

Ticket Pricing Case Study

Objectives. A large Division-1 NCAA Football program was interested in increasing the attendance and profitability of its home games. In this engagement we sought to understand the drivers of customer demand by examining past attendance data and searching for ways to improve the fan experience, and, accordingly, the ticket prices.

Challenges & Methodologies. Predicting demand is particularly difficult in sports, as some factors which affect the decision to attend cannot be controlled. Care must be taken in examining past season data to investigate demand patterns, as ticket sales vary dramatically by game and season, even if pricing does not change. Moreover, altering ticket pricing presents public relations issues, which are compounded when a team has a loyal fan base who are unaccustomed to ticket price fluctuations.

To determine the price elasticities of various fan segments, and to test which controllable and non-controllable factors affect game demand, we employed multivariate analytical techniques using several seasons of historical data. To find ways to “improve” the price and to increase each tier’s willingness to pay, we surveyed fans and potential consumers and performed conjoint analysis to better understand the trade-offs consumers make in their decision to attend.

Pricing elasticities were described so as to provide an understanding of the attendance impacts by consumer segment. A description of the different attributes of fans’ willingness to pay for tickets depending on various new offerings, by pricing tier and various demographic characteristics, was developed to assess where to focus resources in the efforts to enhance the fan experience.

Outcomes. Based on our analysis, a new pricing system was implemented the following season. Recommendations were made to alter pricing across games and tiers based on the quality of the opponent and perceived rivalry. Further, our analysis informed the Program of the relative importance of various amenities offered in the current stadium. The information will be leveraged in the budgeting and scheduling of the planned facility upgrades, as well as for the imminent construction of a new facility.