[CERCA: THE HOUSEHOLD SERVICES PLATFORM]

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Final Master Thesis project: Master in Marketing and Sales

Ingo Distler & Zineb El Khalloufi
Introduction

In an everchanging world, developing new tools and an improved way of life became a necessity more than a luxury. During the last 30 years the world has been evolving in an exponential track giving us opportunities to make our day-to-day life easier. Following the technological extraordinary growth, the service sector stepped out to make some of our everyday needs within easy reach.

It’s in this spirit that we are aspiring to offer a new service to a specific segment of potential consumers. Our product will open a blue ocean in the German market. The idea itself came from analyzing our environment to figure out what it could be missing, and a way to improve a certain aspect of life. We intend to develop a platform offering a panel of services related to house chores that the consumers that we are targeting, need daily. It goes from gardening, to cleaning, running errands or sometimes just accompanying them in their usual tasks. This way intermediating and connecting two groups that would benefit from each other: the providers of services and the final customers.

Brief description of the current situation

As mentioned earlier, the launching of the product will take place in Germany as a first location for offering our services. This choice has been made while taking into consideration a series of variables that characterize the German market. First, for a demographic reason that we shall develop more in our PESTEL analysis. In fact, the most prominent segment, age wise, is older than 50 years old. Secondly, the absence of an application of the sort in the German territory. And third, we relied on a more cultural perspective as well, it is a fact that the population in Germany is more inclined towards independence and living within their own households rather than in a community. Therefore, relying more on external services.
External Analysis

Analysis of Macro Economy (PESTEL)

Economy

Germany is a highly developed country within the European Union. Being the largest national economy in Europe and the fourth-largest by nominal GDP of 3,263.35 Billion (Reference 1) in the world underlines the strong economic situation of Germany. Furthermore, Germany is a founding member of the European Union and the Eurozone.

Exports are one of the most important issues of the strong economy in Germany. One of the main exports are vehicles, machinery, chemical, goods, electronic products, electrical equipment, pharmaceuticals, transport equipment, basic metals, food products, rubber and plastics. Having such a variety of products makes the economy of Germany less likely affected by a financial downturn than other countries all over the word.

A constant improvement and applied research with practical industrial value leads to an improvement of the industry-specific product and being competitive. Furthermore, a great deal of knowledge is created in the laboratories all over Germany. The most companies in Germany belong to the German “Mittelstand” which are small and medium-sized enterprises, which are usually family owned.

In April 2018, the unemployment rate in Germany was 3.5% which is the lowest unemployment rate since 1980 (Reference 2).

Having a strong export, the lowest unemployment rate for 38 years and the highest GDP within the European Union are key figures which underlines the economic position of Germany.

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Political and Legal

Germany is a democratic, federal parliamentary republic. The current political situation can be considered as safe.

In order to work in Germany as a registered employee some points have to be considered. Firstly, an employee has to have an identification number and a tax payer's account number.

Secondly, a contract has to be signed that in order to work as a legal worker in Germany and considering the legal standards.

Thirdly, there is a limit of 450 Euros/month in Germany which allows worker to not pay taxes if income is below the 450 Euros/months. Especially, for elderly people who are looking for a job in order to increase their financial situation and their pension this is a good opportunity. It allows elderly people still being able to work and not pay taxes.

Last but not least, in Germany there is a minimum wage of 8,84 Euros/hour (Reference 3). This minimum wage is obligatory for every employee in Germany. Not considering the minimum wage and the legal standards is forbidden and will be punished by the German government.

Therefore, all these points which are mentioned above have to be considered in order to match all the requirements and legal standards.

Demography

**Definition:** This entry provides the distribution of the population according to age. Information is included by sex and age group as follows:

- 0-14 years (children)
- 15-24 years (early working age)
- 25-54 years (prime working age)
- 55-64 years (mature working age)
- 65 years and over (elderly)
The age structure of a population affects a nation’s key socio-economic issues. Countries with young populations (high percentage under age 15) need to invest more in schools, while countries with older populations (high percentage ages 65 and over) need to invest more in the health sector.

The percentage of elderly people who are older than 65 years in Germany is about 22% (Reference 4) which is extremely high in comparison to other countries in the world. Especially, the elderly people need oftentimes external help in their daily life. Furthermore, the median age of a German is about 47 years old (Reference 5).
In the past decades the medical and living standards are constantly improving. Estimated figures for the year 2035 are an increase of the elderly population from 22% to 30% (Reference 6).
Due to the fact of an increasing elderly population and the willingness of the population to have an independent life and live in the houses and apartments enables an increasing market for the needs and help of this market.

Social and Cultural

Usually, the German people are taking care a lot of their households and garden, pets, kids and try to do as much as possible by themselves. However, the situation has changed in the past decades. In the past, the children lived together with their parents in a household and could help each other. Furthermore, not all family members used to work and there was more time to take care of the daily necessities.
Nowadays, the younger generation want to be independent and live by their own. The working culture has changed as well. Currently, men and women work at the same time and in many cases the working environment forces employees to travel and being flexible and agile.
Due to this fact that the most Germans do not want to spend their last years in a residential accommodation, especially the elderly generation needs to try to do as much as possible without being constantly surrounded by their family members.

Technological

Nowadays, the use of smart phones, tablets, laptops and other technological devices is used by almost every age segmentation. Even the older generation is getting used to it.
However, there are still a higher percentage of the elderly segmentation (age 65 and above) who does not use smart phones etc. in the daily life.

The main focus of the household job offerings will be available via the application and websites. Being aware of the habits and behaviors of the elderly people there will be a telephone hotline to ask for possible job offerings and information for the elderly people. Therefore, the market of the elderly people can be covered because there are not only jobs posted online.

Regarding to the development of the website and application, external resources are required. Having an intuitive and well programmed website and application allows to increase the jobs and offerings.

Ecological

Due to the fact, that we would like to support potential clients in their daily tasks for example, facility management, pets caring, taking care about kids and gardening we help the environment being in a good shape.

The distance of the clients and the suppliers will be usually smaller than workers from external agencies. Therefore, there is a positive impact to the environment as well.
## Sector analysis: Trends

Household applications and websites are growing lately offering a promise for an easier organization of chores in time and in effort. Seducing a number of users to opt for this alternative of actually recruiting a service provider that may or may not fulfill the requirement. The whole process takes time, energy and sometimes costs money.

We can find as an example of the most used applications:
Takl on app store and Housejoy on playstore that are operating in the USA.

Both of them rely on a third party, new segment of users to offer the services to the final customers, while charging both of the parties.

The easy to reach perception and the easiness to access those data bases of potential workers are the reason those platforms attract more users.
Our main objective is taking advantage of this growing market by presenting an improved and more adequate option for the segment that we are targeting.

**Analysis of Micro Economy**

**Market**

The market in Germany offering household services has been omnipresent for years, with a great number of consumers choosing to find an external help for the daily tasks. Going from, cleaning to babysitting or again gardening and pet caring for example. Usually, the process of finding the service providers go through specialized agencies or lately websites.

**Consumers**

We will mainly concentrate for starters on big cities because of the easiness of the implementation for a beginning. Also, due to the geographical proximity feature that our service rely on, it would offer more choices.

