# Determining a Revenue Generating Model that Creates Customer Value by Using a Skip-the-line Application in Romania

**Diana-Ioana STEREA**
*Team Academy Amsterdam, Netherlands*
*dyana.sterea@gmail.com*

**Abstract**
*The main objective of this research is to identify a suitable monetization model that satisfies the customer segment of a skip-the-line application (app) in Romania. The app will enable clients visiting physical hospitality venues to benefit from a simplified order and payment process, eliminating the need for queueing and waiting, while also enhancing the overall user experience. The purpose is to build a successful, profitable startup around the skip-the-line app. The study is based on data and insights regarding the digitalization of the hospitality industry and the problem of waiting time. Moreover, exploring revenue models for digital products allows for a broad understanding of the market dynamics regarding the skip-the-line app, helping with diversifying revenue sources, prioritising a customer-centric approach and understanding the economic viability of such solutions. The research delves into a comprehensive market analysis to understand the current landscape of the hospitality industry in Romania, alongside investigating multiple approaches that have been implemented in other countries. By identifying key trends and customer preferences, the study gains insights into how consumers interact with digital solutions and their willingness to adopt innovative approaches. These insights help tailor the monetization model to align with customer behaviour and expectations. The theoretical framework used is comprised of Business Model Canvas, Customer Persona Framework and Revenue Model Framework. The monetization model that best satisfies the customer segment of the skip-the-line application was defined in the socioeconomic and business environment of Romania, consisting of a percentage-based cost-sharing approach in which both venues and final consumers contribute to the operational expenses of the app. This adjustment is the outcome of survey responses and expert interviews, promoting fair and active participation from both sides. Customers will benefit from seamless experiences, while venues would be able to serve faster and more organised, leading to increased revenue. These modifications constitute a purposeful shift towards a customer-centric approach, emphasising a transparent and reciprocal exchange of value between venue owners and clients, fostering trust and fairness while aligning the interests of all parties involved.*

**Keywords:** HoReCa; digitalization; waiting time; revenue models

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## 1. Introduction

In the context of Romania's position as the lowest-ranking EU member in the Digital Economy and Society Index 2022, with a score of 30.6 compared to the EU average of 52.3 (DESI, 2022), the lack of technological innovation presents a significant obstacle to the country's progress. The historical problem of extended waiting times, which can be traced back to the socialist era, further adds to the challenges faced by Romanians. During that time, queuing for necessities often took

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several hours every day (Schwartz, 1975; Câmpeanu, 1994). For purchasing various types of food from different shops, which typically only sold one item at a time, queuing would take two to three hours each day, and because it was impossible to predict, this issue was not only extremely time-consuming but also disruptive for people's daily activities (Heintz, 2004). Moreover, in today's era, characterised by an average human attention span of just 8 seconds (Microsoft Canada, 2015), finding a solution to the issue of waiting time in physical establishments becomes critical. By streamlining processes and optimising services, this approach improves the entire experience for both customers and hospitality companies. The objective is to reduce inefficiencies associated with waiting times at various facilities by adapting the app to the unique demands of the Romanian market. Furthermore, there is an important need for Romania to overcome the digital innovation gap, pushing towards digital advancement parity with other EU states.

The pressing challenges faced by the Romanian HoReCa and hospitality industries create a unique opportunity for transformation. EIT Food's research emphasises the pivotal role of digitalization and automation in ensuring the survival of HoReCa businesses (Food et al., 2020), while the COVID-19 pandemic has put the tourism and hospitality industries under unprecedented circumstances (Kaushal & Srivastava, 2021)

This setting provides the foundation or the development of a skip-the-line application that meets the specific needs and preferences of the Romanian market. The growth potential within the HoReCa industry, along with the rising demand for digital solutions create the perfect context for developing an app that revolutionises how customers currently engage with hospitality venues. The business revolving around this app will not only improve the customer experience by decreasing waiting times but will also enhance revenue streams and operational efficiency for businesses who choose to use it.

This research analyses the effects of replacing traditional queue systems with a more convenient and efficient alternative. Therefore, the aim is to address historical challenges while embracing contemporary opportunities. While the app's primary objective is to improve user experience, generating revenue is also required in order to maintain its sustainability and growth in the long term. Therefore, the end purpose of this research is to find a monetization strategy that is not only profitable but also aligned with customers' needs and preferences.

## 2. Theoretical Background

### 2.1.Creating customer value by eliminating or reducing waiting time

The waiting time has four aspects: objective, subjective, cognitive and affective: as it is mentioned by Bielen and Demoulin (2007). Researchers found out that service delays can lead to feelings of anger (Lin et al., 2015), and consequently have a great influence on customer satisfaction (Ayodeji & Rjoub, 2021). As explained by Bielen and Demoulin (2007), consumers may experience increased psychological stress during the time of uncertainty that occurs while waiting due to not knowing how long they will have to wait. They also argue that, when it comes to restaurants, this will have an influence over customers' emotional responses which will then affect their service evaluation (Söderlund, 2011). Other researchers believe that it is common knowledge that most customer experiences, especially the ones involving a service, require standing in line (Cope et al., 2011). Likewise, there are other researchers that talk about the relationship between the actual

waiting time, the perceived waiting time, the perceived service quality, and the customer satisfaction, which is relevant to this app since the majority of current service and hospitality experiences entail customers waiting at some point during the service process (Kokkinou & Cranage, 2013). Moreover, balancing customer demand with an organisation's ability to serve those customers is one of the very old challenges that the hospitality industry has consistently confronted (Dickson et al., 2005).

A more up-to-date analysis done by Waitwhile shows that nearly 69% of consumers in the United States associate waiting in line with negative feelings such as boredom, annoyance, frustration and impatience (Waitwhile, 2022). Therefore, even though waiting is an expected part of many services for most customers, waiting represents an annoyance that needs to be minimised or avoided, especially for the Romanians who grew up having to wait for long periods of time in order to buy necessities (Dickson et al., 2005; Heintz, 2004).

