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FIELD LAB ENTREPRENEURSHIP

XCEED STARTUP CONSULTING PROJECT:

Developing a Business Plan for the Expansion into the Directory of Bars and Lounges

*(I) Introductory Paper and (II) Go-to-Market and Technology & Operations -  
Accessing and Delivering Value*

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## **Abstract**

*Where to go out tonight?* This is the question that Xceed, a Spanish nightlife marketplace startup, works to answer. After seven years of connecting clubbers with clubs, festivals, and event organizers all over the world, Xceed is expanding its platform to the global directory of bars and lounges. The following startup consultancy project aimed precisely to delineate a business plan for the company's new vertical.

The aim of this paper is to develop a go-to-market strategy, along with a technology and operations management plan to access and deliver the previously mentioned value to a set of high-end nightlife clients. The conducted research showed that the recommended approach for Xceed is to build a separate brand identity for its new vertical, with a focus on elegance and exclusivity. To create organic growth, a promotional strategy centered around network orchestration effects was proposed. Moreover, a set of strategic partnerships was identified, to use unique and shareable experiences as a source of competitive advantage.

**Keywords:** Growth, Strategy, Entrepreneurial science, Digitalization, Entrepreneurship

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## **I. Introductory Paper**

### **Introduction**

Within the last decade, the entertainment industry has been changing significantly to conform with new realities. The shift towards the digital realm has been happening for a while, changing the access to different kinds of services. Digital marketplaces, both large and small, have arisen as the new drivers of competitiveness, enabling business relationships between sellers and customers, and allowing companies to manage what still is their biggest risk - scalability (Briedis, Choi, Huang & Kohli, 2020).

For instance, platforms like *Skyscanner*, *Booking* and *Airbnb*, only to name a few, use AI algorithms to book flights and search for accommodations, taking the place of traditional travel agencies. The food and drinks industries are equally good examples of how data analytics can be used to identify and interpret valuable insights, which in turn helps to generate a ranking of interesting restaurants according to each users' preferences.

Nevertheless, while technology disrupted one established industry after another, there is still a huge segment of the entertainment industry that has not changed drastically yet, namely the nightlife sector. Businesses such as clubs and bars have embraced the digital change almost exclusively in the form of brand awareness on social media. This sector has lagged for years and its high cyclicality continues to be a nightmare for promoters and event organizers.

On the other hand, people mostly aged from 18 to 30 that love to dance, meet new people, and have fun, still suffer from the one common problem of discovering and booking nightlife events. Facebook and other channels, used for this purpose, do not offer a clear and simple response to the question '*Where to go out tonight?*' (Franco, 2021).

Since 2014, Xceed has been passionately building a going-out community that uniquely leverages data-driven technology to enhance millions of businesses around the world on the way they manage their venues and reach billions of people. The company's website and mobile app let users discover night events in town, book them in one tap and cut the line in the entrance by simply showing their smartphones.

As of 2021, Xceed is based in some of Europe's most popular destinations, such as Barcelona, Berlin, Lisbon, London, Madrid, Milan, Paris, Rome, Turin, and Valencia (*Appendix 1*). According to co-founder, Mattia Franco, "*Xceed exists to create a world where everyone can live extraordinary experiences and connect with inspiring people*" (Franco, 2021).

Currently, the company is seeking to build a product roadmap that, besides including solutions designed to clubs, also addresses bars and lounges: a sector yet without well-functioning marketplaces (Franco, 2021). The following paper will focus on defining and validating a relevant strategy and business plan for Xceed's expansion into the directory of bars and lounges.

To begin with – on this introductory paper –, the company will be presented along with the problem that it currently faces and a proposed solution in form of a new business opportunity, that is to be evaluated in this paper.

Following that, to determine the relevance and viability of this new business vertical, an industry analysis will be performed. It will focus on general industry data and major current trends that can be identified, as well as the impact of the recent COVID-19 pandemic on the market. At the same time, Porter's five forces model will be leveraged for a better understanding of the competitive environment within the industry.

Consistent with the suggestion of Nova SBE's professor António Marinho Torres<sup>1</sup>, the following papers of this project will be organized based on Thomas Eisenmann's 2011 business model for entrepreneurs. This framework was built around specific issues that are most salient in entrepreneurial context. Hence, the collected data will be used to derive a clear solution and provide the basis to address Eisenmann's elements: a customer value proposition, a go-to-market strategy and a technology and operations management plan to be proposed to the company, as well as a sustainable profit formula which will include a critical overview analysis of the project.

The first paper, Customer Value Proposition, will comprise the way Xceed can create value through a bars and lounges marketplace. This will involve segmenting the market, targeting the right customer segment(s), understanding the reasons for which they purchase and how they do it, and designing a valuable solution for them.

The second paper will highlight the way the new vertical can access and deliver value, meaning it will consist of the development of a Go-To-Market strategy for the new vertical whilst defining the relevant technological and operational requirements to achieve it.

Lastly, the Profit Formula paper will include a financial analysis based on estimations and forecasts. This will permit not only a greater comprehension on the incremental cash-flows for the development of the new vertical but also the added value it can bring to the company. In the end, future steps for the execution of the new business vertical will be outlined, combined with the opportunities for the company to scale and grow in this new sector. Finally, having in consideration all the involved stakeholder's expectations, a critical analysis was prepared.

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<sup>1</sup> The insights retrieved from the meeting with professor António can be found in Appendix 2.

## Industry Overview

In the Western world, nightlife has made part of society since the 18th century with the profusion of saloons, brothels, and gambling halls. Yet, in the past, it was mostly restricted to men. Mixed-gender audiences were only more welcomed around 1900's, side by side with the appearance of dance halls and the boom of movie theatres, restaurants, and cabarets (Baldiwn, 2015). With labour hours being reduced, and street lighting upsurging in the cities, nightlife in the way it is known today gave its first steps.

Since then, the industry has been expanding tremendously. In fact, having access to quality nightlife is viewed as a crucial factor in the valuation of urban areas. It generates extra affluence to cities and, thus, further business making. Therefore, the nightlife industry is actively promoted by many municipal governments (Cosman, 2017), and a renovated commercial nightlife emerged as a catalyser of urban, social, and cultural change (Nofre, 2020). Millennials and Gen Z, the mass clients of the industry nowadays, have grown up to accompany this change, leading to a 40% increase in the frequency with which they go out at night, when compared to any previous generation (Xceed, 2021).

At the moment, the nightlife industry is valued at 1 571€ Bn (*Appendix 3*). It includes various verticals ranging from clubs, bars and lounges to festivals, events, and restaurants. On average, 100 million people frequent nightlife activities per month in the 542 thousand different nightclubs, bars and lounges at their disposal<sup>2</sup>. Moreover, 78% of Millennials and Gen Z state that they prefer to spend their savings on intangible experiences rather than products, and

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<sup>2</sup> These values are only considering countries within the European Union and the United States of America.

nightlife activities classify as such (Eventbrite, 2021). Luxury is redefined by these generations (Mabuni, L., 2017).

Nonetheless, there is a current saturation of the market. Although the availability of nightlife experiences has been growing, they always seem to be similar everywhere. The competition for market share has been intensifying, leading business owners to realize that competing solely based on advertisement techniques is simply not enough (Xceed, 2021). More than ever, the trick to stand out lies in price promotions, for instances free payment windows in a club or targeting students with lower prices in specific days, or even in new monetization strategies.

With populational habits differing from region to region, as well as country's laws and licenses, industry players tend to settle locally or regionally rather than forming global chains, as most companies in other industries do, in today's globalized era. Hence, the demand for nightlife is also regionally dependent, having as main drivers the local clubbing culture and practices along with one's personal income, price sensitivity and available leisure time (Bitner, 1992).

Under typical circumstances, the demand for nightlife, in most urban areas, is elevated and constant (Statista, 2021). Thus, with a stable demand, the high profit margins practiced in the industry allow for high profitability. Nevertheless, the impact of external factors, like seasonality, a change in the laws (e.g.: restriction of smoking indoors) or, in most extreme cases, a pandemic, can lead to a huge downfall due to the industries' reasonably elastic demand (Alamar and Glantz, 2007). Having the most loyal customer base catalyses the industry's financial resources to a next level of profit, allowing key players to survive during a crisis.

The COVID-19 pandemic hit the industry in a ground-breaking manner. The world stopped. Every venue from the smallest to the biggest was forced to close for an indefinite period. Clubs

and bars were the most affected regarding forced layoffs, with the highest percentage of venues shutting down and entering in bankruptcy.

According to study a recently conducted by the NTIA<sup>3</sup>, the coronavirus crisis led 75% of commercial tenants in the UK's nightlife sector to face the prospect of bankruptcy. In addition, 93% of nightlife business owners have already faced significant employment losses (Moore, 2021).

Furthermore, in another survey conducted by Xceed (2021), 70% of business owners stated their businesses are currently alive, yet, operating in a fine line between survival and bankruptcy. The same CEOs indicated that 52% of their workforce was either fired or reduced. Only 12% of the sampled business owners stated that no one was laid off (*Appendix 4*).

Overall, it could be said that the future does not look easy. Yet, despite most proprietors considering that the crisis is still far from seeing an end, it is generally believed that the players that survive this stage will eventually get to the pre-crisis level with the hard work and collaboration of all (Xceed, 2021).

## **1.1 Market trends**

Most industries have been experiencing major disruption due to technology and globalization over the course of the past years. Bars, lounges, and pubs on the other hand, have remained traditional and analogue in their operations, attraction and retention of customers and general strategy. While social media and online advertising have been playing a role on building a presence for bars and have been successfully raising customer awareness levels and attracting visitors, operations and planning have remained mainly offline (DiPietro, R. et.al., 2012). The

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<sup>3</sup> NTIA stands for *National Telecommunications and Information Administration*

coronavirus pandemic has created a shift in consumer behaviour when it comes to going out at night. Hygiene, safety, and social distancing have become increasingly important.

Pre-booking of tables, capacity and resource planning have become crucial for both consumers and venues, respectively. Operating according to resource capacities and clients' needs proves to be highly valuable for the survival of establishments. Hence, to keep track of this, venues can only benefit from the advantages of employing additional technological and digital solutions (Glimpse, 2021).

Even with the coronavirus regulations slowly lifting and the dine-out industry going back to normal, the trend in consumer behaviour to plan and book places ahead of a night out is expected to last. This, combined with the general trend effects of digitalization, encourages bars, restaurants, and similar establishments to embrace and leverage digital solutions more and more, especially technologies leading to sales and customer retention (Statista, 2021).

## **Company Overview**

### *“We Go Out”*

Xceed is a Barcelona based startup founded in 2014 with the mission to improve entertainment experiences by connecting “clubbers” with venues and event organizers around the globe. It allows party lovers to discover and book night events around them, while providing a cloud-based solution that helps clubs to target audiences, track conversions and increase profits.

The company sells tickets for the best music concerts, clubs, and festivals in almost 100 European cities. In 2018, Xceed managed 1 364 481 bookings, surpassed 5Mn unique users worldwide and was awarded by ‘The Next Web’ as the startup of highest growth in Spain (Hinchliffe, T., 2018)). The key to this has been the opening of new markets in Europe,

including Lisbon, new regions of Italy, and London. For the future, Xceed plans on continuing its global expansion into new markets in Europe and the US (*Appendix 1*).

## **1.2 Job-To-Be-Done**

In essence, Xceed's customer group is divided in two: the clubs and the clubbers. On the one hand, the company entered the business after realizing that the nightlife industry is one of the few entertainment industries still waiting for relevant digitalization. Most venues still operate offline, with few marketplace options available. Venues and event organizers have a difficult task on predicting and analysing results, due to the high cyclicity of revenues representative of this sector, and the consequent uncertainty. On one night, venues can sell out, and on the following night, be completely empty, meaning it is a high-risk and low-tech sector.

On the other hand, Xceed's business also seeks to tackle the common problem that a lot of party lovers have, namely the question where to go out and what to do, a challenge that most people aged 18 to 30 have repeatedly. Booking tables in clubs is subject to long lines and availability at the time of entrance. Even if it is possible to book in advance, Public Relations (PR) of the clubs usually take care of the bookings, which makes the whole process uncomfortable and subject to deception. Hence, Millennials and Gen Z have showed a need for a simple and convenient way of finding live events that suit their personal needs and create extraordinary experiences that are immersive and shareable.

## **1.3 Solution**

Xceed provides clubs and clubbers with a tailored nightlife solution, in the shape of a website and a mobile app. For clubs and festivals, the Xceed marketplace, through its *Nightgraph* software, provides real-time analytics, addressing the untapped Big-Data space in the industry. It helps clubs, concert venues and festivals save time when managing promoters, customers,

and bookings, gain insights through an advanced dashboard of real time analytics and increase profits using a set of innovative marketing tools.

It also allows to promote events, sell tickets, manage bottle-services and guest lists, manage tables in real time through table allocation view and consumption tracking, perform CRM and access control, as well as automate digital marketing (*Appendix 5*).

Clubbers can use Xceed to browse events, venues and artists based on their preferences and tastes and book them easily. The platform collaborates with some of the most popular artists and clubs in each location, and provides partner generated content via App/web (*Appendix 6*).

Fundamentally, considering Xceed's entire business model, it functions as a closed loop model (Xceed, 2021). Firstly, the company provides venues and organizers with its business experience, meaning the 'Software as a Service' (SaaS) technology through a freemium model. Afterwards, these venues will share their events and booking offers in the marketplace and users will be able to select their desired experiences. The model allows Xceed to lock B2B customers and let them boost B2C growth by converging both consumer networks (*Appendix 7*).

This closed loop is key for Xceed's long-term success since growth is boosted by each extra user. The higher traffic the platform has, the more venues want to join, and the more data is collected from both sides, which allows the company to enter an untapped market of big data and further attract parties interested in business intelligence reporting.

From the consumer side, Xceed can extract demographic and behavioural information, purchasing habits, preferences, amongst others, that can also be used to improve user experience and rank customers. From the industry, the company can collect information on

market trends, competition, and venue efficiency, which allows to forecast and predict attendances and bookings.

## **1.4 Revenue Streams**

As previously stated, Xceed functions as a SaaS marketplace with revenue streams coming from all value-chain partners, as well as 3<sup>rd</sup> parties (*Appendix 8*). From regular users, the company monetizes through a transaction fee on every online sale of tickets and bottle services.

From clubs/events/festivals, the company receives per-head booking commission on entrance (guest lists) and gets paid for Saas/Marketing packs. Finally, third parties interested in advertising on the platform and in business intelligence reports also represent an interesting revenue stream.

The turnover originated by those who were already users of Xceed doubled from 2017 to 2018 (Xceed, 2021). In pre-pandemic years, net revenues tripled over 2 years (from 2017 until 2019) with little expenditure increase, leading the company close to reaching break-even before the general market lockdown in March 2020 (*Appendix 9*). Although Xceed resisted to shutting down operations, the company managed to maintain itself cash neutral, which increases expectations for future profitability and growth.

## **1.5 Value Proposition**

### **1.5.1 For End-users**

For 18- to 34-year-old party-loving people that want to organize a night out without complications, Xceed offers a web platform and mobile app where users can easily browse events, venues and artists based on their preferences and book them with a few simple taps. It

allows users to search for the most popular nightlife spots in more than 100 exciting cities all over the world and get set for their next memorable experience (Xceed, 2021).

### **1.5.2 For Venues**

For nightlife establishments and event organizers that have a difficult task on predicting customer affluence and analysing business results, Xceed presents Nightgraph, a venue management software designed to help clubs, concert venues, festivals, and organizers to promote their events, sell tickets, manage bottle-services and guest lists, handle their brand ambassadors and affiliates, automate their digital marketing and keep track of accesses and operations in real time (Xceed, 2021).

### **1.6 Mission and Vision**

Xceed exists to create a world where everyone can live extraordinary experiences by joining authentic events and connecting with inspiring people. The company's vision is to bring people together to live memorable going-out experiences (Xceed, 2021).

### **1.7 Market Fit**

In his book "The Four Steps to the Epiphany" (2013), Steve Blank defines the *customer development process* as the process required for startups to find their product-market fit. Blank defends that the *product development* model is not the most suitable for the reality of a startup, and that it is responsible for the failure of a lot of startups in the past.

Most startups do not fail because they lack a product, but because they lack customers and a profitable business model (Blank, 2013). The tendency that startups have is to execute right away, meaning it is vital to clearly distinguish 'searching' with 'execution'. Hence, to

understand if the product/market fit is reached, one needs to reflect about whether they have built something that people want to or must have.

Xceed appears in the market in a context where venues already consider ticketing software as a valid solution, especially after the pandemic opened the minds of a lot of consumers to virtual solutions of every kind, increasing the network of sellers by 46% on average (Deloitte, 2021). At the same time, media platforms have troubles on scaling their operations due to capital intensive models. It is in this gap that Xceed's marketplace operates, giving venues a solution with a clear focus on nightlife.

The Key Performance Indicators (KPI's) used by Xceed to measure its growth have reflected an overall adherence and fidelity from businesses that have partnered with the company. Going into 2021, Nightgraph had a 95% attachment rate from its partners, and one in three new venues came from referrals of these partners (Xceed, 2021). From 2018 to 2019, the last two years where the company operated normally throughout the whole year, the average monthly online gross merchandise value (GMV) increased 44% (*Appendix 10*).

Equally, users seem to be highly engaged with the Xceed web page/mobile app. The company reached the 5 Mn user mark in 2019, averaging an app lifetime value (LTV) of 17,10€ (Xceed, 2021). The apparent organic growth and network effects are a sign of the acceptance of the market and the relevance of Xceed's offerings (*Appendix 11*).

### **1.7.1 BCG Matrix**

The BCG or ‘Growth Share Matrix, developed in 1968 by Bruce Henderson, is a portfolio management framework. The matrix reveals two factors that companies should consider when deciding where to invest, namely company competitiveness and market attractiveness.

As presented formerly, the coronavirus pandemic changed the dynamic of the nightlife industry. Xceed’s current platform had been showing high future potential since both end-user and venue adhesion and engagement had been registering healthy growth rates. Additionally, due to the lack of marketplace-like solutions on the market, the ability to gain a high market share in various European markets.

Nonetheless, the club sector has been saturated over the last years, meaning its growth rates make it appropriate to consider the Xceed marketplace as a “cash-cow” type of business. Products in the cash cow’s quadrant are “milked” and its cash-flows are generally used to finance stars and question marks (*Appendix 12*).

### **1.8 Funding**

Since 2015, Xceed has raised a total of 3,1Mn € in funding over three rounds (*Appendix 13 and 14*). In July 2015, the company raised 550k € in a seed funding round. In December 2016, Xceed resorted to a convertible note debt instrument, through which it captured another 250k €. This means that, since then, this portion of short-term debt is likely to have been converted into equity by the issuing company. Lastly, on the 20<sup>th</sup> of November 2019, shortly before the COVID-19 pandemic hit the world, Xceed performed a venture round through which 2.3Mn € were raised (Crunchbase, 2021).

*360 Capital* is the enterprise responsible for all 3,1Mn € euros that entered the company since its initial funding round. Being based in Paris and Milan, *360 Capital* is a European early-stage venture capital firm, investing from seed to series B. They consider themselves as ‘trend-seekers’ looking to catch innovation trends ahead of everyone else, with a specific focus on “*deep tech, business process automation and mass consumer disruption*” (360 Capital, 2021). Since its existence, the company was responsible for 158 investments, 45 of which as lead investors (Crunchbase, 2021). Moreover, the company has had 42 exits, the most notable include companies as Arbe Robotics, Innoviz Technologies and Sophia Genetics.

Due to the nature of its business, namely the early stage *360 Capital* invests in, it is natural that the company looks for a very high return rate on its investments. Seed investors usually perform a higher number of investments due to the low information and high failure rate early-stage startups are subject to. Because only a small percentage of companies invested in, end up achieving good returns, early-stage investors want to be compensated with high returns, such as 100 times the invested amount, to make up for their risk.

This overview leads us to conclude that, it is natural that investors expect Xceed to achieve the multi-million-dollar company status, which has its implications for the evaluation of new projects. This ambition also coincided with the potential co-founders Mattia Franco and Luca Papaleo saw in Xceed. The goal set out from the start was to turn Xceed into a global pioneer in the going-out industry. Quoting Mattia’s pitch at South Summit in 2015, “*Xceed will change the way people live the best nights of their lives, and it will become the norm.*” Hence, users worldwide should know the name Xceed and log-on to the app every single day to have a fun and spontaneous experience. And venues worldwide should rely on Xceed’s services to overcome scalability and management constraints.

## **Competitive landscape of industry (Porter's Five Forces)**

To assess the competitive environment and the external structure in terms of rivalry the model of Porter's five forces will be used.

### **1.9 Competition in the industry**

When taking a closer look at Xceed, it becomes clear that there are various distinct aspects of potential competition to be monitored. For one, the platform serves as a discovery space for events, nightlife experiences and clubs. Additionally, from a consumer's side, Xceed enables not only reservations' making but also tickets and tables' booking. For venues, its Software as a Service (SaaS) grants ticketing, capacity planning and guestlist creation.

Moreover, another competitive force lies in the providers of nightlife related experiences. These range from nightlife in clubs to concerts. All the mentioned categories will be explored further in the next section.

#### ***1.9.1 Discovery and reservations***

A major factor for users to join Xceed is the discovery of best clubs or events in a certain location. Players like *Fever*, *InList*, *Dice*, *Festicket* and *Shotgun* all allow users of the platform to discover special experiences, events, parties and even restaurants or bars around them. All of these competitors allow users to book a ticket for events or even a table in at venues directly through the platform. While *Fever* and *InList* are more diverse in their offering, *Shotgun* is mainly focused on music related events and *Dice* and *Festicket* mainly on festivals and livestreams. All these are very user centric, but nonetheless bring benefits to the venues and event organizers by allowing for easier booking and ticketing purposes.

There are also players in the industry with solutions to search for food and drinks in a specific location, as well as for booking tables. Businesses such as that are *Zomato* - a discovery platform for restaurants, bars and pubs, including reviews, menus and prices (Zomato, 2021) – along with *TripAdvisor*, which offers similar benefits with a focus on reviewing establishments. While *Zomato* does not let users to immediately book a table or further interact with the establishment, there are certain businesses such as *OpenTable*, *OrderPay* and *Swifty*, that allow for just that. By giving users a matching selection of bars and the possibility to reserve their table right away. This also enables bars and lounges to plan their capacity and workforce scheduling with better precision through the help of app data.

