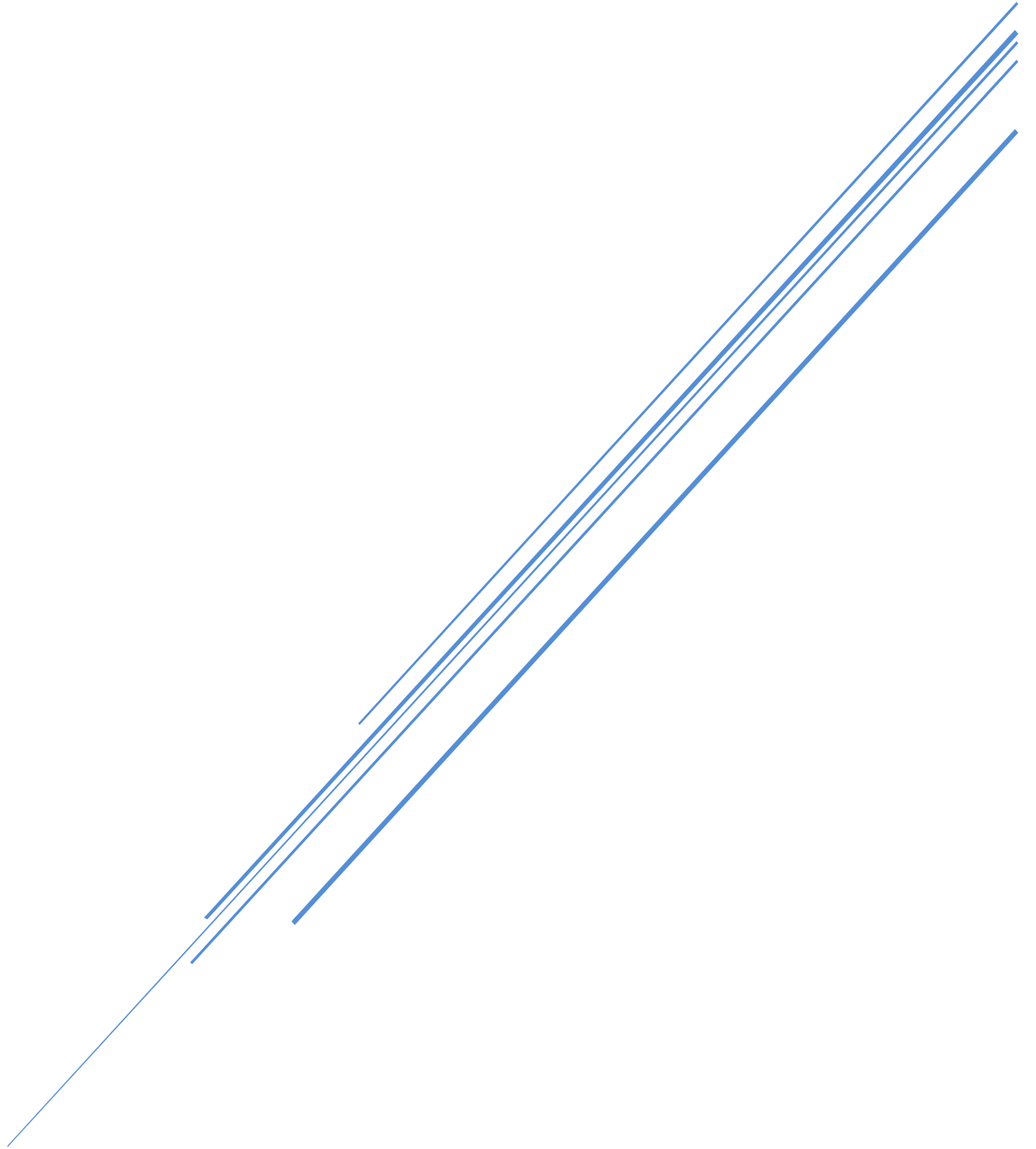


MARKET RESEARCH FINDINGS REPORT

Integrated Marketing



Emma Roche, Oluwasimisola Popoola, Kate O'Neill & Jack McGrath
Creative Computing Year 4

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Introduction

The proposed business is an 18+ bar called Level-Up Lounge that serves as a modern-day arcade serving alcoholic drinks along with hosting weekly themed nights while also providing bowling and karaoke. As part of this report, a questionnaire will be developed to gather information from customers and/or potential customers for 'Level-Up Lounge'. The survey will include over 20 questions and the aim is to receive over 20 respondents. Once the survey has a satisfactory number of respondents, the survey findings will be analysed, summarised and discussed to develop learnings from the survey. A Digital/Online Marketing Campaign will be documented from the survey findings.

