The Confluence of Historic Preservation and Innovation Aversion in an Urban Sports Stadium

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Public and private owners of historic sports facilities are charged with preserving not only the architectural design of a stadium, but also the cultural and sporting traditions that live within them (Pfleegor, Seifried, & Soebbing, 2013). However, stadium modernization plans that call for major renovations or stadium replacement altogether (e.g., Seifried & Tutka, 2016) may threaten historic preservation efforts. That is, the motivation for innovation adoption may direct some facility owners away from protecting architectural features and stadium traditions they deem to be antiquated or outmoded if owners believe a facility renovation or replacement will result in a significant economic windfall (Hong, Magnusen, & Mondello, 2015). In light of the tension that can arise when balancing modernization and preservation, Pfleegor et al. (2013) argued that “communities and constituents may have a moral obligation to preserve heritage through sport and recreation facilities due to the value they possess” (p. 378). In some cases, however, stadium owners with particularly strong attachments to the past may be reluctant to consider major changes to a facility’s design or operations. In this study, we explore how an owner’s preference for historic preservation could lead to innovation aversion, a phenomenon in which the owner is unwilling to pursue proposals to modernize the stadium, a decision that could negatively impact the organization itself as well as impede growth in the nearby community.

In the innovation diffusion literature, organizations that are slow to adopt innovative business practices or strategies (or avoid adoption altogether) are classified as “late majority” or “laggards” (Rogers, 2003). When these organizations eventually choose to adopt an innovation, it is often “only after observing innovation successes from other members of the social system, thereby resulting in a long innovation decision period” (Kellison & Kong, 2015, p. 252). In general, the inclusion of diffusion of innovations theory in the sport management literature has been infrequent, and few studies have applied it within the context of sports facilities (Seifried, Katz, & Tutka, 2017). When the theory has been utilized, most researchers have focused on identifying the driving forces behind innovation diffusion rather than the possible barriers to innovation adoption. Noting the benefit to understanding the rationale behind non-adoptions, Seifried et al. (2017) argued that “the activity of non-adopters could also be studied more closely” (p. 392) in future research.

In recognition of calls within the academy to expand on the existing literature on innovation diffusion in stadium design and operations, the purpose of this study is to identify the reasons behind a facility owner’s reluctance to pursue plans to modernize a major urban sports stadium. While the cost to renovate or reconstruct a stadium could be an obvious barrier, it might not fully capture a decision maker’s innovation aversion, especially in the case of an historic stadium with rich traditions of sporting (and financial) success.

Method
To illustrate the phenomenon of innovation aversion, we conducted a case study on Loftus Versfeld Stadium (Loftus), a rugby stadium in Pretoria, Gauteng, South Africa (Santo, 2005). The 51,000-seat stadium was constructed in 1923 and is owned by the Blue Bulls Rugby Union, an organization that includes the popular Bulls club, who compete in the Super Rugby competition. The stadium has undergone several renovations and hosted multiple major international competitions, including those for the 1995 Rugby World Cup and 2010 FIFA World Cup. Recently, however, the stadium and teams have experienced a “dramatic decline in rugby attendance” (SA Rugby Mag, 2015, para. 3). Loftus is situated in the recently branded Hatfield Campus Village, an area characterized by the stadium, the University of Pretoria, the Hatfield Community Improvement District, Brooklyn and Clydesdale residential areas, and several of the top secondary schools in the country. The vision for the Hatfield Campus Village is similar to North American development models that have utilized sport facilities to anchor larger commercial and residential districts (except that the University of Pretoria is serving as the anchor of the Hatfield Campus Village): to enhance the quality of life for residents, business owners, and students by creating a thriving and diverse urban district.
Stakeholders in Hatfield are currently working to address major urban challenges in terms of poor accessibility, lack of affordable public transport, crime, lack of affordable housing for students, lack of quality amenities, and social deterioration. Loftus is seen as one—though important—piece to revitalizing Hatfield (Cameron, 2015).

For the purposes of the case study, we conducted in-person interviews with numerous individuals and groups representing the wide array of stakeholders with a vested interest in the Hatfield Campus Village, including chief executives from the Blue Bulls Rugby Union and the Hatfield Community Improvement District, the development manager of a major commercial district currently under construction next to Loftus, administrators from the University of Pretoria, delegates from the U.S. Embassy in South Africa (which borders the Hatfield Campus Village), business leaders, and students. Additionally, we attended two public stakeholder meetings with residents and business leaders. Finally, we collected and reviewed media reports and internal and public documents related to the Hatfield Campus Village plan.

Discussion
The empirical material collected from these sources provided evidence that Loftus ownership discouraged the implementation of innovative business approaches such as modernizing the stadium, expanding the event calendar to include non-traditional events, and implementing new marketing strategies. Based on our characterization of Bulls management as innovation averse, we reviewed the empirical material and identified several primary constraints that contributed to the ownership’s reluctance to implement significant changes at Loftus.

The most prominent rationalization used by stadium officials was the desire to preserve Loftus’s rich rugby traditions. Surprisingly, executives were not wholly opposed to modernization strategies such as installing artificial turf or a retractable roof; instead, they were apprehensive of the types of events that would accompany these changes, including football and non-sport-related events. To stadium officials, Loftus was a rugby stadium—and more widely, South Africa was a rugby nation—and expanding the venue to non-rugby events threatened to erode this rich sporting tradition. Other reasons for innovation aversion included the need for additional investment to justify spending on stadium modernization, fears about the South African economy, and the lack of personnel to implement new management strategies. Each of these constraints will be described in further detail in the presentation.

Significance
Clearly, decisions related to Loftus Versfeld Stadium and the Hatfield Campus Village are impacted by an array of economic, cultural, and historical conditions, and some of these conditions explain the phenomenon of innovation aversion among Loftus executives. Perhaps the most notable outcome of this study is the fact that the desire for historic preservation may contribute to innovation aversion among stadium owners. While similar investigations of other venues are necessary to determine whether this finding is isolated, it nevertheless indicates that some sport managers view historic preservation and innovation adoption as mutually exclusive strategies. However, as noted by Pfleegor et al. (2013), stadium modernization does not have to come at the expense of preserving heritage; instead, it can serve to complement the desire to maintain a stadium’s and team’s rich traditions. As demonstrated in this study, favoring one approach over the other may alienate existing fans or fail to capture new ones, thereby inhibiting the organization’s growth and threatening its long-term sustainability.