

Bean to Room:

Crafting the future of hotel coffee experiences
through sustainable innovation

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Author

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Master Thesis

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Client

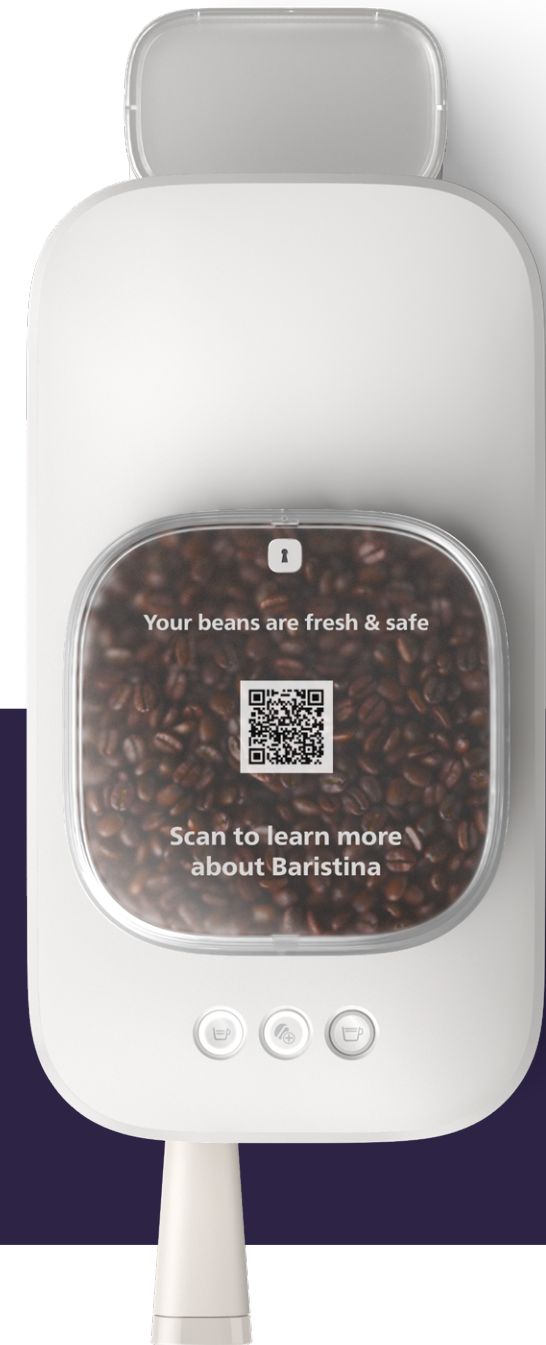
Versuni

Client mentor

Daniela Zhelyazkova

Supervisory team

Pinar Cankurtaran - chair
Jeroen Coelen - mentor



Preface

Dear reader,

You are holding the final deliverable of my Master's degree in Strategic Product Design at TU Delft. This project marks the culmination of my academic journey, which started in 2019 in Eindhoven and now concludes here in Delft. Reflecting on these years, I am deeply appreciative of the knowledge and experiences gained, especially during my time at the Faculty of Industrial Design Engineering.

This thesis represents a significant milestone that would not have been possible without the support of many individuals and organizations. I would like to express my sincere gratitude to Versuni, particularly Daniela, Thorben, Lucinde, and the entire Baristina squad, for providing me the opportunity to work on this exciting project and for their constant support and engaging discussions.

I am also deeply grateful to my supervisory team for their invaluable guidance. Thank you, Pinar and Jeroen, for your insightful feedback and encouragement. Your expertise and constructive criticism helped me maintain focus on the broader objectives of my project while navigating its intricate details.

Lastly, I extend my deepest thanks to my MacBook, which, despite enduring a considerable amount of coffee, continued to function and enabled me to complete this project. It seems I'm not the only one who runs on coffee!

Thank you all for your support and encouragement throughout this journey. I hope you enjoy reading this.

Vasil Nikolov
10 July 2024

Summary

RQ: How can Baristina's core value proposition be effectively tailored from a B2C context to a B2B context to meet the needs and preferences of both hotel management and hotel guests in the hospitality industry?

Baristina is a coffee machine developed to provide high-quality, fresh coffee. Versuni aims to enter the hotel sector with Baristina to generate additional revenue streams and address the need for a superior coffee experience in hotels. This report details the strategic plan for introducing Baristina into the hospitality market, leveraging its unique value propositions.

Desk research highlighted several critical findings. There is a noticeable gap between guests' taste expectations and the actual coffee offerings in hotels. Hygiene concerns emerged as a potential barrier to adoption, as guests and hotel staff worry about the cleanliness of in-room coffee machines. Additionally, the sustainability challenges associated with capsule machines, pose a considerable issue for hotels aiming to implement eco-friendly practices.

Survey conducted with 87 hotel guests revealed that capsule machines currently dominate the market. The survey also found that some guests bring their own coffee supplies, indicating dissatisfaction with the current offerings. The importance of taste was a consistent theme, emphasizing the need for a high-quality coffee experience.

Interviews with hotel managers provided further insights. Sustainability is increasingly important in hotel operations, with many hotels seeking sustainable coffee practices. High-quality coffee is a priority, but there are concerns about Baristina's open bean container, which is seen as a critical barrier to adoption. Additionally, managers noted that guests and staff frequently steal pods, adding to the operational challenges.

The proposed business model for Baristina includes leasing the machines with an optional add-on for a custom Baristina bean blend. This model addresses the key blocker of high upfront costs, making it more attractive for hotels to switch to Baristina. Validation interviews with hotel managers confirmed that while they were positive about Baristina, the open bean container remained a key blocker. Most chain hotels purchase through supplier platforms, and speed of service is a priority, as hotels often replace broken machines rather than waiting for warranty repairs. While beans were not the strongest selling point, hotels expressed interest in participating in a pilot program and showed willingness to switch to Baristina.

The final recommendation includes introducing Baristina with a locking bean container, utilizing a leasing model, targeting mid-upscale hotel segments, leveraging supplier platforms, and implementing a phased rollout plan, starting with pilot programs in smaller hotels to build credibility and gather feedback, expanding to larger midscale hotels, and finally targeting upscale hotels.

To support the communication of the value proposition, two prototypes were developed: a marketing leaflet and a sticker for the bean container to simulate the locking mechanism. The leaflet is designed to help the sales team present Baristina to hotels, while the sticker addresses the critical hygiene concern.

In conclusion, Baristina represents a significant opportunity for Versuni to address critical issues in the hospitality industry's in-room coffee solutions, providing a sustainable, cost-effective, and high-quality coffee experience for hotel guests. By executing the outlined strategy, Baristina is poised to become the preferred choice for in-room coffee solutions in hotels across Europe.

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Background

Since I was a child, I've been fascinated by the power of design to shape the world around me. Supported by my parents and my grandfather, I've been guided in cultivating my passion for hands-on creation - from sketching out ideas in my notebook to building treehouses and tinkering with cars, they introduced to me the value of practical problem-solving and the joy of crafting innovative solutions.

It was this foundation that made me pursue a degree in Industrial Design at TU Eindhoven, where I immersed myself in the fundamentals of design thinking and refined my skills in bringing ideas to life. Yet, as I took on internships and real-world projects, I found myself in need for a deeper understanding of the world of business that surrounds us.

This prompted me to transition to Strategic Product Design at TU Delft, where I could marry my creative

instincts with a solid understanding of business principles. With each project and class discussion, I'm continually inspired by the potential to create meaningful impact through design-driven innovation.

For my master thesis I wanted to work on a project that I'm truly passionate about that fuels my motivation and drives me to deliver my best work. Moreover, I set myself a goal of choosing a company that is a market leader in its field. The challenge to find an interesting project that fitted both my interests and TU Delft thesis requirements proved challenging.

I've previously been part of Versuni not long before, when it used to be called Philips Domestic Appliances, where I took a role in the Product Management team for connected Philips and Saeco coffee machines. During my time there I designed a

Gamification Strategy for the premium line of Saeco coffee machines as part of my bachelor thesis, which was highly evaluated.

Even though I learned a lot about software product management, as my work was centred around the UI of the appliances, sometimes I felt a bit disconnected from the physical world of tangible products. When I learned about the opportunity to work on this new project, I was very intrigued. An exciting new product, aimed at solving a real tension of a younger generation, and a new startup-like team in a big corporation sounded like a great journey to embark on.

The last thing that put the key in the ignition was Versuni's purpose of turning houses into homes (Versuni, 2024) - fitting very well with my view on the world and what role design has to play in it, therefore I made my decision to jump on this project.

Supervisory team



Pinar Cankurtaran



Jeroen Coelen

Finding the right supervisory team was crucial to me as I wanted to work with people whose expertise fits the project very well. After thorough research, I had shortlisted few chairs and mentors who I believed would make for a good match.

After few calls and careful consideration, I decided to partner with Pinar Cankurtaran as my chair and Jeroen Coelen as my mentor.

I got to know **Pinar** during her lectures in Brand & Product Commercialization course during my first year of my masters, where we worked on a new product launch strategy for a famous FMCG brand. I appreciated her vast knowledge in brand strategy and the art of creating meaningful connections with consumers. Her insights into brand co-creation and the cultivation of brand identity provide a solid foundation for guiding strategic product design projects. Her focus on fostering authentic brand experiences and leveraging consumer insights aligns well with the goals of the project.

Jeroen's expertise aligns seamlessly with the essence of Baristina, a venture within Versuni. As Baristina operates as a distinct entity within Versuni, similar to a startup squad, Jeroen's extensive experience in mentoring early-stage startups is highly relevant. With over 250 startups behind his back, he adopts a mentoring style that often challenges founders to be uncomfortable yet grounded, fostering growth and innovation.

Combining Pinar's profound insights into brand strategy and consumer engagement with Jeroen's extensive experience in mentoring startups and fostering innovation, they form a dynamic duo perfectly equipped to guide this project.



Introduction to the topic

- The coffee waves
- Ways of preparing coffee
- Challenges related to each preparation method

Introduction to the topic

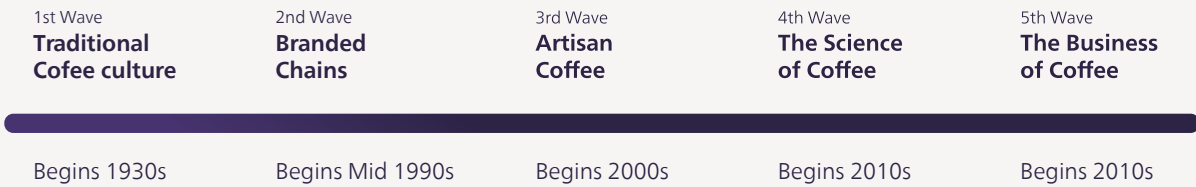
Coffee is the centre of this project. A drink that we are used to consuming daily, however its accessibility and function has changed dramatically over time. This project will explore the possible introduction of Versuni’s new coffee machine in a hotel setting. However, before we deep dive in this, we need to first get to know the history of coffee and the role it plays today.

Coffee is a plant that has its origins in Africa. It was initially cultivated in Arabia and widely enjoyed in Europe and North America. Over time, it spread to Asia and Latin America, making it an essential product for people across different social classes. Once considered a luxury item, coffee has now become indispensable for both consumers and producers. In terms of trade value, it is one of the top internationally traded commodities today and may well be the most significant globally traded agricultural product throughout history. (Topik, 2000)

The coffee waves

The history and evolution of coffee around the world can be defined by the so-called waves. They are marked by big changes which can be compared to the ones of the first or second industrial revolutions (Essense Coffee, 2021), however unlike them, the waves of coffee are focused specifically on how consumers interact with or relate to coffee as a consumable good (Bostian, 2021).

Coffee waves on a timeline



Adapted from World Coffee Portal (2022)

First wave: from novelty to commodity

Although the origin of coffee dates back to before the 15th century, its history is rich with intriguing stories. One favorite tale is about an Ethiopian goat herder named Kaldi, who noticed his goats becoming lively after eating berries from a tree. After trying the berries himself, Kaldi felt invigorated and took them to a local abbot, who declared them a divine gift to help monks stay awake during night prayers. (F. Gaviña & Sons, Inc., 2024)

Early coffee drinks resembled tea. In Yemen, a sun tea called “qishr” was made from coffee cherries, beans, and leaves for its energizing effects. The creation of brewed coffee dates back to the early 1400s,

coinciding with the advent of metal pots that allowed water to be boiled. (F. Gaviña & Sons, Inc., 2024) The origins of coffee houses can be traced to 15th-century Mecca in Saudi Arabia, where coffee, known as qahveh, captivated the Arabian Peninsula. Initially, coffee had religious significance for Sufi Muslims, helping them fast during Ramadan and stay alert for night prayers. It was also used for medicinal purposes, some of which are acknowledged by scientists today. (Bayt Al Fann, 2024)

Coffee remained a luxury item until the 1800s when its potential was recognized, transforming it from a novelty to a commodity (Bostian, 2021). This historical journey from its legendary discovery to its widespread popularity underscores coffee’s enduring appeal and evolution into a daily necessity for many.



Figure 1: vintage advertisement (iPernity, n.d.)

Entrepreneurs saw a big market opportunity to make coffee a necessity - a product that could be found in every household. Quality, flavour and origins of the coffee were to be unheard of - the energy boost that the drink gives was seen as the most important benefit. (Essense Coffee, 2021)

Second wave: building a coffee culture

Coffee chains like Starbucks marked the start of the second wave towards the end of the 20th century (Driven Coffee, 2022). They aimed at giving coffee drinkers a more social experience with higher quality coffee that was hardly accessible at home during that time (Bostian, 2021). Coffee shops became a place to enjoy coffee, rather than just buy it to-go. (Bostian, 2021) The spotlight was still not the coffee itself, but the social aspects surrounding it - the creative drinks full of sweet syrups, the mood lighting, and friendly baristas. Although Starbucks had an image of a "specialty" coffee place, the taste on the coffee remained similar to that of the first wave - super-dark coffee roasting with bitter taste (Driven Coffee, 2022).



Figure 2: Starbucks store in the 80s (Bostian, 2021)

Third wave: the world of Specialty coffee

Third wave coffee evolved from a small group of roasters and cafes that began experimenting with lighter roast levels and extracting new and exotic flavors out of beans. (Driven Coffee, 2022) This period is considered a turning point in the coffee industry. Similar to how a wine connoisseur values their favourite fermented grapes, coffee consumers in the early 2000s began to pay more attention and value the flavour, origins and process of the roasting beans (Bostian, 2021). The baristas were no longer coffee servers, but the creators of the drink - putting their knowledge to use, knowing the entire process from the selection of beans, roasting and brewing. (Essense Coffee, 2021)

One of the most significant aspects of the third wave of coffee is its commitment to sustainability. For the first time, there was widespread recognition of the importance of a sustainable supply chain. This movement saw the introduction and popularization of fair trade initiatives, which aimed to ensure that farmers received fair compensation for their labor. (Essense Coffee, 2021) Fair trade certification became a hallmark of third wave coffee, ensuring that coffee producers adhered to standards promoting fair wages, safe working conditions, and environmentally sustainable practices. (Fairtrade International, n.d.) By purchasing fair trade coffee, consumers support farmers who use less harmful agricultural products and engage in more eco-friendly farming techniques. (Fairtrade International, n.d.)



Figure 3: Sustainable coffee growing - (Tuanloc Commodities, 2024)

By purchasing fair trade coffee, consumers support farmers who use less harmful agricultural products and engage in more eco-friendly farming techniques. (Fairtrade International, n.d.) This shift not only benefits the farmers but also helps preserve biodiversity and reduce the environmental impact of coffee production. The third wave movement also brought about a heightened awareness of environmental responsibility. Coffee roasters and cafes began to adopt eco-friendly practices, such as reducing waste, using biodegradable packaging, and

sourcing beans from farms that prioritize environmental stewardship, including organic farming practices that avoid synthetic pesticides and fertilizers (Tuanloc Commodities, 2024).

As consumer awareness about these issues grew, so did the demand for sustainably sourced coffee. Specialty coffee consumers became more willing to pay a premium for coffee that not only tasted superior but also adhered to ethical and sustainable practices. (Merbah & Benito-Hernández, 2024).

Fourth and fifth waves: the science and business behind coffee

The fourth wave started around 2010 and put the spotlight on the science of coffee - from the transparency of sourcing the beans to craft brewing methods. Baristas see this as an exploration journey and by using advanced equipment and scientific methods, they are developing a deep understanding of coffee properties. (Vanderhenst, 2023)

The fifth wave focuses on the business of coffee by creating experiences with high-end coffee offering around it (World Coffee Portal, 2022). It is considered a powerful new era of scaled boutique hospitality, characterised by hyper-professionalism, operational excellence, investment in technology and employee training programmes – supporting valuable career paths for a new generation of hospitality professionals. (Vanderhenst, 2023) Initiatives like bean subscriptions services that deliver fresh roasted beans directly to your doorsteps, customised to your taste preferences (Pena, 2023), small boutique stores brewing with most advanced technology and Starbucks Reserve stores aim to create new extraordinary customer experiences within the world of coffee. (Vanderhenst, 2023)

Reflecting on these changes, it is clear that the coffee industry has significantly adapted to meet the evolving expectations of consumers. In the next chapter, we will dive into the various methods people use to prepare coffee at home to see how consumers experience their coffee in a home setting.

Ways of preparing coffee

With the huge variety of brewing techniques, deciding on one can be a challenging task. Understanding these methods is essential for grasping the essence of this project, as the choice of brewing method significantly impacts the taste, quality, and overall coffee experience, which is linked to the overall stay experience in the hotel. Each method brings unique characteristics to the coffee, influencing factors such as flavor profile, strength, crema and aroma.

In the context of this project, understanding these methods will help the reader comprehend the innovative approach that Baristina offers. Baristina is a new coffee appliance by Versuni, which will be central to this project. It positions itself uniquely in the market by addressing specific problems identified in traditional brewing methods, offering a solution that enhances convenience, quality, and sustainability. Below, the most common methods of preparing coffee are discussed to provide a comprehensive overview of how different techniques contribute to the final cup, highlighting why these variations matter for the Baristina project.



Figure 4: Moka pot (Sutter, 2024)

Fully manual methods

When talking about manual preparation methods, there is an endless variety of techniques, each offering a different experience and flavour profile. **Instant coffee** provides a quick caffeine spike with little to no effort, making it probably the most convenient option for on-the-go situations. **Moka pots** use the power of steam to extract rich, bold flavours from powdered coffee, providing for a distinctive brew reminiscent of espresso.

The Aeropress results in a smooth and more balanced taste and allows users to experiment with different brewing parameters.

Turkish coffee makers produce a thicker brew infused with intense flavours and strong aroma for those who appreciate a stronger coffee experience. **French presses** create a full-bodied and aromatic brew by submerging coarsely ground beans in hot water and pressing them with a plunger. (Papantoniou & Earley, 2023)

While these manual methods offer great control over the brewing process and deliver flavorful, distinct results, they may require long preparation time and practice to master and can be more time-consuming compared to automatic alternatives.

Coffee machines (non - espresso)

There is a vast variety of coffee machines that cater to different preferences and lifestyles, each offering its own unique advantages and drawbacks. The following coffee makers use low-pressure extraction methods, lack crema and therefore are not considered espresso machines.

Drip filter machines provide an easy hands-off brewing process that produces a smooth and consistent cup of coffee, which can be considered watery.

Grind and brew machines offer the convenience of freshly ground beans combined with automated brewing, resulting in a flavorful and aromatic brew without the need for manual intervention.

Single-serve capsule coffee makers, represented by brands like Keurig, offer convenience and variety, allowing users to enjoy a customized cup of coffee at the touch of a button. (Papantoniou & Earley, 2023)



Figure 5: Coffee machines non-espresso - Drip filter (Meister & Vassallo, 2024)



Figure 6: Coffee from Keurig machine (Meister & Vassallo, 2024)



Figure 7: Drip filter (Meister & Vassallo, 2024)



Figure 8: Drip filter machine (Meister & Vassallo, 2024)

Espresso machines



Figure 9 - SAEM & FAEM machines (Papantoniou & Ueda, 2024)

On the other hand, when consumers are looking for Italian-like espresso based drinks, there are 4 main routes one can choose from.

Pod-based machines, such as Nespresso are often the obvious choice for those on the look for a hassle-free experience. They utilize pre-packaged pods and offer a good variety of taste options, paired up with a higher cost per cup.

Manual espresso machines offer the ultimate control over the brewing process, requiring skill and practice to master but offering unparalleled customization and the ability to use any coffee source. To be used, they require the purchase of a separate grinder.

Semi-automatic machines (SAEM) are in essence manual machines featuring built-in grinders for convenience while still allowing manual control over extraction. Machines like the Sage Barista Touch Impress feature a UI that helps guide you through the steps of making the perfect espresso. Although they appear to be an all-in-one solution, they still require prior knowledge and practice to nail the perfect shot.

Fully automatic machines (FAEM), also called bean-to-cup, simplify the process even further, grinding beans and brewing espresso with the push of a button, albeit with less customization and potentially higher upfront costs and complex maintenance requirements.

Understanding the challenges related to each preparation method

The journey from bean to cup can take various forms, each with its unique challenges. Understanding these different methods helps highlight the gaps and opportunities in the market, leading to the development of solutions like Baristina. We outline the key aspects of various preparation methods, from manual techniques to fully automatic machines, how they compare in terms of convenience, quality, sustainability, and overall user experience.

Overview of coffee preparation methods



Category	Manual Brewing				Non-espresso Electric Brewing			Espresso Machines			
Method	Instant Coffee	Aeropress	Moka Pot	French Press	Drip Coffee Makers	Grind and Brew Machines	Single-Serve Capsule Machines	Pod-based espresso	Manual Espresso	Semi-Automatic Espresso	Fully Automatic Espresso
Coffee source	Instant Coffee	Ground coffee	Ground coffee	Ground coffee	Ground coffee	Beans	Capsules	Capsules	Beans / Ground Coffee	Beans	Beans
Pros	Quick and easy, long shelf life, no equipment needed	Versatile, portable, easy cleanup, quick brewing	Rich, espresso-like coffee, affordable, portable	Simple to use, no electricity required, full-bodied coffee	Easy to use, can brew multiple cups, widely available	Freshly ground coffee, convenience of automatic brewing	Convenient, consistent results, wide variety of flavors	Consistent quality, convenient, easy to use	Fresh coffee, control over brewing process, high quality	Fresh coffee, control over brewing process, high quality	Ultimate convenience, fresh coffee, customizable settings
Cons	Inferior taste, limited customization, often poor quality	Single-cup brewing, manual pressure application, requires filters	Requires stovetop, can be tricky to master, prone to over-extraction	Time-consuming, requires coarse grind, manual clean-up	Can be slow, requires regular cleaning, often not strong enough	Higher cost, more maintenance, can be noisy	Expensive pods, environmental concerns, limited to capsule brands, watery taste	Expensive pods, environmental impact, limited drink customization	No built-in grinder, requires skill, more cleaning required	Requires some skill, more expensive, more cleaning required	Very expensive, maintenance intensive, can be complex
Key challenges	Changing negative perceptions, improving taste	Learning curve for best results, limited capacity	Safety concerns with pressure, not user-friendly for all	Inconsistent results, no temperature control	Inconsistent temperature, stale coffee if left on warming plate	Complexity of use, higher initial investment, durability	Reducing waste, cost per cup, improving sustainability	High cost per cup, pod recycling issues	Learning curve, maintenance, higher cost	Learning curve, maintenance, higher cost	High initial investment, potential for mechanical issues

Comparison table highlighting different coffee preparation methods challenges

The comparison of various coffee preparation methods highlights the diverse options available to consumers, each with its unique advantages and challenges. Manual brewing methods offer control and quality but can be time-consuming and inconsistent. Non-espresso machines provide convenience but often at the expense of taste and environmental

sustainability. Espresso machines deliver high-quality coffee but require significant investment, need for maintenance and/or skills and knowledge.

Baristina emerges as a compelling solution by combining the simplicity of portioned espresso machines with the quality and sustainability of manual

brewing. It addresses the pain points of current methods, aiming to offer a user-friendly, environmentally conscious, and cost-effective way to enjoy high-quality coffee at home.



