TaylorMade R9 Driver by TaylorMade-adida<u>s Golf</u>

JaylorMade

PRT476

Sport Marketing Plan

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Executive Summary

The TaylorMade R9 driver is currently the number one driver on the market today. It utilizes patented Flight Control Technology – something that no competing company has replicated. We seek to develop a strategic marketing plan geared toward not only maintaining, but expanding the R9's dominance in driver sales as compared to other top brands. We seek to target specific groups of individuals we believe will have the greatest interest in the R9, as well as targeting those who can afford the premium product.

In order to target these specific groups of people we have developed a strategic plan. The plan contains four pillars in which we have based our entire plan on.

- Market to outlying areas
- Transition light consumers to medium consumers
- Increase sales 15 to 20 percent
- R9 product differentiation

We have established specific tactics which will enable our organization to fulfill the marketing strategies set forth in the plan. Some of our creative tactics are unique, others are reliant marketing staples. Examples of suggested tactics include the following:

- R9 Product Test packages
- R9 Demonstration Events
- Television advertisements

After conducting all tactics our organization will then conduct an evaluation on the effectiveness of the marketing plan using a variety of evaluation types. Following the evaluation of the first year of use, the plan will be extended to additional markets. We expect this plan to last approximately three years and will be followed by an enhanced, new plan geared towards the latest products that TaylorMade has to offer.

TaylorMade Golf

TaylorMade Golf is a subsidiary of TaylorMade-adidas Golf Company. TaylorMade was founded as a small start-up company in 1979 by Gary Adams, inventor of the metalwood club. It is based in Carlsbad, California, and is a U.S. headquartered subsidiary of the German based adidas Group. International corporate headquarters are located in Mulgrave, Victoria, Australia. TaylorMade Performance Labs has corporate headquarters located in San Diego, California.

Mission Statement and Goal Achievement

TaylorMade-adidas Golf's primary objective is "to be the leading performance golf company in the world in terms of sales and profitability." The company combines three of golf's most well-known and respected brands: TaylorMade, adidas Golf and Ashworth. The segment's primary foundations are to continuously develop and commercialize innovative, technologically advanced products while maintaining credibility through high visibility on professional golf tours. TaylorMade also leverages brand equity through the creation and execution of new marketing and retail initiatives, as well is improvements in global distribution to impact long-term growth.

TaylorMade consistently evolves and debuts new golf technologies, as one of its goals it to introduce at least one major product innovation or evolution every 12 to 18 months. This type of commitment propelled the R9 to become the leading driver model on the PGA tour and one of the best selling models in the United States in 2009.

TaylorMade History

In 1997, TaylorMade transitioned from an independently owned company to a co-brand of TaylorMade-adidas when adidas Group purchased the company. Following the acquisition, the company shifted its focus to become the leader in drivers amongst its competitors. In 2005, TaylorMade brand drivers became the top selling driver in golf. The following year, TaylorMade-adidas Golf broke \$1 billion in its yearly revenue. This was only the second time in history that a golf brand reached the \$1 billion mark in annual revenues.

TaylorMade has built its image around being the leader in golf product innovation. One of most pivotal moments in this innovation was the debut of the R7 Quad line in 2004. This product was the first of its kind in the golf industry. The R7 Quad utilizes Moveable Weight Technology, which features moveable weight cartridges on club, allowing for a reduction in the effect of golfer faults. Since its introduction to the market, the R7 Quad has been the best-selling driver in the amateur market, as well as the most-used driver on the PGA Tour.

Prior to the development of the R7 was the R5. In innovative TaylorMade fashion, the company has developed and released its newest product – the R9. The R9 clubs and irons use the same Moveable Weight Technology, but have been further developed, in addition to a change in aesthetic design.

R9 Driver: Product Information

TaylorMade offers four different variations of the R9 driver: R9, R9-TP, R9 460 and the R9 460-TP. For purposes of this proposal, the focus will be solely on the R9.

The primary difference between the R9 and R9 460 is the size of the club head. The United States Golf Association (USGA) set forth size regulations for the size of a club head, which is 460 cubic centimeters (cc). R9-TP and R9 460-TP drivers are Tour Preferred drivers. These are the drivers that the Tour Staff Professional players use.

