Spring 2016

An Exploration of Ticket Pricing in Intercollegiate Athletics

Craig A. Morehead

Old Dominion University

Follow this and additional works at: https://digitalcommons.odu.edu/hms_etds

Part of the Sports Management Commons, and the Sports Studies Commons

Recommended Citation

Morehead, Craig A.. "An Exploration of Ticket Pricing in Intercollegiate Athletics" (2016). Doctor of Philosophy (PhD), dissertation, Human Movement Sciences, Old Dominion University, DOI: 10.25777/8fey-5e03

https://digitalcommons.odu.edu/hms_etds/4

This Dissertation is brought to you for free and open access by the Human Movement Sciences at ODU Digital Commons. It has been accepted for inclusion in Human Movement Sciences Theses & Dissertations by an authorized administrator of ODU Digital Commons. For more information, please contact digitalcommons@odu.edu.
AN EXPLORATION OF TICKET PRICING IN INTERCOLLEGIATE ATHLETICS

by

Craig A. Morehead
Bachelor of Arts, Mass Communication, 2005, Western Kentucky University
Master of Science, Recreation and Sport Administration, 2007, Western Kentucky University

A Dissertation Submitted to the Faculty of
Old Dominion University in Partial Fulfillment of the
Requirements for the Degree of

DOCTOR OF PHILOSOPHY

EDUCATION

OLD DOMINION UNIVERSITY

May 2016

Approved by:

Stephen L. Shapiro (Director)
Timothy M. Madden (Member)
Chad D. McEvoy (Member)
Lamar Reams (Member)
Ticket sales represent a significant revenue stream for FBS athletic departments, yet little is known about how administrators determine prices for those tickets. This three-paper format dissertation is an attempt to begin filling this gap in the literature so that we may better understand ticket pricing from a managerial perspective. Paper one is conceptual in nature, and includes a review of extant ticket pricing literature and presents a research agenda for studying pricing in the unique environment of intercollegiate sport using the theoretical frameworks of stakeholder theory and institutional theory. The second and third papers are empirical examinations of ticket-pricing from the viewpoints of athletic administrators with various departmental responsibilities so that we may better understand the role of ticket pricing in intercollegiate sport from different points of departure. Using a phenomenological approach, twenty athletic administrators, representing two Power 5 and two Group of 5 institutions, were interviewed about their experiences with ticket pricing. Paper two represents an attempt to better understand the pricing process utilized in college sport, including the organizational objectives and influencing factors identified by administrators, while also suggesting a cyclical model for spectator sport ticket pricing. Paper three is an exploration of the perceived roles of athletic administrative stakeholders, as well as departmental isomorphic behavior, as they relate to ticket pricing decisions in intercollegiate athletics.
ACKNOWLEDGEMENTS

I believe the cliché “it takes a village…” is appropriate when it comes to this process, and so while I can’t possibly thank everyone who has helped me along the way, I would like to take this opportunity to show my appreciation to a few specifically. First of all, I would like to thank the HMS faculty for taking a chance on an outsider in your first cohort of doc students. Dr. Shapiro, I could never have asked for a more patient, caring, encouraging, and positive mentor to lead me in this journey … thank you! Many thanks to the rest of my committee, Drs. Madden, McEvoy, and Reams, for your time, insight, and guidance. To Dr. Ridinger, your kindness and support has been greatly appreciated, and the opportunities you have afforded me throughout my tenure here at ODU have been more than I deserve … thank you! To the Darden College of Education dissertation fellowship committee, I cannot thank you enough for the honor and privilege to be able to concentrate full-time on my dissertation work this past year.

Now for some of my colleagues. Brendan, we may make for an odd couple, but your friendship has truly been one of the best things I will be taking with me when we leave Hampton Roads, and I look forward to working with you for years to come. Michelle, your strength and determination to provide better for your family is truly inspiring, and I wish you the best of luck. Jenny, you have an infectiously positive attitude, your ability to inspire is a sign of great leadership, and I know you will continue to have a tremendously positive influence on those around you. Julie, although I am sure it drove others nuts, I genuinely enjoyed our regular accreditation conversations in the doc student suite. For me, it provided great fodder during much-needed breaks, and yet I never felt guilty because they were always relevant to our chosen career paths in higher education. Thank you all, and I sincerely hope we keep in touch as life takes us down our various paths.
To the “ex-WKU” crew, even though we did not get together as often as I would have liked, it was great to reminisce when we did, and it was comforting to know I always had friends to turn to, which certainly made for an easier transition to Hampton Roads. To Drs. Gibson and Stinnett of WKU fame, when we got together for lunch in December 2011 I never could have guessed that it would start the ball rolling toward my return to school. Thank you both for encouraging me to pursue a terminal degree and join the academic side of the house full-time.

And finally to my family. Mom and Dad, your unwavering love, support, and encouragement has provided the foundation for me to achieve anything and everything I have endeavored to accomplish so far in life, and absolutely none of it would have been possible without you. I love you both! To my in-laws, thank you for allowing me to drag Sarah half-way across the country these past three years, although I know you did so begrudgingly. I could never have done this without her by my side.

Sarah… putting up with city life, sacrificing your Sundays so I could concentrate on academic work, taking over the vast majority of the household chores, listening to my boring talks about academia… maybe you really do love me more (ha!). You are my best friend and the love of my life, and I can never thank you enough for always being there for me. Now it is time for our next adventure, and much like everything else I know it will turn out great because we will be doing it together!
# TABLE OF CONTENTS

Chapter | Page
--- | ---
1. INTRODUCTION | 1
   PROBLEM STATEMENT | 3
   PURPOSE STATEMENT | 4
   THEORETICAL FRAMEWORK | 5
   RESEARCH QUESTIONS | 7
   SIGNIFICANCE OF THE STUDY | 8
   DELIMITATIONS | 8
   LIMITATIONS | 9
   DEFINITION OF TERMS | 10
   ORGANIZATION OF DISSERTATION | 11

2. ATHLETIC TICKET PRICING IN THE COLLEGIATE ENVIRONMENT: AN AGENDA FOR RESEARCH | 13
   THEORETICAL FRAMEWORKS | 16
     STAKEHOLDER THEORY | 16
     INSTITUTIONAL THEORY | 18
   PRICING LITERATURE IN SPORT | 20
     VALUE | 21
   MANAGERIAL PRICING STRATEGY | 22
   PRIMARY MARKET OBJECTIVES IN PROFESSIONAL SPORT | 26
     PROFIT MAXIMIZATION | 26
     SATISFYING BEHAVIOR | 27
     FAN WELFARE MAXIMIZATION | 28
   SECONDARY MARKET RESEARCH IN PROFESSIONAL SPORT | 29
   PRIMARY MARKET RESEARCH IN COLLEGIATE SPORT | 31
   SECONDARY MARKET RESEARCH IN COLLEGIATE SPORT | 32
   PROFESSIONAL VS. COLLEGE SPORT | 33
   SUGGESTIONS FOR RESEARCH | 36
     APPLYING STAKEHOLDER THEORY TO PRICING RESEARCH | 37
     APPLYING INSTITUTIONAL THEORY TO PRICING RESEARCH | 39
   CONCLUSION | 40

3. A QUALITATIVE EXPLORATION OF THE TICKET-PRICING PROCESS USED IN INTERCOLLEGIATE ATHLETICS | 43
   LITERATURE REVIEW | 45
   THEORETICAL FRAMEWORK | 48
   STRATEGIC PLANNING | 48
   STAKEHOLDER THEORY | 50
   INSTITUTIONAL THEORY | 51
   METHOD | 52
PARTICIPANTS........................................................................................................53
DATA COLLECTION AND PROCEDURE..........................................................53
DATA ANALYSIS..................................................................................................55
THOUGHT-LISTING EXERCISE...........................................................................55
INTERVIEWS.........................................................................................................55
STRATEGIES FOR TRUSTWORTHINESS...............................................................56
RESULTS AND DISCUSSION..............................................................................56
TICKET PRICING OBJECTIVES...........................................................................56
CONSUMER-ORIENTED OBJECTIVES.................................................................57
REVENUE-ORIENTED OBJECTIVES..................................................................58
SALES-ORIENTED OBJECTIVES.......................................................................59
GOLDILOCKS PRINCIPLE ORIENTATION............................................................60
FACTORS INFLUENCING PRICING DECISIONS..................................................62
SCHEDULING.........................................................................................................62
RESEARCH AND ANALYSIS..............................................................................65
TEAM PERFORMANCE.........................................................................................68
STAKEHOLDER.....................................................................................................70
DISCRIMINATION...............................................................................................72
FAN EXPERIENCE................................................................................................73
COMPETITIVE COMPARISON..............................................................................76
CURRENT TICKET PRICING PROCESS.................................................................78
CONCLUSIONS....................................................................................................80
LIMITATIONS AND FUTURE RESEARCH..........................................................82

4. AN EXPLORATION OF INTERNAL STAKEHOLDER ROLES AND ISOMORPHIC
BEHAVIOR IN FBS TICKET PRICING.................................................................84
THEORETICAL FRAMEWORK...............................................................................86
STAKEHOLDER THEORY.....................................................................................87
INSTITUTIONAL THEORY....................................................................................88
METHOD...............................................................................................................91
PARTICIPANTS.....................................................................................................91
DATA COLLECTION.............................................................................................92
DATA ANALYSIS..................................................................................................93
THOUGHT LISTING..............................................................................................93
INTERVIEWS.......................................................................................................93
RESULTS AND DISCUSSION..............................................................................94
PERCEIVED ADMINISTRATIVE PRICING ROLES.............................................94
ADMINISTRATIVE SIMILARITIES AND DIFFERENCES.......................................99
INSTITUTIONALIZATION OF PRICING..............................................................102
COERCIVE ISOMORPHISM...............................................................................103
PEER COMPARISONS.........................................................................................105
CONCLUSIONS...................................................................................................106
LIMITATIONS AND FUTURE RESEARCH..........................................................108

5. CONCLUSION..................................................................................................110
REFERENCES ........................................................................................................117

APPENDICES .....................................................................................................136
  A. DEMOGRAPHIC QUESTIONNAIRE ..............................................................136
  B. THOUGHT-LISTING SHEET .........................................................................137
  C. INTERVIEW PROTOCOL .............................................................................138
  D. PARTICIPANT DESCRIPTIONS .................................................................141
  E. COLLEGIATE TICKET PRICING PROCESS ..............................................142

VITA ....................................................................................................................143
CHAPTER 1

Introduction

It has been argued that higher education is becoming more business-oriented with each passing year (see Bok, 2003; Schrecker, 2010). Be it as a result of factors such as reduced state support, increased overhead, capital construction costs, or general isomorphism, etc., there is a growing trend for higher education administrators to pay close attention to the revenue potentials (or lack thereof) for each unit under the university umbrella. As arguably the most visible arm of the institution, athletic departments have often been referred to as the “front porch” of the university (i.e., Putler & Wolfe, 1999), and are therefore an important piece of the academy’s economic puzzle. Not surprisingly, there is also a growing trend to view athletic departments through an economic lens, analyzing the financial ramifications athletics has on the university (Zimbalist, 1999), especially as athletic departments face mounting pressure to increase revenues to offset ever-increasing expenses (Padilla & Baumer, 1994; Sander, 2011; Sparvero & Warner, 2013). The athletic department, therefore, is uniquely situated on many college campuses due to its increased exposure and revenue potential while being simultaneously constrained by its place within the higher education hierarchy and bureaucracy. Taking the stance that the athletic department is arguably the most visible component of the academy for the general public, it makes sense then to investigate the economic function of the athletic department from a marketing perspective.

In the latest edition of the NCAA Division I Intercollegiate Athletics Programs Report, Fulks (2015) reports that Football Bowl Subdivision (FBS) institutions had median total revenues of over $62 million in fiscal year 2014. The report categorizes these revenues as either allocated or generated revenues. Allocated revenues include student fees, direct institutional
support (i.e., financial assistance from general fund), indirect institutional support (i.e., payment of utilities), and direct governmental support (i.e., state and local funding designated for athletics). Of particular interest to this study, generated revenues are those that are produced by the athletic department, such as via ticket sales and contributions. Based on mean values, ticket sales accounted for the second-largest percentage of generated revenues for FBS athletic departments in 2014 at 25 percent, while contributions were slightly higher at 26 percent, and NCAA and Conference distributions were slightly lower, accounting for 24 percent of generated revenue. These numbers indicate that revenue produced via ticket sales is an important piece of an athletic department’s overall financial puzzle, especially considering the close connection between revenues derived from both tickets and contributions through season ticket sales (Mahony, Gladden & Funk, 2003).

To truly understand the nature of ticketing as a revenue stream, however, the function of pricing is a key component that must be examined from two points of departure. First, price is important from a financial standpoint due to its function in cost recovery. More specifically, pricing is an important revenue component because it represents the means by which a firm can offset expenses. Second, price is important from a marketing standpoint due to its ability to represent value and influence behavior (Shank, 2009).

What makes ticket pricing so instrumental to the generated revenue potential for an athletic department is that it acts as the initial gatekeeping component for more comprehensive sport event strategies. More specifically, it is crucial to have spectators at revenue sporting events due to the total individual cost of attendance, which includes not only the “get-in” ticket price, but also additional revenues that athletic departments can solicit through ancillary revenues such as parking and concessions (Fort, 2004; Krautmann & Berri, 2007; Rascher,
McEvoy, Nagel & Brown, 2007). Despite the significance of ticket revenue, however, very little research has been conducted to further our understanding of the ticket-pricing process in spectator sport from a marketing perspective. More specifically, even less research has been conducted to help explain ticket pricing in the unique environment of collegiate athletics.

**Problem Statement**

While marketing is often associated with advertising, sponsorships, and promotions, sports marketers also play an integral role in determining strategies and influencing pricing decisions (Shank, 2009). Such activities have been referred to as the sports marketing mix, which includes product, price, place, and promotion. While pricing is but one part of the marketing mix, it is the primary component of revenue production (Marn & Rosiello, 1992; Simon, 1992; Lovelock, 1996), and represents the means through which an organization captures the value created through the other areas. Despite its inclusion in the marketing mix and its revenue-generating potential, empirical pricing research is limited, with some even suggesting that the pricing component has been neglected (Drayer & Rascher, 2013; Nagle & Holden, 1995).

While there has been an increase in pricing studies in the sport management literature in recent years, many of those studies have focused on the secondary ticket market (StubHub, Ticket Exchange, etc.), or the pricing tactics used by sport entities (variable pricing, dynamic pricing). The extant literature has, in many ways, skipped a foundational aspect of ticketing by avoiding the study of rationale and decision processes leading to primary market prices. There is currently a lack of theoretical understanding related to spectator sport pricing and the resulting implications of pricing decisions. Simply put, the managerial decision-making process of pricing has been largely unexplored, and research that directly samples primary market decision-makers
is scarce. Even less is known about revenue sport ticket pricing in the unique context of college athletics, which operates within the complex environment of higher education.

Additionally, while pricing tactics research is on the rise, what has not yet been adequately examined are the steps preceding methods selection, including the collection of market data and the setting of pricing objectives. According to the effective pricing process put forth by Pitts and Stotlar (2013), factors relating to the consumer, company, competitor, and climate should be examined as a means to inform pricing objectives, which will guide the determination of what methods and strategies should be implemented, ultimately leading to the setting of a price.

**Purpose Statement**

Reese and Mittelstaedt (2001) note that “information regarding the decision-making process in the discipline of ticket management is noticeably absent from the literature” (p. 223). Despite the years that have passed since that publication, their statement still rings true. Among the areas of spectator sport ticketing management that remain unexplored is the pricing processes of intercollegiate athletic departments.

Studying pricing in the unique environment of intercollegiate athletics is warranted on a number of levels. First, athletic departments sponsor an array of sports. Nationally, the only "revenue sports" are football and men's basketball. However, some institutions may have additional sports internally labeled as revenue-producing sports, such as hockey, baseball, volleyball, or gymnastics. Another important consideration is the fact that athletic departments operate as a unit of the larger university, thus constraining the department through institutional bureaucracy, hierarchy, and non-profit status as an educational entity. Further complexity arises if the school is a state-supported, public institution. No matter the differences individual athletic
departments may have on micro levels, however, institutions across the country are bound by the rules and regulations set forth by the NCAA. These are but just a few examples of why it is necessary to study managerial pricing in intercollegiate sport.

Therefore, the purpose of this dissertation is to:

(1) Explore the decision-making processes of intercollegiate athletic administrators in pricing game tickets for revenue sports;

(2) Identify influencing factors that individual internal stakeholders find most salient in the pricing decision process;

(3) Explore previously undocumented perceptions of subunit administrators about the ticket pricing processes used within their athletic department; and

(4) Analyze the perceptions held by various athletic administrators with ticket pricing influence, responsibility, and authority to identify similarities and differences.

Contributions to the literature will come in the form of three papers: (1) a conceptual paper that will lay the ground work for studying intercollegiate athletic ticket pricing from a managerial perspective; (2) an empirical paper using qualitative methodology to explore the pricing process used in intercollegiate revenue sports through the voice of various athletic administrators; and (3) a phenomenological investigation of the perceived role intercollegiate athletic administrators play in the ticket pricing process, analyzed through the lenses of institutional theory and stakeholder theory.

**Theoretical Framework**

While primary market pricing research in the sport management field is sparse, two organizational theories can be applied to further our understanding of price-setting behavior in intercollegiate athletics. First, institutional theory posits that when similar organizations operate
in the same environment and thus have the same constraints, such organizations have a tendency to resemble each other, a concept known as isomorphism (DiMaggio & Powell, 1983). This theory is applicable to intercollegiate athletic departments because, as members of the NCAA, institutions are subject to constitutional bylaws that set operational boundaries such as minimum sport sponsorship requirements and maximum scholarship limitations. The framework of institutional theory has been applied to intercollegiate sport, such as for studying the addition of football at NCAA Division I schools (Kelly & Dixon, 2011), and to study diversity-related change within an intercollegiate athletic department (Cunningham, 2009). However, institutional theory has not been used to study pricing behavior in college sports.

Second, stakeholder theory asserts that organizations should not focus solely on profit maximization and wealth accumulation, but should instead also see the value of their social performance, which would include meeting the needs of various stakeholders (Miles, 2012). In the realm of intercollegiate athletics, Chelladurai and Danylchuk (1984) state that “although the actual goals pursued by an organization are largely set by the key decision-makers, such goals must, in the long run, reflect the desires of several constituencies of the organization” (p. 39). For instance, Putler and Wolfe (1999) identify stakeholder groups such as current students, prospective students, student athletes, alumni, faculty and staff, athletic administrators, parents, state legislatures, and the local community as relevant for intercollegiate athletic departments. However, those same authors later cautioned against assuming that members within such stakeholder groups share common values and priorities (Wolfe & Putler, 2002). There has been limited application of stakeholder theory on ticketing-related practices within college sport, with Covell (2004; 2005) investigating attachment and allegiance among season-ticket holders at an Ivy League school.
Research Questions

Adhering to a social constructivist perspective that universal truths are not feasible due to myriad environmental and situational factors (Hays & Singh, 2012), this phenomenological study endeavors to discover and describe the unique lived experiences of athletic administrators to more deeply understand the multiple realities of ticket pricing processes in intercollegiate athletics (Hays & Wood, 2011). The first set of research questions are utilized in Chapter 3 — A Qualitative Exploration of the Ticket-Pricing Process Used in Intercollegiate Athletics — and are designed to further our scholarly understanding of the pricing process for revenue sports, including the identification of factors, objectives, and strategies implemented to arrive at final pricing decisions:

RQ1: What is the primary ticket pricing objective identified by intercollegiate athletic administrators for revenue sports?

RQ2: What factors are identified by intercollegiate athletic administrators as important to the ticket price decision-making process for revenue sports?

RQ3: What is the process identified by intercollegiate athletic administrators in making ticket pricing decisions for revenue sports?

The second set of research questions are utilized in Chapter 4 — An Exploration of Internal Stakeholder Roles and Isomorphic Behavior in FBS Ticket Pricing — and are designed to further our scholarly understanding of the ticket pricing roles of athletic administrators through an examination of their lived experiences of the pricing process and are analyzed through the lenses of both institutional and stakeholder theories:

RQ4: What is the perceived role of individual intercollegiate athletic administrators in the ticket pricing process for revenue sports?
RQ5: What similarities and/or differences emerge in the way athletic administrators perceive the ticket pricing process for revenue sports?

RQ6: What evidence of isomorphic behavior exists in ticket pricing for revenue sports?

Significance of the Study

While textbooks suggest a path for organizational managers to follow in the strategic-pricing process (i.e., Pitts & Stotlar, 2013), we know little of the real-world application of such procedures. Therefore, the results of this study will contribute to the sport management field for both scholars and practitioners by filling a gap in the literature as to the decision-making processes of pricing managers. This will help us gain a better understanding as to the reasoning behind price points chosen by decision makers. Additionally, this study will shed light on the perceived roles of various athletic administrators (i.e., internal stakeholders) in the ticket pricing process. As a result, practitioners will be encouraged to review their pricing process to reflect on the adequacy of their data collection efforts, the congruency of organizational goals and objectives, and the efficiency and effectiveness of their human relations strategies related to pricing decisions. From a scholarly perspective, this study extends knowledge on both stakeholder theory and institutional theory in the context of administrative pricing behavior. Furthermore, faculty members will be encouraged to review their instruction to better prepare future decision makers.

Delimitations

The studies are delimited to the following:

1. The athletic administrators sampled for this study were delimited to athletic directors, external operations administrators, finance officers, marketers, ticketing managers, and development directors.
2. The institutions sampled in this study are delimited to those Football Bowl Subdivision schools affiliated with Power 5 or Group of 5 conferences.

3. The total number of athletic administrators (20) and athletic departments (4) in this study were delimitied in an effort to allow the researcher to realistically collect and analyze the data.

**Limitations**

True of all research, this dissertation is not without limitations. From an administrative perspective, the sample of six specific categories of athletic administrators may not have included all stakeholders with pricing influence or responsibility within a particular institution, including any administrative stakeholders from outside the athletic department such as university-level administrators, which limits generalizability across administrative types. From an institutional perspective, the schools sampled may not be representative of all athletic departments, as each department operates in its own unique environment, thus limiting generalizability across all institutions and divisions. Another limitation to this study is that it relied on the self-reported perceptions of athletic administrator experiences pricing tickets. The participant responses may have been influenced by the presence of the researcher, and concerns related to anonymity and confidentiality may have led to participants being less than forthright in their responses. Despite attempting to disabuse himself of such notions via bracketing, the researcher may have unconsciously or unintentionally presented bias during data collection and/or analysis. The interview data utilized in this study were collected in a narrow window of time in Fall 2015, thus limiting the knowledge gained about the pricing process over time, such as over the course of an entire sport season or from season-to-season. Lastly, despite the researcher's desire to demonstrate transferability through detailed description, results from this
study are not generalizable to populations beyond the sample.

**Definition of Terms**

*Non-Football Schools (NFS)* — Formerly known as Division I-AAA, this subcategory within the highest level of the NCAA structure includes 98 institutions that do not sponsor football.

*Football Bowl Subdivision (FBS)* — Formerly known as Division I-A, this subcategory within the highest level of the NCAA structure includes 128 institutions that sponsor football; Institutions are allowed to provide football scholarships to a maximum of 85 student-athletes; Post-season football format in this category includes single bowl games for qualified and selected institutions, while the top-four schools in the College Football Playoff rankings play in a four-team tournament that crowns a national champion; Institutions must average a minimum of 15,000 fans at home football contests over a rolling two-year period; FBS-level football is the only NCAA sport in which a champion is not determined in an NCAA-sanctioned event; Schools in this subdivision typically have the highest revenues of all NCAA member institutions.

