

Unit 2 – Perishability

Student Handout

What is perishability?

- * Perishability refers to the ability or need to store or inventory a product
- * In the world of sports and entertainment, it is a significant concept because once a game or event has already taken place, they no longer carry a value and cannot be sold
- * Perishability can also apply to playing careers which impacts product quality

Dallas Mavericks owner Mark Cuban said in a recent interview, "I wrote a blog post a few years back saying that NHL players lost more than 1 billion in wages for their missed season. It could be more than that if the NFL walks out. The players can't ever get that money back. Their playing time is perishable."

Consider the following information presented below from CrowdSeats (a startup company that is positioning itself as the “groupon” for sports tickets). Clearly the emphasis is to show sports teams and leagues the importance of the “perishability” concept for sports tickets. Do you think teams could do a better job controlling inventory?

