

EMBA Final Project – Topic Proposal Form – Business Plan

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Executive Summary

Advanced technology has become a main part of our life recent years. The majority of population uses mobile devices in daily activities, they do a part of their jobs, communicate with each other, do online shopping through them and etc. The Internet and social networks have also become an integral part of our lives and its popularity growing. The idea of this business plan is to take an opportunity of the advanced technologies and benefit from the Internet in setting a business in the country. We are going to provide advertisement services to population in free Wi-Fi zones which is expanding very fast since almost all public places are becoming free Wi-Fi areas. These places are becoming indispensable for marketing and advertising. On the contrary, other advertisement channels such as TV, radio, newspapers etc. lose their popularity gradually.

In the first chapter of the project, we provided background of the industry, analyzed current market situation and opportunities. The way how we are going to implement this business is also reviewed in this piece of the project. Covering Baku and a part of Absheron peninsula, not having enough experiences in the planned sector, market size and some other factors are listed as limitations for this business. However, customer segmentation will be core value and main driver of success of this project. We have conducted survey among roughly 500 people in order to study the market potential, consumers expectations, industry and market growth potentials. All study and analysis support the planned business feasibility and encourage BP owner to start this business.

In the second section, I explained the planned company description in terms of vision, mission and values that we are going to differentiate the business. There are not any competitors in the local market which could be considered as one of the main advantages for this startup. Service details are described in this chapter and potential key partners are also identified. In fact, on the one hand, any advertisers could be the potential customers for this business. On the other hand, business locations are also our potential partners as we will provide them valuable information about their customers which could be used to increase loyalty and expand current businesses via target-oriented campaigns. Survey results show that the considerable part of consumers is not interested in following ads through existing advertisement channels and in most cases, ads are skipped by them. Short and long run growth strategy of this business was given in this section. I tried to take into consideration ethical and legal issues of this business while preparing mentioned business plan.

In the third chapter, industry and market analysis are given. Different theories such as Porter's five forces, SWOT analysis, PEST analysis and business model CANVAS are studied in this section. I also tried to detect customer expectations from this industry and market which is considerably important for this kind of businesses. Analysis show that there is significant space for the market growth which could be considered as "blue ocean" for the country. In addition, prepared strategic roadmap for 2016-2025 years which was signed by the president of Azerbaijan Republic which provides wider opportunities for startups, especially businesses related to IT and telecommunication. Statistics confirm that Azerbaijan is one of the faster developing countries in the world since total GDP and GDP per capita have been rising

for the last several years. This indicator could be considered as one of the positive factors to attract foreign investors to the country.

In the next section, I explained details of the organization, human resource strategy and the way of managing the company etc. We assume that there will be five employees in the company for the initial stage. Sales and marketing specialists, IT operation engineer and software developer will support company operation under general manager supervision. We understand that better working environment is one of the essential factors of the business success. I explained my own vision for this regard – how the working environment is going to be, what will be our operation plan, how we will provide services to customers, working hours of employees and so on.

In the fifth section, we defined the brand for planned business and its slogan. These attributes are also important as the first impression about the company is created based on them. We tried to make logo of the company simple, but impressive and understandable. Slogan also was chosen short with great meanings behind. Our plan is to start with 5 locations of restaurant “Mado” placed in different points of the city and one of the biggest shopping centers of Baku. We reviewed required equipment to provide services in the planned areas and clarified it with owners or managers of those locations. It is defined that restaurants have own devices and provides Wi-Fi to clients currently while shopping centers do not have centralized service which means we will deliver modems and switch to them in order to secure Wi-Fi connections to users.

Chapter six is one of the crucial parts of the business plan which is related to financial analysis and forecasts. It is significantly important in terms of funding, attracting investors, feasibility of the business from financial perspective and finally, to make a conclusion if it makes sense to start this business in general or not. I made detailed analysis of startup cost for this business, explained fixed and stepped (variable) costs, revenue, financial statements and so on. Expected startup cost of this business will cost approximately 65.800 AZN. We are going to cover this cost with shareholders equity and bank loan. Projected total revenue for the five years of operation will be 2.353.600 AZN while total expenses will be roughly 1.600.000 which means this business is feasible in terms of financial projection as well.

Finally, in the seventh section I dealt with expected risks and exit strategy for the business. It is undeniable fact that every business has threat of bankruptcy in some degree. It is valuable if business owners have “Plan B” for emergency situations. Exit strategy is necessary not only for business owners, but also for investors in order to show the ways of returning of investments in case of bankruptcy or exit from the business at some points. We developed two exit strategies for the company. The first option will be going for Management buyout with potential competitor in the market and the second choice is to sell the company.

I. INTRODUCTION

1.1 Background

The purpose of the current research is to prepare and implement a new advertising business project, using unique opportunities created by the policy of telecommunications in our country. The business plan involves advertising in the capital of Azerbaijan, Baku, in the free Wi-Fi zones of business companies operating in various fields.

The experience of some developed countries shows that this kind of advertisement is very useful and effective (Socifi).

Preliminary research shows that this field has not been developed enough in Azerbaijan. There are currently 3 companies providing free Wi-Fi services in Azerbaijan - Easy Wi-Fi, Bakcell Wi-Fi and Baktelecom Wi-Fi (ASAN-Wi-Fi), (Bakcell Wi-Fi), (ICT news). Two out of three - Easy Wi-Fi and Baktelecom Wi-Fi are companies created and operated by state-owned enterprises. The main objective of these companies service is to ensure that people are able to enjoy internet access in public places. Bakcell Wi-Fi is provided by one of the mobile operators of Azerbaijan. "The main purpose of providing free data services to subscribers via creating free Wi-Fi zones is to increase customer loyalty and to strengthen our positions in the mobile market" (Sharifova S., Personal interview, November 18, 2018). Analysis of all three companies' activities in this field show that these actions are mainly socially oriented and it seems this service is not going to be developed to the real business.

Observations show that there are following common shortcomings of the existing above- mentioned companies providing internet services to subscribers in free Wi-Fi zones:

- no users segmentation;
- no Big Data, either users' data is not collected or collected data consists of subscribers' numbers and phone types only which is not enough for deep analysis;
- there is no information sharing between companies – advertizers and service providers;
- these companies are intended to make the service as one of their social responsibility which makes them less interested to develop software by demand, etc.

The investigations show that there are a significant amount of companies in Baku who are interested in placing their ads on social media and free Wi-Fi zones. The mobile advertising market is more preferable for this purposes in terms of audience and easy to reach. Negotiations were held with several large companies in Baku, their needs have been listened, exchange views on the level and capabilities of the current advertising services in order to identify potential customers for the planned business. Undoubtedly, companies are interested in making their advertising more effective and profitable. Therefore, such software should be developed that company who pays for the advertisement would be fully satisfied with the service. A server where visitors data is going to be collected should be in a such size that can store the largest amount of data for considerable period. The software should be

developed to such level so that detailed analysis and various types of processing of users' data can be available. So, due to collect information customers segmentation and differentiation should be presented and shared with clients. As a result, a successful business are build by securing companies with expected level services.

1.2 Opportunity

Nowadays, “marketing” and “advertising” are deeply rooted in people’s lives. The necessity of advertising in terms of influencing human psychology, building up motivation, stimulating them, and setting up the right priorities when establishing any business is undeniable. According to statistical data, consumers come across nearly 300 advertising products every day, watching about 100 advertisement rolls (Taxes).

According to the accepted norm in the world, the media advertising market should be approximately 1% of GDP. Thus, in 2000 world GDP amounted to 32.2 trillion and 327 billion in the advertising market in US dollars (Taxes).

Looking at the global trend in the world, we see that the mobile advertising market has grown almost twice over the last three years from 2015 to 2018, whereas there was no increase in other types of media (television, online, newspaper, magazines, etc.), on the contrary, the volume of advertising has declined. (see Annex 1). This shows the positive dynamics of the mobile advertising market and serious demand for this field.

Statistical data shows that Azerbaijan is in the 58th place in terms of internet users and approximately in the 30th from the data users share perspective in the world (see Annex 2). Considering today's development of the ICT sector in Azerbaijan, this is not a bad indicator and I believe Azerbaijani position will be strengthened in near future. Though there is considerable fall behind trend in the online advertising market in the country in comparison to worldwide level. Comparative analysis of the situation shows that there is a great opportunity to develop the advertising market in Azerbaijan. Despite the fact that, GDP of Azerbaijan was 54 billion AZN in 2015, the media advertising was about 50-51 million AZN only, which is just about 0.1% (Statistics). About 40 million AZN of this advertising market was on TV and 5 million AZN on the radio. Another 6 million AZN turnover is for advertisement over the internet in Azerbaijan (Banker).

The number of data users in a free Wi-Fi zones reached 1 million in September 2017 and is still growing in Azerbaijan. Undoubtedly, these users are a potential audience for mobile advertisements (ICT news).

Total data users in Azerbaijan increased approximately 11% or 1.4 million over five years from 2011 to 2016 (Figure 1. Source: Annex 3).

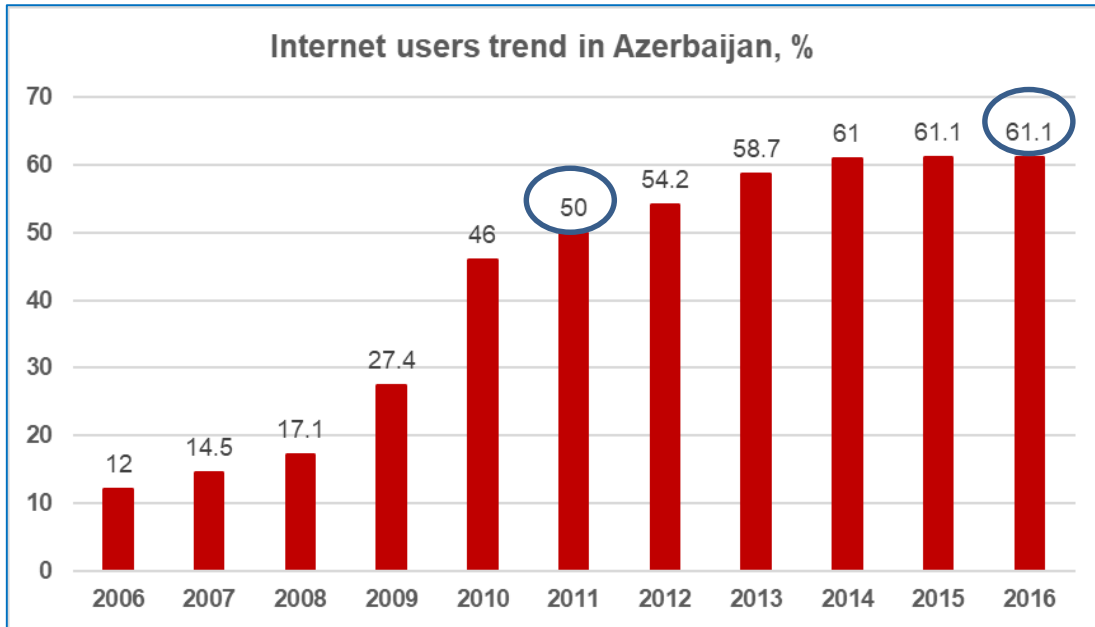


Figure 1. Internet users trend in Azerbaijan.

There are 3 advertisement channels in general – TV channels, radio channels and online platform. The TV advertisement turnover is around 80%, and approximately 10% for radio and online advertisements respectively from the total market in Azerbaijan. The TV broadcasts about 900 companies and 2000 products in Azerbaijan, whereas nearly 500 companies and 1000 products advertised on radio channels in 2015. The big market players in terms of spendings to advertisements are P & G, Coca-Cola, Schwarzkopf, Mobile operators (Bakcell, Azercell, Azerfon), Azersun Holding (the company produces foodstuffs), Delloro (the company produces furniture) on local TV channels (Taxes). There are around 10 TV and 12 radio channels in Baku where the majority of the ads are advertised. The main advertisers on the internet are mobile operators, banks and the automotive sector. Actually, all these companies are potential partners for the newly planned project.

There are certain reasons of rapid increase of internet users: the availability of multifaceted data services, the possibility of accessing all kinds of information over the Internet in a short time, social networking, opportunity of using voice and video calls over data channels and so on.

The situation in the advertising market is a bit different. Most companies promote their products on local television channels, which is firstly, more costly in comparison with other types of commercial channels. Secondly, it loses its effectiveness in terms of audience. Analysis shows that majority of advertisements do not reach to the target clients.

Despite the fact that, online advertising is more effective, it has not gained enough popularity in our country due to the aforementioned and some other reasons yet. The main obstacle here is that advertisers are not well informed about the visitors and potential audience or provided information does not reflect the real situation. There is no guarantee that the visitor will be able to watch the ads

whenever he or she sees it on the internet or on social networks. These types of ads usually contain "you can skip the ads after "x" seconds" and observations show that the vast majority of visitors skip these ads immediately and return needed pages.

Due to these issues, advertising over the internet is not considered important for many companies and online advertising does not justify itself.

The above-mentioned problems show that there is a need for a new approach in Azerbaijan's advertising market. This approach should, of course, be more dynamic, innovative, up-to-date, flexible, useful, and build more confidence for advertisers.

The prepared business plan combines two missions: 1. Creating a Big Data by collecting information of free Wi-Fi zones visitors. 2. Real-time advertising.

According to the business plan, at the initial stage, a perfect software will be developed and downloaded to router drivers in free Wi-Fi zones. Visitors who attempt to use a free data service in the premises of this enterprise, organization, service facility, firstly, should include brief information about themselves. Subscriber information includes age, gender, social status (employed or unemployed), education and marital status. Visitors' mobile number and device will be identified and stored on the DB automatically. Short personal information will be required once for each visitors not depending on locations he is going to use internet service as the database is centralized. A visitor will be able to use free internet after watching short advertising videos. There will be some links, .jpeg files (pictures) as well. This business will be developed further and it is intended to have a separate application for smartphones, which will provide a wider opportunity to manage the clients' data through it. This approach ensure advertisers that people follow their ads.

Another approach is to merge advertising and sales and to propose product or services followers through surveys. For example, when a visitor attempts to get free internet, he will be asked "Whether he is using any products of the company "X"?" or "If he has ever been to the restaurant "X"?". After users' response, the immediate message is sent to him with the content that "he can get this product or service with "a" percent of discount prices for next "b" days". This way, on the one hand, the offered service or product is advertised, and on the other hand, online sales can also be realized. The Big Data which is going to be created will also allow to make location-based ads. In the proposed business project, it is assumed that subscribers will be segregated, which is very important for advertisers.

The main advantage of the project is sharing valuable information with free Wi-Fi zone organizers/partners which will grant them to be more close to their clients in the future. For example, a restaurant getting weekly or monthly information about clients who used their services/products will be able to benefit from provided data in order to expand business and organize it more effectively. Similarly, regular customers can be informed about new dishes, additional services or the restaurant can make discounts for loyal clients at certain time (holidays, birthdays, family) or corporate events which will definitely increase customer satisfaction and loyalty. Taxi services or "rent a car" companies will be interested in advertising their services at hotels.

As it was mentioned above, the planned business will get success through providing well-managed advertisements with the right audience and in right places as a result of customer segmentation and high-level analysis. So far, negotiations have been held with P&G, Dominos Pizza, Chain of Restaurants “Mado”, Azercell, Bank of Baku, Bank Respublika, Oriflame Azerbaijan and some other companies. These potential customers’ expectations have been revealed and preliminary agreement on advertising has been achieved with some of them.

1.3 Business plan development

Actually there are two different approaches regarding to the developing detailed business plan for start-ups. A part of entrepreneurs believe that it is not mandatory to have well prepared business plan while others insist that it must be. It is undeniable fact that there are a number of bright samples that both could refer to their own treatment. In other words, some people think that developing a business plan is a waste of time and it is outdated. Others accepts such plans as a tool and argue that this tool is important for entrepreneurs in their success in future. (Morales & Weenk, 2014)

Definitely, the main purpose of the project is to set up business in Azerbaijan benefiting from current opportunities of the market. Meanwhile, another purpose of this business plan is to improve effectiveness of advertisements in Azerbaijan and help entrepreneurs reach their targeted audience with an easiest way and right strategy. The goal of the advertisements is to reach target audience in certain areas, to improve customer loyalty keeping them informed about innovations, changes, new products etc. of the companies. A vast number of internet users will be familiar with different products and services via this project and majority of unknown potential clients will become real customers for the companies. This business is aimed to analyze every user’s data and share valuable information with partners which makes the project unique and more attractive. Advertisers will be able to be engaged and promote their potential clients using this data and to clarify expectations of potential customers. On the other hand, there will be possibility to make customers segmentation which is included in the growth strategy of this business. It is very important and valuable for both parties – advertisers and followers. Because manufacturers will know customers behavior better, expectations, drawbacks of the their business and at the same time followers will not be disturbed with unwanted and unreasonable ads everywhere. Customer segmentation is intended to differentiate potential clients by their age, gender, social status etc. and deliver appropriate ads to the right audience (Figure 2).