Aside from these companies, there are various software solutions and mobile applications that give customers the option to book from their phones. *Hungrrr*, for instance, offers restaurants the chance of reducing staffing costs and faster overturn (Hungrrr, 2021). Yet, it lacks the possibility of discovering places to visit for the customer and creating a personalized night out.

One major company that also should not be forgotten about is *Google*. Many people use the *Google* and *Google Maps* search functions to discover new places, get suggestions based on their location and their search history. It is a highly used feature that also allows to understand and save in your account further details of a bar, such as their prices, reviews, their menus, among others.

### **1.9.2 Experience providers**

Besides companies that offer solely discovery services for bars and lounges as well as reserving tables, there are various players on the market specifically targeted to experiences related to

nightlife and beverage establishments. With millions of yearly users, *Airbnb* is a major force in the market. Besides offering housing, *Airbnb* offers a large number of experiences across various cities, many of them involving city specific bars, drinking experiences, bar crawls and more (Airbnb, 2021). *Airbnb* has user profiles and lets the user save or share experiences with friends, as well as the option to book them right through the platform.

A similar offer can be found on the platform of *Fever*, where users can filter special events, mostly clubs and concerts but also some of those in bars, by their time and location, find more information about them and reserve a ticket right away (Fever, 2021).

### ***1.9.3 Ticketing and SaaS***

As previously stated above, most platforms that offer a discovery or experience combine this offer with direct booking and thus ticketing possibilities for the end-user. Yet, it needs to be highlighted that this is also highly relevant for the venues and organisers. By providing the ticketing software, venues can simplify their capacity planning and their resource allocation. This also digitizes former inefficient, analogue processes. Here the major players relevant competitively and identified are *eventbrite*, *vivendi*, *StubHub* and *eventgenius*. All offer ticketing solutions and provider software to clients.

Hence, by being a SaaS enabled marketplace specifically focused on nightlife, Xceed manages to have a competitive edge to all these competitors. However, biggest direct competitors that Xceed has now are *Keyflow* and *Tablelist*. Both these competitors offer similar solutions to what Xceed does, with the difference that they are operating in restricted markets. *Keyflow*'s platform for nightlife focused solely on the Scandinavian market, and *Tablelist*'s on the USA.

To sum up, it becomes clear that as far as nightlife is concerned, there are various strong players in the market. Nevertheless, when it comes to specifically targeting nightlife users while encompassing a distinct and personalized experience in hundreds of cities all over the world, there is no solution in the market as complete as Xceed. Neither is there a full-service solution for venue management, financial forecasting and events promotion (*Appendix 15*).

### **1.10 Threat of new entrants to the industry**

While creation of the technology needed to enter this market is fairly easy to reach, there are multiple barriers to entry. To provide a successful marketplace for end-users to choose from an enticing offer of establishments, they ought to be convinced of a valuable offer first. Having an already existing customer base of end-users for a similar app, as Xceed does with clubs and events, as well as relationships with future venues are crucial for a company's success. The closed loop system created by double-sided network effects leads to growth of both the venue and end-user base, making it fairly stable to stay in this market. However, it is harder to enter as a new solution without a track record or a reliable user base.

### **1.11 Bargaining power of venues**

The bargaining power of the venues, in this case bars, lounges and similar establishments is likely to start high with a downwards trend as the platform and its user base are boosting. Since in the beginning a smaller user base is to be expected, venues have a strengthened position in negotiation, due to the platform depending on these contracts to create an offer for future users. As soon as the user base grows and the platform sees a spike in traffic and usage, the bargaining power shifts increasingly more to the platform owner and away from the venues.

### **1.12 Bargaining power of end-users**

End-users are another key factor for the success of a venture in this industry since they are the main factor to attract venues to the platform. Offering a highly enticing product and meeting specific needs of users is the basis for their attraction, thus giving customers an extremely high power. As opposed to venues, their power is not likely to decrease significantly over time, as an end-user product such as a mobile application or a website depends on user feedback, reviews, and word of mouth. This makes it necessary to always keep a user-centric approach.

### **1.13 Threat of substitutes**

The current indirect competitive rivalry of the industry is strong. Yet, as the direct competition is fairly low and the market has noticeable barriers to entry, the threat of substitute products is on the lower end too. The risk of future competitors arising from new entrants is only considerable in the possibility of an existing platform with a large user and venue base, like *Zomato* and *Google*, developing a similar offer.

Equally, this treat exists also if both Xceed's direct competitors, *Tablelist* and *Keyflow* decide to expand their businesses to other territories. In both cases, Xceed is working on sidestepping these potential threats by boosting a marketplace that not only focuses on clubs, but also bars & lounges and restaurants, making it the most complete solution on the market.

### **Business Challenge**

As previously explained, the COVID-19 pandemic had a destructive impact on the nightlife industry. For Xceed, the situation was no different. To have the best overview possible about what these last years have been like for Xceed, an initial interview with Mattia Franco, co-founder and CEO of Xceed, was held on the 22<sup>nd</sup> of September 2021.

According to the founder, Xceed suffered a lot in the last few years. Initially, the company tried to avoid reducing their workforce of 35 employees, but as the situation worsened, it was made clear that a contingency plan was needed. At the same time, since bars remained open for some time after the start of the pandemic, unlike what happened to clubs and large-scale events, Xceed decided to invest in opening a new vertical in the bars and lounges sector. This project had previously been identified as a potential expansion plan for Xceed, since the process of searching for bars was ‘messy’ and mainly relying on clumsy photos and senseless descriptions. Due to the radically different context the company found itself in at the time, when comparing to the launch of the clubs and festivals marketplace in 2015, the priorities for this new expansion plan were quite different. As confided, the main goal of such a platform, at that moment in time, was to capture enough value to maintain Xceed’s competitiveness on the market and, above all, “keep the brand alive”. Hence, to test the traction, the company quickly built some venue pages to measure engagement and evaluate consumers’ response to this alternative solution.

However, in June 2019, as Xceed was preparing to launch this vertical, the pandemic worsened, and bars and lounges were also closed for an indefinite period. Today, as countries have vaccinated a high percentage of its population, the industry is looking to make up for lost time. As of now, in most countries where Xceed is based, nightlife venues are fully operational once again. But for Xceed, the sequelae are evident.

According to Mattia, the company lost almost 90% of its customer base, going from an average of 700k monthly users to 70k monthly users now. The company’s team was reduced to 7 full-time employees that usually work remotely. Consequently, the expansion project to the directory of bars and lounges, that had remained frozen for the last couple of years and can now be pursued, must be completely rethought, considering the clear financial difficulties that the

company faces and the substantial pressure set by investors that require immediate return on any kind of investments now.

Still unsure as to how crowds would react to being within large groups of people, Xceed only had one certainty: if revenues did not start to scale to what they had been before, the survival of the company was at risk. Consequently, the new bars and lounges vertical was immediately seen as a project with potential to ‘boost’ sales and bring back competitiveness to Xceed.

### **1.14 Ansoff Matrix**

The Ansoff Matrix, also designated the Product-Market Expansion Grid, is a tool used by firms to examine and plan their pathways for growth. Xceed’s expansion into the directory of bars and lounges is a case of a market development strategy as the firm is entering a new market with an existing solution. Even though the solution must be reshaped to fit the need of the new venue and end-customer types, the platform interface for *Xceed: Bars & Lounges*<sup>4</sup> is similar to the already existing clubs and festivals marketplace (*Appendix 16*). Also, the firm already owns proprietary technology that it can leverage to cater to other customers.

### **Methodology**

To build a well-founded business plan that can address the previously stated need and set a basis for the creation of a successful vertical for the company, various steps will be performed throughout this work project. Following the previous situation analysis, hypotheses were developed. Depending on their validation, an actionable strategy for the business will be subsequently proposed. Considering the Trifecta for Innovation: Desirability, Feasibility, Viability (Orton, 2017), the ensuing hypothesis were defined:

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<sup>4</sup> Throughout the project, the name ‘*Xceed: Bars & Lounges*’ will be used when mentioning the sub-brand created to distinguish the bars and lounges marketplace from the already existing clubs and festivals platform.

### **1) Desirability<sup>5</sup>**

H1: Both end-users and venues are interested in *Xceed: Bars & Lounges*.

### **2) Viability<sup>6</sup>**

H2.1.: End-users are willing to pay for a monthly subscription and for additional features.

H2.2.: Bars are willing to pay for a monthly subscription.

### **3) Feasibility<sup>7</sup>**

H3: *Xceed: Bars & Lounges* can deliver a pilot project in a venue in Barcelona.

The samples used were based between Barcelona, Xceed's main market, and Lisbon, one of the more recent and highest growing markets the company is based in (*Appendix 17*). By collecting first-hand quantitative and qualitative data, insights from potential target customers and experts on the field were gathered and analysed to validate these hypothesis.

## **1.15 End-User Survey**

To test problem-solution fit for end-users of the new directory, a quantitative survey was conducted<sup>8</sup>. This allowed for an understanding of the end-users' needs whilst providing an idea of possible desired solutions. The sample was composed of 109 individuals, consisting of both female (60%) and male (40%) respondents, 70% being aged between 18 and 24, and the following 30% aged 25 to 44. 93% of the sample currently lived either in Portugal or Spain.

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<sup>5</sup> If any of the parts does not present interest in the suggested solution, the hypothesis is not validated.

<sup>6</sup> If any of the parts does not present willingness to pay for the solution, the hypothesis is not validated.

<sup>7</sup> This hypothesis is pending on approval to be (or not) validated.

<sup>8</sup> The complete survey can be consulted in Appendix 18

From the entire sample, 88% stated that they enjoy going out, and the vast majority – 73% - does it at least once a week. Additionally, 77% of the respondents acknowledged that they plan nights out beforehand, meaning where/when to go and what to do. These values lead us to conclude that the sample is statistically representative of the nightlife community.

In a normal, pre-pandemic scenario, the sample in study would, most frequently, go out to bars and lounges, followed by clubs and house parties. Currently, an increasing preference for bars and lounges was registered, as they are less crowded, calmer and, in some cases, airier.

As for the means used to search for venues other relevant information needed to plan a night out, most respondents affirmed to use either social media, Google, or recommendations from friends to do so. However, they do have problems during this process, especially related to lack of personalized suggestions, lack of explicit and detailed descriptions of the venues and prices, and lack of an aggregator of the best activities and events happening at bars and lounges.

When presented with the option of a service that did precisely that, 95% told to be “interested” or “very interested” in joining it. “Exclusive events”, “Personalized communication/offer”, “Online content creation” and “Interactive experiences” were the success factors that respondents considered to be the more important ones for the success of such a marketplace. Over the following chapters, the resting insights gathered from the extracted data will be used in order to justify the suggested pathways *Xceed: Bars & Lounges* is advised to follow.

## **1.16 Focus Groups**

As a method to test the product-market fit for end-users, two focus groups of six people were performed. The sample consisted of individuals aged between 21 and 28, living in Barcelona and Lisbon, that fit the target group profile that will be mentioned in the *customer value proposition* paper of the business plan. The participants helped to clarify the decision-making

process of the target segment, as well as to measure the desirability and viability towards the proposed solution and monetization model. These insights will be further mentioned along the following work project papers.

### **1.17 Venues On-site Interviews**

With the intent of testing both the problem-solution and the product-market fit, as well as the desirability and viability of *Xceed: Bars & Lounges* for the venues segment, qualitative interviews with quantitative surveys were organized.

More specifically, to assess the interest of potential bar and lounge clients in joining *Xceed: Bars & Lounges*, along with their willingness to pay and the relevance of the service. To do that, 24 bars and lounges were visited in Barcelona over three days (*Appendix 19*). At the day of the visit, the managers of these venues were asked to answer a questionnaire where, among other things, they were presented with a draft of the solution and benefits (*Appendix 20*).

The sample mainly consisted of venues with higher-end clients looking for a more exclusive experience. Considering the survey's responses, an overall need for a solution to help attract customers, forecast sales, manage seasonality, track consumption, and promote events was revealed (*Appendix 21*). Moreover, a good part of these venues was looking for a new method for collecting and analysing client-related data, as well as financial results. About 42% of the sample currently used non-technological methods for these activities, revealing a need for a digitalized and centralized platform able to provide such services (*Appendix 22*).

### **1.18 Expert Interviews**

Finally, interviews with industry experts, such as entrepreneurs and investors, provided a better understanding of market specifics, potential challenges to overcome and critical success factors that need to be addressed. Therefore, to gain different perspectives on how to create a valuable

and sustainable business model, and to have professional validation throughout the project's findings, one-on-one meetings with the following experts were held<sup>9</sup>:

**Carlos Dinis:** Carlos is a Portuguese entrepreneur, board advisor and consultant in different companies, where he prepares companies and entrepreneurs to anticipate crises and predict risk signs. Today, he is an invited Professor at Nova SBE.

**António Marinho Torres:** Antonio is a Brazilian global marketer and general manager who has developed a management career in leading companies in both fast-moving consumer goods and technology. More recently, he has focused on technology start-ups, acting as consultant, chief marketing officer, board advisor, and investor.

**Nuno Simões:** Nuno is a Portuguese serial entrepreneur with a demonstrated history of working in the management industry. He supported and directly trained 23 franchise openings around the world, meaning he is an expert in replication and scalability.

**Rita Dinis:** Rita started her career in Management Consulting. After successfully founding and managing her own company - Ambassador Portugal - she currently works at Demium, the fastest-growing pre-idea incubator in Europe.

**Gild Belford:** Gil is a Portuguese digital entrepreneur involved in a wide variety of companies, anything from ambitious start-ups to well-established international brands belonging to various industries and markets, such as Zomato and Fever, two companies particularly relevant in the context of this project. Today, he is head of strategic partnerships at Stealth Startup.

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<sup>9</sup> A summary of all expert interviews can be found in Appendix 23

Additionally, regular support from Xceed's cross-cultural team of industry experts, including founders and top management, was sought over the course of the project. As this is a startup consulting project, priorities, concerns, and perspectives from the client-side were crucial to be able to end-up with an adequate and valuable business model and commercial strategy. Therefore, the various perspectives and advice collected from the client, Xceed, will be a base for the direction the new vertical should follow. These are mentioned in the respective parts throughout the documents.

(Social Sciences DataLab, Project 22209).

## **Introduction – Individual Part**

Formerly, the customer value proposition part reflected upon the importance for companies to create a valuable service that customers can perceive. Furthermore, that part of this consultancy work was dedicated to selecting the right market segment for *Xceed: Bars & Lounges* to target, as well as building the correct positioning whilst designing the right solution for its prospecting venue and end-user clients.

Although the data and insights gathered via a set of market studies performed, showed a promising commercial opportunity for Xceed, it does not solely solve the risk that is entering in a new market. Xceed's expansion into the directory of bars and lounges requires a detailed and strategic plan. Therefore, this part will focus on outlining how the company can access and deliver the value previously identified.

Firstly, a go-to-market strategy will be developed, explaining how *Xceed: Bars & Lounges* should distribute and deliver its services to the new target market, including, among other things, communication of marketing messages and brand identity. According to Harvard Business Review authors Ron Ashkenas and Patrick Finn (2016), "*Figuring out a go-to-market approach is no trivial exercise*" as it "*separates the companies that will be successful and sustainable from those that won't*".

Secondly, this part of the work will also include a technology and operations management plan, to consider the multiple activities, both in-house and outsourced, comprising *Xceed: Bars and Lounges*.

## **1. Go-to-Market**

A go-to-market strategy specifies how a company will reach customers to achieve a competitive advantage. Its purpose is to provide a “blueprint” for delivering an offer (Rouse, 2015).

### **1.1 Distribution**

Xceed’s services do not follow a complex pathway until they reach its two sets of clients. End-users and venues can access Xceed through its interface platforms. Both *Xceed: Bars & Lounges*’ and Nightgraph Management Software’s mobile version will be available in both *Google* and *Apple* app stores, allowing for a more convenient on-the-go use. Additionally, both services can be accessed through different tabs in Xceed’s website. Users and venue managers can log in to their accounts and use this desktop version.

Nonetheless, for lower development costs and store fees, the new vertical should be integrated in the already existing platforms, always assuring that there is a clear and visual differentiation between the club’s branch and the one for bars and lounges. In section 1.2.2 there is a more in-depth explanation on how to build a distinctive brand identity for *Xceed: Bars & Lounges* against the clubs offering.

### **1.2 Demand Generation**

#### **1.2.1 Conversion Funnel<sup>10</sup>**

The Customer Decision Journey, described in the customer value proposition paper, culminates into the Conversion Funnel. This funnel framework facilitates a deeper understanding of how customers are acquired and activated. If done with the correct tools, this activation creates a “viral loop”: a mechanism that drives continuous referrals for sustained growth.

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<sup>10</sup> See Appendix 1 for a visual outlook on the conversion funnels for End-users and Venues.

### **1.2.1.1 For End-users**

For a business such as *Xceed: Bars & Lounges*, customer retention is all about keeping customers engaged with the company. Some of the most effective methods include reward systems, loyalty programs and access to exclusive brand events. It is advisable for Xceed to pair that with e-mail marketing and a regular social media and website/blog content plan.

Besides that, a continuous development of the platform, while making sure that it constantly features the best and most desired venues, is crucial to keep customers locked in with Xceed. For that, end-user feedback after each experience with *Xceed: Bars & Lounges* should be constantly collected and analysed. Additionally, engagement techniques that require active participation of users, like completing weekly night-checklists to win prizes<sup>11</sup>, and the strategic launch of new experiences must be under constant consideration over time.

The third stage of the conversion funnel is to grow the customer base. To do that, *Xceed: Bars & Lounges* should put a referral system in place. Hence, satisfied end-users are incentivized to bring in others, ensuring the continuous growth of the platform. This strategy will be explained further in section 1.2.4.

### **1.2.1.2 For Venues**

After understanding how venues are acquired, it is important to manage the relationship with them, ensuring their constant satisfaction and future loyalty. This way, partners will not only stay with *Xceed: Bars & Lounges*, but they are also more likely to refer the platform to peers and activate a chain reaction of recommendations. Consequently, making the new vertical grow.

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<sup>11</sup> See section 1.2.4 for more information on retention and referral programs.

Firstly, it is important to certify that the venues understand and know how to use the platform, leveraging all the benefits *Xceed: Bars & Lounges* has to offer. Therefore, service how-to's in the shape of video seminars, e-mails and web content will be provided. At the same time, seminars on digital marketing and audience engagement should be offered by the company to boost the value, bringing venues up to date on the key concepts of venue management 2.0<sup>12</sup>.

To retain venues, account management is fundamental. Through follow up calls and e-mails, satisfaction surveys and 'troubleshooting', venues should receive immediate help in case of any problems arising. In this context, *Whatsapp Business* could be an interesting option that its free of charge. Various well-known companies already use its pre-prepared explanatory messages clarifying customer's most common doubts. This way, employers save time, as they are not constantly typing similar messages. Moreover, the possibility to add instructive videos/pictures to those messages and have them stored in the app is also available. This constant care and organizational involvement create a strong bond between Xceed and its venue clients, building the base for more and continued referrals.

An additional way to take venues' loyalty to the next level is a rewards system, where high-performing clients can receive special benefits, such as featuring in a top position of the platform's search results or by being selected to hold special brand events in their venue.

Lastly, by representing another virtuous loop for loyalty and partner satisfaction, a referral system also applies to the advocacy stage in the conversion funnel for venues. WOM and peer recommendations are highly valuable in this regard too. Testimonials and the inclusion of statements from current venue clients in online communication is an option to precisely do this.

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<sup>12</sup> 'Venue management 2.0' is a concept used by Xceed to describe a way of managing bars, lounges, clubs, and other nightlife related venues based on technological automation, active interaction, and customization.

### **1.2.2 Brand Identity**

The new vertical is an extension of Xceed's business model into the new sector of bars and lounges. Hence, while leveraging the brand that is already in existence, it is advised that some adaptations are made to appeal to the new target audience.

Xceed stands for a fun, young brand that allows people to have extraordinary experiences and to connect with others. At the same time, it is clean, simple, intuitive, and appealing to an audience of outgoing people. Xceed embodies the feeling of a friend's recommendation for the best night out. It is precisely these core aspects that will be kept as a fundamental part of the new directory's identity.

The main brand should keep its corporate identity, embodying the modern and fresh ideas the business offers. However, *Xceed: Bars & Lounges* should be a symbol of status, hence it is imperial to create a differentiation from the current platform. In this context, some adaptations should be considered, such as the red wine color that delivers an extra focus on elegance, exclusivity, and the platinum color that conveys the idea of a premium experience. In Appendix, a proposal for Xceed: Bars & Lounges' color scheme can be found (*Appendix 2*).

### **1.2.3 Promotion**

Due to decrease in revenues over the last two years, Xceed's board stated that they are only willing to invest in demand generation techniques that yield almost immediate to short-run engagement. Hence, for the success of this new business vertical, it is crucial to reach the target consumers identified in the customer value proposition part efficiently. The main objective for the developed promotion mix is the creation of a large customer base (on both ends: user and venue) for *Xceed: Bars & Lounges*. Simultaneously, expanding their brand awareness.

Thus, a community-centric storytelling is imperial to drive client engagement. Both venues and end-users should feel they are part of a network of people moved by extraordinary nightlife experiences. Conveniently, the company should resort to below-the-line means of communication<sup>13</sup>, in an effort to reduce investment allowing for budget allocation elsewhere. Yet, if there is a need over time, other sources of paid media could be included in the promotion plan, mainly in form of digital ad placements.

To initially boost the desirability of the platform and to create a sense of exclusivity for the end-users a special promotional strategy should be implemented, namely by limiting the access to the platform after its launch for a period of three months. Along these lines, Xceed should launch the bars and lounges platform on an invitation only basis to assure that the new vertical has immediate end-user traction. To do that, the first 200 users will be invited high-end customers from Xceed's current client base. They will only have the possibility to invite two other friends to join. These two friends can only invite two others and so on. These 'pioneers' – the first users benefiting from *Xceed: Bars & Lounges*' experiences - will be crucial to help the company overcome the 'innovation chasm'.

