

BUSINESS PLAN 2023

A COMPREHENSIVE BUSINESS
PLAN FOR GROWTH AND
EXPANSION

asa.

Prepared by

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1. Executive Summary

a. Business Description:

ASA (Turkish for magic wand), founded in 2023, emerged as a dynamic force within the Fintech sector, committed to reshaping the landscape of e-commerce payments. Our vision is centered on providing consumers and merchants with an unparalleled payment experience marked by seamlessness, flexibility, and user-centricity. At the core of our offering are innovative features designed to optimise transactions and elevate user satisfaction, ensuring a transformative journey in the world of digital payments.

b. Innovative Features:

ASA has redefined the checkout process, removing complexities that often hinder the online purchasing journey. Our platform boasts an intuitive, user-friendly interface that minimizes barriers, leading to heightened customer satisfaction and significantly increased conversion rates for our valued partner merchants.

Recognizing the diverse financial needs of our users, ASA introduces flexible payment plans that empower consumers to choose when and how they pay. By offering deferred payment options, ASA not only enhances affordability but also fosters a sense of financial empowerment, driving customer loyalty and repeat business.

ASA is not just a payment platform; it is a thriving ecosystem built on strategic collaborations with merchants. By building up a strong network of merchant partnerships, we ensure a diverse array of products and services for our users. This collaborative approach fuels growth for both our platform and the businesses we partner with, creating a mutually beneficial environment.

c. Market Position and Growth:

ASA aspires to claim a leadership position within the Fintech sector. Leveraging cutting-edge technology and a customer-centric approach, we are poised to stand out in a competitive market. Our commitment to industry leadership is grounded in a relentless pursuit of innovation and a keen understanding of evolving consumer behaviours.

In a rapidly evolving landscape, ASA distinguishes itself through a steadfast commitment to innovation. We invest strategically to stay ahead of industry trends, embrace emerging technologies, and adapt our platform to the changing needs and preferences of our users. Continuous innovation is at the heart of our competitive edge.

d. Financial Overview:

ASA's business model is designed for sustainability and growth. Our diversified revenue streams encompass transaction fees from partner merchants, income generated from interest on deferred payments and premium membership revenues. This diversified approach ensures a stable and robust income stream, laying the foundation for our long-term financial success.

Financial viability is a cornerstone of ASA's strategy. We are committed to a clear path to profitability through meticulous financial management and strategic initiatives aimed at driving growth. Our focus on profitability ensures stability and resilience in the face of economic fluctuations.

e. Future Strategy:

ASA envisions a global expansion, transcending geographical boundaries to tap into new markets and diverse cultures. Our platform is adaptable, and our expansion strategy is rooted in the goal of catering to the unique needs of consumers worldwide while embracing the richness of global diversity.

The backbone of ASA's future strategy lies in continued investment in technology and technological advancements. We are dedicated to exploring and integrating cutting-edge technologies, ensuring our platform remains at the forefront of the Fintech industry. Technological advancements are integral to our ability to deliver innovative and secure payment solutions.

Conclusion:

ASA stands on the cusp of redefining the e-commerce payment landscape. With a strategic focus on customer satisfaction, collaborative partnerships, continuous innovation, and financial resilience, ASA is not just a payment platform—it's a catalyst for positive change in the way we transact online. Positioned for sustained success, ASA is set to leave an indelible mark in the dynamic world of digital payments.

2. Market Selection Rationale (Turkey):

Our decision to operate in Turkey is grounded in strategic considerations, aligning with the following key advantages:

- a. Expanding E-commerce Market: Turkey's rapidly growing e-commerce sector (11th fastest growing eCommerce market in the world, with over \$17B in sales, and the

second fastest growing at a rate of 24%¹) presents a lucrative opportunity, tapping into a dynamic and expanding consumer base eager for innovative payment solutions.

- b. Tech-Savvy Youth Demographic: With a population inclined towards technology adoption, particularly among the youthful demographic², Turkey provides an environment conducive to the acceptance of ASA's modern payment platform.
- c. Strategic Geographical Location: Positioned as a crossroads between Europe and Asia, Turkey serves as an ideal entry point for potential expansion into neighboring regions.
- d. Government Support for Fintech: Encouraging government support and favorable regulations create an environment conducive to Fintech growth, allowing ASA to thrive in a supportive regulatory landscape.³
- e. Cultural Tech Affinity: A rising cultural affinity for technology among Turkish consumers aligns seamlessly with ASA's commitment to innovation, ensuring a receptive market.
- f. Differentiation Opportunities: The competitive landscape in Turkey offers unique opportunities for differentiation. Notably, ASA enters a market without direct competitors, allowing us to establish an unrivaled presence and set industry benchmarks.
- g. Currency Management: ASA's adept handling of currency dynamics, including addressing local currency needs, establishes trust and satisfaction among Turkish users.

