



**ADA UNIVERSITY**

**SCHOOL OF BUSINESS**

**MASTER OF BUSINESS ADMINISTRATION**

**FOOD DELIVERY BUSINESS PLAN**

Abbasov Javid, [jabbasov2019@ada.edu.az](mailto:jabbasov2019@ada.edu.az)

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## **ABSTRACT**

*Considering the rapid expansion and volume of the food delivery industry, the business model of an online food delivery platform was picked as a startup idea. The main objective of this paper is to present a detailed business model of APPW, a mobile application that provides food delivery service to residents of Baku city, Azerbaijan. Regarding the methodology of the project, a quantitative and qualitative research approaches were applied in the process of market research. In order to achieve competitive advantage various strategic management techniques were utilized, including SWOT analysis, Porter's Five Forces, Pestel analysis.*

## INTRODUCTION

The current research study is a detailed business plan for creating a new entrepreneurial start-up and consists of several aspects ranging from identifying a new business opportunity to preparing a roadmap for the next few years. According to Haag, “the business plan should clearly and concisely define the mission, values, strategy, measurable objectives, and key results the owner expects”. A well-prepared business plan is the most crucial business document for an entrepreneur (Haag, 2013).

The rapid advancement of information technology has impacted almost every area of the economy, including the food industry. According to Ram & Sun, the rapid growth of e-commerce has accelerated many new forms of business, such as B2B (business to business), C2C (customer to customer), and O2O (online to offline) (Ram & Sun, 2020). In addition, the rapid expansion of the e-commerce business was facilitated by the advent of internet-based platforms, which shifted the retail landscape from traditional shopping to e-retailing. The business of O2O or e-retailing “is a marketing method based on information and communication technology (ICT) whereby consumers place orders for goods or services online and receive the goods or services at an offline outlet” (Ji et al., 2014). Furthermore, the technological revolution has altered consumer preferences and behavior, allowing them to conduct all of their operations online, including the food delivery sector.

Li, Miroso & Bremer report that “the strongest growth of e-commerce over the last few years has occurred in China, where, in 2019, sales were worth US\$1.935 trillion—an amount which was more than three times higher than that spent in the United States (US\$586.92 billion), the second-largest market” (Li, Miroso & Bremer, 2020). As a result of the digital revolution, a new business model has emerged, which is considered one of the fastest-growing breakthroughs in the e-commerce sector. The model is an online food and grocery ordering service that allows customers to order cooked meals from a variety of cuisines via delivery applications. Due to the convenience provided by the platform, customers all across the world are switching to online orders and more options to make purchases with less effort and expense. Following the report of Eerdewijk, “these digital meal-delivery platforms broaden both choice and convenience and allow consumers to place orders from a considerable line-up of restaurants, just with a single press of a button” (Eerdewijk, 2017).

In addition to technological progress, the global COVID-19 pandemic, in turn, has also accelerated the development of the food delivery business. Due to the fact that the

disease had a high risk of death and person-to-person transmission, the practice of social and physical distancing, lockdowns and prohibition of close contacts during the COVID-19 crisis was mandatory, which had a negative impact on most industries, including the catering sector. Thus, many restaurants and cafes had to switch to contactless and online food delivery systems in order to survive. Nevertheless, not only restaurants but also consumers had to change their usual habits and completely switch to the format of contactless ordering and food delivery. Considering the risk of transmission, the consumers were willing to pay a shipping charge in exchange for faster delivery. Moreover, various studies have revealed similar factors affecting consumers' intention to use food delivery services, namely safety, trust, timeliness as well as efficiency (Jun et al., 2022; Muangmee et al., 2022). On the other side, the closure of many enterprises turned into a global economic crisis, which led to massive layoffs, putting millions of people's jobs and incomes at risk. Ultimately, people who were looking for alternative jobs started working as delivery riders.

The food delivery market is growing day by day and as reported by Forbes, it is expected to reach \$200 billion by 2025, accounting for 40% of total restaurant sales.<sup>1</sup> In the meantime, Muangmee et al. acquaint that the global food delivery revenue increased from 95.4 billion USD in 2018 to 107.4 billion USD in 2019. This number is expected to reach 164.5 billion USD by the year 2024 (Muangmee et.al, 2021).

The main purpose of this paper is to present a food delivery business model with a detailed growth strategy, including a marketing plan as well as financial projections. Due to the competitive environment in the food delivery sector, my business project is aimed at providing consumers with high-quality services via a simple ordering and payment process. Besides, it is important to emphasize that the client-oriented business approach, which will serve as the basis for the entire strategy, holds a specific place in my business plan. Therefore, adding convenience to people's lives and making their lives easier is one of the main objects.

This study consists of seven main chapters, including an introduction, company description, market analysis, organization and management, marketing plan, financial projections as well as a conclusion. The next chapter talks about the market analysis in the business plan.

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<sup>1</sup> <https://www.forbes.com/sites/sarwantsingh/2019/09/09/the-soon-to-be-200b-online-food-delivery-is-rapidly-changing-the-global-food-industry/?sh=1bb8d442b1bc>

## MARKET ANALYSIS

This chapter of the research project is devoted to the market analysis in the food delivery industry and investigates the size of the market by volume, competitiveness, and the economic environment.

Considering the rapid development and spread of the food delivery industry around the world, Azerbaijan has also made a breakthrough in the development of food delivery services over the past few years. This study is limited to Azerbaijan and represents a start-up, an online delivery platform, along with providing a high-quality service, that distinguishes itself from its competitors by including a completely new and innovative method of food delivery service.

The report prepared by Hirschberg et al. discussed that there are two types of online platforms in the food delivery industry: “aggregators” and “new-delivery”. The first type, called “aggregators”, belongs to the category of traditional delivery, and appeared fifteen years ago reports. The purpose of aggregators is to simply receive orders from consumers and transmit them to restaurants that deliver the food themselves. According to Nextjuggernaut, these services charge from 10% to 15% service fee and have proven to be highly scalable (Nextjuggernaut, 2015).

The second type of delivery is the “new delivery”, which appeared quite recently, precisely in 2013. According to Hirschberg et al. “in contrast, the new-delivery players build their own logistics networks, providing delivery for restaurants that don’t have their own drivers and despite the higher costs of maintaining delivery vehicles and drivers, the new delivery players achieve EBIDTA margins of more than 30%” (Hirschberg et al., 2016). In contrast to “aggregators”, which only takes fees from restaurants, the new type of delivery platform charges a fixed fee not only from restaurants but also from customers, which makes this type of business more profitable. Nextjuggernaut emphasizes that they charge commission rates of 20% up to 30% (Nextjuggernaut, 2015). Ultimately, the proposed food delivery model relates to the “new delivery” type, which will be discussed explicitly in the section Organization and Management.

The beginning of the development of the food delivery sector in Azerbaijan began when some restaurants and cafes themselves began to offer food delivery services to clients. These restaurants and cafes had their own couriers, and after the customer ordered the preferred food, the restaurant riders delivered it to the specified location, for which an additional fee was charged (some establishments took delivery themselves).

According to the provided research, Nuush.az established by two young entrepreneurs in 2011, was the first company in Azerbaijan, that started providing online food delivery services. The company offered customers more than 8000 dishes from more than 80 restaurants. Subsequently, within 6-7 years, several small businesses entered the local market. Finally, in 2019, Wolt, a world-famous Finnish food and merchandise delivery company operating in 23 countries of the world entered the Azerbaijani business. Wolt operates in numerous Azerbaijani regions, including Baku, Ganja, Khirdalan, and Sumgait, and according to survey results has been and continues to be the most well-known and frequently used food delivery platform among citizens for the past three years. Later, in 2020, Azerbaijan launched the second most popular food delivery platform, Bolt Food, which is owned by a globally recognized mobility company that's recognized in over 45 countries across the globe. In 2019, the food delivery market in Azerbaijan included more than 150 restaurants, as well as more than 10 online platforms. Some of them are *Fooderos*, *Acqalma.az*, *Metbexler.az*, "189 Delivery", *Hungry.az*, etc. (Huseynli, 2019)<sup>2</sup>.

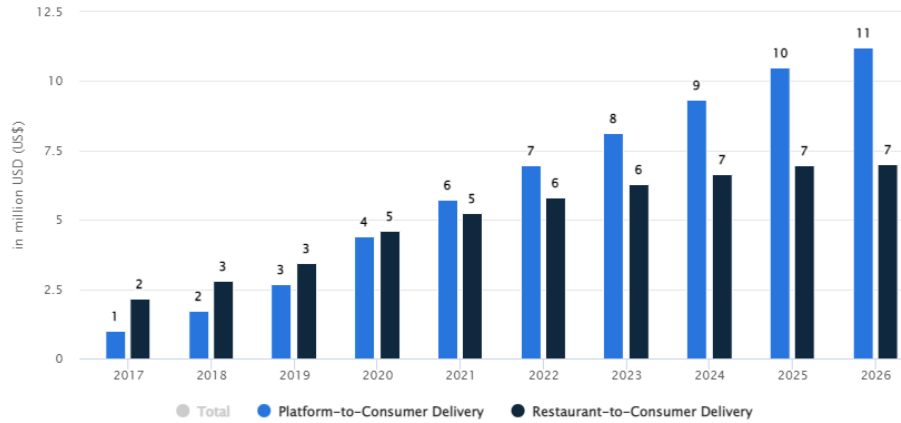
Based on the data obtained from Statista, the revenue of the online food delivery sector in Azerbaijan is expected to reach \$13 million US dollars in 2022. Regarding the annual growth rate, it is projected to reach 9% in 2022-2026 with a market value of \$18 million US dollars in 2026.

Paglioni states that in the Restaurant-To-Consumer Model, "the restaurant started out delivering food via its own locations", however in the Platform-To-Consumer Model, "third party are listing available restaurants close to the customer's proximity, normally through a website or mobile app" (Paglioni, 2019). According to Statista, the market value of Platform-to-Consumer Delivery in Azerbaijan exceeds the market value of Restaurant to-Consumer delivery and amounted to \$6 and \$5 million US dollars correspondingly in 2021. The trend shows that the number of people who prefer Platform-to-Consumer Delivery continues to grow, which will lead to the fact that a gap between Platform-to-Consumer Delivery and the Restaurant to-Consumer delivery is found to be increasing and by 2026 will amount to \$4 million US dollars. Figure 1 shows the market value of segments of the food delivery sector from 2017 to 2026 in Azerbaijan.

