

BUSINESS PLAN: 'ROUND THE GLOBOX

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I. ABSTRACT

1. ENGLISH SUMMARY

Business plans are most of the time established in order to help founders to discover strengths and face up the challenges that can appear when developing a company. Besides, the empirical and theoretical researches conducted for the completion of a Business Plan usually foster founders to reach sustainability and durability of the firm.

The aim of this thesis is to serve the author with crucial information in order to build a business plan and to see whether it would be profitable to establish the venture or not. The business idea to be presented further operates in the touristic industry, providing to customers a monthly subscription box about specific destinations. Knowing that the business idea comes from two long-time friends who are willing to start their business from scratch one day, the author Léo Locati narrates the Business Plan including both of the potential founders of the start-up.

Throughout the following thesis, the author built a business plan according to the experiences and the competences acquired through her five years of studies. The thesis is composed with a literature review based on the current situation of the touristic sector as well as a business plan, including strategic planning and financial evaluation.

Keywords: Business Plan; Start-up Planning; Subscription boxes industry; Business Administration; Marketing; Financial evaluation

2. PORTUGUESE SUMMARY

Normalmente os planos de negócios podem ajudar os fundadores a descobrir pontos fortes e fracos e a enfrentar os desafios que podem aparecer ao desenvolver uma empresa. Para além disso, a pesquisa empírica e teórica, necessárias para a realização de um plano de negócios, ajuda os fundadores a alcançar a sustentabilidade e a durabilidade da empresa.

O objetivo desta tese é obter informações cruciais para construir um plano de negócios e saber se será lucrativo avançar com o projecto. A ideia de negócio na indústria turística a ser apresentada consiste em oferecer aos clientes uma subscrição mensal com uma caixa todos os meses, incluindo diferentes descontos, guias turísticos e outras informações sobre destinos específicos. A ideia de negócio vem de dois amigos de longa data e a autora Leo Locati narra o Plano de Negócios, incluindo os dois fundadores potenciais da start-up.

Ao longo da tese, a autora criou um plano de negócios de acordo com as experiências e as competências adquiridas através dos seus cinco anos de estudos. A tese é composta por uma revisão da literatura baseada na situação atual do setor turístico, bem como por um plano de negócios, incluindo planeamento estratégico e avaliação financeira.

II. ACKNOWLEDGMENTS

Throughout this business plan, I would like to express my sincere gratitude to the University of Hull, the University of Lisbon ISCTE and their educational coordinators, for bringing me valuable knowledge and awareness on how to live with people from different cultures and to build its professional project.

I would like to present my acknowledgments to Mrs. Loustalet, a packaging start-up founder, who inspired me to establish my own business project. I am grateful for her precious advice and for her assistance. I have learned to appreciate and understand the stakes of creating a venture from scratch thanks to her guidance throughout this business plan.

To these acknowledgements I also would like to express my biggest thank to Maëva Cordonnier and Adèle Benoit who participated to the questionnaire I made. Without them, I would not have been able to understand potential customers' needs and the subscription box industry. Moreover, their answers enabled me to angle my business plan in a better way.

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III. EXECUTIVE SUMMARY

The Internet has made the whole world accessible, to such an extent that it is hard to know which way to look when it comes to organizing a trip. How are you supposed to do when you do not want to organize your trips by yourself? When you lack time to plan anything? The option of tour operator seems nowadays a bit dusty... So for a cool, cheap, authentic, modern trip, 'ROUND THE GLOBOX is here to take the lead.

'ROUND THE GLOBOX is an eco-friendly subscription box showcasing a new destination every month. This cardboard and decorative box comes with a travel guide, local and promotional products linked with the destination, as well as attractive discounts on local activities, to enjoy each month in your mail box. Besides, that innovative concept is available for as little as 24,99€ per month.

The mission of 'ROUND THE GLOBOX founders, is to convey a passion for travel and help customers thrive in the destinations they want to discover, by offering them useful, joyful and innovative tools to organize and plan their trips.

Inès and Léo, the founders of the idea, are long-time friends and studied Business Administration and Purchasing together in Bordeaux. Passionate about traveling and discovering new cultures, they strongly believe that by drawing on their shared experiences, and by combining the knowledge and skills acquired throughout their five years of studies, they can bring 'ROUND THE GLOBOX to life.

The founders plan to target prospective customers between 25 and 40 years old attracted by discovering and traveling all around the world. Besides, they aim to target active people, who are following the technological trends as the social networks and sharing communities.

Although actors are numerous within the tourism sector, the touristic guide industry is suffering from obsolescence. Indeed, more and more people are using internet and are influenced by social networks to organize their trips. That is why, 'ROUND THE GLOBOX founders aim to refresh the travel guide concept by riding on the wave of subscription boxes.

Inès and Léo plan to sell 4,760 boxes within the first year, therefore helping to realize 118,952€ of sales revenues. Besides, strongly committed to their project, the founders provide 20,000€ personal input.

The subscription box market is a flourishing industry, experiencing numerous fund raising, and therefore showing the growing interest of investors in the concept. (Mareek, M., 2016). That is why Inès and Léo need you, investors, to believe in their innovative project of 'ROUND THE GLOBOX, by reading through this Business Plan.

Let yourself be enchanted by the idea of travelling easily, and help the founders to establish a start-up that will become a reference within the tourist and subscription boxes markets.

IV. LITERATURE REVIEW

In our constantly evolving world, the unsteady economic context as well as the extremely competitive environment can expand the reluctance of starting a business from scratch. That is why it is paramount to take into consideration the barriers to which founders of an entity can be faced, by writing a business plan. According to Barringer & Ireland (2010), the action of establishing a planning stimulates the auto-entrepreneur to pay attention to the main priorities and objectives of building its company. Besides, this exercise enables to understand the context in which the product or service will be launched. It also aims to identify the tasks to achieve in order to avoid important matters and meet the targets wanted. Finally, the planning helps to project the profitability of the venture (Delmar & Shane, 2003). As a result, a business plan supports founders of start-ups to announce the activity and aims of the business, which are a necessary condition to achieve a successful company and to obtain potential investors in the business, such as suppliers, customers and collaborators. (Gartner & Liao, 2009.)

The literature review will enable founders to understand the current situation of the touristic industry as well as consider whether it would be interesting and profitable to launch a business within this sector. Besides, the literature research will provide crucial information regarding the following interrogations:

- Are there remaining business opportunities within the tourism sector?
- How come the subscription box market is flourishing?
- What are the stakes of digitalisation?

1. OVERVIEW OF SME IN EUROPE

In recent years, a trend has been recorded in the business world: people are increasingly tending to develop their own business. Indeed, according to an OECD study, “the overall number of SMEs in the total economy increased in the euro area” between 2009 and 2013¹. Within the population of auto-entrepreneurs willing to create their own business, 29% are aged between 20 and 29 years old², according to another

¹http://www.keepeek.com/Digital-Asset-Management/oced/industry-and-services/entrepreneurship-at-a-glance-2016_entrepreneur_aag-2016-en#page36

² Beziau J., Rousseau S., Mariotte H., « Auto-entrepreneurs immatriculés en 2014 : 54 % de ceux qui démarrent en font leur activité principale », Insee Première n°1615, septembre 2016.

survey achieved in 2014 by INSEE, which highlights the fact that young people are attracted by implementing their own products or services into the market. For these students or recently graduated people, entrepreneurship represents a driving force for the economic development³, and enables auto-entrepreneurs to get involved in a project of special interest to them.

2. GROWTH OF THE TOURISM SECTOR

“The world is a book, and those who do not travel only read one page”, Saint Augustine. Over the past sixty years, the tourism industry has expanded significantly and has increasingly diversified. According to the UNWTO⁴, tourism became one of the biggest economic sectors, representing the fastest-growing worldwide. Therefore, in addition to the favourite destinations as European and North American states, lots of new countries came into existence in people’s minds. In 2015, the UNWTO report recorded 1186 millions of tourists traveling around the world, half of which were willing to take a holiday for discovering new countries and cultures. Therefore, these figures show that people are constantly willing to take good time and that the number is evolving every year. Thus, meaning that the tourist sector is living a significant growth. Such acknowledgments suggest that business opportunities are remaining in the tourism industry.

3. STAKES OF DIGITALISATION

Generally, in order to facilitate their holidays, people tend to organize their trips in advance, thanks to different means made available to them. Nowadays, travel guides and Internet represent the main tools that people use for booking and planning their holidays. While the printed press is suffering and digital books are booming, le Guide du Routard⁵, Lonely Planet and others still seem to have good days ahead. Driven by the growing appetite of people for leisure, Travel Guide companies still sell 10 millions copies a year in France⁶. However, although they are the Bible of the modern

³ Belgacem, I. (2015). *Un tiers des jeunes Français voudraient créer leur entreprise*. [online] Le Monde.fr. Available at: http://www.lemonde.fr/campus/article/2015/02/03/un-tiers-des-jeunes-francais-voudraient-creer-leur-entreprise_4569037_4401467.html [Accessed 23 May 2017].

⁴ The World Tourism Organization (UNWTO) is the United Nations specialized agency mandated with the promotion of responsible, sustainable and universally accessible tourism.

⁵ French collection of travel guides

⁶ Husson, L. (2016). *Pourquoi les guides touristiques restent incontournables*. [online] Challenges. Available at: https://www.challenges.fr/media/edition/les-guides-touristiques-compagnons-de-route-indemodables_13392 [Accessed 20 May 2017].

traveller, the market of travel guides knows a rapid transition. This market has been very affected by the digitalisation for a few years. In fact, travellers' behaviours are changing and their expectations are in constant evolution. Nowadays, the market of travel guides continues to shrink (-2.7% in number of copies and -4.3% in sales according to Ipsos figures). Furthermore, according to a study conducted by Raffour Interactif, 71% of the French who went on holidays in 2016 have prepared their stays on the Internet, half of which fully booked all or part of their stays online⁷. Consequently, these figures enable to emphasize on the fact that travel guides have experienced a considerable success, however, it is paramount to highlight that they are facing a significant obsolescence. That is why, travel guides must be reinvented, in order to meet travellers' requirements, which is opening business opportunities.

4. HISTORY OF THE SUBSCRIPTION BOXES

The history of subscription boxes started in the United States, when Katia Beauchamp and Hayley Barna, two Harvard University students, presented in September 2010 the BirchBox, which was the first beauty box on the market. Sold at a price of ten dollars a month, the offer allows to receive, directly at home, a nice surprise box which contains five branded beauty products, selected by members of the BirchBox team. The success is immediate. In 2011, it is France's turn to make beauty boxes emerged, with the launch of JolieBox by Mathilde Lacombe from the blog La Vie en Blonde, and four other partners (JolieBox will be bought by the American BirchBox in September 2012) and GlossyBox created by The German investor group Rocket Internet. Shortly thereafter, this will be the launch of My Little Box by the website of good addresses, My Little Paris, with the success that we know him. Subsequently, new competitors will enter the beauty sector, including My Sweetie Box, and Betrousse (who are part of the same group) who are also experiencing a growing number of subscribers. Since then, the subscription box market has been constantly evolving, bringing the fact that the market is flourishing. However, according to Michael Mareek, it has been noticed that successful subscription box companies are relying on strategic and powerful marketing strategies, showing that new entrants have better establish thoughtful approaches before entering the market.

⁷ Cherrier, V. (2015). *Tourisme en ligne : 71 % des Français préparent leur voyage sur le web | APST*. [online] Apst.travel. Available at: <https://www.apst.travel/2015/07/23/71-des-francais-partis-ont-prepare-leurs-sejours-sur-internet/> [Accessed 21 May 2017].

V. COMPANY DESCRIPTION

‘ROUND THE GLOBOX is a start-up specialized in increasing customer willingness to travel in the tourism sector. By offering a unique travel experience to clients, ‘ROUND THE GLOBOX provides a more humane and connected guide, that can be accessed from anywhere and by anyone, thus encouraging people to take a holiday and travel. The company enables explorers to discover, every month, a city by way of a touristic guide, an application, as well as samples of local and promotional products and discounts on touristic activities of the destination. The product that our start-up is offering is delivered at home and in an environmentally responsible box, which can easily be reused as a keepsake and decorative box. ‘ROUND THE GLOBOX aims to reinforce people’s willingness to travel, by helping them to plan their trips easily and by sharing personal experiences on the places to be discovered. After all, accompanying customers and staying as close as possible to them is the key to achieve customer satisfaction.

‘ROUND THE GLOBOX products and services will be further developed below in the section “Product and Service”.

As regards to the name of the company to be established, both of the founders Inès and Léo, came up with the idea of creating a business because they were passionate about traveling and about communities encountered around their numerous trips. Moreover, they had in mind to share their experiences with people. Knowing that the founders’ aim is to offer subscription boxes to customers, they wanted to have the “noun” box into the name of the company. Besides, Inès and Léo are willing to establish a start-up around travel guides, offering products and advice about destinations all around the world. That is why the name of ‘ROUND THE GLOBOX came into their mind. In fact, the brand name is mixing “Around the Globe” and “Box”, which is transparent enough so that potential customers can understand easily the sector of the business.

1. MARKET OPPORTUNITY

An opportunity is a “favourable set of circumstances that creates the need for a new product, service or business idea” (Barringer & Ireland, 2010). What is essential for the entrepreneur is to observe the trends around him, in order to understand if there is a need for a product or service in the market in question, that adds value for its

customers. Opportunities might be identified through several factors which are the following: economic and social forces, technological advance as well as political and regulatory changes⁸.

The founders of 'ROUND THE GLOBOX noticed that "a growing industry of stylish subscription services is banking on the joy of the unexpected gift, offering to deliver a box of surprises to your doorstep every month" (Christina Binkley, 2013). According to Michael Mareek, the founder of boxes comparator websites, the industry of the subscription box is enjoying early stages, and still far from the saturation. Moreover, even if some Box businesses failed, there are numerous fund raising in the industry, showing the growing interest of investors in the concept. (Mareek, M., 2016).

Alongside the subscription boxes concept, authors emphasize on the fact that the touristic guide industry is suffering from obsolescence. According to a Gfk Omnibus Tourisme study, even if 60% of French people buy travel guides before organizing and going on holidays, customer expectations and needs are constantly evolving (GOT, 2010). Furthermore, 71% of French people planned their trips on the Internet in 2015 (Cherrier, V., 2015), highlighting the definite need to upgrade the travel guide.

