

Business Plan of the «Nowuud» startup

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Master's Thesis
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Thesis Guidelines:

1. Provide the theoretical background referring to the business plan, startup-related issues, and types of companies.
2. State the main goal and research questions and choose adequate research methods of the thesis.
3. Provide analysis of the market in the field of stationery products, market opportunities, and potential.
4. Provide an interpretation of the findings, answer your research questions and chose relevant results for your project part.
5. Based on the research results, develop a business plan for the start-up company and present it in the form of a project.

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ABSTRAKT

Cílem této diplomové práce je proniknout do smyslu podnikání a nadále rozvíjet myšlenku podnikatelského záměru. Teoretická část seznámí čtenáře se základy podnikání, e-commerce a strategií marketingových komunikací. Analytická část zkoumá odvětví papírnictví a jejich produkty v kombinaci s analýzou konkurence a zákazníků. Projektová část prezentuje vytvořený podnikatelský plán, dále plán marketingových komunikací a stručný ekonomický přehled.

Klíčová slova: business plan, udržitelnost, ekologické produkty, průmyslové konopí, alternativní vlákna, papírenský průmysl, papírenské produkty, deníky, zápisníky, e-commerce.

ABSTRACT

The aim of the thesis is to penetrate into the idea of the new business and to develop that business idea to a great extent. The theoretical part will introduce the basics of entrepreneurship, fundamental parts of business, e-commerce, and marketing communications strategy. The analytical consist of paper and forest products industry research, alternative fibers market research, as well as stationery market research, with a combination of competitive and customer analysis. The project section presents the actual business plan, marketing communications plan, and a brief financial overview.

Keywords: business plan, sustainability, eco-friendly products, industrial hemp, alternative fibers, stationery industry, stationery products, journals, notebooks, e-commerce.

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INTRODUCTION

The Master's Thesis is composed to transform the idea into the structured plan and to create a successful business plan of sustainable products. The author of the thesis is the creator of the «Nowuud» and therefore the process of writing a business plan will be an excellent tool for gaining a deep understanding of business processes and for developing ideas on how to establish a business. In short, the idea of «NOWUUD» is to improve the stationery products industry, introducing to the World stationery «paper» products made from a different source, such as industrial hemp, instead of paper that influences the nature in a harmful way.

The goal of the presented Master's Thesis is to penetrate into the idea of the new business and to develop that business idea to a great extent. Through planning, the creator sets goals for the company, creates a clear and reliable vision and mission, reviews potential obstacles and opportunities from the business environment, and also clarifies its potential targeted customers. In addition to clarifying the business idea, the thesis aims to build up the business plan and marketing communication strategy for the pre-launch business processes. Consequently, the thesis is aimed at ensuring that a creator of «Nowuud» and other potential supporters of the startup are guided by planning processes.

The theoretical part describes the basics of the business and entrepreneurship, fundamental parts of business and marketing communication strategy planning, as well as the methodology of the thesis.

The analytical part consists the analysis of the main statement that it is possible to use a different source for the creation of the paper products with respect towards people and nature by using industrial hemp instead of cutting-woods and harming the ecology by the process of the creation of the paper products. Moreover, the in-depth competitive and customer research is covered in this part as well.

The project part consists of the actual business plan, the marketing communications plan, and a brief financial overview.

I. THEORY

1 BUSINESS AND ENTREPRENEURSHIP

The aim of this chapter is to cover the theoretical framework of business and entrepreneurship activities and e-commerce side. Furthermore, identifying and describing the business and entrepreneurship, the main characteristics of entrepreneurship, along with the reasons of becoming an entrepreneur, by using academic resources. In addition, partly describing essential aspects of e-commerce management and its' limitations with the financial side of launching a new business. All this information supports the further business plan creation.

1.1 Overview of Entrepreneurship Activities

This section of the first chapter will cover all updated information about the origins of entrepreneurship, the main reasons of becoming an entrepreneurship, the main characteristics of successful entrepreneur.

1.1.1 Understanding and Reasons of Entrepreneurship Activities

There is huge interest in entrepreneurship around the world. Moreover, there is proof that is supporting the previous sentence that is illustrated by the Global Entrepreneurship Monitor (GEM) organization. The GEM is a joint research effort provided by Babson College, London Business School, Universidad del Desarrollo (Santiago, Chile), and Universiti Tun Abdul Razak (Malaysia). The research organisation monitors entrepreneurship activities in 70 countries. The main focus is on early-stage activities, such as being launched or existing less than three and a half years. The rate sample by countries is illustrated in the Table below. While the highest rates of entrepreneurial initial activities in the countries with low income where good jobs are not numerous, the rates are also impressive in the countries with the high level of income, such as Germany (5.0 percent), the United Kingdom (7.1 percent) and the United States (12.7 percent) (Barringer and Ireland 2015).

The GEM research also defines whether the basic initiative of the entrepreneurship activities is to exploit an attractive opportunity or because of a need to gain some income. Most of the people in countries with a high level of income are attracted to entrepreneurship to exploit attractive opportunities. However, for entrepreneurs in countries with low income are more inclined to be attracted to entrepreneurship, first of all, because of need. The main reason is that there is a lack of prospects of career development in their counties (Barringer and Ireland 2015). Moreover, the countries with low income provide fewer alternatives, therefore lower opportunity motivation the index (Bosma and Kelley 2018).

Table 1. Rates of early-stage activities of entrepreneurs (ages 18 to 64).

Country	Percent of Population Starting A New Business
Nigeria	39.9%
Chile	24.3%
Brazil	17.3%
Argentina	15.9%
China	14.0%
United States	12.7%
United Kingdom	7.1%
Russia	5.8%
Germany	5.0%
France	4.6%

Source: (Barringer and Ireland 2015).

Another key point of the understanding origins of entrepreneurship, it is essential to cover that the word «entrepreneur» came from the French word «entre» which means «between» and «prendre» which means «to take». Formerly, the word was used to define people who «take on the risks» or who «undertake» a work to start a new business. An entrepreneur put together and coordinate all the resources, such as money, people, business model, strategy, risks in order to create a workable company. It is being described that entrepreneurship is the process of seeking and using opportunities without paying attention to the resources that are being currently on control, in order to use future goods and services. Also, Fred Wilson defines entrepreneurship as the art of turning an idea into a business. For example, the behavior of an entrepreneur forces to try to identify opportunities and implement useful ideas (Barringer and Ireland 2015).

There are three main reasons why people become entrepreneurs and launch businesses: First of all, being one's own boss. However, it does not mean that it is hard to work with entrepreneurs or entrepreneurs have issues with being managed. Instead, many entrepreneurs want to be their own boss because either they had long-standing ambitions to own company

or because entrepreneurs had long-standing ambitions to own their own company, or became disillusioned by working in a traditional way. Many entrepreneurs are moving from the traditional way of working to more private ownership of the business way, starting their part-time business. The second reason why people start their own company is to engage in their own ideas. Some people discover unique ideas because of their hobbies, leisure or just everyday life that bring up awareness about the need for a particular product or service that is not on the market. If an idea is viable enough to support a business, entrepreneurs spend tremendous time and energy into the creation of the business. Finally, the third reason is people start their own businesses to pursue financial rewards. This motivation, however, is usually secondary to the first two and often does not correspond to its deception. The average entrepreneur does not make more money than someone with the same amount of responsibility in the traditional workplace. The financial lure of entrepreneurship is its growth potential in the future. The money is rarely the main motivation for starting an entrepreneurial business (Barringer and Ireland 2015).

Though many methods of behavior were attributed to entrepreneurs, there are only a few characteristics of those who become successful. Those who are at the early stages and those who already a part of the entrepreneurial activities for a long time, all share and show these qualities which described in Diagram 1 (Barringer and Ireland 2015).

1.1.2 The Main Characteristics of Successful Entrepreneurship

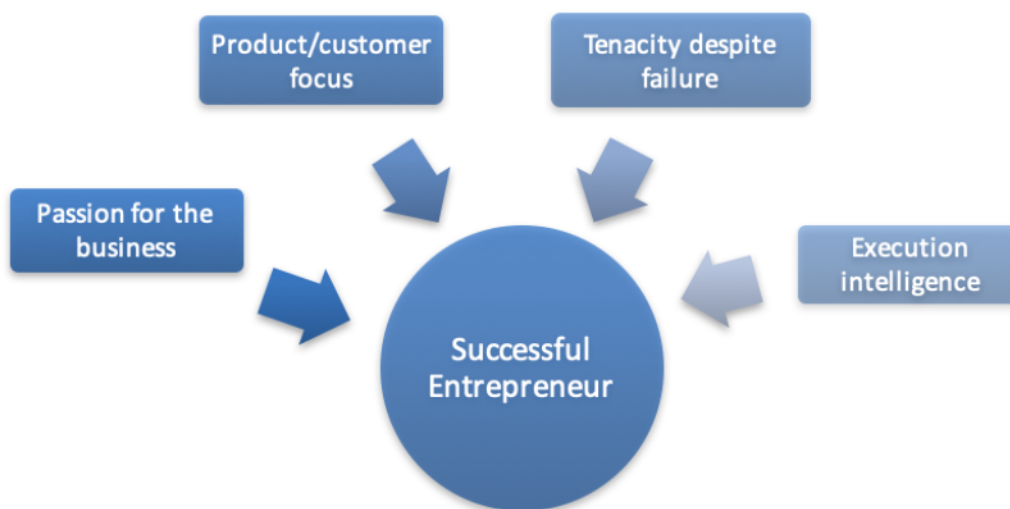


Diagram 1. The four qualities that influence on the level of the success of the entrepreneur. Source: (Barringer and Ireland 2015).

There are four qualities that have an important influence on the level of the success of the entrepreneur, such as product and customer focus, tenacity despite failure, execution intelligence, passion for the business. The feature number one shared by successful entrepreneurs is a passion for business whether it is in the context of launching a new business or managing the existing one. This passion usually comes from the belief of entrepreneurs that business will positively influence peoples' lives. The main motivational factor, behind many social enterprises, is often striving for the big social goal while leaving the traditional jobs in the past. Moreover, there are five fundamental reasons why passion is critical for the launch of outstanding entrepreneurial business which is described in the following table (Barringer and Ireland 2015).

Table 2. The five fundamental reasons why passion is critical for the launch of an outstanding entrepreneurial business.

Reason Passion is Important	Explanation
1. The skill to learn and start again	Founders are not able to provide all answers. It takes passion and energy to fully believe and demonstrate the product along with that to receive all feedback and make reasonable changes.
2. Readiness to work hard during the long time frame	Usually, entrepreneurs work longer hours than people with traditional jobs. That been said that making it on a long basis, there is a need to be extremely interested in the activity that is needed to be done.
3. Capability to overcome failures and "no's"	It is rare when the entrepreneur did not experience any failure and did not hear many "no" from potential clients, investors, and others while building businesses or social projects. Energy to proceed comes from passion to the idea itself.

4. Capability to listen to a response on restrictions of organization and the entrepreneur	Meeting many people on the way — some with good intentions and some without — who will communicate about how to improve the organization and how to improve the personal characteristics. The readiness to receive feedback from people with good intentions and to make changes, it is a fundamental part of adequate communication during the entrepreneurial journey. Another essential part of these communications, the readiness to not take feedback personally and staying aside from the negative destructive feedback from people with bad intentions.
5. Perseverance and persistence	The persistence and constancy arrive from passion. Like everyone else, the entrepreneur will have days down. The creation of an entrepreneurial organization is not an easy challenge. Passion provides the entrepreneur motivation in order to pass through hard times.

Source: (Barringer and Ireland 2015).

The second characteristic of a successful entrepreneur is a product and customer focus. There are two fundamental parts of every single business, such as product and customer. No other part of the business, such as marketing, finance, management, are not having another level of importance as the quality and usage of product with the potential to satisfy customers need. A product and customer focus also includes the process of recognition of the opportunities and noticing them through the completion (Barringer and Ireland 2015).

The third characteristic proceeds from the fact that the possibility of failure exists as entrepreneurs usually try something new. In addition, the launch of the new business idea can demand a certain extent of experimenting before success is possibly achieved. Failures and failures inevitably happen during all the processes and stages. Decisive test for entrepreneurs - the capability is persistent in order to continue the business through failures and disappointments (Barringer and Ireland 2015).

The last but not least, the capability to mold the essential idea in a viable business is a key feature of successful entrepreneurs. Usually, this capability is considered as the main accomplishment. In many cases, the intelligence of accomplishment is a factor which defines whether the new project is successful or poor (Barringer and Ireland 2015).

The capability to effective execution of the business idea consists development of a business model, the connection of a new team, attracting investments, establishing business contacts, operating finances, conducting and motivating employees and so on. It also requires the ability to transmit thoughts, creativity, and imagination to action and measurable results (Barringer and Ireland 2015).

Furthermore, it is important to unite entrepreneurial and business skills as they are connected by its basis. Nevertheless, the main difference between the businessman from the entrepreneur is a mental model. The businessman is more ‘Analytical Thinker’ while the Entrepreneur is more ‘the Opportunity Thinkers’. That means that, for example, the businessman main focus is not on innovations, but more getting the profits. On the contrary, entrepreneurship focus on forming of new value and this value could be social, emotional, ethical and/or financial (Piu 2012).

At the moment, the valuable part of the entrepreneurship it is not necessarily the profits, but can be something less, but thought over as more rewarding for the entrepreneur that runs a business. In contrast, the attention of the businessman is focused more on small improvements in the existing situation. A businessman tries to imagine how things can be in the future and work toward making that idea become a reality (Piu 2012).

1.2 E-commerce Business and Limitations

The purpose of this section is to describe the basics of e-commerce business, its’ advantages and disadvantages, and the e-commerce business limitations. The main goal of this section is to increase awareness of essential parts of the e-commerce business creation and support the further creation of the business plan with the fundamental theoretical knowledge.

1.2.1 Overview of the E-commerce Businesses

Use of information and communication technologies provides an opportunity to expand abilities of people and the organizations to work, strengthen the international contacts and to develop an open society with cultural originality and a variety (Meier and Stormer 2009).

Because of technical progress and economic development, information factor became more considerable, than production factor. Many companies and the organizations passed the business processes to network and understood a relationship with clients by means of electronic media and communication, having led electronic business to the term (Meier and Stormer 2009).

Table 3. Diverse e-commerce business relationships.

		Service Consumer		
		Consumer	Business	Administration
Service Provider	Consumer	Consumer-to-Consumer (C2C) e.g., a classified ad on a personal homepage	Consumer-to-Business (C2B) e.g., a web page with a personal ability profile	Consumer/Citizen-to-Administration (C2A) e.g., citizen evaluates public environment project
	Business	Business-to-Consumer (B2C) e.g., products and services in one e-shop	Business-to-Business (B2B) e.g., order with suppliers (supply chain)	Business-to-Administration (B2A) e.g., electronic services for public administration
	Administration	Administration-to-Consumer/Citizen (A2C) e.g., the possibility of electronic election	Administration-to-Business (A2B) e.g., public advertisement of projects	Administration-to-Administration (A2A) e.g., forms of cooperation in virtual communities

Source: (Meier and Stormer 2009).

In business-to-consumer (B2C) and business-to-business (B2B) service exchange relationships, companies offer products or/and services for customers or other companies. These are therefore the two opportunities for e-commerce sales. The relationship of the supplier and the company illustrates an example of a B2B relationship. A further subset of exchange relationships is called electronic government (e-government), namely the options A2A, A2B, and A2C. Administration-to-administration means the use of information and communication technologies by local government to electronically organize internal administrative

channels. It can occur in the only level of administration, or between different levels of administration. Besides that, officials can make proposes to citizens or to companies (Meier and Stormer 2009).

The letter A designates for administration and involve not only government but also non-governmental organizations (NGOs), for instance, as non-profit organizations (NPOs). The letter C represents consumer or citizen. It is essential to notice that people can also appear as suppliers in the service provider and service consumer matrix. For instance, option C2C indicates to an electronic business relationship between individuals. Besides, consumers or citizens can provide services for companies (C2B) or for administrative units (C2A) (Meier and Stormer 2009).

The term mobile business can be thought-out a subgroup of e-commerce since here the trade relationship between market participants takes place over mobile networks and devices. Mobile business supports the possibility of conducting electronic relationships and business independent of location and time. Due to the diverse business relationships associated with electronic and mobile business, a market participant can take on a variety of roles. This promotes the market and exchange relationships in the so-called multi-option society (Meier and Stormer 2009).

1.2.2 Advantages and Disadvantages of E-commerce Businesses

E-commerce, the act of trading goods or services online, has transformed the modern marketplace in recent years. However, this modernized form of trade comes with its own kits of advantages and disadvantages over traditional approaches. It is essential for businesses to view further the modern technologies and establish new attitude towards the true value of e-commerce - to business and to consumers as impressively, there are many benefits for consumers that may be a disadvantage for e-commerce businesses (Khurana 2018).

Among the main benefits for launching an e-commerce business are erasing all geographical limitations, reaching out new customers with search engine perceptibility, low amount of spending for preservation and rent, and higher capability for goods and deliveries. The main disadvantages of launching an e-commerce business contain the absence of the personal touch of physical products, possible delaying goods or services distribution, and bonding opportunity of sales as some products cannot be sold online (Khurana 2018).

1. Advantages over physical retail dealers.

The Internet is the essential aspect of the modern world, managing everything from political communications and higher education to the way of conducting businesses. It is no wonder, then, that switching the company to an e-commerce model would bring many advantages. In addition to rapidly disappearing need of physical stores, e-commerce websites let people who are based in small city areas access to stores, that are located in big cities, remotely. Thus, e-commerce activity widens new market opportunities for the businesses, enabling the launch of a new business model that fits expanding consumer base, particularly one that leans on effective e-commerce Search Engine Optimization to receive more unpaid traffic to the website via customers' use of search engines (Khurana 2018).

With the elimination of the physical shop need, the business can save budget on lease and further maintenance. Moreover, as there are no boundaries of the number of products that can be sold online, the store's stock can bolster rapidly by switching to an e-commerce type, and the store can stay open 24/7 so the potential customers can look through the products during the free time at home or anywhere else (Khurana 2018).

The consumers also can buy digital products, such as music albums, videos, or books, right away, and e-commerce stores allow to sell an endless number of digital items. Also, there is no need to spend a lot of budget on the additional numbers of employees who can support the delivery, packaging, and maintenance of the products and shop itself on a daily basis. E-commerce let business to grow faster as it is easier than for physical retailers to work with the inventory storage space. Certainly, the logistics part will be with the business but when it will grow enough. However, there is always an option to delegate the work to the third-party logistics provider (Khurana 2018).

The e-commerce activities help to get the contact information from the potential and current customers, such as email, name, phone, and others. There is an opportunity to send out automated and personalised emails in a very easy way, using digital platforms that supports these kinds of activities. Moreover, these activities permit the high-level of tracking and monitoring of a consumer's daily behaviour and preferences. As all supply chain can be connected with business to business e-commerce enterprises, purchase becomes quicker, transparent, and cheaper, also, there's no need to address currency notes or cash, that reduce costs in the future. Last but not least, e-commerce permits businesses to follow logistics

processes. The economics of e-commerce allows outdated products to be included in the catalog (Khurana 2018).

2. Disadvantages Over Traditional Stores.

While it may appear that e-commerce is the perfect choice to solve your business issues, there are still a number of disadvantages to switching from selling at a physical location to using online retail. Many customers still prefer going to traditional shops because of the personal touch and relationship factors. Moreover, many consumers have a need to experience the product before the actual purchase, especially when it comes to fashion attributes, but e-commerce excludes this opportunity (Khurana 2018).

Online shopping causes some additional risks, such as lack of security and credit card fraud. The personal information about the credit cards are saved in the businesses servers that might be risky as can be attacked. Therefore, customers have a fear of insecurity while purchasing some products online as there are many scams and scammers on the net. That is why it is important to create e-commerce with highly protected and verified online security systems. (Khurana 2018).

Moreover, there is always unsureness about promised refundable options. There can be many difficulties with the process of refunding, such as additional commissions and loss of some of the percentage of money during transactions. Also, there is a multiplicity of regulations and taxation that comes with opening an e-commerce shop. However, there are still some of the unclear aspects of the international transactions because of the customer and seller are located in the different countries which leads to unsafe regulations globally. (Khurana 2018).

1.2.3 Limitations of E-commerce Businesses

Nowadays, the Internet and e-commerce business is extremely popular. However, there are many unanswered questions regarding the limitations of e-commerce and the Internet. There are the most influential limitations of e-commerce that effects to organisations (Tassabehji 2003):

- An absence of tolerable system security as well as reliability, standards and communication protocols.
- Rapidly growing and changing technology that pushes companies to change their strategies all the time.
- Business models are being copied and used by competitors.

- The competitions between companies are increased because of the open global market that both national and international.
- Issues with harmonised processes between old and new technologies.

Moreover, there are other most influential limitations of e-commerce but these affect customers directly (Tassabehji 2003):

- Computing equipment is needed for digital life that causes the loss of budget of the customer.
- Working on technical knowledge, it can be hard for older generations to master the Internet and the World Wide Web presence.
- Additional costs for access to the Internet.
- Cost for additional apps and services on the devices.
- An absence of security and privacy of personal data.
- Lack of real social life.

Also, there are limitations of e-commerce to society (Tassabehji 2003):

- Human interaction is unusual now as people become more used to all devices that they own. People forget about mastering soft-skills, such as communication, confidence, and many others, but focused more on hard-skills.
- Social separation. People who cannot use new technologies and the Internet are distant from people who can.
- Unsustainability of the new devices. Constant waste of the products as new generation always buys new gadgets each year as it is tuned by Apple.
- A high amount of crimes on the Internet, such as scam and untruthful services or low-quality products.

1.3 Financial Side of the Business

The majority of business-related people find it easy to create a business idea, but turning it into a profitable business is another story. It takes a lot of time to make a business profitable with help of different research methods and determination of these aspects: Potential markets, a realistic selling price for the product, assets needed to produce and deliver, costs of production, fixed general and administrative costs, advertising and promotion costs (Covello and Hazelgren 2005).

Financial projections to be described for the project part (Murray 2018):

1. A startup budget. The initial budget is similar to the cash flow statement. The creditor wants to know your budget - that is that expect to enter and how many to expect to carry out every month (Murray 2018).
2. A startup potential costs. This work sheet answers a question, "For what you need money?". In other words, it shows all purchases which you will have to make to open your doors for business (Murray 2018).
3. Sources and uses of funds. The information on fund opportunities (Murray 2018).

2 BUSINESS PLAN

The second chapter of the Thesis is focused on the theoretical framework of the business plan and the structure of content of the future business plan. This chapter is aimed to support the author of diploma thesis actual business plan in chapter 10.

2.1 The Theoretical Framework of the Business Plan

A business describes and analyzes the business processes and illustrates a detailed overview about its future. A business plan also covers the financial aspects of starting the business (McKeever 2011).

A business plan is aimed to support entrepreneurs, business managers and help to build up the big picture through the description of strategies, balanced with analysis of the current state of the market and risks. It also is the guidance to avoid mistakes that can cause negative cash flow, bad hiring decisions, wrong targeting, and many other issues. There are several aspects to rethink before starting working on the business idea: the most attractive part of the idea for the creator, the area of expertise of the creator, the readiness to work hard, the readiness to invest, the estimation of return (Covello and Hazelgren 2005).

2.1.1 Content of the Business Plan

The content of the business plan can change according to the industry but most of the time the structure remains similar. In this case, we are going to cover these parts (Covello and Hazelgren 2005):

1. Executive Summary

The executive summary will cover for the short presentation purposes - as it is a short but valuable part of the business plan. The critical feature of the Executive Summary is that all important information shall be covered: an overview; statement of purpose; mission statement; the market, customers, product descriptions in detail.

