant	1 000		Bookkeeping
Break-even point		35		orders per month
		1,2		orders per day

Source: Author

We can see that to cover fixed costs it is necessary to realize 35 units of production per month. Next, I decided to calculate how many orders would be required to earn 1 million CZK per month.

Table 10 To earn one million CZK

To earn 1M CZK per month		3 164		orders per month over the breakeven point
		3 199		orders per month
		107		orders per day

Source: Author

For this calculation, it was necessary to divide 1 000 000 by margin. As a result, we can see that it is needed to sell 3199 units per month or 107 per day.

4.3.5. Initial investments

The first purchase of goods will be per 100 units of products. Which means that for this we need 60000 CZK. Attracting 100 customers will cost approximately 28 000 CZK. Also, we must not forget about the legal opening of the company and domain for it, total amount for this will be about 11 000 CZK. Total amount for initial investments will be 99 000 CZK.

Table 11 Initial investments

Initial investment	Total	99 000	
	Buy 100 boxes	60000	initial
	Attract 100 buyers	28000	initial
	Site domain price	1 000	initial
	Legal opening of the company	10 000	initial

Source: Author

4.3.6. Retention and LTV

If we create truly high-quality products we can assume high level of retention and consequently high LTV. I guess that the average buyer will make three purchases per year, which means income from the average buyer will be = Margin from first sale + Margin from second and third sales – taxes = 1450 CZK.

Table 12 Retention and LTV assumptions

Retention Assumption	The average buyer will make	3		If we create truly high-quality products we can assume high retention that leads to high LTV
LTV	For 1 year	1450		1 average client will bring per year

Source: Author

4.4. Analysis of internal and external factors

In each branch, its competitive environment is formed. Therefore, to ensure the high competitiveness of the organization, it is necessary to develop an effective strategy. To do this, you need to analyze the growth of existing competitors; in other words, the analysis of the external environment of the organization. It is also necessary to evaluate your offer in the market, i.e., liquidity of the goods or services offered. Will your product be in demand, or is the market already full of similar offers? Perhaps a recession has grown in this, and it is worth changing the direction of the enterprise. If the services or goods are in demand and

can be competitive, then you need to evaluate the proposals of competitors and work out your own. What to focus on? Quality? Low price and high revs? Or vice versa to make a high margin? Here you need to rely on the experience of competitors and, of course, if possible, introduce innovations into the business. The most important basis for developing a strategy, what you must rely on when making strategic decisions, is external factors that can affect the work and even the existence of the organization.

After conducting an analysis of the external environment and receiving data on possible threats and vice versa, new opportunities for the organization, it is necessary to analyze the internal situation so that it can reasonably evaluate the internal forces of the organization and identify weaknesses. SWOT and PEST analysis are perfectly suitable for this.

4.4.1. SWOT analysis

SWOT analysis is one of the most common analysis methods in management and marketing. The SWOT should give a clear picture of the situation and indicate in which areas you need to act using strengths to maximize opportunities and minimize threats and weaknesses.

To develop SWOT analysis strategies for a company, product or site (that is, the same decision matrix), you need to correlate all the factors with each other and adhere to the following algorithm of actions:

- Strengths + opportunities (breakout strategy). Relate the advantages and opportunities, describe in detail how the “strength” of the company can realize the opportunities provided.
- Strengths + threats (transition strategy 1). Relate strengths and threats and describe the advantages of a business that can help you avoid threats and reduce risks.
- Weaknesses + opportunities (transition strategy 2). Relate weaknesses to opportunities and show the effect of how you can get away from the weaknesses of a business and turn them into strengths.
- Weaknesses + threats (survival strategy). Relate weaknesses and threats and show in the table how the elimination of weaknesses can be used to reduce identified threats.

So, the development of a strategy based on the results of analytics is reduced to the basic rules: avoiding the weaknesses of the business and using the force to the maximum.

