

THE FIRST IMPRESSION COUNTS

f. *café*



COFFEE SHOP CHAINS SUMMARY OVER THE LAST 50 YEARS


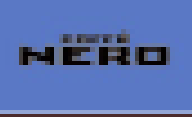






INTRODUCTION

 In the last 30 years, there has been an increase in activity in terms of massive changes in the landscape of coffee brewing companies.

These changes range from mergers and acquisitions to changing consumer tastes and finally, to different branding strategies.

 These activities are expected to continue over the course of the next ten years.

NUMBER OF COFFEE OUTLETS AND TURNOVER GLOBALLY

		1970	1980	1990	2000	2010	2015	2020 Estimation
Starbucks		Established 1970						
	Number of Outlets	1	6	84	3.501	16.858	21.000 +	25.000 +
	Turnover/Retail Sales	N/A	N/A	240M USD	2.1B USD	10.7B USD	16.4B USD	21B+ USD
Café Nero		Established 1997						
	Number of Outlets	-	-	1	250	600	700	1100
	Turnover/Retail Sales	-	-	N/A	150M USD	300M USD	356M USD	700M USD
Costa Coffe		Established 1971						
	Number of Outlets	1	1	30	80	347	3,080	5,000
	Turnover/Retail Sales	N/A	N/A	N/A	140M USD	531M USD	600M USD	750M USD
Coffee Republic		Established 1995						
	Number of Outlets	-	-	1	60	108	203	250
	Turnover/Retail Sales	-	-	N/A	N/A	N/A	N/A	N/A
Gloria Jeans		Established 1979						
	Number of Outlets	-	1	100	250	400	1,000	1200
	Turnover/Retail Sales	-	N/A	12M USD	20M USD	30M USD	52M USD	60M USD
Hard Rock Café		Established 1971						
	Number of Outlets	N/A	N/A	30	95	120	145	200
	Turnover/Retail Sales	N/A	N/A	25M USD	200 USD	250M USD	280M USD	350M USD
Dunkin Donats		Established 1950						
	Number of Outlets	1,000	2,000	3,000	5,000	9,000	11,000	13,000
	Turnover/Retail Sales	N/A	N/A	N/A	2B USD	5B USD	7B USD	10B USD
FashionTV Café		Established 1997						
	Number of Outlets	-	-	-	4	8	17	100-200*
	Turnover/Retail Sales	-	-	-	19M USD	41M USD	87M USD	5-20B*
Local Coffee Chains								
	Number of Outlets	Usually strategically acquired by an International Brand						
	Turnover/Retail Sales							





*Depends on Investment

Sources:

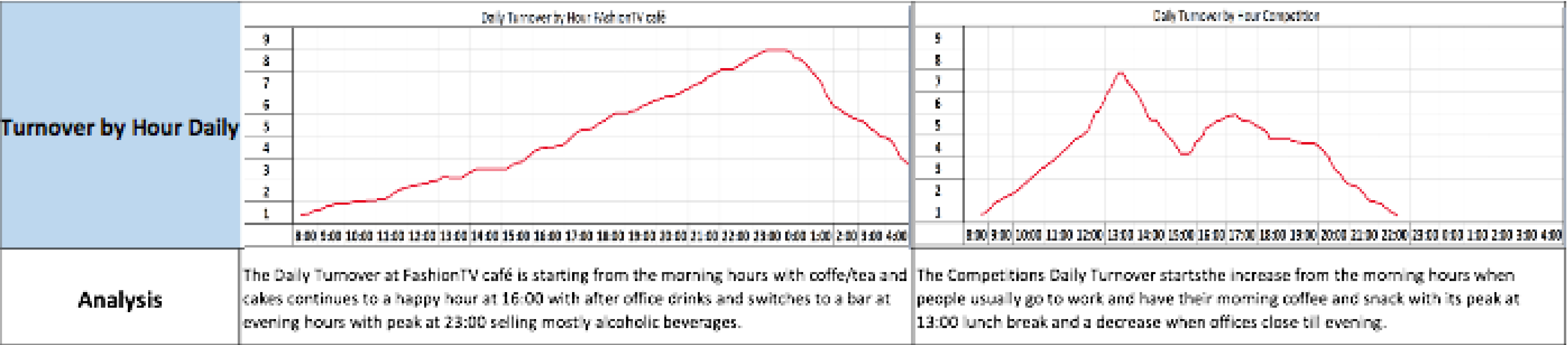
<http://globalassets.starbucks.com/assets/BA6185AA2F9440379CE0857D89DE8412.pdf> Wikipedia / Investopediad/pdfs/investors/reports-and-presentations/annual-reports/2011/20052011-annual-report-accounts-20102011/Whitbread-annual-report-2010-11.pdf



MARKETING MIX

		
Entairtainment	Mega TV Screens 8K projections	No visuals, average radio music
Opening Hours	08am - 04am	06am - 10pm
Drinks	Tea, Coffe, Signatured Coctails, FashionTV Beverages	Tea, Coffe, Lemonades
Food	Famous Austrian Cakes, Sushi, Fusion Food	Cakes Sandwiched, Average food
Clientele	Young spenders, fashionable crowd	Office workers, Average crowd
Design	Modern and Fashionable	Dated, no concept
Music	Trendy Hip Music	Average Radio Pop Music
Dress Code	Smart	No Dress Code
Events	High end events, premieres, launches, famous dj's and models talk of the town	No significant events