Our focus are the 10 biggest cities in Germany which are listed below:
<table>
<thead>
<tr>
<th>Name</th>
<th>2018 Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>3,426,354</td>
</tr>
<tr>
<td>Hamburg</td>
<td>1,739,117</td>
</tr>
<tr>
<td>Munich</td>
<td>1,260,391</td>
</tr>
<tr>
<td>Koeln</td>
<td>963,395</td>
</tr>
<tr>
<td>Frankfurt am Main</td>
<td>650,000</td>
</tr>
<tr>
<td>Essen</td>
<td>593,085</td>
</tr>
<tr>
<td>Stuttgart</td>
<td>589,793</td>
</tr>
<tr>
<td>Dortmund</td>
<td>588,462</td>
</tr>
<tr>
<td>Duesseldorf</td>
<td>573,057</td>
</tr>
<tr>
<td>Bremen</td>
<td>546,501</td>
</tr>
</tbody>
</table>


The table shows besides the 10 biggest cities the current population of each city. The total population of the 10 biggest cities in Germany are more or less 11 Million people.
Within those 11 million people our target and potential users of our services has an age structure as is showed below:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 – 39 years</td>
<td>2,09 Million</td>
</tr>
<tr>
<td>40 – 59 years</td>
<td>3,20 Million</td>
</tr>
<tr>
<td>60 – 64 years</td>
<td>0,71 Million</td>
</tr>
<tr>
<td>65 – older</td>
<td>2,35 Million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,35 Million</strong></td>
</tr>
</tbody>
</table>

Source: http://worldpopulationreview.com/countries/germany-population/cities/

Suppliers

We have two types of suppliers: The service providers that will be linked directly to the final user and the company partners that would help develop the platform.

First, the third parties partners that will offer their services to the final customers: Handymen, cleaning personnel, gardeners, etc.

Second, the application and website developers and the hotline providers that will help implement our channels.

Channels

Our platform will mainly be present on three major channels:

1° A mobile application offering a geolocation feature that would facilitate finding service providers close to the users’ homes.

2° A website accessible from mobile and laptop linked to position as well

3° A hotline that will benefit especially the older segment that is not used to mobile applications.
Other intermediaries

To promote the use of our platform, we may use certain advertising channels to reach the desired segment and for that, we can rely on advertisement companies to display our service on different surfaces like social media, television, newspapers and advertising boards on supermarkets.

All of the above create a number of possible partners that will participate in the development of our service.

Services and substitutes

As we mentioned earlier, household services providers are already implemented in the German market, one way or another. As our platform will be present in three different channels, that would differentiate our service from the other existing competitors. While there are agencies and websites that grant a similar product, we can still be seeing as pioneers in the market because of the competitive advantage that we shall offer. First, although the agencies are present for a very long time, they are still time consuming and expensive in comparison to direct recruiting, which take way more time. The existing website are very general and do not feature that brings the two parties closer based on the geographical location of each of the users. And we have to add that none of the newcomers have addressed the possibility of implementing a hotline for the non-smart mobile users.
Internal Analysis

Policies, values and corporate culture

Policies describe in a company what rules are to players in a game. Therefore, policies are the framework and constraints within which everyone can strive for individual and collective success. Not only in companies are rules important. For example, if children are playing on the street it is pretty obvious why rules are necessary. Thus, it is essential to right those rules down and make it transparent for everyone.

The majority of companies, especially start-ups and small business miss to get the important basics in writing format early enough. There might be a tendency to believe that a company does not need to have their policies written down because the spoken instructions are sufficient. One reasonable reason to put the company policies down in writing makes them official. Afterwards, employees know what the company is taken seriously and how they can keep up-to-date with their rights and responsibilities. Another reason why to put the beginnings of a company in a kind of handbook is because it helps you to explain to current and future hires what is special about your company.

Keeping those aspects in mind why it is necessary to write those principles in writing, subsequently our company main principles are described.

Considering ourselves as an equal opportunity employer is mandatory by law in most countries and of course in Germany as well. It includes that our company does not discriminate against employees or job applicants as well as our clients on the basis of gender, age, race etc. It is fundamental for non-discrimination, anti-harassment, workplace violence and diversity policies.

Therefore, our company strives for the best service providers regardless of their age, gender and race which offers for our clients the best possible service for the best price. Our company encourages that equal opportunity is a reality in our service.

Secondly, provisions for occupational safety are necessary for our service as well, because we offer service for our clients who pay for it. Hence, it is important that our service provider can work in a healthy and safe workplace. For our service does it mean that our service providers are forced to wear appropriate work clothes and work with tools which have the...
required safety standards. Furthermore, our potential workers have to prove that they have experience in the fields they would like to work on and have to show us in advance their skills and certifications if applicable. On this account, it is possible to reduce the numbers of accidents and unsafe conditions to a minimum which has a positive impact to the service reputation as well.

Our clients have precise expectations from our service providers. Thus, a straightforward code of conduct facilitates and make this clear. Another point is that such a communication is a prerequisite for compliance. Therefore, misunderstandings can be reduced.

The most important elements are:

- Using the cellphone and social media for privacy reasons while working
- Our service providers get only paid if the work and on an hourly basis
- Our clients have only to pay if the worker has completed the required job on an hourly basis
- Our service providers are rated from 1 – 5 (1 is the lowest score you can get and 5 is the highest score), those ratings are published and can be seen by potential clients etc.

Only clients who have ordered and paid a service are allowed to evaluate our workers. Our clients have to evaluate our workers after a service is done based on: Quality of work, friendliness and satisfaction of the working time the worker has needed.

It is up to our potential clients who they want to have. If they prefer a worker of a scoring e.g. 3, a filter option enables our clients to search for workers with a scoring of 3 etc.

It is up to the clients who they want to have as a service provider/worker. We do not promise our service provider a minimum hourly working load per months etc. Therefore, we do not offer a minimum monthly salary. The only security we can give to our workers that in case they are ordered is, that the minimum wage of 8,84 Euro/hours will be paid.

One aspect which does not affect us dramatically is the issue of vacation plans and absent from work. Due to the fact, that our service mainly affects non-full-time worker. However, in
case there are full-time worker, the rules of working conditions concerning vacation days and absence regulatory as it is mandatory by law in Germany are considered.

Our potential service providers if full-time workers get 30 days of vacation a year. In case of non-fulltime worker, the workers are getting the proportion of vacations days they are working. In case of absence as described above, our workers will not be paid due to the fact that our service is based on the offer and request of the clients.

**Key areas**

They key areas which were analyzed are mentioned below:

- Price
- Quality
- Customer Service
- Locations
- Variety
- Value Proposition

Our concept is compared with the main competitor named “die haushaltsjobbörse”
The scale ranges from 0 which would be the lowest point up to the maximum which would be 10 for each key area.

Regarding pricing the main competitor “Haushaltsjobbörse” has a score of 5 and “Cerca” a score of 9. The score of 5 for “Haushaltsjobbörse” is due to the fact, that they do only offer one price, the minimum price which is required by law in Germany. The minimum wage in Germany is currently determined at 8,84 Euros per hour. Keeping in mind that the minimum wage per hour in Germany for tasks like facility management is really low when you expect a good quality of work and workers who have a good experience, the one price strategy at the minimum wage level is not sufficiently.

