

Opportunity for one more night for mirage nightclub



**ASSIGN
BUSTER**

1. 0 – Background and Purpose of Research BACKGROUND Since its opening the Mirage Nightclub has gone through many changes, each time to be able to adapt to its ever changing environment.

At this point in time they are considering the opportunity of opening the club on Wednesday nights to increase revenue and their customer base. The Mirage opened in 1998 by Ferguson with the hopes of providing a high end club night within Surrey, which at that time was nonexistent. They were able to capture the attention of those within the age bracket of 25 and above, and had drink prices that were comparable to those in Vancouver; in other words, they were not cheap. They had strong business mainly on Thursday, Friday and Saturday night and had slowly added Sunday allowing the Mirage to be open 4 nights consecutively.

With the changing nightclub industry there have been trends and regulations that have changed immensely. In 1999, the Worker's Compensation Board had helped ban smoking in restaurants and night clubs in order to provide a safe work environment. This was a regulation that was lightly enforced within the Municipality of Surrey. In response to this major change, the Mirage was forced to ban smoking within the club, and had patiently awaited the municipality's consideration of smoking rooms with ventilation.

In January 1, 2001, the Mirage was able to obtain a license allowing them to provide a " smoking room. " It basically allowed those who smoked to do so in the specially ventilated room; thus, no affecting the nightclub workers or clients. With the growing number of nightclubs in Vancouver, nightclub owners had felt that it was important to give more life to this industry. They

had given nightclubs the option to extend their hours from 2am to 4am provided that it was approved by the city. The city of Vancouver had allowed nightclubs to do so at a high cost.

The Mirage had also wanted to have the extended hours, however Surrey Mayor Doug McCallum did not agree to this option. This affected the Mirage immensely because it had drawn their older clientele to go to the Vancouver clubs. This brings us to where the Mirage is today. With the loss of their older clientele, they are now focusing on a younger customer base. They are currently attracting 19-24 within Surrey and the surrounding areas. They are looking to open another night in order to increase their sales, which is currently on average \$50,000 per weekend (Thursday through Sunday).

MARKETING OPPORTUNITY Currently the Mirage is open Thursday through Sunday. There is an opportunity for the Mirage to be open at least one extra night in order to bring in more revenue and clientele. Being open one extra night a week would give the regular Mirage goers as well as other club goers an opportunity to visit the Mirage more often. Instead of them doing something else such as going to another club or other activities we could bring them in and profit from it. **COMPETITIVE INTELLIGENCE** Most of the competitors of the Mirage are located within the outskirts of Vancouver. Their competition within the outskirts is scarce and allows the Mirage to be one of the leading clubs outside Vancouver.

According to the owner of the Mirage, their competition is as follows: Ozone, Liquid, Standard, Cheers, and Roosters. All of the clubs that compete against the Mirage all have cheap drink prices and ample amount of parking being

within the Fraser Valley and surrounding area. The clubs differ with the nights that each hold as well as many distinguishing factors of each club, for example food being served or smoking laws. Below is a comparison chart that compares the Mirage's Wednesday night potential competition.

Number of Nights/week	Cover Charge (Wednesday)	Capacity	Wednesday Night Theme	Smoking Room	Threat Assessment	Counter Attack	Mirage
Surrey	4n/a	400n/a	Yes	Ozone	Surrey	4\$5 before 9: 00	400 approx.
n/a	Yes	High	Open	Wednesday nights, offer night themes	Liquid		
Langley	4n/a	350n/a	No	Moderate	Open on Wednesdays, charge less cover		
Standard New Westminster	3\$10 *	500n/a	Yes	Moderate	Open on Wednesdays, charge less cover, use theme nights or cross promotions	Cheers	
Delta	4n/a	600n/a	Yes	High	Open on Wednesday nights, use of night themes, cross promotions	Roosters	Pitt Meadows
	5free	400	Mechanical				
Bull	Yes	High	Offer	a Wednesday night. Run a limousine service that pick up clients from and to their places. * Not open every Wednesday	The table shows that the Mirage major competitors are Cheers and Roosters. Rooster offers a Wednesday night and has a very popular night theme, Mechanical Bull night. In addition, Rooster charges no cover on that night.		

