



# FEASIBILITY STUDY DOCUMENT

## Software Engineering



Supervisor:  
Prof. Matteo Giovanni Rossi

Authors:  
Ahmed Ibrahim Abdelrazzak Hamed  
Khaled Said Ahmed Maamoun  
Mahmoud Mohamed Aboelwafa Medany

ID:  
10682755  
10696857  
10715340

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# VISION AND VALUE PROPOSITION

## 1.1 Vision

The vision of As You Like It (AYLI)'s platform is to support the travel and entertainment community starting from Italy, Europe, to an international scope, to overcome the COVID-19 pandemic and its significant impact on the economic sector related to the involved sector see fig.1 and fig.2, by providing a unique experience to the users and building the trust between them and the services providers, through conducting unique measurements to guarantee high safety levels.

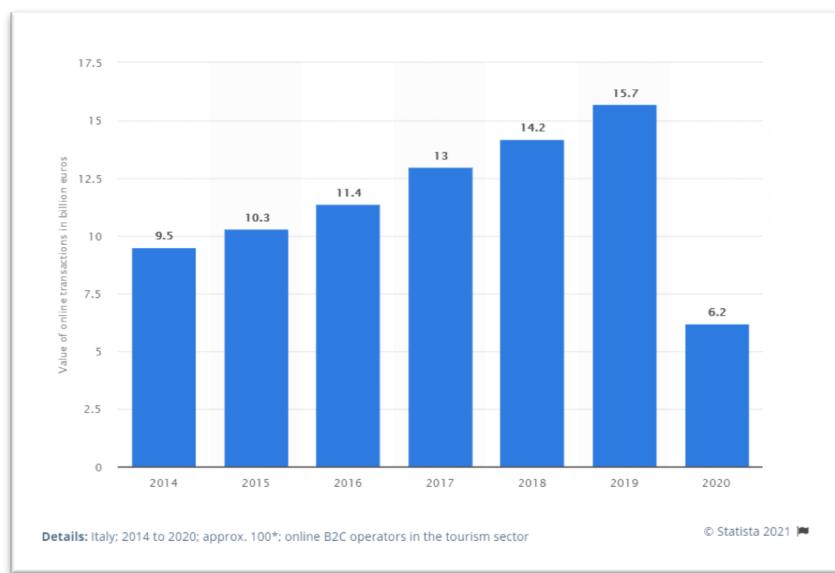


Figure 1 Value of online transaction in tourism and entertainment sector Italy

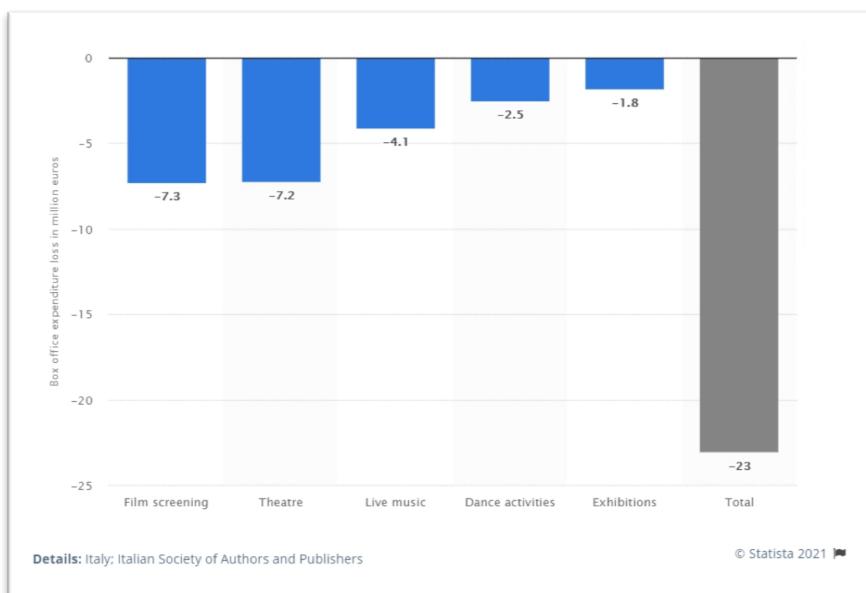


Figure 2 Entertainment sectors loss in Italy from February 23 to March 1, 2020

## 1.2 Value Proposition to Users (USrs)

- **Suitability** AYLI will make it possible to suggest the USrs the most suitable alternative, taking into account, not only their personal tastes, but also their financial situation (i.e.: a student would most likely receive advice about a hostel while the website would suggest a wealthy businessman for a luxury hotel).
- **Sharing is caring** The USrs will be connected with the social media structure that would allow them to share their reviews and memories of all the events and locations they have visited not just through stars' regular evaluation, but also through the impeded stories into different platforms (i.e.: Facebook, Instagram, ..etc.).
- **Passion leads** The connection between the USrs through the most spreading social media platforms will highlight to them the other users' profiles with the same interest, that would be likely to receive the same activity or trip destination. AYLI users will also find advice for shops, places, events, and activities that would provide them of all the gear they need. For example, sport or music enthusiasts would receive advice about a new sporting goods or music shop nearby.

## 1.3 Value Proposition to Service Providers (SPs)

- **Safety first** In addition to the health restriction published by the government of the country where the SPs are, AYLI will add a must checked feature which ask the USrs to share their location within a sufficient time before the service start, that allows the SPs to track the USrs location, then the guarantee that they can prepare their service (i.e. food pick-up, rooms' check-ins, activities' availability places,...etc.), hence when the USrs arrive, they don't need to have contact with any person, which will lead to building more trust in these SPs, and increase their revenue.
- **Ability to react** AYLI allows SPs to implement their revenue management strategy by providing the ability to flexibly decide/change their offers and its rates. This allows SPs to drive additional business on a short fuse, to put up special promotions, and dynamically adjust commission for soft periods to rank higher.
- **Billboard effect** Drive additional traffic to the service providers, there is a considerable number of users who research on the OTAs or entertainments' platforms, like AYLI, but then book on the respective website. Thus, the AYLI pays for the customer acquisition cost (CAC) but generates no revenue for it.

# EXTERNAL ENVIRONMENT

## Market Analysis

### Competitive Advantage

AYLI market defining is ramified due to its competence with different Digital market segments that is related to the variety of its features. This analysis is covering the two main market segments **eService** which covers the events ticketing, food delivery, and fitness, and **eTravel** which is divided into two segments online travel booking and online mobility services, AYLI is competing only in the first segment, these segments of **eTravel** are dividing its market revenue with nearly the same percentage in the study.

