iGolf Mobile Marketing Plan

Anthony Zazo

Marketing Manager

L1 Technologies Inc., iGolf Division

591 Camino de la Reina, Suite 200

San Diego, CA 92108

Tel: 858.300.5513 X 2381

anthony.zazo@l1inc.com

BA 795-Graduate Consulting Experience

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I. EXECUTIVE SUMMARY

The iGolf division of L1 Technologies is currently developing a mobile golf GPS application which is being designed to run on a variety of cellular phones, Smartphones and PDA's. Although L1 has previously developed and marketed iGolfGPS v3.0 Software for PDA's and Smartphones, the new application will include enhanced features, functionality and compatibility. Under the iGolf brand name L1 Technologies has developed and brought to market five handheld golf GPS devices since 2005. In January of 2009 L1 announced a deal with Bushnell Outdoor Products, the leading manufacturer of distance measuring devices on the PGA tour, where Bushnell agreed to purchase the rights to L1's iGolf branded line of golf GPS hardware. However, L1 still owns the rights to a golf course database containing over 31,000 course listings and over 20,000 GPS mapped golf courses throughout the world. L1 also maintains an exclusive deal with Bushnell where each Bushnell golf GPS device is powered by iGolf. If a golfer wishes to download pre-mapped courses to their Bushnell device they must register for a paid membership to iGolf.com. A paid membership to iGolf.com is $34.99 for one year or 100 course downloads, whichever comes first. Since L1 is no longer selling hardware, the company is looking for additional ways to monetize their course database beyond the partnership with Bushnell. Developing a mobile golf GPS application and then selling memberships to access their course database is one method of achieving this goal. Therefore L1 Technologies needs to develop a comprehensive marketing plan which can be implemented once the wireless application has been completed.

II. COMPANY and INDUSTRY DESCRIPTION

1. OVERVIEW OF COMPANY AND PRODUCTS

L1 Technologies

L1 Technologies was originally founded in 2003 under the name iGolf Technologies, a golf GPS (Global Positioning System) company. After several years of development and product releases iGolf Technologies ventured into other GPS areas such as SDIO device driver research and development, navigation driving direction algorithms and GPS content. Sticking to its roots iGolf Technologies continued to forge ahead on innovative golf GPS products under the iGolf brand but made the decision to broaden the horizon of the company and explore more deeply into other GPS sectors.

L1 Technologies was formed in 2005 to represent a more balanced GPS company developing cutting edge products for the civilian industry. L1 Technologies is divided into two primary divisions: the iGolf division and the oneNavigator division. The iGolf division focuses on the consumer golf GPS market, while the oneNavigator division focuses on consumer turn by turn driving direction technology. The main goal of L1 Technologies is to continue to introduce affordable, high quality products and solutions for the civilian GPS sector worldwide.

iGolf Brand

Pioneering the consumer golf GPS market, iGolf, operated by L1 Technologies, has become a brand uniquely focused on providing technological advances in software, hardware and GPS content for the golfing sector. With a strong global presence, iGolf continually strives to offer innovative and affordable mobile and web-based solutions for golfers around the world with products and services being used in over 20 countries.

As host to the world's largest GPS enabled golf course database, iGolf.com is the backbone supporting both "iGolf" and "Powered by iGolf" partner products. Additional features such as the iGolf Handicap Tracker, the latest golf headlines, equipment, travel, gadget and course reviews make iGolf.com a destination site for golfers of all interests. iGolf.com provides the golfing community many of these valuable services at no cost while maintaining some paid premium services.

Powered by iGolf Brand

L1 Technologies developed the Powered by iGolf brand in 2008 in order to enter into partnerships with companies who wish to lease the iGolf GPS course database or utilize L1 Technologies engineering resources to develop new products and applications in the golf GPS arena. In 2008 Bushnell Outdoor Products became the first company to enter into a partnership with the Powered by iGolf division of L1 Technologies. Initially Bushnell agreed to utilize L1 as the exclusive provider of GPS course data for their Bushnell Yardage Pro handheld GPS device. Therefore the Bushnell Yardage Pro is "Powered by iGolf". In January of 2009 Bushnell agreed to purchase the rights to iGolf's line of golf GPS devices, and Bushnell currently sells four handheld golf GPS devices which are powered by iGolf.

The Powered by iGolf brand leverages industry leading course data and development resources to provide a competitive technical advantage for any company. Years of experience and dedication to the golf GPS industry allows L1 to provide clients with state-of-the-art data services, product development and project management solutions. These include:

- Data Services-GPS Course Files, Golf Scorecards, Golf Course Information
- Product Development-Hardware Platform, Software Platform, Wireless Applications
- Project Management-Product Design, Product Placement, Resource Identification

2. INDUSTRY DESCRIPTION

The Golf Industry in the United States

The latest comprehensive study conducted by SRI International, in conjunction with Golf 20/20, states that the U.S. golf economy generated $76 billion of goods and services in the year 2005. "The size of the golf economy is significant and comparisons to other industries illustrate this point. It is larger than newspaper publishing, performing arts and spectator sports, and the motion picture and video industries. In 2005, Americans spent $6.2 billion on golfer supplies. Of this amount, the largest proportion, or $3.7 billion, was spent on equipment, such as golf clubs, golf balls, and golf bags" (SRI International, 2008). Although this information is somewhat dated, since it is from 2005, it does represent the most recent publicly available comprehensive study. In fact, these figures were cited when 11 members of the U.S. golf industry's Allied Associations sat before the United States Congress on May 13, 2009 to discuss the economic impact of the golf industry on the U.S. economy.

According to an IBISWorld report detailing the Sporting Goods Wholesaling industry in the United States, dated April 2, 2009, golf equipment accounted for 14.1 percent of the entire domestic sporting goods industry. Their analysis reveals that "golf is the most popular outdoor sport in terms of sales" (IBISWorld Inc., 2009). Overall, golfing equipment sales are second only to exercise equipment, which accounts for 22.1 percent of the domestic market. IBISWorld estimates that total industry revenue for 2008 was $30.776 billion, and they forecast total industry revenue for 2009 at $29.853.8 billion. Assuming that golf equipment sales remain steady at 14.1 percent of the total industry, golf equipment sales wholesaling revenues for 2008 were approximately $4.340 billion; forecasts for 2009 predict that revenues will be approximately $4.209 billion. A separate report by the National Sporting Goods Association on consumer sports equipment purchases by sport determined that in 2008 golf equipment purchases in the US totaled $3.770 billion (National Sporting Goods Association, 2009).

The iGolf division of L1 Technologies operates in a niche sector of the golfing supply industry generally categorized as "distance measuring devices". This sector includes laser rangefinders, handheld golf GPS devices, cart mounted golf GPS systems and mobile golf GPS applications. The majority of companies in this sector of the golf industry are privately owned, although larger companies such as Callaway Golf and Garmin currently produce distance measuring devices for golf. In addition, two companies who produce cart mounted golf GPS systems, GPS Industries (OTC: GPSN) and Pro Link Holdings (OTC: PLKHE) are publicly traded in the United States.

Wireless Telecommunications Carriers in the United States

According to an IBISWorld Industry Report from February 2, 2009: "this industry comprises establishments primarily engaged in operating and maintaining switching and transmission facilities that provide direct communications via airwaves. Included in this industry are establishments providing wireless telecommunications network services for amateur purposes, for cellular mobile phone services, for paging services, for broadband personal communication services (PCS) and for public safety services. In 2008, industry revenue is expected to reach $194.4 billion, which will be 4.5 percent higher than the previous year. This will make this industry the largest in the Telecommunications Sector" (IBISWorld Inc., 2009).

III. **SITUATION ANALYSIS**

ENVIRONMENTAL ANALYSIS

1. ECONOMIC FORCES

United States Economy

As a company L1 Technologies derives the majority of their revenues from the United States, and future revenues are highly dependent on the United States consumer market. The United States is currently in the midst of a recession, which has been traced back to beginning in December of 2007. This recession has seen a decrease in the Consumer Price Index, increase in unemployment, tightening of credit markets and dramatic losses in domestic stock markets. This combination of recessionary conditions has led to a decrease in consumer confidence and consumer spending.

The United States Department of Labor's Bureau of Labor Statistics latest Consumer Price Index Summary, dated May 15, 2009, showed that: "on a seasonally adjusted basis, the CPI-U was unchanged in April after declining 0.1 percent in March" (United States Department of Labor, 2009). However, "this index has fallen 0.7 percent over the last 12 months . . . the year-over-year declines in March and April are the first since 1955" (United States Department of Labor, 2009). The 0.7 percent fall in the CPI is the biggest decline over a 12-month period since June 1955.

The Bureau of Labor Statistics Employment Situation Report for April of 2009, released on May 8, 2009, states that: "nonfarm payroll employment continued to decline in April (-539,000), and the unemployment rate rose from 8.5 to 8.9 percent. Since the recession began in December 2007, 5.7 million jobs have been lost. In April, job losses were large and widespread across nearly all major private-sector industries. Overall, private-sector employment fell by 611,000" (United States Department of Labor, 2009). As of April 2009 there were 13.7 million unemployed persons in the United States, which represents an increase of 6 million, or 3.9 percentage points in the past year.

