

LIGHTING THE LAMP:

CHOOSING THE BEST LOCATION FOR A WESTERN DIVISION EXPANSION TEAM



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STADIUM LOCATION RECOMMENDATION: HAYS, KS

EXECUTIVE SUMMARY

BACKGROUND

The FPHL is **seeking a successful location** to build a stadium and establish a new hockey team.

Potential locations include **Hays, KS** and **St. Joseph, MI**.

This report's purpose is to explain which location best meets our criteria.

To ensure success, we're looking for a *thriving, smaller city with growing incomes* and a *stable population* that likes to *spend in restaurants* and does not have a nearby team.

- Hockey fans tend to be **under 55**, white or Hispanic, and relatively wealthy.^{[1], [2]}
- Higher spending in restaurants means **increased profits**.

RECOMMENDATION

Of our options, **Hays, KS** is likely to be the **most viable location** based on our criteria.

Hays has a **thriving restaurant scene**^[3] and is located at the junction of Interstate 70 (one of Kansas' main thoroughfares) and US Highway 183, making it **easily accessible** to nearby cities.

The population of Hays, KS is relatively steady in its growth and shows an **increasing mean household income**.

- ✓ **Stable target population**
- ✓ **Rising incomes**
- ✓ **No nearby teams**
- ✓ **Restaurant spenders**

TARGETS

HAYS, KS
(Projected by 2025)

Ages 18-54

STABLE
population^[4]

White or
Hispanic

2 X
higher growth^[4]
compared to St. Joseph, MI

Primarily
Middle Class

14 %
income increase^[4]
in the \$75k-150k range

Restaurant
spenders

30 %
more spending in
restaurants^{[4]*}
than St. Joseph, MI
*proportionally

REJECTED OPTION

While St. Joseph, MI shows more income growth, its population is smaller and spends proportionally less dining out than Hays.

St. Joseph's population is generally older and less likely to become hockey fans than Hays.

The community can experience the sport live at local colleges, whereas Hays hockey fans have no local options.

ACTION STEPS

1. Research local laws, regulations, and customs
2. Scout potential development sites
3. Build team Brand

METHODOLOGY

DEMOGRAPHIC DATA

We gathered basic demographic information (including ethnicity, income, population, and more) as well as **projected** information to ensure **forward-thinking results** using Gale Business DemographicsNow 2020-2025 projected data in addition to 2020 U.S. Census data via the same source.

OPEN RESEARCH

We also used general internet search results, such as might be performed by consumers, to discover the **ambiance of each city** using **sites such as** TripAdvisor, the official websites of Hays, KS and St. Joseph, MI, and personal blogs. Finally, we studied **hockey fan profiles** from sites such as The Atlantic, MarketWatch, TheWrap, and more to explore the ideal fanbase.

VISUALIZATIONS

All data visualizations are original and were created by the author using the Altair library in Python.

CONSUMER DATA

We analyzed consumer profiles to scout for the **ideal fanbase** for our team. This was accomplished using Experian Mosaic Group profiles through Gale Business DemographicsNow.

Restaurant spending is a significant indicator of **profit**, since much of our generated revenue is from this expenditure. This information was explored using Simmons consumer data through Gale Business DemographicsNow.

INSIGHT GAINED

- We discovered well how the population of each area fits our target population.
- We pinpointed consumer data that could lead to potential restaurant revenue.
- We identified key lifestyle preferences that contribute to sports spending.

