

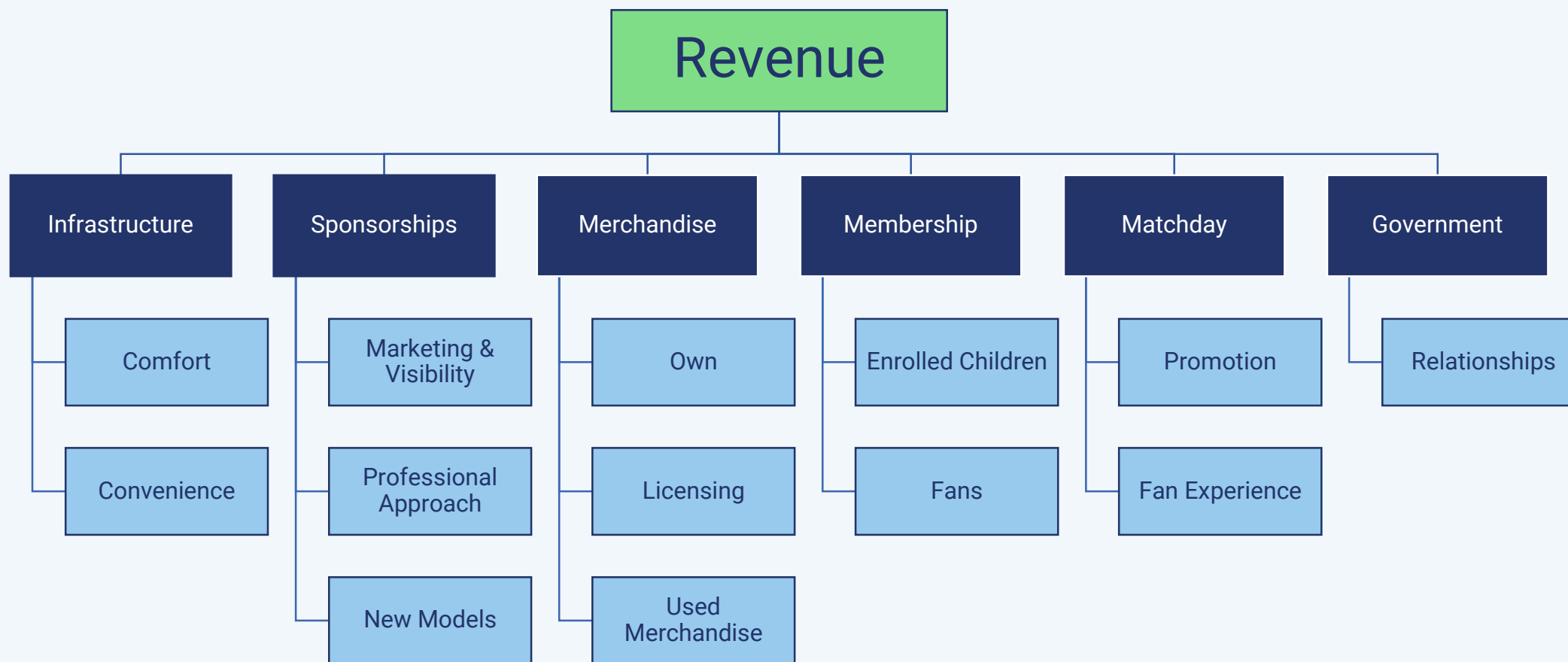
Sports, Law and Finance Conference
Belgrade, Oct 2019

REVENUE SUPPORTING SUBSYSTEMS

Rok Snoj, Ice Hockey Federation of Slovenia



Overview



Current Situation

Fans are getting demanding - Sport club is not competing against other sport clubs, but with entertainment industry. If they decide to buy a ticket for sports event they expect:

- Comfort
- Convenience
- Fun
- Results

Sports facilities **influence fan satisfaction with the sports product** (Greenwell et al, 2002)

Recommendations

Improve fan experience and add value of a stadium seat:

- ➔ Improve Comfort (e.g. temperature, seats, cleanliness)
- ➔ Improve Access (public transport)
- ➔ Provide Amenities (e.g. drinks and snacks)

Infrastructure / Hospitality

Case Study: Arsenal FC Matchday Revenue



Highbury Stadium (2006)

38.419 seats

63,8 mio €



Emirates Stadium (2007)

60.260 seats **(+57%)**

134,6 mio € **(+111%)**

Infrastructure / Hospitality

Case Study: Arsenal FC Matchday Revenue



Emirates Stadium (2018)

60.260 seats

234,7 mio €



Santiago Bernabeu (2018)

81.044 seats

236,8 mio €

How is that possible?