Cheers does not open on Wednesday nights anymore. However, it has a large capacity (500 people) and offers a special room as a smoking area inside the club. Since this club is larger in capacity than the Mirage is still a potential competitor in the short-term. The standard opens occasionally on Wednesdays. It features a “ velvet” room as a designated area for smoking.

SITUATION ANALYSIS In order to determine where the Mirage currently stands, it is very important to look in all aspects of their strong points and limitations. The chart below describes internal and external factors that affect the Mirage. The strengths and weaknesses are internal forces that are controllable within the company which is to their advantage because it is possible to change or implement new ideas. The opportunities and threats are external forces that only enable the Mirage to work around them and may often be faced with having to employ changes to turn external factors into beneficial opportunities.

STRENGTHSWEAKNESS •Large club = large capacity •Established company •Well trained and motivated staff •Owners & managers with strong past experience •Work with near-by establishments (Famous Players, Fabutan, Earls, Coquitlam Center) •Smoking room inside the building •Serve sushi •Valet parking •Central location in Surrey •Reservations available •Cheap drinks •Parking lot security guard Not centralized location (it's in Surrey vs. Vancouver) •Early close (2am vs. 4am) •Not enough parking •Long line-ups

OPPORTUNITIESTHREATS •Have bar open an extra night •Invest in more parking •Have a wider variety of food to offer •Vancouver clubs stay open later •Surrey stigma •High crime in Guildford •Current competition/ other competition could open a Wednesday night **SOCIALTECHNOLOGICAL** •Health trends (consume less drinks) •Attitudes to age – grow up faster – fake ID •Society's perception of beauty – dress •More independent faster – live on their own, not married! •People are getting married later •Busy bodies High automobile theft in Surrey •BarWatch – ID Scanning device •Website – no longer existence b/c of clubvibes oReliance on clubvibes. com •Security

Cameras •Debit machines ECONOMICALPOLITICAL •Increasing liquor taxes

- Gas prices – club is far away; people outside of Surrey may not go
- BarWatch •Any lawsuits at the Mirage? The chart above shows that Mirage's capacity far surpasses all of their competitors.

This enables them to have more people come to the potential Wednesday night 2. 0 Research Objectives From this project we are hoping to find information about the night club industry specifically for those between the ages of 19-24. In addition we are hoping to find supporting facts that would help the Mirage know whether there is a good opportunity for them to open another night on Wednesday. Our objectives are as follows: •To find out if people will go to the Mirage on Wednesday night •To find out why people would go to the Mirage on Wednesday night •To determine if there is a viable market for Wednesday night at the Mirage Nightclub •To find out what factors bring people back to the nightclub •To uncover what people do other than go to nightclubs To determine why people go to nightclubs (form or relaxation) •To find out why people don't or no longer go to nightclubs •To reveal what trends affect the target market 3. 0 Research Methodology

- Sampling (equation) <http://www.surveysystem.com/sscalc.htm>

3. 1 Sampling In terms of our sampling, through our three methods of obtaining quantitative information we were looking to find individuals with that fit within the desired target market of the Mirage: 19-25 years old. Our survey was answered by 70 respondents; however 8 were over the age of 25, so their answers were not used in our results, as they are outside of the target market of the mirage night club. •Estimate of random sampling error •Research limitations Estimated Sampling Error We estimated <https://assignbuster.com/opportunity-for-one-more-night-for-mirage-nightclub/>

that our sampling error is about 5% due to our screening questions that specifically determined whether or not the respondent is a full-time student and if he/she is in the age bracket of 18-25.

These two questions filtered out the individuals that did not match our ideal respondent's characteristics. $e = \pm .0427$ •Method of data collection The method of data collection that was used was qualitative and quantitative research. For qualitative we used online surveys and we also distributed surveys in the areas of Surrey, Coquitlam, and Langley. For qualitative research we conducted 3 online discussion groups and 2 focus group sessions. In terms of the discussion forums, these were posted on the Internet where our target market would likely visit such Clubvibes.

com, Clubzone. com and Discovervancouver. com. We decided to post the discussions on these websites because they are avid club goers and have valuable opinions regarding night clubs versus those that would not go as often.

