

A Work Project presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

**How to Apply Entrepreneurship in Real Life: Developing a Hybrid Restaurant-
Bar Concept**

Guilherme Alves Proença | 31880

Work Project carried under the supervision of:

Professor Miguel Muñoz Duarte

Lisbon, May 12th, 2022

Abstract

This work project aims to understand why Hybrid Restaurant-Bar Concepts are increasing in popularity and whether this concept can be seen as an investment opportunity. Throughout the work project several hypotheses were tested during experiments to maximize the efficiency of the Business Model Canvas framework. Methodologies as Lean Startup and Customer Development Model were applied on a theoretical Hybrid Restaurant named “The Duo”.

Keywords: Entrepreneurship, Start-up, Growth, Strategy, Agile Development, Innovation, Restaurant, Hospitality

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

Table of Contents

1. Introduction	3
2. Research Questions and Methodology	4
3. Literature Review	5
3.1. Lean Startup	5
3.2. Hypothesis Testing	6
3.3. Customer Development Model	6
4. Field Research	7
4.1. Development of a Hybrid Restaurant-Bar Concept: Savor	8
4.2. Problem-Solution Fit	9
4.3. Product-Market Fit	16
5. Results	23
6. Limitations	24
7. Conclusion.....	25
8. References	27
9. Appendix	30

1. Introduction

During my childhood I have always loved meeting people and spending time with them, however I have consistently sought for comfort and for “safe spaces”. While most of my friends would prefer to go out to a nightclub to have fun after having dinner, I would rather spend my time with them in one of our houses either listening to music, talking or dancing, seeking to avoid potential problems that would damage the good atmosphere. As myself, many others have dealt with some problems when going out and so a solution to overcome these potential problems had to be found.

My family has been connected for generations with restaurants and when I was introduced to the Hybrid Restaurant-Bar Concept, I immediately felt in love with it. A Hybrid Restaurant-Bar Concept is a restaurant which transforms into a bar or a small nightclub after dinner. It does not simply serve a meal, but rather an unforgettable experience aiming to connect all the five different human senses. The flavours and the eye-catching presentation of the menu, the open-space approach with modern features to convey glamour to the customers, the aroma diffusers and a “low-vibe game of lights” to provide comfort and an advanced environment sound system with low-frequency music during dinner with a DJ set to perform on the post-dinner are just some characteristics present on these new restaurant concepts.

This work project is the result of the alignment of my passion for Entrepreneurship with my father’s proposal of together opening a Hybrid Concept and it aims to deliver the greatest business plan by minimizing its potential risks. On this thesis, several entrepreneurial concepts as Lean Startup were applied, aiming to maximize the efficiency of this potential new player in the industry.

2. Research Questions and Methodology

This work project aims to penetrate into the restaurants' space to determine the best business plan of a Hybrid Restaurant-Bar Concept. The following questions further clarify about its emergence:

1. Are these Restaurant-Bar Concepts growing?
2. Are these Hybrid Concepts a passing fad or a long-term market?

The work project was designed using qualitative and quantitative information through data collection as formal interviews, unstructured ones, questionnaires and surveys. Moreover, a comprehensive research was conducted through articles, e-books, books, papers, essays and other work projects on subjects as Lean Start-up, Agile Development, Customer Development Process and other sources of information about the entrepreneurial journey.

Throughout the work project, hypothesis testing occurred and entrepreneurial concepts were applied on a theoretical business model of a new Hybrid Concept, using the Business Model Canvas framework.

This project is structured in the following order: Firstly, some entrepreneurial concepts were brought up on the Literature Review section. On the Field Research part, these concepts entered into application and a new theoretical Hybrid Restaurant-Bar Concept named "Savor" was developed, later re-adapted to "The Duo". Several hypotheses were tested to maximize the efficiency of this new "entrant player" and how it differentiates from a traditional restaurant. Subsequently, the results were carefully examined, its limitations were clearly identified and conclusions were drawn about the initial research questions. Lastly, the references and the appendix sections demonstrate the sources of information used and further explain the obtained results.

3. Literature Review

An entrepreneur is someone who perceives an opportunity and creates an organization to pursue it. The opportunity identification either appears from a problem troubling the society or from a current unsatisfied need due to lack of solutions or the quality of the existing ones (Bygrave and Zacharakis 2010).

Hybrid Restaurant-Bar Concepts are not yet a proven business model and so, considering them as startups is justifiable since ideas will be tested, as well as the idealized business model, aiming to minimize its potential risks.

3.1. Lean Startup

The Lean Startup is an approach on how to build new businesses, where entrepreneurs will research, experiment, test and iterate with the market along the process (Pratt 2018). This approach is solidly supported by two other approaches: Agile Methodologies and Customer Development Model (Ries 2008). The first attempts to abolish wasted time and resources by focusing on iterative experiments with customers, as the products are being developed to present a final customer-proved product (Alvarez 2014). The latter consists of a process initially seeking to identify the customers and understand their problems and needs (Blank 2013). This process goes up to the transitioning phase of the organization, switching from one designed for learning and discovery to an efficient executor (York and Danes 2014).

Testing falsifiable hypotheses through early versions of the products/services, known as Minimum Viable Products (MVP's), helps the entrepreneur to adapt based on the feedback provided by the customers (Eisenmann et al 2011). This Lean Startup methodology infers whether the business model should be preserved, dropped or being "pivoted", meaning having significant changes throughout the process often called

“pivots” (Ries 2011). Thus, startups can benefit from these early interactions with the market improving their chances of success without the need of an upfront large investment of capital on an unproved concept (Stayton and Mangematin 2018).

3.2. Hypothesis Testing

According to Blank, hypothesis testing is a difficult challenge, as a consequence of the need of the entrepreneur to generate and test hypotheses rapidly and frequently and carefully evaluating the results before advancing to the decision-making phase (Blank 2013). “Getting out of the building” implies talking to customers, users and experts to investigate whether the theoretical problem to be tackled is significant and what can the scope and the characteristics of that dilemma may be (Blank 2007). To this extent, the uncertainty of the business model can be minimized, however the entrepreneur must be aware of potential biases throughout the process, particularly the Selection Bias, which is the most common expression, where the main sources of the gathered data consist of family, friends and colleagues, unconsciously aiming to be confirmatory sources of the tested hypotheses (Holcomb et al 2009).

3.3. Customer Development Model

The Customer Development Model consists of four connected stages (York and Danes 2014). The first named Customer Discovery focus on understanding the customer problems and needs. On this phase, a Problem-Solution Fit must be guaranteed, meaning having evidence that the customers care about certain jobs and pains they face. (Huber and Meyhöfer 2021). The following stage is the Customer Validation and it seeks to achieve Product-Market Fit, which means having confirmation that the proposed value proposition is actually creating value for the customers (Amarsby 2014). The final stages are Customer Creation and Company Building and these rely on the execution of the business model, previously validated through early market interactions.

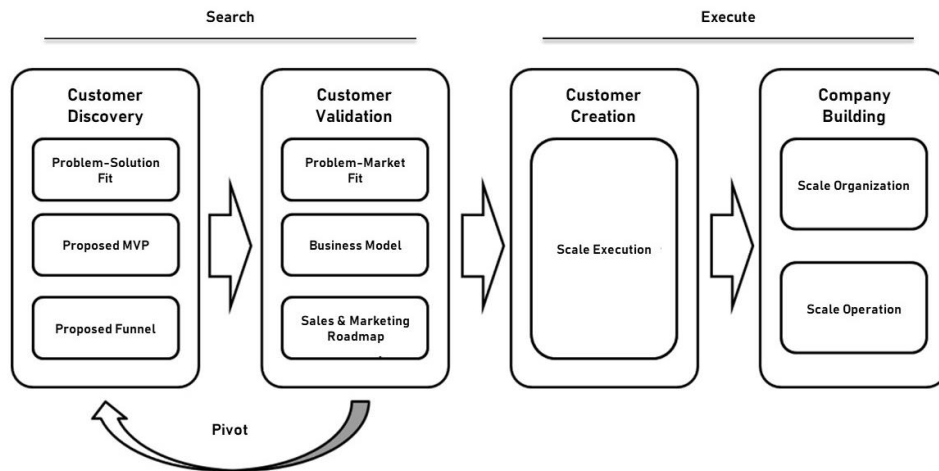


Figure 1: Steve Blank's Customer Development Model

According to Alvarez, Customer Development focus on customers upfront, since startups in their seed and on early stages have to primary develop customers rather than products (Alvarez 2014). Therefore, startups are recommended to “search” for the ideal customers to test their hypotheses and business idea, thus obtaining validation or refutation of their business model (Silva, 2020).

4. Field Research

Hybrid Restaurant-Bar Concepts are not yet considered a trend, however its numbers are increasing and their strong presence is spreading, as in the case of CH'I in Miami (Lopez-Alvar 2021). The concept is not only present in the United States, but also across the globe. Edern in Paris, Jazz Cafe in Milano, Kytaro in Munich, Praia no Parque in Lisbon are a few examples of how this concept is rapidly expanding throughout the world. In fact, there are some restaurants and some nightclubs that have adapted their business model based on the Covid-19 reality, as in the case of Lust in Rio in Lisbon, Portugal.

