**I. Executive Summary**

Lightning stadium is an open-air venue which hosts football games and live concerts. The business is currently underperforming and management plans to improve the performance of the football team and understand current music trends to increase fan attendance. Surveys of the community have revealed that the primary age demographic is 16-24 year olds. Additional findings from the survey will influence ticket prices, the price of concessions, and bands selected to perform. Specific actions will be to sign superior players and prioritize concert bookings of rap/rock bands which appeal to the primary target market. Other forms of live entertainment in the community represent a significant threat to achieving the company’s target profit of $5,000,000 within the next 15 weeks of operation. The threat of competition can be alleviated via consistent and effective advertising through television and radio ads for football games and social media posts for concerts. Click rates on social media ads and the number of tickets sold will be used to assess the effectiveness of the social media campaigns; the number of tickets sold will be the primary mechanism for evaluating the success of the football advertising campaigns.

**II. Situation Analysis**

Lightning Stadium is a multipurpose venue that can accommodate 19,000 fans for football games and 25,000 concert-goers. The stadium features many concession stands with the necessary infrastructure to readily open additional service stations as demand fluctuates. The organization hosts a strong customer service department, which continuously reviews customer feedback. This feedback is used to adjust ticket prices for individual events, update the quantity and type of food/beverage purchases, and allocate appropriate funds to various advertising channels (i.e. social media and television/radio ads). We are continuously evaluating options to improve the on-field performance of the football team. We will evaluate free agents to determine if there are any available players who have greater skill and are more cost effective than our current players at the skill positions (e.g., quarterback, runningback, linebacker, kicker, etc.).

To understand the customer environment, the organization relies on surveys. Survey questions are designed to gather demographic information, such as age, gender, annual income, distance from stadium, occupation, favorite genres of music, and favorite sport. Customer personas are derived via the use of targeted surveys. The following questions are useful in determining the customer persona that best represents the average consumer at Lightning Stadium:

* What is your primary reason for going to football game (e.g., tailgating with other fans, watching the game, spending time with friends and family)
* How likely are you to buy season tickets vs individual game tickets?
* Are you willing to spend more on a football game compared to other forms of entertainment?
* How many times have you seen your favorite band live in concert?
* How far are you willing to travel to see a football game and concert?
* Do you budget a prespecified amount of your income for entertainment?
* Is entertainment an impulse buy or a pre-planned investment?
* Are you more likely to buy tickets as part of a group?
* How much would you spend on concessions at a football game and concert?
* What types of foods and beverages do you enjoy at entertainment venues?

This information is used to align our business strategy with consumer preferences. Questions regarding interest and habits at football games allows the organization to determine the amount of resources allocated to the on-field product (i.e. team, coaches, field maintenance, etc.) vs. off-field attractions (i.e. concessions). The demographic and persona information is also used to determine the music preferences in the surrounding community which enables the organization to strategically select music performances.

The organization must also be aware of external factors that influence the success of the business. Other forms of live entertainment in the surrounding area offer competition. In addition, football games that are broadcasted on local and national television/radio may reduce the potential number of customers to attend the live game. Similarly, iTunes, YouTube, and CDs represent alternative options for consumers to access their favorite music, as opposed to attending concerts. Another external factors which impacts the likelihood of in-person attendance is weather conditions. Since the stadium is currently open-air, rain and snow represent obstacles to attracting large crowds.

**III. SWOT Analysis**

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| **Strengths**  1) Ability to sign new football players that result in a winning culture  2) Ability to use the stadium to host multiple forms of entertainment (i.e. book events on weekends when the football team is playing away games so that the stadium still generates revenue)  3) Large budget for advertising | **Weaknesses**  1) The number of football games per year is fixed (e.g. 16 games per year in the regular season), so the opportunity for revenue from football games is limited  2) Service-based business (i.e. entertainment) implies less control over the final product than traditional goods-based businesses  3) Low initial capital (stadium is currently losing money) |
| **Opportunities**  1) Ability to open additional concession stands rapidly to address increases in customer demand  2) Winning football culture will lead to a devoted fan base  3) Train staff to provide excellent customer service to encourage greater volume of concession stand purchases | **Threats**  1) Weather conditions can reduce likelihood of consumers attending football games and/or concerts as the stadium is open-air  2) Other forms of entertainment that could draw customer attention away from the football games/live concerts  3) Limited number of bands are available that appear to the primary target demographic  4) Players can leave the team in free agency to seek more lucrative contracts  5) Signing talented players does not guarantee wins |

**IV. Marketing Goals and Objectives**

The primary goal of the organization is to generate a total profit of $5,000,000 over the next 15 weeks. Secondary goals include building a loyal customer base for football games and selling 100% of the tickets for concerts. Our objective will be to allocate adequate financial resources into various advertising channels to attract customers, sign and release football players to increase on-field success, and develop a concession strategy based on customer feedback.

**V. Marketing Strategy**

The primary target market is males and females 16-24 years of age who spend money on live entertainment. The secondary target market is males and females 25-39 years of age who spend money on live entertainment.