Baristina

- A new coffee category
- The proposition

Baristina

A new coffee category

In a changing landscape where people's coffee preferences are evolving, Baristina is the result of more than five years of careful research and development by the Versuni teams. Seeing the trends in the coffee market, especially in places like the Benelux region, where fresh bean solutions have grown by a significant 18% over five years (GFK, 2023), the team noticed a growing desire for high-quality coffee experiences at home.

Driven by various factors, such as the wish to enjoy barista-style drinks at home, a focus on sustainability, and the need to save money on each cup of coffee, Baristina was born to meet these changing needs.

With a massive 2.5 million households planning to switch to fresh bean solutions in the next year (Truth Institute, 2020), and many current coffee machine owners thinking about upgrading or downgrading their equipment, there was a clear opportunity for innovation. But while fresh bean solutions seemed promising, consumers expressed concerns about the complexity, maintenance, noise, size, and cost of existing machines.

In this context, the Versuni team identified the main consumer tension - the challenge of delivering barista-quality espresso with fresh beans while making it easy for consumers to use. The key insight they



Figure 10: Baristina in use (Versuni, 2024)

gathered from consumer feedback was straightforward: people want the great taste and smell of café-style espresso, but they find traditional machines too complicated and intimidating. With a vision to bridge this gap, Baristina was created as a solution that promises to offer the fantastic flavor and

richness of barista-made espresso while focusing on simplicity, convenience, and accessibility. By blending innovative technology with user-friendly design, Baristina aims to transform the coffee experience, giving consumers the chance to enjoy café-quality espresso without any hassle.

The proposition

"Real espresso, made simple"

Baristina offers a streamlined approach to enjoying authentic espresso at home, simplifying the coffee-making process without compromising on quality. The three button UI allows users to brew espresso and lungo drinks with the optional boost intensity button. Grinding, tamping and brewing are done with just a swipe of the handle and the only action required by the user is to empty the used coffee grounds with a press of a button. It is built with sustainability in mind: the machine is made of recycled plastic and features a zero-waste system that transforms coffee beans into grounds suitable for composting, promoting sustainability in coffee consumption. Users can choose their preferred beans without having to worry about complicated settings and variables - the machine is designed to work with any kind of beans, offering potential cost savings compared to capsule-based alternatives. From a maintenance perspective, Baristina is on par with portioned espresso machines - requiring little to no actions like emptying the drip tray and refilling water.

Initial Reflections from the B2C Launch

Baristina has already been launched in France, Benelux, and DACH markets, receiving a very positive response, with an average rating score of 4.5 stars. Consumers love the design and the unique swiping motion of the portafilter.

The coffee quality, particularly the rich crema, is highly praised, and the machine's quiet operation is a noted advantage. Additionally, consumers are eagerly asking when Baristina will be available in their country, and influencers are reaching out for collaborations. (Versuni, 2024)

The Baristina consumer

Baristina's target consumer, according to Versuni, is someone who appreciates the bold flavors of black coffee and aspires to enjoy espresso at home. Typically, they are young adults or families with younger children, aged between 25 and 45 years. They have a mid-level income and are accustomed to brewing coffee using portioned coffee or stove-top methods. These individuals seek to elevate their coffee experience with the convenience and authenticity that Baristina offers, aligning perfectly with their lifestyle and taste preferences.



Figure 11: Baristina consumer (Versuni, 2024)



The assignment

- The challenge: entering the hotel market
- Research question
- Stakeholders

The assignment

This project dives into the dynamic landscape of the hospitality sector, where heightened emphasis on guest experiences and sustainability is reshaping industry norms. Versuni aims to capitalize on its success with Baristina in the B2C market by exploring opportunities in the B2B space. Recognizing the potential of the hospitality market, especially hotels, Versuni's management team has identified this sector as a key opportunity for growth. Positioned as a contender against the portioned machines seen in hotel rooms worldwide, Baristina seeks to disrupt the current market with its fresh bean proposition and sustainable model.

Part of the motivation for this idea were the multiple reviews seen on competitors pod machines that shed light on how hotel guests interact with these appliances, often leading to purchases for their home use. This creates a unique B2B channel, elevating brand visibility and driving direct-to-consumer sales. Nespresso, in particular, is frequently associated with luxury accommodations like the Ritz, the Conrad, St. Regis Hotel, enhancing its allure among travellers:

*"After having one in our hotel room in a 5 star resort in Mexico my husband fell in love, so I bought him one for his birthday."**

*"Saw this for the first time in a very nice hotel and after I had a cup I went home and ordered one."**

*"This is the same machine our hotel had in Italy and it's brought our experience to the states"**

These reviews indicate a potential for Baristina to enhance its brand visibility in similar hospitality settings, as guests form positive associations with coffee machines like Nespresso during their stays. Additionally, the trend of guests purchasing these machines for personal use after experiencing them in hotels suggests a potential path for Baristina to drive direct-to-consumer sales and expand its market presence. Recognizing this, Versuni sees an opportunity to carve out a niche with Baristina, offering hotels a chance to enhance their in-room coffee experience.

This thesis aims to evaluate the feasibility of introducing Baristina into the hotel industry, addressing the unique challenges and requirements of this market. The project will explore the potential benefits of Baristina for hotels, focusing on enhancing guest experiences, operational efficiency, and sustainability.

Through comprehensive research and analysis, this thesis aims to provide strategic insights and recommendations for successfully positioning Baristina within the hospitality sector.

The challenge: Entering the hotel market

In addition to delivering superior coffee quality and environmental sustainability, this project requires overcoming relational barriers, contractual constraints, and hotel management's cautiousness. According to the latest Baristina customer reviews, the zero-waste approach appeals to the growing market of environmentally conscious consumers and, last but not least, the cost-effectiveness of this new system could offer long-term savings compared to pod-based solutions.

This project will dive into the complexities of creating a B2B proposition, recognizing the dual stakeholders from the client side—the purchaser (hotel management) and the user (hotel guests). It will explore how to tailor the core value proposition from a B2C to a B2B context, addressing the distinct needs

*Source: Wonderflow - Nespresso Inissia & Citiz reviews - 2024.



Research Question

How can Baristina's core value proposition be effectively tailored from a B2C context to a B2B context to meet the needs and preferences of both hotel management and hotel guests in the hospitality industry?

- What are the key factors that hotel management considers when selecting in-room coffee solutions?
- How does the current B2C value proposition of Baristina align with the needs of hotel management and hotel guests in a B2B context?
- What are the potential challenges and barriers to adopting Baristina in hotel rooms, from both management and guest perspectives?
- What modifications or additional features are necessary for Baristina to meet the specific requirements of the hospitality industry?
- How can Versuni structure the business model to ensure a competitive edge over existing in-room coffee solutions?
- How should Versuni approach hotels to successfully penetrate the hotel market?

Stakeholders

At first sight, this project involves three main stakeholders:

- Hotel operators looking to provide quality coffee at a reasonable cost (customer)
- Hotel guests who are now decision-makers in their travel choices (consumer)
- Versuni, whose interests lie in successfully penetrating the hotel market with their new product and drive more revenue

Multiple challenges are presented on the horizon - the ease with which hotel guests can adapt to new technologies, the operational adjustments hotels must undergo to accommodate the new system that utilises fresh beans, and the economic model that would make such a switch viable for businesses. These challenges will be explored, aiming to carve a pathway for Versuni's appliance to successfully launch a proposition into the hotel industry. From an academic perspective, this project aims to understand what are the mechanisms that B2C companies can leverage for market entry in the B2B sector and what changes in business model are required for it.

The background of the slide is a close-up, high-resolution image of dark brown, roasted coffee beans. A large, semi-circular graphic element is positioned on the left side, overlapping the beans. This element has a white interior where the text is located and a curved border that transitions from a deep purple at the top to a bright orange at the bottom.

Literature

- B2B buying roles and behaviour in hospitality
- B2B buying process and channels
- Revenue models and pricing strategies

Literature

This literature review aims to provide a comprehensive understanding of the differences between B2B and B2C propositions, focusing specifically on the unique challenges and dynamics of entering the B2B market in the hospitality industry. The review acknowledges how B2B propositions differ from B2C in terms of buying roles and behavior, the buying process, sales channels, and effective revenue models and pricing strategies. Additionally, it explores how B2B propositions can serve as powerful marketing tools to enhance brand awareness and drive B2C sales. By exploring these areas, the literature review establishes a theoretical foundation to support the strategic decisions and recommendations presented in this thesis. The selected topics are justified based on their direct relevance to the research question and the specific challenges associated with introducing a new coffee solution into the hotel market.

B2B buying roles and behavior in the hospitality industry

B2B buying behaviors differ substantially from consumer buying behaviors in several ways. First, B2B buying entails satisfying derived demand, where organizations purchase products to meet the needs of their customers. Additionally, the high dollar volume, number of stakeholders involved, and often complex, technical nature of the offerings mean the B2B purchasing process usually takes substantial

time and involves extensive bargaining and negotiations (Grewal et al., 2015). B2B buyers are more interested in satisfying their total need rather than purchasing any specific product. This complexity necessitates a strategy that engages multiple stakeholders within hotel chains, addressing their specific concerns.

The buying process in B2B markets involves several distinct roles, each influencing the decision to purchase. According to Kotler (2008), these roles include the initiator, influencer, decider, buyer, and user. These roles collectively drive the decision-making process, with each participant bringing unique perspectives and criteria to the table. Unlike B2C markets, where decisions are often made by individuals or small groups, B2B decisions typically involve far more participants and are characterized by complex, multi-layered decision-making processes (Tammi-virta, 2016). Understanding these roles is crucial for crafting effective communication strategies that address all aspects of Baristina's value proposition. The concept of a buying center or buying committee is central to understanding B2B purchasing behaviors. A buying center comprises the individuals within an organization responsible for making purchase decisions. The number of members involved is naturally a function of the type of task; new tasks typically require a considerably larger buying center than straightforward rebuys (Lindwall & Larsson, 2010)

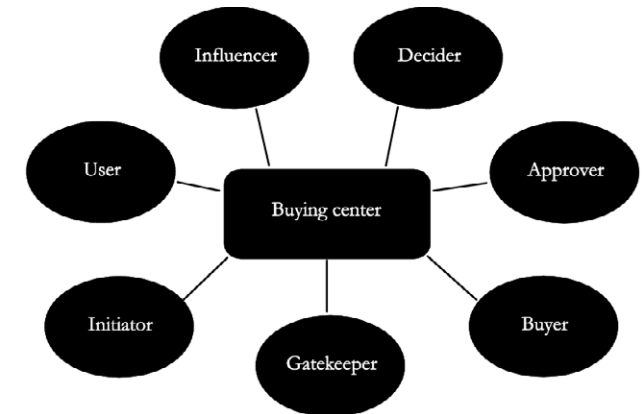


Figure 12: Buying centre (adopted from Kotler & Pfoertsch, 2005).

Webster and Wind (1972) define seven distinct roles commonly found in a buying center:

Initiator: Detects the need for a new purchase. The initiator can be top-level managers or front-line employees, depending on the situation.

- **User:** The end user of the product or service. The degree of influence users have in the procurement process depends on the purchase situation and corporate culture.
- **Influencer:** Defines specifications or provides information relevant to the purchase. Influencers can be internal employees or external consultants.
- **Decider:** Makes the final decision. In complex purchase situations, this role is often filled by upper-level management.

- **Approver:** Has the authority to approve or disapprove the purchase.
- **Buyer:** Has formal power to select suppliers and arrange purchase terms.
- **Gatekeeper:** Controls information flow within the buying center, such as receptionists or telephone operators.

It is important to note that not all these roles are held by different people in every purchasing situation. In straightforward rebuys, a single person can often be the initiator, decider, approver, and buyer. Conversely, in new tasks, a certain role can be shared by multiple individuals (Lindwall & Larsson, 2010). This complexity requires Baristina to engage with various stakeholders and address their specific needs to facilitate informed decision-making.

According to Brown et al. (2011), managers of strong brands should focus on simplifying the decision-making process by reinforcing brand awareness to ensure their inclusion in the consideration set of buyers. They should offer a tangible product offering while highlighting uncertainties and adverse consequences, assuaging concerns with customized, bundled solutions and secure brand reputations. Even managers of weaker brands should build sufficient brand awareness to ensure consideration by buying centers, influencing perceptions to move into the middle of the risk continuum (Brown et al., 2011). Emphasizing Baristina's quality, sustainability, and cost-effectiveness will help it fit into hotel chains' decision criteria. Finally, with few exceptions, B2B suppliers face increasing buyer power, as more buyers source globally and actively seek to reduce

their supply base. This means a small subset of large buyers often accounts for a disproportionate share of sales, constituting critical strategic assets for suppliers.

This scenario requires suppliers to adopt a collaborative mindset, co-creating value with buyers and moving beyond standard cost and quality improvements to provide unique collaborative solutions (Grewal et al., 2015). For Baristina, working closely with hotels to customize solutions that meet their specific needs will enhance its appeal and adoption rates.

B2B buying process and sales channels

B2B sales channels differ significantly from B2C channels. B2B marketers typically deal with fewer customers but engage in more complex sales processes, often involving direct sales and extensive negotiations (Elgar, 2022). The nature of customer transactions in B2B markets is less transparent compared to B2C, as transactions often involve direct negotiations or occur through distribution channels, making the terms of the transaction and customer data not readily available (Elgar, 2022). For Baristina, this underscores the importance of building strong relationships with hotel chains and effectively communicating the functional, economic, emotional, and relational value of its proposition. To ensure a successful market entry, Versuni needs to leverage existing market relationships.

The B2B buying process is composed of several stages, each critical to ensuring a successful transaction:

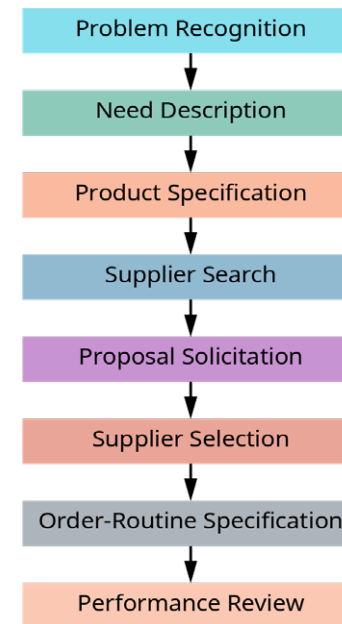


Figure 13: The Stages of the B2B Buying Process
(Adapted from York University)

Problem Recognition: The process begins when someone within the organization identifies a problem or a need that can be resolved through a purchase. For straight rebuy purchases, this stage may be straightforward, such as placing an order for routine supplies. Modified rebuys involve more complexity, such as replacing outdated equipment. New-task buying is the most complex, often requiring extensive evaluation of new solutions, like purchasing new accounting software or manufacturing equipment (Albrecht et al., 2023). Baristina should be positioned as a solution to common pain points identified from the research, such as sustainability concerns, cost inefficiencies, and the need for high-quality coffee.

Need Description: The buying center collaborates to define what needs to be purchased, detailing the technical requirements, desired features, and quantities. For instance, developing a new electronic control for an appliance might involve creating a bill of materials, listing all components required (Albrecht et al., 2023). For Baristina, collaborating with hotel stakeholders to precisely define the requirements ensures that its features meet these needs.

Product Specification: B2B buyers develop product specifications, a blueprint outlining the product's design, features, and functionality. This specification must be clear for everyone in the buying center and detailed enough to guide the product team (Albrecht et al., 2023). Versuni must present clear, detailed proposals showcasing Baristina's advantages in quality, sustainability, and cost-effectiveness.

Supplier Search: Potential suppliers are identified based on their ability to meet the product specifications. This stage involves researching suppliers' quality, delivery, and price through various resources like trade magazines, industry blogs, and webinars (Albrecht et al., 2023). Versuni should leverage this stage by demonstrating Baristina's superior qualities through these channels.

Proposal Solicitation: Qualified vendors are asked to submit proposals, which may range from simple catalogs to detailed documents addressing the company's needs, including specifications, timing, and pricing (Albrecht et al., 2023). Versuni should provide comprehensive proposals that highlight Baristina's unique selling points.

Supplier Selection: The buying center reviews proposals and selects a supplier based on factors such as capabilities, reputation, warranties, and price. For complex or significant purchases, further discussions with shortlisted vendors may occur (Albrecht et al., 2023). Versuni must maintain flexibility and readiness to negotiate terms that meet hotel chains' specific needs.

Order-Routine Specification: Details of the order are negotiated, covering technical specifications, quantities, delivery timelines, return policies, and warranties. This stage finalizes the contractual terms of the purchase (Albrecht et al., 2023). Versuni must ensure that the terms align with the agreed specifications to close deals effectively.

Performance Review: Post-purchase, the B2B buyer evaluates the supplier's performance, gathering feedback and rating the supplier on quality, delivery, and other criteria. This review determines whether the relationship will continue, be modified, or end (Albrecht et al., 2023). Versuni should establish mechanisms for continuous feedback to ensure satisfaction and foster long-term relationships.

Revenue models and pricing strategies

Effective pricing strategies in B2B markets are crucial for success. Pricing in B2B markets involves a mix of art and science, balancing value delivery with the need to cover costs and achieve reasonable margins (Elgar, 2022).

There are several pricing approaches, including price skimming, where prices are set high to target a limited market, and penetration pricing, where prices are set low to increase market share (Smith, 2020). For Baristina, choosing the right pricing strategy will be essential. A penetration pricing strategy might be more suitable initially to gain market share and build relationships with hotel chains. This approach aligns with the need to demonstrate value and encourage adoption, especially in a market where switching costs and long-term contracts are common.

Leasing can offer significant advantages over buying, especially in the context of B2B markets. Leasing allows hotels to manage their cash flow more effectively, mitigate the risks associated with equipment ownership, and benefit from tax advantages.

B2B as a Marketing Tool

The literature indicates a gap in understanding how a B2B proposition can enhance brand awareness and drive B2C sales. This project aims to fill this gap by arguing that a successful B2B business line can significantly boost B2C sales and increase brand equity. Embedding Baristina in hotel rooms can enhance brand recognition among guests, who might then consider purchasing Baristina for their homes. This dual strategy leverages the unique position of B2B relationships to foster broader market acceptance and brand loyalty in the B2C space.

By integrating Baristina, hotels not only can improve their in-room coffee offerings but also serve as a powerful marketing channel for Versuni. Guests who

experience high-quality coffee during their stay are likely to associate Baristina with premium quality, potentially driving B2C sales post-stay. This strategic alignment between B2B and B2C efforts can create a virtuous cycle, enhancing brand perception and expanding market reach.

Evidently, this is the case with Nespresso. Since they are present in a majority of hotels, their brand is exposed to a vast number of people each year. Reviews indicate that some consumers decide to purchase Nespresso appliances after experiencing them in a hotel setting. This demonstrates the power of B2B propositions in driving B2C sales and increasing brand awareness.

However, case studies on this direct dependency are missing, making it challenging to quantify the exact impact. Despite the lack of specific case studies, the theoretical framework and indirect evidence suggest that a well-executed B2B strategy can serve as a robust marketing tool to bolster B2C sales and brand equity. By following a similar strategy, Baristina can leverage its presence in hotels to build a strong consumer base and drive growth in the B2C market.

Conclusion

The addition of a B2B proposition for Baristina offers an array of opportunities for Versuni. By targeting hotel chains, Versuni can capitalize on B2B markets to secure long-term contracts and stable revenue streams. Utilizing B2B sales channels and strategically chosen pricing models can further strengthen its market position, ensuring both market penetration and sustained growth.

Understanding B2B buying roles and behaviors, particularly in the hospitality industry, reveals the complexity and necessity of engaging multiple stakeholders and addressing their specific needs. Effective pricing strategies, such as penetration pricing, combined with the advantages of leasing over buying, position Baristina as an attractive option for hotels seeking high-quality, cost-effective, and sustainable coffee solutions. This insight guides Versuni in tailoring its approach to meet the unique requirements of hotel chains, making Baristina a compelling choice.

Moreover, transforming Baristina into a B2B proposition can indirectly enhance brand awareness and drive B2C sales, addressing a critical gap in current literature and providing both academic and practical value. By leveraging the B2B buying process and establishing strong, trust-based relationships with hotel chains, Versuni can ensure the successful adoption of Baristina's in-room coffee solutions.



Assessing the landscape

- Coffee in hotels
- Coffee quality perception
- Hygiene
- Sustainability in the coffee industry
- Sustainable practices in hotels
- Key findings

Assessing the landscape

Coffee in hotels

Hotel lobbies often feature high-end coffee machines, such as professional manual espresso machines or fully automatic machines, aimed at providing a premium coffee experience to guests in a communal setting. These machines, operated by trained staff, are designed for high volume and ensure consistent quality. The lobby area serves as a social hub where guests can enjoy their coffee in a relaxed atmosphere, contributing to the hotel's overall hospitality experience.

However, providing guests with an option for high-quality coffee without leaving their room remains a significant aspect of enhancing guest experience. In-room coffee options need to be convenient and easy to use, accommodating guests' desire for a quick and hassle-free coffee experience. The most



Figure 14: Nespresso machine at Hotel Arena, Amsterdam (Hotel Arena, 2024)

common ways to offer coffee in hotel rooms are instant coffee, pod-based machines, drip-filter machines and single-serve pods (in the US). These methods are favoured for their simplicity and ease of use, aligning with the need for a relaxing and effortless stay.

EU: Instant Coffee and Pods

In European hotels, the most common in-room coffee solutions are instant coffee and pod-based machines.

Instant Coffee: Many hotels opt for instant coffee due to its simplicity and cost-effectiveness. It requires no special equipment, minimal cleanup, and offers quick preparation.

Pod-Based Machines: Pod-based coffee machines, such as those from Nespresso, are increasingly popular in European hotels. These machines strike a balance between convenience and quality. Guests can easily brew a cup of coffee by inserting a pod and pressing a button, ensuring consistent taste and strength. Pod-based machines are low-maintenance and provide a higher quality coffee experience compared to instant coffee.

US: Drip-Filter and Single-serve

In the United States, the in-room coffee landscape is dominated by drip-filter and single-serve machines.

Drip-Filter Machines: popular in US hotel rooms, they reflect the preferences of American coffee



Figure 15: Keurig coffee machine in HOLIDAY INN US - (IHG, n.d.)

consumers who typically drink larger quantities of coffee. These machines are straightforward to operate, allowing guests to brew multiple cups at once, which is convenient for families or groups. Drip-filter machines are familiar to many guests and provide a cost-effective solution for hotels, though they do require regular cleaning and provision of coffee grounds and filters.

Single-Serve Machines: such as Keurig, are also prevalent in US hotels. They are convenient for guests, offering quick and easy coffee preparation with minimal cleanup. They are favored for their ease of use, consistency in brewing, and the variety of flavored pods they offer, allowing guests to choose from a wide range of coffee options. However, they typically produce a coffee quality that is lower than that of

high-pressure espresso machines.

Why the US Market Will Not Be in Scope

The US coffee consumer is different, favoring larger quantities of low-pressure coffee beverages like those made with drip-filter machines and single-serve systems such as Keurig. Drip-filter machines hold 33% of the market share, followed by single-serve machines like Keurig at 27%. In contrast, espresso machines and bean-to-cup systems are less popular, with only 14% and 8% market share, respectively (Statista, 2023). This project will not target the US market, focusing instead on the European market, where there is a greater demand for high-quality, fresh bean coffee solutions. (Versuni - Internal source, 2024)

Coffee quality perception

Coffee quality perception is influenced by several factors that contribute to the overall taste and satisfaction of the beverage. Understanding these elements is essential for appreciating what makes a good cup of coffee. This section explores the various factors affecting coffee quality, examines key findings from a UCC coffee study, and discusses the trend of guests bringing their own coffee supplies to hotels.

Factors that contribute to coffee quality

The coffee itself

Freshness

Much like certain food items such as chocolate and spices, coffee doesn't have a conventional expiration date. This is because properly stored coffee beans don't spoil or pose any health risks. However, coffee can become stale over time, resulting in a decline in flavor and aroma. When stored in the correct way,

coffee beans can remain fresh for 6 months to 1 year past the roast date (Hunnewell, 2020). Ground coffee can remain fresh for 1-3 months in its pack, however it is recommended to use coffee grounds within two weeks of opening the package (Singhel, 2024).