The famous Portuguese nightclub had to rearrange their business based on the imposed restrictions by the health authorities, which led to several months of opening with limited capacity or not opening at all, translating into the high loss of potential revenues. Therefore, Lust in Rio, partnering with the famous Chef Chakall, created the restaurant

Lá no Rio, a Hybrid Concept which later re-adapted to Envy by Chakall, and remains working, aiming to serve a complete unique experience to its audience (Farinha 2021).

4.1. Development of a Hybrid Restaurant-Bar Concept: Savor

Based on the Lean Startup approach and on the Customer Development Model (CDM), a hypothetical Hybrid Restaurant was created and named “Savor”. Several experiments occurred during the work project to test the hypotheses of this theoretical new player. Also, there was a focus on the first two stages of the CDM: Customer Discovery and Customer Validation, to understand if both the Problem-Solution Fit and the Product-Market Fit were validated. A preliminary version of the Business Model Canvas of Savor was developed and it can be visualized in the Appendix 1. As previously mentioned, hypothesis testing occurred to corroborate or to shape the initial prototype of Savor’s Business Model Canvas. The successive rounds to authenticate the quality of these hypotheses were structured as follows:

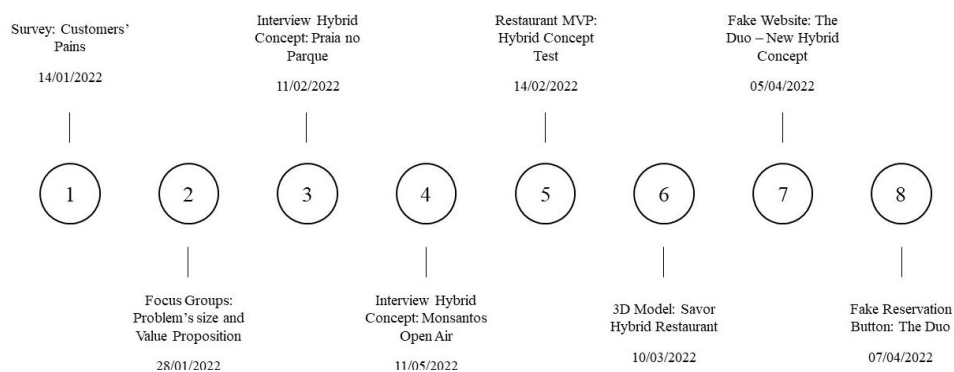


Figure 2: Timeline of Experiments

- Experiment 1 – Survey: Validation of customer’s pains on the dinner experience and post-dinner nightlife
- Experiment 2 – Focus Groups: Understanding the size of the problem and initial discussion of the value proposition of a Hybrid Concept
- Experiment 3 – Hybrid Concept’s Interview: Praia no Parque Business Model

- Experiment 4 – Hybrid Concept’s Interview: Monsanto Business Model
- Experiment 5 – Hybrid Restaurant-Bar Experiment: Concept Experience
- Experiment 6 – Development of 3D model of the concept “Savor”: Customers insights on the prototype and on its idealized business plan
- Experiment 7 – Fake Landing Page – The Duo: Analysis of which demand generation channels are the most promising
- Experiment 8 – Fake Reservation Button: Analytics and Comparison between website’s visitors and the interested people which would like to book a table

4.2. Problem-Solution Fit

Achieving a Problem-Solution Fit is the initial step of the entrepreneurial journey. Here the entrepreneurs try to validate if there is a problem worth solving (Blank and Dorf 2012). It is also the phase of the Customer Discovery on the Customer Development Model, meaning there must be a constant interaction with the audience to investigate which set of hypotheses are significant. In order to validate these, several cycles of validation took place aiming to justify whether a Problem-Solution Fit could be achieved or if the problem was not worth solving at all.

Experiment 1 – Survey validation of customers’ pains when they go out for dinner and post-dinner nightlife

Purpose: To test if there was a problem or a sufficient number of pains the customers face when they go out for the combined experience of having dinner and fun afterwards. Also, to assess how many participants have already experienced this Hybrid Concept.

Description: A broad survey was conducted with 199 answers (Appendix 2) from 11 different nationalities. The questionnaire was composed by 5 sections: Consent of participation (1), Personal Information (2), Eating out (3), Post-dinner nightlife (4) and

Hybrid Restaurants (5). The participants shared facts about their routines, biggest pains and also shared of how much they usually spent on a typical restaurant and how much they would be willing to spend on a Hybrid Concept.

Feedback: From all the respondents, 92.5% said that on average, they go out to eat at least once a week and only 10.6% said that they never go either to a party or a bar or a nightclub after having dinner, making the questionnaire a credible source to deepen the research. From the survey we may also conclude that the audience prefers to go out with their friends in the first place, followed by their family and romantic partners next. On average, 91.9% spend up to 25€ per person at a typical restaurant. The following graphic represents which problems disturb the audience the most when going out after having dinner:



Figure 3: Survey answers – Customers’ pains

All the respondents mentioned at least one problem being the most common (73.9%) the waiting time/loss time to enter into a bar, nightclub or disco. Bad weather (57.8%) and high mandatory minimum consumption (42.7%) also affected a significant part of the group. There was a total of six significant (at least 10 respondents) problems justifying that people daily face these pains when they want to have fun after eating out.

#	Hypothesis	Result
1	Most of the respondents (80%) eat out at least once a week.	Validated – 92.5% eat at least once a week.

2	At least 60% of the respondents usually go out after having dinner.	Validated – 64.8% of the inquired sometimes go out after dinner. 22.6% most of the times goes too and 2% always goes.
3	Most of the respondents (80%) face at least a pain when wanting to have fun post-dinner.	Validated – Every inquired mentioned at least one problem. More than 70% mentioned at least two problems.
4	The time wasted waiting in line and the weather are the two biggest pains which “kill the vibe”.	Validated – The time loss waiting in lines was mentioned by 73.9% of the respondents. Bad weather was the 2 nd most referred pain by 57.8%.
5	The customers are willing to pay a higher price for a solution of “eat & have fun” in the same place.	Validated – 91.9% of the respondents spend up to 25€ per person on a typical restaurant. When questioned about how much they would be willing to spend on a Hybrid Concept, 43.2% answered greater values than the 25€ limit. The highest amount was 80€ per person.

Learnings: The survey reported several pains customers face whenever they want to have fun after eating out. Despite the great validation of all the hypotheses, an age pattern was being introduced: the older the respondent, the greatest amount of money he/she would be willing to pay to have the experience of eating and having fun afterwards in the same location. Also, the demographic area/country impacted the answers. Therefore, these limitations were tackled, to minimize risks and understand how much different the customer segments were, in the following experiment.

Experiment 2 – Focus Groups: Understanding the size of the problem and initial discussion of the value proposition of a Hybrid Concept

Purpose: To clarify how the post-dinner previously mentioned difficulties affected different groups with distinct characteristics amongst them based on their residence, financial background and age.

Description: Four different focus groups were generated, some in person and others remotely, to understand how the groups’ background impacted their answers. The first

group had 7 people and was constituted by Lisbon Parents. Both the second and the third group had 5 people, where the first was composed of entrepreneurs from other cities different than Lisbon and the remaining was composed of students from all over the country. The fourth group had 6 people and included residents from Cascais. Based on a specific scenario, the participants were asked to evaluate on a scale from 0-100 some mentioned problems of the first experiment and to answer how much these problems cost them, if they believe Hybrid Restaurants could be an ideal solution and how much would they be willing to spend on a Hybrid Concept. They also provided individual feedbacks.

Feedback: The four groups provided valuable inputs for the research and one person from the first focus group (Lisbon Parents) even suggested a small rhyme to describe the concept: “Quality food to start; Drinks and have fun; A night party to last”. Details from the answers of the focus groups can be visualized on Appendix 3.

#	Hypothesis	Result
1	At least one of the previously mentioned problems of experiment 1 has a great significance on the audience (75%), while two others also were considered to have a sufficient impact (50%).	Not Validated – On average, the time loss of waiting in lines was considered the problem that most damages the audience (76.8%), followed by bad weather/rain which also impacted a lot (66.5%). The high minimum consumption card was the 3 rd most considered problem (43.5%).
2	The impact of the mentioned problems is greater than 25€.	Validated – On average, the four mentioned problems were considered to cost 37.8€ to the audience.
3	Hybrid Restaurants are considered to be an ideal solution (80%) amongst the focus groups.	Validated – When asked to attribute a value from 0-100, the inquired said that Hybrid Concepts were 81.3% an ideal solution. 7 out of the 23 inquired answered they were a perfect solution.
4	On average, the inquired are willing to pay greater than the impact of the mentioned problems in euros.	Validated – On average, they are willing to pay 40.65€ extra than a typical restaurant. The problems were considered to cost them 37.83€
5	The students are the ones who are most “damaged” by the problems but are the	Not Validated – Despite being the ones who are available to pay less (35€), the other cities’ entrepreneurs were identified

	ones who are willing to pay fewer than the remaining groups.	to be the ones who were most damaged by the mentioned problems (49€).
6	The focus groups approved the value proposition presented of Savor, the new Hybrid Restaurant.	Validated – 100% approved the value proposition of the new concept named Savor. Some even made suggestions to it.

