

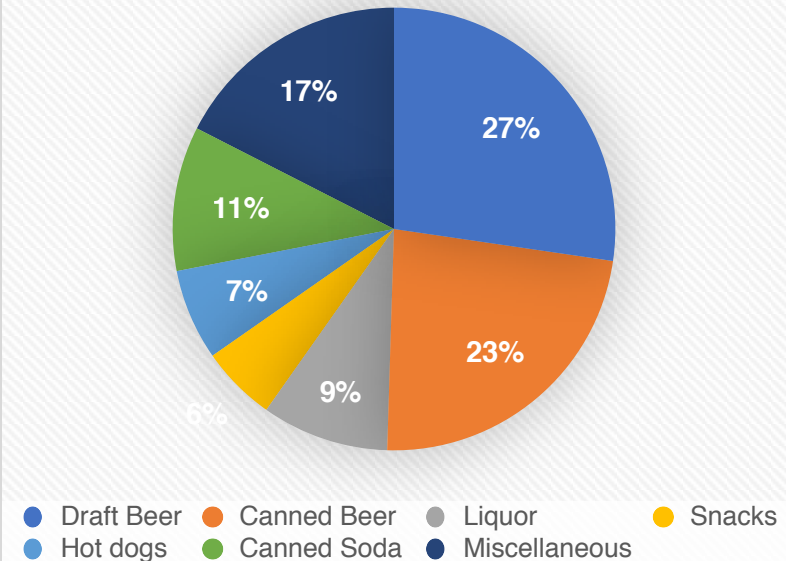
San Jose Earthquakes Concessions Pricing Strategy



Biggest sellers in biggest categories

- Canned Soda
 - 20 oz Bottled Water (43% of sales, 167,346 in revenue)
 - 20 oz 7Up (16% of sales, 61,515 in revenue)
 - 20 oz RC Cola (13% of sales, 50,601 in revenue)
 - A&W Rootbeer (7%, 28626)
- Hot Dogs
 - Stadium Dog (64% of sales, 1258,394 in revenue)
 - Bratwurst (13%, 32886)
 - Polish Sausage (9%, 22824)
 - Linguica (8%, 19998)
- Liquor
 - Premium Liquor (16% of sales, 54,180 in revenue)
 - Call Liquor (9%, 31842)
 - Jameson (7%, 24929)
 - Ketel One (7%, 23148)
 - Don Julio (6%, 22232)

Concessions Breakdown (2016)



- Snacks
 - Bavarian Pretzel (62% of sales, 126,287 in revenue)
 - Kettle Corn (17%, 35476)
 - Peanuts (12%, 23575)

