

TheCaseSolutions.com

CORE COMPETENCIES:

1. CORRECT PROBLEM TO POSSIBLE ROOT CAUSE

Economic Issues

- Lower advertising = less sponsorship

2. OPERATIONS TO IMPROVE

On the Track

- On the Track
- On the Track
- On the Track

EXPERIENCE OF THE RACE

- Dependability
- Consistent

patrick

SITUATION ANALYSIS

Internal Environment

Strengths

- Strong brand name
- High quality products
- Extensive distribution network
- High customer loyalty
- Strong financial position

Weaknesses

- Limited product range
- High production costs
- Limited marketing budget
- Limited R&D investment

3. PROBLEM IDENTIFICATION

External Environment

Opportunities

- Growing market for sports cars
- Increasing demand for high performance vehicles
- Growing interest in motorsports

Threats

- Intense competition from established brands
- Fluctuating fuel prices
- Changing consumer preferences

SEGMENTATION AND TARGETING

Customer Focus

Target Market: High performance sports car enthusiasts

Exclusions

Low performance vehicles, mass market cars

Market to Change

Expand into emerging markets, increase global presence

Position

Position: Premium sports car brand with a focus on performance and reliability



SPEED LIMIT NONE



BY: LISA, KYLE, ANDY AND ALICE

3. DEVELOPED RESPONSES

Market Growth Strategy

- Increase production volume
- Expand into emerging markets
- Invest in R&D for new models

Brand Equity

Strong brand recognition and customer loyalty

STRATEGIC ALTERNATIVES

Cost Reduction Strategy

- Review production process for inefficiencies
- Negotiate with suppliers for better terms
- Optimize logistics
- Explore alternative materials

COMPETITIVE ADVANTAGE

Brand Image

High performance and reliability

Brand Loyalty

Strong customer loyalty and repeat purchases

RECOMMENDATIONS

Keep focus on emerging ethnic markets

Sponsor racing events with other leagues

Family focus is key!

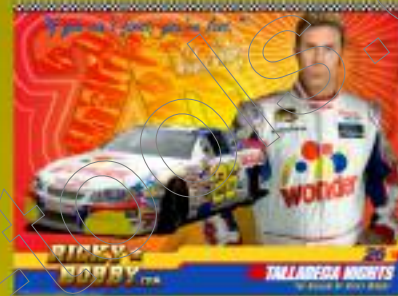
Increase Market Share

SWOT	
Strengths <ul style="list-style-type: none"> - Strong brand name - High quality products - Extensive distribution network - High customer loyalty - Strong financial position 	Weaknesses <ul style="list-style-type: none"> - Limited product range - High production costs - Limited marketing budget - Limited R&D investment
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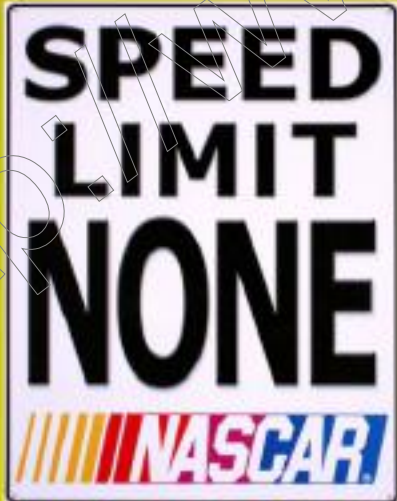
3.



NASCAR

name

Who do



BY: LISA, KYLE, ANDY AND ALICE

Quick overview of NASCAR case

- 100 race tracks
- Expensive media coverage
- 2nd in popularity to NFL
- France family; owner
- Early corp. sponsors: Ford, GM, Chrysler
- R.J. Reynolds Tobacco
- 75 million fans
- Broadcasts in 150 countries, 30+ languages

2. CONNECT PROBLEM TO

Economic Issues

- lower viewership = less sp

1. PROBLEM DEFINITION:

SITUATION ANALYSIS

POTENTIAL?

Awareness to ethnic groups and women...

Hispanic market in US and Mexico

CURRENT

Demographics (Network)

- 25-34 years old 20%
- 64% married
- 88% high school graduates
- 27% have been to college
- 72% are full-time employees
- 27% are in a Professional/Managerial position, 31% work in sales



75% of fans have 40% women!!
Women spending \$2.8 billion on NASCAR licensed products
2nd highest in female viewership

Audience:

RELATIONSHIP WITH NASCAR PRODUCTS

what is NASCAR selling?

