



# Lesson 7.4 – Importance of Customer Service



## LESSON 7.4

# Customer Service

Many organizations strive to meet and exceed customer expectations, often times integrating service goals with company mission statements

## **Customer Service:**

The action taken by the seller to make the relationship between the organization and its customers satisfactory



### Customer Service

*Customer service represents a critical step in the sales process and is ultimately about gaining and retaining the customer base*

*Customer service's role is to help customers enjoy their relationship with the sports or entertainment organization*

### Customer Service

*The customer service experience begins when the customer arrives at the event and does not conclude until they have left their parking space after the event*

*Minor league baseball has seen an increase of 50% in its total attendance in the last ten years, thanks in large part to its focus on providing the best customer service possible*

## LESSON 7.4



# Customer Service



## Who ARE the Customers?

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*The NBA Identifies It's Customers As:*

“Full season ticket purchasers, partial plan holders, individual game purchasers (walk-ups), group purchasers, sponsors, community relations program participants, people who read our publications, people who watch our games on TV, listen on the radio or log onto our site – in short, anyone with an interest”

# Customer Service

## Customer Service Benefits

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- Increased levels of customer retention and cost reduction
- Decline in negative associations with organization via word-of-mouth advertising
- An opportunity to provide a source of differentiation
- Amplified levels of profitability

# Customer Service

## Customer Service Benefits

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- Creation of brand loyalty
- New sales opportunities through positive word-of-mouth associations

# Customer Service

## Why is customer service important?

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- According to Customer Service Institute, it can cost up to as 5 times as much to acquire a new customer than it does to service an existing one
- According to the same institution, customers tell twice as many people about a bad experience over a good one
- It takes twelve positive service incidents to make up for one negative incident

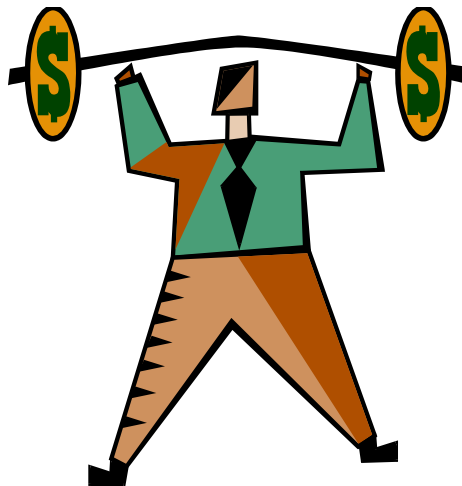


# Customer Service

## Why is customer service important?

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- Retention is crucial to any sports team as season ticket and sponsorship revenue plays a significant role in the organization's overall financial viability



# Customer Service

## Why is customer service important?

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How important is retention? Gavin Maloof, former co-owner of the Sacramento Kings, once teamed up with Kings players and team personnel to hand deliver the Sacramento Kings' season ticket renewal packages. Maloof devised the door-to-door effort as a way to make the season ticket holder experience more personal and further demonstrate the team's loyalty to its fans as it undergoes a rebuilding process.



# Customer Service

## Why is customer service important?

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According to a story published in the National Sports Forum's electronic newsletter, the Milwaukee Brewers believe that the key to retaining new customers and attracting new ones is to provide "over the top" customer service.



# Customer Service



## Why is customer service important?

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One of the first tasks for the new NHL franchise in Las Vegas was to hire a customer service staff. Team executive Todd Pollock, told the Las Vegas Review-Journal: "We want to be fair to everybody. We're adding a dozen salespeople to the staff and make sure we have the best customer service."

# Customer Service

## Turning service into sales

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- For most segments of the sports industry, 70% of consumers are referred by word of mouth from existing customers
- Many organizations create marketing strategies that cater to both existing and new customers with an emphasis shifting toward existing customers
- Solid relationships with a customer base enable an organization to effectively implement and utilize referral programs

# Customer Service

## Referrals

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The minor league hockey franchise Corpus Christi Hooks offered fans a free, personalized team jersey to anyone who referred up to three people who purchased Hooks season tickets.