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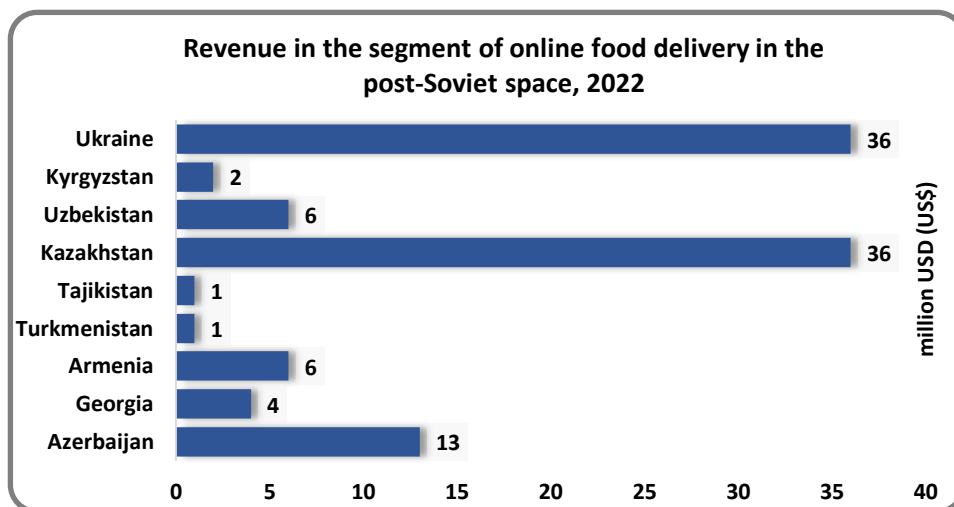
<sup>2</sup> Anar Huseynli is a marketing expert, economist.  
<https://medium.com/azerbaijan/restoran-sektorunu-ciddi-sinaq-gözləyir-a1292a2e8338>





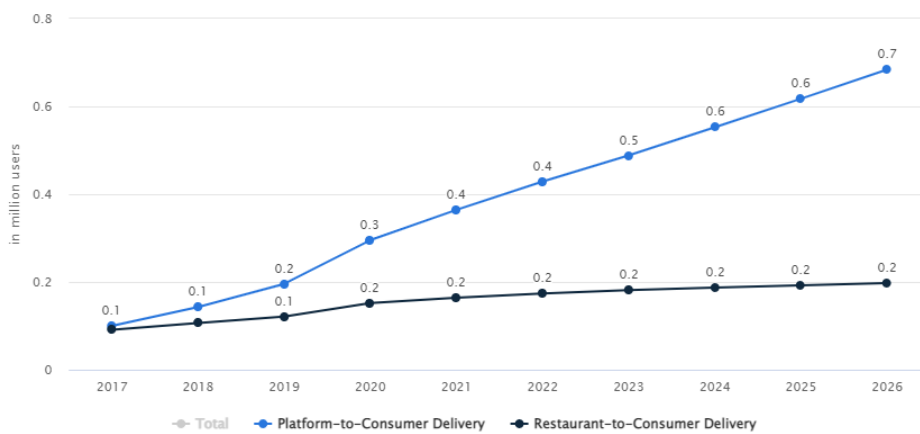
**Figure 1.** The market value of Platform-to-Consumer Delivery and the Restaurant to-Consumer delivery from 2017 to 2026 in Azerbaijan (Source: Statista, 2022).

Although the model is limited to Baku, Azerbaijan, it is interesting to look at the global market. Hence, compared to the global market, the highest revenue from the food delivery market is generated in China, and in 2022 amounted to \$158,100.00 million US dollars. In the post-Soviet space, Russia has the highest revenue in the food delivery market valued at \$2.73 billion U.S. dollars in 2022, which is mainly explained by the size of the population and territory. In addition, the revenue in the segment of the food delivery in other CIS countries comprises \$36 million US dollars in Ukraine and Kazakhstan, \$6 million US dollars in Uzbekistan and Armenia, \$4 million US dollars in Georgia, \$2 million US dollars in Kyrgyzstan as well as \$1 million US dollars in Tajikistan and Turkmenistan. Based on statistics, it is important to emphasize that in comparison with neighboring countries Armenia and Georgia, the Azerbaijani market for food and merchandise delivery is the most developed. Figure 2 illustrates the revenue in the segment of online food delivery in CIS countries.



**Figure 2.** Revenue in the segment of online food delivery in the post-Soviet space in 2022 (Source: Statista, 2022).

Another indicator of the expansion of the market day by day is expressed by the increase in the number of people using the service for online food delivery. Currently, there are 0.4 million users in Azerbaijan using delivery services from Platform-to-Consumer and 0.2 million users using from Restaurant to-Consumer. In the online food delivery sector, which operates through the Platform-to-Consumer delivery, the number of users is expected to reach 0.7 million users by 2026, which is almost 4 times more than now. Nevertheless, in the Restaurant to-Consumer delivery sector the trend remains stable and may even be declining in the future.



**Figure 3.** The number of people in Azerbaijan using from Platform-to-Consumer and from the Restaurant to-Consumer delivery services from 2017 to 2026 (Source: Statista, 2022).

## Data collection

The present section contains information about the data collection methods used during the business planning process. Staniszewski et al. report that the “Data collection process is very important for a company management and is a necessary condition for quick response to the market dynamics” (Staniszewski et al., 2014).

Marketing experts use a wide range of market analysis techniques in the corporate environment, and one of them is A/B testing. Kaufmann et al. define A/B testing as “A/B testing is a popular procedure used, for instance, for website optimization: two versions of a webpage, say A and B, are empirically compared by being presented to users. Each user only sees one of the two versions, and the goal is to determine which version is preferable” (Kaufmann et al. 2014). Thus, A/B testing is a good tool when a company already has a certain product and is used to improve the quality of customer service or the effectiveness of a website and marketing campaigns.

Accordingly, at the initial stage, it is better for APPW to use a market research survey approach to determine the demographics, expectations and needs of consumers before bringing a new product to market. Apart, in our case, a market research survey is preferable to A/B testing for several factors explained below. To begin with, setting up and conducting A/B testing can take quite a long time, which in our circumstances is impossible. Secondly, the survey will be less costly than A/B testing, which is also crucial for a new startup. In comparison with the complicated statistical and organizational challenges of A/B testing, the survey is simple in implementation.

The combination of the qualitative and quantitative research strategies is used in the methodology of the current business project. Apart, data collection was carried out on the basis of primary and secondary data collection approaches. Related to the data collected from the secondary sources, the analysis of the Azerbaijan market was accomplished as part of desk research. All information related to food delivery services in Azerbaijan was collected through publicly available sources such as journals, news portals, academic reports and articles, research papers, and statistical bulletins. Moreover, the following world-leading academic search engines and journals were examined: Google Scholar, Springer, Jstor, Elsevier, Wiley, and SAGE. In addition to open access journals, closed subscription-based publications were reached using the access provided by the ADA University Electronic Library.

Despite the fact that there existed a wealth of information regarding food delivery services on the global market and in many other developed countries, finding anything in Azerbaijan was extremely difficult. Accordingly, a quantitative technique was utilized within the primary data collection method, which included a population survey. Following Krishnaswami & Satyaprasad, “survey is a method of research involving a collection of data directly from a population or a sample thereof at a particular time” (Krishnaswami & Satyaprasad, 2010). Considering that the current start-up project will be implemented in a competitive market, the survey assists to create a competitive advantage by identifying the flaws and dissatisfactions that customers encounter during the ordering process. Furthermore, Abrams & Kleiner highlight that surveys are a useful technique to identify trends and are particularly helpful in assessing customer needs and desires (Abrams & Kleiner, 2000). The survey, consisting of a structured questionnaire, was conducted in April 2022 in order to identify consumer preferences and their recommendations regarding the new delivery platform. The survey contained 12 questions were constructed on Google Forms and distributed electronically and randomly through social media platforms such as Facebook and

LinkedIn. The sample included people of different age groups, using food delivery services. Apart, the questionnaire consisted of two main blocks, the first of which was aimed to filter respondents and collect demographic characteristics, and the second part was the primary section, which included questions related to the food delivery service. The demographic section of the survey comprised two questions about the respondents' gender and age group, which helped to define consumer profiles. On the other hand, the main block contains 10 questions about customer behavior covering the frequency of use of food delivery services, the most frequently delivery platform or application, the order format, monthly delivery spending, factors influencing the choice of platform, minimum price limit, types of meals, as well as customers challenges faced during the ordering process.

O'Gorman & MacIntosh emphasize that “considerable efforts should be made to ensure that the sample obtained is representative of the population under investigation” (O'Gorman & MacIntosh, 2014). Therefore, the survey was conducted based on the sample size, which was determined using an internationally established methodology with a 95% confidence level and 10% margins of error. The appropriate selection of sample criteria allowed for optimizing the validity of the study. In order to calculate the sample size, first of all, it is necessary to identify the population size. The population in our study is considered to be users using Platform-to-Consumer and Restaurant to-Consumer delivery services in Azerbaijan, and, as previously stated, is equal to 0.6 million people. Based on a 95% sampling confidence level and a 10% margin of error, the minimum required number of respondents was calculated 97 based on the formula presented below<sup>3</sup>.

$$\text{Sample size} = \frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left( \frac{z^2 \times p(1-p)}{e^2 N} \right)}$$

Where,

N = population size;

e = Margin of error (percentage in decimal form);

z = z-score.

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<sup>3</sup> <https://www.surveymonkey.com/mp/sample-size-calculator/>

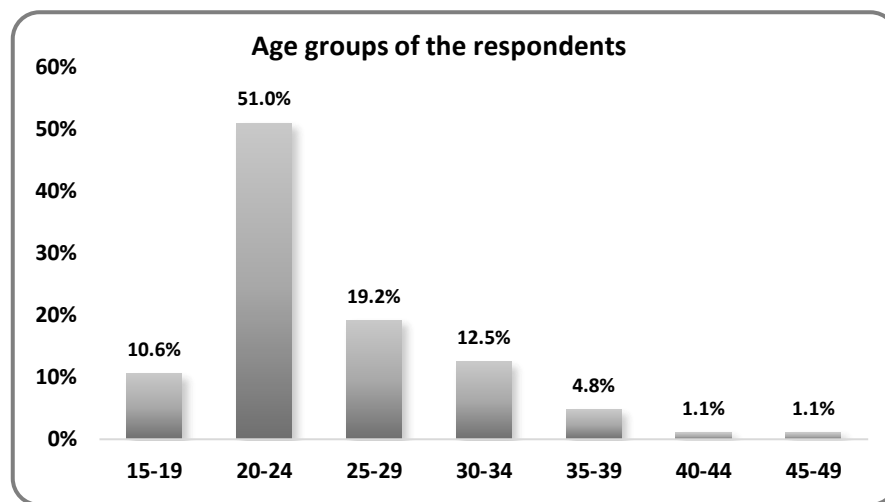
However, it was possible to acquire more responses than estimated, which will help us avoid outliers.

The following subsection of the business project discusses the key findings drawn from the survey analysis.

