

A Work Project presented as part of the requirements for the award of a Master's degree in Management from the Nova School of Business and Economics.

DEALSTER: HOW WE PLAN TO MAKE CARS MORE AFFORDABLE IN PORTUGAL

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DISCIPLINED ENTREPRENEURSHIP: 24 STEPS TO A SUCCESSFUL STARTUP

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Abstract

This business plan for an online vehicle marketplace with a twist was carried out within the scope of our master thesis project, for the final master's degree in Management. The development of this business plan aimed to transmit all our study towards the plan to build a successful company and use our learnings to continue scaling it after submission.

In addition to a group part explaining the business idea and exploring other aspects such as validation, key factors for success, mission, vision, goals, and values, this paper includes one of four individual contributions to the original group project: the application of Bill Aulet's framework from his book "Disciplined Entrepreneurship: 24 Steps to a Successful Business", which offers a different approach to a traditional business plan.

Keywords

CLV (Customer Lifetime Value), CAC (Customer Acquisition Cost), Profit, Revenue, Costs, Pricing, Funding, Market segmentation, Persona, TAM (Total Addressable Market), SAM (Serviceable Addressable Market), SOM (Serviceable Obtainable Market), Value Proposition, Competitive Positioning, DMU (Decision Making Unit), MVP (Minimal Viable Product)

Mandatory statement regarding funding

For us to be able to lift the company and support the business in the first year until we become profitable, we are currently seeking 100.000,00 € in exchange for 15% of our company.

Acknowledgments

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1. The Opportunity (Group)

1.1 The Pain

Buying a car in Portugal can be more expensive than expected. Having the third most expensive cars in Europe due to high taxation, buyers have to spend generous amounts. On the other hand, arises the difficulty of finding the desired brand and model in the Portuguese market, as it is scarcer than other European players.

Therefore, when they do not find the ideal car, some individuals choose to look for a car abroad, more specifically in Europe due to the proximity to Portugal and the free movement of goods. It should be noted that there are European countries such as Germany, France, Belgium, Italy, and Spain that have a wide variety of car brands and models, whether gasoline, diesel, hybrid or electric, as well as offering lower prices, which attracts Portuguese consumers to other markets across borders. However, the importation of a car from abroad, despite having more advantageous aspects, as mentioned above, implies some constraints. In this way, the problems related to the transport of the car to Portugal stand out, which adds additional costs. On the other hand, many are unwilling to go through the tedious, time-consuming, and complex bureaucratic process required when buying a car outside Portugal. Finally, some individuals are uncomfortable with the instability of not having a car warranty. Although the car seems to work perfectly at the time of purchase, problems are often only discovered later with the use of the car.

The Covid-19 pandemic and the war in Russia also stand out. The car market was already in decline at the beginning of 2019, with Covid-19 not being at its origin, it just came to accentuate, particularly at an economic level, in terms of the supply chain, production, and sales. As the contagion spread, due to the lockdown measures imposed in several European

countries to contain the virus, there were delays in production leading to the provisional closure of several car plants, contributing to disruptions in the supply chain.

Regarding the war between Russia and Ukraine, the automotive industry will also suffer consequences due to such instability. Particularly due to the rise in the price of raw materials exported from Russia, such as steel, aluminum, and magnesium. But also, considering globalization, the growing presence of various car groups in Russian territory, exposes them more directly to this crisis. Therefore, production stoppages, problems in supply chains, and lower profit rates are some of the problems that the automotive industry is going through.

To better analyze and study the problem, several individuals answered a survey (the results will be presented later) and the 4Us Framework was used to validate the problem

1. Unworkable (how painful): Through the purchase of a car abroad made by a private individual (even having third-party assistance in some parts of the process), several negative consequences are necessary to face. Namely, expenses with transport from and to Portugal, loss of time and money due to the bureaucratic process that involves legalization and, potentially, problems with the poor condition of the car that is not covered by the warranty.

2. Unavoidable (how necessary): Whenever a car is purchased abroad, there are mandatory legal requirements, namely the registration application, car insurance, vehicle registration, and payment of the "Imposto Único de Circulação", among others.

3. Urgent (how time-sensitive): Many Portuguese suffer from the limitations of the Portuguese car market, either due to inflated prices, a wide variety of makes and models, or shortages related to the type of fuel in the car, as has been seen with gasoline. Thus, there is an urgency to access a market that is more abundant as is the example of the German, French, Italian, Belgian, and Spanish car markets.

4. Underserved (how many alternatives): Many Portuguese suffered in the process of buying a car because the Portuguese market has no excellent conditions, however, the whole process of getting a car abroad was even more complicated to execute despite its abundant characteristics and low prices. In this way, it is possible to verify that there is still no optimal service that helps the consumer with the entire car import process.

In conclusion, as can be seen above, the process of buying a car is not perfect or easy for anyone, especially now that the car market is quite unstable. Buying a car abroad, despite having a lot of potential due to the high variety and low prices, also includes several insecurities and constraints.

1.2 The Solution

We propose the marketplace platform “Dealster”, where customers can find automobiles from all around Europe. A potential Portuguese customer could access more than 2 million cars from other countries, compare prices, and make a direct purchase through the website.

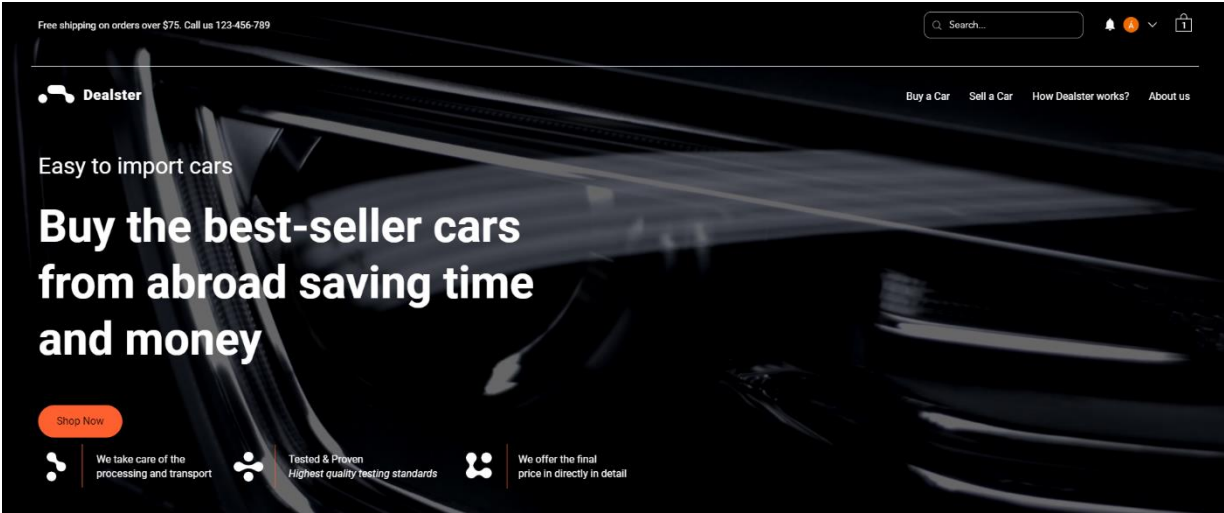


Image 1. Website Home Page Draft

Using a Portuguese customer as an example, they could visit our website, search for a particular brand or model, and gain access to all cars that are for sale from all European countries, with a distinct and crucial step that is the final price of the vehicle after all potential expenses, like the cost of the car in the original country, shipping to the country of purchase, legal costs like

license plates, car registration, and insurance costs, give the customer a genuine idea of the cost differences between buying a car locally and having it shipped from abroad. Therefore, the solution is providing customers with a wider array of offers, as well as lower pricing, as the dealership's profit margins are eliminated by our website/platform. To be even more explicit, here is an illustration of a real-world car and how the expenditures would be divided on our platform:

For an Audi A5 with first registration year 2017 / Diesel

- Car price 25.000€
- License and registration: 4.000€ (Simulador ISV 2022, n.d.)
- Shipping: 800€
- **Final price: 29.800€**

The user would see this on the platform, with the cost of the car listed as 29.800€, which he could then contrast with the costs for the same car in his home nation. Our main objective with this solution is to make car purchases slightly more affordable for everyone while maintaining the same level of trust and confidence as a traditional dealership. However, we also have a more ambitious goal in mind: since we are transparent and don't take as much profit as the dealerships, this will force them to lower their prices as well.

1.3 The Reasoning

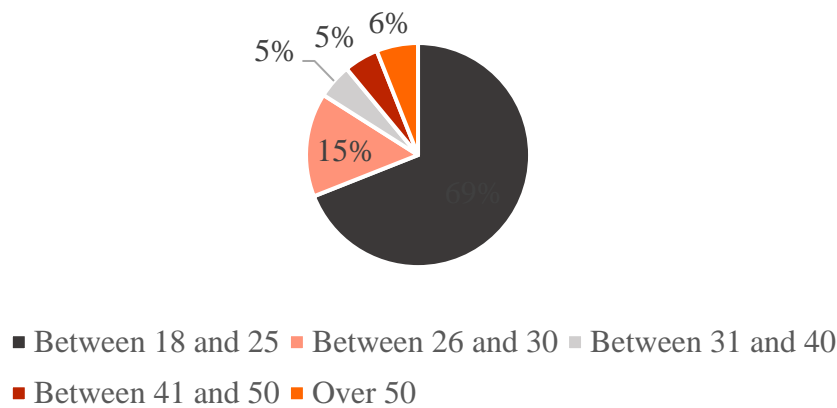
1.3.1. Solution Validation

Given the business idea being very specific, we were not able to retrieve relevant information from internet research for validation. To validate our solution and the pain we identified, we conducted two separate online surveys with our two target customer groups in Portugal: regular customers, as in private customers, and car dealerships. We received answers from 97 individuals and 4 Portuguese dealerships.

1.3.2 Private Customer Survey Results

Before analyzing the results, it should be noted that a vast majority – 68% of the participants – were between 18 and 25 years old. In addition, 59 answers were from students and 69% have never bought a car before (Appendix 1 and 2). Even though most participants do not fit our target demographic, their answers still mostly align with our internet research results.

The survey’s purpose was manifold as previously explained. For the purpose of identifying the demand, its purpose was twofold: first, we wanted to understand the extend of the demand for online car-dealerships in general, after which we asked questions about our service in specific.

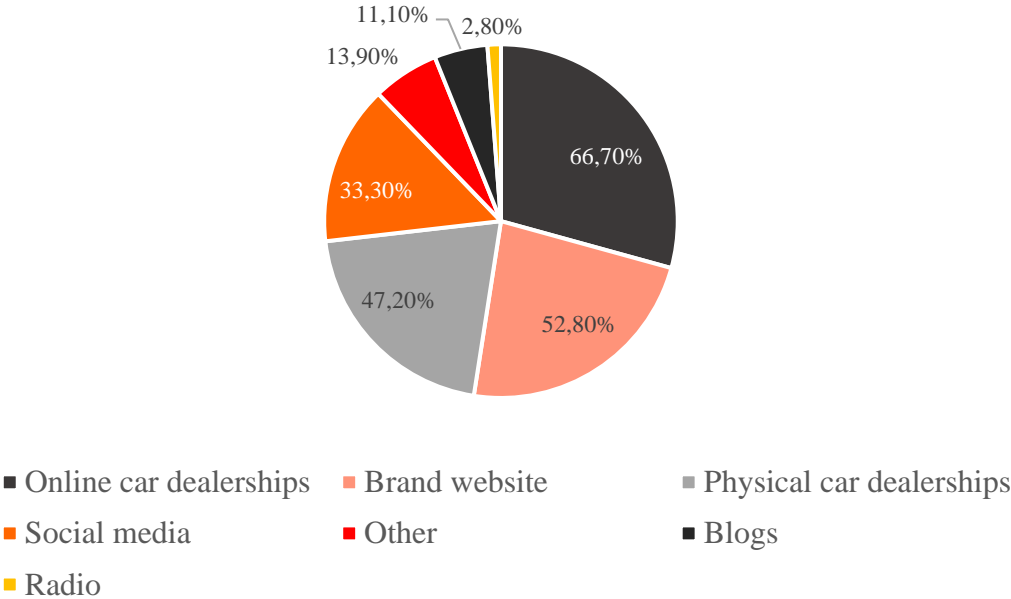


Graphic 1. Survey: Age of Respondents

1.3.3 Demand For Online Car-Dealerships in General

When asked about where they were planning on buying their next car, out of 35 answers, 11 people considered dealerships as an option, whereas 18 considered brick-and-mortar dealerships only. This could be the cause of lacking trust in a secure deal with an individual online. However, that trust might not be an issue in the case of cars being offered online by car dealerships. This poses an interesting topic to further research in the future. Moreover, when asked about the channels (multiple choice) used when searching for a new car, 68,6% stated that they use online car dealerships, compared to 54,3% using brand websites, 48,6% visiting physical car dealerships, and 34,3% using social media. Radio only accounted for 2,9%, which

could also be due to the special attribute of radio of being the only source (which we focused on in this survey), that customers usually don't actively seek to get information, but rather hear the information automatically alongside driven their car (in most cases). The cheap nature and wide reach of AM/FM radio for marketing, especially for car sales is worth examining in further research in the future, potentially done by ourselves, as current research about this is scarce.



Graphic 2. Survey: Channels when searching for a car

1.3.4 Demand For Our Solution

To get an idea about the demand for our service, we first asked if the participant ever bought a car abroad. Only 14,7% (5 individuals) of the people who bought a car before answered this question with “yes”. 3 of them imported the car from another country, of which one person did it through a dealership, one person did it through a firm, and the other person did it themselves. All 3 stated that the import process was difficult. The person who imported through a firm stated the legal process as specifically difficult, while the person who imported themselves mentioned the lack of contacts abroad as a difficulty.

To those who have never bought a car abroad before, we asked if they have ever considered it. 40,4% (19 out of 47 individuals) of those asked considered this before. Those who didn't were

asked to explain why, and if this was an option for them in the future. The answers were concerns about a lengthy process, trust and quality, difficult legal process, transportation, customs and warranty, concerns about a lack of information on the car's history, concern about having to leave the country, higher prices and taxes, paperwork, as well as lack of information. Four people did not think about this as an opportunity before. While these answers give an idea on what to address to gain skeptic people as customers, it is clearly visible that a vast majority of the participants did either not think about this as an opportunity, or are concerned about things that are solved as unique selling propositions of our proposed service. Consequently, most of the concerned participants stated, they would consider buying a car abroad, should these concerns not be given.

Finally, we asked for an intent to use our service, specifically if they would consider using a service, where they could choose a car at a lower price that came from abroad. 85,5% (53 out of 62 individuals) said they would. Remaining concerns include sustainability of the transport, quality of the car, local mechanics and availability of car parts, leasing opportunities, and public transport opportunities.

1.4 Car Dealership Survey Results

All 4 brick and mortar dealerships that answered our survey are located in Lisbon and offer used cars. It is worth mentioning that one of these focuses on high-end and luxury cars. 3 of them stated that they buy their cars from private sellers and 2 dealerships buy their cars from other dealers. Interestingly, 2 dealerships also buy their cars abroad. However, when asked if they ever bought a car abroad, they all answered "yes". These insights show that dealerships source their cars from a variety of options and are not appalled by buying from other dealers and private sellers, as well as looking abroad to find the right cars for their customers. Nevertheless, only one dealership said they also use online marketplaces to buy cars. The cause

for this can be further questioned in future surveys and when approaching dealerships and potential customers.

As for the transportation of the purchased cars to their shops, either from abroad or not, only one stated that they do not have a transportation service. As all dealerships bought a car abroad before, we also asked if they found the process difficult. One stated that it was difficult due to a lot of bureaucracy, even though they received support from “Autodoc”, an online marketplace for car parts, and thus it just concerned car parts, rather than a car.

All 4 dealerships would use a service where they could buy cars at a lower price from abroad, making them perfect candidates to approach as potential customers in the future. This shows that indeed, car dealerships would use our service.

So far, all questions addressed the car dealerships as customers using the platform to import cars from abroad to Portugal. However, according to the survey, 2 of them also sell cars outside of Portugal, which suggests a new opportunity for Dealster, being that of car exports – an additional service that is worth exploring in the future, especially from a profitability perspective. This is not the focus of our business and will not be further addressed in this business plan.

1.4.1 Search Volume of Related Terms

We conducted a keyword analysis for several reasons – to get first insights on keywords to use for Search Engine Optimization (SEO) purposes, confirm main competitors and get additional insight for the competitor analysis, and get an overview on which brands and models’ potential customers are looking for online. For the search engine of choice – Google in our case – the tool searches the web for similar keywords and ranks them according to the search volume, while also showing how competitive a keyword is, meaning how often it is used by other

websites. For the purpose of this analysis, we included the 5 most searched keywords for each term.

We used two terms: “standvirtual” and “carros usados”. Since we are focusing on the Portuguese market, we used our biggest competitor as the first term (Standvirtual), and “used cars” – our product offering (in Portuguese) – as the second (Appendix 4 and 5).

In short, the first term “standvirtual” mainly showed two things. Next to Standvirtual itself, people also searched for competitors such as Byrd, Drive Point, and Hjr Car. Moreover, most of the searched keywords include brands or specific car models. These insights are included in the decision of the brands and models that we will target in the beginning to ensure we cover the most wanted cars in our portfolio.