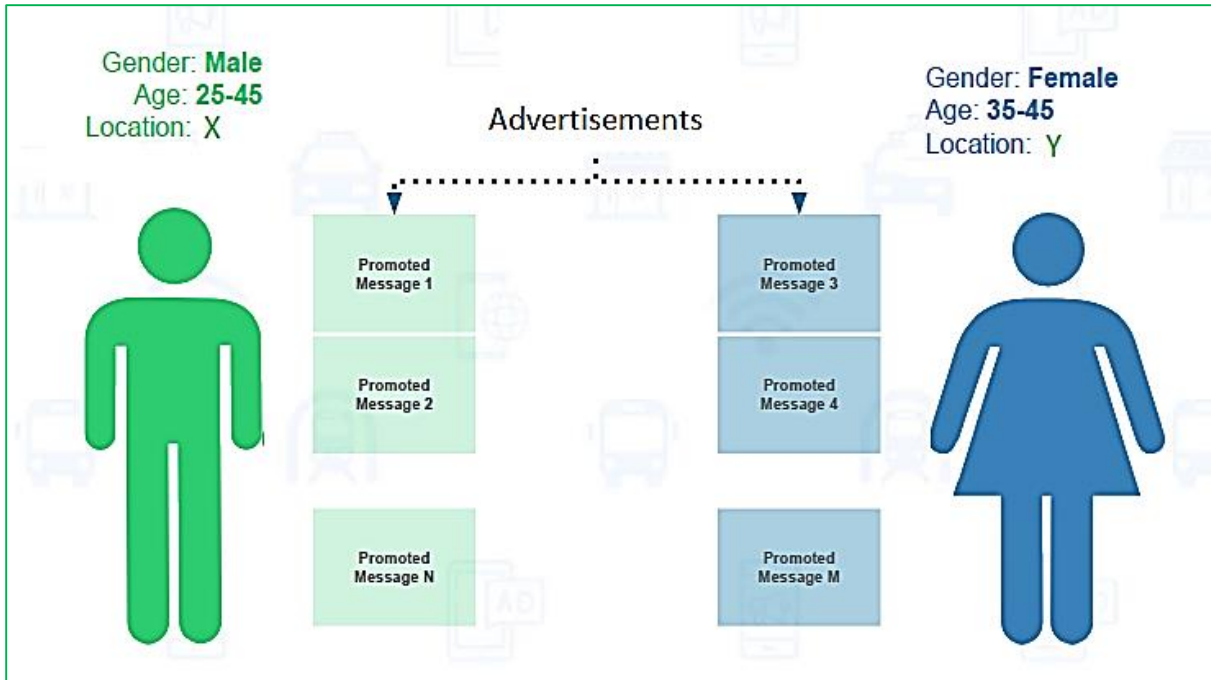


Figure 2. Customer segmentation illustration.

It makes sense to note here that I partially agree with entrepreneurs who reject business plan. But we should not consider these plans just as a well-designed presentation. To write a business plan, to explain every step of the process, to show where the operation starts and where it ends could be unnecessary. However, it is important to be supported by external investors and other institutions for newly started businesses in many cases. Entrepreneurs should convince those potential investors on the successful future of the planned business which is almost impossible without well prepared and presented business plan. (Barrow, Barrow, & Brown, 2008)

In this paper we will respond several important research questions listed below:

- To analyze opportunities for the advertising industry in Azerbaijan.
- Available commercial channels in Azerbaijan and share of digital ads.
- The main issues companies face while advertising their products.
- What values can be added to this business in order to get competitive advantage in the market?
- Industry and market analysis.
- Who are the potential customers and their expectations for the planned business?
- Does this business feasible from technological, political, ethical, legal and financial point of view?

1.4 Limitation

There are probability of different limitations and issues during the process which to be resolved. Actually it is hard to identify all possible problems beforehand since the business has not started yet. As the industry and market has been learned well we assume that the following limitations might happen in this startup:

- 1) Questionnaire survey has been conducted only among approximately 500 citizens in Baku. There are more than 3.5 mln people in Baku, including temporary population and refugees at the moment. The result of relevance of the survey questionnaire depends on the honesty of respondents which is considerably hard to guess. Thus, survey result could be subjective in some degrees and survey scale is considered one of the main limitation in this term.
- 2) This business will only cover Baku and Absheron peninsula. There are other big towns in the country like Gandja, Sumgait, Shirvan etc., but these towns are not included in the future plan.
- 3) As we do not have any experience in this business in the country prices might be adjusted in some time. We realize that it is crucially important to define right market prices for newly offered products and services in order not to fail. Therefore, we analyze and get familiar with mobile advertising and marketing experiences of some countries such as Turkey, USA. We provide consultations with specialists in digital marketing sphere. So, defining wrong initial price should be considered as one of the possible obstacles of the project.
- 4) The accuracy of the information gathered and prepared could be an issue after delivery of the service to clients. Because the required information will be filled out by people and it is not guaranteed that everyone will be fair in survey. However, observations show that in this case, the wrong information is less in comparison with overall data, which can be acceptable for such surveys.
- 5) Next hurdle could be related to the data collection methodology. Obviously, not all free wi-fi users will accept the participation in our questionnaire.
- 6) In terms of country perspective Azerbaijan is a limited market itself. The issue is that, it is really challenging to have an agreement with locations to offer advertisements in their free Wi-Fi zones. At first glance potential partnership could be in attractive for those “future partners” and could be accepted as “headache”. The absence of such professional service in the country may hamper the partners' ability to cooperate more effectively. We believe that we can overcome this obstacle by sharing details of business idea and convincing these partners in the benefits of the service for their businesses as well.

1.5 Methodology

Research strategy

The research strategy for prepared business plan started by studying industry and market analysis. Previously author of the plan had had considerable knowledge and experience in telecommunication

and digital technology. Therefore, author lead the social Wi-Fi project while working for Bakcell one of the mobile operators of the country in 2015-2017 years. So, author of this business plan had a chance to analyze frequency of using Wi-Fi services, unique number of consumers. Actually this experience was one of the motivations to prepare this business plan and ensure that the plan is absolutely feasible. It was decided that collecting data through surveys will help to understand the market well. For this purpose qualitative data collection methodology was used due to following reasons: 1. The analysis we did was subjective and there was not a chance to compare it with statistical data. 2. Information related to users was limited with gender, age social and marital statuses and education which are not measurable whereas quantitative methodology includes quantities which are. 3. We covered only small number of population living in Baku which could not be represented entire population opinions and expectations since samples in the quantitative method should be considerably big and should generally cover nearly all populations' view. 4. Finally, the research methodology was a kind of investigation while in quantitative methodology it is often persuasive.

Data Collection

In general, secondary or primary data collection methods could be used in order to get required data. Secondary data is information that has been collected by some organizations to support its operations from different aspects. On the one hand, it is beneficial to have such published data, because we can use it in our projects in order to get answers for some questions. The main benefit of using secondary data is saving resources, particularly time and money (Mark Saunders, Philip Lewis, Adrian Tornhill, 2009). On the other hand, secondary data usually has been collected for specific purposes that differ from our objectives of the project and possibly we will not able to find answers to the majority of questions needed (Ghauri, P. and Grønhaug, K., 2005). Primary data is more reliable from this perspective, despite the fact that there are certain obstacles starting from time-consuming to the economic aspects. Primary data collection method mainly refers to interviews and questionnaires. We have used both methods in this project. There are 2 types of interviews, in general: standardised and non-standardised. It is intended to use standardised interviews like questionnaires in the majority cases, but electronic interviews are also considered as a non-standardised way of collecting data during the project.

One of the key issues during the surveys was to maximize the sincerity of the people involved in the study. Actually it took considerable time to explain business details to audience and group of people when it was direct communication. Author of this project relied on friends' and family members' support with distributing and collecting survey results as primary data collection which usually requires vast time and resources. We have been able to get direct answers from more than hundred participants thanks to these great support.

In parallel, social network and online survey application also has been applied. Questionnaire was formed on JotForm online application and sent to respondents. In total, 494 feedbacks were collected

from populations with different backgrounds, social statuses, age groups etc. It is clear that Wi-Fi network users can be almost from different age groups starting from 15 till 70 and even elderlies who are active in social networks and the Internet. Questionnaire has been conducted among people aged between 18 and 65 as they are most active Internet users.

Questionnaire

Questionnaire was simple and easy to answer. No sensitive information is requested in the survey. Respondents answered 18 questions in total, where 5 out of them were related to personal information such as gender, age, education, social and marital statuses. Consumers behavior was detected not only in approaches to advertisements broadcasting via TV and radio channels, but also social networks and Internet web pages. There were few questions about consumer expectations regarding to ads which made this survey interesting and encouraged them to share their own opinions. In general, 65% of respondents were male while females were 35%. The majority of participants had high education with 87% share whereas only 5% of interviewees were with primary school background. Approximately 360 participants had permanent jobs in a different companies while around one sixth were unemployed. Author made simulation survey among co-workers in the company in order to make sure that validity of this survey will be high and feedback was positive. There were also provided some discussions about the planned business and the majority of respondents accepted it as an interesting and reasonable idea.

Some analysis were made based on collecting data which supported author to come clear conclusion for the business idea and its future plan. Special tool Tableau is used for processing and analyzing the collected data. Tableau is known as a user friendly tool and has vast analytic possibilities. This tool is considerably useful to create regressions between different variables in comparison with other technologies.

II. COMPANY DESCRIPTION

2.1 Vision and Mission

Generally, business vision defines entrepreneur goals and ambition related to his business. In other words, the vision is the point where entrepreneur want to rise his business. From this point of view, vision of this business plan is to ensure the companies that targeted audience are aware of their ads and follow them. Advertisers must be sure that advertisement is not a waste of money and their message is delivered.

The mission of this business is the ways we are following to achieve this vision. It is intended to analyze expectations of Wi-Fi users in order to make clear segmentation of consumers. As a result, specific advertisements based on interest area of audience and their needs will be delivered to them. It will allow advertisers to show right ads which suits best for potential customers through our application based on followers age, gender, social statuses etc.

2.2 Values

Value is one of the key indicators of any business, especially for start ups. Because it is a key factor for newly started company to differentiate its products or services from competitors which is essential for future success.

There is no any company which is dealing with advertisements over Wi-Fi currently, as stated above. We are familiar with all three companies which provide consumers with free Wi-Fi and sure that no one have a plan to use provided services for business purposes. Despite the fact that there are no any real competitors in the market we believe it is mandatory to present core values of the company which might be effective to attract more advertisers.

The main core value of our project is customer segmentation. It is clear that the majority of internet users does not follow ads because they are not interested in. Advertisements are broadcasted generally not depending on followers age, gender and so on. Definitely, it sometimes causes disturbance to people. Survey analysis show that majority of population are not interested in common type of advertisements and do not follow them in many cases. 55% of TV followers, 77% of radio broadcasting listeners and 44% of Internet users do not follow ads according to the survey result (Figure 3).

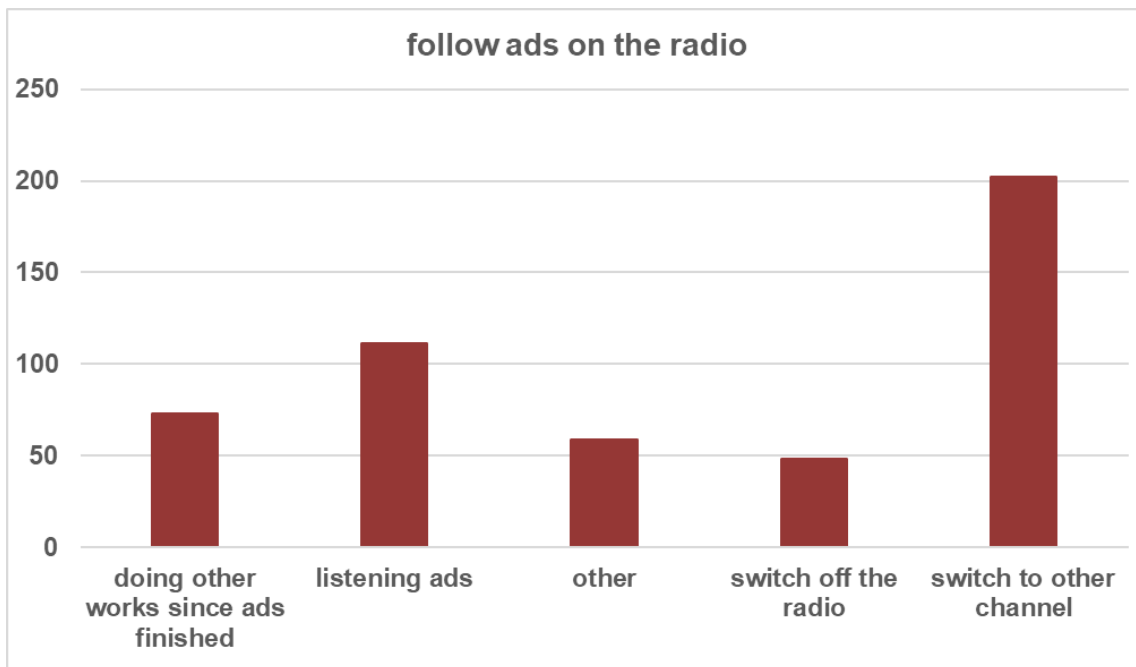
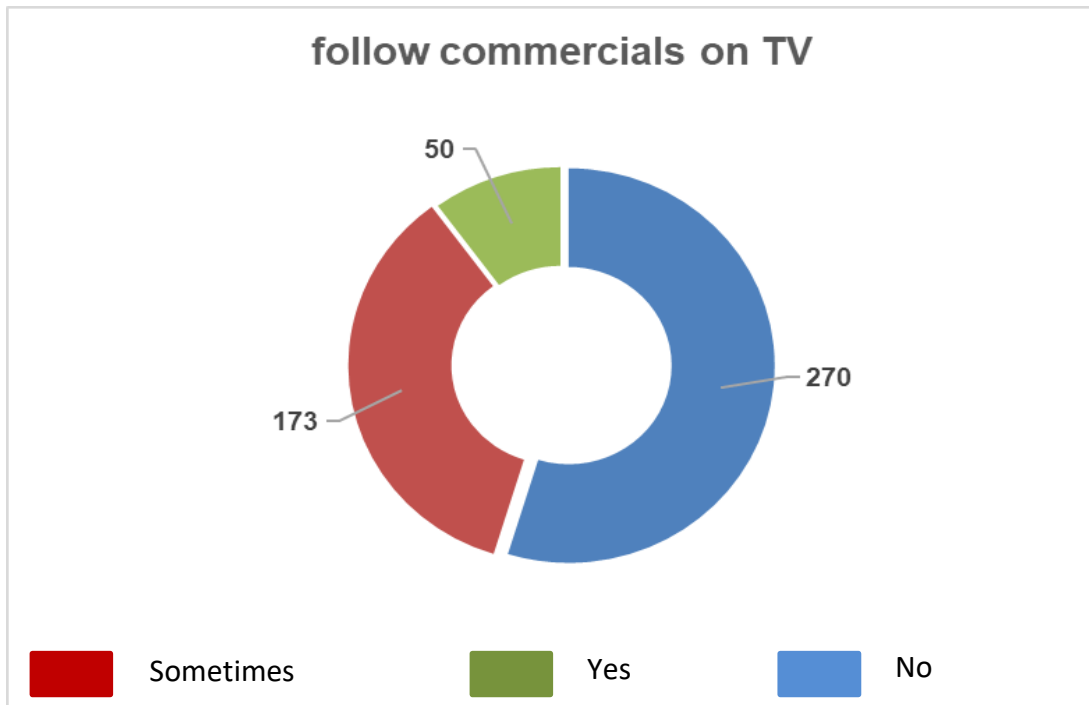


Figure 3. Ads tracking trend broadcasted on TV and radio channels

Another core value is re-marketing which is going to be used in our platform. It is also significantly valuable for advertisers. We will analyze clients data for specific service and products based on personal information and share prepared data with our partners. Indeed, the potential customers of the

planned business are restaurants, kafes, banks, manufacturers, mobile telecom operators, hotels etc. Using the prepared data for remarketing they will be able to plan some campaigns for loyal clients, inform them about discounts, organize special events to increase customer loyalty and so on.

Summarizing above mentioned values we can state that our core values for the planned business will be innovation, creativity, customer and clients oriented.

2.3 Service Description

FreeFi will provide advertisers with advertisement service in certain areas. The main difference is that advertisers will be confident in following their ads via our platform. Currently, it is not guaranteed that ads are reaching the targeted audience. Simply there is not any tool to measure or control it.

The format of advertisements in our platform will be the same as in current channels. We are going to provide video and picture formats of ads in our partners' areas (Figure 4).

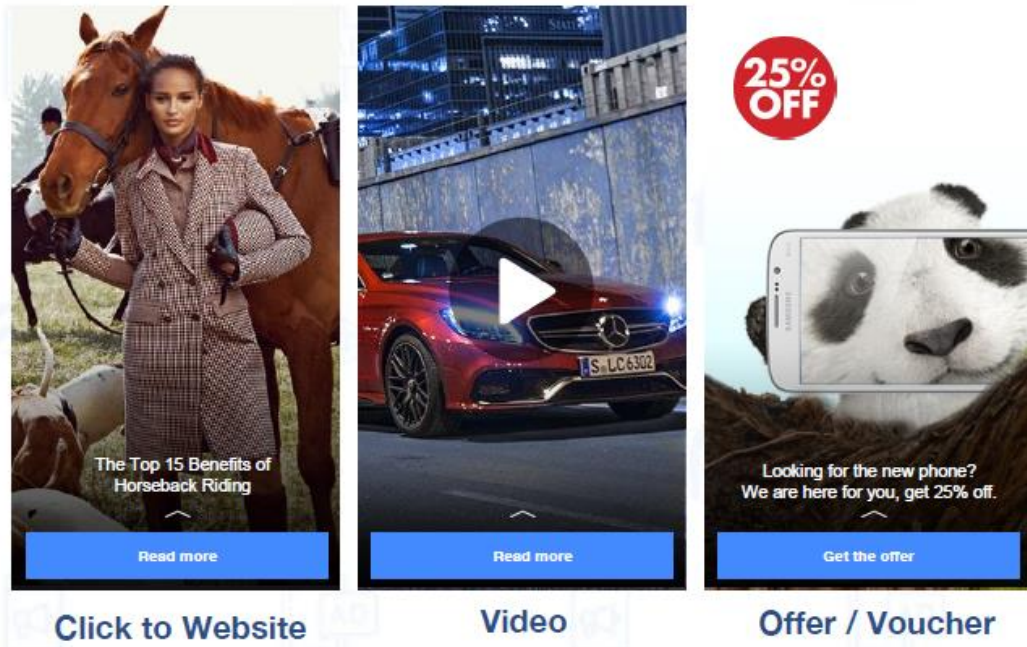


Figure 4. Different advertisements options for free Wi-Fi users

It is planned to lease server from google which is considerably cheap and secure for this kind of business. We assume that 2 TB disc space will be more than enough for the first year of the operation which monthly cost 9.99 USD (or ~17 AZN). In the next year of the operation we will review the disc space and expand it if needed. Overall, in my personnel opinion, we can overwrite the data when disc space is full since it will take a year minimum and older data will not be useful after this period of time.