The marketing mix is as follows:

**Product**: There are 8 home football games at Lightning Stadium. As the music preferences for the largest age group (i.e. 16-24 year olds) is rap/rock, rap/rock bands will be the first choice for concerts. The secondary target market prefers classic rock. In addition, the secondary preference for most age groups is country. In accordance with these music tastes, the organization will attempt to book Cydo, Dynasty, and GEM for rap/rock, Euro Breakup for classic rock, and Guilty Twilight and UFO Honeymoon for Country fans. Concession stands will carry popcorn, ice cream, pretzels, bottled soda, fountain drinks, and chips.

**Price**: For football games, both the primary and secondary target markets are willing to spend up to $60 per ticket. For concerts, ticket prices will be set based on the average ticket price per band. As the annual income for the 25-39 year olds is higher than the 16-24 year olds, we anticipate that the majority of premium seats will be sold to 25-39 year olds and older age groups. For both football games and concerts, less desirable seats will be priced below the average ticket and more desirable sets will be priced above the average. The price for concessions will be initially set at approximately 6 times the wholesale cost and will be increased in accordance with observed demand at each event.

**Place**: The capacity of Lightning Stadium is 19,000 for football games and can be expanded to 25,000 for concerts via the addition of on-field seating. We will plan for 4-6 concession stands for football games and 5-7 for concerts, with the ability to open more stands as demand indicates.

**Promotion**: The advertising media preferred by 16-24 and 25-39 year olds is TV cable and radio, respectively. As such, approximately $50,000 to $60,000 will be allocated to traditional marketing media (television/radio) for football games. Concerts are more effectively advertised via social media and a bi-weekly budget of $20,000 to $30,000 will be dedicated to such advertising. This budget is sufficient for reaching 100,000 to 300,000 potential customers. Concessions do not require promotion given the captive audiences at the events.

**VI. Marketing Implementation**

An initial marketing activity for the football team will consist of player evaluation. We will replace players on the current roster if there are available free agents with either an equal or superior performance level with a cheaper contract. For example, we will replace quarterback Andrew Quill with Alphonse Keaton, runningback Gerard Matlock with Lloyd Witek, and receiver Olaf Tage with Anthony Slovack. There is only one skill position where we will take on a larger salary – for punter Olaf Ustach, the organization believes his superior performance metrics justify the additional cost (total salary $367,342). We anticipate the new roster will result in more wins, which will translate into increased attendance and therefore increased profits. We will increase ticket prices in accordance with increased team success.

Football games will be advertised via traditional media outlets. In particular, TV cable and radio are the preferred methods of communication among all age demographics surveyed (16-24, 25-39, 40-54, and 55+). The primary target market prefers TV cable as the primary form of communication. We will attempt to attract all age groups to games, as older age demographics have more disposal income to spend on tickets and are more likely to purchase premium seats. As such, we will allocate an equal amount of funding each week to television and radio ads.

The success of TV commercials and radio ads can only be evaluated indirectly via the number of fans who attend each football game. If the number of football fans increases throughout the season, this may be an indication that the TV and radio ads are effective (note that the perceived success of the ads will be confounded by other factors which influence potential consumers’ willingness to attend football games, such as team performance and other options for entertainment in the community).

At the beginning of each business quarter, we will evaluate the availability of each band for the upcoming weeks. This will enable the organization to ensure that a band that matches the primary/secondary target markets will be available for each performance and reduce the number of duplicate performances. In particular, rap/rock bands are most appealing to the primary target demographic and booking these bands will be the top priority. The secondary target market and older age groups enjoy classic rock and country music, and such bands will be booked to complete the concert schedule. We will advertise upcoming concerts through bi-weekly social media posts, as social media is the most effective type of advertising for concerts.

The success of the social media ads for concerts will be evaluated via the click rate and number of tickets sold. Since the number of clicks directly determines the cost of the ads, we will use the click rate to estimate the expected attendance at events. This in turn allows for estimation of the amount of concession stands and price of concessions. The click rate at each event will also allow us to vary our social media budget throughout the concert season and evaluate which bands may be beneficial to book more than once.

**VII. Evaluation and Control**

The amount of concessions that are purchased each week will be determined based on past concession stand performance and the feedback received from customers after each event. For example, if customer comments indicate that there were not enough pretzels at an event, we will purchase additional quantity commensurate with the number of comments received for subsequent events and may increase the price of the product as the feedback implies sufficient demand to justify the price inflation. If customers complain that prices are too high or if there is a surplus of product remaining after events, we will decrease prices and/or the quantity purchased in future weeks. The number of concession stands can also be adjusted in accordance with the demand. As past performance has indicated that the amount of food/beverages purchased by customers differ for football games and concerts, the organization’s purchasing patterns will be dependent on the type of event. Specifically, past data has shown that more concessions are sold at concerts than football games (likely as a result of the fact that concerts can accommodate 6,000 more fans than football games).

Providing competitive salaries for stadium employees will encourage employee loyalty and improved morale and job performance. Providing adequate training will improve the employee-customer relationship. Ensuring optimal working conditions will also contribute to a positive employee attitude and improve the quality of service to the customer. In turn, this will promote a positive organization image.

We expect the per-game revenue to be between $1 million and $1.5 million; for concerts, the corresponding range is expected to be $1.2 million to $2 million. Primary revenue streams are ticket sales, concessions, and parking. The primary expenses are staffing, promotion, facility costs, and concession stocking. The estimated expenses are $750,000 to $1 million for football games and $300,000 to $500,000. Based on these figures, we expect to reach the target goal of $5,000,000 of profit after 15 weeks of operation.