# Customer Service

## Referrals

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DirecTV, a longtime leader in delivering sports programming to fans, offers its customers \$100 in credit toward their cable bill for every new customer they refer while providing a significant “new subscriber” discount.



# Customer Service

## Referrals

The San Francisco 49ers unveiled their referral program in 2017 that credited existing season ticket holders 5% of the value of the referred purchase

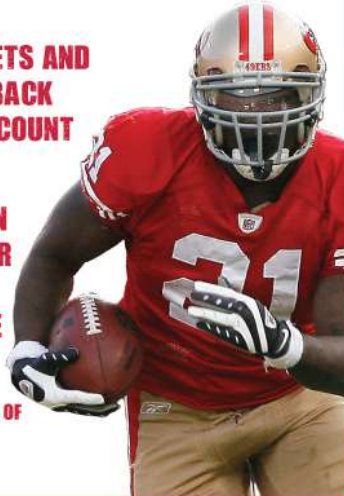


**INTRODUCING THE 49ERS  
SEASON TICKET REFERRAL PROGRAM**

**REFER SEASON TICKETS AND  
RECEIVE MONEY BACK  
TOWARD YOUR ACCOUNT**

**5% CREDITED  
TOWARD YOUR OWN  
SEASON TICKETS FOR  
EVERY TWO (2)  
SEATS SOLD TO THE  
PERSON REFERRED\***

\*CREDIT BASED ON TOTAL VALUE OF  
SEASON TICKETS  
PURCHASED BY REFERRAL.



For more information on the Referral Program,  
Please call the 49ers at 415.GO.49ERS (415-464-9377)



# Customer Service

For example, a theatre fan might call to purchase tickets to an upcoming performance.

During the conversation, the sales representative may suggest group tickets to that event or additional tickets to another upcoming play.

## **Up selling:**

The process of selling additional products to a customer at the time of the order

# Customer Service

## Up Selling

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The NHL's Phoenix Coyotes created up selling opportunities when they advertised seats with a partially obstructed view for only eight dollars, then turned those seats into 12 game mini plans, and then sold those same fans seats with better views of the ice (at an additional cost).



# Customer Service

## Turning service into sales

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- By recognizing the day-to-day challenges facing most consumers (fans) and understanding what consumers want, some organizations take an empathetic approach to sales and service.



# Customer Service

Empathetic approach to sales and service  
(listening to fans)

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The Seattle Sounders soccer franchise gives season-ticket holders the opportunity to vote out the team's GM every four years if they are disappointed in team performance, an approach that has helped cultivate one of the most loyal fan bases in American sports.



# Customer Service

Empathetic approach to sales and service

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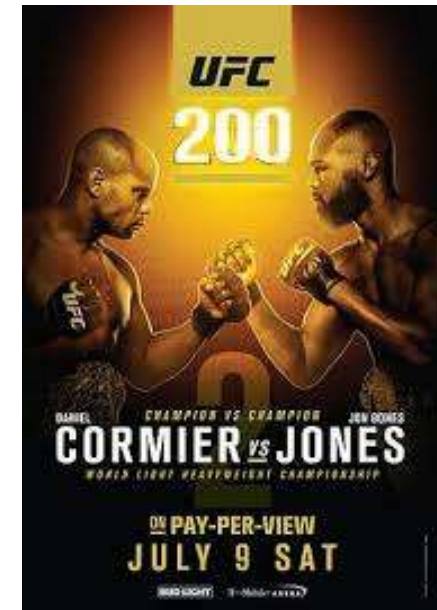
Per game, the Sounders outdraw the Mariners almost 2 to 1, their attendance of nearly 39,000 would place eighth in the English Premier League, merchandise sales are on a par with the Seahawks, and NBA commissioner David Stern called the Sounders "the most successful expansion team in the history of sports." In July of 2014, the Sounders broke a MLS attendance record when 64,207 fans poured into the stadium to see the team play the rival Portland Timbers.