People connecting to the free Wi-Fi network firstly will follow ads in roughly 10 seconds. There will be an announcement like “Dear consumer, you are going to use our free internet. You will be provided this access after watching a short ads” before allowing access to the Internet.

People usually spend more than an hour in restaurants, cafes and places like this. They will probably be pleased with the acceptance of this announcement as browsing the Internet for every 100 MB costs approximately 2 AZN (see Annex 4). However, after watching short videos or pictures, which are specially for their interests, will be free of charge. We believe that waiting for a few seconds instead of spending some amount of money sounds more reasonable for the majority of clients (Figure 5).



Figure 5. Steps of the connecting to the offered free Wi-Fi platform.

There could appear the question that if consumer spends more time (e.g. 3 hours) in these locations what may happen? There different approaches could be applied according to agreement and advertisers' vision. One of these methods could be time limitation for free data users so that each access can be limited with one hour duration. As soon as 60 minutes is over session will be suspended and next advertisement will start. Customer will be able to continue using free Internet as soon as ads is finished. Another approach could be allowing people to use free Internet service with unlimited time duration. It means ads will be shown to users once while browsing the Internet and session will not be interrupted until consumer does not close the session. We will decide which option suits best with our services after one month trial in two or three locations.

How will we collect followers' data to analyze for above mentioned purposes in the future? First of all, it should be noted that there will be common and unique server which is going to be rented from google for all free Wi-Fi locations. All consumers data will be collected in this server without any exceptions. Consumers will use the same Wi-Fi name and password in all locations and they will fill few short questions in their first connection. Questions will cover consumers information about gender, age,

social status and educational background. This information will be linked to the mobile number and IMEI of the devices and next time when the same subscriber tries to use our free Wi-Fi service they will not be asked to fill personal information despite being in different location.

2.4 Key partnerships

It is very important to have right business partnership for start ups.

First of all, the key partnerships of FreeFi will be the company staff. It is important for any start up business to be in the same page with their employees in order to achieve their goal. Every staff should understand the business vision and should definitely work as team and motivate each other. Second main partners will be IT company which can provide well prepared application, software and organize secured database with guaranteed stable operation. We are planning to cooperate with Indian IT company as its owner is going to set up a new business in Baku with author's partner who is owner of A-media group operating more than 5 years in Baku and achieved great success in his own business.

There are two options for selecting servers – we could either go to lease a google server or search a partner in the local market. There are several companies which offer storages for a lease condition. After analyzing these options, we have realized that costs to lease server from the local suppliers is quite high and we probably will lease it from google because of reasonable price.

Next key partners that we are looking for could be locations which have a number of visitors, employees, customers. It is obvious that companies spend considerable amount of money on advertisements promoting their brands and expanding market share. However, our survey analysis confirms that ads are not reached targeted audience in many cases since significant part of media followers are not interesting in listening or seeing various advertisements which are out of interests. We ensure almost all followers to see delivered ads through our platform and it creates a chance to economize company expenses. It is quite serious offer for business institutions and according to an analysis there is probability of having several partners.

Another key partner for FreeFi could be investors as in many startup businesses. We decided that investors are needed to fund software only as it will be an expensive part of the project in the initial stage. Owner of the Indian IT software company will be involved in this project as an investor and will be a member of shareholders board. The company revenue will be shared among three shareholders equally.

As the main product is software involving well experienced engineers and software programmers is crucial for this business. We have an agreement with two highly skilled and experienced IT specialists to start partnership as soon as business established. They will support to keep equipment software updated and fix immediately if any problem is occurred.

Finally, we will have partnership with suppliers who will provide required routers, modems and other required equipment for business locations. They should guarantee stable work of these devices and

provide spare parts for emergency cases. Damaged equipment will be repaired by suppliers for the first year and this agreement could be a subject for discussion for the future partnerships.

2.5 Growth Strategy

We are planning to set up our business in limited locations. First locations we are going to provide our services will be chain of restaurants “Mado” and shopping center “Park Bulvar” (Park Boulevard). We have already held meetings with these partners and reached an initial mutual agreement for cooperation. There are 5 branches of “Mado” in Baku where daily visitors are around 2.000. (Allahverdiyeva K. Personal interview, January 2019). Park Bulvar is one of the biggest shopping centers of Baku having 200 boutiques, shops, cafes, cinema etc. inside and serving approximately 20.000 guests every day (Shirinov I. Personal interview, December 2018).

In the second six months we are planning to expand our corporation with 2 more shopping centers (“Gandjlik” Mall and “28 May” Mall) located in the different parts of the city center. We are targeting to provide discussion with “Starbucks” and “Gloria Jeans” cafes, “Ozsut” restaurants and chains of hotels “Absheron” during the last quarter of the first year. Our observations show that this service will be interesting for them as well.

In the further future, we are planning to provide Wi-Fi service on underground area where there is no free internet yet. Metro is closed area for the business, and it is hard to enter, however we believe its possibility. We had a preliminary meeting with the management of the Communication department of the Metropolitan organization to familiarize with the project and after sharing our ideas, it was felt that they were interested in the project. There will be several questions to be answered in terms of security, confidentiality, external access to this Wi-Fi application, legal perspective and so on. We will use lawyer support on it to regulate every detail with this organization. Underground is a desirable place for many entrepreneurs to enter. There are around 700.000 daily visitors in Baku metro stations which can be a great opportunity for us as well as other businesses. It is a huge market for every company to promote their products and services.

Furthermore, we will provide re-marketing services to our partners as stated above which will give another opportunity for business growth. In fact, advertisers and visitors (or targeted audience) are our potential customers. The core idea of our business is to serve them and to make this service beneficial for both sides.

Least, but not last, we will try to enter the foreign market in the neighborhood countries and Georgia could be the first intended country as this market is open to start ups and there has been less bureaucracy in the recent years.

2.6 Ethical perspective

There are certain ethical issues to be considered in this business since the main part of the activities will be working with people. Visitors of FreeFi will add some personal information while connecting to our system. Although this sensitive information will be included once only, at their first attempt, this should be kept confidential. We will use clients' personal data such as mobile number, age, marital status and etc in order to make customer segmentation. It will be shared with partners only after receiving consumers agreement. So, all FreeFi consumers will be informed via text messages before filling their own information. They will be asked if we can use their personal information for advertisements purposes in the future and if they agree they will receive text messages from these locations regarding propagations, compromises, different marketing campaigns. We will be strictly fair to our partners to gain their trust.

It is also fact that many of mobile subscribers use social networks and they add personal information to Facebook, Instagram and other media platforms which means they allow these networks to see and use their data sometimes. Moreover, almost all mobile operators provide benchmarking tests in order to see network performance which allow them to detect problems in the services and it helps them a lot to fix the gaps in time. Nowadays, companies providing benchmarking for operators use another application called crowdsourcing where network performance is evaluated by using subscriber's data and activities. In other words, any activities done by mobile users are stored in certain servers, e.g. in google server and shared with some companies conduct benchmarking tests. It is almost accepted by all telecommunication companies in the world and countries are also satisfied with it.

Another ethical issue could be related to the employees' job security, job satisfaction and motivation because providing better working environment for companies is also considered as a key factor. We believe that if this business is run in an ethical manner it will lead to employee satisfaction and business growth.

Unethical issues such as use of child labor, dangerous work condition and environment are not subject of this business. These factors will be taking into consideration while building communication with advertisers. Ads which are created by using child labor or contains elements of violence or harassment will not be broadcasted in our system.

2.7 Legal perspective

It should be noted that after Azerbaijan became independent, considerable improvements have been achieved in the legal field. Thus, in the last 25 years, a number of legal acts have been developed and adopted for entrepreneurship development in the country, significant amendment have been added to the legislation. In 2016, a strategic map for the further development of the ICT field has been prepared and approved by the President of the country. This document provides a number of steps to strengthen the ICT sector of Azerbaijan by 2025 (Denscombe, 2007). The Ministry of Transport,

Communication and Advanced Technologies will support any kinds of projects related to establishment of startups in the IT sector. In addition, Easy Service has been operating in Azerbaijan, since 2013. This service provides population with more than 300 services including legal registration of newly established companies, opening bank accounts for them and various services in a simple and easy way.

As for the status of the planned company there could be different options. In general, startups could be established as a joint-venture company, limited liability company, private limited company, limited partnership, joint stock or in a corporative form. Actually there are some specification for each types of them from legal perspective and initial capital requirements. We think it will be better to form the company as a limited liability company because on the one hand it is easy to make registration in such start ups in Baku. On the other hand, there is no spesific initial capital requirements by the law. (Ernst & Young, 2017).

For state registration of a limited liability company it is necessary to apply for the relevant tax authority with the "Application for state registration of commercial legal entity". Tax authority has to be applied after all proper documentations are prepared and delivered to the relevant governmental institutions. State registration of LLC with local investments set up by individuals and legal entities of the Republic of Azerbaijan can also be done electronically without any fees. Electronic registration of LLC with local investments is carried out using the enhanced electronic signature (including "Asan Imza") as part of the "Online Clerical and e-VHF" section of the Internet Tax Administration Portal.

The state registration of LLC must be carried out not more than 2 days. It must be conducted immediately during the fast electronic state registration, and the process must not take more than 1 day. The state duty costs 220 AZN (local currency) for registration of banks, exchanges, insurers, insurance unions and brokers, representative offices and branches of foreign legal entities, 3 AZN for registration of legal entities operating in agriculture, and 11 AZN for registration of other legal entities. [Articles 5 and 7-1 of the Law of the Republic of Azerbaijan "On State Registration and State Register of Legal Entities" No 560-IIQ dated December 12, 2003, No 223-IIQ of December 4, 2001 Administrative Regulation on Electronic Registration of Commercial Legal Entities, approved by Article 20 of the Law "On State Duty" and Resolution of the Board of the Ministry of Taxes dated May 19, 2015.]

Bankruptcy of the Company is governed by the law of the Republic of Azerbaijan "On Bankruptcy and Insolvency", the Code of Civil Procedure of the Republic of Azerbaijan.

Another issue in terms of legal perspective is managing responsibilities among shareholders. It will be agreed that if the business is not successful then there will not be obligations of any shareholders.

All above mentioned legal factors will be learned deeply and taken into consideration during legislation process of the company.

III. INDUSTRY AND MARKET ANALYSIS

3.1 Industry Analysis

Advertisement industry has always been one of the popular fields where manufacturers invest huge money in demonstrating own products, attracting more customers, expanding market size and share and also appealing new investors when it is needed.

There are different advertisement channels such as television and radio advertisement, desktop online and mobile advertisement, newspaper and magazines, outdoor advertisements and advertisements in cinema.

TV commercials are still in the first place due to its specifications and some other reasons – a part of followers watch TV when they relax whereas others tend to skip ads while listening to the radio or using the Internet. But trend is changing and statistics confirm that TV advertisements share is declining. The only advertisement form which has expanded for the recent years is digital advertising among all ads types (Figure 6) (ZenithOptimedia, 2015).

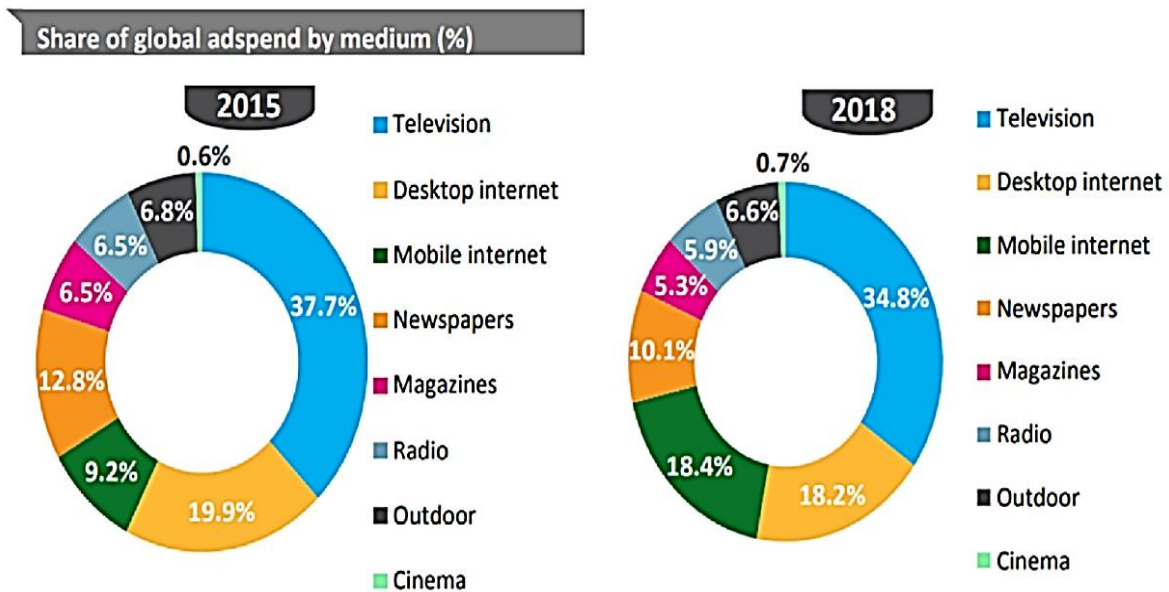


Figure 6. Share of global advertising spendings.

Currently, there are approximately 10 mln. population in Azerbaijan (Statistics, 2018) and number of smartphone users are above 10 million which is a great opportunity for the digital advertisement industry (Statistics, 2018).

Our business plan topic is delivering advertisement services to business units through free Wi-Fi zones taking into account above mentioned opportunity. Initial studies show that the probability of success of this project is high. Currently, there are not any competitors in the local market. In addition, author and his business partner for this project met with several companies with big players of advertisement market in the country and as a result it becomes obvious that there is considerable demand for advertisements over mobile network, especially in free Wi-Fi zones. The key feature of this project is not merely the mass delivery of ads, but a more detailed investigation of the audience, dividing them into segments, ensuring that ads are displayed in a more intelligent and accurate space and also they are more suitable for people. Most companies have serious needs for such ads. Because it is impossible to predict how many potential clients watch ads on TV and radio channels or over the Internet. All these issues have been carefully studied during preparation of this business plan. Additionally, the market demand has been investigated, and technical details of software that will meet all these requirements are designed. According to our expectations, there will be huge demand for this service and the company will gain success in a short time after starting to serve for a few big companies in Baku.

3.2 Industry size and growth

Actually this business could be considered as a “blue ocean” for Azerbaijan. Because there are few elements of Wi-Fi ads in very limited locations. For this reason, there is no data background to analyze the industry size and demand, to predict consumption in the future and forecast strict industry growth. We analysed industry using primary data which is collected via surveys and opinions of digital marketing specialists during preparation of this business plan.

The Azerbaijani market itself is limited in some degree for the majority of businesses due to the fact that the country itself is small. Thus, no huge extensions are expected there. But 21st century brings unbelievable technology innovations to our life which creates great opportunities for digitalization. Nowadays no one can imagine digitalization and the Internet separately as they probably can not exist independently. People benefit a lot from the digitalization and make life easier using the Internet in daily activities. Definitely, digitalization also affects the advertisement industry positively.

Furthermore, the ads industry begun to change as well for last decade and the key reason of this business plan is to take opportunity of the current situation and provide a bit different services which could help flourish the planned business in Azerbaijan. The percentage of the Internet users is more than 61% of total population in Azerbaijan according to the 2016 statistical data (Annex 2).

On December 06, 2016 strategic roadmap by 11 main sectors of national economy is approved by President of Azerbaijan Republic, Mr. I. Aliyev. The main idea of this roadmap is to develop non-oil industry in the country and create opportunities for entrepreneurship, increase employment and welfare.

IT and telecommunication is one of these sectors where clearly stated that there will be improvement on regulatory and legal framework to increase internet use, encourage private sector, efficient organization of market relations, enhancing competitive environment and additional budget will be invested till 2025 (Azerbaijan strategic roadmap 2016).

Our business strategy is also to improve accessibility of population to the innovation technologies and provide useful services to them benefiting advantage of this opportunity. So, this strategic map also encourages us to gain success in the planned business in the future.

3.3 Porter's 5 Forces

Porter's 5 forces is a useful framework created by professor of Harward University, Michael E. Porter for analyzing and assessing a business in terms of its competition within the industry. In general, industry is attractive if effect of these 5 forces supports increasing of overall profitability (Figure 7). Therefore, planned business is going to be analyzed from five different perspectives in order to have a clear picture about the market we planned to enter. (Porter, M.E.,2008)



Figure 7. Porter's five forces.

➤ *Threat of new entrans.*

It is undeniable fact that industries promising probability of high return always is interesting to new firms. But profit of the business is declining when there are new market players. There are certain factors effecting new entrants' threat are to be considered: the existence of barriers, monopoly or complicated government policies for new entrants, startup costs, economies of scale, product or service differentiation, access to the distribution channels, customer loyalty, industry profitability, network effect

etc. This business is not attractive from the first glance since it is a new business in Azerbaijan and many people do not have enough information about digital ads based on our observations. In parallel, there are considerable control by the government over communication businesses, specially over the Internet due to security and some other issues. Startup cost is not high as technology equipment which takes the majority part of expenses can be leased. There is certain degree of uncertainty to the business success even though industry and market studied beforehand due to no background data availability. There is also misunderstanding of offered services by some businesspeople since sometimes they confuse it with ads delivered over social networks. Therefore, threats of new entrants in this business can be marked as medium considering all these momentums.

➤ *Bargaining power of suppliers.*

In our estimation, there is some degree of supplier power for this business. Our product is software and it is not spreaded widely due to its specification. There are lots of software developers in the world and we can find number of IT programers and developers even in Azerbaijan. But we have conducted with some IT companies and discussed our service details, what kind of software is needed for our business and get refused. The main reason of these rejects is these software require considerable time to prepare while client is not able to pay huge money for that because of certain reasons. Firstly, it is a new business in the country and there is not clear perception regarding to the expected revenue. Secondly, there are lots of updates could be required during operations which are considered to be small, but require sufficient amount of time for developers. The majority of software developers are not tend to waste time for little jobs and they do not feel it profitable.

