

AMBROSIA'S BUSINESS APPROACH

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Abstract

The following study showcases the process of creating a new skin care company named AMBROSIA whose main product is prickly pear seed oil. The paper represents the marketing and financial planning that will be implemented. When creating a new business it is essential to do a business analysis and plan of the company.

The document starts with a theoretical framework in order to understand the main vocabulary and the content of the document. Then a research methodology was done to do quantitative research of the market and the needs of consumers in terms of skin care products. For this purpose a survey was created and showcased online with 104 respondents that answered to 25 questions related to skin care products and prickly pear seed oil. A Marketing plan was displayed, with an internal and external diagnosis including several practices such as a Five forces of porter, a PESTEL analyse, a SWOT analyse, a marketing strategy, a marketing mix and an Operational plan.

Finally, a financial plan that covers the costs and benefits expected for the next 5 years of the company was done. This financial plan evidence the financial viability of this project. Therefore, Net Present Value, Internal Rate of Return and Payback allow to evidence the profit and cash flows estimated for the period.

The results and analyses reinforced the project ideology and the feasibility, with a result of 22 341 euros of benefits starting from the third year of activity.

Keywords: Sustainability, prickly pear seed oil, marketing, digital marketing, financial plan

Resumo

O presente estudo assenta na demonstração do processo de criação de uma nova empresa de cuidados da pele chamada AMBROSIA, cujo principal produto é óleo de semente de figo da Índia.

O documento representa o planeamento de marketing e financeiro que será implementado.

O documento começa com um quadro teórico a fim de compreender os principais conceitos teóricos estruturantes do estudo. Posteriormente refere a metodologia de investigação assente numa abordagem quantitativa que visou auscultar o mercado, aferindo as necessidades dos consumidores, em termos de produtos de cuidado da pele. Para esse efeito, foi criado e um inquérito por questionário e administrado a uma amostra não probabilística de 104 indivíduos. O inquérito foi estruturado com base em 25 perguntas relacionadas com produtos de cuidado da pele e sua relação com as sementes de figo da Índia. Seguidamente foi elaborado um plano de Marketing, com um diagnóstico interno e externo, incluindo várias ferramentas, tais como a análise PESTEL, a análise SWOT, definição do modelo STP e de objetivos e planeada toda a vertente de marketing operacional. Finalmente foi levado a cabo um plano financeiro para um período de cinco anos. Este plano financeiro comprova a viabilidade financeira deste projeto. Ou seja, o Valor Presente Líquido, a Taxa Interna de Retorno e o Payback permitem comprovar os lucros e fluxos de caixa estimados para o período. Os resultados e análises reforçaram a pertinência da ideia de negócio e a viabilidade do projeto, com um resultado de 22 341 euros de benefícios a partir do terceiro ano de atividade.

Palavras-chave: Sustentabilidade, óleo de semente de figo da Índia, marketing, marketing digital, plano financeiro

Index

List of Figures	8
List of tables	9
Introduction	10
Executive Summary	11
Chapter 1. Theoretical framework	12
1.1. Business Plan	12
1.1.1. Definition	12
1.1.2. Purpose of the Business plan	12
1.1.3. Benefits of the Business plan	13
1.1.4. Parts of the Business plan	13
1.1.4.1. Executive Summary	14
1.1.4.2. Marketing plan	14
1.1.4.3. Financial Plan	15
1.2. Service Marketing	16
1.3. Digital Marketing	16
1.4. Marketing in cosmetics	17
1.5. E-Commerce and Consumer Behavior online	18
Chapter 2. Research Methodology	20
2.1. Objective of the study	20
2.2. Description of Data Collection	20
2.3. Description of Data Analysis	21
2.4. Summary of research methodology	25
Chapter 3. Marketing Plan	27
3.1. Company Summary	27
3.2. Mission	27
3.3. Vision	27
3.4. Values	28

3.5. Legal Framework	28
3.6. Marketing environment analysis	30
3.6.1. Internal Diagnosis	30
3.6.1.1. Characteristics of the company	30
3.6.1.2. Customers	31
3.6.1.3. Suppliers	31
3.6.1.4. Competitors	32
3.6.1.5. Partners	33
3.6.1.6. Five forces of porter	34
3.6.1.6.1. Competitive rivalry	34
3.6.1.6.2. Supplier power	34
3.6.1.6.3. Buyer power	35
3.6.1.6.4. Threat of substitution	36
3.6.1.6.5. Threat of new entry	36
3.6.1.6.6. Conclusion	37
3.6.2. External diagnostics	37
3.6.2.1. PESTEL analyses	37
3.6.2.1.1. Political	37
3.6.2.1.2. Economic	38
3.6.2.1.3. Social	39
3.6.2.1.4. Technological	39
3.6.2.1.5. Environmental	40
3.6.2.1.6. Legal	41
3.6.2.2. Conclusion	42
3.6.3. Strategic Potential Analysis (SWOT analyses)	42
3.6.3.1. Strength	42
3.6.3.2. Weakness	44
3.6.3.3. Opportunities	44

3.6.3.4. Threats.....	46
3.6.3.5. Conclusion.....	47
3.7. Definition of marketing objectives.....	48
3.8. Marketing strategy.....	48
3.8.1. Segmentation.....	48
3.8.2. Targeting.....	49
3.8.3. Positioning.....	50
3.9. Marketing Mix.....	51
3.9.1. Product.....	51
3.9.2. Price.....	56
3.9.3. Promotion.....	57
3.9.4. Placement.....	58
3.9.5. People.....	58
3.9.6. Process.....	59
3.9.7. Physical evidence.....	59
3.9.8. Conclusion.....	61
3.10. Operational plan.....	62
3.10.1. Specific Objectives and Short Term Actions.....	62
3.10.2. Specific Objectives and Long Term Actions.....	63
3.10.3. Schedule.....	64
3.10.4. Budget.....	65
Chapter 4. Financial Plan.....	66
Chapter 5. Conclusion.....	73
Chapter 6. Limitations and Suggestions for future research.....	74
Referenes.....	75
Appendix.....	81

List of figures

Figure 1 : <i>Segment category</i>	49
Figure 2 : <i>Target consumer</i>	50
Figure 3 : <i>Machine of cold press extraction of prickly pear seed oil</i>	53
Figure 4 : <i>Front packaging of the prickly pear seed oil</i>	53
Figure 5 : <i>Back packaging of the prickly pear seed oil</i>	54
Figure 6 : <i>Front packaging of the moisturizing cream</i>	54
Figure 7 : <i>Front packaging of the Anti-aging cream</i>	55
Figure 8 : <i>Back packaging of the moisturizing cream and Anti-aging cream</i>	55
Figure 9 : <i>Prototype of the instruction in the packaging</i>	56
Figure 10 : <i>Front business card</i>	60
Figure 11 : <i>Business card</i>	60
Figure 12 : <i>Branding stationary</i>	61
Figure 13 : <i>Marketing Mix summary</i>	61
Figure 14 : <i>AMBROSIA's Instagram template</i>	62

List of tables

Table 1 : Likert scale	21
Table 2 : Demographics results	22
Table 3 : Use of Skin care products	23
Table 4 : Criteria for Skin care products	23
Table 5 : Purchase location	24
Table 6 : Essential oil	25
Table 7 : Different Legal structure	29
Table 8 : PESTEL summary	42
Table 9 : SWOT summary	47
Table 10 : Objectives and techniques of communication	57
Table 11 : Schedule of the operational plan	64
Table 12 : Value of mps consumed in proportion to quantities sold in euros	66
Table 13 : External Supplies and Services in euros for the next 5 years	67
Table 14 : Fixed Capital Investment	68
Table 15 : Profit and Loss Statement	69
Table 16 : Balance table of AMBROSIA	70
Table 17 : Financial Evaluation	71
Table 18 : Return on Investissement	71

Introduction

The purpose of this Master thesis is to develop a business approach for the company AMBROSIA. But also to determine the different marketing aspects of the business as well as the financial aspects. Business plan and business approach is an essential document in a company and even though this exact plan is not going to be used to obtain investors, it serves as an evaluation of the entrepreneurial idea.

The subject was chosen since AMBROSIA is still a project idea that is studied during the master. It is a business idea to develop skin care products based on prickly pear seed oil.

Actually, skin care products and cosmetics have been in women's lives for such a long time, even before the time of Cleopatra or ancient Greece, where they used natural materials to take care of their skin.

This business approach will start with a theoretical framework focused on describing the business plan, the service marketing, the digital marketing, the marketing in cosmetics and the E-Commerce and consumer behavior online. The content of a business plan will also be discussed in the theoretical part.

This part is followed with a research methodology that will highlight the survey that was developed and the discussion of the results. It will be based on a quantitative approach using a sample of responders reached online.

Of course, there will be a Marketing plan. Several aspects will be discussed, as well as the description of AMBROSIA and the objectives of the company with an internal and external diagnosis. But also the strategic aspect and operational aspect.

And finally, a part that is dedicated to the financial plan. Where an elaborated and forecasted for the next 5 years to achieve the growth goal and reach the objectives of AMBROSIA.

The different perceptions and factors of the company and the environment, while putting in place strategies that will contribute to the development of the project and the achievement of the objectives set up will be discussed throughout this paper.

Executive Summary

AMBROSIA is a new business idea, a new project created and started to be developed in 2021. AMBROSIA aims to offer and provide skin care products such as Moisturizing cream, Anti-aging cream, Exfoliating oil and Scrubbing mask. All the products will be based on the company's own Prickly Pear Seed Oil, from seeds and agriculture made in Portugal. All the products and raw materials will be 100% made in Portugal, no additives or chemical components will be added, no animal testing will take place and all the process from the raw material to the packaging, will be 100% ecological and eco-friendly.

The company will be located in Bragança, Portugal in the beginning, where the two founders of the project are established. Ms. TAAMALLAH Marwa that attend and work on the product development, the scientific part and the production process and Ms ZAIBI Feryel who take care of the marketing duties, public relationship, partnership and the administrative parts.

Regarding the legal structure of the company, knowing that AMBROSIA is still not yet legally opened, the legal structure will be a Private Limited Company.

Chapter 1 Theoretical framework:

1.1. Business Plan

1.1.1. Definition

The business plan is a statement made by the entrepreneur, which describes the internal and external aspects of the organization that are related to the establishment of the company or the operation of current companies. It also specifies the entrepreneur's goals for the upcoming years (Veber & Srpová, 2012). It is a document that explains and demonstrates the main purpose for the company's existence, its goals and the path and action to do in order to reach the objectives.

Starting a business without a business plan is generally not a wise decision. In fact, there are very few businesses that actually manage to last for a significant period of time without a plan. There are many advantages to developing and following a solid business plan, including the potential to generate ideas without overspending and potentially losing money in the end (Hayes, 2021).

1.1.2. Purpose of the Business plan

The business plan serves as a guide to follow over the life of the business. It will also provide the companies with the necessary tools to analyze the activity and implement changes to make it profitable. It will feature detailed data on all aspects of the past and current years, as well as forecasts for the years to come.

Writing a business plan is not a matter of if, but when. It represents a powerful tool in achieving success. Mckeever describes the business plan as follows: "A business plan is a written statement that describes and analyzes your business and gives detailed projections about its future" (Mckeever, 2012). It basically serves as a company's resume. And for that reason it is in the entrepreneur's best interest to write a plan of a good quality.

For new companies, there is no past and current data, so all information will be based on projections developed through various research on the industry (Pinson, 2008).

A good business plan should outline all the anticipated costs and possible traps of every decision a firm makes. Business plans, even between competitors in the same sector, are usually not very similar. But they all tend to have the same fundamental elements, including an outline of the business and a more comprehensive description of the company, its offerings and its products. They also state how the company aims to achieve its objectives (Shirey, 2007).

The business plan is also a requirement if there is a need to pursue financial funding. The plan will outline how the loan, investment or capital will contribute to the expansion of the organization, increase profits and achieve the various objectives. It will help the corporation and the investor to understand how the firm will be able to maintain cash flow, pay off loans, improve net worth and achieve the desired return on investment (Pinson, 2008).

A business plan has several purposes and target users, and most of them are designed to obtain the necessary financial resources (Mason & Stark, 2004).

1.1.3. Benefits of the Business plan

The business plan has several positive advantages for the company but also for the accomplishment of its objectives. By writing a business plan, the company can demonstrate a clear and coherent representation of its goals, risks and prerequisites, as well as to forecast the cash flow and its evolution, the fundraising and investment needed. In addition, it contributes to the recognition of the company's weaknesses and risks, strengths and opportunities, and to the establishment of the company's priorities.

The business plan also serves to build the company's culture, image and branding, in addition to engaging employees (Fotr, 1999).

Of course a business plan can not guarantee the success of a company but it significantly reduces the possible unfavorable situations and facing a crisis may be easier to overcome thanks to the forecasting made in the business plan (Stankov et al., 2015).

1.1.4. Parts of the Business plan

The content of the business plan is particular to each business, however there are parts that must be covered in every business plan. The reader of the business plan is in many instances

a very occupied person with other responsibilities, so the layout of the plan should follow a consistent and logical pattern. The use of parts and headings can help the reader to navigate through the business plan without any difficulty. It should be well arranged so that the reader can quickly find information related to any aspect of the business plan (Pinson, 2008).

