



**Linnéuniversitetet**  
Kalmar Vaxjö

# **Assignment 1:**

## **Individual Assignment**

**VRG Arena**



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## Table of contents

|   |    |
|---|----|
| 1. Introduction.....                                    | 3  |
| 2. Background and Business Idea.....                    | 3  |
| 3. Lean Canvas Model.....                               | 4  |
| 4. Hypotheses and Proofs.....                           | 5  |
| 5. Scenario Analysis.....                               | 7  |
| Main Scenario (What We Believe Will Happen).....        | 7  |
| Alternative Scenario 1: Market Changes - Slower Growth. | 7  |
| Alternative Scenario 2: Running Out of Money.....       | 7  |
| 6. Cost Analysis.....                                   | 7  |
| 7. Break-Even Analysis.....                             | 9  |
| 8. Funding Needs.....                                   | 9  |
| 9. Summary and Discussion.....                          | 11 |
| 10. Conclusion.....                                     | 11 |



## **1. Introduction**

In today's world, technology and entertainment are merging like never before. Many people are looking for fun and social gaming experiences that go beyond traditional single-player games. VRG Arena aims to fulfill this demand by creating an exciting virtual reality space where players can experience unforgettable adventures together.

Our vision is to offer a gaming experience that is not just about winning or being the best. It's about spending time with others, helping each other, and making good memories. Gaming should be a social activity and a way to share good moments with friends and family. VRG Arena will be a place where everyone, young and old, can try new VR technology in a fun and friendly way. We want people to feel welcome, to connect with others, and to leave with memories they will remember for a long time.

In this report, I will introduce the business idea, explain the startup plan, show how VRG Arena will work, and describe the plan to bring VRG Arena to life.

## **2. Background and Business Idea**

After identifying a clear gap in the market, *VRG Arena* will create a space where players can use advanced VR stations and play together in groups, not just alone. There are already a few VR centers in major cities like Helsingborg, Gothenburg, and Stockholm. But there isn't any in Kalmar at the moment. Kalmar lacks a wide range of leisure activities overall, which makes the introduction of any new social group activity especially attractive to the local population.

A concept like VRG Arena would not only close a gap in the market but also satisfy a significant, current need, as families, teens, and young adults frequently struggle to find interesting places to congregate and have fun. Because of this, VRG Arena has a rare chance to lead the market, build a loyal customer base without facing direct competition.



*Figure 1: Example of an immersive multiplayer VR Arena gaming environment.*

### 3. Lean Canvas Model

Transitioning from concept to business structure, the Lean Canvas Model outlines the foundation:

| <b>Problem:</b>  | <b>Solution:</b>   | <b>Unique value proposition:</b>   | <b>Unfair Advantage:</b>  | <b>Customer Segment:</b>  |
|--|--|--|---|---|
| <p>In Kalmar, there are few places where groups can do something fun together.</p> <p>Teenagers and families don't have VR centers to visit, so they travel to other cities.</p> | <p>We offer group VR stations with up to 8 players.</p> <p>Flexible time bookings (30, 60, 90 min), special events like birthdays or school days.</p> <p>Everyone can enjoy from gamers to</p> | <p>VRG Arena is the first VR center in Kalmar where friends, families, and groups can play together.</p> <p>It's fun, social, affordable, and something new,</p> | <p>We are the first in Kalmar with this VR group concept.</p> <p>We know the local community, and we offer personal service.</p> <p>And we focus on schools and youth activities, which others don't.</p> | <p>Our target group includes young adults looking for social interaction, families looking for enjoyment, schools organizing events, businesses in need of team-building exercises, and teenagers who enjoy gaming.</p> |



|   |  |  |   |  |
|---|--|--|---|--|
|   | beginners.   | not just sitting home alone playing.   |   |  |
|   | <b>Metrics:</b><br>Weekly group bookings<br>Repeat customers<br>Event bookings (birthdays, schools, companies)<br>Social media engagement<br>Customer feedback (ratings & reviews) |  | <b>Channels:</b><br>Social media, outdoor, school, and bus station ads. |  |
| <b>Costs:</b><br>Main costs are rent, staff, VR equipment, licenses, marketing, electricity & internet. Also, keep games updated and fix equipment when needed. |  | <b>Revenue:</b><br>We earn money from session bookings. Additionally, from school groups and birthday celebrations. memberships, snacks and beverages. |   |  |

