

Analysis of Business Opportunities on Launching Anti-café's in the Service Market in the Sphere of Organization of Cultural Activities for the Residents of Metropolis

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Abstract. Nowadays the service market in the sphere of the cultural leisure of the population is filled with various organizations and enterprises. However, the changes in consumer preferences lead to the need of search for a new type of pastime and entertainment organization. In the light of these events anti-café's gain more and more popularity. The aim of the study is to conduct the market analysis of cultural leisure of the population in Moscow in order to evaluate business opportunities for the implementation of the project on launching anti-café's for the inhabitants of the metropolis. Within the designated goals the following tasks were set: to explore promising market segments of cultural and leisure activities and to undertake a comparative analysis of the key market players among anti-café's; to identify the advantages and disadvantages of anti-café's; and to explore consumer demand for services of cultural activities organization; to assess the effectiveness of the project on organizing cultural activities in the format of anti-café's. The modern trends in the field of cultural activities, the peculiarities of the development of domestic market of cultural activities and its key players have become the methodological basis of the study.

1. Introduction

Nowadays the service market in the sphere of cultural leisure of the population is exploding. People are planning free and leisure time paying more and more attention to entertainment and spending comparatively large part of the budget. New enterprises are created for comfortable pastime, as existing and familiar forms of cultural leisure organization of the population begin to lose its relevance. People want to see something new and interesting in the field of leisure, which explains the relevance and interest of the population in the service market research devoted to the organization of the cultural leisure of the population with the aim of identifying business opportunities for the launch of a new kind of anti-café's in the market in Moscow. Research on the issues of trends in organizing leisure for young people was reflected in the works of authors such as A V Ivanova [1], M Guseltseva [2], T V Folomeeva [3], O V Astafeva [4].

2. Problem statement

In the modern world leisure is one of the key parts in people's lives. Every year an increasing proportion of household budget is spent on recreation and entertainment (in 2017 this figure amounted to 6.9%) [5]. The confirmation of this is the study of «Romir» holding in the mid-2018, which examined the preferences of Moscow residents when planning personal cultural and entertainment programs and found out how much the population is ready to spend on leisure activities. Residents of the capital attend entertaining and cultural events approximately 6 times a year. The theaters and museums make up 33% of Muscovites' expenditures on entertainment. The second place is occupied by the cinemas, which accounted for 27 per cent of the expenses. The first two are followed by rising in popularity quests as well as shooting, paintballing and karting. They account for 10 per cent of the expenses. About 8% of the expenses goes to children's playrooms. The amusement theme parks account for 7% of the total amount of capital residents' spendings. 4% of Muscovites spend on tickets to the circus. 3% of entertainment spending is on zoos (including dolphinariums and aquariums), as well as excursions. 2% are on water parks and bowling and the remaining 1% on billiards and computer clubs [6].

Analyzing the demand for certain branches of service market in the field of leisure, RBK calculated statistics of the most popular places for entertainment among Russians. So, the most popular pastimes among the users of services "Yandex.Money" and "Yandex.Cashier" in 2017 are bars, theatres, cinemas, sports events and concerts. Noticeable is the fact that Russians' spending on entertainment increased six fold compared to last year, the number of payments increased by 4.5 times, and the number of customers who have spent money on entertainment, grew by 3.5 times. The second popular place among favorite entertainment facilities of Russians is occupied by cirques, quests, museums, children's activities and excursions. These studies suggest that people are willing to spend money on leisure activities, and the demand among the enterprises working in sphere of services of cultural leisure organization for the population is growing every year [7]. The facilities of the entertainment industries have their own characteristics. Cinemas offer people the opportunity to see the novelties of the film industry, but severely limit their options while watching films. Unfortunately, most cinemas are equipped with uncomfortable chairs, and sitting for a few hours alongside strangers is a doubtful pleasure for many people. In cafes and restaurants, you can satisfy your hunger, but entertainment program, in most cases, leaves much to be desired. That is why visitors often have to go to entertaining places after visiting a café or a restaurant. Theatres, exhibitions and museums are very conservative in terms of entertainment and they are not suitable for a large group of people. The main purpose of the visit, as well as in cinemas, is viewing films, performances or exhibitions.

