

# SPORT & Entertainment REVIEW

Volume 4, Issue 2, June 2018



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**Paying the Price: Examining Consumer Response to Pricing Strategy**

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# Paying the Price: Examining Consumer Response to Pricing Strategy

Stephen Shapiro, *University of South Carolina* and Joris Drayer, *Temple University*

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In early 2018, excitement was high as the NFL's Philadelphia Eagles defeated the Atlanta Falcons to advance to the NFC Championship game. The Eagles would be hosting the game for the first time since 2004, further magnifying interest in attending this game. Fans preparing to purchase tickets online from the Eagles at 10 a.m. sharp (six days before the game) were quickly reminded about the reality of ticket sales for high-demand sporting events; they were too late. Tickets on the primary market sold out in 60 seconds, leaving fans no choice but to purchase tickets on the secondary market for premium prices, more than double the face value.

This is just one example of consumer frustration regarding tickets to the most popular sport and entertainment events. However, these examples do not necessarily tell the complete story. Approximately 40% of tickets are sold at or below face value on the secondary ticket market, as not all events are in high demand. Additionally, sport organizations and primary market ticket distributors have attempted to develop strategies such as holding back tickets or creating a verified fan platform in an effort to give fans access to high demand events without paying resale premiums. These efforts have received mixed reviews from consumers. Subsequently, there is a need to understand consumer response to the constantly evolving market for sport and entertainment tickets, and the strategic initiatives implemented by organizations to enhance revenue and control the narrative of distribution in an industry that has a history of legitimacy issues. In 2016, we conducted an examination of consumer perception of fairness regarding ticket price fluctuations within the context of a Major League Baseball game. We found that consumers perceived the secondary ticket market as less fair even when increases in price were the same (resale premium vs. increase based on dynamic pricing). These findings provided evidence that a negative perception of secondary market practices still exists. This is one example of the research we have conducted

to better understand consumer perceptions regarding ticket pricing and purchase options in a complex setting. Over the last decade, we have developed a scholarly agenda focusing on understanding consumer response to ticket pricing strategy in a dynamic environment. Yet, we have only scratched the surface in our understanding of consumer attitudes and behaviors as the ticket market continues to advance.

Sport ticket pricing has evolved substantially with the proliferation of the secondary ticket market and the development of new technologies to distribute and transfer tickets. In recent years, sport organizations have begun to adopt pricing strategies that reflect a new age of ticketing, and to confront the issues related to arbitrage opportunities, where brokers profit from underpriced tickets in the marketplace. These strategies involve understanding inventory in a two-market system and developing pricing mechanisms that better reflect demand for an event at a given time period. Methods such as variable ticket pricing (VTP) and dynamic ticket pricing (DTP) are more commonly used throughout the sport landscape. However, our understanding of consumer response to these strategies is still in its infancy.

Research has focused on two broad areas in relation to ticket pricing: 1) price setting and optimization and 2) consumer response to ticketing and pricing strategies. As Courty's article in *Sport & Entertainment Review* in 2014 demonstrated, research on pricing setting trends is vital, but consumer response to these trends provides an understanding of how the ticket landscape will evolve in the future. This is why we focused a significant portion of our research agenda on pricing and consumer behavior. Our research can be categorized into organizational, attitudinal, and resale-market driven studies. Our organizational studies have focused on the theory behind demand-based pricing, such as revenue management, whether consumers understand these strategies, and how consumers react to pricing under certain conditions.

The organizational work has led to empirical studies examining consumer attitudes toward overall familiarity with demand-based pricing, and attitudinal influences on purchase behavior. Our work has roots in behavioral economics, where consumer decisions are explained by attitudinal factors, and these factors may be influenced dramatically by subtle changes in the offers provided. For example, our research in 2011 identified that the printed face value on a ticket can dramatically alter perceptions of the offer and intention to purchase a ticket.

Perhaps the most unique element of the sport and entertainment ticket landscape as it relates to pricing is the secondary ticket market. In this open market, prices fluctuate dramatically and consumers are flooded with a variety of choices. Our research has shown that consumers often behave irrationally, as various predispositions, such as previous ticket purchasing experience and strength of team affinity can dramatically affect responses to a particular offer. Therefore,

we focused on consumer response to pricing in a two-market system and other dimensions of the purchase experience in this constantly evolving resale marketplace. Based on this research, we identified five consumer-based ticket pricing and distribution strategies for sport managers.

1. Communicate clear and concise pricing and distribution strategies.
2. Embrace the secondary market like consumers already have.
3. Communicate time and search options to consumers.
4. Present fair and equitable pricing options; they matter.
5. Capitalize on the integration of primary and secondary markets.

In the following sections we explain how our research has led to these strategies, how sport managers can use this research to inform their strategic initiatives, and the future direction of this important area of scholarly work.

## **Communicate Clear and Concise Pricing and Distribution Strategies**

In this new age of ticketing with a two-market system and multiple methods for distribution, it is not surprising that consumers might not understand the process, their options as a consumer, or how ticket prices can fluctuate leading up to an event. In general, a lack of understanding leads to negative perceptions. Additionally, most, if not all, of the public backlash regarding tickets stems from lack of availability and price premiums. Consumers are generally not complaining about too much inventory or price cuts. So sport organizations and ticket distributors (in both markets) must understand that consumers are trying to secure as much value in a purchase as possible at the lowest cost. Naturally, consumers will be unhappy with low availability and higher prices, even if it's economically justified. This is extremely important, given the perception of a price change can have a larger impact than the price change itself (Heda, Mewborn, & Caine, 2017). One way to deal with this issue is to communicate ticket availability and price fluctuations appropriately.

We conducted a unique study with New York Mets fans to investigate how information regarding price fluctuations in multiple markets might affect perceived value and purchase intentions. What was unique about this study was that we had participants collect ticket prices in the primary and secondary market over a period of time and assess their attitudes toward those prices and their intentions to purchase at multiple points during this time period. Therefore, participants could see how ticket prices changed in two markets simultaneously while monitoring the performance of the Mets over the course of the season. We reported some interesting findings. Perceived value for consumers fluctuated during

the data collection period, suggesting they valued the ticket differently based on the number of days before the game and the team's performance. Understanding how ticket prices fluctuate, based on factors like time and team performance, could motivate consumers to seek a value deal or be comfortable with paying a premium when warranted. Additionally, respondents indicated a belief that prices would drop leading up to the event, suggesting they understood general trends in the secondary ticket market. It was not known if these respondents had searched for ticket prices in this way previously or if this study opened their eyes to the process. However, sport organizations and ticket distributors need to take note of how knowledge of this information informed consumers, and in some cases made them perceive a ticket as more valuable at certain points in time. Communicating this information effectively could help marketing strategies throughout the course of a season.

Another study we conducted with the fans of the Memphis Grizzlies focused on perceived value and willingness to pay (WTP). We found that as perceived value increased, WTP increased as well. Price premiums are always a sensitive subject when dealing with consumers, however, this research supported the notion that increasing value can reduce consumers' sensitivity to price increases. Increasing value is only a piece of the puzzle. Sport organizations must communicate the increase in value effectively in order to mitigate negative perceptions of price increases. Ultimately, communicating a clear message regarding the product, its price, and how it will be made available to consumers can increase an individual's knowledge of the process and decrease concerns with price increases. A knowledgeable consumer should not be seen as a threat, but rather an engaged individual with the potential to increase their level of affinity and brand loyalty.

## **Embrace the Secondary Market like Consumers Already Have**

The secondary ticket market for sport and entertainment events is a multi-billion dollar industry led by platforms dedicated exclusively to resale, like StubHub, and traditional ticketing companies, like Ticketmaster, that provide a resale platform along with primary ticket distribution. Consumers are embracing the resale market. StubHub saw 16% revenue growth at the end of 2017, with a gross merchandise volume of \$1.4 billion (Trefis Team, 2018).

We conducted multiple studies over several years to examine consumer familiarity, comfort level, and purchase intentions on the secondary ticket market. Our examination of search intentions in 2013 with Philadelphia Phillies fans and 2016 with New York Mets fans found consumers believed they were more likely to find a lower ticket price on the secondary market by waiting until a spring event drew near. This finding has significant implications for both the

consumer and sport organizations. Having more ticket purchase options available benefits the consumer, and consumers searching for tickets on various platforms (primary and secondary) with fluctuating prices benefits the buyer. Sport organizations, who benefit greatly from tickets purchased well in advance of an event, must create strategies that integrate consumer-purchasing trends. Dynamic ticket pricing is one of these strategies, but as we demonstrated in studies with the San Francisco Giants and New York Mets, the vast majority of dynamically priced tickets remain flat or increase in price, where comparable secondary market tickets decrease in price. Sport organizations must develop a deeper understanding of the resale market and make strategic adjustments based on trends in this market.

In our examination of New York Mets consumers, we also found that perceived value was similar in both markets and this did not change over time, even when price changes were different in the primary vs. secondary market. Evidence from this examination suggests consumers are becoming more comfortable with the secondary market, which is a significant shift from the negative perceptions identified when online resale platforms were first developed. Additionally, in our study of Philadelphia Phillies fans, we found consumers who were more familiar with the secondary ticket market perceived ticket offers to be fairer. These findings suggest familiarizing consumers with resale as an option actually helps to provide them with a better understanding of demand-based pricing, which could mitigate potential negative perceptions for teams who choose to dynamically price tickets.

Our research on consumer perceptions of the secondary market provide evidence that consumers are embracing resale as an option and are comfortable with a two-market system of ticket distribution. Therefore, it is in the best interest of sport organizations to embrace the secondary market as well. The Dallas Cowboy's 2018 partnership with SeatGeek is an example of a sport organization creating value through a relationship with a secondary market platform (Perez, 2018). Additional strategies that organizations can use to embrace ticket resale include the further development of demand-based pricing strategies and creating added value in the primary market by acknowledging that resale is an option, but the organization can offer amenities that make the primary market a better option.

## **Communicate Time and Search Options to Consumers**

The proliferation of online shopping has changed consumer attitudes and behaviors. It is quite common for online consumers to search multiple websites and price shop before making a purchase. Firms have adapted to these trends through price match guarantees, value-added propositions, loyalty clubs, and convenient user interfaces. Sport and en-

ertainment consumers are no different in their desire to search multiple platforms for the best ticket inventory and price. However, what separates some ticket platforms from others is their ability to communicate options to consumers.

Our research suggests communicating search options and price fluctuations has significant value, as sport consumers will respond favorably. As mentioned previously, we examined search intentions and found consumers are more likely to search for tickets multiple times as an event draws near and believe ticket prices will be lower on the secondary market. This price trend is generally the case, but as sport organizations develop more sophisticated demand-based pricing strategies, the primary market could be the better option. However, this must be communicated to the consumer.

