

# AN EXAMINATION OF THE ROLE OF SOURCE IN THE CONSUMER DECISION MAKING PROCESS

Joris Drayer, Stephen L. Shapiro, Brendan Dwyer – Temple University, Old Dominion University, Virginia Commonwealth University  
[jdrayer@temple.edu](mailto:jdrayer@temple.edu)

Consumers may purchase sport event tickets from either a primary or secondary market. In the primary market, there is a single seller (i.e., the league, team, or event promoter) while in the secondary market, consumers may choose from a variety of sellers, though a few companies dominate the industry (StubHub, Viagogo, and Ticketmaster). Drayer (2011) suggested that consumers are ultimately indifferent about the source of tickets as both sellers sell the same product. However, in an environment where primary and secondary sources vary considerably in terms of consumers' knowledge and perceptions, this may be debated. Subsequently, the purpose of the current study was: (1) to test a consumer decision making model within the context of sport tickets, and (2) to test the moderating impact of ticket source within that model.

While the primary market is an accepted distribution channel, the secondary market maintains a flawed reputation with consumers and the media. These negative experiences and perceptions may affect how consumers perceive the fairness of a transaction. These fairness assessments are a critical component of the consumer decision making process as factors affecting the perceived fairness of a transaction are likely to have a significant impact on behaviors (Kahneman, Knetsch, & Thaler, 1986; Xia, Monroe, & Cox, 2004). However, the research shows that familiarity with the seller may mitigate perceptions of unfairness (Wirtz & Kimes, 2007) as will higher levels of the perceived quality and value of the product or service being sold (Oh, 2000).

Ultimately, each transaction involves an individual's assessment of a wide variety of characteristics that affect the consumer decision making process. These characteristics have been widely documented by Xia et al. (2004), Kahneman et al. (1986), Oh (2000), and others. Among the factors that could impact consumers' perceptions is their relationship with the seller, which may be of considerable interest in the sport ticket market given the differing perceptions of primary and secondary sellers. In the current study, we empirically examine the effect of this relationship in the context of sport tickets.

Following email survey protocol, over 2,300 Philadelphia sports fans were contacted. Respondents were randomly assigned into one of two unique scenarios in which they were presented with the option to buy tickets to a Philadelphia Flyers' hockey game. The core elements of the product (game and seat location) and price did not change; however, according to one scenario, the tickets were available through StubHub and the other scenario offered tickets directly from the Flyers' website. The survey also asked about participants' attitudes including familiarity with ticket sellers, fairness perceptions, affinity for the team and the sport of hockey, and perceived value of the ticket. Finally, participants were asked about their behavioral intentions including purchase intention and search intention. Each attitudinal and behavioral instrument selected was examined for reliability and validity-related evidence.

Based on the scenarios provided and the interactions between the attitudinal and behavioral intention constructs, a multiple group Structural Equation Model analysis was performed to test the model and the impact of ticket source. The models were tested with standardized coefficients obtained from a Satorra-Bentler maximum likelihood method of estimation. To determine the model fit, the chi-square test statistic, the comparative fit index (CFI), the Tucker-Lewis fit index (TLI), and the root-mean-square error of approximation (RMSEA) were all interpreted. Model comparison was facilitated by positing a nested ordering of models (measurement invariance [MI]) where the parameter estimates for a more restrictive model (more parsimonious) were a proper subset of those in a less restrictive model.

The unconstrained omnibus model resulted in an excellent fit to data with  $\chi^2(20)=29.538$ ,  $p=.078$ ; RMSEA =.030; TLI=.983; CFI=.992. However, a few hypothesized predictor relationships were not statistically significant such as the impact of Familiarity on Fairness, Fairness on Search Intention, and Familiarity on Value. Further, the eight-step MI results suggest ticket source has a moderating impact on the consumer decision making framework as a significant change in the chi-squared was determined at the scalar invariance level. Ticket source differences were determined between Familiarity and Value and Value and Search Intentions. Specifically, it appears that as familiarity with the ticket market increases, the perceived value of the ticket decreases for those provided the Primary Market scenario but not for those given the Secondary Market scenario. Similarly, as one's perceived value of the ticket increases, their intention to search for alternative offers increases for the Primary Market, but not the Secondary Market.

The proposed model, details regarding each of the hypothesized relationships, and implications for research and practice will be presented.

## References

- Drayer, J. (2011). Making a case for the integration of primary and secondary ticket markets. *International Journal of Sport Marketing and Sponsorship*, 12(3).
- Kahneman, D., Knetsch, J. L., and Thaler, R. (1986). Fairness as a constraint on profit seeking: Entitlements in the market. *The American Economic Review*, 76(4).

- Oh, H. (2000). The effect of brand class, brand awareness, and price on customer value and behavioral intentions. *Journal of Hospitality & Tourism Research*, 24(2).
- Wirtz, J. and Kimes, S. E. (2007). The moderating role of familiarity in fairness perceptions of revenue management pricing. *Journal of Service Research*, 9(3).
- Xia, L., Monroe, K. B., and Cox, J. L. (2004). The price is unfair: A conceptual framework of price fairness perceptions. *Journal of Marketing*, 68(4).