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Hookah Lounge Bar Business Plan

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Hookah lounge bar business plan

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Calpe is a wonderful touristic town in the county of Alicante in Spain. With every time it receives more and more people from all over Europe, especially from Holland, Germany, United Kingdom, Belgium, France and Russia. Therefore, the appearance of high-class places, able to satisfy needs of all the customers, with good service is essential. Calpe is located on the Costa Blanca on the Mediterranean Sea and tourists demand for the unforgettable memories on their vacation. From this observation has been produced the idea of writing a business plan and opening a hookah lounge bar in Calpe.

The main aim of this thesis is to build a business plan for the future lounge bar of the author and one more new-coming entrepreneur from London along with the purpose of creating a lounge place, where people are able to get relaxed, enjoy hookah and drinks, made based on the clients' preferences, wonderful views and music. The purpose is to strengthen touristic market in Calpe and improve its leisure.

The lounge bar is named „Hookah Space“ and will be legally operating after finding an angel investor or taking a bank loan and afterwards company registration. The concept of the lounge bar is focusing on a combination of high-quality leisure place, which will have a high and friendly service providing big selection of cocktails, quality-made hookahs and unique chill-out and lounge music, which will make people feel comfortable and come back repeatedly. The modern high-class lounge bar is expected to enter in the near future into a competitive market on the Costa Blanca, especially in Calpe.

In the thesis, different research methods have been used, such as benchmarking analysis, interview and survey. The interview has been done through Skype with the owner of a leisure place in Calpe to make a research, go through new ideas and thoughts to run a lounge bar by developing it even better, in which all the customers would be interested. What is more, the survey has been done too. The responding process took place as in Calpe as on the north of Europe, Estonia and Finland. This way getting feedbacks from people of different nationalities and creating something common, not only for foreigners but also for local residents. At the same time, qualitative methods were used, like and observation method, thank to which a strong business model was established.

Keywords: Lounge bar, Hookah, Leisure, Business plan, Research methods

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1 Introduction

Spain is becoming popular for people of different nationalities not only because of the touristic income but also because of the immigration, due to this country is located on the South of Europe by African continent. Middle Eastern culture was brought there and different delicacies and products, like hookah, became very popular in Spanish culture too. Nowadays, hookah started forming part of daily entertainment attribute, which is used by people of middle and high socio-economical class. (WTTC 2017.)

This thesis is a functional thesis, which is based on a projects development. In this case, it is a start-up business creation, design and development. The business plan of the start-up project takes place in Calpe, Spain. This thesis consists of two parts, which are theoretical part and practical implementation. In addition, this functional thesis includes two theory topics, which hookah use culture and business plan theory. Those topics have been observed and analyzed in accordance with reading and observation. Observation process has been done with a help of different materials, like references from physical books or online sources. With regard to practical implementation, it involves qualitative research methodology, like benchmarking, lounge bar owner interview, surveys to potential customers of all ages and different nationalities, and actual business plan. In this thesis several research methods have been used, such as semi-structured interview, surveys and observation.

To get a strong platform for business plan and build up a successful start-up business it is important to think about the best location and place itself, preferably with good views, especially when it is a touristic place and people seek for the nice memories. It also has to be easy to get there. Secondly, it is essential to develop an original interior design, which would not be very annoying with pleasant colors and style. After getting a permission for construction and its realization, it is important to get a license for alcohol beverages and hookah use. To make sure that the place would not bother neighborhood at night and ask local authorities for its permission. Afterwards, make contracts with suppliers and think of secondary stuff like kitchen working and snacks menu.

To achieve a start-up growth, on the setting stage, investing money to promote new place and establish partnerships with untwisted suppliers and congenial companies. New partners will lead to common events. The events will give publicity and popularity to the bar. The revenue will start generating. It is good to use first revenues to reinvest it in public relations (PR). Then, to measure the growth by how much the seats are filled and measure the growth of how much revenue is generated on a monthly basis. Right after, an introduction of other key performance indicators (KPI) can be integrated for measuring the enterprise growth. In

the future, the profit can be reinvested in the expansion of the place considering the possibility of becoming a franchise if the concept is successful.

2 Lounge bar business development in Spain

Spain is the second largest country in Western Europe, Spain dominates the Iberian Peninsula. It borders Portugal on the west, France and Andorra to the northeast, the Mediterranean Sea to the east and south, the Atlantic Ocean to the west and the Bay of Biscay to the north. This unique location makes Spain very attractive to foreign investors. Its highly developed economy and stable political situation help to ensure that investments in Spain are successful. As part of the European Union, Spain has become a very important player in international affairs since emerging from international isolation during the twenty's century. (Blueroom 2016.)

Understanding the country and its value in Europe is essential to successfully doing business in Spain. This country offers many developing benefits for start-up businesses including low labor and transport costs. As a member of the European Union, Spain benefits from the transit of goods within the EU without unnecessary formalities, including exchange rate fluctuations and transaction costs. Also the Spanish Government offers various incentives and flexible policies for developing businesses. More recently, the Spanish Government has pursued policies aimed at creating a welcoming environment for foreign investment. (Blueroom 2016.)

The overall profile of Spain offers numerous benefits for foreign businesses including its geographic location and climate, stable government and economy and attractive development opportunities. Doing business in Spain effectively requires knowledge of the country's business culture and its national mentality.

2.1 Spanish leisure and nightlife

Besides wonderful climate and one of the highest level of length of life in Europe, Spain stays as one of the most popular vacation, leisure and nightlife destinations (Foro Ciudad 2014).

Spanish people have a great nocturnal culture and sleep less than the average of Europe. It is not a surprise that night is so important in Spanish culture. That is why the popular places are not within the tourist areas (except Ibiza), but in the Spanish cities such as Madrid, Barcelona, Valencia, Bilbao, Marbella, Granada and other smaller cities and towns. (Blueroom 2016.)

Nightlife in Spain is diverse and ubiquitous. This is due to local traditions based on the characteristics of climate and southern temperament. By the evening, when the scorching heat is replaced by a refreshing coolness, the streets of Spanish cities are filled with walking people. The Spanish 'movida' begins, the universal cycle of the human crowd in bars and clubs. It is not accepted to be in the same institution all night. A fun night is spent on trips to different clubs.

2.2 Tourism in Calpe and Spain

Tourism in Spain is one of the most developed sectors of the national economy. Every year, Spain receives millions of tourists from all over the world, attracted by the beaches and resorts of Spain, wonderful hotels, water parks, casinos, clubs, wonderful climate and interesting gastronomy. The rich historical and cultural heritage of the country also plays a huge role. (WTTC 2017.)

Tourism in Spain over the past decade has developed rapidly. Almost all cities and towns, including Calpe, located on the coast have a huge number of hotels, tourist apartments, entertainment complexes and developed infrastructure.

The mild Spanish climate allows people to go in for tourism all year round. In many regions of Spain, the number of sunny days per year exceeds 300, in winter the temperature does not drop below 0 degrees, and precipitation is very mild and falls seasonally (Spain 2017).

Tourism in Spain is very diverse. Beach holidays lovers will undoubtedly be attracted by the Spanish islands, but also by the coasts of Costa Brava, Costa Dorada, Costa del Sol and especially Costa Blanca, due to the most weather-stable location. Most of the coast of Spain is considered a recreational zone of international importance. The beaches of Spain receive blue flags every year, the highest international marks of purity and quality. (Spain 2017.)

Calpe is a beautiful resort town with a measured rhythm of life. Its population is about 30 000 inhabitants; annually in the holiday season it increases to 200 000 people. The town originated on the site of a fishing village. Fishing is now flourishing in Calpe and is yielding substantial income to local residents. In the port of the town, there is a well-known fish exchange; in local restaurants, connoisseurs of seafood come from all over the Costa Blanca. (City Population 2017.)

Due to high tourists income, Calpe is a wonderful place where to open a bar, because the major part of people, who come for vacation or live there, seek for good leisure spots. By

making a research, it was proved that in Calpe there is no bar, which would combine all these points together: hookah, good cocktails menu, amazing view, high-class service and unique chilling music. This way Hookah Space lounge bar would literally mark the touristic market not only in Calpe but also on all Costa Blanca. (Calpe 2017.)



Figure 1: Calpe from a bird's eye view



Figure 2: Calpe is a little paradise

Seeing above figures 1 and 2, it is possible to notice that Calpe is a beautiful town, which is as colorful and wide as a number of people coming there every year. The approximate location of start-up is pointed with an arrow on the figure 1. On that place begins the most beautiful beach of Calpe (playa El Arenal). There is concentrating the major part of hotels, it is full of touristic places, and, what is more, from every angle there are wonderful views.

2.3 Hookah use, history and lounge bar trend

The definition of the lounge bar does not have any other characteristics, by which it is possible to determine exactly which institution belongs to the lounge, and which does not. There are only some trends and already established requirements of visitors, by which it is possible to determine which contingent will go to such a bar and to whom it will be generally interesting. In this regard, a new-coming entrepreneur has many opportunities to show his innovation and creativity, realize his thoughts and ideas, creating a bar that he likes. (Clarke & Chen 2007, 279.)

The lounge is opposed to bars, cafes, restaurants and especially to clubs, because it offers to visitors a relaxed and calm, to some extent even detachment from the rest of the visitors and from the world in general. People in big cities are gradually getting tired of noisy parties, looking for a place where they could relax from active vacation or noisy parties.

However, formally the lounge bar is a public institution, often a public catering service, with the same list of services as can be found in any other restaurant or cafe. Lounge, its format, style, its atmosphere, something new, but from a legal point of view and in terms of business organization, it is actually the same bar. The difference is in making some extra additions, in the case of Hookah Space it is hookah-smoking offer, the work of marketers and designers. This is an opportunity to sell people a long-known old service in the new packaging, and the lounge is appreciated for this packaging.

Talking about hookah, it is a unique device for smoking, a flask of water through which the smoke of burning tobacco passes. But, very few people know that the history of hookah has a huge number of names. So, today this device for smoking, like hundreds of years ago, is very popular in the eastern countries, from where it spread to the whole world. (Myahookah 2017.)

It is not known exactly who and under which circumstances began to smoke hookah. But, in most of the opinions of researchers, the inventors are Hindus. Then they taught Persians to smoke hookah, who later spread this tradition to the entire Middle East.

Naturally, there are many versions of the history of the hookah and its appearance. So, there are Ethiopian, Persian, African and even American theories. But, neither they nor the Indian version has yet been confirmed. Despite this, the hookah in the eastern countries has a huge cultural significance. (Myahookah 2017.)

In eastern countries, and especially in Turkey, smoking hookah is considered a virtually sacred process. This device is given special attention here, and it plays a great cultural role. For example, if a guest came to a person's house, he must smoke a hookah. If the proposal is denied, it will mean disrespect to the owner of the house, which can lead to a big conflict. In the same way, and vice versa. So, in case of disrespect of the owner of the house to the guest, he does not offer him to smoke a hookah together. (Myahookah 2017.)

Another feature in the history of hookah is the requirement for smokers to maximally taste and relish tube. Thus, the respect and trust of all present to each other was demonstrated. But, for understandable reasons, this tradition did not last long. (Myahookah 2017.)

In Europe, the first hookahs appeared in the 18th century. They, which were to be expected, were then used by Europeans not for their intended purpose, like souvenirs. The reason for this was the spread of smoking pipes. But, after a century the hookah began to be used for smoking tobacco and at the same time it became very popular in Europe very quickly. (Myahookah 2017.)

