



BUSINESS

Quick App's Market Opportunity Analysis Report for Latin America - Brazil Case

EC6617-Professional Business Skills

University College Cork

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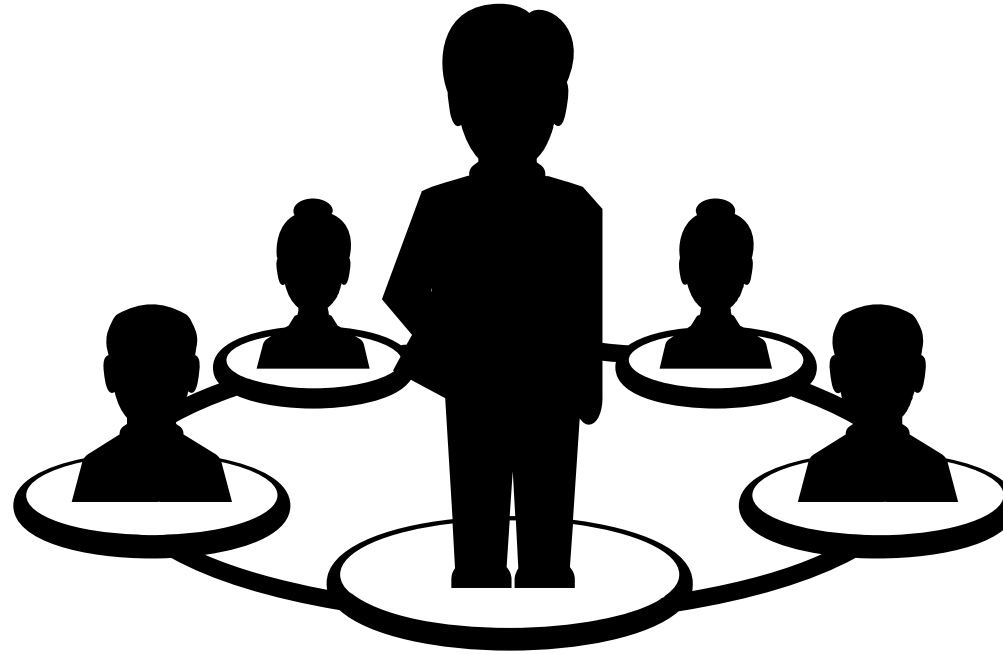
Part 01

Macroeconomics

Brazil's GDP is expected to grow by 2.8% in 2022, 1.2% in 2023, and 1.4% in 2024.

Industrial structure

Brazil's agriculture and livestock industry is well developed and is the third largest exporter of agricultural products in the world; the industrial base is strong and comprehensive, with the manufacturing of civilian regional aircraft and the biofuel industry leading the world; the mining industry occupies a very important position, accounting for one third of the country's total export earnings; the service industry is the mainstay of the industrial structure, accounting for over 70% of GDP, and tourism is one of the pillars of Brazil's service industry.