#### 2.1 eTravel Market

The eTravel Market is estimated to garner \$1,064.3 billion by 2023, registering a CAGR of 7.2% during the forecast period 2018-2023. Online travel providers aim to ease travel planning and bookings for travelers. The eTravel is driven by quick and convenient flight and hotel bookings, rise in customers' trust in online payment, and ability to compare various available travel options. Nowadays, market players are extensively offering travel services through mobile websites and apps, as it is one of the most preferred mediums of travel bookings, particularly among the young professionals. The eTravel Market is divided into 2 segments and 7 sub-segments, the two main segments are dividing the market revenue along with nearly the same percentage in the study fig.3.

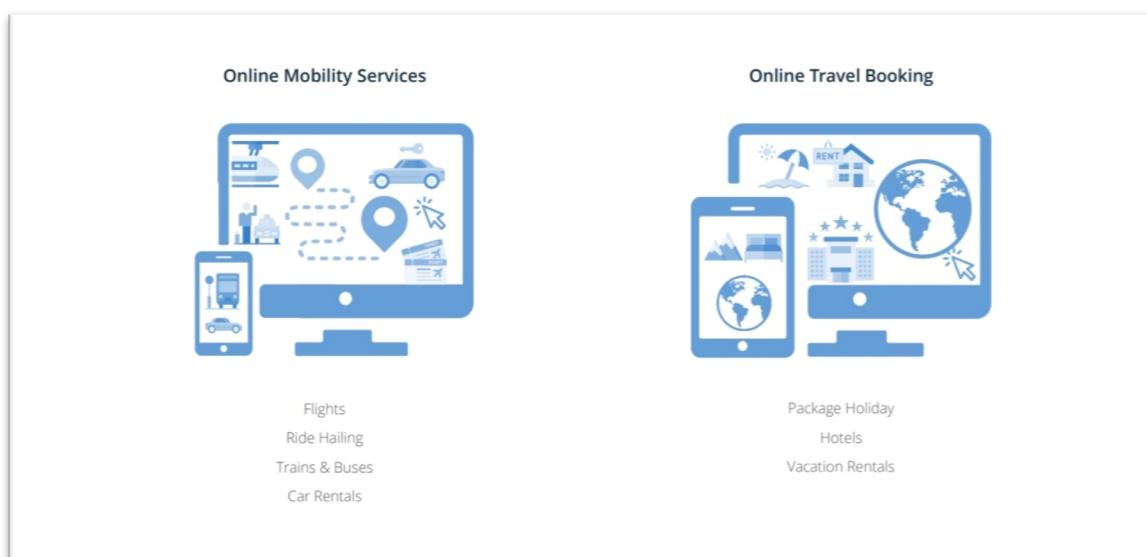


Figure 3 e-Travel Market segments [1]

The forecast in the studies that were carried out in 2018 was very promising worldwide fig.4, but the pandemic has a very bad impact on the global market, and the Italian economy is receiving a strong storm as consequences which lead to the following expectations Fig.5:

- YOY of declines 53% for international trips and 30% for domestic trips in 2020 had an impact on Italy's domestic tourism sector and for destinations that rely on Italian visitation.
- It is evident that younger Italians and the older generation in Italy have different ideas and preferences. Older generations are rarely influenced by social media and prefer more traditional methods of advertising. Whereas younger residents of Italy are more heavily influenced by social media GlobalData's Q3 2019 consumer survey revealed.
- In 2019, 66% of trips were made within Italy, which increased to 74% in 2020 due to the pandemic. This trend is expected to continue into the near future as lockdowns prevail and Italy is experiencing a 'third wave' of infections. When Italian travelers can make trips, many people travel from the North to the South of the country, especially in summer months.

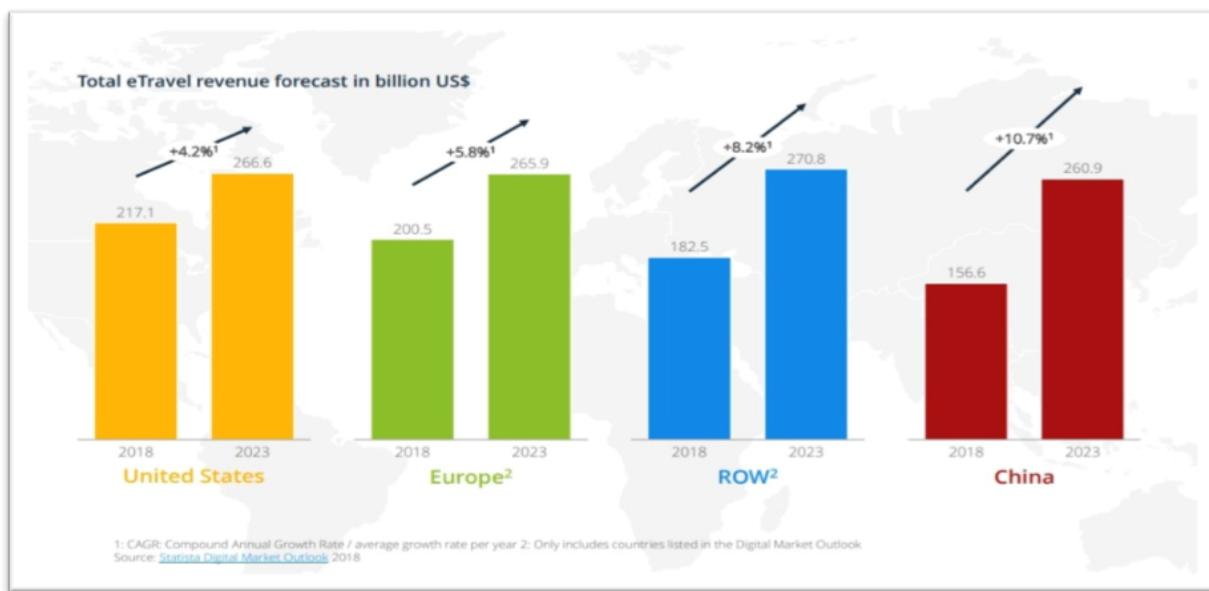


Figure 4 Total e-Travel forecast, 2018 study

AYLI will focus in mainly on the local market of Italy which has a good potential for domestic travel and entertainment in the near future for the following reasons

- The number of paid holidays is among the top in the world.
- The long lockdown period, which will charge the people to engage with more entertainment activities and for at least domestic travel.
- Expected lower rates for touristic and entertainment places in Italy to encourage the customers and audience to flourish the business again.

