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## **Innovative Business Plan of “PAZ the Brand”**

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Master in International Management

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Professor (with aggregation),  
Iscte-Iul

September, 2024

Department of Marketing, Strategy and Operations

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## **Resumo**

Este trabalho apresenta um plano de negócios inovador para a "PAZ the Brand", uma marca de cerâmica inicialmente considerada como um hobby pessoal. O objetivo deste plano de negócios é transformar este hobby numa pequena empresa viável e sustentável. O estudo explora os principais elementos necessários para essa transição, com foco na estratégia de marca, planeamento financeiro e estratégias de entrada no mercado. Foi utilizado um método de pesquisa quantitativa, um inquérito para compreender a fundo as preferências dos consumidores. Os resultados sugerem que a crescente valorização de produtos feitos à mão e sustentáveis apresenta uma oportunidade única para pequenas empresas no setor da cerâmica. Adicionalmente, foi feita uma proposta de valor enraizada em artesanato e sustentabilidade, o será essencial para o sucesso. O planeamento financeiro, segmentação de mercado e o uso de plataformas digitais para marketing e vendas também são discutidos em detalhe.

**Palavras-chave:** Cerâmica, Pequenas Empresas, Sustentabilidade, Marca, Planeamento Financeiro

**JEL Classification System:** L26 (Entrepreneurship), M31 (Marketing)



## **Abstract**

This work presents an innovative business plan for "PAZ the Brand", a ceramic brand initially considered as a personal hobby. The objective of this business plan is to transform this hobby into a viable and sustainable small business. The study explores the key elements necessary for this transition, focusing on branding strategy, financial planning, and market entry strategies. A quantitative research method was used, conducting a survey to deeply understand consumer preferences. The results suggest that the growing appreciation for handcrafted and sustainable products presents an unique opportunity for small businesses in the ceramics sector. Additionally, a value proposition rooted in craftsmanship and sustainability was developed, which will be essential for success. Financial planning, market segmentation, and the use of digital platforms for marketing and sales are also discussed in detail.

**Keywords:** Ceramics, Small Business, Sustainability, Branding, Financial Planning

**JEL Classification System:** L26 (Entrepreneurship), M31 (Marketing)





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## Glossary

**Artisanal Products:** Goods that are made in limited quantities, often by hand, using traditional methods.

**B2B (Business-to-Business):** Transactions or operations that occur between two businesses, rather than between a business and individual consumers.

**Branding Strategy:** The long-term plan for the development of a successful brand to achieve specific goals, such as consumer recognition and loyalty.

**Break-even Point:** The level of sales at which total revenues equal total costs, meaning the business is neither making nor losing money.

**Cash Flow:** The total amount of money being transferred into and out of a business, especially as affecting liquidity.

**Cost-plus Pricing:** A pricing strategy where a fixed percentage or amount is added to the cost of producing a product to determine its selling price.

**Craftsmanship:** The skill and artistry involved in creating products, often by hand, with attention to detail and quality.

**Crowdfunding:** A method of raising capital for a business or project through contributions from a large number of people, typically via an online platform.

**Customization:** The process of tailoring a product or service to meet the specific needs or preferences of individual customers.

**Customer Persona:** A semi-fictional representation of an ideal customer based on market research and real data about existing customers.

**Digital Marketing:** The marketing of products or services using digital channels, such as social media, email, search engines, and websites.

**E-commerce:** The buying and selling of goods and services over the internet.

**Financial Forecast:** A projection of future revenues, costs, and profits, typically used for budgeting and planning.

**Handmade Ceramics:** Ceramic products that are crafted manually without the use of industrial machinery, usually resulting in unique, one-of-a-kind pieces.

**Market Penetration:** The process of entering and establishing a presence in a new market with a product or service.

**Market Segmentation:** The process of dividing a broad consumer or business market into sub-groups of consumers based on shared characteristics.

**Market Trends:** The patterns or tendencies in a market that indicate the general direction of movement for consumer preferences and behaviors.

**PESTEL Analysis:** A tool used to analyze the external macro-environmental factors affecting a business, covering Political, Economic, Social, Technological, Environmental, and Legal aspects.

**Positioning:** The process of establishing a brand or product in the mind of consumers relative to competitors.

**Pricing Strategy:** The approach used to set prices for products or services, balancing production costs, market demand, and competition.

**Profit Margin:** A measure of profitability, representing the percentage of revenue that exceeds the costs of production.

**Quantitative Research:** Research that collects and analyzes numerical data to identify patterns, averages, predictions, and other measurable elements.

**Qualitative Research:** Research that explores opinions, behaviors, and experiences through methods like interviews and focus groups, providing non-numerical data.

**Return on Investment (ROI):** A measure used to evaluate the efficiency or profitability of an investment, calculated by dividing the net profit by the initial cost.

**Sustainability:** The practice of producing goods in a manner that does not deplete natural resources, supports ethical labor practices, and minimizes environmental impact.

**SWOT Analysis:** A framework used to identify and analyze the Strengths, Weaknesses, Opportunities, and Threats of a business or project.

**Target Market:** The specific group of potential customers that a business aims to reach with its products or services.

**Unique Selling Point (USP):** A feature or characteristic that makes a product or service stand out from its competitors.

## **1. Introduction**

This thesis consists of an innovative business plan regarding a ceramic small business that so far has only been considered as a hobby. In this project, it will be shared how to transform this art of ceramics from a personal hobby into a viable small business venture. The primary objectives are to assemble a business plan by addressing the challenges in this transition and to plan a course to the success in a world where artisanal crafts have been losing its value.

The transition from a personal hobby to a viable small business venture may come with its challenges. The research presented in this project will address these challenges, such as market entry strategies, financial planning, and all the branding that comes within this business in order for it to succeed. It's also important to understand that a small business in ceramics will have different delimitations and problems when compared to larger enterprises.

In recent years, with all the concerns about sustainability there has been a growing appreciation of local and handmade products. This growing appreciation creates great opportunities for small businesses to appear and develop entrepreneurship within these areas such as ceramics for example, therefore, this moment might be the best time to turn a passion into profit.

To accomplish a successful business plan, this project will include research with a mix of qualitative and quantitative research methods. We will conduct case studies of successful ceramic hobby-to-business transitions, interview experienced business owners in the field, and analyze financial data to create a business plan that understands the needs and challenges of this topic.

This research will also involve defining the value proposition of the ceramic small business, it will explore how the business can leverage its artisanal craftsmanship, personal touch, and uniqueness to stand out in the market.

Recognizing the financial needs that accompany the leveraging of this business, it will also be explored the role of patronage in supporting the transitioning of this ceramic small business.

This thesis will consider how investors and patrons can contribute to the business's success and expansion.

In summary, this thesis aims to guide the transition of a ceramic hobby into a small business. Through the creation of a business plan, it will be addressed the unique challenges of this business, the value proposition will be defined, and financial support will be analyzed in order to leverage the business.

## **2. Literature Review**

To accurately perform this business plan, we are going to describe the knowledge and understanding found in the area of the current theme, such as ceramics and the process of leveraging a hobby into a serious business.

Firstly, it is important to understand the context of ceramics not only historically but also nowadays. Secondly, it is crucial to understand the transition from a personal passion to all the challenges that come within the making-of a small business in today’s society.

### **a. Ceramics – concept and history**

According to Porto Editora (2023), ceramic is a product characterized by its shape and resulting from the cold molding of an inorganic clayey material subsequently hardened by heat. The disintegration of granites, gneisses or porphyries, and their feldspars, originate the raw materials that make up clays. The essential property of these lies in being transformed by the action of water into moldable plastic pastes, which solidify when drying and harden when cooked.

Because they are very varied, the handling and firing methods also vary, resulting in different ceramic products: terracotta (fired clay); engobed faience, if the coating is earthy; glazed earthenware, if the coating is vitreous and transparent; glazed earthenware, if the coating is vitreous and opaque; stoneware (compact, hard paste, which can be glazed or coated with a glassy film obtained by melting salt); porcelain (white, hard compact paste); and biscuit (Porto Editora, 2023).

