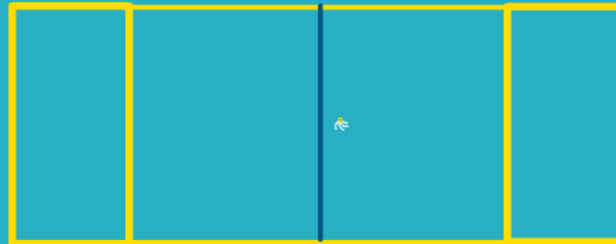


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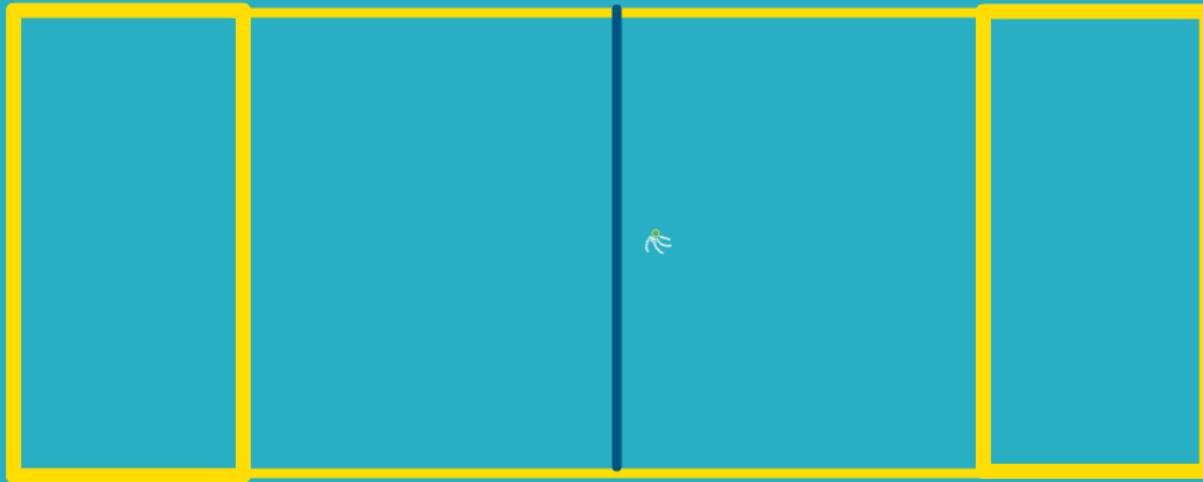


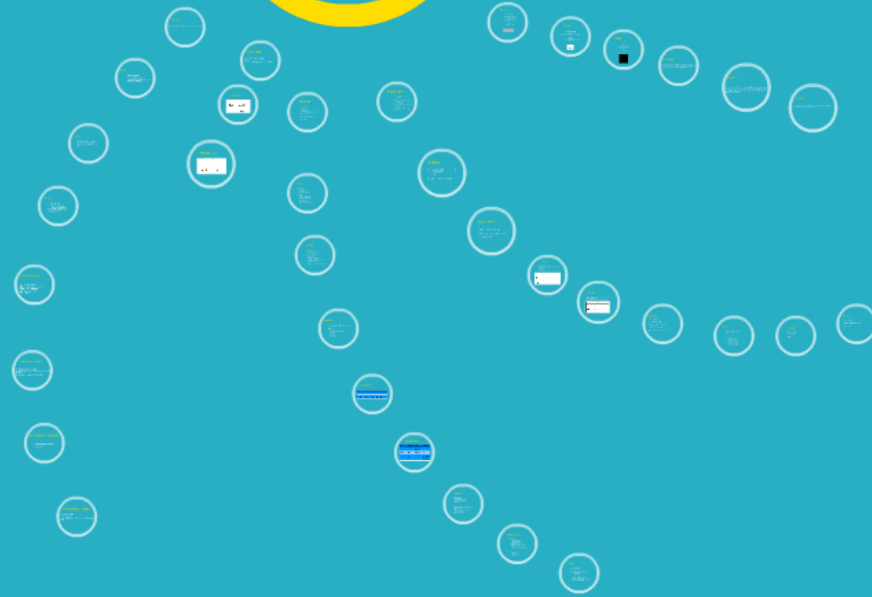
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ULTIMATE





TORONTO ULTIMATE CLUB

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Problem Statement

Toronto Ultimate Club's growth has slowed down, since the entry of for-profit clubs in the Toronto area

Objectives

- Develop a marketing plan
- Attract a specific market segment
- Develop stronger ties with young generations
- Expand to new demographics

Main Goal

Increase growth rate to 30% each year
have at least 10,000 club members in next
summer season

Background

TUC was founded in 1980

TUC is a non-for-profit organization

TUC became the third largest Ultimate club
boast membership of both recreational
and competitive players

Current Strategies-: Website

TUC has recently reinvested in updating its website, offering registration and tournament information hub, monthly newsletter to members and online archives.