The second term “carros usados” however, additionally presented other keyword examples to consider for future SEO and included fuel type differentiations as well. Some of these suggested keywords are: "carros usados baratos", "custo justo carros usados", and "carros eletricos usados". However, we were able to identify two more potential competitors that customers that looked up used cars in Portugal searched for: Lebocoin and OLX. The potential competitors and their posed threat to our business identified through related search terms, both for “standvirtual” and “carros usados”, will be further evaluated in the competitor analysis below.

1.5 Mission, Vision, Goals & Values

1.5.1 Mission

Our mission at Dealster is clear. We want to make cars more accessible in our customers’ home countries, in a cheap, fast, and secure way.

1.5.2 Vision

By executing our venture's disruptive business model, we plan to bring a lasting change to overly expensive car markets, by changing the way people buy cars and ultimately how cars are taxed.

By building our partnership network and growing our importation process expertise, we aim to create a global trusted service that enables people to own their dream car.

1.5.3 Values

As mentioned above, we are aware of carbon emissions caused by the international transport of cars. We value carbon-neutral transportation processes, which eventually will become carbon negative. We value our venture's sustainability and contribution to the UN's contribution to sustainable development, which will be further explained below.

Additionally, we highly value the quality and trustworthiness of our service. These are important criteria our customers demand from us. Keeping our customer promise and maximizing customer satisfaction will define Dealster's success.

1.5.4 Goals and Objectives

In the foreseeable future, we want to carry out our mission internationally – across all of Europe. After having successfully expanded in Europe, we want to offer the same service on more continents, including the Americas and Asia.

Throughout the course of this process, we want to join the top 5 online car-dealerships in Portugal until Q3 of 2025, Standvirtual, Custo Justo, Facebook Marketplace, OLX, and Car Spot. Moreover, after expanding to more countries in Europe, approximately in Q3 of 2025, we would like to be among the top 5 in those respective countries as well. These countries are Germany, the UK, France, the Netherlands, and Switzerland. Of course, these countries will be subject to further evaluation, as before expanding to new countries, we need to analyze the

market and competitor infrastructure more thoroughly. Similarly, the timings and order of expansions need to be defined beforehand.

Additionally, with electric cars being produced more and more, as well as infrastructures being adapted more to host electric cars, we want to be a major player in supporting the accessibility of electric cars in the markets that we are present in and thereby make a positive impact on the environment. Concerning this, we are also committed to offering carbon emission compensations related to possible emissions during the transportation of cars. This will be done by offering our customers to donate to trusted organizations battling climate change. With reaching a more mature financial position, we will cover these costs ourselves while still allowing customers to donate as well, aiming to make the delivery process carbon-negative.

1.5.5 Sustainable Development Goals (SDGs)

Transparency and honesty are basic principles for Dealster and as such, it is not intended to make an empty defense of sustainability that leads to an obvious greenwashing. Even so, although the company's raison d'être is not directed to the care and improvement of the environment, there are actions that can contribute to it and that each company should be morally obliged to implement.

Sustainable Development Goals are a very useful tool for small businesses to measure and organize their actions' social and environmental impact. These objectives are summarized in 17 and each one attacks a particular problem. This way, the company can focus its impact on a series of objectives and measure compliance.

Based on these premises, there are several initiatives with which Dealster wants to humbly contribute to this global goal. The objectives that Dealster has tried to achieve are the following:

- **12 Production and Responsible Consumption:** the basis of Dealster's business model is the purchase and sale of second-hand vehicles. This is intended to reduce car

manufacturing and give a second life to vehicles that are still able to continue on the road. This reduces the number of cars in circulation while reducing production and therefore the associated gas emissions. Reuse is key to winning the battle against environmental degradation and Dealster wants to contribute to this from the core of its business model.

- **13 Climate Action:** closely related to the previous objective, the choice of transport service provider has not been trivial. In Europe, they return empty shipments of their shipments. Through Clicktrans carriers that currently cover that route connect with people or companies that need to make a shipment. This reduces the number of vehicles in circulation and thus CO2 emissions to the atmosphere.
- **5 Gender Equality:** the commitment to gender equality is fundamental for Dealster, which is why the board wants to implement a culture of equality and transparency as previously discussed. For this, we want the CMO of the company Joana, to be an example to achieve this end.
- **8 Decent Work and Economic Growth:** finally, Portugal is one of the most promising emerging economies in the European Union and as a capital-born company, Dealster wants to contribute to the future of the national economy and the most beautiful end goal of any company, to give work to families and contribute to social development and observe the impact that the company is having where it operates.

1.6 The Potential of the Opportunity

In the first half of 2022, 48.863 used vehicles were registered in Portugal, and 75.449 new ones, meaning the used cars market represents 39,31% of the total car market in Portugal. In terms of how big the market is, the total value generated by the total cars sold is expected to be around 4,34 billion €, and the value generated by the used cars purchases is set to reach 1,71 billion € by the end of this year, if things go according to the calculated projections, something that so

far seems to be going in that direction. The following analysis is going to cover the market share of cars by fuel and segment, within the used cars market, meaning the 39,31%. This number has been increasing since 2019 mainly since Covid affected a lot of manufacturers, so it was harder for people to buy new cars, opting for used ones and being satisfied by them.

1.6.1 Factors Impacting the Automobile Industry

A few things affected the automotive sector in 2021, including a scarcity of aluminum because China, the top manufacturer of magnesium, decided to cut back on output. A disturbance that occurred when it came to the regular operation of shipping containers, which made transit more difficult, was another element brought on by confinement. Since the new rules sought to replace conventional power sources with more environmentally friendly ones, some nuclear and coal facilities closed, which had an impact on the industry.

1.6.2 Used Cars Market Overview

	Demand	Dynamics	Offer
Vs 2021 H1	-15%	11%	-26%
Vs 2020 H1	-18%	-5%	-13%
Vs 2019 H1	-24%	-14%	-10%

Table 1. Used Cars Market Overview

Even if everything appears to be in a bad place, the market dynamic in the first half of 2022 compared to the first half of 2021 is positive by 11%, which means that buyers' calls and messages to sellers have been growing and are now outnumbering the deals that are being offered. Even while it could appear that the demand declined by 15% from 2021 to the present, if we look at earlier years, we can observe that the decline was less than in 2020 (-18%) and 2019 (-24%). This is also a strong indicator when compared to the offer, which experienced the largest decline (-26%) when compared to 2021.

The real sales of used automobiles have increased by 5,5% between 2022 and the same period in 2021, which is a positive development. However, when compared to the year 2019, the sales have decreased by -11,8%. These are reliable signs because they demonstrate that, despite the market's lack of growth, it is gradually returning to pre-covid values.

The new automobiles, which have been suffering the most after the rise in used car sales, are also important to notice. When comparing 2022 to 2021, they still show negative values of -7,4%, and if we look even further back to pre-covid values, the difference between 2022 and 2019 is a loss of -41,3%, which is a good indicator for us, but at the same time not the best situation in economic terms, since new cars are essential for the economy.

Therefore, when it comes to used cars, overall conditions are improving. More vehicles are being sold when compared to the same time last year, and perhaps they will eventually approach pre-covid values. The same cannot be said, however, for new cars, which are being sold at a lower rate than in the previous year and are being valued at a far lower level than before the recession.

The massive increase in imported cars, which are seen as a perfect substitute for new cars and have already increased in sales compared to 2021 by 57.4% and compared to 2019, pre-covid values, by 28.2%, is another significant factor that is currently occurring after seeing the sales on new cars are decreasing significantly compared to previous years. Because our company strategy and concept are dependent on imported cars and because that market is expanding, this is one of the best signs we have so far.

In conclusion, we observed a rise in the purchase of used cars and a decline in the purchase of new cars, indicating that used cars have been gaining market share. To support this conclusion even further, the sale of imported cars increased by nearly half over the previous year and has been rising over time.

1.6.3 How The War in Ukraine is Affecting the Market

Since the Russian invasion of Ukraine started, the automotive sector had huge increases in fuel prices to levels never seen before. After weeks of increasing prices, people quickly started to search for better alternatives to fuel-based cars, which lead to an increase in demand for electric vehicles by 250% in February and March, and then another spike also in June in alliance with the EDP 2^aElectric Week. In economic terms, this makes perfect sense since for example for 100km, an electric vehicle can be up to almost 5 times cheaper than a gas-powered car.

A study was made by (UVE, 2022), in this case in Portugal, and the cost for 100kms was the following:

For internal combustion engine cars	Price
Gas, with an average consumption of 5,6lt/100km with 1,77€/lt	9,90€
Diesel, with an average consumption of 4,6lt/100km with 1,87€/lt	8,60€
For electric vehicles with an average consumption of 16,9kWh/100km	Price
Charged on public with 0,38€/kWh	6,37€
Charged at home at normal rate with 0,19€/kWh	3,21€
Charged at home at special rate with 0,13€/kWh	2,21€

Table 2. Cost for 100kms by combustible type

Based on the fact that people are more and more interested and curious about the economic and environmental advantages, the demand for electric vehicles increased from 5% to 10%, at the same time as diesel-powered cars demand dropped from 71% to 63%

1.6.4 Most Wanted by Fuel Type

<u>Electric</u>	2022	2021	Variation ↑/↓
1. Renault Zoe	16,40%	23,51%	↓
<u>Diesel</u>			
1. BMW 3 Series	4,42%	4,91%	↓
<u>Gas</u>			
1. VW Golf	3,75%	3,25%	↑
<u>Hybrid-Gas</u>			
1. BMW i	10,36%	4,91%	↑
<u>Hybrid-Diesel</u>			
1. Mercedes E Class	24,32%	17,85%	↑

Table 3. Most wanted car by fuel type

After analyzing the report (Standvirtual, 2022), we can say that for electric vehicles, price also seems to have an impact on the models that are in high demand. For example, the Renault Zoe appears to be the most popular model, despite a -7,11% decline in demand, and the Nissan Leaf appears to be catching up with it, with a slight increase in demand over the previous year. The Tesla Model 3 is another vehicle that appears to be selling more and more as a result of being both an affordable and high-quality model. One of Tesla's models is getting pretty close to catching up to the complete BMW electric model lineup, which is a favorable indicator for the company since it has contributed to its sales surge. The Tesla model S, which is the costliest electric vehicle among the top 5, also appeared to witness a decline in demand as consumers seemed to be shopping for less expensive alternatives.

For diesel-powered cars, we can immediately notice a domination in the Portuguese market by BMW and Mercedes-Benz, with small variation from the previous year to 2022, where the BMW 3 Series remains the top choice, and the Mercedes C Class with a little increase in its demand but still not enough to be more than the second best choice for consumers. Both BMW 5 and 1 Series are similar in terms of sales but with the 5 Series being slightly above its “little brother

On gas-powered cars, the dominant car here is the Volkswagen Golf, which besides being the most wanted car, was also the only one that had its demand increase, and in this case by 0,5%. For luxury sports cars, which are normally all powered by gas, we see the top choice being the Porsche 911, followed by a more affordable car, the Renault Clio, which despite having more sales than 2,71% as a car model, this number seems quite small mostly because the Renault Clio is one of the best-selling cars, but not exactly in the gas-powered version.

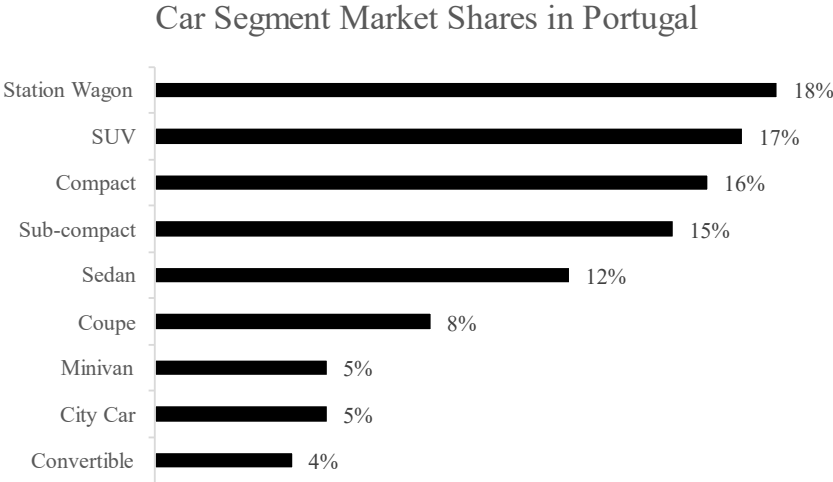
All the top 3 models from the hybrid-gas segment increased their demand from the previous year, and BMW i models registered the biggest increase with 5,45% from 2021 to 2022. Another important note is that the premium models are still the most searched-for ones, with BMW and Porsche occupying the top 4, with the Porsche Panamera being the second most sold model from the hybrid-gas models.

What is easily noticeable with the hybrid-diesel models is Mercedes' dominance in this sector, with 43,54% market share, and a grow from last year of 8,71%. The Mercedes class E still is the most dominant model representing 24,32%. All the other models in the top 5 except the first 2, showed a decrease in their demand, the Peugeot being the most affected one with a negative variation of -5,14% when compared to 2021.

1.6.5 Demand by Car Segment

According to Standvirtual (2022) when comparing this year with the last 3 years, station wagons along with sedans were the 2 segments that suffered the most and saw a demand decrease like never before. Station wagons registered a drop in demand from approximately 22% in 2019, to close to 17,5% in 2022. The sedan, even though it was not that big of a difference, still registered a considerable decrease in market share, from around 14% down to 12%. In terms of market share loss, no other segments were registering the same phenomenon, even if some segments stayed pretty similar to how they were before, besides the convertible that had a minor decrease,

the rest still didn't register any decrease during these 4 years. The segment that seems to be catching to the previously dominant one, is the SUV, which increased from 14,5% in 2019, all the way up to 17% in 2022, being really close to overcoming the station wagon.



The compact and sub-compact segments were the other 2 that registered a big increase in market share when compared to the rest, which leaves us with 3

Graphic 3. Market Share by Segment

segments that are currently increasing more and more, and they seem to be close to being the dominant segments in Portugal, with the fall of the station wagons. The compact segment registered an increase of around 1% when compared to 2019, which even though it seems small is quite noticeable when compared to its competitors. There is also the sub-compact that sits in 4th place in terms of market demand, which also registered an increase of 1% when comparing the 4 years. These are the main segments and the top 5 represent a total of close to 78% of the total market share.

Last but not least, there is the coupe segment that has been decreasing from 2019 to 2021, but when comparing this year to 2021, it registered a really small increase in demand, and even though it was a small increase, it's still a positive aspect to notice since this was not always a dominant segment.

The minivan unlike the coupe segment registered a decrease in demand from 2019 to 2020, but then from 2020 up until now it has been increasing by close to 1%, but still only representing around 5,5% of the total market demand.

The city car has also been increasing its popularity, but still not being a dominant segment, increasing its market demand by around 1% since 2019, but with the difference to the other 2, the minivan and coupe, that the city car has been increasing its market demand only, without decreasing it once in this 4-year period.

Finally, the convertible, which is the least favorite, registered a decrease in demand, by around 0,2%, which despite being the smallest decrease, it's still a negative variation, leaving the convertible segment in last place, something that has been occurring since 2019.

From this analysis, it can be said that the 3 “rising stars” are the SUV, the compact, and the sub-compact segments, whereas the station wagon and the sedans are the 2 segments with the biggest loss in terms of market share. The other 4 segments are stable and represent in total 22% of the total market demand, which if we compare to one of the top 5, let's say for example the SUVs, the difference between the SUVs and the bottom 4 segments is of 5% only.

	Market Share 2022 within their segment	Volume in millions	Market Share 2021 within their segment
Peugeot 3008 (SUV)	5,83%	16.9 €	6,16%
Mercedes SLK (Convertible)	7,00%	5.1 €	7,33%
BMW 4 Series (Coupe)	7,22%	9.2 €	6,96%
Smart ForTwo (City car)	28,68%	23.9 €	28,91%
Renault Clio (Sub-Compact)	9,30%	24.2 €	9,78%
Mercedes C Class (Station Wagon)	9,64%	28.7 €	8,86%
Citroen C4 Grand Picasso (Minivan)	9,88%	9.2 €	8,62%
Mercedes A Class (Compact)	7,94%	21.6 €	10,22%
BMW 5 Series (Sedan)	9,06%	18.5 €	8,53%

Table 4. Top cars for each segment in volume and market share

Even though the top 5 SUVs suffered from a decrease in demand when compared to 2021, SUVs as a whole segment managed to increase the demand which means that more SUV models have been sold apart from these top 5. The Peugeot 3008 is now the most wanted one after passing its rival the Nissan Qashqai compared to last year's results.

The convertible segment is the one with the less market share and demand from all the available segments, but the one car that stands out from the rest, even by a slight margin is the Mercedes SLK with a decrease in the demand of -0.33% from 2021, but still having an overall market share of 7,00%.

The Mini is the only car registering an increase in demand when compared to last year's values, and in this case, the increase was 0,50%.

In the coupe versions, once again we see the dominance by BMW and Porsche, with BMW occupying the top 2 places, and 3 models in the top 5, having the 4 Series at the highest demand with 7,22%. This model is the only one that increased in demand compared to 2021, increasing by 0,26%.

