



HARMONY HUT

THE MINI KARAOKE ROOM BUSINESS PLAN



GRP490_G11

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INTERNATIONAL BUSINESS

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Hanoi, August 15th, 2023

The authors of this Thesis Project

EXECUTIVE SUMMARY

HarmonyHut is a project developed from the ideas of four co-founders of HarmonyHut Limited Liability Company. The project aims to establish a mini-karaoke bar suitable for small groups and young customers. With the goal of providing a unique and intimate karaoke experience, extensive research has been conducted to ensure its viability. The findings from the study are extremely positive, showing strong market demand and potential for success. As a result, the project has laid the foundation for future expansion. The expansion plan aims to replicate the successful mini-karaoke model in other locations, reaching a wider audience and further affirming HarmonyHut as an industry leader. The project's focus on customer satisfaction and dynamic entertainment environment set it apart, making it an attractive choice for small groups and young customers looking for a memorable karaoke experience.

This thesis provides a comprehensive exploration of the HarmonyHut, a novel mini-karaoke business model designed to cater to the unique needs of young customers and small groups seeking a distinctive karaoke experience. The HarmonyHut business model is predicated on providing a more intimate and private karaoke experience, distinguishing itself from traditional karaoke establishments. The model is strategically designed to appeal to small groups and young customers, a demographic identified through rigorous market research as being underserved in the current market.

Key elements of the HarmonyHut model include strategic location selection, the incorporation of advanced technology, and the provision of a diverse and expansive song library. These elements, combined with a strong focus on customer service and a commitment to continuous improvement, will position HarmonyHut as an attractive destination for karaoke enthusiasts.

The study concludes that the HarmonyHut business model exhibits significant potential for success and growth within the karaoke industry. The feasibility of the HarmonyHut is further underscored by the financial estimations provided in the three scenarios: Optimistic, Most Likely, and Pessimistic. Even in the Pessimistic scenario, which represents the worst-case scenario, HarmonyHut is still projected to generate a substantial net revenue of VND 6.401.623.120 by 2027, with a steady growth rate of 10% from 2026 to 2027. Despite potential challenges, the business maintains a positive net profit margin, reaching as high as 17% by 2027. The financial assessment indicators for this scenario, including a positive Net Present Value (NPV) of VND 2.371.140.599, an Internal Rate of Return (IRR) of 38%, and a Profitability Index (PI) of 3.39, provide strong evidence of the project's potential profitability and return on investment.

In the Most Likely scenario, HarmonyHut is expected to achieve a net revenue of VND 7.968.306.576 by 2027, with a growth rate of 12%. The net profit margin in this scenario is even more promising, reaching 19% by 2027. The financial assessment indicators for this

scenario, including a NPV of VND 5.372.198.699, an IRR of 78%, and a PI of 6.41, further confirm the project's financial viability and potential for a significant return on investment.

In the Optimistic scenario, HarmonyHut is projected to reach a net revenue of VND 9.571.287.756 by 2027, with an impressive growth rate of 15%. The net profit margin in this scenario is the highest among the three, reaching 24% by 2027. The financial assessment indicators for this scenario, including an NPV of VND 7.503.866.573, an IRR of 98%, and a PI of 8.55, suggest that the project is expected to generate returns that far exceed the cost of capital.

These financial projections and assessment indicators underscore the robustness and viability of the HarmonyHut business model. Regardless of the scenario, HarmonyHut is poised to generate significant revenues, maintain a healthy profit margin, and deliver a substantial return on investment. This resilience in the face of varying market conditions speaks to the strength of the business model and its potential for success in the Vietnamese karaoke industry.

In summary, this thesis provides a detailed and insightful analysis of the HarmonyHut business model, offers valuable insights for stakeholders, and contributes to the overall understanding of innovation within the karaoke industry. The financial projections and assessment indicators further reinforce the feasibility and potential success of the HarmonyHut in the Vietnamese karaoke market.

ABBREVIATION

No	Abbreviation	Definition
1	CAGR	Compound annual growth rate
2	APAC	Asia Pacific
3	GDP	Gross domestic product
4	LED	Light-emitting diode
5	HVAC	Heating, ventilation, and air conditioning
6	HarmonyHut LLC	HarmonyHut Limited Liability Company
7	Co., Ltd.	Limited company
8	Ads	Advertising
9	PR	Public Relations
10	KOLs	Key Opinion Leaders
11	POS	Point of sale
12	COGS	Cost of goods sold

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I. INTRODUCTION

1.1. Background of Karaoke Industry

1.1.1. Global Entertainment Industry

Over the past decade, the global entertainment industry has experienced considerable growth, attributable to factors such as the wide application of digital technologies, shifts in consumer behavior, and the expansion of the middle class, particularly in emerging markets.

In 2022, the global media and entertainment industry was valued at USD 2.51 trillion, representing a 7.3% increase from 2021 (PwC, 2021). Projections indicate continued growth, with the industry anticipated to reach a valuation of USD 2.9 trillion by 2026, corresponding to a compound annual growth rate (CAGR) of approximately 4.2% over the decade. Furthermore, the music industry has witnessed substantial growth. Global music revenues increased by 7.4% in 2020, representing the sixth consecutive year of growth (IFPI, 2021).

These figures emphasize the strong growth potential inherent in the global entertainment industry. Consequently, they suggest that innovative, digital-centric business models, such as mini-karaoke room services, stand a significant chance of success within the current market landscape.

1.1.2. Global Karaoke Industry

Between 2022 and 2027, it is anticipated that the karaoke market will expand at a CAGR of 3.65%. It is anticipated that market size will increase by USD 344.98 million (Technavio, 2022).



Figure 1. Market Size Outlook

Source: Technavio (2022)

Geographically, by 2027, Asia Pacific (APAC) is expected to contribute 43% (Technavio, 2022). Technavio's analysts have elaborately explained the regional trends and

drivers that shaped the market during the forecast period. During the forecast period, the market in APAC is anticipated to expand at a significant rate. Key factors driving the karaoke market's expansion in Asia-Pacific include rising disposable income and the growing trend of social entertainment. These factors will likely have a positive impact on Vietnam, a nation with a burgeoning economy and a well-developed, welcoming entertainment sector.

1.1.3. Vietnamese Entertainment Industry

Vietnam's market for entertainment is anticipated to generate USD 41.45 million in total revenue by 2022. By 2027, it is anticipated that total revenue will increase at a compound annual growth rate (CAGR 2022–2027) of 12.36%, leading to a market volume of USD 78.55 million (Statista Market Insights, 2023).

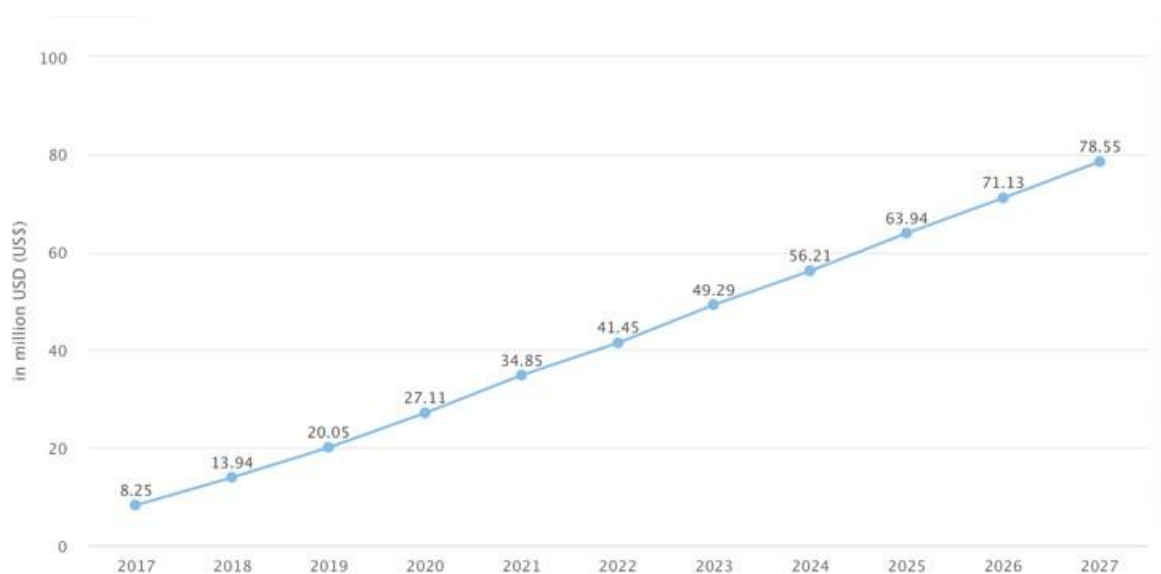


Figure 2. Entertainment market revenue in Vietnam

Source: Statistic Market Insights (2023)

This growth is driven by various factors, including the rising popularity of streaming services, the growing demand for mobile content, and the increasing disposable incomes of Vietnamese consumers. The expansion of Vietnam's entertainment industry presents numerous business opportunities. By capitalizing on the growing demand for entertainment content, new entertainment business models can be developed to cater to the preferences and needs of consumers. The mini-karaoke room service is one such model currently under development.

1.1.4. Vietnamese Karaoke Industry

Karaoke is an indispensable element of Vietnamese entertainment culture. Karaoke has become one of the most popular forms of entertainment, appropriate for audiences of all ages. According to statistics, there are approximately 37,000 karaoke businesses, nightclubs, and discos in Vietnam, the majority of which are located in cities such as Hanoi, Ho Chi Minh City, and Hai Phong (Baotintuc, 2022). In recent years, this number has steadily increased, indicating

that the demand for this leisure activity is extremely high. In addition, the rapid growth of the karaoke industry in neighboring countries with cultural similarities to Vietnam demonstrates the market's potential for significant expansion.

However, the current karaoke industry in Vietnam faces several challenges that limit its widespread acceptability and accessibility. The traditional business model is often plagued by high operating costs, which are typically passed on to customers. Furthermore, the prevalence of larger karaoke venues may not effectively accommodate small groups. Other limitations include the lack of privacy, comfort, and opportunities for customization and personalization.

These challenges inadvertently create opportunities for innovation and development within the industry. Market gaps present a unique opportunity for introducing a new and more customized business model, such as microkaraoke spaces catering to small groups. By offering more personalized and cost-effective entertainment experiences, this innovative approach could meet the evolving preferences and needs of Vietnamese karaoke consumers.

In conclusion, the Vietnamese karaoke industry, as a subset of the larger global entertainment industry, presents an optimistic landscape. Given the strong cultural affinity for karaoke and a market conducive to innovation, the potential for successfully implementing a new business model, such as "HarmonyHut - The Mini Karaoke Room," is considerable.

1.2. Market Problem Identification

1.2.1. High Costs of Traditional Karaoke Rooms in Vietnam

One of the primary challenges that customers in the Vietnamese karaoke industry face is the high cost associated with renting traditional karaoke rooms. The average price for renting a karaoke room in Vietnam is considered quite high, and this is mainly due to the fact that traditional karaoke rooms are often used to accommodate large groups of customers, resulting in relatively high rental prices.

Karaoke rooms are popular venues for gatherings, parties, birthdays, or other events for groups of people. Larger groups require more spacious rooms that can accommodate multiple people at the same time. As a result, the rental prices for karaoke rooms increase to reflect the costs of operation, maintenance, and providing services for large groups.

The rental prices for traditional karaoke rooms in Vietnam range from approximately VND 200.000 to VND 1.000.000 (USD 8.52 to USD 42.61), depending on the location, facilities, and quality of each specific karaoke room (Halotravel, 2021). Karaoke rooms in central city areas or bustling districts tend to have higher prices compared to rooms in suburban or non-central areas.

However, the high prices are one of the reasons why fewer customers use karaoke services. Additionally, competition from other forms of entertainment, such as restaurants,

bars, and cinemas, also plays a role in customers' decision-making. This puts pressure on karaoke establishments to change and adjust their prices to attract and retain customers.

In summary, the average price for renting a karaoke room in Vietnam is relatively high, especially when traditional karaoke rooms are used to cater to the needs of large customer groups. Rental prices range from VND 200.000 to VND 1.000.000 (USD 8.52 to USD 42.61), and this high cost reduces the number of customers utilizing karaoke services.

1.2.2. Limited Availability for Small Groups in Vietnam

The limited availability for small groups to enjoy karaoke in Vietnam has become a notable issue. Many karaoke venues in Vietnam prioritize serving larger groups as they generate more revenue per reservation. However, this has created difficulties for small groups of friends when trying to book a room, especially during peak hours. Groups with fewer than five people often struggle to find suitable karaoke rooms.

With a smaller customer base, small groups of friends face challenges regarding the availability of karaoke services. Traditional karaoke rooms are usually spacious and designed to accommodate a large number of customers. This does not align with the needs of small groups, who only require a smaller space to enjoy music and entertainment together. With high demand and limited room availability, finding a suitable karaoke room becomes a challenge. However, due to the focus on larger customers, karaoke establishments typically do not invest in smaller rooms to cater to small groups of friends.

The lack of equity in providing karaoke services for small groups of friends has become a concerning issue. The prioritization of larger groups by karaoke venues has imposed limitations on small groups' ability to enjoy karaoke together. To address this issue, investments and changes in the design and business strategies of karaoke establishments may be necessary. By creating smaller and more flexible rooms, karaoke venues can attract and meet the needs of both large and small groups. This will result in a better experience for all customers.

1.2.3. Inadequate Privacy and Comfort in Vietnam

Vietnamese traditional karaoke rooms may be overcrowded and raucous, making it difficult for patrons to have a quiet, relaxing session. Here are a few noteworthy instances: In areas with inadequate karaoke room management, staff members may enter the karaoke room without authorization, violating personal space. Additionally, some staff members may feel pressured to promote or upsell other services, food, or drinks while you are enjoying karaoke, which may be unpleasant and ruin the calm atmosphere. There are also security cameras in the karaoke room. Some businesses could put security cameras in the karaoke area for safety concerns. However, as a consequence of this, customers could feel uneasy and lack privacy when singing. If there are several people in the group, you may have to share the microphone

with them or wait a long time to start singing karaoke. If you don't love singing in front of a crowd, this might be awkward.

1.2.4. Limited Customization and Personalization in Vietnam

In the context of business and technology, personalization generally refers to the process of adapting products, services, or experiences to an individual's unique requirements, preferences, and behaviors. It is utilized in numerous fields, including marketing and user experience design. Numerous karaoke establishments in Vietnam provide limited customization and personalization options, including song selection, room and service style, mobile and online applications, personalized communication, and cuisine selection. This may result in an unpleasant experience for consumers with specific preferences. Personalization can increase revenue by 5–15% and marketing efficacy by 10–30% (Cafef, 2023).

By identifying these market issues, we can gain a better understanding of the opportunity to introduce a new business model that addresses these challenges and caters to the needs of small groups of friends who enjoy music and singing but have no need or desire to enter expensive karaoke rooms. Our data and information demonstrate the viability of microkaraoke rooms in the Vietnamese karaoke industry as a solution that can accommodate the preferences of modern consumers.

Drawing on the existing market conditions and identified challenges, our research endeavors to design an innovative karaoke model that tackles these issues head-on. Our goal is not only to survive in the highly competitive industry but also to thrive and achieve maximum profitability. By leveraging cutting-edge technology, creating immersive experiences, and offering customizable options, we aim to capture the attention and loyalty of customers, positioning ourselves as a preferred choice in the karaoke market. With meticulous planning and strategic implementation, we are determined to set new industry standards and exceed customer expectations.

II. MARKET ANALYSIS

2.1. PESTEL

2.1.1. Political factors

The karaoke sector in Vietnam is significantly influenced by the political climate in the country. The creation and management of karaoke venues are impacted by governmental policies and regulations, such as licensing requirements and entertainment legislation. The political situation in Vietnam is stable, which fosters the growth of the entertainment industry, including karaoke.

The government's emphasis on fostering social peace and cultural preservation is a significant political force. The government oversees and supports karaoke, a well-liked form of entertainment with strong roots in Vietnamese culture. The government seeks to find a balance between supporting leisure activities and making sure they adhere to social standards and cultural values.

The quantity and distribution of karaoke venues are impacted by government licensing regulations. Based on elements like zoning laws, population density, and noise control, local governments have the power to grant or restrict permits. By doing this, it is ensured that karaoke locations are evenly scattered across the city and do not disrupt residential neighborhoods.

Additionally, Vietnam's political stability aids in the expansion and development of the karaoke business. In the entertainment industry, including karaoke, investment and entrepreneurship are encouraged when there is a stable political climate. As a result of this stability, both local and foreign investors feel confident, which fosters the growth of the sector.

It's critical for karaoke firms to stay on top of any changes to governmental laws and regulations pertaining to the sector. For activities to run smoothly and sustainably in the long run, compliance with these rules and good relations with local authorities are essential.

Overall, government issues have a substantial impact on the karaoke sector in Vietnam by influencing licensing standards, encouraging cultural preservation, upholding social peace, and ensuring a stable business. To assure compliance, maintain good relations with local authorities, and contribute to the industry's growth while preserving cultural values and social standards, karaoke firms must manage these political considerations.

2.1.2. Economic factors

Strong economic development and rising disposable income in Vietnam have fueled the karaoke industry's expansion. The demand for leisure and recreational activities, including karaoke, is increasing as a result of a growing middle class and increased consumer expenditure. Opportunities for karaoke companies to prosper are created by a stable economy and a growing customer base. Both the demand for karaoke services and the profitability of karaoke enterprises are impacted by domestic economic circumstances and trends.

People's degree of disposable income is a significant economic aspect that influences the

karaoke business. People have more disposable cash to spend on leisure pursuits like karaoke as the economy expands and their income rises. Increased demand for karaoke services and a greater willingness to spend money on entertainment activities are often related to higher levels of disposable income. Vietnam's Gross Domestic Product would be USD 413.81 billion by 2022, and Vietnam is ranked fifth in Southeast Asia (Cafef, 2023). This demonstrates that Vietnam's economy is expanding quickly, which is an indication that the economy is doing well. It also demonstrates the confidence of the karaoke industry that more money should be put into our market.

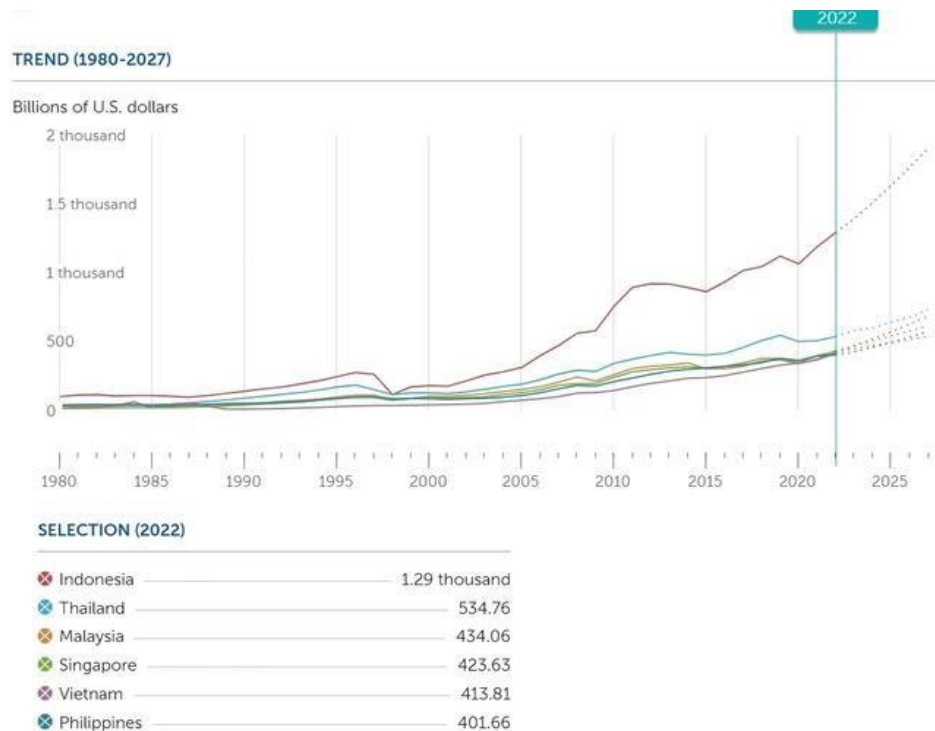


Figure 3. Vietnam's GDP ranking in Southeast Asia

Source: Cafef (2023)

A rising middle class and higher consumer purchasing power are both results of Vietnam's recent robust economic development. Due to this expansion, there is a greater need for entertainment choices like karaoke. The karaoke sector has a chance to capitalize on the growing need for entertainment and individualized experiences as more individuals move into the middle class.

The karaoke sector has a significant contribution from the tourist industry. Due to its rich cultural history, stunning natural surroundings, and energetic cities, Vietnam has seen a significant increase in foreign visitors in recent years. Travelers often seek unusual entertainment opportunities, and karaoke is a favorite among both local and foreign tourists. The demand for karaoke services is influenced by the existence of a robust tourism sector, particularly in well-known tourist locations.

The growth and course of the karaoke business are influenced by consumer spending habits and preferences. Customized and upscale karaoke experiences are required as customer preferences change. By providing private rooms, top-notch sound systems, and other amenities like food and beverages, karaoke companies are adjusting to these tastes. To remain competitive and attract consumers, karaoke companies must recognize and adapt to consumer buying habits.

The profitability of karaoke venues is impacted by economic issues such as leasing expenses, labor costs, and electricity prices. Businesses may find it challenging to maintain competitive rates while guaranteeing excellent service due to higher expenses. A competitive market requires effective operational cost management to maintain profitability.

In conclusion, economic variables such as consumer spending habits, economic development, tourism, and company expenses have a big impact on the karaoke market in Vietnam. To comprehend market demands, customize their offerings to changing customer tastes, and assure sustained earnings, karaoke firms need to keep an eye on and adjust to these economic elements. This will serve as the "ignition" for the high-end audio karaoke market's impending boom.

2.1.3. Sociocultural factors

A significant part of Vietnamese culture and social life is karaoke. People in Vietnam have a strong sense of community and value their relationships with friends, family, and coworkers. Karaoke is thus a well-liked hobby among friends, family, and coworkers. Vietnamese people like getting together in karaoke bars to commemorate important events or just to have fun. We can better personalize our services and provide our consumers with unique experiences if we are aware of the socio-cultural preferences, musical tastes, and social behaviors of the Vietnamese people. The longevity of karaoke's appeal may be attributed to Vietnamese society's emphasis on interpersonal connections and group activities.

Vietnamese people place a great value on entertainment and music. With karaoke, people may enjoy their favorite songs, show off their musical abilities, and take part in energetic performances. Vietnamese karaoke venues can accommodate a broad variety of musical tastes because of the country's diversified musical culture, which includes both traditional and modern styles. Vietnam also has a history of planning several festivals, holidays, and other special events. During these festive times, karaoke often becomes a well-liked form of entertainment, driving up demand for karaoke services. Together, family, friends, and coworkers rejoice, sing, and make special memories realizing the entertainment potential of the karaoke approach. Particularly with the growth of social culture, people's requirements for amusement are growing daily. In Vietnam, karaoke has grown very popular among the younger population. Karaoke is valued in youth culture as a form of entertainment, self-expression, and social interaction. Many karaoke venues explicitly appeal to the interests of young people by providing chic, contemporary settings, song selections, and engaging features. The quantity and caliber of bars with karaoke have dramatically expanded in recent years. There are now

more than 37.000 entertainment-related businesses around the country. The number made up two-thirds only in Hanoi, Ho Chi Minh City, and Hai Phong (Vinakaraoke, 2020). The audio market will expand with a broad range of goods and models the more business points there are. This serves as evidence that Karaoke Mini is really a hit.