Learnings: Despite the focus groups representing a small percentage of the population, these problems were considered significant on how they could displease a good night. Therefore, there was a huge customer pain that needed to be tackled, which was the uncertainty of potential turn-off problems on the post-dinner experience. The proposed solution has met the requirements of the inquired and most were ready to pay greater values than on a typical restaurant to avoid this uncertainty. As for the customer segments, within the focus groups different answers occurred. However, the existence of an already established financial background, reinforced by the age factor were forwarding to a common background of the customer profile: Middle-to-high class.

Experiment 3 – Hybrid Concept’s Interview: Praia no Parque Business Model

Purpose: To understand how one of the first Hybrid Concepts in Portugal was established, the challenges it has faced and how it has adapted based on the customers’ needs over their years of functioning. Also, to assess whether they consider themselves as a solution to the customers’ pains and to clarify the customer profile previously discovered.

Description: An interview with Rita Balau, Human Resources Manager at Praia no Parque, took place aiming to understand how the concept was firstly introduced and how it has been developing for the recent years.

Feedback: The interview confirmed some of the initial hypotheses evaluated and verified through the first two experiments, however it pivoted other hypotheses, especially the ones referring to the ideal customer profile.

#	Hypothesis	Result
1	The Hybrid Concept can be seen as a great solution for the post-dinner uncertainty of turn-off problems.	Validated – The manager agreed with the proposed solution and even referred some clients already mentioned the benefits of having the whole experience at the restaurant.
2	The ideal customer profile is composed by people from the Middle-to-high class.	Not Validated – Despite being the majority, the manager has distinguished 3 different customer profiles.
3	A great team subdivided into different departments helps the management and efficiency of every member of the crew.	Validated – The restaurant has different teams to support its functioning: kitchen staff, employees, bartenders, HR and receptionists and the music crew composed by DJ's and other artists.
4	The restaurant has established several partnerships to improve its performance.	Validated – For instance, the restaurant has several corporate partners that they serve at lunch time. These different partnerships established help Praia no Parque increasing their revenues.

Learnings: The idealized business model of the theoretical new Hybrid Restaurant-Bar Concept was mostly aligned with Praia no Parque's business plan. Most of the hypotheses were verified, however in what concerns the customer profile, the hypotheses were rejected. Rita mentioned that Praia no Parque had 3 different customer profiles: Corporate Partners were the main clients at lunches; Families, anniversaries and dates represented the second customer profile (Occasional Visitors) which attended the restaurant from Sunday to Wednesday mostly at dinner time and the third customer profile was composed by everyone who wanted to enjoy dinner and having fun afterwards. The "Night Lovers" customer profile was composed by the night clients from Thursdays to Saturdays. Therefore an important question arose, which was whether the initial business plan of the Hybrid Concept would be profitable simply working at nights and on specific days. Rita confirmed that it could be possible, however it would be tremendously difficult and the restaurant would have a much greater potential once it adapted and worked both during lunches and on dinners.

Experiment 4 – Hybrid Concept’s Interview: Monsanto Open Air Business Model

Purpose: To understand how Monsanto re-adapted its business model and introduced a different concept from Praia no Parque, also targeting a distinct audience.

Description: A phone call interview with João Paiva Mendes, owner of Monsanto Open Air, started with an informal conversation about the concept, the idea and its history. Subsequently, 10 structured questions were asked about its business model (Appendix 4)

Feedback: Subsequent to Praia no Parque’s Interview, another important customer profile was identified: Groups. The owner provided important feedbacks about its business model and added value in some of the sections of the Business Model Canvas framework.

#	Hypothesis	Result
1	The Hybrid Concept can be seen as a great solution for the post-dinner uncertainty of turn-off problems.	Validated – The owner agreed with the solution and added that most consumers prefer these spaces due to comfort of not moving from one location to another.
2	Hybrid Concepts can be scalable based on certain characteristics of its business model.	Validated – Despite stating that Monsanto Open Air could not be scalable even after rejecting expansion offers to other locations, João mentioned that Hybrid Concepts can achieve scalability through important features as a great autonomous team and key partners.
3	The two primary revenue sources of a Hybrid Restaurant-Bar Concept consists of food and bar revenues.	Not Validated – Despite both being the main revenue sources, the owner added sponsorships once a concept built a strong reputation, and other tertiary revenue sources from sporadic events as weddings.
4	The majority of the costs of a Hybrid Concept rely on wages, supplies, marketing and advertising, sales and administrative costs and other operating expenses.	Validated – However, João mentioned marketing and advertising costs are diminished by PR’s and influencers’ partnerships. He reinforced night experience costs, as bartenders or securities, amount to a great weight on the daily functioning of the concept.

Learnings: Another important customer profile was brought up, Groups, which is the main consumer at Monsanto Open Air. In the first interview a question arose about

whether a Hybrid Concept can be profitable only working at nights and Monsanto's Open Air is an example of it, since it only works during nights and only serves lunches in the weekends.

At the end of the four different experiments, a conclusion about the Problem-Solution Fit can be drawn. Based on the surveys, focus groups and on the interviews, there was a clear customer pain identified, the uncertainty and risk of potential turn-off problems on the post-dinner experience. The proposed solution was accepted by the audience, which were willing to spend extra money at a restaurant to have fun afterwards on the same location. Thus, an assumption of success about the achievement of the Problem-Solution Fit was made.

4.3. Product-Market Fit

Once the Problem-Solution Fit is achieved, the next step is to verify the existence of the Product-Market Fit. On the phase of Customer Validation, the entrepreneurs try to confirm whether they have built something people want (Blank and Dorf 2012). As previously, multiple cycles of validation took place to guarantee whether or not the Product-Market Fit could be achieved.

Experiment 5 – Hybrid Restaurant-Bar Experiment: Concept Experience

Purpose: To evaluate if a unique and different dinner experience would please the local customers of a restaurant, if they would be willing to pay a greater value for having the experience more often and to assess whether the couples would prefer to either go out after having dinner to have fun and enjoy the night or whether they would prefer to return to their homes.

Description: Two dinners' experiences occurred on the 12th and on the 14th of February 2022 at the restaurant Frango à Guia in Beja, Portugal, to evaluate the idea of providing

the customers with a Hybrid Concept experience. On both dates, the Valentine’s Day was celebrated with an outstanding and unequal menu when compared with their daily functioning. To ease the food preparation process, a fixed menu (Appendix 5) was created composed by some appetizers, one fish and meat dishes and a desert to conclude the night. The restaurant’s closing time was extended to obtain feedback from customers, however due to sound restrictions on the surrounding area, a music license could not be obtained.

Feedback: On both nights, a total of 60 meals was served. The menu had a price of 22.5€ per person and most couples drank a bottle of wine averaging to 15€, resulting on an average price of 37.5€ per person. All customers were satisfied with the different menu and complimented the decoration and sound experience the restaurant had prepared. Once they asked for the check, the employees would ask about the experience and deliver them with a small five questions survey to receive their inputs on the experience.

#	Hypothesis	Result
1	Most customers (80%) enjoyed the experience and would like to repeat it on a more regular basis.	Validated – All customers approved and would like to enjoy the concept more regularly.
2	The average price per person paid on the Valentine’s dinners was at least two times greater than on a regular day at the restaurant.	Validated – The average price per person obtained was around 37.5€, while on a regular day a customer pays 15€ on average.
3	Due to the significance of this special day, most customers (80%) would prefer to go back to their homes rather than to a bar or a nightclub.	Validated – 94% of the customers said they would prefer to go to their homes to spend their time with their loved ones.
4	When presented with the hypothesis of the restaurant transforming into a nightclub, at least 60% would rather stay at the restaurant having fun.	Not Validated – 58% of the customers said they would like to stay at the restaurant having fun. Some individuals mentioned that if it was a non-meaningful day as the Valentine’s Day, they would rather have fun afterwards.

Learnings: Despite the last hypothesis not being validated, the experiment was a success amongst the audience, which approved the concept and would enjoy the experience

more regularly. Neither this concept nor a fancy restaurant is present in Beja, however these participants were mainly composed by entrepreneurs, bankers, professors and retirees. These customers would be inserted into the profile of “Occasional Visitors”.

Experiment 6 – Development of 3D Model of the concept “Savor”: Customers insights on the prototype and on its idealized business plan

Purpose: To display and get insights from potential customers about the 3D prototype of a new Hybrid Restaurant-Bar Concept named Savor. To assess which customers’ needs must be targeted, whether different concepts can be present at the same restaurant and how can Savor differentiate from other Hybrid Concepts on the customers’ point of view.

Description: A partnership with the architect João Moreira was established with the aim of producing a preliminary 3D version of a potential Hybrid Restaurant named Savor (Appendix 6). The project included some key characteristics of these Hybrid concepts as an open-space approach, a dining room and a terrace with the DJ set. Other characteristics composing the project were a small parking lot, two round bars and amongst other details, a spacious kitchen well equipped for the food experience. Some participants of the initial survey and some from the previous focus groups were randomly selected to participate and to provide insights about the 3D prototype. Furthermore during lunch and dinner, several customers nearby Praia no Parque were also participants of the experiment.

