

Paper chase | What's stopping paperless ticketing in sport?



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[Article](#)

- Fragmented ticketing market makes it harder to implement a single solution
- Miami Heat the first NBA team to transition to mobile-only entry
- Aston Villa integrates pre-paid contactless payment technology into its season and member cards

In an industry that prides itself on being tech-savvy, the shift towards paperless ticketing would appear to be a no-brainer.

For a start, the move tallies with lifestyles that are increasingly reliant on mobile phones and contactless payments.

According to an eMarketer forecast, more than a third of the global population will be using a smartphone by the end of this year.

Meanwhile contactless travel cards have become the norm in major cities, while smartphones, watches, bracelets and other gadgets can be used as portable payment tools. In the UK alone, in the first half of 2017, £23.23bn (€26bn/\$32bn) was spent via contactless transactions, in comparison with £25bn in the whole of 2016, according to UK Finance.

But contactless technology has been available to the British public for more than a decade. While integrating the technology into everyday life has been relatively seamless, there has been a trickle rather than a deluge of sports clubs to have taken the leap into paperless ticketing.

Reluctant transition

This reluctance stems from two key issues, according to Joel Crouch, the UK and Ireland general manager of Eventbrite, which gives event organisers the opportunity to sell tickets across social-networking platforms by using the website's interface.

"I believe tradition plays a big role here," he tells *SportBusiness International*. "In our experience, though, once someone has made the switch and realise what they've been missing out on, they don't want to go back.

"And then there are the fans, of course. Some clubs and venue operators might assume that fans simply aren't ready for this technological jump yet. In the past, they weren't wrong about this, either.

"Most paperless systems assume access to the internet and a smartphone to get your ticket. For a long time, this hasn't been a given for all sports fans."

Crouch argues that with smartphone adoption having reached 85 per cent of UK adults as of mid-2017 – up from 52 per cent five years ago – this is “a concern of the past”, as evidenced by the company’s increasing volume of work in sports such as football, rugby union, rugby league, golf and basketball.

“Looking at other live experience industries, like music, the switch to digital is just a matter of time,” he adds. “It’s safe to assume that the transition will happen reasonably quickly.

“We are currently witnessing the early adopters introducing paperless in the UK’s spectator-sports sector. Within the next couple of years, we expect the early majority to follow, after which it should become the de facto standard for clubs and venue operators.”



Papering over the cracks

Intriguingly, although most ticketing providers tend to agree with Crouch, the sports industry is far from achieving a consensus.

Wayne Munday, chief operating officer at Ticket Zone, an established B2B ticketing services provider, says reports of the death of paper tickets have been greatly exaggerated.

"The technology for paperless tickets has existed for a number of years. The obvious drawback at the moment is that companies are pushing a paperless ticket agenda as a singular target view, when actually the current view of the ticketing industry is far more complex," he tells *SportBusiness International*.

"We believe that paperless and paper tickets will co-exist for the foreseeable future."

Munday explains that while the advent of digital technology has "created a new multi-channel majority, predominantly driven by Millennials", for whom paperless ticketing is an obvious fit, the wider pool of fans still includes older generations, such as baby boomers and those from the 'Generation X' age brackets – and they still tend to prefer paper tickets.

"Many of these customers value a souvenir ticket as a personal memento from attending big events, play-offs or finals," he says. "From our experience in managing customer services, the tangible presence of having a physical ticket in your hand provides considerable peace of mind and reassurance when travelling to a sports event."

Just over a year ago an English Premier League report, found the average age of spectator at a match was 41. The age of an average NFL fan increased by four years to 50 between 2006 and 2016, according to Radio + Television Business Report. A 2015 study by ESPN found that the average Major League Baseball fan is 53.

But with the oldest Millennials turning 37 in 2018, sport has to cater for different demographics through a number of avenues.

"Tickets can be sold either on the gate to 'walk-ins' or online by multiple primary tickets agents on a multitude of different ticketing systems," Munday adds. "This creates a fragmented technology environment where the club will have to relinquish a certain amount of control in terms of security and commercialisation."

Frictionless technology

Munday acknowledges that paperless ticketing has worked especially well for clubs as a frictionless stadium solution for season ticket-holders, where the club has a direct relationship with the fan.

"Apart from the obvious barrier to anti-touting that paperless ticketing provides, the other main benefit relates to marketing," he says.

"Clubs that adopt paperless ticketing can build information about their customers and have a transparent view of their fans' sales, marketing and attendance journey that enables greater levels of personalisation."

Crouch admits that "most sports fans just aren't ready for paperless ticketing" when compared to customers in other industries, like music.

"Eventually it comes down to clubs and venues recognising the benefits of paperless ticketing," he says. "A paperless ticketing system is much cheaper to maintain and administer than a legacy paper-based set-up since it reduces the cost and time needed for printing and processing paper tickets to near zero."

Communicating the benefits

Part of the challenge is to ensure fans recognise the benefits.