37% of NASCAR fans trust licensed NASCAR products more
NASCAR "community"
consumers spend about \$2 billion on licensed products

loyal to the brand!

Internal Environment:

Current objective: Keep people attending races
+ Strategy: reduce ticket cost to 40%

NASCAR partners with other companies: Co-Branding
+ pressure for the driver to get sponsored



Is too much co-branding good or bad?

Human relation aspect to advertising with drivers

France family... tyants of NASCAR

External Environment:

Economy... not working to NASCAR's advantage

Increasing Environmental consciousness

5 FORCES OF INDUSTRY PROFITABILITY

- Competitive intensity?
- Threat to new entrants?
- Buyer power?
- Substitutes?
- Suppliers?



SEGMENTATION AND TARGETING

Segmentation

Targeting with Multiple Segments (NASCAR)



Customer Focus

Creating Relationships

How NASCAR uses segmentation to build relationships with customers

MAIN TARGET



"All American" Branding

How NASCAR uses branding to create a sense of community and loyalty among fans

Ability to Change

Segmentation by Demographics



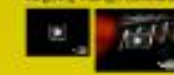
Segmentation by Interests



Focus on Families

How NASCAR uses segmentation to focus on families

Targeting Younger Generation



Extentions

How NASCAR Uses Segmentation:

(How NASCAR uses segmentation to build its brand and grow)



Sponsors

Product Differentiation

89% of consumers believe the NASCAR name on a product alludes to quality

82% believe it is a good value

66% will pay more for a NASCAR product

SITUATION

POTENTIAL?

Awareness to ethnic groups and women...

Hispanic market in US and Mexico

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CURRENT

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- 25-34 years old 29%
- 64% married
- 88% high school graduates
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- 27% are in a Professional/Managerial position, 21% work in Sales

Audience:



75 million fans 40% women?!...
Women spending \$250 million on NASCAR-licenced products
2nd highest in female viewership

RELATIONSHIP WITH NASCAR PRODUCTS

what is NASCAR selling?

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Fra

RECOMMENDATION

and women
Hispanic market in US and

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Audience:

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Inter

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RELATIONSHIP WITH NASCAR PRODUCTS

what is NASCAR selling?

Source: NASCAR
Source of revenue: Race Tickets, Apparel, Toys,
Video games...

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R selling?

Entertainment.

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AR produc

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Inter

Current

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RELATIONSHIP WITH NASCAR PRODUCTS

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EVALUATION ANALYSIS

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Is too much co-branding good or bad?

Human relation aspect to advertising with drivers

France family... tyrants of NASCAR

ATION AND TARGETING

Well it's not golf or tennis...



<http://www.pdf-tools.com>

EVALUATION ANALYSIS

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DEFINITION:

External Environment:

Economy... not working to NASCAR's advantage

Increasing Environmental consciousness

5 FORCES OF INDUSTRY PROFITABILITY

- Competitor intensity?
- Threat to new entrants?
- Buyer power?
- Substitutes?
- Suppliers?



Competitive intensity:

- competing with NFL... huge
- broad distribution
- growth was slow
- high cost

Threat to new entrants:

- difficult to enter and exit

Buyer power:

- viewer has many alternatives to entertainment that they have
- buying power

Substitutes:

- NFL?
- Formula 1?

Suppliers:

- Co-Branded
- Television Networks

Increasing Environment

5 FORCES OF INDUSTRY PROFITABILITY

- Competitor intensity?
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Competitive intensity:

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- Co-branders
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1. PROBLEM DEFINITION:

External E

Economy... not working t

Increasing Envi

5 FORCES OF INDUSTRY POR



NASCAR is losing TV viewers as well as live viewers

<http://www.pdff-tools.com>

<http://www.pdf-tools.com>

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Strengths **SWOT** Weaknesses

- 2nd largest spectator sport
- Highest attendance
- Official co-branding strategy
- Human relation aspect

- long races
- price of gasoline
- ticket cost

Opportunities

- females interested in NASCAR
- brand loyalty
- ethnic diversity
- "car of tomorrow"

Threats

- television ratings decreasing
- compromise partnerships with co-branders
- economic downturn
- environmental concern
- "car of tomorrow"