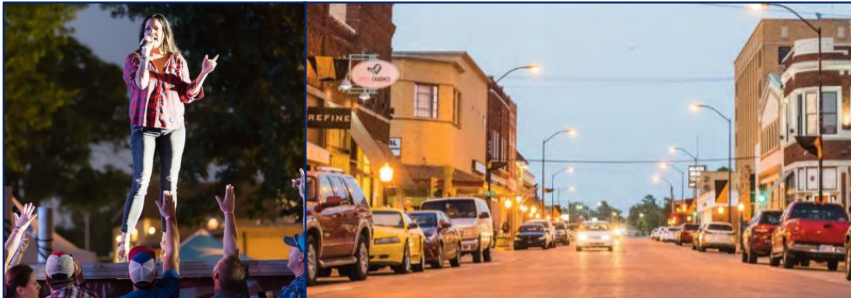
LOCATION COMPARISON

HAYS, KS

A mid-sized city (pop 20,500^[4]) with a frontier history, Hays is known as “the arts and entertainment mecca of western Kansas^[5]” and houses a family-age population that prefers a good, yet simple life. Hays, which prides itself on being a close-knit community, is also the Ellis County seat. Known for its outdoor recreation and rich cultural heritage, Hays is conveniently situated near the junction of two freeways and even boasts a regional airport.

The population of Hays is family-oriented and sticks to tradition, as evidenced by its several annual festivals and fairs.^[6]

Images source: [6].



ST. JOSEPH, MI

Part of the “Riviera of the Midwest^[7],” this small town (pop. 8,300^[4]) hosts an aging population that enjoys the finer side of life. Many of its homes are owned as vacation homes rather than primary residences, and as such it is considered a “resort town^[7],” especially due to its shoreside location on Lake Michigan. St. Joseph prides itself on its rich offerings coupled with its small town feel.^[7]

St. Joseph is a popular tourist destination, featured as a visit-worthy beach town on various blogs and drawing “hundreds of thousands of visitors^[7]” each year to its downtown area.

Images source: [7].



TARGET DEMOGRAPHIC

THE IDEAL HOCKEY FAN

Based on research from several articles, we determined that

- the ideal hockey fan is between the **ages of 18-49**, **White or Hispanic**, and **middle to upper class**.^{[1], [2]}
- our major competitor, the NHL, currently targets a **tech-savvy** market that uses **social media**.^[8]
- and our competitor is reviving the image of hockey as an outdoor game, thus attracting **outdoors aficionados**.^[8]

We are also seeking a population of **restaurant spenders** to increase our revenue.

While the residents of St. Joseph have a higher average income than Hays, residents of **Hays** in the \$75,000 to \$150,00 range are projected to **increase their wages** by 14% in 2025.^[4]

HAYS INCOMES projected to **RISE 14%***

*residents earning \$75k to \$150k. Data Source: [4]

ETHNICITY

The White and Hispanic population of Hays is steady, showing slight growth as opposed to St. Joseph's slight loss.

Growth Pattern* of Target Ethnicities including White and Hispanic residents

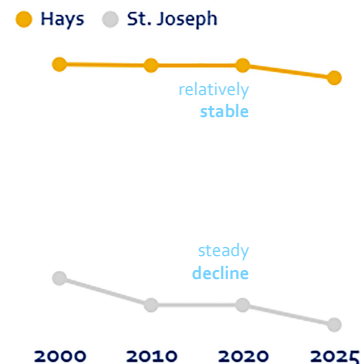


*Normalized. Data Source: [4]

AGE

Hays residents aged 18-54 have remained steady over the years, whereas St. Joseph residents in that bracket continue to decline.

Growth Pattern* of Target Ages including residents aged 18-54



*Normalized. Data Source: [4]

TARGET DEMOGRAPHIC CONTINUED

MOSAIC PROFILES

Experian Mosaic Profiles are lifestyle categories that represent consumer demographics and behaviors. Each household is sorted into a particular profile, giving insight into their values and spending habits.

Of the household types in Hays, KS and St. Joseph, MI, three profiles show promise by meeting both the age and income targets as well as presenting traits that mesh with aspects of hockey.^[4]

The following profiles are most likely to adopt hockey fandom: *True Grit Americans*, *Family Fun-tastic*, and *Digitally Savvy*.



TRUE GRIT AMERICANS

These down-to-earth folks value family, tradition, and hard work. Their recreation of choice is outdoors activities like hunting, fishing, or camping. True Grit Americans tend to be in the middle: middle-aged, middle-level education, and middle-class. They prefer to “do” rather than observe, and make likely fans for active, highly physical sports like hockey.