¹<https://blog.2checkout.com/selling-online-in-turkey/> (last accessed 20.12.2023)

²[https://www.aa.com.tr/en/turkiye/young-people-make-up-of-152-of-turkiyes-population/2899733#:~:text=Some%2015.2%25%20of%20T%C3%BCrkiye%27s%20population,Turkish%20Statistical%20Institute%20\(TurkStat\)](https://www.aa.com.tr/en/turkiye/young-people-make-up-of-152-of-turkiyes-population/2899733#:~:text=Some%2015.2%25%20of%20T%C3%BCrkiye%27s%20population,Turkish%20Statistical%20Institute%20(TurkStat))

³Turkish Patent and Trademark Office. (2023). [Trademark]. Retrieved from <https://www.turkpatent.gov.tr/marka>

- h. Local Adaptability: Operating only in Turkey allows ASA to tailor its offerings to the specific preferences and needs of the local consumer base, ensuring a product-market fit.

Financial Strategies for the Turkish Market:

Because of probable currency issues on the Turkish market we implemented dynamic currency features, inflation-linked pricing models, and hedging strategies tailored for the Turkish market, which involve the following:

- Real-time Exchange Rates and Multi-Currency Wallets:

ASA's platform empowers users with real-time exchange rates and multi-currency wallets, providing flexibility in managing currency risks.

The real-time exchange rate feature implements a system that provides users with real-time exchange rates for various currencies allowing users to view and transact in their preferred currency at the current market rate.

Our Multi-Currency Wallets offer users the ability to hold balances in multiple currencies within their ASA accounts to enable them to manage their funds in a way that helps them mitigate currency risks.

- Variable Interest Rates and Dynamic Pricing Algorithms: To maintain transparent and fair pricing amid economic fluctuations, ASA employs variable interest rates tied to inflation and dynamic pricing algorithms. In detail, our platform offers variable interest rates on deferred payments, tying them to inflation rates. This means that the interest charged on deferred payments adjusts in response to changes in the inflation rate, providing a fair and transparent pricing model. Additionally we have pricing

algorithms implemented that take inflation into account when determining the cost of services or interest rates. This ensures that the platform's pricing remains competitive and fair relative to the economic conditions.

- Hedging Instruments: Leveraging forward contracts, currency options, and a diversified currency portfolio, ASA actively mitigates the impact of adverse currency movements, ensuring financial resilience.

- Plans for the future:
 - Localized Financial Education
 - Collaboration with Local Financial Institution

In conclusion, ASA Solutions is strategically positioned for success in the Turkish fintech landscape. Our adaptive platform, combined with tailored financial strategies and a commitment to transparency and user loyalty, forms a robust foundation for sustained growth in the Turkish market and beyond.

3. ASA Profitability Rationale

In Turkey's growing and developing e-commerce sector; considering that traditional methods which are not flexible and practical enough such as credit card transactions, cash on delivery, and a limited presence of installment plans are still being used, it is quite likely that ASA will easily gain a significant place in this environment and attract a lot of attention thanks to its revolutionary nature.