The scenario is completely different for city cars. We can notice a dominant car by far, the Smart ForTwo, representing 28,68% of the total demand in this segment, with a small decrease in the demand compared to last year, but with an enormous difference of 18,89% to the 2nd most wanted car, the Fiat 500. The Fiat 500 from this category is the car that had the biggest decrease in terms of market share compared to the previous year, losing -3,21%, but still managing to hold on to 2nd place in the best-selling city car.

Sub-compact vehicles have been rising in terms of market demand in general when compared to other segments, even though the majority of them in the top 5 show negative variation.

The Renault Clio remains the strongest model in this category, representing 9,30%, 2,15% more than its competitor, the Mini Cooper, which surprisingly was the only one on this list that showed an increase in its demand, by 1,29% compared to 2021.

What these drops mean alongside an increase in the total market share for sub-compact vehicles is that even though these models have been losing market share, more models are penetrating the market and helping this segment grow and make a difference in the general market overview.

The Mercedes C Class has always been one of the most dominant cars in the station wagon category, and this has been noticed with the increase in its market share, from 8,86% in 2021 to 9,64% in 2022, making its way to 1st place in terms of demand.

The same thing did not happen to the BMW 3 Series, which saw its demand drop by -0,25% compared to 2021, being so the 2nd most demanded car in 2022, right above its “big brother” the 5 Series, which similar to the Mercedes C Class, had an increase in its demand, in this case by 0,31%.

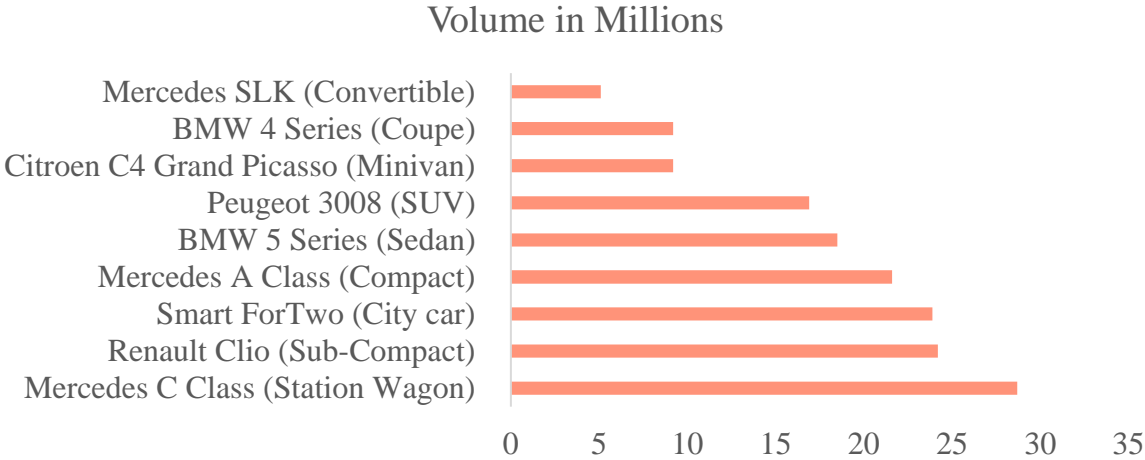
Minivans are one of the 3 segments with less demand from the car market, but the Citroen C4 Grand Picasso is the leader among the minivans with a market share of 9,88% in 2022, a higher value than in the previous year, by 1,26% more. The opposite happened to the Peugeot 5008, which registered a drop in demand by -1,04% in 2022 compared to 2021.

Mercedes is on the top of the table with the A Class (compact), which had already been the best-selling car in 2021, with 10,22% segment market share, and even though the demand for this model decreased quite a bit, by -2,28% to 2022, it remained the most demanded car model. In 2nd there is the Renault Megane, that similarly to the Mercedes, lost its market share, and in this case by -0,42%.

When it comes to sedan models, the premium brands seem to be dominant here, with BMW and Mercedes occupying the top 5 spots, and where the BMW 5 Series was not only the most demanded car from the rest, with a 9,06% market share, but also was the only one who had a positive variation, gaining 0,53% compared to 2021.

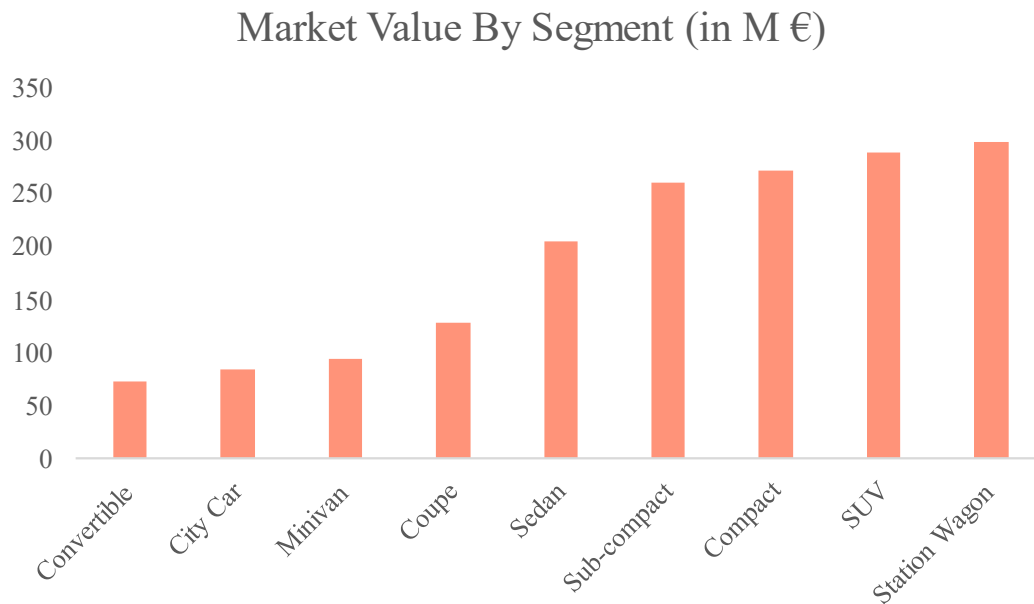
The 3 Series is highly in demand under many different types of segments. The sedan version represents 6,73% of the total segment market share, even though it lost 2,78% when compared to 2021, where it was the most demanded model, losing now its trophy to the upgrade model, the 5 Series.

The Mercedes C, E, and S Class occupy the remaining 3 spots on this table, and curiously also by ascendent order, starting from the more affordable model to the more expensive and more luxurious one, the S Class.



Graphic 4. Top car for each segment in volume

1.6.6 Most Profitable Cars – Focused Product Offering



Graphic 5. Market Value by Segment

In order to boost business in the beginning, it makes sense to actively approach brick-and-mortar dealerships to offer their cars on the platform. This requires a clear approach and distinct marketing strategy, as well as clear target car segments, brands, and models with the highest customer demand. The previously done analysis provides an overview of the most profitable segments, cars within the individual segments, and the development of the share of these cars within the segment. We chose the cars we will focus on based on their projected market value in 2022, the size of the segment the car is representing, and the development of the projected market share in 2022 of the cars – in decreasing order. Nevertheless, the purpose of approaching dealerships at the beginning of the business is to boost sales in the short term. Once these pick up, our only source of offers on the platforms will be individual and commercial sellers who offer the cars independently. Thus, mid- to long-term market share projections, especially minor changes in market shares do not affect the selection too much.

Starting with the biggest used car segment in Portugal with a value of around 299M EUR – the station wagon, we chose to focus on the top 5 cars in this segment, due to their high projected

market value. However, all cars lost market share except the Mercedes C class and BMW 5 Series.

Continuing with the second biggest used car segment in Portugal with a value of around 290M EUR – the SUV, we will approach dealerships that offer the first two cars in the list, the Peugeot 3008 and Nissan Qashqai. These two cars have a high projected market value, while the other cars have a relatively low projected market value. It is worth mentioning that however, all cars in the top 5 of these segments are losing market shares, indicating that in the long term, other cars in this segment might gain in importance.

The 3rd biggest segment is compact cars, with a projected market value in 2022 of approximately 273M EUR. The Mercedes A class and the Renault Megane, the top sellers of this segment are the only cars we will focus on, due to the A class's high projected market value, and the Megane's relatively high projected market value.

Even though only the Mini Cooper is projected to gain market shares in 2022 in the 4th biggest used car segment in Portugal – the sub-compact cars (Market value of 261M EUR), we will focus on all cars in this segment, as all top 5 cars have high projected market values.

The 5th biggest segment is sedans, with a projected market value in 2022 of about 205M EUR. Mercedes and BMW are highly represented in the top 5. However, the BMW 5 Series and 3 Series, the top sellers of this segment are the cars we will focus on, due to their high and relatively high projected market value. Additionally, the BMW 5 series is projected to gain market share from 8,53% to 9,06%.

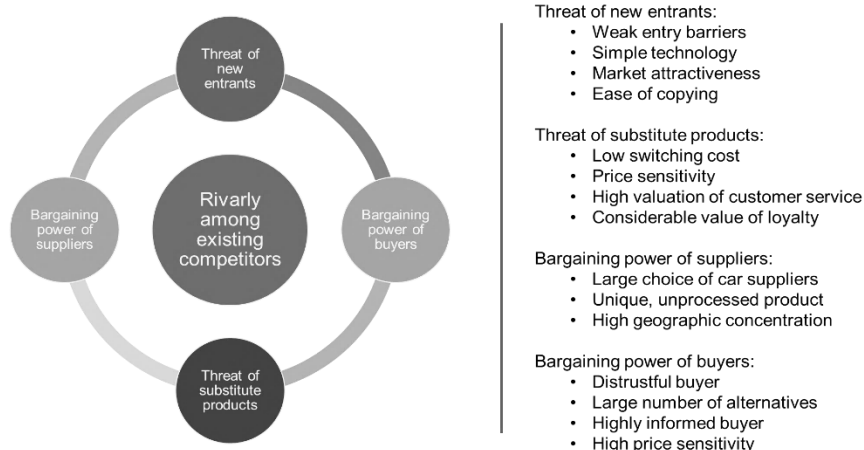
None of the 4 weakest used car segments in Portugal offer cars with a higher projected market value than about 10M EUR, with a notable exception in the city car segment. Given these comparably weak projections, we will only focus on the top seller of each segment, in order to have a product offering in these segments and cover at least some of the demand. The segments

in decreasing value and the cars in question are the coupe segment and the BMW 4 Series, the Citroen C4 Grand Picasso in the minivan segment, the Smart ForTwo in the city car segment, and finally, the Mercedes SLK in the convertible segment.

Interestingly, the Smart ForTwo is projected to hold a whopping 28,68% of the market shares in the city car segment – reaching a projected market value of about 24M EUR. Hence, it will be especially important to include this car in our product offering, even though the used city car segment is the second smallest in Portugal. Additionally, it is worth mentioning that in our survey for car dealerships, the station wagon, SUV, and sedan, as well as Mercedes and Renault were mentioned as the car segments and brands that sell the most. This aligns with our previously used sources.

1.7 Competitor Analysis

As discussed earlier in the market analysis, the mature character of the market can be observed. The European market for online used car purchases is growing, however, the current competitive situation makes it difficult for new players to enter the market. Therefore, it is appropriate to comprehensively analyze the effect that competitiveness has on the entry of new competitors and therefore the intrinsic characteristics of the market in terms of different competitive parameters. For this purpose, an analysis of Porter's 5 forces has been carried out and is shown in the following graph:



Graphic 6. Five Porter's Forces

The competitiveness of the market, in terms of the current market players, dominates and conditions the other important players for our company. The market for online used car sales is mature, with numerous competitors from different European countries. This maturity is reflected in the quality of the technology used, the sales figures, the large number of cars offered by each of the competitors, and a large number of employees. However, in terms of the specific niche Dealer is targeting, i.e. car imports, the competition is not as significant. Many traditional competitors are starting to enter this business, but this is not a general trend, so early action could give Dealer a competitive advantage.

As for the threat of new entrants, this is relative. This is because, despite the maturity of the market and the technology, it is not overly complex and barriers to entry are limited. These are online businesses, with less investment in infrastructure. They are business models where copying is quite common, but their strength lies in the trust and loyalty of both sides of the marketplace.

The threat of new substitutes is therefore considerable. The price sensitivity of the customer buying a second-hand car abroad is strong and exchange costs are low, so one must always keep an eye on new business alternatives.

Finally, while the strength of the customers is very high due to several factors already mentioned, such as the importance of service, the large offer available, or the level of consumer information, the strength of the suppliers is limited. The large supply of used cars for sale coupled with the difficulty of processing these sales means that the bargaining strength of suppliers is low.

However, if we focus solely on our company's potential customers, we can distinguish two main groups: direct and indirect competitors. The fundamental aspect to making this distinction is that of importation, with direct competitors being those who present the importation of used cars as the essence of their business model or simply as an additional service in their catalog. Indirect competitors, on the other hand, would be made up of companies which, despite not offering this import service, may represent an obstacle and an option for the purchase of second-hand cars, either due to geographical factors, the breadth of the offer, price, etc. In order to better understand each competitor's characteristics and strengths, the following parameters are presented: Company Name, Origin Country, CEO, Core Business, Geographic Coverage, Offer Size, Revenue, and Number of Employees.

1.7.1 Direct Competitors

1.7.1.1 CARVAGO

Carvago is a Czech company. They claim to be a European online car marketplace, offering cheap cars conveniently and safely. It is probably the company that is most similar to the product that Dealster offers and would therefore be Dealster's biggest competitor at the European level. It offers a very simple service consisting of a Marketplace that connects sellers and buyers of second-hand cars from all over Europe. It also offers several additional services such as a technical inspection that complements the purchase and is contractually binding (return for defects), and different financing and transport options. Its business model is based

on the purchase of the car in question and its subsequent sale to the customer to offer greater security in the service provided.

1.7.1.2 MOBILE.DE

Germany's largest car marketplace Mobile.de, run by CEO Ajay Bhatia, offers about 1,5M cars, motorbikes, and commercial vehicles. Their website is visited by about 16,9M individual users monthly and covers every European country. They employ around 270 employees and a revenue of 3M in 2021. It is more like a traditional used-cars marketplace but Mobile.de also provides a complete importation service. It was bought by Adevinta in 2004.

1.7.1.3 AUTOScout24

AutoScout24 is the largest marketplace for cars in Europe. Run by CEO Michael Rademacher and originates from Germany. They cover 8 European countries and offer workshop services, in addition to their car selling service, which includes about 40.000 dealers offering around 2M cars. It has around 500 employees and a revenue of more than 140M EUR in 2021. It was acquired by Hellman & Friedman in 2019.

1.7.1.4 AUTO1

The German company Auto1 Group, run by CEO Christian Bertermann, covers 30 countries in Europe, has 6.000 employees, and has an offering north of 3M cars, generating the company 4,775M EUR in revenue in 2021. They claim to be the biggest wholesale platform for used cars in Europe, covering 60.000 dealers. Their main brands are "wirkaufendeinauto.de" (meaning we buy your car in Germany), "Autohero" and "AUTO1.com".

1.7.1.5 IMPORTTRUST

Importtrust positions itself as an "automotive consulting company". They offer a service similar to Dealster, supporting the customer from choosing to delivering the car. The company around

CEO António Eca was founded in Portugal and covers 8 European countries and offers around 2M cars. The main difference between Importust's offer and Dealster's offer is, that Importrust lets customers choose a car, which they will look upon other platforms for them, and then make them an offer. We are a platform for individual and commercial sellers to directly offer their cars through the platform, create a listing, and sell to a customer directly, with us covering the process between purchase and delivery. While arguably, Importrust simplifies the customer's buying experience, we reduce waste through inefficient operations, by avoiding looking up cars for the customer on other websites, consequently removing the middleman. This makes scaling significantly easier. It is an early-stage startup with less than 10 employees.

1.7.2 Indirect Competitors

1.7.2.1 STANDVIRTUAL

Standvirtual originated in Portugal. Here, they are the biggest online dealership for both new and used cars. Customers can purchase and sell cars. According to Standvirtual, people selling cars are offered special plans. They are only present in Portugal and have an offering of around 40.000 cars and 100 employees.

1.7.2.2 CAZOO

Cazoo is a company from the UK run by CEO Edward Chesterman. They claim to cover the main European countries. The company presents a revenue of £668 M in 2021 with almost 50,000 vehicles sold in the last year in the biggest European countries, UK, Germany and France with 3.500 employees. The main differentiation from their competitors is that they want to make purchasing or financing used cars online as easy as the purchase of any other product – reducing the time for collection or delivery to 72 hours.

1.8 Competition Based on Keyword Search

The keyword analysis has also shown us several companies that although they cannot be classified as direct or indirect competitors of Dealster, do deserve individualized comments. This special mention is due to the coexistence that Dealster would have with these firms in search engines since when users enter the terms used cars or standvirtual, they end up visiting web pages such as the ones presented below.

1.8.1.1 OLX

One of the world's fastest-growing networks of trading platforms, operating in 30+ countries around the world. help people buy and sell cars, find housing, get jobs, buy and sell household goods, and much more. With more than 20 well-loved local brands including OLX, OLX Autos, Otomoto, and Property24, our solutions are built to be safe, smart, and convenient for our customers. We are powered by a team of 10,000+ people, working across 5 continents in offices all around the world.

