



IMPROVING YOUR VENUE'S YIELD BY EMPHASIZING VALUE

Yield management is key to accurately valuing your brand and maximizing revenue.



THE ASPIRE GROUP



INTRODUCTION

The past 19 months have been some of the most disruptive in the history of sport, but they have also reminded us just how valuable a live event can be. Early in the COVID-19 pandemic, nearly one in six American adults reported live events as the outing they missed most, more than double the number who longed for their weekly happy hours¹. Despite fans telling us time and again that they value live experiences, properties are reluctant to revise ticket prices for fear of angering their buyers. This stagnant approach to pricing leads to chronically undervalued inventory and lost incremental revenue. Properties who neglect to analyze pricing regularly even see more empty seats in their venues as they fail to identify a market appropriate price floor. Worst of all, this business as usual approach reinforces the misconception that price and value are synonymous.

Surveys consistently show fans' top attendance considerations to be: **Convenience/Social Value, Team Success, and Price**. Conferences, leagues, and multi-media rights holders control the scheduling calendar and wins are an expensive and slowly achieved prize. This leaves athletic properties to try and fill their venues by pulling on the only remaining lever: **Price**. Approaching the ticket pricing process with a mindset of gameday experience and total **value** perception not only helps the bottom line, but makes attendance more affordable for fans sitting outside of the most in demand sections. Giving families, groups, and younger fans cost effective ticket options will fill your venue and your sales pipeline, creating an atmosphere that fans will want to revisit and generating considerable ancillary parking, concessions, and merchandise revenue.

¹ [Nielsen: COVID-19 Impact Study](#)



Changing ticket prices is not easy and will come with objections:

"If we raise prices, we'll lose fans"

You can't cut your way to prosperity. Decreasing prices or instituting special discounts displays a lack of brand value and will upset your most loyal fans locked into long-term packages. Evaluating pricing does not equal raising all prices. A perennial men's hockey powerhouse recently turned to an outsourced partner to manage a full repricing study. Following new price implementation, this school is expected to see ~\$125K (+7%) in incremental season ticket and half season ticket revenue lift in year one with overall average ticket prices down -2%.



Sports properties often overstate their fans' elasticity of price demand. Studies by a leader in the outsourced ticket sales industry found that price shifts played a part in <12% of lapsed attendees to a Group of 5 football program and only one in four lapsed basketball attendees in a study across several D1 institutions. Sports fans, particularly more loyal season ticket holders, exhibit relatively inelastic demand, meaning an X% increase in their ticket price will drive ticket sales declines of <X%, much less in most cases. Dedicated fans who donate to athletic funds and buy premium inventory in your venue are even more likely to exhibit very inelastic demand curves and won't be deterred by modest price increases.

"Our quality of play doesn't warrant price increases"

Across schools and sports, fans consistently indicate socializing, team traditions, and convenience of start times as primary attendance drivers. Success in the win-loss column does correlate with ticket sales figures, but fans derive value from events regardless of the outcome. Drawing a parallel to remote consumption, a fan would never call their cable provider demanding a discount if their alma mater lost an annual rivalry game.