*Football Championship Subdivision (FCS)* — Formerly known as Division I-AA, this subcategory within the highest level of the NCAA structure includes 125 institutions that sponsor football; Institutions are allowed to provide a maximum of 63 football scholarships; The NCAA-sanctioned post-season football format in this category includes a 24-team playoff that crowns a national champion.

*Group of 5 Schools* — 63 Football Bowl Subdivision (FBS) member institutions affiliated with one of five athletic conferences (American Athletic Conference, Conference USA, Mid-American Conference, Mountain West Conference, Sun Belt
Conference) that have not been granted autonomy from the NCAA, yet still participate on the same level with all other FBS institutions

*Power 5 Schools* — 65 Football Bowl Subdivision (FBS) member institutions belonging to one of five athletic conferences (Atlantic Coast Conference, Big Ten Conference, Big 12 Conference, Pacific 12 Conference, Southeastern Conference) that have been afforded certain levels of autonomy from the NCAA to propose and adopt certain rules based on independent decision-making authority

*Primary Ticket Market* — A site to purchase tickets directly from the organization or venue that will be hosting the event (i.e., ticket office, box office)

*Revenue Sports* — Those intercollegiate sports thought to be most likely to produce positive net incomes; typically refers to football and men’s basketball, although individual schools may also consider other sports such as ice hockey or volleyball to produce positive net incomes and thus be internally considered revenue sports

*Secondary Ticket Market* — Sites utilized for the exchange of tickets by individuals or brokers that are not affiliated with the team or venue hosting the event; these open marketplaces are thought to reflect the true value of tickets, as there are no artificial price floors or price ceilings in place; historically, the secondary market was represented by in-person “scalpers” that would buy and sell tickets near the venue the day of the event, but Internet-based marketplaces such as StubHub have grown in popularity in recent years

**Organization of Dissertation**

Chapter 2 — Athletic Ticket Pricing in the Collegiate Environment: An Agenda for Research — is a conceptual article that provides an in-depth explanation of the existing literature related to pricing in sport. Furthermore, in Chapter 2 I identify gaps in the existing literature and
present an argument for studying pricing in the unique environment of intercollegiate sport.

Chapter 3 — A Qualitative Exploration of the Ticket-Pricing Process Used in Intercollegiate Athletics — is an empirical article where I use thought-listing and in-depth interviews with athletic administrators to discover and describe departmental pricing behavior. Chapter 4 — An Exploration of Internal Stakeholder Roles and Isomorphic Behavior in FBS Ticket Pricing — is an empirical article in which I explore the perceived ticket pricing roles of administrative stakeholders through the lenses of both institutional and stakeholder theories. Finally, in Chapter 5 I summarize the three papers concerning pricing decisions in intercollegiate athletics and frame the current body of research to suggest this dissertation’s contribution to the field of sport management and marketing and suggest future directions for research.
CHAPTER 2

Athletic Ticket Pricing in the Collegiate Environment: An Agenda for Research

In the current financial landscape of higher education that is increasingly focused on the bottom line (see Bok, 2004; Schrecker, 2010), institutional administrators are leaning on units across campus to seek, secure, and sustain external funding. Now more than ever, faculty are encouraged to write grant proposals to support their research activities, while institutions attempt to grow endowment through improved development efforts (Weisbrod, Ballou, & Asch, 2008). Meanwhile, as “auxiliary” units, intercollegiate athletic departments are increasingly required to be self-sufficient despite playing significant roles in university life and culture (Kretovics, 2011). Coupled with calls to reduce or altogether eliminate subsidies for intercollegiate athletics (i.e., Ridpath et al., 2015), longstanding concerns over how athletics serves the institutional mission (Clotfelter, 2011) makes it all the more important for athletics administrators to consider all external revenue sources at their disposal in an effort to remain financially solvent.

Fulks (2015) refers to such external sources as generated revenues, which are defined as “revenue sources that are not dependent upon institutional entities outside the athletics department” (p. 9), and includes ticket sales, broadcast receipts, donations, game guarantees, royalties, and league/NCAA distributions. During the 2014 fiscal year, ticket sales were the second-largest source of generated revenue among Football Bowl Subdivision (FBS) institutions, accounting for 25 percent, coming in just behind contributions (26%), and just ahead of distributions (24%; Fulks, 2015). However, this revenue breakdown does not account for the close relationship between ticket sales and donations, as many athletic departments require minimum contributions in order to secure the rights to purchase season tickets for sports such as football and men’s basketball (Mahony, Gladden & Funk, 2003).
Despite the importance of generated revenues derived from ticket sales, however, we know very little of the underlying ticket pricing structures utilized by NCAA institutions. If fact, Kirby (2014) suggests that credible pricing for college sports was largely ignored until the financial crisis circa 2007. With that in mind, formalized price structuring among intercollegiate athletic departments is fledgling, which may help explain the lack of scholarship in the area. To better understand how prices are determined, it is important to know who might sway pricing decisions within college athletics and what pressures exist that might influence pricing processes. These are unique considerations in intercollegiate athletics based on the number of institutions sponsoring intercollegiate athletics, the wide variety of sports sponsored by those institutions, and the multiple levels of governance from which departments must operate, among others.

Although the financial needs of individual athletic departments may vary, Fulks (2015) has demonstrated that ticket sales play a significant role in generated revenue across NCAA Division I. Therefore, the primary market pricing of game tickets is an important first step that warrants further investigation, especially considering indications of pricing inefficiencies in college football (Sanford & Scott, 2014), and dwindling attendance in both football (Smith, 2015a) and men’s basketball (Smith, 2015b). To that end, formulating efficient pricing strategies are paramount for sport organizations, as poor policies have the potential to leave seats unutilized if tickets are priced too high, lost revenues if priced too low, and cause general financial distress for the organization. On the other hand, efficient pricing policies have the potential to boost revenues in both low and high demand situations (Shapiro & Drayer, 2012). Despite this need for efficiency, however, Rascher and Schwarz (2010) suggest that sports teams typically achieve optimal pricing through trial and error.
Part of Borden’s (1964) original marketing mix, pricing has long been known to influence organizational revenue potential. As is the case in all consumer settings, the marketing elements of product, place, price, and promotion are used by sport managers to accomplish organizational marketing objectives through satisfying consumer needs (Shank, 2009). As suggested by Shank (2009), “one of the most critical and sensitive issues facing sports marketing managers today is pricing,” which includes strategic components of “setting pricing objectives, choosing a pricing technique, and making adjustments to prices over time” (p. 28).

Despite its practical revenue potential and its significant position as the only component of the marketing mix with the direct potential to produce revenue (Kotler, 1991), pricing research is scarce. In fact, scholars have suggested that pricing research has been neglected (Drayer & Rascher, 2013; Nagle & Holden, 1995). In the sport management literature this sentiment is supported by Peetz and Reams (2011), who found only one pricing article in a content analysis of the first 20 years of the journal Sport Marketing Quarterly (SMQ). This gap has been addressed in recent years with published pricing research, including a special issue of SMQ dedicated to the subject in 2013. However, these studies have been almost singularly focused on professional sport.

Its presence as a multi-billion-dollar industry notwithstanding, college sport has been largely ignored in the ticket pricing literature. More specifically, although we have anecdotal evidence of price discrimination practices at work throughout college sport, there are no known investigations of how NCAA athletic administrators have arrived at such pricing decisions. To begin addressing the dearth of literature on the subject, this chapter will contribute to the knowledge of ticket pricing in the collegiate environment by first presenting an overview of stakeholder theory and institutional theory and how they have been utilized in research of
intercollegiate athletics. Then, we provide a review of existing sport pricing literature to frame
the current body of knowledge of the subject. Next, we present rationale for the independent
study of pricing for the college spectator sport market. Finally, we present suggestions as to how
the frameworks of stakeholder theory and institutional theory can be used to help extend the
research base into this unexplored area of managerial decision making.

Theoretical Frameworks

In an attempt to help fill a void in the college sport marketing literature concerning
managerial pricing policy on the primary ticket market, two organizational theories can be
utilized to broaden the literature base of price-setting behavior in intercollegiate athletics —
stakeholder theory and institutional theory.

Stakeholder theory

In his seminal work on stakeholder management, Freeman (1984) defines a stakeholder
as “any group or individual who can affect or is affected by the achievement of the
organization’s objectives” (p. 46). This is a key point of understanding for any organization,
including sport organizations, as each component of a firm’s operation is influenced in some
capacity by its stakeholders, especially since they fund, design, build, operate, maintain, and
dispose of the systems for which they belong (Hester, Bradley, & Adams, 2012).

Mitchell, Agle, and Wood (1997) make an important contribution to the idea of
stakeholder identification, as they formulated a typology that categorizes individuals into
attributes of power, legitimacy, and urgency. A stakeholder who has power is one who has an
influential effect on others. Stakeholder legitimacy is defined as “a generalized perception or
assumption that the actions of an entity are desirable, proper, or appropriate within some socially
constructed system of norms, values, beliefs, definitions” (Mitchell et al., 1997, p. 869). Finally,
urgency is “the degree to which stakeholder claims call for immediate attention” (Mitchell et al., 1997, p. 869). From these three overarching typologies, Mitchell et al. (1997) then categorizes individuals even further, with anyone exhibiting only one of these three factors considered a latent stakeholder with few expectations. Expectant stakeholders are those exhibiting any two of the attributes, which requires organizational response. Finally, definitive stakeholders are those who hold power, legitimacy, and urgency, and thus take priority for the organization.

In order to achieve organizational objectives, marketing strategies require input from both internal and external stakeholders (Schlosser & McNaughton, 2007). Internal stakeholders can be described as those who have direct relationship with managers, while external stakeholders have no interaction with managers. As described by Ben-Ner & Gui (1993) in their work concerning nonprofits, internal stakeholders may also be termed supply-side stakeholders, such as workers, managers, suppliers, and financiers who assist in the production and distribution of a product; while external stakeholders might be considered demand-side stakeholders, describing those who consume such as clients, customers, donors, or sponsors. Considering the vast number of individuals who have a stake in intercollegiate athletics, categorizations can be quite useful. Therefore, thorough stakeholder identification can be a pragmatic exercise for sport managers, as “understanding and dealing with identifiable stakeholders ... offers clear strategic and efficiency advantages over conceiving of an organization’s environment as being composed of innumerable individuals and institutions” (Putler & Wolfe, 1999, p. 322).

Although categorization is a crucial first step, managers must also be concerned with the characteristics and motivations of each stakeholder group as “their values, their relative influence on decisions and the nature of the situation are all relevant information” (Jones & Wicks, 1999, p. 208). Developing relationships with stakeholders, taking an interest in their needs, and
understanding their desires are paramount to long-term viability for any sport organization. In fact, in one of the earliest works of administrative goal-setting in intercollegiate athletics, Chelladurai and Danylchuk (1984) state that “although the actual goals pursued by an organization are largely set by the key decision-makers, such goals must, in the long run, reflect the desires of several constituencies of the organization” (p. 39).

Stakeholder theory has been applied within the context of intercollegiate athletics. Putler and Wolfe (1999) used conjoint analysis to investigate the perceptions of success from several stakeholder groups associated with college athletics. Among their findings, Putler and Wolfe (1999, p. 315) concede that “addressing the priorities of stakeholder groups ... might not be a simple matter,” which alludes to the complexity of the decision-making processes faced by athletics administrators. Covell has applied stakeholder theory to ice hockey (2004) and football (2005) season-ticket holders at an Ivy League school, suggesting that those with strong attachment and allegiance impact athletic policy. Specifically, Covell (2004) identifies intercollegiate athletics as “a stakeholder-oriented system, where schools use athletics to foster a sense of community with students, alumni, and the general public” (p. 15).

**Institutional theory**

In their seminal work on institutional theory, DiMaggio and Powell (1983) describe an organizational propensity for homogenization called isomorphism, which “is a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions” (p. 149). At the heart of institutionalization is the idea that the only means by which organizations can survive is by conforming to prevailing rules and cultures in their environment, therefore achieving legitimacy when adhering to such norms (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). According to Ward (2015), “legitimacy seeking may
be especially important for organizations that depend on stronger organizations for resources, function in environments with ambiguous or disputed goals, and rely on managers and staff with similar academic training” (p. 19).

DiMaggio and Powell (1983) identify three forms of isomorphism — coercive, mimetic, and normative isomorphism. Coercive isomorphism reflects both formal pressures of political influence and informal pressures of cultural expectations. In the realm of intercollegiate athletics, a political structure that forces resemblance is the NCAA, although conference membership may also exert both formal and informal pressures on an institution. Mimetic isomorphism describes situations in which organizations imitate the actions of related organizations that have achieved levels of success and stature, especially during times of uncertainty or when faced with ambiguous goals. In college athletics, some may argue a general lack of entrepreneurship among NCAA members (i.e., Ward, 2015), but instead reincarnations of activities such as marketing promotions. This may, however, be by design, as imitation could be seen as a strategy to ameliorate the effects of insufficient resources (O’Hallarn, Morehead & Pribesh, 2016). Finally, normative isomorphism stems from socialization via professional, educational, or networking connections. Such normative training is common in the NCAA (Smith & Washington, 2014), as many athletic administrators receive formal education in the field of sport management, and those same athletic administrators belong to the same professional organizations for their respective specialty areas of the industry, such as the National Association of Collegiate Marketing Administrators (NACMA) or College Athletic Business Management Association (CABMA).

Several studies of intercollegiate athletics have been grounded in institutional theory. In a study of managerial activities among Canadian intercollegiate athletic administrators, Danyllchuk
and Chelladurai (1999), found isomorphic tendencies through response similarities on 19 variables, irrespective of school size, sports sponsored, or time served. In a follow-up to that study, Cunningham and Ashley (2001) investigated isomorphism in the NCAA through the incorporation of population ecology, institutionalism, and strategic choice, with the latter garnering the most support. Cunningham (2009) again used institutional theory to examine diversity-related change processes in intercollegiate athletic administration, finding that change was influenced by political, functional, and social pressures. Kelly and Dixon (2011) utilized resource-based and institutional theories to investigate the strategies used by institutions adding football, finding that the sport helps create a sense of community and enhances institutional value. Cooper and Weight (2011) focused on the specific form of normative isomorphism to investigate athletic administrator values at NCAA Division I institutions. Their findings indicated that administrators valued (among other factors) the commercial activities such as fan support, fundraising, and revenue production derived from revenue sports, while administrators indicated no such value for non-revenue sports. More recently, Ward (2015) conducted a content analysis of mission statements of NCAA Division I athletic departments, finding that despite their communicative capability, differences in stated missions between more and less accomplished programs could not be detected.

**Pricing Literature in Sport**

This section is designed to provide an overview of the current status of pricing literature in the sport management discipline. To do so, the literature is categorized into sections of value, managerial pricing strategy, primary and secondary market research in professional sport, and primary and secondary market research in college sport. To close the section, an argument is
made for the segmentation of spectator sport scholarship into two distinct categories of professional and collegiate research.

Value

While product, place, and promotion are all components of the marketing mix that act to create potential value for the consumer, the element of pricing is how an organization capitalizes and translates that value into revenue. However, the concept of price also includes non-monetary elements that represent valuation and are important to the purchase decision, such as opportunity costs (Kim & Trail, 2010), psychological costs, and effort costs (Brayley & McLean, 2001). The concepts of monetary price and non-monetary costs are both considered when an individual determines their perceived value of a product or service.

Drayer and Shapiro (2011) argue that from a managerial perspective, there is a need to understand the factors influencing consumers’ valuation of game tickets. However, valuation from a consumer perspective — often referred to as willingness to pay (WTP) — is quite different from the valuation placed on a product or service from a seller perspective — referred to as willingness to accept compensation (WTA). The findings from Drayer and Shapiro (2011) on values placed on NBA game tickets are consistent with studies in other markets, which indicate that WTA is valued higher than WTP, a concept known as the endowment effect. As described by Huck, Kirchsteiger, and Oechssler (2005), “the endowment effect describes the fact that people demand much more to give up an object than they are willing to spend to acquire it” (p. 689). On the other end of the value continuum, the concept of consumer surplus describes instances in which the purchaser values an item higher than the price paid, indicating an under-valuation of the commodity on behalf of the seller (Drayer, Rascher & McEvoy, 2012). From a managerial perspective, understanding these discrepancies is a key consideration when making
ticket-pricing decisions, as poor or sub-optimal pricing policies can have damaging effects on both game attendance and revenue (Drayer & Shapiro, 2011).

**Managerial pricing strategy**

A rich understanding of the managerial decision-making process cannot be had without conducting research specifically sampling those administrators with direct pricing influence and/or authority. However, as suggested by Reese and Mittelstaedt (2001), “information regarding the decision-making process in the discipline of ticket management is noticeably absent from the literature” (p. 223). Save a handful of articles, this is still very much the case.

Reese and Mittelstaedt (2001) made the first known attempt to examine pricing decisions on the primary market. In their survey of NFL ticketing managers, results indicated that only seven of the 18 items on a questionnaire of factors influencing pricing decisions averaged a moderately high importance on the 10-point Likert-type scale. In order of importance, those factors were team performance, revenue needs, public relations, market toleration, fan identification, average league price, and economic factors. One flaw in the research design identified by the Reese and Mittelstaedt was an assumption that ticket managers were pricing decision-makers for their organizations, when in actuality several indicated that such decisions were made at higher administrative levels. This warning should be heeded in future research focused on decision-making among sport managers, and provides ample justification for applying stakeholder theory to ticket pricing research in an effort to more deeply understand the subject from multiple perspectives.

In a case study of one NFL team’s pricing strategy, Drayer, Stotlar, and Irwin (2008) utilized qualitative interviews to examine the effects of the secondary ticket market on pricing policies. The primary objective for this team’s ticket operations office was to sell out each game,
which is a task made easier given season ticket holders account for 94 percent of stadium capacity with a waiting list of 20,000 names. More specifically, the team ownership does not adhere to a profit maximizing objective, but rather a satisficing approach (to be described in more detail later) that generates a fixed amount of revenue while acknowledging the benefit of positive public relations by keeping prices low. With respect to the influence of the secondary market in pricing strategy, the team was only interested in providing a service to existing season ticket holders through a platform from which to sell their unusable or undesired game tickets at face value. More specifically, the team was not interested in comparing their primary market prices to those prices found on the secondary ticket market, which was found to be short-sighted by turning a blind eye to the potential benefits of observing actions on the open market.

Although they did not survey pricing managers, Rishe and Mondello (2003; 2004) did make important contributions to the literature base of primary market pricing through their investigations of price determinants across teams and time. Rishe and Mondello (2003) used a quantitative approach to analyze the factors that cause differences in average ticket prices across teams and over time in the NFL. In explaining cross-sectional differences in prices across teams, differences in team performance, fan income, population, and first year in a new stadium were impactful. From an individual team perspective, year-to-year price changes were impacted by previous season win percentage, advancing in the playoffs, first year in a new stadium, and the size of the previous season’s ticket price increase. An important contribution made in this research was the identification of not only the most important factors considered in making pricing decisions, but also the extent to which those factors are expected to affect prices (i.e., conference championship teams instituted price increases six percent higher than the teams that
did not). The authors note, however, that a standard pricing model in the NFL would be impossible due to the unique contexts salient for each team.

In another article, Rishe and Mondello (2004) expanded on the previous study to analyze price differences between cities and teams to understand factors influencing pricing decisions for the major sports leagues in North America. The results for cross-sectional price differences among cities indicated a significant price differential for teams playing in a new stadium, with MLB teams pricing 34 percent higher, followed by the NHL (32%), NFL (23%), and NBA (11%). Furthermore, with the exception of NFL cities, population size had a significantly positive effect on pricing, which reflects higher demand and thus higher prices in larger markets. When analyzing factors influencing yearly price increases for individual teams, playing the first year in a new facility was again the most influential determinant of price increases. Additionally, qualifying for the playoffs the previous year was an important determinant, with NBA teams increasing prices by 4.5 percent after accomplishing the feat, followed by teams from the NFL (4.2%), MLB (3.6%), and NHL (3.2%).

In a two-phase exploration of clubs in the English Premier League (EPL), Clowes and Clements (2003) attempted to examine the discriminatory pricing practices used throughout the league for both season ticket and single ticket purchases. Phase one used a postal survey addressed to the ticket office manager of each team to verify publicly available information, ask for ticket pricing information that was not publicly available, and break the ice for follow-up interviews. Phase two included telephone interviews to gain a better understanding of specific elements of pricing such as seat location, perceived quality of opponent, price banding, and price bundling. In terms of price discrimination practices, it was found that a central objective for most clubs was to increase the base of season-ticket holders, and each club offered third-degree price
discrimination to financially restricted supporters such as juniors, retirees, and individuals with disabilities. Price bundling — grouping two or more single-game tickets into one package price — was found to be popular throughout the league, as was price banding — categorizing games by perceived attractiveness of opponent. The findings from this study suggest that there is not an easily identifiable pricing model used by clubs throughout the league, although some homogeneous price discrimination practices appear to group clubs into one of three categories — patronage, attendance maximizing, and income maximizing. Furthermore, this study supports Burton and Cornilles’ (1998) notion that clubs are more oriented toward pricing tactics or methods than they are toward a more formalized strategic pricing approach.

Perhaps the most important takeaway from these studies of managerial pricing strategies is that there is no single blueprint for constructing a pricing policy in any spectator sport setting. However, Pitts and Stotlar (2013) use a marketing lens to suggest a type of strategic planning framework for effective pricing that encourages organizations to consider important contextual information for their unique situation when developing pricing policies. Specifically, they recommend acquiring relevant information from both consumers and the company itself, which acknowledges the importance of external and internal stakeholders, respectively. Furthermore, they recommend acquiring information from competitors and scanning the environment to assess the climate, each of which may influence the organization due to isomorphic pressure. Thus, acquiring information relative to an organization’s consumers, company, competitors, and climate are necessary to initiating the pricing decision-making process, as they each influence the setting of pricing objectives, which influences the selection of specific strategies and methods designed to meet those stated objectives, and culminates in the determination of price (Pitts & Stotlar, 2013).
Primary market objectives in professional sport

Much of the existing literature on primary market ticketing comes from an economics perspective. More specifically, there has been discussion as to the objectives of sport teams, and those chosen objectives have implications that include pricing behavior (Kesenne & Pauwels, 2006). However, as stated by Drayer and Rascher (2013), “much of the research involving price by sports economists has been about how price impacts demand, not the related question of how to optimally set prices” (p. 124).

Profit maximization. According to Eschenfelder and Li (2007), economists consider both current and future profits, as well as both implicit (non-monetary factors) and explicit (monetary factors) revenues and costs when determining profit maximization. The work of Ferguson, Stewart, Jones, and LeDressay (1991) found that NHL teams acted as profit maximizers in determining ticket prices based on a review of team-level data from three seasons in the early 1980s. Alexander (2001) also found MLB team owners to exhibit profit-maximizing behavior in regards to ticket pricing. Those studies, among others (i.e., Fort & Quirk, 1995; Vroorman, 1995), have led economists to suggest that North American leagues are run as businesses, and thus operate in profit maximizing capacities (Kesenne & Pauwels, 2006; Madden, 2012; Sloane, 2015). Meanwhile, it has also been suggested that the big-business nature of intercollegiate athletics may be leading some athletic departments to exhibit profit-maximizing behavior as well (Fort & Quirk, 1999).