As a consequence of targeting higher-end customers with high influence and strong social networks, the ability of the platform to reach the masses via WOM - a credible consumer-led source - will be high, and it will build psychological switching costs in prospecting end-users. It is a proven marketing effect, that when a quantity of a product or the access to a special event or service is very limited, it is generally more desired (Wang, Sung and Phau, 2021). Ideally, this should be able to create a low-to-no cost, but very successful promotional campaign for Xceed.

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<sup>13</sup> Expenditure on advertising through other means, excluding traditional media.

Moreover, it is proposed that *Xceed: Bars & Lounges* invites relevant social media influencers and trend-setters that have a large audience and allow them to use the service first. Entrepreneur Gil Belford suggested Xceed to follow a similar strategy as used by Zomato, consisting of sending influencers special invitations to access to the platform and, in return, simply ask them to write a short review on their respective platforms about their experience while using *Xceed: Bars & Lounges*<sup>14</sup>. This combined with the aspect that new users can only join when invited by someone that is already on the platform can spark a ‘hype’ around the product.

After a certain period, and once some people have joined the platform, the growth is expected to be exponential. Yet, once the ‘buzz’ created by this FOMO strategy declines (i.e., once the quotient given by the number of downloads and the number of registrations presents an increasingly descendent tendency), the firm should end that strategy and move on to the next promotional tactic: grab the initial rush and support it with further engagement, community management, and product development.

As the target end-user segment is rather young, technological and enjoys socializing, the suggested media focus for promotion is online. Social media promotion on existing channels, (i.e. Instagram) can reach a consumer group that is already interested in nightlife experiences and has a great potential to be keen on the proposed solution (*Appendix 3*). To drive venues’ attention towards Xceed, the firm has been pursuing cold calling and cold e-mailing based on the best leads of venues in each city. This outbound strategy paired with the inbounds coming

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<sup>14</sup> The insights retrieved from the meeting with Gil Belford can be found in Appendix 5.

from the network effects of B2C engagement, awareness, and loyalty, justify the 131 active venues<sup>15</sup> on the club's platform. For the new vertical, Xceed should apply the same strategy.

As confirmed with the physical interviews, most bars and lounges' owners stated that the best tool for leveraging additional venues to join would lie on having a good promotional strategy that attracts end-users to *Xceed: Bars & Lounges* (Appendix 4). Customers are key. Their receptivity to the new vertical will be one of the crucial factors on B2B adherence. Hence, on its core, the B2B promotional strategy is intrinsically related to the B2C one abovementioned.

Another promotional factor could be the organization of annual events for venues, as well as exclusive parties for end-users. This should contribute to building and strengthening a desire for community and infer a growth from both sides of the equation. Each additional user enhances the experience for every member of the Xceed community.

Overall, partnering with influencers, organizing contests, and writing nightlife articles should be considered by the company to deliver value to the users even before they use the platform, something very powerful for a company's pursuit to become a 'love brand'<sup>16</sup>.

In addition, Xceed should invest in video production and photography to create desirability around its exclusive venues and events. In this digital age, visual communication can implement emotions and convey much more than words. Xceed can use this technique to achieve its positioning as a high-end marketplace for bars and lounges, which ought to increase users' willingness to pay and venues' willingness to partner.

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<sup>15</sup> From all Xceed partnering venues, these were the ones that remained operating after the coronavirus pandemic.

<sup>16</sup> A love brand is a brand that is loved by consumers and manages to create emotional bonds with them, to a point where it transcends the traditional relationship that exists between company and customer (Deloitte, 2021)

A YouTube page showing the latest parties and video tours of each available venue could be important factors to accelerate adhesion (*Appendix 6*).

Moreover, this content should be integrated across all platforms to enhance *Xceed: Bars & Lounges'* image as an exclusive experience provider. Finally, it is important to work with strong Search Engine Optimization (SEO), to get end-users that actively search for bars online, to discover the Xceed platform and to then reel them in.

The success of this digital promotional strategy can be assessed through click-rates, app downloads, user registrations, and, on the other hand, by gathering venues' insights about their traffic. Of course, it is also important to assess how end-user retention performs, if the right consumers are being attracted to register to the platform, and if they are actively using the platform. In case of a discrepancy, the promotional mix should be reevaluated (*Appendix 7*).

#### **1.2.4 Retention and Referral**

An important retention technique that can be used by Xceed in this new vertical is peer-to-peer (P2P) marketing. Referrals and affiliate programs should be in place to encourage clients to engage with friends or associates by advocating *Xceed: Bars & Lounges'* services.

##### **1.2.4.1 For end-users**

For end-users, four retention and referral techniques are suggested:

- I. **Night-checklists** encompass an engagement technique that requires active participation of end-users. These consist of giving users different challenges (through their app accounts) for them to fulfill each time they go to one of *Xceed: Bars & Lounges'* venues. Examples of what the checklists can include are: 'dance with a friend',

‘make a cocktail’, ‘take a picture with a bartender’, among others. Users would then upload a picture corresponding to the requirement to verify their achievement and afterwards be rewarded.

- II. Subsequently to the three-month period where the new vertical is accessible for end-users with invitations only, every *Xceed: Bars & Lounges*’ client should be able to **invite friends**. This invitation should be suggested and reminded by means of in-app pop-ups, enabling the end-user to share the event that she/he is visiting via common text message or *WhatsApp*. For the friend to check-out the event, she/he will be directed to the download of Xceed’s app, and consequently to login in *Xceed: Bars & Lounges*. End-users that bring the biggest number of friends to Xceed should be compensated.
- III. After attending a venue through Xceed, it is encouraged that end-users **leave feedback** on their app accounts – a crucial touch point influencing the customer-company relationship. For each review, the subscriber receives a point. When 10 points are reached, the end-user should be compensated.
- IV. Moreover, *Xceed: Bars & Lounges*’ **best end-users**, i.e., the ones who are most active on the platform, meaning they are frequently purchasing via Xceed, always fulfilling night-checklists and leaving valuable feedback, should be rewarded as well.

The rewards mentioned range from entrances for a selection of brand events (dual-sided reward), entrances in *Xceed: Bars & Lounges* organized outbound experiences (that should only have a limited number of vacancies), access to special drink menus or even receive brand’s merchandising.

If all of this generates the intended effects, a Xceed-User bond develops, leading subscribers to enter a loyalty loop: where the trigger should directly lead to a purchase. This finishes the customer's decision journey and restarts it already in the purchase stage (see more on this in the customer value proposition paper).

#### **1.2.4.2 For venues**

Venues should be rewarded based on the number of bookings they have. This affiliate program should lead the top-selling venues to benefit from additional services as, for instance, superior marketing packs and higher rankings on the app's search engine.

Moreover, within the first three months of a bar or lounge joining *Xceed: Bars & Lounges*, venues should receive the opportunity of recommending the platform to peer establishments. In fact, it is advised that, if the peer joins the platform, both establishments receive a 100€ bonus after their first transaction via Xceed.

There should be no limit to how many establishments can be referred by a proprietor, but only those aligning with *Xceed: Bars & Lounges'* requirements should be able to join the platform. This way, building a strong venue base becomes simpler, as other venues would be incentivized to join the platform and users would get a bigger selection of high-quality establishments.

### **1.3 Other Factors**

The management of a two-sided marketplace as Xceed requires constant attention over the delicate balance of demand on both sides. Network effects are crucial to convince both end-users and venues to come together in high-value exchanges.

According to Thomas Eisenmann (2016), when successful, these businesses catalyze virtuous cycles: more demand from one user group generates more from the other. Nevertheless, each

organizational strategy must be adapted to overcome challenges and capture the advantages of these two-sided markets.

As stated by professor António Marinho Torres<sup>17</sup> “*A double-sided business model based on orchestration effects can become one of the best business models when it generates an immense amount of network effects. The only question is how and where to start creating these effects*”  
*As Xceed already has some of the biggest venue players as partners and some customer base it seems possible to actually generate such effects.*” In fact, *Xceed: Bars & Lounges* should be able to attract a large enough group of users at once, since the following conditions are true:

- I. ***Xceed: Bars & Lounges* already has some venue partners** from their early pilot stage in 2019, meaning it can already build some end-user demand from the moment of the launch. Moreover, this also generates FOMO for the other qualifiable venues.
- II. **The company already has a name in the industry.** Therefore, Xceed’s track record with its current platform, can accelerate the decision-making process of potential venue clients. Additionally, end-users familiar with Xceed, either due to WOM or past experiences, will also be more likely to be interested in the new branch.
- III. **End-user migration between the clubs and bars & lounges marketplaces will exist.** Despite both target segments being distinct, there will be some clubbers that are already using Xceed interested and willing to try the new bars and lounges platform. Additionally, given the survey results, a great number of previous clubbers seem to have developed a preference for going out to bars & lounges after the pandemic, since they are generally less crowded (*Appendix 9*).

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<sup>17</sup> The insights retrieved from the meeting with professor António can be found in Appendix 8.

Hence, considering the company already has some prospective B2B and B2C clients, the process seems to have the conditions to gain traction and scale fairly quickly.

## **2. Technology & Operations**

### **2.1 Value and Supply Chain**

According to Porter (1985), breaking down an organization's activities into strategically relevant bits, allows for a more complete view of the cost drivers and/or sources of distinction. Thus, for a further strategical understanding of the new vertical's management and value creation stages, *Porter Adapted Value Chain's* backed the following sections (*Appendix 10*).

#### **2.1.1 Key in-house activities**

Xceed's core value chain activities regarding the new vertical encompass all the previous ongoing operations whilst also including new inbound ones. Firstly, Xceed must attract bars and lounges to join. Thus, a sales acquisition team is necessary. A part of this team will need to be hired, but to create less financial impact, Xceed can reskill current human resources with training sessions concerning renewed pitching methods tailored for bars and lounges. By benefiting from economies of learning, Xceed can reduce G&A costs to a minimum by using the existing human resources.

Secondly, the firm is advised to make a visible distinction between Xceed and the *Xceed: Bars & Lounges*' branch in its technological platforms (*Appendix 11*). Simultaneously, it should insert a list of the new venue joiners; incorporate all the new features that were validated by the main audience (*Appendix 12*) with the respective prices; create venue descriptions and taglines whilst uploading the up-to-date schedules regularly.

Lastly, the company must adapt its design, marketing, communications, and content development so that it addresses the new targets whilst building the desired brand perception around exclusivity.

### **2.1.2 Key partnerships**

As stated by the expert Nuno Simões<sup>18</sup>, every business proposal needs its ‘gravy’. To generate competitive advantage to upsurge the barriers to entry in this sector, *Xceed: Bars & Lounges* must refine the end-user experience. In fact, partnerships can precisely be used to leverage that ‘gravy’. Having access to a limousine service, personal photographer, or a butler assistance provides the feeling of a utopic night out, which the trend-setters aim for. In this context, companies were inquired about partnerships with *Xceed: Bars & Lounges* (Appendix 14).

For limousine partnerships, the companies ‘*Barcelona Hummer*’, ‘*Limos Barcelona*’, ‘*Limusinas Carpediem*’ and ‘*Blacklane*’ were contacted. For butler services, ‘*Butlers Barcelona*’ and ‘*Luxury Butler*’ showed interest in a partnership of this nature. Moreover, the professional photography companies ‘*Retratos Barcelona*’ and ‘*Splento*’ have shown availability to collaborate in the personal photographer experiences, as well as in the visual coverage of events and postproduction of videos/photos.

To maximize *Xceed: Bars & Lounges*’ success, it is important to ensure a high ability to reach the proposed end-user profile with a trendsetting spirit. Hence, it could be important that the company partners with student organizations of private universities (e.g., ESADE’s luxury society group), as well as luxurious touristic agencies (e.g., Premium Traveler Barcelona).<sup>19</sup>

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<sup>18</sup> The insights retrieved from the meeting with Nuno Simões can be found in Appendix 13.

<sup>19</sup> See Appendix 15 for more information on potential partners in these categories.

Lastly, in *Xceed: Bars & Lounges*' events, it is wise to partner with drink suppliers as well as well-known artists and negotiate the launch of a new drink or a new music exclusively at Xceed events. It is worth noting that Xceed might be better off by outbounding all the previously proposed experiences, sparing the firm of further expenses.

## Conclusion

Xceed's core value chain activities regarding the new vertical encompass all the previous ongoing operations whilst also including new inbound ones. In order to 'go to the market', i.e., launch the new directory, it is crucial that there are customer acquisition strategies in place.

In order to generate ample network orchestration effects on the end-user side, a specific promotional strategy that highly promotes exclusivity should be in place for the first three months that follow the launch. Thus, within that time frame, the access to *Xceed: Bars and Lounges* should be through an 'invitation only' approach. As for venues, sales techniques and account management are vital, but ultimately WOM and a loyal and abundant end-user base is what should drive more venues to join the new vertical inbound. These tactics combined with influencer marketing culminate in an effective low-cost approach that not only build brand awareness but also create desirability.

Both client groups should then be retained through rewards systems, loyalty programs, engaging marketing activities and celebratory events for the best clients. To add a further differentiating factor to the business, strategic partnerships that provide exclusive end-user experiences, such as limousine, photography, and butler services, should be included in the model.

Lastly, while the new vertical can be integrated within the existing technological platforms, a visible distinction needs to be made. The brand, design and marketing and communication strategy require adaptation and execution accordingly. While *Xceed: Bars & Lounges* will keep the main identity of the company, it should be differentiated with a new aesthetic and elegant color schemes, embracing the premium feel of the new business.

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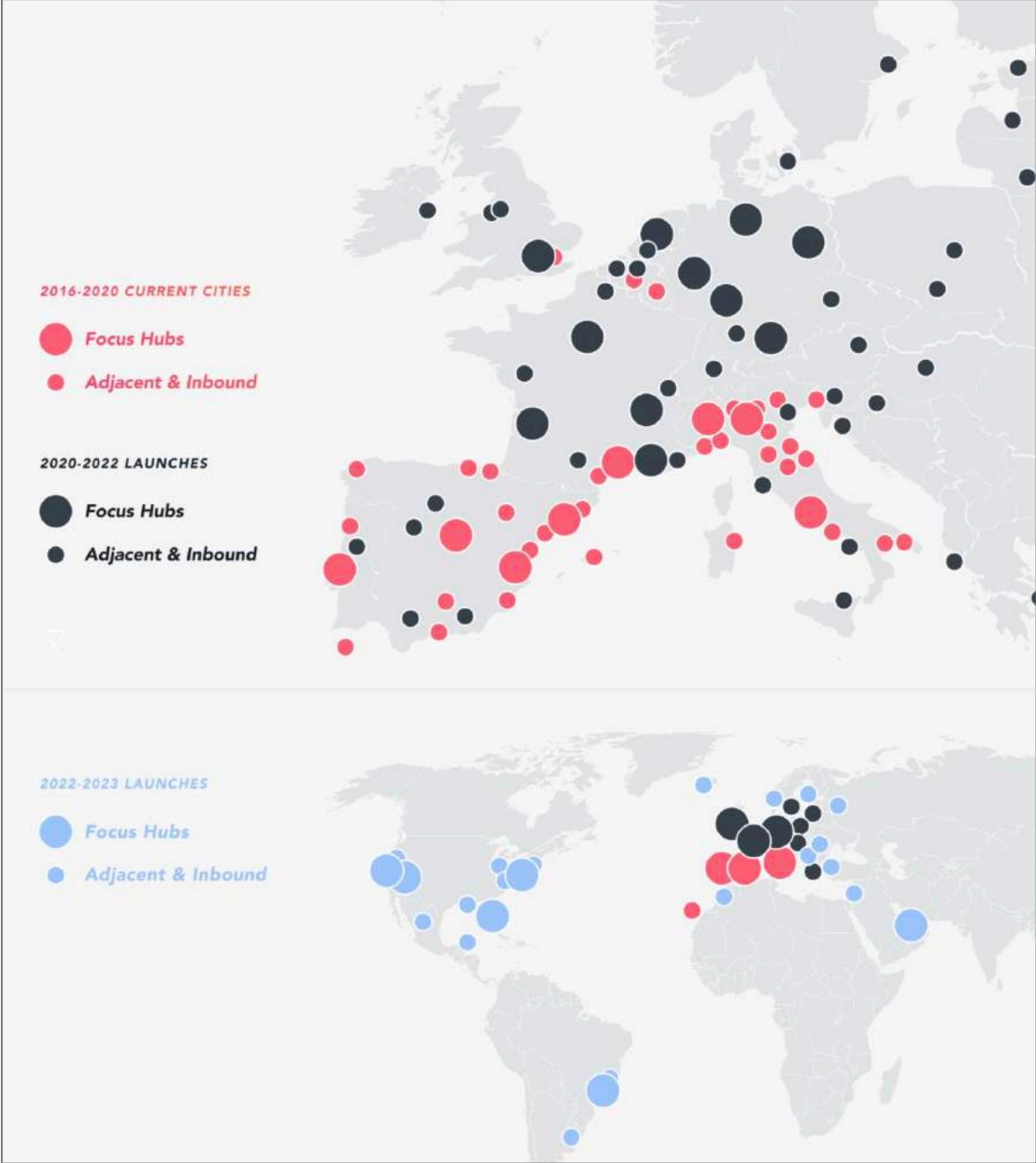
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**Appendix - Group part**

*Appendix 1 - Xceed Current and Prospective Markets (2021)*



Source: Xceed, 2021

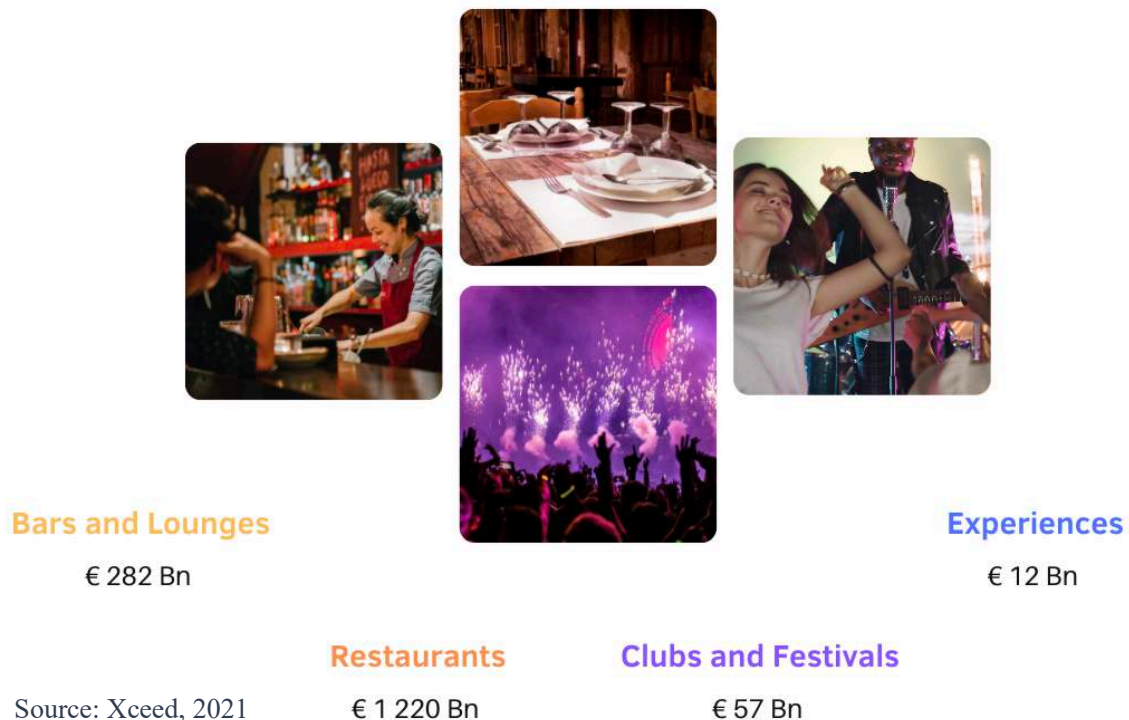
*Appendix 2 - Summary of the Meeting with António Marinho Torres (30.09.2021)*



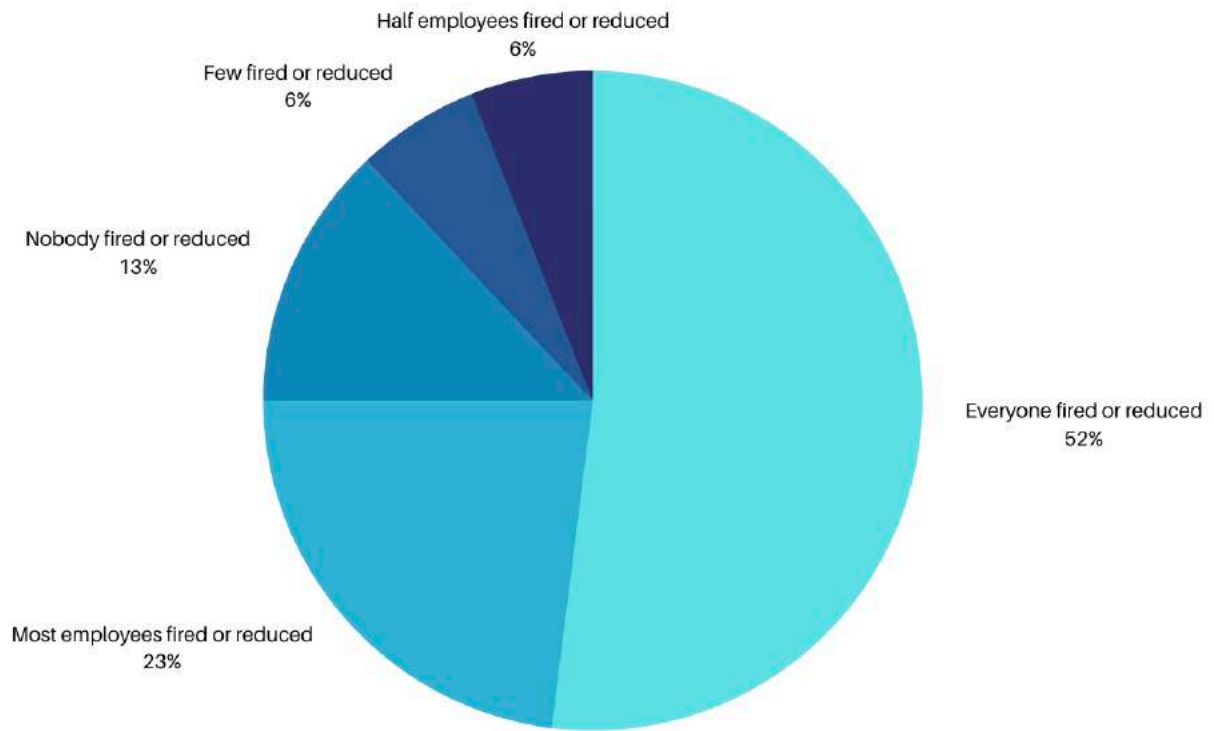
Being both a Global Marketer, a General Manager and an Entrepreneurial Consultant, professor António Marinho Torres listened to the proposal and gave his feedback on it.