- The overview is the explanation of crucial milestones of the business from when the company was formed to the product value, distribution, and manufacture.
- Statement of Purpose explains the original purpose of company establishment and the purpose of the product itself. It also demonstrates the potential benefits of the product to the company owners and its customers.

- Mission and Vision. Defining the business by writing a mission, vision, and mission statements are important steps in further cementing the idea. A mission statement should be brief and it has to identify further the product, customer, and unique selling propositions.

It is important to mention that products change constantly through the process of optimization. Less frequently, the strategy may have to change. However, the overarching vision rarely changes and needs to be established with consideration of small or big product or strategy changes. The connections are illustrated in Diagram 2 (Ries 2011).



Diagram 2. The hierarchy of main company's business sections. Source: (Ries 2011).

- Unique Selling Proposition (USP) answers the questions of whether or not the product or service is going to make customers' lives more comfortable and how exactly it is going to do so. Overall, USP covers the reasons why people will want to buy your product. Other topics to cover while creating USP: the main advantages for the customer, the uniqueness of the product, the customer service, the lifestyle of the customers, competitors' weaknesses and the activities to turn them into the business strengths.
- Future Projections and Plans is an overview of the desired goals of the project. This part is vital for the search of investments as it shows the trajectory of the project in several years and its potential to grow.

- Basic product supporting needs – the explanation of the product support needs. For example, packaging, delivery, and an additional consultancy.
- Procedures and timetables – covering the deadlines and milestones.
- Financial situation – overview of the current situation.

2. Company Description

This part of the business plan shall provide a big picture perspective of the industry to which the business belongs to and prepare additional information about how business fits the market and the reasons behind. There need to be covered:

- Industry background conclusions. The overview of the market category and the different segments of it as well as trends.
- Growth potential. The description of the trends and illustrating a statement of the future potential of the industry in which the activities are planned.
- New products and developments. It is essential to cover the information about the new developments on the market.
- Economic trends conclusions. The description of the evidence that spending trends are favorable to the industry.
- Industry outlook and forecasts. The description of the future industry according to industry leaders, experts, economists, and other authoritative sources.

In addition, there is making the list, show the proportion of expected turnover each product or service to contribute to the whole, as illustrated in Table 4 (Barrow, Barrow and Brown 2008).

Table 4. Example showing products/services and their applications.

Product/Service	Description	% of Sales
		100%

Source: (Barrow, Barrow and Brown 2008).

3. Present Situation

The clear definition of the current position of the business with the identification of the business idea. Moreover, it is essential to cover the summary of all past activities and operating methods as well as the financial circumstances. These parts need to be described:

- The explanation of the current market environment.
- The present stage of the industry.
- The factors that can affect the potential growth of the business.
- The place of the collection or manufacture.
- The identification of the average product life cycle.
- The situation with prices from suppliers.
- The indication of the plan of the possible adjustments in prices that mentioned before.
- The description of product usage by potential customers.
- The description of the main distribution center.

4. Objectives

In this section, the short- and long- term goals of the business shall be covered. The essential formulation of a vision of where the company will be in a few years with specification and use of percentages, figures, and timelines.

- The description of long-term objectives.
- The possible public or stock sale of the company.
- The possible accomplishments with additional capital.
- The plan for the development of a network of suppliers and/or buyers.
- The description of intermediate goals.
- The profits that are expected to generate on years one through five.
- The indication of total sales revenue.
- The description of the ten objectives or goals that envision for the business.

5. Product Description

In this section of the business plan, it is essential to clarify the identity of the product and explanation of all purchasing, manufacturing, packaging, and distribution processes that are connected with the products.

- All important information about the product.

- The description of the added value of the produce.
- The description of the test ratings, approvals by government regulations that connected to the product.
- The identification of the product life, warranty, guarantee.
- The description of all trademarks, patents, copyrights, and licenses that should be owned.

6. Management Section

Management of the team is the responsible part of the success or failure of the business. The development of management team it is important to keep in mind that potential lenders and investment groups will not only potentially finance a company but also provide management support in order to provide the best management elements: planning, organization, control, leadership. Example of a potential formal chart of organization development to implement.

From the beginning, it is necessary to identify the abilities of the key management team and the formal organisational structure of the company. The final step, it is helpful to blend the 2 key functions to see if at least one team member can handle the both of these: marketing, advertising, sales, finance-controller, inventory control, purchasing, operations, production, distribution, receiving, human resources, legal sides.

The next step is identifying the documentation process.

- To describe why and by whom the company was started.
- List the key players writing down the positions.
- Identify the outside support. For example, attorney, certified public accountant, business and management consultant, marketing, computer consultant, temporary agency, insurance agent.
-

7. Marketing Communication Strategies

This section is covered independently in the next chapter 3. However, it is essential to mention that the marketing communication strategies section is a part of the business plan but it needs more in-depth research.

8. Financial Overview

This section is already covered independently in chapter 1, section 1.3.

3 MARKETING COMMUNICATIONS PLAN

This chapter provides information on key concepts of marketing communications. Also, there is a brief description of each marketing communication tools contains.

Online marketing communications strategies allow interacting with customers easily and fast. Effective marketing activities demand deep understanding and information about consumers and competition (Crane 2013).

The only options for traditional marketing communications were the newspaper, magazines, radio, television, and direct mail channels. The amount of the budget was playing the main role in these traditional channels. However, now everything changed with new technologies, such as the Internet. Nowadays, even small businesses with tight budgets can easily compete in the international market. Focusing on the right marketing strategy, to distribute brand to a large international market, is essential. With these enormous amounts of choices, only brands who made decisions based on pre-tests and researches can succeed both online and traditional ways (Murphy 2018).

3.1 Marketing Communications Channels

The amount of budget for marketing communications activities will be the decisive factor in choosing the channels. There are many online marketing activities that can be done with an acceptable amount of budget. Moreover, the multi-channel marketing communication strategy will increase the chances of being seen by the target audience (Murphy 2018).

Marketing strategies are the types of communication created in order to get the brand message in front of the target audience using the most appropriate channel. There are examples of the main traditional media channels:

1. Paid advertising is an advertising process where marketers pay for the ad space and receive the opportunity to use the paid digital or traditional space, such as billboards, banners, spaces on the internet media platforms, and so on. These types of advertisements have different pricing systems depends on the place, platform, length, amount of the ads, but the digital activities usually are priced by automated bid processes between marketers and the platforms. Also, there are many types of placement systems for online activities, such as Pay-Per-Click (PPC), Pay-Per-Impression (PPI), and display ads (TrackMaven 2019).

2. Direct marketing is a form of advertising campaign that pushes a particular information to the targeted customers that is done in the way that marketer reach out the customer in very direct way. For example, marketer can send a personalised mail or email offers, or direct the marketer can call directly to the customer, that is a tele-marketing (Campos 2019).
3. Word-of-mouth marketing (WOM marketing) is when people speak about the brand and the brand appears on the daily communication or even small talks communication. This can happen when the product or the service impacted a customer in some special unexpected way (Kenton 2018).
4. Event marketing is a set of activities that encourage people to participate in the event by buying and attending an event that will be promoting the company. Events usually offer valuable and exciting program in order to attract the targeted customers to buy or just to participate on the event on a free basis. The events itself require a lot of marketing activities before the start, such as social media announcement, advertisement, blogging, and email marketing (Eventbrite 2019).
5. Public relations (PR) activates supports the business in the way of giving opportunities to promote the positive aspects or actions of the business via media channels. The main PR tool is to develop and build up the business's reputation. (Business Queensland 2016).
6. Strategic partnerships are essential part of the business growth, especially, when two or more companies combining their marketing plans and activities. These strategic partnerships level up the growth for both sides (Martyak 2014).

3.2 Digital Marketing Communications Strategies

The main digital marketing communications strategies are described in the following section:

1. Inbound marketing is an effective tool for building a brand awareness and lead generation. The mix of search, social, and content marketing is the powerful tool for the startups and small businesses (Murphy 2018).
2. Content marketing is opposite to the any sales activates. The basis of the content marketing is to dive deep into the target customer issues and offer solutions on a daily basis using all possible tool to create a valuable and reachable branded content (Paavola 2017).

3. Email marketing is an effective way to successful lead generation process. Gathering a valuable email lists can be done via content marketing and SEO activities. Moreover, email marketing can be harnessed during all customer life cycle activity (Weinberg and Mares 2015).
4. Search Engine Optimization (SEO) is means optimization of webpage in order to be shown on the different search engines, such as Google, Yahoo, and Bing. As there are a lot of webpages on the Internet, it is essential for businesses to optimize the content of the website (Paavola 2017). The optimization means to take care of the keywords that are used on the website in order to help target customer to easily find you (Weinberg and Mares 2015).
5. Local search marketing is a process of promotion of a physical business that makes face-to-face contact with the target audience. It is only useful for the local small and medium businesses, startups, and local brands. The local search marketing requires a set of the techniques in order to increase the local ranking on the web (Moz 2019).
6. Social media marketing is a processes of a website engagement through the power of the social media pages. Starting the social media marketing activities does not immediately mean that the traction will be gained as there is a strong need of a clear marketing objectives (Barker, et al. 2017).
7. Pay-per-click (PPC) advertising is a marketing strategy for gaining the customers or visitors thought the power of the online advertising that is provided by internet search engines, networks, content sites, and others, that allow to display ads on their platforms. The most important is that advertiser pays only when the placed advertisement was clicked by the targeted (WSI Corporate 2010).
8. Mobile marketing is defined as a way of the marketing communication of businesses with the targeted customers through the mobile device or network (Dushinski 2012).
9. Affiliate marketing is the processes between affiliates and merchants to get the lead generation via each other support. Merchants provide affiliate program to affiliate managers, so they can promote the merchants' product/services, getting the particular discussed commission for brining targeted leads to register or buy the product or the service (Prussakov 2007).

Conclusion

The selection of combines strategies mentioned above strategies, such as online and offline channels will support the brand awareness and lead generation activities of the businesses (Paavola 2017).

However, in order to develop a strong and quality marketing communications plan, there are some aspects that needed to be defined before (Paavola 2017):

- The goal of a campaign (i.e. brand awareness, leads, sales).
- Target audience to reach.
- Value product or service provides.
- Message want to communicate.
- The effective communication channel (the media) that makes the most sense for your particular target audience.

The success of marketing communication processes based on the correct message and reach of the targeted audience through use of the proper marketing communications channels that will lead the potential customer to a real customer (Paavola 2017).

4 METHODOLOGY

This chapter gives an outline of the research methods that were followed in the study. It provides information on the main goal and sub-goals of the thesis. The instruments that were used for data collection is also described and the procedures that were followed to carry out this study are included. The researcher also discusses the methods used to analyze primary and secondary data.

4.1 The Main Goal

The main goal of the thesis is to outline a detailed perspective of a new business idea transformed into a business plan to a greater extent. The business plan is also a supporting material for the creation of the business by its founder. Through the transformation, the founder describes the company and product, reviews potential obstacles and opportunities from the business environment and the market, clarifies its mission along with the creation of the marketing plan, the customers and competitors' profiles, and adding the brief information about the financial side. Consequently, the main thesis goal is aimed at ensuring that the idea of «NOWUUD» is a viable idea.

To support the main goal, the following sub-goals were stated:

1. To conduct a market analysis that will also include an overview of the potential and related markets.
2. To identify the potential customer profile and competitors' profile
3. Identifying the main marketing communications channels and tools.

4.2 Research Questions

In order to accomplish all listed above objectives its necessary to answer to these following questions along the creation of this thesis.

4.2.1 Research Question № 1

Is the business idea viable and what is the need that the new business is aiming to satisfy?

4.2.2 Research Question № 2

Who are the potential customers and the main competitors?

4.2.3 Research Question № 3

What kind of marketing communication strategies and channels should be used in order to increase brand awareness as well as the amount of the customers of the new brand?

4.3 Research Methods

In this chapter, the data analyzing tools and techniques will be examined with a particular overview of the methods. Chosen methods and techniques will show if all data required for developing a business plan are accessible and if writing a business plan is feasible.

Two forms of data can be identified – primary and secondary data. Both of these forms are useful for research, depending on what kind of research is conducted. Primary data can be defined as data that is originally obtained by the researcher through surveys, interviews and direct observations.

4.3.1 Primary Data

Numerous examples of primary data collection can be found. The most used qualitative research method is focus group testing. This method requires the gathering of numerous respondents and a skilled moderator, hence this research method is too demanding for this type of research. This thesis will use the online survey/questionnaires as a source of primary data.

4.3.2 Secondary Data

Secondary data will be collected through a literature analysis dealing with business plan, the hemp market environment, the stationery products environment, and marketing communications strategies in order to create the theoretical framework needed to answer to the research question. The author of the thesis will, at the end of the research, compare the collected data from primary and secondary sources in order to achieve final conclusions.

II. ANALYSIS

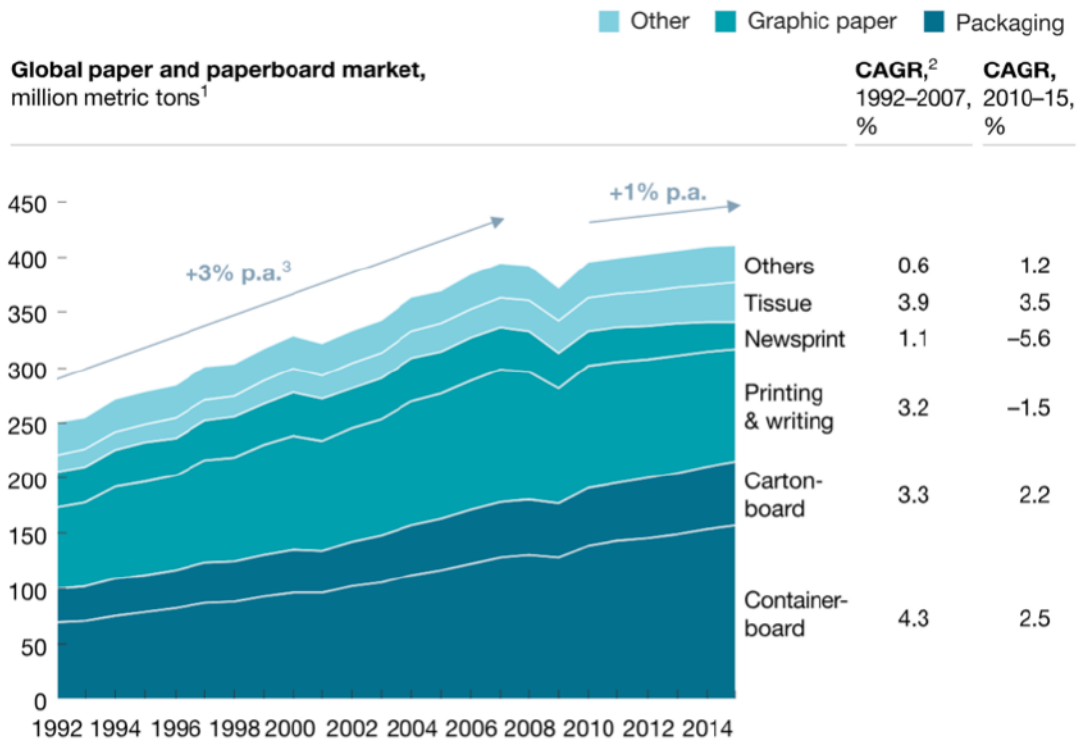
5 MARKET ANALYSIS

This chapter is composed of three sections and three sub-sections. Section 5.1. will cover all global paper and forest products industry analysis, section 5.2 will touch upon the alternatives of the paper and forest products industry with a detailed description of the hemp products market, and last section 5.3 will report the stationery products industry analysis, focusing on the notebooks production. These sections will support the essential goal and sub-goals of this thesis, such as to conduct a market analysis that will also include the overview of the potential and related market.

5.1 Paper and Forest Products Industry

Since 1961 the Global use of wood products has increased by 64%. Pulp for paper has grown from 40% in 1998. It is expected to be raised 60% over the next 50 years. The industry expects that demand will be doubled by 2050. For examples, the consumption of wood products is 200,000,000 tons per year. 1 billion trees are being used by paper producers each year which is 735 pounds of paper for every person yearly in U.S. Overall, the consumption of paper reaches 30% with U.S.'s population of 5% only. There are only 5% of virgin forests that survived in the U.S. (Briggs 2004).

The global paper and forest products industry as a full is expanding. The paper and forest products industry is developing, transforming, and growing. The industry is in the most transformational stage it has seen in several decades (Berg and Lingqvist 2017).



¹Metric tons: 1 metric ton = 2,205 pounds.

²Compound annual growth rate.

³Per annum.

Chart 1. Global paper and paperboard market by McKinsey & Company (million metric tons). Source: (Berg and Lingqvist 2017).

The 3rd largest industrial polluter is the pulp and paper industry with its 220 million pounds of toxic pollution into air and water each year. Deforestation has distributed about 120 billion tons of CO2 into the air. 3 million tons of chlorine, a leading source of carcinogen dioxin, is dropped into our waterways each year from paper companies (Briggs 2004).

This part of the thesis shows us the importance of the creation of alternatives to the paper made products that cause not only deforestation but also increases environmental pollution and the amount of water waste.

5.2 Alternative Fibers Market Overview

There are many alternative fiber papers available on the market, such as bagasse, banana, bamboo, cork, cotton, elephant poop, hemp, jute, mulberry, stone, straw, tamarind, and others. There is a description to show the details information on that:

1. Bagasse – the pulp which remains after extraction of juice from a sugar cane.
2. Banana – made from waste bark of a banana tree which is cut down after bananas was ripened.
3. Cotton – can be made of old cotton rags, having clothes and also cotton waste.
4. Coco – usually refused a peel of coconut, but fiber is used to create paper with a thick structure.
5. Elephant poop – it is bacteria free and free of smell.
6. Hemp - has some kind of undeserved general reputation, but industrial hemp is incredibly useful plant.
7. Jute – jute twine that usually brownish in color and quite rough. It can be turned into a high-quality letter and special products.
8. Mulberry (mango) – mango paper is usually from Thailand. It is made of kozo (paper mulberry) and mango leaf. Used for generations as the primary source for Japanese papers, its additional and strong fibers are used to make a part of the most used stationery paper in the world.
9. Stone – is can be considered a better alternative to the pulp-based standard, as it does not use trees, water, chlorine, acids, or petroleum in its creation.
10. Straw – as straw fibers are very much alike to wooden fibers.
11. Tamarind – contain petals and leaves from the tamarind tree.

Except for a source of fibers, another factor which often remains unnoticed is the amount of the energy used to produce paper. During the papermaking process, many tree-free papers utilize less water, chemical processing and energy than their wood-based counterparts (Stationery Trends 2009).

However, the understanding of the fact that there is no perfect eco-friendly solution is essential. Every paper comes with pros and cons with respect to its environmental impact (Stationery Trends 2009).

5.2.1 Overview of the Industrial Hemp Market

For the following project ‘Nowuud’ was chosen to focus on creation the products that are made out of tree free paper, the industrial hemp.

The creation of the paper out of the hemp was transferred to Europe from China in the 12th century (Roušavá 2011). In 1455 the first printed book was printed on hemp paper in Europe. The plurality of paper was made by hemp by the late 1880s. It usually takes 50 to 500 years

for a single tree to be cultivated adequately in order to start the process of making paper out of it. Meanwhile, for the hemp to be grown is required only about 3-4 months. Hemp paper survives longer with more intelligence way of being recycled (Voight 2018).

Industrial hemp, also called as *Cannabis sativa*, is originating from Central Asia. However, it is growing effortlessly in most temperate or subtropical climates and is even able to grow in climates varying from the Arctic to the equator. Hemp is demanding of low inputs during all the processes of growth. Hemp grows fast, even quicker than weeds. Generally, the cultivation of hemp and management of growth processes of organic hemp are extremely minimal (Cherrett, et al. 2005).

Hemp is a multifunctional yearlong crop cultivated for fiber, animal feed, and seed. It was a popular and traditional European fiber seed which, for centuries, was the most important in meeting demand for textiles, rope, and paper. During the first 40 years of the 20th Century, around 2.5 million acreages of fields were dedicated to hemp production but this adequately decreased as a result of the two World Wars. Production broke off in the USA and the UK because the crop was made illegal due to its association with drugs. Low narcotic types have been cultivated allowing growing in Europe once again. However, the hemp is still remaining an illegal seed in the USA. Overall World hemp fiber production was approximately 77,450 tonnes in 2003. It is covering only 0.15 percent of World fiber production. There are five main producers: China with 45%, Spain 19%, Peoples' Republic of Korea 16%, Russia 8%, and Chile 5% (Cherrett, et al. 2005).

The prohibition of the hemp was officially canceled in the UK in 1993. In 1994, there were 1,620 hectares which were cultivated and the amount rising to 3,000 hectares in 2003. In 2003, the EU was cultivating around 17,500 hectares of industrial hemp. In 2002, the UK also imported about 51 tonnes of hemp of which 25 tonnes arrived from France, 13 tonnes from Germany, 12 tonnes from Israel and 1 tonne from Switzerland as it is shown on Chart 2 (Cherrett, et al. 2005).

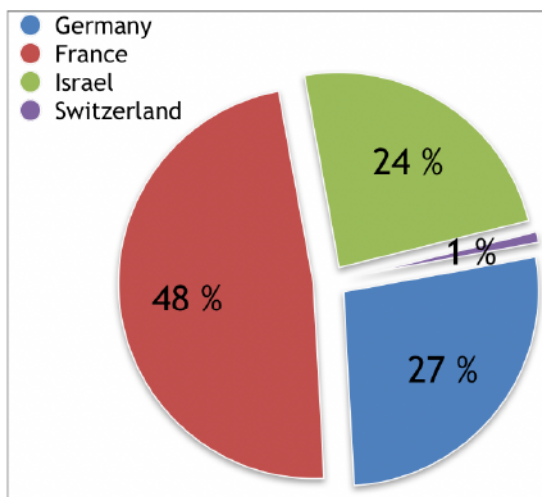


Chart 2. The percentage of export of the industrial hemp to UK in 2002 Source: (Cherrett, et al. 2005).

In 1998, hemp was revived to Czech Republic agriculture. That year only 2 hectares were cultivated in the Czech Republic on experimental lands to determine which methods and strains would be most advantageous for its agricultural conditions. About six regions of Czech Republic was successfully implemented for the processing plants in the future after all experiments (Roušavá 2011).

5.3 Stationery Products Industry: Notebooks

Companies in this industry produce paper stationery products used in commercial, educational and domestic applications. The most popular industry products are notebooks, binders, envelopes, diaries, business cards, letter pads, file covers, folders, journals, papers, book covers, and many other printing materials (IBISWorld 2019).

Directors in the paper stationery production industry have bear hardship tough conditions throughout the past five years due to the continuing increase of electronic communication, data transfer and storage at the expense of traditional paper stationery products. At the beginning of the past 5-year age, powerless economic conditions supported additional complexity for the industry as businesses and households reduced spending on stationery products. Moreover, increasing import penetration and dwindling exports before the post-referendum depreciation of the pound additionally negatively influenced the industry's performance. Paper industry revenue is showed decline an annual rate of 8.6% over the five years through 2018-19. Overall, the market revenue is £346.5m in 2018 (IBISWorld 2019).

Major developments in computer and communications technology have been a prominent component negatively influencing the Paper Stationery Manufacturing industry over the past five years. Increased internet access has resulted in widespread data communication, transfer, and storage in easy-to-access electronic formats. The effects of these poor pre-existing demand conditions have been compounded over the past five years by rising import penetration, as many operators have moved production overseas to emerging economies where costs are lower. This has led to enterprise and establishment numbers falling, causing revenue to contract sharply following the relocation of production facilities (IBISWorld 2019).