Fieldwork dates The surveys were completed as of October 11-16, 2004. The online discussion forums were held on the week of November 15-19 of 2004. The focus groups were conducted on November 18 - 19 of 2004. •Estimate of random sampling error RESEARCH LIMITATIONS Limitations of the research that was conducted are often unavoidable. When doing research for the Mirage the limitations that were faced include: restriction of time, sample size, and errors and biases. Restriction of time With a time limit being placed on this research project it was difficult to execute it to its full potential.

Sample Size When conducting surveys, focus groups, and online discussion forums, we were able to obtain the opinions of many, however, it is difficult to say that those that voiced their opinion can represent every individual within the target market. In addition, it is difficult to verify whether or not the responses that were given were truthful and valid.

Errors and Biases Systematic, respondent error and social desirability are all factors that placed limitations of accuracy. All of these are all reflective within the surveys and focus groups. With systematic error, in the survey and focus group, questions were often asked with suggestive options or examples thus creating biased responses. Respondent errors came from those who could relate more to clubbing than others.

Specifically with the surveys, one strong opinion can change the validity of the report. Social desirability allowed untruthful information due to wanting to “fit in” with what is expected from society; thus making some information less accurate.

METHODOLOGY The method of data collection that we decided to use was based on qualitative and quantitative analyses. The quantitative was obtained through exploratory research which helped us reveal information on the Mirage, information on the target market, and information on their competitors. Where as Qualitative Research The main focus of qualitative data is to obtain information from consumers or other subjects of ultimate concern rather than from knowledgeable experts. This method allows an opportunity to obtain feelings, attitudes and perceptions.

For the Mirage nightclub research, we are looking to use two forms of qualitative methods: Focus groups and an interview. (a) Focus Groups We have conducted two focus groups for people in between the ages of 19-24.

<https://assignbuster.com/opportunity-for-one-more-night-for-mirage-nightclub/>

Each focus group had 6 participants within the surrounding cities of Surrey with similar lifestyle and experiences and lasted for approximately an hour. The setting of the focus group was in a comfortable boardroom setting with food to offer to the participants as well as payment in “ Mirage Bucks” (approx. 20 Mirage Bucks) for the participants. With the focus groups, we had two different groups classified as Mirage/club-goers and Non-club/Mirage goers.

The following are findings that we were able to obtain from the focus groups:

Opinion on Clubbing We found that the other activities that our target market enjoys doing other than clubbing are playing organized sports for a team, hanging with friends, drinking with friends, and watching movies and television. We questioned them whether or not location made an impact on their decision to go out and the majority stated that it depended on what they were doing. They stated that if their plans involved alcohol that they would typically try and stay local. Another popular opinion was that if their plans involved drinking that location would not matter because cabs were typically their main source of transportation.

Opinion on the Mirage •Many people are loyal to the Mirage and are aware of the atmosphere provided on Thursday and Saturday nights. The first thing that comes to people’s mind when they think of the Mirage is cheap drinks. These drink prices are something that are constantly associated with the Mirage by its clientele. The current Mirage goers believe this is something that should continue and is one of the main factors that constantly bring them back.

- The dress code that is upheld in the Mirage was favored by all participants. They enjoyed dressing up to go to clubs and felt it separated them from the poorly maintained club goers. Our participants feel that the atmosphere is created by the people that are there. Although the Mirage targets 19-25 year olds, many felt those that were younger than 20 years old did not create the fun atmosphere they desired.

- Food was something that was not an important factor in attracting people to clubs. Many were not aware food was served on Friday nights and was something they preferred to do outside of the club.
- Many are aware of the car theft that has occurred in Surrey within the last couple years. This external factor concerned many of the participants of the focus group. They mentioned that they did not want to be in a club having to worry about the security of their car. Although it concerns them, it is not a factor that would necessarily drive them away from the Mirage.

Quantitative Research The instrument that will be used to conduct this descriptive research is surveys. These surveys will be done in-person allowing the screening of individuals in order to verify if they are the correct population of interest. Please see the Appendix ???? Survey Responses A survey was created and published at <http://ws.businessit.ws/wsb. II/A00237119/MIRAGE.>

htm, the link was sent out to men and women between the ages of 19-24. Too see the entire survey, please see Appendix The results of the survey were as follows: 1) Approximately how many times do you go to night clubs in a week? A majority of the survey respondents visited the bar one night a

<https://assignbuster.com/opportunity-for-one-more-night-for-mirage-nightclub/>

week, with the mean being 1.15 visits per week. The second largest group visited the bar less than once a week for reasons that we will look at later on in the survey. The last three groups were all tied at two, three, or four visits a week.