R9 drivers are available in left or right-handed form and are built upon the following specifications:

- Moveable Weight Technology
- 418 cc, 420 cc or 422 cc club head
- 8.5°, 9.5° or 10.5° loft
- 59° lie angle
- 45.25" club length
- up to 75 yards of side to side adjustability (following club face adjustment)
- 10 different shaft versions with various specifications suited to fit the individual golfer
- Inverted Cone Technology (CT)
- Ultra-Thin Wall Technology

TaylorMade's Flight Control Technology (FCT) allows a player to easily adjust the driver's loft, lie and face angle. FCT utilizes a metallic sleeve which is positioned over the tip of the club shaft. This sleeve can be rotated in different positions, changing the characteristics of the club head by loosening a bolt which secures the sleeve and shaft into the club head.

Moveable Weight TechnologyTM (MWT[®]), is discretionary club head weight which can be redistributed with ease by the player. By moving differently weighted cartridges, using a proprietary TaylorMade wrench, into strategically positioned ports, the center of gravity (CG) location can be optimized based on the individual. By positioning more weight in the heel and less in the toe, club head rotation is sped up during the forward swing, which promotes a draw and/or reduces a slice – something that every golfer wants to avoid.



Each golf company (TaylorMade, Titleist, Callaway, etc.) has a select number of Tour Staff Professional, or, professional golfers that utilize and represent the respective company's products. TaylorMade boasts 44 PGA Tour Staff Professionals, including Sergio Garcia, Kenny Perry and Mike Weir. Additionally, TaylorMade has 10 European Tour Staff Professionals, 4 Champions Tour Staff Professionals, 2 Nationwide Tour Staff Professionals and 2 LPGA Tour Staff Professionals.

On the PGA Tour, nearly all of the TaylorMade players currently use the R9 as their club of choice. This is undoubtedly the number one marketing tool for the TaylorMade brand.

Internal Analysis

The Adidas-golf Group has three brands that are associated with providing products within the golf industry. The R9 driver club line is one distinct advantage that TaylorMade has over its competitors. This is a major strength to the organization because if your customers perceive that the product is technologically advanced and will provide them any added advantage on the golf course, then the product will more than likely be purchased over a similar product offered by competing companies. Another strength of the TaylorMade brand is that the company works to develop and produce a new version of clubs every 12-18 months, which keeps the brand fresh and competitive in the industry.

The R9 driver developed by TaylorMade is the number one driver used on the PGA tour, which indicates that the R9 driver is the top technologically advanced driver in the marketplace today. TaylorMade is also the leading company when it comes to selling clubs in the metalwoods (drivers, fairway woods, and hybrids) category. It holds a 30 percent market share and holds a substantial lead over the closest competitor in the category.

While TaylorMade does hold substantial gains in the metalwoods category, they are continuing to build momentum in other areas of the golf bag as well. TaylorMade strives to expand their own line of putters, wedges, and irons, which are not current leaders of the market share. With TaylorMade focusing most efforts on the R9 driver, other brands take advantage and have become specialists in developing top quality putters and irons. TaylorMade is focusing on developing its line of golf balls as well and took a major step toward gaining more market share when Yong-Eun Yang captured the PGA Championship using a TaylorMade golf ball. However, by not having the market share with other club types, TaylorMade finds themselves vulnerable to competition and possible domination in market share among competing companies.

The price point in which TaylorMade sets their R9 line is both a strength and a weakness to the organization. By setting the price points to premium levels it ensures that the brand will be perceived by customers as a top brand that offers technologically advanced products. By setting the price points at the highest levels in the marketplace the company is excluding a vast majority of consumers who fall in the middle to lower income levels who may not be able to afford the golf club. Those consumers may choose to defect and choose a cheaper brand.

TaylorMade not only has work to do when it comes to other golf clubs in the bag, but they also have little market share when it comes to developing apparel and accessories golfers need. The Adidas

Group acquired the Ashworth brand recently and has used their own technology, such as the patented Adidas Clima-Cool, to enhance their position within the marketplace. However, other companies hold a greater market share when it comes to outfitting golfers in the footwear and clothing portions of the industry.

External Analysis

TaylorMade Golf has many opportunities in which the organization can grow its market share when it comes to the R9 driver. This can be achieved through continued research and development investments on improving the already advanced R9 design to stay ahead of the competition and try to limit threats that could potentially diminish the R9's market share. TaylorMade has a huge opportunity to maintain its advantage in the metalwoods category by increasing the number of PGA Tour players who have won tournaments using the R9 driver. TaylorMade already boasts being "#1 on the PGA Tour" but there is always room for improvement and some of the major golfers out there aren't using the TaylorMade R9. There is an opportunity for continued growth as there have been 35 tournament wins by players using the R9, as compared to 22 wins by the closest competitor (Chwasky).