1

Agriculture- the third largest exporter

2

Industrial base- leading the world

3

Service industry- accounting for over 70% of GDP

GDP

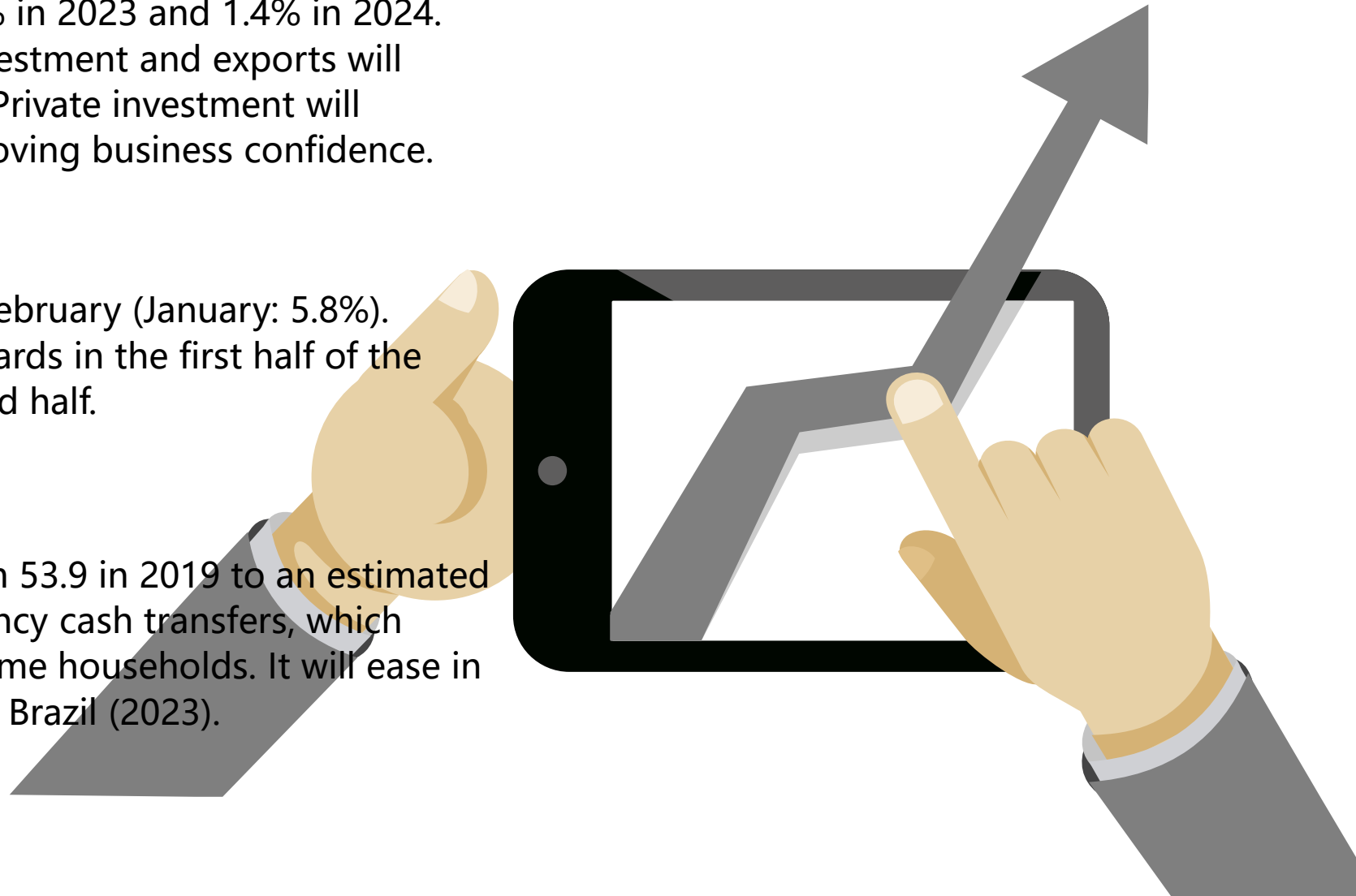
Expecting growth 2.8% in 2022, 1.2% in 2023 and 1.4% in 2024. Household consumption, private investment and exports will remain the main drivers of growth. Private investment will continue to rise on the back of improving business confidence.

Inflation rate

It fell to a two-year low of 5.6% in February (January: 5.8%). Inflation is seen as trending downwards in the first half of the year, only to accelerate in the second half.

Gini coefficient

Income inequality in Brazil falls from 53.9 in 2019 to an estimated 53.4 in 2020, mainly due to emergency cash transfers, which disproportionately benefit low-income households. It will ease in Brazil with China's cooperation with Brazil (2023).





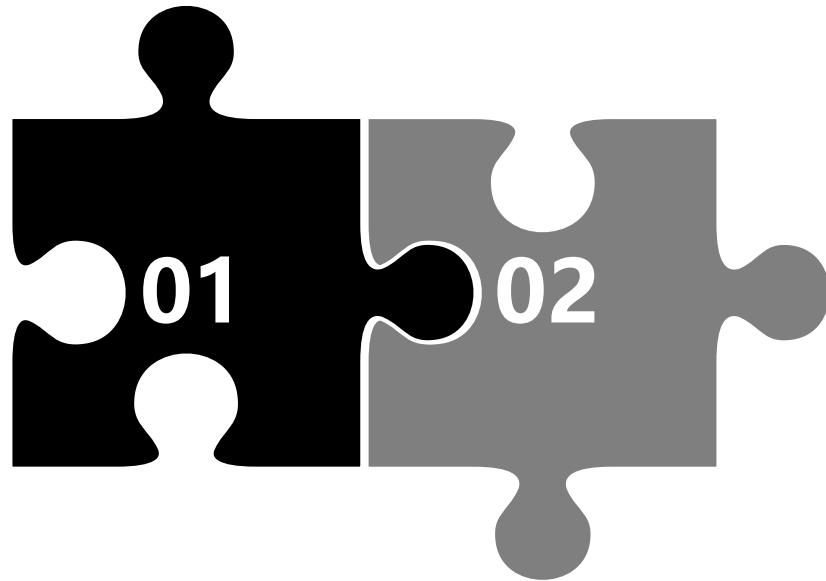
Part 02

Diamond framework

Brazil has a large population of 208 million people, a GDP of US\$175,926,700,000 in 2017 and a GDP per capita of approximately US\$9,896, both of which rank it first in South America