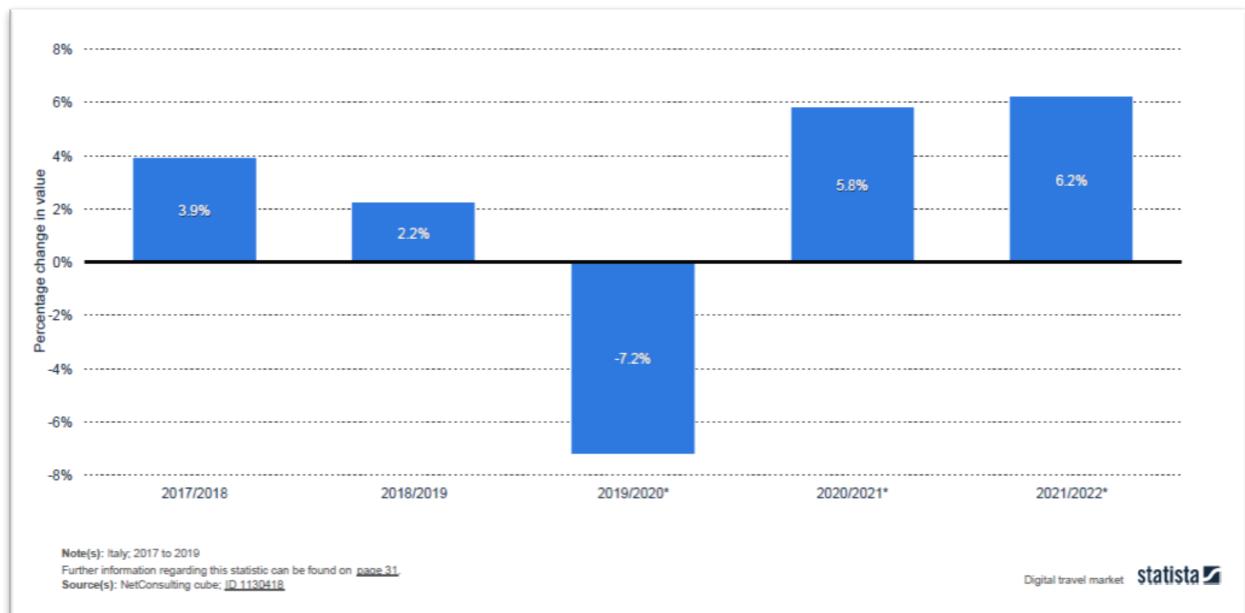


Figure 5 Percentage change e-Travel value in Italy 2019-2022

### 2.1.1 Key Features

ONLINE TRAVEL BOOKING	ONLINE MOBILITY SERVICES
It provides convenience, a wide range of deals and a quick and easy comparison of prices as primary benefits	It provides convenience, a wide range of deals and a quick and easy comparison of prices
It has a global market size of US\$345.6 billion in 2018.	It has a global market size of US\$411.2 billion in 2018.
Within the Online Travel Booking segment, the category Package Holidays generates most of the revenue with a share of 44%	Within this segment, the category Flights generates most of the revenue with a share of about 69%