An opportunity that the TaylorMade-adidas Group seeks to gain market share in is the footwear and apparel sector of the golf industry. In 2008, the group made a 35 million dollar advertisement investment in trying to gain more consumers. They pushed the slogan "Don't just play it, wear it" as a way to get those consumers who were using the TaylorMade clubs to also purchase apparel to go along with the clubs(Stogel). This is a great opportunity for the group to expand upon its success with the TaylorMade golf clubs and to gain additional consumers willing to try adidas Golf apparel. The goal of the advertisement was to get consumers to re-think the brand of their choosing if the choice was something other than TaylorMade-adidas. This product extension and grouping of products by the group is a great decision by taking advantage of an established brand that is known for producing top quality products.

Another opportunity for the TaylorMade-adidas group is the re-branding strategy set forth for the Ashworth brand, which seeks to establish itself as a top lifestyle apparel producer. This opportunity is one that could be of the greatest benefit to the organization because it brings in an established brand that in essence received a facelift from the TaylorMade group. The group took the Ashworth brand and revitalized it to become a modern competitor in the golf lifestyle marketplace. The brand seeks to aim their products to golf enthusiasts and non-golf enthusiasts who like the look of the casual golfer. The group aims to utilize tour professionals to develop and grow the brand by touting its performance quality on and off the golf course. This opportunity could be the greatest one for the group because of the rebranding taking place currently.

A major threat to the continued success of the TaylorMade R9 driver and the brand itself is tough competition and the fight to be the first company to develop and produce top golf clubs for elite consumers. Callaway Golf Company is one of the top competitors to the TaylorMade brand because they used to have the market share lead in the driver market prior to the development of the R7 driver back in 2004. Both companies operate in the same town of Carlsbad, California and operate out of the same office park. Callaway Golf has the market share lead when it comes to irons, but trail TaylorMade when it comes to the driver market. The TaylorMade brand is geared toward allowing amateur golfers to customize their clubs to fit their type of game, while Callaway has focused more on the upper tier golfers.

Another threat to the success of the TaylorMade R9 driver is the external economy. In terms of finances, TaylorMade has to be conscious of the current recession in planning and developing their new set of drivers. In tough economic times, consumers will hesitate more before making large purchases such as top of the line drivers and may opt to go with a less expensive brand. Also with diminishing profits, the money allocated to the research and development of the new line of drivers may not be as large, so TaylorMade will have to adjust to the external economic situations and gauge whether or not it is financially viable to develop and sell a new driver at premium price points.

Starting January 1, 2011 manufactures of golf wedges are no longer going to be able to produce wedges with "pre 2010" grooves on the front which assist the golfer with spin control when making chip shots or shots out the bunker. This new rule put in place by the U.S. Golfing governing body creates another threat to the opportunity for TaylorMade to advance their plan to become a leader in other categories other than the driver (Sauerhaft).

Competitive Analysis

TaylorMade Golf changed the way drivers were developed and marketed back in 2004 with the release of the R7 series. This club contained adjustable heads that could be used to mitigate the occasional slice or hook and could be used to adjust for certain shots without the need to bend the shaft. This development looked cooler to consumers and became the leading charge into making TaylorMade the number one seller in the driver market (Rynecki). TaylorMade has many competitors in the golf industry, but their biggest competitor when it comes to the driver itself is Callaway Golf.

Callaway has seen their market share diminish in recent years to TaylorMade, but in 2004, they decided to halt spending on developing a new product and just stuck with trying to market what they already developed. They went out and signed big time PGA Tour winner Phil Mickelson to a 7 million dollar per year endorsement deal along with having the top female golfer at the time Annika Sorenstam under contract. Callaway has made a clear effort to cut operations costs while moving most operations to either Massachusetts or oversees. They are also more adept to the trends in the market and are constantly responding to these trends in a quicker, more efficient fashion (Bogoslaw). Callaway has seen a jump in sales and profits even as the individual discretionary income has dropped during the current economic recession.

Callaway's customers who opt for their driver typically are weekend type golfers who casually golf and aren't deeply concerned with adjusting club heads for each shot. Like TaylorMade, Callaway Golf markets their product to the high-end consumer who hasn't seen as many effects from the economy as people who have a lower income. This has allowed Callaway to continue their premium price points similar to those at TaylorMade.