So, it is not easy to find appropriate software suppliers for such projects. Thus, the less supplier the higher bargaining power of suppliers to be taking into consideration.

➤ *Bargaining power of customers.*

We have two sides of customers – advertisers and followers or consumers. The majority of manufacturers are advertizing their products in anyway either on TV, radio, newspapers or magazines, the Internet, social networks or billboards. All population potentially are followers or consumers of advertisements as probably everyone listen, watch or read ads somehow and somewhere. We will analyze bargaining power of customers from advertisers point of view because consumers are not actively involved to this process at this point.

Customers have different options available advertize their products or services. There are different channels as we already stated above. But our product is unique and should not be compared with any of each due to its originality. Probably no any advertisers can clearly identify how many people listened or watched their ads during a measured time. Because no any advertisement channels are providing them such information since they are just not able to do it at the moment. Companies are not aware how many people listen to exact radio channels or programs they provide advertisements. It is the same with TV channels, newspapers, billboards and etc. The only probability to say something is the Internet users who click ads or apparently watched advertisement videos or pictures.

We provided meetings with several companies and discussed situation on the advertisement market and its specification in Azerbaijan. The majority of the company representatives confirm that they are not able to follow target audience and if their ads are reached them or not. Our project is quite attractive for them and we got positive feedback by a number of market players about possibility to cooperate.

Taking into account all this, we can assume bargaining power of customer as low.

➤ *Competitive rivalry.*

There are only three companies providing free Wi-Fi services to the data consumers and all 3 have very limited service area and in fact, they are not tend to expand its services to commercial business. The main advantage of the planned business is to have customer segmentation and work in close communication with partners which makes the company strong.

Therefore, competitive rivalry for this business could be considered as low at the moment.

Threats of substitutes.

There are certain advertisements channels in general and each of them have some reasons to be in the market. After analyzing all existing channels we believe that none of them can substitute our service except online advertisements in some degree. Our observations also show that the first channel people want to compare our product is the Internet advertisements or ads over social networks. But after detailed explanation almost each was agree that these are two different products and ads over existing networks can not substitute our service. Because survey analysis show that in the majority cases people skip ads on the Internet and social networks and go directly to the pages they intended to look for. About 49% of respondents usually follow advertisements that are of their interests based on our research (Figure 8).

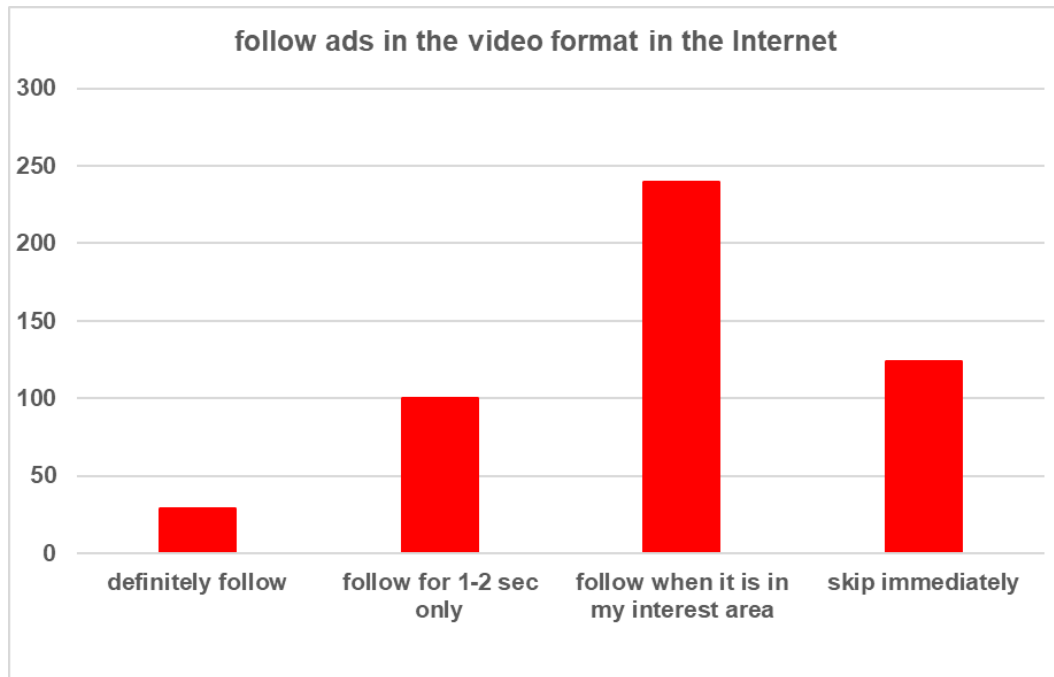


Figure 8. Survey result about following video ads by customers.

The only thing here is advertisement prices. Online ads channel is the cheapest for the companies and sometimes it is attractive for small market players. We understand that there is increasing demand to the Internet and consequently, demand to this type of advertisement grow accordingly. However, a part of advertisers perceive that quality is above quantity and these are our potential customers we are going to work with. Thus, threats of substitutes for our business can be considered as medium under existing terms.

In conclusion, analysis result of the Porter's five forces show that the planned business is quite attractive for big cities of Azerbaijan, especially for Baku where the majority of business institutions and population are. Analysis show that there is not a serious threat from new entrants and almost no competitors in the market currently. The only thing we should take care is suppliers' bargaining power as there is not enough highly skilled specialists to develop required specific software for this business. Our expectations are that increasing demand for the IT sector in general, will require paying more attention to the process of educating professionals in this filed by the government and private sector in the nearest future where we could also benefit.

Market Analysis

3.4 Market size and growth

Our target market is almost all population of Absheron peninsula (Baku city and surroundings) between 18 and 70 ages.

General economic situation of Azerbaijan is to be considered as a main factor in market size and growth for businesses, especially start ups.

Dynamics of GDP is positive for last 2 years by the State Statistical Committee of Azerbaijan (Figure 9). Forecasts for 2019 and 2020 years are also good by the reports of Acian Development Bank (Figure 10).

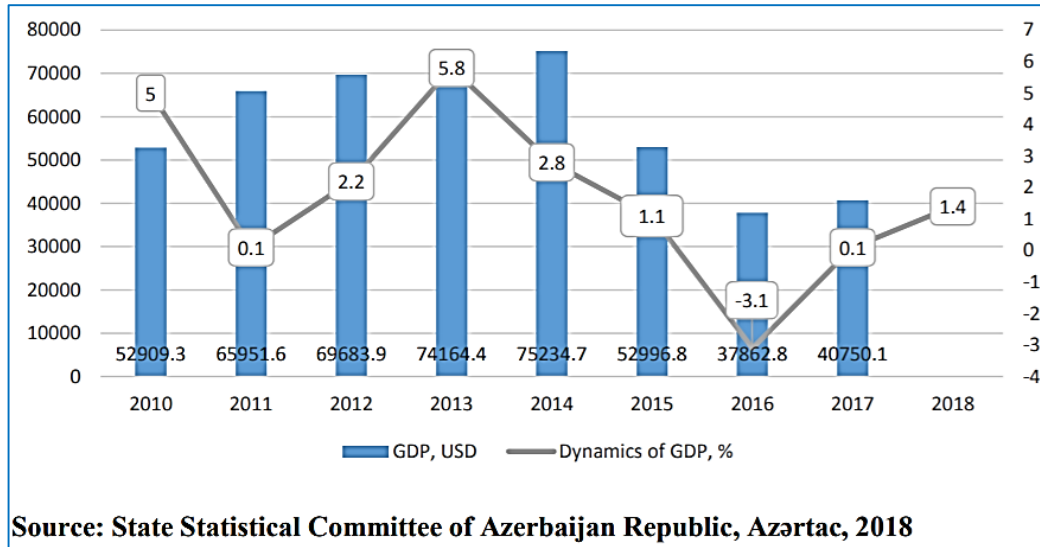


Figure 9. Dynamic GDP trend of Azerbaijan for last 9 years.

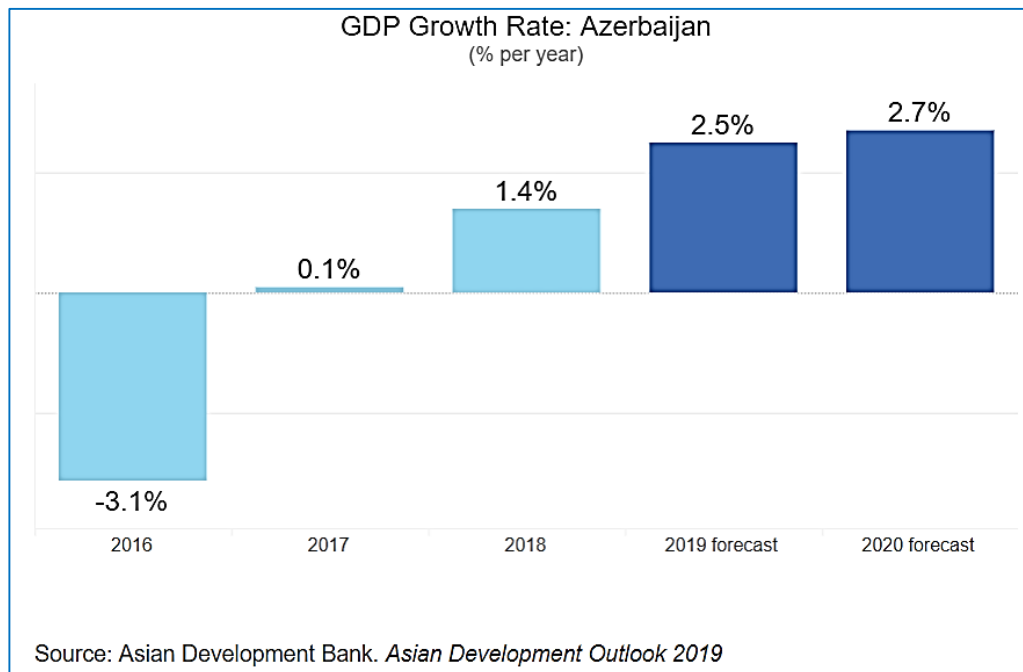


Figure 10. Forecasted GDP growth rate of Azerbaijan for 2019-2020.

GDP per capita is dropped from approximately 8.000 USD to 4.000 USD from 2013 till 2016 which was related to the devaluations in Feb, 2015 and Dec, 2015 (Figure 11).

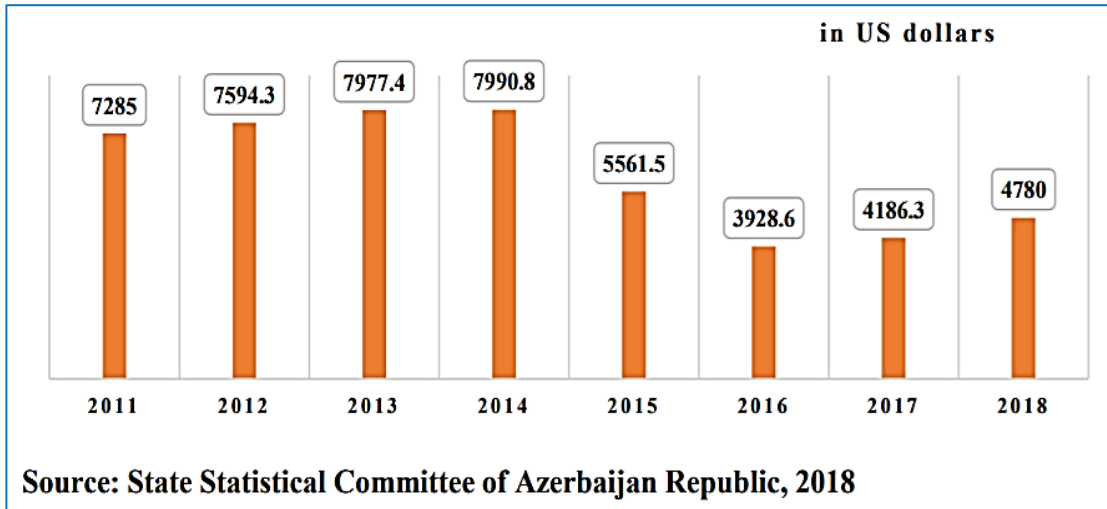


Figure 11. GDP per capita trend of Azerbaijan Republic.

It could be confirmed by the average monthly salary trend of the population with local currency reported by SSCA (Figure 12).



Figure 12. Average monthly salary trend of Azerbaijani population

Significant growth experienced on the IT, agriculture and some other non-oil industry in 2018. Inflation rate is expected 4.0% and 5.0% while increase in GDP per capita forecasted 1.7% and 1.8% in 2019 and 2020, respectively (Asian Development Bank, 2018).

It should also be stated that despite all the positive factors listed above, Azerbaijan is a small country and market size is limited not only for the majority of manufacturers but also for service providers. This confession is true for planned business as well. But our observation shows that there is a potential to reach the target. There are lots of companies in the country spend significant funds on

advertisements. The main issue for the planned business will be how to introduce the service and to find right customers, right partners and right locations.

Our target for starting the business is two locations – first one is chain of restaurants “Mado” and the second “Park Bulvar” - one of the biggest shopping centers of Baku as stated above (Figure 13).



Figure 13. Logo of future partners - Mado and Park Bulvar

Mado has 5 restaurants in different places of Baku where approximately 2.000 people visit every day (55.000-60.000 people monthly) (Figure 14).



Figure 14. Different pictures from Mado restaurants.

There are 59 supermarkets, 38 closing stores, 13 baby clothes shopping centers, 20 restaurants with different tastes including some countries dishes, 2 entertainment centers, 2 cinema clubs, 1 hypermarket, 4 bank branches, 1 library, electronic store and etc. in Park Bulvar (Figure 15).



Figure 15. General view of Park Bulvar shopping center.

Park Bulvar serves approximately 500.000 people in fall period of the time and around 650.000 in summer period, monthly. It is really adequate places to start this business. Customers' age range of Mado is 25-45 whereas people between 18-70 ages are potential visitors and clients for Park Bulvar butics, cinema, restaurants, entertainment centers. So, we expect significant amount of FreeFi consumers in these places in a short time.

Next locations for partnerships will be kofee bars "Strabucks" and "Gloria Jeans", fast food restaurants "KFC", chain of restaurants "Ozsut" and "Absheron" group of hotels. Expected monthly total visitors on these places is about additional 100.000 people. In parallel, we will expand our business in another 2 big shopping centers of Baku – "Gandjlick Mall" and "28 Mall" where monthly visitors are about 700.000 people summarly.

Finally, in further future we intended to enter metroplotian area where daily users are above 700.000 people.

After realizing partnership with all these locations (except Metropolitan as it probably may take long time for discussion and to get permission) we will have approximately monthly 1.500.000 FreeFi users starting from the 2nd year of the operation.

3.5 PEST Analysis

PEST analysis is a useful tool to identify external factors of the business environment which is not controlled by the company is going to be operate. These factors are Political, Economical, Social and Technological. These analysis helps the startups to forecast possible challenges and threats beforehand and to be prepared and avoid from these problems as much as possible.

Political. Political situation is quite stable in Azerbaijan. There is presidential elections once in 7 years whereas it was every 5 years and recently changed from 5 to 7. To be honest, it could be considered as a political stability on the one hand, but on the other hand it is one of the main indicators of the beurocracy in Azerbaijan and lack of democracy.

The World Bank valued index of duing business in Azerbaijan as 78.64 where placed in 25th out of 190 which should be considered as a good indicator (Figure 16). (World Bank Report, 2018)

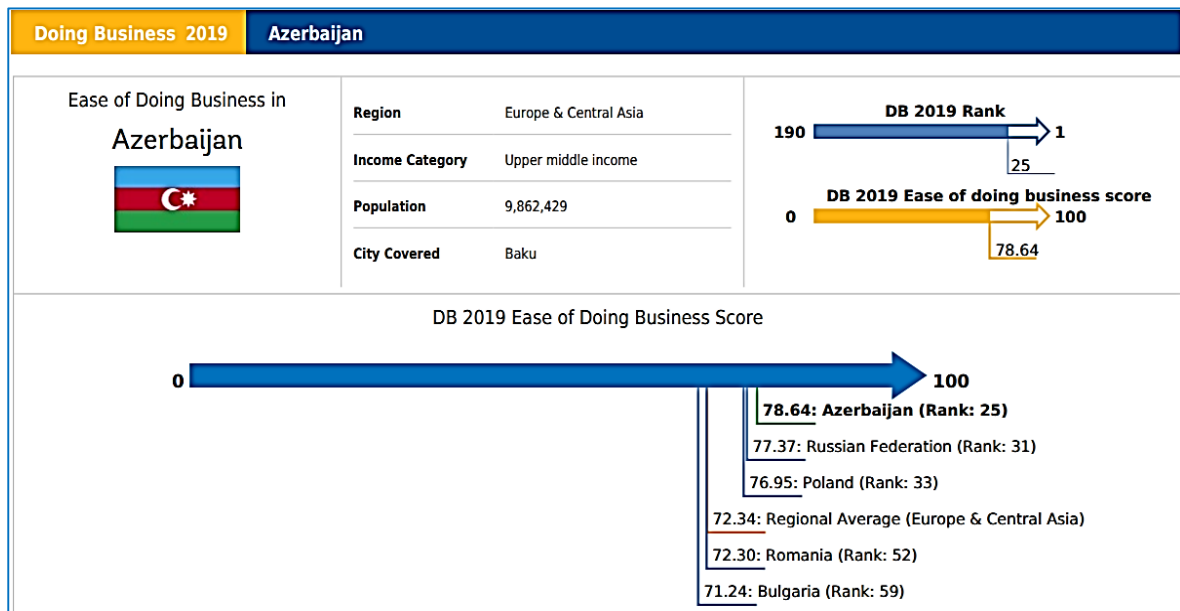


Figure 16. World Bank index of doing business in Azerbaijan.