Therefore, L1 Technologies is currently facing a difficult marketplace to sell services to consumers in the United States. Recessionary conditions in the United States have led to dramatic declines in the CPI and increases in unemployment over the past 12 months. The United States has also experienced a tightening of the credit market, making it more difficult for people to get loans, especially at favorable interest rates.

United States Golf Industry

Multiple studies show that the recession in the United States will lead to declining sales in the golf equipment industry and the sporting goods industry in general. An IBISWorld report from April 2, 2009 indicates that the current recession will have a negative impact on both the sporting goods wholesaling and sporting goods manufacturing industries. "Weaker demand stemming from the recession will lead to a demise in revenue and operator numbers in 2009 and 2010. The industry will experience recessionary conditions all across the US economy. Yearly revenue forecasts have been downgraded and there will continue to be quarterly revenue losses felt throughout the outlook period (1Q09-4Q10)" (IBISWorld Inc., 2009). The same IBISWorld study shows that golf equipment sales wholesaling revenues for 2008 were approximately $4.340 billion, and it predicts that revenues will be approximately $4.209 billion for 2009, forecasting a decline of about 3 percent.

A separate IBISWorld report on Golf Courses and Country Clubs in the U.S., dated April, 2009, also indicates that the recession will have a negative effect on the golf industry. "The economic downturn will limit consumer spending on discretionary items such as golfing activities. Spending on golf and country club activities will be scaled back under the current economic climate, continuing the run of losses which the industry has experienced since 2000" (IBISWorld Inc., 2009). However this report also points to encouraging signs moving forward. "Revenue forecasts have been downgraded for 2009, however the industry should recover in the third quarter of 2010, on the basis of stronger consumer sentiment and the upcoming holiday season" (IBISWorld Inc., 2009).

FORECAST - Weaker returns anticipated for 2009, but improved performance to follow

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Quarterly Revenue $m	4216.4	5326	5769.9	6879.4	4511.1	5187.8	5638.9	7217.8
Real Revenue Growth	-34.2	26.3	8.3	19.2	-34.4	15	8.7	28

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Forecast real revenue growth %	2008	2009	2010	2011	2012	2013
as published April 2009	-0.7	-2.8	1.6	2.1	1.7	1.8

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These charts show that after declining performance in 2009 the golf courses and country club industry should experience improved performance through 2014. The report points to a steady increase in the number of golfing participants, partly due to the aging population of baby boomers with more time on their hands, as the primary catalyst for increased revenues.

In addition to industry reports detailing expected sales performance, articles from the mainstream media and the National Golf Foundation indicate declining sales for the golf industry in 2009. A New York Times article from November 18, 2008 titled *Storms on the Horizon for the Golf Industry* profiled the struggles of both the PGA Tour and LPGA Tour in securing sponsors and prize money for their respective 2009 seasons. The article also addresses the problems endured by golf shops throughout the United States. “Down the line, away from the spotlight of either tour, there are signs of grass-roots fissures in the multibillion-dollar industry that golf has become. “A long time ago, before I first got in the business, someone told me that golf retail was recession proof,” said Sugarman (owner of golf stores in West Palm Beach and Boca Raton, Florida), who said his year-over-year decline in October sales was around 9 percent. “And it always was proven true. Until now. This is different” (Doorman, 2008).

Gene Yasuda, *GolfWeek's* deputy editor/Business Multimedia, indicated a decline in “golfer confidence” based on the results of a National Golf Foundation survey from December of 2008. The survey was given to adult core golfers, defined as those who play more than eight rounds of golf per year, and the results were compared to a similar study from August of 2008. “Nearly 40 percent of adult core golfers, when surveyed in December, expected to delay equipment purchases-reflecting mounting pressures they're feeling from the recession. More core golfers said they are playing fewer rounds as well-27 percent in December 2008 vs. 23 percent in August 2008. Regarding their general finances, about 65 percent of adult core golfers are cutting back on spending compared with 48 percent of respondents who trimmed spending in August 2008” (Yasuda, 2009).

Wireless Industry in the United States

In contrast to the golf industry, and the overall United States economy, the current recession is not expected to have a significant impact on the domestic wireless industry. An IBISWorld report from January 9, 2009 characterizes the impact of the recession on the wireless industry as “minimal”. “Cell phones have become a life necessity. There will be a slowing in revenue growth as consumers become more cautious in their telecommunications expenditure, but it will be marginal. The slight downward pressures of the downturn will ease in fourth quarter of 2009 as solid growth is restored in per capita disposable income and the unemployment rate nears its peak. This will see an upturn in revenue growth for the first quarter of 2010” (IBISWorld Inc., 2009). IBISWorld forecasts real revenue growth for wireless carriers in the United States through 2013.

FORECAST - Wireless telcos to march on during the outlook

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Quarterly Revenue $m	50922.2	51176.8	51345.7	51602.4	52170.1	53004.8	54011.9	55200.1
Real Revenue Growth	0.7	0.5	0.3	0.5	1.1	1.6	1.9	2.2

Forecast real revenue growth %	2008	2009	2010	2011	2012	2013
as published February 2009	4.5	5.5	4.6	4.1	3.1	3.0

The forecasted growth of the wireless industry in the United States, combined with predicted increases in golf participation leading to future revenue growth for the golf industry, are positive economic indicators for the long term success of iGolf Mobile. Although overall golf equipment sales are expected to continue declining through 2009 and 2010, the industry should still experience sales of over $4 billion annually during this period. Therefore iGolf Mobile, leveraging the strengths of the growing wireless sector and golf participation, has the opportunity to succeed in the face of current recessionary trends.

2. SOCIAL and CULTURAL ISSUES

Recent cultural and social trends show that sports participation in the United States is rising and is expected to continue its ascent over the next five years. Consumers have become increasingly aware of the health benefits tied to regular exercise and nutrition, and the dramatic rise in obesity in the United States has been well publicized. When combined with steady population growth these factors have led to an increase in the number of Americans who are regularly participating in sports. “Overall, sports participation across the US has posted solid growth, with the number of consumers aged seven and over who participated in a sporting activity more than once, rising by 7.2 percent between 2003 and 2007” (IBISWorld Inc., 2009).

In terms of sporting goods sales golf is the most popular outdoor sport in the United States. However, after reaching a sales peak in 2001 golf has seen a steady decline in sales due to a variety of social and cultural factors. According to an IBISWorld report on the Sporting Goods Wholesaling Industry in the U.S., dated April 2, 2009: “Demand for golfing equipment (clubs, balls, gloves and other equipment), is driven to a large extent by the retirees market or consumers which have sufficient time available to undertake a round of golf along with their other weekly duties. The overall decline across the golf market is largely due to a decline in the number of core golfers, a decrease in the number of rounds played, a slow-down in the rate of new course openings and a stagnant market for golf clubs" (IBISWorld Inc., 2009).

While overall sports participation in the United States rose between 2003 and 2007, golf actually saw a contraction in participation by 17.5 percent (IBISWorld Inc., 2009). However this trend has already began to reverse, and golf is expected to continue gaining participants in the near future. According to the National Sporting Goods Association 25.6 million Americans age 7 and older participated in golf more than once in 2008, representing a 2.6 percent increase from 2007. Moving forward "it is estimated that the mature market (ages 55 and older) will grow by nearly 40 percent, representing an opportunity for sporting goods manufacturers and other industry segments to cater to this segment. This aging population will maintain a more active lifestyle and continue to focus on physical appearance and weight. Golf and fishing equipment segments are anticipated to experience solid growth at the expense of the playground equipment segment" (IBISWorld Inc., 2009).

Although golf has seen a decline in participation and demand for golfing equipment and related products since experiencing a peak in 2001, social and cultural issues suggest that this trend is already reversing. With an increase in participation from 2007 to 2008, steady domestic population growth, an increasing emphasis on health and fitness, and an aging population with a greater propensity to participate in physical activities, particularly golf, golf participation amongst U.S. citizens is expected to continue increasing in the near future. An increase in golf participation in the United States will create a larger potential market for iGolf Mobile.

The wireless communications industry in the United States is stronger than ever, and still experiencing growth even in the face of a broad economic slowdown due to social and cultural issues. "Consumers have becoming increasingly dependent on cellular phones in meeting their communication needs. In fact a significant number of consumers have disconnected their landline services altogether to rely solely on their cell for voice and messaging. The importance of wireless telecommunications to the everyday lives of Americans has seen subscriber numbers reach an estimated 265.5 million in 2008, or 86.5 percent of the population" (IBISWorld Inc., 2009). Furthermore, as wireless carriers continue to upgrade their networks to 3G and 4G technologies a greater percentage of consumers will have access to value added services such as television, music downloads, internet and GPS on their cell phones at lower prices. As usage increases and prices decrease more users will demand these services, leading to greater market penetration. The widespread dependence of U.S. consumers on cell phones and increase in the demand for value added services will create a larger market for iGolf's Mobile golf GPS application.

3. POLITICAL, LEGAL and REGULATORY FORCES

L1 Technologies uses the Global Positioning System (GPS), a global navigation satellite system (GNSS) developed and operated by the United States Department of Defense. Originally conceived as a tool for the U.S. military, GPS is now freely available for civilian use. Since 1995, when fully operational capability was declared by NAVSTAR, the United States government has continued to invest resources into improving GPS for civilian use as a form of public benefit. There are currently no prospective political initiatives which would suggest that the United States government plans to regulate GPS technology or restrict access to companies utilizing the technology for civilian services.

