

CHAPTER 14

CUSTOMER RETENTION FROM GAME TIME TO RENEWAL

LIZ WANLESS

LEARNING OBJECTIVES

After completing this chapter, you should be able to:

- ▶ Explain the importance of establishing long-term customer relationships and understand the concept of customer lifetime value.
- ▶ Understand the significance of aftermarketing and service to customer retention and development.
- ▶ Recognize the difference between traditional and social customer relationship management (CRM).
- ▶ Identify how analytics and gaining customer feedback are central to customer retention strategy.
- ▶ Understand and apply steps to creating successful aftermarketing plans for various levels of sport organizations.
- ▶ Understand how to create an effective customer service plan.
- ▶ Recognize future technological trends in aftermarketing and customer service.
- ▶ Understand the importance of evaluation and steps to implementing successful evaluation strategy.

KEY TERMS

Aftermarketing	Customer retention
Analytical customer relationship management	Customer sentiment
Analytics	Customer service
Behavioral customer relationship management	Relationship marketing
Big data	Social customer relationship management
Customer behavior	Sportscape
Customer life cycle	Touchpoints
Customer lifetime value	Traditional customer relationship management
Customer loyalty	

CHAPTER OVERVIEW

The team will not always be winning, the economy will not always support discretionary income, and customers have many entertainment choices. Sport managers must face these obstacles head-on through cultivating strong relationships with customers. In losing streaks, in financial hardship, and regardless of other entertainment options, customers feeling a strong relationship with an organization will remain loyal to that organization; making purchases throughout their lifetime. Successful sales managers do not leave customer relationships to chance. Instead, they utilize systematic approaches to customer retention to ensure customers feel central to the organization. The competition in the marketplace for the customer's discretionary entertainment spending is intense, which means sport organizations must build long-term and sustainable relationships with their customers. Sport organizations that believe nothing can be done to influence a customer's renewal decision will find themselves in a constant battle to find new customers to replace those who have defected. Be the sport manager who cultivates loyal customers; commit to the key concepts and principles of customer retention strategy from game time to renewal.

CUSTOMER RELATIONSHIPS: THE FOUNDATION OF RETENTION AND LOYALTY

Sport managers cultivate loyal customers through establishing relationships with their customers. A sport organization's strategy to develop relationships with customers varies by organization. The Ohio State University athletic program and a smaller mid-major athletic program won't have the same relationships with customers. Because Ohio State football season ticket sales are in high demand, ticket sales representatives prioritize season ticket availability and seat location according to donations made to the Ohio State Athletics Development Organization, the President's Club.¹ At Ball State University, a school in the Mid-America Conference, however, ticket sales professionals coordinate an outbound sales campaign to the surrounding community and actively recruit single game attendees in order to develop these customers into season ticket holders. Regardless of sport product demand, winning and losing seasons, or athletic department resources, successful sport managers will take deliberate action to create relationships with customers in order to transition a one-time customer into a loyal customer, a customer who continually feels that an organization's products or services are the best selection in comparison with other options. **Customer loyalty** fosters lifetime customers. Why are lifetime customers important?

Lifetime customers create lifetime value. Sport marketers utilize several ways to estimate **customer lifetime value**, the term used to describe the net profit associated with a long-term repeat customer. For instance, let's say you attend an Indiana Pacers game with a friend. The combined ticket value for this purchase is \$96. If you both enjoy your experience and plan to attend again next year and the year after, you are now customers worth \$288. This doesn't even include the amount of money you spend on concessions, merchandise, or parking. Maybe this becomes an annual tradition for you for the next 10 years. Now, your \$96 purchase becomes a \$960 purchase, again, not considering the extras or incremental price increases from year to year. If you enjoyed your experience so much that you purchased season tickets for the next ten years, your \$96 purchase is now worth \$59,586 in the club level corner at Banker's Life Fieldhouse. Smart sport managers know that recruiting and driving interest in new customers costs more and presents a greater challenge than encouraging returning customers to purchase or upgrade. The cost of acquiring new customers can be 5 to 10 times more expensive than satisfying and retaining current customers.

CUSTOMER LOYALTY

when a customer continually feels that an organization's products or services are the best selection

CUSTOMER LIFETIME VALUE

the net profit associated with a long-term repeat customer

1. *Public seat selection*. Retrieved from <http://www.ohiostatebuckeyes.com/tickets/m-footbl-public-seat-selection.html>

CUSTOMERS ARE ASSETS WITH LIFETIME VALUE

Using the example of a fictional minor league baseball team, assume that the average per game price for season tickets is \$10, there are 20 games in a season ticket plan, and that each account purchases 2.5 tickets. If each account spends \$350 per season on ancillary items, the average annual expenditure for each account is \$850. If the team has 1,000 season ticket holders, the total revenue generated from season ticket holders is \$850,000. Assume the team has a retention rate of 80% and a defection rate of 20%. This means 800 season ticket holders renew for the next season while 200 do not renew. To calculate the average duration of being a season ticket holder, simply calculate the reciprocal of the defection rate (i.e., $1/20\%$). This means that season ticket holders stick around for an average of 5 years. The current lifetime value of each account is \$4,250 (i.e., $\$850 \times 5$). Now, assume that the team creates a plan to improve season ticket holder retention, and that the retention rate increases to 90%. This results in season tickets holders remaining with the team for 10 years and the lifetime value of each account increasing to \$8,500. In short, increasing renewals from 80% to 90% doubles the lifetime value of each account. It is important to note these calculations do not take the time value of money into account. These calculations are illustrated in Table 14.1.

Table 14.1

Customers Are Assets With Lifetime Value

Description	80% Retention	85% Retention	90% Retention
Average price of season tickets	\$10	\$10	\$10
Games in Plan	20	20	20
Plans purchased per account	2.5	2.5	2.5
Ancillary spending per account	\$350	\$350	\$350
Average annual expenditure per account	\$850	\$850	\$850
Total number of accounts	1,000	1,000	1,000
Total Revenue Generated	\$850,000	\$850,000	\$850,000
Retention Rate	80%	85%	90%
Average years per account	5.0	6.7	10.0
Current Lifetime Value of Account	\$4,250	\$5,667	\$8,500
Aggregate value of all accounts	\$4,250,000	\$5,666,667	\$8,500,000

*Note: calculations do not account for time value of money

In the contemporary entertainment marketplace, customers have many entertainment options from which to choose. In the New York City area alone, sport fans can choose from seeing the Mets, Yankees, Nets, Knicks, Liberty, Giants, Jets, Devils, Islanders, and Rangers—and this just represents professional sport options. As team performance fluctuates, creating sales stability is of key importance. And as the economy changes and pocketbooks tighten, unless the customer feels a relationship to the team and organization, finding

another and potentially less expensive entertainment option becomes all too easy. Why not just enjoy the game on the comfort of your own couch? Sport organizations creating successful and mutually beneficial customer relationships reduce the expense associated with driving new customers. Increased competition among entertainment providers means an increased importance placed on creating repeat customers with a lifetime value. So where do sport managers begin?

