

How Use Context Influences Willingness To Pay For Sport Tickets — An Adaptive Choice-Based Conjoint Analysis In German Football

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Aim of abstract

In order to optimize ticket revenues, professional sport clubs often use variable ticket pricing (more common in Europe) or dynamic ticket pricing strategies (common in the United States). Both of them consider different factors to adjust prices. These factors are mostly based on historical data and focus in particular on attributes of products or services. However, social interaction between spectators is also important for sport event attendance. Hence, we define accompanying persons as a specific context among others leading to social interaction between the regarded spectators and their accompanying persons. In fact, preferences and willingness to pay (WTP) depend on the context (Horbel, Popp, Woratschek, & Wilson, 2016). Therefore, our research contributes to existing analyses.

As the first in sport management literature we examine the impact of use context on WTP for sports event tickets. We address the following research questions:

1. How relevant is use context to the spectators' preferences of sport event tickets?
2. What is the additional willingness to pay for use context, especially for the opportunity to take accompanying persons along the sport event?
3. Which spectator clusters have higher or lower preferences for accompanying persons?

Theoretical background and literature review

In our research, we focus on the role of context within preferences for sport event tickets. According to Haley (1968), demographic or psychographic segmentation is not appropriate to describe clearly heterogeneous preferences of spectators. Benefit segmentation by means of decompositional methods, like conjoint analysis, are very popular in preference measurement. Preference research in marketing and sport management literature mostly deal with context-independent attributes.

However, there is a consensus, not only in marketing literature, that context is an important factor of outcome. In addition, Uhrich and Benkenstein (2010), show that interactions with other spectators at sport events are one of the most important determinants of the emotional experience.

Swait et al. (2002) assume that a linear function with true preferences (P) and measurement error (ϵ) represents observed response (B): $B = P + \epsilon$. By including context into this function, measurement error will be divided into a context-dependent (Ω) and a context independent (η) component, thus: $B = P + \Omega + \eta$. Vargo, Lusch, Archpru Akaka, and He (2010) stated, that value-in-context depends on resource integration as well as the use context. In this research we operationalize use context by different situations of accompanying persons for spectators at a sport event.

Methodology, research design, and data analysis

The study included three stages. First, we conduct desk research in order to find the relevant attributes for ticket decisions. Based on previous research our survey focuses on four attributes: "seat category", "opposing team", "accompanying persons", and "price". We do not take into account other variables due to information overload. In the second stage, we conducted qualitative preliminary studies to identify five levels of the named attributes. On one hand, we asked spectators to cluster opposing teams into six clusters consisting of the characteristics "derby" (yes/no) and "playing strength" (favourite/equally/underdog). On the other hand, we asked spectators about the number and type of accompanying persons, they used to go to the sport event. The final stage, the main data collection took place on four home games of one German football club by using a quota sample based on gender and age. We apply adaptive choice-based conjoint analysis with summed pricing. The survey also included socio-demographic information (age, gender, etc.), and questions about respondent's identification and fan engagement. In total, we collected 435 complete interviews.

Results

An initial pre-study with a student sample suggests that use context has a relevant impact on WTP. In particular, a visit alone has very little utility for the interviewees, whereas visits with different quantity of accompanying persons have much higher utilities. First analyzes of the just completed main study confirm

the presumed results based on the student sample. The relative importance of accompanying persons is 17%. Most important are the attributes seat category and price (30% each).

Furthermore, we derive different spectator clusters with different preferences and different importance of use context within a purchase decision for sport event tickets by applying convergent cluster and ensemble analysis. We derive more precisely different part-worth utilities for different levels of use context, which enables us to estimate WTP of spectators of different clusters for different use contexts and different ticket options. Preferences, depending on the investigated attributes, will characterize the identified clusters. In addition, socio-demographic and psychographic variables will describe the clusters. We also consider possible discrepancies between season ticket holders and owners of single game-day tickets.

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