## Data findings

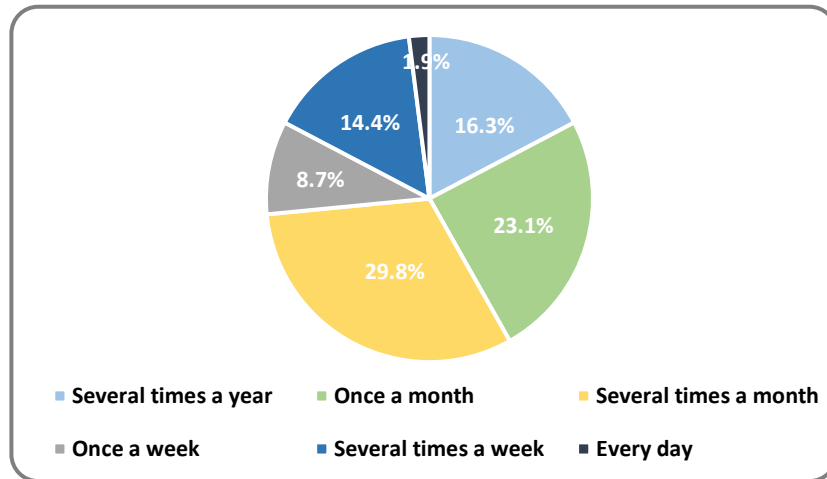
This subchapter of the business plan presents an analysis of the survey results. The respondent's responses were examined using an Excel spreadsheet, which was then used to construct graphic illustrations.

To begin with, it is important to emphasize that in total we were able to question 105 respondents, 58.7% of whom were females and 41.3% were males. The age groups of participants ranged from 15 to 49 years old. The majority of those who did participate in the survey were young people aged 20-24 years old (51%). Meanwhile, of the total number of respondents who took part in the survey, 10.6% were aged 15-19 years, 19.2% aged 25-29 years, 12.5% aged 30-34 years, 4.8% aged 35-39 years and 1.1% aged 40-44 and 45-49 years, respectively. Figure 4 depicts the age group of participants.



*Figure 4. The age group of participants based on the survey results (April 2022).*

A question about the frequency of using food delivery services was also included in the survey. 16.3% of respondents answered that they use the food delivery service several times a year, 23.1% once a month, 29.8% several times a month, 8.7% once a week, 14.4% several times a week, and 1.9% of participants said they order food online every day. Figure 2 shows how often respondents use the food delivery service.



*Figure 5. The frequency of using food delivery services based on the survey results (April 2022).*

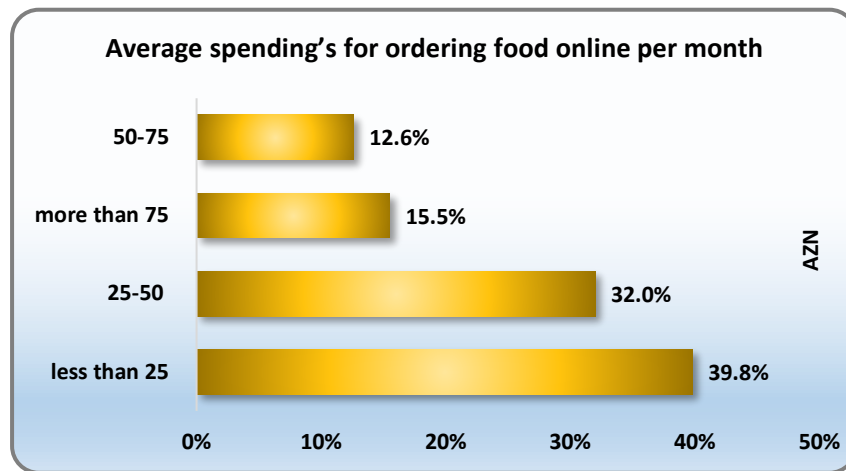
In addition, respondents were asked “Which of the food delivery platforms available on the market do you most prefer to order from?” in order to evaluate the competitive advantage and to analyze which platform available on the market customers use most often. The majority of participants, namely 52%, stated that they most often use the Wolt platform, compared with 44.1% who prefer Bolt Food. The remaining 3.9% noted that they use other platforms or use delivery services directly from local cafeterias.

Platform	Percentage of customers
<b>Wolt</b>	52%
<b>Bolt Food</b>	44.1%
<b>189 Delivery</b>	1%
<b>Local cafeterias</b>	2%

*Table 1. The most commonly used food delivery service in Azerbaijan based on the survey results (April 2022).*

Considering the order format, the majority or 80.6% of customers prefer to order food through a mobile application, which makes the development of the application one of the significant aspects. Only 14.6% of consumers prefer to make orders by phone, while 4.8% through websites.

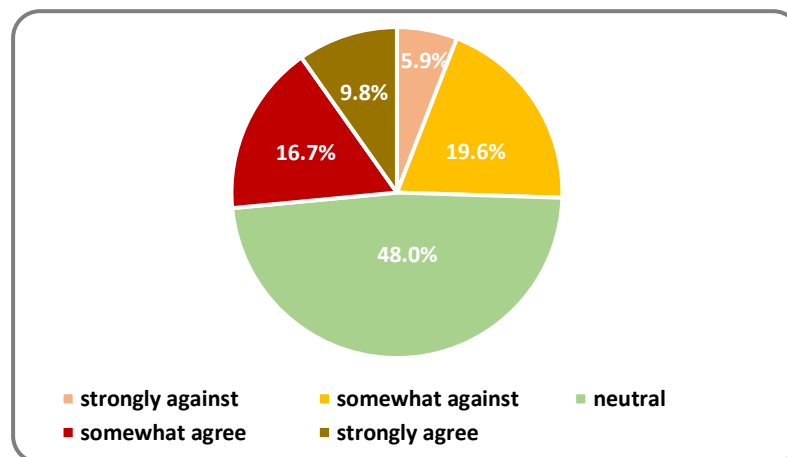
Apart, a question about the average monthly expenses for food delivery was also included in the questionnaire. 39.8% of the participants said they spend less than 25 manats, while 32% spend 25-50 manats per month. The other 15.5% and 12.6% spend on average more than 75 and 50-75 manats, respectively. Figure 6 represents the average monthly spending of customers for ordering food online.



*Figure 6. The average monthly spending's of customers for ordering food online based on the survey results (April 2022).*

Respondents were further asked if they were willing to pay an additional fee for ordering food from multiple restaurants at the same time, of which 61.8% stated they agreed, compared with 38.2% who were against.

It is well known that most platforms have a minimum order price limit, so we decided to ask clients how they feel about this when selecting a company for ordering. The results were surprising: the majority stated that they are neutral, meaning that the minimum order price does not affect the client's decision.



*Figure 7. Customers perceptions of the minimum order price limitation based on the survey results (April 2022).*

In addition, according to the survey results, more than half of respondents tend to use food delivery services during lunchtime. By contrast, 22.9% prefer to order dinner, while 21.9% prefer snacks. Breakfast orders accounted for only 1.8% of total orders.

To provide customers with the best possible delivery service, it was critical to find out the problems that customers encounter during the ordering process. To accomplish this, the

respondents were asked a question: “What problems do you face most often when using online food delivery services?”. The following table shows the responses of the participants.

<b>Problem</b>	<b>Percentage of respondents</b>
Late delivery	54%
Cold food	37%
Couriers attitude	4%
No problem	1%
Notes not taken into account	1%
Increased delivery fee due to distance	1%

*Table 2. The problems of the participants during ordering process based on the survey results (April 2022).*

As shown in the table, customers most often suffer from late delivery and cold food. Clients also have issues with the courier’s attitude, notes that are not taken into account, as well as the increased cost of delivery based on distance.

The next chapter of the business plan presents a company description section.



## **COMPANY DESCRIPTION**

The proposed business plan is an APPW, an Azerbaijani start-up with three co-founders: Javid Abbasov, Adil Aliyev, and Vagif Aghayev. The ownership of APPW is a Limited Liability Company (LLC) with a location in Azerbaijan. The company's offices are located in the Baku area, where the company accepts couriers, signs contracts with them and operate as a courier support center. However, the product team, human resources team, accounting team, customer support team, and all other teams operate from home remotely.

The business specializes in mobile home delivery services. The firm now employs twenty individuals and is accessible in over 310 restaurants throughout Azerbaijan. One of the APPW's three co-founders believes that introducing the APPW for iPhone and Android expands the service's reach to more than 70% of Azerbaijani mobile phone users. The company uses the optimized complex-delivery algorithm that distinguishes APPW from its competitors.

The Azerbaijani market, precisely the city of Baku, is the primary focus. Despite, there is huge competition in the market, the business picked Azerbaijan as the first location to launch the application. Currently, APPW mostly focuses on restaurants, food, and beverage. Nonetheless, it may be used in the future to purchase actual items such as tickets, flowers, and clothing as well as to extend its product portfolio and add services such as delivery from a market, pharmacy and pet store.

## **ORGANIZATION AND MANAGEMENT**

In this section, detailed information about the company's structure and the people involved in the business, location, funding, vision and mission of the company, values, business premises, value proposition, competitive advantage, pricing strategy, key partnership, customer relations, revenue plan and product will be provided.

### **Management and Ownership**

The business structure of the APPW is a Limited liability company (LLC). The company was founded by two IT professionals and one Business Analyst: Javid Abbasov, Vagif Aghayev, and Adil Aliyev. The company's ownership is divided as follows: 50% belongs to Javid Abbasov, and equal shares of 25% are owned by Adil Aliyev and Vagif Aghayev.

It is important to emphasize that I, Javid Abbasov, am a co-founder and Chief Executive Officer of APPW. According to the definition of the Corporate Finance Institute, “A CEO, which stands for Chief Executive Officer, is the highest-ranking individual in a company or organization and is responsible for the overall success of a business entity or other organization and for making top-level managerial decisions”.<sup>4</sup> The responsibilities of the CEO include establishing a clear vision and mission, developing and implementing short and long-term strategies, making top operational management decisions, determining the optimal team structure, reevaluating the strategy and team on a regular basis, and developing a clear project implementation plan.

The organizational structure of the company is divided into the following divisions: DevOps, Engineering, Technology, Products, PMO, Customer support, Marketing, Sales, Finance, Law and Compliance, and HR department. Additionally, each department is managed by an executive manager and had its role and corresponding responsibilities. Depending on the context of their duties and functions, the structure of various departments within an organization is different as presented below.

The DevOps team, consisting of the head of the entire DevOps department, one part-time and one outsourced engineer, will help a company create and deliver high-quality products to end-users.

The Engineering department, in turn, is comprised of the Technical Support and Security Department and is managed by the Vice President. The Technical Support team is

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<sup>4</sup> <https://corporatefinanceinstitute.com/resources/careers/jobs/what-is-a-ceo-chief-executive-officer/>

formed of a leading technical support specialist and two technical support specialists. On the other side, the members of the Security team are senior security specialist and penetration tester.

It is necessary to note that the largest and most important department within the organization is the Product Development Department. The success of the company directly depends on the success of the product and customer satisfaction. Therefore, analyzing client demands, developing new products, and bringing them to market - what the product development team does is essential for this start-up. The Product team is organized into 3 units, the first ones dealing with Analysis, Design and Research, as well as the office of Product Managers and Product Owners. There are six IT/Business Analyst positions in the Analytics section, in contrast with only two UX/UI designer positions in Design and Research. The Product Manager and Product Owners division consists of 5 positions, which include one Product Owner, two Product Managers, a Senior Product Owner, and a Researcher/DeFi Innovation. A Chief Product Officer manages all units in this department and is responsible for the entire product portfolio, as well as for the product's strategy and execution.

The second-largest division of the company is the Technology sector, which includes 9 developers, one architect position, and a chief technology architect. The Technology group is composed of three full-time employees of Back-End and Front-End Developers, two outsourced and one freelance Front-End Developer.

