

Cover Page

Introducing Sustainable Gift-giving through AI-powered personalization

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From Launch to Growth: Strategies for Retention, Sustainability, and Risk Management

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Abstract

This thesis presents *Giftify*, an AI-driven platform transforming gift-giving with personalized, ethical, and sustainable recommendations. Giftify leverages AI and low-code technology to provide thoughtful suggestions aligned with recipients' preferences and values while emphasizing sustainability. The research outlines the platform's development as a minimum viable product (MVP), conducted within a master thesis, and covers market analysis, technical solutions, and monetization strategies. Positioned at the intersection of personalization, e-commerce, and sustainability, Giftify aims to enhance the gift-giving experience, creating meaningful connections and promoting ethical consumer behaviors while building a scalable and impactful business model.

Keywords: Sustainable Gift-giving, Business Plan, Personalisation through AI, Low-Code/No-Code Technologies

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List of Abbreviations

AI = Artificial intelligence

GDPR = General Data Protection Regulation

TAM = Total Addressable Market

SAM = Serviceable Available Market

SOM = Serviceable Obtainable Market

CAGR = compound annual growth rate

MVP = Minimum viable product

CRR = Customer return rate

CAC = Customer acquisition costs

DCF = Discounted Cash Flow

WACC = Weighted Average Cost of Capital

KPIs = Key performance indicators

CLV = Customer Lifetime Value

IRR = Internal Rate of Return

SEO = Search Engine Optimization

CORCs = CO2 Removal Certificates

1. Introduction

1.1. Background

Gift-giving is a universal cultural practice that symbolizes affection, fosters social connections, and commemorates important milestones (Mauss 2002). Traditionally, gifts have served as meaningful gestures that reinforce relationships (Belk 1977). However, with the rise of e-commerce and the overabundance of consumer options, the gift-giving process has become increasingly challenging, leading to what Schwartz (2003) describes as "choice overload." This phenomenon overwhelms consumers with a multitude of choices, often causing decision paralysis and decreasing the satisfaction that comes with choosing a meaningful gift.

In tandem, consumer preferences have also evolved, with an increasing focus on environmental sustainability and ethical consumption. This shift is particularly pronounced among Millennials and Generation Z, who increasingly demand products that align with their values—such as sustainability, ethical sourcing, and social responsibility (Nielsen 2018; Deloitte 2020). However, the traditional gift-giving industry has struggled to adapt to these changes. Many platforms continue to offer generic, mass-produced products that fail to meet personalized needs or sustainability expectations (Rahman 2022). This gap between consumer preferences and market offerings has created a significant opportunity for innovation in the gifting space.

The introduction of advanced technologies, particularly artificial intelligence (AI), has paved the way for transforming the gift-giving experience. AI can help alleviate choice overload by narrowing down the vast selection of available products to those most suited to the recipient, thereby making gift-giving more personalized and meaningful. Furthermore, by integrating a commitment to sustainability, platforms can contribute to more responsible consumer behaviors.

1.2. Purpose of the Study

The purpose of this master's thesis is to explore the development and potential impact of Giftify, a unique gifting platform that aims to revolutionize the gift-giving experience. Giftify seeks to solve the problem of choice overload, lack of personalization, and unsustainable practices by leveraging advanced AI and adhering to principles of ethical consumerism. The primary goals of this study are:

- To analyse the current state of the gift-giving market, identifying gaps and opportunities.
- To examine the theories of personalization, sustainable consumerism, and the use of AI in e-commerce.
- To detail the conceptualization and implementation of Giftify's platform, covering its technical solutions, features, and operational strategies.
- To evaluate the market potential, financial viability, and growth opportunities for Giftify.
- To contribute to the discourse on ethical consumerism and demonstrate how technology can facilitate sustainable consumer practices.

This thesis analyses Giftify's business model and strategies, demonstrating how the platform meets changing consumer demands and promotes ethical practices consumerism.

1.3. Structure of the Thesis

This thesis is divided into several chapters, each addressing key aspects of the study. It begins with a shared section that provides a literature review, offering an overview of current and relevant trends. Following this, Paolo defines the core problem, conducts various market analyses, and outlines Giftify's target market.

Next, the proof of concept is presented, incorporating specific direct research methods. The group section continues with a description of the business, its products and services, the technical implementation, and the validation of the MVP. Marcus then examines the different revenue streams and customer acquisition strategies, while Zino focuses on the financial

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foundation supporting Giftify. Finally, Victor explores the various phases of Giftify's development, discussing strategies for expansion and risk minimization.

The thesis concludes with a future outlook, providing a well-rounded perspective on the potential opportunities, challenges, and developments that lie ahead for Giftify.

2. Literature Review

The business plan for Giftify builds upon a literature review that provides relevant insights into key areas closely connected to the new platform. This literature review explores gift-giving, consumer behaviours, e-commerce, sustainability, personalization, and AI. By delving deep into these six different areas, key insights are emphasized, providing a foundation for developing a complex business model for Giftify and demonstrating the need for such a platform over available alternatives.

2.1. Gift-Giving and Consumer Behaviour

The action of giving a gift is a universal behaviour that plays an important role in social relationships and is completely integrated into our society (Belk, 1996). The gift exchange is a common form of expression of one relation to another. Research in consumer behaviour has investigated the motivations behind gift-giving, finding factors such as altruism, reciprocity, obligation, and self-expression to be the source (Sherry, 1983).

This action often requires a complex process of reflection, which often requires time to find an appropriate gift for the relation between the individual gifting and the receiver of the gift. Nowadays, it has become even more complicated due to the enormous choice of gift options that are available to us (Doshi and Noble 2023). This reminds us of the “paradox of choice”, a concept introduced by psychologist Barry Schwartz which suggests that the more options we have, the less satisfied we feel with our decisions (Liu & Shrum, 2012; Pilat & Krastev, 2023). Schwartz (2004) also introduced, with this paradox, the concept of “choice overload”, which is when an individual is overwhelmed by the amount of choice. Choice overload requires more effort and can often lead to increased anxiety and difficulty in decision-making, which, in the context of gift-giving, can hinder the ability to select a meaningful gift.

2.2. E-commerce and Personalization in Retail

E-commerce has boomed since 2020, particularly due to the COVID-19 pandemic. This drastically increased the need for e-commerce, and sales numbers are expected to keep rising. By 2029, E-commerce user penetration is projected to reach more than 55% of the European population, with a projected market volume of US\$977.4bn, showcasing the importance e-commerce has taken in our lives (Statista 2024).

Within the e-commerce sphere, personalized retail has also taken its place. Thanks to new technologies as well as advances in existing technologies, it has now become common to have real-time personalized content available (Perea & Duan, 2022). According to Kaptein and Parvinen (2015), not only does personalized content generate more clicks, but it also produces higher spending per customer, which in turn increases revenues.

Personalization has become so popular that consumers seek it. Accenture (2018) found that 83% of consumers are willing to provide personal data to have a more personalized experience. This shows consumers' real willingness to have more tailored online experiences for themselves, even at the expense of their data.

AI is a great opportunity for personalized retail. In their research on the impact of artificial intelligence on consumer buying behaviours, Dai and Liu (2024) found that AI can have a very positive impact on consumers who are continuously searching for more customized shopping experiences. By using the power of AI to analyse consumer data, companies can increase customer loyalty and enhance repeated purchases (Binns, 2016). AI-powered chatbots and other personalized recommendations can offer better overall customer satisfaction.

2.3. Sustainable Consumption

With the rise of personalized retail in e-commerce, the increasing focus on sustainable consumption shows a parallel shift in consumer priorities. Shoppers are increasingly seeking

not only tailored experiences but also environmentally and ethically responsible choices (Jackson 2006; De Groot 2024).

Sustainable consumption is becoming an increasing trend, which has been recorded by Szegedi (2020) who found many steps and lifestyle changes taken by consumers in order to have a smaller impact on the environment when consuming. This is even more apparent for Gen Z consumers who are looking for sustainable retailers and brands and are willing to spend up to 10% more on sustainable products (Petro, 2021).

However, sustainable consumption is more complicated than it seems. According to Young et al. (2010), individuals need to have strong green values and experience purchasing sustainable products. Consumers also need to have time to research and make an informed decision and finally have a good understanding of relevant environmental issues. This all shows that recommendation systems can be helpful in saving time and incorporating sustainability in decision-making.

Ethical consumption has also grown in more recent years as part of sustainable consumption but rather focuses on the social aspect of it. Ethical consumption is the idea that goods need to be ethically sourced, manufactured and distributed, which, for example, ranges from fair trade to human labour practices or even animal welfare (World Vision, 2022). This segment of sustainable consumption has gained visibility in recent years due to disasters such as the Rana Plaza collapse in 2013 and, more recently, the persecution and use of Uyghurs in the production of goods sold worldwide, which is making consumers more aware of the ethical implications of their purchases. This is changing how retailers produce goods and services in order to meet consumers' needs for more transparency and accountability.

2.4. Artificial Intelligence in Recommendation Systems

Besides sustainability, AI is another megatrend that has found its way into the mainstream, revolutionizing many aspects of life, not only for individuals but also for companies (Haluza

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and Jungwirth 2023). From the way companies operate and interact with clients to the way they approach new marketing strategies, AI opens many opportunities for firms willing to take advantage, including new products and services and a general increase in productivity (Makridakis, 2017).

The retail and gift-giving sectors are among the most impacted businesses, as AI contributes to making the shopping experiences smoother and more engaging (Binns, 2016). In the context of e-commerce, AI is contributing to making recommendations more accurate by analysing complex customer patterns and interactions such as purchases, clicks, and ratings. In this manner, companies can now better target consumers preferences and needs (Wang & Slowik, 2024).

One of the main disruptive innovations brought by AI is new recommendation systems for consumers. AI leverages the power of a large volume of data to supply consumers with the best offers and purchasing tips based on their preferences, behaviour, and demonstrated patterns.

When it comes to data, ethical considerations also need to be addressed because AI requires a large amount of data to provide relevant outputs. This intersection between technology, legality, and ethics creates a particular challenge that companies need to address, applying robust frameworks to remain accountable and transparent regarding the handling of users' data (Mack, 2023).

Artificial intelligence is becoming more efficient daily with progress in computing, data, and algorithms. However, algorithms are the biggest driver of progress within AI. Algorithms are the procedures or formulas used by computer systems to solve issues and complete tasks (Brown et al., 2024). AI also needs to continuously learn to remain relevant and maintain performance. This process is essential and helps the algorithms refine their outputs, which increases user satisfaction (West & Allen, 2018).

2.5. The Intersection of Personalization and Sustainability

Personalisation and sustainability are both concepts that are sought after by consumers, but the intersection between the two creates a real opportunity for companies. Furthermore, personalisation or customisation can be a great tool in order to reduce waste and hence increase sustainability. Tailoring productions or recommendations to the client's exact needs may avoid unnecessary consumption (Boër et al., 2018). When it comes to product recommendations, personalisation can also focus on the core ethical values of the users, allowing them to easily find products that align with their principles.

According to White et al. (2019), identification leads to interaction, which occurs when individuals identify with sustainable advertisements, products or services. Customizing to the client's personality increases the probability of the client's engagement with it. AI can assist with this opportunity by creating catered outputs to the exact aspect of each user, both for personality traits and for ethical issues important to them. Recommendations systems that assist users in making more customised environmentally friendly decisions with the use of AI are perfectly combining sustainability, AI, and personalisation (Felfernig et al., 2023)

However, the greenwashing challenge remains important to consider regarding sustainability, even if personalised. Consumers have difficulty analysing labels and other claims made about products and services available because corporations intentionally mislead and create false sustainability claims to sell more goods and services. Here, new laws and regulations can assist in protecting consumers (European Commission, 2023).

In summary, the literature review underscores Giftify's potential to fill market gaps. By reducing choice overload and leveraging AI-driven personalization for sustainability, this model capitalizes on emerging trends. The combination of personalization, e-commerce, and sustainability aligns with changing consumer values and offers a scalable, ethical approach to modern retail, establishing the foundation for Giftify's strategic vision.

4. Proof of Concept

The literature review and market analyses underlined the challenges and opportunities in the gift-giving market, the existing choice overload, lack of personalization, and growing consumer demand for sustainable and ethical consumption. Building on these insights, this section validates these problems through primary research and provides a rationale for Giftify as the solution.

4.1. Defining the Problem

Gift-giving is a practice deeply rooted in human civilization, and it has grown significantly more complex in the digital age. The gift-giving market is confronted above all by two problems: an overload of choices and customer preferences that increasingly demand greater sustainability and personalization. This is reflected in the literature review as an explosion of e-commerce sites, resulting in choice overload for consumers. While choice theoretically empowers buyers, excessive options often lead to decision paralysis, anxiety, and dissatisfaction. Barry Schwartz's "paradox of choice" (2004) illustrates how too many options can erode the decision-making process. Due to lack of time or frustration, consumers often opt for impersonal and generic offers (Liu & Shrum 2012; Pilat & Krastev 2023). In addition, consumers today, especially millennials and Gen Z, place a high value on sustainability and ethical business activities (Petro 2021). Nonetheless, the retail market is still flooded with an oversupply of mass-produced, unsustainable goods that are often advertised with false greenwashing claims. This discrepancy between what customers want and what is available on the market makes it harder to find personal and sustainable gifts.