- **Higher ticket prices** and VIP Boxes with premium service
- **250 casual catering locations** (food, drinks and beer)
- Able to **serve more than 50% of spectators in 15-minutes**
- **Large screens with live coverage** of games to keep fans in the stadium before and after games



Recommendations

- ➔ Do what you can to improve comfort for the fans (improve heating, cleanliness)
- ➔ Ensure food & snacks are provided

Current Situation

- In Balkan region a lot of sports organizations were sponsored by state-owned companies
- New private owners pursue profit and thus expect a return on investment into sports
- Only organizations with high attendance, fan base, and visibility can get large sponsorship deals
- Competition for sponsorship is very high (NGOs, Charity, etc.)

Recommendations

- Focus on growing your visibility - attract the media and fans
 - Develop relationship with media representatives
 - Prepare ready-to-publish engaging content (match reports)
 - Develop your own communication channel (social media) and share
- Professionalism is the key
 - Prepare an offer for sponsors before each season (include all ad spaces available, photos, prepare packages)
 - Insist on signing the agreement
 - Fulfill all the responsibilities and expectations (exceed them!)
- Be open to new sponsorship models
 - Event Sponsorships (one time event exclusive sponsorship)
 - Compensations (free services or products)
 - Performance-based (get paid for the impact)
 - Subscription model (600€ in one time payment is not equal to 12x50€ payments over the season)
 - Lucky draw (get small sponsors for a small fee, make a draw to assign one a general sponsor status)

Recommendations

- Own merchandise
 - Make sure it's profitable from the beginning - Collect pre-orders and pre-payments
 - Outsource it to the 3rd party to take care of the whole process
 - Be ready for the big games, anniversaries
- Licensing
 - Suitable for big sports organizations
 - Licensee takes cares of the whole process
- Used merchandise
 - Suitable for small sport
 - Selling used game-worn jerseys and equipment
 - Bought by close fans - parents, family & friends



Merchandise

Case study: Cristiano Ronaldo



Transfer fee paid
100 mio €



Impact
520.000 game kits sold in **24**hrs
55 mio € in revenue
+40% stock price value

Recommendations

- Promotion
 - Use all communication channels at your disposal (online & offline, own & 3rd party)
 - Use teasers (Free products, Special Shows)
 - Link the games with your local traditions (Christmas game)
 - Cooperate with other organizations (Schools - free entry)
- Fan Experience
 - A satisfied and happy fan spends more money and is more likely to return
 - Create memorable experiences (pre-game shows)
 - Enable fans to have fun (half-time games for kids)
 - Take care of fans needs (snacks & drinks) + Cooperate with the seller at the arena and negotiate % from the sales



Pre-Game Show



Break Show



What influences the revenue from Membership Fees?

- Membership fees for enrolled children, influencing factors
 - Quality and Safety of Programs
 - Quality of Coaching staff
 - Parent-friendly times of practice
 - Membership fee price
 - Availability of free trials
 - Recruiting Programs
 - Club's image in the media
 - Promotional activities
 - Club tradition & Recent Successes
- Membership fees for fans, influencing factors
 - Club's image in the media & Promotional activities
 - Club tradition
 - Recent Successes
 - Benefits of being a member (e.g. access to seasonal tickets exclusive club events)
 - Membership fee price

Disclaimer

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Sports, Law and Finance Conference

Belgrade, Oct 2019

Thank you!

Rok Snoj, Ice Hockey Federation of Slovenia



WEBSITE

www.hp4p.eu



NEWSLETTER

[Subscribe](#)



FACEBOOK

[HPP-HockeyPartnershipForProgress](https://www.facebook.com/HPP-HockeyPartnershipForProgress)



YOUTUBE

[Visit Channel](#)