

Unit 9

Ticket Promotions & Sales

OVERVIEW

Unit nine begins to explore the roots of sports and entertainment business by providing students with an understanding of the ticketing process. Ticketing, as a function of sports and entertainment marketing, has evolved into a complex process and proves to be one of the most important components of the SEM marketing mix. This unit will cover the way tickets are sold and marketed, and the importance this revenue stream has on an organization's financial viability.

KEY TERMS

Data Mining

Frequency Escalator

Group Tickets

Season Tickets

Season Ticket Equivalents

Ticket Package

OBJECTIVES

1. Understand the importance of ticket sales to the sports and entertainment industry
2. Identify factors that influence a fan's decision to purchase tickets
3. List at least five ticket sales strategies
4. Define ticket package
5. Explain the concept of frequency escalator
6. Describe how ticketing technology has provided innovative alternatives for customers

LESSONS

LESSON 9.1 [Role of Ticket Sales in Sports & Entertainment](#)

LESSON 9.2 [Ticketing Strategies](#)

LESSON 9.3 [The Ticket Sales Cycle](#)

LESSON 9.4 [Ticketing Technologies](#)

Role of Ticket Sales in Sports & Entertainment

WHY IS ATTENDANCE IMPORTANT?

A fan's participation in a game or event can be as important as the athletes and performers as they create an exciting atmosphere that energizes the performers and enhances the consumer experience.

Most importantly, however, attendance is important to a sports team or event's financial well-being. In addition to the revenue generated through the sale of tickets, attendance also drives revenue in the form of food and beverage sales, merchandise sales and parking. Higher attendance also adds value to sponsorships. More fans at the venue means more fans exposed to arena signage and other messaging from sponsors.

HOW IMPORTANT ARE TICKET SALES TO A SPORTS TEAM OR EVENT?

Historically, ticket sales have traditionally served as the financial backbone for almost every sports team within the industry. However, while ticket revenue still provides a significant revenue source for many sports teams, media rights deals now provide the biggest revenue stream for teams in major leagues like the NFL and NBA. According to PWC's sports outlook [report](#), media rights officially overtook gate revenues (ticket sales) as the industry's largest revenue generator for the first time in industry history.

That is not to minimize the importance of the ticket sales function. According to the [Sports Business Journal](#), sales from tickets and club seats can still account for more than half of a typical franchise's local revenue in all four major sports leagues, ranging as high as 80 percent for some teams.¹ For a minor league sports team, ticket sales often serve as the primary revenue source, a critical function for the survival of the franchise.

Even a modest attendance increase can have a significant impact on a team's bottom line. Two years ago, the Atlanta Braves reported a 2% increase in attendance at SunTrust Park, helping the franchise's revenue to jump from \$4.3 million per game to \$4.6 million per game. The team's owner told the [Atlanta Journal Constitution](#) the revenue boost was the result of increased ticket sales and higher attendance (which helps boost revenue in other ways like concessions, parking and merchandise sales).

FACTORS INFLUENCING TICKET SALES

While ticket sales strategies, effective marketing and successful promotions can certainly help drive sales, nothing is more effective for filling an arena or stadium than a winning team. Success on the field typically translates to success off the field (from a financial perspective).

However, even the organizations that enjoy the most loyal following cannot avoid a decline in ticket sales when the team fails to win games, so understanding what drives consumer behavior is critical if a team or event wants to maximize dollars generated through ticket sales.

There are many factors that can influence ticket purchasing decisions, including:

- Team performance
- Fan loyalty and fan support
- Price
- Publicity
- Rivalries
- Supply and demand
- High profile athletes and entertainers
- Venue
- Promotion
- Staffing

¹ <http://www.sportsbusinessjournal.com/article/65062>

Team Performance

Winning teams traditionally draw bigger crowds.

- Thanks to a successful season that ended with an appearance in the Super Bowl, the Cincinnati Bengals sold out of season tickets several months before the start of the 2022 season. In addition, the franchise started a wait list for the first time in team history for those hoping to purchase season tickets.²

Losing teams typically see attendance decline.

- After selling out 530 consecutive games, spanning 6 ½ seasons, the San Francisco Giants sellout streak came to an end in 2017.
 - It was the second longest sellout streak in Major League Baseball history.
 - Not coincidentally, the team was in last place when the streak ended, after being consistently one of the best teams in baseball the last seven years (including three World Series wins).
 - As the team continued to struggle on the field, the Giants saw attendance figures decline, posting a record low at the start of the 2019 season when the team [announced](#) an attendance of 28,625 at a home game in April – the first time the team recorded less than 30,000 tickets in nearly ten years.
 - In 2022, the team still ranked among the lowest in attendance in MLB

To illustrate, compare the Bengals' attendance figures with the team's win / loss record the past five seasons:

2022

- Considered a favorite to win the division and compete for a Super Bowl, listed #5 by ESPN in preseason [rankings](#)
- Season tickets sold out

2021

- Win/loss record: 10-7, division winners
- Average attendance: 60,325

2020

- N/A - COVID-19 pandemic significantly impacted attendance figures

2019

- Win/loss record: 2-14, worst record in the NFL
- Average attendance: 47,179 (2nd to last in the league)

2018

- Win/loss record: 6-10, last place in the division
- Average attendance: 50,753 (2nd to last in the league)

Fan Loyalty And Fan Support

Some markets traditionally attract more fan support and larger crowds by nature.

- New England with the Red Sox, Bruins, Celtics and Patriots
- Hockey in Canadian markets
- High school basketball in Indiana
- High school football in Texas
- College football in the south (Texas, Alabama, Georgia, Florida)
- Soccer in the Pacific Northwest
 - Last season, the National Women's Soccer League's Portland Thorns averaged over 20,000 fans per home game (that's more fans per game than all but 3 NHL teams, 2 NBA teams, 4 MLS teams and 6 MLB teams).

Meanwhile other markets have a reputation for poor fan support.

- Because so many residents are transplants (not born and raised in the state), professional sports teams in the state of Florida have a difficult time attracting crowds.

² <https://thespun.com/more/top-stories/nfl-world-reacts-to-the-bengals-season-ticket-news>

- According to a Facebook survey, the most popular MLB teams in Florida are the Atlanta Braves and New York Yankees, not the Miami Marlins or Tampa Bay Rays.³
- Out of the nine professional Florida teams that compete in the big four leagues (NBA, NFL, MLB, NHL), all but two rank in the bottom half of their league for attendance over the last decade.
 - Last year, the Tampa Bay Buccaneers ranked 30th out of 32 teams in the NFL, the Miami Marlins were 30th out of 30 and Tampa Bay Rays 29th in MLB, and the Florida Panthers were 30th out of 30 NHL teams.

Rivalries

Rivalry games are often an instant recipe for boosting attendance.

- According to a [study](#) by comebackcity.us, MLB regional rivalry games (Washington Nationals vs. Baltimore Orioles, LA Dodgers vs. LA Angels etc.) performed 18 to 25 percent better than non-regional games.
- The intensity of fan support varies from rivalry to rivalry and market to market.
 - Click [here](#) to see USA Today's ranking of the best NFL rivalries.
 - Click [here](#) to see Bleacher Report's ranking of the 100 best rivalries in the history of sports.
- MiLB's Pawtucket Red Sox created a promotion to capitalize on the intense Red Sox / Yankees rivalry when they hosted "[Evil Empire Night](#)".
- Tickets to see the University of North Carolina Tarheels play the Duke Blue Devils are nearly impossible to get. Tickets for that rivalry series were sent into the stratosphere when the two basketball titans squared off in 2022 in Coach K's final season, including a storybook matchup in the Final Four.
 - The average ticket price at Cameron Indoor Stadium (home of the Blue Devils) on the secondary market was [\\$5,392](#) (on StubHub) for Coach K's final home game, with the minimum ticket price hovering at nearly \$3,700
 - Those ticket averages put prices in the same category on the secondary market as Super Bowl 56, which had an average price to get in to the game at \$3,800.
 - According to [Ticket News](#), the price of tickets shot up by more than 50% when UNC defeated Saint Peter's in the 2022 NCAA Men's National Basketball Tournament, as the Tarheels advanced to meet Duke in the Final Four
 - According to [StubHub](#), the average ticket price to the Final Four matchup was \$1,050 with the most expensive ticket going for a little over \$13,000.
 - <https://twitter.com/MarchMadnessMBB/status/1508221104493576201>
- When the annual rivalry game between SUNY Cortland and Ithaca College was moved closer to New York City last year (played at MetLife Stadium rather than either of the school campuses), the event set an attendance record for a Division III football game, drawing over 45,000 fans (according to the [NY Times](#)).
 - Click [here](#) for a mini-documentary on the Major League Soccer website showcasing the rivalry between the Montreal Impact and Toronto FC.



Supply & Demand

The law of supply and demand also applies to ticket sales.

- "Sellouts breed sellouts"
 - For example, some sports teams have long waiting lists for season tickets.
 - Major League Soccer's Portland Timbers have a [waitlist](#) for season tickets at Providence Park of more than 13,000 fans.

