

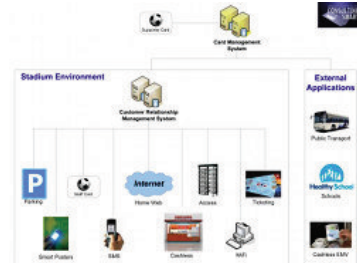
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Make the most of IT

Steve Beecroft, consultant with Consulting Smart Ltd, argues that the benefits of smart technologies can only be fully realised when interfaced with a CRM system



Many stadia managers and clubs are investigating smart technologies such as multi-application smartcards, cashless payment, near field communications (NFC), and short message service (SMS) to provide a better customer experience, generate additional revenue and deliver cost efficiencies. The stadia sector can use any combination of smart technologies to provide a more enjoyable experience for customers, including easy access to the event, convenient ticket

purchase, shorter queues within the stadium – which will also provide opportunities to generate additional revenue for the club.

On the surface, these time-saving technologies sound like the way forward, and indeed the growing view from early adopters is that they are. However, it is important to understand that clubs and their customers will not receive the maximum benefits from these technologies without a holistic approach to the underlying customer relationship management (CRM) system within the organisation.

Some stadia have already deployed single-use smartcards, some have piloted dual-use cards and one or two have small NFC trials. However most are not moving beyond using the smartcard for season tickets, with access to the stadium only. They are, therefore, missing out on the extensive benefits that could be achieved if they adopted a fully integrated smart technology scheme and interfaced that with an existing CRM system.

CRM is not necessarily needed for a smart technology scheme to deliver many of the customer benefits. However, if the club is to realise the scheme's benefits around increased revenue, then a fully integrated CRM is essential. A fully integrated CRM system that is planned and implemented well can help stadia managers ensure the security of the stadium and the safety of customers. It will also provide clubs with data that can be used to develop a comprehensive marketing strategy.

Benefits for customer and club

Implementing a multi-application smart technology scheme with a card management system (CMS) that interfaces directly with the CRM gives customers access to a number of functions via a single smartcard or mobile phone. These functions can include access to the stadium, cashless payment, an information and club news service in the stadium and other locations (such as train stations and shopping centres), ticket purchasing from smart posters (which can again be positioned both in the stadium and in other locations), e-ID and e-booking.

Besides improving the customer experience, benefits to the club can include better marketing information enabling more targeted marketing campaigns, efficiencies in back office processing, increased revenue, cost reductions (including savings on tickets and merchandise), increased attendances and help in resolving the 'half-time challenge' of serving all customers.

Marketing opportunities

It is simply not possible to develop a truly comprehensive-customer centric marketing approach without a smart technology scheme. Until all the interactions the customer has with a club are recorded in a central repository for analysis, the full picture is not understood. For example, if a club knows that a customer purchased a child's shirt it is able to offer related children's products at a discounted rate or a family-oriented matchday experience. If a commuter downloads a fixture list from a non-integrated smart poster in a train station but did not purchase the item, a club can offer them a reduction on a matchday ticket for the next home game or a fixture that is known to have low attendance. If it is known that a customer has an NFC-enabled phone then it is possible to promote the day's kick-off to them. Deliver that promotion via SMS along with a 'bring a friend' offer, and it can be transferred to a friend or family member via NFC. Throw in an offer on a club-branded NFC phone from the club shop or website and this may generate even more revenue. If a season ticket holder missed a game or a number of games the club could then use this information in future communications to the customer – alerting them to a different ticketing package that better meets their needs, thereby securing the support of a customer that was potentially thinking of leaving, and improving customer relations.

Community initiatives

Linking with activities beyond stadia turnstiles has long been the ambition of many clubs. Activities such as the promotion of healthy eating in schools, already a key goal for some clubs, and harmonising with local transport are especially



interesting for clubs planning new out-of-town stadia. Not only do such initiatives demonstrate the club's social conscience, they also promote healthy living and green programmes. The most impressive thing about adopting the use of a smartcard operated by a third party is that other organisations are promoting the club and its activities.

