

SEASON TICKETS IN PROFESSIONAL SPORT –AN EMPIRICAL ANALYSIS OF RIGHTS AND DISCOUNTS IN GERMAN FOOTBALL AND BASKETBALL

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Aim of abstract

Season tickets are a main source of revenue in professional sports (Fried, Shapiro & DeShriver, 2008). In the First and Second German Football *Bundesliga* 55 percent of total tickets sales are season tickets. In German basketball the clubs have sold 35,355 season tickets this season. For sports clubs, season tickets have a financial and a risk policy advantage (Huth, 2012). Independent of the prospective sporting success, clubs can realize revenues already before the new season starts. However, clubs give season ticket holders a risk premium in form of a season ticket discount. For example, in the First German Football Bundesliga the average discount amounts to 27 percent for the so-called normal payer without special student, pensioners or member discount. German football club Bayern Munich even allows an average discount of 46 percent. Considering one entire season, the allowed discount leads to shortfalls in receipts of EUR 2 million for an average first league German football club (Huth, 2012).

The aim of this comparative study is to detect from a financial point of view to what extent season ticket discounts play a decisive role for season ticket holders in the German football and basketball league. In this context, the research question is whether only the season ticket discount matters or whether other season ticket rights are also or even more important for season ticket holders. So, sports clubs offer further monetary and non-monetary advantages such as the right of preemption for special matches (e.g., German FA Cup, UEFA Competitions), of special discounts in the fan shop or of the transferability of the season ticket to another person.

Literature review

Previous research of Beccarini & Ferrand (2006) as well as McDonald, Karg & Vocino (2013) focuses on season ticket holder satisfaction. Taking the case of French club Olympique Lyonnais, Beccarini & Ferrand (2006) show that club image and motives but also financial advantages lead to higher satisfaction among season ticket holders. Results of the latter survey study indicate that five key constructs – service, home ground, on-field performance, club administration, and personal involvement – influence the satisfaction of season ticket holders.

Methodology, discussion and data analysis

For the present study, a standardized questionnaire comprising four major parts was developed. At the

beginning, participants were asked about their personal reasons of holding (or not) a season ticket. The following part analyses whether season ticket holders know about their rights and advantages included in the ticket. The third part – the focus of the study – asked participants to evaluate season ticket rights on their subjective judgment (5-point Likert scales). The questionnaire closed with socio-demographic questions.

In total, N=1,295 football and basketball fans participated in the online survey. 898 of which actually held a season ticket, 163 had one in the past and 234 have never bought a season ticket so far. The distribution of respondents over the three analyzed leagues is approximately uniform (First Football Bundesliga with a share of 27 percent, Second Football Bundesliga with 38 percent and Beko Basketball Bundesliga 35 percent). Thus, the comparative approach of this study is also reflected in the sampling.

Results, discussion and implications

First results of the data analysis indicate a certain preference of season ticket holders for discounts. Nevertheless, other non-monetary rights and advantages are even more relevant. Higher rated are (1) the guaranty to see all matches live in the stadium, (2) the right of preemption for special matches, (3) the option of repurchase for the next season as well as (4) the bundling of matches, i.e., the convenience to buy one season ticket instead of seventeen match-day tickets (lower transaction costs). Further monetary advantages such as discounts in the fan shop or a special price for the stadium magazine play an inferior role for season ticket holders.

The findings clearly show that not only the allowed season ticket discount is relevant for season ticket holders. Given a utilization of the stadium capacity at nearly 90 percent in the First Football Bundesliga as well as 85 percent in the Beko Basketball Bundesliga, it has to be strongly recommended that sports clubs intensively advise season ticket holders of the non-monetary rights. Consequently, the season ticket discounts ought to be reduced cautiously and stepwise – in particular for normal payers – in order to generate higher match-day revenues in the medium- and long-term.

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