

# **RECEIVING A STANDING OVATION FOR THE EVENT: A COMPREHENSIVE MODEL FOR MEASURING FAN SATISFACTION WITH SPORTS AND ENTERTAINMENT EVENTS**

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## **ABSTRACT**

Every year, millions of people attend sports and entertainment events across the globe resulting, in a multi-billion dollar industry. Yet, the question remains: Are these customers (i.e., the fans) satisfied? More specifically, what are the variables that drive satisfaction with an event? If an event collects and analyzes customer satisfaction data, its management is better positioned to make staffing and process adjustments in an effort to improve customer service. If an event does not measure customer satisfaction, managers end up merely hoping their customers are satisfied. Despite its importance, few academic researchers have examined event customer satisfaction overall or the factors that influence it. Hence, the purpose of this paper is to outline the importance of customer satisfaction at sports and entertainment events, discuss the challenges that events face, with regard to measuring customer satisfaction, and develop a theoretical model of sports and entertainment event customer satisfaction. In doing so, researchers will have a cohesive framework to guide future empirical investigations.

## **KEYWORDS**

Event fans, Customer satisfaction

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## **INTRODUCTION**

Every year, millions of people around the globe attend sports and entertainment events, such as games, concerts and festivals, resulting in a multi-billion dollar industry. Yet, the question remains: How do these events measure whether their customers (the fans that attend the events) are satisfied? If an event collects and analyzes customer satisfaction data, its management is better positioned to make staffing and process adjustments in an effort to improve customer service. If an event does not measure customer satisfaction, event managers

end up merely hoping they met their fans' customer service expectations. Hence, the purpose of this paper is to outline the importance of delivering a high level of customer service at events, discuss the challenges that sports and entertainment events face, with regard to measuring customer satisfaction and highlight the importance of using customer contact audits at events.

#### **THE EXPERIENCE ECONOMY: LESSONS FOR SPORTS AND ENTERTAINMENT EVENTS**

The pressure to satisfy customer expectations has never been higher. Pine and Gilmore's (1998) popular Harvard Business Review article, "Welcome to the Experience Economy," highlights the fact our economy has moved away from a service economy, toward what they call an "experience economy." They demonstrate how all types of businesses are rethinking their offerings, because customers have become accustomed to paying premium prices for memorable "experiences." For example, customers no longer just want just a cup of coffee, but they want a customized cup of coffee in a unique environment.

As a result, we see businesses, including sports and entertainment events, implementing "experience-design" principles into their business practices. We see businesses theming their environments to help script an experience for customers. Theming is then enhanced by adding positive cues that support the theme, and eliminating negative cues that could detract from the theme. Add memorabilia to the themed experience, and you have customers becoming participants in the experience, not just spectators. With this, however, come participants that have higher levels of expectations and higher demands for customer satisfaction.

#### **IT'S MIDNIGHT; DO YOU KNOW WHAT YOUR FANS ARE THINKING?**

Few managers would argue that customer satisfaction lacks importance. A high level of customer satisfaction is vital to every firm, regardless of the industry. From a financial perspective, customer satisfaction makes sense; satisfied customers usually re-purchase from a firm and unsatisfied customers usually do not (Zeithaml, Berry & Parasuraman 1996). In addition, depending on the level of customer service received, customers will tell others about their experiences (Kumar, Petersen and Leone 2007). Thus, it is important to strive to make customers as satisfied as possible. There are some firms, though, that do not measure their customers' satisfaction. Instead, they rely on customer complaints to gauge the level of customer satisfaction. The only problem with this approach according to Stephens and Gwinner (1998) is that many customers do not complain. They just walk away never to return (and possibly telling others to do the same). So, managers must do everything they can to measure if their customers are satisfied with the service they receive.

Customer service starts with understanding your customers. Firms need to have a clear idea of their customers' expectations and perceptions (Zeithaml, Bitner and Gremler 2009). While it is easy to dismiss customers as too demanding or unrealistic, employees (and management) must understand that customer satisfaction is defined from the customer's point of view. Whitaker (1995) elaborates on this notion of a consumer-centric service approach; she writes, "Customer opinion is the benchmark. Let your customers tell you which results to measure; their opinion is the final measure. If customers think your costs are too high, then they are. Either explain why or determine ways to improve" (p. 6). According to Cina (1989), "Customer satisfaction occurs when one's experience of a service offering matches the expectations" (p. 31).