Purpose of Research

In order to establish our target audience, it is essential to conduct proper market research into the interests of the market as well as establishing promotional platforms in order to best reach the target market. Market research will allow an insight into how the market would react to a new gaming bar/lounge for only 18+ featuring bowling and karaoke along with vintage game machines and also modern consoles.

In order for the business to be as successful as possible it is imperative that the values and wants of the consumer are met. Collecting data and insights from the general public via survey is an invaluable way to better understand these consumers. The team behind Level-Up Lounge want to better understand the following questions:

- Is the market saturated?
 - Is there already enough bowling or arcade facilities in the area?
- Is there a want for these services?
- What platforms should we advertise on?
 - What platforms are most popular with the target audience?
- What age groups are interested in this facility?
- How much people would be willing to spend on events?

Receiving answers to these questions will assure Level-Up Lounge of the want and need for their business in Waterford as well as ensuring their Digital Marketing Campaign is viable and being presented on relevant platforms.

Survey Conduction

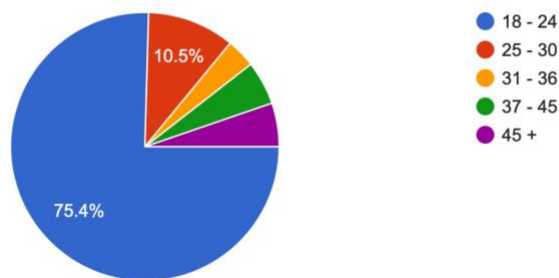
The survey was completed through the use of Google Forms which allowed for streamlined creation of a survey with over 20 questions for users to complete. Friends, friends of friends, classmates and family members were asked to complete the survey in order to obtain a variety of responses from different age categories. The process of completing the survey was very straightforward due to the user-friendly nature of the Google Forms software. Sharing the Google Form link was all that was necessary in order for others to complete the survey.

Survey Findings

Discussion

75.4% of the respondents fit into the 18-24 category. The survey was mainly distributed to the peers and classmates of the founders of Level-Up Lounge therefore the results will be skewed to that age group.

How old are you?
57 responses

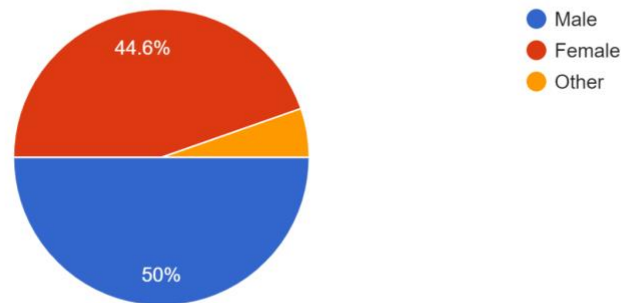


Originally, upon conception of the idea, the target audience of Level-Up Lounge was young people ages 18-24 so it was vital to retrieve data from this age group.

As seen from the data 44.6% of our demographic identify as female whereas, 5.4% identify as other, the remaining 50% are male. This shows there is a relatively equal split in terms of target demographic and Level-Up Lounge does not skew toward any gender.

How would you describe your gender?

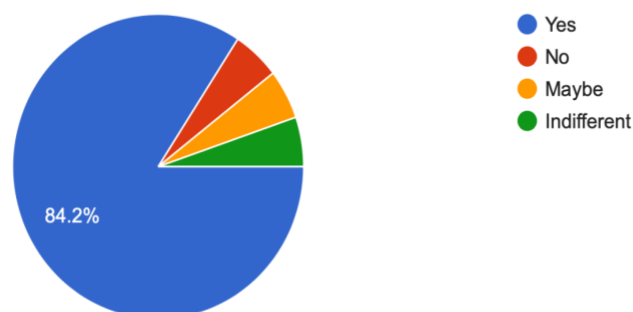
56 responses



84.2% of the respondents answered that they would be interested in going to a bar like Level-Up Lounge. This shows there is an interest in the business. This shows that a majority of respondents would like to, or might like to visit a venue such as Level-Up Lounge, and that the amenities that we aim to provide will be something that the customer base will be interested in.

