

EXAMINING THE EFFECTIVENESS OF DIFFERENT TICKET BUNDLING STRATEGIES:
AN EXAMPLE OF THE NATIONAL BASKETBALL ASSOCIATION

by

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(Under the Direction of James J. Zhang)

ABSTRACT

The current study categorized various ticketing strategies using Legarreta and Miguel's (2004) two-dimension model, and investigated how a mixture of characteristics of ticket packages could affect consumers' perceived value, perceived risk, and purchase intentions. A classical multi-step process was carried out in this study to develop a valid measure that included three value constructs (affective benefit, cognitive benefit, and cost) and two risk constructs (performance risk and consumption risk). Eight experiment groups were created under a 2 (associative power) x 2 (interactivity) x 2 (institutions) design. Team identification was incorporated as a covariate. Findings from three-way MANCOVA revealed significant ($p < .05$) differences exist between associative power levels (transactional and relational) and between schools on perceived value, perceived risk, and purchase intentions, but not between interactivity levels. Interactions among the treatment variables were not found to be significant ($p > .05$). Finally, a multiple regression analysis indicated that four of the five perception variables were significant predictors of purchase intention of ticket packages.

INDEX WORDS: Ticket Bundle, Sport Management

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TABLE OF CONTENTS

	Page
LIST OF TABLES	vii
CHAPTER	
1 INTRODUCTION	1
Statement of Problem.....	8
Purpose of Study.....	10
Research Hypotheses	11
Research Delimitations	13
Research Limitations	13
Significance of Study.....	14
2 REVIEW OF LITERATURE	16
Current Challenges in the NBA	16
Bundling Strategies.....	24
Strategic Bundling and Perceived Evaluation.....	26
Socio-demographic Variables.....	39
Psychological Attachment	42
3 METHOD	45
Questionnaire Development.....	45
Research Subjects	51
Experimental Design.....	52

Data Analyses	54
4 RESULTS	56
Tests of Assumptions	56
Descriptive Statistics.....	57
Manipulation and Confounding Check.....	57
Hypotheses Testing.....	58
5 DISCUSSION	76
LIST OF REFERENCES.....	85
APPENDICES	
A Sample of Questionnaire.....	102

LIST OF TABLES

	Page
Table 3-1: Exploratory factor analysis and Descriptive Statistics for Factors.....	55
Table 4-1: Descriptive Statistics for the Demographic Variables	62
Table 4-2: List of Measurement Items and Descriptive Statistics	63
Table 4-3: Zero-order Correlation among Factors.....	65
Table 4-4: Mean Score Difference on Manipulation and Confounding Checks	66
Table 4-5: Univariate Analysis of Variance on Team Identification.....	67
Table 4-6: Factorial MANCOVA on Perceived Value.....	68
Table 4-7: Factorial MANCOVA on Perceived Risk.....	69
Table 4-8: Univariate Analyses with Respect to Institutions.....	70
Table 4-9: Univariate Analyses with Respect to Associative Power.....	71
Table 4-10: Univariate Analyses with Respect to Interactivity	72
Table 4-11: Univariate Analysis of Variance on Purchase Intention	73
Table 4-12: Mean score difference in Purchase Intention	74
Table 4-13: Regression Analysis Examining the Influences of Perception Variables on the Purchase Intention after Controlling for Team Identification.....	75

CHAPTER 1

INTRODUCTION

Attendance is not only a major source of income for professional sport teams, but also a key to their success. National Basketball Association (NBA) teams heavily rely on gate receipts, which is approximately accounting for 30% of total revenues (Badenhausen, Ozanian, & Settimi, 2012). It also directly leads to other sources of income on game days, such as revenues from concessions, printed program sales, parking, and apparel and souvenir sales (Howard & Crompton, 2004; Irwin, Sutton, & McCarthy, 2008). Moreover, when arenas are filled with a jam-packed crowd, fans are easier to find a sense of belonging at the game, standing together in communal support of the home team (Clowes & Clements, 2003). Oppositely, a sparse crowd would diminish the excitement of the game and the appearances would be at a poor attraction to fans and sponsors. These would have indirectly impact on teams' revenues in a long term (Drayer, 2011). For instance, the Indiana Pacers was ranked the 30th in the league, averaging only 13,538 fans per game in the 2010-11 season. Consequently, the Pacers' annual revenue for the season was estimated at \$101 million, which is among the bottom five teams in the NBA (Badenhausen et al., 2012).

Generally speaking, ticket sales in NBA are facing challenges from a wide range of perspectives, such as high ticket prices and tough economic climate (Horrow & Swatek, 2009). Price has always been mentioned as a part of the reason that attendance at NBA is flattened and ticket revenue growth is slowing (Badenhausen & Stanfl, 2000). As global economies are facing

unprecedented crises in recent years, it has been even more difficult for NBA teams to sell tickets. Fluctuating gas prices, inflation and deflation, soaring unemployment rates, and other financial tribulations have been tough for teams and fans economically (Grewal et al., 2010). Since 2009, attendance figures are down almost across the board in professional sports, indicating that fans are less likely spending money to attend sporting events. These factors reinforce the need for team marketers to manage and coordinate their pricing policies strategically (Grewal et al., 2010). Teams have to put more efforts and come up with special offers to attract the fans and keep them happy (Horrow & Swatek, 2009). According to Team Marketing Report's Fan Cost Index (FCI), the average ticket price to a NBA game fell 2.8%, to \$48.90 in the 2009-10 season. This was the first time ticket prices have fallen in NBA since the 2001-2002 season. Nevertheless, this number dropped again. For the second season in a row, average NBA ticket decreased by 2.3% to \$47.66 in the 2010-11 season (Team Marketing Report, 2011).

NBA teams are forced to be more innovative in pricing and promotional strategies in an effort to attract more customers and add value to the fan experience (Horrow & Swatek, 2009; Howard & Crompton, 2004; Johnson, 2009). For instance, in Atlanta fans can pay \$89 and get four Hawks tickets with four Chick-fil-A combo meals; the New Jersey Nets Kids Country plan let fans buy one adult ticket and get one kid's ticket for free; the Detroit Pistons offers 4-Pack Fridays that sell four 200-level tickets for \$44 or four 100-level tickets for \$94; Milwaukee Bucks' Miller Lite Guys Night Out includes two tickets, two beers, two Miller Lite pilsner glasses, and post-game greet with dance team (Team Marketing Report, 2010, 2011). Fans are seeing more and more creative ticket packages offered by NBA teams that often combine a ticket

to a game/event, a unique experience, and a discount on concessions. As consumers remain price-conscious during the faltering economy, this ticket bundling practice may be the best option to keep fans in the seats.

Among various innovative ticket packaging strategies, mini packs (or partial season ticket plans) that sell several (4 to 12) games together is the most important marketing technique perceived by NBA marketing directors (Dick & Turner, 2007). Unlike aforementioned packages that are focusing on promoting single games, mini packs allow teams to package high-demand games together with low-demand games to increase overall ticket sales (Howard & Crompton, 2004). Although teams would rather sell full- and half-season packages, the cost of purchasing full-season ticket packages to attend major league sporting events has required an ever-increasing financial commitment. Average full-season NBA ticket package would cost more than \$2,000, which is a significant investment for a regular American family (Howard & Crompton, 2004). This has forced teams to start creating more flexible and affordable ticket plan alternatives for fans. In their study of pricing practices in major league sports, Clowes and Clements (2003) sampled totally 18 clubs and reported that eight of them used the term "price bundling" offering two or three games tickets together for a special price. In recent years, all the 30 NBA teams have created their own "mini-plan" packages in different forms.

Another noticeable, new ticketing initiative that NBA teams have started to implement is the "Loaded Tickets" or Value Added Ticketing.' The basic concept of this new approach is similar to the widely used gift-card practice in retailing operation. A loaded ticket that has a certain amount of money preloaded would allow fans get into the game, enjoy food and beverage, and buy team merchandise without bringing their wallet. A new technology called STADIS that

integrates a team's existing retail, food and beverage, ticketing, parking, suites, and additional systems through one centralized database have been widely adopted in the four major professional sport leagues since 2004. The Philadelphia 76ers and the Denver Nuggets are the first two teams in the NBA to adopt it (STADIS, 2012). Under this technology, each loaded ticket holder will have his/her own account. This account does not only enable the fan to load more money into it, but also allows the team to access a fan's information and interact with him/her. For example, a team can have an in-game promotion for a partnership sponsor. If the team scores 100 plus points during a game, every fan with a store-value ticket will receive \$5 of value into their account that be spent throughout the stadium/arena.

The sport industry is a growing, vibrant industry that is constantly working with the newest technologies to enhance the fan experience and increase revenues. In tough economic times, it is vital for teams to continue to be innovative in order to sell ticket inventory, sponsorships, and merchandise. A decade ago, ticketing strategies like mini packs or loaded tickets were still a rare phenomenon in the league. By the 2011-12 season, all of the 30 NBA teams have created some "mini-plan" packages of various forms. As teams are consistently trying to add value to the fan experience, fans are often seeking the best deals to see their favorite teams and players. It has then become an important task for team marketers to figure out how fans evaluate the value of each product. If teams can continue to reduce the marginal difference between the value being perceived and the value being added, fans are more likely to come to the game and enjoy the game-day experience.

Recognizing the critical role of ticket sales and attendance to professional sports events, an extensive amount of studies has been conducted, with an attempt to identify those variables

that may attract and retain spectator attendance. These studies on game attendance have primarily focused on those market demand variables affecting spectators' decision-making process for attending a game (Trail & James, 2001). Researchers (Greenstein & Marcum, 1981; Hansen & Gauthier, 1989; Schofield, 1983; Zhang, Pease, Hui, & Michaud, 1995) have generally grouped variables affecting spectator decision making on game attendance into the following categories: game attractiveness (e.g., individual skills, team records, league standing, record-breaking performance, closeness of competition, special events, entertainment, and team history in a community), economics (e.g., ticket price, promotions, income, substitute forms of entertainment, television effect, and competition of other sport events), audience preference (e.g., schedule, convenience, accommodation, weather, and stadium quality), and socio-demographics (e.g., gender, age, ethnicity, community size, and income). Of these factors, many have been reported to be positively related to attendance, such as income (Baade & Tiehen, 1990; Pan, Zhu, Gabert, & Brown, 1999), population or community size (Baade & Tiehen, 1990; Bruhink & Eaton, 1996; Robinson & DeSchriver, 2003), facility attributes (Bruhink & Eaton, 1996; Coffin, 1996; Roy, 2008; Wakefield & Sloan, 1995), team performance (Davis, 2009; McDonald & Rascher, 2000; Zhang et al., 1995; Zhang, Lam, Bennett, & Connaughton, 2003), schedule convenience (Marcum & Greenstein, 1985; McDonald & Rascher, 2000; Zhang et al., 1995), star player (Baade & Tiehen, 1990; Rivers & DeSchriver, 2002; Schurr, Wittig, Ruble, & Ellen, 1987), and game promotions (Boyd, & Krehbiel, 2006; Gifis & Sommers, 2006; Marcum & Greenstein, 1985; McDonald & Rascher, 2000); whereas, other factors have been found to be negatively related to game attendance, such as ticket price (Donihue, Findlay, & Newberry, 2008;

Zhang, Smith, Pease, & Jambor, 1997), team roster turnover (Kahane & Shmanske, 1997), and alternative sport/entertainment options (Armstrong, 1999; Zhang et al., 1997).

However, a comprehensive review of literature reveals that to date, no study has been conducted to examine how sport fans perceive and evaluate various ticketing package and how different ticketing strategies would influence the consumer decision making process when considering buying tickets. In other industrial settings, such as retail and service industry, bundling is a marketing strategy that has become increasingly popular. Retailers often combine a number of products or components together and sell them at a set price as a bundle. This is a practice that is of an exactly same concept utilized by NBA teams to create various ticketing packages. Such a marketing strategy has been reported to benefit both retailers and consumers in multiple ways. For instance, bundling can be used as a competitive strategy for retailers to increase demand for products (Monroe, 1990), build new markets for old products (Ovans, 1997), and enhance a market position for the company (Lawless, 1991). Bundling of services can also offer consumer monetary savings (Yadav & Monroe, 1993; Estelami, 1999), and reduce their time and effort when searching for a product and its related services (Moriarty & Kosnik, 1989). Existing bundling studies have been conducted, mainly from a normative perspective and with a particular focus on optimal pricing (e.g., Gultinan, 1987; Mulhern & Leone, 1991). Other studies have investigated consumer evaluation of bundles. Most of these studies focused on the processes underlying bundle evaluations and/or on perception of price (Johnson et al., 1999; Simonin & Ruth, 1995; Yadav & Monroe, 1993). Findings of these research works suggest that bundling can decrease price sensitivity and increase purchase likelihood.

Legarreta and Miguel (2004) categorized bundling strategies with two dimensions: (a) the associative power of bundling (whether transactional or relational) and (b) the interactivity of bundling (whether predefined or customized). The transactional bundle focuses on sales and deals, for example, offering a discount for a five tickets bundle; whereas, the relational price bundle tries to build an extended period of time to form relationship with consumers in a way of making customers to prepay a certain amount of money for future use. Predefined price bundle means the benefits of the bundle is fixed and designed by the retailer, while customized price bundle allows customers to have multiple options. To a great extent, characteristics of innovative ticketing strategies that are currently adopted by NBA teams are well represented by this two-dimension model. Adopting this categorization mechanism, it is viable to investigate what properties of a ticketing package are more valuable than other, and how fans evaluate various bundling strategies. In the current study, an attempt was made to categorize ticketing strategies by using Legarreta and Miguel's (2004) two-dimension model, and investigate how various characteristics of ticket packages could affect consumer perceptions and purchase intentions. Also, as aforementioned, some socio-demographic variables could potentially influence consumers' evaluation on products and in turn affect sport consumption behavior (Baade & Tiehen, 1990; Bird, 1982; Siegfried & Eisenberg, 1980). Same experiments would be conducted in two different universities that represent different locations and different distance from where the events take place. By incorporate this third independent variable, an intention was made to explore potential factors that could have impacts on consumers' perceptions, and this would make the current study a 2 (associative power) x 2 (interactivity) x 2 (institution) experiment. Specifically, this study was designed to examine the effectiveness of different ticket packaging

strategies on consumer perceived value, perceived risk, and purchase intentions and investigate the relationship among these measures. While the purpose here was to examine and compare differences across the eight experimental groups, participants' level of team identification would also be measured and controlled as a covariate throughout the analyses. Team identification was suggested to be an important antecedent of consumers' purchase intention of team-related products (Fisher & Wakefield, 1998; Laverie & Arnett, 2000; Pease & Zhang, 2001; Trail et al., 2003; Zhang et al., 2001). Controlling for participants' level of team identification would help to reduce potential bias on the outcome of dependent variables in this study

Statement of Problem

Sport industrial segments have used bundling strategies to help promote ticket sales, mainly full-season tickets and half-season tickets. However, as ticket prices have increased over the past decade, the cost of purchasing full-season ticket packages to attend major league sporting events has required an ever-increasing financial commitment. For a NBA season, a full-season NBA ticket package would cost well above \$2,000 on average, which is a significant investment for a regular American family (Howard & Crompton, 2004). This has forced teams to start creating more flexible and affordable ticket plan alternatives for fans, such as Sunday Pack (Sunday games) or Game Day Pack (Day games). In their study of pricing practices in major league sports, Clowes and Clements (2003) sampled 18 professional sport clubs and reported that eight of them used the term "price bundling" to offer two or three games tickets together for a special price. Today, all the 30 NBA teams have created some "mini-plan" packages of different bundled ingredients.

Although teams would rather sell full- and half-season packages, it has become evident that many fans look for more flexible ticketing options. Team marketers are forced to split full-season tickets into all kinds of partial plans to accommodate consumers who could not afford the full package or who are unable to attend many of the games (Clowes & Clements, 2003). This approach is actually an application of the third degree price discrimination concept in economics, which suggests dividing consumers into clusters with different elasticity of demand and selling prices (Loomis & Walsh, 1997). As Howard and Crompton (2004) suggested, the third degree price discrimination concept would fit well with major league sports spectators markets. Reasons are that professional sport teams have the marketing power to have their own pricing strategies, the divided sub-markets do have different elasticity of demand (e.g., prices, opponent teams, dates), and the transfer among customers in different sub-markets are likely to be low. By this token, the future of ticket sales rely on the success of creating ticket packages with consumer perceived value heightened to attract consumers.

