

***Business Plan for
HUBS - City Camping Berlin***

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An Internship Report submitted to the School of Tourism and Maritime Technology of
Polytechnic of Leiria in partial fulfilment of the requirements for the Master's Degree
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Internship Report conducted under the supervision of Professor João Paulo C. S.
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Abstract

City camping as a form of low budget accommodation that has great potential to be established in urban spaces of major cities around Europe. With example of Berlin, HUBS city camping provides an in depth look on how to set up an urban camping enterprise that is managed and operated on the core principles of sustainable management. The business plan covers all aspects of the enterprise and develops a 5-year plan of operation. It further provides evidence that a low-tech business solution can be viable in terms of socio-economic growth and environmental improvement.

Keywords:

City Camping, Business opportunity, Low-tech, sustainable solutions , Future developments



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1. Introduction

The primary purpose of this business plan is to provide information to prospective investors and towards the city council of Berlin for the planned urban camping ground called "HUBS". Further it aims to establish a strategic development tool for the operation of the campground over the period of five years.

It will identify opportunities for this business model in a socio-cultural context based on the main aspects of sustainability and further provide an economic and financial forecast. The camp ground aims to provide an alternative form of accommodation in a urban setting that minimizes negative effects on host-populations, resources and the environment. It is very important to mention that HUBS is designed as a modular operation, which can be nested in any urban environment, and uses the concept of "temporary use" in vacant areas in cities. This means on one hand that HUBS can move to a different location within Berlin and on the other hand expand to other cities in Germany and throughout Europe. Many major cities in Europe currently face a similar problem when it comes to increasing tourist numbers but also a serious shortage of affordable housing. Online Platforms like „Airbnb“ have been expanding so rapidly that general living space are now rented to visitors and leads to a very unbalanced development that effects the local population of a destination not only how they perceive tourism but also in how far they accept tourism. HUBS aim is to provide not only another camping solution for urban Berlin, but also show an alternative concept for tourism accommodation.

Over recent years Berlin has witnessed an ongoing increase in Tourism numbers, making it one of the top City destinations in Europe. Visitors from all over the World come to Berlin to enjoy the vast creative and cultural activities the city has to offer. In 2016 Berlin had around 12 million visitors and trends show that this number will increase over the coming years. HUBS is a boutique camping establishment that is scheduled to begin operations in spring 2020. The campground will provide a high quality camping accommodation for leisure travelers, camping enthusiast and visitors who seek a unique and eco friendly type of accommodation in Berlin. The campground will consist of 18 - 20 camping bays and 11 bell tents that can be booked in various set-ups. Amenities will include a shower/toilet container and a kitchen facility where guests can cater for their own needs. The urban campground will be designed to create a specifically unique experience for a highly targeted audience with an interest in nature based and eco friendly form of accommodation. The campground will be considered on the edge of the city and through its nature based form of accommodation and its innovative design it will offer a highly creative spatial solution, while not losing the intimacy of a truly hospitable stay.

We will identify the type of guest we want to attract and do in-depth market research to know what those guests really want from their hospitality experience. The space in which the targeted guests stay, sleep, relax or work will be designed specifically for them, with their style in mind, emphasizing amenities and feature that matter to them.

This level of specificity will provide a real opportunity to have a distinctive approach to design and service. It will also allow for creativity, exploration and innovation in honoring and refining the experience essence that will attract these guests. The targeted guest population, and others who want to feel like they are part of this group, will influence our general design approach. There will also be a variety of design material that is eco-friendly and natural, various forms of domestic plants, and a clear and minimalistic environment that supports the core vision for HUBS. For the guests the campground environment will be truly memorable especially through experiencing a form of outdoor accommodation in an urban environment.

The surrounding area offers parks, numerous attractions and recreational activities while being amongst all the cultural highlights the city of Berlin has to offer. Public Transport is within walking distance and guarantees quick access to all parts of Berlin, as well as all necessities as supermarkets, ATM and medical services.

HUBS is a Berlin based business that provides guests with an outstanding experience that will consist of the following:

- 1) Fully equipped camping facility in the City of Berlin.
- 2) A small Kiosk and Reception area that is the center of the facility
- 3) A unique atmosphere that offers private nested camping spots
- 4) Bike rental that enables easy access to the city and its various cultural offers
- 5) A form of accommodation that reduces eco-footprints and a sustainable form of accommodation

HUBS will become the best choice in Berlin for a nature based form of accommodation by creating a differentiated experience capitalizing on personal service, the nature of the campground site and its unique location in one of Europe's most attractive travel destination. The plan is to create an environment where individuals and families feel safe and good about their choice of camping and also get inspiration for a more sustainable lifestyle:

- 1) We offer a unique experience that focuses on a nature-based form of accommodation within a city.
- 2) We provide services such as bike rental, with a strong aim on low-impact operation.

The target audiences for this project are young travelers, green-minded travelers and other conscious guests as well as low-income travelers seeking for a unique and eco-friendly form of accommodation within a city environment.

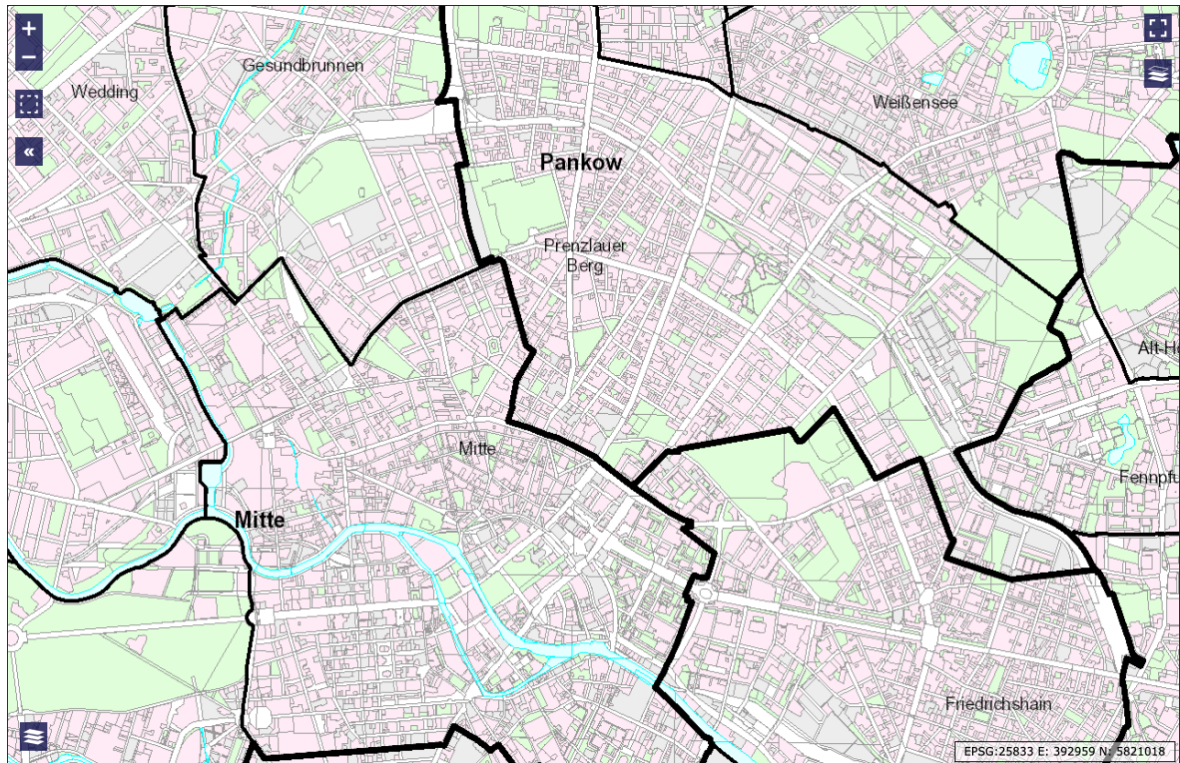
In order to succeed, HUBS will have to do the following:

- 1) Make superior guest service and their interest sharing our number one priority
- 2) Stay abreast of trends of customer needs and the camping industry
- 3) Precisely assess and then exceed the expectations of all guests
- 4) Form long-term, trust based relationships with guests to secure profitable repeat business and referrals.

2. Tourism Site Assessment

2.1. Introduction

HUBS campground is located in Pankow district of Berlin. The campground is positioned right next to the Weißer See lake and offers a natural setting that is already fenced in. It is a privately owned property that has formerly been in use for local residents to have small gardens. Since the change of ownership took place the current owner wanted to only negotiate with one person for the use of this section rather than with multiple parties and combined the gardens to one big section for rent.



(Fig.1 – District Map Berlin, Senatsverwaltung für Stadtentwicklung und Wohnen, 2019)

Nested in the district of *Pankow* it offers a central location and allows easy access by all forms of transportation. The section features 1280 sqm of green space with a variety of trees which give natural shelter to the guests. The premises are located to one side next to a park that surrounds the lake and on the other side towards a residential area that is connected to the main road (See Fig.1, p.14). The lake and the surrounding area were until 1872 in the possession of the descendants of the farmer and schnapps distiller *Johann Heinrich Leberecht Pistorius*. The lush estate garden seamlessly merged with the trees and shrubs surrounding the White Lake at that time. After the death of Pistorius in 1858, his nephew became the new owner. He had built an old manor house in 1859, which was called "*Schloss Weissensee*" (Castle-Weissensee) and was surrounded by a variety of different gardens. Since 1874, the castle has been leased for "restoration purposes", where it got the name "*Zum Sternecker*" and became an exceptionally popular "establishment" for Berlin and the surrounding area.

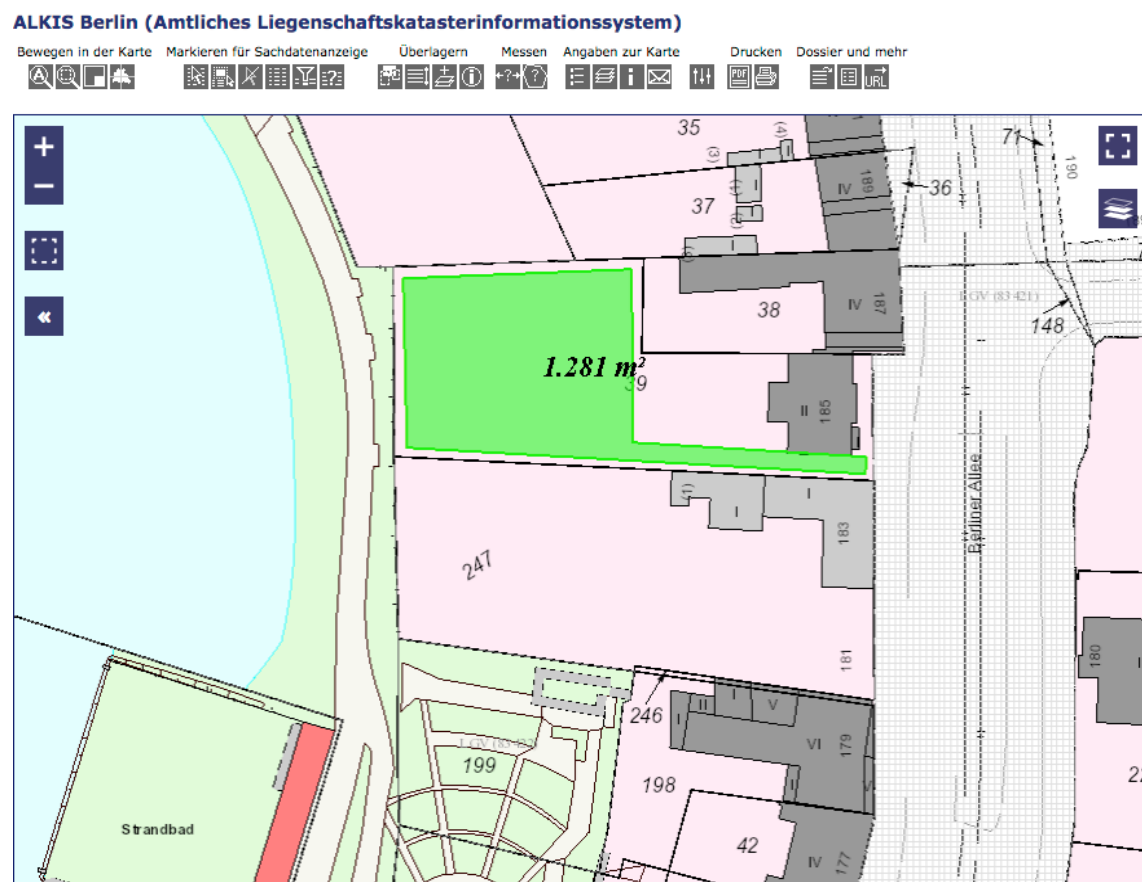
From the fifties of the 20th century further structural and garden architectural changes were carried out, such as the construction of the open-air stage, the creation of Sculptures and the commissioning of the floating fountain at the end of the sixties. From 1995 to 1999, rebuilding and reconstruction work took place again. The lakes surface area is 8.3011 ha (84,000m²) and volume 360,606m³. With a depth of 10.64m (average depth

4.34 meter) it is one of the deepest areas of water in Berlin (Der Weisse See, 2004). Its dimensions are approx. 300m East-West by 350m North-South. The circular walk around the lake with a length of 1.3 km and several side roads that lead to the surrounding streets were established in these years and invited the public to explore the park. A center of attraction in the northern part of the park is the animal enclosure with fallow deer next to the "*Planschwiese*". The neighboring viewing platform on the shores of the lake offers a view over the whole lake. Further east on the circular route in the direction of the seaside resort lies the Open-air stage *Weißensee*, which has been run privately since 2004. As a reminder of the cultural heritage of the *Weissensee Castle*, there still exists the *Strandbad Weissensee* (Weissensee Beachclub), dating from 1912. In addition to its role as a bathing and recreation area, the Weissensee also functions as an overflow lake for the Weissensee storm sewer (Der Weisse See, 2004). The water level in the lake is regulated by the Berlin water company and measured at the bathing place. For about ten years, the Beach section is again an open meeting place, after it was closed for some time. The theater scholar Oliver Schulz has accepted the project and leased the outdoor pool. His vision: The beach as a place of culture and togetherness. Today, you can attend concerts here, yoga is offered on the beach, and other small events take place here on a regular basis. Legendary is already the beginning of the bathing season, which begins on May 1 with the so-called anarchist music industry.