Additionally, Korean pop culture, particularly K-pop, has significantly influenced Vietnamese society, including its tastes in entertainment. In Vietnam, K-pop music and stars have their own fan following, and many karaoke bars provide a large variety of K-pop songs to meet this desire. The growth of karaoke among young Vietnamese people has been aided by the impact of Korean popular culture. Additionally, the Korean karaoke box type was brought to Vietnam and is well-liked by young people. An example from Vietnam is the creation of the Okara Studio project, which was started at the end of 2017 by the karaoke equipment provider SMCorp Joint Stock Company. This unit now has more than 100 outposts around the nation after only two years. Even though ICOOL Karaoke is the unit that specializes in creating karaoke systems, after more than a year, it has also created 50 locations for karaoke boxes to be placed throughout the mall (Nhipcaudautu, 2019).

The karaoke market in Viet Nam has been impacted by socio-cultural elements such as cultural socialization, musical and entertainment tastes, celebrations and festivals, youth culture, and Korean pop culture influences. To successfully target their consumer base and produce engaging and relevant experiences in a dynamic and expanding industry, karaoke companies need to comprehend and take into account these socio-cultural variables.

2.1.4. Technological factors

The karaoke market in Vietnam has transformed as a result of technological advancements. Digital karaoke systems, smartphone applications, and internet platforms have improved karaoke experiences by facilitating simpler access to a greater selection of songs. To attract tech-savvy clients and provide a cutting-edge karaoke experience, it will be essential to keep up with technology and remain current with the newest trends in karaoke equipment and software. These technological developments have altered how users provide, access, and enjoy karaoke services.

The karaoke market has undergone a revolution with the development of digital technologies. Modern digital systems that provide extensive song collections, top-notch audio and video output, and interactive features have supplanted traditional karaoke machines. Users of these devices may choose songs, alter the sound, and record their performance. With its large song collection and smooth operation, the digital karaoke system has improved the whole karaoke experience.

The growth of internet platforms has given the karaoke business additional prospects. There is no longer a need for physical karaoke establishments because of a variety of online karaoke services that enable users to remotely access a big library of songs. From the comfort of their homes, users may access these platforms through computer, tablet, or smartphone.

social media integration. These technical developments have improved user experience, opened up new engagement and entertainment opportunities, and increased access to karaoke services. In order to remain competitive, attract tech-savvy clients, and continually enhance their offers, karaoke companies must embrace these technical considerations.

2.1.5. Environmental factors

The functioning of karaoke bars is impacted by environmental considerations, including noise restrictions and environmental sustainability. Adhering to noise control procedures and putting soundproofing strategies into practice can lessen any possible disruption to the neighborhood. Additionally, the long-term viability of karaoke venues will be aided by the implementation of ecologically friendly practices, including trash management and energy-saving technology.

The Vietnamese karaoke market is significantly influenced by environmental variables. Both natural and artificial elements that have an impact on a karaoke establishment's operation, sustainability, and reputation are included in this list.

For karaoke establishments, noise pollution is a significant environmental concern. In Vietnam, laws have been passed to regulate noise levels in homes and public locations. Businesses that provide karaoke must abide by these rules in order to keep the neighborhood peaceful and prevent upsetting nearby people. The environmental effect of karaoke venues may be reduced by installing soundproofing, purchasing a high-quality sound system, and adhering to noise control regulations.

Energy efficiency is a significant environmental issue since the karaoke business mainly depends on electrical machinery and lights. By using LED lighting, enhancing HVAC (Heating, Ventilating and Air Conditioning) systems, and implementing energy-saving technology, karaoke businesses should make an effort to embrace energy-saving measures. Putting energy management ideas into practice not only lessens your influence on the environment but also helps your company save money over time.

By taking into account the materials used in their interior design and furniture, karaoke joints may also embrace sustainability. Reducing the ecological footprint involves using ecologically friendly products, including recycled or ethically obtained materials. Additionally, using strategies like trash reduction, recycling, and water conservation helps keep karaoke events as sustainable as possible.

The environmental reputation of karaoke establishments may be improved by implementing green measures. This can include encouraging clients to adopt eco-friendly behaviors, such as utilizing digital songbooks rather than print ones or providing rewards for carpooling or using public transportation. In order to raise awareness and support sustainability efforts, karaoke venues may also take part in neighborhood environmental conservation projects.

Consumers are growing more conscious of how the companies they patronize affect the

environment. Karaoke venues that exhibit a dedication to environmental responsibility may attract clients who care about the environment. Karaoke firms may stand out in the market and entice a rising percentage of environmentally sensitive customers by emphasizing environmentally beneficial operations, such as energy-saving initiatives, waste reduction efforts, or cooperation with environmental groups.

The karaoke business in Vietnam is heavily influenced by environmental considerations such as laws governing noise pollution, energy efficiency, sustainable materials, green initiatives, and Vietnam's environmental awareness. These elements must be taken into account by karaoke venues to reduce their environmental effect, abide by laws, and satisfy environmentally concerned patrons. Karaoke establishments may support a greener and more sustainable industry by implementing sustainable practices and exhibiting a commitment to environmental responsibility.

2.1.6. Legal factors

Different legal criteria and restrictions apply to karaoke businesses in Vietnam. In accordance with Decree 54/2019/ND-CP on karaoke and discotheque service businesses, Circular 01/2021/TT-BTC, they include licenses, safety regulations, copyright laws, and intellectual property rights (LuatVietnam, 2022). Operating within the law and avoiding any legal issues or fines requires adherence to certain legal requirements. The karaoke industry in Vietnam is significantly impacted by legal issues. The laws, rules, and policies that control the creation, administration, and management of karaoke establishments are among these variables. For karaoke companies, following the law is crucial to ensuring smooth operations and avoiding legal issues or fines.

In order to operate legally, karaoke venues in Vietnam are required to get a number of permits from the appropriate authorities. Business licenses, entertainment licenses, fire permits, certificates of health and safety, and copyright licenses for music and song collections are a few examples of these licenses. The operation of karaoke venues within the confines of the law and in accordance with the requirements for public safety and the protection of intellectual property rights is guaranteed by compliance with licensing and licensing requirements. Karaoke establishments must also adhere to personnel management rules and labor legislation. This covers elements including the need for a minimum wage, hourly pay caps, employment agreements, social insurance contributions, and laws governing workplace safety. Respecting labor rules helps safeguard workers' rights and welfare and fosters a productive workplace.

The use of music and recordings protected by copyright is a significant aspect of the karaoke business. To lawfully employ copyrighted material, karaoke businesses must obtain the required licenses and authorizations. This entails securing licenses from organizations that protect musical works as well as paying composers and copyright holders fees. Respecting intellectual property rights safeguards the interests of creatives, guarantees fair recompense, and reduces piracy problems. Phonograms and video recordings of songs are protected by associated rights in accordance with the requirements of the Intellectual Property Law 2005

(amended and supplemented 2009) (Startup House, 2020). Claims 2 and 33 of the Intellectual Property Law state that organizations and individuals must pay royalties and other compensation as agreed to the authors, owners, performers, producers of phonograms and video recordings, and broadcasting organizations when using published phonograms and video recordings in business and commercial activities (Laodong, 2023). Karaoke establishments will thus be required to pay royalties and other compensation to writers, copyright holders, performers, and makers of phonograms when they utilize songs for commercial reasons without first obtaining permission.

To protect the health of patrons and staff, karaoke establishments must adhere to health and safety standards. If food and drinks are given, this also applies to measures like fire safety precautions, exits, suitable ventilation, hygienic requirements, and adherence to food safety regulations. Customers are kept safe and secure, and the chance of accidents or health risks is lower when health and safety laws are strictly followed. To safeguard the interests of their patrons, karaoke venues should also take consumer protection regulations into consideration. These laws could include clauses covering pricing transparency, ethical business conduct, return policies, and dispute resolution procedures. The reputation and general success of karaoke businesses are influenced by their adherence to consumer protection rules, which also serves to foster client trust and loyalty. In Article 3: Principles of Business in Karaoke Services and Discotheques of the Government's Decree No. 54/2019/ND-CP outlining the operation of Karaoke Services and Discotheques, it is stated that enterprises or Business Households may only offer Karaoke and Discotheque Services after they have been granted a business license and satisfy the requirements specified in this Decree and other applicable laws. Protection of life, health, dignity, and property of organizations and persons using karaoke and discotheque services, as well as security and social order, by not using corporate operations to encourage crime, criminal activity, or other social problems (Laodong, 2023).

Currently, the setup of fire prevention systems, vehicle equipment, and vehicle layout at karaoke service facilities is extremely crucial. According to Article 4 of Government Decree No. 96/2016/ND-CP dated July 1, 2016, stipulating conditions on security and order for a number of sectors and trades with conditional business investment, the conditions for karaoke service businesses, enterprises, or business households are established according to the legal provisions. The standards for fire prevention, fire fighting, and security must be met by karaoke service business facilities in accordance with Article 4 of Decree No. 54/2019/ND-CP (Laodong, 2023).

The legal aspect is, in a nutshell, the most critical aspect of the Vietnamese karaoke market. For karaoke enterprises to function, compliance with license and permit requirements, labor laws, intellectual property rights, health and safety rules, and consumer protection laws is crucial. Be ethical, guarantee the wellbeing of your staff and clients, and uphold your good name. Businesses involved in karaoke need to keep up with recent legal changes, obtain counsel

as required, and proactively modify their operations to conform with the changing legal environment.

2.2. Market segmentation

2.2.1. Demographic

The practice of partitioning a market into smaller segments based on identifying characteristics such as age, occupation, gender, ethnicity, marital status, and income level is known as demographic segmentation. This form of segmentation is frequently used as the basis for marketing campaigns because it provides a clear comprehension of the target audience's requirements, preferences, and behaviors. In this section, we will provide a comprehensive analysis of the demographic factors that have a substantial effect on our target market.

- Age

Our target market consists of individuals between the ages of 18 and 35 who are interested in the latest technology and are environmentally conscious. This age group is distinguished by high rates of technology adoption and social networking platform usage. They are frequently in the early phases of their professions or pursuing higher education and have a relatively high discretionary income, making them a desirable market segment for our products and services. The number of social network users in Vietnam reached 71.0% of the total population at the beginning of 2023, but according to data from the advertising planning tools of the leading social networking platforms, there are only 64.40 million users aged 18 or older. Nonetheless, this proportion remains extremely high, reaching 89.0% of the total population aged 18 and older. In other words, in January 2023, 89.8% of all Internet users in Vietnam utilized at least one social networking platform (VNETWORK, 2023).

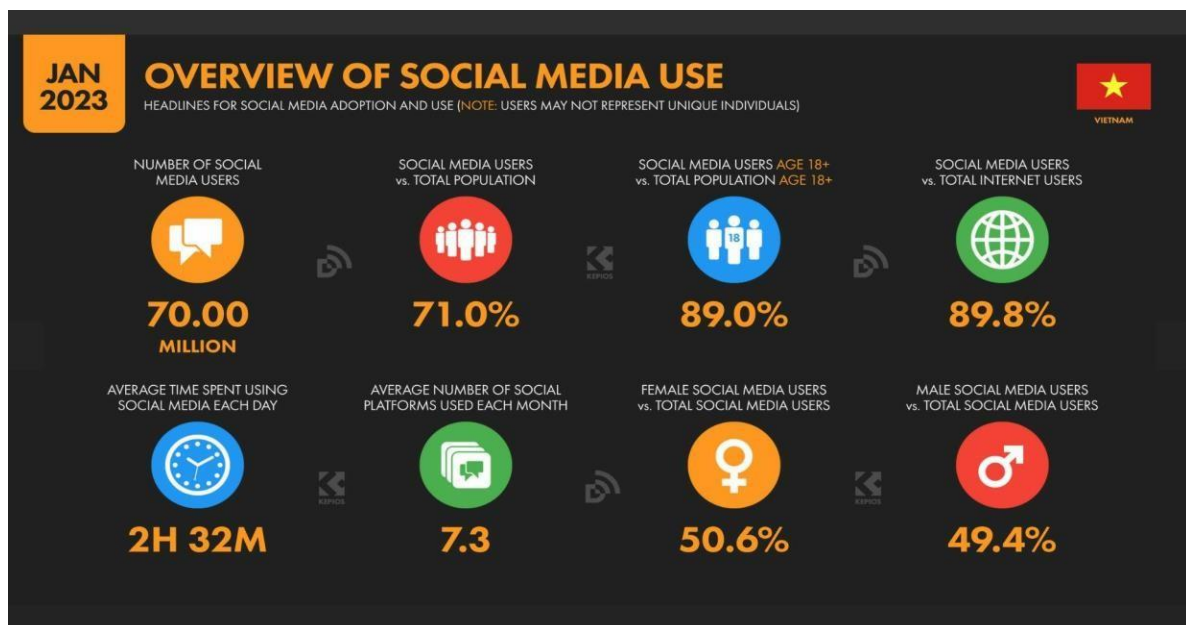


Figure 5. Statistics on the use of social networks in Vietnam in 2023

Source: VNETWORK (2023)

This age range comprises the majority of our intended market. They are more likely to have established habits and a desire for entertainment, making them a key demographic for our products and services. Their purchasing power and brand loyalty make them a valuable audience for our marketing initiatives.

- Occupation

Our target market consists of a variety of professions, including schoolchildren and students, office employees, and entrepreneurs. Understanding the specific requirements and preferences of these occupational categories is essential in order to customize our marketing messages and product offerings. According to our survey, 65.3% of students have access to our business model, followed by 18.1% of office employees and 12.4% of freelancers. This demonstrates that vocation has a significant impact on individuals purchasing behavior and service utilization. A person utilizes services that are appropriate for their profession and meet their requirements.

Careers in high demand with Karaoke Entertainment Services (in Hanoi)

354 responses

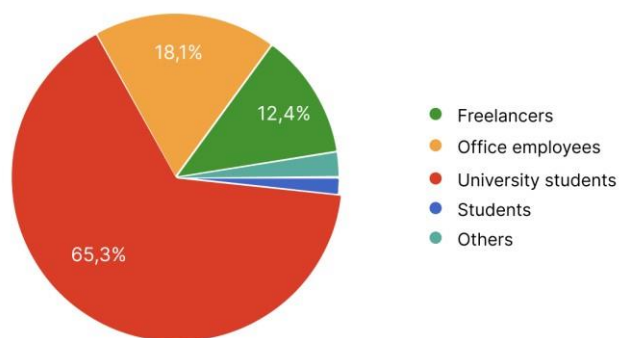


Figure 6. Careers in high demand with Karaoke Entertainment Services (in Hanoi) - Survey on demand for Karaoke entertainment services (in Hanoi)

- Gender

Our target market is composed of both male and female consumers with distinct preferences and requirements. It is essential that our product, service, and marketing strategies are tailored to gender-specific insights and trends. For instance, our survey reveals that male consumers are slightly more likely to prefer microkaraoke services than female consumers, although the difference is not statistically significant. Specifically, the survey revealed that 55.6% of respondents were male and 44.4% were female. We strive to appeal to both male and female consumers. Recognizing this distinction, we have created a classification system for men's and women's theatrical attire that includes a variety of embellishments and designs.

Sex in demand with Karaoke Entertainment Services (in Hanoi)

354 responses

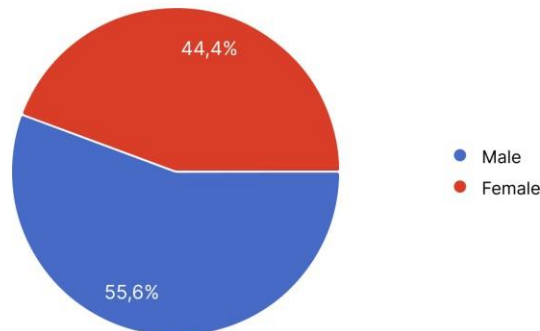


Figure 7. Sex in demand with Karaoke Entertainment Services (in Hanoi) - Survey on demand for Karaoke entertainment services (in Hanoi)

- Marital status

The marital status of our intended audience can be categorized as follows:

This segment consists of individuals who have never been married and who may have distinct karaoke preferences compared to those who are married. Individuals who are single may prioritize development and personal experiences, such as experiencing a microkaraoke room with sufficient space for a small number of people and the ability to do so alone.

People who are married frequently have distinct financial priorities and responsibilities. This segment may concentrate more on products and services geared toward families. Using the karaoke business model as an example, married individuals will choose karaoke rooms with sufficient space for their families.

- Income

Our target market can be segmented by income, which has a substantial impact on purchasing power and preferences.

Low-income individuals may be more price-sensitive and place a premium on affordability when making purchases. To appeal to this group, we may need to provide lower-priced goods and services or implement discounts and special offers.

This segment represents a significant portion of our target market, as they have sufficient disposable income to purchase our products and services. They may be more concerned with cost-effectiveness and the relationship between price and quality.

This demographic has greater purchasing power and is more likely to purchase premium or prestige goods and services. To appeal to this demographic, we may need to emphasize innovative, high-quality products and superior customer service.

In conclusion, demographic segmentation is an essential component of our marketing strategy because it enables us to better comprehend and cater to the disparate requirements and preferences of our target audience. By taking into account variables such as age, occupation, gender, ethnicity, marital status, and income level, we can modify our products, services, and marketing campaigns to our target market and increase consumer satisfaction and market share.

2.2.2. Geographic

Geographically, the market will be divided into a number of provinces, regions, or geographical divisions. Based on this, businesses can operate across regions or focus on a specific geographical area, but they must still take into consideration the distinct requirements and desires of consumers in each region location. Customers are primarily concentrated in residential areas near karaoke establishments. They prefer locations that are close to home, walkable, or easily accessible by car. Or the category that includes patrons of karaoke establishments located in or near a retail mall. They appreciate how readily karaoke can be combined with dining, shopping, and other forms of entertainment. As for the tourist destination, it is intended for those who wish to incorporate karaoke into their vacation plans. They are searching for karaoke venues in well-known tourist destinations that provide culturally diverse experiences. In this section, we will examine in depth the geographical factors that influence our target market in Cau Giay, Hanoi.

Cau Giay is an ancient land that has maintained an important strategic position in the west of Thang Long Citadel (Hanoi) since ancient times; it is one of the central districts of the capital city of Hanoi. Known for its rapid urban development as a vibrant urban center with numerous residential neighborhoods, commercial districts, and office structures. The county's prominence in education, technology, and business makes it an ideal location for our target market.

Cau Giay has a high population density and a population composed of individuals of varying ages, occupations, and socioeconomic levels. In 2020, there will be 292.536 people, and the population density will be 23.536 per square kilometer. In addition, as of the start of November 2022, the Cau Giay District had more than 28.524 businesses functioning in various industries (NASALAND, 2022). This location annually attracts a significant number of residents and workers. Numerous businesses operate in the Cau Giay district, which is a flourishing economic hub. This economic activity affords our company numerous opportunities to access local markets and provide products and services that satisfy the requirements of this professional demographic.

The district is easily accessible to residents and visitors due to its well-developed transport network and infrastructure. Major roads, public transportation, and an expanding metro system connect Cau Giay to other areas of Hanoi. This accessibility enables our company to reach a larger audience and ensures that our products and services are readily accessible to our target market.

Understanding the geographical factors influencing our target market in Cau Giay, Hanoi, is crucial for the success of our marketing initiatives. Understanding these types of markets enables us to customize our karaoke model to satisfy the specific requirements of our target consumers in Cau Giay, Hanoi, thereby providing a unique and entertaining experience for all groups. By conducting market research, surveys, and analyzing consumer feedback, we can enhance our offerings by gaining valuable insight into the specific needs and expectations of our brands. Create a niche for yourself in this category.

2.2.3. Psychographic

Psychographic segmentation entails partitioning the market according to a consumer's lifestyle, preferences, attitudes, values, and personality characteristics. This type of segmentation assists businesses in comprehending the psychographics of their target audience, enabling them to develop more effective and tailored marketing strategies. In this section, we will conduct a comprehensive analysis of the psychological factors influencing our target market.

- Lifestyle

Understanding the various lifestyles of our target market enables us to modify our product offerings and marketing strategies to their specific requirements and preferences. The following are key lifestyle segments in our target market:

This segment places a premium on health and well-being, searching out products and services that promote healthful lifestyles. To serve this group, it may be necessary to highlight the health benefits and characteristics of our products and services, such as organic ingredients, low-calorie options, or characteristics that diminish anxiety.

This segment is highly concentrated on career advancement and success, and they frequently seek out products and services that assist them in achieving their career objectives. To appeal to this audience, we may need to emphasize the time-saving, productivity-enhancing, and networking features of our services.

This market segment values family time and looks for products and services that meet the requirements of the entire family. To appeal to this demographic, it may be necessary to highlight the family-friendly characteristics and advantages of our products and services.

This demographic is environmentally conscientious and searches out products and services that reduce their ecological footprint. To appeal to this demographic, we may need to emphasize the eco-friendly and sustainable aspects of our services, such as recyclable packaging, energy-saving features, and ethical sourcing.

- Interest

Understanding the sentiments and proclivities of our target market is essential for developing effective marketing and service delivery strategies that cater to their particular interests. We can better understand the preferences, lifestyles, and aspirations of our target audience by conducting extensive market research and customer analysis. According to our

survey, as many as 74.7% of individuals choose entertainment as a hobby, which includes karaoke and performing. This demonstrates that physical or artistic recreational activities that appeal to the interests of the majority of people can induce positive mental changes and foster a sense of community. To tailor our marketing campaigns, events, and partnerships to our customers' interests, thereby capturing their attention and nurturing a strong association with our brand.

Preferences of consumers in Hanoi

352 responses

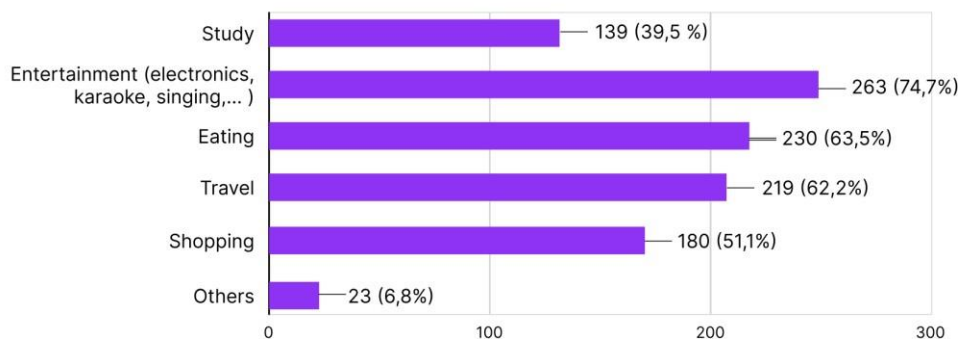


Figure 8. Preferences of consumers in Hanoi - Survey on demand for Karaoke entertainment services (in Hanoi)

In addition, knowing the preferences of our target market enables us to tailor our product offerings to their specific requirements. By tailoring our products and services to our customers' inclinations, we not only meet their requirements but also position ourselves as a brand that appreciates and understands their interests. Moreover, establishing a solid rapport with our target market is essential for long-term success. By continuously monitoring consumer preferences, keeping abreast of current trends, and actively soliciting feedback, we are able to adapt our marketing and product strategies accordingly. Engaging our target consumers through their passion generates a sense of authenticity and relevance, thereby establishing a meaningful connection. In turn, this can result in increased consumer loyalty, positive word-of-mouth recommendations, and a market advantage. Recognizing and capturing the sentiments and interests of our target consumers is, therefore, essential to the development of effective marketing and service delivery strategies.