On the other hand, Coffee Pods are often some of the worst examples as they often sit on the shelves or in a warehouse for months, so by the time they reach to you, the coffee is already stale. Instant coffee is created by freeze-drying or spray-drying brewed coffee, removing water content to produce a concentrated powder. Rehydrating this powder with hot water results in a ready-to-drink beverage. Thanks to this, it has a longer shelf life compared to fresh coffee, typically lasting up to two years in unopened jars or packages. (Shewmake, 2023)

Roast

Prior to roasting, raw coffee beans have a green color and emit a bean-like, grassy scent. They lack the characteristic aroma associated with brewed coffee. During the roasting process, distinct phases occur, each influencing the flavor and aroma. Usually, light roasted coffee tends to be acidic, while dark-roasted

coffee tends to be bitter. Light roasts often feature fruity aromas, whereas heavily roasted coffee tends to have smoky aromas. (Nishida, 2024)

Origin and harvesting methods

Typically, coffee farms located at higher altitudes tend to yield fruitier, more intricate, and acidic coffee varieties. On the other hand, lower-altitude farms are known for producing earthier coffees with flavors reminiscent of chocolate and nuts. (Kersey, 2022)

The appliance

The type of appliance used to prepare coffee significantly influences the quality of the final cup. As previously discussed, different coffee appliances, ranging from manual methods like the French press to fully automatic machines, produce distinct outcomes. Each method has its own unique way of extracting flavors from the coffee grounds, which can either meet or fall short of guest expectations. For instance, espresso machines are known for producing rich, concentrated coffee with a layer of crema, while drip coffee makers provide a milder, more diluted brew. Pod-based machines offer convenience



Figure 16: Different roast levels (Thompson, 2020)

and consistency but often compromise on the freshness and flavor complexity of the coffee that fresh beans can bring. Understanding these differences is crucial in managing guest expectations and delivering a satisfactory coffee experience.

Hygiene & maintenance

Maintenance of the coffee appliance plays a critical role in the quality of the coffee produced. Mineral deposits from scale buildup can significantly detract from the flavor and aroma of the coffee, leading to a bitter or metallic taste and unpleasant odor. Coffee machine manufacturers recommend regular descaling to remove these deposits, ensuring that the coffee machine operates efficiently and delivers the optimal flavor of the coffee. Ignoring regular maintenance can result in poor coffee quality, which can negatively affect the overall guest experience. Descaling not only extends the life of the coffee machine but also ensures that each cup of coffee is brewed to the highest standard, reflecting the true essence of the coffee beans used. (Bantatua, 2024) This topic will recur in later research and will be further discussed in more detail.

UCC coffee study

The UCC Coffee study, conducted in the UK, highlights significant dissatisfaction with hotel room coffee quality. Among the 1,000 respondents, 75% rated the taste of in-room coffee as “poor” or “average,” and 30% mentioned that poor coffee quality would deter them from returning to the same hotel. This underscores the crucial role coffee quality plays

in guest satisfaction and retention. (Michel & UCC Coffee, 2014)

Phil Smith, category manager at UCC Coffee, noted the growing expectation for high-quality coffee due to the rise of café culture in the UK. The study also revealed that boutique hotels ranked the lowest for coffee service, with 40% of guests rating it “very poor,” while bed & breakfast establishments received the highest satisfaction ratings (Michel & UCC Coffee, 2014). This could be due to lower expectations at bed & breakfast hotels, where guests may not anticipate high-end coffee, leading to relatively higher satisfaction with the coffee provided.

Smith highlighted that hotels have historically overlooked coffee quality, viewing it as a minor component of the overall guest experience. However, the study indicates a pressing need for hotels to prioritize high-quality coffee to meet evolving guest expectations and improve overall satisfaction.

It is important to note the **limitations** and **potential bias** of this research. As it was conducted by a coffee roasting company, there may be an inherent bias aimed at promoting higher-end coffee solutions to hotels. The study lacks details on sampling methods, the demographics of respondents, and the types of hotels surveyed, which could skew the findings towards the company’s benefit. Despite these limitations, the study sheds light on the gap between guest expectations and the coffee offerings in hotel rooms, emphasizing the need for improvements in this area.

Guests bringing coffee supplies to their rooms

There are coffee aficionados who are not willing to give up on their favorite drink, even if the hotel they are staying at doesn’t provide a satisfying option. (Collins, 2018) Driven by their passion for coffee, they go to great lengths to recreate the coffee experience they cherish, packing essential tools like Aeropresses, immersion heaters, coffee beans, and even grinders to ensure the utmost quality. (Clayton, 2018) Their commitment to quality extends to bringing along their preferred coffee beans, carefully selected for their flavor profiles and freshness. (Bohn, 2021)

This behavior confirms the earlier findings that there is a significant gap between guest expectations for coffee quality and what is typically offered in hotel rooms. It underscores the necessity for hotels to re-evaluate their in-room coffee offerings and provides a strategic opportunity for hotels to stand out in a competitive market by offering a more personalized and high-quality coffee experience.

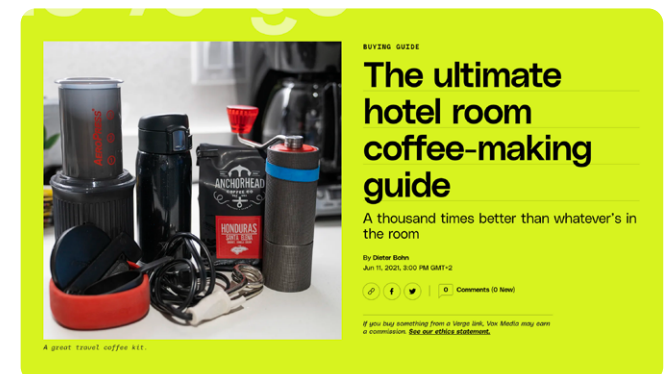


Figure 17: A guide on how to prepare coffee in hotel rooms (Bohn, 2021)

Conclusion

The gap between hotel guest expectations and in-room coffee offerings is evident. High-end machines in hotel lobbies provide a premium experience, however in-room options like instant coffee, pod-based machines, and drip-filter machines often compromise on quality and convenience. This disparity is reflected in the UCC Coffee study, which found significant dissatisfaction with in-room coffee quality. Many guests even bring their own coffee supplies to ensure a better experience, highlighting the need for hotels to reevaluate their coffee offerings.

European hotels commonly use instant coffee and pod-based machines for their simplicity, while US hotels prefer drip-filter and single-serve machines to cater to local preferences. However, these solutions often fall short in delivering the quality guests expect. To enhance guest satisfaction and meet evolving expectations, hotels must consider upgrading their in-room coffee options to provide a more personalized, high-quality experience.

Hygiene

Hygiene concerns are an important aspect of the coffee experience, particularly in a hotel setting where maintenance practices can vary. Previously, we discussed how a lack of maintenance could lead to calc buildup, which can significantly alter the taste of coffee. This section delves deeper into the hygiene concerns associated with hotel room coffee machines and examines relevant studies to understand their implications better.



Figure 18: "Hotel Coffee Makers Are Used to Wash Underwear, Says Flight Attendant Lore" (Erol, 2023)

“Hotel coffee makers are used to wash underwear...”

Hotel room machines are considered dirty and dangerous

There appears to be a trend where travellers strongly advise against using the coffee maker in hotel rooms, citing potential bacterial contamination that could be harmful (Mack, 2021) (Herz, 2023) (Mckee, 2023). This concern is predominantly based on social media posts from the US, featuring images of drip filter coffee machines, which often have large jugs where coffee can sit for extended periods.



Figure 19: Drip Filter machine (Kane's Blog, 2023)

Brewed coffee can remain safe for consumption for up to 12 hours. However, beyond this timeframe, it becomes a breeding ground for bacteria, accumulates dust particles and airborne germs, and creates ideal conditions for mold growth as it cools to room temperature. (Hunnewell, 2020b) Additionally, drip filter appliances brew at a lower temperature of around 180°F (approximately 83°C), whereas espresso machines brew at a higher temperature of close to 93°C, which can further mitigate bacterial growth.

Drinking from a dirty coffee machine doesn't mean you will get sick

A 2015 study by researchers from the University of Valencia investigated the bacterial contamination in coffee machines. Samples were taken from nine different Nespresso machines that had been in use for a year in communal spaces. The study focused on the bacteria that accumulate in the coffee grounds tray. While most of the bacteria found were harmless, some could potentially cause illness if they multiply excessively. The presence of potentially pathogenic bacteria indicates a potential risk rather than a direct measurement of sickness probability. Whether or

not someone gets sick would depend on various factors, including the specific bacteria present and individual health conditions. This study highlights the importance of regular cleaning to ensure coffee machines remain safe for use.

A potential barrier to adoption

Hygiene concerns can pose a significant challenge to the adoption of new coffee solutions like Baristina in hotel rooms. As demonstrated by studies and traveler reports, the cleanliness of coffee machines is crucial to maintaining guest satisfaction and safety. Understanding these hygiene concerns is essential for ensuring the success of Baristina in the hospitality market. We will investigate whether European hotel guests consider in-room coffee machines safe and discuss with hotel managers the hygiene precautions necessary to ensure guest safety. This topic will be revisited in the later stages of the project to explore these insights in greater detail, emphasizing the ongoing relevance and impact of cleanliness on the feasibility and acceptance of any new coffee solution implemented in hotel rooms.

Conclusion

Hygiene concerns are crucial for hotel coffee experiences, where maintenance can vary and poor cleaning can lead to calc buildup, affecting taste. Issues with bacterial contamination, especially in US drip filter machines, highlight the risks when coffee is left sitting. A 2015 University of Valencia study found potentially harmful bacteria in communal machines, emphasizing the need for regular cleaning to maintain safety. These concerns may hinder the adoption of new solutions like Baristina in hotel rooms. To ensure success, addressing hygiene is essential. This project will investigate European hotel guests' perceptions of in-room coffee machine safety and discuss necessary precautions with hotel managers.

Sustainability in the coffee industry

The third wave of coffee sparked awareness of sustainable practices in the coffee industry, leading to multiple initiatives aimed at ethical sourcing and protecting the environment. The Global Coffee Platform, formed by Rainforest Alliance, IDH, and 4C, works to improve the livelihoods of coffee farmers while reducing environmental impacts (Global Coffee Platform, n.d.). National coffee platforms in countries like Brazil and Vietnam implement localized sustainable practices. The Sustainable Coffee Challenge, led by Conservation International and Starbucks, aims to make coffee the world's first sustainable agricultural product. (Sustainable Coffee Challenge, n.d.) Fair trade initiatives ensure that producers in developing countries receive fair

compensation, promoting equitable trading partnerships and sustainable practices. (Fairtrade International, n.d.) Certifications such as Rainforest Alliance, UTZ, EKO, and EU Organic Certification validate these efforts, ensuring coffee production meets stringent environmental, social, and economic criteria. Collaborative efforts like the Coffee Barometer provide comprehensive insights into sustainability practices, advocating for fair pricing and empowering farmers through education and improved practices. (Global Coffee Platform, 2018)

While these initiatives focus on the origin and production of coffee, the sustainability of coffee packaging is equally crucial. As coffee consumption continues to rise, so does the environmental impact of its packaging.



Figure 20: A brewing problem (Hamblin, 2020)

Pods, pods and more pods

As discussed earlier, pod-based machines are a popular choice for European hotels. Since the scope of this project focuses on Europe, it is crucial to understand the sustainability challenges associated with

environmental cost, particularly concerning their packaging.

Coffee capsules contribute approximately 576,000 metric tons of waste globally. (Marinello et al., 2021) In 2014, the number of discarded Keurig cups alone was sufficient to encircle the Earth 12 times. (Humbert et al., 2009) Capsule production has the largest carbon footprint compared to other coffee production methods.

Coffee capsules contribute approximately 576,000 metric tons of waste globally. (Marinello et al., 2021) In 2014, the number of discarded Keurig cups alone was sufficient to encircle the Earth 12 times. (Humbert et al., 2009) Capsule production has the largest carbon footprint compared to other coffee production methods. (Cibelli et al., 2021)

Nespresso employs recyclable aluminum capsules, leveraging aluminum's unique property of infinite recyclability. (Felder et al., 2019) However, these capsules must be returned to Nespresso for recycling at their facility due to the silicon lining, which requires a specialized process. This silicon lining, tied to intellectual property concerns, prevents competitors from making compatible pods.

In Denmark, legislation known as Lex Nespresso facilitated the recycling of aluminum capsules with coffee residues intact. (Moskvitch, 2019)

Although aluminum capsules can maintain low carbon emissions when efficiently collected and recycled, this is only partially implemented.

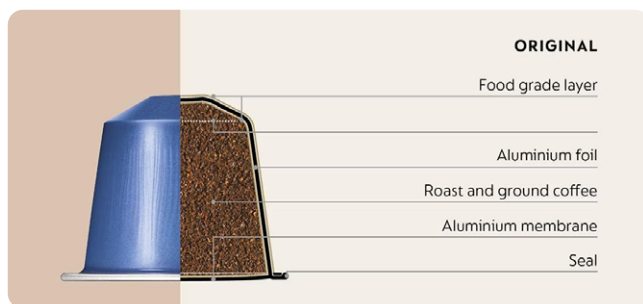


Figure 21: Nespresso capsule construction (Nespresso, 2023)

Conventional plastic coffee capsules have lower greenhouse gas emissions than aluminum ones but do not fit into circular economy models as neither the plastic nor the spent coffee grounds are recycled. Compostable coffee capsules, while minimally contributing to greenhouse gas emissions, offer no advantage when incinerated in municipal plants and can pollute more than plastic ones during production. In landfills, they degrade, emitting methane into the atmosphere, and backyard composting is ineffective, with capsules persisting for years. (Thoden Van Velzen et al., 2023)

Sustainability practices in hotels

Sustainability in the hotel industry is a complex concept that encompasses various practices and standards, reflecting the diverse perspectives of travelers and industry stakeholders. This complexity arises from the different interpretations of what constitutes sustainability in hospitality, ranging from energy conservation and waste reduction to social responsibility and local community engagement. (Walters, 2023)

Despite the growing interest in sustainable travel options, many travelers remain skeptical about the authenticity of accommodations labeled as “sustainable.” (Booking.com, 2023) This skepticism highlights the crucial role of sustainability certification programs in building trust and guiding consumers toward environmentally responsible choices.

Among these certification initiatives, Green Key Global is a notable example. It is a collaborative effort between the Hotel Association of Canada and the American Hotel & Lodging Association, designed to set industry standards for sustainability certification in North America. It employs a rigorous assessment process and rating system that evaluates hotels based on environmental and social impacts. Participation in such programs helps hotels enhance their credibility and meet the increasing demand for eco-conscious accommodations. (Green Key Global, 2024)

Other significant sustainability certification programs include Green Globe and EarthCheck. These programs offer comprehensive evaluations with independent verification and real-time monitoring of environmental performance metrics. They provide valuable insights into a hotel’s sustainability practices and reassure travelers of their environmental commitments. Furthermore, certification programs like EarthCheck go beyond compliance by integrating sustainability management systems and facilitating continuous improvement through ongoing monitoring and auditing. This proactive approach ensures that hotels not only meet current sustainability standards but also continuously improve their

practices. (Barber, 2024)

In summary, sustainability certifications play a vital role in the hotel industry by providing a transparent framework for demonstrating commitment to environmental and social responsibility. They help bridge the gap between traveler expectations and the actual sustainability efforts of hotels, fostering a more sustainable hospitality sector.

Pods and hotels: a highly unsustainable combo

Given the preference for pod-based machines in European hotels, addressing the sustainability of coffee packaging is crucial. Despite significant efforts within the coffee industry to promote sustainability through various initiatives and certifications, the issue of packaging, particularly coffee capsules, remains unresolved. The nature of hotel operations, with high guest turnover and the need for consistent quality, makes pod-based machines attractive. However, this convenience generates large amounts of non-recyclable waste. While some hotels participate in recycling programs, their effectiveness is limited by the specialized processes required for proper recycling, as seen with Nespresso’s aluminum capsules. According to Nespresso itself, only 30% of their capsules are being recycled. (Nespresso, 2020)

Moreover, the use of conventional plastic capsules, which are not recyclable or biodegradable, contradicts the sustainability goals of many hotels. Even compostable capsules present challenges, as they often do not degrade effectively, leading to methane

emissions and long-term environmental impact. This unsustainable packaging practice undermines the environmental initiatives that hotels strive to implement, such as the Green Key program. To align with these sustainability goals, hotels need alternative coffee solutions that minimize waste and environmental impact.

Introducing innovative, sustainable coffee solutions, like Baristina, could enhance the environmental credentials of hotels. By moving away from pod-based systems and adopting methods that use fresh beans and produce minimal waste, hotels can better meet their sustainability targets.

Conclusion

Sustainability in the coffee industry has led to initiatives promoting ethical sourcing and environmental protection, supported by certifications like Fair Trade and Rainforest Alliance. However, the environmental impact of coffee packaging remains significant, particularly with pod-based systems prevalent in European hotels. Despite options like recyclable aluminum capsules, low recycling rates and the challenges of plastic and compostable capsules underscore the need for improvement. Hotel sustainability practices, upheld by programs like Green Key Global and EarthCheck, play a crucial role. Yet, the reliance on pod-based machines often contradicts these sustainability efforts. To truly align with environmental goals, hotels must consider innovative coffee solutions that emphasize fresh beans and minimal waste, enhancing their sustainability credentials and reducing environmental impact.

Summary of Key Findings

The desk research has highlighted three primary issues with in-room coffee solutions in hotels: taste, hygiene, and sustainability.

Gap between taste expectations and actual offerings

The research, including the UCC Coffee Study, highlights a substantial disparity between what guests expect and the actual quality of coffee provided in hotel rooms. Many guests perceive the coffee as substandard, leading them to bring their own supplies to ensure a satisfactory experience. This finding points to a significant opportunity to elevate the quality of in-room coffee services, potentially enhancing guest satisfaction and overall hotel ratings.

Hygiene - a potential barrier to adoption

Concerns about the cleanliness of in-room coffee machines, underscored by studies such as those from the University of Valencia, reveal that hygiene issues can deter guests from using these machines. The risk of bacterial buildup due to insufficient maintenance practices necessitates strict cleaning protocols. The importance of addressing these hygiene concerns cannot be overstated, as they could significantly impact guest trust and acceptance of in-room coffee solutions. This topic will be revisited at a later stage of this report in interviews with hotel managers.

Sustainability challenges

Sustainability remains a pivotal issue in the hospitality sector, yet many in-room coffee solutions, particularly pod-based systems, fall short of environmental goals. Despite efforts like Nespresso's recyclable capsules, the actual recycling rate is very low, and alternatives like compostable pods often fail to perform as expected, leading to further environmental burdens. This highlights a clear mismatch between the sustainability initiatives that hotels aim to uphold and the current practices in in-room coffee services.

To further validate these findings, subsequent studies have been conducted. These include a survey with hotel guests to delve deeper into their satisfaction levels with existing coffee options, reasons for bringing their own coffee supplies, and perceptions regarding the cleanliness of in-room coffee machines. Additionally, interviews with hotel managers have been pivotal in gathering insights on their perspectives regarding coffee quality, hygiene practices, sustainability efforts, and identifying potential areas for improvement in current in-room coffee services. These efforts aim to solidify the foundation for introducing a new coffee solution that could improve the guest experience in hotels.

The background of the slide is a dense, close-up photograph of dark brown, roasted coffee beans. A large, semi-circular graphic element is positioned on the left side, overlapping the beans. This element has a white interior where the text is located and a curved border that transitions from a deep purple at the top to a bright orange at the bottom.

Study 1: Guest's view on hotel coffee

- Online Survey

Guest's view on hotel coffee

To validate the findings from the desk research and gain deeper insights into guests' perspectives on hotel coffee, an online survey was conducted. The survey aimed to understand attitudes towards in-room coffee in terms of quality, ease of use, taste, and

sustainability. The sample size comprised 87 individuals who had stayed in a hotel within the past 12 months, selected through snowball sampling. Both multiple-choice and open-ended questions were used to collect rich, diverse insights. The results show

a balanced distribution across age groups, with the majority having traveled to Europe for leisure. Complete results of the study can be found in Appendix A.

58%

Capsule machines dominate the market

In line with the findings of the desk research and R&R analysis, the survey shows that capsule machines dominate the hotel coffee scene, present in 58% of the hotels, across different hotel segments, with the majority placed in midrange (40%) and luxury hotels (32%). Instant coffee sachets are also popular, seen at 32% of the hotels, predominantly in midrange establishments (56%). Only 2 participants mentioned that the hotel they stayed at did not offer any in-room coffee options.

40%

Coffee machines are considered relatively clean and safe to use

According to survey responses, in-room coffee machines are generally perceived as relatively clean and safe to use, with over 40% of participants expressing positive sentiments. To corroborate these findings, it would be important to discuss with hotels about any hygiene-related complaints regarding their in-room coffee machines, which will be highlighted in the next chapter.

70%

Willingness to Experiment

More than 70% of participants indicated a willingness to experiment with new flavors or coffee machines in a hotel room setting. This high level of openness to trying new options suggests that guests are receptive to innovations in their coffee experience during their stay.

"I have a portable coffee maker with Nespresso capsules and usually take it when I travel."

"I bring my aeropress on longer trips"

"Very often I bring some nespresso capsules with me just to make sure I do not run out of coffee. I also bring nescafe sachets for the same reason. I just cannot imagine going out of the room without having my first coffee."

"I prefer to be sure that I have quality coffee available so I travel with a coffee machine"

Source: Quotes from survey

1-2 cups

Average consumption in room per day

Guests consume an average of 1-2 cups of coffee per day during their hotel stay, with 81% of respondents falling within this range. Understanding this consumption pattern is essential for assessing the suitability of implementing the Baristina coffee machine in hotel rooms. With the Baristina designed to handle approximately 14,000 brews over five years, equivalent to around 7 brews per day, the lower consumption rate reported by guests provides confidence in the machine's longevity. (Versuni Internal Testing, 2024) Moving forward, it is advisable to verify this consumption pattern with hotels to ensure alignment with actual usage.

25%

Guests Bringing Their Own Supplies

25% of guests bring their own coffee-related items when traveling to ensure they have access to their preferred brew. This includes bringing their own coffee machines, such as Nespresso or portable devices like Aeropress, as well as coffee beans, Nespresso pods, or instant coffee. The most common reasons for bringing coffee-related items include ensuring access to high-quality coffee, guaranteeing coffee availability, enhancing hotel-provided coffee, and maintaining a daily coffee routine. This trend confirms the insights from the UCC Coffee study, highlighting a gap in the current offerings.

53%

Taste is Important

Taste plays a significant role in guests' perceptions of hotel room coffee. A considerable portion of guests, 33%, evaluated the taste of in-room coffee neutrally, while another 30% rated it as bad. Notably, 53% of participants consider the taste of in-room coffee important to their overall stay at the hotel. This aligns with research conducted by UCC Coffee, which found that 30% of 1,000 respondents would choose not to stay at the same hotel due to poor coffee quality.

Conclusion and next steps

The survey findings not only reaffirmed existing research but also uncovered new insights into hotel coffee preferences. It confirmed that capsule machines continue to dominate the hotel coffee scene, while shedding light on the popularity of instant coffee sachets, present in 32% of surveyed hotels. Moreover, guests perceive in-room coffee machines as clean and safe, addressing previous concerns. Guests showed a high willingness to experiment with new flavors or machines, indicating openness to innovation. The amount of guests consuming 1-2 cups of coffee per day aligns with the Baristina's designed longevity, assuring its compatibility with guest habits. These insights underscore the importance of understanding guest preferences to enhance the hotel coffee experience and inform future decisions. The next step is to conduct interviews with hotel managers to understand their views on quality, hygiene, and sustainability in in-room coffee practices. This will provide a comprehensive perspective on current in-room coffee offerings and identify areas for improvement.

Study 2: Hotel manager's insights

- Interviews

Hotel manager’s insights

This chapter dives into the critical insights gathered from both desk research and interviews with hotel managers across different segments—Economy, Mid-Upscale, and Luxury. The initial research highlighted significant gaps in current in-room coffee offerings, specifically in taste, hygiene, and sustainability. The interviews revealed unique requirements for each hotel segment, emphasizing the importance of cost, quality, ease of use, and hygiene. Based on these insights, the chapter identifies essential requirements for successfully introducing Baristina into hotel rooms, focusing on providing a hygienic solution for bean storage, ensuring ease of use, offering cost benefits, securing bean supply partnerships, establishing efficient maintenance procedures, and incorporating a used puck container.