However, Cerca offers different prices which depend on the rating of our workers. As described above our clients evaluate the workers after the have finished their work. Additionally, we have analyzed the willingness to pay for our service regarding the rating of our workers. Therefore, we can guarantee the best price for the best service for clients and workers. We do not have put Cerca a 10 because there are always some clients who are only looking for the cheapest option without considering the quality. Hence, Cerca might be not an option for every potential client because we do not offer the cheapest prices which is not our goal.

Having a look at the quality you can see that the “Haushaltsjobbörse” has a score of 5 and Cerca almost the maximum with 9 out of 10. Quality in this context refers mainly to the quality of work which has to be done and the satisfaction of the clients after the work is done.

“Haushaltsjobbörse” does not have the rating system of the workers which is described above. The potential workers just post online their offerings and you hardly find more information about those potential workers. Thus, from the client’s perspective there is uncertainty regarding the quality and references of the potential worker.

On the other hand, Cerca offers with the rating system a preselection because on main aspect of the rating system which is done by our clients is the quality of their work. Furthermore, Cerca offers the opportunity within a filter option to search for potential workers with officially references and certifications if they would like to. All in all, it is the client’s...
decision which worker to choose and therefore they have from the first step on which is the selection process of the worker a clear idea which quality they can except.

The customer service is one of the most important aspects to be able to grow constantly. With a score of 4 “Haushaltsjobbörse” has only the half of Cerca which has 8 points in this category.

Cerca offers different channels as social media, application, newspaper and a hotline to get information about our service and workers. If questions arise, potential workers and clients get the information they need accordingly. The feedback culture and evaluation within complaint management ensure a customer service of high quality.

However, “Haushaltsjobbörse” does only inform about their service on their homepage. Additionally, if you need information you can only contact “Haushaltsjobbörse” by using the standardized format on their homepage which is not customer friendly.

The locations describe where the service or work is offered. The homepage “Haushaltsjobbörse” enables on the one hand workers and on the other hand clients to announce their service or help. All over Germany is it possible to work or to request help, however the focus is still on the cities. The score of 8 for “Haushaltsjobbörse” shows their advantage in this category over Cerca which has so far only a score of 6. This is due to the fact that at the growth phase and implementation of our service Cerca is focusing only on the bigger cities in Germany. Keeping in might that Cerca workers can drive to the clients and are flexible, Cerca has still a 6 in this category.

Having a look on variety which means in this context the offering of services and work it is shown that both “Haushaltsjobbörse” and Cerca have a score of 9. This is due to the fact that both offer the same kind of service and work more or less.

Considering the last aspect in the key areas which is value proposition you can see that Cerca has with 9 points a higher score than “Haushaltsjobbörse” which has 7.

Cerca has an enormous advantage regarding the aspect of security as described above referring to the rating system of our clients when searching for potential workers. Another point which comes along within the rating system of our workers is the expected quality of the work which is a positive aspect of Cerca over “Haushaltsjobbörse” as well. Last but not
least, the availability of Cerca considering information, transparency etc. due to the multi-channel approach.

**Porter Analysis**

- **Bargaining power workers (high +)**
- **Competitor Rivalry (high -)**
- **Bargaining power customers (low -)**
- **Threats of new entry (medium to high -)**
- **Threats of substitution of the rating system (medium)**

**Competitor rivalry**

In Germany the service we offer is facing a big number of competitors in terms of professional agencies which are cost expensive though. Furthermore, there are some players in the German market which offer more or less the same package as we do offer for example the “Haushaltsjobbörse” but without the rating system where we are having our

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focus on.

Bargaining power workers:
There are a lot of people in Germany who have a good knowledge and pleasure to work for example in gardening or who like to take care about pets or children. Additionally, a huge amount of the population when considering elderly people would like to do something meaningful in their free time. Therefore, if you get on top paid and being flexible regarding the scope of work, we are facing a high bargaining power over our potential workers.

Threats of substitution of the rating system

Our rating system is based on various factors such as friendliness of the workers, quality of work, amount of time spent to finish the work etc. Besides, in order to be able to have the rating system, the workers and clients have to create profiles and agree on our specific terms and conditions. Our goal is to adapt the rating system to the needs and desires of both parties constantly. Having a customized rating system, you can not easily copy and implement it.

Threats of new entry

In general it would be not as difficult to implement the services and create a website and application which we offer because you do not need a lot of money and people. However, you should always keep a focus on the market you would like to target and being an expert and have a feeling which is currently needed. Another point is, that we focusing on security and quality of the work, which is not easily to copy in a short amount of time.

Bargaining power customers

Our potential customers can select our service or not, it is up to them. We are not the only player in the market and most of the services we offer can be done by oneself if there is no
lack of time and the health condition allows it. Therefore, we have to convince our potential clients constantly and make them aware of our advantages.

Positioning in the German market – competitors

Cerca always offers due the the rating system of our workers the best combination of price and quality for our clients.

Haushaltsjobbörse does not have the rating system. You never know how the quality of a worker but the prices can be considered as low because the majority of the workers on their platform is willing to work for the minimum wage.

Professionals and fulltime employees have to paid high salaries. Oftentimes double the price which would be the maximum price you would have to pay for a worker who has the best rating at Cerca. The quality could be considered as high as at Cerca though.
Cerca has the best position regarding customer service, because you can get in touch with Cerca through their website, phone and social media. Last but not least, the feedback culture after a job is done by a worker of Cerca ensures security within the rating system. Haushaltsjobbörse for example only offers their services on their website and you do not have the rating system which increases the uncertainty.

The offer of the professionals and fulltime employees is oftentimes not very customized for the price they offer and you cannot get in touch with the potential workers beforehand.

Regarding the locations, as mentioned before, Cerca is going to start in the biggest ten cities in Germany. Due to this fact, Cerca cannot cover all regions in Germany where such a service would be needed. However, Haushaltsjobbörse does not focus on only the biggest cities in Germany. Therefore, it is possible for them to cover the whole market if there are enough workers and customers which are registering on their website.

On the other hand, the professionals are usually targeting only one specific city or very small
region. There are no professional agencies which are focusing on the whole geographical market in Germany for the private clients.

**Explanation - Variety and Value proposition**

Cerca and Haushaltsjobbörse offering more or less the same bunch of services as described in the previous chapters. The professionals, fulltime employees are specialized for example in cleaning or in gardening. There are no more competitors which are offering the whole range by one single competitor which are offered by Cerca. To summarize it, the value proposition which is offered by Cerca including the security due to rating system, the best combination of price and quality, the different channels you can get in touch with Cerca and the variety of services is the best you can find in Germany.
Value chain analysis

<table>
<thead>
<tr>
<th>Primary Activity</th>
<th>Inbound Logistics</th>
<th>Operations</th>
<th>Outbound Logistics</th>
<th>Marketing &amp; Sales</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers and clients have to create a profile</td>
<td>Creating the marketplace</td>
<td>Connecting offering and demand</td>
<td>Order handling Invoicing Rating system</td>
<td>Promotions Rating system tracking Segmentati on</td>
<td>Feedback of customer and clients Customer complains</td>
</tr>
<tr>
<td>Centralized operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Support Activity**

| **HR & Finance & Legal:** Cerca does only offer the platform as an intermediate, the workers are paid by the clients, minimum wages are considered |
| **Technology:** Cerca creates the website and application to enable potential workers and clients finding each other in accordance to their specific needs |
| **Procurement:** Tools and other equipment is offered by the workers, Cerca offers only the platform |

Cost Evolution

As explained in the previous chapters our main business is the platform/application which acts as an intermediate between our clients and the workers.