Although the United States government is not planning to regulate the civilian GPS industry, recent reports suggest that beginning in 2010 the government may experience difficulty in providing the level of services and reliability that GPS users have become accustomed to. According to a study by the U.S. Government Accountability Office: "it is uncertain whether the Air Force will be able to acquire new satellites in time to maintain current GPS service without interruption . . . such a gap in capability could have wide-ranging impacts on all GPS users" (U.S. Government Accountability Office, 2009). Any change in the current level of GPS service from the United States government would severely damage L1 Technologies business, since the company's primary sources of revenue are dependent on accurate GPS satellite reception.

From a legal standpoint L1 Technologies is currently party to a patent infringement claim filed by GPS Industries. GPS Industries (GPSN) filed a claim for infringement of U.S. Patent No. 5,364,093 ('093) against ten golf-related GPS technology companies, including L1, in a Dallas federal court lawsuit on May 11, 2007. The suit claims that the ten companies have infringed on the '093 patent established by GPS Industries in 1994 called "Golf Distance Measuring System and Method," which outlines "a method for determining the approximate distance of a golf ball to a golf cup using a global positioning satellite system."

Since May of 2007 L1 Technologies and the other defendants in the case have asserted that their products do not infringe on the patent. GPS Industries patent measures from a golf cart to the golf cup, while iGolf's technology measures the distance from the user's position on the golf course to the front, center and back of the green, rather than the cup.

In addition to believing that its products do not infringe on the patent, L1 feels that the patent has significant questions of validity, and therefore the patent should never have been issued. In order to prove this, L1 filed a petition for re-examination with the United States Patent and Trademark Office (USPTO), which was granted on November 21, 2008. The USPTO has clearly acknowledged that the GPS Industries patent has a basis for re-examination by granting the review. In fact, according to the USPTO, statistics state that in requests for re-exam by third party companies such as L1, 72 percent are either cancelled or have their claims substantially changed.

With the patent currently in re-exam the defendants have asked the Texas court to stay the patent infringement case. It has yet to be decided whether or not the Texas court will proceed with this lawsuit until the USPTO makes a judgment on whether or not the patent is legitimate. Although the validity of the patent is in question, and L1 believes that even if the patent is deemed valid its products do not infringe on it, a decision against L1 and the other defendants could have a significant effect on future business. If it is ruled that L1 has violated a valid patent the company would most likely be responsible for compensating GPS Industries for future use and past violations. This would adversely affect profit margins, and could affect the ability of the company to devote resources to future development projects such as iGolf Mobile.

Along with other segments of the U.S. telecommunications industry, the wireless industry is governed by the Federal Communications Commission (FCC). The FCC's main control over the wireless industry revolves around regulating the use of radio frequencies. According to a February 2009 IBISWORLD study on Wireless Carriers in the United States, the level or regulation in the industry is medium and the trend of regulation is steady. Although future regulatory situations could arise which would affect cellular GPS and iGolf Mobile, current political, legal and regulatory forces existing in the wireless telecommunications industry do not suggest any specific concerns.

4. TECHNOLOGICAL ISSUES

L1 Technologies has experience developing golf GPS software for mobile devices, and the company is still distributing iGolfGPS v3.0 software for PDA's and Smartphones. At this stage in the development process L1 does not anticipate any major technological issues which would jeopardize a successful launch of the iGolf Mobile platform. The greatest challenge will most likely occur with creating compatibility for a wide range of devices among different handset manufacturers and wireless carriers. Many devices run on different operating systems, and integration will require significant development work. However, L1 has already devoted extensive time and resources to ensure that their database of GPS course data and GPS related software can be easily adapted to a variety of wireless systems.

Wireless telecommunications providers in the United States have invested considerable resources in expanding and developing their networks to handle wide ranges of digital data, including GPS services. The four major carriers in the United States currently offer 3G services. "The appeal of 3G for carriers is that it enables faster data transfers for users with devices that are 3G capable such as various cell phones, PDAs, BlackBerries and laptops, which utilize a 3G card. There is already evidence that 3G services have increased the demand for new value added services, which can offer higher margins and new revenue streams for carriers. Such value added services include internet browsing and downloading, mobile commerce, email applications and mobile TV” (IBISWorld Inc., 2009). With the proliferation of 3G services and beyond, Sprint is currently releasing its 4G network to select areas, technology in the U.S. wireless industry is expected to maintain and improve on standards which are necessary for the high speed data transfer that mobile golf GPS requires to be successful. In addition, handset manufacturers are working towards including GPS chips in more cell phones, and increasing the quality and accuracy of the chips.

COMPETITIVE FORCES

1. BUYER ANALYSIS AND POWER

The bargaining power of customers with respect to iGolf Mobile will be contingent on what type of distribution the wireless application receives. If L1 Technologies is able to secure a deal with a major U.S. wireless carrier to be the exclusive provider of golf GPS services to their customers then consumer bargaining power will be weak. In this type of scenario consumers would only be presented with one option if they wanted to utilize their mobile phone as a GPS receiver for golf. With prohibitive buyer switching costs, particularly if the consumer is under contract, it is unlikely that they would switch providers in order to gain access to a different application for golf. A variation of this scenario would occur if L1 is able to work with a wireless carrier to have iGolf Mobile included as a service on a provider’s all-in-one inclusive package. If consumers were to receive the application as service tied to a tiered plan they would not have any buying power, because they are not actually paying extra for the service.

On the other hand, if iGolf Mobile is distributed as a standalone application which consumers have the option of purchasing through a digital store, as is currently the case with Apple’s iPhone and the its App Store, consumer bargaining power will be strong. In this scenario consumers have tremendous bargaining leverage, particularly with respect to price, due to the number of companies in the marketplace providing similar services. Most of the company’s costs are fixed with respect to development of software, and since the variable costs of adding new users are minimal, companies are willing to lower prices due to buyer price sensitivity. As of May 2009 there are already 14 separate applications which utilize GPS to map points and distances on golf courses available on the Apple iPhone App Store. L1 would have to leverage the iGolf brand name along with the quality and scope of their data to differentiate themselves from competing companies.

2. SUPPLIER ANALYSIS AND POWER

The bargaining power of suppliers is weak as it relates specifically to iGolf Mobile. Since L1 is only providing software and technology, raw materials and components are not factors.

The primary market inputs pertaining to the development of the product are software engineers who have the necessary level of expertise in the industry. Considering the recessionary state of the United States and rising unemployment across a broad range of industries, there is a large pool of qualified engineers currently looking for work at reduced salaries.

3. SUBSTITUTE PRODUCTS

The threat of substitute products in this industry is medium. The primary substitute to a mobile golf GPS application is a dedicated golf GPS device, a market which L1 Technologies participates in through an agreement with Bushnell Outdoor Products and the iGolf brand. Since mobile applications have been developed to replicate the existing functionality of dedicated handhelds, they should essentially perform the same. However, handheld devices currently cost between $150 and $500, and most require a yearly subscription fee between $30 and $50 to acquire pre-mapped GPS course data. In contrast, a mobile application does not require the user to purchase any additional hardware since they already own a mobile phone to run the application. Mobile applications are therefore much less expensive; golf GPS apps for the iPhone currently sell for between $4.99 and $39.99, and some even include free updates for life. While some people will continue to prefer using a dedicated handheld unit, especially if they do not own a phone with GPS capabilities and access to a 3G network, this threat should eventually subside.

An additional substitute product for any type of golf GPS is a laser rangefinder. Laser rangefinders also assist golfers in measuring distance on the golf course, and they have the benefit of not requiring GPS course downloads, satellite reception or battery charging. Laser rangefinders can also be more accurate in some circumstances since they do not rely on pre-mapped course data; instead a rangefinder measures distances in real time as a golfer is playing. On the other hand, rangefinders are limited in that they require a clear line of site to a specific target, and they also have a limited range of distance. A typical golf rangefinder costs about the same as a dedicated golf GPS device: approximately $150 to $500, so the cost is again significantly more than a mobile golf GPS application.

4. POTENTIAL ENTRANTS/ENTRY BARRIERS

The potential threat of new entrants is contingent on what level of service is considered in evaluating competitors in the marketplace. If a company simply wishes to create a mobile application on an open source platform and distribute through the Apple iPhone App Store or RIMM Blackberry App World then the barrier to entry is relatively low. The company only needs a few qualified software engineers to develop the platform, and course mapping is done exclusively by using satellite imagery. In some cases users are even encouraged or required to map their own courses using customized programs from the developer which provide images from Google Earth and digital tools for mapping.

Conversely, the threat of new entrants which would directly compete with the iGolf brand on a comparable level of sophistication and structure is low due to a high barrier of entry. In order to develop a database of over 20,000 GPS mapped courses which has been tested, verified by consumers, and professionally audited, a company would need to possess considerable funding. Even if a company were able to secure the funding in a very difficult lending environment it would still take them a significant amount of time and additional resources to develop their course database. The company would then need to develop brand equity to compete with established companies in the golf GPS arena such as Sky Caddie, Golf Logix, Callaway, Garmin, Bushnell and iGolf.