As points of improvement, Professor advised to follow the Eisamman (2011) Business Model. For each element of this business model, namely customer value proposition, technology and operations management plan, go-to-market strategy and profit formula – the author includes a list of issues that an entrepreneur must ask when evaluating early opportunities. Hence, according to António, using this business model leads one to reflect upon specific issues that can ultimately prevent failure, like the impact of network effects, switching costs, vertical integration, first-mover advantages, etc.

*Appendix 3 - Nightlife Market Value by Sector (2021)*



*Appendix 4 - Effect of the Pandemic in the Nightlife Industry's Workforce (2021)*

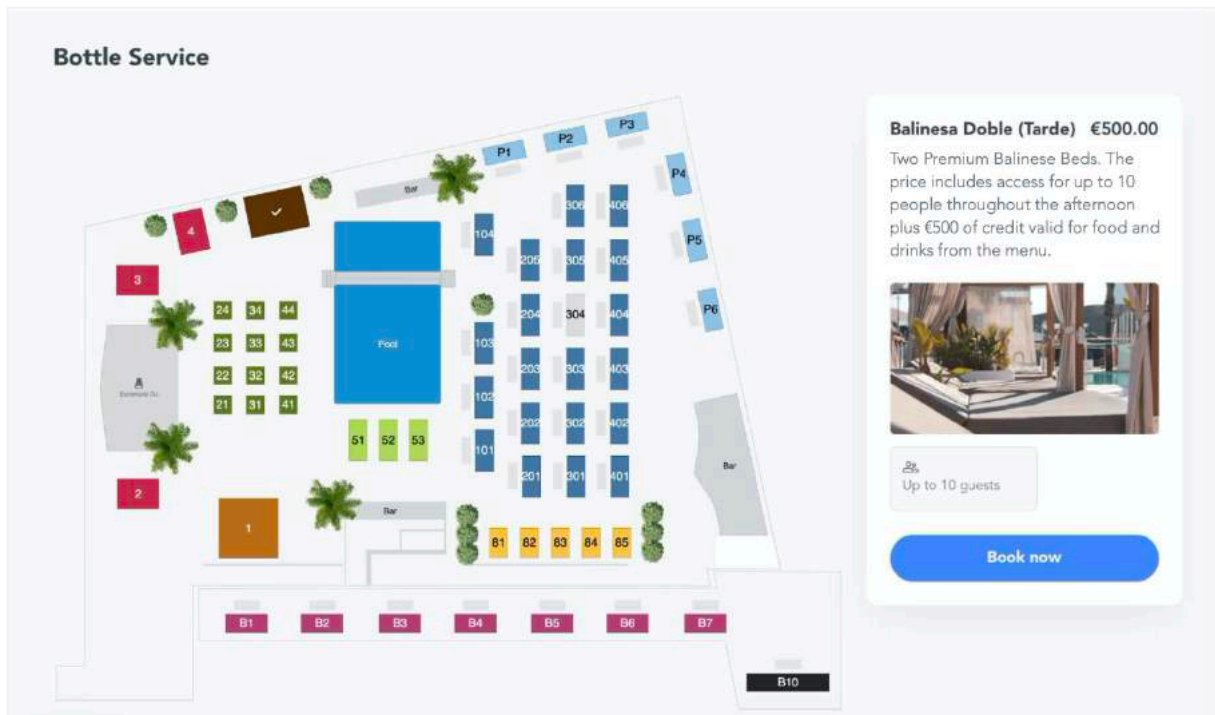


Source: Xceed, 2021

Appendix 5 - View of Nightgraph Software (2021)



\* Description: Nightgraph home page with the multidevice scanner app and live view of customer base.



\* Description: Nightgraph live table management tool.

Events Customers Channels Presets

Search

Absolut. CREATE EVENT

## Absolut Elyx Night

960 ATTENDEES FORECASTED

VIEW EDIT ADD GUEST PROMOTE

F11 JAN 22:30 - 04:00 VS 15°C

**€8,645.00** Online Revenue  
**615** Bookings  
**11,372** Event Views  
**5%** Views to Bookings  
**+25%** Performance Score

This event starts in 3 days  
[Access Control](#)

Bookings Traffic Customers Channels ALL TIME

You have 3 requests to review for this event. [Manage requests](#)

### Bookings

**615** BOOKINGS (+14% events average)  
**€8,645.00** ONLINE REVENUE (+21% events average)  
**5%** VIEWS TO BOOKINGS (-3% events average)

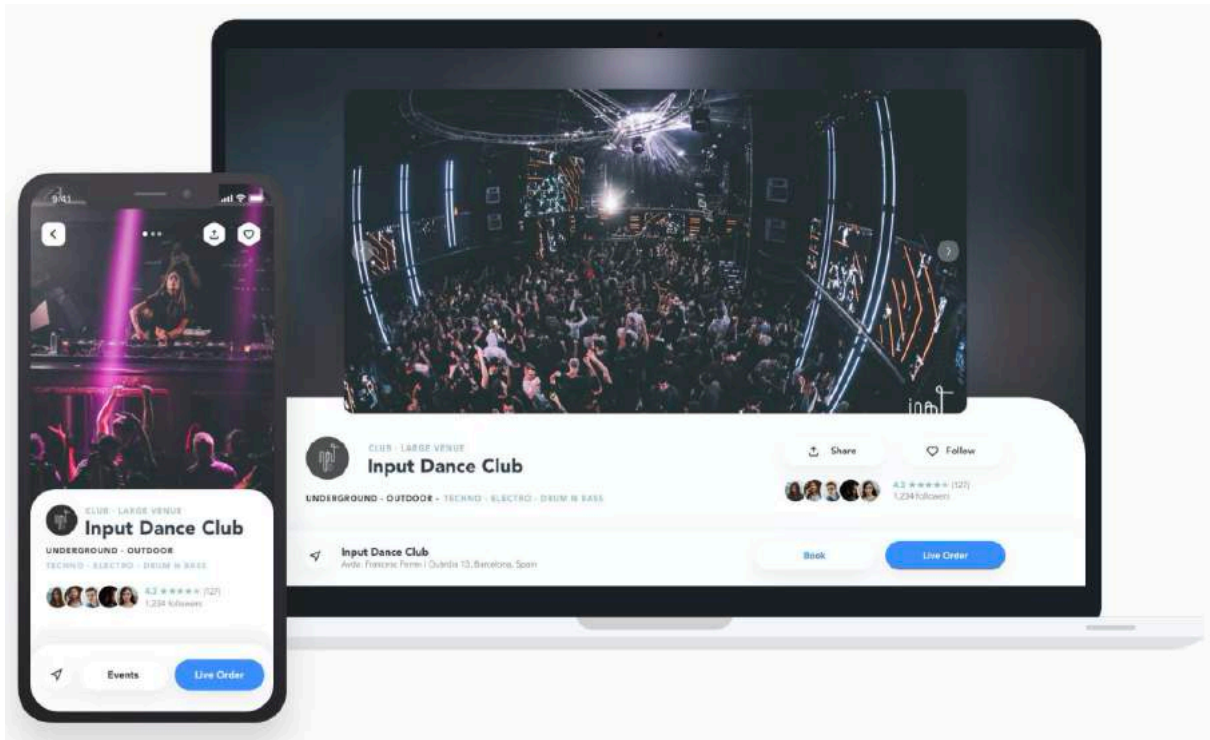


OFFER	PRICE	SOLD	STATUS	END SALES	ONLINE REVENUE
Tickets	from €10.00	613 / 750	On Sale	15 Oct 22:30	€7,545.00
Bottle Service	€350.00	2 / 12	Hidden	15 Oct 22:30	€700.00

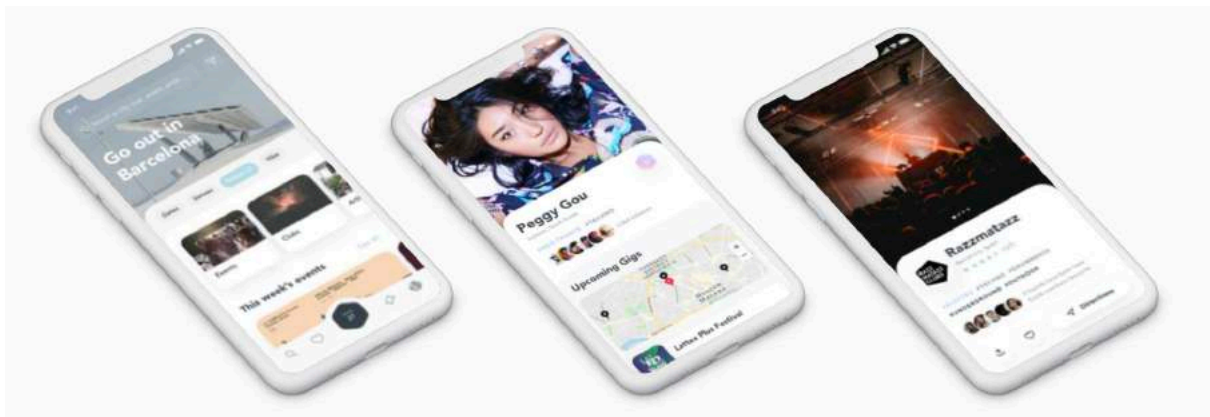


\* Description: Analytics menu with real-time booking stats, traffic analysis and conversion tracking.

Appendix 6 - View of Xceed Marketplace (2021)

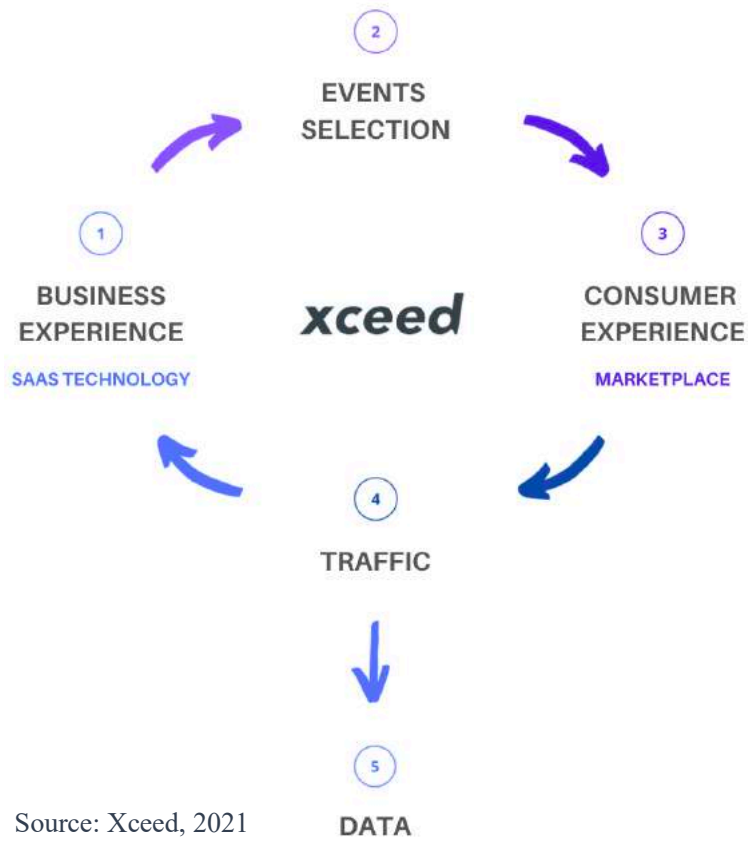


\* Description: Example of an Xceed club page.



\* Description: Xceed home page (left), search function by artist (middle) and by club (right).

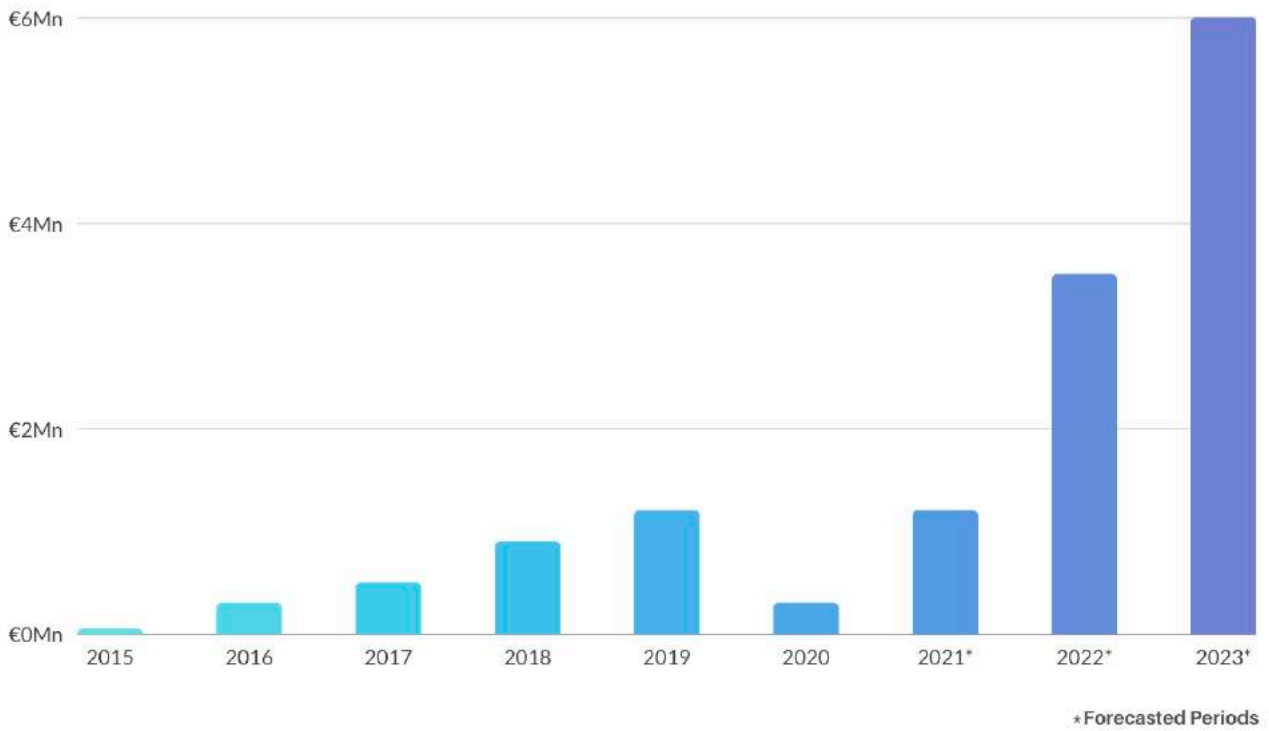
Appendix 7 - Xceed Business Model (2021)



Appendix 8 - Xceed Revenue Streams (2021)

