CONFIDENTIAL

Special Report on the Drinks Market of Little Chadwick

(Information in this report is valid only for the current game)

Size of the Market

Depending on the pubs' prices and the quality of their offerings, the size of the drinks market in a typical quarter is likely to be between £450,000 and £550,000.

As there are 8 pubs in the village, an average pub's drinks sales are therefore likely to be in the range £55,000 to £70,000 (ie 1/8 of the market total, or 12.5%).

Pubs performing very strongly in the drinks market (with a share of around 20%) would see their quarterly drinks sales in the range £90,000 to £110,000.

Seasonal Factors

Although December sales will be strong, the Winter quarter also includes a very weak January and February, so the total size of the market is fairly constant over the four seasons.

However, the make-up of the market does change significantly over the year, with the summer seeing a big increase in tourists and a big decrease in students (more details below).

Gardens and playgrounds are of course of more benefit in the summer and of less benefit in the winter.

Market Segments

Note: Most people will be included in only one of the groups below. However, some people may appear in more than one group (eg someone who is in the 18-25 group when they drink with their mates may also be in the factory workers group if they go for a drink after work with colleagues).

18-25s

About 15% of the customers. Buy an average of 3 drinks per visit. They like good prices, decent ranges, promotions, loud music and bands, pool tables and TV. Online marketing generally effective. Family bars are a negative factor.

25-35s

Also about 15% of the customers, buying about 2.5 drinks per visit. Price and range are again important; so are customer service (ie staffing) levels. Neutral towards loud music and bands but still generally attracted by entertainment, particularly the TVs. Online marketing generally effective.

35-50s

About 13% of the market, buying 2 drinks on a typical visit. Service important, price a little less so. Not fussed about most of the entertainment; loud music a negative factor. State of the decor of some importance to this group.

50s-70s

About 11% of the market, buying 1.5 drinks per visit. Price still important but less swayed by promotions. Service and decor important; loud music a major negative factor. Like a game of darts.

Pensioners

Roughly 9% of the customers, enjoying a bit more than 1 drink on a typical visit. Almost magnetic attraction to pubs without loud music, live bands and discos. Dart boards very popular.

Families

The family groups account for only 3 or 4% of visitors to Little Chadwick's pubs but they buy an average of 6 drinks per visit. Will opt for kid-friendly pubs, especially if there's a garden or playground. Not keen on most of the entertainment and will definitely avoid the 'adult' kind.

Students

Between 3% and 8% of the market, depending on the season. Typically about 2.5 drinks per visit but more spending power in the autumn, less in the spring. Price is the most important factor and promotions are very important. Most entertainment is useful for this group, especially music, bands and comedy. Online marketing useful.

Business people

About 5% of the market. If they come at lunchtime, expect to sell 1 drink; after work it should average 1.5. Price is less important; good service is crucial – especially at lunchtime. Loud music and children are both big negative factors. High quality decor is important and a garden will be a bonus in the summer. Note that pubs have to be open all day to catch the after-work trade.

Factory staff

Again about 5%, averaging 1.5 drinks per visit. Price slightly more important; happy hours well received if open all day. More relaxed about all kinds of entertainment. Service levels again very important at lunchtime.

Pub Crawlers

About 3% of the customers, probably embarked on the notorious 'Little Chadwick Eight'. If you want them to stay for another round you'll need to keep your prices low. Then again, you may not want them to stick around.

Sporty Types

Another 3% of the market. Closest in character to the 25-35s and the 35-50s but with an added hunger for sport on the big screen TV.

Tourists

Anything from 3% to 10% of the customers. Probably looking for something rather quaint – good decor, garden and other facilities and good customer service will be more important than price. The availability of guest rooms will give you a distinct advantage here. Print advertising and online marketing very important to attract this group.

Also look out for:

Beer Anoraks – the real ale enthusiast who may travel to the village if your beer range is suitably impressive.

Pink Pound – your pub might just introduce a gay night, possibly without you even realising.

Afternoon Crowd – people who take up residence in your bar and should really find something better to do.

The Functions Market

Functions could bring in about £7,000 in extra drinks revenue (for the whole village) – and maybe £10,000 in the Winter quarter. This revenue can only be shared by pubs that have built a function room. An average function results in about £200 of drinks sales (some are much smaller, some are much larger).

Drinks sold to diners and sleepers

Almost everyone who dines in your pub will also buy a drink. At lunchtime the average is 1.5 drinks; in the evening it is 2.5. These figures appear in your accounts as drinks sales, not food sales. Overnight guests will buy an average of one drink per evening.

Managing space for your drinkers

You have a limited amount of space available to your drinkers. It can be increased by adding a function room or a garden (though the garden is useless in the winter and of limited use in spring and autumn). It will be decreased by adding a dining room, pool table, TV, dartboard, fruit machines and by almost all entertainment. Space only becomes an issue for your pub if you create a high level of demand through what you are offering the market.

Managing service levels for your drinkers

This will depend on your staffing levels at peak times and on your average pay rates (you can attract more experienced personnel if you offer a bit more). Again, your service level will only become an issue if you create a high level of demand for customer service.

Location, Location, Location

Your pub's position in the village has two implications – who lives and works nearby and which pubs are your main competitors.

All eight pubs can attract any of the segments in the market. However, some pubs start with advantages and disadvantages within certain groups.

	Advantaged	Disadvantaged
Black Horse	Students, Sporty Types	
White Hart	Business people, Factory staff	
Red Lion	Tourists, Families	Students, Pub crawlers
Green Man	Business people, Factory staff	
Bluecoat Arms	Students, Tourists	
Orange Tree	Business people, Factory staff	
Golden Eagle	Students	
Silver Bullet	none	

The decisions of all seven rival pubs will affect your own pub's performance. However, the pubs that are closer to yours will have a bigger effect than those which are further away.

	Top 3 Competitors
Black Horse	**Bluecoat Arms, White Hart, Green Man**
White Hart	**Green Man, Orange Tree, Black Horse**
Red Lion	**Silver Bullet, Bluecoat Arms, White Hart**
Green Man	**White Hart, Orange Tree, Golden Eagle**
Bluecoat Arms	**Black Horse, White Hart, Silver Bullet**
Orange Tree	**Green Man, White Hart, Golden Eagle**
Golden Eagle	**Green Man, White Hart, Orange Tree**
Silver Bullet	**White Hart, Green Man, Orange Tree**

Note – pubs with the more advantageous locations pay higher business rates.