Current Strategies: Sponsorship

TUC developed and sponsored Toronto-based competitive Ultimate teams competing in tournaments across Canada and the United States representing Toronto on a national and international level

Current Strategies: Partnership

TUC had pursued partnerships with various local organizations

Current Strategies: Promotion

Word-of-mouth advertising

Pre-existing social networks

Advertising during a Toronto Argonauts professional football game (no effect)

Current Position

TUC is now the third largest Ultimate club
in Canada

TUC was incorporated in 1995 as a not-for-profit organization

SWOT Analysis

Internal	Strengths	Weaknesses	Internal
	<ul style="list-style-type: none">✓ Third largest Ultimate club in Canada✓ Dedicated GM✓ Updated website✓ Specialised in Frisbee✓ Updated website✓ Sponsored Teams	<ul style="list-style-type: none">○ High turnover rate (around 500 members yearly)○ Large number of youth members leaving the city○ No real marketing: relied on word of mouth○ Weak public awareness for the sport○ Difficulty acquiring partnerships	

SWOT Analysis-con't

External	Opportunities	Threats	External
	<ul style="list-style-type: none">✓ Toronto is the largest city in Canada, wealthy and populated✓ Low cost compared to other sports (hockey, etc.,)✓ Visible minorities remain an untapped market✓ People are willing to pay more for membership	<ul style="list-style-type: none">○ Rules of Ultimate differ between organisations and leagues.○ Fierce competition from for-profit organisations.○ Field space costs are very high.○ Competing with all other outdoors and indoors activity	

Environment

Largest city in Canada

Over 2500000 people in the city

59% of playable age

43% of income is held by the playable age range

Median income 68110 in 2010

47% of population are visible minorities

Highly social culture

Growth

1995 – 1997

30% per year

Membership in 1997 >1000

1997 – 2004

Growth rate slows but continues

Membership surpasses 3000

Concern over high turnover

Despite growth, loss per year is 500+

Past Strategies

2006 – 2008

Strategic plan halts turnover
Does not translate to significant growth

Reinvested money in website

Developed competitive teams

Teams provided a public face for TUC
TUC sponsored each team and donated field space
Teams volunteered time to TUC

Partnerships with local businesses failed to generate funds

Current Strategies

Change TUC to make it more attractive to potential members

Proposals

- Rules change

- Single gender and beginner leagues

- Smaller fields

- Shorter games

- Increase in price

Current Segments

Segment	Junior	Youth	Adult
Who are they?	8 to 14	14 to 18	18+
What are they looking for?	Active play	Competitive sport, active leisure	Competitive sport, active leisure
What attraction does ultimate frisbee hold?	Low cost, parents paying, team sports for children	Low cost, social activity, fitness	Low cost, fitness, networking

Prospective Segments

Segment	Visible Minorities	Young Professionals	Post-Secondary Students
Who are they?	Ethnic groups	Mid- to late-twenties, post-secondary educated	18 – 26 year of age
What are they looking for?	Social and active method of integration	Appealing and engaging after-work fitness/activity	Social fitness activity
Why is this segment attractive?	Under-represented, an untapped market	Greater disposable incomes	Thousands of students with access to higher disposable income. More likely to engage in physical activity

Competition

Three primary sources:

Recreational Sporting Club (RSC)

Everyman Sports (Everyman)

West Side Sports (WSS)

RSC

Variety of sporting clubs and fitness clinics

Frisbee age limit is 19+

Variety of coed and women's leagues

Two seasons per year

539/season, 1129 for both

Competition cont'd

Everyman

Sport and social club

10000+ players annually

Numerous activities

Ultimate frisbee four nights/week

Two seasons

Price ranges from \$333 - \$476 per season

WSS

Sport and social club

Offers sport clinics

\$500 per season

Concerns

Competing clubs will impact TUC's
market share and growth rate

Negative impact on development of the sport
Fracturing of population
Competing systems of rules

300+ other fitness clubs in the Toronto area
People have reduced time and income during summer months
Continuing effect of economic recession

Financial Analysis

Total revenue/player = membership fee + registration fee
= \$65 + \$53.33
= \$118.33

Unit variable cost = Average cost of field for each team / 15 teams
= \$1,471.25 / 15
= \$98 per member/per hour.