Looking at the previous academic literature, there has been very little work done with regard to customer service at sports and entertainment events. Researchers such as Kennett, Sneath and Henson (2001) and Kelley and Turley (2001) have begun the work to develop the customer service research with sports events. For instance, Kennett, Sneath and Henson (2001) examined customer satisfaction with a minor league hockey team. They found that, "The greater the number of games a fan attended, the greater his or her level of satisfaction with the event experience" (p. 132). In addition, the authors point out the challenge of measuring customer satisfaction at sporting events when the event cannot be totally controlled (e.g., weather and outcome of the game). Using factor analysis, Kelley and Turley (2001) analyzed a number of service quality attributes that could be important to customers at sporting events. They found nine significant factors (in order of variance explained): (1) employees, (2) price, (3) facility access, (4) concessions, (5) fan comfort, (6) game experience, (7) show time, (8) convenience, and (9) smoking. While the previous researchers have laid the foundation for exploring fan satisfaction with sports and entertainment events, more work must be done. Specifically, a model is put forth in the next section to pull the various customer satisfaction issues with sports and entertainment events into a comprehensive framework.

#### **BUILD IT AND THEY WILL COME, BUT WILL THEY COME BACK?**

According to Venues Today, nearly \$5 billion in new sports and entertainment venues are slated to open up in 2009 and 2010 (Venues Today 2009 Construction Updates). With state-of-the-art designs and amenities, fans are likely to embrace these new venues, such as the Dallas Cowboys Stadium (Arlington, Texas), Nelson Mandela Stadium (South Africa) and Landsdowne Road Stadium (Dublin, Ireland) as soon as they open. To be successful in the long-term though, the venue must satisfy its customers: the fans. While customer satisfaction is measured in almost every business, there are several factors that make customer satisfaction measurement with sports and entertainment events unique. In this section, each of these challenging factors and the research questions that must be addressed are presented.

#### **VENUE VARIABLES: ATTRIBUTES AND EVENT MIX**

The venue where an event is held can impact fan satisfaction with the event. Specifically, event managers must measure fan perceptions of the physical surroundings of the event's venue, the quality of the products fans purchase at the event and the service that employees deliver to fans at the event. All three are of utmost importance when measuring the fan satisfaction with sports and entertainment events. Parasuraman, Zeithaml and Berry (1988) pioneered this multi-pronged approach when they developed the SERVQUAL instrument to measure a firm's customer service on five attributes: Responsiveness, Assurance, Tangibles, Empathy and Reliability. Physical attributes might include seating comfort, acoustics, sight lines, temperature and lighting. Products that a fan might buy include food/beverages, programs and merchandise. Service personnel that should be measured include ticketing, parking, security, concessions and ushers (whether these services are outsourced or not). Expanding on the work of Kelly and Turley (2001), the research question that must be addressed is "Which of the venue attributes (physical, product and service) has the most influence on overall fan satisfaction with an event?"

Most sports and entertainment venues are used for a wide variety of events throughout the year (e.g., sports, concerts, family shows, religious events and conventions). Thus, these venues have a wide range of customers visiting their facility. For instance, an arena might have families with

small children attending the circus one night and young adults at a rock concert the next. Within recent years, there are a number of venues that have been built specifically for an event and host the same event every night (e.g., theatres in Branson, Missouri). Are the event managers of a diverse (i.e., many types of events) venue more prepared to deliver a high level of customer service than a single event venue? Or is the opposite true? Hence, the research question that must be addressed is “Does venue event-mix influence fan satisfaction?” Normal style

**EVENT VARIABLES: OUTCOME, EXPERIENTIAL ASPECTS AND PRICE**

The outcome of a sports and entertainment event cannot always be controlled. So, if a fan’s team loses the game, it may impact their perception of the customer service they received at the game as Kennett, Sneath and Henson (2001) posited. Hence, the research question that must be addressed is “Does the outcome of the event affect fan satisfaction?” Moreover, does a series of event outcomes (e.g., an extended losing streak or losing season) affect fan satisfaction more so than a single event outcome (e.g., losing a single game)?

Regardless of the outcome of the sports and entertainment event, creating a memorable experience for fans is critical as Pine and Gilmore (1998) highlighted. Many sports and entertainment events have capitalized on this with face painting stations for children, text message contests during the event and behind the scenes video access of backstage (locker room), to name a few examples. Hence, the research question that must be addressed is “Do the experiential aspects of an event affect fan satisfaction with sports and entertainment events?”