5.4 Conclusion

The industry of paper and forest products demand will be doubled by 2050. However, at this moment, the 3rd largest industrial polluter is the pulp and paper industry with its 220 million pounds of toxic pollution into air and water each year. Moreover, during the papermaking process, many tree-free papers utilize less water, chemical processing and energy than their wood-based counterparts. Therefore, there is a need for replacement of many paper products with sustainable alternative in the nearest future. For example, using alternative fibers, such as hemp, cotton, stone, and many others can be better replacement in order to save the Earth from the pollution and water waste.

6 COMPETITOR ANALYSIS

This chapter will cover the competitor analysis that supports the sub-goals of the thesis. Moreover, competitive analysis is an integral part of developing a marketing strategy. It is done by identifying competitors, then evaluating their strategies for strengths and weaknesses. Also, the competitive analysis will help to better understand the competitors' capabilities, which will inform how they position themselves on the market and what they prioritize in activities.

6.1 Competitor Overview

The overview of competitors will be divided into two main parts: direct competitors, such as companies that serve similar products made out of the alternative fibers, and indirect competitors, brands that produce similar products but using wood as a source of its material. There are some of the examples of direct eco-friendly competitors and indirect well-known competitors in the market.

The list of direct competitors consists of the following brands that are currently on the market:

1. The Karst Stone Paper.
2. The Green Field Paper Company.
3. The Green Story.

The list of indirect competitors consists of the following brands that are currently on the market:

1. Moleskine.
2. Leuchtturm1917.
3. Field Notes.

It is essential to keep in mind that in this section only well-known companies are described. There are many other small and local companies on the market that are not having much of the online presence. Businesses might not have the resources or opportunities to focus on detailed marketing strategies.

6.2 Detailed Analysis of Main Competitors

In the following section, the main competitors from both sections, indirect and direct sides. The analysis can be made by a secondary research method, such as an internet search.

The first 3 competitors of the direct side are The Karst Stone Paper (Competitor 1), The Green Field Paper (Competitor 2), and The Green Story (Competitor 3). The basic overview, target customers, pricing of products and services, marketing strategy, a competitive advantage, along with strengths and weaknesses will be described in this analysis. The more detailed information on the following steps are covered below:

1. Overview. The brief description of businesses that provide similar products. Also, these companies tend to serve the same markets.
2. Target customers. The analysis of the customers that the competitor focuses on and tries to attract via social media channels, marketing materials that they provide, blog posts, website, the advertising channels. This part also covers all detailed information on specific 'tone of voice' of marketing activities of the competitors; also, either it gendered content or not; people with high, middle, or low income; the presence of the customers' segmentation.
3. Pricing of products and services. The description of the price for a product and the service, such as shipping fees, delivery, additional packaging price, and any other related expenses that possible can be covered by the potential customers of the competitor.
4. Marketing strategy. The overview of all marketing activities, such as print marketing, social media, website, blog, advertising, promotions, events, partnerships.
5. Competitive advantage. The main criteria of the competitive advantages are: targeting an underserved market, lower prices, discounts and promotions, location, a long company history, a famous or high-profile founder, an interesting company story, compelling marketing, large online audience, broader range of products and services.
6. Strengths. Based on the previous research and analysis the main strengths will be identified.
7. Weaknesses. Based on the previous research and analysis the main weaknesses will be identified.

Table 5. The competitive analysis of the three direct competitors.

	Competitor 1.1.	Competitor 1.2.	Competitor 1.3.
Overview	Project that makes paper made from recycled stone.	Making handcrafted plantable paper.	Creates sustainable stationery products made out of the stone.
Target Customers	Educated and productive customer focus. 25-45 years old.	B2C and B2B. The company focuses more on B2B. Targeting companies who need sustainable office equipment.	Localised targeting focus - German and Dutch speaking countries.
Pricing of Products	Journals and Notebooks are from 11.95 up to 39 USD for a product.	The cost of journals, notebooks are from 2.95 up to 15.95 USD. While the global shipping is from 20 up to 50 USD.	Notebooks are from €16.50 up to €40. Upselling with additional for €2.50 and €3.50.
Marketing Strategy	<ul style="list-style-type: none"> - Blog about personal growth (goals, productivity, confidence tips). - Partnership with One Tree Planted. - Full social media inspirational presence on Facebook, Instagram, and Pinterest. - Well-designed website. 	<ul style="list-style-type: none"> - Focus on traditional marketing communication channels. - Media and press collaborations. 	<ul style="list-style-type: none"> - Social media presence on Facebook and Instagram. - All marketing strategies are focused on the local market.

Competitive Advantage	<ul style="list-style-type: none"> - 24 hours of purchase during weekdays - 2 primary warehouses in California and Australia - Product made of 80-90% crushed stone (calcium carbonate) and 20-10% non-toxic resin. - The product is waterproof and durable. - Certifications 	<ul style="list-style-type: none"> - Creation of custom made products - Many years of experience in the market 	<ul style="list-style-type: none"> - The knowledge about the targeted localized customers and further adaptation of marketing positioning for the particular local audience.
Strengths	<ul style="list-style-type: none"> - Customer Support. - Design-oriented products. - Tracking of the product during shipping. 	<ul style="list-style-type: none"> - Experience in the market - The cheapest prices of the product on the market 	<ul style="list-style-type: none"> - 30-day return policy. - Europe-wide from €3.95 shipping.
Weaknesses	<ul style="list-style-type: none"> - Shipping to EU during 9-13 days. - Refunds or replacements can only be issued for product manufacturing defect. - Expensive price. - Lack of local presence. - Lack of traditional marketing activities. 	<ul style="list-style-type: none"> - The diversity of the products decreases the ability to focus on the targeted customers. - The complicated website, not user-friendly design. - Old-fashioned design. - High shipping prices. - Lack of social media presence. 	<ul style="list-style-type: none"> - The weaknesses of the Green Story company are the local focus.

Source: (Own research).

In this part, the detailed analysis of the competitor 1.1., The Karst Stone Paper company, will be covered.

1. Overview

The Karst Stone paper project makes paper made from recycled stone. The company was founded in Sydney, Australia in 2018. The team consists of 4 people.

2. Target customers.

This analysis based on the review of customers that are connected with the brand via social media channels. The Karst Stone paper company focuses on B2C, targets educated customers who are interested in self-development and productivity on a daily basis. The approximate age is from 25 to 45 years old.

3. Pricing of products.

The range of the products is diverse: 2019 Planner is 39.00 USD, Lined, Dot Grid, and Blank Hardcover Notebook are 29.95 USD, Lined and Blank Softcover Notebook are 25.95 USD, Woodless Pencils pack is 22.00 USD, Pocket Journal costs 11.95 USD.

4. Marketing strategy.

The company focuses on modern marketing communication channels, such as the creation of blog about personal growth (goals, productivity, confidence tips), full social media inspirational content management on Facebook (23k followers), Instagram (13k followers), and Pinterest (12k followers). Using a well-designed website including all important information covered with the usage of high-quality images and videos. Moreover, a partnership with One Tree Planted in order to support global reforestation efforts.

5. Competitive Advantage.

As the 2 primary warehouses in California and Australia with Worldwide shipping, orders are dispatched within 24 hours of purchase during weekdays unless otherwise noted on the product page.

Moreover, the product made of 80-90% crushed stone (calcium carbonate) and 20-10% non-toxic resin which is used to bind the stone particles with waterproof, smoother, brighter texture.

Also, the certifications of the products and the company, such as Cradle to Cradle, ISO 14001 and ISO 9001, REACH Compliant, RoHS Compliant.

6. Strengths.

The major strengths of the business are customer support, design-oriented products, ability to track the product during shipping by customers.

7. Weaknesses.

The Shipping to EU during 9-13 days. Refunds or replacements can only be issued for product manufacturing defect. Expensive price range. Lack of local presence. Thus, the lack of traditional marketing activities.

The following part will cover the detailed analysis of the competitor 1.2., The Green Field Paper Company.

1. Overview.

The Green Field paper company makes handcrafted plantable paper. The company is founded in California, the USA in 1992. The team consists of 8 people.

2. Target customers.

The Green Field paper company focuses on both B2B and B2C models.

3. Pricing of products and services.

Having a diverse range of products, such as hemp journals, sketches, drawing books, fine art paper, pads, blank cards, blank papers, envelopes, plantable sheets, greeting cards, plantable gift card holders, invitations cards, boxes, and other products. The variety of prices are changing depends on the product and its materials. The pricing of the journals, sketchbooks, notebooks starts from 2.95 USD up to 15.95 USD.

4. Marketing strategy.

The company focuses on traditional marketing communications strategies, such as printing materials and media partnerships with different magazines and newspapers, for example, Better Homes, Paper Crafts magazine, The New York Times, and many other local and well-known magazines and newspaper in the USA.

5. Competitive advantage.

The main competitive advantage is they are experienced in the market. Also, they make custom products for B2B and B2B targeted audiences.

6. Strengths.

The main strength of the company is that they have many years of experience working in the industry. Also, they provide the cheapest prices on the market.

7. Weaknesses.

The diversity of the products decreases the ability to focus on the targeted customers. Also, the product design is poor and old-fashioned. The e-commerce website is complicated and it is hard to find the products and the prices on the website. Also, they use mainly traditional marketing communications channels, not investing in the updates of the website or social media channels. They focus on local presence rather than to global. Thus, the costs of the shipping to the EU is approximately 30 - 40 USD.

The following part will cover the detailed analysis of the competitor 1.3., The Green Story Company.

1. Overview.

The Green Story creates sustainable stationery products made out of the stone. They are based in the Germany and the Netherlands. The team consists of 4 people.

2. Target customers.

Localised targeting focus that targets only German and Dutch speaking countries, mainly Germany and Netherlands.

3. Pricing of products and services.

Notebooks are from €16.50 up to €40. Upselling with additional one-pagers, such as Daily planner or 'To Do' lists sets with 3 pages for €2.50 and €3.50.

4. Marketing strategy.

Marketing strategy includes activities, such as social media presence on Facebook (3k followers) and Instagram (4k followers). All marketing strategies are focused on the local market, that is why all content is localized that means the language and tone of the voice of marketing positioning on the Dutch language.

5. Competitive advantage.

The main advantage of the Green Story is that they know how to reach out the targeted localized customers as they have knowledge about the culture and can adapt the positioning and marketing messages for the particular local audience.

6. Strengths.

The detailed target focus.

7. Weaknesses.

The weaknesses of the Green Story company are the local focus on marketing strategies.

Moreover, the first 3 competitors from the indirect side are Moleskine (Competitor 1), Leuchtturm1917 (Competitor 2), and Field Notes (Competitor 3). The basic overview, target customers, pricing of products and services, marketing strategy, a competitive advantage, along with strengths and weaknesses will be described in this analysis.

Table 6. The competitive analyse of the three indirect brands.

	Competitor 2.1.	Competitor 2.2.	Competitor 2.3.
Overview	Produces notebooks, diaries, planners, sketch-books, and albums.	Produces premium stationery. High-quality notebooks, binders, portfolios, and storage solutions.	Offers smartly-designed, vintage-inspired pocket notebooks, notepads, journals, calendars, planners, and writing accouterments.
Target Customers	- Diverse target customers. - Age from 18 to 55.	- Local target: US and Germany. - Premium segment focus, age from 25-50.	Field Notes focuses mainly on men audience. Also, focuses on the American market.

Pricing of Products and Services	Prices are from 4.95 to 42.95 USD.	Prices are 3.95 to 40 USD with free delivery.	Prices from 9.5 to 14.85 USD. Shipping costs are from 12 to 65 USD.
Marketing Strategy	<ul style="list-style-type: none"> - Use of the global social media strategy. - Partnerships with well-known brands. - Collaborations on the creation of new co-branded products. 	<ul style="list-style-type: none"> - Use of Instagram as the main social media marketing tool. 	<ul style="list-style-type: none"> - Seasonal collections of the stationery products. - Social media activities on Facebook, Instagram, and Twitter. - Local the event activities in the US, collaborating with different companies.
Competitive Advantage	<ul style="list-style-type: none"> - Success in the product mix. - Market leadership position. - Strong brand recognition. 	<ul style="list-style-type: none"> - Success in brand positioning and targeting. - Creation of custom made products. - Free delivery in the US and Germany. 	<ul style="list-style-type: none"> - The unique target audience. - Collection-based marketing.
Strengths	<ul style="list-style-type: none"> - Very strong brand awareness. - Strong relationships with suppliers. - Strong management team. 	<ul style="list-style-type: none"> - Quality and functionality with a modern appearance. - Many options that they offer are related to 	<ul style="list-style-type: none"> - Partnerships with local brands. - Strong local brand awareness.

	<ul style="list-style-type: none"> - Flexible production structure. - The wide range of customers. - An easy accessible product. 	<ul style="list-style-type: none"> a wide range of colours, sizes, and rulings. - Manufacture its products – no dependence on suppliers. 	
Weaknesses	<ul style="list-style-type: none"> - Sales generated in large retailers. - Relying on Chinese suppliers. - Low direct sales and poor e-commerce strategy. - No sustainability of the product. - Declining market share. 	<ul style="list-style-type: none"> - Conservative style of marketing communications activities. - Limited product range. - No sustainability of the product. - Limited target, all countries should buy from retailers, except the US and Germany. - Not tech-savvy. 	<ul style="list-style-type: none"> - No sustainability of the product. - Rarely available on the global market, except for the USA. - Limited with local product preferences.

Source: (Own research).

The following part will cover the detailed analysis of the competitor 2.1., The Moleskine Company.

1. Overview.

The Moleskine produces notebooks, diaries, planners, sketchbooks, and albums. The annual revenue is about 100.3 million dollars with about 200 employees. The Moleskine was founded in 1997. The CEO is Arrigo Brerni and the headquarters is in Milano.

2. Target customers.

Moleskine target customers range from approximately age 18 to 55 and the company does not discriminate by income. Most have achieved high education levels and many are involved professionally in activities that involve a certain degree of creativity, such as architects, designers, illustrators, and writers.

3. Pricing of products and services.

The Moleskine focuses on product personalisation. The product price ranges from 4.95 to 42.95 USD.

4. Marketing strategy.

Moleskine uses the global strategy of all marketing activities by adapting to each targeted culture. For example, all social media channels are translated into local languages.

Moreover, the Moleskine does not stop on the online marketing communication strategies, they push the products on the traditional marketing communication channels as well. For example, World-of-Mouth strategy that covers 5 aspects of their activities, such as creating of the simple design that will suit everyone, emphasizing on heritage as a selling point, rewarding the loyal customers on the social media channels, creating a sense of exclusivity with limited edition designs, expanding product to keep up with the changing needs of users. All these mentioned activities increase the level of customer loyalty, thus, the endorsement of the product by these customers too.

5. Competitive advantage.

The success in the product mix, market leadership position, and strong brand recognition show the main part of the competitive advantage on the market.

6. Strengths.

The strengths of the company are very strong brand awareness, strong relationships with suppliers, as well as flexible production structure and easily accessible product, along with a wide range of customers and highly strong management team.

7. Weaknesses.

The following aspects are the possible weaknesses of the company: major sales percentage is generated in the large retailers, dependence on Chinese suppliers, low direct sales and

weak e-commerce strategy, no sustainability of the product, the declining market share of the company.

In the following part, the detailed analysis of the competitor 2.2., The Karst Stone Paper company, will be covered.

1. Overview.

Leuchtturm1917 created premium stationery from the family-run company and provides high-quality notebooks, binders, portfolios and storage solutions from one source. The company is managed by fourth-generation German stationers and backed by almost a century's experience producing high-quality paper goods.

2. Target customers.

The Leuchtturm1917 focuses on 2 main countries, such as the US and Germany. Moreover, they target only premium segment, age from 25-50.

3. Pricing of products and services.

The prices for the notebooks start from 3.95 up to 40 USD with free shipping in the US and Germany.

4. Marketing strategy.

Large online presence, such as managing Facebook (62k followers), Twitter (8k followers) and Instagram (300k followers) platforms that support all marketing communications strategies.

5. Competitive advantage.

The Leuchtturm1917 is a successful brand with strong positioning and branding with the creation of high-quality products and custom products that possible to deliver with no additional price in the US and Germany. These factors are identifying the Leuchtturm1917s' competitive advantage on the market.

6. Strengths.

Leuchtturm1917 is focused on quality and functionality combining with a modern style. The offer good paper quality as well as different colours, size, and rulings. The combination of these characteristics makes Leuchtturm1917 a unique brand that is clearly different from other brands in the segment. Also, Leuchtturm1917 is a manufacturer of its products, such as paper and other stationery.

7. Weaknesses.

Leuchtturm1917 conservative style of marketing management with the limited product range. This affects the UI/UX design of their website as well. Moreover, products are not sustainable or recycle. Also, Leuchtturm1917 focuses only on the limited target, all countries should buy from retailers, except US and Germany, that can mean that some of the newly launched products cannot be purchased as quickly as targeted countries can.

The following part will cover the detailed analysis of the competitor 2.3., The Field Notes Company.

1. Overview.

Field Notes produces well-designed vintage products, such as pocket notebooks, notepads, journals, calendars, planners, and writing accouterments. All stationery product collections are seasonal except for the basic format of the notebook.

2. Target customers.

Field Notes focuses mainly on men. They communicate the target through the notebook collections design and its colors. Also, Field Notes focuses on the American market. However, they are well-known all over Europe as well.

3. Pricing of products and services.

Small format notebooks are from 9.5 up to 14.85 USD. The free shipping is available with over 40.05 USD purchase. The shipping is all Worldwide. Additional shipping costs are from 12 up to 65 USD depends on the shipping options.

4. Marketing strategy.

The main marketing communication strategy is the seasonal collections of the stationery products that comes along with the huge seasonal announcement of the released collection. Also, the social media presence is covered with the management of Facebook (30k followers), Instagram (90k followers), and Twitter (30k followers) social media channels. Moreover, the company conducts local event activities in the US, collaborating with different companies.

5. Competitive advantage.

The unique target audience and collection based marketing makes the company outstanding from all other well-known brands.

6. Strengths.

One of the strengths can be considered as customer loyalty, people who buy all seasonal products each time. Also, strong partnerships with local brands and strong local brand awareness.

7. Weaknesses.

One of the weaknesses can be considered as a lack of global view and global marketing activities. Also, limited with the local view and preferences wherein the same time EU customers are open buying the product too.

6.3 Conclusion of the competitive analysis

The main goals of competitive analysis are to determine who are the competitors, their target audience, pricing, marketing activities. Moreover, to determine the competition capabilities and opportunities. Here are the conclusions on each competitor:

Conclusion on competitor 1.1: The Karst Stone Paper.

The main direct competitor is having strong presence on the alternative stationery market with support of marketing strategy combined with well-designed product and website. However, the high price of the products and the absence of local touch are showing the company's weaknesses. Therefore, for the same stone made paper companies or others, there is an opportunity to perform better and offer lower prices with the same quality, easily competing with the Karst Stone Paper company.

Conclusion on competitor 1.2: The Green Field Paper.

The diversity in the product range and in potential customers are leading the company to the unfocused and diverse marketing strategy. Also, the high shipping costs are not allowing to reach customers outside of the USA. This means that there is another potential in the alternative paper products market.

Conclusion on competitor 1.3: The Green Story Company.

Relatively high prices and a little local marketing efforts are making the position of the Green Story Company weaker than the competitors. However, the local focus and the following adaptation to the local market can make them the main leader in the German and Netherland market.

Conclusion on competitor 2.1: The Moleskine.

The Moleskine is the most popular brand of the stationery products, considering notebooks, planners, and journals. However, the brand is overpopulated which makes a lot of customers to search for an alternative product. This means that there is always a gap for another unique product.

Conclusion on competitor 2.2: The Leuchtturm1917.

The Leuchtturm1917 is another well-known, more professional brand of the stationery products, on the market. However, the endless competition with Moleskine and old-fashioned marketing activities with conservatism is weakening its positioning.

Conclusion on competitor 2.3: The Field Notes.

The Field Notes differs from other market leaders because of its unique format and collection-based products. However, the high prices and a little about of the papers of each Field Notes are showing the weak points. Moreover, the focus on marketing activities only on the local US market, while the brand is well-known all over World, supports loss of potential clients.

To conclude, the direct and indirect competitors on the market possess many strengths and weak sides. However, we can clearly see the gap on the stationery product market as there is no sustainable and at the same time affordable choice on the market. People who are interested to buy a sustainable stationery product are facing difficulties to get it in terms of the price of the product, additional shipping costs, and unclear marketing message of some of the brands.

7 CUSTOMER ANALYSIS

This chapter covers the most important parts of customer analysis. The main goal of this chapter is to create a valuable customer profile of the potential «Nowuud» customers. The customer analysis is done by two supporting methods, such as:

1. Creation of the questionnaire that covers all detailed information about the potential customers. The questionnaire is conducted with the use of Google Forms.
2. Big data analysis with the use of the Facebook Insights that is provided by the Facebook company for detailed advertising purposes.

Moreover, the information about pre-survey in modern market conducted by D. S. Soegoto in January 2018 will be mentioned in the final part in order to show the external supportive information for the profiling customers.

7.1 Questionnaire and Results

The goal of this questionnaire is to understand and gather information about peoples' preferences of the stationery products, the amount of the purchases of stationery products, the most common types of the stationery products, the frequency of usage of these products, the preferred brands, the purposes of buying and using the products, to identify the customer profile, along with understanding the level of the flexibility of customers of the competitors towards alternative eco-friendly products, and a brief test of the new product by «Nowuud».

The main online tool for the questionnaire is Google Forms. The questionnaire was submitted by 180 people. This section of the thesis will describe the results of each question. There are 5 sections of the questionnaire:

1. Questions that will help to identify the level of the interest towards the stationery products market.
2. Questions that will help to understand the awareness of well-known competitors and if there are some other brands to analyse.
3. Questions and results on the level of awareness regarding alternative sources of paper.
4. Questions and results that will provide feedback regarding the showcase product of «Nowuud».
5. Questions related to demographic data, such as gender, age, education level, current relationships status, and location.

By the end of the analysis on the subsection, 7.1.6 will be provided all conclusions on each previous subsections and the general conclusion that will be supporting the creation of the customer profile on the next section 7.3.

7.1.1 Section 1: General Interest in Stationery Market

The goal of this section is to analyse the general interest of people towards the stationery market, to identify the frequency of the usage, the preferred type of the products, and the importance of the characteristics of stationery products.

Question № 1: Do you use any stationery products, such as notebooks, diaries, planners, journals or sketchbooks?

1. Yes, I always do
2. Yes, I do but occasionally
3. Yes, I use stationery products but also use the digital devices for keeping my notes
4. No, I do not have a need for any kind of stationery products
5. No, I prefer only digital writing

Result № 1:

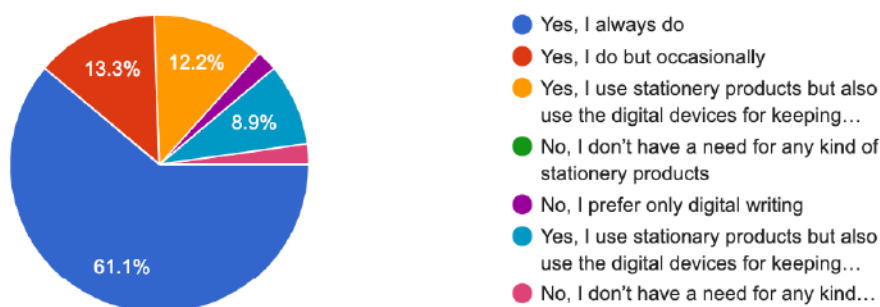


Chart 3. Question № 1. Usage of stationery products. Source: (Own research).

The results of these questions shows that people who always use stationery products, such as notebooks, diaries, planners, journals and sketchbooks are about 61.1 % that consists of 110 people. Also, people who use stationery products but also use the digital devices for keeping notes are 21.1% consists of 38 people. Moreover, people who use stationery products but occasionally are about 13.3% that is 24 people. Finally, people who prefer digital writing over real notebooks are 2.2% that is 4 people and who showed that they do not have any need for using any kind of stationery writing products are 2.2% - 4 people.