Total play hour is: $15 * 2.5 + 8 * 2 = 53.5$ hours.

Average cost of field for each team: $(\$55 * 53.5) / 2 = \$1,471.25$ per term/per field

Unit contribution = Revenue - Variable costs
= \$ 118.3 - \$98= \$20.22 per unit

Assume In 2009 the board will commit 8% of TUC's operating budget
Fixed cost: $\$500,000 * 8\% = \$40,000$

Break Even

Break even = operating budget / unit contribution
= \$40,000 / \$20.22
= 1,978 members.

Break even sales: $1,978 * 65 = \$128,586$

Expense on promotion

2008 operating budget: around \$500,000

2009 Board commit: 5%-10% of TUC's operating budget

Promotional budget: \$50,000

Edge

Our target market: 20-25 ages

800,000 weekly listeners

72% between the ages 18-44, assume half of them are age 20-25 which is 36%

\$50,000 / \$300=167 days

Assume 0.5% will sign up

$800,000 * 36% * 0.5% = 1,440$ members

Time of Day	Rate per 30 seconds	Days
Breakfast	\$300	167
Midday	\$275	182
Drive	\$250	200
Evening	\$125	400
Overnight	\$30	1667

Toronto Star

Target market segment for UTC: $1000,000 * 22\% * 20\% = 44,000$ readers

Assume 3% of readers will take action

Total prediction member amount would be: $44,000 * 3\% = 1,320$ members

1/4 PG		
Days	Cost	Times
M-F	\$14,394	3
Saturday	\$19,192	2
Sunday	\$9,595	5

CBS Outdoor Canada

Bus interior :budgets about \$50,000

465 million twelve-month ridership on the TTC

Target market of age 20-24: 6.9 % in Toronto age demographics,
assume 1/6 of 6.9% will sign up

Assumed that 0.2% sign up for a membership

Total prediction amount member: $465,000,000/12 * 0.2\% * 1.2\% =$
930 members

Facebook

Convert into US dollar: $\$50,000/1.25 = \$40,000$

As our target is 20-24 age

Assume 0.5% will sign up

CPC : $(\$0.22 + \$0.36)/2 = 0.29$ average cost
 $\$40,000/0.29 = 137,931$ times
 $137,931 * 0.5\% = 690$ members

CPM: $(\$0.10 + \$0.16)/2 = 0.13$ average cost
 $\$40,000/0.13 = 307,692$ views
 $307,692 * 0.5\% = 1,538$ members

Key Success Factors

Awareness and reputation

High quality service in GTA

Effective location

Key Uncertainties

Acceptance from customers

Downturn Economic environment led low consumption

Reaction from competitors

Alternatives

Alternative 1: Facebook

- Pros:
- Fast and very easy to implement
 - Great market reach / high usability
 - Potential Spillover
 - Low costs compared with other methods

Cons:

- People ignore ads online



Alternatives

Alternative 2: Toronto Star

Pros:

- Largest daily newspaper in Toronto - Large sports section

Cons:

- Very High costs
- Only 20 percent readers in the target market



Alternatives

Alternative 3: EDGE radio

Pros:

- Very popular radio station in Toronto
- Advertisement is produced by the station
- Rock genre aligns with target market

Cons:

- Ads are short and not long lasting



Recommendation

Facebook advertising. Facebook can bring 1,538 new members through CPM. Revenue: $(1,538 * 118.33) - 50,000 = \$131,991$. Perhaps providing a special Facebook promotion will help sustain the short term growth from the influx of the new members towards a more long term period.

Short Term

On the short term, to test the effectiveness of this strategy, TUC should invest \$20,000 and “have a feel” of how Facebook users react. If successful, the rest of the money should also be reinvested to reap the benefits of market awareness. If no success is measured after the initial investment, we should resort to a contingency plan.

Contingency

After investing the initial 20,000 in Facebook's advertising with no result, we can invest the rest
($20,000 * 1.25$) = \$25,000 CAD in EDGE radio advertising

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