1.1.4.1. Executive Summary

The executive summary is the most important part of a business plan. It is important to pay particular attention to this part because it is the first thing a possible investor will read. This summary should be straightforward, to-the-point, engaging, and convince the reader to read further. A good summary should give a reason why the company is valuable and worth the effort (Abrams, 2010).

The executive summary, summarize who is the company, what is her purpose, what the company does and what is her main route. It should cover all the key points (Pinson, 2008).

1.1.4.2. Marketing plan

This part includes various aspects. It always starts with an explanation and presentation of the organizational details of the business plan. It has to include a summary of the company, the mission, vision, values, the objectives, the strategies or also the analysis of the business.

It also has to include a presentation and definition of the product or service offered by the company. Develop the life cycle of the creation of the good or service from the raw material to the final offer. In this part there is also a description of the distributor and the suppliers.

The company also needs to explain the legal structure of it and what are the benefits of this legal structure to this company and the weaknesses (Pinson, 2008).

To understand what is the Marketing plan, there is first the need to understand what is the Marketing.

According to the American Marketing Association - AMA : “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” (American Marketing Association, 2022).

So marketing is an activity that is directed to satisfy the needs and desires of the human being, and it is based on a set and continuity of several processes and actions (American Marketing Association, 2022)

And the marketing plan is “used to describe the methods of applying marketing resources to achieve marketing objectives” (Westwood, 2013, p7).

The marketing plan is a combination of different strategies and methods that help to achieve a company's goals. It can include the market study and research, the company analysis, forecastings, objectives, strategies in all levels. That will also allow to know the customers and their needs, the way to reach them, the added values of the business, the communication strategies and plans, among others.

Marketing is far more than just advertising. Marketing is the position an enterprise is taking in the marketplace. Even more than that, marketing stands for the company's orientation on the customer. The company's products or services are developed to meet the needs of customers. They must be priced properly to be successful in the marketplace and advertised with a focus on the benefits of the product or service that will persuade the customer to acquire it. Additionally, the marketer must identify which platforms to approach the customer on (Wupperfeld, 2003). Overall, the company must have a solid strategic planning and approach. Planning for future goals will help develop the marketing strategy and also allow the company to compose a marketing mix plan (Široká, 2016).

1.1.4.3. Financial Plan

The financial plan is present in the business plan or business approach, to ensure that the entire plan makes sense from a financial perspective (Široká, 2016).

This part of the business plan covers all the necessity of the finances of a company. It included the projection of the finances of the company but also can include the actual finance statement if the company already has ones.

This part is a quantitative representation of all the statements that may have been represented in previous parts of the business plan. This will allow the company to have a

realistic point of view of her activity and futur results. It also constitutes one of the first things the possible investors will see in order to understand the capability of the company.

It can include the loan application and loan funds, the projections of costs and benefits for the next 3 or 5 years (Pinson, 2008). As well as the balance sheet, profit and loss forecast and cash flow report (Široká, 2016).

McKeever argues that this is an essential part of a business plan (McKeever, 2012).

1.2. Service Marketing

The primary goal of service marketing is to improve the strength of marketing and build a greater production value and customer relationship. This may involve the marketing of a product or the marketing of services (Suhail & Mushtaq, 2016).

Services marketing and quality marketing are very different from product and goods marketing. Due to the unique attributes, characteristics and nature of services, namely Heterogeneity, Perishable, Inseparability and Intangibility (Barbara, 1989).

Service marketing organizations can be varied in size from a small local business to large global corporations, where most government agency activities undertaken by NPOs (Non-Profit Organizations) involve services (Hole et al., 2018).

The American Marketing Association - AMA, classifies service activities to deliver advantages, and gratification to clients by providing sales offers, provided with services prior to the sale in addition to after the sale (Abela & Murphy, 2008).

Actually, a product that is sold is an item, a physical device and a physical feature, and a service is a performance, an activity or a supplementary work. Service marketing happens with or without the selling of a product, but with special performance and effort to satisfy the customer (Bloom & Perry, 2001).

1.3. Digital Marketing

Digital marketing can be defined simply as achieving and meeting marketing goals while using digital tools and technologies. The use of digital marketing is the employment of

technology in the product and service of marketing activities to enhance the awareness of the customer in meeting their needs (Bala & Verma, 2018).

Nowadays, in this increasingly developed and advanced world, companies are realizing the importance of using digital marketing and modern technologies. Which makes digital marketing an essential tool for the development and the performance of businesses.

In order to be successful, companies need to combine and balance traditional marketing methods with digital marketing, to fulfill the needs of the consumer and to achieve the objectives that were established (Pearsons et al., 1996). Also, digital marketing can be considered as more cost-efficient since the studies show that the return on investment of the digital marketing, as well as the costs are more efficient for new but also established companies (Bala & Verma, 2018).

1.4. Marketing in cosmetics

Nowadays, marketing has a big part in the cosmetic industry, it becomes the most important weapon of the companies to reach potential customers and attract them.

The worldwide success of cosmetics products, conducted to the development and the increase of innovation of the marketing and communication in this industry.

Also globalization pushed these industries to develop themselves through the webmarketing, always trying harder and harder to convince users to search and buy their products through the online market.

The e-marketing has become one of the most important strategies for this industry. For example the company Ulta. The company's e-commerce grew more than 60% in 2017, and it increased its share in the prestige beauty category from less than 8% in 2013 to over 13% in 2016 ("How Sephora", 2018).

Using influencers become a comportement used from all cosmetic industries as part of their marketing strategies. There is currently a process established where influencer marketing can reach consumers through social media (Lou & Yen, 2019).

Social media has gained mainstream celebrity and popular influence in the world through the creation of a platform and application that can be accessed by anyone with a perspective shared by a huge and vast audience (Britton, 2015). And this is getting bigger and bigger these two last year due to the pandemic. Studies showed that people relate more and more to digital marketing and influencer used in the strategie of the cosmetics companies. The latters, have become aware of this exceptional weapon offered by technology and influencers and it has become one of the main marketing strategies in the cosmetic industry and all its derivatives, including skin care products (Ma & Kwon, 2021).

1.5. E-Commerce and Consumer Behavior online

E-commerce is continuing to expand every year in many developed nations. Recently, researchers have forecasted that the market penetration of e-commerce will rise to 25% by 2026 (Emerald et al., 2016).

E-commerce consists of a process of buying and selling products, goods and services online via a marketplace or the company's own website. This action can involve two parties or more such as the seller itself which is also the producer and the buyer. But sometimes the producer is not the seller or even the distributor that will deliver the product to the final consumer (DeMatas, 2022)

E-commerce afforded the company to be part of the globalization of the world and offer their products to customers not only that are present in the same location but also in all the countries. The industries gain access to a bigger public and establish a wider market presence by more efficient distribution channels for their products or services through the electronic commerce.

E-commerce can be B2B (Business to Business), B2C (Business to Consumer), C2C (Consumer to Consumer) or even in certain situations C2B (Consumer to Business) (Naylor, 2016).

Electronic commerce has been transforming the way people are shopping and consuming products and services. An increasing number of individuals are reaching out to their laptops and smartphones to order products, which can easily be delivered to their doorstep. At the

same time, it has dramatically shaken up the retail environment, forcing traditional retailers to adjust the method of conducting their businesses (Bloomenthal, 2021).

The e-marketing has become without doubt, the most important strategy for the cosmetic market.

The Consumer Buying Behavior is the summation of the consumer's decision, attitudes, intentions and preferences regarding their comportements in the market-place while buying a product or service. The research of the consumer's behavior consists in the use of the social science disciplines such as anthropology, psychology, sociology and economics among others (Bhatt & Sankhla, 2017). It is necessary to prioritize consumer behavior in order for companies to have a concrete positioning. This also allows a targeting of the products and services more sophisticated to meet the needs of the consumers. So it is important and a necessity to have a right understanding and comprehension of the need of the consumer behavior.

To understand the consumer behavior, it is also necessary to understand what are criteria and aspects that affect the decision of purchase of the customer. Every consumer behavior is pushed by the desire of the consumer and the factors that the user prioritizes.

This understanding is a key analysis every company has to take in consideration in order to achieve their objectives and satisfy the consumer.

Chapter 2 Research Methodology

2.1. Objective of the study and Research

During this business plan, research has been made in order to analyze and describe the needs of the Portuguese market regarding the skin care products and the prickly pear seed oil. How consumers perceive the use of such products, what they are looking for when buying skin care products and essential oils.

In order to achieve these objectives, a survey was conducted online targeting Portuguese consumers.

There were established the five main objectives (O) of the study in order to identify what actually is going to be presented:

- O1: Found out if most portuguese use skin care products.
- O2: Found out if most portuguese hear of prickly pear seed oil and if they use it.
- O3: Identify what are the main characteristics consumers look for when buying a new skin care product.
- O4: Identify where they mainly buy their products.
- O5: Identify the price range consumers are ready to pay or send for this kind of product.

2.2. Description of Data Collection

In this section, there is the explanation of how the study was managed and what methodology and approach was used to collect the datas and information.

The data collection was made with a survey questionnaire. Two surveys were made, one in English and one in Portuguese, but both have the same questions and same parts with the same structure.

This survey has 25 questions divided in 3 parties. The first part is about skin care products and it contains 12 questions. The second part is about prickly pear seed oil and it has 7

questions. And finally the third part which focuses on the demographics aspects, and it has 6 questions. This structure is organized according to Belson (1981) orientation.

Some of the questions are open questions where the participant has to answer the question. Other questions are based on a scale from 1 to 5, according to the Likert scale.

The Likert scale studies how strongly subjects agree or disagree with statements on a 5-point scale with the five different anchors (Joshi et al., 2015).

Table 1 : *Likert scale*

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
Not important	Less important	So-So	Important	Very important
1	2	3	4	5

Note. Self-elaborate

The time frame of the data collection is from the 4th of november 2021 to the 4 th of january 2022. The survey was pretested in a sample of 20 students. The pretest did not show any anomalies, so it was sent to students by email in Portugal and was also dispatched in social media. All of the results were collected online. And the participants were informed that it is a voluntary survey and the responses would be kept anonymous. It is also important to note that there is no manipulation of the variables.

All the questions of the survey are represented in the annexe of this paper.

2.3. Description of Data Analysis

The quality of the information depends on the methods used to collect it, and the questionnaire is the most common data collection tool in marketing (Makienko & Bernard,

2012). By the end of the time frame, 104 responses were recorded in the system. From the 102 responses, 55 are answers from the Portuguese survey and 47 from the English survey.

The results were transmitted in an excel table to facilitate the study of the results and the creation of percentage graphs (Sudman et al., 1996). The results of the questions that will be analyzed will be presented in the tables below.

Table 2 : *Demographics results. Source: Self elaboration*

	Variable	Number	Pourcentage
Gender	Women	74	72,5%
	Men	28	27,5%
Age	18-24 years	19	18,63%
	25-34 years	45	44,12%
	35-44 years	12	11,76%
	45-54 years	22	21,57%
	55-64 years	3	2,94%
	65-74 years	-	0%
	75 years and more	1	0,98%
Work Status	Student	27	26,50%
	Full-time employee	64	62,70%
	Part-time employee	6	5,90%
	Unemployed	3	2,90%
	Retired	2	2%
Nationality	Portuguese	71	69,60%
	Tunisian	20	19,60%
	Brazilien	4	3,90%
	French	1	1%
	Moroccan	1	1%
	Algerien	1	1%
	Cap Verde	1	1%
	Canadian	1	1%
	Nepales	1	1%
	Sao-tome	1	1%

Note. Self-elaborate

In this table it appears that 72,5% of the participants are womens and 44,12% are between 25 and 34 years old. Also most of the participants are full-time employees. Since the market that AMBROSIA will target first is Portugal, the survey was sent to portugal residents. All of the participants live in Portugal, but 69,6% of the answers are from people who have Portuguese nationality.

Table 3 :Use of Skin care products

Variable		Number	Pourcentage
Do you use skin care products	Yes	83	81,40%
	No	19	18,60%
	Total	102	100%
How much do you pay for skin care product	Less than 15€	40	48,20%
	Between 15€ and 20€	17	20,50%
	Between 25€ and 30€	17	20,50%
	Between 35€ and 40€	6	7,20%
	Between 40€ and 45€	2	2,40%
	More than 45€	1	1,20%
	Total	83	100%

Note. Self-elaborate

The result shows that 81,4% of the participants use skin care products which is an important number that allows us to understand that most of them give importance to their skin and the well being of their skin. Also, 48,2 are ready to pay less than 15 euros on the products and 41% between 15 euros and 30 euros. This number shows that expensive products have less chances and opportunities to attract the market. Therefore, AMBROSIA will use these results to narrow the market that the company will target and narrow the prices that will be put in place for the entrance to the market.

