The Factors Influencing Churn Rates Among Season Ticket Holders: An Empirical Analysis

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Season ticket holders (STHs) are vital to professional sport club revenue and are purported to be the most loyal and involved of fans. Nonrenewal (churn) rates among STHs, however, often exceed 20%. Low member satisfaction, poor on-field performance and low game attendance have all been posited as explanations of high churn rates, but rarely empirically examined. The research reported here employed a unique study of over 4,500 STHs, incorporating both survey research and measures of actual behavior, to determine which variables best explain and predict churn within two professional sport teams. A variety of analytical techniques all suggest that the key variables predicting churn are length of relationship and the number of games attended. New, low attending STHs are over five times more likely to churn than long-term, frequent attendees. Typical management practice is to run reward schemes designed to increase attendance and encourage renewal. The results of this study suggest that fundamental differences in the way new, low attending members evaluate the season ticket product may render those schemes ineffective. Shifting the focus of these STHs toward the intangibles of the product, such as stronger feelings of involvement, a sense of community and increased patron worth, could be more effective at reducing churn.

The advantages that season ticket holders (STHs) give professional sport organizations are many. They provide substantial direct income through the tickets they purchase, often equating to one-third or more of the total club revenue (Wakefield, 2006). Revenue is typically received well in advance of the season, allowing teams to invest and plan. STHs also generate indirect revenues, such as merchandise and food and beverage sales. In addition, they make corporate sponsorship more attractive, given that the numbers of STHs are predictable in advance of the season. This provides a quantifiable audience exposed to targeted promotional communications, including ground signage, team magazines, and member-only websites. STHs' seating can also be planned carefully, allowing better management of crowds for television impact, enhancing the atmosphere of the stadium and stimulating demand for 'premium' seating. Finally, invaluable data on the sport consumption behaviors

of STHs are more accurately and easily collected than from casual game day attendees, as attendance and merchandise consumption is often linked to barcodes on STHs' tickets or discount cards swiped at point of sale.

From extant research focusing on those who convert from casual attendees to STHs, we know that purchasers are motivated by such factors as access to games including playoffs (Deserpa, 1994), being tangibly connected to success (Cialdini, Borden, Thorne, Walker, Freeman, & Sloan, 1976), wanting to be more personally involved with the club, and even altruistic reasons, such as buying a season ticket as a donation to help ensure club survival (McDonald & Stavros, 2007). This suggests that STHs are highly involved consumers, whose consumption of the sport product is as much about self-expression and reflecting core values as it is about entertainment or cost savings.

Given the high level of involvement attributed to STHs, it is surprising that STHs of professional sport organizations churn at similar levels to those found among the customers of companies in volatile industries, such as insurance, mobile telecommunications, and supermarket retail. While average churn rates among STHs in the major US leagues (NFL, NBA and MLB) and English Premier League hover around 10%, these averages are kept artificially low by the drawing power of some key clubs that experience almost no churn. Many other clubs in these leagues, and lower profile teams in lower leagues, suffer much higher churn rates. The Jacksonville Jaguars (NFL), for example, reduced their churn rate from 32% in 2006 to a still-high 26% in 2007 (Stellino, 2007).

Churn rates vary from industry to industry, with the highest churn levels noted among those like automobiles (average churn 51%—Reuters, 2007) where purchase is infrequent and competition strong. One study across a range of key United Kingdom industries found an average churn rate of around 19% (Anonymous, *CRM Today*, 2005). Even among highly volatile subscriber-based industries like energy or credit card markets (both averaging 14% per annum in the USA), however a churn rate in excess of 25%, like Jacksonville Jaguars's, is considered high. Given that sport club customers rarely, if ever, 'switch' to other providers (McDonald & Stavros, 2007), the way energy or credit cards users can and do, the high rate of customer churn seen within sport organizations is alarming.

The question then is why are sport STHs, supposedly high in loyalty and involvement, churning in large numbers? This is a fundamental question for sport managers, and yet it has not been thoroughly examined empirically. Sport managers are forced to rely on intuition and industry standard practices, such as loyalty schemes, when deciding how best to address the issue of STHs' churn. Although those practices may be valid, the need for empirical evidence to support them is clear. We therefore begin our analysis of this issue by reviewing factors associated with churn in a broad industry context, before moving to examine specific factors most relevant to a sport industry context.

The Factors Affecting Churn Rates

Understanding customer loyalty and repurchase behavior is at the core of marketing practice. However, for the growing number of subscriber-based organizations, it can be difficult to understand the factors that influence renewal. This is due to

reasons including the limited contact between members and the organization, the annual nature of most subscriptions and the broad range of motivations members have for joining organizations.

Alarmingly, Ahmad and Buttle (2002) noted that the largest proportion of customer defections comes from the ranks of the most recent customers. Most organizations therefore face the prospect of having to acquire large numbers of customers to replace lost customers. The reality is that many of these newly acquired customers are then likely to churn soon after acquisition. Churn is a problem, not only for the lack of customer involvement it suggests, but also in practical terms given the high (if often exaggerated) cost of customer acquisition versus retention (Reichheld & Sasser, 1990). For season ticket-based organizations, such as sport clubs, there is usually only a limited pool of supporters from which they can attract members, and thus the retention of members is an issue of particular importance.

Unfortunately, research into customer defection and switching is limited across organizational types (Keaveney, 1995). What few insights we do have into customer switching tend to be drawn from analysis of fast moving consumer goods (FMCGs) markets, where it has been noted that customers typically buy from a small range of brands, referred to as 'repertoires' (Ehrenberg, Goodhardt, & Goodwise 1990). Sole product loyalty in these markets is rare. Most consumers alternate between brands, despite having a 'favorite', such that a consumer buying a competing brand cannot be assumed to have switched. More likely, they will return to their favorite brand over time, and the share of individual purchases over time will typically reflect the overall market share of that brand. These findings, while important, have only marginal relevance in helping us understand churn in a high-involvement subscription market like sport club STHs.

Beyond FMCGs' markets, the research findings are more limited. In subscription markets, we know that the customer repertoires are smaller and brands have higher loyalty metrics (e.g., a higher percentage of solely loyal buyers). Some comparable industries to sport, such as complex, high-involvement services like banking, have been studied (Athanassopoulos, 2000; Colgate & Hedge, 2001; Danenberg & Sharp, 1996; Lees, Garland, & Wright, 2007), and the results highlight the importance of customer satisfaction management. It has been suggested that among complex services, switching is predictable and controllable, to some degree, by managing customer relationships (Garland, 2002). Yet we know that dissatisfaction alone is not the major reason for customer defection (Reichheld & Sasser, 1990), with many satisfied customers also churning (East, Grandcolas, & Dall 'Olmo Riley, 2007).

