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Branding the Barre: A Strategic Marketing Plan for STARS Dance Academy

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Branding the Barre: A Strategic Marketing Plan for STARS Dance Academy

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For Corrie Higgins, Owner of STARS Dance Academy

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Abstract

STARS Dance Academy has been experiencing stagnation within the last several years of operation. Although the dance studio industry in the United States is growing at 3.5% annually, and is expected to reach $4.1 billion by 2023, STARS is having trouble standing out from the intense studio competition in the highly saturated Omaha market. As there are low barriers to entry, and the popularity of dance is attracting new competitors, it is crucial for any dance studio to have a strong brand reputation and loyalty among its current customers. STARS has struggled for the last 10 years to embody their current mission statement, which has become outdated. The studio lacks a cohesive message that compliments its current operations. In order to achieve and maintain a competitive position, SDA must differentiate themselves from the rest of the dance studio industry in Omaha. Through the industry analysis, internal business evaluation, and problem identification in this report, a strategic recommendation has been formulated and offers a solution for the current situation of STARS Dance Academy.
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**Introduction**

**Studio History**

STARS Dance Academy is a locally-owned dance studio in the Greater Omaha-Metro area. Founded in 2003 by Mary Ann Sherman and her family, she wanted to provide a creative and welcoming space where dancers could learn, grow, and love the art of dance in their own unique way. Many studios around this time emphasized intensity and perfection, and this often created stressful and toxic environments for students. Sherman wanted SDA to embody the passion and freedom of dance, without losing sight of the importance of technique and hard work to achieve new skills and abilities.

In the summer of 2009 Corrie Higgins, a former SDA dancer and close family friend of Sherman, bought the studio. She was just 19 at the time, but over the last 10 years, Higgins has grown the studio from one dance floor and around 80 students to a three-room studio with over 200 students. This growth came with a number of challenges, many of which are still prevalent today, but overall STARS Dance Academy is the same welcoming and creative space for dancers to learn and express themselves it was 16 years ago.

**Personal Motivation**

My connection to this business is a personal one, as I danced at STARS from the ages of 7 to 19, and continue to work there as a dance instructor. As a result, I have a close relationship with Higgins and many of the dancers and their parents at the studio. Using my market research knowledge and skills I gained through my experiences in the College of Business at the University of Nebraska at Omaha, I hope to help STARS Dance Academy achieve a differentiated market position that will sustain long-term growth.
External Analyses

U.S. Dance Industry

Dance studios in the United States is an industry classified as offering primarily instructional classes focused on providing knowledge and skills related to the art of dance. Although there are numerous variations and styles of dance taught throughout the country, among the most popular in the industry are ballroom, ballet, hip-hop, modern, and tap dancing. This market data also encompasses age and skill levels ranging from toddlers to professional dancers (Shibboleth, 2018).

Although currently in the maturity stage of the industry life cycle, dance studios across the nation have been experiencing a resurgence in business. With 46,777 businesses at the start of 2019, this industry is currently worth $3.6 billion, and has a steady growth rate of about 3.5%. By 2023, it is expected the dance studio industry in the U.S. will reach $4.1 billion in revenue, as a result of continued increases in per capita disposable income growth (Shibboleth, 2018).

Per capita disposable income is a key economic driver in the enrollment fluctuations within dance studios. Like many extra-curricular activities, families and individuals are somewhat elastic in their spending on hobbies that require significant costs of both money and time. Therefore, competing on class prices could be a great differentiator for a dance studio in a market that has low barriers to entry and is already highly saturated. In its current state however, the U.S. economy is relatively healthy and expanding, and consumers are enjoying a larger disposable income and decreasing unemployment. Other factors to consider are consumers total time spent on leisure and sports, as well as total recreation expenditure (Shibboleth, 2018).

Within the last five years, there has been an increase in health consciousness in the U.S., and this lifestyle trend has benefited the dance studio industry. As exercise and physical activeness becomes more important to American families and individuals, the desire to enroll
young children in dance classes or for adults to take a weekly ballroom class will continue to positively affect the dance studio industry. In addition, the rise in dance-inspired television has played a significant role in the increasing popularity of dance as a hobby or sport of choice (Shibboleth, 2018).