In Portugal, popular ceramics essentially produces useful forms and is characterized by black clay, in Chaves, Vila Real, Viseu, Molelos and Flor de Rosa; red clay, especially in Barcelos, Miranda do Corvo, Caldas da Rainha, Mafra, Estremoz, Viana do Alentejo and Bringel; white clays, in Leiria and Loulé. The production of Portuguese faience began at the end of the 16th century with the import of Andalusian craftsmen, developing throughout the 17th century through the interpretation, generally in blue and white, of oriental-inspired, baroque or heraldic motifs (Porto Editora, 2023).

With ceramics it is possible to manufacture bricks, tiles, grilling pieces, among others. The manufacturing process comprises the following steps: preparation of the paste (mud or clay); formation of parts; drying and cooking. The raw material is transported by hand trucks or belts to the production site. There it is introduced into the kneader, where it is crushed and mixed with water, until a plastic and homogeneous paste is obtained. After a certain period of curing (rotting of the paste), the dough is cut and shaped according to the intended objects (Porto Editora, 2023).

According to The American Ceramic Society (2022), ceramics is one of the most ancient industries going back thousands of years. Once humans discovered that clay could be found in abundance and formed into objects by first mixing with water and then firing, a key industry was born. The oldest known ceramic artifact is dated as early as 28,000 BCE (BCE = Before Common Era), during the late Paleolithic period. It is a statuette of a woman, named the Venus of Dolní Věstonice (Annex A), from a small prehistoric settlement near Brno, in the Czech Republic. In this location, hundreds of clay figurines representing Ice Age animals were also uncovered near the remains of a horseshoe-shaped kiln.

Use of ceramics increased dramatically during the Neolithic period, with the establishment of settled communities dedicated to agriculture and farming. Starting approximately in 9,000 BCE, clay-based ceramics became popular as containers for water and food, art objects, tiles and bricks, and their use spread from Asia to the Middle East and Europe. The early products were just dried in the sun or fired at low temperature (below 1,000°C) in rudimentary kilns dug into the ground. Pottery was either monochrome or decorated by painting simple linear or geometric motifs (The American Ceramic Society, 2022).

## **b. Ceramics market dynamics and consumer trends**

The ceramics market is driven by several factors that contribute to its growth, such as the rising consumer preference for handmade and local products and the growing awareness of sustainability and eco-friendly practices. However, a ceramic business may come with its challenges, such as limited access to equipment (ex.: the kiln is too expensive to buy in an initial stage so we rely on a studio to cook the pieces, which may come with its limitations); handmade ceramics often come with a higher price compared to mass-produced ceramics, this can be an



issue to price-sensitive consumers who prioritize affordable prices over the artistic value of ceramics.

### **c. Entrepreneurial Journey and Transition**

Transitioning from a hobby to a small business venture is a significant step, which requires a shift in mindset and skill set. Not only it is important to learn more about the craft of handmade ceramics, but it is also important to have a creative mindset, great management skills in the financial and branding areas.

According to Emily Heaslip (2022) in the article *“How to turn your hobby into a business”*, research shows that entrepreneurs who write a formal business plan are 16% more likely to create a viable business than those who do not. And, if we ask for funding assistance, a bank or investor will want to see a business plan before they give any financial support. Turning a hobby into a viable business doesn’t happen overnight. It can take many years for a business to become profitable, let alone for it to become a sustainable source of income. But finding a mentor, balancing your commitment, and constantly learning new things about your craft can make this process enjoyable.

### **d. Sustainable practices in ceramics**

Nowadays most businesses are adopting eco-friendly practices, such as using non-toxic products, recycling waste materials, and reducing energy consumption during production. Sustainability can be both a challenge and an opportunity for small businesses in attracting eco-conscious consumers. On one hand, sustainable practices often require investments in eco-friendly materials, energy-efficient equipment, and waste reduction processes, which can increase operational costs. However, these practices are increasingly viewed as essential to long-term success and can significantly enhance a brand's appeal to a growing base of environmentally conscious consumers who are willing to pay more for products that align with their values.

According to Vasić, M. V., Velasco, P. M., Bueno-Rodríguez, S., Grubeša, I. N., Dondi, M., Villarejo, L. P., Eliche-Quesada, D., & Zanelli, C. (2024) in the article *“State and perspectives of sustainable production of traditional silicate ceramics”*, “The traditional ceramics industry

uses large amounts of primary mineral raw materials. Improvements in the production of building materials based on non-metallic minerals can contribute to sustainable development in many ways, such as saving natural resources, using waste materials, reducing energy consumption, decreasing emissions hazardous to the health and the environment”.

This quote highlights how the shift towards sustainable practices can make a deep difference in the industry, not only by reducing its ecological footprint but also by responding to rising consumer demand for green products. For small ceramic businesses, adopting these practices offers an opportunity to differentiate themselves in a competitive market. By using recycled or locally sourced materials, opting for non-toxic glazes for example, and improving energy efficiency in kilns and firing processes, these businesses can attract eco-conscious consumers, who increasingly prioritize sustainability when making purchasing decisions.

#### **e. Importance of digital presence for startup businesses**

In today’s economy, it is essential to build an online presence. We should explore the role of social media platforms such as Instagram, Tik Tok, Etsy, and dedicated websites in helping ceramists reach wider audiences. With the increasing reliance on digital platforms, building an online presence is no longer optional but a necessary strategy for brand visibility, customer engagement, and overall business success.

According to Shahzady, R. (2024) in the article *“The role of Social-Media for Micro-Entrepreneurship of young start-ups”*, “with the increasing prevalence of platforms like Facebook, Instagram, and TikTok, social media has become a pivotal tool for new entrepreneurs”, “research indicates that these platforms facilitate business growth by enhancing visibility, enabling target marketing, and fostering customer engagement. Social media not only serves as a marketing tool but also as a platform for networking, learning, and innovation. The dynamic nature of social media allows entrepreneurs to quickly adapt to market trends and consumer preferences, providing a competitive edge over traditional business models.”

For small ceramic businesses, platforms like Instagram and TikTok are particularly valuable, they are highly visual, which allows artists to showcase their work in an appealing, immediate way. Posting pictures and videos of ceramics, not only builds a brand’s identity but also offers opportunities for direct engagement with potential customers. Through comments,

likes, and shares, ceramists can interact with their audience in real-time, creating a loyal community of followers who are invested in the brand.

Moreover, social media facilitates targeted marketing, allowing businesses to reach specific consumer segments based on their interests, demographics, or geographic location. For example, Instagram’s algorithms can promote handmade ceramics to users who have shown interest in artisanal goods or sustainable products. This level of targeted advertising was previously unattainable through traditional business models, making it a game-changer for small businesses looking to scale up with limited marketing budgets.

#### **f. Conclusion**

The literature reviewed demonstrates the growing interest in ceramic small businesses and their potential for success in today’s market environment. While the transition from a hobby to a business has its challenges, the consumer trends of the handmade and sustainable products offer significant opportunities. Creating and developing a business plan that balances a personal artistic passion with financial viability is crucial for long-term sustainability.



### 3. Methodology

To accomplish a successful business plan, this project will include research with a quantitative research method – a survey. However, we have decided to insert some qualitative research in this survey in order to obtain opinions of the participants. After conducting this survey, we will analyze the data to create a business plan that understands the needs and challenges of this topic.

#### a. Quantitative and qualitative research method: google forms to understand the trends

For this business plan we have decided to create a short survey to help us understand the consumer preferences when it comes to ceramics — from styles and trends to pricing and sustainability. The insights we will obtain with this survey will guide us in designing products that better suit the consumer tastes and needs.

Firstly, we must set a confidence level and margin of error. To do this we have based our confidence level on the number of followers we currently have on our Instagram page (262 followers). To ensure that the responses we get are representative of our followers, we will be using a 95% confidence level (Z-value = 1.96) and a 10% margin of error (to account for the small follower base).

Using the Sample Size Formula, given the small follower size, we can adjust for the population size of 262 followers and calculate the number of responses needed.