If customer satisfaction does not explain STHs' churn, what does? Over 70% of the lapsed STHs studied by McDonald and Stavros (2007) cited an inability to get to games due to changes in work or family structure as the main reason for nonrenewal. In terms of Keaveney's (1995) classification schema of the reasons for nonrenewal, these factors would be identified as 'involuntary churn.' In the services that Keaveney (1995) studied, however, involuntary churn accounted for only around 16% of customer defections. East et al. (2007) examined more specifically located services—those dependent upon visiting a physical location—and found involuntary switching accounted for around 47% of nonrenewal. It would therefore seem that from the limited evidence available, sport club STHs are more susceptible to involuntary churn than most other services.

Contrasting that view, some models of the fan commitment process, such as the 'sport consumer escalator' (Mullin, Hardy, & Sutton, 2007) posit that, over time, consumers seek to increase behavioral involvement such as attendance and merchandise purchase. Churn should therefore be unlikely for two reasons; 1) as consumers become allegiant to one team, they are unlikely to 'switch' to another team and 2) as consumers become more identified with the team, the importance of maintaining a connection increases. Managers using the escalator model are encouraged to "invest more in nurturing existing customers than they should in trying to create new ones" (Mullin et al., 2007, p. 42). This suggests that churn is incidental and can be managed by continually undertaking actions designed to increase commitment. However, the escalator model has been criticized for being simplistic (Funk & James, 2001) in that it focuses on behaviors, and as such it does not allow understanding of why fans might progress at different rates or why they might 'fall off' the escalator (churn) or drop down to lower levels of behavioral commitment.

Instead of switching, what typically occurs is that fans move back and forth from casual ticket buyer to season ticket buyer status as their circumstances change and supply allows. The changes in behavioral loyalty may occur without change in attitudinal loyalty, meaning that true allegiance to the team is difficult to determine from examining behaviors alone (Funk & James, 2006). The lack of team switching also means new STHs can be only drawn from the pool of supporters who either attend occasionally or support without attending. The escalator model views this as a continuum, with nonattendees at one end, moving from one-off casual buyers through to long-term STHs at the other end. The relationships, in terms of contact and interaction between the organization and these fan groups, however are often very different.

Johnson and Garbarino (2001), for example, described "the fickle single-ticket buyer ... the epitome of a transactional customer" (p. 67), who has short-term needs and expectations. The relationship these single ticket buyers have with the organization is typically distant and free from on-going mutual obligations. Season ticket holders, in contrast, were found by Garbarino and Johnson (1999) to have much greater expectations of mutual commitment and trust than casual attendees. So rather than there being a continuum of behavioral loyalty as suggested by the escalator model, it may be that there are two completely different types of relationships for casual fans and STHs, encompassing a wide range of attitudinal and behavioral loyalty differences. A fan making the transition from occasional single ticket buyer to STH, has made a substantial increase in commitment, definitely behaviorally, but most likely also attitudinally (Funk & James 2006). Yet first year STHs cannot be considered fully ingrained into the organization, given that they are new to the STHs' experience. They must learn new behaviors and develop stronger attitudinal links such as mutual trust and commitment, which will take time.

In practice, though, new season ticket purchasers are often treated as if they have been STHs for years. Few organizations communicate differently to new STHs than they do to other STHs, with, for example, a joint STHs' renewal/joining brochure offered each year and a common website for all STHs. Even fewer offer a different season ticket package for new buyers from long-term ones. Treating all STHs the same assumes that the act of moving from a transactional customer to a subscriber indicates long-term loyalty. In fact, only one purchase decision has been made and

the behavioral evidence (e.g., churn rates) suggests that attitudinal loyalty of new STHs is still in the formative stages. The escalator model emphasizes managerial focus on driving incremental increases in behavioral loyalty. Thus, we see the recent practice of offering ticket packages with fewer games (such as a five game package) as a way of enticing casual ticket buyers up the 'escalator.' Such products run the substantial risk of cannibalising the full season ticket sales, however, by tempting low attending STHs down. Until we have detailed information about who churns and why, taking action to reduce churn rates is difficult.

To progress this research field, this study sought to contribute by identifying and measuring the main factors posited to explain churn among subscription markets, especially those relevant to a high-involvement product like sport. From past studies, the key factors related to churn would appear to be dissatisfaction with product or service quality, the length of relationship (with new customers churning more), and involuntary churn due to uncontrollable factors.

An empirical study, with data collected throughout one sport season and actual renewal behavior examined during the next, was required to determine the strength of the relationships between those theorized influencers and churn rates. Such a method overcomes difficulties related to the inaccuracy of purchase intentions measures and retrospective data collection common to single studies. The overall aim of this study was to determine if attitudes and/or behavior can explain churn in sport organizations, as they have in traditional repertoire markets (Athanasso-poulos, 2000).

In addition, this study contributes to knowledge by specifically including first-year STHs to investigate the importance of length of relationship to churn rates. Garbarino and Johnson (1999) chose to cull new STHs from their analysis, arguing that they had only a weak relationship with the organization and insufficient time to become fully attached. They were included here for exactly that reason. The inclusion of new STHs is designed to gain insight into how relations develop between STHs and sport clubs, and how they can be managed to increase the chance of retaining them. By modeling the attitudes and behaviors of STHs across a wide range of accumulated experiences, we expect to gain insight into the development of loyalty and commitment among relational customers. In addition, by examining STHs with varying levels of direct contact with the organization (e.g., attendance levels), we hoped to distinguish between those who form bonds in an active way, and those who are more passive.

The Australian Football League: Background and Season Ticket Structure

In Australia, the Australian Football League (AFL), previously referred to as Australian Rules Football, is the dominant sport league in terms of television audience, live attendances, and revenue generation. At the elite level, the AFL has 16 clubs, expanding to 18 clubs in 2012, who compete for an annual premiership. While other sports such as Rugby League, Rugby Union, and Soccer, all have successful professional leagues in Australia, the AFL has been a remarkable success. A national competition, the AFL season in 2010 consisted of 22 regular season rounds and a knockout finals series played over four weeks. As such, each club

plays 11 home and 11 away games, with STHs typically entitled to attend (at least) all of the club's home games.

Attendances at AFL regular season games total over 6.4 million, placing it far ahead of other Australian professional sport in terms of average and cumulative attendance rates, as shown in Table 1. This high level attendance means that the AFL is among the top five attended leagues in the world of sport. AFL is also the most watched sport on Australian television, with average free-to-air audiences for regular season games being around 3 million viewers. The Grand Final (the NFL Super Bowl equivalent) is attended by around 100,000 people per annum and is the most viewed program on Australian television. To put this success in context, Australia has a population of just over 21 million, AFL is played professionally in this country only and even then, is not the dominant sport in all states and territories.

* drawn from official code press releases

As is the case with major sport leagues around the world, AFL clubs rely on STHs. Alongside media, sponsorship, and licensing revenues, the direct revenue from STHs represents a major source for AFL clubs, contributing between 20% and 30% to total club revenue. AFL clubs sell STH packages as 'club memberships' that are very different products than what is available for transactional, casual ticket customers. While entry to all home games in a season is included in the membership, so too is greatly increased communication with the club and social opportunities with the club and other members. In addition, club members often receive gifts or merchandise, the ability to access premium or exclusive finals tickets, and the opportunity to vote on board elections which affords some influence on the management of the club as a whole. This is in line, to some degree, with other subscription or membership schemes, which typically involve a greater level of communications, involvement, and social events for those moving from transactional to relational customers.