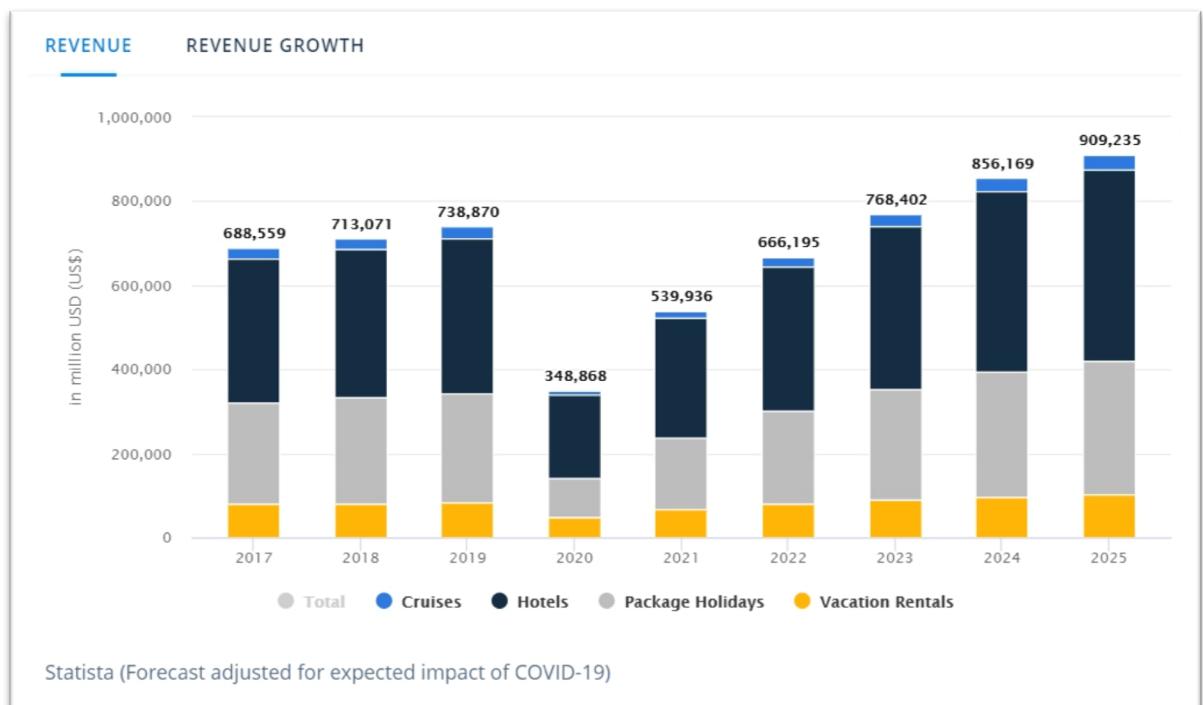


Figure 6 Market revenue in different segments

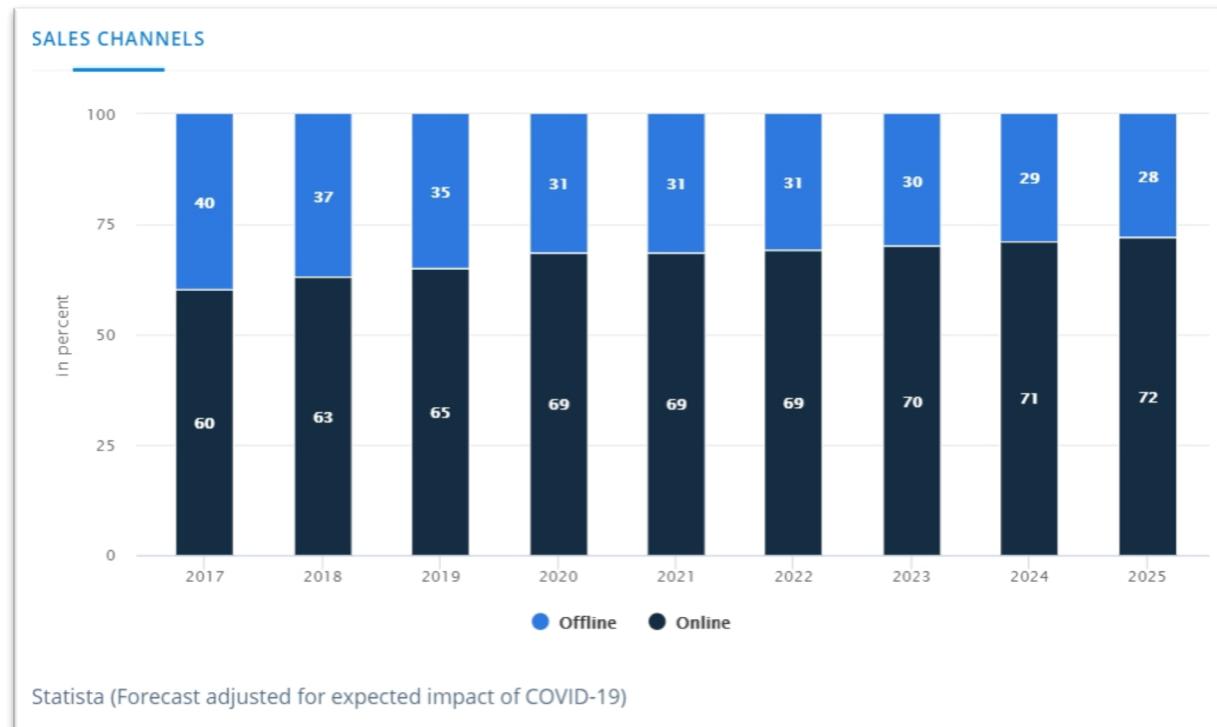


Figure 7 Market sales channels

The largest segment of the market is Hotels, followed by Package Holidays, Vacation Rentals and Cruises. With growing internet and smartphone penetration from the users' perspective, the online share of bookings will substantially grow in the next years, that leads us to analyze the competitors in next section.

### 2.1.2 Competitors and Market Share

When it comes to eTravel businesses, there are different competitors which provide a wide range of different services. Our research showed that some of our possible competitors rely also in various types of business, like lodging, flight tickets comparison, car renting, etc. All of them have massive databases of specific locations, events, and general other points of interest. These options are maintained by feedbacks from users in form of reviews, by private companies or by the own business itself. The available options can be listed when the user will select a travel time and a destination, or they can be advertised in emails or on websites/apps for everyday use. Those advertisements follow some specific criteria like for example emphasizing all of the experiences that their users have been able to take part into, or focusing on the possibility for people, especially younger ones, to travel, meet new people and most importantly new cultures at a way cheaper price than before.

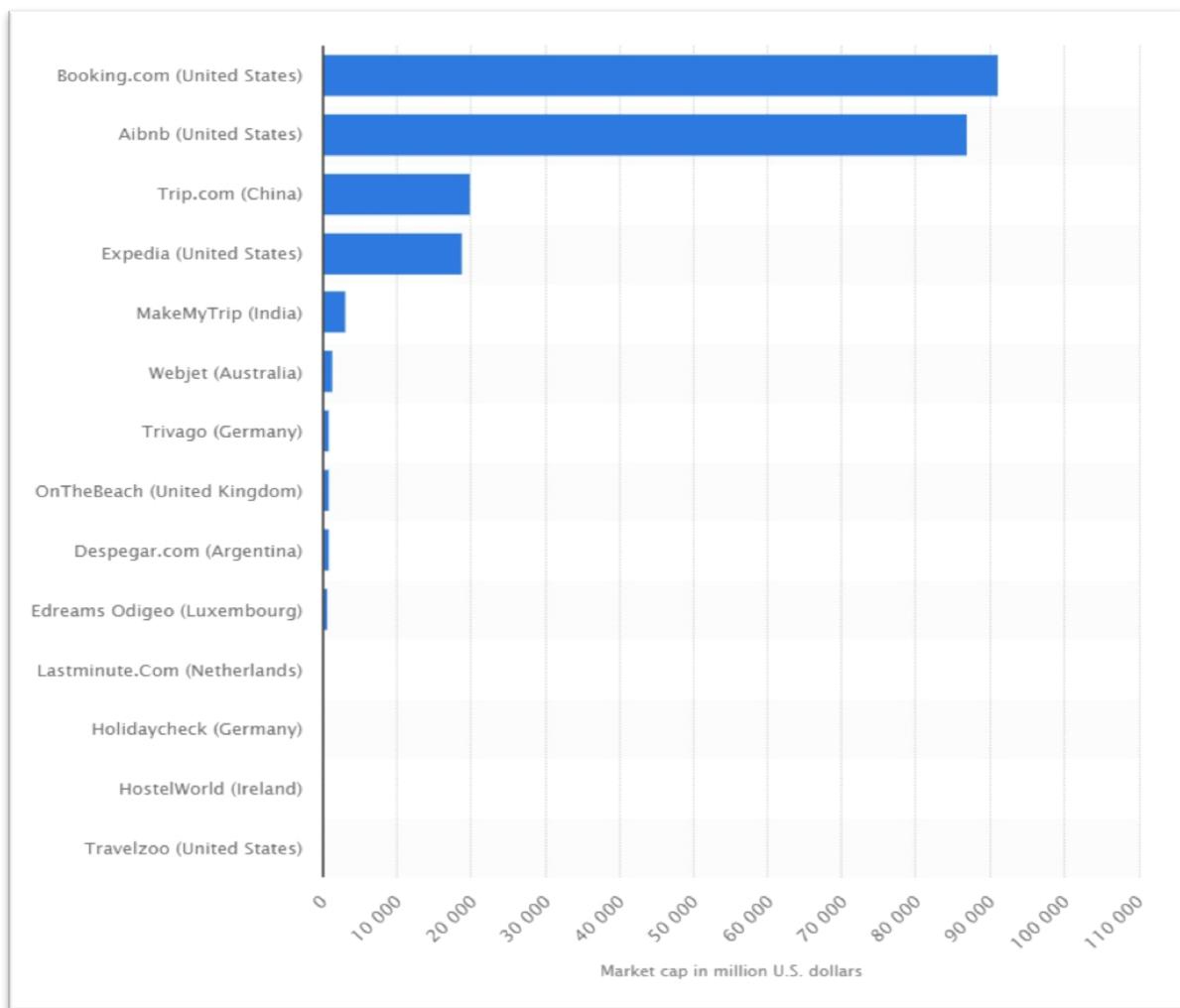


Figure 8 Market share [2]

With a market cap of approximately 91.22 billion U.S. dollars, Booking.com ranks first among the leading online travel companies worldwide. According to a December 2020 study, the U.S.-based company ranks ahead of competitors Airbnb, Trip.com, and Expedia. Second-ranked Airbnb's market cap amounted to roughly 87.1 billion U.S. dollars.

The following table indicates some competitors and their advantage features:

Company	Activities
Airbnb	<p>Is an online marketplace for arranging or offering homestays and also tourism experiences.</p> <p>Possible to select experiences according to place and date.</p> <p>Giving the possibility for individuals to rent spaces at their properties.</p>
Trip Advisor	Possibility to organize a trip itinerary. Asks for the place, the date and with whom is the trip.
Kayak	Possible to organize and share travel plans.
Smart box	Sells experience in a form that can be gifted to others.

