Building a Fan Community for Sport Clubs

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Abstract

Building community is important to sports teams. Being part of a community also gives fans a feeling of belonging with other fans with similar interests.

Value in brand communities is interactively co-created by companies and consumers, rather than merely exchanged between them. Brand communities are participants in the brand's larger social construction and play a vital role in the brand's ultimate legacy. Due to the high level of fan identification with the team (brand), sports teams can build fan communities in ways that few other brands can.

Once customers become members in a community, switching costs dramatically increase due to the social bonds, personal rapport, and the trust that has been built thus customer relationship management must focus on building communities where fans and management co-create value.

Keywords: *management communication, sports communication, sport management, sports club management.*

JEL classification: M10; M30; M37;

Introduction

Building community is important to sports teams. Repeat customers generate over twice as much gross income as new customers. Bridging the gap between a customer who attends a single game or two and becoming a loyal fan is where community begins. The concept of community means an open partnership between management and customers where the customers feel a sense of belonging to the organization. (Winer, Russell S. 2001.)

Joining a community suggests an interdependence of giving and doing for others as expected of them and produces a feeling that one is part of a dependable and stable social structure. (Sarason, S. B., 1977.)

Sports teams are capable of building psychological exit barriers by building solid communities where fans will identify with not only the players on the team (who may come and go), but with the entire organization. (Caruana, A., 2004)

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Building communities starts with building one-to-one relationships through customer relationship management (CRM). Satisfying brand community experiences are a function of six factors:

1. Reactive and Proactive Customer Service
2. Membership Reward Programs
3. Membership Value
4. Customization
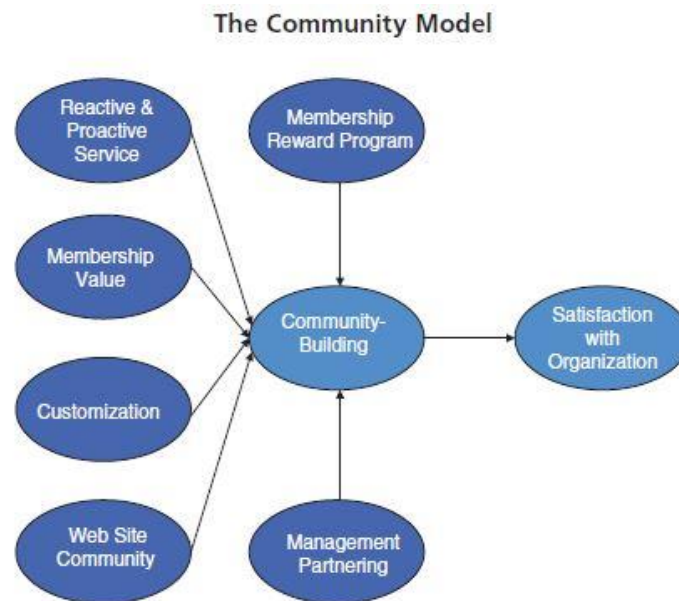5. Website Community
6. Management Partnering

Figure 1 The Community Model
Source: Winer, Russell S. 2001. A framework for customer relationship management. California Management Review 43.4: 89-109

Customer Service

Customer service is the provision of service focus on customers before, during and after a purchase. The perception of success of such interactions is dependent on employees "who can adjust themselves to the personality of the guest". (www.wikipedia.com/customer_service, accesed 03.2017)

Community building as it relates to customer service quality is not limited to only reactive services that respond to service failure or deficiencies. Any contact

that a fan has with a team is a customer service encounter, and has the potential to either gain or lose repeat business. (Winer, Russell S. 2001)

Reactive Service

Reactive service initiates when the customer has a problem and contacts the organization to resolve it. To develop a healthy community, teams must reach beyond merely providing adequate service to reach fans' desired service level.

Reliable customer service in order to be professional must be with a 24/7 availability, be friendly and always willing to help in a timely manner.

Proactive Service

Proactive customer services is an approach to customer support in which businesses make the first move to help customers. These businesses go out of their way to first find potential problems and then resolve them before customers need to ask for help. (https://www.livechatinc.com/blog/proactive-customer-service, accesed 02.2017)

Membership Reward Program

Membership reward programs are promotional activities that reward repeat purchases in an attempt to add value for the fan and to help create loyalty to the community. The design of reward programs should accentuate the psychological benefits of:
1. Providing a feeling of participation and interaction
2. Anticipation of future awards
3. A sense of belonging. (Dowling G. R., Uncles, M. 1997)

It is very important in the community and reward programs that the rewards are targeted for the fans that are very close to the team or club, that have season tickets or regularly come at sporting events that regularly buy and wear merchandise. There should be a clear division between the loyal fans and the ones that go there once in a while.

Membership Value

Membership value is the additional attributes added to a service for those who have extended relationships with the sports club must represent clear value from an external perspective relative to competition and relative to nonmembers. (Wakefield, Kirk L, 2007)

Customization

What is important to one fan may be unimportant to another. To integrate fans into the community requires a dynamic approach to adding value. Customization implies the creation of products and services for individual customers.

Fans do not want to feel as though they have no control over what role they can take in the community or are limited in some way to take only what is offered when other feasible alternatives exist. Specifically, some teams offer little flexibility in ticket packages or hospitality services, basically operating with a one-size-fits-all attitude. (Winer, Russell S. 2001)

Website and Social Media Platforms

With the introduction of mass media via the Internet, geographic boundaries on a community hold less meaning than in the past.