There is a wide range of pricing with most events. From an upper-level obstructed view seat for \$10 to a luxury suite that costs thousands, fans have many options. Moreover, there are areas of an event that have a higher level of customer service (e.g., VIP access, special menus and a dedicated wait staff). Voss, Parasuraman and Grewal (1998) discovered a relationship between price and customer satisfaction with frequent hotel travellers. Hence, the research question that must be addressed is “Does the ticket price influence fan satisfaction with sports and entertainment events?”

**INDIVIDUAL VARIABLES: BEHAVIORS WITH EVENT/VENUE AND DEMOGRAPHICS**

Because sports and entertainment venues host so many events throughout the year, there is a wide range of attendance patterns. For instance, some customers may choose to only attend one event a year (e.g., a single basketball game), where other fans may attend a high number of events (e.g., 41 basketball games for the NBA season ticket holder). Thus, the research question that must be addressed is, “Is fan satisfaction with an event related to the number of events attended per year” as Kennett, Sneath and Henson (2001) concluded.

Similarly, a related research question that must be asked is, “Is fan satisfaction related to a customer’s experience with the venue and type of event.” In other words, a fan may have visited the venue previously for a basketball game, but not a concert. In both cases, the consumer’s experience or familiarity with the venue and event could have an effect on their satisfaction. According to Soderlund (2002), “a high level of pre-purchase familiarity was associated with more extreme post purchase responses in customer satisfaction, re-purchase intentions, and word-of-mouth intentions compared to a low pre-purchase level of familiarity” (p. 861).

Understanding the customer's demographics is usually a prerequisite for most marketing research and customer satisfaction is no different. Voss and Cova (2006) discovered that there were gender differences in customer satisfaction expectations. Similarly, other researchers have explored the relationship between customer satisfaction and demographic variables, such as household income (Evanschitzky and Walsh 2005) and ethnicity (Marshall and Smith 1999). Hence, the research question that must be explored is "How do demographic variables impact fan satisfaction with an event?"

### THE MODEL

Figure 1 puts forth a proposed model of fan service expectations with an event. As illustrated and discussed previously, there are a number of individual variables that are believed to influence one's customer satisfaction with an event: an individual's attendance history at the venue, an individual's attendance history at the event, and demographics. Also, as shown in the model, there are venue and event variables that are believed to influence fan satisfaction. Moreover, these variables could be interrelated as the model depicts.