4.2. Validating the Research

To validate the need for Giftify, a comprehensive approach was undertaken, involving both quantitative and qualitative measures with an online survey and street interviews, to gather insights on consumer behaviours and challenges related to gift-giving. These methods aimed to

identify existing pain points in the gift selection process and assess the potential interest in an AI-powered gift-finding tool.

4.2.1. Quantitative Survey Insights

The survey, as represented by the diverse pool of respondents, has brought to light that people face several challenges while finding a perfect gift. Diversity is ensured by a largely equal mix of male and female respondents, as well as a diversified mix of incomes and educations. A total of 97.1% of participants reported that they find it at least sometimes difficult to choose a gift for their loved ones, hence the need for Giftify. Moreover, at least 77.5% were not satisfied with the available tools for finding gifts. Missing personalization, as well as choice overload and sustainable concerns were among the highest ranked answers. The survey also shows that customers are very open to innovative solutions for their gift-finding problems: 98.4% of respondents could see themselves using an online gift-finding tool, again proving the market potential for Giftify. The survey also provides insights on shopping habits: 70.4% of participants indicated that they frequently use web browsers to purchase gifts, while 87.3% noted that they buy at least occasionally (a few times a year) gifts throughout the year online. Of the respondents, 97.2% reported purchasing two or more gifts in a year, with the majority of these buying between two and ten gifts. These results further emphasize how frequent and repetitive gift-giving is, creating a growing demand for a more efficient and customized approach. In line with this, respondents finally indicated that they could imagine using a gifting tool (97.2%). At the end of the survey, respondents underlined the need for introducing sustainable gift-giving with preferences for sustainable considerations while gifting plus even 66.2% indicating that dependent on the price they would even be willing to pay a premium for sustainability. All of these results can be found in Appendix 1.

4.2.2. Qualitative Street Interview Guide

To complement the survey, street interviews were conducted using a guided framework to explore consumer opinions more openly and qualitatively. Participants were asked questions from a structured interview guide including:

1. How difficult do you find it to come up with the right gift for your loved ones?
2. What are your main problems when choosing a gift?
3. How important is personalization to you when selecting gifts?
4. When you are browsing for gifts, would you prefer a wide selection or a narrow, curated selection?
5. In the context of gift shopping, how highly would you rate sustainability?
6. Could you imagine using an online tool for finding gifts, and under what conditions?

The street interviews mirrored the survey results; many respondents mentioned the length and stress involved in choosing gifts, especially for good friends or family. The interviewees began to stress that personalization was the key for most of them; they wanted recommendations tailored to their needs, which would really improve their shopping experience. Many participants also complained about the repetitiveness and lack of inspiration in current tools, thus reinforcing the need for a new platform like Giftify. Overall, the validation process demonstrated a clear market gap and strong consumer demand for an AI-driven gift-finding tool that prioritizes personalization, convenience, and sustainability. These insights provide robust support for Giftify's concept and strategic direction.

4.3. Rationale for Giftify

Giftify's innovative business model aligns with the emerging trends identified in the literature review, as well as in the surveys and interviews. By addressing choice overload, promoting sustainable consumption, and offering a personalized user experience, Giftify aims to introduce

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sustainable and personalized gift-giving. Its dual focus on personalization and sustainability not only meets current consumer demands but also anticipates future market trends, enabling scalability and long-term relevance.

Giftify aims to solve a market gap by providing a simple, personalised, and sustainable way to select gifts. The platform integrates advanced technology with thoughtful curation, removing the stress from gift-giving and helping users select gifts that are genuinely appreciated. By focusing on leveraging AI-driven personalisation and ensuring an easy and intuitive user experience, Giftify is uniquely positioned to transform the gifting industry.

5. Business Description

After literature and markets have been researched and primary research has been carried out through surveys and street interviews, the following paragraph explains the product Giftify itself.

Giftify is an innovative platform dedicated to improving the gift-giving experience of users by making it personalised and sustainable. In a market often characterised by overwhelming choices, impersonal gifts, and products that fail to meet ethical standards, Giftify stands apart by simplifying the gift selection process while focusing on sustainability and personalisation. By utilising advanced AI technology, Giftify aims to make every gift thoughtful, ethical, and uniquely suited to the recipient.

Giftify's core mission is to reinvent the experience of giving gifts, shifting away from the often hurried and impersonal approach toward a more meaningful and environmentally responsible process. Our vision is to be the go-to platform for personalized and sustainable gift suggestions, allowing gift-givers to create memorable experiences while contributing to a healthier planet. Giftify is committed to building relationships that matter, not just between individuals but also with our environment, fostering a responsible approach to consumerism.

At the heart of Giftify lies an AI engine that leverages contextual understanding to deliver tailored gift recommendations based on users' input about the recipient, such as their age, interests, hobbies, and personality. This technology, powered by OpenAI's ChatGPT, helps narrow down the overwhelming variety of choices to a curated selection of gifts that fit the recipient's personality and preferences. Unlike traditional gift recommendation platforms that provide generic options, Giftify strives to create a personalized and memorable experience.

Our platform is built using Bubble.io, a leading no-code development platform that allows us to rapidly iterate on design and efficiently bring our platform to market. We chose Bubble.io because of its scalability, rapid prototyping, and ease of use. It enables us to deliver a robust and visually appealing platform without requiring extensive software engineering resources.

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This not only allows us to save time and reduce costs during the development phase but also makes it easier to integrate user feedback quickly into our product.

Giftify will operate as a Gesellschaft mit beschränkter Haftung (GmbH), a German form of a limited liability company that provides flexibility in management and structure. This legal framework is well-suited for a growing company like Giftify, offering liability protection to the founders while also being attractive to potential investors. The GmbH structure allows us to ensure stability as we grow, providing a foundation for future expansion and investment opportunities.

Ultimately, Giftify is not just a platform it is a tool for creating meaningful moments, strengthening relationships, and contributing to a culture of sustainability. Through innovative technology and a clear commitment to ethical values, Giftify seeks to redefine the gift-giving experience and promote thoughtful consumer choices that benefit individuals and the planet.

6. Products and Services

The following section will provide an overview on the technology used for building Giftify's MVP in form of AI & Machine learning algorithms, Low-Code/No-Code Technologies, bubble.io as well as an overview over current features as well as planned features for Giftify to increase user experience.

Giftify is designed to redefine the gift-giving process by making it personalised, meaningful, and sustainable. We aim to build an intuitive platform that helps users find the perfect gift for any occasion through the use of advanced technologies and ethical partnerships. This integrated products, services, and operations plan highlights the technical aspects of the platform, AI and machine learning algorithms, no-code technologies, and detailed operational strategies that contribute to Giftify's effectiveness, scalability, and user-centric experience.

6.1. Technical Solution Overview

Giftify's web-based platform is developed using Bubble.io, a leading no-code development tool that enables rapid iteration and reduced costs compared to traditional development methods. The MVP of Giftify integrates several interactive features, including user input capture, preference analysis, and backend algorithms, to provide users with tailored gift suggestions.

The technical solution prioritizes scalability, allowing the platform to handle a growing user base while processing large volumes of data for highly personalized recommendations.

Giftify's backend infrastructure comprises a robust database that stores information such as user preferences, purchase history, and partner gift inventory. This data is processed by an AI-based recommendation engine, ensuring seamless and intuitive navigation from the initial interaction to checkout. Our platform is built for accessibility, allowing users to browse and select gifts from any device at any time, providing a consistent user experience across all channels.

To accommodate growth and manage peak traffic during high gift-giving seasons like holidays and special occasions, we use cloud-based infrastructure to ensure scalability. This

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infrastructure supports real-time data processing and integration, allowing Giftify to continuously refine and evolve based on user feedback and market trends. . Moreover, the platform allows us to easily integrate third-party data sources, making it straightforward to add new ethical brands and expand our inventory as our user base grows.

The platform's agile development strategy ensures that Giftify remains responsive to user needs and can adapt quickly to the shifting demands of the gifting market.

6.2. AI and Machine Learning Algorithms

OpenAI's ChatGPT powers the personalized recommendations at the heart of Giftify's value proposition. This AI engine considers multiple user inputs, such as age, gender, occasion, relationship to the recipient, and hobbies, to generate highly personalized gift ideas. Unlike traditional rule-based engines, ChatGPT provides contextual understanding, allowing users to interact with the platform more engagingly.

Giftify integrates machine learning algorithms that use continuous feedback loops to further enhance the recommendation quality. User data is collected at various touchpoints—such as product selections, conversion rates, and explicit user feedback—and then used to refine the AI model. As a result, the AI engine becomes increasingly better at making relevant suggestions with each user interaction by learning from them, helping build a loyal customer base. By utilizing advanced machine learning, Giftify aims to provide an experience that grows more intuitive the more users interact with the platform, ultimately ensuring users return to Giftify for future gifting needs.

6.3. Low-Code/No-Code Technologies

The choice of Bubble.io as our development platform was a strategic decision made for several reasons: ease of use, speed of development, cost efficiency, and scalability. Bubble.io, a no-code development platform, empowers the team to create sophisticated web applications without needing extensive coding knowledge. This aligns perfectly with Giftify's goal of rapidly

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developing an MVP, validating its market fit, and scaling without incurring the heavy costs associated with traditional software development cycles.

Bubble.io offers a highly visual drag-and-drop editor, simplifying the process of building user interfaces, defining application logic, and connecting with external databases or APIs. This feature has been instrumental for Giftify in quickly testing and iterating new features based on user feedback, enabling an agile and user-responsive development process. The global no-code market is expected to grow at a CAGR of 26.7%, reaching \$65 billion by 2027 (Statista, 2021), which reflects the increasing preference for these platforms due to their ability to democratize application development and reduce costs.

Bubble.io seamlessly integrates with third-party APIs, allowing Giftify to connect with ethical brands and import product catalogues to enhance our users' gifting options. Scalability is another significant advantage of using Bubble.io, as it ensures that the platform can manage increased web traffic during peak times, such as holidays or promotional campaigns, without any interruptions in service.

Bubble.io's cloud-based infrastructure is designed to accommodate sudden spikes in user activity. Its extensibility allows us to integrate further backend features as the platform grows in complexity. By allowing us to concentrate on building a rich front-end experience and making API integrations easy, Bubble.io has positioned itself as the perfect no-code tool for the initial phase of Giftify's development.

6.4. Platform Features and User Experience

Giftify's platform is carefully designed to offer every user a smooth, personalized experience. The user interface, powered by Bubble.io's visual tools, incorporates intuitive elements that make providing recipient information simple and easy. Users can input details about the recipient, such as their relationship, preferences, and special occasions. ChatGPT processes this data to generate tailored gift suggestions. Through the gift discovery quiz the platform includes

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a quiz that helps users discover suitable gift ideas by asking questions about the recipient's interests, hobbies, preferences, and occasion. This interactive experience makes the gift-finding process more engaging. The users can select occasion-based themes such as "Christmas," "Valentine's Day," or "Housewarming," which provide curated gift lists suitable for those specific occasions. In addition users can set a specific budget, and the AI algorithm will recommend gifts that fit within that budget, ensuring that the suggestions meet the user's financial requirements.

In addition to personalised suggestions, Giftify plans to implement experiences that align with recipients' interests, such as wellness retreats, creative workshops, or adventure-based activities. This future focus on experiences ensures that users can access a broader range of options beyond just physical items, making gift-giving a more unique and enriching experience. Moreover, Giftify plans to implement a screening scheme vetting future partners to meet standards for sustainability, ensuring that each gift aligns with the values of ethical consumerism.

These features are designed to make Giftify an intuitive and highly personalized platform that not only offers relevant gift suggestions but also ensures that the products align with our users' values, particularly their focus on sustainability and ethical consumerism.

6.5. Ethical Partnerships and Supply Chain Management

Giftify's supply chain strategy is focused on partnering with ethical and sustainable brands that align with our mission. After reaching a sufficient market size, Giftify plans to partner selection involves a rigorous due diligence process, where we assess the sustainability credentials of potential partners, including fair labour practices and environmental impacts. This aligns Giftify with the values of our target demographics, particularly millennials and Gen Z, who are increasingly committed to making ethical consumer choices. According to Nielsen (2020),

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nearly 73% of global consumers are willing to change their consumption habits to reduce their environmental impact. Giftify's approach to ethical partnerships and inventory management also includes a dropshipping-style model that reduces overhead costs. We serve as a bridge between ethical gift producers and consumers, meaning we do not hold physical inventory. This asset-light model enables us to scale rapidly without logistical complexities, allowing us to focus more on curating a high-quality, sustainable gifting experience for our users.

7. Implementation & Limitations

7.1. Implementation

After introducing Low-Code/No-Code Technologies as well as bubble.io itself in the sections before, this chapter focuses on the technical implementation of Giftify itself. Giftify is built on Bubble.io, a no-code/low-code platform that enables the creation of web applications without any further programming knowledge. It operates through certain workflows. A workflow is a chronological sequence being executed when a certain event takes place. These workflows operate through actions working on a “if → then” basis and consist of three components. These are events, actions and conditions. An event defines what triggers the workflow. An example might be a button which is clicked or a page that is being loaded. Afterwards, the actions take place. These are the steps executed by the workflow after it was triggered. These actions are predefined steps that the application needs to take in order to satisfy the required functionality. For example, this might be a navigation taking place leading the user to a new page or an external API being addressed. The actions are executed by certain commands, which are automatically executed by bubble. For example, in the "Show Popup A" action, the command that changes the visibility property of "Popup A" sets it to true. Conditions are optional and define when an action is executed. Attached, the sequence is depicted. Overall, the workflows contain the whole logic and structure of events, actions and optional conditions taking place.

