

Operation Management in Sport Venue

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ABSTRACT

In this paper, the authors have chosen to examine the operational strategic evaluation of Old Trafford Stadium. Although there are studies discussed about using operation management for managing venue, but there are still limited studies that have discovered clearly the implementation of sport venue management. The authors have used qualitative methods by tour observation in Old Trafford and secondary data from websites and academic books. In addition, through using these methods, the writers described the implementation of operation management, service process, operation performance, and operation strategy in Old Trafford. These four elements have proved to give impact on the revenues of the venue itself. To sum up, the findings proved that these four points are essential for Old Trafford, to gain more revenues. In contrast, commercialization is the only negative point that have been found by the writers that affected in customer satisfaction, caused by poor atmosphere in the stadium.

SARI PATI

Artikel ini mengkaji mengenai evaluasi strategi bagaimana stadion Old Trafford dioperasikan. Walaupun sudah ada diskusi yang membahas mengenai implementasi studi manajemen operasi dalam mengelola sebuah venue, namun sangat terbatas yang mengemukakan secara jelas mengenai pengelolaan venue olahraga. Penelitian ini dilakukan menggunakan metode kualitatif yaitu obesrvasi langsung pada lokasi stadion dan penggunaan data sekunder seperti yang tersedia pada buku dan jejaring. Melalui metode ini, penulis mendeskripsikan bagaimana manajemen operasi, service process, performa dan strategi operasi diimplementasikan untuk mengelola Old Trafford. Elemen-elemen tersebut terbukti memberikan dampak kepada venue untuk dapat menghasilkan pendapatan. Melalui kajian ini, ditemukan bahwa keempat elemen ini meningkatkan pendapatan stadion, namun di lain sisi adanya komersialisasi yang terjadi memberikan efek kepada berkurangnya kepuasan pelanggan akibat dari perubahan atmosfer penonton di stadion.

INTRODUCTION

In this report, the authors will carry out a comprehensive operational strategic evaluation of Old Trafford stadium, which is the biggest stadium of football club in England. The authors have chosen this facility because are passionate with football and Old Trafford is a crucial part of English football culture. In addition, they have done a critical assessment in each aspect of Old Trafford such as the operations management and performance, strategy.

Old Trafford has been the home base stadium of Manchester United Football Club since 1910 (Manchester United website). Apart from that, it has been named “The Theatre of Dreams” by Sir Bobby Charlton, few years after the Munich Tragedy in 1958.

In 2012, the capacity is 75,765 seats and the pitch area is 105 m x 68 m (premier league website). The average attendance for Premier League home games has been approximately 99% for each season since the 1997/98 season (US Securities and Exchange Commission website). Moreover, Old Trafford is the main source of income of Manchester United Football Club, it generates more revenue than TV rights which are generally the most beneficial source in premier league (Bertrand P. 27th May 2009, Les Echos).

Currently Manchester United (per June 2018) is the richest football club in the world, with estimated value approximately US\$ 4 billion, that was biggest contribution from its commercialization (US\$

1,8 billion) and others source of revenue from broadcast and brand value. Also Manchester United has the largest fan base in the world (about 750 million fans). Old Trafford is the biggest revenue generator from its commercialization; therefore they successfully manage to capitalize it.

LITERATURE REVIEW

Operation Management

Operations management is the activity of managing the resources, which produce and deliver products and services (Slack, Chambers and Johnston, 2010:4). There are three essential key operations in venue operation management, the marketing function, the product/service development function and the operations function (Slack, Chambers and Johnston, 2010). Firstly, The marketing (including sales) function is responsible for communicating the organization’s products and services to its markets in order to generate customer requests for service. Secondly, The product/service development function is responsible for creating new and modified products and services in order to generate future customer requests for service. Third, The operations function is responsible for fulfilling customer requests for service through the production and delivery of products and services.