2. TEAM

The current team of 'ROUND THE GLOBOX consists of two people, who decided to start to explore the tourism industry with the idea of encouraging people to travel. The founders are long-time friends, who have studied business administration together for five years. Born into families of business people, the willingness to innovate and the entrepreneurship spirit have always been driving them. These two girls have been traveling around many countries throughout academic, professional or humanitarian experiences. Furthermore, they have lived abroad together during two years. Therefore, they have experienced much about traveling all around the world. Besides, the current founders have always been interested in discovering new cultures and have been attracted by the unknown. Repeatedly, the two founders have convinced investors to put together ten thousand euros of budget in order for them two to get engaged in

⁸ Barringer, B.R. & Ireland, R.D. 2016. Entrepreneurship: Successfully launching new ventures. 5th ed. Pearson Education. Edinburgh Gate, England.

humanitarian causes to help African population in needs (children in Morocco as well as farmers in Zambia). Sharing experiences and live it up is their motto. Consequently, the idea of encouraging people to travel and discover new places originated naturally from their mind; how to be able to provide the willingness to go on holidays and how to provide necessary tools for customers to plan their holidays efficiently.

Furthermore, during their journeys, 'ROUND THE GLOBOX founders were accustomed to write their experiences in a kind of travel diary, in order for them to remember their trips all life long. Besides, these travel diaries written for each journey allowed them to narrate their encounters as well as the good addresses and good deals they discovered all around the places they visited. During these numerous travels, Inès and Léo, the founders of the box, realized that journeys need to be adapted to people, to their needs and adventurousness. Indeed, people are different, and it is difficult to find travel itineraries that please every traveller. Thus, the founders saw a market opportunity where they could offer to people specific routes, adapted to their preferences and tastes. Moreover, Inès and Léo realized that good deals were rarely shared on internet, thus they are willing to create a real community of travel lovers who will be able to share their experiences, encounters and good deals on the website and application.

On the one hand, one of the founders of 'ROUND THE GLOBOX, Inès Loustalet, has always been engaged in the creation of successful ventures. Ms Loustalet graduated from KEDGE Business school with a Master in International Purchasing and Innovation Management, where she acquired essential knowledge for negotiating and convincing investors. While Inès was studying, she has participated to numerous entrepreneurship events called Start-up weekends, where students meet in teams in order to create and present their innovative venture in front of a jury. She once has won the first prize with her team, motivating her to pursue her commitment to entrepreneurship. Moreover, in parallel with her studies, she has been working for her mother's start-up for five years, a company offering innovative packaging to business willing to sell gift boxes. Ms Loustalet therefore gained valuable knowledge and skills about how to run a company, and how to be successful. Finally, Inès Loustalet is currently fully dedicating herself to making 'ROUND THE GLOBOX flourish.

On the other hand, the second founder and author of this business plan Léo Locati, attained a Bachelor in Business Administration in England before attending a double-degree master in International Management with ISCTE Business School in Lisbon as well as KEDGE Bordeaux Business School, where she learned crucial tools to understand different cultures and to manage people. Having grown up in a family who has travelled all around the world, she met inspiring people in several countries, who encouraged her to follow her passion and to embark on a thrilling adventure. Sharing with heartening people assured the belief of her abilities to establish something valuable and noteworthy. Consequently, knowing that the travel guide that the two founders want to launch is offering a selection of good addresses narrated through enriching encounters and anecdotes, people Léo has met during her journeys represent a significant opportunity of nourishing the touristic guides. That being said, Ms Locati is currently working hard on gathering powerful stories to be included in the future travel guides, in order for 'ROUND THE GLOBOX to see the day light as soon as possible.

Both Inès and Léo strongly believe that by drawing on their unconditional friendship as well as their shared experiences and adventures, and by combining the knowledge and skills acquired throughout their five years of studies, they can bring 'ROUND THE GLOBOX to life. The joy of life, the determination and humane values that the founders are sharing, contribute to the development of a thriving business. The deepest thought they want their venture to cultivate and be established on is the passion of sharing experiences with people, and learning from them by being receptive to their feelings and lives. Moreover, Ms Locati and Loustalet are deeply concerned about the entrepreneurship world and constantly seek for requirements to become good company leaders.

Although the humane values and the willingness to build a flourishing business is one of the keys of the success, the founders of 'ROUND THE GLOBOX are facing significant hurdles. According Dominique Restino, founding member of the Young and Student Entrepreneurs Movement, "the youth has the unconsciousness and the enthusiasm necessary to jump ahead". Among their strengths, young people cite with realism, their enthusiasm, but also their ability to work efficiently as well as the support provided by their relatives. However, they also rightly consider that their main

weaknesses are the lack of an industry-specific experience, limited financial resources as well as the market and investors reluctance⁹. People like investors or clients, who have been acquiring experience for many years in the tourism industry might be reluctant to listen to two newly-graduated girls without significant experience in that topic. Indeed, the creditability of the founders might be questioned at some point. That is why, it is paramount for ‘ROUND THE GLOBOX’ founders, to believe in their enthusiasm to convince stakeholders and to focus on their business reliability. Furthermore, “an entrepreneur with longer experience in an industry may also entrench in the existing system and structure, which blindsides him or her from recognizing opportunities and threats” as Liao, Moutray & Welsh (2009) referenced in their study. That being said, it means that being young and entrepreneurs can bring positive outcomes, like the openness acquired through studies abroad as well as innovative ideas flourishing from young minds.

3. STRATEGIC RELATIONSHIPS

Most successful people agree that the trajectory of people’s career and life, will be dictated by the relationships they build and the experiences they have. That is why networking is important, and more than that, expected. Will Kintish wrote that “even if your role is not explicitly to bring in new business or to market the company, you are probably expected, as most people are, to meet new people and understand the market place as part of your role”.

The founders of ‘ROUND THE GLOBOX’ are aware that it is paramount to rely on valuable relationships to establish a successful venture. That being said, Inès and Léo decided to be opportunistic and responsive, by going through their network and evaluating people able to bring significant knowledge and advice to the creation of their business. This strategy will enable both of the founders a true learning through important personalities who had been working in the industry for a long time.

One of the precious relation ‘ROUND THE GLOBOX’ founders decided to take into account and approach is Corinne Loustalet, Inès’ mother, who have launched her

⁹ Belgacem, I. (2015). *Un tiers des jeunes Français voudraient créer leur entreprise*. [online] Le Monde.fr. Available at: http://www.lemonde.fr/campus/article/2015/02/03/un-tiers-des-jeunes-francais-voudraient-creer-leur-entreprise_4569037_4401467.html [Accessed 23 May 2017].

business five years ago, after having worked for an international packaging company for fifteen years. Knowing that 'ROUND THE GLOBOX products will be offered in an ecologically friendly box, the founders will have to create a packaging from scratch, meeting specific requirements. Indeed, the box will need to be ecologically friendly, lightweight to be delivered easily, designed to contain the pocket guide, the local products as well as the discounts, and beautiful in order to attract customers. Corrine Loustalet, founder of Coandco pack, decided to get on board of Inès and Léo's innovative project, and became the mentor of the founders for the product development, thanks to her extensive knowledge of the packaging industry. Furthermore, Coandco pack founder has also been an inspiration for 'ROUND THE GLOBOX project managers, knowing that she created her own successful ventures; an additional opportunity for them to receive valuable advice to establish their concept.

Alongside building a relation of trust with Mrs Loustalet, the founders focused on having a close partnership with their business school incubators. In fact, Kedge launched the Business Nursery in 2012, which is an incubator, helping students or young graduates to develop their business ideas, by providing useful tools and valuable workshops. Depending on the feasibility of the business idea, and the potential profitability of it, that business incubator might become an investor within the business. Thus, 'ROUND THE GLOBOX founders are strongly motivated to show the passion that drives them to the Business Nursery team. That being said, the collaboration with this incubator will bring extremely valuable expertise and guiding tools to 'ROUND THE GLOBOX team.

Furthermore, thanks to the openness acquired through their numerous experiences abroad, Inès and Léo met many inspiring people along their path. Knowing that the travel guide that will be offered to customers is based on anecdotes from local people, these encounters 'ROUND THE GLOBOX founders made all around the world will feed the travel narrative. Therefore, it represents a crucial help on their business development and establishment.

Consequently, it is paramount to highlight that through relationships of trust, 'ROUND THE GLOBOX founders acquire valuable knowledge and advice, strongly influencing them in the development of their business idea. Besides, according to Will Kintish,

networking is a virtuous circle; “if done right, meeting more people leads to more business and career opportunities, which leads to meeting more people and more business, and so on,” the author said.

4. THE PRODUCT AND SERVICE



Figure 1 – Example of 'ROUND THE GLOBOX' subscription box (Personal representation)

To this day, the subscription boxes market is a flourishing industry. On the other side, the touristic guides remain essential products in a saturated market in need of renewal. Therefore, the business idea is to create an environmentally friendly subscription box, combining an out of the ordinary, joyful and connected travel guide, useful discounts on activities as well as local and promotional products about travel to provide to the customer, a glimpse of the city to be visited. These products will be available on the Internet, on a website established by the founders.

The added value of the idea is to provide different options of subscription, according to customer needs and expectations. Indeed, the founders of 'ROUND THE GLOBOX' believe that everyone is special and that is why they aim to offer an innovative product, enabling clients to choose between several products, depending on what customers are looking for. When entering the website interface, customers will be able to fill in a questionnaire about their tastes and preferences about travel. This form will enable 'ROUND THE GLOBOX' founders to understand better customers' expectations and needs. Therefore, the reactive team of 'ROUND THE GLOBOX' will adapt the

routes, local products as well as discounts based on the characteristic of each customer.

Both of the founders thought about creating a website, which would be an attractive interface to explain the concept as well as the products made available to customers. It is paramount to clarify the offer for the potential clients of 'ROUND THE GLOBOX, so that there is no misunderstanding. Thus, below are the clear explanations of the subscription options that will be posted on the website, as well as the products provided with the box:

As mentioned previously, the subscription box contains a travel guide, which is the main item of the box, typical products showcasing local craftsmen as well as useful discounts on local activities as museum, restaurants, tours, etc. This constitutes the opportunity for the customer to have a quick overview of his or her destination:

- The travel guide: a humane and connected tool

A pocket guide relating the author-traveller stories in the city in question, providing to the customer a selection of good and already experienced addresses, approved and narrated throughout funny encounters and anecdotes. Thus, an innovative touristic guide, bringing the opportunity to start the adventure in a living room and to end it planned anywhere the customer pleases. Moreover, this pocket guides comes with an application enabling users to facilitate their stay through the possibility to create itineraries, to book visits or places to sleep, as well as to upload pictures or videos to share with the 'ROUND THE GLOBOX community.

- Typical products: local craftsmen creations and promotional products about travel

In order for the customer to receive a small piece of the featured city, the founders of the start-up decided to include local products in the travel box. Indeed, as well as the pocket guide providing useful tips about the city, Inès and Léo found a considerable interest in offering typical products made by local artisans. It is therefore a way of showcasing these craftsmen, by highlighting their talented work. Besides, it also gives the opportunity to the customer to discover typical products from the city he or she is going to visit. Between gastronomic products, DIY, stationery or art pieces, customers will be able to make a sensory encounter with the city. In addition to these local

products, Inès and Léo aim to promote products from well-known brands in order to finance a part of their box, and for customers to discover new products linked with the travel industry (solar cream, beauty products, travel accessories, etc).

- Attractive discounts: a chance not to be missed

In addition to the first items, subscribers will open a box full of surprises. What better way to organize a trip than receiving in advance, discounts for activities on the field? The founders realized through their previous experiences abroad that planning a journey is an arduous task. Indeed, depending on the destination, hotels are sometimes fully booked, museums really expensive, restaurants difficult to evaluate. That is why, to answer to these problematics, Inès and Léo have had the idea to offer to customers of 'ROUND THE GLOBOX, the opportunity to benefit from attractive discounts, either for tour guides, restaurants, or hotels and even typical events. Subscribers will be able to use these discounts through the application made available to them, or by printing in advance these vouchers to present on the spot. Another opportunity for customers to travel from their living room, awakening their desire to discover.

On top of the products made available to subscribers, the founders thought about several and different membership, to meet people requirements. Whether the customers are simple travellers or real globe-trotters, they will find the subscription that suit them and will have the chance to discover new destinations every month:

- The stroller

A non-binding monthly subscription that enables the customer to receive as many boxes as he or she wants, without being committed for a specified period of time.

- The traveller

A three-month subscription therefore providing three 'ROUND THE GLOBOX packages, so that the client can try it for a small period of time.

- The explorer

That subscriptions offers to the customer to buy a six-boxes package, meaning that he or she will receive one box a month during six months. It enables the client to receive

several different destinations travel guides in order to be guided in his or her seek for adventure.

- The globe-trotter

Compared to the previous subscription, this one is a twelve-month binding contract which provides customers with a box per month for twelve months. This offer is oriented to people willing to travel a lot, showing a thirst for discovery.

For these four previous options of subscription, the price will obviously decrease according to the size of the subscription. Indeed, to achieve profits as well as customer loyalty, it is important to demonstrate attractive offers.

- The gift box

This is the last option for customers to get involved in the 'ROUND THE GLOBOX experience. The founders Inès and Léo thought that it would be a great idea to give the opportunity to customers to offer one of the boxes available on the website for a special occasion. These presents will enjoy a special packaging depending on the occasion of the gift (wedding, birthday, mother's day, etc.) and will also provide the customer with a surprise coming from one of the partner brands of 'ROUND THE GLOBOX. For instance, if one customer chooses the Gift Box for mother's day, it will come with flowers from a partnership with Interflora¹⁰.

5. MISSION, VISION AND VALUE STATEMENT

According to Johnson & Scholes (2014), a mission is the organisation's "most generalized statement of purpose and can be thought of as an expression of its *raison d'être*". The mission summarizes the reason for existing of the business and represents the starting point for recognizing the future direction. Therefore, the mission helps to acknowledge the strategic developments to follow. The mission of 'ROUND THE GLOBOX is to convey a passion for travel and help customers thrive in the destinations they want to discover, by offering them useful, joyful and innovative tools to organize and plan their trips. Both of the founders agree with the fact that the mission is the essential purpose of the venture (Mintzberg et al., 2003). Not to be

¹⁰ Flower delivery service, Interflora. [online] Available at: <https://www.interflora.co.uk/> [Accessed 23 May 2017].

confused with the objectives, constantly changing, which are intentions of the business, according to Mintzberg.

As regards to the vision, also called strategic intent, “it is an aspiration around which to focus the attention and energies of members of the venture” (Johnson, Scholes & Whittington, 2009). The vision of ‘ROUND THE GLOBOX start-up is to become a reference within the tourist and subscription boxes markets. Indeed, within the forthcoming years, the firm will be able to provide customers with valuable information about many destinations in Europe and all around the world, thus cultivating the image of travelling to rewarding.