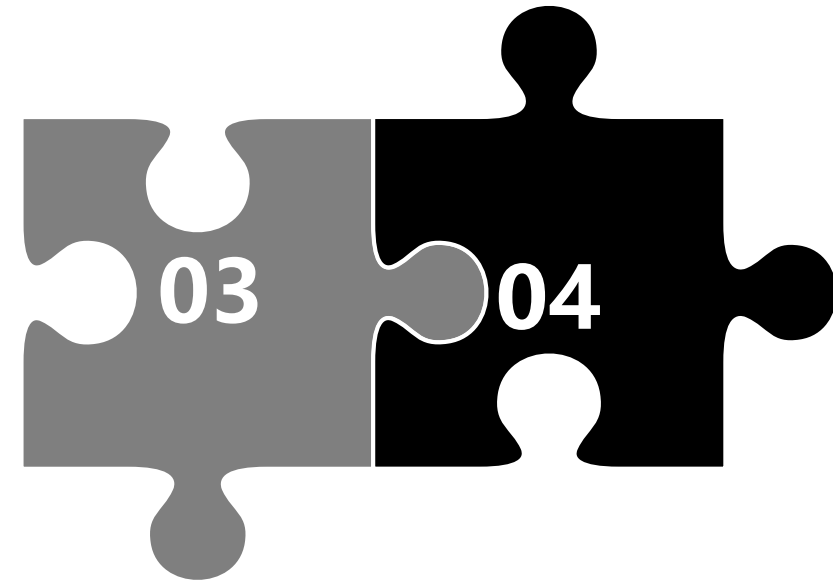
Factor Conditions

Brazil has almost 0.8 billion smartphone users and smartphone penetration is around 38% and still growing at a high rate.



The network infrastructure segment in Brazil is expected to reach US\$3.32 billion in 2023. Revenues are expected to show a CAGR of 4.67%, reaching a market volume of USD 3.98 billion by 2027².

Brazilians are very sticky to the Internet, especially mobile, and according to WeAreSocial, in 2017 the average daily usage was nearly 5 hours on PC and nearly 4 hours on mobile, among the highest in the world



Brazil is the world's leading Android phone market, with a 92.4% market share according to global research firm Kantar Group in the first quarter of 2016, while Brazil is also the world's most expensive country for iPhones, with the iOS market share in Brazil no match for the Windows market at less than 3.3% market share.

Demand Conditions



Brazil's mobile app market is booming in Latin America, with categories such as entertainment, gaming and finance driving growth. more than 10.3 billion apps will be downloaded in Brazil in 2021, a 30% increase on pre-pandemic levels in 2019. Consumer spending in Brazil has also seen phenomenal growth, increasing by US\$1.13 billion in 2021, US\$200 million more than in 2020, equating to 22% year-on-year growth as mobile gaming and in-app subscriptions become mainstream¹.



Brazil is also one of the largest e-commerce markets in Latin America and the world. its online shopping revenues reach almost BRL 170 billion in 2022, almost twice as much as in 2019 and 12 percent more than in 2021. Sales via mobile devices - known as m-commerce - account for more than half of all e-commerce sales in Brazil in 2020³.



The app market in Brazil is large, fast growing, mature and diverse. Brazilian customers have high expectations and standards for mobile applications and services. They also influence the innovation and quality improvement of the apps they use. Therefore, if you want to enter or expand the app market in Brazil, you need to consider these demand conditions and deliver apps that meet or exceed your customers' needs and preferences.

Related and Supporting Industries



-Brazil's growing industries of e-commerce, logistics, finance and payments provide an excellent supporting environment for software applications.



- Brazilian universities and research institutes are also committed to research and development in the field of digital technology and innovation.



Firm Strategy, Structure and Rivalry

Social networks:

The most used social networking apps in Brazil are WhatsApp, Facebook and Instagram².