HUBS campground is located to eastern side of the lake where a strip of private land lies between the lake and the residential areas. For around 30 years it was divided in to small section where residents were able to establish gardens to grow food and have a recreational area outside of their homes. Since five years the section is in private ownership and the gardens have slowly disappeared.

2.2 Site Profile

As seen in the floor plan below (see Fig. 2, p.13) the total size of the camping facility is 1.281 sqm. and is connected through a narrow street to the main road. The main area of the campground is square and has been already fenced by the owner. The section borders to the park and lake in the northwest, and to a other private section in the south. The driveway to enter the property runs in between two buildings is about 20 meters long. Both houses have no windows towards the driveway, which means that noise should not be a concern to the neighbors. Image 2 further shows how the site is connected to the other sections



(Fig.2: Floorplan campground, Senatsverwaltung für Stadtentwicklung und Wohnen, 2019)

The sections next to the campground are currently empty and also privately own. Towards the entrance of the property huge trees cut the view to the houses facing the street, this builds a natural barrier and gives HUBS the privacy it needs to establish a private camping experience.

2.3 Tourism site inventory

HUBS campground main asset is its surroundings. Located right next to Weissensee lake and its park area guests have access to the most beautiful part of the district. In the following section both of these features will be looked at closely.

2.3.1 The Park

For many visitors, the park with its partly more than 150-year-old trees provides a memorable experience. The site is defined by its natural origin. Throughout the whole premises of the campground large trees and scrubs are evenly distributed and while giving natural shelter to the guests, remain a habitat for plants and birds. Some of the domestic trees that can be found on the campsite and in the park are as follows:

- Horse chestnut (*Aesculus hippocastanum*) about 180 years old, above the lakeside terraces at the playground
- Summer Linden (*Tilia platyphyllos*) on the circular route south of the "Milchhäuschens"
- Black nut (*Juglans nigra*) about 120 years old, in the park section on the Albertinenstraße
- Bitter nut (*Carya cordiformis*) about 70 years old, in the park section on the Albertinenstraße
- Turkey oak (*Quercus cerris*) about 110 years old, About 20 m outside the park in front of the property Albertinenstraße 6-8

HUBS has strong interest, to implementing conservation efforts by the local council and ensure that this ecosystem stays in tact. It is most likely the biggest asset HUBS can have outside the camping area and enables a setting that competitors such close to the city center simply don't have.

2.3.2 The Lake

The lake is cut average 9 m to 10 m deep into the terrain. The extent of the lake is about 305 m in east-west direction, about 350 m in north-south direction. The white lake is used as a rainwater retention of BWB (Berlin Water Management) on one hand and as nature park for the public on the other hand. The lake has an area of approximately 8,400 m² and a volume of about 350,000 m³. As a drainage system, the lake relies heavily on water from its catchment area. This catchment area today is limited to the surrounding area of the park. Unfortunately rainwater and creeks that run into catchment area cannot

compensate for leaching and evaporation.

This condition has a serious negative impact on the water balance and water quality of the lake. Especially in the last 150 years, the water balance has been increasingly disturbed by the reduction of the catchment area due to the near-shore development in both the closer area but also broader sense. Earlier existing underground connections to neighboring ponds were interrupted and had great influence on the water flow of the lake and therefore its water quality. In order to preserve the white lea as bathing and recreational waters, a number of water quality management measures were implemented until 1980.

The main ones were:

- Blocking of any waste water discharges
- Reduction of rainwater discharge
- Commissioning of a ventilation system
- Groundwater discharge via two wells
- Regular quality control of the lake

Abnormalities in the oxygen balance observed during routine examinations in recent years are still the base for optimizing measures at the white lake with the aim of guaranteeing the water quality to ensure the safety for people to bath and also prevent further damage to the eco-system.

2.3.3 Tourism site Infrastructure (fast leer)

HUBS is connected to direct public transport. The tram station *Falkenbergerstrasse / Berliner Allee* is located on the main Road right outside from the campground entrance. From here 6 major tramlines come past that give access to all areas in Berlin. Public transport runs throughout the week from 5am to 1 am and on the weekends 24 hours. The city center can be reached within 20 min. and from there, trains and subways give access to all other parts of the city and the surrounding areas.

Both airports and the main train station can be reached within one hour. Timetables and directions towards all major tramline crossings will be printed and placed at the reception for our guests to view. The local tram-network also provides an app where people can navigate the way around the city on all forms of public transport. Next to reception of the campground bicycles can be safely parked and HUBS will provide information on the biking lanes in Berlin. Car parks are limited around that area but free parking slots are

available 10 min walking distance from the campground. The infrastructure in the surrounding area offers our guests all necessary amenities they need.

2.4 Environmental analysis

This section will look at attractions and activities that will be promoted by HUBS enterprise. Based on its location there already a variety of things to do that are in walking distance from the campground. In the following descriptions these are mentioned first and then further destinations will be explored that involve that can be reached by public transport or other means of transportation.

2.4.1 Natural Attractions

Due to the location of HUBS at *Weissensee* right next to the park and lake, the first natural attractions are right in front of the doorstep. These attractions will be specially promoted towards the guests and can be walked or cycled to. Particularly the park provides great opportunities for guests to explore and walk in nature. Having the *Weissensee-Park* and the lake right next to the premises is a huge asset HUBS enterprise. The park features beautiful nature trails and picnic locations that are open to the public. The local city council puts in great effort into the maintenance of the park and makes sure that everyone who uses it will come on their cost.

As previously described the park features a variety of trees and plants that are mostly domestic to this part of the country. Guests can easily access the park from all sides and enjoy the surroundings at any given time. The lake has a healthy bird life and information panels all around inform visitors on the different species that are present. Especially for guests who have been sightseeing all day in the city can come here to relax and recharge. The mornings can be busy on warm summer days as the local community uses the park for recreation.

About a 30 min drive on the tram guests can reach *Treptower Park*. This is probably one of the nicest locations to experience nature in Berlin. Located right next to the *Spree River* it invites for long walks. The *Treptower Park* features beautiful gardens that are taken care of by the local council. Especially the walks along the *Spree River* are very popular. A little disadvantage is that on the weekend the park get's very crowded and sometimes too busy to enjoy. Another great location to visit for more exotic plants are the *Berlin botanical gardens*. The gardens and glasshouses are well manicured and display plants from all around the world. They also offer guided tours and invite visitors into the world of plants. With a entry fee of 7,- Euros for adults and free admission for kids this is a great family destination. Tours are also offered in different languages and most of the information is

also multi-lingual. Also here the problem of long waiting lines can occur due to a high demand. Usually throughout the week is the best time to visit.

For visitors who like to learn about urban gardening, HUBS recommends a visit to *Prinzessinengarden* in the district of *Kreuzberg*. This urban garden has been at this location for the last 8 years and is a prime example of what can be done to vacant urban spaces. Over time a little cafe was build and offers fresh produce from the garden. Every garden features immense information on what is grown and how. The educational aspect here has priority and visitors and locals keep coming back to learn on enjoy this oasis in the center of the city. The staff is very trained and will show guests the operation of the garden and let them participate. Visitors are more than welcome to help, but mostly invited to enjoy.

2.4.2 Cultural Attractions

Berlin is a city with a huge diversity of cultural attractions. In close proximity to the campground the previous open air stage and the *Weissensee* beach club organizes great events throughout the summer season. Whether it be live performance or live music events, the program delivers wide spectrum of entertainment for people. The open-air stage as build a strong reputation over the years for not only the local residents but also for other Berliners who come from neighbor hood parts of the city. The beautiful setting within in the park provides a spectacular setting.

For guest at HUBS campground the stage lies in walking distance, which makes it a great place to go without having to use transport and reach other spaces in the city center. From then campground to the stage it is an approx. 10 min walk and it leads you through the beautiful park of *Weissensee*. The open-air stage provides entertainment for young and old which means that from children concerts in the day all the way to Rock Concerts at night, everyone will come on their costs. The price for tickets varies depending on the act, but usually never exceeds 30 Euros. Even closer to the campground facility is the *Weissensee Beach Club*. Being a popular swimming spot in the day, the nights are often filled with small performances. Once a week, a Jazz night invites local musicians and has them play on a little courtyard within the Beach Club. It is a great place to enjoy an evening drink and mix in with the local community.

The city of Berlin well known for it's many Museums. Whether it be on the bike or using public transport all museums can be reached quickly and even make a half day visit possible. Some of the bigger Museums are *Bode-Museum*, *Neues Museum*, *Pergamonmuseum*, *Spy-Museum*, *Stasi-Museum*, *Medizinhistorisches Museum Charité*

(*Museum of Medical History*) to just name a few. HUBS will provide all relevant information at the reception and also will inform guests on special exhibitions or happenings. There will also be information available on the variety of private exhibitions spaces, which feature private collections in a more intimate space. The city of Berlin also offers discount passes for those who wish to see multiple exhibitions while their stay in the city. In the main season and often weekends, unfortunately some museums can be very crowded and long waiting lines can be the result.

Also certain exhibitions can attract numerous visitors at once and can sometimes taint the visit. Another cultural highlight is the numerous Theatres you can visit in Berlin. They are well distributed around the city and you can find one in almost every district. Some of the most famous ones are *Friedrichstadtpalast*, *Admiralspalast*, *Die Wühlmäuse am Theo*, *Deutsche Oper*, *Theater Rambazamba* and the *Philharmonic*. All of them are world-renowned and offer a diverse program through the whole year. Next to the big names every district offers smaller venues with their own charm and reputation. Berlin offers so many cultural spaces that it is impossible to name them all. In the summer time the city council of Berlin also puts on open-air events, which mostly free of charge. HUBS aims to provide as much information as possible to inform guest on special events close to the campground but also further out in all parts of the city.

2.4.3 Historic Attractions

Berlin is rich of historic attractions throughout the whole city. One of the most famous ones is the *Eastside Gallery* where you can walk along the original remnant of the Berlin Wall. It is accessible by tram and bike. It is very popular destination for many visitors and can get very crowded, especially on the weekend. *The Berlin Wall* acts here as an outdoor gallery and visitors can view the original graffiti artwork that is displayed along the 1,5 km stretch of the original Wall. It is the longest remaining part of the Wall and visitors can take their time to slowly discover the intriguing art pieces. *Eastside Gallery* can be visited 24 hours and often at night in a little park right next to the wall, street musicians perform till late.

A small train ride away one of the most iconic historical sites that can be found in Berlin, the *Brandenburger Gate*. Visitors can walk through the gate and find numerous displays providing historical information. Within walking distance, the center of the German government, the *Reichstag* can be reached. This history building is another icon of the city and rich in history. In the mid 90's the whole building got renovated and a glass dome was placed on top. It is accessible for visitors free of charge and is recommended to do so.

2.4.4 Recreational Activities

While operating HUBS campground from April until October the *Lakeside Beach Club* is also opening its doors. Its a popular bathing location for the surrounding area and is well visited over the summer period. An artificial beach invites for swims in the lake and relax in the sun. There is also a beach volleyball court, table tennis and a badminton court. The beach club further operates a restaurant and bar, where guests can order cold beverages and simple snacks. It is available for all guests. The entrance fee is very reasonably priced with €5 for adults and €2 for kids. On hot summer days it can get really busy and in order to still find a spot in the sun one has to be early.

HUBS aims to provide special discount deals so that guest of the campground can enjoy the sun walking distance from the site. Along the lake there is also a boat hire for those who want to explore the lake even further and don't want to get wet. HUBS can be lucky to have such great activities right next door where guests can enjoy themselves without having to move far away from the campground and spend loads of money.

3. Business description

The following section will look into the setup and structure of HUBS and explore the physical space of the campground. The site is well suited for this enterprise and HUBS aims to use the section as efficient as possible, while maintaining its natural origin and avoid any interference or change to the land.

3.1 Introduction

A new interest in city traveling has sparked a rise in low-budget traveling accommodation requiring a rethinking of urban visitor sleeping solutions. Existing low budget hotels, but also contemporary youth hostels are a limited and often poor answer to this general demand for cheap lodging in the city-centers. On the other hand, campers trying to visit cultural city centers on their drifting routes, often encounter camping areas located in the city's anonymous expanding outer limits. HUBS is offering not only a low budget option, but also a low impact form of accommodation located in a central area of *Pankow* in the northern part of Germany's capital.

3.2 The business at a glance

HUBS campground offers a unique accommodation in the city of Berlin. Nested in the suburb of *Pankow* next to the *Weißer See*-Lake. The campground location offers a

peaceful retreat away from the city center that can be reached by public transport and bicycle. The campground features around 30 camp spots, which are distributed around the premises. The campground will consist of 18 -20 camping bays and 11 Bell-Tents that can be booked in various set-ups. Amenities will include a shower/toilet container and a kitchen facility where guests can cater for their own needs. The center of the campground will have a common area where all amenities will be distributed around to enable easy and quick access. The toilette and shower container is available 24 hours to all guests. The kitchen facility is open from 7am – 9pm. The reception and future kiosk area will be placed in a container at the entrance of the premises and will open from 10am to 6pm, which also define the check-in and checkout time.

