



Step Up Your Sports Conversation Game: An Entrepreneurial Venture

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Abstract

The purpose of this thesis is to create a detailed business plan, presented in the form of an infographic. This business plan is based on startup venture, Lace Up. Lace Up intends to be a sports content distribution company – aimed at consolidating sport knowledge and informing consumers in a concise and colloquial way. We plan to target the Millennial who does not follow sports on a daily basis but can reap interpersonal and societal benefits from the ability to partake in sport conversations. In order to understand the target market and how to cultivate interest in my company, necessary background research was conducted and is presented as part of my thesis.

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INTRODUCTION

Company Inspiration

As an Finance major, much of my education has been dedicated to learning how to assess and determine the worth of a company. For my Honors Thesis, I decided to use my finance education not just to aid in evaluating the worth of companies, but by creating one of my own. The light bulb for my company, *Lace Up*, went off the day after a work Christmas party this previous winter. Eight male analysts and I were hiding from our tasks in an empty conference room. As we sat there, 20% of the conversation consisted of events from the holiday party. The other 80% was sports related conversations.

As a student enrolled in two honors programs, consistently working 20-35 hours a week throughout my college career, and still trying to participate in college social events, I find myself many times out of the loop for many current events going on in the world. I have always enjoyed being active and playing sports, yet consistently I was finding myself lost and unable to partake in sports related conversations. Sport conversation bombarded my everyday life - whether at work, school, or out socializing. I could feel myself frustrated that I wasn't consistently keeping up with sports.

From interning in corporate America for three years and attending numerous networking events, I have seen first hand the social benefits of being sports knowledgeable. Sports provide the ability to create a conversation with nearly anyone regardless of gender, age or race. It can serve as a better conversation starter than, "how's the weather" or "where are you from". One issue that I, and many other busy millennials face, is the inability to partake in these social conversations. We don't have the time to read numerous blogs and check ESPN daily, our

parents didn't raise us on sports, or we don't naturally have the desire to be "consistent" sports fans - as some innately seem to do.

As I sat in the conference room with my other colleagues, I began to zone out and gave up on attempting to keep up with their conversation about college basketball. I began to think about how nice it would be if in twenty minutes before meeting with a new potential employer, (that I knew attended Ohio State) I was able to pull up one webpage that provided me everything I needed to know for Ohio State Football. Things such as: how well are they playing this season (not just stats and figures that I don't understand), who are the star players, is the coach well liked, who are their rivals, what's the team's gossip, and how have they played in the last five years – things that would actually help me participate in a conversation. In order to obtain all of this information, this would require me to visit ESPN, an Ohio State football blog (which I would have to first search for a quality blog in addition to figuring out how to tell if it is of quality), and Wikipedia to understand the reported stats and football jargon. Majority of my time would be spent searching and compiling information, as opposed to actually digesting the sports knowledge.

I quickly left the conference room and went back to my desk to test this scenario. "How are the Blackhawks playing this season?" The top search results generated sites overwhelming for someone not accustomed to sport media websites. This is when Lace Up was born.

Thesis Overview

My startup venture, Lace Up, is a sport content distribution company. It is a combination of sports knowledge, sports coverage with content and writing style targeting to the millennial. The components of Lace Up will consist of: personalized email newsletters, a website containing

individual pages for collegial and professional teams, and engaging podcasts aimed and entertaining and educating the reader. Our long-term goal is to create a mobile app.

From the time of my thesis proposal until this point, much has changed regarding the area of interest behind my research. In addition to my proposed timeline of events for Lace Up, my startup venture has led to the creation of a logo, the finding of a business partner, winning popular vote in DePaul's 2017 Business Plan Expo, and receiving feedback from a venture capitalist. Presented in the appendix, is an info graphic of Lace Up's business plan. In order to develop this business plan, I utilized startup methods proposed by Eric Ries in his book, *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses* and Alexander Osterwalder & Yves Pigneur's book *Business Model Generation*.

MISSION STATEMENT

Lace Up's mission is to help redefine the stereotypical "sports fan", and help inform those who don't follow sports on a daily basis but recognize the societal benefits from being able to partake in the sport conversations.

In my research, I have found that although sports fans are demographically diverse, current sports literature appears to primarily target one homogeneous group – adult men. As Lace Up intends to target 20-35 year old millennials, we aim to cater to those who may not have grown up around the sports culture or did not realize they may have interest until a later age. We also intend to focus on the female sport fan market, as we believe that they are underrepresented in the sports fan world.

As sports are a "leisure" activity that helps to form connections and bonds with others, in my research I found that despite the number of female fans present in major league markets, they are assumed to be passive spectators and not always knowledgeable about the strategy and data in games. Studies show that women feel marginalized because they are viewed as inauthentic fans who lack sport specific knowledge and attend events for alternative reasons besides for watching sports (Sveinson & Hoeber, 2016).