Patrick M. Lencioni once said that “values initiatives have nothing to do with building consensus – they are about imposing a set of fundamental, strategically sound beliefs on a broad group of people”. Both founders of ‘ROUND THE GLOBOX start-up strongly believe that humane values as well as unconditional willingness to share the passion of travel are paramount to become and remain successful. Inès and Léo also cherish integrity, honesty and care in all relationships with stakeholders as attributes to be fostered to a great extent. Finally, a fundamental thought of ‘ROUND THE GLOBOX is to be conscientious with the world around us, especially because the firm offers an environmentally friendly product, and because the aim is to keep discovering the magnificence of Earth through travels.

VI. INDUSTRY PROFILE AND OVERVIEW

The founders of 'ROUND THE GLOBOX saw a significant market opportunity for their product by observing the trends regarding the subscription boxes. In order to better understand the market in which Inès and Léo were going to enter in, the founders mapped out how widely spread the subscribers of gift boxes and subscription boxes were. Indeed, numerous actors of gift boxes were established on the market to satisfy people' expectations and requirements about leisure. However, by seeing that the vast demand was satisfied by beauty, food or wine products, they did not hesitate to keep on going with their idea of travel box.

In record time, the gift boxes as well as the subscription boxes imposed themselves as a must on the gift market. They are indeed perfectly adapted to the new household purchasing behaviour as these boxes are easy and convenient to buy or offer, suitable for all, and providing a real promise (unique experience or pleasure of receiving a surprise each month). However, these two different sectors, offering diverse content and established with distinct business models, are nowadays experiencing a common problematic. Indeed, once past the newness, the spectre of saturation and trivialisation of the offer hang around. Henceforth, what are today the main sources of growth for companies specialized in gift boxes? What resources have the latter to maintain or to create their attractiveness? How can they reach customers loyalty? And how can these companies ensure the concept sustainability?

In order to collect information about the market and the keys to become successful on the subscription market, which is not an easy task to accomplish, Inès and Léo, both of the founders of 'ROUND THE GLOBOX, managed to interview important actors of the sector. Indeed, they managed to come into contact with two employees of My Little Box, the leader of the subscription box on the beauty market. Adèle Benoit, Sales Manager and Maëva Cordonnier, Commercial Project Manager working at My Little Paris therefore dedicated one hour of their time to answer Léo's questions about the subscription box market¹¹.

During the first part of the interview, Adèle and Maëva provided a brief overview of My Little Box Paris and the main figures describing the company. First of all, the

¹¹ Interview of Adèle Benoit and Maëva Cordonnier, both working at My Little Box Paris, interviewed by Léo Locati on 12/06/2017.

entity became the leader on the beauty market for these kind of products on the French market, followed by Birchbox, the first actor who entered the subscription box market in the entire world. Nowadays, My Little Box counts 155 000 monthly subscribers all around the world, including 100 000 in France, 10 000 in the United Kingdom, 15 000 in Germany and 30 000 in Japan. Thanks to their marketing strategy, My Little Box Paris managed to attract customers all around the world. As regards to the turnover of the company, it was around 12 million in 2015 while the sales revenues exceeded 20 million in 2016, meaning that the business is expanding.

Concerning the market of the subscription box, the French market is divided into 3 main sectors, which are the beauty, the wine and the food. The main actors on the beauty sector are Birchbox and My Little Box, GlossyBox and Mon petit Ballon are the main companies on the wine sector and Kitchen Trotter on the food sector. According to the people interviewed, the latter are sharing the market of the subscription boxes among themselves.

Soon, the founders found out that numerous actors were active on the subscription box market, but noticed that no company was established on the travel market. That is why they decided to bring their project out to people and investors, in order to see whether it would be sustainable or not. Both of the founders of 'ROUND THE GLOBOX quickly noticed that "the first technique that an entrepreneur has available to discern the attractiveness of an industry is to study industry trends." (Barringer & Ireland 2010, 171.) Therefore, the founders gathered information about the market trends from the academic books, the Internet and from interviewing people from the sector.

Throughout all these researches, Inès and Léo, 'ROUND THE GLOBOX founders, realized that successful companies selling subscription boxes were focusing on winning strategies. Although it is paramount to find out which entities are the leaders on the subscription market, and what are their market share, it is crucial to focus on building powerful strategies when establishing the business, and the economic models are numerous when it comes to subscription boxes. Michaël Mareek pointed out that some businesses do not even pay the products inside their boxes. And better, these companies are even likely to be paid by the brands to include their products in the

boxes¹². Indeed, the subscription boxes enable brands to reach directly quite a few customers and thus making them discover and try new products as well as new brands. It therefore represents for the brands to promote, an incredible marketing medium.

Besides, in case the free access of products is not available for new companies such as 'ROUND THE GLOBOX, another effective strategy is to hardly negotiate the purchase price of these products to be included in the box. Indeed, according to David Azoulay¹³, co writer of the article on the flourishing market of the subscription boxes, "without reaching a 30% margin on the box to be sold and sent out to the customer, it is difficult to survive". According to him, the essential ingredients in order to become successful are the good purchasing price, an efficient communication strategy, an excellent customer service, and last but not least, an attractive and innovative product, with a good positioning.

In addition to the valuable advice of David Azoulay and Michaël Mareek, the interview of Adèle Benoit and Maëva Cordonnier, both working at My Little Box Paris, brought out useful tips for 'ROUND THE GLOBOX founders to take into account. Indeed, knowing that they are working for the leader of the beauty subscription box, they are aware of the trends to follow on the subscription box, and the mistake to avoid.

As regards to the leadership on the market, Léo asked both of the employees of My Little Box what were the keys to stay ahead of the competition and to remain the leader on the beauty market. The answers they gave strongly inspired Inès and Léo to take a lesson from their sayings in order to ensure sustainability and attractiveness of their new brand to be established shortly. According to My Little Box employees, it is paramount to be challenging, in order to stay ahead from the competition, and to always offer something new to customers or prospective clients. Furthermore, it is also crucial for them to be immersive and experiential in order to please and meet people's expectations and requirements about the products. Besides, Adèle and Maëva pointed

¹² Azoulay, D. (2017). *Le marché florissant des « box » mensuelles (The flourishing market of the subscription boxes) | Bpifrance servir l'avenir*. [online] Available at: <http://www.bpifrance.fr/A-la-une/Actualites/Le-marche-florissant-des-box-mensuelles-28234> [Accessed 23 May 2017].

¹³ Azoulay, D. (2017). *Le marché florissant des « box » mensuelles (The flourishing market of the subscription boxes) | Bpifrance servir l'avenir*. [online] Available at: <http://www.bpifrance.fr/A-la-une/Actualites/Le-marche-florissant-des-box-mensuelles-28234> [Accessed 23 May 2017].

out during the interview the importance of offering a qualitative and advanced content to potential customers, to have an irreproachable after sale service and finally to challenge oneself every day in order to surprise the customers daily.

To put everything into a nutshell, it is obvious that numerous actors are playing an important role within the subscription box industry, as Birchbox, My Little Box Paris, Le Petit Ballon, Glossybox, Kitchen Trotter. Besides, identifying the main actors of the sector is not the only challenge for new entrants, but also the winning strategies they use. Indeed, start-ups willing to enter the subscription box market have a greater interest in relying on the leader's business model in order to become successful. Finally, one thing that both of the founders of 'ROUND THE GLOBOX strongly hope is that they will play in the top league of the subscription boxes companies in the future.

VII. MARKET ANALYSIS

1. MARKET SEGMENTATION AND TARGETING

In order to better meet the sales forecasts and the results expected for the company, it is paramount to focus on the people the founders want to attract with 'ROUND THE GLOBOX products.

The product, thus the subscription box is designed to serve people willing to discover places and go on holidays but who either do not have time to organize their trips or who do not have enough money to pay travel agencies to plan everything for them. The major market segment will thus be the ones interested in traveling as well as the people attracted by innovative and up-to-date concepts.

Besides, prospective customers are also the ones surfing on the general trend of sharing communities. Knowing that Inès and Léo's idea of box will mainly rely on people sharing experiences, anecdotes and knowledge about the cultures, it must be emphasized that the ones already adept at using applications as Airbnb, Blablacar, etc are likely to be attracted by 'ROUND THE GLOBOX product. Moreover, according to a market investigation conducted by Léo Locati, 100% of people interested by the concept were regularly using sharing platforms or used them at least once in their life, meaning that 'ROUND THE GLOBOX concept is likely to please many people.

Furthermore, the potential customers of the start-up are segmented based on their professional situation, since people earning more than 70 thousand euros are more likely to seek the services of travel agencies. That is why young actives on the job market are considered as the main target for 'ROUND THE GLOBOX' founders. Indeed, they earn enough money to subscribe to an innovative and attractive concept, however, they are more reluctant to spend much money on tour packages. This further argument might be supported by one of the answers of the survey conducted to 100 people earlier in the year. In fact, 70% of the respondents were ending their studies, starting their first job or under 5-year experience, meaning that young actives is considered as the main market segmentation for 'ROUND THE GLOBOX' innovative concept.

Another rather large influence factor for targeting the customers is the location, where do people live. According to Adèle Benoit and Maëva Cordonnier, both working at My Little Box Paris, 70% of their customers are people living or working in Paris, whereas only 30% of their customers are living outside Paris in Province¹⁴. That being said, it is noticeable that Inès and Léo, 'ROUND THE GLOBOX' founders, need to focus the development and establishment of their business around Paris area. Besides, knowing that it is the capital of Paris, being established there will enable the founders to move around to see the partners or suppliers easily. But, talking about the prospective customers, it is paramount to focus on Parisian community, which represent the major customers of the subscription market.

People using social networks are also considered as prospective customers. Indeed, the more they can be affected by social medias and the advertising published on them, the more these social network users are likely to become customers of 'ROUND THE GLOBOX'. As it will be mentioned below in the communication strategies, the innovative concept of Inès and Léo will strongly be leveraged and relayed on social networks such as Instagram, Facebook, Twitter and the main others. Consequently, users of social networks represent an important segment of 'ROUND THE GLOBOX' customers.

¹⁴ Interview of Adèle Benoit and Maëva Cordonnier, both working at My Little Box Paris, interviewed by Léo Locati on 12/06/2017.

Besides, needless to say that the ones already charmed and attracted by other subscription boxes, are likely to become customers of 'ROUND THE GLOBOX products.

An additional characteristic of the prospective customers to target is the age. Knowing that both of the founders strongly believe that 'ROUND THE GLOBOX product is aimed to the ones surfing on the trend of sharing community, the young actives living in big cities as well as people active on the social networks, it is obvious that targeted market is people aged between 25 and 40 years old. Indeed, this age range encompasses all the characteristics mentioned above.

Finally, it is paramount to include into the prospective customers the numerous people willing to travel, but who are not satisfied by the travel guides as well as the travel agencies anymore. In fact, as previously mentioned, there is a kind of obsolescence of the touristic guides, and people are less and less satisfied by their content, meaning that it is an opportunity for 'ROUND THE GLOBOX founders to attract customers from the competition.

To put everything into a nutshell, the target market covers the people between 25 and 40 years old, attracted by discovering and travelling all around the world. Besides, Inès and Léo want to target young active people, who are following the technological trends as the social networks and sharing communities. Moreover, the ones living in the French capital as well as big city as Bordeaux and Lyon, will also be the prospective customers of the start-up that the founders are willing to establish. Finally, people who already are consumers of subscription boxes as well as the ones reluctant to the efficiency of travel agencies or travel guides, are also considered as an important part of the potential customers 'ROUND THE GLOBOX founders want to seduce.

2. CONSUMER BEHAVIOR

As previously mentioned, the target market of 'ROUND THE GLOBOX are young actives between 25 and 40 years old willing to discover new concept while traveling. In Inès and Léo' minds, the sales of their products will be oriented only to private

individuals. Indeed, knowing that both of the founders strongly believe in achieving their business by their own and through their relatives and acquaintances, they do not aim to offer their subscription boxes to business.

In other words, 'ROUND THE GLOBOX founders are willing to sell via B2C, which implies to maximize the value of the transaction, by ensuring to convert shoppers into buyers as aggressively and consistently as possible, in particular through impacting marketing and communication strategies. However, the entity founders do not aim to sell to business, also called B2B, knowing that it includes many steps for the buying process and that this strategy is relationship oriented.

When examining the buying decision process, it is helpful to follow the five stages framework introduced by John Dewey in the 1910. It therefore enables business entrepreneurs to align their sales strategy and to evaluate easily the buying process of customers¹⁵. At the first stage of the process, the prospective customer feels the need to buy a product or service. However, the purchase will not take place as long as the need is recognized. That is why 'ROUND THE GLOBOX founders must put everything in place in order to trigger the need from customers, by external stimuli as advertising or attractive content on their Internet platform. It is noticeable that the need may also be triggered by internal stimuli, meaning that the potential customer could feel the need to buy 'ROUND THE GLOBOX in order to organize its trip.

¹⁵ John Dewey, Five stage process from Keller, K. & Kotler, P. 2006. Marketing management. 12th ed. Pearson Education. Upple Saddle River, New Jersey.

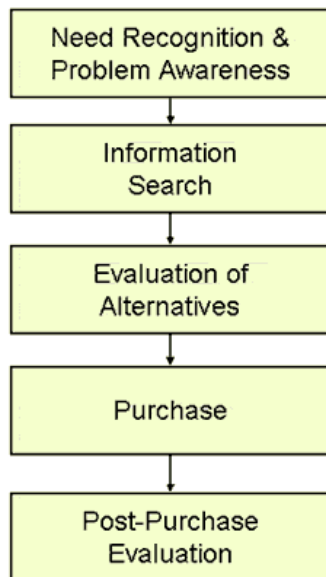


Figure 2 – Five stage process (Keller, K. & Kotler, P. 2006)

Besides, the second step of John Dewey's process is the information search. In this stage, the prospective customer is going to seek information alongside their internal as well as external environment. Indeed, some customers will collect information from their relatives or acquaintances, also called the word of mouth. On the other side, another part of the prospective customers might collect information from advertisements, meaning that the communication strategy needs to be impacting. Consequently, 'ROUND THE GLOBOX founders decided to put all of their efforts in a powerful communication strategy in order to attract as many as customers possible, and this part will be mentioned below.

The third stage of the buying decision process is the evaluation of alternatives, during which the potential customers assess the various existing options based on numerous characteristics depending on their expectations and needs, as the quality, the price, the innovation of the product for instance.

Once customers have evaluated all the alternatives presented to them, the purchase decision comes to its end, and prospective customers become subscribers, in the case of 'ROUND THE GLOBOX. Inès and Léo are really focusing all their efforts to offer suitable products for the customers, answering to most of the needs and requirements identifies.