Creating a relationship with the customer base means incorporating the customer's needs and wants into the business model. Sport organizations at all levels, recreation to professional sport, with various levels of demand, from Ball State to Ohio State, must invest in their customers in order to retain customers for additional purchases. Fortunately, the sport manager can utilize strategies to encourage a lifetime relationship with customers. Unfortunately, however, some sport managers fall victim to ineffective attitudes and practices. Sport managers believing that winning or losing completely dictates renewal won't invest in strategies that will retain customers in losing streaks. Successful sport managers will instead harness strategies to create relationships with fans that keep customers coming back year after year regardless of economic hardship or win/loss records. Begin this process by working from a social CRM framework.

WORKING FROM A SOCIAL CRM FRAMEWORK

Sport managers utilizing a social CRM framework strive to understand the customer, engage the customer, and personalize communication with the customer throughout the customer life cycle. With increased technology and growth of the use of analytics in sport, sport organizations can understand the customer by using one or a combination of philosophical approaches. **Analytical CRM** involves collecting customer data information and creating a model to increase customer revenues over the life cycle.² For example, if an organization collects season ticket holder demographic data, the organization can use trends in this data to predict those customers who will be most profitable and those who are most at-risk for non-renewal. Knowing this information can be critical to targeting the right message to the right type of consumer. **Behavioral CRM** utilizes focus groups or surveys to uncover the psychology of customer choice to inform a strategy to better retain customers.³ For example, after conducting a focus group of rookie season ticket holders, a sport organization may find that rookie season ticket holders like to

ANALYTICAL CUSTOMER RELATIONSHIP MANAGEMENT

the collection of customer data information to create a model to increase customer revenues over the life cycle

BEHAVIORAL CUSTOMER RELATIONSHIP MANAGEMENT

the use of focus groups or surveys to uncover the psychology of customer choice to inform a strategy to better retain customers

2. Kamakura, W., Mela, C., Ansari, A., Bodapati, A., Fader, P., Iyengar, R., et al. *Choice models and customer relationship*. Retrieved from <http://www.anderson.ucla.edu/faculty/anand.bodapati/Choice-Models-and-CRM.pdf>

3. Ibid.

renew their tickets online instead of through an account executive. This may prompt the sport organization to include various methods for season ticket holders to renew. Business professionals may use a combination of analytical and behavioral CRM to inform business processes.

Regardless of the philosophical foundations informing CRM systems and which data managers decide to use, customer communication through modern media channels has greatly affected CRM. Sport fans can recognize contemporary CRM not only in the game experience, but also after the game experience is over. When fans live-tweet an event to appear on a video board or participate in an online fan forum to make comments about the game experience, they have participated in a sport organization's CRM system. If customers engaged with a team's social media site, participated in a contest to win free tickets, or purchased a ticket via a third-party vendor (e.g., Ticketmaster), these customers have also participated in a sport organization's CRM system. Even after the game, teams like the Florida Panthers eagerly gather data to create in-depth profiles of customers. When the Panthers initiated a partnership with Umbel, an analytics company specializing in uniting data from separate communication platforms to better inform marketing strategies, the team enjoyed a 7.5% return on advertisement spending, surpassing its goal.⁴

The CRM Evolution

At one time, business controlled media and largely the public conversation with regard to products. Media had yet to be interactive, and websites, television commercials, and e-mail blasts served as examples of the one-way communication sport organizations typically exhibited with consumers. Now, the conversation has changed. Social media, in most cases, is public. With the advent and popularity of social media as well as public review sites, managers of any industry face pressure to cultivate strong relationships with customers to ensure customers review products favorably in public forums. Websites such as www.stadiumjourney.com not only include reviews of game experiences according to a range of variables from food and beverage to the surrounding stadium neighborhood, but they also include web forums for customers to comment. Word of mouth then becomes increasingly important.

In order to account for the media evolution, approaches to CRM have evolved. What used to be and in some cases still is in part one-way communication, a company targeting customers with messages to increase sales, now also includes customer-driven and customer-collaborative efforts. Like many other retail stores, Nike includes product feedback on their websites.

4. Umbel. *How data is helping sports teams increase ROI, even in off-season*. Retrieved from <https://www.umbel.com/blog/sports/how-data-is-helping-sports-teams-increase-roi-even-in-off-season/>

If customers purchase the Nike shoes in a store, they can fill out a survey regarding the purchase experience online with a code denoted on the receipt and redeem a \$5 coupon. If the customer purchased online, Nike provides customers with forums to rate their product and buying experience from one to five stars with comments. This is Nike's way of collaborating with the customer and gaining feedback on the customer's terms. Nike uses this feedback to alter their product according to customer needs as well as to help other customers in the buying process. For example, if customers consistently rate that a shoe fits small, Nike will guide customers to purchase one size up.

A **traditional CRM** system can be described as a business's one-way communication method to increase sales throughout the **customer life cycle**: acquisition, retention, and development (customer development refers to the process of encouraging additional purchases across offered products). A minor league baseball team sending opening day promotional flyers to past customers represents a traditional CRM tactic. The business is the center of the communication directed at the customer on the receiving end.

A **social CRM** system, on the other hand, is an expansion of traditional CRM and can be described as a system involving customer engagement throughout the customer life cycle. A minor league baseball team may also send opening day promotional flyers to past customers, but may design the flyer and send date after using software to track social media comments about last year's opening day. They might also conduct a focus group to gauge customer sentiment with respect to upcoming opening day and the best timing to receive a flyer, if at all. While the traditional marketing mix is product, price, place, and promotion, social CRM makes a new P central to the traditional marketing mix: people. ***Sport managers cannot move forward with a personalized approach to customer retention without firmly understanding how and why different types of customers consume their sport product.***

TRADITIONAL CUSTOMER RELATIONSHIP MANAGEMENT

a business's one-way communication method to increase sales throughout the customer life cycle

CUSTOMER LIFE CYCLE

the term used to describe the evolution of a customer's relationship with an organization from the decision to purchase a product, to using that product, to how the customer maintains loyalty with the organization and to ultimately, the relationship end

SOCIAL CUSTOMER RELATIONSHIP MANAGEMENT

an expansion of traditional CRM; a CRM system involving customer engagement throughout the customer life cycle