MARKETING MIX





MARKETING MIX

	FashionTV café	Competition																																																																																																																																																																
Turnover by days of the week	<div>Turnover by days of the week FashionTV café</div> <table><tr><th>Day</th><th>Monday</th><th>Tuesday</th><th>Wednesday</th><th>Thursday</th><th>Friday</th><th>Saturday</th><th>Sunday</th></tr><tr><td>9</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>8</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>7</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>6</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>5</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>4</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>3</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	9								8								7								6								5								4								3								2								1								<div>Turnover by days of the week Competition</div> <table><tr><th>Day</th><th>Monday</th><th>Tuesday</th><th>Wednesday</th><th>Thursday</th><th>Friday</th><th>Saturday</th><th>Sunday</th></tr><tr><td>9</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>8</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>7</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>6</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>5</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>4</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>3</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	9								8								7								6								5								4								3								2								1							
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Analysis	The Business model of FashionTV café is based on events and parties with its peak on the weekends	The competition very much depends on the place, especially in business centers the turnover drops dramatically during weekends.																																																																																																																																																																

COMPETITION

- ◇ The competition on the market of coffee outlets is very high.
- ◇ The brands are competing against each other offering better quality of products and services at the best possible prices as well as trying to differentiate themselves to create a niche market

◇ Brand strength makes the difference!



The Competitors

- Starbucks – <https://en.wikipedia.org/wiki/Starbucks>
 - Café Nero – https://en.wikipedia.org/wiki/Caff%C3%A8_Nero
 - Costa Coffee – https://en.wikipedia.org/wiki/Costa_Coffee
 - Coffee Republic – https://en.wikipedia.org/wiki/Coffee_Republic
 - Gloria Jeans – https://en.wikipedia.org/wiki/Gloria_Jean%27s_Coffees
 - Hard Rock Café – https://en.wikipedia.org/wiki/Hard_Rock_Cafe
 - Dunkin Donuts – https://en.wikipedia.org/wiki/Dunkin%27_Donuts
- and independent local coffee shops.



DEVELOPMENT

MOST OF THE COFFEE CHAINS STARTED DEVELOPMENT AFTER 20 YEARS OF BEING ON THE MARKET

Starbucks – Brand started development after 20 years

Café Nero – Brand started development after 15 years

Costa Coffee – Brand started development after 30 years

Coffee Republic – Brand started development after 15 years

Gloria Jeans – Brand started development after 10 years

Hard Rock Café – Brand started development after 30 years

Dunkin Donuts – Brand started development after 20 years



 FASHIONTV JUST TURNED 18 YEARS, IS READY TO RAPIDLY EXPAND THE

 FASHIONTV CAFÉ CHAIN!

KEY RESULTS AND STRATEGIES

HISTORICALLY ONE CAN SEE THAT BRAND EXPANSIONS FOR BIG COFFEE SHOPS COME WITHIN FOUR STEPS:



-  1. Own cafés in key markets in AAA+ locations as flagship stores managing them as showrooms for potential licensees
-  2. Set up Licensees
-  3. Acquire a local chain and rebrand it giving a push for sales of franchises e.g. Starbucks acquisition of La Boulange, Tazo Tea, Costa Coffee acquisition by Whitbread, Mister Donut acquisition by Dunkin Donuts.
-  4. Expanding to key markets eg. China, East Europe, CIS countries.

 FASHIONTV JUST TURNED 18 YEARS, IS READY TO RAPIDLY EXPAND THE

 FASHIONTV CAFÉ CHAIN!

HISTORY – FASHIONTV

FROM A CAFÉ TO TV CHANNEL AND TO FASHIONTV CAFÉ / 1993 - 1997 - TODAY

◇ FashionTV started as a café founded by Michel Adam in Paris in 1993 which started to show latest fashion shows on big TV screens.

In 1997 from the demand and the good perception Michel Adam had the idea to create a TV channel dedicated only to fashion.

◇ Today FashionTV is an international fashion and lifestyle broadcasting television channel. FashionTV is a widely distributed satellite channel in the world with 31 satellite and 2,000 cable systems. It has 400 million viewers around the world, including 80 million in Arab countries.

◇ FashionTV is a multi-media platform offering a review of global fashion and is independently owned and operated from the headquarters in Paris, London and Vienna.