In other words, events, actions and commands are combined in a workflow to create a seamless interaction. The event starts the process, while the actions define the operations that need to be performed in order to reach the goals of the workflow. Each step builds upon the previous one, gradually conducting commands responsible for updating interfaces, communicating with ecosystem, storing data, and managing dynamic states.

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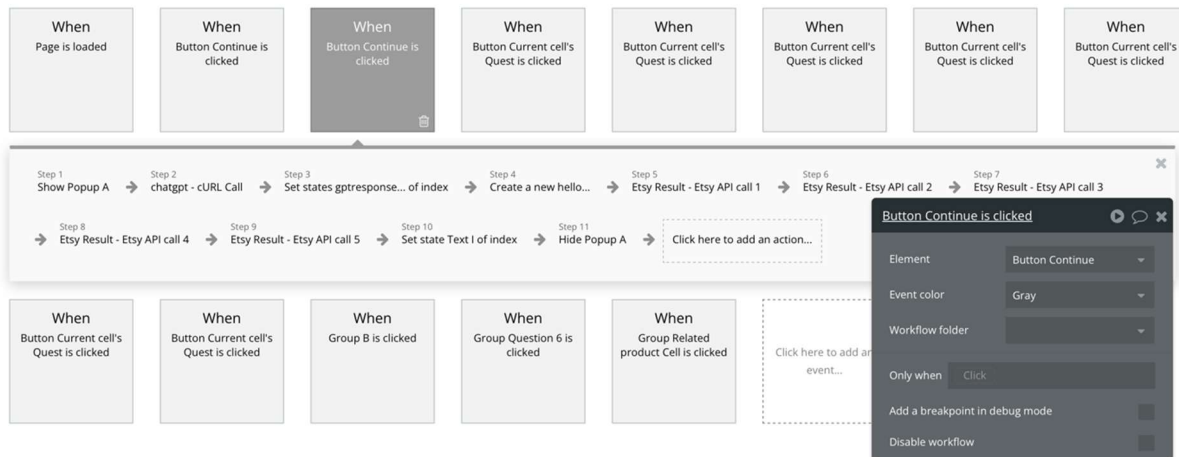


Figure 1: Workflow "When Button is Clicked"

The workflow shown represents a key aspect of Giftify's MVP, focusing on the integration of an external gift recommendation process and product listing. In this case, the workflow containing the whole structure is "when button Continue is clicked". This workflow is triggered by the event "Button is clicked". The "Only when" section in the black box on the right-hand side defines the condition under which the workflow is executed. In this case, it is "Click" meaning that if the button is clicked, the workflow starts. Subsequently, it makes a series of API calls and sets states to gather and present information to users. The first action, "Show Popup A", updates the user interface by making the "Popup A" element visible. This step sets the stage for user engagement by providing additional content or options.

The process flow aims to provide users with suitable gift recommendations based on their specific needs and characteristics. The workflow is structured to gather information from the Etsy API, despite our original preference for using Amazon's Affiliate API. Amazon was initially prioritised due to its extensive product catalogue and higher potential for affiliate commissions, which was the basis for our financial projections and monetisation strategy. However, due to the restrictive requirements of Amazon's API approval process, which include a demonstration of consistently high traffic and a credible business profile, we were not accepted for integration. Etsy was selected as an alternative due to its ease of implementation

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for showcasing the MVP. It offered a practical solution during the MVP phase by enabling us to create a product recommendation system that generates a final recommendation without relying on an API or affiliate program.

In our financials and monetisation strategy, Amazon was used as the primary affiliate platform, as it offers a well-established affiliate program that could generate significant commissions due to its higher product prices and broader availability. Etsy, while valuable for providing unique and handmade items, does not offer the same level of affiliate integration or commission structure. This discrepancy is addressed by our intention to transition to Amazon once Giftify reaches a sufficient user base and monthly traffic, which should facilitate successful acceptance into Amazon's affiliate program. This is also the reason we chose to make our financial projections using Amazon. Therefore, Etsy serves as an interim solution to enable a functional MVP that validates our core concept. Our long-term vision involves using Amazon as a preferred option for scalability, financial sustainability, and higher affiliate earnings.

The workflow involves multiple Etsy product integrations, not just one, to showcase diverse product options to the user in the future. Since we could not secure affiliate or API partnerships with either Etsy or Amazon, we implemented a product search feature on Etsy, which allows users to explore the one suggested product. The multiple Etsy API calls, labeled as "Etsy Result - Etsy API call 1, 2, 3, 4, and 5," are implemented for the future to ensure variety and to test the effectiveness of multiple product listings, which can be used as soon as we would be allowed to use the Etsy API. This is a strategic decision to demonstrate the platform's capability to offer multiple suitable options, similar to what we expect to achieve with Amazon once integration is possible. This approach also aligns with our hypothesis that presenting multiple curated choices increases user satisfaction and the likelihood of conversion. In future development, multiple choices will be displayed.

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A core aspect of this workflow is the cURL call to ChatGPT, which is instrumental in generating personalized gift recommendations. The prompt sent to ChatGPT is as follows:

"I'm looking for a gift for a index's q1's Display who is a index's q4's Display who is a index's q3's Display years old and has a index's q5's Display personality. The gift is for a index's q2's Display, with a budget of index's q7's Display. They enjoy index's q6:each item's Display and would prefer something they can use with a sustainable background. Ideally, the gift would be [specific characteristics, e.g., personalized, practical, luxurious, eco-friendly. after all analysis, just give a single gift that is the best based on all the information provided. return the gift name only."

This prompt includes several key components:

1. **Recipient Characteristics (q1, q3, q4, q5):** These questions gather specific details about the recipient, such as their identity, role, and personality traits. This information is essential for tailoring the gift recommendation to the recipient's unique needs and preferences.
2. **Relationship to Giver (q2):** This identifies the nature of the relationship between the giver and recipient, which can influence the appropriateness of different gift types. For example, gifts for family members may differ from those for professional colleagues.
3. **Budget (q7):** Budgetary constraints are critical for narrowing down options to items that are financially feasible for the user. By specifying a budget, the system ensures that recommendations remain realistic and within the user's means.
4. **Interests and Preferences (q6):** This question seeks to understand the recipient's hobbies, preferences, and practical needs, such as whether they would prefer something useful or experience-based. Including these preferences ensures that the

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recommendation aligns well with the recipient's interests, increasing the likelihood of satisfaction.

5. **Gift Characteristics:** The final part of the prompt includes optional characteristics for the gift, such as personalization, practicality, luxury, or eco-friendliness. This allows the user to further specify what they value in the gift, thus guiding the recommendation engine toward a more suitable selection.

This list of questions is asked of the users (see Appendix 1-8). Upon receiving the response from ChatGPT, the workflow stores the generated gift suggestion using the action “Set state get the response” in a custom state, which is then used for subsequent Etsy API searches. Each Etsy API call searches for a product related to the generated recommendation. Before sending the response from ChatGPT to Etsy <https://jsonlink.io> is addressed. It is an API that transmits static JSON (JavaScript Object Notation) data into publicly accessible links. JSON is an easy-to-read data format used for the exchange between systems like web applications and users. It is often used for the development of web applications and for APIs as it is supported by almost all programming languages and offers a simple structure. The API call is attached in Appendix 4.

Given our limitations regarding affiliate partnerships, the workflow focuses on presenting one possible Etsy product without embedding direct affiliate links. This serves as a proof of concept for the gift recommendation capability, paving the way for future integration with Amazon's affiliate program once we achieve the necessary scale.

The decision to use multiple Etsy API calls (five in total) reflects our attempt to simulate the experience of browsing several curated options, akin to what we would expect to deliver with Amazon. By planning on presenting users with multiple product recommendations in the future, we aim to validate our hypothesis that offering more choices enhances user experience and

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engagement. Ultimately, transitioning to Amazon remains a core part of our strategy, as it is more aligned with our projected financial models and long-term monetisation plans.

7.2. Limitations

As partially already mentioned in the implementation section, we faced quite some obstacles throughout the implementation process of Giftify leading to limitations of the MVP.

The first limitation is constituted through missing access to Amazon. We were not able to secure an Amazon affiliate membership due to strict restrictions from Amazon, which are i.a. (inter alia) tied to realized revenues which Giftify is not able to show so far. The missing affiliate membership means that currently no revenue could be generated which is an incremental part of Giftify's business model. To tackle this obstacle the first measures taken would be marketing expenses in form of building social media presence through paid advertisement and influencer marketing in order to generate initial sales. Simultaneously, professional developers would be hired in order to implement the API integration technically. Another limitation provoked by Amazon is its missing graphical visualization. Basically, for the current search action execution we could also have chosen Amazon, it would have been technically feasible. However, when returning the data in form of the suggestion Amazon shows no visual picture in the final step while Etsy does show one. This can be seen when looking at the returned values attached. Etsy has specific data in the bracket for "images" while the data field for Amazon stays empty.

```
{
  "title": "Personalized desk organizer set - Etsy",
  "description": "Check out our Personalized Desk Organizer Set selection for the very
best in unique or custom, handmade pieces from our shops.",
  "images": [
    "https://i.etsystatic.com/11355547/r/il/879180/6247484276/il_300x300.6247484276_g5ad.jpg"
  ],
  "url": "https://www.etsy.com/search?q=Personalized Desk Organizer Set",
  "sitename": "Etsy",
  "favicon": "https://www.etsy.com/favicon.ico",
  "duration": 2593,
  "domain": "www.etsy.com"
}
```

Figure 2: Returned Etsy Values

```
{
  "title": "political ideology and movement opposed to capitalism",
  "description": "",
  "images": [],
  "sitename": [
    "political ideology and movement opposed to capitalism"
  ],
  "favicon": "",
  "duration": 1187,
  "domain": "www.amazon.de",
  "url": "https://www.amazon.de/s?k=Handschuhe"
}
```

Figure 3: Returned Amazon Values

As user experience shall be at the forefront, we assessed a visual display for the users as important. Therefore, due to the technical complications as well as not being accepted for Amazon's affiliate program, Etsy was chosen as marketplace for building the MVP.

These two limitations by Amazon lead to the next overall limitation which is the use of Etsy. Etsy presents an interim solution due to the simpler technical feasibility. Nevertheless, it does not offer the same product catalogue and commission scheme as Amazon. Therefore, Amazon will stay the favoured solution.

A further limitation is constituted by the fact that we are only able to propose one gift recommendation currently. In fact we have prepared five API calls which could be sent to Etsy (or Amazon, when feasible) in order to request data and make more suggestions. Self-speaking ChatGPT would be able to make more suggestions. If it would propose five suggestions five different datasets would need to be created and the output from ChatGPT would need to be distributed separately to the five different calls. Unfortunately, this technical process is beyond our knowledge.

In conclusion, the ideal implementation would take place after we had established the brand giftify and thus been admitted to amazon's affiliate program. This would also simplify the monteraization of Giftify in the real business environment

8. Validation of the MVP

The validation of Giftify's MVP represented a cornerstone in the platform's development. The main goal was to ensure that Giftify met both user expectations and market demand. This process was achieved by interviewing around 10 potential consumers selected from the target market. The focus was on Millennials and Generation Z, demographics which carry a strong affinity for digital solutions and sustainability values. The interviews yielded relevant insights into user pain points, preferences, and expectations and laid down the foundations for Giftify's customer-centric approach and its iterative improvement process. The specific interview questions and answers can be found in Appendix 10.

8.1. Methodology

The validation process for Giftify was substantiated using a blended qualitative research methodology. A total of 10 individuals from the target market were interviewed using a blend of fixed questions and open-ended discussions. This mixed method enabled the research to gather extensive and easy-to-handle data. The data covered participants' thoughts on Giftify's MVP, ranging from simple opinions to complex recommendations. Participants were selected from Giftify's target market. The research prioritized Millennials and Generation Z because of their affinity for e-commerce platforms, sustainable products, and orientation to AI-driven solutions. The recruitment process ensured diversity within this demographic. The group included individuals with different income levels, shopping habits, and cultural backgrounds. This diversity improved the feedback quality, providing a holistic view of the platform's potential impact across different sub-segments.

The interviews were divided into three phases. The first one was focused on understanding participants' experiences and pain points concerning general gift-giving, without giving them access to the MVP before answering the questions. In the second phase, participants were asked to try Giftify's features and asked for their thoughts, both positive and negative. The final phase

centred on gathering participants' suggestions for potential modifications they wished to see implemented in future platform iterations. This three-phased approach produced interesting insights on how Giftify could better align with consumers' expectations and needs in real-life situations.

8.2. First Phase of the Data Gathering Process

During the different interviews, few patterns were identified. A considerable amount of participants emphasized their experience with “choice overload”. Many users described their experience with e-commerce platforms as being characterized by an abundance of choices that make decisions a challenge rather than a satisfaction. One participant once shared, “Every time I shop online, I get stuck in scrolling products. There is just too much to choose from, and this really makes me more confused than when I started.”

Participants also expressed frustration about their lack of gift ideas in general, noting that even before considering options, they often struggled to determine what might be suitable for the recipient. This lack of inspiration was further compounded by the absence of reliable platforms to help address this problem. A newly working woman summarized this dilemma by saying, “It’s already overwhelming enough, but when you want the gift to be green, that’s a whole other story.”