Would you be interested in going to a bar that is over 18's and has arcade/bowling/karaoke facilities under one roof?

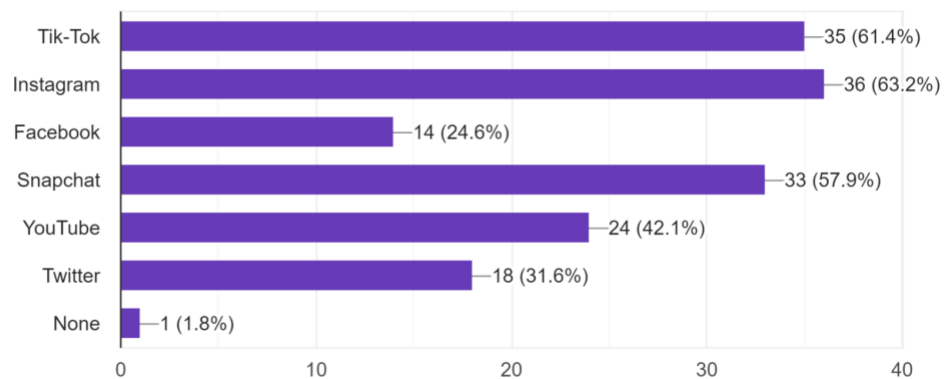
57 responses



After analysis, the Top 3 social media platforms used by survey participants are Instagram, TikTok and Snapchat. It would be beneficial to have a presence on these apps to interact with and promote to potential new customers.

What social media(s) do you use the most

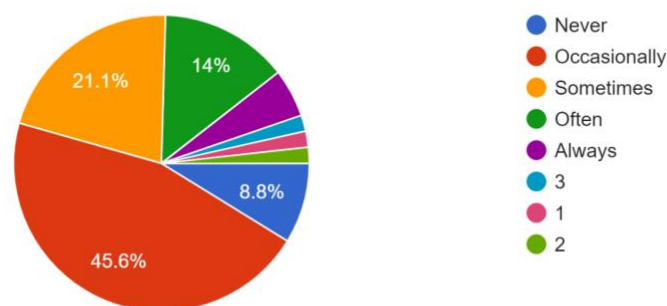
57 responses



As seen from the data collected, almost half of all customers occasionally go out in Waterford city this is a great insight to have as it predicts that out of the 50+ responses, there will be at least 25 patrons.

How often do you go out in Waterford?

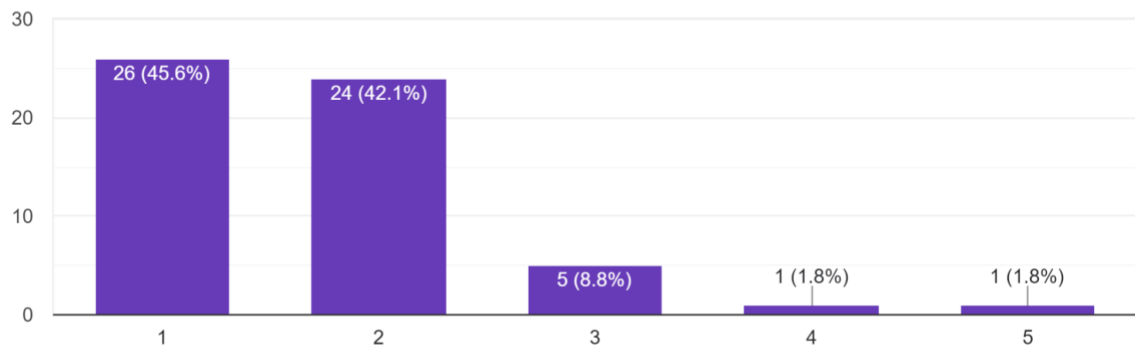
57 responses



The data provided shows that customers do not often go to arcades, this shows that there is a potential gap in the market for a new arcade to generate new customers and footfall. It is also indicative of the market in Waterford, there is no other location in the city where customers experience an arcade, which is probably the reason for their low attendance.