Feedback: A total of 31 people composed of 14 previous and 17 new participants provided insights and feedbacks on the 3D project of the restaurant. Individual suggestions were also taken into consideration.

#	Hypothesis	Result
1	Most customers (80%) would approve the concept (space, decoration and aesthetics).	Validated – 29 out of the 31 (94%) participants said they wanted to try the concept experience on the space.

2	When asked to vote whether the project was for a traditional restaurant, a Hybrid Restaurant-Bar concept or if it would fit both approaches, most customers would select the “both” option.	Validated –21 people selected the “both” option. The “hybrid concept” option was selected by 8, whether the “traditional restaurant” was only selected 2 times.
3	When asked about the possibility of being a traditional restaurant at lunches and a Hybrid Concept at dinners, most clients (80%) would accept different menus.	Validated – 84% of the customers were comfortable on having different menus for the different restaurant’ identities. Although some referred the prices should be lower, others mentioned the prices could be equal on both “identities”.
4	Customers were presented with images of ingredients and were asked to allocate them in 1 of the 3 options: traditional restaurant, hybrid concept or both. At least 20 out of the 30 images were seen a fit for both restaurant’ identities. (Appendix 7)	Not Validated – Only 16 out of the 30 ingredients images were most voted to be seen as a double option for both the hybrid concept and the traditional restaurant.

Learnings: Customers were able to visualize and imagine both a traditional restaurant and a Hybrid Concept on the 3D project. When asked about the possibility of the restaurant having both identities on different times, most customers approved the idea and would like to experiment the two. On the day of the experiment near Praia no Parque, a women who loved the concept and the 3D project was constantly talking about the “Dual experience”. Later that specific conversation led to some brainstorming and shifting the “Savor” idea into “The Duo”. The new name better represented the proposed value proposition and theoretically conveyed a mysterious sense to attract more customers. Since most of the hypotheses were already validated or pivoted, the next step relied on discovering the most efficient demand generation channels.

Experiment 7 – Fake Landing Page - The Duo: Analysis of which demand generation channels are the most promising

Purpose: To understand and validate which channels attract the most demand and which of the two proposed moments at the restaurant appeal the most to the audience.

Description: A fake website was designed on Wix (Appendix 8) and was replicated two more times to assess which channels (Social Media, Flyers and WhatsApp) were the most promising ones in terms of dimension and speed. This experiment has lasted for 7 days. The value proposition was clearly stated on the website for the audience to fully understand “The Duo” and its experience.

Feedback: The reach of the websites was far greater than the expected. A total audience of 717 people was reached through the 3 different channels, being WhatsApp the most successful. Different tactics used led to distinct results amongst the demand generation channels (Appendix 9).

Flyers were distributed on 4 key locations: on tables at NOVA SBE University, at the sports club CRC Quinta dos Lombos, on poles at the Carcavelos Beach and on a Gira bike station near El Corte Inglês. A total of 74 people scanned the QR code.

Social media audience was only composed by Instagram followers and visitors. A fake social media account was created (Appendix 10) and followed 200 people on its first day to engage early with some audience and to evaluate the effects of daily posts. At the end of the experiment, the page achieved 542 followers and 265 people visited the website.

Lastly, through the WhatsApp channel 100 people were contacted per day. A simple message was shared describing The Duo’s value proposition, attached with a photo present on the website and its link to engage visitors. A total of 378 people went over the website.

#	Hypothesis	Result
1	The biggest demand generator channel will be WhatsApp.	Validated – WhatsApp was the leader on generating demand converting 378 people into website visitors.
2	On the combination of the 3 channels, at least 100 people will be reached on the 1 st	Validated – On the 1 st day, 184 people visited the websites. From the 2 nd day

	day, followed by at least 20 other people per day.	onwards, the average number of visitors was approximately 89, having WhatsApp alone reached the target.
3	The conversion rate of WhatsApp between people contacted and website visitors will be greater than 50%.	Validated – A conversion rate of 54% was achieved since 378 people out of the 700 contacted visited The Duo’s website.
4	The conversion rate of Social Media between followers and website visitors will be greater than 50%.	Not Validated – Despite not achieving the 50%-mark, Social Media through Instagram was able to obtain a conversion rate of 48,9% (265/542).

Learnings: WhatsApp was verified as the greatest demand generator channel of the three tested. However, despite its short-term success with a conversion rate superior to 50%, WhatsApp is seen as a limited channel and mainly composed by family, friends and colleagues. When considering a long-term approach, social media seems to be the best option in terms of customers’ engagement since brand awareness is created and social media allows to boost website traffic and potential sales.

Therefore, when considering demand generation channels, Flyers and WhatsApp were categorized as short-term strategies, aiming to start building a more local community and creating brand awareness through Word-of-Mouth, since they are free-of-cost advertising, while social media was classified as a more successful long-term approach.

Experiment 8 – Fake Reservation Button: Analytics and Comparison between website’s visitors and the interested people which would like to book a table

Purpose: To analyse the conversion ratio between website visitors and the number of people interested on experimenting the concept.

Description: A fake reservation button was created aiming to measure how many people would be interest on experimenting “The Duo”. The button was located on a specific section of the landing page as it can be seen on Appendix 11. Its link would redirect visitors to another website page on Wix (Appendix 12). This external page contained a

simple message mentioning The Duo was a prototype and was not yet functioning. This experiment overlapped the previous one on the 3rd day of the Fake Website Page.

Feedback: Since the Fake Reservation Button was only implemented on the 3rd day of the previous experiment, a total audience of 404 people was reached through the three different demand generation channels (120 from Social Media, 251 from WhatsApp and 33 from Flyers). The Duo was able to obtain a conversion rate of 26% between website visitors and interested potential clients of the restaurant since 104 out of the total audience of 404 people clicked on the fake reservation link to book a table.

#	Hypothesis	Result
1	At least 50 people will be redirected to the secondary page through the Fake Reservation Button.	Validated – A total of 104 people were redirected to the secondary page through the three different tested demand generation channels.
2	From all visitors, at least 30% will be interested on booking a table based on the Website.	Not Validated – Out of the total audience of 404 people, 104 people were interested on booking a table through the website.

Learnings: Despite not being able to achieve at least a 30% conversion rate, on absolute numbers, 104 people demonstrated interest on experiencing the concept based on images and text on a fake website describing The Duo and its value proposition, which positively indicates a Product-Market Fit could be achieved.

A conclusion about the Product-Market Fit can be established based on the four different experiments: Hybrid Restaurant-Bar Experience, 3D Model Prototype Project, Fake Landing Page and Fake Reservation Button. There is a clear market identified and the proposed solution is aligned with its expectations. “The Duo” was accepted by the experiments’ participants who were willing to try the new idealized concept. The reference that 104 people were willing to book a table based on a fake website clearly signs an effective approach on how the project is being developed and can be extended

in real life. Therefore, a successful assumption about the achievement of the Product-Market Fit was established.

5. Results

The experiments performed during the field research revealed a sufficient pain that affected many people on their post-dinner experience, which was the uncertainty and risk of potential turn-off problems, as bad weather or the huge time loss on waiting in lines to enter into a nightclub.

The proposed solution was a Hybrid Restaurant-Bar Concept, a new concept that is rapidly expanding throughout the globe, characterized by people eating and having fun in the same location. A theoretical model of a restaurant named “Savor” was developed and generally accepted by the audience and even some people referred to it as a perfect solution. Despite the success of the hypothesis that the solution would fit the customers’ needs, the idealized business plan needed to be adjusted following the interviews with Praia no Parque and Monsanto.

The functioning of the concept would follow a four-customer profile approach (Appendix 13), based on the research and interviews made with the Portuguese Hybrid Concepts. **Groups** would be the primary targeted customer profile. These customers would mainly frequent the concept from Wednesdays to Sundays, preferably at dinner. **Corporate** partnerships with companies would be established to secure revenues at lunches. An executive menu with a lower price could be created to attract these partners from Mondays to Fridays. **Occasional Visitors** is a wider customer profile combining families, small anniversaries and dates. These customers usually frequent the concept at nights from Sundays to Wednesdays mainly. **Night Lovers** is composed of individuals or smaller groups of people who prefer to enjoy the post-dinner experience, usually from Thursdays to Saturdays’ nights.

After the validation of the Problem-Solution Fit, a partial experiment of the Hybrid Concept took place twice at a local restaurant in Beja. Despite not obtaining a music license, the restaurant extended its closing time, serving a different food experience than the restaurant's daily functioning. The feedback was positive and based on its characteristics, most clients preferred to return to their homes, justifying the importance and special meaning of that day.