A total of 600,292 season tickets were sold across the 16 AFL clubs in 2010, the tenth consecutive year of growth. This translates to every one in 37 Australians being a member of an AFL club. AFL memberships range in cost from AU$170 to AU$950, depending on reserved seating options and hospitality options included with game entry. Despite these relatively low prices by international standards, churn rates, like those in sport clubs around the world, are frequently high in AFL clubs. The average churn rate in 2007 was 17%, but this fluctuated among clubs in a range between 3% and 24%, depending on ground capacity, club popularity, and

Table 1   Average Attendances at Major Australian Sport Leagues in 2007

Sport league	Games	Total	Average
Australian Football League (AFL)	176	6,482,281	36,831
Super 14's Rugby Union	23	489,716	21,292
National Rugby League (NRL)	170	2,689,449	15,820
A-League Soccer	84	1,227,486	14,613

products offered. Most clubs have experimented with marketing tactics, such as loyalty or induction programs, aimed at reducing churn, but these have typically been ineffective given the costs involved in running them.

Given this situation, this study's main aims were to:

- identify and measure the factors believed to be associated with STHs' churn

- determine the nature and strength of the relationship between these factors and actual churn rates

- gain insight into how churn rates might best be managed given these relationships.

Method

Informed by past research, but aware of the paucity of directly relevant research methods, this investigation into STHs' churn began in an exploratory manner. As an initial step, meetings were held with a convenience sample of 11 senior managers responsible for STHs in seven different AFL clubs. These managers dealt directly with STHs, handling renewals and complaints, and as such their insights were used to identify possible variables that might predict nonrenewal. Interviews were semi-structured and informal, ranging in length from 45 min to two hours. The primary focus was on nonrenewal rates, STHs' complaint behavior and management views on the reasons for churn. Interviews ceased when no further new information was being generated by successive interviews, and it was therefore deemed unnecessary to meet with all club senior managers.

To briefly summarize the findings of the interviews, managers typically held the belief that churn could be divided into controllable and uncontrollable components. Uncontrollable churn resulted from changes to individual circumstances, such as having children, moving house, or changes to working hours or responsibilities. These changes usually meant that game attendance was more difficult, and since season tickets in the AFL are largely marketed around game entry, the season ticket became less attractive. In a few cases, it was noted that changes to personal circumstances reduced the affordability of the membership. Where managers had been in contact with STHs who had not renewed for these reasons, the lapsed members expressed regret and a desire to rejoin when circumstances allowed.

Controllable churn was thought to result from member dissatisfaction with some aspect of club performance. Usually this referred to service standards, but also included dissatisfaction with on-field performance, decisions relating to players (positions played or trades done) and reactions to player indiscretions reported in the media. Managers acknowledged that complaint handling was not always conducted as well as it could be, and they believed many complainants who were left dissatisfied eventually churned. The exact proportion of controllable to uncontrollable churn was unknown, but it was suspected that uncontrollable might constitute slightly more than half of all churn (a 60:40 split was a typical estimation by managers).

The controllable factors managers believed were correlated with nonrenewal were low game attendance, disappointing on-field performance, service failures, and subsequent complaint handling practices. As such, their beliefs mirrored past research findings from other industries, despite few managers claiming any knowledge of those findings.

To quantify the impact of these dimensions on AFL clubs' STHs' churn, an empirical study was conducted, initially on one particular club. Given the geographical spread of AFL clubs across the country, and variation in both their membership size and resource base, it was difficult to select a club that is truly 'representative' of all. However, the club selected (hereafter referred to as 'Club A') is 'typical' in that it is based in Melbourne—a traditional AFL city where nine of the 16 national teams are based. In addition, Club A has been in existence for over 100 years (as most clubs have), and has average numbers of STHs (over 33,000 paid members in the year of the study) and annual turnover (in excess of AU$20 million). Club A experienced annual nonrenewal rates up to 18% over the past three years, again a figure close to the average for the league. Average attendance was under five games per member in the investigated year, and average length of membership was just over five years. Around 22% of members were new to the club or first-year members in the year of the study.

Managers raised the impact of excess demand, believing it to dampen churn through the fear of long wait lists upon return. To investigate the impact of excess demand on churn, the same data were collected from another AFL club (referred to as 'Club B'), located on the other side of the country. This club has full reserved seating at home games and a six-year average waiting time for any new STHs. This club is a more recent entrant to the AFL, being less than 20 years old, and has a membership of over 40,000. Average game attendance was nine games in the year of the study, and only 6% of members were new to Club B. As such, Club B provides an interesting comparison. Given the waiting time for STHs to gain membership, we would not expect to see new members churn at high levels.

Measurement

As noted, past research and manager opinions coincided to indicate that the key variables likely to be related to churn were customer satisfaction, complaint handling, length of relationship, number of games attended, and scarcity of season tickets. Data relating to these variables, along with key demographic measures, were collected from three sources: a survey of members immediately postseason, ticket agency (Ticketmaster) records directly related to each member, and club held data collected both at the time of survey and in the following year to determine those STHs who had churned and those who renewed. This method avoids the issues inherent to single studies either conducted predecision (e.g., inaccurate purchase intentions) or postdecision (e.g., imperfect recall, post hoc rationalization).

The focus of the survey was on measuring STHs' satisfaction, perceptions of service quality, and the likelihood of renewal. Customer satisfaction measurement is a well-established field, and a number of studies have adapted the principles of satisfaction measurement to a sport context (e.g., Madrigal, 1995) and a STH context in particular (e.g., Garbarino & Johnson, 1999). McDonald and Shaw (2005) undertook the most directly relevant study, investigating STHs' perceptions of the general components that comprise their season ticket package and the relative importance of each to overall satisfaction with the product.

The components they identified were Club Communications (e.g., magazine content, e-mail updates), Ticketing (e.g., speed of ticket delivery, quality of reserved seats), Service to Members (e.g., complaint handling, helpfulness of staff), On-field Performance (e.g., number of games won, coaching performance),

Club Administration (e.g., board performance, financial management), Personal Involvement (e.g., feelings of connectedness to the club, being valued) and Home Ground (e.g., standard of facilities, parking). They were found to be strong predictors of overall satisfaction, accounting for between 61% and 68% of the variation in STHs' satisfaction across eight different sport organizations.

To determine the relevance of McDonald and Shaw's (2005) seven main components to the two clubs examined here, initial interviews were conducted with a small, randomly chosen sample of members of both clubs. The interview data suggested that this approach was appropriate to the season ticket products under investigation here, and thus the scale items (shown in Table 1) were taken directly from McDonald and Shaw (2005).

STHs were asked to rate their satisfaction with each of these components and their overall satisfaction on a single item scale as used by both McDonald and Shaw (2005) and Garbarino and Johnson (1999). Responses were collected through an 11-point scale (0 = 'extremely dissatisfied,' 10 = 'extremely satisfied'). A direct measure of the disconfirmation of respondent expectations was also included (Oliver, 1981), rather than inferring it from a comparison of service quality/performance and satisfaction measures.