Table 4 : *Criteria for Skin care products*

Variable		Number	Pourcentage	
What is the most important criteria in skin care product	Price	Very important	27	32,50%
		Important	29	34,90%
		Total	56	67,40%
	Quality	Very important	64	78,10%
		Important	9	10,80%
		Total	73	88,90%
	Brand	Very important	8	9,60%
		Important	19	22,90%
		Total	27	32,50%
	Packaging	Very important	3	3,60%
		Important	17	20,40%
		Total	20	24,00%
	Efficiency	Very important	59	71,10%
		Important	14	16,90%
		Total	73	88,00%
	Component	Very important	24	29,00%
		Important	29	35,00%
		Total	53	64,00%
	Origin of the product	Very important	18	21,60%
		Important	15	18,10%
		Total	33	39,70%

Note. Self-elaborate

One of the questions of the survey is put in place to understand what are the criteria that buyers will look for when they will select or buy a skin care product. The survey asked the participant to rate each of the following criteria from the less important to the very important one according to them.

The criteria are : Price, Quality, Brand, Packaging, Efficiency, Component, Origin of the product.

It appears that 88,8% of the participants give an important interest to the quality of the products and 88% to the efficiency of the products. So the results after using skin care products is one of the most important objectives AMBROSIA has to focus on. Next there is 67,4% of participants who care about the prices, which is an understandable criteria to look for in order to complement the results for the question asked regarding how much the users are willing to pay.

Next in the component criteria that have 64% of the participants that give importance to it. Once again this is following the fact that AMBROSIA has to focus on the quality of her component. However, only 19,85% of participants care or give importance to the origin of the products.

Table 5 : Purchase location

Variable		Number	Pourcentage
Where can you buy your skin care products	Specialized beauty shops	48	28,40%
	Supermarkets and Hypermarkets	40	23,67%
	Online	34	20,12%
	Pharmacies and parapharmacies	47	27,81%
	Total	169	100,00%

Note. Self-elaborate

In this last table, participants had to answer a multiple choice question, and select all the options that apply to them, regarding where they can buy their skin care products. The total of answers is more than 102 because participants were able to select more than one option. As it

appears in the table, the results for each answer are more or less similar, but specialized beauty shop are a bit higher with 28,4%, then pharmacies and parapharmacies with 27,81%, then Supermarkets with 23,67% and finally Online with 20,12%.

Table 6 : Essential oil

Variable	Number	Percentage
Do you use essential oils	Yes	40 39,22%
	No	62 60,78%
	Total	102 100%
Have you bought or used prickly pear seed oil	Yes	16 40%
	No	24 60%
	Total	40 100%
What can be your maximum investment for 30ml of prickly pear seed oil made in Portugal?	Less than 20€	11 27,50%
	Between 20€ and 30€	19 47,50%
	Between 31€ and 40€	5 12,50%
	Between 41€ and 50€	4 10%
	More than 51€	1 2,50%
	Total	40 100,00%

Note. Self-elaborate

The survey also asked the participants if they use essential oils. This is an important question, knowing that the first and main product of AMBROSIA is the Prickly pear seed oil. It appears that only 39,22% use essential oils which is a lower number than expected. This makes the company question if it is better to showcase more the oils or the skin care products games. Also, only 40% of the participants that buy or use essential oil, bought prickly pear seed oil at least once. So AMBROSIA will need to focus and give a big interest to the promotion of the oil to make it more known and attract new consumers of essential oils.

Finally, this table also shows that 47,5% of the participants that use essential oils are willing to pay between 20 to 30 euros, which is a considerable number to focus on and to use it to target the price of the prickly pear seed oil while taking in consideration the price of the market and the costs.

2.4. Summary of research methodology

To summarize the survey research, womens are more interested in the health of their skin and taking care of them, as well as buying skin care products. The quality and the efficiency

of the products are one of the most important criteria that push consumers to buy a product. Also, the persons that answered the survey are not willing to pay an expensive price for the products. So they look for good products that offer good results but at a low price.

The results showcase as well that essential oils are not well known products and that companies like AMBROSIA need to focus on the promotion of such products to attract possible new consumers or people that already use essential oil but don't know or use Prickly pear seed oil.

To sum up the result of the survey, women are more likely to use and buy skin care products and consumers do give importance to the components of the products more than the price. However the consumers that responded to the survey, selected less online shopping, but the result is not negligible since it is almost equal to the other options.

Finally, the results show that only 39,22% of the participants use essential oil and only 40% of them know or use prickly pear seed oil which is not a consequent number.

Chapter 3 Marketing Plan

3.1. Company Summary

AMBROSIA is a project idea which is being developed from 2021 to meet the demand and the need of a specific segment of the market of skin care products.

The company will offer a different and wide range of products. Starting with the prickly pear seed oil which is the first product but also the core of the remaining products as it will be the primary component. Then there will be moisturizing cream, anti-aging cream, exfoliating oil, day care cream and night care cream all of them with prickly pear seed oil.

The products are unique since the oil and the raw materials will be 100% Portuguese from local agriculture and farmers. Also, the products will not be tested on animals since it is one of the most important values of the company, the respect of nature, animals and environment.

AMBROSIA will have an e-commerce website in order to promote and sell the products and the process of making them. Furthermore, the company will develop a solid marketing campaign and plan in order to expand the business and fulfill the financial objectives.

3.2. Mission

A mission is a statement of why the company operates. It outlines what the firm does and its overriding purpose. The mission is used to support the vision and to share the purpose and focus with the employees, clients, suppliers and other partners.

AMBROSIA wants to: “Offer to everyone, fresh, organic, respectful, efficient and high quality products for the best of their skin and life routine.”

3.3. Vision

A vision is a description of the organization as it would be seen in a future successful situation. An efficient vision statement is both inspiring and empowering. It provides a visual image of the future status that the company would like to achieve. A vision is meant to challenge and invite employees to be inspired.

This points represents the vision of AMBROSIA:

- Achieve full integration of the production chain, culture and distribution.
- Ensure a high quality of products.
- Offer products free of chemical ingredients, that are not tested on animals, respecting the environment and 100% portuguese.
- Assure a contact dynamic of sales through different ranges of products.

3.4. Values

A values statement describes what the company believes in and shows the way it will behave. Values are a guideline for the enterprise and its employees. They define the core philosophies and beliefs of the corporate culture and identity.

The values of AMBROSIA constitute her heart. AMBROSIA represents transparency with her customers and puts it as a must to be. The company has the respect of the environment and animals as an important subject that she wants to reflect through all the processes.

This following point represents the main values of the company:

- Passion: Faithful to its goals and visions;
- Sustainability: Driven by environmental responsibility and integrity;
- Innovation: Delivering new and innovative products and solutions to its customers;
- Excellence: Delivering superior quality on its own products.

3.5. Legal framework

All new companies are legally required to create a corporate entity by determining the legal structure under which the firm would operate.

The legal structure, which is also known as the ownership structure of the business, affects the tax form that needs to be filed, but most importantly, it determines the amount of tax that needs to be paid and the exposure to risk (P David, 2021)

There are a dozen legal structure forms (Denise, 2021). They are represented in the following table:

Table 7: Different Legal structure

BUSINESS ENTITY TYPE	DESCRIPTION
<i>Sole Proprietorship – also known as a sole trader, individual entrepreneurship or proprietorship</i>	An unincorporated business run by one person or jointly married couple and in which there is no legal distinction between the owner and the business entity.
<i>General Partnership – GP</i>	An unincorporated business run by two or more persons who agree to share in all assets, profits, and liabilities of a business.
<i>Limited Partnership</i>	An unincorporated business run by at least two active general partners and at least one limited partner.
<i>Limited Liability Partnership</i>	Type of partnership structure that offers liability protection for all partners.
<i>Limited Liability Limited Partnership</i>	Type of partnership that offers some liability protection to the GP's.
<i>Limited Liability Company – LLC</i>	Unincorporated legal structure of a business that offers liability protection to all of its owners and members.
<i>Professional Limited Liability Company – PLLC</i>	LLC structure professionals, such as accountants, doctors, etc.
<i>C Corporation</i>	Incorporated legal structure that consists of shareholders, directors, and officers.
<i>S Corporation</i>	Incorporated legal structure for businesses that offers pass-through taxation.
<i>B Corporation</i>	Corporations that are for-profit and meet social and environmental standards.
<i>Professional Corporation</i>	Corporate structure for professionals such as accountants, doctors, etc.
<i>Nonprofit Organization</i>	Corporations that benefit the public and do not earn a profit.
<i>Cooperative</i>	Private, member-owned association to meet their common economic, social, and cultural needs through a jointly-owned and democratically controlled enterprise.
<i>Municipality</i>	A city or town that has a corporate status and local government.
<i>Estate</i>	Legal entity created of the sum of a person's assets – legal rights, interests and entitlements to property of any kind – less all liabilities at that time.

Note. Adopted from FundsNet, by Denise, 2021

AMBROSIA will be registered as a Limited Liability Company (LLC). LLC allows owners, partners or shareholders to limit their personal responsibilities while enjoying the tax advantages and flexibility of a partnership. it also protect members from debts

Limited liability companies are structured to provide business owners with the accountability protection that business entities enjoy, while also allowing profits and losses to shift to the owners as income on their personal tax returns," said Brian Cairns, CEO of ProStrategix Consulting. "LLCs can have one or more members, and profits and losses do not have to be divided equally among the members." (Joshua, 2021)

This type of business structure is the best for AMBROSIA, since the company will have 2 owners and will have partners or investisseurs that will be members of the company and LLC allow such a structure. It is also a best option for the business since members aren't personally liable for actions of the company, so their personal assets are protected from creditors.

It is also easier in terms of management, since the company can hire members that are expert in some field and this structure will allow an easier way to manage the decision with new members that have certain expertise especially to run a business.

3.6. Marketing environment analysis

3.6.1. Internal diagnosis

3.6.1.1. Characteristics of the company

Nowadays, the issue of healthy products is becoming more and more urgent and present for all types and categories of products. However, despite the growing need for organic and chemical-free products, cosmetic and skin care products that meet this urgent need are not present in the market in large numbers.

Several recent studies have shown the use of unhealthy ingredients in various cosmetic products, including skin care products. And in some cases, the ingredients are not explained or prescribed on the packaging, which can mislead consumers.

AMBROSIA, will be established in Bragança, Portugal. The purpose of the company is to defend the consumers while offering them efficient products that meet their needs. It's a company of skin care products made from prickly pear oil. This oil is one of the richest in the world both in terms of price and formula. It contains more vitamin E than the most famous oil on the market, which is Argan oil.

The proposed products will be 100% Portuguese, with fruit from organic production, no chemical ingredients or solvent will be added, so the products will be 100% organic. All the process will be eco-friendly, even the packaging. And most importantly, no tests on animals will be performed to protect them from the dangers that they also encounter following the production and commercialization of cosmetic products.

In the starting line of the products to be sold, there will be the prickly pear seed oil, the moisturizing cream and anti-aging cream.

3.6.1.2. Customers:

Of course, every company wants to reach as many customers as possible. However, this is not an exact and an ideal strategy.

The research has shown that women are the largest consumers and buyers of cosmetic products including skin care products. All women of all ages consume these types of items, however, several categories exist depending on the age range of the target customers.

The products will be primarily offered to women between the ages of 25 and 35 who are looking to maintain their youthful skin with a constant glow and trying to prevent and reduce wrinkles as well as keep the elasticity of their skin.

They are consumers who are very active on social networks and who follow the influencers and the cosmetic trends. But also, it is a generation that keeps at heart the environmental values and the protection of nature and animals while having ecological products that respect their skins.

3.6.1.3. Suppliers

There will be mainly 4 suppliers:

- Ingredient supplier: Will provide with the ingredients needed to make the creams and formula. Such as the prickly pear seeds, the other oil that will be used, sugar etc...
- Packaging supplier: it will be the supplier who will produce the packaging designed and needed, while respecting the request of having the least waste possible.

- Bottling supplier: It can be the same as the packaging supplier, or a different company, that will put the products in the packaging and close it in a way to protect it from outside environment.
- Web Domain and Web host supplier: Will host the website and ensure the security of it and of the payment of the customers.

3.6.1.4. Competitors

Like any company or project, AMBROSIA also has competitors. They can be divided into two categories: Direct competitors and indirect competitors.

Direct competitors are all companies offering a similar product or service as AMBROSIA.

Indirect competitors are those companies that offer a different product or service, but which meet the same need as the one that AMBROSIA is aiming to meet.

There is 3 main competitors in Portugal:

- Benamor: is a portuguese company who was founded in 1925 in Lisbon whose products are based in vegetable and natural products. They have similar values but the differentiation is that they do not use prickly pear seed oil. They also don't test their products on animals but only on real skin. And they care about the planet and environmental issues and they are doing that by reducing energy consumption and packaging, also recycling as much as possible.
- Divine Skin: it is a sub-brand from the company Medinfar, founded in 2017 in Portugal. They offer a large range of products for skin care and pharmaceutical purposes. They do care about environmental issues and try to have the most respectful process and recyclable products. They do not test their products on animals and are cruelty free. They do not use prickly pear seed oil, but they choose to work with grapes and extract oil from their seeds. Which makes this brand one of the most important competitors since they have the most similarity to AMBROSIA. However they target women that have a range of age older than the customers target of AMBROSIA.