◇ Michel Adam started his franchise "love-◇-café", which is a high-end chain of bars and cafes in various European cities such as Monaco and Milan. In 2013 he returned to Vienna with the opening of the café on the ground floor of the Hotel Bristol next to the opera house

www.youtube.com/watch?v=Ztc3Ggp1akw

COMPETITION

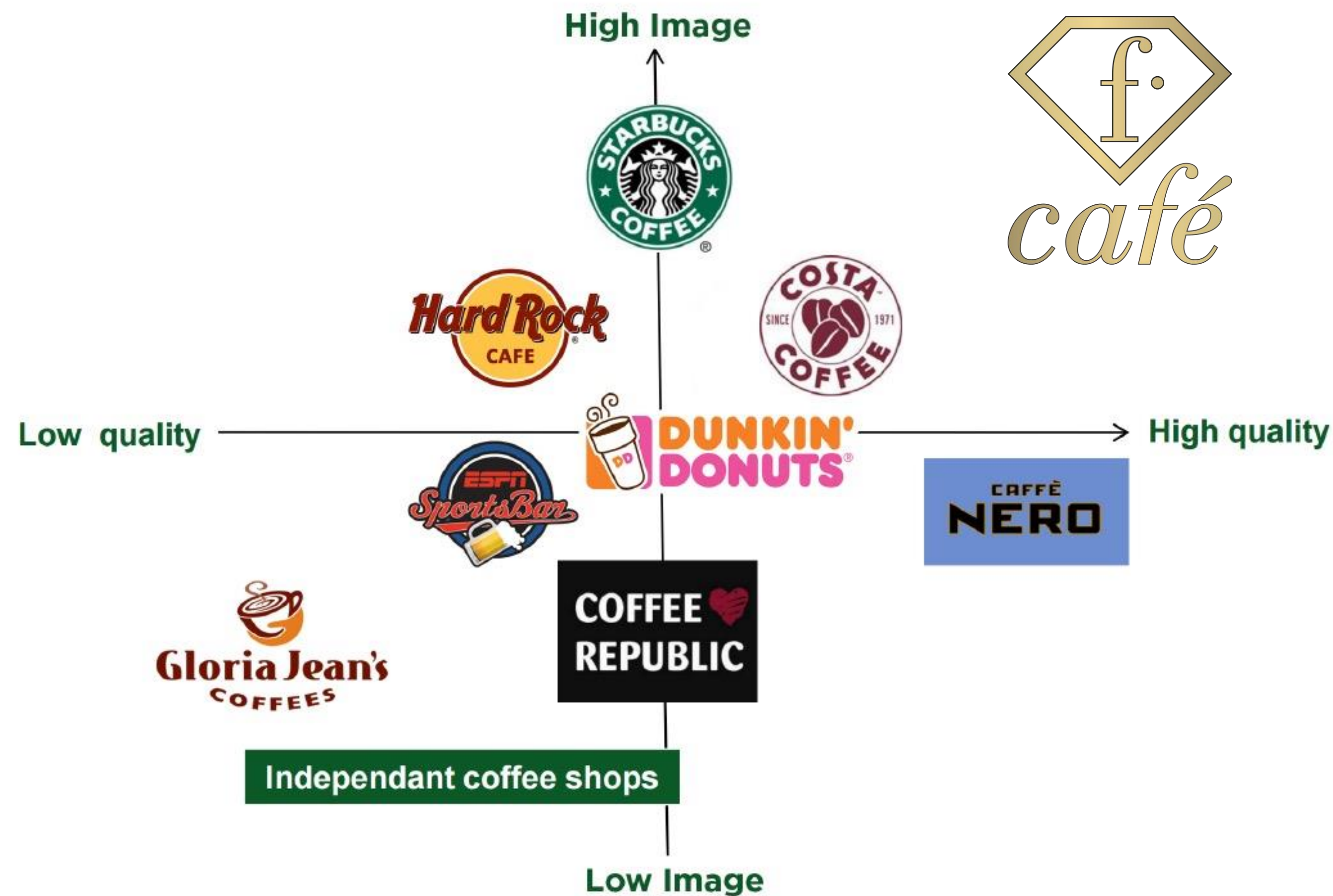
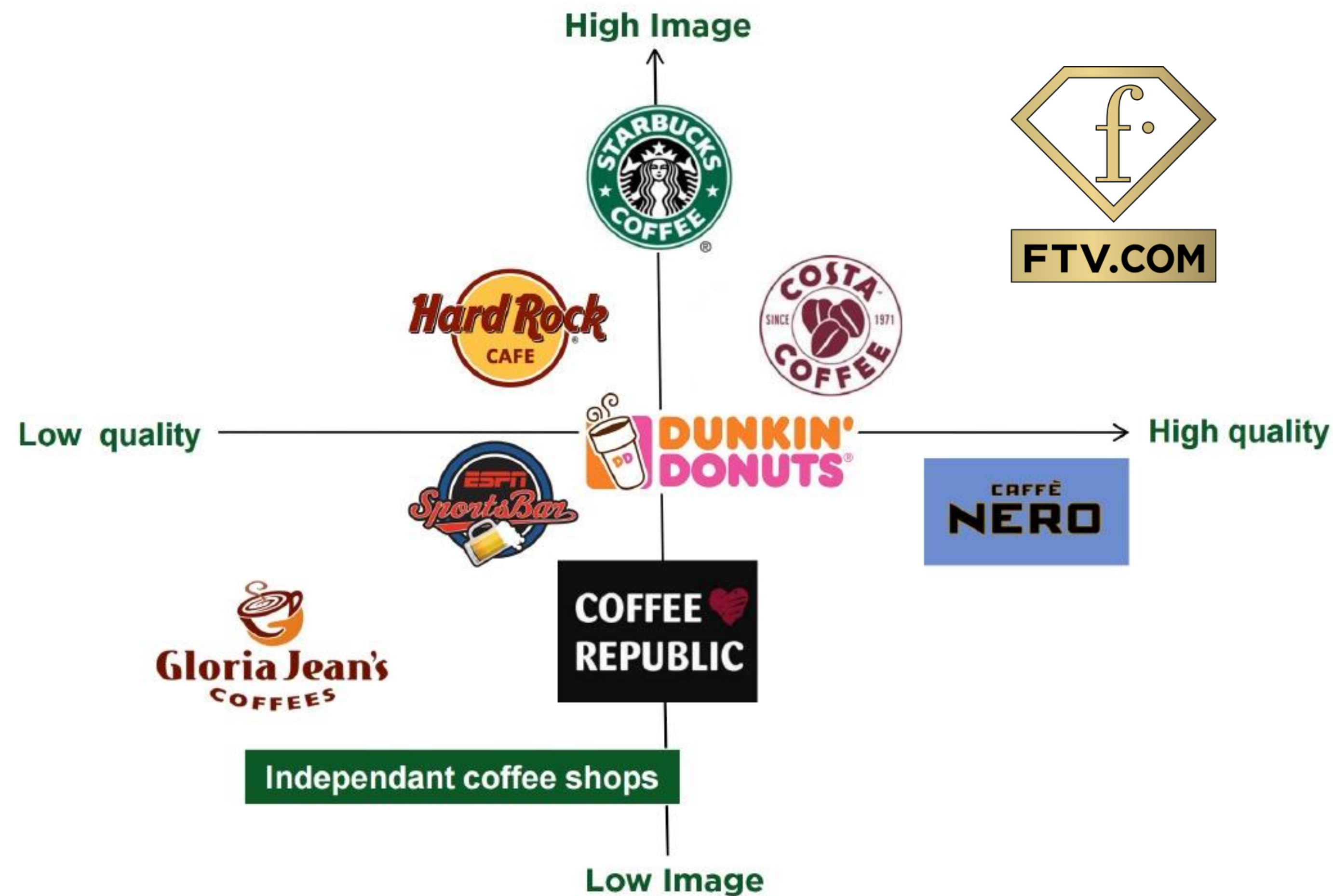