³ <http://www.palmbeachpost.com/news/sports/baseball/most-popular-baseball-team-in-florida-its-not-marl/nkkKF/>

- The waiting list at Lambeau Field is notoriously long, with Packer fans [reportedly](#) having to wait more than 30 years for the chance to buy season tickets (there are nearly 135,000 names on the waiting list and the population of the entire city of Green Bay is 105,000).
- Supply and demand has a significant impact on ticket prices
 - The number of seats available to watch MLB's 2022 "Field of Dreams" Game in a cornfield in rural Iowa was limited to around 8,000, creating an extremely high demand for tickets
 - Tickets were distributed through a lottery system to Iowa residents and, given the limited supply of seats and high demand to see the game, the [average ticket price](#) on the secondary market was \$967, according to TickPick. Compare that to the average purchase price in the 2021-22 season for a ticket to a Cubs home game at \$62 and to a Reds home game at \$39.

High Profile Athletes & Entertainers

- David Beckham played his last Major League Soccer game in 2012, but his impact on the league was significant.
 - Since Beckham entered the MLS, the league has expanded from 12 to 22 teams and attendance for nearly every team has increased by 5,000 fans per game – attendance at MLS matches now often exceeds that in the NBA and NHL.⁴
- When it was announced that LeBron James would be joining the Los Angeles Lakers, the lowest price of a Lakers season ticket for Staples Center games jumped to \$5,750 from \$3,499 on StubHub.com, while the high end reached nearly \$100,000.⁵
- When former Heisman Trophy winner and NFL quarterback Tim Tebow switched sports to play baseball, Minor League Baseball fans came out in droves to see him.⁶
 - While playing for the Columbia Fireflies, team attendance increased to 5,154 per game, up from 3,785 the previous season.
 - When the Fireflies played on the road, opposing teams experienced attendance increases of roughly 78%.
 - Some executives estimated that Tebow's presence helped teams generate \$50,000 in additional ticket, concession and merchandise revenue each game.
- After Dale Earnhardt Jr. won the 2014 Daytona 500, ISC quickly saw a double-digit bump in sales at many of their tracks immediately after the victory (ISC owns 12 tracks — Daytona, Talladega, Auto Club (California), Chicagoland, Darlington, Homestead-Miami, Kansas, Martinsville, Michigan, Phoenix, Richmond and Watkins Glen).
- The NBA faces a lot of criticism when teams rest star players for nationally televised games.
 - Those decisions anger fans who buy tickets with the expectation of seeing players like Steph Curry, Kevin Durant, LeBron James and James Harden.
 - NBA commissioner Adam Silver sent a personal memo to team owners stressing protocol about player availability and how important it was to maintain the quality of gameplay for the league.
 - In the 2017 NBA offseason, the league decided to stretch the regular season schedule by 10 days, allowing more days between games to curb the practice of resting players fans are paying to see play.
 - Click [here](#) for an interesting report that analyzed which NBA stars have the biggest impact on attendance.
 - Click [here](#) for a graphic that illustrates LeBron James' influence on attendance over the years.
 - Click [here](#) for a graphic illustrating which players in league history had the biggest influence on attendance.
- Season ticket sales soared after the New Orleans Pelicans won the lottery and selected Zion Williamson with the first pick in the 2019 NBA Draft.
 - The franchise, which typically averages around 16,000 fans per game, sold 10,000 season tickets in the week after the draft and were [projected](#) to sell a total of around 14,000, putting them in position to sell out many games during the 2019-20 season.
- After signing free agent Kawhi Leonard and trading for another hometown basketball star in Paul George, demand for Los Angeles Clippers season tickets predictably surged.
 - According to one [report](#), the team sent an email to fans before they officially signed Kawhi or traded for George with the subject line: "Secure Your 2019-20 Season Tickets Now."

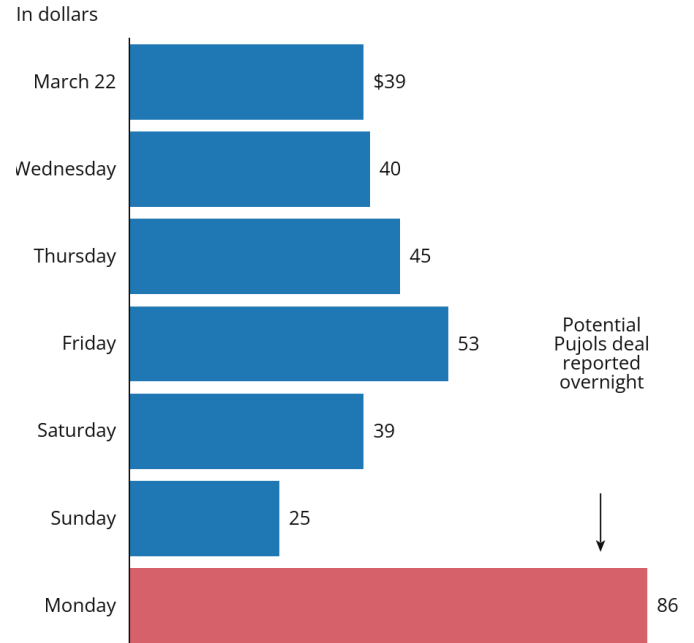
⁴ <http://www.reuters.com/article/us-soccer-mls-beckham-idUSKBN0M12KC20150305>

⁵ <http://www.latimes.com/business/la-fi-lebron-lakers-marketing-20180703-story.html>

⁶ <http://www.greenvilleonline.com/story/sports/2017/06/12/tim-tebow-major-league-hit-minor-league-ballparks/383558001/>

- Less than 24 hours later, the link in the email took recipients to the following message: “There are currently no tickets available. Continue to check back as additional tickets may become available for purchase at a later time.”
- Last year, the Philadelphia Phillies signed one of the biggest names in baseball to a free agent contract worth \$300 million. According to a mlb.com [report](#), the team sold 180,000 tickets in the next two days following the team’s announced signing of the former Nationals’ star while ticket prices increased by 93% on the secondary market, according to [StubHub](#).
- When Tom Brady left New England to sign with Tampa Bay as a free agent in 2020, Buccaneers’ ticket prices skyrocketed, increasing by 135% on the secondary market while Patriots tickets dropped by 39%, according to [data](#) from TicketIQ
- Cardinals’ slugger, Albert Pujols returned to St. Louis after spending the last ten years as a member of the Los Angeles Angels in 2022. His impending return had a massive impact on opening day [ticket sales](#), with prices more than doubling after news that he would be re-signing with the Cardinals broke.
- When the Philadelphia 76ers traded for All-Star James Harden in 2022, ticket prices on the secondary market soared by 53%, and team officials said demand for tickets was the highest they had ever seen in team history, helping the franchise to make the decision to [raise season ticket prices](#) for the 2022-23 season.

Lowest ticket price available for 2022 Cardinals home opener



SOURCE: StubHub

In some cases, a high profile coaching hire or change in ownership can provide a ticket sales boost.

- Upon hiring former college football coaching legend Urban Meyer in 2021, season ticket sales for the Jacksonville Jaguars [skyrocketed](#). According to the team, half the team’s total season-ticket deposits came in on the day after Meyer was hired, and the team sold eight times the number of tickets than the previous year comparatively.
 - Momentum continued following the NFL Draft when the Jaguars, who held the number one overall pick, selected Clemson phenom Trevor Lawrence. Ticket sales continued to surge, with almost [50 percent](#) of the fans buying tickets having never purchased a ticket before to see a Jaguars game.

Venue

Facilities, venues, and stadiums influence fan decisions to purchase tickets.

- Very few stadiums remain with rich traditions and history, but the lore of each adds to the appeal for fans to attend games
 - Storied facilities with tradition also have a unique appeal that draws tourists
 - Fenway Park (Boston Red Sox)
 - Wrigley Field (Chicago Cubs)
 - Lambeau Field (Green Bay Packers)
 - Madison Square Garden (New York Knicks, New York Rangers, New York Liberty, St. John’s University etc.)
 - Wimbledon

New and/or updated stadiums have become the trend as a way to attract new fans and create opportunities to maximize revenues.

- When Colorado State University [opened](#) a new \$220 million football stadium, the program set sales of a record 14,000 season tickets.
 - Click [here](#) for a story suggesting CSU’s Canvas Stadium actually managed to outperform revenue expectations in its first year.
- In 2020, the University of Utah [provided](#) a “virtual” flyover to provide a glimpse of the football stadium renovation project, which included the [relocation](#) of the iconic Olympic cauldron from the 2002 Winter Games hosted in Salt Lake City to make room for 5,000 additional available seats, including premium seating options.
- New stadiums and venues rely on improved amenities to excite consumers.