This disappointment was exacerbated by the lack of effective personalization on existing gift-recommendation platforms. Many users shared that recommendation engines often provided suggestions that were too generic to be genuinely helpful. A recent graduate in her late twenties claimed, “When I was looking for my mom’s birthday gift online, I only got recommended broad ideas, like a book or an agenda. I just felt that this technology owns the privilege to recommend gifts to people it pretends to know, but it has no clue.”

Most of the people emphasized their scepticism about the accuracy of AI recommendations, sharing that existing tools, including ChatGPT, are generally useless, especially when it comes

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to finding a present for a member of your family or someone who is very close to you, which necessarily requires more thoughtfulness.

Another relevant pain point shared by many participants was their struggle in screening sustainable product offerings. Many participants claimed that they were unable to confidently tell whether a product was ethical in terms of production and consumption. One university student said, “I always try to go sustainable in my shopping, but it’s hard to tell which brands are doing it right. A lot of companies make big promises, but I’m never sure “.

This overview of the main pain points emphasised by the participants’ interviews facilitated the creation of a baseline for the different solutions that Giftify should offer users. During the following phase of the data-gathering process, the research expected participants to consider Giftify as a platform that would solve most of these pain points.

8.3. Second Phase of the Data Gathering Process

During the second phase of the data-gathering process, participants were asked to try Giftify and provide feedback on what they liked and disliked the most. After collecting their insights, a thematic analysis was used to extrapolate the main patterns. The data showed several positive patterns, but there is still much room for improvement in meeting users’ expectations and needs.

Giftify inability to combine practicality with thoughtfulness was seen as a significant advantage. The interactive questions used to get information on the gift recipient were particularly well-received, with users describing it as both fun and practical. However, some other participants emphasized that the questions were not going as in-depth as needed, giving the impression that recommendations were still going to be general and lacking personalization, like most of the existing platforms. On this matter, one participant commented, “I like answering questions to provide more useful information, this game builds up a lot of expectations, but at the end, they are very general questions that can only lead to a disappointing gift recommendation”

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Other participants shared that they would have loved to see more detailed and personal questions that would allow them to explore and rediscover their relationship with the recipient of the gift. The interviews made clear that the number and quality of the questions asked before the recommendation occurs, are an important aspect to make the recommendation appear more thoughtful and personalized in the eyes of the gift giver. On this matter, one participant commented, “What I enjoyed the most were the questions; I was very excited to know what idea the information I gave was producing. They are fun; most of them seemed to enjoy the questions and approached them as a game.

Many of the interviewed participants also felt that a lack of open answers restricted their ability to fully describe the person they would be gifting to. By not having any possibility to add a last comment or a special keyword to define the person in question, it ended up proposing some good but not great.

The validation process also showed participants’ disappointment with the absence of alternatives. Giftify only produces one, which leads to some concerns about over-reliance on technology and the absence of alternatives. A graduate student noted, “I really like the idea of personalized recommendations, but I am worried that it might make gift-giving feel less personal. There’s something special about putting in the effort yourself.” This feedback highlighted the need for Giftify to position itself as a tool that enhances, rather than replaces, the personal aspects of the gifting process.

Finally, most of the participants thought that the recommendations were good but had hoped for multiple options. The fact that only one option was given to them after they had finished answering the question was slightly disappointing because if that particular gift did not suit them, they had to start all over again. But besides this, the participants really enjoyed that once on the Etsy website, they were left with a large selection of different variants of the same

product. This gave participants the feeling that they still had a part to play in the choice of the final gift. One master student said: “It’s really nice to be able to then choose which exact option I want to give my friend. It feels more personal, and I can also adapt my choice based on other criteria, like the price or quantity”.

8.4. Third Phase of the Data Gathering Process

In the third phase of the interviews, participants were invited to suggest potential modifications and improvements they would like to see implemented in future iterations of Giftify. This phase provided crucial insights into how users envision refining the platform to better suit their needs and expectations.

A common theme among participants was their desire for more personalized recommendations. Many felt that the questions asked during the gift-selection process, while fun and engaging, could delve deeper into personal details to produce more tailored suggestions. Some suggested incorporating open-ended questions or gamifying the process by allowing users to upload pictures or select characteristics that better describe the gift recipient. This, they believed, would help create recommendations that felt more thoughtful and less generic.

Another significant feedback point was the lack of multiple options in the recommendations. Participants expressed dissatisfaction with being presented with only one gift idea and wanted the platform to offer at least a few alternatives. While they appreciated the ability to explore variations of the recommended product on the vendor's website, they felt that having additional options directly on Giftify would enhance the experience and make it more versatile.

Sustainability remained a highly valued aspect, but participants noted that this feature could be more prominent. They recommended adding clear descriptions of how each gift aligns with sustainable practices and ethical considerations. One participant emphasized the need for a feature highlighting the sustainable qualities of the recommendations, stating that it would make the platform stand out in a crowded market.

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Overall, this phase of the interviews demonstrated that participants saw great potential in Giftify but also identified areas for improvement that could increase user satisfaction and adoption. By addressing these insights, the platform can evolve into an even more effective and user-centric tool for thoughtful and sustainable gift-giving.

8.5. Insights and Improvements

The validation process provided a comprehensive understanding of Giftify's strengths and areas needing improvement, which are critical for refining the platform to better meet user expectations. Across all phases of the interviews, recurring themes emerged, shedding light on how users perceived Giftify and the changes necessary to enhance its value.

One of the most significant insights was the appreciation for Giftify's time-saving capabilities. Participants valued the platform's potential to streamline the often overwhelming gift-selection process by quickly and efficiently narrowing down options. However, this appreciation was tempered by concerns about the lack of multiple recommendations. Most participants expressed a desire for the platform to offer at least two or three gift suggestions per search, as this would give them more flexibility and choice while still simplifying the decision-making process.

Another crucial area for improvement was personalising recommendations. While the interactive questionnaire was widely praised as a fun and engaging way to gather information, participants noted that it lacked depth. They felt the questions were too general and failed to capture the nuances of the recipient's preferences or personality. Several participants suggested adding open-ended questions or allowing users to include a brief description of the recipient to make the recommendations more relevant and thoughtful.

Sustainability, a key feature of Giftify, was both appreciated and critiqued. While participants valued the emphasis on ethical and sustainable gifting, many felt this aspect was not prominent enough. They wanted more detailed explanations of how each recommended product related to sustainability principles and clearer labelling to highlight these attributes. Making sustainability

more transparent and central to the platform could help Giftify appeal further to its eco-conscious target audience.

Lastly, participants appreciated the ability to explore variations of the recommended gifts on the vendor's website. This feature allowed them to feel more involved in the final selection process, which added a personal touch to their experience. Enhancing this by integrating multiple options directly into Giftify's interface could further elevate user satisfaction.

These insights formed the foundation for actionable improvements that can transform Giftify into a more user-centric and impactful platform.

8.6. Future validation and modification

As Giftify progresses, future validation efforts will focus on ensuring that proposed adjustments address the insights gathered during the initial MVP testing. These next steps will involve three primary approaches:

Subsequent iterations of the MVP will prioritize integrating deeper personalization features. This will involve revising the questionnaire to include more detailed and specific questions about the recipient and allowing for open-ended responses. The goal is to create a more robust and intuitive recommendation process that reflects the recipient's unique characteristics, ensuring the platform delivers thoughtful, personalized gift ideas.

Second, multiple gift recommendations will be introduced to address the current limitation of providing a single option. Offering users a selection of two or three recommendations per query will cater to their desire for choice while maintaining Giftify's time-saving advantage. This enhancement will also include clear sustainability labels and descriptions, reinforcing Giftify's commitment to eco-friendly gifting.

Lastly, future validations will focus on refining Giftify's features with a particular emphasis on enhancing user experience. This includes testing any new functionalities, such as gamification

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elements or improved sustainability labels, to ensure that they align with user expectations. A diverse but consistent participant base from the target demographics (Millennials and Generation Z) will continue to guide the development process. Their feedback will ensure that the platform remains innovative, practical, and aligned with their needs and values.

By implementing these strategies and maintaining a continuous feedback loop, Giftify will become an indispensable tool for personalised and sustainable gift-giving.

Summarizing the whole journey from problem identification and ideation throughout the three phases of data gathering as well as the technical implementation of Giftify through building it on bubble.io is visualised below in a flow chart to illustrate the progression from beginning until today.

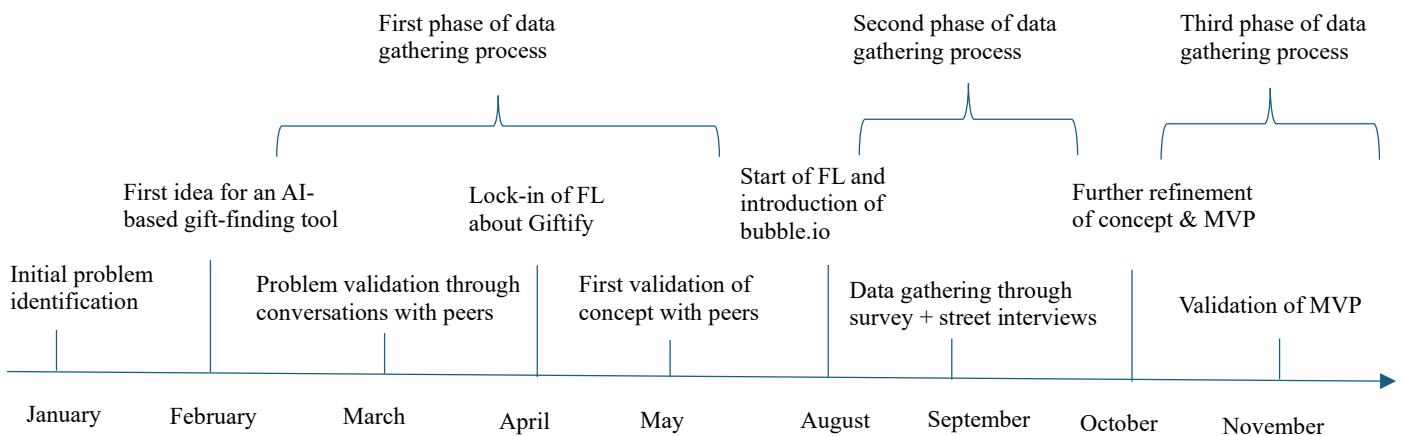


Figure 4: Process Flowchart

12. From Launch to Growth: Strategies for Retention, Sustainability and Risk Management

Building on the foundation laid in the Marketing and Sales Strategy chapter, this section delves into the key elements driving Giftify's operational success and growth. From the initial roll-out strategy to customer development, these chapters outline how Giftify aims to effectively enter the market and foster lasting relationships with users.

Following this, we explore our sustainability initiatives and growth strategies, which form the backbone of our long-term vision, ensuring that Giftify remains a leader in eco-conscious gifting. Finally, we address risk management, detailing how we identify, mitigate, and navigate potential challenges. Together, these strategies reinforce Giftify's mission to deliver a seamless, sustainable, and innovative gift-giving experience.

12.1. Roll-Out

The initial roll-out strategy for Giftify will focus on establishing a strong foundation in the German market, followed by a gradual expansion throughout the DACH region, which comprises Germany, Austria, and Switzerland. This approach is strategic, as these countries share not only cultural and economic similarities but also a common trend toward sustainable consumer behaviour and personalised shopping experiences (Rahman et al., 2021). These countries have shown increasing consumer interest in sustainability, and by targeting these three interconnected regions, Giftify can efficiently utilise shared marketing channels and operational synergies. Beyond the DACH region, our expansion plan aims to target other European countries that exhibit demand for eco-friendly and personalised gift solutions, specifically focusing on neighbouring nations to benefit from regional cultural similarities. Although the main marketing efforts will concentrate on these regions, the Giftify platform will be accessible and usable across the entire EU from the outset, thus benefiting a broader audience. This enables us to test wider international interest at minimal incremental cost.

12.2. Pre-Launch Phase (Q4 2024): Building the Foundation

The Pre-Launch Phase will be devoted to developing the MVP and preparing foundational marketing strategies. Given the importance of a swift and efficient development process during this phase, we leverage low-code and no-code platforms such as Bubble.io. These platforms will allow us to rapidly create the core functionalities of the platform without needing extensive back-end development, saving both time and resources in the early stages. During this period, beta testing will be conducted with a segment of German users. This testing is crucial as their feedback will be instrumental in refining the platform according to market preferences and ensuring a user-friendly interface that resonates with the German audience. Alongside this, we will also initiate a series of brand awareness activities, including establishing an engaging social media presence and email marketing campaigns. These efforts aim to generate excitement around the product, focusing on environmentally conscious and socially active segments that value personalised and sustainable choices.

12.3. Early Launch Phase (Q1 2025 to Q2 2025): Establishing a Presence in Germany

The official launch of Giftify's MVP is planned for early 2025 in Germany, initially targeting the Millennial and Gen Z demographics. These groups have been identified through market research as the most receptive to sustainable, ethical, and personalized gifting experiences. Marketing efforts during this phase will be primarily digital, utilizing paid advertisements and influencer marketing to effectively target these audiences. Our initial influencer collaborations will focus on German content creators who resonate well with the sustainable lifestyle, with the intention of establishing a trusted connection with our audience. In addition, we will use Search Engine Optimization (SEO) and content marketing strategies to establish a strong online presence and generate organic traffic to the platform. This early marketing strategy aims to build brand recognition, attract our initial customer base, and validate our core value proposition in the German market. To track early success, we will use metrics such as customer acquisition rates, traffic growth, and conversion rates from influencer campaigns.