In literature focused on the pricing strategies among teams exhibiting profit-maximizing behaviors, authors state that ticket prices tend to be set in the inelastic portion of the demand curve (Noll, 1974; Heilmann & Wendling, 1976; Scully, 1989; Salant, 1992). When demand is inelastic, it describes a situation where consumer demand does not vary based on changes in
price, indicating that when price increases there is a corresponding increase in revenue (Eschenfelder & Li, 2007). In regards to the current topic, sport managers tend to only alter ticket prices in a manner that will have negligible effects on demand (attendance), due in part to the importance of ancillary revenue streams that can only be realized through the patronage of attendees (Fort, 2004; Coates & Humphreys, 2007).

According to Fort (2004), pricing in the inelastic range of the demand curve is due, in part, to an organization's desire to solicit revenues from other areas of its operation such as parking and concessions. In short, by pricing tickets at levels that will consistently draw spectators into the venue, additional revenues are likely to be gained from the captive audience through purchases of food, beverage, and souvenirs, thus increasing the total revenues for the organization and ensuring maximum profits. Fort’s postulation is supported by Krautmann & Berri (2007), who argue that profit-maximizing decision-makers might exhibit inelastic pricing behavior in order to increase concession sales, as well as Coates and Humphreys (2007), who found that inelastic ticket pricing is complemented by ancillary goods such as parking, concessions, and merchandise that are priced near the elastic portion of the demand curve.

**Satisficing behavior.** While organizations with profit-maximizing objectives may be solely concerned with increasing margins, it can be argued that knowing exactly what the highest achievable output will be is impossible to determine. Given this ambiguous notion of maximum profits, owners and managers may instead aim to achieve acceptable goals (Eschenfelder & Li, 2007). As suggested by Simon (1959), managers might instead set objectives for measurable items such as sales, growth, or profit. This satisficing behavior model is thought to be a logical compromise to profit maximization (Salvatore, 2001). For example, rather than requiring the marketing department to develop a plan to “maximize revenues” for a particular game,
administrators might instead give the marketing director the goal of selling out the game, which is a more concrete, measurable, and realistic mandate. This type of pricing objective was described by Drayer et al. (2008) in their case study of the pricing strategy implemented by one NFL team, as the goal for their ticketing office was to sell out each game.

Also known as bounded rationality, another aspect of satisficing behavior theory is that managerial decisions may be constrained by both internal and external factors. Therefore, constraints such as time or insufficient information can lead managers to make satisficing decisions (Simon, 1945). As explained by Byers and Slack (2001) in their study of small leisure businesses, managers might be pressured into operational-decision making that is more focused on short-term solutions, rather than long-term strategic planning and decision making. Exhibiting such operational thought processes may therefore lead to satisficing pricing decisions that will adequately serve the organization in the short term, but does not necessarily reflect a strategy for developing committed, high value consumers with significant lifetime value (Stewart, Smith & Nicholson, 2003). This type of behavior might also be explained through institutional theory, as uncertainty or ambiguity may lead organizations to exhibit traits of mimetic isomorphism by imitating actions of successful peers without regard for value congruity or long-term organizational health (DiMaggio & Powell, 1983).

**Fan welfare maximization.** Boyd and Boyd (1998) have suggested that it should not automatically be assumed that sport managers exhibit profit-maximizing behavior in the pricing of sport tickets. Another type of objective that is more commonly found among European soccer clubs is fan welfare maximization. In this setting “fans (or supporters) have a particular allegiance to a club, are the consumers of its products, and directly influence club policies” (Madden, 2012, p. 560). In organizations that are likely to utilize such an objective, the sport
clubs (such as in the German Bundesliga) are membership organizations with club officials being elected to determine strategy. This unique governance structure has been found to price tickets in the inelastic portion of the demand curve and draw larger crowds than profit-maximizers (Madden, 2012). Fan welfare maximization is congruent with the tenets of stakeholder theory, as both are focused on social rather than financial performance (Miles, 2012).

**Secondary market research in professional sport**

Until recently, secondary ticket markets were limited to brokers and scalpers peddling product near the venue (Happel & Jennings, 2002; Howard & Crompton, 2004; Drayer, 2011). In recent years, however, there has been a significant shift toward web-based ticket resale platforms (Howard & Crompton, 2004), allowing individuals (and brokers) to personally sell their unusable tickets in the relative safety of the online environment. Like many growth industries, this surge is due in large part to increased technological efficiencies afforded via the Internet and fewer legal restrictions on the practice of ticket resale (Drayer, 2011), which has led to the acceptance of online ticket market websites as part of a legitimate industry (Drayer & Martin, 2010; Drayer, Shapiro & Lee, 2012; Drayer, Franscella, Shapiro, & Mahan, 2014).

These viable, web-based secondary ticket markets such as StubHub have provided an opportunity for researchers to study pricing behavior in a demand-based environment unencumbered by self-imposed managerial constraints such as price floors and ceilings (Shapiro & Drayer, 2012). Furthermore, according to Rishe (2014):

Secondary price research has become more prevalent in recent years as (1) variable and dynamic pricing became more common in sports, (2) online secondary pricing data became more readily accessible, and (3) both pricing managers for teams and online brokers became more willing to share their data (p. 68).
These reasons have allowed researchers to conduct investigations that have expanded our knowledge of pricing in both professional and intercollegiate sport.

Until the late 2000s, ticket resale literature largely focused on the legalities of the industry (i.e., Criscuolo, 1995; Happel & Jennings, 1989, 1995). Since then, much of the research utilizing secondary ticket market data has been centered on the factors associated with price changes on the open market. Such real-time pricing variations are indicators of consumer demand, which can reflect significant differences from prices on the primary market. Such price differentials can exist because primary market sellers intentionally underprice tickets, which Courty (2003) argues may be due to uncertainty of sales, the increased atmosphere in a sold-out venue, value attached to fair treatment, and/or pricing consistencies to attract loyal fans.

In one of the first sport studies utilizing secondary market data, Drayer and Shapiro (2009) found that factors such as team performance, population and income in the home team city, face value of ticket, day of the game, and days between the sale and game were influential in the amount bidders were willing to offer for tickets to NFL playoff games on eBay. Further research has supported that time-related factors have significant influence on secondary market pricing for multiple sports. For instance, Harrington and Treber (2014) found that tickets for both the Super Bowl and Final Four were lowest in the final hours prior to game time, while Shapiro and Drayer (2012; 2014) and Sweeting (2012) found similar results in MLB, as did Dwyer, Drayer, and Shapiro (2013) in the NHL. These findings are in contrast with Leslie and Sorensen’s (2014) study of concert tickets, as they found little price change, with a slight decline as the event date approached and a small resurgence in the final week.

Additionally, research by Paul and Weinbach (2013) found that fans are willing to pay premium prices for weekend games, key opponents, winning teams, and promotions in MLB. In
a study of NFL secondary market transactions, Drayer, Rascher, and McEvoy (2012), found that prior season win percentages, rankings, current season win percentage, face value of ticket, ticket scarcity, new stadiums, and point spreads predicted secondary market prices. Most recently, Diehl, Maxcy, and Drayer (2015) used secondary market data to find that demand for seat quality at NFL games is price elastic. Additionally, Drayer, Rascher and McEvoy (2012) and Diehl et al. (2015) discovered evidence of primary market pricing inefficiencies in the NFL, finding that consumers paid on average $95 and 34 percent above face value, respectively.

**Primary market research in college sport**

As first identified by Cairns (1990), ticket price is often a category utilized in models to predict demand in sport event attendance studies, which is also true in studies focused on intercollegiate athletics (i.e., Fink, Trail & Anderson, 2002; Price & Sen, 2003; Falls & Natke, 2014). Aside from including price as a predictor of attendance, Jarrell and Mulligan (2002) investigated the pricing of game-day programs for college football games to estimate demand and compare prices to revenue-maximizing price points, concluding that sport managers should implement variable pricing on game programs to capture surpluses in high-demand situations such as homecoming. In a review of ticket prices for men’s and women’s basketball, Pappano and Tracy (2009) found significant pricing disparities between the two sports, with premium prices charged for men’s games regardless of attendance. In contrast to the idea that pricing well in advance is an inefficient practice, Drayer, Irwin and Martin (2011) found that tickets to the Southern Heritage Classic were appropriately priced, with no evidence of an endowment effect.

The overall lack of primary market pricing research in the realm of intercollegiate athletics is disconcerting. Despite the fact that hundreds of institutions charge an admission price for entry to watch intercollegiate athletic events, and despite the fact that those same schools
generate millions in ticket sales revenue annually, there is a noticeable dearth in the literature regarding college-level ticketing. In order to gain meaningful insight into ticketing and pricing practices on the collegiate level, the topic must be examined from a managerial perspective. More specifically, such insight will require the sampling and direct inclusion of athletic administrators in an effort to fill the gap on pricing decisions.

Secondary market research in college sport

As evidenced earlier, there has been considerable secondary market research conducted on professional sports. However, until very recently there was almost no research focused on intercollegiate sporting events. Utilizing data from TicketCity.com, Rishe (2014) investigated transactions for the Final Four of the 2013 NCAA Men's Basketball Tournament in Atlanta. Using the percentage markup between face value price and the secondary market price as the dependent variable, Rishe found that markups differed across session type, number of tickets purchased, and by seat quality, while also finding further evidence that primary market sellers price tickets in the inelastic portion of the demand curve.

In a more expansive investigation of the 2013 NCAA Men's Basketball Tournament, Rishe, Mondello, and Boyle (2014), highlighted two of the unique aspects of college sports (micro-events and participant uncertainty) by analyzing secondary market transactions for the four Regional sites (Washington, DC; Indianapolis, IN; Arlington, TX; Los Angeles, CA), in addition to the Final Four site (Atlanta, GA). Among their findings, Rishe and colleagues discovered that (1) Final Four tickets had higher markups than the Regional tickets, and (2) not all Regional sites were priced in the inelastic portion of the demand curve due in part to proximity between competing institutions and the host site, as well as overall quality of the Region. The negative markup values of secondary market prices for the Regional sites suggest an
endowment effect, indicating that the NCAA is overpricing tickets on the primary level and would be justified in considering a dynamic pricing model in the future (Rishe et al., 2014).

Although these studies by Rishe and colleagues make a significant contribution to the subject of pricing in college sport, their works were based on a post-season tournament in which prices are determined at the top governance-level (NCAA), thus excluding individual schools from the pricing process. Sanford and Scott (2014), however, conducted a study using secondary ticket market data that has applicable value for individual institutions. In order to determine pricing efficiency for football season-ticket sales in the SEC, Sanford and Scott (2014) obtained season ticket prices (including compulsory minimum donation requirements) from each athletic department, and also collected data via StubHub on all 88 home games involving league members for the 2007 football season. From the secondary market data, the researchers created a synthetic season ticket for comparable seating sections at each stadium to estimate their open-market value. Armed with the market values of the synthetic season tickets, Sanford and Scott compared these to the prices actually charged by the individual athletic departments and found that only Tennessee, Ole Miss, and Vanderbilt made market-value pricing decisions for high-quality seats. Meanwhile, Kentucky, Florida, and LSU had the largest percentage discrepancies between market value and actual pricing. In fact, the researchers estimated that the Kentucky athletic department could have increased their nearly $18.6 million in ticketing revenue by over 200 percent with a more efficient pricing policy in 2007.

**Professional vs. college sport**

Noticeably absent from the review of sport-based pricing literature are any studies focused on the policies and processes of intercollegiate athletics decision makers. In fact, as is evidenced through the literature reviewed thus far, the majority of pricing studies have been
conducted on professional spectator sport markets. However, as suggested by Pappano and Tracy (2009), “the literature on athletic and ticket pricing struggles with the lack of distinction between college and professional teams” (p. 3). Although professional and college sport may share many operational similarities, such as a reliance on ticket sales as a key revenue stream, Morehead and Shapiro (2014) caution against lumping the two segments together into a single grouping of spectator sport.

Sack (1987) suggests that intercollegiate athletic departments are increasingly business- and profit-oriented, therefore modeling professional sport behavior. It is important to note, however, that as auxiliary units under the umbrella of the larger institution, athletic departments are in fact nonprofit — albeit highly-commercialized — organizational divisions (McEvoy, Morse & 2013; Pappano & Tracy, 2009). Given the rules that govern nonprofits, true profit-maximizing behavior among athletic administrators might be considered illegal and put the entire institution at risk for losing its nonprofit status (Eshenfelder & Li, 2007).

The existence of such dissonance due to athletic departments modeling profit-seeking behavior despite their nonprofit status was explained by McEvoy et al. (2013) through Bowen’s (1980) Revenue Theory of Cost, which states that nonprofit organizations will avoid significant surpluses by spending money that equals (or sometimes outpaces) increases in revenue. Therefore, although athletic departments may have an objective to increase revenue, there is likely a secondary (perhaps silent) objective to spend the funds raised (Bowen, 1970; 1980). As an alternative to the inelastic pricing strategy utilized by professional teams, the Revenue Theory of Cost may explain under-pricing of game tickets in the primary collegiate market.

Another significant difference between professional and college sport exists in the season-ticket purchase process. In professional sport, a one-time personal seat license fee
typically grants the rights-holder long-term access to season tickets so long as such purchases continue uninterrupted. In college sport (specifically football and men's basketball), however, annual donations are often tied to season-ticket purchase rights in a form of second-degree price discrimination known as a two-part tariff (Rascher & Schwarz, 2010), thus requiring individuals or corporations to make a minimum “gift” to the athletic foundation each year before being granted the opportunity to purchase season tickets (Mahony et al., 2003).

There also exists a significant difference in post season play, where professional sport relies on home venues (Super Bowl notwithstanding), and intercollegiate athletics often utilizes neutral-sites for post-season tournaments at both the conference-and NCAA levels. Additionally, in professional sport leagues such as the NFL, NBA, and NHL, seating capacities are quite similar. Stark differences exist, however, in the seating capacities of college sport venues across the country. For example, within the FBS alone, Idaho's Kibbie Dome has a capacity of approximately 16,000 (Kibbie Dome, n.d.), while the aptly named “Big House” at Michigan seats 109,901 (Michigan Stadium, n.d.).

Perhaps the biggest difference between professional and college sport is in organizational structure. In North American professional sport there exists league-driven governance structures, where the NFL, NBA, NHL, or MLB holds singular sway over individual teams (Hums & MacLean, 2013). The structure is much more complex in intercollegiate athletics, however. At a micro-level, the athletic department exists as a unit within the larger umbrella of the institution and thus must adhere to rules and operating procedures at the local level. Moving to a meso-level, athletic departments must also follow the bylaws of the athletic conference(s) for which they are affiliated (i.e., Big Ten, Ivy League, Big Sky). Then, from a macro perspective, athletic departments must also operate within the parameters set forth by the NCAA (“The Role,” 1989).
Also notably important, the culture of intercollegiate athletics is uniquely different thanks to its students, mascots, pep and marching bands, fight songs, cheers, and traditions. From an anecdotal perspective, the actions of former Michigan Athletic Director Dave Brandon provide a cautionary tale of what can happen when a college athletic department strays from cultural norms in lieu of a more profit-seeking approach. Under his leadership, Michigan athletics broke from tradition, instituted damagingly unpopular business-oriented practices (including dynamic ticket pricing), and ultimately lost the trust of its core constituents — students, alumni, and fans; all of which led to a grassroots uprising to call for his job. Describing the fallout from breaking time-honored traditions at Michigan, Bacon (2015) says: “After more than a century of sound stewardship, Michigan lost its way. It ignored established safeguards, and forgot the values that had made it great. The resulting downfall was swift and stunning” (p. 460).

In short, it should not be assumed that factors relating to professional sport (or traditional business) will also be true in the collegiate environment. This might be especially true when it comes to studying ticket pricing, as it has been suggested that revenue generation should not necessarily be considered the sole purpose behind intercollegiate athletic programs, as they also act as entertainment platforms, educational experiences, bridges for alumni and their alma mater, and marketing tools for the university (Humphreys, 2006; Matheson, O’Connor, & Herberger, 2012). Despite their surface-level similarities, it is rational to study professional and college spectator sport as separate entities.

**Suggestions for Research**

Thus far, we have established the key function of pricing as the initial driver of the critically important ticketing revenue stream in college sports, the dearth of primary market literature regarding the pricing decisions of athletic administrators, the pricing inefficiencies
highlighted via the secondary market, and the unique nature of intercollegiate athletics. This section will provide suggestions for pricing decision research in college athletics.

**Applying stakeholder theory to pricing research.** Stakeholder theory is ripe for gaining and explaining necessary information on both collegiate sport industry consumers and the internal environment of the athletic department itself. Taking a view of the external categorizations of stakeholder theory is a useful application for understanding the consumer.

Consumer identification is an obvious first step in the process, but gaining a more thorough understanding of the motivational factors considered by those individuals is paramount for pricing administrators, as those same factors should also be considered in and help inform the pricing process. As identified by Putler and Wolfe (1999), stakeholder identification is especially important in the realm of intercollegiate athletics. In terms of ticketing policy and strategy, college sport pricing managers deal with a wide array of stakeholders unique to this setting, including corporate sponsors, alumni, faculty and staff, current students, potential students, and boosters. Although factors affecting attendance and ticket purchase for spectator sporting events have been well documented in the consumer behavior literature (e.g., Hansen & Gauthier, 1989; Pan, Gabert, McGaugh & Branvold, 1997; Pan & Baker, 2005), additional research is needed to more deeply understand the role that price plays in stakeholders’ intent to purchase and the extent to which known consumer behavior factors impact managerial pricing decisions. Such information is key to understanding the “why” of both the consumer decision-making process to purchase tickets, and administrative decision-making process to price tickets.

Existing consumer behavior studies do raise several questions. Of those factors determined to be significant in predicting game attendance, which are feasible for managers to take under advisement when formulating a pricing strategy? More importantly, are those factors
known to be significant predictors actually considered as part of the price-development process? From a practical standpoint, do collegiate athletic decision makers utilize methods of collecting consumer behavior information that can lead to actionable responses in the realm of pricing?

Turning to the internal perspective of stakeholder theory, a thorough understanding of supply-side stakeholders should be desirable information as part of a comprehensive pricing process. Acknowledgement of internal factors such as overhead, payroll, maintenance and equipment costs, etc., are all important company-based considerations. However, a crucial element that should not be overlooked is the identification of those internal stakeholders that are (or should be) part of the decision-making process, especially as research suggests involving multiple viewpoints in the pricing process (Indounas, 2006; Reese & Mittelstaedt, 2001).

In the case of intercollegiate athletic pricing decisions, several individuals should be involved in the process. As the administrator with ultimate decisional power within the department (Li, LaPoint & Mawson, 1998), the Athletic Director should be involved in pricing decisions, as should the ticket office manager who presumably has a thorough knowledge of ticket pricing and a pulse on the industry, including trends. A college-based pricing team should also include marketers and financial managers, who will each bring their unique cost-driven and market-driven viewpoints to the discussion in an effort to brainstorm potential problems and solutions to ultimately determine a workable compromise (Indounas, 2006). Lastly, due to the widespread compulsory nature of donation requirements tied to season ticket purchases (Mahony et al., 2003), the development officer should also bring important and unique insight to the pricing decision process.

Some potential questions to investigate concerning internal stakeholders includes: Do institutions construct formal pricing decision teams, as has been suggested by Indounas (2006) in
the business literature? Are all individuals who should have influence on the final price determinations actually involved in the process? Are there individuals involved in the pricing decisions that should be excluded from the process because they lack legitimacy? How might internal stakeholders representing various departmental subunits perceive pricing strategy differently? Are internal stakeholders representing various departmental subunits valued differently in the pricing process?

**Applying institutional theory to pricing research.** Institutional theory may provide the theoretical grounding to investigate the factors relating to the industry, environment, or other external factors beyond the athletic department’s control. Pitts and Stotlar (2013) warn that “the sport marketing professional cannot ignore the competitor’s prices and pricing strategies” (p. 257). This sentiment is reflected in research regarding the concept of willingness to pay, as competitor pricing can influence consumer perception of value (Drayer & Shapiro, 2011). More specifically, mimetic isomorphism has the potential to exist in college sport, especially as schools seek legitimacy, or if athletic departments are unsure of how to establish their own price (Chelladurai, 2009). Some potential questions related to mimetic behavior include: Does uncertainty lead to behavior such as the adoption of pricing policies that do not align with departmental objectives? Do schools adopt pricing strategies to resemble successful institutions? To what extent do price points mimic those set by competitors?

Pitts and Stotlar (2013) explain that climate refers to external factors that the sport marketer cannot control. From an institutional theory perspective, coercive pressures such as laws, court decisions, NCAA, state, or conference regulations, the economy, and public attitude could all influence pricing policy. Therefore, athletic administrators should always keep an eye on their surroundings. Within intercollegiate athletics, the NCAA and member conferences can
exert power that could force schools to resemble each other, including in terms of pricing policy. Does the NCAA’s attendance requirement influence pricing policies for schools with habitually low gate returns? Do conferences stipulate the number of tickets that must be made available to visiting teams? Do public institutions price tickets differently based on levels of state support?

**Conclusion**

As the most significant source of generated revenue for athletic departments across the country, ticketing is arguably the most important operational segment for each administration. For those athletic departments with reduced or eliminated financial support from the institution or State government, ticket revenue is even more vital. However, despite the significance that ticket revenue plays for intercollegiate athletic programs, the literature related to the revenue sport pricing process is limited at best.

One place to start filling that gap may be replicating studies that have already been conducted on the professional sports market, which would provide interesting points of comparison to understand just how (dis)similar professional and college sports might be. However, finding data sources for such research is not likely to be easy, especially considering the complex environments in which athletic departments operate. Assuming that researchers have good rapport with the athletic administrators on their own campus, that might just be the place to start collecting data. With proper planning and cooperation amongst scholars, combining such data resources could lead to large, viable data sets ripe for investigation.

A key variable that cannot be overlooked in future investigations are the tremendous resource disparities between the “haves” and “have nots” in intercollegiate athletics. Additionally, it would be interesting to see how schools within conferences compare on factors affecting pricing decisions, and then extend that comparison from conference to conference. Per-
capita spending research is also needed for single-game, mini-plan, and season-ticket consumers (Drayer, Shapiro, & Lee, 2012). This is especially important in college sport post-season situations, as per-capita for events like bowl games and March Madness are going to be dependent on expenses incurred for a traveling fan base.

While both primary and secondary market pricing literature exists with regards to professional sport in North America, the billion dollar college sport industry has been left largely unexplored. This is especially true in regards to managerial price setting in the primary market. Although we can see anecdotal evidence that shows the implementation of various second-degree price discrimination methods in athletic departments across the country, we do not understand what goes in to formulating pricing plans and making those pricing decisions. Our understanding of intercollegiate athletic ticket pricing decisions can be extended, however, by studying the phenomenon through the lenses of both stakeholder theory and institutional theory.

Although the breadth of intercollegiate collegiate stakeholders has been identified in existing literature (Putler & Wolfe, 1999), further research is needed to drill down to understand the motivations and behaviors of these various stakeholder groups, especially in terms of their responses to the crucial revenue source of ticketing. As generated revenue sources continue to grow in importance, the long-term viability of intercollegiate athletics will be reliant upon athletic departments’ ability to identify and manage the potentially disparate concerns of all stakeholders (Friedman, Parent & Mason, 2004). In this sense, the context of college sport ticket pricing affords the opportunity to extend stakeholder theory by exploring various stakeholder categories to find (dis)similarities amongst the groups that may help inform pricing practices.