It is important to note that all structures are designed as modules that can be placed according to needs and also further expansions of the business. HUBS is dedicated to have as less impact as possible on the land itself and reduce the needed of resources to it's basic without impacting the guest experience. One of the core values is "less is more" which shows that even without building major infrastructure it is possible to accommodate visitors and travelers in Berlin. Next to the Office and Reception Container a common area will be constructed where all guest can enjoy the outdoors and meet other guests. This will provide the central 'hub' of the campground. Throughout the premises native planting will provide privacy and shelter, and create a ecologically healthy environment for our guests. The camp-bays, Bell-tents and amenities will be connected through pathways and feature information panels on the plant life. The aim is to increase the shift of passive consumption towards a more active involvement of tourists and encouraged a creative from of tourist (Richards & Wilson, 2006, S. 1209ff).

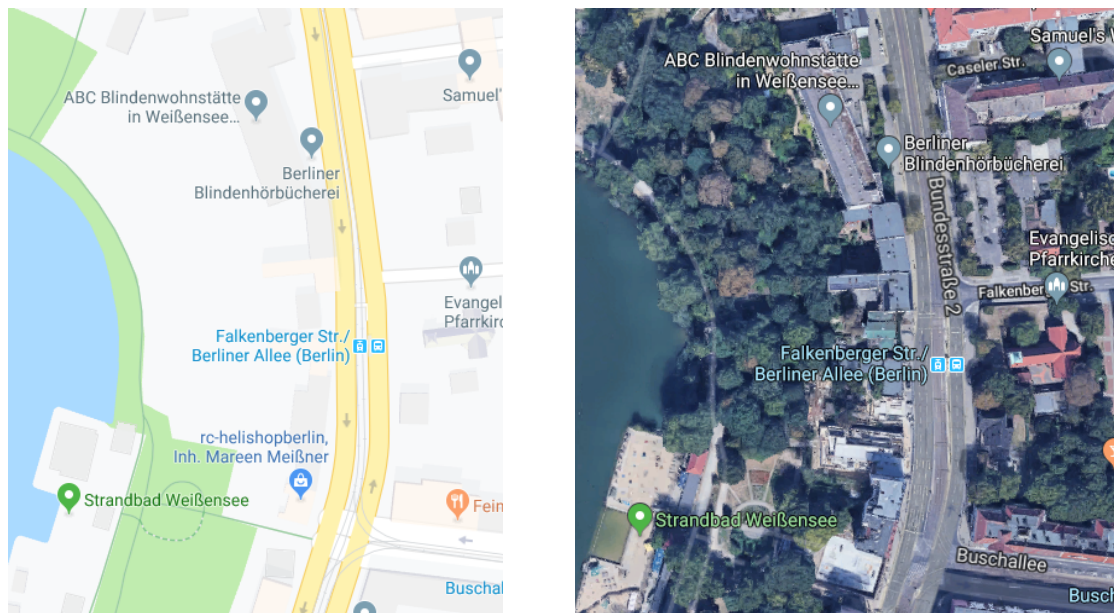
HUBS is dedicated to encourage environmental awareness through creative involvement, without compromising the customer experience within our facilities. One of our main goals is inspire our guest towards more awareness about our surroundings while enjoying their stay with us.

3.3 Overall attraction of the site

The chosen site provides a perfect setting for HUBS enterprise in creating a unique city campground experience. The natural surroundings make a unique setting and the surrounding area offers all necessary services. Recreational and cultural facilities are within walking distance and offer a wide spectrum of activities for all ages. Since the lake

is located right next to the campground it is the perfect destination for the summer season in Berlin. The combination of the lake and the establish park area make the guest experience at HUBS complete. The district of *Pankow* - Weißensee is known as a safe area free of crime and provides all the infrastructure needed. Through the central location of the site all parts of Berlin can be reached. The campground accessibility through public transport enables guests to reach all major cross sections and explore the city and places beyond. Connections to both airports and the main train station as well as the bus-exchange in Berlin are given at any time. Through its central location all major attractions can be also accessible by bike and gives therefore our guest great options to move around.

3.4 Physical location



(Fig. 3 & 4: Campground location, Google Maps, 2019)

3.5 Incentives for the location

HUBS campground is located on a green strip that was formerly used as gardens for local residents. Over time the gardens have merge together and the general set up of the section was changed many times over recent years. In the beginning of 2019, non of the gardens were used due the fact that the people who leased the section at the time got to

old to maintain their gardens. The owner of the section decided to merge all gardens together and lease it to one single person. Since he has no interest in selling the section he is happy to agree on a 5-year lease with possible extension, and is more pleased to deal with one person rather than multiple parties.

3.6 Design

The general campground design is kept very minimalistic. As previously stated, HUBS aims to have as less impact as possible on the ground in order to fulfill its vision as a low-tech accommodation solution. For the main amenities such as reception, kitchen, toilet & shower and the storage unit 20 ft. shipping containers are used. The modular design approach is key to implement our environmental standards and enable us to realize future expansions. The container set up provides an cost-effective and easy solution for HUBS to establish all necessary services provided on the campground.

The camping area is divided in two parts. On one side the Bell-tens will be placed which take up spots at 3 x 3 meters. On the other the site camp bays are placed where people can pitch their own tents. While the Bell-Tent spots are equally spaced, the camp bays will vary in size in order to cater for small and bigger tents depending on the demand. All tent spaces will be connected through simple nature trails and form an organic web where our customers can find privacy. Next to the already established trees, we are going to plant domestic fauna that is specific to this area that is conform with other vegetation found in the park that surrounds the campsite. Over time we hope to create little green hubs where our guests can relax and take a step back from the busy streets of Berlin. Our design focuses on giving each guest a comfortable, natural and clean space where they can recharge and feel good about their stay.

3.7 Need statement

3.7.1 Economic Needs

Over recent years the city of Berlin has an increasing problem with

- Lack of low-impact accommodation in Berlin
- Forms of accommodation implementing a triple bottom line approach
- Vacant spaces in the city that can temporally be used
- Lack of alternatives that create host-friendly solutions

3.7.2 Environmental Needs

- Integration of “green-spaces” in the urban environment
- Establishing forms of development that have low ecological impacts
- Providing offers for eco-tourism in the city and urban environments
- Opportunities for visitors to off-set their travel footprint
- Decrease the impact of tourism on climate change
- Increase environmental awareness

3.7.3 Social Needs

- The negative impact of “AirBnb” on the housing market
- Reducing impacts such as noise through more visitors
- Better distribution of visitors in the urban space
- Create space for interaction between visitors and the host-community

3.8 Mission statement

“HUBS is a urban campground facility situated in the center of Berlin, that provide visitors a unique and inspiring form of sustainable accommodation. Through quality services and a high level of environmental awareness we aim to inspire and enhance the experience of our guests, not only with us but also in our city. We are passionate about our city and the people who visit, and believe we can bring positive change towards a sustainable form of accommodation. “

HUBS stands for a sustainable solution in the accommodation sector, where the impact on the host environment and community will be minimized, while still offering a unique experience for the guests. Our main goal is to avoid major developments and make positive socio-economic impacts, and integral part of our operation.

3.9 Vision Statement

Within 5 years “HUBS” will become a recognized form of sustainable accommodation in urban spaces. Its marketing efforts will establish “HUBS” as a creative, low impact and feasible opportunity to use vacant spaces in cities and urban areas and give them temporary but useful purpose. A sustainable operation of the campground will be achieved through a effective marketing mix to have a steady flow of bookings, while establishing transparency towards the socio-economic change in our city. “HUBS” aims to

grow over the next 5 years into a small to medium size business with the goal of further expanding into other metropolitan cities around Europe.

3.10 Products and Services

In this section, we will list all of our planned products and services, We will further describe how our proposed products and services will be differentiated from those of our competitors and solve potential problems that might occur in the marketplace.

3.10.1 Bell-Tents

HUBS will offer guests a fully equip campground facility where people can choose to either book our set-up Bell-Tents or set up their own tents in the designated camp areas. The Bell-Tents can be booked in three different kinds of categories depending on the guest needs. The booking options are:

- 1) Category 1 – Bell tent/ solar light
- 2) Category 2 – Bell tent with Mattresses/ Solar light
- 3) Category 3 – Bell tent with Mattresses/ bedding/ basic furniture/ portable/ solar light

Where Category 1 & 2 are still relatively simple options of comfort, category 3 is a fully equipped glamping experience. While HUBS wants stay true to the original idea of a campground, category 3 provides more luxury and is also targeted to a specific group of people. All Bell-tents have the standard size of 3 x 3 meters and can hold up to three people comfortably. Solar lights will be placed in each of Bell-Tents and mattresses bedding will be placed – depending on the booking.

3.10.2 Camp-bays

The designated camp-bays will have a flat square surface where guests can pitch their own tents. The Camp-bays will be covered with natural bark for comfort and water drainage. Those camp-bays are listed under category 4 & 5 depending on the size of the tent. The pathways between the bays and the bell-tents will have solar lights so that guests can access their booked spot safely at nighttime.

3.10.3 Additional Services

A fully equipped sanitary container will be available for guest at any time and offers a total of 12 toilets and 6 showers. The sanitary container is connected to water mains in order to ensure a fluid operation. The campground sanitary set up offers a lot of comfort and cleanliness. Cleaning sinks, and washing machines are also available. Products such as toothpaste, soaps, washing powder will be available at the kiosk. Shower tokens can be purchased at the Kiosk, in order to try to safe excess water usage. As the company expands, management intends to offer more amenities and services so that we can consistently add value for the customer experience. Our urban campground will be designed for any type of traveler, with a highly personalized approach to the treatment of all guests.

The reception will also offer basic shopping supplies such as cold drinks, snacks and anything our guest would need while staying with us. Due to central location of our campground where supermarkets are close by, the Kiosk will only supply basic things.

Further services will be:

- Fully equipped kitchen
- Handicap accessibility
- Bicycle rental
- Smoke alarm in all Bell Tents and common areas
- Washer/Dryer (coin operated)
- BBQ area next to the kitchen facilities
- Quiet area for yoga
- Safe deposit boxes at the reception
- Solar tree for recharging phones etc.

Service Description:

HUBS will maintain high service standards and will provide guests with the following.

1. Well-appointed clean bell tents.
2. Prompt response to reservation request.
3. Resource materials on local culture, history, geography and events.
4. Warmth of welcome and hospitality
5. Flexibility in check in and out times
6. Reminder service

Visitors need a place to sleep/Explanations of how it is Build:

- Local construction materials
- Module system as they can be moved to different location
- Let's use what we have
- Solar powered with batteries for light and charge
- No infrastructure needed such as greater/electricity/
- Wood furniture inside and outside with recycled materials
- Shade sale for front of hub / hammocks

Visitors like Convenience

- Clean campground / recycling stations
- Well maintained toilettes and a shower container
- Solar trees to charge phones
- Towels and other needs can be rented

Visitors need a place to Eat

- Café offers drinks and snacks
- Offer local products
- Local supermarket in the area
- Restaurants within walking distance
- City center is in reach for a variety of culinary services

Visitors like to shop

- Through public transport the city is 5 min away and offers all shopping

Visitors need Safe Reliable Transportation

- S-Bahn and busses are in walking distance
- Bike will be available for hire
- Considerations for land-based transportation
- Considerations for water-based transportation

Visitors need stuff to Do

- Various attractions in the area
- Local park and café in walking distance
- Information on activities will be provided
- Scan of activities in the area
- Desire to connect with nature

- Enhance interest in experiential tourism
- Demand for authenticity
- Fulfillment and exploration
- Active adventure

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3.11 Business Structure

HUBS enterprises will operate as “GmbH”. The German abbreviation for “GmbH” is comparable to the American concept of a limited liability company (LLC). Due to reduced legal responsibility, especially with company assets, this is the most widespread form of registered companies in Germany. The concept of a limited liability is ideal for HUBS due to the fact that it wants to protect its private assets while projecting a public image of legitimacy to their customers and business partners. One or more founders can form a GmbH, as it is regulated by legislation known as the GmbHG. For HUBS registering the business as a GmbH can have the following legal benefits:

- Limited legal responsibility: Shareholders are solely liable with the assets of the company (private assets remain)
- The opportunity to appoint another manager in the future
- The GmbH can operate throughout Europe which enables possible future expansions in other cities.

For most small businesses, a limited liability company offers the right mix of personal asset protection and simplicity. Unlike sole proprietorships and general partnerships, LLCs can protect your personal assets if your business is sued. LLCs are relatively easy to form and maintain, and are not subject to double taxation.

4. Market Analysis

The following chapter will summarize all relevant data that is important for the operation of HUBS from a global, national and local perspective. Current and future trends and developments in the tourism industry will be outlined, to get insights on the demand of HUBS services. Furthermore, a short overview of political, economical, social and technological changes – which could affect the business – will be drawn.