The shape and design of the first hookahs is very different from modern adaptations. So, depending on the countries in which this adaptation was made, materials were changed. For example, it is possible to bring the first hookahs from India. Thus, the Indians used for its base coconuts, which were completely cleansed of the entrails, and water was poured into them. Tobacco in ancient times used, but very rarely. Therefore, for smoking various aromatic mixture of herbs have been used, like hashish and spices (Myahookah 2017).

With the spread of the first hookahs, the materials also changed. In Egypt, they were made from a special kind of pumpkin, which had a very strong thick skin. It was cleaned from the inside and performed the functions of the bulb. With the help of various modernizations, the hookah changed its appearance. In particular, the more familiar form of this smoking device appeared in the Persian culture. They thought up a china tube in the flask, and pulled smoke through snakeskin, connected to the made holes. (April 2017, 4-5.)

The history of the hookah does not end there, because the porcelain tube and the pumpkin flask were gradually replaced by elements of Turkish glass, crystal and silver. At the same time, mouthpieces appeared. They were made of wood or amber. The first hookahs of this type were not originally adorned, but later they were encrusted with precious stones and

gold, the mouthpieces had artistic carvings and were also made of expensive materials. Nevertheless, such adaptations were available only to the nobility, and ordinary people were satisfied with the simplest options.

Modern hookahs have the maximum number of improvements. As a rule, they have several components that can be separated from each other. Thus, the history of hookahs leads people to universality and compactness. So, as component parts are used vase, the upper part and hose with mouthpiece. The vase combines all the elements together. This solution makes the smoke go a long way. In this case, one part of the resin settles on the walls of the tubes and transitions, and the second one is absorbed by the liquid. Moreover, as the hookah history showed, such a decision is the most correct one. Despite the relative complexity of the design, like the first hookahs, they have not lost relevance and have a huge number of fans. (April 2017, 4-5.)

Despite the popularity of hookah, there is a logical question: is it worth smoking it or not? Naturally, every man chooses it by himself. As the history of hookah has shown, only the first versions had heavy narcotic substances in their mixtures. Today a standard hookah tobacco is available. If you look from the point of view of medicine, then hookah smoking practically does not affect human health. For this reason, he must understand what this process means to him by himself. If this is a ritual, as in the eastern countries, or daily smoking from boredom.

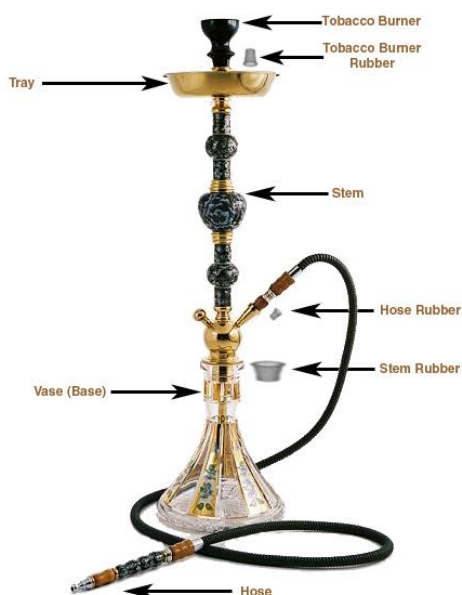


Figure 3: Key components of hookah (Myahookah 2017)

In the figure 3 it is possible to see the components of a standard hookah. It consists of a base, which is vase or water jar, a body, which is formed from stem and stem rubber, and a head, which has a little tray or ash plate, tobacco burner and tobacco burner rubber. The essential part of every hookah is a hose that takes beginning from a vase thank to hose rubber and ends with mouthpiece from where actually the smoke is going to person's mouth. One hookah can be used by several people due to its flexibility and personal mouthpieces. (Myahookah 2017.)

In the case of Hookah Space lounge bar, it is supposed to smoke hookah as a rare ritual when people normally do it when on vacation, or just to get relaxed from activities or work. There are people with different preferences, and it is a fact that there are also, who do not like it or do not see any sense in smoking. However, then why do people smoke standard cigarettes? Rhetorical question that cannot be answered properly with direct and proved facts. But the Hookah Space market is supposed to be wide due to fast-grown hookah smoking culture.

3 Business plan

In this chapter are going to be mentioned theories, with which it is possible to obtain a successful business plan, especially in the hospitality field. To be more concrete, two topics are going to be studied. First is a business plan to succeed, which will provide general information that demonstrates the major base attribute and background of business ideas and the detailed plans that have been used to attain the goals and aims. Second is a business plan for hookah lounge bar, which has the same framework with other business plans from the hospitality environment, but which focuses more on supporting and maintaining lounge bar and hookah business. This chapter gives readers an opportunity to understand the concrete business idea.

3.1 Business plan to succeed

Before opening the business it is essential to write a proper business plan, so the start-up would be successfully realized in the future. By definition, only 27% entrepreneurs did not write any business plan before opening their small businesses, but it is really important for searching the investor, taking loans and credits, improvement of already existed business factors and exponents. Business plan to succeed has to have advantages above the competitors on the market and uniqueness according to investments. (Blackwell 2017, 1-3.)

In the process of preparing a business plan on the basis of the analysis and performed calculations, an entrepreneur can radically change his initial decision. In his book, Jeffrey A. Timmons gives a very interesting example, helping to understand who and why should develop a

business plan. Thus, the initial strategy of one of the founders-organizers of the new company was to establish a retail price for the product planned for release below the competitor's price level, in spite of the fact that this product was supposed to have a certain novelty, in comparison with existing analogues, and to be quite competitive on growing market. Such a decision seemed quite logical and reasonable from the point of view of the company's acquisition of stable market positions. In the process of writing a business plan as a result of a detailed study of the future price strategy together with the prospective investors, the founders of the company realized that the initial decision about the price level was erroneous. The newly established price was 10% higher than the average level of the prices at the market and, nevertheless, the product found its consumer. And the company already in the second year of its existence sold more than 9 million items and received revenue (excluding paid taxes) in the amount of 850 thousand US dollars. Thus, a detailed analysis of production and market conditions, carried out in the process of preparing the relevant section of the business plan, made it clear that a new pricing strategy was needed and allowed the firm to generate significant revenue. (Zacharakis, Timmons & Spinelli 2011, 39-40.)

The concept of Hookah Space lounge bar is to provide a high-quality service, so all the customers would be completely satisfied. As one of the head partners in Strategic Management Practice, Coopers & Lybrand Consulting Group (Toronto) William Band said: "Today, in the conditions of a tough market competition, a decisive factor for the long-term prosperity of the company is a strong trusting relationship with customers. Quality customer service is not only one of the competitive advantages, in many areas of activity it has become the only competitive advantage. Quality of service is a new standard by which customers judge the quality of the product" (2017). It is important to keep quality of service on a high level and try to work it out at any opportunity. (Clarke & Chen 2007, 286.)

It means that for many companies, improving the quality of service becomes a more effective tool to increase sales and profits than marketing, promotion or advertising. And it is supposed that in companies where thoughtful, competent strategies for working with clients are developed, this aspect of business brings more net profit than research and development, the introduction of new products and equipment, a wide range of products, credit sales and any other strategies.

Because quality service is an effective sales tool, it provides a sustainable competitive advantage. Often this is the only competitive advantage that exists for a company operating in an industry where many companies offer essentially the same products or services. (Corporate Eye 2008.)



Figure 4: “Your people are your competitive advantage” (Corporate Eye 2017)

The figure 4 above characterizes the competitive advantage as one of the most essential tools to become a successful business nowadays. There are three differing points from each other, which affect competitive advantage. The first one is an employee involvement, which means that all the employees have to take part of running the business; the second one is the quality of work life, which consists of providing both personal and working place related support; and the third one is a quality service, which is supposed to be provided in the future enterprise thank to company teamwork cooperation and customer service involvement and improvement (Corporate Eye 2008).

A clear example can be if to imagine a woman standing in front of a long row of white refrigerators. All of them are similar to each other. And they do the same thing, they cool down and store groceries. But it is very likely that this woman will immediately go to a particular refrigerator, the one on which the name of the manufacturer is well-known to her, warming her soul with the memory of friendly, caring, competent sellers or the company's responsiveness to all of customer requests.

Nowadays people live in a time when the only difference between products and services that a client is able to see is the difference in the quality of service. But it is this difference that creates a positive mood for the client and an attitude towards the company and its products or services.

3.2 Business plan for hookah lounge bar

Hookah business has become currently quite an attractive and even fashionable way of earnings. There are many people, who prefer a type of leisure by way of smoking hookah, and this segment of the market in many cities is still far from saturation and being high-qualified. This gives good reasons to argue that opening a hookah space or a hookah lounge bar can bring a good income to the owner of such a business.

Usually, the law prohibits smoking of tobacco in any form in public places. In order to open a hookah enterprise by law, Hookah Space lounge bar will take alternative measures, the essence of which is that this bar will be in a place where it is going to be possible to spend time both inside and on an open-air terrace, where the hookahs will be smoked. Since the Spanish weather allows people to be in the open air for almost 365 days a year, the hookah zone will be formed mainly not on the covered part of the bar, where it will also be possible to serve drinks and snacks. In the closed part of the bar there will be all the same besides hookahs. Nevertheless, if the weather conditions get worse, there is an option of creating a room with a high level of safety and ventilation, where people can also enjoy both drinks and snacks, and smoking hookah. (Cachimba 2017.)

Retrieving the information from the official Spanish web of the Professionals of the Security Forces and Bodies, to open a hookah lounge bar it is needed to follow all the Spanish laws and regulations. According to the Spanish Ministry of Health, it is authorized the use of hookahs in nightclubs because they do not contain any product derived from tobacco but requires that the content of hookahs would not be modified. Many places of leisure have registered many losses motivated by the economic crisis and by the Anti-smoking law. For this reason, a group of local associations have requested through the Catalan Federation of Associations of Musical Recreation Activities that their customers can smoke hookah inside the place. This Federation sent a letter to the Ministry of Health, in which was asking whether it was legal or not to use this type of hookahs, to which the Spanish Ministry of Health acknowledged that they are not regulated by the anti-tobacco law, although it stated that "any variation in the composition of the product throughout of its commercialization in Spain will be under the responsibility of the importing and distributing companies of the product". The authorized loads for hookah are manufactured in India and Egypt. The Federation attached to the Ministry of Health a report created by the Indian and Egyptian authorities, in which they ensured the total absence of tobacco, nicotine, tar or carbon monoxide in the content of 'hookah tobacco'. In accordance with the factor of smoking hookah against the noise, according to the Catalan Federation of Associations of Musical Recreation Activities, the hookah smoking will retain customers inside the bars so they will avoid noise on the street, discomfort to neighborhood and complaints of it to establishments. (Infopolicial 2014.)

Following the Spanish regulations and laws, what is smoked in hookah, can be legally hookah tobacco that normally carries 0.5 of tobacco/ nicotine, aromatic herbs 0 of tobacco/ nicotine. With the hookah tobacco it is only possible to smoke in open-air places, but with the aromatic herbs for smoking hookah, it is permitted to smoke as at open as at closed places. Nowadays, smoking hookah is very popular and many customers ask for it, due to the fact it is a simple service with a very high profit margin. The cost of smoking hookah service in Spain is originally 0.93€/ drag, while the price of the service is between 8€ - 20€/ drag, according to the area and the type of a customer, and it can also reach 40€/ drag in nightclubs and high-class music bars. It is one of the services that gives a lot of profit margin, and the initial investment is almost zero compared to the income that the hookah can generate. This service fits perfectly with almost all styles of restaurants, bars and clubs, for local clients and tourists, which is the actual target group in Calpe for Hookah Space lounge bar. (Cachimba 2017.)