Given the constraints that exist in intercollegiate athletics due to various levels of governance (“The Role,” 1989), and the relative youth of credible pricing strategies in
intercollegiate athletics (Kirby, 2014), institutional theory is a logical framework to study this phenomenon as departments seek legitimacy among their peers. Understanding the sources of influence and pressure can help explain the pricing decisions made by intercollegiate athletic administrators. Furthermore, college sport ticket pricing is a context by which institutional theory can be extended by considering multiple layers of industry hierarchy where firms may differ in historical relevance, resource availability, customer base, and popularity.
CHAPTER 3
A Qualitative Exploration of the Ticket-Pricing Process Used in Intercollegiate Athletics

The business of intercollegiate athletics is a complex enterprise. Athletic administrators lead arguably the most contentious department within the university, serving as the most visible arm of the institution (Putler & Wolfe, 1999) while simultaneously facing questions as to its congruence with the institutional mission (Clotfelter, 2011). Further complicating the issue, economic hardships have reduced governmental support for state institutions across the country, while the NCAA and its highest-rated Division I conferences have enjoyed a financial boon due in large part to lucrative broadcasting agreements. Combined, these and other factors have led to calls for athletic departments to become more self-sufficient by reducing or altogether eliminating university subsidies for intercollegiate athletic programs (Ridpath et al., 2015). As athletic departments are pressured to wean themselves off allocated revenues such as student fees and other forms of institutional support, the ability to secure and sustain external sources of revenue have become an essential expectation of many athletic administrators.

Because few universities achieve capacity crowds for primary spectator sports in college athletics — football (NCAA, 2016a) and men’s basketball (NCAA, 2016b) — ticket sales is an area of revenue generation with potential for growth. However, a more thorough understanding of the college ticketing phenomenon is necessary, especially as Hoffer and Pincin (2016) have found that additional revenues generated via ticket sales have an impact on both increasing departmental expenditures and reducing athletic subsidies from the university. Although ticket sales strategies have been examined in the literature, one of the core components of ticket revenue — price — has largely been ignored. This concept of price is key from a financial
perspective because it functions as the means of cost recovery and also from a marketing perspective because it represents value and can influence behavior (Shank, 2009).

A lack of research in the area of intercollegiate athletic ticket pricing is disconcerting for two reasons. First, ticket sales account for a significant portion of the generated revenues received by athletic departments across the country (Fulks, 2015). Second, the price of a ticket can be considered a gatekeeping mechanism due to its influence on ancillary revenue streams such as concessions and parking (Fort, 2004; Krautmann & Berri, 2007).

A review of the literature reveals no research investigating those in control of the ticketing processes and policies found in intercollegiate athletics, which warrants a foundational examination of managerial pricing strategy in an attempt to understand pricing decisions from those directly responsible for setting ticketing policy. Given the paucity of research on the subject, one way in which we can begin examining pricing policy and its stages of development is through the lens of strategic planning.

The managerial function of planning includes goal setting, the selection of activities to achieve those goals, and the establishment of procedures to carry out selected activities (Chelladurai, 2009). When planning includes the top level of management, it is known as strategic planning (David, 1997), and can be defined as “the process of formulating, implementing, and evaluating organizational changes in ways that enable an organization to achieve its objectives” (Greenberg, 2005, p. 462). In short, strategic planning provides direction over an extended period of time and is the point of departure from which all administrative initiatives and decisions, including ticket pricing strategies, should originate. Furthermore, due to the fact that the tenets of strategic planning requires the involvement of each unit within the organization and concern for the external environment (Chelladurai, 2009), stakeholder theory
and institutional theory are used to help interpret the findings from this research. Stakeholder theory has been utilized to study various groups with vested interests in intercollegiate athletics (Putler & Wolfe, 1999), and is “a framework for understanding managerial decision-making by taking into account the interest of stakeholders” (Welty Peachey & Bruening, 2001, p. 204). Institutional theory is concerned with various types of pressures that lead to organizational isomorphism when firms operate in the same environment (DiMaggio & Powell, 1983). Such a theory is useful in studying decision-making processes in intercollegiate athletics, as Cunningham and Ashley (2001) have previously found that “athletic directors consciously choose to guide their athletic departments in a fashion similar to others in the industry” (p. 58).

Therefore, the purpose of this study is to explore the decision-making processes of intercollegiate athletic administrators in pricing game tickets for revenue sports through the lenses of strategic planning, stakeholder theory, and institutional theory. More specifically, using a sample of Football Bowl Subdivision (FBS) athletic administrators, this study is designed to answer three research questions to help us further understand the ticket-pricing process for revenue sport. First, what is the primary ticket pricing objective for revenue sports? Second, what factors are important to the ticket price decision-making process for revenue sports? Finally, what is the process for making ticket pricing decisions for revenue sports?

**Literature Review**

Since the 1830s, organizers have been charging admission fees to sporting events (Crosset & Hums, 2012). Once implemented simply as a means to cover costs, sport ticket pricing has since evolved into a more sophisticated and profitable venture (Rascher & Schwarz, 2010). Fixed ticket pricing is the simplest strategy, and is common in collegiate revenue sports in the form of season ticketing. Many athletic departments have implemented Variable Ticket
Pricing (VTP), which adds a layer of sophistication to pricing strategy by charging different prices for tickets based on perceived demand such as quality of opponent, day of the week, or holidays (Rascher, McEvoy, Nagel & Brown, 2007). Whereas fixed and variable strategies are limited because they are habitual prices set in advance of a season (Rascher & Schwarz, 2010), Dynamic Ticket Pricing (DTP) adjusts prices in real time based on demand (Drayer, Shapiro & Lee, 2012). However, this strategy is used sparingly in college sport.

Although research on ticket pricing has helped explain strategies such as these, and consumer behavior studies have been conducted to help inform sport ticket pricing theory regarding both value (Drayer & Shapiro, 2009; 2011; Drayer, Rascher & McEvoy, 2012) and factors influencing attendance (e.g., Zhang, Wall & Smith, 2000), relatively little has been done to explain pricing from a managerial perspective. What does exist is on the topic is narrowly focused on professional sport.

Rishe and Mondello have investigated price determinants in each of the four major professional leagues in North America. On the team level, they found yearly ticket prices to be influenced by previous season achievements such as win percentage and post-season performance, being in the first year at a new stadium, and previous season price increases in the National Football League (NFL; Rishe & Mondello, 2003; 2004). Reese and Mittelstaedt (2001) were the first to survey ticket managers in regards to pricing strategy, finding factors such as team performance, revenue needs, public relations, market toleration, fan identification, average league price, and economic factors to influence pricing decisions in the NFL. In a study of pricing practices in the English Premier League (EPL), Clowes and Clements (2003) found clubs to share the central objective of increasing the season-ticket holder base, while also offering discounts to special populations, packaging mini-plans, and varying ticket price based on
perceived attractiveness of opponent. In assessing the effects of the growing secondary market on team pricing policies, Drayer, Stotlar, and Irwin (2008) found one NFL team to exhibit satisficing pricing behavior to achieve acceptable levels of revenue while being impervious to secondary market values of game tickets.

Although limited, some scholars have focused on the phenomenon of collegiate-level ticketing. Consumer behavior studies predicting attendance demand in college athletics have used ticket price as a category within models (i.e., Price & Sen, 2003; Falls & Natke, 2014). Rosas and Orazem (2014) investigated consumer willingness-to-pay in men’s and women’s college basketball using econometric modeling, finding that both men and women are willing to pay more for a men’s game ticket than a women’s game ticket. In one of the few studies to tackle the administration of ticketing within college athletics, Greenwell (2007) found that communication is key to establishing satisfying relationships with students regarding departmental ticketing policy. However, there is a gap in the literature regarding administrative ticket pricing decisions within intercollegiate athletics.

The growth of the secondary ticket market has also led to studies utilizing secondary market data, including a few in college sport. In a study of the 2013 Men’s Final Four, Rishe (2014) found that secondary market price markups differed across session type, tickets purchased, and seat quality. In a more comprehensive study of the entire 2013 Men’s NCAA Tournament, Rishe, Mondello and Boyle (2014) found that some regional site tickets were overpriced due to the proximity between site and school and the overall quality of the Region. However, given that these two studies focused on NCAA Tournament games, the findings are not necessarily applicable to individual athletic departments as a means to improve pricing policies. However, Sanford and Scott (2014) made a contribution that might be more applicable
for institutional-level athletic administrators, finding that when comparing departmental football season ticket prices to a synthetic season ticket derived from secondary market data for the 2007 season, only three SEC schools had season tickets priced at market value.

Despite the growing body of ticketing research, there is a void in the literature regarding the pricing decisions of administrators in the unique environment of intercollegiate athletics. This includes a lack of understanding regarding the objectives of ticketing policies, the factors considered when contemplating such policies, the individuals involved in decision making, or the strategies implemented to achieve departmental goals. In short, there is a clear need to investigate the process of ticketing found within intercollegiate athletic departments, which can be guided by the conceptual framework of strategic planning.

**Theoretical Framework**

As suggested by Van de Ven and Poole (1995), reliance on a single theory may not be sufficient when attempting to understand complicated phenomenon such as ticket pricing. Therefore, based on the ontological perspective that myriad pressures and influences affect organizational processes (Creswell, 2007; Hays & Singh, 2012), this research will draw from strategic planning, stakeholder theory, and institutional theory in an attempt to navigate the complexities of pricing decisions in the realm of intercollegiate athletics.

**Strategic Planning**

Strategic planning is an organizational tool that has existed since at least the 1960s (Rowley, Lujan & Dolence, 1997). A number of definitions have been offered by strategic planning scholars, but according to Wolf and Floyd (in press) they share commonalities in their emphasis on using a systematic, step-wise approach to develop strategy. Though originating in business, strategic planning concepts have been expanded into public and nonprofit sectors
(Bryson, 2004), and are espoused in sport management curricula as an important framework utilized by successful administrators (e.g., Chelladurai, 2009).

The basic tenets of strategic planning describe a process-based approach of mission development, environmental scanning, goal formulation, action planning, and assessment. Despite the often formal, step-wise manner in which strategic planning is discussed in the literature, Bryson (2004) cautions that processes should be tailored to fit the situation.

A limited amount of research has been conducted on strategic planning in intercollegiate athletics. Kriemadis (1997) conducted a study concerning the utilization of strategic planning within NCAA Division I athletic departments, finding that only 43 percent of departments met the standards to be considered strategic planners: having formal, written, long range plans; having assessed both internal and external environments; and having established strategies congruent with departmental mission and objectives. As part of the study, administrators were asked the extent to which they considered items such as finances, facilities, and marketing into the overall athletic department strategic plans. However, of particular interest to the current research, ticket planning was not assessed. From this work, Kriemadis developed a generic strategic planning process model for college athletics that included strategy formulation, strategy implementation, and strategy evaluation.

Yow, Migliore, Bowden, Stevens, and Loudon (2000) developed a six-step framework to be used in the unique environment of college sport, including: 1) identifying the mission; 2) conducting environmental analyses; 3) establishing objectives; 4) developing strategy; 5) developing operational plans; and 6) evaluating. Most recently, Earle (2009) investigated Division I athletic department strategic planning processes by identifying planning components commonly cited in literature — goal setting, environmental scanning, employee participation,
and plan implementation tactics. Earle’s research indicates a significant increase in the number of departments engaging in strategic planning since Kriemadis’ (1997) original assessment, jumping from 43 to 80.6 percent. Earle also developed a two-stage, nine-step process model: stage one — the planning stage — includes plan to plan, mission and vision, values and guiding principles, environmental scans, and goals and objectives; stage two — the implementation stage — includes operational plans (strategies), link to budget, link to performance management, and monitoring and reporting.

While Kriemadis (1997), Yow et al. (2000), and Earle (2009) each provide macro models for department-wide strategic planning processes in intercollegiate athletics, no known studies have investigated the more micro-level process of planning in the subunit of ticketing. However, such research is warranted considering the importance of ticket sales as a source of generated revenue for athletic departments across the country (Fulks, 2015), and the foundational element of ticket price is a critically important departmental function that sits at the heart of such revenue potential. To that end, using qualitative data collection methods, this study will provide the first known exploration of administrative ticket pricing in FBS athletic departments so that we may better understand the process currently utilized by industry practitioners.

**Stakeholder Theory**

Freeman (1984) defines a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (p. 46). Such individuals take myriad forms from financiers to operators, and in the realm of intercollegiate athletics, Putler and Wolfe (1999) have identified important stakeholder groups such as student-athletes, prospective and current students, alumni, faculty, and community members, among others. The segmentation of stakeholders is crucial for athletic administrators because it is more efficient than attempting
to identify and assess a potentially paralyzing number of individuals (Putler & Wolfe, 1999). In the case of intercollegiate athletics, one particularly useful means of stakeholder segmentation is to label them as either internal, supply-side stakeholders or external, demand-side stakeholders (Ben-Ner & Gui, 1993).

Proper application of stakeholder theory goes beyond mere identification and categorization, however. Administrators must understand that stakeholder groups carry their own values, influencing the way in which they will frame and interpret issues (Jones & Wicks, 1999; Mahon & Waddock, 1992). To that end, administrators must recognize that long-term organizational success is likely dependent upon the ability to satisfy the potentially disparate needs of divergent stakeholder groups (Friedman, Parent & Mason, 2004). This is particularly important in the realm of collegiate ticket pricing, as decision makers must be able to respond to the needs of supply-side stakeholders tasked with managing the athletic department, as well as demand-side stakeholders who have the power to determine whether or not to invest in the athletic department. In short, thorough stakeholder analysis can be utilized by sport managers to develop a comprehensive strategic plan that will ultimately lead to more efficient allocation of resources and enhance organizational viability (Friedman, Parent & Mason, 2004).

Institutional Theory

At the center of institutionalization is the theory of isomorphic behavior, which describes an organizational desire to seek legitimacy by conforming to the norms of their environment (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). In other words, organizations with similar constraints have a tendency to operate in similar capacities, especially when faced with goal ambiguity or uncertainty (DiMaggio & Powell, 1983; Ward, 2015). Three types of isomorphic pressure have been identified by DiMaggio and Powell (1983). First, coercive isomorphism
describes formal pressures put forth through legislation (i.e., NCAA bylaws) and informal pressures of cultural expectations (i.e., unwritten rules of sport). Next, mimetic isomorphism describes an imitation of proven organizations, especially in uncertain times. Third, normative isomorphism describes socialization through formalized professional and educational training. Cunningham and Ashley (2001) have identified two additional forms of isomorphism, with population ecology describing a fear of extinction due to scarce resources (i.e., limited customers), and strategic choice describing conscious rather than forced organizational change.

Institutional theory can be used to in concert with strategic planning because both are concerned with the influence that external entities may have on an organization. Previous intercollegiate athletics research has utilized institutional theory as a framework to investigate administrator decision making (e.g., Cooper & Weight, 2011; Kelly & Dixon, 2011; Ward, 2015). However, it has not yet been used to help explain the environmental conditions that might influence ticket pricing decisions for revenue sport.

Method

A phenomenological approach was used in this study, which seeks to discover and describe the unique lived experiences of individuals to more deeply understand the multiple realities of a phenomenon (Hays & Wood, 2011; Hays & Singh, 2012). In other words, phenomenology is a description of the universal experience, as deduced from the individual accounts of those who have direct experience with the phenomenon of interest (Creswell, 2007). Here, college sport ticket pricing is studied by interviewing those with decisional influence in an effort to uncover commonalities among their individual experiences that will help explain the pricing process utilized in intercollegiate athletics.
Participants

Athletic administrators from FBS universities were recruited via personal industry contacts. In an attempt to form a more transferable sample, criterion sampling was utilized to secure representation from two subcategories of FBS athletic programs — Power 5 schools (Atlantic Coast, Big Ten, Big Twelve, Pacific-12, and Southeastern Conferences) and Group of 5 schools (American Athletic, C-USA, Mid-American, Mountain West, and Sun Belt).

Considering limitations from previous sport ticket pricing studies relying solely on a sample of ticket managers (Reese & Mittelstaedt, 2001), and the call for diverse pricing committees from the business literature (Indounas, 2006), a stratified purposeful sample of participants was sought by soliciting data from a number of different areas of college athletic administration. Once a willing top-level athletic administrator was identified, a snowball sampling method was instituted to recruit participants from within that same department who are involved in ticketing. Such administrators included athletic directors, external operations administrators, business/finance officers, marketers, ticket office managers, and development directors. A total of 20 athletic administrators from four different athletic departments (two Power 5 and two Group of 5) participated in this study.

Data Collection & Procedure

A two-part protocol was adopted for this study. Consistent with phenomenological inquiry, a semi-structured interview guide was constructed to allow participants to describe the phenomenon of ticket pricing in their own words. In addition to semi-structured questions, the interview protocol included a thought-listing exercise. Used extensively in psychological research, thought listing uses open-ended technique allowing individuals to report their thoughts, feelings, and ideas on a given subject through their stream of consciousness (Cacioppo, von
Hippel & Ernst, 1997). Participants were given up to three minutes to record factors they consider when pricing tickets. Thought-listing has been used previously in sport consumer behavior studies as a precursor to scale development (e.g., Ross, James & Vargas, 2006; Kunkel, Funk & King, 2014). As suggested by Delia and James (2015), however, such methodology can be enlisted to expand knowledge in underdeveloped areas of research, such as pricing decisions.

The protocol was reviewed for face validity by a panel of experts, including two FBS athletic administrators specializing in development and ticketing, respectively, and two sport management researchers with expertise in qualitative methodology. To further validate the research design, the researcher pilot tested the entire interview protocol with a seasoned athletic administrator specializing in marketing to ensure coherence of the design. The interview protocol included questions such as: “What is your department’s primary objective when it comes to deciding ticket prices?” and “What types of pricing strategies does your department use?”

Interviews were conducted in the fall of 2015. With the exception of one interview which had to be conducted over the phone due to scheduling conflicts, all interviews were conducted face-to-face. Interviews ranged from 15 to 51 minutes, averaging 38 minutes. All interviews were audio recorded for accuracy and professionally transcribed. Participant confidentiality was protected by removing identifying information such as venue names, school, city, or conference affiliation. Each participant was assigned an alliterative pseudonym (see Table 1, Appendix D) in order to further ensure confidentiality while simultaneously identifying their subunit responsibility (e.g., names beginning with “M” for marketing, “T” for ticketing, etc.). Participants were provided the opportunity to review transcripts for de-identification, confirm authentic representation, and ensure data accuracy (Guba & Lincoln, 1989; Hays & Singh, 2012).
Data Analysis

**Thought-listing exercise.** Two coders independently performed content analyses of the results of the thought-listing activity. Thought-listing exercises utilized in previous research used a two-round coding sequence of open and axial coding (e.g., Kunkel, Funk & King, 2014). Given the thought-listing exercise employed in this study limited participants to short phrases, those distinct “In Vivo” thoughts represented the open coding component of the analysis, which is a fit for this phenomenological study by honoring participant voice (Saldana, 2009). In the axial coding phase, In Vivo codes were condensed into categories based on commonalities using constant comparative methodology (Glaser & Strauss, 1967). The two coders then discussed the themes that emerged until consensus was reached.

**Interviews.** This study followed Creswell’s (2007) method for phenomenological analysis. First, the researcher bracketed his personal experiences in an attempt to prevent biases. Although the researcher has never been directly involved in ticketing, he has served in various roles within NCAA Division I athletics for more than a decade. Thus, his general knowledge and experience within college athletics qualifies him as an insider researcher, which helps to establish a closer epistemological connection between the researcher and participants, thus allowing for elicitation of more meaningful information and a deeper understanding of the phenomenon (Creswell, 2007; Hays & Singh, 2012)

Transcripts were independently horizontilized by the primary researcher and a secondary coder to identify nonrepetitive statements. Significant statements were then grouped into broad themes using constant comparison. The two researchers then came together to discuss the themes that emerged until agreement was reached. Themes were then synthesized to write thick description of the experiences by including verbatim examples from the transcripts. Next, the
primary researcher reflected on the context of the experience to identify potential meanings and variations among such meanings. Finally, the researcher captured the universal essence of the phenomenon by suggesting a model of the ticket pricing process that was derived from the commonalities discovered throughout the analysis (Creswell, 2007; Hays & Singh, 2012).

**Strategies for Trustworthiness**

In qualitative research, the typical criteria of validity, reliability, and generalizability are replaced by criteria of trustworthiness such as credibility (believability), transferability (similar to external validity), dependability (consistency of results), and confirmability (researcher neutrality) (Lincoln & Guba, 1985; Hays & Singh, 2012). In this study, credibility was demonstrated through member checking (Guba & Lincoln, 1989; Hays & Singh, 2012). Transferability was demonstrated through a triangulation of data sources by utilizing a group of athletic administrators diverse in both conference-level autonomy (Power 5 or Group of 5) and departmental responsibility (Hays & Singh, 2012). Dependability was demonstrated through a triangulation of multiple coders (Hays & Singh, 2012), and the use of NVIVO software to ensure robust organization of data analysis (Walker & Sartore-Baldwin, 2013). Confirmability was demonstrated through bracketing, thick description, and unobtrusive triangulation of publicly available artifacts (Marshall & Rossman, 2006; Hays & Singh, 2012).

**Results and Discussion**

**Ticket Pricing Objectives**

As suggested by Yow et al. (2000), “the success or failure of an athletics program is often based on its ability to set specific and measurable goals” (p. 47), thereby explaining the importance of objective-setting within a comprehensive strategic-planning process. With that consideration in mind, one of the primary purposes of this research was to identify the objectives
for ticket pricing as suggested by the very athletic administrators involved in making such
decisions. All but four administrators surveyed in this study identified multiple objectives when
it comes to setting ticket prices for revenue sports. This multi-faceted approach is not necessarily
surprising, however, as there are times when “the complexity of pricing decisions imposes the
need to pursue more than one objective at a time” (Avlonitis & Indounas, 2005, p. 48). In this
study, the stated objectives can be broken down into four categories — consumer oriented,
revenue oriented, sales oriented, and the Goldilocks Principle.

**Consumer-oriented objectives.** The consumer orientation toward pricing exhibits
administrator concern for market affordability, fairness, and widespread opportunity to attend
events. As Mason describes his consumer-oriented take on pricing objectives, “We don’t want to
stretch our fans so much that they think we’re gouging them … we want to give everybody that
opportunity [to be part of the program] and not price out some of our people.” Alvin had a
similar sentiment, stating “I don’t want anybody to start to feel like they’re being ripped off, or
they’ve been extorted. I don’t think you win by doing that.” This mindset might reflect the
governance structure of the athletic departments in this study, where Dave says “there’s a sense
of we’re a public institution; we get taxpayer dollars; we’re here to provide entertainment.”

Extending upon Mason’s desire to avoid out-pricing members of the community, he is “a
strong believer in having a price point for everybody.” Dominick shared similar concerns, since
“certain parts of our community, region, state don’t have the means,” and his department
therefore “tr[ies] to be mindful of different stages of life.” Dave provides an example of the
income sensitivities of some in their community, explaining that “when [pricing] is too high, it
cuts your chances of getting that working man who earns $28,000 a year … If you put tickets at
$32 each for him and his kid, that’s what he brings home in a day.”
Similar qualities regarding a concern for the organization-customer relationship and the recognition of social goals have been identified in service pricing literature, such as the determination of fair prices and maintenance of existing customers (Avlonits & Indounas, 2005). Such consumer-oriented objectives are consistent with stakeholder theory, as they reflect the understanding of an organizational need to establish goodwill and satisfy the needs and desires of those with a vested interest in the firm (Freeman, 1984; Miles, 2012).