The simplified formula is:

$$\text{Sample Size} = \frac{Z^2 \cdot p(1 - p)}{e^2} \times \frac{N}{N - 1 + Z^2 \cdot p(1 - p)/e^2}$$

Where:

Z = 1.96 for 95% confidence level

p = 0.5 (for maximum variability)

e = 0.1 (10% margin of error)

N = Population size (262 followers)

The calculation:

$$\text{Sample Size} = \frac{(1.96)^2 \cdot 0.5(1 - 0.5)}{(0.1)^2} \times \frac{262}{262 - 1 + (1.96)^2 \cdot 0.5(1 - 0.5)/(0.1)^2}$$

$$\text{Sample Size} = \frac{3.8416 \cdot 0.25}{0.01} \times \frac{262}{262 - 1 + 9.604}$$

$$\text{Sample Size} = 96.04 \times \frac{262}{270.604} = 96.04 \times 0.9684 = 92.93$$

This equation shows us that we will need approximately 93 responses to achieve a 95% confidence level with a 10% margin of error.

Our questionnaire had the following questions:

1. What is your age?
2. What is your nationality?
3. Where do you currently live?
4. What is your monthly income range?
5. How often do you purchase ceramic products (mugs, vases, plates, etc.)?
6. Where do you usually purchase ceramic products?
7. What types of ceramic products would you be more interested in purchasing?
8. What inspires you to purchase ceramic products?
9. What ceramic styles do you prefer?
10. How important is sustainability to you when purchasing ceramic products?
11. Do you prefer handcrafted ceramics over mass-produced items?
12. How do you usually discover new ceramic brands or products?
13. How much would you be willing to spend on the following items if these were handcrafted?
14. What influences your decision to spend more on ceramic products?
15. What features would make you more likely to purchase ceramics from a small, artisanal brand like “PAZ the brand”?
16. Any suggestions for new types of ceramic products you would like to see?

The initial questions served to firstly understand the demographics of our consumer and then we adapted the questions to learn how often they purchase these kind of products and where, the type of ceramic products they would be interested in and reasons to purchasing ceramics, their interest in sustainability when it comes to our products, the value they give to them and, finally, possible suggestions that they might have to our brand to make improvements.

With this survey we have surpassed the responses that were needed to achieve a 95% confidence level, we needed 93 responses and obtained 106 valid responses. With this survey we concluded that most of our consumer is based in Portugal, only 9 people out of 106 were from outside of Portugal, therefore, around 91,5% of the people that answered the survey are based in Portugal. We also found useful to learn that 47,2% of the participants usually purchases ceramic products in local art markets (Annex B), which can be a future selling point to "PAZ the Brand". 76,4% of the participants stated that they would be more interested in purchasing mugs and cups, when compared to the other items that were mentioned (Annex C), which helps us understand the type of products we should focus more on. In terms of inspiration to purchase ceramic products, design and aesthetics was the main reason chosen by participants (84%), following with functionality (60,4%) and supporting small local businesses (31,1%) (Annex D). With this survey we also wanted to understand the type of design our consumer would prefer since there is so much offer nowadays it would be interesting to clarify which styles we should focus more on. The ceramic styles the participants preferred were minimalist and modern (67%), followed by neutral and earthy tones (46,2%) and, in third, hand-painted or decorated (43,4%) (Annex E). We also found curious that 42,5% of the participants found that sustainability is somewhat important when purchasing ceramic products (Annex F). 50% of the participants answered that they prefer handcrafted ceramics over mass-produced items (Annex G), however, when looking into the answers given in question 13 regarding how much they would be willing to spend in handcrafted items we understood that it is fundamental for us to clearly justify our pricing, since, for example, 73 of the participants (68,9%) mentioned they would only be willing to spend less than €15 for mugs (Annex H), which is considerably low for the time spent in producing these items.

Regarding the qualitative research side of this survey, when we asked for suggestions to our participants, we found that having an unique design is important, transparency, having

designs that follow the seasons (for example, winter collections, fall collections with mugs in earthy tones, etc.).



#### **4. Value Proposition**

At "PAZ the Brand", we embrace the philosophy of slow living through our meticulously handcrafted ceramic products. Our collection embodies the essence of tranquility and simplicity, offering timeless pieces that enhance your everyday rituals and encourage a more mindful way of living.

Crafted with care and attention to detail, each ceramic piece from "PAZ the Brand" is a proof of our commitment to quality expertise. We employ techniques that create durable and beautiful products that stand the test of time, enriching your daily rituals with their elegance and functionality.

Aligned with the principles of slow living, we prioritize sustainability in every aspect of our business. From responsibly sourced materials to eco-friendly production methods, we strive to minimize our environmental footprint and promote conscious consumption, ensuring that our products enhance your life and also contribute in a positive way to the planet.

At "PAZ the Brand", we believe in the power of simplicity and intentionality. That is why we offer customizable options, allowing you to personalize your ceramic pieces and infuse them with your unique style and values. Whether it's a mug for your morning coffee or a custom-designed vase for your living space, our products are designed to inspire moments of mindfulness and connection in your everyday life.

Experience the beauty and simplicity of slow living with "PAZ the Brand". Elevate your rituals, enjoy every moment, and embrace a more intentional way of living with our thoughtfully crafted ceramic products by "PAZ the Brand".



## 5. Branding Strategy

### a. The Brand

Before getting into the detailed branding strategy, it is important to understand the concept of the brand for which this business plan is intended to.

As previously mentioned, this is a brand that right now focuses on ceramic products, such as mugs, bowls, candle holders, etc. In this business plan it will be shared how to transform this art of ceramics from a personal hobby into a viable small business venture.

When first starting this brand, it was important to consider the name of it. A brand's name is vital as it forms the initial impression, aids in brand recognition, sets a business apart, communicates essential information, instills trust, and evolves into a valuable long-term asset for a business. Considering the importance of naming, it needed to be something that would stand out and also that would, of course, be related to the products of the brand. To decide the name, firstly it is important to understand what ceramics symbolize and what it reminds us of. The thoughts that may come to our head is calmness, slow living, relaxing, being in the present, peace and quiet. The final decision of the name of this brand is "PAZ the Brand" (paz meaning peace in Portuguese/Spanish).

### **PAZ**

*noun. peace [noun] freedom from war; (a treaty or agreement which brings about) the end or stopping of a war. peace [noun] freedom from disturbance; quietness.*

This name reflects the brand's commitment to following the principles and values associated with peace, such as:

- **Tranquility in Design:** The name suggests that the ceramics produced by this brand are designed to evoke feelings of tranquility and serenity. The pieces may feature calm and harmonious aesthetics that bring a sense of peace into the lives of those who use or display them.

- **Ethical and Sustainable Practices:** A commitment to ethical and sustainable production methods. The brand may prioritize environmentally friendly materials, fair labor practices, and responsible sourcing.
- **Personal Connection:** Customers who choose ceramics from this brand may feel a personal connection to the idea of peace. The items may serve as reminders of the importance of peace, mindfulness, and unity in their daily lives.
- **Harmony:** The brand's mission will also be to promote harmony not only in its products but also in the world, such as donating part of the profits to causes that aim to resolve conflicts, reduce inequality, and foster peace.
- **Several Meanings:** Peace is a concept with several meanings, and this brand name allows for creative and varied expressions of what peace means to different individuals. It invites customers to find their own meaning in the brand's products.

## b. External Analysis

### i. SWOT Analysis

#### Strengths:

- **Uniqueness:** unique handmade and visually appealing products.
- **Artisanal:** the appeal of handmade, artisanal products can attract a niche market of consumers who appreciate the authenticity and uniqueness of each piece.
- **Creative Freedom:** ceramic allows creative freedom, enabling the brand to innovate and produce distinctive designs.
- **Customization:** the brand offers customization, allowing customers to order personalized items, which can be a strong selling point.
- **Sustainability:** emphasizing sustainable practices in production, such as using eco-friendly materials and reducing waste, which can be a significant strength in today's environmentally conscious society.

#### Weaknesses:

- **Production Costs:** handcrafted ceramics can be labor-intensive, leading to higher production costs, which may affect pricing and profitability.

- **Scale Limitations:** scaling up production without compromising quality can be challenging, limiting the ability to meet increasing demand.
- **Limited Product Range:** small ceramic brands may have a limited product range, especially if it is handmade due to being a time-consuming craft, which can hinder diversification and market reach.
- **Competition:** the ceramics market can be highly competitive, with established brands and new entrants competing for market share.

