



**Indian Institute of Management Calcutta
Working Paper Series
WPS No. 889/ March 2023**

Altius Inc.: The Moorfbal Jersey Challenge

Suren Sista*
IIM Calcutta
Email: suren@iimcal.ac.in

*Corresponding author

Indian Institute of Management Calcutta, Joka, D.H. Road, Kolkata 700104
URL: <https://www.iimcal.ac.in/faculty/publications/working-papers/>

Altius Inc.: The Moorfball Jersey Challenge

This case illustrates the challenge faced in managing a profitable presence in an emerging market for a product that has a high emotional connect with the audience, but one that is not translating to sales. All brand names, logos, country names, name of sport, etc., have been masked. The history of the sport in the fictitious country is fictional to help establish the flow of the narrative in the case.

The case may be used to demonstrate multiple facets of Marketing:

- a) in a course on Marketing Strategy to illustrate the planning process in setting marketing strategy,
- b) in a Sports Marketing course to illustrate management of a sports brand,
- c) in the Pricing module of a Marketing Management course, or in an elective on Pricing to understand the various types of pricing and pricing research,
- d) in a module or session where the focus is understanding consumer behaviour in emerging markets.

Given the scope of the case, its use is suitable for a class comprising post-graduate level students or for executive education.

Altius Inc.: The Moorfbal Jersey Challenge¹

In early 2008, Rob Kale, COO of the Altius Inc.'s Lululand Office was grappling with a challenging problem. Altius Inc., kit sponsor for the Lululand Moorfbal team, had sold only two thousand pieces of the replica Lululand Moorfbal team jersey over a span of two years. This was worrying given that Moorfbal was to Lululand as Football is to Brazil, and the number of Moorfbal-crazy Lululanders supporting the Lululand Moorfbal team both within Lululand and abroad was in tens of millions. Most of the current sales had originated from among the Lululand diaspora spread across the world with very little traction within the country. Rob wondered where the problem lay for the abysmally low sales – Was the issue with the product? Or was it with distribution and the access to the product? Maybe it was the pricing of the product? Or perhaps the audience wasn't aware that the product existed! Rob had been given the task of addressing the problem of improving the sales figures to an acceptable level without compromising on profitability.

Altius Inc.

Altius, Inc., was an American company with a presence in most countries across the world. It was one of the most recognized brands across the world rivalling other sporting giants such as Nike and Adidas. Altius had a strong presence in various sports including Running, Basketball, Baseball, Golf and Tennis from its engagement with these sports in its primary market and had developed expertise in other sports like Field Hockey through its engagement in that sport in Europe, Australia and India where that sport had a huge following. Through a mix of innovation, acquisitions, endorsements by brand ambassadors who were top athletes in their respective sport, Altius Inc. had consolidated its presence as the preferred brand across multiple sports.

Altius Lululand

Lululand was a sovereign nation that was considered an emerging market, with an economy of 0.5 Trillion US\$ and a large population that put it among the top 20 most populated countries. Altius Inc.'s Lululand Office was primarily focused on handling Altius's existing product lines in the country. Altius knew that whereas Running, Basketball, Tennis, Football and Golf had a following in Lululand, it was the sport of Moorfbal that had a ubiquitous presence and mindshare in Lululand. There was a quiet realization that to grow in the country Altius had to have a meaningful presence in Moorfbal.

One of the objectives of engaging with Moorfbal in Lululand was to make Lululand the base for Altius's Moorfbal business. With Moorfbal being played in over 100 countries, of which about two dozen were countries where it was a major sport, Altius stood to gain from building its presence in the sport.

Altius set the ball rolling on their engagement with Moorfbal by becoming kit sponsors to the Lululand Moorfbal team. Altius also started to engage with top Moorfballers to create and refine their Moorfbal product portfolio – shoes, gear, and apparel.

The existing market in Lululand for Moorfbal products was competitive with several players, many of whom had a very localized presence and others who competed across all regions in the country. Existing competitors usually specialized in one product category and had deep expertise. Whereas the quality of products for balls and gear was world-class, the quality of apparel and shoes was good but not at the same level as what major global brands produced for various other sports. There was a great opportunity to make a foray into these product categories and create world-class options.

Moorfbal in Lululand

The first recorded Moorfbal match on Lululand soil was played in 1705, and the oldest Moorfbal Club in Lululand was established in 1710, just 10 years after the establishment of the International Moorfbal Confederation in Vienna, guardians of the Laws of Moorfbal since 1700.

¹ ©2023 Suren Sista. All entities (Altius, Lululand, Moorfbal) mentioned in the case are masked names of an actual brand and sport. The country Lululand and any statistics related to it are fictional. The case is developed solely as the basis for class discussion. It is not intended to serve as endorsement, source of primary data, or illustration of effective or ineffective management. To order copies or request permission to reproduce materials, e-mail the author at suren@iimcal.ac.in. No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise without express permission of the author.