4 Practical implementation

In this chapter, qualitative and quantitative methods are presented. The most important qualitative researches consist of benchmarking analysis and interview done with a leisure place owner, when the quantitative research methods are surveys, done as in Spain as on the north of Europe, in Estonia and Finland. The purpose of doing these kind of researches is to get proper data and information as well as to catch the market trend in the hospitality field. The research's results have to be supported by the market forecasts of the author. What is more, the positive outcomes of the practical business plan are also under the consideration.

The researches have been done by the author in November 2017. The focus of implementation is on establishing the quality of the offering, its suitability for the target group of people and market in general, and the infrastructure to allow the business to affect positively onto society. The Hookah Space lounge bar will lead to success and its own growth, including all the staff and people involved into this project, as a proof of a well-done business model and future franchisee model.

In the process of development of this project, the topic of prohibition smoking hookahs in public places in Finland has also been widely considered. Due to the fact that in Finland live many people of Middle Eastern origin, this hookah tradition would have been more spread than it is nowadays. This way showing as well the Finnish tolerance according to immigrants. On the other hand, Finland tries to protect the people from a regular 'addiction', which can be switched to smoking standard cigarettes, using snus or just having a drink.

4.1 Qualitative research

Qualitative research is a research method, when the results are taken according to one's experiences, life history, feelings or everyday behaviors (Silverman 2005, 6).

Qualitative method consists of a data shown in words when quantitative method uses only numerical data. Interview and observation are two types of methods to collect qualitative data in research. Interview is made from direct talk with people through their stories, own experience, knowledge and feelings. Observation is a process of monitoring participants' activities, behaviors and actions in given situations. (Patton 2002, 4.)

Data collecting is a practice of getting statistics and materials plus organizing it according to a purpose serving and further evaluation outcomes. Participant observation as a data collection method. Participant observation allows researchers to check definitions of terms that participants use in interviews, observe events that informants may be unable to share when doing so would be impolite, and observe situations informants have described in interviews, thereby making them aware of distortions or inaccuracies in description provided by those informants. (Marshall & Rossman 2016, 110-120.)

4.1.1 Benchmarking

Benchmarking is comparing analysis based on the best practices. It consists of the process of identifying, understanding and adapting existing examples of the effective functions of the company in order to improve its own work. It equally includes two processes: evaluation and comparison. The weak point of benchmarking is a difficulty of obtaining objective indicators because of the closeness and confidential information of the companies. Existing systems of financial and tax accounting do not always provide real data on various activities. (iMercer 2017.)

In case of Hookah Space lounge bar, performance benchmarking and strategic benchmarking are going to be done. Performance benchmarking focuses on comparing products and services of competitive position to achieve the target goal, when strategic benchmarking consists of observation and analysis of how other companies compete and deal with problems and other situations.

Having done market research by existing corresponding projects, it can be said that there are many places, which offer good cocktails and nice views, but there is no place, which could offer all four points together, which consist current business plan from. These points include

unique cocktail menu selection, professionally made hookahs with a big selection of tobaccos and additional extras, wonderful view to make people's vacation unforgettable by creating a perfect atmosphere for all-life-long memories, and fresh cooked appetizers, snacks, salads and desserts. Moreover, everything is going to be accompanied by excellent chill-out, deep and lounge music.

In the season, this place has to be very demanding due to the fact that people are looking for the best leisure time during their vacation. In Calpe, the season is starting at the end of April until the end of October. During this period of time Hookah Space lounge bar would work every day, in labor days from 5 pm to 2 am, and on the weekends from 5 pm to 4 am. In the period with no season from November to the beginning of April, this place would work only at the end of the week from Friday to Sunday starting from 6 pm to 2 am, and festivity days.

4.1.2 Leisure place owner interview

Interview is a type of conversation with a purpose of asking someone questions in accordance with his or her own professional or life experience, or ideas about some topics in particular (Silverman 2005, 6-7). Dr. S. M. Amunuzzaman states "interview is a very systematic method by which a person enters deeply into the life of even a stranger and can bring out needed information and data for the research purpose" (The Business Communication 2015). Interview is a formal communication, where the task of the interviewer is to obtain the information from the interviewee.

Making an interview has as benefits as opposite attributes. The positive part of interview is that it is an easy qualitative method, where both the interviewer and the interviewee have an opportunity to speak in their own words and discuss more about the particular topics. To compare with quantitative research, interview does not require that much effort and time on planning. (The Business Communication 2015.)

As an interviewer, it is important to ask one question at a time, not to lose control of the interview, try to remain a neutral position as much as possible and support and fortify responses of the interviewee. After the interview, it is needed to analyze once again the interview for its observation.

Based on the market analysis and hookah concept, Tosca Llar Club in Valencia (Spain) was chosen to be the case interview for the Hookah Space lounge bar thesis. Tosca Llar Club has approximately the same concept as the future Hookah Space lounge bar, its idea is to provide a high-class type of leisure to people, who are interested in listening the newest house and

Latin music, smoking ultra-modern hookahs and drinking good cocktails. What is more, it is located on the Mediterranean Sea in Spain, where the future start-up is planned to be created. So the potential customers and some particular experience can be on the same level. The interview was done by Skype on Monday 30th of December 2017 from 4.00 pm to 4.45 pm with one of the managers and responsible for PR of Tosca Llar Club. The interview done was a semi-structured interview due to the fact that the interviewer prepared a set of structured questions, which have been at a later stage complemented by additional extra questions during the interview. The structured interview questions can be found in Appendix 1. The main goal of the interview was to get general information about creation of the place, its history, if possible both negative and positive points of starting running this kind of business and advices for the future start-up based on personal experience of the leisure place owner.

The interview was laconically interesting and without any useless information. It was a pleasure to talk to the manager of Tosca Llar Club, because it is a smart young guy, who is forming part of something he really cares about. Meeting this kind of people, who set goals in their life and achieve them step by step, is a big pleasure because every person has a chance to learn a lot for personal experience from these people and never give up in relation to whatever situation. In spite of many difficulties and many efforts, Tosca Llar Club has become popular in a very short period of time, mostly because of the active social media advertisements, good service responding to the major part of potential customers' demands and convenient location.

Tosca Llar Club is a spectacular lounge terrace, located in the city of Valencia. They offer more than a thousand meters of facilities, where it is possible to find spaces such as a chill-out terrace, the covered porch with giant fireplaces, the glazed jaima and a pub area, where the most famous DJs of the Community of Valencia play their sessions of music. There is also a possibility to hire one or several areas with a purpose to celebrate all kinds of events, such as birthdays, bachelor parties, business events, ceremonies and so on. They have their own parking area and even a special children area for day events. Tosca Llar Club offers as well the group dinner menus based on the Mediterranean cuisine and different types of grilled meat.

4.1.3 The interview results

The interview results are really helpful and motivating, because this interview included all the detailed information about research questions. The manager of Tosca Llar Club gave the author an advice to focus mostly on a high level of customer service, try to satisfy needs offering people what they potentially demand, but still keep being unique and different from

other similar businesses. All the workers have to love their job and form part of it, what means it is important to hire professional and well-educated staff. The manager told that it would be also good so all the staff could speak at least two different languages, which are Spanish and English, other languages are more than welcome like Russian, German, Italian, French or Arabic.

From the interview the author has gotten to know that it is crucial to provide products about which the owner would be sure himself, which would be from the legal partner and of a good quality. By providing to customers a good service and products, it is much easier to make them loyal and come back to the enterprise again and again. One of the points, which was mentioned by the interviewee was a competitive advantage that mostly consists of a service and showing uniqueness to the customers. What is more, it also depends on knowing how the business would work on a particular location, what would be the consistency of it, including the well-counted finances and simple luck to achieve the success. The location has to be convenient to potential customers, where would not be possible to bother neighborhood at night events. Because the start-up is planned to be a high-class place, it is important to maintain the consistency as of the products provided as of the general situation, including design, lighting, personnel, “even the menus and comfortable seats”, according to the manager of Tosca Llar Club (2017). Everything has to be well planned and thought till the last detail.

The most common products demanded by customers in Tosca Llar Club are drinks and hookahs, what is approximately the same concept of the future Hookah Space lounge bar. There have to be proper and qualified cocktail-makers, so are hookah masters. Talking about integrated in Spain hookah culture in general, it can be said that hookah is very popular and brings a lot of profit to almost all the enterprises dealing with this product. If the master knows his deal, he makes loyal the customers, who come not only for beautiful views and wonderful location but also for hookah itself.

To make this kind of leisure place successful, it is important to follow next steps. To identify the target audience, due to consumers love those entrepreneurs who cater to their tastes, needs, personal interests and even lifestyle. To achieve success and recognition of the bar/club, it is needed to determine its concept, let it be distinguished from competitors' enterprises absolutely in everything, like design, decorations, and even prices (The Business Communication 2015). For example, if to open a sports bar, it can be equipped with huge plasma panels or ultramodern TV screens, which competitors would not have for sure. After defining the concept, it is crucial to make sure that it can be traced absolutely in everything: in decor, in technological systems, in unique images of employees and interaction of staff with bar customers. In accordance with the last point, the staff should consist of professionals in their field, true masters of service and experts of polite communication with clients. Studying competitors is extremely important to be original in this business. It is needed to watch

the actions of competitors and embody the principles and rules of the most successful of them in the work of the lounge bar. To select the advantages of competitors and try to imitate them, exceeding them. Every rule before the implementation must be carefully analyzed, so that it does not bring the loss of customers, wastes and disadvantages. Imitation of competitors is especially effective if their establishments are in the same category as the start-up lounge bar. It is significant to analyze on what depends the success of the competitor's business. Bar's owner communication with customers, the key role of success depending on the location of the bar and its décor, or democratic prices on all the products and service provided. On all these things it is important to pay attention when starting running this kind of business. (Silverman 2005, 147-150, 171.)

4.2 Quantitative research

Quantitative method is a research method, which is focused on objective measurements, collection of statistical, analytical and numerical data and its analysis. Basically it is based on making surveys and questionnaires. Quantitative research method generalizes numerical data across groups of people or for explanation of a particular fact. (Babbie 2010, 422.)

There are different main characteristics of quantitative research. First of all, it is a reliability, which is acquired by replicating or repeating the study. The researcher when using a quantitative method properly defines questions to get the objective answers and before collecting the data studies all the factors with the diligence. The outcome of the research can lead to large sample sizes of representatives of population. (Libguides 2017.)

When the research has been already done by using quantitative method, it is essential to interpret all the information factors collected and describe the acquisition for all the steps taken and procedures done (Babbie 2010, 422).

4.2.1 Surveys for potential customers

The survey is one of two main types of questionnaire methods used to obtain information concerning objective facts, knowledge, opinions, assessments, behavior and so on. An essential feature of the questionnaire survey is the indirect nature of the interaction between the researcher and the respondent who communicate using the questionnaire, and the respondent reads himself the offered questions to him and fixes himself his answers. (Babbie 2010, 254-255.)

Carrying out a survey requires, as a prerequisite, strict observance of the conditions of the whole procedure, because without this it is impossible to achieve plausible results of the survey, otherwise the research method will not yield the necessary result (Libguides 2017).

The advantages of the questionnaire include comparative profitability, the possibility of reaching large groups of people, applicability to the most diverse aspects of people's lives, convenient and fast results collection, the minimum influence of the researcher on the respondent, efficiency and saving money and time.

The questionnaire is not free from disadvantages. Sometimes there can appear the inability to control the process of filling out the questionnaire, which can lead to the lack of autonomy of the respondent's answers, influence from the environment, like internet, opinion of other people and so on. In case of the Hookah Space lounge bar survey, some of the surveys have been filled under control of questionnaire representative.

