

The Fan Experience

Changing the Game with Food and Beverage Technology

ORACLE



45%

of fans had abandoned concession lines at least once in the past 12 months without making a food/ beverage purchase because the wait was too long.

64%

of fans who said they would “probably use” or “definitely use” in-seat ordering if available at their stadium (non-users).

65%

of fans who acknowledged that buying food & beverage is based on “impulse.”

30 Minutes US, 18 Minutes International

Amount of total time at an event the average fan has spent in line at concession stands.

51%

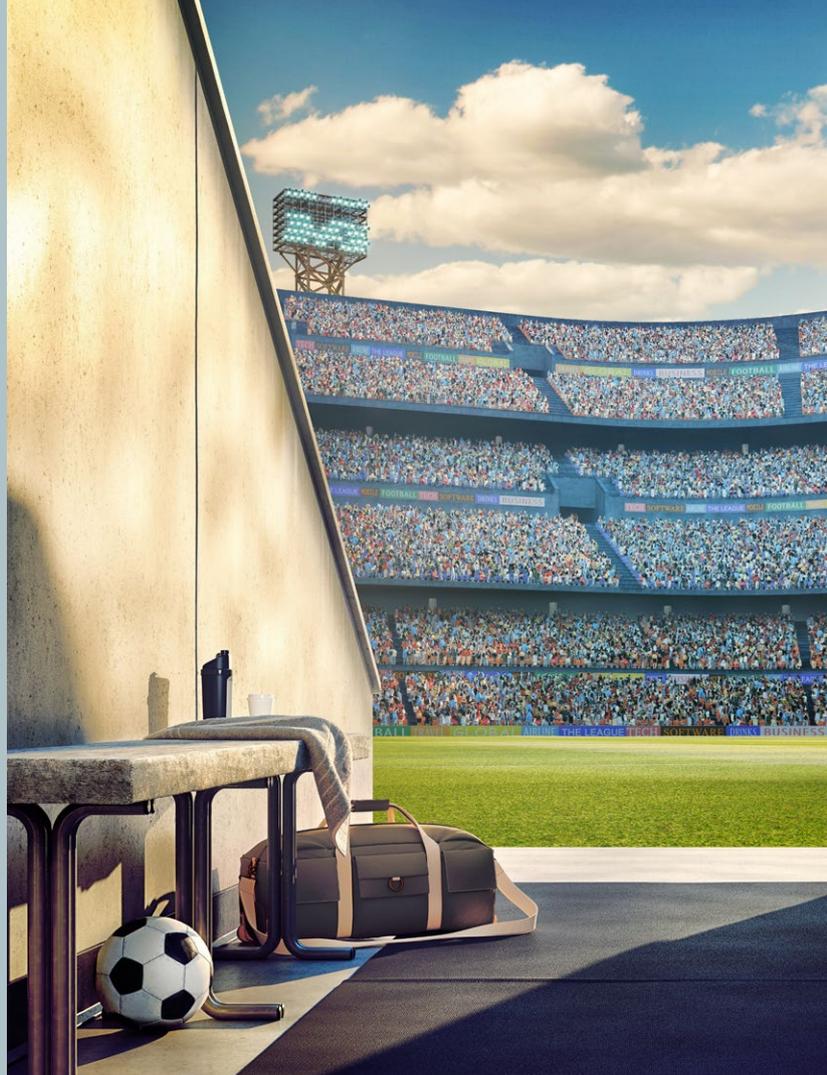
of fans indicated they attend matches to support an individual team or club; 49% indicated attending sporting events is a fun, social activity with friends or family.

56%

of fans who said they would “probably use” or “definitely use” a mobile app to order and pre-pay for food or beverages to be picked up at an express line.

\$20

Amount that US fans, on average, said they would spend additionally for food & beverage if wait times were cut in half. **That represents a 42% increase in typical expenditure (per party, per game).**



AT A GLANCE

Stadium operators are all too aware that for all of the exciting moments they deliver, getting fans in the seats is becoming exponentially challenging. After all, it’s difficult to compete with super-sized TVs that allow fans to get closer to the action – without ever leaving the comforts of their homes. In many cases, industry leaders have tried to counter by going big – installing larger screens, staging bigger entertainment, building bigger luxury suites.



67%

of fans said they do not currently own a season ticket or membership plan for an individual team.

71%

of season ticket holders stated they make F&B purchases at most games.

55% for food,
53% for beverage

of infrequent purchasers who said cost deters them from purchasing more food and beverage respectively.

20%

of fans who stated they are a member of a stadium or team's loyalty rewards program.

25%

of fans had downloaded a mobile app from a specific team or venue.