Currently Callaway has back orders for their new innovative "Diablo" iron as they try to capitalize on the 20% market share they currently hold on the Irons. The company made little head way when it acquired ball maker Top Flite, and gained little market share from the acquisition. It seems that Callaway's decision a couple of years ago to sign big name PGA star Phil Mickelson has paid off because he won a couple of tournaments and really helped Callaway Golf dig out of their diminishing market share. In recent reports, the company is expected to increase sales by 100 million in just one quarter. ¹

Customer Analysis

TaylorMade seeks to market all products to all golfers of any skill level and uses their presence as a leading company on the PGA Tour as a means to directly target all golf enthusiasts. More specifically TaylorMade targets:

- Casual Golfers
- Amateur Golfers
- Middle to high Income Golfers

The company likes to directly target customers who prefer to asses each shot and calculate exactly what needs to occur during their swing in order to get the ball to travel to the preferred destination. TaylorMade takes interest in these players who play golf like it's a chess match because their R9 club fits what that target demographic is looking for in a golf club. These golfers want to be able to adjust their club during play and this new driver allows them to do just that.²

The demographics of the average golf consumer include a male individual who is around 39 years old. This consumer also has an average household income of \$87,300 and who is more than likely in a managerial type of position at work. TaylorMade takes this demographic and seeks to target not only the average consumer in the golf industry, but one that is willing to pay a premium price for the R9 adjustable driver.

Behavioral Characteristics

An area that TaylorMade would be concerned with when it comes to formulating marketing strategies is the behavioral characteristics of the average golf consumer. Some behavioral characteristics that would benefit TaylorMade include³

- 81% of golfers currently hold a Visa Credit Card
- 72% of golfers made home repairs in the last year
- Spent an average of \$311 on golf apparel last year

Behavioral Characteristics cont'd

- 17 billion dollars is spent of golf equipment and participation each year
- Average use of the internet is 160 times a month

Knowing these behavioral characteristics will assist TaylorMade in expanding its hold as the number one retailer of drivers. They could develop strategies to enhance consumers who utilize credit cards and who purchase clubs off the internet, as those seem to be major trends in the average golfer.

TaylorMade has taken a brand specific approach by making specific designs and sales for each brand while trying to focus on becoming even closer to the consumer. The brand loyalty shown by consumers has pushed TaylorMade to be the number one on the PGA tour. Brand loyalty is a big reason as to why TaylorMade can afford to skip PGA equipment shows like the one that takes place in Orlando each year (Stogel).

The types of consumers who would most likely purchase TaylorMade products are consumers who are golf participants and golf enthusiasts who identify with and recognize the TaylorMade brand. Specifically, the brand would target such market segments such as the casual golfer looking to improve their personal game through advanced clubs. The brand would also target professional golfers who are looking for any kind of edge in competition and who would have the discretionary income to purchase the elite clubs that TaylorMade has to offer.

Target Market

Our target market for the R9 premium driver is a male individual who has been playing golf at a high level at the amateur or professional level. This golfer plays the game like a board game with lots of strategy involved. The club is geared toward the individual who seeks to make adjustments mid game and the driver allows users to do just that. Since the club is priced at a premium, we are targeting consumers with a household income over \$100,000. We seek consumers who aren't deeply affected by the current economic conditions and who can afford our product. Our consumer is fluent in usage of the internet and uses it to make purchases using a credit card (either MasterCard or Visa). The target we seek to market to also more than likely drives a luxury vehicle and belong to a local country club in which they would play golf frequently.

Marketing Goals & Objectives

TaylorMade golf operates on several goals and objectives. They're core objective is to create high performance products for the marketplace – a goal that is built around commitment to innovation.

The industry leadership that TaylorMade provides is imperative to increasing brand exposure and relationships with consumers. TaylorMade's long term goals relate to sustainable market leadership. To achieve these goals, the company coordinates product development, marketing, branding and retail into a global marketing team. TaylorMade professionals and customer service personnel are located throughout the world and are a huge asset to the company's success.

Another focus for TaylorMade during 2010 was to strengthen brand image and presence at smaller retail outlets and locally owned shops. TaylorMade personnel have reached out to new retailers to foster relationships with owners and consumers. Through great products coupled with great customer service, TaylorMade continues to work towards this goal through grassroot level relations. We have several suggested tactics that will allow TaylorMade to extend its market to outlier regions that do not have a saturated market like large golf-influenced cities.

Clearly, one of the main short term goals of TaylorMade is to remain profitable and increase sales in the golf industry during each fiscal quarter. To ensure continued product sales, TaylorMade has a team of professionals that produce public relation and marketing programs to drive products to the consumers. Several of our suggested tactics will lead to an increase in sales of TaylorMade products.