Young millennial-aged women are choosing dance over more traditional forms of exercise, leading to a spike in fitness-oriented dance classes nationwide. Among the baby boomer generation, ballroom classes in particular are anticipated to become one of the most highly demanded dance disciplines. Ballet classes account for 29.7% of the product and services segmentation in the industry, with other dance classes comprising another 55.2%. The remaining segments are other types of training and instruction; contributions, gifts and grants; and sales and rental. There are several related industries to evaluate in comparison with the U.S. dance studios, including fine arts schools; gym, health, and fitness clubs; family fun centers; and weight loss services (Shibboleth, 2018).

**Omaha Dance Industry**

Omaha is known as a safe and friendly city that attracts many young families with its low cost of living. The average age is 34.5 years, and the median household income is $56,406, which is on par with the national median (Omaha, NE., 2019). In the Greater Omaha-Metro area, there are over 50 dance studios, gymnastic centers, performance arts centers, or other facilities that are categorized as dance-related businesses. Although there are specialized studios, such as the Mexican Dance Academy of Nebraska or the Chrysalis Studio of Belly Dance, the vast majority of studios in the Omaha market offer a variety of classes for all or most ages (youth to adult). Of these facilities, there are eight well-known studios that emphasize positive self-image development, inclusivity, lasting memories and friendships. These studios are direct competitors of STARS Dance Academy, as they express similar mission statements, offer a wide variety of
disciplines, and have competition teams. The studios are listed below (THE BEST 10 Dance Studios in Omaha, NE, 2019).

- Shannon Barnhart Dance Studio
- Erin’s Dance Studio
- Nebraska Dance
- The Dance Authority
- Kitty Lee Dance Studio
- Bloom Dance Studio
- Mary Lorraine’s Dance Center
- Smitty’s Performing Arts Center

Seven of the eight dance facilities listed above are located in the west Omaha area, which geographically is the wealthiest part of the city (Gretna has a median household income of $76,548 and a poverty rate of 5.9%) (These Are The 10 Richest Cities In Nebraska For 2018, 2019). Because of their proximity to such high earners, these studios can charge higher class prices and make more routine updates to facilities. They also have a larger pool of talent to select their competition team members from, as dance is a popular extra-curricular activity of choice in the west Omaha area.

After analyzing Yelp reviews, Facebook pages, and other customer testimonials, it was found that most of these studios have developed a strong brand name among the dancers and their parents. Many of the reviews depict close ties with the owners and faculty, as well as generational enrollment (previous dancers have children who are eventually signed up for classes). They also report pleasant experiences with competition performances, recital shows, and other events related to dance, suggesting a high level of involvement from the dancers (THE BEST 10 Dance Studios in Omaha, NE, 2019). There is an expected level of commitment from their customers in order to build and maintain a prominent position in the competitive dance industry.
Internal Analysis

Studio Updates

STARS Dance Academy has been in business for 16 years, and has seen many operational changes throughout its existence. Within the last 10 years specifically, major updates to the administrative layout of the studio have streamlined financial responsibilities for STARS and registration functions for its customers. Renovations and additions to the physical space were made to accommodate the necessary expansion of the class roster. Increased enrollment led to a shortening of most class times down to a 30-minute window, while some remained 45-minutes or 1-hour long. Although faculty is staffed primarily with former students and on an as-needed basis, within the last year, the amount of instructors actively teaching classes nearly doubled.

SDA Competition Team

The STARS competition team is still a relatively new endeavor because, until 2015, the studio did not consistently participate in competitive dance events. The mission of SDA is to provide their students with a well-rounded dance education and further their appreciation for the art form. While competing is another expression of dance, it did not appeal to the values on which STARS was founded. As dancers began to express interest in attending local competitions however, the studio developed a modest competition team. Although still not considered highly intense, the members enjoy showing off their hard work and talent at competition events.

Problem Identification/Formulation

Since taking ownership of STARS Dance Academy in the summer of 2009, Corrie Higgins has made numerous strategic business decisions to bring the studio to its current state. While the physical and administrative expansion has been relatively successful, there are uncertainties about the future of SDA. The main areas of concern, as discussed in a one-on-one meeting with Higgins, are discontinuity of the STARS mission and brand identity, lacking
retention rates, and difficulties executing new ideas. Each of these problem areas will negatively affect the long-term growth of the studio, and it is pertinent to identify and address all aspects of these issues with urgency.

Lack of Brand Continuity
For many years, STARS has curated a simplistic and clean aesthetic, and professional black and white photos of SDA dancers are used on both the website and in the studio. The mission has remained the same, preaching the emphasis of well-rounded dance education, so that students may go on to have dance careers, teach dance themselves, or just develop a true appreciation for the art form. While those values are still relevant, there is a disconnect between the message on the website and the atmosphere of SDA. It is not uncommon for a business like a dance studio to experience a fluctuation in client demographics, specifically age. As dancers get older, they will likely progress in skill and ability, creating variations in class sizes from year to year.