The following experiments validated that the concept could have two identities on lunches and dinners, reshaping the "Savor" idea into "The Duo" and further acknowledge which demand generation channels would be the most promising ones, through fake websites. Therefore, a Product-Market Fit was also achieved and "The Duo" could carry on its path by validating more hypotheses to ensure the concept would meet success, as securing pre-arrangements with corporate partners, validating how the dual experience would actually work and creating several criteria to automate the business and ease the decision-making phase of expansion, aiming to achieve the ultimate goal of scalability.

The insights provided by the audience during the cycles of the eight experiments led to a final version of The Duo's Business Model Canvas (Appendix 14).

6. Limitations

Despite achieving both the Problem-Solution Fit and the Problem-Market Fit, there were clear limitations at different moments of the research.

Firstly, even though several experiments were made, many others could be implemented to strengthen the premise of success of the two starting phases of the Customer Development Model.

Another obstacle during the process was not validating with the audience how the dual experience would actually work, meaning whether the menus would differ from lunch to

dinner or validating whether the prices would be a constant during both meals. The ideal experiment to validate or to refute these hypotheses would be the creation of another focus group. This group of people would try both experiences and the participants were to be asked to value in euros their satisfaction of each experienced menu.

An important constraint on the work project was the characterization of the Hybrid Concept. On the initial stages, the concept was described as a “Modern Concept” with many adjectives and a positive description of its characteristics, which could have biased and consequently invalidated some of the collected data.

Lastly, the Business Model Canvas framework was elaborated on sets of tested hypotheses, however no location was identified neither criteria to assess the best placement of the concept were developed. Culture, demographics and other metrics would somehow impact the business plan and so, adaption to each location is key for the concept to be successful and reaching the final goal of scalability.

7. Conclusion

The ambition of this work project was to being able to clearly identify a successful business model plan of a Hybrid Restaurant-Bar Concept and to answer to the proposed auxiliary research questions.

As we may acknowledge from the field research, Hybrid Restaurants are increasing in numbers in many different countries. Despite the market being yet a “niche”, it shows a growing tendency in popularity and it could be characterized as an emerging market.

More and more people are embracing the concept as it could be validated during the field research. Avoiding the risk and uncertainty of potential turn-off problems and the idea of eating and having fun in the same location explain why these Hybrid Concepts are attracting more consumers.

Therefore, Hybrid Restaurant-Bar Concepts were classified to be a long-term market based on its growing tendency of numbers and popularity across the globe, the perception of people as an ideal solution to their needs and the huge potential for its growth.

A Business Model Canvas framework of The Duo (Appendix 14) was developed and pivoted several times during the work project aiming to reach a final version with the minimal possible risks. Despite the business plan not being tested as a whole, most segments of the framework were tested individually during the eight experiments made throughout the field research. An accurate answer of whether the concept would be successful, could only be determined once a single test of a business unit occurred to comprehend which correct hypotheses sustain and which challenges arise to validate or pivot the business model canvas discovered.

In summary, Hybrid Concepts are increasing in numbers and consumers are turning more to these current solutions for many different reasons. There is a clear market demand raising and through the validation of the business model, its chances of success were improved without the need of an upfront large investment of capital. Despite not guaranteeing one hundred percent accuracy, the business plan defined is prepared to confront the potential challenges ahead and adapting to those, even if pivoting is needed, aiming to secure the most riskless plan of action. Therefore as York and Danes referred, The Duo could enter into the transitioning phase of the organization, switching from one designed for learning and discovery to an efficient executor.

8. References

- Abel, A. (2020). *Where To Eat In Lisbon Now: 11 Best New Restaurants*.
<https://www.forbes.com/sites/annabel/2020/09/15/where-to-eat-in-lisbon-now-11-best-new-restaurants/?sh=1b510b6c31f8>
- Alvarez, C. (2014), *Lean Customer Development*, O'Reilly Media, Sebastopol, CA.
- Amarsby, N. (2014). *Survival of the Fittest*.
<https://www.strategyzer.com/blog/posts/2014/11/10/survival-of-the-fittest>
- Blank, S.G. (2007), *The Four Steps to the Epiphany*, 2nd ed., Cafepress.com, San Francisco.
- Blank, S. G., & Dorf, B. (2012). *The Startup Owner's Manual: The Step-By-Step Guide For Building a Great Company*. K&S Ranch, Incorporated
- Blank, S.G. (2013), "Why the Lean start up changes everything", *Harvard Business Review*, Vol. 91 No. 5, p. 64.
- Braz, M. (2021). *THE DEVELOPMENT OF AN AUTHENTIC INDIAN RESTAURANT CONCEPT IN PORTUGAL: IDEA VALIDATION*.
- Bygrave, W., & Zacharakis, A. (2010). *Entrepreneurship: Vol. 2nd edition*.
https://books.google.pt/books/about/Entrepreneurship_2nd_Edition.html?id=8a0bAAA AQBAJ&redir_esc=y
- Choudhury, N. (2022). *Seven Restaurant Trends That Will Define 2022 | Modern Restaurant Management | The Business of Eating & Restaurant Management News*.
<https://modernrestaurantmanagement.com/seven-restaurant-trends-that-will-define-2022/>

Eisenmann, T., Ries, E. and Dillard, S. (2011), “Hypothesis-driven entrepreneurship: the Lean Startup”, Harvard Business School Background Note 812-095.

Euchner, J., & Blank, S. (2021). Lean Startup and Corporate Innovation: An Interview with Steve Blank: Jim Euchner talks with Steve Blank about innovation in corporations. Lean Startup is only part of the solution. In *Research Technology Management* (Vol. 64, Issue 5, pp. 11–17). Routledge. <https://doi.org/10.1080/08956308.2021.1950399>

Farinha, R. (2021). *Lust in Rio reabre em outubro com restaurante de Chakall no interior - NiT*. <https://www.nit.pt/comida/cafes-e-bares/lust-rio-reabre-em-outubro-com-restaurante-de-chakall-no-interior>

Huber, F., & Meyhöfer, P. (2021). *DISHCOVER: CUSTOMER VALIDATION FOR A NOVEL TWO-SIDED PLATFORM IN THE HOSPITALITY INDUSTRY*.

Holcomb, T. R., Ireland, R. D., Holmes Jr, R. M., & Hitt, M. A. (2009). Architecture of entrepreneurial learning: exploring the link among heuristics, knowledge, and action.

Long, E., Patterson, S., Maxwell, K., Blake, C., Bosó Pérez, R., Lewis, R., McCann, M., Riddell, J., Skivington, K., Wilson-Lowe, R., & Mitchell, K. R. (2022). COVID-19 pandemic and its impact on social relationships and health. *Journal of Epidemiology and Community Health*, 76(2), 128–132. <https://doi.org/10.1136/jech-2021-216690>

Lopez-Alvar, N. (2021). *Meet CH'I: Brickell's newest restaurant turns into a club at night*. <https://www.local10.com/food/2021/06/21/meet-chi-brickells-newest-restaurant-turns-into-nightclub-at-night/>

Loureiro, R. (2021). *Restaurants' Adaptations in the Online Delivery Channel During the Covid-19 Pandemic*.

Pratt, M. (2018). *What is lean startup? - Definition.*

<https://www.techtarget.com/searchcio/definition/Lean-startup>

Ries, E. (2008), “The Lean Startup”, available at:

https://www.academia.edu/6418358/The_Lean_Startup_How_Today_s_Entrepreneurs_Use_Continuous_Innovation_to_Create_Radically_Successful_Businesses

Ries, E. (2011). *The Lean Startup: How Today’s Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses.*

Silva, D. S., Ghezzi, A., Aguiar, R. B. de, Cortimiglia, M. N., & ten Caten, C. S. (2020).

Lean Startup, Agile Methodologies and Customer Development for business model innovation: A systematic review and research agenda. In *International Journal of Entrepreneurial Behaviour and Research* (Vol. 26, Issue 4, pp. 595–628). Emerald Group Holdings Ltd. <https://doi.org/10.1108/IJEBR-07-2019-0425>

Stayton, J. and Mangematin, V. (2018), “Seed accelerators and the speed of new venture creation”, *Journal of Technology Transfer*, Vol. 44 No. 4, pp. 1163-1187, available at: <https://doi.org/10.1007/s10961-017-9646-0>

Stephens, R. (2021). *Biggest Dining Trends off 2022, According to Chefs | Food & Wine.* <https://www.foodandwine.com/lifestyle/biggest-food-restaurant-trends-2022>