The corruption rate of the country is not in a good level rating 152 out of 180 by the Transparency Internation reports. It means there could be serious issues with governmental institutions while starting new business in the country, but our experience show that the planned business is out of their interests

yet. However, there is a possibility to have an issue with officials in the future (Corruption Perception Index, 2018).

Economical. Economical situation in the country is quite good. Azerbaijan is a biggest country in the Caucasus with 10 million population. GDP of the country also show that after few degradation overall GDP and GDP per capita started to grow and there is positive trend for 2019 and 2020 years by these indicators of the economics. (details of the economic growth are shown in above chapters)

Azerbaijan is an oil-dependent country whereas economic growth still mostly depends on oil-prices. However, the strategic roadmap for the development of the non-oil sector, adopted in 2016, raises expectations that economical situation in Azerbaijan will grow in the upcoming years.

Social. There is about 10 million population in Azerbaijan where approximately 95% is muslim. Baku is the capital and there are about 4 million people currently which is the main indicator of urbanization. It seems this trend will continue for next several years as there are not job opportunities in the regions and the majority of populations come to Baku to find relevant jobs. In fact, this trend will positively impact our business because all locations we selected to provide services are placed in Baku.

Unemployment rate increased slightly from 4.94% to 4.95% in March 2019 in comparison with December 2018. It is forecasted to be in a 4.9% level till 2024 (Unemployment Rate, 2018).

Technological. Azerbaijan is a type of country where technology is developing significantly. International Telecommunication Union ranked Azerbaijan ICT development 65th among 176 countries (Salmanova A., Global ICT development, 2017).

There are 3 big mobile operators in the country Bakcell, Azercell and Azerfon. Around 99% of the territory is delivered with mobile communications except occupied territory of Azerbaijan. Mobile phones are more than 10.000.000 while total population is almost 10 million. More than 65% of population have access to the Internet.

We can conclude PEST analysis result that currently there are not serious obstacles and issues for this business in the country from political, social and technological point of view. This plan will definitely get success as economical situation of the country is also positive. On the one hand it is due to country industry as it is oil dependent and general expectation is that demand for oil is not going to be declined soon and its prices will be affordable in the upcoming years. On the other hand, the country is not going to be limited with oil industry and there are serious decisions made to develop non-oil industries in the country for the recent years and strategic roadmap is one of them.

3.6 Market Research

The market research was done in March and April 2019 via survey. In total, 494 responded to the questionnaire. Respondents were chosen randomly not limiting with age, gender, education and etc. 174 interviewers were women out of 494. We tried to contact with people from different age categories as everyone above 18 could be potential customer for advertizing products and services. About 83% or

408 out of 494 respondent were aged between 20 and 50 who are refer to our main target audience while about 9% were between 18 and 20 and nearly 8% were above 50. We did not contact with younger people (below 18) because of two reaons: 1) there could be more probability to the unfair answers to questions, 2) it could take more time to explain details of the survey and importance of every answers (Figure 17).

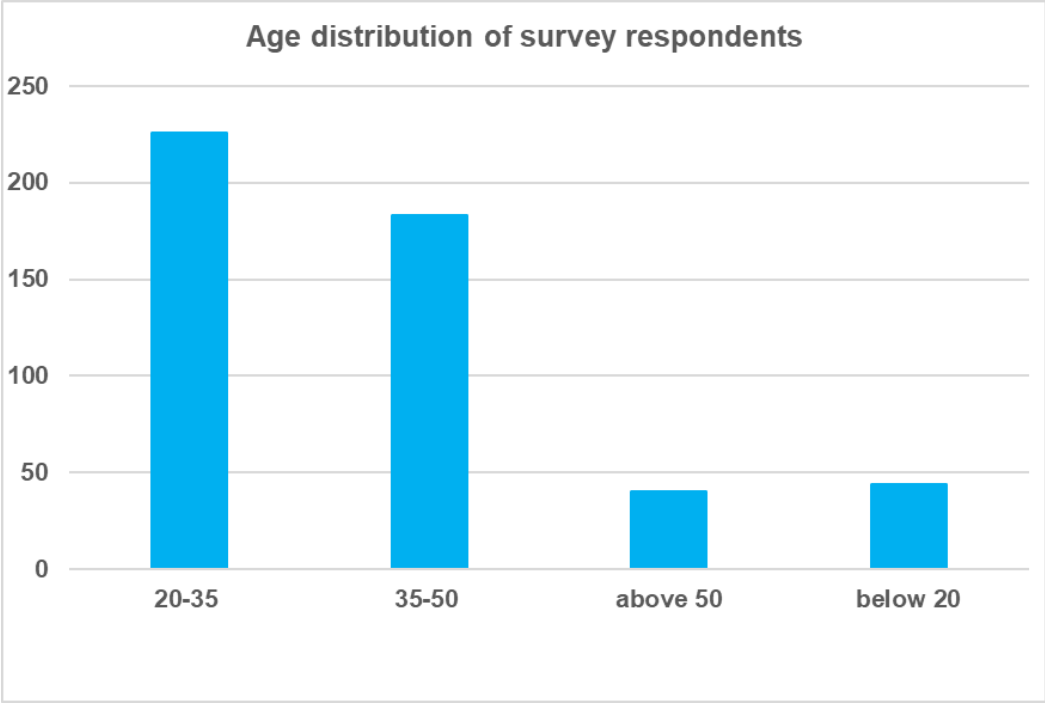


Figure 17. Age distribution of survey participants.

We also sorted out respondents by occupation and education. The majority of respondents have high school education (with university degree) with number 431 out of 494 (Figure 18). It is because of the location we provided this survey – around Universities, big companies in order to save time.

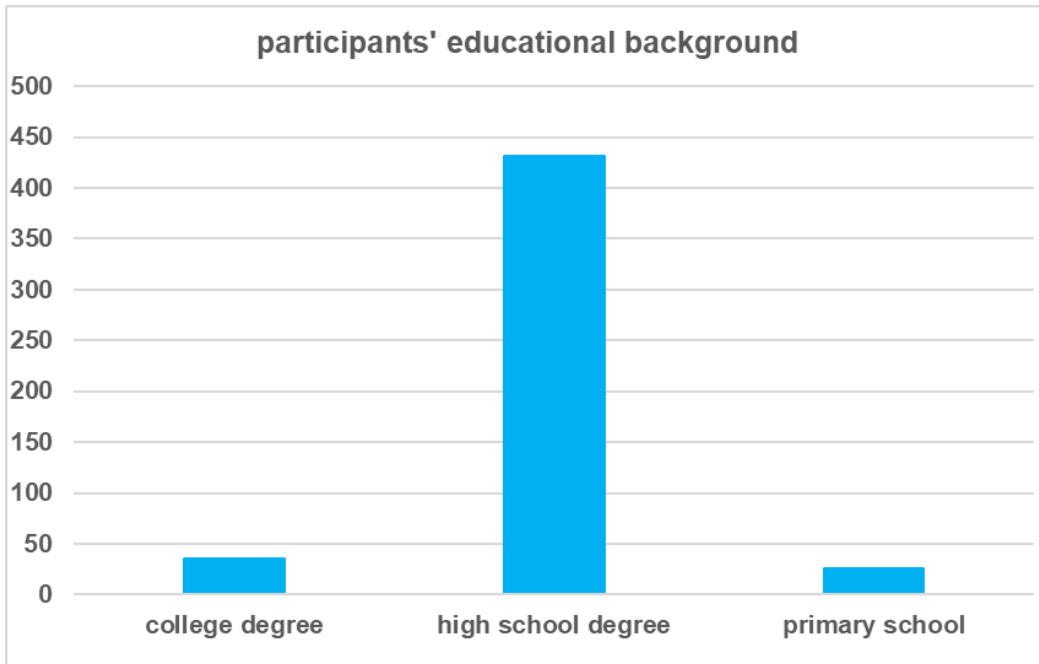


Figure 18. Indicator of participants educational background.

Occupation rate also was considerable high since 72% of respondents answered “Yes” to the question if they have permanent jobs. 18% responded that they do not work at the moment whereas 10% respondents work in a contractual based which means temporary conditions (Figure 19).

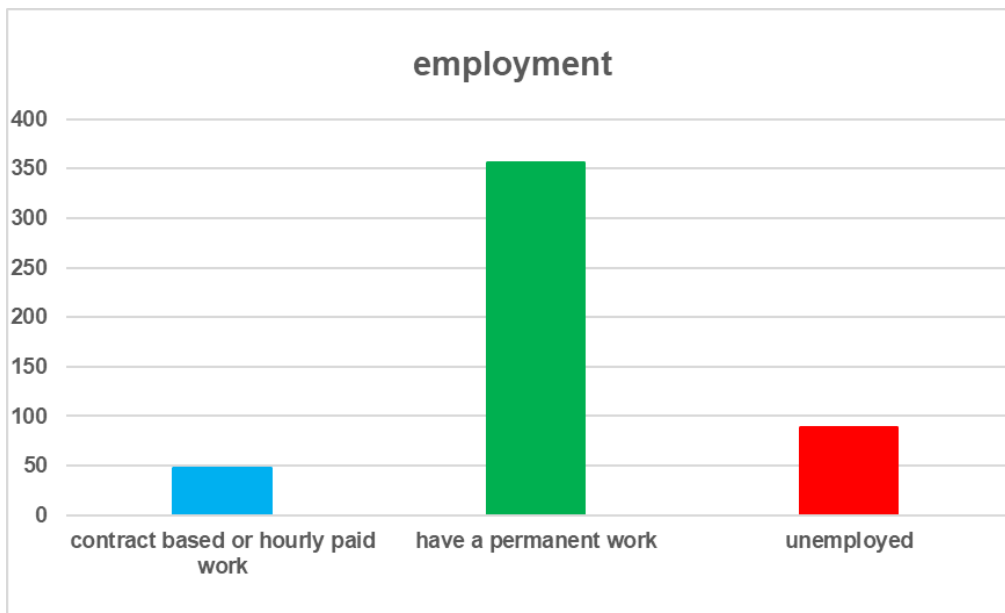


Figure 19. Employment indicator of survey participants.

We checked the share of smartphone users over total and found out around 93% are having smart devices. It was important because only smartphone users are our potential customers in terms of follow advertisements on gadgets (Figure 20).

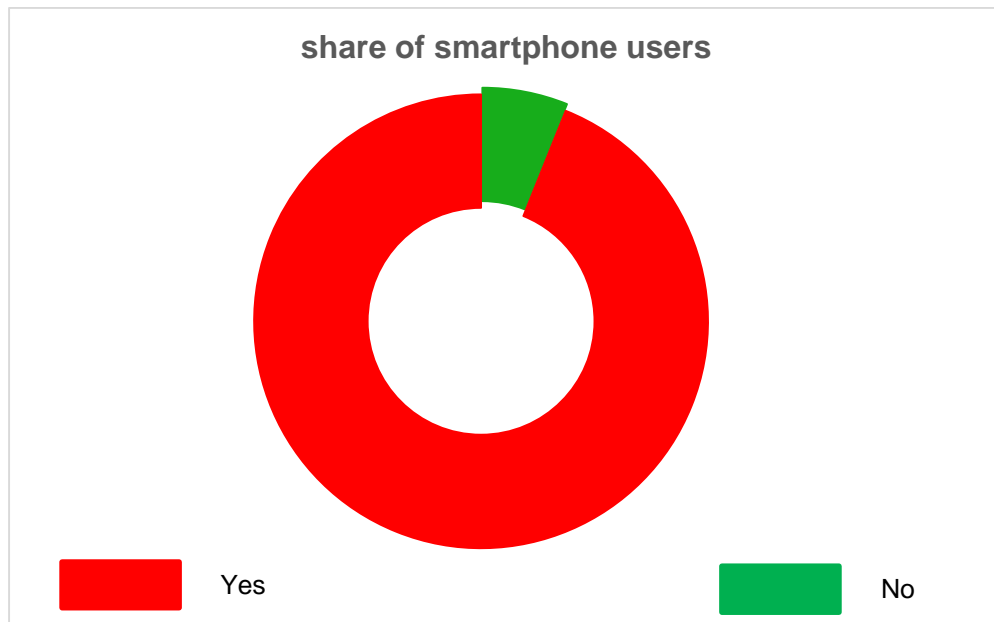


Figure 20. Share of smartphone users among respondents.

It was also very crucial to find out how many respondents tend to follow ads over the Internet while using it. Because this is also key indicator of consumer behavior to identify how many internet and social network users are interested in watching ads. It was identified that 54% of internet users always follow or watch advertisements which are in their interest area (Figure 8).

As it was mentioned in previous chapters that advertisers are also our customers. Therefore, we asked few questions to advertisers as well in order to identify their expectations and approaches to the market. We have met with representatives of 6 different companies. One of the key question we asked was if they are sure about the reach of broadcasted advertisements to the targeted audience. The result was nearly the same as expected: in the majority cases advertisers are not aware of it and it is really hard to predict due to losing control over ads in all current channels.

Another feedback we got from advertisers was if they are "OK" with the service level. In the meetings with Azercell, Oriflame and some others it was felt that they are not fully satisfied with providing them services.

Finally, after small presentation of our platform it was asked them if they are interested in our offer and would like to work with us. The majority of answers were positive and 50% expressed positive opinion on our service and possible partnership in future. We already have three mutual agreements with big market players P&G, Azercell the biggest mobile operator of the country and Oriflame. Discussion is ongoing with potential partners such as Bank of Baku, Unibank, Uber taxi services and some others.

3.7 Consumer Expectations

We asked a question to consumers about how the advertisements should be in order to learn consumers' opinions about ads. 161 out of 405 respondents or about 40% believes that advertisements should be differentiated based on targeted audience and it is not right to show all users the same ads. Requirements and interest changes based on gender, age, social statuses and etc. Survey result confirms that significant part of the audience tend to follow ads suits their expectations and attract their interests (Figure 21).

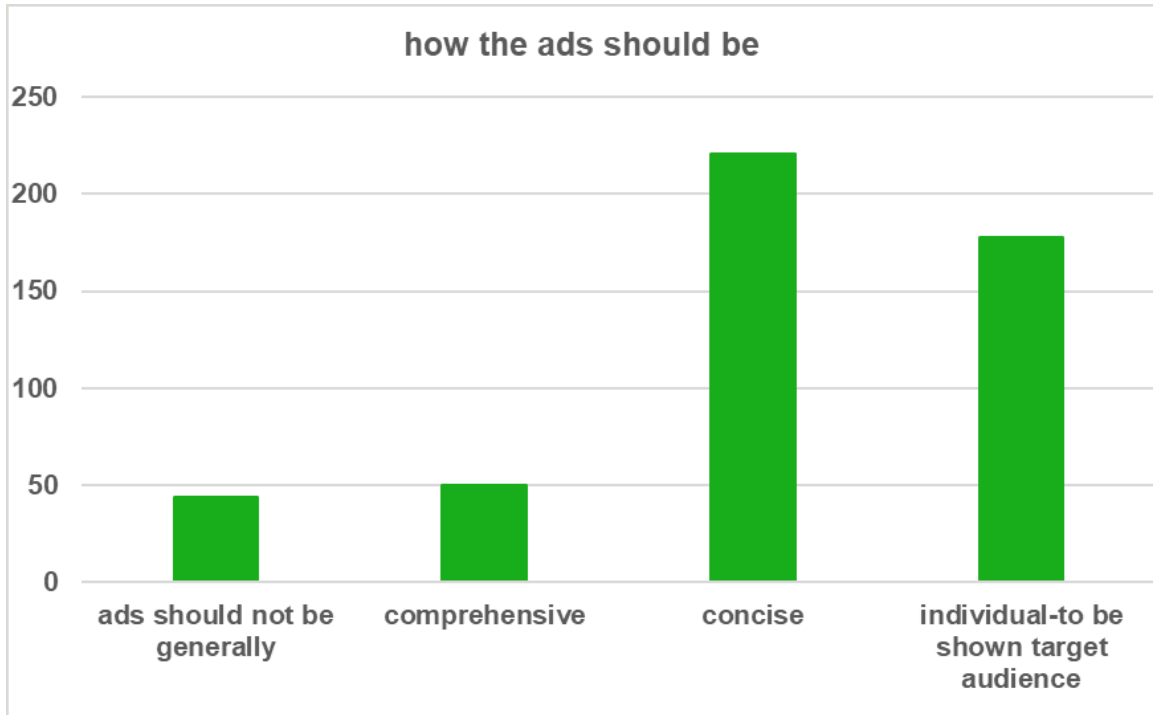


Figure 21. What people think about the advertisements.

It is clear from above graphics that 42% of respondents think that advertisements should be short. It means almost all advertisements are displeasing people except internet because decision here to watch ads or not on the consumer side. Our platform will be built in a such way that to show right ads to the right people using customer segmentation.

Our expectation is that people will not be disturbed with these ads, but even they will be pleased with providing useful advertisements through segmentation.

3.8 SWOT Analysis

It is essential to make industry and business analysis in order to define the company position in the market. For this reason, SWOT analysis has been made to determine the company status in the current business environment.

“FreeFi” company SWOT analysis is shown below (Table 1).

➤ SWOT Analysis

Table 1: SWOT Analysis of “FreeFi”

Internal	<p>Strengths:</p> <ul style="list-style-type: none"> • Market segmentation • Advantage of Big Data • Remarketing • Flexibility • Adaptability • Time to market 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Dependency on internet providers • Lack of highly experienced internal software developers • Limited skills in marketing • Lack of experience in advertisement field
External	<p>Opportunities:</p> <ul style="list-style-type: none"> • No real competitors in the market • Continuously growth of internet users • Digital economy trend 	<p>Threats:</p> <ul style="list-style-type: none"> • Maturity of the market to the offered service • Preparation and dependency of external software • Unpredictable change on regulation • New entrance

SWOT analysis defines the strengths and weaknesses which are internal factors, opportunities and threats – external factors for the company.

Strengths. The main strength of the Ads over Wi-Fi is that it will enter the market with a new offer which has not been made by any companies yet. There will be market segmentation which makes it unique and attractive for companies promoting their products. Another strength will be having a Big Data. It will allow the company make a detailed analysis of the users, provide partners and clients with precious information. “Time to market” means the company will define when, whom and what frequencies to show ads with. In the future, it is intended to use collected data for remarketing purposes.