There are different types of questionnaire surveys depending on the quantity of respondents. It can be, for example, individual with only one respondent, group questioning with several respondents, classroom questioning, which consists of filling the questions by people gathered in one room regarding to the rules of a selective procedure, or mass questioning from hundreds to thousands of respondents. In the case of the Hookah Space lounge bar, the group questioning type of survey has been used. More than 50 people have been asked as in Spain as in Estonia and Finland with a purpose to create a perfect idea of the start-up. The surveys have been printed and distributed to people face-to-face to be able to collect information through observation. The idea of questionnaire distribution in both countries is to get better to know the preferences of people of different cultures, southern and northern. (Babbie 2010, 262.)

4.2.2 Surveys results

The survey took place at the end of November and beginning of December and it looked like it is shown in Appendix 2. Due to the fact that the survey was distributed to people, who have shown some interest in the start-up, the research demonstrated that the main group of potential customers is divided into two gender groups with no big difference between each other. According to this survey two most interested age groups have become from 26 to 35 years old and from 36 to 45 years old. The author can guess that these numbers have been given due to the fact that the survey process took place at the end of November and beginning of December, which is not a high season time for Calpe, hence it appears that there are less younger people than in the season time, which starts from the end of April till the end of

October. The most common nationalities, who showed the interest in the survey and future lounge bar, became Spanish, Russian and Finnish people, later on approximately at the same level stayed German, Dutch and Belgian people. People of all the nationalities can be easily met in Calpe due to it is a resort town for people, who come to spend their vacation. Except Finnish people, who appeared in the survey, because the questionnaire took place not only in Spain but also in Finland, and this country is shown, as a result, as a representative of the northern culture.

According to the financial results of the survey, it showed that people are ready to spend the money for this kind of leisure and entertainment, because the most common average household income monthly was from 3,000€ to 12,000€. People with high salaries are going to demand to a place like the Hookah Space lounge bar because everyone, who comes to Calpe for vacation or just to live, require to get unforgettable memories from the vacation, spent in Spain by enjoying smoking professionally-made hookahs, unique cocktails, wonderful views and laid-back atmosphere.

People tend to go out mostly on Fridays and Saturdays but there was also a percentage of people, who do it on Wednesdays and Sundays. By that, there was formed a conclusion that special events can take place at the Hookah Space lounge bar on the weekend during season time. Since the survey showed that the most welcome music in this kind of place would be deep house, jazz and chill-out, it is possible to make special DJs sessions playing deep house music, and do live music shows with jazz music.

After seeing the results for the question number 10 from the survey (Appendix 2), the fact of running this start-up has been confirmed once again, because all the respondents showed their interest in smoking hookah as they showed it in drinks, food, music and beautiful views. Moreover, regarding the social level of potential customers in the Hookah Space lounge bar, everyone pays attention in all the points of the question number 11, such as lighting system, design of the place, convenient location with good views and security.

In relation to Happy Hour, this question has been asked only to understand the percentage of people interested in it, and if there is a need to run this offer after getting the popularity or not. Only 13% of people said that they always attend Happy Hour, 46% attend sometimes and 41% never do that. By the opening, this offer is going to be available to everyone to get more loyal customers and become well-known not only in Calpe but also in all the Costa Blanca. Afterwards it is going to be removed, due to this kind of offers do not normally appear in the high-class places.

5 Hookah Space lounge bar business plan

In this chapter, Hookah Space lounge bar business plan is explained. The location, which is about to be created is a start-up project, which takes place in Calpe, Spain. Business plan is written according to practical implementation and the knowledge acquired from the literature and online sources taken from Laurea UAS and Internet. Further information is going to be mentioned below.

5.1 Executive summary

Hookah Space bar is a new lounge bar concept, which will focus on a combination of high-quality leisure place, which will have a wonderful service providing big selection of cocktails, quality-made hookahs and unique chill-out music, which will make people feel comfortable and come back repeatedly.

Potential customers will be over 21 years old, which means that all-ages visitors are going to be welcome. It is going to be a place of interest as for young people, college-age customers, as for more elder people. Youngers will be attracted because of a good location, music and a wide selection of hookahs, which are becoming very popular nowadays thank to the brought Middle Eastern culture to Europe. Elder people normally prefer to spend their time in a chilling atmosphere talking to their colleagues and friends rather than going to the club with very loud music. What is more, person of every age will be able to taste a perfect cocktail for him or her because our service team will choose for that person the most suitable drink according to the customer's preferences. The first bar is going to be established in Calpe, a small town located by the Mediterranean Sea in the county of Alicante in Spain, and managed by the business founders, Valeria Karganova and Vladislav Borouhhin. The second founder is a new-coming entrepreneur from UK, who is about to finish the same degree program as Valeria Karganova. The business will generate revenues through the sale of flavored tobaccos, drinks that will suit everyone's preferences, and appetizers. The business would like to find an angel investor to get funding or take a bank loan to launch its first lounge bar.

The business project to become profitable in the second part of the first year with good profit from strong sales after the opening during first half of year. By the time of first half of year, sales will achieve zero-profit condition. Sales to be triple by the second year of operation. Sales net profit will be decent due to the excessive demand on the service provided. If to turn into a franchise, it is possible to get the investor, forming part of lounge bars chain seeking to make bigger their market.

Mission

One of the most important missions of Hookah Space lounge bar is to mix European and Middle Eastern cultures by offering to people hookahs made only with the best tobacco, unique drinks that will satisfy tastes of all the visitors, treat the customers not like clients but like guests. In addition, everything is going to be accompanied with a little extra, which will attract even more people, what is music. (B Plans 2017.)

Objectives

In order to success, Hookah Space lounge bar seeks to achieve many essential goals and objectives for the period of first three years. Bringing the culture of high-quality hookah to become as an idea of unforgettable leisure and entertainment. Providing to people a wonderful service to be able to get only positive feedbacks from the clients. Maintain actively working social media websites as Facebook and Instagram, due to fast technology devices use growing and its development, by gaining more than 1000 followers in a first year and more than 5000 in a third year. Also, to become one of the first leisure places in Calpe and surroundings on TripAdvisor platform by the end of the first year after opening. Hookah Space is going to turn to popular location in the hospitality field in the sphere of lounge bars and places of interest. Furthermore, one of the most important objectives is, to create a perfect model of a profitable bar, which afterwards can be converted into a franchise with fundraising. Hookah Space lounge bar is going to maintain profit growth at approximately 30% per annum by the end of a second year and create a base of returning customers at least at 30% by the end of the first year. This way to popularize the idea of hookah lounge bar among local residents in the first half of year.

Key to success

There have been defined some main factors in accordance with the analysis of the practical implementation and all the market in general to bring Hookah Space lounge bar to success. First, giving to visitors what they want corresponding the quality to the price, following the law of supply and demand, which consists of the result of the availability of service and the desire for that service has on price. Then hiring a good team, establishing loyalty at work and building a base of loyal customers is also very important. After acquiring loyal and satisfied customers get good feedbacks from people, thank to whom the market expanding will be growing in double faster and stronger.

5.2 Company summary

Hookah Space lounge bar is going to be one of the first lounge places in Calpe providing high-quality hookahs and unique cocktails, satisfying all the needs of customers. It is important to pay attention on the fact that almost 50% of population of this town are foreigners, who all have different tastes, preferences and culture. The idea is to create a place able to satisfy all the tastes and preferences according to having a good time on vacation. Due to that in this little but very touristic town there are no hookah-focused places, when many people, especially tourists, are interested in it, this business can become profitable in a short-term period. The business will earn revenues through the sale of high service and top-grade products (multiple types of hookah, pipes and tobacco), cocktails made only by specialized and licensed bartenders and food in the form of appetizers and snacks. The customers are expected to be tourists and locals of different ages seeking for a good place with good service to have a great leisure time. The target group of clients is mainly going to be from the United Kingdom, Russia, Holland, Germany, Spain, and so on. What is more, Calpe is a place where many Arabic and Middle Eastern culture people live, which means that this place could be interested for people from whose culture the main idea of the lounge was brought.

To create a strong and loyal team is going to be one of the most important points of hookah lounge bar business. With the fact that Calpe is an international town, people of different cultures can be hired, this way building loyalty and trust between customers of different nationalities and staff. Dealing with situations according to customers is going to be easier because of knowing what language to speak with them, better understanding their preferences, needs and culture.

Company ownership

Hookah Space lounge bar is going to be owned by Valeria Karganova and Vladislav Borouhchin, two new-coming entrepreneurs in the hospitality field, who are finishing their studies in the degree program of Hospitality Management and Restaurant Entrepreneurship in the UK and Finland.

5.3 Products and services

This business will focus on a combination of high-quality leisure place, which will have a wonderful service providing big selection of cocktails, top-grade hookahs, made by professionals, and unique chill-out music, which will make people feel comfortable and come back repeatedly.

Hookah Space lounge bar will specialize in alcoholic and non-alcoholic drinks, made only with high-quality and premium beverages. What is more, besides high wine and cocktails selection this place is going to offer to the customers assortment of teas, coffees, juices, smoothies and non-alcoholic cocktails, for those, who is not interested in drinking alcohol or smoking hookah.

The initial menu will also include snacks and appetizers, like cheese assortments, fruit assortments, different salads and desserts like homemade cakes, ice cream and sorbet. The snacks menu will be developed later.

Hookahs tobacco flavors	
Menthol	Banana
Watermelon	Mango
Melon	Grape
Cherry	Lemon
Strawberry	Orange
Blueberry	Peach
Apple	Vanilla
Bubble gum	

Table 1: Hookah tobacco flavors

In the table 1, which can be seen above, is shown the selection of different hookah tobacco flavors. Apart from choosing one flavor, it will be possible to mix tobacco, make it water-, milk- or alcohol-based, using vodka or tequila. In addition, there is going to be an option of making this hookah in standard way or adding the ice cubes to have more smoke and making it cooler.

The complete hookah menu it is possible to see in the appendix 3 as well as the snacks & appetizers menu, wines menu and other drinks menu. Due to the fact that Hookah Space is based more on hookah and drinks sales, it is predominating, but snacks & appetizers will be also very popular because of people's common choices and wide selection of different types of food and flavors. The providing food is going to be based on the Mediterranean cuisine made only from naturally-grown and ecologically-friendly products. On the other hand, the food menu is not very huge. It is considered that it is better to enjoy one little meal, which can provide many emotions and satisfaction, rather than many big ones with no difference between each other with the only aim to fulfill the stomach. There are going to be two people responsible for cooking, one chef and one line-cock, and two full-time responsible bartenders for drinks and one part-time employee. The lounge & bar manager is implemented into the

work of all the employees as barmen as waiters, to be sure about providing the best service to customers and satisfy all their needs.

According to predicted forecasts, which are going to be mentioned further in the chapter 5.5.4 in the tables 4, 5 and 6, the total net sale is anticipated to be approximately 37% by tobacco, 35% by drinks and 28% by food.

To enter the competitive touristic market in Spain, Hookah Space lounge bar is going to set prices in accordance with Jeffrey A. Timmons theory, which is to set a retail price for the product and service below the competitor's price level, but it is supposed to have a certain novelty and even better quality. This strategy is used to attract potential customers, make them loyal and gain a reputation on the fast-growing touristic market. (Zacharakis, Timmons & Spinelli 2011, 39-40.)

5.4 Market research

The market for hookah bars in the Spain has grown significantly in the past decade. In Calpe, Hookah Space lounge bar will focus on locals and tourists in the greater Calpe area of different nationalities and ages major than 21 years old.