In addition, each of these companies generates revenue by selling hardware, with the exception of iGolf who recently exited the market. It would be cost prohibitive for a company to devote the time and financial resources necessary to develop a high quality database with the sole intention of monetizing the data through a wireless application. The fact that many privately owned golf GPS companies are currently struggling to make a profit, and even those that appear profitable now have languished in the red for many years, also make it unlikely that a new company would enter the marketplace and attempt to replicate what L1 has established with the iGolf brand.

5. COMPETITOR ANALYSIS

In developing iGolf Mobile L1 Technologies is attempting to become the first established golf GPS company to enter the marketplace. As previously discussed, there are already at least 14 different companies marketing mobile golf GPS applications through the iPhone Apps Store, but these companies do not have the resources, quality of data, industry track record or sufficient brand equity to compete with iGolf. The rate of industry growth in the mobile golf GPS marketplace is expected to continue growing, which combined with low barriers to entry will likely lead to an increase in the number of competitors and intensity of rivalry. However, L1 should be able to maintain a sustainable competitive advantage over these companies and gain market share at their expense.

The greatest competitive threat to the success of iGolf Mobile would occur if one of the major established golf GPS companies such as Sky Golf or Golf Logix were to successfully enter the wireless golf GPS arena. These companies already possess expansive-verified GPS course databases, as well as brand equity which exceeds that of iGolf. With the anticipated rate of industry growth, and relatively low barrier to entry required to transition into wireless, it is likely that other companies currently competing in the golf GPS hardware and data markets are exploring the possibility of developing a wireless application. These companies may ultimately decide that they want to focus their resources on competing in the handheld marketplace, but their potential entry into the mobile golf GPS market will still remain a threat. Therefore the threat of competition from new entrants into the mobile golf GPS marketplace is high.

ORGANIZATIONAL ANALYSIS

1. STRENGTHS/CAPABILITIES (COMPETITIVE ADVANTAGE)

    - Audited database of over 20,000 GPS enabled golf courses
    - Strong reputation amongst consumers
    - Cost advantages and operating efficiencies from proprietary knowhow
    - Visionary, capable leadership
    - Financial stability-positive cash flow/lack of debt
    - Established business relationships in the golf and wireless industries
    - Strong brand name relative to current entrants in the mobile golf GPS marketplace

2. WEAKNESSES

    - Lack of patent protection for primary service (golf GPS)
    - Weak brand name relative to potential market entrants: Sky Golf, Garmin, Callaway

3. OPPORTUNITIES

    - Golf participation expected to increase in the United States
    - Wireless companies expanding 3G and 4G networking capabilities for faster data transfer
    - Wireless companies producing a greater percentage of cell phones with built in GPS chips
    - Wireless companies are focusing on adding value added services to cell phones to differentiate and increase profit margins
    - U.S. consumers becoming increasingly dependent on cell phones
    - Untapped market- lack of established golf GPS company and wireless provider relationship

- Wireless platform provides the ability to deliver golf GPS service at a much lower price (consumers do not need to purchase hardware at $150 to $500)

4. THREATS

- Potential U.S. government problems with maintaining the current level of GPS coverage for the civilian sector
- Pending patent infringement lawsuit with GPS Industries
- Recessionary conditions in the United States could linger, further lowering consumer confidence and spending
- Current competitors in the golf GPS handheld market with stronger brand equity could decide to enter the wireless marketplace

IV. MARKET ANALYSIS

1. MARKET SIZE AND POTENTIAL

The broad market for iGolf mobile and mobile golf applications in general are golfers who own cellular phones. In addition, golfer's cell phones must be GPS-enabled in order to properly use the golf GPS application. According to the National Sporting Goods Association 25.6 million people in the United States over the age of 7 participated in golf more than once in 2008 (National Sporting Goods Association, 2009), and an IBISWORLD study from February 2009 estimated that 265.5 million people in the United States owned a cell phone in 2008 (86.5 percent of the U.S. population) (IBISWorld Inc., 2009). An ABI Research report from February of 2009 indicates that approximately 30 percent of cellular phones in operation are GPS enabled, and they expect a 6.4 percent year over year growth in unit sales of GPS-enabled cell phones. ABI believes that by 2014 nine out of ten cell phones will be GPS-enabled (ABI Research, 2008). Assuming that golfers are representative of the overall U.S. population in terms of cell phone ownership, it follows that approximately 22.144 million people who participated in golf more than once in 2008 owned cell phones. If 30 percent of these phones are GPS-enabled, then 6.643 million people who participated in golf more than once in 2008 possessed GPS-enabled cell phones. ***Therefore the current broad market size and potential for iGolf Mobile is approximately 6.643 million people in the United States.*** This number should continue to grow with forecasted increases in sports participation, cell phone market penetration and year over year growth of GPS-enabled cell phones.

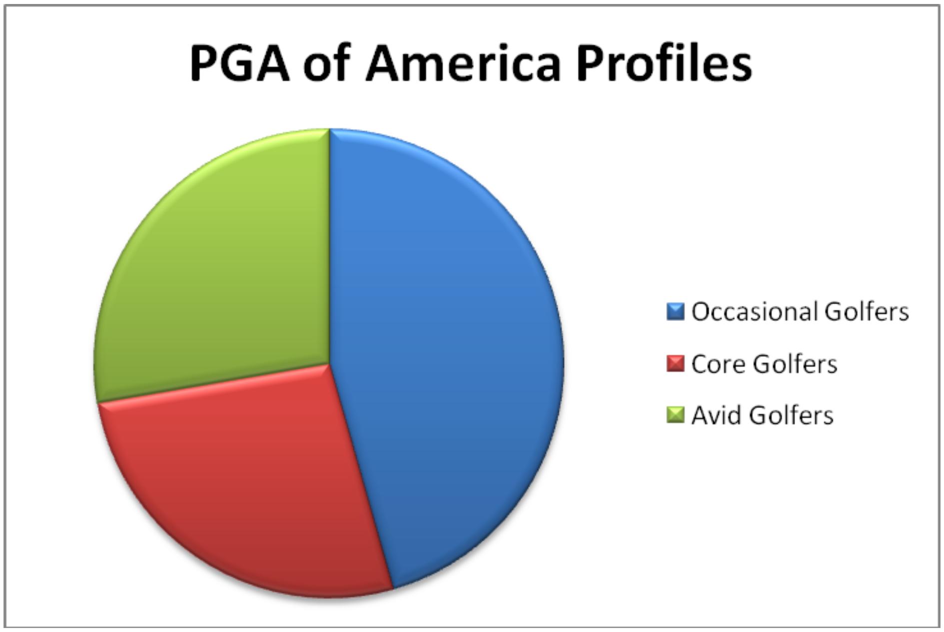
However, the true market potential of iGolf Mobile is probably not this broad, since it is unlikely that every person who plays golf more than once in a year is a prospective client. Based on a study of over 20,000 current iGolf.com members, it is clear that the majority of members fall into the category of "avid golfers" as defined by the PGA of America's Consumer Marketing department. The PGA characterizes avid golfers as those that play more than 25 rounds of golf on an annual basis, and over 81 percent of iGolf.com members indicated that they play greater than 25 rounds per year. According to the PGA of America 27.7 percent of golfers in the United States fall into the avid golfer category (PGA Consumer Marketing Department, 2008). If 27.7 percent of the 25.6 million people in the United States who play golf are avid golfers, then there are about 7.1 million avid golfers in the United States. Assuming that 85.6 percent of this group own cell phones, and 30 percent of those phones are GPS-enabled, then ***1.82 million avid golfers currently own GPS-enabled cell phones, which more accurately represents the target market for iGolf Mobile***.

While L1 Technologies will want to focus their marketing attention on avid golfers, they should also consider the "core golfers" segment as defined by the PGA of America. Core golfers play between 8 and 24 rounds of golf per year and make up 26.7 percent of the total domestic golfing population (PGA Consumer Marketing Department, 2008). Therefore approximately 6.84 million golfers in the United States are characterized as core golfers. Following the same assumptions that 85.6 percent of this group own cell phones, and 30 percent of those phones are GPS-enabled, then ***1.76 million core golfers currently own GPS-enabled cell phones***. Although this group of golfers is not as likely to be interested in golf GPS as avid golfers, the fact that they can quickly download iGolf Mobile to their cell phones without spending between $150 and $500 on hardware will make it appealing to core golfers as well.