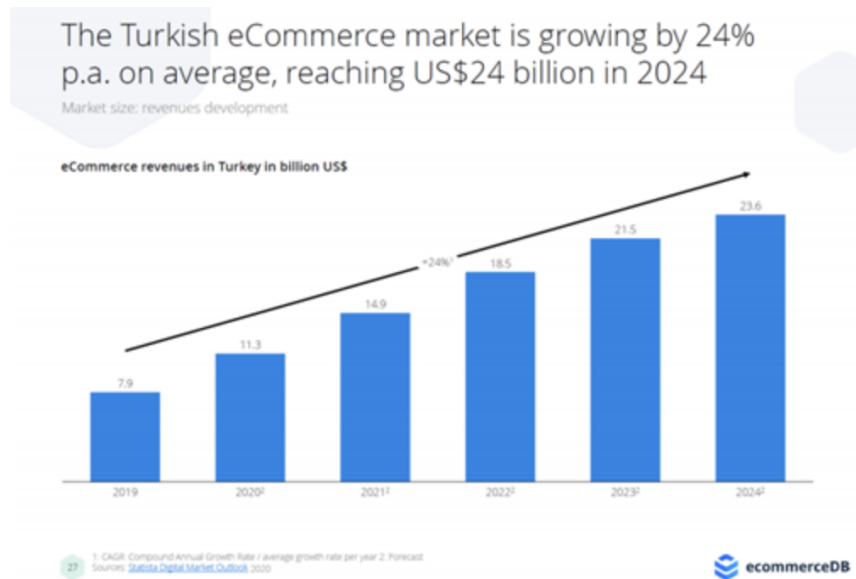


Figure 1: Turkish eCommerce Market Predictions⁴

a. Competitive Aspect

Turkish consumers are looking for alternative payment methods that offer greater practicality, convenience, transparency and affordability. Existing traditional payment systems in Turkey are often associated with high interest rates on credit cards and limited flexibility in payment options. Hence demand for interest-free installment plans is particularly high.

ASA has a great opportunity for fulfilling the growing need in the market for a Fintech solution that combines cutting-edge features like interest-free installments with the ease of making payments online.

⁴ <https://blog.2checkout.com/selling-online-in-turkey/> (last accessed 20.12.2023)

b. Revenue Streams

ASA's primary source of revenue derives from *offering interest-free installment options* for online purchases and transaction fees charged to partner merchants to facilitate these transactions. Offering interest-free installments increases affordability for consumers.

With the introduction of a *premium membership tier* that provides premium members some advantages a new revenue stream will be created for ASA through subscription fees. Exclusive benefits such as faster approval for transactions and personalized financial advice will encourage users to opt and pay for premium services, increasing revenue potential and helping ASA build a loyal consumer base that will be more likely to use ASA for future transactions to take advantage of the special advantages/offers provided through premium membership.

By *building and adopting solid partnerships with merchants*, economic growth for both ASA and its partner businesses will be fostered. This approach which involves transaction fees, also ensures another steady source of income. As the number of partners participating in ASA increases, the rate of income obtained from various products and services will also increase, providing mutual benefits for both parties, and this will play a role in increasing ASA's transaction volume. This is why ASA will be encouraging strategic collaborations in this direction.

Partnering with Turkey's leading e-commerce platforms will furnish ASA with scalability and public credibility. Partnerships increase the user base, which in turn increases transaction volume and revenue. ASA's commitment to persistent innovation will contribute

to its remarkable space in the industry by attracting users and partners who value the latest technology and a forward-thinking payment platform.

To conclude, the profit-generation methods mentioned under the heading of this section: interest-free installment options, premium membership tier and strategic partnerships will not only provide a stable revenue stream but also will be helping ASA to grow and generate profits, contributing to its profitability. With careful financial management and strategic initiatives ASA's growth and stability will be provided and protected against economic fluctuations.

4. Trademarks and Service Marks of ASA

a. Explanation of Selection

ASA provides its customers an unparalleled way to payments that aims to disrupt the traditional approach. To do that, ASA operates through an app and a website, easily accessible to its customers. The success of ASA comes from distinctive brand identity, reflecting innovation, rapid change and the name of the company, meaning magic wand in the market language.

ASA is committed to simplifying the consumer experience, giving them a feeling of overnight magical change in the payment tradition of users. ASA has a simple user interface, using simple colors and geometrical shapes on its website and app.

Trademark choice of ASA reflects Turkish customers preferences: high utility, easy access and emotional storytelling⁵.

⁵ Scarlet Media. (2023, December 21). Advertising Agency Turkey - Consumer Preferences. Retrieved from <https://scarletmedia.net/advertising-agency-turkey-consumer-preferences/>

b. Chosen Trademarks

Currently ASA is using 1 registered trademark and 1 service mark.

i. Trademark



Figure 2: ASA Trademark

This trademark is not merely a name or symbol but a strategic asset that reflects the brand's promise, shows emotions and recognition amongst its consumers. With a single glance, it will be possible to distinguish the brand from the competitors. ASA aims to reflect a story, and a revolutionary, mystical approach and does it by the choice of simple black and white colors and stars, commonly associated with magic.