It is important to know that by Mirage opening on Wednesday nights would not just take away sales from any other nights, as the goal is to increase sales, not just spread them out. Being open an extra night might give the people who only want to go once a week, but cannot get in on the busy nights, a chance to get in on a different, less busy night might work well in this case. 2) What activities do you prefer to do instead of going to night clubs? This question shows what the main competitors for nightclubs are. All of these answers were available in the “check all that apply” format.

The most popular alternative to nightclubs was restaurants, with almost all of our respondents saying that they sometimes choose restaurants over a night at a club. Restaurants were followed by pubs, movies, and staying home, all of which were very close together, with just under 70% of respondents choosing those activities. This was followed by 50% choosing house parties, and 45% concerts. The results from the “other” category of nightclub alternatives were: going to sporting events or relaxing with friends. These two answers showed what people chose to do on nights where they did not go to night clubs.

) On a scale of 1-10, 10 being the highest, how important are the following aspects in a night club to you? Music was the most important aspect of a club according to our respondents. The importance of music had a mean of

8. 90, and a median and mode of 10. This is a great opportunity for the Mirage to focus on delivering the good music customers expect each and every time.

It appears that drink specials are not as important as initially thought to be. There was a wide variety of responses to this question, which has a mean of 6. 18, a median of 7. 0, and a mode of 5, 8, 9 and 10. While there a mixed opinions about drink specials the Mirage can try to uphold their The atmosphere, which is made up of location, staff, and decor, was thought to be quite important by survey respondents. Respondents felt that by going to a night club with an easily accessible location was a bonus for the local clientele who did not want to travel the great distance to Vancouver.

Also the friendly staff was a positive aspect due to the fact that most places one has to pay such high prices for cover and drinks without getting the friendly staff. Lastly the decor was thought to be up-to-date with today's clientele. This category had a mean of 8. 36, a median of 9.

0, and a mode of 10. 0. The clientele was also thought to be important by survey respondents. People want to enjoy the people that they are going to be at the night club with. Having the right people obviously makes a big difference with who goes to the Mirage or not. This category has a mean of 8.

22, a median of 9. 0, and a mode of 9. 0. This last chart summarizes all four categories together. Music was clearly shown with the most importance placed on it, with atmosphere and clientele second, and drink specials being the least important.

<https://assignbuster.com/opportunity-for-one-more-night-for-mirage-nightclub/>

4) Why would you NOT go to a nightclub? The following question was open ended, allowing the respondents to answer freely. There was a variety of answers (see appendix), we have summarized them below. The number one problem found in nightclubs was the long line ups. This was followed by unfavorable clientele, and the cost of cover and drinks once inside. People not enjoying the type of music, or feeling that it is too loud came next, followed by the perception the nightclub may be unsafe, or have a history of violence. Location was a common problem, either the bar being in an unsafe area, or being too far away to easily and affordably access.

Another problem was people thinking that they are being treated offensively by bouncers. Lack of parking was thought to be a problem, as well as over crowding of clubs, lack of designated drivers, strict dress code, and unfriendly staff. 5) What is your favorite club in Greater Vancouver? In our survey, the most popular nightclub was the Mirage. It was closely followed by the Caprice and Roosters. This is just a few of the many nightclubs accessible to the target market, which is why competition is challenging.

There were also 7 respondents who did not have a favorite club. 6) Why is this your favorite club? We were mostly interested in finding out what makes the Mirage such a popular location, as a result, we only looked at answers for people who chose the Mirage in the above question. See Appendix 3 for summary. People prefer the Mirage nightclub for all of the following reasons: it has a classier atmosphere than other local nightclubs; it is close to where the target market lives, it has cheap drink specials nightly, plays good music, and it has an enjoyable staff.

All of these factors have made the Mirage nightclub the most popular choice of our survey respondents. 7) Do you like theme nights? Eg. Disco Night, Toga Party By the responses it appears that theme nights are not popular with this target market with 49% saying no. 8) If you do like theme nights, what is your favorite kind? The most popular kind of theme party was 80's party, followed by a disco party. The last few are all tied at 8% for toga party, pimp party, beach party, or salsa party. 9) What is your favorite type of music in a night club? Top 40 appears to be the favorite among the respondents which happens to be what the Mirage constantly plays.