12.4. Growth Phase (Q1 2028 to Q4 2030): Expanding Across the DACH Region

Following the successful establishment of our user base in Germany, Giftify will focus on scaling operations to the rest of the DACH region, specifically Austria and Switzerland. Both markets have similar socio-economic characteristics to Germany, and we believe that our core value propositions of sustainability and personalization will resonate equally well with these audiences. During this phase, localized marketing campaigns will be critical to ensure we address the specific needs and preferences of Austrian and Swiss consumers. We will rely on cross-border digital marketing campaigns, local influencers, and partnerships with ethical brands with a footprint in all three DACH countries. Word-of-mouth recommendations from our existing users are also expected to play a vital role during this growth phase, especially given the importance of consumer trust in buying decisions for sustainable products. Additionally, leveraging data analytics will be a key factor in optimizing our services and understanding consumer behaviour. The insights gained from data analytics will help us refine our gift recommendations, enhance user experience, and drive more targeted and cost-effective marketing campaigns.

12.5. Scaling Phase (2031 onwards): Europe-Wide Expansion and International Outreach

In the Scaling Phase, Giftify will aim to expand beyond the DACH region into other European countries with a high affinity for sustainable and personalized products. This will be followed by targeting larger international markets, including North America. Our marketing campaigns will need to be adapted to suit the specific gifting traditions and consumer preferences in these different countries. For instance, cultural differences in gift-giving occasions - such as Mother's Day, Valentine's Day, or other local holidays - will be used to customize promotions and influencer collaborations. In these new regions, partnerships with local sustainable brands will be prioritized to ensure we continue to provide meaningful gift recommendations tailored to local cultural preferences while maintaining our focus on sustainability. Long-term, Giftify aims to become the go-to destination for meaningful, ethical, and personalized gifts in both

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Europe and North America, leveraging our value proposition of being the best resource for sustainable and thoughtfully curated gifting experiences.

Data-driven marketing will become increasingly important throughout the scaling phase. We will utilize customer insights collected from existing operations to further enhance customer segmentation and provide hyper-personalized marketing campaigns. We will adapt our SEO and SEM strategies according to the language, culture, and consumer search behaviours in each new market. Paid social media campaigns will first be tested in small segments to optimize costs and then scale based on performance metrics.

13. Customer Development

Our customer development strategy is fundamentally linked to our customer acquisition efforts. By the end of 2025, we anticipate reaching a milestone of approximately 78,275 new customers generating affiliate commissions for Giftify. Of these, 65,290 customers are expected to be repeat users who have made at least a second gift purchase through the platform. This distinction between new and returning customers marks a crucial milestone for us, with October 2025 being a particularly significant month. For the first time, we project that returning customers will outnumber new customers. Specifically, we estimate that 53% of our total 17,710 customers in October will be repeat customers, compared to 47% who will be newly acquired. This shift is highly strategic, reflecting our goal to build long-term customer loyalty and revenue generation from existing users rather than rely solely on new customer acquisitions. This is especially important as our CAC increases over time. In 2025, CAC is estimated to be €13.41 per customer, and we recognise that acquiring new customers will become increasingly challenging, so focusing on customer loyalty is essential for generating sustained revenue.

The returning customers are distributed evenly across our three commission tiers, with a CRR of 25% across each tier. This CRR aligns well with industry standards; Alex Schultz, the Vice President of Growth at Facebook, suggests that having a CRR of 20-30% is a strong benchmark for customer retention in similar industries (Geckoboard, n.d.). On average, each returning customer buys 0.5 gifts per month, which is consistent with our survey findings, where respondents indicated they typically purchase between 6 to 8 gifts annually. Meanwhile, we have incorporated a churn rate of 0.5% per month, corresponding to 5.84% annually. This figure is also aligned with industry standards, which place the average churn rate for e-commerce between 5-7% (Dahn 2024).

At the end of 2025, our customer base for direct affiliate sales is projected to contribute 69.96% of our total revenue, with indirect qualified sales making up an additional 2.8%. However, this

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revenue stream is expected to be small, and its contribution will gradually decrease over time. We estimate that 90% of indirect sales users will not return to Giftify, while the remaining 10% might revisit and potentially use our services again.

By January 2026, we anticipate that we will have steadily increased our new monthly customer base to approximately 13,004 users. The majority of these customers (60.87%) will be acquired through influencer marketing. This growth is also supported by an increase in influencer partnerships, which nearly doubles the leads generated per post. Initially, we project a lead growth rate of 10% per month for influencer marketing throughout 2025, slowing to 1.5% as our market presence becomes more established. Beginning in February 2026, we foresee a trend in which the growth of newly acquired customers will decelerate. This is primarily due to overlapping target groups among our influencers, given that we specifically target similar demographics. The growing share of recurring customers highlights our focus on satisfaction and loyalty, as our share of newly acquired customers gradually declines.

In 2026, we anticipate doubling our total customer base from 78,275 to 152,628 and reducing our CAC from €13.41 to €11.67. By February 2026, we expect to reach a significant milestone: establishing a customer base of over 100,000 users. By the end of the first quarter of 2026, our user base will reach approximately 117,258 users. This milestone will not only validate our concept but also demonstrate a clear demand in the market for solutions like Giftify.

However, by 2027, we expect the CAC to rise again due to increased marketing saturation and overlapping audience segments. By October 2027, Giftify will generate profit for the first time, with an overall customer base of approximately 412,700 users, including 83,900 new customers. Of these, 79% are expected to be returning customers, and 21% will be newly acquired. This aligns with a reduced monthly customer growth rate of 5.68% in 2027, compared to 31.79% in 2025. Consequently, our CAC for 2027 will rise to €11.86.

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The year 2028 will be the first profitable year for Giftify. We expect that 71.21% of our revenue will come from affiliate commissions, with a total customer base reaching 735,827 users by the year's end. Over the course of five years, we aim to grow our customer base to approximately 1,56M users by 2030, with a CAC of €13.09. Our strategy focuses on continuous platform improvement, leveraging user data to enhance our recommendation algorithms. This ongoing optimization will help us drive 6.448 million purchases from returning customers, demonstrating how effective our long-term strategy is to build loyalty and generate most of our revenue from existing customers. By 2030, 86% of our total revenue is expected to come from returning customers, with new customer contributions comprising the remaining 14%. This reflects the importance of a high customer return rate to mitigate the rising CAC and the challenges of acquiring new customers. By then, affiliate commissions will account for 62.73% of our overall revenue, down from earlier years as we diversify our income streams.

Giftify's strategy combines diverse marketing efforts to attract new customers while fostering loyalty among existing ones. By prioritizing repeat purchases, this approach stabilizes CAC, boosts profitability, and ensures most revenue comes from satisfied, returning customers, creating a sustainable business model.

14. Sustainability and Growth Strategy

Sustainability and growth are the keys to Giftify's long-term success. Since sustainability is one of our core values, it is a priority in everything we do. At the same time, growth is essential for any business to thrive, so we focus just as much on expanding our reach and impact to ensure Giftify prospers in the future. Giftify has many sustainability challenges to face, ranging from the products chosen for the users to the AI provider we choose to work with. All these issues need to be addressed in order for our mission to be successful, upholding sustainability standards to the highest level we can.

14.1.1. Choice of AI provider

The choice of AI provider is an important decision regarding sustainability due to the consumption of energy that AI technology requires and is often very polluting due to the source of energy used, which is why it requires particular care.

For practical reasons, Giftify's MVP was built using ChatGPT, it offered ease of use and a relatively inexpensive option that could not be overlooked when creating a prototype. But ChatGPT is unfortunately not known for its sustainability efforts, which is why Giftify searched for a more suitable long-term solution to its AI issue.

Giftify found that Gemini would be a much better option because it offers similar capabilities to ChatGPT but has a strong sustainability background. Gemini is a generative artificial intelligence chatbot developed by DeepMind, a subsidiary of Google. DeepMind and Google have developed new techniques that allow for faster training, making the process far more efficient, higher in quality, and requiring less computing. The infrastructure is also built to be more efficient, focusing on chip hardware efficiency, which will soon be provided by Nvidia's next-generation Blackwell GPU, which is expected to consume 75% less power to train large models (Google, 2024).

According to Google (2024), as of 2023, they have achieved 64% carbon-free energy use on average for all of their data centres, including those operated by third parties, and also expect to be carbon neutral by 2030 across all operations and value chains. DeepMind also puts a lot of importance on the ethical aspect of AI, developing and deploying this technology with safety and responsibility at the forefront (DeepMind , n.d.). It shows real achievements compared to other AI providers, which reassures Giftify users that sustainability is a priority for us and applies to all aspects of the company.

14.1.2. Choice of Vendors

Since Giftify does not sell physical products, the gift recommendations it makes and the companies selling them must be sustainable. Giftify must align its vendors with its values. With that in mind, Giftify is implementing a three-phase program. Initially, to reduce costs and create a viable MVP with ease, Giftify decided to use Etsy as the sole vendor. This decision was driven by practical constraints, as Giftify's original preference for Amazon's affiliate program was not feasible during the MVP phase. Amazon's affiliate API approval process requires significant traffic and an established business profile, which are currently not met by Giftify. As a result, Etsy was selected as it offers a functional API and aligns with the need for a sustainable, low-cost solution to validate the core concept. Etsy is an online marketplace focused on handmade, vintage, and unique goods. Independent creators and small business owners, mostly referred to as sellers, can sell items such as jewellery, home decor, art, or even clothing. Etsy specializes in one-of-a-kind or personalized products that are generally handcrafted. It provides a platform for artisans and sellers to connect with potential customers and is a popular website for gifts, particularly custom and niche products. Additionally, Etsy's commitment to sustainability, including sourcing 100% of its energy usage from renewable sources and generating revenue from sellers participating in the circular economy, aligns with Giftify's values.

While Etsy is a suitable choice for the MVP, Amazon remains a strategic goal for future integration. Amazon's vast product catalog and higher potential for affiliate commissions make it an ideal vendor for scalability and financial stability. Amazon offers a wide range of products and services, from household items to hardware and even clothing and books. It provides a convenient shopping experience and is widely trusted and available in most European countries. However, this integration will only be pursued after Giftify reaches sufficient user traffic and is incorporated as a company, meeting the criteria for Amazon's API approval process. In the second phase, Giftify would introduce new vendors that have been approved as sustainable. This phase aims to diversify Giftify's vendor network, reducing dependency on Etsy and creating additional revenue streams, such as paid advertising for selected products.

Finally, Giftify's long-term goal is to gradually phase out Amazon in favor of smaller vendors with strong sustainability goals, promoting more responsible consumption. This process may take time, but by building strong relationships with hand-picked green vendors, Giftify can create partnerships that enhance visibility and sales. Etsy, with its handcrafted and sustainable product focus, will remain a key vendor due to its alignment with Giftify's values.

14.1.3. Carbon Offsetting

Giftify has a strong commitment to sustainability, with that in mind, it wants to offer its users a completely sustainable gifting experience. Giftify will offer on its website an optional carbon removal credit, allowing our users to remove the carbon from the atmosphere that was created due to the delivery of the gift they purchased. Our goal is for our clients to be able if they wish to have a fully environmentally friendly gift-giving experience, from the gift they are purchasing but also allowing them to remove the emission associated with the delivery of the gift and even more, which would cater to the values of our most eco-friendly customers. Contrary to the most commonly found carbon offsetting credits, they are often available with

purchases like plane tickets. Giftify would offer carbon removal credits, which go one step further than offsetting by completely reversing the impact. Carbon offsetting compensates the damages by funding renewable energy sources and other projects that contribute to reducing future emissions but do not remediate the current impact. Carbon removal provides immediate and efficient action that counterbalances emissions.

After purchasing a product recommended by Giftify, customers who want to reverse the impact of their order may return to our website, where they can buy specific CO2 Removal Certificates (CORCs) we purchased from Puro.Earth, is a company dedicated to easing access for individuals and firms to purchase or supply CORCs. Puro.Earth identifies suppliers with net-negative emissions, which are organisations that, through their processes or products, capture more carbon than they create, allowing them to supply CORCs. The net-negative emissions are not only scientifically measured and independently verified by trusted and reputable third parties but are issued under the ICROA-endorsed standard. After the purchase, Giftify will retire the CORCs, which means they will be cashed in and won't be able to be sold again (Puro.Earth, 2024). This process allows our clients to buy their CORCs from a credible and transparent source and will make sure their purchase does not have a negative impact on the environment.

14.2. Growth Strategy and Scalability

The user base is the centre of attention regarding the growth of the strategy of Giftify. By entering new markets, focusing on local holiday gift-giving practices and adding new features allowing for more customisation, Giftify could boost its user acquisition. Giftify consistent and exceptional user experience and useful features will drive our retention efforts. The repeated use of Giftify by clients is of the utmost importance, and in order to have client retention, Giftify wants to implement personalisation features that would allow clients to make profiles of individuals to whom they wish to offer gifts. By creating profiles with the date of birth and other information, Giftify would be able to send clients reminders of birthdays with a selection

of potential gift ideas weeks in advance, providing our clients with gift assurance. Features of this kind would be relatively easy to implement and drastically increase the interaction between the client and Giftify. In turn, it also makes Giftify the go-to for gifting all year round, and by offering good overall services. To ensure scalability and accommodate the growing number of users without issues, Giftify will continuously invest in process optimization, technology maintenance, and improvements.