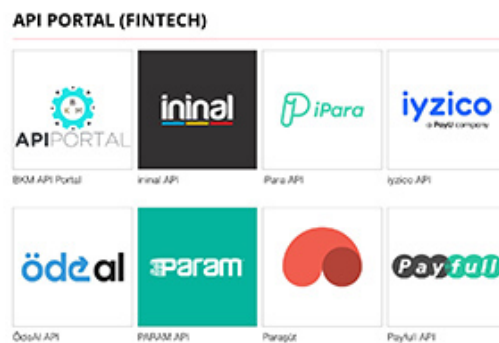


Figure 3: Existing Fintech Ecosystem of Turkey⁶

Considering the existing FinTech market and trademarks, ASA has a unique look and has a story to tell. It does not merely have “Money” written over, or “Payment” within, leveraging its captivating nature.

ii. Service Mark



Figure 4: ASA Service Mark

ASA, as a financial service business, has 1 associated service mark. It is the phrase “Enjoy Now, *Pay Later*” reflecting the unique service domain of ASA in a simplified way. What distinguishes ASA from its competitors is it's one of a kind, paying later feature. This enables our users to manage their finances efficiently. The figure above aims to take this feature to the spotlight, while having an “ASA” meaning magical wand next to it. This phrase will be used in both online and traditional advertising methods.

⁶ Fintechtime. (2023, December 21). Türkiye'nin Açık Bankacılık Ekosistem Haritası Yayınılandı. Retrieved from <https://fintechtime.com/2020/09/turkiyenin-acik-bankacilik-ekosistem-haritasi-yayimlandi/>

iii. Legal Considerations

Currently, both the trademark and service mark are registered in the Turkish Patent and Trademark Office (“TÜRKPATENT”). Within the international domain, there are no obstacles to register these in a possible extension abroad.

5. Intellectual Property Protection

ASA has intellectual property protection in place to protect brand, technology and innovation. Turkish Intellectual Property legislation bears a resemblance to European Union legislation, therefore ASA may seamlessly extend its IP protection in Europe in the future.

a. Copyright

Copyright protection in Turkey is automatic, meaning that Asa has copyrights on all its outputs. This includes:

- Creative works on the website & app
- Written materials
- Promotional materials
- Software and application

ASA has copyright protection pursuant to Code of Intellectual and Artistic Works Numbered 5846⁷. This protection extends to the unique software and application of Asa, yet, some existing open source software in some parts limits the copyright protection, making patent protection highly valued for Asa.

⁷ Mevzuat Bilgi Sistemi. (December 21, 2023). [Code of Intellectual and Artistic Works]. Retrieved from <https://www.mevzuat.gov.tr/mevzuatmetin/1.3.5846.pdf>

b. Patents⁸

Patent protection is highly valuable to industry disruptive FinTech companies against competitors, and for this reason ASA has registered its patentable technologies.

These patented technologies include:

- System And Method For Customer Authentication And Credit Assessment In Electronic Commerce
- Income Margin Determination
- Dynamic Pricing Determination Algorithms

They are both patented within the TÜRKPATENT pursuant to Art 90 of the Industrial Property Code numbered 6769⁹. Requirements to be patentable are: inventive step, novelty and industrial applicability, which are met in both of ASA patents.

c. Trademarks

As explained, ASA has 1 registered trademark and 1 service mark.

The registered trademark is a word and symbol; while the service mark is a logo.

Registry of a Trademark is made through the TÜRKPATENT website. The website allows database search for the possible brands.

Requirements for trademark registration are:¹⁰

- It must be a sign,

⁸ In this hypothetical scenario, our technology is already registered before the establishment of the company in 2023, allowing Asa to use its technology after the launch of the company.

⁹ Mevzuat Bilgi Sistemi. (2023). Industrial Property Code. Retrieved from <https://www.mevzuat.gov.tr/mevzuatmetin/1.5.6769.pdf>

¹⁰ Turkish Patent and Trademark Office. (2023). [Trademark]. Retrieved from <https://www.turkpatent.gov.tr/marka>

- The goods or services of an undertaking may be derived from the goods or services of other undertakings or must have the abstract ability to distinguish their services,
- The subject matter of the protection afforded to the trademark proprietor is clear and unambiguous to be demonstrable in the register in such a way that it can be provided.

ASA trademark & service mark meets all the 3 requirements, and there is no similar trademark registered before, allowing Asa a comprehensive trademark protection.

d. Trade Secret

Trade Secrets are not regulated clearly under Turkish law. Draft Trade Secret, Bank Secret and Customer Secret Code gives a definition, however in the current practice, acts related to exposure of trade secrets are fined pursuant to Turkish Criminal Code.

With this, ASA also has trade secret protection on its business practices and has an extra layer of protection against its competitors.