- The \$1.3 billion Yankee Stadium has an in-house museum, party suites, a members-only restaurant and many other luxury amenities. "We tried to reflect a five-star hotel and put a ballfield in the middle," said Yankees COO Lonny Trost.⁷
- Several newer stadiums (such as the Dallas [Cowboys](#), San Francisco [49ers](#) and [Miami Marlins](#)) include art galleries to help the venue appeal to a broader base of consumer
- The Atlanta Braves announced plans in 2016 to update their home stadium to include one unique amenity in particular – a Zip Line.⁸
- As a fan-friendly element of the Minnesota Twins ballpark, the stadium features three-sided shelters where fans can go to warm up on chilly game days.⁹
- Standing more than 110 feet tall, Charlotte Motor Speedway's 16,000 square foot HDTV (80-feet tall by 200-feet wide) features instant replays and live lap by lap action on its more than 650,000 pound videoboard during races (the board, for those keeping score, is 30 percent larger than the screen at Cowboys Stadium, which previously held the title of world's largest television screen)
 - Click [here](#) for an infographic comparing the size of each NFL team's scoreboard.
 - When the new NFL stadium in Los Angeles opens in 2020, it will feature an oval shaped, dual-sided Oculus video board with over 60,000 feet of digital display -- so there literally won't be a bad seat in the house.
- Many stadiums now feature retractable roofs to ensure the fan experience will not be hampered by inclement weather.
 - For example, the Minnesota Vikings' [stadium](#) features a translucent roof and moveable windows.
- In 2018, the Jacksonville Jaguars [announced](#) plans to open a dog park at EverBank Field.
 - The first of its kind among NFL stadiums, the dog park will welcome approximately 250 dogs throughout the 2018 season.
- The Miami Marlins' stadium features a left-field beach with a swimming pool (fans buying seats in this area will have a view into the home bullpen), a bobble-head "museum", a right-field porch where fans can catch home-run balls and sliding glass panels behind left field to showcase Miami's skyline.
 - According to MLB.com, Marlins attendance was up a stunning 67 percent from the previous year at the 2012 Major League Baseball all-star break.
 - By 2014, between a drop in the team's on-field productivity and the allure of a new stadium wearing off, Marlins attendance dropped so substantially that they ranked among the lowest in the league.
 - Click [here](#) to read a story from Sports Illustrated chronicling some of the factors influencing the Marlins' attendance problems.
- In early 2016, the Indianapolis Motor Speedway completed a \$92 million renovation to upgrade their premium seats, suites, big-screen monitors, restrooms, concession stands, elevators and main entryway in hopes of attracting and retaining fans.
- Lucas Oil Stadium Director, Mike Fox, told the [Indianapolis Business Journal](#): "Sports fans' standards for venue amenities has drastically increased over the last 10 to 15 years. As much as anything, venues are competing with the improved at-home viewing experience."
- Renderings released in 2018 for a proposed Major League Soccer stadium in Austin [reveal](#) plans for an on-site music performance space, parking garage, bicycle valet, up to 130 affordable housing units, walkways and trails around the soccer facility, and a possible station for light rail.
- When the Los Angeles Dodgers complete their \$100 million renovation project in 2020, elevators and escalators will be built in the right and left side of the stadium with bridges to connect new standing-room decks to the rest of the stadium, allowing fans to walk the entire ballpark's perimeter from any level inside Dodger Stadium.
- The excitement for the newly relocated team and new stadium in Las Vegas pushed Raiders tickets to the top of the list of most expensive tickets on the secondary market prior to the 2020 season, [averaging](#) a stunning \$1,098 per seat.
 - However, the Raiders franchise made the decision to play the 2020 season without fans amid the pandemic, forcing fans to wait another year before seeing the team play live at Allegiant Stadium.
 - According to one [estimate](#), the decision to forego ticket revenue in the team's inaugural season at its new \$2 billion stadium would cost the franchise \$571 million in ticket and game-day revenue, more than any other NFL team.

⁷ <http://sports.espn.go.com/mlb/news/story?id=3235847>

⁸ http://www.bizjournals.com/atlanta/real_talk/2016/03/braves-plan-zip-line-at-suntrust-park.html

⁹ <http://www.startribune.com/local/west/15558327.html>

- According to John Oliver in a rant on his popular “Last Week Tonight with John Oliver” show on HBO, nearly 90% of U.S. stadiums have been replaced or received major construction upgrades in the last 20 years.¹⁰
 - According to the [Sports Business Journal](#), nearly \$17 billion has been spent either building or renovating MLB ballparks – 296 projects in all – in the last 25 years, including a new stadium for the Texas Rangers opening in 2019.
 - Click [here](#) for a graphic illustrating the amount of money invested in stadium projects since 1994 (when Rangers Stadium was built).

Promotion

Engaging in promotional efforts helps to drive ticket sales.

Ticket promotion examples:

- In 1952, the legendary Bill Veeck introduced “Bat Day” with the Cleveland Indians, a promotions tradition carried on today by many minor league baseball clubs, including the Indianapolis Indians.¹¹
- Most sports and entertainment organizations offer special ticket promotions and customized “packages”
 - Last season, the Detroit Tigers offered several “Special” ticket packages that fans could choose from, such as the “Outdoorsman” ticket package and “Golf lovers” package as well as special incentives to purchase tickets for “themed” promotions like Yoga Day at Comerica Park.¹²
 - The Tigers’ special packages included exclusive premium items (like a Tigers branded fishing lure for the “Outdoorsman” package or a yoga mat for Yoga Day) in addition to game tickets.
 - Many of the team’s packages included a charity component and/or offered a pre-game party or “experience”.
 - Concert promoters now offer VIP packages, offering fans opportunities to access the best seats for the show and oftentimes exclusive access to the artist for a premium price. Packages might include a backstage tour and pre-show dinners.
 - Through the sale of premium packages, concert promoters and artists can make as much on 10% of their audience as they do on the other 90%. While an average concert ticket may cost \$90, the VIP ticket can go for \$1750. Broadway shows. have also enjoyed a lot of success through the implementation of premium VIP packaging.¹³

Staffing

Most organizations employ a full-time staff to manage the ticket sales function.

- LSU’s athletics staff features an entire department devoted to promotions, including a director, two assistant directors and two coordinators.¹⁴
- The NBA’s Miami Heat employs a staff of 7-10 to focus specifically on group ticket sales.¹⁵

The frequency of special promotions and size of sales staff are dependent upon a team’s available ticket inventory.

- The Green Bay Packers, whose home games have been sold out on a season ticket basis since 1960, do not have any ticket sales personnel on staff and, subsequently, do not typically host any ticket driven promotions at games.¹⁶
- By contrast, the NHL’s Carolina Hurricanes beefed up their sales staff from 8 to 32 in 2016 to help battle declining attendance
 - The increased staffing resulted in a 40% boost in season ticket sales, 60% increase in ticket revenue and an 18% jump in season ticket renewals.¹⁷
- After the 2010 announcement of the signing of free agents LeBron James, Chris Bosh and Dwyane Wade, the Miami Heat quickly sold out of ticket inventory. Soon after, the team infamously let go a reported 30 ticket sales staff members. Explained

¹⁰ <https://www.youtube.com/watch?v=xowJt4bnXs>

¹¹ http://www.indyindians.com/press_box/articles/may_2104.html

¹² <http://m.mlb.com/tigers/tickets/info/special-ticket-packages>

¹³ <http://www.nytimes.com/2010/05/23/arts/music/23VIP.html?hp=&pagewanted=print>

¹⁴ http://www.lsusports.net/ViewArticle.dbml?DB_OEM_ID=5200&ATCLID=177229

¹⁵ <http://www.nba.com/heat/group-sales/>

¹⁶ <http://www.packers.com/team/staff/9/> (MLB team example)

¹⁷ <http://www.newsobserver.com/sports/nhl/carolina-hurricanes/article90505787.html#storylink=cpy>



team spokesperson Lorrie-Ann Diaz, “Now that the supply for (season tickets) has been exhausted we no longer require a season ticket sales team.”¹⁸

Successful promotion and sales strategies are dependent upon an organization’s willingness to conscientiously invest company resources in market research

- It is important to understand the behavior of ticket buyers
- How do fans feel about the ease of buying tickets?
- What motivates fans to buy tickets?
- What factors impact a fan’s decision to attend a particular game?
 - It is important for an organization to utilize market research data
- Does the organization review fan demographic information when creating ticket marketing strategies?
 - Market research is important in the creation of an effective ticket advertising strategy
- Which newspapers and sections are fans most likely to read?
- Which radio stations best fit fan demographics?
- Which television stations are fan favorites?
 - In the past, the Cleveland Indians have analyzed ticket sales data and discovered several [interesting statistics](#) regarding factors that influenced attendance at home games
- Fireworks after a game draw an additional 4,000 fans
- Every one-degree temperature drop below 70 Fahrenheit costs 300 seats
- When the New York Yankees come to town, attendance jumps 11,000

TICKETING TRENDS

Like any other industry, business trends play an important role in how sports and entertainment properties market their products and services.