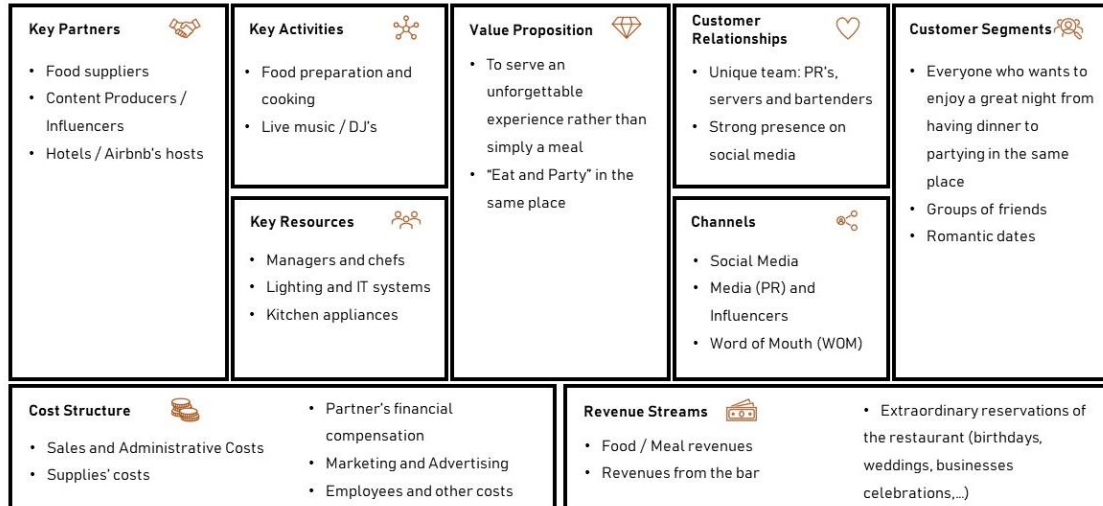
York, J. L., and Danes, J. E. (2014). *CUSTOMER DEVELOPMENT, INNOVATION, AND DECISION-MAKING BIASES IN THE LEAN STARTUP.*

9. Appendix

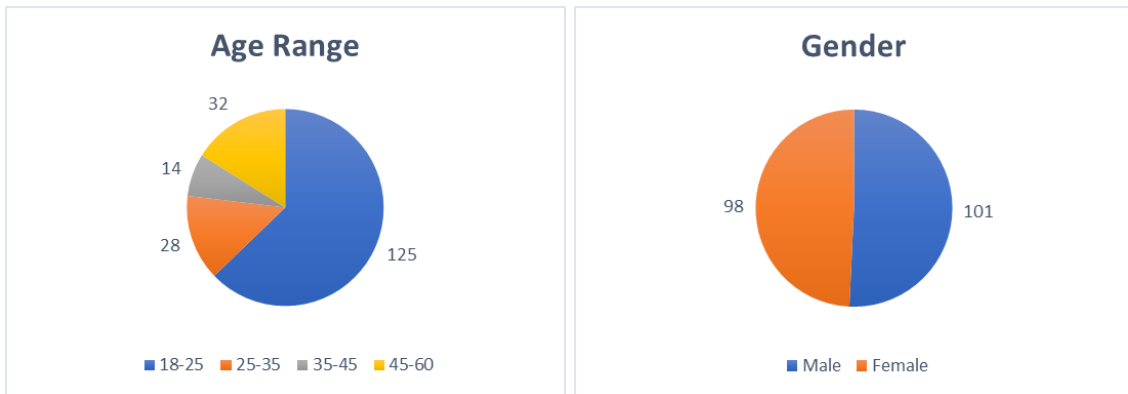
Appendix 1: Savor Business Model Canvas - Initial Version	31
Appendix 2: Questionnaire Feedback	32
Appendix 3: Focus Group Feedback	35
Appendix 4: Hybrid Concept Interview – João Paiva Mendes (Monsantos Open Air)...	36
Appendix 5: Food Menu –Restaurant Experiment of a Hybrid Concept	39
Appendix 6: 3D Model of Hybrid Restaurant-Bar: “Savor”	40
Appendix 7: Perceptual allocation of Ingredients/Dishes by potential customers	42
Appendix 8: Fake Website – The Duo	44
Appendix 9: Demand Generation Channels – Website Visitors	46
Appendix 10: Fake Instagram Account	47
Appendix 11: Fake Reservation Button – The Duo	48
Appendix 12: Fake Link of Reservation Button – Redirected Page and its Analytics ..	49
Appendix 13: The Duo Customer Profiles	50
Appendix 14: The Duo Business Model Canvas – Final Version	51

Appendix 1: Savor Business Model Canvas - Initial Version

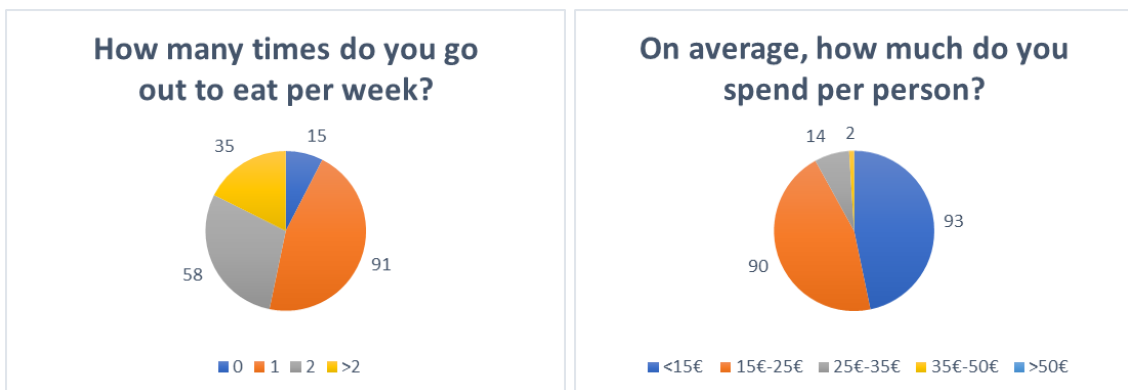
Savor



Appendix 2: Questionnaire Feedback

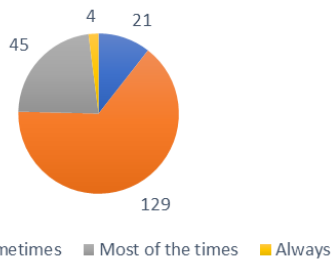


Nationality					
Brazil	2	India	2	Portugal	175
England	1	Italy	4	Russia	1
Germany	8	Lybia	2	United States	1
Hungary	1	Mozambique	2		

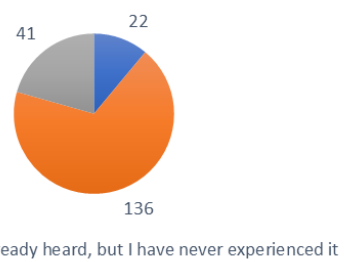


With whom do you usually go out with?					
1st Choice		2nd Choice		3rd Choice	
Family	67	Family	66	Family	52
Friends	80	Friends	87	Friends	31
Boyfriend or Girlfriend	43	Boyfriend or Girlfriend	26	Boyfriend or Girlfriend	22
Business Colleagues	8	Business Colleagues	16	Business Colleagues	48
Others	1	Others	4	Others	46

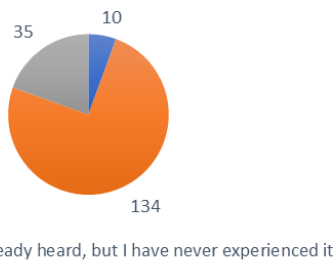
Do you usually go to a bar or to a nightclub afterwards?



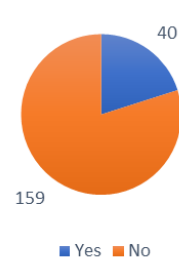
Do you know this space? (Praia no Parque)



Do you know this space? (Soul Garden)



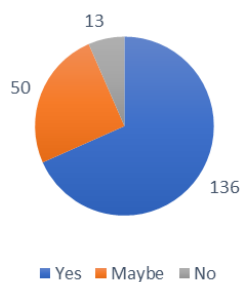
Have you tried any type of these restaurants in the past?



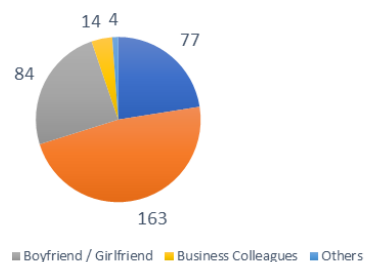
If you already have experienced Modern Restaurants, which ones have you tried?

Alma	Ferrovário	Monsanto
Bagatelle (France)	Ferrugem	Praia no Parque
Blue Marlin (Ibiza)	Guilty by Olivier	Schwarzes Schaf Tübingen (Germany)
Boa Vista Social Club	Jazz Cafe (Italy)	Seen Lisboa
Casino do Estoril	Kytaro (Germany)	Soho Club
Descarado	La Folie Douce (France)	Soul Garden
Edern (France)	Lá no Rio	Vinyl

Do you feel tempted to try / experience once more these Modern Restaurants?



With whom would you rather have this experience with?



What would be a reasonable per person price you would be willing to pay to "eat and tchill" in the same place?	
< 15€	10
15€ - 25€	102
25€ - 35€	60
35€ - 45€	19
45€ - 55€	4
> 55€	4
Average	24,42 €

86 out of the 199 answers (43.2%) provided with a greater average value than the 25€ mark. The highest value a person would be willing to pay was 80€.