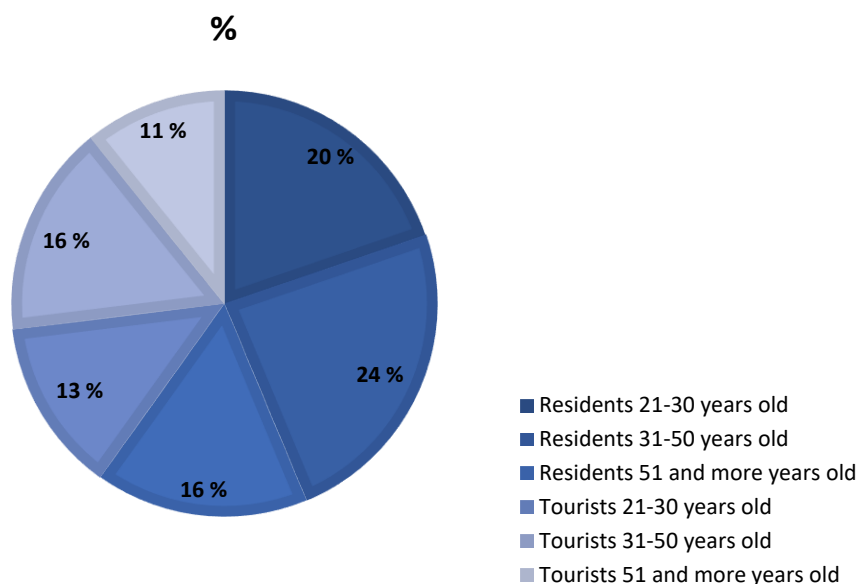


Figure 5: Predicted market segmentation by percentage at Hookah Space lounge bar

Above in the figure 5, it is possible to see expected diagram for market segmentation analysis, which consists of two main groups: residents and tourists. Residents occupy approximately 40% of all the visitors, when tourists have like 60% of the customers. Both groups are divided into specific age subgroups: 21-30 years old, 31-50 years old and 51 and more years old. The most frequent customers are supposed to be young residents with the age varying from 21 to 30 years old (20%) and residents from 31 to 50 years old (24%). These subgroups are the most demanding because residents, Spanish people, tend to go out a lot in whatever age and day-time, and seek for good service and relaxing atmosphere after studies or work. The smallest percentage (11%) has a subgroup of tourists with age starting from 51 years old and more. However, it is still high for elder customers, because of the fast grow of hookah culture world-wide, especially in Europe, and high-class type of leisure during vacation. This is another reason why this kind of business would work out and succeed in Spain.

5.5 Marketing strategy and implementation

According to online source, the concentrate for implementation will be on establishing the quality of the offering, its reasonableness for individuals major than 21 years of age target market, and the foundation to take into consideration group driven culture. The encouraging of the Hookah Space lounge bar group will be imperative to the development of the business and its confirmation as a franchise model. (B Plans 2017.)

Hookah Space lounge bar's competitive edge will be established through its community organizing ability via its website. This website will present an interface for users to connect with each other and Hookah Space lounge bar after they have left the establishment, organize groups to attend this place, plan events to propose for the Hookah Space lounge bar calendar and send out invites for these events.

5.5.1 SWOT analysis

SWOT analysis is a method of strategic planning, which consists of finding, observing and evaluating factors of internal and external environment of the organization or enterprise and dividing them into four categories: strengths, weaknesses, opportunities and threats. With other words it can be also divided into two groups: internal or inner factors and external or outside factors. Hookah Space lounge bar's internal factors are going to include strengths and weaknesses, and external factors focus on opportunities and threats. Inner factors depict all the positive things happening inside the enterprise and the things that have to be analyzed

and improved. The outside factors will show general situation of the bar but taking under the consideration all the plans and ideas to be realized in the future.

5.5.2 Social media marketing strategy

The marketing strategy of Hookah Space lounge bar will be to launch a base of as tourists as residents. This way, customers will bring their friends afterwards. For this purpose, some strategies are going to be used, like pursuing reference about the place in blogs for the local area, proposing the concept of the enterprise to be able to open to intercultural and different languages publications exclusively, with the help of advertising on a local radio, newspapers and magazines as a whole. Posters, which are going to be made efficiently, will be used during the period before opening only. After the inauguration, promotional encouragements for customers will be promoted on the radio advertising announcements and on the website only.

The bar's grand opening is going to be accompanied by an event containing live music show, free food and drinks. Besides season time, weekends and special events, in pursuance of the well-known factor that in Spain people celebrate many national, international, religious and other days, for Hookah Space it is going to be a case of getting even more people and loyal customers. Those days, like Christmas, New Year's Eve, los Reyes Magos (7th of January), Saint Valentine's Day, Fallas (15th to 19th of March), Easter vacation, Independence Day, Oktoberfest, Moros y Cristianos (17th to 22nd of October), Halloween, a Town Day and other city festivals, will provide to the Hookah Space lounge bar more clients because of people's free days, vacation and desire to escape from huge megalopolises to smaller and more peaceful places. That would work as for local residents as for foreign tourists, because almost all of these festival days are well-known by people.

In the table 2 below, it is possible to see estimated milestones at the Hookah Space lounge bar for the first year. The 4,700€ will go for pre-opening campaign, as follows for the PR campaign: purchasing advertisement space and promotion in social media, advertisements on radio, newspapers and local magazines, first business card drawing for potential customers and organization of the lounge bar grand opening day with free snacks and drinks, decorations, hired DJ and so on. After the grand opening, further event incentives will be held to start functioning the Hookah Space.

Milestones (1 st year)	Duration	Responsible department	Costs
PR Campaign	1,5 month before opening	Social Media & Marketing	1,300€
Lounge Bar Grand Opening	1 day in the beginning of the season	Organizational operations	3,000€
Business Card Drawing	1 month	Social Media & Marketing	400€
Events Incentives	3 months (June - August)	Social Media & Marketing	1,700€
TOTAL			6,400€

Table 2: Estimated milestones during the first year at Hookah Space

Marketing budget (1 st year)	Once	Monthly	Yearly
Instagram		100€	1,200€
Facebook		100€	1200€
Search engine (Google)		150€	1,800€
Business cards	400€		400€
Brochures	600€		600€
Lounge Bar Grand Opening	3,000€		3,000€
Advertisement on radio		200€	2,400€
Advertisement on local magazines/ newspapers		150€	1,800€
TOTAL			12,400€

Table 3: Estimated marketing budget at Hookah Space in the first year

In the table 3 above it is possible to see the estimated marketing budget at Hookah Space. Due to the fast growing of digital devices using and all the social media, Hookah Space pays a lot of attention into expenses for Instagram account over-speeding with the help of already famous people there, who would promote Hookah Space, Facebook page and search engine. The last one works by way of searching something in Google and Hookah Space will appear as the first offered option for people's request or as a recommendation by geo-location.

The biggest expense for Hookah Space, according to the marketing budget table, will be the grand opening event, which will cost 3,000€. On this event people will be able to try sample of food, which will be offered to the customers in the future, simple drinks and little samples of cocktails, which are also going to be offered to clients later on. This event has to be done

on the highest level so all the people would come back repeatedly and become Hookah Space lounge bar's loyal customers. The approximate budget in the first year is planned to be 12,400€ but the goal for the next years is to make the marketing budget much lower.

5.5.3 Sales strategy

Hookah Space lounge bar will sell and promote its products and service through careful and diligent personnel: waiters and bartenders. They are going to be countervailed through wages on an hour-basis and tips to work for providing the best customer service possible. Wait team of workers will use tablets with Wi-Fi connection to place orders that might be sent to the bartenders or hookah specialist to make ready drinks or hookah, or in case of food orders to the kitchen.

The sales strategy of the Hookah Space lounge bar is based as on local residents as on incoming tourists. The sales depend on a season time in Calpe, which is from April to October. Besides that, other national and international days is the time when people come for little vacation or weekend seeking for some place, where it is possible to chill out enjoying wonderful atmosphere, unique music, views and high-class service.



Figure 6: Estimated months sales

In the chart from the figure 6, which is presented above, it is shown the months sales in the first year of Hookah Space. With the data taken from the tables 4 and 5, the sales during the

first year are predicted to be approximately 540,000€. It is estimated that the average net sales every month during the first year is 45,000€, but considering the fact that the income depends on a season time and special days, the numbers vary from the most profitable one to the laidback one. It follows thence that the most profitable month is going to be August due to the peak of the season with approximate 14% of the year sales, which is 75,600€, The most laidback month is going to be February due to no season time and an end of common Christmas and New Year's Eve vacation with approximate 4% of the year sales, which is 21,600€.

5.5.4 Forecasts

Sales forecasts consist predominantly of tobacco and drinks revenues, which also has a surprisingly low cost of sales. Secondary sales streams is food. Fast growth is predicted during the first three years of programming as the community factor of the Hookah Space lounge bar is advanced and customer-directed operation starts taking place.

Unit Sales (per person)	Year 1	Year 2	Year 3
Tobacco	15,000	37,000	53,000
Drinks	20,000	50,000	70,000
Food	15,000	35,000	50,000
Total Unit Sales	59,371	140,000	200,000

Unit Prices	Year 1	Year 2	Year 3
Tobacco	14.00€	14.00€	14.00€
Drinks	9.00€	9.00€	9.00€
Food	10.00€	10.00€	10.00€
Sales			
Tobacco	210,000€	518,000€	742,000€
Drinks	180,000€	450,000€	630,000€
Food	150,000€	350,000€	500,000€
Total Sales	540,000€	1,318,000€	1,872,000€

Direct Unit Costs	Year 1	Year 2	Year 3
Tobacco	4.20€	4.20€	4.20€
Drinks	3.00€	3.00€	3.00€
Food	3.30€	3.30€	3.30€

Direct Cost of Sales			
Tobacco	63,000€	155,400€	222,600€
Drinks	60,000€	150,000€	210,000€
Food	49,500€	115,500€	165,000€
Subtotal Direct Cost of Sales	172,500€	420,900€	597,600€

Tables 4, 5, 6: Expected Sales Forecasts in three years

In tables 4, 5 and 6 above all the numbers are mentioned in round figures. It is estimated that a regular client will come back to the lounge bar in common approximately 15 times a year, taking part in 15 rounds of tobacco in that point and having some beverages. Consequently, this project conception represents 1,000 customer groups in the first year, 2,500 customer groups in the second year and 3,500 customer groups in the third year.

5.6 Operational and organizational management

The Hookah Space lounge bar in Calpe is the idea of two young entrepreneurs, Valeria Karganova, who was born in Estonia and lives in Spain, and Vladislav Borouhchin, who is also from Estonia but lives in United Kingdom. The main person responsible for the start-up is Valeria, who is the author of the thesis. Vladislav's contribution according to this business plan is brainstorming, development of some particular contents and ideas and investor seeking. Two new-coming entrepreneurs cooperate and work with each other due to the fact of coming from different countries by exchanging of the knowledge from different educational systems, cultures and experience.

Valeria Karganova will work as a general manager at the Hookah Space lounge bar by taking responsibilities of managing the working staff, customer service, partnerships, bookkeeping and marketing. This year she is going to be graduated at the Laurea University of Applied Sciences with Restaurant Entrepreneurship bachelor degree program. She has got a lot of experience after living and working in several countries, like Estonia, Finland, Spain and the Netherlands, and getting to know how to satisfy customers of different cultures, preferences, demands and socio-economical levels.

