

# [Indianapolis colts marketing assignment](https://assignbuster.com/indianapolis-colts-marketing-assignment/)

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The process is then filtered down to managers (coaches) who are able to exploit employees (players) strengths that would have otherwise gone UN-noticed and fill their systematic needs. As a result, the end consumers (fans) and sponsors are able to make themselves or their company synonymous with a winner. The key to this formula is not Just one part but a combination of complex factors that facilitate the end result, winning football games. SOOT Analysis Internal Strengths An important strength that was stated above is the ability to find talent.

This lies directly in the hands of the team president Bill Poplin. In a league where so much emphasis is put on the individual, Poplin focuses more on team cohesion, character, and fitting into a specific system. Startling as it may be, the Colts Super Bowl team featured 15 (out of 22) starters who were drafted by this man. His first pick came in 1998 (Peyote Manning) when the Colts owner Jim Arias gave up a third round pick to the Carolina Panthers In order to acquire Pollen’s services (Efferent).

Instead of signing high priced free agents like most other teams are tempted to do because of he short-term benefits, he Is more Inclined to be more economical and tap hidden resources. Then, If you develop within the system Pollen will likely reward a player’s effort volcanically. Even with all of the success the team has had, it is even more remarkable to find it ranked 29th in team salaries for the 2010 season (NFG Salaries 2010). These abilities of Poplin, provide the organization with a distinctive competence because it is unique and has been unmatched by rivals.

Another strength that should not go unnoticed is the seamless organizational changes the Colts have been able to make. For example their coach Jim Caldwell, who is entering his second season as head coach, was an assistant coach for seven years in a number of positions before taking over for Tony Dungy 0. This recent trend has been happening at all stages of the organization, from players all the way up through ownership. By giving ownership, coaches, and/or players time to mold the next person Into line; the chances of failure are reduced, and the brand can continue to thrive.

This would qualify as a core competence because It Is an essential part of their strategy and resides in the staff and knowledge based. Theatres a retractable roof, seating capacity of 63, 000, two enormous high definition television screens, 137 suites, and a grand view of the Indianapolis skyline (Lucas Oil Stadium). So far for the 2010 season, the stadium has been filled to an average capacity of 67, 072 (2010 Football Attendance). The playing surface is composed off synthetic turf, which is very much like grass but does not require detailed attention on a daily basis and is more cost-effective.

By only having to invest 100 million of out the 725 million it cost to build, the Colts were able to minimize their level of capital exposure and still maintain a consistent winning attitude (Lucas Oil Stadium). Internal Weaknesses Like any other organization, the Colts have their own internal troubles. Sometimes it is hard to fathom a weakness within such a successful organization? Well, there are a wide variety ranging from all spectrums but main concerns center around a key player’s contract, and the market in which the Colts exist.

Whether or not people like it, Peyote Manning is the face of the franchise for the Indianapolis Colts and has been for quite some time now. His contract is due to expire after the 2010 season, making him a free agent and the ability to sign with any other team. Arias has made remarks to the press several times that he intends on making his franchise quarterback the highest paid player in history but has not made good on his word as of yet. The uncertainty for the 2011 season and the market in which the Colts exist is probably a driving force behind a delay in Meaning’s new deal.

Even though Indianapolis is the 1 lath largest city in the United States sport organizations like the Colts who are rather successful are still being dwarfed by larger market. For instance, last year the Redskins who were a losing franchise still managed to create a revenue stream of $345 million. As for the Colts, who made it to the Super Bowl and have had sustained success? They could only manage $233 million and will still below the league average of $236. 7 million (Schistose). External Opportunity We’ve already discussed the relevance of the new Lucas Oil Stadium for home football games but it actually serves a larger purpose.

There are only ten home games each year including pre-season games and that leaves a significant amount of time where football is not being played. The organization has been able to realize this and capitalize on the opportunity to increase revenue that is not shared with the rest of the National Football League. Seating capacity can either be reduced to 41 , OHO or expanded to 70, 000 seats in order to cater to events such as basketball games, conventions, concerts and other marquee events (Lucas Oil Stadium).

Another opportunity is Super Bowl COLI that is to be played at Lucas Oil Stadium in 2012. This will be the first time the city of Indianapolis will host such an event that used to be primarily played in warm weather cities. The economic impact of is the suggest upside for the city and could be in the neighborhood of $450 million the rest of the world to observe how great of a city and venue the host has provided. If all goes well, there could be a potential for another Super Bowl to be played at Lucas Oil Stadium.

External Threats The biggest threat facing the Colts organization externally is the possibility of a lockout for the 2011 season. There has been no agreement between the players union and owners on revenue percentages that are distributed to each. With each passing day, it looks more like a reality for this to happen. Basically, no one wins if here is a lockout because the potential to make money is gone. Television revenue will be the only money coming in and will eventually have to be paid back when football games do resume.