Product Positioning

TaylorMade does an outstanding job of product positioning. They have numerous teams of marketers and designers who develop creative, state-of-the-art floor displays. These displays can be found in most retail stores and high-end clubs where the R9 is sold. TaylorMade focuses on making these setups up to date, sleek, eye-catching and informative. Because of this, company products such as clubs, golf balls and apparel have launched into industry-leading positions.

Marketing Strategy

1) Marketing to Outlying Areas

Our initial marketing strategy to market the R9 driver club is to expand our current marketing efforts currently taking place in regions that are imbedded with major golfing events and golf resorts to outlying areas located in the suburban regions surrounding major cities located in these rich golf areas. We seek to target areas that are affluent regions around major cities that would contain the target market we seek to market to. The R9 driver sales would pick up if marketing efforts were made to bring the product to the affluent consumer who may not be seeking our brand of driver. TaylorMade currently only has about 100 salespeople working the major areas in which the R9 are sold; our new strategy would be to expand the sales force to expand into areas that are not normally targeted by golf companies. We feel that this will give us an advantage over the competition that has scaled back operations in years past to weather the uncertain economic climate. For example here in North Carolina, the regional sales representative targets areas such as the triangle given that the state has the right climate for playing golf and here in the triangle there is a hotbed of affluent individuals willing to pay premium prices for items. Our new strategy is to take the R9 that has been out for a while now and expand sales into surrounding areas such as country clubs located in Wake Forest, Roxboro, etc.

2) Moving Light Consumers to Medium Consumers (Consumer Escalator)

TaylorMade has developed a product in the R9 series, which yields itself to consumers who are willing to pay premiums for an excellent product. When evaluating the types of consumers who purchase this driver we find that they are heavy consumers of golf. They are either professionals who play golf to make a living, or those who are amateurs but have the free time and money to adjust their game each time they go out to the course. Our next strategy is to get those players who work full time and who don't have lots of free time to consume our golf clubs and to move these light consumers up the consumer escalator to become medium consumers of golf. We plan to market to individuals who may or may not belong to a course and who play golf one time a month or less. We consider these individuals light consumers and we want to market our products so that they will watch and play golf more frequently. By moving more consumers up the escalator, we feel that this will not only expand our R9 driver sales, but expand our other golf club sales as well. By moving consumers up the escalator we are not only trying to get consumers to purchase TaylorMade items, but items that the whole Adidas Golf group has for sale such as footwear and other apparel.

3) Increase Sales

The R9 is at a pivotal point in its life cycle, as previously discussed. The driver is in the mature stage of the product life cycle, and TaylorMade can choose to extend the life of the R9, or allow sales to decline in the coming months. Part of TaylorMade's aim is to be the top performance golf company in terms of sales and profitability. Using new or enhanced marketing methods can boost sales for the R9 driver. With regenerated marketing tactics and promotions, TaylorMade can expect a 15 to 20 percent increase in sales figures for the next fiscal period.

4) R9 Differentiation

The uniqueness of the R9 provides an excellent opportunity for marketing, as it boasts a feature that unavailable with most other golf equipment brands. While TaylorMade faces intense competition from other brands as a whole, there is no driver on the market that can significantly compete with the R9, and TaylorMade must capitalize on this. Titleist has drivers that utilize weight technologies, but with stationary weights. The golfer cannot customize the club to his own preferences, thus, putting Titleist at a slight disadvantage. Callaway Golf does offer driver technology comprised of three different centers of gravity, similar to TaylorMade's Moveable Weight Technology. But the R9 is the frontrunner in adjustable control technology. To position the unique product above the competition in the minds of target markets, advertising will be relied upon ; types of advertising will include athlete endorsements, Flight Technology Control explanations, and branding of the R9 logo.

Marketing Tactics

Outlying Areas

In order to meet our marketing strategy of reaching out to the outlying areas, we have developed a variety of tactics we plan to utilize to fulfill our strategy. Our first tactic in reaching out to consumers in outlying areas is to research areas that are not receiving coverage from our current regional representatives. After conducting the research on areas we wish to target, we chose to implement the following:

- 1) **Direct sales staff to cover the areas of interest to us.** These sales staff members will be in charge of conducting product tests and demonstrations at outlying golf clubs and pro shops that normally receives minimal focus from our company.
- 2) **On-site transactions.** In addition to taking our clubs on the road to various suburban clubs, our sales staff would be on hand to process transactions after testing, should the potential consumer be interested in purchasing the product. We believe that if the product is brought to the consumer in the outlying areas, then they will more than likely purchase it given an opportunity to test out the product. The product should speak for itself and pricing structure can be negotiated with individual sales members depending on the location the sales staff member is traveling to.
- 3) Golf club testing. Products will also be shipped to locations that our sales staff cannot reach so that even more clubs that are outlying will be able to test the product and offer their opinions to our company.