Table 14.2

Traditional vs. Social CRM

Traditional CRM	Social CRM
One-way communication/direct advertising	Conversation and engagement
Customer service and support operating within business hours on the organization's preferred platform	Quick response on the customer preferred platform
Impersonal	Personalized
Customers share feedback by word of mouth in a small circle	Customers share feedback with millions online
Sales-driven	Conversation-driven, sales are a byproduct

Adapted from <http://oursocialtimes.com/traditional-crm-vs-social-crm-infographic/>

PRINCIPLE 1: GAINING, VALUING, AND UTILIZING CUSTOMER FEEDBACK

CUSTOMER RETENTION

the actionable steps a company takes to produce loyal and lifetime customers

The first principle in **customer retention** is knowing the importance of how to gain, value, and utilize customer feedback. Creating a relationship with customers means taking an interest in their opinions and preferences. Sport managers utilize information gathered from customer feedback in order to make better business decisions with the customer at the center of the decision-making process. Gaining feedback allows managers to identify the types of customers at-risk for failing to make a second purchase, to identify reoccurring issues customers may have with the product, and to assess customer satisfaction. Sport organizations choose various means to gain feedback from customers.

Analytics for Customer Retention

While technology has changed the way consumers and organizations communicate via social media platforms, technology has also changed the way sport organizations approach understanding **customer sentiment** and predicting **customer behavior**. **Big data** refers to the collection and management of extremely large data sets from which managers can draw conclusions. Data **analytics** has been used to assess players and team play, most notably featured in the movie *Moneyball*, but the use of data analytics does not end there. Drawing conclusions from big data sets that capture information about consumers can aid managers in predicting consumer behavior and in identifying the types of consumers that might be high-risk; in other words, those consumers most likely to stop consuming the sport product. As analytics becomes increasingly popular in sport, sport managers can understand customer retention through collecting and analyzing data describing consumers.

The New York Red Bulls professional soccer team coordinates a partnership with Microsoft Dynamics. Microsoft Dynamics is a branch of Microsoft providing businesses with tailored approaches to collecting and analyzing data to potentially increase sales, improve marketing initiatives, and tailor social media platforms. For example, professional sport teams have utilized Microsoft Dynamics to assess consumer buying patterns. Microsoft Dynamics can then find purchasing patterns among consumer segments. Instead of

CUSTOMER SENTIMENT

how a customer feels about a product or service

CUSTOMER BEHAVIOR

the study of the mechanisms by which a customer chooses to use or not use a product

BIG DATA

the collection and management of extremely large data sets from which managers can draw conclusions

ANALYTICS

the systematic analysis of data in order to provide information and/or insight



e-mail blasting promotions to customers, professional sport teams can fit the promotion to the type of customer most likely to react to the promotion based on past customer purchases. The Orlando Magic use a specialized decision tree model to categorize customers. Customers are segmented into the following groups: most likely to renew, least likely to renew, and individuals who are most likely to show indecision. The Magic then choose to focus on the individuals who are most likely to show indecision, in order to sway their opinion. The New England Patriots use information such as game attendance records, merchandise purchase history, attendance at unique engagement events associated with the Patriots as well as with other events held at Gillette Stadium, preferred communication platforms, and website activity to better personalize target messages to consumers.⁵ After adopting this analytical strategy in 2009, the Patriots achieved a 97% season ticket renewal.



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ANALYTICS IN COLLEGE SPORTS

The university environment has seen an increase in athletic director hires that can specifically handle analytics for customer retention and other business operations. In July of 2015, the University of Nebraska joined the list of universities hiring athletic directors with specialties in analytics. Tucker Zeleny assumed the role of Director of Sports Analytics and Data Analysis. Tucker not only evaluates individual as well as team performance, but also evaluates business operations of the athletics department. Several NCAA organizations—the NCAA College World Series, women's NCAA softball, the NCAA College Basketball Championships—utilize Major League Baseball Advanced Media (MLBAM) for a variety of analytical activities in customer retention and beyond. One such task involves strategically placing digital ads for consumers based on patterns in digital use and preferred communication platforms. When online shoppers purchase a product, advertisements for the item or related items show up on Facebook page or on web browsers the very next day following their purchase. This is an example of how an organization used analytics to strategically place a digital ad tailor-made for each consumer in an effort to retain that consumer.

Husker Mike. Nebraska Hires Director of Sports Analytics and Data Analysis. *cornnation.com*. Retrieved from <http://www.cornnation.com/2015/7/8/8913787/nebraska-hires-director-of-sports-analytics-and-data-analysis>

5. Davenport, T. (2014, February). Analytics in sports: The new science of winning. *International Institute for Analytics*. Retrieved from http://www.sas.com/content/dam/SAS/en_us/doc/whitepaper2/iia-analytics-in-sports-106993.pdf

Strategies to Gain Feedback

Not all sport organizations have the expertise or financial means to orchestrate sophisticated analytics plans; in fact, very few have implemented full-scale analytics marketing plans in an attempt to retain customers. Sometimes, the best way to understand the customer is to ask or seek out places/forums where customers are likely to express reactions to the sport product. Table 14.3 displays eight ways to gain feedback from customers during or following sport product consumption. Sport managers then use this feedback in order to change business processes to enhance the game experience.⁶

Table 14.3

Eight Ways to Gain Feedback From Customers

Focus Groups: a small group of people (5 to 15) brought together under the guise of a moderator to discuss a topic.
Online Surveys/Polls: questionnaires provided to participants via the Internet, e-mail, etc.
Analytical Software: technology designed to gather and analyze data sets in order to enhance business objectives.
Person-to-Person: engaging an individual in a one-on-one conversation via the telephone or through in-person interview.
Product Trials: allowing customers to try or test the product prior to purchase or prior to bringing the product fully to market.
Live Chat/Website Forums: public online discussion sites.
Monitor Social Media: the act of tracking various social media sites in order to gain information.
Offering Incentives: designing “perks” to reward participants for sharing information.

CREATING NEW EXPERIENCES FROM CUSTOMER FEEDBACK

The Arizona Diamondbacks President Derrick Hall answered the call to create more opportunities for dog owners to bring their pets to the game.⁶ After recognizing that customers repeatedly pleaded to bring pets on more occasions to Chase Field, the Diamondbacks partnered with PetSmart to create the PetSmart Patio, an indoor and outdoor play space for dogs and their humans behind the left-center field wall. Dog owners will have the opportunity to bring their pets to each of the 13 Sunday home games. Customers can also enjoy purchasing canine-safe treats and drinks for their pets. This Diamondback partnership with PetSmart resulted from managers addressing themes in customer feedback as well as understanding the importance of altering the game experience to customer preferences.