METHODOLOGY

As part of our commitment to helping venue operators deliver exceptional guest experiences through technology, Oracle Food and Beverage commissioned this exciting research study, **"The Fan Experience: Changing the Game with Food and Beverage."** The report surveys fans worldwide to uncover their needs and, most importantly, identifies solutions that would trigger their return to arenas and spark sales.

What the research uncovered: At its essence, the fan experience is defined by a kinship with favorite teams and fellow fans. Technology that strengthens such bonds – from in-seat ordering that ensures fans won't miss game action to loyalty programs that reward their support – is a must. But the key isn't just deploying technology; it's ensuring better service that makes the inimitable fan experience even richer.

In order to qualify for the survey, fans needed to meet all of the following criteria:

- Avid fan of the respective sport
- Attended at least one live sporting event of the respective sport in the last 12 months
- Age: 18-65

United States:	1,511 Total
	303, NBA/NHL
	304, MLB
	294, MLS or professional soccer
	306, NCAA Football
	304, NFL
Australia:	294, Australian Rules Football
Brazil:	282, Football
China:	303, Football
France:	289, Football
Germany:	289, Football
Japan:	282, Football
United Kingdom:	297, Football
International:	2,036 Total



I. IMPORTANCE OF FOOD & BEVERAGE

EXPERT OPINION:

“Clearly, the role of F&B is, and will continue to be, central to the overall fan experience. Quality, cost and speed of service are at the core.”

– Marty Conway,
professor, Georgetown
University Sports
Industry
Management
program

The number of factors that constitute and, ultimately, shape the fan experience are varying and many. Among them: venue safety and security, seating quality, luxury services, technology offerings (such as video boards), entertainment, and food and beverage.

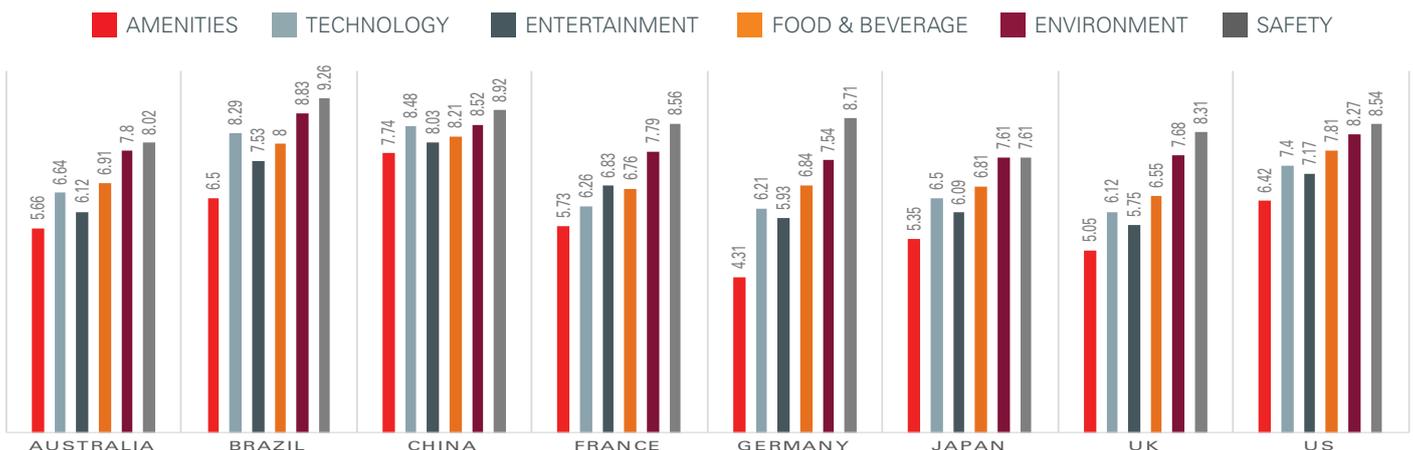
When fans were asked to rate the aspects that were most important (on a scale of 1 to 10), overall venue environment and safety topped the list. Considering the faint appeal of dilapidated buildings and security incidents that make headlines all too frequently of late, such findings come as no surprise.

But at a time when venue operators spend exorbitantly on video boards nearly as big as the stadium itself or stage entertainment extravaganzas for pre-game introductions, the survey highlighted an asset that often is overlooked: the food and beverage experience.

Indeed, after safety and environment, on average, both US and International fans ranked food and beverage as their most important element of the fan experience ahead of entertainment, technology and amenities.