"We're years into the implementation of paperless ticketing and the key is certainly communication. Technology was the easy part," says Matthew Jafarian, vice-president of digital strategy and innovation at the NBA's Miami Heat. "Most of the effort was in updating processes and educating fans with tools such as our app."

Miami became the first NBA team to transition to mobile-only entry for the 2017-18 season after one in three fans adopted mobile ticketing during the 2016-17 campaign. They were also the first to develop a mobile wallet that allows spectators to make food, beverage, retail and premium dining purchases at any point of sale inside the team's arena.

"Not only is it more convenient – we incentivise fans to use the wallet through express lanes and a reward programme," Jafarian adds. "For every \$50 a fan spends using the mobile wallet, they instantly earn \$3 to be spent anywhere in the arena."

Convenience, including the ability to share a seat with a friend or sell it online through the franchise's app, as well as "guaranteed ticket authenticity", are two of the key selling points for a fan, according to Jafarian.

"Now that we have our own solution that isn't tied to a platform that's trying to serve multiple customers, we're able to move in an agile way by collecting feedback, implementing it, and releasing it to market in 30-day cycles," he tells *SportBusiness International*.

"Virtually all paperless ticketing nowadays relies on a digital representation of old technology, namely a barcode. The barcode or QR code comes with inherent downsides like the ability to screenshot and duplicate.

"We're looking closely at emerging technologies that could move us into a new realm of digital ticketing security. Blockchain first proved its effectiveness with cryptocurrency, and we believe that concept can be applied to event ticketing."



Bucking the trend

Unlike its major league rivals, the average age of an NBA viewer on ESPN remained stable at 37 years old between 2004 and 2014 – significantly below the other North American major leagues.

The Milwaukee Bucks is one NBA franchise to have turned around its ticketing fortunes by embracing digital technology. The franchise promoted Jamie Morningstar to senior vice-president of ticket sales and service at the start of 2018 after she had helped them double planned sales revenue and increase the number of seats sold by 50 per cent over the past five years.

"We have also implemented a large number of our promotional packages through digital purchase and delivery only," Morningstar tells *SportBusiness International*. "The industry is headed in the digital direction for various reasons and it's our job to educate and support our guests as we continue to evolve."

"In this day and age, more and more people expect instant gratification and digital allows folks to do that. You can manage your seats through various channels like email, text and Facebook. You can also post your seats for resale through this technology.

"From a business perspective, it allows us to create a more personalised experience. From a security perspective, digital ticketing allows us to mitigate almost all of the fraudulent tickets."

Fan push-back

A degree of scepticism from customers is to be expected, Morningstar explains.

"Like any innovation, the biggest challenge is the time and effort required to educate both consumers and staff," he says. "Once the initial apprehension passes, fans see that mobile ticketing saves time, saves paper and saves stress."

Radio-frequency identification – more commonly abbreviated to RFID – is also starting to gain traction at sports events due to lower operating costs after having secured a solid foothold in other entertainment sectors, according to Crouch.

Eventbrite premiered its RFID wristband, which can incorporate a cashless payment option, at the British Masters golf event last year. Crouch also points out that wristbands, like paper tickets, can be kept as mementoes.

"Cashless has been proven to significantly increase on-site sales of drinks and merchandise and, combined with the data from ticket sales and optional localisation information, RFID tickets create an invaluable data trail," he says. "This enables unprecedented insight into the behaviour and preferences of your fans, allowing you to analyse what the crowd hotspots of your venue are, when and where you sell the most merchandise and which brands your fans interact with.

"Now that RFID has become cheaper and easier to integrate into the ticketing process, we expect to see it at more sporting events around the country."



Partnership opportunities

In October 2017 English Championship football team Aston Villa announced it had become the first football club in the world to integrate pre-paid contactless and chip and pin payment technology into its season and member cards as part of its new 'Pride Rewards' programme.

The cards can be used to enter the stadium and at all Villa Park payment terminals, with fans earning loyalty points that can be redeemed against products and match-day experiences in the process. In due course, the card will also enable fans to shop, both in person and online, at affiliate retailers, while other partnership opportunities will be available to the club, as Luke Organ, Villa's chief commercial officer, explains.

"Integrating contactless chip and pin technology made the most sense in terms of ease of use, aiding movement throughout the stadium – particularly at concessions – and our ability to reward fans," Organ tells *SportBusiness International*. "As a further benefit, understanding purchasing habits, inside and outside the venue, opens up the potential for new brand partnerships, as well as helping to inform our stadium offering."

Organ believes the initiative will allow the club to establish closer relationships with fans, with "data at the heart of everything we do".

He concludes: "In terms of spend, we are already seeing an increase per transaction of circa 10 per cent and that is before activating the global affiliate programme.

Statistics like this suggest widespread paperless ticketing, reward schemes and RFID technology are inevitable for sport as tech-fluent Millennials and Generation Z sports enthusiasts come of age. But with baby boomers and Generation X-ers unlikely to call time on their match-going rituals for several years, don't throw the paper tickets on the fire just yet.