Besides the information mentioned above, Valeria, since she was 16 years old, is running together with her grandparents a little hospitality business in Estonia, which consists of a small guesthouse and a restaurant. Her main aptitudes are accomplishing all her challenges, making all the ideas come true into reality, leadership, punctuality and flexibility in pursuance of dealing with different situations, problems and people. Along with this, she is a hard-

working person, who is passionate about traveling, active lifestyle and learning. She has been to more than 30 different countries, speaks fluently 4 different languages, which are Russian, Estonian, Spanish and English, and about to learn Finnish and Dutch. Her goal in life is to become a successful business woman, who loves and enjoys her work, and give back to the community and charity.

Apart from general manager, working staff like waiters and barmen, other people will be hired as a lawyer to maintain the legislation at the future enterprise and preventing all kind of illegal failing-outs, accountant to keep the financial system and reports in balance, security staff on an on-call basis for special events and night work. What is more, the qualified hookah master is going to be hired to work on a full-time basis, and a DJ on a part-time basis, which means to work on the weekends, special events and more during the season time.

5.6.1 Personnel plan

The concept of the Hookah Space lounge bar is focusing on a combination of high-quality leisure place, which is going to have a well-educated and friendly service providing big selection of cocktails, quality-made hookahs and unique chill-out and lounge music, which will make people feel comfortable and be loyal to come back repeatedly.

As stated above, the staff recruitment is going to be done on a strict basis, hiring experienced people and qualified 'masters' in hookah, cocktails, music and so on. The obligatory condition is the ability to speak at least two languages, from which are Spanish and English. Other languages are more than welcome because Calpe is very international place, especially during the season time, which is from April till the end of October. All the team starting from the general manager to waiters, have to maintain friendly and understandable relation between each other with no any pressure.

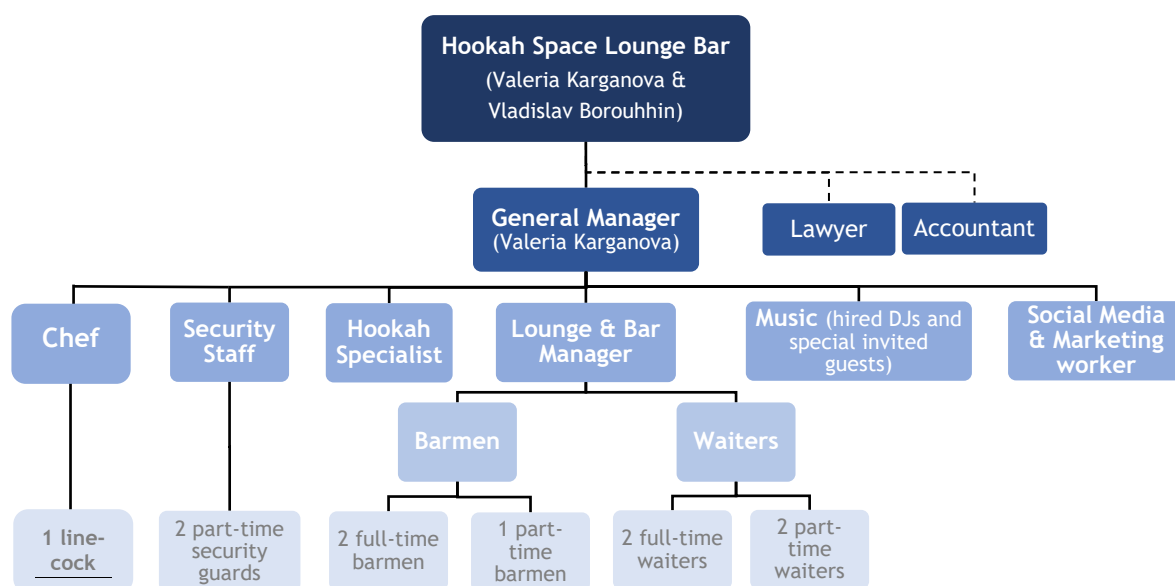


Figure 7: Personnel structure at the Hookah Space lounge bar

The personnel structure of the Hookah Space lounge bar is described in the figure 7. The general manager, who is going to be Valeria Karganova, will control, supervise and manage the work of the hookah specialist, security staff, lounge & bar manager, social media & marketing worker and music. In addition, the general manager will look after the work in the kitchen, which is going to be a responsibility of a chef, who is going to have one line-cock as a helper. The general manager is able sometimes to take part of work together with barmen and waiters. In case of hookah specialist, it is so that all the hookahs would be made carefully and top-quality. Security staff will consist of two part-time workers due to night events and special days. Lounge bar manager will look after the work of barmen, who are cocktail makers, and waiters. There are going to be two full-time barmen and one barman working on a part-time basis related to big events with many customers. In case of waiters, there are going to be two full-time and two part-time employees. Sometimes the lounge & bar manager will accomplish the duties of waiters or bartenders, if the help is needed or to show how the things have to be done correctly. On the occasion of music, DJs and other special guests will be hired on a part-time basis too, due to big events and season time. Social media worker will provide all the needed data to promote Hookah Space on the internet in the most popular applications, like Instagram, Facebook or TripAdvisor, and also he will create different types of posters, brochures or visit cards for customer attraction.

To sum up, it is supposed that on a daily basis at the Hookah Space lounge bar there are going to be working 7 people: general manager, bar & lounge manager, hookah specialist, 2 barmen and 2 waiters. On a special-event basis there are going to be acting in double more people:

general manager, bar & lounge manager, hookah specialist, invited DJ, 1 or 2 hired security employees, 3 or 4 barmen and 3-5 waiters, depending on the time, week day, season time and the size of the event.

Hookah masters are not just a staff. Hookah masters should be specialists in their business, they should perfectly understand the peculiarities of different types of tobacco, its flavors, aromas and smells, and also possess the technology of filling the hookah. Often, avid hookah lovers choose the ideal hookah master for themselves and go only to him. Therefore, simply hiring the staff from advertisements is not an option at all. If the entrepreneur wants to succeed with his start-up business, he needs to think about the question, where and how to find real professionals who can create a good reputation for the hookah business.

5.7 Financial plan

In line with expenses at an early level before the opening, it is essential not to forget the location and the whole thing that is related to the brand new business enterprise like layout, furniture, repairing works, other equipment, kitchen, and so on. It is also crucial not to forget about payments for purchasing numerous licenses, permissions and registration procedures. Operational costs have to be considered too. They consist of expenses for public utilities, network facilities and internet providing. As well as stock bar, stock kitchen and stock hookahs. It is important not to forget about expenses for rent, in general location maintenance and wages for staff.

Start-up requirements, besides legal help, permits, music license, stationery and rent, consist of expenses for insurance, health and safety regulations and, one of the most essential, start-up marketing and web platform building. It is planned to invest for marketing and website development approximately 10.000 € in the first year. Start-up marketing includes aggressive social media marketing research and development, professional SMM and SEO implication, PR, after succeeding local famous people or celebrity invitation to some of the events for being promoted and also, local communities support.

Projected start-up capital	
Business start-up year	2018
Assets	
Registration costs	350€
Initial inventory	8,700€
Cash	1,500€

Leasehold acquisition and improvements	3,800€
Insurance	1,000€
FF&E (furniture, fixtures, and equipment)	
IT + internet	400€
Production equipment	42,000€
Digital and electronic devices (tablets, computers, etc.)	4,500€
Furniture	18,000€
Installations	2,500€
Business Premises Renovation Allowance	3,300€
Expenses	
Permits and licenses	1,700€
Initial marketing (5 months)	5,100€
Equipment rental	1,500€
Miscellaneous	2,500€
Production costs	
Food supplies	2,500€
Drink supplies	3,200€
Hookah supplies	3,500€
Labor costs	
Wages	51,500€
TOTAL START-UP COSTS	155,550€

Table 7: Start-up capital requirements

Financing	
Shareholder capital (70/30)	100,000€
External investment	6,000€
Shareholder bank loan	50,000€
Fixed interest rate 6%	3,000€/ year
Payback 4 years	15,500€/ year
Payback monthly	1,292€/ month

Table 8: Estimated financing

Tables 7 and 8 above represent start-up capital requirements and its estimated financing. The key points, which are mentioned in the tables are the essential parts, which will make Hookah Space function. The approximate predicted capital needed is 155,550€. The shareholder capital is 100,000€, of which 30% is from Vladislav Borouhchin and 70% is from Valeria Karganova.

The start-up also gets an external investment in quantity of 6,000€. The shareholder bank loan is going to consist of 50,000€ and will be paid during 4 years with the 6% of fixed interest rate. The payback yearly consists of 15,500€, which means monthly is 1,292€. The profit from Hookah Space business is going to be divided into shareholders based on the initial investment percentage.

Break-Even Analysis				
Average Percent Variable Cost	22%			
Estimated Monthly Fixed Cost	15,000€			
Product	Hookah	Drink	Food	
Price per Unit	14,00€	9,00€	10,00€	
Variable Cost per Unit	11,00€	7,00€	8,00€	
Contribution Margin per Unit	3,00€	2,00€	2,00€	
x Sales Mix Percentage	32%	40%	28%	
	0,96€	0,8€	0,56€	
Sum: Average Contribution Margin per Unit	2,32€			
Fixed Costs	15,000€			
Break-Even Number of Units to Sell	500	750	750	2000
Product Sales in €	7,000€	6,750€	7,500€	
Sum: Break-Even Sales in €	21,250€			
Daily revenue	≈ 708.30€			

Table 9: Predicted break-even analysis monthly revenue

Table 9 shows the break-even analysis for all of three products to be offered at Hookah Space: hookah, drinks and food. Estimated monthly fixed cost is about 15,000€, which includes payment for rent, labor wages, insurance and marketing. The break-even months revenue is approximately 21,250€, from which raises a daily revenue about 708.30€.

In the table 10, which is possible to find below, it is demonstrated projected profit and loss calculation during first three years at Hookah Space lounge bar. The start-up will show the profitability already in the first year, which will be as a consequence significantly growing during the next years. The fast grow is affected by a high gross margin of selling to people products and offering them a top-graded services as a hookah smoking, cocktails making and food providing.

