



CATOLICA
LISBON
BUSINESS & ECONOMICS



KOZMINSKI UNIVERSITY

Challenges in implementation of radical innovation. The case study of HiDone

Aleksandra Janik

Dissertation written under the supervision of

dr Kaja Prystupa- Rządca

Dissertation submitted in partial fulfilment of requirements for the MSc in Strategy and Consulting at CLSBE, at Universidade Católica Portuguesa and for the MSc in Innovation Management at Kozminski, at Kozminski University, 15.06.2020

Abstract

The purpose of the master thesis was to uncover the challenges accompanying the creation of innovations, to discover how they affect the startup environment and to identify the one that has the greatest impact on innovation.

To answer the research questions, qualitative empirical research was conducted using case study analysis of one of the startups. Therefore, the situation of Polish HiDone startup was analyzed, which after 2 years of operation in 2020 ended its activity. It seemed to be an ideal example, because it had to face many challenges, which appeared during its activity.

The results of the case study showed that the challenges concern issues related to the external environment of the startup (e.g. competition) and internal (e.g. team). Challenges can occur at any stage of the startup activity, so it is important to anticipate them or identify them in order to quickly determine their best solution. Moreover, with time to go into greater detail, it turned out that the greatest challenge may appear at the very beginning and accompany the whole period of operation. This challenge is a lack of knowledge and research of the market the company is entering. It results in a lack of revenue and public acceptance of the product, and the consequences of this negligence can continue to follow the founders even after the business has ended.

Abstrato

O objectivo da tese de mestrado foi descobrir os desafios que acompanham a criação de inovações, descobrir como estas afectam o ambiente de arranque e identificar aquele que tem maior impacto na inovação.

Para responder às questões de investigação, foi realizada uma investigação empírica qualitativa utilizando a análise de casos de estudo de uma das empresas em fase de arranque. Assim, foi analisada a situação do startup polaco HiDone, que após 2 anos de funcionamento em 2020 terminou a sua actividade. Parecia ser um exemplo ideal, pois teve de enfrentar muitos desafios, que surgiram durante a sua actividade.

Os resultados do estudo de caso mostraram que os desafios diziam respeito a questões relacionadas com o ambiente externo do arranque (por exemplo, concorrência) e interno (por exemplo, equipa). Os desafios podem ocorrer em qualquer fase da actividade de arranque, pelo que é importante antecipá-los ou identificá-los, de modo a determinar rapidamente a sua melhor solução. Além disso, com o tempo para entrar em mais detalhes, verificou-se que o maior desafio pode surgir logo no início e acompanhar todo o período de operação. Este desafio é a falta de conhecimento e de investigação do mercado em que a empresa está a entrar. Resulta numa falta de receitas e de aceitação pública do produto, e as consequências desta negligência podem continuar a seguir os fundadores, mesmo depois de a empresa ter terminado.

Key words: HiDone, startup, lean, Poland, market, customer, service, provider

Title: Challenges in implementation of radical innovation. The case study of HiDone

Author: Aleksandra Janik

Table of Content

Table of Content I

List of Figures IV

List of Tables..... IV

Introduction 1

Topic Justification 2

Objective, Methodology and Research Questions 2

Structure of the Thesis 3

Chapter I - Introducing radical innovation to the market..... 5

 1. *What is innovation?* 5

 1.1. Innovation development 6

 1.2. Radical innovation 7

 2. *Stages of launching a new product [innovation] on the market* 10

 2.1. Searching for a new product idea 11

 2.2. Idea evaluation and selection 11

 2.3. Marketing analysis 11

 2.4. Product marketing strategy plan 11

 2.5. Economic analysis 12

 2.6. Product Creation 12

 2.7. Market testing 12

 2.8. Commercialization 12

 2.9. The process of shaping consumer acceptance 13

 3. *Problems related to the introduction of new products/services [innovation] to the market* 13

 3.1. Consumer behavior 14

 3.2. Income 15

 3.3. Competitive threats 15

 3.4. No preparation 15

 4. *Strategies for the entry of radical innovations* 16

 4.1. Lean startup concept 18

 4.2 Market maintenance 20

 4.3 Stealth Model 20

5.	<i>The market of startups, marketplaces and their surroundings</i>	21
5.1.	Polish Startup Market	21
Chapter II - Methodology		25
1.	<i>Research approach</i>	25
2.	<i>Research questions</i>	26
3.	<i>Research strategy</i>	26
4.	<i>Research tools</i>	29
5.	<i>Research limitations</i>	30
Chapter III- Hidone- case study		32
1.	<i>The idea for a startup</i>	32
1.1.	Main characteristic of Hidone	32
1.2	Description of Hidone functionality	32
1.4.	Product philosophy	34
2.	<i>Characteristics of target groups</i>	34
2.1.	Recipients	37
2.2.	Service providers	39
3.	<i>Hidone positioning</i>	40
3.1.	Ambient analysis	40
4.	<i>Strategy</i>	43
4.1.	Brand positioning	43
4.2.	Hidone as a brand	45
4.3.	Strategy assumptions	47
Chapter IV- Problems related to the introduction Hidone to the Polish market		51
1.	<i>Poland as a project blueprint</i>	51
2.	<i>Equity</i>	52
3.	<i>Technology</i>	56
4.	<i>Taem</i>	57
4.1.	Partners	58
4.2.	Team	60
5.	<i>Acquiring users</i>	62
5.1.	Chicken and egg problem	62
5.2.	Clients	63

6.	<i>Ways to distinguish from the competition</i>	67
6.1.	Operation on Instagram	67
6.2.	Cooperation with other industry	68
6.3.	Targeting a specific demographic group	68
7.	<i>Analysis of the registration process</i>	70
8.	<i>Acceptability of the application</i>	73
Chapter V- Discussion		75
Conclusion		82
List of references		84
	<i>Literature:</i>	84
	<i>Online sources:</i>	87
Appendix		93
	<i>Appendix 1.1.</i>	93

List of Figures

FIGURE 1- THE DIFFUSION OF INNOVATIONS	14
FIGURE 2- ANSOFF MATRIX	17
FIGURE 3- HOW MANY INHABITANTS IN THE REGION ARE PER STARTUP	22
FIGURE 4- AREAS OF POLISH STARTUPS	23
FIGURE 5- STEPS INVOLVED IN CONDUCTING IN DEPTH INTERVIEWS	28
FIGURE 6-SERVICES PROVIDES BY STARTUP	32
FIGURE 7 LOGO	33
FIGURE 8 THE APPLICATION PROTOTYPE.....	34
FIGURE 9 INTERNET USERS IN POLAND.....	35
FIGURE 10 THE ANNUAL DIGITAL GROWTH IN POLAND	36
FIGURE 11 DEVICE PERSPECTIVE	36
FIGURE 12 AFTER HOURS AND PART TIME WORK MARKET POTENTIAL.....	37
FIGURE 13- HiDONE INVESTMENTS	54
FIGURE 14- LOGO OF MEDICAL CARER.....	58
FIGURE 15- LOGO BILLON	58
FIGURE 16- LOGO BINARAPPS	59
FIGURE 17- HiDONE TEAM STRUCTURE	61
FIGURE 18- SALES FUNNEL	64
FIGURE 19- NUMBER OF UNIQUE ENTRIES.....	65
FIGURE 20- TIME OF EACH STAGE OF CREATION OF STARTUP (IN WEEKS).....	69
FIGURE 21- REGISTRATION PROCESS	71
FIGURE 22-VALIDATION PROCESS.....	76
FIGURE 23- HYPOTHESIS DRIVEN ENTREPRENEURSHIP.....	77

List of Tables

TABLE 1 RATIONAL MOTIVATIONS OF APPLICATION USERS.....	44
TABLE 2 HiDONE BRAND PERSONALITY AND VALUES	46
TABLE 3 HOW HiDONE IS GOING TO SELL	49

Introduction

There is a general belief that setting up own startup teaches real business. Paul Graham, the author of the "Why not not start a startup" article¹, even believes that starting a startup should be done before person get experience in a large corporation.

The question here is who is able to create innovation with potential, and more importantly how to manage business so as not to fall out of the market?

Poland in terms of the number of companies (1.7 million) ranks sixth among EU countries. Over twice as many enterprises as in Poland operate in Italy (approx. 3.7 million). Poland is ahead of countries such as France (3 million), Spain (2.7 million), Germany (2.5 million) and the United Kingdom (2.1 million). If we take into account the saturation of the economy with enterprises, measured by the number of companies per 1000 inhabitants, Poland is much worse than many EU countries. In Poland, there are 45 enterprises per 1000 inhabitants. This result is lower than the EU-28 average (48 companies), in this respect Poland occupies the 21st place among the member countries. This means that the potential for business creation is still unused.² Although recent years show that there are more and more new companies in this country, it is worth looking at the factors that may discourage the creation of companies using new technologies. As the results of the study show, both startups and other young companies indicate five key factors that stop adult Poles from starting startup companies. These are: lack of faith in one's own skills (43%); lack of skills related to organization and management of the company, necessary to start a business (40%); lack of start-up capital (40%); lack of industry and specialist knowledge necessary to start a business (37%); no idea for the company (33%).³

And all these factors are still before the start of business. That is why it is so important that the future entrepreneur understands what awaits him/her when he/she undertakes this extremely responsible and risky task of creating innovations. In Poland, both new companies and start-ups are distinguished by the same key factors hindering their development, such as high tax burdens, excessive bureaucracy or obstacles resulting from labour law, and these are only

¹ <http://www.paulgraham.com/notnot.html> (14.05.2020).

² https://www.parp.gov.pl/storage/publications/pdf/Startupy-w-Polsce---raport-2019_200117.pdf (14.05.2020).

³ https://www.parp.gov.pl/storage/publications/pdf/Startupy-w-Polsce---raport-2019_200117.pdf (14.05.2020).

external challenges to development.⁴ Also important from the entrepreneurs' point of view are challenges to acquiring know-how: high R&D costs, high costs of purchasing specialized technologies or recruiting qualified employees with appropriate knowledge, certificates and qualifications. In many industries, brand awareness and the image created by the company are also of great importance. This is a long-term process and requires convincing buyers, which is associated with high costs incurred for advertising. Strong competition has its good sides, because the stronger the competition, the lower the entry barriers. Consequently, when there is no competition on the market, consumer awareness is very low. Just like in the case of consumers, the process of building awareness in the case of suppliers is a long-term one, which results in a disproportion between the needs of users and the possibilities offered by suppliers. Another criterion slowing down the development is a small number of market analyses, presenting the market potential and its dynamics. These are just a few of the many challenges that the future entrepreneur will have to face.

In my study I have found even more of them. Starting own business is not an easy task, especially when you want to operate in an industry with high entry barriers. Every potential entrepreneur should understand this concept well and take into account any difficulties in overcoming potential challenges during the initial analysis and preparation of a business plan.

Topic Justification

Entrepreneurs often wonder when it is the right time to start a business, what idea is worth the risk. I had the opportunity to participate in such a process from the very beginning of the idea to the end of the startup activity. I have observed successes and falls, I have formed a team, I have shared ideas. HiDone had a noble goal, which was to facilitate people's lives through the application. It was an unforgettable experience that I had the opportunity to co-create, so I decided to name and describe all those situations that gradually led to the collapse of the business. This will help me to get back to those moments and prevent similar situations in my future projects.

Objective, Methodology and Research Questions

The aim of this study was to discover as many challenges as possible to start-ups, so that young entrepreneurs are aware of them and can prevent them. To this end, a qualitative study was

⁴https://www.parp.gov.pl/storage/publications/pdf/Startupy-w-Polsce---raport-2019_200117.pdf (14.05.2020).

carried out on the basis of one already failed startup. The interviews took place one-on-one. They were conducted with the Founder, COO and Customer service manager. Thanks to these experienced entrepreneurs, answers to research questions were formulated:

- What were the challenges of implementation of radical innovation in application industry on the example of HiDone?
- How challenges were decremental to launching radical application on the market from the HiDone study case?

Structure of the Thesis

In the first chapter of my study I have described the concepts of innovation and radical innovation. Everyone has heard of them, but yet not everyone knows their examples, does not know what risks they involve and how to manage them. Describing the stages of introducing innovations to the market, helps to understand the concept and the HiDone actions, which is the case study on which the study is based. This makes it easier to identify some of the problems that may accompany the launch of a new product on the market. Finally, I took a look at the Polish startup market, which is the HiDone market. I got to know the competition, get a general overview of the activities in which Polish startups specialize.

The second chapter of my study presents the methodology that was introduced while writing the study. In this part, research questions were formulated and the way of conducting the research was determined. The chapter ends with the anticipated limitations of the applied research method.

In order to start the study, I decided to take a look at the startup on the basis of which it was made. To understand the results, there was a need to know the company. In the third chapter of my study I presented the whole idea of a HiDone startup and identified the assumptions related to the challenges accompanying its creation. In order to do so I needed to analyze the environment, learned about the strategy, competition and a ready profile of the future client both as a service provider and as a customer.

The fourth chapter describes the challenges that the startup has encountered during the implementation of innovations on the market. Thanks to detailed interviews and openness of the owners, it was possible to distinguish several of them and translate the theoretical

discoveries so far into a practical example. It was also checked if the entrepreneur is able to predict all of them.

The last chapter is a discussion. The results of the interviews were discussed here in detail, and at the end, the entrepreneur discovered the answer to the research questions formulated at the beginning of my study. The whole idea of reaching this information is very practical as it is based on a real example. At the end of this study I gave some tips on how to minimize the probability of dealing with challenges for future startups.

Chapter I - Introducing radical innovation to the market

This chapter cites terminology related to further parts of the study. It explains the concept of innovation and radical innovation, which are the key to understanding the challenges encountered in the study case. Additionally, based on the literature, the stages of creating a new product and problems accompanying it are recalled. Finally, the Polish startup market is described and the concepts accompanying the activities of such innovations are explained.

1. What is innovation?

Innovation comes from the Latin word *innovatio* which means renewal. This term can be called anything new that changes the existing state of affairs. Innovation is a decisive factor in the development of both individual companies and entire economies. As described in the book "Innovation is the final stage in creating a new material reality; it is - generally speaking - the first application of new ideas in practice."⁵

An enterprise defined as innovative is considered better and more desirable. "Innovation is now the key to the strategy of competition and its foundation," as Kotler points out.⁶ Through innovation in enterprises, there is an improvement and modernization of product manufacturing procedures, increase in efficiency, production capacity and quality of work, improvement in the form and value of goods and their competitiveness. Moreover, development, improvement of operational skills and efficiency of work, elimination of restrictions and mobilization of resources, as well as increase safety and improvement of working conditions.

But innovation does not have to be something innovative. There is no need to invent new products and services to be innovative. Sometimes it is enough to change something in the area of the organization's functioning, within its structure, interpersonal relations, processes and to do it well enough for the change to be significantly noticeable from the client's perspective. The client will translate it into his/her brand experience and will give the organization additional momentum. Thomas Wedell-Wedellsborg, for example, also promotes this approach. In his

⁵ Bogdanienko J., Haffer M., Popławski W. (2004), *Innowacyjność przedsiębiorstw*, UMK, Toruń

⁶ Kotler, P. and Cunningham, P. (2004). *Marketing management*. Toronto: Prentice Hall

book "Innovation as usual" he writes that it is enough to start solving problems in the company to be innovative. It is not so much about thinking but about starting to act.⁷

1.1. Innovation development

There are many approaches to implementing innovation.⁸ They differ in assumptions and results. The first is related to the Design Thinking method. Here, the innovation design process begins with diagnosing problems and identifying needs. At the next stage, the diagnosis is announced as a value proposition for the customer (i.e. it answers the question: what unique benefit do the startup want to give him?). Solutions are then generated. Generating as many problems and solutions as possible is the heart of this methodology. At the end they are prototyped and tested, which need to be checked whether the diagnosis was successful. The result of this process is to improve reality, to prove what is already working.⁹

On the other hand, the second approach called Design Driven Innovation methodology does not involve diagnosing needs or defining problems. It doesn't do research - not at the initial stage. That is why entrepreneurs have less confidence in it, because in the first phase it does not refer so much to the left hemisphere. It works on the vision, using the potential of the organization's employees. Roberto Verganti has examined over one hundred of the most innovative organizations in the world and his research confirms the effectiveness of this process. Process begins with the individual. Change (development) is based on the exchange of opinions, experiences and mutual positive criticism. Then the ideas are verified in wider groups: with industry and non-industry experts (who bring another perspective and develop ideas further).¹⁰

Agile is the next approach. The agile approach frees people from functional silos and enables them to work in self-governing, customer-focused, interdisciplinary groups. This approach accelerates profitable growth and enables project management.¹¹

⁷ Miller, P. and Wedell-Wedellsborg, T., (2013). *Innovation As Usual*. Kbh.: L & R Business.

⁸ 1996. *The Foundation For A New Approach To Implement Building Innovation*. Washington, D.C.: Civil Engineering Research Foundation.

⁹ Rowe, P., 1998. *Design Thinking*. Cambridge, Mass: MIT Press.

¹⁰ Verganti, R., 2014. *Design-Driven Innovation*. Boston, Mass.: Harvard Business Press.

¹¹ Highsmith, J., 2004. *Agile Project Management*. Boston: Addison-Wesley

Job to Be Done approach recommends discontinuing the template focus on the product and encourages to focus on the reasons for buying a given product, which will help to gain a broader insight into information about a potential customer.¹²

The User Experience (UX) approach is mainly work on research, surveys. Its purpose is to gather as much information about the client as possible and to develop the project on this basis.¹³

The new sense is the new reasons why it should be used existing solutions. An example of companies that base their success on such innovation is Uber, Airbnb, Spotify. For example, Uber has given the existing solution a new meaning (by changing the customer-driver relationship). It based on trust that the application user relieves from what he had to think about before. Uber is delivering additional knowledge of the drive, the customers know who their driver will be, can see his/her photo and his/her ratings. The customers check when the driver will arrive, where he/she is on the route, Uber's clients do not also need to control where they are going when they get in, and that is the relief they don't need to take care anymore.

Summing up the current threads: innovation can be understood as improving what is already functioning or, which is a fairly fresh definition, as giving existing solutions a completely new sense.

1.2. Radical innovation

There are many types of innovations, including gradual innovations, which are new products, services or technologies that only modify existing ones. Technical innovations where there are changes in the physical appearance of the product or service, performance parameters or production processes. Managerial innovations, i.e. changes in the processes of managing the way of thinking, creating and delivering products and services to clients. The fourth type of innovation is radical innovation, which I would like to address in the following section.¹⁴

Radical innovations are groundbreaking solutions that revolutionize the market by implementing completely new solutions, materials, technologies that affect the price or quality

¹² Christensen, C., Hall, T., Dillon, K. and Duncan, D., n.d. *Competing Against Luck*.

¹³ Weinschenk, S., 2016. *100 More Things Every Designer Needs To Know About People*. [Berkeley]: New Riders.

¹⁴ Pitsis, T., Simpson, A. and Dehlin, E., 2014. *Handbook Of Organizational And Managerial Innovation*. Cheltenham: Edward Elgar.

of the product. One cannot, however, imply the voice of the consumer to introduce groundbreaking solutions, because the customer usually does not know what kind of innovation can be implemented for a particular product, service or industry. Examples of radical innovation are, inter alia, the Internet, Social Media, but also soon available space tourism, or iPhone, mobile applications, etc.¹⁵

Creating and implementing radical innovations is much more difficult for large organizations, because in most cases it even requires revolutionary changes in project management. The characteristic of radical innovations is the lack of knowledge about the final product or the inability to estimate the costs or difficulties in defining the milestones, which is especially needed when starting the project in large corporations.¹⁶

1.2.1. How to manage radical innovation?

There are many ways to manage innovation. Innovation management processes require action on many levels at the same time. It also requires individualized actions, taking into account the given situation of the company and its goals.

Referring to the aforementioned radical innovation, its management requires an approach that must be developed by each organization independently. A nod towards projects with many, often unpredictable, variables are agile project management methodologies. And although they can serve as a foundation for servicing radical innovation projects, it is still required to develop solutions that allow implementing such large changes in organizational practice (with predetermined budgets, project teams, etc.).

Additionally, in case of innovation in the area of mobile applications, which is directly related to the selected study case Dr. Werner Vogels, CTO at Amazon.com said “To be successful in using application development to increase agility and speed of innovation, organizations should adopt five elements in any order: microservices, dedicated databases, automatic processes for implementing new system versions, a serverless operational model, and automated, constantly ensured security”.

¹⁵Grulke, W. and Silber, G., 2004. *Lessons In Radical Innovation*. London: Financial Times Prentice Hall.

¹⁶Grulke, W. and Silber, G., 2004. *Lessons In Radical Innovation*. London: Financial Times Prentice Hall.

1.2.2. Key elements in the management of radical innovation

The first is the repeated repetition of activities under the project stage along with the implementation in practice of acquired knowledge and improvement of the final solution. The second element says that the entrepreneur should not make activities dependent on the final product, but rather on strategic indicators, sometimes milestones. For radical innovation, it is impossible to define the final product with the accuracy that current project management methodologies require. Therefore, at the beginning of the project, e.g. during planning or budgeting, company should rely on strategic guidelines or milestones in determining what the end product can be. Planning and budgeting radical innovation projects are one of the biggest challenges for most organizations. Another element is the method of measuring progress. The effects of individual steps or project stages may be far from planned and this is unfortunately the reality of creating radical innovation. It is therefore important to verify that successive interactions lead us to our goals. Last but not least of elements is independent bands with a lot of autonomy. Since projects to create and implement radical innovation are inevitably associated with changes, the team should have the greatest decision-making ability and the competence to handle them themselves. It is good practice to build a team that functions in the organization as a startup or micro enterprise - has its own budget and manages it, independently takes care of the implementation of key project indicators (costs, deadline or scope of implementation), verifies the involvement and motivation of each team member, which can operate efficiently without waiting for the decisions of management managers or senior staff.¹⁷¹⁸

In conclusion, most likely in the near future each organization will have to deal with the topic of innovation management. In the current market situation, few companies can afford the current approach to creating improvements or designing new products and services by the research and development department. Because when the competition engages all employees and clients in the process of creating innovation, it may turn out that one department is not enough to stay in the peloton.