#### Opportunities:

- **E-commerce:** the growth of online sales and marketplaces offers a vast opportunity to reach a global customer base without the need for a physical store.
- **Collaborations/Partnerships:** partnering with other artists or businesses can expand the brand's exposure and customer base.
- **Niche Markets:** Identifying and targeting specific niche markets, such as collectors, interior designers, or gift shops, can open up new revenue streams.
- **Export Markets:** Exploring international markets can provide access to a broader customer base and potentially higher margins.
- **Sustainability:** capitalizing on the trend toward sustainable and eco-friendly products can attract environmentally conscious consumers, without greenwashing (when a company makes an environmental claim about something the organization is doing that is intended to promote a sense of environmental impact that doesn't exist.).

#### Threats:

- **Economic Recessions:** economic recessions can lead to reduced consumer spending on non-essential items like ceramics.
- **Imitation:** the artistic nature of ceramics can make it susceptible to imitation, potentially deteriorating the uniqueness of the brand's offering.
- **Supply Chain Disruptions:** dependence on specific suppliers for materials can be risky if there are disruptions in the supply chain. In this case, also the dependence the studio where the pieces are fired in the kiln.
- **Regulatory Changes:** regulations are constantly evolving, in this case it is particularly relevant the ones related to environmental standards, can impact production processes and costs.

- **Consumer Preferences:** changes in consumer preferences can affect the demand for certain types of ceramics or styles, requiring the brand to constantly adapt whilst still maintaining the products within its concept and goals.

## ii. PESTEL Analysis

### Political Factors:

- **Regulations:** political decisions, such as import/export regulations, can affect the cost of raw materials and the brand's ability to reach international markets.
- **Taxation:** tax policies and rates can impact the cost structure of the business, influencing pricing and profitability.
- **Government Stability:** political stability is essential for business operations. Political instability in regions where materials are sourced, or products are sold can disrupt the supply chain.

### Economic Factors:

- **Economic Cycles:** economic fluctuations, including recessions or economic growth, can influence consumer spending on non-essential items like ceramics.
- **Income Levels:** the income levels of consumers can affect demand for handmade ceramic products. Strong economies may boost disposable income and willingness to spend on luxury items, whereas in poorer economies the consumers might not want to dispose of their income on high-price ceramic products (high-price at least when compared to larger scale store-bought ceramics).

### Social Factors:

- **Consumer Preferences:** understanding changes in consumer preferences for design, craftsmanship, and sustainability is vital for adapting the product offering of the brand.
- **Demographics:** an aging population may have different preferences for ceramics compared to a younger demographic. The brand needs to adapt to changing demographics.
- **Cultural Influences:** cultural traditions and trends can influence the types of ceramics in demand, influencing product design and marketing strategies.

**Technological Factors:**

- **E-commerce:** embracing e-commerce platforms and online sales channels is critical in reaching a broader customer base.
- **Social Media:** besides e-commerce platforms it is essential for the brand to be present in social media networks, such as Instagram, Tik Tok, Facebook, etc. The focus on these social media will also depend on the target the brand wants to reach.
- **Data Security/GDPR (General Data Protection Regulation):** handling customer data and ensuring cybersecurity are increasingly important in an era of online transactions and data-driven marketing.

**Environmental Factors:**

- **Sustainable Practices:** increasing consumer awareness of environmental issues implies the adoption of sustainable practices in material sourcing, production, and packaging.
- **Environmental Regulations:** compliance with environmental regulations, such as waste disposal for example, is critical to avoid legal and reputational issues.
- **Climate Change Impact:** climate change can affect the availability of raw materials, energy costs, and supply chain resilience.

**Legal Factors:**

- **Product Regulations:** compliance with product safety and quality regulations is essential to avoid legal issues and maintain consumer trust.
- **Labor Laws:** adherence to labor laws and employment regulations, particularly if operating in multiple regions, is vital to avoid legal disputes.

**iii. Points of Difference & Points of Parity**

**Points of Difference (POD):**

- **Artisanal Craftsmanship:** the unique, handcrafted nature of the ceramics sets the brand apart from mass-produced alternatives. This emphasizes the brand's commitment to authenticity and craftsmanship.
- **Customization:** offering customization and allowing customers to personalize ceramic products according to their preferences, is a distinctive feature that can attract a specific consumer segment.

- **Eco-friendliness:** if the brand places a strong emphasis on sustainable practices, using eco-friendly materials, and reducing waste in production, it can stand out as an environmentally conscious option.
- **Unique Design Philosophy:** a unique and distinctive design philosophy can set the brand apart, making its products recognizable for their aesthetic and style.
- **Community Engagement:** if the brand is actively engaged with the local community, supporting artists, or promoting social causes, it can create a positive image of social responsibility and community involvement.

#### **Points of Parity (POP):**

- **Quality and Durability:** it is essential to meet the industry standards for the quality and durability of ceramics, customers expect ceramic products to be of high quality and to last.
- **Pricing:** customers often use pricing as a guideline for evaluating product value. Competing on price with similar ceramic products in the market is a point of parity.
- **Availability:** ensuring that the brand's products are available through common sales channels, both online and in physical stores, is a point of parity. Customers expect ease of access, especially nowadays where everything is fast paced.
- **Customer Service:** providing responsive customer support, including addressing inquiries and handling returns, is a point of parity for maintaining customer satisfaction.
- **Product Safety:** meeting or exceeding safety and health regulations for ceramic products is crucial to avoid legal and reputational issues.
- **Variety of the Product Offering:** offering a variety of ceramic products, such as dinnerware, vases, and decorative items, aligns with customer expectations regarding ceramic brands.
- **Brand Trust:** earning and maintaining customer trust is a point of parity. Consistency in product quality, delivery, and customer experience is essential to build and preserve trust.

#### **c. Internal Analysis**

##### **i. Mental Map**



A Mental Map visually represents the brand's core values, customer perceptions, and emotional connections. Here is the conceptual mental map of "PAZ the Brand”:

**Core Values:**

- **Artisan Craftsmanship:** Handcrafted, high-quality ceramics that emphasize the skill and tradition of pottery-making.
- **Sustainability:** Eco-friendly practices, using sustainable materials, and promoting a slow fashion approach in ceramics.
- **Creativity and Innovation:** Unique designs, often inspired by nature and cultural motifs, setting the brand apart from mass-produced items.
- **Community and Connection:** Building a community around the brand, fostering connections through workshops, collaborations, and social media engagement.

**Customer Perceptions:**

- **Exclusive and Unique:** Customers perceive "PAZ the Brand” as offering one-of-a-kind pieces, handmade, with each item having a personal touch.
- **High-Quality:** The brand is associated with premium quality, durable products that are both functional and artistic.
- **Ethical and Sustainable:** The brand’s commitment to sustainability is a key factor in customer loyalty.
- **Artistic Expression:** Customers see the brand as a form of personal expression, allowing them to own pieces that resonate with their aesthetic sense.

**Emotional Connections:**

- **Pride of Ownership:** Customers feel proud to own and display these handcrafted items, often seeing them as conversation pieces.
- **Connection to Nature:** The natural inspirations in design and the use of organic materials create a connection to nature.
- **Community Belonging:** Being part of the brand’s community, whether through workshops or social media, gives customers a sense of belonging.

**ii. Positioning & Personas**

**Positioning:** "PAZ the Brand" offers handcrafted, sustainable ceramics that blend traditional craftsmanship with contemporary design, appealing to discerning customers who value art, quality, and ethical practices. *PAZ* delivers unique, one-of-a-kind pieces that resonate with customers seeking both aesthetic beauty and functional value.

## **Personas:**

### **Persona 1: "The Conscious Consumer"**

- Name: Maria
- Age: 32
- Occupation: Graphic Designer
- Location: Lisboa, Portugal
- Income: Mid to high income
- Lifestyle: Maria is passionate about sustainability and ethical consumption. She prefers buying fewer, high-quality items rather than mass-produced products. She enjoys supporting small businesses and values craftsmanship. Maria often shops at farmer's markets, eco-friendly stores, and online platforms like Etsy.
- Needs: Unique, sustainable products that align with her values. She is willing to pay a premium for quality and ethics.
- Pain Points: Difficulty finding truly sustainable and artisanal products in a market flooded with greenwashing.
- Buying Motivation: Maria buys from "PAZ the Brand" because it reflects her values of sustainability, quality, and uniqueness.