A separate department with the Customer Support team leader and two Support Service professionals makes up the Customer Support Department, which helps to provide technical assistance to consumers to solve different issues.

Besides, the Project Management Office includes six Project Managers and a Delivery Director, whose role is to define the scope of the project, undertake documentation procedures, develop project strategies, and report progress to the CEO.

Business success is not limited only to generating a good product, as well as the proper promotion of the main product and services of the company. The Marketing Department in this venture is aimed at promoting the company's business and mission, formulating sales strategies, as well as developing and implementing customer outreach strategies to promote brand awareness among the population. The Chief Marketing Officer in this department is in charge of developing a corporate advertising and branding strategy. PPC specialist, SEO specialist PR/Event specialist, Retention manager, SMM report to the CMO and are members of the Marketing Department team.

The sales division, consisting of a Head of Sales and two Sales specialist, also play a crucial role in the achievement of the company's goals and oversees the achievement of the sales targets of an organization.

In the Finance sector, there are positions of the Chief Financial Officer, Financial Controller, Accountant, Data Engineer, and Financial/Crypto Assets Manager.

The purpose of the Legal and Compliance team within the business is to assist the company by offering legal services from specialists who are well acquainted with the organization's mission, activities, and processes. The Legal and Compliance Department is divided into two sections and is composed of a Chief Legal Officer, a Risk and Compliance Officer, an AML/KYC specialist, a Compliance specialist, a Legal Officer, and a Senior Legal council.

Finally, the Human Resources sector, whose mission is to recruit, hire, fire employees, effectively manage the staff and bear the responsibility for their training and development, includes 2 specialists, the head of the HR & Recruitment Department, and one recruitment manager.

The next chapter of the research study provides readers with a marketing plan for a Food Delivery Business plan.

## **Location**

The proposed location of business for this start-up is the capital of Azerbaijan, the city of Baku. When choosing a business location, multiple factors should be taken into account. All of these factors that influence the business's location are provided below. First and foremost, as this start-up operates online through a mobile application, the target audience requires digital literacy. According to the Asian Development Bank (ADB) report on Azerbaijan, digital literacy in rural areas is lower compared to urban areas: “Indeed, a 20-percentage point gap in household fixed internet penetration exists between urban and rural dwellers, because of the shortages of fixed infrastructure and lower levels of digital literacy” (ADB, 2019).

Secondly, the number of operating restaurants which would willingly provide customers with a wide selection of cuisines and meals is taken into account. Since there was no publicly available information on the number of catering establishments in urban and rural areas, the information concerning the volume of paid services rendered to the population by economic region was analyzed based on the data obtained from the SSC. Hence, of the total

volume of paid services rendered to the population in the country, which in 2020 amounted to 6,998.4 thousand manats, 4,315 thousand manats came on Baku. <sup>5</sup>

To make sure that the selected location meets the goals and needs of the company, as well as to ensure smooth operation, the city of Baku and its twelve administrative districts were chosen as the location of the business.

## **Vision and Mission**

Our **mission** is to provide high-quality services to our customer 24 hours a day, seven days a week, delivering their orders promptly and professionally.

Our **vision** is to become the leading digital food delivery platform in Azerbaijan, bringing happiness to people.

## **Values**

The company's core values are an indicator of corporate culture and form the basis of the company's vision and mission. The values of this start-up are listed below: **quality, price, customer-oriented approach, teamwork, sustainability, and integrity.**

## **Business premises**

Several possibilities for business premises were explored during the drafting of the business plan, but the selection was determined based on the company's financial situation. There are different types of business premises, such as warehouses, serviced offices, home offices, retail shops or co-working spaces. When choosing the premises, first of all, the digital nature of our startup was taken into account. As mentioned earlier, the company plans to employ 20 individuals. The company will provide an opportunity for employees to choose the format of work, online or in the office. However, the company cannot completely switch to the online format, since some physical space is required for regular meetings within the company and hosting guests.

On the one hand, the option of purchasing was not considered at all, as there are no additional financial resources for this. On the other hand, rental and co-working premises were explored on the basis of determining their advantages and disadvantages. It is important to emphasize that office rent has its negative aspects associated with large financial spending on high rent, utility charges, legal expenses, etc. Ultimately, it was concluded that co-

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<sup>5</sup> <https://www.stat.gov.az/source/catering/?lang=en>

working spaces are the most cost-effective and suitable, which will allow operating without excessive expenses.

All existing co-working facilities in the city were examined, from which the Lotfi Zadeh Technology Center was selected as the premises for this startup.

## Value proposition

The value proposition of APPW is following:

**“Are you lazy enough to visit your favorite restaurant? If yes, place an order and we will bring the restaurant to your door immediately!”.**

## Competitive Advantage

The Food Delivery sector in Azerbaijan is characterized by strong competition, which is growing day by day. Unfortunately, it was not possible to find a reliable source that provided information on the actual number of food delivery platforms in Azerbaijan. Nevertheless, various online websites as well as Google Market and Apple Store were analyzed. Nowadays, there are numerous food delivery companies operating in Azerbaijan.

As previously stated, based on the survey results, 52% of the customers prefer to use the Wolt platform when ordering food. Therefore, there are assumptions that Wolt is the market leader in food delivery in Azerbaijan. But what makes citizens go for Wolt? A well-designed and user-friendly application, commitment to customers, or a wide selection of restaurants? In order to understand this, the question of determining the most significant factors influencing customer behavior when selecting a food delivery platform was included in the survey. Results show that the most important factors for the customer are the wide choice of restaurants, quality of food, and discounts. Hence, the startup should focus primarily on the constant expansion of the number of restaurants and the provision of discounts and offers. Detailed information about the companies available in the Azerbaijani market is presented in the table below.

Competitor's Name	Location(s)	Number of restaurants	Mob app/Website	Price limit
Wolt	Baku Ganja Khirdalan Sumgait	>450	web site & mob app	6 azn
Bolt Food	Baku Ganja Sumgait Mingacheur	>400	app	6 azn

Acqalma.az	Baku Khirdalan	7	website	2 azn
Metbexler.az	-	-	app	-
189 Delivery	Baku	-	mob app	5 azn
Hungry.az	Baku	112	web site & mob app	-
Fooderos	Baku	near 350 restaurants	web site & mob app	
Dostavka.az	Baku	2	web site & mob app	6 azn
Yemek al	-	-	-	-
APPW	Baku	310	mob app	5 azn

According to Rodriguez & Piccoli, companies gain a competitive advantage when they execute initiatives that are unavailable to competitors (Rodriguez & Piccoli, 2020). Hence, creating unique innovations and new technologies that will satisfy customers will become the competitive advantage of the APPW.

Several unique features were incorporated with the aim to distinguish the app from its competitors. The first one is the functions of multiple orders processed at the same time. If a customer wants to order, for example, pizza from one restaurant, and soup from another, he will be given this opportunity. Other feature includes a faster delivery service for an extra charge. By paying an extra fee, the consumer will be able to speed up the cooking and delivery process. In addition, users will be required to input data regarding their date of birth while registering. That will enable us to provide them the opportunity to order food from any restaurant at a 50% discount once a year, on their birthday. Moreover, as a local brand, the company will offer various discounts on holidays, both national and not. APPW will offer customers to choose different payment options, including online wallets and cryptocurrencies. These features will distinguish the business from other companies in the market. Another distinctive feature is that the client will have the opportunity to split the bill between friends or family using technology (QR code). Extra, for those who enjoy order and consistency, the option “schedule delivery in advance” will be available, enabling to place an order on a specific day of the week and a specific hour.

### **Price policy**

The APPW Pricing strategy will initially consist of a discount promotion or a penetration strategy. Sammut-Bonnici defines this form of pricing strategy as follows:

“Penetration pricing strategy, also known as promotional pricing, involves temporarily setting prices below the market price or even lower than cost price” (Sammut-Bonnici, 2019). This strategy will assist in attracting new customers on the way to building a customer base. Besides, it is important to emphasize that competing organizations' experience has proved that this strategy can be implemented successfully. Bolt Food, for instance, applied a penetration pricing strategy when entering the market (40% discount on each order), which caused a stir and a flood of customers (personal experience of the author).

In the next phase, precisely when APPW gathers a certain customer base and becomes well-known in the market, a competitive pricing strategy will be implemented. According to Hinterhuber & Liozu, “this approach uses data on competitive price levels or on anticipated or observed actions of actual or potential competitors as a primary source to determine appropriate price levels” (Hinterhuber & Liozu, 2012).

### **Key partnership**

310 Local Restaurants and investors.

### **Customer Relations**

Srivastava et al. define Customer Relationship Management (CRM) as a core organizational process that relies on building, maintaining, and enhancing long-term associations with customers (Srivastava et al., 1999). As formerly stated, APPW’s entire business approach is founded on a client-centric strategy. So, ensuring proper customer relationships is one of the main tasks facing the company. According to Karakostas et al., customers are regarded the central element of all marketing efforts and have become a priority for businesses (Karakostas et al., 2005).

This section discusses the various techniques used by the APPW to develop customer interactions with intention of improving customer experience. All information related to customer activities will be stored in the database and constantly tracked and updated. This data will assist employees to further develop client relationships by providing an outstanding value.

A personal assistant, the most significant technique of APPW, will be available to the client online through the chat icon and will assist him with any delivery issues, inquiries, or wishes. The advantage of a personal assistant will be that the client's request will be processed within a few minutes. The customer will also have a possibility to evaluate the personal assistant after each conversation.



The second feature includes an automated response system that will send the client an automated message about various promotions or discounts, welcome messages, notifications about new restaurants, as well as a response to the client's appeal with the words "your request is being processed by our staff, we will get back to you soon. Thank you for your patience!".

In addition, APPW intends to send a thank-you message with each order and to offer customers to complete a customer satisfaction survey after each purchase. Precisely, a dual rating system will be offered to the client that allows for evaluating both the restaurant and the courier. This will help the client feel valued and improve customer satisfaction.

Additionally, consumers will receive updated information about the delivery, in particular notification of the delay with some actions for apologizing.

## **Revenue plan**

APPW plans to generate revenue through the following streams:

- 1) Commissions from partner restaurants;
- 2) Delivery fees;
- 3) Alternative revenue streams (subscription fees, additional benefits).

The platform will charge a commission of 15-20% from a partner restaurant for each order placed by the customer through the app. If the restaurant is a partner of more than one delivery service (besides APPW), the company charges a commission of 20%. In another case, the fixed commission is 15% and determined in advance by an agreement between the restaurant and the company.

Another source of revenue includes the delivery fee, which varies depending on the location of delivery and ranges from 0.90 to 5 manats.

Customers will be able to use additional features like fast delivery, delivery time planning, and bill splitting services that will be available through an "APPW Premium". If the customer signs up for a subscription, APPW will charge each customer a monthly fee of 5 manats per month.