Gaming:

In Q3 2021, gaming apps reported approximately 1.1 billion downloads from Brazilian users, an increase of 7% compared to Q2 2021. Some of the most popular gaming apps in Brazil are Roblox, Genshin Impact, Free Fire and Call of Duty: Mobile.

Finance:

Financial app downloads in Brazil exceed 693 million in 2021, a 91% increase in downloads in 2 years and a year-on-year growth of over 10%. Brazil is one of the fastest growing markets for financial apps, with a 175% growth in the last 4 years. Some of the most popular financial apps in Brazil are Nubank, PicPay, Serasa and Banco PAN.

Online-Shopping:

In the third quarter of 2021, shopping apps amassed 138 million downloads among users in Brazil, an increase of 9% over the previous quarter. Some of the most popular shopping apps in Brazil are Mercado Livre, Americanas and Magalu.

Entertainment:

2021 saw a surge in downloads and consumer spending on entertainment apps in Brazil as people looked for ways to play and relax at home during the pandemic. In Brazil, the most popular entertainment apps are Netflix, Spotify and TikTok.



Part 03

Internal analysis-SWOT

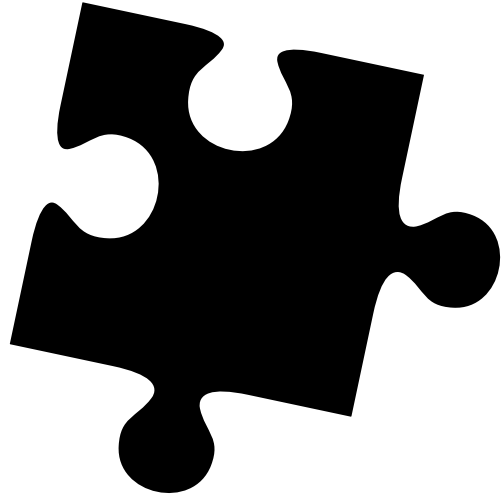
The average unit price of a mobile phone in Brazil in 2020 will be R\$1,147.6, equivalent to US\$216.4 at the average exchange rate for the year. This is a slight increase from R\$1,132.8 in 2019, which is equivalent to US\$284.2 at the average exchange rate for the year.

Strengths

The mobile devices used by Brazilian mobile phone users are generally low-cost, low-performance phones, but many overseas app developers create apps mainly for users in the US, Europe or China, which makes them more versatile, but requires more memory and performance. The use of quick apps is a great way to lower the barrier to entry for these apps or games, allowing manufacturers to tap into these developing markets to a greater extent.



Weakness



Privacy violations.

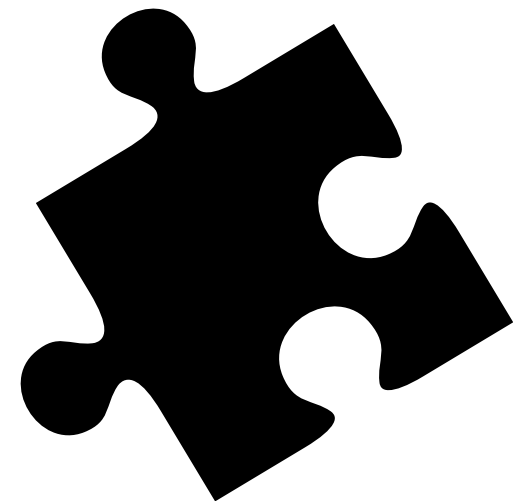
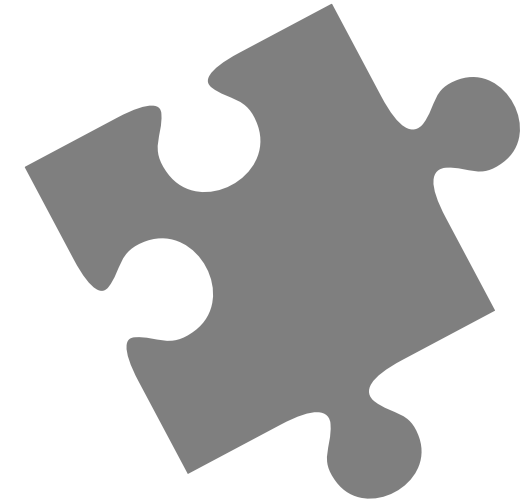
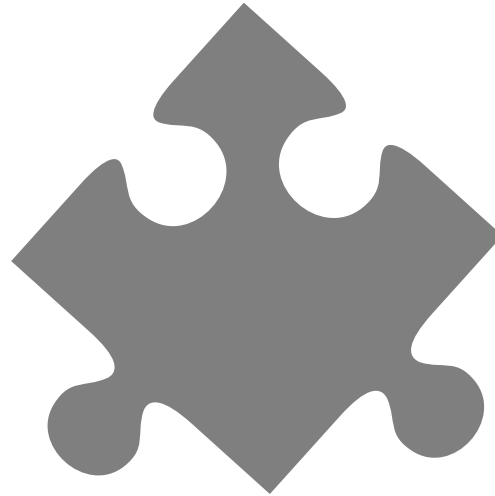
Small programs may face regulatory risks and challenges from the Brazilian government or other authorities in terms of data privacy, security, content review, etc.