Web sites and social media are a critical element in building a network of customers for exchanging product-related information and to create relationships between customers and the company. The goal of the Web site is to enable the fan to be a part of the organization, providing information and input as well as receiving it.

Maintaining freshness by continuously updating, making it easier to use, and improving the physical appeal of the sport club or team. (Wakefield, Kirk L, 2007)

Management Parenting

Management Partnering means that value is interactively co-created by management and fans who together are united in their goal to serve the welfare of the community. The more that fans and management interact, the higher the likelihood of forming a strong relationship or bond. High levels of fan-management interaction can build a relationship that can be used to add and create value through cooperation. To implement management partnering, management must communicate the idea of community with the fans and then maintain open communication lines between the team and fans. (McMillan, D. W., and Chavis, D. M. 1986)

Researching the fans

Without customer information an organization cannot be customer oriented. A market-oriented organization, you will recall, generates, disseminates, and responds to customer information. If you have no information, you cannot disseminate or respond to it.

Although the best sports organizations regularly conduct market research to determine fans' characteristics, needs, preferences, and wants, many have no

systematic approach for conducting fan research. Decisions are often made on the basis of intuition, experience, or observation rather than quantifiable, definitive information. (Wakefield, Kirk L, 2007)

Marketing research

Marketing research involves collecting data directly from individual fans or members of organizations. We are particularly interested in how sports marketers conduct market research for specific marketing problems, as opposed to ongoing information system needs (such as ticket sales). The objective is to expose you to the many types of market research needs of sports organizations and to give you a means to measure important attitudes and perceptions that sports marketers use in developing and adjusting marketing plans. (Wakefield, Kirk L, 2007)

Marketing researchers design exploratory, descriptive, and causal research projects. Exploratory research, as the name implies, explores the marketing problem further through primarily informal, qualitative (rather than quantitative) means, such as personal interviews, observation, or focus groups. For example, the Memphis Grizzlies selected a panel of fans to visit other NBA arenas (via observation) to provide input (via interviews and focus groups) as to what they would like to see in the Grizzlies' new arena prior to its construction. (Sekou, S., 2017).

Service quality is one of the most researched subjects in services, in general, and sporting events, in particular. The service provided on the field in the form of the sporting event is the core service provided fans. The service in the stands is a secondary service provided fans, but is vital to keeping fans once they come to see the game.

Conceptualization and measurement of quality in the field of sport-related services are still in a formative stage, underlining a certain degree of uncertainty or disagreement regarding the set of criteria or the conceptual model that can adequately describe them. This paper presents a literature review on the evaluation of quality of sport-related services. The results of this investigation provide some interesting findings: that the evaluation of service quality of sport and recreation organizations and installations is a multi-dimensional structure. It seems that these dimensions may vary from country to country and also among different service sectors. Given the centrality of service quality to the mission of sport and recreation centers, research toward a better understanding of the nature of service quality should be a primary concern to all organizations. (Tsitskari. E., 2007)

Future predictions of fans in sports

Some futurists predict that by 2030 over 2 billion jobs will disappear thanks to automation. Driverless cars will wipe out taxis and delivery vehicle drivers, as well as staff for parking lots, traffic courts, and traffic police departments. Kiosks, smart vending machines, and scanners are eliminating

cashiers. Robots are replacing farm hands, fast-food preparers, and soldiers. Teachers will be lower paid as education gets disrupted by online courseware. (Carin, W., 2015).

Near-term opportunities

Income disparity trends may be suppressing the salaries of individuals — but most households that make up the middle class now have two earners. Those two-income families are the ones who, for the near-term future, will still have the money to buy millions of smartphones, pay for the bonus cable TV packages, and buy tickets to games. Teams and leagues that successfully market to professional women will surge ahead of those that don't (Carin, W., 2015).

Longer-term opportunities

With 3 billion new smartphone users coming online in the next five years, the most successful sports organizations will retool their branding and marketing to create global audiences, learning how to thrive on making less per fan from massively larger fan bases.

According to the Managing Director, of Corporate Innovation and EVP, Business Operations, Singularity University Carin Watson "women make up almost half the sports fan community but spend far fewer hours on fan activities — only watching sports one-third as much as men.

WOMEN MAKE UP
47.2 % of Major League Soccer fans
46.5% of MLB fans
43.2% of NFL fans
40.8% of fans at NHL games
37% of NBA fans
PURCHASING POWER
Women purchase 46% of official NFL merchandise.
Women spend 80% of all sports apparel dollars and control 60% of all money spent on men's clothing" (Carin, W., 2015).

Conclusions

Building a fan community it's curial for the financial survival of a sports club or sports team and because of the high level of fan identification with the team (brand), sports teams can build fan communities in ways that few other brands can.

Once customers become members in a community, switching costs dramatically increase due to the social bonds, personal rapport, and the trust that

has been built thus customer relationship management must focus on building communities where fans and management co-create value.

The cultural role model for the avid female fan, however, is still a work in progress. A major issue keeping women (and therefore their families) from being more involved in sports is their lack of free time. Throughout the Industrial Revolution, technology saved effort, money, and time. It's poised to do the same for the family. It is already doing this in small ways (when is the last time you drove to the library to look something up?). As technology gets smarter and more sophisticated, it will increasingly take on the tasks that make our lives feel so busy.

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