Marketing Strategy of Disco bars

-- Bar Service Term Paper --

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DISCO BARS / NIGHTCLUBS

Caramba
Fort Bonifacio, Taguig

Opened in October 1999, Caramba is a trendy and spacious new place to go out in the Fort Bonifacio development outside the Makati business district. It’s a two-floor Latin style club that features live music and a small dance floor. This area of the city, which also is home to bar/restaurants Fat Willy’s and Mondo, is quickly growing in popularity, especially for the city’s yuppies. But it can be very difficult to flag down a taxi to take you back to the Makati business district, especially during the early hours of the morning.

Cheers
Upper Basement, Glass Tower Building,
115 Carlos P. Santa Jr. St., Legaspi Village, Makati

Formerly known as Blamey Stone and O’Reilly’s, Cheers has undergone several ownership changes in the past few years. But it remains one of the popular billiard venues frequented by expat businessmen. The bar features live music every night, a trivia contest on Thursdays and an eight-ball pool tournament on Sundays. Also a good spot to knock back a couple of pints Guinness and watch sporting events on a giant screen TV. Located in the basement of a building in Legaspi Village, Cheers can be hard to find.

El Círculo
Milkyway Building 900 Pasay Road, Corner Paseo de Roxas

Quiet and elegant place to have a drink after work. Also a good place for light meals or appetizers. Walking distance from the New World Hotel. (Click here to see the map)

Hard Rock Café
3rd Level, Glorietta 3 Ayala Center, Makati

Part of the international chain, the Hard Rock offers the same standard mix of rock memorabilia, live music and drinking. But it has never acquired the popularity of some of its sister clubs in other cities in Asia and around the world.
Heckie & Jeckie
Ground Floor, Villa Building,
Jupiter St., corner Polaris St., Makati

Walking distance from the Mandarin Oriental at the foot of Makati’s red-light district, this bar with a cartoon motif has become a favorite watering hole for Manila-based expats as well as Filipinos. From happy hour until closing, customers crowd around the pool table and discuss sports, movies, music and business over a few cold drinks. On weekends, local bands pound at blues, rock ’n roll and ska tunes until after 2 a.m. The owner, a Dutch Indonesian named Jerry, is a member of local motorcycle club, the Mad Dogs. But don’t be concerned if you find the entrance jammed with Harley Davidsons, because most of the owners are expat executives who bear little resemblance to the Hell’s Angels.

Hobbit House
1801 Mabini Street, Ermita, Manila

This Manila Institution is one of the most unique bar experience you will ever come across. All of the waiters and service staff are midgets (or little people). Located downtown near Manila Bay, the Hobbit House also offers some of the best music in the city, especially if you are looking for home-grown sounds.

Inaccessia
610 J. Naipil St., Malate, Manila

The hippest club on the hippest street in the hippest part of Manila. It is dimly lit inside, but that doesn’t match the party ambience. As the night wears on, the yuppies give way to a younger set that often pours onto Naipil Street and dances to rave music until the sun is peaking over the horizon.

L.A. Cafe Manila
1429 M.H. Del Pilar St., corner Romero Sales St., Ermita, Manila

Opened in July 1999, L.A. Cafe has become a hot new place to go out in downtown Manila. It has two pool tables, a dance floor and is open around the clock. Walking distance from the Diamond Hotel.
Nightclubs

Prostitution is illegal in the Philippines, but houses of ill repute abound. The government generally turns a blind eye, but every so often police raid establishments suspected of prostitution and haul the employees down to the station. In Manila, it is not uncommon for businessmen to entertain their clients or partners with a night on the town at some of these clubs. Business travelers should remember that unprotected sex with one of these ladies carries a real risk of catching a disease, including AIDS.

While in one of these bars, you can ask one of the dancers or “guest relations officers” to sit down with you. Most of them speak a passable level of English. If a girl does keep you company, it is expected that you buy her a high-priced cocktail known as a ladies drink. If you want to take the girl out of the bar, you have to pay what is called a “bar fine” or purchase a minimum number of ladies’ drinks (the latter being legal sleight of hand to avoid the appearance of prostitution). The bar fine goes to the bar, not to the girl. The fee for any extra services from the girl must be negotiated between the two of you. Agree on this figure in advance and don’t accept “It’s up to you” for an answer, because it rarely is, and such uncertainty can lead to argument later. Top hotels usually insist that a lady visitor sign in at the front desk (this is your protection against theft etc.) and often will charge you some sort of guest fee even if she doesn’t spend the night.