Additionally, we found evidence that familiarity with demand-based pricing leads to greater perceptions of fairness and increased purchase intentions. Yet, many sport organizations fail to communicate search options or explain dynamic pricing clearly. This lack of communication could result in consumers spending more time searching on resale websites, which leads to more purchases on those platforms. Our research suggests communicating ticket options and pricing tactics, while at the same time acknowledging the existence of a secondary market, is beneficial. It is up to sport organizations to communicate these options clearly and demonstrate the added value for consumers when purchasing directly from the organization.

## **Present Fair and Equitable Pricing Options; They Matter**

While the vast majority of research on pricing has examined its effects on purchase behavior, a deeper dive into the marketing literature illuminates some startling insights with regard to the effect of price on consumer attitudes. Further, these attitudes are often strong predictors of a consumer's intention to purchase and/or search elsewhere for a better value. In a time when organizations are laser-focused on developing optimized, real-time pricing algorithms, marketers may lose sight of the nuance of how offers are presented to consumers.

The attitudes most commonly examined are perceived value and perceived fairness. Perceived value is the value consumers place on a product or service relative to the price. In other words, do consumers feel as though they are getting a good deal when presented with a particular offer? Perceived fairness is equally as self-explanatory and refers to the degree to which a consumer perceives an offer as fair. Beyond access to products and services that they want to purchase, research has indicated that consumers also want to be treated fairly in the process. In one of the first examples of this, Kahneman, Knetsch, and Thaler (1986) conducted a series of simple experiments illuminating the extent to which consumers care

about how a price is established in addition to what the price actually is. In his book, *Predictably Irrational*, Dan Ariely refers to this process as “arbitrary coherence.” This concept suggests that consumers don't really know what an item should cost. Instead, they pick up on external cues to determine if an offer is fair and represents a good value. Oftentimes, these cues are based on previous transactions, but research indicates that the cues consumers use to determine the viability of an offer can be quite random. Surprisingly, the research indicates that the manner in which an offer is presented can actually have more influence on consumer decision-making than the price itself. This has been a consistent finding in the mainstream business literature and we have worked to extend this work into sport management, where irrational consumers have already come to define the industry.

With such strongly attached consumers (i.e., fanatics), sport managers may believe they have more leeway with regard to price setting. However, our research indicates that sport consumers must be offered a compelling value proposition prior to purchasing tickets, even if they are highly attached to the product. Further, consumers are not only sensitive to price, but also sensitive to how that price is communicated.

In our research in sport event tickets, we've found a variety of characteristics can affect consumer attitudes toward offers. For example, consumers have less trust in secondary market sellers and thus view secondary market offers more skeptically. This has tremendous implications as primary and secondary markets merge (a trend to be discussed in the forthcoming section). However, as consumers become more familiar with their ticket purchase experience, the likelihood that they will perceive an offer as unfair will go down. So a change in pricing and distribution strategies may present a bumpy ride for both sport organizations and their consumers in the short term, but the ultimate outcome should be positive provided that consumers feel as though they are being treated fairly.

The most significant change in pricing in sport event tickets is the advent of dynamic ticket pricing. Here, an organization's motive behind price changes is critically important, as originally suggested by Kahneman et al. (1986) and confirmed by our recent study of sport consumers. We found consumers felt an offer was unfair when provided information suggested the seller (team or secondary marketplace) was profiting significantly from the transaction. So consumers may understand that prices will change under a dynamic ticket pricing strategy but they ultimately want to know why.

One of the primary concerns with implementing a dynamic ticket pricing strategy is upset consumers paying different prices for the same seat. Indeed, this conundrum gets at the heart of the fairness issue discussed previously and organizations seem well aware of this fact. Over the years, the strategies employed in the hotel and airline industries have become largely unquestioned. So the concerns may be some-

what mitigated as consumers familiarize themselves with these new pricing strategies. However, decisions made related to how these prices are presented are critical. The “face value” is in some cases required by law to be printed on the front of a ticket. What happens when that price changes?

In a study published back in 2011, we found that consumer perceptions of value, along with their intention to purchase were dramatically influenced by the presence or absence of a face value. Further, organizations may have the potential to manipulate consumer perceptions simply by manipulating the printed price on a ticket. While these decisions may seem small and somewhat trivial, the impact of these changes to an offer can dramatically alter consumer attitudes toward the offer and subsequently, their likelihood of completing the purchase.

Of course, organizations will continue to spend resources in an effort to optimize their dynamic ticket pricing algorithm. This is good practice and is critically important to maximizing revenue from ticket sales and other ancillary products and services. However, price changes cannot be based solely on demand-based pricing algorithms. Those responsible for setting price, regardless of market, must be sensitive to consumer responses to those changes. Further, given that sport event tickets are perishable products, time plays a critical role. Consumer attitudes towards offers may change over time, as the attributes associated with the event also change. Today’s ticket market is indeed dynamic and sport marketers should continue to monitor all dimensions that may change over time, including consumer responses to offers.

If the sport industry uses lessons learned from revenue management strategies in tourism and hospitality, the price transparency becomes a critical concept. Giving consumers even the slightest reason to question a seller’s motivation for a price change could lead to potentially devastating results in terms of both sales and consumer affinity for their favorite sport organization. However, given the established relationship between familiarity and fairness, organizations should be motivated to be as transparent as possible with their prices and price changes. In their initial run with dynamic ticket pricing, the Giants updated a single page daily with updated prices based on changing demand conditions. Simple tactics such as this can go a long way to earning and maintaining consumer trust. Ultimately, organizations must do their research prior to implementing any new pricing and/or distribution plan to ensure positive attitudes, and concurrently, they should be committed to whatever strategy they choose over both the short and long term.

## **Capitalize on the Integration of Primary and Secondary Markets**

In 2008, Ticketmaster acquired TicketsNow, which at the time was among the largest ticket resale platforms. This transaction represented a major philosophical shift in the primary market. Up until that point, Ticketmaster had lobbied hard to restrict and even criminalize ticket resale. However, at a certain point they began to see how the market was shifting and the opportunities associated with embracing the secondary market. In the years after this deal was announced, the two companies essentially operated separately. Concurrently, StubHub was forming sponsorship deals with sport organizations in the primary market to be called the “official ticket resale platform.” So while the primary and secondary markets were cooperating for the first time, they were still distinct platforms, both at the firm level and the consumer level.

In recent years, there has been a trend towards a more integrated approach. The argument for this approach was made soon after the TicketsNow acquisition. Since that time, the NBA launched NBATickets.com in 2012 in collaboration with Ticketmaster. Across leagues, Ticketmaster has continued to blur the line between primary and secondary market inventory. Given the trend towards this integrated approach, secondary market platforms have begun to rethink their strategy as well. Thus, in 2016, the Philadelphia 76ers announced an integrated platform with StubHub, which had only ever operated as a secondary ticket market platform. The overwhelming evidence suggests that this approach is both the present and future of the ticket industry.

The benefits to this integrated approach are many; and the primary selling point isn’t hard to see in the data-thirsty 21st century. An integrated approach gives access to data about all fans, regardless of the ticket they buy. Furthermore, it provides clearer data about fan preferences when buying tickets, which can inform targeted offers for specific consumers and/or general pricing strategies across sections, rows, and even seat numbers. Combined with data collected from loaded tickets and potentially social media, organizations utilizing an integrated approach to ticket sales have a true 360-degree view of the fan experience, including when and where they park, what gate they use to enter, what concessions they buy, and of course, how much they’re willing to spend on a ticket and in what location. There also exists the potential to do more strategic A/B testing to determine optimal offer types to ensure the maintenance of positive consumer attitudes.

An integrated primary and secondary ticket market also gives sport organizations better control of their inventory, particularly in the hours leading up to an event, which is often when sales traffic spikes. We found evidence of this trend in our 2011 study with Memphis Grizzlies tickets. A simplified and unified ticket distribution platform should enhance the customer purchasing experience while simultaneously reducing the number of unused tickets.

The primary concern with embracing the secondary market was the perception that an organization was reselling its own tickets, combined with the negative perceptions of the secondary market. However, if the line is blurred and the experience is consistent over time, this should be less of a concern, given that research supports the notion that familiarity helps to offset negative perceptions of fairness. Further, in a truly integrated platform, consumers may not even know if their ticket is purchased from another fan or directly from the team. Ultimately, it seems as though the primary players in both the primary (Ticketmaster) and secondary (StubHub) markets understand this move towards integrated marketplaces. In the years to come, this new model will begin to normalize and industry leaders will emerge.

## Summary

The five strategic initiatives developed from our line of research provide sport managers with a better understanding of the ticket landscape and the impact of pricing and distribution strategies on consumer sentiment. Will these strategies prevent the Philadelphia Eagles fans from being left out in the cold or forced to buy playoff tickets at a premium? Based on market conditions, probably not. However, developing pricing initiatives that reflect the dynamic nature of ticket demand in a two-market system, communicating strategies effectively, and understanding consumer response to these initiatives will help strengthen the customer relationship.

Additionally, in this new marketing landscape built on big data, it is critically important not to lose connections with consumer attitudes, as they are often direct predictors of the purchase data analysts so often use in their algorithms. Our research has shown that the nuances of the offers have a tremendous impact on consumer attitudes and ultimately their purchase behaviors. This field of behavioral economics is limited within sport; however, this industry is known for consumers who constantly behave irrationally, so it would appear to be a natural fit. Indeed, our research has shown that the dynamic pricing algorithms are still producing fairly modest price changes in part because of organizations fear of upsetting consumers. Conversely, our studies have shown much more dramatic effects on consumer attitudes and behaviors based on subtle changes in the offers provided.

Research in this area is still in the early stages of evolution. There are many opportunities to advance our knowledge of the consumer in this constantly changing environment. It is our hope that our research has established the importance of understanding consumer responses to changing pricing strategies and future research can extend this work to provide insight into the complex relationship between ticket pricing and consumer behavior.

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# Reducing Bias to Shift Demand: A Model for Reforming Youth Sports in America

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As researchers and consultants working in youth sports, we traffic in good intentions; from parents to coaches to club and league administrators, everyone wants “what’s best for the kids.” At the same time, we are also inundated with critiques of the youth sports status quo; the same parents, coaches, and administrators rail that the current state of affairs is not “what’s best for the kids.” Despite the hint of contradiction, all of these stakeholders seem genuine in their beliefs and correct in their diagnoses: no one is working to actively undermine the youth sports experience, yet somehow it remains flawed. From this general consensus, attempts to improve youth sports have historically framed matters from a supply-side perspective. In that sense, policymakers and coaches have doubled-down on good intentions, focusing on designing better offerings and opportunities. Yet these “build a better mousetrap” approaches have failed to adequately reform the system, and the valid critiques of youth sport remain.