How often do you go to arcades?

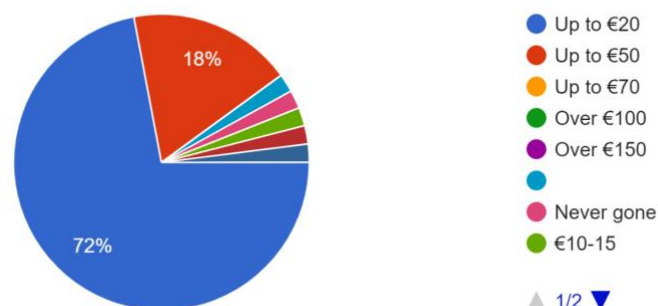
57 responses



The typical patron of an arcade would spend upwards of €20 with a smaller fraction of 18% going upward to €50. This means that it is essential to keep the games at a reasonable price so that customers can stay for as long as possible and partake in the other amenities Level-Up Lounge has to offer.

If you do go to arcades, how much would you typically spend at an arcade?

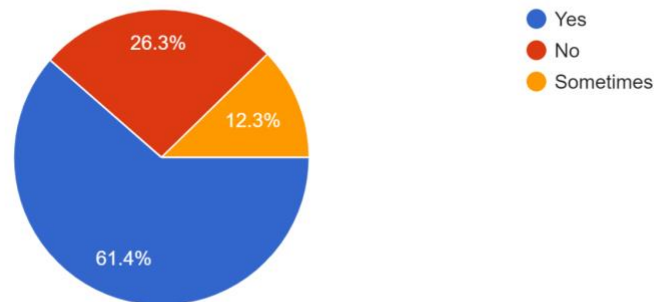
50 responses



The usage of video games is well above 50% of customers. The demand for video games is high proving that it will be a successful business venture to have a social place for such activities.

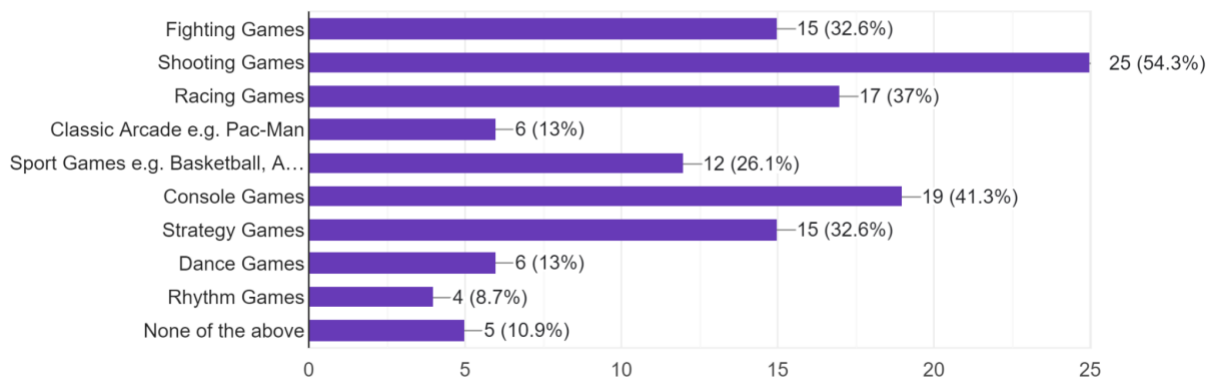
Do you play video games?

57 responses



If you chose yes, what kind of games do you play?

46 responses



The data shows that the highest played style of game is a shooting game, this shows us that we must emphasise more on these as they will be in high demand and the most used. Other popular options were console games, racing games and fighting games, it will be important to have a wide range of these options available as well to grip the attention of the consumer.

Analysis

A majority of the respondents of the survey replied positively to all of the questions providing a valuable insight in terms of potential spending budgets, what is desired in the market, what incentives may entice customers to attend more often and more.

The general split was over 50% of respondents identifying as male and over 85%, of all respondents, replying likely to bring their family and friends. This research provides the knowledge that the business is a naturally sociable venue, providing a path to create more group-based activities and themed nights.