In response to insights gained from the guest survey and to dive deeper into current in-room coffee practices, as well as manager perspectives on existing propositions, contractual arrangements, and areas for enhancement, a qualitative research initiative was initiated. This research targeted hotel managers from various segments, including Economy, Midrange, Upscale, Luxury, and Sustainable establishments. Participants were selected through purposeful sampling: Managers of hotel chains that are present in the Netherlands, but also have hotels abroad that offer in-room coffee.

The interviews for this study were structured as semi-structured discussions to allow flexibility in exploring the topic of in-room coffee services within

hotels. Each session began with an introduction to the project and the researcher’s background, followed by questions about the hotel’s current coffee offerings, client demographics, and specific operational practices. At the end, a product introduction video of Baristina was shown to give participants a tangible understanding of the proposed solution, after which they were asked to evaluate the concept.

The selection of hotels was guided by Horwath HTL’s European Chains & Hotels Report 2019, which provides comprehensive data on hotel chains across 22 European countries. Securing these interviews was a meticulous and time-intensive process, involving numerous emails, phone calls, in-person visits, and leveraging LinkedIn and personal connections. Out of 23 approached hotels, only five agreed to participate. Face-to-face interviews were conducted in hotel lobbies to capture the ambiance and context effectively, with detailed notes taken for privacy reasons instead of recordings. The interviews were conducted with the following participants:

Participant	Hotel Chain	Segment
1	International chain with 6,400+ hotels globally	Economy
2	International chain with 7,600+ hotels globally	Midscale
3	International chain with 6,400+ hotels globally	Upscale
4	Small international chain with 5 hotels	Upscale
5	International chain with 7,600+ hotels globally	Luxury

Table with interview participants

The hotel names will not be disclosed in this report due to privacy reasons, however, they are available as part of the confidential appendix.

Key Insights

Sustainability in hotel operations

Sustainability remains a top priority for hotels, echoing findings from the desk research that highlight the hospitality industry’s shift towards eco-friendly practices. Participants 2 (Midscale) and 3 (Upscale) implement a range of sustainability measures, including renting umbrellas with proceeds contributing to tree planting, installing UV film on windows to reduce power consumption, and investing in smart systems like kitchen absorption units and room automation to conserve energy. Participant 4 (Upscale) demonstrates commitment through innovative initiatives such as thermal energy storage for sustainable heating and cooling, installation of solar panels for renewable energy generation, utilization of a swill tank for organic waste conversion, and provision of habitats for local wildlife. Additionally, the restaurant prioritizes sourcing from local suppliers and using seasonal ingredients to minimize emissions and environmental footprint. Participant 1 (Economy) focuses on energy efficiency with measures like energy-efficient lighting in guest rooms and tracking consumption data to identify areas for improvement.

Sustainable coffee practices

Hotels are increasingly trying to align their coffee service offerings with broader environmental sustainability goals. This effort to bridge the gap between their general sustainability practices and specific in-room coffee services was identified during the desk research as a significant area needing attention. Participants 2 (Midscale) and 4 (Upscale) are examples of hotels taking proactive steps towards this alignment. Participant 4 (Upscale) actively participates in recycling used coffee pods and has experimented with compostable options to reduce landfill waste. Meanwhile, Participant 2 (Midscale) uses Lavazza's "Tierra" bio-organic coffee pods, showcasing a commitment to both quality and environmental sustainability.

Participant 5 (Luxury), although engaged in recycling programs, faces challenges in balancing luxury services with eco-friendly practices due to its clientele. This luxury hotel caters to high-net-worth individuals who often prioritize comfort and quality over environmental concerns. Despite this, Participant 5 (Luxury) is making efforts to balance luxury with sustainability. Their participation in recycling programs, although challenged by guest preferences, shows an attempt to bridge the gap between luxury services and sustainable practices.

Prioritizing high-quality coffee

In response to increasing guest expectations, hotels have significantly upgraded their in-room coffee offerings to include more sophisticated options that

emphasize quality and guest satisfaction. Participant 2 (Midscale) has transitioned from serving instant coffee to the Lavazza Blue capsule system. This change was made to elevate the standard of coffee quality available in their rooms, offering a more premium beverage experience.



Figure 22: Lavazza pod machine at participant hotel



Figure 23: Nespresso pod machine at participant hotel

Participants 4 (Upscale) and 5 (Luxury) have incorporated Nespresso machines, a choice driven by the

brand's widespread popularity and its reputation for delivering consistent and high-quality coffee. Participant 3 (Upscale) has taken a similar route by integrating an Illy pod system, which is known for its fine Italian coffee blends.



Figure 24: Illy pod machine at participant hotel

Contractual Relations

Contracts in the hospitality industry vary based on the size and scale of the establishment. Larger hotel chains, including Participants 2 (Midscale), 5 (Luxury), 1 (Economy), and 3 (Upscale), typically have a roster of approved suppliers for various services, including coffee. These contracts are usually long-term, spanning 5-7 years, with a focus on achieving a satisfactory return on investment (ROI). On the other hand, smaller hotels like Participant 4 (Upscale) often opt for less stringent contracts when procuring appliances, such as purchasing pods directly from Nespresso's B2B website.

Hygiene

Hygiene has emerged as a critical issue in hotel guest experiences, with desk research and survey findings highlighting concerns about the cleanliness of in-room coffee machines. These concerns were further validated through interviews, placing hygiene as a key factor in hotel operations. Maintaining high hygiene standards is crucial for hotels and emerges as one of the most significant insights from the interviews. Participant 2 (Midscale) limits in-room amenities to single-serve packaged items to mitigate potential health risks, aligning with global brand standards. Similarly, Participant 4 (Upscale) emphasizes hygiene concerns when considering a bean solution for their coffee offerings. Participant 5 (Luxury) highlights the heightened importance of hygiene post-COVID, ensuring all amenities are safe and clean for guests.

These measures strongly echo the initial concerns highlighted in the desk research, particularly regarding travelers' worries about the cleanliness of coffee machines. Hotels prioritize hygiene by limiting in-room amenities to single-serve packaged items and diligently maintain their appliances according to manufacturer recommendations, including regular descaling when necessary.

IMPORTANT

This emphasis on hygiene is a critical finding. Without a robust solution addressing these hygiene concerns, it is highly possible that it becomes a significant blocker to the adoption of Baristina in hotel

rooms. Developing an effective hygiene strategy is essential to ensure acceptance and integration into hotel operations.

Guests and Staff Stealing Pods

Another interesting finding is that guests and staff frequently help themselves to the pods provided, resulting in significant losses. Participant 2 (Midscale) experiences a 15-20% reduction in inventory due to pod theft. Participant 4 (Upscale) has observed similar behavior, although they have factored these losses into their room pricing strategy. Hotels manage inventory through housekeeping and order pods based on demand, noting the popularity of certain flavors.

View on Baristina

At the end of the interview, participants were shown a 1-minute product introduction video of Baristina to help them understand the new proposition by Versuni. Hotels expressed enthusiasm for the Baristina proposition, seeing it as a promising alternative to their coffee offerings. Initial impressions from Participant 4 (Upscale) were positive, with appreciation for its user-friendly design and aesthetic appeal. However, there were concerns about hygiene related to guests opening the bean compartment and handling beans. Participant 2 (Midscale) was impressed by the potential cost-saving benefits of Baristina compared to capsule machines. Similarly, while recognizing the advantages, they emphasized

the importance of maintaining hygiene standards, suggesting the addition of a locking mechanism for the bean container. Participant 5 (Luxury) appreciated the focus on freshness and high-end quality but raised practical concerns about the machine's size and ease of maintenance.

"Using coffee beans would mean lower operational costs – I like it!"

- Participant 2 (Midscale)

"Looks easy to use and pretty"

- Participant 4 (Upscale)

"Freshness and quality are really something important for us! When are you launching?"

- Participant 5 (Luxury)

Understanding their needs

The interviews allowed to identify the unique requirements and challenges faced by economy, mid-upscale, and luxury hotels in their in-room coffee offerings. The table summarizes key aspects for each hotel segment, including guest profiles, average stay duration, current coffee offerings, and factors influencing their choices. It highlights how each segment balances cost, quality, aesthetics, ease of use, hygiene, and sustainability in their decision-making processes. This comparison helps to pinpoint where Baristina can best align with the specific needs of each segment, offering tailored solutions that enhance guest satisfaction and operational efficiency.

Understanding their needs

	Economy Hotels	Mid-Upscale Hotels	Luxury Hotels
Eg. Brands	CitizenM, Ibis, Premier Inn, Holiday Inn	Novotel, Mercure, Best Western, NH Hotels, Park Inn, Hilton	Four Seasons, Waldorf, Conrad, InterContinental
Room price	< 100€	120 – 400 €	500+ €
Guest profile	Value seekers They prioritize a clean, convenient, and affordable place to sleep at night, with a comfortable bed, private bathroom, basic toiletries and convenient locations near transportation links or tourist destinations.	Value-conscious but appreciate comfort Guests are willing to pay a bit more for a step up in comfort, amenities, and service compared to economy hotels. They expect a well-appointed room with amenities like a mini-fridge, coffee maker, and better-quality toiletries.	Wealthy Travelers presumably with disposable income for luxury travel. They seek high-end unique experiences, personalized service, and fresh, high-quality amenities, with practicality and hygiene also being important considerations.
Average stay	1-2 nights	1-2 nights	3-4 nights
Coffee offered	Instant coffee sachets	Pod machines	Pod machines
Reason	Cost	Value = cost + quality	Convenience + quality
Sourcing	Approved suppliers only (excl. smaller hotels)		
Quality / taste of coffee	Not a priority. They often choose instant coffee	Quality is starting to be important. Some switch from instant to pods to improve quality	Quality is highest priority
Initial cost	Cost is a huge factor for Economy, as rooms are priced lower, they often opt for instant coffee	Initial investment is important. Target ROI 5-7 years	Initial investment is important
Cost per cup	High	Medium, pods are often stolen by staff/guests	Low, as luxury hotels are priced 500€+ per night
Aesthetics	Aesthetics are not considered when choosing coffee solution	The coffee solution should match the hotel aesthetics if possible	The coffee machine should blend seamlessly into the room. No big flashy logos should be visible
Ease of use	Coffee solution should be easy to use	Coffee solution should be easy to use – this is why they often opt for brands like Nespresso which are popular to guests. American guests have a challenging time using espresso machines, leaflets are often provided	Coffee solution should be easy to use – this is why they often opt for brands like Nespresso which are popular to guests. American guests have a challenging time using espresso machines, leaflets are often provided
Hygiene	Everything provided in the room should be packed in sealed single-use packaging – no open containers allowed		
Sustainability	Sustainability is not considered when choosing a coffee solution. Cost is the priority	Sustainability is becoming an important topic in hotel operations. Coffee is still lacking behind, however, some are taking steps in this direction	Sustainability is not considered when choosing a coffee solution. Quality is the priority

Table with hotel profiles based on interviews

Based on all the insights gathered from desk research, trend analysis, guest surveys and interviews with hotel managers, it is clear that to successfully introduce Baristina into hotel rooms, the following must-haves are essential, listed by priority from high to low:

Hygienic solution around beans	The current hotel requirements only allow for beverage/food items in the room to be in sealed packs. Think of single serving packs of beans or a way to ensure beans can't be reached by guests - e.g. locking mechanism
Ease of use	Solution should be on par if not easier than capsule systems. Additional materials to help explain how the system works can be considered
Cost benefit for switching to beans	Provide a solution that is competitively priced / is more affordable on the long run to justify higher price of appliance. Either one time off / lease / subscription. Provide a calculation in which hotels can clearly see how much they can save.
Bean supply	Bean supplier also needs to be an approved seller to hotels. Consider partnerships with 3rd party.
Maintenance / repair procedures	Ensure appliances can be repaired / replaced quickly if broken
Used puck container	Out of the box Baristina doesn't come with a way to store used coffee grounds. Running around the room with a dripping portafilter can cause a mess.

Table with requirements based on interviews

These requirements form the foundation for Baristina's successful integration into the hotel market, addressing the key concerns and expectations of hotel management and guests alike.

The solution

- Scope
- Feasibility
- Viability

The solution

Scope

To successfully introduce Baristina into the hospitality market, it is crucial to identify the optimal target segment. Based on the extensive research, guest survey, and in-depth interviews with hotel managers, mid-upscale hotels that are part of chains emerge as the most promising market. This section outlines the justification for this focus and provides supporting data to substantiate the decision.

The research revealed several key insights:

- Guest Preferences:** Guests at mid-upscale hotels are increasingly seeking high-quality, personalized experiences during their stay. They value amenities in their rooms which enhance their overall experience and satisfaction.
- Operational Considerations:** Hotel managers are concerned with both the cost and maintenance of in-room coffee solutions. They expressed a need for solutions that balance initial investment with long-term operational efficiency and guest satisfaction.
- Sustainability Trends:** Sustainability is a growing priority within the hospitality industry. Both guests and hotel managers are looking for eco-friendly alternatives to traditional coffee solutions, such as single-use pods, which are often seen as environmentally unsustainable.

- Rising Importance of Coffee Quality:** There is a noticeable trend among midscale hotels to improve the quality of their coffee offerings. This includes transitioning from instant coffee and to more sophisticated solutions that can deliver a higher quality coffee experience.

Given these insights, targeting mid-upscale hotels that are part of chains aligns with both the market demand and Baristina’s unique value proposition.

Target customer

Mid-upscale hotels cater to guests who are willing to pay a bit more for a step up in comfort, amenities, and service compared to economy hotels. This comparison will help highlight the alignment between the two and justify the choice of mid-upscale hotels as the primary focus.

The comparison table clearly shows that there is a strong alignment between the target consumers of mid-upscale hotels and Baristina’s target consumer. Both groups prioritize quality, convenience, and sustainability, and they share similar demographic and behavioural traits. This alignment underscores the rationale for targeting mid-upscale hotels with Baristina, as the appliance’s features and values resonate well with the preferences of hotel guests in this segment.

By focusing on mid-upscale hotels, Baristina can effectively tap into a market that values the same attributes that the product offers, ensuring higher acceptance, satisfaction among hotel guests and potentially opening an opportunity for increased B2C sales.

	Mid-Upscale Hotel Guests	Baristina Target Consumer
Demographics	Primarily adults, often professionals or families	Young adults or families with (younger) kids
Income Level	Mid to upper-mid income	Mid income
Travel	Leisure and business, looking for comfort and quality	Love to travel, very active social life
Coffee Preferences	Guests consider taste important to their overall stay	Coffee should be made from freshly ground beans
Coffee consumption	Average 1-2 cups per day	Medium coffee drinkers
Value attributes	Value for money, willing to pay more for better amenities and service	Value-conscious; looking for quality at a reasonable price

Table: Midscale hotel guest vs Baristina consumer

Investment and ROI

Balancing initial investment with a target ROI of 5-7 years makes mid-scale hotels an ideal fit. Budget hotels, with tighter profit margins, are often looking to cut costs where possible and may not be willing to invest in higher-end coffee solutions. Mid-up-scale hotels, on the other hand, have the financial bandwidth to invest in quality amenities that enhance guest experience and justify the expenditure through long-term returns.

Cost efficiency and theft prevention

Mid-upscale hotels are mindful of operational costs, including the cost per cup of coffee. Baristina was immediately seen as a cost-saving alternative to pods, potentially reducing the per-cup cost significantly. Additionally, Baristina can help reduce theft of coffee pods by guests and staff, a concern highlighted in our interviews.

Coffee quality and sustainability

The growing importance of coffee quality and the rise of sustainability concerns resonate well with mid-scale hotels. These hotels are likely receptive to solutions that improve coffee quality while being mindful of environmental impact. Baristina, with its fresh bean-to-cup solution, meets these criteria by offering high-quality coffee and reducing waste associated with pod-based systems.

Easier Expandability

Focusing on hotel chains allows for easier expandability. Once Baristina is successfully integrated into a few hotels within a chain, it can be scaled across other hotels in the chain, leveraging established relationships and contracts.

Market Potential

There are approximately 7 million hotel rooms in Europe (Statista, 2021), with 43% of these rooms being part of hotel chains (Hinton, 2022). Within this segment, midscale and upscale hotels constitute around 75% of the total market. (Horwath HTL, 2019) (Otus & Co, 2002) This translates to approximately 2.23 million mid-upscale hotel rooms in the EU that are part of hotel chains. The market potential will be further discussed in the viability part of the report.

Feasibility

Technical feasibility

Expected lifetime well above hotel demands

Baristina is engineered to brew up to 14,000 cups of coffee over its lifespan, translating to approximately 7 cups per day for 5 years. (Versuni, 2023) This robust design ensures that the machine can handle the demands of a hotel environment, where guests typically consume 1-2 cups of coffee per day in their

rooms. Given these consumption patterns, Baristina's durability and longevity make it a reliable choice for hoteliers looking to offer high-quality coffee experiences to their guests.

Regulatory compliant

According to Versuni's regulatory team, Baristina meets all existing safety standards for hotel room use in Europe, ensuring it can be safely deployed across a wide range of hotel environments.

However, a minor update to the user manual (Directions for use - DFU) that highlights its suitability for hotel rooms is necessary - the current DFU states that the machine is not suitable for commercial use, a precaution included to prevent businesses from using Baristina in high-demand locations such as offices, cafes or restaurants. This clause needs revision to specify that while Baristina is not intended for commercial coffee shop environments, it is suitable for controlled-use environments such as hotel rooms.

This small change can be easily implemented and is not a blocker for the project, as the machine doesn't include a paper DFU, but rather a QR code on the packaging that leads to an online page. This means there would be no costs involved around this modification.

Key Challenge: Bean Container Access

A significant obstacle to Baristina's adoption in hotel rooms is the current design of its bean container. Hotel policies typically prohibit open containers of food or beverages in guest rooms due to hygiene concerns. This issue was highlighted in the interviews with hotel managers from larger chains. They emphasized that maintaining high hygiene standards is crucial, and as a result, they limit in-room amenities to single-serve packaged items to mitigate potential health risks.

The existing design of Baristina, which allows users to access and touch the beans, poses a potential violation of these hygiene regulations. Addressing this issue is crucial to ensure Baristina's compliance with hotel standards. Potential solutions could include developing a locking mechanism for the bean container or offering single-serving packs of beans that can be easily inserted into the machine without direct contact. This would ensure that the beans remain sealed and untouched until they are brewed, aligning with the stringent hygiene standards of larger hotel chains.

The feedback from hotel managers during the interviews underscores the importance of this issue. They highlighted that without a solution to prevent direct contact with the beans, Baristina might face significant barriers to adoption. Therefore, addressing this challenge is essential to align with hotel policies and facilitate Baristina's successful implementation in the hospitality sector.



Figure 25: Baristina bean container - (Versuni, 2024)



Figure 26: Baristina bean container - (Versuni, 2024)

Proposed solutions

A

Single portion bean packages

One potential solution to address hygiene concerns is the use of single packaged beans. This approach involves providing individually sealed portions of fresh coffee beans, ensuring that each serving is hygienically packed and untouched until used by the guest. By offering pre-measured, single-serve packages, hotels can maintain high standards of cleanliness and provide guests with a fresh and convenient coffee-making experience.

A similar concept has been successfully implemented by xbloom, which offers single packaged beans specifically designed for their drip filter machines. This system ensures that each guest receives a fresh, consistent, and high-quality cup of coffee while minimizing hygiene concerns associated with open containers or bulk storage.



Figure 27: xbloom xpod (xbloom, 2024)

Advantages

Choosing this method has several advantages:

- **No research, development and production costs** associated with designing a new bean container. This solution is straightforward to implement, as it leverages existing packaging technologies.
- Single portion packages allow for a **variety of coffee options**, enabling collaboration with coffee roasters to offer a wide range of single-serve choices catering to diverse taste preferences. This variety can enhance the guest experience and provide a personalized touch to in-room coffee offerings.
- Customizable packaging provides **branding opportunities** for both the hotel and the coffee supplier, enhancing brand visibility and recognition.

Disadvantages

However, it comes with notable drawbacks:

- Single use packaging **does not align with Baristina's zero waste concept**, contradicting its commitment to sustainability. Even compostable single-use pods can generate waste compared to reusable bean containers, potentially undermining the brand's eco-friendly image.
- **Packaging and production costs** for single portion beans may be higher compared to bulk bean supply, potentially increasing operational expenses for hotels. Xbloom coffee bean pods are priced at 1,62€ per pod which is about 3-4 times higher than traditional (Nespresso, Illy, etc.) pod options.
- Single portion packages do not address the issue of **theft by guests or staff**, which can lead to significant losses.

IMPORTANT: Another critical disadvantage is related to the precision of coffee machines. Although coffee machines are designed to be precise, there is always some retention of beans or ground coffee left in the grinder. This retention makes it challeng-

ing to predict the exact quantity of beans required in a single-serve pack. As a result, the single-serve pack could either contain too much coffee, leaving beans in the bean compartment, or too little, resulting in an incomplete serving. This inconsistency would lead

to an open container with food, which goes against hotel practices discussed earlier and does not solve the problem of maintaining hygiene standards. A solution to this grinder topic would be too complex and is out of scope for this project.

Locking Bean Container

The preferred solution to address hygiene concerns is the implementation of a locking bean container. This design prevents guests from accessing the beans directly, significantly reducing the risk of contamination and ensuring that the beans stay fresh. The container features a secure lid or lock that can only be opened by hotel staff, allowing for easy refilling while keeping the beans protected from external elements. This mechanism can be seamlessly incorporated into the Baristina machine, ensuring both safety and convenience.



Figure 28: Locking bean compartment

Advantages

This approach offers several significant advantages:

- **No environmental impact of single-use packaging**, aligning with Baristina's commitment to sustainability.
- **Cost-effective in the long term**, buying beans in bulk is significantly cheaper; e.g. a 1kg bag of A-brand beans like Lavazza Qualita Rossa costs about 17€ and can make approximately 100 coffees. This cost efficiency will be further discussed in the viability part of the report.
- **Reduced dependency on external suppliers** for single-serve bean packs, which mitigates supply chain risks and ensures consistent availability of beans. Single-use packaging would require Versuni to partner with specific bean suppliers to produce smaller bags of beans.

Disadvantages

However, there are some challenges associated with this solution:

- Developing a locking bean container requires **research and development costs**, which can be significant - this will be discussed further in the viability part of the report.
- Implementing this solution will result in an **uplift in the final price** and the creation of separate stock-keeping units (SKUs), **adding complexity to production and inventory management**.
- While the **lack of variety and decaf options** is a potential issue, it can be addressed by designing a dual bean container to offer multiple choices to guests.

Conclusion

After evaluating both solutions, the recommended direction is to develop a locking bean container. This solution aligns with Baristina's sustainability goals, reduces long-term operational costs, and

mitigates supply chain risks. Despite the initial R&D and production costs, the benefits of a locking bean container outweigh those of single portion bean packages. The locking bean container offers a more

sustainable, cost-effective, and reliable solution for hotel implementation, ensuring compliance with hygiene standards while enhancing the overall guest experience.

Operational Feasibility

Ensuring the operational feasibility of Baristina in hotel rooms involves straightforward and practical measures to guide guests, train staff, and manage maintenance efficiently.

Guest Guidance

To help guests use Baristina easily, hotels should provide clear visual instructions. This can be achieved through a simple leaflet placed next to the machine or unobtrusive stickers on the machine itself. These instructions should be straightforward and blend seamlessly with the room's aesthetics, avoiding a cluttered appearance. According to the interviews, US guests often experience difficulties using espresso machines because they are not accustomed to them. Providing these kinds of visual materials helps overcome this barrier and ensures a smooth user experience.

Staff Training

Versuni should develop a basic training module for hotel staff. This training should cover essential aspects of operating and maintaining Baristina, including cleaning and descaling. Staff should be equipped to assist guests with any questions or minor issues, ensuring a smooth and enjoyable experience for the guests. Versuni could repurpose the existing how-to videos into training materials for staff, minimizing the cost for additional shoots and ensuring consistency in training content.