6. Fisher, E. (2016, February 29). D-Backs give dogs their day at ballpark. *Sports Business Journal*. Retrieved from <http://www.sportsbusinessdaily.com/Journal/Issues/2016/02/29/Marketing-and-Sponsorship/PetSmart-Diamondbacks.aspx?hl=customer%20feedback&sc=0>

PRINCIPLE 2: A COMPREHENSIVE CUSTOMER SERVICE PLAN

The second principle in customer retention is to incorporate a comprehensive customer service plan grounded in customer service excellence. Customer service refers to the interactions a business has with a customer before, during, and after a customer purchases a product. Think about the game experience. When customers pick up tickets at will-call did they spend a long time in line? When customers interacted with the ticket office personnel, did they walk away with a positive feeling or a negative feeling? Did the usher actively show customers to their seats, or did customers have to seek them out to ask? These game experience nuances affect perceptions of the overall game experience. Sport organizations can learn customer service excellence from the most magical place on earth.

The Disney Approach

Many companies have harnessed customer service principles to advance their businesses; among the most notable is Disney. Disney's model of the customer as a guest has evolved over time but creating a culture of happy for guests remains at the center of their customer service operation. Disney calls this philosophy guestology: "the study of people for whom we provide service."⁷ Through guestology, Disney works to make guests feel special, treats guests as individuals, treats all patrons with respect. Walt Disney took this approach from the very beginning of his business operations and created a world-renowned customer service standard.

The first year [at Disneyland] I leased out the parking concession, brought in the usual security guards—things like that—but soon realized my mistake. I couldn't have outside help and still get over my idea of hospitality. So now we recruit and train every one of our employees. I tell the security police, for instance, that they are never to consider themselves cops. They are there to help people. The visitors are our Guests. It's like running a fine restaurant. Once you get the policy going, it grows.⁸

—Walt Disney

7. Jones, B. Understand your customers using guestology. *Disney Institute*. Retrieved from <https://disneyinstitute.com/blog/2012/08/understand-your-customers-using-guestology/90/>

8. Ibid.

Table 14.4

Big Ideas From Little Guys

Be Happy —Make eye contact and smile
Be like Sneezzy —Greet and welcome each guest with the spirit of hospitality
Don't be Bashful —Seek out contacts with Guests
Be like Doc —Provide immediate service recovery
Don't be Grumpy —Always display appropriate body language
Be like Sleepy —Create dreams and preserve the magical Guest experience
Don't be Dopey —Thank each customer

As a result of the growing popularity of Disney principles in customer service, Disney formed the Disney Institute, a customer service consultation opportunity for businesses looking to improve their customer service. The Disney Institute offers professional development courses as well as customized business solutions in order to help businesses transform the customer experience one customer at a time. The Disney tradition infiltrated the sport industry. After Arizona State University lost 50% of its football season-ticket

holders over the past five seasons, athletics personnel conducted an overhaul on how they approached customer service at games. A pervasive theme across the customer experience was consistent customer dissatisfaction. For example, customers purchased mini footballs outside the stadium only to have them turned away by ushers inside the stadium, a clear lack of communication between the sales staff and the event operations staff. Arizona State began the customer service transformation



through utilizing Disney principles. Staff flew to Disney for three days of meetings with the Disney Institute. The athletic department replaced employees and trained customer service representatives to help create a magical, memorable experience for game goers, a “service-first” mentality. The impact was immediate. E-mails poured in (9 out of 10) complementing Arizona State for making the change. Six weeks into the season, season-ticket renewals were 10% ahead of the previous year’s benchmark.⁹ The Orlando Magic, Arizona Cardinals, and University of Tennessee have all signed on to utilize the Disney approach. The Disney Institute operates under the premise that what seems like small, unimportant moments at first glance are just as important as star players.¹⁰

Sport Organization Approaches

In order to create lifetime fans, sport organizations have adopted their own customer service plans unique to the vision organizations have for the customer experience. For the Spurs, customer service excellence is also the foundation of training their employees. The paragraph below is reprinted from the introduction of the Spurs employee training manual:

Spurs Sports & Entertainment exists to provide the highest quality sports & entertainment experience our guests, supported by prompt, professional, courteous service, and to have a positive impact on our community. The continued growth and development of our values based, service centered culture is dependent upon each and every interaction you have with our guests and with each other. Acting in alignment with our mission, vision and values, and exhibiting our F.A.M.I.L.Y. service standards is the easiest roadmap to success and personal fulfillment in our organization. The more you do for others, the more you receive in return.

In order to achieve goals, the Spurs train each and every service position according to the F.A.M.I.L.Y. service standard outlined in Table 14.5. The San Antonio Spurs produce customer satisfaction through treating both employees and customers like family.

9. Steinbach, P. (2013, January). Athletic departments apply disney principles to game day. *Athletic Business*. Retrieved from <http://www.athleticbusiness.com/athletic-departments-apply-disney-principles-to-game-day.html#!/comment-comment=937>

10. Schoenfeldj, B. (2010, November 29). Customer-service magic. *Sports Business Journal*. Retrieved from <http://www.sportsbusinessdaily.com/Journal/Issues/2010/11/20101129/This-Weeks-Issue.aspx>

Table 14.5

FAMILY Standards for Promoting a Positive Fan Experience



Sport organizations should develop standards for customer service positions such as ticket scanners and ushers. Warm smiles and a friendly greeting are keys to initiating friendly contact with guests. Each of these positions are ambassadors for the team, arena, and even the community as a whole. Attitude and gratitude are key elements to creating a positive presence with guests.

The ticket scanner is one of the first individuals to greet the customer and will lay the groundwork for the customer's experience. Sport administrators should take steps to train these individuals to interact with customers according to the organization's vision for the customer service excellence. Guidelines for ticket scanners should include:

- ▶ distances at which the ticket scanner acknowledges the presence of the guest
- ▶ how to handle lost and counterfeit tickets
- ▶ re-entry procedures

The usher is a critical component to customer service excellence. If guests are feeling intimidated by the large arena setting, the ushers are central to ensuring guests feel comfortable. Ushers are tasked with greeting guests in a friendly and sincere way as well as with helping guests find seats and identifying safety issues. Guidelines for ushers include how to do the following:

- ▶ handle suspicious items
- ▶ greet the guest
- ▶ review tickets to ensure the guest is located in the seating area
- ▶ direct guests to the correct seating location
- ▶ answer commonly asked questions
- ▶ receive and respond to complaints
- ▶ keep the aisles clear
- ▶ identify prohibited items
- ▶ spot problems before they occur
- ▶ solve duplicate ticket issues
- ▶ know the location of key locations such as ATM, concessions, restrooms, escalators, and exits

Creating a Customer Service Plan

Customer service plans are not one-size-fits-all. Planning effective customer service means sport managers consider the customer and the organizational vision prior to customer service plan design. Would the Boston Red Sox organization coordinate the same type of customer service plan as their triple A affiliate, the PawSox? Although closely related, the two teams have separate identities and different resources at their disposal. The following customer service rules will help guide the process of establishing customer service excellence for any organization.