Below there is a SWOT analysis for the Avocado box company:

Table 13 SWOT analysis

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none"> ▪ A wide variety of pre-made gift boxes ▪ Service for creating an individual gift box ▪ The average price of one gift box of our company is lower than the average price of a gift box of a competitor ▪ Ordering gift boxes in our store takes place online, which saves the buyer time ▪ We have a delivery service in Prague (To other cities in the Czech Republic, delivery takes place by postal service) ▪ Convenient location for pickup gift boxes ▪ The buyer can make an order in 4 languages (English, Czech, Russian, Ukrainian) 	<ul style="list-style-type: none"> ▪ This is a new and unknown company in the Czech gift market. It will take time for the company to have a good reputation and regular customers. ▪ Competition on the gift market
<u>OPPORTUNITIES</u>	<u>THREATS</u>
<ul style="list-style-type: none"> ▪ Increased barriers to entry into the industry (it is more difficult for competitors to enter the market) ▪ The ability to enter new markets (worldwide shipping) ▪ New partners for collaboration (which will simplify the work of the company) ▪ New suppliers of goods (with more favorable conditions) 	<ul style="list-style-type: none"> ▪ High risk of "withdrawal" of the customer base ▪ Suppliers of goods may delay delivery time. ▪ Price competition (a larger player comes, sets prices lower and the business burns out) ▪ Growth in the number of competitors

	<ul style="list-style-type: none"> ▪ Changes in legislation and industry standards (may affect the business in a negative way) ▪ Force Majeure (fire, floods, etc.)
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Source: Author

4.4.2. PEST analysis

PEST analysis is useful for four main reasons:

- It helps identify a business or personal opportunity and proactively alert you to significant threats.
- It shows the direction of changes in the business environment;
- it helps to avoid launching projects that may fail for reasons beyond their control;
- it can help free oneself from dubious assumptions when a firm enters a new market, region.

Political

Politics plays an important role in shaping the business environment in a region, state, and globally. One adopted law may limit the prospects for a particular business or vice versa present new opportunities for the company.

The most significant political factors that can affect The Avocado Box company are armed conflicts between countries, political instability within the Czech Republic itself, pandemic. Changes within the legislative structure of the Czech Republic, such as the introduction of increased taxes, changes in the requirements of goods, etc.

According to statistical data, the Czech Republic is one of the countries that are politically stable.

Economical

The influence of the factors of this group on the company is difficult to overestimate, so they need to be considered especially carefully.

Factors such as runway dynamics, inflation rate, refinancing rate and related dynamics in the banking sector, changes in the kroon rate, unemployment rate, population income dynamics, growth and saturation of industry markets, level of competition, can affect Avocado Box company.

Social

Social factors have an indirect effect on the success of the company Avocado Box. The greatest influence is exerted by such factors as birth rate, mortality, the age structure of the population, migration dynamics, the standard of living of the population, customs and values, established norms of consumption, level of education, working capacity, and productivity of the population.

Technological

The technological factors of PEST analysis are gaining increasing value, as technological progress is accelerating, the degree of its influence on all areas of business is increasing. Most of all, Avocado can be influenced by factors such as changes in patent law and industry, the impact of the Internet and mobile technologies on the industry, competitors' costs on R&D.

4.5. First year marketing plan

As for the promotion company for the first year, it is this: the first two months to attract customers through Google search with the creation of a site and pages on social networks. At the same time, organizing contests with the opportunity to win free boxing for posting information on their page in social networks.

Next, search for the best-selling advertising platform through contextual advertising on Google, Facebook, and Instagram. It is also planned an attempt to promote the business through TikTok (the social platform is still new, but shows remarkable growth and is currently cheaper than competitors). For each big holiday, we will conduct a lottery of free products for the sharing of information about the business. Advertising on YouTube and the search for influencers are also considered as an additional way to attract buyers.