Weaknesses. The main weaknesses of the company are associated with the dependency of the company on internet providers where free Wi-Fi will be used. Professionals in this type of marketing are

very few in the country as this business is new and not developed yet. Lack of highly skilled internal soft developers could be other weaknesses for the company at the beginning.

Opportunities. First of all, the rapid growth of the data consumers in the country creates lots of opportunities for Ads over Wi-Fi. The worldwide trend shows that the capital share of the advertisements between regular (TV and Radio channels) and modern (via data/internet channels) channels are changing. Ads via an online network are growing and others are declining. It is a great opportunity to start this business in Azerbaijan in time. Secondly, there are no competitors in the market for the company which creates a cool opportunity for it. Lastly, it is the digital economy century and digitalization is one of the inevitable requirements of the time.

Threats. The main threats of the company are new entrants in common. Definitely, there will be a number of competitors appeared as soon as a company succeeds. Another threat could be related to unpredictable regulations set by government. There is not a clear regulation in this field as there are no such service providers in the country yet. But after some time the government could assign such regulations that could cause difficulties for the company operation. Last but not least, being the preparation and maintenance of the software outside of the country can create some threats such as significantly increasing maintenance costs, to make needed updates of software with higher prices and etc.

Summarizing SWOT analysis we can certainly state that currently there is a great opportunity for this business in Baku and we should benefit from this adding our strength to this business. There are a few weaknesses which could be overcome in some period of time. In parallel, possible threats will also be detected during operation and preventive measures will be taken in order not to go bankrupt.

3.9 Business model Canvas

Business Model Canvas is a tool consisting of 9 components of business activity areas which can be applied to any businesses in the market. This tool helps entrepreneurs to plan right strategy, to analyze the ways how to gain advantages over competitors and to be successful in the long run.

For the company FreeFi, the business model Canvas is illustrated in the table below (Table 2).

Business Model Canvas - "FreeFi"

Table 2

Key partners: Free Wi-Fi operators, software and hardware suppliers, Hotels, MALLs, Restaurants, Park Offices	Key activities: Delivering Ads to target audience on time	Value Proposition: Market segmentation, Big Data, Remarketing	Customer Relationship: Direct marketing channels	Customer segments: Banks, Taxi services, Supermarkets, Hotels, Mobile Operators, Other big market players
Cost structure: Office and server rent, Employees salary, System maintenance expenses, Software updates		Revenue streams: From advertisers - providing them service		

Key Partners. The main key partner of FreeFi is internet providers which ensure free Wi-Fi services in different locations. Hardware equipment supplier and software developers are other key partners for the company. The company activity and service mainly depend on these partners. FreeFi will support a partnership with hotels, restaurants, big shopping centers, Boulevard Office and other organizations where free Wi-Fi service is provided to clients/visitors.

Key Activities. The key activity of the company is delivering services to advertiser organizations and establishing these ads to data users.

Key Resources. Highly skilled market and e-media experts are the main resources and well-experienced software developers are also substantial resources for the company.

Value Proposition. The value proposition is one of the most important elements for newly started businesses. It gives a competitive advantage for the company. The main value propositions for FreeFi are market segmentation and having Big Data. Market segmentation allows to differentiate advertisements followers by analysing collected data. It means any advertisements will not be presented to all users of Wi-Fi services, but depending on their gender, age, marital statuses etc. users will see appropriate ads on their devices.

Customer Relationship. Customer relationship represents how the company is going to build strong communication with its clientele. In this prepared plan direct marketing channels are going to be used as customer relations.

Customer Segments. In fact, any big market players in Baku are potential customers for the company. Mobile operators and banks are most advertiser organizations on the internet. Hotels, taxi services companies, supermarkets also belong to customer segment of the company.

Channels. Channels are the way how the company is going to communicate with its customers. In Ads over Wi-Fi case, the primary way of the contact will be direct communications. For some special cases, phone calls also will be used as a communication channel.

Cost Structure. This section allows the company to define the required initial investments to overcome the business expenses and preliminarily forecast the demanded funds. The cost structure of Ads over Wi-Fi consists of employees salaries, system maintenance and soft upgrade costs and rent expenses.

Revenue Stream. This segment represents the way of making money from its businesses. The revenue stream for Ads over Wi-Fi is providing advertising services to its clients.

We can summarize the result of the analysis of the Canvas model with optimistic notes. Almost all sections of this model studied for the planned business in order to be more competitive in the market. We believe that this business will get expected success in the future with the right strategy referred to the Canvas model.

IV. ORGANIZATION AND MANAGEMENT

4.1 Human Resources

There is a belief among people that demand to human force is decreasing as technology evolves. I personally partially agree with this statement since this applies to areas where physical activity is most demanded. It is true for process automation as well. But there are lots of fields in the industry and markets where presence of human being is essential. Smart technologies can calculate some figures, even to make some predictions based on collected data, present reports etc., but technologies are not able to think as human. There is not any technology that could take into consideration external factors while calculating figures, make justified decisions. It applies for service operations especially where most decisions to be made by humans based on experience, environmental factors, service specifications and so on. Therefore, we should be more precise hiring people for the company.

One of the business shareholders is the owner of the digital marketing company called A-media. It is a great opportunity for this business as we will rely on his experience and knowledge in managing this

business. It was preliminary agreed that we will use his company members as consultants in some cases when legal and financial questions appeared.

So, company will be managed by general manager under shareholders control. There will be few employees for first year of operation in order to minimize startup costs and to make savings. The second year and further human resources will be expanded, and relative departments organized. There is possibility to work with A-media in cooperation for legal and financial issues based on agreements or written contract starting from the second year. It will be decided as soon as the company starts to operate.

4.2 Company Structure

Initial company structure is shown below (Figure 22).

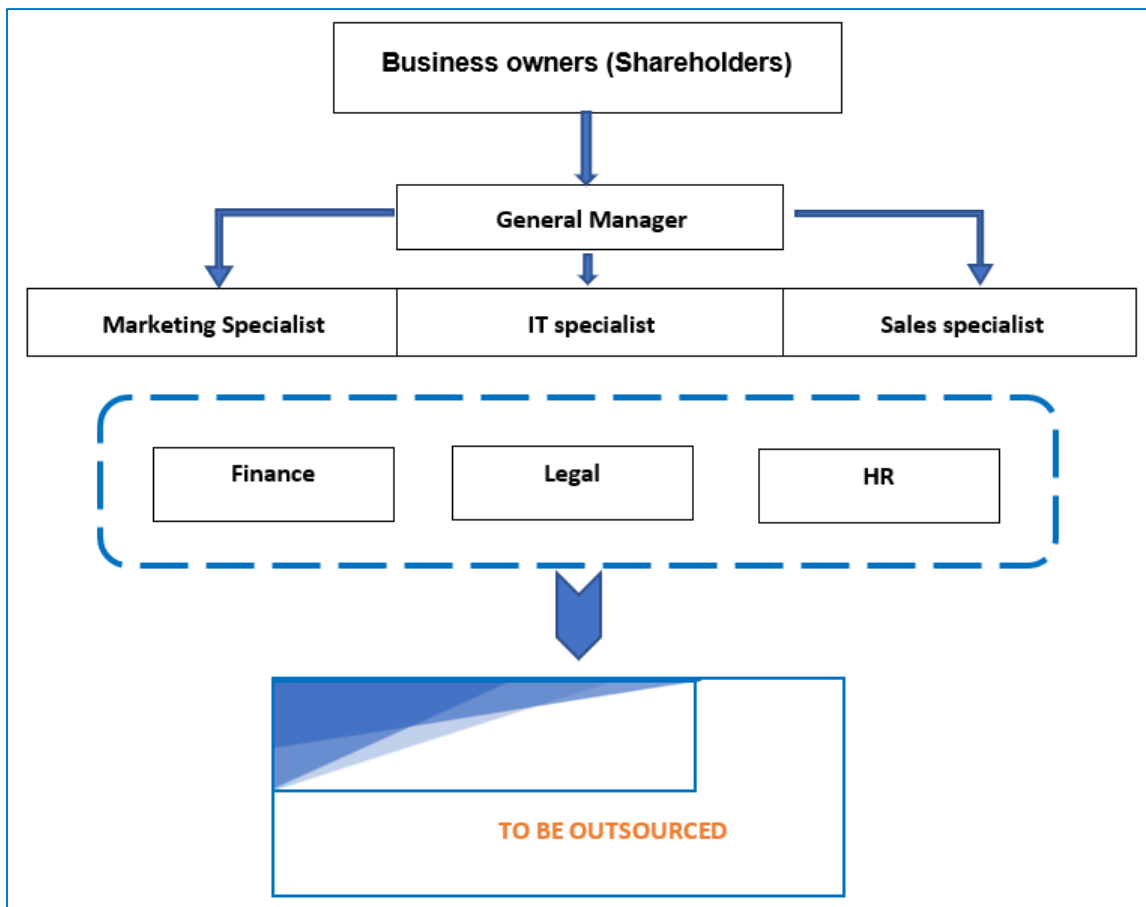


Figure 22. General structure of the company in the initial stage.

General manager of the company will be responsible for managing the company and hired employees of the mentioned positions. One of the business owners who has great experience in

marketing and media, will control marketing and sales specialists. This guy has more than 15 years experience in this field and in social media and advertisements sectors. We rely on his success because firstly, he will also be one of the member of this business shareholders and secondly, he has successfully managed several similar projects so far. Responsibility and control over IT department will be under other two owners – author of this business plan and foreign businessman who provides software platform for this business.

One of the key managers in this business will be marketing and sales manager who has more than 15 years experiences in this field. I have known him for a long time and familiar with his carrier. He has successfully managed several projects in social media and advertisements sectors and owns advertising company currently. I ultimately believe that our partnership will bring additional power to this project and help to be a successful entrepreneur in the country.

It was stated in previous chapters that there are different marketing channels for advertisements. Ads over Wi-Fi is the latest one among them. There are a lot of marketing specialists, but experience in digital marketing will be taken into consideration while looking for marketing specialist.

Well experienced specialist will be chosen for sales department as it requires special approach to the newly started businesses. Our platform is new for the majority of entrepreneurs and there is high dependency on how we will introduce our product to the companies. So, sales person will work in close communication with marketing specialist.

There will be two IT specialists for the first stage: the first one will be responsible for operational issues – checking equipment, its maintenance, delivering new devices to locations, repair (to prepare documentation for repair by suppliers, send and receive devices etc.) them; the second IT specialist will be responsible for software related issues such as uploading advertisements, fixing bugs, securing continuously work routers and modems, controlling over database, extracting data from the database, preparing reports and so on.

Finance, Legal and HR functionalities will be outsourced. It is planned to get these supports from A-media group with reasonable prices.

4.3 Operation plan

In this chapter we are going to clarify working conditions, location of the business, required equipment, customer support. Devices and its specifications will also be reviewed as these are the main parts of the operation.

Another important factor of this startup will be trial operation for the first month. We will install our modems in the locations we agreed and will start to provide advertisements visitors in some locations – in one location from Mado restaurant chain and in Park Bulvar. After one month trial we will share our observations and draft report with partners. Commercial operation will be started after trial as soon as business contract is signed with partners.

4.4 Working Environment

Better working environment is one of the key factors of the business success. Through clean, attractive, comfortable work environment creates energy for employees and motivate them for better performance. Thus, working conditions will not be under valued while starting this business.

Our GM, marketing and sales team will be working under usual conditions. Work will start at 09:00 AM and finish at 18:00 PM with 6 working days in a week. But technical support team will be working from 08:30 AM till 12:00 AM everyday. The reason of this working hours is related to the business specification and shareholders' approach. We should be ready for any possible abnormalities and fix issues in time. Working hours of the first our partner (means locations where our services will be provided) Park Bulvar is from 10:00 AM till 22:00 PM whereas it is considerable long for Mado. Restaurant usually opens at 09:00 AM and close at 12:00 AM.

There also will be internal policies for employees which is required to be followed by each. Discipline will be in a first place since every professional should follow.

4.5 Equipment and Facilities

In our understanding better equipment is essential for better services. Our core product is software services which is related to IT technology mostly. Consequently, choosing appropriate devices for better services are significantly important. For this reason, we made detailed analysis of market players providing such kind of equipment.

We will use Cisco switch as it is one of the manufacturers leaders of the IT industry (Figure 23). This switches run a great operating system which secure them higher availability, utmost security and advanced quality of service.



Figure 23. Cisco switch.

We are going to start our service in two locations in the beginning as stated above. One of them is “Mado” – chain of restaurants where we will use their own switch and modems since they already installed and in use.

The second location is Park Bulvar Mall where we have to install appropriate Wi-Fi modems in several points and a switch to connect to distribute the Internet among Wi-Fi devices inside the center. After analysing Park Bulvar Shopping Mall we identified that there will be needed approximately 20 modems and one switch in order to cover Wi-Fi services in whole center. This switch should have 24 ports since one of them is used for external connection where internet is connected, other ports are for communication with access points.

For Wi-Fi access points we are going to use IgniteNet modems such as SunSpot AC Wave 2™ or Spark AC Wave2 because of its specific characteristics. The main requirement for these modems are to be able to work with Radius interface and one of the best candidates could be these modems from this perspective (Figure 24).



Figure 24. IgniteNet modems: a) SunSpot AC Wave 2; b) Spark AC Wave 2

This is a powerful modem supporting 2.6 Gbps data rate over air. The universal design of this modem allow it to be replaced in both indoor and outdoor environments. It is also useful for hard-to-reach locations because of innovative standards rated enclosure.

There is possibility to use MetroLing modems as an alternative which is also IgniteNet product. It will depend on the financial situation of the company in the initial stage and agreement with supplier regarding to the device prices.

4.6 Business Location

Location is also one of the important factors to be considered while doing business. For this, some nuances such as competitors locations, demographic and economic situation of the aimed area, current and future needs for planned business, locations of the partners and some other points should be learned beforehand. Our product is service and the majority of our activity could be done remotely. However, it is important to be in the required location within the shortest time if any problem is accrued.

Our first partners are located in the city center. Our co-business partner A-media's office is also located in the suitable place of Baku which is easy to reach partners' locations within 15-20 minutes.

So, the business will be located in the premises of A-media for the first few months of operation since there will be 5 employees only. The separate office is going to be rent starting from the second half of the year as soon as market is expanded.

4.7 Customer service and support

One of the our goal will be to build customer satisfaction which is crucial for business success. It is generally accepted that, the better source of feedback regarding to the services provided to customers and evaluate the level of customer satisfaction is to get information directly from partners for newly started businesses.

We will provide satisfaction survey with partners once a month via online applications. It will allow us to find gaps in our relations, problems to be fixed to secure better communication with partners, identify if any trainings are needed for employees etc.

It is also under review if we can provide full internet packet to our partners in order to come with more attractive offers.

It is agreed that we will deliver all routers and modems required to start the service in Park Bulvar whereas Mado will use their own equipment. We will just support their equipment with maintenance works.

V. MARKETING PLAN

5.1 Strategy overview

Marketing strategy is one of the vital part of the business plan as all companies should clearly outline how their products will be promoted, in which way customers will be found, how offered services will be introduced in order to increase consumers base and get more sales. It is important to attract investors attention as well.

Key elements of the marketing strategy could be clarified using 4Ps of marketing concept which includes product, promotion, price and place. Brand name, offered service, functionality and security issues are the main areas of the product strategy section of the marketing. On the promotion section includes advertising channels, public relation, sales promotion, marketing budget and etc. Pricing strategy section is significantly important part of the marketing where bundling, pricing flexibility, wholesale price, seasonal price and some other aspects should be learned carefully. Finally, place part of the marketing strategy combines distribution channels, inventory management, type of distribution, transportation and so on.

Growth strategy, product and place sections of the marketing is investigated in the previous chapters of the project plan. Analysis of the branding and pricing strategy of the company will be analyzed in the next sections of this paper.

5.2 Branding

Branding of the business plays crucial role in business marketing in terms of how to introduce the product or service to the target audience and how customers recognize this business. Jeff Bezos, the founder of Amazon says: "Your brand is what other people say about you when you are not in the room". (Gregory S., April 2019).

Branding of the company is whole process where owners should consider various factors such as determining targeted audience beforehand, how clearly express the business mission, to show main benefits the business aimed to bring to the market that makes the company unique, what will the logo of the business be and so on.

One of the key roles of branding is support advertising of the business. Well prepared brand helps customers to clearly identify expectations and what the business promise the clients.

After discussing among future shareholders of the planned business we agreed to create simple but impressive brand which is shown below (Picture 25).



Figure 25. Logo of the company FreeFi.

Choosing right colors in branding is very important as wrong or poor color selection can damage the brand image. So, after analyzing color meanings from psychological and business perspective, we decided to use white and blue colors in our brand.

Physiologically, the message of white color is simplicity, organizations out of chaos, opening the way for the creation of new ideas, conception etc. the mind can persuade. White color sometimes is called as a color of new beginners. From business perspective white color means cleanliness, equality, innocence and self-sufficient.

Blue color physiologically means stability, harmony, calm and trust. This color adds power and unity to the brand. It is one of the commonly used colors in the businesses. Blue color represents confidence, safety and responsibility. Sometimes blue color are associated with maturity by younger generation.

Slogan is a phrase or group of words is used to identify a product or company. The majority of specialists believes that slogans are effective when they are short. One of the famous worldwide brands Nike uses slogan “Just do it” or WalMart slogan is “Save Money. Live Better”. These few words carry many meanings.

Taken into consideration above sayings we have concluded to form our slogan as “Enjoy staying connected!”

5.3 Pricing Strategy

Pricing strategy is the most crucial section of the marketing plan, consequently more attention is paid to this section. Success of any businesses, especially start ups depends on this strategy firstly because defining right prices protects the company competitiveness and profit margin. Different factors should be taken into consideration while defining market prices such as market demand, product or service price sensitivity, competitors prices, product costs, consumers expectations, which current products partners can compare your offer with, market potential and so on.