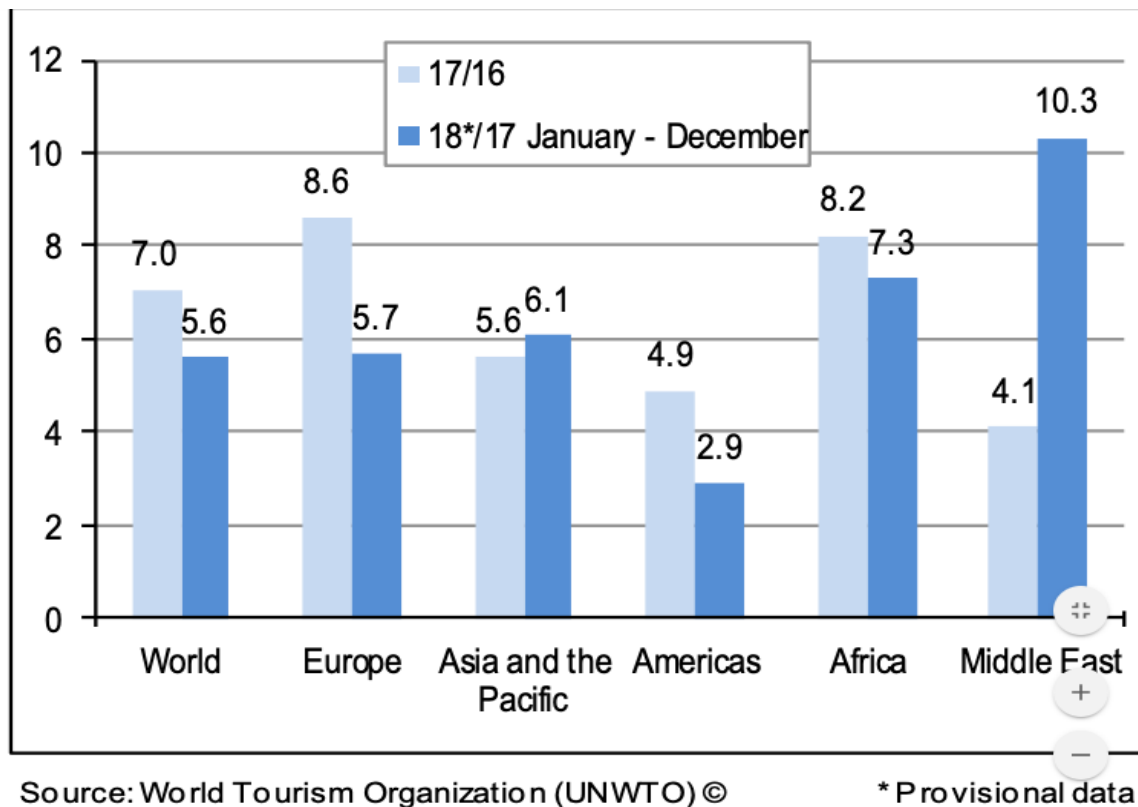
4.1 Geographical analysis

4.1.1 Global Tourism

The global Tourism market is a dynamic market that has always improved and adapted to changes in the socio-economical changes that have occurred over recent years. Europe takes a special role here considering that we have so many different cultures and Nations that have established a peaceful alliance that hasn't seen any geopolitical conflicts. Especially Germany with its strong democratic values has been a major tourist destination for many international visitors and enables them to learn and be part of our culture. The *UNWTO (United Nation World Tourism Organization)* publishes the *World Tourism Barometer* every year to present the latest tourism numbers, and indicate what trends are to expect for the coming year. In their latest issues of January 2019 it evaluates tourism numbers of 2018 and is giving a outlook for this year, explaining in depth what the global tourism market can expect.

In 2018 International tourist arrivals have increased by 6% (Fig. 5, p. 33). That data shows that there were a total of overnight stays of 1.4 billion, and confirms the steady growth of

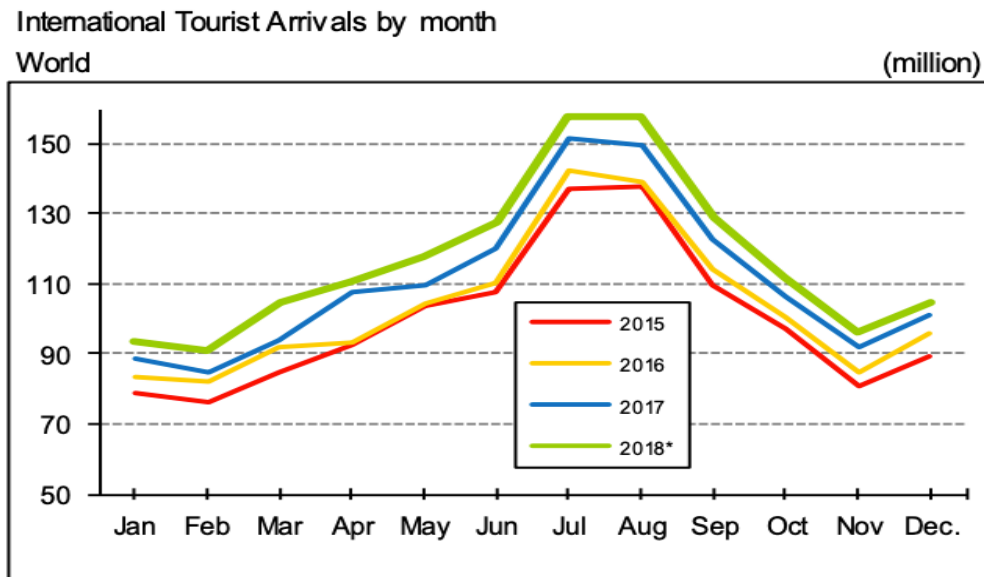
international tourism over recent years. The European market is in line with the international trend and based on previous reports is complying with the expected growth that was predicted for the coming years. As mentioned above this is closely related to a steady economic environment and the fact in general it is a peaceful time to travel and see the world.



(Fig.3: Global tourism growth, World Tourism Organization, 2019)

Based on these trends the *UNWTO* predicts a growth of 3% - 4% on international tourist arrival in the year 2019, which is similar to the growth that can be seen over recent years. This trend can be seen in the image below (see Fig. 3 page 33) where the general growth in international tourist arrivals is steadily increasing compared to previous years, but following the same pattern when distributing the numbers over a one-year span.

It is also important to note that between April and October most of the international arrivals were registered and clearly shows the high season of global tourism movement. Especially the month of July and August are the peak month where arrival numbers almost double compare to November or December.



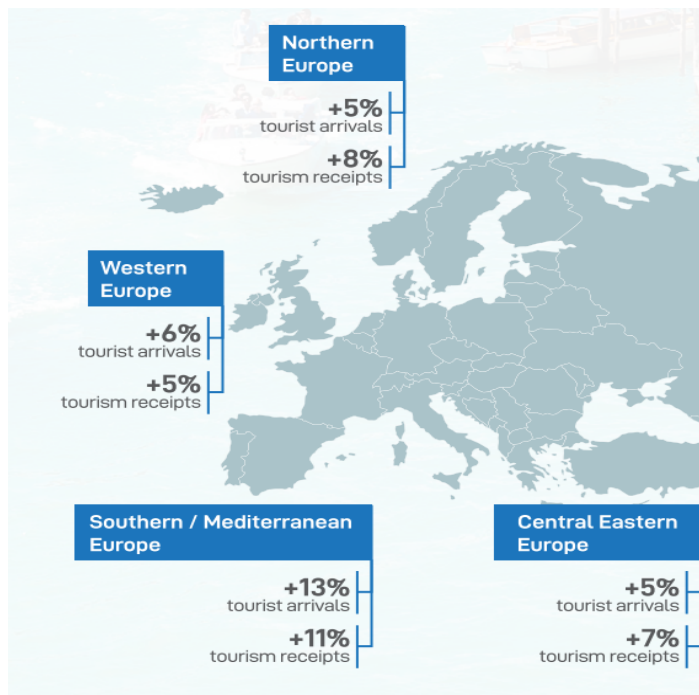
Source: World Tourism Organization (UNWTO) ©

(Fig.4: Global Tourism/Arrivals by month, World Tourism Organization, 2019)

Since HUBS is located in Berlin, we now need to have a closer look at what changes have occurred in Europe.

As seen in Fig. 3 (p. 33) Asia and the Pacific, as well as the Middle East have seen a great rise in international tourism in 2018 compare to previous years and therefore do affect the data quite substantially. Looking at international arrivals for Europe, Fig. 4 (p.34) shows that in average we have a growth rate of 3.6% over the past 10 years. The projections for 2019 estimate a growth rate of 3% to 4% and shows that Europe can expect a stable and steady growth International tourist arrivals for the coming year. These figures also align with future trends, and demonstrate a sustainable index of growth for the whole of Europe.

It is important to note that the regional differences are always current in the European Union. Countries like Belgium for example had some security problems over recent years and therefore visitor numbers have dropped, where southern Europe has been witnessing a influx of numbers.



(Fig. 5: Global Tourism / Arrivals 2, World Tourism Organization, 2019)

In general as seen in the image above (Fig. 5, p.35) tourism receipts have been increasing throughout the Union and Western Europe

4.1.2 National Tourism

Looking more specifically at Germany many of the above mentioned trends are reflected in the local economy. A report published by the *World travel & Tourism Council* in 2018 states an increase in international tourism at 3,5 %, which relates to the trends described by the *UNWTO* for Europe. It is fair to say, that many international tourists consider Germany as a safe destination. It has a great variety of culture and activities to offer while supplying a great infrastructure for visitors to move around and enjoy tourism services and products throughout the country. From a economic point of view the *World travel and Tourism Council* has provided data that shows steady growth rates towards the contribution to the GDP all the way to 2028. Important to note here is that domestic spending with 339.7 billion US \$.

GERMANY	2017 USDbn ¹	2017 % of total	2018 Growth ²	USDbn ¹	2018 % of total	Growth ³
Direct contribution to GDP	146.3	3.9	2.9	179.1	4.3	1.8
Total contribution to GDP	395.2	10.7	2.9	466.6	11.2	1.4
Direct contribution to employment ⁴	3,144	7.1	2.2	3,721	8.4	1.5
Total contribution to employment ⁴	6,118	13.8	2.3	6,537	14.8	0.4
Visitor exports	50.4	2.9	3.5	67.0	3.1	2.5
Domestic spending	339.7	9.2	2.5	412.2	9.9	1.7
Leisure spending	305.7	3.1	2.3	377.2	3.4	1.9
Business spending	84.4	0.9	3.7	102.0	0.9	1.5
Capital investment	28.2	3.7	6.0	38.2	4.3	2.5

¹2017 constant prices & exchange rates; ²2018 real growth adjusted for inflation (%); ³2018-2018 annualised real growth adjusted for inflation (%); ⁴1000 jobs

(Fig 6.: National Tourism – Economical impact, World Tourism Organization, 2019)

4.1.3 Berlin Tourism

The development of Berlin's tourism sector since 1990 has been a major success story. The German capital has become one of the top travel destinations in international city tourism. With tourism spending contributing €11.6 billion to the capital and providing 235,000 full-time jobs in purely statistical terms, tourism has long been one of the main pillars of the city's economy. Today, tourism in Berlin is a major influence on the cityscape and urban culture, so much so that this sector is also strategically important for the entire city's development and the quality of life of its residents. However, for some time now the global development of tourism has been caught up in an increasingly dynamic process of change, and this also impacts the future of Berlin's tourism sector.

The Berlin Senate has recognized these signs of the times and is responding with the appropriate measures to meet the changing global and local situation. With a new strategic tourism plan, it is creating a framework for a sustainable, city compatible and socially fair tourism – since, after all, the city belongs to all those using it. These enabling conditions consist of national regulations, policies, subsidies and incentives, as well as international market and legal infrastructure, trade and technical assistance (UNEP, 2011).

It is important to note that Berlin has established a cohesive and holistic strategic framework, that views tourism as one of many areas that needs to be involved in order to achieve the goal of a sustainable future. The city promotes quality of life for the people of Berlin and strengthens the city's position as a competitive and attractive urban destination for visitors from all over the world. The strategies are based on Berlin's known qualities and are designed to maintain, reinforce and developed to the year 2030.



(Fig. 7: Tourism in Berlin, Senate Department for Urban Development and the Environment, 2016)

The model above shows that successful integrated urban development is characterized by value-adding collaborations between different goals and fields of action. Regarding tourism there is a clear focus and support for the spatial diversification of the tourism demand by transforming cultural venues. It is important to note the city itself, with everything it consists of, is the key for qualitative tourism destinations and therefore should be viewed as the core of the tourism product. It therefor essential that any form of tourism development is subjective to the general development objectives of the city or region. The already mentioned fact, that tourism is viewed as a integral part of the general

development process shows that it is crucial to find ways where industry branches can co-exist and feed from each other, while always being aware of the socio-cultural changes that take place. The goal is to develop a strategy that primarily shapes the future for everyone involved. I think that we reached a time where quality outweighs quantity and tourism destination will only be attractive and considered as great destinations, when the local community reflects a strong and healthy lifestyle that shows identification with their place. Next to a great amount of history and cultural heritage, the city further strengthened the art sector and provided creative space for young people from various artistic backgrounds. Berlin has managed to become a modern and very attractive city that has a lot to offer.

Based on the view of Framke (Framke, 2002, S.92ff), the concept of 'destination' can be seen as the sum of interest, activities, facilities, infrastructure and attractions that create the identity of a place. Berlin in this regard, has managed to establish a very diverse mix of interest and activities, which are well connected through a high-quality infrastructure. The combination of the city's rich history and the young and dynamic atmosphere has built a great reputation as a destination. Berlin has also been described as one of the top urban destinations and even on an architectural level combines the old substance with modern ideas to reflect the past and present of the city. Like in many other cities in Europe it is not easy to achieve this balance of being a tourist destination and develop tourism related strategies, while trying to minimize the potential impacts that these development can bring.