Listed below are some additional parts to the analysis: SOOT Analysts Strengths: I Weaknesses: I \* Front Office ; Coaching Staff \* Consistent winning team \* Studiousness \* Brand Image/Reputation I \* Smaller market \* Player contracts I Opportunities: I Threats: I \* Super Bowl in 2012 \* Loyal fan base \* Outside events I \*Possible league lockout in 2011 \* Other local teams (Pacers, Indians, etc) \* Struggling economy I Benchmarking Benchmarking is a tool that allows a company to determine whether its performance of a particular function or activity represents the “ best practice” when both cost and effectiveness are taken into account.

This is something that we do subconsciously all the time. We always want to know what it takes to put out our product, and then we want to know how much it costs for our competition to put out its product. It is human nature to want to improve, and especially in the USA, improvement is demanded. Setting benchmarks for an organization is essential and it guides how the company makes decisions. With the Indianapolis Colts being a member of the NFG, it is very difficult to discover any in depth financial that are revealing. But one was very interesting to me.

As we have mentioned earlier, one of the key success factors for the Colts, is a winning team on the field. To have the winning team you need players and the Colts overall payroll in 2010 was 5, ranking 29th (NFG Salaries). It is interesting that the Colts have been able to put such a consistent, winning, on field product that even wins league championships, paying less in overall payroll than 28 other teams. It attests to the fact that it is more than just players that win games. The Colts have had a consistent coaching staff as well.

Of the current 19 coaches on staff, 10 of them have been with the organization for 8+ years (Colts Coaches). Having the same coaches year in and year out provide stability coaching staff together are innumerable and invaluable. One statistic that is easily measurable is the ticket price of the games. The average ticket price for a Colts game is $54. 35 which puts them below the league average (Sports Ticket Price Guide). One this is great Just for economic reasons, but it also fits the fan demographic of the typical Colts fan. In both 2009 and 2008 the colts averaged over capacity at their new home Lucas Oil Stadium.

In 2009 they were 1 of 8 teams that averaged over capacity (NFG Attendance) Value Chain Analysis The Indianapolis Colts have a core product of football that they are selling to their customers. However, customers can see football games at high schools, colleges, or other professional teams, so they must set themselves apart from their competition. The Colts add value to their brand of football in a variety of ways. Michael Porter’s value chain allows a look at each action the Colts perform in order to create the best reduce possible. There are five primary activities that the team undergoes during the process of adding value to its product.

These are sales, marketing, sponsorships, operations, and service. Operations Operations cover a wide variety of issues for the Colts. Running a football team takes a large amount of effort and resources. The Colts play in one of the best stadiums in the NFG, which immediately adds value to the product the team is selling. Fans want to see a game in an enjoyable atmosphere with top notch facilities. Lucas Oil Stadium provides this. Stadium Journey rated Lucas Oil Stadium as being the best agility and having the best atmosphere of any stadium in the NFG (Bleacher Report).

Having top notch facilities is important to the fan and can bring in a significant amount of money. Running such a stadium takes a large staff. The Colts employ grounds crew and parking operations employees and also have many other Jobs that are better covered by other parts of the value chain, such as marketing and ticket office staff and game day workers. Stadium operations and grounds crew workers are employed directly by the Colts, but parking attendants are outsourced by the team. While important to the team, these resources are better used in other ways, so allowing another company to handle this is a better option.

Operations also cover the coaching staff and players. If a good product is not put out on the field, fans will not attend the game regardless of how nice the stadium is. The Colts have done a great job over the years of putting together a top-notch team year in and year out. In 2009 the Colts went 14-2 in the regular season, a winning percentage of 87. 5%, the best record in the NFG. They won their division and the AFC Championship before eventually losing in the Super Bowl. Even with the loss, the Colts appeared in their second Super Bowl in four years, adding an extreme amount of value to the product.

Fans want to see their team win, and the Colts have done this better than almost all other teams. Since 2000, the Colts have the fifth best record in the NFG, out of 32 teams (Best Football Talk). Operations are the first step to building a successful team, as you cannot run a franchise without players, coaches, a facility, and staff. Marketing After a team, facility, and stadium staff are put together, the team must make itself now to its potential customers through marketing and promotions. NFG teams have to market themselves well in order to build up value for their franchise.

The Indianapolis Colts hire an in-house marketing team to bring out their name. While marketing employees internal in order to have better control and accountability. This staff is responsible for getting out into the community, both physically and virtually, to make sure local residents know everything that is going on with the team. They create billboards and advertisements for the community to see and also run promotions during games. These two areas are extremely important to the team. The fans must know when the team plays and any special offers and contests the team is running in order to be convinced to buy tickets.