- Attitudes and values

Understanding the attitudes and values of our target audience allows us to create marketing messages that align with their priorities and beliefs. Among the most important attitudes and values of our target market are:

Quality trumps quantity: Our target audience may prefer high-quality products and services that provide long-term value, opting to invest in premium services rather than inexpensive alternatives.

Social Responsibility: Our target market may value companies that demonstrate social responsibility through sustainable practices, ethical procurement, or charitable endeavors.

Innovation and advancement: Our audience may value businesses that embrace innovation and endeavor to continuously enhance their products and services.

Convenience and efficacy: Our target market may value convenience and efficacy, seeking time-saving and life-simplifying products and services.

We can establish a stronger connection with our target audience by incorporating these attitudes and values into our product development and marketing campaigns.

- Personality characteristics

Understanding the personality traits of our target audience will ultimately enable us to create marketing messages that appeal to their emotions and decision-making processes. Important personality characteristics of our target market may include:

Our intended audience may have a strong desire to prosper and accomplish their personal and professional objectives.

Social and extroverted: Our target demographic may appreciate socializing and networking, seeking opportunities to connect with others and share their experiences.

Naturally inquisitive and anxious to discover new experiences, products, and services, our audience may be naturally adventurous and inquisitive.

We can create more engaging brand experiences by adapting our marketing messages and product offerings to the personality traits of our target audience. Psychographic segmentation entails partitioning the market according to a consumer's lifestyle, preferences, attitudes, values, and personality characteristics. This type of segmentation assists businesses in comprehending the psychographics of their target audience, enabling them to develop more effective and tailored marketing strategies. In this section, we will conduct a comprehensive analysis of the psychological factors influencing our target space.

Psychographic segmentation is an essential component of our marketing strategy because it enables us to comprehend the psychographics of our target market. By taking lifestyle, interests, attitudes, values, and personality characteristics into account, we can create more effective and customized product service and marketing campaigns to meet your needs with its target market and increase consumer satisfaction and market share.

2.2.4. Behavioral

Market segmentation based on consumer behavior patterns, such as purchasing preferences, product consumption, brand loyalty, and decision-making processes, is known as behavioral segmentation. Understanding these behaviors can facilitate the development of more targeted marketing strategies and the delivery of products that meet the preferences and

requirements of customers. In this section, we will conduct a comprehensive analysis of the behavioral factors that influence our target market.

- **Buying Habits**

To effectively target audiences, we must comprehend their purchasing patterns and the factors that influence their purchasing decisions, including:

Price Sensitivity: Our target consumers are predominantly motivated by price, or they are willing to pay a premium for superior quality or additional features. Determining the price sensitivity of our target market can aid in the development of appropriate pricing and advertising strategies.

How our target consumers respond to promotions, discounts, and special offers. Understanding how receptive they are to promotions enables us to create more effective marketing campaigns that increase consumer engagement and conversions.

How frequently do our target consumers purchase products or services comparable to ours? Recognizing purchase frequency can aid in the development of strategies to encourage consumer retention and recurrent business.

Seasonality: Our target consumers are more likely to utilize our services during certain periods of the year. Identifying seasonal trends can aid in the planning of marketing campaigns and inventory management.

- **How to use the item**

Understanding how our target consumers utilize services comparable to ours enables us to better modify our product development and marketing strategies to their requirements. Key considerations for product use include:

The frequency with which our intended consumers utilize our services. Identifying high, medium, and low users in our target market can aid in the development of targeted marketing campaigns and customer retention initiatives designed to increase usage.

Occasions: When and where our target market utilizes our product or service. Understanding the context and occasion of product use enables us to create marketing messages and product features that are more pertinent.

User Status: Whether our target consumer is a first-time user, a frequent user, or a prospective user of a comparable product or service. Recognizing user status can aid in the development of strategies for attracting new customers, retaining existing customers, and regaining lost customers.

- **Brand fidelity**

Assessing brand loyalty in our target market can help us identify opportunities to develop long-lasting customer relationships and encourage repeat business. Key brand loyalty factors to consider include:

Are our target consumers loyal to specific brands, or are they willing to experiment with new services? Understanding brand switching behavior enables us to create marketing

campaigns that emphasize the distinctive advantages and features of our services, thereby encouraging consumers to choose our brand over those of our competitors.

What form of loyalty program or offer are our target customers most interested in? By tailoring our customer loyalty programs to their preferences, we can strengthen our relationships with them and encourage repeat business.

- Decision making method

Understanding the decision-making process of our target consumers can aid in the development of persuasive marketing strategies. Key decision-making factors to consider include:

When making purchasing decisions, what information sources do our target customers rely on? Identifying the most influential information sources can help us optimize our marketing channels and messaging to more effectively reach our target audience.

What factors do our target customers consider when evaluating a comparable service to ours? Understanding their decision criteria can assist us in emphasizing the most vital product characteristics and advantages in our marketing campaigns.

In conclusion, behavioral segmentation is an integral part of our marketing strategy because it enables us to comprehend the target audience's behaviors, preferences, and decision-making processes. By taking into account variables such as purchasing patterns, product usage, brand loyalty, and decision-making processes, we're able to create targeted product service and marketing campaigns that better meet customer needs and increase customer satisfaction and market share.

2.3. Location analysis

2.3.1. Population Density

Hanoi's population reached 8.418.883 at the beginning of 2022. The male population comprised 3.991.919 individuals, or 49.6% of the total, while the female population comprised 4.061.744 individuals, or 50.4% of the total (Hanoitop10, 2022).

District/ Town	Area (km2)	Population (thousands of people)
Ba Dinh	9,25	242,8
Hoan Kiem	5,29	155,9
Tay Ho	24,01	152,8
Long Bien	59,93	270,3
Cau Giay	12,03	252,8
Dong Da	9,96	401,7
Hai Ba Trung	10,09	315,9
Hoang Mai	40,32	364,9
Thanh Xuan	9,08	266,0
Soc Son	306,51	316,6
Dong Anh	182,14	374,9
Gia Lam	114,73	252,8
Bac Tu Liem	43,35	320,4
Nam Tu Liem	32,27	232,9
Thanh Tri	62,93	221,8
Me Linh	142,51	210,6
Ha Dong	48,34	282,5
Son Tay	113,53	136,6
Ba Vi	424,03	267,3
Phuc Tho	117,19	172,5
Dan Phuong	77,35	154,3
Hoai Duc	82,47	212,1
Quoc Oai	147,91	174,2
Thach That	184,59	194,1
Chuong My	232,41	309,6
Thanh Oai	123,85	185,4
Thuong Tin	127,39	236,3
Phu Xuyen	171,10	187,0
Ung Hoa	183,75	191,7
My Duc	226,20	183,5

Table 1. Table of population density data of districts in Hanoi

Source: Hà Nội Top 10 (2022)

The urban population of Hanoi was 3.962.310 people, or 49.2% of the total population, while the rural population was 4.091.353 people, or 50.0% of the total population. Hanoi's current population density is approximately 2.398 people per square kilometer, which is 8.2 times the national average (Nhandan, 2022).

Densely populated areas with high pedestrian traffic have been identified based on the provided data. Dong Da district has a population density of 40.33 people per square kilometer;

Hai Ba Trung has a population density of 31.31 people per square kilometer; Cau Giay has a population density of 20.93 people per square kilometer; Hoan Kiem has a population density of 29.47 people per square kilometer; and Thanh Xuan has a population density of 29.29 people per square kilometer. These locations have the potential to attract a significant number of consumers.

2.3.2. Economic Indicators

The purchasing power and market potential in Hanoi can be better understood by analyzing economic indicators. The city's substantial and consistently expanding economy is fueled by key industries such as finance, manufacturing, and services. The Gross Regional Domestic Product (GRDP) of Hanoi is projected to increase by 8.89% compared to the previous year in 2022. At current prices, the estimated size of Hanoi's GRDP in 2022 is approximately VND 1.196 trillion (approximately USD 51 million), which reflects the city's robust economic performance and optimistic growth prospects (Cafef, 2023).

The emergence of a growing middle class with a rising disposable income is a notable aspect of Hanoi's economic landscape. As residents' wealth continues to rise, the karaoke industry will have a lucrative opportunity to meet their demand for entertainment and relaxation. The propensity of consumers to spend their discretionary income on leisure and entertainment activities bolsters the city's karaoke business' viability and prospective profitability.

In addition, the dynamic character of Hanoi's economy, combined with a business-friendly environment, provides favorable conditions for the development and sustainability of the karaoke industry. The city's reputation as a major economic center and its constant influx of visitors and business travelers generate a thriving market for entertainment venues. By positioning karaoke venues strategically and tailoring their offerings to the preferences and requirements of various customer segments, businesses can capitalize on the city's economic growth and rising consumer purchasing power.

In conclusion, the analysis of economic indicators reveals a favorable environment for Hanoi's karaoke industry. The city's robust and expanding economy, combined with the rising affluence of its residents, indicates a market with ample growth and achievement potential for karaoke establishments. By understanding the economic context and consumer behavior, businesses can position themselves to capitalize on the rising demand for amusement and relaxation experiences in Hanoi's dynamic and competitive market.

2.3.3. Tourism and Visitor Trends

Vietnam's capital city, Hanoi, is an esteemed and well-known destination that attracts both domestic and international tourists. The city is renowned for its rich cultural heritage, historical landmarks, and vibrant nightlife, and it provides an abundance of memorable entertainment options. In 2022, Hanoi welcomed more than 18.7 million visitors, and this figure is projected to increase in the coming years. Approximately 1.5 million of these visitors

were international travelers, while the plurality, totaling 17.2 million, were domestic visitors (Vietnamplus, 2022).

The flourishing tourism industry in Hanoi presents a vast population of potential consumers for the karaoke industry, which has enormous growth potential.

In conclusion, the flourishing tourism industry in Hanoi offers the karaoke industry a lucrative opportunity to meet the entertainment requirements of both domestic and international tourists. By strategically situating karaoke facilities in popular tourist areas and customizing services to travelers' preferences, businesses can tap into this flourishing market and establish a strong presence within Hanoi's vibrant tourism landscape.

2.4. Customer analysis

2.4.1. Demographic

First, in terms of age, the main target market of karaoke venues in Hanoi, Vietnam, is students and office staffs between the ages of 18 and 35. This age group is more likely to participate in karaoke activities and look for entertainment options that match their interests and preferences. By focusing on this age group, karaoke venues can tailor their offerings and create an atmosphere that appeals to the youthful energy and desire to socialize in this demographic.

Secondly, in terms of gender, Karaoke is loved by both men and women in Hanoi. It is essential to target a balanced gender distribution in the marketing efforts of the karaoke venue. This diversity ensures that the karaoke model meets the preferences and needs of both male and female customers. By creating an environment that welcomes and caters to all genders, karaoke venues can appeal to a wide range of audiences and promote an inclusive and enjoyable experience for everyone.

Third, in terms of location, we focus on customers living in the inner city of Hanoi, where karaoke businesses are increasingly popular and accessible. As of December 2022, the average population of Hanoi is estimated at 8.5 million citizens (Accgroup, 2022). In the old inner-city districts of Hanoi, the population is highly concentrated; over 1 km², there are over 40.000 people living in Dong Da district and 30.000 people in Hoan Kiem and Hai Ba Trung districts. In which the majority of the urban population resides in areas where many karaoke businesses are concentrated. The target market may account for about 60% to 70% of the urban population, or about 4.8 million to 5.6 million potential customers.

Finally, the target market for karaoke venues consists of two main career segments: office staffs and students.

The target market includes office staffs working in industries such as IT, finance, hospitality, and services. These individuals lead busy lives and view karaoke as a means of entertainment and relaxation after work. Convenience, customization, and the opportunity to socialize are important factors for them when choosing a karaoke venue. By offering convenient booking options, a personalized experience, and a vibrant atmosphere, karaoke

venues can capture the interests of this segment and provide them with a much-needed outlet to relax and connect with friends or colleagues.

Given the significant student population in Hanoi, university students should also be considered an important segment of the target market. Students appreciate affordable entertainment options that fit their limited budgets. They prioritize fun experiences, a wide selection of songs, and a lively atmosphere where they can sing karaoke with friends. By offering student-friendly prices, promotions, and a dynamic atmosphere, karaoke venues can attract and engage this segment, providing them with a memorable and enjoyable karaoke experience.

By understanding and targeting specific demographics of age, gender, and occupation, karaoke venues in Hanoi can effectively tailor their marketing and service strategies to meet their interests and the needs of the target market. This customer-centric approach increases the ability to attract and retain a loyal customer base, leading to the overall success and profitability of the karaoke venue.

2.4.2. Needs and Behaviors

2.4.2.1. Needs

First, Customers want Private and Comfortable Space. Customers in Hanoi prefer karaoke venues that offer private rooms. These private spaces provide customers with the privacy and comfort to freely express themselves without worrying about other patrons. Ensuring the rooms are well-designed, clean, and comfortable is essential to meet their needs.

Second, customers prioritize High-end Audio Visual equipment. Customers have a need for high-quality audio and visual equipment in karaoke rooms. Clear and crisp sound, along with high-resolution visuals, enhances the overall karaoke experience. Incorporating modern technology and equipment ensures customers can enjoy a professional-grade karaoke experience.

Third, customers want easy and convenient booking. Customers appreciate a seamless and convenient booking process for karaoke sessions. Providing online or mobile app booking options, as well as efficient customer service, helps meet their needs for convenience and saves them time and effort.

Fourth, according to our research, the attitude of the service staff is a consideration for up to 46.9% of consumers when selecting a karaoke microphone service. This demonstrates that a customer-centric strategy coupled with an engaged and motivated workforce can increase HarmonyHut's customer retention, positive word-of-mouth referrals, and business success. We will continue to invest in the training and development of our staff to ensure that they are endowed with the skills and knowledge necessary to provide exceptional service to visitors and to create one-of-a-kind experiences enduring recollections for them. Before reaching the customer, all service staff must meet the restaurant's standards for uniforms, personal hygiene,

decorum, speech, eye contact, hand and foot gestures in order to provide the highest level of customer satisfaction.

Important determinants for consumers' selection of Karaoke

354 responses

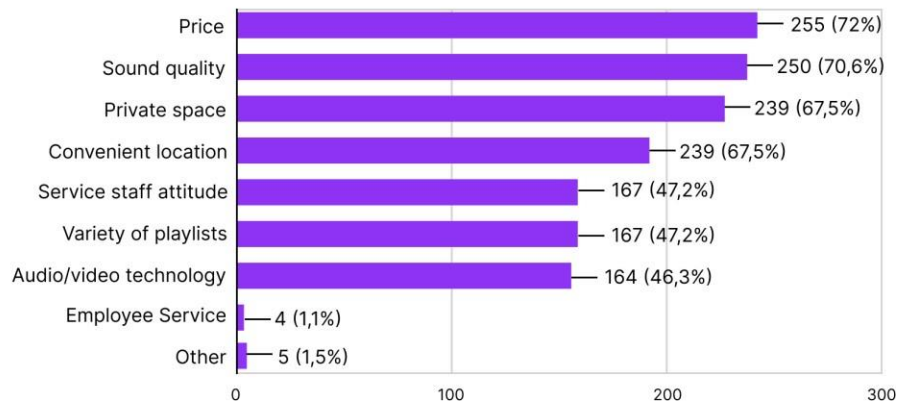


Figure 9. Important determinants for consumers' selection of Karaoke - Survey on demand for Karaoke entertainment services (in Hanoi)

Ultimately, customers want an engaging, fun atmosphere. Customers seek an engaging and lively atmosphere during karaoke sessions. Incorporating features like dynamic lighting effects, interactive interfaces, and immersive visuals can enhance the overall experience and create a vibrant atmosphere that adds to their enjoyment.

By understanding the interests and needs of customers in Hanoi, Vietnam, businesses can design a miniature karaoke model that caters to their preferences and provides a highly enjoyable and personalized experience. This includes offering a diverse song selection, private and comfortable rooms, high-quality audio visual equipment, convenience in booking, and creating a fun and engaging atmosphere.

2.4.2.2. Behaviors

2.4.2.2.1. Socializers

This segment constitutes a significant portion of the target market, estimated at 35% to 45%. It primarily includes young adults and professionals who view karaoke as a means of socializing and spending quality time with friends or colleagues. They value the social aspect of karaoke and seek venues that provide a lively and engaging atmosphere for group activities.

2.4.2.2.2. Music Enthusiasts

Customers in this segment have a genuine passion for music and enjoy exploring a wide range of songs across various genres. They appreciate a comprehensive and diverse song selection that caters to their eclectic musical tastes. Music enthusiasts are likely to value venues

that offer a vast collection of songs, including both popular Vietnamese tracks and international hits.

2.4.2.2.3. *Privacy Seekers*

This segment consists of individuals who prioritize privacy and comfort when engaging in karaoke. They prefer the privacy and personalization offered by private karaoke rooms, allowing them to freely express themselves without any inhibitions. Privacy seekers appreciate venues that provide well-designed private rooms with high-quality audiovisual equipment and a cozy ambiance.

2.4.2.2.4. *Tech-Savvy Individuals*

Targeting customers who are comfortable with technology and embrace digital solutions for entertainment purposes. Hanoi capital is one of the most modern technology regions in Vietnam, the number of people accessing technology and following trends is also higher than other places. Hanoi ranks 6th in the top 10 leading provinces and cities in terms of readiness index for information and communication technology development and application in 2020 (Hanoimoi, 2021).

No	Name of province	HTKT index	HTNL index	U'D CNTT index	ICT Index	Raking		
						2020	2019	2018
1	2	3	4	5	6	7	8	9
6	Ha Noi	0,59	0,72	0,40	0,5685	6	8	3
7	Ba Ria - Vung Tau	0,71	0,71	0,22	0,5502	7	4	6
8	Lam Dong	0,62	0,81	0,20	0,5453	8	23	13
9	Tay Ninh	0,58	0,79	0,26	0,5452	9	25	33
10	Ninh Thuan	0,50	0,82	0,31	0,5430	10	14	21

Table 2. Top 10 leading provinces and cities on readiness index for information and communication technology development and application in 2020

Source: (Hanoimoi) 2021

2.4.2.2.5. *Occasional Users*

This segment comprises individuals who enjoy karaoke on special occasions or as a form of entertainment during gatherings or celebrations. They may not be regular karaoke enthusiasts but still value the experience as a means of entertainment and creating memorable moments with family and friends. Occasional users appreciate venues that offer a festive and celebratory atmosphere, suitable for their occasional karaoke outings.

By segmenting the target market into these distinct customer segments, businesses can tailor their marketing strategies, product offerings, and customer experiences to address the specific needs and preferences of each segment. This segmentation approach helps optimize marketing efforts, better understand and engage with different customer groups, and cater to their unique motivations for engaging in karaoke.

2.5. Industry player

2.5.1. Player landscape

The karaoke business in Vietnam has a vibrant and fiercely competitive environment. Established karaoke chains, independent karaoke bars, and up-and-coming performers are the main rivals. Each business' competitive advantage is influenced by elements including location, brand reputation, service quality, music selection, price, and customer experience. Insights on our direct and indirect rivals, market share, strengths, weaknesses, and possible chances for differentiation may be gained by doing a thorough competitive study.

Many well-established karaoke chains with a strong brand and presence can be found in Vietnam. These franchises run several locations around the city and draw a sizable clientele with their extensive song selection, cutting-edge amenities, and reliable level of customer care. A lot of young people are drawn to the many new entertainment options, including microkaraoke rooms with a private area and sound system. These vary from local karaoke joints on a modest scale to larger places that target certain clientele groups. These places often distinguish themselves by offering a particular environment with a private area, a unique music selection, or a themed experience.

The "three big bosses" in the microkaraoke box industry nationwide are Joint Stock Company SM Corp., Icool, and Gold Game. The end of 2017 saw the launch of the Okara Studio initiative by SM Corp., a company that provides karaoke equipment. This unit now has more than 100 outposts around the nation after only two years. After more than a year, ICool, a unit that specializes in developing karaoke restaurant systems, has also created 50 locations for karaoke boxes in the mall. In the meantime, Gold Game, a company in the gaming industry, also engages in the karaoke box service sector close to amusement parks in commercial districts (TruyenhinhHaugiang, 2022).

They have a sizable market share and are one of the top microkaraoke box businesses in Vietnam. The "big three" have established a strong presence in well-known business districts and shopping malls and have built a devoted clientele by providing a large range of rooms and

cutting-edge audio-visual equipment.

Some units also use the tiny karaoke box concept on a larger scale, such as the Music Recording Box and Muzic Box, in addition to the mini karaoke room in the commercial center. They are competitors in the industry and are renowned for both their large song collection and affordable costs, with branches thoughtfully positioned in residential neighborhoods in popular Hanoi districts. They draw a large audience, which includes working people, young people, and families.

Additionally, many karaoke establishments distinguish themselves by providing a wide selection of songs in several languages, including globally, regionally, and locally popular music from a variety of genres. Offering a large variety of songs is a crucial competitive advantage in luring clients with various musical tastes. Additionally, karaoke establishments have invested in cutting-edge audio-visual systems, top-notch sound equipment, and vibrant lighting effects that will provide patrons with an enticing and alluring experience. Additionally, amenities like a touch-screen song selection system, cozy seating arrangements, and private rooms with contemporary design give karaoke establishments a competitive edge. In today's cutthroat business environment, providing exceptional customer service is a critical distinction. Karaoke venues may acquire a competitive advantage and increase client loyalty by prioritizing customer happiness via attentive personnel, timely service, and customized experiences.

The karaoke business is included in Business 4.0's more comprehensive and open approach to all industries. The Fourth Industrial Revolution combines innovations from several industries. As a result, it has a more thorough and modern appearance. Some karaoke establishments embrace digital integration by incorporating smartphone or tablet applications for music selection, enabling customers to make bespoke playlists, and improving the overall user experience. Some karaoke establishments are implementing distinctive themes or ideas to cater to certain consumer categories. Examples include karaoke rooms with a retro theme, K-pop-themed rooms, or cosplay enthusiast rooms, all of which provide an unforgettable and immersive experience.

It is crucial to carry out a thorough analysis of the competitive landscape in order to compete successfully in the Vietnamese karaoke market. This research should look at the strengths and weaknesses of the major players, identify the market, and look for chances for differentiation. We will position our karaoke model as a strong contender in the market by routinely analyzing industry trends, client input, and ongoing innovation. We may get important information on the effect of political, economic, sociocultural, technical, environmental, and legal variables on the karaoke sector by doing in-depth market research inside Vietnam. This study will help us discover market gaps and establish strategies while also providing a thorough insight into the industry overview, market segmentation, and competitive landscape of a profitable and cutting-edge business model for karaoke in Vietnam.