¹⁷Simpson, P., Siguaw, J. and Enz, C., 2006. Innovation orientation outcomes: The good and the bad. *Journal of Business Research*, 59(10-11), pp.1133-1141.

¹⁸ Ostrowska, A., 2012. *Dlaczego Warto Wykorzystywać Popytowe Podejście Do Tworzenia Innowacji?*. Warszawa: Polska Agencja Rozwoju Przedsiębiorczości.

1.2.3. Risk

Achieving radical innovation is a huge improvement on the market and usually results in high salary. However, keep in mind that this also involves a high degree of risk. They undergo a very slow adaptation process, which depends on the destructive nature it has. Therefore, companies are more likely to opt for gradual innovations that allow changes to be made over time, increasing the likelihood of acceptance while reducing the risk of failure.¹⁹

The risk of innovation depends on its type. Radicals are exposed to greater ones, because they are completely new to a potential customer. Introducing a completely new idea, product or service to the market may carry the risk of rejection by the target group of clients and, as a consequence, loss of financial liquidity. The main risks that innovation may encounter are procedures, processes, lack of a leader, incorrectly selected resources, overinterpretation of partial results, or time delays.

2. Stages of launching a new product [innovation] on the market

According to Booz, Allen and Hamilton²⁰, there are six categories of new products in terms of their novelty for the enterprise and the market:

- new products in the world; new products creating a new market
- new product lines; new products allowing for entering the existing market for the first time
- additional products; new products complementing the company's existing production lines
- improving existing products; new products with improved performance or greater perceived value, replacing existing products
- repositioning products; existing products targeted at new markets or market segments
- cost reducing products

Each of them is equally important, which is why it goes through the same path of product launch. It consists of nine main stages and sub-stages adapted depending on the type of product.

¹⁹Mowery, D., Nelson, R. and Fagerberg, J., 2013. *The Oxford Handbook Of Innovation*. Oxford: Oxford University Press.

²⁰ Booz, Allen & Hamilton (1982). *New products management for the 1980s*.

2.1. Searching for a new product idea

This stage involves searching for various ideas for creating a new product. The desire to create something new can be caused, among others, by a reluctance to existing solutions, a desire to earn or ambition. The main sources of new ideas are: the market, consumers, sellers, competitors. The goal of this stage is to get as many ideas as possible. There are various methods for generating new ideas: brainstorming, method 635, morphological method, checklist of innovations, crowdsourcing, etc.²¹

2.2. Idea evaluation and selection

At this stage, an initial assessment of all ideas is carried out and it is determined which of them corresponds to the company's goals and whether it is possible to implement this idea. At this stage, there is the possibility of making two mistakes: giving up a good idea, or quite the opposite, letting go of bad ideas. This stage is the so-called feasibility study. It requires choosing the method of evaluation and selection, which is extremely difficult. Here, the company should notice the potential even in the strangest ideas.²²

2.3. Marketing analysis

This stage tests the idea and creates the concept of the product. The purpose of this stage is to define the attitude of consumers towards the concept of a new product. Obtained knowledge about who is possibly able to become a future consumer of the product, what interests him/her in it and what will he/she use it for.²³

2.4. Product marketing strategy plan

At the fourth stage, a new product marketing strategy plan is designed to bring the product to market. This project consists of three parts. The first one describes the target market, predictable product positioning, sales volume and profit in the first few years of production. The next part sets the planned price, distribution channels and marketing budget for the first year. The last

²¹Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

²²Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

²³Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

part is the volume of sales and margin that the company intends to achieve in the first few years and a description of the marketing mix strategy.²⁴

2.5.Economic analysis

At this stage you can get the answer to the question: what is the probability that the real sales volume, market share and profits from the sale of a new product will correspond to the developed marketing strategy? Sales volume forecasts are built based on the analysis of sales of existing and similar products on the market. A revenue and cost forecast is also built up similarly. The conditions of the optimistic forecast and the pessimistic forecast of new product launch are determined.²⁵

2.6.Product Creation

At this stage, the idea is transformed into a prototype. Product design, production technologies, etc., also product development stages are being developed. The arrangements for assessing the compliance of the prototype of the new product with market expectations are discussed.²⁶

2.7.Market testing

The sixth step is testing the product in real market conditions. The purpose of this stage is to test the product and marketing program, observing the reactions of consumers, intermediaries and competitors. Examples of such tests are alpha and beta tests.²⁷

- alpha tests (tests performed at the organization that produced the software; these are carried out by a test team independent of the team that produced the software)
- beta tests (so-called beta tests, i.e. tests carried out outside the software company)

2.8.Commercialization

Commercialization (entry into mass production) is the stage of introducing a product to the market. It depends on the information collected during testing of the product whether it is ready to enter the market. This is where the critical path schedule is built, and the process of shaping

²⁴ Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

²⁵ Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

²⁵ Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

²⁶ Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

²⁷ Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

consumer acceptance begins. Ultimately, innovation diffuses and then the difference between loyalty and acceptance is identified. However, the most important at this stage is the action plan, the location of the project and the moment of its implementation. These factors can be of enormous importance for subsequent product development.²⁸

2.9. The process of shaping consumer acceptance

As it is known, different recipients react differently to a product, but it is important to majority like it. When releasing a new product on the market, one should take into account its rejection or only temporary "infatuation" with the product. That is why it is worth investing in monitoring product sales and customer attitudes towards it. Apparently low sales can only be the result of poor packaging or incorrect promotion. And maybe instead of changing the product again for a new one, it should only be adapted to the market requirements.²⁹

In summary, the implementation of products (innovations) is very complicated, requires commitment, specialist knowledge, a large number of material resources and financial resources. A properly prepared project is a picture of the quality of tasks carried out at individual stages. Not every project is successful, and the reasons for failures should be sought in both technology and organization of the implementation process.

3. Problems related to the introduction of new products/services [innovation] to the market

The product launch phase, which is a consequence of product development and technical development, is characterized by relatively high costs, while sales volume is relatively small. The sales growth rate is slow. In this phase the enterprise must take into account the necessity of incurring losses or, if possible, the minimum amount of generated profit.

This stage of the life cycle begins when the product is sold. The slow increase in sales is associated with a small knowledge of the product being introduced among users, most of them buy a new product only when others try it.³⁰

During this stage, it is important to ask and answer the following questions:

²⁸Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

²⁹Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

³⁰ Altkorn, J. and Kramer, T., 1998. *Leksykon Marketingu*. Warszawa: Polskie Wydaw. Ekonomiczne.

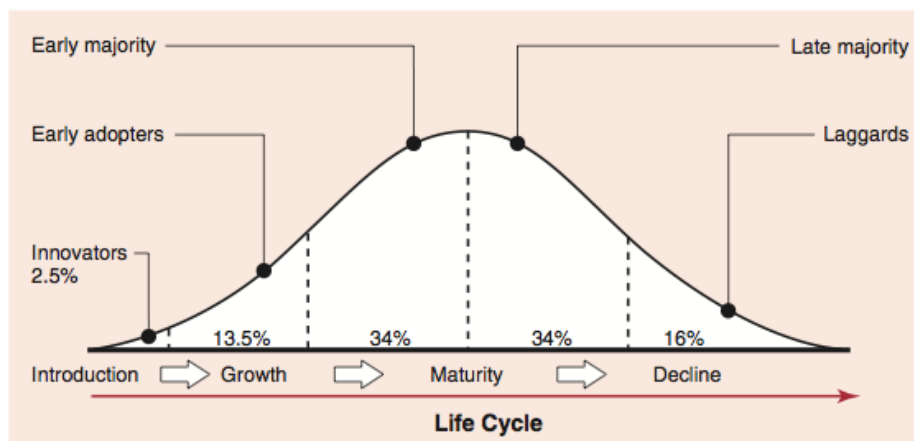
- How to overcome the reluctance of potential customers to accept a new product?
- What product features prove to be the most important for market success?
- How to increase range and market share?
- What additional distribution channels should be used to increase sales?

3.1.Consumer behavior

Consumer behavior is not easy to predict. One of the problems associated with bringing innovation to the market may be lack of acceptance. This is partly due to the uncompromising nature of consumer shopping habits.

Knowing how difficult it is, E. Rogers formulated a model of accepting innovation, which explains the approximate structure of consumer behavior towards new products, i.e. Product diffusion process.³¹

Figure 1- The diffusion of innovations



Source: Presentation from the International Marketing Lecture at Católica Lisbon School of Business & Economics

In this model, potential buyers are classified based on the criterion of propensity to innovate. This division reveals that "pioneers" willing to buy market novelties account for only 2,5% of the total product consumer population. The features that distinguish this group of buyers are their propensity for risk and adventure, associated with a relatively higher free decision fund, which means that their purchases are largely independent of promotional campaigns.

³¹ Mack, P. and Rogers, E., 2003. Diffusion of Innovations. *Technology and Culture*.

In the product launch phase, we are dealing with primary demand, as the goods offered did not appear in sales before.

3.2.Income

Another problem that a company may face is the profits generated at this stage. The small scale of production and sales, the need for intensive promotion of new products and the need to cover previously incurred expenditure on research and development mean that the revenues obtained in this phase do not cover expenses. The amount of unit cost of production and sales is additionally affected by the fact that the first buyers of a given product may reveal product defects, which will require modifications combined with incurring additional costs.³²

3.3.Competitive threats

There is no competitive threat in this phase insofar as the enterprise's product is unique. Distribution channels are few, producers and agents can charge high margins and prices.³³

3.4.No preparation

Many factors can cause the failure of new products, but it is time to move on to the largest of them. Lack of company preparation is just such a problem. Companies focus so much on the design and production of new products that they put off the hard work of preparing the organization for large sales until it is too late.³⁴

One example of such negligence may be the fact that the company is not able to support rapid sales growth, then it is best to have a ready company development plan in the event of a quick launch of the product on the market. Another is when the product does not comply with the declaration and falls, so sometimes it is worth delaying the start and wait until the product is completely ready. The next occurrence of unpreparedness can be seen when the new item is in the 'imperceptible' product category, then the product should be tested to see if its characteristics will affect buyers. Sometimes consumers seem confused because they can't handle the product. An equally important issue is a product so revolutionary that there is no market on it, in this

³² Ries, E. and Sałbut, B., 2017. *Metoda Lean Startup*. Gliwice: Wydawnictwo Helion.

³³ Ries, E. and Sałbut, B., 2017. *Metoda Lean Startup*. Gliwice: Wydawnictwo Helion.

³⁴ Ries, E. and Sałbut, B., 2017. *Metoda Lean Startup*. Gliwice: Wydawnictwo Helion.

case it is not worth forgetting the basic questions that should be asked, e.g. who will buy a given product after its launch.

Some of these problems are very difficult to fix. Although companies can often be associated with long-term or seasonal implementation dates, it is a good idea to delay product launch for a better date, as this can increase its chances of success. Problems directly related to the product are more difficult. Product managers must learn to engage branding teams, marketers, sales departments, advertising, public relations, as well as web specialists at an early stage, thus obtaining valuable feedback that can help launch or, if it is necessary to stop the project. Hearing opposite opinions can be painful, but not as painful as introducing a product that is not suitable for the market or has no market at all.

4. Strategies for the entry of radical innovations

It is impossible to give a ready recipe for choosing the right strategy. It should be determined on what scale the product will be available and the promotional and information tools should be selected accordingly, while adapting them in such a way that the message reaches the widest possible range of recipients. It should not be forgotten to set quantitative goals (e.g. the number of recipients, products sold), which will allow to control the course of the project after it starts.

Due to the fact that the term 'new products' is not a homogeneous group, it is not possible to 'apply the same measure' to all of them. It may be that some of the guidelines presented above will not apply in specific cases, so the strategy for the entry of innovation should be carefully chosen.

Using the Ansoff matrix, we are able to determine what is the best market for a given product, which is why the market and product are decision variables here. In his considerations he finds four solutions.

Figure 2- Ansoff matrix



Source: <https://www.calltheone.com/en/consultants/ansoff-matrix>

The market penetration strategy, as the matrix shows, wants to increase sales of an existing product in the current market. Usually this is done by lowering prices, improving the product, improving its quality and using promotional activities. The goal of this strategy is to retain existing customers and interest new customers, as well as protect the existing market from competition. It is used on stable and well-recognized markets, but it is best when this market is well saturated with the product, primarily in the later life cycle of the product.

The penetration strategy concerns two accompanying factors in the consumer's decision-making process (creating high awareness about technology, i.e. the precondition for each adoption decision and increasing consumers' willingness to pay by lowering the price) and are a potentially powerful tool for accelerating the start.

The market development strategy consists in introducing the current product to a new market. This marketing strategy can be much more difficult than market penetration, because it requires prior preparation and analysis of the needs of new customers, and even the transformation of the whole existing marketing-mix concept.

The product development strategy, as it was shown earlier, is the introduction of a new product to existing markets. This is a kind of response to the needs of buyers or the desire to modernize the product, which is the reason for the increase in sales.

The diversification strategy is the development of the company, entering a new market with a new product. Sometimes the company is forced to interfere due to insufficient profit in other market segments. The goal of this strategy is to reduce costs, spread risk, increase financial

security, better use of resources and improve economic performance, as well as market survival. There are three types: vertical, horizontal and parallel. Vertical consists in the fact that products are manufactured in the enterprise, which is why the company is not dependent on suppliers. Horizontal occurs when a company produces new products using old technologies, while a parallel creates completely different products than they were produced until now³⁵.

Ansoff helps to outline business strategies. In the Ansoff matrix, the HiDone application is located in the area of product development strategy, because it is a new product on the current market. The application contains various services that you can order for yourself or your loved ones. The demand for services such as cleaning, care, gardening, etc. has always been around, because not everyone is able to cope with it, which is why the company enters the current market with a new product joining all services in one application.

Speed is the most underrated startup feature. A lot of startups celebrate the creation of a logo, name and company colors for 3 months, then laboriously builds platforms capable of servicing 1 million users a month with all possible functionalities and after an average of about 1-2 years starts to acquire customers and partners. Already at this point it can be sure that there will be nothing from the business idea because it has wasted money and time for things that are probably not needed (or will be needed but only after a few years of startup). This type of approach is far from lean startup. It should be acted quickly in every startup and in particular the marketplace. In the marketplace, it is crucial because at the time when the concept from the US is cloned, there are 4-5 similar startups that are just starting in Poland. The winner is the one who works fast and learns quickly from its mistakes. Below are suggestions for strategies that will help bring innovation to the market.

4.1. Lean startup concept

Lean startup is a methodology that aims to shorten the product development cycle and quickly introduce it to the market, thereby reducing the amount of initial financing and market risk. This concept allows to experiment with the product on a regular basis and to learn. Lean Startup should eliminate unnecessary practices and increase those that generate value in the early stages of the company. This value is feedback from the customer about the product or service, it has an impact on the further activities of the company, so a possible change in direction in terms of

³⁵ H.I. Ansoff, E. McDonnell(1990), *Implanting Strategic Management*, Prentice Hall, New York, s.15

production. This happens, for example, when a company depends only on one product, wants it to be the most profitable. It then uses the lean methodology, which advises the release of a minimally, yet unfinished, profitable product on the market. The company then uses customer feedback to tailor the product to the target segment.³⁶

4.1.1. Core lean startup principles

Lean startup concept is derived from concepts such as lean management and customer development, and when talking about it, it shouldn't be forgotten about the following formulations that are part of it.

MVP, i.e. the minimum viable product, is an unfinished product, by means of which the consumer response, demand for a product is checked, various business hypotheses are tested, and thus ideas are improved through research.

Continuous implementation can refer to the written code, which immediately enters into force and makes the application available on the market. During the observation and customer complaints, the app is changed many times.

A/B tests are delivered to customer groups, but each group gets a different version. Two product versions are compared in this way. The product may differ in many features, or one selected.

Accounting for innovation in the enterprise must maximize results and maintain accountability, to this end, measurements of progress are carried out, priorities are set, which are then followed by the goal.

Build-Measure-Learn, speed of product development is extremely important here, because it distinguishes this concept from standard strategies. At this stage, learning is the main source for creating, transforming and building new goals. Alternately, several stages are subjected to, such as: idea, construction, product, measurements, data collection, learning, over and over until the company reaches the intended goal or considers that the goal is the produced product,

³⁶ Ries, E., 2020. *The Lean Startup: How Constant Innovation Creates Radically Successful Businesses*. London: Penguin Books Ltd.

because the company is not always knows the final product at the beginning of the development phase.^{37 38 39}

4.2 Market maintenance

What should a company do to stay on the market and keep its product desired? The company should implement new content that will satisfy the consumer. This involves a likely increase in costs and a greater effort to differentiate itself from the competition and maintain product quality.

By implementing the 'get big fast' strategy, companies decide to lower prices or even offer free products to stimulate and accelerate product adaptation on the market. Such a strategy can then result in a strategy called customer lock-in, in which the customer is dependent on the supplier's products to such an extent that he/she cannot change the supplier without incurring the costs of switching. Software is a special case. Providers often create different architectures that prevent data from migrating to other software. The supplier sells the main product at a discounted price so as to then benefit from the components that match it.⁴⁰

4.3 Stealth Model

Companies and startups launching a new product on the market do not have sufficient funds to promote it. That is why instead of traditional advertising they choose stealth marketing. Stealth marketing is word-of-mouth marketing. Its main purpose is to arouse interest and emotions so that the potential consumer is subject to direct advertising. This is not about generating instant sales, this marketing is a message passed from mouth to mouth, building awareness, affecting the recipient's subconscious. One form of this model is product placement in movies, or contracts with celebrities or influencers for promotional purposes. The Stealth model is the most effective way to promote products that have not yet been widely advertised.

³⁷ Ries, Eric (2014) [2011]. *The lean startup: how today's entrepreneurs use continuous innovation to create radically successful businesses*. Crown Publishing.

³⁸ Ries, E. and Sałbut, B., 2017. *Metoda Lean Startup*. Gliwice: Wydawnictwo Helion.

³⁹ Blank, Steven G. (May 2013). "Why the lean start-up changes everything". *Harvard Business Review*.

⁴⁰ Mohr, J., Sengupta, S. and Slater, S. (n.d.). *Marketing of high-technology products and innovations*.

5. The market of startups, marketplaces and their surroundings

5.1. Polish Startup Market

The market is a mechanism coordinating the behavior of buyers and sellers participating in the process of exchanging goods and services⁴¹. When introducing a new product to the market, the company must know the opportunities and threats that accompany this process and conduct countless research that will help it formulate the right company strategy in the future. Based on the HiDone startup registered on the Polish market, I look closely at the Polish startup market.

According to the definition of Steve Blank (entrepreneurship teacher at renowned universities such as Stanford or Berkley), a startup is "a temporary organization that is looking for a profitable, scalable and repeatable business model."⁴² However, this statement also applies to small businesses, which is why Eric Ries created a new wording: "Startup is an enterprise that was created to create a new product or service in risky, uncertainty".⁴³ On the basis of this definition, not every small company can be called a startup, because not everyone is able to take the risk associated with introducing a product to the market. In addition, uncertainty is intensified in a situation where a given strategy has no direct role model, as such activity has not yet been conducted. Therefore, customer response, conditions and problems related to the initial phase of business cannot be predicted.

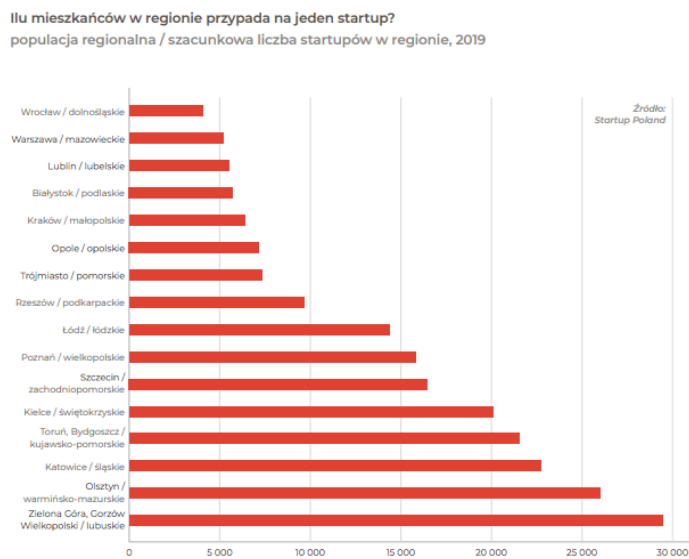
Information that was not mentioned in the definition is the fact that the startup has a short history of existence on the market, but it is not predetermined. This time may be due to issues related to product launch. If a given product is not complicated and does not require in-depth research, it may even be introduced within a few weeks, but if such research is needed to confirm the business model, then the introduction may even take several years.

⁴¹ Mynarski, S., 1993. *Analiza Rynku*. Kraków: Akademia Ekonomiczna.

⁴² S. Blank, B. Dorf (2013), *Podręcznik startupu- Budowa wielkiej firmy krok po kroku*, Gliwice, Wydawnictwo Onepress,

⁴³ E. Ries (2011), *The Lean Startup*, Nowy Jork, Crown Publishing Group, s.8

Figure 3- How many inhabitants in the region are per startup



Source: Startup Poland

The market of Polish startups is growing every year and the growth rate does not seem to be slowing down. The Polish government supports the development of this market segment by building infrastructure and a range of incentives for young businesses. According to the report conducted by Startup Poland in 2019⁴⁴, there was a significant increase in the number of newly established companies registered in them. The figure above shows the number of inhabitants of individual province per one startup.