Services

The services are sectors that contain repair and maintenance, government, transportation, insurance, financial trades, education, legal, medical, entertainment, food and lodging, and other professional jobs (Heizer, Render and Munson,

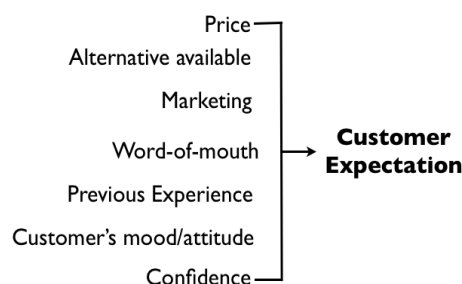


Figure 1. Factors of customer expectation

Source: Johnston & Clark, 2008:116

2017: p.49). Service products are often intangible and intangible products are often unspoken images in the purchaser's mind. It is important to address several major aspects of service quality for operation managers.

Managing service quality it also means managing customer satisfaction. Prior to provide any features to give best experience in case to fulfil customer satisfaction, they need to know and manage customer expectation. Expectations are dynamic. There are several points about what is influencing the customer expectation, such as price, alternatives, marketing, word-of-mouth, previous experience, customer's mood, and confidence about company reputation. (Johnston & Clark, 2008:116).

To win customer impressions, they need to give a better value than their expectation. It described by 10 determinants service qualities, which are Reliability, Responsiveness, Access, Credibility, Security, Knowledge, Competence, Courtesy, Communication and Tangibles (Parasuraman, Berry and Zeithaml, 1988).

Operation Performance Management

First and foremost, SERVQUAL might be a useful tool to evaluate performance for managers of service firms. "performance management is a process that contributes to the effective management of individuals and teams to achieve high levels of

organisation performance. As such, it establishes shared understanding about what it to be achieved and an approach to leading and developing people that will ensure it is achieved" (Armstrong and Baron,1998).

According to Slack and Lewis (2002:41), performance objectives are the dimensions of an operation's performance, with which it will strive to fulfil market demands and their purpose is to define them in a way that will be beneficial to operations. The five key criteria which are essential for the operation function of a company are quality, speed, dependability, flexibility, costs (Slack and Lewis, 2002:43; Slack and Chambers and Johnston, 2010:40).

Operation Strategy

Operations strategy is the total pattern of decisions, which shape the long-term capabilities of any type of operation and their contribution to the overall strategy, through the reconciliation of market requirements with operation resources (Slack-Lewis, 2002:16). Strategy in a business organization is essentially about how the organization seeks to survive and prosper within its environment over the long-term (Barnes, 2008:24). On the other hand, operation strategy never straight forwarded, it depends on the operation managers. Operation managers need to know their job description to set up the operation strategy.

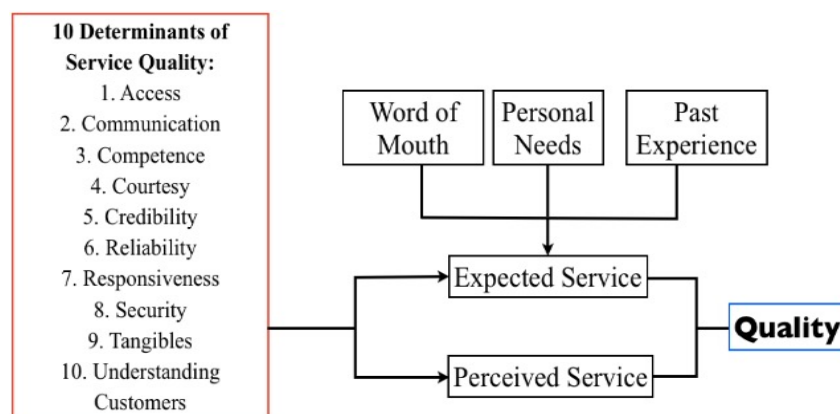


Figure 2. Determinants of Service Quality
Source: Parasuraman, Berry and Zeithaml, 1988

METHOD

The Authors have collected the data using qualitative methods by observation via the official tour in Old Trafford and the visit of the museum in 2012. Furthermore, it has been conducted personal interview and supported the report by using information resources from websites and books as secondary data.

RESULTS AND DISCUSIONS

Operation Management

Old Trafford is not only the stadium of Manchester United, but it is its showcase. Indeed, Manchester United is so powerful that it is not only considered as a football club but also as a brand or a company. Old Trafford works in several ways to promote, sell, communicate, enhance, perform the products/ services and satisfy the consumers and the fans of Manchester United FC. The Operations Managers who work there aim to manage the resources that compose the three key operations essential for any organization: the marketing function, the product/ service development function and the operations function (Slack, Chambers and Johnston, 2010). In Old Trafford, Manchester United managed to determine the needs of the consumers and thereby developed products and services to satisfy and generate more wants thanks to the Megastore, the Museum/Tour, the Red Café, Inside United (official magazine) and United Review (official match programme).