**Revenue-oriented objectives.** Like customer-oriented pricing objectives, revenue-based objectives have also been documented in the literature, often as profit maximization or the achievement of satisfactory profits (Alexander, 2001; Avlonitis & Indounas, 2005; Kesenne & Pauwels, 2006; Salvatore, 2001). For athletic administrators in this study, the revenue orientation toward pricing includes desires to maximize, or at least grow, revenue for the department via ticket sales. As Dominick says, “obviously in this business, the revenue is very important to be able to continue to grow and fund the things we want to do.” In reference to her department’s need for revenue, Brook says

The main goal is to sell enough to have enough for initiatives going forward and not just to cover the regular contractual and university salary increases and medical increases, electric bill and things such as that. I think the goal is basically to try and create some additional revenue, so that we can improve the student-athlete experience, or in some facilities, or make sure people are being paid comparatively to other institutions.

Sport economists have identified profit maximizing behavior in North American sport leagues (e.g., Alexander, 2001; Kesenne & Pauwels, 2006), while Fort & Quirk (1999) have suggested that some athletic departments also show signs of such behavior.
Researchers who have found evidence of profit maximizing behavior among sports teams suggest that ticket prices are set in the inelastic portion of the demand curve (Noll, 1974; Salant, 1992), meaning that demand does not waiver based on pricing changes (Eschenfelder & Li, 2007). In the realm of spectator sport ticketing, it has been suggested that prices are only altered in ways that will have negligible effects on demand due in part to protect the flow of ancillary revenue streams such as concessions, parking, and merchandise (Fort, 2004; Coates & Humphreys, 2007; Krautman & Berri, 2007). Such aspects of revenue generation are not lost on Monte, who states:

> Once you get somebody into the venue, it’s so much bigger than just what they paid for that ticket … it’s all the ancillary things that they could buy. It’s the fact that they’re probably one step closer to becoming a season ticket holder if we give them a good experience.

To that end, findings from this study suggest the addition of donations to the list of ancillary revenue streams protected through inelastic ticket pricing, with administrators like Thomas concerned about the potential for increased ticket prices to damage fundraising efforts: “If you out price your season tickets, at what level does that go to the detriment of your donation base, because now people don’t donate as much because they are paying more for the actual ticket?”

**Sales-oriented objectives.** The sales orientation toward pricing is concerned with maximizing ticket sales to increase attendance and ultimately pack the athletic venue. In their guide for strategic planning in intercollegiate athletics, Yow et al. (2000) suggest that setting attendance-related objectives are important for athletic departments because attendance is a measure of consumer value for the product (game), has positive effects on revenues, sends positive messages to recruits, generates media attention, increases school spirit, and in general
enhances the image of departmental and institutional success. To that end, Monte believes that “at the end of the day, it’s about getting butts in seats.” Mario takes that thought further:

You’ve got to price the ticket to fill the venue. Something I’ve read from Mark Cuban is that if you’re going to have a sold out venue, it’s going to create a better atmosphere, fans are going to feel like they’re a part of something, there’s going to be an increase in demand because you have [fewer] tickets on the market … sellouts breed sellouts.

Extant pricing literature has identified sales-related objectives such as sales maximization, sales stability, and achievement of satisfactory sales (Avlonitis & Indounas, 2005). While it could be argued that capacity crowds are fundamentally equivalent to a revenue maximization situation, it is important to differentiate between the two, as it is possible that tickets may have been drastically discounted or even given away to achieve the sellout. Monte acknowledges his department’s use of pricing reductions in an effort to sell seating inventory:

Ultimately, we’re moving tickets, we’re getting butts in seats. Are we leaving money on the table? Yes. Sometimes we go deep, deep discount to really move them because you are playing the market. I mean, if you wait, you may not sell out.

When such tactics are implemented, however, the department is potentially de-valuing it’s product by emphasizing the short-term solution of selling out the venue rather than the long-term strategic health of the department (Byers & Slack, 2001; Stewart, Smith & Nicholson, 2003). Previous sport literature has recognized the potential power of price to be an indicator of quality (Drayer & Shapiro, 2011), and therefore pricing decision-makers must take this possibility under consideration, as positive short-term gains might have negative long-term ramifications.

**Goldilocks Principle orientation.** The “Goldilocks Principle” describes an administrative desire to find the price that is “just right” for the department, where tickets are
neither over- nor under-priced, and locates the “sweet spot” where all tickets are sold at the highest possible price. Mario says that his department will “try and find a price that’s going to generate the most revenue and fill the most seats.” Antonio expands this idea, stating “The primary goal is to get it right. You don’t want to leave money on the table and underprice your product. You don’t want to lose business and ticket sales — customers — by overpricing.” Brook understands that finding a balance is the key to success, stating “you need that combination of ticket revenue and people in the seats supporting the team to make it all work well together.”

A Dynamic Ticket Pricing (DTP) strategy might be seen as a viable option for departments seeking the “sweet spot” between capacity and revenue maximization as it allows management to adjust prices up or down to more accurately capitalize on real-time demand (Drayer, Shapiro & Lee, 2012). This category represents the pursuit of balance between the multiple objectives shared by administrators and helps explain the complexity of decision-making described by Putler and Wolfe (1999), and more specifically the complexity of pricing decisions as suggested by Avlonitis and Indounas (2005).

Describing the collaborative nature for which administrators in her department work, Beth says “Everybody’s working as a group in there. I mean, we all know what our goal is.” The disparate responses from administrators surveyed regarding each department’s primary objective for ticket sales, however, suggests a formalized goal for ticket pricing has not been set. In fact, of the four athletic departments sampled in this study, none of the four categories for ticket pricing objectives had representation from every administrator from a single school. In particular, Group of 5 administrators were predominantly concerned with consumer-oriented objectives, while marketers were concerned most with sales-oriented objectives, and ticketing and business
administrators displayed the greatest concern for revenue-oriented objectives. While such differences in orientation helps to explain the importance of including various internal stakeholders in the pricing-decision process, this could potentially present a problem in the strategic planning process, as Yow et al. (2000) suggest that “people get confused and disorganized if they do not know where they are going” (p. 47) due to a lack of clear, written, time-sensitive, and measurable objectives consistent with the organizational mission and purpose. Similar sentiments have been identified in the pricing literature, as objectives are important for organizations because “to have them is to know what is expected and how the efficiency of the operations is to be measured” (Tzokas, Hart, Argouslidis & Saren, 2000, p. 193). Therefore, a lack of cohesiveness could potentially signal trouble during evaluation phases.

Factors Influencing Pricing Decisions

Although marketing researchers have studied internal and external factors influencing the pricing-decision process in industry (e.g., Forman and Hunt, 2005), such considerations have not been empirically investigated in the sport marketing literature. Furthermore, Yow et al. (2000) advocate constant monitoring and assessment of environmental factors in the collegiate athletic strategic planning process. Therefore, through the thought-listing exercise and ensuing discussion, administrators in this study suggest a number of factors that are taken under advisement when determining ticket prices for collegiate revenue sports. Seven themes emerged to describe the factors underpinning the pricing decisions of FBS administrators: schedule, research and analysis, team performance, stakeholders, discrimination, fan experience, and competitive comparisons.

Scheduling factors. Schedule-related factors such as the number of contests, strength of schedule, day of game, and time of year were overwhelmingly considered to be the most
important factors when determining prices in revenue sports, with 14 of the 20 administrators alluding to at least one schedule-related factor. In fact, when asked to identify the three most important factors, a trio of Power 5 administrators claimed all three to be related to scheduling.

Both subsets of administrators consider Power 5 opponents to be most lucrative for the athletic department. Duane, reminiscing about a premium game decision he was involved with when working at a Group of 5 institution, stated

We had [a Power 5 team] on the home schedule … we charged $50 and [their] fans were outraged. “How dare you?” Well, the reality is, we felt like at $50 for one ticket, that they would buy the ticket, and they did … The [Power 5 school] fans say, “Well, you are just taking advantage of the game.” Sure we are, and we ended up selling the ticket.

Antonio further illustrates the importance of scheduling home games against Power 5 schools when it comes to season ticket sales: “Those one or two games a year [against Power 5 schools] are going to have to drive the other four conference games each year in many ways.” These administrators are describing the demand-based practice of variable ticket pricing. By charging higher prices for games against Power 5 opponents, departments are taking advantage of the fact that these games carry a higher level of demand (Rascher et al., 2007), and are therefore pricing tickets “to capture as much of the buyer’s consumer surplus as possible” (Howard & Crompton, 2004, p. 88) through second-degree price discrimination (Rascher & Schwarz, 2010).

Similarly, Power 5 administrators often prefer the conference portion of the season against their more marquee brethren because it draws in more ticket revenue from the visiting team ticket allotment. As Evan puts it when discussing football ticketing,

When [marquee Power 5 conference schools] come here, they are going to buy their entire allotment of visitor’s seats. But when some others come, they don’t and so we have
to sell those tickets … and instead of getting $75 for a conference game or $55, we end up getting on average about $12 for a [FCS] game, for a non-conference ticket.

These opinions suggest that for all programs, games against premium opponents help drive both individual and season ticket sales, indicating higher demand for what the fans perceive to be more desirable foes. This is consistent with findings in the marketing literature that familiarity with a brand influences purchase intention (Laroche, M., Kim, C., & Zhou, L., 1996).

Although not directly related to ticket pricing, administrators also showed concern with ticketing revenue bottom lines due to dwindling attendance. More specifically, scheduling unappealing opponents may turn fans away from purchasing season tickets. In reference to basketball, Michael says, “If we’re scheduling [FCS and NAIA schools], those folks, after a while, will pick out the games they want to come to, and then it hurts us ultimately.” As East Tennessee State athletic director Dr. Richard Sander (2015) emphasized recently, unflattering basketball opponents are due in part to the fact that ADs relinquished scheduling duties to coaches, which has resulted in coaches scheduling for wins, whereas administrators are also concerned with broader factors such as gate returns, media interest, and rivalries.

Administrators were also cognizant of the number of games scheduled, both in terms of having too few or too many games. Thomas says, “if basketball jumps down from 18 home games to 16 homes games for some scheduling reason, that’s going to play a role about what the price ends up being.” In that same vein, Bill says “if you get three or four fewer basketball games, but you think you need to increase your prices, you risk ticking off your fans because you are offering fewer contests for them to go see.” Here, administrators suggest that a scarcity of games is likely to impact season ticket price downward, which contradicts findings from previous sport literature that suggest fans are willing to spend more money to purchase tickets to
events with scarce availability (Wann, Bayens & Driver, 2004). However, it should be noted that their findings were based on the hypothetical of a single game purchase opportunity with limited ticket availability, rather than a season-ticket situation testing the number of contests available. The effects of scarcity on season ticketing requires further investigation.

It was also clear that administrators are concerned with opportunity cost resulting from the number of contests. Travis says, “If we have eight games, that means people have to travel a pretty good distance … traveling two, three, four hours to come here. They’re not going to want to do that every weekend.” Bob had similar thoughts, stating that although an extra home game is a positive for the department from a revenue standpoint, “if you ask a fan, I’m not sure they want seven home games. They get wore out too, all that tailgating that they do.” In regards to these administrative concerns, the effects of opportunity costs such as time and travel on season ticket demand have been investigated in Major League Baseball (Hakes, Turner & Hutmaker, 2011), but not in the realm of college athletics.

**Research and analysis factors.** This category represents the utilization of archival and research data to assist in the decision-making process, and was labeled as one of the most important pricing considerations by nine of the participants. Administrators from each athletic department recognized their reliance on historical data such as previous year’s attendance, sales, and price. Bob says, “I always tell people with the budget, but especially in tickets, you’ve got to look back to really move forward.” As Dominick puts it, knowing what the price was in the previous season “sets the pivot point from which all [pricing] decisions are made.”

Along with this historical data, the collection and analysis of customer-based survey data was also highlighted as an important asset to drive pricing decisions, which reflects an
application of stakeholder theory by seeking and valuing input from demand-side stakeholders. According to Michael,

You’ve got to survey your fans to know what they like, and what they don’t like, and what they want to see changed. You just want to try to fit their needs the best you can, because ultimately that’s what is going to get them to come back and buy a ticket.

Interestingly though, administrators from different departments utilized different methods of data collection, representing different levels of sophistication. At one end, one Group of 5 department leans toward more qualitative means of research. As Antonio put it, “it’s mostly just anecdotal, what we hear from email communication, or what we hear talking to people at the games or in the tailgate area. It’s just a sense that you get staying close to your fan base.” Bob backed up that statement when talking about the feedback received by the ticket office: “Really it’s just listening to the folks. Some people do surveys every year and things of that nature, which are okay. But, you really do want to listen to your customers.” Conversely, one Power 5 school demonstrates a more sophisticated approach by computing net promoter scores and building a database to track lifetime customer value. Dominick says “our marketing department does a pretty extensive survey and they spend a lot of time tracking experience scores.” According to Monte, “we don’t have a science to it yet, but I hope that we’re getting to that point.” These variances between Group of 5 and Power 5 athletic departments might suggest another way in which intercollegiate athletics is divided into a categorization of “haves” and “have nots,” as the differences between the two subcategories of FBS institutions is perhaps a reflection of resource availability.

However, no matter whether one is discussing a Group of 5 or Power 5 department, college athletics pales in comparison to professional sport in the area of data analytics, where ticket sales have benefited the most from an increased industry-wide focus on big data (King, 2015).
Each athletic department involved in this study utilizes forecasting when determining ticket prices, albeit in various capacities. Forecasting what their future revenue needs would be, one Group of 5 school implemented a static five-year pricing policy after announcing a change in conference affiliation. In order to financially facilitate that move, the department formulated a policy in which football season tickets would increase one dollar per ticket, per game, per year for a period of five years (i.e., year one $200, year two $206, year three $212, etc.). Despite this seemingly nominal increase, the potential additional revenue produced over the five year period would be substantial. As Antonio pointed out, this policy had “no accounting for state of the program, market demand — it’s all driven by budget needs.” This reflects a cost-based pricing strategy for ticket pricing that might be considered antiquated in the environment of spectator sport, especially since research has indicated that demand-based pricing is more efficient (Drayer, Rascher & McEvoy, 2012). The department will re-evaluate its pricing at the conclusion of this five year period.

One Power 5 school, however, has instituted a rather formalized “Revenue Projection Team” that conducts five-year forecasting for all athletic department revenue streams. This committee meets periodically to make decisions and adjustments on a continuously rolling five-year revenue projection that includes expected revenues from not only ticketing, but also donations, conference distribution, advertising, merchandising, etc. As part of these projections, the committee works collaboratively to determine ticket prices for each sport five years out, and then gradually makes adjustments based on updated data as needed. Last season, the committee surpassed their football ticket sales revenue projection by $75,000. Furthermore, based on comparisons between the school’s NCAA financial report and the NCAA Division I Revenues & Expenses Report (Fulks, 2015), this athletic department nearly doubled the FBS median ticket
sales revenue for the 2014 fiscal year. As Timothy said, “it kind of makes you think, ‘Man, we kind of seem like we know what we’re doing.’”

Michael sums up the importance of utilizing research and analysis as such:

I think we get stuck in a rut of what we think is best, and not exactly what our fans think — what our fans are actually doing … I can sit here and have a philosophy all day long, but if our tendencies and trends show that fans are buying this, and they’re spending money on this, then it doesn’t really matter what anybody in this building thinks.

**Team performance factors.** Eight administrators recognized team performance factors among the most important considerations when determining ticket prices. Brook has witnessed the effects of team success first hand, even before she became an athletic administrator:

> When I first started going to games, hardly anybody was in the stands and the tickets were pretty cheap. Then as the team became successful and went on to compete [at the national level], suddenly we had a lot more fans, we could increase the prices, people were joining the [booster club] for seating locations.

On the other side of the win-loss column, administrators also voiced concern regarding ticket pricing when teams are not succeeding. As Antonio says, “if you’re Top 25, playing great, you can probably set your prices a whole lot different than if you’re mediocre or struggling, and I think that’s when you see a lot of single game discounting.”

Team performance variables have been found to influence decisions to attend college football games (DeSchriver & Jenson, 2002) and purchase college basketball (Pan et al., 1997) and football (Pan & Baker, 2005) season tickets. Historically, unless an athletic department has implemented a dynamic pricing model, the only way administrators would manipulate price during the season was through discounting, as was described by Antonio. However,
administrators at one Power 5 school have instituted a quasi-dynamic pricing strategy recently in situations when they have tickets come available near game time — such as when the visiting team returns a portion of their ticket allotment. On occasion, the department will offer this limited inventory at a price higher than face value based on indications of higher demand from the secondary ticket market.

Team success is factored into the forecasts made by the Revenue Projection Team. As Beth says, “The way we’re forecasting ticket sales right now, it’s based off a team that’s been successful. Their success has grown over the last three years, so it’s easy to project higher rates of ticket sales versus if they weren’t very good.” By following that logic, and assuming attendance is a proxy for demand (as is done in many consumer behavior studies), it would be difficult not to consider at least some measure of team success if administrators factor historical sales figures into their forecasts.

Not all administrators agree on the importance of team performance as a pricing consideration, however. Travis says that he does not consider team quality in pricing decisions “because that’s going to vary from year to year and you have to have some type of consistency.” Such an argument, however, can be seen as justification for a real-time pricing model that has the flexibility to adjust throughout the season based on factors such as team performance. Michael heeds the warning from Mullin, Hardy and Sutton (2014) regarding the “sport marketing myopia,” believing that team performance should not dictate the success of ticketing programs: “You don’t have to have a good product to sell tickets. I think a lot of people hang their hat on, ‘well, the team’s not any good, we’re not going to sell any tickets.’ No, you sell the experience.”

Perhaps worth noting here is that many administrators like Michael seemed to digress into a discussion of ticket sales rather than ticket pricing when discussing the effects of team
performance during interviews for this study. While the two are related, it should be pointed out that administrators in this study were regularly quick to point out that price was rarely, if ever, a factor driving attendance. Instead, administrators admitted to receiving negative feedback regarding lack of attendance due to factors such as game date, game time, opponent, and televised games, but never price. As Emily says, “I don’t think price points is what’s driving people that much to make their decisions. I think it comes down to a lot of other things.”

**Stakeholder factors.** Athletic administrators also voiced their thoughts regarding the influence of external stakeholders in the process, with seven administrators recognizing stakeholder-related factors as among the most important in reaching pricing decisions. Freeman (1984) defines a stakeholder as “any group or individual who can affect or is affected by the achievement of the organizations objectives” (p. 46). A central tenet of stakeholder theory is valuing the needs and desires of organizational stakeholders (Miles, 2012), which in the case of college athletics includes, among others, current students, prospective students, alumni, faculty and staff, parents, government officials, and the local community (Putler & Wolfe, 1999).

One of the most prominent factors in this category was the need to understand the economics and constituents of the local community. As Emily said, “we try to keep it within the framework of our community, and we’re pretty much a blue-collar market here, so we have to be very cognizant of that.” Similar sentiments were echoed by Bob, who said, “We’ve got to always be aware of who our crowds are. What kind of income are they making? How old are they?”

Socioeconomic factors are not the only influencers of stakeholder-based considerations, as several athletic administrators also voiced concerns over geographic issues. Noting transportation issues in their market, Emily said one of the difficulties she recognizes is their location in “a very parochial area” where people living in one city or neighborhood don’t like
going to others, which “act as barriers in keeping people from coming back to do things entertainment-wise.” Sharing similar concerns, Bill said “you need to keep not only [this city] and [this county] in mind, but your surrounding counties, too. You don’t want to price somebody in [a neighboring county] out because they’ve got to drive in.” This idea of thinking about a fan’s total investment was also voiced by others, including Timothy: “We also have to realize that people aren’t able to just catch a cab and come to our games. They’re having to drive for an hour or two … so there are other expenses besides that ticket.” Such geographical considerations have been identified in college athletics consumer behavior studies, with Pan and Baker (2005) finding that season ticket holders sometimes travel for over two hours to attend football games.

Mason advocated for fairness and transparency, especially in regards to pricing changes like premium game surcharges and amenities based on donor levels: “it provides a standard … and we don’t deviate from that.” Exhibiting fairness to stakeholders was also mentioned by Dave: “sure I want to make more money, but you’ve also got to do the right thing.” Such concerns further suggest a stakeholder approach to ticket pricing, as administrators are cognizant of the need to build relationships and trust among their demand-side constituents.

There were also several expressions of relationship-building. In terms of engaging students, Emily noted “something that continues to be a battle for us, not unlike a lot of other universities, is getting them engaged while they’re here, so that they’ve got an affinity when they graduate.” Eleanor then extends this idea of relationship-building beyond campus:

It’s people to people and its relationships … our community has to feel invested in our football and basketball programs … And when a community feels invested, and you’re creating a reason for people to care, then they’re more likely to spend their discretionary dollars, and more importantly their discretionary time to go to your event.
**Discrimination factors.** Discriminatory pricing is the practice of charging different customers different prices for similar products (Eschenfelder & Li, 2007). Although each administrator surveyed discussed measures of discrimination, six listed different pricing strategies among the most important factors to be considered when determining ticket prices.

In addition to traditional season and single-game tickets, one of the most common points raised by administrators was the formulation of new, creative pricing and/or seating categories within a venue in an attempt to boost attendance, fill a stakeholder need, or more efficiently utilize lagging inventory. As a means to fill a void in their menu of options in an attempt to “fit all the needs for fans in [their] market,” Michael described adding end zone tents in their horseshoe football stadium as a single-game premium hospitality option: “It’s an easy $15,000-20,000 every single game we’ve been able to generate by just fitting a need that we didn’t have before. Those people weren’t buying bleachers, it wasn’t money they were spending anyway, this is new money.” In order to deal with a section lagging inventory, Dianne described repurposing the club level of their basketball arena: “Since sales in that area have been declining, this year we have rebranded the whole area … and its already been a huge hit.” Additionally, all schools offered a version of mini-plan packaging for at least one sport. As Dominick described, We’ve done a lot of different things where we’ve looked at shortening the season … just a conference package, or just a weekend package, those types of things to try to create a new product, a new piece of inventory that may be more suited to the customer’s usage. A popular way to do this among the two Group of 5 schools sampled was via voucher books, which Mason describes as the “easiest thing because of the flexibility they provide … you go to whatever games you want to, you pay a set price, and the tickets are good for the entire season.”
Although each school in this study scaled the house, the process was approached differently. While some venues were traditionally differentiated by pricing seats based on location, other venues are scaled not by differentiating seat prices, but rather by the size of an individual’s donation to the foundation. However, each school in the sample does offer a football season ticket that does not require a donation, be it in the least desirable section of the venue.

When it comes to pricing tiers, Michael does not feel as though they have enough differentiation: “The problem we have currently is fitting the gap between our premium seats all the way down to just the groups and small initiatives.” Mason voiced similar concerns about differentiating price between tickets, adding “that is the toughest aspect of pricing if you ask me.” This could present a problem when attempting to promote value for each pricing segment.

Each school also features third-degree price discrimination by offering discounts to those in special populations, such as students, senior citizens, and the military. No matter the school, however, administrators were all in agreement that it is important not to undercut season ticket holders by ensuring that they represented the price floor. As Evan says, “we want to be sure that season tickets are, per ticket, a better deal than buying single game tickets.” By using various forms of pricing discrimination, athletic departments are utilizing a differentiated strategy for ticket pricing by establishing programs and services that are marketed to specific subgroups within the school’s target market (Yow et al., 2000). Implementing a differentiated strategy also adheres to one of the primary tenets of stakeholder theory by focusing on the needs and desires of various external constituents (Miles, 2012).