## **Product**

Javid Abbasov, a co-founder, came up with the idea for the APPW application. The APPW platform is a mobile app that can be downloaded on Google Play for Android phones, as well as the App Store for iPhones. The software allows customers to order food directly to their door. The client has a wide selection of restaurants (310) and two options for ordering

food: takeaway or delivery to the door. The customer can use advanced search options with filters that allow sorting by price, reviews, type of food or location. In addition, the platform offers a wide range of food categories for different types of customers, whether vegetarians, meat, or fast-food lovers. When developing the application, the main task facing the team was a simple and user-friendly user interface. Payment methods include various payment options, such as cash, credit card and even cryptocurrency or online wallet. Customers may track their orders in real-time and see an estimated delivery time. Moreover, customers will be given the opportunity to cancel their orders until the restaurant has started preparing the food. To keep food warm, couriers will use a special delivery box. Hence, in order to satisfy the customer as much as possible, couriers will be provided with instructions on how to handle and arrange the delivery box.

The process of ordering food includes three stages: ordering - made by customers, the preparation process - by restaurants, and food delivery - by APPW couriers.

To be successful in challenging markets, like Azerbaijan, APPW relied extensively on technology to become more efficient. APPW needs to continually optimize its technology, especially hyperparameter delivery path optimization solutions, such as the "Grid Search" algorithm, in order to capture such a market. A grid search is the conventional approach of hyperparameter optimization, which essentially does a thorough search across a given portion of the training algorithm's hyperparameter space (Liashchynskyi, Petro et al., 2019). APPW employs more than 10 product owners and project managers that are continually trying to enhance their goods and software, even if the consumer is unaware.

## MARKET ANALYSIS THEORY

### SWOT

The SWOT analysis of the APPW is as follows:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• <b>Fast delivery</b> – APPW offers customers a fast delivery service for an additional fee</li> <li>• <b>Trained employees</b> – APPW cares about its employees and provides an opportunity for growth and professional development</li> <li>• <b>Customer Support</b> – APPW provides a 24/7 personal assistant service.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• <b>Partner restaurants</b> – Not such a large number of partner restaurants.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• <b>Expansion</b> – APPW have an opportunity to expand to global market.</li> <li>• <b>Quality</b> - There is always a way to provide better service and development.</li> <li>• <b>Product line expansion</b> – APPW extend its product portfolio and add services such as delivery from a market, pharmacy and pet store.</li> <li>• <b>Partner restaurants</b> - The possibility of attracting a larger number of restaurants.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• <b>International competitors</b></li> <li>• <b>Taxes</b></li> <li>• <b>Startup fail</b></li> <li>• <b>Corruption</b></li> </ul>

### Threats

- **International competitors**

Following the report of the International Trade Administration, “Small and medium enterprises are often crowded out of the market by larger players who enjoy both economies of scale and privileged access to the Azerbaijani government” (The International Trade Administration, 2021). As previously mentioned, there are two major players in the Azerbaijani food delivery market: Bolt Food and Wolt. Therefore, APPW must carefully follow its strategy in order to survive in the market.

- **Taxes**

Following the McKenzie report, “all Azerbaijani enterprises, representative offices, branches and individuals engaged in business activities, as well as foreign entities and individuals conducting business activity in Azerbaijan through a “permanent establishment” (“PE”), and in certain other cases specified under the Tax Code, must inform the tax authorities of whether or not their activities are taxable in Azerbaijan” (McKenzie, 2018). According to the

legislation of the Republic of Azerbaijan, enterprises must pay corporate tax at a rate equal to 20%. Consequently, a high tax rate creates a risk for a new startup.

- **Startup fail**

Bednár & Tarišková state that, according to a CB Insight study, 9 out of 10 startups fail within 1-3 years, which is a 40% riskier than in standard business models (Bednár & Tarišková, 2017). Thus, there is a risk of startup failure, and in order to prevent this risk, APPW must properly understand the needs of customers and learn from the mistakes of others.

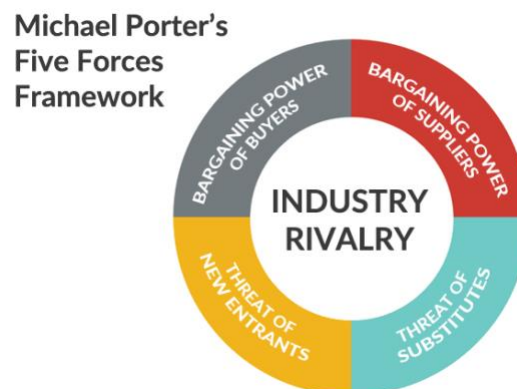
- **Corruption**

Despite the fact that the Azerbaijani government has taken a number of measures to prevent corruption, there are still such cases. According to the report of the KPMG, the investment climate in Azerbaijan is steadily developing, although significant problems remain, one of the main of which is corruption, both in the public and private sectors (KPMG, 2019). UNODC report emphasizes that “corruption prevents a fair and efficient private sector, reduces the quality of products and services, and leads to missed business opportunities” (UNODC, 2013).

## Porter's Five Forces

In this subsection, Porter's Five Forces model will be utilized with the aim to determine the structure of the Food Delivery sector and its potential profitability. Following Bruijl, the model, consisting of five competitive forces, which are the rivalry between existing competitors, the threat of new entrants, power of suppliers and buyers, substitute products and services, was originally developed by Professor Michael E. Porter in 1979 (Bruijl, 2018). The main idea behind the model is to develop a long-term business development strategy as well as to recognize and manage a competitive environment by looking directly at competitors (Porter, 1979).

The food delivery market will be examined using three evaluation parameters: low, moderate, and high for each of Porter's Five Forces model's five forces. The lower the pressure of Porter's forces, the more chances the company has to make a high profit. Conversely, the greater the pressure, the lower the profitability of the business.



The evaluation of each of the five forces affecting the Food Delivery business environment is summarized in the table below, along with the corresponding evaluation criteria.

Force	Low/Moderate/High	Summary
Competitive Rivalry.	High	As was mentioned earlier, nowadays there are nine platforms in Baku, Azerbaijan providing online food delivery services to the population, including Wolt, Bolt Food, Acqalma.az, Metbexler.az, 189 Delivery, Hungry.az, Fooderos, Dostavka.az, Yemek al. According to survey results, Wolt and Bolt Food are the most popular and the most commonly used platforms among them. So, the rivalry competition is high in this market which allows consumers many opportunities to switch to other suppliers. In order to become one of the most recognizable food delivery services on the market, the APPW must focus its efforts on a strategy that will allow it to stand out from the competition.

Supplier Power.	Moderate	<p>Suppliers in the field of online food delivery are public catering facilities, such as restaurants, cafeterias, cafes, canteens, bakeries, snack bars, etc. On the one hand, there are a variety of platforms on the market offering food delivery services, which allows the restaurant to choose the platform for partnership itself. It is important to emphasize that every food delivery platform charges a pre-determined commission fee for each order. Naturally, it is in interests of the partner restaurant to pay as less commission fee as possible in order to get more profit. As a result, the amount of commission charged by the platforms is an important factor influencing the choice of a restaurant. In the meantime, the platform's brand name and the quantity of orders received per day are the most crucial factors compared to the commission fee. That is, despite a high commission fee, a larger number of orders will bring more profit to the restaurant. On the other hand, the Azerbaijani market has a huge number of restaurants, cafeterias, cafes, canteens, bakeries, and snack bars, and this number is growing day by day. Considering the aforementioned, the threat of the supplier is moderate.</p>
Buyer Power.	High	<p>Buyer power in the food delivery sector is high due to several reasons. Foremost, the first reason is high competition. There is a wide range of platforms offering food delivery services to customers. The client can easily download the application, choose the desired platform and order food online. Secondly, it is the number of potential customers. According to Statista, the number of potential customers in the food delivery market in Azerbaijan is approximately 0.6 million people, which is 6% of the total population of the Republic of Azerbaijan and 20% of the population of Baku.</p>
Threat of Substitution.	High	<p>The threat of substitution of products and services in the food delivery sector in Azerbaijan is high since the simple accessibility of similar services increases the threat of substitution. This is explained by the fact that the customer can easily and without extra charge download any food delivery application and place the desired order. Each platform on the market offers relatively similar products, even with the same list of restaurants, and tries to provide services with the best value for money. However, some of them are working hard to supply customers with unique features to maintain leadership in the industry. For instance, Wolt recently added a new scheduled food delivery feature that is not available on other platforms. The most effective method for APPW to cope with substitute products is to build a strong brand: clear differentiation and additional benefits from the consumption,</p>

		technological improvements, and development of brand loyalty.
Threat of New Entry.	Low	Given the competitive nature of the food delivery sector, the threat of new entrants is considered low. According to Edwards et al., “New entrants can join the fray within an industry in several different ways: they can be start-up companies created by entrepreneurs, foreign firms that decide to enter a new geographic area, supplier firms that choose to enter their customers’ business, or buyer firms that choose to enter their suppliers’ business” (Edwards et al., 2014). To attract attention and meet customer needs, the new business must offer features and services that would allow customers to forsake their current platforms and switch to them. So, it will take pretty much time for the new entrant to build a reputation in the market. Thus, a new entrant will need a significant amount of time and effort to gain a reputation in the market.

## Pestel analysis

Yuksel emphasizes that environmental analysis is critical for establishing a long-term competitive advantage, detecting possibilities and challenges, and providing opportunities for productive collaboration with other businesses (Yuksel, 2012). There are various techniques in strategic planning and management that are utilized to analyze the macro business environment. One of them is the PESTEL or Political, Economic, Socio-cultural, Technological, Environment and Legal analysis, to which this subchapter is dedicated. In accordance with the definition of Bismark et al., “PESTLE is a technique that provides the framework to enhance one’s ability to investigate an organization’s external environment and represents an acronym of political, economic, social, technology, legal and environmental factors whose influence on decision making cannot be control by the organization” (Bismark et al., 2018).

The proposed online Food delivery business in Azerbaijan should consider the following factors during the strategic planning process:

- **Political factors**

High political stability ensures a stable and friendly business environment with predictable market growth prospects, which is very important while establishing a new startup venture. In terms of political stability, Azerbaijan has a sustainable political situation, and according to World Bank: the country is “supported by stable oil production and a modest acceleration in domestic demand”.<sup>6</sup> However, there are problems with bureaucracy, corruption and monopolies that can negatively affect the business environment. For instance, Azerbaijan was placed 128th out of 180 countries (high ratings are regarded as particularly corrupt) in the Corruption Perception Index presented by Transparency International. In our case, in particular, it can have an impact on a variety of corporate processes, including licensing and contracting.

- **Economic factors**

From an economic context, as a result of the economic policy of the Azerbaijani government, macroeconomic stability and sustainable economic growth have been achieved in the country. According to Mammadov, the country’s real GDP demonstrated growth and according to official statistics grew by 5.6% compared to 2020 (Mammadov, 2022). Since the high and growing GDP indicates the potential of customers to spend more on the goods and services offered, a favorable business environment has developed in the Azerbaijani market

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<sup>6</sup> <https://www.worldbank.org/en/country/azerbaijan/overview#1>



for the business of online food delivery services. Moreover, to strengthen socio-economic development, several development concepts and programs were adopted by the Government of the Republic of Azerbaijan, such as the development concept "Azerbaijan 2020: a look into the future" as well as "The State Program on Poverty Reduction and Sustainable Development" which create a promising economic environment.