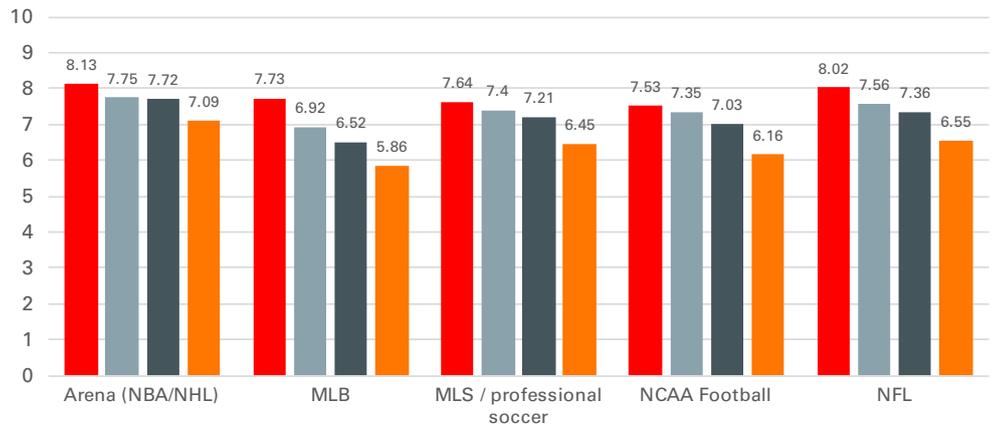
RANKING OF FAN EXPERIENCE ELEMENTS BY IMPORTANCE

RATINGS BY FANS ON 1-10 SCALE

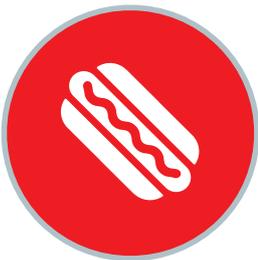


RANKING OF AVERAGE IMPORTANCE TO FAN EXPERIENCE IN US SPORTS

FOOD & BEVERAGE TECHNOLOGY ENTERTAINMENT AMENITIES



Perhaps, most telling, when fans were given a hypothetical budget to enhance their experience, nearly all fans decided to allocate more funding toward improving food and beverage issues than enhancing venue technology or entertainment.

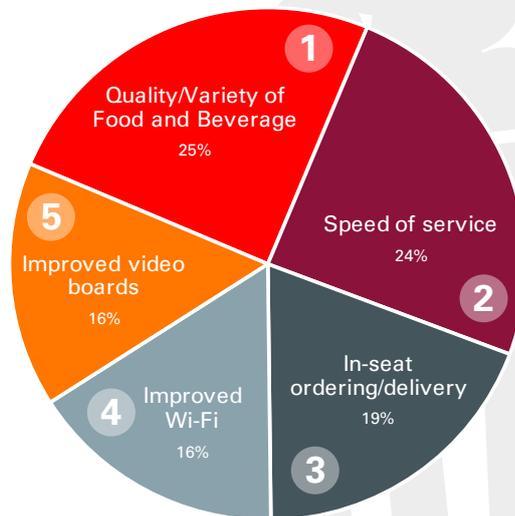


USING A BUDGET TO IMPROVE FAN EXPERIENCE, ON AVERAGE, FANS WOULD DEVOTE 43% OF IT TO IMPROVING F&B DELIVERY

SURVEY QUESTION:

Please assume that you have control over a budget prepared to be spent on improving the fan experience at your local venues hosting [SPORT] games. What percentage of the budget would you allocate to improving each of the following?

IDENTICAL RESULTS IN THE US AND ABROAD



43%

Sports fans across the board resoundingly voted to address their hunger and thirst: Fans around the world produced a synonymous ranking of priority improvements – with the top three choices all related to food and beverage.

Although venue operators are spending more than ever to win over fans, it's possible they're targeting the wrong initiatives. Though extravagant amenities may have appeal, our findings underscore that overlooking staples of the stadium experience – eating and drinking – can be costly. Food and beverage represent a revenue opportunity worth another look.