**Fan experience factors.** Although only cited by one administrator as among the most important pricing decision factors, the atmosphere, entertainment, and excitement of the contest are considerations involved in the pricing process. As Bob says, “It’s not just selling the tickets.
When they get there, you’ve got to make sure they’re having a good time, too.” These types of factors are often difficult to quantify, and therefore more difficult to consider as price determinants, but they could act as a means to reach the pricing objective of creating a prestige image (Avlonitis & Indounas, 2005). Dominick compares a higher quality sport experience to that of a fine dining experience: “The white table cloth, the lighting, the music, the appearance, the etiquette of the servers, presentation of the food, the wine list … it’s all those different types of things.” Dominick continues, “Game Day here is an amazing thing … and I think that’s where we’re consistently able to have the freedom to feel like we can get a premium for it, because it is such a unique experience.”

Ultimately though, such experience-related factors are probably best served to help maintain existing customers. As Evan explains:

We focus on the experience and we want you to have a great time. We want to win, but we can’t guarantee that. But, we can have something to do with whether or not you have a good time. Whether it’s the wait in the concession line, parking, getting in and out of the venue. If those things affect you coming to the game, we’re going to fix those issues.

Michael suggests similar attributes that connect the fan experience to game day attendance:

There are so many elements that go into the experience that people have. Obviously parking and concessions are a big part of it. But, your video board elements, your fireworks, pregame pyros … do the kids have a good time? … How many interactive, fun things can you do for folks? And all those things trickle down to they’re buying a ticket to get into the game.

Administrators also suggest that the aesthetics and amenities within the venue can affect fan experience. Dianne admits that her school’s football stadium does not have the creature
comforts that many modern-day venues provide, so in her eyes the fans’ “Game Day experience is really all about tailgating.” Monte voiced similar concerns about the affect a venue can have. At his school, “basketball struggles … you’ve got a building that’s fifty something years old that’s tired, very tired … it will be fascinating to see what a new building does.” In regards to a new venue under construction, Dominick says “with men’s basketball, we expect that our experience scores are going to go very high with the new facility.”

Some of the more seasoned administrators recognize that times have changed when it comes to sport spectatorship. Bob, who grew up near a large Midwestern city with an MLB franchise says when he was younger,

I just went to a [MLB] game because I wanted to watch baseball. I didn’t need to see a mascot, and I didn’t need to see video boards with all this stuff going on. I wanted to go see the baseball game. That’s just not the way it is anymore. People want to be entertained in addition to watching the game.

Alvin shared similar sentiments in that he is a traditionalist who grew up going to MLB games “because I just wanted to watch the game.” But he now realizes that greater effort must be made to entertain the fan base: “In this day and age, you have to offer other things, especially if you want to get a younger demographic in, if you want to get mothers to come in, so we try to do that.” Emily also recognizes this difference regarding spectator age:

If people are going to spend $30 or whatever it is that night to come watch you, you better entertain them. And I think that’s where some schools really fall flat. They tend to fall back more on their laurels, or their history. And that’s good for the older fans that just write that check every year, and close their eyes, they don’t even think about it. But for the new, younger people, and especially the millennials who have an attention span of a
gnat, you’ve got to entertain them. And that has so much to do with not only how you price your tickets, but how you keep people coming back.

These findings are consistent with others in the sport literature suggesting that administrators must focus on more controllable attributes beyond the game itself (e.g., Pan & Baker, 2005).

**Competitive comparison factors.** Although only one administrator identified competitive comparisons among the most important factors when determining price points, every administrator interviewed nevertheless included such comparisons when talking about the pricing-decision process. Strategic planning researchers agree that environmental scanning is crucial to any successful strategic planning process (i.e., Yow et al., 2000). In this particular context, the environmental factors administrators are most concerned with can be broken into two segments — other forms of entertainment and peer institutions.

Among local entertainment rivals, Michael identifies Minor League Baseball (MiLB), an amusement park, and a performing arts center as competition for the recreational spending of the consumer. Similarly, in describing his competition at previous professional stops Duane includes local MiLB teams and a NBA franchise. As Alvin describes, he wants to make sure that “if you can go to a movie, you can afford a basketball or football game,” adding that “our growth [in price] has been consistent with others in this market.” Mason, however, doesn’t pay a great deal of attention to other entertainment options in his area: “When I find out that it’s something that is consistently keeping a large amount of our fan base away from our games, I think I’ll look at it more.”

The other competitive comparison that administrators in this study unilaterally agreed to keeping an eye on was the pricing of peer institutions. For these schools, their peer institutions consisted of conference schools, regional rivals, and other “like” schools that are in some way
comparable in terms of city demographics. According to Antonio, “you’re constantly looking for barometers, looking for gauges of not trying to be over-priced, but again not trying to leave anything on the table.” Bob shared similar thoughts, stating “that will also tell you whether you’re starting to get out of hand with whatever you are doing.”

According to Beth, “It’s an arms race. You’ve got to keep up with the Alabama’s and Ohio State’s and Oregon’s of the world.” Evan shared similar sentiments: “We look at what others in the league are charging. And we do that for competitive reasons because if their budgets are increasing and ours aren’t, that’s a problem.” But according to Mario, “our conference partners are pretty good about sharing information, because we have a relationship where we can trust each other. It’s all public knowledge anyway. And we’re not really competing against each other in the field of selling tickets.”

This last point begs the question then, if athletic departments are not competing with other schools in the marketplace, why should they care how much their on-the-field competitors are charging for tickets? According to DiMaggio and Powell (1983), similar organizations tend to resemble each other when they share similar environments and constraints. In this scenario, schools might be coalescing due to memetic isomorphism, which describes instances when related organizations imitate each other, especially when faced with ambiguous goals. Given the earlier proposition that administrators lack a shared objective for ticket pricing, such ambiguity does appear to exist within athletic administration circles. Another isomorphic principle might be at play, however, as the strategic choice perspective posits that organizational change could be a result of a desire for similarity based on conscious administrative decision rather than changes due to necessity (Cunningham & Ashley, 2001; Hrebinjak & Joyce, 1985). Further investigation
is needed to more deeply understand the factors underpinning isomorphic behavior in intercollegiate athletics.

**Current Ticket Pricing Process**

Although the level of formality seemed to differ from school to school in this study, a common ticket pricing process did emerge (see figure 1, Appendix E). Based on each administrator’s description of the process for pricing tickets, eight common components emerged to form this pricing model, although different departments may have relied more or less on individual components throughout their own pricing process. As opposed to existing linear models suggested in sport literature such as Pitts & Stotlar’s (2013) process to develop effective pricing, the model proposed in this study is cyclical to account for the predictable seasonal rhythm of spectator sport.

As indicated by administrators, the previous year’s price will always act as the baseline for pricing decisions in the upcoming year. This is an important point of departure given the psychological importance attributed to price last paid when considering consumers’ expectations (McCarville, 1996). Then depending on the department, either one or a small group of individuals engage in advance scouting to obtain necessary information to initiate the ticket pricing discussion, which may include preliminary projections based on multiple proposed scenarios. Next, administrators will consider all relevant factors, including scheduling, research and analysis, team performance, stakeholders, discrimination, fan experience, and competitive comparisons. Such environmental scanning allows administrators to consider a multitude of factors, including the influence of concerned constituents and influential peers, which suggests connections to both stakeholder (Freeman, 1984) and institutional (DiMaggio & Powell, 1983) theories, respectively. This will then lead into collaboration between those involved in the
pricing decision process, which adheres to Sutton and Migliore’s (1988) suggestion for interactive communication and inclusive involvement from individuals at different levels of the organization, which is also a tenet of stakeholder theory. Then, necessary adjustments can be made to the existing ticketing menu as needed. Once projections are adjusted to reflect the suggested changes decided upon by the group, a final pricing decision will be made. After pricing decisions have been adopted and implemented, the pricing committee or an ad-hoc group of committee members will meet for any potential one-off strategies that are considered throughout the season. The evaluation of the season’s efforts will occur concurrently as the next cycle begins and previous year’s prices are discussed.

This cyclical model of ticket pricing is thought to be an important contribution to the literature for several reasons. First, the commodity under consideration is intangible in the sense that live sport events are consumed in an experiential fashion, and thus is not likely to fit traditional pricing models suggested for durable goods. Although sporting events are unique in this fashion, they are consumed in ways similar to other forms of live entertainment such as plays and concerts (Courty, 2000). Second, considering this intangible, experiential nature, the perishability of sporting events is unique in that there is no value for a ticket once the game has ended, which brings an abrupt end to the product life cycle with a fleeting period of decline in the final moments leading up to the event start time to liquidate or otherwise dispose of unutilized inventory. Third, reference pricing plays a key role in the pricing structure, as it is the point of departure from which all pricing decisions for the following cycle are made. Fourth, in contrast to the economics definition of cyclical pricing which suggests that pricing fluctuations are due to a business’s response to the ebbs and flows of the economy, the proposed pricing model here follows a more horological foundation based on the calendar-based view of sports.
seasons. Finally, although this pricing model was constructed based on information gleaned from the context of collegiate sport, it is believed that the model would be applicable to any sport-based setting in which ticket prices were set in advance (i.e., not dynamic pricing).

**Conclusions**

The findings of this study indicate that pricing revenue sport tickets on the intercollegiate level is a complex, multi-dimensional process. As athletic departments face pressure to be self-sufficient (Ridpath et al., 2015), ticket sales will be an area of generated revenue that can be examined as a means to raise additional funds. In order to facilitate an increase in such a revenue stream, however, athletic administrators must be more strategic in their approach to pricing.

Whereas previous studies based in professional sport have focused only on ticket office managers (Reese & Mittelstaedt, 2001; Clowes & Clements, 2003), this study narrows the gap in the sport pricing literature by including various administrators involved in pricing, all of whom view the phenomenon from different points of departure, thus adding depth to the discussion.

If athletic administrators adhere to the tenets of strategic planning, formalized goals should be developed to form coherence among the group. Perhaps more importantly, administrators need to have a uniform goal (or a set of goals) in order to properly assess the department’s return on objective. This component is essential according to Yow et al. (2000), who write, “The success or failure of an athletics program is often based on its ability to set specific and measurable goals, as well as on having tools with which to measure progress” (p. 47). Consistent with recent strategic planning research, the pricing process model presented in this study suggests levels of collaboration, flexibility, and shorter time horizons rather than the rigid, top-down, long-run strategic plans of yesteryear (Wolf & Floyd, in press).
Despite the need for revenues and the flexibility of pricing tactics available, drastic price changes are not common in college athletics. When policies do change dramatically, schools run the risk of alienating even their most loyal of fans (Bacon, 2015). In fact, Michael alluded to his desire not to make many changes in pricing from year to year, adding further evidence to the theory that sport tickets are priced in the inelastic portion of the demand curve (Fort, 2004). Additionally, evidence from this study suggests that donations are among the ancillary revenue streams (e.g., concessions, parking, merchandise) protected by inelastic ticket pricing.

The current study draws some parallels to Clowes and Clements’ (2003) study of pricing practices in the EPL. Similarly, athletic administrators in this study appeared to be overly tactical in their approach to ticketing rather than strategic. All said, the consumer-, revenue-, and sales-oriented objectives found in this FBS study are similar to the findings described by Clowes and Clements (2003), who grouped EPL clubs into categories of patronage, attendance maximizing, or income maximizing. Such similarities suggest that, in general, both EPL ticket office managers and FBS athletic administrators might value a broader range of goals as opposed to North American professional leagues that are thought to be solely profit maximizers (Kesenne & Pauwels, 2006; Madden, 2012; Sloane, 2015). Furthermore, there are some similarities in the factors considered important by administrators in this study and findings by Reese and Mittelstaedt (2001) such as team performance, stakeholder factors (i.e., public relations, market toleration), and competitive comparison (i.e., average league price), while parallels can be drawn between this study and the discriminatory pricing practices highlighted by Clowes and Clements (2003). However, by expanding the parameters of this study to include administrators beyond the ticket office, influencing factors such as scheduling, fan experience, and research and analysis were also brought to light. Also true in comparing the current study with both Clowes and
Clements (2003) and Rishe and Mondello (2003) is that unique contexts exist for each organization, although mimetic isomorphism among FBS athletic departments that may, in part, soften those differences. Finally, whereas the authors of the EPL and NFL studies did not find evidence for the creation of overall ticket pricing models, the current research suggests a cyclical model for the process of price determination in NCAA athletics.

As athletic departments become more dependent on generated revenue sources, administrators will likely need to be better equipped and trained to make complex pricing decisions that align with their departmental mission and objectives, or at the very least they must have the wherewithal to seek the assistance of individuals with such expertise (i.e., outsourcing, consulting, etc.). Perhaps most importantly, administrators must understand that the pricing decisions they make from seat-to-seat, game-to-game, and season-to-season do not occur in a vacuum, but rather have long-term ramifications in terms of the lifetime customer value they might be able to derive from each individual fan attending a game. In order to find balance between the current financial needs and long-term fiscal health of the department, a collection of administrators should be consulted as to help make the most informed pricing decision possible, both now and in the future.

Limitations and Future Research

As is the case with all research, this study is not without limitations. First, this study samples only four FBS institutions, and therefore cannot be generalized to the greater population. Additionally, each athletic department across the country operates in its own unique environment, which limits this study’s generalizability. This research is also limited in that the sample may not have included all individuals with pricing influence, including those who might reside outside the athletic department. Also, this study relied on the self-reported perceptions of
athletic administrator experiences with the ticket pricing process, which may have been influenced by the presence of the researcher. Despite attempts to disabuse himself of such notions, the researcher may have unconsciously or unintentionally presented bias during data collection and/or analysis. Finally, data utilized for this study were collected in the fall of 2015, which limits our ability to understand the pricing process across time.

Although this qualitative study explored the primary ticket pricing objective of athletic administrators, a single goal was verbalized by only four of the participants. Instead, most administrators provided multiple objectives. While pricing researchers have justified the pursuit of multiple objectives (e.g., Oxenfeldt, 1983), one could argue that administrators within the same department should share similar goals if adhering to strategic planning concepts. Therefore, future studies could further investigate this strategic component in an attempt to identify the true organizational objectives for ticket pricing. Additionally, future research could further investigate the factors considered by administrators when determining ticket pricing in order to validate the findings of this study. As current and future studies help to develop pricing literature from the managerial perspective, it would be worthwhile to revisit demand-based consumer behavior studies to investigate the congruency between consumer demand factors and managerial pricing factors. Lastly, future studies can further investigate the preliminary ties of pricing processes with stakeholder and institutional theories.
CHAPTER 4
An Exploration of Internal Stakeholder Roles and
Isomorphic Behavior in FBS Ticket Pricing

Revenue generation has been a growing topic of concern for college athletic departments for many years (McEvoy, Morse & Shapiro, 2013). Illustrating the mounting pressure to become more self-sufficient, The Drake Group has called for an elimination of institutional subsidies currently used to prop up athletic departments across the country (Ridpath et al., 2015). To meet this challenge, institutions must become increasingly creative to boost output from generated revenue sources such as donor contributions, ticket sales, conference distributions, and sponsorships. As a result, the athletic administrators of yesteryear who routinely came from the coaching ranks are being replaced by a new breed of managers with business acumen and proven track records as fundraisers, salespeople, and marketers (McEvoy et al., 2013; Wong, 2013).

Among the most important of the generated revenue streams that athletic departments rely on is ticketing. Specifically, ticket sales accounted for 25 percent of the revenue generated by Football Bowl Subdivision (FBS) institutions in the 2014 fiscal year (Fulks, 2015). However, that percentage does not account for the associated contributions that are often compulsory for season ticket purchase rights in football and men’s basketball (Mahony, Gladden & Funk, 2003). This connection between season ticket sales and donations is just one of many characteristics that distinguishes the operations of professional and collegiate sport. While researchers have focused on professional sport ticketing in various forms (Clowes & Clements, 2003; Drayer, Stotlar & Irwin, 2008; Rascher, McEvoy, Nagel & Brown, 2007; Reese & Mittelstaedt, 2001; Rishe & Mondello, 2003, 2004; Shapiro & Drayer, 2012, 2014), research regarding ticket sales in the unique environment of college sport is scarce. One of the most important foundational
components of any tickets sales strategy is that of price. However, the managerial aspect of ticket pricing decisions among intercollegiate athletic administrators is virtually non-existent.

In one piece of literature that does broach the subject of pricing decisions in college sport, Pappano and Tracy (2009) argue that due to the non-profit nature of higher education, at the collegiate level “athletic ticket prices do not reflect a free market reality, but a policy decision by the institution” (p. 4). Here, the authors are implying that ticket pricing is driven by administrator choice rather than guided by the economic principles of supply-and-demand. Support for this assertion is demonstrated by Sanford and Scott (2014), who found only three Southeastern Conference (SEC) schools to price football season tickets at market value. Therefore, if college ticket prices are driven by policy rather than economic forces, an investigation into the context underpinning pricing decisions is warranted.

Two theories can be used as frameworks to help us gain a better understanding of the phenomenon of ticket pricing in college sport. First, stakeholder theory posits that the potentially divergent opinions of myriad stakeholders should be taken under advisement in order to achieve long-term organizational viability (Friedman, Parent & Mason, 2004). Of interest in this study is the degree to which internal administrative stakeholders are involved in the ticket pricing process. Next, institutional theory posits that organizations tend to resemble each other if they operate in similar environments and therefore have similar constraints (DiMaggio & Powell, 1983). This theoretical framework is of interest in this study given the common constraints shared by athletic departments, such as NCAA bylaws and other shared pressures.

In an effort to explore ticket pricing behavior on the collegiate level, direct sampling of those administrators charged with making such decisions is needed. Furthermore, if economic forces are not at work to drive price, it is possible that more ambiguous factors are influencing
such decisions. Based on these assumptions, this chapter draws on stakeholder theory and institutional theory to examine ticket pricing in intercollegiate athletics. Stakeholder theory is a logical choice for this investigation because it focuses on managerial decision making (Donaldson & Preston, 1995), while the framework of institutional theory is congruent based on the proposition that isomorphic organizational behavior is often a result of ambiguity among related firms (DiMaggio & Powell, 1983).

Of the extant literature on college sport ticket pricing, it is important to note that none have directly sampled those charged with making pricing decisions, nor attempted to ascertain the reasoning behind such decisions in the unique environment of intercollegiate athletics. Therefore, the researcher has undertaken this study in an attempt to narrow that gap in the literature via qualitative interviews to explore the lived experiences of athletic administrators involved in making pricing decisions to better understand their role in the process.

The purpose of this paper is to explore previously undocumented perceptions of subunit administrators with ticketing influence, responsibility, and authority about pricing within their athletic department. With that aim in mind, the following research questions were designed to further our understanding of the roles administrators play in revenue sport ticket pricing through an examination of their personal experiences: (1) What is the perceived role of individual intercollegiate athletic administrators in ticket pricing processes? (2) What similarities and/or differences emerge in the way athletic administrators perceive the ticket pricing process? (3) What evidence of isomorphic behavior exists in ticket pricing?

**Theoretical Framework**

Consistent with the ontological perspective that multiple factors influence organizational processes (Creswell, 2007; Hays & Singh, 2012), and given the complexity of decision-making
faced by intercollegiate athletic administrators (Putler & Wolfe, 1999), this researcher adheres to the supposition that relying on a single theory may be inadequate when attempting to understand the complicated phenomenon of ticket pricing (Van de Ven & Poole, 1995). Such complexities arise due to myriad pressures and influences originating from both inside and outside the organization. Therefore, following in the footsteps of Welty Peachey and Bruening (2011), this study utilizes both stakeholder theory and institutional theory to investigate the phenomenon of revenue sport ticket pricing in intercollegiate athletics.

**Stakeholder Theory.** Widely applied in both business and sport management literature, the framework of stakeholder theory has been utilized in several studies of intercollegiate athletics (Covell, 2004, 2005; Putler & Wolfe, 1999; Sweeney & Nguyen, 2012; Welty Peachey & Bruening, 2011; Wolfe & Putler, 2002). According to Freeman (1984), a stakeholder is “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (p. 46). With so many individuals connected to intercollegiate athletics, Putler and Wolfe (1999) advocate identifying and grouping stakeholders into more manageable groups. Although Mitchell, Agle, and Wood (1997) put forth a model to identify individuals by attributes of power, legitimacy, and urgency to then further categorize them as latent, expectant, and definitive stakeholders, a simple and practical initial step in the identification process is to dichotomize stakeholders by their managerial involvement, or lack thereof.

As suggested by Schlosser and McNaughton (2007), input from both internal and external stakeholders is necessary when constructing marketing strategies such as pricing. In this study, stakeholders are operationalized based on the Ben-Ner and Gui (1993) definitions of internal and external stakeholders in regards to the non-profit sector. As such, internal stakeholders are those involved on the supply-side of the organizational equation, including
administrators such as marketing and finance officers that are directly involved in managerial functions. Meanwhile, external stakeholders are those on the demand-side of the equation, including season ticket holders and single-game ticket purchasers.

Understanding the point of view of these various stakeholders is an important consideration in organizational management, as individuals tend to frame and interpret issues differently (Mahon & Waddock, 1992). More specifically, when stakeholders share commonalities that group them into the same broad stakeholder category (e.g., fans, taxpayers, administrators), the individuals within that defined category may not necessarily share across-the-board objectives or opinions (Friedman & Mason, 2005). In terms of internal stakeholders with administrative power, their situational interpretation is often based on their unique departmental function, which is likely to influence their decision-making. Within the context of intercollegiate athletics, Wolfe and Putler (2002) suggest that broad stakeholder categorizations are often inadequate and should instead be subdivided into more defined groups after finding significant variance in opinion within the larger classifications. To that end, the present study is intended to extend this proposition within stakeholder theory by exploring the extent to which individuals in the broad stakeholder classification of athletic administration exhibit heterogeneous or homogeneous viewpoints in the context of revenue sport ticket pricing. In short, stakeholder theory is an appropriate framework to study the managerial process of ticket pricing in college sport because it is important to understand the pricing viewpoints of administrators with various departmental responsibilities (i.e., finance, development, marketing).

**Institutional Theory.** A basic tenet of institutional theory is that organizations are influenced by their peers as they seek legitimacy within their respective systems. Such legitimacy is most often achieved by adopting the prevailing practices, processes, rules, and
structures of others in the environment (Chelladurai, 2009; DiMaggio & Powell, 1983; Meyer & Rowan, 1977). According to Ward (2015), institutionalization “does not generate novelty, improve efficiency, or increase profits,” but rather “enhance[s] the institution’s chances of survival by earning social legitimacy with key stakeholders in the environment” (p. 19).

In regards to organizational behavior and decision-making, DiMaggio and Powell (1983) describe the homogeneity among similar firms as institutional isomorphism, which can be explained through three categories of pressure. First, coercive isomorphism is a result of formal pressures such as legislation and informal pressures of cultural expectations. In college sport, such formal pressures may come from the NCAA and conference offices in the form of bylaws, while informal pressures may come from competitive foes. Second, mimetic isomorphism is a result of organizational modeling, where firms imitate the actions of successful peers in times of environmental uncertainty. Such mimetic pressure has recently been suggested among NCAA member institutions in both mission statement content (Ward, 2015) and social media practices (O’Hallarn, Morehead & Pribesh, 2016). Third, normative isomorphism occurs as a result of occupational socialization, often due to similarities in professional and educational training. Smith and Washington (2014) have found evidence of such pressures among intercollegiate athletic directors due to similarities in their career experiences.