Another tactic we will use to market to the outlying areas not currently being serviced will be mailers which will be mailed to strategically targeted areas not currently being marketed to. Our mailers will target individuals who live in an affluent area and who have been deemed to have enough discretionary income to afford our product, based on research from tax and Census records, as well as private analysis companies. These mailers will be like a miniature catalog detailing our offering of different clubs and having the R9 club featured as the main product we are trying to push to the consumer. We plan to include a coupon with the catalog mailer as a means to entice the potential consumer to purchase our product.

Consumer Escalator

In order to fulfill our strategy of moving light consumers to medium consumers we have established a few tactics that will work to gain more consumers for not only our product, but also an increase in overall consumption in the golf industry. Our

- Establish a trade-in program. Light consumers will be able to trade in old golf clubs, regardless of brand, for a discounted rebate on the R9 driver and irons. This can occur at any location where TaylorMade clubs are sold.
- 2) **Product guarantee.** TaylorMade will reassure consumers that they can return the R9, should it not meet their needs in full. We feel that a guarantee of consumer satisfaction will enable light consumers to take a possible risk by spending the extra money knowing they can trade out a product should they be unhappy with the product. We will have specific guidelines set up that will favor the customer and help us maintain the TaylorMade brand as the number one brand when it comes to supplying the industry with drivers.

Our company will also utilize a tactic that was used to get product awareness out to outlying areas, via widespread product testing to areas in which consumers are light in nature. This tactic satisfies both strategies by reaching out to outlying areas as well as moving consumers up the escalator. Our goal is to build momentum for our new product and to get consumers on board with the TaylorMade brand.

Increase Sales

In order to increase sales figures an estimated 15 to 20 percent, we have developed three marketing tactics for the R9 driver:

- 1) *Golf Club Testing*: This tactic, mentioned in previous tactics, is sure to lead to additional purchases of the driver. Test club packages will be distributed to select courses. From there, course staff will make the driver available for testing by golfers who visit the pro-shop. For example, if a golfer is interested, he or she can check out the driver and use it for 9 or 18 holes. While stores such as GolfSmith allow for indoor product testing, shipping the test drivers to actual courses will give prospective customers a realistic experience that will allow them to determine if the driver is right for him or her.
- 2) R9 Demo Events: By holding demo events at select courses that are target markets for this plan, we create an extra 'buzz' about the R9. This type of event is already present at PGA Tournament weekends, but can be expanded to local courses. An example of this type of event would be Burton Snowboards ; Burton often has demo days that are set up at the top of a run on a mountain, next to a lift drop-off. These demo events will include a tent area that offers R9 demonstration, videos, explanation of FCT, various TaylorMade giveaways, and light food and beverage. There will be state-of-the-art displays, including flat screen televisions and interactive kiosks. Following the tent event, persons interest in purchasing the R9 can do so on site.
- 3) Television Advertisements: This tactic calls for debuting new commercials that market the R9 during PGA tournaments – most of which are nationally televised. One of the TaylorMade Tour Professionals would be featured in this ad. This tactic allows for a large portion of potential target markets to be reached. For a description of the ad, visit the appendix.

R9 Differentiation

Differentiation of the R9 can be accomplished through several methods of advertisement, branding and product positioning, parallel with the tactic of increasing sales. TaylorMade must focus on why the R9 is so unique, and how it is set apart from other golf brands.

- Publication Ads: TaylorMade will purchase print advertisements in golf and sporting magazines, including Golf Digest, Golf Week and ESPN. These publications are catered to much of our target markets and are often available at pro-shop locations. These ads will feature the R9 – but will focus on the Flight Control Technology, which is patented to TaylorMade. This is the key selling point and benefit of the R9. The ad will depict a graphic that explains FCT, as previously shown in the plan.
- 2) R9 Logo: TaylorMade has a large share of the golfing accessories industry, including golf apparel. Visible positioning of the R9 logo can assist in product differentiation. TaylorMade is one of the only golf product companies to have apparel that markets individual products. One of their most common apparel sale items is the TaylorMade hat. These hats are available with just the TaylorMade name on them or, the sides of the hats read Burner, R7 or R9. TaylorMade retail partners, including pro-shops, sporting goods stores and golf specialty stores will coordinate with TaylorMade to boost sales of R9 apparel, via in-store and online sales. For example, when a consumer purchases a piece of TaylorMade equipment or golf accessory, he or she can purchase a R9 hat for \$5.00 at checkout (as opposed to \$30.00).

