Entrepreneurship

Assessments # 05

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Smart Tour System

1. Market Feasibility:

Our Smart Tour System targeted:

- ✓ **Domestic and international Tourists:** Our basic focus is to tech-savvy travelers seeking personalized travel experiences in Pakistan.
- ✓ **Adventure Travelers:** The people how are interested in hiking, trekking and nature exploration (e.g., Swat, Hunza, Skardu, Naran, kalam and Malam Jabba) etc.
- ✓ **Cultural and Heritage Enthusiasts:** The lover of historical and cultural sites vaster like (Mohenjo-Daro, Lahore Fort, Hub of Buddhist in Swat) etc.
- ✓ **Families & Leisure Travelers:** Family-friendly destinations.
- ✓ **Budget Travelers:** Those people who looking cost-effective travel option for its.

Analyze market demand, customer pain points, and buying behavior:

- **Market Demand:** The Pakistan tourism sector has seen significant growth, with the government of Pakistan repot indicating a 300% increase in foreign tourist arrivals in recent years. The rise of smartphone penetration (over 75% of traveler use online platforms) and government also initiatives to promote tourism in (e.g. Northen area, cultural sites and also new city) drive demand for digital travel solution etc.
- **Customer pain points:**
    - Safety concern duo to lack of real time updates.
    - Problem to integrating transport and accommodation bookings of hostel and car etc.
    - Outdated the travel information on destination, routes and safety.
    - The lack of personalized travel recommendation.

- **Buying behavior:** we can given free trials for Pakistan travelers prefer with optional upgrades (freemium model). Younger demographics (15-45 years) are influenced of social medial, influenced of travels and peer reviews.
The international tourists seek reliable, all-in-one platforms for planning.

- **Competitor Analysis and Market Position**

  1. **Competitors:**
     a. Google Map
     b. TripAdvisor
     c. Local Travel agencies

  2. **Market position:**
     a. The **Pak Tour Smart** differentiates itself with AI-driven personalization (Hybrid collaboratives + content-based filtering).
     b. The real-time weather and safety updates, and integrated booking services.
     c. All position its self in one-stop, tech-savvy solution for Pakistan-specific travel needs.

- **SWOT Analysis:**

  a. Strengths: Real-time updates, AI-powered Personalization, partnership with the local agencies and user-friendly web/mobile platforms.
  b. Weaknesses: We are limited brand recognition, initial high investment in technology, and dependence on external APIs for our data.
  c. Opportunities: Growing tourism market, untapped the international tourist segment, government support for digital transformation.
  d. Threats: Competitors the global market platforms, data privacy concerns and economic instability affecting travel budgets.

- **Porter's Five Forces Analysis Moderate:**

  1. **Threat of new Entrants:** High initial tech investment and need for local partnerships create barriers, but low-cost apps could emerge.
  2. **Bargaining Power of Suppliers: Reliance** on APIs (Open-weather, Careem) and our local partners is (hotels, agencies, and local cars) gives suppliers some leverage.
  3. **Bargaining Power of Buyers:** free platforms like google map or Tripadvisor.
  4. **Threat of Substitutes:** Manual travel planning to social media/blogs or global apps are viable alternatives.

5. **Industry Rivalry:** high intense completion from established global platforms and local agencies requires constant innovation.

2. Technical Feasibility:

Technology, Materials, or Systems Required

- **Platform**: Mobile used for (IOS & Android) and web-based application they are scalable cloud architecture like (AWS, Google Cloud etc.).

- **AI System:** The AI system is hybrid recommendation engine using collaborative filtering of user behavior and content-based filtering. Our machine learning models for itinerary planning, trained on travel data of user.

- **API:**
    - For Safety data we used a local government APIs and Crowd-sourced updates.
    - Real-time Open-Weather updates and ACCU-Weather.
    - Booking the hotels, transport like Careem, local cars etc.

- **Infrastructures:** Storage the user profiles in servers and data processing form the sever if we need it. The cybersecurity and encryption of sever side and user side also available.

- **UX/UI: Des**ign an offline map to access a user's, planning and user review features its.

Gaps and Acquisition Plan:

- **API cost:** Explore Government tourism API for Free data access.

- **Advanced AI used: We** can hire a Specialized AI engineers or consultants for optimizing recommendation algorithms.

- **Scalability:** To use a high performance, sever and load balancers to hander 50000 to 80000 users within 3 years.

3. Financial Feasibility:

Present a summary of startup costs, expected monthly operating costs, and revenue projections.