While at the game, the marketing department handles all on-field promotions and games with the intent of grabbing the interest of fans. The atmosphere is vital to a great fan experience and it is the marketing staffs Job to make sure this happens. While cheerleaders are not officially within the marketing department, they are strongly related and the two departments often work in conjunction. The heralding squad is also run internally by the team, which is different from many other teams, who outsource their cheerleaders. Cheerleaders work only part time for the team but also make many appearances outside of the stadium.

They take part in marketing events and player appearances in order to garner more attention for the Colts. They are also often involved with in-game promotions. The Colts spend a significant amount of money advertising, as can be seen from the amount of billboards and commercials in and around Indianapolis, but this money brings a considerable quantity of revenue to the team, making it vital to their ay-to-day operations. The marketing team also works closely with the ticket operations staff, but currently the Colts have chosen to keep them under separate departments.

Sponsorships Sponsorships bring in an enormous amount of revenue to teams. Franchises must work with other businesses to advertise. This works both ways. The Colts are able to attach their name to local and national companies, and in return those companies are allowed to use the Colts name and logo on its products. Both sides gain revenue and exposure from this type of deal. Sometimes businesses do not have the money r staff to get too involved with the team, and instead simply buy a space inside the stadium to advertise their company.

This could be a commercial on the screen during a game or posted signs around the stadium. Possibilities are nearly endless for this type of operation, and the Colts have a team in place to figure out what is most appropriate for each business client. The corporate sales team, like the marketing and ticket operations departments, is handled internally. Major clients of the Colts include Union Federal Bank, Marsh Supermarkets, Papa John’s, Lucas Oil, Toyota, and Forum Credit Union (Colts. Com). The partnership between the Colts and these companies brings credibility to both parties.

Many people will buy products simply because the Colts logo is on them, and seeing the logo reminds them of the Colts, which can lead to increased ticket sales, yet again, a valuable part of the franchise. Sales After the foundation of the team is set up with its stadium and operations staff and the games themselves must be sold. Ticket sales are the most important part of any sports team. If fans do not come to the stadium, not enough money will be made to support the team. The value added by marketing and sponsorships plays largely into sales.

Marketing creates sales leads that the ticketing department can follow up on and also creates awareness about the team, causing people to buy tickets. The Colts and other teams use techniques such as cold calling and great customer service to entice fans to purchase tickets. The Colts are currently in a near perfect situation because they do not have to work too hard to sell their tickets. Every Colts home game in 2009 was sold out. The average attendance at those games was 66, 549. Lucas Oil Stadium only holds 63, 000 fans, so the average capacity rate was 105. (Business First). With sold out games the Colts are able to save money on employees and bills because there are not any single game tickets to sell. This is a major competitive advantage compared with many other teams. But ticket sales are down across the NFG and there will most likely come a time when tickets are not sold out. The Colts have a staff that is prepared to handle a situation where targeting specific potential customers is necessary. The employees of the Colts will use warm and cold calling and other techniques in order to bring fans back into Lucas Oil Stadium.

As tit other departments, the Colts run their sales staff internally. Full-time, part-time, and internship positions are available with the team. While outsourcing the staff may save money up front, instead the team is able to train their staff how they want and they have better control over all sales decisions that are made. The distribution of tickets costs the team money, but service and processing fees are added onto the order to account for these expenses. This allows the team to keep more of the revenue gained from each ticket. Tickets can be purchased online, over the phone, or t the ticket office itself.

This is very valuable for fans as it provides flexibility based on what is easier for each individual fan without adding too much more of an expense for the team. With many different price levels, seating preferences, and handicap accessible seating, customers are able to choose which combination of price and location is best for them. Having such a wide variety of options adds great value to the ticket office and in turn the team itself. Service Creating the best possible fan experience means following up with the customer even after the ticket sale has been completed.

The Colts have a large staff of employees in order to serve customers, both during the week and on game days. They provide support for any problems customers experience, sell concessions and merchandise, and have the ultimate goal of improving the fan experience. Fans have different needs and having a staff to take care of those needs is very important. Ushers, concession workers, security, and simply having people around to ask questions to, in addition to workers in operations, marketing, and sales, are vital to creating a smooth, fun experience for the fan.

From personal experience, the Colts eave a well-trained staff that is better than most other organizations. These positions are outsourced to a variety of companies. Security and crowd management is run by a company called Contemporary Services Corporation (SC). The Indianapolis branch resources of the team and stadium. Concentrate, a hospitality company based out of Connecticut, currently has the bid to run concessions for the team. Outsourcing these positions frees up both time and money for the Colts.

Rather than training and supervising these extra hundreds of employees, the Colts can focus their efforts on he most important issues – ticket sales, operations, marketing, and sponsorships. Because of the mass of money and customers, any major company would love to have the Colts as clients. This means the companies bid on working for the Colts, so the Colts end up with the best possible price for their needs. These five primary departments form together to create the brand of the Colts and the product of football. Each of these parts adds a significant amount of value to the product, enticing fans to purchase tickets.