A separate segment of the market is occupied by the so-called «anti-café" created for interesting pastime for young people. Institutions of this kind offer their clients specific apartments. Here people will find plenty of games for large groups of people, music and gaming equipment and treats. The advantage of this type of entertainment is that the client can visit such a place with a large group of people and pick up a program of their interest. In Russia, the idea of creating institutions with time-based payment occurred to a Russian writer Ivan Mitin. So, in 2010 in Moscow there was opened "A Tree House", where creative people spent their time. The organization worked in the format of "pay-what-you-can", meaning that each visitor payed as much as he/she wanted and/or could. This format was gaining popularity and a year later an institution was opened with the greater area and a new payment system, in which customers were charged one ruble per every minute of their stay. Thus, in the autumn of 2011 the world's first institution of such format was launched — free space called "The Dial". In the year 2012 the market of anti-café's for the organization of services in the sphere of cultural leisure of the population started to grow. In the year 2014 the market of anti-café's consisted of several hundred institutions in eight countries around the world. Despite the fact that the bulk of the anti-café's is focused on the territory of the Russian Federation, these institutions are widespread in CIS countries and are gradually moving to the market in the United States and Europe in countries such as the Czech Republic, Slovakia, France, Germany, and England. Thus, we can conclude that nowadays people prefer new ways of leisure activities such as anti-café's; the service market in the

sphere of cultural leisure of the population is developing and replacing the classical institutions, which are targeted at young people who prefer to have informal relaxation. Every year more and more anti-café that adjust to consumers' preferences get launched, but in spite of this, due to the fact that this way of entertainment is a relatively recent discovery, the competition in the market remains low.

3. The analysis of promising segments and key market players of the anti-café market

Anti-café – is a socially oriented institution designed for creative processes, meetings, friendly conversations, lectures, workshops, co-working and many other purposes. The fee that is charged from the visitors is only for the time they spent in anti-café. Counting time per minute, the price range is from 1 to 3 rubles per minute. In addition to the "rent", the visitors are offered a variety of entertainment options, food and free Wi-Fi. In most cases the format of anti-café gets popular in large cities with the population of over one million people. This is evidenced by the information presented in table 1. The following data can allow you to estimate the popularity of anti-café, the workload of the market and the level of competition in any given city.

Table 1. The number of anti-café in million-cities in 2017¹

Cities	The number of anti-café	Population of the city, tho. ppl.	Cities	The number of anti-café	Population of the city, tho. ppl.
Moscow	205	12 330	Kazan	12	1217
St. Petersburg	98	5 226	Voronezh	11	1 032
Rostov-on-Don	20	1 120	Perm	11	1 042
Samara	18	1 171	Volgograd	10	1 016
Krasnodar	16	854	Novosibirsk	10	1 584
Nizhniy Novgorod	15	1 267	Krasnoyarsk	8	1 067
Ekaterinburg	13	1 444	Saratov	8	843

There are currently a few major networks of anti-café on the territory of the Russian Federation. Table 2 shows their comparison in price, location, number of branches and the proposed services.

Table 2. Popular anti-café in Russia.

Anti-café	Cost	Location	Subsidiaries	Services
Jeffrey's Coffee	2,5 Roubles/minute	Moscow: metro stations: Aviamotornaya, Arbat, Baumanskaya, Kitay-gorod, Chekhovskaya, Yugo-Zapadnaya; downtowns of Vladivostok and Krasnoyarsk	6 anti-café in Moscow, one in Vladivostok and one in Krasnoyarsk	Co-working, tea-ceremonies, mafia game, cinema-nights, workshops, table games, игровые комнаты, sleepless nights (owl nights)
The Dial	3Roubles/minute first and second	Moscow downtown: metro	3 anti-café in Moscow (15	6 rooms, 2 floors, canteen, warm