5.1.1. What Polish startups do?

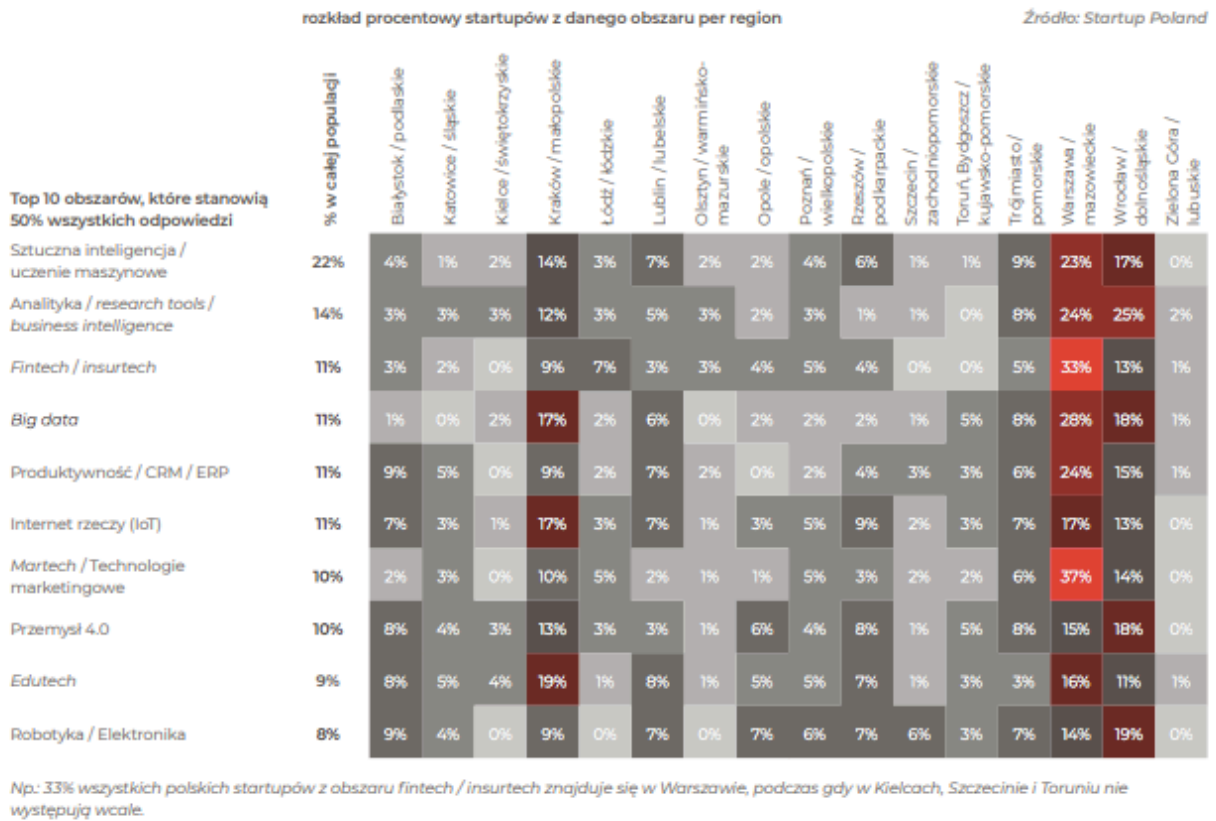
Most startups sell their services or products to institutions. They definitely prefer working with larger players than working directly for an individual customer (B2C). This relationship justifies the fact that working in a B2B relationship is more likely to have a steady income, while B2C results in a similar result as in the previous year.⁴⁵

⁴⁴ (M. Beauchamp, A. Kowalczyk, A. Skala, T. Ociepka (2019), Polskie Startupy Report, Warsaw: Startup Poland Foundation)

⁴⁵ M. Beauchamp, A. Kowalczyk, A. Skala, T. Ociepka. (2017), Polskie Startupy Raport, Warszawa: Fundacja Startup Poland

Figure 4- Areas of Polish startups

Które obszary najlepiej opisują Twój startup?
n=805, 2019



Source: Startup Poland

The figure above shows the sectors startups deal with by province of Poland. These are the most common areas of activity, which constitute only 50% of the report's responses. Unfortunately, marketplaces are not the majority here. It's fair to say that this is a kind of startup that is slowly disappearing. The founders definitely prefer to put more on what is in fashion or artificial intelligence or fintech, because they have the 'Wow effect' and are much better perceived by investors.

Marketplaces are made literally for every service and product, which should not come as a surprise - it is still difficult in many cases to find a meaningful supplier and checking it for quality. The good news is that these types of startups are coming out quite well in Poland - ZnanyLekarz, SirLocal, Allegro, Showroom are good examples. Anyway, most of us get trends

from the USA in this matter, so we can see on their example what works and what doesn't, without testing on our own skin.

In addition, Poland is also such a large market that the marketplace can exist in Poland without the need for foreign expansion (which is not the strongest side of this country).

However, this does not change the fact that marketplace is difficult and time consuming. To start with, you need to know what a marketplace is and what it isn't. In short, marketplace is an online business model that wants to be a market where buyers and sellers meet with its little help, for which marketplace scoops a generous commission. Additional examples of marketplaces in Poland are Etsy, Udemy, LinkedIn, Uber, Airbnb and many others.

Summary

The above chapter helped to understand the terminology of innovation, its accompanying mechanisms, the process of its creation on the selected market and the problems arising during its creation. However, is this all the entrepreneur can expect when setting up a startup and creating an innovation? What happens when an entrepreneur does not foresee obstacles appearing on the way to success? What could be the consequences? Many books discuss formulations and outline dry facts but do not warn against overlooking. The subject of challenges is still a fairly new issue, finding little reference in literature. Therefore, the following chapters discuss an example of a start-up that has failed on the Polish market. Thanks to a detailed qualitative study, the challenges accompanying such struggles were revealed and an assessment was carried out, which would indicate the challenge having the greatest impact on the failure to introduce innovations to the market.

Chapter II - Methodology

1. Research approach

"Approach" means more than just the type of data that is used. It also applies to the overall orientation of the study and the type of theorem. I intend to base my work on qualitative data, because I believe that it describes and explain research questions much better, so that the goal is achieved.

Qualitative research is research that focuses on a "deeper" analysis of a given phenomenon. In qualitative research, the main focus is on using special research techniques to better and more accurately understand the analyzed phenomenon, so the number of statements does not count as much as quality.⁴⁶

Qualitative research never presents itself in numbers but relates to the characteristics of the phenomena studied. They focus on identifying facts, measuring data, and most often answer questions; what, where, how, why? Qualitative data analysis is a complicated process because there is no qualitative research pattern. Respondents express their views and opinions without imposing variants of answers.⁴⁷

Qualitative research can often be recognized by open questions and their exploratory nature. The subjects are specially selected for this, and because the examination of one person takes much more time than during quantitative research, the sample of respondents is smaller. Often there is direct contact with the person conducting the study who has an impact on the course of the research. In addition, due to the lack of a template or statistics, the interpretation method is here freer and more subjective.

⁴⁶ Trocki, M., 2013. *Nowoczesne Zarządzanie Projektami*. Warszawa: Polskie Wydawnictwo Ekonomiczne.

⁴⁷ <http://www.doktoraty.pl/metody-techniki-narzedzia-badawcze-badania-ankietowe-wywiad/> (14.05.2020)

2. Research questions

Research questions also understood as research problems, are part of the research study. However, to formulate a research study, the basic activity is to set a goal. The goal shows what the researcher wants to achieve, and the questions make it possible to reach the intended result.⁴⁸

It is most commonly assumed that a research question is a description of the subject of the analysis, the purpose and questions to which the scientist tries to find a solution by conducting the necessary research. The simplest term for a research problem is a question that is answered after conducting experiment.

The current research study is described by the following research questions:

- What were the challenges of implementation of radical innovation in application industry?
- How challenges were decremental to launching radical application on the market from the HiDone study case?

They were defined on the basis of the goal of the whole study, i.e. understanding the challenges of radical innovation on the market. Radical innovation destroys or replaces the existing business model. However, for this to happen, innovations face many different challenges that slow down or prevent the process of entering the market fully.

The HiDone mobile platform (case study) is used in such a way that users can easily get information about the availability of a person who can help them and hire them, and on the other hand each user can be employed on the conditions they specify. Based on the analysis of feelings and observations of employees / founders. I show the challenges encountered by the product and together with the respondents I decide which of them had the greatest impact on failures.

3. Research strategy

Research strategy is the action plan accompanying the research. I chose the case study approach, which is the most popular form. The focus is on the individual community,

⁴⁸ Jeszka A. M., 2013. *Problemy Badawcze I Hipotezy W Naukach O Zarządzaniu*.

organization or set of documents. An attraction of this kind of dissertation is that they draw on empirical curiosity but are also practical. Case study allows to focus on a specific example. The main challenge in this type of dissertation is to combine the main research, reanalysis, broader theoretical schemes or empirical issues from existing literature.⁴⁹

Case study is a presentation that is based on the description of a single event and allows recipients to draw conclusions related to the causes of a given phenomenon and its effects. Case analysis is used to present the company's competences in a specific area of its activity and educate customers. Case is a great way to present potential benefits of cooperation with a company to a potential customer. Imaging the results achieved in a similar venture carried out for a specific other customer (e.g. product implementation) in a suggestive, realistic and convincing way provides information about effects, while building a brand. The case study uses numbers and systematizes the results in the form of tables and graphs, but also graphic elements in an interesting and illustrative way of presenting data.⁵⁰⁵¹

There are a few types of cases:

- Intrinsic (having an intrinsic interest in the case, here the case is dominant)
- Instrumental (interested in understanding something else, here the issue is dominant)
- Collective (several cases adopted).⁵²

This research study is based on the example of the HiDone startup created in 2017, this one is the closest to me, because it arised during my cooperation. In addition, it has a noble goal, which is to facilitate people's lives through the application. This startup case is important as it reveals challenges to enter the market for a new product, which help to find solutions and give the clue to the future startups how to behave and what to avoid to predict problems and take them under consideration into the strategy plan at the very early stage of the product creation.

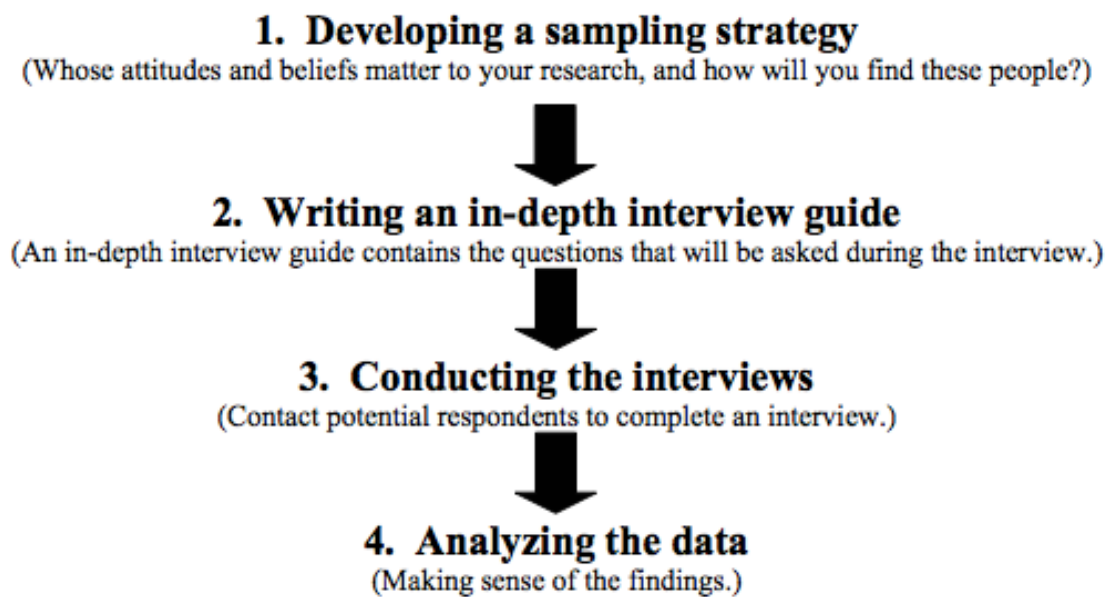
⁴⁹ Flick, U., n.d. *Managing Quality In Qualitative Research*.

⁵⁰ Thomas, G., 2016. *How To Do Your Case Study*. Los Angeles, Calif.: SAGE.

⁵¹ Yin, R., n.d. *Case Study Research And Applications*.

⁵² Stake, R., 1995. *The Art Of Case Study Research*. Thousand Oaks: Sage Publications.

Figure 5- Steps Involved in Conducting In depth Interviews



Source: <https://www.wallacefoundation.org/knowledge-center/Documents/Workbook-E-Indepth-Interviews.pdf>

The study consists of several in-depth interviews with startup employees. To this end, the selection of participants has been developed and the following questions have been asked:

Whose beliefs are key to the matter? I decided to interview the people most involved in the project, who have close relationships with clients, so that the answers are as accurate and authentic as possible.

How do you reach these people? The respondents are high-class specialists involved in several projects in addition to the HiDone startup. I intend to contact them by phone to explain the purpose of the project and convince them of the rightness to describe their history.

After persuading and convincing potential respondents to participate in the study, I intend to develop an in-depth interview scenario. To this end, I draw up a list of information sought that should be asked during the interview, make a thorough analysis of the professional life of specific subjects and try to match the questions to their responsibilities.

The next point is to conduct the interview. This is one of the most important points of the study, because this is how data is collected, i.e. the database, which will then be analyzed and grouped. Interviews were conducted in Poland, in the startup office. Respondents earlier receive a pool of questions so that they can read them: prepare, recall the situation or contacts with people who, in cooperation with a startup, enabled or hampered the product's launch.

The last point is the transcription of interviews and analysis of the data obtained (reading and interpreting the data). This is by far the most crucial but also the most difficult stage of the study. On its basis, conclusions are drawn, which then create answers to research questions and the intended goal of the project is achieved.

4. Research tools

To carry out a later qualitative analysis, I was obliged to use my own, original, collected material. Such data can be collected through in-depth interviews, which I intend to make effective in a given study.

In-depth interview is a form of qualitative research in which the way you ask questions allows the interviewee to have more control over the interview. The interview may be partially structured with a plan that allows you to maintain control over the interview, but also allows some flexibility in the conditions of the questioned response. On the other hand, the interview may also be unstructured, the goal is to explore the respondent's feelings about the issue being studied, and the style of asking questions is very informal.⁵³ Here the interview can be a life story, then the researcher tries to find out as much as possible about the entire life of the subject or an important fragment of that life. However, because I am an advocate of organized life, I decide on a structured form of this study. I believe that the preparation of questions facilitates contact between the respondent and the interviewer and lead the interviewee to the right path or help in pointing out the punch line.⁵⁴

The best tool to check research problem was to interview the founder of the application because he believed in the idea, decided to invest a large amount of money in it and also, he is the most concerned about possible challenges that the app encounters. The first interview was conducted with Founder of the startup, which is a leader in creating value for customers, expert in strategy formulation, Master of Leadership process, he fathered global projects, such as Pocket Money, IPOS SA, Wincor Nixdorf, Digital Start Up. Mastermind behind HiDone, launcher of Central Eastern European Legal Entity, creator of 4SSCs, builder of Shared Service Center in Russia. Pioneer in implementing innovations corresponding to future market trends. Named as one of the strongest Polish Personal Business Brand in 2018 by FORBES Magazine.

⁵³ *Personnel Psychology*, 2009. Handbook of Constructionist Research edited by James A. Holstein and Jaber F. Gubrium. 62(4), pp.869-872.

⁵⁴ [http://www.doktoraty.pl/metody-techniki-narzedzia-badawcze-badania-ankietowe-wywiad/\(14.05.2020\)](http://www.doktoraty.pl/metody-techniki-narzedzia-badawcze-badania-ankietowe-wywiad/(14.05.2020))

I have also interviewed the customer service manager, she met critics and bad customer reviews on a daily basis, has contact with them and ensured their satisfaction on an ongoing basis. Customer Service Manager is effective and reliable manager with 20-years business experience. From the beginning of the professional life linked with Customer Service. 15-years' experience in CS teams building in national and international companies. 6-years' experience in CS management, operations set up and automatization in global companies and start up, with teams located on 5 continents. Worked in textile, logistics, marketing and IT sectors.

Last but not least, I contacted the CEO of the company because she has the biggest general knowledge, kept everything going and had an amazing contact with the team, gathered information from them and decided what to do about it. She was transforming the problem into solution. A startup COO is highly effective manager with 19-years business experience incl. 14-years' experience in leadership and people development. She has worked with sales in international corporations, national companies, small business sector industries and global start-up. She has been working on 5 continents with teams extremely different in terms of sales (strategy, processes, pitch) and attitude. Always successfully and efficiently in terms of P&L, always with great team spirit, always with unlimited drive.

I am aware of the fact that the sample of three people is not usually a successful sample in this form of research. However, given the circumstances that the company is a startup, employing 10 people, interviews with the three, key people in this case are one-third of the company.

To fully comprehend the topic of a given study, the interview asked pertinent questions related to the company's activities, cooperation and external factors that had a direct impact on the challenges to startup's entering the market. The aim of the study is to obtain answers to the research questions formulated above, through the questions located in the Appendix 1.1.

5. Research limitations

As in any study, there may also be some restrictions related to the method of conducting it. Direct interviews with a selected group mean getting to know only one point of view. The interviewees belong to a group of employees. They are founders, people who care about the success of the company, therefore the results show only one side. However, this does not mean that the research was of lesser importance, because in this aspect the problems concerned directly the company, not its stakeholders.

Another limitation may be too small a research sample, which has already been mentioned above. These three people may have too general knowledge, may not remember some key content for this job, or may not necessarily want to share their insights. There may be a danger of gathering too general information when the respondents do not have specific views on the issues that interest the most. This may result in a decrease in the value of the research. In such situations, the interviewer is usually not a sufficient "stimulus" to form the opinion of the subject (such a "stimulus" can be a group discussion).⁵⁵

It should be remembered that conducting such an interview is a kind of interference in a certain routine of the day of the examined persons. They are specialists with a lot of responsibilities, so they probably won't be able to give me one hundred percent of their attention. The key here is choosing the right questions so that it could help get all the information quickly and efficiently.

⁵⁵ Creswell, J. W. (1998). *Qualitative inquiry and research design: Choosing among five traditions*. Sage Publications, Inc.

Chapter III- Hidone- case study

1. The idea for a startup

The current lifestyle requires quick decisions in crisis situations and in response to this the idea for the creation of the HiDone startup was born. A group of people who were affected by everyday problems such as: taking care of young children, caring for elderly, decrepit parents, organizing cleaning, gardening, renovation work, taking care of animals, quick arranging child tutoring or ordering a hairdresser at home, etc. decided to create an application with facilitate their functioning in real life.

1.1.Main characteristic of Hidone

HiDone is a mobile application that enables quick and cashless ordering of services. HiDone is intended to be a great base for verified employees in the area. The application has a simple to use search engine that allows you to quickly find a service provider from a long list of industries. The platform is characterized by a simple payment system - cashless and automatic. The application interface is clear and intuitive. The current availability of services that can be used or can be provided is shown in **Figure 6**.

Figure 6-Services provides by startup



Source: <https://hidone.com/en/home/>

1.2 Description of Hidone functionality

The HiDone application is addressed to two types of users - recipients and service providers.

1.2.1. The recipients

From the level of the service recipient, the application gives the opportunity to choose the service and then the employee he chooses due to the following parameters:

- Location
- Experience
- Rating system (star scale 1-5)

- Description
- Temporary availability
- The price

After completing the order, the recipient assesses the service provider in the star and descriptive system. Payment for the service takes place after the order is closed (confirmed).

1.2.2. The service provider

The application allows employees to join the platform who must be verified beforehand. This is done by verifying documents by a HiDone employee such as a CV and documents confirming education, experience and a criminal record certificate required for individual services. Then the service provider completes his profile by adding information about:

- Services provided
- Location
- Temporary availability
- Hourly rate (or for the service)
- Original description

Service providers are assessed by service recipients, which may affect their position in the application. A service fee is deducted from the service provider, depending on the grade, experience and hourly rate.

1.2.3. Name of application

The name of the HiDone application is a cluster of two English words: hi, done. The supreme value of the name is friendliness contained in a simple greeting and agency. The application name is short, easy to pronounce and write. It allows you to play with words, using the words contained in it.

Figure 7 Logo



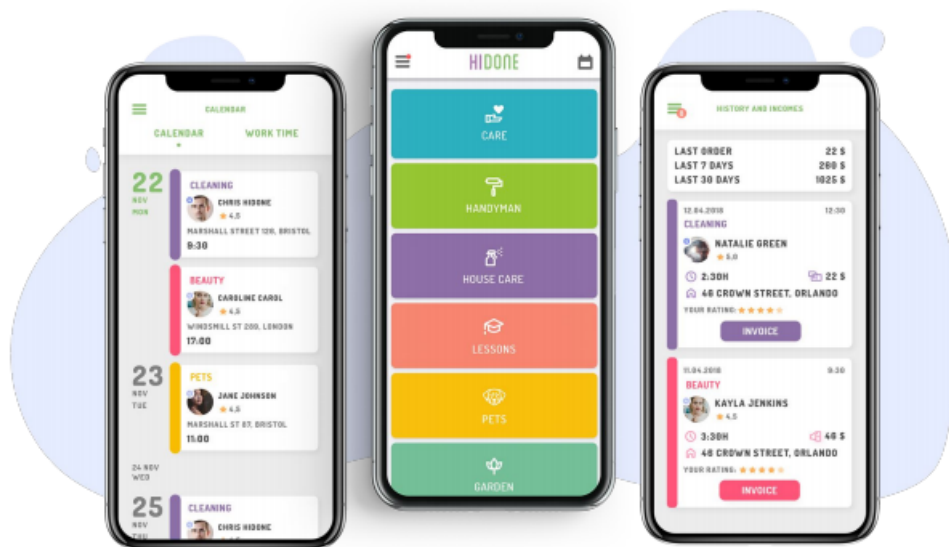
Source: HiDone archives

1.4. Product philosophy

HiDone is part of the marketplace trend. Just as Airbnb is a large hotel company with no room of its own, Uber is the largest taxi corporation with no car of its own, so HiDone is a provider of all services related to a flat or house, without any employee who would be the service provider.

The simplicity of finding the service and the simple, automated payment system is meant to make HiDone a kind of mobile concierge for the user, which with one click solves the problem of minor renovation, repair, care, cleaning, etc, the application prototype is shown in the **Figure 8**. The automated payment system should give the impression, that using HiDone is cheaper than using traditional forms of service providers, what is more, they are verified all the time by other recipients, thanks to which we can monitor the level of services on an ongoing basis, reducing the risk of dissatisfaction among recipients.