2.5.2. Players analysis

	Conventional players		New style players
	Traditional karaoke	Okara Studio	Muzic Box
Service	Karaoke room by the hour. Provide food and drink.	Mini karaoke rooms for minute-based rental. Sending voice recording to customers through their phone number or an application on their phone.	Mini karaoke rooms for hourly rental. Providing food and drinks.
Establishments	There are many traditional karaoke bars all over Vietnam	Over 60 branches located in various shopping centers throughout Vietnam, including all three regions of North, Central, and South.	5 branches located in districts of Hanoi: - Hai Ba Trung - Ha Dong - Dong Da - Gia Lam - Nam Tu Liem
Price	VND 200.000 - 1.000.000/ hour	Flexible prices ranging from VND 20.000/10 minutes to VND 100.000/60 minutes.	Before 6pm: flat rate of VND 60.000/hour for all types of rooms. After 6pm: - Double room (1-2 people): VND 90.000/hour - Group room (3-6 people): VND 120.000/hour
Strength	Large, spacious singing room for large groups. There are a lot of karaoke bars so don't be afraid of running out of rooms during peak hours.	Reasonable prices. Special service of recording customers' singing. Numerous locations in major shopping centers attracting a large number of potential customers. Flexible singing time starting from just 10 minutes.	Reasonable prices. Food and drink services available. Many locations. Well-known to customers through various social media platforms.

Weakness	<p>High price.</p> <p>Small groups will find it difficult to book rooms.</p> <p>Less privacy and comfort.</p> <p>Songs are not rich, less updated with new songs.</p> <p>There are some bars with unhealthy services that make customers afraid to choose a place to sing.</p>	<p>Karaoke rooms are designed with transparent glass, limiting users' privacy.</p> <p>The rooms have a relatively small area (less than 2m²), which may not be suitable for customers who are afraid of small spaces.</p> <p>No food and drink services available like other karaoke brands.</p>	<p>Karaoke room decoration is not attractive.</p> <p>During weekends or holidays, the high volume of customers may cause long wait times for many customers.</p>
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Table 3. Analysis of players in the Karaoke industry

The miniature karaoke model addressed several weaknesses present in the traditional karaoke model. The limitations of the traditional model, such as limited privacy, high operating costs, and a lack of customization options, have been effectively resolved. However, despite these significant improvements, we recognize that there are still some remaining limitations that need to be addressed. Therefore, we have made the decision to establish a karaoke business model that specifically targets these outstanding limitations. Through continuous innovation and a customer-centric approach, we aim to create a karaoke experience that surpasses the expectations of our customers and sets a new standard in the industry.

III. BUSINESS INTRODUCTION

3.1. Company information

International Name: **HARMONYHUT LIMITED LIABILITY COMPANY**

Tax Code: 0123456789

Address: 10 Xuan Thuy, Dich Vong Ward, Cau Giay District, Hanoi City, Vietnam

Representative: Le Thi Thien Thanh (born in 2001 - Hanoi)

Phone: 033 782 3438

Operating Date: 2023-07-06

Managed by: Tax Department of Hanoi City

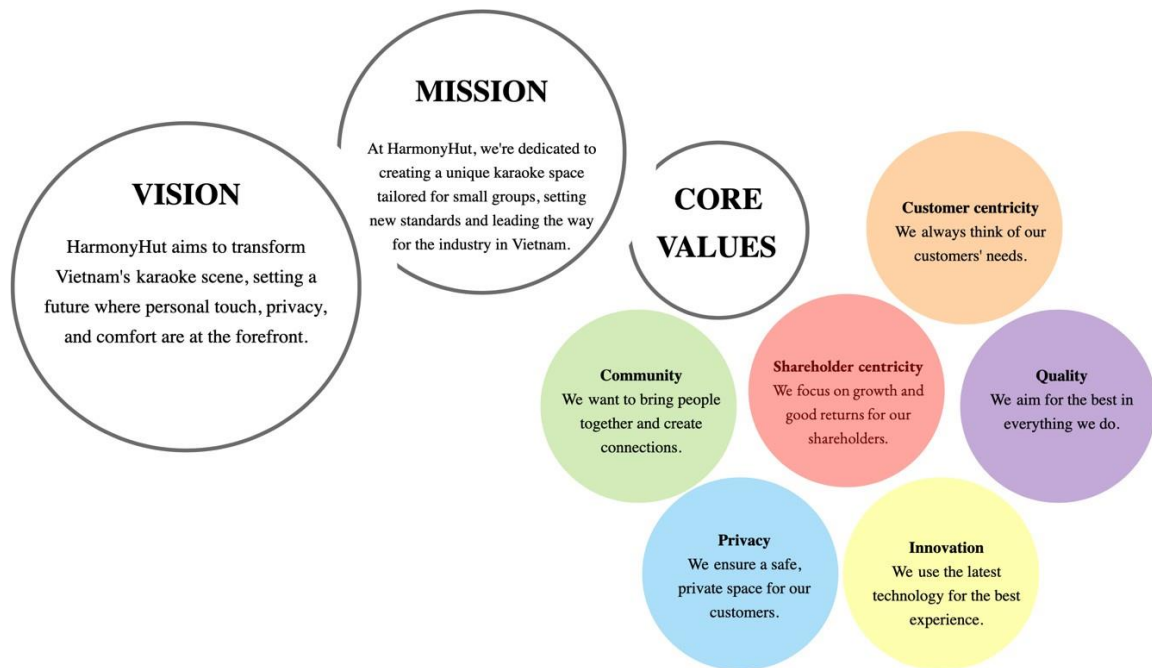
Type of Enterprise: Limited Liability Company

Status: Active (granted registration certificate)

Last Updated Tax Code: 0123456789 on 2023-07-06 23:59:35.

Industry Code	Industry Name	Details
9329	Other entertainment and recreation activities	Providing karaoke rooms for entertainment; Providing food and drink services in karaoke rooms.
5610	Restaurants and mobile food service activities	Providing food and drink services in karaoke rooms.
5630	Beverage serving activities	Providing beverage services in karaoke rooms.

3.2. Vision, Mission and Core values



3.3. Unique selling points

HarmonyHut Limited Liability Company unique selling point lies in our ability to offer a highly differentiated karaoke experience that is specifically tailored to small groups of customers. We address the key market challenges identified earlier, such as inadequate privacy and comfort, limited customization and personalization, and the high costs associated with traditional karaoke establishments.

Our mini karaoke rooms provide the following key benefits:

- **Unrivaled affordability:** By catering to small groups of 2-6 people, we offer a budget-friendly solution that attracts a broad range of customers, particularly those with limited spending power.
- **Adaptable room options:** Our diverse array of room sizes and configurations accommodate various group sizes, ensuring a comfortable and intimate experience for all our patrons.
- **Enhanced privacy and comfort:** The combination of soundproofed rooms, adjustable lighting, and cozy seating creates an inviting atmosphere where customers can fully enjoy their karaoke sessions without distractions or interruptions.

- Customization and personalization: We emphasize customer preferences by providing an extensive selection of songs, themes, and food and beverage options, enabling our customers to curate their experience based on their unique tastes and requirements.

In conclusion, HarmonyHut LLC value proposition centers around delivering a groundbreaking, affordable, and personalized karaoke experience for small groups in Vietnam. By addressing the key market challenges and offering a highly differentiated service, we are confident in our ability to capture a significant share of the growing karaoke market and solidify our position as a leading provider of mini karaoke rooms in the country.

IV. KEY ACTIVITIES PLAN

4.1. Key resources

4.1.1. Human resources

"HarmonyHut - Mini Karaoke Room" significantly benefits from our staff's commitment and expertise. Our personnel, from receptionists to karaoke room attendants, plays a crucial role in providing superior customer service and maintaining the facility.

To ensure that we have the appropriate talent, we have implemented a stringent recruitment process that focuses on identifying individuals with a passion for customer service, a thorough comprehension of the entertainment industry, and expertise in other positions we employ. Our staff receives ongoing training and professional development opportunities, allowing them to provide an exceptional karaoke experience for our customers.

As our business expands, we will progressively increase our workforce to satisfy the rising demand. We seek to establish a productive and inclusive workplace that encourages employee engagement, contentment, and long-term commitment.

The organizational design of "HarmonyHut - Mini Karaoke Room" is intended to facilitate effective operation and seamless customer service. To administer our karaoke business effectively, we adhere to a hierarchical organizational structure with a variety of duties.

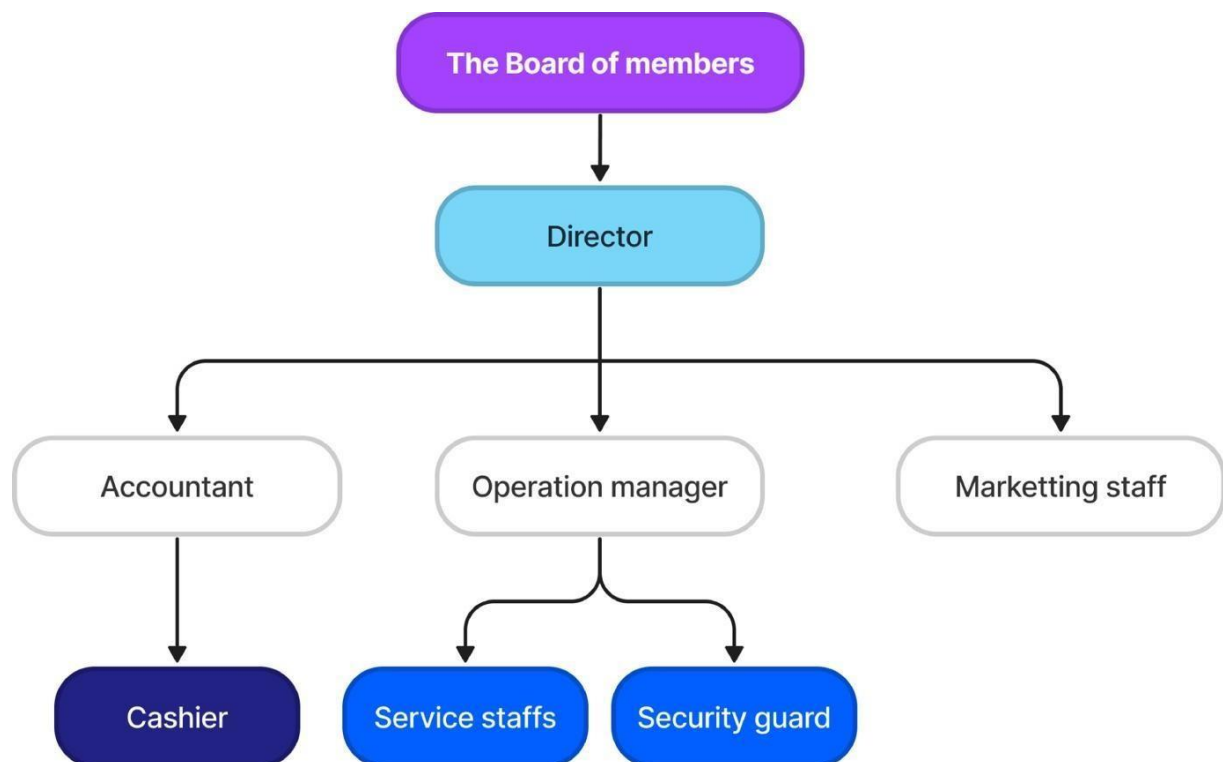


Figure 10. Structure of HarmonyHut Limited Liability Company

The Board of members of HarmonyHut Limited Liability Company consists of four individuals, including a chairman. This is the company's topmost decision-making entity. The Board of members has the authority and responsibility to elect, relieve, and remove the Chairman of the Board of members, as well as to enter into and terminate contracts with the director and other positions. In addition, the Board of members decides on the organizational structure and management of the company, amends and supplements the company's charter, decides on significant business strategy issues, charter capital increases or decreases, investment projects, and annual financial statements.

The Board of members elects the position of Chairman. The rights and responsibilities of the Chairman of the Board of members are to convene and preside over meetings of the Board of members and to sign resolutions on behalf of the Board of members. Additionally, the Chairman represents the company in external affairs, cultivates relationships with key stakeholders and establishes long-term objectives.

The four members of the board assist the chair in decision-making and offer expertise in their respective disciplines. They participate in board meetings, contribute to the formulation of policies, and offer advice on significant issues. Each board member may have responsibilities in areas such as finances, marketing, operations, and legal compliance.

Given the scale of our company, the director position is filled by a knowledgeable individual. The director is responsible for managing the day-to-day operations of the company. The director is accountable to the Board of members for carrying out his rights and responsibilities. They ensure the efficient utilization of resources, manage personnel, and coordinate activities across multiple locations. Directors collaborate closely with the board of directors, execute their directives, and provide performance reports.

An operation manager is responsible for supervising and managing employees full-time. Management is responsible for recruitment, referral, and performance evaluation. The staff manager ensures that the organization's workforce is competent and motivated. Additionally, address employee concerns, facilitate training programs, and promote a positive workplace.

The service staff consists of four individuals, equally divided into two schedules of six hours each to assure coverage during business hours and continuous customer service. The "HarmonyHut" service personnel are responsible for delivering exceptional client service. They greet and assist customers, collect orders, serve food and beverages, and ensure that the experience is cordial and delightful. The service staff is knowledgeable about the menu items, makes suggestions, and responds promptly to customers' questions and requests. They uphold sanitation and hygiene standards and contribute to a welcoming environment.

A security guard plays a crucial role in maintaining the facility's safety. Protection monitors access points, implements security protocols, and responds to security incidents and emergencies. Additionally, security guards conduct routine patrols, maintain monitoring systems and contribute to the upkeep of a secure environment for employees and customers.

An accountant is responsible for financial reporting and management. Accountants are responsible for bookkeeping, preparing financial statements, and ensuring adherence to accounting regulations and standards. Accountants also monitor financial flow, manage payroll, and deal with tax issues. The team's expertise enables the business to keep accurate financial records and make informed financial decisions.

At HarmonyHut, a cashier is responsible for managing financial transactions. This position accepts customer payments, processes invoices, and maintains accurate revenue and expense records. Cashiers are responsible for ensuring the safety of currency and other payment methods, reconciling accounts and delivering exceptional customer service during transactions.

A marketing staff is responsible for devising and implementing marketing strategies for "HarmonyHut" promotion. Marketing staff conduct market research, determine target demographics and develop marketing campaigns. Marketing staff is responsible for managing the company's online presence, social media accounts and advertising campaigns. The objective is to increase brand recognition, engage consumers and propel business expansion.

These roles and responsibilities are intended to ensure effective administration, streamlined operations, and a positive visitor experience.

With the personnel structure, we propose the salary and welfare regimes for employees as follows:

BASE SALARIES (Unit: 1000 VND)			
Position	Quantity	Monthly salary	Annual salary
Chairman of the Board	1	50.000	600.000
The Board of members	3	90.000	1.080.000
Director	1	20.000	240.000
Operation manager	1	8.000	96.000
Accountant	1	7.500	90.000
Marketing Staff	1	7.500	90.000
Cashier	1	6.000	72.000
Service Staff	4	18.000	216.000
Security guard	1	5.000	60.000

Table 4. Base salary for each position at HarmonyHut

EMPLOYEE WELFARE (Unit: 1000 VND)			
Items	Rate	Total	Note
13th month salary		212.000	<i>Equal 1/12 of the total base salary; Pay in the last month of the year.</i>
Insurance			
Social insurance	17.50%	445.200	<i>Computing based on base salary; Pay in the first month of the year.</i>
Medical insurance	3.00%	76.320	
Unemployment insurance	1.00%	25.440	
Annual team building/travel	1.000.000/ person	14.000	<i>All employees take part in the annual team building; Pay in last half-year</i>

Table 5. Human Resources factors at HarmonyHut

4.1.2. Suppliers resources

The expansion and success of "HarmonyHut - Mini Karaoke Room" is contingent on the formation of sound partnerships. Our essential employees play a vital role in supporting our operations and enabling us to provide high-quality services to consumers. We maintain close relationships with dependable, on-time suppliers who satisfy our quality standards.

Maintaining customer satisfaction necessitates a steady and dependable supply of high-quality karaoke equipment. Our suppliers are well-known for their industry expertise and commitment to delivering superior goods. Regular communication and performance evaluations assist us in evaluating and enhancing our supplier relationships. Furthermore, we maintain a network of quality suppliers to mitigate the risk of supply chain disruptions. By having these resources in place, we can ensure uninterrupted business operations and reduce the likelihood of any delays. Determine the crucial connection between "HarmonyHut - Mini Karaoke Room" and our vendors.

4.1.2.1. The relationship between “HarmonyHut - The Mini Karaoke Room” and suppliers of tangible products

We have established cooperative relationships with dependable suppliers to ensure a constant supply of karaoke equipment, high-quality furniture, and other vital resources including produce, food, and beverages. These vendors play a vital role in preserving the quality and dependability of our karaoke rooms.

- Supplier of sound and light: HDRADIO Vietnam Technology Co., Ltd.

HDRADIO Vietnam Technology Co., Ltd. is a provider of audiovisual apparatus. One of our primary suppliers is an industry-leading producer of audio and lighting equipment. Over the course of ten years of establishment and growth, HDRADIO has solidified its position as the leading provider of authentic audio-visual equipment and comprehensive audio-visual solutions suited to all needs. They provide us with cutting-edge sound systems, microphones, and audio and lighting accessories, ensuring that our customers' karaoke sessions feature crystal-clear sound quality, cutting-edge custom illumination, and total immersion. We are able to deliver cutting-edge sound and lighting technologies and remain ahead of the competition by partnering with a reputable supplier.

- Furniture supplier: Luxe de Neige Architecture and Interior Co., Ltd.

In addition to providing acoustic and lighting equipment, we have partnered with furniture manufacturers and interior designers to create rooms that are both comfortable and aesthetically appealing. Our furniture partners provide us with high-quality seating options, allowing our patrons to unwind and enjoy their karaoke experience. Working with seasoned interior designers enables us to create aesthetically pleasing room layouts that improve the overall space and customer satisfaction.

- Construction materials supplier:

- Ha Khau Building Materials and Construction Joint Stock Company

To construct a karaoke model is not simple; we must collaborate with a supplier of construction materials to create a project according to the design and, most importantly, to fulfill the customer's requirements. From the preparation of materials such as bricks, cement, stone, and gypsum to the transportation phase, Ha Khau Building Materials and Construction Joint Stock Company will ensure timely completion of the construction project. With many years of expertise in the field, it is one of the most prestigious and high-quality material units.

- Viet Hung Trading Joint Stock Company

This is the primary supplier of iron materials, steel pipelines, and construction steel for our buildings and chambers. Attractive benefits and superior product quality have inspired our company to collaborate on the development of a karaoke mini box business model. In addition, the quality of genuine products is entirely protected by law,

reducing the danger of importing counterfeit or low-quality steel from the international market. This protects the reputation of new enterprises even further as we approach customers.

- Fruit supplier: Dung Tam Fruit

Dung Tam Fruit is a provider of pure and reputable products. Dung Tam is dispersing apples, watermelons, guava, and other produce to karaoke businesses, cafés, and grocery stores. In addition, there are fruit imports from the United States, Australia, Japan, and Korea, among others. All fruit products are always of evident origin, contain no chemicals or preservatives (cool, cold, frozen), and guarantee fresh, delectable, gorgeous, and utterly healthy fruit. With the aforementioned benefits, Dung Tam Fruit guarantees to meet all of our needs and requirements.

- Bottled water supplier:

- Lavie Mineral Water Warehouse, located at 62 Phan Dinh Giot, Phuong Liet, Thanh Xuan, Hanoi, is a supplier of bottled beverages. This company specializes in supplying us with Lavie bottled water that meets the requirements of the majority of our customers. LaVie mineral water is now one of Vietnam's prominent mineral water brands. With a dedication to quality and concern for consumer health, LaVie is an excellent option for maintaining mineral balance and supplying us with natural and pure drinking water.

- A supplier of packaged water Bach Khoa (Hanoi)- Alley 27 Dai Co Viet, Hai Ba Trung, Hanoi. Bottled water supplier Hanoi's Bach Khoa is a distinguished wholesale and retail distributor of beer, wine, and bottled water. The Bach Khoa facility provides 99.9% of all soft beverages available on the market, which is an advantage of the facility's diversity of products. In addition to a ridiculously low price, Hanoi city delivery is incredibly quick, and the delivery staff is professional. We believe that Bach Khoa will be the best-fitting supplier of bottled beverages according to our established criteria.

- Packaged food supplier: Ipp Global Co., Ltd.

Ipp Global Co., Ltd., located at 28 Vo Van Dung, O Cho Dua Ward, Dong Da District, Hanoi, is a supplier of packaged products. Ipp Global Co., Ltd. is widely recognized as a market leader in the provision of spiced dried poultry products and dried beef pieces that are both delectable and ensure food safety and hygiene. Currently, Ipp Global Joint Stock Company has more than 500 subsidiaries and distributors spread across the globe.

4.1.2.2. The relationship between “HarmonyHut - The Mini Karaoke Room” and services supplier

Providing convenient and secure payment options is essential for consumer gratification in the digital age. To satisfy this demand, we have partnered with the foremost digital bank in Vietnam, Tien Phong Commercial Joint Stock Bank. This is a reputable distributor of card

payment services. This partnership enables us to accept credit cards, debit cards, and mobile payment methods.

By partnering with a reputable and widely acknowledged payment service provider, we ensure customers' transactions are seamless and secure. This convenience not only improves the overall customer experience, but also enables us to appeal to a larger customer base, including those who prefer contactless payment methods. In addition, our card payment service provider employs stringent security measures to safeguard customer information and prevent fraud. This partnership ensures that our customers' payment data is handled with the utmost care and security.

According to Visa card organization research, there has been a significant shift in the payment patterns of Vietnamese users, with 76% of users using e-wallets and 82% using cards. 50% have begun to use cards more frequently, while 64% have increased their contactless payment utilization (Vietnamplus, 2022). This indicates that providing a variety of payment options increases customer satisfaction and promotes repeat business. We provide a seamless payment experience by partnering with a reputable card payment service provider and adapting our business to the evolving preferences of our customers.

In a nutshell, the success of "HarmonyHut - Mini Karaoke Room" depends on establishing and cultivating essential partnerships. Our supplier relationships ensure a constant supply of karaoke equipment, high-quality furniture, and high-quality food sources, while our partnership with card payment service providers enables secure and convenient payment methods. By leveraging these partnerships, we can improve the overall consumer experience, distinguish ourselves in the market, and establish a solid foundation for future growth and success.

4.1.3. Financial Resources

Having enough financial resources is crucial for maintaining viability, growing the company, and making investments in ongoing development. Through a mix of personal investments and loans from other companies, we get start-up funding. We can rent the location we need, buy the equipment we need, and pay the start-up fees thanks to this award.