Additionally, Cerca does not have to pay the workers. If a worker is requested and willing to work for the client, it is the client’s liability to pay the worker accordingly.

Furthermore, Cerca does not offer cars or other transportation system in order to get the worker to the client nor does Cerca offer tools or other equipment which might be helpful to complete the work which is requested by the client.

Therefore, the cost structure and cost evolution differ drastically from other business which have their focus on offline businesses.
Nonetheless, our business is affected by some costs as well which are explained subsequently:

Application costs

Firstly, the platform which is in Cercas case mainly the application has to be developed.

In order to have an appropriate application an application developer or a coder is required. The requirements of our application are not as fancy as it may appear.

Key features are:

- Safe registration and transfers of the money
- Clear introduction of the area of operation and guideline
- Concrete overview of client’s requests
- Concrete presentation of our workers
- Safe evaluation system for our workers
- Demonstrative description of expected costs, working time

The application developer has asked following questions which affect the costs of the application:

*What type of application are you building?*

Our focus is upfront on Android and Apple iOS.

*Do people have to log in?*

Yes, our clients and potential workers will have to log in, firstly via email which can be extended later on to Facebook and Twitter.

*Do people create personal profiles?*

Yes, our clients and potential workers will have to create personal profiles.

*How will you make money from the application?*

We have in-application purchases which affects the costs to develop the application more but it is a useful tool in our case when we have engaged a user base.
Do people rate or review?

As described above, our clients will have to rate and evaluate our workers accordingly which will be one of our main advantages against our competitors to ensure trust and security.

Does your application need to connect with your website?

No, it is not necessary in our case. However, in the application we indicate to have a look at our homepage as well.

How nice should your application look like?

The application should look nice and easy to use in order to ensure a customer friendly online customer journey and a lot of requests.

Do you need an application item?

In order to extend awareness level of our application we would like to have an application item for our application and are willing to invest in an application item.

In order to develop such an application an application costs of around 39.300 Euros for each Android and Apple iOS can be expected.

References:
http://howmuchtomakeanapp.com/estimates/results

Homepage:

The features which are necessary for our application are required for the homepage as well. The same questions as mentioned above were asked by a web designer.

The costs of such a website range from 3000 Euros to 4000 Euros which is a lot cheaper than the coding of an application.

Additionally, there are costs for:

- Website hosting: Around 200 Euros/year
- SSL certificate:  Around 100 Euros /year (in order to secure a safe protocol)
- Domain name:  Around 10 Euros/year

Hotline:

Furthermore, we would like to offer a service hotline for workers and clients. This is due to the fact, that the majority of our clients and workers are still the elderly generation which prefer calls.

Offering such a service hotline needs at least one fulltime worker who would earn in Germany around 2500 Euros/months.
Business Model Canvas

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key activities</th>
<th>Value proposition</th>
<th>Customer Relationships</th>
<th>Customer segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our workers who go to the clients and finish the tasks we offer on our website are the key partners. The rating system which enables the best combination of prices and quality minimizes the uncertainty regarding payment and increases trust.</td>
<td>Offering the platform and working as an intermediate between clients and workers to get in touch.</td>
<td>Rating system of our workers. Best combination of quality and price. Flexible working hours. Promotions. Wide range of services. Online and offline availability. Security.</td>
<td>Focus on long-term relationships. Rating system minimizes uncertainty.</td>
<td>People from 25 years and above. Singles and families. Medium to high income. People with their own houses/apartments. Firstly, inhabitants of the 10 biggest cities in Germany. People with lack amount of time. Elderly people with a bad health condition.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Resources</th>
<th>Channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>The platform to get in touch with each other. Humans like our clients and workers.</td>
<td>Online availability through website, social media. Offline through hotline. Online and offline advertisements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost structure</th>
<th>Revenue streams</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firstly, the investments for creating the application and website are costly. Afterwards, focus is on value creation through our website between clients and workers. Cerca does not need to have their own workers. The workers are independent and are get paid by the clients.</td>
<td>The clients pay for the specific service which they want to be done e.g. cleaning or gardening. Having the rating system for our workers the clients know exactly beforehand how much they have to pay. The prices are dynamic and depends on the rating system of the workers which ensures always fair prices. The revenues for Cerca are a portion of each payment which the clients pay to their workers.</td>
</tr>
</tbody>
</table>

Vision

Link through a multi sided platform, service suppliers and customers in order to be an active participant in sharing economy.

Mission

Our purpose is connecting customers to service providers for the sake of creating an environment that promotes sharing economy and service peer exchange as a way of improving and upgrading the living standards of our users. We aim also to boost real life interactions between the two parties.

Final Master Thesis project: Master in Marketing and Sales

Ingo Distler & Zineb El Khalloufi
Management style & HR factors

Teams and functions
Our company would need several teams to insure its growth and stability.

The technical team would be the pumping heart of Cerca, managing the app, improving it, making sure everything is updated and organizing the data bases. With several tasks to be fulfilled, we have to be sure we hire the right partners especially at this very critical time that is the launching.

The communication team can wait a little as the fact that the manager has expertise in the sector could be sufficient at first. But eventually after a while we should hire new team members as needed. This would depend on the activity.

The financial team is an essential, there again it would be enough at first to have one financial collaborator working directly with the management. If needed in the future we could develop the team.

The HR department could be managed at first between the management and the financial collaborator until we see how the company would evolve with time.

The hotline operators again one essential part of our company. As promised we have to hire operators that would be acting as live mediators for our offline clients. The hotline would evolve or be terminated depending on the customers' behavior. At first, it's crucial to have them.

Management Style
As a start up working essentially with millennials, we have to be extra careful about the style of management we will use. We are firm believers that the management style should evolve and adapt itself throughout the company's growth and development.
Also, we have to analyze the people that we would certainly be working with. Most of our future collaborators would be, as we are too, millennials. That generation is known to reshaping the ordinary workplace. They have bigger demands and approach life differently compared to their elders. The work/life balance is crucial and their company loyalty is conditioned by what the organization brings them. Representing now more than 50% of the workforce it’s undeniable that they will be our collaborators. It is proven that they do not respond well to traditional autocratic management as they feel used and misunderstood. But since the company is a startup and the first months to years will be crucial we cannot rely yet on a laissez-faire kind of management as it would be too soon and completely blind managing especially when we still would have to figure out how each and every one works and still getting to know each other and the sector. So, we thought about opting for a more consultative type of management. It has the basis of an autocratic management with the decision process still would go through the leader or the top management but it still, as the name suggests, have a slight participative approach. The top management will consult the team to have their opinions on how the processes should go but at the end of the day the decision will be taking by the leader. That way every decision will have the employees’ point of view, taking their best interest into consideration while still matching it with the organization’s interests. We believe that the collaborators would feel involved leading them to being more loyal to the firm while still allowing us to have the control of the decision making process.

