

Case Briefing

Marketing VP:

Sports & Entertainment



The Situation

The Sacramento Lightning are a football professional team. They haven't been doing too well on the field or as a business for the last few years. They own their own stadium and often try to generate additional revenue by booking concerts at their venue. Ownership of the team is eager to turn things around and has committed several million in cash to the team. They are looking for strong marketing leadership and are willing to delegate a lot of authority.

Your Role

You have been hired as the Marketing Vice President for the Sacramento Lightning. You have full control of all marketing functions. Since the ownership understands that winning is critical to selling seats, they given you the unusual authority to hire and release players.

Learning Phase

In this phase, you will work with a 'practice' stadium and team to learn how to make decisions and see results in the simulator. Using the 4Ps structure, step-by-step instructions will guide you through assessing players, pricing seats and marketing a football game. You will then use market research to pick a band for a concert and promoting the concert through a Facebook-like interface for online advertising. You'll learn how to read event reports for customer feedback, measuring attendance levels, and analyzing profitability.

Challenge Phase

In this phase, you will apply your learnings from the previous phase to the Sacramento Lightning. Ownership has given you a specific profit target for the season. To make this goal, you will need a winning record, good prices, solid promotions, and a mix of hot selling concerts throughout the season.

At the option of your Professor, you may be able to retry the Challenge Phase multiple times. Only your best grade will count.

About the Simulation

The simulation contains a model of your stadium and the fans in the surrounding community. Fans will decide to come to your games based on ticket prices, your team's win-loss record, and your promotions. Similarly, fans will come to your concerts if the bands you pick appeal to their music tastes and your promotion and prices are good. In addition to ticket revenue, you can generate additional sales through operating concession stands. Most fans will want to get food and drinks during the event. The simulator contains a full model of your team (the players) and available players that you can hire. The quality of players directly determines your likelihood of winning games.

Discussion Questions

Which were more profitable for you, concerts or games? Did you choose to promote them differently?

Why might a small market like Green Bay be able to support an NFL team but not a Major League Baseball team.

Were you able to make the goal in one season? If so, how? If not, what did you do differently on subsequent tries?

What aspects of the case simulation did you find realistic? What aspects were overly simplified or not realistic?



Case Simulation Tips & Strategies



Product

GAMES

- The better your football team, the more seats you will sell and the higher price fans will pay.
- When signing a new player, it is good to release the worst player at the position.
- Try to select players in the top 20% in both statistics. Remember that with some statistics, lower is better.
- If players are of similar caliber, sign the one with the lower salary to save money.

CONCERTS

- As mentioned under Place, select bands which match the people in your community. The Band Research Report is your key source of information.
- Find bands for your largest demographics first. Bands matching smaller, older demographics may still be profitable because older people may spend more on tickets.
- Make sure you book a concert each week. There is always a profitable band available.
- If two bands meet suitable criteria for booking and have similar fees, book the one with the higher "Average Ticket Price" first because it will generate higher revenue.

CONCESSIONS

- Calculate how many concession products to stock by multiplying expected attendance by the average consumption multiplier. This number can be found under Actions >> Concessions as the second field down in the table.

Price

GAMES

- As mentioned in Place, use Surveys to find out what fans are willing to pay for games.
- Price less desirable sections below the average, and more desirable sections above the average.
- Price football games as the season progresses. You can raise prices if you are winning. Only book one or two games ahead.
- When a section is sold out for a game, try raising the price for those tickets slightly for the next game.

CONCERTS

- Price concert tickets based on the Avg Ticket Price shown for the band.
- Caution: Avg Ticket Prices shown are national. For your city, young people (16-24 year olds) will not pay much over \$50 for ANY ticket. You can often get older fans (65+) to pay over \$100.
- Price less desirable sections below the average, and more desirable sections above the average. For lower average ticket prices, your price spread across sections should be narrower.

CONCESSIONS

- Concession margins can be very high due to the captive audience. Price food about 6X cost.

Place

GAMES

- You cannot change your stadium. For football games, the capacity is around 19,000 fans.
- Use Surveys to understand your community. For football games, this includes how much they will pay for a ticket, what media they watch or listen to, as well as the gender and income levels of most fans.

CONCERTS

- You cannot change your stadium. For concerts, the capacity is around 25,000 fans due to the addition of field level seats.
- Use Surveys to understand your community. For concerts, focus on the age and music preferences of the population. What ages like which music?
- Try to identify the top 3 music genres for the area. This will help you select bands that match the genre and contain the matching age range for locals that like that type of music

CONCESSIONS

- Your number of distribution points for concessions (number of stands open) is up to you. Plan around 4-6 for packed football games and 5-7 for packed concerts.
- If you do not have enough stands open, customers will complain on the Event Reports, and you will lose revenue.

Promotion

GAMES

- If using traditional advertising, plan budgets around \$50,000 to \$150,000. Amount needed to sell out will vary based on team performance and your ticket pricing strategy.
- As mentioned in Place, survey to see what traditional media fans prefer.

CONCERTS

- For concerts, tend to favor social media advertising which can be targeted.
- Budgets of \$20,000 to \$50,000 should be enough to sell out concerts if bands are a good fit for your fans. Of course, this depends on your ticket pricing strategy.
- Try to target your social media audience to about 100,000 to 300,000 by narrowing music genres and age groups.
- Make sure your social media ad meets all the "Heads Up!" criteria on the ad design page. Also, pick a relevant picture or the ad won't work.

CONCESSIONS

- You do not need to promote concessions given your captive audience.

Reports & Feedback

GAMES

- Use Event Reports to track ticket sales and see which sections sold out or were very empty. Adjust prices accordingly.
- If overall attendance is low, adjust promotions or if team is losing, sign better players.

CONCERTS

- Use Event Reports to track ticket sales and see which sections sold out or were very empty. Adjust prices accordingly.
- If attendance is low, adjust promotions and check that bands match customer demographics in your community (use Surveys).

CONCESSIONS

- Use Event Reports to monitor fan comments about your concessions, including issues on staff, inventory or price.
- You can also see sales of each item on the Event Report.
- The Financials Report shows your revenue, expenses, and profit for each event. Use this report to make sure your profits are building toward the season goal.
- Several levels of detail are available on the Financials Report.