# Customer Service

Empathetic approach to sales and service

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The Review Journal reported when UFC fighter Jon Jones was taken off the main event at UFC 200 for a doping violation, the organization offered fans an opportunity to receive a refund for their tickets.



# Customer Service

## Empathetic approach to sales and service

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Many sports and entertainment organizations proactively solicit feedback to help improve anything from customer relations and fan experience to the product itself

In 2017, NBA Commissioner Adam Silver encouraged fans to email him directly (Adam@NBA.com) with any ideas they had to improve the quality of the NBA All-Star Game; Fans were also encouraged to share ideas through Facebook and Twitter

# Customer Service

Empathetic approach to sales and service

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The Portland Trail Blazers unveiled a new logo in 2017, crediting fan input for the changes





# Customer Service

## Empathetic approach to sales and service

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In 2017, the Atlanta Business Chronicle reported that a local minor league baseball team, the Gwinnett Braves, had reached out to fans to assist the franchise in re-naming the team

Fans were asked to suggest names with a connection to community, and to submit an explanation for their recommendation



# Customer Service

Empathetic approach to sales and service

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In 2015, [Turnkey](#) Sports & Entertainment published a report (and subsequent infographic) suggesting a season ticket holder's overall satisfaction was negatively impacted by a simple lack of knowing who to contact when they had a concern.

Click [here](#) to view the infographic

# Customer Service

Empathetic approach to sales and service

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One young football fan from Oklahoma (where no NFL team currently calls home) sent a letter to every NFL team asking why he should root for them...as the only NFL team to respond, The Carolina Panthers probably earned a loyal fan for life.



# Customer Service

How can organizations improve customer service?

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- Meet and exceed levels of customer expectation
- Provide a comfortable environment for fans
- *Listen* and respond to customer feedback (includes suggestions, criticism, compliments and complaints)
- Respond quickly to customer complaints

# Customer Service

The owner of the Washington Capitals, Ted Leonsis, took a proactive approach to encouraging valuable fan feedback.



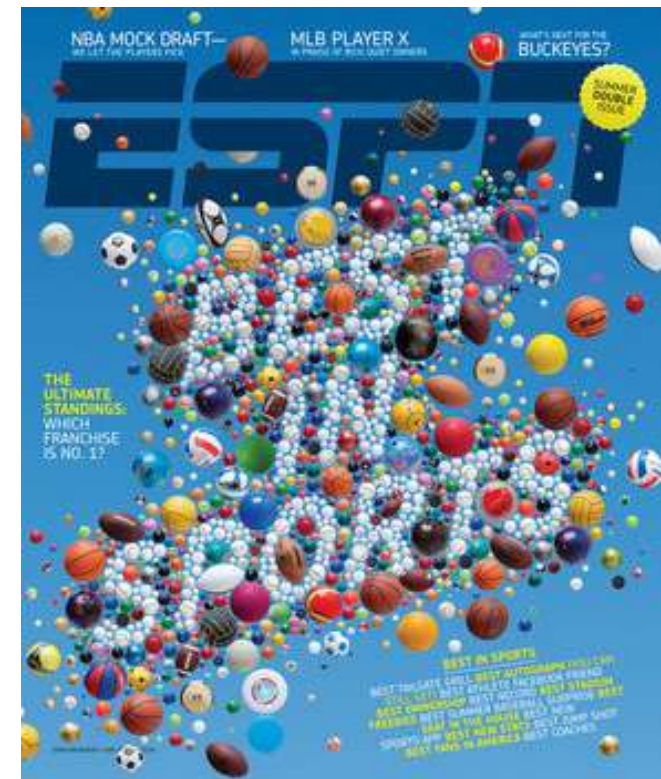
To engage the consumer in an effort to maximize the organization's level of customer service, he turned to the web and used an online message board.