Figure 8 The application prototype



Source: HiDone archives

2. Characteristics of target groups

As part of the HiDone application properties, we can distinguish two target groups to which communication should be directed. These are recipients and service providers. The application, due to the wide range of services provided, is addressed to the general public. It is therefore necessary to characterize the target groups so-called Heavy users. The goal is for everyone who

has, for example, a broken tap, to use the application. However, a large proportion of people (lower property status) use HiDone occasionally. Communication should focus primarily on potential users who treat HiDone as a permanent partner in providing all simple services, because the most engaged users are the best and most reliable brand ambassadors. In addition, it should be taken into account that HiDone is a service provided through a mobile application, so it is important to build a user base at the very beginning among groups that are characterized by a large percentage of smartphone users and are willing to use the application.

At the beginning it is worth briefly characterizing the Polish market, because HiDone started its activity on it. To this end, I use research conducted by Hootsuite, which show the image of Internet users in Poland.

Figure 9 Internet users in Poland



Source: Hootsuite research- <https://www.slideshare.net/DataReport/digital-2019-poland-january-2019-v01>

To use the application Internet access is needed. As many as 30.07 million people use the Internet on the Polish market, which gives 79% of the entire society, i.e. a view of the potential customer market in which HiDone invests. In addition, 18 million of these people actively use social media, which shows that it is a product distribution channel with high promotional potential(**Figure 9**).

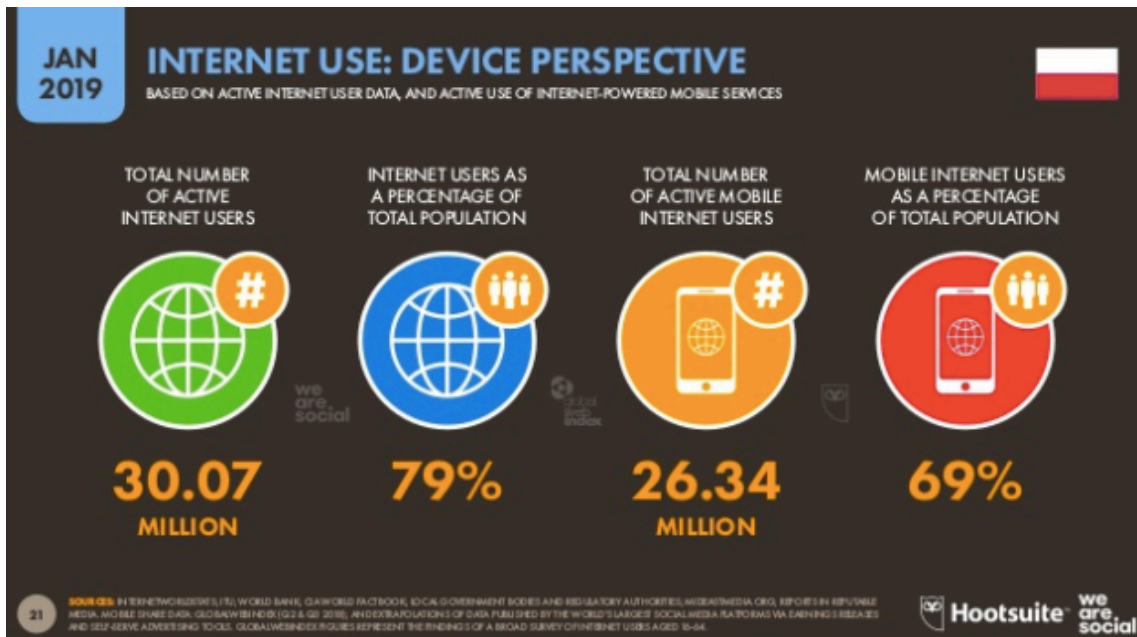
Figure 10 The annual digital growth in Poland



Source: Hootsuite research- <https://www.slideshare.net/DataReportal/digital-2019-poland-january-2019-v01>

The number of Internet users in Poland is still growing (**Figure 10**). Even greater dynamics are visible among the growing number of mobile users of social networks. Such a result guarantees the future development of the company and ensures a constantly growing group of customers.

Figure 11 Device perspective



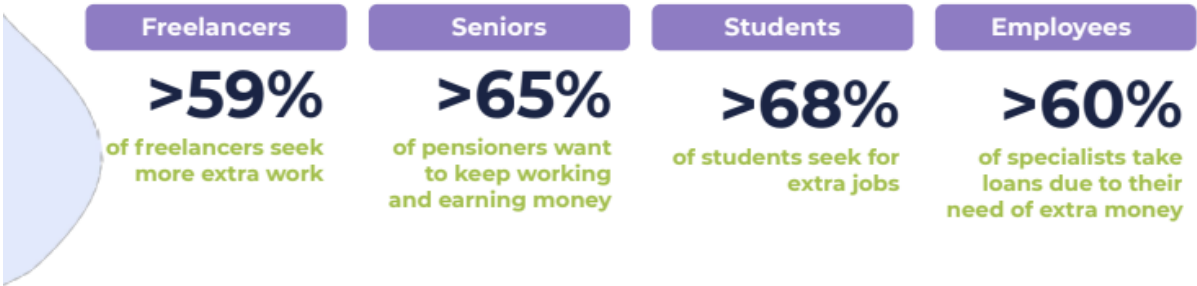
Source: Hootsuite research- <https://www.slideshare.net/DataReportal/digital-2019-poland-january-2019-v01>

The Internet has become an inseparable tool of our work and spending free time. The total number of active internet users is 30.07 million people, and 69% of the population uses mobile internet. It can be concluded that society is strongly attached to it, which may even mean reaching for it is problematic situations as part of looking for a solution, e.g. finding a specific service in an emergency.

Thanks to the analysis of the Polish market, HiDone obtained a cursory image on the basis of which it creates and refines the assumptions of the strategy. Several studies have also been done on the situation in Europe. The research concerned the study of the potential of clients to take on additional work. The results are shown in the picture below.

Figure 12 After hours and part time work market potential

The biggest social groups in Europe feel the need of earning extra money by doing extra job



Source: HiDone archive

2.1. Recipients

One of the stages of defining a company's strategy is defining its target groups, which in the case of the discussed startup accompanies the description of the profile of service recipients and service providers.

HiDone is mainly targeted at recipients, i.e. people who have so far used portals to find professionals or have not used from some services that seemed too expensive to them or the form of their implementation was too complicated (verifying the babysitter or older parents, grandparents).

HiDone is a mobile application, so you need a smartphone to launch it. In 2019, this type of device according to GUS had:

- 91.5 % users are people aged 16-24,
- 85.6 % users are people aged 25-34,
- 74.1% users are people aged 35-44,
- 49.4 % users are people aged 45-54,
- 29.1% users are people aged 55-64,
- 14.9 % users are people aged 65-74⁵⁶.

2.1.1. Demography

Determining the target group's demographics is one of the most important activities that should be addressed. In the case of service recipients, I can assume that they are:

- Students
- Women and men aged 25-54
- Having families
- Secondary and higher education
- Earnings in a household higher than two national averages
- Business owners, freelancers, managerial positions, senior specialists, technicians
- Inhabitants of large and medium-sized cities

2.1.2. Psychography, lifestyle and values

When specifying the client, it's worth taking a look at his psyche, his way of being, because it matters in making further decisions about the company. It is true that the entrepreneur can suggest generalities or assumptions made by the company, but it is best to confirm this using market research. The desire to have a customer is automatically associated with his vision, in the case of HiDone the company expects the customer:

- Who value comfort, safety?
- Actively using marketplace solutions - UBER, Airbnb, Audioteka
- Confident

⁵⁶<https://trybawaryjny.pl/polacy-smartfony-statystyki/> (31.05.2020).

- Liking technological innovations (12% of respondents in the Orange Foundation survey confirmed that they are not interested in technological innovations⁵⁷)
- Valuing family values
- Characterizing their optimism
- Paying attention to the price (the older the group, the lower the earnings and spending more important for lower-level needs)⁵⁸
- Looking for simple, functional, inspiring solutions

2.2. Service providers

HiDone cannot exist without service providers who provide every type of service available in as many locations as possible. Among service providers, we can distinguish three groups of people who are the most frequent service providers due to their financial position:

- Students with a need to earn, providing services that do not require specialization, eg. childcare, tutoring
- Unemployed, ultimately treating the application as a source of stable income
- Specialists treating the application as a supplement to orders

In the case of service providers, the entrepreneur can slightly broaden its target audience in terms of age. However, there was an assumption that older, enterprising users will come to HiDone themselves.

2.2.1. Demography

Demographics of service providers is different from recipients, because this target group has a profession and is willing to help others or make extra income. Therefore, it is assumed that these are groups such as:

- Women and men aged 18-65
- Secondary and vocational education, students
- Self-employed or unemployed status

⁵⁷ <https://zwierciadlo.pl/lifestyle/jakie-mamy-w-polsce-podejscie-do-nowych-technologii> (12.05.2020).

⁵⁸ <https://wynagrodzenia.pl/artykul/zarobki-20-30-40-i-50-latkow> (12.05.2020).

- Inhabitants of large, medium and smaller towns located in close proximity to large agglomerations

2.2.2. Psychography, lifestyle and values

An important aspect that often accompanies service providers in making decisions about HiDone was the candidate's profile:

- Often changing jobs
- With no stable income
- Looking for stability options

HiDone is an application that gives the possibility of stable income, ensures contact with the customer and uses the supplier's existing skills. These features allow you to quickly obtain the amount needed and ensure a safe financial situation, without the need for additional training or conferences, which is designed to positively influence the perception of the company.

3. Hidone positioning

How should effective positioning look like, taking into account identity and HiDone

product parameters? A brand is a tool that allows consumers to organize both the market reality in which they live and to determine their own identity. What arises at the stage of creating a brand concept is only a "skeleton of the structure", because branding is not limited to the product, name or logo.

The brand is built primarily in the minds of consumers, starting from building its identity. In the following subsections, a number of elements that are parts of HiDone brand positioning is described. Based on them, the main idea is derived, which mark communication at the stage of entering the market and selection of appropriate indicators for communication tools.

3.1.Ambient analysis

So far, there have been no applications with similar mechanics. Following the model of Porter's Five Forces, we can, however, distinguish several potential competitors and divide them into 4 groups.

3.1.1. Horizontal advertisement portals

They allow you to place ads not only in terms of services but also in sales. These portals very often belong to international groups. Examples of such portals are:

- <https://www.olx.pl> (has an application for iOS, Android, Windows) - a portal through which you can find a job or order a service. However, unlike HiDone, there are no reviews of a given service on the site, you can't always find the price, and there is no "location near you" option;
- <https://www.gumtree.pl> - a horizontal portal, which despite numerous sales options also guarantees services. After entering the website of a potential supplier (which you need to find yourself, wasting time browsing offers from the pool), your interest can be expressed only by message to a specific supplier, which is related to waiting for a response when HiDone shows all suppliers in your environment, who are already available at a time convenient for the client;
- <http://www.gratka.pl> - the graphics of this portal are relatively similar to the graphics appearing on the olx website (<https://www.olx.pl>). Unlike a startup, there is an option to negotiate prices that customers often use.

These portals can count on great marketing support. They are also highly recognizable among Polish users.

3.1.2. Specialized portals

These are databases of proven specialists from strictly defined industries (separate portals with repair services, separately with childcare). Very often these pages are local.

- <https://www.sirlocal.pl> (Android application, feedback system) - allows to order only a professionals (professional). There are few comments on the website, in addition, the company has a system for finding customers using a zip code;
- <http://www.fachmistrz.pl> - the portal contacts the client with a specialist and ensures that this process will take no more than 15 minutes, HiDone also has this option, but it does not work via a telephone conversation. On the one hand, a telephone conversation can provide the customer with authenticity, while it takes a lot more time than via the application. What's more, this portal has media support such as: interia.pl, wp.pl, Pytanie na śniadanie, etc.

- <https://www.ENIA.pl> - a portal to which you must log in first, whether as a service recipient or service provider. While looking after children, opinions are the most important, because clients are not able to entrust people who matter most to them without making sure that it will be the best babysitter, which is why niania.pl has a very extensive feedback system.

3.1.3. Social networking sites

Internet users tend to ask for recommendation of people using social networking sites. Questions about service providers also appear in discussion forums. Service providers advertise on specialized groups.

- <http://www.facebook.com>

The biggest threat to the application may be users' strong habituation to look for service providers on horizontal advertisement portals, support for horizontal advertisement portals with large media budgets (OLX TV commercials). The other threat may also be the expansion of the functionality of specialized portals (sirlocal.pl), as well as new functions on Facebook.com, marketplace or micropayments via Facebook.

The above analysis shows that none of these portals offer exactly the same (or very similar) functionalities as HiDone.

It is worth emphasizing that only HiDone is geared towards the mobile user.

3.1.4. Competitive applications

Competitive applications are applications that have similar functions and mechanics to HiDone applications

- <https://fixly.pl/> - application that offers professionals help in renovation works and all kinds of repairs. It is an application that offers services consist only of professionals, which means that it goes to a smaller group of service providers.
- <https://pl.indeed.com> - classifieds site, search engine for service announcements. Graphically poor website, which is practically a search engine for online advertisements.

- <https://www.fancyhands.com> - virtual assistant. Service that allows to send a query from any possible device, computer, smartphone, tablet. Communicates as your personal assistant. The slogan that Fancy Hands communicates refers to regaining free time to realize their passions: "Do what you love, we'll do the rest." The service is available only in the USA. The disadvantage is the limited scope of services provided by the assistant: orders up to USD 200, planning visits, research (up to 20 minutes).
- <https://www.taskrabbit.com/> - application not available in Polish Appstore and Google play. The functionality is very similar to HiDone. You can choose from thousands of service providers, card payment. However, their website does not work. In social media, on the other hand, despite 60,000 followers on Fanpage, activity is at the level of 7-9 response to post (like), which makes it not very convincing. What's more, you can easily find numerous complaints of service recipients about service providers in the comments.
- <https://bring.ai> - Polish service operating as an assistant, with whom we contact via Messenger. Employees employed by Bring can arrange basic things for us, such as receiving a gift, shopping, etc. The application does not provide a greater range of services and a vague payment system appears. The company's message is: By using Bring, time is recovered.

An analysis of four groups that can be considered as potential competition indicates that there is a great demand for tools that are used to "recover your free time" and that is how it is communicated by several of the above-mentioned brands. The second aspect that is being raised is the wide range of services rendered. The brands also emphasize the verifiability of service providers and simplicity in ordering and settling work. However, no increased communication was directed to service providers, and even the communications of all potential competitors are focused mainly on service recipients. The indicated aspect appears as a competitive advantage of HiDone.

4. Strategy

4.1. Brand positioning

4.1.1. Rational (external) motivations

In order for a HiDone product to appear on the market, a client is needed both as a service recipient and as a service provider. However, to obtain it, it was necessary to create a base of

features that motivate interest and motivate to install the application on the phone. Depending on what HiDone product functions they want to perform, other features are motivating. (**Table 1**)

Table 1 Rational motivations of application users

Recipient	Service provider
<ul style="list-style-type: none"> • Saving time • Trusted and verified service providers • Simple application operation • Large selection of services • Possibility of quick deadline • Transparent rate system • Simple payment system 	<ul style="list-style-type: none"> • Easy way to earn some extra money • Simple to use application • Clear billing system • The application takes care of the range

Source: own work

4.1.2. Emotional (internal) motivations

There are two types of motivation: rational, examples of which are given above, and emotional. Depending on the nature of the client, the emotional may influence the decision of a given person more or vice versa. Motivations are often used as advertising slogans, because they show what can be obtained using a specific product or describe its advantages. Emotional motivations are a special type of motivation because, as the name implies, it affects emotions, how we feel, how we react and what we feel after using, in this particular case, the application. In order to promote the product well, HiDone had to assume that the recipient and the service provider had different motivational features accompanying the decision to use the product.

The recipient:

- Enjoying life, using of all available options (not recognizing borders, divisions and limitations), representing a positive, creative approach, seeking pleasure, expecting maximum comfort and fulfillment.
- Prestige that builds confidence, a sense of success, independence, agency, freedom, while maintaining intimacy, discretion, order and harmony.

- A sense of aesthetics and style, a sense of exclusivity
- Security (I rely on proven, trusted people).

The service provider:

- Resourcefulness,
- Ability to find a clever and simple solution to earn some extra money.

4.2. HiDone as a brand

4.2.1. Key Benefit:

Key benefit is a product-related feature that for brands consistently implementing their positioning strategy remains the same for years. In addition, thanks to confirmation of a given feature, emotional benefits are also created, with which the customer identifies the brand, which automatically causes an increase in interest and a closer emotional bond with the product. The ideal benefit is one that has functionality and emotionality, e.g. painkillers relieve pain and allow a normal life, and slimming agents cause less appetite and, as a consequence, lead to happiness.⁵⁹

Key benefit: HiDone is an assistant, an additional home and family carer.

4.2.2. Reason to Belief:

RTB or sometimes "reason why" is an element of the concept that justifies the benefit and makes it credible. Product components or combinations thereof appear as RTB; how the product works; the recommendation of a specialist or institution, but also the recommendation of a well-known person and many others.⁶⁰ The Reason to belief of the HiDone startup is:

HiDone is an application that makes life easier by providing the necessary services in a simple form and without the feeling of spending a lot of money, providing the services of proven and reliable service recipients.

⁵⁹ <http://smallbusiness.chron.com/brand-positioning-statement-3579.html>, (15.05.2020).

⁶⁰ <http://marketing.org.pl/archiwum/index.php/go=2/act=2/aid=m486690018151c> (15.05.2020).

4.2.3. Brand Positioning Statement

Brand Positioning Statement, expresses the unique value of a product or service in relation to the main competition.⁶¹ That is why, what distinguishes the HiDone brand has been placed in the following statement that it is dedicated:

For independent, self-confident, success-oriented, demanding a lot from themselves and others, who value security and discretion, looking for free time for their family or developing their passions.

4.2.4. HiDone brand values and personality

Each company needs to define its values and brand personality in order to be able to refer to them or correct them in the future. According to Bhargava, brand personality can be based on three basic factors: authenticity, uniqueness and discursiveness, which is something that makes them talk about the company.⁶² Based on this principle, HiDone personality traits have been formulated, which is shown in **Table 2**. The values that are also found there have been defined on the basis of a specific personality.

Table 2 HiDone brand personality and values

Personality	The values
<ul style="list-style-type: none">• Modern and innovative• Open, brave• Intelligent, interesting• Individualist• Success-oriented• Winning, aspirational• Unique, unrepeatable• Straightforward, balanced	<ul style="list-style-type: none">• Individualism / Performance• Efficiency / Potential• Harmony / Security• Creativity / Inspiration• Optimism / Joy• Closeness / Friendliness

⁶¹ <http://smallbusiness.chron.com/brand-positioning-statement-3579.html> (15.05.2020).

⁶² R. Bhargava, (2014), *Bez osobowości. Dlaczego firmy tracą swoją autentyczność i jak wielkie marki ją odzyskują*, Warszawa, Wolters Kluwer,

<ul style="list-style-type: none"> • Friendly • Enjoying life • Positive 	
-----------------------------------------------------------------------------------------------------------	--

Source: own work

The values and personality provided create the product's level of excellence and its ability to meet customer needs.

4.3. Strategy assumptions

4.3.1. Main message

The main message that all creative activities should start with is:

HiDone is an application that simplifies everyday life by providing specialists who are proven and guarantee the highest quality and transparency of settlements. HiDone is a private assistant, not another advertising portal.

The main purpose of communication is to increase awareness among target audience and make them install the application.

A secondary goal is to present the app as a partner in life and not another service with offers. HiDone is a good way to get more jobs offers or a tool for getting additional work.

4.3.2. Vision

Whether you are in need of someone else's help or in need of earning some extra money, HiDone is here to simplify your life.

Changes of the labour market, especially within broad sector of the after-hours work and part-time jobs are clearly visible to the company. We deeply believe that work should not be excludable. Everyone is able to do something that someone else is willing to pay for. HiDone connects those people, offering help in day-to-day situations and professional activation to people absent on the labour market. The team of highly qualified professionals have created a user-friendly mobile app that is being constantly developed. The goal is to deliver assistance and boost customers income. HiDone changes the status quo of the entire labour market,

changes the world and changes your life, because the team believe that HiDone can simplify it all.

4.3.3. Indicators of communication tools

On the basis of the strategy, a list of indicators has been prepared, on which HiDone focused in the market entry phase, because it is worth considering, analyzing and optimizing activities that are responsible for the increase in the number of new users and the activation of acquired ones. Appropriate ceilings to be implemented should be determined before the start of each campaign. Below is a list of indicators that should be considered when preparing campaigns:

- Number of application downloads - so-called sales campaigns are accounted for, if possible, in the CPD (Cost per download) model, i.e. the price for downloading the application, analyzing this indicator allow subsequent campaigns to optimize actions in order to reduce the price of the installation.
- Number of registrations - just downloading the application does not cause the user to start using it, monitor the registration rate and pursue the goal of which number of registrations should be as close to the number of application downloads as possible.
- Number of active users - all marketing activities strive for registered users to actively use the application. Therefore, the indicator of active users is monitored on an ongoing basis. The definition of active user should be adopted, e.g. a user who orders a service at least once a year, or once a month. It is the active users who are responsible for HiDone's revenue, therefore, finally all numerical assumptions for the purposes of campaign briefs are based on the indicator of active users. Focusing on this indicator means that the message does not have to be addressed to new users, but to those already registered.
- Number of returning users - the campaign should increase the percentage of returning users to the application. Research shows that users use an average of 30 applications per month,⁶³ it is important to remind users of the existence of HiDone.
- Number of users on a web page - some of the activities should relate to directing traffic to the web page of the application, where the user is able to become familiar with the nature and mechanics of the application.

⁶³<http://www.mobiletrends.pl/raport-przecietny-uzytownik-korzysta-30-aplikacji-miesiecznie-10-dziennie/> (26.05.2020).

The assumptions of the strategy described above are verified through market research, the results and the strategy proposal, i.e. the total of activities leading to constant sales growth.