It may be helpful for the uninitiated reader to know that American policymakers have historically abdicated their role in governing youth sports through national-level oversight. This is a stark difference from almost every other nation that has a significant sport system. Instead, the United States youth sports landscape is regulated loosely by local and regional actors responding to market forces in place of a centralized system for monitoring and coordinating athlete development (Bowers, Chalip, & Green, 2011). One could argue that this approach has enabled the development of American athletes to be less encumbered and more dynamic—a contention that is difficult to dismiss outright, given the massive lead that the United States has amassed over all other nations in total medals won during the modern Olympic period (Medalspercapita.com). A deeper dive into the relative success of the United States on the international sport stage, however, indicates that when accounting for medals won per GDP or

per capita, the performance success becomes less convincing. For example, those total medals won by the US, when adjusted for population, place the country at only 39th best in the world throughout history, right between Yugoslavia and the Netherlands Antilles (Medalspercapita.com). In this sense, an argument could be made that the performance of the United States has not been as efficient as a market-driven approach would purport it to be, and in addition to the relative performance variance, the approach has clearly contributed to a sort of “wild west” effect, whereby the market seemingly operates with freedom and impunity, in particular at the youth levels.

With this in mind, we contend that the fundamental problems that plague youth sports at the systemic level are not the byproduct of unrestrained greed or those acting in bad faith, but instead reflect a far more subtle and complex constellation of factors that conspire to put barriers between the flawed present and the ideal future. As researchers and consultants who work with national youth sports organizations to optimize athlete performance without sacrificing positive youth development, we have the benefit of a more holistic view of how the pieces of the system all fit together than those stakeholders involved in the day-to-day design and delivery of youth sport in the United States. In other words, we have the luxury of thinking not just in terms of day-to-day *realities*, but in terms of future *possibilities* for the system as a whole.

Increasingly, our approach has been to focus on the underlying thought processes that produce the contradiction between intention and reality. In turn, we have begun to reframe some of the challenges of the youth sports marketplace from the demand-side of the equation. This article synthesizes examples of our research and consulting work to engage with some of the collective social, psychological, and behavioral barriers embedded within the youth sports landscape.

Drawing on influential work from the fields of behavioral economics and psychology, our goal is to help policymakers, national sport organizations, and even local sport providers, coaches, and parents understand how to identify the issues underlying the relative failure of supply-side efforts to reform youth sports. In doing, we hope to offer a model for reform that emphasizes a more holistic combination of supply- and demand-side shifts. Following a brief breakdown of the key factors that have led the youth sports consumer in the United States toward an overwhelming demand for high-cost, high-investment youth sport participation experiences, we consider the evolution of our work as it connects to both supply- and demand-side reform. First, we explore the efforts of the Aspen Institute’s Project Play initiative, which has emerged as the leading voice in reforming youth sport in the United States from the supply side. Second, we describe our consulting work focus on demand-side shifts, and then we offer recommendations for how to develop a more holistic approach to augment the traditional supply-side reforms

with strategies for helping to shift demand for youth sport programs/experiences that generate superior outcomes. Although we believe that youth sports are governed by a particular amalgam of irrational actors, structural impediments, and sociohistorical preconditions, we also believe that the lessons learned within the youth sport context have implications across a number of industrial and institutional settings.

## **The Current Challenges Facing Youth Sports in the United States**

In the United States, youth sport has grown into an industry that generates upwards of \$15 billion per year (Gregory, 2017). This near-exponential growth has been the outcome of a decades-long movement towards a model of athlete development in which parents are opting into an elite-oriented approach. Based on early specialization in a single sport, expensive year-round pay-for-play travel clubs, and sport-specific training provided through private sector organizations, this approach has essentially “professionalized” the youth sports experience. In doing so, it has also led to a number of undesirable system-level outcomes, from pricing out many families to a scourge of psychological burnout and overuse injuries. Commenting on a study conducted by Aspen Institute’s Project Play and the Sports & Fitness Industry Association, Tom Farrey, the Executive Director of the Aspen Institute’s Sports & Society Program, stated that “Sports in America have separated into the sport-haves and have-nots” (Bogage, 2017). Data from the study illustrated the continuation of a number of troubling system-level trends: the costs of youth sport participation have skyrocketed while overall participation rates continue to trend downward, coaches are generally under-trained, and children from low-income (less than \$25,000/year) homes are now half as likely to play sports as children from households earning over \$100,000/year. These data suggest some interesting challenges not only for individual sports, but for the overall youth sport apparatus in the United States. However, in the absence of government intervention and broader market-based solutions, the problematic trends in youth sport could continue virtually unabated.

To be fair, the extent to which you define the trends that have produced a \$15 billion per year industry as “problematic” likely depends on which stakeholder group you are asking. For example, the private sector of the youth sport delivery system is booming, with a range of actors from individual trainers to massive multi-site clubs generating more revenue than ever. Youth sports-related travel alone is generating \$9 billion per year, with 20% annual growth, and many cities continue to race to build multimillion-dollar youth sports “megaplexes” in the hopes of attracting visiting families to their town through hosting major tournaments. This battle for hotel and restaurant spending has created a cottage in-

dustry that Dev Pathik, founder and CEO of Sports Facilities Advisory Group, refers to as “tourna-cations” (Cook, 2017). Without government regulation or coordination of the sport development systems in the United States, the market for youth sports has adapted and evolved to meet the voracious consumer demand for youth sports experiences that package and sell the American Dream of becoming an elite collegiate or professional athlete.

While research into youth sport policies and programs that encourage better decisionmaking is severely limited, there are well-established bodies of research that have the potential to both inform and be informed by the current youth sports landscape. Drawing upon research in behavioral economics (e.g., Kahneman, 2011; Thaler & Sunstein, 2009), we explore the cognitive biases and incentive structures that have fueled a youth sports marketplace that increasingly generates less return on more dollars. This exploration into the demand-side factors that have undermined sensible supply-side reforms to youth sport flows directly from the authors’ research. We have considered, for example, the causes and effects of the disappearance of child-directed neighborhood/pickup sports (Bowers & Hunt, 2011; Bowers & Green, 2013; Bowers et al., 2014)—a disappearance driven largely by a shift in demand by parents pursuing college scholarships and professional sports careers for their children—and research theorizing how parents make decisions about their children’s elite soccer experiences (e.g., Ozyurctu, 2011).

The preceding paragraphs may sound like an indictment of free market principles, but that is not our intent. The issue in youth sports is one of obfuscation; we have a multitude of overlapping markets masquerading as a single, efficient market. Thus, while we should be discussing the distinct markets for recreational soccer or elite basketball and so forth, we lump everything together, with negative ramifications for both participants and providers. Thus, while wholesale federal regulation is unlikely (and perhaps undesirable), meaningful change is only likely to emerge at the systemic level. For example, the relatively recent entrance into the youth sport space of an independent organization like the Aspen Institute’s Project Play has offered a rare, systemic model for reform by bringing together the key stakeholders in youth sport under the mission of serving “as an independent, honest broker of ideas [and] a catalyst for scalable, systems-level change” The Aspen Institute Sports & Society (2018). In spite of the progress ushered in by a movement like Project Play, an organization for which one of the authors serves in an advisory and research capacity, our decade of combined research and consulting experience as university scholars studying youth sport and athlete development has made clear the difficulty of effecting positive system-level change within the American youth sport landscape.

## The Emergence of Large-Scale Supply-Side Reform

Launched in April of 2013 under the direction of then- ESPN journalist Tom Farrey, whose 2008 book *Game On: The All-American Race to Make Champions of our Children* brought national attention to concerns about the state of youth sports in the United States, Project Play brings together “thought leaders from the realms of sports, medicine, media, business innovation, government, and philanthropy at roundtables, televised town halls, and other events where dialogue is advanced and breakthrough strategies can be identified, shaped, and scaled” (The Aspen Institute Project Play). In the fall of 2014, one of the authors of this article began working directly with the organization and contributing to the many initiatives being rolled out by Farrey and the Project Play team. The most significant of these initiatives was the publication of a report—or, perhaps, game plan is a better term for it—that synthesized ideas for policies and programs from a two-year collaboration with representatives of major stakeholders from eight sectors of the youth sport industry: community recreation groups, national sport organizations, policymakers/civic leaders, education, public health, business/industry, and tech/media. In January of 2015, Project Play released their game plan, entitled *Sport for All, Play for Life: A Playbook to Get Every Kid in the Game*, which featured our research in helping to formulate the best practices for understanding the value of less structured sport settings on the development of children and athletes. The game plan also formally presented Project Play’s new model for youth sports and provided hands-on tools for getting children active through sports, including eight strategies and over 40 tactics for implementation. To publicize, promote, and begin the process of enacting the contents of the report, Project Play hosted a national summit that brought together virtually all of the key sports organizations that influence youth sports in the US. From the United States Olympic Committee to Nike to ESPN to the National Hockey League and Little League Baseball, the summit was an attempt to coordinate the efforts of major stakeholders who traditionally compete for limited youth sport resources. By the conclusion of the one-day summit, 17 prominent organizations, including the National Collegiate Athletic Association (NCAA) and Major League Baseball, had made public commitments to action that reinforced the strategies identified in the *Sport for All, Play for Life: A Playbook to Get Every Kid in the Game* report.

Since then, the organization has grown exponentially and pursued a far-ranging portfolio of high profile town halls, summits, and research projects, situating itself as the clear thought leader in youth sports. Of course, our work with the organization has not “solved” the problems facing youth sports. For the first time in US history, however, there is an organization that has positioned itself as a broker of ideas and

actions that spans across both the supply and demand sides of the market. In fact, we contend that “the reason that Project Play has gained so much traction . . . is that it has clearly communicated how the basic problems of youth sport are negatively impacting all stakeholders, and conversely, how coordinated efforts across sectors to elevate the management of youth sports (even amongst rivals) could benefit everyone and enhance efforts to serve multiple legitimations—in other words, it works because it is an example of the power of co-opetition” (Bowers & Dixon, 2014, p. 228).

*Co-opetition*, a business strategy introduced by Brandenburger and Nalebuff (1997), advocates shifting the focus of competition away from zero-sum battles over resources in which competitors fight over a piece of the proverbial pie. Instead, the authors propose the pursuit of positive-sum competition in which both win-win and win-lose scenarios are available in order to look beyond battling over a sliver of pie and focus on growing the pie itself. Yet, in youth sports, we have historically operated from a zero-sum mentality on both the supply side (where sport organizations compete to attract and retain athletes so that they have control over those athletes and their money) and the demand side (where the pursuit of college scholarship and professional outcomes have created a cut throat competition for seemingly severely limited resources). One example of an area where Project Play has helped to serve as a change agent is in promoting a more co-opetitive climate for youth sports. Through promoting a unified American Development Model, many national governing bodies for sport organizations have begun to shift their approach from hoarding athletes and keeping them from playing other sports, to promoting playing multiple sports throughout the year in a way that not only benefits the development of the athletes, but which grows the proverbial pie for many sport providers. In conjunction with this movement, Project Play has also sponsored research and used its media platform to demonstrate and promote the value of multisport participation to youth athletes and their parents. Again, these efforts have not solved many of the issues endemic to youth sports, but they have nevertheless begun to nudge consumer demand and supplier offerings toward a research-backed intersection that will produce more desirable outcomes.