From this section, we can conclude that about 95.6% about 172 people use stationery products such as notebooks, diaries, planners, journals and sketchbooks. Only 4.4% (8 people) have no need for stationery products, either do not use them at all because of the digitalisation or just do not have the need.

Question № 2: How frequently do you use stationery products, such as notebooks, diaries, planners, journals or sketchbooks?

1. Often on a daily basis
2. Rarely on a daily basis
3. On a weekly basis
4. On a monthly basis
5. I do not use
6. Other (open to receive any other answer)

Result № 2:

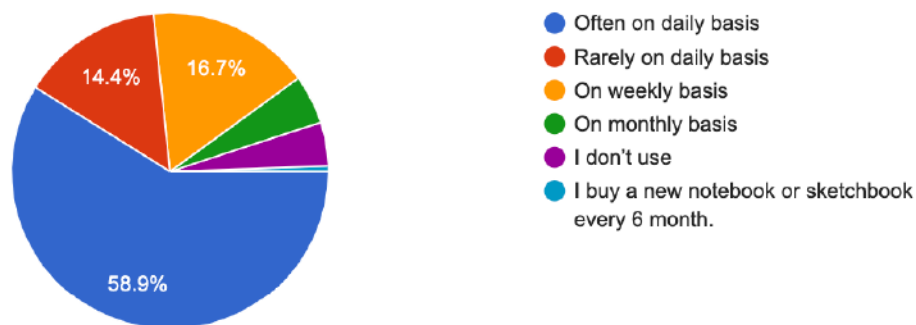


Chart 4. Results on Question 2. The frequency of usage of stationery products.

Source: (Own research).

The conclusion of this part consists of these parts. Firstly, people who use stationery products often on daily basis consists of 58.9% (106 people). Secondly, the percentage of the people who use the stationery product rarely on a daily basis is 14.4% (26 people). Thirdly, the percentage of people who use stationery products on a weekly basis is 16.8% (30 people). Also, the number of people who use stationery products on a monthly basis is 9 with 5% as well as who do not use is only 4.4% (8 people). Moreover, only one person decided to answer differently and identified that he/she buy a new notebook or sketchbook every 6 months.

This information leads to the conclusion that the people who prefer to use stationery products use the products with different timelines. The percentage of daily users is 73.3% (132 people). Moreover, people who use on a rare basis (weekly and monthly) is 21.7% (39 people). These figures can allow saying that the market of the stationery products is still popular despite the digital modern World.

Question № 3: Which are the aspects that attract you to considering the purchase of notebooks, diaries, planners, journals or sketchbooks?

1. Design of the product
2. Product packaging
3. Sustainability of the product
4. Affordable price
5. Because my friends or family recommended me
6. Size of the product
7. The uniqueness of the product
8. Inner functionality
9. Simplicity and minimalism
10. Other

Result № 3:

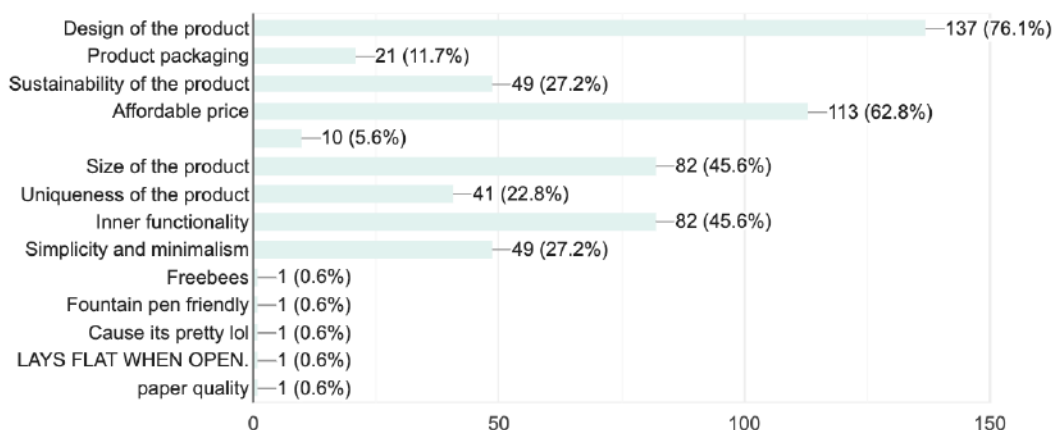


Chart 5. Results on Question № 3. The attractive aspects of the stationery products.

Source: (Own research).

In conclusion, it is shown that the percentage of people who values the design of the product is 76.1% (137) and the next most valuable appeal is the affordable pricing that 62.8% of all

participants have chosen. The third one is shared between two appeals, such as the size of the product and inner functionality, with 45.6% (82 people). The fourth is shared between to attractions, such as sustainability of the products along with simplicity and minimalist style of the product which consist of 27.2% (49 people). Two other answers, such as product packaging is 11.7% (21 people) and recommendations of friends and family are 5.6% (10 people). Also, only 5 people (3%) are decided to mention the paper quality, beautifulness of the product, fountain pen friendliness and the way the notebook will lay during the opening of the product.

From this part, we can assume that people have high standards towards the design of the product and the pricing of the product, as well as the size and inner functionality of the stationery products.

Question № 4: What is the level of your interest in stationery products, such as notebooks, diaries, planners, journals or sketchbooks?

1. I like them a lot
2. I am interested
3. I am not sure
4. I do not like
5. I am not interested at all

Result № 4:

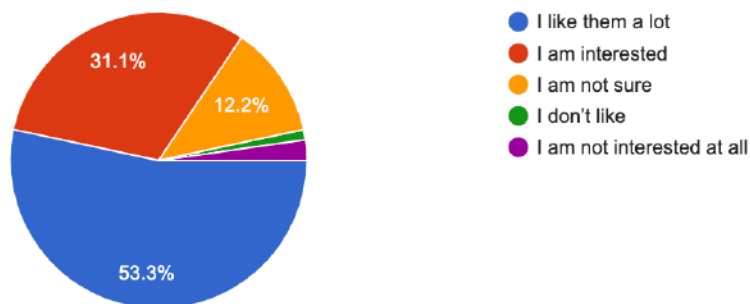


Chart 6. Results on Question № 4. The level of interest in stationery products.

Source: (Own research).

In this part, the level of interest in stationery products will be covered. From the results, it is shown that 53.3% of the people have a high interest in these products (96 people) and 31.1% of the participants have chosen that they have normally interested (56 people). Also, 12.2% was not sure about the level of interest (22 people) and 2.2% (4 people) and 1.1% do not have any interest in these products (2 people).

This part of the survey identifies the level of the interests and assure if people answered honestly to previous similar questions.

Question № 5:

Which kind of product do you use?

1. Planners
2. Journals
3. Notebooks
4. Diaries
5. Sketchbooks
6. Other

Result № 5:

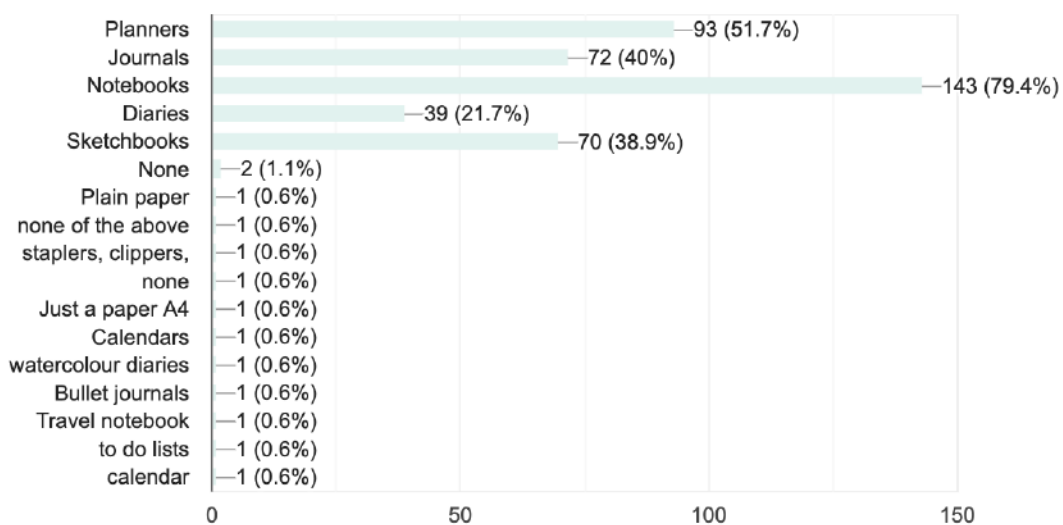


Chart 7. Results on Question № 5. The usable products of the stationery market.

Source: (Own research).

The results show that about 79.4% of people use notebooks (143 people). The second product is a Planner that is used by 51.7% of the audience (93 people). Journals and Sketchbooks are used by 40% and 38.9% of all audience that is 72 and 70 questioned people and about 21.7% of people use Diaries (39 people). Also, there is an option to answer in any other way. People mentioned that they use calendars and to-do lists.

To summarize the information, people are more willing to use the original notebooks over planners, journals, sketchbooks. However, the interested towards these products are about 40-50%.

7.1.2 Section 2: Competitors' Brand Awareness

The goal of this section to analyse the preferences of people towards the competitors' well-known brands, the frequency of usage of the product, and information on the additionally preferred brands.

Question № 6: Have you ever heard about these brands? Choose those you know.

1. Moleskine
2. Leuchtturm1917
3. Field Notes
4. iskn
5. Karst
6. Bookbinders Design
7. Nowuud
8. Other

Result № 6:

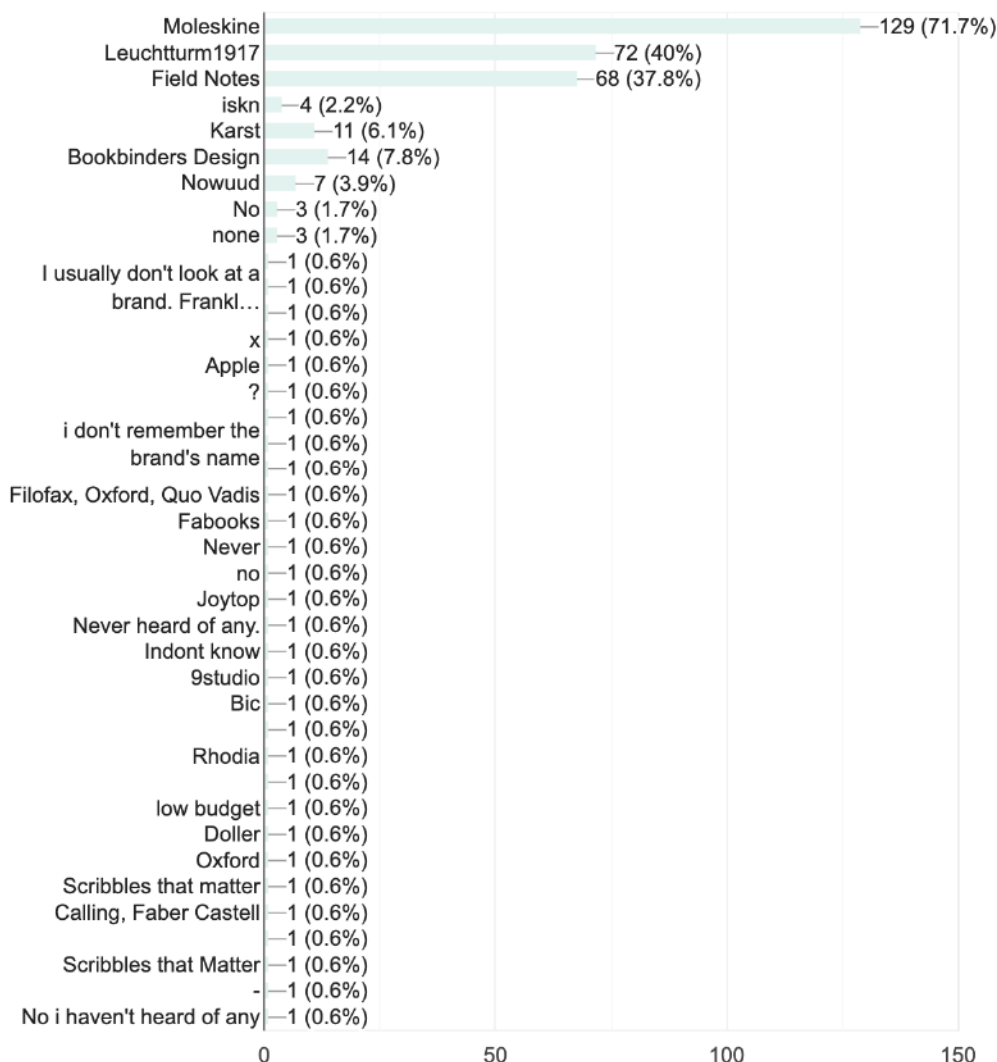


Chart 8. Results on Question № 6. The brand awareness of competitors' brands.

Source: (Own research).

In this part of the survey, the competitors' brand awareness is being questioned. The results show that the 71.7% of people who is familiar with the Moleskine brand that consists of the 129 people and the 40% of all questioned people are familiar with Leuchtturm1917 brand and it consists of 72 people. Moreover, the third position is taken over by Field Notes and 37.8% have chosen the brand (68 people). Other brands, such as Karst with 6.1% (11 people), iskn 2.2% (4 people) and Bookbinders Design with 7.8% (14), have the lowest recognition among the competitors. Furthermore, people had a chance to mention other brands that they aware of. There were mentioned companies, such as Filofax, Oxford, Doller, and Fabooks.

Question № 7: Do you use some products of the following brands?

1. Moleskine
2. Leuchtturm1917
3. Field Notes
4. Nowuud
5. iskn
6. Bookbinders Design
7. Karst
8. I prefer other brand/brands

Result № 7:

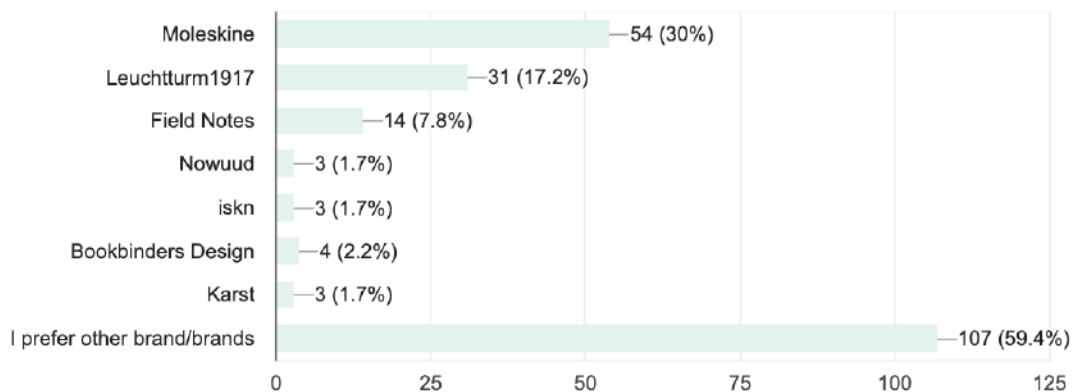


Chart 9. Results on Question № 7. Usage of the competitors' products. Source: (Own research).

The results of this part are that 59.4% of people prefer to use other brand or brands of the stationery products (107 people) and 30% of all questioned people use the Moleskine brand (54 people). Then, the Leuchtturm1917 brand is used by 17.2% of people (31 people) and the Field Noted used by 7.8% of people (14 people). Other brands, such as Karst and iskn are used by 1.7% of people (3 people), and the Bookbinders Design by 2.2% (4 people).

In conclusion, this part of the survey can show that the influence of the well-known brands is not that powerful and people prefer to use other brands that are not so popular.

Question № 8: Are there any other brands of stationery products brands that you use and there are not on the list above? Please, write down the name of it: _____.

Result № 8:

This question opens up the information about brands that people usually use, instead of the well-known brands. The results show that people use these brands: Erich Krause (RU), Doller (CZ), Faber-Castell (GR), WHSmith (UK), Deafmessenger (CZ), Paperchase (UK), Elemental notebooks (US), Belle de Jour (PHL), Mary Square (US), Nuuna (GR), Citrus Book Bindery (UK), Muji (JP), Filofax (UK), Maped (FR), Joytop (CN), Papelote (CZ), Esselte (SE), Sostrene grene (DK), Bando (US), Mus Creatief (GR), Paperblanks (CA), Archer and Olive (US), Fabriano Boutique (IT), Mossery (US), Bee paper (US), Scribbles that Matter (UK), Paper Mate (US), Ardium (KR), Hema (NL), Tiger (DK). Brief conclusion is that people prefer to buy affordable and locally adapted products that easy to purchase. Moreover, people used to buy from big retailers that offer the stationery products with affordable price.

7.1.3 Section 3: Opinion on Alternative Sources of Paper

Question № 9: Have you ever heard of the alternative sources to the forest-destructive paper products?

1. Yes
2. No

Result № 9:

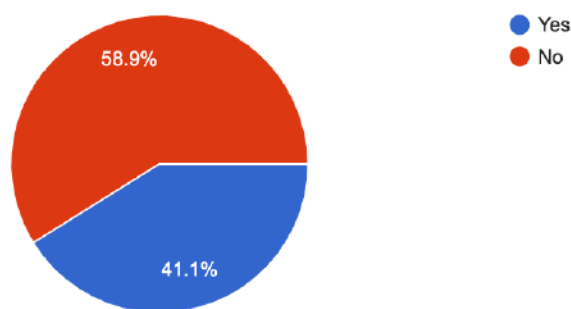


Chart 10. Results on Question № 9. The awareness of the alternative sources of paper products. Source: (Own research).

As can be seen, the awareness of the alternative sources of paper is lower (58.9% percent, 106). Only 41.1% of people aware of the alternative paper sources (74 people). It shows that there is a potential to educate people via marketing communications channels to bring up more awareness towards possible alternatives to the paper-based products.

Question № 10: Please, specify the alternative source of paper that you have heard of:

Result № 10:

In this section, only 74 people who answered “Yes” to the previous question are being asked to specify the alternative source of paper. There were mentioned sources, such as hemp, stone, elephant poop, bamboo, sugar cane, banana, coconut, plastic, animal dung, cork, re-usable paper, seaweed, cordage, textiles, and soy. The most popular answers were hemp and stone.

Question № 11: On the stationery products market there are products which are made out of the paper and products which are made from alternative sources, such as hemp, cork, stone, and others. Would you prefer to purchase the alternative one over the normal paper?

1. Yes, I would
2. No, I wouldn't

Result № 11:

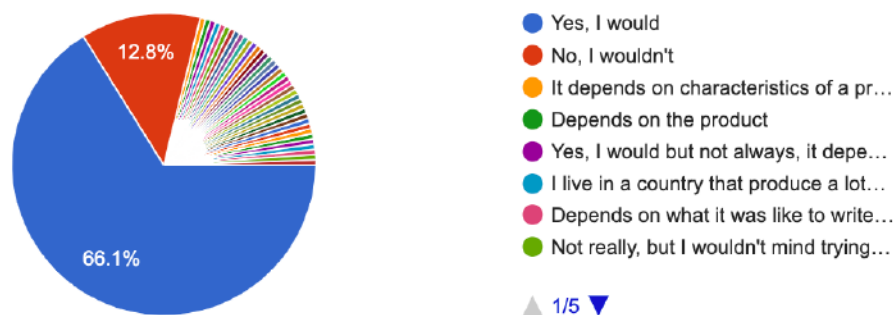


Chart 11. Results on Question № 11. The open-mindedness of the interviewed people towards alternative eco-friendly products. Source: (Own research).

The percentage of people, who answered that they would actually buy the products which are made from alternative sources, is 66.1% (119 people). Other 12.8% of audience answered that that would not buy it (23 people) and, also, 21.1% answered differently (mentioned below).

To summarize people would prefer to buy stationery products that are made from alternative sources, rather than paper. However, some part of the audience decided to clarify additional reasons. Many answered that it depends on: characteristics, purposes, material, quality, functionality, price, texture, durability, color, layout, design, and feel of the product.

Question № 12: How much would you pay for the sustainable alternative to the forest-destructive paper products, for example, a simple notebook with 250 pages and A5 size?

1. €5
2. from €5 up to €15
3. from €15 up to €20
4. from €25 up to €30
5. more than €30
6. I would not buy it

Result № 12:

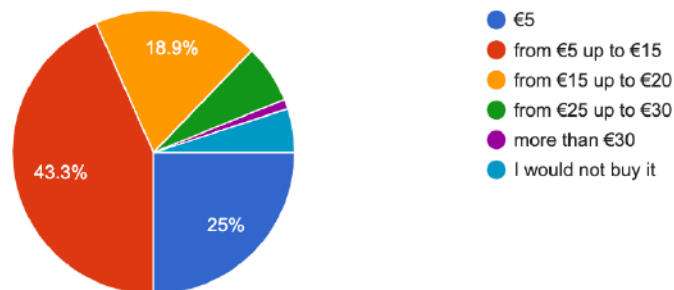


Chart 12. Results on Question № 12. The wiliness to pay for the eco-products.

Source: (Own research).

To conclude question № 12 shows that 43.3% of the audience would prefer to pay from €5 up to €15 (78 people) for the sustainable alternative to the forest-destructive paper products as well as 25% would pay €5 (45 people) and 18.9% would pay from €15 up to €20. Additionally, 6.7% of people would pay from €25 up to €30 and, also, 5% of questioned people would not buy a sustainable alternative to the forest-destructive paper product. However, only 1.1% would prefer to pay more than 30% (2 people).

This information shows a few facts. First of all, 26,7% of the audience would pay more than €15, where 68,3% would pay from €5 up to €15, that means that people are willing to support the sustainable products more, in case of the option of the affordable price. The topic of the affordable price, also, was mentioned in Section 1 under Question № 3, where results showed that the second important factor while choosing the stationery product, is the affordable price.

7.1.4 Section 4: New Product Research

This section will cover a brief showcase of the Nowuud product and analysed the opinion of the audience, as well as the audiences' preferences.

Question № 13: «Nowuud» is an eco-friendly alternative to the forest-destructive paper products. We do not use trees, water, wastes, acids or bleaches for production as it is necessary for the production of traditional pulp paper products. Our notebooks and planners are made of hemp. Along with the mindful design and functionality, we offer sustainable and recyclable products. If we take into consideration one of the product, such as a notebook with a size of 250 pages, A5 format. Would you like to have this product?