6. IP Strategy¹¹

It is crucial to protect intellectual property in the dynamic and fast-paced world of Fintech to maintain the long term success of ASA taking bold steps to redefine e-commerce payments in the Turkish Market. Copyrights, patents, trade marks are the core elements of ASA's business strategy. This objective is not only about legal protection but also about sculpting the narrative of the brand by way of fostering a culture of innovative measures. Asa will implement a combination of offensive and defensive IP strategies to safeguard its IP rights and maximize the value of its technology.

¹¹ Fisher III, W. W. (2021). Economic Downturns, Innovation, and Entrepreneurship: A Historical Perspective. Harvard Business School - Division of Research & Faculty.

a. Offensive IP Strategies

Offensive intellectual property strategies which are used to protect and monetize IP rights by generating income or market power include licensing, selling, donating, and defending against infringement. By preventing competitors from using certain IP or increasing market share offensive strategies may seek to gain control over a market.

ASA will license its intellectual property to other companies in Turkey or in other countries, allowing those companies to use ASA's payment system for a fee (not only protecting IP rights but also creating a new revenue stream). Licensing is yet another powerful tool for generating revenue and for increasing the reach of Asa's payment system as well as making ASA grow. However, it also comes with some risks. For example, competitors may use ASA's licensed technology to create better payment systems.

ASA can sell its intellectual property to another company that wants to own and use the IP utterly. This would result in a large payout for ASA. However, it would mean giving up control of the payment system, which could be seen as a disadvantage. It also risks the possibility that the new owner might not put the technology to best use, thus causing all the effort put in to go to waste.

ASA can make its IP publicly available by opening it up to the public as open-source, allowing it to be used and expand upon by others without receiving payment. This would be a generous gesture by ASA. As well as promoting further development of the technology this will allow others to use it for free, taking advantage of the system. However, it may not

directly generate revenue for ASA and might not prevent others from creating similar systems and profiting from it, without giving credit or compensation to ASA.

b. Defensive IP Strategies

Defensive IP strategies are a set of measures used to protect against IP-related risks and threats, such as infringement or loss of market share and these strategies can take many forms, such as building large IP portfolios, deterrence through countersuits, developing alternative technologies, and collaborating with competitors or others in the industry. Defensive strategies help companies protect their own IP rights and respond to competitive challenges.

As a defensive strategy ASA will further build a large portfolio of patents in order to avoid any lawsuits alleging intellectual property infringement. This strategy is based on obtaining a large number of patents that can be used as a leverage in legal disputes. By threatening to file a lawsuit for patent infringement, ASA would be able to evade challenges from competitors. However, building a large patent portfolio can also be expensive, and Asa has to be careful not to infringe on existing patents in the process. ASA can sue those who infringe on its IP rights. This would involve legal action to stop infringing behavior and to collect damages. Although litigation is often expensive it can be used to discourage other companies that might consider infringing on ASA's intellectual property.

ASA will develop alternative technologies that avoid infringing on pre-existing intellectual property. ASA can steer clear of the hazards related to legal action and licencing by developing a new technology. Nevertheless, this will require ASA to invest heavily in new

research and development, which can be quite expensive and result in delays to the launch of new payment systems. ASA will collaborate with competitors to bring new technologies to market. This would involve working with other companies and innovators to develop new payment systems that do not infringe on existing intellectual property. This approach can help reduce the risk associated with litigation and the cost of developing alternatives and it can improve the company's reputation as an innovator. But it should be kept in mind that by doing so, it also risks providing competitors with access to ASA's intellectual property, which might be used to create similar or better systems, without attribution or compensation towards ASA.

c. Brand Experience

Our mission at ASA is to make innovation and modernism accessible to everyone. Since we know Turkish customers are tech-savvy, we've focused our branding on highlighting the newest innovations in technology. When you think of ASA, you probably envision sleek graphics and a user-friendly interface that enhances and simplifies your payment process while perfectly blending in with your modern lifestyle.

But it's not just about the bells and whistles; we value trust and transparency. Clear communication is our priority. Our objective is for every financial transaction you have with us to be filled with confidence and assurance regarding the security and dependability of ASA's services. Our commitment goes even further with localized customer support in Turkish, ensuring accessibility and addressing the unique needs of our Turkish users. At ASA, we're not just a payment platform; we're your trusted companion in navigating the world of modern and secure transactions.

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ion,Turkish%20Statistical%20Institute%20](on/2899733#:~:text=Some%2015.2%25%20of%20T%C3%BCrkiye%27s%20populat%20ion,Turkish%20Statistical%20Institute%20) (TurkStat).