P. Burgos Street:

Foreigners generally stick to two main areas if they go out to lady bars, as they are referred to in Manila. P. Burgos Street in the Makati business district is a neon-bathed strip of bars that cater to the business traveler. These bars generally are small, dim and smoky with a stage near the back, where 5 to 10 girls dance at a time. There is no nudity. The waitresses tend to be aggressive in urging customers to buy ladies drinks, which can cause your bill to grow very rapidly if you aren’t careful. Although you sign a chit for every drink, business travelers should take the time to check the bill at the end of an evening to make sure it hasn’t been padded with a few extra. While the prices on P. Burgos may seem inexpensive by the standards of other Asian cities, keep in mind that other parts of Manila
are cheaper (though less convenient to get to from the central business district). With only a few exceptions, you should expect to pay 100 pesos for a local beer, 250 pesos for a ladies drink and the equivalent of 10 ladies drinks (2,500 pesos) as a bar fine. Papillon, Bottoms, Dimples, Ivory, Cuddles, and Friday's are well known clubs that fall in this category. Jools is a larger and popular bar that features modern dance shows every night and music in addition to the regular line dancers. Café Magambo, Geronimo's and Banditos tend to be cheaper and more relaxed than the other clubs.

Pasay City:
The other area of town where expat businessmen frequently go out to gily bars is the Pasay section of Manila. These bars tend to be larger and less expensive than those on P. Burgos. They are usually run by expat managers, who keep the aggressive solicitation of ladies' drinks to a minimum, which creates a more relaxed atmosphere. In most bars, expect to pay 70 pesos for a local beer, 180 pesos for ladies drinks, and 700-800 pesos as a bar fine.

One of the most popular and largest nightclubs in the Pasay area is Chaos (formerly called Vixens and Axioms), facing Manila Bay on Roxas Boulevard near Sen. Gil Puyat Avenue. It has about 50 girls at a time clad in neon-colored bikinis dancing on stage to thumping disco and pop music. On weekends, it can get crowded with expats and some Filipinos. The manager is a friendly Belgian named Patrick, who takes good care of his customers as long as they behave.

The Complex is an indoor mall housing about eight gily bars, the most popular of which is Firehouse. It is located across the street from the Heritage Hotel on Edsa, the main highway running through Manila. Like Chaos, most of these clubs are large and less expensive than those on P. Burgos. Firehouse's manager is an older American gentleman -- dubbed Papa Don by some of his customers -- who is always ready to pass on a bad joke.
Marketing Strategies:

Identify customer need, wants, expectations and disposable income (profile).
Develop products, services and environment to match customer profile.
Set prices based on demand, manage costs.
Promote quality assurance, be flexible with pricing but not standards.
Plan customer-responsive production and service systems.
Encourage and manage customer participation.
Employ, develop and retain committed staff, with good social skills.
Train staff in the marketing elements of service skills (listening, promoting & selling)
Involve everyone in the promotional activity.
Perform regular SWOT analysis.
Identify tangible and intangible benefits (particularly in regard to services)
Promote the benefits of both product and service.
Stimulate word of mouth promotion/recommendation
Emphasize personal communication, internal customer/marketing, empathy.
Promote long-term customer relationships, manage fluctuating demand.
Nightclubs/disco bars

A Market Analysis Summary

The concept and management of the nightclub has been well received and has been offered key placement at the center of Your City's new First and Main Town Center development. This commercial center spans 138 acres and promises an immediate primary trade population of 332,000 people with a secondary population of 164,000 people. The Boulevard at the Avenue average daily traffic counts are currently 53,000 and will increase to 72,000 by 2003 following the Boulevard’s connection northward to I-25 in 2001. At the center of the complex will be a 16-screen Cinemark and IMAX theater opening March, 2000. The center's planners having met the Nightclub's management and have reviewed the concept. They have indicated that the Nightclub is "exactly" what they were looking for and wish to place it directly in front of the theater. The annual projected traffic for what Cinemark is calling their 'flagship' location is 1.4 million people, which exceeds their current Tinseltown location at the arena.