IMAGE LIFESTYLE



SPORT CAFÉS & BARS

- ◇ Other venues that base their business model on TV screens and popular events are sport bars, thousands of them can be found on every continent not consolidated under one chain.
- ◇ We have noticed a high demand on screening popular sport events on Fashion TV 8K wall screen which has turned the place into a very popular spot for sport fans with high revenues on beer sales.
- ◇ This diversity that a FashionTV café provides is a unique chance to have fashion and sport fans at the same place.
- ◇ Offering the most fashionable and desired place to watch main sport events, world cup, tennis finals, Champions League and Boxing.



◇ FashionTV presents:

<https://www.facebook.com/lovecafe/videos/vb.181316232073412/412129162325450/?type=2&theater>

OVERVIEW

◇ The competition within the coffee market is quite high

◇ A unique strategy is important to attract customers

◇ The growing Chinese market will play a definite role.

◇ China has the biggest opportunities for the coffee market, consisting of the worlds largest population China has the largest market. Coffee drinking has become increasingly popular among younger generations. Studying abroad as well as growing up in western countries makes coffee drinking something familiar.

The western culture plays a large role in the lives of the Chinese population.

◇ The modern lifestyles of Chinese teenagers and adults supports the proliferation of western coffee shops.

Meeting and discussing business in a warm and nicely designed coffee shop has become increasingly popular in China.

Consequently, the teahouse's domination has been challenged by foreign coffee shops.

SWOT STARBUCKS

<p>•Strength</p> <ul style="list-style-type: none"> • Famous brand which is associated with high quality • People like Starbucks atmosphere • Starbucks has many outlets and often is in high class locations • Well trained and treated employees 	<p>•Weakness:</p> <ul style="list-style-type: none"> • High price products • Coffee quality is not as good as reputation • Aggressive expansion • Unhealthy products
<p>•Opportunities:</p> <ul style="list-style-type: none"> • Launching new products/product extension (e.g. tea, healthy, premium, co-branding) • Capturing new markets (retailing) and new consumer groups • Selling more whole coffee beans and equipment • Develop in non high street areas 	<p>•Threats:</p> <ul style="list-style-type: none"> • Growing competition within the Coffee Outlet industry and new competition from Fast Food restaurants • Lack of ownership of coffee farms • Global crisis/financial resources



SWOT FASHIONTV

Strength	Weakness
Worldwide recognized brand associated with high quality	Not many Franchisees
People like to be associated to FsshionTV	
Outlets only in high class locations	
Young attractive employees and clients	
Opportunities	Threats
Brand is on its peak	Is the target of competition, the company to beat
Capturing new markets and new consumer goods	might be exposed to political in the countries where the company has operations
Launching new FashionTV Products	
Development opportunities	

COMPETITIVE ADVANTAGES OF FASHIONTV

◇ Fashion TV café has the unique opportunity to promote itself through its highly popular TV channel and New Media platforms.

◇ The Brand is the youngest (founded 1997) among its competitors and is now developing into something bigger.