We adhere to a comprehensive financial planning and budgeting approach in order to maintain a healthy financial position. This entails routinely keeping an eye on costs, streamlining the income stream, and accumulating money for upcoming purchases and supplies. In order to strengthen our financial situation and hasten our progress, we also aggressively seek out business finance options and investment alliances.

Equity and business loans serve as HarmonyHut's sources of funding. The contributor of the maximum capital of VND 350,000,000 should be the Chairman of the Members' Board. The capital contribution is made by the remaining three members, each of whom contributes VND 150,000,000. The entire sum of this capital contribution is VND 800,000,000. HarmonyHut has several advantages from equity. It first improves the company's financial standing, assuring its stability and adaptability. The contributions of each

team member show our commitment to and faith in the business, establishing a feeling of ownership and devotion. Additionally, equity gives members the ability to make decisions, which empowers us to actively influence the company's strategy and course in the future. Additionally, the equity component symbolizes a long-term commitment in the development of the business by giving the money for growth, development, and new projects.

In addition to its own funds, the firm borrowed an additional 200,000,000 VND from Ha Khau Building Materials and Construction Joint Stock Company. A total of VND 1,000,000,000 came from financial sources, of which VND 800,000,000 came from equity and VND 200,000,000 through corporate loans. The loan interest rate for Ha Khau Building Materials and Construction Joint Stock Company is 8% annually, according the contract. HarmonyHut benefits from a business financing from Ha Khau Building Materials and Construction Joint Stock Company. It offers quick cash to help with the startup and early operations of the firm. With the help of this loan, the company may access more money without giving up ownership or control. It allows for flexibility in managing cash flow and financial needs, making the start-up of the firm easier. Additionally, this loan forges a connection with Ha Khau Building Materials and Construction Joint Stock Company that can result in future supply and finance alliances.

By merging equity and corporate finance, HarmonyHut has established a strong financial base for its operations. In addition to the loan from Ha Khau Building Materials and Construction Joint Stock Company, which offers immediate financial assistance, the capital contribution of four members demonstrates our passion for and confidence in the firm. This well-balanced plan assures that the organization has the stability, agility, and resources necessary for its expansion and success in the cutthroat business environment.

4.2. Strategic Analysis

4.2.1. SWOT Analysis

4.2.1.1. Strengths

4.2.1.1.1. Affordability

By catering to small groups of 2–6 people, we offer a budget-friendly solution. According to market research, the average spending of a person on karaoke in Vietnam is around VND 100.000–VND 200.000 (USD 6.5–USD 8.7). By offering affordable room rates in this range, HarmonyHut is able to appeal to a wide range of customers, including students, office staff, and small family gatherings.

4.2.1.1.2. Customizability

The customer experience is enhanced by our emphasis on custom illumination solutions and a vast selection of food and beverages. According to our consumer survey, 70.6% of karaoke patrons in Vietnam value customizable sound effects, while 59.9% prefer a large variety of food and beverages during their sessions. By offering these features, HarmonyHut

caters to customer preferences and enhances customer satisfaction.

Important determinants for consumers' selection of Karaoke

354 responses

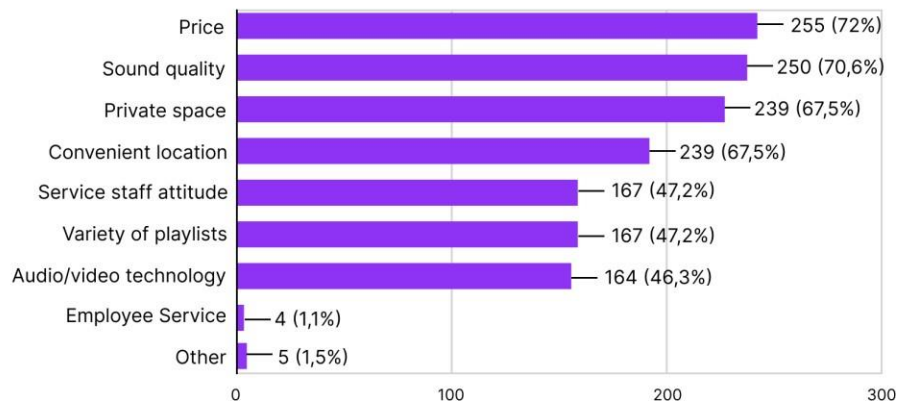


Figure 11. Important determinants for consumers's selection of Karaoke – Survey on demand for Karaoke entertainment services (in Hanoi)

Ranking of utilities that customers want to add to Karaoke Mini service

354 responses

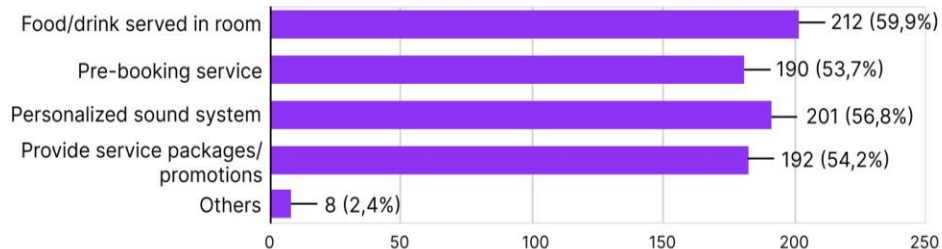


Figure 12. Ranking of utilities that customers want to add to Karaoke Mini service - Survey on demand for Karaoke entertainment services (in Hanoi)

4.2.1.1.3. Modern Karaoke system

Invest in high-quality audio and video equipment to ensure a superior visual and audio experience for customers. By offering a state-of-the-art karaoke system, HarmonyHut sets itself apart from its competitors and offers a more enjoyable singing experience.

4.2.1.1.4. Soundproof rooms

Soundproofing The global market for soundproofing materials is projected to reach USD 3.19 billion by 2028, expanding at a compound annual growth rate (CAGR) of 4.6% between 2021 and 2028. Expenditure on acoustic systems, the combination of high-quality bars and soundproofing measures can create a relaxing atmosphere for customers and ensure compliance

with noise control regulations. Typically, traditional karaoke establishments have privacy concerns, which are addressed by soundproof chambers. According to the data presented in figure 7, 67.5% of karaoke enthusiasts in Vietnam value privacy during their singing sessions. We appeal to customers who place a premium on privacy by offering soundproofed accommodations that are comfortable and private.

4.2.1.2. Weaknesses

4.2.1.2.1. Limited market reach

As a start-up, HarmonyHut can face challenges in establishing an initial mass presence. Because there are not many loyal customers and limited capital, it is difficult to mark the brand with customers. However, by implementing targeted marketing strategies, leveraging social media platforms and collaborating with local influencers, our company is able to raise awareness and attract customers effectively.

4.2.1.2.2. Reliance on urban consumers

Although targeting youthful urban consumers is a viable strategy, it may limit our ability to reach other demographic groups. According to our survey, the district of Cau Giay has the greatest proportion of customers, at 13.8%. District Thanh Xuan comes in second with 11.6%. Therefore, it is difficult for us to rapidly disseminate the brand throughout all of Hanoi's districts.

Level of customer access to Karaoke by districts in Hanoi

354 responses

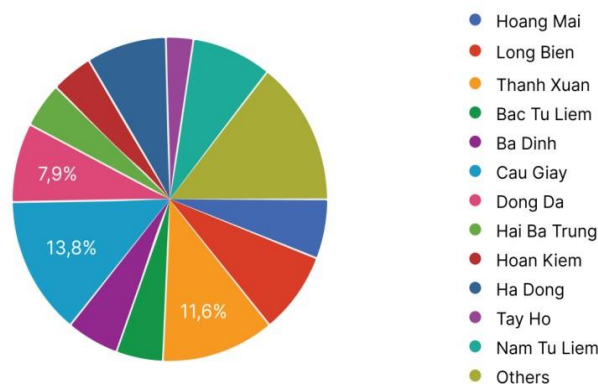


Figure 13. Level of customer access to Karaoke by districts in Hanoi - Survey on demand for Karaoke entertainment services (in Hanoi)

4.2.1.2.3. High Initial Investment

To create a mini karaoke business, we must invest in a variety of resources, including a construction team, a design, a modern sound system, a high-quality image, a private space, and

a soundproofing system that requires a substantial amount of money. To attract customers with distinctive and engaging experiences that respect their privacy, each Mini Karaoke room must be designed affordably.

4.2.1.2.4. Reliance on machines and electric lights

The reliance of the karaoke industry on electrical appliances can result in high energy consumption and increased utility costs. Considering that electricity prices are projected to rise by 3% per year (EVNNPC, 2023), this can be a significant challenge for our business.



Figure 14. Electricity consumption of households/month - Electricity of Vietnam

Source: EVNNPC (2023)

4.2.1.2.5. Regulatory conformance

Businesses are required to comply with pollution control regulations and other industry-specific laws, as well as to maintain their currency. By 2020, the global market for environmental consulting services will be worth USD 32.1 billion, reflecting the increasing need for businesses to navigate complex environmental regulations. Particularly in the Karaoke industry, we must adhere to regulations regarding operating hours, fire protection, loudness restrictions, usable area, and copyright compliance before commencing operations.

4.2.1.3. Opportunities

4.2.1.3.1. Karaoke market is expanding

Vietnam's karaoke industry is expanding swiftly. In 2021, the global karaoke market will be worth approximately USD 6 billion. It is anticipated that by 2030, this amount will reach approximately USD 6.33 billion. The global demand for karaoke as a form of entertainment is expected to increase by approximately 2.5% between 2022 and 2030 (Dantri, 2023). By capitalizing on this expanding market, HarmonyHut is able to acquire a substantial market share by offering a novel and innovative karaoke experience.

4.2.1.3.2. *Tourism and Hospitality Industry*

A significant number of domestic and international tourists visit Vietnam. The maximum number of international visitors to Vietnam over the past decade was 18 million in 2019, a 16.2% increase over 2018 (Baochinhphu, 2019). By positioning ourselves as a must-visit tourist destination, our business model can expedite the expansion of the tourism and hospitality industries. Partnering with travel agencies, hotels, and online travel platforms can assist in promoting our mini karaoke cabins as a novel experience for tourists, thereby increasing our visitor count.

4.2.1.4. **Threats**

4.2.1.4.1. *Fierce competition*

In Vietnam, the karaoke industry is extremely competitive, with many traditional karaoke businesses and entertainment models, such as lounge, pub, and bar. According to our survey, 45.5% of consumers choose Karaoke as their preferred form of entertainment and 35.6% of consumers are interested in the bar and pub model. The disparity is not excessive. In order to stand out from the competition, we must continually differentiate ourselves through the provision of distinctive services, exceptional customer service, and targeted marketing campaigns.

Ranking of the most interested forms of entertainment

354 responses

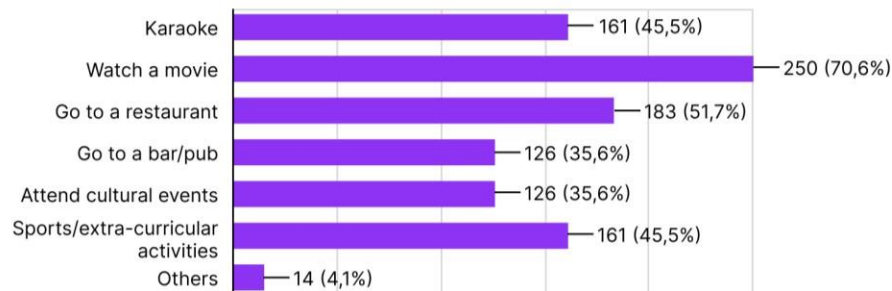


Figure 15. Ranking of the most interested forms of entertainment - Survey on demand for Karaoke entertainment services (in Hanoi)

4.2.1.4.2. *Economic variables*

Vietnam's economic growth is also affected by global economic instability. Vietnam's GDP will increase by 6.2% in 2023, 0.8% less than in 2022 (Reatimes, 2022). This could result in a decrease in discretionary income, thereby affecting consumer expenditure about amusement services including karaoke.

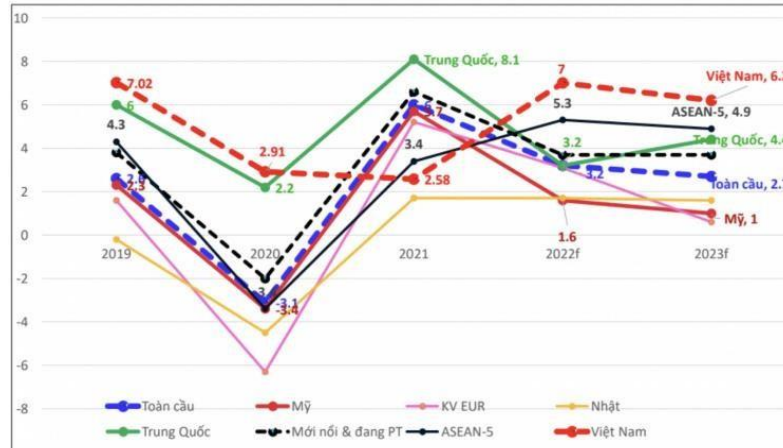


Figure 16. World economic growth chart 2022 - 2023

Source: Reatimes (2022)

Overall, HarmonyHut's mini karaoke room concept has several strengths, such as its unique and differentiated experience, affordability, customizability, and emphasis on privacy and comfort. However, the company needs to address potential weaknesses by implementing effective marketing strategies and diversifying its customer base. By capitalizing on the growing karaoke market, targeting tourists, and staying ahead of the competition, HarmonyHut can position itself as a leading provider of mini karaoke rooms in Vietnam.

4.2.2. 7Ps

4.2.2.1. Product

HarmonyHut employs a product differentiation strategy to stand out in the market. As a small private karaoke room, we prioritize providing an enjoyable and immersive karaoke experience for our customers. Our extensive and regularly updated song library offers a wide selection of songs to cater to various musical preferences. The user-friendly touchscreen interface simplifies song navigation and selection, enhancing the overall user experience. One of our standout features is the premium sound system, ensuring exceptional audio quality that elevates the singing experience. Additionally, we offer additional cuisine and beverage options to enhance the customer experience.

At HarmonyHut, we provide two distinct room types to cater to the varying needs of our guests. Our Queen rooms are designed for smaller groups of 2-3 people, offering a cozy and intimate setting for an enjoyable karaoke experience. For larger gatherings, our King rooms are perfect, accommodating groups of 4-6 people comfortably. With a total of 11 theater rooms spread across one floor, we have ample space to accommodate different party sizes. Whether it's an intimate gathering or a lively celebration, our versatile room options ensure that every guest can find the perfect space to create lasting memories and have an unforgettable time at HarmonyHut.

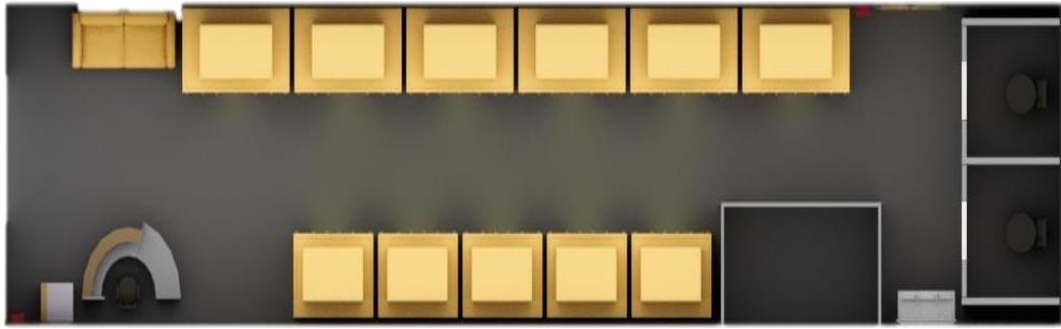


Figure 17. Overview of HarmonyHut

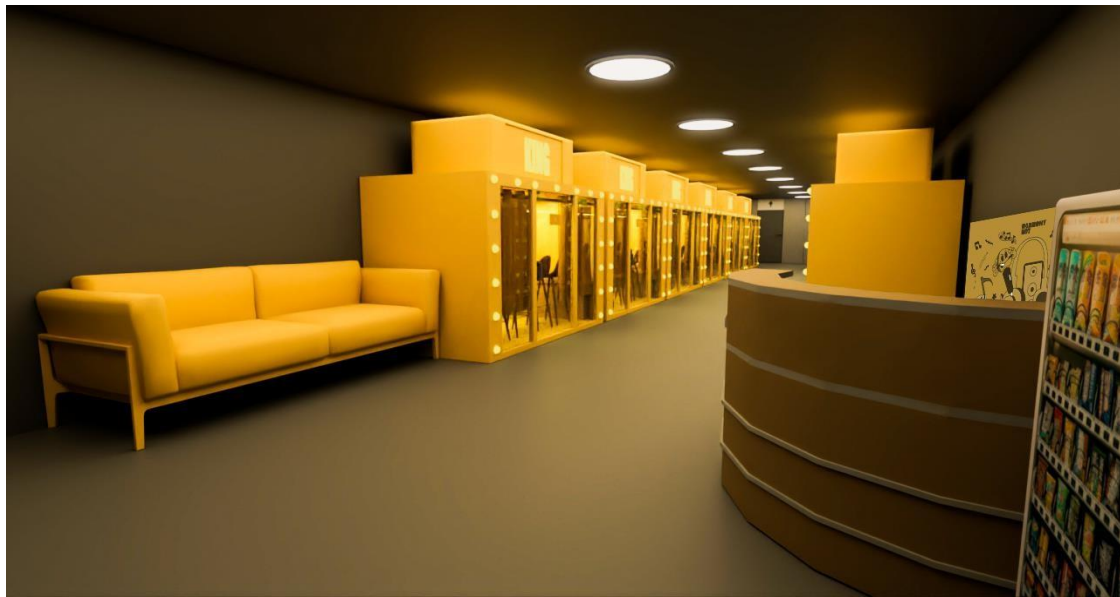


Figure 18. A corner of HarmonyHut

What sets us apart from competitors is our integration with YouTube, enabling customers to access a vast song catalog and sing along to their favorite tracks. Our custom sound feature allows users to adjust sound parameters to match their vocal range, resulting in a more polished singing performance. To enhance the overall experience, in addition to our custom sound feature, each group of guests also receives complimentary souvenir photos to take home, capturing cherished memories. Furthermore, we provide free decoration services for special events like anniversaries and parties, creating a festive ambiance and making celebrations more memorable.

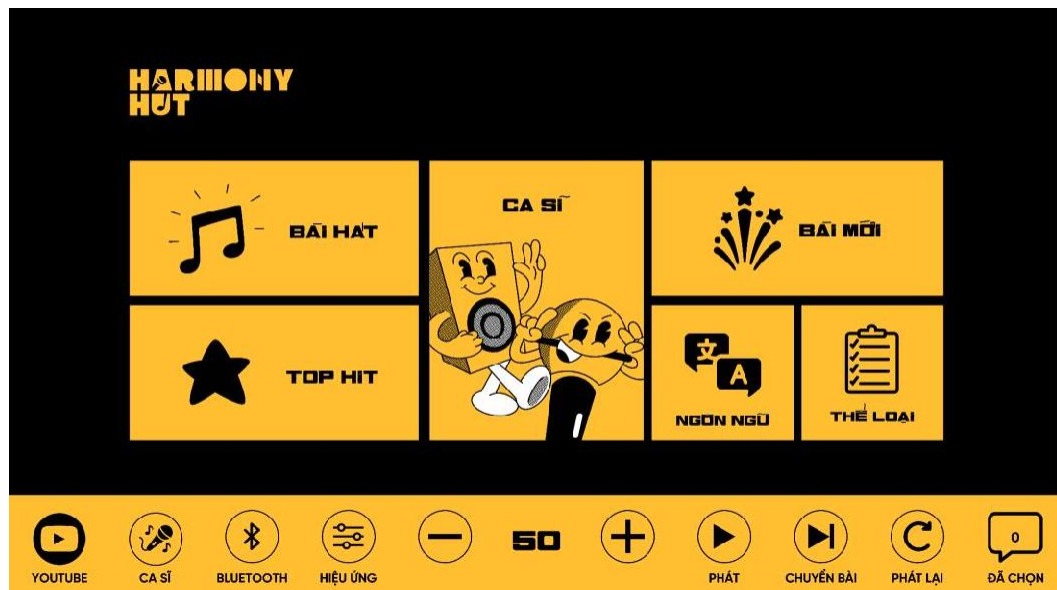


Figure 19. Karaoke singing interface



Figure 20. Backdrop for customers to take check-in photos

By combining a spectacular entertainment experience with delicious food and beverages, our goal is to ensure that every guest has a memorable and enjoyable time in our theater rooms.

4.2.2.2. Price

When it comes to pricing strategies, we employ two approaches. Firstly, we adopt a competitor-based pricing strategy, ensuring that our prices are comparable to other similar establishments in the market. We compare ourselves to Muzic Box, our direct competitor, in terms of their business model, number of rooms, and overall services. Upon careful examination, we have identified several similarities between our establishments. Therefore, we have set our prices at a comparable level to Muzic Box, ensuring that our customers receive

similar value for their money. By offering competitive pricing, we aim to attract customers who are familiar with the pricing structure of Muzic Box and provide them with a comparable experience at HarmonyHut.

Secondly, we implement a flexible pricing strategy, wherein the rates are the same during the noon hours. This is because during this time, people are usually occupied with work or school, and the weather can be quite hot, resulting in fewer customers opting for karaoke. However, after 6:00 PM, when most individuals have finished work or school, and the weather becomes more pleasant, the demand for karaoke increases, influencing the room rates accordingly.

At HarmonyHut, we offer two types of theater rooms to cater to various group sizes. From 10:00 AM–6:00 PM, both the King room and Queen room are priced at the same rate per hour (VND 60.000/hour). However, after 6:00 PM, there is a slight variation in pricing. The Queen room is priced at VND 90.000/hour, while the King room costs VND 120.000/hour. We also provide attractive promotions and special offers, especially on our store's opening day.

Regarding HarmonyHut's food and drink prices, we designed a menu that reflects our costs and includes the cost of service. As a result, the prices listed on our menus are slightly higher than those of outside establishments, with an average spread of around 82%. This allows us to maintain quality standards and ensure a satisfying dining experience for our customers.