How do consumers perceive and evaluate different properties in various ticketing strategies? How would these perceptions affect consumer decision making process? These questions remain unknown. No previous studies were found that have investigated the effectiveness of different ticketing strategies, particularly in the NBA setting. Information related to these issues is in imperious demands for team marketers as their goals are to reduce the gap between the value they intend to add into a ticket package and the value being perceived by consumers.

Purpose of Study

The purpose of this study was to examine the effectiveness of various ticketing strategies that are contemporarily used by teams in the NBA. The two-dimension (i.e., 2 x 2) model postulated by Legarreta and Miguel (2004) was adopted to classify different ticketing strategies into the following four categories: (a) transactional, predefined bundling, in which case teams create various mini or partial ticket plans to sell several games (usually 4 to 12) together; (b) transactional, customized bundling, in which case fans are allowed to pick their favorite games to be included in a mini ticket plan; (c) relational, predefined bundling, which is referred as various “loaded tickets” or value added ticketing membership program with benefits for account holders that are predefined by teams; and (d) relational, customized bundling, which is referred as various “loaded tickets” or value added ticketing membership program for account holders who are allowed chose their own benefit. In addition, a third independent variable (location) would also be incorporated in our design as we intended to explore potential socio-demographic variables that could have influences on consumers' perceptions. In this study, a particular attempt was made to investigate how consumers perceived and evaluated different properties in various ticketing strategies through assessing their perceived value, perceived risk, and purchase intentions of different ticketing strategies. When making comparisons between these experimental groups, participants' team identification level would be controlled as a covariate due to its significant relationship with the dependent measures. The relationships among these measures would also be examined to see how consumer perceptions of these ticketing strategies would affect consumer decision making process. It was anticipated that by conducting the current study, to the research findings would provide team marketers with useful information in

the process of developing valuable ticketing bundling strategies to meet the ever changing wants and needs of different consumers. The following research questions were examined in this study:

1. Do relational and transactional ticket bundling strategies generate different perceived value?
2. Do customized and predefined ticket bundling strategies generate different perceived value?
3. Do relational and transactional ticket bundling strategies generate different perceived risk?
4. Do customized and predefined ticket bundling strategies generate different perceived risk?
5. Do relational and transactional ticket bundling strategies generate different purchase intention?
6. Do customized and predefined ticket bundling strategies generate different purchase intention?
7. Do customers at different locations generate different perceived risk?
8. Do customers at different locations generate different purchase intention?
9. Do customers at different locations generate different purchase intention?

Research Hypotheses

The following are research hypotheses in this study:

1. Relational ticket bundling strategies would have lower perceived value than transactional ticket bundling strategies.

2. Customized ticket bundling strategies would have higher perceived value than predefined ticket bundling strategies.
3. Relational ticket bundling strategies would have higher perceived risk than transactional ticket bundling strategies.
4. Customized ticket bundling strategies would have lower perceived risk than predefined ticket bundling strategies.
5. Relational ticket bundling strategies would generate lower purchase intention than transactional ticket bundling strategies.
6. Customized ticket bundling strategies would generate higher purchase intention than predefined ticket bundling strategies.
7. Institution One located near the arena would have higher perceived value than Institution Two located far from the arena.
8. Institution One located near the arena would have lower perceived risk than Institution Two.
9. Institution One located near the arena would generate higher purchase intention than Institution Two.
10. An interaction effect exists between institution and associative power on perceived value.
11. An interaction effect exists between institution and associative power on perceived risk.
12. An interaction effect exists between institution and associative power on purchase intention.

Research Delimitations

1. This study focused on ticket bundling strategies existing in the NBA setting.
2. This study involved only one NBA team.
3. This study used a student sample.
4. This study was of an experimental design.
5. This is a preliminary study aiming to provide useful information for marketers of NBA teams, not to solve all the potential problems in ticket selling.
6. This study used printed flyers for stimulation, not video advertisement or any other forms of advertisement.

Research Limitations

1. Additional examination would be needed when applying the research findings derived in this study to different spectator sports other than the NBA.
2. Fans from different cities, populations, or other socio-demographic backgrounds could have different results.
3. Other factors that could have impact on consumers' decision making were not considered in the current study besides the selected independent variables in this study.
4. Only one variable (i.e., team identification) was incorporated as a covariate in this study. As the sample selection process was not totally random, potential compounding effect on the experiment's internal validity from other covariates not already included in the study might not be completely avoided.

Significance of Study

How to increase ticket sales and game attendance has always been one of the major concerns of all professional sport marketers. Attendance is not only a major financial source of income for NBA teams, but also related to other sources of income on game days, such as revenues from concessions, printed program sales, parking, and apparel and souvenir sales (Howard & Crompton, 2004). Previous studies have been devoted to either modeling variations in attendance figures among teams within a specific league (e.g., Davis, 2009) or identifying general factors affecting game consumption, such as income, population, team payroll, facility attributes, and ticket price (e.g., Zhang et al., 1995). However, to date, no previous studies have been conducted to examine how sport fans perceive and evaluate various ticketing package, and how different ticketing strategies would influence the consumer decision making process when considering buying tickets.

It is critical for teams to be innovative and work with the newest technologies to enhance the fan experience in the competitive sports industry. To figure out how fans evaluate the value of each product and be able to add value to their products has then become the two major tasks for team marketers. The current study was intended to investigate how consumers would perceive and evaluate different properties in various ticketing strategies by measuring their perceived value, perceived risk, and purchase intentions of these ticketing strategies. By a further examination on the relationship among these measures, the current study would help better understand how consumer perceptions of these ticketing strategies would affect their decision making process. Team marketers could use findings in the current study and keep adding value into their ticketing packages in a more efficient way or to fulfill various needs from different consumers.

CHAPTER 2

REVIEW OF LITERATURE

Current Challenges in the NBA

Professional sports are huge business in the United States. The estimated annual revenue is about \$24 billion, combining the four major leagues in America, the National Football League (NFL), the National Hockey League (NHL), National Basketball Association (NBA), and Major League Baseball (MLB) (Plunkett Research, 2012a). However, suffering from the undeniable global economy recession, sports and recreation industry in America has had a significant decline since 2008. Professional teams encountered difficulty in making ticket sales, while revenues dropped for sports and recreation equipment manufacturers. Although keen interest still exist for consumers in America and Europe for their preferred sports and recreation, many are reducing their discretionary purchases, and are instead reducing their purchases for leisure, luxury, and entertainment in particular. Due to the highly expensive ticket prices for professional sports, there have been effects on sales of tickets. Even the NFL posted a total attendance of 16,562,706 paid customers in 2011, the lowest number since 2002 (Florio, 2012). During the recession, at least two main sports teams in the U.S. became bankrupt or fell severely on their debts. It was expected that sports industry will continue to face challenges in providing products and services which are suitable for consumers in slow economies (Plunkett Research, 2012b).

Among the "Big four", the National Basketball Association (NBA) is ranked third in terms of generated revenue, which was \$4.3 billion for the 2010-11 season (Plunkett Research,

2012a). Largely attributed to their successful globalizing strategy, the NBA has become a sport which is popular the world over with millions of fans. That has been one of the main selling points on pumping the Olympics full of NBA players, leading to basketball being the most exciting and entertaining Summer Olympics sport (Longman, 2012). Similarly, the has NBA has suffered through the 2007-08 season with a variety of business challenges, as teams seeing a decline in attendance and television viewership for three consecutive years (Gorman, 2008). Viewership numbers could be considered a reflection of the fan engagement and interest, and had a direct impact on the sales of tickets and merchandise, and sponsorships. As a result, 12 teams posted an operating loss in the 2008-09 season, while the overall revenue for NBA teams stopped growing and stayed flat at an average of \$126 million per team (Badenhausen, Ozanian, & Settimi, 2009).

These numbers seemed have a bounce back trend from 2011 as the economy found its way out of the recession. A typical NBA team had a value of over \$369 million, but increased by 1% from 2010 to 2011. Nevertheless, most of teams did not fully recover from the recession as money was lost by 17 different teams - the highest since the 1998-99 season which was shortened by the lockout. Top teams such as the Knicks, Lakers, Heat and Bulls had average earnings of \$46 million while the rest of the league had a cumulative loss (Ozanian, 2011). The cumulative operational loss had forced team owners to opt out the 2005 collective bargaining agreement (CBA) with an intention to address the issue related to rising player salary in a new CBA. The bumpy negotiations process on a new CBA end up with a 161-day lockout from July 1 to December 8, 2011, the NBA's fourth ever lockout (Beck, 2011). The root of the lockout was a serious and growing problem of financial disparity in terms of the teams from the big market and

those from the small market. The economic system of the NBA suits teams from the larger market, along with others which present exceptional rates of success during game play. What remains is a set of teams with unacceptable, but significant losses of a financial nature (Windhorst, 2011). Among the five most profitable teams, four are based in metro areas which are ranked as the richest and most populated in the country, and these include, Houston, Chicago, New York, and Los Angeles (Smith, 2012). On average any team from the NBA will have a profit from their operations (earnings before deduction of taxes, interest, amortization, and depreciation) of \$5.8 million in the 2011-2012 season, down 5% from the previous year. In total, 15 different teams suffered losses, on top of the list were the Memphis Grizzlies and Charlotte Bobcats, both of whom were \$25 million in the red. But the 15 most valuable NBA teams' worth still by increased 10%, to \$485 million on average (Badenhausen, 2012). The top five NBA teams in terms of profitability made an average profit of \$37 million compared to a league average of \$8 million over the five season's period from 2006 to 2011, while the five least profitable teams lost an average \$10.2 million in the same time period. The league's most profitable team in the 2011-12 season was the Chicago Bulls, who had a five-year average profit of \$55 million. On the other hand, the NBA's least profitable team in the same season was the Charlotte Bobcats, who lost an average \$20 million from 2008 to 2011 (Smith, 2012).

The NBA still has some troubled franchises despite increased revenue sharing and establishment of a new CBA. The Atlanta Hawks are looking to find a buyer since the ratings for their games fell by over 39% during 2011 on SportSouth, while the team suffered a \$15 million loss. Cleveland Cavaliers was a former high-flyer on the decline as they set a record over 26 consecutive losses with the NBA, and their television ratings were off an NBA-worst 54% in

2011. The third highest paid attendance with over 20,112 at the game went to the Cavs, before the LeBron James left to Miami. The number was down by over four thousand fans at each game bringing it down to 16,149 and helping the ranking plummet to 17th place in the 2011-12 season (Badenhausen, 2012). The owner of the Cavs had to lower the ticket price in order to keep their attendance (Ozanian, 2011). The growing disparity between big market teams and smaller market franchises is one of the biggest challenges – a growing issue for the NBA (Windhorst, 2011). The NBA has a salary cap, but unlike the National Football League and the current National Hockey League (which both have hard salary caps that cannot be exceeded), the NBA has a soft salary cap. Teams can exceed the salary cap. This cap is often the result of the basketball income revenue that is generated at the NBA. If they exceed the salary cap, they pay a tax of \$1.50 for every dollar that exceeds the cap according to the new CBA (Coon, 2011).

For teams from the large market or the mid-market this is actually good, however, the ones from the smaller market don't get by that well because of it (Badenhausen, 2012; Windhorst, 2011). Teams with a larger market can attract talent if they are willing to pay a luxury tax, while smaller market teams are unable to hold on to the players they draft and develop. These teams have trouble staying financially stable year in and year out, and as time goes by the salary cap continues to augment because larger teams continue to win (Bronars, 2012; Windhorst, 2011). For instance, both the Heat and Lakers dramatically added to their rosters in the off-season in 2012, while the Oklahoma City Thunder had to trade James Harden to the Houston Rockets to avoid paying the tax in near future. The Los Angeles Lakers will have to pay the NBA more than \$30 million in luxury taxes after their payroll for the 2012-13 season is added up. The tax for exceeding the NBA's payroll doesn't include the \$19 million in revenue sharing the Lakers are

already being forced to pay the NBA. Nevertheless, the Lakers are expected to generate more than \$90 million in ticket sales in the 2012–13 season and are in the first year of a fresh TV deal worth around \$200 million yearly, the deal is a 20 year long affair with Time-Warner Cable (Badenhausen, 2012). That being said, the teams at the bottom: Charlotte, Memphis, Portland, Indiana (Indianapolis), Minnesota (Minneapolis), Utah (Salt Lake City), New Orleans and Milwaukee, all have games in places where over a million people exist - even then they don't get enough media focus (Bronars, 2012). A typical TV deal for any NBA team settles at over \$12 million, however, when we look at the teams from the smaller markets we see that only Utah and New Orleans have managed to snag that amount or more from the local TV industry (Windhorst, 2011).

The growing disparity between big market teams and smaller market franchises has a huge impact on competitive balance in the NBA, which in turn has direct effects on the viewership numbers, sponsorships, merchandise sales, and mostly the ticket sales. Most of the low revenue generating teams have a drained profitability due to significantly lower ticket receipts (Badenhausen, 2012). NBA teams heavily rely on gate receipts, which is approximately accounting for 30 percent of total revenue (Badenhausen, Ozanian, & Settimi, 2012). It also directly leads to other sources of income on game days, such as revenues from printed program sales, concessions, souvenir sales, parking, and apparel sales (Howard & Crompton, 2004; Irwin, Sutton, & McCarthy, 2008). Moreover, when arenas are filled with a jam-packed crowd, fans are easier to find a sense of belonging at the game standing together in communal support of the home team (Clowes & Clements, 2003). Oppositely, a sparse crowd would diminish the excitement of the game and the appearances would be at a poor attraction to fans and sponsors.

These would have indirect impact on the teams' revenue at long term (Drayer, 2011). For instance, the Indiana Pacers was ranked 30th in the league averaging only 13,538 fans per game in the 2010-11 season. Throughout the season, the lowest single game attendance record for the Pacers was 9,390, only one half of the capacity at the Bankers Life Fieldhouse. Consequently, the Pacers' annual revenue for the season was estimated at \$101 million, which is among the bottom five teams in the NBA (Badenhausen et al., 2012).

These bottom teams in the NBA in term of revenue generation have been experiencing difficulties in ticket sales, especially in the economy recession. With all these factors taken into account, team marketers are forced to manage and coordinate their pricing policies strategically (Grewal et al., 2010). Teams have to put more effort coming up with special offers to attract the fans and keep them happy (Horrow & Swatek, 2009). For example, the Bobcats tried to push their season-ticket renewal rate in 2012 by using an aggressive promotion that offers people the chance to grab tickets for the season and get tickets from the succeeding season for free (Lombardo, 2012). Other NBA teams have also developed better strategies by making use of tools for data management which can help them make ticket sales since 2010 (Grewal et al., 2010). NBA teams typically have a minimum of three employees that do nothing but deal in customer relations; which is a stark contrast to the situation only two season ago where many teams had no such provisions. During the 2012-13 season there were only a handful of teams that didn't employ these tactics (Lombardo, 2012). Dynamic pricing was first introduced in MLB by the San Francisco Giants organization. It has grown to be a new trend in the NBA, and is expected to be the future trend of ticket pricing in sports (Rishe, 2012).

The concept of dynamic pricing is to adjust ticket prices in a dynamic model that would fluctuate based on demand (Rishe, 2012). Sport fans have actually been experiencing a dynamic pricing of sports events from the secondary ticket sellers such as StubHub and similar websites for a few years. The problem, from the perspective of sports franchises and event venues, is that teams are not receiving the maximum benefit from the price fluctuations of the dynamic secondary sales model. Teams are interested in switching to dynamic pricing as a way to maximize revenues, by raising prices for high-demand games, or by lowering prices for low-demand games to unload tickets that otherwise would go unsold (Tuttle, 2012). However, a real-time pricing is not that easy to implement in practice. Teams that adopted dynamic pricing model usually categorize games into several levels based on day of the week, opponent and expected demand, and adjust the ticket price within a range of 30% to 50% (Rishe, 2012). This is a range way smaller than the price fluctuation on the secondary ticket market. For instance, the average asking price is about \$710 for a ticket to watch Miami Heat play Los Angeles Lakers on January 17 at the Staples Center according to TiqIQ (Bukspan, 2012). That is a price much higher than a team would like to ask for, as they have to worry about fans reaction. Teams would not like to lower the ticket price exceeding a certain range, which could in turn hurt the perceived value of the team in the long term (Drayer & Shapiro, 2009). However, on the secondary ticket market, prices for certain games could drive up by 400 percent or more when fans want to see those matchups very badly (Bukspan, 2012).