## 2.2 eService Market

The eServices market is defined by the sale of online services and digital goods via the internet. The definition includes event tickets (sport events, music events and cinema tickets), fitness apps and wearables, dating services (matchmaking, online dating, casual dating) as well as online food delivery (restaurant-to-consumer and platform-to-consumer delivery). The ticket reservation or purchase can be completed on a desktop PC or via mobile devices (smartphones or tablets) fig.9.

The definition of eServices does not include media content acquired online (Digital Media) or the online sale of physical goods (eCommerce). Furthermore, no business-to-business segments are included, neither are revenues from

online gambling, software downloads and services, or commission fees of price/product comparison sites.

In this study we study the event tickets sector as a major, which AYLI will compete all along with that sector holders.

## Market Highlights

- Revenue in the eServices market is projected to reach US\$238,736m in 2021.
- In 2020, although there was a reduction in event tickets sector, the overall market kept the same trend, and expected to have more growth due to the high potential to move events to online format.
- Revenue is expected to show an annual growth rate (CAGR 2021-2024) of 7.61%, resulting in a projected market volume of US\$297,484m by 2024.
- The market's largest segment is Online Food Delivery with a projected market volume of US\$151,526m in 2021.
- In global comparison, most revenue will be generated in China (US\$72,269m in 2021).

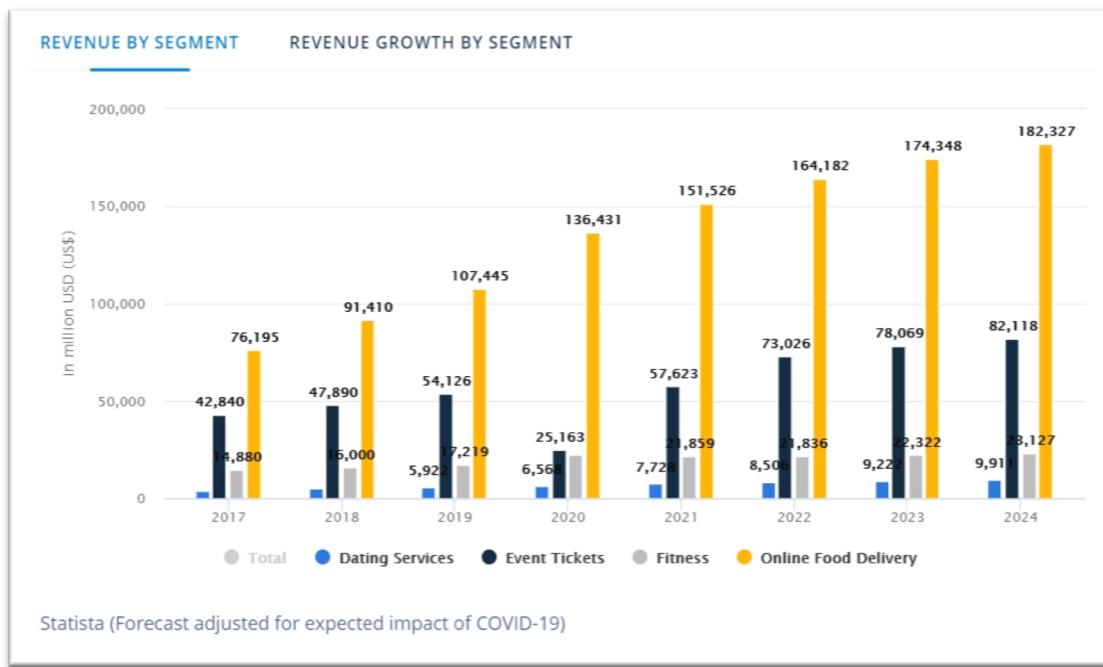


Figure 9 eService market segments.

The ubiquitous use of the internet and mobile phones has triggered a flourishing e-Services business, which is still on the rise. Since eServices are generally referring to the provision of any service via the Internet, a clear market segmentation is often impossible. All four segments that we are covering in our

analysis (Event Tickets, Fitness, Dating Services and Online Food Delivery) can be also viewed as separate entities.

### *2.2.1 Key features*

The eService market outlook is positively impacted by several relevant demographic, economic and technological developments through 2021. These include:

- population growth (+0.7%)
- Internet penetration (+3.8%)
- smartphone penetration (+6.6%)
- food expenditure/capita (+3.5%)
- single-person households (+1.8%)
- indoor cinemas/million inhabitants (-0.5%)

The technology for connecting with consumers is evolving too. For instance, radio-frequency identification (RFID) tag technology in tickets or wristbands at live events will allow event organizers to analyze customer behavior to shape customer service and marketing strategies.

Or look at grocery shopping — even Amazon is moving into online grocery delivery service with Amazon Fresh now available in 18 markets worldwide. Logistics and speed (which will impact pricing) will help differentiate the successful player in this area.

The e-Services market is always evolving in response to customer needs and whims as well as the rapid transformation technology. With growing market share, eService remains an especially intriguing vertical for marketers.

### *2.2.2 Competitors and Market share*

Taking a look at the event ticket sector in which AYLI will mainly compete and more specifically we start from the market in Italy.