In recent years, multiple researchers suggested that providing any type of information to customers while waiting can distract them and therefore make the experience less stressful (Pinto et al., 2022) while others believe that making time more fun or tolerable will make customers more patient (Baron et al., 2018). When designing a waiting line system, it is imperative to take into consideration that emotions dominate, claim Smith and Gerstenmeyer (2013) while Lohmann (2018) believes that the feelings a person experiences will affect their memory of the event and therefore, are more important than the event itself. By allowing visitors to participate in other activities until their designated time for service comes, this approach successfully removes both real and perceived waiting time (Zambetta et al., 2020).

Another cost-effective approach to reducing waiting times in physical locations is the use of self-service technology. This system is represented by a technological interface that enables customers to produce services without the involvement of a service employee (Meuter et al., 2000). As an example, hotel guests have the choice to use self-service kiosks instead of the standard check-in process at the front desk, allowing them to obtain their key cards independently, without needing assistance from the service staff (Weijters et al., 2007; Kokkinou & Cranage, 2013).

Additionally, the use of mobile applications in hospitality facilities has increased both revenues and the number of customers, offering a variety of opportunities to venue managers including location-based deals, personalised offers, loyalty, referral programs and promotions (Kumar et al., 2020). Such technologies are boosting sales amongst chains such as Domino’s, Starbucks, Pizza Hut and Taco Bell, a report from ARC (Application Resource Center) ranking them as the chains with the highest mobile sediment score (Chamlee, 2016). Other researchers have studied the impact of creating multiple waiting lines segmented into customers who are willing to pay a premium price for faster service and those who are not, the results showing that this approach results in increased customer satisfaction for both segments, increased profits and improved efficiency (Kuzu, 2015).

Therefore, resolving the issue of waiting time is not only critical to ensure customer satisfaction, but is also expected to increase their spending. Previous research has shown that satisfied customers tend to make more purchases during the same period of time, emphasising the importance of addressing this concern (Davras & Caber, 2019; Gerdt et al., 2019).

### 2.2. Revenue Models for Digital Products

Generally, a business model is the logic of the firm, the process through which sales are transformed into revenues, costs are covered, and value is created for the company shareholders. This is accomplished via the use of effective pricing and revenue management tactics (Wirtz & Lovelock, 2021). The emergence of smart, connected and integrated product services has created new business opportunities and, in order to capitalise on contemporary value propositions, new revenue models that can capture value from an integrated product-service offering are required (Sundén, 2017).

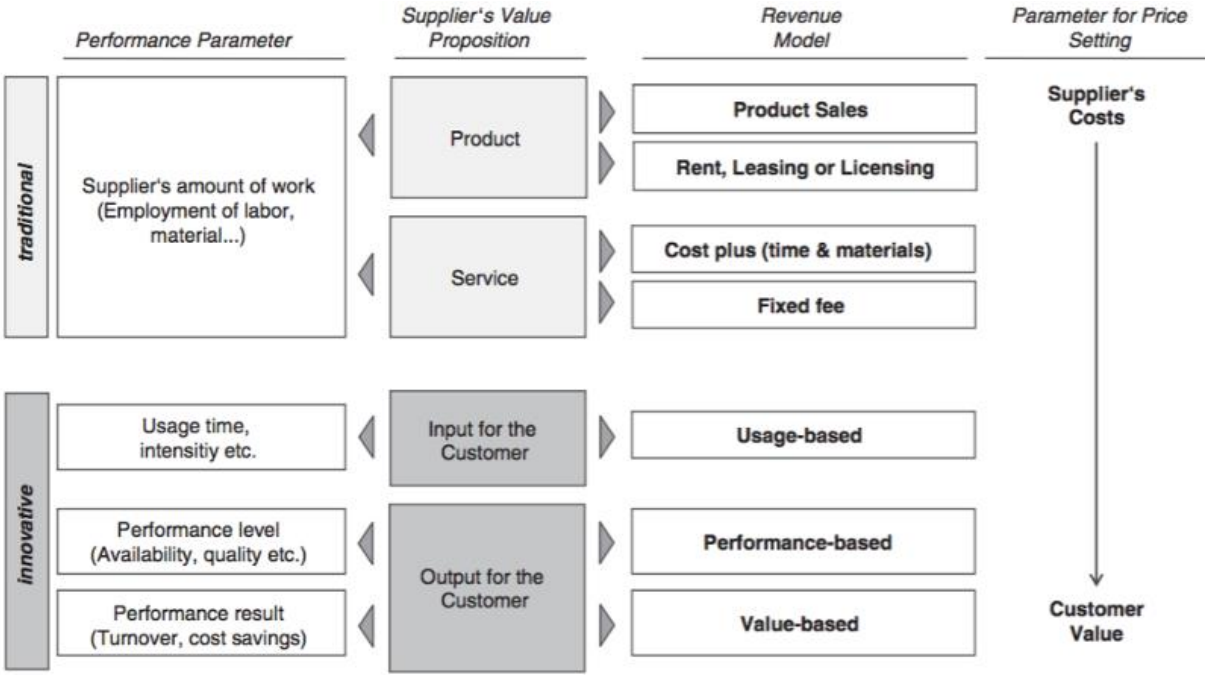
When it comes to startups, Bednar et al. (2018) argue that the revenue model is considered to be "*the heart of the business model and the key to its success*". The creation of new mobile ecosystems has provided end-users with diverse options for consuming content interacting and even becoming content providers and developers, which resulted in new, fascinating yet intriguing monetization models (Hyrynsalmi et al., 2012). As a result of the rapid digitalization of the business ecosystem, the traditional barriers of the industry are breaking down, and many experts, academics and practitioners are emphasising the need to rethink and adjust the existing business models (Gerlitz, 2016; Bednar et al., 2018; Popescu, 2013).