Rap/hip hop follows close behind, and other is the next favorite that follows. In terms of others, the respondents were asked to fill in what they preferred and are as follows: A mix of all types of music is also a popular choice, along with house music, and live bands. 10) What do you like to do before you go to a night club? The question was formatted in a way that allowed respondents to select as many answers that applied to them as possible. From this question we were hoping to find possible cross-promotions with local businesses near to the Mirage.

The activities that were the second strongest responses include going for dinner and going for casual drinks. Both activities would be beneficial for the Mirage to do cross-promotion with the local businesses near by. 11) Do you prefer to go to night clubs on weekdays or weekends? 12) Why do you prefer going to nightclubs? We wanted to know why people preferred to go to nightclubs during the week instead of weekends, so we only took the responses of those who said that they preferred to go on the weekdays. See

Appendix for a summary of the answers from the respondents. The two most
<https://assignbuster.com/opportunity-for-one-more-night-for-mirage-nightclub/>

popular responses to this question was that people prefer nightclubs when they are less busy and people have to work on weekends and prefer to go out during the week.

People equally think that nightclubs are cheaper during the week, and have a better clientele. 13) What is your favorite night of the week to go to a night club? The weekends are evidently more popular in terms of going to the bar. Although the weekends are the more popular time to go to nightclubs, there are people who prefer to go to nightclubs during the weekday nights. 14) Would you go to a night club on a Wednesday night? A majority of our respondents said that they would attend a nightclub on a Wednesday night. There was also a large group that was undecided, and may decide they want to go under the right circumstances.

A very small group of people said that they would not go to the bar on Wednesdays. 15) Have you ever gone to Mirage nightclub? A majority of our respondents have been to The Mirage nightclub. 16) If you answered yes to the previous question, would you go back to Mirage night club? 80% of the respondents who have been to the Mirage would return. 17) Reason that cause people to return and not return to the Mirage Music is the number one reason why they return to the Mirage.

Currently the music that is played at the Mirage is Top 40 and is quite successful in bringing people back. The second reason that brings people back to the Mirage is the location. Another popular response is the drink specials that the Mirage currently offers. See Appendix for a summary of why people chose to return or not return to Mirage.

The main reason that people do not return to the Mirage is due to its location. Many find that the club is inaccessible and an inconvenience for them to attend. 18) If Mirage night club was open on a Wednesday night, how likely would you be to go? Majority of the respondents agreed that they were unsure if they would attend the Mirage on a Wednesday night. The idea might be met with uncertainty and hesitation due to people not being able to associate the Mirage to a Wednesday night.

In order for accuracy, we removed those who said they would never return to Mirage nightclub. 19) Why Visitors may or may not attend Our biggest focus was on those people who were unsure whether they would attend the Mirage on a Wednesday night. We were looking to find reasons that would potentially hold them back from attending. Below we have summarized the reasons that they may or may not attend.

See Appendix for other responses in regards to why they may or may not attend. The uncertainty of not knowing what type of a night that could be held at the Mirage gave the respondents a difficult time to respond. They were concerned strongly with the clientele, the music or theme night, drink specials to be offered and most importantly, what they had to do the next day. Those surveyed were typically working or students and thus would affect their choice of going out on a weekday night. 20) How many minutes are you willing to travel to get to a night club? This question provides information that will show how far people are willing to travel to go to a nightclub. Although the target market is currently Surrey and the surrounding cities, it will enable us to find out if the Mirage should be expanding their target market further within the Greater Vancouver area.

<https://assignbuster.com/opportunity-for-one-more-night-for-mirage-nightclub/>

A majority of people do not mind traveling between 30 and 50 minutes to get to a nightclub of their choice. The results had a mean of 28.5 minutes, and a median of 30.0 minutes. By taking the common response of 30 minutes, the Mirage should take into consideration the calculated areas that fit within the preferred travel time.