II. SPEED OF SERVICE

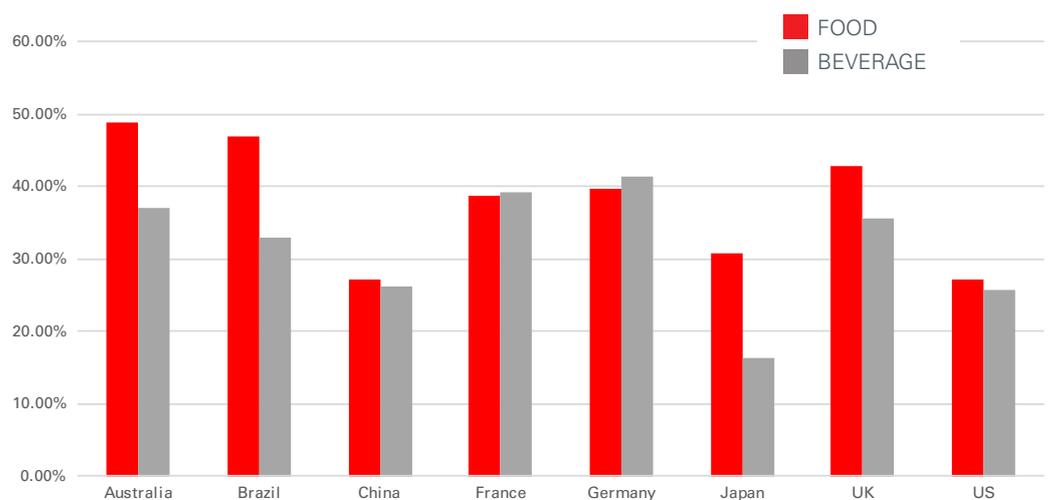
In a nutshell, slow service – or even the perception of it – deters more food and beverage purchases and prevents some from even approaching concession stands. But it's important to note that fixing this issue promises direct rewards for venue operators.



In the markets surveyed, 36% of fans, who infrequently or never make purchases, blamed speed of service for their reluctance to buy food. In Australia, Brazil and United Kingdom, the problem was most pervasive with more than 40% expressing frustration with slow service to buy food.

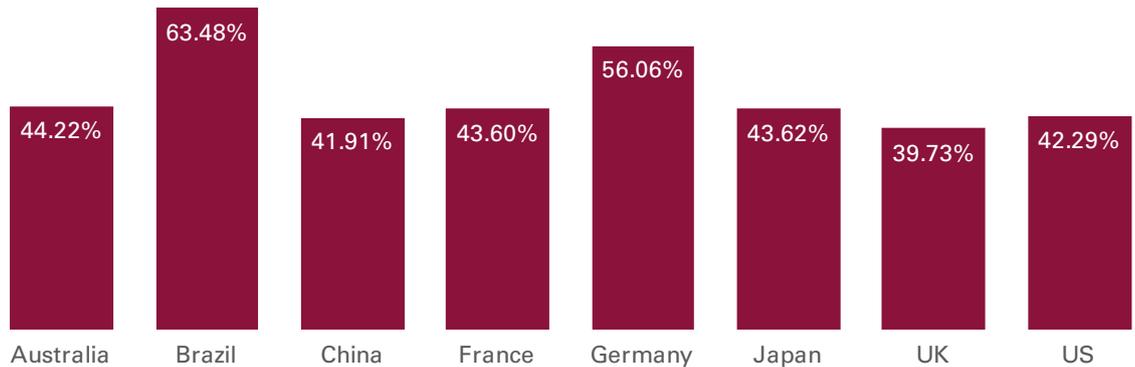
% SPEED OF SERVICE PREVENTS FROM PURCHASING MORE FOOD & BEVERAGE

Breakdown by country of fans who rarely buy food/beverage that don't make food and beverage purchases because of slow service



But the most troubling finding – and glaring loss of revenue – emerged among fans’ discontent. Asked if they had given up buying food or beverages in the past 12 months because lines were excessive, 42% of US fans answered “yes”, with International fans responding even higher at 47%. The worst cases: More than 60% in Brazil and 50% in Germany reported abandoning lines without making a purchase.

GAVE UP ON MAKING FOOD & BEVERAGE PURCHASE DUE TO LONG LINES



45% OF FANS SAID THEY ABANDONED LONG CONCESSION LINES – WITHOUT MAKING FOOD/BEVERAGE PURCHASES – WITHIN THE PAST 12 MONTHS.

As disconcerting as these results may be, venue operators can take some relief that our study also validated that fans will spend more if their food and beverage experience improves. Nothing illustrates this point more than the correlation between reduced wait times and improved sales.

OPPORTUNITY TO INCREASE REVENUE BY REDUCING CONCESSIONS WAIT TIMES

It’s evident that allowing fans to keep an eye on the action and spend time with friends and family are keys to a rich fan experience.

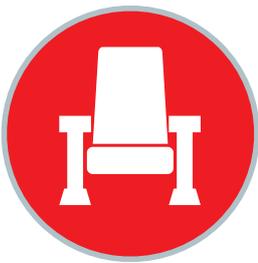
Fortunately, venue operators can pursue several avenues to make that possible.