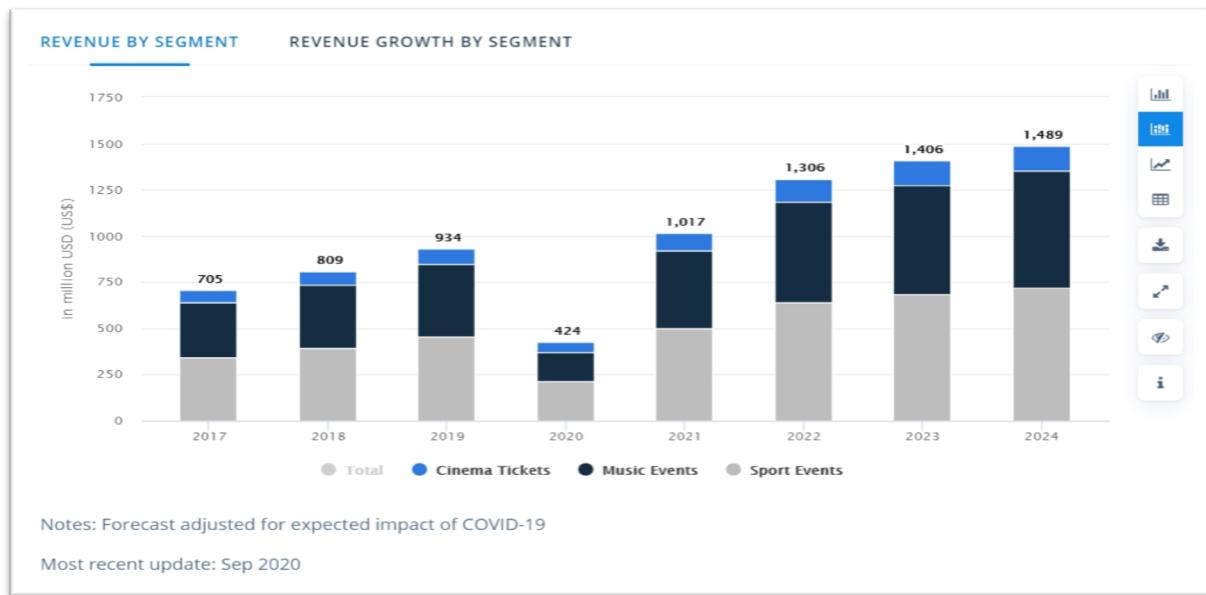


Figure 10 Revenue

The Event Ticket market already has high adoption rates, and it is expected to have a further shift to mobile ticket purchasing via ticketing websites/apps on smartphones or IoT devices. The strongly consolidated market is dominated by a few key players like Ticketmaster (5.14 % market share), Ticket tailor, Brown Paper Tickets or Vendi, and large online providers frequently combine primary and secondary ticket marketplaces in order to increase their inventory.

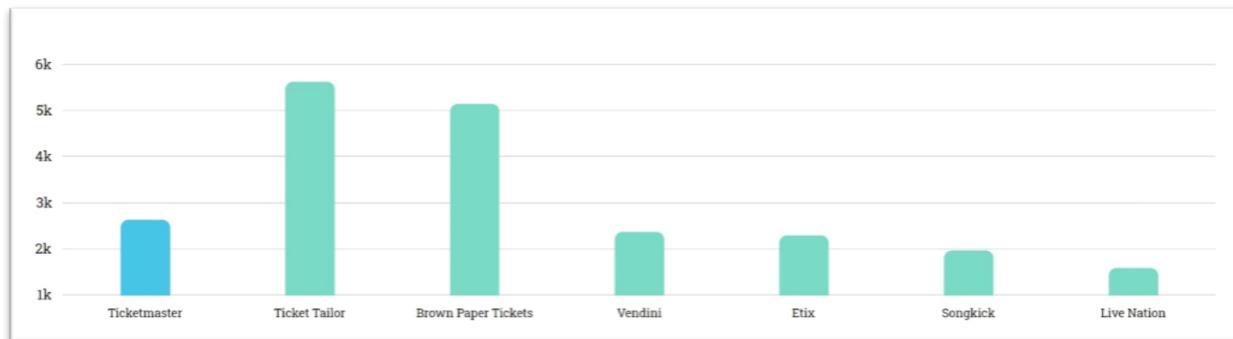


Figure 11 Event tickets competitors indicated by their websites' contributions [4]

## FEASIBILITY STUDY

To start our financial analysis, we should setup a marketing plan, expenses, and revenue models, hence we can stand on the required fund and the expected turnover of the project.

### 3.1 Marketing plan

Our marketing strategy consists of five main categories:

- 1- Websites advertising
  - Ad-Sense
- 2- Influencers Partnership

- 3- Social media
  - Facebook
  - Instagram
- 4- Outdoor
  - Billboards
  - Bus benches
- 5- Public relations (PR) representatives

### **First stage (First 6 month)**

The first stage depends on the websites' ads and social media.

#### **Assumptions**

##### **1- Website and social media**

- I. AdSense.
  - CPM (cost per thousand impression) is 5\$ according to AdSense by google.
  - CPR (cost per rate) is 5%
- II. Influencers Partnership, to use our website and pages on social media platforms to share their experience with their followers, which expected to add an average 200 user per day over a month and to cost around 1500 \$ per month.
- III. Facebook.
  - CPM is 5\$
  - CPR is 5%
  - CPC is 0.8 \$
- IV. Instagram
  - CPM is 5\$
  - CPR is 5%
  - CPC is 0.2 \$ [5]

2- For the first stage of the campaign the target is an average of 4000 audience per day, with expected CPR of 5%.

3- Number of engagement to use the website is assumed to be 50% of the total reach.

4- The total budget for the first stage (6 month) is:  $\frac{4000}{1000} \times 5\$ = 20 \$ \text{ per day}$   
 $6 \times 30 \times 20 = 3,600 \$ \text{ for 6 months.}$

5- The budget is divided by 60% for AdSense, 20% for Facebook and 20% for Instagram.

### **Second stage (second 6 month)**

the second stage (step one) - in addition to the same procedure of the last stage for AdSense and social media advertising- will start to have an outdoor campaign and sales representative will be hired.

#### **Assumptions**

In website ads and social media marketing assumptions for the first stage holds, with budget of 3,600 \$.

1. Outdoor campaign as following:
  - Billboards' budget of 1000 \$ per month.
  - benches' budget of 700 \$ per month.
2. public relations (PR) representative is expected to conduct long term deals with different entertainment agencies or local businesses to set their ads on our website and social media pages, an expected salary of 1000 \$ is assigned for this position. Total advertising budget for second stage is set to be 3,600 \$  
 $+ 1,700 \times 6(\text{month}) = 10,200 + 1,000 \times 6(\text{month}) = 6,000 , \text{ Total} = 19,800 \$$

In brief, the marketing cost of the first stage is 3,600 \$ while the second stage is 19,800 \$.