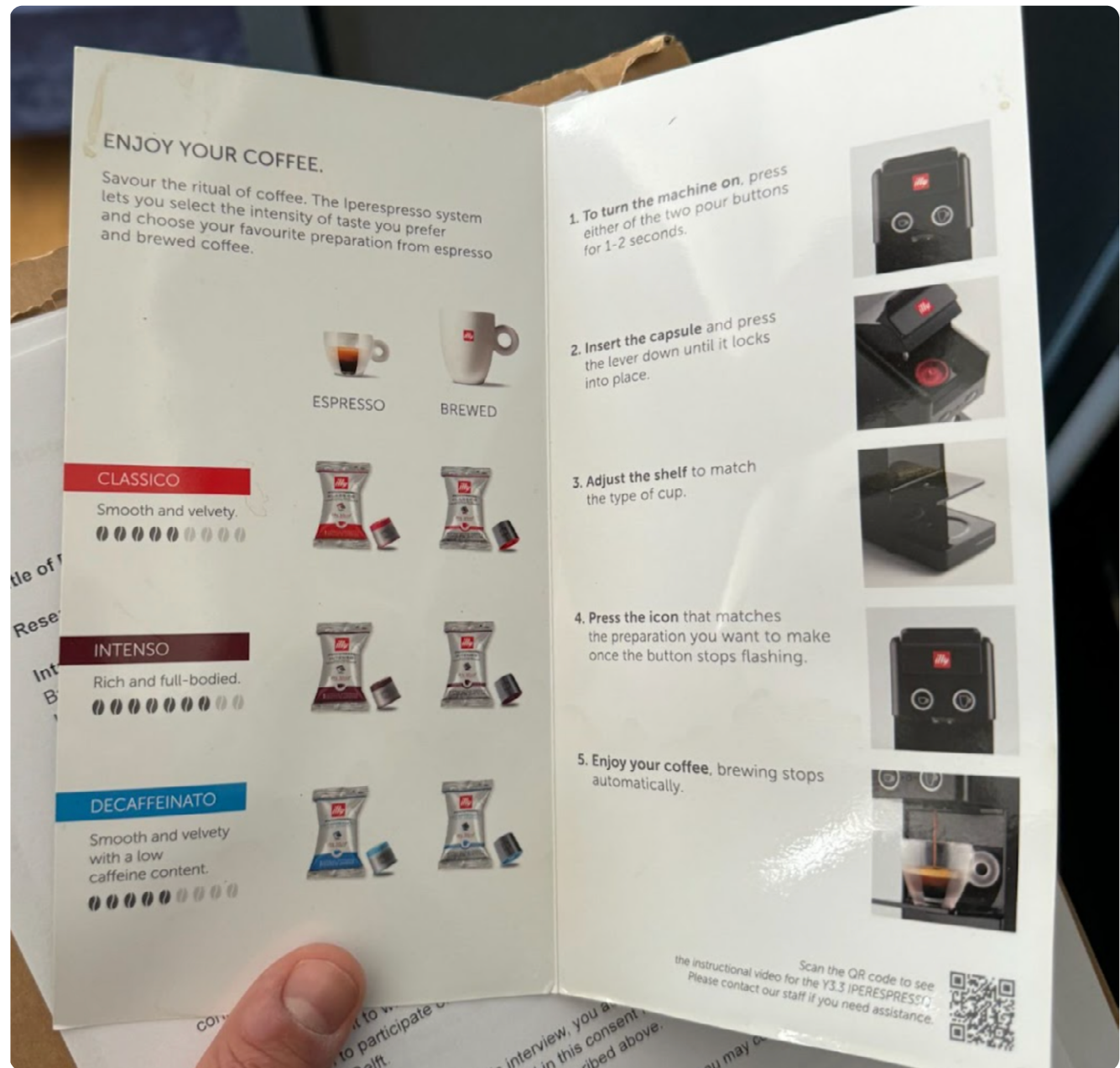


Figure 29: Leaflet provided by Illy on how to use their appliances.

Repair & Replacement

A clear process for repairing and replacing Baristina machines should be established. This includes a quick response system for addressing any issues that arise, ensuring minimal disruption to guests. Existing service centers can be utilized to manage repairs and replacements, saving on costs related to setting up new ones. However, a faster procedure needs to be implemented to ensure hotels do not stay without machines for extended periods.

Supply Chain & Production

Establishing a streamlined supply chain process is crucial. The bean containers need to be integrated seamlessly during production, whether on the production line or through post-production modifications. Ensuring a consistent supply of machines and coffee beans to hotels is essential for maintaining operational efficiency.

By focusing on these key areas, Baristina can be effectively integrated into hotel environments with minimal operational challenges.

Next: Viability >

Viability

Estimated opportunity

The hospitality industry has demonstrated impressive growth from \$3.9 trillion in 2021 to \$4.7 trillion in 2023, reflecting a stable CAGR of 6.4%. This substantial growth shows the industry’s resilience and capacity to recover from the pandemic’s challenges. Projections indicate that the global hospitality market is destined to reach \$6.2 trillion by 2028, with an impressive CAGR of 5.7%. (Statista, 2023)

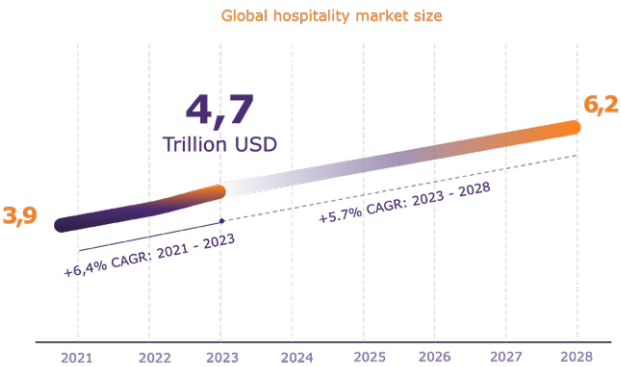


Figure 30: Global hospitality market size (Statista, 2023)

As previously discussed, the market potential for Baristina in the European hotel industry is substantial. There are approximately 7 million hotel rooms in Europe (Statista, 2021), with 43% of these rooms being part of hotel chains (Hinton, 2022). Midscale and upscale hotels constitute around 75% of the total market (Horwath HTL, 2019; Otus & Co, 2002), which translates to approximately 2.23 million mid-upscale hotel rooms in the EU that are part of hotel chains.

Achieving even a modest penetration rate within this market presents a significant opportunity for Baristina. Capturing just 5% of the target market, which equates to approximately 111,500 rooms, could unlock a considerable revenue stream.

Revenue model

The table below provides a comparative overview of the three proposed business models—Purchase, Lease, and Subscription. Each model offers distinct advantages and challenges, which are explored in detail in the following analysis to determine the most viable option for Baristina’s entry into the hotel market.

	Purchase	Lease + Bean Supply	Subscription + Bean Supply
Description	Hotels buy Baristina machines	Hotels lease Baristina machines for a fixed term, paying a monthly/annual fee; Versuni gets a commission on bean sales. Ownership transfers to hotel after lease.	Hotels subscribe to a service providing Baristina machines, support, maintenance, and bean supply.
Pros	Immediate revenue from sales. Full ownership and control for hotels. Simplified transactions.	Low upfront cost for hotels. Steady, predictable revenue for Versuni. Easier upgrades/replacements.	Minimal upfront cost for hotels. Recurring revenue for Versuni. On-going support and maintenance. Comprehensive solution.
Cons	Higher upfront cost for hotels. Limited ongoing revenue stream compared to leasing or subscription models. Hotels are responsible for maintenance costs.	Lower initial revenue. Requires lease management. Potential risks: damage/non-payment. May need additional service centers. Dependency on bean partner	Requires subscription management. Slower initial uptake. Challenges in demand forecasting. Dependency on bean partner

Table: Business models overview

Purchase Model

In the Purchase model, hotels buy Baristina machines outright.

Pros

One of the primary benefits of the purchase model is the generation of immediate revenue from each sale. Considering that hotels would rarely buy 1 - 2 machines, a significant income can be expected with each transaction. This capital can be reinvested in other areas of the business, such as research and development, marketing, or expanding production capabilities. Hotels have full ownership and control over the machines, which allows them to manage

and utilize the equipment as they see fit. The straightforward nature of the purchase transaction simplifies the process, avoiding the complexities associated with ongoing payments or lease agreements.

Cons

The higher upfront cost can be a significant barrier for some hotels, particularly smaller establishments or those with tight budgets. This could limit the market size and slow adoption rates. Furthermore, hotels are responsible for maintenance costs, which can be a deterrent for those looking for comprehensive support solutions.

Lease & Bean Supply Model

The lease model allows hotels to lease Baristina machines for a fixed period, paying a monthly or annual fee for their use. Ownership of the machine is transferred to the hotel after the lease period.

Pros

Leasing significantly lowers the initial financial barrier for hotels, making it easier for them to adopt Baristina. This can lead to faster market penetration and higher adoption rates. The steady, predictable revenue stream from regular lease payments helps Versuni manage cash flow more effectively and supports long-term financial planning. Moreover, retaining ownership of the machines initially allows Versuni to manage the lifecycle of the product,

offering upgrades or replacements as needed. This can ensure that the machines remain up-to-date and maintain high performance standards.

Cons

Despite these advantages, the lease model generates lower immediate revenue compared to outright sales. Managing lease agreements, including tracking payments, addressing potential damage, and handling non-payment issues, adds operational complexity. There is also a need for robust customer service and support infrastructure to manage these leases effectively. The requirement for additional service centers to support leased machines increases operational costs. Ensuring that all leased machines are maintained to high standards also requires rigorous monitoring and quality control processes. Additionally, managing a partnership with a bean supplier is crucial to ensure a steady supply of high-quality beans.

Subscription & Bean Supply Model

In the subscription model, hotels subscribe to a service that includes the provision of Baristina machines along with ongoing support, maintenance, and coffee bean supply.

Pros

The subscription model offers a holistic solution that minimizes upfront costs for hotels, making it highly attractive for establishments seeking to manage

cash flow effectively. This model establishes a recurring revenue stream for Versuni, providing financial stability and predictability. The ongoing customer support and maintenance included in the subscription can help build strong, long-term relationships with hotels, fostering loyalty and reducing churn rates. By managing the coffee bean supply as part of the subscription, Versuni can ensure consistency in the quality of coffee served, enhancing the overall guest experience and reinforcing brand standards. This model also opens up opportunities for additional value-added services, such as personalized coffee selections or seasonal offerings.

Cons

However, managing subscription agreements and ensuring consistent service delivery can be complex and resource-intensive. The initial adoption of the subscription model may be slower, as hotels assess the long-term commitment involved. Forecasting demand and managing inventory levels to meet subscription needs requires sophisticated logistical planning and coordination.

A partnership with a reliable bean supplier is essential to ensure a steady supply of high-quality coffee beans. This adds another layer of coordination and dependency, which could complicate operations. Additionally, the need to manage and maintain the machines throughout their lifecycle, including regular servicing and potential replacements, increases operational costs.

Additional opportunity

Beyond the primary business model considerations, Baristina has a significant opportunity to leverage its presence in hotel rooms to drive B2C sales and enhance brand awareness. The calculations below illustrate the potential impact of this secondary market.

As previously discussed, the total available market for Baristina in mid-upscale hotels is approximately 111,500 rooms. To estimate the number of people who will see Baristina machines in these rooms, we use the average occupancy rate in Europe and the average duration of a hotel stay.

- Average occupancy rate in Europe over the past 4 years: 53% (Hansen, 2024).
- Average duration of a hotel stay in midscale hotels: 1.5 days. (Interview + Survey data)

Calculating the Number of Guests:

- Total room nights per year = 111,500 rooms × 365 days = 40,697,500 room nights.
- Occupied room nights = 40,697,500 room nights × 53% occupancy rate = 21,569,675 room nights.
- Number of guests per year = 21,569,675 room nights ÷ 1.5 days = 14,379,783 guests.

Thus, approximately 14.5 million people will see Baristina machines in these hotel rooms each year.

Conversion to B2C Sales

Using data from the R&R analysis, we estimate the potential B2C sales generated from this exposure. Reviews of Nespresso, Dolce Gusto, and Lavazza portioned machines indicate that 0.5% of all reviewers mentioned seeing the machine at a hotel and subsequently purchasing it for home use.

Conversion rate from hotel exposure to home purchase: 0.5%.

Potential B2C sales per year = 14,379,783 guests × 0.5% conversion rate = 71,899 machines.

This suggests that Versuni could potentially sell about 72,000 machines annually to consumers who first encounter the product in hotels.

By leveraging the visibility and credibility gained from being present in hotel rooms, Baristina has the potential to significantly boost its B2C sales. This secondary opportunity not only enhances brand awareness but also drives direct consumer purchases, further solidifying Baristina's market position.

Disclaimer

It is important to note that these numbers are highly indicative and based on several assumptions. They provide a broad estimate of the total obtainable market size and do not account for incremental increases in sales. Moreover, the actual conversion rate and market dynamics may vary, and further market research and analysis are required to validate these projections.

Conclusion

This exploration of business models provides a comprehensive overview of the different possibilities for integrating Baristina into the hotel industry. However, it is important to note that this analysis alone is not sufficient to make a definitive decision on the best business model. Several key prerequisites must be addressed before a final recommendation can be made:

- Understand the Numbers: A detailed financial analysis is essential to determine which business models can create a successful business case. This includes researching competition pricing, calculating potential scenarios for Baristina, and developing concrete financial projections.
- Re-engage with Hotel Managers: It is crucial to gather insights from hotel managers regarding their preferences and operational considerations: Do they prefer to own the appliances or lease them? Why? How long is the typical contract duration? Questions about operational feasibility: broken appliance replacement, coffee supply, etc.

By addressing these prerequisites, we can ensure that the chosen business model aligns with both market demands and the operational realities of hotels. The next section will involve a thorough calculation to evaluate the financial viability of each business model, followed by validation interviews with hotel managers to understand their preferences and needs. Based on this comprehensive analysis, a final recommendation will be formed for Versuni.

Business models in numbers

Competition

Understanding the competitive landscape is crucial for determining the optimal business model for Baristina. Three key competitors—Nespresso, Lavazza, and Illy—were thoroughly analyzed to provide insights into current market practices and pricing strategies. See Appendix E for detailed numbers.

Assumptions

Several assumptions were made to facilitate a comprehensive analysis, given the lack of openly available B2B pricing:

- **Discounts on Pods:** It is assumed that hotels receive significant discounts for bulk purchases of coffee pods. Two discount scenarios were calculated: -20% and -40%.
- **Ownership Cost Period:** The total cost of ownership is calculated over a 5-year period. This timeframe aligns with the feedback from interviews, where hotels indicated a desire for a return on investment within 5 to 7 years.
- **Machine Cost:** It is assumed that machines are either provided for free or at a 50% discount to minimize upfront costs for hotels.
- **Appliance Models:** The models chosen for comparison are Nespresso Pixie, Lavazza A Modo Mio Jolie, and Illy Y3.3 Espresso & Coffee. These models were selected based on desk research and their frequent presence in hotel rooms.
- **Coffee Consumption:** Two sub-cases were

analyzed for each brand, based on 1 and 2 cups of coffee per day. According to interviews and guest surveys, the average consumption in hotel rooms is between 1 to 2 cups per day. Coffee pod prices were sourced from B2C websites and include VAT. For further analysis, the assumption of 2 coffees per day is used, reflecting the reported issue of pod theft by staff and guests.

Scenarios Analyzed

Six pricing scenarios were analyzed for each brand:

- Free machine + Full price pods
- Free machine + 20% discount on pods
- Free machine + 40% discount on pods
- Machine at 50% RRP + Full price pods
- Machine at 50% RRP + 20% discount on pods
- Machine at 50% RRP + 40% discount on pods

Key Insights

The analysis provided the following insights:

- **Initial Machine Price:** The analysis reveals that while initial machine cost does not significantly impact the total ownership cost, the pod pricing plays a crucial role in the overall expenses for hotels. Assuming 2 coffees per day consumption, Lavazza offers the lowest ownership cost (€1,168) under the given assumptions, followed by Nespresso (€1,387) and then Illy (€1,496).
- **Discounts on pods:** Given that coffee typically has lower profit margins (Vitorino, 2019), it is as-

sumed that suppliers provide hotels with a **20% discount on pods** for bulk orders while offering machines for free.

The strategy on pod discounts was confirmed in a follow-up interview with Participant 4, who indicated their hotel's average coffee pod order is around €2,500 and lasts about 2 months. With 56 rooms and an average consumption of 2 coffees per day, the Nespresso capsule price (0,37€) aligns with a -20% discount from retail prices (0,38€).

- Based on the calculations, **the average ownership cost over 5 years for hotels is approximately €1,350**. This benchmark sets a clear target for Baristina's B2B proposition, which needs to offer a competitive cost advantage over these established pod-based solutions.

Conclusion

The analysis of Nespresso, Lavazza, and Illy reveals key insights into their pricing strategies. Hotels receive significant discounts on pods and get machines for free or at a substantial discount. The total cost of ownership over five years primarily depends on pod pricing rather than the initial machine cost, with average ownership costs around €1,350. To successfully compete, Baristina must offer a cost advantage and address the key concerns of hotel operators, including sustainability. Establishing a strong partnership with a bean supplier will be crucial for maintaining quality and cost-effectiveness. The next step involves financial modeling and validation with hotel managers to determine the most suitable business model.

Business model calculations

Given the findings from the competition pricing analysis, we have a clear target cost to beat: €1,350 over 5 years of ownership. Considering this target, the business model calculations for Baristina were performed with the goal of staying competitive while offering added value. As specific details on Versuni's retail margins, COGS, service costs, and other internal operations are considered trade secrets, this report will not feature a detailed breakdown of these numbers. However, it's important to note that profit margins within the domestic appliances industry typically range from 20-60% (FullRatio, 2024).

Based on internally available data—including product costs, service costs, repair costs, subscription management costs, and coffee bean pricing from a bean partner—provided by different team members from Versuni, including finance, partnerships manager, product managers, and others, three business models were crafted. The calculations revealed that the lease and subscription models with bean supply offer the most profit potential for Versuni.

Validation and Decision-Making

To determine the most appropriate business model, validation interviews were conducted with hotel managers to gather their preferences and insights.

The key aspects explored during these interviews included:

- **Preference on ownership vs. access:** Understanding whether hotels prefer owning the

- machines outright or having access to them through leasing or subscription.
- **Contract duration:** Assessing the acceptable contract lengths for hotels. Long-term contracts could ensure stable revenue streams, while flexible durations might attract more clients.
- **Pricing:** Gauging the willingness to pay for different models and services. This includes understanding the budget constraints and financial flexibility of different hotel segments.
- **Preference on business model:** Identifying which model aligns best with hotel operations

Importance of priority servicing and warranty duration: Evaluating the value placed on additional services and extended warranties.

	Purchase	Lease + Bean Supply	Subscription + Bean Supply
Contract	-	60 months	60 months
Ownership	Yes	At end of lease	Access
Bean supply	No	Baristina roast	Baristina roast
Warranty	2 years standart	5 years extended	5 years extended
Servicing	Regular	Priority replacement / repairs	Priority replacement / repairs
Other		Option to upgrade before end of lease	Free upgrade when available
Cost	€199,00	€16 per month	€18 per month
Total cost for hotel over contract duration incl. VAT	€240,79	€1 161,60	€1 306,80
Profitability	€	€€	€€

Conclusion

The comprehensive analysis underscores the importance of selecting the right business model for Baristina's entry into the hotel market. While all three models have their pros, the lease and subscription models with bean supply show the most promise in terms of profitability and alignment with hotel needs. These models not only offer financial stability for Versuni but also provide hotels with flexible solutions.

Moving forward, the final recommendation will be made after incorporating the feedback from validation interviews.

Table: Business models overview

The background of the slide is a high-resolution, close-up photograph of dark brown, roasted coffee beans. The beans are densely packed and show natural variations in color and texture. Overlaid on the left side of the image is a large, semi-circular graphic element. It consists of a white interior and a curved border that transitions from a deep purple at the top to a bright orange at the bottom. The text is positioned within the white area of this graphic.

Business model validation

- Interviews

Business model validation with hotel managers

In order to refine the business models for Baristina and ensure they align with hotel needs and preferences, validation interviews were conducted with hotel managers. Three possible directions for business models were created: Purchase, Lease + Beans, and Subscription + Beans. Initial calculations favored the latter two models, but gaining direct insights from hotels was crucial for a comprehensive assessment. The objective was to gather insights on their preferences and decision-making criteria for in-room coffee solutions. This section details the approach and key findings from these interviews.

The interviews revealed that hotel managers were generally positive about Baristina, appreciating its design, sustainability, and potential cost savings. Key challenges included concerns about the open bean container and ease of guest adoption. Hotels typically order coffee in bulk and prefer business models with lower upfront costs, leaning towards leasing options. Maintenance routines are handled internally, with quick replacements prioritized over warranty claims. While the included bean supply was appreciated, it was not crucial for all hotels. There was strong interest in participating in a pilot program, with a preference for shorter contract durations.

These insights will be used to formulate the final recommendation for Versuni on how to successfully introduce Baristina to hotel rooms, ensuring it meets the specific needs and preferences of the hospitality industry.

Objective

The main aim of these interviews were to determine hotel managers' preferences between owning and leasing appliances, along with the benefits and challenges associated with each option. Additionally, the interviews aimed to understand the actions taken with machines after the contract period ends, ascertain the typical contract durations and monthly budgets for coffee machines and supplies, evaluate the preferred business model and the reasoning behind the choice, and validate purchase intent for Baristina. The interviews also explored the potential inclusion of a QR code on the machine, allowing guests to learn more about Baristina and possibly purchase one for home use.

Setup

The interviews were structured as semi-structured discussions, allowing flexibility in exploring the topic of in-room coffee services within hotels. Each session included an introduction to the project and Baristina, an evaluation of the proposition, questions about coffee supply, service, and maintenance, and presentation of three business models (Purchase, Lease + Beans, Subscription + Beans). Managers were asked to choose one of the models and elaborate on the reasons for their choice. Finally, questions were posed about their willingness to switch to Baristina and participate in a pilot program to test the operational feasibility of the proposition.

To ensure the findings were relevant to the target segment, the selection focused on mid-upscale hotels in Amsterdam, primarily part of international chains. Four face-to-face interviews were conducted in hotel lobbies, capturing the ambiance and context effectively. Detailed notes were taken for privacy reasons instead of recordings.

The interviews were conducted with the following participants:

Participant	Hotel Chain	Segment
1	International chain with 6 hotels globally	Mid-UpScale
2	International chain with 7,600+ hotels globally (same participant from first interviews)	Midscale
3	Dutch chain with 16 hotels	Upscale
4	Small international chain with 5 hotels (same participant from first interviews)	Upscale

Table with interview participants

Like the first set of interviews, the hotel names will not be disclosed in this report due to privacy reasons, however, they are available as part of the confidential appendix.

Insights

Hotels are positive about Baristina

Hotel managers expressed a mix of enthusiasm and concerns regarding Baristina. They appreciated its design, potential cost savings, and sustainability benefits but highlighted challenges related to hygiene and ease of use. Participant 1 (Mid-Upscale) described Baristina as “super simple and perfect,” while Participant 2 (Midscale) praised its visual appeal, noting it would complement their recently renovated hotel interiors. The zero-waste feature resonated well with participants, aligning with their sustainability goals. Participant 1 emphasized the importance of eliminating plastic pods, while Participant 2 saw significant cost benefits in using beans over pods. Participant 3 (Upscale) appreciated the sleek design and portafilter puck eject feature, and Participant 4 (Upscale) was impressed by the zero-waste system.

Confirmed: Open bean container is a key blocker

The concern over the open bean container, highlighted in previous interviews, was reaffirmed by 3 out of 4 participants. This feature was seen as a major barrier to implementation. Participant 3 (Upscale) expressed serious concerns about guests potentially putting drugs or other dangerous items into the grinder, raising legal liability issues. Participant 2 (Midscale) suggested a locking mechanism for the bean container to prevent contamination and maintain hygiene standards. These insights confirm the need for a secure solution to address this critical issue. After explaining the idea of a locking bean

container to the participants, all agreed it was the best possible solution to mitigate these concerns.

Adoption by guests might be a challenge

Adoption by guests, particularly ensuring that they can easily use Baristina, emerged as a concern. Hotels currently provide leaflets or cards with instructions on how to use the existing coffee machines, yet some guests still struggle. Participant 3 (Upscale) shared an example of US guests putting creamers in the Nespresso machines, thinking they were coffee capsules. While Baristina is not necessarily harder to use, its newness may pose challenges. Clear instructions, possibly through a QR code or leaflet, are essential to help guests become familiar with the machine and reduce the learning curve. All of the interviewees agreed to the option to include a QR code with more information about how to use Baristina and possibly purchase it.

