Strategic Marketing Case

Christopher Guillory

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**Introduction**

An effective analysis of the Fan Cost Index (FCI) evaluating the impact of costs for average family seeking attendance to live games at the MLB, NBA, NLH, and NFL are as follows.

**Market and Organizational Analysis**

Costs include:

* 4 adult average-price game tickets
* 2 small draft beers
* 4 small soft drinks
* 4 regular-sized hot dogs
* 1 car parking
* 2 least-expensive adult-size adjustable cap

**FCI Range**

* MLB: $132.10 - $360.36
* NBA: $221.80 - $676.42
* NLH: $255.55 - $572.58
* NFL: $367.42 - $685.10

**Summary**

The NFL holds the highest FCI range as the ticket prices and parking are significantly higher than the MLB, NBA, NLH, and NFL. The increased cost of ticket prices at these events could limit the number of families who attend events. However, revenue from the NFL appears to be consistent and steady; therefore reducing the ticket costs may only result in profit loss.

Concessions across sports events ranged from $1 to $10 with most averaging somewhere in the middle. Greater cost was associated with alcohol (beer). Ballcaps ranged between around $12 to nearly $30. Though there is variability in the cost of hot dogs, soft drinks, beer and ball caps, the greatest variability lies in parking costs. Parking costs and location can greatly impact whether or not a family of four will choose to attend a game and how much money they will have leftover to spend on concessions and merchandise.

**SWOT Analysis**

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| --- | --- |
| Strengths  Food and drinks are comparable across each sport. | Weaknesses  NFL ticket costs are significantly higher than MLB, NBA, and NLH |
| Opportunities  There is a vast disparity in parking costs between sports. If this was managed appropriately there is potential for greater purchasing power of attendees towards food, drinks, alcohol, or ball caps. | Threats  For Sporting events with exclusively high parking costs, there will be a potential decline in attendance due to this cost and a lower rate of additional purchases (drinks, food, ball caps) |

**Additional Information**

* Number of parking lots in proximity to live event
* Number of parking spots available at each lot
* Nearby business lots unused at time of event

**Goals and Objectives**

To provide a variety of parking options of lower rates for MLB, NBA, NLH, NFL events:

Objective 1: Discover which businesses close early with open lots available to attendees

Objective 2: Provide proposal to above businesses to provide additional parking at lower cost

Objective 3: With decreased expense in parking, fans will have greater purchasing power for drinks, hot dogs, and ball caps.

**Market Segmentation**

By targeting businesses who have already closed, there is potential for a common interest. Lots dedicated to office spaces where employees have left by 5 pm or are closed on weekends will benefit from receiving extra income from sports fans if they choose to offer their lots. The reduced rates (ex: $5 total) could encourage more families to purchase higher priced tickets, drinks, and fan items. Often times these lots remain locked and are unused near and around game event times. There is potential for mutual benefit.

**Marketing tactics**

Objective 1: Discover which businesses close early with open lots available to attendees

Target: Office buildings, medical facilities with business hours, and nearby lots exclusive to business professionals which typically remain closed after business hours and/or weekends

Tactics: Propose that lots be repurposed in after hours to provide access to game attendees at low cost

Objective 2: Provide proposal to above businesses to provide additional parking at lower cost

Target: Lowering cost of parking

Tactics: Participating lots will be able to incur additional income after hours and sports goers will be able to receive a lower rate.

Objective 3: With decreased expense in parking, fans will have greater purchasing power for drinks, hot dogs, and ball caps.

Target: MLB, NBA, NLH, NFL game attendees

Tactics: By having lower cost at parking, families are able to spend more towards tickets, beer, hot dogs, drinks, and ballcaps

**Summary Grid**

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| --- | --- | --- | --- |
|  | *Objective 1 – Identify Parking Lots*  *Target – Businesses closing early* | *Objective 2 – Propose Relationship with Business Lots*  *Target – Businesses closing early* | *Objective 3 – Additional Revenue Spent at Game*  *Target -Game Attendees* |
| *Product* | Parking | Additional earnings for business lots after hours from game day attendees | Hot dogs, soft drinks, beer, and ballcaps |
| *Price* | $5 | Varies depending on available lot size | Up to $55 redirected to game affiliated purchases |
| *Place* | Near game events | Business parking lots | Sport event |
| *Promotion* | Reduced price results in greater sales at game event | Additional parking space available for sport attendees at a lower rate (increasing purchasing power) and simultaneously providing additional income on after hours for business lots | For parking lots as high as $60 this would save fans $55 for which they could repurpose towards concessions or souvenirs thereby raising overall profits |

**Conclusion**

With small shares in the MLB, NBA, NHL, and NFL it is important to ensure that the greatest earning potential is achieved at events. While some sports tickets naturally come at a higher cost (NFL) almost all sports could benefit from a reduction in parking costs. The reduction in parking will allow for greater purchasing power among the average family allowing for greater ticket sales, concessions, and merchandise.