Overall, the battle for creating a more developmentally beneficial youth sport environment that optimizes system-level outcomes is unlikely to ever be won in any definitive sense. Regardless, there remains substantial opportunity to effect change that shifts supply and demand closer toward optimization. Historically, the *laissez-faire* approach to youth sports in the United States has undermined better system-level outcomes and has amplified the demand for a youth sports product that is developmentally inferior. Absent government intervention, the stakeholders within this market have quite logically responded to self-serving interests that have driven a wedge between actual and optimal system-level youth

sports outcomes. Only through coordinated efforts to shift both the supply and demand for youth sports have we seen any progress towards curtailing the negative trends that have characterized the past few decades. If supply shifts towards more developmentally optimal sports offerings without a corresponding shift in demand for those offerings, change is unlikely to occur or sustain; if demand shifts for more developmentally optimal sports offerings, the market should respond with more urgency. The supply side has always been the more adaptable input to this market equation. The more difficult task remains how to shift demand. We argue that helping reduce biases at the consumer level and advocate for the viability of alternative models for youth sport, combined with corresponding efforts to shift the supply of more and better choices for the consumer, represents the fastest way toward improving system-level outcomes.

## **Our Evolution with Small-Scale Demand-Side Reform**

Historically, the downward trends across many key positive indicators of sport participation have been met with little more than hand-wringing by policymakers, administrators, coaches, and parents. It seems that everyone sees the problems with some clarity: an overemphasis on winning at young ages, adults run amok trying to turn a Saturday morning Pop Warner football game into the Super Bowl, and programs and policies that exclude large swaths of potential youth sports athletes. To this point, much of the effort to curtail the negative youth sports experiences and outcomes has been predicated on either pious moralizing or isolated reform efforts. The fundamental failure to generate lasting positive change, as we see it, is that we rely so heavily on making emotional appeals to the adult stakeholder groups (administrators, coaches, parents) about the importance of making “better” choices without actually shifting how people are rewarded or incentivized for the choices they make. We can advise leagues to develop more inclusive sport offerings and focus on delivering a community-focused program, but then the broader sport development systems within which those leagues are embedded have structured financial models that generate more revenue for the leagues that emphasize elite competition and which travel to compete in large regional and national tournaments. We can educate coaches on the benefits to focusing on long-term athlete development over short-term victories on the scoreboard, but then we still implicitly (and, in some cases, explicitly) evaluate their performance based on the latter instead of the former. We can implore parents to allow their kids to sample more sports instead of specializing in a single sport at a young age, but then we often do not shift how the pathways and gatekeepers operate to reward that behavior; in fact, the system is often

structured in such a way that this choice punishes a young athlete.

In this sense, the problem endemic to youth sports as an industry is that demand-side and supply-side efforts have rarely been coordinated to work together. If biases at the individual level can accumulate to produce suboptimal outcomes at the systemic level, then a reduction of biases should produce a meaningful movement towards optimization. And if this movement is coupled with supply-side changes, there is potential for reform. As discussed, the Aspen Institute's Project Play has begun to catalyze a movement toward positive reforms to youth sports by serving as a key leader on reforms to the provider/supply side of the equation.

As our own research and consulting became more focused on the disconnect between what people say they want and what they seem to actually want, we started off by doing what any pair of former coaches would do: we blamed the adults. We had seen how leagues and clubs would increase fees each year and require commitments of the families that demanded far more time, travel, and singular dedication than any reasonable person could be expected to invest. We had experienced how our otherwise pleasant fellow coaches would become all-consumed with the pursuit of transforming children's practices and games into pint-sized versions of professional sports, eschewing developmentally-appropriate training methods in favor of misappropriating fancy tactical and strategic approaches from professional coaches. We had also experienced how seemingly normal parents could become so irrational about not only their child's abilities, but the level of investment (financial, emotional, etc.) they were willing to make in pursuing a pathway for their child that ultimately would lead to very little return on that investment.

The more time we spent immersed in this environment, the more we realized that the "blaming the adults" argument was actually doing a disservice to the pursuit of meaningful reforms to youth sport. While we certainly see adults act in irrational ways that undermine the potential of youth sports, the pervasiveness and regularity with which we witnessed these behaviors forced us to step back to try to see the proverbial forest instead of simply the trees. Were adults the proximate cause of all these negative trends in youth sports? Or, were these negative behaviors by adults actually an *effect* of more abstract forces that were being magnified in such a visceral and emotional setting? It was also around this time that the work of behavioral economists began to surface in more mainstream publications and media outlets. With the publication of books like *Thinking, Fast and Slow* (Kahneman, 2011) and *Nudge: Improving Decisions about Health, Wealth, and Happiness* (Thaler & Sunstein, 2009), the scientific and popular discourse on understanding seemingly irrational behavior shifted from one of blaming individuals for poor decision-making to trying to understand the common cognitive biases that produce these poor decisions. As scholars and consultants whose interests connected with trying to opti-

mize how programs, policies, and systems can be improved, this shift resonated with us and our work. In particular, for those of us concerned with management, attempting to understand the common factors that might contribute to poor decisions, suboptimal outcomes, or chronic underperformance became a far more useful framework for promoting change than moralizing and blaming those individuals who display the severest forms of the biases. From that point, we began to integrate training on behavioral economics into our consulting with sport organizations.

In particular, we began heavily drawing upon an article published in *Harvard Business Review* that synthesized the significant research findings in behavioral economics and bias reduction to produce 12 practical questions for decision-makers to ask themselves to guard against typical cognitive biases (Kahneman, Lovallo, & Sibony, 2011). Rarely had we come across such a practical article written by such esteemed scholars, and the article spoke directly to how decision-makers can take clear, simple steps to reduce the common biases that cloud the judgement of a normal human brain. Although written for a managerial audience, we adapted the checklist-style questions that the authors propose are useful to ask before making big decisions, and converted their questions into ones that spoke more directly to our youth sports adult stakeholder audiences. Over time, this adapted youth sports version became not only the backbone of much of our small-scale efforts to shift demand, but evolved to become a literal guidebook for talking to administrators, coaches, and parents about why the decisions we often make around youth sports can suffer from levels of bias so deep and entrenched that we actually undermine the very efforts we say we want to make to improve the experience and outcomes for children. An example of these questions has been stripped down and reproduced in the table below.

After seeing the profound effect of these simple questions (and our workshops built around them) at the individual and organizational levels over the course of many years, we noticed a consistent pattern: many of the same administrators, coaches, and parents who had become swept up by—and, in turn, perpetuated—many of the negative trends in youth sport now began to clearly see the manner in which we can all fall prey to making poor decisions. The realization that these pitfalls are the normal malfunction of a healthy human brain also consistently produced shifts in attitudes toward effecting change. It was only after having had sustained success with this simple exercise for several years that we began to piece together its impact. When combined with educating adult stakeholders about the empirical support for athlete development approaches that oppose many of their current practices, we realized that what we had previously labeled as attitudinal shifts were, in fact, also shifts in demand for a different type of youth sports product. In other words, this was not simply a matter of trying to convince people that they may need some help to do the right thing with their youth

**Table 1. Practical Questions to Guard Against Typical Cognitive Biases in Youth Sports**

Type of Bias to Reduce	Examples of Questions to Ask Yourself/Team/League
Self-Interested Bias	Is there any reason to suspect that you are making a decision that is suboptimal because you are protecting your own ego? Are you giving the better players more playing time than the worse players because you are trying to protect your ego as a coach?
Affect Heuristic	Have you simply fallen in love with the idea of what you are pursuing? Do you love the idea of your daughter becoming a professional basketball player to such an extent that you are not seeing the costs and benefits clearly?
Groupthink	Are you so concerned with not rocking the boat that you are allowing suboptimal decisions to go unchallenged? If you really believe the league should philosophically promote the idea that the players should be allowed to play multiple sports during the season, should you not voice that dissenting viewpoint?
Saliency Bias	Could the diagnosis be overly influenced by an analogy to a memorable success? Are you trying to implement an offensive game plan that is too advanced for your players simply because you watched an NBA team win a championship using it?
Confirmation Bias	Are you stacking the deck in your favor in order to get your preferred outcome? Could an ideologically different approach to coach training be preferable to the one you like because you simply have the most familiarity with it?
Availability Bias	Are you using all the available data to make your decision, or are you focusing on the pieces of information that are most visible and easiest to understand? What if your experiences as a youth athlete are no longer the most relevant models for how to pursue athlete development?
Anchoring Bias	Do you know where the numbers or the ideas came from? Are you willing to set your club membership dues at a rate higher than is reasonable for your market simply because you heard what other clubs were charging and justified it based on their rates?
Halo Effect	Is the team assuming that success in one area means success in all? Does winning a game mean that you are generating positive long-term development, or are you looking at only a small factor and extrapolating?
Sunk-Cost Fallacy	Are you overly attached to a past decision? Should you realize that the odds of your son earning a college soccer scholarship remain unaffected by how much you may have already invested in that pursuit?
Overconfidence	Are you being overly optimistic and failing to see the costs associated with your decision? Are your assumptions that league membership will continue to grow as it has in the past clouding your decision to allocate money to your marketing budget?
Disaster Neglect	Have you truly considered the worst case scenario? If you elect to skimp on training your coaches, what is the worst imaginable situation that could arise?
Loss-Aversion	Are you being overly cautious and playing “not to lose” or are you pursuing your goals with adequate ambition? Are you more worried that you will lose players to the other league if you choose a more developmental orientation, or are you willing to take the risk to do what is better for the long term?

athletes, but instead was really about how we create a new incentive structure that rewards people for doing that right thing.

### Concluding Thoughts and Takeaways

As a manager within the sport or entertainment industry, there may be a temptation to read an article like the one

above and to wave it off as a story about the unique and confounding idiosyncrasies of the youth sports system in the United States. We believe that they are more universal than they might at first seem. One could even argue that the points raised in this article might not only be relevant across industries and sectors, but might even be easier to manage within those industries and sectors not constrained by the same structural, economic, and social impediments that per-

vade youth sports in the United States. To help provide value beyond the context described in this article, we would like to conclude with three general practical takeaways that can be beneficial for any manager.

*Understand how market forces play a role in shaping your industry, its challenges, and its opportunities.* Without considering the role that demand-side and supply-side factors play in defining your industry, you may set yourself up for waging uphill battles, picking the wrong battlefield, or deploying strategies and tactics that will be ineffective. In our youth sports context, we have seen reform efforts historically focus on supply-side changes that were rendered ineffective by consumer demand that didn't respond positively to changes in the nature of sport offerings. In other words, more developmentally-beneficial programs may have been introduced, but may also have not motivated a clear shift away from the less developmentally-beneficial programs because of the incentive structures in place. We have spent the past decade wondering why we have seen so little progress in readdressing the negative issues plaguing youth sports, but only recently have we zoomed out to understand how powerfully the market is shaping and supporting these negative issues. Are the issues in your industry ones of demand, supply, or both? How can asking a question like this unlock our approach to seeking its answers?