¹ Yurkina E 2018 Business plan anti-café *Electronic Materials: Encyclopedia of Russian Business* <https://www.openbusiness.ru/biz/business/biznes-plan-antikafe/>

	hour, 2Roubles/minute third and fourth hour, then – free of charge	stations: Chekhovskaya, Kuznetskiy most and Tsvetnoy Boulevard	anti-café across the world)	dinner on Mondays
TimeClub	1 to 3Roubles/minute (depending on the membership)	Moscow downtown: metro stations: Kitay- gorod and Chistye Prudy	2 anti-café in Moscow	Wi-Fi, printer, free tea, coffee, treats, table games and not only, events (mafia games, cinema nights, poker game)

Anti-café have their advantages, and each customer can choose the most suitable institution depending on their preferences. The target audience of anti-café is quite narrow though, its main part consists of students, artists, creative people and freelancers. In general, these are mostly young people aged from 15 to 35. However, the popularization of this direction will help almost anyone to find the use of anti-café adjusted individually, for example, for work, leisure, meetings with friends or a business conversation. Thus, the consumers of such institutions can be totally different people, distinguished by their interests and hobbies. Comparative characteristics of the target audience of anti-café are presented in table 3.

Table 3. Comparative characteristics of the target audience of anti-café.

Target audience	Purposes of visit	Maximum charge	Necessary conditions
Students	Leisure activities, communication with friends, relaxation, meeting new people	3 Roubles/minute	Games and activities, comfortable chairs and sofas, space for action- oriented games, treats
Creative people	Search for inspiration, hobbies, communication with interesting people	4 Roubles/minute	Items of art, musical instruments, space for creative work, beverages
Freelancers	Distance working	5 Roubles/minute	Noise free facility, working space, beverages

However, if we consider anti-café in terms of usage format, each of these institutions can focus on meeting the needs of a specific group of people. So, we can distinguish between the following categories of anti-café.

2.1. Anti-café for children

There are two options for leisure activities for children in anti-café. In the first option is when the standard anti-café is equipped with "Kids' Corner", where parents can send their children. So, the adults spend time doing their chores while their children are playing with their peers and specially trained animators. Thus, the institution expands its target audience to include married couples with children. The second option is when anti-café are created just for children. Here they can play their favorite games, chat with their friends and feel independent, because their parents don't monitor their actions. However, not all parents will let their children to go to such an institution, after all, to control a large number of children at the same time is a tall order, even for the big staff. That is why anti-café for children have special requirements – primarily for the space organization and staff experience. In

Moscow there is a small number of anti-café of this kind. They include: "White Rabbit", "Lucky Lori Village", "Rooms". These institutions do not focus on leisure activities only for children, but they allow their presence in anti-café together with their parents.

2.2. Anti-café for events and holidays

In this case, anti-café can also be divided into two categories: those that offer the event as an additional service, and those that consider this to be their basic function concept. Of course, in both cases, the work of anti-café is complicated by certain aspects. It's necessary to furnish premises wisely, to have specially trained staff and to have a network of showmen and entertainers that might be of interest to visitors. All of this requires great effort and expense. In addition, holidays in people's lives are not so frequent, but for only one event you need to spare the whole day, which reduces the number of consumers and makes business less profitable. Anti-café for celebrations and events occur rarely in Moscow. These include "Gryadki-Pryatki", "Loft Lyrics», «Soulloft». In most cases, such institutions provide rent of the anti-café for a fixed amount of time, making the cost of such services so high that not everyone can afford this.

2.3. Co-working area

Co-working usually means working outside the office or home that people have to resort to for a variety of reasons. This type of anti-café is currently popular enough. People need a place where they can do their work in calm and peaceful surroundings without being distracted by external factors. It is therefore very important in such institutions to provide personal space for visitors, to organize a Conference Hall for holding negotiations and ensure high-speed Internet access. Co-working zones in Moscow are very frequent, because people need a convenient place to work. «Flacon Co-working, "DI Telegraph", "Workki Moscow City" and many other institutions offer people comfortable quiet rooms for resolving various issues.

