

University of Southern Indiana

2023 High School Student Case Study Competition

The Cage

Introduction

It was 8 a.m. on Saturday morning, and Sanjay Danani had come in early to his office at The Cage in Kallang, Singapore. He still had an hour before his scheduled futsal game (a form of soccer played indoors on a hard court) with a group of friends. The 9 a.m. game has become a regular exercise session for the 10 of them, all in their 50s, ever since Sanjay and his business partner, Rajesh Mulani, founded The Cage in 2005. He was proud of what he and Rajesh had created—a fully homegrown company where people can play a game of their favorite sport, rain or shine, at any time of the day with friends and family.

Despite the venue's apparent attractiveness, recent trends and developments that could impact the business were very much on Sanjay's mind, including youths' preference for online games, connecting with customers through social media, a push for cashless transactions, and consideration of a potential expansion into a new location.

Background

The Cage is a small to medium size business based in Singapore. The initial futsal facility had 5 vs. 5 futsal pitches (courts), which remain the mainstay, but it expanded into bigger pitches for 7 vs. 7 and 11 vs. 11 game variants. The facility also diversified into other games and events, such as cricket, archery, and birthday celebrations.

Sanjay and Rajesh are avid soccer fans who spotted an opportunity to provide indoor sporting facilities and connect with people through sports. Singapore is known for its heavy rainfall, so the customers loved the offerings to be able to play regardless of weather. Business was booming and from their flagship location in Kallang, they have since expanded to two new locations: Bukit Timah and Home United FC Youth Football Academy. All three locations are described in Table 1 on the following page and the customer base is further described on Table 2.

Given the nature of The Cage's business, optimizing capacity and maximizing the yield from each available game slot are key success factors. Online, over-the-counter, and telephone booking systems are available. The online booking shows facility availability in real-time and payment is collected at the time of booking. For over-the-counter and telephone bookings, staff are also able to see the real-time availability. The business also depends heavily on word-of-mouth advertising

TABLE 1: THE CAGE'S LOCATIONS

KALLANG	BUKIT TIMAH	HOME UNITED FC YOUTH FOOTBALL ACADEMY
<ul style="list-style-type: none"> ■ The flagship location; situated next to the Singapore National Stadium. Houses six pitches on three duplexes that were previously a ship repair warehouse. ■ Land was acquired in 2005 on a government continuous three-year lease extension. Currently on a three-year lease until 2022. ■ Finance, administrative, and booking service hub for the BKT and HYFA locations. ■ Payment collection: cash (40%), digital payments (60%). ■ Focus: customer engagement, running effective and lean shared services, pushing further for cashless transactions, and improving productivity for its shared services. 	<ul style="list-style-type: none"> ■ In operation since 2012. ■ Mainly B2B customers. ■ Full utilization of capacity. ■ Payment collection: 100% digital payments. ■ Focus: customer engagement, to reach out to players brought in by the B2B partner. 	<ul style="list-style-type: none"> ■ In operation since mid-August 2019. ■ Has excess capacity. ■ Restricted operating hours (closes at 10 p.m.) due to being located near a residential area. ■ Payment collection: 100% digital payments. ■ Focus: optimizing capacity.



TABLE 2: CUSTOMER CHARACTERISTICS

B2B	SCHOOLKIDS	REGULARS	AD HOC
<p>These customers are primarily event organizers. Generally, the transactions represent the corporate judgment to book the place.</p>	<p>The Cage recognizes that schoolkids aren't earning their own money and provides them with deals such as one-for-one offers. This makes it very affordable for them to play at The Cage, which is aligned with the company's original vision.</p>	<p>Regulars are particular about wanting to have a recurring/scheduled workout with their friends and colleagues. This category isn't price-sensitive since regulars want to have their slots at specific times. This includes 9-5 office workers.</p>	<p>This group is price-sensitive mostly because it has other venue options and more flexibility in terms of timing: After 10 p.m., more slots are available in The Cage's venues and likewise at the competitors' venues.</p>
<p>Day users 10 a.m.-6 p.m.</p>	<p>Afternoon users 1 p.m.-6 p.m.</p>	<p>Early-night users 6 p.m.-10 p.m. (peak)</p>	<p>Late-night users After 10 p.m.</p>
<p>Very price-sensitive</p>	<p>Price-sensitive</p>	<p>Price-insensitive</p>	<p>Price-sensitive</p>

Details

- The Cage relies heavily on word-of-mouth recommendations from satisfied customers. Instagram and Facebook accounts are active, but the reach has been minimal so far with limited posting.
- Online bookings are paid at the time of booking. For customers that walk in, they are able to make a cash or electronic payment after their game (this was important to the owners so that the customers do not feel it is a transactional relationship).
- The facilities are high-quality: equipment is maintained, all spaces are cleaned regularly, staff is well-trained. Coolers are provided next to the courts to keep beverages cold and GoPros are set up to record the game for serious players who want to review it.
- Customer relationships are very important at The Cage. New customers receive \$5 play vouchers when feedback is given and regulars are offered complimentary sessions when there are open slots. The staff are actively engaged with the customers.

As Sanjay's 9:00 a.m game approaches, the next focus for The Cage weighs heavily on his mind. He knows they need to address the competition from online gaming with the youth. Social media interaction and using their platforms to increase utilization could be a great next step. Going cashless would cause less administrative work and free up time for his team members to focus on other things. And expanding to a new location would bring in a whole new customer base. All of it sounds great – but he knows he can only focus on one thing at a time.

Task

From the four concerns on Sanjay's mind (how to compete with online gaming to increase younger customers, using their social media to engage with customers and increase space utilization, going cashless, and expanding to an additional location), select the one that you believe is the next right step for The Cage.

Complete a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis on your choice and explain why you believe your choice will help The Cage succeed. On November 3rd, you will make a 10-minute presentation with a PowerPoint or PDF slides that can be projected, sharing your choice for Sanjay and The Cage and the SWOT analysis that supports it. It is encouraged that all team members participate in the presentation.