4.3.4. Sells plan

Sales are a very important element in the business of any company, because it largely generates profits, which are information about the company's financial condition. However, to achieve such profits by obtaining the appropriate level of sales it is necessary to plan it properly. Planning facilitates undertaking further activities related to the provision and subsequent use of organizational resources (i.e. human, material, financial, information, etc.), which will result in the implementation of the sales vision and thus the market, marketing and promotional strategy.⁶⁴

Table 3 How HiDone is going to sell

To scale fast and easy:	To maximize conversion:	To report revenue as fast as possible:
<ul style="list-style-type: none"> ○ Predictable and automated lead generation process ○ Selling model based on marketing automation, not on sales teams ○ Advanced UX: user-friendly app with no need for customer service support during onboarding process ○ Unified global app 	<ul style="list-style-type: none"> ○ No user fees ○ No marketing fees for service providers with HiDone profile ○ Instant KYC verification ○ No documents scan required ○ No sensitive personal data storage 	<ul style="list-style-type: none"> ○ Acquisition of service providers within two months from app launch thanks to segregated database of people seeking for extra work within HiDone categories ○ Multi-channel online and offline marketing exposition after app launch on both iOS and Android ○ Advanced BI and marketing automation tools

⁶⁴ https://mfiles.pl/pl/index.php/Planowanie_sprzed%C5%BCy (15.05.2020).

		usage for the optimization of acquisition, conversion and customer service processes
--	--	--------------------------------------------------------------------------------------

Source: own work

Therefore, after a thorough market analysis, HiDone has determined what is the most important for sales and what features should be rotated in order to obtain the highest possible profits in the future. These features are presented in the table above **Table 3**, each of them consists of the steps the company should turn to achieve them.

Chapter IV- Problems related to the introduction HiDone to the Polish market

This chapter provides answers to research questions formulated at the beginning of the work. To authenticate and confirm the truth of the topic of the study, three interviews with HiDone startup employees were conducted.

Therefore, in the following part, I intend to describe and analyze potential areas that may have been neglected during the creation of the startup. This part draws conclusions and formulate answers to research questions.

1. Poland as a project blueprint

During the conversation with the HiDone startup founder, the interlocutor presented to me the outline of the realities of the Polish market. He describes:

“Poland is a very absorbent market, ideally suited to the pilot of its entrepreneurial idea. This market is sufficiently large, vulnerable, and in a sense is not so big and known that in the moment of failure there is not so much publicity with which entrepreneurs would have to face, for example, in the United States. Most of the new businesses in Poland start operating in Wrocław, just like Google or Facebook, while HiDone started in Łódź. It was connected to Skyhub, i.e. the Innovation Hub of the Łodzkie Voivodship, and created with its help. However, despite the fact that Poland is a progressive market, it turned out that the marketplace is a difficult product.”

The founder also introduces the terminology of the word marketplace.

“This is nothing but a huge platform where buyers and sellers gather” - says – “What distinguishes the marketplace is the access to products and services of many manufacturers in one place. A trading platform, which is a marketplace, allows consumers and sellers to conclude contracts of sale or provision of services online. It is also the final place of contract conclusion. The order placed by the recipient of the service on the platform is accepted and the process of service delivery follows. And here a problem arose. The research conducted by the company on the product showed that the Polish society prefers to remain anonymous, which definitely hindered the work of the whole HiDone project. The service providers did not want to provide the required information: a photo, a description of what they know/specialize in. They were afraid that they would be recognized and thus show that they needed additional income, which in their opinion would lower opinion of their neighbors about them. On the other hand, the recipients of the service did not have full information about the person who would potentially let into the house, so the number of transactions made was not large.”⁶⁷

In a conversation with the Founder of the startup, I asked why such a scenario was not foreseen? Interviewee admits that they didn't take it into account because they hoped they would have to adopt the solution to the client rather than fight his/her psychology: animosity, awareness, lack

⁶⁷<https://www.ideoforce.pl/wiedza/co-to-jest-i-jak-dziala-marketplace,326.html> (18.04.2020).

of trust, lack of need for social relationships and loneliness in the group. Such behavior on the Polish market could not be predicted otherwise than by testing it on an already finished product. This situation would have required educating Polish society about old habits and freeing them from prejudices.

It was a great disappointment for startups' creators, especially that the counterparts of similar solutions worked wonderfully in other countries and there was a great potential in them.

2. Equity

The initial stages of business creation are extremely difficult. One of the most difficult tasks is to obtain funding to create your idea. An idea often is born in the mind of the creator, which is not so easy to realize word for word, it depends on how much money they can afford and how the final product will look like. That is why it is worth having a great business and financial plan, which will reduce unnecessary expenses and invest in what really matters.

Startups generally do not have a large budget at the beginning of their activity. The probability of success is below 10%, so even with a larger initial amount it is better not to invest it completely.

When there is the movement from the idea phase to the preparation phase, i.e. from a "dreamer" to an "entrepreneur" there is a need to decide how to finance it. There are four sources of financing. It is rarely possible to use only one, usually a combination of them works:

- Own savings - household budget and own work
- Debt - that is, bank debt, but also non-bank debt (family)
- External investors - partners who can be obtained in many ways and on various conditions
- Grants - it is rarely possible to obtain grants without first spending one's own resources

It is not possible to build a company without financial resources and own work. When starting a start-up, the level of difficulty in engaging "external" money is very high. It is not possible to build a startup with "other people's money" without engaging your own. The reason is simple. Everyone is aware of the high risk of a start-up company falling down. Therefore, external financing is only possible when the first contribution comes from the project owner.

The first option of financing a start-up in the first phase is financing from savings. Often when starting a startup, the owner stop generating income from other sources. It is not possible to work full-time and build a startup at the same time, there is a need to devote yourself to a completely new project, because without it the chances for success are much smaller. Therefore, the entrepreneur agrees on a rather unpleasant prospect: consumption of savings without current income and without certainty that the startup will be successful.

The second option is to collect debt. The basic problem with debts is that it always has to be given back, and in addition to that the debtor is obliged to pay interest. And yet, when starting a business, creators are at the stage of thinking about costs, not at the stage of scaling revenues. So, by taking a loan founders increase the current costs of their business by adding another line to the budget: debt service.

It is usually very difficult for young businesses to get a loan from a bank. The risk in this case is too high, so such loans are rare. However, considering non-banking institutions as a source of start-up financing is also controversial. The costs of such an operation are usually much higher in comparison to a bank loan. It is not an institution operating under banking law, so it has more freedom to use clauses that are less convenient for the client. Credit from a family is sometimes the only acceptable possibility of debt financing, however, it gives rise to risks of a more emotional and relational nature, while it is not burdened with the need to sign complex agreements, submit further collateral, agree to a hard regime of repayment.

The third option is cooperation with investors. An entity with surplus financial resources is interested in locating them in an attractive company from its point of view. In turn, the company being the subject of the investment, accepts the money and invests it in development. The parties will achieve success if the company, as a result of the investment, gains on the scale of its business, and thus on its value.

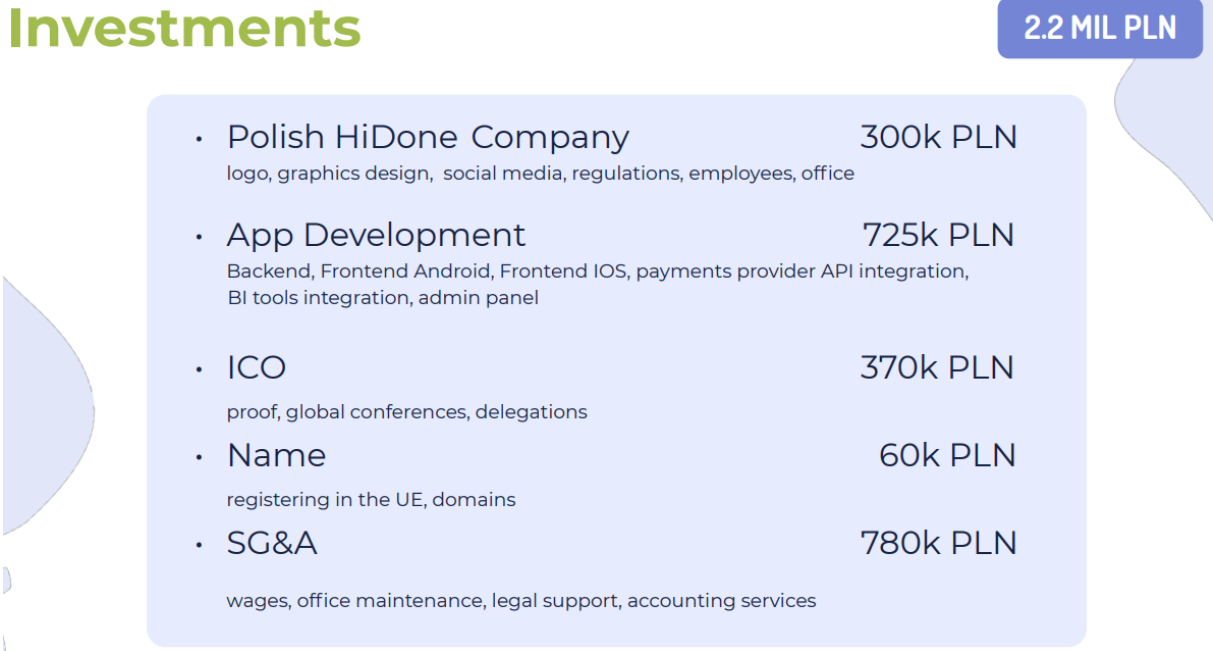
The transaction between the entrepreneur and the investor will be sealed by signing an investment agreement. Here, important conditions, expectations and obligations for the parties will be concluded. From the moment the document is signed, the operating environment of the company will change significantly. On the one hand, it will obtain the capital needed for growth, which will allow it to operate more freely on a larger scale. On the other hand, it will agree to various types of restrictions dictated by the investment agreement. Their scope will

directly depend on the type and intentions of the investor, the conditions of negotiations and the negotiating skills of the parties.

The fourth and final option is grants. Grants, although generally beneficial, when used badly, can cost money. Modelically, in case of EU grants, first spend their own money and then wait for a certain percentage of reimbursement of costs incurred. The investment is carried out, and finally the start-up grant is obtained. As far as grants are concerned, an entrepreneur faces such difficulties as: the choice of the program, original documentation, the necessity to implement the project even before receiving the grant, the settlement of the project and, after all, the commitment to maintain the project, therefore grants are a big cost and organizational challenge.⁶⁸

It is time to discuss an example of financing based on a selected case study. During the interview, startup provided its financial data, i.e. the costs it incurred during the project. As below, such an undertaking is not easy, and additionally startups often have to maintain and create themselves within the scope of their own resources until they find an investor.

Figure 13- HiDone Investments



Source: HiDone archives

⁶⁸ <http://startuplife.pl/startup-krok-po-kroku/> (18.04.2020).

HiDone decided to put up its own money until it found an investor and, as it is shown in the picture above, the cost incurred was PLN 2.2 million or EUR 485 320. Additionally, it also applied for grants from the European Union and took part in various competitions of Venture Capitals companies.

Finding an investor turned out to be a very difficult issue for HiDone. Every investor wants to minimize his risk. That is why he enters the investment only when he sees that at least most of the unexpected cases have already occurred, or when the company has a reliable plan in case of it. Often, this data is confirmed by the revenue generated by the startup, which is shown to the investor, or at least in case of lack of it, the investors ask to show the traction: number of clients, number of transactions. In this way, they receive confirmation that the operational start-up model works and is worth investing in.

HiDone expected the investor to provide funds that would help it to gain clients. The company would improve its marketing activity, invest in advertising, social media, but also help maintain the team until positive cash flow is obtained. In order to obtain funds HiDone showed its solution (prototype), number of interested users (curve), users' opinion about the application. They also had a conversation with the registered ones in order to get a feedback and confirm the excellence of the project. However, due to the fact that there were relatively few transactions in terms of the number of registered users, it was not easy for the company to find an investor. The services offered in the application were more adhoc, emergency, not continuous. This meant that people reached for the application to look for help there, only when their nanny got sick, or when the cleaning lady couldn't come (when their constant help couldn't come).

Startup couldn't show the traction and thus the rapid development of the product, which investors were so interested in. Therefore, it was decided to take next steps.

Many Venture Capital companies organize various competitions to choose a startup, so the startup decided to apply for two such projects that the COO was talking about:

“One of them was WARSAW booster'19 is an urban acceleration program implemented for the City of Warsaw by Seriatim Foundation, to which young entrepreneurs with innovative ideas for smart city solutions or actions for sustainable development applied. In this competition HiDone took 4th place out of 20 startups. Additionally, the startup took part in one more project: ReactorX, where it was not allowed to present itself to investors due to too wide range of services, too complex solution, that's why it dropped out in the first preselection.”

The general assessment was the conviction that the startup has potential but is too risky product.

The response from investors was different. Some said that they like the idea very much, but they would like to see the traction, others were of the opinion that it is a difficult project because of the marketplace, so they do not even want to enter it. Others did not fit the width of the product groups, and thus a greater risk, difficult communication in the segment, which causes the risk of functioning on the market. An application with one segment would be much easier and less risky, but not in line with the general idea of the developers. As Founder Startup says,

"Why have several applications when you can have everything in one".

Many times, startups have been given feedback that their idea is liked and needed. Especially such feedback was received at the Business Insider event, which they co-sponsored, where customers assured that they would be very happy to download the product, also investors shown their interest. Hence, the creators could not believe in the final result of their efforts, when they were so disappointed with reality and the project itself did not work and did not survive.

3. Technology

Testing a prototype in a real device in a specially adapted testing laboratory creates natural conditions for users. Classical testing conducted by a moderator allows for an accurate and detailed analysis of the user's performance, not only through observation, but also through recording reactions and collecting subjective opinions. It is recommended to carry out tests on as many different devices as possible, as it is not known what the customer will have.⁶⁹

HiDone also undertook to test the technology, because it did not want to enter the market with defective software that would incorrectly reflect the idea and discourage customers from beta version of the application.

Startup has been working from the beginning with Binarapps startup, which was responsible for providing the software, i.e. creating the application. They conducted their own tests inside the company, but also the software was sent to an external company, whose evaluation was more reliable. It could be treated as a potential customer who does not know the process paths and everything it does, does intuitively and assesses whether the paths actually make sense. For this reason, this evaluation was completely different from that of creators and developers.

⁶⁹<https://www.jcommerce.pl/jpro/artykuly/jak-skutecznie-testowac-aplikacje-mobilne> (18.04.2020).

“Binarapps' a/b tests showed huge technological and technical problems, unsynchronized features, unstable system, broken communication that needed immediate improvement. Fixing these deficiencies and software failures took Binarapps far more than it should have, some issues were even half a year late, with the additional HiDone costs associated with this, and the salaries of employees who had nothing to work on.”- said founder.

Moreover, HiDone, through its contact with the National Association of Medical Carers at the conference in Wrocław, saw a group of potential clients and received their support. The caregivers were given access to the test version of the application and they also contributed to testing the solution. Since they were the group for which the application was their first experience with the project, they found such problems that the developers would not have noticed. One of them was to enter the payment card number during registration. Professional testers had prepared false account numbers, so they did not have to leave the application. Medical caretakers, on the other hand, detected that when leaving the application to another one, in order to check the account or card number, the whole registration process started from scratch, as a result of which the future client could be discouraged from future actions with the application. There were also problems with hidden pushes, problems with deleting the account or issues with rates.

In addition, when testing the product in general, there was a problem with payment execution. The then connected operator (MangoPay) proved to be too expensive and charged too much commission for such small amounts between the service provider and the recipient. Therefore, HiDone decided to cooperate with another operator (Billon), which suggested a dedicated solution. This was associated with further costs, and the integration of the two software tools took between 2 and 4 weeks.

“When discussing the technology, one should also mention the problems related to the website”- Customer service manager said- “The first version of the website was not functional and was useless in communication with users. As a result, HiDone had to establish cooperation with another Intercom partner, who helped to establish communication with the market.”

Technological issues should not be neglected, they are the basis, as they create the application, that is the brand's business card. Creating a product is usually the longest stage of startup creation, it deserves a hundred percent refinement, but also the highest costs.

4. Taem

The startup team is a key element of success. However, it can be a big obstacle if it's not properly selected. Team is a group of people who work on one idea, these are investors, business partners, people working with the company, creators and employees. Sometimes the

entrepreneur have to go a long way to get your dream team together. During the project many people can move away, the best can leave, partners change. However, every business is trying to stabilize in the form of finding trusted people, outsourcing companies, to whom entrusting the project and can be sure that it will be perfectly executed.

4.1.Partners

As mentioned above, HiDone had several partners with whom it cooperated. Among them were the medical carers with whom it failed to maintain cooperation. There were a lot of them registered, because of their help in testing and their willingness to acquire clients through the application. However, it turned out that their rates are so poor that they are not able to price their services with quick availability, so that the startup can charge a commission on each transaction.

Figure 14- Logo of Medical carer



Source: <http://opiekunmedyczny.org/>

Billon, mentioned earlier, is another partner. Payment operator, thanks to which a new payment system was generated, software combined with the application. According to the COO startup, cooperation with Billon was very successful. The company proposed its own solutions, was the initiative and flexibility required by HiDone.

Figure 15- Logo Billon



Source: <https://billongroup.com/pl/>

Cooperation with a development company lasted the longest, the most depended on it, the most required. Therefore, HiDone's cooperation with Binarapps was quite specific, as Founder put it. Binarapps was selected in the tender, where its previous achievements and implementations were evaluated, but also the price was of great importance. As everyone knows, working with IT professionals can be difficult, which is why one of the startup's key problems was communication. There was a clash of IT and business language here, which resulted in many misunderstandings. Many times, what was simple for HiDone for a development company meant a complete change of logic.

When working with this partner, communication was not the only problem. Startup did not have a permanent group of developers assigned to it, because the company had a lot of projects and, depending on priority orders, employees were arranged in this way. The result of such actions was untimely but also frequent misunderstanding of HiDone processes and getting lost in paths, multiple changes of managers and testers. The situation improved only after the final change of the project manager and as Founder HiDone put it,

"Then we noticed an improvement in communication."

Figure 16- Logo Binarapps



Source: <https://binarapps.com/>

The work of developers is very difficult to estimate, very often entrepreneurs assist with the help of law firms that have already dealt with such cooperation of companies. To avoid discrepancies, such a contract should be written very accurately, including an explanation of what is specifically expected, followed by a project quote so that there is no understatement. However, employing such a law office is another cost, and once it has been established, the startup does not have unimaginably large funds. In the case of HiDone such problems occurred. Binarapps permanently tried to extort as much money as possible by providing incorrect information regarding the scope and necessary employee involvement, which, when multiplied by rates, resulted in colossal amounts or attempts to change rates. Actions such as this worsen the atmosphere at work, discouraged employees from doing their job properly, which is why it is worth anticipating it and avoiding it.

4.2. Team

In the startup, the founders are in agreement with each other at first, and it is really important to stay in the good relationship to avoid unexpected. However, some things are unavoidable (e.g. an emotional swing) but it is good to predict it in advance to minimize the risk of war among the founders.

HiDone started with other people (than those who have been creating startups since 2019), who were noticed during Enactus contest, there was Founder of the startup on the evaluation board, who had an idea for the startup but needed motivated people. It was at this event that he noticed potential in one of the winner groups. They became shareholders, but since a startup doesn't earn money at the beginning, they led a routine life where working on their new company was a bonus, so the work didn't go as fast as it should.

As Founder told us in the interview, that he works went very slowly with Binarapps and the situation in the team was getting tight. With time, there were conflicting situations concerning the divergent views on who and to what extent is the originator of the project, to what extent they should be involved. The disputes also concerned the issues of company shares and remuneration. It even happened that domains were bought out after former board members changed.

In the interview, Founder, who is still the only person in the current team who has been the world of startup creation from the beginning, admits that the people who were directly involved in the project at that time did not have enough knowledge and skills that they should use in their appointed positions on the board. Unfortunately, such a fact could not be verified otherwise than by giving them opportunities and power.

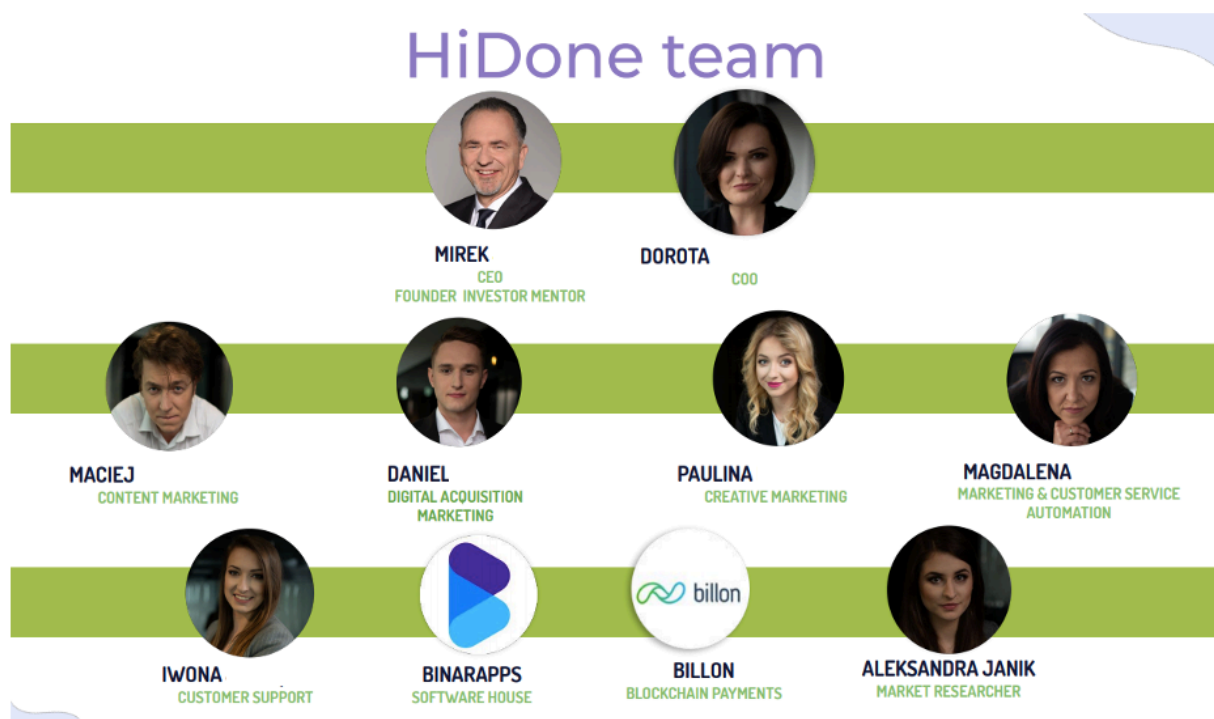
For the project to succeed, it is important to have a team that believes in ideas. In the case of a start-up, it is worth having specialists who really know their trade, to hire as few people as possible and reduce costs. When building a business, it is important to identify what are the key activities in a given venture. The people who should be in the first group should be:

- A person who supervises the construction of the MVP and marketplace from a technical point of view. It doesn't have to be a high-class, expensive programmer, but someone who knows enough to know how to talk to programmers.