- Phillippe by Almada: This brand constitutes one of the most important competitors. It was founded in 2005 in Portugal and they sell skin care products and anti-aging cream. Their main ingredient is donkey milk which is an animal source ingredient, unlike AMBROSIA who only use vegetable source products. However they also care about the environment and use recyclable packaging and eco-friendly processes. They also target womens. They only have four products for now and their range prices are a bit higher than the one expected to be set by AMBROSIA.

3.6.1.5. Partners

Partners can contribute to the development and evaluation of a business.

AMBROSIA has the opportunity to already have a partner. One can even say that it is a merger between two companies. It is Ecarmin, a company that has been in existence since 6 April 2021 and was supported by the IAPMEI foundation.

Their initial production and breeding of the red cochineal insect on cactus plants which will be used for the commercialisation of the red cochineal dye.

With this partnership AMBROSIA will have the chance to exploit the agricultural production of Ecarmin cactus. The insect will be used for dyes, the fruit will be processed to produce prickly pear jam, during this process, the seeds that will be extracted will be used for the extraction of prickly pear oil for the cosmetic products. And finally, the rest such as the palms and the skin of the fruit will be used to produce her own bio-fertilizer.

There is also the possibility of a partnership with COMPAL. It's a portuguese agri-food company established since 1952 that her main activity is the transformation of vegetables and fruit in order to produce several products like concentrates of tomatoes or juice from several fruits. They started to produce prickly pear juice using the fruit, but they do not use the seeds since it is not necessary for the juice.

AMBROSIA aims to finalize a partnership with them in order to collect the waste that are the seeds and use them for the extraction of the oil. This will be in line with the zero waste and circular economy vision of the company. As well as reducing the costs.

3.6.1.6. Five forces of porter

Porter's Five Forces is a simple but powerful tool for understanding the competitiveness of a business environment, and for identifying a strategy's potential profitability.

This is useful, because it helps to understand the forces in the environment or industry that can affect the profitability, and it helps to adjust the strategy accordingly.

This tool identifies five forces in the competitive environment that can erode profitability: Competitive Rivalry, Supplier Power, Buyer Power, Threat of Substitution, and Threat of New Entry.

3.6.1.6.1. Competitive rivalry

It is a determination of the number and strength of competitors. How many competitors are there? Who are they, and how does the quality of their products and services compare to AMBROSIA's ones?

When rivalry is intense, companies can attract customers through aggressive price reductions and high-impact marketing campaigns. In addition, in markets where there are many rivals, suppliers and buyers may go elsewhere if they feel they are not getting a good deal. On the other hand, when the competitive rivalry is minimal, then the company will likely have enormous strength and significant profits.

In this case, there is a high number of competitors at the national and international level. Either in a direct or indirect way, which makes the competitive rivalry high and difficult to manage. Even so, no national competitor is using the prickly pear seed oil.

3.6.1.6.2. Supplier Power

This is determined by how easy it is for suppliers to increase their prices. How many potential suppliers there are? How unique is the product or service that they provide?

The more there is the choice from, the easier it will be to switch to a cheaper alternative. But the fewer suppliers there are, and the more there is the need for their help, the stronger their position and their ability to charge more. That can impact the profit.

As already mentioned, AMBROSIA will have 4 main suppliers, which is a small number. Also the number of agriculteur that produce prickly pear seed oil are limited, and suppliers that provide the ingredients needed in Portugal are also limited. Since the company wants her products to be 100% portuguese, this will make it harder to negotiate with suppliers. Also the fruit is available only in two periods in the year.

In that case, the supplier's power of negotiation is high and hard.

3.6.1.6.3. Buyer Power

Here the question is how easy it is for buyers to drive the prices down. How many buyers are there, and how big are their orders? Are the buyers strong enough to dictate terms?

When companies have to deal with only a few savvy customers, they have more power, but the power of the company increases if there are many customers.

Since AMBROSIA has not yet started selling, there are no concrete customers yet, so the business will be based on market research and datas.

Thanks to the quantitative research, there is the conclusion that the cosmetics market is growing steadily by 5% each year¹. The world market for essential oils is expected to grow by 9.60% between 2017 and 2022 and reach a value of US\$27.49 billion by the end of 2022.²

This leads to believe and predict that the number of demands and therefore customers is quite high. This consequently leaves the consumer little control to dictate the law of supply since the price will tend to follow the prices offered by the industry on the market.

There is always the possibility to be able to reduce prices to attract a larger number of customers, but the prickly pear seed oil product is quite luxurious and therefore the decrease of its selling price can only conclude a low quality, which is not the case of AMBROSIA's oil which will be pure and without added solvent.

¹ L'Oréal's estimate of the global cosmetics market in 2019 in net manufacturer's prices. Excluding soaps, oral hygiene, razors and blades. Excluding currency effects, 2019, n.d.

<https://www.loreal-finance.com/en/annual-report-2019>

² The World Market for Essential Oils on the Rise, 2017, October 30,

<https://www.grandviewresearch.com/industry-analysis/essential-oils-market>

As a result, according to the chronology of things, the Prickly pear seed oil product will be offered at a price that will be cheaper than direct competitors that offer high quality products with equivalent efficiency.

Another factor is the scarcity of the oil on the Portuguese market, which makes the product one of the few on the national market. This prevents customers from having a price negotiation because there is not much choice in terms of prickly pear seed oil.

In conclusion the buyer power negotiation is low.

3.6.1.6.4. Threat of substitution

It occurs when companies within one industry are forced to compete with industries producing substitute products or services. The threat of substitution is high when rivals, or companies outside the industry, offer more attractive and/or lower cost products. If it is high, the threat of substitution is low.

The market of skin care products and vegetable oil are increasing day after day, with an unlimited number of products and substitute products. The market of skin care products is expected to reach 200.25 billion dollars by 2026 on an international level, which is significant (“Sales of skin care”, 2017).

Also, new trends are coming out every day and every year, they are half of the time product of substitution and people love to follow them. That leads to believe that the threat of substitution is high.

3.6.1.6.5. Threat of new entry

The position of the company can be affected by people's ability to enter the market. So, the question is how easily this could be done? How easy is it to get a foothold in the industry or market?

In the cosmetics and essential oils market, the biggest obstacles that can be implemented are the power and notoriety of the competitors. The latter can destabilize or even frighten new entrants. However, this does not prevent the birth and growth of new companies on the market.

Especially since the biggest brands are more and more badly perceived by the consumers because of the components of their products which can often seem very complex to the consumer and therefore can frighten him.

Having a notoriety and labels such as ECO CERT®, COSMEBIO® or NATURE ET PROGRES, allow the company to reassure the customers and especially to increase the brand notoriety which can slow down the growth of competitors and even the arrival of new potential competitors (Stiens, 2017).

Finally, there is also the possibility to develop a patent that will either block new competitors or slow them down for a specific period of time in order to prevent them from entering the market. The patent can also slow the company down if it already exists and slow down the company growth.

That makes the threat of new entry moderate because it can slow down the company itself or it can slow down new entry.

3.6.1.6.6. Conclusion

In conclusion, the market will not be easy to reach but that there are advantages due to the product differentiation but also due to the market being exploitable considering the large number of potential customers and also because the market is open to new trends and the arrival of new products.

3.6.2. External diagnosis

3.6.2.1. Pestel Analysis

The PESTEL analysis takes into account the direct environment of the company by highlighting in particular the political, economic and social sides, as well as the technological, ecological and legal sectors.

3.6.2.1.1. Political

To be able to evaluate the political factor, there is the need to analyze the different measures established by the Portuguese gouvernement.

The government stability in Portugal is getting better after the economic crises even if it is still threatened by the pandemic crisis.

The economy is also affected by the laws and policies issued by the government. Laws like recycling, importation and also exportation. The industry is also affected by the rules and regulation regarding taxation and the fact that these rules change according to the economic situation.

One of the measures that can directly impact AMBROSIA, is the green taxation put in place by the European Union, so Portugal as well. It consists of tax measures that aim to achieve several environmental objectives and have a direct impact on the production and distribution of a business (De Vasconcelos et al., 2022).

The objective of this tax initiative is to make recycling more present in industries through all the processes and to develop strategies that are more directed to improve the sustainable strategies.

The government is also encouraging startups, new companies and project stimulation thanks to different programs and incubateur. Portugal is aiming to become the most startup friendly country in europe. And for this purpose, the gouvernement set in place different actions like startup incubators but most importantly a tax rate that can be as low as 7.5% depending on the amount that will be invested (De Castro, 2018).

This can be an advantage for AMBROSIA, since it will be established in Portugal and so can have such opportunities thanks to the initiative of the gouvernement.

3.6.2.1.2. Economic

In general, cosmetics products are expensive, especially if you are looking for high quality products with really efficient results.

In this case, there is the need to verify the market condition of the skin care product or cosmetics, vegetable oil and essential oil market.

The essential oil market is expected to reach \$7.3 billion by 2024 with a CAGR of 9%.

The skin care product market is expected to reach \$200.25 billion by 2026 with a CAGR of 5,24% (“Sales of skin care”, 2017).

This proves and reassures about the fact that the market is increasing every year and that there is a potential for growth.

3.6.2.1.3. Social

In Portugal the social demographie have a big impact in all the market, even the cosmetics and skin care products market. Knowing that the population growth rate is -0,29%, it is a really demotivating and negative impact in the market. Making the number of potential customers getting lower year after year. The population is expected to get lower and will go down to less than 10 000 000 habitants by 2030.

The median age is 46,2 years old by 2020 which is also an inconvenience for the brand since the targets are women between 20 and 30 years old and they represent 5,3% of the population.

Thanks to technological innovation, in Portugal, 76,6% of the population are using social media in January 2021 (INE, n.d.).

Also, with change in lifestyle, people tend to focus more and more on their physical and beauty aspects. That is an opportunity for skin care products to increase and reach a bigger potential customer.

3.6.2.1.4. Technological

In the world, the technologie is having a revolution and many scientifics are working to improve it and make it more efficient in case of production, innovation and impact on the environment.

The methodology of extraction has been improved and now the fact of not using solvent during extraction is being important and does not impact the quantity of the oil that will be the result of the extraction. It is a good advantage for the process since it will not impact the results and benefits but also the chemical free ingredients.

Circular economy is also having a huge technological innovation and thanks to that the company will be able to have a partnership with another company to implement it.

Another factor is globalization and the increase of internet and mobile devices. Since the beginning of the pandemic, digital marketing and e-commerce is having a revolutionary improvement in the field of technology and the consumer is using these tools in their daily purchase behavior.

It is affecting the shopping habits, the sales and the customers choices. The technological innovation is helping target customers to find more information and to have easy comparison between brands and products. Also it allows them to have a large access to results, ratings and reviews of other users' experiences. E-commerce is also to cross borders and sell to a larger market.

This is one of the main factors that concern ABROSIA, since in the operational plan and marketing mix, digital marketing and e-commerce are one of the most important keys.

3.6.2.1.5. Environmental

Environment and sustainability are important terms in all industries and specially in skin care and cosmetic industries. Many polimic appeared around brands and products that are tested on animals and also about the waste that are thrown into the ocean and into nature. These issues cause more harm to the environment and become a big concern to the industries and consumers (Martin, 2021).

For these reasons, several regulations are being established in the world but also in Portugal to protect the environment and to improve energy efficiency (Martin, 2021).

One of the regulations is Law 127/2013, enacting Directive 2010/75/EU on industrial emissions and environmental responsibility. This obliges industries and companies to take action in order to prevent contamination of soil and groundwater that can be resulted from the activity of the business (Manuel, 2020).

Also, the United Nations, established a series of Sustainable development Goals, SDG's, that provide several steps and goals for the creation of sustainable cities and action to improve and protect the climate, life, ecosystems, including responsible consumption and

production. These goals need to be followed by all countries as industries (United nation, 2019).

For that purpose, brands are being more and more concerned about their carbon footprint and harmful processes in the environment. They are marketing themselves as more environmentally friendly, using environment friendly raw materials, packaging and operations. Sustainability has become a key influencer of consumers' purchasing decisions and eco-friendly companies are being more and more attractive and getting a bigger part of the market. Including AMBROSIA.

3.6.2.1.6. Legal

Legislation, ethics and compliance are important subject areas for the cosmetic and skin care brands and products. The Skin care industry is a large employer which makes labor laws one of the most important laws but there is more. There are other common laws that are applicable. Besides the laws related to international trades, the environmental laws have recently grown, related to the process but also the ingredients used and the product testing.

The regulation EC No 1223/2009 of the European Parliament was created for cosmetic and skin care products. This regulation concerns industries and has as main objective to protect the health and safety of the consumers (EUR-Lex, 2009). AMBROSIA is no exception and will also need to follow this legislation.

AMBROSIA also has to deal with the certifications that are related to the products but also the processus of the creation of the products. For example, not tested in animal certification (Cruelty Free group has launched the seilo "Leaping Bunny"), 100% portuguese certification, 100% organic certification or also eco-friendly certification. But the most important one is ISO certification that is becoming harder and harder to get (BIOferta, n.d.)

And finally, since AMBROSIA is a new company, a patent is needed. The patent is not expensive to get for the national level, however to have a European patent or international patent it is more expensive and more difficult to get and the procedure is getting longer and longer.

