Professional Sports Stadiums as Meeting and Event Venues: Importance-Performance Analysis of Features and Services

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Sport organizations generate revenue through a variety of methods. O’Reilly’s (2013) application of portfolio theory suggests developing and capitalizing on multiple revenue streams not only helps a sport organization increase its bottom line but also reduces financial risk through diversification. Among the most lucrative revenue streams associated with professional sport teams’ core product are media rights, sponsorships, ticket sales, and licensing (Gunnion, 2015; Masteralexis, 2015). Ancillary stadium revenue includes a variety of sources including parking, food and beverage, luxury suites, personal seat licenses, and facility lease agreements. Given teams and stadium authorities typically retain most or all of this revenue it’s not surprising they also exploit this particular revenue stream. With this in mind researchers have begun to focus on the importance of luxury suite sales (Shapiro, DeSchriver, & Rascher, 2012; Titlebaum & Lawrence, 2010; Titlebaum & Lawrence, 2011).

Professional sport teams and municipalities continue to invest large sums of private and public monies in stadium renovations and new stadium construction projects. A trend in developing sport specific or single-purpose stadiums in the United States has been identified (Mankin, 2010; Hums & Masteralexis, 2015). However, this trend should not be misunderstood as stadium design being limited to a single purpose. Contemporary sports stadiums are being strategically designed with fan and corporate interests in mind and are increasingly functioning as sites for a variety of activities, including sports competitions, general social and leisure events as well as corporate/business activities. Stadium features and services such as restaurants and microbreweries, expanded Wi-Fi access points and other technological infrastructure, conference facilities, flexible partitioned meeting spaces, and designated event service staff make it possible to “compartmentalize a large sport stadium into numerous micro venues suitable for smaller events” (Turner, Kellett, McDonald, and Stavros, 2010, p. 228). In addition, meeting and event planners are increasingly seeking a wide variety of venues to meet hosting organizations’ and attendees’ desire for a one-of-a-kind experience. Therefore, stadiums should be viewed as entertainment hubs capable of generating ancillary revenue through lease agreements and event services for a wide range of corporate and social events year-round.

The Convention Industry Council (2014) identifies sports stadiums as one of three types of meeting venues. Specifically, these facilities are considered non-traditional venues and it is unclear if their features and services meet the expectations of corporate and social meeting/event planners. This is a critical gap in both the sport management and meetings/events literature. If stadiums are to effectively generate ancillary revenue by attracting and hosting corporate and social events on non-game days, it is important for sports teams and stadium authorities to understand if their features and services satisfy the wants and needs of prospective customers (meeting and event planners). Currently, there are a limited number of empirical studies that explore the use of professional stadiums for corporate and social events. These studies focus either on marketing efforts (Lee, Kim, & Parrish, 2012; Parrish, Lee, & Kim, 2014) or planner perceptions (Lee, Parrish, & Kim, 2015) and do not investigate if stadiums satisfy customer expectations of key features and services.

Therefore, the purpose of this study is to investigate event/meeting planner satisfaction with outdoor professional sports stadium features and services. Participants (n = 266) included in the study were professional event and meeting planners with the capacity to make site selection decisions on behalf of their organization or clients. Also, all participants had prior experience with either attending or planning a corporate or social event at an outdoor professional sports stadium.

Martilla and James’ (1977) proposed the Importance-Performance Analysis (IPA) as a flexible and effective graphical tool to guide marketing efforts and improvements in service quality based on customer satisfaction with attributes,
where “satisfaction is a function of both expectations of certain important attributes and judgements of attribute performance” (p. 77). Hollenhorst, Olson, and Fortney (1992) suggest an appealing aspect of IPA is its ability to examine both the expectation, or attribute importance, and performance of the attributes. Hansen and Bush (1999) indicate it is an effective strategy for identifying customer priorities. Since its proposal, IPA has been used to identify critical performance attributes in a wide range of fields, including hospitality and tourism (Almanza, Jaffe, & Lin, 1994; Chu & Choi, 2000; Enright & Newton, 2004; Evans & Chon, 1989; Kuo, 2009).

To investigate planner satisfaction with stadium features and services participants in this study completed a survey that asked them to indicate the level of importance and performance of seventeen key site selection attributes identified through an extensive review of the event/meeting planning literature. Each attribute was evaluated on a seven-point Likert scale (Very Unimportant to Very Important; Very Dissatisfied to Very Satisfied). The researchers then used the IPA technique and plotted the mean importance and performance ratings for each of the seventeen attributes on a four quadrant data centered grid (Bacon, 2003).

The results of the analysis show ten of the seventeen attributes were plotted in quadrant A of the grid, indicating they were rated as important and satisfactory by participants. This suggests stadiums should “keep up the good work” with respect to the delivery of these specific attributes. Three attributes, business center, on-site catering, and designated event vendors, were plotted in quadrant B of the grid, which indicates these particular features and services were rated as important by participants but underperformed in terms of customer satisfaction. This suggests stadiums need to focus on improving these particular features and services in order to provide satisfactory service to event/meeting planners. The remaining four attributes were plotted in quadrant C of the grid, indicating these attributes should be viewed as “low priority”. No attribute fell within quadrant D of the grid indicating none of the seventeen attributes were viewed as both low in importance and high in satisfaction.

The key finding from this study has practical operational and marketing implications for professional sports teams and civic stadium authorities (suppliers) who seek to capitalize on infrastructural investments through facility lease agreements with meeting and event industry customers (buyers). Specifically, outdoor professional stadiums should review the delivery of attributes plotted within quadrant B of the grid (i.e. business center, on-site catering, designated event vendors) and “Concentrate Here” to improve those features event and meeting planners identified as important but underperformed in comparison to other attributes.