Danylchuk and Chelladurai (1999) found evidence of isomorphism among Canadian athletic directors on factors perceived to be most important and time consuming — financial management, leadership, policy making, disturbance handling, revenue generation, and athlete affairs. More specifically, Danylchuk and Chelladurai (1999) found those tasks perceived most important to be handled by athletic directors, while less important tasks were delegated to subordinate administrators. In a follow-up that sampled their American counterparts,
Cunningham and Ashley (2001) investigated isomorphic tendencies among NCAA athletic directors and their assistants by analyzing their perceptions of the importance and delegation of managerial activities, suggesting that “athletic directors consciously choose to guide their athletic departments in a fashion similar to others in the industry” (p. 58). Of note in the Cunningham and Ashley study is their inclusion of two additional theoretical forms of isomorphism to be considered alongside DiMaggio and Powell’s (1983) coercive, mimetic, and normative pressures of institutionalism. First, a population ecology perspective of isomorphism suggests that similarities arise from fear of organizational extinction due to a competition for scarce resources (Cunningham & Ashley, 2001; Hannan & Freeman, 1977). Second, the strategic choice perspective posits that although environmental pressures may exist, they are not deterministic but only influential, suggesting that true organizational change is a conscious decision made by administrators (Cunningham & Ashley, 2001; Hrebiniak & Joyce, 1985). In the end, Cunningham and Ashley (2001) found the strategic choice perspective of isomorphism to have the most support, as endomorphic departments (those not adhering to norms) performed on par with isomorphic ones, suggesting similarity by choice rather than necessity.

In addition to the literature mentioned above, institutional theory has been applied to other investigations of intercollegiate athletics, including studies examining structural transformation within the NCAA (Washington, 2004), institutional strategies to increase power in the NCAA (Washington & Ventresca, 2008), diversity-related change within an athletic department (Cunningham, 2009), university television commercials (Harris, 2009), adding the sport of football at NCAA Division I institutions (Kelly & Dixon, 2011), and athletic administrator values (Cooper & Weight, 2011). Utilizing the institutional theory framework in
this study is warranted in an effort to gain a better understanding of the pressures that might influence ticket pricing decisions within NCAA athletic departments.

There is a general lack of literature related to college sport ticket pricing. But, more specifically, little is known about the roles individual administrators play in the pricing process and the environmental pressures that are most concerning to them. Therefore, this study was designed to qualitatively explore the phenomenon of ticket pricing from a managerial decision-making perspective through the lenses of stakeholder theory and institutional theory.

Method

This study uses a phenomenological approach to gain a better understanding of the pricing experiences of intercollegiate athletic administrators. The purpose of phenomenology according to Creswell (2007) “is to reduce individual experiences with a phenomenon to a description of the universal essence,” by “collect[ing] data from persons who have experienced the phenomenon, and develop[ing] a composite description of the essence of the experience for all individuals” (p. 58). Therefore, by relying on authentic participant voice to describe their own unique lived experiences, the researcher attempted to find commonalities across participants to better understand the roles of various types of athletic administrators within the pricing process. In doing so, the researcher endeavors to describe, understand, and explain the function of ticket pricing among athletic administrators with decisional power and influence.

Participants

In an effort to demonstrate transferability and gain a broader view of the ticket pricing phenomenon, participants were solicited from both Power 5 (Atlantic Coast, Big Ten, Big Twelve, Pacific-12, and SEC) and Group of 5 (American Athletic, C-USA, Mid-American, Mountain West, and Sun Belt) schools. To address limitations noted in previous pricing studies
sampling only ticket managers (Reese & Mittelstaedt, 2001) and to further stratify the sample with subunit diversity as is suggested by Indounas (2006), the researcher sought participation from athletic directors, external operations administrators, business officers, marketers, ticket office managers, and development directors. A snowball sampling method was employed by first identifying a willing top-level administrator, who then recruited other administrators within the athletic department fitting the stratified purposeful sample. In total, 20 administrators representing two Power 5 and two Group of 5 athletic departments participated in this study.

**Data Collection**

Two forms of data collection were utilized in this study. First, a semi-structured interview guide was constructed, which is common in phenomenological studies to give participants a voice in describing the phenomenon of interest. Additionally, a thought-listing exercise was included in the interview protocol in an effort to capture administrator thoughts, feelings, and ideas on factors influencing pricing decisions (Cacioppo, von Hippel & Ernst, 1997). This tool for data collection has been suggested to help expand knowledge in underdeveloped areas of research (Delia & James, 2015). A panel of experts reviewed the interview protocol for face validity, including NCAA Division I athletic administrators specializing in ticketing and development, respectively, and two qualitative sport management researchers. To further validate the research design, a pilot test was conducted with a veteran sport marketing administrator. The interview guide included prompts such as “Tell me about your personal role in the pricing process,” and “How do you think your pricing process compares to other athletic departments?”

All interviews were conducted face-to-face in the fall of 2015, except one that was conducted via telephone due to scheduling conflicts. The interviews, which averaged 38 minutes,
were audio recorded and professionally transcribed. Identifying information was removed to protect participant confidentiality, including proper names such as the home institution, city, state, opponents, venues, and conference affiliation. Participants were also assigned pseudonyms to further mask their identity (see Table 1, Appendix D), and provided opportunities to review transcripts for confidentiality, confirmation of authentic representation, and ensure data accuracy to demonstrate credibility (Guba & Lincoln, 1989; Hays & Singh, 2012).

Data Analysis

**Thought-listing.** Content analyses of the thought-listing activity sheets were independently conducted by two coders. Two-round coding sequences of open and axial coding are typically used to analyze thought-listing data (Kunkel, Funk & King, 2014). However, as the thought-listing activity limited participants to short phrases, those “In Vivo” thoughts represented the open codes in the analysis to honor participant voice (Saldana, 2009). These open In Vivo codes were then condensed in the axial coding phase using constant comparison (Glaser & Strauss, 1967). The two coders then discussed their independent findings until agreement was reached on the final themes.

**Interviews.** Consistent with Creswell’s (2007) method for phenomenological analysis, the primary researcher began data analysis by bracketing personal experiences in an effort to prevent bias and demonstrate trustworthiness through confirmability. To that end, the primary investigator meets the Hays and Singh (2012) definition of an insider due to his background in NCAA Division I athletics as a former student-athlete and employee, which may have helped the researcher establish a closer epistemological connection with the participants and elicit richer data. To demonstrate dependability, transcripts were independently reviewed by the primary researcher and a secondary coder to identify non-repetitive statements and then clustered into
broad themes using constant comparison and consensus coded, with NVivo 10 being utilized to organize data. The resulting themes were then described using verbatim examples from interview transcripts to further demonstrate confirmability, before being reflected upon by the primary researcher to identify potential meanings for the phenomenon of ticket pricing in intercollegiate athletics (Hays & Singh, 2012).

**Results and Discussion**

**Perceived Administrative Pricing Roles**

The first research question is concerned with the perceived roles that individual administrators have in the ticket pricing process for revenue sports. As ranking members of the athletic department, Alvin, Antonio, and Evan see their roles in the pricing process as facilitators of collaboration and discussion among all parties involved. Evan stated that he and his athletic director “have the same philosophy in that everybody’s thoughts matter … everybody on staff buys in a little bit more when they are involved in the process.” According to Alvin, although he ultimately signs off on prices, he tries not to micro-manage the process: “I encourage tickets and [development] to really work together in terms of doing the research, doing the analysis, and then come to me with recommendations and we talk it through.” Such philosophical orientations of inclusion and collaboration are consistent with research on organizational effectiveness in intercollegiate athletics, which includes information gathering and sharing, as well as increased commitment among organizational members due to the use of a shared decision-making process (Li, LaPoint & Mawson, 1998).

This collaborative appreciation was consistent across all levels of administrators sampled in this study. While individual administrators may have perceived their personal roles differently depending on subunit responsibility, departmental hierarchy, and cultural nuances, there was a
general sense that everyone’s opinion was valued within their respective athletic department in terms of ticket pricing collaborations. This suggests adherence to an important concept in stakeholder theory, as the decision-making process should include the interests of stakeholders across the organization (Welty Peachey & Bruening, 2011).

Administrators from various subunits indicated their perceived role within their respective department was to be the voice of reason when making decisions that affect departmental operations, including budget-related issues. As the chief financial officer in her department, Beth indicated that she needs to be the realist while still facilitating goal attainment:

As a CFO my job is to say, “Here is how much money we have and here is what we can do with that money.” And so while an athletics director may have big dreams … it is my job to say, “Can we afford those dreams?” Let me help you afford them, let me help you be realistic, and let me figure out a way.

Emily indicated that she wears many different hats in her role overseeing external relations. Among them, she must be the voice of reason given her responsibility for public relations, while simultaneously she said, “I have to be sure we hit the numbers, but then I’ve got to be cognizant of what we can ask our fans to do.” Such myriad responsibilities indicates that Emily must juggle her various (and sometimes conflicting) roles, but also makes her an important stakeholder in pricing decisions. In their roles as development officers, Dianne and Dave both perceive their roles in the pricing process as being the voice of the fans. In Dianne’s case, she indicates that her office will “get the brunt of the complaints … and a lot of times it’s not really under our jurisdiction … yet we hear all the noise.” Dave is similarly situated, especially because he spends much of his time in the field talking to fans:
Sometimes you need a realistic person that’s out in the [community]. [Other administrators] may not see ten donors a week, or a month … they don’t know the pulse of the community sometimes … so I think that is what I bring to the table … the pulse of our fan base.

Based on this customer service orientation, these development officers can be a valuable resource in the pricing of both single game and season tickets, as their “pulse” of the fan base represents an attempt to give a voice to external stakeholders who may not have a seat at the decision-making table. However, Mason admits that relying on those responsible for development is not necessarily the best approach: “They are there to get donations, not necessarily to make sure that the fans’ — the ticket buyers’ — experience is the way it should be, and that is where we can pick our game up a little bit.” Here, Mason has found a weakness in his department’s operation based on an analysis of internal stakeholder responsibilities, which may lead to a more efficient allocation of human resources (Friedman, Parent & Mason, 2004).

To that end, marketers Mario, Mason, Michael, and Monte all share a perceived role to lead the charge in bringing forth research data to guide decision making. Mason describes it as “hearing the fans out, and what they like to get out of their investment — a ticket is an investment … and so I think that surveying and focus groups and listening to your fans is important.” Similar to Dave’s earlier sentiments about having the pulse of the community, Mason is displaying an attempt to understand the desires of external stakeholders as part of the pricing decision process.

Mario indicated a desire to do more surveying in an effort to be more analytical with the pricing at his institution: “I’m a hard numbers guy and I like to see statistical support to back up the numbers that we have.” However, as Monte describes it, athletic departments have a long
way to go in gathering and analyzing data for implementation: “Athletics is way behind … that was the most shocking thing coming from the private sector into this. [It is] unbelievable how little research people use here to guide decisions.” In the current sport management and marketing climate that is increasingly reliant on big data, it is trending for sport organizations to hire employees who specialize in data analytics, with ticket sales benefitting most from the increased focus (King, 2015). In fact, Monte’s department has recently added such a position, and that new internal stakeholder was immediately included in the committee charged with overseeing departmental revenues in an effort to increase such productivity. This is another example of thorough stakeholder evaluation leading to improved resource allocations (Friedman, Parent & Mason, 2004) by adding a staff member to fill an organizational void.

Generally, administrators interviewed felt that they were comfortable in their role in the pricing process. Thomas, in a unique situation of having an administrative title of assistant athletic director although working for an outsourced company, indicated that his role in the pricing process is minimal. Although he provides necessary data to decision makers, he is more so responsible for the daily operations of the box office. In this instance, Thomas is in a situation similar to many of the ticketing managers surveyed by Reese and Mittlestaedt (2001), in that pricing decisions are made at higher levels of the organizational structure and then passed along to him. Brook also indicated her content in having a less direct role in pricing decisions, stating “I don’t want to be responsible for ticket prices … I’m not a specialist in developing the actual pricing piece of it.” Dianne shared similar feelings, in that although she appreciates the ability to voice her opinion, she does not have “a great deal of input in general pricing.” Instead, she deals more directly in premium seating only. Content with their lot, Thomas, Brook, and Dianne might
be described as self-selecting into the category of latent stakeholder from which they would have fewer expectations in the decision-making process (Mitchell et al., 1997).

Although each athletic department sampled in this study uses some version of a team-based approach to pricing revenue sport tickets, each approaches it in their own unique way. At one Power 5 institution there is a clear team of administrators engaged in all aspects of revenue projection, including not only ticketing, but also income from advertising, donations, conference distributions, etc. At the remaining institutions, although a collaborative process is used, it does not appear that the process is as systematic or intentional in design when compared to the first institution described, indicating differences in organizational structuring among the departments.

To that end, it should also be noted that organizational hierarchy seems to play a significant role in ticket pricing processes. Specifically, Bill indicated that although he may be consulted as a member of the administrative council, the ticket pricing process is largely decentralized from his business office within his Group of 5 athletic department, and that he is involved “more or less in an advisory role.” Brook indicated that her involvement related to ticket pricing occurs late in the process at her Power 5 institution, which was supported by Eleanor, who suggested that while the external team makes pricing recommendations to the athletic director, their business officer is simply “made aware.” This is significantly different from the experiences of Beth and Bob, who are more intimately involved in the pricing process at their respective institutions, with Bob suggesting that he “may have a little stronger voice sometimes, only because you’ve got to worry about where the budget is going to fall.” Such disparate participation amongst business administrators suggests that although all of them are at least tangentially involved, degrees of business manager pricing responsibilities are unique to each department, which by extension affects each administrator’s perceived role. Although
varying widely in their role, each department is conforming to the core purpose of stakeholder theory, as their unique interpretation is in some way taken under advisement (Mahon & Waddock, 1992). However, given that ticket sales account for such a large percentage of generated revenues in college sport (Fulks, 2015), and business officers are directly responsible for multi-million dollar budgets, it is somewhat surprising that this subunit is not more directly involved in decisions affecting revenue at each institution.

**Administrative Similarities and Differences**

The second research question posed in this study asks what similarities and differences emerge in the way athletic administrators from different departments or subunits perceive revenue sport ticket pricing. In short, the aim here is to gain a more complete understanding of whether individuals from the broad stakeholder group of athletic administrators are heterogeneous or homogeneous in their thinking about ticket pricing. One way in which this was considered was through an analysis of the thought-listing activity, which was utilized to investigate the factors taken under consideration by athletic administrators when contemplating pricing decisions.

The analysis yielded seven themes that influence pricing decisions of FBS administrators — scheduling, research and analysis, team performance, stakeholders, discrimination, fan experience, and competitive comparisons. The scheduling theme included factors such as the number of contests, attractiveness of opponent, and day of game. Research and analysis factors included the utilization of archival and research data such as previous year’s attendance, sales, and price, along with fan survey results. The theme of team performance recognized the influence that factors such as record and post-season success might have on pricing decisions. The stakeholder theme included factors related to those factors external to the organization, such
as community involvement and economics. The theme of discriminatory pricing reflected the practice of charging different prices to different segments of customers, such as differentiations based on seat location or special populations (e.g., students, military). The fan experience category accounted for factors such as atmosphere, entertainment, and excitement when determining ticket pricing. Lastly, competitive comparisons represented the consideration of environmental factors that influence pricing decisions, such as other forms of entertainment (e.g., movie tickets) and peer institutions.

Examining these themes by both administrative subunit and institution type provides a sense of the pervasiveness of influencing factors across different sections of the sample. Schedule-related factors were heterogeneous across all departmental subunits, although external operations directors and ticket managers indicated higher concerns with scheduling compared to marketers and development directors. Stakeholder factors were heterogeneous among subunit administrators, although development directors indicated the highest level of concern for such factors, while ticket managers appeared somewhat less concerned. Discriminatory pricing factors also appeared to be heterogeneous across the six departmental subunits sampled in this study, although business officers appeared to be least concerned with factors in this category. Competitive comparison factors also appeared to be heterogeneously important across all administrative subunits. Findings indicate that research and analysis factors such as historical records and forecasting are also heterogeneous, although marketers were the most outspoken subunit about such factors and seem to assume a leadership role in this endeavor. Although team performance factors did not appear to be exceedingly influential in pricing decisions based on fewer administrator responses related to this category, there was support for such factors within each subunit, indicating heterogeneity amongst administrative subgroups. Alternatively, fan
experience was the most homogenous set of factors among administrative types surveyed, with marketers almost exclusively indicating such factors as influential in pricing decisions.

When considering these themes of pricing influence from the perspective of conference-level autonomy (Power 5 vs. Group of 5), schedule-related factors appeared to be somewhat heterogeneous, although Power 5 schools referred to such factors more frequently. Stakeholder factors were also heterogeneous, although Group of 5 schools may be somewhat more concerned about such factors as those administrators voiced unanimous concern market affordability. Additionally, research and analysis and competitive comparison factors were heterogeneous across all four schools in the sample. As indicated above, while team performance factors resulted in lower response rates, the administrators that did find team performance factors to be influential were heterogeneous across both levels of FBS. Fan experience was the most homogenous set of factors among administrators surveyed, with Power 5 schools responding that such factors influenced their pricing decision processes. Finally, discriminatory pricing factors appeared to be of greater concern among Group of 5 administrators than with Power 5 administrators, which may be a result of a higher propensity to implement special ticket packages at “mid-major” institutions in an attempt to draw more spectators to the venue. In this regard, Group of 5 schools may be exhibiting a more tactical rather than strategic approach toward pricing (Burton & Cornilles, 1998).

Although findings from Friedman and Mason (2005) caution against assuming commonalities amongst individuals in a broad stakeholder group, results from the thought-listing activity indicate that while there were some areas of homogeneity across subgroups, athletic administrators representing different subunits and department types were largely heterogeneous in their considerations of factors that influence pricing decisions. However, through discussions
administrators did indicate that opinions often differ among co-workers, which they found to be a constructive byproduct of the collaborative pricing process. For instance, despite working closely in developing the pricing structure for their Power 5 department, the differences between Mario and Travis bring distinct schools of thought into the process. As Mario says, “I would like to price tickets to sell, to fill the venue, whereas [Travis] is probably more focused on the revenue and the bottom line.” Travis voiced similar thoughts, although adding that age might also play a factor: “I come from a totally different perspective than some of the younger people, the marketing people, who just want to put people in there. Their biggest concern is not revenue necessarily. Theirs is a perception of what we look like.” In a similar vein, Monte indicates that he and the business officer may not always share the same philosophy in pricing due to the nature of their individual responsibilities, which influences their perspectives:

I’m a marketer, I’m not an accountant. I think marketing folks would err on side of discount all the time because we know that it puts butts in seats. But, when you talk to our CFO, and you talk to some others, maybe you get a different sense.

The divergent findings of both heterogeneous and homogenous thinking among administrative stakeholders indicates a need for additional research in this area to gain a clearer understanding of internal stakeholder perspectives and roles in the realm of intercollegiate athletics.

**Institutionalization of Pricing**

The final research question asked what evidence of isomorphic behavior existed in revenue sport ticket pricing for intercollegiate sport. Consistent with institutional theory, it was universally accepted among athletic administrators surveyed that environmental scanning was part of their department’s pricing process, and included evaluations of legislative pressures and researching the ticketing practices of other institutions.
Coercive isomorphism. Several examples of coercive isomorphism were found as part of this study. Specifically, NCAA bylaws have influenced the way schools price tickets for football. In what was once known as Division I-A (now FBS), programs were required to play football in stadiums with a minimum capacity of 30,000 and had to average 17,000 fans per game once every two years. In 2002, the capacity requirement was removed from the NCAA bylaws and the attendance requirement was reduced to its current level of 15,000 attendees per game once every two years (Kleps, 2015). Such rules have directly influenced the pricing policies adopted by athletic departments. For instance, Antonio described one peer institution that sold very cheap season tickets in an effort to fill their 30,000-seat venue:

They’d go to corporations and say, “Look, you’re going to buy a thousand tickets for $25 each and you are going to give them out to all your employees, your customers.” They were just going volume, and that is what we did at [my previous school] too, because we weren’t selling more than 3,000 season tickets at FCS [Football Championship Subdivision]. So we’re like, “we can’t make this work at that number, we have to slash them.” And we sold the numbers that we needed to sell, 500 at a time, 1,000 at a time.

According to Dave, the NCAA attendance rule has also affected how his institution has priced its tickets in the past. When his school transitioned from Division I-AA (current FCS) to I-A, “we went from trying to get 5,000 to a game to having to average 15,000. So, we set the bar really low in price in order to get quantity.” Despite these examples of schools selling tickets at deep discounts, Antonio recognizes that such a strategy is not necessarily ideal:

It undermines you long term, and there is so much that go unused, but at least you are able to show the numbers and have the tickets out. But then you’ve got to start weaning yourself off that at some point.
Antonio’s concerns of undermining the department’s long-term efforts are viable, especially considering that sport ticketing research has indicated price to be an indicator of quality (Drayer & Shapiro, 2011). Additionally, administrators should be concerned with the psychological connection that we make in reference pricing, which describes consumer reliance on previous prices when considering value (Kalyanaram & Winer, 1995).

There is also evidence of state-level legislation causing coercive pressure at one institution in the sample, as a bill has been passed that will limit the percentage of student fees that can be used to support athletic departments across the state. According to Emily, it is interesting to now see other states across the country looking into the similar legislation. “I feel bad for those other institutions across the country, they’re probably pointing fingers at us. But, it has been a real curve ball.” This abrupt revenue source change is requiring administrators like Mason to begin brainstorming alternatives to make up the difference, including structural changes to the department’s current operation due to the increased role ticket revenue will likely play in future budgets:

There are going to be benchmarks we’ve got to hit every year from here on out, and it can’t just be that the team’s had a bad year. If we miss that benchmark … I don’t know if there are penalties or what, but that’s not a good thing when it gets to that level. So we’re going to have to make sure we are beating our numbers every year, regardless of how the teams are doing. And so I think having some extra manpower, and eyes, and opinions on some of the things we are doing is going to be a necessary option.

It is important to remember that coercive isomorphic theory is not only limited to formal bylaws and legislation enacted by governing bodies. It also posits that similarities might appear among like institutions due to informal pressures among peers. Such informal pressure was
recognized by administrators in this study in the form of the athletics “arms race.” According to Orszag and Israel (2009), an arms race is “a situation in which the athletic expenditures by a given school tend to increase along with expenditures by other schools” (p. 11). Important to the current discussion, a desire to increase expenditures is likely to precipitate an increase in revenue requirements, which may result in a decision to increase ticket prices. Even in a Power 5 school, Beth suggests that “you’ve got to keep up with the Alabama’s and Ohio State’s and Oregon’s of the world, but you’ve got to find creative ways to do it.” Given their resource constraints, Michael implies it is even harder at the Group of 5 level:

Especially for schools like us that are trying to keep up, being at the mid-major level and operating at a high-major level is tough to do. So, we’ve got to be extremely efficient with all the information we get, and we’ve got to be as aggressive and creative as possible to fill our venues in the market that we are in.

**Peer comparisons.** As previously noted, administrators are keenly aware of the pricing utilized by other athletic departments. However, although administrators pay close attention to peer pricing, they are not always willing to adopt the practices, policies, or prices of others. In fact, outside of Antonio’s earlier description of instituting rock bottom season ticket prices in an attempt to meet NCAA attendance requirements and occasionally scanning for marketing ideas, there was no indication of any athletic department in this study blindly adopting the practice of others. Therefore, based on data from this study, administrators indicated only minor evidence of mimetic pricing behavior among FBS institutions.