Last but not least, the post-purchase evaluation is the final step of John Dewey's consumer buying process. There are some odds that customers postpone their purchase

decision due to some reasons. Indeed, if the final consumer of 'ROUND THE GLOBOX' is not satisfied with the product, it can seriously damage Inès and Léo's business' brand image. That is why this last stage of the process is crucial, and not to be missed. Besides, during the interview with Adèle Benoit and Maëva Cordonnier, they insisted on the fact that My Little Box Paris intends to be impeccable on the after sale service, in order to guarantee a satisfying brand image.

To conclude, it is paramount for 'ROUND THE GLOBOX' founders to take the time necessary to evaluate the behaviour of the prospective customers. The more the offer is adapted to people's expectations and the implementation strategies are powerful and straightforward, the more the chances are to become successful for both of the founders of the subscription box.

3. COMPETITOR ANALYSIS

That being said, it brought both of the founders of 'ROUND THE GLOBOX' to analyse the direct as well as the indirect competitors that could disturb the establishment of their business. Although there are no direct competitors, knowing that no other company is providing similar products as 'ROUND THE GLOBOX' is offering to customers, numerous indirect competitors may affect the profitability and success of the start-up.

- Companies providing touristic guides

As laid down previously, big actors are already existing in the travel industry. Le guide du Routard, the main player of the French market was founded in 1973 and represents 40% of market share of the French travel guides sold. Another active and established company is Lonely Planet, created in 1972 in Melbourne, Australia and acquired in 2013 by NC2 Media (a US based media company engaged in the creation, acquisition, and distribution of quality video content and the development of the technologies to make that possible)¹⁶. Many other travel guide companies are present on the market, as GeoGuide, Footprint Handbooks, Rough guides, Michelin, Petit Futé, etc. These ventures stand for important competitors for 'ROUND THE GLOBOX' start-up as they are big actors within the sector, providing customers with useful advice on how to plan their holidays. However, these companies providing touristic guides are

¹⁶ Lonely Planet (2017). *Story*. [online] Lonelyplanet.com. Available at: <http://www.lonelyplanet.com/about/story> [Accessed 27 May 2017].

not offering turnkey trips to customers. Indeed, they give precious information but they do not organize the trip from scratch. Whether 'ROUND THE GLOBOX founders want to offer itineraries in their boxes, with significant discount on the activities they will do during their trips. The business idea of Inès and Léo is actually mixing the touristic guides, the travel agencies and the subscription boxes.

- The subscription box market

As newer on the market of the subscription box, 'ROUND THE GLOBOX could be faced to bigger players. For now, Birchbox, Wonderbox and other players are not providing the same products as the start-up will do. However, change happens fast, and there is a paramount challenge for 'ROUND THE GLOBOX founders, in order to constantly seek out for competitive edge.

- Internet and its booking platforms

Nowadays, around 40% of the global population has access to the Internet. The number of users has increased tenfold from 1999 to 2013¹⁷, meaning that people are more and more using electronic media instead of printed format when looking for information. Indeed, you can do everything by your own today, and by using Internet, people do not even have to pay to find out useful information about anything. Moreover, as regards to the tourism industry, numerous booking platforms are made available to customers in order for them to organize their trip easily. For instance, a French person wishing to visit Lisbon can, in less than ten minutes, book his or her flight on Kayak or Skyscanner¹⁸, and his or her hotel room on Booking. And on top of that, the better rates available will be offered to the customers. Furthermore, according to a study conducted by Raffour Interactif, 71% of the French who went on holidays in 2016 have prepared their stays on the Internet, half of which fully booked all or part of their stays online¹⁹. That being said, the Internet constitutes an undeniable competitor to 'ROUND THE GLOBOX business.

- Social networks and their bloggers

¹⁷ Internet Live Stats, available on internetlivestats.com/internet-users/

¹⁸ Kayak.com and Skyscanner.com, flights comparators

¹⁹ Cherrier, V. (2015). *Tourisme en ligne : 71 % des Français préparent leur voyage sur le web | APST*. [online] Apst.travel. Available at: <https://www.apst.travel/2015/07/23/71-des-francais-partis-ont-prepare-leurs-sejours-sur-internet/> [Accessed 21 May 2017].

Social networks are facing a constant growth for recent years. According to a worldwide study on Social medias, the number of social media users has seen unprecedented growth, with an increase of 25% since January 2016. The same study showed that while Facebook experiences 1.871 million users, Instagram has six hundred thousand subscribers²⁰. A significant progression that does not escape to companies, now using social networks when it comes to build their marketing strategies. Indeed, these companies are creating partnerships with bloggers all around the world to promote their products. These bloggers are also promoting touristic places through their accounts and the more they have followers, the more people are influenced by their digital content. That is why social medias and especially bloggers sharing their experiences stand for a competitor to 'ROUND THE GLOBOX venture. However, it is paramount for the founders to see it as an opportunity to bounce back and offer partnership with these bloggers.

VIII. MARKETING PLAN

1. SWOT ANALYSIS

"The possible areas of environmental change that may affect a firm are inevitably very wide indeed, and even the largest organisations have not the time or resources to examine more than a fraction of the factors that might affect them." (J. Grives Smith, 20XX). However, it is crucial for a company entering a new market to precisely identify its internal as well as its external environment.

²⁰ Smart Insights. (2017). *Global Social Media Statistics Summary 2017*. [online] Available at: <http://www.smartinsights.com/social-media-marketing/social-media-strategy/new-global-social-media-research/> [Accessed 28 May 2017].

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Mental alertness and openness of the two recently graduated founders - Uniqueness of the concept to be implemented - Ecologically friendly packaging - Low capital requirements - Support of founders' network 	<ul style="list-style-type: none"> - Reluctance of investors and the market - Limited financial resources - Lack of experience within the industry - Lack of reputation
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - The subscription boxes: a booming industry - The declining market of the travel guides - Expansion of tourism all around the world 	<ul style="list-style-type: none"> - Bigger and already established brands entering the subscription box market - The touristic guide market experiencing a rapid transformation - The constantly evolving tools of digitalization

Figure 3 – SWOT Analysis (Personal representation)

As to the internal analysis, ‘ROUND THE GLOBOX’ entity presents numerous assets that could enable them to establish a successful venture. First of all, as said previously, both of the founders have been recently graduated from business schools with two different specializations. The programs they have attended to were international careers, which brought them the openness and the mental alertness needed to implement their start-up on the touristic market. Furthermore, Inès and Léo strongly believe that an open and curious way of living as well as professional priorities lead to a successful outcome.

Besides, the founders are confident that 'ROUND THE GLOBOX' concept stands out as a unique alternative to touristic guides. Although pocket guides are timeless travelling companions, Inès and Léo are convinced that they are offering a unique experience to customers by bringing 'ROUND THE GLOBOX' to the market. Indeed, more than a travel guide, it is a box full of shared experiences alongside with local goodies and discounts: a perfect premature sensory discover of the city to be visited by the customer.

In addition to the previous competitive advantage that brings 'ROUND THE GLOBOX' concept, it is paramount to highlight that the packaging of that box is totally ecologically friendly. For the past recent years, it has been observed that the global warming is getting more and more out of control. Consequently, people tend to become more respectful to the Earth and many companies have appeared on the market, offering eco-friendly policies. That is how eco-responsible became the fundamental thought 'ROUND THE GLOBOX' founders want their business to cultivate and be founded on.

Moreover, 'ROUND THE GLOBOX' products will be available on a website, which means low overhead to establish the company. Indeed, apart from seeking out investors on the field, the founders will be able to work from home, developing their website. It is crucial to emphasize on the fact that no premises will be acquired, thus saving a huge budget for the establishment of the website. Besides, it is easier to reach customers through internet, as the communication through social network is easier. That is why both founders are confident that the business requires low capital.

Finally, another considerable advantage for the founders of 'ROUND THE GLOBOX' is the trustfully relationships they enjoy. Indeed, as previously explained, Inès and Léo are surrounded and helped by inspiring people interested in their innovative concept. Therefore, it represents a precious advantage for them, as they receive valuable knowledge and know-how in order to bring 'ROUND THE GLOBOX' to life as soon as possible.

Regarding the weaknesses that 'ROUND THE GLOBOX' can be faced to, reluctance of the investors is the main hurdle for the founders of the start-up. Although they believe in the feasibility and the profitability of their business, Inès and Léo are recently graduated which can be seen as a considerable weakness for investors.

Besides, reluctance from the clients and investors would lead to limited financial resources. Knowing that both of the founders have been recently graduated, their personal contribution will be essentially human capital. That is to say that their personal financial input will be low, and that they strongly believe in investors and clients to support the establishment of their business.

Furthermore, compared to people having experienced many years in the touristic industry, 'ROUND THE GLOBOX founders have not yet acquired the expertise of the industry. That could be seen as a brake for the two founders. Nonetheless, Inès and Léo are aware of that potential hurdle and are constantly seeking for knowledge to acquire about the industry. Moreover, they believe that their youthful enthusiasm can on the other hand convey positive outcomes.

Another weakness that the founders might be confronted to is the lack of reputation. Indeed, 'ROUND THE GLOBOX founders have not established themselves as a reputable touristic guide provider yet, but will focus their efforts on doing so as soon as the website will be established.

After pointing out the internal strengths and weaknesses that 'ROUND THE GLOBOX presents, it is crucial to highlight to what extent the external environment is impacting on the innovative concept of subscription box. First of all, one of the main opportunity that the founders are enjoying, is the flourishing industry of the subscription boxes. For recent years, many companies have emerged on the market, bringing more and more customers to subscribe on the internet to boxes full of surprises. According to Michael Mareek, the founder of boxes comparator websites, the industry of the subscription box is enjoying early stages, and still far from the saturation.

Another considerable opportunity to pinpoint is the shrinking market of the touristic guides. Although Lonely Planet and Le Guide du Routard have been considered as perfect fellow travellers for years, customers' needs are constantly evolving and the pocket guide market is showing significant obsolescence signs. Indeed, people need a unique experience and are also using internet to organize their trips. Consequently, there is a gap for 'ROUND THE GLOBOX to provide an alternative to the touristic guide.

And last, but not least, the significant expansion of tourism all around the world embody a notable chance for 'ROUND THE GLOBOX founders to establish themselves on the market of the touristic guides. Indeed, the number of travellers all around the world have been multiplied by 2.6 between the 1990s and 2016, meaning that over one million international tourists go on holidays every year²¹.

As regards to the obstacles that 'ROUND THE GLOBOX company could be faced to, big brands stand for an important threat. Although Birchbox and other big actors of the market like My Little Box are not offering boxes about travel, they would represent a significant hurdle if they decided to do so. Indeed, they acquired customers' loyalty and have a strong reputation within the subscription box market. That would be easier for them to catch customers willing to travel than a start-up like 'ROUND THE GLOBOX. Besides, big brands are bursting the subscription box bubble: an increasing number of boxes have launched by giant companies over last few months²². These potential competitors could knock 'ROUND THE GLOBOX founders off the market. According to John Fetto, analyst at Hitwise, "traditional retailers should be — and some already are — taking note of the success that start-ups in this industry have enjoyed and determine if a subscription model would be a smart extension to their existing product line up". For instance, Starbucks launched the Reserve Roastery and will send hand-selected and small-lot coffees to subscribers, for \$19 a month. Let's then hope that giant from the touristic industry will not start to appear on the subscription box market within the next few months.

Another threat to take into consideration is the rapid transformation of the touristic guide companies. Knowing that the market of travel guides is shrinking, experiencing -2.7% in number of copies and -4.3% in sales according to Ipsos figures in 2016, big actors such as Le guide du Routard or Lonely Planet are starting to question themselves. They therefore started to offer diversification, making their products available on the internet, as e-books. That is why giants of the travel guide industry might represent a threat for 'ROUND THE GLOBOX founders, if they keep going with their rapid transformation.

²¹ UNWTO, 2016. Tourism Highlights

²² Pathak, S. (2016). *Why big brands are getting into the subscription-box business - Digiday*. [online] Digiday. Available at: <https://digiday.com/marketing/big-brands-getting-subscription-box-business/> [Accessed 27 May 2017].

In addition to these menaces, the expansion of the digitalization is also threatening ‘ROUND THE GLOBOX’ founders. It really kicked into gear for recent years, encouraging companies to adapt their marketing strategies in order to offer their products and services online²³. Knowing that numerous tools are appearing each year on the digitalization market, it compels companies to be aware of the change and to adapt their skills according to which tools that are necessary for the development of a business.

To put the external and internal analysis into nutshell, it is paramount to highlight that a constantly evolving world is surrounding companies. In fact, changes come from anywhere and can affect the success of a brand, totally changing the external environment where it is established. Potential threats might appear from one day to another, without warning founders of new entrants on the markets. Besides, changes are difficult to understand and often happen over time, depending on trends and patterns²⁴. That is why no company should rest on its laurels and always seek for improvement. “Successful strategy implementation hinges upon managers' ability to develop an organisational climate conducive to change. Change must be viewed as an opportunity rather than as a threat by managers and employees”. (F R David 'Concepts of Strategic Management', 2005).

2. MARKETING MIX

The marketing mix is a foundation concept in Marketing, established by McCarthy, and it has been defined as the “set of marketing tools that the firm uses to pursue its marketing objectives in the target market” by Kotler. Before establishing a venture, it is paramount to focus on the implementation of an efficient commercial strategy, in order to attract and acquire new customers repeatedly and in a sustainable way. Therefore, the consideration of the marketing mix and the 4Ps policies provide a framework enabling the marketing decision-making to be the more complete as possible. This tool refers to four levels of marketing decision: product, price, promotion and place.

²³ Guibert, P. (2011). *La digitalisation, c'est quoi concrètement? - Stratégies*. [online] Stratégies. Available at: <http://www.strategies.fr/blogs-opinions/tribunes/167133W/la-digitalisation-c-est-quoi-concretement-.html> [Accessed 28 May 2017].

²⁴ Johnson, G., Whittington, R., Scholes, K., Pyle, S. and Johnson, G. (2014). *Exploring strategy*. 10th ed. Harlow: Financial Times Prentice Hall.

I. Product

The product policy is the starting point for the marketing strategy, which examines each characteristic of the product, in order to offer attractive service or product to your customer. The product refers to what will be offered to the customer and that will meet its requirements. According to Blythe (2009), the product decision-making includes the “quality, features, benefits, style, design, branding, warranties, guarantees, life cycles, investments and returns”.

As regards to ‘ROUND THE GLOBOX, the product will be offered in a cardboard packaging, including the travel guide, local and promotional products as well as “good deals” for activities of the destination. The founders of the box thought about important characteristics to take into account before establishing the final product.

