**The Proposed Business Idea - design and sell branded cards.**

The proposed business is a start-up that will deal with design and sell branded cards. Considering the social distancing rules implemented by most governments across the globe to curb the spread of COVID-19, the business will be an online business in the short run. However, the business will run both the online business and physical operations concurrently once the pandemic has been contained and the social distancing rules relaxed.

The core business of the proposed business is to design cards for different occasions. The online business will entail the design of customizable cards that will enable users to brand their cards online to suit their theme colours and purposes for different occasions. The customizable cards will allow the target consumers to script messages suitable to them to befit the needs of the cards' receivers. The online platform on which target consumers will customize the cards will allow them to download and print the customized cards upon paying the prescribed fees. The platform will also give the consumers an option of sending the cards digitally to the intended card receivers via email, social media pages or even WhatsApp groups. The business will be based in the United Kingdom in the short run. However, ultimately the business will venture into the global market, especially with its online business segment.

**Situational Analysis using SWOT/PESTEL Analysis**

**Strengths**

Convenience is one of the factors that will enhance the performance of the proposed business. Notably, target consumers will be able to access the digitally customizable cards at the comfort of their homes/offices or even on their phones while on travel and send them to their loved ones without having to walk to the physical stores for purchasing cards and without having to make physical deliveries. Hence, the proposed business model is convenient to the target consumers considering that in this era of COVID-19 social distancing is being highly encouraged.

Flexibility is also another factor that will be a competitive priority for the proposed business. Notably, the digitally customizable cards will give the target consumers the flexibility of customizable cards to suit their specific needs according to the purpose of sending the cards, the receivers' demographic factors such as age, gender, or even cultural orientation. Since consumers' needs are diverse, giving the consumers the flexibility of adjusting their cards to suit their specific needs will give the proposed business a competitive edge.

A unique point of differentiation is a factor that will serve as a strength to the proposed business. Ma & Wooton (2019), defines differentiation as a marketing strategy that positions certain products/services in the minds of the target consumers as preferable to the alternative products/services. The proposed business model makes it possible for the proposed business to utilize value for money as the point of differentiation. The cost of production for the digitally customizable cards will be minimal, and hence, the business will be able to sell the cards at pocket-friendly prices while still maintaining a margin of safety. Thus, despite availing of the cards at low prices, the business will still have a profit mark-up. In price elastic markets, demand is inversely proportional to the prices of commodities, all other relevant factors notwithstanding (Hildenbrand, 2014). Hence, low pricing will give the proposed business a competitive edge in the target market.

**Weaknesses**

The proposed business will have a weakness in competitiveness, considering that it will be a start-up with a relatively weak brand compared to existing brands in the industry.

**Opportunities**

**Favourable Industry Profile**

In this part, the industry profile is reviewed to uncover the available opportunities. Murtha et al., (2002), says that assessing the industry before investing in a proposed start-up helps determine the viability of investing in the proposed idea. Analyzing the profile of a targeted industry helps to uncover the threats the start-up will face, and hence, tailor the business strategy to the specific anticipated threats to ascertain the success of the proposed start-up. It also helps to determine available opportunities that a proposed business can seize. In this case, the targeted industry is the Cards industry in the UK and the global market.

Since the proposed business will start its operations in the UK market, this segment focuses on the opportunities and threats in the UK market that can impact the operations and the performance of the proposed business. Culture is a factor in the external business environment that impact business performance. Research done by Huff & Barnhart (2018), reveals that consumers' perception is determined by their cultural orientations, and to a significant extent, influences on their decision to consume. The Greeting Card Association of the UK has established that approximately 1.7billion pounds are spent on greeting cards per annum in the UK. It is an indication that the UK has a culture of sending cards for different occasions. Therefore, the culture of sending greeting cards in the UK provides an opportunity for the proposed business. Since the target consumers have a culture of sending cards, the proposed business has an opportunity of maximizing its total contribution margin, and hence, profitability in the short run. Research also shows that most consumers of greeting cards in the UK are aged between 40 and 70 years. Statista has established through research that citizens aged between 45 – 70 years constitute a majority of the UK population. It is a demographic factor that further provides an opportunity for the proposed business to maximize its sales, and hence, profitability in the target market.