	Average Spend at Concessions	Increase in Spend if Wait Time Cut in Half	Potential Increase in Fan Spend
Australia	\$32.41	\$13.59	41.93%
Brazil	R\$48.76	R\$ 24.13	49.49%
China	¥56.83	¥24.53	43.16%
France	€18.62	€9.38	50.38%
Germany	€20.42	€10.78	52.79%
Japan	¥2,195.04	¥670.04	30.53%
UK	£13.69	£6.10	44.56%
US	\$47.31	\$19.67	41.57%



III. IN-SEAT ORDERING

Considering the significant time fans spend waiting in line – and away from the game – to make food and beverage purchases, it’s no surprise that the appeal of in-seat mobile ordering is great. But the disparity between current supply and demand underscores the tremendous revenue potential of mobile apps that facilitate order delivery to fans’ seats.



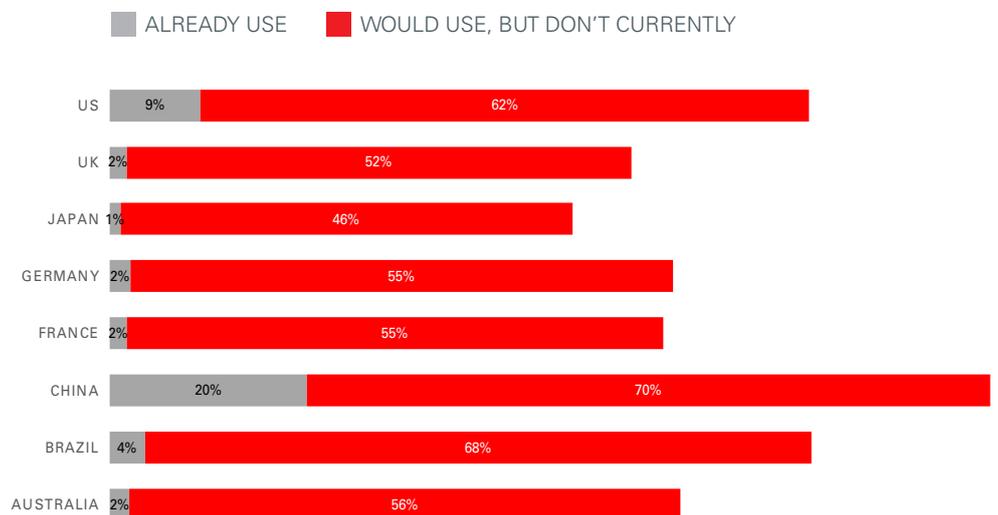
Don't want to miss the game

Fans also made it emphatically clear why mobile in-seat ordering is an attractive option: They wouldn't have to miss game action. Indeed, 60% of Germans said they couldn't bear the thought of missing crucial plays, which prevented them from making more food and beverage purchases.

Interest vs. Current Use

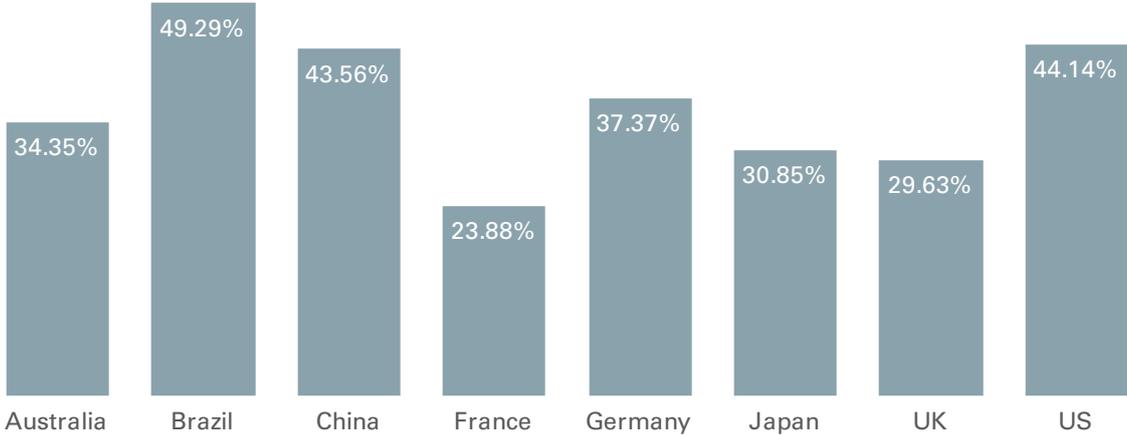
Only 6.65% of fans in the surveyed countries said they were currently using in-seat ordering – most likely due to the combination of its limited availability and awareness to fans. In nearly all cases, however, an overwhelming majority of fans reported interest in using the technology. Leading the way, fans in China (approx. 70%), Brazil (less than 70%) and the US (more than 60%) said they would “probably use” or “definitely use” in-seat ordering if given the opportunity.