Garbarino and Johnson (1999) found in their study of Theater Company STHs that trust and commitment sometimes mediated relationships between component attitudes and satisfaction. Here, the interest was in the degree to which qualities like trust and commitment varied between renewers and nonrenewers. Accordingly, we included two of the four items of their trust scale and three of the four items of their commitment scale, employing them simply in the descriptive analysis rather than as mediators. Items not included were rejected based on unsuitability to the AFL football environment under examination, or because they replicated questions already included. The Cronbach alpha of the reduced commitment scale in this study was 0.88, similar to the original scale. The two-item trust scale was too simple to test in this manner, but the items were highly correlated with each other (0.81).

Renewal intentions and actual renewal behavior were collected to act as dependent variables, although once actual renewal data were collected, intentions were then treated as a predictor of actual behavior. As part of the survey, members were asked about their intentions for the future using the purchase probability response scale known as the Juster Scale (Juster, 1966). This scale is again 11-point, but in this case every point is labeled with both words and a percentage probability (e.g., 0 = 'no chance, almost no chance (1 in 100)', 1 = 'very slight possibility (1 in 10)'). The Juster Purchase Probability Scale has consistently been found to be a more accurate measure of future behavior than purchase intentions measures (Wright & MacRae, 2007).

Data relating to years of membership, games attended, and actual renewal were then drawn from the sources described previously for each of the 3,197 Club A and 1,373 Club B respondents. Length of relationship was obtained directly from club records, which were accurate going back 15 years. The number of games attended was measured in two ways. A measure was obtained directly from survey respondents using the question "How many home games did you attend this season?"

and respondents were presented with check box answer options ranging from 0 to 11 (the maximum possible). As a corroborating measure of this variable, and as an interesting comparison, actual game attendance data were also obtained for each survey respondent directly from the ticketing agency responsible for managing season tickets. Members have a unique, barcode card scanned at every game attended.

While it is possible to transfer membership cards to other people, this practice is discouraged by random identification checks. Members who forget their card have to pay to enter. So, while not a perfect record of actual attendance of each member, the barcode data are likely to be a highly accurate record of membership card usage and member attendance. Finally, the years of membership and renewal of membership data were provided by the clubs when season ticket sales ceased the following year (official league records set this date as the second week of May, which is two months into the start of the next season and eight months after the survey data were collected).

Data Collection

Undertaking a mail census of the full membership lists was not feasible due to list size, the associated costs of mailing, and declining response rates commonly found in offline methods (McDonald & Adam, 2003). Instead, all members on the e-mail lists of the two clubs were invited to complete an embedded e-mail questionnaire, sent directly to each member once permission was received. The survey was also promoted actively by the clubs in newsletters and emails. An incentive was offered in the form of entry into a lottery for a team-signed jersey, and one reminder notice was sent out during the 10 days the surveys were active. Cost and timing factors prevented further reminders and longer collection times.

Just over 9,500 or 30% of the club's members were active on the e-mail list. Submission of the questionnaire was secure, with members needing to enter their membership numbers and surnames to submit. This process was also used to prevent multiple responses from the same individual. The survey period was at the end of the regular AFL season, allowing members adequate time to experience the membership product.

The sampling frame used for this project, the club member e-mail list, was compared with the overall population of members on key demographics (e.g., age, type of membership and length of membership), and chi-square tests showed no significant difference at the 0.05 level. In total, 3,197 completed questionnaires were received by the due date from Club A (a response rate of 30%). For Club B, just over 5,000 members were active on the e-mail list, with 1,373 (27%) completing the survey. Response rates of this magnitude are not high, but are in line with the few studies conducted on populations of actual customers (as opposed to student samples) that directly informed this study. For surveys of both clubs, the returned sample was checked for nonresponse bias using two different methods (first and last comparison and comparison with overall population details), with no evidence of bias found.

Results

After collecting data relating to all of the variables, we examined the relationship of each variable to actual renewal before undertaking more complex modeling. Reported first are the details of the Melbourne-based club (Club A), which are then compared with the interstate, wait-listed club (Club B). The nonrenewal rate among the Club A sample was 11.1%, lower than the overall nonrenewal rate of 15%. This may suggest some self-selection bias, where survey respondents were those more likely to be highly involved and therefore more likely to renew. The act of investigating renewal behavior may have also increased the probability of the sample to renew. We cannot investigate this effect further here, but given the absolute size of the sample and the exploratory nature of research, the difference in renewal rates between sample and population is not a critical issue.

The descriptive statistics provide some interesting insights. Firstly, the number of games attended, which was measured through both respondent recall and actual barcode data (correlated at 0.74), revealed three trends. First, if we assume barcode data are more accurate than member recall, then members tend to over-report the number of games they attend by over one full game per member.[1] Second, a very high number of members attend two games or less a year (20% according to 'claimed' data, 39% according to 'actual' barcode data). Third, the average number of games attended is around half the 11 games members are entitled to each year (6.8 games average according to claimed data, and 5.3 games average according to actual).

Table 2 presents the key descriptive statistics for all items, comparing renewing and nonrenewing STHs for Club A. There are a number of differences in the behavior and attitudes of renewing and nonrenewing respondents. The average overall satisfaction rating of renewers is only slightly higher than nonrenewers (7.5 vs. 6.9 respectively). Nonrenewers are still satisfied with the season ticket offering, but the difference is statistically significant (if not numerically large) at the 0.05 level. Table 2 shows that renewers are slightly more satisfied with individual aspects of club performance, and rate slightly higher the measures of trust, reliability, pride, and belonging to Club A.

Almost one-third of respondents claim to have had a complaint handled by Club A, and overall the service quality rating of complaint handling is positive (6.7/10). The relationship between complaint handling and renewal rates was initially examined by comparing the renewal rates of three groups: those who did not have a complaint, those who did and rated the handling positively (above 5/10), and those who did and rated the handling negatively (under 5/10). Renewal rates between these groups are not statistically significantly different, with 88.4% renewal among those who did not complain, 89.8% renewal among those who complained and rated the experience positively, and 89.1% renewal among those who complained but rated the experience negatively. It seems there is no meaningful relationship between complaint resolution and renewal, although encouraging those who are aggrieved to complain does appear to be worthwhile.