First of all, knowing that our planet is suffering from global warming, and that people are more and more concerned with the environmental issues, the founders of ‘ROUND THE GLOBOX decided to offer an eco-friendly packaging. Indeed, Inès and Léo want their packaging to have the least possible impact on the world surrounding us. And the only way to know this for sure is to measure and then reduce the carbon impact for the packaging that will be offered to customers. To begin with, one of the idea is to use as little material as possible to create the box. Then, the packaging of ‘ROUND THE GLOBOX will use the most recycled or renewable materials as possible. Besides, in addition to the initiatives taken, the founders will make their best to lower their carbon footprint, by consciously avoiding to use carbon-rich materials. Eventually, ‘ROUND THE GLOBOX founders really aim to do their utmost to ensure that their packaging will be environmentally friendly. That is why the cardboard packaging will be certified by the Forest Stewardship Council²⁵, meaning that the wood fibres used to create the box will come from ethical forests and other eco-friendly sources. Indeed, using FSC certified packaging is a fairly simple way of contributing to the protection of the forests around the world. Consequently, the fact that ‘ROUND THE GLOBOX will be eco-responsible is an added-value for the founders, to attract environmentally sensitive customers.

²⁵ Forest Stewardship Council, a global not-for-profit organization that sets the standards for what is a responsibly managed forest, both environmentally and socially.

Concerning the design, the founders of 'ROUND THE GLOBOX want to provide customers with a cardboard packaging which is recyclable but that can also turn into a decorative object. Indeed, Inès and Léo will offer to customers a customizable and beautiful box so that subscribers can either collect the boxes to decorate the inside of their houses or use them as keepsakes. That being said, the boxes will also be a convenient way to store the souvenirs brought by the travellers from the destination they visited. In other words, the packaging will be full of tips and good deals about the city or country to visit, but could also be a perfect keepsake.

As regards to the quality of the packaging, the founders of 'ROUND THE GLOBOX are focusing on the stability of the product. Indeed, Inès and Léo absolutely want to provide the customers with a stable cardboard boxes. It is paramount to deliver the final product in good conditions, meaning that the cardboard packaging must be stable enough to avoid being damaged during transport. Furthermore, it is likely that the boxes will contain fragile products from local craftsman. That is why the founders of 'ROUND THE GLOBOX will work closely with Mrs Loustalet, working in the packaging industry for fifteen years. The latter will be able to bring crucial advice to Inès and Léo, about which cardboard to use for the subscription boxes.

II. Price

The price implies the total cost incurred to acquire the product or service, and involves the monetary cost as well as the psychological costs, such as the effort and time dedicated for the purchase²⁶. The pricing policy must be implemented taking into account a set of internal as well as external constraints.

On the one hand, the internal constraints might affect 'ROUND THE GLOBOX founders decision-making about the selling price. First of all, the price depends on the cost price of the product as well as the profitability target. In order for the business to be successful, founders have an interest in achieving a reasonable profit margin. Besides, the selling price also depends on the brand positioning. The aim of the founders of 'ROUND THE GLOBOX is to provide the customers with an innovative travel guide, bringing a unique experience for travellers wishing to discover and share incredible adventures. For Inès and Léo, every traveller is different and special, that is why the product will be adapted to consumers' needs. 'ROUND THE GLOBOX

²⁶ Blythe, Jim (2009). *Key Concepts in Marketing*. Los Angeles: SAGE Publications Ltd.

founders claim an innovative positioning, bringing travel solutions available everywhere and by everyone. That being said, they are willing to bring customers with affordable products. Consequently, it is crucial for both of the founders to consider these internal constraints as key input to decision-making.

On the other hand, 'ROUND THE GLOBOX founders might be face to external hurdles. One of the main constraint is competition. Indeed, the founders of the venture consider that is it paramount to make a competitive analysis in order to understand the market in which they aim to grow up. Besides, it is a crucial way of observing the different prices offered by competitors. Therefore, 'ROUND THE GLOBOX founders engaged a competitive analysis in order to gather the prices offered on the travel guide and subscription box markets.

In respect of the tourism industry, it has been said before that the main actors are Lonely Planet and Le Guide du Routard, that is why Inès and Léo analysed their prices on the market of the touristic guides. As regards to Lonely planet, the lowest price they offer is 8,99€ for short holidays. When it comes to the entire country, the travel guide goes up to 32,50€. Concerning Le Guide du Routard, prices are generally between 9,90€ and 15,90€.

Regarding the subscription box market, 'ROUND THE GLOBOX founders focused on the prices fixed by Birchbox, Mylittlebox and Kitchentrotter, which are also two of the main actors of this industry. On a monthly basis, Birchbox²⁷ offers its boxes at the competitive price of 13€ when Mylittlebox²⁸ offers its subscription boxes at 16,90€ per month. As regards to Kitchentrotter²⁹, a box offering recipes about countries all around the world, the unit price is fixed at 25€ per box. Even if these businesses are not providing travel advice and good deals, they are valuable actors on the market of the subscription boxes. However, these main actors are not totally comparable with the business idea of 'ROUND THE GLOBOX founders knowing that they offer less products and promotional offers than Inès and Léo's venture.

However, the pricing of 'ROUND THE GLOBOX is essentially value-based, since the product 'ROUND THE GLOBOX founders offer is an alternative of touristic guides

²⁷ <https://www.birchbox.com/>

²⁸ <https://www.mylittlebox.fr/>

²⁹ <https://www.kitchentrotter.com/>

bringing added-value and innovative concepts as the local products and the discount on activities of the destination. Consequently, even if analysing the market prices of travel guides and subscription boxes is valuable, it is also capital for 'ROUND THE GLOBOX founders to focus on the customers perceived value. In addition to the prices of the indirect competition, the transportation and distribution costs are to be considered, especially because 'ROUND THE GLOBOX products will be available on a website, meaning that the products will be delivered to customers. The distribution channel will be further developed, but it is paramount to take that costs into consideration when thinking about the pricing policy. Finally, the purchasing power of customers is also a considerable variable. 'ROUND THE GLOBOX founders must make profit on the products they will be selling, but in order to attract customers and acquire their loyalty, Inès and Léo must offer an affordable service on the website.

Thanks to the competitive analysis conducted, the founders of 'ROUND THE GLOBOX have been able to fix an entry price for the innovative subscription box they want to offer. In order for the product to be affordable and for the founders to be able to realise profit margin, Inès and Léo decided to launch 'ROUND THE GLOBOX at a loss leader and attractive price of 24,99€. As regards to the subscriptions, it goes without saying that the founders will use a scaled price matrix depending on the package bought by the customers. Birchbox for instance, is selling the unit at 13€ but the annual package for only 130€, which means that customers save two boxes per year. Thus, it is an effective strategy in order to attract customers and acquire their loyalty.

III. Place

The place also called distribution policy, refers either to the location of the business or the distribution channels used to reach the market and to give access to customers (Blythe, 2009).

As regards to the localisation of the business, 'ROUND THE GLOBOX products will be available on the website created by the founders. At the first stages of the establishment, both of the founders decided to save important expenses by avoiding to buy or rent premises. First of all, creating an attractive website in line with the times and trends is a leverage for Inès and Léo. Furthermore, according to Véronique Méot, "start-ups designing subscription boxes – generally created by bloggers or graduates of

business schools - rely on Internet platforms with highly edited editorial content to capture traffic and transform visitors into subscribers”³⁰.

Besides, knowing that creating a business is a long-winded experience, and that it costs much money for the founders, it is more convenient for both of the founders to create a platform for their start-up. In addition to saving money for the rent or purchase of premises, it will enable them to attract and seduce customers at the first stages of the process thanks to their Internet platform.

Moreover, concerning the storage of the boxes, Inès and Léo came with the convenient idea of storing their products at their place in Paris, so there is no need to rent or buy a warehouse. Besides, knowing that it is a start-up and that the means the founders have are limited, it is a practical way for them to save additional expenses. In addition to their limited means, the sales of the first year are an estimation and ‘ROUND THE GLOBOX is a small-scale business for now.

Regarding the transportation and logistic strategy, both of the founders strongly believe in their commitment and their keen mind to take care of the delivery of the product by their own. Indeed, after having negotiated the prices of all the products to include in the subscription boxes, and after buying all of these, Inès and Léo will be able to store the products at their place. That being done, they thought about furnishing all the boxes by their own and send them to the customers through a mailing system. Nowadays, a variety of shipping solutions help business owners to build their companies, as DHL, UPS or FEDEX³¹, which enable founders to send and follow up the flow of packages.

In the future, hoping that ‘ROUND THE GLOBOX will attract many customers and that investors will be interested in the project, Inès and Léo are likely to offer their subscription boxes to different and numerous distribution channel. For instance, knowing that some gift or subscription boxes are sold at FNAC³², this retailer

³⁰ Méot, V. (2017). *LA BOX, UN NOUVEL OUTIL MARKETING ?*. [online] <http://www.e-marketing.fr/>. Available at: <http://www.e-marketing.fr/Marketing-Direct/Article/LA-BOX-UN-NOUVEL-OUTIL-MARKETING--44893-1.htm#dBq9usuAldjzOqV6.97> [Accessed 6 May 2017].

³¹ Sills, A. (2017). *How to Choose Between UPS, FedEx, DHL for Your Business*. [online] OPEN Forum. Available at: <https://www.americanexpress.com/us/small-business/openforum/articles/how-to-choose-between-ups-fedex-dhl-for-your-business/> [Accessed 11 Jul. 2017].

³² French retailer specializing in cultural and electronic products aimed at the general public. FNAC (2017), Available at: <http://www.fnac.com> [Accessed 14 Jun. 2017].

represents an intermediary for 'ROUND THE GLOBOX founders in case of significant success; Inès and Léo could settle an agreement with FNAC in order to distribute their boxes through this retailer.

To conclude, the distribution strategy of 'ROUND THE GLOBOX business is quite simple at the first stages of the start-up establishment. In fact, it is a virtuous spiral, and the more the people are attracted by the products, the more the sales will increase, and therefore, the more Inès and Léo will be able to consider a macro level distribution channel.

IV. Promotion

The aim of a communication campaign is to create awareness, impart knowledge, project image in order to stimulate a want or desire from the customers. In fact, people usually need recognition, that's why we must innovate on the market to provide products or services available for them. By giving them information about the service that will be provided, and by creating a promotional campaign, Léo and Inès will be able to meet people's expectations and by the way their loyalty. Below, the communication mediums that will be used by the founders of 'ROUND THE GLOBOX in order to promote their new brand and products included inside the box.

- Social network

In the past few years, the number of internet users has increased tenfold from 1999 and 2013 and more than three billion people are nowadays daily connected and surfing on the web³³. Moreover, it has been observed that social networks have expanded throughout the entire world. Since Mark Zuckerberg entered into the world of social networks with Facebook, many entrepreneurs have launched their own platform, enabling people to share content and keep themselves informed about what is happening all around the world. According to Statista (2017), there were 2,14 billion social media users worldwide in 2015, with projections until 2,67 billion social media users around the globe in 2018. Consequently, knowing that 55% of internet users are also social network subscribers, 'ROUND THE GLOBOX founders think it is paramount to be present and active on the today's main social networks. Besides, Maeva Cordonnier and Adèle Benoit, who Léo interviewed during her research,

³³ Internetlivestats.com. (2017). *Number of Internet Users (2016) - Internet Live Stats*. [online] Available at: <http://www.internetlivestats.com/internet-users/> [Accessed 27 Aug. 2017].

claimed that being attractive on social medias was a way of becoming leader on the market. Indeed, Inès and Léo will create a Facebook page with the aim of sharing contents about the innovative concept they will launch on the subscription box market. Besides, establishing a Facebook page is also a way of increasing popularity as well as attracting customers. Knowing how to use social networks is paramount in order to have an effective communication policy. Both of the founders will also focus their energy on Instagram, by establishing an account for 'ROUND THE GLOBOX. Through video and picture sharing, Inès and Léo will be able to promote the brand as well as the product offered to customers, so that the potential subscribers understand better the product to be received in their mailbox. Furthermore, Snapchat and Twitter will also represent means of communication, in order to attract even more potential customers. According to Inès and Léo, it is essential to keep in mind that customers or potential subscribers need to be cherish, and they need to understand 'ROUND THE GLOBOX product. That is why, by efficiently communicating through the main social networks existing, Inès and Léo ensure themselves to create brand recognition. Consequently, it is crucial for the founders to dedicate precious time in establishing accounts on social networks and to publish regularly in order to attract customers and to create curiousness.

On the other hand, social networks also enable 'ROUND THE GLOBOX founders to stay aware of what other brands offer, and to find inspiration in order to stay ahead from the competition.

- Influencers

In parallel to social networks, bloggers are becoming significant actors of companies' communication policies. Bloggers are people sharing content on social networks, especially Instagram, through videos or pictures. These personalities promote brands or products in exchange of good deals. "They're flown around the world by designers and can charge thousands for an Instagram post"³⁴. These people are also called influencers, meaning that they influence people buying decision making.

As previously mentioned above, networking is paramount in today's world. Indeed, it is now quite common to use its network in order to set up a business. More and more, people share their experiences, and give a hand to their relatives and acquaintances.

³⁴ Harris, S. (2017). *What Is An Influencer?*. [online] Vogue.co.uk. Available at: <http://www.vogue.co.uk/article/what-is-an-influencer> [Accessed 13 Jun. 2017].

That being said, Tessa Coulon, an old friend of the founders' families, is working in public relations for well known French brands including LVMH group, and her main mission is to promote new products launch for these companies. She is therefore in constant relationship with many influencers, who are generally part of the communication process of these new products launch. Mrs Coulon offered Inès and Léo, both founders of 'ROUND THE GLOBOX, to help them at the first stages of the establishment of the start-up, with their communication policy. Both of the founders of 'ROUND THE GLOBOX organized a meeting with Tessa in order to talk about what could be achievable on her side, in order to help the two young active girls to launch their innovative concept. She proposed to Inès and Léo to meet Adenorah, a French blogger, strongly active on social networks and making numerous collaboration with brands in order to promote their products. That is a significant opportunity for the two founders, and a precious way of promoting their idea of subscription box.

In addition to make a partnership with Adenorah, Inès and Léo plan to organize events gathering many French influencers, so they can promote the concept throughout their social network accounts.

- Magazines

An additional way of promoting 'ROUND THE GLOBOX concept is to communicate through magazines. However, brands are spending much money to publish articles or advertising on magazines. A further privilege of the founders is Caroline Pois. Mrs Pois is the advertising and communication general manager at Elle, and she offered Inès and Léo assistance for their start-up establishment. Publishing in magazines is a really expansive task for entrepreneurs, and it can cost from \$500 to \$20.000 depending on the size, the reputation and the positioning of the advertising³⁵. That is why small brands generally do not have enough means to publish articles or even advertising in renowned magazines. After having organized a meeting between the three of them, they conclude a deal: a small article about 'ROUND THE GLOBOX innovative concept will be published right at the establishment of the brand in exchange of 30 boxes, that the magazine will be able to share to its best clients. Consequently, this deal represents for Inès and Léo an incredible opportunity to promote their subscription box. In addition, Elle magazine is read by one million and a

³⁵ Kobliski, K. (2017). *Magazine Ads*. [online] Entrepreneur. Available at: <https://www.entrepreneur.com/article/83094> [Accessed 8 Jul. 2017].

half readers³⁶, meaning that the article will be a significant mean to increase 'ROUND THE GLOBOX' notoriety and therefore its sales.