Aging Cycle Trend
Recently, the STARS student body has been comprised largely of younger dancers (3-13 years old), while the teen, junior and senior level classes have few dancers comparatively. This trend is normal, as schedules get busy during high school and students often must choose particular extra-curricular activities to devote themselves to. But the young dancer demographic that results raises the question: should STARS rebrand to accommodate this trend? This possibility was discussed in the one-on-one meeting.

Competition Risks
Branching into the competition avenue of the dance industry has created new business competition for STARS, and dancer poaching and recruitment from other studios has occurred on more than a few occasions. While the SDA dancers enjoy competitions, there is a considerable risk with limited reward for the studio to participate in the events. STARS does not
make significant enough profits from competing to justify the risk of losing their students. Additionally, STARS does not want to become a competitive studio, because this would alter the brand image of a family-oriented and no-pressure dance environment SDA has spent the past 16 years building.

**Recommendations**

In order to profit and maintain stable long-term growth, STARS Dance Academy must adjust its current strategy. After extensive industry analysis, as well as an internal business evaluation, it is recommended that SDA restructure its brand image (virtual and physical) to portray a more cohesive and meaningful message. Additional changes to logistical and operational functions of the studio will also improve overall efficiency and provide cost-saving benefits.

**New Mission Statement**

To start, the mission statement of the studio should be updated. The current mission statement on the STARS website reads as follows:

“**STARS Dance Academy provides students with a well-rounded dance education, a sense of accomplishment and positive self-worth, and life-long friendships. Our teachers are mentors who have as much passion for watching our students succeed as we do for dance itself. Our mission is to prepare our students for a life full of dance, whether it's an appreciation of the art and the confidence to dance at weddings, or a career in dance performance or teaching.**”

While the sentiment of this statement is thoughtful and honest, it is not unique or particularly memorable. As discussed in our one-on-one meeting, the new mission of the studio needs to embody the mentality that inspired the founding of STARS in the first place. The goal is
to train well-rounded dancers and prepare them for a life of dance, whether that be through a career, teaching, or just watching and appreciating the art form. While at the studio, dancers can expect to work hard, build lasting friendships, and develop new skills, both technical and personable.

With these ideas in mind, the following is the suggested replacement mission statement for STARS Dance Academy:

“STARS Dance Academy’s mission is to provide students with a well-rounded dance education, a sense of accomplishment and positive self-worth, and life-long friendships. As a studio, we teach hard work and perseverance through the art of dance, and allow dancers to discover their love of the sport through their own creative expression. As a family, we inspire our dancers to put love and passion in everything they do.”

This statement offers a more impactful message. Current SDA families can relate to its values, while potential customers will appreciate the emphasis on family-friendliness and the development of technical and personal skills in a welcoming environment. The following rebranding efforts can use this new mission as a framework to build the new brand around.

**Faculty Rebranding Meeting**

To ensure the successful implementation of the rebranding efforts, it is recommended for the STARS Dance Academy faculty is giving an all-staff meeting to discuss and clarify the new mission. Expectations should be set at this meeting, including the integration of the values into the classroom setting; embodying the values while communicating with dancers and parents; and strive to continuously improve the atmosphere of the studio to better represent the values.
Social Media Campaign

In addition to these internal efforts, social media platforms should be revised and updated to represent the new mission of SDA. These sites are a great tool for STARS to utilize in the effort to improve their brand image and increase engagement with its dancers and parents (not to mention potential new customers). The main objective of this recommended rebranding is for STARS to make more lasting connections with their students in order to increase retention rates and brand loyalty. The studio is in an advantageous position currently, because the majority of SDA dancers are young, so developing a strong relationship between the students and the studio now will have a higher long-term commitment rate in the future. Attached to this report is a slide deck of various example posts for the main social media platforms: Facebook, Twitter, LinkedIn, Instagram, and YouTube.

Utilize Word of Mouth Marketing

The studio budget is relatively tight, and there is not much room to expense a massive advertisement effort. However, the current advertising strategies are sufficient, and do not need much adjustment other than updating the content. To supplement the current marketing strategy, it is recommended for STARS to encourage dancers and parents to review the studio positively on their Facebook and Yelp profiles, and any other platform that has rating or review options. This word of mouth marketing is not only the least costly, it is usually the most effective.