Moorfball came to the shores of Lululand with the arrival of the Europeans who subsequently ruled over Lululand for more than 200 years. The sport caught the imagination of Lululanders and even as early as the mid 1700s the number of Lululanders playing the sport was substantial. In time many of the richer Lululanders who had grown fond of Moorfball during their school days in Europe patronized the sport and formed Moorfball clubs in every corner of the country. These teams played against the Europeans stationed locally, and by the turn of the 20th century many touring teams from Europe had played against sides comprised of Lululanders in various parts of the country. The more enterprising Moorfball clubs of Lululand even toured Europe. Moorfball was at once a mode of recreation as it was a way to equal the colonial masters. Some of these entities were among the earliest to join hands to create in 1940 the Lululand Moorfball Association (LMA), the presiding body of Moorfball in the country. The LMA was inducted into the International Moorfball Confederation in 1941 and the Lululand Moorfball team made its first international Moorfball appearance in 1950 with a tour of Europe.

Whereas Moorfball was always popular in Lululand, it was only after the Lululand Moorfball team won the 1995 Moorfball World Cup that Moorfball pulled away from other sports like Football to become the most followed sport within the country. The growth of television as a medium and the advent of televised Moorfball in the country around the same time helped the sport grow in prominence.

The Moorfball-crazy Lululander's appetite for Moorfball was so high that the number of matches played by the Lululand Moorfball team jumped manifold starting the late 1990s. This provided a huge opportunity that led to higher monetization of television rights for Moorfball and helped LMA become the richest Moorfball Board in the world, a position that it continues to bank on due to the sport's popularity and the fact that Lululand is the most populous country that plays Moorfball.

The Lululand Moorfball Team Jersey

Viewing Moorfball in Lululand is a unique event. Most matches featuring the Lululand Moorfball team are sold out within minutes of the opening of ticket sales. Right outside the playing venue, hawkers can be seen selling flags, replicas (mostly cheap knock-offs) of the Lululand teams' jersey and hats, horns made of paper, and some even offer to face-paint the Lululand flag. The crowds are animated and gear up for the occasion flags waving, sporting face-paint of the flag and wearing the Lululand teams' red coloured jersey. The 'sea of crimson' is a common expression to describe the presence of Lululand supporters in large numbers at match venues.

Altius started selling replica jerseys of the Lululand Moorfball team starting the year that they won the bid to be the Lululand Moorfball Team's jersey sponsor. The product was made to the same technical specifications as the actual jersey worn by National team. Product quality of the true-replica jersey was top of the line, with newer design and comfort elements added as and when the same were ready. The product was available in all Altius stores in the country and was also available through Altius's website. It was priced at LR 2499² (~US\$50), which was a comparable price at the time to that of a replica jersey for a top European Football Club like Manchester United.

The Challenge

Despite having a superior product, Altius was unable to sell more than a couple of thousand units over a span of two years, while cheap knockoffs sold by the hundreds of thousands each year at match venues alone. This was in direct contrast to the sales of sports equipment where the best equipment was sought by even the otherwise conservative Lululand middle class. Whereas it was true that Moorfball following was big across socio-economic classes in Lululand, it was also a fact that spending on sport apparel and equipment was limited and dominated by purchases made for a child who was learning the sport, or for purchases made by an adult who indulged in the sport on the weekends. Why was the otherwise proud Lululand Moorfball fan who was willing to buy top of the line equipment, not willing to buy an authentic jersey and willing to settle for a replica made from very cheap material that was often irritating to the skin and one that may not last for long?

The Advertising Option

Did the fan not know that the authentic jersey was sold in Altius's stores? Could this be remedied by launching an advertising campaign? Rob knew that the costs of an advertising campaign would need to be justified and returns on advertising spends be recovered through incremental sales. With existing sluggish sales for the jersey, there needed to be absolute certainty that the problem indeed was about awareness before this option was operationalized.

² The exchange rate for the the Lululand Rouble (LR) stood at 1 US\$ = 45 LR in 2008

The Distribution Option

Altius was a premium brand with a footprint limited to its stores, which numbered on average to one store per city. The online presence through its website would be limited in its reach to people with access to the internet and thereafter to the willingness to purchase online, both of which were low in 2008 for Lululand. Retail costs were high and opening multiple stores required a strong economic rationale. Whereas Altius's current stores were in shopping districts that had high footfalls, it would not necessarily translate to a commensurate number of footfalls for major sports brands like Altius due to the nature of engagement with sport in general and the reluctance of the middle class to indulge in premium brands. Should Altius then consider alternative methods to make their products, particularly the Moorfball Team jersey, accessible to the target audience?

The Pricing Option

Whereas the love for Moorfball among Lululanders cut across the divides of socio-economic classes, a large chunk of this population was known to be a value-conscious customer with few indulgent purchases. At its current price Altius's replica jersey was an indulgence to most Lululanders. Should the price for the jersey be dropped to a more affordable level to boost sales? What would that acceptable price point be and how would this be arrived at? Would the new price ensure profitability per unit? If not, should there be a compromise made in quality of the product? What would be the repercussions to the brand if a lower quality product was launched?

Rob had many questions to answer. He turned to his team to brainstorm and arrive at the way forward.