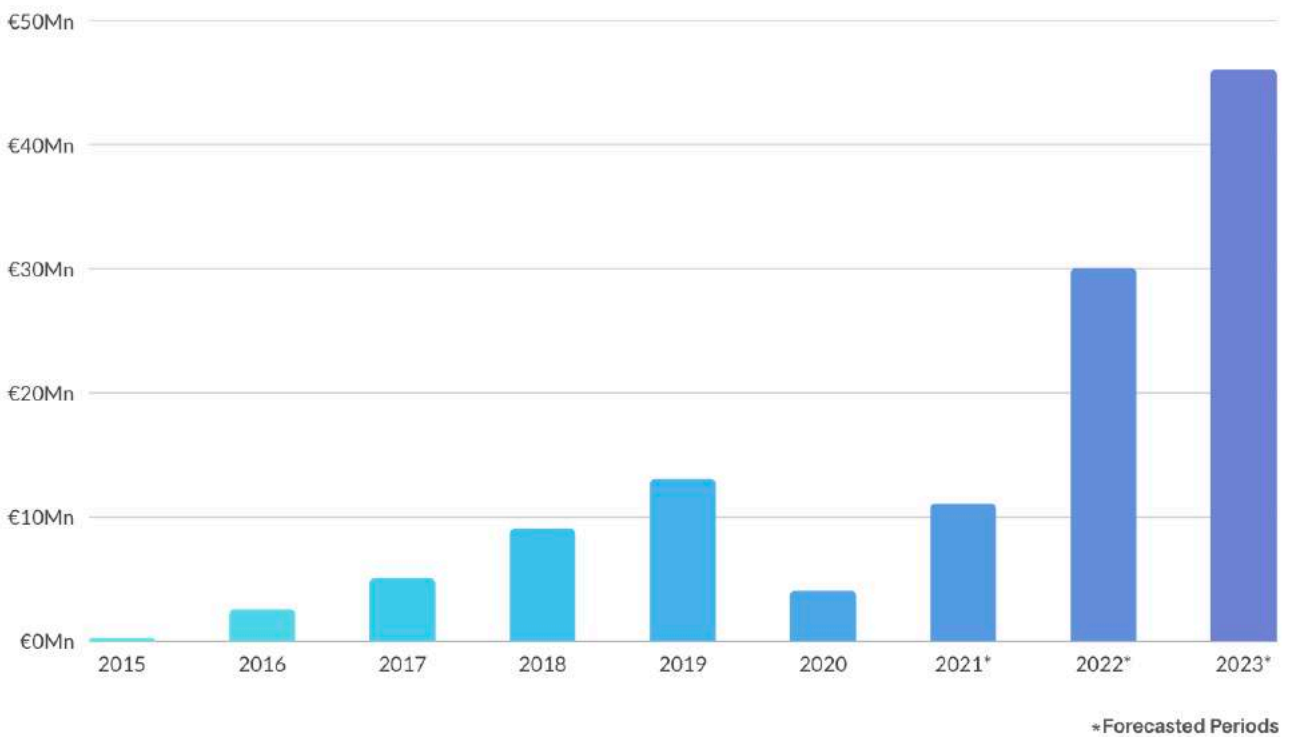


*Appendix 9 - Xceed Yearly Net Revenue Evolution (2015-2023)*



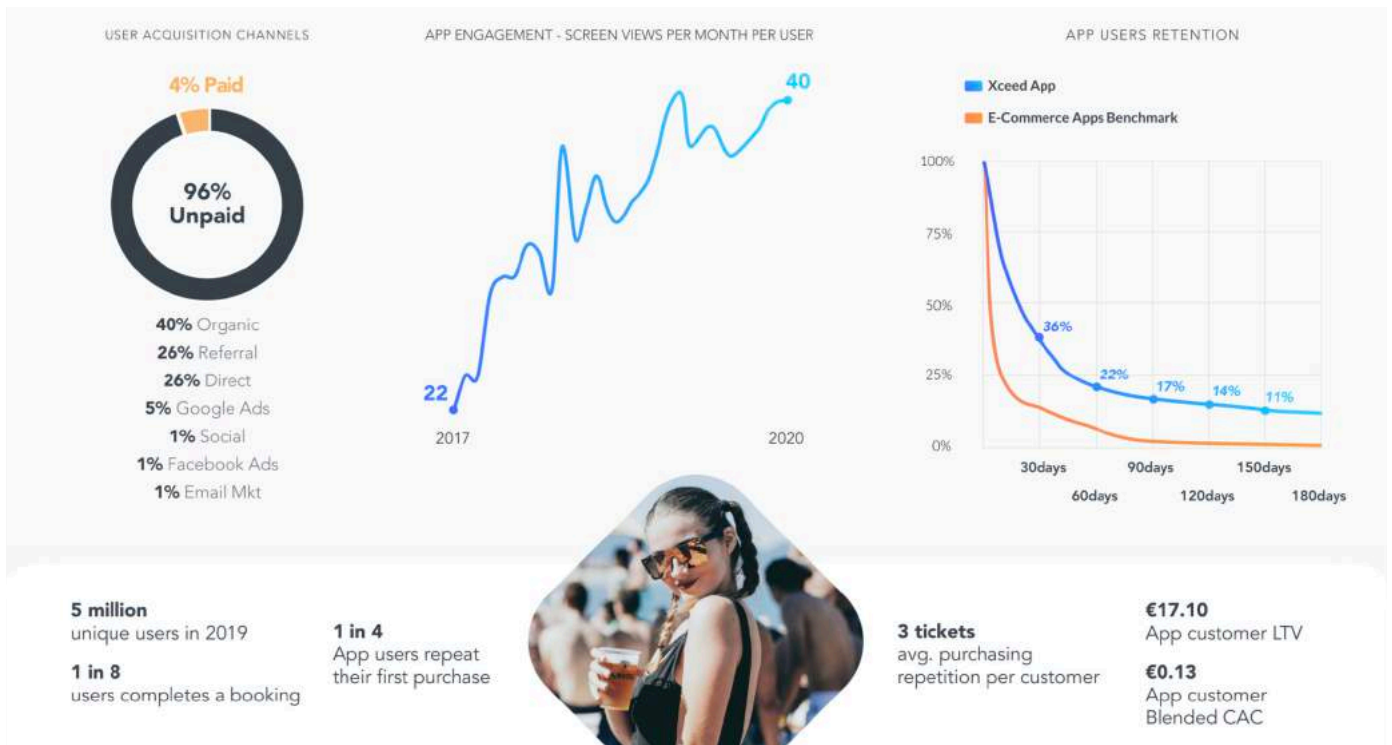
Source: Xceed, 2021

*Appendix 10 - Xceed Yearly GMV Evolution (2015-2023)*



Source: Xceed, 2021

## Appendix 11 - Xceed End-user Metrics (2021)

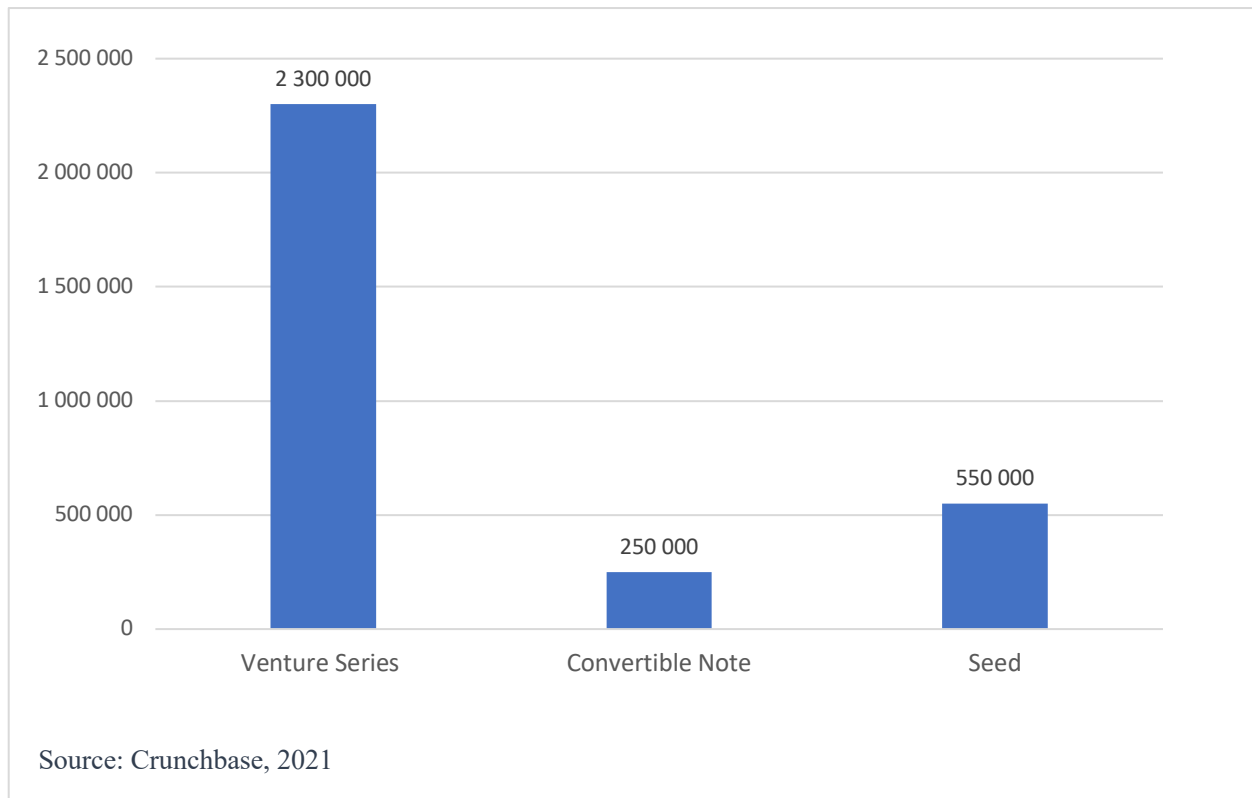


Source: Xceed, 2021

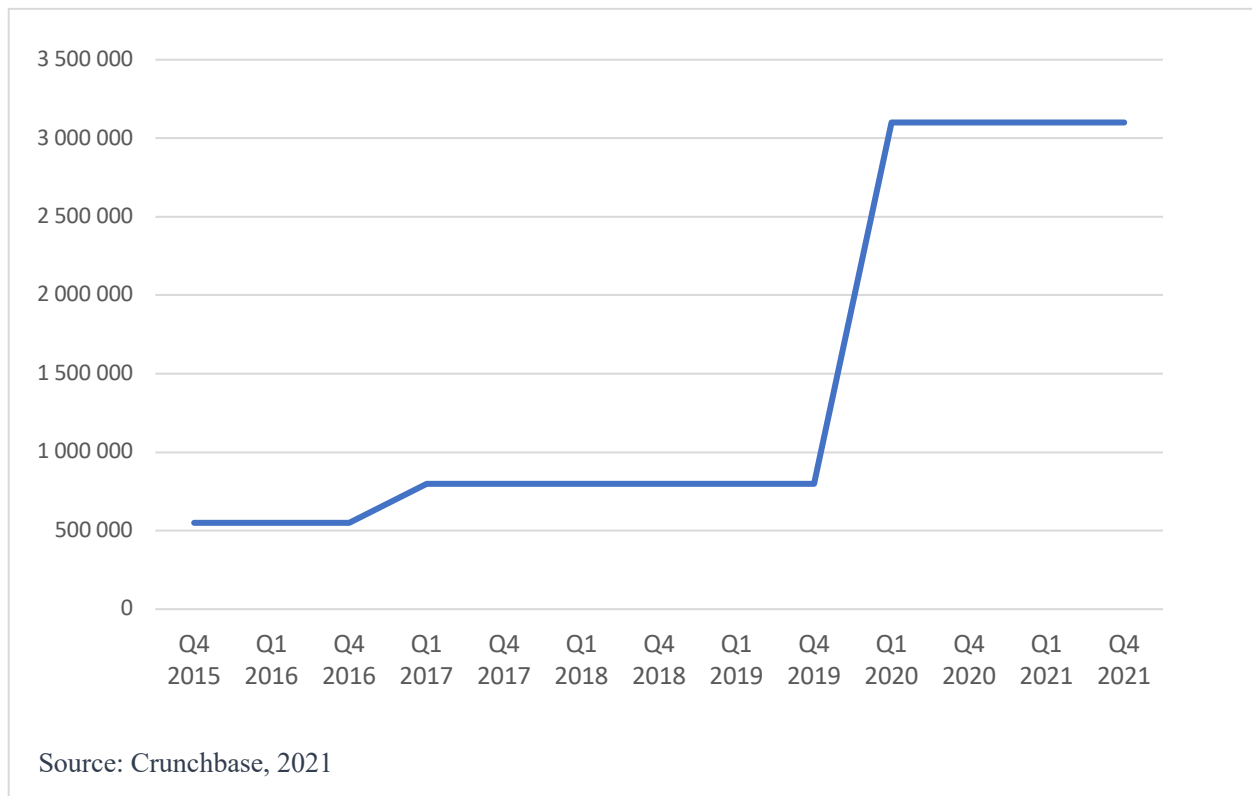
## Appendix 12 - Xceed BCG Matrix



*Appendix 13- Funding Types by Money Raised*



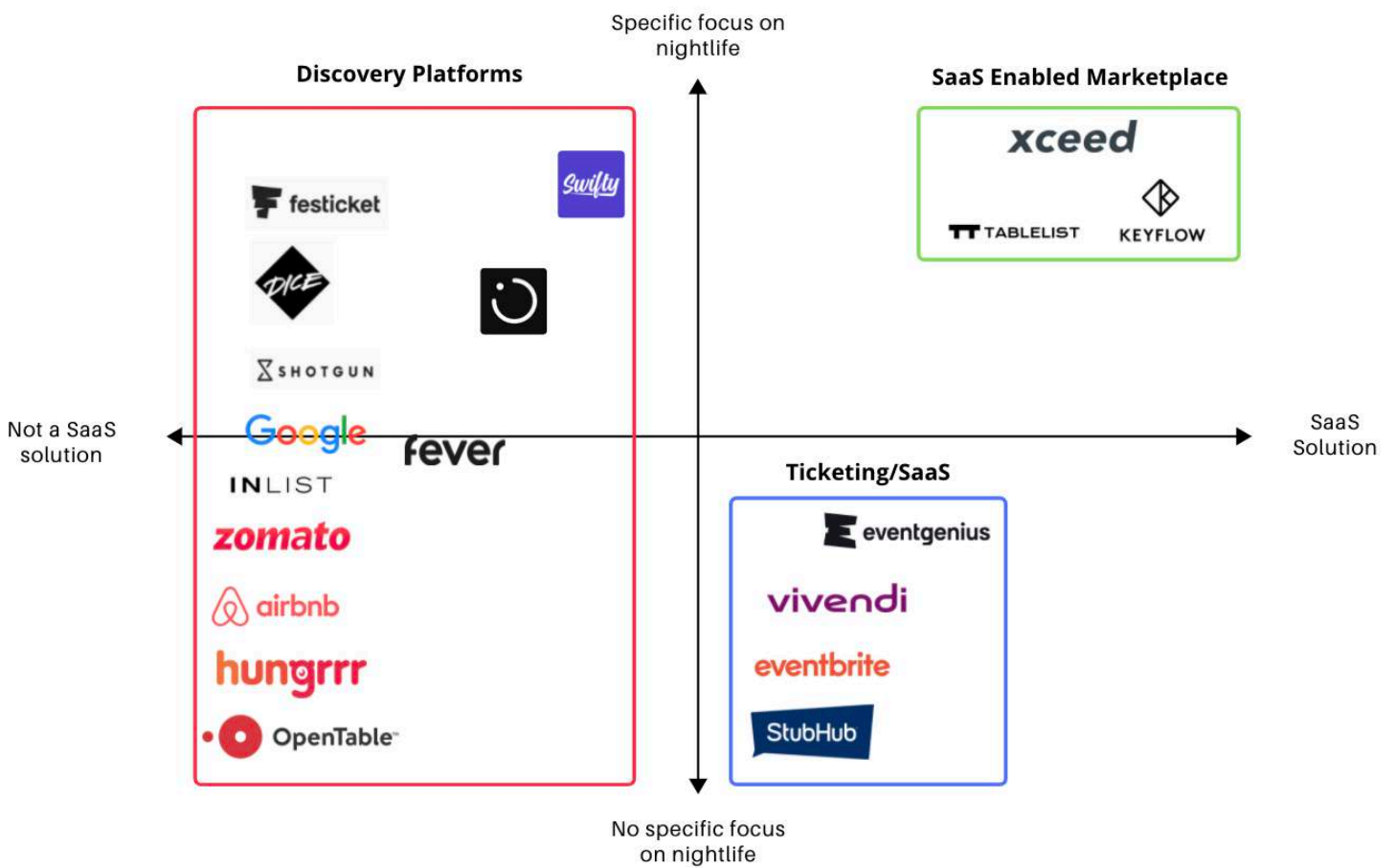
*Appendix 14 - Cumulative Funding Raised Over Time*



Appendix 15 - Positioning of Xceed's Competitors (2021)

Mattia Franco, 2021

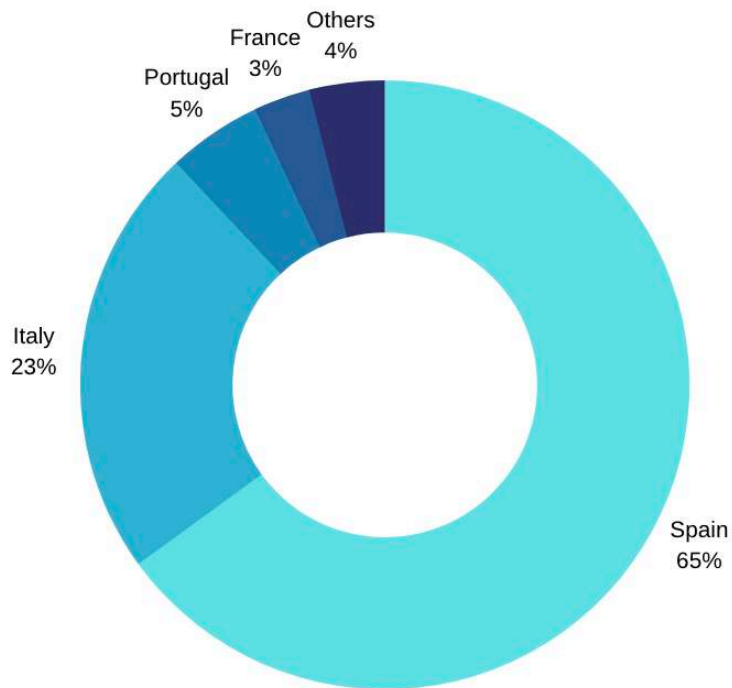
*"Xceed feels the gap and will progressively continue to do so by boosting a marketplace that focuses not only on clubbing, but soon also on bars & lounges and restaurants."*



Appendix 16 - Xceed: Bars & Lounges Ansoff Matrix



Appendix 17 - Distribution of Venue Customers by Market (2021)



Source: Xceed, 2021

Appendix 18 - End-user Survey (excluding Demographic questions)

## Nightlife Preferences and Habits

Welcome!

This survey was developed for investigation purposes of a Master's in Management Thesis at Nova School of Business and Economics, and it aims to collect consumer insights on nightlife habits as well as on problems found in the process of going out a night.

This survey should only be answered by people aged 18 or higher. All answers will remain anonymous and will only be used for academic purposes.

Thank you very much in advance for your collaboration!

The Team

 gona.rodrigues@gmail.com (não partilhado) [Mudar de conta](#)



\*Obrigatório

Do you like to go out at night? \*

- Yes
- Not really

How frequently do you usually go out at night? \*

- Almost every night
- At least 3 nights a week
- At least 1 night a week
- At least 1 night every 2 weeks
- Less than 1 night every 2 weeks

Where do you usually go out the most? (Pre-Covid) \*

- Clubs
- Bars and Lounges
- House parties
- Restaurants
- Concerts and Festivals
- Outra: \_\_\_\_\_

Did Covid change your preferences for the future? How?

A sua resposta

---

On average, how much do you spend on a night out? \*

- Under 10€
- 10€ to 20€
- 20€ to 30€
- 30€ to 50€
- More than 50€

### Nightlife Planning

Do you usually plan your night out, meaning where to go and what to do? \*

- Yes, I like to know where I am going!
- No, I like to keep it spontaneous

How do you search for venues, events, prices and other relevant information? \*

A sua resposta

---

Do you have problems during this process? What would make it easier for you? \*

A sua resposta

---

### A Marketplace for Bars and Lounges

Imagine not having to care about trying to find a place to go out that suits the personal interests that you and your friends have. If it were only as simple as logging into an app, entering your music and venue preferences, and be presented with a selection of exclusive events happening at some of the top bars and lounges next to you.

The finest nightlife experiences at your disposal.

In a scale of 1 to 5, how interested would you be in joining a platform as explained above? \*

	1	2	3	4	5	
Not interested at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very interested

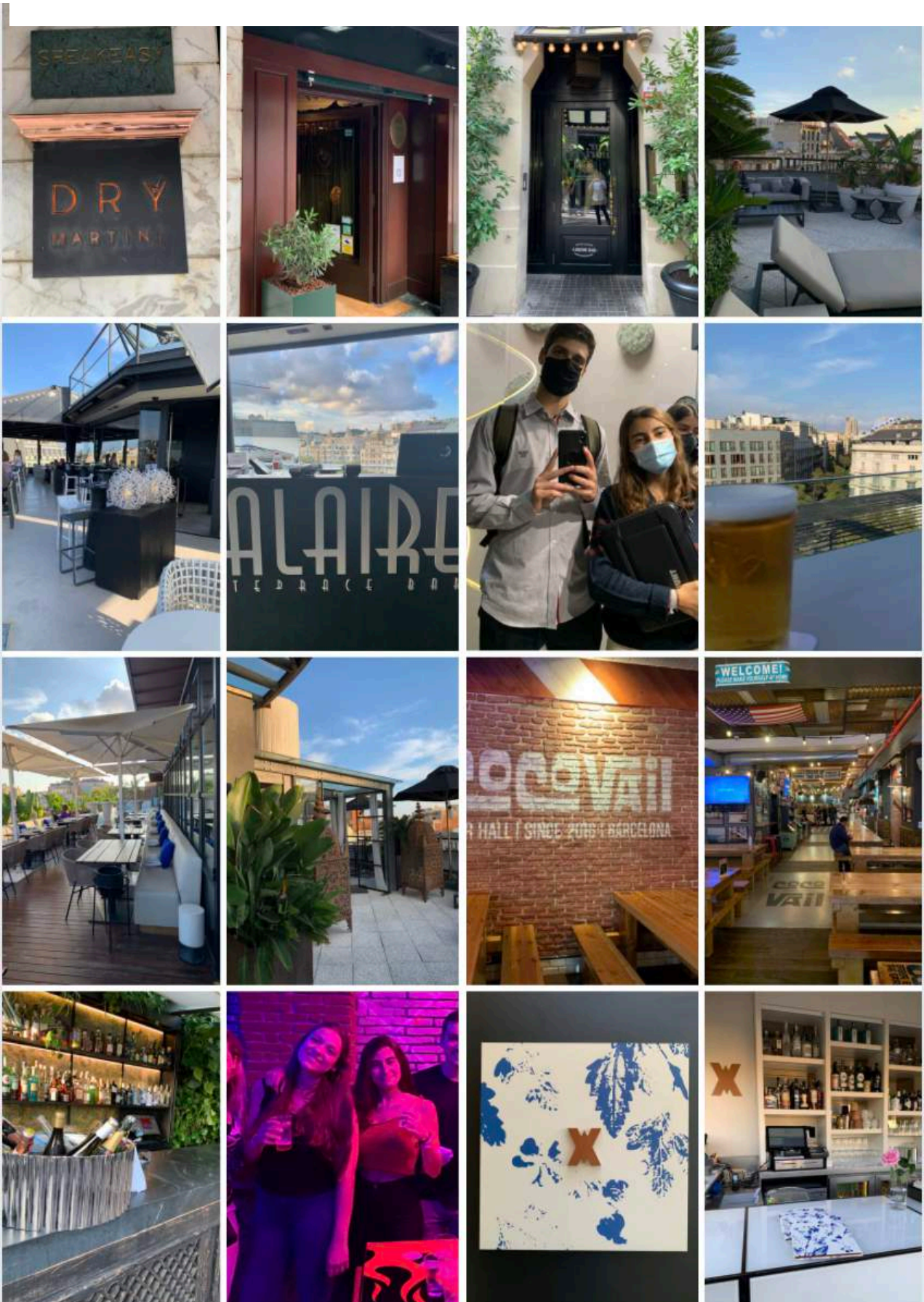
How much would you be willing to pay per year as a subscription to access exclusive content and events? (ex: parties, pubcrawls, discounts, buy tickets in advance, etc.) \*

A sua resposta \_\_\_\_\_

From 1 to 5, where 1 stands for "not important" and 5 stands for "very important", rate the following success factors for a marketplace like the one explained above: \*

	1	2	3	4	5
Personalized communication	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exclusive events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interactive experiences	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media/Online content creation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Influencer recommendations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalized offer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Discounts and better pricing conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix 19 - Venue Market Study



## Xceed: Bars & Lounges

Bienvenidos!

Gracias por iniciar este viaje con nosotros!

Xceed tiene la misión de crear la mejor experiencia de vida nocturna. Tras años ayudando a los clubbers y a las discotecas a conectarse a través de experiencias extraordinarias en más de 100 ciudades de todo el mundo, ahora llegan en los bares y lounges.

La siguiente encuesta se ha desarrollado con fines de investigación para una máster tesis en nombre de Nova School of Business and Economics. Todas las respuestas serán anónimas y sólo se utilizarán con fines académicos.

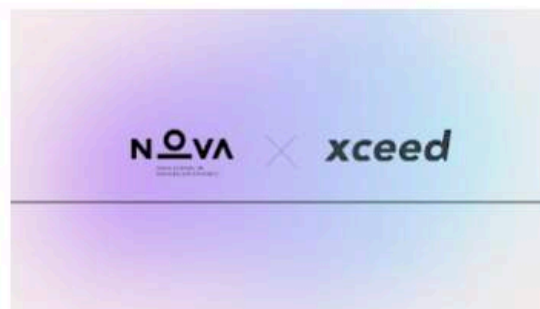
¡Muchas gracias de antemano por tu colaboración!

El equipo

 gona.rodrigues@gmail.com (não partilhado) [Mudar de conta](#)



\*Obrigatório



Actualmente, ¿cuáles son sus principales retos, es decir, después de la pandemia de COVID-19? \*

A sua resposta \_\_\_\_\_

¿Cómo describiría su tipo de clientes? \*

- Personas de alto grado que buscan una experiencia más exclusiva
- Personas que buscan un buen bar pero a precios razonables
- Personas que sólo se preocupan por encontrar el lugar más barato para tomar unas copas
- Outra: \_\_\_\_\_

¿Cómo hace su marketing para los clientes mencionados anteriormente? \*

- Yo no lo hago
- Lo hacemos todo con nuestro equipo de marketing del bar
- Tenemos una empresa externa que lo hace por nosotros
- Otra: \_\_\_\_\_

¿Tienen algún tipo de método para recopilar información sobre los clientes? ¿Y para los datos financieros? \*

- Sí, para los dos
- Sí, para entender mejor a mis clientes
- Sí, para los datos financieros
- No, no tengo nada
- Otra: \_\_\_\_\_

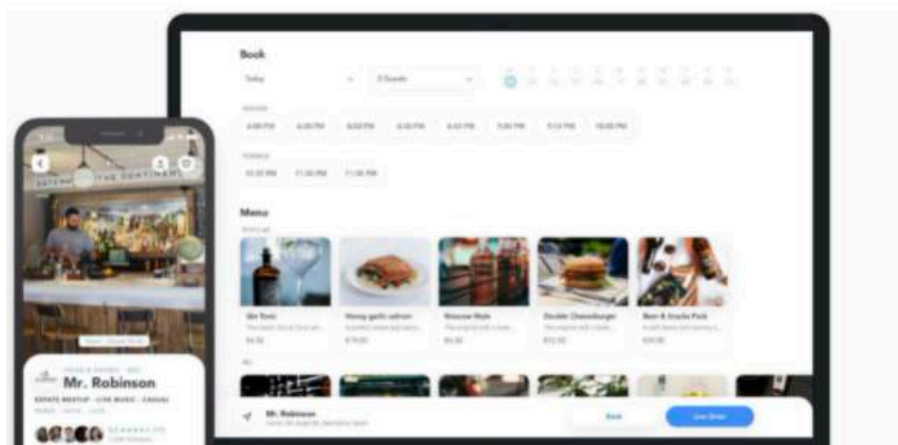
Alguno de los métodos arriba son tecnológicos? \*

- Sí
- No

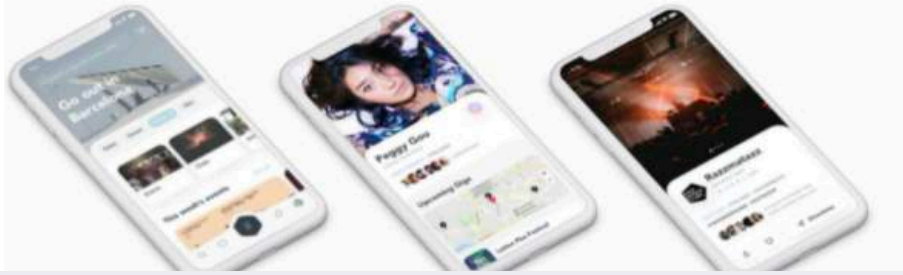
**Entonces, ¿cuál es nuestra propuesta?**

En las próximas secciones, le daremos una visión general de nuestra propuesta para un mercado de ocio nocturno de alto nivel, que futuramente será Xceed: Bares y Lounges.