3.6.2.2. Conclusion

Table 8 : PESTEL summary

Political	Economic	Social	Technological	Environmental	Legal
Privatization and project launch	Expensive and trendy products	Population growth rate -0.29%	The methodology of extraction	The climate changes:	Cosmetic regularization
Stimulation of the projects and new start-ups	Gradual market increase	Median age 46,2	Circular Economy	Population want to contribute in the sustainable movement	Patent realization
Taxation for startup	Essential oil: \$7.3 billion by 2024 CAGR of 9%	5,3% between 20 and 30 years (558 239 womens)	Research and development for new products	Sustainable packaging and recycling	Safety certifications
Green Tax	Skin care products: \$200.25 billion by 2026 CAGR of 5.24%	Open to eco-friendly trends	Social Media and Digital Marketing	Renewable energy trend	Product Label procedure
		Social media users in Portugal was 76,6% in January 2021		SDG's	

Note. Self-elaborate

3.6.3. Strategic Potential Analysis (SWOT analysis)

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential.

It is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, its initiatives, or an industry. The organization needs to keep the analysis accurate by avoiding preconceived beliefs or gray areas and instead focusing on real-life contexts. Companies should use it as a guide and not necessarily as a prescription.

3.6.3.1. Strength

Four important points were highlighted to represent the strengths that the company possesses.

First, the quality of the products and future products. AMBROSIA will develop and produce 100% natural products without any chemical or solvent additions. Therefore, the

products will be pure and of high quality as they have more active ingredients due to their purity.

The second point is the use of organic products. The raw material will be bought from Portuguese farmers who do not use insecticides and who have an organic production that respects the environment. This in order to always promote the values of naturalness and respect for the environment and the skin of the customers, whether in B2C or B2B.

Third, the ability to innovate. Certainly the first products will be prickly pear seed oil and skin care products based on this oil. However, the market for essential oil and skin care products is constantly growing in terms of sales but also in terms of product innovation and technology. The company will be no exception to this rule. AMBROSIA will have the ability and opportunity to develop new products. Such as, for example, lip balm, hair oil, soap, an oil based on chestnut, oil mixes, care products based on different oils that are going to be developed.

And finally, one of the strengths is the diversity of the team. Currently there are two people for the beginning.

TAAMALLAH Marwa, who has the scientific skills for the development of the products and the technological knowledge for the extraction for the basic product which is the prickly pear seed oil. She also has the biological knowledge to know the components of the products and the most favorable mixtures for it. She has been able to practice and develop this knowledge through her university career, the different internships and work she has done during the last 6 years.

ZAIBI Feryel, who has gained the necessary skills in marketing, communication, finance, accounting and entrepreneurship through her academic background but also through her internships and practical work in these different fields.

The mix of these two skills represents a development power for the company since it allows to have a balance but also will spare some expenses with different contributors such as a marketing specialist or a laboratory technician.

3.6.3.2. Weakness

Like any company, AMBROSIA also has weaknesses that need to work on. Three essential points were detected.

Since it is a new company on the Portuguese market but also on the international market, AMBROSIA has little or no notoriety. Only a small circle of people know the company and the brand, but this can be explained by the fact that AMBROSIA has not yet started marketing the products, but also by the lack of communication on social networks. These are important points to develop but the plan is to start these actions once the products are well developed and tested to ensure the good quality and efficiency of the offers.

The two founders are two Tunisian entrepreneurs and newly arrived in Portugal, which means that the knowledge of Portuguese law in terms of business creation is very limited as well as in terms of administrative procedures. For this reason, there is the need to carry out further research, either on the internet or with people who have already developed a company or are about to do so, in order to acquire the necessary and exact notions for a good start and development.

And last but not least, one of the weaknesses that is considered to be among the most important is the financial capacity, which is weak and limited at this stage. This factor is generally one of the most problematic points for the majority of new companies. To remedy this, AMBROSIA seeks to apply in financing calls in order to obtain appropriate financing for the development of the products and the creation of the company. It is also possible to check if the founders are eligible to apply for a bank credit, but for this purpose there is also the need to make research with the banking institutions.

3.6.3.3. Opportunities

Opportunities are the advantages that the market and the environment possesses and that can benefit for the development, growth and prosperity of the project.

Several points were identified but here the focus will be mainly on 7 aspects that are considered the most important.

The market for skin care products is constantly growing. According to the source: "L'Oréal's estimate of the global cosmetics market in 2019 in net manufacturer prices. Excluding soaps, oral hygiene, razors and blades. Excluding monetary effects", the cosmetics market in general is growing by 5.5% annually and 60% of this increase applies to skin care products. These products, in general, represent 40% of the global cosmetics market.

Other articles and sources affirm this point such as the world census site Statista.com which is a leading provider of market statistics and consumer behavior. Or Vividata.ca , which is a leading Canadian multimedia and consumer research site, offering essential information on global consumption.

This data and information can only confirm the fact that the market is in perpetual growth. This allows to conclude that investing in this market can be profitable if the approach and actions are well studied and applied.

In the same continuity, if a market is growing, it also means that the demand is more and more present. If the demand is growing, it also means that the potential customers or consumers are expanding and their number is growing. This is a positive point and an opportunity to reach more people. Moreover, according to the source: "ISA-Conso.fr Les produits pour hommes en plein boom, published on 04/03/2020 by MIRABELLE BELLOIR", skin care products are experiencing a 6.8% growth in sales in 2019, which is a significant number considering that these products have only entered the cosmetics market during the last 5 years. This demonstrates, once again, that the market is in perpetual growth and that the number of potential customers is growing.

In parallel with the strengths, there is a strong possibility of product diversification. Certainly this is a strength because there is the possibility to do so, but it is also an opportunity offered by the natural environment as well as the competition. To avoid marketing myopia, AMBROSIA must always be on the lookout for innovations and technologies offered or developed by competitors. This may be perceived as a threat by some industries, but it is also an opportunity to create and market new products.

Furthermore, the natural environment offers a multitude of exploitable raw materials, either fruits or wild herbs with substances that can bring a lot to the skin or to the health of the human being and this while respecting the ecological and biological values of the society.

To continue in the same perspective of nature's offer, one of the opportunities that can be mentioned is the availability of the primary fruit in Portugal, the Prickly Pear. In fact, this fruit is cultivated and is present enormously in the south of the country and more precisely in the Algarve. But also, one of the largest cactus cultivation and consequently the fruit can be found on the island of Madeira. This point allows the use and the import of this fruit always within the Portuguese legal framework and without the need of other countries exporting this fruit. This can contribute to the development of the Portuguese agricultural market while maintaining a constant production.

In addition, one of the significant opportunities is the establishment of 500 hectares of prickly pears in southern Portugal by the private sector to develop the market. This is a not negligible point, because it provides a constant and above all local supply.

There is also the opportunity to make partnerships with food industries in order to provide their prickly pear waste. Knowing that the food industries do not use, if not rarely, the seeds of the fruits because they can give a bitter taste to juices or other food products, AMBROSIA wishes to make partnerships with industries to recover the seeds so that it can be used for the extraction of the oil. These partnerships will be a big contribution and factor to reduce the costs and adapt to the philosophy of waste valorization.

One possible example of partnership is with Compal, a juice production industry in Portugal, which is beginning to market prickly pear juice.

The last point of opportunity that is considered essential for the business is the Government. The latter has put and continues to put in place measures to encourage the launch and prosperity of new startups and companies in order to improve the economic factor of the country and encourage young entrepreneurs, which can also help reduce the unemployment rate through the employment of skilled workers or even laborers.

3.6.3.4. Threats

While the external environment offers opportunities, it does not prevent the presence of threats that can slow business growth. Three major threats have been identified.

The competition at the national level is certainly weak with the presence of only one company manufacturing prickly pear oil of Portuguese origin. However, at the international

level a large number of industries market this oil and its derivatives, as well as skin care products based on this oil, despite the fact that the origin of the fruit used is often imported from North Africa or Latin America. This may hinder the expansion on a broader level.

Despite the statistics cited above regarding the growth of the cosmetics market and more specifically the skin care market, the slow global purchasing power as a result of the health crisis facing the world can not be ignored. This threat may cause the shutdown of several industries and consequently the dismissal of a large number of employees. And this leads to a decrease in purchasing power and the prioritization of products to be purchased from certain households. As the Maslow Pyramid tool can demonstrate, some individuals or households have a different purchasing priority to others, and therefore skin care products or essential oils may have a low priority for some.

Finally, the last threat that has been identified is the demand of local consumers, which may be more difficult to convince than some other international segments.

3.6.3.5. Conclusion

Table 9 : SWOT summary

Strengths	Weaknesses
<ul style="list-style-type: none"> - Quality of the products (free of chemical product) - Cruelty free product - Research and development - Diversity of the team 	<ul style="list-style-type: none"> - Lack of notoriety - Financial capacity - Lack of knowledge in the Portuguese law and legislation
Opportunities	Threats
<ul style="list-style-type: none"> - Availability of the fruit in Portugal - Growing market - Measures put in place to encourage startup 	<ul style="list-style-type: none"> - Hard local customer - Slowdown of the global purchasing power - Global pandemic

Note. Self-elaborate

3.7. Definition of marketing objectives

For the following next 5 years, several objectives are set up to achieve them and work towards their accomplishment. They will, also, provide a guideline for the marketing procedures and strategies to put in place. They are presented as follow:

- Sales: Achieve sales of minimum 100 products sold per month for the first year. This number must seem low, however, AMBROSIA does not have a notoriety yet, since it is a new brand with a first entry in the market. And of course, sustain this increase and make it grow for the second and subsequent years.
- Awareness: As mentioned before, the brand is new in the market and will make her first entry. For this reason, the brand does not have notoriety and in order to increase that, the objective here is to increase the awareness of the brand through different strategies. The development of awareness is a really important and necessary step in order to build a brand image, attract more customers and generate more sales.
- Relationship: For this objective, the point is to have 5 retailers or partner web-markets where to sell the products, for the first year, to contribute to reach the profit of the company and the awareness. Such partnership is a must in order to achieve the targets and have prosper business.

3.8. Marketing strategy

It is a three-step model that examines the products or services as well as the way to communicate their benefits to specific customer segments.

STP is an acronym for Segmentation, Targeting, and Positioning.

3.8.1. Segmentation

The goal of the segmentation is to create different customer segments that are based on specific criteria that was chosen. For example: Geographic segmentation, Demographic segmentation, Behavioral segmentation, Psychographic segmentation ...

For the AMBROSIA case the potential customers were divided based on their gender, age, lifestyle, what they buy and location.

In that case there is a woman segment and a men segment. Each of those segments is divided by age (18-24, 25-34, 35-44, 45-54, 55-64, 65-74, 75 and more). Then in each interval there is a division of who uses skin care products and who doesn't. Also a division of who uses essential oils and who doesn't.

Then a division of who does care about organic components, eco-friendly products, origin of the product and circular economy, and the ones that do not care. And finally a segmentation of people that buy their products online who buy their products in stores in general.

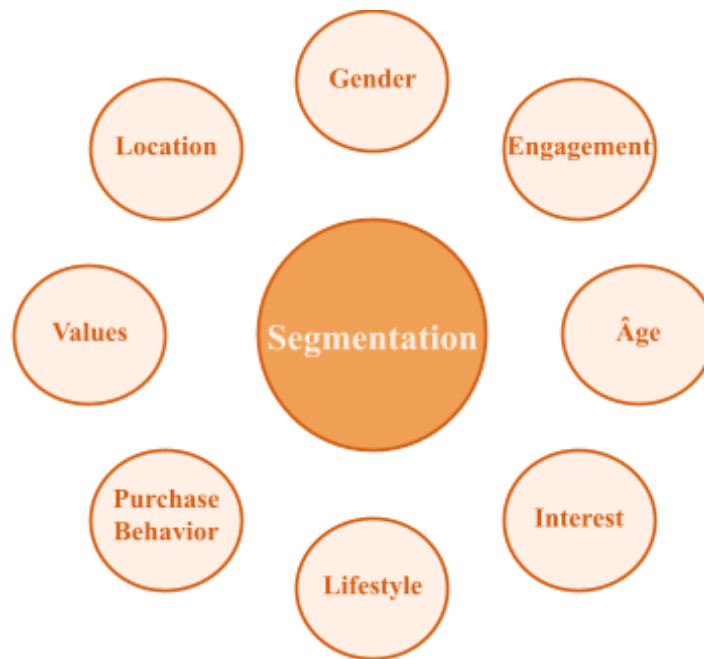


Figure 1 : *Segment category*

Note. Self-elaborate

3.8.2. Targeting

AMBROSIA target will be mostly womens between 25 and 35 year old, because this age frame is when the women start taking care of their skin and want to prevent wrinkles and dehydration of the skin. Also because the research done, showed that this segment age are the

ones that buy and use the most skin care products. These people should have a big interest in the components of the products they use and they do care about organic components and their provenance. With a passion of saving and protecting the environment and the animals from any harmful process from the beginning to the end of it. The targets are also customers that have a good perception of sustainability and green satisfaction.

Also the target customers use a lot of social media to be updated about the trends, about the new brands, new products, the way to use it, to fight for their values ...