Furthermore, recent technological developments including novel search and matching algorithms or the widespread use of mobile devices have made it possible to create new, innovative marketplace business models. Such platforms frequently provide completely new value propositions, use creative revenue models or build on the assets of private individuals to create value (Täuscher & Laudien, 2018; Parker et al., 2016). The focus of the recent studies, however, has been more focused on technological development and innovation and less on the new business models that these advancements are enabling (Ibarra et al., 2018).

In their research focused on revenue models for such solutions, Bonnemeier et al. (2010) identified seven revenue models that companies usually use and separated them into innovative and traditional (see ***Figure 1***). When it comes to traditional revenue models, the value proposition of the offering is based on conventional products or services supplied by the provider. In contrast, the innovative approaches are focused on the actual input or output of customers (Vargo & Lusch, 2004). Although the revenue models can be implemented independently, businesses frequently combine them to provide profitable and sustainable revenue streams (Bonnemeier et al., 2010; Amit & Zott, 2001). Focusing on the innovative revenue models, it is shown that they are more closely related to customer value propositions than the traditional ones due to the nature of the performance parameters, where usage and availability are the ones actually creating customer value. Lakhani and Iansiti (2014) believe that this is the reason why outcome-based models create new dependencies, risks, as well as revenue opportunities.

Evans and Gawer (2016) argue that a transactional platform represents all the technologies, products or services that intermediate or facilitate any exchange or transaction between different users, buyers or suppliers by enabling supply and demand participants to effectively close deals with each other. Furthermore, according to Schlie et al. (2011), revenue stream options for marketplaces can be distinguished between the commission model, subscription model, advertising model and service sales. Additionally, Osterwalder (2004) claims that the pricing model is characterised by fixed pricing, market pricing and differentiated pricing (Täuscher & Laudien, 2018), while the business model of such marketplaces is also defined by the decision to monetize supply-side participants, demand-side participants, or a third party (Täuscher & Chafac, 2016).

**Figure 1. Traditional versus innovative revenue models from "Revenue models for integrated customer solutions: Concept and organisational implementation"**




Source: Bonnemeier et al. (2010)

### 2.3. Business Model Canvas

Fritscher and Pigneur (2014) argue that the Business Model Canvas (BMC) is a visual modelling method that helps capture the business model of a company by describing how an organisation creates, delivers and captures value (Osterwalder & Pigneur, 2010). Muhtaroğlu et al. (2013) state that it helps companies change their product-centric thinking towards a business model thinking, while researchers such as Zolnowski et al. (2014) claim that the BMC is the most widely cited representation in the academic literature and a frequently used technique in practice.

Therefore, the BMC is a "*visual template that represents the business model of an organisation and translates it into explicit knowledge*" and is often developed through the use of collaborative and visual thinking techniques including brainstorming, ideation, prototyping and storytelling (Osterwalder & Pigneur, 2010). The model also demonstrates how to develop and manage the key activities and key resources for developing a value proposition and generating revenue.

This research will use BMC as a tool for developing and analysing two of the nine building blocks that constitute the whole model: Customer Segment and Revenue Streams. Its visual nature will make it easier for the revised business model that will be created by the conclusion of this study to be evaluated and analysed.

### 2.4.Customer Persona Model

A *'persona'* is a model of a user created to concentrate on the objectives of a person when using a product or piece of software (Blomkvist, 2002). He also argues that the persona model is a technique for product design that resembles user profiles but also implies several key distinctions,

since it is not a description of an actual user, but rather an archetypal representation of real or potential users. Thus, the persona is a fabricated portrait of an individual that depicts the patterns of behaviour, goals, and motives of a user while incorporating crafted personal information to make the persona more real and relevant to the development team, says Blomkvist (2002). Pruitt and Grudin (2003) argue that personas can be even more effective and powerful when used in conjunction with various quantitative and qualitative methods as they can increase the efficiency of other techniques and methods.

### 2.5. Revenue Model Framework

The revenue model is a component of the broader business model of an organisation, representing the revenue sources of a company (Osterwalder & Pigneur, 2010), yet the two are sometimes confused (Amit & Zott, 2001). While the revenue model outlines "*revenue sources, their volume and distribution*" (Osterwalder & Pigneur, 2010) or "*the means by which value is captured*" (DaSilva & Trkman, 2014), Amit and Zott (2001) claim that the business model and the revenue model are two distinct but complementary concepts. Rapaccini (2015) adapted the definition of the revenue model given by Malleret (2006) to align with a more service-oriented context, stating that a revenue model is characterised as "*the way through which the amount of money to be paid for the received services is determined*."

One recently developed framework known as the Revenue Model Framework has been created by Meyer (2019). The Revenue Model Framework is a systematic tool made up of five connected parts that are designed to assist organisations in comprehending the many aspects of their pricing strategy. Each category is displayed as a payment-related question, with three typical examples of alternatives to the presumed choice, and while those options may be changed, the categories themselves are compulsory and need to be addressed (Meyer, 2019). This is one of the frameworks that will be used while conducting this research since it enables a deep understanding of all the different dimensions of the pricing approach, making it extremely easy to comprehend the whole revenue model that will be drawn by the end of this analysis.

## 3. Research Methodology

This applied study was conducted with the aim of employing several research approaches in order to find and assess prospective revenue streams that would best meet the customer needs and demands of a skip-the-line app in Romania. A Business Model Canvas with information gathered from the initial state of the business was created with the aim of changing two of its building blocks, namely Customer Segment and Revenue Streams - at the end of the research, based on the analysis and conclusions made.