*Work to bring transparency to the acknowledgement of how cognitive biases can cloud decision-making and produce sub-optimal outcomes.* The good news is that making poor decisions is the inevitable byproduct of how our human brains have evolved to allow us to survive as a species, and the cognitive biases fueling poor decisions are something we all possess. Unfortunately, that is also the bad news. We cannot fully eradicate these tendencies from our brains, but we can substantially improve our chances of not falling prey to the most egregious forms of bias by simply acknowledging and understanding their inevitable presence as we work through big decisions within our organizations. We have seen a multitude of coaches and parents reconsider suboptimal decisions in the wake of our training—from coaches realizing that they were unintentionally providing better training and instruction to the older, bigger kids (a practice called “differential instruction” known to produce a “relative age effect” that put younger players at a disadvantage) to parents realizing that their financial investment in their children's sports experiences had become a “sunk cost” dragging down their wallets and their relationships. So, the next time you and your colleagues have a major decision to make, how can you create a proactive dialogue about the value of understanding these biases?

*Consider whether your industry or organization may be overlooking opportunities for co-opetition that would bring greater benefits than the current competitive orientation.* As managers of sport and entertainment, many of us seem almost hardwired for competition. We enjoy our jobs, in part,

because we enjoy competing against and defeating our competition. It may be beneficial, however, to take a step back and ask whether defeating our competition is producing the greatest net benefit to our organization and our industry. Could there be anything to be gained by making efforts to grow our industry instead of simply trying to defeat our competitors? Can we pursue both of those outcomes simultaneously? In youth sports, for example, we are seeing that a broad adoption of the American Development Model across national governing bodies could help to produce less cannibalizing of our own athletes for the sake of growing a particular club or sport, and instead create a rising tide that lifts all boats, so to speak.

Regardless of your organizational or industrial context, these three takeaways can help unlock how you conceptualize the way you begin to take the initial steps to move from where you are to where you could or should be. The tools offer a future-oriented perspective that can help you and your colleagues begin to move from the present to a more idealized future.

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# The Labyrinth of Exclusion in Sport and Steps Toward Developing a Culture of Inclusion

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I was indoctrinated in all things basketball from the age of three. As soon as I was able to walk, my dad would bring me to his pickup basketball games. I sat on the sidelines watching in amazement, playing with a basketball and anxiously awaiting my turn, which would come just a few years later. I grew up playing basketball, coaching basketball, and training basketball players. Not just women's basketball players, but men's basketball players too. I coached men's basketball players, I played with men in basketball games, and even joined men's basketball leagues as a young adult. Very early on, I realized that men's basketball seemed to be valued more by most sport fans. There are significantly more men's basketball games broadcast on television. Men's basketball players get paid much higher salaries than women's basketball players. Even in college basketball, where men's and women's basketball coaches have almost identical job duties, men's basketball coaches earn significantly more. I understand the basic concept of commercialization, as well as supply and demand. However, the reason for women getting paid less seems to be much more complex than simple economics, and warrants further examination. Bias, sexism, and a host of other gender inequity issues collide in a space I like to refer to as the labyrinth of exclusion. Even in occupations where women have a stronghold, like marketing, women leading a sport marketing department in professional men's sport leagues is rare. As a matter of fact, women leading any department of professional sports is rare, which is supported by the bleak yearly gender reports produced by The Institute for Diversity and Ethics in Sport. Even in the NBA, the American professional sport league deemed the most inclusive based on race and gender demographics, women still rarely ascend to leadership roles.

The principal question that guides my research agenda is, how do organizational and institutional culture impact the experiences of underrepresented employees? Specifically,

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how have the experiences of women, African Americans/Blacks, and LGBTQ employees been impacted by the hyper-masculine, heteronormative, predominately white culture that is the institution of American sport? In doing so, I seek to change sport from a labyrinth of exclusion to a more inclusive environment.

## **Sport as a Culture of Exclusion: Women as Leaders in Men's Sports**

Initially, my research centered on the phenomena that women are underrepresented in sport organizations overall, and an anomaly in men's sports. Although women's sports organizations (e.g., WNBA, WTA, LPGA, NCAA women's sports) are usually composed of both male and female employees, I found it particularly striking that men's sport organizations (e.g., NBA, MLB, NFL) are almost completely comprised of male employees. Therefore, much of my published work is directly related to this phenomenon. My research expertise has broadened and evolved beyond gender to examine the underrepresentation of marginalized identities (e.g., women, racial/ethnic minorities, and LGBTQ individuals) in sport organizations through an institutional lens. Through the use of institutional theories, I examine how sport organizational culture (e.g., norms, values, beliefs) influences the experiences of employees with marginalized identities. In 2011, I published on this topic (in this case the underrepresentation of women in sports) with my colleague, Trevor Bopp, in the *Journal of Workplace Rights*. In this article, we explored the experiences of women who have worked in men's collegiate basketball, which provided insight into the experiences of women working in men's sports. The results suggested that once women were able to overcome access barriers, they often felt the need to overcompensate for being a woman by working longer hours in an attempt to prove their ability to work in men's sports. Much of their angst was rooted in how they were being perceived by others. Therefore, my next investigation that same year with Trevor Bopp and Michael Sagas sought to examine the attitudes toward women working in men's sports. Was this angst felt by women working in men's sport warranted by negative attitudes towards women working in men's sports? Through quasi-experimental techniques, this study examined the influence of gender role attitude and gender role congruity. Results suggest that, in line with gender role congruity theory, participants rated fictional female applicants for a men's assistant basketball coaching position statistically similar to men on all categories except hiring recommendation. This suggests that although women may be perceived just as capable as men, they are still not likely to be considered for positions in men's sports. The gender biased attitudes of hiring personnel can influence the access women have to lucrative work opportunities in men's sports.

In 2013, I published "Hegemonic Masculinity and the Institutionalized Bias of Women in Men's Collegiate Basketball: What Do Men Think?" in the *Journal of Sport Management* with coauthor Melanie Sartore-Baldwin. This article was the third most cited article in JSM for 2013–2015, suggesting gender issues in sport are quite relevant. In this work, we took a different perspective. Instead of talking to women working in men's sports or investigating attitudes toward women working in men's sports, the article examined the perspectives of men who have worked with women in men's sports. Results suggest that men's basketball specifically, and perhaps men's sports more generally speaking, is hyper masculine, gender exclusive, and resistant to change. However, the results also suggested that change may sprout from the core of the institution. In essence, the most powerful sport organizations' adaptation of more inclusive policies may be the key to an institutional cultural shift in sport. This study was beneficial in directing my research toward change agents. Core sport organizations, such as ESPN and the NCAA, need to be examined more closely.

In the broadest sense, research examining women working in male dominant sport organizations opened our eyes to the sexist culture of sport. There isn't one specific variable or factor contributing to the lack of women in leadership positions in sport (see Burton, 2015 for a summary of factors influencing the lack of women in leadership positions). Also, there isn't a straight path that begins with women's intentions to apply for leadership positions and ends with more women as leaders. As previous work suggests, women often are not even considered for leadership positions in sports, even if they are just as qualified and have just as much experience as their male counterparts. The lack of women in leadership positions and working in men's sports is just one part of the messy, tortuous labyrinth of exclusion in sport.

## **Sport as a Culture of Exclusion: Marginalized Identities**

While working on a larger scale project with espnW, I was able to publish a study that broadened the scope of my inquiry beyond gender to include race and sexual orientation. In 2015, I published "The Tipping Point: The Intersection of Race, Gender, and Sexual Orientation in Intercollegiate Sports," in *Journal of Sport Management* with coauthor Nicole Melton. In this article, we examined the experiences of women with multiple marginalized identities in sport organizations. Specifically, these results suggested that women who are marginalized based on race, gender, and sexual orientation (e.g., African American/Black lesbians), suffered from differential organizational treatment that was so severe, it drove them out of sports. Racially influenced experiences, the need to manage their lesbian-ness, and organizational cultures of exclusion made working in sports impossible for

these women, leading to increased turnover intentions. Most of these women eventually left core sport organizations, such as the NCAA, for peripheral sports organizations, like Reebok, where the core product and organizational culture centered on the retail industry, as opposed to the sport industry. This is fascinating and unfortunate. In this study, these women were some of the top coaches in their respective areas. They were people who began playing the sport at three years old, and their parents were coaches. These women dedicated their entire lives to their sport, and had to give it up because they were constantly marginalized by sexist and/or racist ideals. As an example, one college coach, who happened to be a lesbian and identified as African American/Black, told the story of how her university provided pet insurance, but would not provide insurance for her same sex partner. These small policy exclusions work as artifacts that send signals to those both within and outside of the organization that certain people (e.g., those with same sex partners/spouses) are not included and thereby not welcome. In this example, sport loses a person with multiple diverse identities and experiences, as well as many years of institutional knowledge accumulated from working in sports. Any industry or organization that noticed a trend of losing whole groups of diverse people would certainly want to address this issue. However, sport has been relatively quiet on the inequities faced by LGBTQ women and women of color. There has certainly been a plethora of research on the lack of women in leadership positions in sport and entertainment. However, there has been a lack of public outcry, until now.

### **#TimesUP on the Culture of Exclusion in Entertainment: What about Sport?**

In January of 2018, a group of 300 women from the film, television, and movie industry came together in solidarity of women who were being sexually harassed, assaulted, and mistreated in their industry. In their efforts, they are working as a conglomerate of many different people, leaders, and organizations in the entertainment industry fighting the sexist and often misogynistic culture. At the 2018 Golden Globe Awards, Oprah Winfrey captivated the crowd of entertainers in the audience, as well as those watching from afar. Her speech was a rallying cry for women and male allies to fight against this labyrinth of exclusion that manifests itself in unequal pay for women actors, less access to funding opportunities for women producers, and many other barriers that keep women out of decision-making positions and lead roles in Hollywood and beyond. Oprah ended her speech with the optimistic prophecy that “a new day is on the horizon.” Everyone at the 2018 Golden Globes event stood and cheered, many with tears rolling down their cheeks, as they envisioned and could feel that this moment was a pivot out of the depths of the labyrinth of exclusion, and into the light

of awareness. Women and men began to speak their truths on social media. The entertainment industry was shaken; moguls such as Harvey Weinstein, who had been linked to sexual harassment amongst other sexist and misogynistic behaviors, were publicly chastised. Male allies began to step up and offer solutions to pay equality, one solution being simply sharing their salary data with female colleagues, so that women could knowledgeably negotiate equitable compensation. The #MeToo and #TimesUp movements towards gender equity in leadership and workplace culture were very public. However, these movements have not taken root in the sport industry. Even on the heels of Larry Nassar’s atrocities at Michigan State University, in which he was convicted of sexual assault and the very public testimony of over 150 victims, sport has had very little involvement in the public movement towards gender equality in leadership and workplace culture.