- **Social Factors**

Social factors in PESTEL include "demographics, education levels, cultural trends, attitude changes and changes in lifestyles".<sup>7</sup> Coming to the social factors, it is important to note the results of the survey once again. Data findings report that the main segment of the market is young people aged 20-29 years, so these demographic characteristics are one of the social factors that should be taken into account. In addition to age groups, the gender context is very important in the case of Azerbaijan. According to the UNFPA report, even though there is the progress which includes an increase in the life expectancy of both men and women and an increase in the literacy rate among women, the gender inequality is still among the factors that continue to affect both the formation of and relationships within families, as well as society at large (UNFPA, 2018). Consequently, the APPW's marketing and communication strategies should be adjusted correspondingly.

- **Technological Factors**

The fourth factor in PESTEL's analysis is the technology that is considered the heart of the food delivery application. One of the most essential technological considerations is that the APPW should continually keep up with current technological innovations in order to stay competitive. Besides, social media marketing provides an opportunity to increase business efficiency and improve cooperation with customers using different marketing techniques. The most important factor that the APPW should consider is to offer a user-friendly and easy-to-use interface to the customer.

- **Environmental factors**

The analysis of the environmental factors has become an important aspect of the PESTEL's analysis since the challenges of climate change and the environment have intensified. Well-known that the growing market for food delivery entails serious damage to the environment. Couriers deliver food using motorcycles, so transportation contributes to greenhouse gas emissions. In the meantime, packaged products are delivered using plastic bags, which leads

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<sup>7</sup> <https://blog.oxfordcollegeofmarketing.com/2016/06/30/pestel-analysis/>

to carbon footprint emissions and environmental waste. Considering the above-mentioned, the APPW food delivery should offer e-scooters and use environmentally friendly packaging to reduce congestion and pollution.

- **Legal factors**

There are numerous legal regulations that APPW must follow before starting operations. First of all, the company must register a legal entity in the form of a limited liability company (LLC) in accordance with the legislation of the Republic of Azerbaijan. In addition, it is necessary to perform various procedures, such as obtaining a Tax Identification Number and Registering a Commercial Vehicle. Since the customer data is an important factor in this business, it will be regulated by the Law on Personal Data, which according to Askerov et al. is the fundamental legal act regulating the protection of personal data in Azerbaijan (Askerov et al., 2020). The Labor Code of the Republic of Azerbaijan should be followed to govern labor relations between employees and the enterprise based on relevant legal requirements. Every company registered in Azerbaijan must pay taxes and contributions to the state budget in accordance with the Tax Code of Azerbaijan, so the APPW are required to pay a corporate income tax (20%). In conclusion, the Law on Product liability and the Law on Protection of Consumers' Rights are important legislative acts that should be taken into account.

## ETHICAL CONSIDERATION

There are a number of ethical issues that every business can face, depending on the nature of its activity. Common ethical challenges that the majority of food delivery companies encounter are related to environmental sustainability. Food delivery companies are responsible for the carbon dioxide emissions generated during the transportation process since food delivery is carried out mainly on scooters, motorcycles and bicycles. As the food delivery sector expands, so does the amount of carbon dioxide emissions. Nevertheless, few businesses take this into account, and even fewer have an appropriate environmental management plan.

Wolt is a good example of a food delivery company in the Azerbaijani market, which has a clear action plan to assist environmental sustainability. The company emphasizes: “We compensate 100 % of the carbon emissions from all Wolt deliveries”. What the company does is support the South Pole, the industry leader in climate action, with recognized and certified carbon offset projects based on predicted carbon emissions generated during the delivery process.<sup>8</sup> The company demonstrates 100 % carbon dioxide emissions compensation, so that every customer may observe it during the payment process. This helps to impress the customer with a positive brand image and loyalty to the environment.

Another good example is the Green Plan of the Bolt company. Although this approach is limited to European Bolt rides, we have a great example to learn. In order to reduce the impact of CO<sub>2</sub> on the environment, they start to implement environmentally friendly electronic scooters, that is 100% recyclable.<sup>9</sup>

At the same time, for a small enterprise, particularly in its early stages, the creation of an environmental management system is a very costly process. Lillah & Struwig, for example, highlight that one of the external and internal factors that affect small businesses when implementing environmental management systems is resource constraints (Lillah & Struwig, 2016).

Ultimately, currently existing resources are insufficient to adopt and comply with the environmental strategy plan, however, APPW does not deny the possibility of creating it in the future.

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<sup>8</sup> <https://wolt.com/en/responsibility/co2>

<sup>9</sup> <https://blog.bolt.eu/en/case-study-reducing-carbon-emissions-with-bolt-scooters/>

## MARKETING PLAN

The present section of the business plan provides a well-defined strategic roadmap, that aims in determining the company's direction towards business goals, understanding, and reaching its target audience. A clearly structured and comprehensive marketing plan is essential for every business or start-up since it defines how the business will find customers, promote its products and services, as well as increase brand awareness through various advertising strategies.

The provided marketing plan will help the current Food Delivery start-up in becoming the region's preeminent food-delivery service. Identifying the niche, or the customers we will target, is the first step in developing the marketing strategy. It is important to emphasize that the survey includes questions that identify the demographics of the target audience, which will help us determine which age groups we should target. According to the survey results, the age group of people who answered that they prefer to order food online is 20-34 years old. As a result, the target customers are mainly middle and upper-class young and middle-aged tech-savvy men and women. Another important aspect is the presence of a unique brand that will distinguish the company from competitors. This marketing plan includes several marketing strategies that are based on the marketing mix and lists these factors in detail.

Once the marketing strategy has been developed, it is critical to periodically review business activities using specific marketing tactics. This is important since the customers' expectations change rapidly in a highly dynamic commercial environment. One of the well-known marketing tools that have been widely used since the 1980's is the 7Ps marketing model. Initially, the 4Ps marketing mix concept was originally developed by E. Jerome McCarthy in 1960, and later expanded to the seven Ps in 1980. The marketing mix model includes the seven elements, which are **product, price, promotion, place, physical evidence, process and people**. Moreover, each of these components is unique and vital for the successful operation of a business, as well as the achievement of marketing goals.



*Figure 8.* The 7Ps marketing mix model.

To start with, the **product** is the first and foremost component of the marketing mix and stands at the heart of the company's strategy, simply referring to what is offered to the customer. In addition, considering the key features and benefits that the customer needs, as well as thinking through every aspect of the offered product or service, is fundamental during the product development process. In our online food delivery business, the product is the delivery service that we will offer to consumers. According to Kurtz et al. "Each product has its life cycle, which includes the stages of development, introduction, growth, maturity, and decline" (Kurtz, MacKenzie & Snow 2009). It is important to emphasize that the marketing approach of the current startup is built on focusing on the quality of services provided to citizens. Therefore, every aspect of the product, such as design and quality is taken into account.

The second important indicator is the **price**, which in our case is the price of delivery and an extra fee for various additional services. In order to attract clients and maintain a competitive advantage, the delivery fee will be less than on other platforms and will vary depending on the distance. However, it is extremely important to regularly review the competitors' pricing strategies to be sure that the delivery price corresponds to the realities of the existing market. In the meantime, the survey results showed that customers are willing to pay an extra fee for additional features. For example, almost 62 percent of respondents answered they would be ready to pay an additional cost to have multiple orders processed at the same time. Consequently, the addition of this feature will allow our start-up to stand out from the competition. Other functionality includes a faster delivery service for an extra charge, the possibility of seasonal and holiday discounts, as well as coupons for special occasions such as birthdays or wedding days. Additionally, providing a delivery update, especially when product delivery is late, will help us gain the trust of the consumers.

**Promotion** is the third component of the 7Ps marketing mix, and it involves a range of promotional activities designed to raise brand awareness and encourage customer involvement. Promotional tactics are an integral part of any business's marketing plan, as they help increase sales and revenue. To increase brand awareness, this venture is going to utilize traditional and digital marketing tools. Apart from Android and macOS applications, the business will be active in social media, precisely, to have a Facebook account and Instagram which will be updated regularly and interact to maintain exposure and brand value. The email marketing strategy will also be used to send a wide range of updates to customers.

**Place** in the 7Ps model refers to the method via which the product is sold. As previously stated, in the company description part, an application for Food Delivery will be developed in this case.

The next factor is **Physical evidence**, and it refers to the value of tangible and intangible elements that clients encounter when placing an order. The evidence in a Food delivery startup consists of a mobile app and packaging. A well-designed, easy-to-navigate platform that loads quickly and accepts several payment methods will help businesses form a favorable client impression. Another essential element of physical evidence is the packaging. It is well-known that people form their first impression within 30 seconds, thus one of the factors influencing success is the factor of product packaging. The company pays special attention to packaging each order using unique packaging methods such as recyclable and organic materials.

**People** in the 7Ps marketing mix are stakeholders involved in the business, simply referring to company employees and high-level managers. Important to note that customer satisfaction depends on the people working in the company, especially the staff of the customer service department. Thus, attracting suitable employees, their training and professional development will create a competitive advantage in the market.

The last, but no less important element is the **process**, which in our case refers to the stages of business operations for the food delivery.

## **Segmentation, Targeting & Position Analysis**

One of the approaches that are used to develop a good marketing strategy is the Segmentation, Targeting, and Positioning model (STP model). The main objective of the three principal components of the STP model is to segment the market into the right groups, target the relevant potential audience, and the appropriate positioning of the products or services offered.

The first step is **market segmentation**, which involves the process of separating a market into smaller segments with similar product needs. In confirmation, Tynan & Drayton defines market segmentation “as the process of dividing the market into segments, followed by the selection of a target market that allows planning a specific marketing mix for a particular product or service” (Tynan & Drayton, 1987). Variables including Geography, Demography, Behavior and Psychography are frequently utilized to categorize the market into smaller segments. Moreover, it is significant to highlight, that numerous studies have

been carried out in an effort to cluster the food delivery market using different segmentation variables. One of them is Li et al., whose study uses variables such as “price, perception of different food options, perceived usefulness, convenience, design, and reliability” to segment food delivery application users (Li et. al, 2021). Freitas et al., for instance, attempted to focus on the product itself making a market classification by providing the user with a total amount of calories per meal (Freitas et al., 2020). However, the food delivery market in the current business plan has been classified based on product type, geography and demography. Nowadays in Azerbaijan, the number of vegetarians is growing day by day. This is confirmed by the number of new vegetarian restaurants that have been opening recently (Manipura cafe, Arti vegetarian cafe, etc.). As a result, the product type was divided depending on the individual orientation: vegan and non-vegan. Coming to the demographic variable, potential customers were divided into age groups from 15 to 39 years, as well as from 40 years and older. Considering geography characteristics, customer segmentation is based on location, including Baku, the capital and the regions.