Although we pitch Lace Up as catering to "bandwagon fans", our long-term goal is to help ease those who may feel intimidated by participating in "water cooler" conversations, office fantasy leagues and other social activities. This aids in building more human connections for many. Knowledge is a key source of empowerment, which is why Lace Up intends to focus on delivering the most digestible sports knowledge, building up one's sport fan confidence. We believe that our company may help to spark the evolution of the sport media industry, reshaping to cater to the "modern sport fan".

BACKGROUND RESEARCH

As Lace Up intends to capture market share through our ability to deliver uniqueness in this saturated market, understanding the benefits of being a fan, the curiosity behind following sports, the obsession that keep fans loyal, and the “fear of missing out” phenomenon sports fan, the demands of female sport fans was necessary. In the highly competitive sports industry, understanding fans is a key for any organization. “The outcomes of prior sport fan motivation studies have provided sport marketers with valuable information about consumer behavior” (Han, Mahony, & Greenwell, 2016). Below are the following findings on such topics and how this consumer research intends to be incorporated into Lace Up.

The Benefits of Being a Sport Fan

Sports provide not only entertainment but also other internal benefits for many. “It’s like going to watch the new sci-fi thriller,” Earnhardt said in reference to watching sports. “You want to get that good feeling. It’s like unscripted reality television” (Stone, 2014).

Nearly 200 million adults in the United States consider themselves to be sport fans. Of those who do, approximately 80% of them actively check sports-related information on a daily basis (Wang, Min, & Kim, 2016). In *Fulfillment of Sport Spectator Motives: the Mediation Effect of Well Being*, they concluded that individuals watch sports in order to fulfill underlying intrinsic motives. The motives include escape, aesthetic, achievement, knowledge, and family. Sports can be considered an escape from everyday life. In terms of aesthetics, Wang, Min & Kim believe people watch sports to appreciate its “inherent beauty and artistry”. Fans can obtain a sense of achievement from their gaining of sports-related knowledge. Finally, they found that watching and following up with sports enables individuals to interact and bond with family members.

When I was initially developing Lace Up's pitch, I pitched two reasons as to why an individual should increase their sports knowledge. They were to increase your ability to network and gain the ability to partake in sport centered social events in order to gain a sense of "belonging". These additional five motives (escape, aesthetic, achievement, knowledge, and family) can help Lace Up expand its pitch and further develop content that will cater to these five intrinsic motives.

Converting Bandwagon Fans into True Fans

Lace Up was originally designed to cater to those who are considered "bandwagon fans". A 2011 survey by the Marist College Institute for Public Opinion found that approximately 40% of the United States adults considered themselves non-sport fans (Park, Ha & Mahony, 2014). The ability to target, capture and foster a love for sports is paramount for Lace Up's long-term growth. One way to further explore how to cultivate an individual to become interested in sports was through curiosity.

The Curiosity Behind Sports Research on new and casual sports fans is fairly new. However, some research has argued that curiosity could play a crucial role in explaining how new consumers are attracted to sports, and how their attitudes toward sport-related objects change over the course of their engagement. In *Development and Validation of a Measure of Sport Fans' Specific Curiosity*, it is argued that curiosity may lead nonfans of sports to become initially attracted to sports, and current sport fans to be attracted to new sports, or increase the interest of more casual fans. They believe that observing levels of curiosity can help identify the shift of an individual from being a "lowly identified fan" to a "highly identified fan" (Park, Ha & Mahony, 2014). Curiosity is defined as a "desire for acquiring new knowledge and new sensory experience that motivates exploration behavior" (Park, Ha & Mahony, 2014).

Understanding the different forms of curiosity can help develop how Lace Up's content is displayed on its website and in social media. There are two different types of curiosity - diverse curiosity and specific curiosity. Diverse curiosity is motivated by feelings of boredom or a desire for stimulus variation and directs individuals to "seek new experiences with a particular stimulus or activity" (Park, Ha, & Mahony 2014). Specific curiosity occurs when one is actively seeking depth in one's knowledge and experience with a particular activity. Specific curiosity initiates a detailed investigation in order to acquire new information (Park, Ha, & Mahony 2014).

Park, Ha & Mahony argue that those with a high level of curiosity would be willing to search for specific information or knowledge about a sport, leagues, teams and players. Already sports fans that have specific curiosity look to fill in the gaps of what they already know and what they would like to know. This information is usually acquired from the consumption of new versus traditional sports media outlets. In their study, they found that sports fans typically begin to search for specific information once their curiosity is evoked by general sports knowledge. This study aids in understanding how fans move along from being initially aware and attracted to sports, to becoming fully knowledgeable sport fans. As we aim to target consumers with various levels of sports knowledge and dedication to a team, this will provide a starting off point for what information attracts which type of individual. Park, Ha & Mahony recommend designing websites and mobile applications based on a sport fan's specific curiosity. By offering customized information for each group through our personalized newsletter, it can potentially help to increase a fan base in addition to their loyalty.