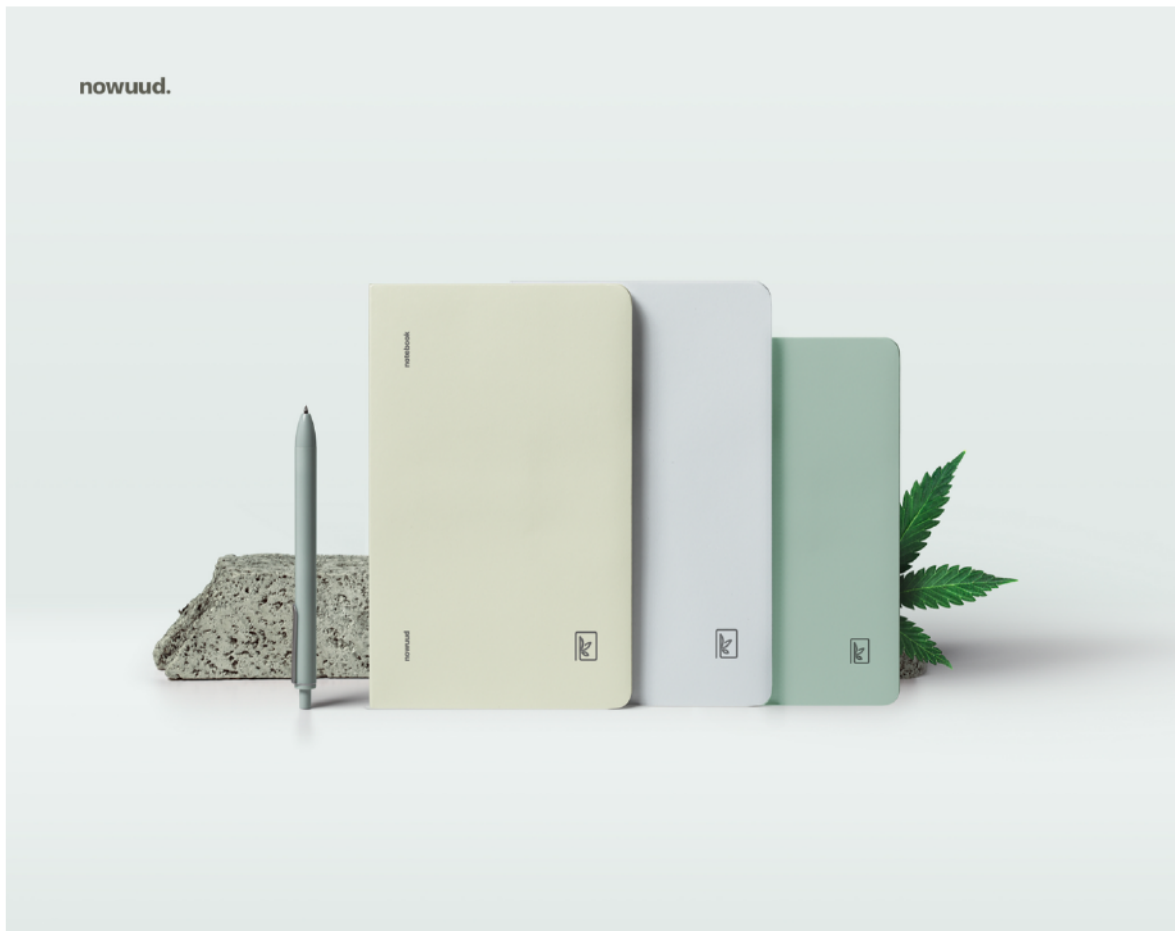


Image 1. Nowuud products showcase. Source: (Own design).

1. Yes
2. No

Result № 13:

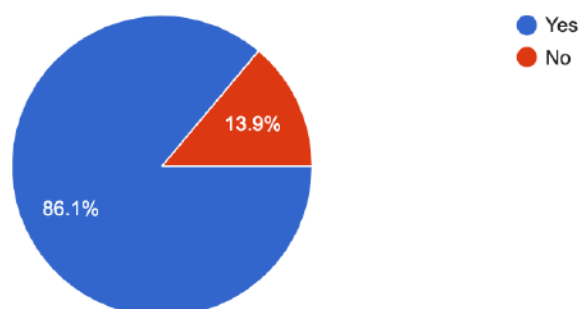


Chart 13. Results on Question № 13. The showcase of Nowuud product. Source: (Own research).

The results show that 86.1% of people would prefer to buy a product based on the showcase that is illustrated on the Image 1. At the same time, only 13.9% would not buy the product.

Question № 14: Please, choose why you like this product?

1. Well-designed
2. Colour palette
3. The quality looks good
4. It is a sustainable eco-friendly product
5. I want to try something new
6. Other

Result № 14:

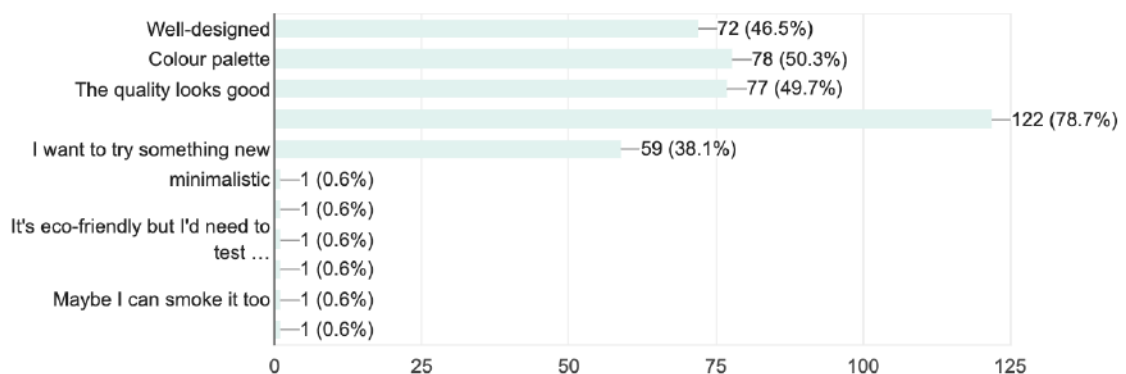


Chart 14. Results on Question № 14. The reasons for the potential purchase. Source: (Own research).

In this question was asked only to the people who answered 'Yes' for the previous questions № 13. To summarise, people who choose that they would buy the showcased product, answered that the first reason why they would buy it because it is a sustainable product (78.7% - 122 people), the second reason is color palette (50.3% - 78), the third reason is the audience think that the quality of the product looks good (49.7% - 77 people), also, the 46.5% (72 people) of people think that it is well-designed. The last reason is that the audience prefers to try something new (38.1% - 59 people). These results show that there is a potential to improve the product in design perspective and, also, work on the quality and the way to describe the quality of the product.

Question № 15: Where would you most probably purchase this product?

1. Specialized shop
2. Library
3. Shopping mall

4. Bookshop
5. Online shop
6. Other

Result № 15:

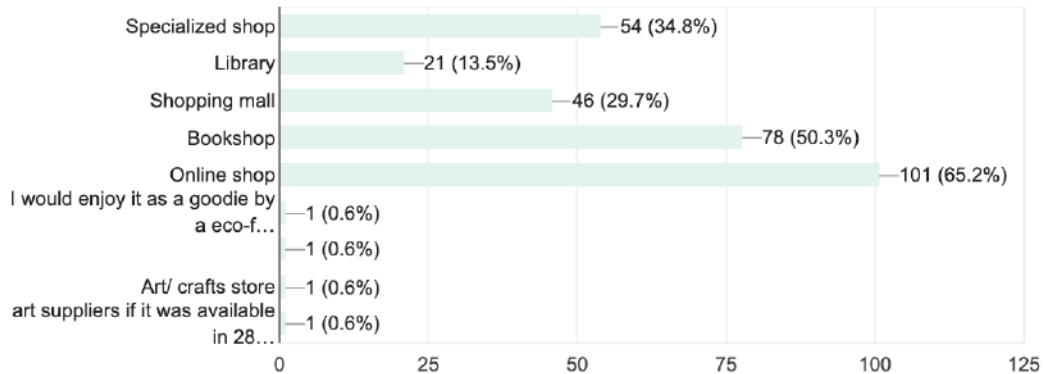


Chart 15. Results on Question № 15. The place of purchase. Source: (Own research).

Results show that the majority 65.2% (101) of people prefer to buy the product online, while 50.3% (78) would prefer to buy it in the bookshops, and 34.8% (54) would buy it in specialized shops. Also, 29.7% (46) would be open to buying it in the shopping malls and 13.5% (21) in the libraries. These results confirm that e-commerce and bookshops are the most preferred places of buying sustainable stationery products.

Question № 16 (Alternative question): Please, tell me why you would not choose this product?

1. I do not need it
2. It is boring
3. It is complicated
4. It is unnecessary
5. Other

Result № 16:

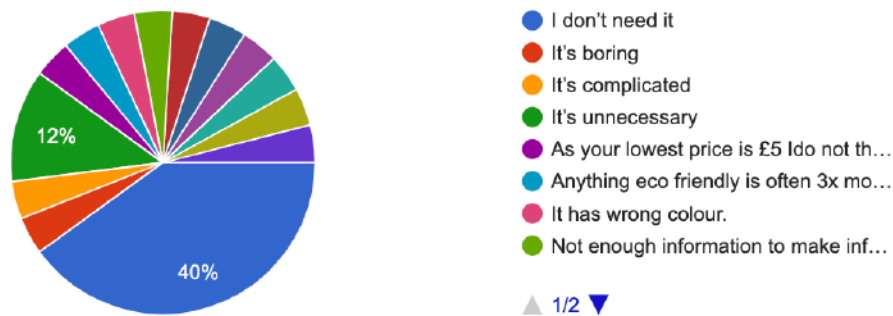


Chart 16. Results on Question №16. The reasons for skipping the purchase option.

Source: (Own research).

People who have chosen that 'No' in the Question № 13 are asked to clarify the decision. The most popular answer is that they do not need the product with 40% (10). However, 12% of the audience thinks that it is unnecessary. Also, people were able to leave other comments that are not on the list, the common reasons of why they would not buy the product are: it can be expensive, it has wrong color or/and size, or not enough information about the product. These results show that there is an opportunity to improve the product and its description.

Question № 17: Considering that fact that the product is a sustainable alternative to the forest-destructive paper products and a notebook with 250 pages and A5 size. How much possibly would you pay for the product you have seen?

1. €5
2. from €5 up to €15
3. from €15 up to €20
4. from €20 up to €25
5. from €25 up to €30
6. more than €30
7. Other

Result № 17:

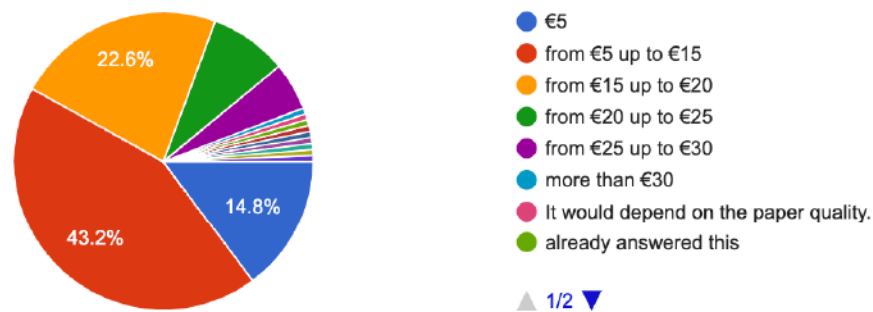


Chart 17. Results on Question № 17. The potential price for the «Nowuud» product.

Source: (Own research).

The results illustrate that 43.2% of the audience would prefer to pay from €5 up to €15 (67 people) for the showcased product and 22.6% would pay from €15 up to €20 (35 people) and 14.8% would pay €5. Furthermore, 8.5% (13) of people would pay from €20 up to €25 and 5.2% (8) of questioned people would pay from €25 up to €30. Additionally, only 0.1% would prefer to pay more than 30% (1 person).

This information shows a few facts. First of all, 36.4% of the audience would pay more than €15, where 58% would pay from €5 up to €15, that means that people are willing to support the product more, in case of the option of the affordable price. The topic of the affordable price, also, was mentioned in Section 1 under Question № 3, where results showed that the second important factor while choosing the stationery product, is the affordable price. Moreover, Question № 12 shows that 26.7% of the audience would pay more than €15, where 68,3% would pay from €5 up to €15 for the abstract sustainable. This means that people are willing to pay about 10% more for the showcased Nowuud product, rather than the same abstract sustainable product.

Question № 18: Taking of a base where you are in agreement with the price, would you buy it?

1. Yes, as soon as it is on the market
2. Yes, but I would let some time pass
3. Maybe, I am not sure
4. No, I do not think so
5. No, I would not buy it anyway

Result № 18:

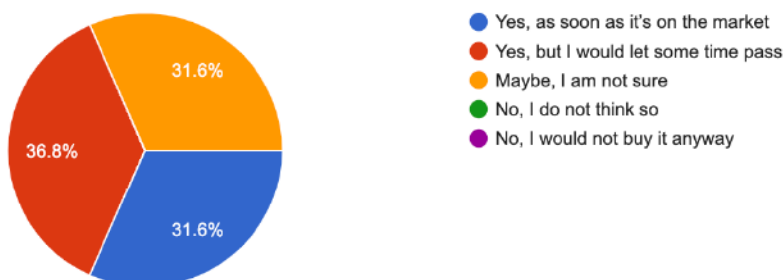


Chart 18, Results on Question № 18. The willingness to buy the product with the desired price. Source: (Own research).

To sum up the information above will be mentioned the main points, such as the first most popular answer consists of 36.8% of people as they have answered that they would buy the showcased product but after some time. The second position is divided by two categories of the answer that people will purchase the product as soon as it will be available on the market and other 31.6% of people have shown their unsureness with selecting 'maybe' option.

It is necessary to mention that no one changed the mind during the answering to the questions and confirmed that they will buy it without choosing the available options, such as «No, I do not think so» or «No, I would not buy it anyway».

7.1.5 Section 5: Demographic Information

This section will clarify the gender, the educational level, the age, the relationship status, and the location of the people who answered to the questions of this survey.

Question № 19: What is your gender?

1. Female
2. Male

Result № 19:

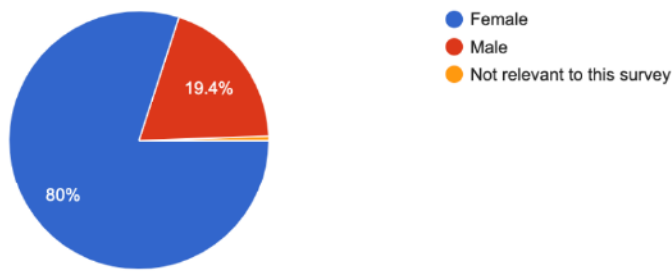


Chart 19. Results on Question № 19. The gender of the interviewed people. Source: (Own research).

Results are that the 80% of the questioned people are women and 19.4% are men. However, 0.6%, one person, has decided to skip the answer.

Question № 20: How old are you?

1. 14 - 17
2. 18 - 24
3. 25 - 34
4. 35 - 44
5. 45 – 65
6. Other

Result № 20:

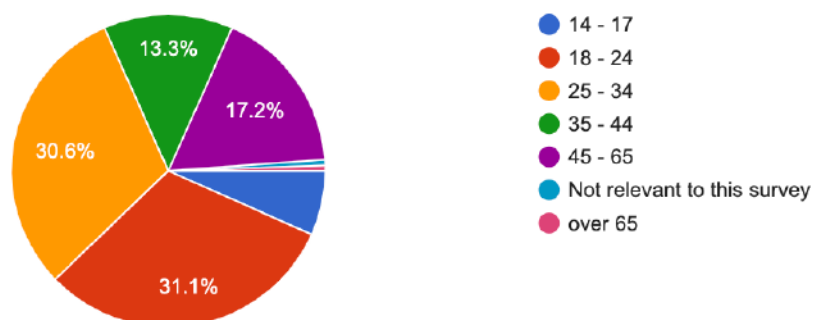


Chart 20. Results on Question № 20. Age of interviewed people. Source: (Own research).

The results show the diverse age rates as 31.1%, 56 people, are from 18 to 24 years old and 30.6%, 55 people, are from 25 to 34 years old, and, also, 17.2%, 31 people, are from 45 to

65 years old. Moreover, 13.3%, 24 people, are from 35 to 44 years old, and 6.7%, 14 people, are from 14 to 17 years old, and 0.6%, one person, is over 65 years old. However, 0.6%, one person, has decided to skip the answer.

Question № 21: What is your finished academic level?

1. School Education
2. College Education
3. University Degree
4. Other

Result № 21:

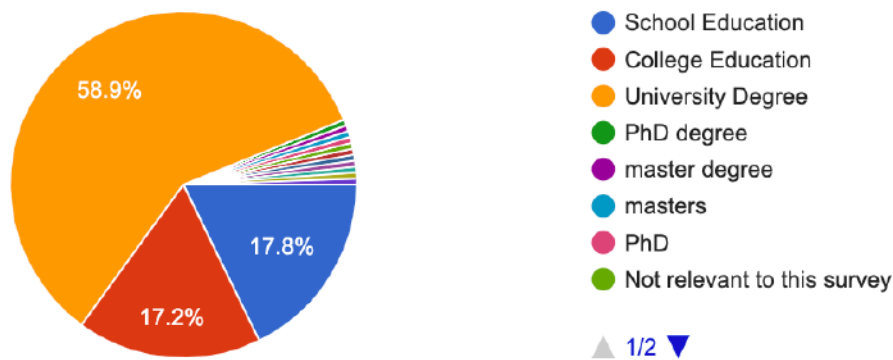


Chart 21. Results on Question № 21. The finished academic level of interviewed people.
Source: (Own research).

The results show that about 58.9% (106) of interviewed people have a University Degree. Also, 17.8% (32) and 17.2% (31) have a school education degree or a college education. Others decided to answer about middle school, Master's Degree, Ph.D.

Question № 22: What is your current relationship status?

1. Single
2. In a relationship / relationships
3. Engaged
4. Married
5. Other

Result № 22:

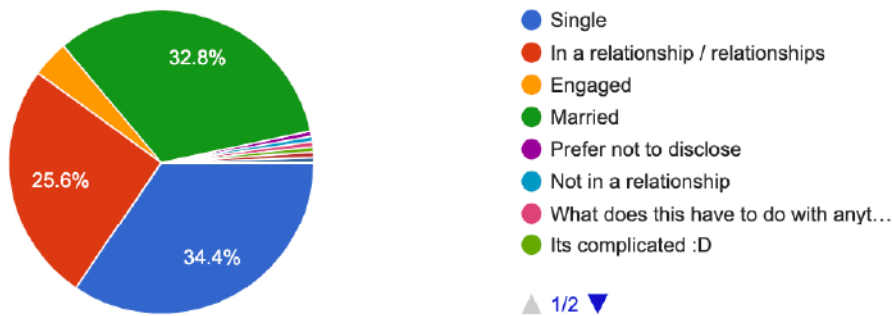


Chart 22. Results on Question № 22. The relationship status of the interviewed people. Source: (Own research).

This question was asked based on the knowledge about the social media campaigns settings. The information about the relationship status will help to target more accurately. The 34.4% answered that they are single and 32.8% answered that they married. Moreover, 25.6% answered that they in a relationship and 3.9% answered that they engaged. However, 3.3% answered differently, such as that they do not want to disclose or it is complicated.

Question № 23 (open question): Please, specify the country you currently live in:

Result № 23:

Czech Republic (26.1% - 47), USA (23.9% - 43), Russia (12.8% - 23), UK (9.4% - 17), Netherlands (3.3% - 6), Canada (2.8% - 5), Turkey (2.8% - 5), Australia (2.2% - 4), Germany (2.2% - 4), Austria (1.7% - 3), Norway (1.7% - 3), Denmark (1.7% - 3), France (1.7% - 3), Vietnam (1.1% - 2), India (1.1% - 2), Greece (1.1% - 2), Sweden (0.6% - 1), Armenia (0.6% - 1), Chile (0.6% - 1), Singapore (0.6% - 1), Mexico (0.6% - 1), Estonia (0.6% - 1), Belgium (0.6% - 1), unknown (0.6% - 1).

The results show that 180 people from 23 different countries were participating in this survey. The majority of people are from Czech Republic (26.1% - 47), USA (23.9% - 43), Russia (12.8% - 23), and UK (9.4% - 17).

7.1.6 Conclusion

To summarize the main outcomes of the survey, each section results will be described. Firstly, the Section 1 (subsection 7.1.1) is about general interest in stationery market. Results show us that generally interviewed audience are still interested in stationery products, such as journals, planners, diaries, sketchbooks, notebooks, despite of the new technologies that are currently easily having all opportunities to replace paper-based products. Moreover, the majority of the people use stationery products on often on a daily basis. Also, we can assume that people have high standards towards the design of the product and the pricing of the product, as well as the size and inner functionality of the stationery products. Secondly, the Section 2 (subsection 7.1.2) focused on competitors' brand awareness. The results show that people are aware about the main big players of stationery market but they prefer local products and they are more special and unique products that are easy to access. Thirdly, the Section 3 (subsection 7.1.3) aimed to investigate the open-mindedness towards the alternative and sustainable sources of the stationery products. The results show that awareness of the alternative and sustainable products are low, that means that informing potential customers through the content marketing activities will be essential in order to get more customers in the future. Next Section 4 (subsection 7.1.3) is a brief showcase of the new product by Nowuud. It is shown that audience would like to buy the product and assume that showcased products are sustainable, having a good color palette, well-designed, and having a good quality. Moreover, they more likely to buy it online or in local bookshops. Last but not least, Section 5 (subsection 7.1.4) is the demographic information about interviewed audience. The majority of interviewed audience are women with at least University Degrees and with the diverse age range from 18-44 years old.

7.2 Data Insights

This section will support the creation of the customer profile (Section 7.3) and the marketing communications plan (Chapter 11). Moreover, the goal of this section to gather the fresh information on potential customers on the main social media channels, such as Facebook and Instagram.

Facebook Insights is an effective Facebook marketing analytics tools with its' 1 billion active users. It helps to analyse the data on peoples' interests. There are many different data to

analyse - such as age, gender, educational level, relationship status, country, city, page likes, and others. Insights will help to understand who are the potential clients and what are their additional interests (Lua 2017).

1. Keyword: Sustainable living

Amount: 6 - 7 million monthly active people

Top countries interested in sustainable living:

1. United States of America - 24%
2. India - 11%
3. United Kingdom - 8%
4. Australia - 7%
5. Canada, Philippines - 4%
6. Germany, Thailand, - 3%
7. Sweden, Netherlands, Taiwan, Malaysia, Italy, Indonesia, Brazil - 2%

Information on age and gender:



Chart 23. The information on age and gender for the keyword № 1. Source: (Facebook Inc. 2019).

Information on relationship status and education level:

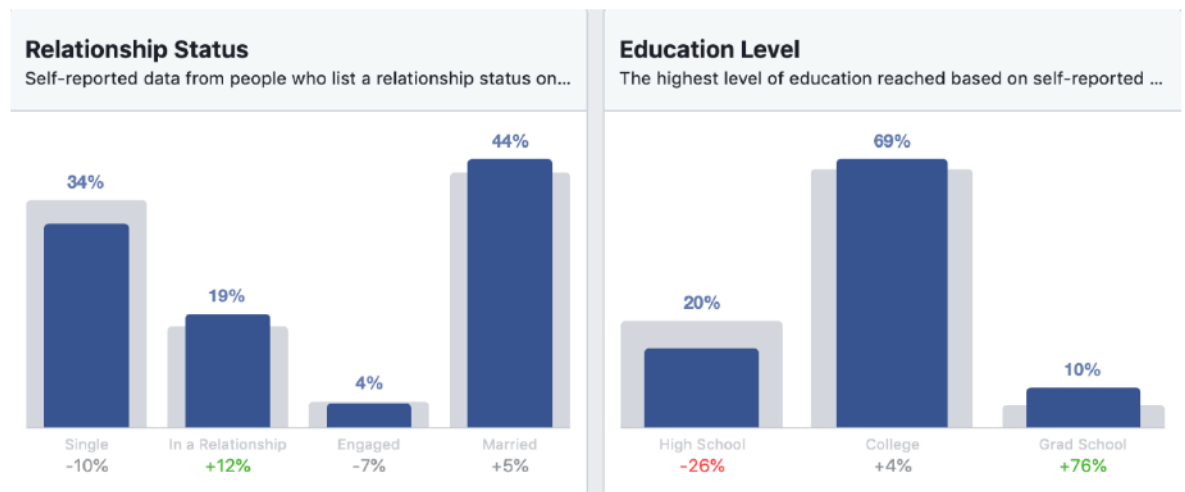


Chart 24. The information on relationship status and education level for the keyword № 1. Source: (Facebook Inc. 2019).