**Targeting** characterizes which client segment APPW should focus taking into account criteria such as size, profitability and reachability. In terms of **Targeting**, as was previously highlighted, the age group of people who answered that they prefer to order food online is 20-34 years old. Thus, on the one hand, the target customers are mainly representatives of the middle and upper-class, young and middle-aged (15-39), and tech-savvy men and women. On the other hand, the clients from Baku were selected as the target market when taking the geographical segment into account for the reasons mentioned earlier.

**Market positioning** is the last component of the three key components of the STP model and is aimed at distinguishing a product or service from competitors. However, the section "Competitive Advantage" and "Products" above goes into great detail on the features that allow APPW set its services and products apart from those of its rivals.

## **Promotional activities**

A more important aspect is the promotion of the startup, precisely marketing strategies, and techniques that APPW will employ to advertise its product and reach the target audience. To reach its target market segment, APPW plans to implement various PR and marketing tactics, which will be discussed below.

The first action for APPW is to set up a business presence on a social media platform, which is an important aspect of the marketing strategy since it is simple to implement and

allows the company to be noticed by potential customers. Nowadays, in contrast to traditional mass media (television, newspapers, radio, etc.), social media marketing is the easiest and cheapest way to increase brand awareness. Saravanakumar & SuganthaLakshmi emphasize that “Social media is being widely used by almost all and even the companies, in spite of their size have started using social media to advertise and promote themselves. Big brands like IBM, Dell and Burger King have made use of the social media to convey their strong existence and friendly customer relationship to a greater extent” (Saravanakumar & SuganthaLakshmi, 2012). Consequently, online marketing through social media platforms will prevail in the marketing strategy of APPW.

Buffer Publish and other social media management tools will be used to manage social media accounts in order to plan and publish content ahead. Moreover, setting up adequate audience targeting is a critical part that most companies save on. The marketing team will be responsible for proper targeting and promotion through Social Media Ads, such as Facebook’s and Google AdWords Advertising Manager.

### Business model canva

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
Local Restaurants; Investors.	Receiving orders; Picking up orders from restaurants; Delivering orders.	“Are you lazy enough to visit your favorite restaurant? If yes, place an order and we will bring the restaurant to your door immediately!”.	Social Media; Customer Support.	Generations X, Y, Z; High and medium class.
	<b>Key Resources</b>		<b>Channels</b>	
	Software Resources Human Resources		Mobile application (APPW).	
<b>Cost Structure</b>		<b>Revenue Streams</b>		



Marketing promotions; Operating expenses.	1) Commissions from partner restaurants; 2) Delivery fees; 3) Alternative revenue streams (subscription fees, additional benefits).
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## FINANCIAL PROJECTIONS

Developing a good financial plan is an integral aspect of every existing or start-up company and plays an important role in the company's long-term strategic planning and management. Besides, the preparation of a clear financial strategy plays the most significant role in a new business, as it will aid in attracting partners, investors, or financial capital to bring a new product to market. This chapter of the final project covers the financial part of the business plan, specifically concentrates on financial forecasts for a new startup and will help set benchmarks for accomplishing financial objectives. According to Khosla, financial forecast efficiency aids the business in achieving its goals and objectives on schedule and with the least number of resources (Khosla, 2010).

Since this is a new venture, the financial projections will not incorporate historical data and will be based only on a long-term future prediction covering the period of five years. It is well known that a good-prepared financial projection comprises three key financial statements, which are the Balance Sheet, Income/Profit and Loss Statement as well as Cash Flow Statement. The estimation for each of these three statements was prepared using an Excel spreadsheet and is presented below.

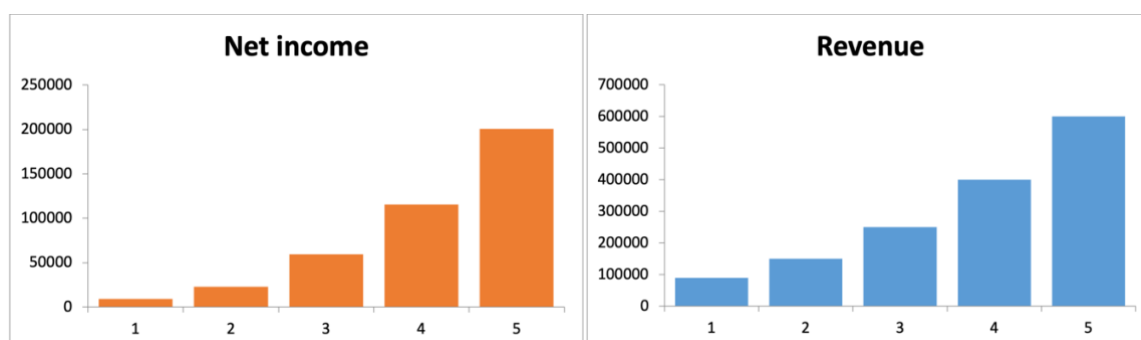
First of all, a Balance Sheet is a summary of the company's financial information, including assets, liabilities, and equity balances. The balance sheet designation is derived from the notion that there must be a balanced state between total assets on one side and total capital and liabilities on the other and the right way of calculating assets is **Assets = Liabilities + Equity** (Hasanaj, 2019).

<b>Balance sheet</b>	<b>Assumptions</b>	<b>Opening</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Assets</b>							
Cash		5.000	242	10.391	47.385	139.108	294.120
Accounts receivable	45	6.000	11.096	18.493	30.822	49.315	73.973
Inventory	90	5.000	14.425	22.192	33.904	49.315	66.575
<b>Current assets</b>		<b>16.000</b>	<b>25.763</b>	<b>51.076</b>	<b>112.111</b>	<b>237.738</b>	<b>434.668</b>
Long-term assets		20.000	21.250	60.563	53.178	46.901	56.866
<b>Total assets</b>		<b>36.000</b>	<b>47.013</b>	<b>111.639</b>	<b>165.289</b>	<b>284.639</b>	<b>491.534</b>
<b>Liabilities</b>							
Accounts payable	60	3.500	9.616	14.795	22.603	32.877	44.384
Other liabilities	60	2.500	3.059	4.323	7.178	12.542	19.643
<b>Current liabilities</b>		<b>6.000</b>	<b>12.675</b>	<b>19.118</b>	<b>29.781</b>	<b>45.418</b>	<b>64.026</b>
Long-term debt	3	15.000	10.195	40.365	23.902	12.185	0
<b>Total liabilities</b>		<b>21.000</b>	<b>22.870</b>	<b>59.483</b>	<b>53.682</b>	<b>57.603</b>	<b>64.026</b>
<b>Equity</b>							
Capital		10.000	10.000	15.000	15.000	15.000	15.000
Retained earnings		5.000	14.143	37.156	96.607	212.036	412.507
<b>Total equity</b>		<b>15.000</b>	<b>24.143</b>	<b>52.156</b>	<b>111.607</b>	<b>227.036</b>	<b>427.507</b>
<b>Total liabilities and equity</b>		<b>36.000</b>	<b>47.013</b>	<b>111.639</b>	<b>165.289</b>	<b>284.639</b>	<b>491.534</b>

In the table above projection of the balance sheet for upcoming years is shown. During the first five years, asset turnover values will climb making a more than a 13.6% increase. This outcome will mainly be influenced by available cash, which will increase by the end of year 5 by 121.4%.

In addition, for five years, total liabilities which include objects that the company owes, such as loans and debts, will also increase by 305% despite long-term debt will decrease by 100% and reach 0AZN as it will not be reasonable to spend available cash on the interest rate.

Most of the assets are equity which will increase by 2750% by the end of year five. The reason for increasing the equity is rising retained earnings, which will be a company's total net profits.



In terms of Net Income and revenue, we want to expand them by about 22 and 7 times over the next five years, respectively. The key rationale for raising net income will be to increase the gross margin, which will be 35% in the first year but 55% in the fifth. Another

reason for growing net income is the operating expenditure to revenue ratio, which will be 64:360 in the first year and 45:360 in year five accordingly.

Income Statement	Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue		90.000	150.000	250.000	400.000	600.000
Gross margin %		35,0%	40,0%	45,0%	50,0%	55,0%
Cost of sales		58.500	90.000	137.500	200.000	270.000
<b>Gross margin</b>		<b>31.500</b>	<b>60.000</b>	<b>112.500</b>	<b>200.000</b>	<b>330.000</b>
Research and development		5.000	6.000	10.000	17.000	25.000
Sales and marketing		6.000	7.000	10.000	16.000	24.000
General and administrative		5.000	6.000	9.000	17.000	26.000
<b>Operating expenses</b>		<b>16.000</b>	<b>19.000</b>	<b>29.000</b>	<b>50.000</b>	<b>75.000</b>
Depreciation	15,0%	3.750	10.688	9.384	8.277	10.035
<b>Operating income</b>		<b>11.750</b>	<b>30.313</b>	<b>74.116</b>	<b>141.723</b>	<b>244.965</b>
Finance costs	4,0%	600	2.248	1.615	956	487
<b>Income before tax</b>		<b>11.150</b>	<b>28.065</b>	<b>72.501</b>	<b>140.767</b>	<b>244.477</b>
Income tax expense	18,0%	2.007	5.052	13.050	25.338	44.006
<b>Net income</b>		<b>9.143</b>	<b>23.013</b>	<b>59.451</b>	<b>115.429</b>	<b>200.471</b>

Cash Flow Statement	Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
Net income		9.143	23.013	59.451	115.429	200.471
Add back depreciation		3.750	10.688	9.384	8.277	10.035
<b>Changes in working capital</b>						
Accounts receivable		-5.096	-7.397	-12.329	-18.493	-24.658
Inventory		-9.425	-7.767	-11.712	-15.411	-17.260
Accounts payable		6.116	5.178	7.808	10.274	11.507
Other liabilities		559	1.265	2.855	5.364	7.101
<b>Cash flows from operating activities</b>		<b>5.048</b>	<b>24.979</b>	<b>55.457</b>	<b>105.439</b>	<b>187.197</b>
Amount paid for long-term assets		-5.000	-50.000	-2.000	-2.000	-20.000
<b>Cash flows from investing activities</b>		<b>-5.000</b>	<b>-50.000</b>	<b>-2.000</b>	<b>-2.000</b>	<b>-20.000</b>
Proceeds from long-term debt	4		46.000			
Proceeds from issue of share capital		0	5.000	0	0	0
Repayment of long-term debt		-4.805	-15.830	-16.463	-11.716	-12.185
<b>Cash flow from financing activities</b>		<b>-4.805</b>	<b>35.170</b>	<b>-16.463</b>	<b>-11.716</b>	<b>-12.185</b>
<b>Cash flow</b>	<b>0</b>	<b>-4.758</b>	<b>10.149</b>	<b>36.994</b>	<b>91.723</b>	<b>155.012</b>
Beginning cash balance		5.000	242	10.391	47.385	139.108
<b>Ending cash balance</b>		<b>242</b>	<b>10.391</b>	<b>47.385</b>	<b>139.108</b>	<b>294.120</b>

The cash flow outlines the movement of cash entering and leaving a business. The cash flow assesses a company's ability to manage its cash position, or how successfully it generates cash to meet debt commitments and support operational expenditures. According to our cash flow statement projection, the ending cash balance for year five will be approximately 294.120 AZN. The majority of the positive cash flow consists of operations, which is a favorable indicator for an investor. It indicates that core businesses are producing revenue and that sufficient funds are available to purchase additional merchandise.