The Nightclub will be a 10,000 square foot unit, which will also house the company's corporate business office. The dance club and bar will accommodate 750 people. With Your City's rapidly growing population, the variety of the Nightclub from across the county would create mass appeal for all of the Nightclub's customers. The store will be equipped with state-of-the-art audio and video systems like none other found in Your City. It will serve the need for a true nightclub in Your City. The general appearance will be clean, open and pleasing to the customer. The demographics are favorable, with minimal competition from other dance-themed venues and bars.

Market Segmentation

We see the Nightclub as appealing to three major market segments. Fortunately, the long, late night hours of operation help the Nightclub lend itself to multiple segment appeal. Our market segmentation scheme allows some room for estimates and non-specific definitions.
1. Childless Young Professionals – Due to our proximity to the IMAX and Cinemark theaters, we must appeal to single adults and young couples. Whether it is as a group of friends or a couple out to see a movie together, these people need a place to eat/drink either before or after their movie. These customers will range in age from 27 to 40. The Nightclub will appeal to this category by switching the tempo and entertainment to be more appealing to adults as it gets later into the evening. We also anticipate a 15% annual growth rate in tandem with the growth rate of Your City and through increased popularity.

2. College Students – By creating an environment that is appealing to college students, we secure a natural progression between the high school students and young professional. Through word of mouth, the Nightclub realize an increase of five percent annually form this segment.

3. Tourists and Business Travelers – More and more business travelers and tourists are finding themselves in Your City every year as is made evident by the increased demand and subsequent expansion of the local airport. We plan to reach these people through direct marketing to local hotel patrons. We anticipate a 20% annual growth rate in this segment. As our relationship grow with the local hotels, so too will the word of mouth recommendations from the hotel staff as well as the patronizing of our restaurant by their families. Our future plan is to publish a simple web site in order to create awareness to any traveler who wants to take an advanced look at the club before their visit.

Target Market Segment Strategy

Our strategy is based on serving our niche markets exceptionally well. The Nightclub enthusiast, the tourist and business traveler, the local nightclub crowd, the local service industry as well as groups going out together can all enjoy the Nightclub experience.

The marketing strategy is essential to the main strategy:

   Emphasize exceptional service

   Create awareness of the Nightclub’s unique features

   Focus on our target markets
We must charge appropriately for the high-end, high-quality service and food that we offer. Our revenue structure has to match our cost structure, so the wages we pay and the training we provide to assure superior quality and service must be balanced by the fees we charge.

Part of the superior experience we offer is the simplicity of the menu items. While being unique, they are relatively inexpensive and easy to prepare. While a premium is appropriate for the experience, the pricing has to be balanced in accordance with what we are serving. All menu items will be moderately priced. We expect an average guest expenditure of $12.50 for beverages and $7.50 for the percentage of our guests who choose to take advantage of our food menu. Our target customer spends more than the industry average for moderately priced establishments. This is due to our creating an atmosphere that encourage longer stays and more spending, while still allowing adequate table turns due to extended hours of appeal.

Service Business Analysis

High energy and dance themed venues have significantly impacted cities from coast to coast in the nineties. Los Angeles' Hollywood, New York Times Square, and Seattle's Pioneer Square are just a few examples. Entrancing their audiences with high-powered lights, sound, music, and interactive entertainment, these venues are still one of the highest cash flow businesses in the world. Our localized studies have shown that the average person will spend three to four hours per weekend in this type of an environment and will spend an average of twenty to fifty dollars in that time frame. As we approach the new millennium, this trend shows no sign of declining.

The typical venue of our style is open from 9:00 p.m. to 2:00 a.m., and within this time frame, the venue can achieve gross revenues anywhere from $3,500 to $25,000, nightly. The primary source of revenue in a venue of this type are high volume traffic, coupled with comparably nominal spending. In addition to alcohol revenues, we will also generate substantial revenues from food sales that can typically range from seven to ten dollars per person, and admission fees that range between five and
ten dollars per admit.