#### 4. Hypotheses and Proofs

To validate the idea, we have identified key hypotheses and their supporting evidence:

- **Hypothesis:** Kalmar families and young adults want more fun group activities.
  - **Proof:** Personal experience shows a real need for group activities. Since I am part of a big family, we often struggle to find good group social activities in Kalmar. This sometimes leads us to visit different cities simply to enjoy ourselves and make lasting memories together.
- **Hypothesis:** People will pay 100-250 SEK for a VR session.
  - **Proof:** Market comparisons with Helsingborg and Stockholm VR centers show much higher pricing (Stockholm prices: 225 SEK for 30 minutes, 425 SEK for 60 minutes, 600 SEK for 90 minutes, and 775 SEK for 120 minutes), making our pricing very attractive and affordable.
- **Hypothesis:** Seasonal events boost bookings.



- **Proof:** Logical assumption based on human behavior. People look for fun activities to do during the holidays with friends and family. This is what makes VR events with a theme very appealing.
- **Additional Validation through Google Trends:**
  - To further support our business idea, we analyzed Google Trends data for VR interest in Sweden over the past five years. The data shows a steady interest, with peaks during certain seasons. Importantly, Kalmar County (Kalmar län) ranks among the top regions with a strong interest in VR activities.

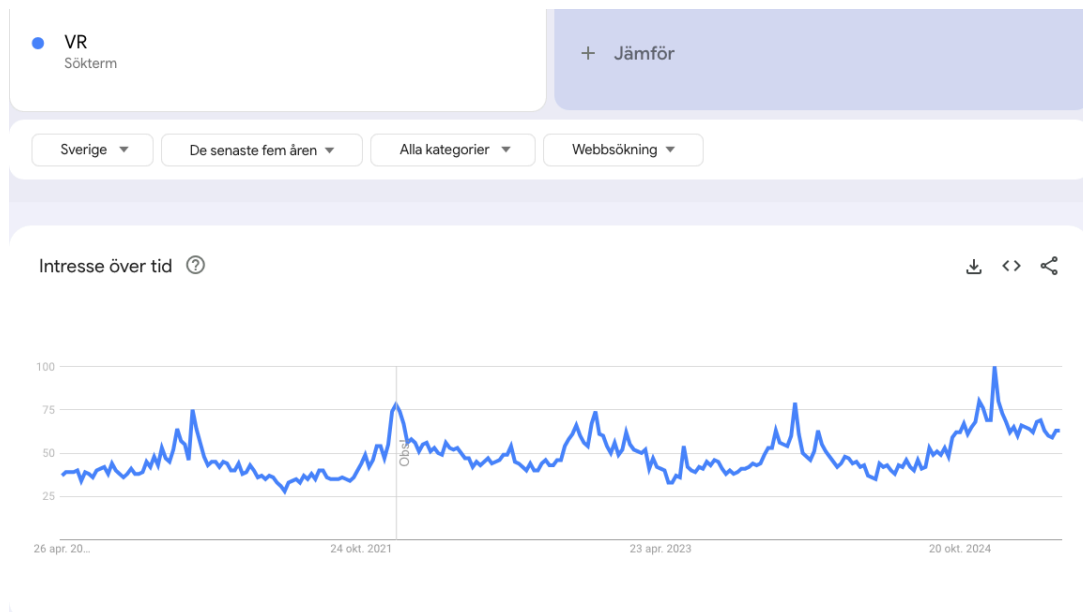


Figure 2: Google Trends, Interest Over Time for VR in Sweden (Last Five Years)