Because the company is aiming for the beauty industry, people are more willing to buy new brands if they find something attractive in their products or values or even their storytelling.

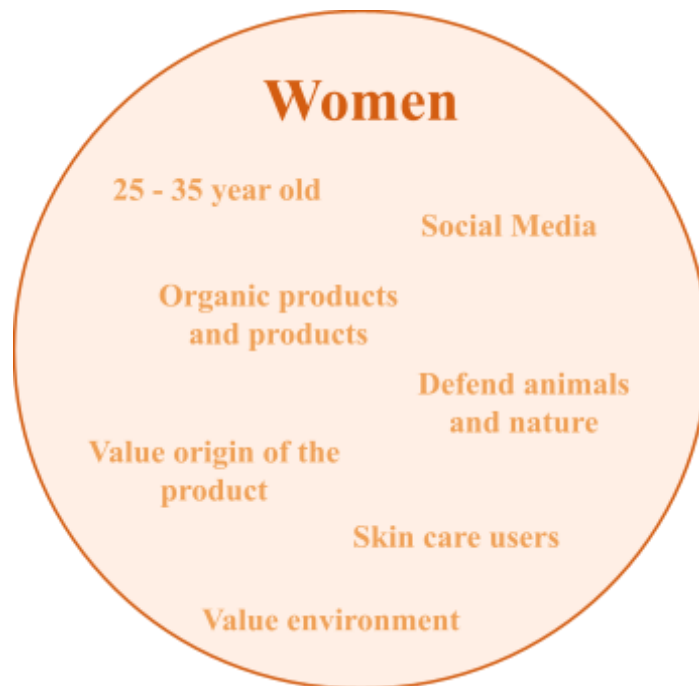


Figure 2 : *Target consumer*

Note. Self-elaborate

3.8.3. Positioning

Positioning a brand means focusing on the differentiating characteristics that make it distinguish it from its competitors and make it attractive to the public.

To young women who take care of their skin and prefer eco-friendly products that are cruelty-free, with sustainable marketing and sustainable production chain. They would like to find all information and tips in social media. They also want organic ingredients for the good sake of their skins but also the nature. Also they want transparent products and brands to know where all the processes are made and from where the ingredients are.

3.9. Marketing Mix

It refers to the set of strategies, or actions, that a company uses to promote its brand or product in the market. The typical 4Ps are the Price, Product, Promotion and Placement. but it can be expanded to 7Ps, which also display the Place, Process and Physical Evidence.

3.9.1. Product

It refers to the products that will be sold by the company.

AMBROSIA will produce goods that are classified as biologic products for skin care.

The main product lines are as follows:

- Prickly pear seed oil
- Anti-aging cream
- Moisturising cream

The product line will be supported in parallel by blogs and contents to give advice on how to use the products, as well as their benefits. They will be biological and without chemical components either for the oil or the cosmetic.

The main focus is on the natural component of the oil of prickly pear which is rich in Vitamin E. But also thanks to her miraculous effect on the skin:

- Anti-wrinkle: Thanks to its content of essential fatty acids, sterols and vitamin E, it fights effectively against the signs of time and skin aging.
- Antioxidant: Thanks to its high content of sterols and vitamin E, it prevents the harmful effects of free radicals on the skin.

- Healing: thanks to its regenerating power, it helps to fade small spots and scars left by acne pimples.
- Nourishing: excellent softener, it nourishes the skin and protects it from dehydration thanks to the presence of palmitic acid.
- Regenerating: full of Linoleic acid (omega 6), fig oil firms the skin and stimulates cell regeneration.
- Revitalizing: ideal for dull and lifeless complexions, its unsaturated fatty acids restructure the skin to give it the tone and radiance it needs.

Thanks to the oil and its benefits, other products will be developed and enlarge the offer.

However, the product line will be expanded to improve the offer and reach larger targets. In the future, AMBROSIA already aims to create several lines based on the prickly pear seed oil, such as : lip balm, night and day cream, soap for skin face etc...

The component of the creams will not be displayed in this part since the scientific biological engineer of the team is still working on the laboratory to provide the best efficient composition, at the laboratory of IPB.

Also, because AMBROSIA aims to patent for the formula of the products in order to protect the creation, this is the second reason why the ingredient will not be presented in detail. However, as already explained, the main ingredient is the prickly pear seed oil.

The prickly pear seed oil will be extracted from the seed of Prickly pear that will be provided by local farmers that are located in the south of Portugal. Once the seeds are provided by the suppliers, AMBROSIA will extract the oil with a machine that uses cold pression to extract the oil. This method was chosen since it is one of the only methods that allow companies such AMBROSIA to not use chemical ingredients to extract the oil.

The machine that will be used is shown in the picture below:



Figure 3 : *Machine of cold press extraction of prickly pear seed oil*

Following, there are pictures of prototypes of the packaging that was designed by a marketing and design team named “LUSS”. The team are students at IPB and they assisted AMBROSIA for the branding as part of their own project of creating a branding company for new businesses and start-ups.



Figure 4 : *Front packaging of the prickly pear seed oil*
Note. Self-elaborate



Figure 5 : *Back packaging of the prickly pear seed oil*
 Note. Self-elaborate



Figure 6 : *Front packaging of the moisturizing cream*
 Note. Self-elaborate



Figure 7 : Front packaging of the Anti-aging cream
Note. Self-elaborate



Figure 8 : Back packaging of the moisturizing cream and Anti-aging cream
Note. Self-elaborate

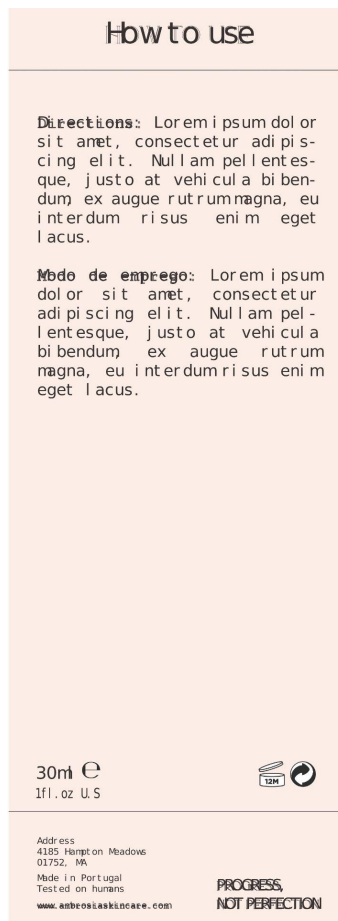


Figure 9 : *Prototype of the instruction in the packaging*
Note. Self-elaborate

3.9.2. Price

It refers to the value that is put for a product.

The cost strategy will be to differentiate AMBROSIA from the competitors by offering a more interesting price for the buyers. The price is set according to the competition, the research that was displayed in the beginning in the “Research Methodology” but also according to the natural components. The price is set as follows:

- Prickly pear seed oil : 30 euro for 15 ml
- Anti-aging cream : 24 euro for 50 ml
- Moisturizing cream : 6 euros for 100m

3.9.3. Promotion

It refers to all the activities undertaken to make the product or service known to the user and market. It is communication.

The communication will be mainly based on online marketing, using social media like Instagram and TikTok, but also use the service of influencers and ambassadors to promote the products and the brand. Professionals and specialists will also be contacted in order to put in place blogs, vlogs, and articles that show how to use the products, what are the results expected, tips and tutorials, to put in social media and the website. So it will be a promoting, educational, and communicative plan of promotion. The table below, highlights the objectives already displayed in the beginning, and the techniques of communications and actions that will be used to achieve the objectives.

Table 10 : *Objectives and techniques of communication*

Objectives	Techniques of communication	Actions
Increase the Awareness of the Brand	Social Media	-Promoting in social media using technique of digital marketing -Solicit Social media Influencers in order to promote the brand
	Referral Program	-Referral program for new buyer with a coupon for themselves and the referral friend.
	Storytelling	-Blogs and video animation promoting the story of the brand and highlighting the sustainable production chain.
Minimum of 100 products sold per month for the first year	Social Media	-Solicit Social media Influencers to promote the products and attract customers -Offer coupons to people who are subscribers to AMBROSIA social media page, this will help to increase the sales
	Prospecting	-Flyers and promotional materials available in stores and partner's store
	Personal Selling	-In store, concept store, demonstration of the product and how to use it -Demonstration and being present in fair and exhibition events.
Establish and improve the relationship with suppliers	Direct communication	-Monthly meeting with suppliers -Availability and hear their requests -Be proactive with early and frank discussions
	Personal promoting	-Offer samples to the supplier to understand what AMBROSIA do
	Surveys	-Every 6 months a survey will be communicated to the suppliers to evaluate their satisfactions and feedbacks.

Note. Self-elaborate

3.9.4. Placement

It refers to the point of sale. It is also known as channel, distribution, or intermediary for the product to arrive at its final consumer.

AMBROSIA wants to sell products that are easy to find and understand.

The product will be present in pharmacies, beauty centers, par-pharmacy but also the company owns small shops to have direct contact with customers, it will be presented as a concept-store.

And in parallel with the promotion plan, products will be available online on the website and with partner's online marketplaces who sell biological and organic products for skin care.

3.9.5. People

AMBROSIA team was composed in the beginning by two members, the founders, Marwa TAAMALLAH and Feryel Zaibi. They will start the development of the first products, and the steps needed for creating the company. They will also be responsible for the commercialisation and advertising of the product but also the sale part. Then the team will grow with other members.

The quality manager that will be controlling the process of making the product and ensure that they respect the qualification the company put in place but also the qualifications requested by the certifications and legislation.

A Commercial manager will be joining the team, to improve and increase the sales and revenue and he will be working with a Communication manager to increase the awareness and make the brand and products more visible to the target customers.

The communication manager will also be in charge of the customer service during the first year. And the following year, according to the achievement of the company, the customer service specialist will be hired to take on the task related to it.

A Technological manager will also join the team to help us to increase research and development work and offer a larger brand of products to satisfy the demands of the market. And also to prevent AMBROSIA from the marketing Myopia.

3.9.6. Process

The process includes all the ways in which a company and its clients can interact to make the product easily accessible. It is a roadmap of the company operation.

AMBROSIA has 3 places where to provide the products.

In the virtual way, the products will be proposed on the website. In that case a distributor of the website host domain will be solicited, in order to create a website and make it available in all platforms of navigation. Referral words will be used to make the website more visible by the target customer, like organic skin care products, anti-aging cream, anti-wrinkles cream etc. Once the customer finds the link of the website, he will have all the information available like the price and the way of using the product. He will choose the product and quantity needed and put it in the shopping cart. To validate their order they will need to put their addresses and the payment method. Of course, all the process of payment will be securised. Then the order will be shipped and sent via post service.

In the concept store, they can find the adresse in the website using the same first part of researching in the navigation platform or in finding the adresse on the social media page. Customers can also find the adresse and concept stores in the maps applications. If he would like, the target customer will then visit the shop where he will find one of the members of the team (Mainly one of the founders in the beginning) or a salesperson that will help to choose what he needs in terms of product and explain to him the way of using it. Then, if the client wants to buy a product, he will pay at the cashier desk and after that start using the product.

In the last case of pharmacy, para-pharmacy and beauty center. The customer will go there for a special purpose to find the products themselves or go for just another purpose than finding AMBROSIA's products. He will find the products, will have ads and explanation papers puted there for the purpose of advertising.

3.9.7. Physical evidence

Physical evidence is part of the product. If the product is a tangible item, all its physical elements will be taken into account by consumers. (packaging, business cards, brochures, company brand)

Each of the products will be designed in a way to reflect AMBROSIA's values of respecting the environment. The materials used for the packaging will be recyclable and eco-friendly like the crock. And the glass can also be recyclable or reused for any personal need by the consumer. Even the business cards will be made by recyclable paper to show that until the end AMBROSIA is attached to her values.

The concept store will be designed by professionals using materials that have been recycled or can be recyclable with a minimum harmful process of making them.



Figure 10 : *Front business card*
Note. Self-elaborate



Figure 11 : *Business card*
Note. Self-elaborate



Figure 12 : Branding stationary
Note. Self-elaborate

3.9.8. Conclusion



Figure 13 : Marketing Mix summary
Note. Self-elaborate

3.10. Operational Plan

An operational plan is where the businesses outline the principal activities and actions they will take in order to achieve the objectives.

3.10.1. Specific Objectives and Short Term Actions

A short term objective is a goal that can be achieved within 12 months. Several objectives are set for a short term periode. However, in this part the main objective is to focus on the one established in the definition of marketing objectives.

Here the main focus is the objective to sell a minimum of 100 products per month for the first 12 months and to increase the awareness of the brand.

To achieve this goal, three main actions will be taken. First of all, AMBROSIA will work on digital marketing, using social media to introduce the brand and promote it. AMBROSIA will have an Instagram page to reach a big number of potential consumers, and to highlight the products and the values of the brand. Also, influencers will be prospected and partner with the brand in social media, to promote the brand. The following picture represents what the social account of AMBROSIA will look like.