- With high demand for premium seating, many teams look for ways to maximize space within the venue by creating new premium seating areas to accommodate demand.
 - The New England Patriots and Pittsburgh Steelers transformed the end-zone sections of their respective stadiums into club seating areas (the Minnesota Vikings’ new stadium also offers ground level club seating options).¹⁹
 - The Patriots’ club-style seating area provides “members-only” access and carries a hefty \$1,500 annual fee (minimum purchase of two memberships). Those fees are in addition to the cost of season tickets every year.²⁰
 - Click [here](#) to read more from sportingnews.com.
 - As part of the Baltimore Ravens’ \$120 million renovation project in 2019, new luxury suites and party areas were built into each open notch of the stadium to increase the team’s premium seating inventory.
 - In 2020, [Sports Business Journal](#) published a story discussing the booming trend of building or renovating college baseball and softball stadiums.
 - According to the report, overall ballpark construction costs were estimated to exceed more than \$233 million in 2020 alone, highlighted by Florida’s new 10,000-seat baseball venue in Gainesville, a \$65 million project that is scheduled to open in 2021.
 - Florida AD Scott Stricklin told [SBJ](#) that the expectation is ticket revenue will triple once the Gators are in the new ballpark, with sales bolstered by offering fans four different types of premium seating options.

Another common trend in ticketing is the inclusion of food related promotions as a means for adding value to ticket packages.

- The Houston Astros reserve 500 seats for each home game as \$25 “all-you-can-eat” seats in three mezzanine sections where fans can, through the seventh inning, consume unlimited hot dogs, nachos, popcorn, peanuts, soda and water.²¹

¹⁸ <http://www.miamiherald.com/2010/07/30/1754732/lebron-james-was-great-for-the.html#ixzz0vSHk1rSI>

¹⁹ <http://www.sportsbusinessdaily.com/Journal/Issues/2014/03/03/Facilities/Breaking-Ground.aspx?hl=field%20level%20suites&sc=1>

²⁰ <http://www.sportingnews.com/nfl/story/2014-12-05/new-england-patriots-pittsburgh-steelers-gillette-stadium-heinz-field-nfl-end-zone-suites-club-premium-seats>

²¹ <http://www.chron.com/dispatch/story/mpl/sports/7008274.html#ixzz1VJH3Clkw>

- The Kansas City Royals partnered with Jack Stack Barbecue that makes the company the exclusive tailgate caterer of Kauffman Stadium, creating a unique opportunity for fans interested in having their tailgate parties catered who now have the ability to choose from a variety of buffet menus.²²
- Thanks to the promotion's popularity at the beginning of the 2015-16 season, the Detroit Red Wings added six additional game dates offering the "[Meijer Coke Zero Fan Pack](#)" (also a great example of sponsorship) which included two tickets, two slices of pizza or hot dogs and two soft drinks for \$67 for select home games.
- Several teams are now partnering with local food trucks for special game-day promotions
 - The Oklahoma City Dodgers teamed up with the Oklahoma Independent Food Truck Association to launch a "Food Truck Triple Play" promotion for a game leading up to 4th of July weekend.
 - The Fresno Grizzlies unveiled a branded food truck dubbed "Wild Things" (a tribute to the team's original mascot) that would serve as a permanent fixture outside the team's stadium for home games.
- Members of the 200-capacity "Concert Club" premium seating area at recently renovated State Farm Arena in Atlanta enjoy all-inclusive food and beverage (including in-seat delivery) for not just Atlanta Hawks games but also all concerts, according to the [Sports Business Journal](#).
- Rather than offering "all you can eat" options featuring traditional stadium fare like hot dogs and popcorn, MiLB's [River City Rascals](#) announced "All You Can Eat Theme" ticket packages for all their Thursday night games in 2019.
 - Each game featured a "specialty item of the night" (like rib tips, a mac-n-cheese bar, tater tot bar etc.), and also included all-you-can-eat options on other traditional stadium foods like hot dogs, lemonade and iced tea.
 - Not surprisingly, the "All You Can Eat Thursdays" ticket package is one of the team's best sellers.

"Social Selling" is a trend gaining momentum throughout the industry as a means for creating an additional sales channel and tool for reaching potential ticket buyers.

- Many teams utilize Facebook, Twitter, LinkedIn and other social media platforms to communicate various ticket sales promotions to fans.
 - For example, the Miami Dolphins [generated](#) over \$4 million in new season ticket sales through leads on Facebook with a season ticket marketing campaign.

Ticketing Strategies

TICKET SALES STRATEGIES

- Season tickets
- Ticket packages
- PSLs
- Premium seating
- Luxury suites
- Group ticket sales
- Fan experience packages
- Theme nights
- Individual game and single game ticket sales (advanced sales)
- Promotions

Stadiums and arenas are hard to fill night after night through the sale of individual game-day tickets. Each seat in a venue represents a sports team or event's inventory. To help maximize revenue generated through ticket sales, sports teams will engage in different strategies to sell as much of that inventory for every game or event as possible.

Season Tickets

Season tickets provide consumers with a ticket to every home game for a particular sport or event for one package price. Season tickets typically provide the core revenue stream for most professional sports teams and collegiate athletic programs.

To incentivize fans to purchase a full season package, sports teams will often offer exclusive benefits to create added value to the buyer.



The Houston Astros offer a variety of perks with season ticket purchases.²³

Season ticket benefits examples:

- Texas Rangers full season ticket buyers receive a number of benefits, including:
 - 20% off concessions
 - Bonus tickets for select months
 - Complimentary coupons for upgrading seats on select dates
 - Personalized season ticket holder name plate on seats
 - Private season ticket entrances
 - Annual season ticket holder picnic with player autographs

²³ <https://www.mlb.com/astros/tickets/season-tickets/holders/benefits>

- Season Ticket Holder End-of-Season Play Day on the field.²⁴
- The Minor League Hockey Grand Rapids Griffins offer unique [benefits](#) for season ticket members, including invitations to exclusive events and discounts.
 - A members-only entrance to the arena for early access to giveaways and concession promotions.
 - Guarantees to receive team promotional giveaways, regardless of when fans arrive at the game.
 - Opportunity to high-five the players as they come onto the ice during select games.
 - Invitations to members-only events, including a team autograph signing, post-game skate with select players and coach's chalk talk.
 - Access to members-only concession stand lines.
 - Pre-sale opportunities to Detroit Red Wings games and discounts.
- The Brooklyn Cyclones make an effort to personalize season ticket holder benefits.²⁵
 - Membership to "Cyclones Nation", where ticket holders are issued a username and password providing access to an exclusive STH-only page on the Cyclones website, featuring an interactive blog, chats with the team's General Manager and additional discounts.
 - An opportunity to come take batting practice at the ballpark.
 - The chance to stand on the field, side-by-side with the Cyclones team for a group picture that ticket holders can download and print for free.
 - An exclusive invitation to see the team's first practice of the year.
- The Tijuana Toros of the Mexican League [offer](#) several unique benefits for their season ticket holders, including a seating section for the hearing impaired (complete with a sign language interpreter) and personalized seats with emblazoned names.
- Milwaukee Bucks season ticket holders were provided with the opportunity to get a first look inside the team's new arena.

Personal Seat Licenses

In some cases, an organization might choose to sell **personal seat licenses**, or PSLs, which give the buyer the right to purchase season tickets for a specific seat within a stadium or venue. This is a strategy typically used as a tool for generating additional revenue to help offset the debt incurred during the construction of a new stadium or arena. For example, the Golden State Warriors were the first team in the NBA to [require a PSL](#) for every single season ticket, a strategy that helped the franchise to finance their \$1 billion new arena when they moved from Oakland to San Francisco in 2019.

PSL Examples:

- The LA Rams have suggested that when they move into their new stadium in 2019, all seats will be sold with a PSL.
 - Sports business analysts have suggested the franchise will be able to charge more than the Cowboys (\$150,000/seat) for their premier inventory.
 - The Rams began taking \$100 deposits on their website in 2016 to gauge fan interest and so many logged-on to sign up that the team's website crashed.
- In 2018, the Las Vegas Review-Journal [reported](#) that seat licenses could cost Raiders fans between \$20,000 and \$75,000 each when the new stadium opens in Las Vegas in 2020.
 - In 2019, the team began the final phase of PSL sales (the least expensive offering) with a range of \$500 to \$4,000 per seat, with most locations in the upper levels of the stadium.
 - According to the [Las Vegas Review-Journal](#), the Raiders initially anticipated generating \$250 million in revenue through PSL sales, but with strong sales, the franchise expected to surpass the original revenue estimates.
 - By the time the stadium opened, the team sold out of all of its available PSLs, doubling the original estimate with sales of nearly \$400 million prior to kick off of the 2020 season (before to the team's decision to play the inaugural season without fans) and the team now has a waitlist for fans hoping to purchase a personal seat license.
 - By 2022, that figure hit \$549 million in seat license sales for the Raiders at Allegiant Stadium
- In 2021, Charlotte FC became the first Major League Soccer franchise to sell personal seat licenses, charging a one-time \$550/per seat fee for rights to a club seating area on top of the cost of the season tickets

²⁴ http://mlb.mlb.com/tex/ticketing/season_ticket_benefits.jsp

²⁵ <http://www.brooklyncyclones.com/tickets/season/>

- Click [here](#) to learn more about the team's decision to sell PSLs
- In 2022, revenue generated from the sale of seat licenses surpassed \$600 million for the Los Angeles Rams at the team's new SoFi Stadium (via [Sports Business Journal](#)).
- While PSLs have provided an excellent solution for generating revenue for many teams over the years, not all organizations have found the concept to be perfect. The Cleveland Browns recently announced that they would no longer require personal seat licenses for new season-ticket buyers while current season ticket holders/PSL owners would still maintain their original PSL benefits.²⁶
- In 2016, after two disappointing seasons, the San Francisco 49ers saw a substantial decrease in demand for their PSLs.
 - According to [Sports Business Daily](#), at one point there were over 1,800 licenses that were up for sale (representing 4,600 seats in Levi's Stadium), an increase of nearly 800 from the year prior.
- Other than the Golden State Warriors, the Toronto Raptors are the only other NBA team that uses PSLs, and only for their premium seats.
- The Milwaukee Bucks considered PSLs for their new arena, but decided it wasn't a workable business model.
 - Click [here](#) for a short video clip of Bucks' president Peter Feigin explaining the decision.