As the capacities of NBA arenas are relatively smaller than baseball stadiums, NBA teams can easily fill up the arena in those high demand games. It was reported that teams have increased revenue by an average of roughly 30% in high demand situations by adopting dynamic

pricing model (Rishe, 2012). Oppositely, small market teams will still struggle selling ticket for the low-demand games, even with a relatively lower price. Instead, mini packs (or partial season ticket plans) that allow teams to package high-demand games together with low-demand games are reported to increase overall ticket sales for these teams (Howard & Crompton, 2004). Among various innovative ticket packaging strategies, mini packs (or partial season ticket plans) that sell several (4 to 12) games together is the most important marketing technique in the perception of NBA marketing directors (Dick & Turner, 2007). Teams would prefer to sell full and half season packages. The cost incurred while buying a complete season's ticket to witness a major league game needs a real commitment financially. A complete package would cost an excess of \$2,000 which is a substantial amount of money to spend for a typical family from the United States (Howard & Crompton, 2004). This has led to teams developing ticket plans that are both flexible and affordable for their customers. While looking into the practices associated with pricing within major league games, Clowes and Clements (2003) sampled 18 clubs and asserted that around 8 were making use of "price bundling" to offer two or three tickets bundled together at a special rate. Some years later the 30 NBA teams have their own versions of small packages in various shapes and sizes. The ticket sales are also helped by the teams adding different benefits into their ticket packages. Over 50% of the teams have memberships that can be taken up all year long, including the Washington Wizards' DC 12 Club and the Bobcats' Cats 365 (Lombardo, 2012).

It was important that research be undertaken by the NBA to help understand consumers and their process of evaluating various ticketing packages for the purpose of outlining a proper communication and marketing strategy. Today, the sports industry's biggest opportunities are in

provision of high-value and exciting opportunities for fans, through methods such as offering high value spectator sports ticket packages and high-tech recreational gear at friendly prices. Consumers still want to watch games, but they want to do so at a reasonable cost (Plunkett Research, 2012b).

Bundling Strategies

Yadav and Monroe (1993) outline bundling in the following words “the selling of two or more products/services at a single price” (p. 350). For the purpose of categorizing different strategies for bundling, Stremersch and Tellis (2002) outlined two basic facets that revolve around bundling. The focus, which lies on either product or price, and the form, which is either mixed or pure. Price bundling can be utilized as a tool for pricing and promotion for a short period of time, at a very short notice. Product bundling developed additional value for consumers and spans a longer time period. Where services are concerned product bundling needs them to be redefined, redesigned in terms of the delivery process, and optimized in terms of their interface. The three types of bundling include unbundling, mixed and pure (Adams & Yellen, 1976). Pure bundles are ones that are the only option available, whereas mixed bundles are where the bundle is sold, and the products within the bundle are also sold separately (Guiltinan, 1987). Unbundling revolves around offering and pricing a product separately. This is where the pricing becomes an example of pure component pricing (Adams & Yellen, 1976) or no bundling (Dolan & Simon, 1996).

Fuerderer, Herrmann, and Wuebker (1999) suggested that there are four types of bundling. (a) Tie-in sales: the person who is buying the product agreed to buying other goods that are tied together, and exclusively provided by the same supplier; (b) Add-on bundling: this is a special

bundle that can't be sold till the main product has been bought. An example could be a cash wash which is the main product, which is bundled with extra wax i.e. the add-on; (c) Sales rebates: a year-end rebate is provided by firms in general on the sales that have been made annually across the entire stock of goods that the company produced. This helps increase consumer loyalty; and (d) Cross couponing: this strategy makes the use of coupons for the promotion of other goods. The lead product brings with it a coupon which can help gain a discount on another product.

Legarreta and Miguel (2004) elaborated on two more main aspects of bundles within the domain of banking and marketing. The interactivity and associative power of bundling. They opined that the difference between relational and transactional bundling is the main gateway to comprehending the strategic relevance of bundling and the impact it can have on firms. Kotler et al. (2002) has been used to further identify two forms of bundles i.e. collaborative and predefined. Customization of any product or service happens when firms provide solutions to demands which are unique in nature. Collaboration takes place when the firm and its consumers engage in active dialogue and come together to co-customize the product/service being offered. The change in power dynamics with the emphasis shifting from the seller to the buyer has augmented the phenomenon of reverse marketing. Customers are no longer price and product takers but co-creators.

The rapid pace at which competitive environments are changing has forced many companies to look for more flexible and creative options for tackling their competition. The trend of customization dictated that companies had to allow consumers to pick the rules of discount as per their own need. Kotler's research (2002) shows that this form of bundling is

called a customized bundle because the company takes the lead during the designing period. This type of a bundle allows the customer to pick between options where they can weigh the benefits and the costs as per their own convenience.

Strategic Bundling and Perceived Evaluation

As a spectator sport, professional basketball games consist of a major portion of service elements along with the core product. In order to attract more fans and remain competitive, teams must be able to develop and refine their products and services to meet various needs and preferences of their consumers (Zhang et al., 2003). Extrinsic cues such as brand name, store name and price are used by consumers to develop evaluations (Dodds, Monroe, & Grewal, 1991). In the context of professional basketball events, strategic ticket bundles could act like price cues and affect the consumer's evaluation. Lusch and Vargo (2006) suggested that a service dominant logic for marketing regards products as transmitters of value and focuses on the value-creation process. They also suggested that companies cannot create or deliver value lone without involving consumers, so that a greater in-depth understanding of perceived value is needed and that marketing practice should focus on the creation and exchange of value to consumers. Kotler, Bowen, and Makens (2006) agree with the argument and emphasize that employing modern marketing results in delivering superior customer value. This implies that the perceived value is the focus of modern marketing, and it should as well be the center in evaluating ticketing strategies.

Gallarza and Saura (2006) point out that perceived value is a crucial component in developing appropriate marketing strategies, such as market segmentation, product differentiation and positioning policies. Perceived value is also a strategic imperative for

organizations, which guides them towards meeting customers' need, since it influences consumers' behavior (Lin, Sher, & Shih, 2005). It helps organizations in explaining different areas of consumer behavior, such as product choice and repetitive purchasing (Gallarza & Saura, 2006). Perceived value is also acknowledged as the main drive of purchase intentions (De Bono, 1993), and is found significantly contributed to customer loyalty (Butcher, Sparks, & O'Callaghan, 2002). The central role of value in the exchange process between consumers and NBA teams makes it possible to recognize that value perceptions influence the behavioral intentions of consumers. An understanding of consumers' perceived value, therefore, provides team marketers with knowledge about their consumers' needs as well as their behavioral intentions.

Within a marketing context, value is defined from the consumers' point of view. Therefore, marketers should use the consumers' point of view to recognize value (Gallarza & Saura, 2006; Zeithaml, 1988). Zeithaml (1998) investigated consumers' perceived value through in-depth interviews and focus group interviews and formulated the following definition of perceived value: "Perceived value is the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given" (p. 14). Although this is considered as a widely accepted definition of perceived value, the concept seems to display a variety of meanings when the context varies. For instance, Cravens and Piercy (2003) argue that perceived value consists of "the benefits and costs resulting from the purchase and use of products" (p. 14), while Iglesias and Guillen (2004) suggest that perceived value represents "an exchange of what is received and what is given" (p. 374). Dodds and Monroe (1985) are of the view that how willing a consumer is to buy something is directly affected by the perceived value that object

holds. That said value is affected by the supposed monetary cost justifiable by its supposed quality.

Snoj, Korda, and Mumel (2004) review existing literature concerning customer perceived value and suggest that perceived value involves a trade-off between the customers' evaluation of benefits (what customers get) and the costs involved (what customers give). This value consciousness could also be referred to as the ratio of quality received to the price paid in a purchase transaction (Lichtenstein, Ridgeway, & Netemeyer, 1993), in which the monetary price represents the major sacrifice by a consumer (Al-Sabbahy, Ekinici, & Riley, 2004). Wood and Scheer (1996) outlined that an evaluation and assessment of the following leads to perceived value: (a) the benefits that the consumer will be able to receive when the deal goes through (this would include the quality of the product); and (b) the cost or money that the consumer sacrificed in exchange of the benefits he's acquired (this is the perceived sacrifice of money). The costs versus benefits perspective can take into account several facets linked to the process of evaluation that is undertaken by the consumer. Different customers could perceive different benefits in a given ticket bundling package because of various preference and interest. Similarly, different cost could exist due to different socio-economic or demographic background of consumers.

Perceived Value

As discussed and revealed above, perceived value has a lot to do with a trade off in terms of the benefit that the consumer will enjoy and the cost they will end up paying for the service (Zeithaml, 1988). An extensive amount of marketing literature could be found discussing this construct because of its importance in developing competitive advantage for a firm (Woodruff,

1997), however, the construct is often described in a diverse manner (Woodruff, 1997; Babin, Darden & Griffin, 1994). Definition of perceived value could be very different from the perspective of a company or the perspective of a customer (Wyner, 1998), but it could also be different from different customers. The possibility exists that a benefit such as “economical benefit” may be perceived by consumers as a sacrifice (price sacrifice), if the monetary price is higher than what consumers expected. A person's perception is usually affected by the physical nature, the environment of the individual and by the person's psychological condition (Lancaster & Reynolds, 2005). Perceived value is therefore a dynamic concept, and it often varies between customers, cultures and over time. Therefore, marketers should seek to explore and understand consumers' perceptions of value (Sanchez et al., 2006).

Babin et al. (2005) suggest that functional and affective values are the two facets that create the construct for personal shopping value, in which hedonic value captures the affective qualities and utilitarian value captures the functional qualities of services (Babin, , Lee, Kim, & Griffin, 2005). Affective value links to the experiential outlook where a customer likes the services because they evoke certain feelings (e.g., fans buy tickets to see the same team again, because last game they have been to was exciting). The utilitarian value of a service, on the other hand, has to do with the extent to which the service has been able to perform the function it was meant to, in an appropriate manner (e.g., fans expect to have a good service in the arena) (Sweeney & Soutar, 2001). The utility theory outlined the theoretical basis for the concept of value (Caruana et al., 2000). This approach outlines that consumers are interested in bundles because of the utility that comes with them. The costs and benefits have to be balanced out before a product can be bought. Basically, the value is taken as the net utility that the consumer

perceives he/she is receiving from the trade-off between cost and benefit. Therefore, in the current study, we aim to measure consumers' perceived value as a multi-dimensional construct that has both benefit and cost dimensions.

Different attributes of the product help make up the perceived benefits (e.g., the intangible, and the tangible; extrinsic and intrinsic), these benefits are available in relevance to a given purchase and utilize scenario (Zeithaml, 1988). The benefits, associated with perceived value may include: (a) economic benefits, which refer to the consumers' monetary savings when purchasing services (e.g., buying ticket package at discounted prices); (b) emotional benefits that denote the affective gain to consumers for purchasing specific services (e.g., buying ticket package to watch his/her favorite player play); (c) social benefits, which indicate consumers recognition of services as the referrals' choice, or an opportunity to interact with their friends (e.g., buying ticket package to go to games with friends); and (d) relationship benefits that represent a state where a customer sees the source of the service as valuable because they're attending to their needs and expectations (e.g. fans develop loyalty and trust with the team they support) (Sanchez, Callarisa, Rodriguez, & Moliner, 2006). Beatty et al. (1996) outlined social and functional advantages that consumers get from long term associations with the sales staff. It is these benefits that help the evaluative process that is going on in a consumer's brain. Benefits derived from bundling in terms of the costs that go down cannot be negated (Bakos & Brynjolfsson, 1999). Price bundling have more obvious advantages for consumers by allowing them to save money (Yadav & Monroe 1993).

Perceived cost (sacrifice) hasn't been studied in literature for marketing as frequently (Snoj et al., 2004). A consumer's perceived cost may include the following: (a) price, which

imply the monetary cost the way it is seen by consumers (e.g., if the cost of a ticket package is higher than expected, a customer needs to figure out whether the additional cost should be sacrificed and if it would be worthwhile); (b) time cost revolves around the time period that a consumer would dedicate to purchasing, finding or consumer a service (e.g. time spent on transportations); (c) effort, which involve the physical energy devoted by people to find, purchase or consume services (e.g., the effort people make to come to the game during the snows); and (d) inconvenience, refers to scenario where consumers experiences something unpleasant while using a service (e.g., attending a boring game) (Sanchez et al., 2006).

In the context of purchasing tickets for sport events, consumers' decisions are usually affected by factors in the following sections: the attractiveness of the game (e.g., team records, individual skills, league standing, closeness of competition, record-breaking performance, special events, entertainment, and team history in a community); economics (e.g., promotions, ticket price, income, television effect, substitute forms of entertainment, and competition of other sport events); the preference of the audience (e.g., schedule, accommodation, convenience, weather, and the quality of the stadium); and socio-demographics (e.g., gender, age, and ethnicity) (Greenstein & Marcum, 1981; Hansen & Gauthier, 1989; Schofield, 1983; Zhang et al., 1995). Some factors have been reported to be positively related to attendance, such as facility attributes (Bruhink & Eaton, 1996), team performance (Davis, 2009), schedule convenience (Marcum & Greenstein, 1985), star player (Baade & Tiehen, 1990), and game promotions (Boyd, & Krehbiel, 2006); whereas, other factors have been found to be negatively related to game attendance, such as ticket price (Donihue et al., 2008), team roster turnover (Kahane & Shmanske, 1997), and alternative sport/entertainment options (Zhang et al., 1997).

To completely assess the construct of consumer value on ticket packages, we incorporate a four-dimensional structure for the measurement of perceived value in this study. These dimensions were adopted from literature as we discussed in previous sections, and they are (a) utilitarian benefit, which includes consumers' monetary savings, and expected experience when purchasing services (e.g., buying ticket package at discounted prices); (b) hedonic benefit, which is more about the experiential perspective where consumers appreciate services because of the feelings they evoke. It includes emotional benefits that denote the affective gain to consumers for purchasing specific services (e.g., buying ticket package to watch his/her favorite player play); (c) social benefit, which indicate consumers recognition of services as the referrals' choice, or an opportunity to interact with their friends (e.g., buying ticket package to go to games with friends); and (d) cost, which refers to the economic sacrifice that consumers have to give up for the service, and that includes time, effort and monetary cost (e.g., traveling cost).

The utility theory outlines that decisions that a consumer undertakes are based on the perceived utility they feel a product holds. As the discussion preceding this part has explained, perceived value in terms of a service revolves around a trade-off in terms of the benefit that the consumer is getting in exchange for what they're willing to sacrifice to obtain said value (Zeithaml, 1988). This outlook of costs versus benefits can probably take into account many facets that are related to the process of evaluation that the consumer undertakes. In the design of the current study, the dimension of associative power refers to the level of attachments teams try to build with their fans through selling the ticket packages. Relational ticket packages offer a longer relationship and benefits in the long term, but also require fans to keep their commitment with the team for a longer period of time. Comparing to the cost fans may easily perceive in

relational packages, the higher amount of benefit might be more difficult to be appreciated by fans. Overall, fans could weigh the cost over the benefits provided in relational packages.

Therefore, we propose:

Hypothesis 1: Relational ticket bundling strategies would have lower perceived value than transactional ticket bundling strategies.

In the situation of interactivity of bundling, customized price bundle enables customers to choose an option that has highest benefit to them within a similar range of cost. As a result, customized price bundle should have higher perceived value than predefined price bundle.

Therefore, we propose:

Hypothesis 2: Customized ticket bundling strategies would have higher perceived value than predefined ticket bundling strategies.