**Application Concept.** The skip-the-line app presents a transformative solution for the Romanian HoReCa and hospitality industries. It aims to revolutionize customer service by reducing waiting times and enhancing operational efficiency, thereby aligning with the growing demand for digital innovation in these sectors. The app transforms the interaction between customers and venue owners by facilitating venues to efficiently manage orders and service flows while enabling consumers to benefit from the convenience of real-time information, the ability to order and pay remotely and to receive notifications when their order is ready to be picked up.

**Research Approach**. To get an accurate view, the chosen approach was a mixed methods research design that takes into account two distinct sets of participants. These are the venue owners and the final consumers, who represent the two types of customers that this app has. This has been done especially because one of the most important assets of a business is represented by its customers (Woo et al., 2005), therefore taking into account their feedback is crucial for the success of the business. Migiro and Magangi (2011) argue that these approaches are complementary rather than competitive, indicating that both methods are boosting each other's efficacy and are not in opposition with one another.

**Understanding Venue Owners**. In order to create a sustainable and successful monetization model for this app, it was crucial to acquire an extensive understanding of the hospitality owners / managers. Structured interviews were conducted with a number of 10 venue owners in order to get qualitative information about their operational challenges and to gain insights regarding their business concerns, priorities, and needs (see ***Appendix***).

**Understanding Final Consumers**. Complementary to qualitative interviews, the quantitative questionnaire had the purpose of understanding the demand and needs of final consumers, gaining insights regarding their preferences, price sensitivity, and willingness to pay. In order to achieve an accurate, precise, and data-supported decision, a total of 114 respondents answered a set of 18 questions.

**Data Analysis**. Data gathered through the interviews was processed through a thematic coding analysis, allowing patterns to emerge from the data. On the other hand, the survey data was analysed through visualisation, delivering a thorough and comprehensive understanding of the end user of the app.

The research findings from the qualitative investigation were collected, transcribed and translated in English in order to facilitate and enhance the understanding of the readers. Afterwards, a deductive technique was used in order to conduct a thematic analysis of the data gathered through the interviews, utilising three pre-established themes: B2B Customer Segment, Processes and Waiting Time and Preferred Monetization Model, each of them containing multiple sub-themes, see ***Table 1*** below.

**Table 1. Themes and sub-themes for the thematic analysis**

| Themes | Sub-Themes |
|---|---|
| B2B Customer Segment | Type of venue & complexity of products sold (nightclub, coffee shop, pub, bar) |
| | Venue status (high-end, middle, budget-friendly, for students) |
| | Venue visitors profile & importance of customer satisfaction (age, occupation, social class) |
| | Owner's opinion concerning the wishes of customers regarding a skip-the-line app |
| Processes & Waiting time | Waiting time |
| | Order process |
| | Problems with orders / waiting time |
| | Venue peak hours |
| Preferred Monetization Model | Payment methods (pay-per-use, subscription, commission based) |
| | Pricing preferences |
| | Advertising & Marketing |
| | Inventory management & Customer behaviour |

Source: Author's own contribution

Organising the interviews into themes and sub-themes included a thorough examination of the transcripts in order to determine what would be the most present and significant topics. In accordance with the research question and with the available literature on this subject, the themes and sub-themes were established prior to conducting the interviews. This guaranteed that the investigation was precise and focused, the themes being extremely relevant to the research question. Afterwards, colour codes were allocated to relevant segments of text that corresponded to each subject to assist the analytical process and make the data simpler to see. The researcher was able to easily monitor and evaluate the information and therefore discover patterns and make meaningful connections between data.

## 4. Results and Discussion

### 4.1. B2B Customer Segment

The analysis of responses from venue owners regarding the potential adoption of a skip-the-line app reveals obvious trends, with seven out of ten owners answering positively when asked if they would be willing to implement this app in their venues. High-end nightclub owners expressed concerns, one of them stating ”*I have a high-end clientele that expects a certain level of exclusivity, and I worry that introducing a skip-the-line app might compromise that*.”

Moreover, venues, where clients with a reservation must achieve a minimum sum on the bill by ordering products at the table, do not correspond with the notion of a skip-the-line app.

In contrast, affirmative responses emerge from diverse venues, regardless of product complexity. Notably, those expressing positive interest also reported having regular customers who visit their venues frequently, ranging from monthly to daily visits. For instance, a coffee shop owner said that ”*We cater to a broad range of customers, especially the younger crowd. A skip-the-line app could make their experience more enjoyable*.” Consequently, the B2B customer segment that would benefit most from the skip-the-line app clusters into three primary categories: coffee shops, bars and pubs, and casual nightclubs. These establishments are positioned as middle-range options appealing to a broad spectrum of customers across social classes, with a specific emphasis on the younger demographic.

### 4.2. Processes and Waiting Time

All interviewed owners have bars within their establishments for customer orders. The procedure for purchasing at the bar involves customers queuing, interacting with the bartender, making payments, waiting for orders, and collecting them. However, two high-end venues incentivize table-side orders. The study then examined staff workflows for order handling, finding that all locations rely on traditional methods where staff, usually bartenders or baristas, manage orders from initiation to completion. The process involves customer interaction, order entry into the POS system, preparation, payment processing, and order delivery.

According to venue owners, waiting times for order preparation varies according to factors such as product complexity, order volume, and overall venue busyness. Importantly, during peak hours, the total waiting time, which includes both queue and order preparation, might reach 15 or even

20 minutes in some locations. One nightclub owner explained, "*During peak hours, waiting times can get quite long. We often encounter issues with congestion, especially during busy nights*." While waiting is rather acceptable for one-time purchases, they are extremely inefficient for venues looking to extend customer stays and purchases. The majority of respondents reported frequent bar-related issues or congestion, particularly during peak hours. Some of them, for example, open extra registers, allocate other staff members to accept payments, hire additional employees and optimise seating arrangements to address such concerns. Half of the participants actively addressed long waiting times with measures such as investing in high-performance POS systems and producing pre-made cocktail ingredients, suggesting a willingness to implement innovative approaches.