FEW FANS ARE ALREADY USING IN-SEAT ORDERING



In an era of individualization, customers are increasingly expecting, if not demanding, exceptional service. In-seat, mobile ordering perfectly addresses those needs – by creating a more engaging stadium visit and simultaneously eliminating an age-old frustration. But it is just one of many steps venue operators can take to win fan loyalty.

% OF FANS WHO DID NOT BUY FOOD OR BEVERAGE IN LAST 12 MONTHS DUE TO NOT WANTING TO MISS GAME



EXPERT OPINION:

“From a global investment perspective, the research confirms an enormous opportunity in key regions of the sports world to satisfy fans’ expectations for the food and beverage experience as well as a return on that investment for clubs and venues.”

– Marty Conway, professor,
Georgetown University Sports Industry Management program

40% OF FANS SAID MISSING GAME PREVENTS MAKING MORE F&B PURCHASES.



IV. LOYALTY REWARDS

Building brands that truly resonate with fans is the surest way to keep them coming back. And loyalty reward programs are useful tools to help with such efforts. But which types of programs work best, and how effectively have stadiums and teams marketed their initiatives?



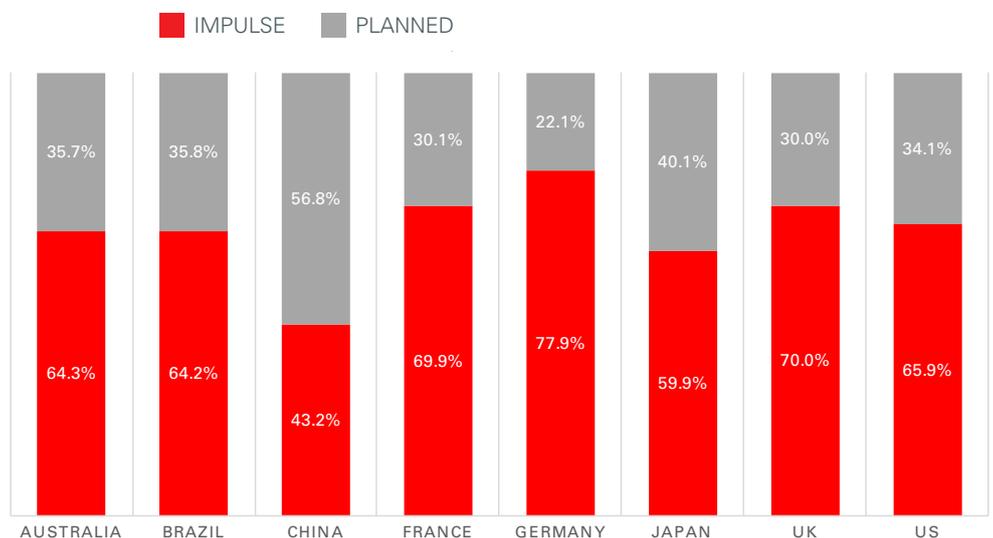
Australia fan feedback

They should put more vendors who roam around the stadium so people don't need to queue. They should give more benefits to those that have loyalty card.

Impulse F&B Decisions Are the Norm

Findings from our study clearly show there is much work to be done in this arena. But it's an investment of time and resources that's likely to prove rewarding. The reason? Loyalty programs can offer targeted offers/discounts that can influence fans – roughly two-thirds of who readily acknowledge that they make food and beverage purchases “on impulse.” Driving such sales, especially late in a game to sell remaining inventory, has the two-fold benefit of boosting revenue and eliminating waste.

DECISION TO PURCHASE ON IMPULSE



Loyalty Membership is Rather Ambiguous

When asked if their favorite team or club offers a loyalty program for food and beverage purchases, fans in most countries said loyalty programs were not available or they weren't aware of their existence.



46% of US and 36% of international fans would find a reward or incentive for buying F&B very appealing (such as \$5 gift card to a local store)