◇ The FashionTV brand shows a significant increase over the last 5 years, The brand value has increased to 576 million euro in 2015 compared to 256 million in 2010

◇ The growth of hospitality segment is spectacular with more than 7 Real Estate Branding contracts signed over past 1.5 years with real estate value over 700 Million USD.

◇ The FashionTV Café franchise as a brand is now maturing and will reach the demand rate of similar competitors in 15+ years of being on the market.

SEGMENTATION

f. Targeting FashionTV Café

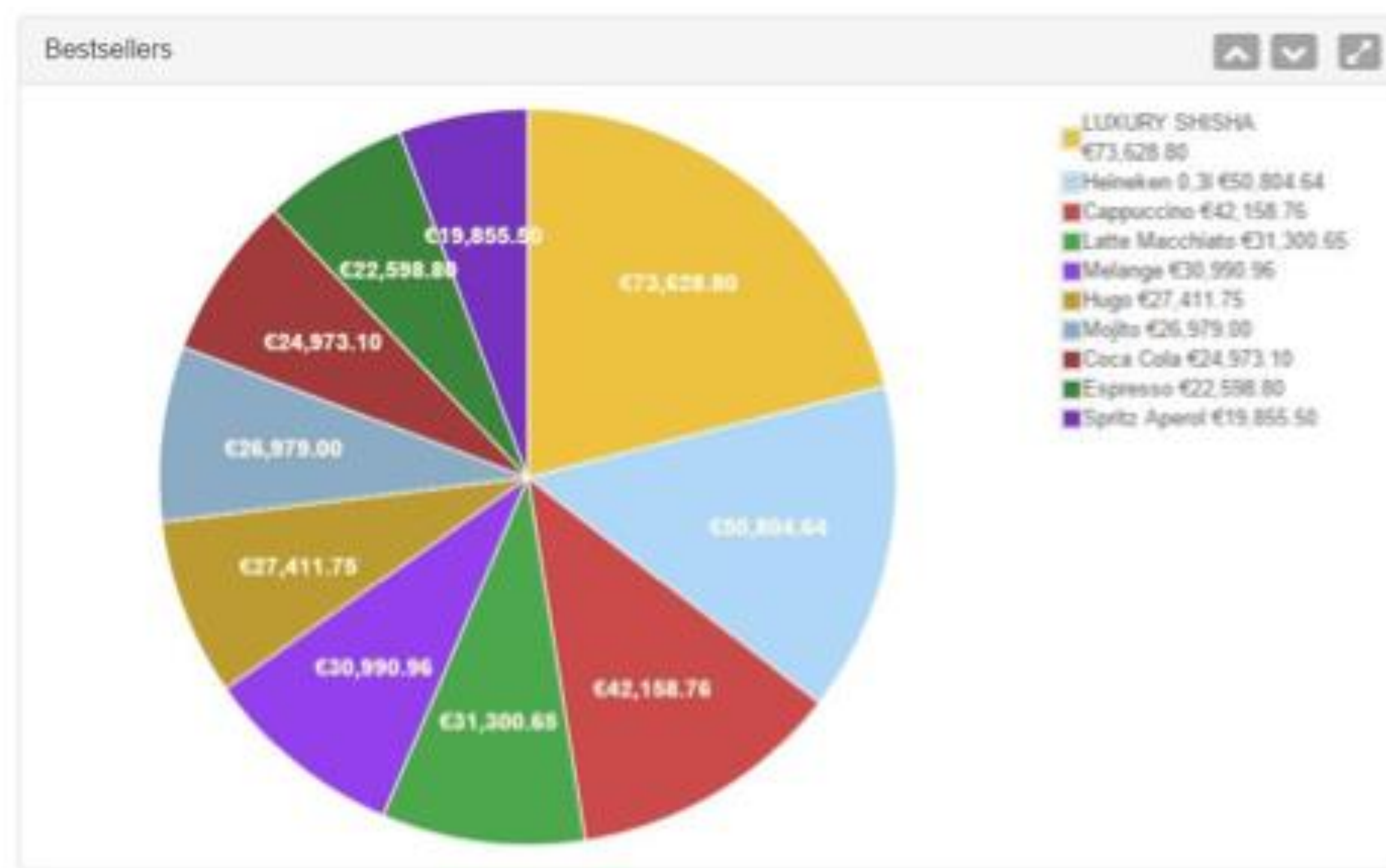
- f. The ideal consumer market: Young and Fashionable Upper Middle Class
- f. Well-off, technophile, globetrotters, trendy and ad-aware Early adopters, opinion leaders, models, fashion stars, fashion professionals, Fashion Oriented youth “it” girls.
- f. Age demographics: – Students and Youngsters – Fashion oriented middle age.
- f. Designated Events place, Film premieres, Sports events and tourist attractions
- f. Gender and Ethnic/Religious Background was researched to have minimal or no effect on the choices concerning coffee made by consumers and their patronage of coffee houses.



GENDER AND ETHNIC/RELIGIOUS BACKGROUND WAS RESEARCHED TO HAVE MINIMAL OR NO EFFECT ON THE CHOICES CONCERNING COFFEE MADE BY CONSUMERS AND THEIR PATRONAGE OF COFFEE HOUSES.