### 4.3. Owners' Preferred Monetization Model

The findings indicate that the owners prefer the percentage-based payment model (7 out of 10), and two expressed an interest in an initial adoption of this model with a possible transition to monthly subscriptions. This highlights the preference for the percentage-based model as the favourite monetization approach, demonstrating a willingness to allocate resources for addressing waiting time concerns while maintaining reasonable expenses. One coffee shop owner stated "*I prefer the percentage-based model; it seems like a fair way to address waiting time concerns without spending too much*." Owners, on average, expressed willingness to allocate 7.9% of all the orders placed through the skip-the-line app, demonstrating their willingness to invest in a solution that improves waiting times and enhances the customer experience. In terms of financial responsibility, six out of ten owners stated that venues should cover the costs of the app, offering this for free to their clients, while four owners proposed that consumers participate, but in a smaller amount than the venue.

### 4.4. Profile of the End User

The study conducted an online survey involving 114 respondents through Google Forms, aiming to gather essential information for defining the end customer of the skip-the-line app. In ***Table 2***, the demographic information is provided. The majority of respondents were aged 18 to 24, mostly women, residing in urban areas, primarily big cities. The dominant occupations were students, followed by employees and entrepreneurs.

A considerable proportion of respondents (39.5%) reported visiting hospitality and HoReCa establishments where orders are placed at a physical bar on a weekly basis, indicating a habitual engagement. Additionally, 19.3% shared that they visit these places almost daily, highlighting the integral role these venues play in individuals' social lives and leisure activities. When ordering products from a physical bar, the most frequently mentioned problems and challenges have been long queues which mean waiting for a long period of time, people cutting the line and not having access to a menu. These findings highlight the need for a solution that simplifies the ordering procedure and enables customers to avoid waiting times.

When questioned about their preferred ways of going to such places, the majority of respondents (70.2%) said they go with other individuals, while 23.7% said they go both with others and by themselves equally. This shows that consumers frequently attend these places as a social activity, seeking to enjoy time with others. This insight is especially significant for the skip-the-line app since it implies that the application's capacity to minimise wait times can be a big benefit to its users. Customers may use the app to avoid long lines and possibly spend more time interacting with others.

**Table 2. Representation of quantitative research respondents' demographics**

| Question | Answer | Percentage |
|---|---|---|
| How old are you? | < 18 | 3.5% |
| | 18 - 24 | 81.6% |
| | 25 - 30 | 9.6% |
| | 31 - 40 | 4.4% |
| | > 40 | 0.9% |
| What's your gender? | Female | 70.2% |
| | Male | 29.8% |
| | Big city | 71.7% |
| | Medium-small town | 23.9% |
| | In the rural area | 4.4% |
| What is your occupation? | Student | 74.3% |
| | Employee | 37.2% |
| | Entrepreneur | 16.8% |
| | Freelancer | 1.8% |
| What is your monthly income? | <750 | 15% |
| | 750 - 1500 lei | 18.6% |
| | 1501 – 3000 lei | 21.2% |
| | 3001 – 5000 lei | 23.9% |
| | 5001 – 7000 lei | 11.5% |
| | > 7000 lei | 9.7% |

Source: Author's research

In ***Table 3*** and ***Table 4***, insights and data about customer preferences and behaviours in the context of the hospitality and beverage industry in Romania are presented. The most commonly purchased items were coffee-based drinks (84.2%), non-alcoholic beverages (44.7%), and regular alcoholic beverages (35.1%). The places where the app was considered most attractive and desirable included coffee shops (71.9%), terraces, pubs, and bars (63.2%), and nightclubs (57%). This information helps in establishing which are the products and venues for which this app would be the most requested and used by customers. Many people reported spending between 50 and 100 lei each week when buying drinks at a physical bar in a hospitality establishment. A significant number of respondents (61.4%) showed a preference for using mobile payment methods. This suggests that they are likely to adapt well to using a skip-the-line app for payments. Being aware of respondents' preferences when it comes to mobile payments is essential for developing a skip-the-line app, the answers suggesting an opportunity for innovation regarding payment methods. The majority of the respondents (69.6%) expressed a high likelihood of using a skip-the-line app. This indicates that there is a demand for such a service among customers. Moreover, customers showed that they are willing to pay extra for the convenience of using the app, while most of them prefer a per-use payment model. The majority expressed a willingness to pay an additional cost varying from 5% to 9% when using the app, indicating that a significant portion of customers are willing to invest a little more for the convenience and benefits provided by the app, such as skipping lines and streamlining their experience. These findings demonstrate that Romanian customers are open and responsive to adopting new technologies and innovative solutions in order to improve their hospitality experiences.

**Table 3. Representation of most preferred products (survey)**

| Question | Answer | Percentage |
|---|---|---|
| What kind of products do you buy most often from physical locations, from the bar? | Coffee and other products containing coffee | 84.2% |
| | Non-alcoholic drinks | 44.7% |
| | Plain alcoholic beverages | 35.1% |
| | Cocktails | 30.7% |
| | Sweets (ice cream, waffles, donuts, etc.) | 33.3% |
| | Other 'finger food' snacks | 26.3% |