14.3. Geographical Expansion Plans

Giftify's geographical expansion will start after its successful launch in Germany, where users value sustainability and are willing to spend more for eco-friendly gifts. By focusing on similar European markets such as Denmark, Belgium, and the Netherlands, Giftify can gradually move to new markets with reassurance and ease. After gaining traction in smaller countries, Giftify should aim for larger markets such as France and Sweden, which also share similar values yet allow for a much larger audience.

Giftify would have to adapt to each new market it enters, making adjustments to local languages, currencies, and cultural aspects that would allow for more relevant gift-giving customs. Market research on each new market would help guide the tailoring of the platform. Partnering with local ethical brands and suppliers would also help round out Giftify's offerings and create a sense of community in each market. Through partnerships and careful planning, Giftify also prepares to handle regulatory and logistical challenges along the way.

14.4. Innovation and Future Developments

Giftify will rely on innovation in order to have long-term success, focusing on research and development to improve and innovate in the field of Artificial Intelligence. But Giftify will also explore other technologies such as blockchain, which could offer a more transparent supply chain with concrete ethical standards, reinforcing trust in our commitment to sustainability. Blockchain offers great opportunities for traceability and transparency as well as accountability,

which Giftify, in partnership with vendors, could offer, on selected products, certificates that provide the customer with a detailed view of the product’s components’ origin and its way along the supply chain until it is in his or her hands. By including this certificate Giftify customers will have proof of the sustainability of the gift they wish to offer, increasing the worth of the gesture for the clients and cementing Giftify’s place in the sustainability sphere.

Additionally, Giftify is considering expanding the choice of products and services offered as gift options. These could include more sustainable options such as experiences and subscriptions, as well as digital goods and services, to stay responsive to our customers' needs.

15. Risk Management and Mitigation

Giftify requires effective and constant risk management to navigate uncertainties and retain long-term prosperity. Risk management involves identifying and assessing risks, as well as developing mitigation strategies and contingency plans for each identified risk.

15.1. Identification and Assessment of Potential Risks

Various categories of risks have been identified, each with specific potential risks impacting different aspects of the company's operations. Both internal and external risks were evaluated, with each assessed for its likelihood and potential impact on the company, highlighting the risks with the highest potential of occurrence and strongest impact.

Risk Category	Potential Risks	Likelihood	Impact
Regulatory Risks	Compliance with regulation concerning data protection of users (e.g. GDPR, CCPA).	Medium	High
	Modification and strengthening of regulation concerning the use of Artificial Intelligence.	Medium	High
Market Risks	Changes in sustainability trends which may affect the relevance of products data base.	Low	Medium
	Low users adoption due to competitors.	Medium	Medium
Operational Risks	Reliance on third-party vendors/partners for product information and delivery.	Medium	High
	Sourcing large amounts of sustainable products from selected vendors/partners	Medium	Medium
Technical Risks	Inaccuracies of the AI algorithm which may lead to poor gift recommendations.	Medium	High
	Issues with the integration of third-party data into our AI algorithm.	Low	Medium
Financial Risks	Increase in operating costs due to AI model training and maintenance.	Medium	Medium
	Uncertain revenue generation due to payment processing handled by third-party vendors.	Medium	High

Figure 5: Risk Assessment

15.1.1. Regulatory Risks

Although the European Union's current regulations concerning AI and generative AI do not restrict the use of AI technologies like ChatGPT, they are not considered high-risk to the general public and remain under the European Parliament's supervision (European Parliament, 2023). This indicates that, even though there are currently no restrictions on such technologies, the European Union does not view this issue as fully resolved and remains vigilant in monitoring their development. Regulatory risk also includes potential data protection issues, especially under the European GDPR, the world's strictest data protection regulation, which affects all companies interacting with European customers (Wolford, n.d.). Similar to the AI-related regulations, the GDPR currently does not adversely impact our business, but it remains a critical regulation that could evolve over time, likely becoming stricter.

15.1.2. Financial Risks

Our most critical financial risk comes from our revenue generation, which is heavily dependent on third-party vendors. Since we lack direct control over the tracking and transaction processes, any inaccuracies here can directly impact our income. This dependence also makes it difficult to have clear and accurate revenue expectations because our oversight ends once users leave our platform. Additionally, revenue leakage is a real concern, as tracking errors or technical issues, like downtime, can prevent proper attribution of affiliate links, leading to potential losses (Tradgett, 2023).

15.1.3. Operational Risks

Our operational risks are highly unpredictable due to our business model, since our AI-powered aggregator platform relies on our partners and vendors for availability, accurate and updated product details, and fulfilment of the orders, issues with these aspects can adversely affect the user's experience. According to Barakat Ali (2022), reputation has a large impact on customer's trust, which leads to loyalty and retention, and if our reputation is tarnished by third-party vendors, it could mean lower retention rates for our customers.

15.1.4. Technical Risks

Technical risks are unavoidable and can have a big impact on the success of the business. The primary technical risk that Giftify faces is the potential inaccuracies of the AI algorithm in the gift recommendation it may give, which could have a large impact on the company's brand reputation. Giftify's clients come to search for good recommendations and if they are not pleased with the selection proposed to them, it may leave them with a bad feeling concerning the abilities and relevance of Giftify. However, the likelihood is considered to be medium due to the extensive and frequent model training done with the AI and its continuous learning with each new gift search it is given. AI, especially at the beginning, can potentially recommend inaccurate gift ideas, which could highly impact and discourage repeated use of the platform and lead to a low retention rate. Ultimately, Giftify's unique selling point is its accurate and consistent gift recommendations, which is why It is positioned as a reliable go-to destination for personalized and perfect gift ideas. To strengthen customer confidence in Giftify, we are further increasing the importance and reliance on the proper functioning of our AI model.

15.2. Risk Mitigation Strategies

Giftify takes a proactive stance when it comes to risk management, including safety measures and backup plans throughout the whole business. Concentrating on our greatest risks, which range from operational to regulatory

15.2.1. Regulatory Risks

While current regulations may not directly affect Giftify, staying proactively aware and continuously monitoring regulatory changes will allow us to adapt quickly to new data protection and AI requirements. Engaging with legal counsel specialized in data protection and AI matters when needed can help us navigate the evolution of laws and avoid any potential penalties or compliance issues. Additionally, conducting regular internal audits of our practices, especially in data management, would ensure that we remain compliant with existing

requirements. By implementing best practices and staying ahead of regulatory shifts, we can better prepare for any future tightening of these regulations.

15.2.2. Financial Risks

A practical solution to Giftify's risks related to its dependency on vendors and to minimise potential revenue leakage would be to diversify our income sources. Expanding beyond affiliate links, we could explore different revenue streams, such as advertising space on our website, promotional partnerships for specific products, and other value-added services. These initiatives would create more stability in our income generation. Additionally, investing in technology to improve tracking and analytics could significantly reduce revenue leakage by offering more precise monitoring of user purchases. This dual approach could enhance both the reliability and predictability of our revenue.

15.2.3. Operational Risks

Giftify's operational risks can be addressed on multiple fronts. By setting clear performance metrics with our vendors and implementing Service Level Agreements, we make sure to have a higher and more consistent quality of service for our customers, while also holding vendors accountable for any issues. Additionally, having contingency plans, such as identifying alternate products or backup vendors, will help mitigate the risk of product unavailability. This proactive approach not only allows for customer satisfaction but also strengthens Giftify's reputation by delivering a more reliable and seamless experience.

15.2.4. Technical Risks

In order to counteract the technical issues Giftify may face regarding the inaccuracies of the AI algorithm, Giftify developed a strategy centred around feedback integration, continuous monitoring, and personalised support. Firstly, by integrating a strong feedback loop from the customer back to the AI model, with the goal that the model may learn much faster and will not repeat inaccurate proposals. When given proper and constructive feedback, AI models such as

the one used by Giftify, may understand what it did right and what it did wrong which leads to AI learning and being able to avoid making similar mistakes in the future (C3.ai, n.d.). Additionally, by continuously monitoring and analysing data from the recommendations provided to customers, interaction rates with the recommendations, and tracking movements, as well as errors and mismatches, Giftify may identify patterns that lead to inaccuracies and what may have caused them. Furthermore, having personalised support to understand the exact issues of the users is also a great way to investigate the issue further.

In conclusion, effective risk management is essential for Giftify's long-term success, enabling quick and efficient responses to uncertainties while maintaining a consistent, high-quality user experience. By proactively addressing potential risks such as regulatory changes and AI inaccuracies, Giftify ensures resilience and reliability in its operations.

16. Conclusion and Future Outlook

Giftify represents a transformative approach to the gift-giving market by combining innovation with sustainability. Giftify positions itself as a pioneer in the gift selection process by addressing common consumers' pain points such as decision fatigue, impersonal gifting, and ethical consumerism. Giftify emphasizes personalization, curated selection and ethical consumerism to attract modern consumers seeking meaningful, responsible and hassle-free gift solutions.

The company's business model is built upon affiliate partnerships, offering a scalable, low-cost revenue stream. This is complemented by strategic plans to create alternative income streams, through data analytics and sponsored product promotions. Giftify's rigorous financial planning, including careful budgeting and resource allocation, ensures that the company can achieve profitability by October 2027 while maintaining a lean operational structure. Giftify plans to continuously reinvest profits into key growth areas to secure sustainable expansion.

Giftify's marketing and sales strategies further emphasize its innovative and customer-centric approach. Leveraging targeted influencer collaborations, impactful digital marketing campaigns, and robust public relations efforts, help the company to effectively reach its target demographic while fostering strong brand loyalty. In addition, Giftify utilizes strategic partnerships with ethical brands and artisans to enhance its offerings and strengthen its reputation as a leader in responsible consumerism.

These initiatives, complemented with a robust risk management framework, will position the company to navigate potential challenges while capitalizing on emerging opportunities. Giftify's scaling process is based on a clear roadmap for geographical expansion, continuous technological innovation and reinforcement of sustainable practices. This long-term and structured approach to corporate development allows Giftify to capitalize on a competitive and rapidly changing gifting industry. With a clear mission, strategic vision, and carefully planned operational framework, Giftify is well-positioned to work as a good example to future

Group Part

entrepreneurial endeavours on how innovative technology can align and thrive when combined with meaningful and ethical practices.

Looking ahead, Giftify envisions a future characterized by steady growth, deep market penetration, and evolving product offerings in order to continue to meet changing consumer needs. By embracing emerging trends, exploring new collaborations, and enhancing operational efficiencies, Giftify aims to strengthen its industry presence further and become synonymous with sustainable and innovative gift-giving solutions globally.

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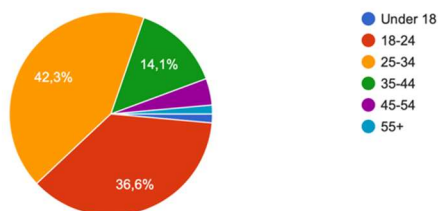
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Appendix 1: Survey Insights

Appendix 1.1: Question Age

1. What is your age group?

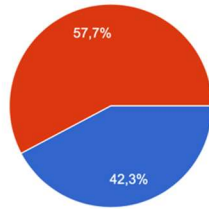
71 Antworten



Appendix 1.2: Question Gender

2. What is your gender?

71 Antworten

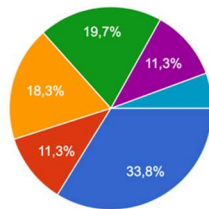


- Male
- Female
- Non-binary
- Prefer not to say

Appendix 1.3: Question Income

3. What is your annual income?

71 Antworten

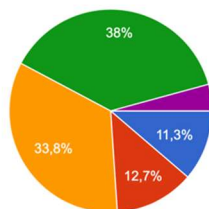


- Under 20,000€
- 20,000€ - 40,000€
- 40,000€ - 60,000€
- 60,000€ - 80,000€
- 80,000€ - 100,000€
- Over 100,000€

Appendix 1.4: Question Education:

4. What is your highest level of education?

71 Antworten

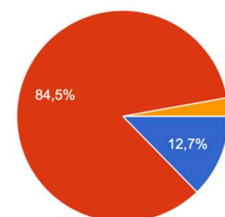


- High school or equivalent
- Some college
- Bachelor's degree
- Master's degree
- Doctorate
- Prefer not to say

