

# PEST

## **Political**

- Official Votes – current office in favor and pushed through legislation
  - Seattle Mayor Jenny and NHL’s Board of Governors need to vote on each new initiative and voted to approve the expansion bid for this new team, the 32nd franchise (“When?Where? Name?,” 2018) (Whyno, 2018).
- Labor uncertainty
  - “Owners or players can vote this month (September 2019) to opt out of the current collective bargaining agreement one year later, right before the beginning of the 2020 season,” which can affect the entirety of the NHL (“When?Where? Name?,” 2018).
- Benefit - no state income tax - lucrative to players that will want to live here
  - No state income tax is beneficial to our target market as they have higher disposable income to spend on discretionary activities i.e. hockey games and merch (Deluca, 2010).
- Sound transit3 was a ballot measure that passed in 2016 that approved the expansion of the regional public transit system- this is a benefit since the arena does not have substantial parking most people will want to use public transit to get to the arena. Our target market specifically being a young demo that lives within the city limits - the majority don't even have a car (Deluca, 2010).

## **Economic**

- Booming economy/High amount of disposable income
  - Seattle’s economy has boomed in the past decade and is considered a city with disposable income and “the itch to spend it on a new team...a season-ticket drive last spring had to be cut off at more than 30,000 deposits” (“When?Where? Name?,” 2018).
- Income- Of the top 50 biggest metropolitan areas in the country, Seattle ranks 7th in Average income and is the 2nd highest average income city without an NHL team. Area (Barr, 2014).
- Seattle has become a city of transplants due to the booming local economy. A hockey franchise would provide those newcomers a team to rally around, much like what happened when the Sounders of Major League Soccer arrived in 2009 — the last team added to the city's sport landscape (“The Puck Drops,” 2018).
- Millennials in Seattle are better off than their counterparts elsewhere in the country in net earnings - ranking third in the nation in average earnings (Clarridge, 2019).

## **Social**

- Capitalizing on fan expectations/current market trends
  - Millennials expect to be involved in processes related to institutions/organizations they are interested in and by allowing fans to be apart of the voting process regarding team name, goal celebration sounds, and uniform colors, the Seattle NHL franchise is already beginning to bolster engagement and draw in this target market (Sommer, 2018)(Baker,

2019). CEO Tod Leiweke said, “We’re going to have them[fans] weigh in on all sorts of things...If I have my way, their fingerprints are going to be all over this franchise. Certainly team name, but they’re going to help us build this up” (Baker, 2019).

- Niche sport in US
  - Most dominant players of the NHL are foreign to the US and it is considered more of a “niche sport” in the US, leading to a lack of engagement with US market (Deluca, 2010).
- Uncommon sport for this area
  - Foreign concept to some and fans/individuals in Seattle will need to learn about hockey and be enticed to learn about it (“When?Where? Name?,” 2018).
- Needs to contend with other sports
  - The NFL is ranked as the most popular American sport, as it has been for the past 30 years (Spence, 2015).
- Prefer to view at home
  - Many fans also don’t necessarily want to attend games at a stadium. 57% of NFL fans, prefer “Cheering from the comfort of their own living room” so teams have “started looking for ways to enhance the stadium experience with technology” (Spence, 2015). For example, teams such as “the Patriots, Dallas Cowboys and San Francisco 49ers have invested in free wireless access at the stadium” and “high speed WiFi enables everything from video streaming to in-seat ordering” with the goal of making the “live experience as comfortable and fun as the living room experience” because “Many fans view connectivity as a mandatory part of the experience” (Spence, 2015).

### **Technological**

- Existing Seattle Web fan portal
  - This interactive fan portal allows for fans to interact with team during its creation on things like ticket pricing, seating, and team’s name (Baker, 2019).
- Beacon technology
  - Stadiums are also using beacon technology to augment the fan experience with their apps, so that when fans are in a certain range of the beacon, they receive localized, personal messages and opportunities for fans (for things like seat upgrades, shorter bathroom lines, promotions, sales on merchandise - (some of these are recommendations I came up with) which not only gives fans more to do and be engaged with, but also allows for the teams to “collect deeper level data about fans behavior, learning where they’re going, what they’re buying, and what they’re watching” which can help the Seattle team to alter its strategy if necessary (Spence, 2015). It also allows teams to implement loyalty programs, like the San Francisco 49ers and New York Jets have done; earn points for attending games and engaging with the team, which again, provides teams the ability to learn more about fans and how to incentivize their behavior (Spence, 2015).
- NHL adopting technology
  - Broader NHL org has existing website and infrastructure for game watching and player analysis

- Brand new arena
  - With state-of-the-art tech capabilities – built around the need for the NHL team.
- Millennials don't tend to subscribe to cable as much as older generations. Similar to how the music industry has changed with record sales. Teams need to rely heavily on driving their target market to the games to watch in person (like musicians have had to drive concert attendance). Building that fan base from tech enhanced arena experiences will transition fans into following via online - possibly buying NHL.TV to watch via streaming (“Seattle ‘shell-shocked’,” 2018),