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## **Customer segmentation of the spectator market in professional football**

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### **Aim of the paper and research question**

Due to the economic crisis most professional sports entities in Germany have experienced a stagnation or decrease in their media and sponsoring revenues. In their competition for financial resources sports entities therefore have to turn more and more towards their own spectator market. Increasing these matchday revenues requires a customer focus (HOUSTON 1986), i.e. understanding the spectators' needs better. A powerful tool to support the entities' effort is market segmentation (WEDEL/KAMAKURA 2000) as the spectators' requirements and wishes increasingly vary (WORATSCHEK/BEIER 2001). Market segmentation is the subdivision of a heterogeneous group of customers into small, but homogeneous segments that share similar characteristics.

Our research aims at providing the informational basis for sports entities to generate additional revenue from the spectator market. In cooperation with a German sports entity of the Fußballbundesliga, a so-called *Fußballbundesligist*, we therefore apply market segmentation and

1. assess the most appropriate segmentation criteria,
2. develop an adequate market segmentation methodology for the spectator market and
3. identify the customer segments of the cooperating sports entity.

### **Literature review**

The relevance of market segmentation and its application in sports management has just increased over the last 15 years (STEWART ET AL. 2003). Multiple studies were conducted to identify segments for sport industry in general (e.g. WOOLF 2008), active sport consumers (e.g. CASPER 2007; KENNETT ET AL. 2001; LUNA-AROCAS/TANG 2005), and sport spectators (e.g. KOO/HARDIN 2008; ROSS 2007; TRAIL ET AL. 2003).

Concerning the segmentation criteria in sports management two sets are mostly applied: demographic criteria like age, gender, or income and/or psychographic criteria like loyalty, identification, motives, and involvement (CASPER 2007; GREENWELL 2002; HUNT ET AL. 1999; KOO/HARDIN 2008). However, these kinds of segmentation criteria used so far allow only poor predictions as they are descriptive rather than causal factors (HALEY 1968). More adequate market segmentation criteria should therefore include variables that drive the customers buying behaviour (ASSAEL/ROSCOE 1976). With respect to the marketing concept it seems to

be more appropriate to pursue a “benefit segmentation” (HALEY 1968), i.e. segmenting the customers concerning their needs.

### **Research design and data analysis**

We interviewed football fans in the stadium and in three different shopping centers in the city of the Fußballbundesligist (n=781). The survey form (ten pages in length) included demographic information (age, gender etc.), questions about the respondent’s sport consumption (interest in football, Sport Spectator Identification Scale etc.) and, the basis for benefit segmentation, the task to evaluate nine product-service offerings (four attributes with each three levels: team the Fußballbundesligist is supposed to play against; seating category; attendance expected for the match the Fußballbundesligist is going to play; price). We analyzed the data by applying limit conjoint analysis (VOETH/HAHN 1998) and – based on its results – we conducted a hierarchical cluster analysis (HAIR ET AL. 2006) that provided us with the desired benefit segmentation of football fans.

### **Results**

The number of customer segments identified within the sample of respondents is four: “Aficionados” (TAPP/CLOWES 2000), “Show & Entertainment Addicts”, “Seat Potatoes” and “Price Sensitives”. The “Aficionados” (34.7%) buy their ticket mainly due to the team the Fußballbundesligist is supposed to play against, the higher the quality the better, whereas for the “Show & Entertainment Addicts” (11.7 %) most important is the so-called “crowding-in effect” (FEEHAN 2006), i.e. the atmosphere that results from a stadium that is sold out. The “Seat Potatoes” (11.2 %) derive most of their value from a Fußballbundesliga match by the location of their seat (seating category). The “Price Sensitives” (42.6%) look at first at the ticket price; all other elements of the product-service offering are – in their view – of minor concern.

### **Discussion and conclusion**

Segmenting the spectator market of a sports entity with respect to the customers’ benefit improves the club’ information on how to (re)design its product-service offerings to increase its attractiveness for the customers, how to activate the existing and new customers to come more often into the stadium and thus to increase its revenues. Furthermore, we contribute significantly to the sport marketing literature – conceptually and empirically – as for the first time the benefit segmentation has been applied at the spectator market.

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