As the company develops and grows, the teams would be more settled and we will have better visibility about the market and the how-to processes we can balance then, and only then, towards a MBWA type of management, management by walking around. This type of approach relies on listening to the thoughts of the collaborators that are able to stop problems at their source making the managers more like counselors than directors. The decision making is faster and has to be respected by all since every intervenient would be involve. The most important part is to make sure that the team is committed to the well-being of the company before relying on that style of managing.
Product Portfolio

The services available on Cerca are daily household tasks and chores that people may need help with. We are talking from day to day tasks to some that may need more effort. On our platform there will be six (6) categories under them we will find the posts and publication of either the potential customers or the providers. The prices will vary according to the providers while respecting the minimum hour wage in Germany.

<table>
<thead>
<tr>
<th>Category of services</th>
<th>Examples &amp; Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning</td>
<td>Cleaning the house, washing the cars, Laundry</td>
</tr>
<tr>
<td>Gardening</td>
<td>Mowing the lawn, treating the grass</td>
</tr>
<tr>
<td>Babysitting</td>
<td>Kids of different ages</td>
</tr>
<tr>
<td>Accompanying elders</td>
<td>On their daily lives</td>
</tr>
<tr>
<td>Running errands</td>
<td>Mailing, grocery shopping...</td>
</tr>
<tr>
<td>House chores</td>
<td>Plumbing, painting</td>
</tr>
</tbody>
</table>

Price of communication and distribution

In order to gain a maximum of recognition and to position the brand into the consumers' mind we will rely on two main channels to promote and distribute our website and app:

*Social Media as an essential partner for every new business: We will focus at first on Facebook.

*Newspapers

Channel 1: Promotion on social media

*Facebook:

For starters we have to create a business page on Facebook by adding the name, photo and a few posts to get the profile ready in case of any feedback. The "about" section is the most important one.

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Then we will join a number of groups that are related to our activity or that would be interested in our activity where we will start sharing our services and website.

Those first steps are free and do not need any kind of investment.

Then, regarding Facebook Ads we shall follow those steps to promote the website:

- Go to the Page associated with the website you want to promote
- Scroll down to the About section located on the left-hand side of the Page
- Select Promote next to the URL listed on the Page
- Make any necessary edits to your website URL, headline or text of your promotion. You can also add a call-to-action button like “Shop Now” or upload a new image.
- Your ad will automatically update in the Ad Preview section

We have the opportunity to target an audience

- Specify the location, interests, age and gender of the people you’d like to reach
- The Interests field will initially be filled with interests we think make sense for your customers. You can also type in any additional interests or to remove any ones that don’t apply.
- If you’d like to apply more advanced targeting options, try using the ads create tool to promote your website

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And to determine a daily budget with a specific schedule

As far as this part is concerned, we may not be able to know for sure how much would we invest in terms of Facebook ads but we sure can rely on this approach: “What budget do we need to generate $X in revenue with Facebook ads?” Establishing a revenue goal for the campaign informs the ad planning process and helps us more accurately report the ROI, or return on ad spend (ROAS).

*Newspapers*

Since Cerca will be launched in the biggest cities in Germany it's only fair to rely on the most popular newspapers.

- *Süddeutsche Zeitung* (SZ): from Munich
- *Frankfurter Allgemeine Zeitung* (FAZ): from Frankfurt
- *Die Welt*: in Hamburg
- *Frankfurter Rundschau*: in Frankfurt
- *die tageszeitung* (taz): from Berlin
### SWOT

<table>
<thead>
<tr>
<th><strong>Strenghts</strong></th>
<th><strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Revolutionary platform with aneeded service</td>
<td>1 Lacks a proper market visibility since it's still a start up</td>
</tr>
<tr>
<td>2. Honest and trustful services due to the rating system</td>
<td>2 Needs big investments on promotion</td>
</tr>
<tr>
<td>2 Relying on geolocalisation to simplify the connexion between the customers and providers</td>
<td>3 Needs different channels to reach the potential users</td>
</tr>
<tr>
<td>4 Huge variety of services</td>
<td></td>
</tr>
<tr>
<td>5 Customized pricing due to our survey</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Huge potential market within Germany and within the 10 biggest cities in Germany</td>
<td>1 Difficulty to garanty security regarding the validation of the profiles at first before having proper feedback</td>
</tr>
<tr>
<td>2 Sharing economy concept is becoming essential to the potential users</td>
<td>2 The targetted segment may choose to pay in cash which would be difficult for the company to recover its cut.</td>
</tr>
</tbody>
</table>
Marketing objectives

Cerca is all about convenience, this idea itself behind this project is attracting customers who are looking for quick, secure and effective contacts to respond any of their needs regarding household chores.

Being a new app on the market with the idea of connecting by proximity will need to raise awareness among the potential users on both sides (paying customers and service providers).

First, we are ought to attract service providers in the main areas where our service and app will be operational. A total of 3000 service providers in different geographic locations is the number to reach, pre-launching.

The number is quite small, comparing to the area we’re working on and eventually this number will rise. But it is credential to have them first and they are more approachable than the possible customers. They will enter our database just out of curiosity and possible gain. We don’t think we can convince more of them before the service is effective. But we will be counting on the mouth to ear before Cerca is completely operational.

Then the website shall be effective with all the explanation and information about Cerca and how it shall be used with a demo video available for promotion and awareness purposes. The objective behind it is to gather at least 5000-6000 emails of potential customers before the launching in order to send them promotional emails to convince them to download the app.

We are aiming for a 2000 effective users who have made at least one purchase in the first month.

After 6 months, we intend to reach 25,000 effective users in order to close the 1st year with a 70,000 effective users.

We would like to cover 150,000 users within the first 3 years post launch, in order for us to start our expanding strategy to cover more territory in Germany and decide on the best internationalization strategy to adopt according to the market.

Metrics

Here are the main metrics that we are using to measure our reach and how likely we are to attain our goals.
To measure those metrics we relied on the number of potential users that we mentioned earlier according to the results of our survey and on the average conversion rate of 75% of startups which is 2,35% and the ideal retention rate for e-services which is 35%.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAND AWARENESS</td>
<td>33%</td>
<td>54%</td>
<td>81%</td>
</tr>
<tr>
<td>TOTAL LEADS TO GENERATE</td>
<td>2,900,000</td>
<td>4,100,000</td>
<td>6,520,000</td>
</tr>
<tr>
<td>% NEW USERS</td>
<td>97%</td>
<td>76%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Marketing strategies: Pricing

Objectives

The household services platform is a unique and differential approach due to the rating system of our workers which was described beforehand. Therefore, the goal of the pricing strategy is not to offer the cheapest services within the German market. The focus of our pricing strategy is a customized pricing approach regarding the quality and task of the required service.