Entertainment venues in the late 1980's and 1990's focused on high-energy light and sound, multiple source of video screens and participative events. This relatively simple concept is still quite popular today. However, these concepts have greatly evolved with society. In recent years this industry has become more sophisticated with the availability of new technology. Larger metropolitan areas have taken this technology to new heights with sound, lighting, video and interactive designs that create an exciting and memorable experience.

Additionally, the nightclub and bar industry is shifting towards a more entertainment-oriented concept. Guests of these venues are not only offered a dynamic place to gather and mingle, but also a place to participate in the entertainment through interactive contests, theme nights, and other events. We intend to heavily utilize entertainment-oriented marketing in an effort to withstand the perpetual shift in trends and cater to as large a client base as possible.

Nightclubs and other drinking establishments rely heavily on their primary suppliers. The primary suppliers are the various beverage distributors that provide the establishment with both alcoholic and non-alcoholic beverages. The alcoholic beverages are the primary sources of income in this industry. Other beverage suppliers also play a crucial role by providing non-alcoholic beverages. These are either served alone or mixed with alcohol.

In the area, all major brands of alcoholic beverages are available, in addition to several regional brands of beer. Initial research shows that the major distributions in the market have a high rating in both product availability and delivery.
BARSERV.
Terminologies
-Marketing Strategy on Disco bars-

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Disco bars - a night club for dancing to live recorded music with a counter/bar where liquors or refreshments are served.
Marketing - the management process responsible for identifying, anticipating and satisfying customer requirements in the most cost effective manner.
The purpose of marketing - to recognize and meet consumer wants and needs.
The function of marketing - to invest in time and personnel in order to identify target groups and determine their needs, expectations and spending power.
Market research SWOT analysis - can be used to summarize the results of the research and consequently help us to compete more effectively.
SWOT - Strengths, Weaknesses, Opportunities and Threats - the aim, to being to work to our strengths in those areas that offer greatest opportunity.
Market research - may be used in both problem solving and planning activities.
Market study research - defined as the collection and analysis of data, published or unpublished material and/or the observation and recording of our own data.
Market research - the collection, recording and analysis of financial/statistical data assessing: customer needs and wants, market source and competition.
Marketing plan - involves the management process of organizing people, time and resources in order to enable effective research, products/service development and availability.
Customer-centered performance improvement - main objective of marketing.
Market research data - used to develop graphs and charts in order that patterns (sales volume, average spend etc.) are easier to detect.
Identifiable elements of marketing - measuring current performance, product/service development, promotion and advertising, predicting and managing future demand.
Promotion and advertising - dependent on message, media and timing.
Message - quality of copy and artwork
Media - targeting the audience
Timing - choose a time when customers are listening
Forecasting - the provision of predictions about the future, essential in ensuring such goals are achieved.
Long-term planning/forecasting - concerned with policy development
Medium-term planning - annual forecast as a basis for setting budgets
Short-term planning - responsibility of the departmental manager who will be aware of the long and medium term plans and will have to apply these in the day to day running of the department. And is Concerned with work scheduling, raw material and equipment management.

Main methods of forecasting: extrapolative, causal and judgemental

Extrapolative - rely on complex mathematical models and are best left to the experts.

Causal - a far simple principle to understand is cause and effect.

Judgemental - benefits of good judgement based on years of experience.

Demand management - after having market and forecast potential volume, we now consider this, in order to ensure that the business we have attracted is concluded successfully.

Supply must equal demand

Marketing tactics - based on consumer orientation

Branding - building a strong brand name which communicates a clear concept to customers, enhanced by good promotions/advertising and supported by quality merchandising activity.

Market segmentation - this principle is based on the opportunities arising from more cost effective marketing which results from the identification of smaller groups. It calls for more detailed study of the customer.

Market differentiation - may change, products may not. Criteria are: availability/accessibility, standing out from the competition, products/service range, unique selling points, quality and price.