### 3.2 Market Size

In the first year AYLI will focus on the Italian market

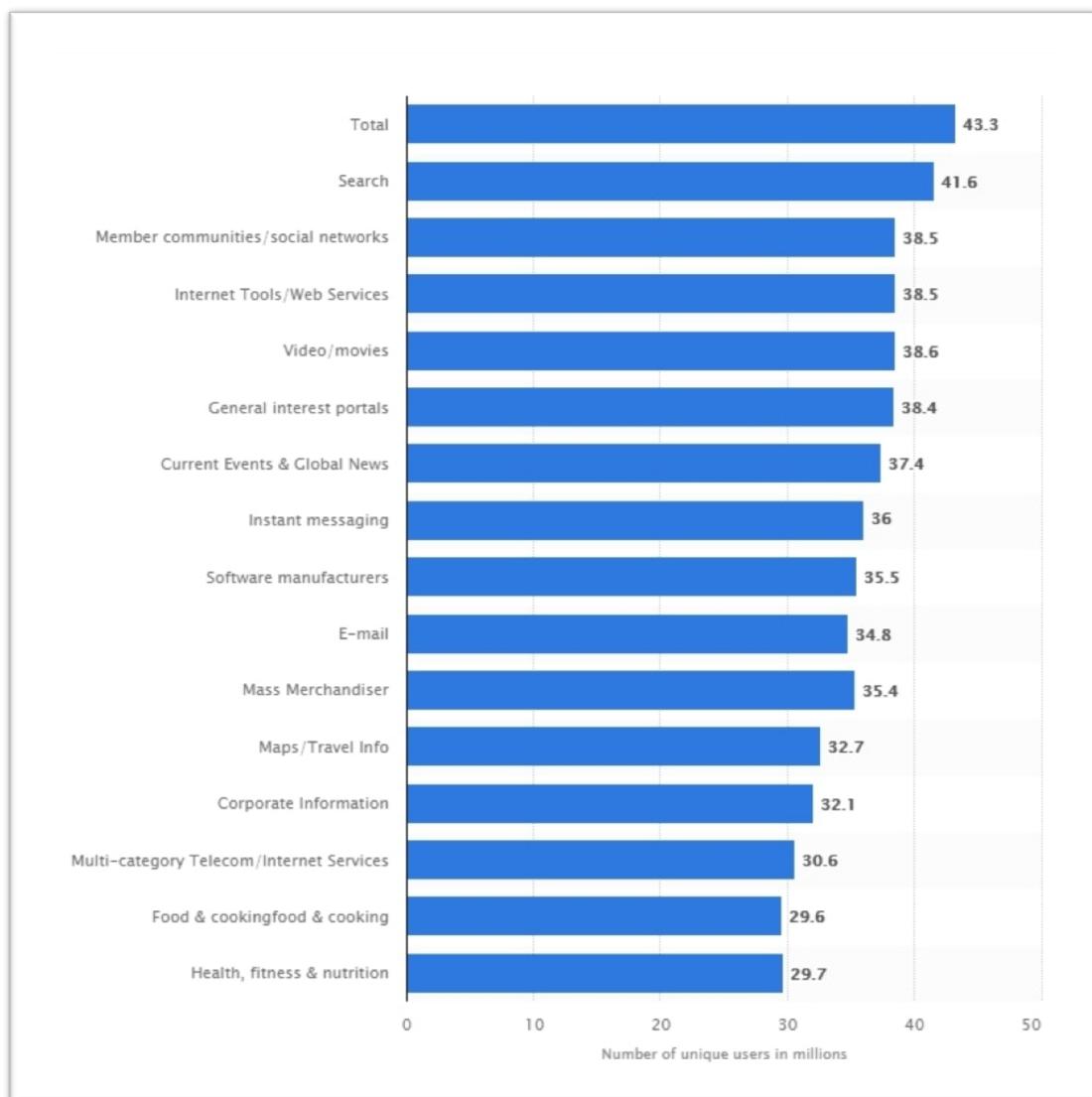


Figure 12 Most visited websites in Italy by category.

From our previous categories and market analysis we will assume that AYLI market size (in the first year) is 39 million user.

### 3.3 Expenses and Revenue Models

Overall	First stage	Second stage
Expenses	Expenses	Expenses
<ul style="list-style-type: none"> <li>1. Capital expenses (Assets) <ul style="list-style-type: none"> <li>• Company headquarters</li> <li>• Appliances</li> </ul> </li> <li>2. Capital expenditure <ul style="list-style-type: none"> <li>• Buy, maintain, or improve the fixed assets, such as headquarters, vehicles, or appliances.</li> </ul> </li> <li>3. Operating expenses <ul style="list-style-type: none"> <li>• Salaries</li> <li>• Technical cost (Maintenance, server, domain, etc....)</li> <li>• Marketing costs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>1. The technical cost is assumed to be indirect cost and 300 \$ for each month the first stage.</li> <li>2. Marketing costs as mentioned in Marketing plan.</li> </ul>	<ul style="list-style-type: none"> <li>1- Office with monthly rent and bills of 800 \$ will be introduced.</li> <li>2- The technical cost is assumed to be indirect cost and 300 \$ for each month the 2nd stage.</li> <li>3- Marketing costs as mentioned in Marketing plan.</li> </ul>
Revenue	Revenue	Revenue
<ul style="list-style-type: none"> <li>• In website ads (Through, 3<sup>rd</sup> party agent as AdSense)</li> <li>• In website ads (companies' deals)</li> <li>• Freemium.</li> <li>• In website purchase.</li> </ul>	<b>Assumptions</b> <p>AdSense.</p> <ul style="list-style-type: none"> <li>• eCPM (effective cost per thousand impression) is 0.5 \$ according to AdSense by google.</li> <li>• CPC (cost per Click) is 0.25\$</li> <li>• Time each user spending on website every day is 10 min.</li> <li>• Only 58% of the users use the Website every months.</li> </ul>	<b>Assumptions</b> <ul style="list-style-type: none"> <li>1- AdSense.</li> <li>• Assumptions of the first stage hold.</li> <li>• Number of user expected to increase by average of 400 user per day a month as a result from the outdoor campaign.</li> </ul> <p>2- In website Ads (companies' deals) the revenue of this deals is expected to be 10 deals for the first month with increase 50% each month, and the deal value is expected to be 100 \$ a month.</p>

	<ul style="list-style-type: none"> <li>The rate of ads banner by AdSense is every 1 min.</li> <li>Only 5% of the users will click on the Ads banners.</li> </ul>	<p>3- Freemium.</p> <p>The freemium business model allows users to utilize basic features of the website F free, then charges for "upgrades" to the basic package.</p> <ul style="list-style-type: none"> <li>The upgraded features will cost 10 \$ per month for each user.</li> </ul> <p>The expected number of the subscription is 5 % of the total users in the month.</p>
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### 3.4 Analysis Results

The financial analysis has been carried out using MATLAB code, Appendix, which gives the flexibility to adapt any new parameters and/or change any assumptions.