Case Studies

CORE COMPETENCIES:

PROBLEM TO POSSIBLE ROOT CAUSE

ADVERTISING

Issues

• On the

WHERE

EXPERIENCE OF THE RACE

- Unpredictable
- Dangerous

ADVERTISING IS EVERYWHERE

- On the Drivers
- On the Cars



Clutter is not
percieved as a
bad thing

EXPE

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- I



McLaren

CORE COMPETENCIES

2. CONNECT PROBLEM TO POSSIBLE ROOT CAUSE

Economic Issues

- lower viewership = less sponsorship

EXTERNAL DEFINITION:

External Environment:

Economy... not working to NASCAR's advantage

ADVE



Segmentation

There are 75 Million fans of NASCAR

60% of consumers are male
40% are female

This means that 30 Million fans are female

45 years of age and older make up 43% of the total NASCAR market

1 in 3 Americans is a NASCAR fan

40% of NASCAR fans have kids under the age of 18
at an index of 111

GROWING MARKETS: ETHNIC DIVERSITY

10.2% of NASCAR viewers are Hispanic

8% are African American

10.2% of NASCAR viewers are Hispanic
and
8% are African American



NASCAR BY REGION

South	- 38%
Midwest	- 24%
Northeast	- 20%
West	- 19%

MAIN TARGET

- The average fan is a caucasian male or female (77%)
- With an income of around \$68,000 a year Because of most
- They are parents
- Either white-collar or blue-collar
- Have attended college



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Drivers, pit crews, o

Family values and a

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Aflac -- Official Supplementa

Bank of America -- Official E

Camping World -- Official O

Canteen Vending Services --

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Since 2001 these numbers have risen 821% for Hispanic viewers
and
686% for African American viewers



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However they still comprise a small segment of the market

SEGMENTATION AND TARGETING

Extensions

How NASCAR Uses Segmentation:

(We know better segmentation leads to better targeting)

Ability to Change

... will hopefully bring in more Hispanic viewers
... e for Diversity"

... racks built in Mexico
... merican drivers



Focus on Families

Drivers seen as honest with values

Eco-focus

"Car of Tomorrow" & Hybrids



Targeting Younger Generations



10.2% of NASCAR viewers are Hispanic

8% are African American

Since 2011 these numbers have risen 52% for Hispanic viewers
and
100% for African American viewers.



MAIN TARGET

- The average fan is a caucasian male or female (77%)
- With an income of around \$68,000 a year
- They are parents
- Either white-collar or blue-collar
- Have attended college

Because of men?



How does NASCAR earn your entertainment dollar?

<http://www.pdfbooks.com>

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Customer Focus



Creating Relationships

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Drivers, pit crews, officials and executives are available to interact with at races

Family values and a feeling of belonging to a community

South	- 38%
Midwest	- 24%
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"All American" Branding

Abil

<http://www.pdf-tools.com>

Family values and a feeling of belonging to a community

"All American" Branding

Aflac -- Official Supplemental Insurance

Bank of America -- Official Bank

Camping World -- Official Outdoor and RV Retail Partner

Canteen Vending Services -- Official Partner

Chevrolet -- An Official Passenger Car

Cintas -- The Preferred Uniform Supplier

Coca-Cola -- Official Non-Alcoholic Beverage

Coors Light -- Official Beer



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(We know better segmentation le

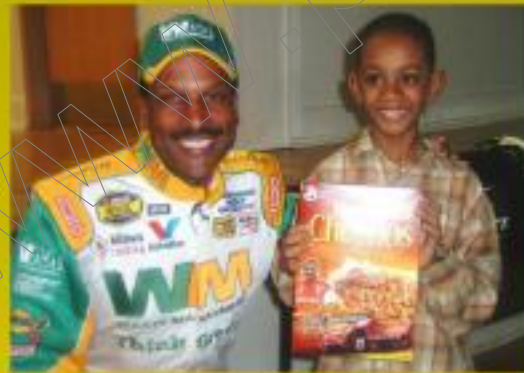
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Ability to Change

Christian Fittipaldi will hopefully bring in more Hispanic viewers
"Drive for Diversity"