Perceived Risk

A consumer's opinion and outlook on the adverse influence and uncertainty associated with a particular activity (Dowling & Staelin, 1994). Risks that consumers perceive during the decision making process may lead to nervousness, and result in the consumer delaying, deferring or cancelling their purchase. Researchers also believe that, when making a purchase, consumers look for not only immediate benefits, but also long-term implications of the purchase (Sweeney, Soutar, & Johnson, 1999). In their study, Sweeney et al. (1999) outline two main aspects through which risk is perceived i.e. financial and performance risk. The risk associated with performance has to do with uncertainty regarding the product's capacity and ability to execute the function it was intended for. Whereas financial risk points towards the uncertainty in terms of loss that can be suffered while the product is being maintained. It is also suggested that the perception of risk

is technically the subjectivity associated with anticipating loss to an extent. What this means is that the perception of risk is basically an estimation marred by subjectivity - consumers think of risk in terms of the consequences of a bad decision i.e. that the product will not deliver the benefit that it is meant to (Roselius, 1971).

Consumers typically see an augmented risk while purchasing through channels that aren't credible or familiar to them (Biswas & Biswas, 2004; Akaah & Korgaonkar, 1988). In the digital realm, risk is subjectively concluded by the online shopper when they're contemplating a given purchase (Forsythe & Shi, 2003). Perceived risk is considered a multidimensional concept in consumer behavior research, involving functional, social, psychological, financial, physical, convenience, and timing risk (Crespo et al., 2009; Mitchell & Harris, 2005). Functional or performance risks represent the probability that a product that's been purchased will not be able to deliver the needed benefit, or doesn't perform appropriately (Crespo et al., 2009; Grewal et al., 1994; Lim, 2003). In the context of ticket purchase, it could refer to the worry that fans could have about that the performance of the team would not meet their expectations or the lack of excitement in the game. Psychological risk is the consumer's mental health suffering because of their behavior as a shopper (Crespo et al., 2009; Hassan et al., 2006; Lim, 2003). When fans encounter difficulties finding the tickets or seats they want, it might cause them depression. Risk of a financial nature is the possible financial loss or the feeling of insecurity regarding payment types or purchasing channels (Forsythe et al., 2006; Lim, 2003). A special situation in the context of sport events is to purchase tickets from the secondary market. Fans could worry that they might be able to get a cheaper price on the secondary market when they think of buying

tickets from the box office, but they might also worry about the trustworthiness and credibility of the source when they want to buy tickets from the secondary market.

A purchase which can potentially cause physical injury is known as a physical risk (Hassan et al., 2006; Lim, 2003), which is less likely to bother fans when they are about to buy tickets for sport events. Concern about how a person will perceive ones consumer behavior is a social risk (Crespo et al., 2009; Lim, 2003). It might also refer to the situation when fans want to buy tickets, but are worried of failing to get company to attend the game with. In online shopping context, the convenience/time risk revolving around the wait period for shipping the likely time loss because of wrongfully made decisions for purchase (Crespo et al., 2009; Forsythe et al., 2006; Lim, 2003). When it comes to ticket purchasing, besides the time spend on wrong purchase decision, time risk could also refer to the potential time conflict in the future as people usually buy ticket in advance. This would be especially true in the setting of purchasing a ticket package that usually have several games sold together. Privacy is another risk dimension that is more suitable in the setting of online shopping, as it refers to the possible loss in terms of control that one has over personal data, along with wrongful disclosure of personal data (Crespo et al., 2009; Lim, 2003).

Among these types of perceived risk (Forsythe & Shi, 2003; Lim, 2003; Tan, 1999), financial and product performance risks were generally considered to be the most influential factors when consumers make online purchase decisions (Chen & Dubinsky, 2003; Forsythe et al., 2006; Forsythe & Shi, 2003; Lim 2003; Maignan & Lukas, 1997). When we look into the definitions of both factors and the setting of this study, it was believed that the financial risk and performance risk could also play significant roles in fans' decision making process when they are

buying ticket package for NBA games. Another factor to be incorporated into the measurement of the risk construct is the time/social risk, considering characters of NBA games as a product and service. People usually see attending games as social events that they can hang out with friends and family members and enjoy good time together. In the setting of purchasing a ticket bundle that has five games in the package, fans have to consider the feasibility of finding time and people for all those games. Conclusively, the construct of perceived risk in the current study would be measure with a three-dimension structure, and these three dimensions are financial risk, performance risk, and time/social risk.

In the situation of ticket bundling strategies, higher price imply higher monetary sacrifice. This sacrifice can serve to enhance the risk that accompanies uncertainty concerning whether a product will involve greater potential loss. Relational bundling requires a higher price and a longer time-span, which imply higher monetary sacrifice and uncertainty. Although it provides more service option, consumer may still worry that in some incidences they might not be able to attend the game, which may imply more potential risk. Therefore, we propose:

Hypothesis 3: Relational ticket bundling strategies would have higher perceived risk than transactional ticket bundling strategies.

In the situation of interactivity of bundling, the flexibility of customized ticket bundling could reduce perceived sacrifice to some extent, since customers could choose the benefits they have more confidence with. Moreover, customized ticket bundling enable teams to communicate with customers more, which may make customers feel more confidence to make the purchase decision (Vandenbosch & Dawar, 2002). Therefore, we propose:

Hypothesis 4: Customized ticket bundling strategies would have lower perceived risk than predefined ticket bundling strategies.

Purchase Intention

A primary goal of marketers is to enhance target customers' willingness to purchase products. Purchase intention could be affected by perceived value (Dodds et al., 1991), as both utilitarian and hedonic value influence evaluation and behavioral intentions (Babin & Attaway, 2000; Chen & Dubinsky, 2003). Previous researches suggest that the perceived value has a positive impact on customers' willingness to buy the product (Dodds & Monroe, 1985; Zeitaml, 1988; Grewal & Monroe, 1998) and perceived risk influences a consumer's purchase intention in a negative way (Grewal et al., 1994; Sweeney et al., 1999; Roselius, 1971; Taylor, 1974).

It is reasonable to suggest that purchase intention is heavily influenced by the counter effect or residual of a consumer's perceived value and perceived risk. However, the interaction between perceived value and perceived risk and their influence on purchase intention could sometimes become much more complicated. For example, a fan may consider a ticket package with positive value and plan to take action. However, when he/she suddenly think of the difficulty to put the events on his/her as well as friends' calendar, the perceived risk could change his/her mind. In this case, risk is the key in the decision making process and it does not matter how high the perceived value is. In another situation, a highly identified fan could perceive an extremely high value in some games that it becomes his/her first priority on the calendar. Although the risk could still be high objectively, the high perceived value has influence the fan's perceived risk and significantly reduced the perceived risk. Some studies consider perceived risk an antecedent of perceived value (e.g., Chen & Dubinsky, 2003; Sweeney et al., 1999), while

others suggest that perceived risk could moderate the relationship between customer value and purchase intention instead of being an antecedent of customer value (e.g., Chang & Tseng, 2011; Forsythe et al., 2006). Bhatnagar, Misra, and Rao (2000) and Forsythe et al. (2006) also point out that a consumer with higher risks will be less willing to shop online even though he/she may consider the product has a high value.

The current study was not in a position to make a conclusion or test any of these theories here. But we do like to clarify that the cost dimension in the value construct is a different concept comparing to the perceived risk. Therefore, the perceived risk does not always play counter effect to the perceived value. The interaction between these two constructs could potentially be complicated and their relationship could change across different situations. In the setting of current study, we propose that relational ticket package has lower perceived value and higher perceived risk, which would have impact on purchase intention in the same direction. Therefore, we propose:

Hypothesis 5: Relational ticket bundling strategies would generate lower purchase intention than transactional ticket bundling strategies.

In the situation of interactivity of bundling, customized ticket bundling was proposed to have higher perceived value and lower perceived risk. Therefore, we propose:

Hypothesis 6: Customized ticket bundling strategies would generate higher purchase intention than predefined ticket bundling strategies.

Socio-demographic Variables

A number of socio-demographic variables have been identified as being associated with game attendance. Researchers have reported that community size (population) is positively related to game attendance. Gender, individual age, and ethnicity have a direct impact on how consumers consume sports games. Young to middle-aged white men are the ones with the most likelihood of showing up at professional games (Siegfried & Eisenberg, 1980; Greenstein & Marcum, 1981; Whitney, 1988; Simmons Market Research Bureau, 1998). The data on the link of ethnicity and sports attendance is mixed at best. Some researchers believe that ethnic groups that are extremely diverse will have a bad impact on the attendance at a game, (Siegfried & Eisenberg, 1980; Schofield, 1983), while there are other studies that refute said claim (Baade & Tiehen, 1990; Schurr, Wittig, Ruble, & Ellen, 1987). Based on Mullin, Hardy, and Sutton's (2000) 'stage of life' concepts, individuals go through several life stages: preparation (youth and courtship), establishment (single, marriage, and maturity), and reintegration (retirement and single). Marital status is an integral aspect of 'stage of life' and it affects leisure activities and sport consumption. Based on the data provided by Simmons Market Research Bureau (1998), households with two to four people have the highest sport consumption rate.

Mullin et al. (2000) and Pitts and Stotlar (1996) explain that consumer income, education level, and occupation are important demographic variables that potentially impinge on individual social class distinction, and in turn affect sport consumption. Household income is positively related to game attendance (Baade & Tiehen, 1990; Bird, 1982; Siegfried & Eisenberg, 1980). In a study examining season ticket holders' game attendance, Zhang, Wall, and Smith (2000) found that educational background was related to the number of regular season home games that the

respondents intended to attend, with high school graduates attempting to attend more games than all other educational categories. Simmons Market Research Bureau (1998) reported that people of different occupations have a varying sport consumption rate. Professionals, managers, salespersons, and technicians comparatively attend more sporting events than other occupational categories.

The current study was aimed to examine students' perception of different ticket bundling strategies, as students are actual and important customers of professional basketball events according to the Sport Business Research Network (2013). The experiment was designed to be conducted in a classroom setting that does not allow us to collect data from consumers of different occupations or different stages of life. To explore potential influence on consumers' perception from some of aforementioned socio-demographic variables, the same experiments would be taken place at two different universities that were located at two different geographic locations. One university (School One) from the metropolitan area would be selected to represent the student population in the city who is neighbor to the NBA team and exposed to the team's information more frequently. Another university (School Two) would be selected from the suburban area which is more distant from the NBA team and represent a suburb student population. While many differences could exist between these two populations, one of the most significant distinctions could be the travel distance for attending to the events. A longer travel distance would imply higher traveling cost on time, money, and effort. While the benefits of the ticket packages remain the same, a higher cost could result in lower perceived value. Therefore, we propose:

Hypothesis 7: Institution One located near the arena would have higher perceived value than Institution Two that is away from the arena.

In terms of perceived risk, higher cost in traveling could also imply higher chance to encounter difficulties in arranging the events (considering time, money and friends). Therefore, we propose:

Hypothesis 8: Institution One located near the arena would have lower perceived risk than Institution Two that is away from the arena.

Since Institution One was proposed to have higher perceived value and lower perceived risk that both lead to higher purchase intention, we propose:

Hypothesis 9: Institution One would generate lower purchase intention than Institution Two.

In the dimension of associative power, we propose that relational ticket bundling strategies would have lower perceived value than transactional ticket bundling strategies due to the significant higher cost. While participants from Institution One do not need to worry about the traveling cost as much as participants from Institution Two, Institution One participants might perceive a higher value in relational bundling packages than participants in Institution Two. In other words, Hypothesis One would stand for Institution Two, as relational ticket bundling strategies would have lower perceived value than transactional ticket bundling strategies. But this difference might not exist or it could be reversed for the participants in Institution One, as the perceived cost was significantly reduced. Therefore, we propose:

Hypothesis 10: An interaction effect exists between institution and associative power on perceived value.

Same logic could be applied for Hypothesis three, as relational ticket bundling strategies would have higher perceived risk than transactional ticket bundling strategies in Institution Two. But this difference could be smaller or might not exist for the participants in Institution I One, as the perceived cost was significantly reduced. Therefore, we propose:

Hypothesis 11: An interaction effect exists between institution and associative power on perceived risk.

Hypothesis 12: An interaction effect exists between institution and associative power on purchase intention.

Psychological Attachment

Mullin et al. (1993) indicated that sport market segmentation should be based on both consumers' socio-demographics and psychology. Yet, these two areas have often been regarded separately in sport marketing studies. When studying sports, researchers usually conceptualize a consumer's emotional link or attachments to a sport in the context of social identify theory (Zhang, Won, & Pastore, 2005). According to the social identify theory (Tajfel & Turner, 1979), an individual constructs characteristics and ideas of his/her personality to forms self-identities, and each of these concepts ranges from social identification at one end to personal identification one the other. Whereas personal identity reflects a specific individual, social identity consists of the characteristics and ideas that an individual drives from his/her association with a social category or group (Dees, Bennett, & Villegas, 2008; Madrigal, 2001). A person strives to maintain and enhance his/her group identity by behaving as a group member to establish in-group favoritism, driven by a pursuit of self-esteem (Madrigal, 2001; Zhang et al., 2005). Self-esteem can be heightened by an individual's emphasizing the positive aspects and minimizing

negative information within the group or by emphasizing the negative information among contrasting group (Gwinner & Swanson, 2003).

Team Identification

Team identification is a concept that stems from social identity theory. Team identification is outlined as the extent of the concern or attachment with a sports team (Wann & Barnscombe, 1993). Over the last decade, sport management academics have directed a great deal of their attention to issues concerning how sport fans identify with teams. Researchers often agree that identification with a team has a large part to play in how consumers develop a relationship with sport teams and organizations (Laverie & Arnett, 2000; Pease & Zhang, 2001; Sutton et al., 1997; Trail, Fink & Anderson, 2003; Trail & James, 2001; Wann & Robinson, 2002; Wann & Branscombe, 1993, 1995). For example, Gwinner and Swanson (2003) illustrated that sponsorship identification had positive impacts. The study outlined that identifying with a team had a positive relation with one's capacity of properly identifying sponsors, patronage behaviors towards a sponsor, attitude towards a sponsor, and satisfaction with a sponsor. Team identification creates the need for fans to distinguish themselves from other groups, which leads to behavioral support for their team. Madrigal (2001) opined that self-identity is expressed through one's psychological link to a team. Certain behavioral intentions are prescribed therein in support of the team.

Sutton et al. (1997) categorized sport fans based on the extent of their identification with their teams. They found that a sport fan's behavior is heavily influenced by a higher level of fan identity. This can lead to a lower sensitivity to performance-outcome, and price. Such fans have a higher probability of attending sporting events (Fisher & Wakefield, 1998; Laverie & Arnett,

2000; Pease & Zhang, 2001; Trail et al., 2003; Zhang et al., 2001), to buy team merchandise which is licensed (Fisher & Wakefield, 1998; Trail et al., 2003; Wann & Barnscombe, 1993; Williamson, Zhang, Pease, & Gaa, 2003), to identify sponsors (Lascu, Giese, Toolan, Guehring, & Mercer, 1995), and to purchase sponsors' products (Madrigal, 2000, 2001). It was also reported that highly identified fans often view the success and failures of their team as own success and failure (Hirt, Zillman, Erickson, & Kennedy, 1992; Pease & Zhang, 2001; Williamson et al., 2003), while low-identified fans would likely decrease their association with the team if they perform poorly (Pease & Zhang, 2001; Wann, 1993; Williamson et al., 2003; Zhang et al., 2001). Comparing to other fans, those which highly identify with their teams have higher chances of belittling fans from other teams (Branscombe & Wann, 1994) as well as exhibit favor for fans from the same team as their own (Wann & Barnscombe, 1995; Williamson et al., 2003; Zhang et al., 2001).

In the setting of the current study, we aimed to compare the difference in consumers' perceived value, perceived risk and purchase intention that were associated with the selected independent variables (i.e., associative power, interactivity, and school). As indicated in previous review, consumers' perception and purchase intention of team-related products are highly influenced by their team identification level. Although the participants in these experiments would be selected through a random assignment process, it does guarantee the exclusion of the bias on the dependent measures potentially caused by different identification levels. Therefore, participants' team identification would be measured and used as a covariate throughout the analyses in our study. All the previous proposed hypotheses were under the condition of controlling for participants' team identification level.