1.8.1.2 LEBONCOIN

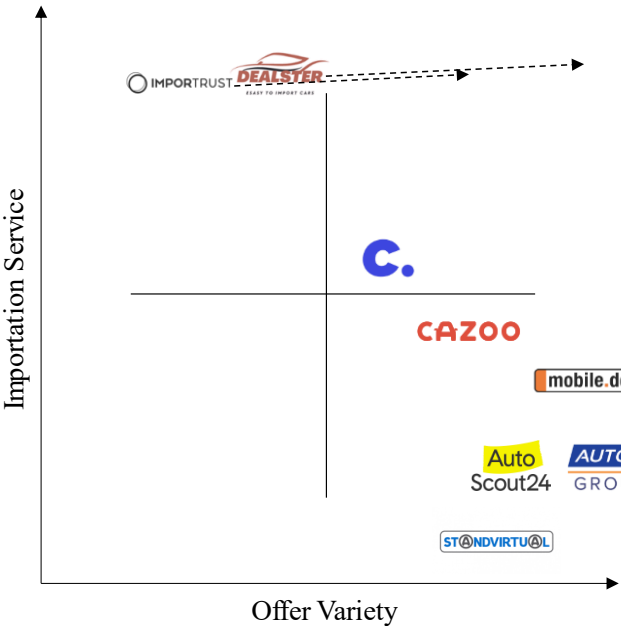
Leboncoin.fr is a site that starts with a simple idea: the bargain is around the corner. Meaning it is similar to OLX, but operates mainly in the France market. As Mobile.de is part of the group Adevinta. It counts with more than 500 employees and offers a wide range of products like vehicles, clothes, and jobs.

1.9 Evaluation

As can be seen in the fact sheet of the main competitors, there are common features in all of them, such as the online presence or the Marketplace model (with the exception of the Importrust model). The German presence in the industry is very strong, leading the market with numerous companies that have a long history in the industry and advanced and consolidated technologies. Therefore, once all the competitive information on the industry and its agents has

been collected, it is important to organize the data and extract the attributes or characteristics that define the market. All of this is to know our brand's positioning and how it manages to differentiate itself from the competition and adopt a competitively advantageous position.

For this purpose, the following positioning map has been drawn up, alluding to the two main attributes or values that define Dealster's competitors, namely the importation service and the offer variety. The import parameter will define the competitors that offer Dealster's main service so that this value will be more marked among those that offer to import as the main service, while there will be less presence of this attribute in companies that offer it as a secondary service or not at all. For its part, the variety of offer parameters measures the number of models offered by each company and the variety of brands offered. For example, if the company focuses on a mass market, it will have a greater presence of this attribute, while if it focuses on a niche market, its value will be reduced in terms of this attribute.



Graphic 7. Positioning Map

As can be seen in the positioning map, there is a clear homogeneity among the existing competitors. The offer aimed at the mass public dominates the market. There is little differentiation between the competitors' offers, which makes price comparison and service the

differentiating factors when buying imported cars, as seen in our validation surveys' results. This is why our business model manages to differentiate itself from the current offer by providing a specialized import product, focusing on the products most demanded by Portuguese consumers. In the following, therefore, the key factors of Dealster's business model will be highlighted based on the conclusions drawn from the validation of the idea, the solution, and the study of the market and the competition.

1.10 SWOT-Analysis

It is necessary to understand that, as it is a startup that does not yet exist in the real market, the analysis carried out below does not incorporate all aspects of a real business. However, through market research and surveys, it was possible to elaborate a more concise and reliable analysis.

Strengths	Weaknesses
<ul style="list-style-type: none"> - Business model innovation - Overcomes the scarcity of the Portuguese market - Overcomes the pain points of importing a car - Warranty offer - Watching the process in real-time - The car report as an extra - International network of buyers and sellers 	<ul style="list-style-type: none"> - Initial lack of capital - Reduced budget in the beginning - No fit between investors, business, and founders - Lack of brand awareness - Not coming up in the search results - Low brand exposure - Lack of alignment between brand exposure and message - Founders' contribution no longer enough to satisfy demand
Opportunities	Threats
<ul style="list-style-type: none"> - Technological innovation - Portuguese car demand outside Portugal - Consumers' needs not satisfied in Portugal - Difficult import process for individuals - No direct competition - No strong direct competitors - Geographic expansion opportunities 	<ul style="list-style-type: none"> - Transportation legal changes - Import process requirements changes - Covid-19 pandemic in the automotive sector -The war between Russia and Ukraine - Business model imitation - Costumer lack of trust

Table 5. SWOT-Analysis

To better explain the table above, you can find the different topics described more precisely.

Strengths: Starting with innovation in terms of the business model in the Portuguese automotive sector, there is currently no company that offers such a complete service that manages to overcome all the limitations of the Portuguese market (such as the scarcity of brands and models, type of fuel desired, and inflated prices) but also able to overcome the existing adversities when buying a car in the foreign market, despite being quite diverse and with low prices (difficulties and costs associated with transporting the car, time-consuming and complex bureaucratic process, and possible problems with the warranty); Another advantage of the company is the possibility of watching the process in real-time through the application. Thus, from the transport of the car to Portugal until the conclusion of the legal process, the customer will know at what stage the order will be. All this without leaving home and without having to carry out each step of the import process; Also, through the survey, it was possible to perceive that when buying a car abroad one relevant concern is the condition of the car and its warranty. In this way, the possibility of creating a guarantee will be offered as an extra, which allows the user to enjoy a set of pre-defined partner auto repair shops. On the other hand, it will also be possible to buy the car report as an extra, exposing its old accidents and other anomalies, increasing the transparency and reliability of the service; Another important strength of Dealster is its contact with an international network of used car dealers. Therefore, it is possible to practice much lower prices as well as offer a service that includes the choice between a wide variety of brands and models, even if they do not exist in Portugal.

Weaknesses: Some internal factors need to be improved for the organization to perform at its optimal level and remain competitive. First, since Dealster is characterized as a startup, initially, there may be a lack of capital to carry out the business. On the other hand, in the beginning, with a tight budget, it is important that the startup has great financial control. Knowing how to prioritize investments, for example, is an essential action to avoid excessive debts that cannot

be paid in the future. Finally, finding the right investors to help can be also highlighted as a weakness since, in addition to the capital offered, a perfect match between the founders, the business itself, and the investors are also necessary; Another problem that can arise at the beginning is the lack of brand awareness. For example, if the company is not coming up in the search results there is a brand awareness problem, where the SEO and digital marketing efforts are not working or not enough for the website to rank higher. Also, when a brand is not recognized by industry experts as worthy of mention in their assessments, therefore the brand doesn't have enough exposure or isn't positioned correctly. Finally, when trying to gain brand exposure it is necessary to pay attention to place the brand where it makes sense, otherwise, it can cause a loss of the attention of the target. In this way, it is important to guarantee that exposure aligns with the brand's message, staying true to the company's values; To conclude, the final weakness that may arise in the company's path is the difficulty to find workers with the desired qualifications, because, as the company grows, the input from the founders will not be enough to meet the high demand. Thus, a set of experienced professionals with the necessary knowledge will have to be hired to take the company further, although such a workforce is difficult to find at a cheap price that the company is willing to pay at an early stage in the company's growth process.

Opportunities: Through the study carried out by IBG in 2019 "The Automotive Industry 2020 to 2030" it is possible to highlight some opportunities for Dealster in the automotive sector, namely in terms of technological innovation such as car digitalization, autonomous driving, and electric cars. In this way, as the Portuguese car market is quite scarce and incomplete, not having the most recent models, more users will likely look for a car outside their country, namely in countries where the car market is more developed; On the other hand, in recent times there has been an increase in car prices due, for example, to the shortage of chips and semiconductors, which eventually led to a rapid increase in the prices of used vehicles as well. Also, used cars

were particularly impacted by the shortage of vehicle supply on the market. Therefore, an opportunity can be found in the Portuguese car market for Dealster, as the needs and pain points of consumers are not being exceeded. In addition, not even in the foreign market, they find a satisfactory solution since the whole process, which requires a car import, is quite complex and time-consuming; Regarding the competition currently existing none of them offer a solution like Dealster, so it is possible to enter the market without strong direct competitors since the offer is different. In conclusion, the reduced existence of direct competitors and the high need of customers to buy a car at cheaper prices, and access to more diversity is an opportunity for the company; Finally, the last opportunity that can be highlighted is the geographic expansion of the company. Although the company initially focused only on a foreign country, there are several countries whose potential for their automotive market is quite appealing, namely Spain, Italy, Belgium, and France. Thus, with the evolution of the startup and its operations, it will be possible to bring to Portuguese consumers cars from more than one foreign car market.

Threats: In terms of threats, any change that is made to the legal part of the process can have negative consequences for the company, for example, by lowering the revenue per imported car and increasing costs. Namely, the IUC "*Imposto Único de Circulação*", the registration of the vehicle in the "*Conservatória do Registo Automóvel*", and the ISV "*Imposto Sobre Veículos*". On the other hand, if the requirements demanded when carrying out the import process increase, it can also negatively affect the startup; As it has been possible to watch in recent years, the Covid-19 pandemic has severely affected the automotive industry and, although the pandemic is more controlled now, it does not mean that it will not get worse again and that the implications in the market will spread for several years. In this way, the effects of the pandemic hit the car market twice.

On the one hand, the sector came to a halt with the closure of factories and stood for more than a month and, on the other hand, the imposed restrictions and economic consequences

discouraged the purchase of new cars. Also, there is the semiconductor crisis, in which, now, demand exceeds supply, as factories, many in Asia, have also suffered the effects of covid-19. In addition to the pandemic, the war between Russia and Ukraine can now be a very worrying threat to the car market and, consequently, to Dealster.

Finally, if the remaining competitors decide to imitate the Dealster business model and have professionals with the right know-how and skills, knowledge of other countries with an expanding automotive market, or if they create strategic partnerships with different important players in the market, then they will also prove to be threats to the startup's survival and profitability.

1.11 Key Factors for Success

The key success factors of a company are nothing more than the competitive situation that it adopts in a given market and which gives it a competitive advantage that allows it to be sustainable and profitable over time. Therefore, the identification of these factors is a key step in the development of the adventure of any start-up and therefore also for Dealster.



Graphic 8. Key Factors for Success

Through the validation surveys, it is possible to observe what can be called external success factors or those that have to do with the relationship between consumers and the environment.

In a way, certain values make Dealster's business successful, either because of the importance they have for the consumer or because of the intrinsic characteristics of these attributes that lead them to become a competitive advantage. Within these key external factors, there are, as observed in the validation surveys, three key aspects that will condition the success of the company: trust, price, and simplicity.

These notions are no more than the factors that the average person takes into account when considering buying a second-hand car abroad (our core business). The first thing to consider is the price. The prices offered by our platform will always have to be lower than the different national alternatives that the consumer can find since at the same price they will always prefer the closest and simplest option. Therefore, a key factor will be the identification of offers and a comparison service with national offers, so that the customer can see clearly and transparently what he is saving with our option.

This transparency explains the second factor that conditions Dealster's success: trust. The second-hand car purchase market is characterized by uncertainty and mistrust, as you do not know how the car has been used by the previous owner and, therefore, you do not know the possible inconveniences that may arise once the payment has been made. For this reason, in a business like Dealster where the cars come from abroad and therefore where mistrust increases in terms of cultural issues, and inconveniences in processing and transport, it is key to delve into this key aspect.

To overcome this barrier, detailed information about the vehicle as well as its owner, whether an individual seller or a dealer, will be provided through previous reviews and their corresponding user rating. In addition, there will be an obligation to provide a minimum of 12 photos, 6 interiors and 6 exteriors, and 2 videos, 1 interior, and 1 exterior. On the other hand,

extra service will be offered to the purchase, consisting of a complete technical inspection by a Dealer trusted partner, to provide greater security to the purchase.

Finally, the purchasing process must be simple. Bureaucracy, or the simple belief that buying a car abroad is a long and tedious process, is one of the main reasons why consumers opt for other options. Dealer must therefore overcome this barrier by making its platform a simple and user-friendly solution.

The purchase process times must be quick and concise in a series of clearly laid out steps on the platform. In addition to the previous factor of security and transparency, the shipping time from the country of origin Germany to the country of destination Portugal and the clear and itemized costs associated with the processing and this journey must also be clearly stated.

Here of course, another decisive factor for Dealer's rapid growth and success will be the relationships that the company is able to generate with industry and experts. The automotive market is a mature and technical market, so creating strong relationships with experts who can advise us on this path will be key at the beginning of the venture.

Previously, two types of factors were announced, the "external" ones, related to the consumer and the values or attributes that condition their purchase decision and that have just been exposed, but there are also some "internal" determinants of Dealer's success. The structure or business model also has a decisive impact on the success or failure of a company, which is why there are internal success factors for our company.

The choice of second-hand car suppliers is a key aspect of the success of our business venture. Our platform is set up as a Marketplace, i.e. as an intermediation and processing service for the purchase of vehicles abroad. Therefore, as in any Marketplace, there are two legs of the stool, one is the clients or buyers of vehicles and the other are the suppliers or sellers of used vehicles, and these can be private individuals or professionals. The choice of sellers is key for the

company because, although private sellers can offer better prices and more flexible conditions, dealers offer greater security and guarantees both in the process and in the product of the purchase. In terms of this, sellers will be mainly individuals so it will be necessary to exercise a proper marketing campaign to attract these users of the platform. That is to say to encourage their participation in this, through reasonable commissions or ease in the sales process (something that will be explained later by the operations department).

Another key success factor will be the choice of the transport company. Transport is a fundamental part of Dealster, as our solution is based on simplicity and speed. It is therefore important to bear in mind that we are dealing with international transport and that there may be inconveniences that can delay delivery and increase costs. This is the main reason why we have chosen Clicktrans as a partner to carry out this work, which will be explained in more depth by the company's COO, Álvaro Cintas.

Finally, the last key internal factor will be the monetization model of the solution. Care must be taken when choosing the company's revenue channels. The commission system is effective but needs to be done delicately and carefully as margins are limited and relationships with stakeholders can be damaged.

2. Disciplined Entrepreneurship: 24 Steps to a Successful Startup (Emin F. T.)

In his book “Disciplined Entrepreneurship: 24 Steps to a Successful Startup” (2013), as well as in the more practical corresponding workbook “Disciplined Entrepreneurship Workbook” (2017), Bill Aulet, a serial entrepreneur, senior lecturer at the MIT Sloan School of Management, and managing director of the Martin Trust Center for MIT Entrepreneurship, presents a proven framework consisting of 24 steps which summarize all needed processes to build a business. If some of the steps have already been addressed before, they will briefly be touched upon and if applicable, complemented with the book’s unique approach and frameworks.

2.1 Step 1 – Market Segmentation

Since our business is two-sided, we need to consider segments in both the buyer and seller markets. Both segments are split into two customer groups: private customers and commercial customers. In addition to the previously defined segments, which covered the buyer market segments within the private customer group, this step will cover all other target segments.

Buyer Market / Seller Market			
Private Customers		Commercial Customers (Car Dealerships)	
Casual Drivers	Quality drivers	New car dealerships	Used Car dealerships
Families	Status drivers	Brand specific dealerships	
Environmentalists	First drivers		
Adrenalin seekers			

Segments

Table 6: Customer groups and segments

The “quality drivers”, private casual drivers who value quality, a variety of features in cars, and a fair cost-performance ratio, benefit from Dealer’s cheaper prices or the possibility to sell their cars

faster by getting access to more potential buyers. Given we communicate our value proposition well, their willingness to change is high, as their frequency of purchase or sale is low and they do not have to change any accustomed processes.

On the side of the commercial customers, we have identified three main segments: new dealerships, used dealerships, and brand-specific dealerships. We will target the latter two, where the end users of Dealster are likely to be employed salespeople, who buy or sell cars for the company. They benefit from selling cars faster as well. They also reach higher margins after buying cars cheaper and reselling them after. Both are met with high urgency – higher margins result in higher bonuses and quicker sales mean more sales in less time. They use Dealster on a weekly basis, or daily depending on the size of their business. Moreover, according to Research Markets (2022), used car dealerships are expanding. On the other hand, this segment's willingness to change is not as high. Car dealerships tend to have accustomed processes and existing partnerships in place.

2.2 Step 2 – Beachhead Markets

We have ranked the beachhead buyer and seller markets for Dealster. For detailed tables of all criteria, as well as a ranking and order for follow-on markets, please consult appendices 9 through 13.

Compared to Spain, France, and Türkiye, we selected Portugal as our buyer beachhead market, mainly due to having imported cars ourselves before and resulting connections we plan to leverage, legal clarity, and the obvious language and overall familiarity advantage. It is worth mentioning, that Türkiye by far had the highest percentage point increase in the average price of used vehicles this year, with 111,9 percentage points, compared to the second highest being Portugal, with 13,8 (appendix 13). However, the country has several legal restrictions in place, which aim to prevent the disruption of the county's car industry – making it impossible to consider this market for Dealster.

On the seller side, Germany stands out compared to Italy, the Netherlands, and Belgium, mainly thanks to its strategically advantageous position, hosting multiple car manufacturer brands which are popular in Portugal, and the language and overall familiarity advantage, as we have

one founding member from Germany. Cheap car prices play a crucial role in the selection. In 2020, Germany stated the 6th lowest average vehicle prices in Europe, with 20.776 €. Only outranked by Italy, the Netherlands, Belgium, and Austria (appendix 12).