Years of membership appears strongly related to renewal, with the average renewer having been a member for over seven years, and the average nonrenewer a member for less than three years. These nonrenewal figures are somewhat distorted by the underlying relationship between length of membership and the member's age. As can be seen in Table 3, each successive year of membership decreases the rate of

Table 2 Comparison of Means Between Rejoined and Lapsed STHs Across All Variables for Club A

	Rejoined			Lapsed			Total				
	Mean	N	Std. dev.	Mean	N	Std. dev.	Mean	N	Std. dev.	F	Sig.
Years as supporter	9.87	2560	18.07	4.27	321	9.22	9.24	2881	17.40	29.84	0.00
Games attended in year of data collection	5.44	1894	3.57	3.10	231	3.23	5.18	2125	3.61	90.22	0.00
Years as member (STH)	7.13	2560	6.33	3.60	321	3.49	6.74	2881	6.18	96.06	0.00
I am proud to say I belong to this football club (commitment)	9.53	2533	1.07	9.32	316	1.45	9.51	2849	1.12	9.88	0.00
I feel a real sense of belonging to this club (commitment)	7.96	2506	2.01	7.75	307	2.26	7.94	2813	2.04	3.03	0.08
I care about the long-term success of this club (commitment)	9.74	2535	0.66	9.59	315	1.04	9.72	2850	0.71	12.08	0.00
I trust this club to provide me with good membership (STH) service (trust)	8.73	2516	1.55	8.51	313	1.87	8.71	2829	1.59	5.43	0.02
The club is reliable in providing services to members (STH; trust)	8.25	2456	1.64	8.01	300	1.91	8.22	2756	1.67	5.43	0.02
The way any complaints you had were dealt with by the club	7.10	940	2.60	7.13	109	2.82	7.10	1049	2.62	0.01	0.91
How likely are you to rejoin next year at the same membership (STH) level?	8.55	2539	2.28	6.74	318	3.10	8.35	2857	2.45	162.68	0.00
Has the club's membership (STH) package this year been above or below what you expected at the start of the season?	6.60	2532	1.77	6.12	319	2.08	6.55	2851	1.82	19.61	0.00
How satisfied are you overall with your club membership (STH) package for this season?	7.50	2528	1.66	6.90	316	2.04	7.44	2844	1.71	35.57	0.00

(continued)

Table 2 (continued)

	Rejoined			Lapsed			Total			F	Sig.
	Mean	N	Std. dev.	Mean	N	Std. dev.	Mean	N	Std. dev.		
Overall, how satisfied are you with the facilities at this ground?	7.48	2424	1.67	7.55	293	1.76	7.49	2717	1.68	0.37	0.55
Overall, how satisfied are you with the administration of the club?	8.23	2294	1.34	7.91	267	1.67	8.19	2561	1.38	12.27	0.00
Overall, how satisfied are you with the level of personal involvement you feel with the club?	6.74	2279	1.99	6.50	274	2.16	6.71	2553	2.01	3.32	0.07
Overall, how satisfied are you with how well the club performed on-field so far this year?	5.17	2543	1.95	5.13	319	2.04	5.17	2862	1.96	0.15	0.70
Overall, how satisfied are you with the communications received from the club?	8.27	2511	1.49	8.03	319	1.78	8.25	2830	1.53	7.32	0.01
Overall, how satisfied are you with the service to members provided by the club?	7.81	2216	1.78	7.53	270	2.17	7.78	2486	1.83	5.50	0.02
Overall, how satisfied are you with the ticketing arrangements provided by the club?	7.41	2098	2.14	6.60	232	2.49	7.33	2330	2.19	28.70	0.00

churn markedly. However, at the extreme end of the membership scale (i.e., where members have been with the club for over 25 years), churn rates jump as members die or become too elderly to attend games. As such, the higher percentage of over 20-year members not renewing inflates the average. The relationship between the years of membership and renewal rates is shown in Table 3. New members churn most, and each successive year of membership reduces the propensity to churn until the fifth year. After that point, churn rates stabilize at around 6%, or one-fifth the rate of first-year members.

Member predictions of their own behavior are an imperfect but still significant correlation to nonrenewal rates (0.24). Renewers give themselves an average probability of renewing score of 8.6 (an 86% chance of renewal), compared with nonrenewers 6.7 (67% chance).

All variables analyzed for Club A were entered into a logistic regression model to examine the relationships between them and renewal, and to estimate the relative strength of each of the relationships. The results (Table 4) are predictably in line with the descriptive analysis. That is, complaint handling is not related to renewal behavior, while years of membership, overall satisfaction and games attended are. The results of a cross tabulation by rejoining behavior confirm that there is a systematic association between the variables.

These results were then compared with those of the interstate club (Club B), where a waiting list for tickets existed and every member purchased a reserve seat as part of their STHs. Despite these differences, the results are the same across the two clubs. The comparison in Table 5 shows that the trends found in Club B with the waiting list closely mirror those found in Club A where access was open. That is, despite the waiting list, it is newer members who form the bulk of those not renewing, with 35% of those not renewing being first-year members. Almost counter-intuitively, the six-year wait for season tickets does little to reduce new member churn. Satisfaction again trended in the expected direction, in that while nonrenewers are less satisfied, with a score of 6.9/10 we could not conclude that they are dissatisfied.

Examining the Impact of Tenure and Attendance on Overall STHs' Experiences

Analysis including descriptive, correlation and logistic regression all suggests that years of membership (tenure), games attended and overall satisfaction are the variables most closely related to renewal behavior in the case of both clubs. Knowing that games attended and years of membership directly relate to churn is interesting, yet it does not guide practice aimed at reducing churn. While years of membership cannot be accelerated, higher game attendance can be encouraged, but a range of factors—most out of club control—typically determine how many games someone can attend.

Given that there is a clear difference in renewal behavior, but no overt difference in overall satisfaction levels, nonrenewal remains difficult to explain. One possible explanation is that STH segments are evaluating the membership package differently, and that they fluctuate in the importance or value they place on various aspects of the package.

Table 3 Renewal Rates by Years of Membership

| | Years as member | | | | | | | | | | | | |
	1	2	3	4	5	6	7	8	9	10	11	12+	TOTAL
Did not rejoin	132 (33.3%)	40 (17.5%)	30 (12.6%)	16 (7.5%)	25 (6.8%)	15 (6.1%)	10 (6.0%)	13 (6.3%)	15 (8.4%)	10 (6.4%)	7 (3.8%)	12 (2.5%)	321 (11.1%)
Rejoined	264 (66.7%)	188 (82.5%)	209 (87.4%)	191 (92.5%)	340 (93.2%)	232 (93.9%)	157 (94.0%)	194 (3.7%)	164 (91.6%)	147 (93.4%)	176 (96.2%)	474 (97.5%)	2560 (88.9%)
TOTAL	396	228	239	207	365	247	167	207	179	157	183	486	2881

Table 4 Results of Logistic Regression Analysis With Renewal as Dependent Variable

Predictor	B	S.E.	Wald	df	Sig.	Exp(B)
Games attended	0.156	0.023	45.309	1	0.000	1.169
Years of membership	0.074	0.023	10.023	1	0.002	1.077
Complaint handling	0.066	0.126	0.273	1	0.601	1.068
Overall satisfaction	0.203	0.040	25.557	1	0.000	1.225
Constant	-0.613	0.430	2.035	1	0.154	0.542

Model summary

-2 Log likelihood		Cox & Snell R Square		Nagelkerke R Square	
1283.612		0.080		0.161	

