

Chapter 25

Retention and Customer Share Building: Formulating a Communication Strategy for a Sports Club

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ABSTRACT

The purpose of this chapter is to examine factors that affect a season ticketholder's decision to renew membership by focusing on Florida's Jacksonville Jaguars football franchise. The authors first examine pertinent literature focused on customer satisfaction and relationships and then analyze socio-motivational factors affecting spectator attendance. A conjoint experimental methodology is employed analyzing data collected online from 2721 respondents. The results are used to partition respondents into target groups with similar preferences. These partitions allow the authors to identify the 'correct' message and promotional offers to be better communicated to chosen targets. The results offer frontline sales and marketing units of sports teams and a methodology as to how to better communicate and incentivize current season ticketholders to continue to purchase season tickets.

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INTRODUCTION

Spectator sports are a popular leisure activity in the US and each year become a larger vehicle for business promotions (Trail, et al., 2000). Many studies focus on attendance in various sporting events (Pan & Baker, 2005), which is to be expected considering the enormous economic importance of such attendance. Early research efforts focused the impact economic factors and residual preference factors (e.g., scheduling of games, new arenas, accessibility) have on attendance at sporting events and on the relationship between socio-demographic variables and watching sports. Extant research concentrates more on the intrapersonal motives of sports consumers (e.g., Funk, et al., 2002).

This chapter reports a project dealing with the Jacksonville Jaguars, a struggling football franchise and its efforts to appeal to current and potential Season Ticketholders (STHs).

A key issue when managing a sports team is how to monetize the various aspects of the fan's experience through the sale of seats, the merchandising of products, etc. Often the decision is made on the basis of management's intuitive feeling; many teams are owned by a president who takes pride in 'running' the different components of the business and who exercises a high degree of control over the sales and marketing departments. The current study provides an opportunity to apply a more structured approach to a team's messaging and sales strategy. The object is to better understand fan preferences and expectations in order to improve sales communication and increase revenues.

What are the messages that appeal to an STH and encourage a purchase or an upgrade to club level seating? Working with a group of current STHs differs from working with non-ticketholders. STHs have already demonstrated loyalty to the team; this loyalty can be worth several thousands of dollars in spent money. The objective of working with current STHs is not the sale of new tickets,

but rather to achieve higher retention by selling a 'package' that increases satisfaction and perceived value for the buyer. The challenge faced by team owners is to understand which factors impact the decisions of season ticketholders to renew season tickets above and beyond the obvious consideration of team performance. In this context, the objective of the current study is to identify mindset segments in an attempt to 'type' the 'mind' of STHs and create better, more cogent and more relevant communications.

The grim financial reality is that today's teams in several fields of sports compete for a share of a fixed amount of consumer expenditures in a dynamic and complex sports marketplace that is saturated with numerous competing alternatives (Pan & Baker, 2005). From a managerial standpoint, fostering repeat purchases by STHs is essential, especially for teams that do not perform all that well on the field. As noted in previous research, individuals with a strong connection to a team do not dissociate themselves when the team plays poorly (Cialdini, et al., 1976; Sloan, 1989); some STHs may fall in this and need to be further encouraged to remain the loyal fan base of their team.

Building their 'brand equity' with the right appeal provides a sports team two beneficial outcomes. The first is to decrease price sensitivity to ticket prices and the second is to decrease performance outcome sensitivity (Sutton, et al., 1997). Stronger messaging is critical for professional sports teams as well as collegiate teams that aspire to achieve these benefits.

RELATED LITERATURE REVIEW

A review of sports-related literature reveals a plethora of studies evaluating the motives of sports fans. These studies are based on theories primarily upheld by psychological and social needs (Trail, et al., 2000; Kim & Chalip, 2004). In their review of the socio-motivational factors that drive specta-

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