The Manager of Manchester United, Sir Alex Ferguson opened the Megastore at Old Trafford on 3 December 1994 (White, 2008:319). Now, the store is about 17,000 square feet run by Nike, one of the official sponsors of the club. Every product with the brand Manchester United is available: team's replica shirts and training kits, clothes for women, men and kids and all the products licensing like scarves, mugs, mouse mats, key chains, gifts, DVDs etc. In fact, there are more than 800 product lines available on the shelves and more than 1.2million people filed through its doors in 2007, with average match day traffic totalling 20,000. (Manchester United website, 2012).

Relocated in the Sir Alex Ferguson Stand, the new museum was opened by Pele on 11 April 1998. It is a very good way to learn about the history of the club, the famous players and legends who played there, visiting the trophies room. An audio guide is available in different languages to give indications and tell the different stories about the club to the customers. Moreover, the museum also offers a range of education programmes for students of all ages (Manchester United website, 2012). The visit of the stadium is a rewarding experience even if the visitor is a fan or not. Using a tour guide, the visit of Old Trafford lasts more than one hour where it is possible to take place in the Sir Alex Ferguson Stand and have a view of all the stadium, to see the

Official Member Adult	1	Museum & Tours £12.50
Official Member Child	0	Museum & Tours £7.50
Official Member Senior	0	Museum & Tours £8.00
Adult + Audio Guide	0	Museum & Tours £28.50
Adult + Souvenir Guide	0	Museum & Tours £30.00
Adult + Souvenir photo	0	Museum & Tours £35.00

Figure 3. Admission Prices Museum/Tour Source: Manchester United website, 2018

press and conference rooms, the players lounge, the dressing room, the player's tunnel and the Munich tunnel to learn about the tragedy which marked the club.

One of the most famous attraction in the North West, the tour of Old Trafford and the museum are a fantastic way to discover the biggest stadium in England (after Wembley) at an affordable price. The Red Café is a restaurant inside Old Trafford near the entrance for the museum. Open to the public everyday, excepted during match days, it serves traditional food to an affordable price. There are pictures of Manchester United on the walls, which immerse the consumer in the club's atmosphere during the time spent there.

When Old Trafford celebrated its 100 years, at that time, and after, new or modified products and services took place in the stadium to satisfy and anticipated future requests from the customers. Most recently the introduction of the new 'photo booth' allows visitors to have snaps taken with their 'favourite players' whilst the 'What it Takes' theatre exhibit. Then, the 'Old Trafford Experience' package takes on a dynamic twist by allowing visitors to include a meal in their ticket price. Moreover, there are the 'Legend Tours' where the visitors have the unique possibility to make the visit of the stadium with a legend of the club. (Manchester United website, 2012). Another service is the Manchester United Executive Club. This place provides the opportunity to book in advance one of the luxurious suites or rooms and tasting the special selection of set menu and enjoying the panoramic view of the football pitch.

Manchester United through Old Trafford try to accomplish effectively to the needs, the needs of its consumers in different ways. The way they manage the huge popularity of the manager of Manchester United, Sir Alex Ferguson, can be shown from the incident that the 'North Stand' at Old Trafford changed its name to 'Sir Alex Ferguson Stand' in 2011, for his 25 years in the club. A statue of him

has been built and will be unveiled at the end of November 2012.

Moreover, for limiting the queues of the spectators to entry in the stadium during a match day, a new system took place for the members of Manchester United. All the members can use their cards to gain entry to the stadium. They just have to scan their card at the turnstile and take their seat in the stadium; knowing that during a match day, the majority of the spectators are members of the club.

Service Process

In this part, authors will discuss more about Service Process that used by Old Trafford management. Old Trafford run their business as a service sector. Service defined as 4 keys characteristic: Intangibility¹, means is cannot be touched so it is high in experience. Perishability², means cannot be saved or stored. Inseparability³, means it produced and consumed simultaneously. Last, Heterogeneity⁴, means it has high variability in consistency and quality of the service. (<http://www.scribd.com/doc/21328368/Characteristics-of-Services>, n.d.)