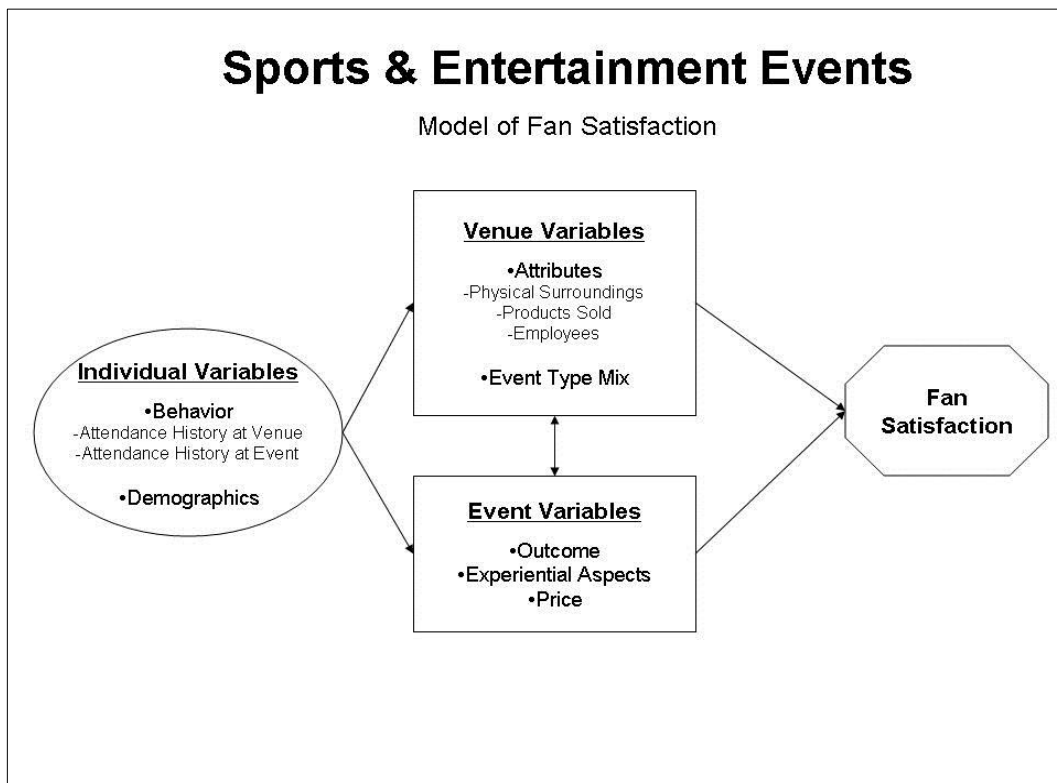


Figure 1. A customer satisfaction model for sports and entertainment events

### FOLLOW THE YELLOW BRICK ROAD: USING CUSTOMER CONTACT AUDITS

There are many ways to measure the level of satisfaction that customers experience with a firm's service. Whether conducted in-house or outsourced, firms may use in-person (intercept), mail, Internet or phone surveys. In addition, they may conduct focus groups or hire mystery shoppers.

Moreover, firms may ask customers to provide their overall satisfaction with the company and/or their satisfaction with various attributes of the product (or service). Depending on the specific firm and the industry, one method may be preferred over another. Yet, despite the large amounts of money spent on customer satisfaction research, many firms still struggle with why customers are satisfied (or not) with their service.

One research method that helps managers look at customer service as a process is a customer contact audit as Scheuing (1989) suggests. With this methodology, the customer is asked to measure every aspect of customer service through the entire process (see Figure 2). From the moment the customer enters the parking lot to the time they leave, each contact point (or encounter) that a customer has with a service employee is tracked. Measuring the whole process is important because customer-employee contacts are called “moments of truth” according to Jan Carlzon, President of Scandinavian Airlines (Cina 1989, p. 32). To Cina (1989), every one of these “moments of truth” or customer contacts “presents a company with an opportunity to create a positive impression in the customer’s mind that it is a better service provider than the competition” (p. 32).

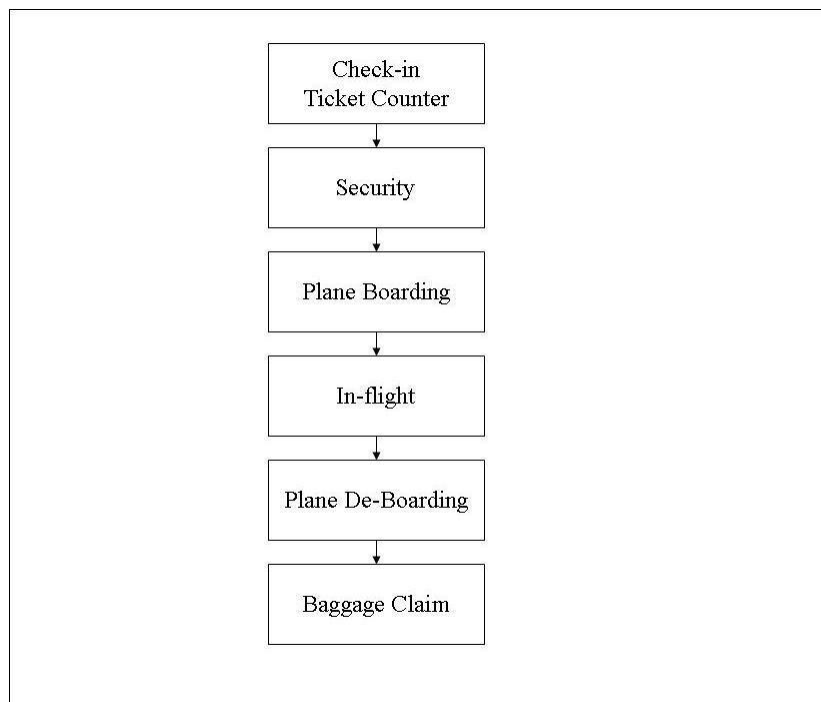


Figure 2. The customer contact audit in the airline industry

Like hospitals, hotels, airlines, and restaurants, there are a number of customer/employee contact points with sports and entertainment events (e.g., parking, ticketing, security, ushers and concessions). Unlike these other industries though, there is less of a linear flow at sports and entertainment events. For instance, consumers might enter the building (venue), but they may go directly to their seat. Then, they may choose to get food, go to the restroom or visit the fan

shop (See Figure 3). With other industries, the process is more structured in a linear fashion. For example, you must go to your destination before you claim your luggage. You must sit down at your table before you can order your food. You must have X-rays before you have surgery. Consequently, with sports and entertainment events, it is difficult to determine the best time to administer customer satisfaction instruments. For instance, if administered too early, respondents may not have had the chance to experience all aspects of the event. If administered too late, respondents may not be happy about the outcome of the event and be unwilling to assist with the marketing research.