### **Persona 2: "The Aesthetic Enthusiast"**

- Name: Lucas
- Age: 28
- Occupation: Interior Designer
- Location: Porto, Portugal
- Income: High income
- Lifestyle: Lucas has a keen eye for design and is always on the lookout for unique pieces to incorporate into his projects. He values originality and craftsmanship and prefers

items that can serve as statement pieces in his designs. He frequents art galleries, design fairs, and upscale home decor stores.

- **Needs:** High-quality, aesthetically pleasing ceramics that can stand out in a design project.
- **Pain Points:** Mass-produced items that lack character and authenticity.
- **Buying Motivation:** Lucas chooses "PAZ the Brand" for its distinctive designs and the ability to offer his clients something exclusive.

### iii. Portfolio

#### Current Product Range:

##### 1. Tableware:

- **Bowls:** Hand-thrown bowls, available in various sizes, featuring natural glazes and textures.
- **Plates:** Unique, hand-painted or carved plates with organic shapes.
- **Mugs and Cups:** Artisan mugs with personalized touches, such as engraved initials or motifs inspired by nature.

##### 2. Home Decor:

- **Vases:** Artistic vases with intricate designs, often inspired by floral and botanical themes.

##### 3. Special Editions:

- **Limited Edition Collections:** Seasonal or themed collections, such as holiday-inspired items or collaborations with other artists.
- **Custom Orders:** Bespoke ceramics, allowing customers to commission unique pieces tailored to their preferences.

#### Unique Selling Points:

- **Handcrafted:** Each piece is meticulously crafted by hand, ensuring no two items are exactly alike.
- **Sustainability:** The use of eco-friendly materials and practices, including non-toxic glazes and recycled packaging.

- **Limited Editions:** The exclusivity of certain collections drives desirability and creates a sense of urgency among customers.

#### **Expansion Plans:**

- **New Product Lines:** Consider expanding into kitchen accessories (e.g., ceramic spoons, trivets), larger home decor items (e.g., wall art, ceramic tiles, decorative sculptures), merchandising (e.g., tote bags, t-shirts, sweatshirts).
- **Collaborations:** Explore collaborations with other artists or designers to create crossover products that merge different art forms.
- **Workshops:** Introduce workshops where customers can create their own ceramics under guidance, enhancing brand engagement and loyalty.
- **Digital products:** Online courses on how-to create ceramics and different designs.

By conducting this internal analysis, we have a clearer understanding of where "PAZ the Brand" stands in the market, of who our target customers are, and how your product offerings align with their needs and desires. This insight will guide our branding and marketing strategies moving forward.

## 6. The Goals

In order to define our brand goals these should be SMART (Specific, Measurable, Achievable, Relevant, Time-bound) and include short-term and long-term objectives.

### a. Short-Term Goals (6-12 Months)

#### Goal 1: Increase Online Sales

- **Specific:** Boost online sales through the brand’s Instagram and website by implementing targeted marketing campaigns and improving the e-commerce user experience.
- **Measurable:** Achieve a 20% increase in online sales within 12 months.
- **Achievable:** This goal is achievable by leveraging existing followers on Instagram and enhancing the website’s functionality, along with offering limited-time discounts and promotions.
- **Relevant:** Increasing online sales is crucial for revenue growth and reaching a wider audience beyond local markets.
- **Time-bound:** Set to achieve this by the end of the next 12 months.

#### Goal 2: Launch a Limited-Edition Collection

- **Specific:** Design and release a limited-edition ceramic collection inspired by a specific theme or collaboration with another artist.
- **Measurable:** Sell 75% of the collection within three months of launch.
- **Achievable:** Achievable through targeted pre-launch marketing, collaborations with influencers, and leveraging existing customer interest.
- **Relevant:** Limited editions create exclusivity and excitement around the brand, driving engagement and sales.
- **Time-bound:** Launch the collection within 6 months and complete sales within 9 months.

#### Goal 3: Expand Social Media Engagement

- **Specific:** Increase engagement on Instagram by posting regularly, creating interactive content, and using Instagram Stories and Reels.

- **Measurable:** Grow Instagram engagement (likes, comments, shares) by 30% and followers by 15% within 12 months.
- **Achievable:** By posting high-quality content consistently and using targeted hashtags, engagement can be significantly increased.
- **Relevant:** Higher social media engagement leads to increased brand awareness, driving traffic to the e-commerce site.
- **Time-bound:** Achieve this within the next 12 months.

#### **b. Long-Term Goals (1-3 Years)**

##### **Goal 4: Establish a Physical Retail Presence**

- **Specific:** Open a physical retail space or pop-up shop in a high-traffic location to enhance brand visibility and customer experience.
- **Measurable:** Open the first physical retail location within 2 years, with a break-even point projected within 18 months of opening.
- **Achievable:** By reinvesting profits and possibly securing a small business loan, this goal is financially viable.
- **Relevant:** A physical location would allow customers to experience the products firsthand, improving sales and brand loyalty.
- **Time-bound:** Open the retail space within the next 2 years.

##### **Goal 5: Expand Product Range**

- **Specific:** Introduce two new product lines, such as ceramic kitchen accessories and larger home decor items, to diversify the portfolio.
- **Measurable:** Launch the first new product line within 18 months and the second within 30 months, with a target of each new line contributing at least 15% to overall revenue within the first year of launch.
- **Achievable:** This is achievable by leveraging existing design expertise and customer feedback, along with careful market research.
- **Relevant:** Expanding the product range will attract new customers and increase sales from existing ones.
- **Time-bound:** Launch both new product lines within the next 30 months.

These SMART goals provide clear, actionable targets for "PAZ the Brand", driving both short-term progress and long-term growth. Each goal is designed to align with the brand's core values and business objectives, ensuring they are relevant and attainable within the specified time frames.





## **7. The Development of the Strategy**

To achieve the outlined SMART goals "PAZ the Brand", a comprehensive strategy encompassing marketing, sales, product development, and customer engagement is essential.

### **a. Marketing Strategy**

#### **i. Targeted Marketing Campaigns:**

Develop and execute digital marketing campaigns on social media (Instagram, Tik Tok) and through email marketing. Utilize Instagram and Tik Tok ads and influencers to reach a broader audience. The campaigns should highlight the brand's unique selling points, such as sustainability, craftsmanship, and exclusivity.

#### **ii. Content Creation:**

Invest in high-quality photography and videography to showcase products creatively. Regularly post engaging content, including product teasers, behind-the-scenes processes, customer testimonials, and user-generated content.

#### **iii. SEO and Website Optimization:**

Improve the brand's website by optimizing it for search engines (SEO) to increase organic traffic. This includes keyword research, blog posts on ceramic art, and ensuring the site is mobile-friendly.

#### **iv. Public Relations (PR):**

Collaborate with lifestyle and home decor magazines to secure features. Participate in industry events and award competitions to enhance brand visibility.

### **b. Sales Strategy**

#### **i. Enhanced E-commerce Experience:**

Improve the online store by offering a seamless shopping experience. This includes faster loading times, clear product descriptions, high-quality images, easy navigation, and multiple payment options.

#### **ii. Limited-Time Offers and Promotions:**

Introduce promotions such as discounts for first-time buyers, limited-time collections, and bundle offers to drive sales.

**iii. Expanding Sales Channels:**

Explore new sales channels such as partnering with online marketplaces (e.g., Etsy, Amazon Handmade) and local boutiques to widen distribution.

**c. Product Development Strategy**

**i. New Product Lines:**

Research and develop two new product lines (e.g., kitchen accessories, large home decor items). Conduct market research to identify trends and customer preferences.

**ii. Collaborations:**

Partner with other artists or designers to create collaborative collections, blending different styles and appealing to new customer segments.

**iii. Sustainability Innovation:**

Continuously innovate in sustainable practices, such as using recycled materials and eco-friendly packaging, to strengthen the brand's commitment to sustainability.

**d. Customer Engagement Strategy**

**i. Workshops and Events:**

Host online and in-person workshops to engage the community and attract new customers. These events can be opportunities for customers to learn about ceramics and create their own pieces.