Coffee is being ordered in bulk

Ordering coffee is typically done in bulk, but each hotel has a slightly different approach. Participant 4 (Upscale) orders Nespresso pods with an average order value of €2,500 every 2-3 months, reflecting a monthly cost of €15 to €23 per room. Participant 1 (Mid-Upscale) orders 800 Illy pods every two weeks. Participant 3 (Upscale) orders coffee on a storage room level, ensuring that each floor's supply is managed separately. These practices highlight a preference for bulk ordering to ensure a steady supply and cost efficiency.

Most chain hotels purchase through supplier platforms

Most chain hotels purchase their coffee supplies through approved supplier platforms, ensuring consistency and meeting brand standards. For example, Participant 1 (Mid-Upscale) uses Birch Street, a platform owned by Hilton, while Participant 3 (Upscale) orders through a supplier network like Bid Foods or Sigram. This centralized purchasing approach simplifies the procurement process and ensures compliance with chain-wide standards.

General maintenance is done by housekeeping

Maintenance routines were generally consistent, focusing on regular descaling every three months. Hotel staff typically handles these tasks. Participant 4 (Upscale) mentioned their staff performs descaling and minor repairs, while Participant 3 (Upscale) and Participant 2 (Midscale) follow similar practices. Some hotels use vinegar instead of descaling liquids, indicating a practical approach to maintenance.

Speed is priority - hotels don't bother with warranty for replacing broken machines

Quick replacement of broken appliances is prioritized over warranty claims. Participant 4 (Upscale) mentioned replacing about half of their machines since 2017, indicating a proactive approach to maintaining high service standards. They pay €80 for each new Nespresso appliance. Participant 1 (Mid-Upscale) buys about three new Illy machines each month to replace broken ones, gradually

phasing out old units. They pay €60 per Illy machine, which includes 40 capsules. Participant 3 (Upscale) emphasized the importance of fast replacement to avoid guest inconvenience, preferring to buy new machines rather than wait for warranty processing.

Preference for lower upfront cost

There was a preference for business models that minimize upfront costs and offer flexibility. Hotels prefer to own the machines, but the initial cost is a significant blocker. Leasing options are preferred to spread out the costs and make the investment more manageable.

Beans are not the strongest selling point

While Baristina's bean supply was appreciated for its hassle-free nature, it was not the strongest selling point for all hotels. Two hotels mentioned they have their own brands of beans that they use in the café/lobby area and sell, so they expressed interest in putting these beans in the rooms as well if they switch to Baristina to boost their sales. Participant 2 was interested in purchasing coffee beans through their own supplier to lower costs and only Participant 4 (Upscale) saw the included bean supply as a significant benefit, appreciating the convenience of an all-in one solution.

Preferred contract duration is 2 years

Participants expressed that a 5-year contract is too long, with a preference for 2-year contracts with an option to extend. This preference was echoed by

Participant 3 (Upscale), who mentioned the need for a shorter initial commitment with the flexibility to renew.

Hotels want to participate in a pilot and are interested in switching to Baristina

Three out of four participants indicated a willingness to switch to Baristina and expressed interest in participating in a small-scale pilot. Participant 4 (Upscale) said, "I don't see any reason not to go for Baristina," reflecting a positive overall impression. Only one of the participants noted that they recently invested in new Lavazza machines and are not looking to switch in the next 5-7 years.

Conclusion

The interviews provided essential insights into the views on Baristina and the factors influencing its successful integration into hotel operations. Managers appreciated Baristina's design, sustainability, and cost benefits but raised concerns about the open bean container and ease of guest adoption. These insights confirm the need for a locking mechanism and clear usage instructions to address these challenges.

Hotels typically order coffee in bulk through supplier platforms, and maintenance routines, including descaling every three months, are standard practice. Quick replacement of broken machines is prioritized over warranty claims. All hotels have paid for their coffee machines, often at prices below retail, indicat

ing a competitive landscape where suppliers likely subsidize costs to retain long-term business.

Managers showed a preference for business models with lower upfront costs. While the included bean supply is appreciated, it's not crucial for all hotels, especially those with their own branded beans. A contract duration of around two years is preferred, providing flexibility and reducing commitment concerns. Understanding these preferences for business models was one of the key goals of these interviews.

There is strong interest in participating in a pilot program, with three out of four hotels considering switching to Baristina. These insights will be used to formulate the final recommendation for Versuni.

The background of the slide is a close-up, high-resolution image of dark brown, roasted coffee beans. A large, semi-circular graphic element is positioned on the left side, overlapping the beans. This element has a white interior where the text is located and a curved border that transitions from a deep purple at the top to a bright orange at the bottom.

Final recommendation

- Discussion

Final recommendation

The following chapter contains the final recommendation for Versuni on how to facilitate a successful introduction of Baristina in the hotel sector. This is the result of desk research, trend analysis, survey with hotel guests, interviews with hotel managers across different sectors, business modeling and business model validation interviews.

Recap of research question:

How can Baristina's core value proposition be effectively tailored from a B2C context to a B2B context to meet the needs and preferences of both hotel management and hotel guests in the hospitality industry?

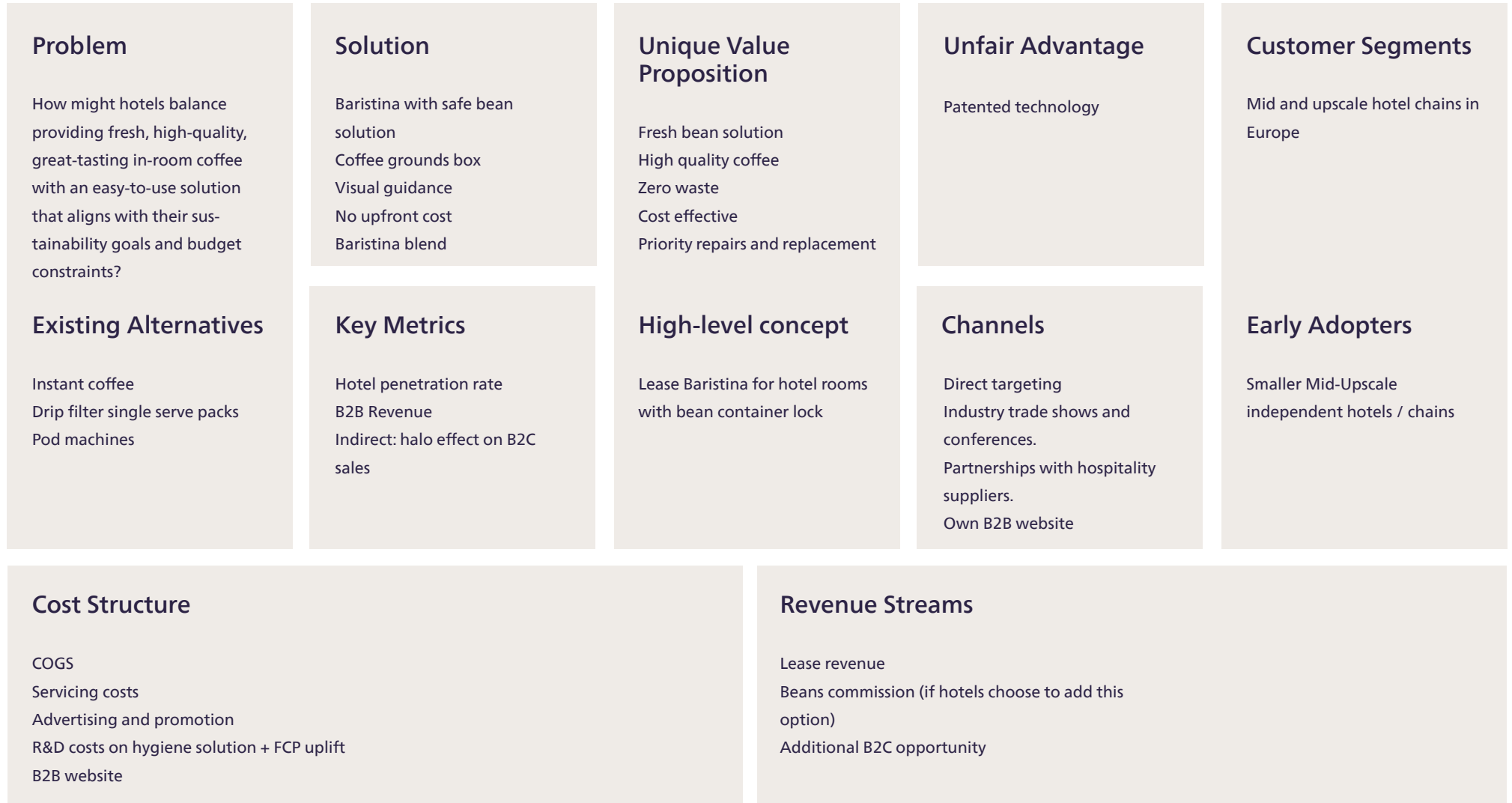
The following section answers this research question in great detail.



Figure 31: Packshot Baristina for hotels

Lean model canvas

To summarize this final recommendation, some of the lean canvas building blocks along with few additional ones were used as a structure to this part.



The problem

How might hotels balance providing fresh, high-quality, great-tasting in-room coffee with an easy-to-use solution that aligns with their sustainability goals and budget constraints?

Current in-room coffee solutions, while decent, do not fully meet the evolving needs of hotels and their guests. Research, including the UCC Coffee Study and a survey conducted with hotel guests as part of this project, highlights **a gap between what guests expect and the actual quality of coffee** provided in hotel rooms. Many guests find the coffee tasteless, as capsules sit in warehouses for months before being used. This has led some guests to bring their own coffee supplies to ensure a satisfactory experience. This points to an opportunity to improve the quality and freshness of in-room coffee services, potentially enhancing guest satisfaction.

Sustainability is a growing trend in the hospitality sector, with many hotels striving to align their practices with sustainable goals. However, pod-based coffee systems, despite their ease of use, fall short in this regard. The poor sustainability credentials of pod machines, such as low recycling rates and the underperformance of compostable pods, conflict

with the sustainability initiatives that hotels aim to uphold. This creates a clear mismatch between the hotel's environmental **aspirations and their current in-room coffee practices**.

While the initial cost of coffee machines is relatively low, the ongoing costs associated with using capsules are high. Capsules are expensive, leading to **higher operational costs for hotels**, especially when they are frequently stolen by guests. Although this issue is not a critical financial burden, it represents an area where hotels are seeking to optimize costs to improve overall operational efficiency.

These challenges highlight a gap between guest expectations and what hotels currently offer. Guests desire a high-quality, fresh coffee experience that is convenient and aligns with their values of sustainability. At the same time, hotels need a cost-effective, easy-to-maintain solution that meets these expectations without compromising their operational and sustainability goals.

The **lack of a solution that addresses all these aspects** results in subpar guest experiences and operational inefficiencies for hotels.

Existing alternatives

The current market for in-room coffee solutions in hotels predominantly consists of instant coffee, pod machines, and fresh drip systems, each with its own set of advantages and limitations.

Instant coffee is widely used due to its low cost and simplicity. Guests can easily prepare it with hot water, and it requires minimal equipment, which reduces maintenance efforts for hotels. However, the taste and quality of instant coffee are often perceived as substandard by guests, leading to dissatisfaction.

This impacts their overall experience and reflects poorly on the hotel's brand, especially in midscale to upscale segments.



Figure 32: Nescafé instant coffee (KindPNG, n.d.)

Fresh drip systems sit between instant coffee and pod machines in terms of quality and convenience. These systems use pre-measured coffee grounds in filter bags that guests can place over a cup and pour hot water over.



Figure 33: Freshdrip coffee (Freshdrip Coffee, 2024)

They offer a fresher coffee experience compared to instant coffee and avoid some of the environmental issues associated with pods. However, while better in quality than instant coffee, it still falls short of the freshness and taste provided by freshly ground beans. Additionally, it's about twice as expensive per cup as pods and could be even more attractive to stealing, as no machine is required for preparation. They also require more effort from the guests com,

which may affect their appeal.

Pod machines offer a more convenient and improved coffee-making experience. They are easy to use, providing guests with a variety of coffee options at the push of a button.



Figure 34: Nespresso machine (Jonathanfilskov, 2014)

However, these machines come with significant drawbacks. One major issue is the freshness of the coffee. Coffee in pods is not freshly ground and can sit in storage for months, resulting in a less fresh, less flavorful brew. Many guests find the coffee from pods to be somewhat tasteless and lacking the richness they expect from freshly brewed coffee.

The solution

Baristina provides high-quality coffee made in a simple way and aims to improve the current in-room coffee offerings in midscale to upscale hotels. What sets Baristina apart from existing solutions is its focus on delivering excellent coffee quality, enhanced sustainability, and lower operational expenses for hotels.

Baristina

The core of the proposition, the Baristina coffee machine, is designed to deliver high-quality coffee with ease of use. Its sleek and modern design ensures it fits seamlessly into the aesthetic of any hotel room. The machine is available in two body colors and seven portafilter finishes, allowing it to blend into any hotel aesthetic.



Figure 35: Baristina

Safe bean solution

As highlighted by both the first and second sets of interviews, the need for a hygiene solution for the open bean container is a prerequisite for entering the hotel market. Interviewees consistently emphasized concerns about cleanliness and potential tampering with the coffee beans. The proposed design of the locking bean container fits the Baristina design language and sits elegantly on top of the machine, without being too obtrusive. The container can be opened only by housekeeping staff with a special key that unlocks all Baristina machines, simplifying operations by eliminating the need for a separate key for each machine. This also streamlines the production process and reduces costs.



Figure 36: Locking
bean container



Figure 37: Coffee
grounds box

Coffee grounds box

The coffee grounds container is already in Versuni's pipeline and is currently being developed and produced. After preparing a coffee, Baristina's user currently has to empty the used coffee grounds from the portafilter into the waste bin. Walking around a hotel room with a potentially leaking portafilter doesn't sound like a good idea, so the coffee grounds box aims to solve this issue. It is designed to be easy to operate with one-hand lid removal, allowing the user to quickly empty the portafilter and make a second coffee. Moreover, hotels can easily collect the used coffee grounds to use as fertilizer for their plants or vegetable gardens. This coffee grounds box will be included as part of the hotel proposition.



Visual guidance

Insights from the interviews emphasized the need for additional informational materials to guide users on how to use Baristina. The proposed solution is a product leaflet card that explains how to use Baristina in three easy steps: Press the button, slide the portafilter, and empty the used coffee grounds. It also features a QR code that guests can scan to learn more about Baristina and potentially buy it for their home. This addition not only enhances the user experience but also serves as a marketing tool to drive B2C sales.



No upfront costs for hotels

Based on the insights from the interviews, business case calculations, and research, the recommended business model for Baristina is leasing. Hotels prefer to own their appliances, and this model gives them the opportunity to do so without incurring significant upfront costs like purchasing. The recommended contract duration is two years, with options to extend or upgrade at the end of the term. This approach provides hotels with flexibility and ensures they have access to the latest Baristina technology.



Figure 39: Baristina blend mockup

Baristina blend beans (Optional)

Three out of four interviewed hotels preferred to supply their own beans. Therefore, the bean supply previously included in the service can be offered as an optional add-on that hotels can choose to include with their lease. Versuni can partner with a bean roaster like LOT61, Moto, or Wakuli to develop a custom coffee blend for Baristina that is optimized for the best taste. Even though the majority of the hotels prefer to supply their own beans, this is an additional opportunity for Versuni to offer a bean supply service. The main benefit for hotels using a blend specifically created for Baristina is that the coffee coming out of the machine will have consistent quality everywhere and will be fresh.

Unique Value Proposition

Baristina offers a unique value proposition that addresses the key challenges faced by hotels in providing high-quality, sustainable, and cost-effective in-room coffee solutions. Here's how Baristina solves the problem of balancing fresh, high-quality coffee with ease of use, sustainability goals, and budget constraints:



Fresh bean solution

Fresh coffee beans deliver the best possible coffee experience because they retain their taste and aroma for the longest period compared to ground coffee, coffee pods, and instant coffee. As discussed previously, fresh beans, when ground just before brewing, maximize the release of volatile oils and compounds that contribute to a rich and flavorful coffee. The impact of freshness on taste is significant, as stale coffee can taste flat and bitter. Baristina ensures that every cup is brewed with freshly ground beans, providing a superior taste experience for guests.



High quality coffee

Beans inherently make better quality coffee than capsules. The grinding process for capsules often

occurs weeks or months before brewing, leading to a loss of flavor and aroma over time. In contrast, freshly ground beans used by Baristina ensure that the coffee maintains its full spectrum of flavors and aromas. Hotels can choose the optional Baristina blend, specifically optimized for the best performance with Baristina machines, or select from recommended high-quality brands. This flexibility guarantees that guests enjoy a consistently excellent coffee experience.



Zero waste

Fresh bean coffee preparation has a significantly lower environmental impact compared to capsules. Coffee pods are a major contributor to waste generated from coffee production globally (De Figueiredo Tavares & Mourad, 2020). Baristina eliminates the need for plastic or aluminum pods, producing only used coffee grounds that can be repurposed as fertilizer. This not only reduces waste but also aligns with hotels' sustainability goals, providing an eco-friendly coffee solution.



Save up to 46%

Using beans instead of pods translates to lower operational costs for hotels. The comparison between Baristina and Nespresso ownership over five years il-

lustrates substantial savings. The calculation assumes the hotel buys the Baristina blend for €12 per month and leases Baristina for €12 per month for two years. In contrast, the calculation for Nespresso assumes a 50% discount on the machine purchase and a 20% discount on pods, as confirmed by interviews. The initial cost of Nespresso machines is higher, and the ongoing cost of pods adds up significantly. Over five years, Baristina offers a more economical solution with a lower total cost of ownership, saving up to 46% compared to Nespresso.



One day replacement

One of the major advantages of Baristina over competitors is the one-day replacement service. Interviews revealed that hotels often prefer to purchase new machines rather than wait for lengthy repairs, which is both costly and unsustainable. Versuni's commitment to providing one-day warranty replacement machines significantly reduces downtime and ensures uninterrupted service for guests. This rapid replacement service not only saves costs but also contributes to the reduction of e-waste globally, aligning with sustainability efforts.

By addressing these key areas—freshness, quality, waste reduction, cost efficiency, and rapid replacement—Baristina offers a comprehensive solution that helps hotels provide superior in-room coffee experiences while achieving their sustainability and financial goals.

Customer segments

To maximize the impact and reach of Baristina, it is essential to target specific hotel segments that align with its unique value proposition. By focusing on these segments, Versuni can effectively position Baristina as a premium in-room coffee solution.



	Large Midscale Hotels part of chains	Upscale Hotels part of chains	Smaller Upscale / Boutique Hotels
Price segment	120 - 280€	300 - 500€	300 - 500€
Number of rooms	100-300	60-200	20-100
Guest profile	Value-conscious but appreciate comfort. Willing to pay more for a step up in comfort, amenities, and service. Expect well-appointed rooms with amenities like mini-fridge, coffee maker, and better-quality toiletries.	Guests looking for more premium experiences and willing to pay more for nicer locations, hotel aesthetics, room amenities, gourmet restaurants, etc. Expect high-level service and luxurious accommodations.	Guests seeking unique experiences and willing to pay more for nicer locations, hotel aesthetics, room amenities, gourmet restaurants, and hotel history. Value personalized service and distinctive design elements.
Current coffee offering	Instant coffee or pod machines	Pod machines	Pod machines
Hotel aesthetics	Modern, functional designs with a focus on sustainability and eco-friendly practices	Luxurious and elegant, with high-quality amenities and personalized service, focus on sustainability and eco-friendly practices.	Unique, stylish, often themed or designed for a distinct experience, focus on sustainability and eco-friendly practices.
Examples	Hilton, Conscious Hotel, Park Plaza, Novotel	Hotel Jakarta, NH Collection, Kimpton De Witt	Sir Adam, The July, Hotel V, Hotel Mai

Table with target hotel segments

Early adopters

Targeting early adopters is crucial for gaining initial traction and social proof for Baristina. This aligns with the strategy of focusing on smaller, more independent mid-upscale hotels and chains. These hotels have quicker decision-making processes and are often more open to innovative solutions.

Smaller, more independent mid-upscale hotels and chains typically have a streamlined decision-making process where the general manager, owner, or procurement manager can make purchasing decisions quickly. As proven by the interviews, two of the hotels that fit this profile expressed a willingness to participate in a pilot run. These hotels are more receptive to innovative solutions and can quickly implement and test new products. Participating in pilot runs would be highly beneficial for gaining social proof and building initial traction. Demonstrating the value and effectiveness of Baristina in these settings can encourage broader adoption.

By targeting these hotels, Versuni can benefit from quick decision-making, as these establishments can implement Baristina faster, accelerating market entry. Their openness to innovation means they are more likely to try new solutions, providing an opportunity to showcase Baristina's unique benefits. The willingness of these hotels to participate in pilot runs offers a practical demonstration of Baristina's value, generating positive testimonials and case studies. Successful pilots create strong references and testimonials that can be leveraged to convince larger



Figure 40: The July Boat & Co (The July, 2024)

chains and more conservative hotels. A successful example of this approach is a pilot run in Germany by Versuni Air purifiers team with hotel PIERDREI in Hamburg. Additionally, early adoption by reputable boutique hotels enhances Baristina's visibility and reputation in the industry, paving the way for broader acceptance.

Examples of such hotels include The July - Twenty Eight, Hotel De Hallen, Conscious Hotel Westerpark, and Sir Adam.



Figure 41: The July Boat & Co (The July, 2024)

Channels

Supplier platforms

Many larger hotels source their coffee machines and pods through supplier platforms such as Birch Street, Bid Foods, Horeca Bid, Coparama, and others. Versuni should establish accounts with these major platforms and utilize them as key selling channels. Additionally, Versuni should develop custom product detail pages (PDPs) specifically tailored for these platforms, clearly communicating the unique selling propositions (USPs) of Baristina for hotels, which differ from the B2C variants. These platforms provide access to a broad network of potential clients and streamline the procurement process for hotels, making it easier for them to adopt Baristina.

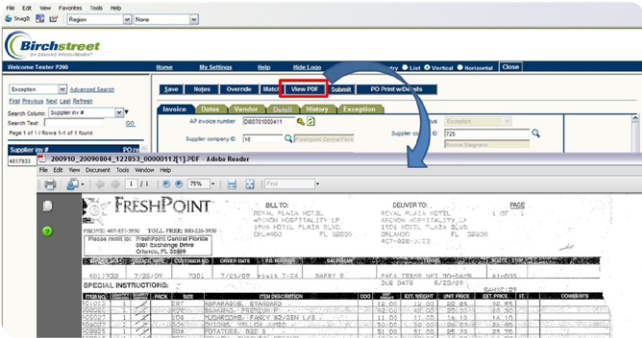


Figure 42: BirchStreet procurment software (BirchStreet, n.d.)

Direct contact with smaller hotels and chains

Selling to smaller hotels can be effectively managed through direct contact with general managers or procurement managers. Versuni should engage directly with these decision-makers and arrange in-person demo sessions of Baristina to showcase its potential and convince them to switch.

This personalized approach allows for tailored presentations and immediate feedback. Preparing advertising materials, leaflets, and presentation decks is recommended to support these efforts.



Figure 43: Hilton manager (Hotelier Staff, 2021)

HORECA events and conferences

Participating in HORECA (Hotel, Restaurant, and Catering) events and conferences is another crucial channel. Examples of such events include HorecaEvenTT in the Netherlands, HOGA MÜNCHEN in Germany, and SIAL Paris in France. These events provide an excellent opportunity to network with industry professionals, demonstrate the Baristina machine, and discuss its benefits directly with potential buyers. Presence at such events enhances brand visibility and credibility within the industry.

Own B2B website

Developing and maintaining a dedicated B2B website for Baristina is essential. This site should include detailed product information, customer testimonials, and case studies to highlight the benefits of Baristina. Additionally, the website should offer an easy-to-navigate purchasing portal and a customer service section to handle inquiries and support requests efficiently. The German Versuni team has successfully launched a B2B store for appliances, which helps with bulk orders as hotels typically have a different purchasing process—bank transfers with 30-day payment terms—than B2C consumers, who traditionally pay via credit card. Shipping large quantities of appliances usually requires palletization, which is outsourced to a separate partner. The same approach can be followed for Baristina or incorporated into existing Versuni B2B market websites. A strong online presence will complement other sales channels and provide a central hub for information and transactions.

