

The summer season 2015 for the Hamburg operation

Introduction

In this report we are going to give an overview of the Hamburg operation during the summer season 2015. We will compare the weekly values regarding operating profit, revenue and costs with 2014 and discuss them. Aspects that will be taken into account are:

- Competition in Hamburg;
- The 2pm FT shift;
- The German FT shift;
- Staff costs and SOP;
- Private tours and groups.

We will consider the beginning of the season in the 14th week of the year, corresponding to the week when Easter took place in 2015.

Competition in Hamburg

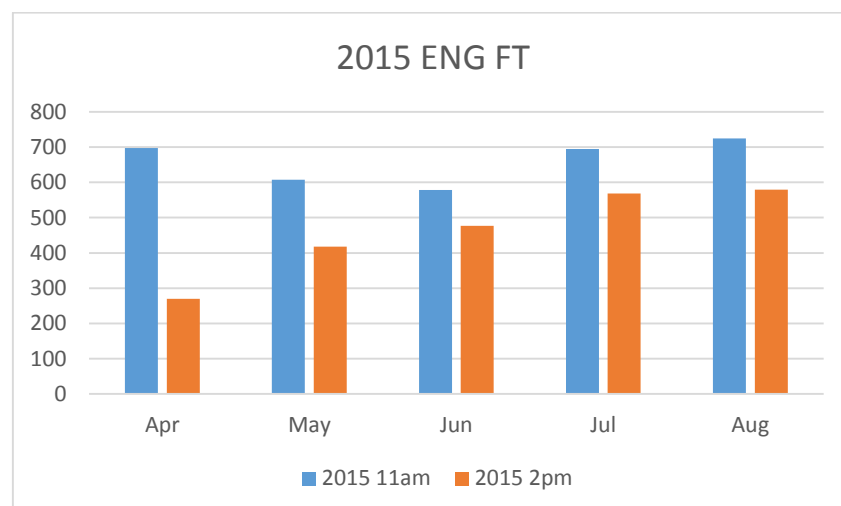
As it is usually considered, the kind of customer joining the 11am FT is different from the one joining the 10am or the 2pm. We can therefore conclude, that the amount of customers joining our competition at 11am for the FT might have possibly joined us.

The approximate total amount of PAX they had at 11am in ENG during this period is of 2800 PAX. Assuming that if they were not there about 80% of the people would have found us online, this means that we lost at 11am about 2240 PAX in ENG, which given an average marketing fee of €1.87 makes a loss of about €4188 only in FT fees. We could also calculate an approximation for the value we have not won in pre-sales.

Summarizing, **we are expecting at least an income of €4000 less than 2014 in marketing fees** during this period.

The 2pm FT shift

This shift started with Easter and it **has improved the situation**, since we have been getting about 55 to 60 % of our 11am customers at 2pm. And **it worked so well, that we had implemented it in SPA** in August. An absolute representation of the numbers obtained at 11am and 2pm in ENG is shown in the following figure



The fact of having added **the 2pm shift pushed up our ENF FT numbers having an overall amount similar to 2014**, so we saved the effect created by the competition.

The German FT shift

The German FT is offered only at 11am and we started running it on the first weekend of June. Our competitors had been running it at that time for one year, so their momentum is clearly greater than ours. However, **we had about 100 PAX the first month and it has systematically increased 100 PAX per month during July and August**. Some of this costumers might have joined the ENG FT if the German one had not existed, which could explain the slight decreased in ENG numbers in the overall amount. Nevertheless, **combining both ENG and GER shifts, the sum shows an increase in the amount of customers, which again turns into an increase in the revenue**.

Staff costs and SOP

The **SOPs have been modified for this summer season in order to minimize and optimize the staff costs**. There have been larger shifts the days when we had other tours so a member of the company is present during the break of both Free Tours in order to do pre-sales. The shifts are shorter otherwise.

Also, the amount of **MP shifts covered by the CM has been a steady number collapsing the hours the CM should spend doing employee shifts**.

Private tours and large groups

Hamburg is currently the 6th city of the SNE network regarding income of private tours and large groups for the Pub Crawl. We have been struggling to take all possible private tours and reducing freelancer guides for the FT shifts if required, risking to have groups of more than 30 at the FT. Also, flexibility when scheduling the private tours but always keeping it on the day the customer wants to, has been crucial to improve our private tour reliability, even when guides had to do 2 or 3 tours in one day.

Hamburg has been working closely with a company (VOX Travel) that organizes bachelor-parties and we have been **getting large groups joining our Pub Crawl** and also booking private bar tours. It has been crucial to have employees enough to cover the amount of costumers in the Pub Crawls when these groups joined and also when dealing with 2 or even 3 Pub Crawls at the same time, in which case, the CM has taken one of them.

Conclusions

An overall view of the summer season in 2015 has shown that we have been performing very well. Comparing 2014 numbers with 2015 numbers from previous weekly reports, we have a few interesting results that prove the fact that the aforementioned measures have paid off.

During the period compressed between the 14th week of the year and the 35th, not only have we managed to close every week without any loses in 2015, but also we have:

- **Increased our revenue a 21%, from €40 041.51 to €48 345.12;**
- **Had only 1.93% more costs, with a second round of FT;**
- **Increased the OP 57.85%, from €11 375.67 to €17 956.85;**
- **Overall improvement of 9% OM, from 28.41% to 37.14%.**

We have also incurred in a more stable situation, since the deviations of the OP, OC and revenue are smaller and the averages higher

	2014	2015
OP (€)	517.08 ± 425.94	816.22 ± 397.34
OC (€)	1 020.48 ± 89.95	1 040.14 ± 88.63
Revenue (€)	1 820.07 ± 545.52	2 197.51 ± 503.15

An overall picture of the OP is shown in the following figure