RULE 1: CUSTOMER SERVICE ON THEIR TERMS

CUSTOMER SERVICE

the interactions a business has with a customer before, during, and after a customer purchases a product

Understanding **customer service** means understanding customer preferences for the game experience, sport product use, and communication platforms. The most effective customer service places the customer at the forefront of the customer service plan. It might be more efficient and cost-effective to provide the same type of food and the same type of wait-in-line food service for customers attending sporting events. However, if food service were on the customer's terms, would season ticket holders be interested in the same food each game? Would customers choose just one option to obtain their food, and would that option be waiting in line? When sport managers make decisions to provide customer service on the customer's terms, trends such as communication options to place advanced food orders online, staff employed to bring customers food to their seats, and incorporating signature food items emerge. Realizing their customers also found interest in the craft beer scene, the Fort Wayne TinCaps, Class A minor league baseball team affiliate of the San Diego Padres, coordinated craft beer tasting nights at the ballpark. Customers enjoy unlimited tasting and buffet for \$40 per person in groups larger than 20 during the game instead of prior to the game in the previous season. The result is a lucrative and trendy way for the TinCaps to continually retain customers according to customer preferences.

RULE 2: DETERMINE VISION

Each organization should work to establish a customer service identity. Appropriate stakeholders should be involved. For the San Antonio Spurs, this identity surrounds the theme of treating customers and fellow coworkers like family, thereby creating a family-friendly environment. This identity involves the entire sport franchise from ticket sales professionals to customer service representatives. The Spurs train each usher, elevator guide, and ticket scanner according to the role they play in creating a family atmosphere. Sport professionals should consider the customer service vision that best represents the sport organization.

RULE 3: FINDING COMPATIBILITY

Although the mission is to provide customer service on the customer's terms, this has to exist within the reality of the organization's resources and vision. Does providing customer service on the customer's terms find compatibility with the organization's vision for customer service? Where do the two find middle ground? Every customer may desire a personal wait staff, unlimited food with their service, and no waiting lines to enter the game. What sport organization can reasonably provide this opportunity for every customer? Sport managers, however, can reorganize staff to shorten lines, incorporate special entrances for high profile customers or season ticket holders, hire wait staff for luxury suite areas, and provide unlimited buffet deals for group sales. Customer service on the customer's terms must also exist within the organization's resources.

RULE 4: DESIGN THE PLAN

Devoting attention to customer service means devoting the right number of individuals and organizational resources to work within the plan. Think about it. If one goal of a customer service plan is to ensure patrons feel comfortable finding their seat locations, it may be necessary to place an usher at every gate. If a second goal is to ensure season ticket holders enjoy benefits such as exclusive meet and greets with the coaches and players as the Columbus Blue Jackets offer to their season ticket holders, the proper personnel, planning, and training will need to be employed and implemented. This may involve creating a new Guest Relations position. As exemplified with the Spurs F.A.M.I.L.Y. approach to training employees, a specific and detailed approach will be necessary for program success.

RULE 5: HIRE THE RIGHT PEOPLE: HIRE ATTITUDE, TRAIN SKILLS

When Murray Cohn, former VP of ticket sales for the NBA, and current President of Sports Sales Training and Consulting Inc., looks for individuals to hire, he seeks individuals with a positive and coachable attitude, strong work ethic, above average honesty and integrity and individuals that believe good is the enemy of great. From this attitude, he can train budding sales professionals, but he cannot train these traits. Performance Associates, Inc., authors of *Delivering Knock Your Socks Off Service*,¹¹ created a list of the ten deadly sins of customer service. These ten deadly sins describe how attitude can destroy customer relationships and customer retention (see Table 14.6). The basic concept is hire attitude and train skills.

11. Performance Associates, Inc. (2007). *Delivering knock your socks off service*, 4th ed. New York, NY: AMACOM.

Table 14.6

The Ten Deadly Sins of Customer Service Applied to Sport

Concept	Definition	Sport Application Example
"I don't know"	Lack of knowledge with respect to the organization and product	Volunteer should know the answer to "where is the nearest bathroom" when asked by a fan.
"I don't care"	Apathetic employees	Ticket takers should greet each patron with enthusiastic body language.
"I can't be bothered"	Failing to make customers feel important	Account executives should take steps to thank season ticket holders, making them feel important.
"I don't like you"	Exuding rude behavior	Each in-game professional should maintain a professional standard regardless of customer complaints.
"I know it all"	Responding to customer concerns prior to fully understanding the concern	If a fan shows concern about parking options, a customer service representative should first aim to understand exactly why the customer is concerned prior to responding.
"You don't know anything"	Condescending employees	If a customer misunderstands something about ticket sales options, a ticket sales professional should help the customer understand instead of putting them down.
"We don't want your kind here"	Showing prejudice	In-game staff should treat each customer as equally important as the next.
"Don't come back"	Making customers feel unwelcome	Without customers, service professionals would not have a job. Even when lines get long and staff have been standing for long hours, it is important to be aware of making customers feel welcome.
"I'm right and you're wrong"	Proving to customers they are mistaken	When a customer does not display correct knowledge with respect to ticket seat locations, ushers should politely address the situation.
"Hurry up and wait"	Failing to respect time	Ticket takers should be aware that fans eagerly await entering the stadium. Efficient operations are important to a customer's time.

RULE 6: CUSTOMER SERVICE BEGINS WITHIN

An effective customer service plan starts within the organization. Employee behavior toward each other will eventually express itself outwardly in front of the customers or toward customers. Even though not all employees will interact directly with customers, all employees in the organization contribute to a positive—or worse, negative—customer service environment. When employees interact in a negative way, customers notice. At the Spurs organization, all new employees are trained on the F.A.M.I.L.Y. principles not only to ensure positive customer service becomes habitual, but also to create a positive and productive work environment.