2. Keyword: Sustainable products

The average amount of monthly active people: 600.000 - 700.000

Top countries interested in sustainable products:

1. United States of America - 18%
2. United Kingdom - 13%
3. Germany - 7%
4. Australia - 6%
5. India - 6%
6. Netherlands - 4%
7. Philippines, Spain, Romania - 3%
8. New Zealand, Denmark, Sweden, Belgium, Canada, Italy, Mexico, Brazil - 2%

Information on age and gender:

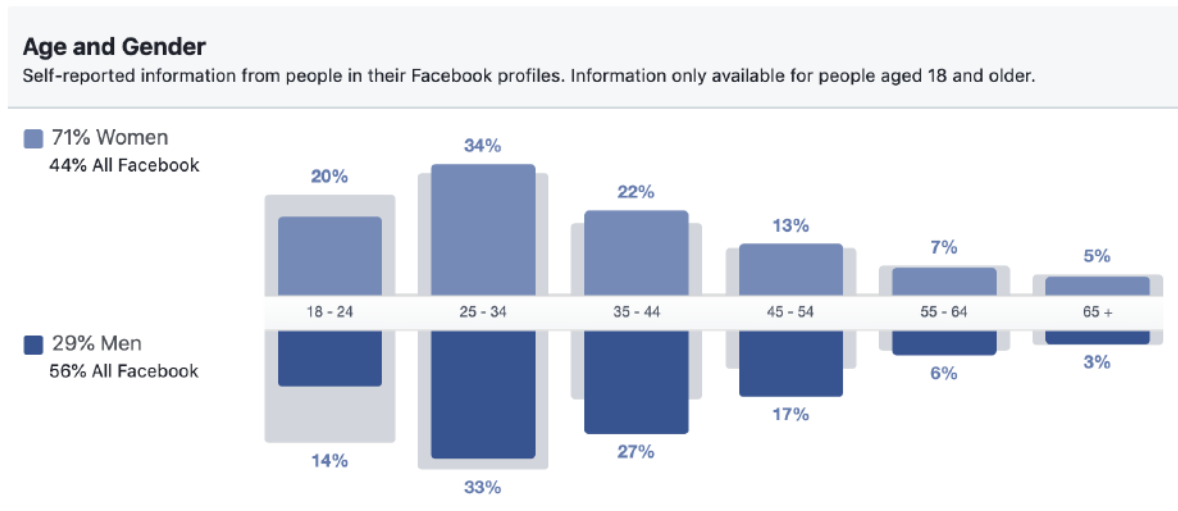


Chart 25. The information on age and gender for the keyword № 2. Source: (Facebook Inc. 2019).

Information on relationship status and education level:

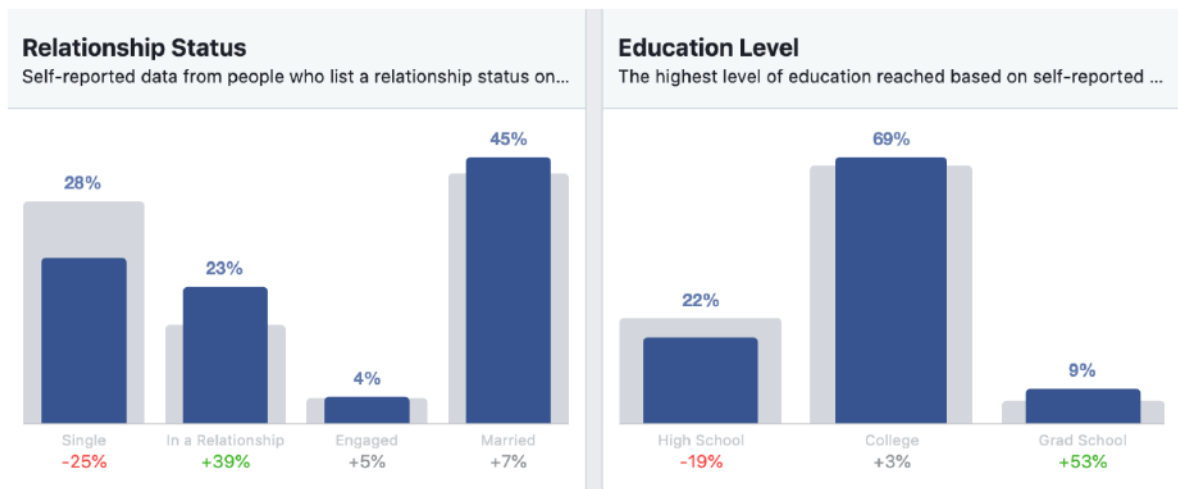


Chart 26. The information on relationship status and education level for the keyword № 2. Source: (Facebook Inc. 2019).

3. Keyword: Eco-friendly living

The average amount of monthly active people: 2K - 2.5K monthly active people

Top countries interested in eco-friendly living:

1. Italy - 18%
2. Brazil - 13%
3. USA - 9%

4. India - 8%
5. UK, Thailand, Mexico - 5%
6. South Korea - 4%
7. Taiwan, Hong Kong, - 3%
8. Philippines, Malaysia, Spain, Japan, Poland, Portugal - 2%

Information on age and gender:

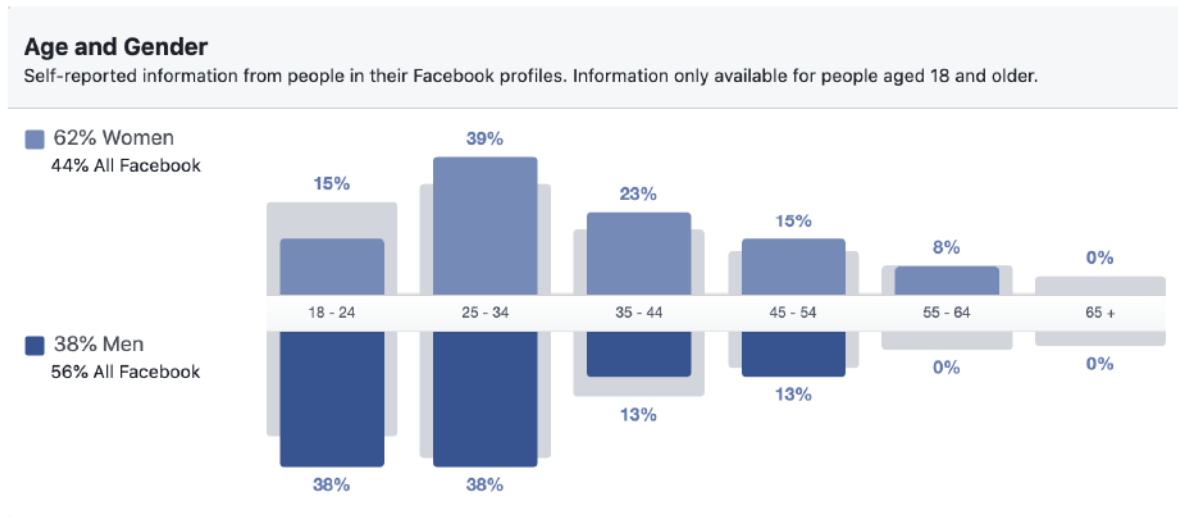


Chart 27. The information on age and gender for the keyword № 3. Source: (Facebook Inc. 2019).

Information on relationship status and education level:

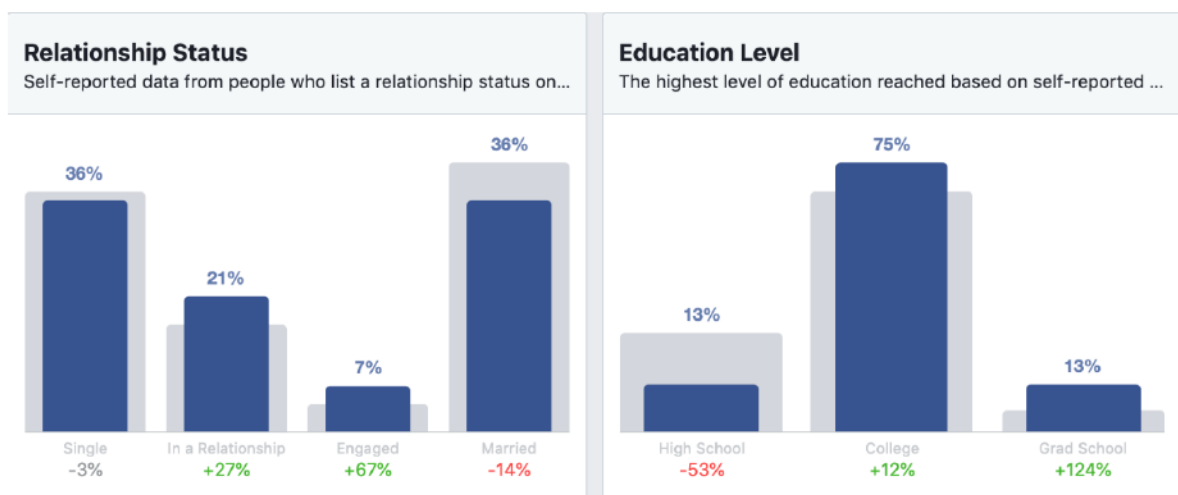


Chart 28. The information on relationship status and education level for the keyword № 3. Source: (Facebook Inc. 2019).

4. Keyword: Online shopping

The average amount of monthly active people: More than 1B monthly active people.

Top countries interested in online shopping:

1. India - 13%
2. United States of America - 11%
3. Brazil - 7%
4. Indonesia - 6%
5. Mexico - 4%
6. Thailand, Vietnam, Philippines - 3%
7. Pakistan, Italy, Turkey, Argentina, United Kingdom, Egypt, Bangladesh, Germany, Colombia, France - 2%

Information on age and gender:

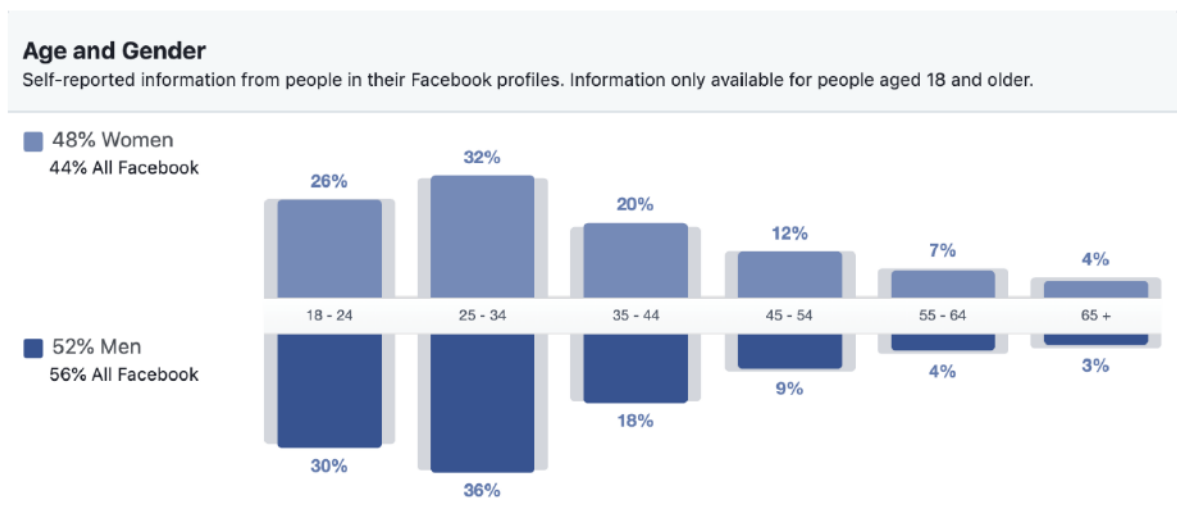


Chart 29. The information on age and gender for the keyword № 4. Source: (Facebook Inc. 2019).

Information on relationship status and education level:

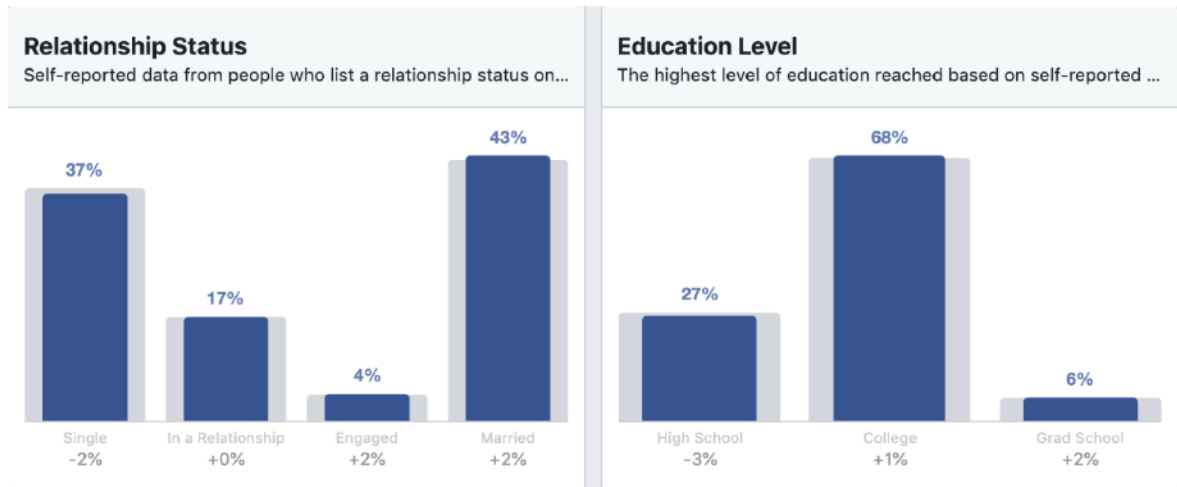


Chart 30. The information on relationship status and education level for the keyword № 4. Source: (Facebook Inc. 2019).

5. Keyword: Moleskine

The average amount of monthly active people: 4M - 4.5M monthly active people

Top countries interested in the Moleskine brand:

- 9. Italy - 18%
- 10. Brazil - 13%
- 11. USA - 9%
- 12. India - 8%
- 13. UK, Thailand, Mexico - 5%
- 14. South Korea - 4%
- 15. Taiwan, Hong Kong, - 3%
- 16. Philippines, Malaysia, Spain, Japan, Poland, Portugal - 2%

Information on age and gender:

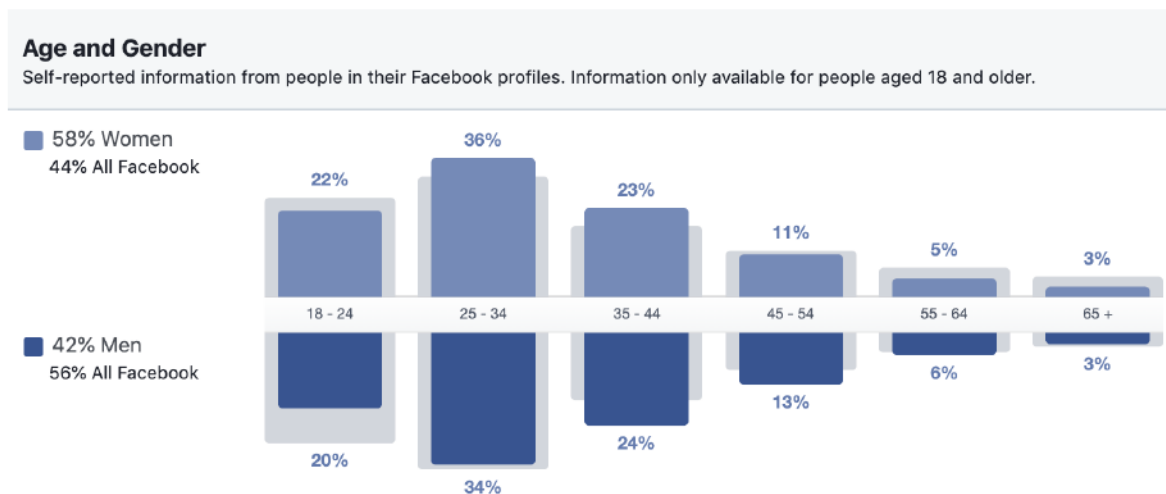


Chart 31. The information on age and gender for the keyword № 5. Source: (Facebook Inc. 2019).

Information on relationship status and education level:

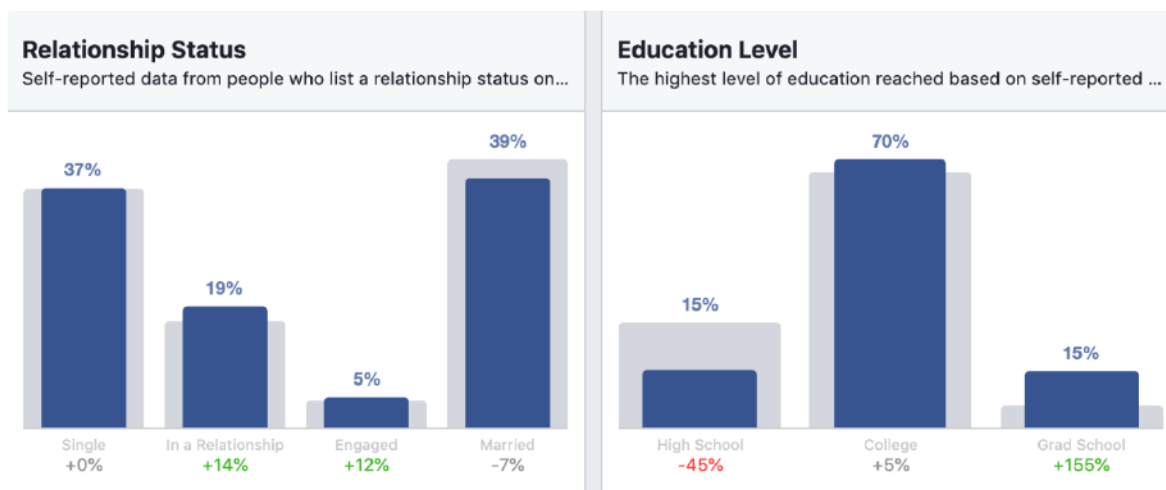


Chart 32. The information on relationship status and education level for the keyword № 5. Source: (Facebook Inc. 2019).

Conclusion

To sum up, only 5 keywords were analyzed on the Facebook Insights Worldwide, such as sustainable living, sustainable products, eco-friendly living, online shopping, and Mole-skine. There is an information on age, gender, educational level, and relationship status. First of all, there is clearly seen that men and women are almost equally interested in these areas of the life, such as sustainable and eco-friendly living and sustainable product, as well as online shopping. However, the majority of the interested audience is from 25 to 34 years old.

Moreover, the highest level of education level is college education as well as the relationship status is single or married. This information can be used for the building up the customer profile on the next section.

7.3 The Target Customer Profile

In this section, the target customer profile will be build up for the Nowuud business plan and marketing communications plan.

An interesting aspect impact of the information age is that people have a lot of knowledge regarding the businesses they buy from and that they usually take a company's image into consideration once looking for a wanted product. Companies responsibility and environmental property matter. It is quite simply avoiding dangerous actions; sensible whole perception will have a sway on revenue. Recent studies have shown that being environmentally responsible will have a positive impact on how individuals feel about a brand, or where they spend their funds (Roesler 2015).

Overall, in the modern era today, the level of consumption of different products on the market is extremely high, from the public circles the purchase transaction in the modern market around the neighborhood where the customers live. The phenomenon of the use of environmentally friendly products of customers can be discovered from the pre-survey in the form of direct interviews with the customers in modern market January 2018 and presented in Chart 33 (Soegoto 2018).

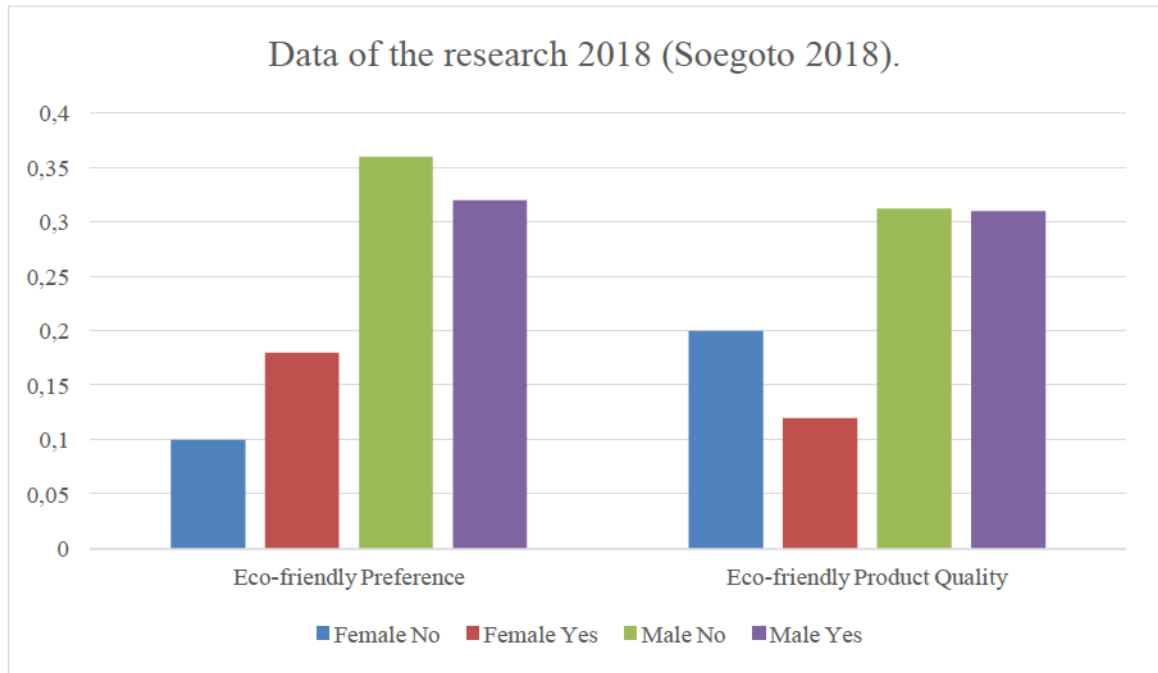


Chart 33. Pre-survey in modern market conducted in January 2018. Source: (Soegoto 2018).

The environment-friendly products that will have an influence on customer satisfaction, also, transfer a positive impact for the modern market. There is a description of green-marketing that includes:

1. Creation of product that is less harmful to the environment than the traditional versions of the product;
2. Creation of products that will impact the environment in a positive way;
3. Connecting the purchase of a product to an environmental event.

Green-marketing is a marketing strategy that involves bringing up the topic of protection of the natural environment. Green market is a part of consumer's awareness, actions via potential clients show a willingness to buy eco products over the usual ones. Moreover, educational content and creation of the high-quality eco products will resolve the main issues, such as the lack of awareness and negative perception of eco-friendly products (Soegoto 2018).

In order to create the target customer profile the above information is used, such as results on the survey, big data insights by Facebook, also, the information about the Soegoto research. These 5 aspects will be mentioned: personal background, business background, lifestyle, challenges and pain points.

Personal background:

- Age: from 18 – 45.
- Gender: women/men.
- Location: EU, focus on the local market CZ.
- Education: University or College Educational level.
- Finances: Having a stable average or higher income.

Lifestyle:

- Interested in productivity and self-development.
- Caring about the environment and eco-friendly lifestyle.
- Study or work, self-driven and motivated.
- Reading books, listening to the podcasts about eco-lifestyle, minimalism, sustainable living, self-development, careers, and home.
- Caring about personal health.
- Likes minimalism and stylish simple products.
- Volunteering or helping people when having free time.
- Always look for new challenges.
- Has a lot of tasks to do with a highly active life flow.
- Tech-savvy.

Challenges and pain points:

- Looking for inspirational content to release creativity.
- Do not have much time to plan and dream properly.
- Busy lifestyle, what to save some time for family and friends.
- Do not have much time to organize all the things that need to be done.
- Do not have much time to analyse millions of self-development tools on the Internet.
- Want to find the less time-consuming way to improve her skills and be more focused.
- Do not know how to help the environment more.

