McCormack Thought Leadership Spotlight

Understanding Fan Behavior Through Fan Networks & Social Structures By Matthew Katz November 2020

Do you want to better understand your season ticket holders and what drives them to renew? Have you ever wondered why stadiums and arenas are moving from assigned seats to co-mingling spaces? If so, it may benefit sport organizations to begin exploring who season ticket holders attend events with.

Considering Network Variables in Segmentation Practices

When sport fans gather in stadiums, bars, pubs, or parking lots, they do so not merely as individuals, but as members of a larger collective. And this larger collective has a social structure to it; a network of ties and relationships that impacts those within it. When marketers segment a population on only individual attributes, we risk breaking apart a network that works cohesively and affects the attitudes and behaviors of its members. We risk misidentifying the factors that drive consumption for the members of these networks. Organizations and marketers should take a step back from only seeing individual attributes within their segmentation and targeting initiative. They should start analyzing *social structure* within which individuals are embedded.

The communal nature of sport consumption reflects the role of a consumer's relationships in impacting the sport consumption process. We can now show causality among various factors of a consumer's relationships, and how they impact sport consumption process. This *Thought Leadership Spotlight* offers insights and recommendations for organizations and marketers looking to better understand, and predict, fan consumption.

Predicting Fan Consumption

Research points to several practical insights regarding the creation of a marketing process that focuses more closely on network variables and fan relationships:

- Study Size of Network: We showed that a fan's repurchasing tendencies are predicted by the size of that fan's network. This means that the more people a fan attends events with, the more likely that fan is to renew their season ticket. Properties and teams could benefit from a more nuanced understanding of their fan's sport-related social networks.
- **Diversity in Network Composition Matters:** The more heterogeneous the members of a fan's network are, the higher the likelihood of season ticket renewal. Fans were asked who they attend sporting events with, and were given options such as friend, family, co-worker, or casual acquaintance. What the research proves is that the more diverse, or heterogeneous, the composition of a fan's network is, the more compelled they are to attend these events as a unifying mean with this relationally diverse group of people.
- Intention Does Not Equal Outcome: The research clearly illustrates that a fan's repurchase or renewal intentions are not a significant predictor of actual renewal. A disconnect exists between stated (or intended) behavior, and actual conversion. When a fan says they plan on renewing season tickets, it represents an attitude, not a behavior. Out of 77 people that said they would renew their season tickets in our survey, 29 of them churned.
- Industry Applications: The movement in stadiums to transition from <u>seats to spaces</u> bolsters this research. Open spaces offer co-mingling and networking opportunities for fans to interact with each other and build the size and composition of their networks. Some other ways to build on these networking factors can be through watch parties in bars/restaurants, special events and gatherings for fan-player interactions, or out-of-stadium sponsorship

activations. Post-game events like a band performance, after-party, or esports cross-over event could also help build connective tissue between the team, sport, and diverse fan groups. While season ticket holders are a popular segment of fans to study, other digitally enabled 'opt-in' behaviors from fans, such as downloads of a fan rewards platform or team app, can signal affinity for the product. These additional clusters of consumers could be examined in greater detail, leading to co-mingling and interactivity strategies. The more we allow fans to interact and consume an experience amongst and between themselves, the higher their chances are of growing their networks in size and composition.

The sports industry would be wise to start studying fan networks with greater rigor. Some of the insights and strategies mentioned above can help transform antiquated marketing processes.

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This Spotlight offers a short-form synopsis from the following published research paper in the Journal of Sport Management (©2019 Human Kinetics, Inc.): "Predicting Fan Behavior Through Egocentric Network Analysis: Examining Season-Ticket Holder Renewal", by Matthew Katz, Bob Heere (University of North Texas), and Nicole Melton (University of Massachusetts, Amherst).

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