At the beginning we want to focus on the main categories of our services which are:
- Cleaning
- Gardening
- Running errands
- House chores

**Markets**

Our target are singles and families who need external help in their daily life regarding cleaning, gardening, running errands and house chores. The segmentation is based on the willingness to pay of our potential clients and their preferences regarding professionalism of work, friendliness of the workers etc. The research we have done beforehand is mentioned in the previous chapters. So far, in Germany there is only one homepage which is called „Haushaltsjobbörse“ which can be seen as a strong competitor. The potential demand of our offerings and the services was gathered through a survey. The results are shown and described later. Geographically, the focus is Germany when we launch our platform. Within Germany the focus is the biggest 10 cities in Germany, names and numbers have already been described in the previous chapters.

The total population within the 10 biggest cities in Germany of our potential consumer market is around 8,35 Million. In the prior consumer section, we have shown detailed number and the demographic situation among the total population.

Within the 8,35 Million people it is interesting how many of them would actually consider to use our services and the different categories.

Therefore, we have conducted a survey to figure out the demand and necessity of our offerings. The summarized result of use of services are shown in the graphic below:
The graphic shows the demand in percentage of each category of our services and additionally the average demand of our four categories which is 49% which equals 4,09 Million.

The 4,09 million are demonstrating the amount of people in the 10 biggest cities in Germany who think that our service makes sense for them and it is worth to try it.

However, we have to make some more estimations, because within this amount of 4,09 Million the majority is using already such services from other agencies or professionals etc.

Therefore, we are calculation with a total potential market which is around 153,000 in the first year, 2021.
## Buyer personas

### Singles – e.g. Andreas

<table>
<thead>
<tr>
<th><strong>Background</strong></th>
<th>Completed studies, Financial controller of a multinational company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demographics</strong></td>
<td>31 years old, Relationship, No kids, Lives in Munich</td>
</tr>
</tbody>
</table>
| **Communication channels** | Active on social media, Facebook, Instagram, Twitter  
                                      Daily smartphone user, searching constantly for the best applications  
                                      Always checking his emails |
| **Marketing channels** | Looking for the best deals on social media  
                                      Checking the newest applications  
                                      Google Ads |
| **Living** | Apartment with 2 rooms, terrace |
| **Attributes** | Middle class, decisions influenced by references, ratings |
| **Goals and objectives** | To become a senior controller, being independent, enjoying more leisure time and holidays |
| **Hobbies & Interests** | Gym, holidays, barbecue |

### Elderly people e.g. Mr. Schmidt

<table>
<thead>
<tr>
<th><strong>Background</strong></th>
<th>Studies in engineering, working 30 years for Daimler, pensioner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demographics</strong></td>
<td>81 years old, widower, 2 kids who live in Stuttgart, Lives in Berlin</td>
</tr>
</tbody>
</table>
| **Communication channels** | Watches daily TV  
                                      Reading carefully the daily newspaper |

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Ingo Distler & Zineb El Khalloufi
Using is telephone, has no smartphone though
Does not know how to use the PC
Is getting daily physical newspaper and flyers/offers in his letter box

**Marketing channels**
- Looking for help in the daily newspaper
- Is getting aware of offers by flyers and banners
- Trusts TV advertisement

**Living**
- Big house with 5 rooms and huge garden

**Attributes**
- Middle to high class, reading newspaper, looking for best deals offline

**Goals and objectives**
- To live as long as possible in his own house

**Hobbies & Interests**
- Gardening, books, TV

---

**Families e.g. Family Kühn**

<table>
<thead>
<tr>
<th>Background</th>
<th>Father and mother born and raised up in Hamburg, Father is working as a doctor and mother is working as a teacher</th>
</tr>
</thead>
</table>
| Demographics | Father is 41, mother 38  
| | 2 kids, Laura 7 and Christian 8 |
| Communication channels | Parents are using social media as Facebook  
| | Parents do sometimes read the daily newspaper  
| | Are watching TV when the kids are sleeping  
| | Checking his emails constantly  
| | Getting promotions and physical flyers in their post box  
| | Are communicating with their smartphone and applications  
| | Do like to surf in the web |
| Marketing channels | Looking for promotions on social media, daily newspaper, flyers |
| TV awareness is decreasing Google ad is increasing for getting aware of new promotions and offers |
| Living | Big apartment with garden, living in Hamburg |
| Attributes | Middle to high class, mother and father are fulltime workers, need help to take care about the kids and carrying them to sporting activities, lack amount of time for cooking and cleaning |
| Goals and objectives | Organizing the living situations with work and time for the kids to get the most out of it |
| Hobbies & Interests | Playing with the kids, looking for the best education for the kids, gym |

**Determinants**

The only determinants which are concerned regarding our pricing strategy is the consideration of the legal minimum wage in Germany which is currently fixed at 8,84 Euros/hour. Furthermore, it has to be mentioned that our clients have to pay the workers on an hourly basis. Only jobs which have been completed will be paid by our clients. The prices and costs of the workers are defined regarding the willingness to pay of our clients which has been figured out through a survey.

Cerca does only provide the platform and works as an intermediate between the clients and workers. Cerca does not pay the workers, this part is only done by the clients when a job has been completed. However, Cerca works as a supervisor and platform where feedback can be given any time. Additionally, all of our workers and potential clients has to register beforehand and agree on the terms and conditions including the payment methods.
Commercial factors

Cerca offers the platform which works as an intermediate between the workers and our clients. The profit of Cerca will be a charge of 10% of the total price of each service which has been completed. The charge has to be paid from the client. Those concepts are widely accepted as it is used by Uber and Airbnb as well. While booking a service through our platform there are notifications regarding the payment process which has to be confirmed in the registration process while creating a profile.

Selection and Positioning of the prices

In order to know the best prices for our services in each category and to ensure prices which are accepted and demanded by our potential clients we have conducted an online survey.

(Survey about the main characteristics, demand and optimum price)

The questionnaire which is shown below was sent out for each of the four categories in order to have the demand and the optimum prices for each category:

- Cleaning
- Gardening
- Running errands
- House chores

We could get 243 responses out of our online survey. The results of our online survey are summarized below:
1. Would you use such a service?

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning</td>
<td>42%</td>
</tr>
<tr>
<td>Gardening</td>
<td>56%</td>
</tr>
<tr>
<td>Running errands</td>
<td>39%</td>
</tr>
<tr>
<td>House chores</td>
<td>58%</td>
</tr>
<tr>
<td>Average</td>
<td>49%</td>
</tr>
</tbody>
</table>

2. How many times a month would you appreciate help from a third party and pay for it?

3. How many hours a month would you appreciate help from a third party and pay for it?

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Final Master Thesis project: Master in Marketing and Sales

Ingo Distler & Zineb El Khalloufi
4. How much money per month are you willing to pay to get additional help from a third party?

5. Our workers are rated from our clients from 1 - 5 (5 is the best score). What is the hourly price in Euros over which you would not pay for our service if our worker has a score of 1?
6. Our workers are rated from our clients from 1 - 5 (5 is the best score). What is the hourly price in Euros over which you would not pay for our service if our worker has a score of 2?

7. Our workers are rated from our clients from 1 - 5 (5 is the best score). What is the hourly price in Euros over which you would not pay for our service if our worker has a score of 3?
8. Our workers are rated from our clients from 1 - 5 (5 is the best score). What is the hourly price in Euros over which you would not pay for our service if our worker has a score of 4?