Appendix 3: Focus Group Feedback

	Age	Nº	Finding a parking spot	Bad weather/Rain	Waiting Line (Time Loss)	High minimum consumption Card
Lisbon Parents	47,6	7	46	71	84	45
Entrepreneurs from other cities	46,0	5	33	60	82	40
Cascais	47,8	6	34	65	67	34
Students	22,2	5	39	69	73	56
Total	41,8	23	38,6	66,5	76,8	43,5

	Age	Nº	Impact in € of problems?	Ideal solution?	Extra than a typical restaurant?
Lisbon Parents	47,6	7	41	73	40
Entrepreneurs from other cities	46,0	5	49	96	39
Cascais	47,8	6	33	84	48
Students	22,2	5	27	75	35
Total	41,8	23	37,8	81,3	40,7

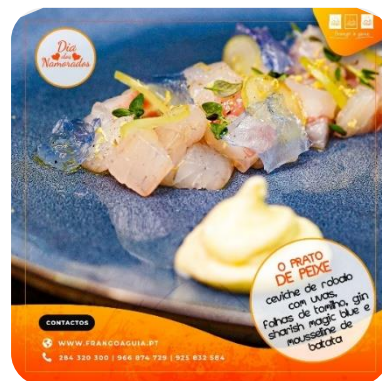
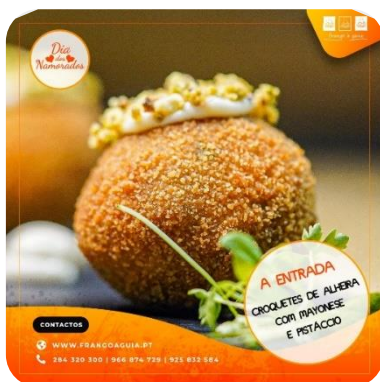
Appendix 4: Hybrid Concept Interview – João Paiva Mendes (Monsantos Open Air)

#	Question	Answer
0	Monsanto: Idea Background and History	Our company has worked with technologies, events and caterings for many years. Based on the pandemic, we did not have events nor catering and so, we transformed the space from a farm into an Open-Air Restaurant, which opened on June 8 th , 2020, serving sardines and mixed grilled. In 2021, we joined a team of promoters and we started having live concerts and a restaurant with a different menu. On the winter due to weather conditions, a part was transformed into a nightclub and the area of the restaurant was expanded and now we have the “dine and dance” concept.
1	What are the main customer profiles? Is there any focus on a more specific profile?	Due to the space background (farm) which allocates 600 people, we have a lot of the corporate market, a great number of baptisms, weddings also and the profile from the “dine and dance” client ranges from 22 years old up to 45, approximately. We have lots of groups and they choose either to go to the garden, which has a lighter and more sustainable menu conveying the vibe of drinking and dancing or to going to the restaurant. Usually it is groups of friends and not romantic dates, for instance.
2	During my thesis a common problem across the audience was the uncertainty and risk of potential turn-off problems as the time loss in waiting in lines to enter into a bar. Do you think these Hybrid Restaurant-Bar Concepts are a solution to it?	There is also other things associated with that problem, as the comfort. It is the comfort of being there with your group of friends, not moving to go to a nightclub and you are in the same location until 4 a.m., listening to the music you like. I agree that it is a solution, however the club has to acknowledge that the people from the restaurant are not enough to fulfil the maximum capacity of the club and so a promotion strategy must be implemented to attract a higher number of customers.
3	During the field research, other Hybrid Concepts appeared as Praia no Parque or Envy by Chakall. Do you consider them your biggest competitors?	No. There are more as Descarado but they are not direct competitors. Praia no Parque has a much greater price segment than ourselves. Monsanto is a space of gastronomy, culture, sustainability, amongst others, I consider Monsanto a different concept. Direct competitors would be in Bairro Alto since you have plenty of restaurants with a side bar nearby. We focus more on the dining dynamics and to be a more “eat and chill” place for a group of friends listening to live music than comparing with Praia no Parque, where they open the dance floor and people stay there up to 4 a.m.

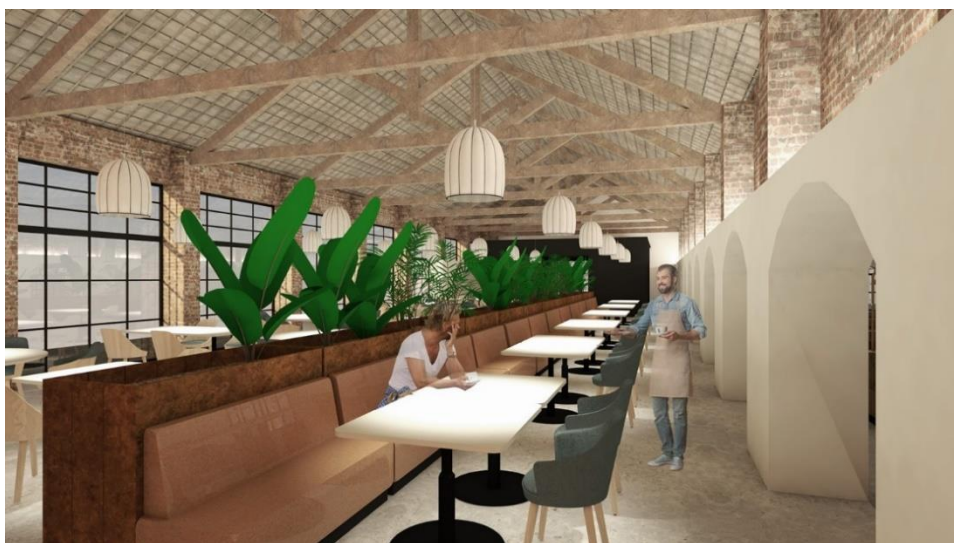
5	How is the team organized? Is it subdivided into departments?	There is an operational director and then there is one individual responsible for the communication, one for the audio-visual, another for the logistics and a restaurant manager. It is an operation with lots of people working with segmented functions to each department with a head director responsible for all.
6	Do you believe Monsanto Open Air could be scalable?	No, I don't think it is possible. We had several proposals to open in Oeiras, in Sintra, in Oporto... If you asked me whether a restaurant with a nightclub could be scalable? My answer would be yes. The concept of Monsanto, I would say no. Monsanto has 1500 square meters of garden, has a stage, a background for 300 people. In Oporto, it could work but the niche of people you would be getting is different. A Hybrid Restaurant-Bar Concept can be scalable but for Monsanto is difficult. For instance, Monsanto has 3 kitchens. You can't say that you are expanding into Oeiras with 3 independent kitchens and all the rest. You may but it is a very large investment to the point where profitability would be hard to obtain. Praia no Parque was designed to be a restaurant and the goal was to sell 300 dinners. To gather people there, they extended its hours and spread their tables, but it was never thought to open the nightclub "Praia". If you have a good restaurant, then you can close at 4 a.m. doing the same as them.
7	What are the characteristics you believe help the most during the transition of a single business unit into a scalable concept?	First you must have a good restaurant. There is a great logistic behind this concept. You must have a PR's team to promote the restaurant, you must have communication, partnerships... Monsanto is different in that sense. Yesterday, we had 350 people listening to Pink Floyd in the garden on a Tuesday. Praia probably did not serve 250 meals. If you want to scale, it is the other way around. The vibe of the restaurant must transmit the idea of people staying there after drinking. Imagine if I have a restaurant that says the kitchen closed at 1 a.m.. You must create conditions for the restaurant to have a DJ and be open until 4 a.m. But careful, those restaurant licenses until 4 a.m. are very difficult to obtain due to housings nearby. Praia is in the middle of nowhere, Monsanto is also isolated, Descarado is at docks which is a loud zone. There is also Olivier but the restaurant already had the license much before. Imagine you go to Lisbon town hall saying you rented a space and you wanted to have music until 4 a.m., it is almost impossible. Monsanto has an arena license, which is the same license as NOS Alive. Therefore if you have a 4 a.m. license, then you must have all the regulations a nightclub must have. Security guards, isolated walls on residential areas, sound meters communicating the decibels, emergency exits, evacuation plan,... It is much more expensive to have this

		concept and so not many people do it since you must have a critical mass. Monsanto has 9 securities working, adding with 20 other staff. It is mandatory that you have a great audience, otherwise the costs will not compensate.
8	From the partnerships you mentioned, which are the most significant ones when obtaining revenues or creating brand awareness?	There are several. A great number of influencers is at the restaurant, basically drinking and not paying, taking photos... It is an important part in a business. There are businesses that pay some people to go there to dinner, take photos... Communication is key and that is why Public Relations are so important. If you isolate the restaurant for instance, the cost of a nightclub amounts approximately up to 30% to PR's. An example, a PR puts 1000 people. Each one spends 15-20€, so 20.000€ of revenues. They happily take 20% and the nightclub responsibilities are regarding the bartenders, securities and the drinks' costs. The night business is basically PR's taking a percentage of the revenues made. When you have friends insisting to go to a specific party, maybe is because of them earning money by taking people to there.
9	Regarding revenues, the main ones are from the meals and bars. Do you have other significant ones?	Partnerships. When you are not well-known, you can't have partnerships. When you get to a point, where you have a huge consumption and reputation built, then money starts entering into your business. For instance, our first beer contract was fulfilled in 15 days. From that moment onwards, our supplier had an issue, which was competing with negotiation deals from its competitors. In this phase you don't want to receive gifts, but rather money itself.
10	Your working schedule is basically during dinners and on the weekends, also lunches. Why have you adopted this strategy?	During the week, most people don't waste time on lunching and there is no point on having it opened, not only due to our isolated location. Praia for instance, has an executive menu of 18-20€. They do not have great profits on lunches, since the fixed costs' structure is too heavy. K.O.B. also has a 16-18€ executive lunch menu. They are basically paying marginals costs and serving customers happily to expand brand awareness. There is no point on opening at lunches, since during the week for instance 20 people maximum translates into 300€ of revenues, it is not significant enough.