Technical issues.

Applets may lose users or customers due to dissatisfaction or dissatisfaction with their services or features.

Intellectual property rights.

Applets may face legal disputes or conflicts with other apps or platforms over intellectual property rights, unfair competition practices, etc.



Opportunities



Cooperation

Applets can collaborate with other apps and platforms to create synergies and expand their reach and impact



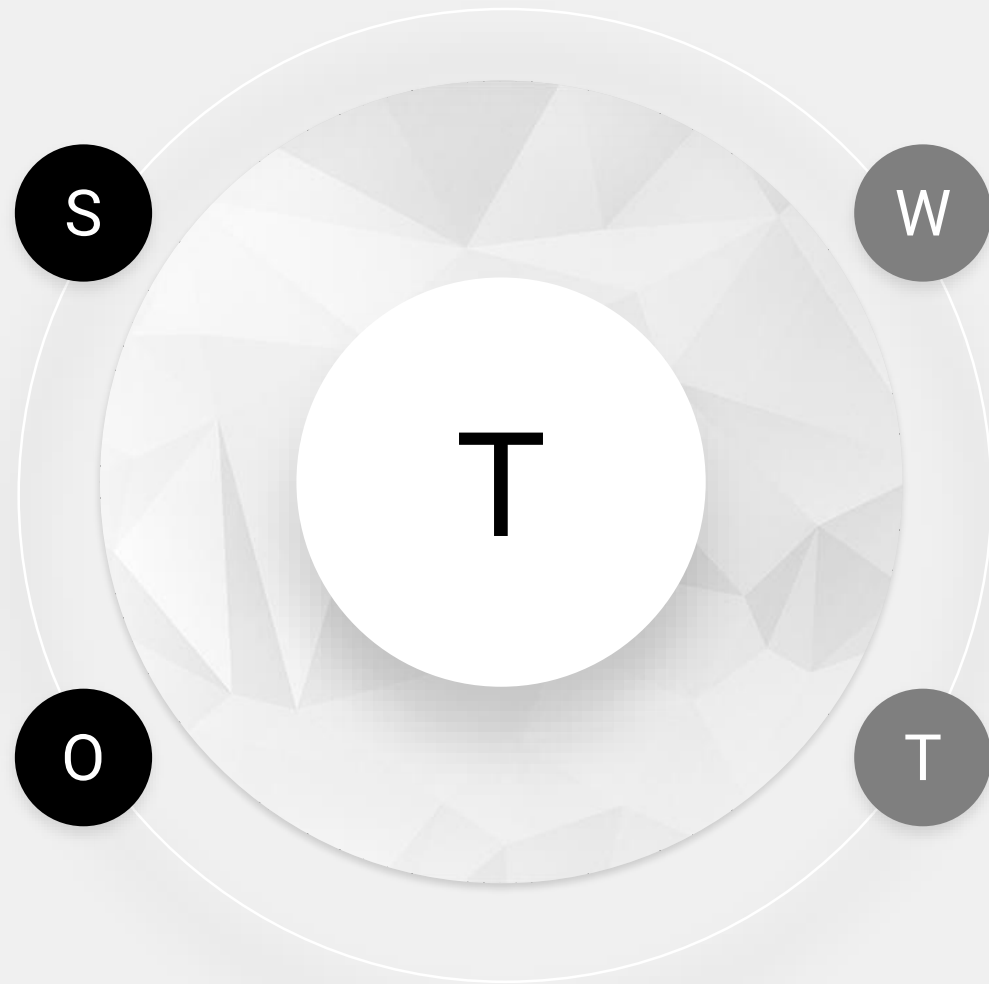
R&D Applications

Quickapp can take advantage of new technologies and trends such as artificial intelligence (AI), big data, cloud computing, blockchain, etc. to improve their capabilities and functionality.