Below is the menu at HarmonyHut:

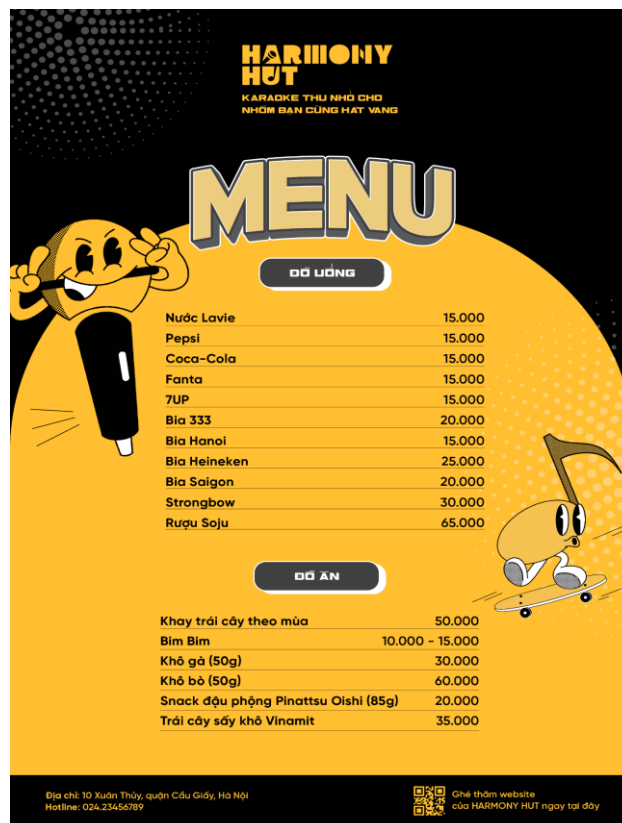


Figure 21. HarmonyHut's menu

4.2.2.3. Place

HarmonyHut adopts a direct distribution strategy. Customers can experience our services on-site. In addition, we leverage the power of popular social networks such as Google, Facebook, Instagram, and TikTok to expand our reach and connect with a larger audience. Through these platforms, we can effectively promote our brand, engage with potential customers, and attract more people to experience the unique offerings of HarmonyHut. As part of our growth plans, we have exciting prospects of opening new chains in the coming years, allowing us to bring our exceptional karaoke experience to even more locations and cater to the entertainment needs of a broader customer base.

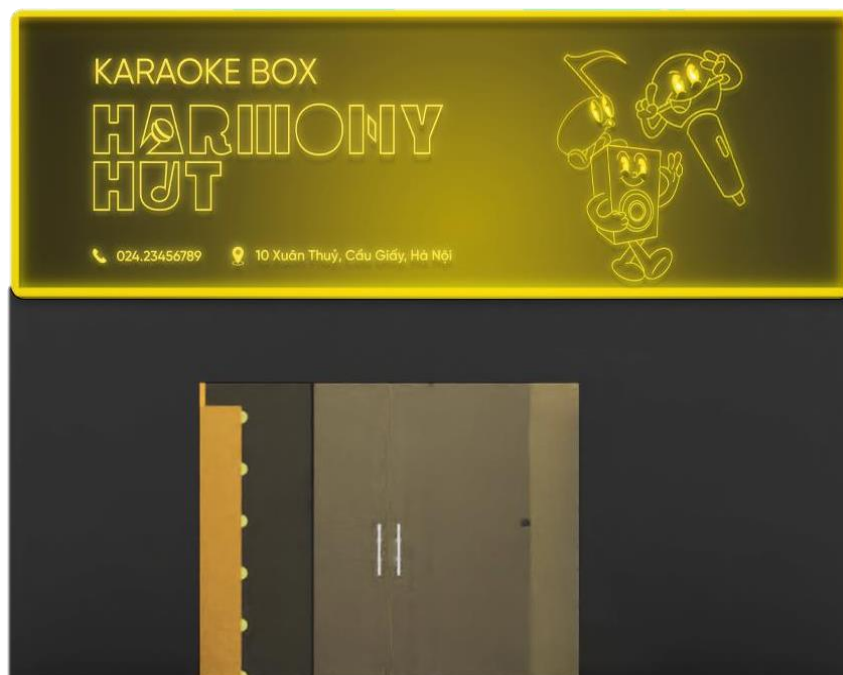


Figure 22. HarmonyHut

4.2.2.4. Promotion

HarmonyHut employs a variety of tools and strategies to effectively promote our products to customers. Our promotional efforts encompass advertising, sales promotion, public relations, and direct marketing, allowing us to reach and engage with our target audience.

Tools	Types	Actions	Objectives
Advertising	Print ads	<ul style="list-style-type: none"> • Distribute flyers and leaflets during the grand opening of the store at the entrances of universities, high schools, or densely populated areas within the vicinity. • Hand out business cards to customers at the payment counter after printing their invoices. 	<ul style="list-style-type: none"> • Introduce customers to the brand and increase brand awareness. • Capture customers' attention and convince them of the attractiveness of the service. • Generate a desire to go karaoke singing.
	Social Media	<ul style="list-style-type: none"> • Update news about the venue's ambiance, promotional activities, and customer feedback through HarmonyHut's Facebook page, Instagram, and share them with various groups and communities on social media platforms. • Run page ads, boosted page posts, and story ads featuring service introductions and promotions. 	
	Paid search	<ul style="list-style-type: none"> • Run CPC advertising for search results on Google. 	
Sales promotion	Loyalty program	<ul style="list-style-type: none"> • Customers need to collect 10 stamps on their loyalty card to redeem one free session of mini karaoke singing for one hour. 	<ul style="list-style-type: none"> • Drive sales growth. • Increase loyalty among existing customers and attract new customers.

<p>PR</p>	<p>Free gift with purchase</p> <ul style="list-style-type: none"> ● On the grand opening day, customers will have the opportunity to participate in the exciting "Lucky Spin Game" by scanning a QR code on their mobile phones. Each customer will receive one spin for every transaction. This competition will continue for one week after the opening day. The prizes include: <ul style="list-style-type: none"> ○ Various ice cream flavors ○ HarmonyHut logo-printed tote bags ○ Discounts ranging from 5% to 20% for room bookings on the store's opening day ○ 5% discount for the next visit ○ iPhone 14 Pro Max ● For every group of customers who come to use our services, we will offer them a bottle of water for VND 10.000. ● Organizing mini-games on special occasions and holidays with discount voucher prizes. ● Implementing discount programs, giveaways, and special activities on occasions such as Christmas, Lunar New Year, Valentine's Day, International Women's Day. <ul style="list-style-type: none"> ● Establish contract agreements with KOLS on TikTok and popular YouTubers in the entertainment industry with high engagement and reach on their TikTok and YouTube videos. 	<ul style="list-style-type: none"> ● Enhance brand recognition. <ul style="list-style-type: none"> ● Build a positive brand image. ● Enhance brand visibility and attract potential customers. ● Foster a close relationship with customers.
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		<ul style="list-style-type: none"> • The videos will be posted during prime hours on TikTok from 11:30 AM to 1:30 PM, with a special emphasis on uploading videos on YouTube during weekends from 12:00 PM to 4:00 PM. 	
	Words of mouth	<ul style="list-style-type: none"> • Organize mini-games on the Facebook page with requirements for players to share or tag friends to participate. • Provide promotional vouchers for customers to use on their next visit in exchange for sharing their experience at the venue on their personal page. • Make efforts to satisfy customers, thereby building their emotional connection and trust in the brand. 	
Direct marketing	Direct selling	<ul style="list-style-type: none"> • The receptionist will introduce promotional programs to customers. 	<ul style="list-style-type: none"> • Establish a professional and attentive image in the eyes of customers.

Table 6. HarmonyHut's promotional campaign

4.2.2.5. People

In our operations and service delivery, we at "HarmonyHut - Mini Karaoke Room" prioritize a human-centered approach. We believe that our employees play a significant role in fostering a welcoming environment for our consumers. To foster a positive work environment and guarantee employee fulfillment, we provide exhaustive training programs to all employees prior to the launch of the business. These training programs cover customer service abilities, technical qualifications, and product knowledge. We also encourage open communication and teamwork among team members, thereby fostering an inclusive and supportive work environment.

Recognizing the significance of employee engagement and motivation, we implement initiatives such as performance-based incentives, employee recognition programs, and career advancement opportunities. We value our employees' contributions and endeavor to create a work environment that encourages collaboration, creativity, and personal development. In addition, we actively solicit employee and customer feedback in order to continuously enhance our services. Regular staff meetings, feedback receptacles, and customer feedback channels are used to collect information and identify improvement opportunities.

By placing an emphasis on people orientation, we hope to provide an exceptional customer experience and foster a harmonious work environment, which will result in customer loyalty. The service staff's ability to empathize with consumers will yield numerous benefits. This facilitates the consulting, guiding, and receipt of visitor requests, and impresses guests with the service quality at karaoke mini box. Furthermore, the welcoming staff will assist businesses in retaining loyal customers and attracting new ones.

HarmonyHut places a strong emphasis on training and developing its employees to ensure exceptional service and a harmonious working environment. Each employee receives comprehensive training specific to their roles and responsibilities. The board members receive ongoing training to stay up-to-date with industry trends. The director undergoes extensive training in leadership and operational efficiency. The full-time manager receives training in employee management and customer service. Accountants and cashiers are trained in financial management and transaction processing. Security guards are trained in security protocols and emergency response. Service staff members receive training in customer service and operating karaoke equipment. The marketing staff undergoes training in marketing strategies and stays updated with the latest trends. Through these training programs, HarmonyHut ensures that its employees possess the necessary skills and knowledge to deliver exceptional service and contribute to the success of the business.

4.2.2.6. Process

HarmonyHut ensures a seamless and enjoyable karaoke experience for its customers through five essential steps: welcoming them with a positive ambiance, assisting with reservations and personalized service, offering continuous support and maintaining a clean environment, providing transparent and convenient payment options, and expressing gratitude and gathering feedback to improve services for future guests.

- **Step 1: Welcome customers**

At HarmonyHut, we understand the importance of creating a positive and welcoming atmosphere for our customers from the moment they arrive. We take great care to ensure that our premises are clean, well-maintained, and provide a friendly ambiance. When customers walk through our doors, our staff warmly welcomes them and takes the time to understand their specific needs. We inquire about the number of participants and the desired time for their karaoke session, allowing us to recommend the most

suitable room options. We provide detailed information about our room types and prices, enabling customers to make informed decisions. Additionally, we inquire if the customer would like to make a reservation. For those who choose to book, we promptly assist them in the process. If a reservation is not made, we check the availability of rooms and offer suitable options to ensure a seamless and enjoyable experience for our valued customers.

- Step 2: Reservations and customer service

At HarmonyHut, our commitment to exceptional customer service extends to the reservations and customer service process. Once customers have made a reservation, our attentive staff members guide them to their reserved theater room or help them select a room that best suits their requirements. We take the time to assist customers in familiarizing themselves with the music equipment, screens, and other available services within the room, ensuring they have a seamless and enjoyable karaoke experience. Furthermore, we prioritize meeting our customers' needs by providing a wide range of drinks, food, and other amenities as requested. Our dedicated team is committed to delivering professional service while maintaining the privacy and comfort of our customers. If customers have any specific requests or additional items they would like to order, we are more than happy to accommodate them, going above and beyond to exceed their expectations.

- Step 3: Customer tracking and support

At HarmonyHut, we prioritize customer tracking and support to ensure an exceptional karaoke experience. Our diligent staff regularly checks the audio equipment, monitors, and systems to maintain the highest quality of service for our customers. We understand the importance of responsiveness, and we promptly address any special requests from customers, whether it's changing songs, adjusting volume levels, or attending to other specific needs. Additionally, we take great pride in maintaining a clean, neat, and hygienic environment within our karaoke rooms. We pay attention to every detail to ensure that the space is always inviting, comfortable, and conducive to an enjoyable singing session. By providing attentive customer tracking and support, we aim to create a memorable and satisfying experience for all our valued patrons.

- Step 4: Pay the bill

At HarmonyHut, we strive to make the payment process smooth and convenient for our customers. When it's time to settle the bill, we provide detailed invoices or quotes to customers based on their room usage and any additional services they have availed. We offer various payment options to accommodate their preferences, whether it's cash, card, e-wallet, or other forms of payment. Our dedicated staff is trained to handle transactions efficiently and securely, ensuring a seamless payment experience. If required, we also provide additional invoices and related documents to customers for their records or reimbursement purposes. Our goal is to ensure transparency and

customer satisfaction throughout the payment process, allowing our guests to focus on enjoying their karaoke experience without any hassles.

- Step 5: End transaction

As the customer's karaoke session comes to an end, we express our gratitude for their patronage and extend our well wishes for a wonderful day ahead. We value their feedback and take this opportunity to kindly ask for their input on their experience at HarmonyHut. We genuinely appreciate their thoughts and suggestions, as they play a crucial role in helping us enhance our services for the future. Once the customer has provided their feedback, our dedicated team swiftly moves into action, cleaning up the theater room and ensuring it is tidy and inviting for the next customer. We take pride in maintaining a clean and welcoming environment, ready to provide an exceptional karaoke experience to every guest.

4.2.2.7. Physical Evidence

4.2.2.7.1. Logo

The HarmonyHut logo perfectly captures the essence of our karaoke mini box model and reflects the core ideas that define our business. The name "Hut" symbolizes the small-scale and intimate experience we offer, making it a perfect fit for our mini karaoke rooms designed for four people. On the other hand, "Harmony" embodies the heart of karaoke, representing music and the blending of voices in perfect unison. The combination of these words in our logo emphasizes the unique and personalized karaoke experience we provide. The main colors, black and gold, were carefully chosen to align with the sophistication and elegance that our organization embodies. Together, the logo conveys a sense of exclusivity and the promise of a harmonious and unforgettable karaoke journey for our valued members.



Figure 23. HarmonyHut's logo

4.2.2.7.2. Social Media

Here are the social media channels we can leverage to effectively reach our valued customers and build a strong online presence.

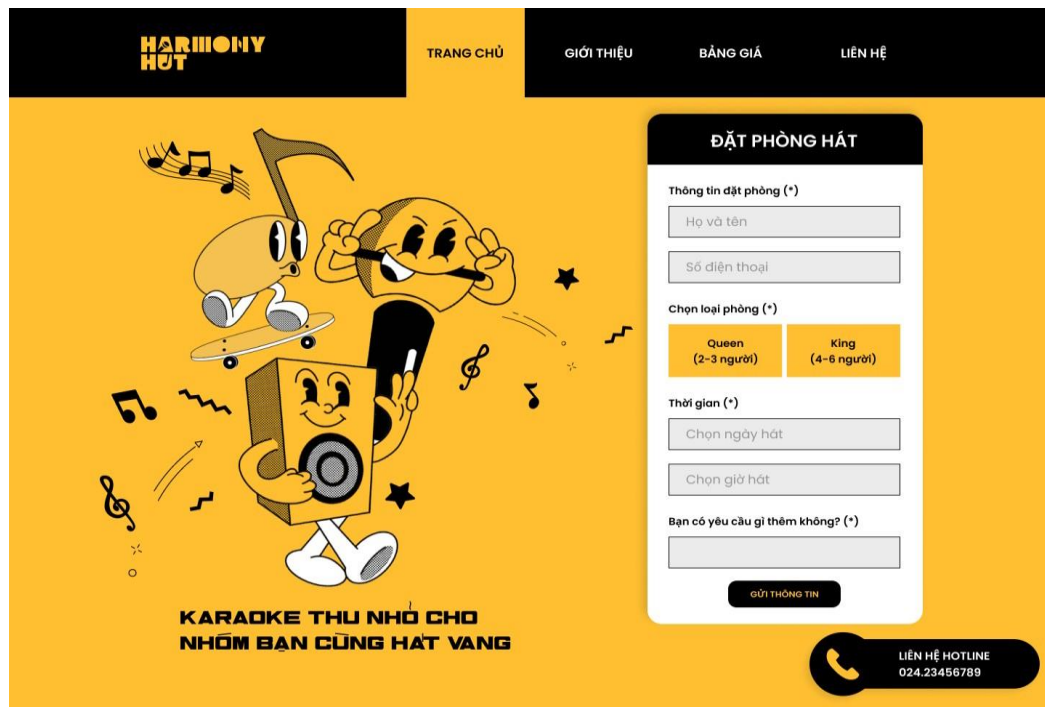


Figure 24. Website interface

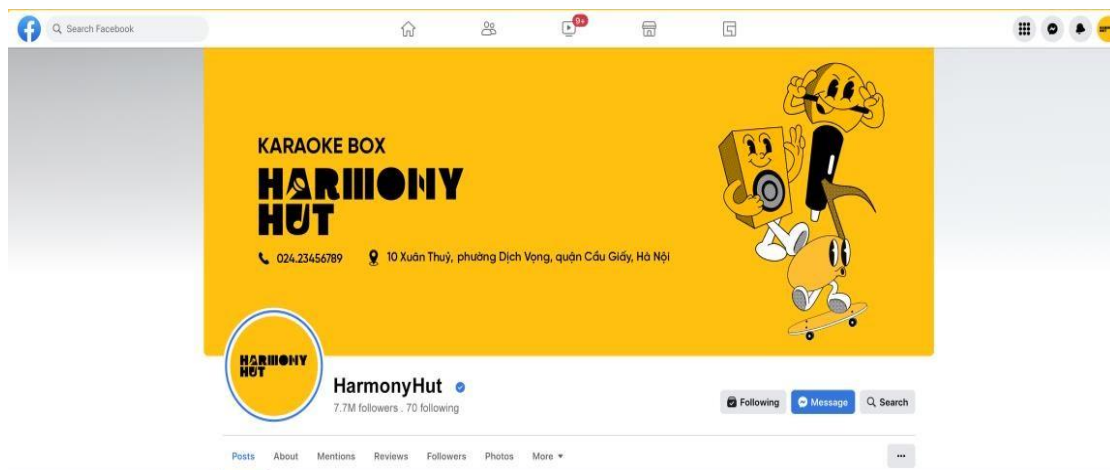


Figure 25. Facebook interface

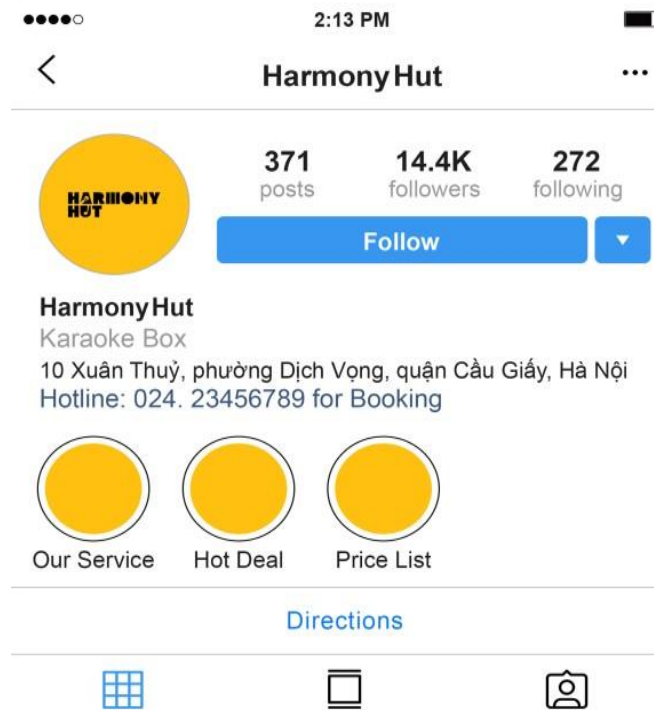


Figure 26. Instagram interface

4.2.2.7.3. Card visit

Business cards play a crucial role in networking and professional communication. HarmonyHut's business cards will help customers easily remember contact information and booking details. Through high-quality business cards, we take pride in showcasing our professionalism and ensuring close connections with our customers.



Figure 27. Card visit

4.2.2.7.4 Sample room images

Below are images of the interior furnishings of the King room and the Queen room at HarmonyHut.



Figure 28. King room



Figure 29. Queen room

4.2.3. Marketing plan in the first year

Based on the above marketing strategy, we have meticulously outlined the comprehensive marketing plan and devised the implementation channels to be executed within the first year of launching and promoting our services. The plan encompasses various key initiatives aimed at effectively reaching our target audience and maximizing brand visibility. Through a combination of online and offline marketing efforts, we intend to create widespread awareness, generate customer interest, and drive customer engagement.

Phase	Target audience	Channel	Activities	Budget (Unit: 1000 VND)
Pre-opening stage (1/9/2023 - 22/11/2023)	Age: 18 - 35 Location: Hanoi	Facebook, Instagram, Tiktok	A series of 20 countdown posts leading up to the grand opening of HarmonyHut will share the following content: <ul style="list-style-type: none"> The story and inspiration behind the establishment of HarmonyHut. Introduction to the mini karaoke bar concept. The unique experiences that customers will enjoy at HarmonyHut. Announcement of special promotional offers in celebration of the grand opening. 	5.000
			Running advertising campaigns featuring posts to introduce the brand and promotional programs.	
		Direct	Distribute 2000 flyers at the entrances of universities, high schools, or crowded gathering spots in the nearby area to introduce the services, announce the karaoke venue, the opening date, and the promotional discounts for the grand opening.	4.000

Opening stage (23/11/2023 - 30/11/2023)	Facebook, Instagram, Tiktok	Continuously share content revolving around the HarmonyHut opening event, including: <ul style="list-style-type: none"> • Official announcement of the opening. • Exciting promotions during the opening week. • Impressive images and figures from the first week. • Introduction to the services. 	2.500
		Run advertisement campaigns featuring posts about the promotional program.	
Post-opening stage (1/12/2023 - 31/8/2024)		Maintain a daily posting frequency of one post per day and run advertising campaigns on Facebook, Instagram, and TikTok.	50.000
		Organizing mini-games on special occasions and holidays with discount voucher prizes.	
		Invite influencers specialized in reviewing entertainment venues in Hanoi, such as Check in Vietnam (TikTok), to experience HarmonyHut's services, and collaborate with Halo Hanoi (Facebook) to write advertising articles for HarmonyHut.	100.000
	Website	Running Google Search Ads.	30.000
	Direct	Implementing discount programs, giveaways, and special activities on occasions such as Christmas, Lunar New Year, Valentine's Day, International Women's Day.	20.000
TOTAL BUDGET (Unit: 1000 VND)			211.500

Table 7. Marketing plan for the first year of HarmonyHut

4.3. Revenue Stream

Based on the business strategy and target customer orientation mentioned above, we focus on developing products for two objects, including:

- Small group (2–3 people): suitable for the Queen Room
- Large group (4–6 people): suitable for the King Room

In which "Small group" accounts for 60% of total revenue and "Large group" accounts for 40% of total revenue.

Besides, the revenue comes from two different operating hours:

- 10:00 AM–6:00 PM: King and Queen rooms are both VND 60.000/hour.
- 6:00 PM–0:00 AM: The King room is VND 120.000/hour, the Queen room is VND 90.000/hour.

In which time slot "10:00 AM–6:00 PM" accounts for 25% of total revenue and time slot "6:00 PM–0:00 AM" accounts for 75% of total revenue.