Berlin is a destination with many faces, and based on its diverse and dynamic offer it is mainly marketed as a cultural destination. The dynamic dimension that defines the Berlin as a destination has always shaped the city since it has gone through so many changes over the last 25 years. The city has huge amount of tourism-products to offer. World-class museums contain treasures from ancient Egypt, to the late 19th century to iconic contemporary art. Significant new memorials/exhibits have been added – for example, the *Holocaust Museum* (opened 2001) and *Holocaust Memorial* (2005). The city has eight major symphony orchestras, including the world famous *Berlin Philharmonic*. Berlin's *Wintergarten* and *Chameleon theaters* and the *Friedrichstadtpalast* (Europe's largest revue theatre) provide musicals and light entertainment.

Also a range of cultural events, like "Carnival of Cultures" – further extend its lifestyle appeal that the city is known for today. The *Berlin International Film Festival* or *Berlinale* is well established and provides a two week long, annual trade and audience event that

attracts people from all over the world and has its set place within the industry.

Berlin has excellent national/international rail and road links. Major redevelopment intends to boost its inter-city accessibility through road developments and an impressive new railway station (opened in 2006), which intends to link between Western and Eastern Europe. The soon to be opened *Berlin-Brandenburg International Airport (BBI)* will be able to handle up to 25 million passengers per year, and is a logical answer to the present tourism trends.

Within the city there is an efficient underground and regional/suburban rail system – with signs of the former East (e.g. trolleys/trams) / West divide. Day tickets are cheap by city capital standards and relatively easy to buy from offices or automated multi-lingual kiosks. There are also good municipal bus services to all major sites and transport links. Currently a great amount of focus is put on extending the cycling network through the city and take pressure of the more increasing pollution by daily traffic. Recent developments have seen an increase in bike use especially with the rise of electric bikes. In the beginning of 2019 e-scooters are officially allowed on the road and will add more mobility throughout the city.

4.2 Tourism trends / developments

The global tourism industry continues its success story with another exceptional travel year in 2018. It is fair to say that the desire to travel the world is unbroken and the industry is looking to grow almost everywhere for the coming years. Especially through the low budget flights all around Europe, Berlin has seen a continually increase in visitor numbers each year.

The numbers on the one hand are very obvious, but the general atmosphere in the host community over summer season is changing towards the bad. Compared to other major city destinations in Europe, Berlin has managed to still keep its charm and also stayed relatively cheap. The extensive network of public transport and the fact that the city is very bike friendly and free to move within, attracts a lot of people from all over Europe. This means that the host community has to share their infrastructure with the rising number of visitors.

HUBS is making use of the low-budget accommodation sector and through its unique nature caters for a niche market with great potential. In recent years the camping sector gained greater importance for the European tourism market. Over 15% of all tourists overnight stays in Europe are related to camping (Jurdana, Milohnic, Cvelic-Bonifacic,

2009) Like every other city in Europe, the housing market in Berlin faces great challenges at the moment. Here, HUBS is finding a simple solution where no actual living space is used for accommodation. Tourist apartments are a real threat to the housing situation and the situation is creating more controversy than ever. On a social level it can already be witnessed, that the host communities would like to see more actual living space, instead of using it for tourism activity. Over-tourism, and cities packed to the edge with visitors are an ongoing topic and can possibly lead to a shift in the accommodation sector. It is important to distribute tourism towards the urban space and try to blend it in the already existing environment. With HUBS city camping a first step into this direction is taking place.

4.3 Macro-Environment

In the following paragraphs, we'll try to present an overview external, environmental issues that could affect HUBS. We'll analyze the following dimensions: Political, Economic, Social and Technological.

Political

Tourism is always a political topic in Berlin. Scarce living space, expensive rents and constantly rising numbers of tourists are the ingredients of political discourse. The city is making great efforts to regulate tourism and minimize the effects on its inhabitants and strict controls on holiday homes illegally rented to tourists are only one measure. Berlin's tourism policy will focus on sustainable concepts that have a minimal impact on residents and nature, a trend that clearly benefits HUBS.

Economical

For more than a decade now, Berlin has recorded constant growth in the number of tourists, regardless of economic recessions. Since the majority of tourists in Berlin travel privately, there are no major effects on the number of overnight stays if there are structural economic problems. Furthermore Berlin is considered to be the most liked cities in Europe for a short trip. It's located in the center of Europe and the constantly improved accessibility, lead to a constantly growing number of customers.

Social

The trend towards a sustainable life does not stop at the tourism industry. The demand for sustainable accommodation and alternative tourism concepts is constantly increasing. HUBS with its concept of an unique urban camping experience meets this trend and even sets an example as an innovative and alternative solution for sustainable city accommodation.

Technological

The tourism industry is at the forefront of digitalization. Almost every provider of accommodation has a digital system for booking and controlling guests. Every third booking is already made online (cf. chapter 4.6) and the trend is clearly towards complete digitalization. This trend makes it more easy for new provider in the market to offer their services, as the whole market is limited to a few booking platforms

4.4 Competition analysis

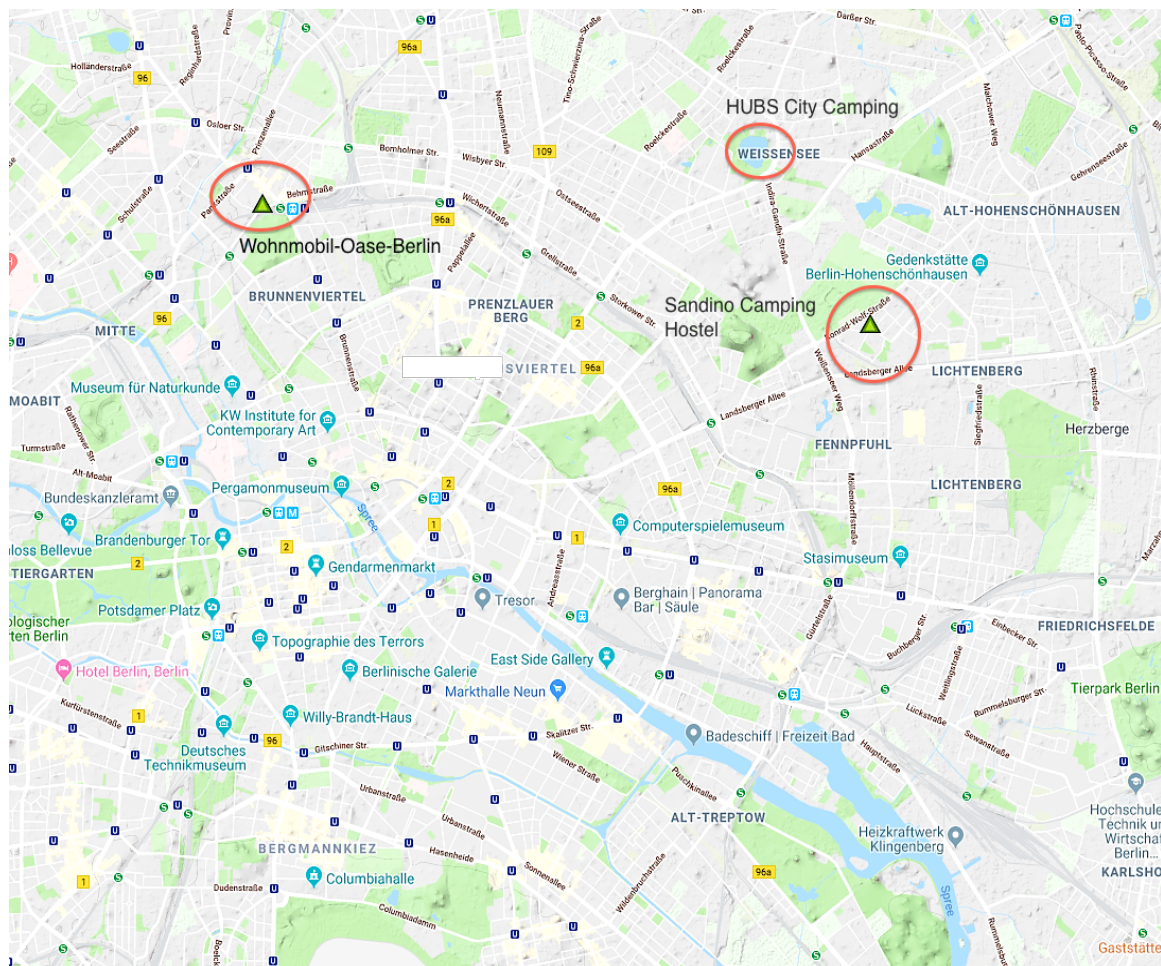
Competitor analysis in marketing and strategic management is an assessment of the strength and weaknesses of current and potential competitors. This analysis will provide both an offensive and defensive strategy which then can identify our business opportunities and threats. We will carry out continual competitive analysis to ensure our market is not being eroded by developments. This analysis needs to be matched with the target segment needs to ensure that our products and services continue to provide better value than the competitors. The competitive analysis needs to be able to show very clearly why our products and services are preferred in some market segments to other offerings and to be able to offer reasonable proof of that assertion.

We will conduct good market intelligence for the following reasons:

- 1) To forecast competitors strategies
- 2) To predict competitor likely reactions to our own strategies
- 3) To consider how competitors behavior can be influenced in our own favor
- 4) To learn valuable lessons from past competitor strategies

For this business plan the four closest competitors in Berlin were chosen who provide similar camping services than HUBS. *Sandino Camping Hostel & Wohnmobil Oase* (Competitors 1 & 2) are also located close to the city center and are therefore in direct competition with HUBS. Both of them offer camping facilities but not as main and solely

service. *Sandino Camping Hostel* provides also Hostel Rooms and two sleep outs next to their camping services. The camping space is limited and their main operation focuses on the Hostel. *Wohnmobil Oase* is similar in the way they organize their business. Motorhome and Caravans are their main income and the camping facilities are limited and are not the main characteristic of their daily operation. For HUBS, who solely offers a camping facilities the competition through these competitors is comparatively low compared to other forms of accommodation like the Hotel & Hostel industry. As seen in Fig. 8 (p. 42) both competitors and HUBS are within the same distance from city center, but well distributed around it. Spatially they are in no competition to each other and since both competitors have a mixed form of accommodation HUBS City Camping can nest in between.



(Fig. 8: Competitive Analysis / Map, ECOCAMPING e.V. , 2019)

HUBS identified two main competitors who offer similar services and are also located in a similar position. The following table analyses the two main competitors (Competitor 1 & 2) and further investigates two more (Competitor 3 & 4) which are located on the boarder of the city.

	Competitor 1	Competitor 2
Name	Sandino Camping Hostel	Wohnmobil Oase
Years Operating	5 years	8 years
Overall Company Reputation	Trip Advisor Ranking: 88 / 504	Trip Advisor Ranking: 129 / 504
Products	Campground Hostel Laundry service Table tennis Camp fire Toilette & shower facilities Free-WIFI	Campground Laundry service Toilette & shower facilities Free WIFI
Pricing	Camping (price per night): Bell-Tents (2 per.): 30,00 Euro Private Tent (1 per.): 11,00 Euro	Camping (price per night): Adults: 9,50 Euro Children: 3,50EURO Tent (2 persons): 5,00 EURO Tent (3 person or more): 8,00 EURO
Target Markets	Young independent travelers Families	Campers Caravans Motorhomes
Promotion Activities	Website Social Media Travel Guides Trip adviser	Website Social Media Trip Advisor
Overall Strength	Located within the center of Berlin Combines hostel and camping Family atmosphere Connected to public transport	Located close to the city center Basic but clean

(Table 9: Competitor Analysis 1, own illustration)

Competitor's 3 & 4 are the two more commercial campgrounds in Berlin and have two locations each. *Hotel & City Camping* and *Berlin Camping Club* have been established for around 10 years and can be considered classic campgrounds, as we know them. They have a mix of on-site camping and also have caravan sections, which are occupied thorough the year. The caravan sections typically have long term set ups and guests pay a yearly discounted fee. In general both of them target a older age group who come in motor homes and caravans. The actual campsite for tent's is a small portion of the premises and is operated seasonal. Due to the fact the they have long term guests and spend most of their summer holiday on the campsite they offer more extensive services such as a small supermarket. They also established infrastructure (power and water access) for the motorhomes and caravans. Both of them are located on the city boarder, which means that it takes a minimum of 40 minutes to reach the city center. The following table compares both of them and their services provided.

	Competitor 3	Competitor 4
Name	Hotel & City Camping Berlin	Berlin Camping Club
Years Operating	11 years	7 years (with current owner)
Overall Company Reputation	Trip Advisor Ranking: 138 / 504	Trip Advisor Ranking: 235 / 504
Products	Campground Laundry service Toilette & shower facilities Breakfast Supermarket Mail service Children playground Beer garden Hot-Spot Free-WIFI	Campground Laundry service Toilette & shower facilities Breakfast
Pricing	Camping (price per night): Adults: 5,00 Euro Children: 2,50 Euro Tent (2 persons): 3,50 EURO	Camping (price per night): Adults: 7,50 Euro Children: 3,50 Euro Tent (2 persons): 4,50 EURO

	Tent (3 persons & more): 5,00 EURO Breakfast: 7,50 Euro	Tent (3 persons & more): 7,50 EURO Breakfast: 7,50 Euro
Promotion Methods	Website Print in form of flyers Travel guides Trip Advisor	Website Travel guides Trip Advisor
Overall Strength	2 campground locations Extensive service Combined with hotel & motor park	2 campground locations

(Table 10: Competitor Analysis / 2, own illustration)

4.5 Market Analysis Summary

After analyzing the market and its competitors HUBS is confident that they do not create a real threat towards the operation. The camping market with 2 competitors in this specific area allows enough space for HUBS to enter. The conclusion is, that the market allows another participant. Since HUBS is solely a campground and does not offer any other form of accommodation, it has different and lower costs structures and can keep a competitive advantage in this segment of the market. The next section will identify the Market strategy and will also explore the position of HUBS enterprise in this segment to better understand its general position in the market.