Source: own research

**Table 4. Representation of most preferred locations (survey)**

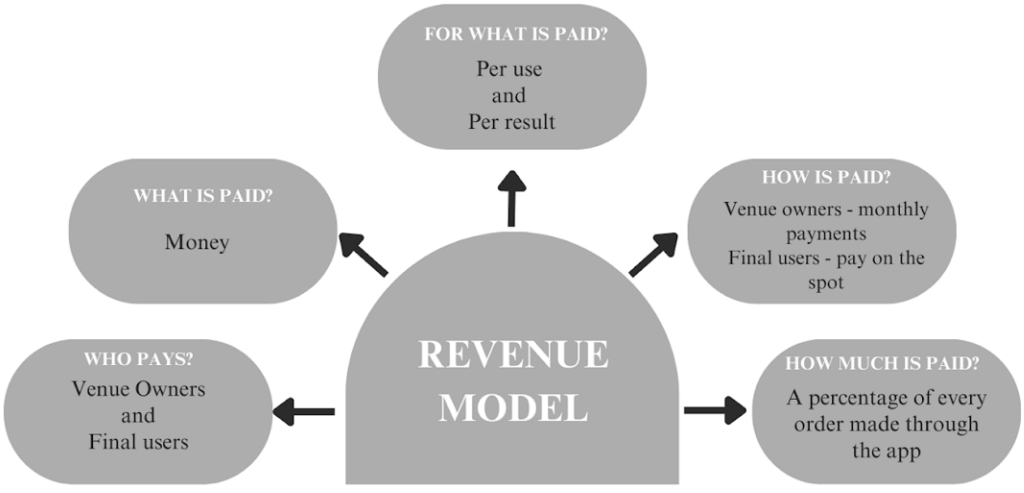
| Question | Answer | Percentage |
|---|---|---|
| Where would you prefer to use this app the most in terms of locations? | Coffee shop | 71.9% |
| | Terrace, bar, pub | 63.2% |
| | Nightclub | 57% |
| | Food Trucks | 47.4% |
| | Sweets bar (ice-cream, waffles, donuts) | 36% |
| | Everywhere where there is a queue | 1.8% |

Source: own research

### 4.5. Monetization model

Based on the insights and findings derived from both primary and secondary research, the Revenue Model Framework (see ***Figure 2***) was developed to provide an in-depth, comprehensive understanding of the chosen monetization model for the skip-the-line app in the context of Romanian hospitality venues. This framework proposed by Meyer (2019) consists of five interconnected pieces that provide a systematic way to examine various components relevant to revenue generation. It includes a set of payment-related questions intended to help decision-making and ensure a thorough understanding of all major variables that influence the overall pricing strategy.

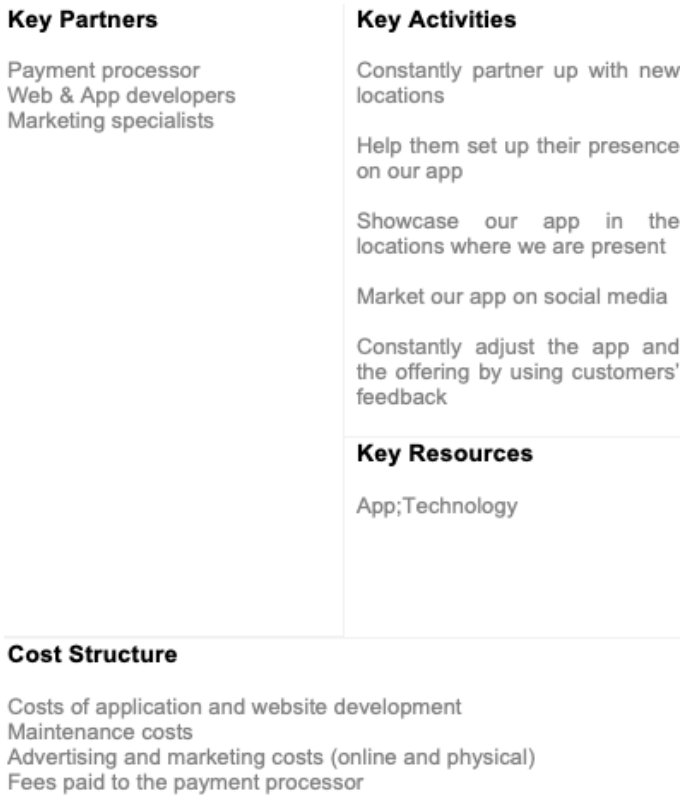
**Figure 2. Revenue Model Framework**




Source: Author's own contribution

In addition to the Revenue Model Framework, a new and improved version of the Business Model Canvas has been created, featuring two updated building blocks, specifically the ones regarding the customer segment and revenue streams, see ***Figure 3*** and ***Figure 4***. These improvements have been driven by secondary research through revising literature and studies, as well as by primary research through quantitative and qualitative methods, gathering input from venue owners, managers, and potential consumers.