FAMILY FUN-TASTIC

These upscale middle-agers are family-oriented and like to stay busy. Here you find soccer moms and office professionals with comfortable lifestyles. Their higher education levels afford them higher salaries that are spent on family activities such as trips, various entertainment, and sporting events—like hockey.



DIGITALLY SAVVY

Usually single, people in this online-happy, slightly younger crowd like to spend their money on entertainment. They have active social lives and high-tech preferences, making social media a great way to snag new hockey fans looking for their next obsession.

Descriptions and Images Source: [9]

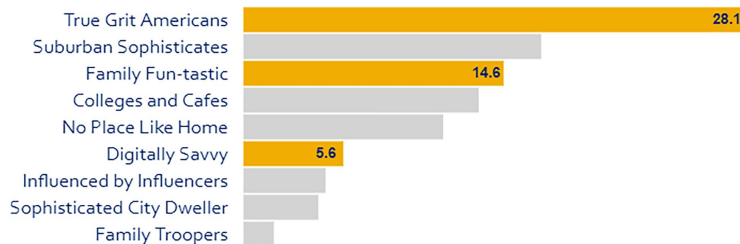
TARGET DEMOGRAPHIC CONTINUED

IN HAYS, KS

48 %

of the population fits our
hockey fan profile.

Hays, KS Mosaic Profiles



Percent of households with this profile

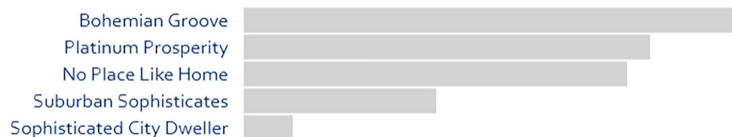
Data Source: [4]. All household profiles shown; rounded to the nearest tenth of a percent.
Sum of bar values equals 100%.

IN ST. JOSEPH, MI

0 %

of the population fits our
hockey fan profile.

St. Joseph, MI Mosaic Profiles



Percent of households with this profile

Data Source: [4]. All household profiles shown; rounded to the nearest tenth of a percent.
Sum of bar values equals 100%.

RESTAURANT SPENDING

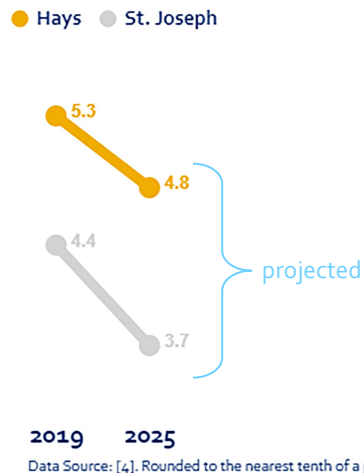
ADDITIONAL REVENUE

To **maximize profit**, our new hockey fans should show the **willingness to spend** money on **dining out**, as revenue earned from food and beverage sales at hockey games is quite significant.

Despite their income differences, residents of Hays spend more money dining out compared proportionally to residents of St. Joseph, suggesting that **Hays is a more promising market** for this form of revenue.^[4]

Note that the chart to the right gives concrete data for 2019, but *projects a decrease* in restaurant spending in 2025 for both cities. However, Hays residents are expected to cut their spending to a lesser degree than St. Joseph residents.

Restaurant Spending Differences
expressed as percent of average income



HAYS, KS:

30% HIGHER SPENDING
proportionally

6.5% LESS DECLINE
in spending

GOOD TO KNOW

Hays residents spend more on **dinner**^[4] than other meals, which coordinates well with FPHL's **game schedules**.^[10]

RESTAURANT SPENDING CONTINUED

The **menus** popular in Hays (such as BBQ, burgers and fries, sandwiches, and Mexican fare)^[11] are **well-suited** to be **adapted to stadium** menus.

Hays residents are **26% more likely** than the average American to eat fast food, which parallels the food choices above. In contrast, St. Joseph residents don't differ from the average.