Cultivating the Sport Fan Obsession

As curiosity can help drive initial users to Lace Up, other psychological drivers can help to retain, expand and create the “sport obsession” in individuals who may not been sports fan before. In *the Secret Lives of Sport Fans: The Science of Sport Obsession*, Simons concluded that personal identity, pride, relationships, love and addiction help drive people into becoming sports obsessed.

In framing the psychological and emotional commitments of sports fans, Simon believes that the process by which pride turns into self-esteem is imperative in motivating sports fans to exert persistent behavior. Sports fans are inherently motivated to build relationships with select sport teams. This offers a “platform” to self-expand values such as camaraderie and tradition (Young & Hyun-Woo, 2017). These platforms bolster the energy, meaning, memory, and emotional support. This process enforces a fans’ psychological commitment. Joe Weis, a sociology professor at the University of Washington told Seattle times in an interview “If they’re doing well, it reflects on us, in terms of bragging rights, status, prestige and identity” (Stone, 2014). This is one reason why the sports fan industry is such a highly desirable one for a company to try to get into. Once people become a sports fan they typically end up becoming long-term customers.

Relationships Relationships form between an individual and a team, but also between an individual and that sports team’s community of fans. Once this relationship is created with a specific sports team, Simons says that sports fans tend to overwhelm their self-control due to a deeply expanded relationship with their favorite sport team. “Fans conceivably promote emotional bias, prejudice, or obsession and relinquish their self-control to what they would normally respond” (Young & Hyun-Woo, 2017). Given the bias and prejudice that occurs from

forming a “love” relationship with a sports fan, this is why Lace Up intends to hire writers to write for the teams they are actual sports fans of. We believe that this will help appeal and speak to those who are the fans of a certain team, capturing the emotional bias that will help us connect on an individual level to our users.

“Our research has shown that the No. 1 reason people become fans is that it’s your connection to your first community,” said Adam Earnhardt, chairman of the communications department at Youngstown State University and *co-author of Sports Fans, Identity and Socialization: Exploring the Fandemonium*. (Stone,2014). Sports teams can foster the same sense of belonging as churches and families do.

Addiction Addiction plays an important role when understanding why sports fans remain fans for so long. Eric Simon conducted a study in order to understand the internal drivers that results in sports fans to be “addicted”. Simon studied international Bay Area Arsenal Fans – who watched matches five thousand miles away in a local bar where one must wake up pre-dawn (38 times in a year) to watch a game – with no guaranteed rewards from partaking in such an activity. From his findings, Simon argues that most sports fans that keep returning to a team in spite of inconsistent rewards (a loss or a win) always exert self-control, and are able to stop being a fan if they wanted to. However, these fans stay regardless of the risk that they may watch their team lose due to internal motivation. When targeting the Chicago sports market, this internal motivation will help in assessing the risk of fans not going on our website due to Chicago teams performing badly. In the long run, if we are able to capture the addicted sports fan base this will help form a consistent consumer group.

Catering to the Fomo's and Delivering to the new Generation of Sport Fans

One major tactic for Lace Up is to drive demand is by satisfying a consumer's fear of missing out (FoMO). In *Fantasy Sport, FoMO, and Traditional Fandom: How Second-Screen Use of Social Media Allows Fans to Accommodate Multiple Identities*, Larkin & Fink define FoMo as the "pervasive apprehension that others might be having rewarding experiences from which one is absent". This phenomenon has stemmed from the information revolution. With so much information present and easily accessible, there is a perceived ability to exhaust all sources of information thus creating a fear of missing out on information (Larkin & Fink, 2016). The information revolution has resulted in an explosion of sports media outlets. Modern-day sports consumers are seemingly "drunk with possibilities"(Larkin & Fink 2016).

The research by Larkin & Fink helped verify that with the increasing "FoMo" for sports fans, the demand for untraditional sports media outlets that are accessible through mobile devices is only going to increase. With technological advancements, sports fans now have the capacity to interact with sports on an unimaginable level. Second screen use (mobile devices) while simultaneously watching a televised sport game, has become a ubiquitous trend among television users (Larkin & Fink 2016).

Delivering digestible, knowledge content heavy information is vital for Lace Up's success. Larkin & Fink also found that traditional sports media outlets are not meeting the needs of many sports fans. They reported that the most prominent reason for leaving that fantasy sports host site, such as ESPN or Yahoo Sports, was to gather more news and in-depth analysis on specific players, injuries, etc. These findings follow the notion that today's sport fan consumers are increasingly "media multitasking" in order to gain knowledge that accommodates the multiple teams they follow.