5. Market Strategy

After an analysis of the market and competitors in the previous chapter, the next chapter will lay the strategic foundation for market cultivation.

5.1 Definition of Market Segments

HUBS will use the tool of market segmentation in order to recognize the pool of potential customers and divide them into definable sub-groups with different characteristics. Segmentation enables the enterprise to target messages to the needs and concerns of these sub-groups. HUBS will segment the market based on the needs and wants of select customer groups. Here it will develop a composite customer profile and value proposition for each of the segments. The purpose for segmenting the market, is to allow the marketing and sales strategies to focus on the subset of prospects that will most likely be

purchased. If done properly this will help to ensure the highest return for HUBS marketing & sales expenditure. The market analysis will serve to accomplish the following goals:

- 1) Define the characteristics, and needs and wants of the target market.
- 2) Serve as a base for developing sales, marketing and promotional strategies.
- 3) Supporting the e-commerce website design

HUBS will focus on quality, comfortable and affordable accommodation for independent travelers and vacationers interested in exploring the city of Berlin and the surrounding region. HUBS target market strategy is based on becoming a destination choice for open-minded visitors, young independent travelers, conscious visitors and young families who seek a alternative form of accommodation. Another category will be school classes who are visiting Berlin and wanting to look for a different experience and using our educational services we are providing. There a wide range of segments which are interesting for HUBS which include:

1. Independent Travelers

These are the vacationers in search of good time. This market can be extremely seasonal, but can be overcome due the location in a urban area. They prefer low-budget accommodation and are open to new experiences

2. Romantic Getaways

The focus here is romantic weekend getaways. Young couples seeking a unique time together that is a little out of the norm. They like to spend time in private and are looking for time by themselves

5. Leisure Travelers

They establish relationships with local attractions/services/ events and tour operators. They usually plan their holiday well and have a good idea on what to do when they arrive

6. Group Travelers

Leisure groups include bus tours, school activities and a wide range of events held in Berlin. Tour groups are often brought to an area for sightseeing and attending special events. Local attractions that appeal to leisure tour groups may have records and information on the numbers and names of tour operators who have visited their attractions. Group meetings, conferences, seminars, special gatherings etc. also hold potential customers for Hubs. Information on the varieties on these events can be obtained through activity calendars provided by the city council of Berlin.

7. Recreational Cyclist

Cycling Tourism (especially e-bikes) is a booming market in Germany and Berlin and has great future potential. Hubs central location offers easy accessibility and is therefore ideal for this segment. Bike can be charged and parked safe at the campground.

8. Summer Visitors

During the summer months, Berlin is attractive destination with a huge variety of attractions and activities. Sometimes these visitor decide to go quiet spontaneous and will not pre-book but organise accommodation once they arrive.

5.2 Target Market

Our target marketing strategy will involve identifying a group of customers that are directly drawn towards a campground experience. Our strategy will be the result of intently listening to and understanding customer needs, representing customers' needs to those responsible for product production and service delivery, and giving them what they expect. In developing our targeted customer messages we will strive to understand things like: where they work, party and play, where they shop and go to school, how they spend their leisure time, what magazines they read and organizations and clubs they belong to and where they volunteer their time. We will use research surveys and observation to uncover this wealth information to get our product details and brand name in front of our customers when they most receptive to receiving our messaging. By assembling this composite guest profile we will know what guest needs and wants our company needs to focus on and how best to reach our target market. We will use the information gathered from our guest research surveys to assemble the following campsite guest profile.

For HUBS our main target customers are free independent travelers and visitors paying for a distinctive experience and not a room in a hotel or hostel. The target market for HUBS can be described as follows:

1. Guests in the early 20's to mid 50's
2. Have a low to mid income average
3. Have a strong tie to the outdoors
4. Conscious on current environmental issues

The average stay of a guest at a campground is between one and three nights. These guests continually seek new and unique experiences different from standardized hotels

and hostels. With HUBS the property itself becomes the destination and integral part of the customer experience. Additionally, accommodation in from if camping express the visitors' self-concept of themselves or express their self-actualization needs. Camping is defined as getting away from an urban area, and enjoying nature, spending one or more nights on a location. As such, the phrase urban camping contradicts itself. Urban camping informally and unexpectedly revealed itself in recent years as environmentally low impact form of accommodation and has a experienced a comeback over recent years. This type of accommodation can be implanted in any city center that likes to experiment with this new type of urban camping. That is open to create a place for local and international travelers that are welcomed to stay for an 'escape' into, rather than away from the city life. To create a place where adventurous city wanderers can stay overnight, meet other campers and find a safe shelter with basic designed practical facilities focusing on extraordinary vistas of city exploration.

The target markets that we are going to pursue are people who are looking for a accommodation that is eco friendly, involves minimal environmental impact but still lies within the center of the city. The campground development and operation in the Berlin area has been a very successful and profitable due to a high demand in alternative forms of accommodation.

The setting and our facilities make HUBS a natural destination choice for people.

The consumer base doe HUBS will be guests refereed by the following:

1. Travel blogs
2. Travel & camping magazines
3. Online booking platforms

HUBS performed a market study to access the feasibility of our venture and point out key factors, which would contribute to our success. The market study was conducted using the following methods and sources:

- 1) Tourism and hospitality industry studies.
- 2) Internet websites
- 3) Interviews with owners of similar establishments in other regions
- 4) Interviews with likely guests
- 5) Suggestions from professionals in the industry

5.4 Target Niche Markets

5.4 Target Niche Markets

Learning enthusiasts	- We will schedule regular free-based seminars on low-tech living, environmentalism and sustainability. - We will promote these workshops on our homepage and provide information about them. Guests will be encouraged to be involved based on their individual background.
Families with children	We will promote the fact that we have made our facility 'kid friendly' and will install playground equipment on our campground.
Romantic couples	- We will promote HUBS as a romantic getaway of a different kind. - Create a truly memorable experience
Outdoor enthusiasts	- We will promote HUBS to Hikers, Climbers etc. - Create awareness for low-tech solutions - Nature lovers
Cyclist	- Especially the e-bike sector holds great future potential

(Table 11: Target Niche Markets, own illustration)

In order to deliver sustainable awareness to the external environment HUBS needs start this process on a internal level. This means that the core, and therefore the management of HUBS need to be clear about their role and what they want to achieve on a internal level before taking messages and principles to the external, in this case the customer.

5.5 Value Proposition

HUBS offers its guests a truly local experience when they come to Berlin. It's the sweet spot between an urban accommodation in direct neighborhood to Berlin's city center. HUBS delivers a unique camping experience, which addresses the tourists' needs for a sustainable accommodation.

HUBS is local, authentic, diverse, inclusive and sustainable - the perfect ingredients for the conscious city travellers.

5.9. Messaging

Our key message we want to express is going to be "*sustainable urban camping*" while emphasizing on our location in the neighborhood of the city center. Our promise is a unique, sustainable inner city accommodation experience without sacrificing modern amenities and comfort.

6. Marketing Mix

The following chapter provides an overview of the HUBS marketing mix, including the four relevant dimensions: Product, Price, Promotion, Place / Distribution

6.1 Product

The HUBS camping facility will offer 10 bell tents and 18 campsites. On guests' request, all tents can be equipped with mattresses, bedding, bedside table and basic furniture. The guests also have access to a well-equipped kitchen, toilets and shower area, a communal area for shared use and a small shop for goods of daily use. The camping area will also come with high-speed wireless Internet connection. For detailed product description, see chapter 3.7.

6.2 Pricing

The pricing strategy is based on different types of accommodation and on the use of additional service options. The price structure is based on 5 main categories: "Bell tent – tent only", "Bell tent incl. tent and mattress", "Bell tent – glamping version", "big tent" and "little tent". Additional services like bringing a dog or parking a vehicle will be charged additionally. Furthermore, a differentiation is made between peak and off-season. Prices

in the low season (from October to April) will be significantly lowered to meet the expected decline in demand.

The detailed price list can be found in the following overview (see table 4, page 48).

Pricing – HUBS Berlin

ITEM	DESCRIPTION	HIGH SEASON	LOW SEASON	
Tents and spaces				
category 1	Bell tent - tent only	3m, suitable for up to 3 people	25 €	22 €
category 2	Bell tent - tent + mattress		40 €	36 €
category 3	Bell tent - glamping version		60 €	56 €
category 4	big tent	from 2,20m x 2,20m	18 €	16 €
category 5	little tent	till 2,20m x 2,20m	15 €	14 €
Additional costs				
child	0 - 3 years		0 €	0 €
child	3 - 12 years		4 €	3 €
adult	from 12 years		8 €	7 €
dog			5 €	4 €
motorbike			3 €	3 €
car			5 €	5 €
2nd little tent	on your site		5 €	4 €

(Table 12: Price Structure, own illustration)

During the start phase, further discounts will be offered in the form of cooperation with partners.

The experience of the first year of business - in particular the capacity utilization, will form the basis for more complex pricing concept in the following year. Based on the experience and an extensive event calendar, a demand driven pricing is implemented. In case of high demand for overnight stays the price is raised according to defined rules and in case of weak demand the price is lowered. This leads to a better capacity utilization with increasing turnover.

In addition to demand-oriented pricing, further discounts and price models are conceivable, such as price differentiation based on the length of the stay or based on the time of the booking. These models will be based on the experiences of the first year and may be implemented at a later stage.

6.3 Promotion

The market for overnight accommodation services in Berlin is very competitive, therefore a target group compliant communication of the own services is a substantial success factor.

Since HUBS own service is also aimed at a niche market, we also have to try to achieve communication without waste coverage in order to optimize the return on investment.

Various promotional activities are conceivable. However, for the start phase the focus lies on affordable solutions in order to spare the overall budget.

For a better overview the promotional activities will be categorized in three categories: *EARNED MEDIA*, *OWNED MEDIA* and *PAID MEDIA*.

6.3.1 Owned Media

Within the category "owned media", we distinguish between the categories "digital properties", i.e. our own digital platforms designed and maintained by us, and "embassies", i.e. third-party platforms on which we operate our own profiles or pages.

(1) Digital Properties

Website

We'll set up a modern, state of the art website, which contains all relevant information about our services, an extensive image gallery, background information about our sustainable approach and also a testimonials from our guests. The focus of course is a easy to use digital booking solution, which allows the customer to conveniently plan their stay.

The website will be SEO optimized, to ensure a sufficient ranking within the relevant search engines.

Blog

The website will also contain a blog section, where we showcase updates of the campground, present stories from our previous guest and also various topics featuring sustainable and urban accommodation.

Email

Since our guests have to provide an email address when booking, we will build up a database with many addresses over time. We want to use this asset by regularly informing our customers about updates on the site. We also have the possibility to communicate special offers and discounts in case of low utilization.

(2) Digital Embassies

Google Business / TripAdvisor / Yelp

The vast majority of online reviews are delivered via these platforms. Therefore we will create a profile on all platforms and maintain all metadata. We will equip the platforms initially with pictures and background information and maintain them regularly.

Every written review will be commented and possible criticism will be taken up immediately.

Facebook / Instagram

We will create a profile on all relevant social media sites and - based on an editorial plan - will regularly publish updates and short stories of our guests.

In addition, special events and activities are communicated and users are invited to participate.

6.3.2 Earned Media

Public Relations Kit

An extensive press kit is prepared and distributed to suitable press publishers, blogs, etc. This press kit contains pictures of the camping area, background information about our mission and vision and detailed information about our focus on sustainable tourism. In this press release we also invite press representatives to spend one night on our campground free of charge.

Reviews

Word of mouth will be one of the key factors for us. Therefore we ask our guests to actively share their experiences on the web. Therefore we will integrate links to our profiles on TripAdvisor, yelp, Facebook etc. in all business communication and ask for a positive review on departure.

6.3.4 Paid Media

Search Engine Advertising

in order to increase the range of the website, especially at the start, we run *Google AdWords* campaigns. In order to guarantee the effectiveness of the campaign, we will limit ourselves to suitable keywords that contribute to the topic of sustainable urban accommodation.

Social Ads

Next to *SEA*, we will also place ads on social networks. Via highly targeted image ads, we showcase our camping area and communicate testimonials from former guests.

Paid Partnerships

There is growing amount of blogs and influencer that promote a sustainable way of living. We partner up with some local partners to bring the sustainable HUBS experience to a wider audience.

6.4. Place / Distribution

Direct Sales

The main sales channel will be your own website. Through the integration of a digital booking system, guests can book their accommodation directly on the website.

The booking system will have open API's, so that bookings via travel agents will run directly into the central system. Bookings can of course also be made by telephone.

Indirect Sales

Since almost 30% of overnight bookings are now made via so-called OTAs (Online Travel Agencies), this sales channel is of great importance. We will implement our accommodations in all relevant OTA's, like booking.com, expedia.com etc. The bookings generated via these OTA's, are fed directly into our booking system.

8. Operations and Sustainability Planning

The operations plan includes all of the requirements to maintain the HUBS campground business. This includes adhering to the business governance mandate developed by HUBS through the business governance and fiscal agreement, creating an appropriate legal business entity within the current limited partnership structure, developing operational policies and procedures, acquiring equipment, identifying the key suppliers, hiring or contracting staff, professionals and advisors, and establishing bank accounts in the new legal entities name. Successful operations require diligence in all aspects of the business.