He asked, "If you could change one thing about your experience with the Caps, what would it be?" His staff reviewed the fan input and created a response forum called "You Asked for It." The most popular suggestions were listed with the team's response which included the Caps' plans for changes, new developments and ideas for new programs.

## LESSON 7.4

# Customer Service

In its “Ultimate Standings” (in which ESPN the Magazine ranks the best franchises in sports), ESPN crowned the San Antonio Spurs as the best team in all of sports in 2015, a decision that was heavily influenced by the team’s approach to customer service and willingness to give the fans a voice.



Click [here](#) to see the entire rankings from [espn.com](#)

# Customer Service

Major League Soccer's expansion Portland Timbers took the league by storm in 2011 from an attendance perspective, selling out every single home game (and every game since), in large part because the organization worked closely with the team's loyal group of fan supporters (the Timbers Army) in the development of the critical early stages of a marketing campaign.



# Customer Service

The Executive Chef at Miller Park (home of the Milwaukee Brewers) took to the Brewers' blog page to interact with fans and address questions and concerns on the message board relating to concessions items after a review of the stadium food was posted online.





# Customer Service

In 2014, the name of the NBA's franchise in Charlotte changed from the Bobcats to the Hornets (its original name when the league expanded to Charlotte in 1988) as a direct result of an extensive public opinion survey (the polling suggested about 80 percent support for a name change back to the Hornets).



# Customer Service



In an interview with *The Charlotte Observer*, Bobcats President Fred Whitfield said, *"We thought it was very important for us to listen to our fans and the overall community. There seemed to be an overwhelming desire to pay homage to the legacy of the Hornets, from their time here before. We listened to our fans, and that's what led us in this direction."*

*The Charlotte Observer* story also reported that the franchise has seen a rise in season-ticket sales and a bump in renewals in anticipation of the return of the Hornets name.

# Customer Service



According to the [\*Oregonian\*](#), the Oregon State Beavers basketball program ranked first in overall season ticket holder satisfaction. After polling fans the most common suggestions for the program were a better sound system, improved concessions and cheaper parking. As a result, the Beavers contracted a new concessionaire to offer new food items and more concession locations for home games next season.

# Customer Service

Many athletic programs, such as the California men's basketball team, make annual [phone calls](#) to personally thank ticket holders for their support.



## LESSON 7.4



# Customer Service



In 2014, student-athletes representing all 20 of the University of California, Santa Barbara intercollegiate athletics teams called donors to the Gaucho Fund during the annual Thank-a-Thon, raising \$2.2 million, the second highest single year of funds since the launch of the Campaign for UC Santa Barbara in 2005.

The University also received a record single gift to athletics of over \$2 million for scholarship support for both tennis programs last year.

# Customer Service

Determine appropriate staff size dedicated to customer service

In 2017, Sports Business Journal reports the Philadelphia Union set records in renewal percentage and revenue after beefing up their customer service staff

The staff increase mean instead of just 1 service rep available per 1,400 ticketholders, the team would provide 1 rep for every 500 ticketholders

In large part to the increased attention to service, the team's 86% renewal rate far exceeded the league average of 80%

# Customer Service

## Utilize technology

In 2017, the Atlanta Braves integrated a customer service “bot” into their ballpark app, allowing the team to collect fan feedback and provide answers to basic questions about parking, concessions, ticketing and other stadium-related topics



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for Teacher Edits*



# LESSON 7.4 REVIEW (ANSWERS)

## Introduction to Promotion & Sales

1) Detail why customer service is important

Customer service represents a critical step in the sales process and is ultimately about gaining and retaining the customer base.

Customer service's role is to help customers enjoy their relationship with the sports or entertainment organization.

It is important to remember that the customer service experience begins when the customer arrives at the event and does not conclude until they have left their parking space after the event