CHAPTER 3

METHOD

Questionnaire Development

Questionnaire

In order to develop an effective measure for the purpose of the current study, a classical multi-step process (see Churchill, 1979; DeVellis, 1991) has been adopted. Each of the steps adopted in the development and validation of the scale is described below.

Initial generation of statements

A multi-section, multi-item questionnaire measuring the specified constructs in the study (i.e., perceived value, perceived risk, team identification, and purchase intention) was formulated, for which a 7-point Likert scale (1= “strongly disagree” and 7 = “strongly agree”) was adopted. Inclusion of the items for each construct was based on an extensive review of literature. All the constructs measured in this study were adapted from earlier studies and modified to suit the purpose of the current study.

Four potential dimensions of perceived value (i.e., utilitarian benefit, hedonic benefit, social benefit, and cost) and three dimensions of perceived risk (i.e., financial risk, performance risk, and time/opportunity risk) were identified. To a great extent, these were originally developed to assess consumer's perceptions of durable goods (e.g., the PERVAL scale; Sweeney & Soutar, 2001) or intangible services (e.g., the SERV-PERVAL scale; Petrick, 2002); essentially, no existing scales were found with a specific focus on measuring perceived value and

perceived risk of ticket purchase for sport events. Considering that measurement properties are population and context specific (Zhang et al., 2001), sport event tickets may have unique properties and features that consist of both tangible and intangible characteristics; thus, it appeared necessary that these value and risk constructs derived from other business contexts need to be reexamined before being used to test the hypotheses of this study.

Two items were adopted from Sweeney and Soutar's (2001) PERVAL scale along with three items from Babin, et al. (2005), Kim and Han (2009), and Pihlström and Brush (2008) to measure the dimension of utilitarian benefit. The PERVAL scale represents an important step forward in the measurement of perceived value, as it permits empirical testing of the multidimensional character of the construct. The PERVAL scale has been extensively validated and provides a reliable measure of perceived value of consumer goods, while the rest three scales were to measure perceived value of restaurant experience (Babin, et al., 2005) and mobile services (Kim & Han, 2009; Pihlström & Brush, 2008). Five items were incorporated to measure the dimension of hedonic benefit. Three of these items were taken from the PERVAL scale (Sweeney & Soutar, 2001) and modified by Kim and Han (2009), along with one item from Sanchez et al. (2006) and one item from Grewal, Monroe, and Krishnan (1998). The social dimension of the value construct was assessed by adopting four items from Kim and Han (2009) and one item from Sanchez et al. (2006). Many of our items were taken from Kim and Han (2009), in which the authors collected items from various researchers to measure consumer's perceived value of mobile data service. These items demonstrate high reliability and validity, that would provide a strong and reliable initial items pool for the current study. The cost dimension of perceived value also consists of five items, which include three items adopted from

Aslam, Khan and Tanveer (2011) and two items from Kleijnen, de Ruyter and Wetzels (2007). These items were initially designed for measuring cognitive effort or sacrifice customers give to acquire a product or service, which could include monetary price and non-monetary costs. They were adopted by rewording them to fit the purpose of measuring the time and efforts spent to acquire the ticket and attending games.

Perceived risk was assessed in three dimensions: financial risk, performance risk, and time/opportunity risk. A total of 15 items were selected to measure the constructs that included five items for each dimension. Most of these items were taken from Forsythe, Liu, Shannon, and Gardner (2006), Kleijnen et al. (2007), Stone and Gronhaug (1993), and Sweeney et al. (1999), and were modified to fit the context of the current study. In actuality, many items were used and modified repeatedly in these four scales, while the origin of these items could be traced back to a twelve-item scale developed by Bearden, Netemeyer, and Teel (1989). This scale has been extensively validated in various studies (Bearden et al., 1989; Sweeney et al., 1999).

Team identification was defined as one's level of attachment to or concern about a particular sport team (Wann & Barnscombe, 1993). To measure this concept, three items were adopted from the modified version of the Sport Spectator Identification Scale adopted by Madrigal (2001), which was originally developed by Wann and Branscombe (1993) to study spectator behaviors, and was later modified by Madrigal (2001) for studying sport sponsorships. The wording of each item was revised into professional basketball setting for the purpose for this study. Furthermore, five items were adopted and modified from literatures to measure purchase intentions of the ticket package, including two items from Dees et al. (2008), one item from Lee et al. (1997), one item from Madrigal (2001), and the remaining one from Zhang et al. (2005).

Manipulation and confounding check items were incorporated to ensure the account of the observed relationship between the independent variables (i.e., relationship and flexibility) and the dependent variable (perceived value, perceived risk, and purchase intention) in this study. According to Sawyer, Lynch, and Brinberg (1995), manipulation checks are used to assess the "take" of the manipulation and examine the existence of intended treatment effect patterns; whereas, confounding check are used to ensure that no latent constructs were inadvertently manipulated by the independent variable in addition to the intended treatment effect on the specified dependent variable. Six items were developed for manipulation check, including three items to measure the degree of relationship with the team and three items to measure the perceived flexibility of the ticket package. Three confounding check items were developed to make sure there was no different preference of the flyer designs between groups. These items were phrased in a 7-point semantic differential scale anchored by bipolar adjectives. Finally, to ensure the influence of the manipulation, a question asking "What was the price of this ticket package?" was added to the end of the questionnaire, along with some socio-demographic variables for sample description purpose. Items in each section were arranged in a random sequence.

Test of Content Validity

Based on suggestions by Aaker and Day (1990), Tull and Hawkins (1994), and DeVellis (1991), the initial questionnaire was given to a panel of five experts, including three experienced scholars in sport marketing studies and two experienced professionals in sport event ticketing, for their review and comments. As noted by Parasuraman, Zeithaml, and Berry (1988), this process was designed to examine the construct relevance, representativeness, and clarity of the items in the questionnaire. Taking on the input from the panel members, wording of numerous items were improved and night redundant items were deleted. The improved questionnaire resulted from the test of content validity was consisted of 34 items, which included four items for utilitarian benefit, three items for hedonic benefit, three items for social benefit, three items for cost, three items for financial risk, three items for performance risk, three items for time/opportunity risk, three items for team identification, three items for purchase intention, and six items for manipulation and confounding check.

Measurement Properties

The items under each of the perceived value and perceived risk constructs were assembled from multiple studies and sources that were not originally formed for the setting of the current study, examining the measurement properties of these constructs was deemed necessary before they were used to test the stated hypotheses. Thus, a pilot study with an aim to refine the measurement properties was conducted by following the procedures suggested by Churchill (1979), Fabrigar, MacCallum, Wegner, and Strahan (1999), and Parasuraman et al. (1988). A sample of 303 college students enrolled in a major public university located in the southeast region of the United States responded the questionnaire. After deleting 12 participants who had

substantial missing data in their responses, data from 291 participants were used for statistical analyses. An exploratory factor analyses (EFA) was conducted to examine the factor structure of perceived value and perceived risk concepts respectively (Hair, Anderson, Tatham, & Black, 1998). Initial visual assessment of the correlation matrices indicated considerable degree of inter-item correlations, indicating the need to proceed with the EFA. Following the initial factor structure solution, maximum likelihood was adopted as the extraction method and direct oblimin with Kaiser normalization was adopted as the rotation technique (Kinnear & Gray 1997; Fabrigar et al. 1999). For perceived value, the Bartlett Test of Sphericity (Chi-square = 1201.647; df = 55; $p = 0.000$) and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy index (KMO = 0.824) confirmed the appropriateness for conducting the EFA. An eigenvalue equal to or greater than 1.0, along with the screeplot was used to determine the number of factors (Hair et al., 1998). As a result, three factors were extracted, accounting for a total of 64.5% of the variance among items. Using a criterion of a factor loading equal to or greater than .4 without double loading, 11 items were retained; whereas two items had poor loading patterns and were hence deleted. As a result, a 3-dimension solution of perceived value was finalized with 11 items, which renamed as affective benefit (5 items), cognitive benefit (3 items), and cost (3 items). Calculating the internal consistency, the factors had a Cronbach's (1951) alpha reliability coefficient equal to .823, .782, and .704, respectively, which were all above the threshold of .70 (Nunnally & Berstein, 1994). For perceived risk, the Bartlett Test of Sphericity (Chi-square = 753.566; df = 21; $p = 0.000$) and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy index (KMO = 0.776) confirmed the appropriateness for conducting an EFA. Two factors were extracted, accounting for a total of 66.2% of the variance among items. Due to low factor loading scores, two items were removed;

consequently a 7-item scale was finalized to measure the two dimensions of perceived risk, which were renamed as performance risk (4 items) and consumption risk (3 items). Alpha reliability coefficients for the two factors were .775 and .777, respectively (Table 3-1). The results presented in Table 3-1 provide evidence as to the robustness of the structure since all factors exceeded the adopted criteria.

To summarize the process, there were 54 in the questionnaire resulted from the initial development; these were reduced to 34 as a result of the content validity test. Based on the findings of the EFA, calculation of reliability coefficients, and further examination of conceptual coherency of perceived value and perceived risk items, a 3-factor solution for perceived value and the a 2-factor solution for perceived risk were deemed as potentially robust factor structure to be used for evaluating consumer perceptions of ticket packages. Together with items measuring purchase intention, team identification, and items for manipulation and confounding check, the final version of the questionnaire to be used in the experimental study had a total of 30 items.

Research Subjects

Subjects in this study were college students enrolled at two public universities in the southeast region of the United States. One of the universities (School One) is located in the city of Atlanta neighboring with the NBA franchise Atlanta Hawks, while the other university (School Two) is located in the suburbs of Atlanta and is about 70 miles away from the home arena of the Atlanta Hawks. A total of 513 students (242 from school one and 271 from school two) agreed to participate in the study and 489 of them (95.3%) completed the experiment and responded to the questionnaire. After checking the screening item that asked participant about

the price of the package, a usable sample of 478 respondents (228 from school one and 250 from school two) was retained. Although there has been concern about the use of students as surrogate consumers and the research generalizability of student samples (e.g., Lynch, 1999; Gallagher, Parsons, & Foster, 2001), students were deemed appropriate for the current study. For the setting of the current study, students are actual and important customers of professional basketball events. According to the Sport Business Research Network (2013), fans in age group of 18-34 account for 45% and 38% of the total attendance at the NBA games in 2011 and 2012, respectively.

Experimental Design

The experiment was conducted in a classroom setting, using a two (associative power: transactional price bundle vs. relational price bundle) by two (interactivity: one predefined price bundle vs. two level of customized price bundle) by two (institutions representing different geographic locations and distances from the event) between-subjects design. Participants were seated with extra space from each other and instructed not to communicate with one another during the study. Each participant was randomly into one of the four ticket bundling scenario groups resulted from the combinations of associative power and interactivity, and was informed that the local NBA franchise was promoting a ticket discount for students and wanted to know their opinions about the ticket package provided. For each of the scenarios, participant subject was presented a promotional ad with a cover page. After thoroughly viewing and reading the ad, a subject then proceeded to respond to the questionnaire. The four Ads are illustrated in Appendix A and the manipulations (i.e., treatment process) of the four scenarios are described below:

1. Transactional, Predefined: Subjects were presented three pre-designed 5-game mini plan. The total value of the five tickets was \$200 and was on sale for \$140 (i.e., a 30% discount on price).
2. Transactional, Customized: Subjects were presented a customized 5-game mini plan, in which they were able to select five of their favorite games (one from the platinum level, one from the gold level, and three from the silver level). The total value of the five tickets was \$200 and was on sale for \$140 (i.e., a 30% discount on price).
3. Relational, Predefined: Subjects were presented a membership program named the SKY PASS, which enabled them to preload \$200 credit for a discount price at \$140 (i.e., also 30% off); meanwhile, a \$10 annual membership fee was charged. The credit could be used to purchase tickets or any product and service provided in the arena or on the team's website. The membership also had predefined benefits for its members.
4. Relational, Customized: Subjects were presented a membership program named the SKY PASS, which enabled them to preload \$200 credit for a discount price at \$140 (i.e., also 30% off); meanwhile, a \$10 annual membership fee was charged. The credit could be used to purchase tickets or any product and service provided in the arena or on the team's website. The SKY PASS membership would have various benefits of their choice.

Data Analyses

Procedures in the SPSS program (SPSS 17.0) were carried out to conduct data analyses. Descriptive statistics were calculated for each retained item and factor resulted from the content and factor validity tests. Internal consistency of each factor was examined by calculating the alpha reliability coefficient. Zero-order correlations were computed to examine basic interrelationships among the factors and analyze the appropriateness of carrying out the multivariate analysis of covariance (MANCOVA) procedures. Factorial MANCOVA (2 x 2 x 2) with three between-subject factors (i.e., associative power, interactivity, and institutions) were then conducted for the perceived value, perceived risk, and purchase intention factors, for which level of team identification was adjusted as the covariate. Univariate tests with adjusted α level were conducted as follow-up procedures when a significant difference due an independent variable was found. Considering that large sample sizes often cause any small difference to be regarded as statistically significant, effect sizes (η^2) were also calculated, in addition to the level of significance, to determine practical significance of each effect as suggested by Hair et al. (1998). Finally, a multiple regression analysis was conducted to predict purchase intention from all of the perception factors (affective benefit, cognitive benefit, cost, performance risk, consumption risk) after the level of team identification was controlled for.

Table 3-1. *Exploratory factor analysis and Descriptive Statistics for Factors*

	Affective Benefit	Cost	Cognitive Benefit	Consumption Risk	Performance Risk
HB3	.959	-.024	-.137		
SB2	.820	.069	.023		
HB1	.700	-.032	.023		
SB1	.464	-.057	.102		
UB4	.449	.017	.182		
CO3	-.043	.839	-.066		
CO2	-.120	.678	.031		
CO1	.079	.479	.006		
HB2	.124	.011	.803		
UB1	-.021	-.093	.724		
UB2	-.003	.050	.638		
TR1				.912	-.053
TR2				.837	-.045
TR3				.498	.205
PR3				-.042	.839
PR2				.011	.745
PR1				.075	.709
FR3				-.013	.458
Eigenvalue	4.19	1.75	1.16	3.30	1.34
% of variance explained	38.13	15.88	10.53	47.10	19.12
Mean	5.22	4.98	5.26	4.98	4.10
SD	1.00	1.18	1.01	1.24	1.13
α	.823	.782	.704	.775	.777

Note. Factor loadings > .40 are in boldface. HB = Hedonic Benefit; UB = Utility Benefit; SB= Social Benefit; CO = Cost; PR = Performance Risk; FR = Financial Risk; TR= Time/Social Risk.

CHAPTER 4

RESULTS

Tests of Assumptions

Prior to testing the hypotheses, a series of tests were conducted to assess assumptions of MANCOVA. The Box's $M = 210.23$ ($p = .000$) indicated a violation of an assumption of homogeneity of covariance. It was speculated that unequal sample sizes between the two institutions was a major factor contributing to this violation, based on the following considerations: (a) unequal samples cause non-orthogonality and the total sum of squares is less than all of the effects and error added up; and (b) an equal sample size of the groups could provide more robust results when this assumption was violated (Olson, 1976). Consequently, 50 subjects were randomly selected from each subgroup (i.e., $2 \times 2 \times 2 =$ eight cells) in an effort to maintain an equal sample size. As a result, a total of 400 subjects were kept for further analyses. As showed in Table 4-1, about 42 % of the participants are male and 57% % of them are female; most of the participants are between age 18 and 21 (54%) or between age 22 and 25 (40%); more than half of them are Caucasian (55%).

Pearson product moment correlation coefficients were also tested between any two of the dependent variables in an effort to test the multivariate assumption that the dependent variables would be correlated with each other in the moderate range (Meyer, Gampst, & Guarino, 2006) since it is not advisable to use multivariate analysis when the dependent variables are highly

intercorrelated. As can be seen in Table 4-3, a meaningful pattern of correlations was observed amongst the dependent variables, suggesting the appropriateness of conducting a MANCOVA.