Appendix 1.5: Question Origin

5. Where do you live?

71 Antworten

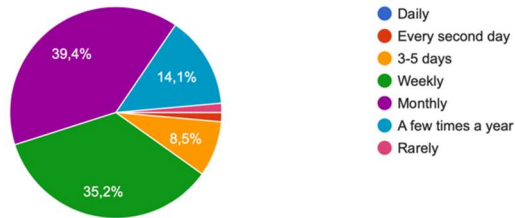


- North America
- Europe
- Asia
- South America
- Africa
- Australia/Oceania

Appendix 1.6: Question Online Shopping Frequency

6. How often do you shop online?

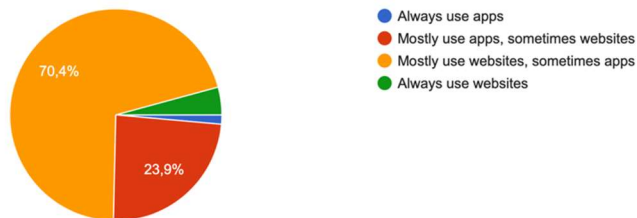
71 Antworten



Appendix 1.7: Question Preferences

7. Do you preferably use online website or apps for online shopping?

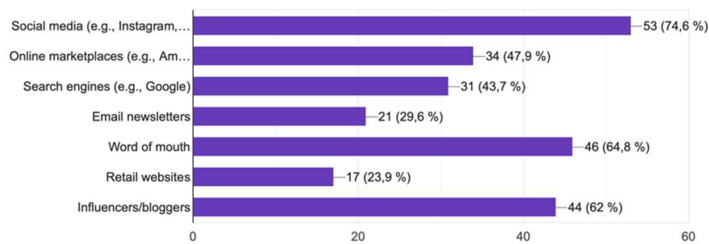
71 Antworten



Appendix 1.8: Question Product Discovery

8. Where do you usually discover new products? (Select all that apply)

71 Antworten



Appendix 1.9: Question Difficulty in Finding Gifts

9. How difficult do you find it to come up with a good gift idea?

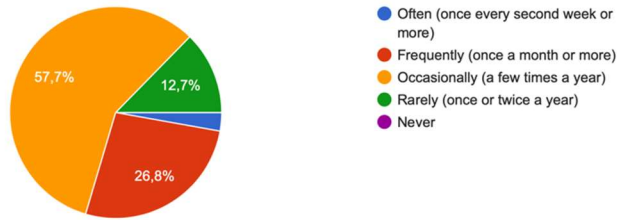
71 Antworten



Appendix 1.10: Question Online Gift-Shopping

10. How often do you buy gifts online?

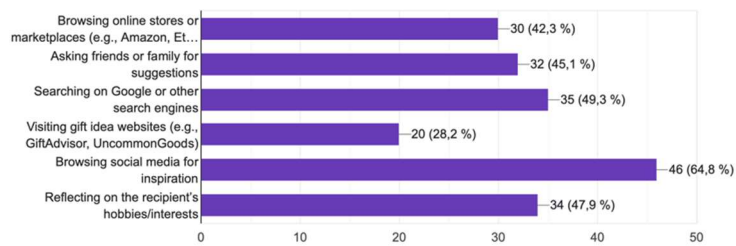
71 Antworten



Appendix 1.11: Question Gift Discovery

11. How do you usually find gift ideas when you have no idea what to gift?

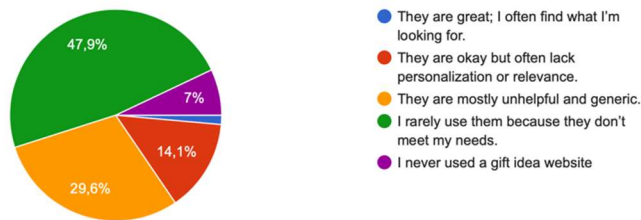
71 Antworten



Appendix 1.12: Question Perception of Current Tools

12. How do you feel about existing gift idea websites?

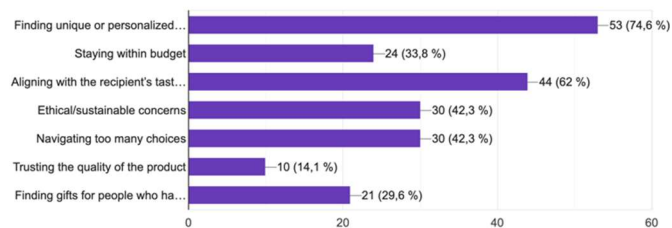
71 Antworten



Appendix 1.13: Question Challenges

13. What challenges do you face when shopping for gifts - both online and offline? (Select all that apply)

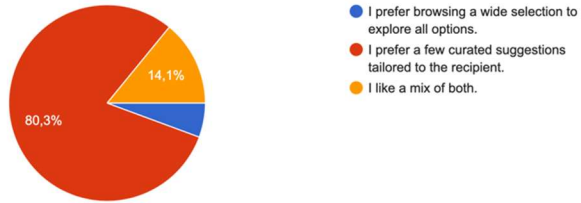
71 Antworten



Appendix 1.14: Question Suggestion Offerings

14. When searching for gifts, do you prefer to browse a wide selection or receive a few curated suggestions?

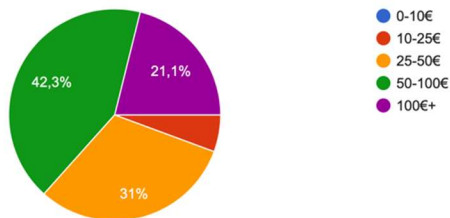
71 Antworten



Appendix 1.15: Question Average Spent

15. How much money do you spend per gift on average?

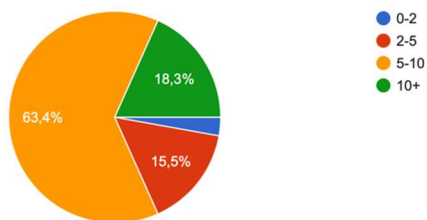
71 Antworten



Appendix 1.16: Question Gift Amount

16. How many gifts do you buy per year on average?

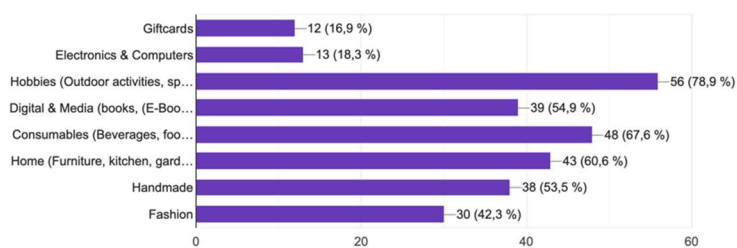
71 Antworten



Appendix 1.17: Question Gift Categories

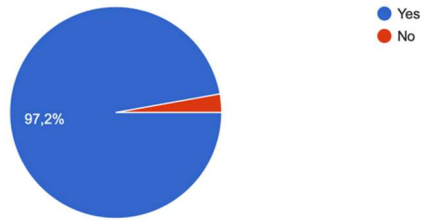
17. Which of the following categories do you usually gift?

71 Antworten



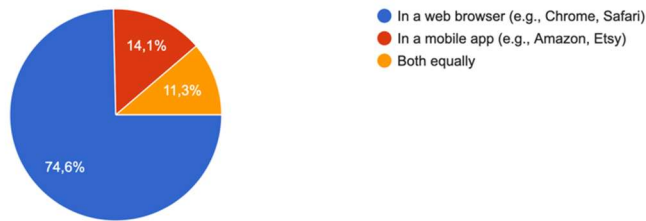
Appendix 1.18: Question Online Gifting Tool

18. Could you imagine using an online tool to find gifts?
71 Antworten



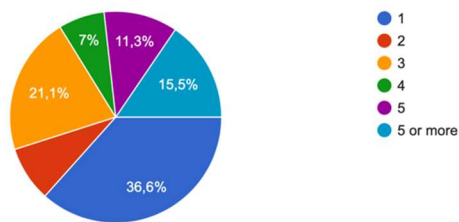
Appendix 1.19: Question Online Gifting

19. Where do you typically look for gifts online?
71 Antworten



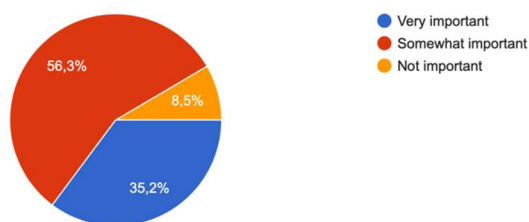
Appendix 1.20 Question Gift Recommendations

20. How many gift ideas would you like to get recommended at the end of the Giftify questionnaire?
71 Antworten



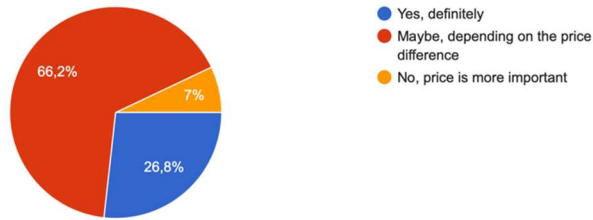
Appendix 1.21: Question Sustainability Considerations

21. How important are ethical and sustainable considerations when purchasing a gift?
71 Antworten



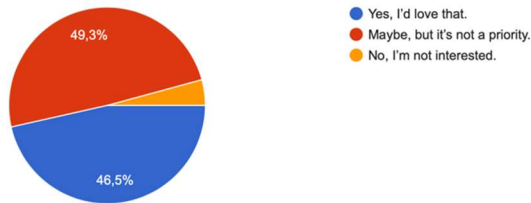
Appendix 1.22: Question Payment Willingness fro Sustainability Premium

22. Would you be willing to pay more for a gift that is ethically sourced or environmentally friendly?
71 Antworten



Appendix 1.23: Question Environmental Impact

23. Would you like Giftify to offer information about the social or environmental impact of the gifts you purchase?
71 Antworten



Appendix 2: Questionnaire

Appendix 2.1: Question Occasion

Help Us Know Them, We'll Find a Gift They'll Love!

What's the occasion for the gift?

Birthday
Wedding
Anniversary
Graduation

Appendix 2.2 Question Recipient

Help Us Know Them, We'll Find a Gift They'll Love!

Who is the recipient of the gift?

Friend
Family
Colleague

Appendix 2.3 Question Age

Help Us Know Them, We'll Find a Gift They'll Love!

What is the recipient's age group?

Under 10
10-18
19-25
26-35

Appendix 2.4 Question Recipient's gender

Help Us Know Them, We'll Find a Gift They'll Love!

What is the gender of the gift recipient?

Male
Female
Non-binary
Prefer not to say

Appendix 2.5 Question Recipient's personality type

Help Us Know Them, We'll Find a Gift They'll Love!

What kind of personality best describes the recipient?

Creative
Adventurous
Intellectual
Fashionable

Appendix 2.6 Questions Recipient's hobbies

Does the recipient have any specific hobbies or interests?

<input type="checkbox"/> Reading
<input type="checkbox"/> Sports
<input type="checkbox"/> Art & Craft
<input type="checkbox"/> Tech & Gadgets
<input type="checkbox"/> Fashion
<input type="checkbox"/> Cooking
<input type="checkbox"/> Travel
<input type="checkbox"/> Music
<input type="checkbox"/> Movies
<input type="checkbox"/> Entertainment

Continue

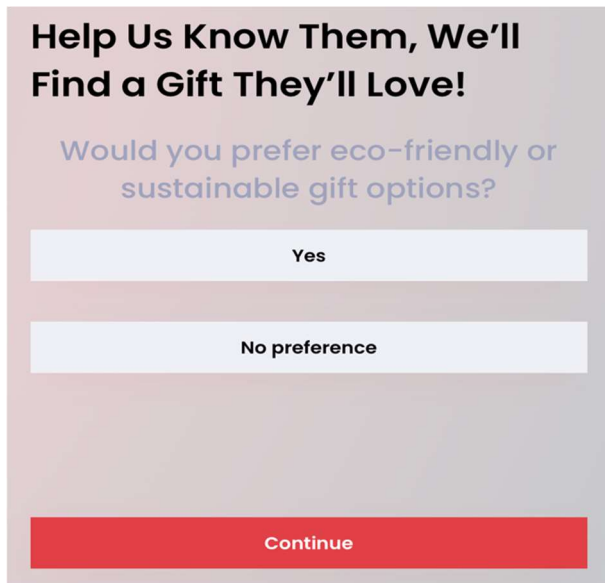
Appendix 2.7: Question Budget

Help Us Know Them, We'll Find a Gift They'll Love!

What is your budget range?

Under \$25
\$25-\$50
\$50-\$100
\$100-\$200

Appendix 2.8: Question Sustainability preference



Help Us Know Them, We'll Find a Gift They'll Love!

Would you prefer eco-friendly or sustainable gift options?

