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Record Shop

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The points of view expressed in this study reflect the author opinion.

Summary

The present study examines the feasibility of a record shop to be located in a Lebanese village or small town.

Family members could participate in the business. For example, the wife, son, or other family members could help in sales and management of the shop.

The initial investment required for the equipment and working capital amounts to 8 020 \$US. In the study, we considered a loan of 4 500 \$US, while the remaining 3 520 \$US are invested by the owner.

The projections are conservatively estimated based on possible market demand in Lebanese villages. The results show a net income of 9 996 \$US in the first year or 833 \$US per month growing to around 14 744 \$US in the fifth year or 1 229 \$US per month.

A best-case scenario is developed considering higher sales growth rates and higher turnovers. In this case, the net income increases to 16 056 \$US in the first year or 1 338 \$US per month and grows to around 25 462 \$US in the fifth year or 2 122 \$US per month.

A worst-case scenario shows a net income of 5 466 \$US or 456 \$US per month during the first year and growing to 8 700 \$US in the fifth year or 725 \$US per month.

The study shows that the business could be a highly profitable family business. In order to achieve satisfactory profitability, there are important success factors such as taste and good knowledge in music, quality of service, promotional pricing, etc...