Ticket Packages

However, not all fans can afford season tickets or PSLs. To reach this group of consumers, sports teams and events offer various ticket packages, including "flex" plans, mini-plans or even half-season packages. A ticket package is a sales approach that involves grouping together a select number of games, often at a discounted price.

Holiday Packs

MEZZANINE LEVEL SEATING STARTS AT

\$399

- 2 TICKETS TO 3 GAMES
- \$50 FOOD & BEVERAGE GIFT CARD FOR T-MOBILE ARENA

CLARK W.

NEW YORK ISLANDERS THUR, JAN 25

CALGARY FLAMES WED, FEB 21

OTTAWA SENATORS FRI, MAR 2

COUSIN EDDIE

ANAHEIM DUCKS MON, FEB 19

NEW JERSEY DEVILS WED, MAR 14

COLORADO AVALANCHE MON, MAR 26

ADD A 4TH GAME STARTING AT \$100 PER 2 SEATS (TAMPA BAY OR WASHINGTON)

The NHL's Las Vegas Golden Knights offer a three-game "Holiday Pack"²⁷

Sports teams generally offer a special rate and/or an additional benefit for committing to a greater number of games. Packages offer flexibility for consumer purchases by requiring smaller financial and time commitments to purchase game or event tickets.

Ticket Package Examples:

- The Orlando Magic offer half season packages that include a number of customer benefits, including a free subscription to E-Magic Insider (email newsletter).²⁸
- The Calgary Flames offer weekend packages that feature only weekend games, creating a special package to make it easier for fans to attend.²⁹
- Because Monday night games are difficult days for teams to draw crowds, the Fort Myers Miracle created the "Monday Night Club" where, for \$30, "members" would receive a ticket to every Monday night home game through the entire season, free parking and a Monday Night Club t-shirt.³⁰

²⁶<http://www.newsnet5.com/dpp/sports/football/browns/cleveland-browns-get-rid-of-personal-seat-licenses-offer-season-tickets-without-psl>

²⁷ <https://www.nhl.com/goldenknights/news/golden-knights-announce-clark-w-and-cousin-eddie-holiday-ticket-packages/c-293527324>

²⁸ http://www.nba.com/magic/tickets/tickets_half_010620.html

²⁹ http://www.calgaryflames.com/tickets/special_programs.html

³⁰ Veritix Sports Marketing Newsletter - June 11, 2009

- With hopes of boosting lagging attendance, the Arizona Diamondbacks launched a “Ballpark Summer Pass” ticket package that included every home game in June and July for only \$50
- In an effort to drive attendance at early season games that typically are harder to sell, the Philadelphia Phillies released the “[Phillies Spring Pass](#)” ticket package for \$50 that included all Monday through Friday games in April (the team quickly sold out of the packages)
- According to the [Indianapolis Star](#), the NFL’s Indianapolis Colts announced plans to offer a five-game ticket package for the first time in history after season-ticket renewals declined for a third straight season in 2018.

Another popular ticket sales packaging strategy is to offer “flex” ticket plans.

- The “Orlando Flex” ticket package offers buyers access to a number of different parks, including Universal Studios Sea World, Wet N Wild and Busch Gardens .
 - Flex package purchasers only have to pay for parking once and the package is good for 14 consecutive days.
 - Flex package buyers can “jump” between parks as many times as they wish during those 14 days.
- The New York Mets offer flex packages of 5, 11, or 17 games.
 - Fans have the luxury of choosing any games they want.

Sometimes, teams will measure the effectiveness of packaging strategies using a metric called season ticket equivalents. **Season ticket equivalents** (also called FSE or full season equivalent) refer to the sum of all of the various ticket packages sold converted to one measurable number. For example, if the Washington Capitals sold 400 new quarter season packages, 800 new half season packages and 2,000 new full season packages in the off season, they would have sold 2,500 season ticket equivalents (FSEs).

Premium Seating & Luxury Suites

Sports teams and events can also generate millions of dollars by marketing to the corporate crowd and more affluent consumers through the sale of premium seating and luxury suites.



Ohio State Premium Seating³¹

Premium seats are tickets to a game or event that feature additional benefits or values, often located in a private or reserved section of the venue. Premium seats could include anything from suites, court-side seats, or seats elsewhere that receive preferential or “VIP” treatment.

Examples:

- A company that leases a luxury suite at the Staples Center in Los Angeles receives tickets to each event throughout the year, including the Lakers (NBA), Clippers (NBA), Kings (NHL), Sparks (WNBA) concerts and family shows.³²
- “Executive Club Seat Members” at the Georgia Dome in Atlanta receive VIP parking privileges, access to private “lounge” areas in the stadium (described online as “spacious, sun-filled atriums that feature living room style lounges with big screen

³¹ https://www.schottensteincenter.com/assets/img/PremiumSeating_1248x680-8bb89bca89.jpg

³² <http://www.staplescenter.com/content/default.sps?itype=6767&icustompagelid=10009>

televisions with specialty grills and buffets in both areas also offer food selections prepared to order”) and access to exclusive concessions options.³³

- The Saenger Theater in New Orleans offers the following benefits for their premium seat buyers: The best seating locations available, priority upgrades during renewals, discount beverage coupons, exclusive Premium Seat Holder commemorative season poster and offers to other local events
- According to the Sporting News, the Miami Dolphins plan to install “Living Room Suites” at Sun Life Stadium that will feature a transportation service that will pick up and drop fans off from home in a luxury vehicle and will enter and exit the stadium in their own private lane.
 - Click [here](#) to read more about the Dolphins’ plans for their new premium seating options for ticket buyers next season.
- According to charlotteagenda.com, the Carolina Panthers are considering adding a variety of premium seating options at Bank of America Stadium, including owner’s club suites, field bunker suites, party decks, 4-person semi-private seating, field-level suites, pre-game dining membership, practice field tailgating and an exclusive members-only club named the Carolina Club that could feature a high-end restaurant and lounge.
- In some instances, a team might offer “multi-use” opportunities to use stadium premium seating spaces for non-game day events.
 - For example, the LA Rams offered suites that included “365-day access to SoFi Stadium”, meaning the suite-holder could host business meetings and private parties at the stadium.
 - According to a story published by Sportico, Phoenix Suns’ sponsor PayPal has special access to its luxury suite at Talking Stick Resort Arena even when the building is empty, where it has created a so-called “innovation center.” The program has been so successful that PayPal already extended their deal with the Suns and agreed to create a similar site at the home stadium of Spanish soccer club RCD Mallorca, also owned by Suns managing partner Robert Sarver.
 - The success of PayPal’s use of their luxury suite has inspired the Suns’ to redesign the entire suite level as part of the arena’s upcoming renovations.

Group Tickets

Another effective strategy for filling the stands is an emphasis on selling group tickets. Typically, a group package consists of ten more seats to a single game or event, sometimes tied to a specific theme (called “theme nights”) or customized items like birthday party packages. Many sports teams will reserve a percentage of the ticket inventory every season specifically for group sales.



The University of Texas offers a birthday party group ticket package for soccer, volleyball, men’s and women’s basketball, baseball and softball games.³⁴

Group Ticket Examples:

- Broadway.com offers group discounts to many Broadway shows and musicals, including “Rent” and “Blue Man Group” for groups of 10 or more.³⁵

³³ <http://www.gadome.com/club/benefits.html>

³⁴ <https://texassports.com/news/2018/10/23/tickets-texas-athletics-launches-birthday-party-ticket-packages.aspx>

³⁵ http://www.broadway.com/groups/groups_home.asp

- Colorado State University offers discounted ticket prices on all groups of twenty or more and features the group's name on the football video board while providing additional perks for the group leader, including complimentary tickets, merchandise and autographed photos based on the number of fans in the group.³⁶
- Sea World offers group discounts for groups of 20 or more and provides bigger discounts for bigger groups.³⁷
 - Groups of 20-49 receive 10% discount
 - Groups of 50-99 receive 12.5% discount
 - Groups of 100+ receive 15% discount

How important are group sales to an organization?