- Partnerships with brands

Knowing that numerous actors of the subscription boxes sector have built partnerships with brands in order to promote their products, both of the founders of 'ROUND THE GLOBOX' strongly believe in their innovative idea to attract brands and to establish strategic partnerships. According to Michaël Mareek, the subscription boxes are an incredible marketing medium, and numerous companies do not even pay the products inside the boxes. Indeed, knowing that the boxes enable to reach numerous customers, some brands such as L'Oreal, Nivea, etc take this opportunity to provide their new products for free to the subscription boxes entities, in exchange of promotion. Therefore, it would be a significant opportunity for Inès and Léo to establish partnerships with brands in order for the founders to fill their boxes in by promoting these brands' products. Consequently, 'ROUND THE GLOBOX' founders will approach numerous companies such as Nivea for solar cream (useful to go on holidays), Europcar for discounts on car rentals for instance, with their innovative idea and their business model in hands, in order to strike a deal to receive products and to promote them throughout their subscription boxes.

To conclude, establishing partnerships with companies is also a mean for Inès and Léo to strengthen their brand image, providing to customers high quality products and services in the subscription boxes.

To sum up the communication strategy, both of the founders of 'ROUND THE GLOBOX' really aim to follow impacting mediums of marketing in order to reach high visibility among prospective customers. Moreover, it is paramount for Inès and Léo to challenge themselves daily in order to become powerful and successful, because without massive efforts, they will not be able to enter the subscription box market.

³⁶ Elle.fr. (2017). *Advertisement information*. [online] Available at: <http://www.elle.fr/pages/annonceurs> [Accessed 15 Jul. 2017].

IX. EXAMPLE

Justine is a French young active girl, working at Etam Lingerie, a French fashion brand specialized in Lingerie, as a product manager. She signed her permanent contract one year ago, right after her end-of-studies internship, and she is now really busy trying to satisfy her managers and providing high quality labour. Justine will soon have a one-week holiday, which she accumulated through her first year of work. However, knowing that she spends forty-five hours at work every week, Justine is afraid to lack the time necessary to organize her trip to Portugal.

Being twenty-five years old, Justine is strongly active on the social networks. It is for her a valuable mean to interact with her friends living all around the world, to follow the news on a daily basis, etc. Besides, there is a thing she especially loves about social network: to follow influencers, who often share their life habits, the brands they follow and the places they visit. Indeed, she regularly buys clothes, jewellery or even new brands' products and services depending on what these influencers post on their Facebook walls, Instagram pages, etc.

That is how she heard about 'ROUND THE GLOBOX start-up. In fact, Justine was surfing on Instagram when she saw a post from Adenorah³⁷, promoting a new brand created by two young and active French girls. She thought that this start-up providing prepared itineraries and offering discounts on destinations was a good idea for her situation, and that a box could help her organizing her trip easily.

³⁷ Anne-Laure Mais, French blogger and influencer, having 294000 followers on Instagram. [online] Available at: <https://www.instagram.com/adenorah/> [Accessed 18 Jul. 2017].

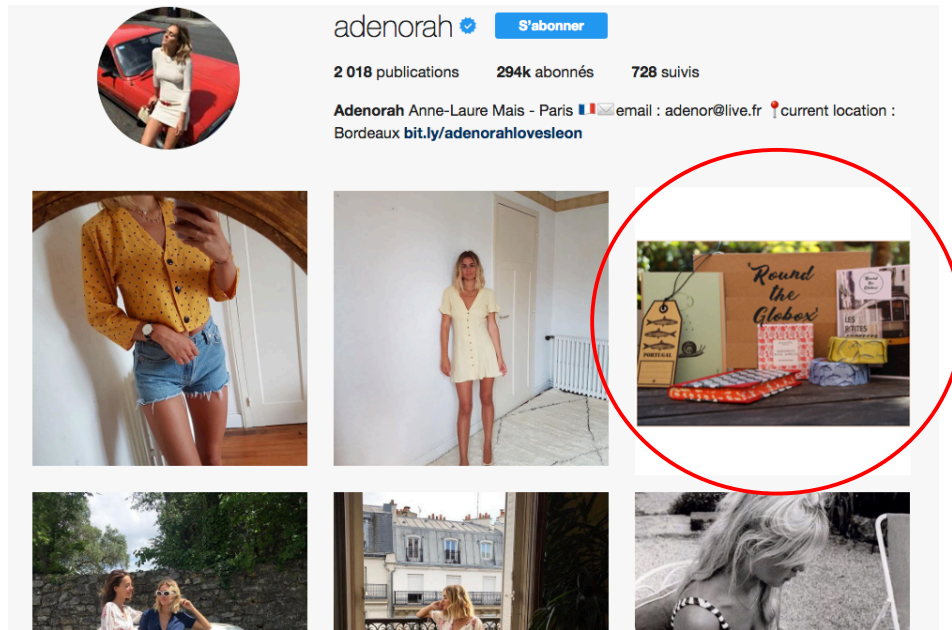


Figure 4 – Screenshot of Adenorah profile on Instagram (Instagram)

After having seen this Instagram post, Justine decided to sign up to the website of ‘ROUND THE GLOBOX, in order to discover the innovative idea and to subscribe in case of satisfaction. After signing up, she filled in a precise questionnaire about her lifestyle, her travel habits, as well as her preferences in terms of adventure (is she more adventurous, does she prefer a sportive adventure, or more about culture, gastronomy, etc). These information thus help the algorithm of the website to provide the customer with boxes adapted to her preferences.

That being done, the website offers to Justine several options of subscription, such as “the stroller”, “the traveller”, “the explorer” or “the globe-trotter” subscription box. Knowing that she enjoys travelling with her friends and family, Justine decides to subscribe to the explorer option, enabling her to receive one box per month during six months. Indeed, it is a way for her to receive travel guides about six different destinations as well as new products to try and discount to benefit from. Besides, receiving six different boxes will give her some ideas and help her to organize her coming trips.

The further steps are for Justine to subscribe on the website of 'ROUND THE GLOBOX, pay the subscription and she will receive the first box filled in with surprises the upcoming month. Indeed, she will receive the first box about Lisbon including a travel guide completed with anecdotes and experiences from people who already visited Lisbon, as well as undisclosed products to try, local products from craftsmen and also discounts on numerous activities or services to use once in Lisbon.

X. FINANCIAL EVALUATION

For the completion of a business plan, it is paramount to conduct a financial evaluation in order to see whether the business will be profitable and sustainable or not. To do so, Inès and Léo realized the following financial analysis. Besides, the charts that helped to build the profit and loss account are available in the appendixes.

It is important to notice that the founders of 'ROUND THE GLOBOX will provide a 20,000 contribution for the establishment of the company. Their aim is to attract investors to join their business in order to increase the business activity within the next three years.

1. TURNOVER OF 'ROUND THE GLOBOX

The average annual growth rate of 'ROUND THE GLOBOX turnover will be of 150% during the first three years. This is the result of a growing number of customers over the years, notably thanks to the marketing and communication strategy. Indeed, 'ROUND THE GLOBOX concept will gain further recognition and prestige with each passing years.

PROFIT AND LOSS ACCOUNT			
<i>Amount in €</i>			
	YEAR 1	YEAR 2	YEAR 3
Turnover	118 952	343 113	724 897
<i>Growth Y-Y</i>		188%	111%
Variable costs	70 919	189 459	378 516
<i>Growth Y-Y</i>		167%	100%
<i>% of total turnover</i>	60%	55%	52%
Gross Margin	48 034	153 654	346 381
<i>Growth Y-Y</i>		220%	125%
<i>% of total turnover</i>	40%	45%	48%
Other supplies and external expenses	8 200	16 180	39 980
<i>Growth Y-Y</i>		97%	147%
<i>% of total turnover</i>	7%	5%	6%
Added value	39 834	137 474	306 401
<i>Growth Y-Y</i>		245%	123%
<i>% of total turnover</i>	33%	40%	42%
Taxes and duties	224	498	808
<i>Growth Y-Y</i>		122%	62%
<i>% of total turnover</i>	0,19%	0,15%	0,11%
Personnel expenses	43 319	96 090	178 088
<i>Growth Y-Y</i>		122%	85%
<i>% of total turnover</i>	36%	28%	25%
EBITDA	(3 710)	40 886	127 506
<i>Growth Y-Y</i>		1202%	212%
<i>% of total turnover</i>	-3%	12%	18%
Depreciation charges	8 000	9 466	12 599
<i>Growth Y-Y</i>		18%	33%
<i>% of total turnover</i>	7%	3%	2%
EBIT	(11 710)	31 420	114 907
<i>Growth Y-Y</i>		368%	266%
<i>% of total turnover</i>	-10%	9%	16%
Interests on borrowings			
<i>Growth Y-Y</i>		-	-
<i>% of total turnover</i>		-	-
Current result	(11 710)	31 420	114 907
<i>Growth Y-Y</i>		368%	266%
<i>% of total turnover</i>	-10%	9%	16%
Income taxes payable		10 369	37 919
<i>Growth Y-Y</i>		-	266%
<i>% of total turnover</i>		3%	5%
Net income	(11 710)	21 052	76 987
<i>Growth Y-Y</i>		-280%	266%
<i>% of total turnover</i>	-10%	6%	11%

Table 1 – Profit and Loss account for the three first year of activity of ‘ROUND THE GLOBOX (Personal representation)

2. COSTS OF THE SUBSCRIPTION BOXES

As regards to the subscription boxes’ cost, the founders of ‘ROUND THE GLOBOX have conducted a comparative research alongside many suppliers in order to understand and provide a detailed list of variable costs for every box.

On the one hand, knowing that the business activity is planned to increase significantly from the first year to the third year, the founders Inès and Léo will be able to take advantage of economies of scales. The latter are cost advantages that arise with

increased output of a product. Indeed, the sales of subscription boxes is increasing from 4,760 during the first year to 29,008 on the last year of the financial planning, meaning that the purchasing prices are likely to be traded lower.

On the other hand, variable costs such as the Marketing expenses and the payment solution will increase according to the number of sales. The founders of 'ROUND THE GLOBOX' decided to dedicate 10% of their turnover for Marketing campaigns, meaning that these Marketing costs will be higher year by year, following the sales revenue increase. As regards to the payment solution, it is costly for companies to sell their products or services on the Internet. Indeed, businesses have to use payment solutions so that customers can pay directly on the website and receive the products at home. According to Marine Houzé De L'Aulnoit, working at Mangopay³⁸, companies are usually spending 1% of their turnover to establish payment solution within their website. This variable cost will also increase according to the number of sales.

VARIABLE COSTS			
<i>Amounts in €</i>			
	YEAR 1	YEAR 2	YEAR 3
	TOTAL	TOTAL	TOTAL
Per subscription box			
Cardboard box	16	16	16
Travel guide	45	45	45
Discounts	-	-	-
Local and promotional products	24	24	24
Box shipment	61	48	39
Total	146	133	124
Marketing expenses	11 895	34 311	72 490
Payment solution	1 190	3 431	7 249
Number of subscription boxes	4 760	13 730	29 008
Total	70 919	189 459	378 516
<i>% of COGS</i>	<i>60%</i>	<i>55%</i>	<i>52%</i>

Table 2 – Variable costs involved for the business activity (Personal representation)

³⁸ Payment solution for marketplace. Mangopay, [online] Available at: <https://www.mangopay.com> [Accessed 15 Jul. 2017].

To those variable costs, fixed costs are added:

FIXED EXPENSES			
<i>Amounts in €</i>			
	YEAR 1	YEAR 2	YEAR 3
Phone	360	600	1 200
Internet	480	480	480
Travel expenses	1 260	2 100	4 200
Bank account	500	500	500
Supplies	480	480	480
Insurance	2 400	2 400	2 400
Fees	2 000	5 000	6 000
Softwares	720	720	720
Warehouse	-	3 000	6 000
Office rentals	-	900	18 000
TOTAL	8 200	12 280	15 980

Table 3 – Fixed expenses involved by 'ROUND THE GLOBOX activity (Personal representation)

Knowing that the business is planned to grow on each passing years, the founders will invest and acquire an office from the second year. Indeed, on the first year of activity, the employees will remain in their own flat, developing the business alongside the prospective suppliers.

3. PROFITABILITY

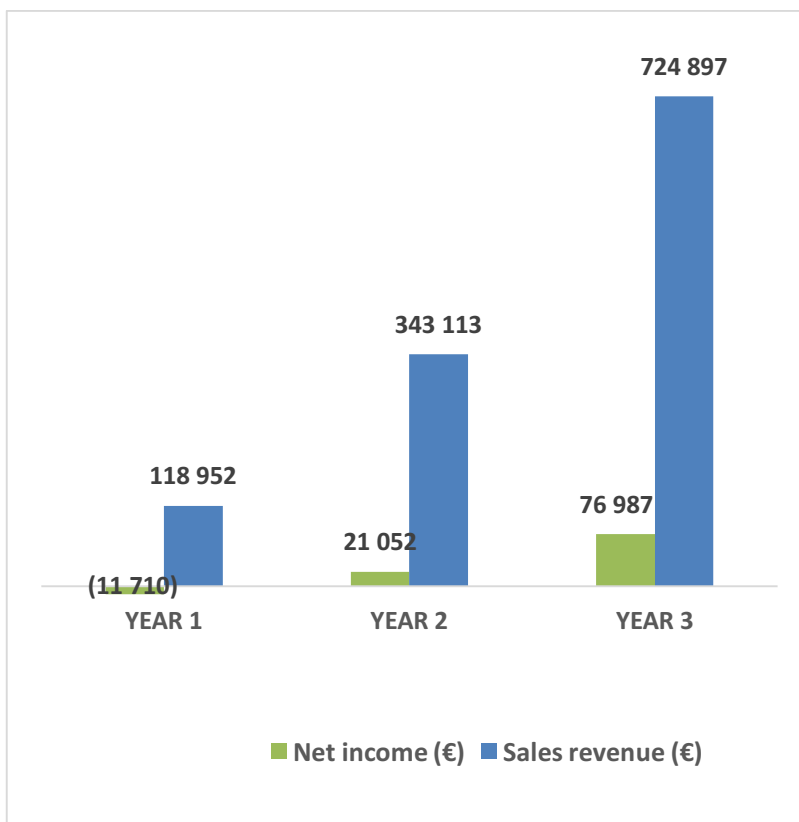


Table 4 – Profitability chart for 'ROUND THE GLOBOX (Personal representation)

4. INVESTMENTS

Starting a business from scratch requires significant resources and founders must invest on several areas in order for their business to see the light. As regards to ‘ROUND THE GLOBOX, Inès and Léo will need to pay fees for the establishment of the company. Besides, knowing that the products will be sold via an Internet platform, the creation of the website is also a significant investment to take into account. Eventually, furniture is needed to run the business, such as laptops, phones for employees as well as warehouse and offices furniture once the business will have grown up.