2.3 Step 3 – End User Profiles

In order to calculate the TAM, SAM, and SOM as accurately as possible, we will define an end user profile first. We used our gained insights on the most popular brands and models in Portugal to paint a picture of our end user profiles. An extended analysis of Dealster’s two end user groups and supporting definition and examples are presented in appendices 14 and 15.

2.4 Step 4 – TAM, SAM, and SOM Sizes

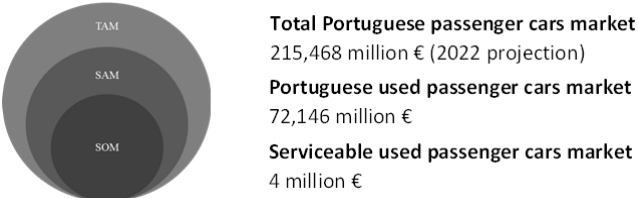


Figure 1: TAM, SAM, and SOM

This chapter concerns the market size of the buyer market Portugal. As previously mentioned, the total value of the Portuguese passenger cars market – for

both used and new cars, is expected to reach 4,25 billion € by the end of this year, with 173.220 projected vehicle sales, resulting in an average car price of around 24.535 € (Statista, 2022). Using a conservative average expected revenue of Dealster per car sale of 1.243,9 € (appendix 16 presents a detailed calculation of this value), and the number of projected vehicle sales, we estimate a TAM of 215,468 million €. By the end of 2022, the Portuguese used car market is set to reach 1,71 billion € (Statista, 2022). Given that 39,91% of all newly registered cars were used cars in 2020 (Sapo, 2022) and 145.417 cars were sold in Portugal in 2020 (Carsalesbase, 2022), we estimate that around 58.000 used cars were sold that year for an average price point of around 29.483 €. Using this 2020 estimate, the SAM estimate results in about 72,146 million € (SAM). Given our unique value proposition and few direct competitors, we expect a conservative market share of 5,54% after 5 years of business, resulting in a TAM of 4 million € – our estimated revenue from chapter 5.

2.5 Step 5 – Personas for the Beachhead Markets

In addition to the previously defined persona Joaquim Pereira in chapter 2.2.3., the nature of our multisided platform suggests defining a second persona: that of a member of the second target group – the commercial customers. Appendix 17 holds a detailed description of the persona closely related to the previously elaborated profile in step 3 – “Ricardo Oliveira”.

2.6 Step 6 – Full Life Cycle Use Case

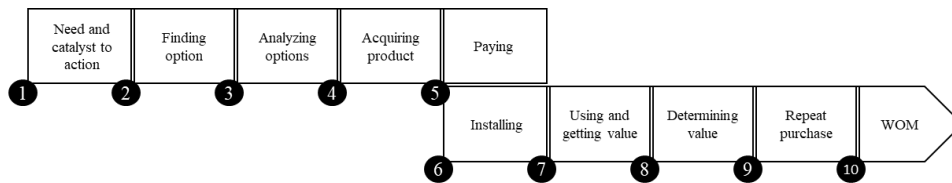


Figure 2: Full life cycle use case

The life cycle of our product begins with sellers in our seller market deciding to sell their car, may it be to replace their private vehicle with a new one, or to generate revenue for the dealership they work for. These private or commercial sellers will search for and find multiple options either online or offline – Dealster being one of them. Potentially, they have heard from our platform on our marketing channels or through WOM. After analyzing their options and being convinced by our value proposition, they decide to upload their car on our platform: completing steps one through 5.

In the meantime, buyers in our buyer markets decide to buy a car, whether it may be private or commercial customers. They too go through the same steps the sellers went through and decide to look on Dealster for used cars. Eventually, they find the car they were looking for and start the purchase process: completing steps one through five. To avoid accountability and liability on our side, the payment is completed directly between the two parties.

On Dealster’s side, we complete the import process and cover all services the customers chose from our offering. Once the car is delivered, both parties will have completed the life cycle until step 8: using and getting value. They will now determine their value from the purchase and if

they are satisfied with it, consider Dealster again and proceed purchasing again from us – either after about 6 years from a private customer perspective, or immediately, from a commercial customer perspective. Finally, they will share their positive experience with our platform, which completes the tenth and last step in Dealster’s full life cycle use case.

2.7 Step 7 – High-Level Product Specification

Our team is working on developing an MVP for Dealster. Appendices 18 – 22 offer a look into how it might look when finished. This chapter explains how a user would use the product, how they would navigate the marketplace, and how we address their priorities and communicate benefits. Both buyers and sellers will first see the landing page (appendix 18) and see our value proposition. On the top right, they can select to buy or sell a car, as well as get directed to a page that explains how it works and also read about us – Dealster. Assuming they want to learn about how a purchase or sale works, they will be directed to an overview. Appendix 19 shows how it might look like for buyers. Sellers and buyers now might value reviews about our service and platform in general. They will find a link to all customer reviews on top of the page and will be directed to the related page (appendix 20). As will be further reasoned in step 15, we are planning to introduce a subscription model for commercial sellers (appendix 21). The link to this will also be found above. Finally, appendix 22 shows what a buyer would see when searching for a car. The price visible to them comprises the seller's offer and our service fee and is final. If one wishes to sell a car, one may click on the related link on the landing page and fill out all needed information.

2.8 Step 8 – Value Proposition Quantification

For each model, the difference in price between buyer and seller market may vary greatly. For this purpose, we will be using the sourced average used car prices for Portugal and Germany from step 2 (appendix 12) and step 4. Since we do not have Portuguese prices for 2022, we will be comparing 2020 prices.

Price before PT (2020)	Price DE (2020)	Average Dealster import process cost (step 4)	Average final price for buyer in PT	Savings per car sale
29.483 €	20.775 €	1.043,9 – 1.243,9 €	21.818,9 – 22.018,9 €	7.464,1 – 7.664,1 € (25,3% - 26%)

Table 7: Value proposition quantification

As can be seen above, when using Dealster, Portuguese buyers save between 25,3% and 26% of the original Portuguese price.

Since their prices are the same, the main value propositions for German sellers are the access to a larger buyer network and a thus likely more rapid selling process. Especially for a commercial customer, increased online demand is of great value, which however, is more difficult to quantify. We expect sellers to find a buyer about 25% faster. After testing the product, we will be able to make a valid estimate.

2.9 Step 9 – Our Next 10 Customers

Strategically, we decided to first advertise the platform to dealerships in Germany, in order to quickly grow our car offerings on the platform and because of their greater value using Dealster compared to private sellers. We additionally expect higher chances to sell these first offered cars to Portuguese dealerships, as they usually buy more than one car, as well as reaching out to them in the beginning is cheaper. Thus, even though in the long-run, private customers are expected to become our main customer group, our first ten customers will expectedly consist of mainly German and Portuguese dealerships.

2.10 Step 10 – Our Core

Dealster combines our team's experience in importing cars, knowledge about our target markets, and fluency in all relevant languages, with the competitive advantage of our solution, which is new to the Portuguese market the way we are executing it. As early followers, we have identified a crucial missed opportunity in our competitor Importtrust's business model. The

resulting economic moats, meaning our temporary economic advantage, realistically are not advantages that are difficult to copy by our competitors. These are mainly the offering of more affordable vehicles via importation on a large scale and the use of a marketplace platform for this purpose.

The above-mentioned moats will however only slow the competition down. We value our partnerships and making importation process expertise our core – our unique and valued core which will grow in strength with us expanding our partnership network.

2.11 Step 11 – Charting Our Competitive Position

Adding to the competitive positioning map in chapter 1.6.4., the book suggests charting a more customer-centric position and comparing both involved markets. For this, we use the two most relevant priorities of each market to map the position: price and offer variety for the buyer market and for the seller market, time-saving and number of buyers respectively.

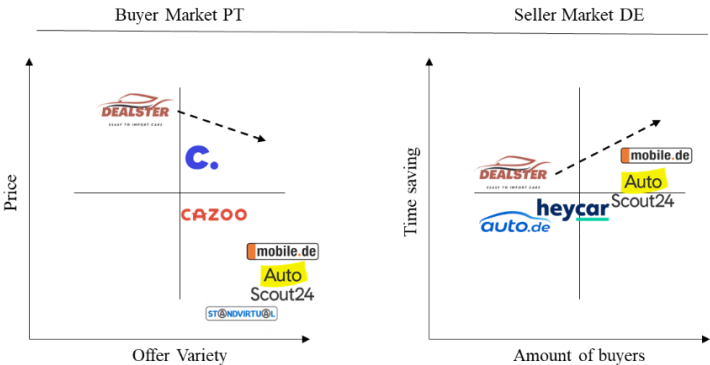


Figure 3: Buyer and seller market competitive positioning

Dealster’s price proposition in the Portuguese market is unmatched. However, in the starting years of our business, our offer variety is naturally limited. With competitors expected to implement importation

and our platform’s users increasing in numbers in the future, we expect Dealster’s positioning to slightly weaken in price, yet greatly improve in offer variety.

The German market introduces “heycaar” and “auto.de” to the competitive map, with offerings of around 352.000 and 133.874 cars respectively. “Mobile.de” and “Autoscout24” remain the undisputed market leaders, with 1,5 million and 1,07 million offered cars, as well as 13 million and 10 million users (Pixel Concept, 2022). In the beginning, we will position ourselves above

most competition, yet below mobile.de regarding time-saving when selling a car, and comparably weak in the number of buyers one can source when selling a car. Sellers usually offer their cars on multiple platforms. The time-saving effect takes place thanks to the opportunity to tap into a foreign market and a new pool of sellers, compared to placing a car on multiple platforms in the same market, likely overlapping potential buyers. Evidently, Dealster’s value proposition in the buyer market is stronger. And so, the marketing in Germany and follow-on seller markets will have to receive great attention. With our platform maturing, we will reach high numbers of buyers and affected by this, also slightly improve in time savings.

2.12 Step 12 – Customer’s Decision-Making Unit (DMU)

In this step, we dissect the term customer. It consists of three roles that together make a Decision-Making Unit (DMU): the end user, the primary economic buyer, and the champion – the person advocating for the service.

In our case, we have two different end user personas, as well as a buying and a selling side of the platform. Hence, the decision-making unit consists of six people: the private customer selling cars (end user), the dealership selling cars (end user), the private customer buying cars (end user and primary economic buyer), the dealership buying cars (end user and primary economic buyer), the influencer advocating for the service to sellers (champion), and the influencer advocating for the service to buying (champion).

2.13 Step 13 – Mapping the Process to Acquire a Paying Customer

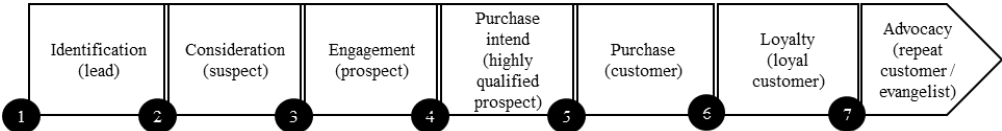


Figure 4: Process to acquire a paying customer

Even though we propose multiple revenue streams, the sales funnel in step 13 concerns primary paying customers: the private and commercial buyers. The sales funnel follows the seven steps as seen above. It is closely related to and plays out in parallel to the full life cycle use case from

step 6, as visualized in appendix 23. These two processes and their involved DMU are the essential tools to successfully map the process to acquire a paying customer. This process also considers our risk and risk mitigation actions related to all steps

During the identification phase, we plan for our marketing efforts to take effect and generate leads. Potential influencers in the car scene can be champions for this purpose. Previous customers spreading positive WOM and our SEO efforts may have also led to new leads. To create suspects, we need to create awareness for our product among the leads. Whether they found us themselves, or through our active outreach, it is crucial to communicate the lead's problem and how our unique value proposition solves it. We do this through our marketing and with the continuous help of influencers. In the next step, we encourage the suspect's engagement with us, via our social media channels and offering any customer to visit our office to gain their trust. If successful, they will consider browsing our marketplace platform for cars to buy – generating prospects in the process. Said prospects then show an intent to purchase and become highly qualified prospects. Simply put, they find a suitable car to buy. A functioning customer support is eminent in this stage to avoid second-guessing and reconsiderations.

When the car has been finally purchased, they officially become customers. Our goal now is to ensure maximum customer satisfaction. Customer support and live tracking of the status of their order shall strengthen this satisfaction and trust in our service. A successful completion of the importation service may now generate a loyal customer, who hopefully then considers buying a car from Dealster again next time, whether this happens within about 6 years for private customers, or right away for car dealers. In an optimal scenario, these repeat customers will share their positive experience with their network, becoming evangelists for Dealster. Customer retention methods take place here, including email newsletters, involving them in a customer feedback loop, and inviting them to follow our social media channels.

Some more severe risks endangering the successful completion of this process are lack of trust in the condition of the car, wrong declarations about the car by the seller, and issues during the importation process, such as an unexpected accident during the transportation and late deliveries in general. German law strictly forbids wrong declarations. Moreover, we expect every seller to provide complete paperwork about the car (registration certificates), and a valid safety check, such as from the TÜV. Avoidable importation delay risks will be mitigated through strict processes and maintenance of our relationships with our importation process partners.

2.14 Step 14 – TAM Size for Follow-on Markets

As discussed in step 2 and supported by appendix 11, we have identified follow-on markets for both the buyer and seller sides. Judged by the Ansoff Matrix by H. Igor Ansoff, we consider an expansion into new markets with the same product offering, thus seeking market development.

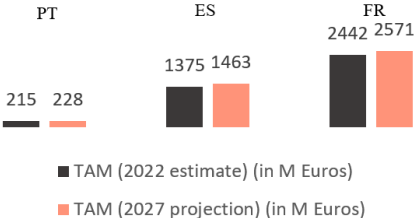


Figure 5: Follow-on buyer markets TAM

Since the buyer markets control the demand on the platform and generate the majority of Dealster’s revenues, we will analyze the potential buyer markets’ TAMs. For simplification, these have been Calculated with the conservative average expected

revenue per sale for Portugal. As can be seen above, Spain shows a potential TAM projection for 2027 of 1,463 billion €. However still overwhelmed by France’s 2,571 billion €. Compared to 2022 neither of the markets show significant projected growth.

2.15 Step 15 – Designing a Business Model

As the 15th step, we define the revenue streams of the business. In consideration of our previously defined customer segments’ priorities and value creation, as well as internal operations, sales, and profitability priorities, we suggest one main revenue stream.

With a cost-plus system, we charge a percentage of markup on our basic and optional service costs. Referring to appendix 16, in our most likely scenario, we expect an average markup between 36,7% and 47%. As mentioned in chapter 5, we offer a comparably affordable service to gain traction. Hence, we will likely not reach the otherwise usual keystone markup of 50%. However, the current and expected price differences between our chosen markets allow higher margins. Hence, we expect to raise our prices with a maturing business, in addition to reducing our costs.

Two more potential revenue streams will be implemented after Dealster gained enough traction. Namely through the collection and sale of user data and a subscription model. Both are especially valuable for our seller markets, as currently, we are not planning on generating revenue here. The subscription model will offer commercial customers a discount, in exchange for a fixed six-month subscription to Dealster. This discount will either be given to buyers on the service fee or paid out to the seller as a fixed bonus on top of the sale price.

To not undermine supply for the buyer market, vehicles won't be offered in the seller's market. Therefore, it is of utmost importance to heavily invest in marketing here and the introduction of the subscription model, strengthening commercial sellers as the target group.

2.16 Step 16 – Setting Our Pricing Framework

Aforementioned, the sale of a vehicle on Dealster is free. Buyers will pay the price of the car and an additional fee for the importation process, resulting in a basic fee of 950 - 1150 € and additional optional service fees, which have been explained in chapter 5.2. Our average expected revenue per car concerning the most likely scenario yields between 1.043,9 € and 1.243,9 €, resulting in a margin between 26,8% and 32%. A more detailed step-by-step composition of the pricing framework can be found in appendix 16.

2.17 Step 17 – Customer Lifetime Value (CLV)

Our CLV for both customer groups in Portugal has been presented in chapter 5.6. and result in 240 € for private customers and 54.055,32 € for car dealers. Since we generate no revenue in the German market yet, its respective customer groups' lifetime values result in zero.

2.18 Step 18 – Sales Process to Acquire a Customer

As previously explained in chapter 2 we will mainly use inside sales and internet sales methods to gain traction. Radio is often underestimated. In 2020, 83% of Americans of at least 12 years of age listened to the radio during the week (Pew Research Center, 2021).

More specifically, Dealster will rely on classic inbound marketing executed in the short (1st year), medium (2nd year), and long term (> year 3), as well as SEO, and social media marketing. All of which being first introduced by the founders and Joana Machado, our CMO. In the long run, marketing personnel will be responsible to nurture all marketing channels. Especially in the short term, field marketing in the likes of appearances and awareness generation at car exhibitions and conferences will be crucial for WOM and our success.