2.4. Space for art and creative work

People of creative professions love to spend time in a non-standard setting in search of inspiration. That is why such anti-café are a favorite spot for comfortable pastime of creative people. For such customers an important component of the institution is the presence of items and tools for art and creativity. So, they can be musical instruments, painting supplies, and other assorted equipment. Such establishments in Moscow, as "Art Life", "June Studio", "Nests", offer creative people to use their space for pastime. These organizations are not very popular and have virtually no demand that indicates their uselessness, since the customers can meet their needs in a different type of anti-café or other various institutions.

In general, summing up all the above, it is important to note that each consumer can find an anti-café to his/her taste. And if the institution focuses only on a specific client, the target audience will continually grow and be profitable. However, Moscow has not yet presented such types of anti-café, where a customer can rent a small leisure facility for a group of people at affordable prices. Renting specific premises for a certain period of time, people can spend their time with the selected group of people without interacting with strangers. Thus, anti-café allow to hold a variety of activities. The guests are allowed to bring their own food, while the function of anti-café is to provide facilities and drinks. Yet another important and enjoyable bonus is that the fee is charged from the entire group of people, and not from each person individually, which makes this kind of rest very beneficial and attractive.

The need to create this kind of institutions was ensured by surveys conducted among people of different ages. Promising target audience was divided into several categories: people aged from 10 to 30 and people aged from 31 to 50. Having analyzed the preferences of each of the groups, it was found that there was the need to create an anti-café for young people aged 14 to 30 for the purpose of hosting holidays and events of various kinds. The clients need a secluded place for spending time with their selected groups of people and they are willing to pay for it approximately 1500 roubles per hour.

4. Result

The results of the SWOT-analysis that help to highlight the strengths and weaknesses of the businesses under investigation, as well as the opportunities and threats to the idea realization of a new anti-café format are shown in table 4.

Table 4. SWOT-analysis of the business idea.

Opportunities	Threats	Strengths	Weaknesses
1. Attraction of new clients	1. Lots of strong competitors	1. Convenient location	1. Vast part of the population is unfamiliar with the anti-café format
2. Possible expansion (launching new subsidiaries of anti-cafes, extension of attendance space)	2. Low attendance record	2. Commitment to a wide target audience	2. Heavy workload at weekends and on holidays
3. Increase of demand	3. Demand volatility	3. Democratic (low) prices	3. Limited space
	4. Tax increase	4. Experienced and polite staff	4. Narrow target audience
	5. Unforeseen expenses	5. Loyal customers	
		6. Target audience conforms to the anti-café framework	
		7. Easy servicing	

To assess the risk component of the project one should analyze the internal and external factors. For anti-café's business project there are the following risks:

- increased competition in the market and low attendance. A carefully designed marketing strategy as well as high quality service and a convenient location of anti-café's will allow to reduce the risk effect;
- limited space and the heavy workload. Over time, anti-café's are planned to be expanded and turned into a network that includes several branches that will allow to increase space and attract more customers;
- the volatility of the demand. Through various promotions and special offers it is possible to attract new clients and increase the demand for the services of anti-café's.

Thus the SWOT-analysis, helps you see a large number of advantages and strengths when creating a new format of anti-café's. All these pros talk about the need for the establishment of the institution and its relevance to the general public. Due to the fact that the clients of anti-café's are young people who constantly spend time online, the advertising venues will include the following:

- advertising in social networks (Vkontakte and Instagram), having the blog of the institution on the Internet;
- mutual cooperation with various organizations (for instance, two disjoint in their customers and services businesses can offer their customers - after the purchase of the product - a discount for the services of another institution);
- advertising banners near the anti-café's and the distribution of leaflets in the territory closest to the institution (thus, this type of advertising attracts attention of people who regularly walk nearby anti-café's areas).

To understand the effectiveness of a business project, taking into account all the indicators of costs and revenues, the net profit was calculated, thanks to which we managed to find out the break-even point for a business project. The payback period is 4 months, which is a very good indicator for the organization. The profitability of the project is 14.8%. The results of these calculations are presented in Figure 1.