Research presented at the 2017 North American Society for Sport Management Conference, led by my doctoral student Lauren Hindman, a PhD student at University of Massachusetts, Amherst, who spent many years working in the sport industry as a sport marketer, suggests that sport may indeed be more sexist than many other industries. In this project, we interviewed women working in various positions for a professional hockey league (e.g., sales associates, marketing managers) and discussed the culture of sport and how that culture influences their satisfaction, intentions to leave the organization, and other business-related outcomes. This research also suggested that sport culture is sexist and not inclusive to women. The findings provided evidence that oversexualized language, unequal access to resources, and social norms such as after-work networking were all used as tools to perpetuate sexist ideals and behaviors. For example, much of the language used in the ticket sales office was sexualized, and some sales departments went as far as to suggest the women wear low-cutting shirts and sexualized clothing in an effort to close deals. Also, often when the employees would go out after work, the men would frequent the same bars as the players. Yet the women were told not to attend those bars because they should not be around players, in an effort to avoid player-employee relationships. Often, these women said that the lack of access to the same space as their male colleagues put them at a disadvantage because they missed out on networking opportunities with c-suite male supervisors. This work, coupled with the deafening silence from the sport industry amidst such a powerful gender empowerment movement by the rest of the entertainment industry, sheds light onto the powerful grasp this labyrinth of exclusion has on the sport industry. To further characterize the sexist culture of sport, *The New York Times* recently published an article by Ken Belson in which he tells the story of how a New Orleans Saints cheerleader’s social media post led to a discrimination case. The cheerleader’s case is rooted in the belief that the NFL has two sets of rules: one for

the team's cheerleaders, who are all women, and one for the players, who are all men. Further, the norms and policies for NFL cheerleaders seems to be rooted in gender bias, such as non-fraternization policies that put the onus on women to avoid all contact with players, even going as far as expecting these women to leave restaurants and bars if a player enters. All of the anecdotal evidence suggests that sport is quite behind much of the entertainment industry in their efforts to combat gender bias and sexism in the workplace.

## Implications for Practitioners

The path to cultural inclusion and equity in sport is not as difficult as it may seem. However, it does take a concerted effort for all of us who participate, work, and consume sport. In order to begin the process of cultural change in sport, we must first examine our behaviors, habits, values, beliefs, and norms. Our policies tend to shape our norms, so organizations should begin by examining their organizational policies and guidelines to determine if they are unfairly mistreating specific groups of people. For instance, recall the example above of the lesbian coach whose university offered pet insurance, but would not insure her same sex partner. Policies like these exclude entire groups and force them to seek alternative employment that may be more inclusive at the most basic level of human resource policies. Likewise, organizations should examine their behaviors and norms. If male directors of marketing or communications are allowed to enter the locker room to get sound bites from players, but female directors are not, then this norm puts the female directors at a disadvantage in their ability to get quick sound bites from players to post on social media outlets. Similarly, sport and entertainment organizations must eliminate non-fraternization policies that put the onus on women. It is not a woman's job to avoid sexual relationships with male colleagues, such as players. It is both men and women's jobs to maintain professional working relationships. Here is a list of the five recommendations organizations should consider to make their organization more inclusive.

1. Create a sense of urgency through awareness, assessment, and acknowledgement of your organization's specific cultural weaknesses related to diversity and inclusion through in-depth external consultation.
2. Unfreeze your current culture of exclusion by changing norms, behaviors, and even policies.
3. Develop new norms, behaviors, and policies to support a culture of inclusion.
4. Refreeze the new culture of inclusion through leadership's active engagement in new norms, behaviors, and policies that encourage inclusion.

5. Engage in constant cultural development through a process of assessment, training, and professional development.

Creating a sense of urgency through awareness, assessment, and acknowledgment of your organization's specific cultural weaknesses related to diversity and inclusion through in-depth external consultation is my first recommendation, because it is one of the most important. Sport organizations, through their human resource practices, should be constantly evaluating their organizational culture (see recommendation #5). Most times organizations base their assessment of their organization's culture on the intentions of their leaders. Are we intentionally inclusive in our language? Do we intentionally seek diverse candidates for open positions? Do people seem happy? A general manager of a sport team could answer yes to all of these items, and still pay their male ticket sales associates more than their female counterparts for identical work. This relates back to the earlier discussion of how the culture of exclusion is a labyrinth and cannot be fixed with a singular approach. Also, humans are biased beings. We make decisions and act based on previous similar situations in our life. Therefore, having an outside committee, research team, or consulting firm conduct an assessment of your organization's culture gives you the distance necessary to see blind spots. These blind spots are unconscious biases that we take with us as we navigate the world. They influence our perceptions and decisions. Although no one is without bias, external assessors can alert the organization to its blind spots. They view the organization through a different lens because they are not entrenched in the norms of the culture. They may provide insight into weaknesses that those within the organization could not see. These organizational blind spots may be unequal pay for women, or social norms such as attending happy hour after work. Unequal pay for women may result in losing women to competitors, while socializing that only involves alcohol may exclude employees who do not drink for religious reasons. In both cases, assessing your culture (e.g., norms and behaviors) would allow for cultural blind spots to emerge.

In the case of the National Basketball Associate (NBA), their blind spot was obvious and deeply entrenched into the culture of men's sports. The NBA has very few women in leadership positions, and had no women in the coaching ranks until Becky Hammon joined the San Antonio Spurs coaching staff in 2014. Shortly after joining the Spurs coaching staff, Hammon went on to serve as the head coach of the Spurs' Summer League Team and won the Summer League Championship. Her quick success brought attention to the lack of women in men's basketball. Once sport organizations develop an awareness of their cultural issues through an external assessment, the next step would be to unfreeze the current culture of exclusion by changing norms, behaviors, and even policies. This step is important, because it is the undoing of exclusionary practices. The NBA took this second

step in undoing exclusionary practices by hiring Becky Hammon as the first woman to serve as a full time assistant coach. The NBA took the third step towards new norms, behaviors, and policies to support a culture of inclusion by partnering with LeanIn.org to launch #LeanInTogether, a public service campaign and partnership with the NBA and the Women's National Basketball Association (WNBA). The project is intended to demonstrate how men can do their part to advocate for gender equality at home and at work.

After developing new behaviors and norms, sport organizations should make every attempt to institutionalize the new inclusive norms and behaviors as part of the culture. In the case of the NBA, they can move forward to institutionalize their gender equity initiatives by developing pipeline and mentoring programs for women wanting to work in the NBA. The institution of men's sport has excluded women for most of its existence. Leagues like the NBA that want to move forward in becoming more inclusive to women must create opportunities for women from entry level to the most senior leadership positions.

The fifth and final step to developing a culture of inclusion is to engage in constant cultural growth through a process of assessment, training, and professional development. Now that the NBA has committed to becoming inclusive to women in their workplace, they must continually assess the effectiveness of their programs. They must train current employees for the improved inclusive culture they seek. The NBA must also develop and train their employees to work in a new environment that is now gender inclusive and becoming more gender diverse. The commitment to developing and sustaining a culture of inclusion is a constantly evolving target. As the five recommendations suggest, there is no end point where an organization has arrived at an inclusive cultural state of contentment and can cease working at it. Developing a culture of inclusion is a continuous process.

As a result of this research, I have been interviewed and mentioned on ESPN, espnW, *ESPN The Magazine*, and *TIME Sports*. All of these media mentions have provided a platform to discuss this labyrinth of exclusion in sport. I serve on the espnW College Athletics Advisory Panel, where we make recommendations for strategy and content centered on inclusion, as well as women in leadership positions. The implications of my research for practitioners is obvious in that most of my research examines the very sport organizations I seek to impact and change. My research on gender bias in men's collegiate sports uses men's coaches and administrators as my sample, with suggested interventions for organizational change. My results are then shared with these stakeholders. All organizations that I have worked with have made small changes to be more inclusive and combat the labyrinth of exclusion in sports. College athletic departments that I have worked with have made an effort to include women in the hiring process for men's sports. Professional sports media organizations have sought out opportunities

to include women in positions of power on their advisory boards. Sports and entertainment organizations have taken the smallest findings from my work, such as the importance of inclusive language in email correspondence (e.g., using partner/spouse, as opposed to husband/wife) and changed this norm, which has a positive influence on LGBTQ employees' sense of belonging and satisfaction, as well as those employees who may not be married for religious or personal reasons. Overall, I am optimistic that academic research coupled with the follow-through and implementation on the part of sport leaders will lead to the eventual elimination of this labyrinth of exclusion in sport.

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# Ice Hockey in the Metropolis: A Supply and Demand Analysis for Ice Infrastructure Use and Planning in Moscow, Russia

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Modern ice hockey originated in Canada, where rivers and lakes are covered with ice during the winter and people entertained themselves by inventing various competitions and games on ice. Gradually, this "fun on ice" gained popularity in countries with a cool climate, which helped to popularize ice hockey around the world, especially in northern Europe, North America, and later in northern Asia. Eventually, this led to the establishment of hockey leagues—which contributed to the commercialization of hockey, the creation of its own rules of play, and common technical standards for infrastructure.

It is the infrastructure that makes ice hockey an expensive and costly sport. Care of sport spectators and providing comfort for them became a decisive factor for the creation of indoor ice arenas. Major indoor arenas appeared in Toronto in 1912 and the major National Hockey League arenas, such as the Montreal Forum (1924), the new Madison Square Garden (1925), the Boston Garden (1928), and Maple Leaf Gardens in Toronto (1931), were built soon after (Shubert, 2016). Currently, the multi-functional indoor arenas in big cities and metropolises serve not only ice hockey, but also concerts and other sport and entertainment events, which bring considerable income for arena owners while showing other investors the possibilities of profits. By the 21st century, hockey arenas were full service entertainment centers in which fans attending a live hockey game could also relax, have dinner, and socialize with their friends.

Moscow has been a major hockey center for a long time and the central hub for ice hockey facilities in Russia. Up to 2018, seven ice hockey world championship tournaments were held in Moscow, which contributed to the local hockey infrastructure development. In this article, we examine the hockey infrastructure in Moscow and its capability of meeting the increasing demand, including the training needs of children's and youth hockey, women's hockey, and sledge

hockey. We conducted a numerical comparison between the aggregate supply and the aggregate demand for Moscow ice rental areas from 2012 to early 2017.