Hays residents are

26% MORE LIKELY*
to eat stadium-friendly foods

*than the average American
Data source: [4]

We can also **increase profits** by serving **alcoholic beverages** like draft beer,^[11] as Hays residents are also more willing to purchase alcohol during their activities.^[4]

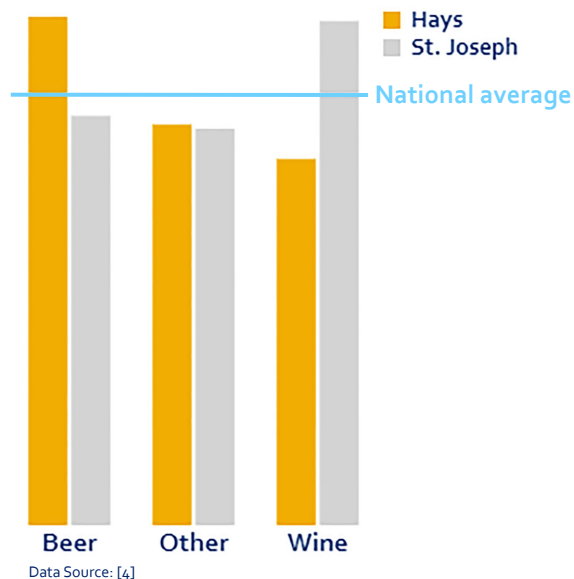
Furthermore, **Hays** residents **prefer beer** over wine, unlike residents of St. Joseph, and **beer** is up to **30 % more profitable** than wine at sporting events.^[12]

Draft beer is

30% MORE PROFITABLE
than wine

Source: [12]

Alcoholic Beverage Preferences compared to national average



REJECTED OPTION

WHY NOT ST. JOSEPH, MI?

The alternate location in St. Joseph, MI may look more promising on the surface. After all, it sits in prime hockey country and its residents have higher salaries on average than residents of Hays.

Looking deeper, we see that while the money may be there, the fans probably won't be.

THE WRONG PEOPLE

Experian's Mosaic Profiles help us understand the general feel of the population of interest, and St. Joseph's residents aren't a good fit for hockey.

The people of St. Joseph are older, wealthier, and more used to the finer side of life. While hockey fans are in fact some of the wealthiest sports fans in the country, it's a different kind of wealth than is found in St. Joseph.

Instead of drinking beer and eating grilled meats at a hockey game, St. Josephites would rather go to a yacht club for fine dining accompanied by wine. Despite this, St. Josephites are stingier when it comes to dining out, preferring to spend less proportionally in restaurants compared to Hays residents.

	St. Joseph	Hays
Finances	✓	✓
People	✗	✓
Location	✗	✓

THE WRONG PLACE

While hockey is already popular in Michigan, this popularity is a burden rather than an asset. Hockey fans in St. Joseph have a number of options to "get their fix," meaning heavy competition for any new teams. On the other hand, Hays hockey fans have nowhere to go—an untapped market ripe for a talented Branding team.

Furthermore, while our criteria include looking for a smaller city, St. Joseph, with its 2020 population of only about 8,300^[4] people, is more town than city. A hockey stadium might be too big an investment for this tiny spot. Hays, on the other hand, is still a smaller city, but with a more promising 20,500^[4] people.

CONCLUSION & ACTION STEPS FOR HAYS, KS

CONCLUSION

Because of its on-target demographics, promising location, rising incomes, and willingness to spend on dining out, **Hays, KS is the best choice** for our new stadium and team. However, we will need to carefully and assertively market our new team to drum up excitement and build a fanbase before opening. Additionally, we will need to plan our stadium dining options to match consumer preferences and price points.

ACTION STEPS

1. RESEARCH LOCAL LAWS, REGULATIONS, AND CUSTOMS

- Research zoning, food and alcohol sales, noise regulations, and other restrictions to which we may be held responsible.
- Hays has a rich local heritage and several historical sites that may need to be accommodated.

2. SCOUT POTENTIAL DEVELOPMENT SITES

- Consider scouting near the regional airport, which is conveniently located and likely has more lenient rules.
- Schedule geological consulting for any sites of interest.

3. BUILD TEAM BRAND

- The clean, bold colors of the Kansas state flag (featured in this report) are well-suited to hockey and may generate a sense of fan ownership.
- Marketing team should consider studying recent successfully-branded sports teams.



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