8.1 Staffing

The HUBS campground roles related to operations are business management, administration, operations management and property maintenance. All of the services are procured through the business itself. Through the central location of the campground HUBS will require help from time to time (especially in set up/take down month) where student jobs will be offered. For the first year of operation no extra staffing will be employed. If so, we're looking for students who are studying in related subjects and are willing to get insights and information on how to run a sustainable tourism enterprise. As another option HUBS is considering to offer practical work experience on our campground where also internationals can come and stay for 2-4 weeks and gain practical experience on how to run an urban campground. Potential employees with HUBS should bring the following skills:

- An outgoing, friendly personality
- Good manners and interpersonal skills
- An enthusiastic attitude
- A good work ethic
- A commitment to guest service
- Precise working habit

HUBS is further committed to provide as much training as possible. In any guest-oriented operation there are two sides to service: procedural, requiring technical skills and personal, requiring human relations skills. Research on the tourism industry, has shown that hospitality management and staff place a high value on training in areas related to interpersonal skills, guest service, and communications. It is important to recognize the

benefits of training so that staff will be able to meet your standards of service. The specific benefits of staff training for HUBS are:

- Increased skills and knowledge
- Increased success in performing job functions
- Improved attitude, self esteem, and morale
- Better service, higher productivity, and lower turnover
- Increased guest satisfaction.

Staff training can take the form of on-the-job training or formal training on or off-site. Usually training for seasonal operations combines the two. Temporary and possible long term staff will benefit from spring training, where a good orientation program is a priority for all staff at the beginning of the season. This ensures developing a skilled set to provide our principles on a sustainable management of our campground and ensures that our message will be carried out to the guest and beyond.

8.2 Administration

A single on-site manager will manage the HUBS campground. For the first year of operation this manager will do most of the administration work, which in this case will be the owner. For the ongoing years and planned extensions some of the main administration work will be outsourced. HUBS outsources its accounting, bookkeeping, and IT needs to increase efficiency and to ensure a fluid operation on the site. The manager is also taking care of the facility during the whole year. This item is paid for 12 months while other staff costs will be allocated thorough the opening season. In winter time the manager takes care of the program for the upcoming year as well as managing possible rentals of the campground premises as storage opportunity. Throughout this time further advertising strategies will be prepared for the following season. It is the priority to HUBS that the daily operation runs as efficient as possible, and make sure that all forms of mismanagement will be detected and solved as quick as possible. HUBS administration and staff will need to perform the following functions, which are integral to the operation and management of HUBS campground:

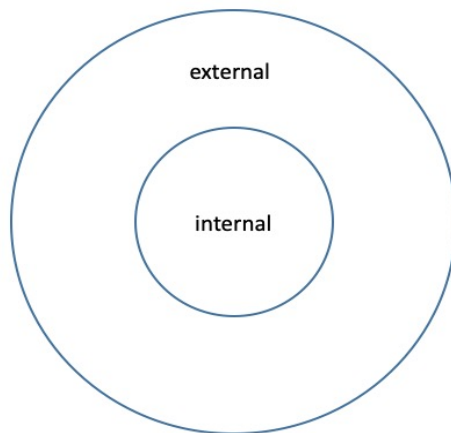
- Site maintenance - keeping the site clean and tidy, clean up bell tents, cutting grass, etc. as well as start-up and shut-down at the beginning and end of the season
- Building maintenance - washrooms, laundry, kiosk, containers

- Marketing
- Financial management including budgeting, payroll, accounts payable and receivable, sales tax remissions, etc.
- Office Operations - reservations, guest arrivals and departures, handling payment, etc.

8.3 Sustainability Planning

HUBS aims to be a green and fair business where the principles of sustainability shall be dominant and visible throughout its internal and external dimension. Sustainability starts at the core of a business. This means the whole crew is involved into the same thinking so that this can be passed over to the visitors. To ensure long-term socio-economic benefits, fairly distributed to all community stakeholders, including stable employment and income-earning opportunities, social services, and poverty alleviation “ (UNWTO, 2008)

This process is meant by the statement from the core to the outside, which can be considered as an internal and external dimension.



(Fig. 9: Sustainability should be implemented first in the internal dimension to flow into the external dimension, own illustration)

In order to deliver sustainable awareness to the external environment HUBS needs start this process on an internal level. This means that the core, and therefore the management of HUBS, need to be clear about their role and what they want to achieve on an internal level before taking messages and principles to the external, in this case the customer.

8.3.1 Tourism Conservation Model

The following table shows the six Tourism Conservation Models, which have been designed by Brandon and Margoluis (1996). For each model the table shows in detail what HUBS can do as an enterprise in order to meet these agendas. The models are presented in order of increased commitment of resources (money, time, infrastructure), collaboration amongst stakeholders, and overall coordination and implementation

Tourism Conservation Model	HUBS Action
1. Improve Tourism Operations and Guidelines	– Temporary use has the ability to reduce the implementation of infrastructure → less impact on the environment – For a sustainable outcome the agenda on social and environmental change has absolute priority – The campground provides signage along the pathways with information on plant and animal life within the premises. – The kiosk at the reception will provide information on environmental projects located in and around Berlin. – The major focus is to inspire people instead of educating them about human being's impact on nature. It is important to note that our guests are on holidays and are paying for a service and did not book a educational program. HUBS main aim is inspire as much as possible towards more awareness on our impacts and also introduce solutions on how we can act to change these.
2. Increase Conservation Awareness and Constituencies	– Displays towards the efforts taking place by HUBS that are also rooted within the mission statement of the company – Raising awareness towards the entire footprint of travelers from start to finish and exploring alternatives where choices can reduce their

	environmental footprint – Application of the principle reduce reuse recycle – Growing own seedlings in mobile boxes of e.g. milk cartons etc. – Encourage people to reduce white and red meat, dairy products, minimize packaging and plastics, use local markets, seasonal and regional food
3. Increase Income Diversification	– Reducing financial risks and secure future investments through modular nature of the Campsite set up – Diversity in tent equipment target different clients and opens income opportunities also in low season – In no season months as rent cost is still running campground can be rented out to people who need a place for their campers – Additional educational programs can be booked through external teachers to make HUBS more attractive
4. Increase Monitoring and Research	– Conducting species counts on a voluntary base that help providing data for the local authorities – Yearly plant inventory on the campsite to measure impacts – Support research activity of local councils
5. Increase Tourism Generated Conservation Financing	– Set up of donation options towards local conservation projects – Create a yearly fundraisers for guests and locals towards a specific conservation issue – Apply for funding to create content that raises awareness on conservation issues with the aim to increase financing streams for relevant solutions
6. Increase Conservation Partnerships	– Besides being aiming for CO2 neutrality, further carbon offset program will be considered – Promoting eco-tourism in Berlin and related tours

	and products – Work with conservation outlets that are in charge of the <i>Weissensee</i> lake and help to support their actions.
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(Table 13: Tourism Conservation Model, own illustration)

8.3.2 Sustainability Plan

The sustainability plan aims to establish a roadmap towards more sustainable practice. These are realistic activities that can be implemented by HUBS and put into place already in the first year of operation. Most important is that the goals are realistic and effective. Hubs intendeds to update this plan on a yearly basis and feed positive as negative experiences back into the plan.

The sustainability plan will be approached as an ongoing feedback loop in order to steadily optimize the operation of HUBS towards a continuous sustainable practice. HUBS wants to create this process with customers together and make them part of this venture. Through transparency everyone will be able follow the entire process and communicate improvements, visions and wishes.

Sustainability Activity	Description	Threat Addressed		Resources Required	
		Indirect	Direct	Time	Money
Environmental Education Program	An environmental Education Program will be established where guests will learn about the flora and fauna of the campsite. Special group session will be scheduled for school classes and projects	- Lack of awareness on our surrounding nature - Lack of awareness on alternatives forms of accommodation	Use of Resources	- The time for staff that work for HUBS - Specific Weekends where external specialist will be booked	- Promoting costs for Program book - Potential cost for external specialists

Offset program on choosing camping as a form of accommodation	Offset calculator to show how much energy and resources are saved by choosing to stay with us. Especially for visitors who travelled to Berlin by plane.	-Lack of sustainable and economic alternatives of accommodation in city environments.	Use of Resources	No additional time due to the fact the online calculators are available	No additional costs.
Planting Actions with guests	Through the ongoing greening of the campsite, special planting days will be organized to get our guests in touch with nature and be part of HUBS as a ongoing project.	-Lack of greening in Urban spaces - Lack of information on domestic plants	Impact of turning bare land into Building zones	Time for planting actions with guests	Costs on plants Cost on extra tools for planting
Interpretation nature path	Establishing nature paths throughout the campsite. Interpretation panels will show information of plant and animal life	Lack of general knowledge about our surroundings in an urban context	The loss of diversity in today's urban spaces.	Time for installing signs and panels throughout the premises	Costs on panels

Monitoring of Biodiversity	Through basic Monitoring such as species counts it is possible to raise awareness on how to value and increase diversity in cooperation with natural history museum. The museum uses the data.	Lack of knowledge on how important biodiversity is for daily life	The loss of biodiversity in the city	No extra time for staff. Visitor groups can do that by themselves with instructions provided on the pamphlet	Basic costs on pamphlet for species count. (1 paper per count)
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(Table 14: Sustainability Plan, own illustration)

8.3.3 Sustainability Costs

in order put the above mentioned sustainability plan into place HUBS decided to take 25% of its net profit towards the realization of its sustainability activities listed in the tourism conservation model. After analyzing the income statement for the next 5 years, HUBS considers this a good contribution towards the sustainable practices it wants to put into place. The following costs were calculated with strong focus definite actions such as tree planting and the ongoing improvements on the information panels throughout the campground. As seen in table yearly amount of 4,700 Euros are necessary to implement the sustainable actives mentioned above.

Sustainable Plan Costs

ITEM		UNITS	COST PER UNIT	TOTAL COST
Enviromental Education (EE) Program				
EE teacher salaries		100	20 €	2.000 €
EE program materials		1	300 €	300 €
Travel to/from schools		100	3 €	300 €
			Subtotal	2.600 €
Additional measures				
Offset program		0	0 €	0 €
Planting Actions with guests		30	50 €	1.500 €
Interpretation nature path		1	500 €	500 €
Monitoring of Biodiversity		1	300 €	300 €
			Subtotal	2.300 €
			TOTAL COSTS	4.900 €

(Table 15: Sustainable Plan Costs, own illustration)

Based on the income statement and considering a 25% contribution from the yearly net income the contribution over the next 5 years look as follows

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Amount	/	5.946,40Euro	6.522,47Euro	7.146,83Euro	7,823,36Euro

(Table 16: Sustainability Plan Contribution)

All the excess money generated through this income cut will be used for sustainable technologies like solar panels or battery units. Through this HUBS can realize its vision of becoming carbon and neutral over the next 5 years. Being completely self efficient in the power supply for the campground would be a major step for a sustainable future and set a great standard for future city camping operations.

8.4 Milestones

For the first year of operation HUBS has set Milestones what it wants to achieve. Since the first year it is important to gain as much exposure as possible. In order to achieve this HUBS focuses on four categories where it sees the most potential.

8.4.1 Operational

- Establish a alternative form of low impact accommodation in Berlin
- Gain awareness through a effective marketing mix
- Excellent customers service
- Develop the campground facilities with a strong focus on the design sketches
- Greening the campground premises with native plants
- Ensure that all amenities are clean and common spaces can be used at any time

8.4.2 Marketing

- Launch of the website www.HUBS.de and average at least 150 unique new visitors per month in the first year of operation.
- Implement a social-media strategy that includes HUBS pages on Facebook, Youtube, Twitter and Instagram
- Get exposure in Travel-Blogs and Magazines on camping
- Generate positive reviews on TripAdvisor
- Use word of mouth as our strongest marketing tool as it has proven to be the most effective one.
-

8.4.3 Financial

- Recruit local partners that have similar values then HUBS and create a partnership-network (discounts)
- Establish holiday vouchers than can be gifted
- Develop sales partnerships with European campgrounds

8.4.4 Environmental

- Develop a carbon-offset program in where clients can make additional donations towards conservation and social projects in the city of Berlin
- Create a offset-calculator to show how much emissions are saved through staying with HUBS
- Provide information on activities in Berlin that share the same values as HUBS.
- Establish walk-ways throughout that campground that provide extensive information on native plants and their importance for the local eco-system
- Develop a clear sustainable tourism policy that reduces the environmental impact

of day-to-day operations

- Increase bio-diversity through ongoing planting
- Get involved with Community clean ups around the Weissensee Park
- Offer Rental-bikes where that visitors can use to explore the city with zero emissions

9. Financial Projections and Forecasting

9.1 Start Up Costs

The initial investment in the campsite will require a total of 45.335,-€ for a fully functioning high standard campsite.

Understandably the most substantial cost is for setting up the infrastructure such as the container facilities (bathroom, kitchen, office, storage), the camp site rent/deposit and the investment for the bell tents. These cost summarize up to 24.300,-€

This will give us the opportunity to create an unique atmosphere and functional spaces that will allow HUBS to open in a fully equipped state.

A detailed overview of all costs, that occur during the set-up of the campsite, can be found in the following table (see Table 16, page 73.)

9.2 Annual fixed costs

There are mainly two categories of spending as fixed costs, which are for infrastructure and workers salaries.