INVESTMENTS				
<i>Amount in €</i>				
	YEAR 1	YEAR 2	YEAR 3	Depreciation (by year)
	TOTAL	TOTAL	TOTAL	
Start-up establishment	2 000	-	-	
Website creation	20 000	-	-	3
Laptop	1 500	3 000	3 000	3
Phone	500	400	400	3
Warehouse furniture	-	1 000	5 000	5
Headoffice furniture	-	-	5 000	5
TOTAL	24 000	4 400	8 400	

Table 5 – Overview of the investments needed for the establishment of the business (Personnal representation)

XI. CONCLUSION

1. THE FUTURE OF 'ROUND THE GLOBOX

The literature review of this thesis highlighted the fact that touristic guides as well as travel agencies are showing signs of obsolescence. Therefore, 'ROUND THE GLOBOX, driving on the wave of the flourishing market of the subscription boxes, would be an attractive and interesting mean to refresh the tourism sector.

Furthermore, Inès and Léo strongly rely on fund raising for the success of their start-up. Indeed, the founders of 'ROUND THE GLOBOX have optimistic objectives for the further years to come. Their aim is to introduce a European country during the 4th year of activity. Fund raisings could really help the founders to conduct market analysis on foreign market, as well as to expand their marketing expenses in order to attract more customers and business partners around Europe.

2. PERSONAL LEARNING AND SELF-DEVELOPMENT

The entire process of establishing a business plan from scratch has been a rewarding and valuable experience for me, Léo Locati. As introduced in the beginning of the thesis, both of the founders, passionate about traveling, have had the idea of creating their own start-up, in accordance with their passion of discovering countries and cultures. Knowing that I had to write a paper in order to achieve my Master degree as well as to end up my five-year studies, I have decided to focus on the establishment of this thesis, a business plan for 'ROUND THE GLOBOX, in order to see whether the innovative concept of travel guide would be sustainable and profitable or not.

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XIII. APPENDICES

Annexe 1: Tourism Highlights 2016

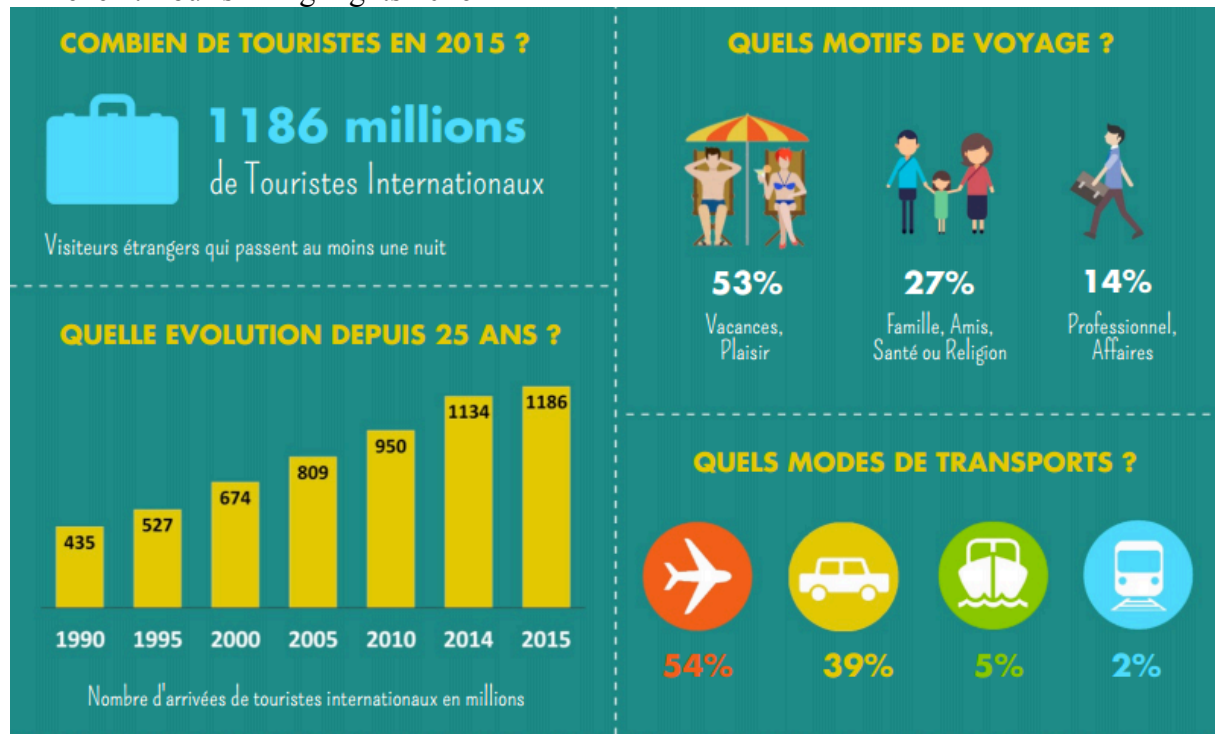


Figure 5 – Tourism highlights (World Tourism Organization, UNWTO)

Annexe 2: Interview of two employees from My Little Box

Adèle Benoit, Sales Manager and Maëva Cordonnier, Project Manager, from MyLittleBox Paris

Léo: “Good morning Adèle and Maeva, thank you for being here today and for accepting to answer to my questions about My Little Box. I am currently working on a business plan about a subscription box, and I need to gather information about the subscription box market, its challenges as well as its strengths. As previously seen with you both, the answers you will provide me will remain totally confidential and will be used for academic purposes.

First of all, I have a few questions regarding the financial results of My Little Box Paris:

- What is MyLittleBox’s turnover for 2016? For 2015? And how many boxes are sold each year?”

Adèle Benoit: “The sales revenues for MyLittleBox were about 12 million in 2015 while the turnover was exceeding 20 million in 2016, which represents a 66% turnover increase in one year. We are really proud of these results and are hoping that our subscription boxes will keep on performing that well.

As regards to the sales, our last results for 2016 were the following: we sold around 100 000 boxes per month, meaning that the total amount of boxes sent to our customers exceeds 1 200 000 boxes per year. Daily, our teams are giving their best in order to reach customers’ expectations, positively impacting our sales at the end of the year.”

Léo: “My following interrogations are about the delimitation and the size of the market. According to you, what are the main actors on the market of the subscription boxes (all sectors together: beauty, food, children, travel, etc.)? Who are your competitors? And do you consider the subscription boxes evolving on sectors different from the beauty sector as competitors? What is MyLittleBox’s positioning compared to your competitors? And last but not least, subscription boxes are often considered as the new Eldorado of entrepreneurs; even big brands as Sephora are entering into the subscription box market. Do you consider that as a threat?”

Maëva Cordonnier: “According to us, the main actors on the subscription market are Birchbox, MyLittleBox, GlossyBox, Mon petit Ballon (a wine box) and Kitchen trotter. Indeed, as you can see, we consider many competitors on the beauty market as paramount actors on the subscription box market.

As regards to our direct competitors, we consider Birchbox as the only one, and as the main threat for us. In fact, they were the first actors on the subscription box market meaning that they have resources to be competitive.

Besides, we closely look at Prescription Lab, which is a gift box comparator; it enables us to stay aware of the potential threats or competitors which could impede our path. However, we are not considering the gift boxes of other sectors as competitors, because we are not offering the same products as them.

The brand my little box and its collaborators decided to establish the following positioning compared to its collaborators: we aim to be more qualitative as Birchbox and more experiential. Moreover, we also want to implement a real and strong brand image.

Concerning your question about the fact that for the last few months, big brands as Sephora are starting to establish themselves on the market of the subscription boxes, it does not represent a threat for My Little Box. Indeed, these brands did not manage to establish themselves as leader on the market, meaning that we are still leading the dance. However, as previously mentioned, it is paramount to stay aware of the competition, in order to avoid being taken by surprise. One of the crucial stakes for My Little Box Paris is to create a big and loyal community around the product. We are already sharing the market with Glossy Box and Birchbox, thus it is difficult for other beauty brands to find a place today and to develop the expertise needed.

Léo: “For my researches, it would be really helpful to receive some information about the profile of My Little Box Paris. What are you implementing in order to remain leader on the market? What is differentiating you from your competitor? According to you, what are the strengths of My Little Box Paris? And what are the weaknesses of the brand?”

Adèle Benoit: “To answer the first question on My Little Box Paris profile, I would say that all collaborators of the brand are strongly driven by the following watchwords: to be a challenging, immersive, experiential, and high-end brand for

customers. For the other part of your question, I am going to list all our strengths and weaknesses. As regards to My Little Box strengths, we all think they are the following:

- A community that goes beyond the product. The best example for this assertion is the Facebook group My Little Spoiler, a group of fans that have been created independently of us.
- An advanced and qualitative content, no detail is left to chance
- My Little box is experimenting an immersive universe: our thematic completely corresponds with the dynamics of our subscribers and enhance the partner brands.
- The fact that we experience top range collaborations (collaboration with Claudie Pierlot for instance) represent a significant asset for My Little Box.
- Renowned brand are willing to collaborate with us in order to benefit from our brand image.
- We are also organising events which surprise our customers
- Finally, our after-sales service is irreproachable.

However, My Little Box also has weaknesses that can impede the business if not well apprehended:

- We are experiencing some issues to genuinely track the sales of a product following the test in the box. By saying that we mean that brands are collaborating with us in order to promote their products, but it is still difficult to evaluate if the sales are increasing thanks to My Little Box.
- It is also paramount to keep renewing itself and this is a hard task knowing that the business is changing on a monthly basis. Consequently, it is really challenging to stay ahead from the competition and offer different products to our customers every month.

Léo: “What do you consider as the key of your success?”

Maeva Cordonnier: “It is first of all paramount to put yourself in question, even if My Little Box sales show a constant evolution: how to make business with better brands? How to attract more satisfied customers? How to be irreproachable as regards to the after sales service? Many questions that you must ask yourself in order to provide better services to your prospective customers.”

Léo: As regards to the customers of My Little Box, what are the people targeted? What could you say about the age range of your subscribers? Approximately how many customers does My Little Box have?”

Adèle Benoit: “Our customers are the most precious thing we have, that is why we take much time to analyse the categories of people attracted by our product. And here is an exhaustive list of My Little Box customers:

- People between 25 and 40 years old
- Higher socio-professional categories
- 30% of the sales from Paris inhabitants
- 70% of the boxes sold to customers from other French cities, the province
- Mainly people from big cities (Paris, Lyon, Marseille, Bordeaux, Lille)

As regards to the number of subscribers, My Little Box enjoys around 100,000 subscribers monthly in France. And knowing that My Little Box is also performing abroad, I will give you the customers per month in the countries we are present. As regards to the United Kingdom, we have around 10,000 customers monthly. Concerning Germany, the subscribers are a bit more numerous and we record 15,000 subscribers. Finally, in Japan, there are approximately 30,000 subscribers per month.

Léo: “My last question about the customers of My Little Box is about the loyalty. Generally, are the subscribers loyal? Or do they tend to buy only one box?”

Maëva Cordonnier: “At My Little Box headquarters, we evaluate the retention rate thanks to the churn rate, which is the annual percentage rate which customers stop subscribing to a service or employees leave a job. As regards to our customers, they remain loyal 11 months in average.”

Léo: “Last but not least, according to you and your team, what is the best way to build customers loyalty?”

Adèle Benoit: “Undoubtedly, the best way to engage our customers are new prospective customers is to surprise them with extraordinary and unexpected products, but also paying special attention to each of the customers as if they were unique. Besides, organizing events is also an attractive way to build the customers loyalty.

Finally, we must not forget that without an irreproachable after sales service, the customers will not be as loyal as they currently are.”

Léo: “I thank both of you so much for taking time to answer to my numerous questions. I am sure it will help me a lot in my thesis. I am looking forward to see you and maybe collaborate with you on the coming years.”

Adèle Benoit: “We strongly hope that our answers will help you conducting your studies about subscription boxes. Have a nice day.”