RULE 7: MANAGE THE SPORTSCAPE TO CREATE A POSITIVE EXPERIENCE

People are critical to the success of a customer service plan. However, it is also important to recognize that features in the facility can also impact customer retention. A critical component to any customer service plan in sports is to effectively manage the **sportscape**, the entire built and managed environment that the fan sees when attending a sporting event.¹² The physical environment of the stadium can significantly impact the extent to which fans desire to stay and return to the sport venue.¹³ Managing the sportscape requires collaboration with the event and facility staff in the organization. Table 14.7 on the following page outlines the 11 key sportscape factors.

SPORTSCAPE
the entire built and managed environment that the fan sees when attending a sporting event



© Settawat Udom/Shutterstock.com

12. Wakefield, K. (2015). Team sports marketing. Retrieved from <http://teamsportsmarketing.com>

13. Wakefield, K., Blodgett, J., & Sloan, H. (1996). Measure and management of the sportscape. *Journal of Sport Management*, 10, 15–31.

Table 14.7

Sportscape Factors



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**PRINCIPLE 3: RELATIONSHIP BUILDING THROUGH
AFTERMARKETING**

AFTERMARKETING

the approach to retaining or developing customers after the customer has purchased the product

**RELATIONSHIP
MARKETING**

marketing strategy through which sport and non-sport managers pursue, retain, and develop customers throughout the customer life cycle in a co-collaborative approach

The third principle in customer retention to produce customers with lifetime value is creating and implementing an effective aftermarketing plan. After the customer leaves the game, what next? If the sport organization has provided a great game experience including customer service excellence, do sport organizations sit and wait for the customer to renew? Absolutely not. Sport managers looking to retain customers understand that the actions the company takes post-experience will affect the customer's decision to come to another game, deny attending, or to take advantage of additional products offered. **Aftermarketing** is the term used to describe how sport managers approach retaining or developing customers after the customer has purchased the product. It is important to utilize a social CRM framework to approach aftermarketing for customers. **Relationship marketing** is the term used to describe

the marketing strategy through which sport and non-sport managers pursue, retain, and develop customers throughout the customer life cycle in a co-colaborative approach. Theodore Levitt was the first to introduce the concept that the buying experience, not just the product itself, influences customer satisfaction.¹⁴ In essence, the relationship between the buyer and seller is a critical factor in how the consumer feels about the product. In 1983, Leonard Berry introduced the idea of relationship marketing and suggested involving customer preferences as central to business operations and decision-making.¹⁵ When sport managers approach aftermarketing through relationship marketing, creative customer retention solutions take shape.

STUDENT FAN LOYALTY PROGRAM AT OKLAHOMA UNIVERSITY

The University of Oklahoma athletic department routinely benefits from well-attended football games, but felt the need to create an aftermarketing strategy in order to maintain a consistent fan base for other sports, notably basketball.¹⁶ Administrators partnered with Row27 and Paciolan to create a fan loyalty program that rewards fans with gear and invitations to unique events for repeat game attendance as well as for the duration the fan remains at the game. Scanning loyalty program tickets to basketball games works like a time stamp. Students are also rewarded with points for engaging on social media before, during, and after the game. The repeat contacts associated with the loyalty program replace direct advertising such as e-mail blasts. Instead, this contact creates a two-way approach to customer retention and development and incorporates fan engagement into the aftermarketing strategy.

When sport managers look to retain and develop customers who attended sport events or purchased sport products, where do they begin in devising an aftermarketing campaign? Consider aftermarketing strategies through relationship marketing, with the most important P, people, at the center of the campaign. Aftermarketing should be unique to the organization. Ohio State and Ball State will need to interact with their customers in a different way, and will also have vastly different resources to enact an aftermarketing plan. Follow the following six steps to incorporate aftermarketing through relationship marketing tailor-made for any sport organization.

14. Levitt, T. (1969). *The marketing mode: Pathways to corporate growth*. New York, NY: McGraw-Hill.

15. Berry, L. (1983). Relationship marketing. In L. L. Berry, G. L. Shostack, & G. D. Upah (Eds.), *Emerging perspectives on services marketing*. Chicago (p. 25–28). American Marketing Association.

16. Smith, M. (2014, October 20). Fan activity integrated with loyalty programs. *Sports Business Journal*. Retrieved from <http://www.sportsbusinessdaily.com/Journal/Issues/2013/10/14/Colleges/Paciolan.aspx?hl=customer%20retention&sc=1>

STEP 1: CLEAR DIRECTION

Prior to creating and enacting an aftermarketing plan, it is important for the organization's priorities and goals to be clear. Is the organization a minor league baseball team looking to increase retention among full-season ticket holders with an emphasis on renewing new season ticket holders? Or does the organization have several focuses such as retaining season ticket holders as well as creating a personalized promotion strategy for developing half-season ticket holders to purchase full season tickets? Without a clear direction, it is difficult to form a system that will aid in achieving the desired outcomes. Evaluate the current position and stay focused. Set SMART objectives to shape the direction (see Table 14.8).

STEP 2: RELEVANT DATA AND FEEDBACK

Sport organizations should know their customers. Based on their goals, the next step is to understand the types of data needed in the decision-making process. A focused approach to data collection is necessary to making decisions based on this data. If the target group is understanding season ticket holders for renewal, for example, it would be necessary to gather information with respect to season ticket holders. Relevant information might include: (1) identifying the types of season ticket holders least likely to renew; (2) reasons why they might not renew; (3) understanding the types of season ticket holders most likely to renew; and (4) the type of communication season ticket

Table 14.8

Set SMART Objectives

S: SPECIFIC —Define the goal with clarity —Answer who, what, where, and why
M: MEASUREABLE —How will you know when your goal is accomplished? Track progress.
A: ATTAINABLE —Set realistic goals for your organization.
R: RELEVANT —Does this goal meet your organization's vision and needs?
T: TIMELY —Establish a sense of urgency for your objective. Give it a time limit.

holders prefer. Managers should strategically plan dates to gather and evaluate the data. Data collection may involve more than one type of data collection strategy and occur during several time periods that account for the fact that testing only one group of customers or testing that group at only one time period may not reveal a full understanding.

STEP 3: RESOURCE EVALUATION

Of course, all of this data collection must happen within the boundaries of available resources. How much of the operating budget can be utilized for aftermarketing? Resource evaluation should involve a thorough examination of the budget and potential outsourced partnerships with analytics companies such as Microsoft dynamics or smaller firms such as Sports Analytics. These types of companies offer systems to gain insight into fans belonging to different segment groups, as well as operational analytics to streamline business processes. However, not all sport organizations will have the resources to outsource an analytics team or company or hire their own. Perhaps other means of data gathering will be a better use of resources for this type of organization. Regardless, data collection strategies should reflect the original goals.