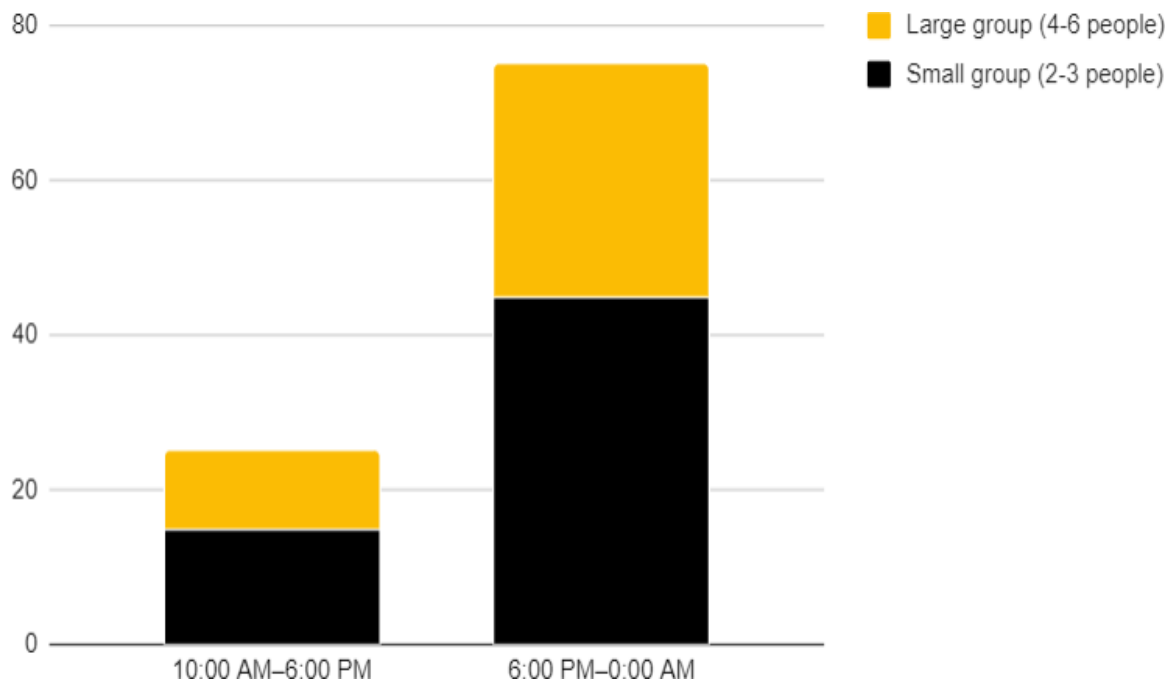


Figure 30. The estimated plan for allocating sales by customer group and time slot

ESTIMATED QUANTITY OF SNACK AND BEVERAGE (10:00 AM–6:00 PM)						
Service	Optimistic		Most Likely		Pessimistic	
	King room	Queen room	King room	Queen room	King room	Queen room
Beverage	20	30	18	28	15	25
Snack	10	20	8	18	6	16
Total (per day)	30	50	26	46	21	41
Total (per year)	10.950	18.250	9.490	16.790	7.665	14.965

Table 8. The estimated quantity of snack and beverage 10:00 AM–6:00 PM

ESTIMATED QUANTITY OF RENTAL SERVICE (10:00 AM–6:00 PM)						
Service	Optimistic		Most Likely		Pessimistic	
	King room	Queen room	King room	Queen room	King room	Queen room
Rental Hours	13	28	12	25	10	22
Total (per day)	13	28	12	25	10	22
Total (per year)	4.745	10.220	4.380	9.125	3.650	8.030

Table 9. The estimated quantity of rental service 10:00 AM–6:00 PM

ESTIMATED QUANTITY OF SNACK AND BEVERAGE (6:00 PM–0:00 AM)						
Service	Optimistic		Most Likely		Pessimistic	
	King room	Queen room	King room	Queen room	King room	Queen room
Beverage	56	80	51	72	42	60
Snack	32	45	28	36	22	30
Total (per day)	88	125	79	108	64	90
Total (per year)	32.120	45.625	28.835	39.420	23.360	32.850

Table 10. The estimated quantity of snack and beverage 6:00 PM–0:00 AM

ESTIMATED QUANTITY OF RENTAL SERVICE (6:00 PM–0:00 AM)						
Service	Optimistic		Most Likely		Pessimistic	
	King room	Queen room	King room	Queen room	King room	Queen room
Rental Hours	28	40	26	38	24	36
Total (per day)	28	40	26	38	24	36
Total (per year)	10.220	14.600	9.490	13.870	8.760	13.140

Table 11. The estimated quantity of rental service 6:00 PM–0:00 AM

a. Optimistic

REVENUE OF RENTAL HOURS (PER YEAR)				
Optimistic				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Hours)	4.745	10.220	10.220	14.600
Price (2) (Unit: 1000 VND)	60	60	120	90
Revenue = (1) * (2) (Unit: 1000 VND)	284.700	613.200	1.226.400	1.314.000

Table 12. Estimated revenue of Rental Hours per year in Optimistic case

REVENUE OF BEVERAGE (PER YEAR)				
Optimistic				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Piece)	7.300	10.950	20.440	29.200
Price (2) (Unit: 1000 VND)	18	18	18	18
Revenue = (1) * (2) (Unit: 1000 VND)	131.400	197.100	367.920	525.600

Table 13. Estimated revenue of Beverage per year in Optimistic case

REVENUE OF SNACK (PER YEAR)				
Optimistic				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Piece)	3.650	7.300	11.680	16.425
Price (2) (Unit: 1000 VND)	31	31	31	31
Revenue = (1) * (2) (Unit: 1000 VND)	113.150	226.300	362.080	509.175

Table 14. Estimated revenue of Snack per year in Optimistic case

TOTAL REVENUE (PER YEAR)		
Optimistic		
Service	King room	Queen room
10:00 AM–6:00 PM	529.250	1.036.600
6:00 PM–0:00 AM	1.956.400	2.348.775
Total Revenue (Unit: 1000 VND)	5.871.025	

Table 15. Estimated total revenue per year in Optimistic case

b. Most Likely

REVENUE OF RENTAL HOURS (PER YEAR)				
Most Likely				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Hours)	4.380	9.125	9.490	13.870
Price (2) (Unit: 1000 VND)	60	60	120	90
Revenue = (1) * (2) (Unit: 1000 VND)	262.800	547.500	1.138.800	1.248.300

Table 16. Estimated revenue of Rental Hours per year in Most Likely case

REVENUE OF BEVERAGE (PER YEAR)				
Most Likely				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Piece)	6.570	10.220	18.615	26.280
Price (2) (Unit: 1000 VND)	18	18	18	18
Revenue = (1) * (2) (Unit: 1000 VND)	118.260	183.960	335.070	473.040

Table 17. Estimated revenue of Beverage per year in Most Likely case

REVENUE OF SNACK (PER YEAR)				
Most Likely				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Piece)	2.920	6.570	10.220	13.140
Price (2) (Unit: 1000 VND)	31	31	31	31
Revenue = (1) * (2) (Unit: 1000 VND)	90.520	203.670	316.820	407.340

Table 18. Estimated revenue of Snack per year in Most Likely case

TOTAL REVENUE (PER YEAR)		
Most Likely		
Service	King room	Queen room
10:00 AM–6:00 PM	471.580	935.130
6:00 PM–0:00 AM	1.790.690	2.128.680
Total Revenue (Unit: 1000 VND)	5.326.080	

Table 19. Estimated total revenue per year in Most Likely case

c. Pessimistic

REVENUE OF RENTAL HOURS (PER YEAR)				
Pessimistic				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Hours)	3.650	8.030	8.760	13.140
Price (2) (Unit: 1000 VND)	60	60	120	90
Revenue = (1) * (2) (Unit: 1000 VND)	219.000	481.800	1.051.200	1.182.600

Table 20. Estimated revenue of Rental Hours per year in Pessimistic case

REVENUE OF BEVERAGE (PER YEAR)				
Pessimistic				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Piece)	5.475	9.125	15.330	21.900
Price (2) (Unit: 1000 VND)	18	18	18	18
Revenue = (1) * (2) (Unit: 1000 VND)	98.550	164.250	275.940	394.200

Table 21. Estimated revenue of Beverage per year in Pessimistic case

REVENUE OF SNACK (PER YEAR)				
Pessimistic				
Items	10:00 AM–6:00 PM		6:00 PM–0:00 AM	
	King room	Queen room	King room	Queen room
Quantity (1) (Unit: Piece)	2.190	5.840	8.030	10.950
Price (2) (Unit: 1000 VND)	31	31	31	31
Revenue = (1) * (2) (Unit: 1000 VND)	67.890	181.040	248.930	339.450

Table 22. Estimated revenue of Smack per year in Pessimistic case

TOTAL REVENUE (PER YEAR)		
Pessimistic		
Service	King room	Queen room
10:00 AM–6:00 PM	385.440	827.090
6:00 PM–0:00 AM	1.576.070	1.916.250
Total Revenue (Unit: 1000 VND)	4.704.850	

Table 23. Estimated total revenue per year in Pessimistic case

4.4. Capital Expenditures

INITIAL INVESTMENT - COST					
(Unit: 1000 VND)					
No.	Items	Unit	Quantity	Unit Price	Total
Furniture					72.000
1	Counter	set	01	7.500	7.500
2	Furniture	set	15	4.300	64.500
Sales Management Tools					14.000
3	Cashier machine	piece	01	5.900	5.900
4	Receipt printers	piece	01	2.500	2.500
5	POS terminal	piece	01	1.100	1.100
6	Sales management software	year	01	3.600	3.600
7	Billing paper	roll	10	5	50
8	Cash box	piece	01	850	850
Brand identity kit					6.240

9	Billboard	piece	01	3.500	3.500
10	Uniform	piece	14	100	1.400
11	Business card	piece	200	2	400
12	Menu	piece	20	15	300
13	VIP card	piece	100	5	500
14	Employee identification card	piece	14	10	140
Karaoke equipment					362.390
15	Amplifier set	piece	15	6.600	99.000
16	Song selection device	piece	15	4.400	66.000
17	Song Copyright	year	01	2.000	2.000
18	Screen	piece	16	3.690	59.040
19	Micro	set	15	1.290	19.350
20	Speaker System	set	15	7.800	117.000
Customer service tools					5.200
21	Glass	set	01	2.000	2.000
22	Porcelain plate	set	01	1.500	1.500
23	Eating utensil	set	01	500	500
24	Storage Tray	piece	15	20	300
25	Ashtray	piece	15	30	450
26	Paper napkins	piece	15	30	450
Decoration and equipment					369.600
27	Ground improvement and decoration	set	01	273.000	273.000
28	Air conditioning	piece	15	5.500	82.500
29	Camera	set	02	4.800	9.600
30	Fridge	piece	01	4.500	4.500
Others					94.540
31	Legal procedure	set	01	5.000	5.000
32	Rental fee	month	03	25.000	75.000
33	Cleaning stuff	set	02	200	400
34	Internet installation	month	03	200	600
35	Initial marketing costs	set	01	11.500	11.500
36	Fire fighting equipment	set	01	2.040	2.040
TOTAL					923.970

Table 24. Initial cost of HarmonyHut

INITIAL INVESTMENT - DEPRECIATION						
(Unit: 1.000 VND)						
No.	Items	Unit	Cost	Estimated Useful Life	Per Year	Per Month
1	Counter	set	7.500	7	1.071,43	89,29
2	Furniture	set	64.500	7	9.214,29	767,86
3	Cashier machine	piece	5.900	5	1.180,00	98,33
4	Receipt printers	piece	2.500	7	357,14	29,76
5	POS terminal	piece	1.100	5	220,00	18,33
6	Cash box	piece	850	7	121,43	10,12
7	Billboard	piece	3.500	5	700,00	58,33
8	Amplifier set	piece	99.000	5	19.800,00	1.650,00
9	Song selection device	piece	66.000	5	13.200,00	1.100,00
10	Screen	piece	59.040	5	11.808,00	984,00
11	Micro	set	19.350	5	3.870,00	322,50
12	Speaker System	set	117.000	5	23.400,00	1.950,00
13	Ground improvement and decoration	set	273.000	7	39.000,00	3.250,00
14	Air conditioning	piece	82.500	5	16.500,00	1.375,00
15	Camera	set	9.600	5	1.920,00	160,00
16	Fridge	piece	4.500	5	900,00	75,00
17	Cleaning stuff	set	400	5	80,00	6,67
18	Fire fighting equipment	set	2.040	5	408,00	34,00
Total					143.750,29	11.979,19

Table 25. Depreciation cost of HarmonyHut

4.5. Cost of service

a. Cost of goods sold

COST OF GOODS SOLD - Optimistic Case						
(Unit: 1000 VND)						
No	Item	Quantity	Unit	Cost	Total cost per day	Total cost per year
1	Lavie water	35	bottle	4,60	161,00	58.765,00
2	Pepsi	8	can	8,90	71,20	25.988,00
3	Coca-Cola	8	can	8,70	69,60	25.404,00
4	Fanta	8	can	9,30	74,40	27.156,00
5	7UP	8	can	9,60	76,80	28.032,00
6	333 beer	20	can	12,30	246,00	89.790,00
7	Hanoi beer	30	can	10,60	318,00	116.070,00
8	Heineken beer	28	can	20,20	565,60	206.444,00
9	Saigon beer	11	can	12,10	133,10	48.581,50
10	Strongbow	15	bottle	21,10	316,50	115.522,50
11	Soju Korice	15	bottle	49,60	744,00	271.560,00
12	Tray of seasonal fruit	30	tray	29,20	876,00	319.740,00
13	Snacks	17	pack	5,80	98,60	35.989,00
14	Mixifood Chicken jerky (50gr)	20	pack	17,40	348,00	127.020,00
15	Mixifood Beef jerky (50gr)	10	pack	31,00	310,00	113.150,00
16	Pinattsu peanut varieties (85gr)	20	pack	9,10	182,00	66.430,00
17	Vinamit synthetic preserved fruit (100gr)	10	pack	28,30	283,00	103.295,00
Total		293		287,80	4.873,80	1.778.937,00

Table 26. Estimated cost of goods sold in Optimistic Case

COST OF GOODS SOLD - Most Likely Case						
(Unit: 1000 VND)						
No	Item	Quantity	Unit	Cost	Total cost per day	Total cost per year
1	Lavie water	30	bottle	4,60	138,00	50.370,00
2	Pepsi	10	can	8,90	89,00	32.485,00
3	Coca-Cola	10	can	8,70	87,00	31.755,00
4	Fanta	10	can	9,30	93,00	33.945,00
5	7UP	10	can	9,60	96,00	35.040,00
6	333 beer	15	can	12,30	184,50	67.342,50
7	Hanoi beer	30	can	10,60	318,00	116.070,00
8	Heineken beer	18	can	20,20	363,60	132.714,00
9	Saigon beer	20	can	12,10	242,00	88.330,00
10	Strongbow	10	bottle	21,10	211,00	77.015,00
11	Soju Korice	6	bottle	49,60	297,60	108.624,00
12	Tray of seasonal fruit	15	tray	29,20	438,00	159.870,00
13	Snacks	30	pack	5,80	174,00	63.510,00
14	Mixifood Chicken jerky (50gr)	10	pack	17,40	174,00	63.510,00
15	Mixifood Beef jerky (50gr)	14	pack	31,00	434,00	158.410,00
16	Pinattsu peanut varieties (85gr)	16	pack	9,10	145,60	53.144,00
17	Vinamit synthetic preserved fruit (100gr)	5	pack	28,30	141,50	51.647,50
Total		259		287,80	3.626,80	1.323.782,00

Table 27. Estimated cost of goods sold in Most Likely Case

COST OF GOODS SOLD - Pessimistic Case						
(Unit: 1000 VND)						
No	Item	Quantity	Unit	Cost	Total cost per day	Total cost per year
1	Lavie water	45	bottle	4,60	207,00	75.555,00
2	Pepsi	12	can	8,90	106,80	38.982,00
3	Coca-Cola	12	can	8,70	104,40	38.106,00
4	Fanta	12	can	9,30	111,60	40.734,00
5	7UP	12	can	9,60	115,20	42.048,00
6	333 beer	10	can	12,30	123,00	44.895,00
7	Hanoi beer	16	can	10,60	169,60	61.904,00
8	Heineken beer	9	can	20,20	181,80	66.357,00
9	Saigon beer	11	can	12,10	133,10	48.581,50
10	Strongbow	2	bottle	21,10	42,20	15.403,00
11	Soju Korice	1	bottle	49,60	49,60	18.104,00
12	Tray of seasonal fruit	1	tray	29,20	29,20	10.658,00
13	Snacks	38	pack	5,80	220,40	80.446,00
14	Mixifood Chicken jerky (50gr)	8	pack	17,40	139,20	50.808,00
15	Mixifood Beef jerky (50gr)	5	pack	31,00	155,00	56.575,00
16	Pinattsu peanut varieties (85gr)	20	pack	9,10	182,00	66.430,00
17	Vinamit synthetic preserved fruit (100gr)	2	pack	28,30	56,60	20.659,00
Total		216		287,80	2.126,70	776.245,50

Table 28. Estimated cost of goods sold in Pessimistic Case

b. Growth in Cost of goods sold

GROWTH IN COGS - Optimistic					
Year	2023 (last 3 months)	2024	2025	2026	2027
Growth rate		5%	8%	8%	10%
COGS (Unit: 1000 VND)	444.734,25	1.867.883,85	2.017.314, 56	2.178.699, 72	2.396.569,69

Table 29. Estimated growth in COGS in Optimistic Case

GROWTH IN COGS - Most Likely					
Year	2023 (last 3 months)	2024	2025	2026	2027
Growth rate		3%	3%	5%	8%
COGS (Unit: 1000 VND)	330.945,50	1.363.495, 46	1.404.400, 32	1.474.620, 34	1.592.589,97

Table 30. Estimated growth in COGS in Most Likely Case

GROWTH IN COGS - Pessimistic					
Year	2023 (last 3 months)	2024	2025	2026	2027
Growth rate		2%	5%	5%	8%
COGS (Unit: 1000 VND)	194.061,38	791.770,41	831.358,93	872.926,88	942.761,03

Table 31. Estimated growth in COGS in Pessimistic Case

4.6. Operating expense

a. Office expense

OFFICE EXPENSE					
(Unit: 1000 VND)					
Items	2023 (last 3 months)	2024	2025	2026	2027
Business license tax	500	2.000	2.000	2.000	2.000
Office rental		300.000	300.000	300.000	300.000
Electric bill	60.000	240.000	240.000	240.000	240.000
Internet bill		2.400	2.400	2.400	2.400
Water bill	9.400	37.600	37.600	37.600	37.600
Daily cleaning	4.050	16.200	16.200	16.200	16.200
TOTAL	73.950	598.200	598.200	598.200	598.200

Table 32. Estimation for office expenses in 4,25 years

b. Payroll expense

TOTAL PAYROLL EXPENSE						
(Unit: 1000 VND)						
Items	2023 (last 3 months)	2024	2025	2026	2027	Note
Base salary	636.000	2.544.000	2.544.000	2.620.320	2.620.320	<i>Can be quartered in 2023 and increase by 3% after two years</i>
Employee welfare	136.740	772.960	772.960	772.960	772.960	<i>Insurance expense can be quartered and paid in 2023; No team building in the first year</i>
TOTAL	772.740	3.316.960	3.316.960	3.393.280	3.393.280	

Table 33. HarmonyHut's payroll expense

c. Marketing expense

MARKETING EXPENSE					
(Unit: 1000 VND)					
Items	2023 (last 3 months)	2024	2025	2026	2027
Growth rate			3%	3%	5%
Advertising	7.500	30.000	30.900	31.827	33.418
Sales promotion		50.000	51.500	53.045	55.697
PR		100.000	103.000	106.090	111.395
Direct marketing	4.000	20.000	20.600	21.218	22.279
TOTAL	11.500	200.000	206.000	212.180	222.789

Table 34. HarmonyHut's marketing expense

d. Total operating expense

TOTAL EXPENSE					
(Unit: 1000 VND)					
Items	2023 (last 3 months)	2024	2025	2026	2027
Office expenses	73.950	598.200	598.200	598.200	598.200
Payroll expenses	772.740	3.316.960	3.316.960	3.393.280	3.393.280
Marketing expense	11.500	200.000	206.000	212.180	222.789
Depreciation	35.937,57	143.750,29	143.750,29	143.750,29	143.750,29
Costs incurred	50.000	40.000	40.000	40.000	40.000
TOTAL	944.128	4.298.910	4.304.910	4.387.410	4.398.019

Table 35. HarmonyHut's operating expense

V. FINANCIAL ANALYSIS

5.1. Inflation rate

According to Satista.com's forecast, Vietnam's inflation is expected to stay at 3.92% in 2023 and fall to 3.5% from 2024 to 2027.