No.	Item Name	Estimated Cost	Details of items
1	**App Development**	**800,000**	mobile/web app with AI features, UI/UX design, and testing.
2	**Website Setup/Development**	**150,000**	Premium domain, hosting, and professional design.
3	**Initial Marketing**	**400,000**	Influencer campaigns, social media ads, and travel expos.
4	**AI Setup**	**600,000**	Servers, cloud setup (AWS/Google Cloud), and AI model training.
5	**Legel Consulting**	**150,000**	contracts, and legal advisors for partnerships.
6	**Licenses & Permits**	**50,000**	Business registration, app store fees, and compliance costs.
7	**Office Setup**	**700,000**	Office furniture, laptops, software subscriptions.
	Total=	**2,805,000**	

Monthly Operating Costs:

No.	Item Name	Estimated Cost	Details of items
1	Salaries (8 staff)	400,000	Developers, AI engineers, marketing, customer support, admin, and local tour guides.
2	Rent	70,000	Office location in Peshawar.
3	Insurance	15,000	Business insurance.
4	Internet & Utilities	15,000	High-speed internet for office.
5	API/cloud fees	50,000	Weather, safety, and booking APIs; cloud hosting etc.
6	Marketing	100,000	Influencer campaigns, social media ads, and travel expos.
7	Serve Maintenances	30,000	Scalable infrastructure for growing user base.
8	Miscellaneous	50,000	Travel, stationery, and unforeseen expenses.
	Total =	710,000	

Revenue Projections First 12 Months:

Months	freemium	Basic Subscriptions (100 Rs)	Premium Subscriptions (500 Rs)	Ads/partner Revenue	Total revenue of the months
1	1,000	50	30	5,000	25,000
2	2,000	50	30	5,000	25,000
3	2,000	100	30	5,000	30,000
4	3,000	100	50	10,000	45,000
5	3,000	150	50	10,000	50,000
6	3,000	150	100	10,000	75,000
7	4,000	200	100	25,000	95,000
8	4,000	200	100	25,000	95,000
9	4,000	200	150	50,000	145,000
10	5,000	500	300	250,000	450,000
11	5,000	1000	700	300,000	750,000
12	6,000	1200	900	500,000	1,070,000
Total is =					2,855,000

Break-Even Point and Profit Potential:

- Total startup Costs is **2,805,000.**
- Months operating cost is **710,000.**
- Average Months revenue of 1 year is = 2,855,000/12 is 237,916.66 per months.
- **Loss of last 10 months is** ✅ **Total: 6,705,000**
- After the month of 10 our business is going in the profit.
- Month of **11 and 12 total profit is (400,000**). In next **2 year we can full recovery** our startup cost and loss of the revenue growth continues like this.

  Profit Potential:

  - ✓ Next 2 year our business has reached in 50000 to 80000 users in months and expanded international services, our months revenue after 2 year is up to 2,000,000 and its profits will be 1,290,000 Rs.

  Funding Needs and Sources:

  - ✓ **Funding needs: 2,805,000** our startup + **6,705,000** our operating losses for 9 months total is = **9,510,000.**

  - ✓ **Sources:**

    - o **Bootstrapping**: 3,000,000 lacs invested.

    - o **Small Business Loan:** 3,000,000 lacs load from bank.

    - o **Angel investors: 3,510,000** investors to cover loss of the 9 months.

4. Legal and Regulatory Feasibility:

Applicable Licenses, Regulations, or Legal Issues

- **Business Registration:** we can registration our business in Pakistan private Limited Company with the **Securities and Exchange Commission of Pakistan** (SECP). The cost of registration fee is 50,000 included in startup costs.
- **App Store Compliance:** Google play and Apple store guidelines. The data privacy and in-app purchases.
- **IP protection:** The "PakTourSmart" brand logo and Ip protection to safeguard AI algo.

Environmental, Health, or Safety Compliance

- **Environmental:** The Eco-Friendly system.

- **Health:** The real-time safety APIs and Crowd-sourced alerts to ensure traveller safety in remote area like swat and Gilgit-Baltistan.

- **Safety:** Provide health advisories.

5. Operational Feasibility:

Daily Operational

- ✓ **User Interaction:** user access the app/website, input preferences budget and in interests, and receive AI-driven.

- ✓ **Backend:** AI system processes user data, fetches real-time updates (weather and safety).

- ✓ **Marketing:** Influencer campaigns and social medial ads with referral user.

key operational needs:

staffing, suppliers, delivery, logistics, facilities, etc.

- ✓ Staffing: 8 Staff (Developer, AI engineers, marketing, customer support, admin)

- ✓ Suppliers: APIs provides (open weather, Careem), Cloud services (AWS) and local partners (hotels, agencies etc.).

- ✓ Logistics: Focus on server and cybersecurity.

- ✓ Facilities: Main office in Peshawar with high-speed internet, laptop and software tools.

6. Risk Management & Crisis Handling:

Key Risk

- ✓ Financial: losses due to operating cost exceeding revenue in the first 10 months.

- ✓ Technological: Medium impact, and a low likelihood cloud infrastructure.

- ✓ Market-based: High impact, high likelihood duo to competition.

Crisis Handling

- ✓ Scenario: API failure disrupts real-time updates.

- ✓ Scenario: Negative user feedback due to inaccurate recommendations.

- ✓ Scenario: cash flow of shortage.