Yes

No preference

Continue

Appendix 3: API Call to ChatGPT

```
{"title":"[search] - Etsy","description":"Check out our [search] selection for the very best in unique or custom, handmade pieces from our shops.","images":["https://i.etsystatic.com/45837604/r/il/f31050/5722420358/il_300x300.5722420358_adbx.jpg"],"url":"https://www.etsy.com/search?q=[search]","sitename":"Etsy","favicon":"https://www.etsy.com/favicon.ico","duration":40,"domain":"www.etsy.com"}
```

Appendix 5: Amazon provisions

Produktkategorie	Direkte Qualifizierte Umsätze pro Monat	Standardvergütungen		
		Direkte Qualifizierte Verkäufe	Indirekte Qualifizierte Verkäufe	Amazon Influencer-Seite
Amazon Games	-	20 %	1 %	20 %
Amazon Fashion Bekleidung, Schuhe, Schmuck, Uhren, Gepäck, Amazon Fashion Damen, Herren & Kinder Private Label, Prime Erst probieren, dann zahlen, Luxusmode	< 15,000 €	10 %	1 %	10 %
	≥ 15,000 €	12 %		
Handmade	-	10 %	1 %	10 %
Home Möbel, Baumarkt, Haushalt, Küche & Esszimmer, Terrasse, Rasen & Garten, Elektro- und Handwerkzeuge	< 40,000 €	7 %	1 %	7 %
	≥ 40,000 €	8 %		
Consumables Bier, Wein & Spirituosen, Lebensmittel, Haustierprodukte, Babyartikel, Schönheit, Luxus-Beauty, Gesundheit und Körperpflege, Körperpflegegeräte, Büroartikel	< 40,000 €	6 %	1 %	6 %
	≥ 40,000 €	7 %		
Digital and media Bücher*, Kindle eBooks*, Musik, DVDs & Blu-ray, digitale Videospiele, Software, Digital Software, Musik-Downloads, Videospiele-Downloads	< 20,000 €	6 %	1 %	6 %
	≥ 20,000 €	7 %		
Hobbies & Auto Outdooraktivitäten, Spiele und Spielwaren, Sport und Fitness, Musikinstrumente, Auto & Motorrad, Gewerbe, Industrie & Wissenschaft	< 20,000 €	6 %	1 %	6 %
	≥ 20,000 €	7 %		
Amazon Geräte Eero, Fire TV, Kindle und Echo-Geräte und Zubehör	< 5,000 €	3 %	1 %	3 %
	≥ 5,000 €	4 %		
Elektronik & Computers Computer, Elektronik, Kamera, Elektro-Großgeräte, Fernseher und Heimkino, Smartphones und Handys Videospiele	< 80,000 €	3 %	1 %	3 %
	≥ 80,000 €	4 %		
Konsolen	-	1 %	1 %	1 %
tegut... bei Amazon Lebensmittel & mehr am selben Tag geliefert	-	3 %	3 %	3 %
Alle übrigen Produkte (außer Geschenkgutscheine)	-	3 %	1 %	1.5 %
Geschenkgutscheine	-	0 %	0 %	0 %

(Amazon 2024)

Appendix 7: Giftify Cash Flow Statement

Giftify

Cash Flow Statement

	For the year ending:						
	2025	2026	2027	2028	2029	2030	
Operating Activity							
Direct	323.332 €	1.110.120 €	2.186.313 €	3.585.643 €	5.334.859 €	7.469.192 €	
Indirect	121.041 €	485.675 €	853.832 €	1.449.479 €	2.494.431 €	4.437.444 €	
<i>Cash paid for</i>							
Sales & Marketing Expenses	- 1.050.000 €	- 1.780.890 €	- 2.572.074 €	- 3.495.748 €	- 4.608.321 €	- 5.990.220 €	
COGS	- 13.331 €	- 47.874 €	- 91.204 €	- 151.054 €	- 234.879 €	- 357.199 €	
Wage expenses	- €	- €	- 20.000 €	- €	- 240.000 €	- 480.000 €	
General & Admission Costs	- 378.000 €	- 216.000 €	- 288.000 €	- 288.000 €	- 294.000 €	- 300.000 €	
Professional Fees	- 241.000 €	- 216.000 €	- 216.000 €	- 216.000 €	- 216.000 €	- 216.000 €	
Other	- 258.887 €	- 31.916 €	- 60.803 €	- 100.702 €	- 156.586 €	- 238.133 €	
Income taxes	- €	- €	- €	- 101.870 €	- 623.851 €	- 1.297.526 €	
Net Profit from Operations	- 1.496.846 €	696.885 €	207.936 €	681.748 €	1.455.653 €	3.027.560 €	
<i>Additions to cash</i>							
Depreciation	- €	- €	- €	- €	- €	- €	
Amortization	- €	- €	- €	- €	- €	- €	
<i>Subtractions from Cash</i>							
Increase in Accounts Receivable	-	-	-	-	-	-	
Increase in Inventory	-	-	-	-	-	-	
Total Cash from Operating Activities	- 1.496.846 €	696.885 €	207.936 €	681.748 €	1.455.653 €	3.027.560 €	
Investing Activities							
<i>Cash receipts from</i>							
Purchase of equipment	-	-	-	-	-	-	
Investor loan	-	-	-	-	-	-	
Total Cash from Investing Activities	- €	- €	- €	- €	- €	- €	
Financing Activities							
<i>Drawing/Distribution</i>							
Repayment of loans	-	-	-	-	-	-	
Total Cash from Financing Activities	- €	- €	- €	- €	- €	- €	
Beginning Cash	- €	- €	- €	- €	- €	- €	
Total Change in Cash	- 1.496.846 €	696.885 €	207.936 €	681.748 €	1.455.653 €	3.027.560 €	
Ending Cash	- 1.496.846 €	696.885 €	207.936 €	681.748 €	1.455.653 €	3.027.560 €	

Appendix 8: Valuation

DCF Method		WACC		
		12% (Assumed from industry average of 10-15% for tech, SaaS, and e-commerce startups)		
Year	FCF (€)	DF	PV (€)	
2025 -	1.496.846 €	0,89286 -	1.336.469,61 €	
2026 -	696.885 €	0,79719 -	555.552,26 €	
2027 -	207.936 €	0,71178 -	148.004,88 €	
2028	681.748 €	0,63552	433.263,04 €	
2029	1.455.653 €	0,56743	825.976,71 €	
2030	3.027.560 €	0,50663	1.533.855,90 €	
Terminal Value				
growth		2%		
TV	30.881.108 €			
PV of TV	15.645.330,17 €			
Enterprise Value	16.398.399,07 €			
Equity Stake				
Investment amount	2.700.000,00 €			
Pre Money Valuation	16.398.399,07 €			
Post-Money Valuation	19.098.399,07 €			
Equity Stake	14,14%			

For Investing 2.7M right now the investor would receive 14,43% in equity

Equity Stakes founders pre Investment	
Founder 1	25%
Founder 2	25%
Founder 3	25%
Founder 4	25%
Sum	100%
Equity Stake founders post Investment	
Founder 1	21,47%
Founder 2	21,47%
Founder 3	21,47%
Founder 4	21,47%
Sum	85,86%
IRR	21,22%

Appendix 10: Screenshot MVP Validation Interviews

Number	Name	Age	Nationality	Q1: What are some of the challenges or frustrations you encounter when choosing a gift?	Q2: On a scale of 1-5, how satisfied are you with the current look or platform process for gift giving?	Q3: Does GiftGpt address them effectively over your past when gift giving?	Q4: What do you think of the types of questions GiftGpt asks? Are they relevant and engaging?	Q5: Would you use more or fewer questions to personalize the gift recommendations? Why?
1	Yusuf	25	India	Unless I know exactly what to get for my friends and family, generally I just go on Amazon and look for ideas but I don't know what to get for my gift.	I would say 3, I generally don't use platforms for gift recommendations because they are not really good but I use some like the 'Gift' and 'Gift' recommendations.	The recommendations are not really good but I use some like the 'Gift' and 'Gift' recommendations.	I think they are relevant but generally I don't think they would go deeper into specifics. I want to go on the other side of the spectrum where you can ask more specific questions.	As I said before, I would like to go more into details for you could easily ask these questions on single multiple answers. Be a general idea of the gift.
2	Yusuf	25	India	Nothing gets boring through a million different websites in order to find the appropriate gift.	I never used any of the recommendation platforms that exist.	I think you can't really be bothered about the time spent searching and like that about the searching for me.	I guess they are good but I don't think they go deep enough. I would want more specific or more choices of questions at least.	Well, more. There could be more specific questions.
3	Yusuf	25	India	When I'm looking for a gift, I'm frustrated because I don't have any idea what to get for people. It's like I don't know what to get for people.	I don't use any of the platforms. I'm not sure if it's worth it.	Yes, I think gift giving is a personal thing. I think it's more about the person who is giving it.	Some like the questions.	There are more questions for Christmas and other special occasions on the questions.
4	Yusuf	27	India	Most of the time, I'm not sure what to get for my friends and family. I usually go on Amazon and look for ideas but I don't know what to get for my gift.	I don't use any of the platforms. I'm not sure if it's worth it.	I don't use any of the platforms. I'm not sure if it's worth it.	I think the questions are relevant but I don't think they go deep enough. I would want more specific or more choices of questions at least.	There are more questions for Christmas and other special occasions on the questions.
5	Yusuf	25	India	Generally, I don't know what to get for my friends and family. I usually go on Amazon and look for ideas but I don't know what to get for my gift.	I don't use any of the platforms. I'm not sure if it's worth it.	I don't use any of the platforms. I'm not sure if it's worth it.	I think the questions are relevant but I don't think they go deep enough. I would want more specific or more choices of questions at least.	There are more questions for Christmas and other special occasions on the questions.
6	Yusuf	27	India	I think that the main challenge is choosing an idea with a specific person. It's not easy to find a gift that is personalized and meaningful.	I don't use any of the platforms. I'm not sure if it's worth it.	I don't use any of the platforms. I'm not sure if it's worth it.	I think the questions are relevant but I don't think they go deep enough. I would want more specific or more choices of questions at least.	There are more questions for Christmas and other special occasions on the questions.
7	Yusuf	25	India	The main challenge is choosing an idea with a specific person. It's not easy to find a gift that is personalized and meaningful.	I don't use any of the platforms. I'm not sure if it's worth it.	I don't use any of the platforms. I'm not sure if it's worth it.	I think the questions are relevant but I don't think they go deep enough. I would want more specific or more choices of questions at least.	There are more questions for Christmas and other special occasions on the questions.
8	Yusuf	25	India	I struggle to find good ideas for the budget. I don't know what to get for my friends and family.	I don't use any of the platforms. I'm not sure if it's worth it.	I don't use any of the platforms. I'm not sure if it's worth it.	I think the questions are relevant but I don't think they go deep enough. I would want more specific or more choices of questions at least.	There are more questions for Christmas and other special occasions on the questions.
9	Yusuf	25	India	What I'm looking for is a gift that is personalized and meaningful. I don't know what to get for my friends and family.	I don't use any of the platforms. I'm not sure if it's worth it.	I don't use any of the platforms. I'm not sure if it's worth it.	I think the questions are relevant but I don't think they go deep enough. I would want more specific or more choices of questions at least.	There are more questions for Christmas and other special occasions on the questions.
10	Yusuf	25	India	When I'm looking for a gift, I'm frustrated because I don't have any idea what to get for people. It's like I don't know what to get for people.	I don't use any of the platforms. I'm not sure if it's worth it.	I don't use any of the platforms. I'm not sure if it's worth it.	I think the questions are relevant but I don't think they go deep enough. I would want more specific or more choices of questions at least.	There are more questions for Christmas and other special occasions on the questions.

Q6: Does the final gift recommendation meet your expectations? What could be improved?	Q7: Are there any specific features of GiftGpt you particularly liked or disliked?	Q8: What changes would you make to the platform?
The recommendation was decent, but I had multiple issues including when I got to the recommendation page, it didn't seem to load. It was very clear. The other issue was that only one recommendation was given to me, I don't know if 3 or 5 would have been a better idea.	The general simplicity was my best part. I really like that I didn't have to do much work to get to a recommendation.	I would really like more options at the end to be proposed to me, one is not enough in my opinion. I also didn't understand that I needed to click on the photo of the recommendation, might just be me.
Yes, it is good but I wished there had been more than one. But I still like the fact that you can choose once you're on the Etsys website.	I disliked the question about sustainability, I did not understand why it was included in it. I also did not find very intuitive to click on the recommendation.	As I just said before I would get rid of the question about sustainability, seems not logic. Also making the questions more specific, allow for maybe open answers. It would also be good to maybe have more information concerning the sustainability aspect of the recommendations. Since that the point of the
It was okay. I just wished there were other options.	I didn't understand why there was a question about if I wanted the gift to be sustainable or not, did not make sense to me.	More options of ideas, that's what I would change.
I was very happy with the result, the recommendation was clearly something I would have bought the person I had in mind, but I wished there were more options just to avoid going at again to have another recommendation.	The ease of use and that rather than just give you an idea it also gave you where to buy it cause sometimes it's annoying when you have the idea, yet don't know where you could purchase it.	I would allow for more details concerning the person. I would add either more options or open answers, because the amount of question is good enough already.
The recommendation was good but I would have like more. There was only one and I would have like at least 3.	The thing I like the most is that it is a quick and easy way to get a gift recommendation, but as I mentioned before, I would have like more than one	More ideas clearly.
I wanted to find a gift for my brother, the result was disappointing. It was not really personalized, I got an agenda as recommendation which is something useful but that I could gift to someone I do not really know, not to my brother	I liked the concepts behind it, it is nice to have a gift recommendation tool that is easy to access. I think a lot of things need to be improved, from the layout, the questions and the overall recommendations	I think more questions are needed and also more results like three gift recommendations. I also do not see the focus of the recommendation on sustainability. It should be mentioned how the recommendation can be considered as ethical gift
I was expecting something very general from the type and number of questions, it did not disappoint	I liked the speed, it is definitely easier to have a good gift idea in a very short time, the problem is that the idea was not good	I would definitely change the layout, making it more professional. I would add questions but not too many. I would copy more gift recommendation and a description of how it makes the purchase
to a certain extent, the gift could be way more personalized, it appears to be recommended by AI with no connection with the receiver	I liked the format, you answer questions and you get a product. I would have liked the questions to become gradually more personal	I would love to have more questions or gamify the process to get to the recommendations. I would also enjoy for example a place where to put picture of the receipt so to make the gift more
no, the result was disappointing	I liked the idea, I think that if the result manage to be very personalized, that is a game changer.	I would try to put more questions, and more emphasis on sustainability, you can barely see it. Maybe add a captioning description of the products recommended like emphasizing the sustainable part of the recommendation
the result was Chat Gpt like	I liked the concept behind it and the speed. But the result was disappointing, I would also prefer to receive a very specific recommendation. I do not want the result to be like a pair of headphones, I want the result to be a specific type of headphones with different sites where to find them	I would enjoy a longer process to get to the recommendation, you need to try to differentiate the process from ChatGPT. Maybe an add-in for photos of the receipts or a gamification of the process like commenting on pictures, for example you give a bunch of picture of products or people doing activities and ask if this resembles the person you want to gift something to