Manchester United is one of big and famous football club in the world. That reputation also brought Old Trafford known as a great stadium. They definitely have a lot of customers and for them maintain loyal customer is top priority, because they are vital for all business success. Moreover, managing customer experience is important and they will be concerned about service quality as well. Value or experience that customers get it builds loyalty and loyalty turn to builds growth, profit and more value. (http://www.ehow.com/about_5437915_quality-customer-service-important.html, n.d.)

Old Trafford management gave a reasonable price for it games (from £ 22 - £ 70) and the tour (around £ 28.5). They also did good marketing activities, which is success sold out the season ticket sales for this season. The demand from customer increased by any activities that they did to establish its image as

a famous stadium and also gave more confidence to settle their reputation. Because customers demanded a great experience that they heard from word-of-mouth that people talked about Old Trafford. (Manchester United website, 2018).

During observation, their service quality were determined through several aspects. Reliability means by consistency of performance and dependability. As our observation during the stadium tour, it showed how they manage their system very well such as they divide the tour into some different route to avoid traffic in the same time. It is also include a good store management by put many staff and cashier to avoid the crowd at the peak time. Responsiveness means by willingness and readiness to perform services. All personnel are encouraged to work under a “spirit of service” and they were doing their job as a professional. Each staff with different responsibility showed full-commitment to serve customers.

Access means approachability and ease of access to management. Each part of service in there, such as stadium tour, merchandise store, audience seating place, etc. are accessible because they have a several gate inside with four main gates in outside, which are north-stand, south-stand, east-stand and west-stand. Credibility means trustworthiness and honesty of service provider. The management gave full-service to its customer to feel the worth experience and also maintaining relationship with their visitors and customers. Security means by freedom of danger, risk or doubt. Security is become one of the important issue in service, especially sports industry. Old Trafford has a room specifically for security officer. Also they provide a specific area and room for disabled people who watch the game. Knowledge means with understanding the customers. How company making the effort to know their customer needs. Management run the business properly by providing everything that customer looking for there and giving a great experience to every person who go there. Competence means by possession of required skills

and knowledge to perform service. The staff has a good knowledge about Old Trafford and Manchester United, especially the tour guide. Every personnel is responsible for serving the best to customers. They offered the best quality of services to represent the history and achievement of Manchester United. Courtesy means by politeness, respect and friendliness of personnel. They know how to handle questions and complaints. It gave a good impression for customers. Communication means by listen to its customers and acknowledges their comments. Keep customer informed, in language that they can understand. It is an advantage to customer to have a good communication with the staff and they managed it very well. Lastly, tangible means by appearance of physical facilities, equipment, personnel and communication materials. Every personnel is equipped with special uniform depends on their position and used many Manchester United attributes to show their commitment. Every side of facilities has a sign to show the visitor what it is about.

Operations Performance Management

Slack and Chambers and Johnston (2010:40) stated that quality is constant loyalty to customers expectations and the most of times quality is the most clear of what an operations does. As it can be seen in the official website (Manchester United website, 2012), Old Trafford can offer unique services to their visitors not only during the match day but throughout the week. One of the important services is the tour into the stadium, which includes a well experienced tour-guide that it lasts around 50 minutes. It is a special activity for the visitor to explore all the internal and external facilities. In addition, Old Trafford provides 47 blocs of male toilets and 34 women toilets, 70 food-bar kiosks, the official Red cafe, 155 syndicate rooms and 21 large suites. All the visitors have the opportunity to book in advance one of the luxurious suites or rooms and tasting the special selection of set menu and enjoying the panoramic view of the football pitch. Apart from that, the rooms are suitable for wedding celebrations and it has been hosted prestigious

events such as “The Manchester United player of the Year Awards” and the “United for UNICEF Dinner” (Manchester United Website, 2012). In a personal interview conducted by the author, Author, official member of Manchester United stated that, the staff in the exclusive store is courteous and willing to offer best services. Despite the huge number of the people in the match-day, the entry in the stadium is pretty quick. Furthermore, she indicates that, the cleanliness was rewarding and about the visibility she confessed that “the most you pay the best you can see”.