## **Background and Literature Review**

Academic research examining the development of ice hockey infrastructure in modern cities pays great attention to the influence of building new facilities and examines whether building sport facilities is a catalyst for a city's urbanization and economic development (Rosentraub, 2013; Shubert, 2016). Mason, Buist, Edwards, and Duquette (2007) reviewed arena construction in small- to medium-sized Canadian communities, where the Canadian Hockey League (CHL) teams represent the anchor tenants in those facilities. Those small- and medium-sized Canadian cities often struggle to attract additional cash inflows to boost the economic development. Typically, the construction of a new arena for a CHL team is undertaken under the assumption that new facilities can act as a catalyst for a city's economic development. The authors analyzed whether "publicly funding an arena was an appropriate use of taxpayers' money" (p. 106). The resources of small- and medium-sized cities are limited, so the decision to publicly fund an arena is at the expense of other development opportunities, such as building a museum, theatre, art center, etc. The ability of the arena to attract a significant number of visitors depends on whether nearby cities have similar facilities or not. Soebbing, Mason, and Humphreys (2015) extended the research of building new sport facilities in small Canadian cities and examined the existence of the novelty effect of sport facilities—a brief period of higher attendance after the opening of the new arena. They concluded that the novelty effect does exist during the first 3–5 years with an initial boost in attendance and after that, the attendance rate declines. In accordance with this, there might be an overestimation of projected cash flows that a new arena would generate. It may turn out that these cash flows are not sufficient to cover the cost of servicing the debts incurred to build new facilities (in most cases, cities pay most, if not all, of the construction cost). Modern arenas are multi-functional facilities. Therefore, the new arena could be used not only for hosting ice hockey games and offering ice rentals, but also for other events—for example, concerts. In this case, the generation of revenues will also depend on how frequently the arena is utilized to host other events beyond hockey.

Nauright (2017) identified countries with massive growth potential for hockey, taking into account such factors as the proportion of registered hockey players to the country's population and ice hockey facilities (indoor/outdoor). According to both indicators (0.1% and 550/2533, respectively), Russia, as a traditional hockey country, has excellent prospects for further development:

The growth and sustained support for hockey players and teams is totally contingent on the number and quality of facilities. In much of the world, indoor ice sheets are necessary to sustain the game, and in all regions allow for use year round. As a facility-dependent sport, the growth of hockey requires expansion of facilities. In core countries, construction of hockey arenas and commercializing their use are important economic activities. Hockey-specific facilities are ideal, though if not in use for hockey, free skating time provides economic growth potential for the facility and for development of skills essential for success in hockey. (Nauright, 2017, p. 249)

Grabovyi, Volkov, and Belyakov (2016) stated that at the moment of their research, the provision of sport facilities for people in Russia was insufficient. The sport facilities provision standards set by the Government of the Russian Federation and the population of a region make it possible to determine the total area of a certain type of sport facility. Then, knowing the average area, it is possible to determine the required number of sport facilities of a certain type.

The appropriate amount of sports facilities needed has been linked to the size of the population. Facility provision has been determined on the basis of the ratio of the capacity of existing sports facilities to the amount of necessary capacity, which is calculated using the standard of a one-time capacity of sports facilities (1,900 people per 10,000 population). As of 2016, the sports facilities population provision reached 30% of need. The authors noted that in addition to increasing the level of the regional sport facilities provision, for the mass hockey development in Russia, it makes sense to introduce a standardized set of specialized hockey equipment in general education institutions' gymnasiums, which will allow students who are not engaged in special hockey clubs to join the sport.

Understanding how to assess the potential growth of ice hockey must include an analysis of the increasing popularity of the sport among women (Lefevre & Thierry, 2010), and the growth of sledge hockey as a Paralympic sport (Baradachev, 2017). Baradachev notes that "there are currently only seven senior teams [in sledge hockey]. The situation is complicated by the fact that none of the ice arenas in Moscow are fully adapted to this sport" (p. 188). From the management point of view, both female hockey and sledge hockey can be considered new participants in the existing market in Russia.

It is interesting to review the experience of managing ice arenas that are owned by the city of Toronto, the largest city in Canada (Toronto, 2016). Eight arenas (11 ice rinks) are managed by the Arena Boards of Management. To get additional revenues, arenas have snack bars and pro shops, and offer meeting room rentals. Some arenas offer dry floor rentals (i.e., floor hockey) during the summer. Administration and operation expenditures include permanent staffing costs and utilities account for more than half of the gross

expenditures (56%). Repairs and maintenance expenditures including ice refrigeration and resurfacing costs, constitute 28% of gross expenditures, and specific expenditures, such as purchases for the snack bar and pro shop, are 13% of gross expenditures. User fees and donations account for 89% of gross revenues. During prime times (weekday evenings and all day on weekends), ice utilization for seven out of eight of the arenas is a 96% common use rate across Canada. In non-prime times (daytime during weekdays), the ice utilization rate is about 60%, well ahead of the industry benchmark ranges from 25% to 40%.

To measure the effectiveness of the Arena Boards of Management, they use the total cost per hour of available ice time, which is derived from the total operating costs of an arena divided by the hours of ice time available to be booked. Additionally, they measure cost recovery percentage, which is derived from the total revenue of an arena divided by its total expenditure. Since arenas are city-owned, the goal is to generate sufficient revenue to fund operations in order to avoid the need for funding from the city. It should be noted that almost all arenas reach this goal and cost recovery percentage is about 100%.

## Case Study of Ice Arenas in Moscow, Russia

Ice arenas in Moscow are notable facilities. According to the Department of Sport and Tourism of Moscow, by the beginning of 2017, there were 46 ice arenas containing 58 indoor ice rinks in Moscow. Among them, five rinks were

in federal ownership, 35 rinks were in municipal ownership (city-owned), and 18 rinks were privately owned. Only 45 ice rinks (located at 36 arenas) could be used to host ice hockey games.

In this article, we investigate whether ice supply in Moscow is sufficient to cover the demand for ice rental. Table 1 presents the dynamic changes in the number of indoor ice rinks in Moscow. From the table, we can see there is an increase in the number of indoor ice rinks (most of which could be used for ice hockey games and figure skating). An average of 2.4 new ice rinks are opened every year in Moscow. Moreover, there is also an increase in utilization rate. For example, the utilization rate in 2016 was 93.6%, which indicated that all ice facilities were working at almost full capacity. It is noteworthy that the data consist of all 58 indoor ice rinks, while only 45 indoor ice rinks could host ice hockey games. This allows us to make the assumption that the ice supply in Moscow is insufficient to cover the demand for ice rental.

Table 2 shows the most popular sport facilities in Moscow and their utilization rates. We can see that the utilization rate of indoor ice rinks is the highest and it exceeds the utilization rate of the second most popular sport facility (for shooting sports) by 14%. However, in Moscow, there are 72 sport facilities for shooting sports and only 58 indoor ice rinks. The utilization rate of swimming pools is 75% and there are 364 indoor swimming pools in Moscow. We can conclude that there is an obvious shortage of ice sports facilities in Moscow based on demand.

We also examined the growth in participation of ice hockey and figure skating (indoor ice rinks suitable for ice

**Table 1. Number of Indoor Ice Sport Facilities in Moscow**

	2012	2013	2014	2015	2016
<b>Total, including</b>	46	43	49	51	58
Federal ownership	6	5	7	6	5
Municipal ownership	32	27	28	28	35
Privately-owned	8	11	14	17	18
Utilization rate (in % of full capacity)	89.1%	89.0%	89.7%	93.3%	93.6%

**Table 2. Sport Facilities with the Highest Utilization Rates in Moscow in 2016**

Sport Facility	Number of Sport Facilities	Utilization Rate (%)
Indoor ice rinks	58	94%
Facilities for shooting sports	72	80%
Indoor swimming pools	364	75%
Sports halls	3,654	74%
Indoor arenas	44	74%
Planar sports facilities	11,411	72%
All sports facilities	19,995	74%

hockey games also could be used for figure skating). Table 3 represents ice hockey participation in Moscow from 2012 to 2016. The number of people engaged in ice hockey has almost doubled in the last five years—from 85,500 in 2012 to 160,000 in 2016. At the same time, the number of registered hockey coaches has increased by 130%—from 230 to 529. However, the number of women playing ice hockey has decreased by 21% during the last five years—from 1,517 to 1,194.

An obvious increase can be seen from Table 4 in both figure skating participation (by 137% in the last five years from 16,103 to 38,229) and the number of coaches (by 55% from 182 to 282). Unlike women's participation in ice hockey, women's participation in figure skating is growing at an accelerating rate—153% in the last five years from 10,733 to 27,194.

According to the Department of Sport & Tourism of the city of Moscow, the number of students in ice hockey schools is 6,937 (including 110 girls), and the number of students in figure skating schools is 3,174 students (including 1,776 girls). Obviously, the development of women's ice hockey in Moscow has received little attention. Currently, only one ice hockey school for girls exists in Moscow, the Meteor Women's Hockey Team. None of the clubs in the women's ice hockey league are from Moscow and this is a broad societal and infrastructural challenge.

The number of children's coaches in municipal sport schools in Moscow is 141 (only three of which specialize in women's hockey). There are 529 coaches in Moscow, which means 388 coaches train amateurs or work in private schools.

By contrast, there are 184 figure skating coaches in municipal sports schools (out of 282 coaches in Moscow), which means only 98 coaches train amateurs or work in private sports schools.

## Aggregate Supply

Ice arena schedules were a key factor in assessing the ice supply by the beginning of 2017. We assumed that each ice rink operates from 7:00 a.m. till 12:00 a.m. based on the average operating hours. Another important assumption in our model is that all ice rinks are open 12 months a year, seven days a week. We know that some ice rinks (especially those built in the Soviet period) are closed during the summer for defrosting and facility repairs, but with this exception, we consider it acceptable to make the assumption for the year-round operation of all other ice rinks in Moscow. As mentioned, not all indoor ice rinks are suitable for ice hockey. Accordingly, we examine those 45 ice rinks that host ice hockey, instead of the total of 58.

Since ice rental is usually provided on an hourly basis, we measured ice supply (and ice demand further) in ice rental hours available per year. Therefore, based on the above assumptions, the aggregate supply of ice rental hours in Moscow is 279,225 hours per year by the beginning of 2017.

## Aggregate Demand

First, we should identify a few key user groups that mainly determine the demanded ice rental hours. The three main

**Table 3. Ice Hockey Participation in Moscow**

	2012	2013	2014	2015	2016	Change in the last year (%)	Change in the last 5 years (%)
<b>Total</b>	85,456	97,559	131,387	147,872	160,382	+9%	+88%
Number of women	1,517	1,627	976	977	1,194	+22%	-21%
Number of ice hockey coaches	230	253	496	463	529	+14%	+130%

**Table 4. Figure Skating Participation in Moscow**

	2012	2013	2014	2015	2016	Change in the last year (%)	Change in the last 5 years (%)
<b>Total</b>	16,103	18,004	31,205	35,690	38,229	+7%	+137%
Number of women	10,733	12,573	21,607	25,243	27,194	+8%	+153%
Number of figure skating coaches	182	199	196	210	282	+34%	+55%

groups are professional ice hockey teams and professional figure skaters, children and youth hockey and figure skating schools, and amateur ice hockey teams and organizations hosting tournaments at different levels.