**ii. Loyalty Program:**

Implement a customer loyalty program that rewards repeat purchases and referrals. Offer exclusive discounts, early access to new collections, and special gifts for loyal customers.

**iii. Personalized Customer Service:**

## Innovative Business Plan of “PAZ the brand”

Enhance customer service by providing personalized shopping experiences, such as custom orders, tailored recommendations, and follow-ups after purchases.



## 8. Implementation

### a. Plans

#### i. Actionable Steps, Timelines, and Responsibilities

##### Step 1: Boost Online Sales

- **Action:** Develop and launch targeted social media campaigns.
- **Timeline:** Months 1-3
- **Responsibility:** Marketing Team / Digital Agency

##### Step 2: Launch Limited Edition Collection

- **Action:** Design and produce the collection; initiate pre-launch marketing.
- **Timeline:** Months 4-6
- **Responsibility:** Product Development Team / Marketing Team

##### Step 3: Expand Social Media Engagement

- **Action:** Increase posting frequency, engage with followers, and use Instagram Reels.
- **Timeline:** Months 1-12
- **Responsibility:** Social Media Manager

##### Step 4: Establish a Physical Retail Presence

- **Action:** Research and secure a location, design store layout, and open the store.
- **Timeline:** Years 1-2
- **Responsibility:** Business Development Team / Retail Manager

##### Step 6: Expand Product Range

- **Action:** Conduct market research, design new products, and launch.
- **Timeline:** Product 1 by Month 18, Product 2 by Month 30
- **Responsibility:** Product Development Team

#### ii. Roadmap with Milestones and Deliverables

##### Month 3:

- Social media campaigns launched.
- Website optimization completed.

#### **Month 6:**

- Limited edition collection launched.
- Social media engagement increased by 10%.

#### **Month 12:**

- Online sales increased by 20%.
- Instagram followers increased by 15%.
- Plans finalized for a physical store.

#### **Year 2:**

- Physical retail location opened.
- First new product line launched.

#### **Year 3:**

- Second new product line launched.

### **b. Issues**

#### **i. Potential Challenges and Risks**

- **Market Saturation:** The ceramics market is highly competitive. There's a risk that similar products from competitors might saturate the market, making it harder to stand out.
- **Supply Chain Disruptions:** Issues with sourcing materials or production delays could impact product availability, especially for limited edition collections.
- **Economic Crisis:** A potential economic downturn could reduce consumer spending on non-essential items like ceramics.
- **High Costs:** The costs associated with opening a physical retail store and launching new product lines might strain financial resources.
- **Digital Platform Changes:** Changes in social media algorithms or e-commerce platform policies could impact the effectiveness of online marketing efforts.

**ii. Mitigation Strategies and Contingency Plans**

- **Differentiation:** Focus on unique designs and sustainability to differentiate "PAZ the Brand" from competitors. Continuously innovate and offer products that resonate with your target market.
- **Supplier Relationships:** Build strong relationships with multiple suppliers to reduce the risk of supply chain disruptions. Keep an emergency fund for potential production delays.
- **Diversified Sales Channels:** Expand into different sales channels (e.g., online marketplaces, local street markets) to reduce reliance on a single revenue stream.
- **Cost Management:** Carefully plan and manage budgets for new initiatives. Consider phased rollouts of new products or stores to manage costs effectively.
- **Adaptability:** Stay informed about changes in digital platforms and be prepared to adapt marketing strategies accordingly. This could include diversifying marketing channels beyond social media.

This strategy, implementation plan, and mitigation approach will guide "PAZ the Brand" in achieving its goals while being prepared for potential challenges. By following this roadmap, the brand can grow its presence, increase sales, and build a loyal customer base.





## 9. Financial Analysis

The financial structure of any business, particularly a small startup in a niche market like artisanal ceramics, must be carefully constructed to manage both short-term expenses and long-term growth. Financial management plays an essential role in transforming this business from a hobby into a profitable business. This section provides a detailed view of the financial forecasts, break-even analysis, and key financial decisions that will influence the brand's path forward.

At the initial stages, one of the most crucial factors to address is startup capital (Annex I). The initial costs for "PAZ the Brand" include the purchase of high-quality raw materials such as clay and glazes, as well as investments in production equipment like pottery wheels, kilns, and sculpting tools. These upfront investments will demand a considerable portion of the initial budget (approximately €7.269,70 – Annex I), making it necessary for the brand to seek funding sources if personal capital is insufficient. A mixture of personal investment, small business loans, or even crowdfunding platforms could be considered to secure the necessary funds. Moreover, the careful prioritization of essential versus non-essential equipment will help in managing initial expenditures without straining the available capital.

Pricing strategy is another key component of the financial analysis, directly affecting both sales and profitability. As the ceramics produced by "PAZ the Brand" are handcrafted and sustainable, the products can be priced at a higher price as long as this is justified in the marketing department so that the consumer sees the value of our products. The pricing must balance the costs of production while remaining appealing to consumers. A cost-plus pricing model may be used, ensuring that each item covers the cost of materials, labor, and overhead, while providing a reasonable profit margin. Additionally, consumer willingness to pay has been measured through the market research survey, indicating that customers are generally willing to pay more for handmade and sustainable products, depending on the product and if they give value to the use of the respective products. This insight enables "PAZ the Brand" to maintain premium pricing, especially when positioning the products as high-quality, artisanal pieces.

Currently, "PAZ the Brand" projects annual revenue based on expected sales volumes and the established pricing model. Initial projections estimate total revenue to grow steadily as the

brand gains market presence, driven by marketing efforts and a growing customer base. By the end of the first year, the brand anticipates selling approximately 1.260 units, which would result in revenue of approximately €37.800, resulting in an approximate gross profit of €35.400 (Annex J). These revenue projections are essential for managing cash flow and ensuring that the business meets its financial goals.

To measure the brand's financial health, the break-even point must be carefully calculated. Given the fixed costs associated with running a ceramics business — including rent for studio space, utilities, and website hosting fees — "PAZ the Brand" must determine the minimum sales volume required to cover all fixed and variable costs. In this case, the fixed costs are approximately €7,269.70, and the variable cost per unit is €1.90. With a selling price of €30 per unit (only considering the example of mugs), the contribution margin (price minus variable cost) is €28.10 per unit. Therefore, "PAZ the Brand" needs to sell approximately 259 units to break even. This break-even analysis (Annex K) allows the brand to understand how many units it needs to sell at a given price point to avoid losses. Considering the current product prices and anticipated sales volumes, the break-even analysis suggests that achieving profitability is feasible within the first year of operations if sales targets are met. However, this will require a consistent marketing effort and a growing customer base to sustain demand for the products.

Cash flow management is also integral to the financial strategy of "PAZ the Brand." In the initial stages, the business may experience variability in sales, especially as it works to establish a market presence. Therefore, maintaining positive cash flow will require careful monitoring of incoming revenue versus outgoing expenses. Early-stage financial planning should account for slower sales periods and any unexpected costs, such as equipment maintenance or increased marketing needs. By keeping operating costs as lean as possible and setting aside a cash reserve, the business can weather fluctuations in revenue without compromising production or quality. Regular cash flow reviews will help track progress and provide insight into areas that may need financial adjustments.

Based on revenue projections and anticipated expenses, the P&L statement for "PAZ the Brand" provides a clear picture of the financial performance expected during the first year of operations (Annex L). The total revenue is projected to be €37,800, derived from product sales at the current pricing model.

On the expenses side, "PAZ the Brand" anticipates several key costs:

- **Startup Costs:** €7,269.70, which covers initial investments in production equipment and materials.
- **Variable Costs:** €2,400, tied directly to production as the brand scales.
- **Marketing Expenses:** €1,380, covering website hosting, digital marketing setup, and ongoing advertising costs over 12 months.
- **Studio Rental:** €9,600, reflecting an estimate of €800 monthly rent for studio space.
- **Miscellaneous Costs:** €2,400, allocated for various smaller expenses over the year.

In total, the expenses amount to €23,049.70 for the first year. After subtracting the total expenses from revenue, the projected Net Profit for the first year is €14,750.30. This demonstrates a strong potential for profitability in the brand's first year, assuming that sales targets are met, and expenses are kept within budget.