Appendix 5: Food Menu –Restaurant Experiment of a Hybrid Concept



Appendix 6: 3D Model of Hybrid Restaurant-Bar “Savor”





Appendix 7: Perceptual allocation of Ingredients/Dishes by potential customers



Sea Bass



Steak



Basket of Bread



Lamb Stew

#	Dish	Most Voted
1	Basket of Bread	Both
2	Olives	Both
3	Cheese	Both
4	Vegetables Soup	Traditional
5	Grilled Steak	Both
6	Foie Gras	Hybrid
7	Wagyu Steak	Hybrid
8	Sea Bass	Both
9	Lamb Stew	Traditional
10	Pizza	Traditional
11	Codfish	Both
12	Octopus	Both
13	Tagliatelle Carbonara	Both
14	Tuna	Both

15	Salmon	Both
16	Pork Steaks	Traditional
17	Mac and Cheese	Traditional
18	Chicken	Traditional
19	Salad	Both
20	Scallops	Hybrid
21	Spaghetti Bolognese	Traditional
22	Tacos/Burritos	Traditional
23	Sushi	Both
24	Hamburgers	Both
25	Wellington Beef	Hybrid
26	Cheesecake	Traditional
27	Fruit	Both
28	Panna Cota	Hybrid
29	Ice Cream Balls	Both
30	Tiramisu	Both

Appendix 8: Fake Website – The Duo

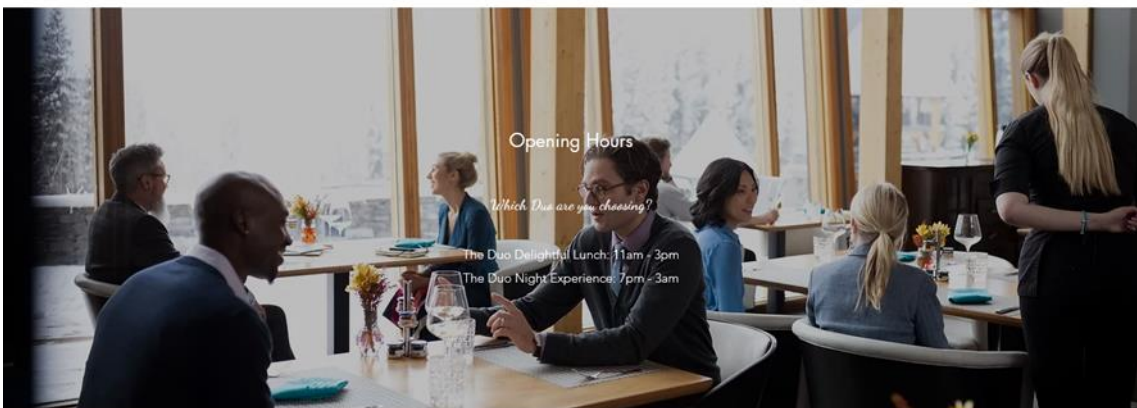
The Duo

[Home](#) [The Duo Experience](#) [Book a Table](#)



Eat. Drink. Embrace.

The Duo is the place where great cooking and fantastic vibes meet. Our food is nutritious, delicious and we also serve traditional dishes at lunch. At nights our menu changes and a unique experience will make you remember our concept forever. Try it yourself—book your table now!



[f](#) [t](#) [in](#)

2022 by The Duo

The Duo

[Home](#) [The Duo Experience](#) [Book a Table](#)



About Us

Opening Soon in Lisbon



The Duo Delightful Lunch

Want to know more?

[Click Here](#)

The Duo Night Experience

Want to know more?

[Click Here](#)



[f](#) [t](#) [in](#)

2022 by The Duo

Appendix 9: Demand Generation Channels – Website Visitors

Flyers

Analytics

Your key stats: [i](#)



Updated now

Instagram

Analytics

Your key stats: [i](#)



Updated now

WhatsApp

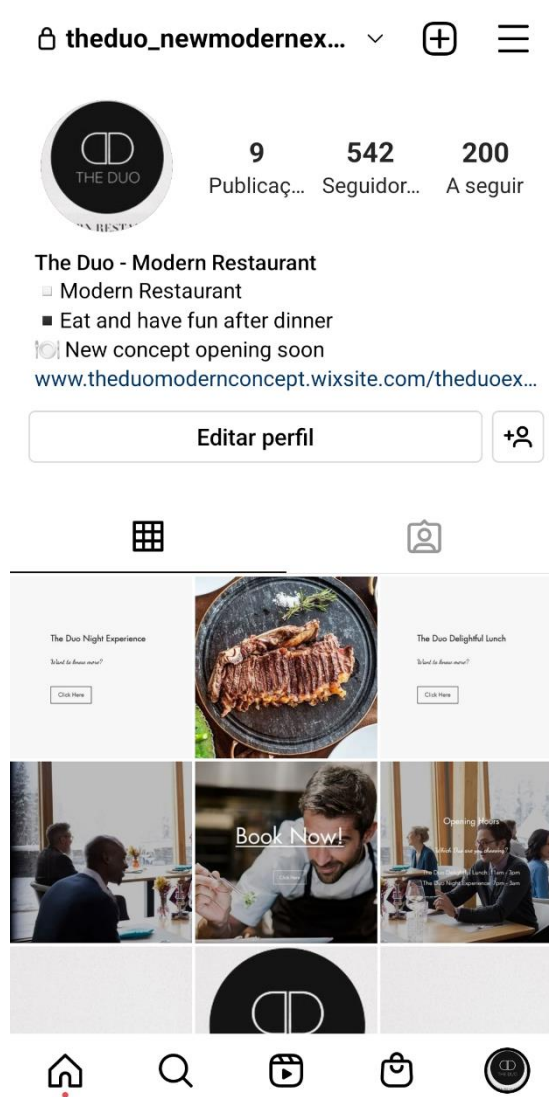
Analytics

Your key stats: [i](#)



Updated now

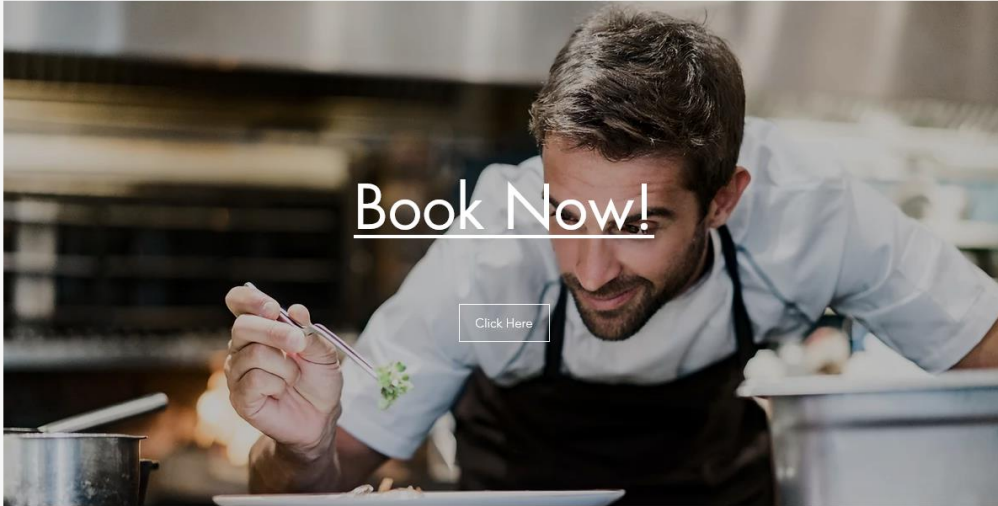
Appendix 10: Fake Instagram Account



Appendix 11: Fake Reservation Button – The Duo

The Duo

[Home](#) [The Duo Experience](#) [Book a Table](#)



[f](#) [t](#) [in](#)

2022 by The Duo

Appendix 12: Fake Link of Reservation Button – Redirected Page and its Analytics



Analytics

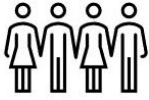
Your key stats: [i](#)



Updated now

Appendix 13: The Duo's Customer Profiles

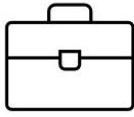
Groups



Time: Dinner and
Lunch

When: Wednesdays
to Sundays

Corporate



Time: Lunch

When: Mondays to
Fridays

Occasional Visitors



Time: Dinner and
Lunch

When: Sundays to
Wednesdays

Night Lovers



Time: Dinner

When: Thursdays
to Saturdays

Appendix 14: The Duo Business Model Canvas – Final Version



MODERN RESTAURANT