FASHIONTV CAFE BESTSELLERS JULY 2014-JULY2015

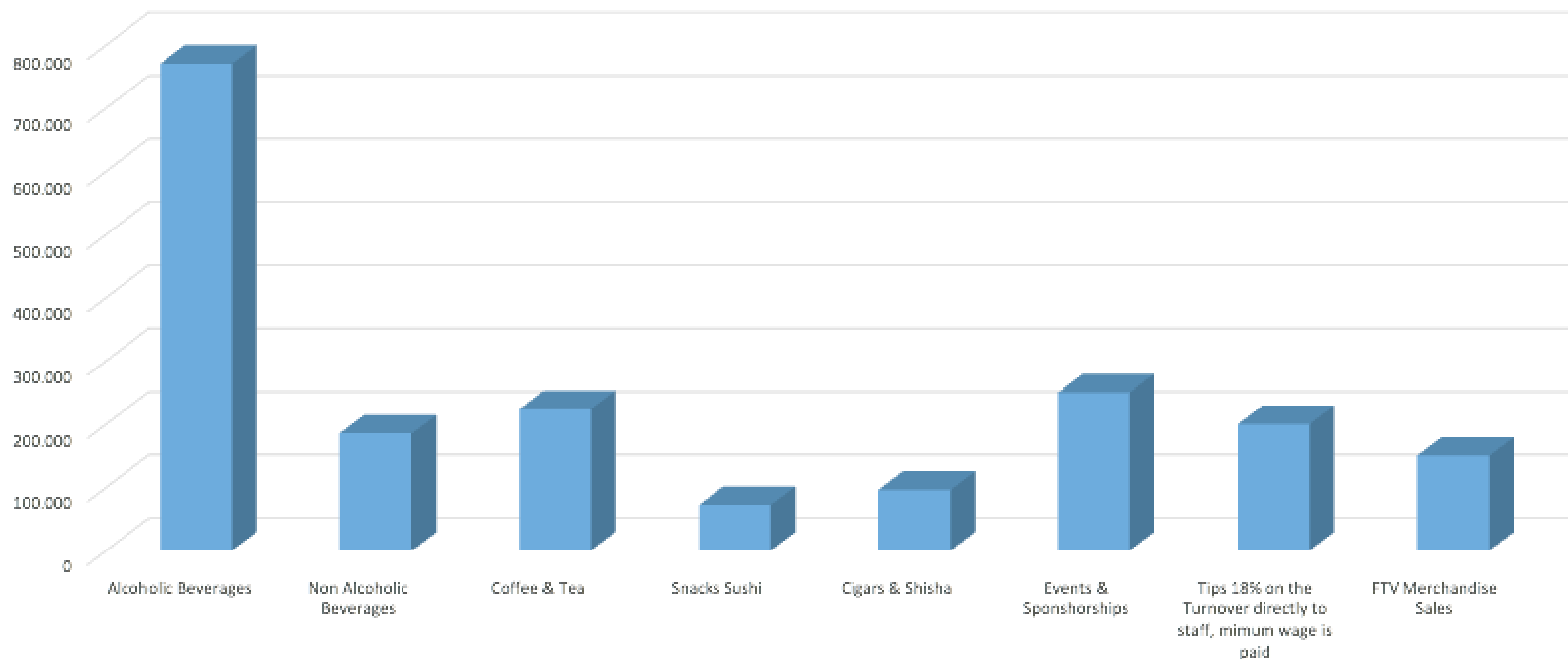
FROM THE BELOW GRAPHS ONE CAN SEE THAT THE ANNUAL BEST SELLERS AT THE FASHIONTV CAFE ARE FASHION LUXURY SHISHA, HEINEKEN BEER WHICH MAKES FASHIONTV CAFE ALSO VERY POPULAR FOR SPORT EVENTS FOLLOWED BY COFFEE IN THIRD PLACE.