8 ANSWERING THE RESEARCH QUESTIONS

In order to answer to the following research questions, the analytical part of the thesis covered some of aspects, such as section 5.1. that covers all global paper and forest products industry analysis, section 5.2 touches upon the alternatives of the paper and forest products industry with a detailed description of the hemp products market, and last section 5.3 reports the stationery products industry analysis, focusing on the notebooks production. Moreover, the chapter 6 cover the competitor analysis that supports the sub-goals of the thesis as analysis is an integral part of developing a marketing strategy. It is done by identifying competitors, then evaluating their strategies for strengths and weaknesses. Also, the competitive analysis will help to better understand the competitors' capabilities, which will inform how they position themselves on the market and what they prioritize in activities. Furthermore, the chapter 7 covers the important parts of customer analysis. The main goal was to create a valuable customer profile of the potential «Nowuud» clients.

Research Question № 1: Is the business idea viable and what is the need that the new business is aiming to satisfy?

Answer to the Research Question № 1: The business idea is viable as there is a gap in the market of the sustainable stationery products. The industry of paper and forest products demand will be doubled by 2050. However, at this moment, the 3rd largest industrial polluter is the pulp and paper industry with its 220 million pounds of toxic pollution into air and water each year. Moreover, during the papermaking process, many tree-free papers utilize less water, chemical processing and energy than their wood-based counterparts. Therefore, there is a need for replacement of many paper products with sustainable alternative in the nearest future. For example, using alternative fibers, such as hemp, cotton, stone, and many others can be better replacement in order to save the Earth from the pollution and water waste.

Research Question № 2: Who are the potential customers and the main competitors?

Answer to the Research Question № 2: The potential customers are women and men with at least Colleague or University Degrees and with the diverse age range from 18 to 44 years old, based in EU. Moreover, the potential customers are interested in eco-friendly lifestyle, helping the nature, also, interested in productivity and self-development with the busy daily agenda. Also, friendly with new technologies and willing to buy online. The potential customers prefer to buy from local, unique, and easy accessible brand.

The direct and indirect competitors on the market possess many strengths and weak sides. However, the gap is seen on the stationery product market as there is no sustainable and at the same time affordable choice on the market. People who are interested to buy a sustainable stationery product are facing difficulties to get it in terms of the price of the product, additional shipping costs, and unclear marketing message of some of the brands. The main competitor is The Karst Stone Paper as it is the most sustainable and more or less affordable product that is easy to purchase online.

Research Question № 3: What kind of marketing communication strategies and channels should be used in order to increase brand awareness as well as the amount of the customers of the new brand?

Answer to the Research Question № 3: There are many strategies that have been used by competitors but the main strategies that will bring up the actual awareness are content marketing, social media marketing, paid advertising, partnerships, event marketing based on the competitors' analysis and the target audience profile. The marketing communications strategy will be based on the educational information that will educate potential customer about the sustainable way of living, about productivity and self-development tools, using the Nowuud notebooks and planners.

9 THE MAIN OUTCOMES FOR THE PROJECT PART

Through analysis of global paper and forest products industry analysis; the alternatives of the paper and forest products industry with a detailed description of the hemp products market; and the stationery products industry analysis, focusing on the notebooks production; the idea of the viability of business and of the sustainable products market opened up the clear issues in the current global paper and forest products market. Moreover, the gap in the market of stationery products is revealed. There is a clear need for alternative and sustainable products in the future.

Also, the direct and indirect competitor analysis showed the absolute gap in the market of stationery products and sustainable eco-friendly stationery products. There is a need for the sustainable and affordable local-focused alternative in the stationery market. An alternative product to the problem is “Nowuud”.

The customer profile identified in details and fully described in chapter 7, section 7.3. That is to say, the majority of the interviewed audience are women with at least University Degrees and with the diverse age range from 18-44 years old. However, additional data showed the same amount of interest by men.

Furthermore, the clear direction for the marketing communications activities set. The main marketing communications channels identified. There are essential marketing communications channels for the “Nowuud”, such as content marketing, social media marketing, paid advertising, public relations, local SEO, partnerships, and event marketing. The detailed marketing communication plan described in chapter 11.

III. PROJECT

10 BUSINESS PLAN

This chapter contains an Executive summary, Company and Product description, and Financial Projection.

A business plan is aimed to support entrepreneurs, business managers and help to build up the big picture through the description of strategies, balanced with analysis of the current state of the market and risks.

10.1 Executive Summary

1. Mission and Vision Mission

Mission: To build quality eco-friendly journals that will help people to create meaningful habits easily at the same time showing love and respect towards nature.

Vision: To help create helpful habits and support the Earth together.

2. Unique Selling Propositions

- First eco-friendly stationery product in the Czech Republic on the market.
- Inner unique functionality.
- Easy access in the EU.
- Unique design that is not available on the market.
- Unique color palettes.
- Unique minimalistic sustainable packaging.

3. Future Projections & Plans

There are a couple of essentials short-term goals that act as fundamental parts:

- Building up a strong communication with suppliers who will produce and deliver the quality industrial hemp paper.
- Building up a strong communication with the local printing company that will help to add to the product an inner functionality and branded style.
- Creation of the branded style with creation of the website for pre-sales purposes and further marketing and sales activities.
- Creation of the detailed product templates.
- Online marketing communication strategy in order to find the right customer globally.

4. Basic product supporting needs

The product will need a special packaging, shipping, and further delivery.

5. Procedures and timetables

Estimated time for the creation of the product and the final launch is about 6 months. However, it depends on many factors that are impossible to keep under a full control.

6. The requested capital

There is a need for external capital that can be gathered by various organisations that support startup activities, especially, on the eco-friendly product field.

10.2 Company and Product Description

Nowuud introduces eco-friendly and beautifully designed journals made out of the hemp. Mindful design combined with the sustainability and functionality of the hemp notebooks makes the enormous conceptual change of the stationery market, breaking the traditional ways of creation of notebooks.

The partnership with some of the suppliers, based in Asia, that produce paper made out of the industrial hemp. Moreover, to export the eco-friendly paper to the Czech Republic. The process is not ending here. Also, the essential part is a partnership and further collaboration with the printing company that will be able to keep the requirement of the branding side on the high level, such as design, packaging, color, inner perfectly outlined printed material.

Regarding the design, there are some of the mockups of logo variations that were made by an external designer. The logo shows a combination of industrial hemp with a journal. The color palette is dark green (see Image 2 and 3) or blank as on Image 4. However, after some testing on the digital platforms and reconsiderations, there are future improvements to be made for establishing the brand color palette, such as on Image 5.



Image 2. Logo Nowuud 1 (mock-up). Source: (Own design).



Image 3. Logo Nowuud 2 (mock-up). Source: (Own design).



Image 4. Logo Nowuud 3 (mock-up). Source: (Own design).



Image 5. Preferred branded color palette. Source: (My Modern Met 2016).

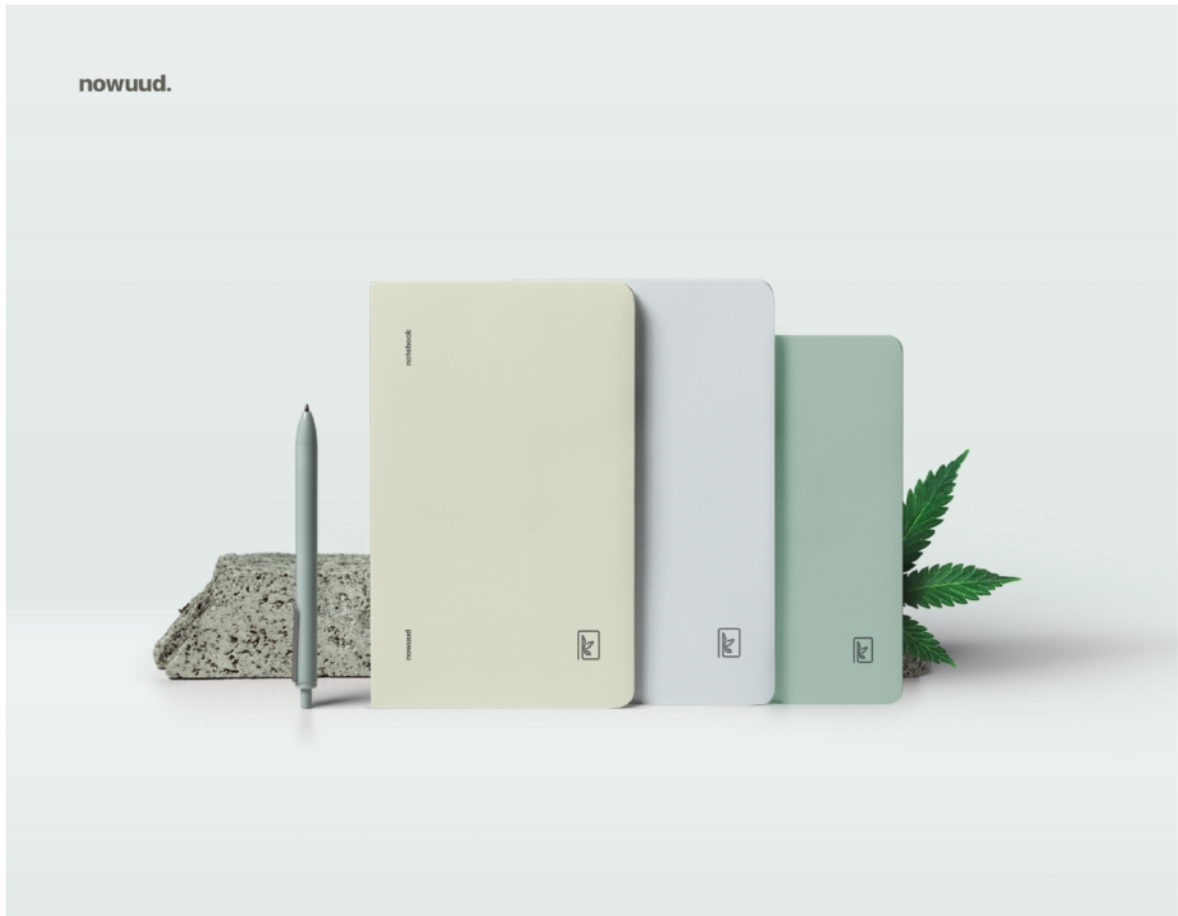


Image 6. Nowuud products showcase 2 (mock-up). Source: (Own design).

Going into a deeper product description, there is essential to showcase some of the mock-ups of the future products:

Table 7. Example showing products/services and their applications of “Nowuud”.

Product/Service	Description	% of Sales
Product №1. Morning Notes.	The Morning Notes collection supports the beginning of the lightful day. There is so much buzz around and in our brains all the time that we usually do not realize the impact of the pressure. Morning notes help us to release the pressure and start the day with easiness and gratefulness by just letting everything go through the magic of writing. Create meaningful habits.	30%

Product №2. Planner.	The Nowuud Planner is a 194-page planner that helps to increase peoples' productivity by freeing the mind from the daily and monthly responsibilities. Writing down all the tasks and goals into our beautifully designed Nowuud Planner with the feeling of connection with nature as the products made with love and respect towards Earth.	40%
Product №3. Notebook.	No borders. No limitations. No pressure. Express yourself fully with the power of the Nowuud Notebook. We could guide you through but only you know what is it special for you at this moment of your life. The product variety and the purposes of it will be changed and fixed upon the first pre-selling and first customers feedback.	30%
		100%

Source: (Barrow, Barrow and Brown 2008).

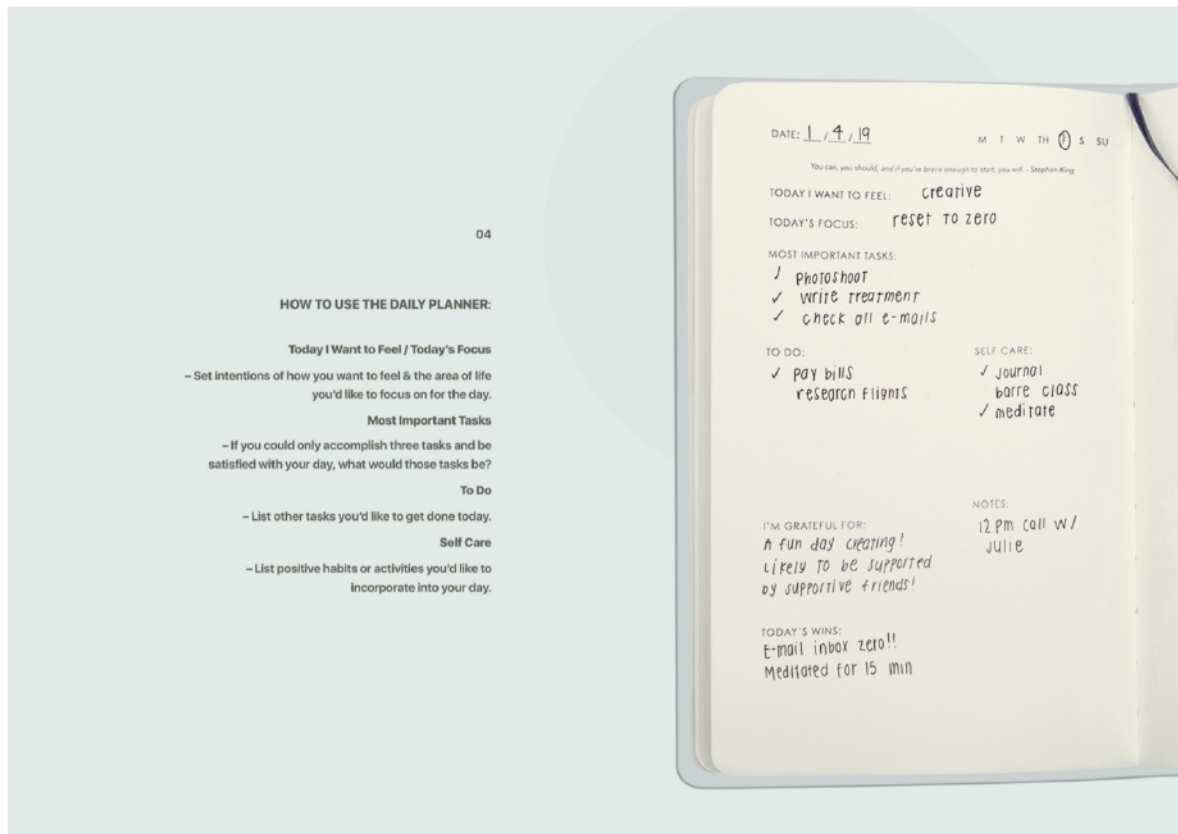


Image 7. Nowuud Planner (mock-up). Source: (Own design).

10.3 Management Section

The idea is started by the simple empathy and care about the trees in a combination with the great interest towards organisation of the thoughts, plans, and ideas.

The main key player is the author of the thesis. The creator will take over CEO role and all marketing activities with the help of the outsourced freelancers. The design parts will be supported by start-up called DesignerUp, who offer UI/UX product design courses with the full project support. Moreover, all other operations will be done by external advisers that will be involved to form the clear messaging, direction of the start-up, and support the activities.

The original plan is to outsource the team as it is the best way of the hiring people in this early stage, because it is the most cost-effective.

10.4 Marketing Strategies

The main marketing communications channels, such as content marketing, social media marketing, paid advertising, public relations, local SEO, partnerships, and event marketing. The information on marketing activities fully described on chapter 11.

10.5 Financial Overview

A business plan also covers the financial aspects of starting the business.

1. A startup budget.

The budget of the startup is 1.000 dollars.

2. A startup potential costs.

- Purchase of industrial hemp paper.
- Delivery costs of industrial hemp paper.
- Delivery costs of industrial hemp paper.
- Printing and branding operations costs.
- E-commerce website development and maintenance costs.
- Marketing monthly expenses.
- The cost of outsource freelancers online.
- Taxes on the delivery to the different countries.
- Taxes on the entrepreneurial activities.

3. Sources and uses of funds. The information on fund opportunities (Murray 2018).

There are many sources of funding. Firstly, it can potential be eco-friendly funds that support sustainable products. Secondly, it can be independent investors (also, called “angel” investors) who are interested in the particular topic. Also, local independent or governmental funds can be supportive in order to increase the local entrepreneurial activities.

11 MARKETING COMMUNICATIONS PLAN

This chapter will include the SWOT analysis of the product that is based on the information from the market analysis chapter and business plan chapter. Also, in this chapter, the marketing mix will be covered as well as the full marketing communication strategy.

11.1 SWOT Analysis of the Product

The SWOT Analysis is based on the Analysis that was conducted in the previous chapters.

Table 8. SWOT Analysis of Nowuud.

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. New eco-friendly products made out of hemp. 2. Limited startup risk. 3. Added value: sustainability of the product. 4. Co-founders marketing, sales, and design enterprise. 5. Support with design-related side by DesignerUp startup. 6. The launch of a unique luxury product. 7. Ability to sell products online globally. 8. The unique design of the product. 9. The unique inner functionality of the product. 10. Worldwide e-commerce shop that helps to serve the products globally. 	<ol style="list-style-type: none"> 1. Lack of budget. 2. Dependence on some of the supplier who delivers the product materials. 3. No past business launch experience. 4. No past experience with the raising funds.

OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. Very limited competition of eco-friendly hemp paper products locally and globally. 2. Cross-selling with small sustainable brands. 3. Long-term partnerships with huge stationary retailers. 4. Increasing demand for luxury notebooks and crafted stationary products. 5. The absence of the competition on the market of crafted eco-friendly stationery products. 6. Customers will be having more knowledge and desire to buy products from companies who support and respect nature in the nearest future. 	<ol style="list-style-type: none"> 1. Changes in international and local tax regulations. 2. Changes in regulations can impact the business. 3. Competitors can offer similar eco-friendly products. 4. Traditional paper products are already being sold by well-known companies. 5. Peoples' choice to digitalise all information: blogs, corporate websites, corporate e-databases. 6. Possible increase in the prices of materials by suppliers. 7. More and more businesses are expected to email each other and clients instead of printing the emails. 8. The decrease in the demand for paper stationery in recent years. 9. High barriers to entering the market.

Source: (Own research).

The detailed description of each mentioned parts of the SWOT analysis:

Strengths

The strengths of the Nowuud are diverse and broad. There are competitive advantages of the Nowuud startup, such as sustainability of the product, unique design combined with the inner functionality of the product that will support the online marketing activities and drive sales through e-commerce website globally. Moreover, the expertise of the team, such as the creators of the startup with the marketing and sales background linked with the partnership with DesignerUp startup will support all marketing, lead generation, and design processes.

Weaknesses

The weaknesses are connected with the lack of the budget. In this case, the external investors will be involved, however, that makes business dependent on the other people. Moreover, the team is not experienced in the launching of the business or in raising funds for the startup.

Opportunities

There are many external opportunities that can be explored.

First of all, the cross-selling and partnership opportunities with similar or contrasting brands on the market. For example, there is a chance to partner with a company that provides sustainable packaging for the products or with a brand that offers the self-development course and would prefer to help our customers to improve themselves. All these activities can be made with cross-promo activities.

Secondly, there is a chance for an increase in the customers' demands as peoples' awareness of global environmental issues is increasing. Basically, customers will be more mindful with their decisions and will look for alternatives to the paper and plastic products that harm nature on a daily basis.

Thirdly, direct competition is very limited. There are 3 strong competitors on the market. However, as it was analyzed there all had some issues or limitations. For example, the Karst focuses on upmarket that means that the prices of their products and delivery are above average so they do not cover all the market. Moreover, other competitors are also local and have a lot of troubles with brand awareness on the digital space. This is way the market is new and open for new players.

Threats

The threats are connected with the possible changes of international and local taxes and other regulations of e-commerce and entrepreneurship activities. Moreover, there is a possibility of technological progress that connected with stationery products that is why people will switch to the digitalise version of the journals, notebooks, sketchbooks and still they will get the same feeling of the paper like they use the material product. Also, there is a possibility of an increase in prices for the industrial hemp by suppliers that can effect on the prices of the actual product.

11.2 Marketing Communications Strategy

The marketing communications strategy can include a variety of marketing activities. Moreover, the marketing communication strategy might be changed during the testing and launching some of the activities as some tools can work better for the targeted audience.

Traditional marketing communications strategies:

Paid advertising

In the digital world, paid advertising is the essential tools to reach the customers and to convince to interact with the website, additional supporting content materials, and lead to the purchase on e-commerce. The main paid advertising tool is Facebook Ads that is also connected with Instagram as it is the same advertising platform that is originally called Facebook Ads Manager. Nowuud has a potential for a high chance for a good performance on paid advertising channels as the creator has a 4-year working experience that will support all properly set up, creation, launch, further optimization of the advertisement campaigns.

Event Marketing

Conducting local events on variety of topics, such as “Sustainable Way of Living”, “Eco-friendly DIY Workshop”, “Unlocking Productivity”, “Self-development Workshop”, “Productivity Tools for Business and Life” and many others, in order to bring up the brand awareness, awareness of the sustainable way of living and self-development tools. Also, there are some internal guest can be involved on the free basis, as a part of the cross-promo activities.

Public Relations

Reaching out the local or international digital media channels in order to be publish an announcement about the pre-launch of the company, and other further news of the company. For example,

Partnerships

Partnerships with different eco-friendly companies and volunteering organisations that will be helping and supporting the Nowuud activities in return the promotional activities form our side. Also, entrepreneurial organisations that support women in their launching processes. Moreover, it is not necessary for potential partners to be in the same fields as the “Nowuud”, the potential partners can be from completely different area.

Digital marketing communications strategies:**Content marketing**

Content marketing will cover all activities of the creation of Nowuud blog that will drive targeted audience who are interested in self-development and creation of new meaningful habits. For example, blogs like 'Find a better way to establish a strong habit' where there will be covered information from self-development books with the promotion of the Nowuud planner embedded.

Email marketing

The first essential of building up the powerful email marketing funnel is to attract targeted customers to share their personal data, such as name, surname, and email. This can be done via some promotional activities, such as sharing useful information directly on the website and on social media channels, where target audience, for example, will receive a free pdf book, or free one-pagers about productivity, that will lead a customer to submit the personal data. After these activities, Nowuud will send monthly email newsletters that will cover all useful information about the latest productivity tool and will consist of a discount code. These activities will lead to the possible consideration of the purchase of promoted products.

Search engine optimization: local

Working on the local search engine optimization processes on website in order to be better ranked on the search is essential.

Social media marketing

The engaging social media marketing content on Facebook, Instagram, and YouTube will be a main tool for the immediate results. The content will be a diverse but also focused on the customer profile.

Also, there is a risk that these activities will not work if the market is not ready to switch to the sustainable stationery products from traditional paper products. Also, it is possible that the local awareness of eco-friendly products is low and it will take time to educate, engage, and turn the potential customers into paying customers. Moreover, there are limits that are connected with the local e-commerce rules.

CONCLUSION

The Master's Thesis is composed to transform the idea into the structured plan and to create a successful business plan of sustainable products. The author of the thesis is the creator of the «Nowuud» and therefore the process of writing a business plan will be an excellent tool for gaining a deep understanding of business processes and for developing ideas on how to establish a business.

In short, the idea of «NOWUUD» is to improve the stationery products industry, introducing to the World stationery «paper» products made from a different source, such as industrial hemp, instead of paper that influences the nature in a harmful way. The goal of the presented Master's Thesis is to penetrate into the idea of the new business and to develop that business idea to a great extent.

Through writing, the creator wrote goals for the company, developed a clear and reliable vision and mission, reviewed potential obstacles and opportunities from the business environment, and also clarified its potential targeted customers. In addition, the thesis helped to build up the business plan and marketing communication strategy for the pre-launch of the startup.

Consequently, the thesis is aimed at ensuring that a creator of «Nowuud» and other potential supporters of the startup are guided by planning processes.

