

Game Changer

The death of Steve Jobs and the subsequent publication of his biography by Walter Isaacson quickly moved the discussion of general innovation into the forefront of numerous water-cooler and cocktail party conversations. Where, we seem to have started asking, would we be without the invention of iPods, iPhones, iTouches and iPads?

From there, someone invariably talks about how entire industries such as music, literature and film have been transformed in the ways that suddenly allowed the masses to custom-order the exact product they wanted for use any time or anywhere.

The future of sports is in the hands of fans, not team owners.

Unfortunately, in my observations of the sports industry, I've often wondered how the basic stick, ball, puck, racquet and club sports might benefit from the same entrepreneurial approach that Jobs inspired and then leveraged. Could the games we enjoy as spectators present themselves differently? Could sport executives give us a different viewing or stadium experience? Could manufacturers of sporting goods give us different benefits?

As a professor of sport management at a major research institution, that question is posed often in my lectures. And because we are educating the next generation of leaders, I frequently tell students that the right answers will be found in their heads, not ours. But demanding innovation or creativity is not easy, especially since most of us are conservative by nature.

To that end, one of the better examples I find myself consistently presenting comes from Nicholas

Negroponte's 1995 book, *Being Digital*, wherein MIT's great professor suggested that in the not-too-distant future, football games would be broadcast in a holographic form such that watching the game at home would move us well past the obsolete 1D experience (found in most homes) and even the 3D experience we are only now starting to purchase.

Negroponte's work seems like ancient history to the students of 2011, but increasingly students of sport (and understand that many of these 20-year-olds are video gamers playing EA's NBA 2K 12 or Madden 2012) are able to articulate that many aspects of the "real game" are stuck in a time warp of ancient concepts: paper tickets for admission to a stadium; uncomfortable seats with no digital ports for their hand-held devices; long lines for ordinary concessions, the absence of gaming lounges that would reinforce the product's best attributes.

The list could go on but the reality is that as "young" as the modern US sports industry is (most would suggest it didn't really exist before the creation of the National League of Professional Baseball Clubs in 1876), it is still very moribund in its approach to change and innovative customer satisfaction. We are not even 140 years old and still clinging to our security blanket.

We are making some progress but what worries me is whether we are moving in painfully slow increments while refusing to ask what the customer really wants. Individual team phone apps, TV technology that identifies whether a ball was in the strike zone, GPS technology that shows whether the ball broke the plane or hit the ground and computerized urinals are all well and good, but they're not enough. We should be asking questions like why seat segmentation limits the way a fan sees the game. Or why the fan has to watch the bad game he is sitting at when a better game is taking place just down the digital road.

Granted, we understand that sitting near the field should be worth more than seating in the bleachers

or nose-bleed seats. We understand that enjoying the game in a “luxury” box should cost more than sitting on a hard bench or molded plastic seat. And we understand showing our fans a better product somewhere else could keep them from coming back to see our mediocre team stumble through another sub-par season.

It seems, though, that if Steve Jobs were still alive and turned loose on the sports industry he might ask why all fans don’t get to hear the same sounds or why people at home can almost instantly get multiple camera angle replays but fans in the stadium must rely on a scoreboard operator to show the league-approved version on a large, archaic screen 350 feet away. He would want to know why we still sell non-interactive game programs filled with still photography instead of dynamic (and constantly updating) mini-documentaries of that day’s game.

My sense is Jobs would ask why the sports fan doesn’t enjoy the luxury of controlling the way she ingests the game the way she does with music and movies. He’d ask where the power of YouTube was evident in the gargantuan mezzanines. He’d ask why fans can’t go “backstage” with the players the way they can with rock stars.

This fundamental issue—that the spectators are in charge (not the team owner) and, more important, are digitally sophisticated—is a game changer. To be sure, the fact the fan at home is now receiving a better visual package is of real concern to team owners. Why? Well, for one, their major revenue stream is generated by broadcast rights (and not ticket sales) but the value of those TV payments is only optimized when the stadium appears full. And, as player costs go up (bid up by owners looking to sign that one magical player that will win the team the championship), ticket prices go up.

Thus, without getting too much into sports economics and the elasticity of pricing, if ticket prices go up (and they have significantly over the years), we might expect some reduction in demand. This concept is accelerated if an attractive substitutable replacement option (like watching games at home) takes root.

Not surprisingly, we know that in homes all over the world, cable companies are waging an intense pricing war to lower the cost of viewing the game (in 3D or HD) all while providing zoom lens technology, slow-motion replays, multiple-angle review, in-game stats and so on.

The bottom line: technology at home (be it for large screen TVs, portable iPads, PCs, Macs or iPhones) has given the fan a much better ride than the

great irreplaceable experience of “being there live.” To wit, the stadium is “cool” but so is the modern home.

So, what should we do at the stadium where we need the cameras to show happy fans mindlessly ignoring that the price of their seat (a real estate rental) has been virtually doubling every seven years? If an owner can keep up with the Joneses (and Dallas’ Jerry Jones comes to mind), the stadium gets the biggest video screen ever imagined and the plushness of the luxury boxes rivals the finest 5-star hotels.

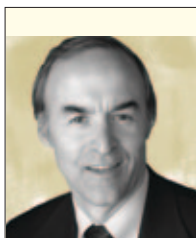
But we’re still not there yet. Why should the fan have to fight traffic and sit in jammed parking lots? Why couldn’t the fan (as they do at NASCAR races) live and eat well at the stadium in their own customized mobile homes? Why aren’t there cheap convenience stores at the game or race?

A long time ago, Roger von Oech, a forward thinker and the author of *A Whack on the Side of the Head*, suggested we should find our new creative ideas in the most unusual places. It’s why airports now act like shopping malls and some hotels act like private gymnasiums.

Following that theme, we need to ask what can pro and college sports teams learn from rental car agencies? From airports? From movie studios? Are there ideas inside a Harry Potter movie that the sports industry should extrapolate? Why can’t a player send a game attendee a personal message if she’s in the sacred stadium and paid good money to see that one player perform?

These highbrow issues are easy in think tanks and often impossible to build in real life. But looking down the high-tech highway, it’s clear that the sports industry will soon face a critical juncture driven by supply and demand. If what the fan wants is approximated more efficiently somewhere else, our capitalistic nature will drive the revenue into that sector.

Innovation, creativity, vision and a willingness to change must come from the league or sanctioning body administrators, the team owners or the participants themselves. If it doesn’t, it will come from the fans. ■



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