Proceed to Checkout? The Impact of Time in Advanced Ticket Purchase Decisions

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When purchasing tickets in advance, sport spectators are often faced with uncertainty. Most notably, in today’s real-time ticketing environment, it can be challenging for fans to determine how ticket prices and seat availability will change over time. With several options from which to purchase, varying levels of team interest, and multiple market factors related to ticket supply and demand, sport consumers are forced to speculate. Previous research on demand-based pricing in sport has provided evidence that price shifts occur based on both time and availability of tickets (Drayer & Shapiro, 2009; Shapiro & Drayer, in press). However, consumer perceptions of these influences and how they affect purchase decisions within the context of sporting events have not been explored. Thus, guided by the generic advanced-booking decision model (Schwartz, 2000; 2006), this study systematically explored the role of time in an advanced-purchasing setting. In addition, this study examined ticket source (primary or secondary market) and team identification (team*ID) as potential moderators of the advanced sport ticketing process.

The generic advanced-booking decision model (Schwartz, 2000; 2006) was developed and validated in the field of travel and tourism with the particular aim at understanding the process of reserving a hotel room. The extension of this particular theory to the field of sport management, however, is both logical and needed (Gibson, 1998). First, several similarities exist in the experiences of sport spectators and tourists with respect to product and service consumption. Second, purchasing a ticket or reserving a room in advance have similar uncertainties related to availability as consumers are often left with limited information about alternatives. Given the direct relationship between a consumer’s advanced purchasing behavior and an organization’s pricing decisions, it is believed that a more comprehensive understanding of the consumer decision making process in an advanced-sales setting will aid sport organizations in implementing more effective pricing and revenue management tactics.

A Philadelphia Flyers’ home game against the Montreal Canadiens (professional hockey) was chosen as the context for the investigation. Over 2,300 Philadelphia area sports fans were surveyed electronically via three date-specific email blasts prior to a March 24th game. Subjects who agreed to participate were randomly provided one of two written, imaged-enhanced scenarios: (1) an opportunity to purchase a ticket from the Flyers website, or (2) an opportunity to purchase the same ticket from StubHub.com, the largest secondary ticket market website. This established one of the two potential moderating variables (ticket source). The other moderating variable, team*ID, was assessed via Robinson and Trail’s (2005) three-item team attachment factor. The independent variable was time, specifically the number of days before the hockey game. Three levels were chosen (6, 13, & 19 days prior to the game) based on previous travel research (Chen & Schwartz, 2008) and secondary sales volume data provided by StubHub.com. Participants were randomly assigned to each of the three treatments and solicited via email accordingly. For example, individuals randomly assigned to day 19 were emailed on March 6th. Established by the generic advanced-booking decision model, the dependent variables were the probability that a discounted price will be offered in the future (Expected Lower Rate) and the probability the game will sell out (Expected Ticket Availability).

A multivariate analysis of variance (MANOVA) was conducted to determine the overall differences in the mean likelihoods between groups. Two 3x2x2 factorial analyses of variance (ANOVA) were then conducted to determine if there were any differences in the mean assessments for each treatment. The main effect and interaction effect results were analyzed to interpret the impact of time, ticket source, and team*ID independently and as potential moderators. A post hoc test (Tukey) was also conducted to see which time treatment differed from the others.

A total 514 respondents fully completed the survey, yet only 389 completed on the day the email was received resulting in a response rate of 16.9%. The results suggest that as time before the event decreased, a consumer’s estimation of ticket availability and finding a lower ticket price increased significantly. In addition, respondents...
provided with the secondary ticket source (StubHub) had a higher estimation of ticket availability and finding a lower ticket price than those presented with the primary source (Flyers' website) scenario. Respondents with a higher level of team*ID also had higher estimations for both dependent variables than the respondents with a lower level attachment to the Flyers. Only one hypothesized moderating relationship was confirmed (ticket source x time) with regard to both dependent variables. The other moderating relationships were not found to be statistically significant.

With respect to previous applications of the generic advanced-booking decision model, the results confirm the impact of time as an influential variable within the consumer decision process, as statistically significant differences existed with respect to consumer probability over time (Chen & Schwartz, 2008a; 2008b). The findings were also consistent with previous sport literature stating the effect of time on price, which has focused on consumer demand for tickets (Moe, Fader, & Kahn, 2011; Shapiro & Drayer, in press). The current findings support the impact of time in terms of the consumer's perception of price and availability, suggesting a global influence from both the organization and consumer perspective.

The distinct impact of ticket source as both a main effect and moderating effect on a consumer's perception of price and availability is a finding new to both the tourism and sport literature. Statistically significant differences in consumer probabilities by ticket source were present. Similarly, the differences between the primary source-participants expanded as time before the game decreased, as the respondents with the primary source scenario felt less likely to find lower priced tickets and less likely the seats would remain available.

From a practitioner's perspective, the results related to time and advanced purchases are vital especially with the supreme importance of advanced sales for revenue management (Hendrickson, 2012). For instance, there are practical considerations related to time and market segmentation. Target markets are typically segmented based on simple descriptors such as gender, age, geography, and frequency of purchase. However, one the most unique features of real-time pricing in sport (dynamic ticket pricing) is that it allows the seller to consider changes in consumer demand over time. In previous research, time has been an important factor in predicting final sale prices (Drayer & Shapiro, 2009; Moe et al., 2011). The results of the current study indicate that, similar to the tourism and hospitality industries, sport marketers may be able to segment consumers based on time. In addition, the findings suggest greater uncertainty exists the earlier the ticket sales pitch occurs. Sport marketers may be able to capitalize on this sense of urgency and continue to push customers to purchase tickets well in advance of an event.