Bestsellers

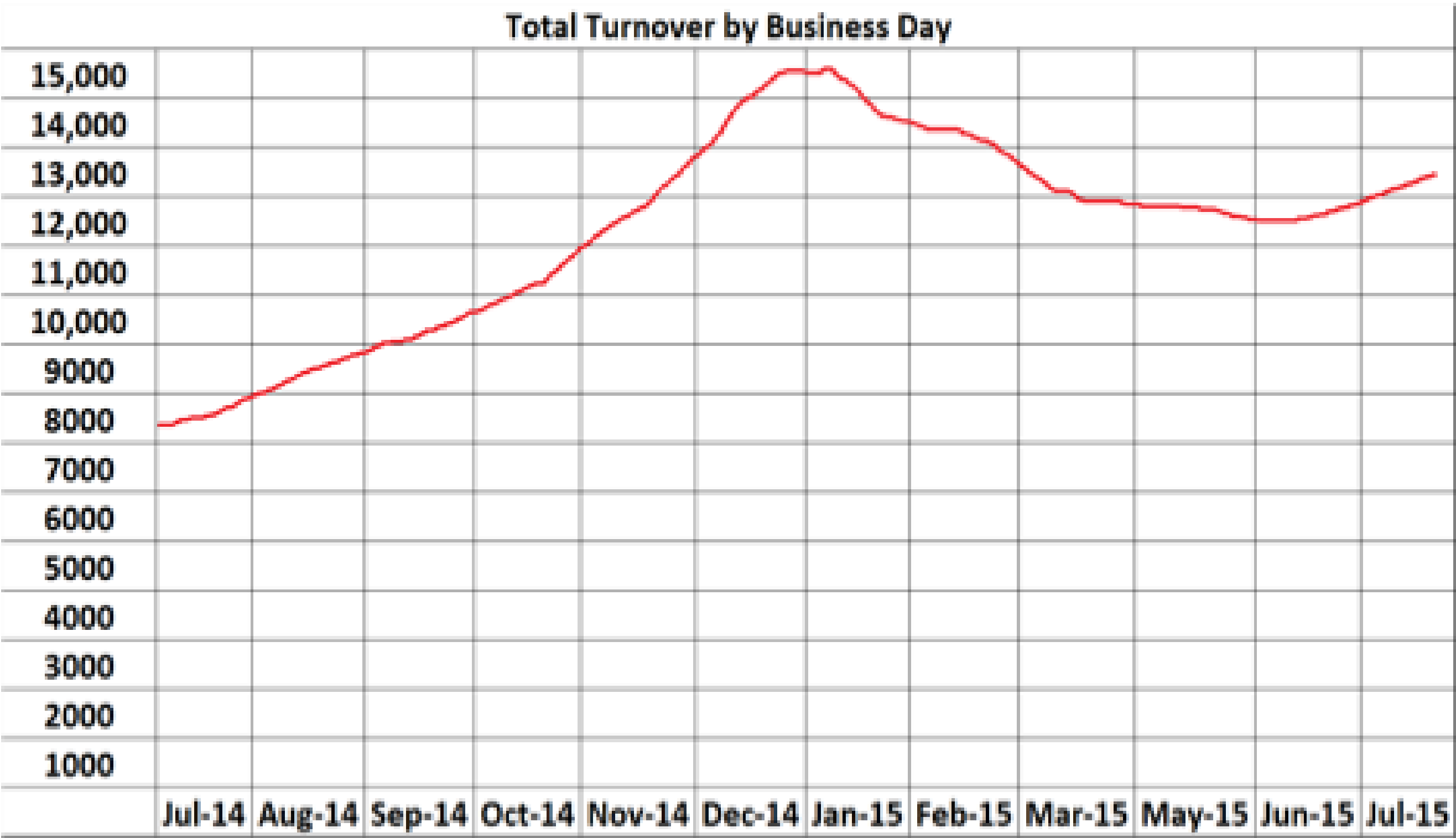
1948x LUXURY SHISHA	€73,628.80
10657x Heineken 0,3l	€50,804.64
10085x Cappuccino	€42,158.76
6981x Latte Macchiato	€31,300.65
7402x Melange	€30,990.96
3720x Hugo	€27,411.75
2377x Mojito	€26,979.00
6009x Coca Cola	€24,973.10
8094x Espresso	€22,598.80
2676x Spritz Aperol	€19,855.50

ANNUAL SALES BY CATEGORIES





FASHIONTV CAFE PERFORMANCE JULY 2014-JULY 2015



- ◇ The monthly average turnover at the FashionTV Café Vienna is 135.000 EUR.
- ◇ The peak months include the winter period from September - February as well as May - July in the summer.
- ◇ The cafes PEAK hours are from 19:00 - midnight with different events throughout the week.
- ◇ The FashionTV Cafe has turned into one of the cities hotspots.

FASHIONTV CAFE PERFORMANCE JULY 2014-JULY 2015

f The Financial Results of FashionTV café Vienna
for the period of 12 months:

Designation	Amount
rent	€ 312,000
salaries without social costs	€ 208,121
beverages	€ 150,779
food, coffee, tea, tobacco	€ 92,083
maintenance work	€ 39,051
cleaning	€ 38,281
consumables	€ 31,781
Video and sound	€ 20,438
entertainment	€ 18,760
security	€ 9,941
music rights	€ 9,314
appliances	€ 7,972
invoicing and payment systems	€ 5,804
deposit	€ 4,939
promoters	€ 4,412
construction	€ 3,641
IT Support	€ 2,835
city fees, tax	€ 2,237
communication	€ 1,972
office supply	€ 1,117
architects	€ 840
Total	€ 966,316

SALARIES INCL. SOCIAL COSTS 2014/08-2015/07 > EUR 395K

Total Turnover	
Bar	€1,047,899.04
Kreditkarte	€161,274.80
<hr/>	
	€1,209,173.38

SOURCE: WWW.GASTROFIX.COM



INITIAL INVESTMENT

1000 USD/SQ. METER

AMOUNTS MAY VARY DEPENDING ON THE CAFÉ AND OTHER FACTORS

There are various costs and fees associated with the acquisition of a  Fashion TV Café Franchise.

An estimated initial investment range as well the different fees are outlined below:

Area Development Agreement

An up-front fee is paid to secure the exclusive right to develop & operate FashionTV café within a certain geographic region.

Fees vary depending upon the size of the territory, number of locations & length of the agreement

€1000 / sq. meters – Real example  FashionTV Café Bristol (160 sq. meters).