2. MARKET SEGMENTS

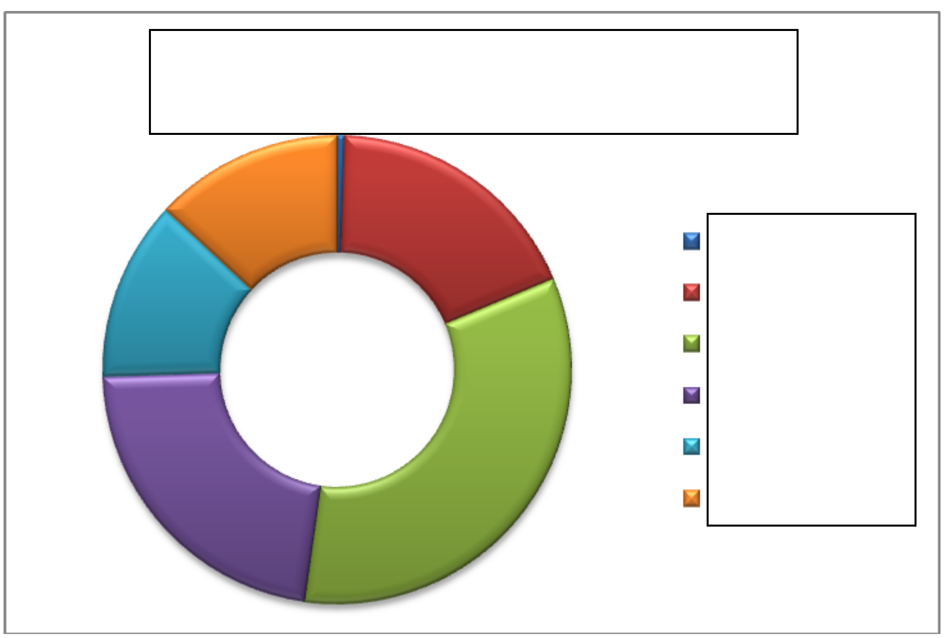
The PGA of America's Consumer Marketing department has identified three categories of people in the United States age 18 and over who currently play golf (PGA Consumer Marketing Department, 2008).

- Occasional Golfers – have played 1 to 7 rounds of golf in the past 12 months. 45.6% of golfers in the United States.
- Core Golfers – have played 8 to 24 rounds of golf in the past 12 months. 26.7% of golfers.
- Avid Golfers – have played 25+ rounds of golf in the past 12 months. 27.7% of golfers.



3. TARGET MARKET

The following chart shows a percentage breakdown of iGolf.com members based on the number of rounds of golf that they play in an average year.



Therefore L1 should target avid golfers since it fits the profile of consumers who currently own their products; with a secondary emphasis on core golfers because the lower price point of mobile golf GPS is likely to have a broader appeal than traditional GPS handhelds which range in price between $150 and $500. These two segments combined account for 13.9 million golfers in the United States (7.1 million avid golfers and 6.8 million core golfers); estimates based on the overall population indicate that approximately 3.58 million Americans are either avid or core golfers and own a GPS-enabled cell phone (1.82 million avid golfers and 1.76 million core golfers). ***This presents L1 Technologies with a target market of 3.58 million, and this number should only grow larger since forecasts indicate that golf's popularity, cell phone ownership and GPS-enabled cell phone market penetration are all expected to rise***.

V. MARKETING OBJECTIVES

- Maintain positive quarterly growth
- Gain acceptance/compatibility across a wide range of cellular carriers and handset manufacturers
- Secure a deal with one of the big four U.S. cellular companies to serve as the exclusive provider of golf GPS data to their users
- Reach an agreement with one of the big four U.S. cellular companies to have iGolf Mobile included as a component of an "all-in-one" data plan (L1 is compensated by the carrier per subscriber)
- Build awareness and brand equity for the iGolf brand in order to enhance existing and future partnership initiatives
- Drive traffic to the iGolf.com website

VI. MARKETING STRATEGY AND ACTION PLAN

1. PRODUCT STRATEGY

Customer Value Hierarchy

- Core Benefit- The consumer who is purchasing iGolf Mobile is actually buying "lower golf scores". Knowing accurate distances to critical targets on the golf course such as: the front, center, and back of the green, as well as bunkers, water and other hazards allows golfers to make better decisions and shoot lower scores.
- Basic Product- The basic golf GPS application includes distance measurements to the front, center, and back of the green in addition to hazards such as water, sand traps,

and out of bounds. The application should also allow users to keep track of their score on the application through a digital scorecard.

- Expected Product- Golfers expect to receive accurate distance measurements for each course which they download to use on their golf GPS application. Golfers also expect that the application will link to satellites quickly and maintain satellite reception throughout their entire round. The application should also contain access to a large database of pre-mapped golf courses in the United States, so that nearly every potential consumer is able to download their “home course”. In addition, the program should be easy to operate and keep score correctly.

- Augmented Product- iGolf Mobile will contain access to a database of over 20,000 pre-mapped GPS courses, which greatly exceeds any company currently offering a mobile golf GPS application. The product will feature an intuitive user interface for ease of use, and it will track putts per round, greens in regulation and other relevant statistics in addition to keeping score. The application will also show a customized full color map of each hole and green on selected golf courses, and golfers will be able to measure the distance to any point on these courses.

- Potential Product- In the future L1 will continue to map golf courses in the United States in order to grow its GPS course database. The company will also continue to expand their database of courses containing full color imagery. L1 will test their application and listen to consumer feedback regarding the user interface; if improvements can be made to make the device easier to use the company will consider these changes. The application will automatically recognize which golf course the user is on when they start the application, and it will automatically advance to the correct hole during a round. The program will keep track of advanced statistics, such as how far a user hits each club in their bag during a round. L1 will increase the zoom level for each full color map so that users can more easily view the distance measurement to very specific targets.

- Differentiation- iGolf Mobile will differentiate itself against other existing mobile golf GPS competitors through quantity of data, design, reliability and customer service. The primary differentiator will be quantity and reliability of pre-mapped GPS golf course data. L1’s database currently contains over 20,000 pre-mapped courses, while most mobile companies competing in the marketplace today have less than 10,000 pre-mapped courses. The iGolf database is also continually audited and tested by users, and many of the course maps have been in use for three to five years. On the other hand, the majority of companies distributing mobile golf applications for the iPhone have not audited their data, and their maps have not been tested or verified, leading to lower data quality. Since L1 has already developed and brought to market five handheld golf GPS devices, the company has unique industry knowhow, particularly as it relates to designing golf GPS applications. This knowledge allows L1 to produce an intuitive and user friendly interface which exceeds that of existing mobile golf GPS products. L1 also has a dedicated customer service/technical support staff with years of relevant industry experience, and unlike most of its competitors in this marketplace L1 representatives can be reached by telephone and live web chat channels in addition to e-mail.

2. PRICING STRATEGY

L1's pricing strategy for iGolf Mobile will be contingent on distribution and agreements with wireless carriers. If L1 reaches an agreement with a wireless carrier to include iGolf Mobile in an all in one cellular plan then L1 will have to negotiate a per-user fee with the carrier for the application. However, if iGolf Mobile is sold on an individual basis through each provider or handset manufacturer's virtual store L1 will need to develop a pricing strategy and set prices.

There are currently 14 different mobile golf GPS applications which are being sold through the Apple iPhone App Store, each is listed with the name and price in the box to the right. The prices and features of these applications vary greatly, but each program is designed specifically for golf and contains a GPS rangefinder function. They also include varying degrees of pre-mapped courses, and some applications require the user to map courses themselves through the use of Google Maps imagery. The average price for these programs is $22.49, while the median price is $19.99.

Application	Price
Range Finder	$4.99
Caddy	$9.99
Caddy.Me	$9.99
Tee to Green	$14.99
ProCreative Golf 09	$14.99
TeeDroid	$19.95
OhMyGolf	$19.99
Golf Memoir Gold	$19.99
ViewTi Golf	$24.99
Golf Suite	$29.99
YouCaddy Golf GPS	$34.99
GreenFinder	$34.99
FlyCaddie Golf	$34.99
AirVue Golf	$39.99
Average Price	**$22.49**
Median Price	**$19.99**

I recommend that in selecting a pricing strategy L1 attempt to position iGolf Mobile as the product quality leader in the mobile golf GPS marketplace. In this scenario L1 can leverage the strength and history of the iGolf brand to market the application against current and potential competitors in the marketplace, since the competition lacks brand equity and name recognition. This strategy will not necessarily maximize market share, although it will allow L1 to position iGolf Mobile as a premium product and charge a higher price than the competition.

Since L1 already has an extensive pre-mapped GPS golf course database and the employees necessary to develop and market the application including: technical support representatives, engineers, graphic designers, course auditors and sales and marketing management, nearly every cost associated with creating and supporting the iGolf Mobile application is a fixed cost. The real cost in developing the application is in the salaries of the employees who need to allocate time to work on the project. Therefore, since L1 does not need to devote extra resources to developing their course database, and because the company has other revenue streams apart from the mobile application, the company can still generate significant profits by setting a premium price and not focusing on maximizing market share.

The mobile golf GPS market is still young and in the introductory stage of the life-cycle, and L1 is not planning to release iGolf Mobile in the immediate future, so it is difficult to set a target price at this time. However, I would recommend that L1 continue to monitor the marketplace, determine fixed costs and expected sales, and set a price that positions iGolf Mobile as a product quality leader. This will allow L1 to leverage the brand equity behind the iGolf name and charge a premium price. If this strategy is not successful L1 can consider lowering the price of the application and attempting to maximize market share by offering a value proposition to consumers. In effect this type of shift would create a maximum market skimming strategy; L1 would start with a higher price to "skim" the maximum amount of revenue from targets that are willing to pay the higher price, while lowering the price over time to make the product more appealing to a larger segment of the market at lower prices.