According to espn.com, when LeBron James announced his return to Cleveland, the team capped season ticket sales at slightly more than 12,000 tickets Friday, leaving roughly 8,000 tickets per game to be used for group sales and ticket plans, enabling them to introduce as many fans as possible to the product next season. That strategy will likely pay off, even as LeBron has moved on to Los Angeles, as group outings are typically easier to renew than season tickets.

Fan Experience Packages

To attract new fans and compete in a more competitive environment, many organizations have turned to unique “fan experience” packages to boost group ticket sales.

Examples:

- With a minimum purchase of 75 group tickets, fans can sign up for the Boston Celtics “Halftime High Five Kids Tunnel” where up to 25 members of the participating group have (open to those 14 years and younger) the opportunity to actually get on the court and high-five the Celtics players as they come back onto the court after half-time.³⁸
- The Los Angeles Sparks have offered a “traveling practice” program where, if a group purchases 1,000 or more tickets, the team will hold a full practice at the site of the ticket buying group's choice.³⁹
- Through the team's “Court of Dreams” ticket package, Oklahoma City Thunder fans have the chance to play on the court before the game. The team has hosted students from more than 13 area high schools at the Ford Center who have participated in various basketball “competitions” with winners getting their game night seats upgraded.
 - Thunder Vice President of Community Relations Dan Mahoney on the program: “A lot of people would love to play on an NBA court, and through our group sales effort, we are able to provide that to our fans.”⁴⁰
- The Philadelphia Phillies have offered an “Out of Towner” weekend package created specifically for Phillies fans from around the country to visit Philadelphia while taking in a three-game series at Citizens Bank Park

Theme Nights

A theme night is a specific ticket package designed exclusively for a particular group, demonstrating a very targeted approach to marketing. The goal of a theme night is to attract large groups to attend a game or event by customizing the experience to meet the needs of the selected group/organization.

Theme Night Examples:

- The NBA's Charlotte Hornets host a Teacher Appreciation night, offering special promotional discounts on tickets for teachers.⁴¹
- The WNBA's Chicago Sky promote an annual Girl Scout night, providing specially priced tickets for area Girl Scouts, a chance to meet a Sky player, a “fan tunnel” experience on game day and exclusive autograph sessions.⁴²
- Some of the theme nights hosted by the [Philadelphia Phillies](http://philadelphia.phillies.com) have included Autism Awareness, Teacher Appreciation, Philadelphia Science Festival Day and Citizens Bank Weather Education Day.

³⁶ <http://www.seaworld.com.au/tickets/tickets.cfm>

³⁷ <http://www.seaworld.com.au/tickets/tickets.cfm>

³⁸ <http://www.nba.com/celtics/tickets/group-tickets/>

³⁹ http://www.linkedin.com/groupAnswers?viewQuestionAndAnswers=&gid=1575157&discussionID=2811662&sid=1249502137662&trk=ug_qa_q&goback=.ana_1575157_1249502137662_3_1

⁴⁰ http://www.nba.com/thunder/news/dreams_090223.html

⁴¹ http://www.nba.com/bobcats/tickets/group_theme_nights.html

⁴² http://www.wnba.com/mystics/girl_scout_night_2012.html

- Last season, the Oakland A's shifted their organizational strategy by hiring a dedicated sales staff to focus on group sales, and hosting theme nights like "Science of Baseball Day" which led to the sale of over 6,000 tickets.
 - Click [here](#) to read more about the A's group sales strategy in a story posted on frontofficesports.com.
- Thirteen of the fifteen theme night events hosted by the New Jersey Devils during the 2017-18 NHL season [reportedly](#) resulted in sellouts.
 - As a result, the team increased the number of theme night promotions to include nineteen events last season, including "WWE Night", "Military Appreciation Day", and "Hockey Fights Cancer Night".

Individual game and single game ticket sales (advanced sales)

Many organizations promote the sale of individual game tickets to fans prior to the start of the season, game or event. Advance sales encourage fans to purchase tickets to individual events in advance to eliminate the risk of people changing their minds on the day of the game.

Individual game and single game ticket sales (advanced sales) examples:

- The University of Wisconsin athletics office implements a policy that all reserved single game tickets MUST be purchased in advance and do not offer day-of-game (walk-up) single game sales. All day-of-game sales are general admission tickets only.⁴³
- The Detroit Red Wings encouraged fans to sign up for ticket updates through the team's 'Red Wings eAlerts' program, offering "priority access" to single game tickets with no convenience charge before seats go on sale to the general public.⁴⁴
- The Houston Astros offered a "one day opportunity" to fans subscribed to the team's email service. An offer for special promotional discounted tickets for future weekday games lasted just one day (from 9:00 to 5:00). The promotion helped the franchise sell nearly 1,000 tickets.⁴⁵
- In 2020, SoFi Stadium executives took a unique approach to single-game sales when they began offering individual game tickets in luxury suites for LA Rams and Chargers games.
 - According to [bizjournals.com](#), the team designed 36 suites specifically to be sold on a game-by-game basis, believing the L.A. market would attract high-end corporate and individual buyers who want to attend Rams or Chargers games as one-off events without the long-term commitment typically associated with luxury suite sales.

Ticket Promotions

Promotions for individual games can also help increase sales on game days. Sports teams will implement a variety of promotions to boost attendance throughout the course of a season. The most common promotions include game-day giveaways like bobbleheads and replica jerseys or "meal deal" promotions, including food and beverage with a ticket purchase.



Milwaukee Brewers added an autograph twist to a bobblehead promotion in 2022⁴⁶

43 http://www.uwbadgers.com/sport_news/wbb/headlines/full_story.aspx?story_id=2004_09_16_13_04_31_wbb

44 <http://redwings.nhl.com/club/news.htm?id=777106>

45 http://www.linkedin.com/groupAnswers?viewQuestionAndAnswers=&gid=1575157&discussionID=2811662&sk=1246930936732&trk=ug_qa_q&goback=%2Eana_1575157_1246930936732_3_1

46 <https://twitter.com/Brewers/status/1522640780875161600>



The NHL's Florida Panthers offer a promotional ticket package that includes a game ticket, a hot dog, parking, popcorn and one bottled water or soda.⁴⁷

Covid-19 Impact On Ticket Sales

The loss of revenue from ticket sales during the pandemic as sports and entertainment organizations were forced to cancel events or play games without fans is crushing for the industry.

College Football

[USA Today](#) reports that last year, the 130 schools that make up the Division I Football Bowl Subdivision (FBS) generated nearly \$1.1 billion in total football ticket sales, meaning hundreds of millions of ticket revenue would be lost when seasons were canceled or postponed.

Broadway

According to [NBC New York](#), Broadway took in a record \$1.8 billion in ticket sales last year, but abruptly shut down in March and announced in the summer that the earliest they would return would be January of 2021.

Concerts

[Pollstar](#) estimated the concert industry could lose as much as \$9 billion in 2020 in ticket sales revenue.

NBA

NBA commissioner Adam Silver said during an interview at an [SBJ](#) virtual event that the league will lose 40% of its revenue with no crowds.

NFL

A [Forbes](#) report suggested that, if the NFL were to play the entire 2020 season without fans in stands, the league could lose \$5.5 billion in stadium revenue (the sum of tickets, concessions, sponsors, parking and team stores).

MiLB

According to [MiLB](#), its teams generated gross revenues last year of \$864 million. The vast majority comes from game-day operations, with 60 percent from tickets and concessions sales, wiping out millions of dollars when MiLB was forced to cancel the 2020 season.

Cirque du Soleil

According to [NBC News](#), Cirque du Soleil, the brand that successfully fused acrobatics with performance art, filed for bankruptcy Monday as the coronavirus continued to ravage the entertainment and theater industries.

⁴⁷ <https://www.nhl.com/panthers/news/florida-panthers-launch-sahlens-red-hot-value-pack-ticket-offer/c-309618910>

The Ticket Sales Cycle

The ultimate goal of sports and entertainment promotion according to Mullin, Hardy and Sutton is to “increase overall consumption of products or services through increased awareness and interest”⁴⁸ Essentially, the goal is to increase overall levels of ticket sales.

Tickets sales and television broadcast strategies frequently align – if an event does not sell enough tickets, oftentimes the TV provider will ‘blackout’ the game, meaning they do not televise the event on local TV.

- The idea is to push more consumers to buy tickets to see the event live versus simply watching it at home.
- Click [here](#) to read how the Indianapolis 500 sold enough tickets to avoid a blackout on local TV for the first time since 1950.