In addition to managing cash flow, profit margins will need to be closely monitored. As the brand grows, it may face pressures to reduce prices to remain competitive or to scale production to meet increasing demand. While scaling may offer some cost benefits through the bulk purchase of materials or increased efficiency, it is essential to maintain the artisanal nature of the products and not compromise on quality. Consequently, the business should resist the temptation to lower prices, as this could undermine its brand positioning. Instead, efforts should focus on increasing perceived value through enhanced marketing, packaging, or creating limited edition collections, allowing for higher profit margins without eroding brand equity.

Marketing expenses, particularly the costs associated with digital marketing on platforms like Instagram, are also important considerations in the financial analysis. As digital channels are the primary method for reaching customers, a portion of the budget will need to be allocated for advertising campaigns, social media content creation, and website maintenance. While these expenses can vary, it is essential to track the return on investment (ROI) for marketing efforts to ensure that the money spent on customer acquisition leads to sustainable growth in sales. Over time, the brand can optimize its marketing spend based on which platforms and campaigns generate the most engagement and conversions.

In terms of long-term financial planning, the financial model for "PAZ the Brand" should include projections for the next 3-5 years, accounting for growth in sales, potential new product

lines, and expansion into different markets. The business will need to anticipate the costs associated with scaling production, including the potential for hiring additional staff or expanding studio space. Moreover, as the business grows, the brand may explore new revenue streams, such as offering ceramics workshops or collaborations with other artists, which could diversify income and reduce reliance solely on product sales.

Finally, contingency planning should not be overlooked in the financial analysis. The ceramics industry, like any other, is subject to external risks such as economic downturns, supply chain disruptions, or shifts in consumer preferences. Building financial resilience means having contingency funds set aside and being flexible enough to pivot the business model if necessary. For example, if demand shifts toward more affordable products, the brand could introduce a secondary product line with simpler designs or smaller pieces to cater to a broader audience. Additionally, if raw material costs rise unexpectedly, the business should have strategies in place to adjust pricing or find alternative suppliers without sacrificing quality.

In conclusion, the financial analysis for "PAZ the Brand" underscores the importance of strategic planning, from startup costs and pricing models to long-term financial sustainability. By carefully managing finances, leveraging premium pricing, and maintaining control over production costs, the brand has the potential to achieve profitability and establish itself as a successful player in the niche ceramics market.

## 10. Conclusions

The journey of transforming "PAZ the Brand" from a personal hobby into a viable and sustainable small business presents significant opportunities, but also requires meticulous planning and strategic insight. Through this business plan, various aspects of the brand have been carefully analyzed, from branding strategy to financial forecasting, and the results reveal a promising future for the business, provided the right steps are followed.

First and foremost, the results of the consumer survey indicate an increasing demand for artisanal, handmade products, particularly ceramics, in today's market. Consumers are increasingly valuing authenticity, craftsmanship, and sustainability, which aligns perfectly with the concept of "PAZ the Brand". This consumer trend presents a unique and timely opportunity for the brand to position itself within the niche market of handcrafted, sustainable ceramics. Leveraging this trend will be crucial for the success of the business, especially as it competes against larger, mass-produced products that often lack the same level of craftsmanship and environmental consideration.

From a branding perspective, "PAZ the Brand" has the potential to differentiate itself through a clear value proposition focused on sustainability and artisanal quality. The brand should emphasize these core values in its marketing efforts, both online and offline, to resonate with the target audience. Building a strong emotional connection with consumers who appreciate the uniqueness of handmade products will be key to the brand's long-term success. Storytelling will also play an important role in this, with the brand narrative being centered on the founder's personal journey, the craftsmanship behind each piece, and the sustainable practices that guide the production process.

In terms of market entry, the business can benefit significantly from leveraging digital platforms. E-commerce is an essential component for small businesses today, and "PAZ the Brand" should take advantage of platforms such as Instagram, Etsy, and its own dedicated website to reach a broader audience. The brand already has a social media presence, which should be further developed to increase engagement and drive sales. Additionally, collaborations with influencers or participation in local artisan fairs and markets could help build brand awareness and attract new customers.

Financial sustainability will be a key factor in ensuring the longevity of "PAZ the Brand." The financial analysis included in this plan highlights the importance of managing startup costs, from equipment purchases to marketing expenses, while maintaining a steady cash flow. It is critical for the business to carefully monitor its cost structure, ensuring that product pricing reflects the brand's value while remaining competitive within the market. Achieving profitability will require balancing the costs of high-quality materials and sustainable practices with the willingness of consumers to pay more for these aspects, which we will try to justify with our marketing practices. Conducting regular financial reviews and adjusting the strategy as the business grows will be essential for maintaining profitability.

Looking ahead, there are various growth opportunities for the brand, especially in expanding its product line and exploring international markets. Developing limited edition collections or customized products could further differentiate "PAZ the Brand" from competitors and enhance customer loyalty. Additionally, establishing partnerships with other sustainable brands or local artists could open new avenues for product development and sales. However, as the brand grows, it must stay true to its core values and avoid compromising the artisanal nature of its products for the sake of scalability.

In conclusion, "PAZ the Brand" is well-positioned to capitalize on current consumer trends favoring sustainability and handcrafted products. By focusing on branding, market positioning, and financial sustainability, the brand has a strong foundation for growth. While challenges such as managing costs and standing out in a competitive market will arise, the potential for success is considerable. With a clear strategy, a deep understanding of consumer preferences, and a commitment to quality and sustainability, "PAZ the Brand" can successfully evolve from a personal hobby into a thriving small business in the ceramics industry.