The theoretical part described the basics of the business and entrepreneurship, fundamental parts of business and marketing communication strategy planning, as well as the methodology of the thesis.

The analytical part described the analysis of the main statement that it is possible to use a different source for the creation of the paper products with respect towards people and nature by using industrial hemp instead of cutting-woods and harming the ecology by the process of the creation of the paper products. Moreover, the in-depth competitive and customer research is covered in this part as well.

The project part consists of the actual business plan, the marketing communications plan, and a brief financial overview.

The research questions were answered and the goal of the thesis was met.

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LIST OF ABBREVIATIONS

A2A	Administration-to-Administration
A2B	Administration-to-Business
A2C	Administration-to-Consumer/Citizen
B2A	Business-to-Administration
B2B	Business-to-Business
B2C	Business-to-Consumer
C2A	Consumer/Citizen-to-Administration
C2B	Consumer-to-Business
C2C	Consumer-to-Consumer
CA	Canada
CEO	Chief Executive Officer
COGS	Costs of Goods and Services Sold
CN	Chile
CZ	Czech Republic
DIY	Do It Yourself
DK	Denmark
EU	European Union
FR	France
GEM	Global Entrepreneurship Monitor
GR	Germany
ISO	International Standards Organization
IT	Italy
IT	Information Technologies
JP	Japan

KR	Korea
NGOs	Non-Governmental Organizations
NL	Netherlands
NPOs	Non-Profit Organizations
PHL	Philippines
PPC	Pay-Per-Click
PR	Public Relations
PPI	Pay-Per-Impression
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RoHS	Restriction of Hazardous Substances Directive
RU	Russia
SE	Sweden
SEO	Search Engine Optimization
SMBs	Small and Medium Businesses
SMM	Social Media Marketing
UI	User Interface
UK	United Kingdom
USD	United States Dollar
USA	United States of America
UX	User Experience
VAT	Value-Added Tax

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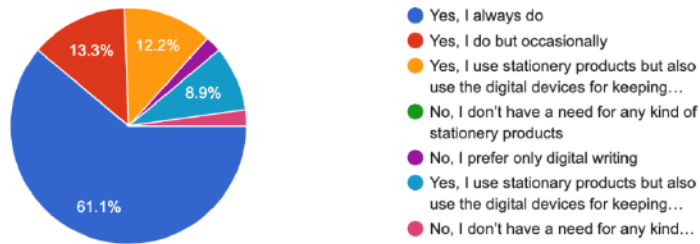
APPENDICES

- 1) Graphical information of the questionnaire survey
- 2) Illustrational information of the Thesis
- 3) File with answers from questionnaire survey (DP Knarik Avanesyan - appendix.xlsx)

APPENDIX P I: GRAPHICAL INFORMATION FROM THE QUESTIONNAIRE SURVEY

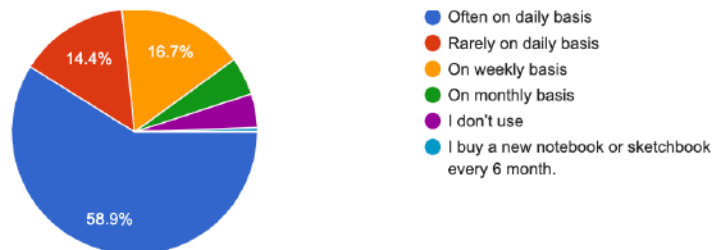
Do you use any stationery products, such as notebooks, diaries, planners, journals or sketchbooks?

180 responses



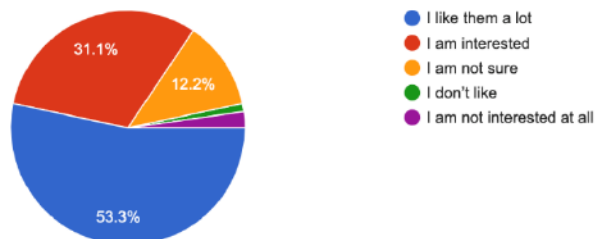
How frequently do you use stationery products, such as notebooks, diaries, planners, journals or sketchbooks?

180 responses



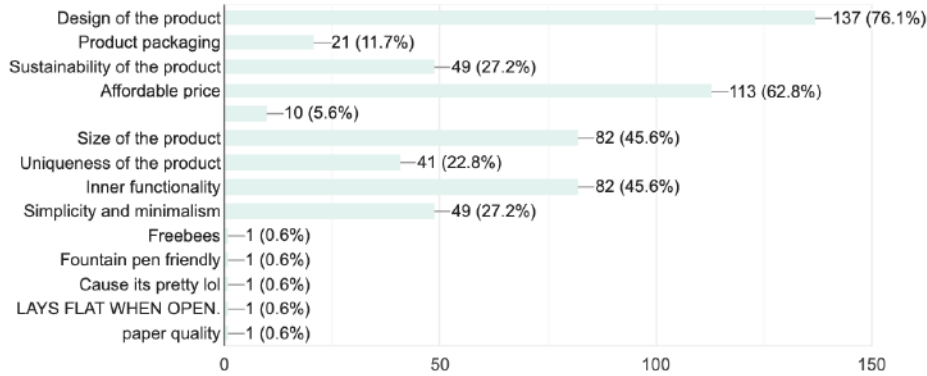
What is the level of your interest towards stationery products, such as notebooks, diaries, planners, journals or sketchbooks?

180 responses



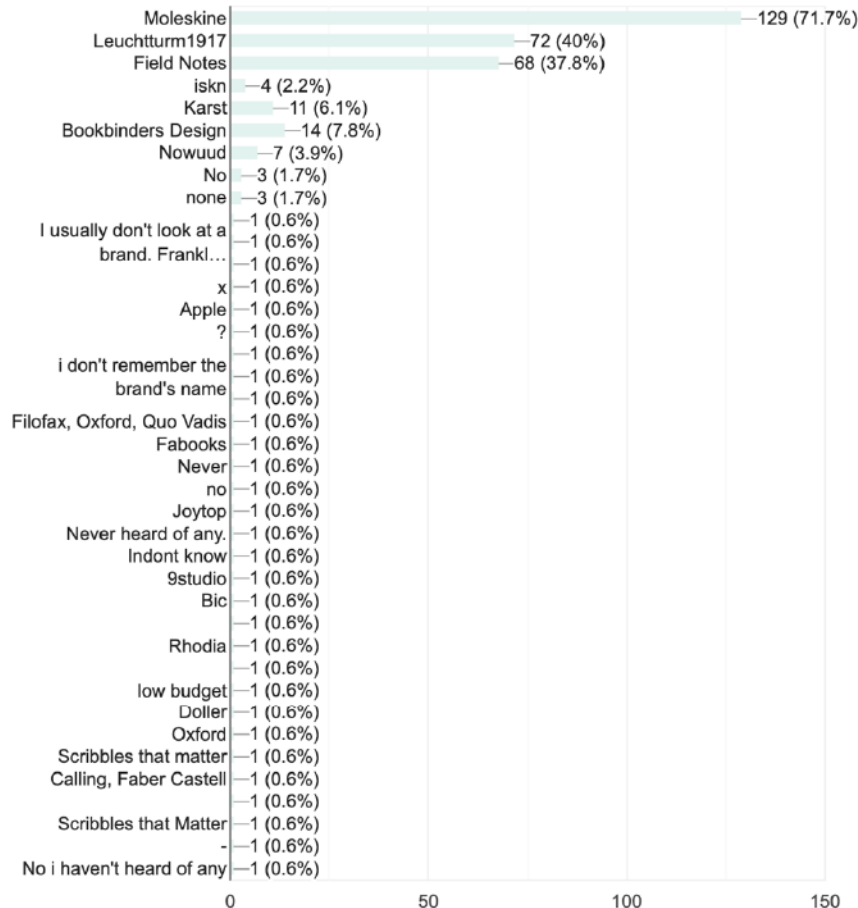
Which are the aspects that attract you of considering the purchase of notebooks, diaries, planners, journals or sketchbooks?

180 responses



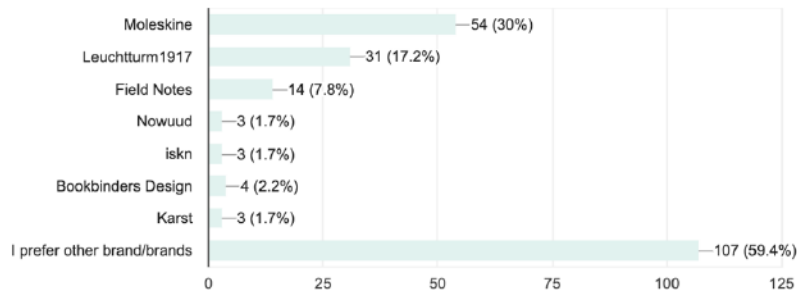
Have you ever heard about these brands? Choose those you know.

180 responses



Do you use some products of the following brands?

180 responses



Are there any other brands of stationery products brands that you use and there are not on the list above? Please, write down the name of it:

180 responses

No

no

-

Doller

Not sure

nope

Nope

.

None

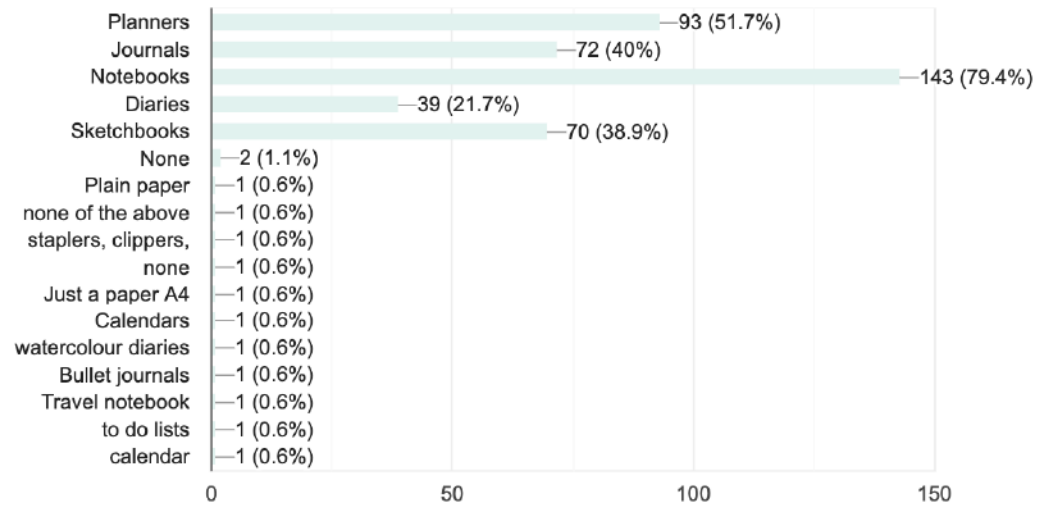
Scribbles that matter

Not really

I just use blank paper that I can throw away and whatever free goodie I get at conferences

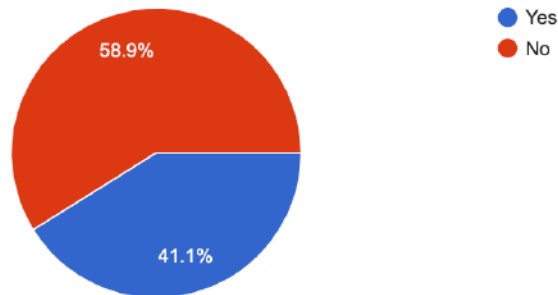
Which kind of product do you use?

180 responses



Have you ever heard of the alternative sources to the forest-destructive paper products?

180 responses



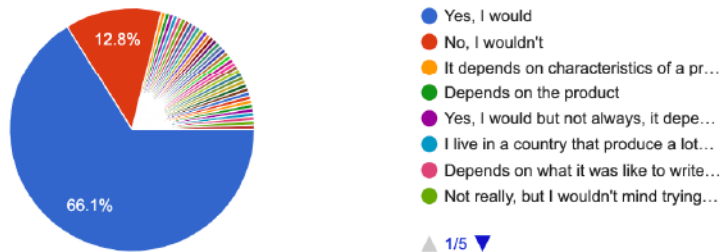
Please, specify the alternative source of paper that you have heard of:

74 responses

- Hemp
- Recycled paper
- recycled paper
- Stone paper
- Переработка созданной бумаги и создание бумаги из прядильных культур
- In India there is one factory where they use elephant poop to make paper
- recycled material
- E-book
- I don't know
- No
- I don't know basically new source of paper but 'outliers notebook' has sustainable products which are reusable and erasable after finishing the notebook.
- Elephant poop (seriously))

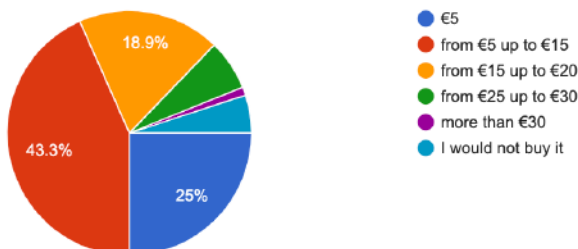
On the stationery products market there are products which are made out of the paper and products which are made from other alternative sources, such as hemp, cork, stone and others. Would you prefer to purchase the alternative one over the normal paper?

180 responses



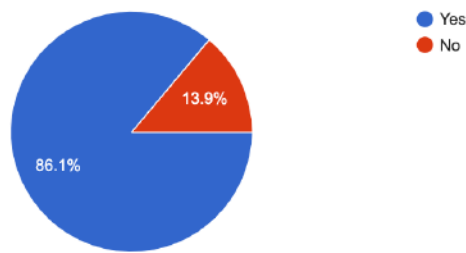
How much would you pay for the sustainable alternative to the forest-destructive paper products, for example, a simple notebook with 250 pages and A5 size?

180 responses



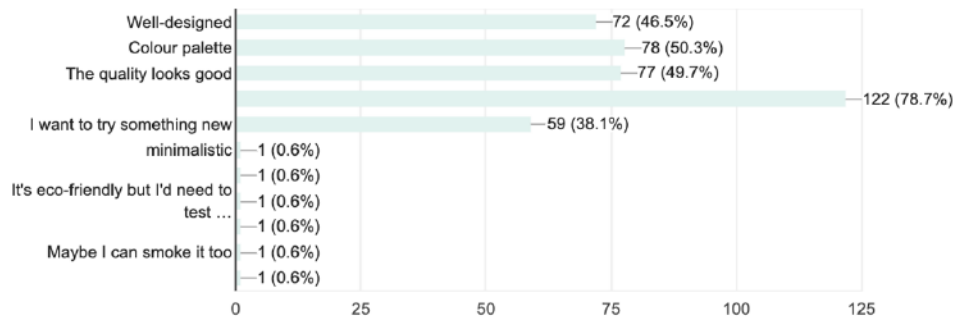
“Nowuud” is an eco-friendly alternative to the forest-destructive paper products. We don't use trees, water, wastes, acids or bleaches for production as it is necessary for the production of traditional pulp paper products. Our notebooks and planners are made of hemp. Along with the mindful design and functionality, we offer sustainable and recyclable products. If we take into consideration one of the product, such as a notebook with size of 250 pages, A5 format. Would you like to have this product?

180 responses



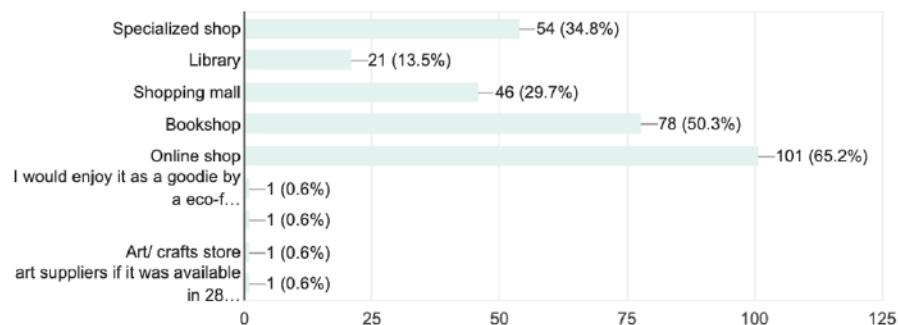
Please, choose why you like this product?

155 responses



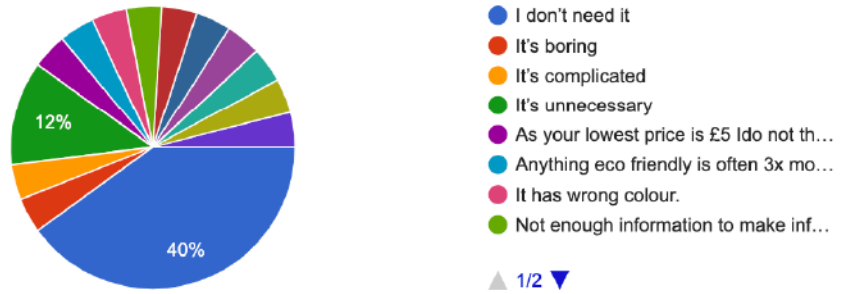
Where would you most probably purchase this product?

155 responses



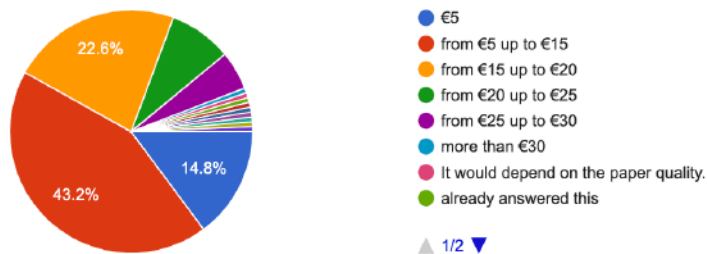
Please, tell me why you won't choose this product?

25 responses



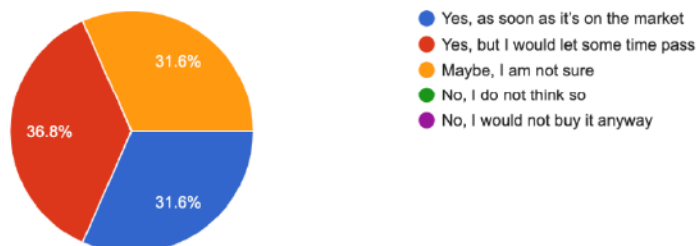
Considering that fact that the product is a sustainable alternative to the forest-destructive paper products and a notebook with 250 pages and A5 size. How much possibly would you pay for the product you have seen?

155 responses



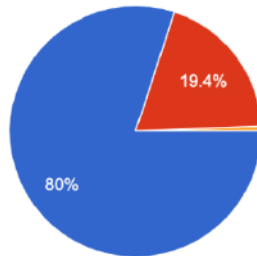
Taking of a base where you are in agreement with the price, would you buy it?

155 responses



What is your gender?

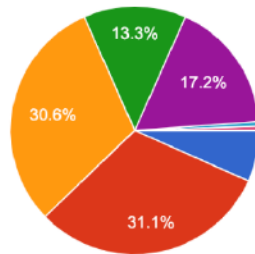
180 responses



- Female
- Male
- Not relevant to this survey

How old are you?

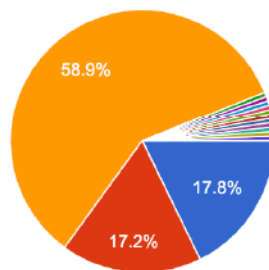
180 responses



- 14 - 17
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 65
- Not relevant to this survey
- over 65

What is your finished academic level?

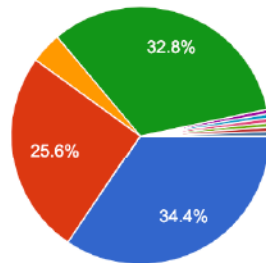
180 responses



- School Education
 - College Education
 - University Degree
 - PhD degree
 - master degree
 - masters
 - PhD
 - Not relevant to this survey
- ▲ 1/2 ▼

What is your current relationship status?

180 responses



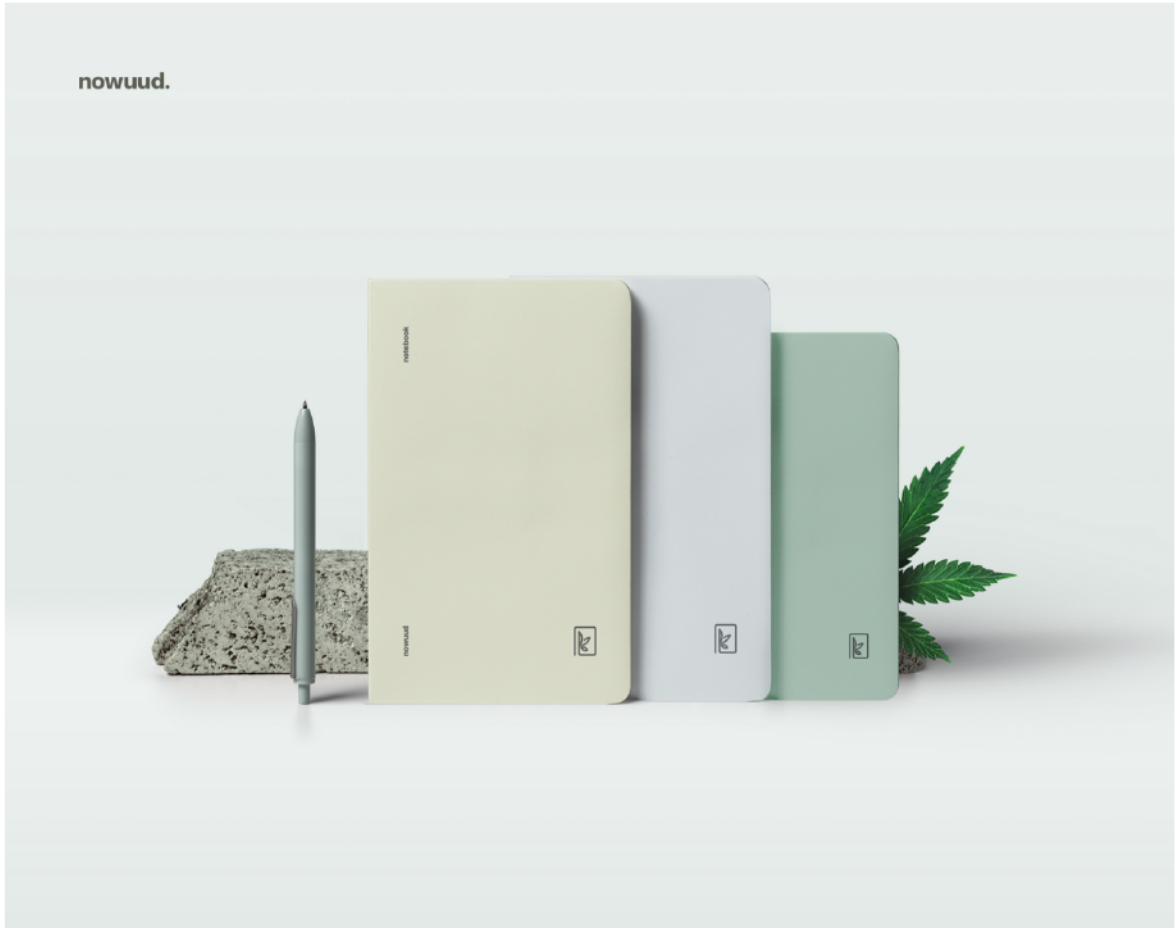
- Single
 - In a relationship / relationships
 - Engaged
 - Married
 - Prefer not to disclose
 - Not in a relationship
 - What does this have to do with anyt...
 - Its complicated :D
- ▲ 1/2 ▼

Please, specify the country you currently live in:

180 responses

Czech Republic
USA
Russia
United States
Czech Republic
Russia
USA
UK
Germany
Turkey
Usa
Uk

APPENDIX P 2: ILLUSTRATIONAL INFORMATION OF THE THESIS





NOWUUD