The most popular game was identified to be shooting style games, this data allows the business to rearrange what machines to have in excess as they would have heavier traffic than others, such as rhythm-based games. These findings can also be of benefit to the physical layout as it would be bad for customer traffic and general patron flow to have the most popular machines near the front door as it may be restrictive to those entering or leaving, or near the bathroom as it may generate longer lines. The study showed that most people would rarely go to arcades but the inclusion of alcoholic drinks and a new party-like atmosphere has swayed the respondents to think otherwise, based on the positive responses to the other questions throughout the survey.

The want for new bowling and karaoke venues was overwhelming, with over 59% saying yes to new karaoke and 61% for new bowling venues. This data proves that there is a noticeable gap in the market for a potential breakthrough. This also shows that the current venues available such as Activate for bowling is not satisfactory enough for the available market, this may be due to lacking amenities or location-based issues that Level-Up Lounge can improve upon by being based in a more centrally located area and offering more services that don't primarily require booking to enter.

Majority and Minority comparison (Young and Old)

The main demographic of the business is young adults between 18-24 with the minority being above that. After analysis of the research newly established businesses are being sought out by the younger age groups. The percentage of participants in the younger age groups are as follows: 75.4% in the 18-24 and 24.6% were 25+. This was evident in the social media platforms, the 25+ age group prioritises Facebook over Instagram, Snapchat and TikTok. The 25+ category also said they only play video games sometimes or never with outliers saying yes. This shows that the older demographic has less of an interest in an arcade style bar, such as Level-Up Lounge so they should not take priority.

Another potential comparison between the younger and older demographic is attention spans. The younger demographic has a much shorter attention span compared to the 25+ age bracket which may be as a result of being raised in the digital age and having content consumption as a daily routine at their fingertips. The idea of a drink, a conversation and a game all at once may be more appealing to the younger demographic as opposed to the older demographic who may find it all a bit overwhelming and distracting. The 25+ age bracket is also less likely to order cocktails and themed drinks and opt for a “safer” option of a pint or something else. This is a beneficial insight as Level-Up Lounges primary selling point is that fun drinks have more emphasis on them than pints. The 25+ age bracket is also less sociable, tending to stick to their own groups and tables in pubs. Level-Up Lounge influences patrons to be sociable amongst each other, asking to play against/with one another, having groups go against groups and overall, have customers break out of their shells and be more outgoing on nights out.

Learnings for Digital/Online Marketing Campaign/next steps

Target audience

As discussed in the Survey Findings section of this document, the target audience for Level-Up Lounge is young people aged between 18 and 24. This age group represented the majority of respondents to the survey, so moving forward, many of the next steps for the Digital/Online Marketing Campaign will be influenced by their responses.

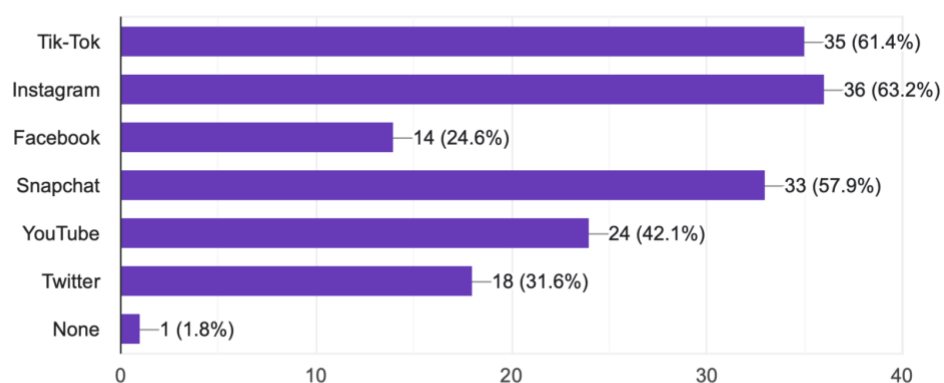
Social Media that will be used for the Digital/Online Marketing Campaign

Taking into account the results of the survey, we have landed on TikTok, Snapchat and Instagram as our main social media for Online Marketing and Promotion.

Although Snapchat came out as one of the main social media platforms being utilised by potential customers, we will use this as more of a communication platform than a content creation and sharing platform.

