

WPS Target Markets Case Study

Investors have joined together to form a new professional women's soccer league, known as Women's Professional Soccer ("WPS") due to begin play in March 2009. The league will consist of seven franchises, distributed through the United States, from coast to coast.

A previous effort to establish a national women's league – the Women's United Soccer Association ("WUSA", 2001-2003) failed after losing \$100 million in three seasons. The failure was attributed to lower-than-expected sponsor interest, low TV ratings, high labor & venue costs, and loss of confidence among investors that there was a visible path towards financial viability.

The mission statement for WPS is "to be the premier women's soccer league in the world and the global standard by which women's professional sports are measured". Due to the WUSA experience, key internal mantras for WPS are "sustainability" and "cost control".

WPS believes it can do more with less. That it can deliver a similar level of talent and competition as the WUSA, but at a significantly lower cost. Specifically, the league hopes to sign most members of the United States Women's National Team ("USWNT") along with some of the top international stars from other countries.

The USWNT is the defending Olympic champion (2008), but is coming off a disappointing and controversial performance at the most recent Women's World Cup (2007), where the team was eliminated in the semis and wracked by internal dissension after divisive comments to the press by star goalkeeper Hope Solo. WPS officials believe that USWNT stars will help drive ticket sales and media attention to the league. However, the USWNT's post-Olympics victory tour in 2008 was poorly attended in many cities. Many observers feel this group of players is less compelling and less well-known than the Mia Hamm-Julie Foudy-Brandi Chastain generation that won the World Cup, attracted major sponsors such as Nike to the sport and helped launch the WUSA nearly a decade earlier.

WPS plans to avoid the over-spending of WUSA by employing substantially smaller national office and franchise-level staffs and by spending far less money on broadcast production and traditional advertising & marketing costs (print/radio/TV). The league begins it can get more efficient returns on investor capital because it has carefully analyzed the "mistakes of the past" (e.g. the WUSA track record) and because it believes the social media revolution has created channels for viral, targeted, low-cost marketing that will engage the fan base in ways that WUSA's expensive mainstream advertising failed to do.

Boston will be the home of one of the seven franchises. The Boston Breakers are a revival of one of the more popular WUSA franchises of the same name. The new owners have purchased the rights to the name and logo of the defunct WUSA Breakers, believing the brand still has some local appeal in New England more than five years after that team played its final match in 2003. There is some anecdotal justification for this belief, as several dozen former WUSA-era season ticket holders immediately seek out the "New" Breakers organization, requesting season ticket information.

One key difference between the “old” Breakers and the “new” Breakers is venue. The WUSA Breakers played at Nickerson Field, an 11,000-seat venue on the campus of Boston University. The new Breakers plan to play at Harvard Stadium, a 100-year old, 30,000-seat coliseum. Both stadiums are on public transit in the city of Boston. Harvard has a few notable advantages, such as more parking and the ability for fans to tailgate. It also has a few notable disadvantages, such as a lack of any modern seating (fans sit on concrete berms – there are no bleachers or chairback seats) and an artificial playing surface that is covered with stitched-in American football field markings.

One year before kickoff, you have been hired as a consultant to develop a marketing plan for the inaugural season of the “new” Boston Breakers. The new owners have budgeted \$900,000 in ticket revenue for the first year, assuming 50,000 tickets sold at an average price of \$18.00. The team will play 11 home games, meaning the budget calls for 4,545 paid tickets per match.

Since WPS is a start-up, there is no historical sales or customer data that you can review for the league or rival franchises to guide you. However, the owners of the “new” Boston Breakers have uncovered an incomplete set of sales and demographic data from the “old” Breakers of 2001-2003. Among the key takeaways from this data:

Season Ticket Sales:

- The “old” Breakers sold 2,000 season tickets per year consistently from 2001 to 2003.
- Of the 700 or so season ticket accounts, more than 95% were held by individuals. There were only a few corporate accounts and most of these appear to be team sponsors.
- 2003 Season ticket prices ranged from a low of \$110 to a high of \$220
- During the “old” Breakers best sales season in 2003, the team sold \$875,000 in tickets.
- This \$875K sales figure was reputedly a record, or near record, for the entire WUSA during its three-year history

Other ticket info:

- *Announced* game attendance over three years was around 5,500 fans per match.
- WUSA Breakers single game ticket prices ranged from a low of \$12 to a high of \$26
- No group sales information has been recovered

Demographic info:

- While no formal demographic surveys exist, an eyeball review shows that the old Breakers had numerous season ticket accounts in all six New England states
- Wealthy suburbs such as Newton, Wellesley, Scituate and Marblehead are very well represented in the 2001-2003 season ticket holder lists.
- Conversely, very few season ticket accounts are from blue collar urban areas such as Brockton, Lowell, Lynn, and Worcester.

The soccer community in New England **today** is sizeable. Mass Youth Soccer, with over 200,000 registered players, is the second largest state association in the United States, despite Massachusetts' small size in comparison to other states. New England has had a men's 1st Division professional team – the New England Revolution of Major League Soccer – since 1996. Dozens of area colleges field men's and women's soccer teams at the D1, D2 and D3 levels.

Beyond the soccer community, WPS investors and executives believe that other target groups may be receptive to appeals to buy tickets. These include:

- The Lesbian/Gay/Bi-Sexual/Transgendered (“LGBT”) community
- Female business owners
- “Casual sports fans” who enjoy following Bruins, Celtics, Patriots and Red Sox games
- Ethnic groups which may have an affinity to particular stars playing in the league.

It is your assignment to analyze and propose the most effective way to market ticket sales for the Breakers' inaugural season. Creative approaches are welcome – indeed necessary – given the limited resources of WPS and its franchises in both staff and dollars. In niche sports, ticket sales are the reservoir from which most other revenue streams flow. Your answers, while they may briefly address development of sponsorship or other revenue sources, should focus primarily on crowd building and ticket sales for Breakers home games.

In order to complete the assignment, please prepare answers to the following:

1. A SWOT analysis of the ticket sales environment for the new franchise
2. A list of the Breakers' *direct competitors* in the market
3. A list (at least five) of the Breakers' *indirect competitors* in the market
4. Where do you see the value proposition of this product? Is this a classic minor league VP (“affordable family entertainment”), a classic major league VP (“see the greatest stars on Earth compete”) or some other variation? Explain.
5. Identify three key target markets and explain why you plan to prioritize those markets.
6. List two target markets that you plan to de-prioritize or ignore. Provide justification.
7. What role does pricing strategy play with regard to engaging your target markets and reaching your revenue expectations? How would you use premium pricing, discounting, comp tickets or other price promotions to grow audience?
8. After analyzing the environment, are the new investors' ticket sales goals reasonable? As a consultant, would you suggest they revise their assumptions? Explain.