The largest monthly fixed cost is the wage of one full-time employed Camp Manager with an initial minimum wage of 1,500,-€ gross profit margin per month which sums up to 18,000,-€ per year. Additionally, a cleaning person marginal part-time job is hired for 7 months of low and high season which sums up to 6,000,-€ per year. The total amount for salaries in the first year is 24.020,-€.

For the whole infrastructure, incl. water, electricity, phone/internet, insurances etc. sum up to 24.160,-€.

In total HUBS is calculating annual costs of 48.180,-€ per year which means an average of 4.015,-€ per month.

(See appendix 2, p. 65: Cash flow statement)

9.3 Income Projections

In order to achieve planning security, a 5-year projection was created. For this projection a yearly sales increase of 7% was projected, as well as an annual increase in fixed and variable costs of 5%. See appendix 3 (p. 69) for the detailed 5-year-projection.

9.6 Forecasts

9.6.1 Number of guests

There are 11 bell tents set up permanently and another 18 camp bays available for customers with their own camping gear. In total this is 29 camping possibilities. Per night the maximum number of guests possible is 33 in the bell tents and 72 in the camp bays which means in total 105 persons. It is unlikely that each tent is on highest occupancy.

During the launch phase in the first two months in low season, a capacity utilization of 35% (35% of 29 tents occupied by 1 person = 10 people) is forecasted. With beginning of summer travel season starts and according to experience the capital is full of student groups. The 11 bell tents give space to one full group of max. 33 persons. During the official hard launch in June, demand is expected to increase to approx. 60% for three high season months and then level off to around one third again once high season is over.

9.6.3 Net Income and Rolling Company Balance

HUBS Campsite expects to begin making profit in the first year of business. The high season months of June, July, August 2021 are expected to be the most lucrative with an average cash flow of about 9.391,67€. In contrast, the no season winter months will be the least lucrative with a negative average cash flow – 2,407 €.

This needs to be taken into consideration by retaining capital from high season to bridge this gap.

9.6.4 Notes on Forecasting

We calculated to pay full price to all items of the capital expenses, which in reality is tried to save through sponsorship. Taxes are not calculated in as well as accounting fees and legal fees. To get a realistic picture an amount of miscellaneous costs are calculated in where the previously mentioned are covered.

10. Conclusion

This business plan shows that HUBS city camping is a feasible business opportunity. The information and research in this plan illustrates, that inner city camping is able to cater for a niche market in the accommodation sector. It is important to mention that with growing tourism numbers, new and alternative forms of inner city accommodation need to be explored. HUBS displays that a low-tech and low impact enterprise on vacant urban land, can be used to explore a business opportunity of this scale. Through its modular set up HUBS is able to react quickly to changes in the market and can even move to another location if the 5 year contract is not extended. Economically this plan proves that with an average occupancy rate of 50 % the business is profitable and is able to reclaim the start up costs within the first year of operation. The 5 year financial projections also demonstrate that HUBS is able to take 25% of its net profit each year to reinvest towards sustainable

Projects in and outside of the business. Hubs enterprise further demonstrates that through sustainable management techniques it is possible to develop a competitive edge within that market segment. In an ideal scenario HUBS will be able to expand its business to other location not only in Berlin but also maybe to other cities in Europe.

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Appendices

Appendix 1.

HUBS – START UP COSTS

CATEGORY	ITEM	UNITS	COST PER UNIT	TOTAL COST
Main Equipment	<u>Infrastructure</u>			
	Camp site - deposit	3	1.200 €	3.600 €
	sanitary container	1	4.000 €	4.000 €
	bell tent	11	300 €	3.300 €
	stretch tent - kitchen	1	2.900 €	2.900 €
	kitchen container	1	2.500 €	2.500 €
	office container	1	1.200 €	1.200 €
	storage container	1	1.000 €	1.000 €
	solar panel / inverter / Connections	1	800 €	800 €
	Miscellaneous	1	5.000 €	5.000 €
	subtotal			24.300 €
	<u>equipment - tent</u>			
	Mattress / Pillows / Blankets etc.	33	90 €	2.970 €
	Clothes Rail	33	20 €	660 €
	Towels	66	20 €	1.320 €
	Lightning	11	25 €	275 €
	subtotal			5.225 €
	<u>equipment - house keeping</u>			
	washing machine	1	400 €	400 €
	dryer	1	400 €	400 €
	subtotal			800 €
	<u>equipment - office</u>			
	Desk	1	80 €	80 €
	chairs	2	40 €	80 €
	printer	1	100 €	100 €
	Desktop	1	100 €	100 €
	laptop	1	500 €	500 €
	subtotal			860 €
	<u>equipment - kitchen</u>			
	Dishes / Tableware	1	1.000 €	1.000 €
	Refridgerator	1	300 €	300 €
	Tables	6	150 €	900 €
	Chairs	30	1.000 €	30.000 €
	Oven	1	500 €	500 €
	subtotal			1.300 €
	<u>software</u>			
	booking software	1	350 €	350 €
	subtotal			350 €
	<u>Trail Infrastructure</u>			
	trail lights	20	10 €	200 €
	wood chips	1	400 €	400 €
	construction wood	1	3.000 €	3.000 €
	paint	1	400 €	400 €
	signage	10	20 €	200 €
	subtotal			4.200 €
	<u>Construction Costs</u>			
	set up tents	30	10 €	300 €
	trail / kitchen / etc	150	10 €	1.500 €
	subtotal			1.800 €
Legal fees / Insurance / licenses / taxes				
	business registration costs	1	200 €	200 €
	legal services	1	500 €	500 €
	water / electricity access	1	200 €	200 €
	insurance	1	200 €	200 €
	site licence	1	200 €	200 €
	subtotal			1.300 €
Branding				
	Domain / Website	1	2.500 €	2.500 €
	Flyer / Information Material	1	800 €	800 €
	CI Development & Production Branding	1	1.400 €	1.400 €
	Stationary	1	500 €	500 €
	Subtotal			5.200 €
	TOTAL			45.335 €

Appendix 2

Cash Flow Statement - Year One

	Year One												Year 1 Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
BEGINNING CASH BALANCE	0,00 €	885,00 €	-2.195,00 €	-5.775,00 €	-2.374,00 €	2.572,00 €	9.788,00 €	18.968,00 €	30.747,00 €	38.222,00 €	42.317,00 €	39.237,00 €	
CASH RECEIPTS													
Core Products													
Product Category 1	0,00 €	0,00 €	0,00 €	0,00 €	1.640,00 €	2.420,00 €	2.720,00 €	3.120,00 €	3.840,00 €	2.760,00 €	0,00 €	0,00 €	18.140,00 €
Product Category 2	0,00 €	0,00 €	0,00 €	0,00 €	2.240,00 €	2.800,00 €	2.930,00 €	3.500,00 €	4.260,00 €	3.480,00 €	0,00 €	0,00 €	21.450,00 €
Product Category 3	0,00 €	0,00 €	0,00 €	0,00 €	3.280,00 €	3.300,00 €	4.680,00 €	5.340,00 €	6.280,00 €	4.320,00 €	0,00 €	0,00 €	31.000,00 €
Product Category 4	0,00 €	0,00 €	0,00 €	0,00 €	336,00 €	456,00 €	532,00 €	608,00 €	672,00 €	402,00 €	0,00 €	0,00 €	3.132,00 €
Product Category 5	0,00 €	0,00 €	0,00 €	0,00 €	195,00 €	210,00 €	294,00 €	402,00 €	338,00 €	273,00 €	0,00 €	0,00 €	1.791,00 €
Total Product Sales	0,00 €	0,00 €	0,00 €	0,00 €	7.691,00 €	9.186,00 €	11.156,00 €	12.970,00 €	15.390,00 €	11.235,00 €	0,00 €	0,00 €	75.513,00 €
Additional Sales													
Kiosk Sales	0,00 €	0,00 €	0,00 €	0,00 €	250,00 €	400,00 €	700,00 €	850,00 €	929,00 €	680,00 €	0,00 €	0,00 €	0,00 €
Total Additional Sales	0,00 €	0,00 €	0,00 €	0,00 €	250,00 €	400,00 €	700,00 €	850,00 €	929,00 €	680,00 €	0,00 €	0,00 €	4.059,00 €
Total Cash Available	0,00 €	0,00 €	0,00 €	0,00 €	7.941,00 €	9.586,00 €	11.856,00 €	13.820,00 €	16.319,00 €	11.915,00 €	8.135,00 €	0,00 €	79.572,00 €
CASH PAYMENTS													
Start Up Costs	45.335,00 €												
All costs listed in "Start Up Costs" budget													
Total Start Up Costs	45.335,00 €												45.335,00 €
Fixed Costs (Annual)													
Phone / Internet	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	80,00 €	960,00 €
Electricity / Water / Gas	110,00 €	110,00 €	110,00 €	110,00 €	110,00 €	110,00 €	110,00 €	110,00 €	110,00 €	110,00 €	110,00 €	110,00 €	1.320,00 €
Office Supplies	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	40,00 €	480,00 €
Legal Fees / Insurance	700,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	700,00 €
Maintenance	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	1.800,00 €
Promotion	0,00 €	0,00 €	500,00 €	600,00 €	700,00 €	700,00 €	700,00 €	600,00 €	500,00 €	100,00 €	0,00 €	100,00 €	4.500,00 €
Rent	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	14.400,00 €
Salaries	1.500,00 €	1.500,00 €	1.500,00 €	2.360,00 €	2.360,00 €	2.360,00 €	2.360,00 €	2.360,00 €	2.360,00 €	2.360,00 €	1.500,00 €	1.500,00 €	24.020,00 €
Total Fixed Costs	3.780,00 €	3.080,00 €	3.580,00 €	4.540,00 €	4.640,00 €	4.640,00 €	4.640,00 €	4.540,00 €	4.440,00 €	4.040,00 €	3.080,00 €	3.180,00 €	48.180,00 €
Other Costs													
Total Other Costs	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
CASH BALANCE													
885,00 €	-3.080,00 €	-3.580,00 €	-3.401,00 €	-3.401,00 €	4.946,00 €	7.216,00 €	9.180,00 €	11.779,00 €	7.475,00 €	4.095,00 €	-3.080,00 €	-3.180,00 €	36.057,00 €
EQUITY DEPOSITS													
Project Grant Funds	50.000,00 €												50.000,00 €
ENDING CASH BALANCE	885,00 €	-2.195,00 €	-5.775,00 €	-2.374,00 €	2.572,00 €	9.788,00 €	18.968,00 €	30.747,00 €	38.222,00 €	42.317,00 €	39.237,00 €	36.057,00 €	36.057,00 €

Appendix 3

Five Year Projection

	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE					
NET SALES					
Core Products					
Product Category 1	18.140,00 €	19.409,80 €	20.768,49 €	22.222,28 €	23.777,84 €
Product Category 2	21.450,00 €	22.951,50 €	24.558,11 €	26.277,17 €	28.116,57 €
Product Category 3	31.000,00 €	33.170,00 €	35.491,90 €	37.976,33 €	40.634,68 €
Product Category 4	3.132,00 €	3.351,24 €	3.585,83 €	3.836,83 €	4.105,41 €
Product Category 5	1.791,00 €	1.916,37 €	2.050,52 €	2.194,05 €	2.347,64 €
TOTAL CORE SALES	75.513,00 €	80.798,91 €	86.454,83 €	92.506,67 €	98.982,14 €
Additional Sales					
Kiosk Sales	4.059,00 €	4.261,95 €	4.475,05 €	4.698,80 €	4.933,74 €
TOTAL ADDITIONAL SALES	4.059,00 €	4.261,95 €	4.475,05 €	4.698,80 €	4.933,74 €
GROSS SALES	79.572,00 €	85.060,86 €	90.929,88 €	97.205,47 €	103.915,88 €
GROSS PROFIT					
GROSS PROFIT	79.572,00 €	85.060,86 €	90.929,88 €	97.205,47 €	103.915,88 €
EXPENSES					
INDIRECT COSTS (ANUAL)					
Phone / Internet	960,00 €	1.008,00 €	1.058,40 €	1.111,32 €	1.166,89 €
Electricity / Water / Gas	1.320,00 €	1.386,00 €	1.455,30 €	1.528,07 €	1.604,47 €
Office Supplies	480,00 €	504,00 €	529,20 €	555,66 €	583,44 €
Legal Fees / Insurance	700,00 €	735,00 €	771,75 €	810,34 €	850,85 €
Maintenance	1.800,00 €	1.890,00 €	1.984,50 €	2.083,73 €	2.187,91 €
Promotion	4.500,00 €	4.725,00 €	4.961,25 €	5.209,31 €	5.469,78 €
Rent	14.400,00 €	15.120,00 €	15.876,00 €	16.669,80 €	17.503,29 €
Salaries	24.020,00 €	25.221,00 €	26.482,05 €	27.806,15 €	29.196,46 €
TOTAL FIXED COSTS	48.180,00 €	50.589,00 €	53.118,45 €	55.774,37 €	58.563,09 €
NET PROFIT BEFORE TAXES	31.392,00 €	34.471,86 €	37.811,43 €	41.431,10 €	45.352,79 €
TAXES (ca. 31%)	9.731,52 €	10.686,28 €	11.721,54 €	12.843,64 €	14.059,36 €
NET PROFIT AFTER TAXES	21.660,48 €	23.785,58 €	26.089,89 €	28.587,46 €	31.293,42 €
NET PROFIT MARGIN	27,2%	28,0%	28,7%	29,4%	30,1%

Basis: 7% annual increase in sales volume and 5% annual increase in fixed and variable costs

Sustainability Plan Contribution (25% of net profit)					
Sustainability Plan Contribution	5.415,12 €	5.946,40 €	6.522,47 €	7.146,86 €	7.823,36 €