- Partner and supplier's supplier. This person needs to be a good B2B salesman with such a general understanding of the business and the understanding what is bothering the customer, estimate what the product gives them.
- A customer obtainer. This person is responsible for getting the first customers and then building something called growth engine / growth machine.

It wasn't until the later stages of HiDone's creation that a team of professionals was hired, who could totally be useful for the idea. It consisted of eight people, experienced specialists of their profession, only a programmer was missing, which later resulted in a lack of agreement with Binarapps. The company rented an office, had a customer service responsible for customer contact, a marketing department that ran a blog, a website, Facebook promotions and a sales department. However, as it is the case in startups with such a small team, the boundaries between the departments were blurred, everyone served their knowledge and contributed to the decision. During the survey, a board was made available to help make the formal roles of employees' data visible.

Figure 17- HiDone team structure



Source: HiDone archives

The above team had a different character from the previous one. It was responsible for the conceptual changes that were carried out, which made it possible to communicate with

customers, collect data for research on customer behaviour and preferences. Inside the company, various workshops were conducted, integration outputs helping to build a bond between employees. Each specialist had the duty to create a product that would allow the startup to develop and become a power of the Polish market. The team was very committed. According to COO, everyone was convinced of the right idea and determined to reach peaks.

5. Acquiring users

5.1.Chicken and egg problem

One of the biggest problems at the beginning is the so-called chicken & egg problem, service providers will not come if there are no customers, and customers will not come if there are no products to offer. Even when using a good MVP, the big problem is to create an initial supply or demand so that the marketplace can start. Below are a few examples of what strategies should be taken to minimize the risk of the problem.

- Buy supply / products. This theme is similar to doing an e-commerce first and only on its basis marketplace. Uber used it very well, it hired drivers at the beginning and paid them per hour, because it knew that there would be no customers in the first period. It also used the hired drivers to promote the marketplace in each city it started with free or half free transport. Benefit System behaved in a similar way, it had neither the strength nor the time to sign contracts with a large number of good fitness clubs, so at the beginning it bought tickets just like ordinary people and sold them to companies (often below purchase price). After gaining critical mass, it could finally negotiate from a strong position.⁷⁰
- Supply brings demand. Trick used with great success by Etsy (the first suppliers were also clients, they bought other products from other artists) and Udemy (teachers encouraged their students to buy products from them on Udemy, this way the teacher's client became Udemy's client)
- Demand brings supply. Sometimes it is the customers who bring supply with them. The best example of this type of behavior can be seen with a little different 2-sided market than a marketplace such as LinkedIn, after logging in the clients are asked to join/apply

⁷⁰<https://startupakademia.pl/2015/05/24/jak-stworzyc-startup-warty-50-miliardow/> (18.04.2020).

their network. In this way one person invites from several dozen to several hundred new marketplaces.

- It is worth changing the order of production and pretending that you already have a product. In most cases, the product is first produced and only then sold. Shopping clubs like Westwing came up with this idea. On the basis of a photo of the product, customers sign up and pay for the product with 6 weeks delivery time. If there is a minimum number of people, Westwing commissions production; if not, they give back the money. In fact, they sell the product vision and delivery promise without playing around with sourcing every product that is not known to sell at all. A similar trick was used by Dell at the time, their motto was "We'll make an individual customized product for you", but during the conversation the salesman directed the customer to 1 of the 3 models they had in stock. In this way, 90% of sales were generated by only 3 models.
- Focusing only on supply. Another way is to completely ignore demand and focus on sourcing service providers as necessary to give the former preferential conditions. In order not to hurt yourself, the entrepreneur need to know who to get and do it fast enough so that the suppliers do not realize that the market is empty. A little bit of this method has been used by Udemy to acquire many famous businessmen. Some go to "pretend demand", for some time they buy products from partners and give them away for half free to stop their exodus. This method is used only in the short term and in a very thoughtful way.

Over time, the chicken & egg problem turns into a struggle for market liquidity, i.e. ensuring such a number of partners that customers are satisfied and vice versa.⁷¹

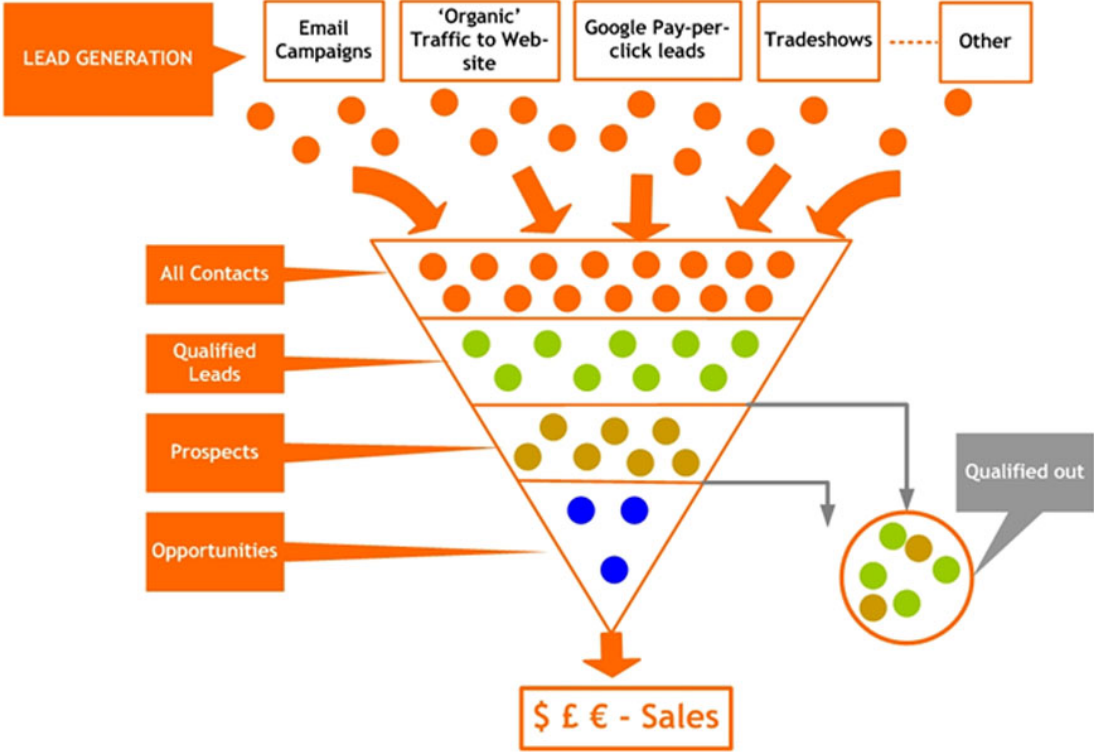
5.2.Clients

Marketplace customers means people who buy, book or check something through the marketplace. They are not necessarily the institutions that pay. Lack of clients is one of the main reasons why marketplaces fail. Already in the course of interviews and market research a list of ideas for customer acquisition should be created. MVP is the moment to test some of them and add more sourcing ideas. It's great to have a pair of relatively cheap methods of extracting and keeping customers. It's worth creating a customer acquisition/distribution plan.

⁷¹<https://startopakademia.pl/2015/11/30/jak-stworzyc-udany-marketplace-w-polsce/> (18.04.2020).

It's worth switching your thinking to thinking through a sales funnel, few potential customers will buy from the start; most will fall off at one of the funnel stages.

Figure 18- Sales funnel



Source: <https://startupakademia.pl/2015/11/30/jak-stworzyc-udany-marketplace-w-polsce/>

It is not a good idea to get many users at first. As long as the company doesn't have a product-market-fit, when the marketplace is not well developed and does not generate a large number of returning customers. The customers are mainly used to show what doesn't work and what needs to be developed. If the product is not well developed, giving the cash for the advertisement is just a waste.

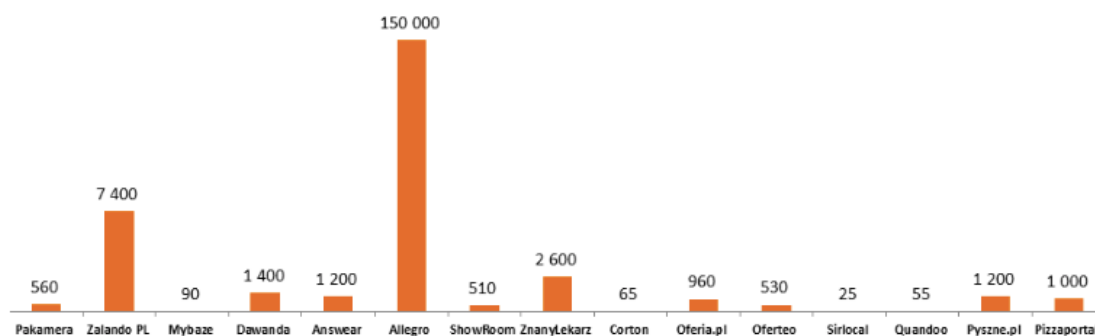
The most common sources of traffic, which in the case of Polish marketplaces work are:

- Collecting the mailing database and emailing. This gives direct contact with the customer and on the basis of Facebook searching for similar users (look-a-like audience). Users are usually gained by offering something in return. Many marketplaces give one-off discounts or vouchers for shopping on the marketplace.

- Online advertising. In Poland, advertising on AdWords and Facebook is still relatively cheap, which means that in Poland a relatively large amount of traffic is gained through online advertising, especially at the beginning.
- Content marketing. Appropriate content tastefully served attracts customers very well. ZnnanyLekarz.pl does best, it has generated a huge amount of useful content (reviews, evaluations, information about doctors) and thanks to that whoever takes off has a huge entry barrier. However, there has to be a lot of content, well selected for the target group and the product. Both things are a big problem.
- Social media. Facebook, Instagram, Pinterest are good for content distribution. The only problem is that most marketplaces make poor content and focus on advertising only promotions etc., which unfortunately does not work well for creating a stable traffic source.
- Traffic from partners. It is good to have a partner who gives a large distribution online or offline. However, it must be a strong partner with a lot of traffic from the target group.
- Bloggers, Youtubers and Influencers. In the absence of one strong partner it is worth to think about this channel, but it requires a lot of time and creativity

Below is the estimated monthly number of unique entries for a few Polish marketplaces (in thousands):

Figure 19- Number of unique entries



Source: Developed by a startup academy

In order to find out as much as possible about how to acquire customers, I interviewed the Customer Service Manager and found out that HiDone took care of contact with potential customers already during tests and corrections. The database of potential customers was collected manually on portals where service providers advertised free of charge in interesting

categories (OLX, Gumtree, tutoring.pl etc.). This involved tedious, time-consuming and tiring work, in which it was impossible to avoid repetition.

As CS Manager recalls, HiDone communication with users and users with HiDone (via Intercom) did not cause any difficulties. The only disadvantage of the application was that it was not possible to chat with a person even before it was ordered, it was a clever business strategy to prevent clients from arranging a service outside the system (bypassing the application and no income for HiDone).

Customer service has repeatedly maintained a dialogue with customers in order to improve the application. It asked questions about possible problems noticed by the customer:

- Unclear rules of presenting employee offer.
- Lack of awareness of the employee that must start and finish the order.
- Unclear rules of settlement between the employee and the customer after the service is completed.
- Problem with adding a card during the registration process.
- Non-intuitive "clock" when adding the date of birth.

All these remarks were constantly corrected and implemented in the application processes.

After collecting the mailing database and phone numbers, HiDone called every potential service provider urging them to register in the system. It is obvious that such calls are not easy, there were calls where the startup met with a negative attitude immediately. Service providers expected standing orders, free advertising, they claimed that this solution is illegal, they were outraged that they had to give their account number (even when it was no longer mandatory to complete the card information). When they heard that the application was free, they were still snooping around where the hooks are. On the other hand, there were also pleasant conversations, where people even thanked that such an application was created and promised to tell all their friends about it.

That's how the startup was building a database of service providers, which was then to lure customers to the ordered services.

In order to win customers, a marketing campaign was conducted on Facebook and Google platform for a month. HiDone ads generated about one million reach, and according to COO, it

was possible to reach a much larger group, but unfortunately, the company had to terminate its operations. According to the experts, it was an excellent reach, because the target group was practically everyone who could do something and had a bit of free time.

6. Ways to distinguish from the competition

Despite numerous efforts, rarely do start-ups manage to achieve a level of market control even close to that of Apple and similar giants. Most of them have to face the competition all the time on the market.

Very often founders of companies, although they are creative creators and have a brilliant idea or a great product that they would like to have, do not have business and marketing skills. This means that they cannot face the competition.

It is one thing to have a new, even the best, service (or product) that the entrepreneur wants to launch on the market, but convincing buyers to do so is a completely different matter. Success is about standing out from the competition, this goal can only be achieved through effective marketing campaigns. Thanks to the three guidelines, there is an increased chance to differentiate yourself from your competitors.

6.1.Operation on Instagram

Recently a lot of attention has been paid to marketing activities on Instagram. Social media today is largely based on visual content. The recipients, even on platforms such as LinkedIn and Tweeter, expect images in news feeds (adding graphics to their tweets has become a necessity).

The best way to prove this is with Instagram, an application that is 100% based on visual content. Photos, hashtags, short descriptions, users will find little more. In posts it is not possible paste links to pages. In practice, this means that users can only interact with the content through the platform. The best way to achieve this is to encourage the audience to create product-related content.

Oreo is a brand that takes full advantage of the possibilities offered by Instagram. Using the #playwithoreo hashtag, the producer encouraged fans to publish imaginative ways to do with Oreo cookies. Users prepared artistic collages, recipes or games in which Oreo cookies served as pawns or token.

6.2.Cooperation with other industry

When Cadbury and Oreo announced the start of their cooperation, nobody thought that one of the most delicious chocolates of all time would appear on the market.

But the cooperation does not have to be limited to food products only. For example: Patagonia, a luxury clothing retailer, has started working with Ebay to create a website where users can sell used items of the brand.

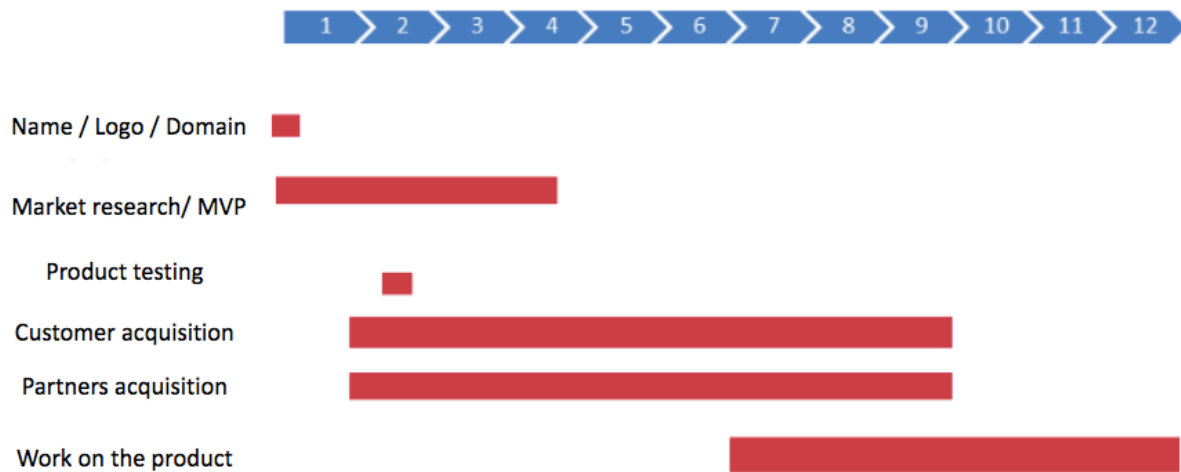
If there is something that will add value to the brand, then creators need to make sure that by working with a representative from another industry, their company will be able to stand out from the competition.

6.3.Targeting a specific demographic group

Many start-up owners believe that they have something that will appeal to every customer and therefore their marketing campaigns are so general in nature that the message is virtually impossible to reach anyone. This type of action should be avoided. Creators have to be as precise as possible.

Speed is the most underestimated feature of a start-up. Many startups celebrate the creation of logos, names and colors for 3 months, then laboriously and meticulously build platforms capable of serving 1 million users per month with all the possible functionalities and after 1-2 years are in a hurry to acquire customers and partners. Such an approach is far from lean startup. In every startup, especially in the marketplace, there is a need to act superfast. In the marketplace this is crucial, because at the moment when a concept from the USA is cloned, there are 4-5 similar startups, which are just starting in Poland. The winner is the one who works fast and learns quickly from its mistakes. Below there is a visualized time of each stage of creation in weeks.

Figure 20- Time of each stage of creation of startup (in weeks)



Source: own archive

HiDone's main competitor was Fixly, which joined forces with the already well-known company on the Polish market, OLX. Thanks to this cooperation it gained huge money for marketing campaigns and easily took care of the publicity. During the conversation with COO startup I learn that HiDone was created so long (it took two years to create a prototype) that other companies whose ideas were created later were able to create a product much faster. Additionally, when HiDone entered the market with little marketing capital, Fixly has already merged with the giant to create TV commercials, huge billboards in shopping malls and on express routes. However, the owners of this startup did not get scared and believed that the actions of the competitors only work to their advantage and increase customer awareness.

According to the COO, the startup failed at another level. The choice of the development company was not accurate, because it had not done such a marketplace platform before, so the whole code was written from the very beginning. At the same time, it was possible to hire a company of such applications as Booksy or Uber and create a board on it. Of course, costs played a big role here, but in hindsight, one can say that they would be similar anyway. Founder admitted that it was possible to create lean versions of the application and see how customers reacted to it. Such a mockapp would certainly save time and money, which could have been invested differently.

What was supposed to distinguish HiDone from the competition? A comprehensive solution that people with skills, free time or just looking for extra income could find a place and a customer. For the clients, it was to be a quick help obtained by the employees from the nearest

environment, and all these services in one application, on one platform, so that the client did not have to download each application separately. What's more, at the very beginning of the creation, there was a huge trend on the market for cryptocurrencies, which Founder wanted to combine with the application. Moreover, he dreamt of combining the platform with artificial intelligence, which was going to suggest what the client might need at a given time. However, this solution was supposed to appear in the later months of the company's existence.

7. Analysis of the registration process

The registration process is a critical moment for the application, because it is the first contact with the startup. During it, the customer is determined and interested at the beginning, which is why it is so important not to discourage the customer from having too much data required.

The interview allowed me to understand legal issues that HiDone could not underestimate. They concerned the GDPR, which severely limited the company. They required a large amount of information and employee identification. Each service provider was the face of the brand: entered, performed the service and promoted the company. The creators were afraid, however, of situations in which a potential service provider would prove to be a thief. However, this could not be checked due to the limited verification of this information by the GDPR. On the other hand, there is KYC (know customer), which is a due diligence procedure and banking regulation that financial institutions and other legally defined entities must carry out to identify their clients and obtain certain, relevant and accurate information required to conduct business with the interested party. Finding a balance between both procedures is extremely difficult if the entrepreneur creates an application that employs employees without first correcting them face to face.⁷²

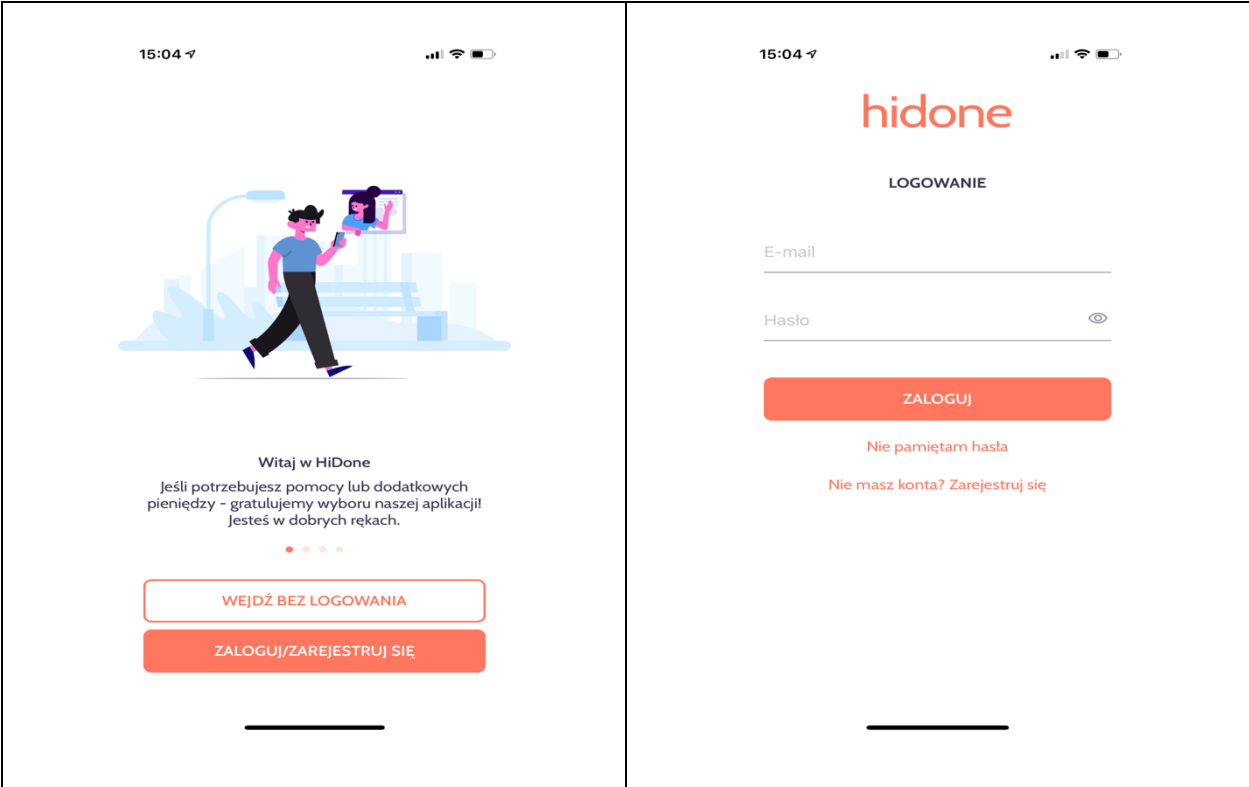
Despite these legal problems, the startup also had to deal with problems related to adding cards and a bank account. There were errors while verifying the card when it was still required to register and was charging the verification amount incorrectly. Often, customers gave incorrect or incomplete names that did not match the card data, making it impossible to complete the registration. Moreover, some service providers did not have bank accounts. Some of them abandoned further registration because they did not trust the application, so they did not want to give their card details. There were many unfinished registrations. All these cases prevented