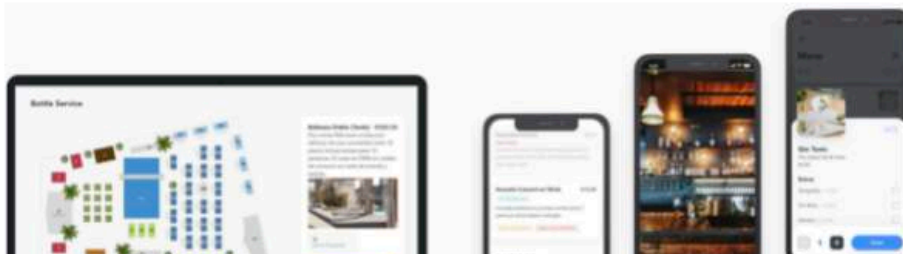
Tenga su página web verificada en un instante!



Llegue a un grupo de clientes de alto grado dispuestos a ir a su bar en cuestión de segundos.



Venda inteligentemente. Gane más. ¿Cómo? Xceed permite que: Venda online. Promova eventos y noches especiales. Digitalice su bar en segundos. Gestione las reservas de mesas. Garantice a sus clientes su lugar favorito. Digitalice su control de acceso. Controle la ocupación en tiempo real. Automatice su base de datos CRM. Entre muchos otros!



¿Utilizaría la plataforma propuesta anteriormente? \*

- Sí
- No

Si su respuesta fue no, ¿qué habría que incluir para que cambiara de opinión? \*

A sua resposta \_\_\_\_\_

Si, tu respuesta fue sí, ¿Cuánto pagarías, en promedio, por mes? \*

A sua resposta \_\_\_\_\_

¿Le interesaría unirse a un paquete adicional para ayudar a la promoción del evento, mediante el cual tendría acceso a publicaciones en redes sociales y blogs, menciones en boletines informativos y sesiones fotográficas? \*

- Sí
- No

Appendix 21 - "Currently, what are your bigger business problems?"

(Venues Market Study)

"Manage payments, anticipate client interest to events and control costs. The pandemic was difficult to handle, but now we are recovering."



"We need to make and promote events that stand out from the many that exist now! Our goal is to quickly have enough earnings to get employees out of layoff."

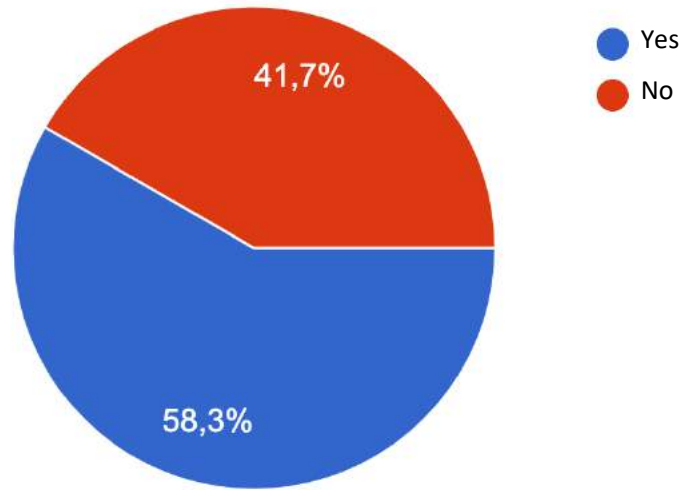
"Ensure that all the actions we take to revitalize the bar lead to a high adherence of customers."



"Regain the loyalty of our former clients. For us, it is important to attract customers with a higher consumption, who are not only passing through."

\* These translated comments were chosen as representation of the most common survey answers

Appendix 22 - "Do you use digital methods for marketing or information gathering?"  
(Venues Survey Results)



### *Appendix 23 - General Overview of Expert Meetings*

Throughout the project, various meetings with entrepreneurs, professors and investors were held to ask for advice on the desirability, viability and feasibility of a potential bars and lounges marketplace for Xceed.

The first meeting was held with Professor **António Marinho Torres**, who gave his view on the appropriate business model to be used for this type of work, namely Thomas Eisenmann's 2011 business model for entrepreneurs. The Professor also gave his views on possible entry strategies that could make sense to succeed in such a market, relying on the creation of network effects.

The entrepreneurs **Carlos Dinis** and **Nuno Simões** insightfully validated the strategic direction of targeting a higher-end segment through exclusivity and gave advice regarding possible exit strategies that Xceed could take in case the company wants to quit the new vertical. Nuno did also inform about the importance of finding the main source of other competitor's sales and replicating it with distinctive differentiation points.

As a response to this advice, the expertise of **Gil Belford**, former Zomato employee were requested. Gil gave a perceptive perspective on Zomato's entry strategy on the market, alongside its upselling strategy via Zomato Gold. This case study was used as inspiration for some of the promotional techniques suggested for Xceed: Bars & Lounges.

Lastly, Demium's investor **Rita Dinis** was contacted in order to gain a different perspective of the value such an expansion project could have under the critical lens of a venture capital firm. Rita went over what she considered to be critical factors in order to convince Xceed's investors of the value the expansion project could have to the long-term success of the company.

*Appendix 24 -Summary of the Meeting with Carlos Dinis (28.09.2021)*



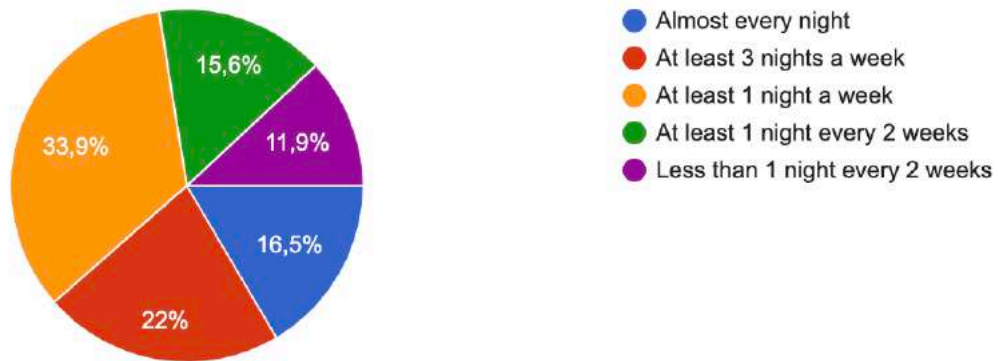
Carlos Dinis is well-known entrepreneur and board advisor. On top of that, he also is a bankruptcy and insolvency expert and an invited Professor at Nova SBE.

After thoroughly explaining our idea for Xceed's new vertical, Carlos insightfully validated the strategic direction of targeting a higher-end segment through exclusivity. After living in a pandemic scenario, almost any business working in the nightlife sector has barely anything to lose. Thus, he found wise the fact that our business plan targets a niche with a higher willingness to pay for valuable experiences.

Furthermore, when asked about the critical success factors of a business in this area, the entrepreneur mentioned that he values the team more than the project itself: *"I prefer A people with a B project rather than B people with A projects."* Therefore, for him to invest it would be necessary to have a passionate and business-oriented team. Nevertheless, it is equally important to have specific data on the number of customers, the effects of seasonality in the industry, ways of protecting the proposed solution and, finally, to have clear well-defined exit strategies as the sector is volatile at this moment.

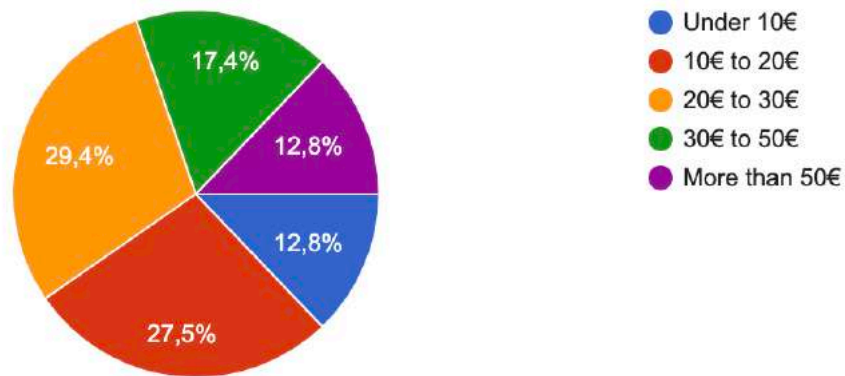
Appendix 25 - "How often do you go out at night?"

(Survey Results)



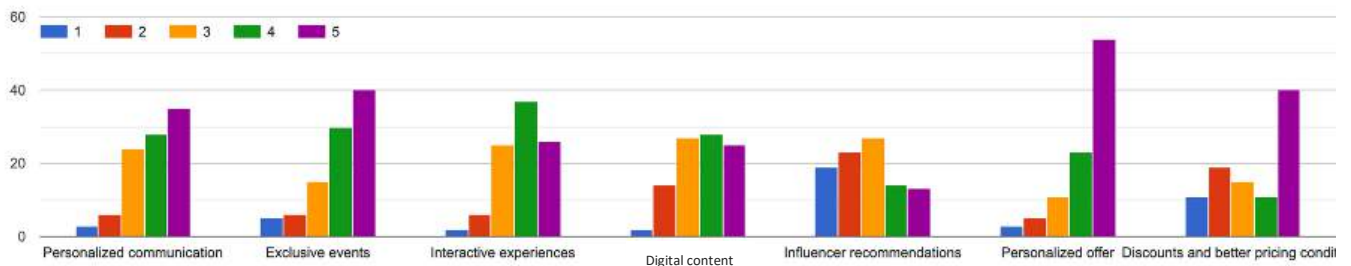
Appendix 26 - "On average, how much do you spend on a night out?"

(Survey Results)




Appendix 27 - "Rate the importance of these factors for a bars and lounges marketplace"

(Survey Results)




*Appendix 28 - "Did Covid change your nightlife preferences for the future? How?"*


*(Survey Results)*




"Yes, I prefer bars now much more than clubs, as there are less crowded usually."



"I am still not used to crowds again, my preference definitely shifted towards smaller groups with less noise and better air (bars/restaurants)."



"I guess I will give priority to house parties and bars and avoid clubs"



"Yes. I usually choose open space places with concerts, live music, etc. I like having a nice place where I can drink, speak to people and have fun!"

\* These comments were selected as a representation of the most common survey answers

Appendix 29 - "Currently, what are your bigger business problems?"

(Venue Survey Results)

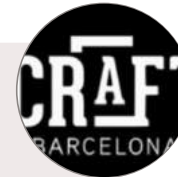
"We were closed for almost two years. By the time we opened our business again we realized we had lost a lot of our regular customers."



33/45

"We noticed this year that some people are still reluctant towards places with crowds. We need to be ready to convince them to come back, with enticing offers."

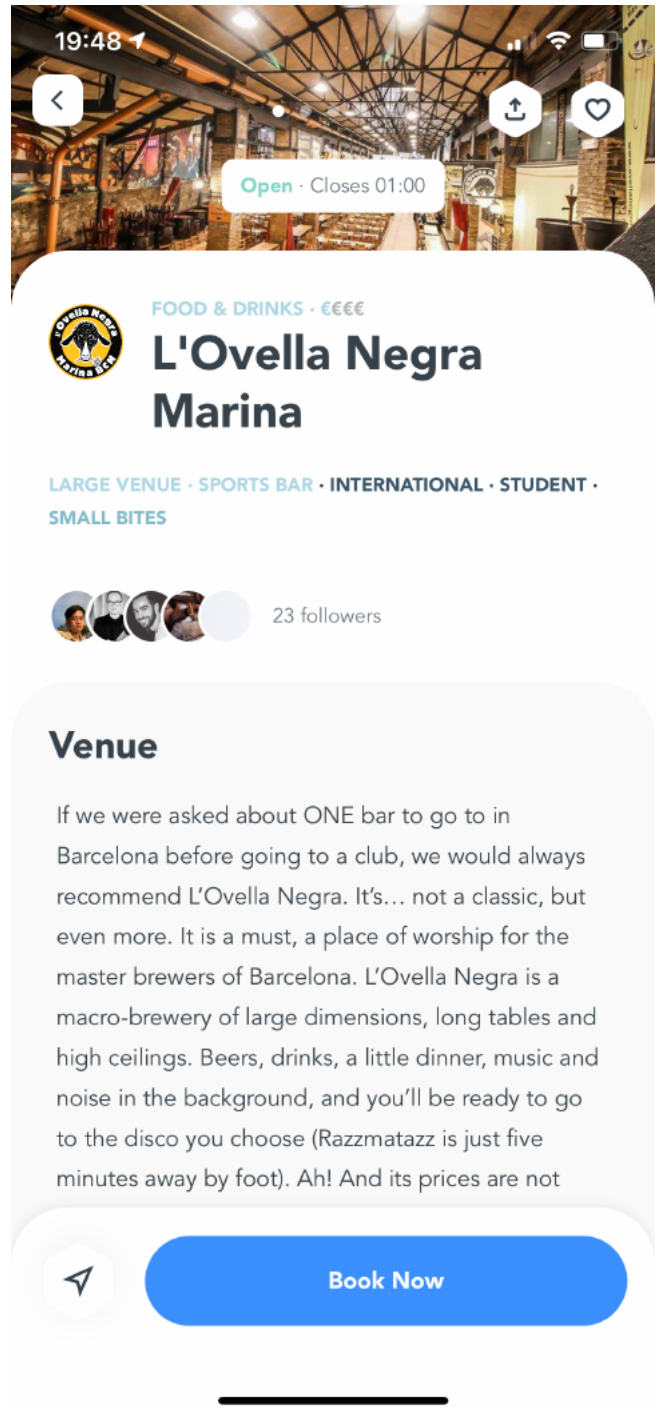
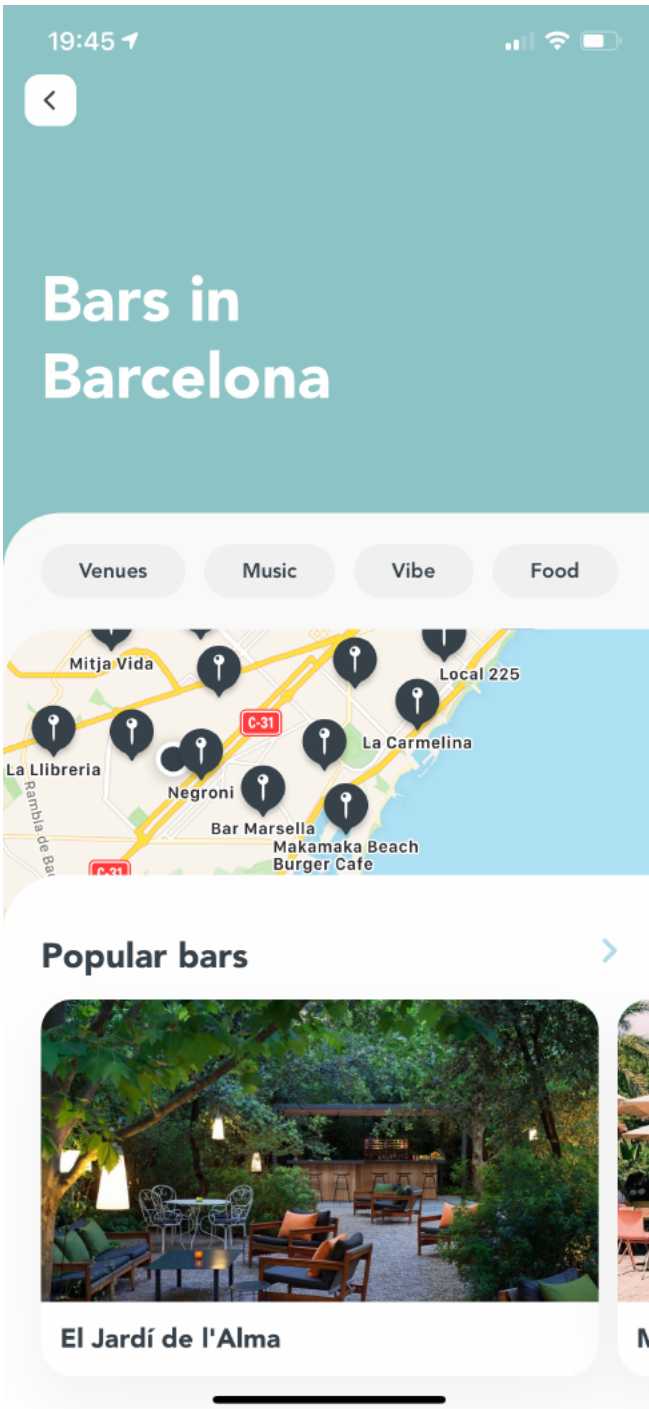
"We lost a lot of the touch we had with customers. We tried marketing activities this year but the response does not seem to be the same."



"Regain the loyalty of our former clients. For us, it is important to attract customers with a higher consumption, who are not only passing through."




\* These comments were translated as the original ones were written in Spanish




Appendix 31 - "Do you have problems during the process of planning a night out?"


(Survey Results)




"Yes! Having the best events in one place with ease to search would make it easier. It should describe parties, prices and payment conditions, so there are no surprises. "



"Having a platform combining all events going on that day would be nice, so you can filter and find the perfect option for your tastes e.g. the bar with the intimate concert "



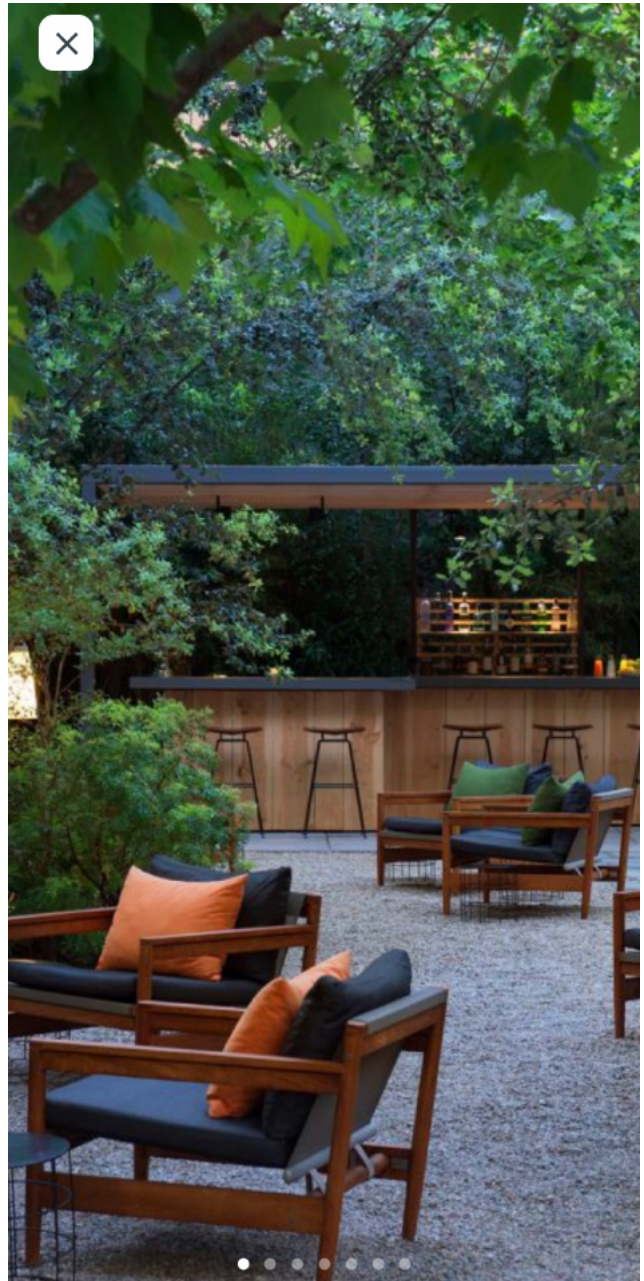
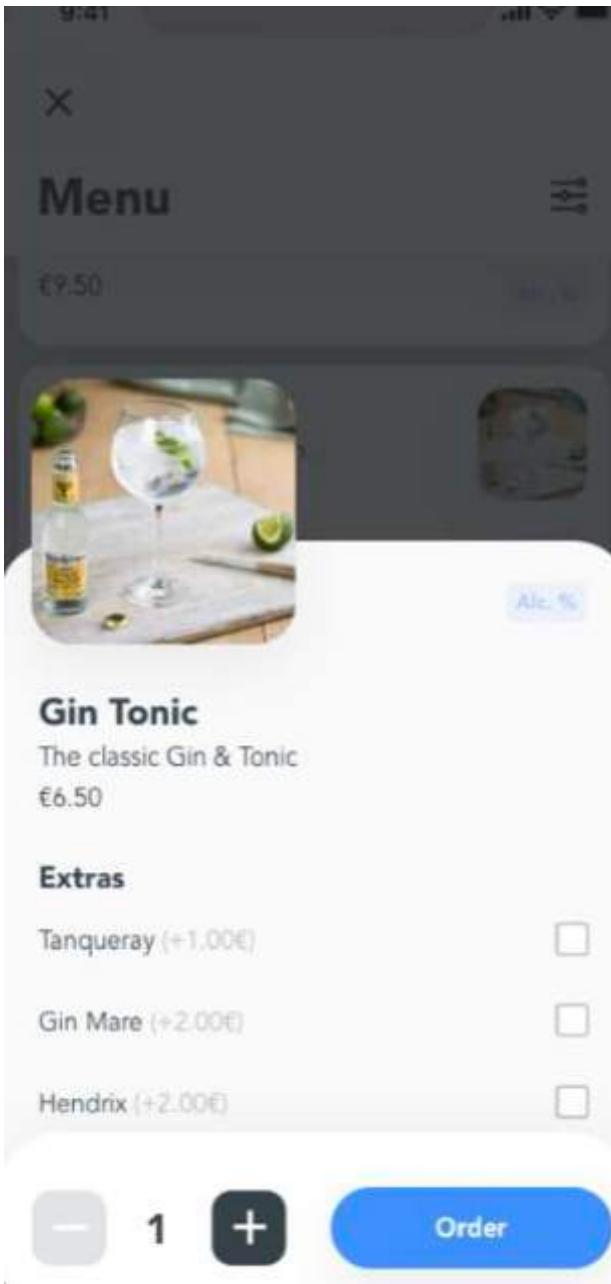
"If I could find all the parties of the day in a platform with info regarding dress code, music type, price, age, etc, since that information is usually not explicit"