Sport Marketing Evaluation

We have established four ways in which we will measure how effective our marketing plan was in obtaining our goals and objectives sought before the establishment of this plan.

- 1) Compare and analyze our sales figures of TaylorMade products. We will first look at sales figures from past months and compare them to sales figures in the same month a year after the completion of the marketing plan. This sales analysis will not only look at the R9 driver model as the main product we are trying to boost sales for, but we feel that other products in the TaylorMade-adidas Group will see an increase in sales due to the marketing activities taking place. This will occur as the brand name and image become expanded into the different markets we seek in this marketing plan. We will look at other products and compare sales data just as we have done for the R9 product line.
- 2) Inventory the number of redeemed R9 driver coupons. By conducting this count, our organization will have a firm number of how many people in the targeted outlying areas actually became new customers and purchased the R9 driver. If it is shown through the numbers that many people took advantage of the promotion, we will then understand that more marketing can be directed towards these areas for future growth of the company. If our results come back and show that the outlying areas had little interest in the product, then we know to direct our marketing efforts elsewhere when it comes time to producing the next marketing plan. We will give customers a six-month window in which to purchase the clubs and after that period is up, we will then conduct our calculations. This will provide evaluation for the strategy of increasing sales and of marketing to outliers.
- 3) **Conduct surveys in selected target markets**. This will provide TaylorMade with tangible feedback from consumers and will determine whether or not potential consumers followed through with purchases. In these surveys, we will ask about consumer perceptions along with other questions about TaylorMade and the R9. There are many analysis questions we will ask on the survey mostly trying to get a base feel for the consumer in these target markets and to understand how they consume golf. The more we know about the consumer the better as we compile data to try to evaluate whether or not the consumer reacted positively to our marketing efforts in specific regions. In order to streamline survey completion, we will have a

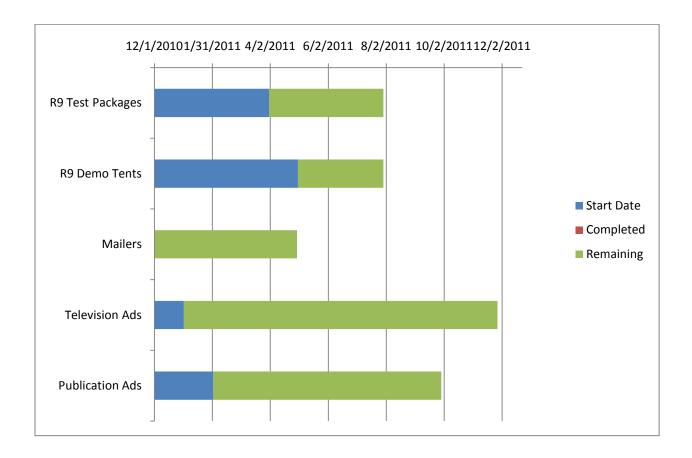
combination of mailings, personal interviews, focus groups, and online surveys posted to gain as much data as possible. We will establish a discount on future club purchases with TaylorMade upon completion of the survey. This satisfies evaluation of marketing to outliers and transitioning consumers to medium user.

- 4) Brand observation. This measure is the trickiest and most difficult of our goal and objective evaluation methods. We will utilize pro shop employees who will be compensated by our company to conduct on-site data collection of golfer club preference. This observation and count will only occur at "member-only," or private courses, in order to avoid skewed data from visitors who do not consistent frequent the course. We plan to conduct the count before a demo is shown in the select markets, and then conduct another count four months following to see if there was any change in the brand choices within the golf bags of the members. We hope to see a spike in the TaylorMade choice of driver within the members' bags after spending company money marketing and conducting demos in test markets. Brand observation can show that product differentiation is working, and hopefully, that sales have increased.
- **5) Customer Observation.** TaylorMade will coordinate with retail outlets that will report customer observations in stores. Store locations of interest will include GolfSmith, Dick's Sporting Goods and the pro-shops at target market courses. Staff at these locations will report their observations to TaylorMade. They will be requested to note where golf consumers spend most of their time in the golf section of the store, how frequently customers request information or assistance on the R9 driver, etc. This will be a casual area where the product differentiation strategy can be evaluated.