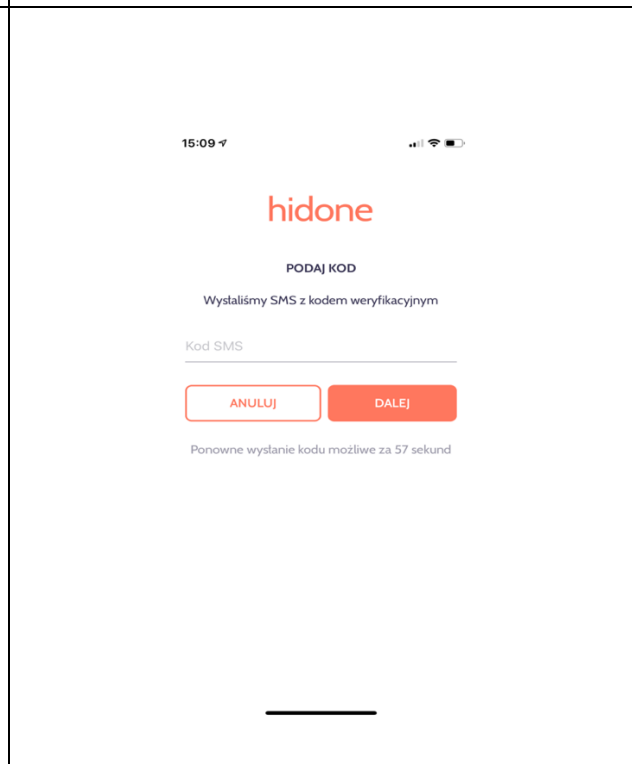
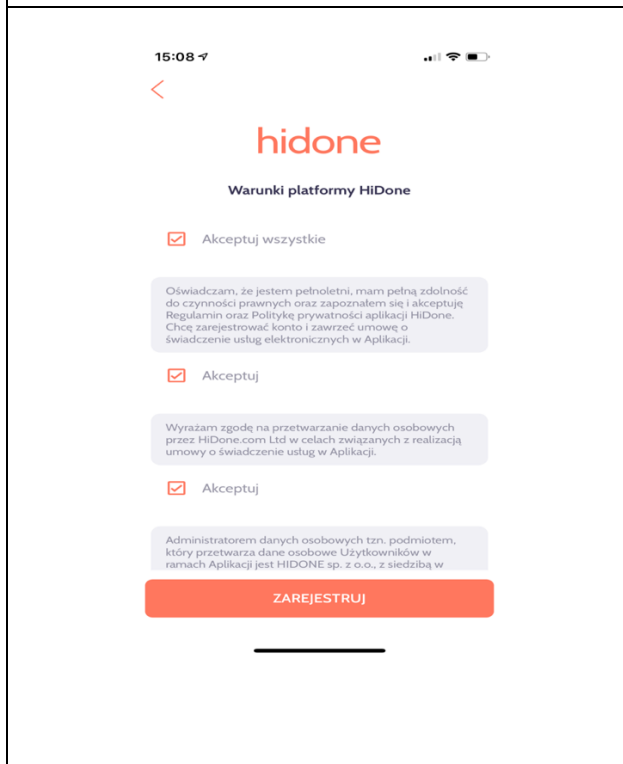
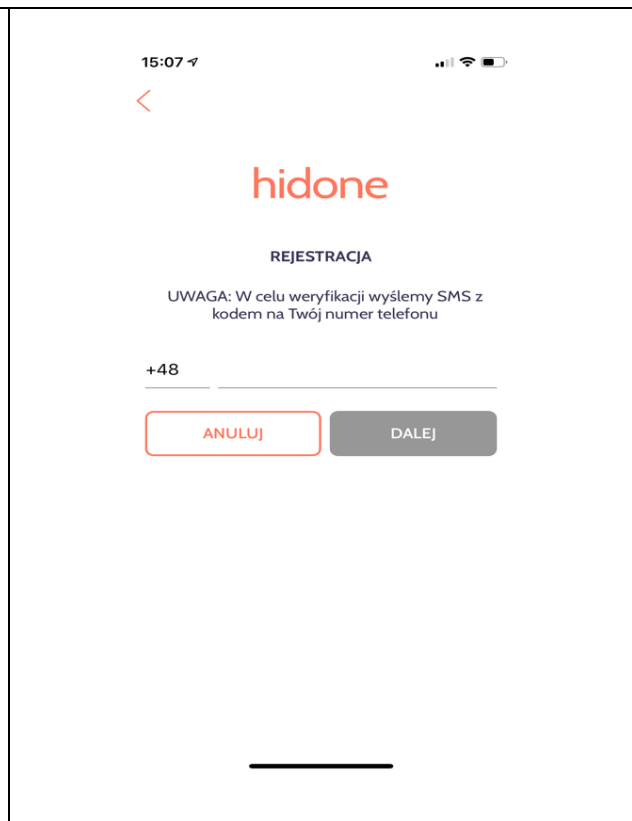
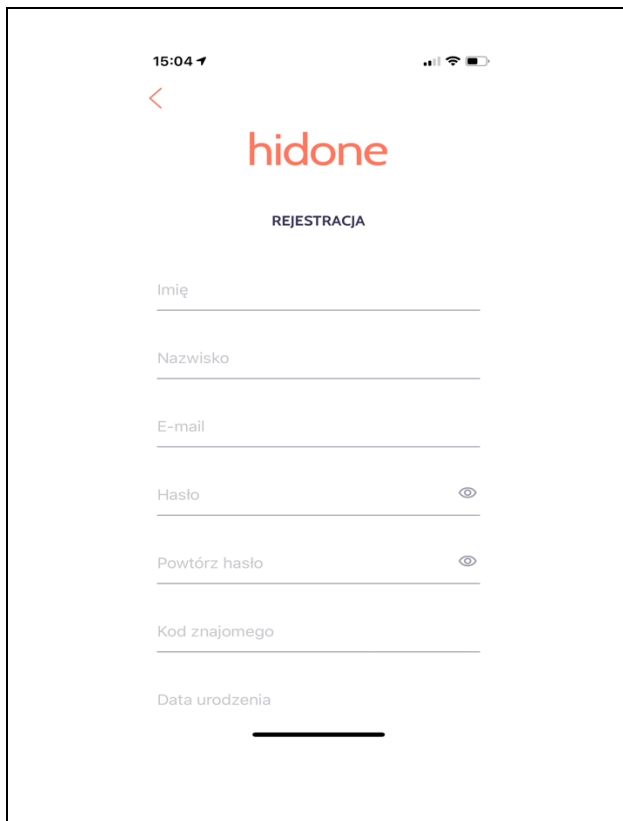
⁷²https://en.wikipedia.org/wiki/Know_your_customer (18.04.2020).

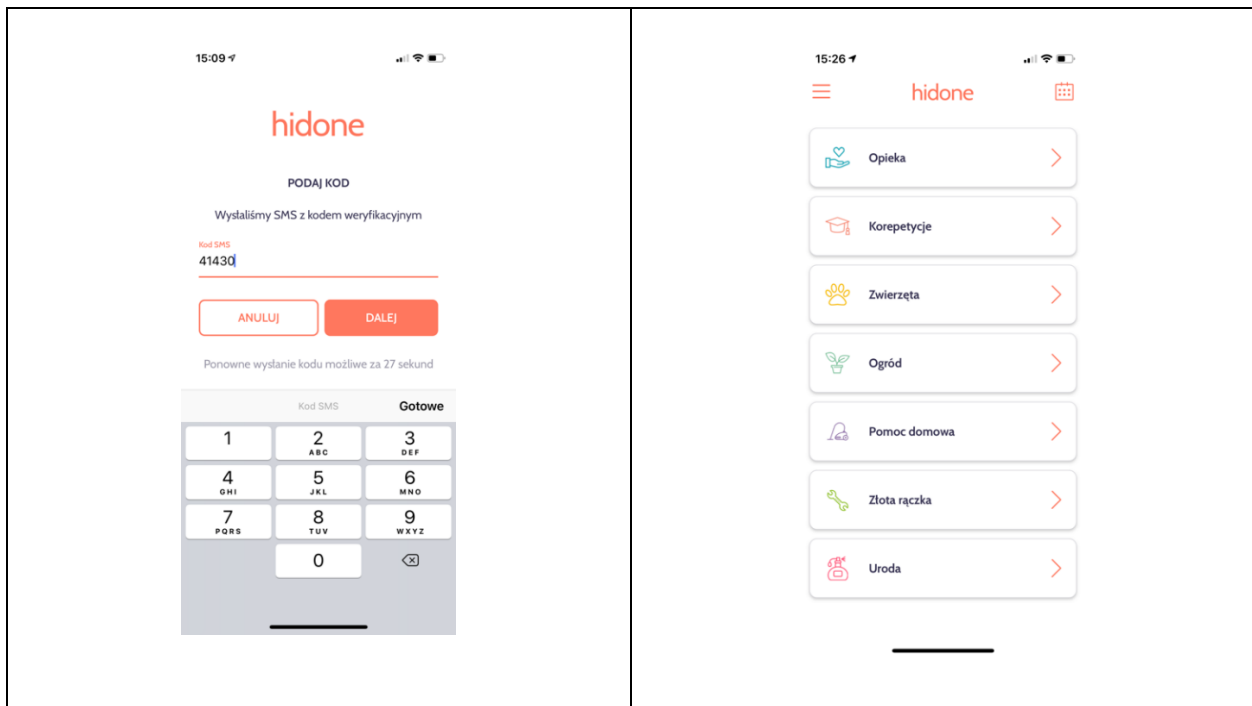
users from using the application. After many brainstorms, the team came to the conclusion that in order to keep customers, the order of the boards and the registration process itself must be changed. For this reason, questions about the credit card and requests for a scan of the ID or passport were removed and this was moved to the moment when the order was accepted by the service provider. Seeing the potential earnings, the service providers were more inclined to provide the application with such data.

In the picture below there is the final registration process that the startup has approved.

Figure 21- Registration process







Source: Own registration to the application

8. Acceptability of the application

This is an important point in the analysis of the startup history, it allowed to make a decision about further investments in business and was an impulse to take further actions.

In HiDone, the impulse that helped to make the decision to withdraw from the business was the ratio of executed transactions to registered customers. The best way to present it in figures was to finally download as many as 15,000 people, but only 7,000 registered, while there were only 40 completed orders and transactions. According to the findings of the COO, the surveyed customers did not have so many reservations about the technical side. She said that this small number of transactions was caused by the lack of need to call for help (emergency) or fear of giving the employee confidence.

However, a certain correlation was detected that the transactions carried out were mainly in the areas of cleaning and animal care, which particularly showed potential. It turns out that people are more likely to let someone in and trust them when it comes to animal care. Therefore, the startup is already thinking about how to use it.

Most startups want to do everything at once, at least 1000 suppliers and 20,000 products. This leads to a very high level of difficulty, which destroys the company and the whole sourcing process burns most of the money. This means that other things may be missing, which at this

stage are a big unknown. That is why it is worth considering whether it is better to do a marketplace just for one thing. This way the creators deal with one type of product, which is always easier to control, finance, and instead of dealing with 1000 suppliers/partners they can focus on e.g. 30.

The study asks a question about introducing a lean strategy that would help MVP to enter the market. Founder, on the other hand, explains that although it would actually help to discover the problem of application acceptance much earlier, he believes that the wide range of service areas gave a distinction in the market. They feared that the lack of a full package of offers and a lack of payment system would discourage a potential customer. As a result, however, HiDone decided to enter the market with a finished and refined project.

During the interview I got to know the history of the startup, which potentially had a chance to survive, and yet met with an unexpected lack of acceptance on the Polish market. During its creation it encountered many obstacles, inconveniences, which each time more or less affected the creators' belief in business. The team, but most of all startup Founder, who was the originator of the idea, showed incredible perseverance, which helped him to introduce the project to the market. This is one of the many qualities that an entrepreneur should stand out. When asked about the changes he would have made in retrospect, he replies,

"The problem with the project was the neglect of the pre-production phase, the assumptions were not sufficiently researched and all this excitement with the idea was soaking our eyes."

Chapter V- Discussion

As the result of the conducted interviews it was possible to find an answer to the first research question of this work:

- What were the challenges of implementation of radical innovation in application industry?

It is based on the example of a selected HiDone study case, but in fact it may concern every start-up that starts its activity. This startup did not face all the existing challenges, because the challenges very often depend on the industry, type of startup and the market on which the innovation enters. However, the case refers to a large number of them. These challenges are general expressions, which are divided into many smaller areas, and each is of great importance for the existence of the project. Therefore, when working on such a project one has to be aware that it is impossible to guess them all. However, the entrepreneur needs to know most of them in order to at least some of them to predict and establish an action plan in time.⁷³

The first challenge turned out to be incompetent market analysis, which contributes to further project failures.⁷⁴ As it was mentioned in the first chapter, lack of preparation, and only focusing on the product can have serious consequences in the future. Entrepreneurs are often so fascinated by the idea that they do not accept that all business can fail. Therefore, they do not deal with market or customer research, and any information they obtain is easily overinterpreted. Such a course of events is a serious mistake, so it is worth considering when creating innovations.

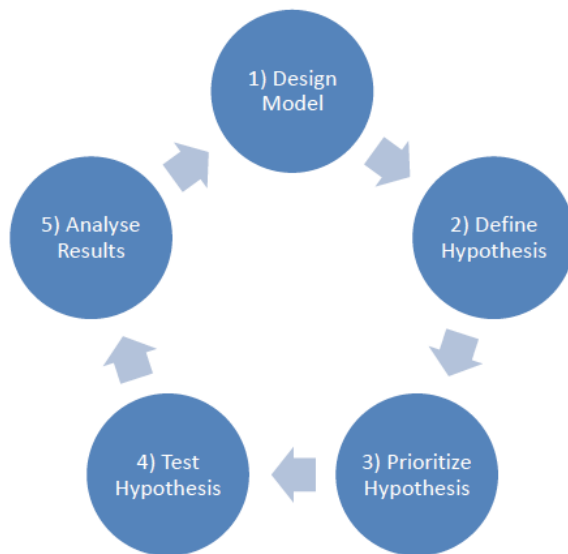
It is important to research the market and check if the idea will make a profit. Research driven by hypothesis is the lean way to learn about the idea of the business and check the business model. The startup needs to lead validation process to make sure that they are going in the right direction.⁷⁵

⁷³ Blank, S., Dorf, B. and Sałbut, B., 2013. *Podręcznik Startupu*. Gliwice: Wydawnictwo Helion.

⁷⁴ Ries, E., 2011. *The Lean Startup*. [Place of publication not identified]: The Crown Publishing Group.

⁷⁵ Ries, E., 2011. *The Lean Startup*. [Place of publication not identified]: The Crown Publishing Group.

Figure 22-Validation process



Source: Católica Lisbon School of Business & Economics- Lean Entrepreneurship course

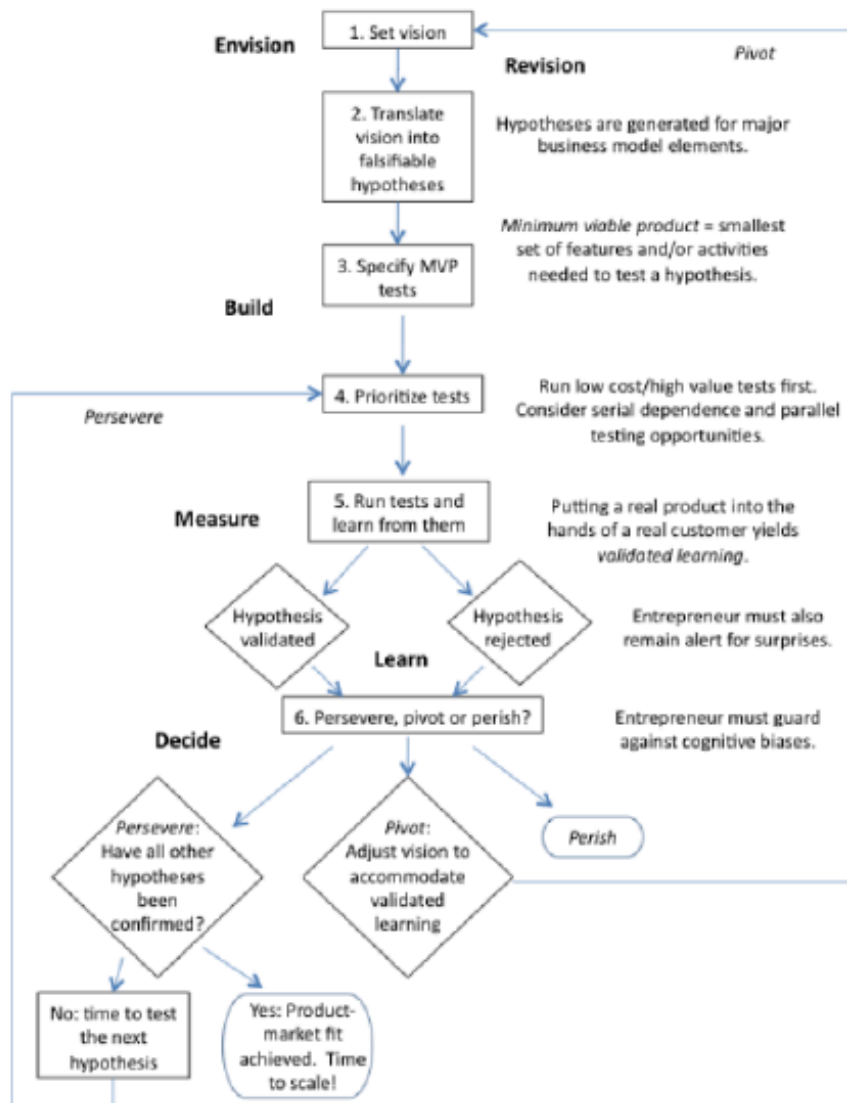
Creating a prototype and then MVP is part of the process. Minimum Viable Product is an unfinished product, so it can be modified based on the reactions and observation of potential customers, it is a great way to save money and check if the product would be accepted. With this approach, the entrepreneur is able to even give customers the product still not fully refined (to check their response and refine it from the right angle). This is a Lean approach.⁷⁶ Lean, as mentioned in the first chapter, is a company management strategy that is worth applying, based on providing customers with the products / services they expect, in the simplest way and at the lowest possible costs. This concept is based on three pillars:

- defining and creating value for the client,
- continuous process improvement by eliminating waste,
- respect for the crew, through the attitude of the management

The way in which decisions are made in lean enterprises (with the participation of MVP) and their entire operation process is shown below.

⁷⁶ Ries, E., 2011. *The Lean Startup*. [Place of publication not identified]: The Crown Publishing Group.

Figure 23- Hypothesis Driven Entrepreneurship



Source: Católica Lisbon School of Business & Economics- Lean Entrepreneurship course

The next challenge may be lack of resources. The idea must appeal to the investors so that they see the potential and are able to transfer the amount to the organization. The literature discusses this issue as if it was obvious that a startup will get funding, as this will help it to move on to further stages of product development.⁷⁷ However, investors have different requirements, which are not always easy to meet. They want the project to be the least risky and profitable in

⁷⁷ Ries, E., 2011. *The Lean Startup*. [Place of publication not identified]: The Crown Publishing Group.

the future. In the previous chapter I talk about the importance of traction as proof of potential. It can also be achieved with an MVP, which will be checked and modified based on research (e.g. Focus group).⁷⁸ This is a good argument during the presentation with the investor. However, this is not the only issue that is taken into account. I had the opportunity to talk to Ricardo Pires, an entrepreneur working in the Portuguese Venture Capitals - Semapa, he told me what is most important for them. It turned out that the team. They have seen how important it is, as several contracts have not worked out due to the tense situation between organizations. Therefore, the team can be considered as the third challenge.

The ideal situation is when founder start a startup with people, he has studied with, for example, then he knows their approach to challenges, know how they react under pressure and that they are people with whom friendly contact is possible. However, in reality, such situations appear very rarely, because it is not always possible to find people with the necessary skills to create a project in the closest environment. That is why talents are sought by hanging out announcements or, as it was in the case of HiDone, going to contests and making a proposal. However, without knowing the right field, the entrepreneur is not able to check the given skills only while working on the product. In addition, there is the issue of getting along and character similarity. It is best if the team is very well integrated and friendly, then every day at work is a pleasure, and the project itself becomes a common creation in which everyone can see the potential. Getting into this situation is difficult but not impossible. First of all, the originator of the project is looking for specialists who will be able to best convey the essence of the idea, and only when the team completes the integration begins. What is important are the activities outside the project, going to the restaurant in order to get to know each other, or some kind of common entertainment. These are small steps, yet they have a gigantic reference to the quality of the work done or the success of the project.

Another challenge is also related to the people with whom the organization cooperates, and more specifically it is an incompetent partner. In the case of HiDone it was a developer, but it can be any outsourcing company. Here, the selection of the company is also extremely difficult, because it is based on the company's previous achievements, but there is no insight into the workflow. In the case of slow and often inaccurate work, one should be consistent. As an entrepreneur and a client, a startup has the right to require a properly performed service. Therefore, any negligence or delay must be followed up. In this situation, the solution is a

⁷⁸ Blank, S., Dorf, B. and Sałbut, B., 2013. *Podręcznik Startupu*. Gliwice: Wydawnictwo Helion.

competent manager who will make the matter clear and negotiate the best possible solution for the startup.