Hosmer and Lemeshow Test

Chi-square		df		Sig.	
21.810		8		0.005	

Table 5   Comparison of Renewing and Non-Renewing STHs Across Two Clubs

		Satisfaction (/10)	Years as member (avg)	Games attended (avg)	First-year members (%)	Members of less than four years (%)
Club A: Noncapac-ity (11% churn) n = 3193	Rejoined	7.5	7.1	5.4	10%	33%
	Lapsed	6.9	3.4	3.1	41%	70%
Club B: Capacity (6% churn) n = 1373	Rejoined	7.7	5.6	10	23%	49%
	Lapsed	6.9	2.1	9	35%	72%

To understand the experience of STHs more thoroughly, and as a final step in this examination, a priori segmentation was undertaken. This involved using K-means clustering to determine if renewers and nonrenewers differed on key variables. A four-segment solution was produced. The results confirmed previous analysis in that this segmentation was primarily based on years of membership and games attended, with each variable divided into two. Games attended was split at the mean (5 games), with those attending more than 5 in one group and those attending 5 or less in another. Years of membership was divided where the renewal descriptives suggested a natural 'break' occurred, at the three-year mark. This division was also supported by club managers who had reported in the preliminary interviews that "if you can keep members for the first two years, they are locked in."

Segmenting the membership based on years of membership and the number of games attended produced four segments ranging in size from 401 to 1,699 members. The bulk of members were those who had been with the club for three years or more and attended 5 games or more a year.

There was little difference in the overall satisfaction ratings of the membership package across the segments, but some differences in the ratings of the various components. Table 6 shows the mean ratings of each group on the main variables investigated, with most differences in satisfaction ratings so small that they are not statistically significant. The positive satisfaction of all segments suggests that club management was doing a good job of serving the STHs, but the massive variation in churn between these segments is of concern. While the overall nonrenewal rate of the Club A sample was only 11.1%, 27% of newer members who attended fewer games did not renew the following year. In contrast, only 5% of established, high attendance members did not renew. If satisfaction is a major driver of future behaviors, as previously posited by Reichheld and Sasser (1990), then the churn rates between segments would not be so pronounced. Clearly other variables are impacting on renewal behavior.

In Table 6, we see statistically significant differences between segments on the mean ratings of various components, such as Ticketing, On-field Performance, and Club Administration. Segments also differ in terms of reported likelihood of renewal and attitudes to club reliability and complaint handling. Common issues, such as trust and pride, were not distinguishing features between segments.

Table 6 Satisfaction Ratings of STH Package Components Across Segments

	Years low Games low		Years high Games low		Years low Games high		Years high Games high	
	Mean	N	Mean	N	Mean	N	Mean	N
Overall, how satisfied are you with the ticketing arrangements provided by the club? *	6.86	284	7.4	284	7.14	343	7.45	1509
Overall, how satisfied are you with the service to members provided by the club?*	8.04	390	7.89	390	7.67	368	7.71	1531
Overall, how satisfied are you with the communications received from the club?	8.37	477	8.33	477	8.19	422	8.21	1697
Overall, how satisfied are you with how well the club performed on-field so far this year? *	5.33	480	5.2	480	5.46	426	5.06	1721
Overall, how satisfied are you with the level of personal involvement you feel with the club?	6.89	394	6.94	394	6.7	379	6.61	1573
Overall, how satisfied are you with the administration of the club?	8.27	397	8.31	397	8	360	8.18	1583
Overall, how satisfied are you with the facilities at this ground (home ground)?	8.5	373	8.46	373	8.68	397	8.48	1645
Taking all of this into account, how satisfied are you overall with your club membership package for the season?	7.35	480	7.55	480	7.32	419	7.47	1713
Again, taking all of this into account, has the club's membership package been above or below what you expected at the start of the season?	6.54	479	6.7	479	6.45	425	6.54	1712
How likely are you to rejoin next year at the same membership level?*	7.89	479	8.44	479	7.66	426	8.63	1717
I am proud to say I belong to this football club (commitment)	9.67	475	9.55	475	9.48	423	9.47	1716
I feel a real sense of belonging to this club (commitment)	8.07	468	8.06	468	7.81	419	7.91	1698
I care about the long-term success of this club (commitment)	9.76	479	9.73	479	9.71	425	9.73	1711
I trust this club to provide me with good membership service (trust)	8.83	473	8.74	473	8.7	422	8.69	1702
The club is reliable in providing services to members* (trust)	8.46	449	8.29	449	8.14	404	8.17	1676
The way any complaints you had were dealt with by the club*	7.87	119	7.18	119	7.03	146	6.98	730

* indicates significant difference ($P = .05$)

A frustration likely to emanate from these findings is that although we know that years of membership and games attended are strongly related to renewal behavior, they are factors that are difficult to influence through managerial action. Members often cannot attend more games due to conflict with family or work commitments, and of course the years of membership cannot be accelerated. That said, by returning to the satisfaction data and understanding what aspects of the STH package each segment is primarily concerned with, we can gain insights into how best to appeal to those who cannot attend more games and to those who do not have long experience as a STH.

Difference in the Drivers of Satisfaction Between STH Segments

Given that the reported level of satisfaction is similar across the four segments, comparisons of the relative importance of various components of the STH packages were then investigated. To do this, regression analysis was conducted for each segment separately, with the beta weights used as a proxy for importance. Given the large minimum cell size, this could be done without concerns about statistical power.

Even though overall satisfaction levels are similar, the ratings of specific components of the STH offerings and the importance of those components in determining overall satisfaction differ substantially. Multiple regression analysis was therefore used to determine the relationship between satisfaction ratings for the individual components of the offerings and ratings for the membership service as a whole. In a regression like the one conducted here, where satisfaction with part of the offering is to be correlated with a measure of overall satisfaction, a degree of multicollinearity can be expected. The data here were therefore inspected for signs of multicollinearity using the two-step process suggested by Hair, Black, Babin, Anderson, and Tatham (2006).

Although there were correlations between these items ranging up to 0.7, inspection of the Variance Inflation Factor (VIF) and Condition Index scores suggested no multicollinearity in these regression results. The results of this analysis are shown in Table 7.

The regression results suggest that the segments evaluate the membership package very differently, and that different aspects of the package are important to each segment. To newer members who attend few games, higher beta weights suggest Ticketing related issues are the main factor influencing ratings of overall satisfaction. Newer members attending more games are primarily focused on Service issues, although the influence of Ticketing, Personal Involvement, and Club Communications are all strong. On-field Performance, often believed to be the main driver of satisfaction among less committed (and newer) sport fans (Funk & James, 2006), is not a significant factor in either of these models.

For established members who attended few games, Service, Ticketing, and Personal Involvement are all strong influences on overall satisfaction. Again, On-field Performance is not a significant element in the model. Finally, established members who attended more games focus on Ticketing and Personal Involvement. This is also the only segment where On-field Performance is a significant driver of overall satisfaction, although its influence is not strong. Perceptions of Club Administration are not a significant driver of overall satisfaction for this segment.