3. DISTRIBUTION STRATEGY

iGolf Mobile will be distributed electronically to consumers directly to their cellular phones. Although this process will vary slightly depending on the wireless carrier, in most cases the user will access a "store" feature specific to their carrier directly from their cell phone and select the iGolf Mobile application for purchase. The application will then download through a wireless internet connection directly to the phone, or by connecting the phone to a computer with a USB cord and "syncing" the device; applicable fees will be added to their monthly wireless bill. If L1 is able to reach an agreement with a wireless carrier to add iGolf Mobile as a component of the carrier's "all-in-one" plan then the application will already reside in the software that is included with purchase; the user will just activate the program when they are ready to begin using it.

4. PROMOTIONAL STRATEGY

In the past L1 Technologies strategy has been to invest significant money and resources in technology while spending a very small percentage of their overall budget on advertising and marketing promotions. This strategy allowed L1 to differentiate the iGolf line of products by price, technology and design innovation; a strategy which has been successful and led the company to profitability. With the release of iGolf Mobile L1 will most likely utilize a similar strategy and not devote extensive resources towards promotions. Therefore the promotional strategy for iGolf Mobile will be built around the following methods:

- iGolf.com - In April of 2009 iGolf.com attracted approximately [redacted] unique visitors and generated almost [redacted] pageviews. L1 can advertise iGolf Mobile through a customized tab on the iGolf.com homepage, banner ads which appear throughout the site and in the iGolf.com store.

- iGolf Monthly Newsletter- Through iGolf.com L1 has a mailing list of about [redacted] opt-in subscribers who receive a monthly newsletter containing information about iGolf products and services. Upon its release iGolf Mobile will be featured in the monthly newsletter.

- Social Media Marketing- L1 maintains a corporate presence on a variety of social media websites, including Twitter, Facebook and MySpace. Pro-active initiatives are currently in place to expand iGolf's following and authority through these channels, and L1 will announce iGolf Mobile and actively promote the application through these networks.

- Public Relations- L1 has been working with a PR firm, Strategy Communications, since 2008 in order to generate exposure and brand equity for the iGolf brand. The overall goal of the public relations plan is to establish iGolf as an authority in the golf industry and generate brand awareness with the media and prospective consumers. Strategy Communications has developed categorical pitches and topical news releases to present to designated media contacts regarding the iGolf brand, and the release of iGolf Mobile would be incorporated into this plan. In addition to distributing press releases regarding the release of the application, our PR firm will leverage existing media relationships to try and generate product reviews and published articles both online and off-line regarding iGolf Mobile.

- PGA Merchandise Show 2010- The PGA Merchandise Show, held annually at the Orlando County Convention Center in Orlando, Florida, is the largest golf industry trade show in the United States. L1 Technologies will be attending the 2010 PGA Merchandise Show, and promoting iGolf Mobile will be a major focus of its trade show booth, trade show public relations and trade show marketing materials. L1 will also consider holding a press conference during the PGA Show to draw media attention to the release of iGolf Mobile, and performing demonstrations of the application in its booth at the show.

- Co-Branding and Ingredient Branding- If L1 is successful in gaining distribution of iGolf Mobile as a component of a wireless provider's "all-in-one" plan, this will open up the possibility of ingredient branding along with the carrier. As an example, in order to position their all-in-one plan as superior to their competitors, and entice people to choose their service, a carrier may advertise iGolf Mobile as a value added service as part of their promotional strategy. In this scenario iGolf Mobile is gaining broad media exposure and enhanced brand equity for little or no cost depending on how terms of the deal are negotiated. iGolf should consider making co-op funds available to the wireless carrier to offset the carrier's cost of advertising which includes iGolf Mobile. This type of advertising could be done through a variety of media channels including online, print, television and radio.

- Product Review Program- L1 will utilize public relations contacts and existing relationships with influential golf publications and websites to encourage their writers to review iGolf Mobile. L1 will also reach out to golf bloggers and prominent social media contacts in the golfing community to review and promote the product. Since the product is digital it is easily deliverable and has very few variable costs. Therefore, it will be quick and inexpensive to deliver the application to a wide range of writers and product testers for review.

- Online Advertising- L1 will consider both CPM (cost per thousand impressions) and CPC (cost-per-click) campaigns in conjunction with the launch of iGolf Mobile. If the application is not distributed exclusively through one carrier this type of advertising would present an opportunity to build awareness and brand reputation for the product. Market research would need to be completed to evaluate sites which get a high percentage of visits from avid golfers and GPS-enabled cell phone owners.

5. SALES STRATEGY and PROGRAM

L1's sales strategy will entail gaining acceptance and distribution for the application through the mobile "store" of all major wireless companies in the United States. In addition, L1 will attempt to negotiate with relevant carriers to have iGolf Mobile included as a component of their all-in-one service plans. In this scenario the wireless subscribers would have access to the application as part of the plan without any additional cost. L1 would generate revenue by assessing the wireless carrier a fee for each person who purchases their all in one plan.

Sales Promotion

The sales promotion objectives for iGolf Mobile will be to build trial amongst non-users and attract switchers from other wireless golf GPS applications. In order to accomplish this goal L1 will offer free trials of the iGolf Mobile application to entice usage. This is already a fairly common practice with many mobile applications, particularly those sold through the Apple iPhone app store. Many companies will offer potential customers a free trial version of their software with limited functionality, limited data, and/or a preset time to expiration in order to encourage a trial. If the consumer wishes to gain access to all of the application's features, or if they wish to use the program past the expiration date, they will need to purchase the fully functional version. L1 can offer free trials for iGolf Mobile in a variety of ways:

- Create an iGolf branded free mobile application which provides access to golf course information, but does not allow access to GPS course maps. The golf course database available to the public free of charge at iGolf.com provides information for nearly 32,000 golf courses worldwide. This information includes course names, addresses, phone numbers, websites, greens fees, dress code and public/private/semi-private classification. In addition, many of these courses feature up-to-date electronic scorecards and member reviews. L1 could make this information available in the form of a free wireless application in order to build brand recognition and stimulate demand for a paid application which provides users access to pre-mapped GPS course data and functionality.

- Allow users to download a trial version of the fully functional iGolf Mobile application with limited access to GPS course data. L1 could run this type of sales promotion in multiple ways. They could allow users to download the application and a limited number of holes for their designated "home" course. As an example, a potential customer could download the application as well as the data for the first three holes on the South Course at Torrey Pines free of charge. They could then use the device on the golf course and see how it operates and helps to improve their golf game. If the user is satisfied with the experience and wishes to gain access to a complete GPS map for the entire course, or maps for additional courses, they will need to purchase the complete application. Another potential method of trial would involve allowing potential customers to download the application and one complete course map with a set expiration date. In this scenario the user could download the entire GPS-enabled course map for the South Course at Torrey Pines free of charge, but they would only be able to utilize the data for a set period of time; 24 hours, 1 week, 1 month, etc. Security features would need to be implemented to prevent abuse of this type of system, so that users could not test an unlimited number of courses or re-test the same course over and over without upgrading to the fully functional version.

6. CUSTOMER SERVICE PROGRAM

L1 Technologies currently employs a staff of technical support representatives to handle iGolf related technical issues. These representatives are available by telephone, e-mail and live web chat. Since iGolf Mobile is being distributed to cell phones L1 will not have to worry about providing customer service for hardware issues. L1 will only be responsible for providing technical support for the iGolf Mobile application software. L1 will need to train representatives on the new software and create a new FAQ section dedicated to iGolf Mobile on the iGolf.com website under the support section. Depending on the distribution method and agreements reached with wireless providers L1 may need to consider hiring additional representatives and increasing hours of availability. However, it is also possible that if L1 gains widespread distribution on a specific carrier that the carrier will provide support for the application. Under L1's current agreement with Bushnell, where Bushnell sells GPS handhelds which are powered by iGolf data, Bushnell is responsible for providing the majority of technical support and customer service, while L1 only addresses issues which directly pertain to GPS mapping and iGolf.com.

VII. BUDGET AND IMPLEMENTATION

Budget

L1 Technologies is still developing the iGolf Mobile application and discussing distribution deals with wireless carriers. Without these details it is not possible to accurately determine a sales forecast and marketing budget at this time. However, I believe that L1 should use the percentage-of-sales method to set a marketing budget once a sales forecast has been completed. In this scenario L1 will allocate a specified percentage of expected sales towards marketing activities. Considering industry standards, and the new product launch status of iGolf Mobile, I recommend that L1 allocate between 7 and 10 percent of forecasted sales towards marketing.

Implementation

Although the sales forecast and marketing budget have not been set, I believe that L1 should determine an allocation and implementation strategy for marketing activities surrounding the launch of iGolf Mobile. L1 is still a relatively small company, and it has succeeded in the past by focusing on technological innovation and differentiation through low prices and quality. The company has been able to achieve these objectives and profitable operations by never spending a substantial portion of its overall corporate budget on advertising and marketing. In fact, L1 has spent considerably less than its major competitors in the handheld GPS marketplace on these activities throughout the years. This strategy has proved successful, since most of the competition has operated in the red for many years while taking on high levels of debt. While nearly every company in the golf GPS industry is private, and their financial records are not made public, industry trends point to a number of these companies either going out of business or consolidating within the next few years. As an illustration of this point, U-Pro was recently acquired by Callaway Golf after the company was unable to secure enough funding to maintain business operations.