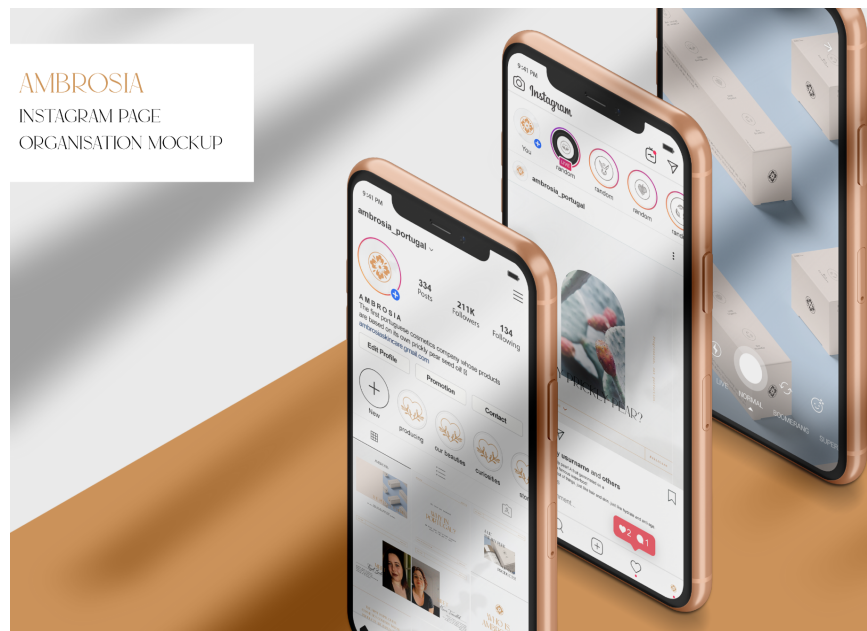


Figure 14 : *AMBROSIA's Instagram template*
Note. Self-elaborate

AMBROSIA, will also have a web site adapted for browsers on computers but also adapted for the telephone. On this site, the products will be offered for sale, but also, blogs will be written to explain different features of the brand. Such as, the use of the products, the ingredients, the story of the brand, the environmental process, the ecological values, the protection of animals and environment at the heart of the product etc...

The next action will be the use of a referral program. This is to push actual consumers to indirectly promote the brand while having the opportunity to win a coupon for their next purchase. This action has a double advantage. First, new people can become customers of the brand and try it for the first time which can lead them to buy again from AMBROSIA. The second advantage is the actual consumer who referred their friend, will promote the brand to their surroundings but also will want to buy again one of the products of the brand since they will have a coupon (discount).

Another action is to prospect the brand, using marketing materials like flyers and banners in the concept store of AMBROSIA but also in the shop of the partners such as pharmacy and para-pharmacies or also beauty centers.

And finally, there is the action of personal selling. It consists of demonstrating the use of the product directly to the consumer either in the concept store or shop of partners or in fairs dedicated to beauty and skin care products. This will allow potential consumers to see and touch the product, to have direct contact with the texture. This action will allow them to have a bigger awareness of the prickly pear seed oil and try before buying it, which will make them feel in a confident space to buy it.

3.10.2. Specific Objectives and Long Term Actions

A long term objective is a goal that can be achieved in 5 year or even more. In this part as well, several objectives can be set for a long term period but once again in this part the main objective to focus on are the one established in the definition of marketing objectives.

The main focus is to establish a good relationship with suppliers and maintain and improve this relation over the years.

For this purpose, AMBROSIA will put in place a monthly meeting with the suppliers in order to set together the needs, the delay of delivery and performance, as well as hear the

advice of the suppliers. It is a necessity to maintain such a good relationship with the suppliers since they are the ones that provide the business with the raw material needed for the final product.

Surveys will also be sent to the suppliers every 6 months in order to evaluate the satisfaction of the relationship with the company and give suggestions. But most importantly show the suppliers that AMBROSIA does give importance to their voices.

One last action to do with the suppliers is to offer them samples. This will allow them to see the final product that was created thanks to their work as well and the quality of the product. Also to offer them some gratitude to the work they do and fidelise them to the company.

3.10.3. Schedule

The table presented above summarizes the different strategies that will be implemented in the AMBROSIA marketing plan.

Table 11 : *Schedule of the operational plan*

Objectives	Actions	Marketing Mix Variable	Time	Budget
Increase the Awareness of the Brand	Social Media (Influencer and digital marketing)	Promotion	12 months	200 € / month
	Referral Program (Offer of coupon)	Promotion	12 months	100 € / month
	Story telling (Blog / videos of the brand story)	Promotion	Total existence	0 € / month
Minimum of 100 products sold per month for the first year	Social Media (Social presence and influencer)	Promotion	6 months	100 € / month
	Prospecting (Flyers and promotional materials)	Promotion	6 months	100 € / month
	Personal selling (Demonstrate the product in store)	Promotion	6 months	200€ / month
Establish and improve the relationship with suppliers	Direct communication (Monthly meeting and availability)	People	Total existence	100 € / month
	Personal promoting (Sample offering)	Product	Total existence	100 € / month
	Surveys (Evaluation and satisfaction)	Process	Total existence	0 € / month

Note. Self-elaborate

In addition, it is essential to mention that, during the process, all strategies will be carefully monitored and followed up, in order to ensure that they are implemented correctly and that the expected results are achieved.

3.10.4. Budget

Ambrosia's budget is limited in the beginning since it is a new brand with almost no awareness and not a big revenue. The budget that is allowed for the marketing plan process and implementation is 11 000 €. However, we believe that this number will increase after the first semester if we achieve our goals. And in that case we will be able to enlarge our strategy and make it bigger in order to increase the sales and the benefits.

Chapter 4. Financial Plan

The financial plan constitutes one of the most important parts in a business. It is the process of identifying the capital needed and determining its adequacy. It is the meeting of financial policies for the procurement, investment and administration of a company's funds.

For AMBROSIA, the financial plan was based on the official document of Project Evaluation Tool provided by IAPMEI. It is the main governmental agency for economic policies targeted to Portuguese companies and it works under the supervision of the Ministry of Economy. And the main concern of this institution is to maintain a set of structural instruments - financing, incentive systems, business support, self-diagnosis mechanisms, permanent adaptation to the needs of Portuguese companies and constant innovation.

The Project Evaluation Tool allows entrepreneurs and companies to evaluate and test the profitability of new investments, with two options: 5 years and 10 years of exploration. AMBROSIA used this tool to forecast the next 5 years for the financial plan. However, only the product of Prickly pear seed oil was illustrated in the document, since once again, the formula for the moisturizing cream and anti-aging cream is still ongoing. So the raw material for these two last products are not yet definitely identified.

To achieve the goal to sell 100 products per month, 1200 bottles of 15 ml of prickly pear seed oil, AMBROSIA needs 180 000 ml of oil. And to have this amount of oil, 132 kg of seed is needed. Knowing that 1kg of seed is sold by the Portuguese farms at the amount of 19 euros. And to be able to sell this product, glass bottles and cardboard packaging are required. One glass bottle costs 0,7 euro and one carton box for the packaging is at 0,25 euro.

Table 12 : *Value of raw materials consumed in proportion to quantities sold in euros.*

Raw Material	Products : Prickly pear seed oil
Prickly pear seed	2 508
Glass Packaging	840
Carton Packaging	300
Total consumption of MPS for the first year	3 648

Note. Self-elaborate

To start the project, the two founders will begin with 15 000 euro of equity and take a bank credit of 10 000 euros that will be paid in a period of 5 years. For the beginning, AMBROSIA will only have two members that are the two original founders. The 2 founders will receive for the first year a net salary of 800 that will have a growth estimated at 6% annually.

The table below shows the costs of external supplies and services that AMBROSIA is forecasting to have. The costs in this Table represent the ones outside the costs of the raw materials, packaging, salary, the machine/equipment and office materials. All the datas are based and collected from the actual market in Portugal, as well as the tax rates.

Table 13 : External Supplies and Services in euros for the next 5 years

Total FSE				25 020	26 822	28 753	30 823	33 043
VAT for FSE				5 607	6 010	6 443	6 907	7 404
Subcontracts	IVA aplicável	% C. Fixo	Valor Mensal	0	0	0	0	0
Subcontracts	23,00%	0,00%	0	0	0	0	0	0
Specialized Services	IVA aplicável	% C. Fixo	Valor Mensal	7 976	8 550	9 166	9 825	10 533
Specialized Jobs	23,00%	0,00%	0	0	0	0	0	0
Publicity and Advertising	23,00%	100,00%	500	6 432	6 895	7 392	7 924	8 494
Surveillance and Security	23,00%	0,00%	0	0	0	0	0	0
Honorary	23,00%	100,00%	100	1 286	1 379	1 478	1 585	1 699
Commissions	23,00%	0,00%	0	0	0	0	0	0
Conservation and Repair	23,00%	100,00%	20	257	276	296	317	340
Materials	IVA aplicável	% C. Fixo	Valor Mensal	1 158	1 241	1 330	1 426	1 529
Fast-Wearing Tools and Utensils	23,00%	0,00%	20	257	276	296	317	340
Books and Technical Documentation	23,00%	100,00%	10	129	138	148	158	170
Office Supplies	23,00%	100,00%	60	772	827	887	951	1 019
Gift items	23,00%	100,00%	0	0	0	0	0	0
Energy and Fluids	IVA aplicável	% C. Fixo	Valor Mensal	3 666	3 930	4 213	4 517	4 842
Electricity	23,00%	100,00%	60	772	827	887	951	1 019
Fuels	23,00%	0,00%	225	2 894	3 103	3 326	3 566	3 822
Water	6,00%	0,00%	0	0	0	0	0	0
Travel, Stays and Transportation	IVA aplicável	% C. Fixo	Valor Mensal	1 286	1 379	1 478	1 585	1 699
Travel and Stays	23,00%	100,00%	0	0	0	0	0	0
Personnel Transportation	23,00%	100,00%	0	0	0	0	0	0
Transports of Goods	23,00%	0,00%	100	1 286	1 379	1 478	1 585	1 699
Various Services	IVA aplicável	% C. Fixo	Valor Mensal	10 934	11 722	12 566	13 470	14 440
Rents and Rentals	23,00%	100,00%	250	3 216	3 448	3 696	3 962	4 247
Communication	23,00%	100,00%	400	5 146	5 516	5 913	6 339	6 795
Insurance	0,00%	100,00%	50	643	690	739	792	849
Royalties	23,00%	100,00%	0	0	0	0	0	0
Litigation and Notarial Services	23,00%	100,00%	100	1 286	1 379	1 478	1 585	1 699
Representation Expenses	23,00%	100,00%	0	0	0	0	0	0
Cleanliness, Hygiene and Comfort	23,00%	100,00%	50	643	690	739	792	849
Other services	IVA aplicável	% C. Fixo	Valor Mensal	0	0	0	0	0
Other services	23,00%	100,00%	0	0	0	0	0	0

Note. Self-elaborate

In Table 13, the communications and promotions are the most expensive costs with 900 euros in total per month, which is approximately 11 000 per year. In the second place, the rent is one of the most expensive external costs AMBROSIA will have.

The extraction of the oil from the prickly pear seed will be made using a special machine that was already displayed before in the document. This machine will cost 1 117 euro and is estimated to be amortized over 5 years.

Also some administrative equipment will be bought with a 5 years amortization period, as well as the industrial property. Those constitute the investment in capital fix and they are displayed in the following table.

The Table 14 below, represents all the fixed capital investment, with the basic equipment representing the machine needed, the administrative equipment, the industrial property and development project that represent the price of equipment and material that will be needed for the research and development.

Table 14 : Fixed Capital Investment

Investimento em Capital fixo (CAPEX)				1 977	1 000	2 000	2 000	2 000
TVA				455	230	460	460	460
Tangible fixed assets	Applicable VAT	Amort. year	Mensual Amort. Value	1 617	-	-	-	-
Land and Natural Resources	0,00%	0	0	-	-	-	-	-
Buildings and other construction	0,00%	0	0	-	-	-	-	-
Basic equipment	23,00%	5	19	1 117				
Light equipment	23,00%	0	0	-	-	-	-	-
Transport equipment	23,00%	0	0	-	-	-	-	-
Administrative equipment	23,00%	5	8	500				
Other Tangible Fixed Assets	23,00%	0	0	-	-	-	-	-
Intangible Assets				360	1 000	2 000	2 000	2 000
Development Projects	23,00%	5	150	-	1 000	2 000	2 000	2 000
Computer Programs	23,00%	0	0	-	-	-	-	-
Industrial Property	23,00%	5	6	360				
Other Intangible Assets	23,00%	0	0	-	-	-	-	-

Note. Self-elaborate

In the Table below, Table 15, the Profits and Loss statement of AMBROSIA are represented.