Profit and loss calculation	Year 1	Year 2	Year 3
Revenue	540,000€	1,318,000€	1,872,000€
Variable costs	118,800€	289,960€	411,840€
Gross Margin	421,200€	1,028,040€	1,460,160€
Gross Margin %	78%	78%	78%
Fixed costs			
Labor (35%)	189,000€	461,300€	655,200€
Utilities	12,870€	14,060€	16,330€
Depreciation	10,800€	11,020€	11,570€
Rent	60,000€	60,000€	60,000€
Marketing & advertisements	12,400€	12,400€	12,400€
Insurance	1,000€	1,000€	1,000€
Pension, holiday, unemployment insurance of payrolls (27%)	51,030€	124,550€	176,900€
Total fixed costs	337,100€	684,330€	933,400€
Total operating expenses	455,900€	974,290€	1,345,240€
EBIT	84,100€	343,710€	526,760€
Bank return	12,500€	12,500€	12,500€
Interest Expense	3,000€	3,000€	3,000€
Income Tax (25%)	21,030€	85,930€	131,690€
Net Profit	47,570€	242,280€	379,570€
Net Profit/ Sales	8,8%	18,38%	20,28%

Table 10: Projected profit and loss calculation during first three years

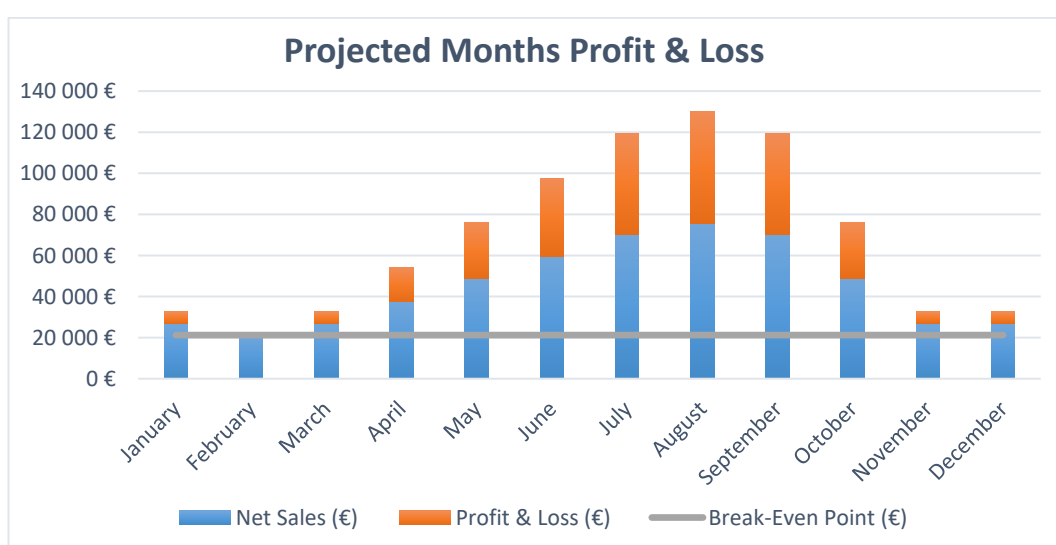


Figure 8: Projected months profit and loss

The figure 8 above represents the estimated months profit and loss data at the Hookah Space lounge bar during the first year. The most profitable month is going to be August with the highest profit of 54,350€ due to season time, and the most passive month will be February with only 350€ of profitability, because of no season time in Calpe. In all the months the break-even point is positive, what predicts to not have any loss month.

5.8 Required permits in Spain

Opening and management of a hospitality business in Spain requires a huge number of nuances to be accomplished, and all of them must be taken into account when buying and organizing this interesting business. First of all, it must be in mind that the activity of hospitality business, and especially a lounge bar, in many countries is carefully regulated by law. The start-up requires a whole list of licenses and its to get employees special permits.

As in all the European countries, a lot of sanitary requirements are imposed on the activities of lounge bar activities abroad. The enterprise must fully comply with the established norms. Therefore, if an aspiring restaurateur decides to bring his own chef abroad, he should be prepared for the fact that the process of obtaining a work permit for him will be very difficult. To get a license for the lounge bar opening it is needed to get through the next steps. First of all, it is important to get a municipal activity license for bar at a town council, cafeteria, or restaurant. The social places like bars, are qualified activities (annoying, with a special risk, etc.), therefore the departments of urbanism review these activities with a special care. Before applying for the license, a technical project must be drawn up certifying that the premises meet the necessary requirements to perform the activity. In this license application must be attached following documents as: technical report and approved project visa for the activity, soundproofing measures, fire security plan, NIF or CIF of the corresponding company and payment of the fees corresponding to the license. Talking about NIF, it is the fiscal identification number used in Spain for natural persons. Nevertheless, the CIF means cost, insurance and freight. Normally the town councils allow to open the business once the application for a license was presented, currently this can represent a fine in many municipalities. In the process of getting the license the municipality will inform the neighborhood that a bar will be installed and if they oppose it, it may defer the concession of the start-up. Once the activity license is obtained, the execution process and the corresponding preparation of the premises are started. (Expomaquinaria 2017.)

Besides the municipal activity license for bar, it is crucial to get from a town council the building permission to perform the conditioning of the premises. Having completed the works and after the corresponding inspection the town council will issue the Opening License to be

able to exercise the activity in the premises. If needed, it is important to get the permission to occupy public roadway, if tables, chairs or awnings outside are planned to be used. (Expomaquinaria 2017.)

In the Autonomous Community (CC.AA) it is needed to register the company in the Register of the Touristic Companies and Activities, which is in the department industry and commerce of the community. Afterwards, to obtain the bar or restaurant identification plate and place it outside the establishment on a visible place. This plate has a blue background with the white letter R for restaurants, or the white letters R and B for the restaurant bars, which is the case of the Hookah Space lounge bar due to providing food and beverages at the future establishment. Getting the authorization for the automated dispensing machine installation is one of the main points. It is usually carried out halfway with an operator that does all the procedures before the CC.AA. All the personnel that works in the premises must have the food service and liquor licenses, issued by CC.AA as well as the Sanitary Authorization, which is processed in front of the corresponding body of the Autonomous Community. Hazard analysis and critical control points plan (HACCP) that includes the analysis of potential food risks and the establishment of control measures. Besides that, it is essential to have price lists and menus in view of the clients. Depending on the Autonomous Community, these price lists or menus are stamped by the autonomic body, even if it is not mandatory. To subscribe to a civil liability insurance according to the CC.AA will be determined according to capacity, continent and content used. (Expomaquinaria 2017.)

Following the model 036, it is important to get from the tax agency the declaration of registration for start of activity: high value-added tax (VAT), location of the premises, type of taxation, and so on used (Expomaquinaria 2017).

From the social security it is needed to get the registration of the company in social security department, the Autonomous Registration, the Work Center Registration, the Labor Calendar, which must be visible, risk assessment and labor risks prevention plan, guestbook and compulsory insurance for accidental cases used (Expomaquinaria 2017).

From the Spanish Protection Agency are needed the declarations before the Protection Agency of personal data bases of the workers, suppliers or clients, and security document if the data is on a private computer used (Expomaquinaria 2017).

Besides getting a standard entertainment & music license, it is needed to obtain from the Spanish Society of Authors and Publishers the registration of entities that manage copyright and protect the rights to be able to use TV, radio or music devices.

Obligatory posters in the local are the opening and closing hours of the premises, always within the legally established one, prohibition of consumption and sale of alcoholic beverages to minors under 18 years old, prohibition of giving out tobacco to children under 18 years old and the license of the establishment opening with the capacity of the establishment.

5.9 Partnerships

When opening the lounge bar business it is important to have qualified and loyal products providers. The main food and drinks vendors are going to be Carrefour and Consum. The first one is a French company, which has one of the widest selection of products, as food as beverages. The second one is a company that is originally from Valencia and currently it is one of the principle distribution sector enterprises in Spain. The wines are going to be provided by Vinos Calpe due to close distance between Hookah Space and the vendor, and good price-quality ratio.

The main hookah products provider is going to be Medusa Shisha Shop, which is based in Valencia. The owner of this enterprise is the colleague of the author, so it can be said that this provider is credible and first in the list of partnerships to make.

The banking and accounting are going to be done with book-keeping and card machinery through other accountant enterprises. The main bank of Hookah Space lounge bar is going to be La Caixa.

Almost all the digital devices like computers, tablets, telephones, etc. are going to be provided by FNAC. Internet provider is going to be Vodafone. The vendors of kitchen equipment and machinery will be mainly Allforfood and also Dakota Horeca.

Design for Hookah Space is going to be done with the help of the general manager and Natalie Moss English Architect & Design. Utensils provider will be Villeroy & Boch, the furniture and decoration materials vendor will be IKEA and Leroy Merlin.

6 Conclusion

To sum up, running a hospitality business seems to become one of the most popular directions for entrepreneurs, particularly in warm countries, like France, Italy, Greece or Spain. In case

of the last one, this country has sufficient resources to open this kind of business: Mediterranean Sea, wonderful weather, high level of incoming tourists, rich variation of products and just a simple happiness. The lounge bar Hookah Space is going to be located in Calpe, little touristic town, which is considered basically a paradise on Earth, because of its beaches, views and never-ending summer. This kind of business is demanded due to high popularity grow of hookah smoking and in general this type of leisure. People, who seek for bars in Calpe, are normally residents or tourists. Both groups look for high-quality service and unforgettable memories from vacation or switching the mind after work.

Hookah Space is going to provide to its customers a big variety of different hookahs made by a qualified specialist, different types of professionally-made cocktails, snacks & appetizers made by a professional chef cook, and unique music creating for people a relaxed and friendly atmosphere. The food provided at Hookah Space lounge bar is going to be based on the Mediterranean cuisine and made only from naturally-grown and ecologically-friendly products. What is more, a wonderful location is going to be one of the most great-requested customer attractions. The bar is planned to be located in the beginning of the beach El Arenal right on the top of a little hill, from where there are going to be opened the views onto sea, huge rock (Peñón de Ifach) located in the natural park, town views and beach sunsets. With a special invited DJ, all the outside views and, in particular sunsets, are going to be accompanied by a suitable for that music. On specific days the live music shows will take place at the lounge bar.

The concept of this start-up is a combination of high-level service with a purpose of satisfying the needs of all the incoming customers, according to modern and contemporary lounge bar demands, and making these people loyal. Due to different nationalities and cultures, you never know with whom you are going to deal, but all the waiters and other employees are going to be an experienced staff able to communicate, listen carefully and answer for all the customer needs.

Hookah Space is going to be opened 7 days a week during a season time, which is from the end of April till the end of October. In labor days it will work from 5 pm to 2 am, and on the weekends from 5 pm to 4 am. In the period with no season from November to the beginning of April, this place would work only on the weekends, from Friday to Sunday included, and festivity days. The opening hours are going to be from 6 pm to 2 am. During special events the timetable can be changed, or if those are the private ones, the enterprise can be closed for outward customers due to the private event.

The opening and running this kind of business from zero takes a lot of efforts. The Hookah Space team hopes to get profitability already in the first year as it was counted in forecasts

(chapter 5.5.4) and financial plan (chapter 5.7). If the situation will be harder than it is expected, the external bodies will be hired to improve the business, such as advisory groups, to reconsider all the parts of the establishment starting from products and service provided, and finishing with prices, workers and lounge bar design. Although, the negative outcome is not expected so far.

Running a hospitality business, especially in touristic areas, is not the easiest job. That is why a business plan is needed. To become profitable in a market economy, it is needed to prepare carefully a business plan, which provides detailed explanations of how business management will take place in order to ensure its profitability, as well as return on investment. Constant changes in the economic environment, in which the company operates, presuppose clarification and revision of the business plan, which in turn requires the development of a mechanism for management-skilled personnel attraction to this work. Success in business is a result of planning. Therefore, before running a business, it is crucial to have a detailed written plan that indicates the final goal, the path to that goal, and all the difficulties and tricks that can be met on the way to it. The plan provides an opportunity to think about future actions. The better plan is, the fewer surprises will pop up throughout this project.

This is what was the main aim of the thesis, reproduction of the ideas about the future start-up, write a proper business plan so it would automatically become easier to look for an angel investor or just in general open the business by cooperating with different people, companies and governmental departments. In process of writing this thesis, many skills and knowledge have been acquired due to brainstorming, reading books, searching information through internet, communicating with motivational people using different types of research methods and creativity applying to all the thesis.

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Appendix 1: Case interview

CASE INTERVIEW

Date: 30/11/2017

Case: Tosca Llar Club

QUESTIONAIRES

1. Could you introduce your background and the enterprise?
2. When was Tosca Llar Club opened?
3. Where did you work before starting working in Tosca Llar Club or have a job apart?
4. Could you tell about the concept of the place, where you work, about its advantages and disadvantages in your opinion?
5. Can you tell about your cocktails menu and hookah making? Who is in charge and how qualified personnel is working in this place?

ENTREPRENEUR

6. What are the advantages and disadvantages of opening business in Spain?
7. As an experienced entrepreneur, what would you recommend to new-coming entrepreneurs?
8. What do you think about opening hookah lounge bar in Calpe?