"A place where all the info about places to go in different cities, their event schedule, and where could also communicate with people going"


\* These comments were selected as a representation of the most common survey answers

Appendix 32 - Xceed: Bars & Lounges Mockup



Focus Group






## Questions 1 & 2

*Imagine you want to go to have some drinks with a group of your friends. What would that process look like for you?*

*Is there anything you find annoying or that could be better when you go for drinks?*

Focus Group

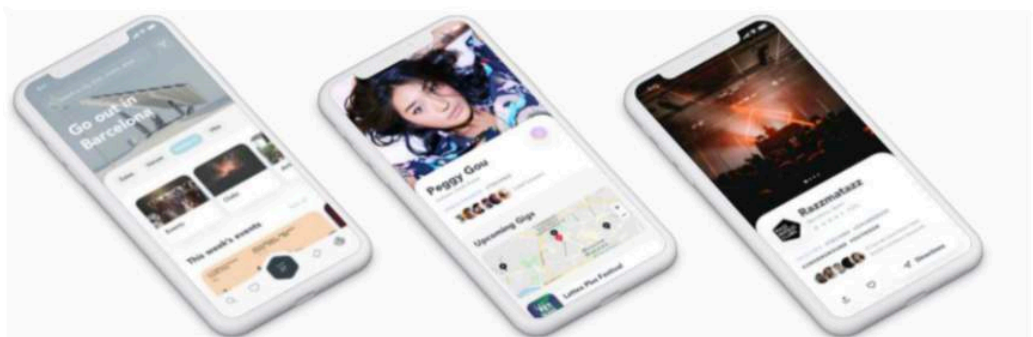


## Questions 3 & 4

*What if you are on a city trip to a new place? How do you discover nightlife? Any specific problems during this process?*

*Is there any product, platform or service that you can think about that would help you with that?*

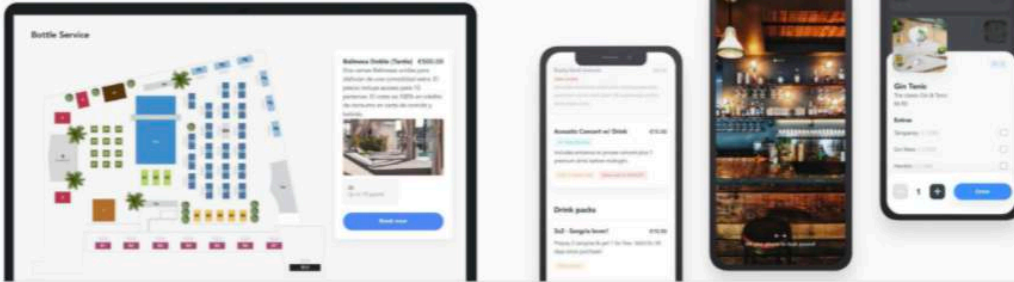
**We present...**



*Discover the best bars of the city & find exactly what you are looking for*

- Personalised recommendations
- Access to special events
- Access to exclusive locations
- Table booking via app
- Skip lines
- Order in app & manage tab

### We present...



Get special treatment wherever you go. With us you are always a VIP!

- Exclusive menus
- Special drinks
- Best tables & views of the bar
- Personal 'butler'
- Limousine service
- Personal photographer

### We present...



Have the night of your life and get more rewards every time you go out.

- Refer your friends & gain rewards
- Loyalty points for going out

A user-centric engaging nightlife experience.

- Premium pub crawls
- Create your own special drink
- Drinking game tournaments
- Gifts & discounts
- Meet the artist experience
- Nightlife guides per city



# Thank you!

We hope to see you soon at the best bars of the city.

If you want to be among the first lucky people to join the platform after launch, scan the code and sign up for the newsletter:



We go out.

Appendix 34 - End-User Focus Group Sample

Focus Group 1



Luís  
23 y.o  
Barcelona



Tiago  
21 y.o  
Barcelona



João  
24 y.o  
Barcelona



Mafalda  
22 y.o  
Lisbon



Manuel  
23 y.o  
Barcelona



Gonçalo  
24 y.o  
Barcelona

*Focus Group 2*



Dominik  
28 y.o  
Lisbon



Richard  
27 y.o  
Lisbon



Duarte  
22 y.o  
Lisbon



Fiona  
25 y.o  
Barcelona



Stefani  
24 y.o  
Barcelona



Sonia  
25 y.o  
Barcelona



## Nightlife Guide

Destination.

### LONDON

London may be home to the traditional English pub, but nowadays there is a plethora of opportunities for those looking for something extra on their night out.

Whether it's luxury you desire, cool ambience or formidable cocktails London is home to some of the World's most revered bars and lounges. With that in mind prepare to be astounded as you go through this list of the best recommended venues in London.



## Nightlife Guide

Destination.

### BARCELONA

The nightlife in Barcelona is known worldwide, as well as the culture and the food. Barcelona is a destination that blends culture and nightlife, sightseeing and bar hopping, and generally has great vibes around the clock.

There's a little bit of something for everyone here, from grimy dive bars to glossy beachfront clubs and just about everything in between. So, what's the best place in Barcelona for nightlife?



*Appendix 36 - Focus Group Insights*

"I would love to be able to get to know new bars, since the places I know are too 'mainstream' and touristic. I want to go somewhere more restricted that fits my style and of my friends."



"Customization is everything for me! If the platform is able to give me suggestions of experiences that go according to my personal profile, then I would use it, no doubt."



"I see some ideas with a lot of potential. Experiences like drinking games and opportunity to meet the artists and create drinks are something new that actually would leave me interested in trying."



"For me, exclusive events are the most interesting, as well as special menus. The loyalty program also sounds good to bring a 'gamification' aspect that entices users to bring friends."



Appendix 37 - Xceed: Bars & Lounges Pitch deck for Venues



**Manage Guest Lists**

Forget paper lists & messy accounting. Track your guest lists in real time. Assign priority access to VIP customers and staff.

- ✔ Promoters & channels accounting
- ✔ Real-time stats & access control
- ✔ Add guests on the fly



**Sell Tickets**

Early birds, releases.. you name it! Boost your ticket sales with flexible prices & optimize your strategy with real data.

- ✔ Dynamic pricing
- ✔ Set quotas & visibility
- ✔ Sell immediately



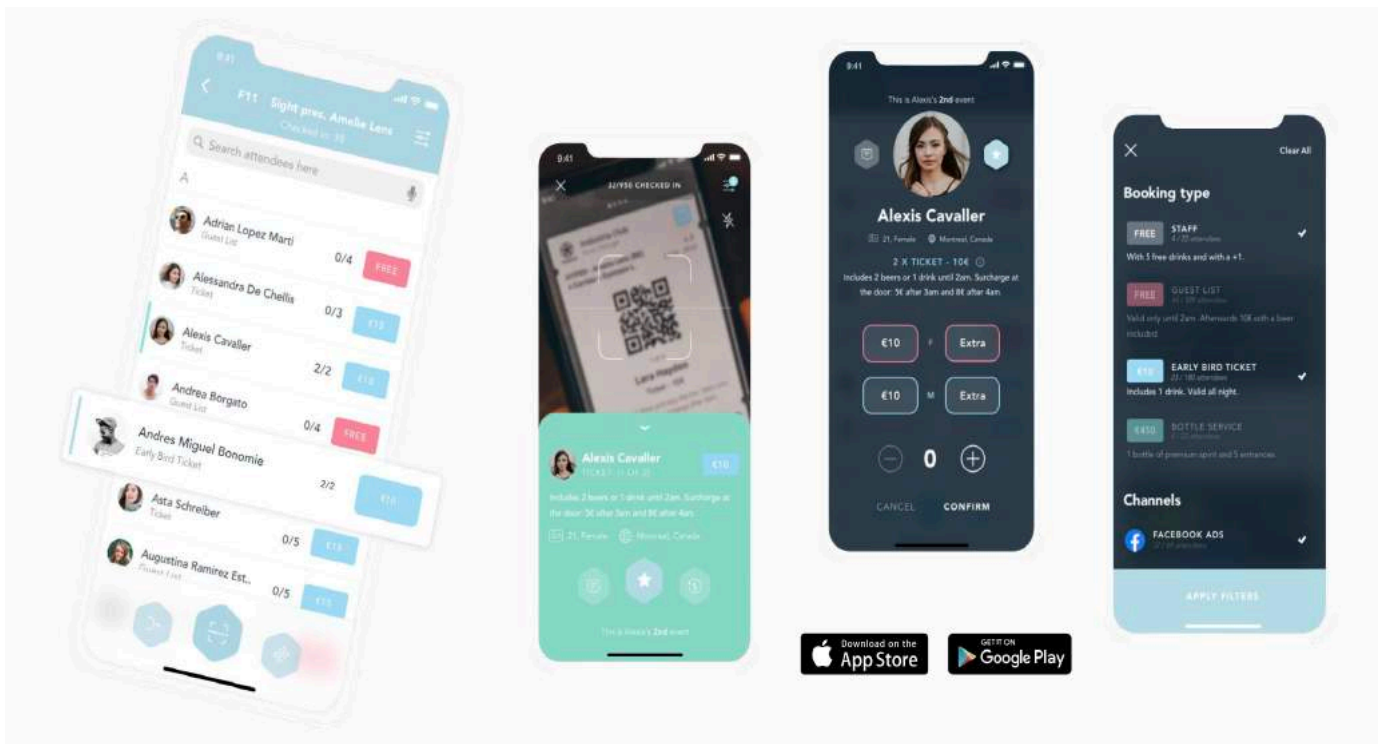
**Bottle Service & VIPs**

Sell bottles and VIP tables and collect money before the event even starts with beautiful personalized maps of your venue.

- ✔ Create your own digital maps
- ✔ Upsell packs & extras
- ✔ In-event integration

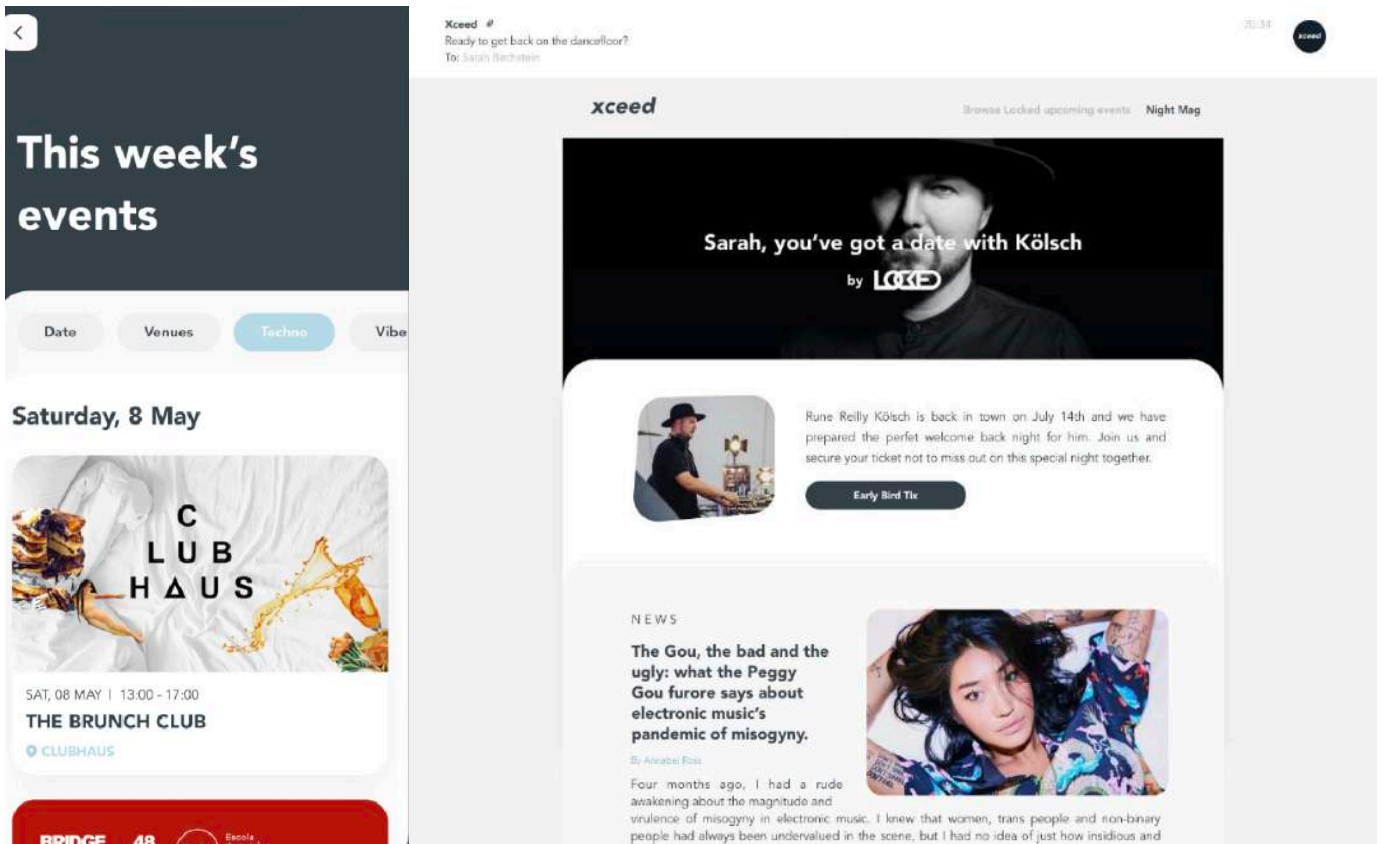
Source: Xceed, 2021

Appendix 38 - Client Access Control Through Xceed: Bars & Lounges



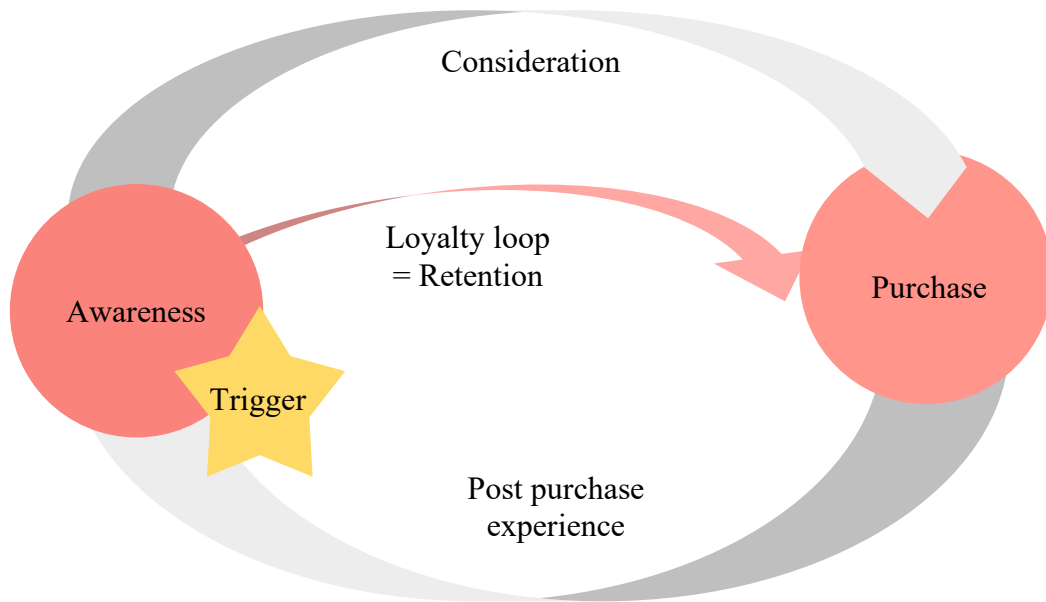
Source: Xceed, 2021







Appendix 39 - Examples of Xceed: Bars & Lounges Marketing Channels



Source: Xceed, 2021

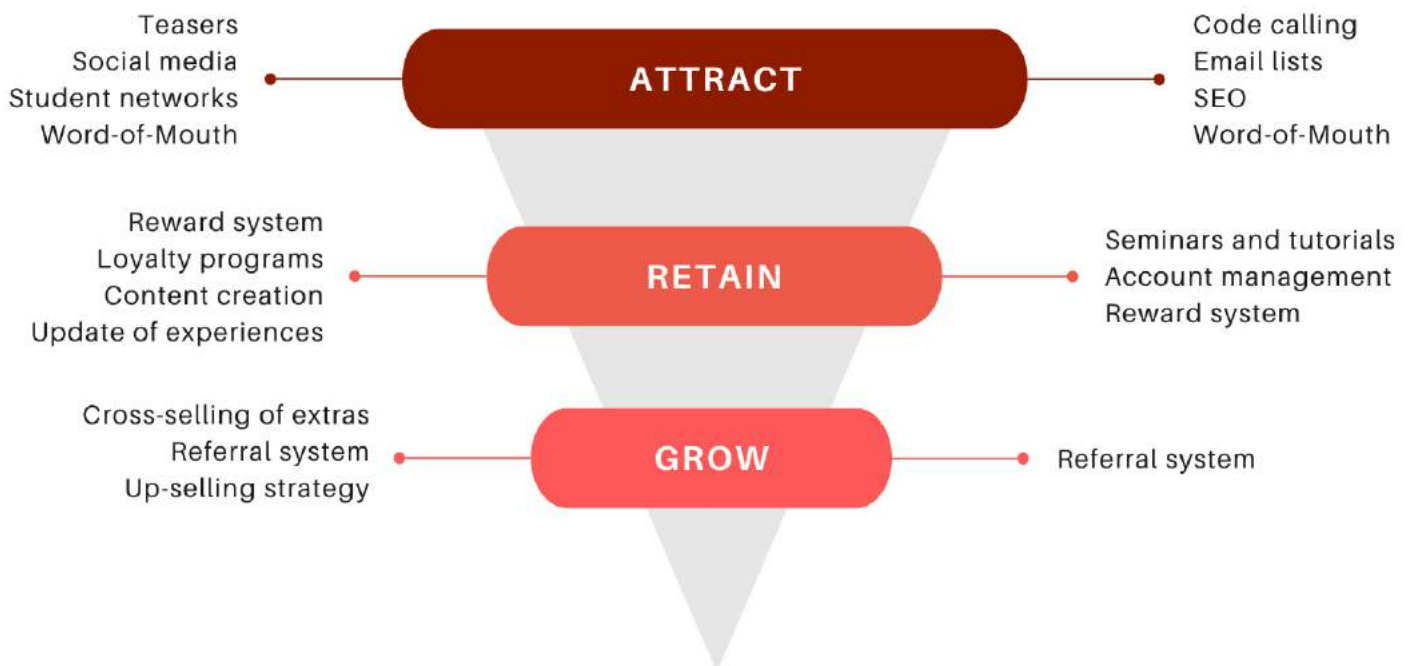
Appendix 40 - Customer Decision Journey



		AWARENESS	CONSIDERATION	PURCHASE	RETENTION
<b>END-USERS</b>					
	<b>ACTIVITIES</b>	Teasers, social Media, student networks, SEO	Talk to friends, check venues available, priced and menus	Subscribe to try and buy tickets, experiences and tables	Rewards system, prizes to best customers
	<b>MOTIVATIONS</b>	Willingness to go out!	Find a service with the best party options	Make the most out of experiences	Being distinguished
<b>VENUES</b>					
	<b>ACTIVITIES</b>	Cold calling, email lists, teasers, social media, SEO	Product reviews, customer feedback, analysis of track-record	Start free trial or pay yearly membership.	Parter relationship management and support
	<b>MOTIVATIONS</b>	Competitiveness	Evaluate fit	Operational surplus	Being distinguished
<b>BOTH</b>					
	<b>EMOTIONS</b>	Intrigued	Curious	Excited	Eager
	<b>BARRIERS</b>	Lack of available information	Competition	Price and Payment conditions	Relevance (managing interest)