5. Results and Discussion

Based on the conducted unit analysis, the purpose of which was to determine the viability of a start-up, we can say that this business has a chance of successful development, on condition of a gradual increase in the target audience. Also, marketing analysis creates the prerequisites for the successful development of this start-up.

For more accurate results of such analyses, we need to smoothly start a start-up and test various hypotheses that will appear.

Hypothesis example:

- 1) Will the CAC remain the same when using other marketing platforms?
- 2) Will our website have a high conversion to a buyer?
- 3) How much will the price of a product purchase vary depending on the season?

It is important to note that seasonality in this type of business plays a very significant role. Since, depending on a specific type of holiday, the price of attracting the buyer can and will vary, as well as the purchase price of the goods.

The assumed retention also plays a significant role, and it is possible to know what it will be only with time. It will be necessary to develop and come up with various strategies to keep customers rebuy our products multiple times.

In my opinion, the idea of the business is well suited for these purposes since the product will be continuously updated and, in the future, the buyer will have the opportunity to customize box to his/her taste.

6. Conclusion

The purpose of the bachelor thesis was to prepare a relevant business plan for a start-up company that produces gift boxes. During the writing of the Thesis, using induction and deduction methods, a relevant business plan was developed. The company Avocado Box operates in the gift market. The Avocado Box is an online store. This kind of store helps to save fixed costs on rental premises and also helps to save the time of the buyer. During analyzing, it was discovered that there are not many competitors in the Czech gift market because this sphere is just gaining momentum in the modern market. The main advantages of the avocado box, unlike its competitors, are the attractive price, a large selection of gifts, and gifts for different age groups.

During the writing of the PEST and SWOT analysis, the strengths and weaknesses of this business were identified. The main conclusions drawn from these two analyzes advises the company to do the following:

- To find new partners for collaboration (which will simplify the work of the company)
- The find an ability to enter new markets (worldwide shipping)
- To increased barriers to entry into the industry by inventing for your company a large number of original strategies that will be difficult for competitors to repeat (it is more difficult for competitors to enter the market)

During the writing analysis of unit economics, we received a marginal profit, which is more than twice the cost of attracting a buyer, which is a good indicator. We also found out that BEP is easy to achieve for our company, thanks to small Fixed costs.

From the calculations made in the Thesis work, we got that the alleged retention for the year of one buyer is 3. This is the average value obtained, which, however, may increase due to the uniqueness of the service "collect your gift box yourself."

During the writing of the Thesis work, a business plan for the company Avocado Box was developed, and it was also proved that this company could and will make a profit.

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8. Appendix

Group parameter	Parameter	Gift boxes	Cost type	Comment
The essence of the project Who pays for what				Sale of gift boxes for everyone Customers pay for the goods.
Unit		1 300		The price of the average box, which is implied by the most frequently sold
Variable costs (COGS + Tax)	TOTAL without taxes	919		
	TOTAL with taxes	984		
	CAC CZK	280	Variable	TOTAL variable costs for 1 order Was calculated before
	COGS	600		COGS - Cost of goods sold
	payment system commission	3%	Variable	
	Taxes 19% from income	64,98	Variable	Corporate income tax in Czech Republic
Gross Margin, Contribution Margin	Margin	316		The difference between the selling price and variable costs + taxes included
Fixed costs	Warehouse rent	11 000	Fixed	Warehouse rent
	Accountant	10 000 1 000	Fixed	Bookkeeping
Break even point		35		orders per month
		1,2		orders per day
To earn 1M CZK per month		3 164		orders per month over the breakeven point
		3 199		orders per month orders per day
Initial investment	Total	99 000		
	Buy 100 boxes	60000	initial	
	Attract 100 buyers	28000	initial	
	Site domain price	1 000	initial	
	Legal opening of the company	10 000	initial	
Retention Assumption	The average buyer will make	3		If we create truly high-quality products we can assume high retention that leads to high LTV
LTV	For 1 year	1450		1 average client will bring per year