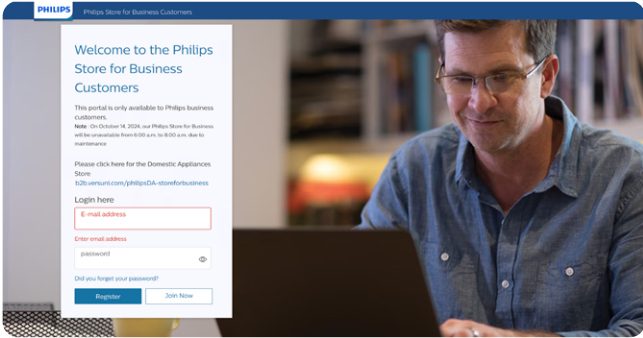


Figure 44: Philips B2B store DACH (Versuni, 2024)

Revenue streams

The revenue streams for Baristina are designed to leverage both direct and indirect sales opportunities within the hotel industry and the consumer market.

Lease revenue

The primary revenue stream comes from leasing the Baristina machines to hotels. By offering a flexible leasing model, hotels can adopt the Baristina solution without the burden of significant upfront costs. This approach ensures a steady and predictable income stream over the lease term.



Beans commission

Another potential revenue stream is through commissions on coffee beans. If hotels choose to buy coffee beans through Versuni's coffee bean partner, a commission can be earned on these sales. This not only provides an additional revenue source but also ensures the quality, freshness and consistency of the



Figure 45: filling in beans (Versuni, 2024)



Additional B2C opportunity

This project argues that there is a significant additional B2C opportunity created by the presence of Baristina machines in hotel rooms. Guests who experience and enjoy the Baristina coffee during their stay may choose to purchase the machine for their personal use. This indirect sales channel can significantly boost consumer sales, leveraging the positive

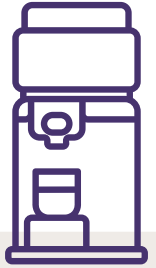


Figure 46: Baristina in home setting (Versuni, 2024)

Cost structure

The cost structure for implementing the Baristina in-room coffee solution includes several key components that need to be carefully managed to ensure profitability and sustainability. These costs encompass both direct and indirect expenses associated with manufacturing, marketing, and maintaining the product. Please note that the specific details of these costs are part of Versuni's trade secret and cannot be disclosed in this report.

Costs of goods sold (COGS)

This includes all direct costs related to the production of Baristina machines, such as raw materials, manufacturing, and assembly. COGS also covers the cost of packaging and shipping the machines to hotels.

Servicing costs

Regular maintenance and servicing of the Baristina machines are essential to ensure their optimal performance and longevity. This includes costs for technicians, spare parts, and logistics associated with servicing. These costs will be higher than the B2C alternative, as it is crucial to provide priority servicing for hotel clients, which will come at an additional cost.

Advertising and promotion

Marketing the Baristina solution to potential hotel clients and consumers is vital for achieving market penetration and driving sales. Advertising and promotional costs include expenses for digital marketing campaigns, participation in industry trade shows



Figure 47: Baristina factory - Orastie, Romania (Versuni, 2024)

and conferences, advertising on supplier platforms, meeting potential partners, facilitating free pilot campaigns to get social proof, and other promotional materials.

R&D costs on hygiene solution and FCP uplift

Developing the locking bean container for the Baristina machines will require significant investment in research and development. This includes costs associated with creating prototypes and conducting testing to ensure the container meets hygiene and security standards. Once developed, this innovation will result in a factory cost price (FCP) uplift, increasing the total production cost of Baristina. This investment is crucial to enable Baristina to enter the market by addressing the issues of freshness and security of coffee beans.

Visual materials and other costs

This includes the production and distribution of informational leaflets that accompany each Baristina machine, providing users with instructions and details about the product. Additionally, costs related to other visual materials such as brochures, instructional videos, and promotional graphics are included. These materials are essential for educating and engaging both hotel staff and guests.

B2B website extension

Developing and maintaining a B2B extension for the existing Baristina website is essential for facilitating sales and providing support to hotel clients. This extension will include features such as product information, customer service portals, and ordering systems. Costs associated with website development, and regular updates are part of this category.

Key success metrics

The success of the Baristina in-room coffee solution hinges on its ability to penetrate the hotel market effectively, generate substantial B2B revenue, and create a significant halo effect on B2C sales. The key success metrics for evaluating the performance of Baristina include:

Hotel Penetration Rate

As previously discussed, the total B2B opportunity in midscale to upscale hotels that are part of chains is approximately 2.23 million hotel rooms in the EU. Achieving even a modest penetration rate of 5% within this market, which equates to approximately 111,500 rooms, could unlock a considerable revenue stream. This penetration rate is justified by industry standards, where the average penetration rate of consumer products ranges from 2-6% (Kim, 2024; Capital, 2024; GoCardless, 2021). This 5% penetration rate resulting in 111,500 rooms is referred to as the total potential B2B market for Baristina.

Year	% Penetration of total rooms	B2B Volume (Rooms)
2025	10%	11,288
2026	15%	16,931
2027	20%	22,575
2028	25%	28,219
2029	30%	33,863

Table with target hotel segments

However, this doesn’t mean that Versuni will sell 111k machines in one go, but incremental increases in sales must be taken into account. To do this, a

5-year penetration roadmap is considered. In the first year, Versuni can penetrate 10% of this total market of 111k rooms, in the second year - 15% more, in the third year - 20% more, and so on.

Assuming that in 5 years it will achieve the total potential market of 5% penetration rate for Baristina in European mid-upscale hotels.

B2B Revenue

The proposed business model involves leasing the Baristina machines at €12 per month for 24 months, leading to revenue of €288 per appliance. Given the total obtainable market of 111k rooms, this would result in a total revenue from leases of approximately €32.5 million over the 5 years. Breaking this down on a yearly level is challenging as leases will start at different times, but the cumulative impact over the period is substantial.

Halo Effect on B2C Sales

To calculate the additional B2C opportunity, multiple factors must be considered. Starting with how many people will see Baristina in hotel rooms, the total achievable market for Baristina (111k rooms) is multiplied by 365 days, then by the average occupancy rate in Europe (53%), and divided by the average stay duration of 1.5 days.

This number is then multiplied by the yearly penetration rate and by a conversion rate of 0.25% (based on the percentage of Nespresso reviews mentioning that people saw the machine in a hotel setting and

purchased it for home use - Wonderflow).

Year	B2C Volume	Cumulative Yearly Volume	B2C Revenue
2025	10%	11,288	€ 1,088,144
2026	15%	16,931	€ 2,720,360
2027	20%	22,575	€ 4,896,649
2028	25%	28,219	€ 7,617,009
2029	30%	33,863	€ 10,881,442

Table with target hotel segments

The B2C revenue takes into account the Recommended Retail Price (RRP) of Baristina at €299 and does not consider any promotional activities or price erosion. Based on this calculation, it can be assumed the halo effect on B2C sales will bring about €27m in total across the 5 years.

Total opportunity

The total market opportunity for Baristina, combining both B2B and B2C revenue streams, amounts to approximately **€59.7 million over five years**.

This includes €32.5 million from leasing Baristina machines to midscale to upscale hotels in the EU and an additional €27.2 million from the halo effect on B2C sales as guests experience Baristina in hotel rooms and purchase it for home use.

NB: These numbers are highly indicative and further calculations and detailed projections need to be done in order for them to be highly reliable.

Roll-out plan



Horizon 1
Pilot phase
2025



Horizon 2
Expansion
2026 - 2027



Horizon 3
Premiumization & Scale
2028 - 2029

Objective	Build credibility and validate operational feasibility	Accelerate market penetration	Premiumization: upscale hotel market
Key metrics	Number of hotels participating in pilot programs. Feedback scores from guests and managers. Number of operational adjustments made. Target penetration rate: 10%.	Hotel penetration rate in the midscale segment. Revenue growth from leasing and bean supply. Target penetration rate: 35%.	Hotel penetration rate in the upscale segment. Revenue growth from upscale hotels. Target penetration rate: 55%
Target hotels	Smaller and independent hotels Examples: The July, Twenty Eight, Hotel De Hallen, Con- scious Hotel	Larger midscale hotels Examples: Hotel Casa Amsterdam, Hotel Jansen, Park Plaza	Upscale hotels Examples: Hotel Jakarta, NH Collection, Kimpton De Witt.
Action	Identify and engage with smaller boutique hotels for pilot programs. Provide machines for a free trial period. Actively seek feedback from guests, hotel managers.	Leverage successful pilot results to target larger midscale hotels. Expand sales through supplier platforms Address operational challenges and make necessary changes.	Utilize established credibility and success in midscale hotels to engage upscale hotels. Highlight Baristina's high-quality, sustainable coffee and cost-effective solutions.
Channels	Direct contact with boutique hotel managers. Participation in HORECA events and conferences	Supplier platforms and direct sales to hotel chains. Strengthen presence at industry events	Supplier platforms and direct sales to hotel chains. Maintain strong presence at premium HORECA events
Improvement & adaptation	Develop case studies and testimonials from pilot hotels to use in marketing materials	Collect ongoing feedback and make further operational adjustments as needed	Continue to leverage testimonials and positive reviews to attract new clients. Monitor market trends and innovate to stay ahead.

Demonstrator



Figure 48: Leaflet for direct contact with hotels in Horizon 1

The leaflet is designed to be used by the sales team during meetings with hotel managers, particularly during the initial pilot phase targeting smaller hotels. The leaflet highlights the main benefits of Baristina - its fresh bean solution, high-quality coffee, cost-effectiveness, priority servicing, and zero waste. It is structured to provide a clear and compelling narrative about why Baristina is a great choice for in-room coffee solutions. The leaflet includes sections on the features, what is included in the package, and the cost, offering a transparent and straightforward overview for potential clients.

To simulate the locking mechanism for the bean container, a sticker was created. It can be placed on top of the bean container to visually demonstrate the concept of a secure and hygienic bean storage solution and includes messaging that assures guests their beans are fresh and safe, with a QR code for more information about Baristina. Since this is not an Industrial Product Design (IPD) project, developing the actual locking container was out of scope. However, to effectively communicate the concept and its importance, the sticker was created as a practical and visual tool.



Figure 49: Locking bean container simulation

Conclusion and next steps

This project has demonstrated significant potential to revolutionize in-room coffee solutions for hotels by offering a sustainable, high-quality, and cost-effective alternative to traditional pod machines. Through extensive desk research, surveys with 87 hotel guests, and two sets of validation interviews, business modelling and calculations, this report has outlined a comprehensive strategy for introducing Baristina to the hospitality market. The proposed business model, combined with targeted marketing and sales efforts, positions Baristina as a competitive and appealing choice for hotel chains aiming to enhance guest experience while aligning with sustainability goals.

Due to the long procedural timelines within Versuni, a pilot test was not possible within the duration of this project. However, the insights gathered and the groundwork laid out provide a strong foundation for future steps. Versuni is committed to continuing this initiative and plans to initiate a pilot program to test Baristina's operational feasibility in real-world hotel settings. This pilot will be crucial in refining the product, validating its benefits, and gathering the necessary social proof to support broader market adoption.

Appendix

Appendix A: R&R Data - Wonderflow

Appendix B: Survey results

Appendix C: Interview 1 questions

Appendix D: Interview 2 questions + Stimuli

Appendix E: Competitor pricing benchmark

Appendix F: Signed project brief

Appendix G: Confidential appendix containing hotel names

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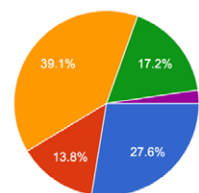
Appendix A: R&R Data - Wonderflow

[Link to database with 26,000 Nespresso reviews](#)

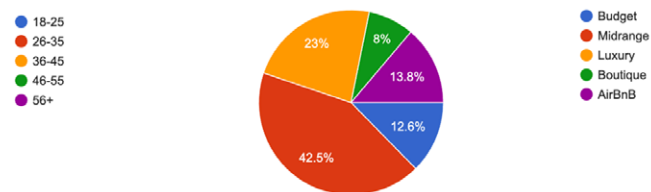
Appendix B: Survey results

[Link to raw data](#)

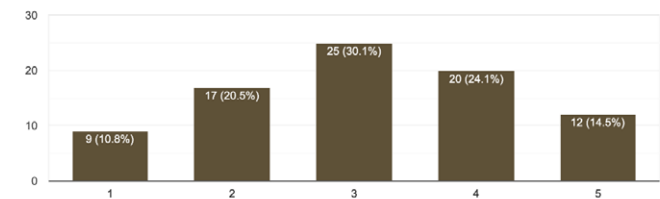
Which age group do you belong to?
87 responses



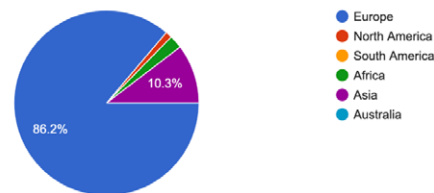
What type of hotel did you stay at?
87 responses



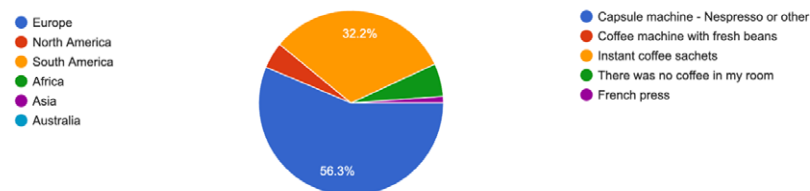
To what extent did the quality of the in-room coffee match your expectations for the hotel?
83 responses



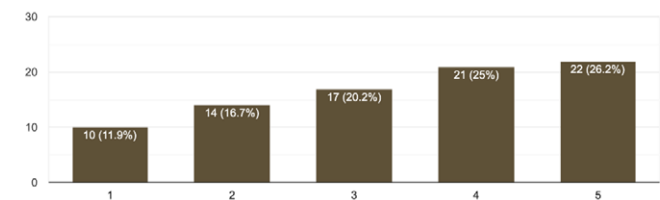
Where was your last trip?
87 responses



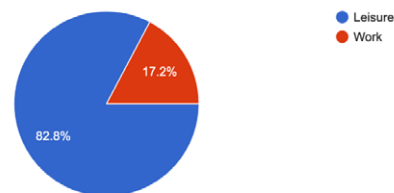
What type of in-room coffee options did the hotel offer?
87 responses



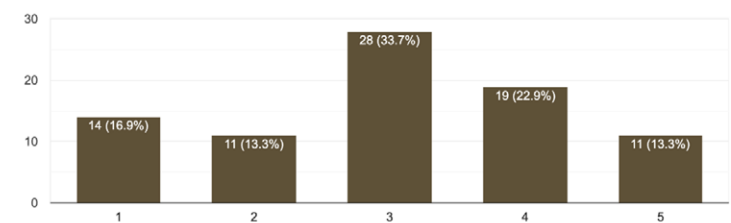
How important is the taste of in-room coffee to your overall hotel experience?
84 responses



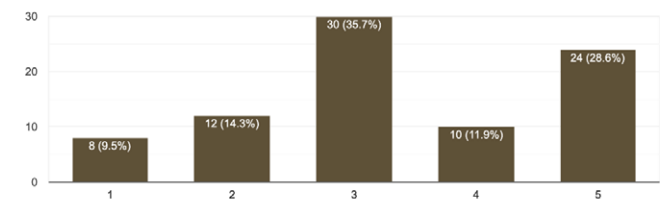
What type of travel best describes your recent hotel stay?
87 responses



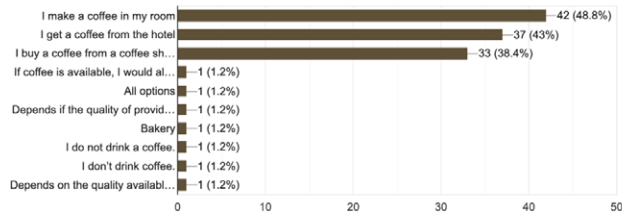
How would you rate the quality of the in-room coffee provided during your hotel stay?
83 responses



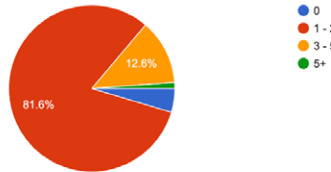
How do you perceive the safety and cleanliness of in-room coffee machines in hotels?
84 responses



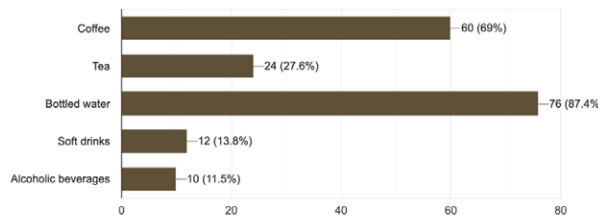
Do you usually consume the in-room coffee provided by hotels, or do you opt for coffee from outside sources (e.g., coffee shops, cafes)?
86 responses



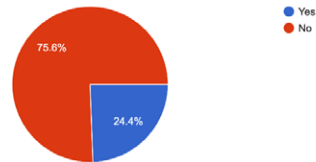
On average, how many cups of coffee do you consume per day during your hotel stays?
87 responses



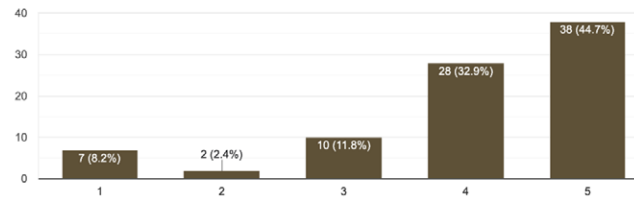
Which drinks do you typically consume in hotel rooms?
87 responses



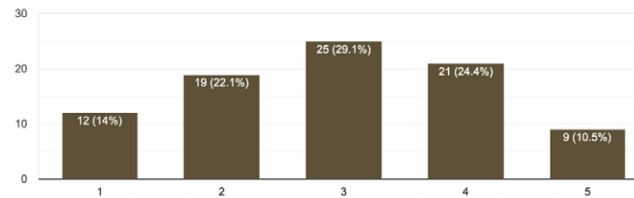
Have you ever brought your own coffee supplies (e.g., coffee beans, ground coffee, coffee pods) to use in your hotel room?
86 responses



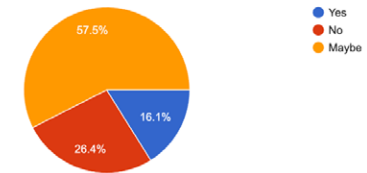
How likely are you to try a new or unfamiliar coffee brand or coffee machine if it were offered in your hotel room?
85 responses



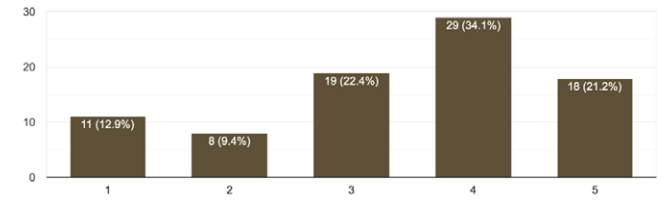
How important are sustainable practices (e.g., recycling, energy efficiency, fair trade products) when choosing a hotel?
86 responses



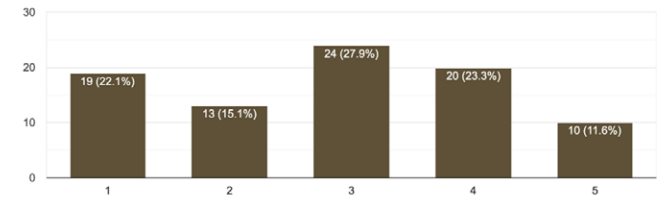
Would you be willing to pay a slightly higher price to stay at a hotel that implements more sustainable practices?
87 responses



How familiar are you with the environmental impact of single-use coffee pods?
85 responses

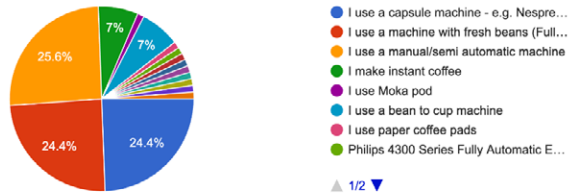


How does this influence your decision to use them?
86 responses



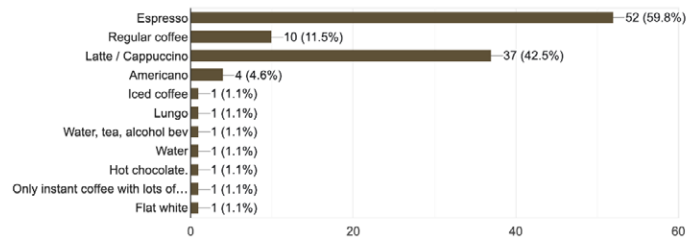
How do you prepare coffee at home?

86 responses



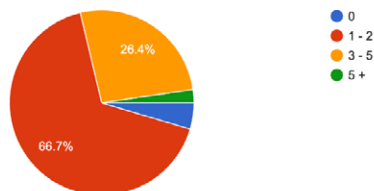
What drinks do you typically consume at home?

87 responses



On average, how many cups of coffee do you consume per day at home?

87 responses



Appendix C: Interview 1 Questions

Interview script
Hotel Managers
March 2024

Introduction

Hello, my name is Vasil and I'm here representing Versuni (known as Philips Domestic Appliances). As part of my research thesis I'm looking to learn more about the current landscape of in-room coffee services in hotels, with a focus on identifying opportunities for improvement and innovation. Your insights as a hotel manager are crucial in helping us gather valuable data to inform our research and develop solutions that align with the needs and preferences of both hotel operators and guests. Thank you for taking the time to speak with me today.

Understanding the hotel

We'll start with few questions to understand your current offerings:

Can you tell me about the typical clients that visit your hotel? (Probe: Business travellers, tourists, families, etc.)

How many hotel rooms do you have in total?

What is the average duration of stay for a guest in one of your rooms?

Current In-room Coffee Practices

Does your hotel currently offer in-room coffee to guests? (Probe: Coffee machine, instant coffee, aeropress, etc.?)

Coffee machine

What type of coffee machines do you currently use in your hotel rooms? How satisfied are you with those?

On average, how many cups of coffee do guests consume during their stay?

How many coffee doses are typically provided in each room?

How frequently does your staff refill the in-room coffee supply?

Have you received any compliments or complaints from guests regarding the in-room coffee? Do you ask guests to rate your in-room amenities (incl. coffee)?

Instant coffee

How did you decide to go for instant coffee compared to a coffee machine?

How many coffee doses are typically provided in each room? How frequently does your staff refill the in-room coffee supply?

Have you considered switching to a coffee machine for in-room coffee? What were the reasons not to do so?

No coffee

What is the main reason you don't serve coffee in your rooms?

Have you received any compliments or complaints from guests regarding lack of in-room coffee? \

Do you ask guests to rate your in-room amenities (incl. coffee)?

Sourcing in-room coffee - if no coffee in room, skip section

Coffee machine

Could you describe the service you currently use to provide in-room coffee? (Probe: Supplier, contract terms)

Is the arrangement for in-room coffee services contract-based, on a month-to-month basis, or something else?

Do you purchase the coffee machines outright or lease them from the supplier?

Is the sourcing arrangement the same for every hotel within your chain?

How did you select the current in-room coffee service provider? (Probe: Approach, existing agreements, pricing, specific brand)
How satisfied are you with the current in-room coffee option your hotel provides?

Instant coffee

You mentioned you use instant coffee sachets. Can you tell me more about how you source them?
How do you supply the instant coffee sachets to your rooms - do you purchase them at bulk or do you use a service?
Is the sourcing arrangement the same for every hotel within your chain?
How did you select the current in-room coffee service provider? (Probe: Approach, existing agreements, pricing, specific brand)
How satisfied are you with the current in-room coffee option your hotel provides?

Sustainability

How important is sustainability to your hotel's operations and guest experience philosophy? (Probe: Can you elaborate on any specific sustainability initiatives or practices your hotel has implemented in the past?
How do you communicate your sustainability efforts to your guests?)