LOUNGE BAR

9. What is the target customer group of Tosca Llar Club?
10. What are the most common products demanded by customers in Tosca Llar Club (as from drinks as from hookah types)?
11. How often are normally hookahs ordered by customers?

CULTURE

12. What do think about hookah integration in Spain and Europe in general?

ADVICES AND OVERVIEW

13. What does make a lounge bar successful?
14. How to become popular and demanded by target group of people?

Appendix 2: Hookah Lounge Bar Market Research Questionnaire

SURVEY

1. What is your gender?
 - Female
 - Male

2. What is your age?
 - 18 to 20
 - 21 to 25
 - 26 to 35
 - 36 to 45
 - 46 to 55
 - 56 to 65
 - 66 or older

3. What is your nationality?
 - Spanish
 - German
 - Dutch
 - Belgian
 - English
 - French
 - Russian
 - Other (please specify which _____)

4. What is your approximate average household income per month?
 - 0€ - 1,499€
 - 1,500€ - 2,999€
 - 3,000€ - 5,999€
 - 6,000€ - 11,999€
 - 12,000€ - 24,999€
 - 25,000€ - 49,000€
 - 50,000€ and up

5. How often do you go out and visit lounge bar/club?

6. At what time do you usually go to a bar/club?
-
7. On which day(s) do you usually go to a bar/club? (Please select one or several options)
- Monday
 - Tuesday
 - Wednesday
 - Thursday
 - Friday
 - Saturday
 - Sunday
8. How much do you usually spend at a bar/club during a usual visit?
- 0€ - 19€
 - 20€ - 49€
 - 50€ - 99€
 - 100€ - 199€
 - 200€ and up
9. What kind of music do you enjoy listening while attending a lounge bar? (Please select one or several options)
- Pop
 - Techno
 - Deep House
 - Latin
 - Jazz
 - Chill-out
10. When going out to a lounge bar what do you most come for? (Please select one or several options)
- Hookah
 - Drinks
 - Food
 - Music
 - Beautiful views
11. What do you mostly pay attention in when visiting a bar/club?
- Lighting
 - Design

- Service & working team
- Safety & security
- Convenient location
- Other (please specify _____)

12. Would you like to have an opportunity to visit live music shows at a lounge bar?

- Yes
- No
- Other (please specify _____)

13. What do you think would be a reasonable entrance fee to a lounge bar during a special event?

- Free
- 3€ - 6€
- 7€ - 12€
- 13€ - 20€
- Other (please specify _____)

14. Do you attend Happy Hour?

- Always
- Sometimes
- Never

15. What kind of atmosphere are you normally looking for when going out?

- Relaxed (good for meeting and chilling out)
- Partying
- Mixed
- Other (please specify _____)

Appendix 3: Hookah Space menu

**PARA PICAR
SNACKS & APPETIZERS**

Pan y All-i-Oli
Homemade bread with typical Spanish garlic sauce 3,50

Tempura de verduras y clóchinas con salsa romesco
Fresh vegetables accompanied by Valencian mussels tempura with romesco sauce 10,50

Jamón ibérico & queso
Assortment of Spanish Iberian ham and local cheese 8,00

Tartare de salmón
Salmon tartar with homemade sour cream sauce 10,50

Patatas bravas
Spicy home fries accompanied with garlic sauce 5,50

Anillas de calamar a la andaluza con mayonesa de lima
Fried squid rings with lime mayonnaise 9,50

Pulpo a la gallega
Octopus over roasted sweet potatoes purée 11,50

Sepia a la plancha con aceite de ajo y perejil
Grilled cuttlefish with garlic and parsley oil 11,50

Tostadas de pan negro con salsa de gambas
Fried black bread with cheeses & shrimp sauce 5,50

Ensalada César
Caesar salad made with chicken fillet, king prawns or smoked salmon 9,50

Ensalada con queso de cabra y salsa de arándanos
Salad with caramelized goat cheese, nuts and blueberry sauce 10,50

POSTRES
DESSERTS

Surtido de fruta de temporada
Seasonal fruit assortment 5,00

Sorbetes artesanos
Homemade sorbet 3,50

Crema catalana helado de stroopwafel
Light crème brûlée with typical Dutch waffle ice cream 5,00

Fondant de chocolate con frutos del bosque y salsa de chocolate blanco
Chocolate fondant with different kinds of berries and warm white chocolate sauce 6,00

Tarta de queso sobre la galleta de avena con salsa de frambuesa
Cheesecake on basis of oatmeal cookies with raspberry jam 5,00

Milhojas caramelizado de crema de vainilla y almendra
Caramelized vanilla and almond cream mille-feuille 5,50

Surtido de helados caseros
Homemade ice cream 3,50

**CARTA DE VINOS
WINE MENU**

VINOS TINTOS / RED WINES

D. O Valencia

Mala Vida. Tinto joven crianza. Cabernet Sauvignon 13,50
Venta del Puerto N° 12. Tinto crianza. Cabernet Sauvignon 18,00

D.O Ribera Del Duero

Protos Roble. Tempranillo 16,50
Cruz de Alba. Tempranillo 18,50
Protos Crianza. Tempranillo 24,00
Resalte Crianza. Tempranillo 19,00
Tomás Postigo. Tinta fina. Cabernet sauvignon y merlot 27,00
Vega Sicilia Valbuena. Crianza. Tinta fina. Merlot y cabernet 98,50

D.O Rioja

Campo Viejo. Tempranillo 8,00
Marqués de Cáceres. Crianza. Tempranillo 19,00
Marqués del Puerto. Tempranillo 12,00
Viña Ardanza Reserva Magnum. Tempranillo 80% y garnacha 20% 45,50
San Vicente. Tempranillo 38,00
200 Monges. Tempranillo 85%, graciano 10%, garnacha 5% 48,50

Internacional / International

Fontodi Chianti Classico 2012, Italia 36,00
Jean Pierre Moueix Château Grand Village, Bordeaux, Francia 2012 25,00

VINOS BLANCOS / WHITE WINES

D.O Valencia

El Miracle. Chardonnay y sauvignon blanc 14,50
Ostras Pedrín 16,00
D.O Rueda, Verdejo
Marqués de Riscal 9,00
Javier Sanz Sauvignon Blanc 10,00
Pamela azul 14,50

Internacional / International

Louis Latour Chablis La Chaufeure, Francia 2014 29,50
Renard Chablis Grand Renard, Francia 2014 51,00

VINOS ROSADOS / ROSÉ WINES

Marqués del Puerto D.O. Rioja 14,00
Viña Real Rioja D.O. Rioja 14,00
Tenuta Della Terre Nere Etna Rosato. Sicilia, Italia 20,00
Fleur de Mer Côtes de Provence Rosé. Francia 18,00
Charles Audoin Marsannay Rosé. Burgundy, Francia 25,00

VINOS DULCES / DESSERT WINES

Quinta Do Noval Fine Ruby (1 copa / 1 glass)
D.O. Douro (Portugal). Crianza 36 meses en barrica
D.O. Douro (Portugal). 36 months barrel aging 2,50

Don PX (1 copa / 1 glass)
D.O. Montilla-Moriles (España). Crianza en depósito de un año
D.O. Montilla-Moriles (Spain). One year aging tank 3,00

Château Laribotte 37cl.
D.O. Sauteners Aos (Francia). Crianza tradicional
D.O. Sauteners Aos (France). Traditional aging 20,00

CHAMPAGNE

Moët & Chandon Brut 57,00
Moët & Chandon Rosé 67,00
Veuve Clicquot 61,50
Veuve Clicquot Rosé 71,50
Dom Perignon 180,00

GINEBRAS / GIN

Larios 6,50
 Beefeater 6,50
 Bombay 7,50
 Tanqueray 7,50
 Bombay Sapphire 8,50
 Puerto de Indias 8,50

VODKA

Smirnoff 6,50
 Absolut 8,50

TEQUILA

Jose Cuervo 6,50
 Patrón Silver 12,00
 Patrón Añejo 13,00

WHISKEY

Jim Beam 6,50
 Tullamore 7,00
 Ballantine's 7,50
 Jameson 7,50
 Johnnie Walker Red Label 7,50
 Johnnie Walker Black Label 10,50
 Jack Daniel's 8,50

GINEBRAS / GIN PREMIUM

Bulldog 9,50
 Brockman's 9,50
 Hendrick's 10,50
 Gin Mare 10,50
 N° 3 10,50
 Tanqueray Ten 11,50

VODKA PREMIUM

Ciroc 10,00
 Belvedere 10,00
 Grey Goose 10,00

RON / RUM

Brugal Añejo 6,50
 Bacardí Superior 6,50
 Bacardí Carta Oro 8,00
 Brugal 1888 13,50

COGNAC

Remy Martin 10,50
 Hennessy VS 10,50
 Hennessy VSOP 13,50
 Hennessy XO 18,50

Las bebidas alcohólicas fuertes pueden estar combinados con tu tónica favorita, un refresco o zumo. Ya está incluido en el precio.

All the stiff drinks can be combined with your favorite tonic, soft drink or juice. It is included in the price.

**Cócteles
Cocktails****BLOODY MARY**

(vodka, tomato juice, lemon juice, tabasco sauce, lime wedge) 8,50

SEX ON THE BEACH

(vodka, peach schnapps, orange juice, cranberry juice) 8,50

COSMOPOLITAN

(vodka, triple sec, cranberry juice, lime juice) 8,50

MOJITO ORIGINAL, STRAWBERRY OR PASSION FRUIT

(light rum, spearmint leaves, lime or strawberry or passion fruit, soda, simple syrup) 7,50

LONG ISLAND

(vodka, gin, light rum, tequila, sweet & sour mix, coca-cola, triple sec) 8,50

COCONUT OR WATERMELON DAIQUIRI

(light rum, sugar, lime juice, coconut or watermelon nectar) 7,50

PIÑA COLADA

(light rum, coconut rum, pineapple juice, cream ice) 7,50

BONE-DRY MARTINI

(gin, ice cubes, green olives) 7,50

APEROL '86

(aperol, triple sec, dry vermouth, strawberry) 8,50

TOMMY'S MARGARITA

(tequila blanco, lime juice, agave syrup) 8,50

BEER & CIDER

Heineken 3,00

Amstel 3,00

Desperados 3,50

Somersby 3,50

Kopparberg 4,00

**BEBIDAS SIN ALCOHOL
NON-ALCOHOLIC DRINKS**

Zumo de fruta variada natural
Freshly squeezed juice 4,00

Horchata
Tiger nut milk 3,00

Granizado de sabores variados
Iced drink with different flavors 2,50

San Francisco cocktail
(pineapple juice, orange juice, peach juice, lemon juice and grenadine) 7,00

Ginger Fresh
(ginger water, soda, lemon, sugar syrup) 5,00

Watermelon Fresh
(watermelon, soda, sugar) 5,00

COFFEE & TEA

Espresso 2,50
Cortado 2,50
Café bombón (with condensed milk) 3,00
Latte 4,00
Cappuccino 4,00
Tea (black, green or red) 2,50

WATER, SOFT DRINKS & JUICES

Water (still or with gas) 2,50
Juice 2,50
Chocolate milk 3,00
Red Bull 3,50

**CARTA DE CACHIMBAS
HOOKAH MENU**

Menthol
Watermelon
Melon
Cherry
Strawberry
Blueberry
Apple
Bubble gum
Banana
Mango
Grape
Lemon
Orange
Peach
Vanilla

REGULAR HOOKAH

Hookah 14,00
Refill 7,00
Iced Base 2,00
Glass Hookah 30,00

FRUIT BOWL HOOKAH

Orange 18,00
Apple 18,00
Pineapple 24,00
Refill 10,00