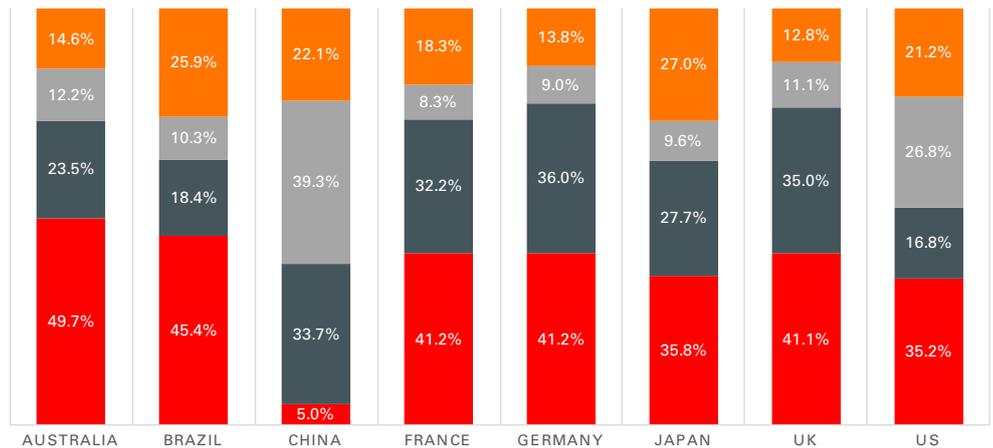
EXPERT OPINION:

“Fans measure the experience with loyalty, rewards and mobile programs not against other venues, rather against their everyday consumer behaviors. Teams and venues need to meet their fans at the level which they have come to expect in daily interactions.”

– Marty Conway,
professor, Georgetown
University Sports
Industry
Management
program

LOYALTY PROGRAM MEMBERSHIP

■ DON'T KNOW ■ NO LOYALTY PROGRAM ■ MEMBER ■ AWARE, BUT NOT A MEMBER



Most Appealing Reward Types

In an effort to gauge the types of rewards/incentives fans would find most appealing, the study asked survey participants to rank a variety of options. In 6 of the 8 countries surveyed, fans cited their preferences in the following order (Brazil and China flipped the first two options):

1. Receive 10% discount on every purchase for being a loyalty member
2. Accrue reward points to be applied toward the purchase of tickets, merchandise, VIP experiences or food and beverage
3. Express lines at food kiosks for loyalty members
4. Receive every 10th drink for free

Sponsor Rewards

Our findings also revealed opportunities for venue operators to involve third-party vendors or sponsors in their loyalty initiatives. For example, fans were asked if they would be interested in receiving a credit or a gift card to an external vendor as a reward for making a food or beverage purchase.

In almost all markets surveyed, more than a majority of fans responded in the affirmative saying they found such offers to be “moderately, very or extremely” appealing. (Japan was the only country where less than 50 percent of fans expressed interest.)



V. MOBILE TECHNOLOGY TRENDS

In addition to exploring the role technology can play in enhancing food & beverage, our study examined its impact on other facets of stadium activity.



Social Media Consumption

In most of the countries surveyed, more than 70% of fans said they used at least one social media platform – Facebook was the most popular choice – during a sporting event.

8-IN-10 FANS USE SOCIAL MEDIA WHILE ATTENDING GAMES

FANS IN ALL COUNTRIES WERE PROVIDED THE FOLLOWING LIST OF SOCIAL MEDIA PLATFORMS AND ASKED TO SELECT ALL OF THOSE THEY USE DURING A SPORTING EVENT:

- FACEBOOK
- INSTAGRAM
- LINKEDIN
- QZONE
- SNAPCHAT
- TENCENT
- TUMBLR
- TWITTER
- VINE
- WECHAT
- WHATSAPP

COUNTRY	TOP PLATFORM	% SELECTING TOP	% SELECTING AT LEAST ONE
Australia	Facebook	53.06%	67.01%
Brazil	WhatsApp	83.69%	94.33%
China	WeChat	79.87%	99.01%
France	Facebook	56.06%	70.93%
Germany	WhatsApp	58.82%	79.24%
Japan	Twitter	46.81%	70.92%
UK	Facebook	55.22%	68.35%
US	Facebook	67.17%	81.27%

TOP 5 SOCIAL MEDIA PLATFORMS FOR ALL FANS

- 1) FACEBOOK
- 2) TWITTER
- 3) INSTAGRAM
- 4) WHATS APP
- 5) SNAPCHAT

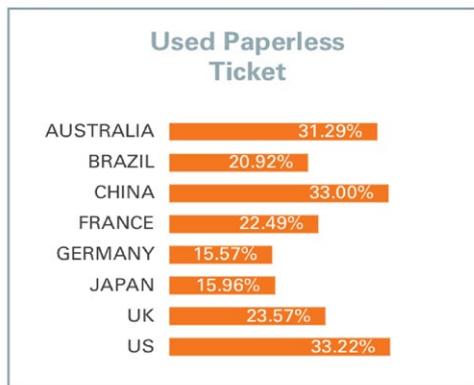
Venue Apps, Loaded Tickets and Paperless Tickets

While it is clear that social media consumption during a game is virtually inevitable for fans, other increasing technology trends at stadiums do not appear to be as widely used by fans at the moment.