Considering all of these factors it is unlikely that L1 will consider high cost forms of advertising such as television, so the company should instead focus on print advertising and online opportunities to build awareness for iGolf Mobile. Since this product is being marketed towards golfers who own GPS-enabled cell phones, it is likely that these targets are early adopters of new technology. Therefore I recommend that the company invest a significant percentage of its budget in online marketing, utilizing pay-per-click advertising, banner ads on targeted websites and internet specific videos. These forms of advertising are also advantageous because they are highly traceable and cost effective. "One Samsung executive estimated it was 50 times cheaper to reach 1000 people online than on TV" (Kotler and Keller, 2009). Another benefit to online advertising is that it is easy to adjust these campaigns if they are not producing the desired results. I recommend that L1 allocate 40 percent of its marketing budget towards online advertising and 60 percent of its budget towards print advertising.

Online Advertising-Pay-per-click

The primary benefit of pay-per-click advertising is that the company only pays when a user clicks on an advertisement. In addition, pay-per-click advertising reaches consumers who are already interested in the general category of the search. Appendix A shows results from two searches using the Google AdWords Keyword Tool for terms which are relevant to iGolf Mobile as a golf GPS application. These are searches for the terms "golf gps" and "mobile golf gps".

The categories represent: Keywords- Google recommended keywords based on the term search; Advertiser Competition- this shows the relative competition based on the number of searches for this term relative to all keywords across Google (1 signals the highest level of competition); Local Search Volume: April- the approximate number of search queries matching the keyword for a targeted country and language (United States, English); Global Monthly Search Volume- the approximate number of search queries matching the keyword in the past 12 months on Google's network across all countries and languages.

The results of these two searches are ordered by local search volume in the month of April for the United States and the English language. The search for "mobile golf gps" shows that this phrase does not generate many recommended keywords or traffic. In fact, the "-1" indicator next to each keyword indicates that Google does not even have significant enough traffic to track these keywords. However, advertiser competition is also very low or non-existent for these keywords, so L1 could use these keywords as part of a campaign at a low cost based on competition and traffic.

The search for "golf gps" shows much different results than "mobile golf gps". Many of the recommended keywords such as "golf" and "gps" have millions of local monthly searches and very high competition. However, other results such as “caddy gps” and “golf skycaddie” have much less advertiser competition, but they still show thousands of local monthly search results. These phrases also appear to be relevant to the golf gps market which L1 is targeting with the launch of iGolf Mobile. Therefore, L1 should bid on long-tail keywords related to golf gps such as “caddy gps” and “golf skycaddie” in order to capture prospective targets at a discounted pay-per-click rate.

Online Banner Advertising

Although banner advertising typically does not have as high of a click-through rate as pay-per-click advertising, it still has value as a branding and advertising tool. In this case L1 can purchase banner ads on targeted websites at a designated CPM (cost-per-thousand) rate. Even if the company does not generate high click-throughs to its website, it will still gain exposure for the product, which creates brand awareness. Therefore qualified targets are more likely to remember the iGolf Mobile brand name in the future when they are interested in purchasing a mobile golf application.

The MRI Mediamark Reporter is helpful in determining which websites to target for banner advertising in order to reach the qualified customers. As an illustration of this point Appendix B shows Mediamark Product report data from spring 2008 (Mediamark Research & Intelligence, LLC, 2008). Although this information is dated, it represents the latest relevant report currently available from MRI. L1 will certainly want to look for more relevant information when iGolf Mobile is closer to being released.

The results of the three MRI reports in Appendix B are categorized by index. An index ranking of 100 is average and indicates that people who use the designated magazine, website, television channel, etc. are as likely as the general U.S. population to exhibit the designated topic of the report. Any index ranking over 100 indicates that people who utilize that media target are more likely than the general U.S. population to exhibit the topic of the report. As an illustration: Golf Digest has an index ranking of 1091 under the “bought golf clubs in the last 12 months report” (Mediamark Research & Intelligence, LLC, 2008). This indicates that readers of Golf Digest are 991 percent more likely (1091-100) than the general U.S. population to have purchased golf clubs in the last 12 months.

People who have bought golf clubs in the last 12 months, spent greater than $250 on golf clubs in the last 12 months, or own golf clubs are all potential targets for an iGolf Mobile banner advertisement. Based on their high index scores across these reports, potential websites to advertise iGolf Mobile on include: golf.com, cbssportsline.com, wsj.com, foxsports.com, espn.com and mlb.com.

Although the MRI reports provide valuable information, they do not really detail the demographic profile of consumers beyond one purchasing or behavioral attribute. However, industry leading websites like Golf.com and GolfDigest.com provide detailed demographic breakdowns of their readers, which are verified by third party firms. The Golf.com digital media kit shows that 84percent of their readers played golf more than 15 times in the past year (Nielson Inc., 2009), putting at least 84 percent of their readers in the iGolf Mobile target group of avid and core golfers. Appendix C shows selected information from the Golf.com digital media kit (Nielson Inc., 2009). GolfDigest.com research shows that 86 percent of viewers identify themselves as avid golfers, and Appendix D shows that based on @plan comp index scores GolfDigest.com viewers are “motivated buyers” (Nielson Inc., 2009). Based on these metrics I would suggest that L1 look towards both Golf.com and GolfDigest.com to run targeted banner ads as a means of generating brand awareness.

Internet Specific Video

Creating internet specific video to post on popular video sharing sites such as You Tube, Facebook and MySpace presents another opportunity for L1 to advertise iGolf Mobile online, with the intent of creating viral interest in the product. As an added advantage, there is no cost to post on these sites, and L1 already has in-house graphic designers who could work to create these videos. In conjunction with other forms of online and off-line advertising these videos can be valuable marketing tools at little to no cost.

Print Advertising

The MRI Mediamark Reporter and the media kits for Golf Magazine and Golf Digest also show the best way for L1 to reach iGolf Mobile targets through print advertising. The most recent golf related product report from MRI, dated spring of 2008, shows that Golf Digest, Golf Magazine, PGA Tour Partners Magazine and Golfweek have the highest index rankings among people who own golf clubs (Mediamark Research & Intelligence, LLC, 2008). The same report shows that Cigar Aficionado and Wine Spectator also have high index rankings among magazines that are not dedicated specifically towards golf. MRI’s report on people who have purchased golf clubs in the last 12 months shows high index scores for the same golf specific magazines, while Cigar Aficionado and Kiplinger’s Personal Finance rank highly as well. The MRI report on people who have spent greater than $250 on golf clubs in the prior 12 month period shows similar results. While looking at the publications with high index numbers in these categories is helpful, it is also important to look at the overall projected number of people in each category. Not surprisingly, Golf Magazine and Golf Digest reach the highest number of people in each study, in addition to having very high index scores relative to the overall population. See Appendix B for detailed MRI Mediamark Reporter data. As an illustration, the report entitled “Golf clubs Bought in last 12 months” indicates that the total circulation of Golf Digest is 6,007,000 (Total ‘000), 723,000 (Proj ‘000) or 12 percent (Pct Across) of readers bought golf clubs in the last 12 months, 29.5 percent of people who bought golf clubs in the last 12 months read Golf Digest (Pct Down), and people who read Golf Digest are 991 percent more likely than the general population to have purchased golf clubs in the last 12 months (Index of 1091-100) (Mediamark Research & Intelligence, LLC, 2008).

The MRI reports indicate that Golf Magazine and Golf Digest reach the greatest number of people in each golf related study while also maintaining very high index numbers relative to the general population. Since their respective media kits also show that these magazines reach the target market for iGolf Mobile, specifically avid golfers and "motivated buyers" of golf related products, L1 should consider advertising in Golf Magazine and Golf Digest. Both of these publications also have websites which were identified as targets for online banner advertising. Therefore, L1 could look towards purchasing package deals with both companies including print and online banners to create synergy, maximize impact and negotiate better prices.

VIII. **CONTROL AND EVALUATION**

In order to monitor, control and evaluate marketing activities surrounding iGolf Mobile L1 Technologies will implement the following marketing control procedures: annual-plan control, profitability control, efficiency control and strategic control.

- Annual-Plan Control- L1 marketing management will set quarterly sales and profit goals, monitor performance in the marketplace, determine the cause of deviations from the goals, and take action to align goals and performance. L1 management will assess the performance of the marketing plan through sales analysis, market share analysis, marketing expense-to-sales analysis and financial analysis.

- Profitability Control- L1 marketing management will conduct a quarterly marketing profitability analysis in order to determine whether to expand or reduce marketing activities pertaining to iGolf Mobile and other L1 products and services. Management will conduct the analysis by identifying functional expenses, assigning functional expenses to marketing entities, and preparing profit-and-loss statements for each marketing entity. Management will utilize the results of this analysis to recommend corrective actions and plan for the future.

- Efficiency Control- Marketing management will conduct quarterly audits to assess the efficiency of sales promotions, advertising, public relations and other marketing communication activities.

- Strategic Control- L1 management will complete an annual comprehensive internal marketing audit to assess the company's marketing environment, objectives, strategies and activities. The goal of this audit will be to identify problem and opportunity areas with the company's marketing performance, and determine a corrective plan of action to address these issues.

