Business Plan for CondoSpace Platform

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ABSTRACT

This research focuses on the feasibility of the CondoSpace platform to enhance the organization's strategy. Moreover, the study aims to discover the external economy's feasibilities, social, and internal factors, for instance, marketing management and financial aspects.

Based on the focus group method analysis, the data is collected through the discussion on specific topics. The primary users are classified into 2 groups. The Focus group was conducted with those sell or lease condos and those looking for a condo to stay. Each group consisted of 15 participants and was conducted separately in 3 groups of 5 people. Furthermore, the study also includes an in-depth interview with 2 digital platform founders to collect data on operation and cost.

The focus group found CondoSpace's user-friendliness straightforward to access. Significantly, the listing fee is lower than the expectation of lister. However, lister expects to lease faster at a lower cost. Finder's expectation is an English-speaking friendly system.

From both external and internal business environment analysis, this study reviews the feasibility of investing in CondoSpace. And can be projected in the financial aspect, which Net Present Value is 3,039,615, Internal Rate of Return is 63.27%, and the payback period is 2.22 years.

Preview

CondoSpace is a startup company developing an online platform for the real estate market in Thailand, precisely condominiums. The founding member spot the niche problem that today's incumbent cannot close the gap. The business development has been underway from early 2019 to the present. www.condospace.co-launch its prototype in order to gain feedback from potential users. This study will reinforce the startup in many aspects. In addition, The topic reviews the rationale of how CondoSpace is formed.

Research objective

This study aims to develop a business plan for CondoSpace.

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THEORIES CONCEPTS

The second chapter devotes to the evaluation and section of plan and analysis tools. The first part of this chapter discusses. The second part of this chapter provides the definition of a business plan, its purposes, and the process of developing a business plan. Next, the chapter provides in-depth information on analysis tools and the rationale for selecting those tools for this business. Analytic tools discussed in this chapter include PESTEL analysis, SWOT analysis, Porter's Five Forces, UTAUT model, and online marketing mix. These analysis tools are essential to achieve all of the objectives in this study.

Definition of terms

A business plan is a document that summarizes the operational and financial objectives of a business and contains detailed plans and budgets, showing how the objectives are to be realized. It is the road map to the success of the business (Entrepreneur Asia Pacific, 2020).

CondoSpace is an online platform for condominium buyer, seller, lessor and Tenant. CondoSpace has launched the prototype to gain feedback from potential users.

Start-up refers to a company in the first stage of its operation. It can be founded by one or more entrepreneurs who want to develop a product or service to believe there is a demand (Grant, 2020).

Real estate platform is an electronic version of the real estate industry, real estate platform is the concept of publishing housing estates for sale or rent, and for consumers seeking to buy or rent a property. Often, the real estate platform is operated by owners themselves. However, there are few exceptions where an online real estate agent would exist, still dealing via the web and often stating a flat-fee and not a commission based on total sales (Shaw, 2019).

Property technology (PropTech) is applying information technology and platform economics to real estate markets.

Methodology

Content of business plan

The goal of this study is to develop a business plan for CondoSpace. The business plan will include the following content:

- Business analysis
- Business description
- Marketing analysis
- Operational plan
- Financial plan

Study population

This study's population is divided into three groups: condominium finder, condominium lister, and digital platform founder.

1) Condominium finder: This group is the population of people who used to find condominium to buy or rent in Thailand.

2) Condominium lister: This group is a condominium landlord who has leased condominiums before.

3) Digital platform founder: This group has prior experience in building a digital platform.

Sampling technique and sample size

This study was conducted using the Focus Group method, including 30 participants, 15 condominium finders, and 15 condominium listers. Each group will be separated into three minor groups to manage each focus group effectively. Because CondoSpace has a specific character, this study utilizes purposive sampling. Focus groups are group discussions conducted with three people to capture their experiences and views regarding particular issues closely related to the research question. The focus group data method is the most suitable for studies where multiple perspectives needed to be obtained regarding the same problem (Dudovskiy, 2018). Focus groups are led by a moderator, CondoSpace founder, responsible for ensuring that group discussions remain focused on the research area. The advantages of focus groups include the possibility of obtaining primary data through non-verbal channels, as well as verbal channels and approaching the research area from various perspectives.