Market Expansion

The quickapp can open up new markets and areas by providing customised and localised services and solutions for different regions and industries in Brazil.





Threat

Quickapp face stiff competition from other apps and platforms that offer similar or better services and features³. For example, WhatsApp is the most popular messaging app in Brazil, with over 120 million monthly active users as of 2020⁴, and it also offers features such as payments, location, QR codes, voice and video calls.



Part 04

Challenges

Taking all these factors into account, it is clear that Brazil's digital economy and software applications market has great potential. However, Brazil also has a number of challenges

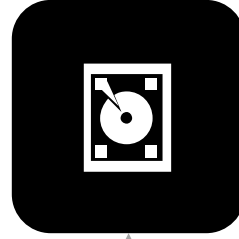
Challenges

Corruption and efficiency issues.



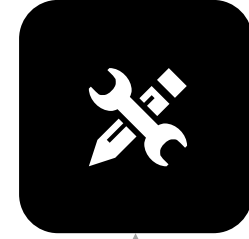
Administrative efficiency is low in Brazil, with business registration taking much longer than in comparable developing and developed countries.

Legal and regulatory issues.



Brazilian laws and regulations are numerous and change frequently.

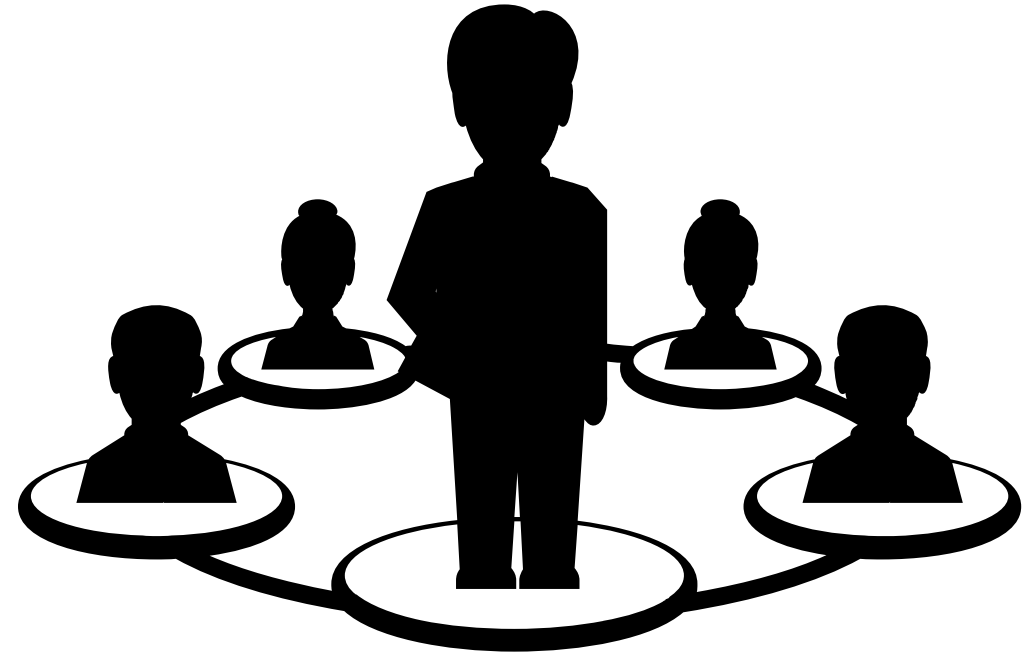
Social security issues



The government has cut back on related investments, resulting in frequent strike movements and violent clashes during large-scale strikes, causing social disorder and security risks for foreign investors in Brazil.

Conclusion

1. High market share.
2. Higher credit card ownership rates.
3. Huge potential for demand in the Brazilian market for the e-commerce sector.
4. The low barrier to use is an advantage for Quick app in areas where low configuration devices are common.
5. There will be an important opportunity for Quick app by adapting to the local business community, for example by joining the local tourism industry and integrating user suggestions to build a customer community.
6. For industrial production Quick app can also be effectively integrated into the production model, with functions such as scanning and executing commands.
7. The cooperation between Brazil and China will be an important opportunity for Quick app, based on Quick app's knowledge of the Chinese market (Huawei, etc.) and previous cooperation, the interchange of Chinese and Brazilian currencies will be a great opportunity to enter the Brazilian market.



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Thank you for your listening

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