2.19 Step 19 – Customer Acquisition Cost (CAC)

For private and commercial customers in Portugal, CACs have been presented in chapter 5.6. and result in 80 € for private customers and 1.500 € for car dealers. Highly qualified prospects on both sides of the transaction become customers with a finished transaction between them. Furthermore, we expect a similar distribution of commercial and private customers in Germany as in Portugal – 75% and 25% respectively. Hence, the CACs for the German market are expected to be similar, as we also expect similar marketing costs.

2.20 Step 20 – Key Assumptions

Our key assumptions are that the Portuguese and German markets are attractive for our potential customers, we will be able to cover transportation and legal processes in such a way that the

car can be bought cheaper than when bought from Portugal, focusing on dealerships in the beginning will lead to quick wins, and customers trust our service and the sellers. An additional elaboration in the book's context on the key assumptions, which have been covered in chapter 5.1. can be found in appendix 24.

2.21 Step 21 – Testing Key Assumptions

The chosen markets Portugal and Germany have key characteristics that make them attractive for our business as previously mentioned. The markets will be tested during our beta test. We will conduct additional tests on the markets we want to move into next, with surveys and a mock landing page with a sign-up option to evaluate the demands in the markets.

The assumption that we will be able to offer the cars cheaper in Portugal after the transportation and legal processes, has been simulated and presented in chapters 1.2. and 5. We also have private experience with the importation of used cars from Germany and were successful in saving money with our approach. A detailed dissection of our revenue structure can be found in chapter five.

To get feedback on our business idea, including our assumption to focus on dealerships before private customers, we sought advice from two mentors from the Haddad Entrepreneurship Institute at our business school Nova SBE. Both mentors (Marisa Carvalho and Kiko Lumack) agreed that this approach is more likely to reach quick wins and gain market shares fast. In addition, we will conduct an A/B-test when launching Dealster's beta version – meaning we will both advertise amongst dealerships and private customers at first and afterward focus on the more responsive customer group.

Our customer's trust is essential for our success. As stated previously, some individuals stated this as a key factor for their purchasing decision. Both our mentors agreed with this as well. We will conduct a survey specifically to gain insights into our service's trust.

2.22 Steps 22-24 – MVP and Product Plan

Three factors make a good MVP: value, pay, and feedback. Meaning, it provides value to the customers, who are willing to pay for it and give feedback, so that we can create a feedback loop with our customers. We are currently building an MVP, which has been presented in step 7. Using mock listings in our step, we will publish the website in combination with minimal effort marketing and track any purchase intent. This step will be step 23, or as Bill Aulet calls it: “Showing That “The Dogs Will Eat the Dog Food”. With the gained insights, we will be able to perform step 24 – “Develop a Product Plan”. In this final step of the framework, we will define how Dealster will be improved in pursuance of optimally addressing our beachhead markets and scaling it further.

3. Conclusion (Group)

With this work project, we were able to identify a significant problem and figure out a great business model to tackle. In addition to our previous experience in importing cars, we gained valuable insights into the Portuguese car market and how it works. Something else we found essential was Bill Aulet's book "Disciplined Entrepreneurship: 24 Steps to a Successful Startup". It served as an insightful tool when starting a business. It and its frameworks will continue serving the development of our business. However, also due to the time constraints of the work project program, our team faced several limitations further elaborated below.

First and foremost, access to more information would have helped validate our business idea better. Our surveys did not generate as many answers as we were expecting them to. Especially car dealerships were not willing to respond. This may mainly be due to them not willing to share any business information with potential competitors. In addition, information online was scarce - not only due to our business concept being fairly new to the market.

Moreover, we expect the Portuguese market to be easier to reach than the German market, as the value proposition is stronger for Portuguese customers. At the end of the day, Portuguese customers get access to more affordable cars, while German customers get access to a larger network of buyers. This will change however, as we are planning to introduce a subscription model for commercial sellers. The resulting benefits will strengthen our value proposition significantly. Until then, heavy marketing in the seller market is of utmost importance to cover Portuguese demand.

Finally, even though we are close, our MVP is not finished yet. Hence, we could not gain proof of concept yet. In our tests with the finished MVP, we aim to compensate for the aforementioned lack of information and validate our venture further and test our key assumptions.

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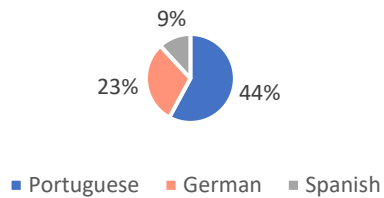
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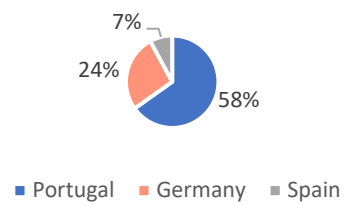
5. Appendix

5.1 Group

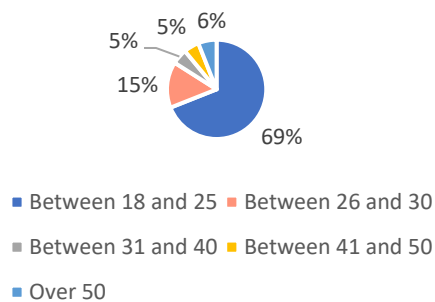
Predominant nationalities in the survey response



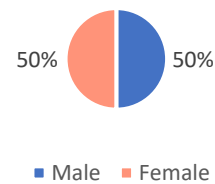
Predominant country of residence



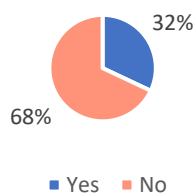
Age of respondents



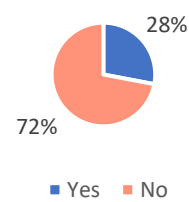
Gender of respondents

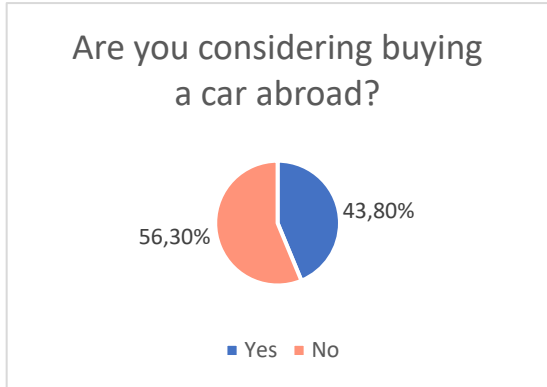
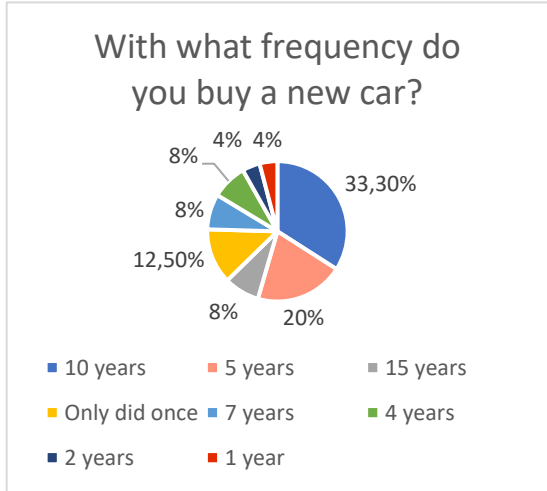
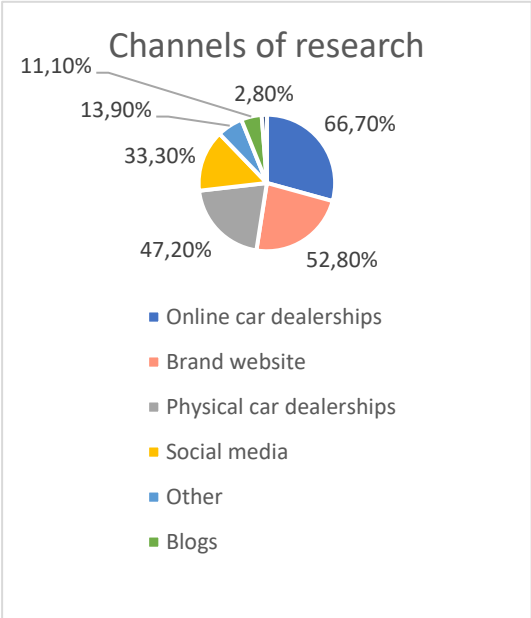
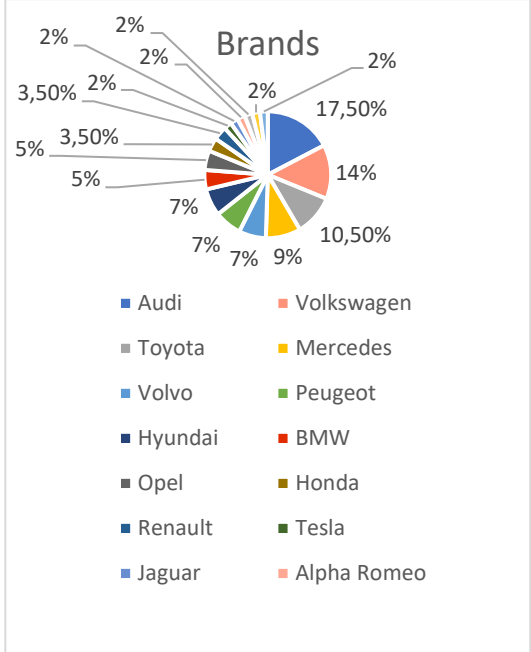
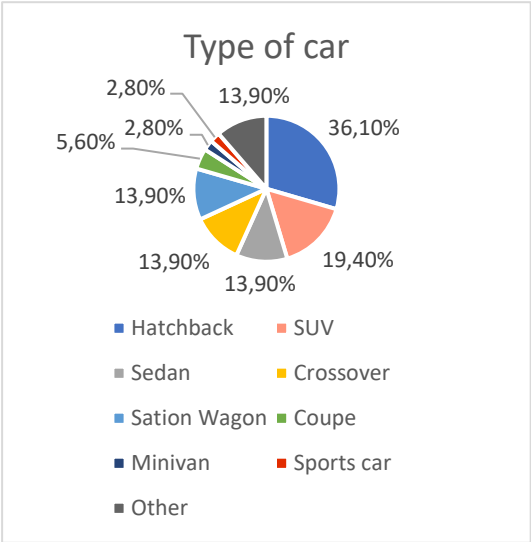


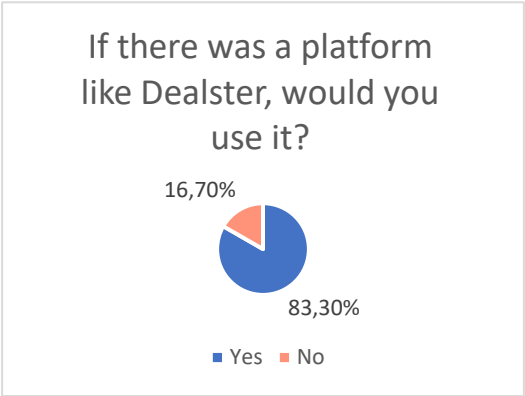
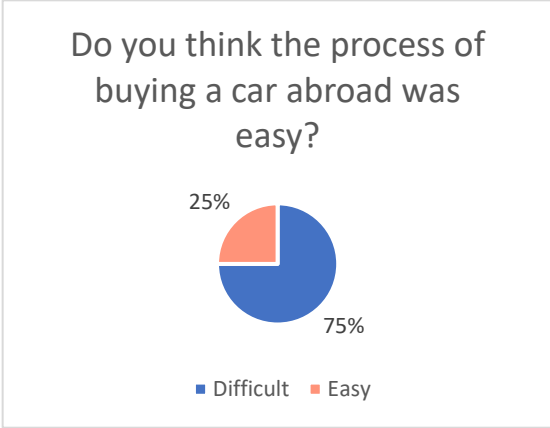
Have you already bought a car before?



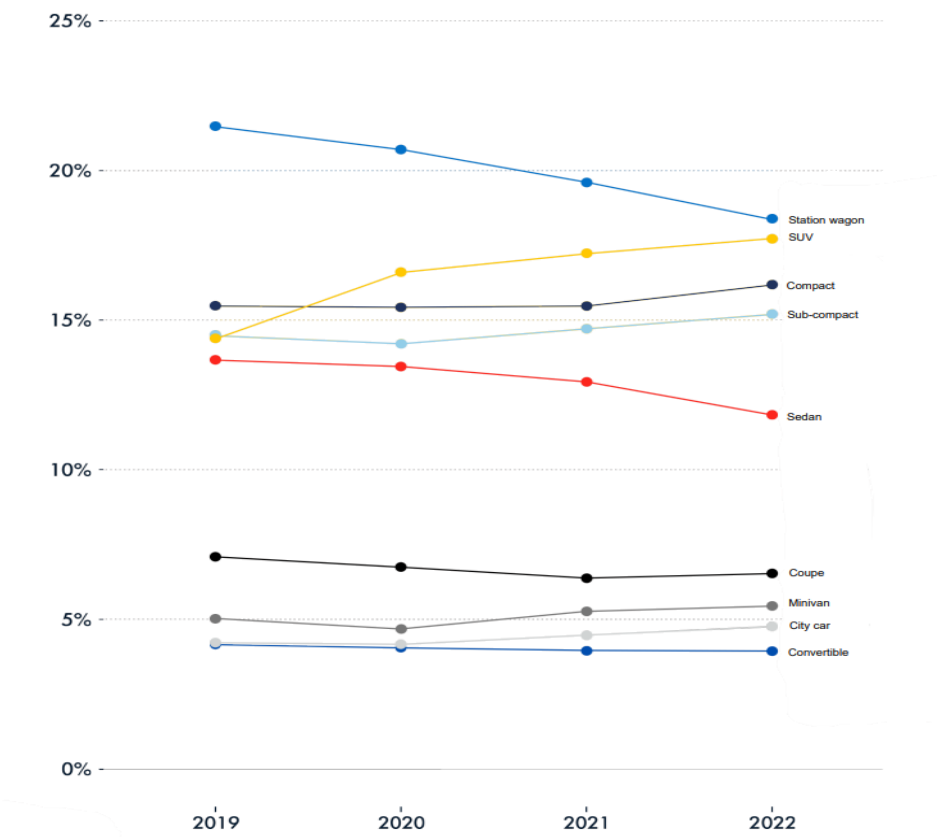
Do you intend to buy a car in the near future?







Appendix 1: Results of the survey



Appendix 2: Used cars market share by segment

KeywordHistorical	Volume (average number of searches/ month, last year)	Comp .	IAAT	Comment	Type	Location Specific	Competitor	Brand	Potential Partner
standvirtual	698000	13,73	304	competitor			Standvirtual		
standvirtual carros	11225	3,97	1	competitor			Standvirtual		
standvirtual carros usados	8033	—	0	competitor			Standvirtual		
standvirtual motos	4883	—	0	competitor			Standvirtual		
standvirtual motas	2713	—	0	competitor			Standvirtual		
standvirtual porto	1742	—	0	competitor		Portugal	Standvirtual		
standvirtual comerciais	1675	—	0	competitor			Standvirtual		
standvirtual autocaravanas	1290	—	0	competitor			Standvirtual		
standvirtual mercedes	668	—	0	competitor			Standvirtual	Mercedes	
bmw standvirtual	592	—	0	competitor			Standvirtual	BMW	
mercedes standvirtual	459	—	0	competitor			Standvirtual	Mercedes	
standvirtual portugal	357	—	0	competitor		Portugal	Standvirtual		
benecar standvirtual	345	—	0	competitor			Standvirtual		
mcoutinho standvirtual	298	—	0	competitor			Standvirtual		
dacar standvirtual	244	—	0	competitor			Standvirtual		
standvirtual usados	239	—	0	competitor			Standvirtual		
volkswagen standvirtual	228	—	0	competitor			Standvirtual	Volkswagen	
dacia duster standvirtual	208	—	0	competitor			Standvirtual	Dacia Duster	
renault captur standvirtual	207	—	0	competitor			Standvirtual	Renault Captur	
nissan navara standvirtual	167	—	0	competitor			Standvirtual	Nissan Navara	
mercedes glc standvirtual	162	—	0	competitor			Standvirtual	Mercedes Glc	
peugeot standvirtual	155	—	0	competitor			Standvirtual	Peugeot	
hendo standvirtual	152	—	0	competitor			Standvirtual		Hendo
hyundai kauai standvirtual	150	—	0	competitor			Standvirtual	Hyundai Kauai	
edaxgroup standvirtual	139	—	0	competitor			Standvirtual		Edaxgroup
golf gte standvirtual	131	—	0	competitor			Standvirtual	Golf Gte	
standvirtual salvados	124	—	0	competitor			Standvirtual		
altamontra standvirtual	111	—	0	competitor			Standvirtual		Altamontra
scirocco standvirtual	109	—	0	competitor			Standvirtual	Volkswagen Scirocco	
seat arona standvirtual	106	—	0	competitor			Standvirtual	Seat Arona	
edax group standvirtual	99	—	0	competitor			Standvirtual		Edax Group
mercedes glc coupe standvirtual	98	—	0	competitor			Standvirtual	Mercedes Glc Coupe	
destaques standvirtual	95	—	0	competitor			Standvirtual		
expoeuropa standvirtual	88	—	0	competitor			Standvirtual		
byrd stand virtual	88	—	0	competitor	electric		Byrd		
volvo standvirtual	85	—	0	competitor			Standvirtual	Volvo	
drive point standvirtual	85	—	0	competitor			Drive Point		
standvirtual renault captur	75	—	0	competitor			Standvirtual	Renault Captur	
autofix standvirtual	75	—	0	competitor			Standvirtual		Autofix

standvirtual dacia duster	68	—	0	competitor			Standvirtual	Dacia Duster	
hjr car standvirtual	68	—	0	competitor			Hjr Car		
standvirtual mercedes glc	67	—	0	competitor			Standvirtual	Mercedes GLC	
peugeot rcz standvirtual	67	—	0	competitor			Standvirtual	Peugeot Rcz	
ford standvirtual	67	—	0	competitor			Standvirtual	Ford	
ford focus st line standvirtual	67	—	0	competitor			Standvirtual	Ford Focus St Line	
golf gti tcr standvirtual	66	—	0	competitor			Standvirtual	Golf Gti Tcr	
mercedes eqe standvirtual	62	—	0	competitor			Standvirtual	Mercedes Eqe	
campervan standvirtual	62	—	0	competitor			Standvirtual		
citroen standvirtual	59	—	0	competitor			Standvirtual	Citroen	
mercedes glb standvirtual	58	—	0	competitor			Standvirtual	Mercedes Glb	