Speed Performance means the elapsed time between customers requesting products or services and receiving them (Slack and Chambers and Johnston, 2010:42). According to Agilysys the company that provides IT improvement (Agilysys website, n.d.) after 2007 each member of the staff in the rooms and suites uses the wireless handheld device, as a result of that the customer orders are communicated directly to the kitchen and the delivery is much faster. Contradictory, Author claimed that the only negative point is the long queue in the food-kiosks before the start of the game and during the half time.

Dependability is used to mean keeping delivery promises-honouring the delivery time given to the customer (Slack and Lewis, 2002:44). As it had been referred above Old Trafford hosts thousands visitors, thus security is a crucial issue. As it can be seen in the official leaflet of the tour, the stadium uses 128 security cameras in internal and external areas. Moreover, Author argued that the staff, who is responsible for the tour, kept their promises, the tour started without any delay and the duration was more than the scheduled time.

As Slack and Chambers and Johnston (2010:46) stated flexibility means to be capable of altering the operation in the way and the time and trying to find alternative options. In the official site of the Old Trafford not only can offer services during the match-day but also for several events because of

the wide range of rooms. In addition Author noticed that during the match-day there are extra staff in the tills in the exclusive store for avoiding the long delays and for better customer service.

Cost is any financial input to the operation that enables it to produce its products and services (Slack-Lewis, 2002:48). The author found that Old Trafford provides several pricing strategy to accommodate any type of customers, distinguished by its services. Apart from that, Old Trafford is full in each game because of the pre-sold season tickets and simultaneously the exclusive store and the Red cafe is open every day for the people who participate in the tour.

Operation Strategy

In this case the objectives of Old Trafford's management are to gain revenue, fulfil the customer satisfaction and serve well managed facilities. There are strategies and improvements are made to reach their goals, such as building up sequent the number of spectator seats, making VIP room which they can sell it in expensive price, making an Old Trafford Museum and Stadium tour, and having a Manchester United's store to sell all the merchandises and attributes of Manchester United Football Club. In Addition, the competitiveness of Old Trafford can be measured by other ways. The lists below helps to explain competitive advantage of Old Trafford.

It is inimitable because Old Trafford has a very big capacity. After many times development, Old Trafford has become one of the biggest stadiums. The fact that Old Trafford was built so many years ago proves the stadium's high durability. The use of technology, increase number of seats, and museum tour are the reflection of Facilities improvements. Otherwise, it can't be suddenly assembled.

Old Trafford is one of the richest club in the world. It shows that Old Trafford is in a good financial condition. Only few competitors can imitate this condition. All of maintenance and improvement

in Old Trafford require massive amount of money, and that illustrates the financial condition is very competitive and durable.

The stadium also needs human resources to run the management and maintain the facility. The human resources must be competitive, work appropriately, innovative, and they could be added anytime depends on Old Trafford's need. On the other hand, People's working durability and ability are limited. This limitation creates a situation that human resources need to be substituted or imitated. Intangibility means a service is not physical and therefore cannot be perceived by the senses (Pride-Ferrel, 2012:372). Many intangible phenomena happen in Old Trafford. In this report, intangible means the experiences that people get while visiting or working in Old Trafford. Different place must have difference experience. It can't be substituted or imitated; we can't have the same experiences in other place. The experience will remain long in visitor's memory. All the experiences you can have in this stadium are invaluable, so that make Old Trafford being truly competitive by the intangible point of view.

CONCLUSION

Taking everything into consideration, the authors tried to examine and discuss critically the way that Old Trafford operates. Old Trafford can be assumed as a profitable and inimitable facility due to its revenue, related to the successful marketing activities, the sufficient quality of products and services. Moreover, the stadium fulfils the customer satisfaction by applying the performance objectives effectively and efficiently.

In terms of competitiveness, Old Trafford has advantages because of Manchester United reputation and for this reason it has been irreplaceable and attractive. Nevertheless, the commercialization of Old Trafford has affected negatively to the atmosphere during the match. In addition to this, the loyal customers have started making complaints due to the fact that prices have been highly increased season by season. Thus, there will be a possibility that Old Trafford will face loss of income in long-term period, if the managers remains constant in the same strategy. ■

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