In a study conducted in 2015 by Kapustka, 35% of professional sports organizations reported a lack of Wi-Fi amenities. These organizations included the four major professional sport leagues in the United States – NFL, Major League Baseball, the National Basketball Association, and the National Hockey League (Larkin & Fink, 2016).

A growing number of these sports organizations have reported to be implementing full-seating Wi-Fi at professional sport facilities to accommodate for today's modern sports fan's demands in terms easy accessibility to sports sites while watching a game. In the long run, Lace Up intends on creating a mobile app so our content can be easily accessible. We view this as a crucial investment that based on this research, can reap significant more user traction onto our sites.

In 2014, the Fantasy Sport Trade Association surveyed more than 41 million fantasy sports players in the US and Canada in 2014. On average, these individuals nearly 18 hours per week consuming sports, of which roughly half was devoted towards the consumption of fantasy sports. This consumption includes accessing real-time games and player stats, as well as real-time scores (Larkin & Fink, 2016). If Lace Up is able to enter into this market, given the increasing accessibility to our site through improved Wi-Fi in sport facilities, the growing phenomenon of FoMo attracting current fans will greatly aid in Lace Up being able to bring in revenue dollars from advertising.

The Female Sport Fan

One important customer segment that Lace Up intends to focus on is the female customer market. In 2012, women made up half of the NFL's consumer market and roughly one third of the NHL, NBA and MLB market (Sveinson & Hoeber, 2016). As the size of the female fan

population has been increasing, many argue that this will challenged the dominant gender order in sports fan-ship (Sveinson & Hoeber, 2016).

Marginalization of the Female Fan Over the years there has been an increasingly amount of research conducted on the female sports fan. Much of the focus of this research has been on the marginalization of the female sports fan experience. Sveinson and Hoeber concluded in their study, *Female Sport Fans' Experiences of Marginalization and Empowerment*, that the female participants experienced marginalization based on the assumptions that women are inauthentic sports fans. They also found that these female participants felt empowered when they were able to demonstrate legitimacy and authenticity in their fan ship. Participants found that knowledge of sports played a significant role in authenticating themselves as a true sports fan.

Female sport fans are also characterized as having secondary motives (referred to as inauthentic) for being a sports fan. These motives include going to sporting events based on their heterosexual attraction to the team's players (Sveinson & Hoeber, 2016). Sveinson and Heober reference a study performed by Crawford and Gosling that demonstrated such discrimination. They interviewed male fans about their perception of female fans of ice hockey in the United Kingdom. The male fans referred majority of female fans as "groupies" or "puck bunnies", suggesting that these fans were not as dedicated to the actual sport, but more so the sexual appeal of the players.

A sense of female empowerment can arise from being a sports fan. In Sveinson's and Hoeber's research, participants experienced feelings of empowerment when they were viewed as "authentic sport fans" By authentic, this means they met the masculine norms of sports fan ship and therefor felt accepted into this culture.

Using Sports to Build a Stronger Business Network Some women like myself, view being sports knowledgeable as an asset in terms of career networking. Sanyin Siang believes that one important career strategy for young women is to be “comfortable talking sports”(Citrin, 2014). Executive Director of the Coach K Center on Leadership & Ethics at Duke’s Fuqua School of Business, Siang formulated this advice based on research of females CEOs. Within her studies, she found a pattern that nearly all female CEOs have “great sport awareness”. Although this article written by Citrin received controversy remarks for making rather sexiest generalization, the main driving point is that woman do indeed benefit from participating in sports conversation aside from the self – rewarding leisure aspect. Citron points out what Lace Up aims to cater to, and that is the idea that sports-related conversations are an excellent conversation starter, a catalyst in relationship building, and acts as an equalizer between men and women in the work place.

In order to help change the traditional male dominant image of a “sport fan”, Lace Up intends to utilize social marketing displaying women as sports fans, in addition to delivering a writing ton that appeals to the young, working millennial women.

REFLECTION

Some of this research was performed prior to the creation of my info graphic business model. In light of some of the findings below, Lace Up intends to further incorporate fandom research in the hopes of delivering a product that will actually serve its customers and deliver its mission to the best of its ability. Although much of my effort and time has been devoted to consumer research, after meeting with a venture capitalist, Will Little, he recommended that I devote less time working on “perfecting” my product and more on reaching out to advertisers. This way my company will be able to stay afloat as I aim to build a book of advertisers and therefore a stream of revenue.

Our set launch date for Lace Up is fall 2017, during the Super Bowl. By competing in DePaul’s Business Expo, we were able to receive great support for our idea and won a large check (picture below), which helped to validate our work thus far. One of the biggest lessons learned from starting a business is that everything takes much longer than expected. Designing a logo or even creating a company name, are creative tasks that I have not yet performed.

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