Finally, the company's cash position should assuage investors' concerns about the notes payable, since cash is abundant to meet that future loan charge.

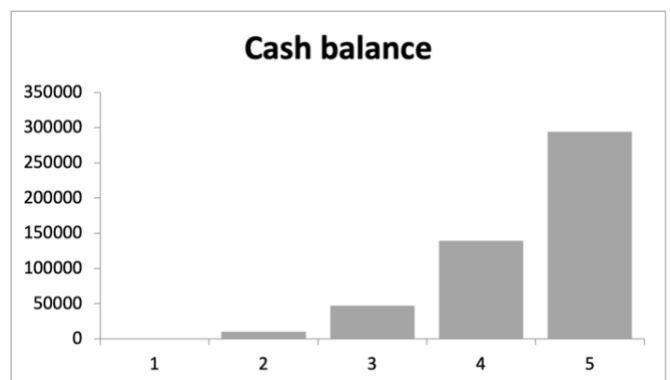
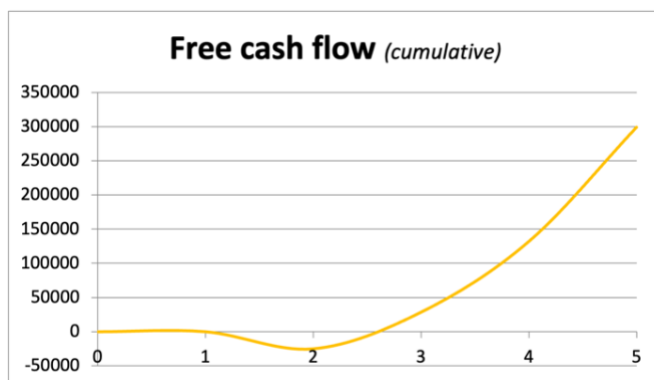
The profitability ratio will rise from 10.2% percent in year one to 33.4% percent in year five, according to the ratios section. Because of the number of customers and operating expenditures, the major indicators, operational return on assets and return on equity, are predicted to increase in years three and four but remain the same or fall slightly in year five.

Ratios	Year 1	Year 2	Year 3	Year 4	Year 5
Profitability (Net income / Revenue)	10,2%	15,3%	23,8%	28,9%	33,4%
Efficiency (Revenue / Assets)	1,91	1,34	1,51	1,41	1,22
Leverage (Liabilities / Assets)	48,6%	53,3%	32,5%	20,2%	13,0%
Operating return on assets (ROA)	25,0%	27,2%	44,8%	49,8%	49,8%
Return on equity (ROE)	37,9%	44,1%	53,3%	50,8%	46,9%
Liquidity (Current assets / Current liabilities)	2,03	2,67	3,76	5,23	6,79
Breakeven revenue	58.143	79.838	88.887	118.466	155.496

### CAPEX and OPEX (Resources Plan)

Businesses incur a wide range of expenditures, from monthly rent payments for their offices to the salary they pay to employees. Businesses arrange all of these expenditures into several categories to make them easier to understand. Capital expenditures (CAPEX) and operational expenses are two of the most popular types (OPEX).

Capital expenditures (CAPEX) are large purchases made by a firm that is intended to be employed in the long run (Capex vs. OPEX: What's the difference? 2021). Operating expenses (OPEX) are daily costs incurred by a firm to keep its operations running (Capex vs.



OPEX: What's the difference? 2021). A combined CAPEX and OPEX (resource plan), such as team expenditure, infrastructure expenditure, and other expenditures, is provided below to help our firm expand further.

## **Team**

When it comes to starting and running a firm, most entrepreneurs prefer to work alone, which is not a good strategy. According to Anthony C. Klotz et al., 60 percent of new firms fail due to team issues. We have been working as a small team to create a wonderful product for consumers from the company's inception. However, as we grow, we will require the following professionals to fulfill our team:

- Legal advisors
- Accountants
- Software Engineers
- Social Media Marketing experts
- Customer relationship management experts

The specialists listed above will assist us in adapting our innovations and services to Azerbaijani regulations, managing our finances, developing new features and algorithms, promoting our application on social media, and gathering user feedback to improve our services.

## **Infrastructure for business**

Infrastructure is an important factor in corporate growth. In the context of business, infrastructure refers to the set of components required to run and administer corporate digital services (*What Is IT Infrastructure?*, 2021). A well-built infrastructure can assist our organization in creating a great user experience by ensuring continuous access to our website, in creating and selling solutions more quickly, in making speedy judgments by collecting data in real time and in increasing staff productivity. As a result, the following equipment will be required to help our startup expand further:

- Accounting software
- Application (front-end, back-end, ordering functionality, account management, sales and inventory database, panel for users, panel for restaurants and groceries, panel for couriers)
- The media pages (Twitter, Facebook, advertising, SEO, etc.)
- Communication technology (high speed internet, telephone)
- Call center assistance (help, problem resolution)
- Laptops

## Other needs

It's also worth mentioning another major purchases:

- Bags
- Scooters
- Helmets

Bags are needed for couriers to deliver food while maintaining its temperature and texture till the door of the customer. We used to take deposits from couriers in order to provide them with delivery bags because we had a limited budget. However, from today, each registered courier will receive a complimentary bag to help with and secure delivery. When it comes to scooters and helmets, this idea occurred to us when several people approached us to register as couriers despite the fact that they did not own a scooter or helmets. If we take 10% of the commission from couriers by default, we will now take 20% from couriers who utilize the company's scooters and helmets. This strategy will allow us to not only earn more money, but also give liquidity to the market, as consumers will not have to wait long while the program locates the nearest couriers for the delivery process.

## NPV/IRR

Many firms utilize company budgeting to make investment decisions. There are a number ways for calculating the financial advantages of various projects, with NPV and IRR being two of the most popular. Both the NPV and the IRR have advantages and downsides.

Net Present Value (NPV) is a capital expenditure evaluation tool. The NPV calculation is performed with a defined time period so that the corporation can understand when they may expect a return on their investment. To calculate NPV value the formula below is used:

$$NPV = r \times 1 - (1 + i)^{-n}$$

Where **r** = initial investment, **i** = discount rate and **n** = number of time periods.

If we take values from the income statement table and put them into formula, from the calculation we get, that our **NPV = \$328k**. In this situation, the net present value is positive, indicating that the project is beneficial.

The Internal Rate of Return (IRR) is a tool for assessing capital expenditures. Businesses choose an end date for the project and use IRR to compute the percentage of profit or loss at that moment.

$$0 = NPV = \sum_{t=1}^T \frac{C_t}{(1 + IRR)^t} - C_0$$

**where:**

$C_t$  = Net cash inflow during the period t

$C_0$  = Total initial investment costs

$IRR$  = The internal rate of return

$t$  = The number of time periods

We have NPV and we have values in our excell sheet. If we put these numbers into formula, from the calculation we get, that our **IRR = 312%**. It once again demonstrates that the effort is worthy.

## Investment

Some economists believe that discounted cash flow (DCF) analysis is one of the most optimal methods for determining a company's intrinsic value (Speights, 2020). Discounted Cash Flow (DCF) analysis is a tool for determining financial performance standards for investment projects (Herbohn, John et al., 2002).

The formula for calculating the intrinsic value of the company is the sum of a company's assets minus the sum of a company's liabilities. As a result, we current point in time as a starting point to evaluate the company's intrinsic worth. At the conclusion of year five, total assets will be 36.000 AZN, while total liabilities will be 21.000 AZN. When entire liabilities are subtracted from total assets, we receive 15.000 AZN, which will be provided in exchange for 2% of the company's shares. Given that the APPW has discovered its product-market fit, the next step will be to demonstrate our functional revenue model to investors as soon as the firm obtains funds in its initial round. And not stopping on that, our further goal is to establish a consistent acquisition approach for the company. As a future plan of APPW, the next round for raising a new investment will be a seed round, where the investment amount will be ranging from 300.000 AZN to 1.000.000 AZN. For the moment, the company is looking for a 75.000 AZN investment for 10% of its shares.

## CONCLUSION

This research proposes a business plan for launching APPW, an online food delivery mobile application in the Azerbaijani market. The study attempted to provide a platform that was designed with the aim of providing customers with high-quality services with a simple order and a wide choice of payment methods.

The structure of the business plan contains the following chapters: introduction, market analysis, company description, organization & management, marketing plan, and financial projections. The methodology of the project includes mixed methods, qualitative and quantitative research approaches. As part of the collection of primary data, a survey consisting of 12 questions was distributed in electronic form. Questions were formed to collect information about the food delivery sector in Azerbaijan. The questions were developed as part of a study of the food delivery industry, including client preferences and dissatisfactions. The survey results were used further in the process of product development.

APPW includes a number of strengths that distinguish the platform from its competitors. Below are the features that differ the company from others: a well-designed and convenient mobile application, commitment to customers, a variety of ordering options, the possibility of faster delivery for an additional fee, discounts and holiday coupons, various payment options, including online wallets and cryptocurrencies, account sharing between friends, a pre-payment function.

In conclusion, it is important to emphasize that the online food delivery market is rapidly expanding and have a promising future. In order to ensure the long-term viability of the sector that meets the interests of all stakeholders, it is important to continue working to improve business efficiency and customer satisfaction.



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## APPENDIX

### Survey questionnaire

- 1) What is your gender?
  - Male
  - Female
- 2) Please indicate your age group
  - 15-19
  - 20-24
  - 25-29
  - 30-34
  - 35-39
  - 40-44
  - 45-49
  - 50+
- 3) Do you prefer to order food online?
  - Yes
  - No
- 4) If yes, how often do you use food delivery services?
  - I don't use it at all
  - Several times a year
  - Once a month
  - Several times a month
  - Once a week
  - Several times a week
  - Every day
- 5) Which of the food delivery platforms available on the market do you prefer to order from?
  - Wolt
  - Bolt food
  - Hungary.az
  - 189 Delivery

- Fooderos
  - Other \_\_\_\_\_ (please indicate)
- 6) In general, how do you prefer to order food?
- Through phone
  - Through websites
  - Through mobile apps
- 7) On an average how much money do you spend on ordering food per month?
- Less than 25 AZN
  - 25-50 AZN
  - 50-75 AZN
  - More than 75 AZN
- 8) Please rank factors by importance when you are choosing which brand to order from? (Range question)
- Choice of restaurants
  - Speed of delivery
  - Discounts
  - How they treat their drivers
  - Quality of food
  - Cost
- 9) If you could order food from multiple restaurants for delivery at the same time, would you be willing to pay an extra fee?
- Yes
  - No
- 10) How do you feel about delivery minimum limit?
- Strongly against
  - Somewhat against
  - Neutral
  - Somewhat agree
  - Strongly agree
- 11) Which meal do you typically order online?
- Breakfast
  - Lunch
  - Snacks
  - Dinner
- 12) What problems do you face most often when using online food delivery services?
- Late delivery
  - Cold food
  - Couriers' attitude
  - Other \_\_\_\_\_ (please indicate)