What social media(s) do you use the most

57 responses



Competitors in the marketplace

Whilst researching Competitors in the marketplace the Token gaming bar in Dublin 7 and the Barcadia, Mardyke Entertainment Complex in Cork are other businesses that offer similar services to Level-Up Lounge.

Customer Spending Habits

We learned that the majority of our target audience typically spend up to €50 euro on a night out, with the next highest number only spending up to €20 on a single night out. This is typical of the age range of the target audience, as most of them are in their early 20's and are college students. It is important that the drinks are reasonably priced with deals such as 2 for 1's and different themed promotions in order to accommodate these groups of people.

It is not necessarily vital that the games be priced relative to our competitors. As this is the only bar of its kind in Waterford City, customers would have to journey for hours to reach a competitor such as Barcadia in Cork or Token in Dublin, and the range of amenities we have outmatches other arcades with inclusion of bowling alleys and karaoke lounges in Level-Up Lounge in Waterford.

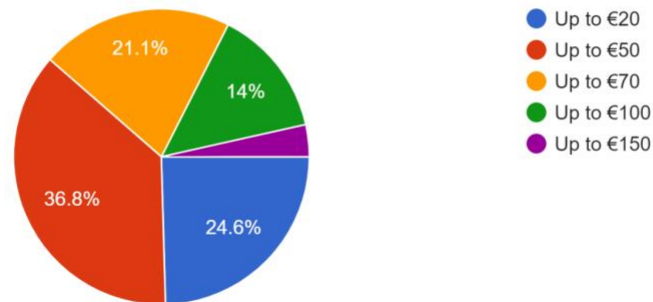
It is however important that we don't freeze customers out with high prices and so Level-Up Lounge will enforce deals that will satisfy the low spenders. These deals will encompass tokens and drinks and food. These deals will also draw in clients that do not plan to stay for long, or mainly want to come in for lunch and a bit of fun.

Cocktails will be priced individually or as a deal for multiple people at €8 - €12 for one and €13 - €20 for two of the same kind, making it more financially sensible to buy two. Customers will also receive 1 free token when they buy a single cocktail, and 3 free tokens when they buy the 2 cocktail deals, making it a better option than a single one.

These deals will create a viable option for customers who do not want to spend any more than 20 euro on a night out as they will be able to have 2-3 drinks and play multiple games over the course of the night, and will also make Level-Up Lounge good value for money for customers who would usually spend more.

How much would you typically spend on drinks on a night out?

57 responses



From the results of our survey, it is clear that most patrons will not spend any more than €20 at an arcade.

At Token bar in Dublin, they address this by not having any of their token deals being any more than €20. Their prices range from €1 for 1 - €5 for 7 - €10 for 15 - €20 for 32.

At Level-Up Lounge we will have similar token prices, but the difference is that all amenities in Level-Up Lounge will be able to be paid for with tokens including the Karaoke lounges and the Bowling alley.

Games will be priced at 1 token each per player, including multiplayer games, the bowling alley will be priced at 4 tokens per player, or €5 per player, making it more financially beneficial to pay with tokens, and the Karaoke lounges will be priced at 15 tokens regardless of how many people are using it, or €15.

If you do go to arcades, how much would you typically spend at an arcade?

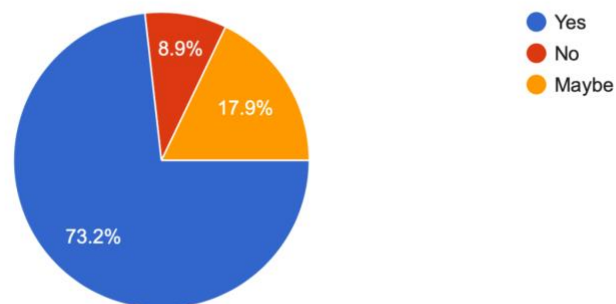
50 responses



As per the survey, 73.2% of respondents said they would choose the Level-Up lounge for birthday parties, hen nights and stag dos. Based on this response it will also be possible to rent lounge rooms at Level-Up Lounge, which can be used for birthday parties, hens and stags, and moderately sized events, and can be hired by calling or booking online. The price will depend on the size of the event and the type of event it is as the customers will have different requirements, but prices will start at €45 and increase based on the services that the customer requires.

Would you choose this destination for a birthday / hen night / stag etc..?