STEP 4: LOOK FOR PATTERNS AND THEMES

Upon collecting data about the consumers, it is important to look for patterns among consumers. In the same way that marketing professionals segment target markets, patterns and themes should be assessed based on the original targeted customers for the aftermarketing plan. For example, sport organizations have incorporated web-based purchasing modalities for the range of their products. If more than one customer comments that the web-based season ticket renewal process was complicated or difficult to use, this pattern in feedback should be applied when redeveloping the online format.

STEP 5: AFTERMARKETING PLAN

The aftermarketing plan should be grounded in the original direction as well as patterns identified in customer data collection. The plan will be coordinated **touchpoints**, or points of contact from the organization to the buyer, throughout the customer life cycle. Communication with customers may change according to their stage in the life cycle and their market segment. It may also change according to new themes and patterns that develop throughout consistently gaining feedback from consumers. Sport organizations won't create relationships with twenty-year-old fans in the same way as relationships are created with sixty-year-old fans. Gaining feedback shows the sport manager how to best court customer relationships. The relationship

TOUCHPOINTS

points of contact from the organization to the buyer, throughout the customer life cycle

marketing plan may be a combination of fan loyalty programs, social media outlets, e-mail, face-to-face communication and additional modes for touchpoints. Important to the relationship marketing campaign, however, is the notion of two-way communication. The fan must feel central to the organization through providing feedback according to their wants and needs.

Ed Gagnon, President at Customer Service Solutions, Inc., offers the following advice for developing a 12-month touchpoint planning process with all account holders:

1. Because new customers are at greatest risk of defection, develop strategies that focus on building intelligence and relationship with first-year clients.
2. Conduct an at-risk profiling assessment by examining internal databases to determine the characteristics of the customer's lost in the past.
3. Conduct annual surveys that identify preferences, risk factors, and growth areas. Target clients who are less likely to renew with intense and customized efforts.
4. Identify the most profitable clients so more personalized and targeted retention efforts can be used for them.
5. Develop monthly touchpoint plans for all retention reps that ensure retention efforts are executed year-round.¹⁷



Aftermarketing through relationship marketing should be personal. Gaining feedback is critical to providing the personal approach. Communicate with the customer according to their preferences. Would they like to be contacted via e-mail, social media, or via face-to-face visiting? Take a personalized approach in gaining feedback from new season ticket holders to devise a consistent communication method. Technology has changed the way customers communicate to each other,

but also how customers manage their time. Picking up on how technology has changed time management, Australian-based company ECal designed a

17. Gagnon, E. It's ticketing renewal season—use knowledge-based research to retain. *Ticketing Today*. Retrieved from <http://ticketingtoday.com/its-ticketing-renewal-season-use-knowledge-based-research-to-retain/>

system to maintain communication through a fan's digital calendar.¹⁸ Fans choose notifications that are then downloaded to the calendar. Notifications include the regular game schedule, prioritized games, season ticket holder events, and other preferences. In this case, the customer chooses how the sport organization will communicate.

Taylor Deckard, Account Executive for the St. Louis Rams (now Los Angeles Rams) shared the organization's 365-Plan. Account executives manage over 1,000 accounts and coordinate touchpoints throughout the year, not just during the season. Account executives also share their contact information and make efforts to communicate on client preferred platforms. Refer to Table 14.9 for examples of organized contact throughout the year.

Table 14.9

St. Louis Rams (now Los Angeles Rams) 365 Aftermarketing Touchpoint Plan

Thank You Notes After Purchase: Account executives send thank you notes and introduce themselves as the contact for the organization.
Pre-Game E-mail: Prior to the game, account executives will send e-mails with relevant game information such as parking and opponent statistics.
Certificates for First Game Attendees: When account executives learn that a member of the group is attending a game for the first time, he or she is recognized with a certificate.
Face-to-Face Visits During the Game: Account executives will also make contact with some of their season ticket holders during the game to introduce themselves and check on the customers' game experience.
Game Experience Evaluation: After the game, account executives contact season ticket holders personally to gain feedback about the game experience.
First Renewal Reminder (late December): Account executives call season ticket holders to remind them of the renewal deadlines and support the decision-making process.
Second Renewal Reminder (February): If the client has yet to renew, account executives make a second call to talk with clients and attempt to overcome objections to renewing.
Final Deadline Renewal Notice (March/April): Account executives send a final renewal notice and attempt to overcome any last objections.
Birthday Notes: Throughout the year, account executives will recognize season ticket holder and family birthdays.
Newsworthy Notes: Throughout the year, account executives will send team updates.
Welcome Back Notes: When it is almost time for the season to start, account executives send welcome back notes and ask clients if they have any questions.

18. McClellan, P. (2015, April 19). Ecal taps into mobile-minded sports fans and digital calendar marketing. *Sporting News*. Retrieved from <http://www.sportingnews.com/more-sports-news/4642033-digital-calendar-marketing-brands-athletes-teams-ecal>

STEP 6: INVOLVE STAKEHOLDERS AND FOLLOW THROUGH

Implementing aftermarketing plans as part of social CRM is often more than a one-person show. Depending on the size and scope of the sport organization, this may involve creating a new relationship manager position or several relationship management positions. Aside from assigning these positions with the task to communicate, listen, and help to create value for customers, sport managers must also involve sales teams and executives in following through with using the patterns in data and the designed aftermarketing plan. Incorporating stakeholders with the aftermarketing plan lays the groundwork for system support throughout its implementation. Following through necessitates persistence and attention to the original direction. For example, the Spurs involve the entire organization in the process and strategy to create lifetime relationships with customers from aftermarketing to customer service.

PRINCIPLE 4: UTILIZE TECHNOLOGY

The fourth principle in customer retention to produce customers with lifetime value is utilizing technology in various stages of the customer experience from game time to the ticket renewal process. When customers make the decision to renew ticket purchases, sport organizations should include a variety of renewal options. Technology makes this possible. Third-party vendors such as Ticketmaster allow customers to create personal account profiles. Customers can log in and repurchase at the click of the mouse. These vendors also allow season ticket holders to e-mail tickets to friends, resell tickets online, and exchange tickets for other games later in the season. All of these technological features serve the customer and increase value for season ticket holders. In renewal, options matter. In some cases, customers will still want to renew via sending a check in the mail.