<https://www.wordtracker.com/search?query=standvirtual>

KeywordHistorical	Volume (average number of searches/ month, last year)	Comp.	IAAT	Comment	Type	Location Specific	Competitor	Brand
carros usados	62750	15,91	599	potential keyword				
carros usados baratos	14725	6,34	17	potential keyword				
olx carros usados	9183	—	0	competitor			OLX	
standvirtual carros usados	8033	—	0	competitor			Standvirtual	
carros usados olx	6325	—	0	competitor			OLX	
custo justo carros usados	4942	—	0	potential keyword				
carros eletricos usados	4683	—	0	potential keyword	electric			
carros usados porto	3325	3,97	1	potential keyword		Portugal		
carros usados custojusto	3325	—	0	potential keyword				
comprar carros usados	3264	7,04	14	potential keyword	electric			
carros electricos usados	2342	—	0	potential keyword				
carros usados portugal	1842	3,97	1	potential keyword		Portugal		
carros usados braga	1675	—	0	potential keyword		Portugal		
carros usados algarve	1428	—	0	potential keyword		Portugal		
carros usados alemanha	1325	—	0	potential keyword		Germany		
carros usados em portugal	1296	—	0	potential keyword		Portugal		
carros usados coimbra	1221	—	0	potential keyword		Portugal		
olx carros usados baratos	1033	—	0	competitor			OLX	
hertz carros usados	947	3,97	1	competitor			Hertz?	
valor carros usados	873	—	0					
carros usados particulares	598	—	0	potential keyword				
carros hibridos usados	591	—	0	potential keyword	hybrid			
stand carros usados	517	—	0	potential keyword				
custojusto carros usados	488	—	0	potential keyword				
olx carros usados baratos diesel	465	—	0	competitor	Diesel		OLX	
carros usados lisboa	407	—	0	potential keyword		Portugal		
carros usados leiria	399	—	0	potential keyword		Portugal		
compro carros usados	376	—	0	potential keyword				
seminov	365	—	0					

carros baratos usados	361	4,61	2	potential keyword				
carros usados toyota	357	5,04	3	potential keyword				Toyota
carro usados toyota	357	—	0	potential keyword				Toyota
stand virtual carros usados	326	—	0	competitor			Standvirtual	
carros usados aveiro	312	—	0	potential keyword		Portugal		
valor carros usados tabela	291	—	0	potential keyword				
leasing carros usados	291	—	0					
carros usados viseu	289	—	0	potential keyword		Portugal		
carros usados baratos porto ate 500 euros	278	—	0	potential keyword		Portugal		
carros usados baratos a diesel particulares olx	251	—	0	competitor			OLX	
carros kia usados	245	4,61	2	potential keyword				Kia
carros usados baratos a diesel	228	—	0	potential keyword	Diesel			
preco justo carros usados	197	—	0	potential keyword				
leboncoin carros usados baratos	186	—	0	competitor			Leboncoin	
carros 7 lugares usados	177	—	0	potential keyword				
leboncoin carros usados	149	—	0	competitor			Leboncoin	
carros usados ate 2000 euros custojusto	119	—	0	potential keyword				
honda carros usados	88	—	0	potential keyword				Honda
carros usados hondas	81	—	0	potential keyword				Honda
carros usados hyundai	80	3,97	1	potential keyword				Hyundai
carros pequenos usados	73	—	0	potential keyword				

<https://www.wordtracker.com/search?query=carros%20usados>

Appendix 3: Keyword search: “Carros usados” and related terms

	2022									2023					2024	2025
	September	October	November	December	January	February	March	April	May	June	July	August	September	to be defined	to be defined	
Validation and Starting Venture																
Own internet research																
Survey among private customers (buyer side)																
Survey and contacting dealerships (buyer side)																
Feedback from mentors																
Survey among private customers (seller side)																
Survey and contacting dealerships (seller side)																
Focused survey on trust (all customer groups)																
Focused survey on willingness to change (all customer groups)																
Pre-seed Funding and registration																
Creating pitch deck																
Choosing right sources for investment																
Application for incubation programs																
Choosing investors and negotiating contracts																
Registration of startup (possibly W/ help of partners)																
Development of MVP and proof of concept																
Creating simple MVP for initial proof of concept																
Hiring developer and development of MVP																
Attracting first dealerships to platform																
First sales																
Constant proof of concept and improvements																
Marketing and future scaling																
Definition of Marketing strategy																
Design of social media channels																
Launch of Marketing strategy																
Seed funding and Mit-term outlook																
Choosing right sources for investment																
Choosing investors and negotiating contracts																
Hiring more developers																
Renting office in Lisbon																
Hiring more employees (to be defined)																
Long-term outlook and exit strategy																
Expansion in more markets and recruitment																
Acquirer attraction																
Target Exit: Acquisition																

Appendix 4: Rollout

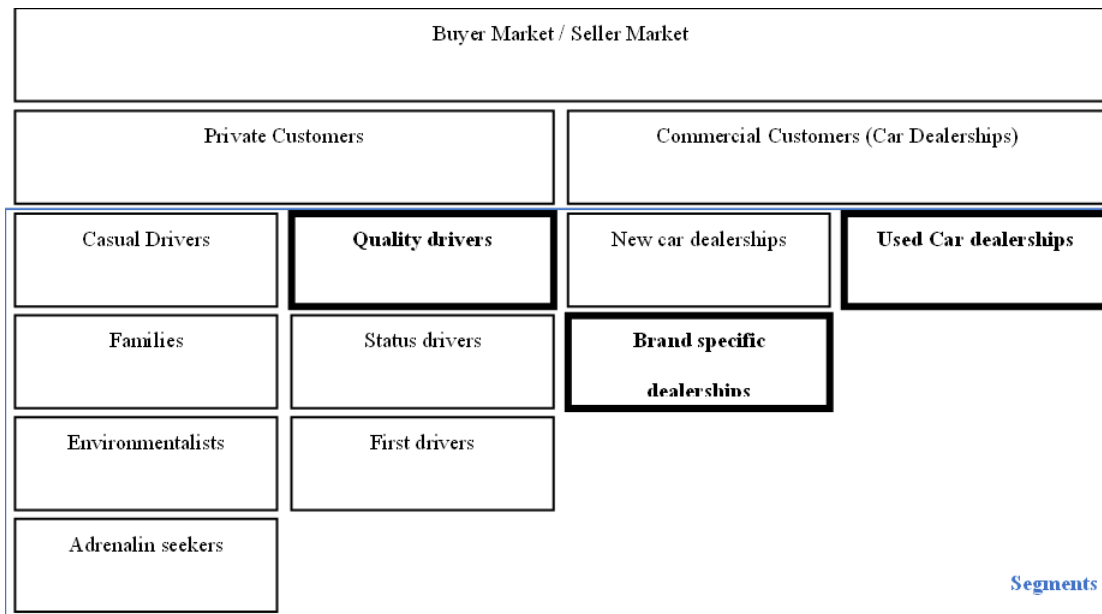
5.2 Disciplined Entrepreneurship – 24 Steps to a Successful Startup

Name	How do we know each other?	Knowledge	Skills	Passions/interests	Founding team potential
Joana	We all met each other through the master thesis.	Marketing/Advertising	Speaks Portuguese and English	Entrepreneurship, volunteering	CMO
Romeo		Cars, Sales, Innovation Management, Accounting, Financial Management	Leadership, Negotiation, speaks Romanian, Portuguese and English	Entrepreneurship	CFO
Alvaro		Law, Business Strategy, Operations	Speaks Spanish and English	Entrepreneurship	COO
Emin		Sales/Key Account Management, Marketing, Business Development, Consulting	Leadership, communication, speaks German, Turkish, and English	Entrepreneurship, team sports, music production	CEO

Appendix 5: Step 0 – Our Team

<p>Problem and Opportunity Cars being expensive in Portugal. Way more expensive than in many other countries.</p>	<p>Vitamin Pill, Pain Killer, or Game Changer? It is both a pain killer as we are solving this issue, as well as a game changer as it makes cars more available in the chosen market. It opens up new trade opportunities between two markets.</p>
<p>Why Our Team? We have experience with the importation of cars from abroad into Germany and are a very international team, coming from or having backgrounds from 5 different countries, including Portugal and Germany – the two markets we will first set foot on.</p>	<p>Our Passion Every team member either had this issue before or is generally interested in cars. We are able to use our diverse backgrounds and knowledge to make a change in how we buy cars. This opportunity and the impact that this endeavor can have fuels our drive.</p>

Appendix 6: Step 0 – Market Pull Mini-Canvas



Appendix 7: Step 1 – Market segments in both buying and selling markets

Segment Name	Casual quality driver	Used car dealerships	Brand specific car dealerships
End User	Any private casual driver valuing quality and cost-performance ratio	Salesperson	Salesperson
Task	Buying car for personal use / selling personal car	Buying and selling cars for the company	Buying and selling cars for the company
Benefit	Buying car cheaper / selling car faster	Reaching higher margin after buying and reselling cars / selling cars faster	Reaching higher margin after buying and reselling cars / selling cars faster
Urgency of Need	Fairly urgent to buy with good cost-performance / fairly urgent to get rid of car and buy a new one	Very urgent to buy new cars to resell to make money / very urgent to sell as many cars as possible as quickly as possible	Very urgent to buy new cars to resell to make money / very urgent to sell as many cars as possible as quickly as possible
Lead Customers	(Influential) people in the car scene or influencers	Lading / big dealerships offering most popular brands	Lading / big dealerships of most popular brands

Willingness to Change	High	Medium (accustomed processes and current partnerships)	Medium (accustomed processes and current partnerships)
Frequency of Buying / Selling	Low (every 6 years)	High (around 5 cars a month, highly dependent on size of dealership)	High (around 5 cars a month, highly dependent on size of dealership)
Other Relevant Market Segment Considerations		Expansion of used car dealerships (Research and Markets, 2022)	
Competition / Alternatives	Many selling alternatives / but strong and unique buyer value proposition (affordability)	Many selling alternatives / but strong and unique buyer value proposition (affordability)	Many selling alternatives / but strong and unique buyer value proposition (affordability)
Important partners	Transportation, legal, and check-up service	Transportation, legal, and check-up service	Transportation, legal, and check-up service

Appendix 8: Step 1 – Market segments in both buying and selling markets (elaboration)

Criteria	Buyer Market Segment: Portugal	Buyer Market Segment: Türkiye	Buyer Market Segment: Spain	Buyer Market Segment: France
Rating is Very High (best), High, Medium, Low, Show Stopper (worst)				
1. Economically Attractive	Yes, also legal clarity since we already have experience.	Yes. Big market. But many legal restrictions. Cars can only be imported temporarily.	Yes, also geographically close to Portugal. Big market.	Yes. Big market.
2. Accessible to our sales force	Yes. Home country.	Yes, but business would have to be closer to Turkey (i.e. Germany).	Yes, business can be in Portugal or Spain.	Yes, but have to consider if business should be moved closer to France or to France.

3. Strong value proposition	Yes, cars are not affordable enough and prices are rising (13,8pp October 2022 versus December 2021; 2 nd highest increase (INDICATA, 2020))	Yes, cars are not affordable enough and prices are rising (111,9pp October 2022 versus December 2021; highest increase (INDICATA, 2020))	Yes, cars are not affordable enough and prices are rising (12,3pp October 2022 versus December 2021; 4 th highest increase (INDICATA, 2020))	Yes, cars are not affordable enough and prices are rising (12,2pp October 2022 versus December 2021; 5 th highest increase (INDICATA, 2020))
4. Complete product	Yes, platform can MVP be easily used. Language adjustments have to be considered.	Yes, platform can MVP be easily used. Language adjustments have to be considered.	Yes, platform can MVP be easily used. Language adjustments have to be considered.	Yes, platform can MVP be easily used. Language adjustments have to be considered.
5. Competition	Traditional online marketplaces and Importtrust as importer, yet different value proposition and process.	Traditional online marketplaces, but not for importing cars.	Traditional online marketplaces, and services like SimpleEnglishAdvice. However not on a large scale and no marketplace platform – just service.	Traditional online marketplaces, and services like eplaque.fr. However just limited support for registration. No full service. Not on a large scale.
6. Strategic value	Legal clarity, good sized beachhead market (not too big)	Big market	Geographical advantage as Portuguese neighbor, big market	Geographical proximity between Portugal and potential future markets (Germany, Spain, etc.), big market
7. Personal alignment	Experience, language, connections, home country,	Language (group member with Turkish background)	Language (Spanish group member), connections	

	great network, familiarity			
Overall Rating	Very high	Show stopper	High	Medium
Rating for ranking is 1 (most attractive) to 4 (least attractive) – key factors is most important contributor to the ranking				
Ranking	1	4	2	3
Key deciding factors	Experience, legal clarity, language, connections, familiarity	Legal restrictions	Geographical position, language, connections	Geographical position

Appendix 9: Step 2 – Buyer Beachhead Market Selection

Criteria	Seller Market Segment: Germany	Seller Market Segment: Italy	Seller Market Segment: Netherlands	Seller Market Segment: Belgium
Rating is Very High (best), High, Medium, Low, Show Stopper (worst)				
1. Economically Attractive	Yes, big and wealthy market and expansion of used car dealerships (Research and Markets, 2022), used car market valued at USD 113,2 billion in 2021 and forecasting USD 171,03 billion in 2027 (Mordor Intelligence, 2022)	Yes, relatively big market, used car market valued at USD 60 Billion in 2021 and forecasting USD 100,63 billion in 2027 (Mordor Intelligence, 2022)	Comparably less attractive, passenger cars market size, including new cars, forecasted at USD 9,97 billion in 2022 (Statista, 2022)	Comparably less attractive, passenger cars market size, including new cars, forecasted at USD 13,66 billion in 2022 (Statista, 2022)
2. Accessible to our sales force	Yes, mostly simple online approach.	Yes, mostly simple online approach.	Yes, mostly simple online approach.	Yes, mostly simple online approach.
3. Strong value proposition	Many popular car manufacturers, 6 th lowest average used car prices in	Many popular car manufacturers, lowest average used car prices in Europe in	2 nd lowest average used car prices in Europe in 2020, at 16603 EUR	Many popular car manufacturers, 4 th lowest average used car prices in

	Europe in 2020, at 20775 EUR (AutoScout24, 2020), good condition cars	2020, at 16394 EUR (AutoScout24, 2020)	(AutoScout24, 2020)	Europe in 2020, at 17924 EUR (AutoScout24, 2020)
4. Complete product	Yes, platform can MVP be easily used. Language adjustments have to be considered.	Yes, platform can MVP be easily used. Language adjustments have to be considered.	Yes, platform can MVP be easily used. Language adjustments have to be considered.	Yes, platform can MVP be easily used. Language adjustments have to be considered.
5. Competition	Many traditional online marketplaces to sell cars. Highly competitive environment.	Many traditional online marketplaces to sell cars. Highly competitive environment.	Many traditional online marketplaces to sell cars. Highly competitive environment.	Many traditional online marketplaces to sell cars. Highly competitive environment.
6. Strategic value	Geographical position in the center of Europe, many in Portugal popular manufacturer brands	Lowest European prices	Geographical position in Europe, second lowest European prices	Geographical position in Europe
7. Personal alignment	Language (German group member), personal connections, familiarity			
Overall Rating	Very high	High	High	Medium
Rating for ranking is 1 (most attractive) to 4 (least attractive) – key factors is most important contributor to the ranking				
Ranking	1	2	3	4
Key deciding factors	Geographical position, popular brands in Portugal, language, familiarity	Lowest prices	Geographical position, second lowest prices	Geographical position

Appendix 10: Step 2 – Seller Beachhead Market Selection

Buyer Market				Seller Market		
Ranking	Country	Rating	Deciding factors	Country	Rating	Deciding Factors
1	PT	Very high	Experience, connections, language, legal clarity	DE	Very high	Geographical position, popular brands in Portugal, language
2	ES	High	Geographical position	IT	High	Lowest prices
3	FR	Medium	Geographical position	NL	High	Geographical position, second lowest prices
4	TR	Not possible	Legal restrictions	BG	Medium	Geographical position

Appendix 11: Step 2 – Buyer and Seller Beachhead Market Ranking

Country	Ø 2019	Ø 2020	Development
Italy	15.987 €	16.394 €	+ 2,55%
Netherlands	16.509 €	16.603 €	+ 0,57%
Belgium	17.242 €	17.924 €	+ 3,96%
Austria	20.122 €	20.091 €	- 0,15%
Germany	20.776 €	20.775 €	~ 0,00%
France	23.106 €	24.180 €	+ 4,65%

Appendix 12: Step 2 – Seller Market Average Used Car Prices (Source: AutoScout24, 2020)

Country	Development average used car price (December 2021 - October 2022) in percentage points
Turkey	111,9
Portugal	13,8
Austria	12,4

Spain	12,3
France	12,2
Belgium	11,4
Italy	11,1
Denmark	10,1
The Netherlands	8,9
Poland	8,9
Germany	8,3
Sweden	4,2
United Kingdom	- 4,0

Appendix 13: Step 2 – Development of Buyer Market Average Used Car Prices (Source: INDICATA, 2020)

Profile criteria	Definition / examples
Demographics	Income, age, gender, ethnicity, location, profession, education
Psychographics	Biggest fears, motivators, values, hobbies, habits, traits
Proxy Products	Other products used, products correlating with our product
Watering Holes	(online) platforms, locations, associations
Day in the life	Description of an average day in their life
Priorities	Biggest priorities

Appendix 14: Step 3 – Profile criteria definitions / examples

On the private customer group side, end users driving cars such as Mercedes' in the U.S. are mainly either middle-aged and above 40, or between 25 and 40 years old. 72% are highly educated and as upper-middle to upper-class, earn above average in elite industries, in the likes of finance and entrepreneurship (Li & Wan, 2021). BMW drivers have a median age of 56 years and are rather brave, self-confident individuals (Hedge & Company, 2020). Additionally, Mercedes drivers' personality traits are often managerial, administrative, and professional (Li & Wan, 2021). As a reference, in the U.S. 74% of car buyers between 25 and 40 years of age

purchased their car online, compared to 53% for individuals between 41 and 56 (Progressive, 2022). A significant amount of time of their day might be spent in their car during a commute to and from work or a client.