56 responses

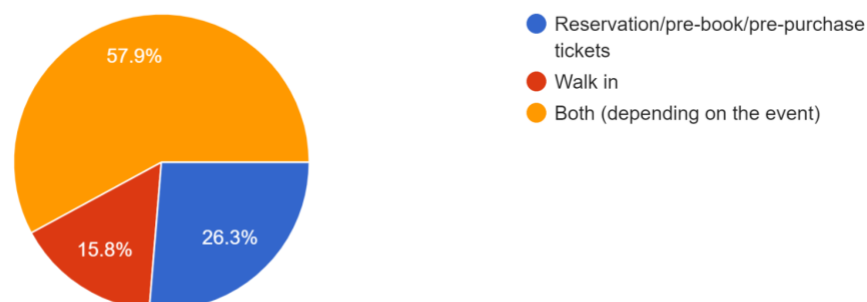


Participants in our survey made it clear that they would be happy to pre-book/pre-purchase tickets for themed nights and events.

As these will be a big part of the culture at Level-Up Lounge, selling tickets to events and themed nights will increase the hype around a night at Level-Up Lounge.

Are you more likely to make a reservation/pre-book/pre-purchase tickets for themed nights / events or just walk in?

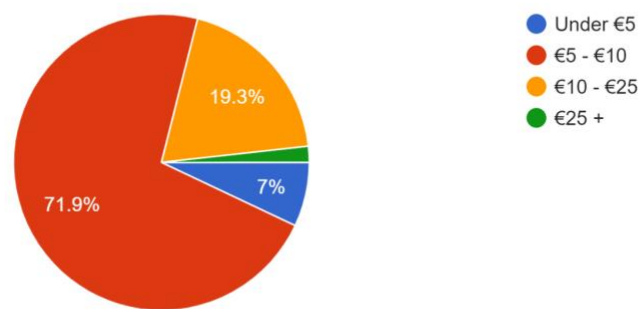
57 responses



We will use an online ticketing platform to sell tickets to themed nights and events such as Eventbrite, and online tickets will be priced cheaply at around €2 - €3, for regular nights, simply to build hype for the night, while tickets at the door will cost around €5 to encourage customers to buy tickets online where the event can more easily be shared with other potential customers. On nights where we have a special event at Level-Up lounge, e.g. a Live Musical Performance, a Tournament with a famous gamer involved etc, tickets will be more expensive, but rarely more than €10 euro to ensure that customers do not feel alienated.

How much would you pay at the door for an event / tournament/ themed night?

57 responses

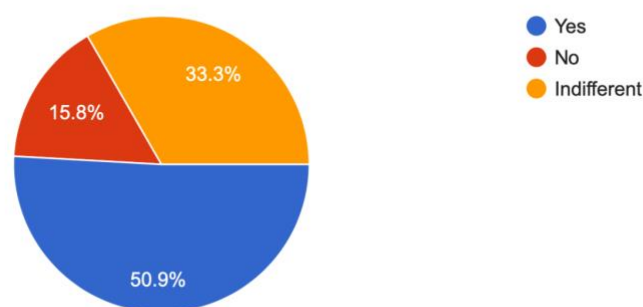


Serving Food

Both 'Token' and 'Barcadia' serve food. The survey asked people whether or not they would expect food to be served at the venue. 50.9% of the respondents answered yes to this question.

Would you expect food to be served here?