There are mainly two different models are used for developing pricing strategy for the companies – Boston Matrix and Ansof Matrix. The main idea of the Boston Matrix is to maximize return and increase market share considering product portfolio and market growth potential. Ansof Matrix is more business development oriented model since the strategy here is that the company should look for taking

opportunities from market and product or service perspectives. There are number of pricing strategies where Boston and Ansof matrixes are two of them and all strategies provide scope in order to consider cost. However, the target audience is also crucial while defining effective pricing strategy. We probably will apply Ansof model for the pricing strategy while setting up the business. (Gerry J., Richard W., and others, 2017)

Generally, the main objective of the pricing strategy is to maximize profit, but it should not affect sustainable existence in the market negatively. Setting up the initial prices for the product or services for newly started companies is not hard when there are number of competitors in the market which supports to analyze the consumers expectations for the offered services from pricing perspective. We did not have a chance to learn market requirements as there is not any commercial competitors in the local market. Sometimes it is reasonable to start with lower prices in order to acquire targeted customers in the market. Thus, we tried to analyse generally available pricing strategies in the digital marketing since it is the most appropriate type which we can refer to.

There are different pricing models exist in digital advertisement market. One of the most common pricing models is CPC or cost per click where companies are charged based on every click on their ads. Each click illustrates number of visitors who found the ads in websites and not any matters except clicks. CPC model has own advantages and drawbacks for both sides advertisers and publishers because if the ad is popular and there are lots of clicks then publisher gains considerable money while companies pay more and vice versa, if ads are not hit then consequently, there will be less clicks and publisher will be paid less and advertiser will save expenses as a result. Another popular pricing model is CPM where transaction is prepared based on impressions which is called cost per 1000 impressions (or “mille”). This model guarantees number of impressions on advertisements which suits best for visual based ads. This model is more preferable for business institutions in comparison with CPC model. Next mass pricing model could be CPA or cost per action where advertiser is charged based on actions followers take upon. This model is mainly convenient for advertisers because in most cases it gets a result. There are also different pricing models available such as CPF where companies are charged based on number of followers, CPV – cost per view, CPD – cost per download and so on. In parallel, Click-Through rate is also calculating in digital marketing (e.g. in google, Facebook, Instagram) which shows how well ads are performed:

$$CTR = \frac{\textit{number of clicks}}{\textit{number of impressions}} * 100\%$$

Actually it shows the effectiveness and relevance of the advertisements (Avila Clemenshia P., Vijaya M. S., February 2016).

Ads are accepted more effective when this rate gets value as higher as possible. One of the main advantages of our platform is that expected CTR rate will be around 60% by our observations which is considerably good indicator.

Finally, there could be applied specific approach which is used rarely but could be the best option for our business in the initial stage. The main idea of this approach is to charge advertisements based on locations. It means there will be a fixed price for the companies to promote their ads in the certain areas within the certain time of period. It is preferable for both sides – companies and publishers (in this situation it is our company) due to following reasons. It is compatible to our clients because they will pay fixed amount of money to the certain number of views besides the fact that almost the majority of followers will see their ads thanks to customer segmentation. It will be suitable for our business as well because we will guarantee stable income from the beginning which could be considered as a big opportunity for newly started business.

We already discussed this approach with P&G, Azercell and Oriflame Azerbaijan and almost reached an initial agreement about the charging methodology and prices. Our partners will pay us 500 AZN monthly for each location of Mado and 5000 AZN for Park Bulvar area for the first six months of the service delivery. In turn, we will analyse and report the followers data to these partners in order to make effective customer segmentation from their side.

Starting from the second half of the year we will switch to another pricing model called CPC. There are 2 reasons for pricing model change – firstly, we will have enough time to create customer awareness to our service and secondly, there will be more than 1.4 million monthly visitors in the locations that we plan to provide FreeFi service. These factors will support to organize friendly business environment and increase partnership loyalty. We assume that more than 40% of visitors will benefit from FreeFi services at those locations which means there will be around 550.000 views of ads broadcasted over our platform monthly. It is considerably high number in terms of advertisements followers for small countries such as Azerbaijan and we believe that our partners will be satisfied. Cost per click will be 0.07 AZN. This price could be considered slightly high in comparison with online marketing and social media channels. But the main difference is that we guarantee viewing all broadcasted ads by users via our platform which does not exist in any existing advertisement channels. Another difference is that we will show ads to target audience which increase the possibility of significantly growth of sales for our partners.

Our partners will have opportunity to choose any of these which suits best to their marketing strategy and budget.

VI. FINANCIAL PLAN

6.1 Initial Investment

Funding is one of the essential factors for implementing plans for any startups. Our expectation is that, initially we will need around 66.000 AZN as initial investment. Capital expenditure (CAPEX) or initial investment details is listed in the table below (Table 3):

Expenses	Quantity	Unit cost (AZN)	Total (AZN)
IT Equipment (PC)	5	1.500	7.500
Modem	20	161.16	3.223
Switch	1	930	930
Software	1	51.000	51.000
Office furniture	1	3.000	3.000
Tools (tongs, screw-driver etc.)	1	150	150
Total CAPEX			65.803

IT Equipment – each employee will be supplied with one PC for work. Approximate cost for each PC is around 1.500 AZN as superior computers are not required for this business. There will be additional 3 PCs required for the new staff which means we will spend another 4.500 AZN on IT equipment in the second year of the operation.

Modem – specific modems will be requested for Malls where average cost for required devices is approximately 60-90 USD. We will purchase 20 modems in the initial stage for first location. In the second year it is planned to order other 40 devices for additional two shopping centers. As a sum, we will buy 60 modems to complete mentioned services in three locations. We are planning to buy these devices for 60 USD for initial investment calculation which is 102 AZN ($60 \times 1.7 = 102$ AZN) of local currency. In addition there will be tax expenses which is 33% ($102 \times 0.33 = 33.6$ AZN) and plus 15 USD delivery fee ($15 \times 1.7 = 25.5$ AZN). In fact, approximately 161 AZN will be paid for each modem. (1 USD = 1.7 AZN)

Switch – 24-port Gigabit Cisco switch will be used in shopping centers as stated in previous chapters and approximate cost of required switch is around 400 USD or 680 AZN ($400 \times 1.7 = 680$ AZN). Taking taxes and delivery expenses into consideration 930 AZN will be paid for one switch. Initially, one Cisco switch will be bought for Park Bulvar and two switches for other shopping centers (one per each) will be purchased for future operation of expanded locations.

Software – one of the key part of the cost structure is software application which is the most expensive part of the investment. One of the company shareholders who is leading Indian company provides software application for this service as an equity and approximate cost for this soft will be charged 30.000 USD or 51.000 AZN.

Office furniture – This cost is budgeted for five office employees which includes desks, tables and chairs. Approximate budget for these expenses will be around 3.000 AZN. This cost will be increased by 1.000 AZN in the second year due to hiring three new employees to the company as they will also need to be provided with furniture in the office.

Tools – There is a need for few small tools for IT guys which will cost around 150 AZN only.

There are different possible options to overcome initial investments such as bank loan, own money, investors, involving public like stock market or win grants in a competition. (Barrow, Barrow, Brown, 2008)

We prefer the use of diversified funding method as stated below:

- Around 55% of initial investment (approximately 40.000 AZN) will be Bank Loan with 10% interest rate. We intended return these loan during four years of operation, but this period could be reduced if we do not get unforeseen problems in our business. We take more money in the initial stage because we would like to have cash at hand in case of urgency which is needed to secure continuously work of our business.

- Another 45% of the initial capital will be invested by shareholders. We agreed that the group consisting of 3 friends will take responsibility for this issue with the conditions of equal authority on the company.

Projected initial investment contribution is described in the table below (Table 4).

Shareholder Equity	AZN	51.000
Bank Loan	AZN	40.000

6.2 Fixed and Variable costs

Generally, there are two types of costs in the business – fixed and variable cost. Fixed costs of our business consist of following expenses: office rent, insurance expenses, rent of database server, internet connections expenses. Fixed cost will be increased in the second year of the operation as we will need to secure internet connections to other shopping centers as well. Insurance cost also will be increased as company staff will be expanded in the second year. In fact, there is not variable cost in our business as there is no production and cost does not depend on users or amount of service provided. For this reason, we will use the term of stepped costs which means it is a kind of fixed cost, but it rises

when unit is changed. As an example, labour cost will rise as we planned to add three new employees to the staff in the second year. So, salaries, support and maintenance cost, depreciation and software upgrade expenses are considered as stepped cost in this financial projection.

Fixed and stepped cost for the first year of the operation are projected in the table below (Table 5).

Fixed and Stepped cost projection for the First Year

Table 5

Fixed Costs	Unit	Monthly expenses	Annual expenses
Office rent	AZN	1.500	18.000
Insurance	AZN	yearly	5.000
Rent of database server	AZN	17	204
Internet connection	AZN	1.300	15.600
Total fixed cost	AZN		38.804
Stepped Costs			
Labor costs	AZN	7.560	90.720
Support and maintenance	AZN	300* (450)	4.500
Depreciation	AZN	1097 ** (1168)	13.591
Software upgrade	AZN	yearly	6.000
Total Stepped cost	AZN		114.811

* - first 6 months it will be 300 AZN while next 6 months it will rise till 450 AZN as service will be expanded to the second shopping center.

** - depreciation also will be increased in the second half of the year as CAPEX will be rised.

6.3 Expected cash flow

Cash Flow is one of the main financial statements and the most important part of the business plan. This statement helps us to project forecasted cash in and cash out of this business over the specific period of the time (Harrison, Horngren, Thomas, 2008).

Inflow piece of projected cash flow statement for Year0 consists of shareholders' equity, bank loan while outflow is projection of capital expenditures.

The company will operate based on prepaid system since service to the partners will be charged at the starting stage. For this reason, money received by cash for the delivered services will be shown as a revenue in the income statement.

Projected cash flow is shown in the table below for the planned business (Table 6).

Projected cash flow

Table 6

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
INFLOW						
Equity	51,000.00					
Bank loan	40,000.00					
Revenue received by cash		246,600	504,000	504,000	504,000	504,000
Total inflow	91,000	246,600	504,000	504,000	504,000	504,000
OUTFLOW						
Buy equipment	(65,803)	(4,303)	(22,319)	(8,000)	(8,000)	(8,000)
Labour		(90,720)	(169,646)	(186,611)	(205,272)	(225,799)
Support and maintenance		(4,500)	(7,200)	(7,488)	(7,788)	(8,099)
Insurance		(5,000)	(8,000)	(8,000)	(8,000)	(8,000)
Office rent		(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
Rent of server		(204)	(300)	(300)	(300)	(300)
internet connection (100 mbps) (PB)		(23,400)	(46,800)	(46,800)	(46,800)	(46,800)
Interest paid		(4,000)	(4,000)	(4,000)	(4,000)	
Bank loan		(10,000)	(10,000)	(10,000)	(10,000)	
Tax paid		(17,437)	(41,850)	(40,943)	(36,831)	(33,143)
Total outflow	(65,803)	(177,564)	(328,115)	(330,142)	(344,991)	(348,142)
FREE CASH	\$ 25,196.80	\$ 69,035.79	\$ 175,884.96	\$ 173,857.77	\$ 159,009.27	\$ 155,858.30

Charging strategy for the provided services will be divided into two parts as explained in the pricing strategy section of the project: in the first six months customers will be charged based on locations whereas they will pay 500 AZN for each locations Mado and 5.000 AZN for Park Bulvar shopping center. It means monthly revenue for the company will be 7.500 AZN for the first 6 months since we will operate in 5 locations of Mado restaurants and in Park Bulvar. After 6 months of operation we will expand our business with another one of the biggest shopping centers of Baku- Gandjlik Mall and will start to charge customers based on CPC pricing model which is also explained above. So, expected revenue will grow significantly starting from sixth month of operation and the company will get considerable cash in.

Expected first year revenue details is shown in the table below (Table 7).

Projected revenue for the first year

Table 7

	Unit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
number of locations	number	6	6	6	6	6	6	7	7	7	7	7	7
average of monthly attendance of public places	number	600,000	600,000	600,000	600,000	700,000	700,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
potential free WiFi users (approximately)	%	30%	30%	30%	30%	30%	40%	40%	40%	40%	40%	40%	40%
average active users	number	180,000	180,000	180,000	180,000	210,000	280,000	480,000	480,000	480,000	480,000	480,000	480,000
price per click	AZN	-	-	-	-	-	-	0.07	0.07	0.07	0.07	0.07	0.07
revenue	AZN	7,500	7,500	7,500	7,500	7,500	7,500	33,600	33,600	33,600	33,600	33,600	33,600

6.4 Projected Income Statement

Income statement for the company is calculated for the five years period which is shown in the table below (Table 8).

Table 8

Income Statement	Year1	Year2	Year3	Year4	Year5
Revenue	246,600	504,000	504,000	504,000	504,000
Operating Expenditure (OPEX)					
Stepped costs					
Labour	90,720	169,646	186,611	205,272	225,799
Support and maintenance	4,500	7,200	7,488	7,788	8,099
Depreciation	13,591	18,485	20,085	21,685	23,285
Fixed costs					
Insurance	5,000	8,000	8,000	8,000	8,000
Office rent	18,000	18,000	18,000	18,000	18,000
Rent of server	204	300	300	300	300
internet connection (100 mbps) (PB)	23,400	46,800	46,800	46,800	46,800
Total OPEX	155,415	268,431	287,284	307,845	330,283
Operating Income - EBIT	91,185	235,569	216,716	196,155	173,717
Bank interest (10%)	4,000	4,000	4,000	4,000	
Tax (20%)	17,437	46,314	42,543	38,431	34,743
Net income	69,748	185,255	170,173	153,724	138,973

We are able to show financial performance of the company over the projected period via this table. Basically, the company revenue, expenses, losses and net income for the end of the period is presented in the income statement. It shows the projected net income of the planned business for five years of period. As we see from this table expectation is that our business will gain considerable money over this period.

There is another indicator called return on investment (ROI) which is used to calculate the profit received corresponding to the investment. There are different formulas to calculate ROI while common one is the following (Berk J., DeMarzo P., Harford J., 2013):

$$\text{ROI} = \text{Benefit} / \text{Investment}$$

ROI is usually measured in percentage. Five years average ROI is 40% which could be considered as reasonable index for this business. In the table below, we calculated ROI per year (Table 9).

Projected ROI

Table 9

Year	unit	Net Profit	Cost	ROI (%)
Year 1	AZN	69,748	215,930	32%
Year 2	AZN	185,255	253,946	62%
Year 3	AZN	170,173	271,199	57%
Year 4	AZN	153,724	290,160	48%
Year 5	AZN	138,973	306,998	40%

It makes sense to calculate net present value of the profit in order to know how much money we expect from this business for five years activities from today’s perspective taking into account inflation of the earned money in the future. Official forecasted inflation rate for local currency is 5% for 2020 and we took the same trend for next five years for simplicity.

Formula to calculate NPV is shown below:

$$NPV = \sum_{t=1}^n \frac{R_t}{(1+i)^t}$$

Where n – years, the company is going to operate, i – discount rate and R_t – net cash flow (Harrison, Horngren, Thomas, 2013).

The calculated NPV is highlighted in the table below (Table 10).

NPV calculation

Table 10

	Year 1	Year 2	Year 3	Year 4	Year 5
NPV (with inflation rate 5%)	\$ 79,101.97	\$ 159,532.84	\$ 150,188.12	130817.9935	\$ 122,117.29

So, total profit will be 641.752 AZN taking into consideration NPV with 5% of inflation rate.

6.5 Break-Even Analysis

Breakeven point is the point that when total revenue and total cost is equal or in other words neither gain nor lost at that stage. Generally, breakeven could be illustrated with the formula below:

$$\text{Revenue} = \text{Total Fixed cost} + \text{Total Variable cost}$$

This analysis is used to define the amount of sales or production to cover all expenses from the starting including initial investment (Berk J., DeMarzo P., Harford J., 2013).

Our expectation is that the planned business will reach its breakeven point in the 12th month of operation (Figure 26).

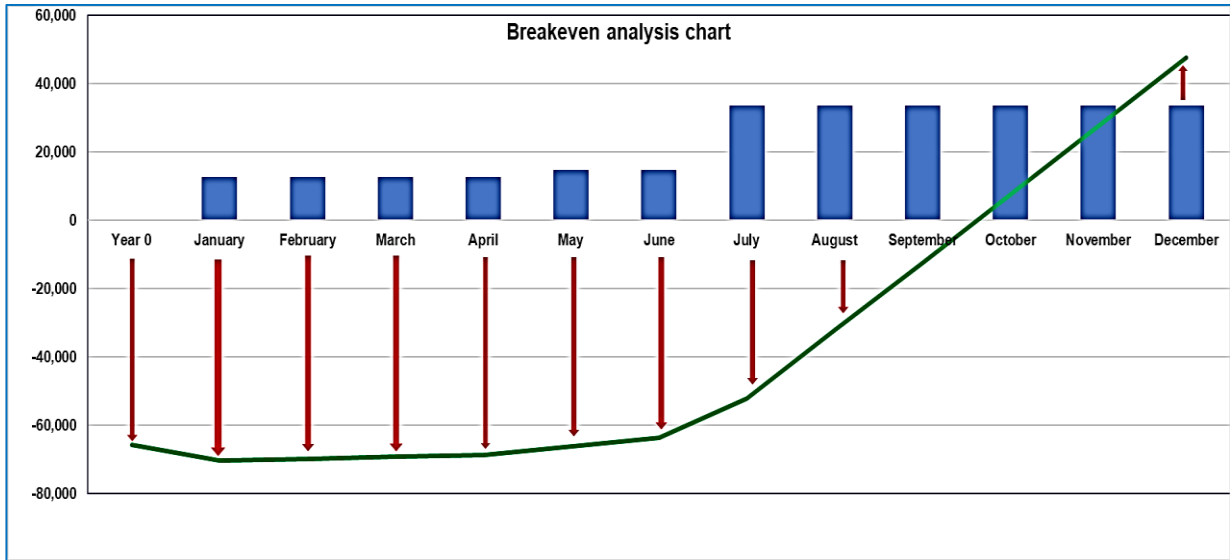


Figure 26. Breakeven analysis chart for FreeFi.