Racetracks built in Mexico
African-American drivers

Such as Bill Lester



Eco-focus
"Car of Tomorrow" & Hybrids



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<http://www.off-roads.com>

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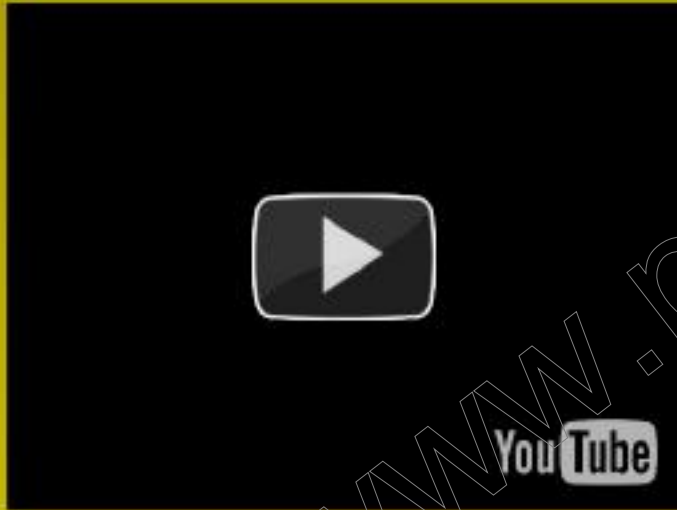
(Information leads to better targeting)

Focus on Families

Drivers seen as honest with values

Targeting Younger Generations

Targeting Younger Generations



<http://www.pdf-tools.com>

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• Substitutes?

• Suppliers?

TARGETING

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Sponsors

Product Differentiation

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<http://www.marketingtools.com>
Weaknesses

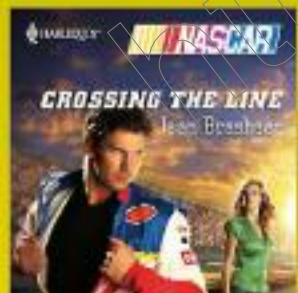
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STRATEGIC ALTERNATIVES

Cost Reduction Strategy

- lower ticket prices to increase
- work with community to lower
- lay off workers

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Which levers should NASCAR pull?

DEVELOPED RE

Which levers should NASCAR pull?

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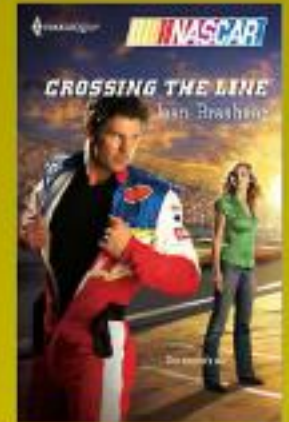
3. DEVELOPED RESPONSES

Market Growth Strategy

Increase the number of fans in underserved markets



- racial minorities
- women
- innovative co-branding
- youth



COM

Who do you think NASCAR's competitors are?



You Tube

IC ALTERNATIVES

How are the other levers affected?

Cost Reduction Strategy



- lower ticket prices to increase attendance at live events
- work with community to lower hotel prices for traveling fans
- lay off workers
- lower costs for sponsors

What are the effects on the other levers?

TIVE ADVANTAGE



How are the other levers affected by the strategic alternatives?

<http://www.pdf-tools.com>

What are the effects on the other levers?

■ FIVE DRIVERS



- lay off workers
- lower costs for sponsors

What are the effects on the other levers?

COMPETITIVE ADVANTAGE

Brand Image

- Drivers





Who do you think NASCAR's competitors are?

- F1, Indy Racing League (CART)
- Other professional sports.

What are some of N

Brand

Who do y

- F1, Indy Racing League (CART)
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<http://www.infotools.com>

DIS are!

What are some of NASCAR's competitive advantages?

<http://www.pdf-tools.com>

Do you think NASCAR's competitors are...

(NASCAR)
2013

What are some of NASCAR's competitive advantages?

Brand Equity

- Strong partnering and co-branding relationships



Brand Image

- Drivers



regular guys, regular physiques, role models

Brand Loyalty

- Extremely loyal community of fans





BY: LISA, KYLE, ANDY AND ALICE

RECOMMENDATIONS

Keep focus on emerging ethnic markets

Sponsor racing events with other leagues

Family focus is key!

Increase Market Share

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Product Differentiation

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Brand

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<http://www.officialnascar.com>

**SPEED
LIMIT
NONE**



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<http://www.pdf-tools.com>

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