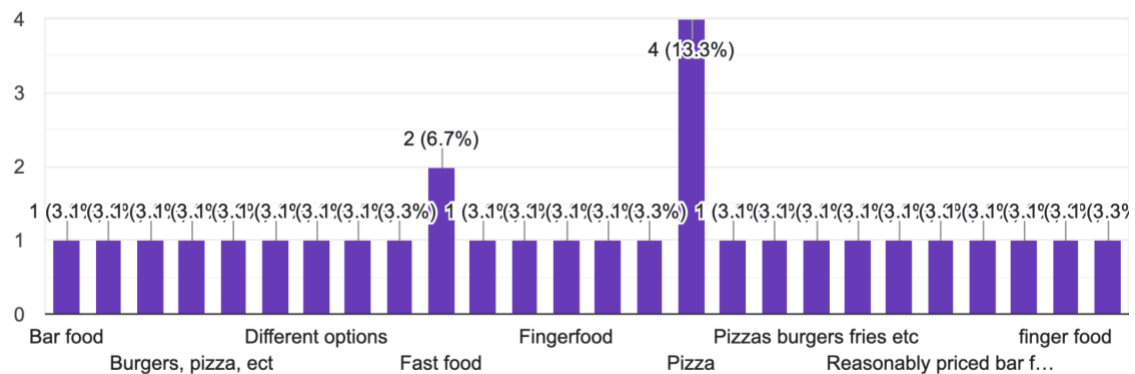
57 responses



30 people responded to what type of food they would expect to see. The most common food suggestions were bar food, burgers, pizzas and finger food etc. This is similar to what the competitors serve at their venues. Level-Up lounge will include in the online marketing campaign some of the suggested food above will be available at the venue. Level-Up Lounge will stop serving food at 8:45 pm.

If you answered yes, what type of food?

30 responses

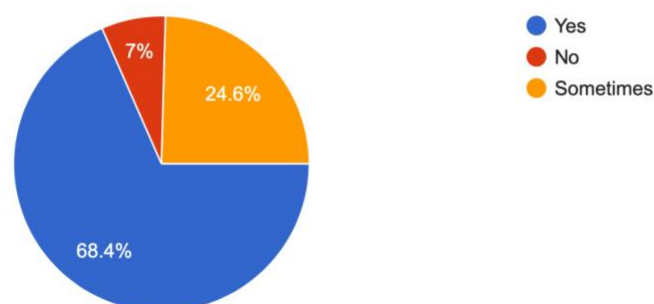


Incentives that could be used in the Digital/Online Marketing Campaign to market Level-Up Lounge

68.4% of people responded that they are a competitive person. 50% of respondents answered that they do enjoy competing in tournaments. This gives a good indication that Level-Up Lounge could market to potential customers that tournaments will be hosted on a weekly basis.

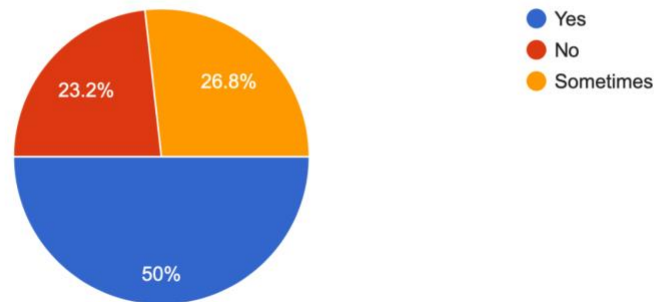
Are you a competitive person?

57 responses



Do you enjoy competing in tournaments?

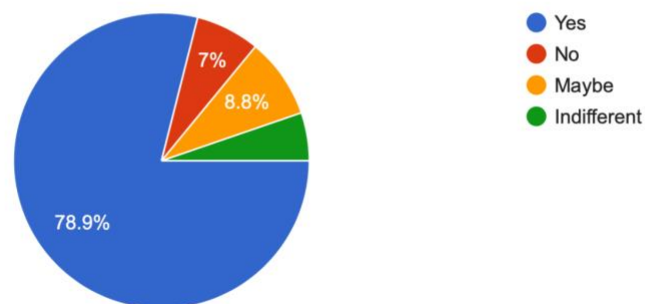
56 responses



On top of knowing there is a competitive market, 78.9% of respondents said they could be incentivised to play the arcade machines. As part of Level-Up Lounge's digital market campaign, it will be advertised that getting a high score on a machine will win you a free drink of your choice

Could you be incentivised to play? (e.g. get the highest score on a game to win a free drink)?

57 responses



Conclusion

After analysing the data gathered from the survey conducted, it is evident that there is a definite gap in the market for a new bar, providing arcade machines, bowling and karaoke in Waterford City. The data provides valuable insight as to what is being sought after and potential pricing margins for services, drinks and events. The analysis created a stronger vision of the business as it gave understanding as to what the primary demographic would be, what would be the most popular amenity in the venue and what would interest new customers. Another benefit was the promotional aspect, giving an understanding of what social media platforms to utilise like Instagram, TikTok and Snapchat, and what would be a waste of resources, such as Facebook and Twitter.