

Sport Business Intelligence and Customer Relationship Management

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Aim

Sport organizations are typically not effectively utilizing modern business solutions like Customer Relationship Management (CRM) techniques and applications. However, these organizations could learn from the mistakes made elsewhere. Sport Business has unique features like the motivation and commitment of consumers and partners that differentiate it from more conventional businesses. As a result the Business Intelligence definitions and applications as well as typical CRM models that are discussed in the literature require a sport business specific application. Sport Business School Finland has conducted several research projects for several clients that also focus on customer and partner management. Also, the technology used for data collection and analysis has been originally designed for the needs of customer relationship management. The goal of this paper is to study the sport specific application of business intelligence in the context of customer relationship management. This paper concentrates particularly on the specific cases of two sport organizations, AKK Sports Ltd. organizing FIA World Rally Championship, Neste Rally Finland event and ISCA (International Association for Sport and Culture) organizing MOVE Week in several countries.

Theoretical background

The increased volume of people involved as participants, spectators and other stakeholders as well as business-driven activities has necessitated sport organizations to adopt sound business practices. In this context the need for a sport specific customer relation management approach is required.

Relationship Management was considered as a new paradigm in the shift from traditional Marketing mix (Grönroos, 1994). The globalization of business and the recognition of the importance of customer retention as well as trends like customer relationship economics were considered as drivers for this change. In literature the terms relationship management and customer relationship management have been used interchangeably.

According to Parvatiyar & Sheth (2001), Customer Relationship Management (CRM) is a comprehensive strategy and a process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater effectiveness in delivering customer value.

In the context of sport, Adamson, Jones & Tapp (2006) modified CRM to meet the specific needs of a football team, introducing the idea of fan relationship management. The core idea was to introduce a framework that learns from the successes and failures of conventional customer relationship management and consider the special nature of football. In the US, Troilo, Bouchet, Urban & Sutton (2016) studied the

adoption of modern business analytics amongst North American professional sport organizations.

The core idea of Business Intelligence is to provide historical, current and predictive views of business operations. For the purposes of this study the definition by Azvine and others (2006) summarizes the core as Business Intelligence being all about capturing, accessing, understanding, analyzing and converting one of the fundamental assets of the company, represented by the raw data, into active information in order to improve business.

When defining Sport Business Intelligence (SBI) the idea is to combine rational and continuous development of sport events and organizations using advanced data collection and sophisticated analyses to support informed decisions and quality improvement. In this respect the core idea of Sport Business Intelligence is to apply and develop the models of modern customer relation management to sport. This approach is an application of existing ways and means, taking the specifics of sport business into account.

Methodology, research design and data analysis

The method of this study is an empirical case study using comparative analysis that reflects the theoretical structures and definitions of Customer Relationship Management to the data collection, overall management and application of sport business intelligence driven development work in two sport organizations. The data for the purposes of this study includes quantitative customer and partner data and this data has been collected during the WRC Rally Finland events since 2011 and in ISCA since 2014. All data has been processed and restored in Webropol system.

Results, implications and discussion

The preliminary results of this study indicate that sport business intelligence model applied in these two sport organizations provides valuable data for customer relationship management. The special features of sports, like different interests of various stakeholders, might require a specific type of business intelligence application and generate some sport specific requirements for customer relationship management. However, it can also be stated that both organizations have already realized the core benefits of business intelligence and utilized the data for customer relationship management both as system and for strategic planning.