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## Annexes

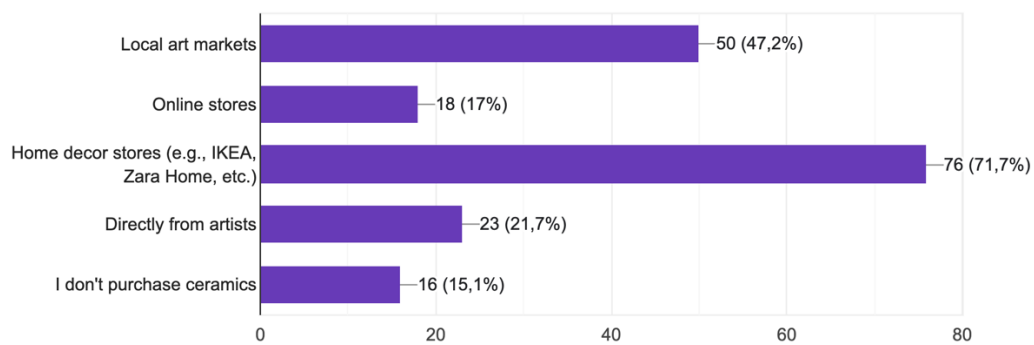
### A – Venus of Dolní Věstonice



### B – Survey question n°6

6. Where do you usually purchase ceramic products? (please select all that apply)

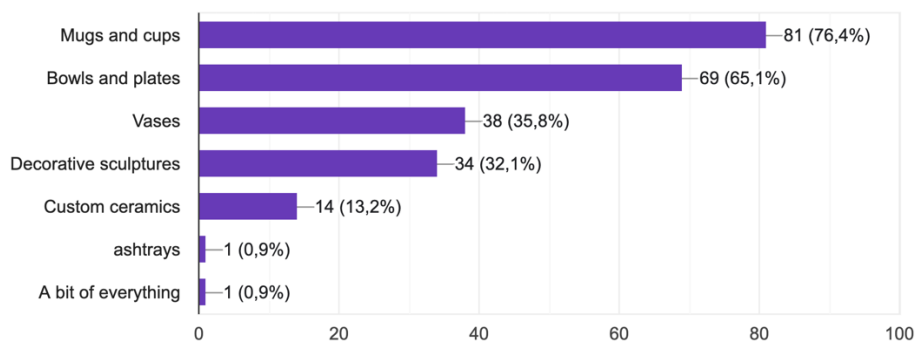
106 respostas



### C – Survey question n°7

7. What types of ceramic products would you be more interested in purchasing? (please select all that apply)

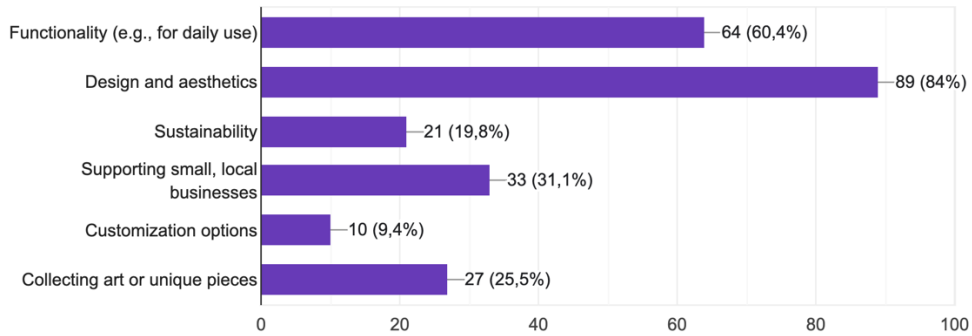
106 respostas



## D – Survey question n°8

8. What inspires you to purchase ceramic products? (please select all that apply)

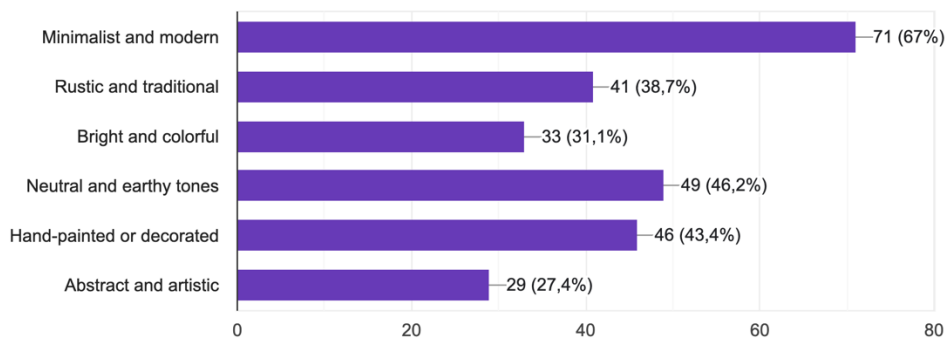
106 respostas



## E – Survey question n°9

9. What ceramic styles do you prefer? (please select all that apply)

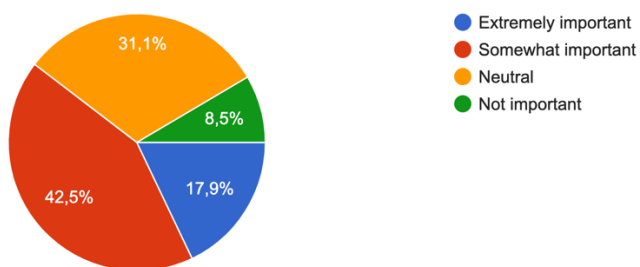
106 respostas



## F – Survey question n°10

10. How important is sustainability to you when purchasing ceramic products?

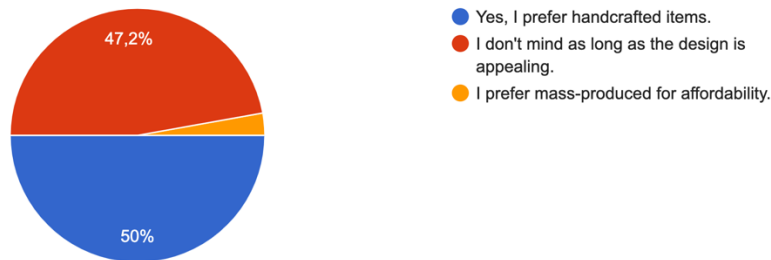
106 respostas



## G – Survey question n°11

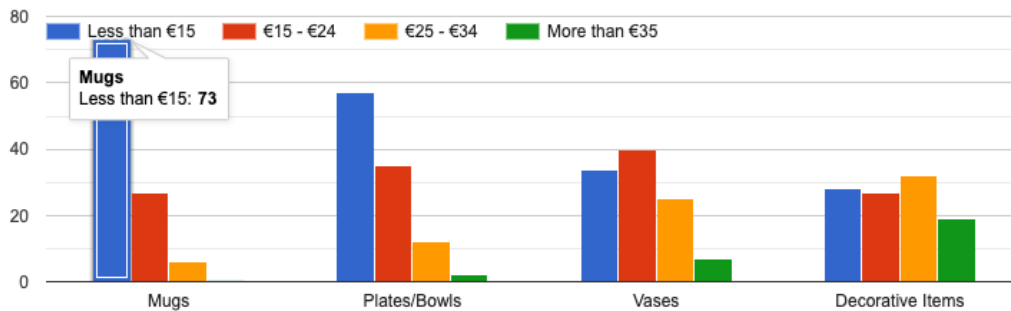
11. Do you prefer handcrafted ceramics over mass-produced items?

106 respostas



## H – Survey question n°13

13. How much would you be willing to spend on the following items if these were handcrafted?



## I – Startup Costs

Item	Cost (EUR)	Notes
Raw materials (Clay, Glazes, etc.)	500,00 €	Initial stock for 6 months of production
Pottery wheel	200,00 €	Purchase of 1 wheel
Kiln	3 554,70 €	Purchase of 1 kiln @MestreBras
Scuplting tools	100,00 €	Various tools for product creation
Website Development	15,00 €	Website monthly subscription @SquareSpace
Digital Marketing Setup	100,00 €	Monthly budget for social media ads
Studio Rental (3 months)	2 400,00 €	€800/month for a small studio
Packaging and shipping	200,00 €	Custom packaging, branding
Miscellaneous	200,00 €	Contingency fund
<b>Total Startup Costs</b>	<b>7 269,70 €</b>	

## J – Revenue Projections (Year 1)

Month	Units Sold	Price per Unit (EUR)	Revenue (EUR)	Variable Costs (EUR)	Gross Profit (EUR)
January	50	30,00 €	1 500,00 €	200,00 €	1 300,00 €
February	60	30,00 €	1 800,00 €	200,00 €	1 600,00 €
March	70	30,00 €	2 100,00 €	200,00 €	1 900,00 €
April	80	30,00 €	2 400,00 €	200,00 €	2 200,00 €
May	90	30,00 €	2 700,00 €	200,00 €	2 500,00 €
June	100	30,00 €	3 000,00 €	200,00 €	2 800,00 €
July	110	30,00 €	3 300,00 €	200,00 €	3 100,00 €
August	120	30,00 €	3 600,00 €	200,00 €	3 400,00 €
September	130	30,00 €	3 900,00 €	200,00 €	3 700,00 €
October	140	30,00 €	4 200,00 €	200,00 €	4 000,00 €
November	150	30,00 €	4 500,00 €	200,00 €	4 300,00 €
December	160	30,00 €	4 800,00 €	200,00 €	4 600,00 €
<b>Total</b>	<b>1260</b>		<b>37 800,00 €</b>	<b>2 400,00 €</b>	<b>35 400,00 €</b>

## K – Break-even analysis

Item	Amount (EUR)	Notes
<b>Fixed costs</b>	7 269,70 €	Startup costs
<b>Variable costs</b>	1,90 €	Total of variable costs/total of units sold (per unit)
<b>Price per unit</b>	30,00 €	Per unit (e.g. mugs)
<b>Contribution Margin</b>	28,10 €	Price per unit - variable costs per unit
<b>Break-even units</b>	<b>259</b>	Fixed costs/Contribution margin

## L – P&L statement (Year 1)

Revenue (Year 1)	Amount (EUR)
<b>Total Revenue</b>	<b>37 800,00 €</b>

Expenses (Year 1)	Amount (EUR)	Notes
<b>Startup Costs</b>	7 269,70 €	
<b>Variable Costs</b>	2 400,00 €	Revenue projections Year 1
<b>Marketing Expenses</b>	1 380,00 €	(website + digital marketing setup) x 12 months
<b>Studio Rental</b>	9 600,00 €	€800 x 12 months
<b>Miscellaneous</b>	2 400,00 €	€200 x 12 months
<b>Total Expenses</b>	<b>23 049,70 €</b>	

<b>Net Profit (Year 1)</b>	<b>14 750,30 €</b>	Total Revenue Year 1 - Total Expenses Year 1
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