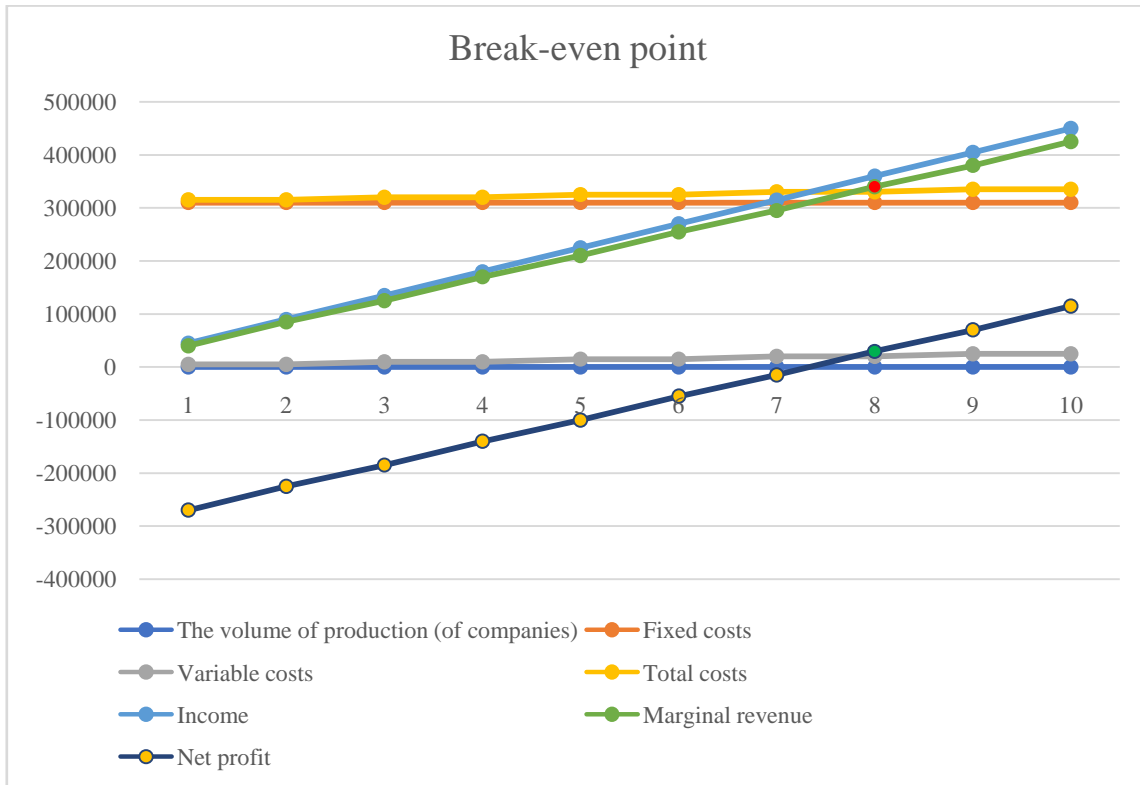


Figure 1. Break-even point.

5. Discussion

The service market in the sphere of organization of cultural leisure of the population is actively developing, especially in megacities. The key participants are cinemas, cafes and restaurants, theaters, museums, exhibitions, etc. Customers can choose any kind of entertainment to their taste, focusing on a specific budget. Having studied the service market in the sphere of organization of cultural leisure of the population, it turned out that there are not enough institutions for secluded recreation of groups of people. That is why the business idea is to create a certain kind of anti-cafes with the possibility of renting premises for holding various events or just for leisure activities. As a result of the analysis of the Russian service market in the sphere of organization of cultural leisure of the population and the study of consumer preferences, it was revealed that currently the most promising way of spending leisure time among young people is visiting anti-café’s of the middle price segment. Residents of large cities actively use such services, generating high demand and giving the opportunity to expand the scope of anti-cafes.

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