Sports and entertainment marketers achieve that goal by progressively gaining consumer commitment. This model is called the frequency escalator. The frequency escalator model is important because research indicates the long-term financial implications of an organization are impacted most by existing customers, not by attracting new consumers. Statistically, U.S. companies lose 50% of their customers in five years on average.⁴⁹

THE FREQUENCY ESCALATOR

The **frequency escalator** is a marketing tool that examines the attendance levels of fans.⁵⁰

This model, developed by sports marketing experts Mullin, Hardy and Sutton, also referred to as the fan escalator, essentially describes a strategy used by sports and entertainment marketing professionals to increase ticket sales.

The basic concept of the escalator places the focus primarily on encouraging those fans already attending games to attend with more frequency with an increased level of commitment rather than trying to entice new fans to come to a game or event.

The frequency escalator categorizes various consumer (fan) groups by usage level as follows:

1. Unaware consumer
2. Indirect user
3. Light user
4. Medium user
5. Heavy user

Unaware Consumer

The unaware consumer does not know a product or service exists and therefore does not attend games or events.

The sports and entertainment marketer reaches this group of consumers through:

- Advertising
- Publicity
- Promotional items such as pocket schedules, magnet schedules etc.

Indirect User

The indirect user is aware of the product or service, but does not directly participate by attending events, but rather consumes via another source (television, radio etc.). The sports and entertainment marketer goal with indirect users is to do something to get them to act. This group of consumers can be reached through:

- Promotional tickets
- Individual and single game tickets
- Theme nights
- Group nights

⁴⁸ Sport Marketing, Mullin, Hardy, Sutton, 2nd ed., p. 21

⁴⁹ [http://www.milepoint.biz/files/639,9,Why Miles? Why Now?](http://www.milepoint.biz/files/639,9,Why%20Miles?%20Why%20Now?)

⁵⁰ Sport Marketing, Mullin, Hardy, Sutton, 2nd ed., p. 216



The marketer's goal with this group is to move them to the next level of the frequency escalator. In this case, marketers are encouraging consumers to become light users.

For example, amid one of the biggest attendance declines in Major League Baseball last year, the Minnesota Twins launched a "flash sale" featuring \$5 tickets. According to Dan Hayes of [The Athletic](#), the team sold 31,000 tickets through the promotion in just 48 hours. More significantly, however, is the fact that of the 31,000 tickets sold, 65 percent of fans hadn't purchased a ticket to a game in the past three seasons, providing the organization with an opportunity to move them to the next level in the frequency escalator model.

Light User

Light users attend games and events for promotional giveaways, team performance and social interaction. This group has no established attendance pattern.

The sports and entertainment marketer reaches light users through:

- More promotions, giveaways etc.
- Packaging strategies (offer the most popular opponents with a limited-edition bobble head doll etc.).

The marketer's goal with this group is to encourage them to become medium users (purchase a mini plan ticket package).

Medium User

Medium users attend less than half the time possible.

Keys to reaching this group include:

- Good service; developing a relationship with the customer.
- Appeal to their pride and feeling of prestige for the team affiliation.
- Encourage them with additional benefits such as improved seat locations and special discounts.
- Show them the value of their participation and further reward of advancing to the next stage of the escalator.
 - For example, an NBA team may encourage advanced participation through an invitation to a pre-game chalk talk or a "meet the team" type of function.

Heavy User

Heavy users participate or attend more than half the times possible. Heavy users are the most important group to an organization, and it is critical to an organization's success that they keep them as loyal consumers and frequent buyers of the product or service.

Examples of heavy users:

- Season ticket holders
- John Cena fans that see every one of his films in the theater and purchase or stream the films when they are released digitally.
- Fans of the Zac Brown Band who see the concerts each time they visit the fan's city and purchase and stream all of their music.

Descending The Escalator

Descending the escalator occurs when consumers downgrade or eliminate their participation. This is caused by consumer over-commitment or over-purchase and is often a byproduct of fan disconnect or discord with "their" team, event, or favorite performers.

Frequency escalator example:

- To attract new fans to their stadium, University of Colorado experimented with Groupon offering heavily discounted game tickets. Using this approach, the Buffaloes managed to sell nearly 1,200 tickets in less than 24 hours.
 - CU's marketing director made the following statement, *"While we would have liked to have sold more, we are happy with the results. What it does for us is potentially bring new people that may not otherwise go to a Colorado football game. It's a way to introduce them to our product, get them to a game...and then, who knows? Maybe next year they buy a three-game pack. The idea is to see if they go beyond this year."*⁵¹ (source: Clickz.com)

⁵¹ <http://www.clickz.com/clickz/news/1895125/groupon-helps-college-football-teams-butts-seats>

Ticketing Technologies

How has technology impacted the ticketing process in sports and entertainment?

- Distribution
- Fan experience
- Data-based marketing and analytics
- Customer service
- Pricing and payment options

Distribution

Technology has helped to streamline the ticket distribution process.

If a fan wishes to purchase tickets to an event, there are a variety of online options:

- Websites (nfl.com, ticketmaster.com, fandango.com)
- Secondary market vendors (StubHub, Vivid Seats and SeatGeek)
- Apps
- Social media platforms

Fan Experience

Ticketless entry has become the norm in venues around the world, creating a more seamless, user-friendly experience for fans on game days. Technology has also made it much easier to share tickets, allowing users to download game tickets directly to their mobile device.

- AT&T Park, home to Major League Baseball's San Francisco Giants, was the first professional sports franchise in the U.S. to implement a barcode system for scanning tickets as fans enter the stadium through electronic turnstiles.⁵²
 - This enables the team to avoid common ticketing problems.
 - Giants officials can quickly deactivate lost or stolen tickets and reissue new ones and the technology virtually eliminates the possibility of erroneously selling the same seat more than once.
 - The technology, along with many other advances, is now very prevalent in all sports venues, from the professional ranks to college.
 - 2015 marked a major shift in ticket distribution and fan experience for attendees of the NCAA Men's NCAA Basketball Tournament as 67% of the host venues offered paperless and phone entry.
 - Click [here](#) to see an excellent breakdown from forbes.com of the various ways in which fans could utilize technology to enter 2015 March Madness host venues.
 - Click [here](#) for an infographic from TqiIQ on the "paperless" NCAA tournament.
 - Several sports teams (MLB's New York Yankees, Colorado Rockies, NFL's Seattle Seahawks, MLS's LAFC and NBA's Miami Heat among them) offer biometric fingerprint readings in lieu of tickets at specific entry points for speed and security.⁵³
 - Click [here](#) for a story suggesting Major League Baseball could be exploring a future where facial recognition becomes the norm for fan entry at ballparks

As of 2020, many organizations had already made the shift to paperless tickets, however, after the COVID-19 health crisis, nearly every sports and entertainment venue will migrate to paperless ticketing protocols.

Data-based marketing and analytics

Data-based marketing is the process of gathering information about existing and prospective customers, entering that information into a centralized database, and using that database to drive marketing efforts. It is effective because it enables marketers to capture information directly relating to their fan bases and allows for a more effective direct marketing campaign.

⁵² <http://sanfrancisco.bizjournals.com/sanfrancisco/stories/2000/04/03/focus1.html>

⁵³ <https://www.securitysales.com/emerging-tech/biometric-tech/mls-stadiums-biometric-clear/>

By segmenting fans based on their buying habits and demographic information, an organization can effectively:

- Generate new business.
- Boost renewal and retention rates.
- Establish sales leads.
 - Most sports and entertainment organizations use database marketing to help qualify leads for their sales staff to make the cold calling process easier.
- Increase fan loyalty.
- Strengthen relationships with customers.
 - Segmentation allows for an organization to gain a better understanding of who their customers are and how best to satisfy customer needs and wants.
- Improve communications with fans.
 - Click [here](#) for an interesting case study from the National Sports Forum's eNewsletter illustrating how the University South Carolina utilized the advancement of technologies to help them segment their fan base and boost ticket sales.

Data mining is a term used to describe the process of collecting and analyzing information within a database in an effort to discover information that can help increase an organization's sales. The practice is also referred to as "big data" and advanced consumer profiling. It has become a popular marketing tool for many sports and entertainment organizations as it provides the sales staff with information that can help sellers to connect with consumers, particularly when cold calling.

For example, thanks to data mining, an inside ticket sales representative for an MLS team might know that the fan they are cold calling has already attended two MLS games, searched ticket websites for other sporting events or concerts and typically only makes a purchase decision when tickets are discounted.

Additional data mining examples:

- Spain's premier soccer league, LaLiga, [partnered](#) with Microsoft to utilize programs like Azure and Power BI to help LaLiga connect with their 1.7 billion fans around the world in a more personalized manner depending on fans' location and preferences.
- The Chicago Cubs adopted Bypass, a point-of-sale system, to help them track how well certain merchandise and concessions sell in real time.
 - Said Justin Piper, general manager of spring training business operations for the Cubs in an interview with [AdAge](#): "We can track categories—do you like little logos or big logos? What colors? Those are the types of things that we can start looking at."
- According to [thedrum.com](#), Churchill Downs teamed with Emarsys, a marketing cloud company, to improve the level of insight they have on horse racing fans.
 - Data captured includes fans' favorite horses, jockeys, trainers as well as how much they bet on races.
 - This information is used to create more targeted and personalized marketing campaigns, resulting in higher profits.
- Click here for a fascinating look from the [San Francisco Business Times](#) on how the San Francisco 49ers (who employ an analytics staff of 11) and Oakland A's are mining data to help segment their fan base to help boost franchise revenues.