Descriptive Statistics

Descriptive statistics for all items, along with alpha reliability coefficients for the seven conceptual factors, are presented in Table 4-2. Cronbach's alpha coefficients ranged from .70 for the cost dimension of perceived value to .92 for the factor of purchase intentions, which indicated good internal consistencies (Nunnally, 1994). One item from the cost dimension, 'Extra costs associate with going to these games are high', was removed from further analyses because of low item-total correlation and the removal of this item increased the Cronbach's alpha coefficient of the factor from .63 to .71. Overall, subjects in this study showed high perceived value (mean item scores ranged from 4.56 ± 1.46 to 5.38 ± 1.23) when compared to 4.0 as the midpoint on the 7-point Likert scale. Subjects generally did not see purchasing the proposed ticket package as a risky investment, especially on the product itself (mean performance risk item scores ranged from 3.97 ± 1.41 to 4.28 ± 1.54). On the contrary, subjects were more worried about not finding time or people to go to games (mean item scores ranged from 4.14 ± 1.77 to 5.24 ± 1.48). Noticeably, subjects expressed relatively low team identification to the Atlanta Hawks and low purchase intension of the presented ticket packages. For team identification, mean and standard deviation scores ranged from 2.16 ± 1.60 to 3.02 ± 1.90 ; meanwhile, mean item scores ranged from 2.99 ± 1.56 to 3.68 ± 1.70 for purchase intention.

Manipulation and Confounding Check

Six items in 7-point semantic scales were incorporated as manipulation and confounding check to strengthen belief in theoretical account of the observed relationship between the

operational independent variables (relationship and flexibility) and dependent variables (perceived value, perceived risk, and purchase intention) in this study. A series of ANOVA were performed to ensure that desired group differences exist. As seen in Table 4-4, there was no significant ($p > .05$) difference between groups on their preference for the design of flyers. Thus, flyer design can be excluded from potential alternative explanations of any group differences found on the dependent variables. For the manipulation check, as expected, the relational group showed a significantly ($p < .05$) stronger associative power than the transitional group, which was measured by the three manipulation items on consumer relationship with the team; yet, no significant ($p > .05$) difference was found in flexibility between the two groups, which was measured by the three manipulation items on ticket flexibility perceptions. Conversely, the customized group shows a significantly ($p < .05$) higher flexibility than the predefined group, but no significant ($p > .05$) difference was found in associative power between these two groups. These findings indicate that the manipulation of the independent variables in the this experimental study was effectively taken by the subjects as the pattern of intended treatment effects were observed on these indicators (See Sawyer et al. (1995) for discussion on the procedures of manipulation and confounding check).

Hypotheses Testing

Team identification was incorporated as a covariate in this study because of its significant role in predicting purchase intention of team-related products (Fisher & Wakefield, 1998; Laverie & Arnett, 2000; Pease & Zhang, 2001; Trail et al., 2003; Zhang et al., 2001), as well as the potential impact on other dependent variables in this study. The speculation on team identification as a potential covariate was found to be well justified by the findings outlined in

Table 4-3. Team identification was significantly related to purchase intention ($r = .37, p < .01$), affective benefit ($r = .25, p < .01$), cost ($r = -.13, p < .01$), and consumption risk ($r = -.16, p < .01$). A three-way analysis of variance (ANOVA) was conducted to ensure that the mean scores of team identification were not different across groups. Results in Table 4-5 illustrated the independence of the covariate and treatment effect since no significant ($p > .05$) differences across groups were detected.

Factorial (2 x 2 x 2) MANCOVAs were then conducted to compare mean differences of the perceived value, perceived risk, and purchase intention factors. These analyses were to test the stated hypotheses that mean differences would exist between different institutions, associative power levels (transactional and relational), and interactivity levels (predefined and customized). As illustrated by Table 4-6 and 4-7, MANCOVA procedures for the constructs of perceived value and perceived risk indicated no significant interaction effect (two-way or three way). The three-way interaction on perceived value ($F(3,389) = 2.63, p = 0.05$) and one of the two-way interactions (School and Interactivity) on perceived risk ($F(3,389) = 3.01, p = 0.05$) were close to be statistically significant although the effect sizes were rather small. Therefore, Hypothesis 10, Hypothesis 11 and Hypothesis 12 were not supported. There was a significant association between the covariate (team identification) and the perceived value ($F(3,389) = 14.64, p < 0.001, \eta^2 = 10.1\%$) and between the covariate and perceived risk ($F(3,389) = 5.53, p < 0.001, \eta^2 = 2.8\%$). For perceived value, significant differences were found between institutions ($F(3, 389) = 6.45, p < .001, \eta^2 = 4.7\%$) and between different associative powers ($F(3, 389) = 4.43, p < .001, \eta^2 = 3.3\%$). Therefore, Hypothesis 1 and Hypothesis 7 were supported, but not Hypothesis 2. The multivariate effect size implies that canonically about 8% of the variance in

the dependent variables was accounted for by the differences in institutions and associative power levels. For perceived risk, similar pattern was detected for institutions ($F(3,389) = 8.85, p < 0.01, \eta^2 = 4.3\%$) and associative power ($F(3,389) = 4.15, p < 0.05, \eta^2 = 2.1\%$). No significant ($p > .05$) effect was found on the interactivity variable. Consequently, Hypothesis 3 and Hypothesis 8 were supported, but not Hypothesis 4.

The estimated marginal means (i.e., canonically adjusted group means) and the results of the univariate analyses for the three independent variables (i.e., school, associative power, and interactivity) are presented in Table 4-8 to Table 4-10. Compared with school one, school two had significantly higher group means in the dimension of cost ($M = 5.18, SD = .90, F(1,391) = 17.52, p < .001, \eta^2 = 4.3\%$), performance risk ($M = 4.28, SD = .78, F(1,391) = 4.54, p < .05, \eta^2 = 1.1\%$), and consumption risk ($M = 5.02, SD = .89, F(1,391) = 17.68, p < .001, \eta^2 = 4.3\%$). For different associative power levels, transactional group showed higher scores in the dimensions of affective benefit ($M = 5.13, SD = .70, F(1,391) = 7.40, p < .01, \eta^2 = 2.0\%$) but lower scores in the dimension of cost ($M = 4.74, SD = .90, F(1,391) = 7.64, p < .01, \eta^2 = 1.9\%$) and performance risk ($M = 4.00, SD = .78, F(1,391) = 8.17, p < .01, \eta^2 = 2.0\%$) (Table 4-10).

For purchase intention as the sole dependent variable in the factorial MANCOVA, research findings were same conducting a univariate analysis (Tables 4-11 and 4-12). After controlling for the effect of team identification, significant effects on purchase intention were detected between institutions and associative power levels. School one showed a significantly higher purchase intention ($M = 3.55, SD = .97, F(1,391) = 17.10, p < .001, \eta^2 = 4.2\%$) than School two (Hypothesis 9 supported), and transactional group showed a significantly higher purchase

intention ($M = 3.53$, $SD = .97$, $F(1,391) = 14.33$, $p < .001$, $\eta^2 = 3.5\%$) than the relational group (Hypothesis 5 supported).

Finally, a multiple regression analysis was conducted to examine the influences of perception variables on the purchase intention, after controlling for team identification. As seen in Table 4-13, four of the five perception variables were significant predictors of purchase intentions of ticket packages. Affective benefit has the highest standardized β coefficient ($\beta = .32$, $t = 6.70$, $p < .01$), while cognitive benefit, cost, and consumption risk all had standardized β coefficient around 0.16. As expected, affective benefit and cognitive benefit positively predicted purchase intention, while cost and consumption risk negatively predicted purchase intention. Team identification, as a covariate in this study, was found significantly related to purchase intention ($\beta = .24$, $t = 6.07$, $p < .01$). Its effect was first partialled out.

Table 4-1. *Descriptive Statistics for the Demographic Variables*

Variables	Category	<i>N</i>	%
Gender	Male	166	41.5
	Female	227	56.8
	unknown	7	1.8
Age	18-21	217	54.3
	22-25	158	39.5
	26-30	18	4.5
	31-35	5	1.3
	36-40	1	.3
	unknown	1	.3
School Year	freshman	35	8.8
	sophomore	48	12.0
	junior	105	26.3
	senior	164	41.0
	graduate or professional school	46	11.5
	unknown	2	.6
Ethnicity	Caucasian	218	54.5
	Hispanic	20	5.0
	Asian	59	14.8
	African-American	78	19.5
	American Indian	1	.3
	Mixed ethnicity or other	23	5.8
	unknown	1	.3

Table 4-2. *List of Measurement Items and Descriptive Statistics*

Variables	M	SD	α	M	SD	Skewness	Kurtosis
<u>Affective Benefit (AB)</u>	24.96	5.18	.832				
Games and benefits included in the ticket package would be ones that I enjoy.				5.03	1.29	-.505	.129
I would enjoy the games and benefits in this package with friends.				5.38	1.23	-.791	.722
I would enjoy the games and benefits included in this package.				5.00	1.47	-.654	-.122
People who are important to me would be interested in this ticket package.				4.56	1.46	-.299	-.533
The ticket package has what I want if I were looking to buy tickets.				4.99	1.23	-.409	-.091
<u>Cognitive Benefit (CB)</u>	15.33	2.82	.714				
I would feel good about my purchase if I were to take advantage of the price-deal included in this ticket package.				5.06	1.20	-.447	-.016
The ticket package is reasonably priced.				5.09	1.12	-.520	.686
The ticket package would save me time and effort if I were looking to buy tickets.				5.18	1.21	-.639	.319
<u>Cost (CO)</u>	9.83	2.63	.706				
For me the costs of time, money, and effort to attend these games are high.				4.92	1.46	-.204	-.855
Likely it will take a lot of my effort to attend so many games.				4.91	1.54	-.453	-.621
<u>Performance Risk (PR)</u>	16.63	4.47	.767				
I may not get what I want from purchasing this ticket package.				4.11	1.42	-.021	-.398
As I consider purchasing this ticket package, I worry about whether the game will be really worth as much as it is supposed to.				4.28	1.54	-.220	-.585
I am concerned that the package may not provide the level of benefits I would expect if I were to purchase it.				3.97	1.41	-.062	-.407
Purchasing tickets separately from the secondary ticket market might be cheaper.				4.27	1.46	-.317	-.290
<u>Consumption Risk (CR)</u>	14.27	3.89	.781				
Friends may not have time to go to these games.				4.89	1.39	-.618	.159
I may not have time to go to these games.				5.24	1.48	-.844	.225
I may not find people to go with me to the games.				4.14	1.77	-.219	-.942

Table 4-2. (Continued)

Variables	M	SD	α	M	SD	Skewness	Kurtosis
<u>Team Identification (TI)</u>	8.00	4.86	.883				
I often display the Hawks name or insignia at my workplace, home, and/or on my clothing.				2.16	1.60	1.400	1.099
I feel a sense of pride when people compliment the Hawks.				3.02	1.90	.477	-.990
I feel sad when the Hawks lose a game.				2.82	1.88	.674	-.752
<u>Purchase Intentions (PI)</u>	9.80	4.60	.923				
If I were to attend a Hawk's game, I would consider buying this ticket package.				3.68	1.70	.025	-.935
Next time when I want to attend a Hawk's game, I will choose this ticket package.				2.99	1.56	.460	-.419
If I were to attend a Hawk's game, the probability of buying this ticket package is high.				3.13	1.66	.389	-.708
<u>Manipulation Check (Relationship)</u>	8.59	2.81	.848				
By purchasing this ticket package, the relationship I would build with the Hawks is: (1= very weak / 7= very strong).				4.21	1.50	-.416	-.414
By purchasing this ticket package, the length of time I would associate with the Hawks is: (1= very short/ 7= very long)	8.96	2.39	.819	4.38	1.52	-.549	-.211
<u>Manipulation Check (Flexibility)</u>							
The ticket package (1= does not allow/ 7= allows) fans to choose what they want.				4.54	1.35	-.379	-.046
The ticket package is (1= inflexible/ 7= very flexible).				4.43	1.24	-.361	.069
<u>Confounding Check (Flyer Design)</u>	10.02	2.41	.917				
The design of the flyer is: (1= not appealing at all/ 7= very appealing)				4.99	1.27	-.755	.735
The design of the flyer is: (1= very unattractive/ 7= very attractive)				5.03	1.23	-.593	.230

Note. M= Mean; SD = Standard Deviation; α = Cronbach's alpha coefficient

Table 4-3. Zero-order Correlation among Factors

Factor	AB	CB	CO	PR	CR	TI	PI
Affective Benefit	1	.547**	-.206**	-.341**	-.164**	.251**	.542**
Cognitive Benefit		1	-.181**	-.325**	-.060	.002	.387**
Cost			1	.366**	.476**	-.128*	-.387**
Performance Risk				1	.464**	-.063	-.374**
Consumption Risk					1	-.157**	-.365**
Team Identification						1	.367**
Purchase Intentions							1

Note. AB = Affective Benefit; CB = Cognitive Benefit; CO = Cost; PR = Performance Risk; CR = Consumption Risk; TI = Team Identification; PI = Purchase Intentions.

* Significant at .05 level

** Significant at .01 level

Table 4-4. Mean Score Difference on Manipulation and Confounding Checks

IV	Category	Design			Associative power			Interactivity		
		Mean (SD)	F	η^2	Mean (SD)	F	η^2	Mean (SD)	F	η^2
Institution	One	5.01 (1.22)	.000	.000	4.07 (1.59)	12.11**	.030	4.36 (1.29)	3.97*	.010
	Two	5.01 (1.18)			4.53 (1.14)			4.59 (1.09)		
Associative power	Transactional	5.00 (1.20)	.019	.000	4.01 (1.38)	18.84**	.046	4.55 (1.29)	1.56	.004
	Relational	5.02 (1.20)			4.59 (1.37)			4.41 (1.10)		
Interactivity	Predefined	5.06 (1.21)	.659	.002	4.37 (1.36)	1.26	.003	4.17 (1.16)	26.60**	.064
	Customized	4.96 (1.20)			4.22 (1.44)			4.78 (1.20)		

Note. SD = Standard Deviation.

* Significant at .05 level

** Significant at .01 level

Table 4-5. *Univariate Analysis of Variance on Team Identification*

Variable	df	F	<i>p</i>	Partial η^2
School	5	.071	.791	.063
Associative power	5	.167	.683	.038
Interactivity	5	.282	.595	.003
S*A	5	.151	.698	.003
S*I	5	.071	.791	.022
A*I	5	.483	.488	.011
S*A*I	5	.004	.951	.020

Note. S*A = School* Associative power; S*I = School* Interactivity; A*I = Associative power* Interactivity; S*A*I = School* Associative power* Interactivity.

* Significant at .05 level

** Significant at .01 level

Table 4-6. *Factorial MANCOVA on Perceived Value*

Variable	Wilks' λ	F	df	Error df	Partial η^2	Power
TI (covariate)	.899	14.638**	3	389	.101	1.000
School	.953	6.449**	3	389	.047	.969
Associative power	.967	4.434**	3	389	.033	.875
Interactivity	.997	.345	3	389	.003	.117
S*A	.999	.140	3	389	.001	.076
S*I	.994	.740	3	389	.006	.208
A*I	.995	.700	3	389	.005	.199
S*A*I	.980	2.632	3	389	.020	.643

Note. TI = Team Identification; S*A = School* Associative power; S*I = School* Interactivity; A*I = Associative power* Interactivity; S*A*I = School* Associative power* Interactivity.

* Significant at .05 level

** Significant at .01 level

Table 4-7. *Factorial MANCOVA on Perceived Risk*

Variable	Wilks' λ	F	df	Error df	Partial η^2	Power
TI (covariate)	.972	5.530**	3	389	.028	.852
School	.957	8.848**	3	389	.043	.971
Associative power	.979	4.150*	3	389	.021	.731
Interactivity	.999	.222	3	389	.001	.085
S*A	.998	.446	3	389	.002	.123
S*I	.985	3.014	3	389	.015	.583
A*I	.995	.984	3	389	.005	.221
S*A*I	.996	.775	3	389	.004	.182

Note. TI = Team Identification; S*A = School* Associative power; S*I = School* Interactivity; A*I = Associative power* Interactivity; S*A*I = School* Associative power* Interactivity.