Vietnam Inflation Rate (2023 - 2027)

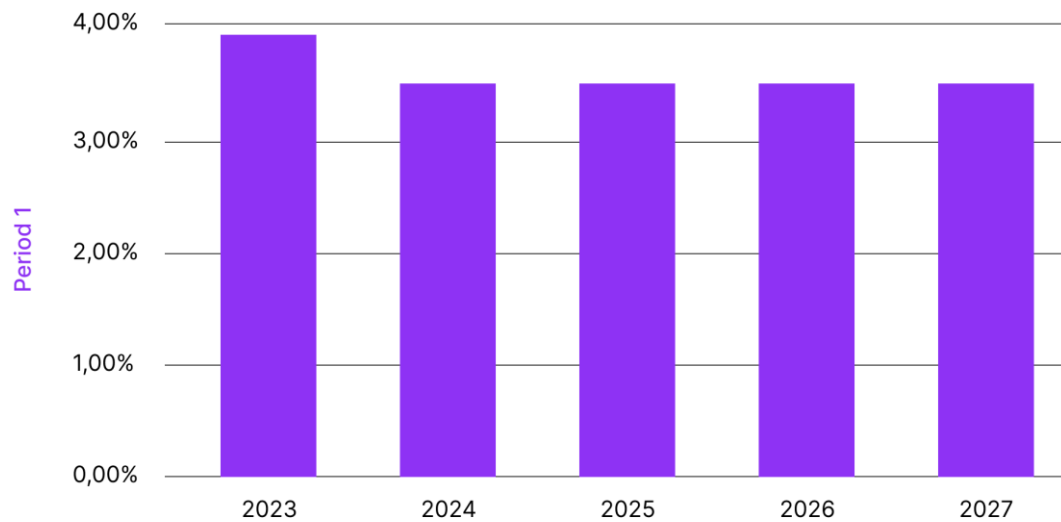


Figure 31. Vietnam's inflation rate forecast (2023 - 2027)

5.2. Financial project

The formula calculates the real rate of return (also known as inflation-adjusted return):

$$\text{Real rate of return} = \frac{1 + \text{Gross profit margin}}{1 + \text{Inflation rate}} - 1$$

Our financial plan for Optimistic, Most Likely, and Pessimistic scenarios as the following:

a. Optimistic

INCOME STATEMENT - OPTIMISTIC CASE					
(Unit: 1000 VND)					
Year	2023 (last 3 months)	2024	2025	2026	2027
Net Revenue (1)	1.467.756,25	6.340.707,00	6.974.777,70	7.672.255,47	8.823.093,79
Growth rate		8%	10%	10%	15%
Cost of Goods Sold (2)	444.734,25	1.867.883,85	2.017.314,56	2.178.699,72	2.396.569,69
Gross Profit (3) = (1) - (2)	1.023.022,00	4.472.823,15	4.957.463,14	5.493.555,75	6.426.524,10
Real rate of return (4)	63,30%	64,77%	65,29%	65,80%	66,99%
Gross Profit After Adjustment (5) = (1) * (4)	929.066,55	4.107.148,22	4.553.957,41	5.048.335,08	5.910.836,54
Expenses					
Office expenses	73.950,00	598.200,00	598.200,00	598.200,00	598.200,00
Payroll expenses	772.740,00	3.316.960,00	3.316.960,00	3.393.280,00	3.393.280,00
Marketing expense	11.500,00	200.000,00	206.000,00	212.180,00	222.789,00
Depreciation	35.937,57	143.750,29	143.750,29	143.750,29	143.750,29
Costs incurred	50.000,00	40.000,00	40.000,00	40.000,00	40.000,00
Interest expense	3.750,00	12.000,00	9.000,00	6.000,00	3.000,00
Total Expenses (6)	947.877,57	4.310.910,29	4.313.910,29	4.393.410,29	4.401.019,29
Earning Before Tax (7) = (5) - (6)	-18.811,02	-203.762,07	240.047,12	654.924,79	1.509.817,25

Taxes (30%) (*)			72.014,14	196.477,44	452.945,17
Net Profit After tax = (7) - (*)	-18.811,02	-203.762,07	168.032,98	458.447,35	1.056.872,07
Gross Profit Margin (%)	69,70%	70,54%	71,08%	71,60%	72,84%
Net Profit Margin (%)	-2%	-5%	4%	9%	18%

Table 36. HarmonyHut's income statement - optimistic case

CASH FLOW STATEMENT - OPTIMISTIC CASE						
(Unit: 1000 VND)						
Year	Beginning cash	2023 (last 3 months)	2024	2025	2026	2027
Cash Inflow						
Beginning	76.030,00	76.030,00	141.174,43	263.087,29	794.626,00	1.658.294,03
Net		1.467.756,25	6.340.707,00	6.974.777,70	7.672.255,47	8.823.093,79
Total	76.030,00	1.543.786,25	6.481.881,43	7.237.864,99	8.466.881,47	10.481.387,82
Cash Outflow						
Cost of goods sold (3)		444.734,25	1.867.883,85	2.017.314,56	2.178.699,72	2.396.569,69
Office expenses (4)		73.950,00	598.200,00	598.200,00	598.200,00	598.200,00
Payroll expenses (5)		772.740,00	3.316.960,00	3.316.960,00	3.393.280,00	3.393.280,00
Marketing expense		11.500,00	200.000,00	206.000,00	212.180,00	222.789,00

(6)						
Depreciation (7)		35.937,57	143.750,29	143.750,29	143.750,29	143.750,29
Costs incurred (8)		50.000,00	40.000,00	40.000,00	40.000,00	40.000,00
Interest expense (9)		3.750,00	12.000,00	9.000,00	6.000,00	3.000,00
Annual bank debt payment (10)		10.000,00	40.000,00	40.000,00	40.000,00	40.000,00
Tax payments (30%) (11)				72.014,14	196.477,44	452.945,17
Total Cash out (**) = (3) + (4) + (5) + (6) + (7) + (8) + (9) + (10) + (11)	0	1.402.611,82	6.218.794,14	6.443.238,99	6.808.587,45	7.290.534,15
Net Cash Flow = (*) - (**)	76.030,00	141.174,43	263.087,29	794.626,00	1.658.294,03	3.190.853,66

Table 37. HarmonyHut's cash flow statement - optimistic case

PAYBACK PERIOD - OPTIMISTIC CASE				
(Unit: 1000 VND)				
Time	Initial Outlay	Net Cash Flow	Cumulative Cash Flow	Payback Period
Start	-1.000.000		-1.000.000	
2023 (last 3 months)		141.174,43	-858.825,57	
2024		263.087,29	-595.738,28	15 months
2025		794.626,00	198.887,72	9 months
2026		1.658.294,03	1.857.181,75	
2027		3.190.853,66	5.048.035,41	
Payback period = 15 months + (595.738,28/794.626)*12 = 24 months				

Table 38. HarmonyHut's payback period - optimistic case

FINANCIAL ASSESSMENT INDICATORS - OPTIMISTIC		
No.	Index	
1	Estimated cost of capital	12,2%
2	NPV (Unit: 1000 VND)	3.741.011,09
3	IRR	57%
4	Profitability Index (PI)	5,05

Table 39. HarmonyHut's financial assessment indicators - optimistic case

b. Most Likely

INCOME STATEMENT - MOST LIKELY CASE					
(Unit: 1000 VND)					
Year	2023 (last 3 months)	2024	2025	2026	2027
Net Revenue (1)	1.331.520,00	5.752.166,40	6.212.339,71	6.833.573,68	7.721.938,26
Growth rate		8%	8%	10%	13%
Cost of Goods Sold (2)	330.945,50	1.363.495,46	1.404.400,32	1.474.620,34	1.592.589,97
Gross Profit (3) = (1) - (2)	1.000.574,50	4.388.670,94	4.807.939,39	5.358.953,34	6.129.348,29
Real rate of return (4)	68,54%	70,33%	71,39%	72,39%	73,31%
Gross Profit After Adjustment (5) = (1) * (4)	912.604,81	4.045.744,07	4.435.272,95	4.946.645,67	5.660.947,30
Expenses					
Office expenses	73.950,00	598.200,00	598.200,00	598.200,00	598.200,00
Payroll expenses	772.740,00	3.316.960,00	3.316.960,00	3.393.280,00	3.393.280,00
Marketing expense	11.500,00	200.000,00	206.000,00	212.180,00	222.789,00
Depreciation	35.937,57	143.750,29	143.750,29	143.750,29	143.750,29
Costs incurred	50.000,00	40.000,00	40.000,00	40.000,00	40.000,00
Interest expense	3.750,00	12.000,00	9.000,00	6.000,00	3.000,00
Total Expenses (6)	947.877,57	4.310.910,29	4.313.910,29	4.393.410,29	4.401.019,29
Earning Before Tax (7) = (5) - (6)	-35.272,76	-265.166,22	121.362,66	553.235,38	1.259.928,01
Taxes (30%) (*)			36.408,80	165.970,61	377.978,40

Net Profit After tax = (7) - (*)	-35.272,76	-265.166,22	84.953,86	387.264,76	881.949,61
Gross Profit Margin (%)	75,15%	76,30%	77,39%	78,42%	79,38%
Net Profit Margin (%)	-4%	-7%	2%	8%	16%

Table 40. HarmonyHut's income statement - most likely case

CASH FLOW STATEMENT - MOST LIKELY CASE						
(Unit: 1000 VND)						
Year	Beginning	2023 (last 3 months)	2024	2025	2026	2027
Cash Inflow						
Beginning cash (1)	76.030,00	76.030,00	118.726,93	156.487,58	574.107,88	1.333.680,32
Net Revenue (2)		1.331.520,00	5.752.166,40	6.212.339,71	6.833.573,68	7.721.938,26
Total Cash in (*) = (1) + (2)	76.030,00	1.407.550,00	5.870.893,33	6.368.827,29	7.407.681,57	9.055.618,59
Cash Outflow						
Cost of goods sold (3)		330.945,50	1.363.495,46	1.404.400,32	1.474.620,34	1.592.589,97
Office expenses (4)		73.950,00	598.200,00	598.200,00	598.200,00	598.200,00
Payroll expenses (5)		772.740,00	3.316.960,00	3.316.960,00	3.393.280,00	3.393.280,00
Marketing expense (6)		11.500,00	200.000,00	206.000,00	212.180,00	222.789,00
Depreciation (7)		35.937,57	143.750,29	143.750,29	143.750,29	143.750,29
Costs incurred (8)		50.000,00	40.000,00	40.000,00	40.000,00	40.000,00
Interest expense (9)		3.750,00	12.000,00	9.000,00	6.000,00	3.000,00

Annual bank debt payment (10)		10.000,00	40.000,00	40.000,00	40.000,00	40.000,00
Tax payments (30%) (11)				36.408,80	165.970,61	377.978,40
Total Cash out (**) = (3) + (4) + (5) + (6) + (7) + (8) + (9) + (10) + (11)		0	1.288.823,07	5.7x14.405,75	5.794.719,41	6.074.001,24
Net Cash Flow = (*) - (**)	76.030,00	118.726,93	156.487,58	574.107,88	1.333.680,32	2.644.030,92

Table 41. HarmonyHut's cash flow statement - most likely case

PAYBACK PERIOD - MOST LIKELY CASE				
(Unit: 1000 VND)				
Time	Initial Outlay	Net Cash Flow	Cumulative Cash Flow	Payback Period
Start	-1.000.000		-1.000.000	
2023 (last 3 months)		118.726,93	-881.273,07	
2024		156.487,58	-724.785,49	
2025		574.107,88	-150.677,61	27 months
2026		1.333.680,32	1.183.002,72	1,4 months
2027		2.644.030,92	3.827.033,64	
Payback period = 27 months + (150.677,61/1.333.680,32) *12 = 28,4 months				

Table 42. HarmonyHut's payback period - most likely case

FINANCIAL ASSESSMENT INDICATORS - MOST LIKELY		
No.	Index	
1	Estimated cost of capital	12,2%
2	NPV (Unit: 1000 VND)	2.967.309,07
3	IRR	47%
4	Profitability Index (PI)	4,21

Table 43. HarmonyHut's financial assessment indicators - most likely case

c. Pessimistic

INCOME STATEMENT - PESSIMISTIC CASE					
(Unit: 1000 VND)					
Year	2023 (last 3 months)	2024	2025	2026	2027
Net Revenue (1)	1.176.212,50	4.940.092,50	5.335.299,90	5.762.123,89	6.338.336,28
Growth rate		5%	8%	8%	10%
Cost of Goods Sold (2)	194.061,38	799.532,87	839.509,51	881.484,98	952.003,78
Gross Profit (3) = (1) -	982.151,12	4.140.559,63	4.495.790,39	4.880.638,91	5.386.332,50
Real rate of return (4)	76,58%	77,60%	78,03%	78,46%	78,72%
Gross Profit After	900.734,79	3.833.484,44	4.163.338,06	4.520.738,72	4.989.846,12
Adjustment (5) = (2) * (4)					
Expenses					
Office expenses	73.950,00	598.200,00	598.200,00	598.200,00	598.200,00
Payroll expenses	772.740,00	3.316.960,00	3.316.960,00	3.393.280,00	3.393.280,00
Marketing expense	11.500,00	200.000,00	206.000,00	212.180,00	222.789,00
Depreciation	35.937,57	143.750,29	143.750,29	143.750,29	143.750,29
Costs incurred	50.000,00	40.000,00	40.000,00	40.000,00	40.000,00

Interest expense	3.750,00	12.000,00	9.000,00	6.000,00	3.000,00
Total Expenses (6)	947.877,57	4.310.910,29	4.313.910,29	4.393.410,29	4.401.019,29
Earning Before Tax (7) = (5) - (6)	-47.142,78	-	-	127.328,43	588.826,83
Taxes (30%) (*)				3.819,85	17.664,80
Net Profit After tax = (7) - (*)	-47.142,78	-	-	123.508,58	571.162,02
Gross Profit Margin (%)	83,50%	83,82%	84,26%	84,70%	84,98%
Net Profit Margin (%)	-5%	-12%	-4%	3%	11%

Table 44. HarmonyHut's income statement - pessimistic case

CASH FLOW STATEMENT - PESSIMISTIC CASE						
(Unit: 1000 VND)						
Year	Beginning	2023 (last 3 months)	2024	2025	2026	2027
Cash Inflow						
Beginning cash (1)	76.030,00	76.030,00	100.303,55	-110.047,11	31.832,99	475.241,76
Net Revenue (2)		1.176.212,50	4.940.092,50	5.335.299,90	5.762.123,89	6.338.336,28
Total Cash in (*) = (1) + (2)	76.030,00	1.252.242,50	5.040.396,05	5.225.252,79	5.793.956,88	6.813.578,04
Cash Outflow						
Cost of goods sold (3)		194.061,38	799.532,87	839.509,51	881.484,98	952.003,78
Office expenses		73.950,00	598.200,00	598.200,00	598.200,00	598.200,00

(4)						
Payroll expenses (5)		772.740,00	3.316.960,00	3.316.960,00	3.393.280,00	3.393.280,00
Marketing expense (6)		11.500,00	200.000,00	206.000,00	212.180,00	222.789,00
Depreciation (7)		35.937,57	143.750,29	143.750,29	143.750,29	143.750,29
Costs incurred (8)		50.000,00	40.000,00	40.000,00	40.000,00	40.000,00
Interest expense (9)		3.750,00	12.000,00	9.000,00	6.000,00	3.000,00
Annual bank debt payment (10)		10.000,00	40.000,00	40.000,00	40.000,00	40.000,00
Tax payments (30%) (11)					3.819,85	17.664,80
Total	0	1.151.938,95	5.150.443,16	5.193.419,80	5.318.715,12	5.410.687,87
Cash out (**) = (3) + (4) + (5) + (6) + (7) + (8) + (9) + (10) + (11)						
Net Cash Flow = (*) - (**)	76.030,00	100.303,55	-110.047,11	31.832,99	475.241,76	1.402.890,17

Table 45. HarmonyHut's cash flow statement - pessimistic case

PAYBACK PERIOD - PESSIMISTIC CASE				
(Unit: 1000 VND)				
Time	Initial Outlay	Net Cash Flow	Cumulative Cash Flow	Payback Period
Start	-1.000.000		-1.000.000	
2023(last 3 months)		100.303,55	-899.696,45	
2024		-110.047,11	-	
2025		31.832,99	1.009.743,56	
2026		475.241,76	-977.910,57	39 months
2027		1.402.890,17	-502.668,81	4,3 months
Payback period = 39 months + (502.668,81/1.402.890,17)*12 = 32,4 months				

Table 46. HarmonyHut's payback period - pessimistic case

FINANCIAL ASSESSMENT INDICATORS - PESSIMISTIC		
No.	Index	
1	Estimated cost of capital	12,2%
2	NPV (Unit: 1000 VND)	1.114.277,26
3	IRR	15%
4	Profitability Index (PI)	2,21

Table 47. HarmonyHut's financial assessment indicators - pessimistic case

VI. RISK MANAGEMENT AND FUTURE PLAN

6.1. Risk management

The risk categories identified for the organization include strategic risk, operational risk, human risk, security risk, financial risk, competition risk, physical risk, compliance risk, and legal risk.

Strategic risk involves potential shifts in market trends or consumer demand that can pose a threat to the organization. This includes changes in consumer preferences, the emergence of new technologies, and the entrance of new competitors into the market. To mitigate this risk, the organization will conduct regular market research to stay updated on consumer trends, track industry developments, and adjust its business strategy accordingly. Developing flexible, quick-response strategic plans will enable adaptability to changing market conditions.

Operational risk relates to disruptions in business operations, such as equipment failure, disruptions in the supply chain, and process malfunctions. The organization will implement robust operational processes, establish alternative systems, and regularly assess and mitigate operational risks. Developing contingency plans will help mitigate the impact of disruptions and ensure uninterrupted operations.

Human risk involves issues associated with human resources, such as employee turnover or insufficient training. To mitigate this risk, the organization will develop effective strategies for recruitment and retention, offer extensive training and development programs, and foster a positive work environment to improve employee engagement.

Security risk pertains to threats to customer data, systems, and firm assets in terms of security, including data breaches, unauthorized access, theft, and cyberattacks. To mitigate this risk, the organization will implement robust security measures, conduct routine security audits, train personnel on cybersecurity best practices, and establish incident response plans.

Financial risk includes uncertainties that can impact the company's financial stability, such as revenue fluctuations, cash flow issues, and economic downturns. The organization will maintain a diverse customer base, closely monitor financial performance, analyze cash flow patterns, and implement financial controls to manage resources effectively.

Competition risk arises from increased competition or market saturation, leading to a loss of market share, decreased pricing power, or difficulties in attracting and retaining customers. To mitigate this risk, the organization will conduct regular competitor analyses, differentiate the business with value propositions, continuous innovation, and superior customer service, and focus on establishing solid consumer relationships to inspire loyalty.

Physical risk involves the possibility of damage to the company's property or equipment, as well as catastrophes that could harm employees or customers. The organization will implement safety protocols, maintain facilities and equipment, and provide thorough training to employees on safety procedures to minimize accidents and property damage.

Compliance risk pertains to the possibility of noncompliance with laws, regulations, or industry standards, which may result in fines, legal action, or reputational harm. To mitigate this risk, the organization will stay updated on applicable laws and regulations, perform periodic compliance audits, establish transparent policies and procedures, and appoint a compliance officer to oversee adherence to regulatory mandates.

Legal risk includes the possibility of litigation, legal disputes, or contractual disagreements that could impact the company's reputation and financial stability. The organization will retain legal counsel, maintain accurate records of business transactions, and adhere to applicable laws and regulations to minimize the likelihood of legal conflicts.

Through proactive risk management and the implementation of appropriate mitigation strategies, the organization aims to navigate potential challenges and ensure its long-term success.

6.2. Future plan

6.2.1 Introduction phase (Year 1)

In the first year, HarmonyHut will face a lot of difficulties and challenges. We will have to invest resources to build a solid foundation for our model. Therefore, we will focus on promoting marketing activities to expand the coverage of the HarmonyHut mini karaoke brand. Then, we build a strategy suitable for potential customers, evaluate the results and make reasonable adjustments to bring high profits and shorten the payback period.

In addition, we will offer customers many promotions on holidays to build customer loyalty with HarmonyHut.

6.2.2 Growth phase (Year 2, 3)

During the Growth phase, HarmonyHut will focus on strengthening the brand, improving services, and preparing for expansion. This phase will be characterized by focusing on brand development, service improvements, and strategic growth initiatives.

Year 2: Brand Development and Service Improvements

In the second year, HarmonyHut will concentrate on strengthening the brand and improving services to retain its initial loyal customer base. The goal for this year is to solidify HarmonyHut's brand in the minds of customers, while enhancing the quality and range of services provided.

Brand Development Strategy: HarmonyHut will implement a comprehensive brand development strategy. This will involve consistent messaging across all marketing channels, social networks (Facebook, TikTok), captivating storytelling to connect with customers, and a strong visual identity that distinguishes HarmonyHut from competitors. Specific activities may include launching a new marketing campaign highlighting unique aspects of the HarmonyHut experience and collaborating with influencers on social media to increase brand visibility.

Service Improvements: HarmonyHut will take customer feedback on service quality and focus on addressing outstanding issues, and developing new services based on future market trends. This process will help HarmonyHut develop a streamlined, intelligent workflow that satisfies customers. The aim is to ensure that HarmonyHut continues to deliver superior karaoke experiences, meeting the increasing demands of customers.

Customer Engagement: HarmonyHut will introduce incentives for loyal customers to encourage repeat visits and foster a sense of community among customers. Special events, such as karaoke singing contests or gift cards for free singing sessions with friends, will attract new customers to HarmonyHut, who may potentially become loyal customers in the future.

Operational Efficiency: HarmonyHut will focus on enhancing operational efficiency. This could involve streamlining the reservation process, deploying a new customer feedback system, or training staff to improve customer service.

Year 3: Growth

In the third year, HarmonyHut will concentrate on strategic growth and preparation for expansion. This year's goal is to increase market share and set the foundation, study the market, and prepare finances for opening a new branch in year 4.

Strategic Growth: HarmonyHut will expand its marketing efforts to reach more audiences. This may involve partnerships with local businesses, targeted digital marketing campaigns or sponsorship for events (including entertainment and charity events), combined with media posts on social networks (Facebook, TikTok). The aim is to increase brand visibility and attract new customers.

Market Research and Trend Analysis for New Branch Opening: By this stage, HarmonyHut has a stable and loyal customer base in the area. To reach new customers, HarmonyHut needs to prepare for opening additional branches at other locations. To accomplish this, the management team needs to research feasible locations, study local habits, entertainment trends, preferences, financial planning, etc., to choose the right direction.

Expansion Planning: HarmonyHut will start its expansion plan by gradually contracting and negotiating with suppliers in the new area, renting and renovating business premises. These steps will take considerable time, so HarmonyHut needs to start early so that when the right time comes, it can open a new branch smoothly.

Through a well-executed Growth phase, HarmonyHut aims to strengthen the brand, improve services, and prepare for the opening of a second branch in year 4. By focusing on brand development, service improvement, and strategic growth, HarmonyHut will set the stage for its future success.

6.2.3 Maturity phase (Year 4)

After three years of business, HarmonyHut will create a new strategy to grow and build its karaoke branch in a different area to support company operations and simultaneously enhance your brand. At this time, we will concentrate on sustaining and running the current karaoke company while continuing to assess business operations, the quality of services we provide, the items we provide, accessibility, and the satisfaction of customers. In the future, we'll also work to expand our reach in new places and countries by taking use of the brand's existing market presence and performance.

When all aspects of the karaoke industry are evaluated, the reasons, factors, and sources of the causes and influencing factors are plainly visible in management and organization. The new HarmonyHut may decide on collaboration, investment, and company growth by doing a business analysis and evaluating client demands. This research will be done to help identify areas and cities with a large market potential and demand for karaoke box services. The research will take into account variables including population size, demographic profiles, competitive environment, and cultural preferences to find the places most likely to grow. HarmonyHut is better able to run operations smoothly and methodically now than it was in its early years of existence thanks to business analysis and assessment initiatives.

HarmonyHut will concentrate on identifying appropriate sites for the following new branch after possible locations have been found. To create a tangible presence in each new market, this purchase bargains for leases or properties. The ability to reach a desired consumer base, visibility, closeness to business areas, and reach will all be taken into account throughout the selection process.

The scope of operations must grow as the number of branches rises in order to ensure operational effectiveness and a constant level of service quality. Members are required to continuously monitor, oversee, and manage company operations. To improve operations across all branches, HarmonyHut will implement centralized management systems, standardize operational processes, and make infrastructure investments. This will make it possible for crucial operational tasks to be managed centrally, with effective communication and resource allocation. It's crucial to keep up good financial management techniques as a corporation expands. HarmonyHut will put in place dependable financial monitoring systems, carry out regular audits, and manage spending plans carefully. This will guarantee monetary stability and long-term growth throughout the model expansion period.

HarmonyHut wants to grow its influence by becoming a significant participant in the karaoke business via a well-executed maturity. HarmonyHut aims to grow its client base and provide great micro karaoke experiences with a bigger number of branches by focusing market research, assessment, and operational excellence.

6.2.4 Extension phase (Year 5)

In the extension phase, which is the fifth year of operation, HarmonyHut is set to take its business model to the next level. The company will continue to expand by opening one more facility, bringing the total number of locations to three. This expansion will allow HarmonyHut to reach a broader audience and increase its market share in the karaoke industry.

Moreover, HarmonyHut is also planning to franchise its brand to interested parties who want to buy back the business and operate under the HarmonyHut name. This franchising opportunity is a significant move that shows the company's commitment to growth and expansion while also offering exciting opportunities for entrepreneurs who want to be a part of the HarmonyHut family. With its proven track record of success and dedication to quality, it's no surprise that the HarmonyHut brand is attracting interest from potential franchisees.

The franchising model will allow HarmonyHut to scale its business rapidly without incurring significant capital expenditure. Franchisees will benefit from the established brand name and the company's successful business model, while HarmonyHut will receive revenue from franchise fees and royalties.

In summary, the extension phase of HarmonyHut's business model marks a significant milestone for the company. By opening one more facility and offering franchising opportunities, HarmonyHut is poised for continued growth and success in the karaoke industry.

APPENDIX

Appendix 1: Final Financial Excel

<https://docs.google.com/spreadsheets/d/1tz4d5RNBjhdI4JKbIJcKXHSDNYB-lofaKLMzI0ei8uk/edit#gid=351236944>

Appendix 2: Survey's Link

<https://forms.gle/fCyzCvqgt1ZA2CDw9>

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