## Appendix - Individual part

### Appendix 1 - Xceed: Bars & Lounges Conversion Funnel

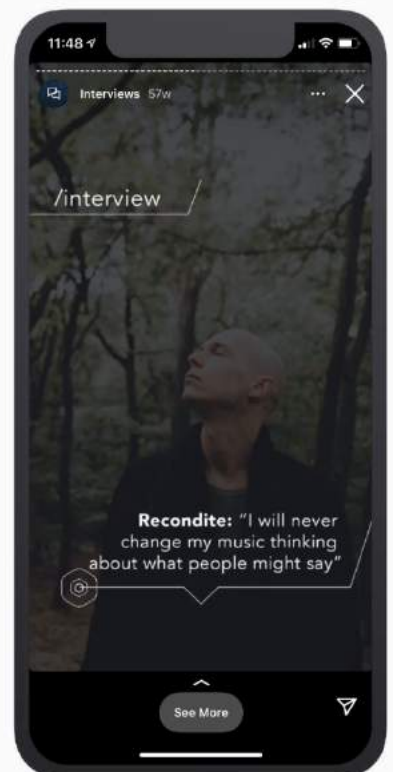
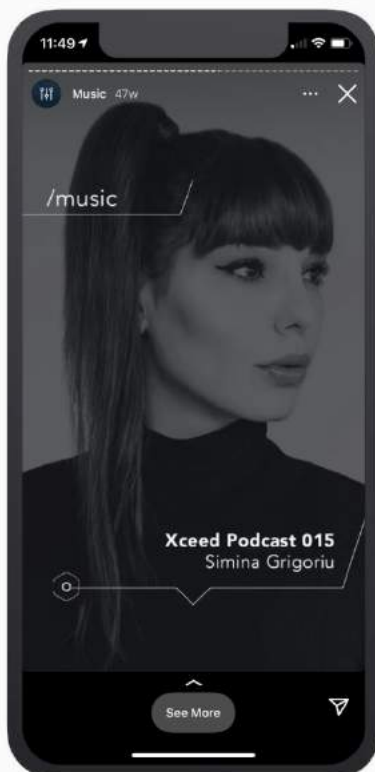
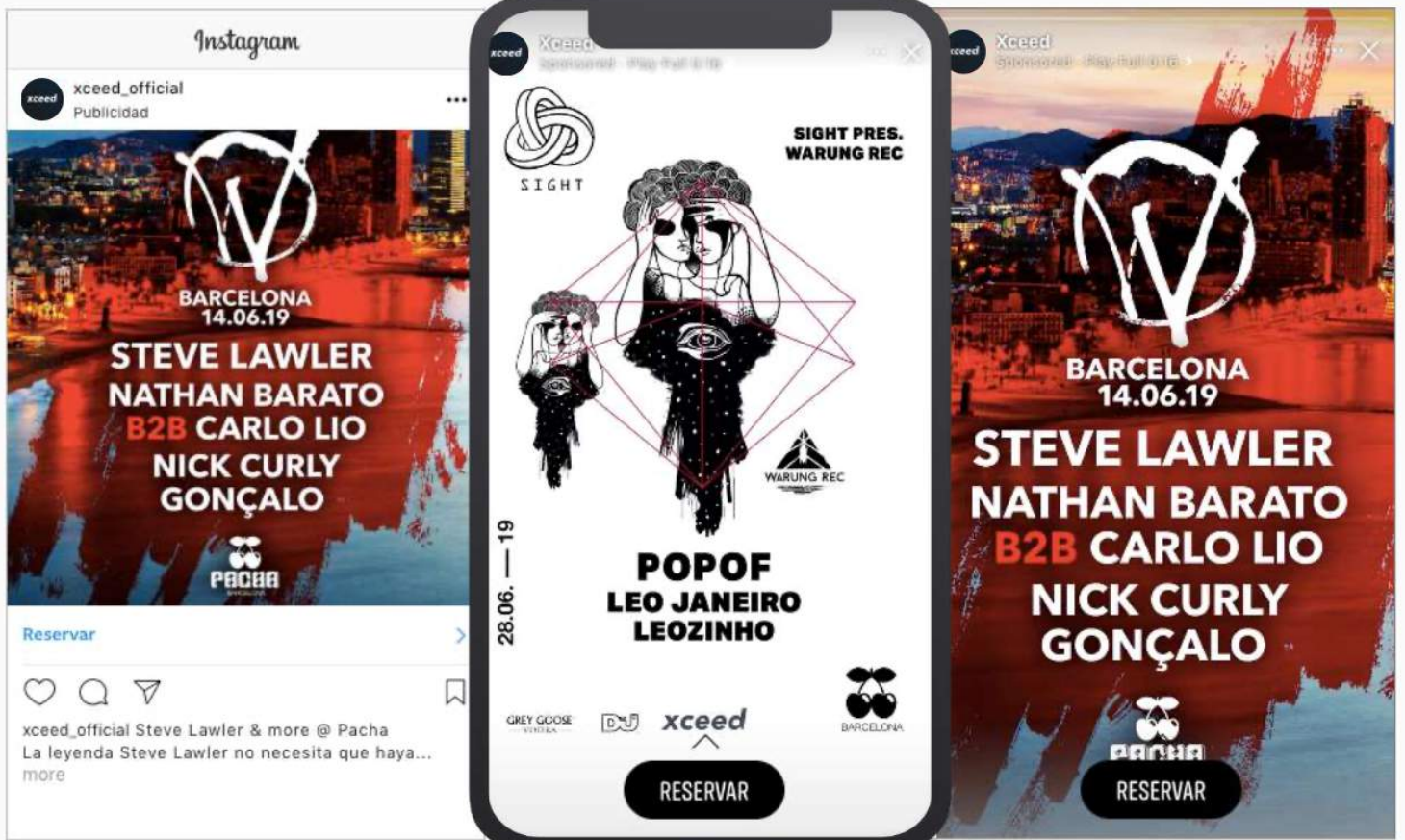


**xceed**  
*bars & lounges*

**xceed**  
*bars & lounges*

**xceed**  
*bars & lounges*

Appendix 3 - Xceed: Bars & Lounges Social Media Marketing



Appendix 4 - "In case you answered you would not use the explained platform, what other aspects would have to be included to change your mind?"

(Venues Survey Answers)

"Our partners provide similar services. This one seems more complete, but it may not work. The ability to customize our page to our positioning and reach our intended target segment are decisive factors!"



"Although it has interesting aspects, a new platform takes time to grow and we cannot afford to pay for something without traction. For us to join, we need proof it attracts users and generates positive feedback."

"If it would allow us to have more clients and its financially justified, yes! Also, if our competition joins, we should not miss out. We want to be present wherever our target audience is."



"At the moment we don't see ourselves risking a 'test' solution, but if you could prove it would be worth it, and show that users join and are happy with it, we would consider it."

\* These translated comments were selected as a representation of the most common answers

*Appendix 5 - Summary of the Meeting with Gil Belford (15.10.2021)*



The previous Zomato employee and current digital entrepreneur and investor Gil Belford presented interesting feedback ideas on the proposed solution at the time. His proposals presented astute insights, as Belford has once worked for Fever – a competitor of Xceed in all its markets.

Knowing Xceed very well, Belford gave its inputs on how to enhance a solution that he classified as “*very well shaped, just needs some hone on the edges*”. The investor left the reminder that this new vertical might be difficult to scale since *Xceed: Bars & Lounges* really needs to distinguish itself with additional features, thus, becoming very costly. Along these lines, monetization through ads might be essential. Moreover, Gil suggested three ideas on how to start growing network effects:

1. Create the feeling of scarcity, and FOMO, for the first app users, i.e., select a limited number of current Xceed users within the target for the new vertical and let them invite solely two other friends to join *Xceed: Bars & Lounges*.
2. Instead of asking bars and lounges for money, ask for drink vouchers. Subsequently, give them to micro influencers (they have a high follower base yet do not have an immense amount of business requests) so that they can go to Xceed venues using the voucher. Afterwards, just ask them to leave an honest review of the experience on the app or website and share it.
3. Have special sponsorships in Xceed: Bars & Lounges events, for example, drinks which can only be found in their events, creating, again feeling of a scarcity and exclusivity.

Appendix 6 - Mockup of Xceed: Bars & Lounges' YouTube Promotion

The image shows a browser window displaying a YouTube video. The address bar shows the URL `youtube.com/watch?v=B1us2lss7Mc`. The YouTube interface includes a search bar with the text "Pesquisa" and a magnifying glass icon. The video player features a background image of palm trees against a blue sky. The video title is "Xceed: Bars & Lounges presents 2021 Loyalists Party Aftermovie". Below the title, it shows "15k views - 25/08/2021", "700" likes, "0" comments, and buttons for "PARTILHAR" (Share), "GUARDAR" (Save), and a menu icon. The channel name "Xceed: Bars & Lounges" is displayed with a red "SUBSCREVER" button. The video description reads: "Another amazing Xceed exclusive event happened last thursday in Barcelona. Thank you to all loyal users and venues that made this happen. This one is for you!". Below the description, it says "WE GO OUT!" and "MOSTRAR MAIS".

youtube.com/watch?v=B1us2lss7Mc

Pesquisa

xceed bars & lounges

2021 LOYALISTS PARTY  
BARCELONA

0:04 / 1:09

Xceed: Bars & Lounges presents 2021 Loyalists Party Aftermovie

15k views - 25/08/2021

700 0 PARTILHAR GUARDAR ...

xceed Xceed: Bars & Lounges

SUBSCREVER

Another amazing Xceed exclusive event happened last thursday in Barcelona. Thank you to all loyal users and venues that made this happen. This one is for you!

WE GO OUT!

MOSTRAR MAIS

Appendix 7 – Proposed Promotional Mix for the Launch of Xceed: Bars and Lounges

Market	End-users and Venues	End-users	Venues
Mission	<p>(1) Increase client loyalty                      (2) Increase brand awareness                      (3.1) Increase brand desirability                      (3.2) Create willingness to pay</p>	<p>Acquire clients                      Communicate brand identity</p>	<p>Acquire clients                      Create purchase need</p>
Message	<p>(1)  <i>Xceed: Bars &amp; Lounges</i>, values its most loyal clients, and wants to share extraordinary experiences with them.</p> <p>(2)  <i>Xceed: Bars &amp; Lounges</i> is the new marketplace for those seeking personalized and exclusive nightlife experiences.</p> <p>(3)  <i>Xceed: Bars &amp; Lounges</i> offers a selection of events in the best venues in town, creating an ecosystem of excellence and personalization around going-out.</p>	<p><i>Xceed: Bars &amp; Lounges</i> will transform a bar generic experience into a user centric one. Users will be able to benefit from unique offers able to transform their nights out into engaging and wishful experiences.</p>	<p><i>Xceed: Bars &amp; Lounges</i> offers undemanding contact to a pool of clients within a trendsetting target, as well as a marketplace software that automates digital marketing and keeps track of operations in real time.</p>
Media	<p>(1)                      Yearly event for best venues                      Exclusive partiers for best users</p> <p>(2)                      SEO</p> <p>(3.1 - 3.2)                      Video content (i.e YouTube)                      Newsletter articles</p>	<p>WOM                      Social Media Marketing                      Influencer Marketing</p>	<p>WOM                      Cold calling                      Cold emailing</p>
Measurement	<p>Client satisfaction/retention                      New client acquisition                      Mentions (with event name)                      Views/downloads/likes/comments</p>	<p>Impressions and traffic                      Share of voice                      Clicks/likes/comments/shares                      Conversion cost</p>	<p>Reach rate                      Qualification rate                      Open Rate                      Response rate                      Conversion rate</p>

*Appendix 8 - Summary of the Meeting with António Marinho Torres (30.09.2021)*



Being both a Global Marketer, a General Manager and an Entrepreneurial Consultant, professor António Marinho Torres listened to the proposal and gave his feedback on it.


On a positive note, the professor stated that, although a double-sided business based on orchestration effects poses a lot of challenges at the start, Xceed already has some advantages that can function in its favor. According to the professor, in a situation where a company does not have users nor partners capable to start the cycle, it becomes pretty much an impossible task. Yet, as Xceed already has some of the biggest venue players in the clubbing sector, that show the existence of a track record, as well as some bar and lounge partners from its early pilot and some customer base (that will naturally transition from the existing platform), António Torres believes to be very possible to generate such effects.

Moreover, the professor suggested experimenting a distinct pricing approach at the beginning, namely solely based on charging for added value packages (e.g. marketing content creation) and provide for free the main marketplace service. At least for the initial months, so that the partners receptivity hand in hand with the network effects generated are both greater.


Lastly, professor António added three other important questions that will be answered in the 'profit formula' part ahead, namely: "How many customers do you have? How many do you need to break-even? How long does a customer use your marketplace for?"

*Appendix 9 - "Did Covid change your nightlife preferences for the future? How?"*


*(End-user Survey Results)*




"Yes, I prefer bars now much more than clubs, as there are less crowded usually."



"I am still not used to crowds again, my preference definitely shifted towards smaller groups with less noise and better air (bars/restaurants)."



"I guess I will give priority to house parties and bars and avoid clubs"



"Yes. I usually choose open space places with concerts, live music, etc. I like having a nice place where I can drink, speak to people and have fun!"

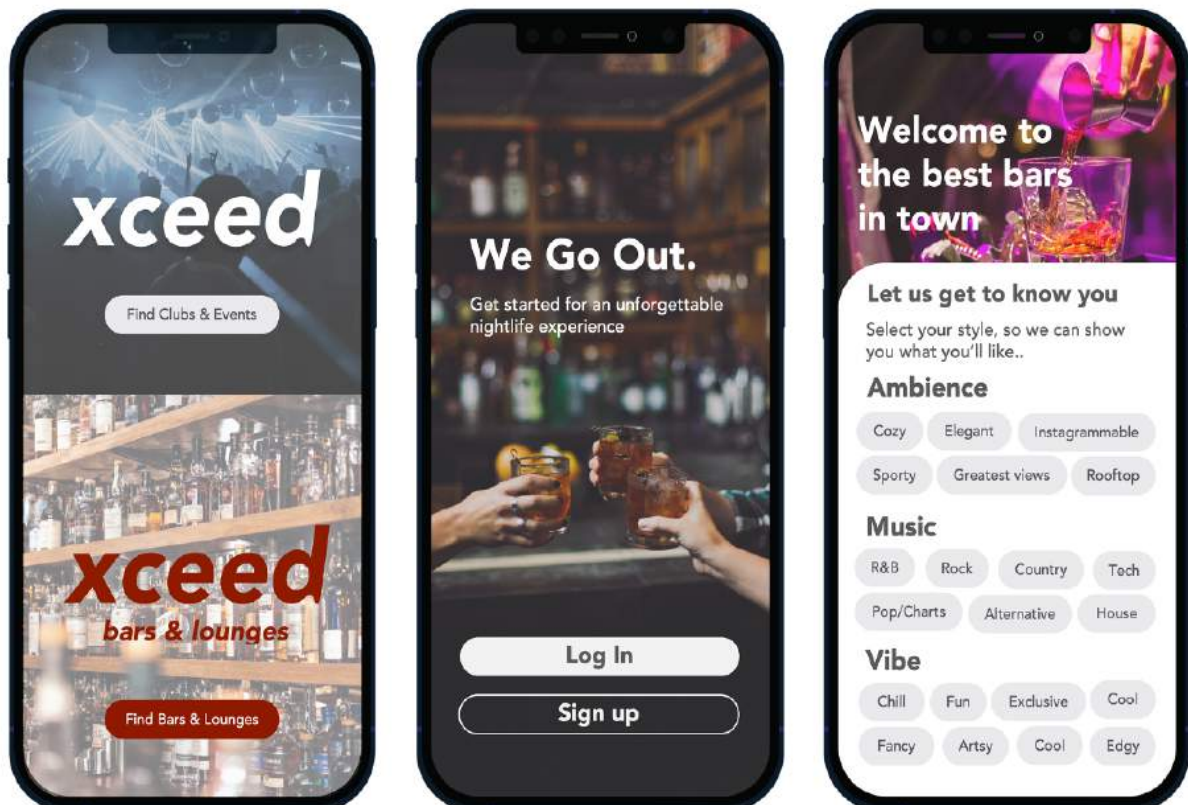
\* These comments were selected as a representation of the most common survey answers

Appendix 10 - Adapted Value Chain Model Framework



Appendix 12 - Focus Group Feedback on Proposed Features

Appendix 11 - Xceed Home Page Mockup



	<i>Features</i>	<i>Generalized Feedback</i>
Core Features <sup>11</sup>	Personalized recommendations	Overall, the focus group participants felt these features aligned with their nightlife related needs, as they are designed to solve their biggest problems while organizing a night out.
	Table booking via app	
	In app order management	
Exclusivity features <sup>12</sup>	Access to Xceed exclusive events	According to the feedback received, users' agreement and excitement towards this set of features was considerable. They believed these are the features that make the platform worth paying for, since it gives them benefits those non-members don't have access to, creating a new level to a night-out.
	Exclusive menus	
	Special drinks	
	Personal 'butler' or 'assistant'	However, some of the more exclusive features, like limousine services and personal butlers, they would only use in special occasions.
	Limousine service	
	Personal Photographer	
Experiences	Premium pub crawls	As for the additional experiences suggested for the platform, users believed they can be engaging and add even more value to the platform, since it actively involves their participation and would allow them to live "out of the ordinary" nights.
	'Make your drink' experience	
	'Meet the artist' experience	
	Drinking games	Users felt these alternatives provide value before and during the night, since the in-app contents would allow help them choosing a venue and "feel the vibe" before going.
	Nightlife guides per city	
	Exclusive in-app content	
Reward Mechanisms	Referral system	Users believed these 'gamification' aspects would motivate them to pursue higher involvement with the platform.
	Loyalty ranking	

*Appendix 13 - Summary of the Meeting with Nuno Simões (05.10.2021)*

<sup>11</sup> These are the features similar to what already exists in Xceed's clubs and festivals marketplace.

<sup>12</sup> These features should be strictly available at *Xceed: Bars & Lounges*.



Nuno Simões is a serial entrepreneur. With a demonstrated history of working in the management industry. He supported and directly trained 23 franchise openings around the world.

For him, the critical factors to invest in the nightlife sector lie in its majority on having well-defined answers to these questions: What are the revenues *versus* the expenses? Can you reduce costs? How many cash burning months do you have at your disposition?

His investment criteria were essentially equal to both professors abovementioned. Yet, Nuno highlighted the importance of analyzing and comparing similar businesses, i.e., potential competitors: “*Find in what is your ‘turkey’ – main source of your sales – and replicate it with a big side of ‘gravy’- key differentiation point(s) that add enough value to create a competitive advantage for your business.*”

Lastly, Nuno advised to focus more on the experience of the target end-user – where he thinks the ‘gravy’ of this project lies. According to Nuno, offering trendsetters like the ones to be targeted by *Xceed: Bars & Lounges* a unique experience that makes them look, and above all, feel like ‘celebrities’ above the norm, will position this platform in a distinctive place on the market. “*The platform should transform a regular night out into almost a perfect influencer type scenario*”.

To test the availability and interest of potential partners to collaborate with *Xceed: Bars & Lounges* on delivering premium nightlife services to platform members, business proposals were sent to companies providing limousine, butler and photography services. The following companies were contacted in that regard:

<b>Limousine Service Providers</b>	
<p><b>Barcelona Hummer</b> (Daniel Salvia, Manager)</p>	<p>The company’s service includes wine bottles, snacks and other refreshments. The negotiated payment conditions are the following:</p> <ol style="list-style-type: none"> <li>1. Hummer Terminator (two hours): 350€</li> <li>2. Hummer Hum-Bee (two hours): 300€</li> <li>3. Hummer Tandem White (two hours): 250€</li> </ol>
<p><b>Limos Barcelona</b> (Pilar Zam, Sales Manager)</p>	<p>A Limos Barcelona booking includes a tour through the pick-up area, stops to take photos, food &amp; drink services, and personalized music. The rates for an 8-person Limousine go as following:</p> <ul style="list-style-type: none"> <li>○ 1h service: 135€; 2h service: 225€;</li> <li>○ 3h service: 300€; 4h service: 350€</li> </ul>
<p><b>Limusinas Carpediem</b> (Contact email)</p>	<p>At Limusinas Carpediem, the service includes a tour through Barcelona, photos, drinks and chauffer. The prices for 8 people limousines are:</p> <ul style="list-style-type: none"> <li>○ 1h service: 150€; 1:30h service: 175€;</li> <li>○ 2h service: 200€; 3h service: 300€</li> </ul>
<p><b>Blacklane</b> (Kristeene Phelan, Corporate care)</p>	<p>The company has corporate, event and agency offerings. For <i>Xceed: Bars &amp; Lounges</i>, the corporate package for small and medium enterprises could be ideal, offering a global supply of licensed and insured chauffeurs. The prices would have to be negotiated further.</p>

<b>Butler Service Providers</b>	
<b>Butlers Barcelona</b> (Joel Acosta)	This company offers services for a variety of occasions, including hen parties, classy meals and nightlife events. The company ensured that the outfit of the butlers is completely free for the client to decide. The price is 140€ (+ IVA) for a 2h service, subject to negotiations based on contracting volume.
<b>Luxury Butler</b> (Contact email)	The Luxury Butler is an exclusive agency specialized in offering Concierge Services, Butlers, Personal Assistants, Yacht & House Management Services in Spain. The rates vary from 150 to 200€ per a 2h service, however it depends on the type of service needed.
<b>Photography and Video Service Providers</b>	
<b>Retratos Barcelona</b> (Danny Fernandez, Director)	<p>Danny has a small photography company and would be willing to photograph and film specific events in bars and lounges, as well as to follow users that book premium pub crawls around to do a visual documentation of the experience. His rates are the following:</p> <ul style="list-style-type: none"> <li>○ 130h per hour (+ IVA) with a minimum of 4h per job</li> <li>○ Includes 35-50 edited photos per hour of work</li> <li>○ Video editing follows the same rates</li> </ul>
<b>Splento Photography</b> (Gemma)	<p>The company is a growing European company of multi-lingual professionals, also operating in Barcelona. They take photographs and edit them for their clients. Gemma confirmed their interest in partnering with <i>Xceed: Bars &amp; Lounges</i> with the visual coverage of night events and pub-crawls.</p> <p>Their standard rate is 145€ per hour, with a maximum of 20 edited photos per hour (only a percentage of the all the taken photos would be edited). However, these rates are also subject to negotiation.</p>

*Appendix 15 - Student Organizations and Luxurious Touristic Organizations*

To enlarge the pool of customers within *Xceed: Bars & Lounges*' target, the company could strategically partner with high-end student organizations and even luxurious touristic agencies.

In this regard, the following strategic partners were identified.

**ESADE Luxury Society Group:** ELS is a student organization dedicated to organise events focused on the luxury industry, in order to get to know better the luxury world and its Business features, such as Marketing, Branding and Intellectual Property. Their objective is to give their student community an opportunity of getting to know the industry.



**EADA Student Community:** The associations objective is to promote the well-being of students, through organizing talks from experts on the field, workshops with companies and activities to explore the city of Barcelona.



**Premium Traveler Barcelona:** A destination management company created by a team from Barcelona with extensive international experience formed by professionals in the world of tourism, communication, journalism, gastronomy, and law. They offer tailor-made itineraries, private tours & experiences, concierge services and corporate events.



**G-luxe – Luxury Travel Barcelona:** This is a premium travel agency that organizes itineraries throughout Barcelona and its surroundings. They have a list of partners that range from hotels and resorts, to experiences during the day and night. They strive to locate and organize a first-class route.