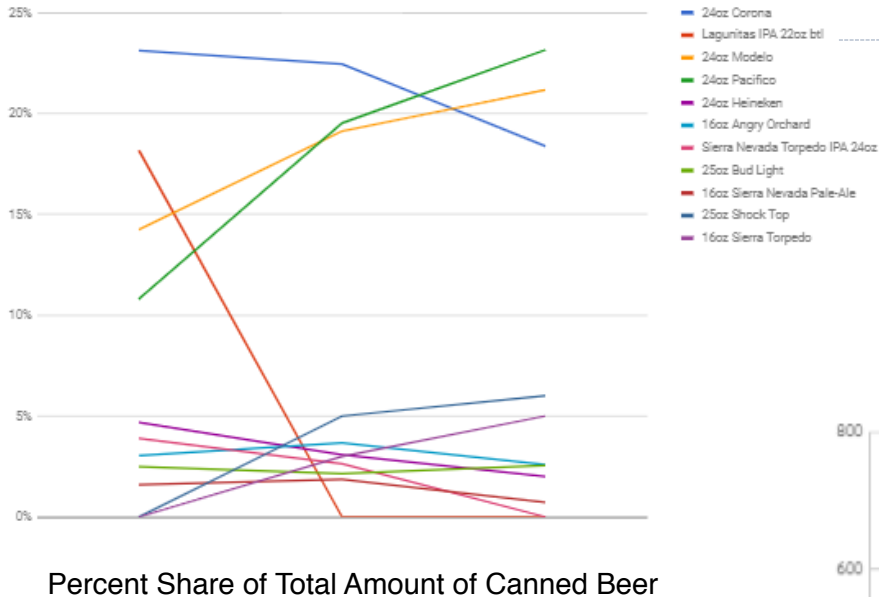
DECREASE BEER PRICES

- Assuming 20K attendance, 80% drinking age, 50% of those who purchase beers, avg 1 beer/person, we have 8000 potential bottles/cans sold
- As of 2017, 6000 bottles/cans sold
- Assume we can capture half of remaining potential sales, ~1000
- Therefore, to break even, 15% price reduction in beer prices

INCREASE PRICES OF OTHER ITEMS

- Other inelastic items:
 - Hot dogs
 - Canned soft drinks
 - Snacks
 - Fried food
- Possible to increase prices without losing too much revenue

We recommend that San Jose Earthquakes decrease beer prices by up to 15% and increase prices of other items to increase revenues



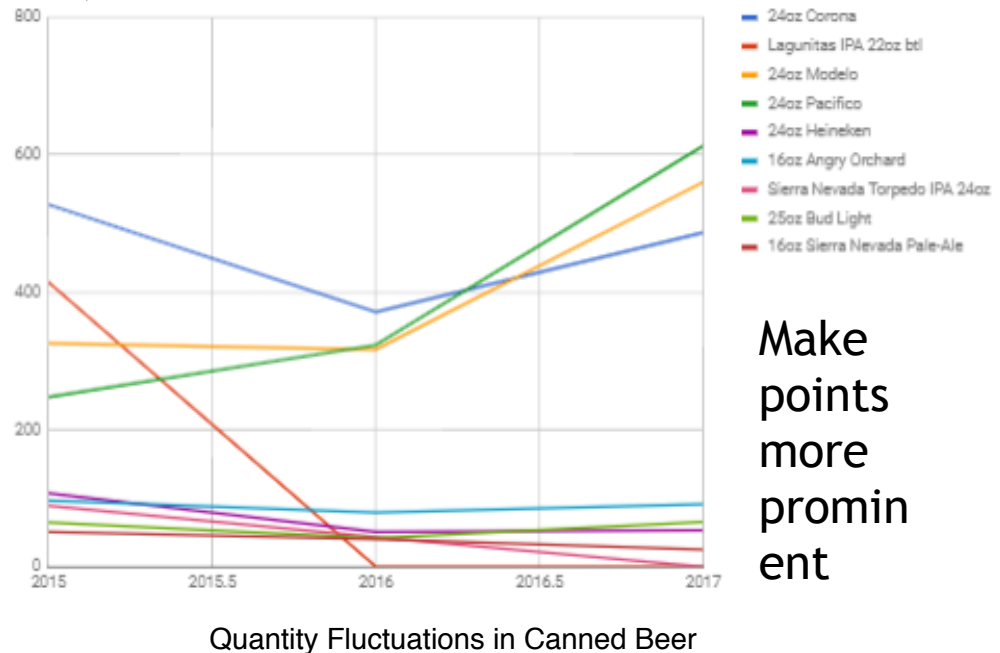
Canned Beer Revenues

- 2015 – 2016:
 - 5.25% overall increase in beer prices
 - 33% drop in revenue
- 2016 – 2017:
 - 1.23% increase in beer price
 - 39% increase in revenue

Canned Beer Trends

Overall Revenue

- 2015: \$26,000
- 2016: \$21,000
- 2017: \$35,000
- Dropping Lagunitas in 2016 significantly decreased revenues



Make points more prominent

Draft Beer Analysis



Overall Per Game Sales:

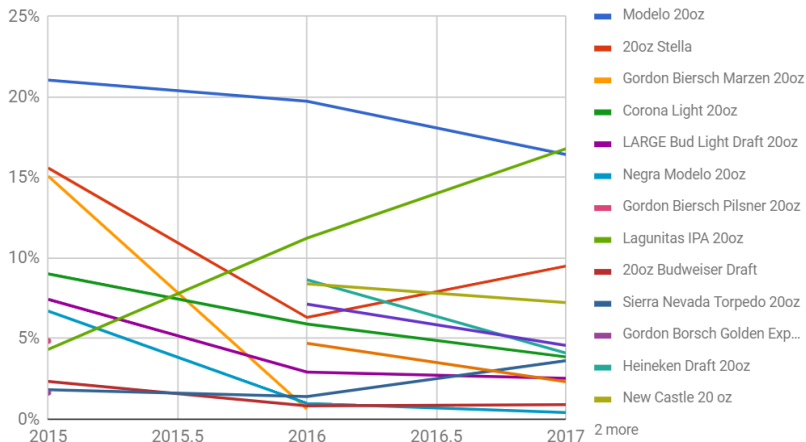
2015: \$30,000
2016: \$25,000
2017: \$38,000

2015-2016:
3% price increase
19% revenue decrease

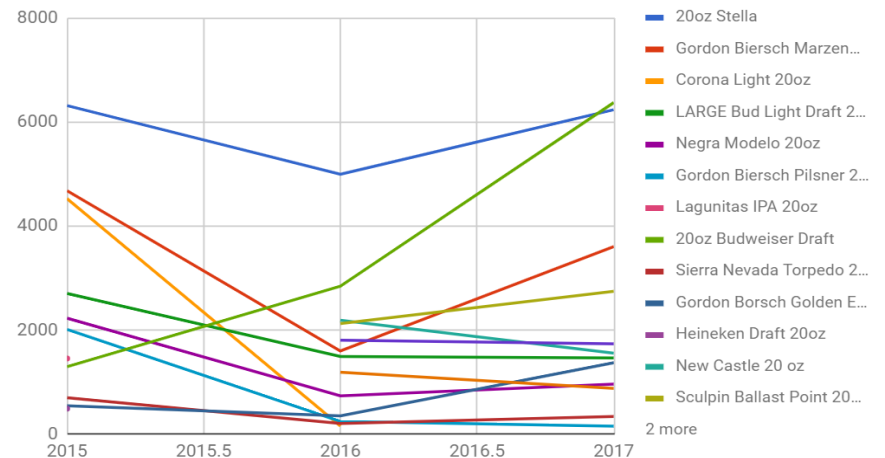
2016-2017:
4% price increase
33% revenue

Lagunitas was added as a sponsor and several varieties of Lagunitas were newly added as draft beers in 2016. This resulted in a large spike in Lagunitas sales while Stella, and Gordon Biersch Marzen had huge decreases.

Draft Beer Sales Share over Time



Draft Beer Per Game Sales over Time



Price Changes



The five most important price points were \$14.00, \$13.25, \$12.50, \$11.25, and \$10.00. Nearly all the canned and draft beers were sold at these price points.

Based on a 15% decrease that we believe will be beneficial, these prices become \$11.9, \$11.26, \$10.63, \$9.56, and \$8.50.

Using basic psychological pricing (rounding to the nearest quarter, increasing price up to .75 from .50), these prices become \$11.75, \$11.25, \$10.75, \$9.75, and \$8.75, respectively.

1

Risk: Possible Loss of Revenue

Mitigation: Selective automation and CSR campaign

2

Risk: Miscommunication of price decrease

Mitigation: Good marketing campaign to get words get

Appendix



Calculated % change in price/% change in revenue to be -0.06 by averaging the difference between 15-16 and 16-17, but that would yield an increase in revenues even with a price increase, which doesn't make sense, so this was our approach given limited data.