Condense Classes

As the class roster increased, it was necessary to shorten class times to manageable 30-minute sessions, but this caused several problems. First, teachers get easily flustered, as this small window of time can pass quickly and be unproductive if students are slow or particularly rowdy on a given day. The choreography they teach for competitions and recital is time-sensitive, and the shortened classes can create a stressful work environment for faculty.
Secondly, parents (as well as some students) may not think half an hour is an adequate amount of time for their child (or self) to truly learn and improve their skills. It is important for the customer to feel they are getting value for their money, and the quick classes can be perceived almost as a waste to some parents.

And finally, it is inefficient to have so many individualized class offerings. Many competing studios have much clearer class rosters, and there are only a few categories to choose from. While it may be a risk, because some families may leave if their exact day, time, and skill level is not available, it ultimately would benefit STARS in the long-run to adjust the organization to list more concise class offerings.

**Build Consumer Database**

The logistical element of this strategic recommendation is to invest – either with money or manual labor and time – in a data retention and analyzation method, in order to better track and understand the customer base of the studio. Knowing this information can help make better decisions studio-wide. STARS already uses Excel sheets and a comprehensive purchasing and billing system on its website, but this financial data does not collect the important qualitative data about the dancers and their parents. The investment in building a historical business database will benefit STARS well into the future, and it will allow for further growth.
Conclusion

Although the U.S. dance studio industry has been growing and is expected to continue the trend, STARS Dance Academy has become stagnant in the Omaha marketplace. Founded on the principles of inclusivity and the creative freedom of dancers to express themselves through the art of dance, SDA was once a differentiated studio. However, the now saturated dance industry in Omaha is forcing STARS to rebrand their image in order to gain and maintain a relevant position in the market. Using industry analyses and an internal business evaluation, several problem areas were identified in this report. From there, rebranding recommendations as well as logistical suggestions were made to ensure successful long-term growth and stability for STARS Dance Academy.
References


(STATS Dance Academy , 2019)

"Strengthen SDA customer relationships with the students, parents, and the Omaha dance industry through consistent advertising, communicating and the creation of content on various social media platforms."
Facebook

Who?
Current and potential SDA parents and older dancers

What?
Informative posts, faculty and dancer spotlights, reviews, photo sharing, events, class registration updates, etc.

When?
Dependent on the content (as posted, weekly, seasonally)
Twitter

Who?
Primarily dancers and their Twitter followers

What?
Interactive polls, retweets of dance-related content, videos of choreography and pictures of dancers at the studio

When?
Frequently, to stay engaging and entertaining young students of SDA

Twitter Posts

- A little snippet from tonight’s Pom 1 class! These grilkes killed it! So much SASS!
- Brrrrrrrrr... Too cold to move those toes! The studio will be closed tonight (2/22). Stay warm dancers!
- Congratulations to our SYTYCD Season 15 winner — @hannahielcadel!
Instagram

Who?
Mainly dancers and their Instagram followers

What?
Photos of dancers at various events (competitions, recital, etc.), videos of choreography, story uploads of evening classes, updates and reminders of important dates

When?
Consistently, as the content is relevant and necessary, while still keeping the students intrigued
LinkedIn

Who?
Omaha dance community, potential faculty and staff, business connections, etc.

What?
Important administrative connections, staffing inquiries, information to establish SDA in a business-networking setting

When?
Routinely, to maintain an updated professional brand, sharing weekly content and refreshing the studio profile as needed

LinkedIn Posts

Dancing is good for the body and the mind! There are numerous ways that dancing and rhythmic movements can improve the minds of those affected by Alzheimer's.

#dancetherapy #wellness

https://healthcaninamerica.us/4-ways-dancing-can-benefit-people-with-alzheimers-disease-525b7bd8b8c

We saw you had interest in the summer 2019 Level 3 hip hop dance instructor opening we have here at STARS Dance Academy. That is awesome to hear! We would love to get you in for an interview and in-person job description as soon as is convenient for you. If you are still interested, please send your resume to starsdanceomaha@administration.com and we will get the process started! If you have questions or would like further information, my number is (402) 219-9723 and I would be more than happy to set up a time to do an informal phone interview.

I look forward to hearing from you!

Write a message...
YouTube

Who?
Current, incoming, and potential dancers and their families

What?
Virtual studio tour, videos of recital and competition choreography and performances

When?
Studio tour and informational videos remain (update when necessary), choreography recordings uploaded when needed by students.