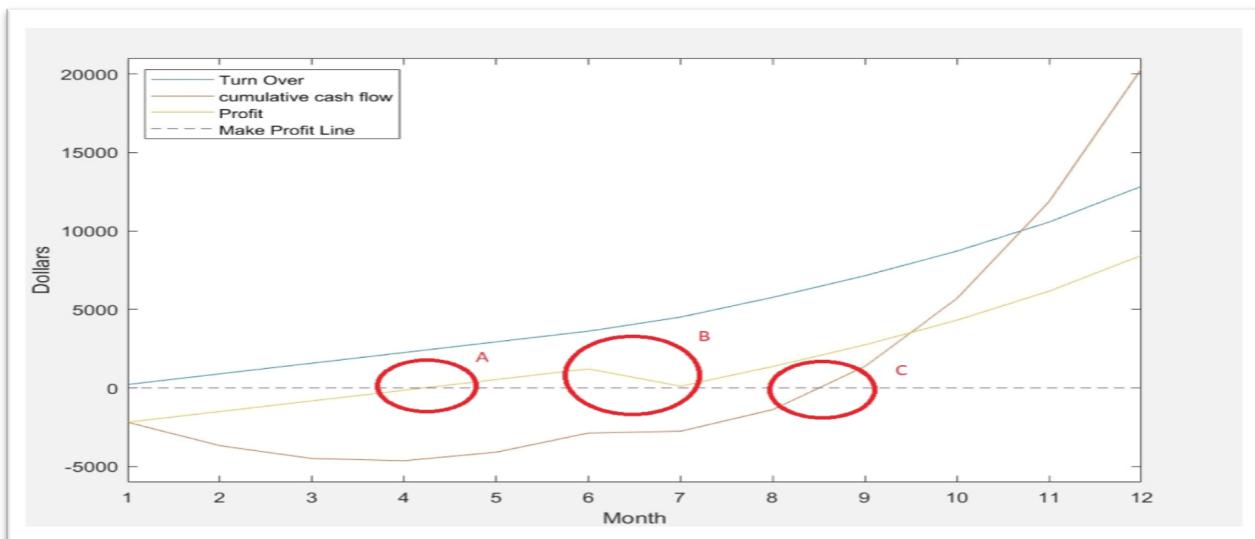


Figure 13 Financial Study results

Comments:

1. The point at region A is where AYLI is starting to make profit in early April.
2. The drop in region B is due to the increase in costs due to the marketing new strategy, and it demonstrates that although there is a drop, the profit curve will not hit the zero-profit line again and at the end of this period the profit is near 120 \$.
3. Region C indicates the payback time of AYLI nearly mid-August, which after the cash flow will be positive and will reach 20,300 \$ at the end of the year.
4. The overall cost of the project is expected to be 40,000 \$ excluding any assets.
5. Assets to be added in the first year of 10,000 \$.
6. The overall fund needed is 50,000 \$.

## Appendix

```

clc,clear
% All the assumption(%INPUT%) is done depending on the market study
% all prices dollars %
% all percentages are in a fraction form %

Revenue Model assumptions of First Month

MarketVolume=39*(10^6); % Million user
Aud=4000; % from marketing campagin audiance target per day
CPR=0.05;
UNP=0.5;
EPP=Aud*CPR*UNP;
eCPM=0.5;
CPC=0.25;
TUAD=10;
UPM=0.58;
Adr= 1;
UCPC= 0.05;
PrToverCPM=((EPP*30*TUAD*UPM*Adr)/1000)*eCPM;
PrToverCPC=((EPP*30*TUAD*UPM*Adr*UCPC))*CPC;
PrTover=PrToverCPM+PrToverCPC;
for i=1:5
NewEPP(i)=EPP(i)+100+200; % 200 AUDIANCE DUE TO INFLUNCERS TO BE ADDED
PrToverCPM(i)=((NewEPP(i)*30*TUAD*UPM*Adr)/1000)*eCPM;
PrToverCPC(i)=((NewEPP(i)*30*TUAD*UPM*Adr*UCPC))*CPC;
PrPPT(i)=PrToverCPM(i)+PrToverCPC(i);
EPP(i+1)=NewEPP(i);
end
PrTurnOver= [PrTover PrPPT(1) PrPPT(2) PrPPT(3) PrPPT(4) PrPPT(5)];

```

First stage costs

```

CPM=5; % cost per thousand
for i=1:6
AC=(Aud/1000)*CPM; % audiance cost per day
PrCost(i)=30*AC;
end
grossprofit= PrTurnOver-PrCost;
grossmargin= (grossprofit./PrTurnOver)*100;
ProfitbeforeIndirects=grossprofit;
for i=1:6
PrIndirectCost(i)=300+1500; % 300 for technicality and 1500 for influncers
end
Profit=ProfitbeforeIndirects-PrIndirectCost;
Totalcost=sum(PrCost)+sum(PrIndirectCost)
TotalProfit1=sum(Profit);
TotalProfit=round(TotalProfit1)

```

Totalcost =

14400

second stage

```

EPP2>NewEPP(5);
PrToverCPM2=((EPP2*30*TUAD*UPM*Adr)/1000)*eCPM;
PrToverCPC2=((EPP2*30*TUAD*UPM*Adr*UCPC))*CPC;
%assumption for sales deals

```

```

Nd=10; % number of deals per month % increase 50% every month.
Rd=50; % revenue from a deal per month
PrToverD=Nd*Rd; % per month
%assumption for Freemium
Rf=5; % 10% monthly subscription for upgrade users.
Nf=0.05*EPP2; % number of Freemium user among all the users.
PrToverF=Nf*Rf; % per month
PrTover2=PrToverCPM2+PrToverCPC2+PrToverD+PrToverF;
for i=1:5
NewEPP2(i)=EPP2(i)+400;
PrToverCPM2(i)=((NewEPP2(i)*30*TUAD*UPM*Adr)/1000)*eCPM;
PrToverCPC2(i)=((NewEPP2(i)*30*TUAD*UPM*Adr*UCPC))*CPC;
Ndnew(i)=1.5*Nd(i);
PrToverD(i)=Ndnew(i)*Rd;
Nf=0.05*NewEPP2(i);
PrToverF(i)=Nf*Rf;
PrPPT2(i)=PrToverCPM2(i)+PrToverCPC2(i)+PrToverD(i)+PrToverF(i);
EPP2(i+1)=NewEPP2(i);
Nd(i+1)=Ndnew(i);
end
PrTurnOver2=[PrTurnOver PrTover2 PrPPT2(1) PrPPT2(2) PrPPT2(3) PrPPT2(4) PrPPT2(5)];
% second stage costs
% direct costs due to in-app advertising
CPM=5; % cost per thousand
for i=1:6
AC=(Aud/1000)*CPM; % audience cost per day
PrCost2(i)=30*AC;
end
PRC=[PrCost PrCost2];
grossprofit2= PrTurnOver2-PRC;
grossmargin2= (grossprofit2./PrTurnOver2)*100;
ProfitbeforeIndirects2=grossprofit2;
% indirect costs
% rent&bills (800$), salary (1000$)
% outdoor marketing company (1700$)
% technical maintenance (300$)

```

```

% total = 3800$ per month
for i=1:6
PrIndirectCost2(i)=3800;
end
PRI=[PrIndirectCost PrIndirectCost2];
Profit2=ProfitbeforeIndirects2-PRI;
Totalcost2=sum(PRC)+sum(PRI);
TotalProfit12=sum(Profit2);
for i=1:12
j=i;
TP(i)=sum(Profit2(1:j));
end
TotalProfit2=round(TotalProfit12)

```

```
Totalcost2 =
```

```
40800
```

```
TotalProfit2 =
```

```
20314
```

```

figure
x=[1:12];
plot(x,PrTurnOver2,x,TP,x,Profit2)
axis([1 12 -6000 21000]);
xticks([1:12])
hold on ;
plot ([0, 12], [0,0], '---')
xlabel('Month')
ylabel('Dollars')

```

## REFERENCES

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