The purchasing power of consumers largely determines the effective demand in a given market. Barden (2013), attributes the strong positive correlation between the level of per capita income amongst target consumers hence their purchasing power and the effective demand for certain products/services because the consumers have the financial ability to consume what they desire. Various factors determine the purchasing power of consumers. The rate of employment in a country is one factor that determines the purchasing power of the consumers in the country. Consumers in countries with high employment rates have high purchasing power because it means they have high levels of disposable income, which makes them able to purchase what they desire (Jump & Mendieta-Munoz, 2017). Thus, with high disposable income, consumers have money to spend on non-basic commodities such as the cards the proposed business will be selling. Before the breakout of the COVID-19 pandemic, the UK's average rate of employment as established by the Office of the National Statistics (2020) was 75%. It is an indication that notwithstanding the effects of the pandemic the rate of employment in the targeted market is relatively high, and hence, the target consumers have high purchasing power a factor that ascertains high level of effective demand for the products/services of the proposed business.

**Favourable Impact of the Digital World**

Most of the target customers in the UK and the world at large have the technical skills to access and customize the customizable cards on the digital platform that the proposed business will use. In addition, most parts of the UK have internet connectivity, and a very large percentage of the target consumers have either computers, tablets, or digital mobile phones that they can utilize to access the customizable cards on the digital platform.

**Favourable Impact of COVID -19 on the Proposed Business Model**

Notably, part of the proposed business's business model will entail providing customizable cards to consumers that will be printable and shareable digitally. The social distancing rules triggered by COVID-19 have increased the need to avoid physical contacts. Hence, the customizable cards are likely to have high effective demand since consumers will not physically walk into the stores to purchase and deliver cards.

**Threats**

**Adverse Economic Conditions of BREXIT & COVID-19**

BREXIT is one of the greatest threats to businesses in the UK. Notable consequences of BREXIT this far have been reduced investments by corporates and even individual persons due to the BREXIT's economic uncertainties. As a result, money circulating in the hands of consumers have reduced since most of them prefer to hold their capital for speculative purposes instead of investing in uncertain economic conditions. It is a factor that impacts adversely on the purchasing power of the target consumers of the proposed business and threatens to adversely impact the effective demand of the services/products that will be sold by the proposed business. COVID-19 has had unprecedented effects on the economy of the world. The effects have also been experienced in the UK. Some people have either lost their jobs or have been compelled to proceed on unpaid leave. It is also notable that the worsening economic conditions as a result of the pandemic have increased the desire for some investors to hold their capital for speculative purposes. Therefore, the amount of disposable income in circulation amongst the target consumers of the proposed business has reduced significantly, thereby hurting their purchasing power.

**Competitor Rivalry**

High level of competition in the targeted market is a threat to the proposed business. Market research shows that there are existing competitors in the UK cards market. Some of the existing competitors include Hallmark Ltd, Cards Galore, Clintons and Card Factory PLC. Notably, the companies mentioned above are already strong brands in the UK cards market. As a result, they are highly competitive owing to the fact that they are strong brands, and also, they enjoy economies of scale. The competitors also have the financial strengths that can enable them to establish through surveys marketing strategies and execute them to enhance their competitiveness.

Despite the high level of competitiveness in the target market, the proposed business is likely to flourish owing to its unique points of differentiation. For instance, there still exists a gap in terms of fulfilling the specific consumer needs in the cards market. The needs of the consumers are highly diverse, and they are ever-changing due to changes in the external environment within which the business in the cards industry operates. Making cards that are easily customizable to suit consumers' needs will, to a significant extent, fulfil the ever-changing consumer needs a factor that will give the proposed business a competitive edge.

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