Instead, administrators consistently scan their environment for points of comparison with other schools. Those benchmarks vary from department to department, but are most often conference peers, in-state or regional peers, or schools in similarly situated markets. As Antonio
says, “you are constantly looking for barometers, looking for gauges of not trying to be over-priced, but also not trying to leave anything on the table.” Similar statements were common throughout this study, which suggests isomorphic behavior based on strategic choice. This study adds support from a ticket pricing perspective for Cunningham and Ashley’s (2001) investigation of NCAA athletic departments, where they found evidence for the strategic choice perspective of isomorphism.

**Conclusions**

This chapter was a phenomenological investigation of the perceived role intercollegiate athletic administrators play in the ticket pricing process, analyzed through the lenses of institutional and stakeholder theory. The current study extends the literature base by exploring the roles various internal stakeholders play in ticketing — one of the most financially important functions of the athletic department. Furthermore, this study adds further evidence of isomorphic behavior in the realm of intercollegiate athletics.

This study provided an extension to the literature base regarding ticket pricing by collecting and analyzing data on the previously undocumented roles of various athletic administrators involved in the pricing process, finding that individuals perceived their roles differently depending on their departmental responsibility, level of involvement, and unique culture within their department. This study also provided an extension to the literature regarding stakeholder theory by finding that administrators from different subunits were largely heterogeneous in their concern for influential pricing factors. Lastly, in regards to institutional theory, this study provided support for both coercive pressure and strategic choice within intercollegiate ticket pricing.
This research contributes to the sport marketing literature in a number of ways. First, it is evident that various administrators play integral pricing roles within their respective athletic departments, which lends support to the idea that athletic departments value the opinions of multiple stakeholders. It is important to note, however, that although some subunit administrators are more cognizant of certain elements in need of consideration than others (i.e., development officers with a pulse of the community), the more important concept is the involvement of myriad stakeholders, as each department carries its own unique intricacies and levels of individual administrator involvement. Second, when viewed through the lens of institutional theory, there is support that athletic administrators exhibit signs of coercive and strategic choice isomorphic behavior related to ticket pricing. Like the findings of Edwards, Mason, and Washington (2009), several forms of isomorphic pressure may exist simultaneously, and may in fact interact with each other in certain circumstances.

Furthermore, while sport management researchers have previously investigated the role of the athletic director (Danylchuk & Chelladurai, 1999; Fitzgerald, Sagaria & Nelson, 1994; Smith & Washington, 2014; Whisenant & Pedersen, 2004), this work is thought to be among the first to examine the roles of supporting athletic administrators. Although athletic directors hold the highest position of power within an intercollegiate athletic department, there is only one AD for each department, (i.e., 351 among Division I institutions). However, the number of second-level administrators within athletic departments number in the thousands, thus representing a much larger percentage of the decision-making workforce. Supporting administrators such as deputy, associate, and assistant athletic directors have been sampled in studies of decision makers (e.g., Li, LaPoint & Mawson, 1998), but those influential second-level administrators are
not well represented in the sport management literature. Therefore, further examination of these positions is warranted.

**Limitations and Future Research**

As is the case with all research, this study is not without limitations. Although broader transferability was sought by including administrators from Power 5 and Group of 5 conferences, this qualitative study was limited to a sample of administrators from four athletic departments. Although each school was separated geographically (ranging in distance from 309 miles to 925 miles), three of the four schools sampled in this study are located in more rural population areas. As indicated by several athletic administrators, such demographic contexts factor into decision-making processes. Future research could include a greater balance of representation from schools in various population areas. Additionally, every school in this sample is a public institution, whereas 17 schools in the FBS are private. This distinction might account for differences in pricing approaches, and thus should be taken into consideration in future collegiate sport pricing research.

Chelladurai and Danylchuk (1984) acknowledge that “although the actual goals pursued by an organization are largely set by the key decision-makers, such goals must, in the long run, reflect the desires of several constituencies of the organization” (p. 39). Therefore, further ticket pricing research should investigate the interests of stakeholders outside of the athletic department, including university administrators, governing boards, community members, fans, and donors. A more thorough understanding of supply-side pricing behavior and demand-side purchase behavior in the context of spectator sporting events could shed light on the congruency between factors related to supply and demand in this unique context.
Additional research on institutional theory and stakeholder theory could investigate the context under which certain forms of isomorphism exist or the context under which certain stakeholders are involved. For instance, although this study did not find any evidence to support normative isomorphism in ticket pricing, future research should attempt to find the extent to which collegiate pricing managers have received formal training in pricing decisions.
CHAPTER 5

Conclusion

As has been suggested throughout this dissertation, although it is generally accepted that revenue generated through ticket sales plays an integral role in the financial landscape of intercollegiate athletic departments, little is known of the all-important foundational marketing concept of ticket pricing within the unique environment. With that in mind, I endeavored to narrow that gap and further our understanding of ticket pricing by interviewing those directly responsible for making such decisions with the purpose of exploring the decision-making processes currently in use by athletic departments, identifying the factors that influence pricing decisions, documenting the perceptions of administrators concerning their role in ticket pricing, and analyzing the similarities and differences between departments and administrative subunits.

In order to ground the qualitative findings, the frameworks of strategic planning, stakeholder theory, and institutional theory were utilized. Strategic planning is a managerial concept and organizational tool that emphasizes the implementation of a systematic, step-wise approach to the development of strategy for any organization (Wolf and Floyd, in press), and was used as a framework to ground the pricing process findings suggested in Chapter 3. Stakeholder theory is a descriptive organizational theory suggesting that many individuals can affect or be affected by organizational actions, and should therefore be considered (Donaldson & Preston, 1995; Freeman, 1984), and was used to ground results in Chapters 3 and 4. Also used in Chapters 3 and 4, institutional theory suggests that organizations seek legitimacy and are therefore influenced by their peers (DiMaggio & Powell, 1983; Meyer & Rowan, 1977).

Chapter 2 — Athletic Ticket Pricing in the Collegiate Environment: An Agenda for Research — laid the foundation for the two empirical studies included in this dissertation, as well
as future studies on the subject. First, intercollegiate athletics was situated within the landscape of higher education in order to frame the context as it is presently understood. Then, the role of price within the framework of the marketing mix was presented, including the scarcity of pricing research in general, in spectator sport, and in college athletics. Extant pricing literature was then synthesized, including the concept of value, managerial pricing strategy, professional sport marketing objectives, secondary market research in professional sport, and lastly primary and secondary market research in college sport. Important to the context of this line of research and perhaps the most important contribution in this chapter, I then delineated the differences between two of the most popular forms of sport in the United States — professional sport and college sport — in order to explain why they should be studied independently rather than under a single heading of spectator sport. Finally, I provided suggestions for intercollegiate ticket pricing research using the frameworks of stakeholder theory and institutional theory.

In Chapter 3, titled A Qualitative Exploration of the Ticket-Pricing Process Used in Intercollegiate Athletics, I examined several aspects related to pricing strategy development. One of the primary purposes in this chapter was to identify ticket pricing objectives. Although most administrators identified multiple objectives, they could all be categorized into one of four types — consumer-oriented objectives, revenue-oriented objectives, sales-oriented objectives, and the Goldilocks objective. However, findings suggest that no formal organizational objective for ticket pricing exists within the departments sampled, which could potentially lead to problems when evaluating return on objective. Therefore, perhaps the primary practical implication from this chapter is that managers should be more strategic in their pricing policies in an effort to ensure all internal stakeholders are on the same path and share the same objective(s), which will help administrators measure the effectiveness of organizational pricing policies.
This chapter also investigated the factors athletic administrators consider when contemplating pricing decisions, which can be categorized into seven areas — scheduling, research and analysis, team performance, stakeholders, discrimination, fan experience, and competitive comparisons. Such delineations are of practical importance from a managerial perspective as administrators must be attuned to their environment in order to more thoroughly understand the factors influencing organizational pricing decisions. Environmental awareness is critical to organizational health and viability, as ignoring such factors can negatively affect the firm both socially and financially.

Finally, based on the interview findings, I suggest a contribution to the sport pricing literature in the form of an eight-step cyclical model for spectator sport pricing that takes into account the predictable, seasonal rhythm of college sport. Taking this a step further, however, although this unique cyclical pricing model was conceived in the context of intercollegiate sport, it is believed to be applicable to managers in any spectator sport setting where ticket prices are set in advance of the event (i.e., not dynamic pricing models), and could potentially be extended into other areas of entertainment that operate in a seasonal rhythm.

Among other important findings in Chapter 3, I suggest a contribution to the literature related to inelastic ticket pricing in college sport by finding a link that ticket pricing remains relatively unchanged in an effort to protect revenues derived from donations — even if they are largely compulsory in nature. It is believed that fans would prefer a higher donation versus a higher ticket price as to allow them to claim a tax incentive for that expenditure. From a managerial standpoint, since “donations” are typically routed through 501(c)(3) foundations that are not entangled in higher education bureaucracy, athletic departments may enjoy more spending discretion and a reduced risk of seizure of such “unrestricted” donor-derived revenue at
the close of each fiscal year if the department is in the red.

In Chapter 4, titled An Exploration of Internal Stakeholder Roles and Isomorphic Behavior in FBS Ticket Pricing, I draw upon stakeholder theory and institutional theory to examine the revenue sport pricing perceptions of various athletic administrators with ticketing influence, responsibility, and authority. Among the findings, lead administrators advocated for a collaborative pricing process, which was appreciated among all levels in the sample. However, these team-based approaches were each unique, with one department appearing to be more systematic and structured. It is also interesting to note that the same department with a more regimented team-based structure significantly outpaces national median revenues in both ticket sales and contributions.

Although administrators varied in their perceived level of involvement with ticket pricing, all expressed feelings of comfort with their role. Perhaps the most surprising finding was the variances of business officer involvement in the pricing process at each school, with two appearing highly involved in the decision-making, while the other two were in more of a supporting role. From the seven themes found that influence pricing decisions, scheduling, research and analysis, stakeholder, discrimination, competitive comparison, and team performance factors were heterogeneous among subunit administrators, while fan experience factors were homogeneous with marketers indicating the most concern. This desire among marketers to create a better fan experience is not surprising, as customer satisfaction is a primary tenet of successful marketing plans. Considering the same seven themes from the perspective of conference-level autonomy, scheduling, stakeholder, research and analysis, competitive comparison, and team performance factors were heterogeneous across all four schools in the sample, while fan experience factors were more influential among Power 5 administrators and
discriminatory pricing factors were more influential among Group of 5 administrators. This differentiation between Power 5 and Group of 5 institutions is an interesting one, and may be a representation of the disparities between the “haves” and “have nots” in college athletics. Since the “haves” already have a strong, consistent fan base, perhaps they can dedicate more resources toward creating a better atmosphere for their constituents, whereas the “have nots” may have to be more concerned with drawing larger crowds through various price-related strategies and tactics.

Finally, results from this chapter found evidence of coercive and strategic choice isomorphic behavior in ticket pricing decision-making, procedure, and policy. Such findings are of practical importance because it describes the formal pressures faced by some institutions to meet requisite attendance standards or risk being reprimanded or even relegated back down to FCS. Informal coercion is also at play as schools described evidence of the “arms race” affecting pricing strategy among FBS athletic departments. In the end, however, schools may very well be exhibiting forms of isomorphic pricing behavior simply by choice, which is an argument made stronger given the fact that institutions are not likely to be in direct competition for fans, and yet still price tickets similarly to their peers in other markets.

Among the most important contributions of this chapter is being one of the first known examinations of the roles that various supporting athletic administrators play in regards to policy decisions. The findings suggest that second-level administrators are taking on more integral roles in the modern-day athletic department, as opposed to being assigned less important tasks as was found by Danylchuk and Chelladurai (1999). This is of practical importance for scholars, as it may point toward a need for improved pedagogical approaches that will perhaps better prepare students who will be seeking employment as second-level administrators.
From an academic perspective, a study such as this was needed to address a gap in the literature related to spectator sport ticket pricing processes and internal stakeholder roles. Despite the fact that managerial pricing decisions are a foundational pillar from which ticketing research should be compared, it has largely been ignored. For instance, many studies have found primary market ticket pricing to be inefficient (e.g., Drayer, Rascher & McEvoy, 2012; Sanford & Scott, 2014). However, such assessments of pricing inefficiency do not take into account the organizational objectives of the primary market. When claims of pricing inefficiencies are made, it is under the assumption that sport organizations are profit maximizing firms from an economic perspective, where from a managerial perspective a sport organization may be somewhat less concerned about it’s ability to generate as much revenue as feasibly possible. Especially in the “non-profit” arena of intercollegiate sport, findings from this study suggest that pricing objectives may instead reflect customer-oriented behavior such as fair pricing, sales-oriented behavior such as achieving maximum capacities, or a balance between multiple objectives, rather than solely profit-maximizing behavior. Furthermore, this study is relevant from an industry perspective because in order to formulate suggestions on how primary market sport ticket pricing practices may be improved, there must first be an understanding of the decision-making process as it currently exists. Equally important is to remember that organizational functions such as decision-making are executed by individual stakeholders, and so it is therefore important to understand the way in which such functions are perceived by those who are involved in making such decisions.

While this dissertation begins the work of examining ticket pricing policy and practice in intercollegiate athletics, much research is left to be done. For instance, a more comprehensive study could be undertaken to sample a larger population of athletic administrators in an effort to
validate the findings from this qualitative study. Although this dissertation represents an initial investigation of ticket pricing objectives, there was a clear disconnect between administrators hailing from the same athletic departments, which suggests the need to identify the true organizational objectives for ticket pricing. As these administrative objectives are more clearly defined and understood, additional research can be undertaken to investigate the congruence between such stated objectives and the specific pricing methods chosen. Further study could also be done to validate the findings of the influencing factors identified in this dissertation. These factors that influence administrative decision making can then be compared to factors known to influence consumer behavior in an effort to determine the congruence between internal and external stakeholder values. Additional research should also investigate the interests and influence of stakeholders external to the athletic department, such as university administrators, governing boards, advisory boards, contractors, community officials, community members, and fans.
REFERENCES


proximity affect secondary market behavior at March Madness. *Sport Marketing

dream? Willingness to pay for men’s and women’s basketball tickets. *Journal of Sports
Economics, 15*(6), 579-600.

Ross, S.D., James, J.D., & Vargas, P. (2006). Development of a scale to measure team brand

Rowley, D.J., Lujan, H.D., & Dolence, M.G. (1997). *Strategic change in colleges and


are forever, the business of baseball*. Washington, DC: The Brookings Institute.


Hill.

57*(40), A1.

Sanford, K., & Scott, F. (2014). What are SEC football tickets worth? Evidence from secondary


APPENDIX A

Demographic Questionnaire

Which of the following best describes your professional title?

_____ Athletic Director  _____ Associate Athletic Director
_____ Deputy Athletic Director  _____ Assistant Athletic Director
_____ Senior Associate Athletic Director  _____ Coordinator
_____ Other: _________________________

Which of the following athletic department subunits best describes your position?

_____ General athletic department oversight  _____ Ticketing
_____ Business/Finance  _____ Development
_____ Marketing  _____ External Operations
_____ Other: _________________________

Time in Current Position: _________________________________________________________

Total time working in college athletics: ____________________________________________

Other relevant industry experience related to pricing decisions (please briefly explain):
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________

Please list the sports for which you have pricing responsibility and/or influence:
___________________________________  _______________________________________
___________________________________  _______________________________________
___________________________________  _______________________________________
APPENDIX B

Thought-Listing Sheet

We are interested in knowing your opinions on the important factors that you consider when contemplating ticket pricing decisions for revenue-generating sporting events at your institution. Please state your thoughts and ideas as concisely as possible (phrases are permissible), but limit only one thought per box. Please ignore spelling, grammar, and punctuation. Please be completely honest, as your responses are anonymous. More space has been provided on the sheet than is believed necessary, so do not worry if you do not fill every space. You will have three minutes to complete this exercise.

<table>
<thead>
<tr>
<th>Thought</th>
<th>Thought</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX C

Interview Protocol

Date of Interview: ______________________________________________________________

Interview Start Time: ____________________________________________________________

Interview End Time: ____________________________________________________________

Location of Interview: ___________________________________________________________

Interviewee: ___________________________________________________________________

Thank you for your participation in this research project. The purpose of this study is to explore revenue sport ticket pricing processes through the voices of athletic administrators at FBS institutions. Athletic administrators from areas such as ticketing, marketing, finance, and development will be participating in this study. This information is being collected as part of my dissertation and general findings may be included in academic journal articles or scholarly presentations. This discussion should last approximately 40 minutes.

You have been provided an informed consent form and a demographic sheet to collect basic information germane to the study. This conversation will be audio recorded, but will not be shared with anyone outside of the research group. You will not be identified in any of the information you share during this session. During transcription, the data will be de-identified to mask any information that may be used to identify you — your name, your school, your conference, your stadium names, things like that. You will be asked to review the transcript of this interview for accuracy. If at any time you are unwilling or unable to participate, you are under no obligation to do so. Do you have any questions before we get started?
The first question I have for you is regarding your department’s ticketing goals.

1) Can you briefly describe your department's primary objective when it comes to deciding ticket prices for revenue sports?

With that objective in mind, I want to take three minutes and have you complete a thought-listing activity. With this, we are interested in knowing your thoughts on what kinds of factors should be considered when contemplating pricing decisions for revenue-generating sporting events. Please take three minutes to record your thoughts and ideas. We encourage you to be as honest as possible, as all responses are anonymous. It is not necessary to fill every box, but please limit only one thought per box. After the three minutes is up, we can talk about some of the factors you have written down.

[After three minutes]. Thank you for sharing your thoughts with us on those factors. Now, looking back at those factors that you have recorded, please circle the three that you believe are most important in the decision-making process.

2) Why do you feel those factors are most important?

Now, I have a few additional questions about the general pricing process and then more specifically your role in that process.

3) Describe the ticket pricing process used by your athletic department. Walk me through it.
   a. (Potential Follow-up Question) Who is involved in the pricing process?
   b. (Potential Follow-up Question) Is there anyone outside of the athletic department?
   c. (Potential Follow-up Question) Does the process differ depending on the type of ticket you are pricing? Such as season ticket, individual ticket, group ticket, etc.?
4) Thinking back to your department's primary objective with pricing, how effective do you think your department is at achieving that pricing objective?

5) Personally, what do you feel should be the most important objective to achieve when pricing tickets? (i.e., Does it align with your school's objective?)

6) What types of different pricing strategies does your department use?

7) How effective do you think those pricing strategies are?

8) How has your pricing process changed over the years, if at all?
   a. (Potential Follow-up Question) What changes have you considered making?
   b. (Potential Follow-up Question) Why have you decided not to implement those changes?

9) Overall, what is your general impression about the prices set by your department?
   (Potential clarifying prompts: Are they too high? too low? on par? Are the number of pricing segments adequate? Does pricing adequately reflect the value of your events?)

10) How do you think your pricing process compares to other athletic departments?
   a. (Potential Follow-up Question) What schools do you compare yourself to when it comes to ticket pricing?

11) Tell me about your personal role in the pricing process.

12) Do you feel that your opinions are adequately valued in the pricing process?

13) Was there a question that I should have asked, but didn't? Anything else to add?

Thank you very much for your time and assistance with this project. I will be in contact again soon to give you an opportunity to review the typed transcript of this conversation. If there is something that you would like to add, please feel free to contact me. Thank you again!
## APPENDIX D

**Participant Descriptions**

Table 1  
*Participant Descriptions*

<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>FBS Category</th>
<th>Title</th>
<th>Subunit</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alvin</td>
<td>Group of 5</td>
<td>Athletic Director</td>
<td>General Oversight</td>
<td>13 years</td>
</tr>
<tr>
<td>Antonio</td>
<td>Group of 5</td>
<td>Athletic Director</td>
<td>General Oversight</td>
<td>30 years</td>
</tr>
<tr>
<td>Beth</td>
<td>Power 5</td>
<td>Associate AD</td>
<td>Business</td>
<td>6 years</td>
</tr>
<tr>
<td>Bill</td>
<td>Group of 5</td>
<td>Associate AD</td>
<td>Business</td>
<td>15 years</td>
</tr>
<tr>
<td>Bob</td>
<td>Group of 5</td>
<td>Senior Assoc. AD</td>
<td>Business</td>
<td>32 years</td>
</tr>
<tr>
<td>Brook</td>
<td>Power 5</td>
<td>Senior Assoc. AD</td>
<td>Business</td>
<td>12 years</td>
</tr>
<tr>
<td>Dave</td>
<td>Group of 5</td>
<td>Associate AD</td>
<td>Development</td>
<td>23 years</td>
</tr>
<tr>
<td>Dianne</td>
<td>Group of 5</td>
<td>Senior Assoc. AD</td>
<td>Development</td>
<td>4 years</td>
</tr>
<tr>
<td>Dominick</td>
<td>Power 5</td>
<td>Associate AD</td>
<td>Development</td>
<td>18 years</td>
</tr>
<tr>
<td>Duane</td>
<td>Power 5</td>
<td>Senior Assoc. AD</td>
<td>Development</td>
<td>20 years</td>
</tr>
<tr>
<td>Eleanor</td>
<td>Power 5</td>
<td>Executive Assoc. AD</td>
<td>External Operations</td>
<td>18 years</td>
</tr>
<tr>
<td>Emily</td>
<td>Group of 5</td>
<td>Senior Assoc. AD</td>
<td>External Operations</td>
<td>39 years</td>
</tr>
<tr>
<td>Evan</td>
<td>Power 5</td>
<td>Deputy AD</td>
<td>External Operations</td>
<td>24 years</td>
</tr>
<tr>
<td>Mario</td>
<td>Power 5</td>
<td>Director</td>
<td>Marketing</td>
<td>4 years</td>
</tr>
<tr>
<td>Mason</td>
<td>Group of 5</td>
<td>Associate AD</td>
<td>Marketing &amp; Ticketing</td>
<td>10 years</td>
</tr>
<tr>
<td>Michael</td>
<td>Group of 5</td>
<td>Associate AD</td>
<td>Marketing &amp; Ticketing</td>
<td>10 years</td>
</tr>
<tr>
<td>Monte</td>
<td>Power 5</td>
<td>Senior Assoc. AD</td>
<td>Marketing</td>
<td>5 years</td>
</tr>
<tr>
<td>Thomas</td>
<td>Group of 5</td>
<td>Assistant AD</td>
<td>Ticketing</td>
<td>4 years</td>
</tr>
<tr>
<td>Timothy</td>
<td>Power 5</td>
<td>Assistant AD</td>
<td>Ticketing</td>
<td>10 years</td>
</tr>
<tr>
<td>Travis</td>
<td>Power 5</td>
<td>Associate AD</td>
<td>Ticketing</td>
<td>35 years</td>
</tr>
</tbody>
</table>
APPENDIX E

Collegiate Ticket Pricing Process

Figure 1. Collegiate Ticket Pricing Process
VITA
Craig A. Morehead

Department of Study
Old Dominion University
Department of Human Movement Sciences
Student Recreation Center
Norfolk, VA 23529

Education
May 2016    Doctor of Philosophy, Education – Human Movement Science
            Old Dominion University – Norfolk, VA
August 2007  Master of Science, Recreation and Sport Administration
            Western Kentucky University – Bowling Green, KY
May 2005     Bachelor of Arts, Mass Communication
            Western Kentucky University – Bowling Green, KY

Publications