**Figure 3. Business Model Canvas - Key Partners, Key Activities, Key Resources, Cost Structure**




Source: Author's own contribution

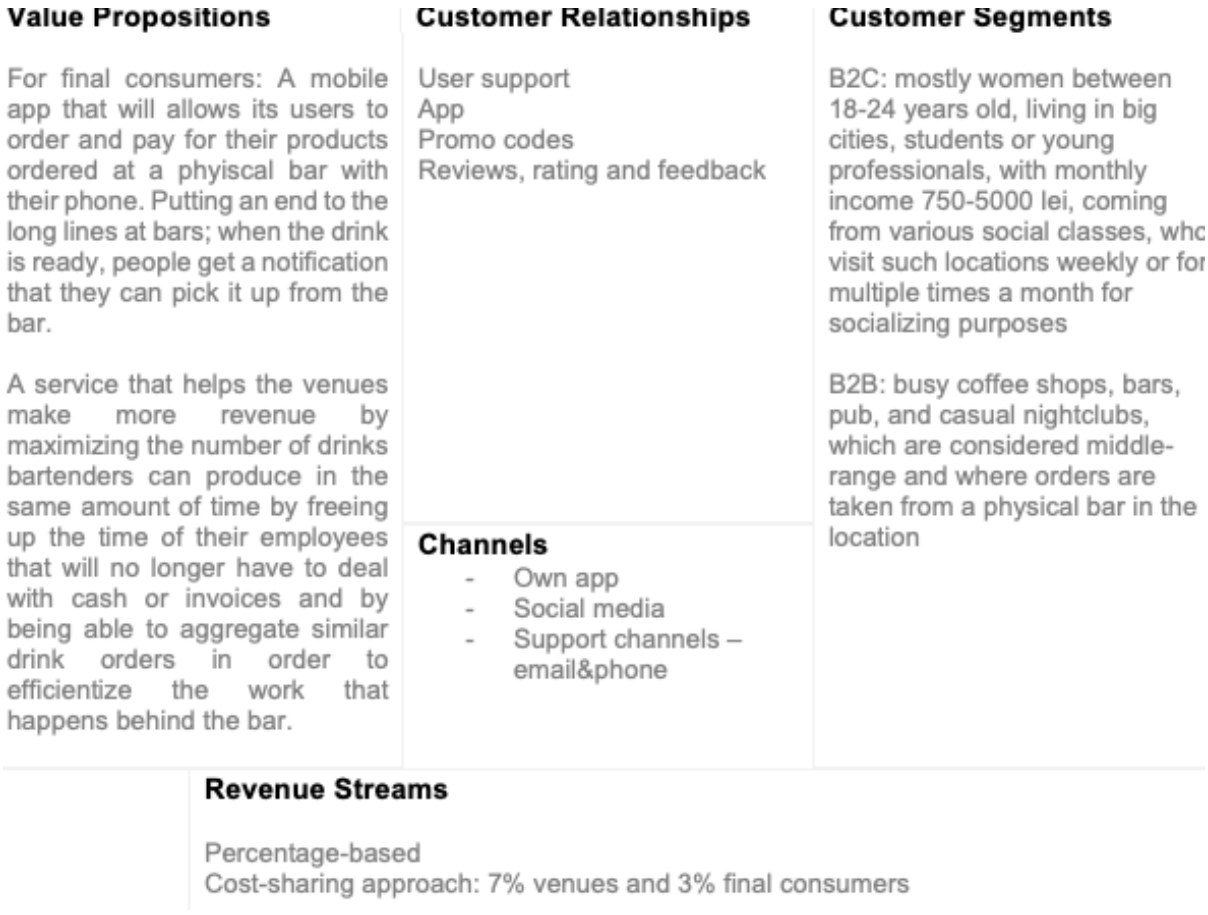
The first adjustment is in the Customer Segment area where the initial customer segment has been narrowed and now it is much more specific and at the same time it is easy to refer to. When it comes to the B2B customer segment (types of venues) the focus has been placed on targeting mostly coffee shops, bars, pubs, and casual nightclubs, which are considered middle-range rather than high-end locations. Additionally, within the B2C customer segment (end users), the target customers have been identified as people between the ages of 18 and 24, mostly women, residing in urban areas, notably larger cities, who are students or young professionals with monthly incomes ranging from 750 to 5000 RON, coming from various social classes. They visit locations where the orders are taken at a physical bar weekly or for multiple times a month, mostly for socialising purposes.

The second modification to the Business Model Canvas, the Revenue Streams section presents a revised monetization model that implies a percentage-based, cost-sharing approach, which has

been developed based on the percentages recommended by individuals surveyed and specialists interviewed, with 7% paid by the venues and 3% paid by the customers. This change guarantees that all parties involved provide a fair and reasonable contribution while also making use of the value and advantages provided by the app.

These two changes to the Business Model Canvas indicate an intentional move towards a customer-centric approach, highlighting the idea of a transparent and reciprocal exchange of value among venue owners and their clients. Customers will benefit from seamless experiences, while venues would be able to serve faster and would be more organised which will lead to increased revenue. By incorporating these changes into the Business Model Canvas, the business revolving around the skip-the-line app will be able to benefit from an optimised monetization model, while improving overall customer experience, resulting in long-term growth and sustainability in the Romanian hospitality industry.

**Figure 4. Business Model Canvas - Value Propositions, Customer Relationship, Customer Segments, Channels, Revenue Streams**




Source: Author's own contribution

## 5. Conclusions

In conclusion, the research findings give useful insights into defining the most effective monetization strategy that would suit the particular needs and preferences of the customer segment targeted by a Romanian skip-the-line app. The analysis which included both primary and secondary research techniques, as well as qualitative and quantitative approaches, led to finding the most effective, suitable revenue model for the skip-the-line app.

A cost-sharing, percentage-based monetization model in which coffee shops, bars, pubs, and casual nightclubs contribute with 7% of the expenses and clients, primarily women, students and young professionals between the ages of 18 and 24, residing in big cities contribute with 3% of their orders that are completed through the app. This strategy is in accordance with potential consumers' demands and takes into account the interests of all parties concerned, emphasising the app's obvious benefit brought to customers while also ensuring that the costs stay manageable for the venues.

The presented monetization model has the ability to successfully adapt to the needs of a skip-the-line app within the Romanian hospitality industry by aligning with the requirements and financial possibilities of the targeted customer segment. Moreover, the implementation of a skip-the-line app in their operations will determine venues to benefit from a simplified way of working, improving their overall efficiency. On the other hand, customers benefit from seamless and enjoyable processes and avoid waiting times at their favourite venues. Furthermore, besides satisfying the needs of two different types of customers, consumers and venues, the business also contributes to the greater purpose of making people’s lives easier with the help of technology.

Therefore, the cost-sharing percentage-based strategy creates a compromise between the interests of both venues and consumers. The approach recognizes the value that hospitality establishments acquire by using the skip-the-line app in terms of better productivity and client satisfaction by encouraging them to contribute 7% of the expenditures. At the same time, clients are only required to contribute 3% of their order value, making it an affordable and appealing choice for them to enjoy the app's benefits.

This adaptability is critical in the Romanian hospitality field, where companies and venues vary in size, income and financial capacities. The provided monetization strategy is adaptable to all sorts of establishments, guaranteeing that even smaller businesses can participate and benefit from the app. This inclusiveness contributes to the overall popularity and adoption of the skip-the-line app.