IX. **MARKETING ORGANIZATION**

- Anthony Zazo, Marketing Manager-iGolf Division, will be responsible for marketing activities and implementation of this plan.

APPENDIX A: GOOGLE ADWORDS KEYWORD TOOL

Mobile Golf GPS

Keywords	Advertiser Competition	Local Search Volume: April	Global Monthly Search Volume
mobile golf gps	0.33	-1	1300
windows mobile golf gps	0.2	-1	590
mobile phone golf gps	0.2	-1	320
golf gps for mobile	0	-1	260
golf gps for windows mobile	0	-1	110
mobile golf gps software	0	-1	-1
golf gps software windows mobile	0	-1	-1

Golf GPS

Keywords	Advertiser Competition	Local Search Volume: April	Global Monthly Search Volume
Golf	1	45500000	83100000
Gps	1	16600000	30400000
golf club	1	5000000	5000000
Skycaddie	0.86	110000	90500
i golf	0.53	74000	90500
golf gift	1	60500	49500
Skygolf	0.73	40500	22200
Igolf	0.8	40500	33100
Sureshot	0.8	40500	60500
golf range finder	0.86	40500	40500
golf rangefinder	0.86	33100	18100
golf skycaddie	0.53	22200	12100
igolf gps	0.73	12100	12100
golf rangefinders	0.8	12100	9900
skycaddie sg2	0.6	12100	6600
golf courses for sale	0.86	12100	9900
gps caddie	0.73	9900	8100
skygolf skycaddie	0.66	9900	4400
golf range finders	0.8	9900	14800
gps range finder	0.53	8100	5400
caddy gps	0.53	2900	5400

APPENDIX B: MRI PLUS MEDIAMARK REPORTER DATA

Spring 2008 Product: Leisure/Sports-Golf Clubs Bought in the last 12 months

		Total '000	Proj '000	Pct Across	Pct Down	Index
Golf Digest		6007	723	12	29.5	1091
Golf		4891	555	11.4	22.6	1029
PGA Tour Partners	*	1637	173	10.6	7.1	959
Golf Magazine		6058	562	9.3	22.9	840
Golfweek	*	1279	106	8.3	4.3	754
Golf Channel		9468	713	7.5	29.1	682
Kiplinger's Personal Finance	*	2653	123	4.6	5	419
Cigar Aficionado	*	1760	79	4.5	3.2	407
NWA WorldTraveler	*	1826	69	3.8	2.8	344
Tennis	*	9175	311	3.4	12.7	308
Ski	*	1503	50	3.4	2.1	304
Ducks Unlimited	*	2820	94	3.3	3.8	301
HHI: 150,000+	*	4068	134	3.3	5.5	298
Horse Racing		12535	413	3.3	16.8	298
Sports		37435	1195	3.2	48.7	289
Entrepreneur	*	2741	87	3.2	3.6	288
The Sporting News	*	4133	130	3.2	5.3	286
CBS sportsline.com	*	4453	140	3.1	5.7	285
Saltwater Sportsman	*	1590	50	3.1	2	284
USA Today	*	3616	109	3	4.4	273
wsj.com	*	2415	73	3	3	273
Outside	*	1918	57	3	2.3	268
Gymnastics	*	4424	129	2.9	5.3	265
Basketball Specials-College		17661	511	2.9	20.8	262
Football Bowl G avg 1/2 hr audes-Specials		23731	685	2.9	27.9	262
Boating	*	2354	67	2.8	2.7	258
FSN		16418	460	2.8	18.8	254
Forbes	*	5438	152	2.8	6.2	253
foxsports.com	*	8439	236	2.8	9.6	253
American Hunter	*	3728	103	2.8	4.2	250
Inc.	*	1251	35	2.8	1.4	250
Fortune	*	3969	107	2.7	4.3	243
Wine Spectator	*	2476	66	2.7	2.7	241
VERSUS	*	7027	186	2.6	7.6	240
Basketball-Weekend-College		25166	668	2.7	27.2	240
ESPN.com		20675	548	2.7	22.3	240
Scouting	*	1651	43	2.6	1.8	237
Tribune (3) Daily	*	4325	113	2.6	4.6	237
MLB.com	*	7095	181	2.6	7.4	231

Spring 2008 Product: Leisure/Sports-Golf clubs Amount spent in last 12 months: $250 +

		Total '000	Proj '000	Pct Across	Pct Down	Index
Golf	*	4891	388	7.9	27.6	1256
Golf Digest		6007	474	7.9	33.7	1248
PGA Tour Partners	*	1637	121	7.4	8.6	1173
Golf Magazine		6058	349	5.8	24.9	913
Golf Channel		9468	400	4.2	28.5	669
Golfweek	*	1279	54	4.2	3.8	669
Kiplinger's Personal Finance	*	2653	72	2.7	5.1	427
Saltwater Sportsman	*	1590	42	2.6	3	418
American Hunter	*	3728	98	2.6	7	416
Tennis	*	9175	235	2.6	16.7	405
Cigar Aficionado	*	1760	44	2.5	3.1	395
Ducks Unlimited	*	2820	70	2.5	5	393
HHI: 150,000+	*	4068	97	2.4	6.9	377
Horse Racing	*	12535	273	2.2	19.4	345
Wine Spectator	*	2476	54	2.2	3.8	344
Barron's	*	1207	26	2.2	1.9	343
wsj.com	*	2415	52	2.1	3.7	340
Entrepreneur	*	2741	59	2.1	4.2	338
Univision.com	*	2774	59	2.1	4.2	337
Outside	*	1918	40	2.1	2.8	330
USA Today	*	3616	75	2.1	5.4	330
Hunting	*	2710	56	2.1	4	329
Forbes	*	5438	111	2	7.9	324
Gymnastics	*	4424	91	2	6.4	324
Boating	*	2354	48	2	3.4	321
NWA WorldTraveler	*	1826	37	2	2.6	318
HHI: $75,000-$149,999	*	17985	351	2	25	309
Basketball Specials-College	*	17661	335	1.9	23.9	300
Football Bowl G avg 1/2 hr audes-Specials		23731	436	1.8	31.1	291
AOL Sports	*	3241	60	1.8	4.2	291
Sports		37435	680	1.8	48.4	288
MLB.com	*	7095	129	1.8	9.2	287
American Rifleman	*	3825	68	1.8	4.8	280
Boating	*	4942	87	1.8	6.2	278
ESPN.com		20675	363	1.8	25.9	278
Ski	*	1503	26	1.7	1.8	272
Muscle & Fitness	*	7213	123	1.7	8.8	270
CBS sportsline.com	*	4453	75	1.7	5.4	268
Men's Health	*	12125	204	1.7	14.5	266

Spring 2008 Product: Leisure/Sports-Golf clubs Own

		Total '000	Proj '000	Pct Across	Pct Down	Index
Golf Digest		6007	2951	49.1	10.7	397
Golf		4891	2362	48.3	8.6	390
PGA Tour Partners		1637	748	45.7	2.7	369
Golf Magazine		6058	2672	44.1	9.7	356
Golf Channel		9468	3983	42.1	14.5	340
Golfweek		1279	492	38.5	1.8	311
NWA WorldTraveler		1826	551	30.2	2	244
HHI: 150,000+		4068	1177	28.9	4.3	234
Cigar Aficionado		1760	511	29	1.9	234
Flying		1396	397	28.4	1.4	230
CBS sportsline.com		4453	1251	28.1	4.5	227
Hemispheres (United)		2067	560	27.1	2	219
Wine Spectator		2476	654	26.4	2.4	213
HHI: $75,000-$149,999		17985	4598	25.6	16.7	207
Conde Nast Traveler		3114	793	25.5	2.9	206
MLB.com		7095	1812	25.5	6.6	206
Horse Racing		12535	3180	25.4	11.6	205
Football Bowl G avg 1/2 hr audes-Specials		23731	5995	25.3	21.8	204
Barron's		1207	302	25	1.1	202
Basketball Specials-College		17661	4422	25	16.1	202
Baseball Specials		37843	9401	24.8	34.2	201
VERSUS		7027	1744	24.8	6.3	200
foxsports.com		8439	2081	24.7	7.6	199
Basketball-Weekend-College		25166	6163	24.5	22.4	198
Tennis		9175	2254	24.6	8.2	198
Wall Street Journal		3127	754	24.1	2.7	195
Hockey		14483	3498	24.1	12.7	195
ESPN.com		20675	4996	24.2	18.2	195
FSN		16418	3944	24	14.3	194
Ducks Unlimited		2820	675	23.9	2.5	193
Coastal Living		3547	845	23.8	3.1	192
Sunset		4873	1157	23.7	4.2	192
Ski		1503	348	23.2	1.3	187
wsj.com		2415	560	23.2	2	187
Southwest Spirit		3064	706	23.1	2.6	186
Football-College Weekend		34718	7998	23	29.1	186
Delta's SKY Magazine		4004	914	22.8	3.3	184
Bloomberg Television		3519	786	22.3	2.9	180
Fortune		3969	880	22.2	3.2	179

APPENDIX C: GOLF.COM DIGITAL MEDIA KIT

APPENDIX D: GOLF DIGEST.COM DIGITAL MEDIA KIT

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