Annexe 3: Financial charts about 'ROUND THE GLOBOX business

	YEAR 1											
	January	February	March	April	May	June	July	August	September	October	November	December
Balance at the beginning of the month	-	(13 003)	(8 674)	(9 535)	(9 790)	(9 742)	(8 988)	(9 807)	(10 406)	(10 601)	(10 190)	(9 275)
CASH RECEIPTS	January	February	March	April	May	June	July	August	September	October	November	December
OPERATING												
Sales revenue collected	1 999	2 999	5 998	7 497	8 247	9 996	11 246	11 745	12 745	14 244	15 494	16 743
VAT collected	-	-	-	-	-	-	-	-	-	-	-	-
VAT refunds	-	6 528	128	128	128	128	128	146	146	146	146	146
NON-OPERATING												
Capital contribution of the founders	20 000											
Investor capital												
Bank loans												
TOTAL CASH RECEIPTS	21 999	9 526	6 125	7 625	8 374	10 124	11 373	11 891	12 891	14 390	15 639	16 889
DISBURSEMENT	January	February	March	April	May	June	July	August	September	October	November	December
OPERATING												
Variable costs	1 192	1 788	3 576	4 470	4 917	5 960	6 705	7 002	7 598	8 492	9 237	9 982
Fixed costs	638	638	638	638	638	638	728	728	728	728	728	728
Tax payable	6 528	128	128	128	128	128	146	146	146	146	146	146
Tax repaid	-	-	-	-	-	-	-	-	-	-	-	-
Personnel expenses	2 625	2 625	2 625	2 625	2 625	2 625	4 594	4 594	4 594	4 594	4 594	4 594
Tax and duties	19	19	19	19	19	19	19	19	19	19	19	19
NON-OPERATING												
Investments	24 000	-	-	-	-	-	-	-	-	-	-	-
Lease-financing investments												
Incubator advance repayment												
Loan reimbursement												
TOTAL DISBURSEMENT	35 002	5 198	6 986	7 880	8 327	9 370	12 192	12 490	13 086	13 980	14 724	15 469
Difference	(13 003)	4 328	(861)	(255)	48	754	(818)	(599)	(195)	410	915	1 420
Closing balance	(13 003)	(8 674)	(9 535)	(9 790)	(9 742)	(8 988)	(9 807)	(10 406)	(10 601)	(10 190)	(9 275)	(7 856)

Table 6 – Liquidity Plan, amounts in € (Personal representation)

	YEAR 2											
	January	February	March	April	May	June	July	August	September	October	November	December
Balance at the beginning of the month	(7 856)	(8 028)	(5 267)	(2 119)	1 701	6 640	12 027	10 014	12 135	14 500	17 760	22 810
CASH RECEIPTS	January	February	March	April	May	June	July	August	September	October	November	December
OPERATING												
Sales revenue collected	19 992	21 117	22 741	24 240	26 739	27 739	28 988	29 738	31 487	33 487	37 485	39 359
VAT collected	-	-	-	-	-	-	-	-	-	-	-	-
VAT refunds	146	536	196	196	196	196	196	754	214	214	214	214
NON-OPERATING												
Capital contribution of the founders												
Investor capital												
Bank loans												
TOTAL CASH RECEIPTS	20 138	21 652	22 937	24 436	26 935	27 935	29 184	30 492	31 701	33 700	37 699	39 573
DISBURSEMENT	January	February	March	April	May	June	July	August	September	October	November	December
OPERATING												
Variable costs	11 039	11 660	12 557	13 385	14 765	15 317	16 007	16 421	17 387	18 491	20 698	21 733
Fixed costs	978	978	978	978	978	978	1 718	1 718	1 718	1 718	1 718	1 718
Tax payable	536	196	196	196	196	196	754	214	214	214	214	214
Tax repaid	-	-	-	-	-	-	-	-	-	-	-	-
Personnel expenses	6 038	6 038	6 038	6 038	6 038	6 038	9 977	9 977	9 977	9 977	9 977	9 977
Tax and duties	19	19	19	19	19	19	41	41	41	41	41	41
NON-OPERATING												
Investments	1 700	-	-	-	-	-	2 700	-	-	-	-	-
Lease-financing investments												
Incubator advance repayment												
Loan reimbursement												
TOTAL DISBURSEMENT	20 310	18 891	19 788	20 616	21 996	22 548	31 197	28 371	29 337	30 441	32 648	33 683
	January	February	March	April	May	June	July	August	September	October	November	December
Difference	(173)	2 761	3 148	3 820	4 939	5 387	(2 013)	2 121	2 364	3 260	5 050	5 890
Closing balance	(8 028)	(5 267)	(2 119)	1 701	6 640	12 027	10 014	12 135	14 500	17 760	22 810	28 700

Table 6 – Liquidity Plan, amounts in € (Personal representation)

	YEAR 3											
	January	February	March	April	May	June	July	August	September	October	November	December
Balance at the beginning of the month	28 700	24 309	33 059	38 785	45 705	59 491	69 993	81 331	93 028	105 560	119 406	133 490
CASH RECEIPTS												
OPERATING												
Sales revenue collected	49 980	52 791	49 980	52 479	66 848	59 976	61 725	62 475	64 224	66 973	67 473	69 972
VAT collected	-	-	-	-	-	-	-	-	-	-	-	-
VAT refunds	214	1 930	250	250	250	250	250	250	250	250	250	250
NON-OPERATING												
Capital contribution of the founders												
Investor capital												
Bank loans												
TOTAL CASH RECEIPTS	50 194	54 721	50 230	52 729	67 098	60 226	61 975	62 725	64 474	67 223	67 723	70 222
DISBURSEMENT												
OPERATING												
Variable costs	26 098	27 566	26 098	27 403	34 906	31 317	32 231	32 622	33 536	34 971	35 232	36 537
Fixed costs	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248
Tax payable	1 930	250	250	250	250	250	250	250	250	250	250	250
Tax repaid	-	-	-	-	-	-	-	-	-	-	-	-
Personnel expenses	14 841	14 841	14 841	14 841	14 841	14 841	14 841	14 841	14 841	14 841	14 841	14 841
Tax and duties	67	67	67	67	67	67	67	67	67	67	67	67
NON-OPERATING												
Investments	8 400	-	-	-	-	-	-	-	-	-	-	-
Lease-financing investments												
Incubator advance repayment												
Loan reimbursement												
TOTAL DISBURSEMENT	54 584	45 972	44 504	45 809	53 312	49 723	50 637	51 028	51 942	53 377	53 638	54 943
Difference	(4 390)	8 749	5 726	6 920	13 786	10 502	11 338	11 696	12 532	13 846	14 085	15 279
Closing balance	24 309	33 059	38 785	45 705	59 491	69 993	81 331	93 028	105 560	119 406	133 490	148 769

Table 6 – Liquidity Plan, amounts in € (Personal representation)

FINANCING PLAN

Amounts in €

RESOURCES	YEAR 1	YEAR 2	YEAR 3
Self-financing capacity	-	21 052	76 987
Contribution of equity	20 000	-	-
Bank loans			
Subventions			
Decrease of working capital			
Fund raising			
TOTAL	20 000	21 052	76 987

NEEDS	Année 1	Année 2	Année 3
Tangible asset	24 000	4 400	8 400
Intangible asset			
Financial asset			
Loan repayment			
Financing requirement	11 710	-	-
Fund raising			
Increase of working capital			
Dividends			
TOTAL	35 710	4 400	8 400

Balance	(15 710)	16 652	68 587
Cumulative total	(15 710)	942	69 529

Table 7 – Financing Plan, amounts in € (Personal representation)

	YEAR 1												TOTAL
	January	February	March	April	May	June	July	August	September	October	November	December	
Web developer													-
Business developer	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	24 000
Public relations officer							1 500	1 500	1 500	1 500	1 500	1 500	9 000
Marketing manager													-
Operations manager													-
TOTAL	2 000	2 000	2 000	2 000	2 000	2 000	3 500	3 500	3 500	3 500	3 500	3 500	33 000
Number of employees	5												

Employer and salary expenses

Employer costs (% of the gross wage)	31%
Salary expenses (% of the gross wage)	18%

	YEAR 1												TOTAL
	January	February	March	April	May	June	July	August	September	October	November	December	
Website developer	-	-	-	-	-	-	-	-	-	-	-	-	-
Business developer	625	625	625	625	625	625	625	625	625	625	625	625	7 505
Public relations	-	-	-	-	-	-	469	469	469	469	469	469	2 814
Marketing manager	-	-	-	-	-	-	-	-	-	-	-	-	-
Operations manager	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	625	625	625	625	625	625	1 094	1 094	1 094	1 094	1 094	1 094	10 319

Table 8 – Personnel, amounts in € (Personal representation)

YEAR 2													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Web developper							3 000	3 000	3 000	3 000	3 000	3 000	18 000
Business developper	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	27 600
Public relations officer	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	2 300	27 600
Marketing manager													-
Operations manager													-
TOTAL	4 600	4 600	4 600	4 600	4 600	4 600	7 600	7 600	7 600	7 600	7 600	7 600	73 200

Number of employees

Employer and salary expenses

Employer costs (% of the gross wage)
Salary expenses (% of the gross wag

YEAR 2													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Website developer		-	-	-	-	-	938	938	938	938	938	938	5 629
Business developper	719	719	719	719	719	719	719	719	719	719	719	719	8 631
Public relations	719	719	719	719	719	719	719	719	719	719	719	719	8 631
Marketing manager		-	-	-	-	-	-	-	-	-	-	-	-
Operations manager		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1 438	1 438	1 438	1 438	1 438	1 438	2 377	2 377	2 377	2 377	2 377	2 377	22 890

Table 8 – Personnel, amounts in € (Personal representation)

YEAR 3													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Web developer	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	3 500	42 000
Business developer	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	38 400
Public relations officer	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	3 200	38 400
Marketing manager	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	35 400
Operations manager	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	35 400
TOTAL	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	9 900	118 800

Number of employees

Employer and salary expenses

Employer costs (% of the gross wage)

Salary expenses (% of the gross wage)

YEAR 3													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Website developer	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	1 094	13 133
Business developer	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	12 008
Public relations	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	12 008
Marketing manager	922	922	922	922	922	922	922	922	922	922	922	922	11 070
Operations manager	922	922	922	922	922	922	922	922	922	922	922	922	11 070
TOTAL	4 941	4 941	4 941	4 941	4 941	4 941	4 941	4 941	4 941	4 941	4 941	4 941	59 288

Table 8 – Personnel, amounts in € (Personal representation)

YEAR 1													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Telephony	20	20	20	20	20	20	40	40	40	40	40	40	360
Internet	40	40	40	40	40	40	40	40	40	40	40	40	480
Travel expenses	70	70	70	70	70	70	140	140	140	140	140	140	1 260
Bank account	42	42	42	42	42	42	42	42	42	42	42	42	500
Supplies	40	40	40	40	40	40	40	40	40	40	40	40	480
Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2 400
Fees	167	167	167	167	167	167	167	167	167	167	167	167	2 000
Softwares	60	60	60	60	60	60	60	60	60	60	60	60	720
Warehouse													-
Office rentals													-
TOTAL	638	638	638	638	638	638	728	728	728	728	728	728	8 200

YEAR 2													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Telephony	40	40	40	40	40	40	60	60	60	60	60	60	600
Internet	40	40	40	40	40	40	40	40	40	40	40	40	480
Travel expenses	140	140	140	140	140	140	210	210	210	210	210	210	2 100
Bank account	42	42	42	42	42	42	42	42	42	42	42	42	500
Supplies	40	40	40	40	40	40	40	40	40	40	40	40	480
Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2 400
Fees	417	417	417	417	417	417	417	417	417	417	417	417	5 000
Softwares	60	60	60	60	60	60	60	60	60	60	60	60	720
Warehouse							500	500	500	500	500	500	3 000
Office rentals							150	150	150	150	150	150	900
TOTAL	978	978	978	978	978	978	1 718	1 718	1 718	1 718	1 718	1 718	16 180

YEAR 3													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Telephony	100	100	100	100	100	100	100	100	100	100	100	100	1 200
Internet	40	40	40	40	40	40	40	40	40	40	40	40	480
Travel expenses	350	350	350	350	350	350	350	350	350	350	350	350	4 200
Bank account	42	42	42	42	42	42	42	42	42	42	42	42	500
Supplies	40	40	40	40	40	40	40	40	40	40	40	40	480
Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2 400
Fees	417	417	417	417	417	417	417	417	417	417	417	417	6 000
Softwares	60	60	60	60	60	60	60	60	60	60	60	60	720
Warehouse	500	500	500	500	500	500	500	500	500	500	500	500	6 000
Office rentals	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 500	18 000
TOTAL	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	3 248	39 980

Table 9 – Fixed Expenses, amounts in € (Personal representation)

YEAR 1													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Per subscription box													
Cardboard box	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	16
Travel guide	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	45
Discounts	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-
Local and promotional products	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	24
Box shipment	5,10	5,10	5,10	5,10	5,10	5,10	5,10	5,10	5,10	5,10	5,10	5,10	61
Total	12,15	12,15	12,15	12,15	12,15	12,15	12,15	12,15	12,15	12,15	12,15	12,15	146
Marketing expenses	199,92	299,88	599,76	749,70	824,67	999,60	1 124,55	1 174,53	1 274,49	1 424,43	1 549,38	1 674,33	11 895
Payment solution	19,99	29,99	59,98	74,97	82,47	99,96	112,46	117,45	127,45	142,44	154,94	167,43	1 190
Number of subscription boxes	80	120	240	300	330	400	450	470	510	570	620	670	4 760
Total	1 192	1 788	3 576	4 470	4 917	5 960	6 705	7 002	7 598	8 492	9 237	9 982	70 919
% of COGS	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

YEAR 2													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Per subscription box													
Cardboard box	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	16
Travel guide	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	45
Discounts	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-
Local and promotional products	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	24
Box shipment	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	48
Total	11,05	11,05	11,05	11,05	11,05	11,05	11,05	11,05	11,05	11,05	11,05	11,05	133
Marketing expenses	1 999,20	2 111,66	2 274,09	2 424,03	2 673,93	2 773,89	2 898,84	2 973,81	3 148,74	3 348,66	3 748,50	3 935,93	34 311
Payment solution	199,92	211,17	227,41	242,40	267,39	277,39	289,88	297,38	314,87	334,87	374,85	393,59	3 431
Number of subscription boxes	800	845	910	970	1 070	1 110	1 160	1 190	1 260	1 340	1 500	1 575	13 730
Total	11 039	11 660	12 557	13 385	14 765	15 317	16 007	16 421	17 387	18 491	20 698	21 733	189 459
% of COGS	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%

YEAR 3													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Per subscription box													
Cardboard box	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	1,30	16
Travel guide	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	45
Discounts	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-
Local and promotional products	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	2,00	24
Box shipment	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	39
Total	10,30	10,30	10,30	10,30	10,30	10,30	10,30	10,30	10,30	10,30	10,30	10,30	124
Marketing expenses	4 998,00	5 279,14	4 998,00	5 247,90	6 684,83	5 997,60	6 172,53	6 247,50	6 422,43	6 697,32	6 747,30	6 997,20	72 490
Payment solution	499,80	527,91	499,80	524,79	668,48	599,76	617,25	624,75	642,24	669,73	674,73	699,72	7 249
Number of subscription boxes	2 000	2 113	2 000	2 100	2 675	2 400	2 470	2 500	2 570	2 680	2 700	2 800	29 008
Total	26 098	27 566	26 098	27 403	34 906	31 317	32 231	32 622	33 536	34 971	35 232	36 537	378 516
% of COGS	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%

Table 10 – Variable costs, amounts in € (Personal representation)

YEAR 1													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Number of subscription boxes	80	120	240	300	330	400	450	470	510	570	620	670	4 760
Average price of 1 box	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	22,99
Sales revenue	1 999	2 999	5 998	7 497	8 247	9 996	11 246	11 745	12 745	14 244	15 494	16 743	118 952

YEAR 2													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Number of subscription boxes	800	845	910	970	1 070	1 110	1 160	1 190	1 260	1 340	1 500	1 575	13 730
Average price of 1 box	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	22,99
Sales revenue	19 992	21 117	22 741	24 240	26 739	27 739	28 988	29 738	31 487	33 487	37 485	39 359	343 113

YEAR 3													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Number of subscription boxes	2 000	2 113	2 000	2 100	2 675	2 400	2 470	2 500	2 570	2 680	2 700	2 800	29 008
Average price of 1 box	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	24,99	22,99
Sales revenue	49 980	52 791	49 980	52 479	66 848	59 976	61 725	62 475	64 224	66 973	67 473	69 972	724 897

Table 11 – Sales revenues, amounts in € (Personal representation)