The structure of the focus group will ensure that the discussion base on the Unified Theory of Acceptance. Also, two interview sessions were conducted separately to the focus group with the user to assess their willingness to pay the price point.

Lastly, the interview method was applied with the two founders of the digital platform to obtain insight into investment estimation.

Data Collection

Primary data

Primary data was collected via focus group and in-depth interviews with a total of 32 participants, 15 condominium finders, 15 condominium liters, and two founders of the existing digital platform during November. Focus group and interview sessions were audio-recorded for analysis.

Secondary data

Secondary data was gathered from various sources, including journal articles, books, a government website, business reports, news articles, as well as, Internet.

Data Analysis

Once the transcription of all the focus groups was completed, a thematic analysis was performed. The theme must be identified before thematic analysis could be conducted (Joffe and Yardley, 2004). The theme of this research refers to the conceptual framework based on the UTAUT model. This sort of coding category, i.e., theme, is a deductive coding, which is where the list of the term is drawn from existing theoretical research (Warren et al., 2019). Once the thematic analysis is done for each transcribed interview, each transcribed note's findings were compared and contrasted. The focus group aims to source out common theme issues in each question.

For the interview, the study applies a content analyst. Content analysis is a widely used qualitative research technique. Rather than being a single method, current content analysis applications show three distinct approaches: conventional, directed, or summative. All three approaches are used to interpret meaning from text data content and, hence, adhere to the naturalistic paradigm. The significant differences among the approaches are coding schemes, origins of codes, and threats to trustworthiness. In conventional content analysis, coding categories are derived directly from the text data. The analysis starts with a theory or relevant research findings as guidance for initial codes with a directed approach.

Summary

This startup business plan was formulated based on both primary data and secondary data. Various analyses have been performed, including situational analysis, consumer behavioral analysis, and financial analysis. The primary data was collected via a focus group of 30 participants consisting of 15 condominiums finders and 15 condominium sellers. The study adopted the Unified Theory of Acceptance and Use of Technology (UTAUT) as a framework to develop a question list for focus group sessions. The study also features a guided in-depth interview with two online platform owners, namely Buddy Go and Busy Rabbit. The interview's purpose was to determine the funding source and determine the operational cost involved with promoting and maintaining the online platform. Thematic analysis was adopted to analyze the transcribed notes of interviews and focus group sessions.

The condominium market in Thailand is continuously growing. However, there is still a lack of a PropTech platform that is specialized in this market. This provides the opportunity for CondoSpace to start a business and obtain market share from the growing condominium market. Therefore, CondoSpace was developed in order to fulfill the gap for customers, both condominium finders and lister. The niche of CondoSpace is that it is a PropTech platform emphasizing the condominium market. The sole focus on Condominium diversifies CondoSpace from other PropTech platforms in Thailand, including multiple real estate property types, e.g., house, land, and retail space. CondoSpace can be recognized as PropTech specialized in the Condominium market among users, which allows the company to penetrate the existing market easily. The main revenue stream in the first phase of launching is the listing fee; the other revenue

stream will not be included in this study. The market target of CondoSpace is condos owner, renter, and buyer. However, in this study, the foreign renter and condo-for-rent owner are the main focus.

The market research result determines the price point at CondoSpace via focus group sessions. The price for listing with CondoSpace is 299 THB, lower than the 500 THB willing to pay the consumer's price point and more affordable than competitors. Due to the growing reliance on the online channel, CondoSpace planned to adopt online marketing such as Search engine optimization and useful content to draw foreign users. Besides, CondoSpace will also rely heavily on a free trial in the first year in order to attract users as many as possible.

For financial analysis, this project will operate 5 years. CondoSpace expects a 30% growth in the second, third, and fourth years. However, expect declination in the fifth year at 10% growth. The initial investment required by CondoSpace is 2,000,000 THB. The payback period is 2.22 years, while the net present value is 3,039,615 THB using a required return at 30%. The Internal rate of return is 63.27%. In summary, CondoSpace startup is feasible to invest

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