Only Hype Or Sound Business Opportunity? — Virtual Reality To Expand The Digital Business Of Sports Clubs

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Introduction

Virtual Reality (VR) is said to be the next megatrend having reached a maturity (sales are forecasted to double from 2018 to 2020 (Bitcom, 2016)) that allows for serious business applications beyond pure gaming. According to an early definition from the 1990s (Stone, 1993) VR refers to "the computer generation of realistic three-dimensional artificial worlds in which humans, typically equipped with head-mounted 3D displays, interactive gloves … are free to explore and interact with graphical objects in real time." VR recently has gone into action in areas such as medicine (therapy), real estate (virtual estate tours), automotive (product presentation) and in the tourism industry (Huang, Backman, Backman, & Chang, 2016). What about sports? Besides the usage of VR features for match analytics or referee training VR also is starting to invade sports marketing: The German Football League mentions VR as part of its digital strategy, Fox Sports has broadcasted several VR matches, and the club 1. FC Köln conducted a VR pilot among 2000 fans. But has the time already come to establish viable VR business models in sports marketing?

Research question

The research objective was to analyse the current VR potential in sports marketing, which in this context is defined by the following questions: Are football fans already acquainted with VR features? And do they already have the required infrastructure (i.e. VR glasses) at their disposal. If not — are they willing to pay for it? Thus, is the market ready for VR offerings or rather — hypothesising that the market is not yet completely prepared — what limitations does a sports club have to take into account when implementing VR services.

Rationale for this study

VR is still a young academic research area with few published empirical studies, especially in relation to its implications for marketing purposes. Whereas some basic technology acceptance studies build on Venkatesh's (2003) *Unified Theory of Acceptance and Use of Technology*, this model does not address the current early stage of VR penetration, whereby only very few consumers have initial VR experience at all. In context of its potential as a marketing tool, empirical studies only address limited topics beyond sports — e.g. an application in the tourism business (Huang et al., 2016) or augmented reality Marketing (Yaoyuneyong, Foster, Johnson, & Johnson, 2016). Hence, in this exploratory study the fan's familiarity (here: football fans) and attitude towards VR were put into focus.

Methodology

In order to investigate football supporters' VR attitude and familiarity, a quantitative mixed-method approach was chosen. An online survey was conducted among football fans (n = 500; 64% male, 48% below the age of 24) and (still assuming low VR awareness among the supporters) additional data was collected within a qualitative field study. In cooperation with a 1st league club and a gaming network, a hospitality suite was transformed into a "tech suite", in which several VR games were introduced to and could be played by the invited football fans. By questioning those fans after their first contact with VR, one develops insights into the effects of VR experience.

Results

Only 38% percent of the fans already had previous contact with VR. Only 4% of them have their own glasses and could regularly consume VR products at home. Thus, the market is not yet developed for widespread VR demand. Moreover, the qualitative study showed that — even when "infecting" fans with VR excitement — it will take time to create the required market demand for large scale business models. While 100% of the participants of the quantitative field study would strongly recommend the experience to their friends, only 40% would strongly consider buying VR glasses as they are sceptical about the price of the glasses and the availability of relevant content. The average willingness to pay across all age groups is about EUR 190, which is only met by devices that use smartphones — with their limited capabilities. This snapshot of the current VR penetration and its user attitudes implies two factors for the sports marketing context: VR offerings will only be able to attract a wider fan base if one promotes bundles containing the required infrastructure (i.e. cardboard glasses). Once a provider has overcome that infrastructure limitation, the positive first user experience, the high recommendation rate as well as the fans' willingness to pay for

starter model VR features/videos (which are in turn inexpensive to produce), indicate that developing the market is a low-risk and comparably low-investment option for a football club.

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