VII. RISKS AND EXIT OPTIONS

In fact, every business has a risk of bankruptcy in some extent. This risk is even greater for startups. There is also possibility for entrepreneurs to change the current business profile and move to the any other fields or industry. For the planned business potential risks could cause to exit the market due to following reasons while some of them already listed in the limitation section in previous chapters:

- To be failed in reaching targeted amount of partners from advertisers point of view; Certainly, we accepted that success of this business depends on the marketing and sales specialists of the company in some degree.
- Some unforeseen legal issues from the government for such kind of businesses; Indeed, it is a new business for the country and there are few laws could be applied to regulate and control over this business in Azerbaijan.
- Dissatisfaction from partners in terms of users complaints. We may have an issue to prolong agreement with locations owners if they get significant number of complaints about disturbancy due to broadcasted ads from regular clients;
- Entering new competitors to the market with background support by government and administrations;

So, for these and some other reasons there should be exit strategy on the table for any businesses, especially for startups. It is not only for just leave the business at any time, but it is important for investors while discussing to fund the business, because investors also should know in what way their investments could be returned in worst cases.

Despite the fact that we probably will not have an external investors, but exit plan for the business will be prepared in anyway even for ourselves.

Generally, there are various options exist as an exit strategy for businesses. First and most commonly applied strategy is called initial public offer (IPO) where owner of the business can offer to the public a part of company shares. One of the main advantages of this approach is to have possibility to invite additional potential investors to support the business. The second option could be mergers. The company having opportunity to merge with another companies which may provide certain level of security among investors to make sure that probability of getting back their money is quite high. Another options could be either private offerings or venture capital which are also applicable in certain situations (Iassen D., Piotr P., 2005).

We will prepare two options for the exit strategy for our startup. The first option will be Management Buyout, where the main idea of the strategy is that the governance of the one company buys all or significant part of the other company shares and starts to control over it. We have one potential competitor (it is Baktelekom, as they made some investigations and even tried to enter the market few years ago whereas could not conclude it with success) in the market which does not have commercial activities in this filed yet, but our personal observations confirm that they have interest to this business. We can offer them to buy most of our company shares and to be operated under their control. The second option could be to sell the business to one of the Internet providers operating in Baku while this offer probably will be attractive for them because of the following reasons: 1. They already exist in this industry and know well the audience, potential of the industry, how to make to grow. They have experience in the similar business. 2. They have quite a lot of customers who lease internet services from them and it will not be a problem to come an agreement with them to broadcast advertisements over their locations. 3. They will have less expenses as there is a higher probability of savings due to no service fees (at least they will not pay for internet which is quite expensive and important in this business) , less number of specialists are required as they already have qualified engineers in this filed.

VIII. CONCLUSION

The principal goal of this project was to clarify feasibility of the planned business and possible success and obstacles during startup which I made up.

It is verified by our investigation that there are considerable opportunities and gaps in the advertising industry of Azerbaijan. Even though digital advertising is growing very fast in the world the trend is not

noticeable in our country. One of the main reasons of slow growth is fewer digital marketing specialists in Azerbaijan in comparison with developed countries. Lack of enthusiasm by government institutions and business people to this industry could be considered as another weakest point of this market. The key value we are going to add to this industry is customer segmentation which is quite attractive for advertisers. Companies will be allowed to differentiate their ads by target audience based on the data provided via our platform. They will manage their ads and control their expenses. We did detailed investigation of industry and market analysis of this field in Azerbaijan, especially in Baku – the capital of the country. We identified potential customers for this business and chose locations where this product could be offered to consumers based on preliminary investigations. We provided survey among target audience and according to results many people do not feel comfortable with ads as most of them are out of their area of interest. This issue is also resolved thanks to customer segmentation possibility delivered by our platform. We have reviewed different aspects of this business in terms of legal, political, ethical and other perspectives and all inconveniences will be considered during the whole period of activities.

Finally, the financial feasibility is analyzed as a crucial part of the business. Our analysis endorses the success of this business from financial perspective as well. There is considerable demand for this product in Baku and we will reach the breakeven at the end of the first year of operation which could be considered as a good indication for this projected business.

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Appendix 1. Questionnaire to study market and consumers expectation.

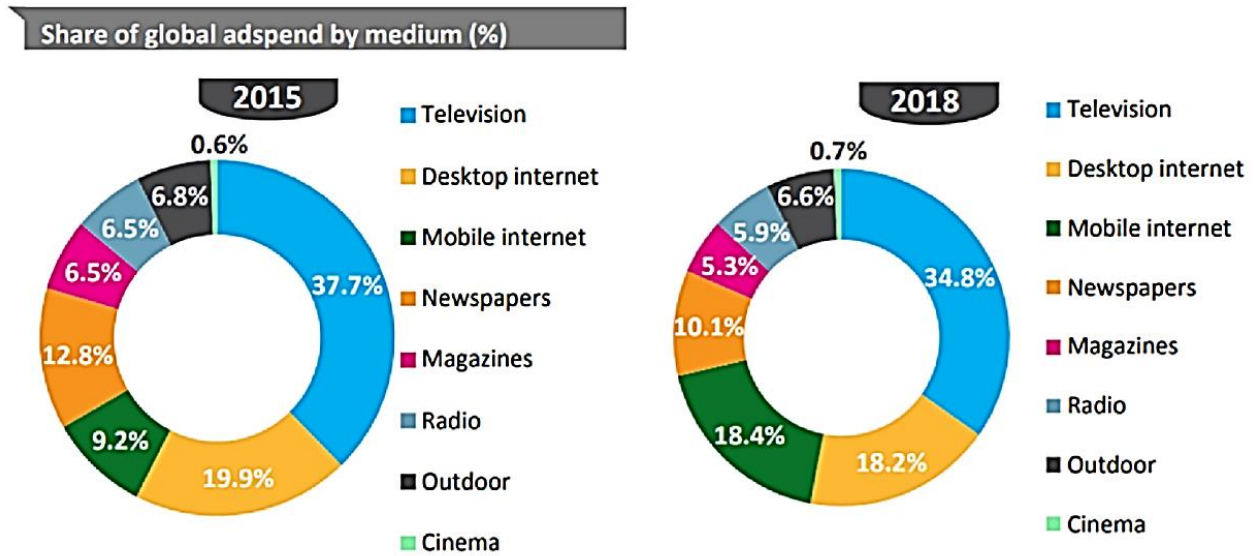
1. Gender: a) man; b) woman.
2. Age: a) below 20; b) between 20-35; c) 35-50; d) above 50.
3. Education: a) high school degree. b) college degree; c) primary school.
4. Marital status: a) married; b) single.
5. Social status: a) unemployed; b) have a permanent work; c) work temporarily in a contract based or in an hourly paid works.
6. Smartphone user? a) Yes; b) No.
7. How much TV do you watch daily? a) about 1 hour; b) 1-3 hours; c) more than 3 hours; d) don't watch TV.
8. What is share of local and foreign TV channels you watch? a) mostly follow local TV channels; b) mostly follow foreign TV channels; c) foreign TV channels only; d) local TV channels only.
9. Do you follow ads broadcasted on local TV channels? a) Yes; b) No; c) sometimes.
10. What do you do during commercial break on TV? a) switch to another channel; b) follow ads; c) switch off TV; d) do other work since advertisements are finished.
11. How much time do you spend listening to the radio a day? a) about 1 hour; b) 1-3 hours; c) more than 3 hours; d) don't listen to the radio.
12. What are you doing while broadcasting ads on the radio? a) switch to other channel; b) listening ads; c) switching off the radio; d) doing other work since ads are finished.
13. How long do you use the internet (including social networks) a day? a) about 1 hour; b) 1-3 hours; c) more than 3 hours; d) don't use the internet.
14. Do you follow ads shown in the landing page? a) Yes, always follow; b) sometimes follow; c) never follow.
15. Do you follow ads in the picture format? a) Yes; b) No.
16. Do you follow ads in the video format? a) follow for 1-2 seconds only; b) definitely follow; c) follow only when it is in my interested area; d) skip immediately.
17. How the ads should be in your opinion? a) concise; b) comprehensive; c) individual – to be shown to target audience; d) ads should not be generally.

Appendix 2. Questionnaire to study advertisers experience.

1. Organization –
2. Responsible (name, surname) –
3. Position –
4. e-mail address –
5. Status of the organization: a) state enterprise; b) private.
6. Organization activity area: a) service b) production
7. Does the organization advertise its products or services? a) Yes; b) No.
8. How long has the organization been operating? a) less than 1 year; b) 1-5 years; c) more than 5 years.
9. Where does your organization offer its product or service? a) within the country; b) abroad; c) both - in the country and abroad.
10. Which advertisement channels are used by your company? a) TV channels; b) radio channels; c) the internet; d) all available channels; e) do not use ads channels at all.
11. How much does your company spend on advertisement annually? a) very little; b) approximately 1 percent; c) sufficient amount.
12. What is the purpose of spending money on advertising? a) simply to promote our product; b) to generate additional income; c) it is a common procedure.
13. Approximately how much is turnover from the advertisements? a) does not create additional income; b) it generates a little income; c) it provides sufficient income; d) we do not have control over it.
14. Are you sure that ads you share reach target audience? a) Yes; b) No; c) to some extent.
15. What is the main factor of advertisement that you are not satisfied with? a) higher prices; b) limited audience; c) not knowing if the ads have reached the target audience; d) the complexity of monitoring the ads delivered.
16. Would you use our services under reasonable conditions in Free Wi-Fi zones? a) Yes; b) No; c) it is interesting, could be discussed.

Annex 1. Share of advertisement spendings in the world.

(Retrieved from: "[Executive summary: Advertising Expenditure Forecasts](#)" (PDF). [ZenithOptimedia](#). December 2015.)



Annex 2. Percentage of internet users by countries (2016).

(Retrieved from <http://www.internetlivestats.com/internet-users-by-country/>)

#	Country	Internet Users (2016)	Penetration (% of Pop)	Population (2016)
1	China	721,434,547	52.2 %	1,382,323,332
2	India	462,124,989	34.8 %	1,326,801,576
3	U.S.	286,942,362	88.5 %	324,118,787
4	Brazil	139,111,185	66.4 %	209,567,920
5	Japan	115,111,595	91.1 %	126,323,715
6	Russia	102,258,256	71.3 %	143,439,832
7	Nigeria	86,219,965	46.1 %	186,987,563
8	Germany	71,016,605	88 %	80,682,351
9	U.K.	60,273,385	92.6 %	65,111,143
10	Mexico	58,016,997	45.1 %	128,632,004
11	France	55,860,330	86.4 %	64,668,129
12	Indonesia	53,236,719	20.4 %	260,581,100
13	Viet Nam	49,063,762	52 %	94,444,200
14	Turkey	46,196,720	58 %	79,622,062
15	Philippines	44,478,808	43.5 %	102,250,133
16	South Korea	43,274,132	85.7 %	50,503,933
17	Italy	39,211,518	65.6 %	59,801,004
18	Iran	39,149,103	48.9 %	80,043,146
19	Spain	37,865,104	82.2 %	46,064,604

#	Country	Internet Users (2016)	Penetration (% of Pop)	Population (2016)
20	Pakistan	34,342,400	17.8 %	192,826,502
21	Canada	32,120,519	88.5 %	36,286,378
22	Egypt	30,835,256	33 %	93,383,574
23	Argentina	30,359,855	69.2 %	43,847,277
24	Thailand	29,078,158	42.7 %	68,146,609
25	South Africa	28,580,290	52 %	54,978,907
26	Poland	27,922,152	72.4 %	38,593,161
27	Colombia	27,664,747	56.9 %	48,654,392
28	Bangladesh	21,439,070	13.2 %	162,910,864
29	Kenya	21,248,977	45 %	47,251,449
30	Malaysia	21,090,777	68.6 %	30,751,602
31	Saudi Arabia	20,813,695	64.7 %	32,157,974
32	Australia	20,679,490	85.1 %	24,309,330
33	Morocco	20,068,556	57.6 %	34,817,065
34	Ukraine	19,678,089	44.1 %	44,624,373
35	Venezuela	18,254,349	57.9 %	31,518,855
36	Netherlands	15,915,076	93.7 %	16,979,729
37	Uzbekistan	15,453,227	51 %	30,300,446
38	Chile	14,108,392	77.8 %	18,131,850
39	Peru	13,036,965	41 %	31,774,225
40	Romania	11,236,186	58 %	19,372,734
41	Sudan	10,886,813	26.4 %	41,175,541

#	Country	Internet Users (2016)	Penetration (% of Pop)	Population (2016)
42	Belgium	10,060,745	88.5 %	11,371,928
43	Kazakhstan	9,961,519	55.8 %	17,855,384
44	Czech Republic	9,323,428	88.4 %	10,548,058
45	Sweden	9,169,705	93.1 %	9,851,852
46	United Arab Emirates	8,515,420	91.9 %	9,266,971
47	Ghana	7,958,675	28.4 %	28,033,375
48	Algeria	7,937,913	19.7 %	40,375,954
49	Hungary	7,874,733	80.2 %	9,821,318
50	Uganda	7,645,197	19 %	40,322,768
51	Switzerland	7,302,714	87.2 %	8,379,477
52	Greece	7,072,534	64.8 %	10,919,459
53	Ecuador	7,055,575	43.1 %	16,385,450
54	Austria	6,953,400	81.1 %	8,569,633
55	Portugal	6,930,762	67.3 %	10,304,434
56	Yemen	6,773,228	24.7 %	27,477,600
57	Sri Lanka	6,087,164	29.3 %	20,810,816
58	Azerbaijan	6,027,647	61.1 %	9,868,447
59	Angola	5,951,453	23 %	25,830,958
60	Israel	5,941,174	72.5 %	8,192,463

Annex 3. Internet users trend in Azerbaijan since 2000.

(Retriver from <http://www.internetlivestats.com/internet-users/azerbaijan/>)

Year	Internet Users**	Penetration (% of Pop)	Total Population
2016*	6,027,647	61.1 %	9,868,447
2015*	5,955,494	61.1 %	9,753,968
2014	5,874,165	61 %	9,629,779
2013	5,575,030	58.7 %	9,497,496
2012	5,073,921	54.2 %	9,361,477
2011	4,613,756	50 %	9,227,512
2010	4,185,951	46 %	9,099,893
2009	2,460,654	27.4 %	8,980,488
2008	1,514,776	17.1 %	8,868,713
2007	1,274,192	14.5 %	8,763,359
2006	1,038,779	12 %	8,662,137
2005	687,673	8 %	8,563,398
2004	677,644	8 %	8,466,304
2003	503,124	6 %	8,371,536
2002	414,006	5 %	8,280,599
2001	25,043	0.3 %	8,195,648
2000	11,995	0.1 %	8,117,742

Annex 4. Internet package prices for mobile operators

The screenshot displays the Azercell website's 'Monthly' internet packages section. The header includes the Azercell logo and navigation links for TARIFFS, INTERNET, DEVICES, SERVICES, and CAMPAIGNS. The main heading is 'Monthly'. Below it, six packages are presented in a grid, each with a photo of a person using a mobile device and a text overlay detailing the package's features and price.

Package	Price (AZN)	Features
60 MB	1 AZN	
500 MB	3 AZN	
1 GB	5 AZN	
5 GB	10 AZN	Online music, games and video
10GB	15 AZN	Download larger files
Unlimited	30 AZN	Enjoy Unlimited Internet access

Package name	Validity	Price	Activation
50 MB	15 days	1 AZN	* 4 4 4 * 5 0 # 📞
150 MB	1 month	2 AZN	* 4 4 4 * 1 5 0 # 📞
500 MB	1 month	3 AZN	* 4 4 4 * 5 0 0 # 📞
750 MB	1 month	4 AZN	* 4 4 4 * 7 5 0 # 📞
1 GB	1 month	5 AZN	* 4 4 4 * 1 0 0 0 # 📞
1.5 GB	1 month	7 AZN	* 4 4 4 * 1 5 0 0 # 📞
3 GB	1 month	9 AZN	* 4 4 4 * 3 0 0 0 # 📞
5 GB	1 month	10 AZN	* 4 4 4 * 5 # 📞
10 GB	1 month	15 AZN	* 4 4 4 * 1 0 # 📞
20 GB	1 month	22 AZN	* 4 4 4 * 2 0 # 📞

Package name	Included traffic	Activation methods		Validity period	Package price
		SMS	Code		
XS	60 MB	Dial XS, send to <u>777</u>	<u>*777#01#YES</u>	15 days	1 AZN
S	200 MB	Dial S, send to <u>777</u>	<u>*777#02#YES</u>	20 days	2 AZN
M	600 MB	Dial M, send to <u>777</u>	<u>*777#03#YES</u>	30 days	3 AZN
L	1.5 GB	Dial L, send to <u>777</u>	<u>*777#04#YES</u>	30 days	6 AZN
L+	5 GB	Dial L+, send to <u>777</u>	<u>*777#045#YES</u>	30 days	9 AZN
XL	7 GB + Unlimited Night Internet	Dial XL, send to <u>777</u>	<u>*777#05#YES</u>	30 days	13 AZN
2XL	20 GB + Unlimited Night Internet	Dial 2XL, send to <u>777</u>	<u>*777#06#YES</u>	30 days	25 AZN

Annex 5. Server rent prices options samples on Google.

one.google.com/about?hl=en			
	<h3>2 TB</h3> <p>\$9.99 / month</p> <p>Or prepay annually (save 17%): \$99.99 / year</p> <hr/> <p>Google One includes</p> <ul style="list-style-type: none">✓ 2 TB storage✓ Access to Google experts✓ Option to add your family✓ Extra member benefits	<h3>10 TB</h3> <p>\$99.99 / month</p> <hr/> <p>Google One includes</p> <ul style="list-style-type: none">✓ 10 TB storage✓ Access to Google experts✓ Option to add your family✓ Extra member benefits	<h3>20 TB</h3> <p>\$199.99 / month</p> <hr/> <p>Google One includes</p> <ul style="list-style-type: none">✓ 20 TB storage✓ Access to Google experts✓ Option to add your family✓ Extra member benefits