Has sustainability been a factor in your decision-making process when selecting coffee machines/options for your hotel rooms?

(Probe: Can you share any examples of how sustainability considerations influenced your choice of coffee machines or coffee options in the past? How do you balance sustainability concerns with other factors such as cost, quality, and ease of use when making these decisions? Have you encountered any challenges or limitations in finding sustainable coffee solutions that meet your hotel's needs?)

Have you explored alternative coffee solutions that prioritize sustainability, such as refillable or compostable coffee capsules? (

Probe: What drove your interest in exploring these alternative coffee solutions? How do you evaluate the feasibility and effectiveness of these alternative solutions compared to traditional options??

Would your hotel be open to considering a coffee solution that reduces or eliminates single-use packaging, offers lower cost per cup, even if it requires initial investment or operational changes?

(Probe: What factors would be most important to your hotel when considering such a coffee solution? Are there any specific concerns or requirements your hotel would have regarding the implementation and integration of a new coffee solution?)

Pilot

Given the opportunity, would you be interested in participating in a pilot program to test and evaluate new in-room coffee solutions? If so, what factors would influence your decision to participate?

Closing

Once again, we appreciate your willingness to share your insights and experiences with us. Your input will play a vital role in shaping the direction of my research.

Appendix D:

Interview 2 Questions & Stimuli

Evaluate the Concept

What benefits do you see in Baristina compared to your current coffee machines?
How important are these benefits to your hotel's operations and guest satisfaction?

Coffee Supply

How often do you order coffee pods? How do you place these orders (website, phone, email)?
Do you buy coffee pods in bulk for a few months or on a monthly basis?

Service and Maintenance

Who currently handles the maintenance for your coffee appliances?
How quickly are broken appliances replaced?
What servicing tasks does the cleaning staff currently perform on coffee machines?

Business Model Preferences

How do you become an approved seller for a new product? (chains)
Do you prefer to own appliances or lease them? What benefits and challenges do you see with each option?
What do you do with the machines after the contract period ends? How long are your typical contracts?
What is your monthly budget for coffee machines and supplies?
What is your cancellation policy?

Business Model/Configuration Choice

I will show you 3 different options for getting Baristina for your hotel rooms. Can you please choose one of them and walk me through your thought process.

Which business model do you prefer and why?

Validate Purchase Intent

Given your current needs and the benefits we've discussed, do you see yourself switching to Baristina for your in-room coffee solution? What factors would influence this decision the most?
What benefits/challenges do you see in Baristina that would influence your decision?
Would you support the inclusion of a QR code on the Baristina machine, allowing guests to learn more about it and possibly purchase one for their home use?
Do you see this as a value-added feature for your guests?



Baristina: The Ultimate In-Room Coffee Experience



Fresh Bean Quality

Freshly ground beans deliver a richer, more aromatic coffee.



Save up to 40% with beans

You could save more than €400 on each room by using beans compared to capsules*



Zero waste

Eliminates the need for single-use pods.



Beans roasted for Baristina

Enjoy a unique coffee experience with our beans specifically designed and optimized for the best taste with Baristina.



Compact & stylish design that fits any room

Compact enough for any room, powerful enough for barista-style coffee. Available in 2 colors and 7 portafilter finishes.

	Purchase	Lease	Subscription
Ownership	Yes	At end of contract	Access
Cost	€199	€16 per month	€18 per month
Bean supply	-	Custom bean roast for Baristina	Custom bean
Contract duration	-	60 months	60 months
Warranty	2 years	5 years	5 years
Servicing	No additional services	Priority servicing	Priority servicing + Descaler
Other	-	Option to upgrade	Free upgrade when available



*Total ownership cost based on brewing two cups of coffee a day, comparing capsules machines (Nespresso, Illy, Lavazza) costing €0, using original capsules at -20% discounted rate (avg. €0,37) to Baristina ownership / subscription cost over 60 months period. **Disclaimer:** The offer detailed in this flyer is not binding and is intended solely for the research purposes of this project. Versuni is not associated with this offer and cannot be held legally liable for any claims or commitments stated herein. All prices are excluding VAT.

Appendix E:

Competitor pricing benchmark

Comparison: Purchase appliance + Coffee																		
Nespresso						Lavazza						Illy				Average		
Assumption: Free machine + Full price Nespresso pods						Assumption: Free machine + Full price Lavazza a modo mio pods						Assumption: Free machine + Full price Lavazza a modo mio pods						
Nespresso Pixie: RRP 159€						A Modo Mio Jolie: RRP 120,70€						Y3.3 ESPRESSO & COFFEE: RRP 99,00€						
Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per d	Pod price	Total 1 year	Total 5 years	w Machine	
€0,00	1	€0,47	€171,55	€857,75	€857,75	€0,00	1	€0,40	€146,00	€730,00	€730,00	€0,00	1	€0,51	€186,15	€930,75	€930,75	€839,50
€0,00	2	€0,47	€343,10	€1 715,50	€1 715,50	€0,00	2	€0,40	€292,00	€1 460,00	€1 460,00	€0,00	2	€0,51	€372,30	€1 861,50	€1 861,50	€1 679,00
Assumption: Free machine & -20% Nespresso pods						Assumption: Free machine & -20% off Lavazza a modo mio pods						Assumption: Free machine & -20% off Lavazza a modo mio pods						
Nespresso Pixie: RRP 159€						A Modo Mio Jolie: RRP 120,70€						Y3.3 ESPRESSO & COFFEE: RRP 99,00€						
Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per d	Pod price	Total 1 year	Total 5 years	w Machine	
€0,00	1	€0,38	€138,70	€693,50	€693,50	€0,00	1	€0,32	€116,80	€584,00	€584,00	€0,00	1	€0,41	€149,65	€748,25	€748,25	€675,25
€0,00	2	€0,38	€277,40	€1 387,00	€1 387,00	€0,00	2	€0,32	€233,60	€1 168,00	€1 168,00	€0,00	2	€0,41	€299,30	€1 496,50	€1 496,50	€1 350,50
Assumption: Free machine & -40% Nespresso pods						Assumption: Free machine & -40% off Lavazza a modo mio pods						Assumption: Free machine & -40% off Lavazza a modo mio pods						
Nespresso Pixie: RRP 159€						A Modo Mio Jolie: RRP 120,70€						Y3.3 ESPRESSO & COFFEE: RRP 99,00€						
Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per d	Pod price	Total 1 year	Total 5 years	w Machine	
€0,00	1	€0,28	€102,20	€511,00	€511,00	€0,00	1	€0,24	€87,60	€438,00	€438,00	€0,00	1	€0,31	€113,15	€565,75	€565,75	€504,92
€0,00	2	€0,28	€204,40	€1 022,00	€1 022,00	€0,00	2	€0,24	€175,20	€876,00	€876,00	€0,00	2	€0,31	€226,30	€1 131,50	€1 131,50	€1 009,83
Assumption: -50% off RRP & full price Nespresso pods						Assumption: -50% off RRP & full price Lavazza a modo mio pods						Assumption: -50% off RRP & full price Lavazza a modo mio pods						
Nespresso Pixie: RRP 159€						A Modo Mio Jolie: RRP 120,70€						Y3.3 ESPRESSO & COFFEE: RRP 99,00€						
Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per d	Pod price	Total 1 year	Total 5 years	w Machine	
€79,99	1	€0,47	€171,55	€857,75	€937,74	€60,35	1	€0,40	€146,00	€730,00	€790,35	€60,35	1	€0,51	€186,15	€930,75	€991,10	€906,40
€79,99	2	€0,47	€343,10	€1 715,50	€1 795,49	€60,35	2	€0,40	€292,00	€1 460,00	€1 520,35	€60,35	2	€0,51	€372,30	€1 861,50	€1 921,85	€1 745,90
Assumption: -50% off RRP & -20% Nespresso pods						Assumption: -50% off RRP & -20% off Lavazza a modo mio pods						Assumption: -50% off RRP & -20% Lavazza a modo mio pods						
Nespresso Pixie: RRP 159€						A Modo Mio Jolie: RRP 120,70€						Y3.3 ESPRESSO & COFFEE: RRP 99,00€						
Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per d	Pod price	Total 1 year	Total 5 years	w Machine	
€79,99	1	€0,38	€138,70	€693,50	€773,49	€60,35	1	€0,32	€116,80	€584,00	€644,35	€60,35	1	€0,41	€149,65	€748,25	€808,60	€742,15
€79,99	2	€0,38	€277,40	€1 387,00	€1 466,99	€60,35	2	€0,32	€233,60	€1 168,00	€1 228,35	€60,35	2	€0,41	€299,30	€1 496,50	€1 556,85	€1 417,40
Assumption: -50% off RRP & -40% Nespresso pods						Assumption: -50% off RRP & -40% off Lavazza a modo mio pods						Assumption: -50% off RRP & -40% Lavazza a modo mio pods						
Nespresso Pixie: RRP 159€						A Modo Mio Jolie: RRP 120,70€						Y3.3 ESPRESSO & COFFEE: RRP 99,00€						
Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per day	Pod price	Total 1 year	Total 5 years	w Machine	Machine cost	Coffees per d	Pod price	Total 1 year	Total 5 years	w Machine	
€79,99	1	€0,28	€102,20	€511,00	€590,99	€60,35	1	€0,24	€87,60	€438,00	€498,35	€60,35	1	€0,31	€113,15	€565,75	€626,10	€571,81
€79,99	2	€0,28	€204,40	€1 022,00	€1 101,99	€60,35	2	€0,24	€175,20	€876,00	€936,35	€60,35	2	€0,31	€226,30	€1 131,50	€1 191,85	€1 076,73

Appendix F: Project brief



IDE Master Graduation Project

Project team, procedural checks and Personal Project Brief

In this document the agreements made between student and supervisory team about the student's IDE Master Graduation Project are set out. This document may also include involvement of an external client, however does not cover any legal matters student and client (might) agree upon. Next to that, this document facilitates the required procedural checks:

- Student defines the team, what the student is going to do/deliver and how that will come about
- Chair of the supervisory team signs, to formally approve the project's setup / Project brief
- SSC E&SA (Shared Service Centre, Education & Student Affairs) report on the student's registration and study progress
- IDE's Board of Examiners confirms the proposed supervisory team on their eligibility, and whether the student is allowed to start the Graduation Project

STUDENT DATA & MASTER PROGRAMME

Complete all fields and indicate which master(s) you are in

Family name	Nikolov	IDE master(s)	IPD <input type="checkbox"/>	DFI <input type="checkbox"/>	SPD <input checked="" type="checkbox"/>
Initials	VVN	2 nd non-IDE master			
Given name	Vasil	Individual programme (date of approval)			
Student number		Medisign	<input type="checkbox"/>		
		HPM	<input type="checkbox"/>		

SUPERVISORY TEAM

Fill in the required information of supervisory team members. If applicable, company mentor is added as 2nd mentor

Chair	Pinar Cankurtaran	dept./section	DOS / MCR	<p>! Ensure a heterogeneous team. In case you wish to include team members from the same section, explain why.</p> <p>! Chair should request the IDE Board of Examiners for approval when a non-IDE mentor is proposed. Include CV and motivation letter.</p> <p>! 2nd mentor only applies when a client is involved.</p>
mentor	Jeroen Coelen	dept./section	DOS / MOD	
2 nd mentor	Daniela Zhelyazkova			
client:	Versuni			
city:	Amsterdam	country:	The Netherlands	
optional comments				

APPROVAL OF CHAIR on PROJECT PROPOSAL / PROJECT BRIEF -> to be filled in by the Chair of the supervisory team

Sign for approval (Chair)

Name Pinar Cankurtaran

Date 4 March 2024

Signature

Pinar Cankurtaran
Digitally signed by Pinar Cankurtaran
Date: 2024.03.04 14:00:16 +01'00'

CHECK ON STUDY PROGRESS

To be filled in by SSC E&SA (Shared Service Centre, Education & Student Affairs), after approval of the project brief by the chair. The study progress will be checked for a 2nd time just before the green light meeting.

Master electives no. of EC accumulated in total _____ EC
Of which, taking conditional requirements into account, can be part of the exam programme _____ EC

X	YES	all 1 st year master courses passed
	NO	missing 1 st year courses

Comments:

Sign for approval (SSC E&SA)

Name Robin den Braber

Date 11-03-2024

Signature *RdB*

APPROVAL OF BOARD OF EXAMINERS IDE on SUPERVISORY TEAM -> to be checked and filled in by IDE's Board of Examiners

Does the composition of the Supervisory Team comply with regulations?

YES	V	Supervisory Team approved
NO		Supervisory Team not approved

Comments:

Based on study progress, students is ...

V	ALLOWED to start the graduation project
	NOT allowed to start the graduation project

Comments:

Sign for approval (BoEx)

Name Monique von Morgen

Date 12/3/2024

Signature *Monique von Morgen*

Personal Project Brief – IDE Master Graduation Project

Name student Vasil Nikolov

Student number 5827213

PROJECT TITLE, INTRODUCTION, PROBLEM DEFINITION and ASSIGNMENT

Complete all fields, keep information clear, specific and concise

Project title Bean to Room: Crafting the Future of Hotel Coffee Experiences through sustainable innovation.

Please state the title of your graduation project (above). Keep the title compact and simple. Do not use abbreviations. The remainder of this document allows you to define and clarify your graduation project.

Introduction

Describe the context of your project here; What is the domain in which your project takes place? Who are the main stakeholders and what interests are at stake? Describe the opportunities (and limitations) in this domain to better serve the stakeholder interests. (max 250 words)

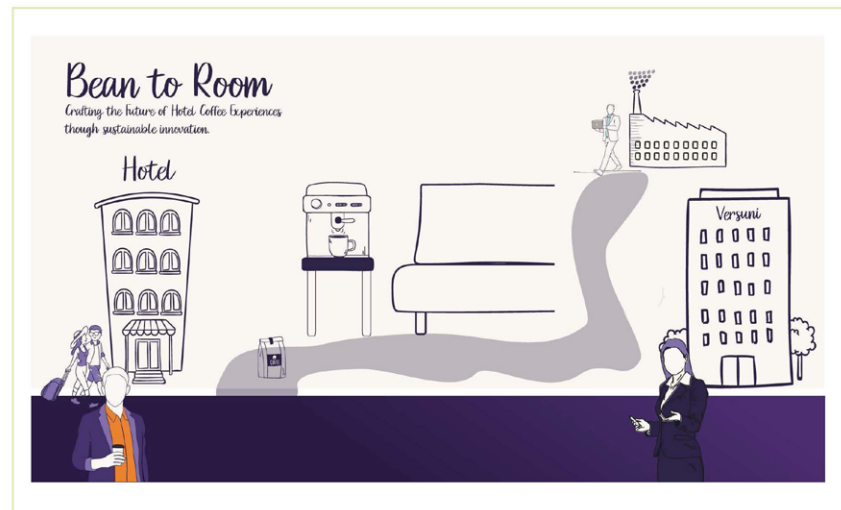
The project is centred within the evolving landscape of the hospitality industry, which is increasingly aligning itself with the principles of enhanced guest experiences and sustainability. It examines the potential pathways for a new proposition towards Business-to-Business (B2B) markets, focusing on Versuni's endeavour to penetrate the hotel industry.

At the heart of this transition lies the introduction of a novel espresso machine by Versuni, a proposition considered by the company as disruptive and seen as to potentially redefine in-room coffee. With its zero-waste model, it could offer hotels a chance to significantly improve their environmental footprint, while aiming to create a new market for Versuni. The main stakeholders of this project are the hotel operators looking to innovate and differentiate their offerings, the hotel guests who are now decision-makers in their travel choices, and Versuni, whose interests lie in successfully penetrating the hotel market with their new product.

However, the limitations are equally prominent - the ease with which hotel guests can adapt to new technologies, the operational adjustments hotels must undergo to accommodate the new system that utilises fresh beans, and the economic model that would make such a switch viable for businesses. These challenges will be explored, aiming to carve a pathway for Versuni's appliance to successfully launch a proposition into the hotel industry. From an academic perspective, this project aims to understand what are the mechanisms that B2C companies can leverage for market entry in the B2B sector and what changes in business model are required for it.

→ space available for images / figures on next page

introduction (continued): space for images



Bean to Room

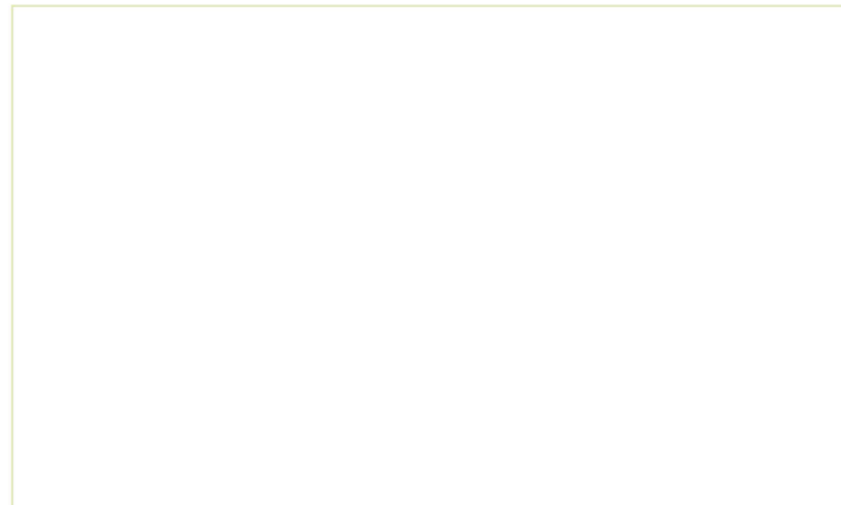


image / figure 2



Personal Project Brief – IDE Master Graduation Project

Problem Definition

What problem do you want to solve in the context described in the introduction, and within the available time frame of 100 working days? (= Master Graduation Project of 30 EC). What opportunities do you see to create added value for the described stakeholders? Substantiate your choice.
(max 200 words)

In March 2024, Versuni will launch a novel category of coffee machines that uses fresh beans, prioritises ease of use, operates on a zero-waste principle, and offers cost advantage over existing pod-based solutions.

The challenge is facilitating the entry of Versuni's new coffee machine into the hotel industry, more specifically the hotel rooms - a sector dominated by Nespresso's capsule system for its hassle-free subscription-based offerings. In addition to delivering superior coffee quality and environmental sustainability, this project requires overcoming relational barriers, contractual constraints, and hotel management's cautiousness.

The opportunity within this challenge is multi-dimensional. Introducing fresh bean coffee elevates the quality of the guest experience (EVS Canada, 2020), while also creating opportunities for hotels to differentiate themselves by offering special/unique beans that resonate with their brand (Coffee Culture, 2023)(Hamilton Beach Commercial, 2016). The zero-waste approach appeals to the growing market of environmentally conscious consumers (Cibelli et al., 2021) and last but not least, the cost-effectiveness of this new system could offer long-term savings compared to pod-based solutions.

This project will dive into the complexities of creating a B2B proposition, recognizing the dual stakeholders from the client side—the purchaser (hotel management) and the user (hotel guests). It will explore how to tailor the core value proposition from a B2C to a B2B context, addressing the distinct needs and preferences of both stakeholders.

Assignment

This is the most important part of the project brief because it will give a clear direction of what you are heading for. Formulate an assignment to yourself regarding what you expect to deliver as result at the end of your project. (1 sentence)
As you graduate as an industrial design engineer, your assignment will start with a verb (Design/Investigate/Validate/Create), and you may use the green text format:

Investigate how Versuni can overcome the adoption barriers of its novel coffee machines within the hotel industry by crafting a comprehensive strategy that prioritizes value proposition creation, market entry, and business model innovation.

Then explain your project approach to carrying out your graduation project and what research and design methods you plan to use to generate your design solution (max 150 words)

My approach towards this project is iterative with multiple testing/validation points throughout the journey. It will involve market research on the latest trends in the hotel industry and sustainability practices, with emphasis on coffee service offerings. This will be complemented by on-site visits to hotels to observe their operational environment directly, interviews with hotel staff and guests. I will consult internal and external experts to best understand the context and utilizing all these insights, I will develop the proposition concept to illustrate the integration of Versuni's coffee machine within the hotel's service ecosystem, detailing the user journey, key service touchpoints, and potential barriers to adoption. I will explore various business models to determine the most suitable approach aiming to align it with the hotels' operational goals and sustainability ambitions. The objective is to formulate a value proposition that positions Versuni's coffee machine as an innovative, high quality, sustainable solution in the hospitality sector, driving both guest satisfaction and business success.

More about it can be seen in the planning chart as an appendix.

Project planning and key moments

To make visible how you plan to spend your time, you must make a planning for the full project. You are advised to use a Gantt chart format to show the different phases of your project, deliverables you have in mind, meetings and in-between deadlines. Keep in mind that all activities should fit within the given run time of 100 working days. Your planning should include a **kick-off meeting, mid-term evaluation meeting, green light meeting and graduation ceremony**. Please indicate periods of part-time activities and/or periods of not spending time on your graduation project, if any (for instance because of holidays or parallel course activities).

Make sure to attach the full plan to this project brief.
The four key moment dates must be filled in below

Kick off meeting	16 February
Mid-term evaluation	11 April
Green light meeting	07 Jun
Graduation ceremony	05 July

In exceptional cases (part of) the Graduation Project may need to be scheduled part-time. Indicate here if such applies to your project

Part of project scheduled part-time	<input type="checkbox"/>
For how many project weeks	<input type="text"/>
Number of project days per week	<input type="text"/>

Comments:

Motivation and personal ambitions

Explain why you wish to start this project, what competencies you want to prove or develop (e.g. competencies acquired in your MSc programme, electives, extra-curricular activities or other).

Optionally, describe whether you have some personal learning ambitions which you explicitly want to address in this project, on top of the learning objectives of the Graduation Project itself. You might think of e.g. acquiring in depth knowledge on a specific subject, broadening your competencies or experimenting with a specific tool or methodology. Personal learning ambitions are limited to a maximum number of five.
(200 words max)

My motivation for embarking on this project extends beyond skill development to encompass gaining valuable insights into the product management role, a position I aspire to pursue post-graduation. I aim to enhance my research skills by conducting in-depth market analysis and gathering qualitative insights through interviews and observations. Additionally, I seek to refine my business modeling abilities by exploring various revenue models and strategic approaches for Versuni's coffee machine integration into the hotel industry. Furthermore, I am driven to improve my presentation skills, particularly in front of senior stakeholders, to effectively communicate and advocate for the adoption of sustainable coffee solutions in hospitality settings. These personal learning ambitions align with my overarching goal of demonstrating proficiency in strategic design and innovation while contributing positively to the field of industrial design engineering.

	Kick-off				Midterm										Green light			Green light					
	WK7	WK8	WK9	WK10	WK11	WK12	WK13	WK14	WK15	WK16	WK17	WK18	WK19	WK20	WK21	WK22	WK23	WK24	WK25	WK26	WK27		
Task	12-16 Feb	19-23 Feb	26-01 Mar	04-08 Mar	11-15 Mar	18-22 Mar	25-29 Mar	01-05 Apr	08-12 Apr	15-19 Apr	22-26 Apr	29-03 May	06-10 May	13-17 May	20-24 May	27-31 May	03-07 Jun	10-14 Jun	17-21 Jun	24-28 Jun	01-05 Jul		
Desk research	Explore trends, market research, internal company analysis								Research B2B business models, new service				Research consumer behaviour in hospitality, in room amenities, etc.				Research branding, positioning, launch strategy						
Literature review									Research consumer behaviour in hospitality, B2C → B2B transition								Research branding, positioning, launch strategy						
Expert interviews	Interview R&D Team		Interview Quality Team	Interview Market Team	Interview Hospital + experts	Call with R&D Team				Call with Central Centre Team				Call with R&D Team									
Field Research					Interview Hotel Managers & Guests																		
Analysis	Analyse findings				Analyse findings				Holiday				Iterate concept design				Iterate concept design						
Concept design					High level concept design								Iterate concept design				Finalise concept design						
Business model design					Draft Business Model								Iterate Business Model				Iterate Business Model						
Testing, market validation, iteration					Test BM with hotel managers								Test concept with hotel guests				Test live concept with hotel						
Branding, Marketing & Launch strategy													Launch strategy										
Finalising deliverables					Prepare for mid-term												Prepare for green light				Prepare final deliverables		