Table 7 Satisfaction ratings of STH package components across segments for Club A

Games Attended	5 or More	B	S.E.	Beta	t	Sig.		B	S.E.	Beta	t	Sig.
	(Constant)	-0.45	0.48		-0.93	0.35	(Constant)	0.22	0.19		1.13	0.26
	Service	0.26	0.06	0.28	4.58	0.00	Service	0.15	0.02	0.17	6.80	0.00
	On-field Performance	0.04	0.04	0.05	1.13	0.26	On-field Performance	0.04	0.01	0.05	2.85	0.00
	Club Administration	0.07	0.06	0.06	1.19	0.23	Club Administration	0.12	0.02	0.10	4.80	0.00
	Home Ground	0.15	0.05	0.12	3.03	0.00	Home Ground	0.13	0.02	0.13	7.14	0.00
	Ticketing	0.14	0.04	0.18	3.81	0.00	Ticketing	0.24	0.02	0.31	14.27	0.00
	Club Communications	0.19	0.06	0.17	2.94	0.00	Club Communications	0.07	0.02	0.07	2.98	0.00
	Personal Involvement	0.16	0.05	0.18	3.42	0.00	Personal Involvement	0.22	0.02	0.26	12.21	0.00
		R	R^2	Adj. R^2	S.E.			R	R^2	Adj. R^2	S.E.	
		0.79	0.62	0.61	1.11			0.81	0.65	0.65	0.97	

$n = 418$ (13.4% of members)—churn rate of segment: 19.5% $n = 1699$ (54.6% of members)—churn rate of segment: 5.2%

(continued)

Table 7 (continued)

YEARS OF MEMBERSHIP

Games Attended (continued)	3 OR LESS	B	S.E.	Beta	t	Sig.	4 OR MORE	B	S.E.	Beta	t	Sig.
4 or Less	(Constant)	-1.34	0.53		-2.54	0.01	(Constant)	0.71	0.45		1.57	0.12
	Service	0.21	0.06	0.21	3.61	0.00	Service	0.20	0.05	0.21	4.06	0.00
	On-field Performance	0.04	0.04	0.04	1.13	0.26	On-field Performance	0.02	0.03	0.02	0.57	0.57
	Club Administration	0.13	0.06	0.10	2.17	0.03	Club Administration	0.00	0.05	0.00	0.00	1.00
	Home Ground	0.22	0.05	0.18	4.55	0.00	Home Ground	0.06	0.04	0.05	1.40	0.16
	Ticketing	0.30	0.04	0.39	7.49	0.00	Ticketing	0.27	0.04	0.34	7.74	0.00
	Club Communications	0.10	0.06	0.08	1.66	0.10	Club Communications	0.15	0.05	0.13	3.10	0.00
	Personal Involvement	0.13	0.05	0.14	2.77	0.01	Personal Involvement	0.20	0.04	0.25	5.56	0.00
		R	R^2	Adj. R^2		S.E.		R	R^2	Adj. R^2		S.E.
		0.84	0.70	0.69		0.98		0.81	0.65	0.64		0.99

$n = 478$ (15.3% of members)—churn rate of segment: 27.0%

$n = 518$ (16.6% of members)—churn rate of segment: 8.9%

3 OR LESS

4 OR MORE

Discussion

Through this study, we sought to add to limited empirical knowledge about satisfaction and renewal within subscription (membership) markets. Although it may seem that converting casual ticket buyers to season ticket holders is a major achievement, the churn rate among first-year members exceeds 33% in the organizations studied here. Given the expense and effort required to recruit those new members, it is disconcerting to see one-third leave the club each year.

Discussions with managers of season ticket-based sport organizations raise the issue that churn results from factors both controllable and uncontrollable to the organization. Uncontrollable factors include changes to work or family structure that reduce time available for sport interests, or geographical relocation that makes season ticket holding impractical. The controllable factors mentioned confirm those typically put forward in past research and theory on churn—service failures including poor complaint handling, on-field performance variations, and low barriers to exit. As such, it was established that despite the sport industry having some very unique aspects, of which on-field performance is the most obvious example, the causes of churn in the sport environment are similar to other industries (East et al., 2007). Knowing this allows us to learn from the best practices in other industries, and move further away from the view that it is solely winning that determines a sport organization's overall success (DeSchriver & Jensen, 2003).

Given that uncontrollable factors are by nature unmanageable, the focus of this study was on the impact of the controllable events on churn rates. Our initial examination of the membership base of one large sport organization showed that retention rates are significantly related to years of membership and the number of games attended. This finding is significant given that this organization, like many of its type, does not tailor its membership product for different segments. Satisfaction only has a weak positive correlation with renewal, but complaint handling is not an influencing factor.

Ratings of the on-field performance of the club are almost identical between those who renewed and those who did not. This confirms past research showing that on-field performance has only a moderate to low influence on member satisfaction (McDonald & Shaw, 2005), and goes further to show there is no link between perceptions of on-field performance and actual rejoining behavior.

The churn rates observed in both clubs show that behavioral loyalty cannot be assumed when fans first transition from casual attendees to STHs. While the act of subscribing has previously been seen as evidence of long-term loyalty (Garbarino & Johnson 1999), the findings here are that it is more appropriately viewed as the beginning of a different type of relationship. One-third of new STHs in our sample did not renew, indicating that for many, little loyalty had developed in their first year of membership.

The data on churn by years of membership suggest that it took at least three years of consecutive STH status for churn rates to decline to a level we might assume is more in line with the uncontrollable rate. This is a crucial finding to this discussion, as for the first time we are able to quantify that a new STH must be considered at significant risk of churning at least until they begin their fourth membership year.

The results suggest one of two scenarios is occurring. Either, over the course of three to four years those susceptible to churn do indeed drop off, leaving behind only those who are committed long-term. Alternatively, every individual purchases a season ticket with the same probability of not renewing each year, but over the course of a few years loyalty develops in some patrons, leading them to renew consistently.

Behavioral and psychological loyalty are theorized to occur as outcomes of the accumulation of satisfactory experiences during service interactions (Buttle, 1996), but very little research has sought to track the process by which the accumulation of experiences is converted to loyalty. The managers interviewed in this research certainly hoped that the experience of being a STH is strong enough to bring about the development of behavioral loyalty, rather than it simply being a matter of an innate predisposition to renew or churn.

To determine whether the STH's experience changes and develops over time, we needed to look beyond overall satisfaction ratings, to examine the specific elements of the STH package that had the greatest influence on STHs' satisfaction for various segments. Athanassopoulos (2000) found in his study of the retail banking sector that satisfaction data, when examined at an aggregate level, could mask many variations that exist between distinct customer groupings. Our study supports this finding, specifically in a STH context. By dividing the STHs into four segments based on the number of games attended and the years of membership, clear differences in the importance of the various aspects of season ticket package are noted. Churn rates also vary widely across these segments.