Survey Demographics 21) Gender 22) How old are you? 23) Where do you live? 24) Do you work, study, both or neither? 5) How much do you spend per month at night clubs? 4.0 Detailed Findings •Cross-tabulations •Text summary of findings 5.0 Conclusions and Recommendations •Summary of conclusions •Recommendations (ie. Solve the marketing problem / opportunity) •Future research suggestions (if any) •To find out if people will go to the Mirage on Wednesday night •To find out why people would go to the Mirage on Wednesday night •To determine if there is a viable market for Wednesday night at the Mirage Nightclub •To find out what factors bring people back to the nightclub •To uncover what people do other than go to nightclubs To determine why people go to nightclubs (form or relaxation) •To find out why people don't or no longer go to nightclubs •To reveal what trends affect the target market Opinion on Clubbing •We found that the other activities that our target market enjoys doing other than clubbing are playing organized sports for a team, hanging with friends, drinking with friends, and watching movies and television. We questioned them whether or not location made an impact on their decision to go out and the majority stated that it depended on what they were doing.

They stated that if their plans involved alcohol that they would typically try and stay local. Another popular opinion was that if their plans involved

<https://assignbuster.com/opportunity-for-one-more-night-for-mirage-nightclub/>

drinking that location would not matter because cabs were typically their main source of transportation. Opinion on the Mirage •Many people are loyal to the Mirage and are aware of the atmosphere provided on Thursday and Saturday nights. The first thing that comes to people's mind when they think of the Mirage is cheap drinks.

These drink prices are something that are constantly associated with the Mirage by its clientele. The current Mirage goers believe this is something that should continue and is one of the main factors that constantly bring them back. •The dress code that is upheld in the Mirage was favored by all participants. They enjoyed dressing up to go to clubs and felt it separated them from the poorly maintained club goers. Our participants feel that the atmosphere is created by the people that are there. Although the Mirage targets 19-25 year olds, many felt those that were younger than 20 years old did not create the fun atmosphere they desired.

Food was something that was not an important factor in attracting people to clubs. Many were not aware food was served on Friday nights and was something they preferred to do outside of the club. •Many are aware of the car theft that has occurred in Surrey within the last couple years. This external factor concerned many of the participants of the focus group. They mentioned that they did not want to be in a club having to worry about the security of their car.

Although it concerns them, it is not a factor that would necessarily drive them away from the Mirage. Final Appendix 1. 1 QuestionnaireNight Club Member Profile You have been selected to participate in a survey of 19-24

year olds. We are attempting to find out information about different aspects of night life in Greater Vancouver _____ 1)

Approximately how many times do you go to night clubs in a week? 2) What activities do you prefer to do instead of going to night clubs? (Select all that apply) Movies Pubs Restaurants House Parties Stay Home Concerts Other (please specify) If you selected other please specify: 3) How important are the following aspects in a night club to you? 2 3 4 5 6 7 8 9 10 Good Music Drink Specials Atmosphere Clientele 4) Why would you NOT go to a nightclub? 5) What is your favorite club in Greater Vancouver? 6) Why is this your favorite club? 7) Do you like theme nights? Eg.

Disco Night, Toga Party, etc Yes No Not Sure 8) If you do like theme nights, what is your favorite kind? 9) What is your favorite type of music in a night club? Top 40 Country Techno Rap/ Hip Hop Disco Salsa / Merengue 80's Rock Other (please specify) If you selected other please specify: 10) What do you like to do before you go to a night club? Select all that apply) Go for dinner Go to a movie Go for casual drinks Drink at home Nothing Other (please specify) If you selected other please specify: 11) Do you prefer to go to night clubs on weekdays or weekends? Weekdays Weekends 12) Why do you prefer to go at that time? 13) What is your favorite night of the week to go to a night club? 14) Would you go to a night club on a Wednesday night? Yes No Not Sure 15) Have you ever gone to Mirage night club? Yes No 16) If you answered yes to the previous question, would you go back to Mirage night club? Yes No Not Sure 17) Why or why not? 8) If Mirage night club was open on a Wednesday night, how likely would you be to go? Very Likely Likely Not Sure Unlikely Very Unlikely 19) Why or why not? 20) Do you drive? Yes No

21) How many minutes are you willing to travel to get to a night club? 22) Do you (Select one) Work Study Both Neither 23) How old are you? 24) Gender Male Female 25) Where do you live? Surrey Burnaby Langley Coquitlam Abbotsford White Rock Other (please specify) If you selected other please specify: 26) How much do you spend per month at night clubs? Thank you for participating. Your answers are greatly appreciated