### ***Professional Ice Hockey in Moscow***

Three teams performing in the Kontinental Hockey League (KHL) currently represent professional ice hockey in Moscow: Hockey Club Spartak, Hockey Club Dynamo, and Hockey Club CSKA. In the regular season, each team holds 28 home games, and the number of home playoff games averages six per team.

In addition, all three hockey clubs have youth teams performing in the championship of the Junior Hockey League (JHL): Club Spartak, Club Dynamo, and Club Krasnaya Armia. Moreover, the Moscow team Club Krylya Sovetov also plays in the Junior Hockey League. However, Club Dynamo holds its games outside of Moscow at the Balashikha Arena in the suburbs, and thus, this team's games are not taken into account in the calculation. In the regular season, each team plays 28 home games and the number of home games in the playoffs also averages six games per team.

It should be mentioned that holding one professional ice hockey game takes two days: one day before the game (preparation for the game and training of the participating teams) and one day for the game. Therefore, no other events can be held on the ice rink during that time. We also assume that two ice rinks are necessary for the game, because both participating teams need ice rinks for training on the day before the game and while a professional game is being held on an ice rink, the other one cannot be rented.

Besides, two ice hockey tournaments among professional teams are regularly held in Moscow: the Mayor's Cup, lasting four days, and the Russian stage of the Euro Hockey Tour (EHT), lasting five days. We assume that the total number of days necessary for holding these tournaments is 22 days a year when ice rinks for the games are not available for other events. Based on the aforementioned information and assumptions, the total amount of time for professional ice hockey teams is 14,600 hours per year.

### ***Professional Figure Skating in Moscow***

It is quite difficult to estimate the number of days in which the ice arenas are involved in organizing official competitions and training for figure skating professionals. Our assumption is that ice rinks are provided for the whole working day for professional figure skating, 30 days a year, and are not available to other events. As is the case with professional hockey games, two ice rinks are used to organize tournaments in figure skating (for warm-up, training, etc.). Thus, the total amount of time that professional figure skating occupies on ice rinks in Moscow is 1,020 hours per year.

### ***Children and Youth Ice Hockey in Moscow***

In total, there are 19 ice hockey schools in Moscow and each school has an average of nine groups that are trained at the same time. Each group has four one-hour sessions of training per week on ice for 40 weeks of each year. Therefore, the total amount of training time for children and youth ice hockey schools is 27,360 hours per year. According to official data, the above-mentioned ice hockey schools hold 2,500 games per year, each of which lasts two hours. Thus, the total amount of game time for children and youth ice hockey schools is 5,000 hours per year.

### ***Children and Youth Figure Skating in Moscow***

According to the Department of Sports and Tourism of Moscow, 3,174 children are engaged in figure skating in Moscow. It is assumed that one figure skating group consists of 15 students with three one-hour training sessions on ice per week for 40 weeks of each year. Thus, the total amount of training time for children and youth figure skating is 25,390 hours per year. About 150 children and youth figure skating tournaments are held annually in Moscow. It is assumed that holding one tournament takes up the whole day on one ice rink. Thus, the time used for tournaments of children and youth figure skating is 2,550 hours per year.

### ***Amateur Ice Hockey Games***

In total, there are four amateur ice hockey leagues whose games are held on a regular basis in Moscow: The Night Hockey League, ROSTEH United Corporate Ice Hockey League, the Amateur Ice Hockey League "LHL-77," and the Russian Friendly Ice Hockey League. Each league holds about 1,000 games a year, each of which lasts two hours. Thus, the total number of hours booked to hold the games of amateur ice hockey teams in Moscow is 8,000 hours per year.

### ***Training Sessions of Amateur Ice Hockey Teams***

According to the Department of Sports and Tourism of Moscow, 160,382 people play ice hockey in Moscow, among whom 6,937 are children, meaning that the number of adults engaged in ice hockey is 153,445. It is assumed that one ice hockey team consists of 25 players (thus, in Moscow there are 6,138 amateur ice hockey teams), and that on average, one team has a one-hour training session per week for 40 weeks of each year. Thus, the total number of hours used for amateur ice hockey training is 245,500 hours per year.

### ***Training Sessions of Amateur Figure Skaters***

According to the Department of Sport and Tourism of Moscow, 38,229 people are engaged in figure skating in Moscow, among whom 3,174 are children, meaning that the number of adults engaged in figure skating is 35,055. It is assumed that one group consists of 25 people, hence 2,337 groups

**Table 5. Aggregate Demand, Aggregate Supply, and the Resulting Deficit of Ice Rinks in Moscow (as well as Ice Rental Hours per Year)**

<b>User Group</b>	<b>Aggregate Demand</b>
Professional ice hockey	14,600
Professional figure skating	1,020
Training sessions of children and youth ice hockey schools	27,360
Training sessions of children and youth figure skating schools	25,390
Games of children and youth ice hockey schools	5,000
Tournaments of children and youth figure skating schools	2,550
Games of amateur ice hockey leagues	8,000
Training sessions of amateur ice hockey teams	245,500
Training sessions of amateur figure skaters	28,000
<b>TOTAL DEMAND</b>	<b>357,420</b>
<b>TOTAL SUPPLY</b>	<b>279,225</b>
<b>Resulting deficit</b>	<b>78,195 / 28%</b>

in Moscow, and that on average, one group has a one-hour training session on ice per week for 12 weeks per year. Thus, the total number of hours for amateur figure skating training on the ice is 28,000 hours per year.

In summary, the aggregate demand for ice rental in Moscow is 357,420 hours per year by the beginning of 2017. Aggregate demand for ice rental among different user groups in Moscow, aggregate supply, their comparison, and the resulting deficit of ice rinks are presented in Table 5.

The total deficit of ice rental hours in Moscow is 78,195 hours per year, or 28% of the aggregate supply. Even in our simplified model, it is obvious that the existing ice provision in Moscow is not enough to meet the needs. It should be noted that despite the existing deficit, only construction of new, privately-owned ice arenas is expected because there is no current plan for the construction of municipal / state ice arenas.

## Limitations

Based on the results of the calculations, several important factors affecting the results should be noted:

1. The above calculation is based on official data provided by the Department of Sport and Tourism of Moscow, which may cause some doubt, especially in regards to the number of people engaged in a particular sport. The inclusion of more accurate data could lead to a correction of the results obtained, but it is highly probable that the corrected results would lead to a similar conclusion that there is a significant deficit in the ice rink rental market in Moscow.

2. An important factor affecting the magnitude of the deficit is the uneven distribution of demand over time. Obviously, the most popular time is evenings on weekdays and weekends. With some confidence, we can assert that practically all ice rental demand of amateur hockey teams falls precisely at this time. Children and youth schools of ice hockey and figure skating are mainly interested in the daytime on weekdays (except for their games, which are in the mornings and afternoons on weekends).
3. The calculation above does not take into account ice hockey amateurs who are not included in the official data (i.e., student teams), as well as games and tournaments that go beyond the four amateur leagues. Therefore, corporate tournaments and training on ice arenas of Moscow occupy a certain fraction of the time. Moreover, other events beyond hockey and figure skating that can take place on ice arenas, such as concerts, shows, and corporate parties, are not included in the calculation.

## Conclusions

Based on the results of the analysis, several important conclusions can be drawn: all owners of ice arenas currently operate at a loss and obtain subsidies from regional or municipal authorities despite high demand for ice time. In this regard, tax incentives (including property tax/land tax) for investors investing in sports infrastructure seem appropriate, as often occurs in other countries. In Moscow, there are separate tax

exemptions for large sport facilities, but a common solution is required to improve mass provision.

A small number of women engaged in ice hockey (less than 1% with only 1,194 women out of 160,382 people) suggests that if participation grows in line with other countries, there will be a critical shortage of available facilities. Representatives of women's ice hockey practically do not have the opportunity to train in Moscow due to higher priority being given to men's hockey. This may be one of the reasons for the present decline in the already small number of women engaged in ice hockey (a 21% decrease in the last five years). Appropriate measures should be taken at the municipal/state level to change the situation with women's ice hockey in Moscow.

It should be pointed out that no data on sledge hockey were found. As it was mentioned before, Moscow's ice hockey infrastructure is not practically suitable for sledge-hockey training and games. Given the existing deficit of ice rinks, it seems almost impossible for sledge-hockey players to book convenient time slots in the ice arenas of Moscow. Measures at the municipal/state level should be taken.

There is a high demand for ice rental from amateur teams, most of whose players are from middle-class backgrounds. Hockey is an expensive sport, and many amateur teams are either corporate ones or funded by sponsors, which indicates that children and youth amateur teams might be crowded out. With the continued growth in the popularity of ice hockey, it can be assumed that the construction of new high-quality ice arenas with multiple ice rinks is able to meet the demand for ice rental. Constructing 12.6 new ice rinks in 6–7 new ice arenas could cover the current deficit in the market. However, the lack of ice rinks during prime time might continue to exist despite the construction of new high-quality ice arenas.

Some suggestions for sport managers can be derived from the analysis to help solve the problems in the current ice rental market. First, ice rinks in new arenas can extend their operating hours, and a schedule-based pricing system can be used to balance the current utility of ice rinks in different times. For example, during the prime time, the rent price can be higher whereas in the non-prime time, discounts can attract more hockey players and skaters, so that the utility of the ice rinks can be maximized. Second, the arenas built in the Soviet period should be refurbished. If there is not enough funding from the government, a public-private cooperation can be an alternative strategy, as well as investment from the three profitable KHL clubs and their wealthy benefactors. Third, stakeholders should apply the latest technologies to supervising the utilization of ice rinks in Moscow, like using apps to check the availability of ice rinks, so that they can better manage the ice rental market. Finally, some advanced ice arenas can also gain revenue by selling naming rights, as has occurred in other parts of Europe and North America. While the situation in Moscow is problematic, the gathering of data on demand and usage is important in any

environment, whether the main provision is public, private, or via public-private partnerships. In many countries all three types of funding are necessary for the provision of demand for indoor ice sports, and countries with cold enough winters can supplement with increased provision of outdoor ice facilities, particularly for amateur teams and youth.

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## SUBMISSION GUIDELINES

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3. For which kinds of companies would your idea work especially well? For which kinds of companies would the idea NOT work well? Why?
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6. What is the source of your authority? What academic, professional, or personal experience will you draw on?
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The proposal should address the questions above (it does not need to be written in question-and-answer format) in a narrative outline (500-750 words). The outline should describe the structure of the article and detail each important point in a separate paragraph (excluding reference list).

Provide not just a sense of your primary ideas, but of how the logic of the ideas will flow. Points should be illustrated with real-world examples or one extended, detailed example.

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The proposal must include the following elements in the order listed:

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2. Author's name, institution, contact information.
3. Narrative (500-750 words). Narratives should be submitted in 12-point Times New Roman font, using American Psychological Association (APA) Guidelines.
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