9. Our workers are rated from our clients from 1 - 5 (5 is the best score). What is the hourly price in Euros over which you would not pay for our service if our worker has a score of 5?
Tactics

They rating system is from 1 up to 5. Only clients who have ordered and paid a service are allowed to evaluate our workers. Therefore, if a worker gets a scoring from 1 means that our clients were not happy about our workers. A scoring of 5 means that our worker is professional, friendly, and works efficiently. It is up to our potential clients who they want to have. If they prefer a worker of a scoring e.g. 3, a filter option enables our clients to search for workers with a scoring of 3 etc.

Another tactic can be described as “urgency”:
- If our clients need support within 1 day, they have to pay an additional charge of 10%
- If our clients need support within 3 days, they have to pay an additional charge of 5%

Furthermore, there will be a category “certified workers”:
The majority of our workers are elderly people who have a lot of experience in facility management due to their age and former work. However, not all of our workers have a certified education in facility management. If our clients want to have a worker with a certificate, they have the option to search for workers via our filtering. Therefore, the clients would have to pay 25% additional chargers for those workers.
Marketing strategies: Product’s Added Value

Cerca has to be seen as innovative and more approachable than any other app already present in the market. Also, we have to focus on a serie of attributes that will play a crucial role in maintaining the positioning of Cerca in the users mind. For that we figured that before launching, we when promoting we focus on different aspects on the different stages of developing the knowledge and awareness about our services.

Pre-Sale

We intend to promote our app on Youtube with a video detailing a daily use of our app. Every aspect of it, the step-by-step guide and focusing on our values that shows that we truly care about our users and customers.

Sales: A free trial of 1 to 3 months will be available for our users in order o get them to use the app for a specific period of time. This tryout will allow us to get as many users as possible who are interested by the services and get them to use the app without pre commitment. At the end of the trial they will be asked to pay the subscription fee that we agreed on. It is essential for us to have this trial, since it will be the first step to gain customers and their feedback, that way we can bring necessary improvements and innovate to meet the users expectations.

Post-sales

A satisfaction and feedback questionnaire will be available to the users (both service providers and customers) after every booking. That way we can recommend, correct, and blacklist when necessary, users on both sides of the service. This part is crucial to maintain our reputation and our app’s value in the market. We are committed to listen to all our users through those feedbacks and guarantee a transparent platform.

Distribution

Cerca is a website and an app and for that we’re using both ways to give access to our service. This combined way will allow us to reach a bigger target. This is why our company decided to create with a .com domain so that it would be easier for us to develop ourselves out of Germany later, following our 10 years plan. When using the website, the users have to insert their zip code and select the closest location to theirs, that way we can answer their needs by linking them to the closest customer or service provider.

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Ingo Distler & Zineb El Khalloufi
Also, the app, which will be available only in the 10 biggest cities in Germany first, will be available in the apple store for Iphones and Ipad and in the play store for Android products. That way we will target all the smartphones and tablet users in the targeted geographical areas. When creating the account the app will ask to have access to the user’s location, allowing it to link the users of that area.

As far as the actual service goes, Cerca isn’t responsible for it. We only link using our platforms, secure the payment which will be through our website or app using PAYPAL or Credit and Debit cards, therefore we’ll have agreements with banks and online payment companies.

**Product’s logo**

![Cerca Logo](image)

In our logo, which is basically the visual identity of our company, we relied on a color palette of yellow and purple blue. The reason behind it was to, first differentiate ourselves from the other house related services that usually use green, blue and white. We wanted our company to be recognizable without going for a color palette that would contradict our services and values. So, by using purple which psychologically reminds of wisdom, respect, luxury and stimulate the problem-solving area of the brain and the creativity. We brought this sense of home in the center of our visual identity. The yellow on the other hand is usually a connotation of happiness, energy and optimism. Also it is one of the colors that is appealing to the brain for it sense of warmth. Again a color that has a homely energy which will still be linked to household services while completely differentiating itself from the competitors.

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Ingo Distler & Zineb El Khalloufi
Promotion

To perfectly promote our service we decided to combine both online and offline advertisements.

It is important for us, first of all, to guarantee that our branding is perfectly communicated in every step and aspect of our service. Starting from our internal company culture axed on our values: accessibility, instant feedback, quality and customer satisfaction oriented. All the shareholders of our company, from the employees to the customers should voice and represent those values in an interactive way.

The homepage will have at the landing page an overview of the different services we are focusing on e.g. like this:

If you would like to search for a client or a worker, we have an option like this implemented:

This table allows you to select at the beginning if you are looking for a client or a worker. The next step is to select the kind of service you are interested in e.g. gardening. Afterwards, you can select your city or the postal code and the range of kilometers you want to search within.

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would like to search. Last but not least, at the end you will have a list of potential workers and clients and you can get in contact with them.

Afterwards, you are able to see what kind of services a potential worker is offering and when this person is available.

In order to be registered as a legal client or worker and you would like to show up in the list of potential workers and clients you have to register at the beginning of the process. Therefore, it allows us to gather important data from our clients and workers e.g. email and phone number etc.

Promotion wise, we thought about relying on a video tutorial on Youtube that would be considered as both a step by step guide and an advertisement portraying our values and our services. The video will be clear, short and will condense all the informations that we wish to communicate. More like a teaser to attract the customers curiosity and get them to either visit the website or download the app for a free trial.

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Also, our communication program rely a lot on targeting our segment through social media, especially focusing on Facebook, through ads and a our Facebook page.

This choice is guided by a study we made on the most used social media in our target country discovering that Facebook is the number ONE social media network used in Germany as you can see below.

We also discovered that between 2016 and 2018, Instagram use has grown significantly but still not enough for us to be actively present on it just yet. It is though on our media plan for the next two years.

In Facebook we can share important information about people who would like to help in the
Therefore, we are getting more awareness and can increase our business constantly.

Still online, we have decided that a part of our back office team would be responsible for our SEO campaigning, we have the intention to get referenced organically first before taking any other advertisement decision. Eventually to reach our user objective in the following years, we might resolve to use Google ads reference to target a larger audience, but this is highly correlated to our expansion strategy after three years.

Post-sale, we are planning to have emailing and smsing campaigns for our users on our database, that way we can have their reactions and letting them know about the new additions and new service providers in their areas. Also, the comment they receive on both ends of the service.

This basically sums up our online campaign. As for the offline campaign, we decided that televised ads are a great option to reach for an older segment, since the effect of the ads on other offline channels have shown a decrease in the last years since 2014 as shown below. It is essential for us to broaden our customer base so metro station advertising space are also an option but will depend mostly on the busiest and most frequented stations in our geographical target.