Data-based marketing examples:

- Thanks to an effective data-based marketing strategy, Minor League Baseball's Indianapolis Indians managed to increase online ticket sales 64% in just one season. The club's focus on building and maintaining an extensive database resulted in access to the email addresses for 60,000 previous ticket purchasers and fans who had previously signed up to receive emails from the team.⁵⁴
- According to Forbes, the USTA has successfully used analytics to maximize revenue. For example, they analyze data around the primary and secondary market to determine how their tickets should be priced. Last year they repriced every seat in Arthur Ashe Stadium, and 54% of their seats had reduced prices for the 2018 U.S. Open.⁵⁵

⁵⁴ <http://chiefmarketer.com/email/campaigns/indianapolis-indians-baseball-email-ticket-sale-0412bnv1>

⁵⁵ <https://www.forbes.com/feature/usopen/#352a334713d8>

- Despite dropping ticket prices, the event generated \$10 million more in ticket sales revenue than the previous year's event.⁵⁶
- The Golden State Warriors utilize data from Facebook to purchase and create more personalized ads to help promote last minute ticket sales
 - According to adweek.com, each ad reached as many as 50,000 of the team's Facebook followers (potential buyers) and have helped the Warriors sell out 175+ straight games over the past few seasons.⁵⁷
- According to a report in the Sports Business Journal, the average NBA franchise has 500,000 names in its database, with some big-market teams having about 1 million names, allowing them to personalize the sales experience.
- Orlando City FC of MLS strategically designed its LionNation app to help the franchise build a database that would give insights to fan behaviors and preferences, along with creating opportunities to engage and interact with fans in ways that would lead to an increase in ticket sales.
 - Click [here](#) to learn more about the team's database marketing strategy.
- According to chicagobusiness.com, the majority of major league franchises in Chicago are encouraging fans to use digital tickets instead of traditional paper tickets by offering incentives from food discounts and faster entry into venues to credits toward special in-stadium experiences and merchandise.
 - Click [here](#) to read the full story with the headline "Why Chicago sports teams want you to use your phone as a ticket."
- Click [here](#) for an excellent, in-depth look at how Major League Baseball teams utilize analytics as a powerful ticket sales tool (via wharton.upenn.edu).
- According to a Yahoo! Sports [report](#), the NFL placed a priority on paperless tickets for the 2020 Super Bowl in Miami, in large part to maximize the personal data they could collect from fans who attended the game, which would help the league to develop a more targeted approach to its future marketing efforts.
 - A story published in the [Athletic](#) suggest that by the 2021 Super Bowl in Tampa, the number of fans using mobile ticketed entry could total nearly 100 percent (assuming fans would be allowed in stadiums as a result of the pandemic).
 - The story also reports that, over the last two years, the NFL has added roughly 6 million new ticketing names to the league's database or individual teams' databases and now knows who 30 percent of the fans are sitting in the stands versus 15 percent the year before.

Service

- Many organizations have implemented online account manager programs for their season ticket holders as a vehicle for improving customer relations.
 - Memphis Grizzlies season ticket holders enjoy many benefits via the team's Website, which allows customers to: ⁵⁸
 - Forward tickets electronically, allowing customers to email tickets to friends, family or clients—even at the last minute.
 - Manage tickets by tracking ticket usage and managing guest lists online.
 - Edit personal profiles to keep account info updated.
 - Make payments, view statements, and renew ticket packages.
- Technology makes communication easier and more effective between teams and consumers.

Pricing And Payment Options

- Dynamic pricing
- Digital wallets
- Blockchain
- Sales technology

⁵⁶ <https://www.forbes.com/feature/usopen/#352a334713d8>

⁵⁷ <http://www.adweek.com/news/technology/how-facebook-data-helping-golden-state-warriors-sell-tickets-171403>

⁵⁸ http://www.nba.com/grizzlies/tickets/ticketmaster_mvp_demo.html



DYNAMIC PRICING

Dynamic ticket pricing (also referred to as “variable” pricing) refers to the process of adjusting ticket prices on the basis of changing variables like weather, opponent, demand, availability or who is scheduled to pitch on a particular day. Many teams already charge different prices for seats based on the opponent or other factors, but the dynamic pricing allows an organization to manage ticket sales efforts by carefully measuring supply and demand and creating price points accordingly. For example, a Field Plaza level ticket at Petco Park in San Diego for a Saturday game against the rival Los Angeles Dodgers was priced at \$59.00 on padres.com. That ticket drops to \$35.00 for the same exact seat on the following Tuesday night for the game against the Arizona Diamondbacks.⁵⁹

Most professional sports teams have now adopted some form of variable ticket pricing and many entertainment properties are implementing similar strategies. Three years ago, Disneyland began testing dynamic pricing models with the opening of its Pixar Pier attraction, starting at \$299 per ticket. Part of Disney’s strategy is to better manage the size of crowds at its parks, helping to create a better experience for park visitors.

In 2022, dynamic ticket pricing sent Bruce Springsteen tour tickets into the stratosphere on TicketMaster, infuriating some customers, with some ticket prices reaching **\$4,000**. According to a [USA Today](#) story, Springsteen is not alone in deploying a dynamic ticket pricing strategy. Other artists like Taylor Swift, Drake, Paul McCartney, Ye and Harry Styles have embraced dynamic pricing. Currently, artists such as The Weeknd, Alicia Keys and Carrie Underwood also are offering their best seats – often dubbed [Platinum Tickets](#) – through this variable pricing system.

DIGITAL WALLET

Apple Pay and MasterCard teamed up with Major League Baseball to make mobile payments available at Great American Ball Park and the Duke Energy Convention Center for All-Star Game activities in Cincinnati.⁶⁰

As this type of technology is adopted by more and more fans, digital wallet applications will become mainstream. For example, in 2021, minor league soccer club Sacramento FC will offer contactless food and beverage orders through a digital wallet that stores payment information on the team’s app.

BLOCKCHAIN

In 2018, the NBA’s Dallas Mavericks [announced](#) that they would accept Bitcoin and other forms of cryptocurrency as payment for tickets, making them the first professional sports team to allow blockchain transactions. In 2021, sports teams like the San Jose Sharks, Sacramento Kings, and Oakland A’s jumped on the trend and began accepting crypto in exchange for tickets, premium seats and luxury suites. By 2022, that trend was still slow to gain momentum, with most teams being hesitant to embrace the technology as a legitimized form of payment.

SALES TECHNOLOGY

Technology helps to improve the sales process by allowing fans to visualize seating options virtually. In years past, fans would need to visit the venue in-person to see seating options. Now, technology has created new, more convenient and interactive ways for fans to see seating locations before making a purchase decision.

For example, the Atlanta Hawks introduced “The Preview”, a high-tech virtual tour highlighting stadium renovation for potential suite and seat buyers. As described by the team’s [website](#): “Full of interactive features and engaging, self-guided activities, the sales center offers a deep dive into how the new arena transcends the role of host for basketball games, concerts and events.”

In an example of an industry trend, teams are turning to virtual reality “sales centers” to help boost season ticket sales. To help sell season tickets to the team’s new \$200 million stadium in advance of their inaugural season in 2021, the Major League Soccer expansion Austin FC adopted virtual reality technology. The digital technology provided fans with a 360-degree view from any seat inside the new venue, allowing prospective ticket buyers to get a feel for the stadium and their sightlines prior to making decisions on a

⁵⁹ <http://www.bizjournals.com/cincinnati/news/2013/02/25/cincinnati-reds-make-move-to-dynamic.html?page=all>

⁶⁰ <https://www.statesman.com/photogallery/TX/20190806/SPORTS/806009992/PH/1>

seat location.⁶⁵ The VR “show” starts by putting fans at the center circle on the field, giving a 360-degree view of what the stadium will look like from the vantage point of a player waiting for the opening whistle.

Elsewhere, as the Texas Rangers (MLB) and Raiders (NFL) prepared for moves to new stadiums, they also built sales centers that featured innovative technology to create immersive experiences for prospective ticket buyers.

- Click [here](#) for a 3D view of the new Rangers ballpark

UNIT 9: KEY TERMS DEFINED

Data mining: A term used to describe the process of collecting and analyzing information within a database in an effort to discover information that can help increase an organization’s sales.

Frequency Escalator: A marketing tool that examines the attendance levels of fans.

Group Tickets: Group tickets are a reserved block of tickets for a specific game or event.

Season Tickets: Provides consumers with tickets to every home game for a particular sport or full access to an entire event for a set price.

Season Ticket Equivalents: Refers to the sum of all of the various ticket packages sold converted to one measurable number.

Ticket Package: A sales approach that involves grouping together a select number of games, oftentimes at a discounted price.