Budget Sample

TaylorMade R9 Marketing Plan Budget		
Cost Item	Cost	
R9 Product Testing		
Sales Staff Travel	\$700	(appx)
Wireless Credit Card Kiosk	\$1,900	(each)
R9 Test Packages	\$800	(each)
Test Package shipping	\$50	(each)
Mailed Publications		
Mailer Printing	\$4,000	
Mailer Postage	\$1,100	
Coupon Printing	\$2,000	
R9 Demonstration Events		
R9 Demonstration Event tents (1x)	\$8,000	_
Video Production	\$11,000	
HD Televisions	\$9,000	
R9 Technology Kiosk	\$6,700	
Food & Beverage (cost per event)	\$900	
Advertising		
Television Advertisement Production	\$47,000	
Advertisement Contracts	\$39,000	
Publication Advertisement		
Golf Digest	\$13,000	
GolfWeek	\$12,000	
ESPN The Magazine	\$9,000	

Sample Tactic Schedule



	Start Date	Completed	Remaining
TestPackages	4/1/2011	0	120
R9 Demo Tents	5/1/2011	0	90
Mailers	12/1/2010	0	150
Television Ads	1/1/2011	0	330
Publication Ads	2/1/2011	0	240

APPENDIX A



Target Market Sample List

Below is a sample list of target markets for the R9 marketing plan. These are major golf locations and corresponding outlier locations where TaylorMade R9s will be marketed to. These target markets are chosen based on location relative to major golf cities, as well as the number of local golf courses.

Major City Location	Outlying Area Targeted	
Pebble Beach, CA	Riverside	
Atlanta, GA	Marietta	
Raleigh/Durham,NC	Wake Forest	
Denver, CO	Boulder	
Cincinnati, OH	Columbus	
Washington, D.C.	Woodbridge	



TaylorMade Survey Sample Questions

1.	. Gender:	M	F				
2	. Age:						
3.	. City/State of	City/State of Residency					
4.	How many times per month do you play golf?						
		1-3	7-10 15+				
		4-6	11-15				
5	. Do you curre	ently own a Tayl	orMade brand driver?				
		Yes	No				
6	. If yes, which	line of driver?					
		R9	Burner				
		R7	Other				
7.	. Have you att		Made R9 demonstration event in the past year?				
		Yes					
For th	ne following que	estions, please i	rank your answers on a 1 to 5 scale (1-poor, 3-neutral, 5-excellent)				
8	. TaylorMade	R9 price					
9	. TaylorMade	R9 availability					
1	0. TaylorMade	R9 product qua	lity				
1	1. TaylorMade	customer servio	ce				
1	2. If you have p	ourchased a R9 o	driver, has there been a noticeable improve in the longevity				
	and/or accur	acy in your driv	e on the course and at the driving range?				
		Yes	No				
	If yes, elabor	ate:					

13. Would you recommend R9 drivers to a fellow golfer?

Yes ____ No ____

Television Ad – Sample Script Concept

Location: maintained driving range

Actors: Sergio Garcia – TaylorMade Tour Professional

Phil Mickelson – Callaway Tour Professional

General Script

- Opens with Garcia and Mickelson making a drive
- Both golfers shoot a slice and exchange frustrated looks
- Garcia quickly adjusts his R9 driver to his specifications
 - \rightarrow Mickelson does no adjustment, because Callaway does not have FCT
- Both golfers shoot again:
 - → Mickelson's shot slices again
 - → Garcia's shot travels a straight flight
 - \rightarrow golf ball hits the 'ball tractor' driving around the range, collecting golf balls
- Garcia looks at Mickelson and says:

"Looks like dinner is on you tonight."

- Mickelson shakes his head and laughs
- commercial cuts to a shot of a R9 driver, with a description about adjustable Flight Control Technology
- ends with a TaylorMade R9 logo screenshot



orMade

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Bogoslaw, D. (2008). Callaway Golf Finds Its Groove. *BusinessWeek Online*, 16. Retrieved from Academic Search Premier database.

Footnotes

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¹ <u>http://seekingalpha.com/article/201993-callaway-golf-quietly-taking-market-share</u>

²http://golf.about.com/od/equipmentreviews/a/taylormade07sho.htm

³ <u>http://www.oncartwest.com/pdfs/demographics.pdf</u>

⁴<u>http://www.oncartwest.com/pdfs/demographics.pdf</u>