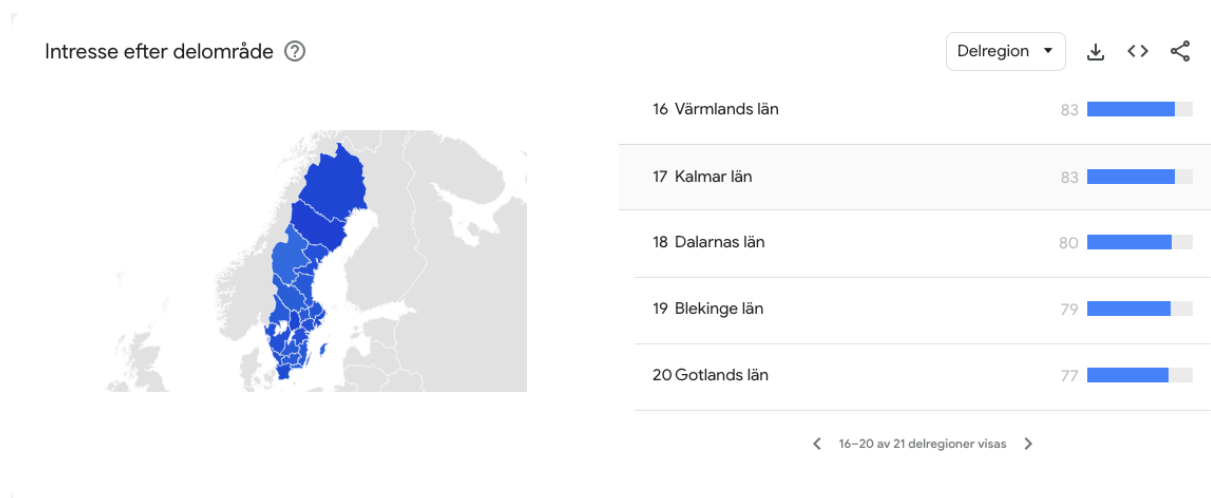


Figure 3: Google Trends, Regional Interest for VR in Sweden (Kalmar County Among Top Regions)





This confirms that there is a real, measurable interest in VR experiences in our targeted region, providing another strong foundation for launching *VRG Arena*.

## **5. Scenario Analysis**

To better prepare for the future, we have created three scenarios:

### **Main Scenario (What We Believe Will Happen)**

In the main scenario, VRG Arena is expected to attract steady customer interest in Kalmar. We expect to achieve 50-60 customers per week, allowing us to survive up to 10-15 months with our budget buffer. Through continuous marketing and excellent service, we project a quarterly sales growth rate of 15-20%.

### **Alternative Scenario 1: Market Changes - Slower Growth**

In the event customer acquisition takes longer, we may face a customer base of only 30-40 a week. This could delay our break-even point by six to seven months. To manage this, we would increase local advertising, build more partnerships with schools and community organizations, and offer targeted promotions to attract more visitors.

### **Alternative Scenario 2: Running Out of Money**

If bookings drop below 20 customers per week, it would survive for max 4 months. We would manage by looking for additional loans, reducing staff hours to save costs and launching strong seasonal promotions to increase bookings. Collaborations with youth centers could also bring bulk bookings.

## **6. Cost Analysis**

Location is crucial for *VRG Arena*. Our business thrives on social experiences and walk-in groups, so high visibility and foot traffic are vital. We're looking at renting space in popular shopping centers like Giraffen or The Box in Kalmar. These spots attract families, teens, and casual visitors, giving us great exposure. Although the rent might be a bit higher, the increased customer traffic will likely make up for the cost through more bookings and sales.