Successful sport managers anticipate trends. Technology will continue to change the way and the level that sport organizations gain feedback from consumers, implement aftermarketing plans, and offer customer service. When technology advances, consumer expectations evolve. Sport managers must evolve as well. This evolution has already sparked creativity in creating and managing the sportscape.¹⁹ San Francisco facility design professionals identified that 30% of fans used their phones during the game. When San Francisco 49ers fans entered the new stadium that opened in 2014, fans engaged

19. Wakefield, K. (2015). *Team sports marketing*. Retrieved from <http://teamsportsmarketing.com>

with a new level of customer service.²⁰ Stadium designers incorporated full Wi-Fi capabilities and phone applications to track bathroom and concessions wait lines. The application also allows customers to order while seated. Fans enjoy the ability to stream replays at the touch of a finger. Stadium operators report fan satisfaction with this innovative move to increase technology capabilities for the in-game experience. In other stadiums, technology allows patrons to send videos of in-stands shenanigans to video board operators who pick and choose which videos to display on the big screen. Apps may also include exclusive content visible only to those in-game viewers. Technology is not without its downside, however. When the team performed poorly, customers used in-game forums to blast the team. Advances in technology improve the out-of-game experience as well. The same apps used to enhance live entertainment allow fans a more in-depth perspective when viewing the game in their own homes.



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PRINCIPLE 5: EVALUATION AND UPGRADE

Principle five in customer retention to produce customers with lifetime value is taking the time to evaluate customer retention strategies and making the effort to periodically improve strategies based on results of the evaluation process. Sport managers easily overlook this important step in establishing customer relationships to create customers for their lifetime. How do sport organizations know if what they are doing is working? How will professionals understand what to improve? Challenging and rigorous schedules should not preclude the sport manager from evaluating how the program or program initiatives have worked within the context of original objectives. After setting goals according to SMART principles, measuring outcomes shouldn't pose a conceptual challenge. Part of a successful evaluation process means having tracked activities. If the focus is to renew season ticket holders by 5%, an increased number of season ticket holders (hopefully 5%) have renewed

20. Stadium App. Retrieved from <http://www.levisstadium.com/stadium-info/stadium-app/>

based on the implemented program. If not, sport managers can look back on the implemented program and make decisions according to how the program fell short. This type of evaluation activity ensures sport managers upgrade their own practices to continually improve customer retention across the organization. Sport managers may choose several modes by which to evaluate customer retention efforts.

1. What is the return on investment? How much was invested in customer retention efforts versus the increase in renewal sales as a result?
2. How are customers reacting to customer retention efforts? Do they react favorably or negatively?
3. How do account executives or salespersons feel about the retention efforts? Do they feel this strategy is working or not working? Why or why not?
4. How many customers chose to renew their tickets or purchase other products with the organization? Did the percentage increase or decrease from the year prior?
5. How do customers feel about the product/benefits associated with game attendance or for purchasing season tickets?
6. How do our strategies to retain customers compare to other organizations' strategies?

Begin the evaluation process through charting goals in an evaluation matrix. Once goals are set, think about the metrics that will be involved with understanding whether or not goals have been achieved. What types of results will be important? Next, how will they be measured? Once these questions have been answered, it is important to take steps to plan critical times to measure. See Table 14.10 for an example of an evaluation matrix model.

To illustrate further, the Cleveland Cavaliers will evaluate the effectiveness of a new automatic renewal policy using these questions and framework. The Cavs were the first team in the NBA to implement an automatic renewal policy for season ticket holders in 2015. Traditionally, teams had to make contact with season ticket holders near the end of the season and obtain a commitment to renew for the next season. Under the automatic renewal policy, the terms of the membership are automatically renewed each year until the fan selects an opt-out option. If the opt-out option is chosen, the team can implement a strategy to retain the fan. According to Brad Sims, chief revenue officer for the Cavs, the new policy is now “like a gym or a country club, you are in until you want out. There is no chasing people down, and we can focus

Table 14.10

Evaluation Matrix Example

Goal	Metric	Measurement	Time
Increase rookie season ticket renewal by 5%	Number of rookie season ticket renewals	Report the number of season ticket holders choosing to renew in the past year. Track the number of season ticket holders choosing to renew this year.	Measurements of the past year's renewals will be taken. Measurements will be taken at the three periodic renewal deadlines after the season ends.
Educate 100% of rookie season ticket holders of special coach/player meet and greets to improve attendance	Number of rookie season ticket holders reached Number of rookie season ticket holders at special coach/player meet and greets	Track calls/e-mails made to rookie season ticket holders with regard to special events. Track rookie season ticket holder attendance at special events.	Updates every two weeks from rookie season ticket holder account executives. Attendance recorded at each event.

on engaging the fan.”²¹ This does not mean that the service staff doesn’t have to do work to develop a relationship to encourage a renewal, but instead it simplifies the process for the customer and employees and allows the team to focus on engaging and serving the fan. At the start of the 2016 season and each year thereafter, the Cavs will incorporate a systematic evaluation process to track how the new system is or isn’t working to achieve organizational objectives.

CHAPTER SUMMARY

Future sport managers must accept the challenge of determining how the organization can best create lifetime relationships with the most important P and most important asset, **People**. Sport managers who fall victim to relying on the team’s success or periods of economic growth miss the opportunity to create customers with lifetime value. Those sport managers who gain feedback from their customers from game time to renewal, work from a social CRM framework, and implement aftermarketing and customer service plans on the customers’ terms enjoy customer retention, loyalty, and corresponding lifetime value regardless of the external circumstances.

21. Lombardo, J. (2015, March 2). Cavaliers first in NBA to require automatic renewal. *Sports Business Journal*.

CHAPTER ACTIVITIES

1. You have just been hired as the Guest Relations Manager for a minor league baseball team. Fans posting on Trip Advisor Yelp have given the game day experience a significant number of negative reviews over the past two seasons. Additionally, retention rates have decreased from 80% to 70% in the past two seasons. Develop an action plan that stems the tide of defections and negative reviews.
2. Calculate the lifetime value of an account that spends \$25 per ticket on a 30-game plan for 4 tickets and spends an average of \$15 per game for the account on ancillary items. Assume the account stays active for 5 years.
3. Explain the difference between traditional CRM and social CRM and how sport organizations can leverage the power of social CRM.
4. Describe a time when you've experienced poor customer service from a sport organization. Discuss the factors that led to this poor service encounter and what the sport organization could do in the future to improve service.
5. Use the principles outlined in this chapter to conduct a customer service audit of a local sport venue or event. Consider the following questions:
 - a. In what ways does the sport organization integrate technology to serve the customer?
 - b. Rate the venue using the sportscape factors.
 - c. To what extent does it appear the sport organization utilizes traditional or social CRM?
 - d. Describe the efforts made to get you to come back to another event.
 - e. Describe interactions you observed between first touch personnel (ushers, ticket takers, box office, etc.) and fans.
 - f. What could the sport organization do better with respect to its customer service and after-marketing initiatives?