The use of digital solutions in the hospitality industry such as a skip-the-line app fosters an environment of innovation and entrepreneurial creativity. This way, by adopting and using technological developments, venues demonstrate their dedication to being relevant and competitive in a continuously growing and evolving industry. Adopting and implementing a skip-the-line app indicates a proactive attempt by venues to improve their operations and the overall customer experience. These businesses demonstrate their readiness to adapt to changing customer behaviours and preferences by embracing digital solutions. As venues are willing to allocate resources in order to differentiate themselves and remain ahead in a highly competitive market, this drive generates an ecosystem in which innovations and entrepreneurial initiatives flourish.

On the other hand, customers benefit from greater convenience and simplicity of access as a result of the implementation of digitalization and automation in such processes. Customers benefit from a simplified procedure by using digital solutions that allow them to order through their phones and avoid waiting in line. This saves clients time and gives them more control over their experiences, making interactions with businesses in hospitality more convenient and pleasurable.

Furthermore, the use of digital solutions fosters a culture of constant development and experimentation. Venues are encouraged to explore more technology advancements that might improve their operations and customer interaction. This includes embracing other digital tools in order to gain insights into customer preferences and optimise business strategies.

Therefore, the provided monetization model for the skip-the-line app not only benefits the specific customer segment of consumers and hospitality venues, but also contributes to the greater ambitions of digitalization and automation in the hospitality sector.

**Limitations**. The study's thorough review of research findings and results acknowledges certain limitations. Firstly, the focus on a relatively small sample of venue owners and managers may not represent the diverse opinions of the entire Romanian hospitality scene. Additionally, relying on self-reported data in both qualitative and quantitative studies introduces potential subjectivity and bias, undermining the accuracy of given responses. While efforts were made to ensure data validity, caution is required in interpreting results due to these limitations. Furthermore, the study was done during a particular period of time, but market conditions and client preferences are always changing, thus these conclusions might turn irrelevant in the future. As new trends and dynamics develop within the market, the study results may become less relevant or require revision. Therefore, in order to preserve the effectiveness and relevance of the chosen monetization strategy, it is necessary to regularly evaluate and respond to the changing market conditions that will appear. While the study gives significant insight and knowledge into the most suitable monetization approach for a skip-the-line app in the Romanian hospitality industry, it is critical to acknowledge the sample size, self-reported data, and the possibility of changing market circumstances.

**Recommendations**. The current study can be interpreted as the first step in the research on a skip-the-line app in Romania. Future research could further examine a variety of additional issues to improve the understanding and implementation of the skip-the-line application in the hospitality sector, such as the influence of skip-the-line apps on customer behaviour and venue operations. The impact that the skip-the-line app would have on the decision-making processes might be studied, including what motivates them to use it, how frequently they use it and how it influences their overall loyalty to the locations that make it available to them. Furthermore, researching the operational adjustments and obstacles that venues experience when incorporating the app into their daily operations would give significant insights into the actual usage of this technology. Another area of investigation might be the potential for personalization and customization within the skip-the-line app. Research might look into ways to use customer data and preferences in order to offer personalised recommendations, promotions and experiences. Understanding how personalization features may be properly executed and accepted by users while respecting privacy concerns is critical for maximising the app's value proposition. By investigating these research paths, the skip-the-line app may continue to develop, improve, and optimise, ultimately enhancing the customer experience, driving revenue growth, and impacting the future of the hospitality industry and beyond.

**Theoretical Contribution**. This study contributes to theory in two significant ways. Firstly, this study proposes an original and different examination of the hospitality industry in Romania, reinventing the monetization model for a skip-the-line application. By synthesising insights from the Business Model Canvas, Customer Persona Framework and Revenue Model Framework, the paper offers a new perspective on the structure and dynamics of revenue generation in this sector, contributing to the development of a sophisticated theoretical framework for monetization models specific to the skip-the-line application niche. Secondly, the research contributes to the broader field of business model innovation by introducing a cost-sharing approach that redistributes operational expenses among both service providers and consumers. This theoretical innovation aligns with the current trend in customer-centric business models, emphasising the equitable participation of all stakeholders.

**Novelty**. This research presents an innovative and distinctive examination, redefining the monetization model for a skip-the-line application in the context of Romania's dynamic hospitality industry. The study is characterised by a discerning problem statement: the enhancement of user experience and the elimination of conventional wait times. The study embraces a multifaceted approach, merging insights from market analytics, global trends and consumer preferences. This resulted in the development of an innovative cost-sharing model that ensures the equal involvement of both hospitality venues and end-users. This novel strategy has the potential to significantly reduce operating costs while also improving client experiences.

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## Appendix - Structured Interviews Questions

1. What type of location do you manage? What type of products do you sell?
2. What are your customers' average age and social class?
3. How often do customers visit your location?
4. How complex is the preparation of the products you sell?
5. What is the busiest time of day/day of the week?
6. Can you provide insights on the usual steps or procedures that customers follow when they want to order a drink at your physical location?
7. How long does a customer spend at the location until he receives what he ordered?
8. How does your staff handle orders? Can you elaborate on the process they follow?
9. How often do problems/blockages occur in the order management process?
10. How do you currently handle customer flow at peak times?
11. How important is customer experience to your business?
12. Have you tried any solutions in the past to reduce waiting time?
13. Do you think your customers would appreciate/use an application that would help them stop waiting in line for the products they want?
14. Here are the three payment options: subscription with a monthly fee for access to the application, fixed payment per use and a percentage of the total value of the order made through the application. Which of these models would you prefer?
15. How much or what percentage?
16. Do you think that your customers should also pay for this service, or is it the location's job to pay and offer this service for free to visitors?
17. Would you be interested in advertising and marketing opportunities within the application? Would you pay to promote your location, different products or even events?
18. Would you be willing to pay more for additional features, such as inventory management or customer behaviour analysis?