* Significant at .05 level

** Significant at .01 level

Table 4-8. *Univariate Analyses with Respect to Institutions*

Dependent Variable	School	Estimated Marginal Means				df	Error df	F	Partial η^2	Power
		Mean	SD	95% CI						
				Lower Bound	Upper Bound					
Affective Benefit	One	5.013	.070	4.875	5.152	1	391	.196	.000	.073
	Two	4.970	.070	4.831	5.108					
Cognitive Benefit	One	5.088	.066	4.958	5.218	1	391	.231	.001	.077
	Two	5.133	.066	5.003	5.263					
Cost	One	4.645	.090	4.468	4.823	1	391	17.52**	.043	.987
	Two	5.180	.090	5.002	5.357					
Performance Risk	One	4.039	.078	3.885	4.193	1	391	4.54*	.011	.566
	Two	4.275	.078	4.121	4.428					
Consumption Risk	One	4.492	.089	4.318	4.667	1	391	17.68**	.043	.987
	Two	5.019	.089	4.845	5.194					

Note. CI = Confidence Interval; Covariates appearing in the model are evaluated at the following values: TI = 2.6667. Bonferroni adjustment was made for multiple comparisons.

* Significant at .05 level

** Significant at .01 level

Table 4-9. *Univariate Analyses with Respect to Associative Power*

Dependent Variable	Associative power	Estimated Marginal Means				df	Error df	F	Partial η^2	Power
		Mean	SD	95% CI						
				Lower Bound	Upper Bound					
Affective Benefit	Transactional	5.132	.070	4.993	5.270	1	391	7.938**	.020	.802
	Relational	4.851	.070	4.713	4.990					
Cognitive Benefit	Transactional	5.195	.066	5.065	5.325	1	391	3.242	.008	.435
	Relational	5.027	.066	4.897	5.157					
Cost	Transactional	4.736	.090	4.558	4.914	1	391	7.639**	.019	.787
	Relational	5.089	.090	4.911	5.267					
Performance Risk	Transactional	3.999	.078	3.845	4.153	1	391	8.166**	.020	.813
	Relational	4.315	.078	4.161	4.469					
Consumption Risk	Transactional	4.653	.089	4.478	4.827	1	391	2.708	.007	.375
	Relational	4.859	.089	4.685	5.033					

Note. CI = Confidence Interval; Covariates appearing in the model are evaluated at the following values: TI = 2.6667. Bonferroni adjustment was made for multiple comparisons.

* Significant at .05 level

** Significant at .01 level

Table 4-10. *Univariate Analyses with Respect to Interactivity*

Dependent Variable	Interactivity	Estimated Marginal Means				df	Error df	F	Partial η^2	Power
		Mean	SD	95% CI						
				Lower Bound	Upper Bound					
Affective Benefit	Predefined	4.976	.070	4.838	5.114	1	391	.097	.000	.061
	Customized	5.007	.070	4.869	5.145					
Cognitive Benefit	Predefined	5.137	.066	5.007	5.267	1	391	.307	.001	.086
	Customized	5.085	.066	4.955	5.215					
Cost	Predefined	4.935	.090	4.758	5.113	1	391	.129	.000	.065
	Customized	4.890	.090	4.712	5.067					
Performance Risk	Predefined	4.153	.078	3.999	4.307	1	391	.005	.000	.051
	Customized	4.161	.078	4.007	4.314					
Consumption Risk	Predefined	4.791	.089	4.617	4.965	1	391	.316	.001	.087
	Customized	4.721	.089	4.546	4.895					

Note. CI = Confidence Interval; Covariates appearing in the model are evaluated at the following values: TI = 2.6667. Bonferroni adjustment was made for multiple comparisons.

* Significant at .05 level

** Significant at .01 level

Table 4-11. *Univariate Analysis of Variance on Purchase Intention*

Variable	df	F	<i>p</i>	Partial η^2
TI (covariate)	1	65.751**	.000	.144
School	1	17.096**	.000	.042
Associative power	1	14.331**	.000	.035
Interactivity	1	.380	.538	.001
S*A	1	.003	.960	.000
S*I	1	1.291	.256	.003
A*I	1	.011	.918	.000
S*A*I	1	1.739	.188	.004

Note. TI = Team Identification; S*A = School* Associative power; S*I = School* Interactivity; A*I = Associative power* Interactivity; S*A*I = School* Associative power* Interactivity.

* Significant at .05 level

** Significant at .01 level

Table 4-12. *Mean Score Difference in Purchase Intention*

Variable	Level	Estimated Marginal Means				df	Error df	F	Partial η^2
		Mean	SD	95% CI					
				Lower Bound	Upper Bound				
School	One	3.551	.097	3.359	3.742	1	391	17.096**	.042
	Two	2.981	.097	2.789	3.172				
Associative power	Transactional	3.527	.097	3.335	3.718	1	391	14.331**	.035
	Relational	3.005	.097	2.813	3.197				
Interactivity	Predefined	3.223	.097	3.032	3.415	1	391	.380	.001
	Customized	3.308	.097	3.117	3.500				

Note. CI = Confidence Interval; Covariates appearing in the model are evaluated at the following values: TI = 2.6667.

* Significant at .05 level

** Significant at .01 level

Table 4-13. *Regression Analysis Examining the Influences of Perception Variables on the Purchase Intention after Controlling for Team Identification*

Factor	<i>R</i>	<i>R</i> ² _{adj}	ΔR^2	<i>F</i>	ΔF	β	<i>t</i>	<i>VIF</i>
<u>Step 1</u>	.37	.13	.13	61.87**	61.87**			
TI						.37	7.87**	1.000
<u>Step 2</u>	.68	.46	.33	56.59**	48.20**			
TI						.24	6.07**	1.120
AB						.32	6.70**	1.631
CB						.15	3.32**	1.545
CO						-.16	-3.80**	1.366
PR						-.07	-1.52	1.501
CR						-.16	-3.42**	1.528

Note. AB = Affective Benefit; CB = Cognitive Benefit; Co = Cost; PR = Performance Risk; CR = Consumption Risk; TI = Team Identification.

* Significant at .05 level

** Significant at .01 level

CHAPTER 5

DISCUSSION

Today, professional sport teams are forced to be more innovative in pricing and promotion strategies in hope to add value to the fan experience so as to attract and retain more customers (Horrow & Swatek, 2009; Howard & Crompton, 2004; Johnson, 2009). As NBA teams are consistently trying to add value to the fan experience, fans are often seeking the best deals to see their favorite teams and players. It has then become an important task for team marketers to figure out how fans evaluate the value of each product. The current study categorized ticketing strategies by using Legarreta and Miguel's (2004) two-dimension model, and investigated how various characters of packages could affect consumer perceptions and purchase intentions. In particular, this study examined the effectiveness of various ticketing strategies that are contemporarily used by NBA teams, in terms of consumer perceived value, perceived risk, and purchase intentions. Although the nature of this study is just a preliminary exploration, finding of this investigation still provide various useful information and implication for practical use and future research.

A comprehensive review of literature in this study indicated that existing measures of perceived value and perceived risk were primarily developed in settings to assess consumer's perception of durable goods (e.g., the PERVAL scale (Sweeney & Soutar, 2001)) or intangible services (e.g., the SERV-PERVAL scale (Petrick, 2002)). No existing scales were found with a focus on measuring the perceived value and perceived risk of tickets for sport events. Since sport

event tickets were of unique properties and in a context that consists of both tangible and intangible characters, the structures of value and risk construct were first reexamined although the main purpose of the current study was not to develop a new scale. To develop effective measures for the purpose of the current research, a classical multi-step process (Churchill 1979; DeVellis 1991; Spector 1992) was carried out. The final version of the scales used in this study went through multiple validating processes. The four-dimension structure of perceived value (i.e., utilitarian benefit, hedonic benefit, social benefit, and cost) and the three-dimension structure of perceived risk (i.e., financial risk, performance risk, and time/social risk) adopted from previous studies were modified and revised to three dimensions for perceived value (i.e., affective benefit, cognitive benefit, and cost) and two dimensions for perceived risk (i.e., performance risk and consumption risk).

Research findings derived from the scale development process provided evidence that tickets for sport events are unique from durable goods or pure services, and there is an apparent need for studies to be devoted to this area of inquiries. Social benefit was thought to be an important dimension of perceived value of sport events as people often attend events with friends or family members (Pease & Zhang, 2001; Sutton et al., 1997; Zhang et al., 2001). However, the EFA results in this study showed that some of the social benefit items were grouped together with items measuring hedonic benefit. Other items from utilitarian benefit and hedonic benefit dimensions were also mixed together, and eventually the three dimensions were mixed and revised to two dimensions (i.e., affective benefit and cognitive benefit). The new factor structure of perceived value appear to better fit the context of sport events when studying fan's motivation for attending to sport events (Pease & Zhang, 2001; Trail et al., 2003; Wann & Barnscombe,

1993; Zhang et al., 2001). Love of the game or the teams are more of the reason for fans than the utility of the game itself.

Another dimension that was removed from the final scale was financial risk. Financial risk was an important dimension in measuring consumer behavior in online shopping or banking service industries (Forsythe et al., 2006; Kleijnen et al., 2007; Stone & Gronhaug, 1993). However, it seems participants in this study were familiar with most of the potential cost involved in attending NBA games that they did not see it as a risk to purchase tickets. Items measuring financial risk did not load well in any of the dimensions in the risk concept, while items of performance risk dimension and consumption risk dimension showed clear patterns of loading. Another reason for this finding could be that the treatment in this study used a design of mini-packages that included only five games. The price of the package was not high (\$140-150) and the potential extra cost was significantly lower than buying a full-season ticket (i.e., 42 games). The result could be different if the number of games included in the package changes. Therefore, future studies need to pay particular attention on this issue when adopting the scale developed in the current study or attempting to develop a new measure.

As expected, school one in this study showed a significantly higher perceived value and lower perceived risk than school two. These, of course, resulted a higher purchase intention for school one. In our design, school one is much closer to the NBA franchise than school two in distance. Longer travel distance could potentially related to higher cost on money, time, and effort. It could also increase the difficulty to find a friend to attend games with. These all could lead to the decrease of value of these tickets. Same reasons could also lead to the increase of perceived risk, as they all increase the difficulty to schedule the events on the calendar. Team

marketers should keep this in mind and they might want to consider the possibility of adding more value for fans who travel from a longer distance. As in the univariate effects for school, the two schools did not show significant difference in the dimensions of affective benefit and cognitive benefit. The significantly lower perceived value for school two was actually more contributed to the significantly higher cost. From these results, finding ways to reduce the cost for attending games from longer distance (e.g., providing extra discount for expenses in the arena based on the travel distance), or add more value of attending games (e.g., chances to win prizes or meet with players) could potentially help to increase long-distance travelers' willingness to attend games. These results also implied that to reduce the ticket price might not be the best idea to attract fans that think the cost of attending games is high, since they might be fans that are more worried about extra expenses (e.g., travel cost).

Another thing to be noticed is that the two schools also showed significant difference in the associative power and interactivity. Thus, it cannot be ruled out that these two alternative explanations that could potentially contribute to the difference of schools on the dependent measures (perceived value, perceived risk, and purchase intention). Participants from school two felt more associated with the team by purchasing the ticket package and they also felt more flexibility looking at the same ticket package. One possible explanation could be that participant from school one were already more used to having the team in the neighborhood and have seen more of the promotions from the team. Thus, they might not feel more associated with the team by purchasing the ticket, and they might have higher expectation to have more flexible options on tickets.

Teams make effort to build long term relationship with their fans. However, from a fan's perspective, a longer relationship could mean a bigger commitment. MANCOVA results in this study revealed that after controlling for team identification level, relational ticket package showed a significantly lower perceived value and a significantly higher perceived risk. The higher flexibility in relational packages did not turn into higher utility as hypothesized. Part of the reason could be that the utility dimension of the value construct did not fit well in the context of event tickets as indicated earlier. On the other hand, the higher perceived risk is as predicted earlier since relational packages do require a higher commitment. Results from the univariate analyses provided more detail information about the difference. As seen in Table 4-9, relational ticket packages were significantly lower in affective benefit but significantly higher in the dimensions of cost and performance risk. The design of the relational package is usually a membership program that enables fans to preload a certain amount of money (\$140 in the study) to be used for future purchase. In contrast to that, transactional package provides customer a more vivid option that has dates and images of real games, which may generate a higher adaption level in the mind of consumer. According to the prospect theory, losses are more influential than gains and this influence would be strengthened by the adaption level (Hoch & Loewenstein, 1991). This difference in the adaption level may cause a reference point shift and give the consumer a higher desire and loss aversion for the package. The information about games (dates, time, and opponents) included in the transactional package could remind fans the enjoyment watching these teams and as a result increase the affective benefit.

Another potential explanation of the lower purchase intention on relational packages could be the fact that fans are not familiar of this relatively newer ticketing strategy. Although the Philadelphia 76ers and the Denver Nuggets have adopted this particular form of strategy for more than one year (STADIS, 2012), it is still not a common option for NBA fans. Consumers of other NBA teams might not have enough knowledge of loaded tickets. This unfamiliarity or lack of understanding may be one of the potential sources of high perceived risk and low purchase intention. A follow-up examination on the comparison of fans with different level of familiarity of relational ticket bundling strategies could help to test this hypothesis. Nonetheless, the type of ticketing package definitely could help teams to build a continuing relationship with their fans and benefit each other in long term. Before seeing the advantage of this strategy, teams have to put more effort on educating their fans as well as being patient on the returns.

The higher cost and performance risk for the relational package were expectable. In the ad of the relational package, fans were told the credits they put into the account could be used for any purchase (e.g., tickets, team merchandise, foods and drinks) on the team's website or inside the arena. These descriptions could potentially remind fans about the extra cost associated with being a fan of team are high that in turn reflect a higher perceived cost. Similar to the reason of lower affective benefit, not knowing which games they are buying, relational package make fans to think more on the home team. As a result, fans might worry that they lost their interest of the team in the future if the team did not perform as expected. In the contrast, time and social risk was not an issue for fans purchasing relational package, since they can decide which games to go to without limitations. One thing to notice from these results is that both affective benefit and performance risk are closely related to the game experience of fans. If fans were not satisfied in

their past experience or could not expect the team to play well in the future, the perception of the ticket package would not be good. Fans would prefer transactional package over relational package as they are more attracted by visiting teams rather than the home team. It is reasonable to expect a different result if the survey was taken in different city targeting different NBA franchise. This proposition could be partly supported by the significantly low team identification of participants in the study (Mean = 2.67). One limitation of this finding is the student sample used in this study. Not every university student grew up in local areas and many of them might not permanently live in local areas after graduation, it could be more difficult for them to build identification to a professional team. This would be especially true if the athletic department in the university is an elite program. Therefore, many of the findings and previous discussions could be questionable when it comes to general public. Again, it is suggested that future study could focus on the discussion on different populations.

Unexpectedly, no significant difference was found between different interactivity levels on all the dependent measures. Increased flexibility incorporated in the ticket packages did not generate higher perceived value, lower perceived risk, and higher purchase intention as hypothesized. One possible reason could be that the flexibility designed for the ticket packages were not what fans wanted for. Fans in the customized group could only choose one of the three most popular teams in the NBA along with four other games from different popularity levels to be included in the package. Comparing with the predefined group, the flexibility was increased, but not much. Fans in the predefined group could still choose one of the three most popular teams but four other games included in the package were fixed. It seems that fans were expecting to pick five of their favorite games to be incorporated in the package. However, from teams'

perspective, they want to package high-demand games with low-demand games to increase the overall attendance. Allowing fans to freely select any games for a package might be able to generate higher perceived value and higher purchase intention, but it would largely reduce the benefit of selling tickets as packages. Good news for teams is that if a moderate amount of flexibility could not generated expected results, they should feel fewer pressure putting games that have lowest demand into packages.