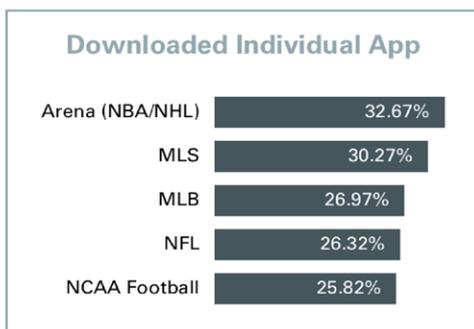
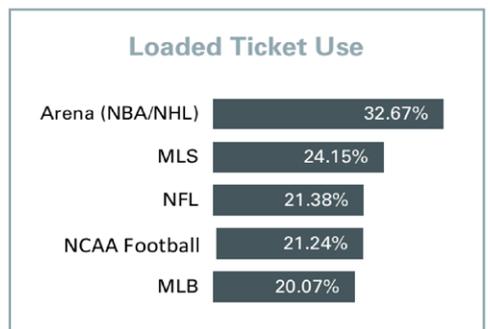
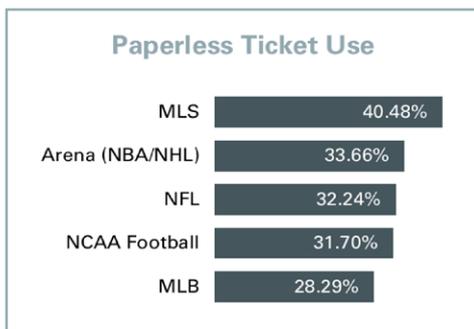
USE OF OTHER VENUE TECHNOLOGIES



Looking specifically at loaded tickets, limited availability or promotion to fans likely explains the lack of use even though demand is clearly present. 64% US, 55% International fans said they would definitely or probably use technologies such as loaded tickets



BREAKOUT BY US SPORTS





Gaining insight is the first step toward meaningful action, whether fixing a problem or improving a process.

Though these problems are significant, food and beverage operators are finding an ally in Oracle Food and Beverage to resolve them.

CONCLUSION

Technology powers stadiums in countless ways, but its capacity to enhance a staple of the fan experience – buying food and beverage – is underutilized. Improving concessions demands the attention of venue operators because it represents “low-hanging fruit” to boost sales and engage fans. Some key takeaways:

- 1. Don't underestimate the importance of satiating fans' hunger and thirst.** Across the world, fans almost unanimously place food and beverage ahead of entertainment, technology and amenities when ranking the elements that are most important to the quality of their fan experience.
- 2. The two biggest culprits for derailing food and beverage sales are slow service and fear of missing game action.** Even the perception of lengthy waits at concessions will rob sales: 45% of fans said they had given up buying food or beverages at least once in the past 12 months because lines were too long.
- 3. Fixing issues such as long waits lead to a direct ROI.** Not only do fans acknowledge that food and beverage purchases usually are made “on impulse” – meaning they can be readily influenced – they spend more if their food and beverage experience improves. Keep in mind fans in all countries said they would spend at least 30% more, on average, if wait times were cut in half.
- 4. Mobile technology to improve ordering, payment and delivering loyalty programs is a promising path to greater sales.** Though such options are used sparingly now, fans report great interest in them.



ORACLE® Food and Beverage

For more information, please visit
our website
www.oracle.com/food-beverage



ORACLE FOOD AND BEVERAGE SPORTS & ENTERTAINMENT SOLUTIONS

Oracle Food and Beverage brings 35 years of experience providing industry-leading technology solutions to sports and entertainment venues worldwide. The company's point-of-sale platform is the premier food and beverage management solution, enabling operators to deliver an efficient and innovative fan experience throughout their venue. Key features include: inventory management, loyalty rewards, third-party integrations for in-seat ordering, and more.

Additionally, robust Oracle MICROS hardware is specifically designed and built to withstand the rugged sports and entertainment environment. Options include fixed point-of-sale devices, such as the Workstation 6 Series, the 310 Compact Workstation, and the 700 Series tablets. Oracle Food and Beverage has the solutions to meet your venue's needs.

TURNKEY INTELLIGENCE



Founded in 1996, Turnkey Intelligence is the foremost market research provider in the fields of sports, live entertainment, and partnership marketing. Our clients include major professional sports leagues such as the NFL and NBA; 50+ professional sports teams across the five major U.S. leagues; professional sports venues; and sponsor/brand companies.



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Please contact us:

oracle-foodandbev_ww@oracle.com

www.oracle.com/food-beverage

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