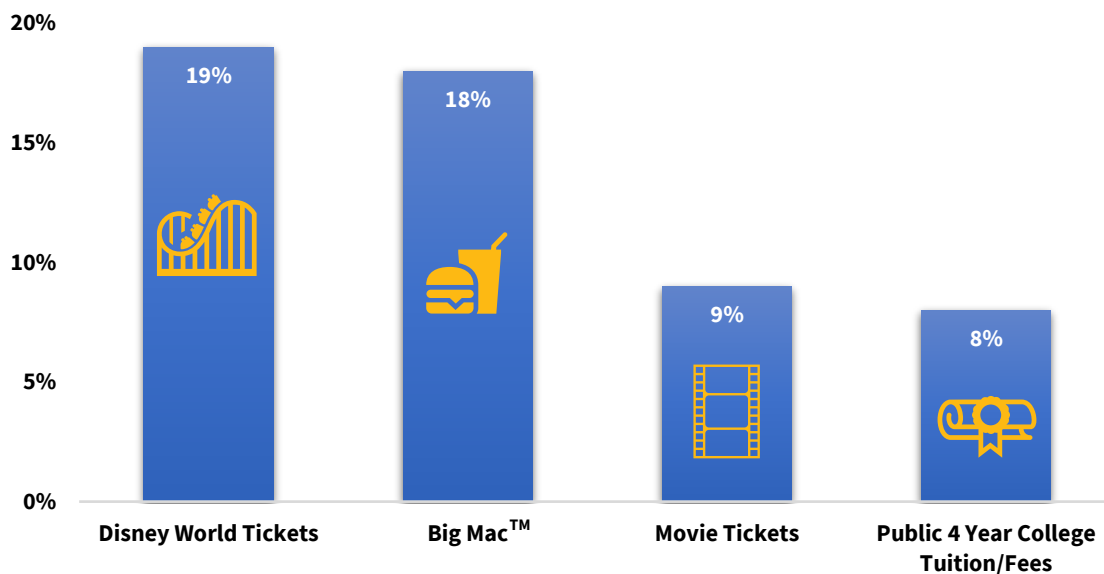


You cannot regain the incremental revenue you give up by delaying price evaluation due to poor performance. Waiting until your team is successful to change prices will mean missing out on years of incremental revenue and will not garner any goodwill from fans who remained loyal during down years. Teams who take this approach often alienate their most loyal buyers by exposing their team to negative “bandwagon” branding.

"Fans are used to the price they're paying"

What is your pricing reevaluation process? Have you reevaluated pricing in the past 5 years? 10 years? The average price of a movie ticket in the U.S. is +9% since 2015²; Disney World single day entrance cost +19%³; a Big Mac +18%⁴; 4-year College/University tuition and fees up >8%⁵. U.S. consumers have seen 15% cumulative inflation since 2015 and 25% since 2010⁶. Have your ticket prices kept up? What about your tickets on secondary markets?

Average Annual Price Increase (Since 2015)



A fan who may be *used* to paying a certain price for a ticket could see that price come down if optimal pricing is implemented. Fans who are resigned to watching from home due to an inefficiently high price floor could be given the chance to attend once dynamic pricing is in place.

The total cost, and value, of game attendance has not held flat. Pricing of ancillary products, like concessions and parking has increased as have fans' benefits. Market these value increases and use them to justify a fair price. Knowing your fans may be paying much more to see your team compete on the road against schools who reevaluate prices regularly should be a thorn in your property's side.

² [National Association of Theater Owners](#)

³ [All Ears](#)

⁴ [Big Mac Index](#)

⁵ [College Board](#)

⁶ [Bureau of Labor Statistics CPI](#)

CONCLUSION

Too often, athletic properties neglect the conversation on ticket pricing, using the “bogeyman” of an upset fan to delay the process. It is much more beneficial to approach the conversation with a focus on total experience valuation, in-market entertainment comparisons, and dynamic price and package setting. By turning to an outsourced partner to manage this strategic initiative, properties tap into an objective opinion, enhanced analytics, and a wealth of cross-property benchmarking capabilities. Recent applications of this method have driven millions in incremental ticket revenue for college athletics programs, set attendance records at historic golf tournaments, and enabled countless fans to attend their first live events, starting them on their journey to becoming fans for life.



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The Aspire Group is an award-winning sports and entertainment marketing firm that is globally recognized for innovative ticket and sponsorship sales, consulting, and research services. Aspire created the outsourced ticket sales niche, revolutionizing intercollegiate athletics with the first Fan Relationship Management Center (FRMC) at Georgia Tech in 2009. Over the past twelve years, more than 280 collegiate and professional sports properties have trusted Aspire to drive revenue, attendance, and enterprise-value growth through the combination of marketing, strategic consulting, and research services and best-in-industry fan relationship management.