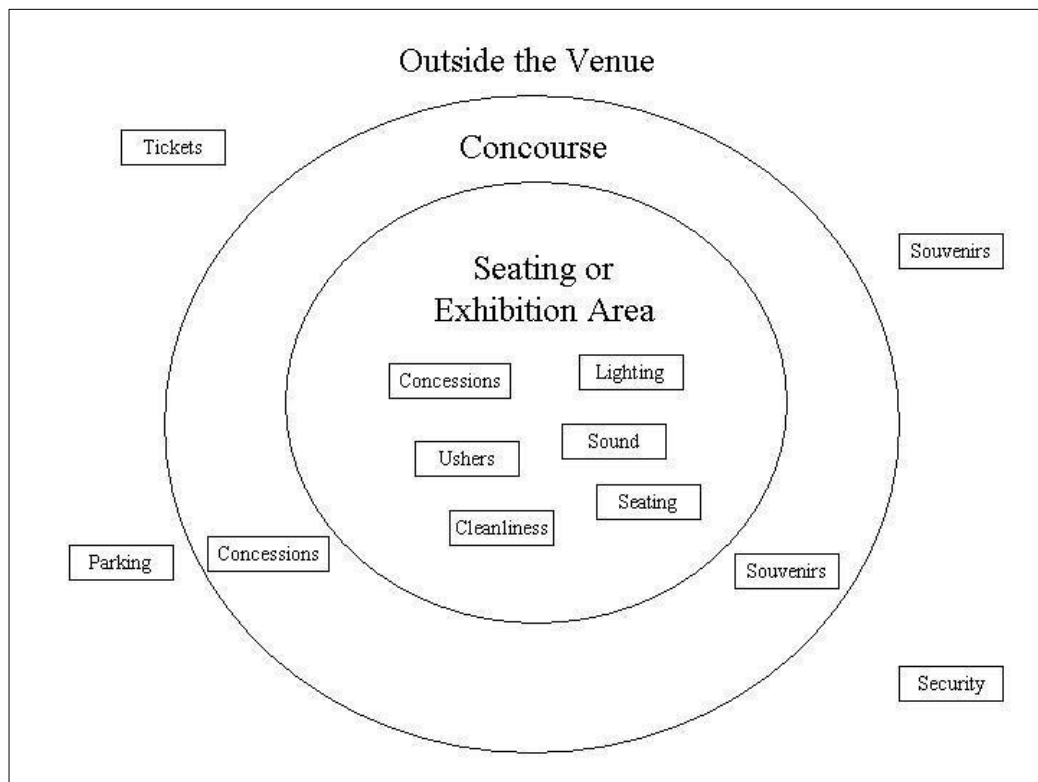


Figure 3. The customer contact audit for a sports and entertainment event: A non-linear perspective

#### **PUTTING THE PIECES TOGETHER: FUTURE RESEARCH AND CONCLUSIONS**

In the future, more research is needed to further examine the research challenges that sports and entertainment events face. Specifically, quantitative and qualitative research techniques should be employed to develop a deeper understanding of fan's expectations and perceptions of customer service at these events. Finally, researchers must work to develop a standardized set of scale items that can be used at all sports and entertainment events. This would benefit academicians and practitioners alike. It would provide the means to compare and benchmark events resulting in more sophisticated analyses. This standardized survey should not only measure fan perceptions of the event's venue itself (e.g., lighting, acoustics, seating and

availability of bathrooms), but the service they receive from the people working the event (e.g., cashiers, security personnel and ushers).

Sports and entertainment executives have indicated in the past that they want this type of customer satisfaction benchmarking. In a 2004 survey conducted by the International Association of Assembly Managers, an industry association for stadiums, arenas, performing arts centres, convention centres and amphitheatres, 222 venue executives ranked the need for customer satisfaction benchmarking data higher than revenue, expense, salary and marketing benchmarks (IAAM 2004). While the IAAM study was primarily comprised of venue managers in the U.S., the need for customer service benchmarking across the globe has been discussed at a number of the association's international meetings. Thus, international benchmarking of customer service ratings at sports and entertainment events should be explored in the future, as well.

Regardless of the industry, having satisfied customers is imperative. When customers are satisfied, they not only engage in repeat business with a firm, but they tell others about their positive and enjoyable experience, often creating additional sales. While measuring customer satisfaction with sports and entertainment events can be challenging, it is important for these event managers to measure it. If collected and analyzed carefully, they will have the data to make the necessary improvements in their customer service approach, ensuring that customers return to their event in the future.

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