Therefore, we could use for example like flyers and pictures like this:
This way, we are getting more awareness of the older generation as well. Including our phone number will help that everyone can get in contact with us.
Financial Plan

Market size

Overview of the market in Germany - Biggest 10 cities

<table>
<thead>
<tr>
<th>Result of survey</th>
<th>Total</th>
<th>Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>People who would like to use our service</td>
<td>100%</td>
<td>4,09</td>
</tr>
<tr>
<td>People who already using external services</td>
<td>75%</td>
<td>3,07</td>
</tr>
<tr>
<td>Potential customers who so far not using external services</td>
<td>25%</td>
<td>1,02</td>
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<table>
<thead>
<tr>
<th>Estimation</th>
<th>Total</th>
<th>Million</th>
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<tr>
<td>Potential customers who so far not using external services</td>
<td>100%</td>
<td>1,02</td>
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<tr>
<td>Customers who are going to try our service in the 1st year</td>
<td>15%</td>
<td>0,153</td>
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<tr>
<td>Potential Market 1st year 2020</td>
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<td>0,153</td>
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Initial investments

<table>
<thead>
<tr>
<th>Investments</th>
<th>2019</th>
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<tbody>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td>App development for Apple</td>
<td>39.30 €</td>
</tr>
<tr>
<td>App development for Android</td>
<td>39.30 €</td>
</tr>
<tr>
<td>Website</td>
<td>3.50 €</td>
</tr>
<tr>
<td>Implementation</td>
<td></td>
</tr>
<tr>
<td>Tutorial video</td>
<td>2.50 €</td>
</tr>
<tr>
<td>Advertisement newspaper</td>
<td>30.00 €</td>
</tr>
<tr>
<td>Advertisement TV</td>
<td>50.00 €</td>
</tr>
<tr>
<td>Flyer/Poster</td>
<td>10.00 €</td>
</tr>
<tr>
<td>Social media advertisement</td>
<td>15.00 €</td>
</tr>
<tr>
<td>Emailing campaign</td>
<td>2.50 €</td>
</tr>
<tr>
<td>Google ads</td>
<td>10.00 €</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>202.100 €</strong></td>
</tr>
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</table>

Gross margin

<table>
<thead>
<tr>
<th>5 year plan</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Potential customers who so far not using external services</td>
<td>100%</td>
</tr>
<tr>
<td>Potential Market size</td>
<td>15%</td>
</tr>
<tr>
<td>Customers who are going to use our service</td>
<td>70,000</td>
</tr>
<tr>
<td>Average hourly time - use of our services</td>
<td>5</td>
</tr>
<tr>
<td>Total of sales</td>
<td></td>
</tr>
<tr>
<td>Cost of sales 95%</td>
<td>3,990,000</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>210,000</td>
</tr>
<tr>
<td>Gross Margin%</td>
<td>5%</td>
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## P&L:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>4,200,000 €</td>
<td>6,000,000 €</td>
<td>9,000,000 €</td>
<td>10,500,000 €</td>
<td>12,000,000 €</td>
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<tr>
<td>Cost of sales</td>
<td>3,990,000 €</td>
<td>5,700,000 €</td>
<td>8,550,000 €</td>
<td>9,975,000 €</td>
<td>11,400,000 €</td>
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<tr>
<td>Gross Margin</td>
<td>210,000 €</td>
<td>300,000 €</td>
<td>450,000 €</td>
<td>525,000 €</td>
<td>600,000 €</td>
</tr>
<tr>
<td>Personal expenditure</td>
<td>75,000 €</td>
<td>80,000 €</td>
<td>90,000 €</td>
<td>100,000 €</td>
<td>120,000 €</td>
</tr>
<tr>
<td>Other operational expenditure</td>
<td>120,000 €</td>
<td>120,000 €</td>
<td>150,000 €</td>
<td>170,000 €</td>
<td>180,000 €</td>
</tr>
<tr>
<td>EBITDA</td>
<td>15,000 €</td>
<td>100,000 €</td>
<td>210,000 €</td>
<td>255,000 €</td>
<td>300,000 €</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>4,000 €</td>
<td>4,000 €</td>
<td>4,000 €</td>
<td>4,000 €</td>
<td>4,000 €</td>
</tr>
<tr>
<td>EBIT</td>
<td>11,000 €</td>
<td>96,000 €</td>
<td>206,000 €</td>
<td>251,000 €</td>
<td>296,000 €</td>
</tr>
<tr>
<td>Financial expenditure-interest</td>
<td>2,500 €</td>
<td>2,500 €</td>
<td>2,500 €</td>
<td>2,500 €</td>
<td>2,500 €</td>
</tr>
<tr>
<td>EBT</td>
<td>8,500 €</td>
<td>93,500 €</td>
<td>203,500 €</td>
<td>248,500 €</td>
<td>293,500 €</td>
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<tr>
<td>Taxes</td>
<td>1,700 €</td>
<td>18,700 €</td>
<td>40,700 €</td>
<td>49,700 €</td>
<td>58,700 €</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>6,800 €</td>
<td>74,800 €</td>
<td>162,800 €</td>
<td>198,800 €</td>
<td>234,800 €</td>
</tr>
<tr>
<td>Sum: (Minus Initial Investment)</td>
<td>202,100 €</td>
<td>- 195,300 €</td>
<td>- 120,500 €</td>
<td>42,300 €</td>
<td>241,100 €</td>
</tr>
</tbody>
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## Ratios

<table>
<thead>
<tr>
<th>Ratios</th>
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<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROI (NET INCOME/INVEST*100)</td>
<td>3,36%</td>
<td>37,01%</td>
<td>80,55%</td>
<td>98,37%</td>
<td>116,18%</td>
</tr>
<tr>
<td>Profit Margin (NET INCOME/NET SALES)</td>
<td>0,16%</td>
<td>1,25%</td>
<td>1,81%</td>
<td>1,89%</td>
<td>1,95%</td>
</tr>
<tr>
<td>Capital Turnover (Net sales/ Average working capital)</td>
<td>20,78%</td>
<td>25,69%</td>
<td>44,53%</td>
<td>51,95%</td>
<td>59,38%</td>
</tr>
</tbody>
</table>

Final Master Thesis project: Master in Marketing and Sales

Ingo Distler & Zineb El Khalloufi
Conclusions & Findings

During our work we came across a great number of findings and informations that will guide us throughout the concretization of this project.

- First and foremost, the demographic situation in Germany allows the implementation and the development of likewise apps and services.
- Also the German market is more open than before to “one click away” solutions especially the three last generations (Baby Boomers, millennials and generation Z)
- We also realized that our customers might not always be our buyers, therefore we focused into positioning ourselves in the buyers’ mind which will more likely belong to the first two generations mentioned in the last point, while the people using our services could be themselves or their elders.
- Social media, especially Facebook and Youtube, will play a considerable role in the making of our customer base.
- Cerca is a service that will need the implication of both professionals and users. Meaning, as a company we should focus on marketing the platform to both parties.
- According to our survey, we had interesting results showing the acceptability of this kind of services while also understanding the customers’ minds regarding hiring one service provider rather than another.
- Scales and grading will be an amazing opportunity to exchange with all the shareholders implicated in our platform.
- While reviewing our finance plan we reached the conclusion that our company will be profitable in our third year which is a good achievement according to the startups market.
References


2. https://www.destatis.de/EN/FactsFigures/Indicators/ShortTermIndicators/LabourMarket/arb410.html, “Unemployment rate”, visited June 8th, 2018


5. https://www.indexmundi.com/germany/demographics_profile.html, “median age Germany”, visited June 8th, 2018

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<td>Financial Plan</td>
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