Table 15 : Profit and Loss Statement

AMBROSIA	2023	2024	2025	2026	2027
	1	2	3	4	5
Sales and Services Provided	36 000	57 888	93 084	149 679	240 684
Operating Subsidies					
Gains/Losses imputed from Subsidiaries, Associates and Joint Ventures					
Variation in Production Inventories	-	-	-	-	-
Own Work Capitalized					
Cost of Goods Sold and Consumed	(2 628)	(4 226)	(6 795)	(10 927)	(17 570)
External Supplies and Services	(25 020)	(26 822)	(28 753)	(30 823)	(33 043)
Staff Expenses	(27 961)	(29 638)	(31 417)	(33 302)	(35 300)
Inventory Impairment (Losses/Reversals)	-	-	-	-	-
Impairment of Receivables (Losses/Reversals)	-	-	-	-	-
Provisions (Increases/Reductions)					
Impairment of Non-Depreciable/Amortizable Investments (Losses/Reversals)					
Fair Value Increases/Reductions					
Other Income	-	-	-	-	-
Other Expenses	-	-	-	-	-
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	(19 609)	(2 798)	26 119	74 627	154 771
Depreciation and Amortization Expenses/Reversals	(395)	(595)	(995)	(1 395)	(1 795)
Impairment of Depreciable/Amortizable Assets (Losses/Reversals)					
EBIT (Earnings Before Interest and Taxes)	(20 005)	(3 394)	25 123	73 232	152 976
Interest and Similar Income Obtained					
Interest and Similar Costs	(1 165)	(1 165)	(1 165)	(1 165)	(1 165)
EBT (Earnings Before Taxes)	(21 169)	(4 558)	23 959	72 067	151 811
Tax	-	-	(1 617)	(14 200)	(34 157)
<i>IRC (Internal Revenue Code Internal Revenue Code)</i>	-	-	(1 509)	(13 253)	(31 880)
<i>Municipal Surtax</i>	-	-	(108)	(947)	(2 277)
Net Result	(21 169)	(4 558)	22 341	57 867	117 654

Note. Self-elaborate

Table 16 : Balance table of AMBROSIA

AMBROSIA	2023	2024	2025	2026	2027
Assets					
Non-current assets	1 789	2 413	3 650	4 502	4 968
Tangible fixed assets	1 294	970	647	323	0
Investment property					
Goodwill					
Intangible assets	288	1 016	2 344	3 272	3 800
Biological assets					
Financial investments					
Other financial investments	207	427	660	906	1 168
Receivables					
Deferred tax assets					
Current assets	4 027	207	23 152	82 370	202 854
Inventories	7	12	19	30	48
Biological assets					
Customers	121	195	314	504	811
EOEP	-	-	-	-	-
Subscribed and unpaid capital					
Other receivables					
Deferrals					
Financial assets held for trading					
Other financial assets					
Non-current assets held for sale					
Cash and bank deposits	3 899	-	22 820	81 836	201 995
Total Assets	5 816	2 620	26 803	86 872	207 822
Equity Capital	(6 169)	(10 507)	12 702	70 707	188 361
Capital Stock	15 000	15 000	15 000	15 000	15 000
Supplementary capital	-	221	1 088	1 226	1 226
Retained Earnings		(21 169)	(25 728)	(4 504)	50 470
Legal Reserves	-	-	-	1 117	4 010
Net profit	(21 169)	(4 558)	22 341	57 867	117 654
Other Changes in Shareholders' Equity	-	-	-	-	-
Liabilities					
Non-Current Liabilities	10 000	9 716	10 000	10 000	10 000
Provisions					
Financing obtained (Medium Long Term)	10 000	9 716	10 000	10 000	10 000
Liabilities for post-employment benefits					
Deferred tax liabilities					
Other payables					
Current Liabilities	1 986	3 410	4 101	6 165	9 462
Suppliers	93	104	119	140	170
Advances from customers					
EOEP	1 893	2 738	3 982	6 025	9 292
Financing obtained (Short Term)	-	568	-	-	-
Other payables	-	-	-	-	-
Deferrals					
Financial liabilities held for trading					
Other financial liabilities					
Non-current liabilities held for sale					
Total Liabilities	11 986	13 126	14 101	16 165	19 462
Total Equity + Liabilities	5 816	2 620	26 803	86 872	207 822
	(0)	0	(0)	0	(0)

Note. Self-elaborate

The Table 16, a representation of the balance of AMBROSIA with the assets and equity forecasted for the next 5 years.

Table 17 : Financial Evaluation

AMBROSIA	2023	2024	2025	2026	2027
+ EBIT (Earnings Before Interest and Taxes)	(20 005)	(3 394)	25 123	73 232	152 976
- Tax	(262)	(262)	(1 879)	(14 462)	(34 420)
+ Depreciation and Amortization	395	595	995	1 395	1 795
- Change in working capital	1 857	779	1 133	1 862	2 972
- CAPEX (Capital Expenditure)	(1 977)	(1 000)	(2 000)	(2 000)	(2 000)
Cash Flow Operacional	(19 991)	(3 282)	23 373	60 027	121 323
Interest and Similar Costs	(1 165)	(1 165)	(1 165)	(1 165)	(1 165)
Financing obtained	10 000	-	-	-	-
Amortization of financing	-	-	(284)	-	-
FCFE (Free Cash Flow to Equity)	(11 156)	(4 446)	21 924	58 863	120 159
Residual Value					
FCFE (Free Cash Flow to Equity) in residual Value	(11 156)	(4 446)	21 924	58 863	120 159
Perpetuity					
FCFE (Free Cash Flow to Equity) in perpetuity	(11 156)	(4 446)	21 924	58 863	120 159
FCFE (Free Cash Flow to Equity) discounted VR	(11 156)	(4 446)	21 924	58 863	120 159
FCFE (Free Cash Flow to Equity) discounted accumulated VR	(11 156)	(15 602)	6 321	65 184	185 342
FCFE (Free Cash Flow to Equity) discounted perpetuity	(11 156)	(4 446)	21 924	58 863	120 159
FCFE (Free Cash Flow to Equity) discounted accumulated perpetuity	(11 156)	(15 602)	6 321	65 184	185 342

FEASIBILITY ANALYSIS	With Residual Value	With Perpetuity
VAL (Net Present Value)	185 342	185 342
TIR (Internal Rate of Return)	131,14%	131,14%
Payback	2,71	2,71 Years

Note. Self-elaborate

The table 17 above shows the cash flow of AMBROSIA. The Cash-Flow is the increase or decrease in the amount of money a business has. It represents the cash that's available after reinvestment back into the business (capital expenditures).

The Net Present Value is 185 342 euros, a high positive value that shows the value the project adds to the owner. The Internal rate of Return is more than 130% and reflects profitability of this project. Finally, the Payback period allows us to show that the return of this investment can be payback in less than 3 years.

And the last table represents the return on Investissement of AMBROSIA, which evaluates the efficiency of an investment.

Table 18 : Return on Investissement

	2023	2024	2025	2026	2027
ROI (Return on Investissement)	-	-	88%	68%	57%

Note. Self-elaborate

The return on Investissement was calculated according to the formula below:

$$ROI = ((\text{Current Value of Investment} - \text{Cost of Investment}) \div \text{Cost of Investment}) \times 100 \quad (1)$$

$$ROI = ((25123 - 1617) \div (3650 + 23152)) \times 100 = 87,7\% \simeq 88\%$$

Table 18 and the result of the equation (1), shows that in 2025 the return of Investissement is 88%. That means that starting from 2025, all costs that have been applied will be recovered but also that for example, for each euro invested, there is a profit of 0,88 euro.

All these results show that for the two first years AMBROSIA will not have a profit, however just with the product of prickly pear seed oil, AMBROSIA will start to have profit starting from the third year.

According to the results, there is a forecast of potential growth starting from the third year and implementing new products and investing in research and development.

Chapter 5. Conclusion

Realizing and carrying out a business approach and business plan for a new project, or an already existing company is essential to guarantee her success or survival. It allows to understand the current situation of the business idea but also the current situation of the market and environment in which it operates. It also allows to anticipate and forecast possible issues and concerns that may arise in the future.

It is essential to study the financial planning and possibility of the companies but also the market, the competitors, the target audience, the process of production and distribution and the environment.

AMBROSIA is a skin care brand using natural products and has a huge concern for sustainability. AMBROSIA decided to target womens that want to take care of their skins but that also do care for the sustainable issues that are rising more and more in the world. This is why the main products are cruelty free, without chemical additif, with organic products and with a process that is less harmful to the environment.

Carrying out this research of the external and internal diagnosis, allows coordinators to understand the different variables and put in place the main objectives of AMBROSIA. To understand all the parts of her marketing mix. But also, it allows to establish an operational plan with the right actions to attract the target consumer but also to achieve the different objectives of the company in a short and long term.

In addition to that, putting in place a financial plan with a forecasting of the next years, enables the society to understand her feasibility and her potential success or bankruptcy. This business plan also allows to show the financial viability of this project. Therefore, the Net Present Value is 185 342 euros, the Internal rate of Return is more than 130% Payback period is less than 3 years.

To sum up, all these different parts of the business plan and approach are the most effective tools for all companies including AMBROSIA, to make decisions and take actions about the different aspects that can affect the existence and prosperity of the brand but also the possibilities to obtain the desired results.

Chapter 6. Limitations and Suggestions for future research

Of course, every study and research can be improved including this one. The fact that the formula of the moisturizing cream and anti-aging cream are not developed definitively yet, limited this business approach in order to develop more the financial plan but also to identify more in detail the costs and benefits. It also limited the study regarding the marketing approach to introduce the products since during the study the focusing was more into the prickly pear seed oil. This can be a subject for a potential development of a detailed production chain and business plan including these two products once finalized.

There is one more limitation regarding the sample that answered that the survey does not correctly represent the population of Portugal, which can affect the result study and analysis.

Last but not least, the lack of knowledge regarding the Portuguese law and financial process can be a limitation to the business plan.

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Appendix A

Questions of the survey



AMBROSIA

This methodological questionnaire is part of a research project within the Master's Degree in Product and Process Innovation of the Polytechnic Institute of Bragança.

All information collected is strictly confidential and will be used only for academic and/or scientific purposes.

The duration of this questionnaire is approximately 5 minutes. Your participation is very important.

Thank you for your collaboration and time.

Skin Care

This section is about skin care products.

1-Do you use skin care products? *

Yes

No

2-What skin care products are you using? (you can check more than one answer) *

- Day Cream
- Night Cream
- Eye contour cream
- Serum
- Mask
- Exfoliating or Scrubbing
- Autre : _____

3- How regularly do you use skin care products? *

- Once daily
- Twice daily
- More

4- How much do you spend monthly on your skin care products? *

- Less than 15€
- Between 15€ and 20€
- Between 25€ and 30€
- Between 35€ and 40€
- Between 40€ and 45€
- More than 45€

5- Do you use samples before buying skincare products? *

- Yes
- No

6- What would make you fall in love with a skin care product? *

Votre réponse _____

7- Generally speaking, are you satisfied with your care products? *

Yes

No

8- You would say that receiving advice services on beauty products is important : (1- Strongly Disagree 2- Disagree 3- Undecided 4- Agree 5- Strongly Agree) *

1- Strongly Disagree 1 2 3 4 5 5- Strongly Agree

9- Please rank the following criteria according to their importance when making a decision to purchase a skin care product: *

	1- Not important	2- Less important	3- So-So	4- Important	5- Very important
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Packaging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Efficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Component	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Origin of the product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10- If you try a new products, how important would you consider the following criteria? *

	1- Not important	2- Less important	3- So-So	4- Important	5- Very important
Innovation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special Offer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New product from a well-known brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attractive packaging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand advertised in Social Media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand featured/recommended in magazine	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advice from in-store consultant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In store display	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation from friend/relative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Oils

This first part concerns the essential oils and more precisely the prickly pear seeds oil.

1-Do you use essential oils? *

Yes

No

2-Why do you purchase essential oil? *

- Hair care
- Facial care
- Bath Care
- Fragrance diffuser
- Food seasoning
- Autre : _____

3-How often do you buy essential oil? *

- 1 time every 2 months
- 1 time every 4 months
- 1 time every 6 months
- 1 time per year
- Autre : _____

4-Have you ever bought or used prickly pear seed oil? *



- Yes
- No

5-If so, for what purpose?

- To diffuse a fragrance
- To moisturize the skin
- To reduce wrinkles
- To heal scars
- To season dishes
- Autre : _____

6-What can be your maximum investment for 30ml of prickly pear seed oil made in Portugal? (Knowing that the average price of 30ml of other seed oil is 30€ in the market) *

- Less than 20€
- Between 20€ and 30€
- Between 31€and 40€
- Between 41€ and 50€
- 51€ and more

7-Where can you buy your essential oil products? *

- Specialized beauty shops
- Supermarkets and Hypermarkets
- Online
- Pharmacies and parapharmacies
- Autre : _____

About Yourself

1- What is your gender? *

- Women
- Men
- Other

2- What is your age range? *

- 18 - 24 years
- 25 - 34 years
- 35 - 44 years
- 45 - 54 years
- 55 - 64 years
- 65 - 74 years
- 75 and more

3-What is your occupation? *

- Student
- Full-time employee
- Part-time employee
- Unemployed
- Retired
- Autre : _____

4- What is your annual income range ? *

- 7 112 € and less
- 7 112 € - 10 732 €
- 10 732 € - 20 322 €
- 20 322 € - 25 075 €
- 25 075 € - 36 967 €
- 36 967 € - 80 882 €
- More than 80 882 €

5- In what city do you actually leave? *

Votre réponse _____

6- What is your nationality? *

Votre réponse _____