On the commercial side, in the U.S. 71% of car dealers and salespeople are men – a trend that has been robust over many years. They are middle-aged and part of the middle-class and about 41 on average (Zippia, 2022). According to Paylab (2022), a car salesman in Portugal earns around 25.000 €. They are self-confident, motivated, good communicators, centered around customer satisfaction, and enthusiastic about cars. Selling as many cars as possible, as well as purchasing cars for a cheap price is key to their success. They mainly receive their cars through wholesale auctions, online marketplaces, or directly from the manufacturer, even though the latter concerns new cars and thus is not of our interest. Naturally, car dealers are experts on cars and spend their day trading, driving, talking, and learning about them.

Appendix 15: Step 3 – End user profiles

Service	Our cost	Customer price (Revenue)	Gross profit per car sale	Markup Margin
	<u>Basic service</u>			
Legal process solicitation at IMT	100 €	120 €	20 €	
Transportation	600 – 800 €	800 – 1.000 €	200 €	
Car history report (CarVertical)	10 €	30 €	20 €	
	<u>Optional additional service</u>			

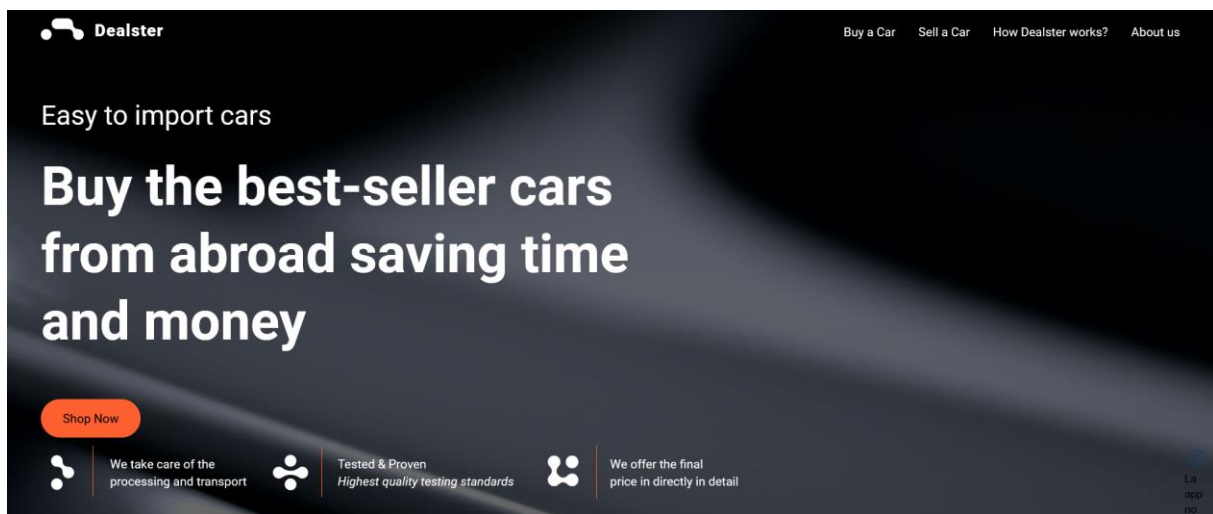
Warranty	Potential cost when warranty is used (not included in calculation)	10% of car price (avg. used car price DE: 20.775 € (AutoScout24, 2020)) → 20.77,5 €	10% of car price (avg. used car price DE: 20.775 € (AutoScout24, 2020)) → 20.77,5 €		
Scenarios					
Basic (minimal) revenue per car (conservative)	710 – 910 €	950 – 1.150 €	240 €	26,4% - 38,8%	20,9% - 25,3%
Maximum revenue per car (optimal scenario)	710 – 910 €	3.017,5 – 3.217,5 €	2307,5 €	253,6% - 325%	71,7% - 76,5%
Avg. expected revenue per car (probable)	710 – 910 €	Basic + 5% of customers buying warranty → 1.043,9 – 1.243,9 €	333,9 €	36,7 – 47%	26,8% – 32%

Appendix 16: Step 4 – Pricing framework and possible scenarios

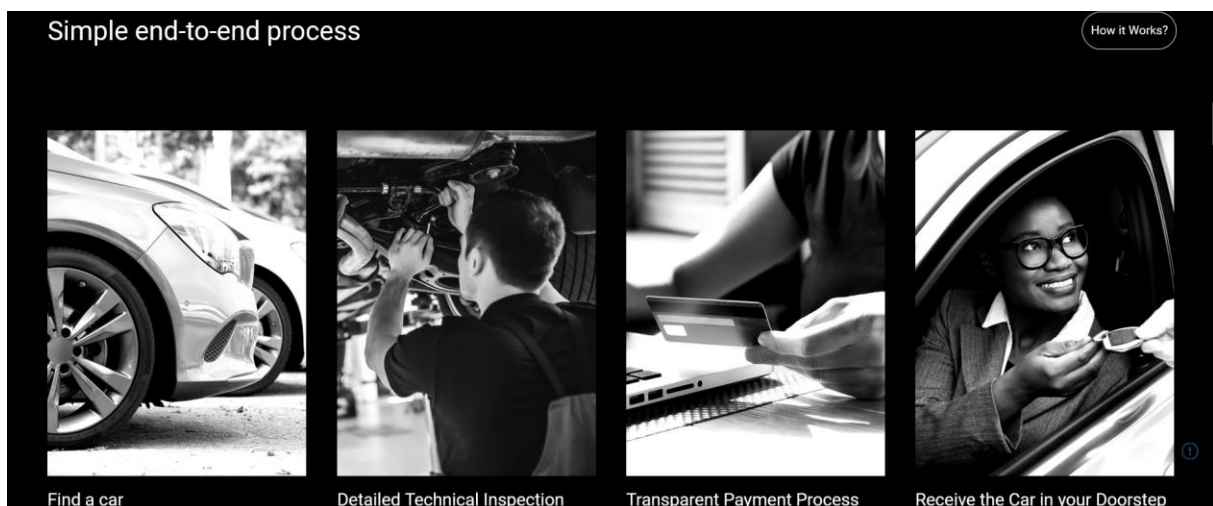
“Ricardo Oliveira is a 41-year-old Portuguese trained car salesman and married family father of two from Lisbon. Ricardo is living a relatively calm life and is mainly concerned about his family’s health and happiness. He works at Auto Hub, a used car dealership in Lisbon and earns around 25.000 € yearly and aspires to own his own dealership one day. There, he is mainly responsible for the purchase and sale of the company’s cars. He mainly sells and buys the most common and popular cars in Portugal, in the likes of Mercedes, BMW, Renault, and VW. If he isn’t spending time with his family or friends in his free time, he likes to work on his own car – a BMW 3 Series. You may very well find him at car conferences and exhibitions. His self-confidence and communication skills stand out and help him reach his sales goals. He spends most of his working hours talking to clients and selling cars, as well as looking to source new cars. For this, he increasingly uses online marketplaces, next to wholesale auctions. In his

quest to find the cheapest cars possible, he is considering importing cars from abroad for a lower price point. His favorite sources of news are radio, websites, and social media. When he needs expert advice, he refers to internet research or talks to his colleagues at work.

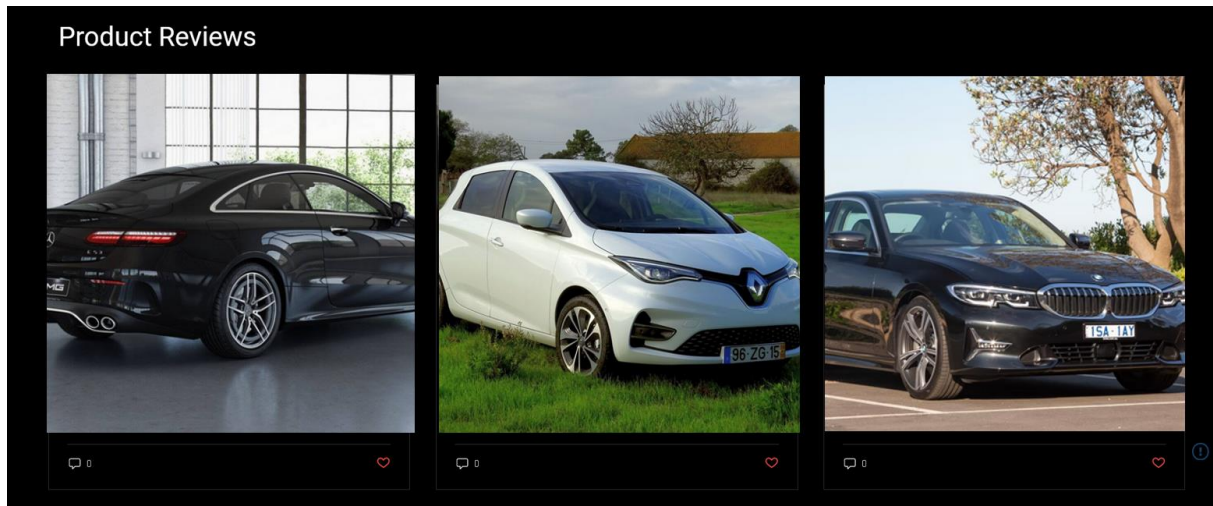
Appendix 17: Step 5 – Commercial customer persona



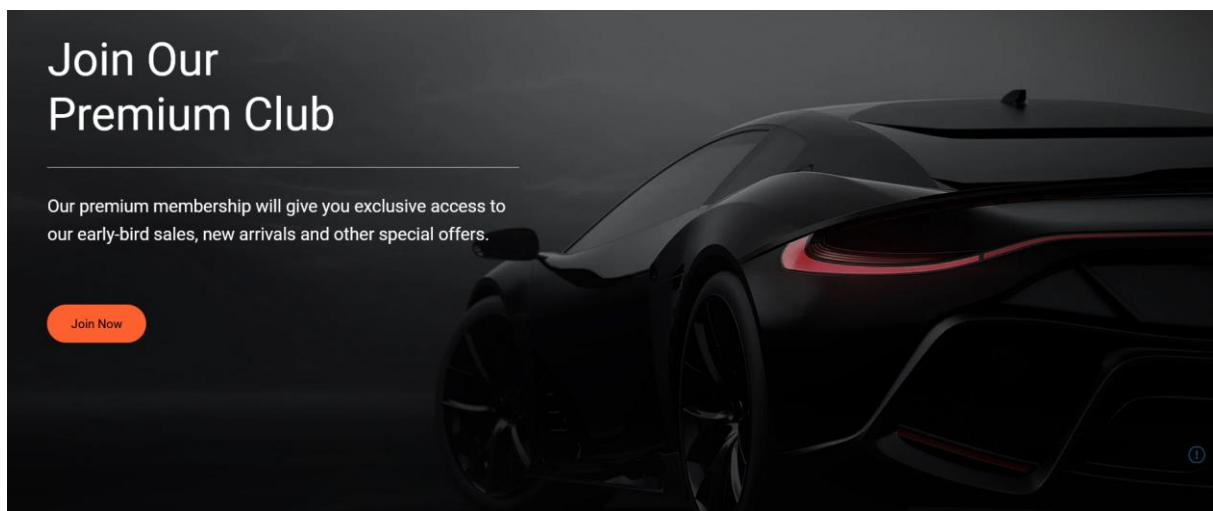
Appendix 18: Step 7 – MVP platform walkthrough (landing page)



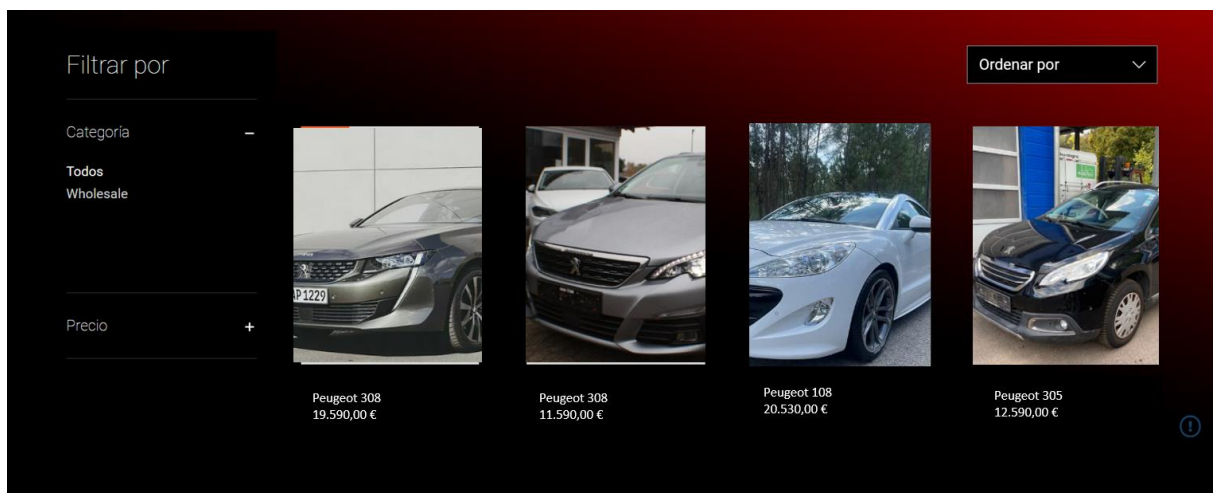
Appendix 19: Step 7 – MVP platform walkthrough (buyer process)



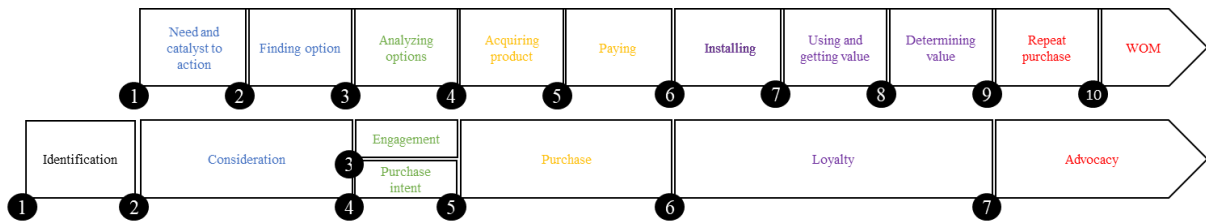
Appendix 20: Step 7 – MVP platform walkthrough (reviews)



Appendix 21: Step 7 – MVP platform walkthrough (sponsorship commercial customers)



Appendix 22: Step 7 – MVP platform walkthrough (marketplace)



Appendix 23: Step 13 – Full life cycle use case vs. sales funnel

All assumptions are crucial for Dealster’s success and pose a high-risk level. If the market choice is wrong, we might not be able to get enough customers, which can lead to bankruptcy, especially at the beginning of our business, as we are the most financially vulnerable then. If the cars end up being either more expensive or even the same price, customers might have no reason to use our service. If we focus on the wrong customer group in the beginning, it might be difficult to gain market shares and cash might become scarce which can lead to bankruptcy. And finally, our customers' trust is eminent for our business’s success and the lack of it poses a threat to our survival, as it directly leads to fewer customers and we might not be able to cover initial costs in the beginning especially.

Appendix 24: Step 19 – Key Assumptions