Here's a cost overview for launching and operating *VRG Arena*:

- **Rent:** 20,000 SEK/month



- **Electricity and Internet:** 4,000 SEK/month
- **VR Equipment (8 advanced setups):**
  - VR Headsets (8 units): 7,500 SEK each → 60,000 SEK
  - VR-ready Gaming PCs (8 units): 15,000 SEK each → 120,000 SEK
  - Controllers and Tracking Systems (8 sets): 3,000 SEK each → 24,000 SEK
  - Safety Mats and Accessories: 8,000 SEK
  - **Total:** 212,000 SEK (Extra 20,000 SEK reserved for replacements, upgrades, and backup gear)
- **Furniture and Setup:**
  - Lounge Furniture (sofas, chairs, tables): 30,000 SEK
  - Reception Desk and Lockers: 15,000 SEK
  - Safety Padding, Lighting, and Decoration: 25,000 SEK
  - **Total:** 70,000 SEK
- **Software and Licenses:**
  - Commercial VR Game Licenses: 10,000 SEK
  - Booking System Software: 5,000 SEK
  - Accounting and Management Software: 3,000 SEK
  - **Total:** 18,000 SEK
- **Staff Costs:** 25,000 SEK/month (increased to manage larger customer capacity)
- **Marketing:** 7,000 SEK/month (enhanced advertising for larger setup)

**Summary:**





- VR Equipment: 212000 SEK
- Furniture and Setup: 70000 SEK
- Software and Licenses: 18000 SEK
- Initial Marketing: 7000 SEK (first month)

**Total starting costs:**  $\approx 307000$  SEK (excluding rent and utilities)

**Monthly operational costs:**  $\approx 56000$  SEK

## 7. Break-Even Analysis

To cover the monthly operational cost of approximately 56000 SEK, we calculate:

- **Average customer session price:** 180 SEK
- **Break-Even customer volume per month:**  
Customers needed  $\frac{56000}{180} \approx 311$  per month
- **Customers needed per day:**  
 $\frac{311}{30} = 10 - 11$  customers per day

### Capacity Consideration:

- With 8 VR setups available, *VRG Arena* can serve 8 customers simultaneously.
- Only 1 to 2 group sessions per day would meet or exceed the daily customer target.

This makes the break-even target realistic, especially by targeting groups such as friends, school classes, and corporate events.

## 8. Funding Needs

- **Startup Costs:**  $\approx 307,000$  SEK
- **Monthly Costs:**  $\approx 56,000$  SEK

Available budget if you get 500,000 SEK:



Remaining after setup=500,000–307,000=193,000SEK

Then we see how many months you can pay operational costs:

Months covered=  $\frac{193000}{56000} \approx 3.45$  months

This allows the business to operate for about 3–4 months without additional revenue.

To officially launch the business, we will register a trademark named *VRG Arena*. Since this is our first time starting a company, we can apply for the trademark at no cost through the relevant government support program. We will also set up a professional digital presence, including a website, custom logo, and email domain. This will be managed using a service like *one.com*, which offers website-building tools and hosting with a free 100-day trial, followed by an affordable monthly subscription of around 500 SEK. The logo will be designed in-house, and we will use free tools provided by the platform to create and manage our website and online branding.





*Figure 4: Trademark logo*

To extend the runway and reach profitability, it will be critical to attract customers quickly through strong marketing and early promotions. Additional funding options, such as small business loans or reinvesting early revenues, may be considered if customer acquisition takes longer than expected.

Additionally, as part of a long-term financial strategy, *VRG Arena* plans to invest 10–30% of its future profits into cryptocurrency markets and other trading opportunities. This investment strategy aims to build a secondary revenue stream and create a financial safety net for future upgrades, expansions, or economic downturns.

## **9. Summary and Discussion**

VRG Arena is based on a simple but real need, Kalmar has too few places for fun group activities. I saw this myself with family and friends, and the same idea is confirmed by Google Trends and comparisons with bigger cities like Stockholm and Malmö.

According to financial analysis, the startup is doable with careful preparation. We can break even in roughly three to four months if we can get one or two group reservations every day. We intend to adjust despite the slow growth.

Marketing, location, and service quality will all be critical factors in success. In order to maintain long-term business stability, future profits will also be reinvested.

## **10. Conclusion**

*VRG Arena* is not just a fun idea, it is a needed community hub in Kalmar. By offering a fun, social VR experience where friends can play together, we fill a real gap in the market. With good funding, strategic planning, and a customer-focused approach, *VRG Arena* has the potential to become the leading entertainment destination in the area and beyond.

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