The next challenge is the lack of customer acceptance. The literature says that only 2% of consumers are willing to risk and test a new product.⁷⁹ The rest are influenced by uncompromising shopping habits. In such a situation it is worth taking care of good marketing. One of them is Viral Marketing, a mechanism of spreading marketing content (campaign, brand promotion, product launch) at a rapid pace thanks to making the material available by the society. Viral spreads from person to person, attracting the attention of the audience with incredible speed. To do this, intriguing, funny or inspiring content often proves crucial. Viral marketing cut the marketing costs of attracting new sales. The next solution may be Free-ride on scaled channels. The most successful startups of the last decade, scaled to millions of users globally by tapping into 1 (max 2) of these channels: SEO, SEM, Facebook, YouTube as a sell's platform, Word of mouth, Partnerships, so it is worth trying.

On the other hand, the lack of acceptance does not have to be only dependent on attachment to another brand. It may be caused by a lack of need to use the product.⁸⁰ However, the problem arises when there is no such need even for the startup target group. Failure to discover such dependence on the early stages of the project may lead to startup bankruptcy. The only way out of this situation is to teach the customer that a given solution can make his/her life much easier. However, such actions require a lot of time and commitment to an activity that does not always guarantee success.

The startup market is developing at a very fast pace, so the next challenge is a competitive threat. It may take a long time from the idea to its realization, during which similar solutions may appear on the market. It's a lot of work when the startup wants to be a leader or radical innovation, while in the presence of a competitor, the project is just a copy or equivalent. This situation is very common in the United States. Entrepreneurs copy their ideas and start fighting for customer interest. Marketing is therefore of great importance here, which makes it possible to distinguish the product from others and fight the competition. It's all about brand awareness, which in my opinion would be an ideal situation for HiDone. Startup wouldn't have to fight

⁷⁹ Mack, P. and Rogers, E., 2003. Diffusion of Innovations. *Technology and Culture*.

⁸⁰ Thiel, P. and Masters, B., n.d. *Zero To One*.

with customer psychology, but the competition that would already make customers aware of the usefulness of its solution.

The last challenge is the legal regulations in force on the target market for innovations. In the case of HiDone, these were issues concerning GDPR and KYC, i.e. conflicting regulations. GDPR protects consumer data, while KYC requires it for verification purposes. In such a situation, startup needs a good lawyer to help to understand and identify a solution. Sometimes, however, the law does not state in favor of the entrepreneur and conflicts with the idea of a startup. It is worth reading before starting the project what the company will have to face in order to prevent hopeless situations.

The second research question is:

- How challenges were decremental to launching radical application on the market from the HiDone study case?

Based on the founder's statement and the literature⁸¹ example shown in chapter one, it can be concluded that it is a lack of preparation. This is one of the first stages of business creation, extremely important, because it is on it and on the collected data that the whole idea and approved effectiveness of the idea are based. Thanks to proper and detailed analysis of the market, HiDone could determine that the problem would not be the technical side, but the fight against the psychology of the potential customer. This knowledge would immediately help to make the right decision about the originators' investment in the project.

Is it worth taking the risk of creating innovation despite the challenges that are emerging? On the basis of the case described and the support from the literature it can be said that the assessment of this statement is not clear. It all depends on whether the founders will have secured cash flow, i.e. permanent funding for the creation of business. Having such support is much easier to make a decision than when putting money out of pocket. In a situation when a startup does not have an investor, it is worth to first test the prototype and check if the idea will sell, and then, depending on the result, take the appropriate path. Creating innovative solutions is not an easy thing to do, so the founder should act with caution and it is best to anticipate possible challenges that may appear and disturb the balance of the company. Regardless of

⁸¹ Ries, E. and Sałbut, B., 2017. *Metoda Lean Startup*. Gliwice: Wydawnictwo Helion.

whether the prototype works, it is worth trying and gaining experience, which in the future can be added as a basis for entering the market of another innovation.

Conclusion

Challenges make it difficult for startups to enter the market. Knowing them is key to the success of a business. On their basis it is possible to estimate the cost of creating an innovative solution. Knowledge about them allows founders to decide whether it is worthwhile to devote any time and energy to a start-up in a given sector.

The study describes the process of creating innovation and the entry strategies that accompany it. However, the paper focuses primarily on the challenges to entry that innovation need to face. The study case has shown that entry is not that easy. The indicated startup had to face many challenges in order to meet the owners' expectations.

The first of these was the problem of the lack of a meaningful and detailed market investigation. The HiDone mobile application was a radical innovation on the Polish market. This means that it did not have much competition when entering the market. This proved to be a major entry barrier related to the awareness of customers and service providers. The Polish society was not prepared for such a novelty, which caused the organisation a lot of difficulties. Instead of developing the product on the basis of customers' suggestions, Startup had to focus on convincing and fighting with customer psychology, which would not have happened if the company had conducted detailed research.

The second challenge was to raise funds. Startup found out how difficult it is to find an investor if it can't show traction or if the idea is so extensive that it's too risky as for most investors.

The third challenge was the conflicting team. As for Venture Capital, it is an extremely important issue for a startup. First, find specialists who will not cost assets and create an unbeatable product. When a team doesn't get along and there is a negative atmosphere, conflicts can demotivate, which can sometimes affect the quality of work done.

The fourth challenge appeared in cooperation with partners. After signing the contract, when everything is supposed to go according to the plan, suddenly there are some shortcomings, insinuations and it turns out that the task exceeds the skills of the partner. Each re-attempt is a time and money that startups can't always afford.

The next challenge is customer acquisition and lack of response to the product. It is extremely difficult to attract customers to the product when it does not offer services of interest. Additionally, startups often make the mistake of introducing a product without detailed market analysis. The result of such actions is, among others, lack of interest in the product.

Last but not least challenge is fighting the competition. When the competition is active on the market, it becomes more difficult to compete, so a startup must stand out. However, it should also be remembered that the greater the competition, the smaller the entry challenges.

All of the above challenges discovered in the case study are the answer to the first research question of my work. Additionally, it can be added that in PFP reports a note was found that the biggest enemies of startups are also bureaucracy, high tax burden and obstacles resulting from labor law, which is also reflected in the example given. HiDone fought against two contentious provisions concerning legal issues.

Out of all these challenges, a too general market research conducted before the product entered the market can be qualified as the hardest to solve and having the greatest impact on this process. As was the case with HiDone, the neglect of such an important step in the creation of innovation continued throughout the company. Regardless of how hard the startup tried and what great employees it had; it was not able to overcome the fact that Polish society was not yet ready for such an innovation. Fighting against human psychology and teaching new habits needs time, which HiDone did not have due to lack of resources.

So, at the end, it is worth asking the question whether, despite all these difficulties accompanying the creation of innovations, is it worth undertaking it? The answer is not clear, because everything depends on the extent to which startup owners are insured and prepared for possible trips. If they are financially secure, why not. However, if they want to take a risk, it is worth to test their idea first, entering the market with a prototype, and only after a successful attempt to establish a company that will fight for a position on the market.

List of references

Literature:

1996. *The Foundation For A New Approach To Implement Building Innovation*.

Washington, D.C.: Civil Engineering Research Foundation.

Altkorn J. (2004). "Podstawy marketingu". Kraków: Instytut Marketingu,.

Altkorna J. (red.) (2004), Podstawy Marketingu, Instytut Marketingu, Kraków, s. 138-157

Badowska S. Źródła i inspiracje wprowadzania innowacji produktowych, Uniwersytet Gdański

Blank, S., Dorf, B. and Sałbut, B., 2013. Podręcznik Startupu. Gliwice: Wydawnictwo Helion.

Blank, Steven G. (May 2013). "Why the lean start-up changes everything". Harvard Business Review. 91 (5): 63–72.

Bogdanienko J., Haffer M., Popławski W. (2004), Innowacyjność przedsiębiorstw, UMK, Toruń.

Booz, Allen & Hamilton (1982). New products management for the 1980s.

Boroń W. Zarządzanie projektowaniem a marketingowa strategia rozwoju nowych produktów, Instytut Technik Innowacyjnych EMAG, Katowice

Chrostowski, A. and Jemielniak, D. (2011). Skuteczne doradztwo strategiczne. Warszawa: Wydawnictwo Poltext.- strategy

Creswell, J. and Poth, C., 1998. Qualitative Inquiry And Research Design.

E. Ries (2011), *The Lean Startup*, Nowy Jork, Crown Publishing Group, s.8

Grulke, W. and Silber, G., 2004. *Lessons In Radical Innovation*. London: Financial Times Prentice Hall.

J. A. Allen, *Scientific innovation and Industrial Prosperity*, Longman, London 1966, s. 7.

J. Schumpeter, *Teoria wzrostu gospodarczego*, PWN, Warszawa 1960, s. 64.

K. Koziół, *Determinanty działalności innowacyjnej przedsiębiorstw*, Wyd. Uniwersytet Szczeciński, Szczecin 2007, s.13.

Kotler Ph. (1999), *Marketing - analiza, planowanie, wdrażanie i kontrola*, Felberg SJA, Warszawa

Kotler, P. and Cunningham, P. (2004). *Marketing management*. Toronto: Prentice Hall

M. Beauchamp, A. Kowalczyk, A. Skala, T. Ociepka (2019), *Polskie Startupy Report*, Warsaw: Startup Poland Foundation)

M. Beauchamp, A. Kowalczyk, A. Skala, T. Ociepka. (2017), *Polskie Startupy Raport*, Warszawa: Fundacja Startup Poland

Mack, P. and Rogers, E., 2003. *Diffusion of Innovations. Technology and Culture*,

Michalski E. (2003), *Marketing podręcznik akademicki*, PWN, Warszawa, s. 205 - 206

Michalski, E., 2003. *Marketing*. Warszawa: Wydawnictwo Naukowe PWN.

Miller, P. and Wedell-Wedellsborg, T. (n.d.). *Innovation as usual*.

Mohr, J., Sengupta, S. and Slater, S. (n.d.). Marketing of high-technology products and innovations.

Ostrowska, A., 2012. *Dlaczego Warto Wykorzystywać Popytowe Podejście Do Tworzenia Innowacji?*. Warszawa: Polska Agencja Rozwoju Przedsiębiorczości.

P. F. Drucker, *Innowacja i przedsiębiorczość: praktyka i zasady*, Wyd. PWE, Warszawa 1992, s. 29.

Pitsis, T., Simpson, A. and Dehlin, E., 2014. *Handbook Of Organizational And Managerial Innovation*. Cheltenham: Edward Elgar.

Ries, E. and Sałbut, B. (2017). *Metoda Lean Startup*. Gliwice: Wydawnictwo Helion

Ries, E. and Sałbut, B., 2017. *Metoda Lean Startup*. Gliwice: Wydawnictwo Helion.

Ries, Eric (2014) [2011]. *The lean startup: how today's entrepreneurs use continuous innovation to create radically successful businesses*. Crown Publishing.

Ries, Eric (3 August 2009). "The lean startup". startuplessonslearned.com. Retrieved 4 June 2015.

Rowe, P., 1998. *Design Thinking*. Cambridge, Mass: MIT Press.

S. Blank, B. Dorf (2013), *Podręcznik startupu- Budowa wielkiej firmy krok po kroku*, Gliwice, Wydawnictwo Onepress,

Sojkin B. (2003), *Zarządzanie Produktem*, PWE

Sosnowska A.(2000), Zarządzanie nowym produktem, Oficyna Wydawnicza Szkoły Głównej Handlowej, Warszawa

Stake, R., 1995. The Art Of Case Study Research. Thousand Oaks: Sage Publications.

Sulszyńska U. (2002) Strategiczne znaczenie nowych produktów w działaniu przedsiębiorstw, Ruch prawniczy, ekonomiczny i socjologiczny, zeszyt 4

T. Gospodarek, (2016), Innowacyjność po polsku, Kamieniec Wrocławski, T. Gospodarek;

Thiel, P. and Masters, B., n.d. *Zero To One*.

Trocki M. (2013). Ocena projektów – koncepcje i metody. Warszawa: Oficyna Wydawnicza Szkoła Główna Handlowa w Warszawie.

Trocki, M., 2013. Nowoczesne Zarządzanie Projektami. Warszawa: Polskie Wydawnictwo Ekonomiczne.

Verganti, R., 2014. *Design-Driven Innovation*. Boston, Mass.: Harvard Business Press.

Yin, R., n.d. Case Study Research And Applications.

Online sources

<https://42matters.com/poland-app-market-statistics>

<https://books.google.pt/books?id=8LJwaPuuQagC&pg=PA35&lpg=PA35&dq=get+big+fast+strategy+co+to+znaczy&source=bl&ots=lzsovsul2k&sig=ACfU3U05PICg-pvnJILBOsRZ94pwrh1b7w&hl=pl&sa=X&ved=2ahUKEwiXi5Gv2tbnAhV0AWMBHaG2DXgQ6AEwBHoECAsQAQ#v=onepage&q=get%20big%20fast%20&f=false>

<https://datev.pl/ogolna-strategia-badania-1/>

<https://datev.pl/planowanie-badania/>

https://en.wikipedia.org/wiki/Case_study

https://en.wikipedia.org/wiki/Know_your_customer

https://en.wikipedia.org/wiki/Lean_startup

<https://foodfakty.pl/dlaczego-wiekszosc-nowych-produktow-na-ryнку-nie-odnosi-sukcesu>

<https://gbksoft.com/blog/mobile-app-market-analysis/>

<https://generatorpomyslow.pl/blog/zarzadzanie-innowacjami-w-organizacji/>

<http://marketing.org.pl/archiwum/index.php/go=2/act=2/aid=m486690018151c>

https://mfiles.pl/pl/index.php/Planowanie_sprzed%C5%BCy

https://mfiles.pl/pl/index.php/Procedura_rozwoju_nowego_produkту

https://mfiles.pl/pl/index.php/Pytanie_badawcze

<https://mfiles.pl/pl/index.php/Rynek>

<https://nauka.metodolog.pl/wprowadzenie-do-metodologii-badan-naukowych-przydatne-porady-sugestie-i-dobre-praktyki/>

https://pl.wikipedia.org/wiki/Uzale%C5%BCnienie_od_dostawcy

<https://polishtax.com/information/why-poland/>

<https://poznan.wyborcza.pl/poznan/7,36001,22749612,concordia-design-innowacja-wymaga-zmiany-znaczenia-konferencja.html?disableRedirects=true>

https://repository.upenn.edu/cgi/viewcontent.cgi?article=1207&context=mgmt_paper

<http://scripts.mit.edu/~jsterman/docs/Oliva-2003LimitsToGrowthInTheNewEconomy.pdf>

<https://searchcio.techtarget.com/definition/radical-innovation>

<http://smallbusiness.chron.com/brand-positioning-statement-3579.html>

<http://smallbusiness.chron.com/brand-positioning-statement-3579.html>

<https://startupakademia.pl/2015/05/24/jak-stworzyc-startup-warty-50-miliardow/>

<https://startupakademia.pl/2015/11/30/jak-stworzyc-udany-marketplace-w-polsce/>

<http://startuplelife.pl/startup-krok-po-kroku/>

<https://talkroute.com/8-challenges-to-entry-every-startup-should-know/>

<https://trybawaryjny.pl/polacy-smartfony-statystyki/>

<https://visionedgemarketing.com/new-product-develop-process/>

https://wneiz.pl/nauka_wneiz/sip/sip34-2013/SiP-34-t1-175.pdf

<http://www.afe.polsl.pl/index.php/pl/2540/chosen-aspects-of-innovative-projects-management.pdf>

<https://www.concordiadesign.pl/o-concordii/blog/innowacja-to-znaczy>

<https://www.conquest.pl/5908/wprowadzenie-produktu-na-rynek>

<http://www.designforeurope.eu/what-design-driven-innovation>

<http://www.doktoraty.pl/metody-techniki-narzedzia-badawcze-badania-ankietowe-wywiad/>

<https://www.entrepreneurship.org/learning-paths/the-lean-approach>

<https://www.f5.pl/futopia/swiatowy-ekspert-w-dziedzinie-innowacji-design-thinking-na-konferencji-w-poznaniu>

<https://www.ideoforce.pl/wiedza/co-to-jest-i-jak-dziala-marketplace,326.html>

<https://www.jcommerce.pl/jpro/artykuly/jak-skutecznie-testowac-aplikacje-mobilne>

<https://www.lead-innovation.com/english-blog/types-of-innovation>

<https://www.marketing-schools.org/types-of-marketing/stealth-marketing.html>

<http://www.mobiletrends.pl/raport-przecietny-uzytownik-korzysta-30-aplikacji-miesiecznie-10-dziennie/>

https://www.nexto.pl/upload/sklep/placet/ebook/zarzadzanie_dzialalnoscia_innowacyjna-lidia_bialon-placet/public/zarzadzanie_dzialalnoscia_innowacyjna-placet-demo.pdf

https://www.parp.gov.pl/storage/publications/pdf/Startupy-w-Polsce---raport-2019_200117.pdf

<http://www.paulgraham.com/notnot.html>

<https://www.performatix.com/why-mobile-apps/>

https://www.researchgate.net/publication/232274080_Diagnosing_Risk_in_Radical_Innovation_Projects

https://www.researchgate.net/publication/273635929_The_Art_of_Case_Study_Research_by_Robert_Stake_1995/link/5507cd4a0cf2d7a28126626e/download

<https://www.sciencedirect.com/science/article/pii/S0007681309001438?via%3Dihub>

<https://www.slideshare.net/JerzyKurgan/ryzyka-w-innowacji>

<https://www.tutor2u.net/economics/reference/ways-of-overcoming-entry-challenges-in-markets>

<https://www.tutor2u.net/economics/reference/ways-of-overcoming-entry-challenges-in-markets>

<https://www.youtube.com/watch?v=S71-appCOZA>

<https://www.youtube.com/watch?v=WDn3yQKfpqY>

<https://wynagrodzenia.pl/artykul/zarobki-20-30-40-i-50-latkow>

http://zif.wzr.pl/pim/2013_2_2_27.pdf

<https://zwierciadlo.pl/lifestyle/jakie-mamy-w-polsce-podejscie-do-nowych-technologii>

Appendix

Appendix 1.1.

1. Poland - project blueprint

- Is it a right move to pilot such a business in Poland?
- Such forms of business as HiDone can easily find their customers abroad, why is Poland not such a progressive market?
- What could have been done to avoid this course of events?
- Why is Polish society not ready for such a revolution?
- Why was such a scenario not foreseen when starting the project?

2. Capital

- Finding a business investor is a very difficult matter for a startup, what do investors expect, when they show interest in the idea?
- What did HiDone expect from the investor?
- How to convince an investor of an idea?
- Why is it so difficult to find an investor?
- Why are investors able to invest only one million PLN and not more?
- What percentage of potential investors demanded shares greater than 30%?
- Many Venture Capitals companies organize various competitions to choose a startup, have you participated in one of these?
- Investors have different requirements: some require a list of monetary transactions; others call for as little activity as possible? Which requirements did HiDone adapt to?
- How often was the investor interested in the project after the presentation?
- What do Polish investors bet on?
- What was the main problem of HiDone that it did not find investor?
- Is there interest in marketplace investments?

3. Technology

- The startup development company was Binarapps, did they have any problems during the a / b test?

- Do you remember examples of shortcomings and neglects in the software on the part of Binarapps? Examples
- HiDone also asked group of medical carers to test the application, do you remember what problems occurred then?
- How long did it take to fix certain oversights? How was this reflected in the numbers (time, resources)?
- Do you remember any problems that occurred with the prototype of the application? What was missing? Can you describe it?
- How much did you have to wait to create another language version of the application?
- Problems with the payment system? (Case)
- Problem with the website? (Case)

4.1. Partners

- The company took part in a conference of medical carers, did any problems occur then? What went wrong? Was the intended goal achieved then?
- Medical caregivers were supposed to be application testers, why the contact with them was not maintained?
- One of the partners the company entrusted with part of the payment project was Billon. How do you assess cooperation?

4.2. Binarapps

Cooperation with a development company

- What made you choose this company among others?
- Working with IT specialists can be difficult, can you describe any of such situation?
- Why was this cooperation not good?
- What made this cooperation improve?
- Have there been any valuation conflicts? (Case)
- What do you think why the company did not understand HiDone guidelines in the context of the entire Customer path?

4.3. Team

The company started with a team, which was involved in the form of shares, they were co-creators. They were elected, but they had other jobs, and it did not go as fast as it should.

- Why was morale in the team declining?
- Why did members start to break out in turn?
- In your opinion, did the people remaining in the project have extensive knowledge and experience to lead / direct HiDone to the dream finish?
- Describe which problems/conflicts HiDone (or investor, major shareholder) had to face during changes in the composition of the board / shareholders.
- Have there been unprofessional actions made by former shareholders? (Case)

It was only at the later stages of the project the team of professionals was employed. They worked and focused only on one product, noticing the potential and believed in idea.

- Did the company have an established order of functions?

5. Acquiring users

During the tests and corrections HiDone took care of contact with potential customers, collecting the contacts.

- Did any problems occur while collecting potential customers' mailing database? (Olx ...)
- What difficulties did you have in getting users?
- Did negative comments on FB affect the company's work?
- Have you had any difficulties communicating with users?
- Have there been any difficulties with communication between users?
- What product problems have customers noticed?
- Did customers have their own ideas of applications that HiDone could not cope with?
- Contact with customers is a challenge, did any of them particularly you remember?
- Did paid advertising have a large reach?
- Chicken egg problem: have identical efforts been made to encourage both service providers and recipients?

6. Ways to distinguish from the competition

Creating the prototype took over two years.

- What could have been done better to speed it up?
- What makes HiDone different from the competition?
- Looking at the current strategy of your competition, do you feel that something went wrong and that could it be HiDone - attached to such large companies as Amazon or OLX? Has the issue of strategy under the name of a larger company ever been considered?

7. Analysis of the registration process

- Do you remember what problems occurred during registration? Will you quote any?
- Why were they not detected earlier?

8. Acceptability of the application

- How was the application received on the market by customers?
- How many clients have downloaded the application and how many of them have registered?
- How many orders and transactions were completed?
- In which area can you see the greatest demand?
- How do you rate the feedback on social media?
- Would implementing a lean strategy save time and help get more customers?
- What would you do differently throughout the entire project?