Consistent with findings in literature review, team identification, perceived value, and perceived risk were all significant predictor of fans purchase intention. Team identification once again proved to be one of the most important antecedents of purchase intention of team related product (Fisher & Wakefield, 1998; Laverie & Arnett, 2000; Pease & Zhang, 2001; Trail et al., 2003; Zhang et al., 2001). Team identification was also found significantly related to affective benefit ($\beta = .25$), perceived cost ($\beta = -.13$), and consumption risk ($\beta = -.16$). Apparently, higher identified fans enjoy games more, perceive lower cost, and more able to find time and friends to attend games. Comparing results from zero-order correlations and the multiple regression, team identification could potentially play a mediating role between performance risk and purchase intention. Actually, more potential interaction between team identification and all the dimensions of perceived value and perceived risk could exist and require future research to be devoted on this issue. As Chang and Tseng (2011) indicated, perceived risk could potentially be a moderator between perceived value and purchase intention. Although many studies have been done on building the theoretical structure of the constructs of perceived value and perceived risk as well as on finding the theoretical relationship between these constructs, how they interact in the context of event ticket consumptions mostly remains unknown and need more attention. Future

studies could try to build a path model among all these dimensions and eventually do a model comparison to find out the best theoretical structure for these constructs. The result could significantly contribute to marketing, ticketing and many other aspects of the operation of spectator sport events.

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APPENDIX A
SAMPLE OF QUESTIONNAIRE
COVER PAGE

February 18, 2013

Dear participants:

To show the appreciation of your support, the Atlanta Hawks organization is trying to create a brand new ticket promotion package for the local community. On the next page is a draft of this new ticket package that was specially designed for you. However to better fulfill your needs, we are interested in how you perceive and respond to our new offer. So, please read the benefit provided by the ticket package in the flyer next page and fill the questionnaire in following pages. Your feedback is sincerely appreciated and extremely valuable for the Atlanta Hawks organization.

Please do not communicate with the person next to you or include your name or identification number on the survey instrument. It will take approximately 10 to 15 minutes to complete. There are no physical and psychological risks associated with participating in completing this questionnaire. Upon completion, please return the questionnaire to the survey administrator.

Please feel free to contact me if you have any questions about this study. Thank you!

Sincerely yours,

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SAMPLE OF QUESTIONNAIRE

FLYER

Transactional, Predefined



The flyer features the Atlanta Hawks logo on the left. The main title is "ATLANTA HAWKS 2012-13 FLEX PLANS" in large white letters on a dark blue background. Below the title, there are images of two tickets and the slogan "GET THE BEST SEATS | GAMES | PRICES". A basketball player in a white Hawks jersey is shown on the right side. The central text reads: "Flex Plans are on sale now! Don't miss the Miami Heat, LA Lakers, Oklahoma City Thunder and more this season at the Highlight Factory! Five Games For Just \$140!! A Savings of 30%!!". Below this, there are three columns of game information: "THUNDER FIVE", "HEAT FIVE", and "LAKERS FIVE". Each column lists five games with dates and times. At the bottom, a bullet point states: "You'll get significant savings compared to single game pricing PLUS playoff priority for the 2013 NBA Playoffs. Don't wait, lock in the best seats to the best games today!".

ATLANTA HAWKS 2012-13 FLEX PLANS

GET THE BEST
SEATS | GAMES | PRICES

➤ Flex Plans are on sale now! Don't miss the Miami Heat, LA Lakers, Oklahoma City Thunder and more this season at the Highlight Factory!

Five Games For Just \$140!! A Savings of 30%!!

THUNDER FIVE	HEAT FIVE	LAKERS FIVE
Tue, 10/02/12 7:00 PM Hawks vs Pacers	Tue, 10/02/12 7:00 PM Hawks vs Spurs	Thu, 10/04/12 10:00 PM Hawks vs Celtics
Thu, 10/04/12 7:00 PM Hawks vs Celtics	Wed, 10/03/12 7:00 PM Hawks vs Cavaliers	Wed, 10/03/12 10:00 PM Hawks vs Lakers
Sun, 10/07/12 7:00 PM Hawks vs Bulls	Wed, 10/03/12 10:00 PM Hawks vs Heat	Wed, 10/03/12 7:00 PM Hawks vs Cavaliers
Wed, 10/03/12 7:00 PM Hawks vs Tigers	Tue, 10/02/12 7:00 PM Hawks vs Nets	Wed, 10/03/12 7:00 PM Hawks vs Raptors
Wed, 10/03/12 10:00 PM Hawks vs Thunder	Thu, 10/04/12 7:00 PM Hawks vs Suns	Thu, 10/04/12 10:00 PM Hawks vs Hornets

➤ You'll get significant savings compared to single game pricing PLUS playoff priority for the 2013 NBA Playoffs. Don't wait, lock in the best seats to the best games today!

- This package includes one game vs. Miami Heat, LA Lakers, or Oklahoma City Thunder and other 4 games that you want - all at a discounted price.
- By purchasing this package, you will be able to select one of the three most valuable ticket plan (Thunder Five, Lakers Five, or Heat Five).
- The total value of the five tickets is \$200, and is on sale for \$140 (a 30% discount on price).

PLEASE answer the following questions about the ticket package:

<i>Items</i>	<i>Scale</i>	
How do you think about the value of the ticket package?	Strongly Disagree	Strongly Agree
(1) The ticket package is reasonably priced.	1 2 3 4 5 6 7	
(2) I would enjoy the games and benefits included in this package.	1 2 3 4 5 6 7	
(3) People who are important to me would be interested in this ticket package.	1 2 3 4 5 6 7	
(4) Extra costs associated with going to these games are high.	1 2 3 4 5 6 7	
(5) The ticket package would save me time and effort if I were looking to buy tickets.	1 2 3 4 5 6 7	
(6) I would feel good about my purchase if I were to take advantage of the price-deal included in this ticket package.	1 2 3 4 5 6 7	
(7) Likely it will take a lot of my effort to attend so many games.	1 2 3 4 5 6 7	
(8) The quality of games and benefits included in the ticket package are good.	1 2 3 4 5 6 7	
(9) The ticket package has what I want if I were looking to buy tickets.	1 2 3 4 5 6 7	
(10) I would enjoy the games and benefits in this package with friends.	1 2 3 4 5 6 7	
(11) Games and benefits included in the ticket package would be ones that I enjoy.	1 2 3 4 5 6 7	
(12) For me the costs of time, money, and effort to attend these games are high.	1 2 3 4 5 6 7	
(13) Having this ticket package would make a good impression on other people.	1 2 3 4 5 6 7	
(14) How much of a discount should you expect if you purchase this ticket package? _____%		

<i>Items</i>	<i>Scale</i>	
What is your concern about this ticket package?	Strongly Disagree	Strongly Agree
(15) Purchasing this ticket package could involve significant financial losses.	1 2 3 4 5 6 7	
(16) Friends may not have time to go to these games.	1 2 3 4 5 6 7	
(17) I may not have time to go to these games.	1 2 3 4 5 6 7	
(18) The potential expenses associated with purchasing this ticket package could be substantial.	1 2 3 4 5 6 7	
(19) I may not find people to go with me to the games.	1 2 3 4 5 6 7	
(20) I am concerned that the package may not provide the level of benefits I would expect if I were to purchase it.	1 2 3 4 5 6 7	
(21) As I consider purchasing this ticket package, I worry about whether the game will be really worth as well as it is supposed to.	1 2 3 4 5 6 7	
(22) Purchasing tickets separately from the secondary ticket market might be cheaper.	1 2 3 4 5 6 7	
(23) I may not get what I want from purchasing this ticket package.	1 2 3 4 5 6 7	
Are you a Hawks fan?	Strongly Disagree	Strongly Agree
(24) I often display the Hawks name or insignia at my workplace, home, or on my clothing.	1 2 3 4 5 6 7	
(25) I feel a sense of pride when people compliment the Hawks.	1 2 3 4 5 6 7	
(26) I feel sadness when the Hawks lose a game.	1 2 3 4 5 6 7	
How much do you think about purchasing the ticket package?	Strongly Disagree	Strongly Agree
(27) If I were to attend a Hawk's game, I would consider buying this ticket package.	1 2 3 4 5 6 7	
(28) Next time, when I want to attend a Hawk's game, I will choose this ticket package.	1 2 3 4 5 6 7	
(29) If I were to attend a Hawk's game, the probability of buying this ticket package is high.	1 2 3 4 5 6 7	

How do you feel about this ticket package?	
(30) The design of the flyer is: (1.very appealing / 7. not appealing at all)	1 2 3 4 5 6 7
(31) The design of the flyer is: (1. very attractive/ 7. very unattractive)	1 2 3 4 5 6 7
(32) By purchasing this ticket package, the relationship I would build with the Hawks is: (1. strong/7. weak).	1 2 3 4 5 6 7
(33) By purchasing this ticket package, the length of time I would associate with the Hawks is: (1. very short/ 7. very long)	1 2 3 4 5 6 7
(34) The ticket package (1. allows/ 7. does not allow) fans to choose what they want.	1 2 3 4 5 6 7
(35) The ticket package is (1. very flexible/ 7. inflexible).	1 2 3 4 5 6 7

Please provide the following information by filling out a blank or circling an answer.

1. What was the price of this ticket package? _____
2. Gender: a. male b. female
3. Age: a. 18-21 b. 22-25 c. 26-30 d. 31-35 e. 36-40 f. 41+
4. Ethnicity: a. Caucasian b. Hispanic c. Asian d. African-American
e. American Indian f. mixed ethnicity or other _____
5. Transportation distance from your place to the Philips Arena:
a. within 10 miles b. 11-30 miles c. 31-50 miles d. 51-70 miles
e. more than 71 miles
6. Are you a season ticket holder? a. Yes b. No
7. How many Hawks' games did you attend last season?
a. 0 b. 1-2 c. 3-5 d. 6-10 e. 11-20 f. 21+

SAMPLE OF QUESTIONNAIRE

FLYER

Transactional, Customized

ATLANTA HAWKS 2012-13 FLEX PLANS

GET THE BEST SEATS | GAMES | PRICES

➤ *Flex Plans are on sale now! Don't miss the Miami Heat, LA Lakers, Oklahoma City Thunder and more this season at the Highlight Factory!*

Five Games For Just \$140!! A Savings of 30%!!

Build your own customized Hawks Mini Plan
Pick one game from the platinum level, one game from gold level, and three games from the silver level by your preference

PLATINUM	GOLD	SILVER
<p>WED 10:00 PM Hawks vs Thunder</p> <p>WED 10:00 PM Hawks vs Heat</p> <p>WED 10:00 PM Hawks vs Lakers</p>	<p>WED 10:00 PM Hawks vs Celtics</p> <p>THU 10:00 PM Hawks vs Bulls</p> <p>THU 10:00 PM Hawks vs Nets</p> <p>WED 10:00 PM Hawks vs Hawks</p>	<p>WED 10:00 PM Hawks vs Pistons</p> <p>THU 10:00 PM Hawks vs Pacers</p> <p>THU 10:00 PM Hawks vs Cavaliers</p> <p>WED 10:00 PM Hawks vs Bucks</p> <p>THU 10:00 PM Hawks vs Magic</p> <p>THU 10:00 PM Hawks vs Trail Blazers</p> <p>THU 10:00 PM Hawks vs Grizzlies</p> <p>THU 10:00 PM Hawks vs Cavaliers</p> <p>THU 10:00 PM Hawks vs Timberwolves</p> <p>THU 10:00 PM Hawks vs Hornets</p>

➤ You'll get significant savings compared to single game pricing PLUS playoff priority for the 2013 NBA Playoffs. Don't wait, lock in the best seats to the best games today!

- This package includes one game vs. Miami Heat, LA Lakers, or Oklahoma City Thunder and other 4 games that you want - all at a discounted price.
- By purchasing this package, you will be able to select five of your favorite games (one from the platinum level, one from the gold level, and three from the silver level).
- The total value of the five tickets is \$200, and is on sale for \$140 (a 30% discount on price).

PLEASE answer the following questions about the ticket package:

<i>Items</i>	<i>Scale</i>	
How do you think about the value of the ticket package?	Strongly Disagree	Strongly Agree
(1) The ticket package is reasonably priced.	1 2 3 4 5 6 7	
(2) I would enjoy the games and benefits included in this package.	1 2 3 4 5 6 7	
(3) People who are important to me would be interested in this ticket package.	1 2 3 4 5 6 7	
(4) Extra costs associated with going to these games are high.	1 2 3 4 5 6 7	
(5) The ticket package would save me time and effort if I were looking to buy tickets.	1 2 3 4 5 6 7	
(6) I would feel good about my purchase if I were to take advantage of the price-deal included in this ticket package.	1 2 3 4 5 6 7	
(7) Likely it will take a lot of my effort to attend so many games.	1 2 3 4 5 6 7	
(8) The quality of games and benefits included in the ticket package are good.	1 2 3 4 5 6 7	
(9) The ticket package has what I want if I were looking to buy tickets.	1 2 3 4 5 6 7	
(10) I would enjoy the games and benefits in this package with friends.	1 2 3 4 5 6 7	
(11) Games and benefits included in the ticket package would be ones that I enjoy.	1 2 3 4 5 6 7	
(12) For me the costs of time, money, and effort to attend these games are high.	1 2 3 4 5 6 7	
(13) Having this ticket package would make a good impression on other people.	1 2 3 4 5 6 7	
(14) How much of a discount should you expect if you purchase this ticket package? _____ %		

SAMPLE OF QUESTIONNAIRE

FLYER

Relational, Predefined



The flyer features the Atlanta Hawks logo on the left, a basketball player in a white jersey with the number 15 on the right, and a central text area with a blue background and white text. The text includes the title 'ATLANTA HAWKS 2012-13 FLEX PLANS' and a promotional offer. A 'GET THE BEST SEATS | GAMES | PRICES' badge is also present.

**ATLANTA HAWKS 2012-13
FLEX PLANS**

GET THE BEST
SEATS | GAMES | PRICES

The Hawks Sky PASS is now available. A preloaded \$200 credit PLUS one year membership For Just \$150!

- *The Hawks SKY PASS is a membership reward program specially designed for Hawks fans.*
- *Exclusive member promotions, giveaways, and in-game entertainment experiences every game.*
- *5% off on any purchase in Philips Arena and Hawks.com*
- *Don't miss the Miami Heat, LA Lakers, Oklahoma City Thunder and more this season at the Highlight Factory!*
- *For much more benefits, please see the attached document, or go to Hawks.com.*
- *You'll get significant savings compared to single game pricing PLUS playoff priority for the 2013 NBA Playoffs. Don't wait, lock in the best seats to the best games today!*

- By paying \$150 (price including a \$10 annual membership fee) for this ticket package, you own the SKY PASS with a preloaded \$200 credit for a discount price at \$140 (30% off) plus following benefits.
- Exclusive Member promotions, giveaways, and in-game entertainment experiences every game.
- 5% off products and service provided in the Philips Arena and Hawks website.
- Dedicated Account Manager assigned to each account
- Savings on seats from single-game prices and Priority seat selection
- Playoff priority and the priority buy ticket for platinum level games
- Exclusive Member events to meet with Hawks players
- Exclusive Member email with special offers

PLEASE answer the following questions about the ticket package:

<i>Items</i>	<i>Scale</i>	
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The flyer features the Atlanta Hawks logo on the left, a large blue banner with the text "ATLANTA HAWKS 2012-13 FLEX PLANS" in the upper right, and a "GET THE BEST SEATS | GAMES | PRICES" badge. A basketball player in a white Hawks jersey is shown on the right. The main text and list of benefits are on the left side of the flyer.

The Hawks Sky PASS is now available. A preloaded \$200 credit PLUS one year membership For Just \$150!

- *The Hawks SKY PASS is a membership reward program specially designed for Hawks fans.*
- *Every dollar you spend with SKY PASS will turn into your reward points!*
- *5% off on any purchase in Philips Arena and Hawks.com*
- *Don't miss the Miami Heat, LA Lakers, Oklahoma City Thunder and more this season at the Highlight Factory!*
- *For much more benefits, please see the attached document, or go to Hawks.com.*
- *You'll get significant savings compared to single game pricing PLUS playoff priority for the 2013 NBA Playoffs. Don't wait, lock in the best seats to the best games today!*

- By paying \$150 (price including a \$10 annual membership fee) for this ticket package, you own the SKY PASS with a preloaded \$200 credit for a discount price at \$140 (30% off) plus various benefits of your choice.
- Turn every dollar you spend with SKY PASS into points; points can be used to purchase products and service provided in the Philips Arena and Hawks website.
- 5% off products and service provided in the Philips Arena and Hawks website.
- Dedicated Account Manager assigned to each account
- Savings on seats from single-game prices and Priority seat selection
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