What is more surprising here is that unlike the banking products examined in the Athanassopoulos's (2000) study, the product on offer is much more uniform. It would appear from our data that many members are buying a game day membership package, but not for the game entry alone. Selling a minimum 11-game home entry package to fans who attend around five games on average may always result in high churn if low attending members question its value against casual attendance. Here we see that new, low attending members churn at a rate over five times that of long-term, frequent attendees, but attendance may be a symptom rather than the cause of churn.

Unexpectedly, it was found that even members who do not attend many games still base much of their overall satisfaction assessment on ticketing, home ground facilities and service issues. It seems that the tangible aspects of the package, such as speed of ticket delivery and quick response to queries, is something all members scrutinize, particularly the segment that is new and has had relatively low contact with the club. Feelings of involvement and identification are strong influences on satisfaction across the other segments, confirming past research findings (Bhattacharya, Rao, & Glynn, 1995). Those who attend frequently, or have been a STH for a long period, appear to value the connection they form with the club highly. Whereas the tangible aspects of the STH package (facilities, communications) are readily accessible to casual attendees, the higher degree of involvement felt by STHs is not easily replicated. Perhaps it is the fact that many members focus on this heightened (and otherwise unavailable) feeling of involvement, as a critical determinant of their satisfaction with the season ticket, which discourages them from churning.

McDonald and Stavros (2007) showed that up to 44% of sport club members cite "to make a financial donation to the club" as their primary reason for joining as a member. To these members, attendance may have no bearing on renewal behavior, provided the STH package satisfies their desire to support the club financially in an efficient manner. The motivations of STHs for taking up the package would therefore be a worthwhile inclusion in future studies of retention behavior.

Two other surprising results require further thought/research. It may be something of a shock to find that communications play such a small role in determining overall member satisfaction (averaging around 10%), given that we would hope communications build the sense of involvement. Communication is an element that clubs do in a uniformly competent manner, as reflected in the high ratings across all clubs. However, in qualitative discussions with members, the content of club communications are often criticized for being overly corporate and containing information that is either widely available elsewhere or out-of-date. Members often wish for more of a behind-the-scenes perspective in club communications, or a more passionate ('one-eyed') voice from the club. Technical issues relating to member rights and procedures often lead members to contact the club directly or view FAQ sections of websites, rather than consult membership manuals or newsletters.

Similarly, it was unexpected to see that new members of Club B, which had a waiting list for tickets, still churn in large numbers. One possible explanation for this was the club's practice of allocating new tickets to existing members seeking upgrades, before they offer seats to new members. This means, in practical terms, that new members are typically offered the worst seats in the stadium. The disappointment of receiving such seats after a six-year wait may therefore explain the high churn. Management of the expectations of those on the wait list is therefore vital, as these new members are clearly vulnerable to churn and require different treatment than longer term STHs.

Managerial Implications

In many ways, the finding that years of membership and number of games attended are the major correlates with renewal is intuitive, but unhelpful. Most managers would already understand that a recently joined member is at greater risk of churning than one who has been with the club for years (even though it is surprising that this happens where wait lists exist). Similarly, it seems obvious that those using the season-ticket regularly to attend games are more likely to see value in the product and have greater connection to both club and other supporters, and thus rejoin. While it is useful to have empirical evidence to support these managerial intuitions, the problem remains that both of these variables are difficult to influence.

Therefore, the real value of this study data are in the insights it gives into the differences between those who churn and those who do not, and how managers might best influence the transition from at risk to 'rusted on' STHs. The end of the first year is clearly critical, as this is when the greatest churn occurs, but there is also strong argument for treating STHs as being at risk until they enter their fourth year. It would therefore be interesting to consider what happens to a STH over this time, assuming that behavioral loyalty develops.

The responses of the rusted on, four-year plus members suggest that the main difference is that they value intangible components of the season ticket package,

such as feeling personally involved, much more than newer members. This may be the key to reducing controllable churn. If sport organizations are able to build a strong sense of community among their new STHs, and reinforce the value of these STHs to the club's wellbeing and success, then they may be able to shift the focus of even low attending STHs. The more a STH feels like an integral part of the club, and the less he/she examines the tangible aspects of the product in a cost/benefit trade-off, the more likely he/she is to be retained.

Building this sense of personal involvement among new STHs is not easy, although theory is rapidly developing on how to build allegiance (e.g., Funk & James, 2001, 2006). Actions including STHs' induction sessions, ensuring reserved seat holders are introduced to those around them, personalizing all communications, and recognizing the contributions STHs make to clubs' success by linking funds or attendance directly to tangible outcomes like facility improvements or match atmosphere, are all likely to help.

In this study, trust is consistently high among the STHs examined (Table 6), so it is clear that new STHs bring with them views formed as casual attendees or distant supporters. Since many clubs do not have wait lists for season tickets, casual attendance can mimic STHs' ticketing options, but it should not mimic the involving experience of being a 'part' of the club. In this sense, offering reduced game season ticket packages is not sound, as they run the risk of encouraging low attending STHs to down-grade (hurting revenue) and they further blur the boundaries between casual fans and committed STHs. Regardless of games attended, STHs' experience should be far more involving than casual attendance. Limiting casual access to important club communications, and establishing members-only events, website content, and services, is vital to ensuring there is sufficient differentiation between the casual attendance experience and a STH experience. Doing so erects barriers to STHs exiting, which should reduce churn.

In light of these findings, questions are raised about the effectiveness of the most commonly employed managerial tool to increase attendance and retention rates—loyalty programs. Almost all large sport organizations in the United States and Europe have recently experimented with loyalty programs, many unsuccessfully (e.g., 'thinkblue', the LA Dodgers scheme, lasted only two years). These typically take the form of rewarding fans for ticket and merchandise purchases, or directly for game attendance. Rewards include tickets to finals or away games, signed merchandise, and discounts on goods and services. Loyalty programs have been criticized for mainly rewarding already loyal customers, and often having little impact on the behavior of the groups they are targeting, such as low attendees (Uncles, Dowling, & Hammond, 2003). Low attending members often have good reasons for not being able to attend, such as work or family commitments (McDonald & Stavros, 2007), which a loyalty scheme cannot address. Similarly the practice of offering low-game packages Therefore, rather than attempting to drive a change in behavior, such as attendance, building strong attitudinal loyalty through personal involvement may instead lead to improved retention.

In conclusion, the findings of this empirical investigation into causes of churn among STHs of two professional sport organizations show that the view that STHs' satisfaction is the main driver of churn is simplistic. While initially, new STHs may focus on tangible, easy to assess aspects, these components do not differ much from what they would have experienced as casual ticket buyers. As STHs

become more familiar with the organization, they shift their focus from tangible service delivery to how well they are made to feel part of the club. This is an area where clubs have scope to differentiate STHs from other fans, ensuring they have a much more involving experience. STHs who recognize involvement as being a key determinant of their satisfaction with the product are far less likely to churn. Therefore, efforts to ensure new members know that season tickets are the best way to become more involved with the club, and then working to foster those feelings soon after they become STHs, are likely to be the practices most effective in reducing controllable churn.

Note

1. This may lead them to think STHs are getting better value from their membership than they are, and thus clubs may choose not to correct STHs' perceptions.

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