Construction – details	
FashionTV License Fee	\$ 361.418
video and sound systems	\$ 285.026
architects	\$ 161.833
furniture	\$ 212.480
carpenter	\$ 91.204
HVACR (heating, ventilation, air conditioning and refrigeration)	\$ 87.745
electric appliances	\$ 107.826
drywall installation	\$ 59.218
kitchen	\$ 56.034
appliances	\$ 31.252
metal works	\$ 28.810
light system	\$ 28.005
paintwork	\$ 26.366
glassworks	\$ 25.886
light systems	\$ 21.860
IT support	\$ 17.743
city fees and tax	\$ 8.907
cleaning	\$ 7.846
builder	\$ 6.694
prototypes	\$ 3.541
TOTAL CONSTRUCTION	\$ 1.629.693

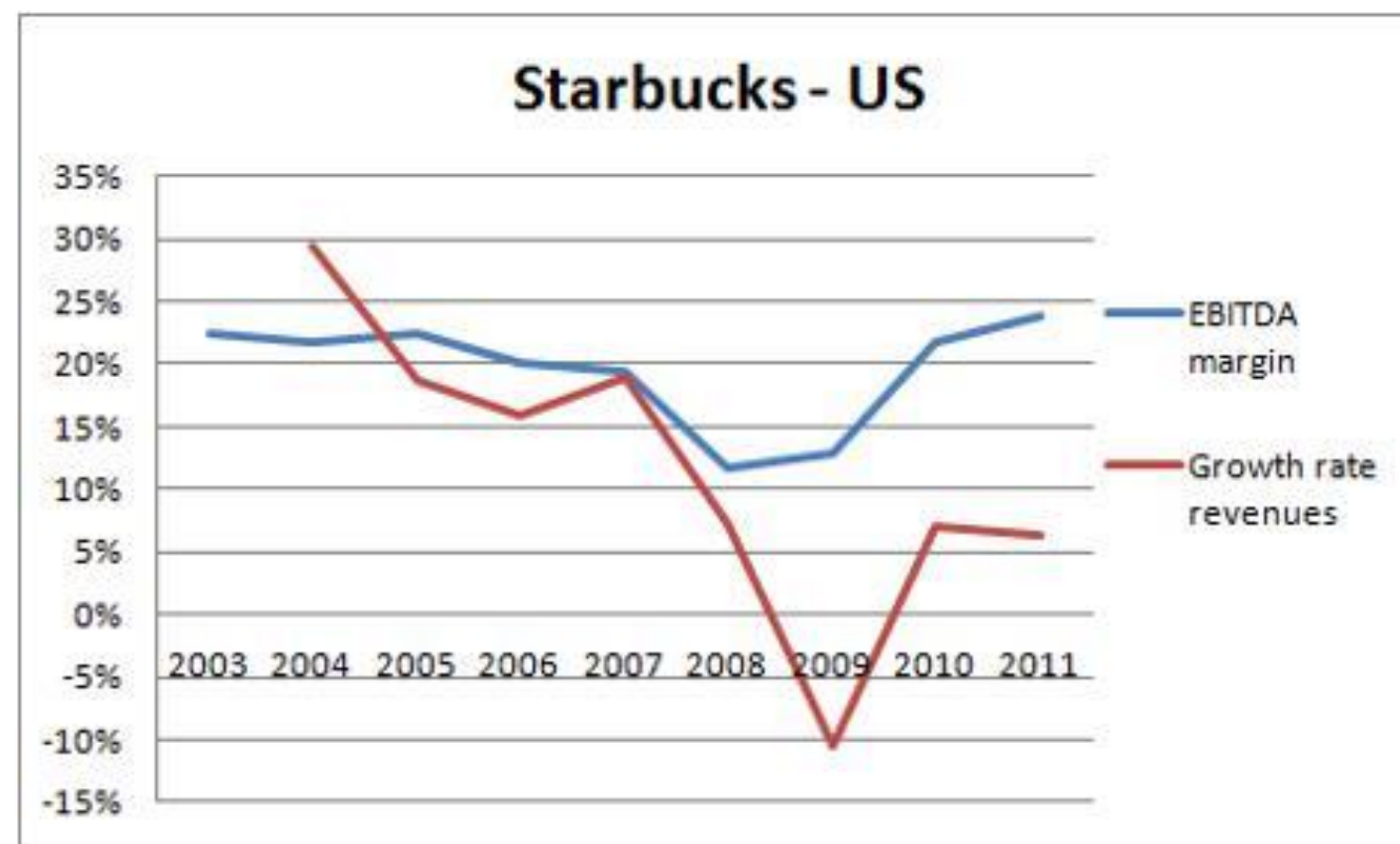


CONCLUSION

f. Starbucks has appealed to such a wide target market, it seems that every product introduced is an instant success (sodas, teas, ice creams, pastries).

f. As the most innovative company, it's no surprise that the new technological addition, the Starbucks Card, boosted sales and helped growth during a time when the economy was struggling.

“Starbucks went back to basics, and they've approached the basics with a science and intensity that no one has ever done before.”



CONTACT



FOR MORE INFORMATION PLEASE CONTACT
YURIY@FTV.COM