As part of the UK government's national project 'Building Schools for the Future' many schools already have or are implementing smartcard schemes for access, registration, and cashless catering. Once even a simple smartcard scheme exists within a school, it is simple to include a reward scheme for attendance, merit, healthy eating and so on that can be recorded at the school and rewarded by the club, for example with a stadia tour, or the chance to meet a player or manager for the day.

The Department for Transport's National Transport Ticketing Strategy has issued eight million smartcards through every local authority in the UK for free travel on local buses. Therefore the underlying infrastructure would be compatible with a stadia smart technology scheme, thus linking with local transport is also technically straightforward and has already been considered by at least two English Football League clubs.

Revenue gains

The cashable benefits available from a smart technology scheme within a stadia environment can be better understood by looking at an example of a customer's experience as they interact with an integrated CRM system.

Firstly the customer would need to register various bits of information with the club's supporters card scheme and select specific services such as NFC, SMS and so on. On match day, they could receive an SMS alerting them to an early bird offer at the stadium. The SMS could also include travel information. Once at the stadium, the customer could access the car park, pay for parking and access the stadium via a smartcard or NFC-enabled mobile phone, eliminating the need to produce paper tickets. Once the customer is in the stadium, they could be alerted of a discount in the stadium shop through a smart poster or SMS message. The message could even be targeted to that specific customer – for example, wishing them a happy birthday and offering a free drink at a stadium kiosk.

Ricoh Arena

This example may seem futuristic to some, but actually the technology exists today and most clubs are missing out on significant benefits. For example, Daniel Gidney, chief executive of the Ricoh Arena (the home of Coventry City Football Club) explained to the delegates of Stadia Design and Technology 2008 how, by just introducing cashless payment, the average transaction time dropped from over a minute to between 20-30 seconds. In May 2009 Gidney reinforced this in reference to catering kiosk sales. "The biggest change has been an increased penetration – which is the number of transactions as a percentage of the retail audience – from 45% to 55%. This in itself represents an average increase over the season, year on year, of 22%. Our current match record is 63%," he said. "We are now targeting an increase of the average from 55% up to 60%. Our record 'spend per head' was £2.67 for the Chelsea cup game, where the average is normally £2.10 to £2.20. So the key for all of this is a dramatic increase, in the teeth of a recession, of people buying at the kiosk. This gave us a double benefit of increased transactions and turnover, and a happy fan who doesn't have to queue that long."

Let's assume that an element of this average spend increase is due to better transactional-based data. However, if targeted marketing encouraged every customer to spend just £2 more per game, on all merchandise, the annual revenue for a Premiership football club would increase by £780,000, if on average 20,000 customers attended every home league match. That figure increases for Championship and League clubs (as clubs in these tiers play more League games) and also when home cup matches are considered.

The use of simple smartcard schemes in the stadia environment has increased over the past two years. Although significant revenue-generating opportunities exist, some clubs that are adopting the smart technology are justifying the investment on the need to improve the customer experience. "The primary aim is to reward the fans," said Michael Jones from Watford Football Club, when asked about smart technologies and fully integrated CRM systems.

In summary, smart technologies linked through a fully integrated CRM system would enable clubs to increase their revenue, reduce their overall operational costs, and improve the customer experience. Although it may have been difficult in the past for clubs to integrate their systems, the technology solutions and specialists are now available to help them navigate the smart technology pathways and allow them to achieve maximum benefit for themselves and their customers from smart technology schemes fully integrated with the club's existing CRM system.



Steve Beecroft is a smart technologies consultant with Consulting Smart Ltd. Beecroft founded the company in 2006 to meet the needs of clients within local authorities and financial services sectors. Since its start, Consulting Smart has expanded into the transportation and sports stadia areas, offering advice from concept and feasibility through to design planning, build, implementation, and benefit realisation.

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